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Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

# HOUSE OF REPRESENTATIVES

MONDAY, JUNE 11, 1962

The House met at 12 o'clock noon.

Rev. Frank A. Erwin, minister, the Little Falls Church, Arlington, Va., offered the following prayer:

Our gracious Heavenly Father, we pause as Thy children on this day which Thou hast made and pray in behalf of this Congress of our United States. Direct their deliberations to the end that they may be true and pure; constantly remind them of their integrity, that their thoughts may be compassionate and their actions unselfish.

In the name of our Lord we invoke this blessing. Amen.

## THE JOURNAL

The Journal of the proceedings of Thursday, June 7, 1962, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2833. An act for the relief of Franziska Aloisia Fuchs (nee Tercka);

H.R. 3247. An act to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section;

H.R. 3595. An act for the relief of Anna Isernia Alloca;

H.R. 3633. An act for the relief of Angelina Rainone;

H.R. 3714. An act for the relief of Janina Maciejewska;

H.R. 4655. An act for the relief of Adele Anis Mansour;

H.R. 6330. An act for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children;

H.R. 6695. An act to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes;

H.R. 7061. An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes; and

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6967. An act to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes;

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes; and

H.R. 10502. An act for the relief of James B. Troup.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 367. An act to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel;

S. 1605. An act to authorize the Federal Power Commission to delegate its functions;

S. 2164. An act to authorize the Secretary of the Interior to cooperate with the First World Conference on National Parks, and for other purposes;

S. 2455. An act for the relief of Mrs. Elizabeth Lovic;

S. 2614. An act for the relief of Mr. and Mrs. Alfredo Hua-Sing Ang;

S. 2686. An act for the relief of Stepanida Losowskaja;

S. 2692. An act for the relief of Armand Seri;

S. 2699. An act for the relief of Roswitha Seib;

S. 2711. An act for the relief of Tasia Demetropoulou (Dimitropoulos);

S. 2837. An act for the relief of Konstantinos P. Theodoropoulos;

S. 2855. An act for the relief of Weng Chiew Wong and Moy Chong Wong;

S. 2862. An act for the relief of Mai Har Tung;

S. 2872. An act for the relief of Wen Tang;

S. 2904. An act for the relief of Stefan Zappel;

S. 2994. An act for the relief of Olaf Schaetzle Bonde (also known as Olaf Carl Schaetzle);

S. 2996. An act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes;

S. 2999. An act for the relief of Kang Soon Yang;

S. 3025. An act to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company; and

S. Con. Res. 76. Concurrent resolution withdrawing suspension of deportation of Ioannis Constantelias.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1745. An act to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia.

The message also announced that the Vice President has appointed Mr. JOHNSTON and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 62-19.

## SUBCOMMITTEE ON IRRIGATION AND RECLAMATION OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. OLSEN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

## WOMAN'S RIGHT TO EQUAL PAY FOR EQUAL WORK

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the Equal Pay Act of 1962 seeks wage justice for working men and women. What that really means is that employers will be prohibited from paying women smaller wages for doing the same or comparable work as men.

There is no need to debate a woman's right to be paid on an equal basis with a man, when her job is the same as his; because that right is self-evident.

We are concerned in this bill, with legislation that will educate, and require employers to honor that right. In this free country, and in this modern age, there are areas where the dead hand of the past, its prejudices and its outmoded customs hold back progress.

When woman first entered the labor market, she became the victim of exploitation. Unscrupulous employers took advantage of her patience, her willingness to work, her distaste for fighting back. The male, seeing that woman could do many jobs just as well or even better than man, decided to put her in her place by paying her less than a man for the same type of work.

With 24½ million women now in the labor force, they have become indispensable to economic progress. Wage discrimination that tries to keep them in an inferior status is unjust, out of date, and productive of the resentment that undermines the morale and the efficiency of women workers.

Offending employers must be persuaded or required to abandon these discriminatory practices by means of the Equal Pay Act of 1962.

Public opinion in support of this bill is almost unanimous, as reflected in the testimony given before the Committee on Education and Labor. It indicates that the proposed remedy is long overdue.

The prohibitions to eliminate wage differentials based on sex are directed to employers engaged in commerce or in the production of goods for commerce and are concerned solely with the treatment that an individual employer accords his own employees. It is not intended that any comparison will be made between the wage practices of different employers.

Three acts of discrimination are prohibited:

First. Any covered employer would be forbidden to pay wages to any employee at a rate less than the rate at which he pays wages to any employee of the opposite sex for work of comparable character on jobs the performance of which require comparable skills.

Higher wage rates to employees of one sex than the opposite sex for comparable work involving comparable skills, which are made pursuant to a seniority or merit increase system or bona fide job classification program, do not constitute discrimination on the basis of sex.

Second. An employer within the scope of this act is also forbidden to reduce the wage of any employee for the purpose of eliminating the prohibited differential in wage rates. This means that an employer may not subvert the effect of the proposal by cutting the wage rate of those employees receiving a higher wage rate than the employee entitled to equal wage rates under the mandate of H.R. 11677.

Third. Finally, employers are prohibited from discharging or discriminating against any employee for any action taken to invoke, enforce, or assist in the enforcement of the proposal.

It is the intent of H.R. 11677, unless voluntary restitution and compliance has been achieved, that the rights which it creates will be achieved only through the remedies of court action initiated by the Secretary of Labor under section 6, and it is so provided in section 6(h).

The proposal in section 9 imposes on employers subject to the act the duty of posting excerpts from the act and regulations issued thereunder on their premises in order to inform employees of their rights under the act.

In major respects, the definition of "employer" is the same as that contained in the Fair Labor Standards Act; however, it should be noted that this definition excludes from the term "employer" any person having fewer than 25 employees.

Such sums as may be necessary to carry out the provisions of this act are authorized to be appropriated, except that for the fiscal year ending June 30, 1963, not in excess of $1,500,000 is authorized.

Equal pay for equal work is essential for the development of economic democracy, and to provide incentives for more women to contribute their skills to our Nation's economic progress.

## STATEMENT OF COMMISSIONER OF INTERNAL REVENUE

Mr. **HARSHA**. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. **HARSHA**. Mr. Speaker, several days ago I was advised the Commissioner of Internal Revenue Service made the statement before the Farm Editors Association that the American farmer failed to report an estimated $4 billion a year in taxable income.

In my opinion this was a rather serious charge against the American farmer. Having had the pleasure of meeting Mr. Caplin, a man who, in my opinion, is one of the most qualified appointees of this administration, I wrote to Mr. Caplin asking him for either an apology or a clarified statement. The Commissioner promptly answered my inquiry stating that he had been quoted out of context. He provided me with an outline of his remarks which did not contain any such charge and an excerpt from his speech.

I am including at this point in the RECORD Mr. Caplin's letter to me and the excerpt which he provided just to set the record straight:

MAY 23, 1962.

Hon. WILLIAM H. HARSHA,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN HARSHA: I believe you have been misinformed regarding my remarks before the Farm Editors Association. As the enclosed excerpt from the transcript of my speech and a copy of the outline I used will bear out, I did not state the American farmers fail to report an estimated $4 billion a year in taxable income.

I did refer to $12 billion in unreported business and farm profits. The overall revenue gap figures were used to give the audience some idea of the dimensions of the problem and in this way heighten the significance of the essential theme of my talk—our new broad-based plan to work with farmers in an effort to further improve the quality of reporting by farmers.

Last December, in a speech in Des Moines entitled "Tax Administration and the American Farmer," I did cite figures in an attempt to separate the unreported farm profits from the unreported business profits. At that time I made it eminently clear that we do not "have accurate figures * * * but some of our studies would indicate that the farm gap is in the neighborhood of $5 billion a year—or an estimated annual revenue loss of approximately $1 billion." I further stated: "I won't attempt to defend this figure and it may be too high. Yet, it is reflected in some of the studies that have been made."

The main basis of the $5 billion figure is the comprehensive paper on "Coverage of Entrepreneurial Income on Federal Tax Returns" prepared for the House Ways and Means Committee in 1959 by Dr. C. Harry Kahn of Rutgers University and the National Bureau of Economic Research. (Pp. 1439–1459 of the Tax Revision Compendium, published by that committee.)

Even though Dr. Kahn's work in this area is highly regarded, I stressed in my Des Moines speech that the Service would not attempt to defend the $5 billion figure. Unfortunately, my remarks were taken out of context at that time in certain newspaper stories. I made no breakdown of the $12 billion of unreported business and farm income in my speech before the Farm Editors Association.

I hope, Congressman, that this answers your questions and that the copy of my Des Moines speech, as well as the outline and excerpt from the farm editor's speech, will set the record straight about the Service's thinking regarding underreporting and some of the things we are doing about it. As you can see from the tenor of both of my speeches regarding tax compliance by the farm community, I am gratified and encouraged by the improving trend. I believe the root of the problem with farmers is certainly not tax evasion, but inadequate information regarding not only their obligations, but their rights under the tax laws. If there is anything more in this regard that I can do, please feel free to call.

Sincerely,

MORTIMER M. CAPLIN,
*Commissioner.*

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### EXTRACT FROM NATIONAL NEWSPAPER FARM EDITORS' ASSOCIATION, MAY 14, 1962

I was asked to testify before Mr. MCCLELLAN's committee about 8 months ago, and he raised the question, What is the revenue gap in this country? Well, we have some estimators in the Treasury Department, and have called in many outside consultants. The income gap—and let's be clear about this—the amount of income, not tax, the amount of income unreported is about $24.4 billion. And $24.4 billion, translated into tax, that's close to $5 billion a year revenue loss. Remember our gross is about $95 billion and there's about $5 billion more that the Treasury estimators think ought to be collected.

Now, how does this break down? Almost 50 percent of the gap—and that's on income—about 50 percent of that $24.4 billion is from business and farm profits not reported, about $12 billion. In other words, your people—the people that you're talking about and writing about—are linked in one of the biggest revenue gaps we have in the law. The second big category is $6.5 billion in unreported wages and salaries, and that's with withholding. The next big category is interest and dividends—almost $4 billion. And then it goes into some $600 million in annuities and about a billion and a half miscellaneous rent, royalties, and capital gains not reported. That adds up to about $24½ billion.

This, obviously, must be of concern to us, To the extent that one segment of the public—some individuals—are not paying their tax, someone else has to foot the bill. There was a real concerted drive within the administration, before the Berlin crisis, to plan for tax reduction. Now the whole foundation for tax reduction, of course, depends upon the state of our national needs and our economy. But to the extent that there's $5 billion not being collected, you are footing that bill and denying yourself the potential of a tax reduction, and perhaps, sometimes, a tax increase if the demands of the day call for this.

## THE EFFECT OF AUTOMOBILE EXHAUST FUMES ON PUBLIC HEALTH

**Mr. SCHENCK.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

**The SPEAKER.** Is there objection to the request of the gentleman from Ohio?

There was no objection.

**Mr. SCHENCK.** Mr. Speaker, a Special Subcommittee on Highway Traffic Safety was authorized by this House of Representatives early in 1956 and our distinguished colleague, the Honorable Kenneth Roberts, was appointed chairman. It has been my privilege, Mr. Speaker, to serve with the gentleman from Alabama [Mr. Roberts] and our colleagues since the origin of this committee, although the name of the committee was changed several years ago to the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce.

Under the very capable leadership of our chairman, the gentleman from Alabama [Mr. Roberts], many achievements in the field of automobile and traffic safety have been achieved. Some have been achieved through the approval of legislation, but very important achievements have resulted from the cooperation within the industry itself, its engineers, and allied organizations.

Mr. Speaker, the Surgeon General of the U.S. Public Health Service today has submitted to Congress a report on automobile exhaust fumes in compliance with Public Law 86–493, known as the Schenck Act.

Public Law 86–493, signed into law June 8, 1960, directed the Surgeon General to make a study and report to Congress within 2 years of the effect of automobile exhaust fumes on the public health.

This legislation grew out of a highway accident study made in 1956 by the Special Subcommittee on Traffic Safety, of which I was a member. First, we heard testimony on the subject in Dayton, Ohio, when Dr. Robert E. Zipf, president of the Ohio Coroner's Association, suggested the need for a research program. Then, we observed research in progress by the automobile industry in Detroit. After studying the rather meager available data on the subject, I introduced legislation which became Public Law 86–493.

Although much of the information contained in the report filed today is based on studies still in progress, the report clearly indicates that pollutants discharged into the air by automobiles, trucks, and buses have harmful effects on man, vegetation, and many materials. Referring to research on laboratory animals exposed to ozonized gasoline and influenza infection, the report states:

> It would appear, therefore, that there is evidence that air pollutants, related to vehicular emissions, play a role, at least as a cofactor, in the production of lung cancers under these conditions.

Although extensive further study of the problem is needed, the Surgeon General does not favor waiting until that research is completed before trying to do something.

> As in other problems affecting the public health—

The Surgeon General says in his report—

> it is important that, as needed research proceeds on the problem of pollution emissions from motor vehicles, all practicable steps be taken to minimize such pollution rather than waiting until the results of needed research are available.

The report represents intensive study by leading experts in the field.

After enactment of Public Law 86–493, physicians, engineers, and scientists of the Public Health Service's Division of Air Pollution immediately began preparations for the comprehensive research called for in the legislation. New facilities and equipment had to be designed and constructed, including a completely new laboratory to permit study of the effects of irradiated exhaust on animals. The artificial irradiation of vehicle exhaust produces a smog similar to that produced in the open air when sunlight reacts with pollutants from motor vehicles.

To carry out other aspects of the study, contracts were awarded for a number of research studies, including a joint project with the Los Angeles County Air Pollution Control District and the University of Southern California to study health effects produced in animals exposed to the air near heavily traveled throughways in Los Angeles.

Another project at Wayne State University in Detroit was concerned with the effects on laboratory animals of exhausts piped from a busy city street.

Other universities and research organizations participated. Research included studies on animals, human beings, plants, bacteria, and insects.

In addition, a new continuous air-monitoring program was established, which insures automatic and continuous collection and analysis in eight cities of seven gaseous pollutants emitted by motor vehicles.

In a letter transmitting the report, Dr. Luther Terry, the Surgeon General, points out:

> Of necessity, a longer period of time will be required to obtain the quantitative research information needed to serve as a basis for equitable and appropriate judgments as to the limitation of discharges of various pollutional substances from motor vehicles. Much of the needed work for this purpose is now underway or is planned to be undertaken during the next several years.
>
> Because results of research to date have provided evidence of a qualitative nature that automobile emissions do produce effects on human beings and other biological systems, the Public Health Service will accord a high priority to the additional research work which is needed.

We have known for several years that some of the pollutants discharged from motor vehicles could affect health and cause economic damage. It is known that damage to agriculture from auto exhaust costs many millions of dollars. To determine, however, the extent of the actual damage to people, plants, and property is an exceedingly complex problem. Merely to measure the amounts and kinds of pollutants discharged by the average automobile is extremely difficult. The manner in which an automobile is driven, the condition of its engine, the composition of its fuel—these and many other variables affect the output of potentially harmful pollutants. Another important factor is the chemical change which occurs when pollutants are exposed to sunlight. Photochemical reactions in the air are known to increase the degree of irritation and potential harmfulness of some pollutants.

I mention these to indicate the complexity of the problem. Until these and many other factors have been more fully explained, science will be handicapped in defining the precise extent to which motor vehicle pollution poses a threat to human health and welfare. Nonetheless, the report states:

> There is increasing evidence of objectionable levels of automotive pollution in a number of localities each year. As the number of cars adds up, the signs of trouble may be expected to multiply.

In transmitting the report, Dr. Terry points out that the motor vehicle is not the only source of air pollution. In many areas, he said, other sources are of greater consequence:

> The motor vehicle, is, however, an important pollution source throughout the country.

Dr. Terry added.

As the report states, one important first step to meet the problem already has been taken. The automobile industry has agreed to install "blowby" devices on all cars manufactured beginning in 1963. These devices, which trap and recirculate vapors otherwise discharged from the crankcase, will help to control the sources of about 25 percent of the hydrocarbon pollutants from autos.

The greater problem, however, and one for which an adequate solution has not yet been found is the pollution which comes from the tailpipes of more than 75 million motor vehicles now in use in this country. Dr. Terry urges that all organizations, both public and private, which have responsibilities relating to the problem of automotive exhaust accelerate their efforts toward solutions.

The report includes the following summary of conclusions:

> The adverse effects of air pollution are many and varied—ranging from economic damages, reduction of visibility, injurious effects on crops and animals, to illness and death in people. The precise role of emissions from motor vehicles in producing these adverse effects is far from fully defined. The presence in the air of pollutants originating from motor vehicles has been demonstrated beyond doubt. A large number of these polluting substances have undergone changes because of photochemical reactions produced in the air, and there is evidence that these reactions make many of the substances more highly reactive and possibly more injurious than they are when first emitted.
>
> Vegetation can be severely damaged by some of the substances produced by photochemical reactions. This has been demonstrated in the laboratory, using automotive emissions which have been irradiated. Damage of the same type is found in many areas of the United States. In these localities the presence of the suspected agents has been confirmed by measurements.

The significance of photochemical reactions is further emphasized by evidence from the laboratory that irradiated automotive exhaust produces more marked effects on experimental animals and on human subjects than does unirradiated exhaust.

Increasing public awareness of the importance of the air pollution problem has resulted in a rapidly augmented and expanded research program on the relationship of automobile emissions to the air pollution problem. Considerable effort and time were required to carefully plan and develop the expanded program. The time available for actual studies related to the biological effects of contaminants has been limited, and at this moment only preliminary study results are in hand. Nevertheless, on the basis of the studies thus far conducted, it is evident that components of automobile emissions produce biological effects. These include eye irritation in people, changes in pulmonary function, and reduction of spontaneous activity in animals, as well as damage to vegetation.

In addition, available statistical evidence also suggests possible relationships between illness and photochemical smog. There is, for example, a strong statistical association between air pollution and emphysema and there are indications that the clinical status of this disease is affected by photochemical pollution. The rising death rate ascribed to emphysema is a matter of real concern. Furthermore, the evidence with respect to the production of lung cancers is such as to require further study as expeditiously as feasible.

The results of research conducted to date have provided evidence of a qualitative nature that automobile emissions do produce effects on human beings and other biological systems. Further research studies will be required to develop quantitative information on these relationships.

The report runs to 518 typewritten pages and contains much information of value and interest, especially to scientists working in the air pollution field. It is planned to have the report printed and made available for general distribution as soon as possible. In the meantime, the only copy of the report available for inspection is in the office of the clerk of the Committee on Interstate and Foreign Commerce.

The letter accompanying the report follows:

Department of Health, Education,
and Welfare, Public Health
Service,
*Washington, D.C., June 7, 1962.*

Hon. John W. McCormack,
*Speaker of the House of Representatives,*
*Washington, D.C.*

Dear Mr. Speaker: I am pleased to submit a report, in three parts, entitled "Motor Vehicles, Air Pollution, and Health," prepared in compliance with the provisions of Public Law 86–483.

In accordance with that act the Public Health Service has undertaken, through its Division of Air Pollution, a thorough study for the purpose of determining, from the standpoint of human health, the amounts and kinds of substances which may be safely discharged to the air from motor vehicles. The report forwarded herewith includes discussion of various aspects of the problem and of studies which are underway or have been completed, and outlines progress which has been made toward solutions.

The motor vehicle has had great influence in changing the living habits of the population of this country in this century. A way of life has developed which could not be sustained without the flexibility of transportation afforded by the family automobile, the bus, and the truck. Inevitably, as it has reached its position of importance, the automobile has likewise brought problems. One of these is a threat of health through pollution of the air. The present seriousness of this threat is a question about which there is not unanimity of opinion. There is little question, however, that the pollution will intensify in the future as our increasing population puts ever more vehicles into operation, unless appropriate preventive steps are taken.

The motor vehicle is not the only source of air pollution. In many areas other sources are of greater consequence. The motor vehicle is, however, an important pollution source throughout this country.

The nature of the health problems associated with vehicular pollutant emissions are complex. Of necessity, a longer period of time than has been available since the enactment of Public Law 86–493 will be required to obtain the quantitative research information needed to serve as a basis for equitable and appropriate judgments as to the limitation of discharges of various pollutional substances from motor vehicles. Much of the needed work for this purpose is now underway or is planned to be undertaken during the next several years. Because results of research to date have provided evidence of a qualitative nature that automobile emissions do produce effects on human beings and other biological systems, the Public Health Service will accord a high priority to the additional research work which is needed. Similarly, other organizations, both public and private, which have responsibilities relating to this problem, should accelerate their efforts toward solutions. As further progress is made in the studies on this general subject by the Public Health Service, the results will be promptly reported and thus made available for public use and benefit.

As in other problems affecting the public health, it is important that, as needed research proceeds on the problem of pollution emissions from motor vehicles, all practicable steps be taken to minimize such pollution rather than waiting until the results of all the needed research are available. Some progress has already been made in the development of devices and procedures appropriate to these purposes and some steps are already being taken in their practical application. The Public Health Service will continue to use all available methods of cooperation, and coordination of its activities, with other organizations, public and private, engaged in research on the problems of pollution emissions from motor vehicles and the practical application of procedures for minimizing the effects of such pollution.

Sincerely yours,

Luther L. Terry,
*Surgeon General.*

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. Roberts] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ROBERTS of Alabama. Mr. Speaker, the gentleman from Ohio [Mr. Schenck], a very active and valuable member of the Subcommittee on Health and Safety, has made an outstanding contribution to public health by untiring efforts which have brought about the filing of this important report on automobile exhaust fumes by the Surgeon General.

The gentleman took a very active interest in this problem during the study of highway safety made in the 84th Congress by the Special Subcommittee on Traffic Safety, of which I was chairman.

He introduced legislation on the subject in the 85th Congress and the special subcommittee held hearings in which we developed very interesting and valuable information regarding unburned hydrocarbons emitted by motor vehicles.

These and subsequent hearings on motor vehicle safety resulted in enactment of Public Law 86–493 2 years ago.

The field of air pollution involves many highly technical and difficult problems. The report submitted by the Surgeon General is a great forward step in finding solutions to the automobile exhaust problem. A great deal of work has gone into the preparation of this report.

I want to take this opportunity to commend members of the Committee on Appropriations for their cooperation in making funds available for this study. The committee has given this problem a great deal of attention and has been very helpful, not only in providing funds but in forcefully calling attention to the need for action.

As pointed out in the report, a lot remains to be done. To make certain that this important work is carried forward, I am preparing an amendment to air pollution legislation now pending before the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce to give a clear expression of congressional intent that this research must go forward as rapidly as possible.

The Public Health Service has been very helpful. I want to commend Dr. Terry, the Surgeon General, and also Mr. Vernon G. MacKenzie, Chief, Division of Air Pollution, U.S. Public Health Service, for his contribution in directing this work.

I am sure we can depend on the Public Health Service for continued cooperation. To assist in obtaining the cooperative action needed to minimize air pollution from all sources, Surgeon General Terry has called a national conference on air pollution, the second of its kind to be sponsored by the Public Health Service, to be held in Washington on December 10–12, 1962.

Under the conference theme "Let's Clear the Air," more than 1,000 persons representing the scientific community, control agencies, and the general public will thoroughly examine the present extent of the air pollution problem and what must be done to resolve it through cooperative action. Out of this conference could come a national plan of action to restore and secure one of our most vital natural resources—clean, healthful air.

We all have heard a great deal about the smog problem in California. But smog is not confined to the California area. We have had more than a taste of it right here in the Washington area. Other areas know what smog is. It is agreed that automobiles are the principal uncontrolled source of the Los Angeles smog.

California is trying to do something about the problem. Seventy-five test drivers are now trying out various antismog mufflers. Within a year after the

State approves two satisfactory devices, all new automobiles sold in California must be equipped with one of these mufflers.

## LEGISLATIVE BUSINESS

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I should like to ask the distinguished majority leader if I am correct in my understanding that not even this bill, H.R. 11677, scheduled for consideration, is to be called up this afternoon?

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, that is correct.

Mr. GROSS. Well, is there no other business to come before the House today?

Mr. ALBERT. There is no legislative business today, but we do expect that bill to come up this week.

Mr. GROSS. Could not the Fryingpan or the farm bill or the increase in the debt ceiling be called up today, since this bill has been eliminated?

Mr. ALBERT. Well, the leadership always tries to program these bills to make it as convenient as possible for those who have the responsibility of the floor management of the bills, and on that basis the Arkansas bill had been programed for tomorrow and it will be called up tomorrow.

Mr. GROSS. I will say to the gentleman that we are fast approaching the middle of June, and I just do not see how this House is going to operate and get out of here before next Christmas if we are going to do nothing on Mondays.

Mr. ALBERT. I would like to advise the gentleman that it is the opinion of the leadership that we will have all of the bills programed in due order and that the House will adjourn at a reasonably early date.

Mr. GROSS. I hope the gentleman is right, but that is not what I am hearing by way of the newspapers and reports from the other body. We hear reports Congress may recess in September and come back after the election in November; in other words, to stage something in the nature of a lame duck session of the Congress.

The SPEAKER. The time of the gentleman from Iowa has expired.

## FEDERAL AID TO EDUCATION

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, our colleagues from the other side of the aisle, with considerable fanfare, have brought forward their platform for the coming congressional elections.

I, for one, welcome the challenge contained therein. As a partisan I am pleased. As an American I am disappointed.

Our colleagues, in their effort to play a carnival type shell game of seeming to be for, but actually of being against, have proposed a most outlandish education platform.

After paying lipservice to the fundamental tradition of local control, our friends state: "Selective Federal assistance is needed."

I suggest, Mr. Speaker, that if that policy prevails, every member of every local board of education might just as well resign. If the Republican policy is approved by the voters, we in this Chamber, together with the other body, will constitute a bicameral board of education.

Our Republican friends—if their platform has any meaning beyond Wendell Willkie's campaign oratory—would have educational policies for the Nation determined right here on Capitol Hill.

The Board of Regents of the State of New York, in a policy statement adopted at a meeting in Albany during May 24–25, said that selective Federal assistance inevitably involves a degree of Federal control, excessive administrative expenses, and the substitution of Federal educational judgments for those of State and local educational authorities.

Mr. Speaker, I for one am happy to campaign on this issue. I bow to no one in my interest in our boys and girls, as well as my desire to have the Federal Government assist in the support of education. I do not and will not claim for myself, nor my colleagues, the sagacity and the omnipotence to set educational policies for every school district in these United States.

I shall be proud to go to the people this fall with this proposition: "A vote for CLEVE BAILEY is a vote to preserve local control of education."

## RED AGGRESSION IN LAOS

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, with each passing day it is becoming more evident that the administration is directly responsible for Red aggression in Laos, and developing a Communist takeover of that pro-Western nation.

Since the State Department and White House personnel are engaged in a massive whitewashing job to hide actual conditions in Laos, I believe it to be in the public interest to restate some basic facts that cannot be refuted.

The Royal Lao Government, our ally, refused to submit to a coalition government which would, in effect, be Communist dominated. Ever since the advent of this administration, our State Department and especially Ambassador Harriman, have been instrumental in developing a policy that can be described as anti the pro-Western Lao Government. The most glaring part of this policy was to cut off financial aid which is forcing that Government to join the Communist-dominated coalition.

Suddenly, the State Department and the administration realize the dangerous situation that they have created, since complete control of Laos would give the Communists tremendous military, economic, and propaganda base with which to advance their drive into Thailand and South Vietnam. The situation is so dangerous and so apparent that the administration has physically committed units of our Armed Forces to the defense of Thailand and South Vietnam to protect these pro-Western governments from guerrilla activities financed, directed, and supplied by the Communists through their controlled corridors in Laos.

The administration's conduct in this area bears such a tragic resemblence to the Truman administration's performance prior to the Korean conflict that the parallel cannot be denied.

Mr. Speaker, I believe the American public must realize that in the Lao situation our policy has been so completely stupid that it represents one of the great tragedies of postwar diplomacy. It represents an unfortunate, tragic page of complete failure in this administration's foreign policy. By blundering into the hands of the Communists in Laos, by forcing the people into a Communist-controlled coalition government, we set a pattern that could well lead to the Communist takeover of every pro-Western nation in that area, thus giving the Communists their greatest gains since the close of World War II.

This history of World War II diplomacy reveals the betrayal by President Roosevelt of the people of Eastern Europe to the Communists. The Truman administration by its vacillation instigated the conflict in Korea after first subverting the Nationalist Chinese Government in its battle against the Chinese Communists. Now, under the Kennedy administration, we find the same type of policy—confused, vacillating—and I repeat, stupidly leading to a Communist takeover of Laos and a growing threat to South Vietnam and Thailand.

Certainly, this foreign policy is not advocated by the American public. It is not too late to change. I direct my remarks to the Members of the House this afternoon, urging that through the legislative responsibility that is ours, we can provide for and insist on a firm, vigorous, intelligent foreign policy to support pro-Western governments, to roll back—not retreat—from communism. Such a basic foreign policy does have the support of the American public. In this period of international problems we must provide the leadership that the public wants, and the present administration and its State Department are obviously not equipped to give.

## MILITARY PROCUREMENT INVESTIGATION

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER**. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, last Wednesday I called for a full and complete investigation into the procurement policies of the Armed Forces, particularly the Navy Department. I told the Congress I have documentation to back up every charge that I have made or will make. I also said the scandal underneath Navy Department procurement will make Teapot Dome look like a ladies' tea party.

Since that time, certain developments have taken place that make it more imperative than ever that an investigation be started at once. For example, my honored colleague and distinguished friend, the gentleman from Louisiana, F. Edward Hébert, said on the floor of the House during debate on amendments to the Armed Forces Procurement Act he would find it difficult to believe that any executive would want his determinations to stand when clearly erroneous.

Yet that is exactly what has happened in the instance I cited last Wednesday. Determinations and findings of Under Secretary of the Navy Kenneth BeLieu led to a decision that only one company could make a certain radio set and deliver it on time. I have been able to prove beyond a shadow of a doubt that at least one other company can make the same radio cheaper and deliver it faster, yet the Navy balks at giving the second company an award of contract. It also continues to delay what it called an urgent requirement for the radio and will, if it goes through with its announced plan, cost the taxpayers $1,300,000 more than necessary in just one instance.

This is typical of Navy procurement policy and other examples will prove that waste and profligacy are rampant in military procurement. It might also be found to be more than coincidental that the company with the high bid in this case is a Texas company, where so many top appointees now call home and where the cattle and Billie Sol used to roam.

I plan to confer with my colleague, the gentleman from Louisiana [Mr. Hébert], at his earliest convenience to show him that what he finds difficult to believe is everyday policy at Navy.

Another of my colleagues, my Hoosier friend, the gentleman from Indiana, Representative William Bray, called attention to the Navy's great pressure and persuasion to get the Indiana firm I represent to withdraw their bid. He called attention to the fact that Navy denied the firm I represent the right to bid. He also called for an investigation.

I repeat what I said Wednesday. There are many cases of waste and squandering of the taxpayers' money in the Navy Department. I have cited just one. I have documentation on many more and welcome the opportunity to state my case, based on the facts.

I have also contacted the Comptroller General to seek more information on the Texas company mentioned in my Wednesday presentation and should be able to document its performance on other Government contracts in the near future.

## DR. DOBRIANSKY VISITS FREE CHINA

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Derwinski] may extend his remarks at this point in the Record and include extraneous matter.

The **SPEAKER**. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, one of our key allies which finds itself undergoing consistent criticism from some circles within the country, and receiving occasional cool skeptical treatment from the State Department, is the Nationalist Chinese Government on Formosa. Much has been said and written about the Nationalist Chinese strength and the representation it gives to free Chinese aspirations.

Early this year, Dr. Lev E. Dobriansky, professor of economics at Georgetown University, and chairman of the National Captive Nations Week Committee, visited Nationalist China and conducted an extensive inspection of the area.

I have had the opportunity, Mr. Speaker, to discuss with Dr. Dobriansky in great detail observations concerning this trip, and pass on some basic highlights to the Members for their consideration.

Dr. Dobriansky had the opportunity to speak with Government leaders at every level—including President Chiang Kai-shek—and with military leaders and individual Chinese. During his visit, he made radio broadcasts to the mainland on the famine and the prospects of liberation; he addressed the Armed Services Staff School on Communism and the U.S.S.R.; he recorded a half-hour interview with Voice of America, and he spoke with groups of university students.

One of Dr. Dobriansky's main conclusions after his visit is that many popular concepts of Nationalist China are not correct. He points out that many people think of that country as a nation of old men, whereas 40 percent of the population is 14 years of age or younger, and there are many young and middle-aged men in the government and military.

Another popular misconception, Dr. Dobriansky pointed out, is that the island of Quemoy is of little worth to Nationalist China and the West. He said that Quemoy, only 5 miles from mainland China, is both politically and militarily indispensable because it is a protective outpost between Red China and Taiwan and the Pescadores, and it would serve as a steppingstone for the possible return of Chiang to the mainland. Also, he said, it is a symbolic fortress of freedom.

Dr. Dobriansky does not discount the possibility of Chiang's return to the mainland. The Nationalist Chinese army is a half-million strong, with an additional 1½ million men in reserves.

He said that the widespread discontent of mainland peasants, if coupled with mass desertions by Red Chinese soldiers, could spark a Hungarian-type revolution which might enable Chiang to return.

Dr. Dobriansky said that in his talk with President Chiang Kai-shek he was impressed with the Chinese leader's vigor, stamina, and alertness. He said Chiang looked as if he would last another decade.

Dr. Dobriansky especially emphasized his view that Nationalist China is America's strongest ally in Asia. He believes that the United States should do everything possible to help her remain free and strong, and to cooperate with her as the most practical step to restore freedom to the Chinese mainland.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Reuss.

(The following Members (at the request of Mr. Conte) and to include extraneous matter:)

Mr. Fino.

Mr. Derounian.

Mr. Gubser.

(The following Member (at the request of Mr. Albert) and to include extraneous matter:)

Mr. Dent in three instances.

## SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

**S. 367.** An act to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel; to the Committee on Interstate and Foreign Commerce.

S. 1605. An act to authorize the Federal Power Commission to delegate its functions; to the Committee on Interstate and Foreign Commerce.

**S. 2164.** An act to authorize the Secretary of the Interior to cooperate with the First World Conference on National Parks, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 2455. An act for the relief of Mrs. Elizabeth Lovic; to the Committee on the Judiciary.

S. 2614. An act for the relief of Mr. and Mrs. Alfredo Hua-Sing Ang; to the Committee on the Judiciary.

S. 2686. An act for the relief of Stepanida Losowskaja; to the Committee on the Judiciary.

S. 2692. An act for the relief of Armand Seri; to the Committee on the Judiciary.

S. 2699. An act for the relief of Roswitha Seib; to the Committee on the Judiciary.

S. 2711. An act for the relief of Tasia Demetropoulou (Dimitropoulos); to the Committee on the Judiciary.

S. 2837. An act for the relief of Konstantinos P. Theodoropoulos; to the Committee on the Judiciary.

S. 2855. An act for the relief of Weng Chiew Wong and Moy Chong Wong; to the Committee on the Judiciary.

S. 2862. An act for the relief of Mai Har Tung; to the Committee on the Judiciary.

S. 2872. An act for the relief of Wen Tang; to the Committee on the Judiciary.

S. 2904. An act for the relief of Stefan Zappel; to the Committee on the Judiciary.

**S. 2994.** An act for the relief of Olaf Schaetzle Bonde (also known as Olaf Carl

Schaetzle); to the Committee on the Judiciary.

S. 2999. An act for the relief of Kang Soon Yang; to the Committee on the Judiciary.

S. 3025. An act to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 76. Concurrent resolution withdrawing suspension of deportation of Ioannis Constantelias; to the Committee on the Judiciary.

### ENROLLED BILLS SIGNED

Mr. **BURLESON**, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

**H.R. 2833.** An act for the relief of Franziska Aloisia Fuchs (nee Tercka);

**H.R. 3247.** An act to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section;

**H.R. 3595.** An act for the relief of Anna Isernia Alloca;

**H.R. 3633.** An act for the relief of Angelina Rainone;

**H.R. 3714.** An act for the relief of Janina Maciejewska;

**H.R. 4655.** An act for the relief of Adele Anis Mansour;

**H.R. 6330.** An act for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children;

**H.R. 6695.** An act to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes;

**H.R. 7061.** An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes;

**H.R. 7416.** An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes; and

**H.R. 7559.** An act to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail.

### SENATE ENROLLED BILL SIGNED

The **SPEAKER** announced his signature to an enrolled bill of the Senate of the following title:

**S. 1745.** An act to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia.

### ADJOURNMENT

Mr. **ALBERT**. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, Tuesday, June 12, 1962, at 12 o'clock noon.

### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2160. A letter from the Comptroller General of the United States, transmitting a report on review of the maintenance and supply support of Army equipment furnished under the military assistance program (MAP) for Korea; to the Committee on Government Operations.

2161. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend the Watershed Protection and Flood Prevention Act, as amended"; to the Committee on Agriculture.

2162. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to amend section 6(a) of the act of September 30, 1950"; to the Committee on Education and Labor.

2163. A letter from the Surgeon General, Department of Health, Education, and Welfare, transmitting a report, in three parts, entitled "Motor Vehicles, Air Pollution and Health," prepared in compliance with the provisions of Public Law 86-493; to the Committee on Interstate and Foreign Commerce.

2164. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of April 30, 1962, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

2165. A letter from the Assistant Secretary of the Interior, transmitting a proposed supplemental agreement to extend until December 31, 1963, the operating permit of the Rainier National Park Co. which would authorize them to provide facilities and services for the public in Mount Rainier National Park, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

2166. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to extend authority for the waiver of nonimmigrant visas"; to the Committee on the Judiciary.

2167. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 30, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the main channel leading from Turkey Point to Havre De Grace, Harford County, Md., authorized by the River and Harbor Act, approved May 17, 1950; to the Committee on Public Works.

2168. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 26, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the Aberdeen Creek, Gloucester County, Va., authorized by the River and Harbor Act, approved July 24, 1946. No authorization by Congress is recommended as the desired improvement has been adopted for accomplishment by the Chief of Engineers under the provisions of section 107 of the 1960 River and Harbor Act; to the Committee on Public Works.

2169. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 30, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the southern branch of the Elizabeth River (Norfolk Harbor), Va., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 24, 1953; to the Committee on Public Works.

2170. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 30, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the Assateague Channel and Smallers drain, Accomack County, Va., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 17, 1948; to the Committee on Public Works.

2171. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 30, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the Savannah River, Ga. and S.C., authorized by the River and Harbor Act, approved July 3, 1958; to the Committee on Public Works.

2172. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 30, 1962, submitting a report, together with accompanying papers and an illustration, on a letter report on the Oswego River watershed at Keuka Lake, N.Y., requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 31, 1957; to the Committee on Public Works.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Committee on Ways and Means. H.R. 10095. A bill to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes; with amendment (Rept. No. 1790). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 10928. A bill to transfer casein or lactarene to the free list of the Tariff Act of 1930; with amendment (Rept. No. 1791). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 9520. A bill to continue for 2 years the suspension of duty on certain alumina and bauxite; without amendment (Rept. No. 1792). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 11400. A bill to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 10852. A bill to continue for a temporary period the existing suspension of duties on certain classifications of spun silk yarn; without amendment (Rept. No. 1794). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. H.R. 11880. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes; without amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. Senate Joint Resolution 68. Joint resolution providing for the designation of the week commencing October 1, 1961, as "National Public Works Week"; with amendment (Rept. No. 1796). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. House Joint Resolution 717. Joint resolution designating January 1, 1963, as Emancipation Proclamation Day; without amendment (Rept. No. 1797). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. H.R. 11711. A bill to incorporate Science Service, Inc., for the purposes indicated by Public Law 85-875; without amendment (Rept. No. 1798). Referred to the House Calendar.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 12061. A bill to extend the Renegotiation Act of 1951; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 12062. A bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. GRIFFITHS:

H.R. 12063. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. KEARNS:

H.J. Res. 733. Joint resolution creating and establishing the Capitol Commission; to the Committee on House Administration.

By Mr. SCHENCK:

H. Con. Res. 480. Concurrent resolution authorizing the printing of a report entitled "Motor Vehicles, Air Pollution and Health" as a House document, and providing for additional copies; to the Committee on House Administration.

By Mr. DOMINICK:

H. Res. 684. Resolution to amend rule XXI of the House of Representatives to require that certain appropriation bills contain a provision requiring that any item to be acquired for Government use be leased or rented rather than purchased if the former is more advantageous to the Government; to the Committee on Rules.

### MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States relative to the equal rights amendment for women now pending before the U.S. Congress; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to propose an amendment to the Constitution of the United States to be known as "The Freedom of Choice Amendment"; to the Committee on the Judiciary.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHANSEN:

H.R. 12064. A bill for the relief of Theodoros Skartsiaris; to the Committee on the Judiciary.

By Mr. DOOLEY:

H.R. 12065. A bill for the relief of Ester Antoniolli; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 12066. A bill for the relief of Edith and Joseph Sharon; to the Committee on the Judiciary.

By Mr. RAY:

H.R. 12067. A bill for the relief of Sheila Marguerite Henderson; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1 of rule XXII,

364. The SPEAKER presented a petition of Gordon T. Nesvig, clerk of the Board of Supervisors of the County of Los Angeles, Los Angeles, Calif., relative to approving and supporting the portions of H.R. 11199 which relate to the extension of the Federal-aid secondary system in the urban areas, and requesting support of this legislation; to the Committee on Public Works.

## SENATE

### MONDAY, JUNE 11, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, our Father, facing the waiting tasks of another week, we come gratefully mindful that upon the free soil of this continent, which we believe Thou didst keep for the fulfillment of Thy purposes of good will for all mankind, our fathers with holy toil reared a house of faith hallowed by Thy name.

In the midst of the burdening conflicts of today, when so often the strife for the right is fierce and the warfare long, we thank Thee that through the gates of the morning there come marching hosts—reinforcements with fresh faces and confident hope, a new army in caps and gowns, from the training grounds of our educational arsenals, to take up the trumpets of freedom which must never call retreat.

We pray that these new battalions from our college halls may feel keenly their kinship with those who knelt around the cradle of our liberty, and realize with deep solemnity that the diplomas in their hands are valid only as they maintain in their hearts the faith that science walks with humble feet to seek the God that faith hath found.

In the Redeemer's name we ask it. Amen.

### THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 8, 1962, was dispensed with.

### REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of January 15, 1962,

Mr. ROBERTSON, from the Committee on Appropriations, reported favorably, with amendments, on June 8, 1962, the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, and submitted a report (No. 1578) thereon.

### NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEFENSE DEPARTMENT APPROPRIATION BILL

Mr. ROBERTSON, on June 8, 1962, submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, on page 6, line 2, insert the following: ": *Provided further*, That the Army National Guard will be programed to attain an end strength of four hundred thousand in fiscal year 1963: *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained".

Mr. ROBERTSON also submitted an amendment intended to be proposed by him to House bill 11289, making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. ROBERTSON, on June 8, 1962, also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, the following amendment; namely, on page 4, line 11, after "$239,200,000", insert: ": *Provided*, That the Army Reserve personnel undergoing paid drill training and paid from this appropriation shall be maintained at an end strength of not less than three hundred thousand for fiscal year 1963: *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained".

Mr. ROBERTSON also submitted an amendment intended to be proposed by him to House bill 11289, making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

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"SEC. 540. Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, 65 per centum shall be available for such repair, alteration, and conversion in Navy shipyards, and 35 per centum shall be available for such repair, alteration, and conversion in privately owned shipyards: *Provided*, That if determined by the President to be inconsistent with the public interest based on urgency of requirement, capability, and economy of performance to have such vessels repaired, altered, or converted as required above, such work may be done in Navy or private shipyards as he may direct."

Mr. **ROBERTSON** also submitted an amendment intended to be proposed by him to House bill 11289, making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

## MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1745. An act to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia;

H.R. 2833. An act for the relief of Franziska Aloisia Fuchs (nee Tercka);

H.R. 3247. An act to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section;

H.R. 3595. An act for the relief of Anna Isernia Alloca;

H.R. 3633. An act for the relief of Angelina Rainone;

H.R. 3714. An act for the relief of Janina Maciejewska;

H.R. 4655. An act for the relief of Adele Anis Mansour;

H.R. 6330. An act for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children;

H.R. 6695. An act to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes;

H.R. 7061. An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau and for other purposes; and

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail.

## CALL OF THE LEGISLATIVE CALENDAR DISPENSED WITH

On request of Mr. MANSFIELD, and by unanimous consent, the call of the legislative calendar was dispended with.

## LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

## THE SPACE COMMUNICATIONS BILL

Mr. **MANSFIELD**. Mr. President, for the information of the Senate, I wish to announce that the space communications bill will not be brought up later this week, and will not be brought up until it has been reported to the Senate and has been considered by the policy committee. When I announced, last week, that the bill would be brought up later this week, I was under a misapprehension, because I had thought the bill had been reported from the committee and had been placed on the calendar. It is my understanding that although the committee has ordered the bill reported, it has not yet actually been reported to the Senate and it is not on the calendar at the present time.

## EXECUTIVE COMMUNICATIONS, ETC.

The **VICE PRESIDENT** laid before the Senate the following letters, which were referred as indicated:

### Report on Backlog of Pending Applications and Hearing Cases in Federal Communications Commission

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting, pursuant to law, a report on the backlog of pending applications and hearing cases in that Commission, as of April 30, 1962 (with an accompanying report); to the Committee on Commerce.

### Report on Review of Military Assistance Program for Turkey

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a secret report on the review of the military assistance program for Turkey (with an accompanying report); to the Committee on Government Operations.

### Report on Maintenance and Supply Support of Army Equipment Furnished Under Military Assistance Program for Korea

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a confidential report on maintenance and supply support of Army equipment furnished under the military assistance program for Korea (with an accompanying report); to the Committee on Government Operations.

### Extension of Concession in Mount Rainier National Park

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a supplemental agreement to extend through December 31, 1963, the concession permit of the Rainier National Park Co. (with accompanying papers); to the Committee on Interior and Insular Affairs.

### Extension of Authority for Waiver of Nonimmigrant Visas

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to extend authority for the waiver of nonimmigrant visas (with an accompanying paper); to the Committee on the Judiciary.

### Report on Motor Vehicles, Air Pollution, and Health

A letter from the Surgeon General, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Motor Vehicles, Air Pollution, and Health," dated June 1962 (with an accompanying report); to the Committee on Labor and Public Welfare.

### Amendment of Section 6(a) of Act of September 30, 1950

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 6(a) of the act of September 30, 1950 (with an accompanying paper); to the Committee on Post Office and Civil Service.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"House Concurrent Resolution 7

"Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Constitution of the United States to be known as 'The Freedom of Choice Amendment.'

"Whereas since the earliest days of the Union of the United States the individual States have exercised certain basic rights within their respective borders; and

"Whereas this system of State rights has produced beneficial results and is in accord with the principles of local self-government; and

"Whereas such rights are in keeping with the basic design of our Federal system: Therefore be it

"*Resolved by the House of Representatives of the Legislature of Louisiana* (*the Senate thereof concurring herein*), That the Congress of the United States is hereby memorialized to adopt and offer to the States for ratification or rejection the following amendment to the Constitution of the United States:

" 'This amendment shall be known as "The Freedom of Choice Amendment."

" 'The right of the owners and operators of all kind and description, their agents, servants and employees, of all hotels, restaurants, inns, cafes, bars, ice cream parlors, soft drink stands, motels, apartment houses, trailer camps, cemeteries, dancehalls, skating rinks, bathhouses, barbershops, beauty shops and other privately owned places of public accommodation or amusement to choose their own guests, patrons, and tenants shall not be abridged.

" 'The right of churches, lodges, fraternities, sororities, private clubs, and all other privately owned and operated institutions and associations to choose their own guests, patrons, and members shall not be abridged.

" 'The rights of owners of land to contract with other owners of land, either individually or through associations, for the use and occupancy of privately owned lands in the same neighborhood shall not be abridged; *Provided*, That no owner of land shall be compelled to join in any such contract or become a member of any neighborhood association; *And provided further*, That the right and freedom of such contracting owners to give written consent by a majority vote shall not be restricted or abridged by law or contract so as to prevent the giving of such consent to any person solely because of said person's race, color, creed or nationality. The term "neighborhood" shall mean whatever area the contracting parties may designate.

" 'Unless restricted by his own voluntary agreement, the right of any property owner to sell or lease his property to another person of his own choice shall not be abridged.

" 'Educational policies, including administration, finance, subject matter of instruction, assignment of pupils and all matters pertaining thereto shall be exercised exclusively by the several States solely as the legislative bodies thereof shall determine to be in the best interests of the people of said State, or by such other means as provided by such legislative bodies, including initiative and referendum voting.

" 'Rules and regulations pertaining to intrastate transportation and all other intrastate public agencies shall be exercised exclusively by the States,' and be it further

"*Resolved*, That the clerk of the House of Representatives of the Louisiana Legislature shall transmit copies of this concurrent resolution to the Congress of the United States and to the members of the Louisiana delegation in the Congress.

"______ ______

"*Speaker of the House of Representatives.*

"______ ______

"*Lieutenant Governor and President of the Senate.*"

A resolution adopted by the Chamber of Commerce of the Americas, of Miami, Fla., pledging support of the Alliance for Progress in the Latin American countries; to the Committee on Foreign Relations.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on the Judiciary, without amendment:

H.R. 11032. An act granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion (Rept. No. 1580);

H.R. 11033. An act granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary (Rept. No. 1581); and

H.R. 11034. An act granting a renewal of patent No. 54,296 relating to the badge of the American Legion (Rept. No. 1582).

By Mr. RUSSELL, from the Committee on Armed Services, with amendments:

H.R. 11221. An act to amend section 302 of the Career Compensation Act of 1949, as amended (37 U.S.C. 252), to increase the basic allowance for quarters of members of the uniformed services and to make permanent the Dependents Assistance Act of 1950, as amended (50 App. U.S.C. 2201 et seq.), and for other purposes (Rept. No. 1579).

By Mr. MONRONEY, from the Committee of Commerce, with an amendment:

S. 678. A bill to extend the Automobile Information Disclosure Act to Guam and the Virgin Islands (Rept. No. 1583).

## COMMUNICATIONS SATELLITE ACT OF 1962—REPORT OF A COMMITTEE—MINORITY VIEWS

Mr. PASTORE. Mr. President, from the Committee on Commerce, I report favorably, with an amendment, the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, and I submit a report (No. 1584) thereon.

I ask unanimous consent that the report may be printed, together with minority views of the Senator from Texas [Mr. YARBOROUGH] and the Senator from Alaska [Mr. BARTLETT].

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Rhode Island, and the bill will be placed on the calendar.

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Oliver Seth, of New Mexico, to be U.S. circuit judge for the 10th circuit.

Mr. ANDERSON subsequently said: Mr. President, I ask unanimous consent that, as in executive session, the Senate proceed to the consideration of a nomination which was reported earlier today.

The VICE PRESIDENT. The nomination will be stated.

The legislative clerk read the nomination of Oliver Seth, of New Mexico, to be U.S. circuit judge for the 10th district.

The VICE PRESIDENT. Is there objection to the present consideration of the nomination?

There being no objection, the Senate proceeded to consider the nomination.

Mr. ANDERSON. I do not desire to speak on it. It was considered in the Judiciary Committee and has been cleared by the minority and the majority leadership. I hope we may proceed to the confirmation of the nomination.

The VICE PRESIDENT. Without objection, the nomination is confirmed, and without objection, the President will be immediately notified of the confirmation of the nomination.

By Mr. CARROLL, from the Committee on the Judiciary:

Luke C. Moore, of the District of Columbia, to be U.S. marshal for the District of Columbia.

## EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BEALL. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of 34 major generals and 45 brigadier generals in the Army, and 4 generals and 5 lieutenant generals in the Air Force. I ask that these nominations be placed on the Executive Calendar.

The VICE PRESIDENT. The nominations will be received and placed on the Executive Calendar.

The nominations are as follows:

Col. Robert Ludwig Schulz, U.S. Army, for temporary appointment in the Army of the United States, in the grade of brigadier general;

Brig. Gen. Achilles Lacy Tynes, Medical Corps, U.S. Army, for appointment in the Regular Army of the United States, in the grade of major general;

Maj. Gen. James Hedges Forsee, Medical Corps, U.S. Army, and sundry other officers, for temporary appointment in the Army of the United States; and

Lt. Gen. John K. Gerhart (major general, Regular Air Force), U.S. Air Force, and sundry other officers, to be assigned to positions of importance and responsibility designated by the President.

Mr. BEALL. Mr. President, in addition, I report favorably 1,628 appointments and promotions in the Army in the grade of colonel and below. All of these names have already appeared in the CONGRESSIONAL RECORD, so in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations ordered to lie on the desk are as follows:

Warren G. Cosby, and sundry other persons for appointment and promotion in the Regular Army of the United States.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mrs. NEUBERGER:

S. 3390. A bill for the relief of Naife Kahl; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3391. A bill for the relief of Rafael I. Fernandez; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 3392. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. MORSE:

S. 3393. A bill for the relief of Demetrios K. Georgaras; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 3394. A bill for the relief of Lt. Col. William A. Carter, U.S. Air Force; to the Committee on the Judiciary.

By Mr. KEATING:

S. 3395. A bill for the relief of Graciela D'Hoedt; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3396. A bill to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds; to the Committee on Commerce.

By Mr. ELLENDER (by request):

S.J. Res. 198. Joint resolution deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment; considered and passed.

(See the remarks of Mr. ELLENDER when he introduced the above joint resolution, which appear under a separate heading.)

## CONCURRENT RESOLUTION—RETURN OF ENROLLED SENATE BILL 1745, RELATING TO DISTRICT OF COLUMBIA SCHOOLCHILDREN'S FARES

Mr. MORSE submitted a concurrent resolution (S. Con. Res. 78) requesting the President to return to the Senate the enrolled bill (S. 1745) relating to District of Columbia schoolchildren's fares, and providing for its reenrollment with a certain change, which was considered and agreed to.

(See the above concurrent resolution printed in full when submitted by Mr. MORSE, which appears under a separate heading.)

## DEFERENCE UNTIL AUGUST 15, 1962, OF PROCLAMATION ON NATIONAL WHEAT ACREAGE ALLOTMENT

Mr. ELLENDER. Mr. President, I introduce a joint resolution and ask for its immediate consideration.

The VICE PRESIDENT. The joint resolution will be read for the information of the Senate.

The joint resolution (S.J. Res. 198) deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment, was read the first time by its title and the second time at length, as follows:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any other provisions of law, the Secretary of Agriculture may defer until July 15, 1962, any proclamation under section 332 of the Agricultural Adjustment Act of 1938, as amended, with respect to a national acreage allotment for the 1963 crop of wheat and any proclamation under section 335 of such Act with respect to marketing quotas for such crop of wheat; and may defer until August 25, 1962, any referendum under section 336 of such Act with respect to marketing quotas for such crop of wheat.

**Mr. ELLENDER.** Mr. President, this joint resolution, if enacted, would defer the final date for the proclamation of 1963 crop wheat-marketing quotas and acreage allotments until July 15, 1962. It would also defer the final date for the referendum on 1963 crop-marketing quotas until August 25, 1962.

The Senate on May 25 passed S. 3225, which would make substantial changes in the law relating to wheat-marketing quotas. On May 10, in anticipation of action on S. 3225, the Senate passed Senate Joint Resolution 185, which became Public Law 87-450, to extend the final date for proclamation of the 1963 crop quota and allotment until June 15. The House has not yet taken up consideration of the farm bill, although a rule has been issued for consideration of H.R. 11222, which is the companion to S. 3225. Since June 15 will be this Friday, it is necessary to extend the time for the proclamation of the quota and allotment for an additional month in the hope that action on the farm bill will be completed by that time.

Proclamation of quotas and allotments at this time would serve no useful purpose, but would create a confusing situation and involve some unnecessary additional Government expense.

**Mr. CARLSON.** Mr. President, will the Senator yield?

**Mr. ELLENDER.** I yield.

**Mr. CARLSON.** Of course, I shall support the joint resolution offered by the distinguished chairman of the Committee on Agriculture and Forestry. I do want to mention that it is a very late date for the referendum for the wheat-growing area. The harvesting in Kansas will be over by July 15. Wheatgrowers must plan their wheat plantings for 1963 early in July. Much wheat will be planted by August 15. The proposal is for a referendum on August 25? Is that correct?

**Mr. ELLENDER.** For a vote.

**Mr. CARLSON.** The voting would be on August 25.

**Mr. ELLENDER.** That is correct.

**Mr. CARLSON.** I regret exceedingly this late date. I had hoped it would not be later than August 1. In fairness to the wheatgrowers, this referendum should have been held at an early date so as to permit wheat planting operations for 1963.

When the farm bill was before the Senate, I said I was gravely concerned over whether there would be an adequate period of time for a new wheat program to be presented to the growers should Congress approve it. I still am concerned about it. I shall not vote against the joint resolution, but I sincerely regret that such a late date has been fixed. It is unfair to the wheat growers and not too fair to the Department of Agriculture, the State committees, and the county committees who must carry this burden of education.

I had hoped we might continue the present farm program both for feed grains and wheat for another year in order that our farmers might have sufficient time to become familiar with the details of new farm programs. Again I say, however, under the circumstances I shall not oppose the joint resolution.

**Mr. CARROLL.** Mr. President, will the Senator yield for a question?

**Mr. CARLSON.** I yield.

**Mr. CARROLL.** I have great respect for the knowledge of the Senator from Kansas in the subject of wheat. Why would the date of August 1 be preferable to August 25?

**Mr. CARLSON.** The wheatgrower makes his plans and gets his wheat farming operations established by then. This is a new program. It is not the present program; it is a completely new program. I would like to have the wheatgrower know about this program well in advance of his planting operations. A great deal of acreage will be planted in western Kansas and several other States by that date. Therefore, I think it is regrettable that we have as late a date as fixed in the joint resolution.

**The VICE PRESIDENT.** Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S.J. Res. 198) was considered, ordered to be engrossed for a third reading, read the third time, and passed.

## DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1963—AMENDMENT

**Mr. CARROLL** submitted an amendment, intended to be proposed by him, to the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, which was ordered to lie on the table and to be printed.

## DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963—AMENDMENTS

**Mr. PROXMIRE** submitted amendments, intended to be proposed by him, to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

## EXTENSION OF PROGRAM OF GRANTS-IN-AID TO REPUBLIC OF THE PHILIPPINES FOR HOSPITALIZATION OF CERTAIN VETERANS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of June 6, 1962, the name of Mr. PELL was added as an additional cosponsor of the bill (S. 3373) to amend section 632 of title 38, United States Code, to provide for an extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, introduced by Mr. YARBOROUGH (for himself and other Senators) on June 6, 1962.

## ALLEVIATION OF HEALTH PROBLEMS AMONG MIGRANT FARM FAMILIES—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of June 7, 1962, the name of Mr. CLARK was added as an additional cosponsor of the bill (S. 3382) to amend the Public Health Service Act so as to establish a program to assist in the construction of adequate sanitation facilities for migratory farm labor, introduced by Mr. WILLIAMS of New Jersey (for himself and other Senators) on June 7, 1962.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 11, 1962, he presented to the President of the United States the enrolled bill (S. 1745) to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia.

## ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Memorial Day address delivered by Senator LONG of Missouri before the American Legion 11th and 12th districts, at St. Louis Memorial Day services on May 30, 1962.

By Mr. WILEY:

Excerpts from weekend address by him over Wisconsin radio stations on impact of proposed legislation on U.S. agriculture.

By Mr. MORTON:

Text of Senate bill 3386.

## INTERESTS AND POLICIES IN SOUTHEAST ASIA — COMMENCEMENT ADDRESS BY SENATOR MANSFIELD AT MICHIGAN STATE UNIVERSITY

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD the commencement address which I delivered at Michigan State University, at East Lansing, Mich., on yesterday.

There being no objection, the address was ordered to be printed in the Record, as follows:

## Interests and Policies in Southeast Asia

(By Senator Mike Mansfield)

I am happy to be with you and grateful for the privilege of joining the class of 1962. It is especially pleasant to be here because of past contacts with your faculty and, most especially, with my old friend, Ernest Melby, former chancellor of the University of Montana.

Members of the Michigan State staff are often encountered in Washington and in the farflung corners of the world. I cannot remember the number of times, for example, that I have run into your Prof. Wesley Fishel and my old colleague from Montana, Prof. Guy Fox, in Saigon. Together with the rest of the training mission of Michigan State, they have made important contributions to the Republic of Vietnam. As for your president, Dr. Hannah, his travel mileage on behalf of the Nation—and, incidentally, Michigan State—is rivaled only by that of the Secretary of State and Members of Congress.

I have heard it said that the sun never sets on the faculty of Michigan State. It is reassuring, therefore, to come here and discover that the faculty has a natural habitat. It is such a delightful habitat one wonders why so many of its members have been persuaded to leave for the enervating tropics of Asia and Washington.

They have been persuaded, I suspect, even as the Nation has been persuaded, to enter into new channels of international activity, by the events of the past two decades. The Nation has become deeply committed throughout the world. Skilled members of this university are among the thousands of Americans who are working abroad with great dedication to discharge that commitment.

It is to this commitment, notably, as it is involved in southeast Asia which I would address your attention. I have chosen this subject, in part, because of the close association which has existed between Michigan State and Vietnam. I have chosen it, too, in part because events appear to be moving in southeast Asia toward a point of critical decision. I have chosen it, finally, because I suspect you are sufficiently inspired at this moment not to require an inspirational speech from me. Hence, I shall give you what are, in my opinion, the sober facts of one of the situations which confront the Nation, facts to which you are entitled as mature men and women, as citizens of the United States.

As you know, we have recently landed combat forces in Thailand. This movement of troops follows the strengthening of the U.S. military training mission in Vietnam. Both steps represent a deepening of an already very deep involvement on the southeast Asian mainland.

In this, as in all cases of foreign policy and military command, the responsibility for the direction of the Nation's course rests with the President. It is a grave and difficult responsibility. In discharging it, the President is entitled to the understanding and support of the Nation. May I say that he has had both in the Senate of the United States, from the leadership of both parties and to the fullest extent. He has kept the Congress fully informed on the situation as it has developed. In a similar manner he has tried to keep the people of the Nation informed through his frequent press conferences.

Support of the President, and I give him mine wholeheartedly, does not preclude public discussion of the situation in southeast Asia. On the contrary, it presupposes it. The President would be the last to expect a moratorium on public participation of this kind. It is politics that needs to stop at the water's edge, not serious consideration of the Nation's course in its relations with the rest of the world. Rather than less, we need more public consideration of this matter.

The need is especially acute with respect to southeast Asia. Until recent times it has been an area remote from the general awareness of the Nation. It is not surprising that the public, even today, knows little about the region. Indeed, it is doubtful that a decade ago, more than a small fraction of the civilian and military personnel of the Government and the journalists who are now immersed in its place names could have quickly located the Kingdom of Laos, let alone its towns and villages, on a map of Asia.

Yet this obscure land on the borders of south China now writes headline after headline in the daily press. It keeps the lights on through the night in the Pentagon, the State Department and the Central Intelligence Agency. It has been the immediate cause of the dispatch of U.S. combat forces to Thailand and a partial cause of the strengthening of the military mission in Vietnam. In a decade about $400 million in U.S. military and other aid has gone into this one nation whose population is far smaller than that of the Detroit metropolitan region and is scattered in jungle and hill over an area the size of Oregon.

In 1953 when I first visited Laos, just two junior resident State Department officials were deemed sufficient for the protection of all U.S. interests in the entire country. Almost a decade later, hundreds of officials from half a dozen Federal agencies—military and civilian—were on the scene.

This transition in Laos highlights the transition in the U.S. relationship with all of southeast Asia. From a minimum of contact and cost scarcely a dozen years ago we have moved today to a point of saturated involvement and immense expense. This progressive involvement has not been a party matter—a Republican policy or a Democratic policy.

It began under a Democratic administration. It intensified sharply under a Republican administration. And it is now being dealt with once again by a Democratic administration.

The roots of this involvement in southeast Asia lie in the vast dislocation which was produced in Asia by World War II. But in a more specific sense, it dates from the period of the Korean conflict.

You will recall that about a dozen years ago revolution swept like a giant tidal wave through China. It spilled over the Chinese borders in the north, into Korea. It gave every sign of engulfing Indochina to the south. That region, itself, was in the midst of a mixed and confusing Communist-nationalist-monarchist upheaval, but in essentials, a revolution against the reassertion of French colonial control after World War II.

Engaged in the conflict in Korea, we sought for strategic reasons to prevent Chinese expansion in southeast Asia. So we began to go to the aid, first, of the French and after them, the successor Governments of Indochina—in Vietnam, Laos, and Cambodia.

The military situation was eventually stabilized in Korea by negotiations. It was also stabilized in Indochina largely through the diplomacy which produced the Geneva agreements of 1954.

A kind of uneasy truce settled over Asia. But there was no change in the deepseated hostility between Chinese communism and the United States. Peiping continued to single us out as the No. 1 enemy of the Chinese people. We continued the policy of wartime boycott of the Chinese mainland—total economic and cultural boycott and almost total diplomatic boycott. The military situation in both the Formosan Straits and Korea remained ominous. The political situation in the divided countries of Laos and Vietnam remained unsettled.

There followed, then a U.S. effort to keep China out of southeast Asia and to forestall the spread of communism in that region. It was at this point that our direct involvement began to deepen in earnest. We embarked upon a massive military aid program to southeast Asian nations. All policy was directed preponderantly to the building of strong anti-Communist military establishments and governments. We sought, further, to bring the region under the protective umbrella of the Southeast Asia Treaty Organization, SEATO, which was expected to marshal nations both within and without the area for a common defense of the region against communism.

In Laos and in south Vietnam, particularly, the immense cost of sustaining the large military establishments built by U.S. military aid required, in turn, large annual economic aid-subsidies to these countries. Neither form of aid has much effect on the economic or social well-being or the ordinary people of these nations. The principal gain of these programs has flowed to a relatively small number of persons in the cities and to military personnel.

In addition, to this massive military and military-support program of aid, some effort was made to help improve the lot of the ordinary people by technical and other assistance for economic and social development.

Finally, I should mention the extension of the information program into southeast Asia. Again, the contrast in 10 years is significant. From a minor operation confined largely to the environs of the cities of Saigon and Bangkok, the voice of America has been carried by radio and pamphlet and motion picture, by boat, plane, jeep and foot and, I would presume even by elephant, into the remotest villages and hamlets of southeast Asia. The output of words increased massively and impressively. So, too, of course, did the cost to the people of the United States.

Over a 10-year period, the foreign aid program—military and nonmilitary—alone has resulted in authorized appropriations of the public funds of this Nation of well over $3 billion for these southeast Asian nations. This total does not take into account the salaries and expenses of the thousands of military and civilian personnel of the Government who have seen service in the area during this period. It does not take into account the cost of our participation in SEATO and consequent military deployments such as has occurred in recent weeks in and around Thailand. It does not take into account the cost of the expansion of the information programs and other Government activity.

Altogether, the commitment of resources to southeast Asia in a decade has been enormous by any measure. Yet it would be a small price to pay if it were to yield a durable peace and safeguard an opportunity for the growth of stable free nations in that region. Unfortunately, the experience of the past decade is not such as to give rise to sanguine expectations in this respect.

We have the experience of SEATO. It is difficult to assess its value in forestalling military adventures by the Communists. Perhaps it has had some effect; perhaps it has not. But one thing has been made very clear by the recent military deployment. We have allies under SEATO to be sure, but allies either unwilling or unable to assume but the smallest fraction of the burdens of the alliance. I say that not as criticism of any member of SEATO. Each nation has its own problems and capacities and I do not presume to judge them. But this Nation, too, has its problems. And one of them is to avoid miscalculations in policies which may derive from the gap between the presumed promise and the actual fulfillment in any military alliance.

We have the experience, too, of Laos. There has been 8 years of military and other aid of the most intensive, indeed, the most extravagant kind to that country. There have been millions of costly words and pictures and sounds on the virtues of freedom and the evils of communism disseminated throughout a kingdom in which, may I say, neither the concept of Western freedom or Western communism can have much meaning. For it is a kingdom of isolated villagers, still living in a relatively contented, peaceful, Buddhist culture centuries old. Eight years of aid and words and other operations, in the end, have produced scarcely a ripple in Laos, except in the capital city. And what it produced there, to say the least, does not speak well for it. Laos is, clearly, in far more danger, today, of a collapse into a kind of communism under outside domination or, perhaps, to division and destruction as a nation, than when this whole process began—when the country was led by one who tried to think and act in terms of the kingdom's neutralism and greater self-reliance.

We have the experience of Vietnam. Under the leadership of President Nyo Dinh Diem, a man for whom I have the highest respect and the deepest admiration, a man whose integrity and honesty are unquestioned, and without whom there would be no free Vietnam, that country has faced extraordinary difficulties in its struggle for survival. Yet, even in this situation, after years of military assistance of a most costly kind, it is discovered that the aid went to build the wrong kinds of forces and that it is now necessary to build almost from scratch with the aid of thousands of additional American training and support forces and at an even higher level of annual aid. It is also discovered that a great deal more emphasis on political and economic development is now required in Vietnam, although the need for this latter course has been pointed out time and again in the Congress for many years.

There is no longer any escaping the fact that after years of enormous expenditures of aid in south Vietnam, that country is more, rather than less, dependent on aid from the United States. Vietnam's independent survival is less rather than more secure than it was 5 or 6 years ago.

Once again the bombs explode in Saigon as they have not done since the early days, which Professor Fishel will remember with me, of the establishment of the Republic in 1953-55.

One can only hope that a similar process of increasing dependency and increasing insecurity is not now about to begin in Thailand.

I think, in all honesty, that we must contrast these situations with those which exist in Burma and in Cambodia. Burma has a non-Communist independence which is, at this moment, more secure than that of Laos and Vietnam. Yet it has obtained little aid from us. Cambodia has received from us a fraction of the per capita aid which has gone to Vietnam or Laos. It has received aid from many countries, including Communist countries. Yet, its non-Communist independence is certainly not less, it is far more secure than that of Laos. Indeed, it is, as of this moment, among the most peaceful and stable of all the nations of Asia.

Now, I think we must realize that situations differ in these various nations. Communist and other pressures—internal and external—vary. So do historic and strategic circumstances. But it is not without significance in our comprehension of the total situation in southeast Asia that in nations in which our aid commitment has been relatively limited, the prospects are no worse for the survival of non-Communist independence than in those in which we are massively committed.

Before this phenomenon can yield anything of relevance to policy, however, we must get clearly in mind the interests of this Nation in southeast Asia which we are trying to protect. For, I presume, that it is on the basis of these interests that we have made this great commitment.

A nation's interests are of two kinds—those which are basic and enduring and those which are transitory and peripheral. And history indicates to us that our enduring interests in southeast Asia are limited. History also indicates to us that these limited interests in commerce, culture, and security have been, in the past, most effectively safeguarded by a policy of minimum involvement. We have, in the past, avoided interfering in the internal political affairs of the southeast Asian nations. We have, in the past, minimized our military commitment on the southeast Asian mainland—even during the grimmest days of World War II. We have, in the past, given appropriate encouragement to the emergence of independent nationhood in the region. We have, in the past, sought to act in a fashion which would not tarnish the symbol of freedom and human decency which this nation has long been in Asia or alienate the friendship of the peoples of that region, regardless of what governments might temporarily hold sway over them. We have, in the past, through diplomacy, sought to do our small share in the preservation of peace in that region as part of our general interest in the maintenance of world peace.

I do not see that these enduring interests have changed in any significant degree. Our commercial and cultural contacts with southeast Asia are still limited. Our security interests in southeast Asia, in terms of the defense of the United States are still limited.

Yet, it is obvious that in the past decade the policy of minimum involvement and, incidentally, minimum cost, by which we have traditionally defended these limited interests, has shifted about 180° to the point of very deep involvement and enormous cost.

I have already pointed out how the Korean conflict precipitated this drastic change in course in southeast Asia. How we reached the present point is understandable. The question which we have not yet faced, the question which may now be approaching the point of critical decisions is whether this change is to become a permanent part of our foreign policy. If it is, then we must be prepared, at best, to carry an annual burden of several hundred millions of dollars of military and economic subsidies to anti-Communist governments in the region for many years. We will have to do that whether or not they are responsive governments in terms of their own peoples needs. We must be prepared to extend this support in southeast Asia for the indefinite future through the whole costly mechanism of aid and propaganda. We must be prepared to bear the human and material cost of keeping an indeterminate number of combat troops in that region, on garrison duty or for more serious purposes as may be necessary. All these things we must be prepared to do at best. At worst, we must be prepared for a possible conflict of indefinite depth and duration, dependent largely on our forces for its prosecution.

These are the facts, the realities of the situation. Grim as they are, I believe that it is eminently desirable that they be faced now, whatever our decisions may be.

In all candor I must ask: Is a permanent policy of that kind justified on the basis of any enduring interests of the people of the United States in southeast Asia? Is it more valid now, than in the past, to involve ourselves in internal political situations in the countries of that region—to maintain any government in a state of quasi-dependency on us for the indefinite future? Is it more valid now, than in the past, to assume the primary burden for the political, economic, and social future of these lands?

I have raised these questions and I would anticipate that you might raise others. The fact is that these approaches are, at best, doubtful because they are immensely costly in ratio to any enduring interests of the people of the United States in southeast Asia. They are doubtful because, in the long run, they will yield little to the people of this Nation and little to the people of southeast Asia except a multiplication of their already immense social and economic difficulties. These approaches are doubtful because they bring upon us a vague responsibility for the internal evolution of the nations of southeast Asia, a responsibility which no nation can discharge for another in this day and age, a responsibility which it is the right and duty of the people and leaders of those nations themselves to assume, a responsibility which, after many costly decades, we relinquished in the Philippines with no intention of assuming elsewhere.

While these approaches are doubtful, there is not assurance that they can be avoided. We have accumulated binding treaty commitments over the years and integrity demands that these be honored. Moreover, one cannot know what other nations may do in this situation; and at this late hour any improvement in the situation depends on the attitudes of many governments. It depends heavily on the Chinese in Peiping. It depends heavily on the Soviet Russian Government. It depends on political and military leaders in southeast Asia and elsewhere in Asia. Indeed, it depends on all governments which by reason of their membership in the United Nations have a measure of responsibility for the maintenance of peace wherever it may be threatened.

But let there be no doubt that it also depends on us. Regardless of these other factors, it remains for us, now, to draw clearly the distinction between what is enduring and basic and what is transitory and peripheral in our interests with respect to southeast Asia. It remains for us to hold fast to the one and seek actively to minimize the other, to the end that the haphazard commitment and waste of resources in which we have indulged for years in the pursuit not only of our enduring interests but of political slogans and shibboleths may cease.

To the extent that we do what we ourselves must do, I believe we shall begin to discern the basis for a new approach to policy in southeast Asia. It will be an approach which will—

1. Explore actively, intensely, and continuously every possibility of minimizing the unilateral activity of the United States in southeast Asia and emphasizing the need for collective allied and friendly activity in every sphere;

2. Reexamine SEATO in the light of the recent experience in Thailand and not hesitate to attempt to modify or alter it, if other ways of maintaining peace and independence in southeast Asia become evident;

3. Seek vigorously to diffuse, through the United Nations or through any other feasible grouping of friendly nations, the enormous burden of assisting nations of southeast Asia to bring their economies and social structures more up to date;

4. Place less emphasis on political and military subsidies, propaganda and other devices of the cold war and more emphasis on a vigorous and persistent traditional diplomacy for the development of a more stable situation in the area;

5. Pay more attention to the manner in which the reasonable needs and aspirations of the people of the nations of southeast

> Asia are being met by their governments in adjusting the whole range of our relations with those governments; and
>
> 6. Study afresh all the political problems of the region which contain the seeds of expanded conflict, with special attention to the relevance of the experiences of Burma and Cambodia.
>
> It is not certain that any of these approaches may be fruitful. The difficulties which have been encountered on all sides in attempting to bring about a peaceful settlement in Laos is indicative of what is involved in any significant change from the present course in southeast Asia. But difficulties of change notwithstanding, the fact remains that the present course is, as it has been for a long time, at best, a marktime course of years and decades of immense cost to the people of the United States and, at worst, it is a collision course.
>
> It is clearly in the interests of this Nation to adjust that course if it is at all possible to do so with honor and decency. May I say, further, that this Nation owes apology to no nation if it seeks to lighten its commitments in southeast Asia through a vigorous diplomacy—as we have been doing with respect to Laos—and a much more discriminating and prudent use of its resources. We have done our share, more than our share to sustain friendly governments in Asia. We will go on doing it. We will meet treaty commitments which are binding on our honor. But, at the same time, let there be no doubt that the time is long past due when we must explore every avenue which may lead to a situation in southeast Asia, less dependent on the resources of this Nation for its cement. In the search for that situation the President needs the understanding and support of the Nation and I have no doubt that it will be forthcoming.

Mr. DIRKSEN. Mr. President, I wish to congratulate the majority leader on his call for public discussion of the current southeast Asia policy. Such discussion can be immensely valuable.

We all know the President conducts foreign policy with the advise and consent of the Senate. This is a heavy responsibility and one in which the Executive has a right to expect general support.

It is not my purpose to attempt to advise the administration on how to conduct this policy. Since the majority leader, however, has raised the issue of public discussion in his commencement speech at Michigan State University, it may perhaps be useful to recall what the Republican administration has done in the past with regard to peripheral conflicts. For 8 years that administration was able to avoid our getting involved in protracted peripheral war.

The Republican administration, took, in practice, the position that, while force sometimes had to be put in position at the point of contact, the issue with regard to any peripheral area essentially lies between Washington and Moscow.

I recall a few years ago, there was a crisis over Vietnam. Troops from the north were concentrated on and near its borders, and Ho Chi Minh, the leader of Vietminh, the Communist state just to the north, was in Moscow. Some of our allies privately expressed doubts that Vietnam could be held militarily. At that time, there is substantial reason to believe, we pointed out quietly and privately that an attack on Vietnam might result in trouble for the Soviet leaders elsewhere, perhaps in Eastern Europe.

The upshot was that Ho Chi Minh returned home and the Communist troops were dispersed, not to be reassembled until recently.

It is obvious that, quite apart from the unspoken fact that we have considerable overall military superiority, the Soviet Union is in other respects weaker today and thus even more subject to diplomatic pressure. Soviet leaders admit publicly to serious food problems and, certainly, the taking of food from Eastern Europe has not made the Soviets more popular in the captive lands there.

I point this out as a matter of interest along the lines of exploration that the majority leader suggests.

I am sure we all agree with the majority leader that support of the President does not preclude public discussion of a southeast Asia policy which can be at best a marktime course of immense cost and at worst a possible conflict of indefinite depth and duration.

Mr. MANSFIELD. Mr. President, I thank the distinguished minority leader for the remarks which he has just made, and assure him that I appreciate the spirit in which they were uttered. It might be well at this time to cite a portion of that speech so that we can keep the RECORD straight. In that speech I said:

> In this, as in all cases of foreign policy—

Referring to the situation in southeast Asia—

> responsibility for the direction of the Nation's course rests with the President.

In that respect, of course, the distinguished minority leader agrees with me.

> It is a grave and difficult responsibility. In discharging it, the President is entitled to the understanding and support of the Nation. May I say that he has had both in the Senate of the United States, from the leadership of both parties and to the fullest extent. He has kept the Congress fully informed on the situation as it has developed. In a similar manner he has tried to keep the people of the Nation informed through his frequent press conferences.
>
> Support of the President, and I give him mine wholeheartedly, does not preclude public discussion of the situation in southeast Asia.

And, incidentally, anywhere else.

> On the contrary, it presupposes it. The President would be the last to expect a moratorium on public participation of this kind. It is politics that needs to stop at the water's edge, not serious consideration of the Nation's course in its relations with the rest of the world. Rather than less, we need more public consideration of this matter.

I think that point ought to be brought in.

Again I express my deep appreciation to the distinguished minority leader for the support which he has shown continuously in the many meetings held in the White House, and for his remarks today.

Mr. MORSE. Mr. President, I join the minority leader in expressing commendation to the majority leader for the statesmanlike speech he delivered at the commencement exercises at Michigan State University yesterday.

I am sure that the majority leader will not object to my pointing out that, as a member of the Committee on Foreign Relations, he has often expressed similar views in regard to the problems of southeast Asia. At least a year ago, in another major speech, the Senator from Montana discussed the southeast Asia question on the floor of the Senate and warned of some of the problems that were likely to arise. They have arisen. I joined him then; I have joined him in the Foreign Relations Committee every time the subject has arisen. I discussed it at some length on the floor of the Senate last Friday. I am glad to endorse the position of the majority leader again.

It is true that the President of the United States is the director of American foreign policy. I share the point of view of the majority leader that he can count upon the support of the Senate once a decision is made. But we are talking about the formulation of decisions. I wish to stress that there is a power in foreign policy greater than that of the President of the United States, and that happens to be the American people, for foreign policy of the United States does not belong to any President of the United States. It belongs to the American people. They have the responsibility of citizen statesmanship to see to it that a foreign policy is formulated in accordance with their dictates, and not according to the determination of any administration at any time. That is why it is so important that there be public discussion of foreign policy in southeast Asia. That is why it is important also that there be full disclosure, consistent with the security of this country, in regard to foreign policy, so that the American people can determine their own foreign policy, for in the last analysis the foreign policy of the United States must be the policy of the people of the United States.

I am of the opinion that a full disclosure of American foreign policy in southeast Asia would bring about a demand on the part of the American people that there be some modification of that foreign policy along the lines I discussed on the floor of the Senate last Friday afternoon. In my judgment, the time has come for the United States, through the present administration, to make clear to our allies that there must be an allied foreign policy in southeast Asia, and that the American people no longer should have placed upon them the heavy burden of payment that the American people are now carrying for our operations in southeast Asia, with very little contribution—in fact, I think only token contribution—from our so-called allies—Great Britain, Canada, Australia, New Zealand, Thailand, the Philippines, and the rest of the allies in that great cause of freedom, including all members of SEATO.

I believe the majority leader has done well to call this to the attention of the American people and to focus the attention of the American people at this time on the problems of American foreign policy in southeast Asia. I am one member of the Foreign Relations Committee who is of the opinion, on the basis of the evidence and the briefings we have had in the Foreign Relations Committee thus far, that the time has come for some modifications of our foreign policy in southeast Asia as far as unilateral action by the United States is concerned. For the most part, this is unilateral action in southeast Asia, because there has been too little support thus far from our allies in regard to southeast Asia.

I am also of the opinion that this matter now has gone beyond the probabilities or possibilities of being handled by SEATO; that this is a matter that ought to be laid before the United Nations and that ought to be handled under the provisions of the charter, for this area is a threat to the peace of the world. Whenever a threat to the peace of the world arises, the provisions of the charter are clear that the time has come for legal and moral action by the United Nations, for the taking of those steps that are necessary to dispel the possibility of a threat to peace in southeast Asia.

Mr. MANSFIELD. I wish to thank the distinguished senior Senator from Oregon for what he has said. I recall in his speech on last Friday he mentioned the unilateral activity of the United States in southeast Asia and elsewhere, as I did in my speech before the graduating class of Michigan State University yesterday.

It is true that we belong to the Southeast Asia Treaty Organization, SEATO so called. It is true also, as the Senator from Oregon has pointed out, that the burden of carrying out the responsibilities in that area is not evenly distributed by any means, but is being borne in large part by the United States at this time.

In last week's Newsweek, I believe, I read a small item—I believe it was in the Periscope—to the effect that a country belonging to SEATO had offered to send 60 volunteers to Thailand. Whether or not this report is true, I do not know. I only offer it as an item which appeared in a news magazine of wide circulation. I know of no effort being made by other signatories, outside of Great Britain or Australia—one or the other—to send a small squadron of fighter planes to Thailand except, of course, for Thailand itself.

One of the things which I emphasized in my speech yesterday was the fact that what was needed was not a continuation of unilateral activity on the part of the United States, although we will continue it as long as it is necessary, but, rather, multilateral activity on the part of this country and its allies in SEATO and its allies and friends elsewhere in the world. This is not merely a U.S. problem. As the Senator from Oregon has pointed out, a danger to peace anywhere in the world is a danger which all nations of the world must face together.

The policy of President Kennedy in southeast Asia is a policy in which I concur 100 percent. I agree with what he has done there and what he is doing now. I believe he has adopted the right procedure in that area in the present circumstances in view of what has gone before. As for free Vietnam, I know that President Ngo Dinh Diem is a man of integrity and honesty. He, in my opinion, is responsible for a free South Vietnam. Were it not for him, there would be no South Vietnam today.

In my opinion, it is proper for a Member of Congress to discuss policies constructively. I am certain that President Kennedy welcomes constructive discussion of policies which confront the Nation and which confront him personally as the Chief of State. I am sure also that the President is undertaking a continuing evaluation of the situation not only in southeast Asia but also throughout the world at all times on a day-by-day basis. I have every confidence that the decisions President Kennedy will make will be in the best interest of the country and will have the full support of Congress and of the American people.

Mr. WILEY. Mr. President, I wish to join in the remarks made on the floor of the Senate today by the minority leader and by the Senator from Oregon [Mr. Morse], complimenting the distinguished majority leader. I was fortunate to read his remarks. I am sure that much of what he has said most people will approve.

Foreign policy to a large extent is not made in this country. It is made by the facts outside this country, and those facts change day by day. One of the great facts that we must remember is that American ingenuity has made a great contribution in shrinking the world so that it is rather small now.

As someone has said, it is so small one can spit around it. It may not be quite that small yet, but it does bring about a situation which calls for calm and analytical thinking, instead of going off halfcocked, and we much recognize that here is a situation that could bring on, not a small war, but a world war. If a world war should occur, which would be fought with modern weapons, we all know what that would mean.

I, too, have confidence in the statecraft of the President, and particularly his advisers, including the Secretary of State. They are alert, of course, but they are, after all, only human beings.

We must recognizze the fact also that foreign policy, as I have said, is a variable thing. The thing we are interested in is in keeping out of war. If we can keep out of war, we will have solved the big problem. After that will come the problem of keeping the country from being taken over by the Communists. They are doing their work everywhere. They have brought a billion human beings into their orbit since I came to the Senate.

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## LATIN AMERICA—COMMENCEMENT ADDRESS BY SENATOR MANSFIELD AT STONEHILL COLLEGE

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record the commencement address which I delivered at Stonehill College, at North Easton, Mass., on June 3.

There being no objection, the address was ordered to be printed in the Record, as follows:

### Latin America

(Address by Senator Mike Mansfield at the commencement exercises, Stonehill College, North Easton, Mass., Sunday, June 3, 1962, 3 p.m.)

I appreciate deeply your kindness in inviting me to be with you today and the honor which goes with it. You who have just finished 4 years of work will understand the special charm of a degree which is obtained without the completion of a single course requirement. In the circumstances, one might even forgive you a touch of envy, if the good fathers will permit me to say so.

In a more serious vein, I appreciate this opportunity to be with you for a personal reason. This visit evokes deep and poignant memories. Many of you, I am sure, were acquainted with Prof. Brassil Fitzgerald. Years ago he taught at Montana State University even as in recent years he taught here at Stonehill. I came to him at a somewhat advanced age for a college student. I was 27 years old when I entered Montana University. It was not so much that I was a slow learner. At least, I hope it was not that I was a slow learner. Rather, I think it was a case of stubbornness. In those simpler days of high rates of illiteracy—in those simpler days, it was commonplace to believe that any youth over the age of 12 could learn at least as much outside of school as in it. It took many years to convince myself of the fallacy of that belief.

So I went back to school, somewhat sobered by hitches in the Army, Navy, and Marine Corps, work in the copper mines and an assortment of odd jobs. I might note that my greatest career advancement in all the years from dropout to back-in was from private to private first class in the Marine Corps.

Professor Fitzgerald was one of my teachers at Montana University. I do not know for what reason—perhaps because he was also stubborn; perhaps because he had a scientific interest in me as a prototype of the contemporary school dropout problem; perhaps because he sensed that I would tax his great abilities as an educator to the utmost—but whatever the reason, he gave me far more than a formal education. He not only sharpened my grammar; he sharpened my wits. Most of all, he helped me to form a more adequate perspective on human affairs and to develop a sense of self-discipline in participating in them. He drew on the wellsprings of his own good and great character in order to give me breadth, depth, and direction.

His counsel, in class and out, together with that of my wife, set the basic pattern of my career in public life. So, in reality it is this early contact with Professor Fitzgerald to which my presence among you, today, may be traced. You will understand, then, the sense of sweet sorrow which I feel in being here, a feeling which I know Mrs. Mansfield, who was also taught by Brassil, shares. For my career which Professor Fitzgerald did so much to launch has now led me to this place where he ended his career just a short time ago.

In life, Brassil Fitzgerald gave me some of my most decisive experiences. In death, he leaves me some of my most enduring memories.

Among other things, Professor Fitzgerald encouraged my interest in Latin America. For awhile, I taught its history at Montana University. And in recent years I have traveled extensively in the republics to the south.

So, in part, in tribute to Brassil Fitzgerald and, in part, because Latin America is likely to be of compelling importance to you in the years ahead, I should like to turn your attention to that subject today. I have chosen Latin America, too, because it affords an opportunity to try to impart to you something of the kind of perspective in which Professor Fitzgerald helped me to view human affairs.

If, as most of us do, you skim the newspapers for your information on Latin America you know that until recent years there has been very little news. Events in Cuba, of course, acted to enlarge the flow of information. Still, the composite picture of Latin America which emerges from news coverage remains flat and two-dimensional. It is like a photographer's montage of a handful of candid camera shots. I am sure that as I describe some of these photographs, you will recall them. The mish-mash includes a naked Amazonian savage complete with poison darts. It includes a child obviously suffering from malnutrition and other diseases. It includes a band of bearded revolutionaries, a snow-covered peak in the desolate Andes, an old and beautiful Spanish cathedral, an Indian in high felt hat standing beside a llama, a family of downtrodden peasants huddled together outside a shack of a home, a student riot led by Communists, a military uprising, rhumba dancers, the futuristic city of Brazilia and, most recently, a Peace Corps volunteer helping to build what appears to be a well in a remote village under a sign which reads Alliance for Progress.

Now, there is nothing inaccurate in any of these flashes. Each one, taken individually, is a scene from actual life in Latin America today. But to be familiar with these flashes, to lump them together as Latin America is to understand neither the region nor what is transpiring in it.

We must ask ourselves, first, have we, with these and similar mental flashes, seen all the elements in the situation or just a part of them? Second, we must ask ourselves, do these flashes—each of equal size and shape—give us an accurate sense of proportion with respect to the region?

Let me illustrate to you, first, the kind of elements which are not reflected in this usual concept of Latin America. To be sure there is malnutrition in the region. The picture of the little child suffering from it, portrays the plight of too many men, women, and children who are its victims. And there is disease—all sorts of disease, a good deal of which goes untreated. And there is illiteracy. And countless millions are housed in rural or urban shanty towns. In short, people in great numbers in Latin America are exposed to a life which is a continuous and bitter struggle for mere survival, from birth to death.

But there is also another side of the coin. Millions in Latin America are well-fed and, in some places, very well-fed. Particularly in the large cities, there are excellent public health services, medical facilities, thousands of first-rate doctors and nurses. As for schooling, while it is appallingly inadequate in many areas, in several countries, it is good by worldwide standards and in at least some instances it compares with the best. It may surprise you to learn, in a region of so much illiteracy that there are in the neighborhood of 400,000 college and university students and upwards of 50,000 will graduate from these schools during this present year. Some will become teachers, doctors, lawyers, engineers, scientists, and so forth. In other words, life will unfold for them pretty much as it will for you, except that it will have more of a Latin accent and, perhaps, offer less numerous and diversified outlets and opportunities.

Take another element in the stereotype of Latin America: the naked Amazonian savage. It tells us that there is a primitive kind of existence in the region. But does it tell us how small a part of the population lives it? Does it tell us that, for the most part, the people of Latin America are more fully clothed than some of the tourists who walk through the Capitol during a hot Washington summer?

Or look for a moment at the picture of the magnificent Spanish cathedral, so much a hallmark of Latin American guidebooks. Do we see behind the magnificent cathedral? Do we see the thousands of parish churches of these catholic countries? Do we see the thousands of hard-working priests in these simple surroundings? Do we see them laboring in much the same way as do priests in this country and the world over, trying their best to minister to much the same needs?

Or look, too, for a moment at the revolutionaries, the student rioters, the military insurrectionists. Look at the tableaus of terror and violence in which the newspaper accounts freeze these scenes from Latin American life and then look deeper. Do not isolate them in an empty background as a camera does. Do not view them in terms of our experience, in which many avenues exist for the peaceful redress of grievance, for the assertion of popular will. Look at them, rather—if you would comprehend their meaning more accurately—in the light of certain political facts of life in Latin America. View them in the light of tyrannical governments which brook no peaceful opposition. View them in the light of ineffectual government which countenances widespread economic and social misery and offers no hope of alleviating it. Or view them in the light of careless and corrupt government which exploits the many for the personal enrichment of the few. To see the violence—abhorrent as it may be—without seeing these other factors is to see without depth.

These are but a few of the gaps and the distortions in a two-dimensional comprehension of the situation in Latin America. If all the gaps were filled, if all the distortions were set aright, I daresay a somewhat different concept of the region as a whole would emerge. It would contain all these flashes plus many others. In proportion, moreover, some would loom very large and others would hardly show at all. Indeed, what would emerge would be a kind of curve of distribution. It would embrace just about all of the elements which are found in life in the United States, but in different proportions. The segment, for example, which we regard as social advance would be smaller. There would be, in Latin America proportionately, a much higher number of people without adequate food and shelter and modern services for their health, personal education, and development. There would be, proportionately, a much larger percentage of the people living on, working on, and depending on the land for their livelihood and getting very little return for their efforts. The urban poor, proportionately, would be more numerous, the rich more conspicuous and, all in-between, fewer and less favored. There would be, proportionately, a much more limited development of modern science and industrial technology and an even more limited distribution of its opportunities and benefits among the people. There would be, proportionately, less geographic and cultural integration but more racial and religious integration than in this country. There would be, proportionately, less diversified and less productive economies. There would be, proportionately, less effective institutions, less responsible government in a popular sense. There would be, proportionately, much more fear of internal political upheaval but much less concern with international conflict.

But let me say again, that these and other differences are differences of degree, not absolute differences. Just about the same great diversity of human experience and human hope which we find in the United States is present in Latin America. Proportions alone provide the significant variance.

And in this great diversity, there exists in Latin America an enormous potential for advance in every aspect of human hope and aspiration. It exists quite apart from what we may or may not do in our relations with that area. Generally speaking, Latin America is not going to go forward on the basis of what we do or, indeed, by what any other outside country does. It is going to move, stand still or retrogress primarily on the basis of what the Latin Americans, themselves, do or fail to do.

The Peace Corps worker building a well in a remote village is a lonely figure and, alone, can have little significance in a continent of thousands of remote villages, and millions of neglected human beings. It is obvious that if the future of these villagers depended primarily on Peace Corps workers we would have to find them, and pay for them, not by the hundreds as we now do, but by the thousands and tens of thousands. Similarly, a great dam built under a foreign-aid program at a cost of many millions of dollars is but a speck on the rivers and streams of Latin America. It is obvious that if light, power, and irrigation are to be brought to all the areas of present and future need in Latin America under the aegis of foreign aid alone, it would take not millions or hundreds of millions but billions of dollars.

Similarly, a Latin American military force based heavily on military aid from outside will not automatically insure the security of a Latin American country or the freedoms of its people. On the contrary, it can become a source of insecurity to both unless it has strong roots in its own peoples and serves them through an effective and responsible civil government. Similarly, a Voice of America explaining the evils of communism—no matter how powerful and repetitive—will not be heard in a nation driven to the threshold of massive revolt by years of neglect and oppression. A diplomacy of moderation, of patience, will have little influence unless it is coupled with strong links of mutual interest in commerce, cultural enrichment, and the maintenance of peace.

Now you will note that in mentioning the Peace Corps, foreign aid, military aid, the Voice of America, and diplomacy, I have mentioned most of the means by which the United States conducts its official relations with Latin America. To them might be added the unofficial relations—the business and investment contacts which we have, the tourist contacts, the highly significant private educational, labor, and religious contacts.

Yet even when these are added, what the United States does or does not do will not be the primary factor in what transpires in most of Latin America.

Do I mean to suggest, then, that these contacts are unimportant? Not at all. They are immensely important, to us as well as to Latin America. But I think it is essential that we see their role in proper perspective. It is essential that we recognize that, for the most part, they are peripheral to the situation in most Latin American countries. They are not, of themselves, the key to Latin America's future.

The key lies within Latin America itself and the inner forces, the native forces which play upon each national situation. You young people will understand that perhaps better than anyone else. You are subject to all sorts of influence from outside. Sometimes it is welcomed. Sometimes it is not. Sometimes you react favorably to it. Sometimes you do not. But, in the last analysis, it is from within yourself, from what you are and what you hope to be that your futures will unfold.

In a somewhat similar fashion the Latin Americans will welcome guidance and advice from outside in some matters and sometimes they will not. Sometimes they will welcome assistance and proffers of friendship and sometimes they will not. Sometimes they will be misled by outside nations and sometimes they will not. But in the last analysis what they do with their nations and societies will be what they themselves decide. In the long run, no other nation can make these decisions.

Once that fundamental reality is appreciated, we can place our own role in proper perspective. Without the conceit of assuming ultimate responsibility for what ultimately transpires in Latin America, we can do many constructive things in Latin America and together with Latin America. In many Latin American countries, there is a strong will to close the time gap in social and economic modernization as between themselves and the United States and other Western nations. There is a strong will to have done with long, sorry histories of oppressive, corrupt and ineffectual governments and to evolve a new tradition of stability, responsibility, and responsiveness in government, a new tradition of dedicated public service for the benefit of all rather than the few.

Where such a will exists, it is not a question whether change will or will not come. It is already in process. The significant question is whether it can come in orderly, evolutionary channels. If the pressures for change are great and the resistance to change powerful, the prospects are for revolutionary explosions with unpredictable repercussions and reverberations. Cuba is an example of what can happen elsewhere in Latin America. Indeed, we have seen just in recent months situations of dangerously high pressures for change and dangerously high resistance to change in Venezuela and Argentina, and we are likely to see others. The balance is still uneasy and is likely to remain so in much of Latin America for a long time.

Do I suggest, then, that there is no role for us? On the contrary, I would suggest that the Alliance for Progress and other elements of our Latin American policy can be of the greatest importance. But I stress that they can be constructive, in any significant sense, only when the efforts of the Latin Americans themselves are clearly directed toward evolutionary progress. Then our policies and our actions may, indeed, provide a decisive margin. But to plunge into every situation in an indiscriminate fashion on the assumption that it all and always depends on us is as fallacious as to evade our responsibilities on the assumption that what we do doesn't really make any difference at all.

What we do does matter a great deal, for better or for worse. And we must try to make it matter for the better. For we have a great stake in what occurs in Latin America. There is a trade of many billions of dollars involved. There are very substantial investments. There are political and cultural ties which have much to do with whether this hemisphere and we as a part of it remain reasonably secure in a most insecure world.

But beyond all others, we have a deeply human stake in the efforts of the people of these other American Republics to build the institutions through which to fulfill, in order and stability, the promise of freedom.

We will be able to help Latin America, we will be able to act for better rather than for worse as we refine our perception of the realities of that region rather than beguile ourselves with the superficial. We will be in a better position to safeguard our interests as we act with a mature and sober restraint on the dictates of these realities.

I hope, certainly, that you will bear in mind this need for a deepening of our understanding of Latin America in the event your futures should carry you to that area in some official or unofficial capacity. I hope you will remember it even if your future association with Latin America should be limited to newspaper reading. For, as you deepen your understanding, you will be in a position to appreciate and to sustain those who have the heavy responsibility of trying to preserve and to strengthen inter-American relations for the benefit of all Americans—north and south—in the Western Hemisphere.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

## PROMISE OF A SOLUTION TO THE SMOKING PROBLEM

Mrs. NEUBERGER. Mr. President, we have reached a significant milestone in the movement to establish a responsible governmental program to alleviate the smoking blight. The Public Health Service will form an advisory committee of experts on tobacco and health with comprehensive representation from a broad spectrum of governmental and nongovernmental agencies and from the tobacco industry. I think it is essential that a member of the tobacco industry be a part of the advisory committee so that we really have, once and for all, a good look at the situation.

This committee substantially embodies the provisions of Senate Joint Resolution 174, which I introduced on March 23 of this year, calling for the establishment of a Commission on Tobacco and Health.

The Public Health Service and the Federal Trade Commission, the primary agencies concerned, have displayed initiative and imagination in their efforts to forge a solution to the smoking problem. This decision by the Public Health Service gives added promise of the achievement of that solution.

Just recently there was a meeting in Portland, Oreg., of the western branch of the American Public Health Association. Speaking to that convention, Dr. F. W. King stated there was a reluctance among the mass media to communicate the knowledge to the public of the link between cigarette smoking and lung cancer. The convention spent a great deal of time discussing the whole problem.

I ask unanimous consent that a report of the meeting be included in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMOKING, POLLUTION "KILLERS"

Air pollution and smoking were labeled as killers and causes of disability Wednesday by doctors at sessions of the Western Branch convention of the American Public Health Association, being attended by over 800 physicians and public health persons here.

Cigarette smoking was blasted by two speakers, and a resolution to participate in a campaign to inform the public about the hazards of smoking was adopted by the Oregon Thoracic Society, a group of doctors concerned with diseases of the lungs and chest.

Holding their annual meeting in connection with the health association, the group heard Dr. H. William Harris, president of the American Thoracic Society, declared that chronic bronchitis, which he labeled as a serious disease, could be prevented by elimination of cigarettes in most instances.

"A persistent cough is not normal, and means that something is wrong," Dr. Harris said. He added that the national society is undertaking a campaign in 1963 to try to impress on doctors and on the public that it is abnormal to cough.

Cigarette smoking also was condemned by Dr. F. W. King, director of service for the American Cancer Society, who spoke to the health education section of the Portland convention.

"The overwhelming evidence of cause and effect relationship between cigarette smoking and lung cancer can no longer be denied by reasonably intelligent and informed people," he declared.

"In 1963 about 40,000 patients will die of primary lung cancer. More than 80 percent of these deaths will be due to the type that does not occur in nonsmokers," Dr. King stated.

He rapped the "reluctance" of mass media to communicate the knowledge to the public because of their "purchased dependence on the advertising revenues of the tobacco industry," and said the information must be disseminated through health education.

"If present rates of smoking among young people continue, 1 million children now alive will die of lung cancer," Dr. Harris added.

Because smoking is "truly and in all respects an addiction," help is needed to "prevent new recruitment to smoking among the young," the doctor emphasized.

Mrs. NEUBERGER. Mr. President, I also ask unanimous consent that a letter from Mr. Stephen E. Smith, principal of Madison High School, in Portland, Oreg., be included in the RECORD along with my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND PUBLIC SCHOOLS,
*Portland, Oreg., June 4, 1962.*

Hon. MAURINE NEUBERGER,
*Senate Office Building,*
*Washington, D.C.*

DEAR MAURINE: Pardon the informality, but that is the way we refer to you in Oregon. It did my heart good to hear on TV of your protest against the increasing use of cigarettes in our country. We are fighting a losing battle with our youth in connection with this problem. I would like to see some regulation and legislation of the vicious and vile advertising on TV by the greedy tobacco companies. The entire appeal is made to youth. We in the school business try to train our boys and girls for clean living. It is a deplorable situation when name athletes like Maris and Ford sell out the youth of the Nation for a fast buck by endorsing cigarettes.

TV viewers are a captive audience for old and young. It is also most upsetting to hear one's 3-year-old granddaughter going around the house singing cigarette jingles instead of nursery rhymes.

You will be doing a great service to the youth of the Nation if you can bring under control TV tobacco advertising and the phony paid endorsements.

Sincerely,

STEPHEN E. SMITH,
*Principal, Madison High School.*

## LISTER HILL: A TRIBUTE

Mr. GRUENING. Mr. President, under the title "Lister Hill: Statesman for Health," the June issue of Today's Health, one of the monthly publications of the American Medical Association, carries an excellent article by Robert Barkdoll on our able and distinguished colleague, the senior Senator from Alabama, Lister Hill.

The title of this article is apt and appropriate. No one, either in the Senate or elsewhere in public or private life, has done so much to improve the health of the American people as has our colleague Lister Hill, both in the matter of legislation and appropriation. He has for years sponsored measures and actions which have done more to prevent, limit, and cure disease than have been authored by any other human being. This is a record of achievement which has, I am glad to say, been widely recognized, but by no means any more so than it deserves. The benefits of Lister Hill's statesmanship have applied not only to this generation, but will continue to be beneficial in the years, and in the decades to come. These benefits are not merely contemporary, but indeed of historic import and impact. They are affecting beneficially not only the health and strength of our people today, but will do so for generations to come. This is truly statesmanship of the highest order.

I ask unanimous consent that the article "Lister Hill: Statesman for Health" be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Lister Hill: Statesman for Health

(By Robert Barkdoll)

On a sultry summer day nearly 40 years ago, a gangling young man of 28 trudged hesitantly across an Alabama farmyard to the kitchen door of a clapboard house. The florid-faced farmer who answered his halting knock looked down questioningly. The caller fought off his shyness and forced himself to speak.

In a soft drawl, he declared his identity and solemnly announced that he was running for Congress. Perhaps the good man might favor him with his vote in the upcoming election. It certainly would be appreciated.

As the visitor, now a hale 67, recalls it, the farmer peered at him for a long moment. "So your name's Hill," he said finally. "Must be Doc Hill's boy. Why, your father's a good man, took out my appendix last September. A good man."

"Thank you, sir," smiled the young officeseeker, his diffidence gone. "I guess you'll have to vote for me. You got the Hill trademark on you."

It was in 1923 that the farmer bearing on his abdomen the trademark of a widely respected Montgomery physician helped send the doctor's son to the U.S. Congress, and assisted in launching the legislative career of the man now known as "the statesman for health," Lister Hill, the senior Senator from Alabama.

In the years since, the tall, spare statesman has stamped his own trademark on more legislation affecting the Nation's health than any other American in history. Proudly drawing on political skills of the highest order, he has enticed, cajoled, and otherwise maneuvered his congressional colleagues into enacting countless bills ranging from the famed Hill-Burton hospital program to research projects for scores of diseases and, more recently, such legislation as a measure providing more teachers for deaf children. No disease, no phase of the Nation's health needs seems to escape his attention.

Honors have been heaped on him by scores of medical societies, schools, universities, civic organizations, and other groups familiar with the professional aspects of his accomplishments. But some of his friends in the U.S. Senate feel he has not received all the man-in-the-street recognition his work merits.

As Vice President Lyndon B. Johnson says, "There are millions of our people who are better off today—and millions who will be better off in the future—because of the fine work he has done on health legislation."

The Vice President and other colleagues know Senator Hill as a dedicated man who believes that a hardworking America, cooperating where possible with other lands, can conquer the most persistent disease.

Says Senator Hill: "We stand today at the threshold of a golden age of medicine. I predict that within a relatively few years the world will see a tremendous breakthrough of medical knowledge. There is reason for confidence that this breakthrough will yield the answer to heart disease, cancer, mental illness, the virus diseases, and the many other crippling and degenerative ailments."

Leaning back in his office chair recently, and running a hand lightly across his very very high forehead, the soft-spoken Senator dipped into his memory for a respectful tribute to his father, the late Dr. L. L. Hill. Then, in a narrative generously sprinkled with anecdotes, he recalled his own career, always leaving the impression that the father was the son's guiding star.

"My father was a dedicated physician, a great student of medical history, and fortunately a physically strong man. He had to be. Even in his later years—he lived to 84—he visited his patients in the hospital in the morning, made his rounds, returned to the hospital for a final check at 10 or 11 o'clock at night, then went home to read or study until 1 or 2 in the morning."

Dr. Hill studied in London under the famed Sir Joseph Lister, father of surgical antisepsis. So impressed was Dr. Hill with his teacher that when a son was born he named him after the noted surgeon. And thus Lister Hill was left with a double legacy—his father's and the name of the famous Britisher he also bore.

This carries great weight with him. "It was my father's physician friends who prevailed on me to run for public office. They wielded great influence. All they had to do was say to their patients how nice it would be to have Dr. Hill's son in Congress, and there was another vote. They probably knew the tack my congressional career would take."

It's doubtful even they could have known the powerful position that "young Hill" would occupy after a few years in Washington. Elected to the House in his first campaign, he switched to the Senate in 1938 and it is there that he has left his stamp on the Nation's health and research programs.

As chairman of the Senate Labor and Public Welfare Committee, he rides herd on all health legislation. And—not by happenstance—he also is chairman of the Senate Appropriations Subcommittee which oversees funds to carry out the programs authorized by the Public Welfare Committee.

How he obtained this dual position is illustrative of the gentle southerner's determined drive. In 1949, he was a key member of the powerful Senate Armed Services Committee. But studying his future, he decided to drop the post and take the lowest position on the Appropriations Committee. By 1955, he had risen to chairmanship of the subcommittee handling health funds.

"Let's say I hoped all along to get the subcommittee chairmanship," he said with a chuckle. "To do a job you have to be in a strategic position. As a member of the Armed Services Committee during the war, I was amazed by the number of boys rejected for service because of physical or psychological reasons. And the state of our hospitals was shocking, so few and so overcrowded."

But even before this, the man who, according to his colleagues, "practices medicine in Congress" had started building his impressive legislative monument.

Broadly speaking, it covers four fields:

Hospitals and health facilities: The 1946 Hill-Burton hospital and health center construction program has helped build more than 5,700 hospitals, health centers, and other health and medical facilities of all kinds. More than half the hospitals are in rural communities of less than 5,000 population. Also, it was in this bill with its so-called Hill formula that Congress for the first time allocated funds among the States on the basis of need.

"In the early days of my father's practice," said the Senator, "a doctor would be called to treat a bad stomach ache—appendicitis. The patient would be put on a wagon, they'd drive to the railroad station, they'd wait for the train, and by the time they finally got to the Montgomery hospital the appendix had burst. In 1960, we observed at Langdale, Ala., the 10th anniversary of the first hospital approved under the Hill-Burton Act, and I could say then that during the decade medical research and better facilities had saved about 1,800,000 lives."

Medical research: He has fought for hundreds of millions of dollars for research into the cause, cure, and prevention of cancer, heart disease, cerebral palsy, mental illness, and many other crippling diseases. The Senator is proud that these efforts have "stimulated greatly increased emphasis on research among foundations, medical colleges, industry, and other private sources of support." In 1960, with the support of 63 Senators of both parties, he pushed through Congress the "health for peace" bill establishing the international medical research plan for the greater flow of medical knowledge throughout the world.

"My father once told me how in 1864 Joseph Lister, then at the University of Glasgow, walked home with Thomas Anderson, a professor of chemistry. Anderson told him of certain papers on putrefaction and fermentation recently published by a then little-known French chemist, Louis Pasteur. Lister read the publications and was convinced that living particles in the air often turned the surgery of his day into a charnel house. From this casual meeting with Anderson came Lister's great principles of the modern treatment of wounds. The less transmission of medical knowledge is left to such chance exchanges the better."

Medical education and training: The Senator for years has sponsored training and education programs for thousands of doctors, dentists, research specialists, public health officials, and other medical personnel.

"The need for more physicians, dentists, nurses, and other medical personnel is one of the greatest problems we face in the field of health today," he said. "But once we have trained them we must be sure they have the facilities with which to work."

Preventive medicine: To "place a floor under the Nation's health," he has strongly supported legislation strengthening state and county health units in the battle against tuberculosis, polio, hepatitis, and other communicable diseases.

Senator Hill, a Phi Beta Kappa graduate of the University of Alabama Law School, gave unstinting credit to medical men who helped him compile his legislative achievements. "For example," he said, "several years ago we were sponsoring a bill to provide Federal grants to a group of medical, psychiatric, and rehabilitation experts to study the causes and treatment of mental ailments. Among the witnesses we asked to appear was Dr. Leo H. Bartemeier, who was then chairman of the American Medical Association's Council on Mental Health. He put into the record the fact that about half of all hospital beds are occupied by mental patients. That was far more effective than if the bill's sponsor had made such a statement."

Few doubt that the courteous Alabaman knows his job. He is most often called a pragmatic politician, a man who commands respect in his field because he steers clear of wild schemes and insists on the practical approach. When he moves for a vote on a favorite bill, chances are he knows almost to a Senator how his colleagues will cast their ballots.

As a Pennsylvania Republican Senator remarked to his Democratic colleague during a radio debate not long ago, "If LISTER HILL says this health bill is going through, I guess it's silly to bother with a rollcall."

When Senator HILL is talking about his health legislation, the soft drawl of the "deep South" Senator tends to dwindle, his words are more clipped. But the undeniable charm is still there, and a certain toughness of spirit is plainly evident.

From time to time, newspaper columnists and others wonder in print how Senator HILL's dedication to his senatorial "medical practice"—with time out for education and labor-management legislation—sits with his Alabama constituents. But, while obviously a cosmopolitan, he is vividly aware of his southern heritage. They tell a story on Capitol Hill to illustrate the point. Some years ago a would-be Alabama politician considered running for the Hill seat in Congress. He thought the incumbent perhaps was not sufficiently aware of his Alabama background although he had vigorously upheld the State's civil rights position. So the politician sounded out a member of the Alabama congressional delegation. What did the Congressman think of his chances against Mr. HILL?

"There are a few things you should know," replied the Congressman. "Shortly after HILL entered the House he introduced a bill to put gravestones on the graves of all Confederate soldiers. The bill was enacted. Later on he was appointed a member of the Board of Visitors at West Point. On his first visit, he noticed that the portraits of all commanders were hung at the Point except one of Gen. Robert E. Lee. He came back to Washington and raised such a storm that Lee's portrait was prominently displayed in the library at the Point. Do you still want to run against him?" The disconsolate office-seeker retreated.

Senator HILL often is asked why, considering his background, he did not go into the medical profession. He has a quick reply. When just a boy, he chanced to walk into the room where his father was operating on a patient with a malignancy on his nose. "That was a horrible sight," he said, "and the smell of ether didn't help either. I fled the operating room and have never been back since, at least not for anything major."

There are those within and without the profession who are glad the Senator choose the legislative field.

On April 29, 1959, the Washington, D.C., Board of Trade, together with the Medical Society of the District of Columbia and related organizations, held a unique ceremony at which 700 prominent Americans gathered to pay tribute to LISTER HILL.

One of the most moving came from Dr. Howard A. Rusk, director of the New York University Bellevue Institute of Physical Medicine and Rehabilitation. After thanking the Senator for his work on behalf of America's physicians as well as the general public, Dr. Rusk said: "We honor you as a Senator, but I think subconsciously (although we don't say it out loud) we feel, LISTER, that you are a doctor—that you are one of us. I am glad that you aren't just a regular doctor, because had you been, you would have just been like us—limited in the scope of your opportunity to serve. Because any doctor can only serve just so many people.

"But you have put the tools in the hands of all of us. You have given us the things with which to work. So we are grateful to you. We are grateful to you in emergencies and in serious situations that confront doctors in the practice of medicine and surgery."

Asked about this tribute recently, Senator HILL said quietly and self-effacingly: "My friends in the profession have been very kind to me." Apparently the friends feel the kindness has been repaid.

So often have some members of the profession appeared before Hill-led Senate committees that a rather rare camaraderie has developed between the chairman and the witnesses. Some years ago Dr. Ralph J. Dorfman, associate director of the Worcester Foundation for experimental biology, Shrewsburg, Mass., was testifying on research legislation. As the hearing drew to a close, the Senator drew attention to his thinning hair. Patting his balding head, he asked facetiously, "You researchers, can't you do something about this up here?"

Told that perhaps the next generation would not have to worry about baldness, he replied: "That's the trouble with you researchers, you're always looking to the future. Some of us can't wait."

One of the Senator's fondest memories is of a school he attended as a youth, a high school-like institution run by the late John M. Starke. "Starke was a great believer in mental arithmetic, working out problems in your head. But he also hammered away at the value of loyalty, speaking the truth, right-dealing, hard work, and the joys of accomplishment."

There are many who believe LISTER HILL learned well.

## HYDRODEVELOPMENT IN THE SOVIET UNION

Mr. GRUENING. Mr. President, in Washington at present, after a 3 weeks' tour of the United States, is a delegation of hydroelectric engineers and power specialists from Soviet Russia. This is the mission which is paying our country a return visit authorized in reciprocity for a visit made in 1959 by a U.S. delegation under the joint auspices of the Senate Committee on Public Works and the Senate Committee on Interior and Insular Affairs consisting of Senators FRANK MOSS, acting as chairman, EDMUND MUSKIE, and myself, accompanied by a number of experts in this field as well as Senate committee staff members.

What we learned there during this visit of 31 days, which carried us all over the Soviet Union from Leningrad in the north to Tbilisi in the south and Irkutsk in the east, was that the Russians are making tremendous strides in the harnessing of their great rivers and generating hydroelectric power on an unprecedented scale. We visited at that time the great dam at Bratsk, two-thirds of the way across Siberia on the Angara River, which flows out of Lake Baikal, a tremendous structure which was then nearing completion and would when completed have an installed capacity of 4½ million kilowatts. This would be more than twice as large as Grand Coulee, still the largest dam in America, and at the time of its completion in 1950 the largest dam in the world. But since that time other dams on other rivers in Russian Siberia have been begun, some of which will even far exceed the dam which we hope to see built shortly on the Yukon River in Alaska at Rampart. That Alaskan dam will have an installed capacity of pretty close to 5 million kilowatts. But even before it is completed there will be larger dams in Russia.

In the current June issue of Rural Electrification there is an excellent article entitled "Russian Growth: Fact or Fancy?" by David C. Fullarton, electrical engineer of the National Rural Electric Cooperative Association. Its conclusion that the United States needs to make greater effort to keep its long-existing leadership is clear and correct. I ask unanimous consent that this article may be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### RUSSIAN GROWTH: FACT OR FANCY?

(By David C. Fullarton)

In this latter half of the 20th century the United States finds herself in an intense and often bitter competition with the Soviet Union in all areas of development—military, scientific, and economic.

A Nation's position on the world power stage these days is every bit as dependent on its economic capabilities as on its military power. Military supremacy itself is dependent to a great extent on a strong economy and basic to a vital, expanding economy is the availability of energy for productive and other uses.

In our modern industrial world, electrical energy is by far the most practical and widely used form. The adequacy and growth of electrical capacity and consumption then becomes an excellent indicator of the health and vitality of an economy.

The increasing Soviet capability in all areas of endeavor has for sometime been a subject of much interest and controversy in this country, and the Soviet rate of growth in electrical capability and energy consumption is no exception, having brought forth much controversy on what the Soviets have done and can be expected to do in the next several decades.

Many of the roots of the present controversy lie in the 1959 visit to the U.S.S.R. by leaders of the U.S. electrical industry. Under the auspices of the East-West Exchange Agreement, Senators Frank Moss, Ernest Gruening, and Edmund Muskie, accompanied by NRECA General Manager Clyde T. Ellis; APPA General Manager Alex Radin; Harry Kuljian, president, Kuljian Corp., Philadelphia; Harvey McPhail, then chief, hydroelectric division, Kuljian Corp., and former Assistant Commissioner of Reclamation for Power; Victor C. Reinemer, then executive secretary to Senator Murray, chairman of the Committee on Interior and Insular Affairs; Theodore W. Sneed, Senate Public Works Committee professional staff; Michael W. Straus, consultant to the Senate Interior Committee, former Assistant Secretary of Interior and former Commissioner of Reclamation, and Milton C. Mapes, Jr., then of the Senate Interior Committee professional staff, spent 31 days in the U.S.S.R. inspecting power facilities.

This group, upon their return, prepared a report on the relative development of water and power resources in the United States and Soviet Russia. Among other things, this report showed that the Soviets are steadily gaining on the United States in power production and a projection of this gain shows that the Soviets could overtake us by 1975, provided their rate of growth, and ours, remain at present levels. The report also showed that their transmission capabilities are more than keeping pace with production expansion as are their technological advances, particularly in the field of hydroelectric generation.

The inspection group recommended, as a result of their tour of the U.S.S.R., that the United States step up development of its water resources, paying particular attention to hydroelectric power; that we study the most efficient organization of our national power supply function and establishment of a rational and effective planning function; and that the Federal Government expand its transmission line construction program to interconnect and market power from Federal projects and transmit, where feasible, privately generated power. It also recommended enactment of adequate resources legislation and improvements in governmental accounting procedures.

The report contained graphic presentations of the predicted total installed capacity and annual energy consumption of both countries up to about 1980 and it is from these predictions that the present controversy stems. Based on a 12.5-percent increase per year for the Russians and a 5-percent per year increase for ourselves, the Russians could surpass us in annual production by 1975 when both countries would exceed 1,700 billion kilowatt-hours per year. These predictions were made by the Federal Power Commission for the United States and by the Ministry of Power Station Construction for the U.S.S.R.

Based on a planned average increase of 10,660,000 kilowatts installed capacity per year in the United States, and an average increase of 22,500,000 kilowatts per year in the Soviet Union, for the 10-year period from 1965 to 1975 the Russians could surpass us in total installed capacity by 1975, also. Both countries expect to reach 425 million kilowatts installed in 1975.

Not everyone recognizes the threat to America's superiority in the field of electric energy posed by Soviet progress and expansion.

The May 2, 1960, issue of U.S. News & World Report contained an article entitled "Russia's Claims Debunked." This article portrayed the Soviet Union claims of progress and predictions of expansion as boasts, except in the fields of weapons and heavy industry. Several legislators endorsed this article as containing valuable information.

The New York Times, on November 1, 1959, reported that investor-owned utility leaders were "impressed but unworried by Soviet growth." Edwin Vennard, managing director of the Edison Electric Institute, the private utility trade association, was quoted as saying, "There's not the slightest chance that they'll pass us in kilowatts."

Philip Sporn, an acknowledged leader of the private utility industry, was more conservative when he said that, "we can conclude that at least as to the scope of our development program we will not, by 1963, be behind the Russians * * *." Others explain away the rapid increase in Russian consumption and capacity by attributing it to the relatively low point at which the Soviets now stand. A noted engineer who made the Russian trip in 1959 recently termed the report prediction very optimistic. He explained this opinion by advancing a theory of ultimate saturation in per capita energy consumption, an event which has not yet occurred in this country and seems unlikely for the immediately foreseeable future.

On the other hand, it is the opinion of many highly respected and authoritative electric power experts that Russia's growth in power capability could prove disastrous to this Nation if it is ignored. As previously mentioned, military strength depends to a great extent on economic strength which is in turn highly dependent on energy capability. Russian progress in energy capability puts them in a highly competitive position on the world market particularly as to commodities such as aluminum where one of the major cost factors is power. The country having the advantage in power cost will probably have the upper hand in the world market. It has been pointed out that Russia has, for the past few years, been making phenomenal strides in conquering the regions of outer space, and it is not mere conjecture that the Soviet Union recognizes that electrical energy is also a vital part of her national strength.

The big question seems to be: Will the present rates of growth in energy capability and consumption be sustained? There is no infallible way to determine the answer, but there are good indicators of what the future holds.

A look at Soviet accomplishments since 1958 shows progress very much in line with what was predicted in the inspection group report and with what the Soviets have predicted for themselves.

At the end of 1958, the U.S.S.R. had 53 million kilowatt installed capacity and had reached an annual consumption of 233-billion kilowatt-hours. In 1959 installed capacity went up to 59 million kilowatts, an 11-percent increase, while annual consumption rose to 265 million kilowatt-hours. In 1960 they installed 6.5 million kilowatts for a total of 67 million kilowatts and annual consumption rose again to 292 billion kilowatt-hours. The January 23 issue of Pravda reported an increase of 7-million kilowatt capacity and consumption of 327 billion kilowatt-hours for 1961. The Inspection Committee Report predicted 337.5 billion kilowatt-hours annual consumption and approximately 77 million kilowatts installed for 1961, and both predictions fall within 4 percent of what the Soviets have actually accomplished.

The U.S. position today is also much in line with the predictions made in the report. According to the Edison Electric Institute, our 1958 installed capacity was 150 million kilowatts, increasing to 165 million kilowatts in 1959, 175 million kilowatts in 1960, and 188 million kilowatts in 1961. 1958 energy consumption was 645 billion kilowatt-hours, increasing to 707 billion kilowatt-hours in 1959, 765 billion kilowatt-hours in 1960 and 808 billion kilowatt-hours in 1961. The predictions were highly accurate for total installed capacity, but about 90 billion kilowatt-hours high for our annual consumption.

What is the outlook for U.S.S.R.-United States competition in the vital electric energy industry? The data available is limited but does not indicate any radical departure from Soviet expansion claims or American expansion expectations. It may take a few more years than originally anticipated but the trend is toward a narrowing of the gap between the Soviets and ourselves.

The United States had for many years the most vital, progressive and expanding economy in the world. Our economy continues to grow—we're still in first place—but we are growing much more slowly than the Soviets.

The competition is definitely getting stiffer. We need increased effort to maintain our position and this greater effort must come from all segments of our economy—including, of course, the electric utility industry—if we are to place first in the all-important race for world prestige and power, upon which hinges, ultimately, our hope for peace.

## ATTORNEY GENERAL KENNEDY'S ATTACK ON AMERICAN INDIANS

Mr. BENNETT. Mr. President, the Ute Bulletin, a monthly newspaper published by the community services division of the Ute Indian Tribe at Fort Duchesne, Utah, contains an editorial in its May 26 edition expressing strong criticism of Attorney General Robert F. Kennedy's remarks in Life magazine. The Kennedy remarks appeared under the caption "Buying It Back From the Indians." In my opinion, this editorial deserves the attention of Congress, and I ask unanimous consent that it appear in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

> A recent article by Mr. Robert F. Kennedy, the Attorney General of the United States entitled "Buying It Back From the Indians," in the Life magazine, evoked a storm of protests from many Indian groups and their friends because of the alleged facetious and smug way it was presented. The protest centered around the presumptuousness of the Attorney General of the United States to poke fun at the plight of the original American at the same time that he and his brother, the President, were out telling the world that they were champions of oppressed minorities, who were living in squalor, ignorance, economic deprivation and want.
>
> The subject matter of the disputed article dealt with Indian claims against the Federal Government. Most of these claims deal with Uncle Sam's failure to live up to the terms of treaties and agreements made with the Indians back in the last century, usually forced upon the unwilling Indians in order to take away his lands and property. As a result of these treaties and agreements, some ratified and others not, the Indians were moved to reservations and if they were not willing to do so, they were quickly disposed of in the traditional frontier style of that day.
>
> Whatever may be the purpose behind Mr. Kennedy's article, it only added to the confused image that the average American citizen has of his fellow citizen, the American Indian. He is too often viewed as anachronistic comic and a dull wit, relegated to a reservation which might be viewed as a haven for the mentally retarded, and someone who is separate and apart from every human being, in spite of the fact that he has been an American citizen since 1924, and has played a significant role in the progress of our country. All you have to do is go back to your daily papers in the State of Utah a few days back to find examples of intelligent people still floundering around over the question of what is an Indian and what isn't.
>
> One champion of the American Indian who arose to lambast the Attorney General over his article was Hon. E. Y. Berry, Representative from South Dakota. In a speech reported in the Congressional Record, April 4, 1962, Mr. Berry said, "This young man, brother of the President, who has been traveling all over the world, telling peoples of other nations what they must do and how they must get their own house in order, tells the world in this article how surprised he was to find that the United States must still pay for lands and property taken by force from the Indians, for which settlement has never been made by the Government." Mr. Berry said that it was quite humorous for young Bobby to find that there have been some 370 claims filed before the Indian Claims Commission and that only 33 have been settled, while 10 others are on appeal, with some 200 in various stages of trial.

Pointing out that the reason why the Indians are still waiting after 100 years or so, Mr. Berry stated that the Federal Government has gone to every extreme in attempting to prove that the Indians are wrong, that the white man owes no money for the lands and property that he has taken from the Indian, that the Federal Government is not under obligation to keep its treaties with the Indians.

Mr. Berry's comments reveal the ambivalence in the Attorney General's position. On the one hand the Federal Government has certain responsibilities over the Indians because he is a ward and the Attorney General being a representative of that Government is also a protector of the Indian rights. Yet on the other hand, the Attorney General through the Department of Justice is protecting the Federal Government from claims submitted by its wards because of treaties and agreements made when the Federal Government and the wards were organized as nations recognized by the United States as foreign powers.

In this complicated state of affairs, Mr. Kennedy's article was sure to get him into "dutch," and maybe if "young Bobby" as Mr. Berry calls him, wants to keep out of trouble, he might write about some other subject in the future.

We would, however, just as soon forget the whole thing and urge the Attorney General of the United States to expedite the claims cases and bring them to conclusion as rapidly as possible. It is a blight upon the American citizen to have these cases hanging fire year after year. We would recommend that the Federal Government appoint additional staff, both to the Justice Department and to the Claims Commission. In addition we would recommend that greater use be made of compromise. Pretrial conferences should be used to narrow the issues rather than resort to time-consuming legal techniques in a formal trial and hearing. One of the frustrating aspects of presenting Indians claims is the notorious methods of the Federal Government in delaying, asking for extensions, and going over irrelevant matters.

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## ADDRESS BY GOV. GEORGE D. CLYDE TO THE WHITE HOUSE CONFERENCE ON CONSERVATION

Mr. BENNETT. Mr. President, on May 25 Gov. George D. Clyde, of Utah, addressed the White House Conference on Conservation. Because his remarks are so timely and his message so important, I ask unanimous consent that his address appear in the Record following my remarks. Governor Clyde is an outstanding expert in the natural resources field, having devoted nearly all of his adult life to the pursuit of enlightened conservation. He was one of the few Republicans invited to participate in the conference and his was one of the few voices proclaiming true conservation in Washington's natural-resource wilderness.

There being no objection, the address was ordered to be printed in the Record, as follows:

Opening Statement by George D. Clyde, Governor of Utah, at the White House Conference on Conservation, West Auditorium, Department of State, Washington, D.C., May 25, 1962

I deeply appreciate the honor of being invited to participate on this panel, and the privilege of speaking for an area of these United States whose problems are peculiar and sometimes unique, and of which my own State of Utah is typical.

Resource development, which we are discussing here this morning, is the basis of civilized society. But natural resources exist in many different forms and require many different approaches and techniques for development. In the very brief time at my disposal, I shall not try to treat this enormously broad subject philosophically or exhaustively, but restrict myself to a few specific examples which are illustrative of the peculiar conditions in the area of the Nation which I represent.

Of obvious first importance is the agricultural resource, for without food and fiber man could not exist. In many areas of the world, conditions of soil, climate, drainage, etc., are ideal for agricultural development, and development of this resource always remains of prime importance. In my own State, however, and vast areas of many other Western States have conditions comparable to those found in Utah, the agricultural resource and its exploitation are severely limited. Our semiarid to arid climate requires, for the most part, irrigation for the growing of crops. Our rugged and barren terrain—the surface of Utah is 95 percent mountains and deserts—severely limits the area that can be cultivated, even when water is made available. To anyone living in this kind of country, it soon becomes apparent that continued growth and development cannot be supported by the agricultural resource alone.

Fortunately, we have many other resources to which we can turn. Many of our mountain slopes are abundantly forested. The forested slopes and high plateaus produce forage that can be harvested by grazing animals—and, let me add, can be harvested in no other practical way. Our most rugged terrain is often underlain with important minerals, in variety and abundance. Oil and gas, coal and iron, nonferrous metals, the fissionable fuels that hold such great strategic importance, the new wonder metals such as berryllium, the many nonmetallic minerals which have extensive industrial uses—these form an important part of the legacy which nature has provided in lieu of the more obvious agricultural wealth which is so restricted in our part of the country.

In addition to these tangible, material resources, we also possess intangible resources of immense value. Our mountains, forests, lakes and streams offer opportunities for fishing, hunting, hiking, boating, swimming and other forms of recreation that are becoming more important day by day as living conditions across the Nation become more crowded and the pressures for healthful outdoor recreation correspondingly increase. Our future depends on the wide development of all of these resources, both tangible and intangible.

Here let us note that resource development is, at one and the same time, of interest and concern to the individual, to the local community, to the State, the region, and the Nation as a whole.

The individual, or group of individuals, who through hard work and intelligent application of modern techniques of exploration discover an oilfield or valuable mine, draw direct and obvious benefits. But so does the local community, which finds support to a new basic industry. The State and the regional economy profit proportionately, and the entire Nation is strengthened. Resource development is a cooperative venture between private enterprise and Government of every level, and a successful balance must be maintained if we are to achieve optimum results.

We live under a system of free enterprise, and private initiative must be given maximum latitude and responsibility for resource development. To contend otherwise would be to renounce our historic and cherished way of life in favor of some measure of collectivism. Yet, under the broadest interpretation of free enterprise, we have found that a measure of wise regulation and control by Government may be absolutely essential.

The early lumber barons who wastefully despoiled vast stretches of timber country for quick profit had to be forcibly checked or hundreds of thousands of square miles would have been laid forever waste. In our western mountain country, early practices of overgrazing sometimes denuded watersheds, which later resulted in damaging floods and the loss of invaluable water.

From such practices as these, and the need to regulate them, came the conservation movement which developed under the late President Theodore Roosevelt and his able band of aids led by Gifford Pinchot. In this day when attention is so keenly focused on conservation, and when the term "conservation" itself is so frequently misused and misapplied, it is desirable that we study the beginnings and the development of the true conservation movement and the sound principles on which it is founded. Conservation is not, and was never intended to be, a setting aside from use of our resources, but rather wise provision for use by our citizens. The classic definition of conservation, which no one has improved upon, was given more than a half century ago by W. J. McGee, an associate of Pinchot and the first Roosevelt, who said it is "the use of the natural resources for the greatest good of the greatest number for the longest possible time." Pinchot, McGee, and Roosevelt did not attempt to eliminate the cutting of the forests, but to regulate it. It is instructive to note that, to go back to the two examples just cited, forests do better under controlled cutting than in a completely wild state, and watersheds are improved by the proper amount of grazing. All renewable resources can be made better and more productive through planned and controlled use.

Some people contend that nonrenewable resources are in an entirely different category and must be handled differently. They argue that underground minerals are limited and can best be preserved for future need and use by halting present development entirely. This is not true. Mineral development is a continuing process, which is becoming more difficult and expensive as time goes by and the obvious, near-surface mineral deposits are used. Under our free enterprise system, the profits from present operations must pay for the exploration, programing and development that make possible future production. If we halt today's exploration, tomorrow's critical need will find us unable to produce. By way of illustration note that "known reserves" of most important minerals are steadily increasing, in spite of steadily rising consumption—we have consumed far more than the "total known reserves" of a few years ago, yet our present reserves are greater than those we have consumed, thanks to a steady program of exploration and development.

The principle of true conservation is closely tied to that of multiple-use of our lands. If we are to obtain the "greatest good for the greatest number for the longest time" from our resources, we cannot divide up our land and assign it to exclusive single uses. Usually land can be put to a number of different but non-conflicting uses. It is obvious, however, that in very limited areas, specific single uses may have to take precedence. In the immediate area of a mine shaft, for example, or a sawmill, other uses cannot reasonably be permitted. But the area held to single-purpose use must be restricted to the very minimum actually necessary for the primary purpose if we are to derive maximum benefit from our land and resources.

In the broader applications, this principle holds true. In setting aside an area of unique scenic or scientific interest as a national park, we may ban otherwise normal uses; but we must restrict the park reservation to the minimum land actually necessary to achieve our basic purpose, or else we may unreasonably restrict the development of other important resources. In the current discussions of a proposed new national park in Utah, I have strongly supported the maintenance of strict park standards for actual park land—while others have proposed opening the park itself to other uses—but I have also urged as strongly as I know how that the park boundaries be reasonably limited so as to permit the development of other very important resources in the area.

The role of government in resource development is not only to regulate and control, but also to cooperate with and assist free enterprise in its task. A classic example of the type of cooperation of which I am speaking is afforded in the field of water development. Expansion and growth in the semi-arid and arid West would by now have virtually ground to a halt without it, for easily reached and cheaply developed supplies of water would be exhausted. Under the Federal reclamation program begun in 1902, assistance has been provided to develop projects too vast and too complicated for private enterprise to handle unaided. Multipurpose projects have been constructed, and the proceeds of hydroelectric power used to help pay the costs of water development, and water users have repaid the Government from the profits of operations made possible by the water provided. More recently, under the Small Projects Act, similar assistance—later repaid virtually in full—has been provided for less vast projects, but which are still too expensive for individuals or groups to undertake alone. In Utah, the State's water and power board is providing similar assistance on a still smaller scale, developing small local projects of immense importance to various communities around the State, but which the local people alone and unaided could never have constructed. And I should like to add that we have not yet had the sponsors of a single project default on their repayment obligation.

I have briefly mentioned government's role in resource development on both the Federal and the State level. I believe it is absolutely essential that Federal and State activities be coordinated, so as to supplement and complement each other effectively and also to avoid unnecessary overlapping, duplication, or other wasteful practice.

In Western States such as Utah, where most of the land is under Federal control and management, this is particularly necessary. Almost three-fourths of the area of my State is in one form or another of Federal ownership—managed by the Bureau of Land Management, the Forest Service, in military or Indian reservations, or set aside as national parks or monuments. We have to operate on approximately a quarter of a State as a tax base. Other western States are in comparable positions, the exact percentage of land in Federal ownership varying from State to State. I trust that people of other parts of the Nation will keep this in mind, for it explains why we must be wary about letting further substantial tracts of land, particularly land rich in mineral and other resources, pass out of State control.

I have severely limited my discussion because of the time problem we face this morning. I trust some of the ideas I have advanced may be further developed in the discussion period. Let me conclude my opening remarks by summing up my position on the role of private enterprise and Government in resource development:

1. We should develop all of our resources, the tangible and the intangible.

2. So far as possible, we should adhere to the principle of multiple-use in resource development; when exclusive single use is practiced, the area of its application should be limited as much as possible.

3. Resource development is first the responsibility of private enterprise. Government assistance and/or control should be provided only when private enterprise cannot do the job effectively alone.

4. When Government assistance and/or control is required, it should be provided with as close cooperation as possible with private enterprise, and with full coordination between government at various levels. State laws and established practices should be fully and carefully considered, to avoid the disrupting of local economies in any part of the Nation.

5. Finally, our entire effort should be directed at the goal of providing "the greatest good for the greatest number for the longest possible time."

## REVERSAL OF POSITION OF SAVINGS AND LOAN LEAGUE ON PROPOSAL TO WITHHOLD TAXES ON INTEREST AND DIVIDEND INCOME

Mr. WILLIAMS of Delaware. Mr. President, there was published in today's Washington Post and Times Herald an article entitled "Lobby Drops Battle on Dividend Tax, Fearing J.F.K. Slap."

I quote a portion of the article:

> The powerful savings and loan lobby has called off its fight against President Kennedy's proposal to withhold taxes on interest and dividend income.
>
> The savings and loan industry dropped its fight because of fears that the Kennedy administration would retaliate by slapping it with heavy new taxes.
>
> The tax revision measure carries a compromise formula for taxing savings and loan associations at the rate of about $200 million a year, rather than the current $9 million.
>
> Mr. Kennedy originally sought taxes of $500 million a year and the savings and loan officials feared he would revert to this figure or even propose a special tax bite on their associations if they continued their fight against the withholding feature.

Mr. President, this has the inference either of being an attempt to blackmail a group into support of an administration proposal or of being a situation involving a $300 million deal. I refer to the inference in the article that the administration would withdraw its request for a $500 million tax on the association and accept the House proposal which provides $200 million additional taxes in return for its withdrawing its opposition to the withholding tax.

Mr. President, there is no room either for threats or for deals in regard to the enactment of our tax laws. I shall ask that both the Secretary of the Treasury and the Saving and Loan Association present to our committee statements as to whether there has been a deal in return for support of the administration's proposal, or as to whether there has been any threatened blackmail or retaliation on the organization if they continue their opposition. Proposed changes in our tax laws should be supported or opposed based upon their merits and not through fear of retaliation or as the result of deals.

I ask unanimous consent that the article may be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Lobby Drops Battle on Dividend Tax, Fearing J.F.K. Slap

> The powerful savings and loan lobby has called off its fight against President Kennedy's proposal to withhold taxes on interest and dividend income.
>
> The move is expected to improve prospects that Mr. Kennedy's tax revision bill, already passed by the House, will win approval from the Senate Finance Committee which has been considering it for two months.
>
> The United States Savings and Loan League, which claims to represent 6,000 member associations, has notified Treasury Secretary C. Douglas Dillon and some Senators that it now supports the measure with the withholding feature.
>
> Before dropping its fight, the league sparked a letter-writing campaign which brought hundreds of thousands of letters to Senators voicing opposition to Kennedy's plan to withhold 20 cents from every $1 in interest and dividends.
>
> At a May 9 news conference, Mr. Kennedy accused the savings and loan industry of "misinforming many millions of people" by giving them the impression he was proposing a new tax rather than merely trying to collect taxes which are now ignored by some.
>
> The savings and loan industry dropped its fight because of fears that the Kennedy administration would retaliate by slapping it with heavy new taxes.
>
> The tax revision measure carries a compromise formula for taxing savings and loan associations at the rate of about $200 million a year, rather than the current $9 million.
>
> Mr. Kennedy originally sought taxes of $500 million a year and the savings and loan officials feared he would revert to this figure or even propose a special tax bite on their associations if they continued their fight against the withholding feature.

## UNIVERSITY OF ALASKA HONORS WAYNE ASPINALL

Mr. BARTLETT. Mr. President, before May 28 he could be referred to as Wayne Aspinall, as Representative Aspinall, or as Chairman Aspinall. Now another title, and one which he richly deserves, has been added. Now, in addition to everything else, he is Dr. Wayne N. Aspinall. For on that day the distinguished Coloradoan received an honorary degree as doctor of laws at the commencement exercises at the University of Alaska, at College, Alaska. The degree was awarded him in recognition of his outstanding services as a public official for his district, for his State, and for his Nation. Perhaps most especially Alaskans, acting through the University of Alaska, were thus able to give appropriate recognition to a man who as much as anyone else was responsible for Alaska's attaining statehood and who in many other legislative and allied endeavors has made mighty and magnificent contributions to development of this vast northwestern land. It is sometimes said, Mr. President, that the modest man, the self-effacing man, the man who fails to blow his own bugle and to trumpet his own virtues and accomplishments, is ignored and forgotten and his services go unappreciated. This is a splendid and striking example to the contrary. For

WAYNE ASPINALL is modest; he is self-effacing; he is not in the habit of publicly proclaiming in his own behalf. Yet Alaskans knew—because they are observant—that WAYNE ASPINALL was a powerful, influential, and effective legislator who was always working on their side in their rightful aspirations. So when the board of regents of the University of Alaska, acting through its president, Elmer E. Rasmuson, and the University's president, William R. Wood, conferred the degree of doctor of laws upon WAYNE ASPINALL last month it was to let others know what Alaskans already knew so well; namely, that in the person of WAYNE ASPINALL, Colorado had sent to the Halls of Congress a great public servant.

If I may be permitted a personal note, Mr. President, I should like to say that it has been indeed a privilege for me over the years to count WAYNE ASPINALL as my friend. As Delegate in the House of Representatives from Alaska, I was serving on the Interior and Insular Affairs Committee when Representative ASPINALL was first elected to Congress. As were all other Members, I was impressed at once with his fine personality, his studious nature, his grasp of even the most intricate legislation, and his attentiveness to duty. The years have gone by and during those years he has become chairman of this great committee which is so meaningful in terms of development to the West and those offshore areas which are still under congressional jurisdiction. And I was made all the happier because Mrs. Aspinall, that wonderful lady from the high country of Colorado who has been such a helpmate to her husband, was able to go with him to the 49th State and to be at his side when he became Dr. ASPINALL.

Mr. President, on the occasion of these commencement exercises, Dr. ASPINALL delivered an address to the graduating class and others which for many reasons is worthy of reading by a wider audience. So I take very especial and personal pleasure in presenting it here. It is meaningful, indeed, that Representative ASPINALL, delivered his commencement address at one of the newer land-grant colleges during the centennial year of the signing of the Morrill Act by President Lincoln. In his address, Representative ASPINALL dwelt in detail upon the historic beginnings of our land-grant institutions. Therefore, Mr. President, I ask unanimous consent to include this address with my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

### ADDRESS OF THE HONORABLE WAYNE N. ASPINALL, AT THE UNIVERSITY OF ALASKA, MAY 28, 1962

President Wood, members of the board of regents and of the faculty, honored graduates, and members of the student body, and friends of the University of Alaska, to be able to return at this time to this great northernmost State of our Union is one of the most enjoyable experiences of my life. Not so much because of the honor which you show to me, which I assure you in all humility that I do sincerely appreciate and for which recognition Mrs. Aspinall and I thank you, but rather because of the fact that I return after an interval of 11 years to find the people of this new member of our sisterhood of States enjoying their new status of self-government and meeting effectively new trials and problems—rather, may I say, the new challenges which confront them.

At no time in the history of mankind has accomplishment of a feat performed, the enjoyment of a victory won, meant more than a temporary lull in the struggle which eternally confronts and belabors the progress of civilization. A short period only is our lot for a rest from our labors. Likewise, only an hour is permitted us to rejoice for the milestone reached. This is the lesson of history: those who have rested or have rejoiced in the fruits of their victory for too long a period have seen civilization and progress pass them by and they are left as wayfarers along the road. Defeat in their original cause would have dealt them no worse a blow. In fact, original defeat would have been kinder because hopes would not have been rasied nor ambitions kindled into flames of high resolve.

So, as I return for a few hours to this physical battlefield on which so many of you waged such a glorious and effective struggle, please understand that your friends and companions in arms from the other members of our sisterhood of States realize fully the many, the varied, the new, and the complex problems that now confront you in your new and full relations with us; as well as those responsibilities under our form of government that are peculiarly yours and yours alone. Keep in mind, if you will, that we wish to continue our help whenever and wherever it is in order and desired by you.

It was clearly understood and recognized during the legislative struggle for statehood status for the people of this area that the achievements of such status would not be a panacea for all of the difficulties which confronted the people of the territory. This understanding was within the knowledge of every clear-headed and intelligent worker and leader enrolled in the cause of statehood.

The recorded history of each one of the Original Thirteen States, together with the record of each and every single State since 1790, has laid out in detail the pitfalls and obstacles that went with full membership in the Union. Many of such pitfalls still remain as entrapments. Many of such obstacles still block the highway to public understanding and efficient government management. The perfect state—the perfect government—is still beyond the reach of man.

And so it is, and so it shall be, with our 49th member, the incomparable—and may I use the term, thinking of degree only—the "unconquerable" State of Alaska.

Those who would rest after partial success; those who would reap without continual preparation of the soil and the sowing and the planting therein; those who would receive only; those who know not that the joy is, after all, in the struggle rather than in the victory; those of limited horizons and less understanding—all of such are, of course, not satisfied with statehood as we find it in Alaska, or, for that matter, as we find it anywhere. Nor, in my opinion, would they be satisfied for long even if their own temporary desires were satisfied.

On the other hand, those who understand life and accept it as it is; those who are willing to work in order to delight in the succession of harvests; those whose greatest joy comes from the giving of their talents; those brave of heart who increase their strength by using strength; those whose vision is ever fastened on the beauty of the rainbow; those whose understanding accepts the limitlessness of knowledge and accomplishment are pleased and proud with statehood. Their fondest hopes and ambitions are to make the new State more responsive to the need and will of its citizens.

Many of your pains may result from the recent labors. But I would rather think that they abide because of life itself; and that, as long as there is life in your body politic, there also must be travail and trials.

I congratulate you on your victory. I commend you on the effective manner in which you have accepted and discharged your responsibilities. I am proud of you, as are all of your understanding fellow citizens, in the humility with which you have received and accepted your newly acquired citizenship.

May I add this personal word: although my part was insignificant in comparison with those of your own self-sacrificing patriots (and I leave each and every one unnamed at this time because time and facility does not permit the naming of all), yet I want you to know that I am exceedingly grateful that I was at least privileged to help a little. You have my pledge that I shall continue to labor in your vineyard for the preservation of self-government that is so precious to freemen everywhere.

In the time remaining, I shall talk briefly about the outstanding Federal education program which has engendered and supported such successful and effective universities as the University of Alaska.

While I am sure it is really not necessary for me to define it, let me, in the beginning, state that the term "land grant colleges" denotes a group of 68 educational institutions which were founded and developed under a broad Federal aid to education program, the centennial of which is being celebrated this year. I am doubly pleased to have the opportunity to mark this celebration anniversary in the pioneer State of Alaska where the United States still has a sizable remaining physical land area for development.

The aspirations of our forefathers knew no bounds. They insisted on equal opportunity for education of all residents at primary, secondary, and, finally, higher levels regardless of the social and economic background of such residents. The inability of the average resident to obtain an education beyond high school for his sons and daughters led inevitably to the entrance of the Federal Government into the field of what, for a better term, has been designated as "higher education."

The difficulty in obtaining entrance to college and paying for an education was just part of the problem. Apparently another facet of equal importance was the emphasis that the universities of our early history placed on the theoretical rather than the practical. The people of the United States wanted to improve procedures in their daily pursuit and demanded opportunities for higher education in practical everyday matters such as agriculture and the mechanical arts. Let me, at this point, make this observation: The first college in the new world was founded with public aid. The General Court of the Colony of Massachusetts in 1636—only 16 years after the Pilgrims landed at Plymouth—authorized what now looks like a very meager grant of 400 pounds for the foundation of a college. Thus was Harvard College established even though later it was to receive its permanent endowments from private sources.

Many colleges in our country's early years received aid of various kinds from State governments. The major efforts, however, in the field of higher education came as a result of private actions, some by religious groups. My own State of Colorado offers a good example, demonstrating the deep-seated desire of our forefathers to provide higher education. The first Colorado legislative assembly in 1861 authorized the incorporation of a university located at Boulder. However, it was the middle 1870's before the university was actually under construction. In the meantime, the State also authorized an agricultural college under the Land Grant Act and it was opened to students in 1879. This school, located at Fort Collins, is today the Colorado State University.

Basically, 100 years ago colleges and universities, despite some public assistance, were private institutions, privately endowed and supported, reliant in part on tuition payments to meet their basic expenses.

It is not surprising that endowments and other private funds were not adequate to meet the demands and needs of a growing population intent on obtaining for each person an education to the maximum of his or her ability. The parallel inability of the States, themselves struggling to exist as political entities, made it inevitable that once again thought be given to the entry of the Federal Government in the field. Parenthetically, I remind you at this time that we always seem to have recognized the educated man as a national asset and that our first President, in effect, so stated in his initial message to Congress wherein he also suggested consideration of a national university.

The first recorded public advocacy of a system of colleges founded on support furnished by public land, however, is contained in a speech made by Prof. Jonathan Turner before the Illinois Teacher's Institute on May 13, 1850. His was a broad plan for a State university for "the industrial classes." Six years later, Congressman Justin Smith Morrill of Vermont introduced a resolution supporting a land grant college system. This was followed by his land grant bill on December 14, 1857.

Without going into the details of the legislative history of the act, I would like to review some of the very pertinent steps which afford the lessons that only history can give us. We know today that the land grant college program is one of the exportable ideas for which the United States is known throughout the world and particularly in the developing countries of today. Yet it took 5½ years from the time that the first measure was introduced in Congress before it became law. Many of the individual actions on the bill were decided by narrow votes, some a one-vote rollcall margin.

The first time the bill was passed, in February 1859, it was vetoed by President Buchanan who made the first point that it would create a competitive situation that would curtail the Federal Government's income from the sale of public lands. And, to emphasize his point, he estimated that in the next fiscal year the United States might lose the sum of $5 million, an amount that today is considered by many to be a satisfactory variable in any estimate of Federal expenditures in a given area of operation.

The second point of the veto message stressed the Federal-State relationship and, in words that might be used today by opponents of Federal aid to education, proclaimed:

"Should the time ever arrive when the State governments shall look to the Federal Treasury for the means of supporting themselves and maintaining their systems of education and internal policy, the character of both Governments will be greatly deteriorated."

The veto message then warned that the legislation would injure the newer States by putting vast amounts of their lands into the hands of outside speculators, be of doubtful assistance in the advancement of agriculture and the mechanical arts (particularly since the Government would have no power to police the grants) and that it would permit the Federal Government to subsidize schools to compete unfairly with the struggling colleges and universities that had been established by private means.

Finally, President Buchanan said, the bill violated the Constitution because (1) Congress did not have the power to appropriate money for education; and (2) the right of Congress to "dispose" of the public domain did not embrace the right to give away the public lands.

So we see that 100 years ago there were those who would not open up the frontiers of knowledge, just as some in 1962 refuse to permit those frontiers, now open, to be broadened in order finally to assure education to the maximum of each person's ability.

Three years after the veto, in 1862 when the Union was facing an uncertain future in a War Between the States, the Congress voted its confidence in the ultimate survival of this Nation and, despite the Civil War, took the courageous action of passing the land grant bill, which President Lincoln signed into law. Once again in a time of struggle and trial, a constructive and forward step was taken.

The act of July 2, 1862, made available to participating States donations of public lands, apportioned to each State on the basis of 30,000 acres for each Senator and Representative in Congress with the objective that these lands would provide a financial foundation in each State for the "endowment, support, and maintenance of at least one college, where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and the mechanical arts in such manner as the legislatures of the States may respectively prescribe in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life."

Let me point out another way in which times have not changed too much; or in which history repeats itself. The passage of this act in 1862 was made more certain by providing, as stated in the quoted objectives, for the teaching of military tactics. Today, too, we find that a defense posture for a measure gains some votes—and quite often in the name of education.

In 1863 three States—Iowa, Connecticut, and Vermont—accepted the terms of the Morrill Act, even though two of these States—Vermont and Iowa—had opened State institutions to students prior to that time. Every State has come into the program as did three territories, of which two are now States and the third a Commonwealth. There are today a total of 68 land-grant colleges made up of 20 separate colleges of agriculture and mechanical arts, 32 State or territorial universities that were either established or further developed as a result of the Land Grant Act, and 16 agricultural and mechanical colleges originally set up for Negroes throughout the South. One additional Negro college has not retained its status as a land-grant institution.

Along with Hawaii and Puerto Rico, Alaska prepared for its participation in the fabric of U.S. life by establishing a land-grant college. The University of Alaska, which was started in 1915 and opened in 1922, accepted the term of the Morrill Act as a full participant in the land-grant system in 1929 and stands today as an important milestone in the struggle on the road from an outpost territory to full statehood. In the 40 years of its operation, the university, as the only institution of higher learning in the territory, trained those who led the crossing of the frontier into a full partnership with the other States of the United States.

I submit that the land-grant colleges have played an equally important role in each of the other States and in Puerto Rico. Even though the initial emphasis, in the original act, was on agricultural and mechanical arts studies, the fact is that the Land Grant Act by its very terms encouraged a much broader, more liberal education for all.

No review of the College Land Grant Act would be complete, in my opinion, without a word concerning the charge of "giveaway." President Buchanan's veto message, in 1859, had a comment concerning the right—or rather the alleged lack of right—of Congress to "give away" public lands.

But, this was no giveaway. I have had occasion recently in connection with the Homestead Act Centennial observance—and will take every opportunity given me—to emphasize that the pattern of land laws requiring development in return for land, involved no giveaway. This is how our Nation grew and prospered.

The inducement of the act I have been discussing was to offer lands in return for the establishment of institutions of higher learning designed to bring broad practical and liberal arts education to all Americans. To achieve the resource of an educated populace, we utilized the resource we had: land.

That the act succeeded is readily evident from some rather staggering statistics. Only 18 percent of all college students are enrolled in the 68 land-grant colleges and universities. Nonetheless, we find that these institutions award approximately 40 percent of all the doctoral degrees in the United States. In addition, a majority of the living American Nobel Prize winners hold degrees from these institutions. We have degree holders from land-grant colleges in positions of responsibility in industry as well as government. And, although there has been an effort to focus attention in a different direction, you should know that half of President Kennedy's Cabinet have one or more degrees from State universities, three of which are land-grant colleges. In addition, the Secretary of the Army, the Chairman of the Atomic Energy Commission, the head of the CIA, and the Director of the U.S. Information Agency have all earned degrees at land-grant schools.

The land-grant colleges have also contributed significantly to our military strength. The teaching of military tactics as one of the purposes of the 1862 act led to the establishment of an activity we all take for granted today; namely, the Reserve Officers Training Corps, familiarly known as ROTC. Military leaders have repeatedly paid tribute to the ROTC program which, has, on the one hand, helped supply our soldier leaders but, and possibly more important, also has proven to be important in the balance between the civilian and military control of our Armed Forces.

The joint responsibility for military leadership that results from training in the Military Academies and in the land-grant colleges in parallel programs helps to assure that our military organizations will not be taken over by any Prussian-style military general staff clique.

Before concluding, I would like to make some specific observations concerning your own University of Alaska. Of course, you know even better than I, the part played by Dr. Charles D. Bonnell, first president of the institution. Under Dr. Bonnell, the Alaska Agricultural and Mechanical College, which opened in 1922 with six students, grew in size and prestige. One important milestone came on July 1, 1935, when the college became the University of Alaska.

I was very much impressed, on reading the catalog, to find that there is no tuition at the university for residents of Alaska. The availability of scholarships for the payment of dormitory rent helps extend the principle of education for all who have the ability therefor without regard to financial ability to pay.

You are justifiably proud of your museum. I trust you will always be able to maintain it as a storehouse of knowledge pertaining to the entire history of Alaska.

Other services which the university performs are of equal importance in the progress made and to be made. I refer to such things as the agricultural experiment station, the agricultural extension service, and the biological survey experiment station established in 1927 for the investigation of natural phenomena in the area.

I salute you and the tremendous strides you have made in 40 years. I know that your greatest contributions—and the contributions of the State of Alaska—are still ahead of you. But we know now that you here at the University of Alaska and the other land-grant colleges and universities already have given to the United States in full measure for what you have received. Yes, instead of a giveaway, the U.S. Congress, with the approval of President Lincoln, made an investment that has paid handsome dividends.

Let me assure you that the Congress of the United States will continue to support, with necessary authorization and appropriations, the type of work that has been done at this and other land-grant colleges and universities, for as long as they keep moving forward in the frontiers of knowledge and learning. Here in Alaska it is evident that the physical frontier and the educational frontier will be penetrated together and this great State enabled to develop to its fullest potential capacity. With you, we shall continue to invest in the future.

## TRIBUTE TO SENATOR WALLACE F. BENNETT

Mr. DIRKSEN. Mr. President, there appeared in the Chicago Sun Tribune for June 10, 1962, a very interesting article written by Willard Edwards under the title, "BENNETT Between Two Fires in Utah Race," which carries the subtitle "Senator's Docile Mien Belies Ability." Frankly, Mr. President, I can fully subscribe to that. It is an interesting article, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune Press Service]

### BENNETT BETWEEN TWO FIRES IN UTAH RACE—SENATOR'S DOCILE MIEN BELIES ABILITY

(By Willard Edwards)

WASHINGTON, June 9.—Senator WALLACE F. BENNETT, of Utah, is a quiet man, mild mannered, who has spent 12 years in the Senate making himself an expert on complex legislation relating to finance, labor, and industry.

He doesn't make the headlines with vociferous oratory as do many of his colleagues. Capitol Hill feature writers, always eager for a colorful subject, have searched his career and personality and turned elsewhere for livelier copy.

He is a businessman, a Republican, conservative, high in the Church of Jesus Christ of Latter-day Saints (Mormon), happily married with 5 children and 19 grandchildren. He is 63 and bald and a tremendous worker. He commands respect on both sides of the aisle, wields considerable influence on the floor, and holds high-ranking position on the most important committees.

### FIRE ON BOTH SIDES

In the normal course of events, BENNETT, seeking reelection to a third term, could expect a busy campaign, not too hectic, in which he would rely rather confidently on a record of substantial accomplishment.

Not so in this topsy-turvey year of 1962. He faces one of the noisiest, rough-and-tumble combats in the Nation, and a double-barreled attack from both the far right and the far left which would tax the resources of any candidate.

In the Republican primary, BENNETT expects to face a strong opponent who considers him a "damned Socialist," although BENNETT's voting record places him among the 10 most conservative Members of the Senate.

After winning that contest, and the odds favor it, BENNETT will be opposed by a Democratic "liberal" candidate who will attack him as "ultrareactionary."

The situation was stamped "weird" by an associate but there are a number of other election contests this year in which Republican candidates will be dodging fire from both the left and right wings, hoping to convince the voters that there is a sensible middle ground between extremist viewpoints where reasonable men may congregate.

### LEE HIS LIKELY OPPONENT

Former Vice President Nixon has just had his baptism of fire in one of these struggles, winning decisively but menaced by a residual bitterness in the defeated candidate's followers as he faces his Democratic opponent.

BENNETT's prospective Republican opponent in the primary is J. Bracken Lee, Governor of Utah from 1949 to 1957, and now mayor of Salt Lake City.

Lee is about as far right as they come. The key plank in his platform is abolition of the income tax amendment to the Constitution. He has vast contempt for Republicans anywhere to his left.

In all the vote ratings published by such organizations as Americans for Constitutional Action, the American Farm Bureau Federation, Americans for Democratic Action, and the AFL–CIO's committee for political education, BENNETT is listed as among the most conservative Senators.

### CAN'T FILE AS INDEPENDENT

The A.C.A. index for 1961, based upon votes for economy in government, local and State control, and support of the Constitution gave BENNETT a 100-percent rating. The A.D.A. rating for the same year, based on the percentage of votes for liberal programs, gave BENNETT a zero rating.

Lee refused to accept these ratings. When questioned, he growled that BENNETT was "a damned Socialist." Presumably, BENNETT's doubts that elimination of the income tax will solve all national problems placed him on Lee's blacklist.

In 1958, after being worsted in the Republican primary, Lee ran as an independent, splitting the conservative vote, and bringing about the defeat of the Republican incumbent, Senator Arthur V. Watkins.

His present plans are said to involve opposing BENNETT in the primary September 12 but the law has been now amended to prevent his filing as an independent if he loses.

### KENNEDY TO GO ALL OUT

Lee is a vigorous campaigner with a strong following, not disposed to spare invective against an opponent. BENNETT will be under constant attack as a crypto-liberal despite his voting record.

After a frenzied period of defending his conservatism, BENNETT, if he gains the expected victory over Lee, will turn to face a fresh attack from the probable Democratic candidate, Representative DAVID S. KING who will hammer BENNETT as a depraved throwback to the McKinley era.

The Kennedy administration is prepared to throw all of its resources into the western State in behalf of KING. The son of a late Utah Senator, William H. King, the two-term Congressman is known in Washington as an advanced liberal who supports all the administration's spending and welfare programs.

When he returns to Utah, KING assumes a conservative mantle, contending, for example, that the medicare bill "is the conservative approach—the capitalistic way of meeting a universal public need."

### SECRETARY PUNCTURES BUBBLE

KING must weather his own Democratic primary and will be under severe attack from opponents who don't think much of his congressional record but he is expected to win.

His claim to conservation was recently challenged when copies of an interview with one of his secretaries were circulated. Returning to her hometown of Russell, Kans., this young woman innocently punctured her employer's assumption of the conservative label.

"We're both liberal Democrats and proud of it," she said and breathlessly revealed that President Kennedy had personally called Representative KING on the telephone.

The voters of Utah, who remain essentially conservative whatever their party affiliation, may justifiably be confused by November. They will have been confronted with ultraconservatism, moderate conservatism, and liberalism posing as conservatism.

### BOTH ARE MORMONS

The gentle influence of the Mormon church pervades the State. Seventy percent of the residents are Mormons. The church usually maintains a neutral attitude. Both BENNETT and KING are church members.

A majority of labor union members are Mormons. Utah is a "right to work" State, barring compulsory union membership, but the law has had no effect on wages or union membership.

BENNETT accepts with philosophic good humor the prospect of a rough campaign. He is no novice to such combat. On his first try for the Senate 12 years ago, he defeated a veteran New Deal Democrat, Senator Elbert Thomas, chairman of the Senate Labor Committee, in a notable upset. He won a second term easily in 1956.

In 1949, he was elected president of the National Association of Manufacturers, the first representative of small business and the first man west of the Mississippi to hold this office.

### RECORD COMMANDS RESPECT

"They'll hang the NAM around my neck and try to picture me as a tool of big business," he predicted, smiling. "I expect to get hit with every trick in the book. I'll trust to my record in the Senate to pull me through."

An examination of that record created respect for BENNETT's political sagacity. He has combined accomplishments for his State with work on a national scale. He sponsored legislation which helped to bring the missile industry into Utah and played a key role in obtaining congressional approval of the Upper Colorado River Act, reclamation projects, highways, and national parks.

As a high ranking member of the Senate Finance and Bank and Currency Committees, he is regarded as one of the "solid men" in the Senate—the hard workers who sometimes perform their greatest service in stopping bad legislation.

### HIGH TRIBUTE BY IKE

Recognized as the minority party's spokesman on fiscal and monetary policies, BENNETT is a member of the GOP policy committee. President Eisenhower called him "one of the most respected men in the United States."

Nobody would expect it of an office clerk in a paint store who developed a new paint-mixing process and rose to prosperity, but BENNETT has written two books, "Faith and Freedom," and "Why I Am a Mormon."

He walks 4 miles to work each day, hikes on snowshoes in winter, rides and exhibits prize show horses, directs a famous choir in Salt Lake City. In his youth, he was principal of a Colorado academy. He is open to the suspicion of being an intellectual.

### TRIBUTE TO JUAN T. TRIPPE, PRESIDENT OF PAN AMERICAN WORLD AIRWAYS

Mr. DIRKSEN. Mr. President, I was very much pleased to read two outstanding editorials in the Chicago Daily News and the Chicago Sun-Times of last Friday, June 1. Each of these editorials concerned itself with the 35th anniversary of the stewardship of Juan T. Trippe as president of Pan American World Airways.

In these days of multimillion-dollar jet transports and air speeds faster than sound, we sometimes give little thought to the pioneering spirit of the early air adventurers who made this contemporary air age possible.

It is hard to believe that Pan American is only 35 years old. Although the corporation was organized on June 1, 1927, actual flight operations between Key West and Havana did not begin until October 28 of that year.

Mr. President, Juan Trippe's record of contributions to the national defense, to postal service and to the commerce of the United States over 3½ decades have been monumental. His airline has often been referred to as an unofficial instrument of our State Department, and certainly any international air carrier which goes into 81 different countries carries with it a tremendous diplomatic responsibility. Pan American has more than fulfilled its obligation as a significant example of American free enterprise.

Mr. President, these two editorials entitled "Juan Trippe, Airline Pioneer" and "Typically American" I commend to this entire body for reading, and I ask unanimous consent that they be made a part of the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Chicago Sun-Times, June 1, 1962]

#### Typically American

Juan T. Trippe left Yale during World War I to become a naval aviator. This changed his life and the aviation industry. He returned to college after the war and in 1927, when he was just under 28 years old, he founded Pan American World Airways.

Today Trippe celebrates his 35th anniversary as president of the airline. In his lifetime he has seen it grow from a 90-mile overwater route between Florida and Havana to a global network of more than 70,000 miles.

We are pleased to have an occasion to recall the success story of Juan Trippe and his airline because it may serve as an inspiration for today's upcoming generation. It shows that ideas and enterprise do pay off, not only in dollars but in the personal satisfaction that comes from doing a good and useful work. Pan Am performance for our Government and others in war and peace has brought recognition and citations.

Trippe has abounded with ideas. In the 35 years he has run Pan Am, the airline has come up with 35 American aviation industry "firsts." It was the first American airline to operate a permanent, international service, to use radio communications, to develop a complete aviation weather service, and to serve meals in the air.

It was the first airline to provide tourist-class service outside the continental limits of the United States and to build airplanes specifically designed for such service.

In this connection Trippe has been a strong advocate of bringing air transportation down to the price the average person can pay. He has had to contend with a European view that air travel is a luxury for the wealthy and should be high priced. In 1945 he put into effect a $275 one-way fare to London but had to withdraw it because of foreign governments' objections. But by 1952 he was able to put low tourist fares into effect permanently after overcoming oversea objections.

"Foreign travel," says Trippe, "is no longer a luxury. It is a necessity if Americans are to understand the problems, politics, the religions, the ideas, and the ideals of other nations. Our people must become world minded if our Nation is to discharge well its new responsibility as the leader of the free world."

Those are our sentiments, too, often expressed on this page. We would add this thought: Low air fares should help bring people of other countries to our land, too, so that they will understand us better.

Trippe's airline well deserves the word "American" in its title. It is typically American in philosophy and performance.

[From the Chicago Daily News, June 1, 1962]

#### Juan Trippe, Airline Pioneer

Within 24 hours after North Korea launched its aggressive attack southward in 1950, a Pan American World Airways plane was on its way with supplies for the hard-pressed defenders. This fast action tells why all governments seek to build a civil air transport industry that will be available for such emergencies.

It is a little hard to realize that the giant, worldwide, American airways systems are less than 40 years old. The date is emphasized by the fact that Juan Trippe, president of Pan American, is celebrating today his 35th year at the helm of the system he founded in 1927.

It began as a 90-mile hop between Miami and Havana. Rapidly its flying Clippers expanded their routes till they circled the world. The value to the Nation of the managerial experience this gained, and the equipment accumulated, was demonstrated with Pearl Harbor. The company's crews and maintenance facilities were placed at the disposal of the armed services, along with its invaluable lines of communication. After the war, Trippe was awarded the Medal for Merit for "his organizing capacity and his managing skill, his patriotic and unselfish cooperation. * * *"

Pan Am's jets are all committed to the Civil Reserve Air Fleet, and comprise 61 percent of the modern air carriers thus available to the Government in time of emergency. The company deserves credit, too, for the job it has done as the contractor for the planning and operation of the missile center at Cape Canaveral.

Sometimes the names associated with great enterprises are those of figureheads. It is not so in Pan Am, for the growth and efficiency of the organization is a monument to the genius of Juan Trippe. Such men do not always get the credit due them for their achievements. It is a pleasure to salute him and his associates on this significant anniversary.

### SENATOR GRUENING AND THE SEATTLE POST-INTELLIGENCER ARE CORRECT IN THEIR APPRAISAL OF THE STATE DEPARTMENT

Mr. MAGNUSON. Mr. President, on Thursday, June 7, 1962, the Seattle Post-Intelligencer published an editorial regarding the fisheries problem of Alaska and how it affects the whole Pacific Northwest. It refers to my good friend the distinguished Senator from Alaska [Mr. Gruening]. I read the first paragraph:

> Senator Ernest Gruening of Alaska is correct in his charge that the State Department appears always to take the side of foreign nations in international fisheries disputes.

I thoroughly agree with that and with the rest of the editorial.

I say to my friend from Alaska, I notice in the editorial it is stated:

> To some extent the Fisheries Division was reinstated under Robert Lovett (when he was Under Secretary) and thought is again given to the problem of Japanese and Russian catches of American-spawned salmon.

That is true. When Robert Lovett was the Under Secretary of State the Senator from Massachusetts and I went to the State Department. After some long conferences the Fisheries Division was raised to a policy level in the State Department, so that someone there could help to determine policy. Since Mr. Lovett left the Department the Fisheries Division has gone down again.

What the Senator from Alaska and the Seattle Post-Intelligencer are talking about is absolutely correct. I ask unanimous consent that the editorial may be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

#### It Can Happen

Senator Ernest Gruening, of Alaska, is correct in his charge that the State Department appears always to take the side of foreign nations in international fisheries disputes.

For many years the late Miller Freeman of Seattle fought for an expert fisheries division in the State Department. The goal was finally accomplished under Cordell Hull.

Edward W. Allen, Seattle attorney and foremost world fisheries expert, gives the background in a recent issue of Sea Frontiers, a magazine of oceanography. He says, "When Secretary Stettinius' reorganizers revamped the Department of State, they eliminated the division on fisheries and turned it over to a mere clerkship."

"What," asked an Assistant Secretary, "has this Department to do with a can of fish on a grocer's shelf?"

To some extent the fisheries division was reinstated under Robert Lovett (when he was Under Secretary) and thought is again given to the problem of Japanese and Russian catches of American-spawned salmon.

But Senator Gruening's statement still holds, even if we admit that the problem is no longer a simple one. The fact remains that the Japanese are taking millions of salmon, that Japanese and Russian trawlers are taking billions of pounds of ground fish on the Alaska side of the Bering Sea.

Due to these facts, and others which have to do with the fish and domestic conservation, the Pacific Northwest, British Columbia, and Alaska could lose their fisheries, so vital to the economy.

This could happen. As we debate the matter in untried realms of international fisheries law, and as the State Department ponders globally, foreign fishermen cut bait—and fish.

Mr. GRUENING. Mr. President, I thank my friend, the distinguished senior Senator from Washington. I know he will be interested to learn that after the State Department failed to act, in response to the very pressing requests of Governor Egan to do something about the situation, the invasion of long established Alaskan waters by Japanese fishing vessels, Governor Egan was compelled to act as he did, with the universal support of the people of Alaska.

Subsequently, there was a meeting at which my able colleague from Alaska [Mr. Bartlett], and he, I, and others discussed the problem with State Department officials. We found there was a great reluctance on their part to take the position which seemed clear to us—that these waters which the Japanese were fishing were historically American waters, that this fishing was the lifeblood of the Alaskan economy, that these foreign fishermen were coming to the area and paying no attention to conservation measures, which our fishermen respect, but scooping out the fish.

Under those circumstances, we had hoped and assumed there would be a vigorous and active effort on the part of the State Department to support our national interest which would be automatic.

Mr. MAGNUSON. What would happen if American ships should go to the Sea of Japan, or off the island of Hokkaido, or off the Kamchatka Peninsula, and start fishing? What would happen then?

Mr. GRUENING. I suspect that they would never return.

Mr. BARTLETT. Mr. President, I wish to associate myself with the remarks made by the senior Senator from Washington [Mr. Magnuson] and by my colleague from Alaska [Mr. Gruening] as to the gravity of the situation in the coastal waters of Alaska.

As other nations begin to move into those waters to fish the resources which have always been regarded not only Alaskan in origin but also Alaskan in fact, I wish to say that unless the Federal Government on a national level pays more attention to the fishery of the North Pacific, and unless it does something affirmative and effective concerning the problem, there will not be any fishery resources left for Alaskans and other Americans who have for scores of years depended upon this fishery for their livelihood, and who have produced so much of the protein food so necessary for the American table.

Mr. GRUENING. I thank my colleague. On a somewhat unrelated subject, but not wholly without pertinence, a hearing was held on the domestic gold problem last week before the Senate Subcommittee on Mining and Minerals and the very obvious need to do something for our dwindling gold industry was emphasized by all the committee members. Representatives from the Treasury Department appeared. We tried to elicit from them some understandable explanation of their view that if the Federal Government merely subsidized our gold miners that would somehow have terrible repercussions all over the world, and that the psychology of other nations would be adverse.

There would be a flight from the dollar, these officials alleged, although there was and is no intention of devaluating the dollar. After hearing the dire prophecies of calamity, I felt obliged to make an analogy between the attitude of those officials and the aspen leaf, which quakes and trembles even where there is no breeze and no ascertainable cause. I think the same thing applies to the State Department. Such officials are so full of timidity and fear that they lack the courage to stand up squarely for American rights and the interests of our own people.

In times past our Presidents and Secretaries of State took that kind of positive, affirmative position, and we were respected throughout the world. I am fearful that we are losing that respect through the timidity and vacillation of some of our Cabinet members in charge of important functions, gravely affecting some of our domestic interests. I hope time will prove me wrong.

## UNITED STATES BIDS FAREWELL TO A GOOD FRIEND: CARLOS P. ROMULO

Mr. WILEY. Mr. President, Gen. Carlos P. Romulo—soldier, statesman, Philippine patriot, Ambassador to the United States—now is returning home to the Philippines.

Highlights of his illustrious career include: service with General MacArthur in World War II; a significant role in creating the United Nations; a former President of the U.N. General Assembly; a delegate to the United Nations.

For our country, particularly, he has demonstrated wise, loyal, and courageous friendship:

When we were wrong, he told us so.

When we were right, he said so.

And in both cases, he understood us—as a people, and as a Nation.

Reflecting thoughtfully and constructively upon United States and free world policy in southeast Asia, he has been of special help to us.

Now, General Romulo is returning home to be president of his alma mater, the University of the Philippines.

We wish him Godspeed. With him go our hopes and prayers; for personal well-being and happiness; for continued satisfaction and self-fulfillment in his endeavors; and for continued benefits to his own country—which he has served so well—and the world, from his wise counsel accrued from long statesmanship in world affairs.

Yesterday, This Week magazine published a brief farewell from this distinguished statesman and friend, General Romulo, entitled "Something to Remember."

I ask unanimous consent to have the statement printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### Something To Remember

(By Carlos P. Romulo)

I am going home, America—farewell.

For 17 years, I have enjoyed your hospitality, visited every one of your 50 States. I can say I know you well.

I admire and love America. It is my second home.

What I have to say now in parting is both a tribute and a warning: Never forget, Americans, that yours is a spiritual country.

Yes, I know that you are a practical people. Like others, I have marveled at your factories, your skyscrapers, and your arsenals.

But underlying everything else is the fact that America began as a God-loving, God-fearing, God-worshipping people, knowing that there is a spark of the Divine in each one of us. It is this respect for the dignity of the human spirit which makes America invincible. May it always endure.

And so I say again in parting, thank you, America, and farewell. May God keep you always—and may you always keep God.

## MR. JUSTICE FELIX FRANKFURTER

Mr. WILEY. Mr. President, yesterday the Washington Sunday Star published an article entitled "Portrait of a Justice—Mr. Frankfurter: Liveliest of the Nine," written by Arthur Edson, of the Associated Press.

I remember the appearance of Felix Frankfurter before the Committee on the Judiciary when his nomination was under consideration. At that time, he was supposed to be a liberal. Through the years, he has demonstrated that he is probably neither a liberal nor a conservative, but is really a sound, able man.

Mr. Edson has written an excellent sketch of Justice Frankfurter, and I ask unanimous consent that it be printed in the body of the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Portrait of a Justice—Mr. Frankfurter: Liveliest of the Nine

(By Arthur Edson)

Majestically eight black-gowned justices approach the impressive mahogany bench of the Supreme Court.

Carefully eight young pages see that each is properly seated.

Dutifully the ninth page pushes forward a smaller leather chair, empty and lonely looking.

Yet even without this dramatic reminder everyone would know that Felix Frankfurter is missing.

For Justice Frankfurter—at 79 the oldest of the justices—is so gay, so relentless in his eternal questioning, so scholarly, so waspish and occasionally so rude (there's no other word for it) that his personality dominates the court when it's on public display.

As one lawyer described it:

"What a dull day when Frankfurter isn't around. He stirs some of the other justices up."

Justice Frankfurter hasn't been around since April 5 when he had what was called a temporary stoppage in blood flow to the brain; in blunter words, a stroke.

#### CONDITION IS IMPROVING

Friends say his condition has improved, that his voice is becoming stronger, that he is able to tend to his correspondence and that there's every expectation he will be back when the court begins its fall term, October 1.

True, life hasn't been kind to Justice Frankfurter lately. His wife, Marion, has been severely crippled by arthritis. He had a heart attack in 1958. And now this.

But Justice Frankfurter's hero, Oliver Wendell Holmes, served on the Court until he was 91. There's every reason to suspect Mr. Frankfurter would like to match that record.

But this convalescent period offers a chance to look at a remarkable public figure, one who had never heard a word of English when he arrived in this country at the age of 12, but one who in an incredibly busy life has become one of the most influential and significant men of our times.

Whether this influence has been for good or bad depends not only on whom one talks to, but also on when one has the conversation.

Some conservatives who once feared he was a Red-eyed radical now think he's an indispensable pillar of society. Some liberals who once embraced him as their darling now look troubled when his name is mentioned.

"Anyone who is any good," Justice Frankfurter has said, "is different from anybody else."

### HE'S ENTIRELY DIFFERENT

The Justice is so different from anybody else that he has to be considered on at least two planes.

First there's Frankfurter the man, and here there is little conflict.

A lawyer with vast distastes for his Court opinions says:

"Oh, he's a lot of fun at a cocktail party—the quintessence of bubbling energy."

Joseph A. Fanelli, a Washington lawyer, was one of Professor Frankfurter's brilliant young men at Harvard.

"As I have said to my wife, his greatest genius is for friendship," Mr. Fanelli said. "You know when I heard he was ill, I had the feeling almost as if he were my father. And the funny thing is, I'm sure at least a thousand persons had the same feeling.

"I'd cut off an arm for the Justice."

Some people are name droppers, but Justice Frankfurter is a he's-a-very-dear-intimate-friend-of-mine dropper. One gets the impression that he knows everybody who was ever anybody in almost the whole world.

"We became friends, close friends."

Here he was speaking of Franklin D. Roosevelt, who once said:

"Felix has more ideas per minute than any man in my acquaintance. He has a brilliant mind, but it clicks so fast it makes my head fairly spin. I find him tremendously interesting and stimulating."

Between Felix's clicking and Franklin's spinning, enough schemes spilled out for Mr. Frankfurter to be praised as the architect of the New Deal—and blamed as a Rasputin of Roosevelt's administration.

When one turns to Frankfurter the jurist, the trouble really starts.

On many tough cases the Court splits into two factions. One has Justice Hugo Black, Roosevelt's first Court appointment, in 1937, and the other has Justice Frankfurter, picked by F. D. R. in 1939.

Those who support Justice Black find him bold and compassionate and see Justice Frankfurter as picayunish. Those who support Justice Frankfurter find him meticulously observing the highest standards of the Court, and look on Justice Black as a man whose head is muddled by a too soft heart.

For Justice Frankfurter, the barbs seem sharper and the praise thicker.

### THE OTHER SIDE

An enthusiastic anti-Frankfurterian, Fred Rodell, of Yale, flails away thusly:

"Felix Frankfurter, technical successor to the magnificent Holmes and the great Cardozo, stands out as the New Deal Court's most controversial and unhappy figure, its most tragically wasted brilliant mind * * * cautions and self-conscious scholar * * * timid and voluminously academic."

Mr. Rodell then turns to a one-time Yale professor and an early New Dealer, Walton Hale Hamilton, who jabs away just as relentlessly:

"Mr. Justice Frankfurter has no feel for the dominant issues; he operates best when weaving crochet patches of legalism on the fringes of the case. He does the best he can, often very well indeed * * * it is a calamity that his skills happen to be petty skills."

Upholding the affirmative is Wallace Mendelson, of the University of Texas, who says:

"His wisdom is the wisdom of experience. His forte is reason, not hallowed bias or noble sentiment. He has little confidence in the capacity of judges to sit in judgment upon the community, to erase its errors—if such they be."

And there was this from the late Learned Hand, one of the Nation's most esteemed judges, who wrote on Justice Frankfurter's 75th birthday:

"I regard him as the most important single figure in our whole judicial system."

### A NATIVE OF VIENNA

The most surprising development in the Frankfurter saga is not that he became a figure of contention—with his personality that was inevitable—but that he ever made it to the Court at all.

Born in Vienna on November 15, 1882, he was one of six children in a Jewish family that had never produced a lawyer, much less a judge.

Justice Frankfurter thinks he had ideal parents. They had sense enough to leave sensitive, inquisitive, eager little Felix alone. He picked up English quickly, zipped through New York's City College (third in his class) and went on to Harvard Law School (No. 1 in his class all 3 years).

He spent a brief period with the New York law firm of Hornblower, Byrne, Miller & Potter, where he rejected a suggestion he shuck off "Felix Frankfurter."

If he was distressed at the suggestion that a less comical and less Jewish sounding name might make life easier, he doesn't show it now. He quotes that an uncle told him when he was a boy:

"You'll encounter a great deal of anti-Semitism in your life, but don't go around sniffing anti-Semitism."

Justice Frankfurter had no interest in normal, humdrum law practice, no matter how great the financial rewards, and soon left Hornblower, Byrne, etc., to go with Henry L. Stimson, then a U.S. district attorney.

Almost without interruption, for 52 years now, Mr. Frankfurter has been either a Government official, a teacher or a justice, happily avoiding all positions where he would have to please or appease a private client.

### THE INGREDIENT OF SPICE

But in skimming through Justice Frankfurther's career, let's not overlook a potent ingredient, the spice. This can be supplied by a favorite Frankfurter word: "Exciting."

It was exciting, as a young assistant district attorney, to tear into and demolish arguments advanced by New York's best legal brains.

It was exciting to go with Mr. Stimson when he became Secretary of War under William Howard Taft.

It was exciting to plunge into politics. "I'm bull moosing," Mr. Frankfurter once cried, and dashed off to help his dashing hero, Teddy Roosevelt.

It was exciting, only 8 years after graduation from Harvard, to go back as a teacher.

After World War I it was back to Harvard, arguing for the 10-hour day and minimum wages, serving as god-cousin, as he puts it, at the birth of the New Republic magazine, taking on and lambasting New England's stanchest and stuffiest characters in the Sacco-Vanzetti case.

And more excitement, on a much larger scale, was ahead. Roosevelt was moving up, up to the Presidency itself.

It's hard to pin down precisely how much influence Mr. Frankfurter had. But Arthur Schlesinger, Jr., has written three volumes of his "Age of Roosevelt," and Frankfurter flits in and out of the pages as he once flitted in and out of Hyde Park, Albany and Washington.

Old Justice Holmes once described his unique quality.

Frankfurter, Holmes said, had "an unimaginable gift for wiggling in wherever he wants to."

### ON MAKING IDEAS GROW

But the irresistible wiggler bubbled with ideas, and he knew the young men who would work like demons to make these ideas grow and bear fruit.

And then, the grandest moment of all. On January 4, 1939, while he was getting ready to dress for dinner, and was still in his BVD's, a call came from Roosevelt. After kidding around a bit, the President broke the glorious news: At noon tomorrow, he would name Mr. Frankfurter to the Supreme Court.

To his new job Frankfurter brought unflagging industry, broad scholarship and a feeling for the Court that came close to idolatry. Unfortunately, he also brought professional mannerisms that can vary from mildly irritating to positively maddening.

Justice Frankfurter is only 5 feet 5, and he's self-conscious about it.

"Supreme Court Justices should be tall and broad and have a little bit of a bay window," he once said. "You know, they should be physically impressive."

But if he isn't physically impressive, he can be menacing mentally.

Leaning forward, peering intently through his glasses, he looks like a bright-eyed bird ready to pounce on any worm lawyer.

He has sat on the Court through 22 of its just as he was at school. He treats lawyers as if they were students. He keeps them on their toes because he likes bright kids, but he wants you to remember that he's 1 inch brighter than the brightest."

### PROLIFIC OPINION WRITER

Justice Frankfurter's garrulity isn't only vocal. He is a prolific opinion writer. His admirers welcome this chance to study their hero's thought processes, but one student of the law has sourly proclaimed:

"The study of written evidence indicated that Justice Frankfurter had consumed a large portion of his energy and talent in essays which, for all practical purposes, might as well have been written on paper airplanes and thrown out a Supreme Court window."

However, posterity will judge him on more serious grounds.

He has set on the court through 22 of its most tempestuous years.

He will rarely let another Justice speak for him.

But fortunately the year before his appointment he wrote "Mr. Justice Holmes and the Supreme Court," and in giving insights into Holmes he inevitably gave insights into Frankfurter.

"The early writings of Holmes canvassed issues which, however formulated or disguised, are vital to a society devoted to justice according to law," Justice Frankfurter wrote.

"What are the sources of law and what are its sanctions? What is appropriate lawmaking by the courts and what should be left to legislation? What are the ingredients, conscious or unconscious of adjudication? What are the wise demands of precedent and when should the judicial process feel unbound by its past?"

### HIS PHILOSOPHY

Most lawyers appear to agree that Justice Frankfurter has answered his own questions along these lines:

1. Insofar as possible past decisions should be respected. "The tendency to disregard precedents," he said in one decision, "has become so strong in this Court of late as, in my view to shake the confidence in the consistency of decisions and leave the courts below on an uncharted sea of doubt and

difficulty without any confidence that what was said yesterday will hold good tomorrow * * *."

2. The Court should severely limit itself in the cases it reviews.

3. The States should be allowed to pursue the courses they think best, not the courses the Court thinks best.

Or, as he said of Holmes:

"He never forgot * * * the shaping of future law is primarily the business of legislatures."

Since most cases before the Court are complex, it is difficult to determine what course, if any, a Justice is following.

Justice Frankfurter has this warning about the dangers of labeling:

"That is why these silly newspaper people, whenever they have to give tags to the members of the Court think I'm a hidebound Democrat simply because Roosevelt named me. Well, I'm a hidebound nothing, let alone a hidebound Democrat."

But tags will be passed out whether Justice Frankfurter likes them or not. Lawyers usually tag Justice Frankfurter as voting with the conservative wing of the Court, some thinking he is a liberal who modified his views, some saying he has always been conservative.

Each generation evaluates its predecessors by its own standards, so it's useless to speculate on how posterity will regard Mr. Justice Frankfurter.

But his multitude of friends hope that the future historian, prowling through the Justice's decisions, will remember that a man—not a machine—wrote these—and a very gay man at that.

Mr. GRUENING. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield to the Senator from Alaska.

Mr. GRUENING. I wish to join in the tribute paid by the Senator from Wisconsin to my good friend, Justice Frankfurter. In my judgment, he is one of the great Justices of all times. The fact that he has been attacked at various times, often passionately, both from the right and from the left, seems to me to demonstrate that Justice Frankfurter has been correct most of the time. I hope for his speedy recovery and return to the Supreme Court.

Mr. WILEY. I did not know Felix Frankfurter before he ascended the bench, but since he became a member of the Supreme Court, I have considered him to be one of my fine friends.

Some persons seem not to be able to understand his philosophy; but that is the way of life. Men have been criticized for being liberal and then, in turn, criticized for being conservative. Such criticism depends upon the viewpoint of the other fellow, not upon the viewpoint of the person against whom the criticism is directed. All of us have a right to our independent thinking. Thank God, we have the right of independent freedom of expression.

Justice Frankfurter has rendered outstanding service on the Supreme Court. At the present time, he is considered to be a conservative.

## HEALTH CARE FOR THE AGED THROUGH SOCIAL SECURITY

Mr. ANDERSON. Mr. President, the House Ways and Means Committee today began consideration of H.R. 4222, the King-Anderson bill, to provide health care for the aged through social security. I believe there is little doubt that of all the issues before this session of Congress this particular matter is the most controversial. On a number of occasions I have stated in this chamber that it has been extremely difficult to bring to public attention the facts of the issue because of the intensive campaign waged by the opposition. If this campaign relied on the truth and if it were reasonable and constructive, the supporters of the King-Anderson bill would not challenge the effort; but it has been a campaign of massive and calculated misstatement.

One of the more frequently heard arguments being made against the King-Anderson bill is that it would place a heavy and unjust burden on young workers. For a response to that accusation I would like to quote from an insurance industry newsletter, Probe, which states:

> The Government is convinced that there will be corollary advantages to the public if the over-65 are covered under social security, and coincidentally, advantages to insurers. It is clear that in the individual policy field, each age pays its own cost. Under group plans, and Blue Cross, with its community rating system, insurance for the aged has not been self-sustaining, but has in effect been subsidized by younger insureds. To underscore the point, the Blue Cross plans estimate that their subscribers over 65 now pay about $200 million in subscription charges and receive about $375 million worth of hospital care.
>
> With the burden of the aged removed, as it would be under King-Anderson, Blue Cross and group plans will be able to offer coverage to the younger community at considerably lower rates. This appears so logical to us that the argument of the King-Anderson opponents to the effect that young America will be paying for the old folks seems a little on the absurd side.

The June 4, 1962, issue of Probe is a lengthy review of the background and current debate over the King-Anderson proposal. Let me point out that in regard to benefits provided under King-Anderson, medical appliances would be provided to beneficiaries in the hospital, in skilled nursing homes or through home health services. This is not made clear by Probe.

This is a fine summary of the current debate, and I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

### KING-ANDERSON IN REVIEW

#### BACKGROUND

In order to place the current old-age health problem in focus, it will be helpful to go back to the Eisenhower medicare program, which, with some changes, was later enacted as the Kerr-Mills bill. Arthur S. Flemming, Secretary of Health, Education, and Welfare in the Eisenhower administration, testified before the House Ways and Means Committee on May 4, 1960. A number of his remarks are deeply revealing, particularly in view of the emotionalism generated by the present King-Anderson proposal, equated, as it is here or there, with socialism, socialized medicine, and government interference. Mr. Flemming said: "The executive branch of the Government fully recognizes and accepts the fact that the Federal Government should act in this field." No doubt this simple statement will come as a shock to those who read only headlines and who feel that partisan politics plays a cardinal role in the present administration's point of view. Mr. Flemming supported his statement by pointing out that "we are dealing with a group in our population which contains an unusually large percentage of persons with very limited resources." He cited figures of the Health Insurance Association of America claiming that 49 percent of the over-65 group had some kind of health and medical insurance. "But," he said, "only a comparatively small percentage of this group have policies that protect them against long-term illnesses. * * * It follows, therefore, that a large percentage of persons 65 and over * * * cannot obtain protection at rates they can afford to pay, or cannot obtain adequate protection. In the light of these facts, we have developed a program that is designed to achieve just one objective; namely, to provide approximately 12 million persons, 65 and over, who have limited resources, with the opportunity of taking steps which, if taken, will enable them to cope with the heavy economic burden of long-term or other expensive illnesses."

The Eisenhower medicare plan covered physician's services, surgery, dental service, 180 days of hospital care, a full year's home care by either a nurse or a technician, up to $200 in laboratory and X-ray services, $350 of prescribed drugs, private nurses, and physical restoration service.

With a number of changes, the medicare plan emerged as the Kerr-Mills bill, and was passed by Congress in 1960. It is a dual State-Federal plan, with the State providing necessary medical services to the medically indigent, and the Federal Government reimbursing the State with 50 percent to 80 percent of the total, depending on the wealth of the State. Passed in 1960, it is in operation now in only 26 States.

#### THE PRESENT BILL

The King-Anderson bill, now in committee, is far narrower in scope. As an increase in social security benefits, it provides up to 90 days of in-patient hospital services in semi-private accommodations, subject to a deductible of $10 for each of the first 9 days of hospital confinement, with a minimum deduction of $20 per confinement; up to 180 days of care in skilled nursing home following a period of hospitalization; outpatient hospital diagnostic services, subject to a deductible of $20 for each complete diagnostic study; part-time or intermittent home health services, consisting of nursing care, physical therapy, social services, medical supplies (except drugs) and homemaker services, up to a maximum of 240 visits during a benefit period.

The King-Anderson bill does not cover:

1. Physicians' calls at home, office, or in the hospital.
2. Surgeons' fees.
3. Dental services.
4. Drugs and medicines outside of a hospital or nursing home.
5. Private-duty nursing, medical appliances, outpatient X-ray therapy and other services, the costs of which represent the bulk of health costs of the aged.

#### CLIMATE OF HYSTERIA

In order to bring out as quickly as possible the emotional and logically invalid reactions to the King-Anderson bill, we point to the fact that the American Medical Association says that the Kerr-Mills law, which actually provides for physicians' and surgeons' services, "preserves the quality of medical care—maintaining the patient's freedom of choice and the doctor's freedom to treat his patients in an individual way," while the King-Anderson bill, with no provision whatever for the services of physicians and surgeons, "would lower the quality of medical care * * * with Government controlling standards of practice and limiting free choice of hospital and physician." More than anything we have read or heard, this gross distortion points up the climate of hysteria in which the King-Anderson bill is being considered.

### THE PROS AND CONS

*Voluntary health insurance is doing the job*

Perhaps the strongest contention of the opponents of King-Anderson is the rapid growth of voluntary health insurance. Ten years ago only 26 percent of the non-institutionalized population over 65 had some form of voluntary health insurance coverage. As of mid-1961 over 53 percent had such protection. This is, of course, an impressive performance. The difficulty is that there is no breakdown of the extent of the coverage. The proponents of King-Anderson acknowledge the growth of voluntary health insurance, but they maintain that the person who has a policy providing $10 a day for 30 days against the cost of room and board and $100 against the cost of ancillary hospital services figures in the statistics on the same basis as one who has complete coverage of all hospital care in a semiprivate room for up to 365 days in any one illness. The National Health Survey found that only 46 percent of the aged had some health insurance as compared with 67 percent of the entire population. During the 2-year period July 1958 to June 1960 51 percent of the persons 65 and over, discharged from short-stay hospitals, had some portion of this bill paid by insurance, but only 30 percent had three-fourths or more of their bill paid by insurance.

The Government maintains that, in 1960, health insurance met only 26.7 percent of total private medical expenditures.

It appears to us that, in the face of Federal figures, the increase in the number covered by some form of health insurance, without regard to type and amount, loses a good deal of its first-blush impressiveness.

*The Government underestimates the cost*

A great deal has been said about the cost of King-Anderson, with particular reference to the belief that the Government has made a material underestimation. Where the Government estimates (based on $5,200) that, in 1963–65, employer and employee would each pay $202, the Health Insurance Association, LIAA and ALC estimate $232. In 1968 and after, the Government estimate is $254, while the insurance organizations estimate $284. Probe is, of course, in no position to question either figure.

The significant point to us is that the cost of benefits, whatever they are, remains the same regardless of who pays for them. Whether the Federal Government pays, or the State pays, or insurance companies pay, the cost remains the same—assuming the same benefits. We are dealing then, not with what the costs will be, but rather with how they are to be paid. The fundamental question is, administratively which method is most economical. For one thing, the social security machinery has already been established. To that extent, at least, the King-Anderson procedure appears to have an administrative advantage. But the Government is arguing further in the same direction. It maintains that total premium paid to all types of health insurance organizations in 1960 amounted to $5.8 billion, while benefits amounted to $5 billion. In short, total retentions of all health insurance organizations were $800 million, the amount retained by insurers to cover administrative expenses. For the whole industry, operating cost amounted to 14.5 percent of income or 16.9 percent of benefits paid out. Insurance companies had an operating cost ratio of 12.1 percent of premium income—9.6 percent for group business and 47.1 percent for individual business. In the latter field, insurance companies retain close to a dollar, for administrative expenses, reserves, and profits, for each dollar paid out for health insurance services. This, the Government maintains, is too big a bite for the public—specifically the over-65 public.

The Government is convinced that there will be corollary advantages to the public if the over-65 are covered under social security, and coincidentally, advantages to insurers. It is clear that in the individual policy field, each age pays its own cost. Under group plans, and Blue Cross, with its community rating system, insurance for the aged has not been self-sustaining, but has in effect been subsidized by younger insureds. To underscore the point, the Blue Cross plans estimate that their subscribers over 65 now pay about $200 million in subscription charges and receive about $375 million worth of hospital care. With the burden of the aged removed, as it would be under King-Anderson, Blue Cross, and the group plans will be able to offer coverage to the younger community at considerably lower rates. This appears so logical to us that the argument of the King-Anderson opponents to the effect that young America will be paying for the old folks seems a little on the absurd side.

*The bill does not cover everyone over 65*

Also absurd, to our mind, is the objection to King-Anderson on the ground that it doesn't cover everyone over 65—only those covered by social security. Horace W. Brower, president of Occidental Life, recently wrote "* * * there is something cynical about a program being promoted on the assumption that old people need it when one-quarter of such people today are excluded as nonqualified under social security." What we find cynical is the fact that some people use the exclusion of two and a half million people as an argument against King-Anderson when they know in their hearts that their opposition would be just as strong, and perhaps just as hysterical, if all were included.

We believe it is cynical, too, to favor Kerr-Mills with its State aid (backed by Federal aid), and oppose King-Anderson on the ground that it will socialize the Nation and destroy the last stronghold of individual freedom and personal dignity and responsibility. The over 65, under Kerr-Mills, must plead pauperism before receiving benefits. We fail to see how anyone who glibly speaks of personal dignity can favor such a cruel procedure and oppose one that makes the benefits available regardless of ability to pay.

*On the road to socialized medicine*

King-Anderson opponents claim it will lead to Government control of medical practice. This, it seems to us, is in the area of hysteria. Knowing that the proposed measure includes no mention whatever of physicians' calls at home, office, or hospital, or surgeons' fees, we regard it as fantastic to equate it, in any way, with socialized medicine. Under King-Anderson, every person will choose his own doctor and his own hospital. The bill provides only a means of paying for health services, not for providing them. There simply is not the remotest chance that our country is on the way to socialized medicine, and President Kennedy has repeatedly stated his opposition to it.

Only a few months ago this was said at the 13th annual health insurance meeting: "The controversial King-Anderson bill to establish a compulsory health-insurance scheme would visit upon the American people the same tragic, stupid, and unnecessary mistake that other and less favored nations have made." Ignoring the fact that the King-Anderson procedure is unique in world history, and hence may not be equated with any other method, and ignoring also that all previous steps in the direction of government health insurance have by no means been universally regarded as tragic, stupid, or unnecessary, we submit that the statement, whether by design or not, led the uninformed to believe that physicians and surgeons were to be paid by the Government under King-Anderson and that therefore we were on the verge of socialized medicine. It is imperative to remember, particularly in the face of statements and innuendoes to the contrary, that under King-Anderson the sick will choose their own doctors and pay them.

To get a rather clear picture of the validity (or rather the lack of it) of some of the arguments against King-Anderson, one should read the remarks of William A. Knight, International Association of Health Underwriters board member and zone chairman, as presented by the National Underwriter. According to that source, Mr. Knight said, "The person over 65 with no income very well could own a $30,000 home and have thousands of dollars in the bank or in investments." Also, "In a recent survey of hospitals it was found that there are less unpaid bills among the aged (over 65) than any other age group. Again, this same survey disclosed that 80 percent of the 65-and-over group said that if they got a $500 medical bill tomorrow, they could pay it in cash." To which, particularly in view of the fact that no one else seems to have quoted it, all we can say is "Some survey." (Incidentally, the National Underwriter headline read, "IAHU Speakers Give Telling Testimony.")

### HOW FAR SHOULD WE GO WITH THE AMERICAN MEDICAL ASSOCIATION?

For almost 20 years, the AMA has been trying, unfortunately with considerable success, to get the insurance business to carry the ball for it. In 1958, AMA President David Allman had this to say: "The two groups, insurance and organized medicine, represent two of the strongest remaining bulwarks of American free enterprise, and I think we had better work together to keep it that way." Since this thought has been echoed on thousands of occasions, including the present, and has been swallowed whole by unthinking insurance people, it is time to examine it closely. Historically, what has been the AMA's contribution to insurance, and in what esteem is it held by the American people?

After the AMA's 20-year behavior record, including a $20 million propaganda campaign, Life magazine, following the 102d annual American Medical Association convention in 1953, wrote editorially:

"There was other news from the convention, however, that was not so wonderful—at least to the millions of us ordinary mortals who worry ourselves sick over the paying of our doctor and hospital bills. The ever-rising costs of medical care and how to lessen them, if possible, are problems of national concern. But the house of delegates—the AMA's 185-member policymaking body—seems to be against almost anything that threatens the profits of a doctor's private practice. Typical of the AMA's fastidious sense of public relations was a resolution passed by the house of delegates, which branded the Federal regulation that provides free diagnostic service for crippled children, as 'socialistic.' 'Socialistic' and 'social' seem to be synonymous to the house of delegates, and somebody should buy it a dictionary. If the 185 members could conceive of how utterly weary and cynical the American public has become from hearing the AMA snarl 'socialistic' and 'socialism' at everything it doesn't completely approve of, they would hang up their stethoscopes (and their megaphones) and retire to the culture of petunias. * * * According to legend, a king named Canute once ordered the tide to stand still, but he ended up with soaked feet."

Is this the sort of thing with which the insurance business should be identified in the eyes of the American people? Does its record establish credibility?

To those insurance people who continue to dance to AMA music, we call attention to the manner in which that organization has served us. There is no doubt that, in its present moment of panic, it is enchanted by voluntary health insurance. It proudly points to our record—solely, of course, to serve its own ends. But when it was not dependent on our support, it screamed that we were about to commercialize the practice of medicine. Its own journal carried this: "The shortest road to the commercialization of medicine is through the supposedly rosy path of insurance."

And what has it contributed to the success of voluntary health insurance, a success to which it now points in its frantic attempts to defeat the King-Anderson bill? Despite the rapid growth of health insurance, that business is not in a healthy condition. Costs have skyrocketed, with the possibility that voluntary health insurance may be priced right out of the market. One of the most significant contributing factors is the innumerable acts of dishonesty committed by thousands of doctors. There have been charges for operations not performed, calls never made, ghost surgery, unethical fee-splitting, overcharges, fictitious services. There has been wholesale chiseling by charging for imaginary X-ray and laboratory tests. Incredible as it may sound, 200 doctors in southern California bilked their own health insurance program. Outright fraud, scandalous overcharges, gouging, fudging, and creeping costs have been proved over and over again.

AMA officials, alarmed at the extent of the dishonesty, estimated a few years ago that the proportion of dishonest doctors was "very small, probably not more than 5 percent of all medical men." But Dr. Elmer Hess, ex-president of AMA said, "It's ridiculous to dismiss the problem by saying that perhaps only 5 percent of our doctors are dishonest. Five percent of 200,000 doctors in the United States—that's 10,000 men with incredible power to do harm."

The AMA still plays the free enterprise tune and thus attracts some elements of the insurance business who still don't realize that it was a deliberately planned campaign 15 years ago that fizzled badly.

In September 1950, Fortune blew the lid off the whole free enterprise campaign. It said: "Never before have businessmen appeared so gripped with a single idea; there is scarcely a convention that is not exhorted with it * * * we must sell free enterprise * * * All in all the free enterprise campaign is shaping up as one of the most intensive sales jobs in the history of industry.* * * This year it will probably account for at least $100 million of industry's ad budget * * * and it is not worth a damn."

The importance of the American Medical Association, in terms of the public image of the insurance business, cannot be overstressed. The spokesmen of our business exhibit a camaraderie that is alarming.

In June of 1958, E. J. Faulkner, then chairman-elect of the Health Insurance Council, said: "Attacks on the private practice of medicine, now concentrating on a derogation of freedom of choice of physician, are attacks on the business of private insurance. If in the battle for men's minds, the welfare statists convince the majority of Americans that the right to patronize the physician of their choice [Editors' note: a pet, pat, and phony AMA slogan] is inconsequential, at that moment our people are psychologically conditioned for the imposition of monopolistic compulsory health insurance—and life insurance."

The same E. J. Faulkner (also president of Woodmen Accident & Life Co.) said on April 17, 1962, at the 13th annual health insurance meeting of LIAMA: "Despite the oft-repeated, but never proved, disclaimers of its proponents, this legislation [King-Anderson] would regiment our doctors * * * adulterate the quality of medical care. * * *" What an odd thing to say, when he must know that there is nothing whatever in the King-Anderson bill that covers payments to doctors and surgeons. But perhaps it isn't so strange, because the AMA in its supposedly objective and disarming pamphlet, "It's Your Decision," said "[the King-Anderson bill], would lower the quality of medical care * * * with Government controlling standards of practice and limiting free choice of hospital and physician. Personal health problems would become a matter of Government record." What an outrageous statement in view of the provisions of the bill, which the AMA so fully understands. And what a strange similarity to the Faulkner statement.

### CONCLUSION

Probe's concern with the King-Anderson bill is not whether it is passed or defeated—although we favor it. We are deeply concerned that, regardless of the outcome, the insurance business may be dealt a heavy public relations blow. We can all, if we so desire, oppose King-Anderson without announcing a partnership with the American Medical Association. We can oppose it, too, without recourse to misleading statements, distortions, and fallacious reasoning. In this regard, we do not imply that all insurance opponents of King-Anderson have conducted themselves badly. The Health Insurance Institute, an organization that we assume takes a dim view of the proposal, has worked with intelligence and restraint. But too many of our spokesmen have talked the kind of nonsense that may alienate us from the people.

We are concerned, too, with a kind of knownothingness that results in a favorable response to meaningless slogans, to misstatements of fact, and to empty emotionalism. Some of our underwriter associations are distributing AMA literature, with the conviction that they are performing a public service but with an utter lack of knowledge of the issues involved, and with a total unawareness of the damage resulting from a public concept that identifies the business of insurance with the business of private medicine.

There is room for disagreement, of course. It is quite natural for anyone opposed to social security to oppose any extension of it. Very likely there are other areas of legitimate objection. But let's keep it clean so that, regardless of the outcome, we can feel that we have increased the stature of the insurance business.

Mr. ANDERSON. Mr. President, also in connection with the current debate over health care for the aged, I would like to call attention to an article in the Washington Star of June 10, by Mr. Crosby S. Noyes, that newspaper's European correspondent. Mr. Noyes sheds much more light on the institution of socialized medicine in Great Britain than has generally been provided by the opponents of the King-Anderson bill. The opposition continues to brand Britain's National Health Service as a failure and warns that the same thing will follow in this country if my bill becomes law.

Mr. Noyes reports that there are "such immense differences in background, analogies, and comparisons between the British and American systems are hard to draw." However, I believe it is valuable to informed public opinion that some of Mr. Noyes' comments be called to attention. He states:

More than 97 percent of the population of 51 million are enrolled in the health service. So are about 98 percent of the 49,000 practicing physicians in the United Kingdom, along with almost all opticians, dentists, and druggists. With the exception of a few hospitals run by religious orders and private nursing homes, the rest (more than 3,000) are under the service.

In all, it is estimated that there are still some 500 rugged individuals in the medical profession who rely entirely on private patients for their fees. There are many more—perhaps a majority—who have a few private patients in addition to their health service charges. But the small percentage of people who still insist on paying for their medical care is hardly considered as a reflection on the service as a whole.

For the vast majority, the health service does what it promised to do at the beginning: "To insure that everybody in the country—irrespective of means, age, sex, or occupation—shall have equal opportunity to benefit from the best and most up-to-date medical and allied services available."

It does this, furthermore, through a system which, from the consumer's point of view, is almost miraculously uncomplicated. In comparison with the various social security medical systems that exist in other European countries, the British system is a model of simplicity.

The article says that the national health system in itself has not been a miraculous answer to all the problems of national health. There are many imperfections and the British themselves are aware of these shortcomings. However, Mr. Noyes reports:

A good deal of stress is laid on the point that each doctor is free to treat his own patients according to his own professional discretion. There is no attempt at regimentation of medical judgment. There are no rules as to what drugs or treatment should or should not be prescribed in specific cases.

A jurist, perhaps, might find certain infringement of this general theory. Under a system where all doctors can prescribe without any regard to the cost involved, a certain amount of bureaucratic restraint has been found necessary. The chief medical officer of the Ministry of Health urges doctors to prescribe standard drugs—as opposed to expensive proprietary preparations—whenever possible. And a doctor who habitually is found guilty of excessive improper prescribing is likely to wind up in trouble.

It is in fact impossible to prove on the basis of 12 years' experience that there has been any improvement in the national health attributable to the system itself. Infant and maternal mortality rates have fallen in Britain since the war in about the same proportion as they have fallen in all industrialized countries of the West. And though some diseases—notably tuberculosis—have dropped dramatically, this is almost certainly the result of new antibiotics rather than the system by which they are distributed.

Mr. President, by excerpting this article and having these excerpts printed in the RECORD I do not wish to imply support of a nationalized health scheme. Such a program is not necessary in this country. My purpose is simply to try to deal with some of the arguments against the King-Anderson bill as they arise and I thought Mr. Noyes had given a very fair account of both the good and the bad in the British medical system. I think the great value in this reporting is that we in this country can benefit by mistakes in other nations and avoid similar pitfalls.

## CENSURE OF ISRAEL BY U.N. SECURITY COUNCIL CALLED INJUSTICE BY MANY

Mr. YARBOROUGH. Mr. President, there are many who believe that the censure of Israel by the Security Council of the United Nations, in which both the United States and Russia joined, was an act of injustice. Certainly, Israel is entitled to be judged in its relationship with other countries with the calmness and fairness accorded others.

In a recent edition of the Baptist Review, the chancellor of Baylor University, of Waco, Tex., was quoted at length on the subject. I believe the comments of the chancellor, Dr. W. R. White, former president of Baylor and a Baptist leader of national renown, are worthy of serious consideration by my colleagues. I ask unanimous consent to have printed in the Record an article from the Baptist Review of May–June 1962 entitled "Dr. W. R. White Calls Security Council's Censure of Israel Miscarriage of Justice."

There being no objection, the article was ordered to be printed in the Record, as follows:

### Dr. W. R. White Calls Security Council's Censure of Israel Miscarriage of Justice

The censure of Israel by the Security Council of the United Nations for the defense of their territory against Syrian attacks is a miscarriage of justice, declares Dr. W. R. White, chancellor of Baylor University of Waco, Tex. There have been several attacks by Syria since February 1 on Israel villages and on Israel fishermen on the Sea of Galilee, the waters of which are entirely within the boundaries of Israel. These attacks had continued until March 16, and on the following day three columns of Israel soldiers moved into Syrian territory, smashing gun emplacements and fortifications. It was Israel's first reprisal raid in years.

"In my opinion," says Dr. White, "the censure of Israel by the Security Council of the United Nations was a miscarriage of justice. From the evidence available to the public and from a background of knowledge possessed by me through research and some personal observations in Arab countries and in Israel, I am convinced that Israel is judged by a more exacting criterion than is applied to her neighbors."

These provocative shootings and threats of war by Syria violate the provisions of the United Nations Charter. Dr. White comments upon the refusal of the Arab countries to sit down at the peace table and negotiate their differences with Israel:

"I have found practically no Arab who is willing to sincerely negotiate with Israel looking toward peaceful solutions. There is a unanimous contention that Israel is an arbitrary and artificial political entity possessing no inherent rights. I have found very few people of Israel unwilling to negotiate with her neighbors looking toward achieving peaceful coexistence.

"In my judgment both sides should have been treated alike. That would have been enough concession to have made."

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## ORGANIZATION AND ACTIVITIES OF THE U.S. DEPARTMENT OF AGRICULTURE

Mr. MUNDT. Mr. President, on June 1, I was privileged to serve as one of the dedicatory speakers at a program marking the completion of the Northern Grain Insects Laboratory at State College, Brookings, S. Dak. This great new Federal installation is designed to render great constructive service to American agriculture.

Dr. T. C. Byerly, Administrator of the Cooperative State Experiment Station Service, also addressed the commemorative audience. Dr. Byerly's address was a comprehensive and masterful recital of the full program of functions and services provided by our U.S. Department of Agriculture which this year is celebrating its 100th anniversary. Since I believe the information contained in Dr. Byerly's address will be of vast interest to many committees of Congress, to individual Members of Congress, and to foreign students of American agriculture, I ask unanimous consent that the full text of his address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

### Organization and Activities of the U.S. Department of Agriculture

(By T. C. Byerly)

President Kennedy, by proclamation of August 25, 1961, designated 1962 as the U.S. Department of Agriculture centennial year to serve "as an occasion to commemorate the contributions of agriculture to the health and welfare of every citizen, to the national well-being, and to the development of emerging nations." This year is also the centennial year of the Homestead Act; of the Morrill Act, which created the system of land-grant universities and colleges; and of the National Academy of Sciences, which was set up to advise the Government on scientific matters.

The act establishing the U.S. Department of Agriculture was approved by President Lincoln on May 15, 1862. The act provided that "the general designs and duties (of the USDA) shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of that word."

During the 100 years that USDA has existed, U.S. agriculture has become the world's most efficient and productive agriculture. The hard work, the ingenuity and the ability of American farmers and ranchers have made it so. The capacity of American agriculture to produce food, fiber and forest products, enough to meet our needs and to share with others, is established. Our diet is abundant, economical, varied and wholesome. The services of the U.S. Department of Agriculture and the cooperating land-grant colleges have helped the American farmer through research, education, technical help and other services.

Agriculture is the biggest business in the United States. Its assets exceed $200 billion. It employs about 7 million people on farms, and about 4 out of 10 jobs in private employment are in or related to agriculture. Americans spend only 20 percent of their take-home pay for food. Russians have to spend more than 50 percent of their income for food.

Since its establishment in 1862, the Congress has authorized and appropriated funds to support programs administered by the U.S. Department of Agriculture in addition to the gathering and dissemination of information as stated in the act of 1862. The Hatch Act of 1887 established an experiment station in every State and, as amended in 1955, this act authorizes Federal grants which assist the several States in supporting research necessary to solve their own agricultural problems in their own way.

Other legislation and annual appropriations have established and supported programs for research and extension, for conservation use of soil, water and forests with due regard for wildlife and recreation needs, for protection of crops and livestock, for the orderly marketing of farm products at home and abroad, for credit and technical assistance to farmers and for price stabilization. In administering all of these programs the U.S. Department of Agriculture cooperates fully with State and local government and farmer organizations and individual farmers.

The U.S. Department of Agriculture is currently organized into seven major groups. The Federal-State Relations group is headed by Assistant Secretary Frank J. Welch. It includes the Agricultural Research Service, Cooperative State Experiment Station Service, Farmer Cooperative Service, Federal Extension Service, Forest Service, and Soil Conservation Service.

The Marketing and Stabilization group is headed by Assistant Secretary John P. Duncan, Jr. It includes the Agricultural Marketing Service, Commodity Exchange Authority, Commodity Credit Corporation, Agricultural Stabilization and Conservation Service, and Federal Crop Insurance Corporation.

The Agricultural Economics group is headed by Director Willard W. Cochrane. It consists of a small staff group and the Economic Research Service and Statistical Reporting Service.

The Agricultural Credit group is headed by Director John A. Baker. It consists of the Office of Rural Areas Development, Farmers Home Administration, and Rural Electrification Administration.

The Foreign Agricultural Service is headed by Raymond A. Ioanes. It consists of a Washington staff group and of agricultural attachés in each of 56 foreign countries.

The Departmental Administration group is headed by Joseph M. Robertson, Administrative Assistant Secretary. It consists of the Office of Management Appraisal and Systems Development, Office of Budget and Finance, Office of Hearing Examiners, Office of Information, National Agricultural Library, Office of Personnel, and Office of Plant and Operations.

The seventh group is the Office of the General Counsel, headed by John C. Bagwell, General Counsel. Employees of the Department work at about 4,000 locations in the United States and in many foreign countries.

Research in the Department is planned and administered by eight of the agencies named, coordinated by the Administrator of the Agricultural Research Service, B. T. Shaw. Agricultural Research Service conducts research in soil and water conservation, crops, animal husbandry, animal diseases and parasites, agricultural engineering, entomology, utilization of agricultural products, foods, nutrition and family living. Much of this research is conducted in cooperation with the State agricultural experiment stations; for example, ARS cooperates with the South Dakota Agricultural Experiment Station in soil, water, and beef cattle research at Newell, and in beef cattle, swine, poultry, and crops research and soil and water management research at Madison and other points in eastern South Dakota.

Cooperative State Experiment Station Service administers Federal-grant funds providing about 20 percent of the funds used for research by the State agricultural experiment stations. Because of differences in climate, soil, market outlets, and other local conditions, each State has distinct problems of production and marketing of crops and livestock. State agricultural experiment stations are best suited for the solution of State and local problems. State experiment stations also participate in the solution of regional and national problems. Cooperative State Experiment Station Service is responsible for review and evaluation of State research proposals and for their coordination with departmental research.

The Economic Research Service conducts research in general economic and statistical analysis, marketing economics, farm economics, and foreign economic analysis. Some of the most urgent problems lie in this area. These include the development of information and economic principles which will enable farmers to retain for themselves an equitable share of the benefits of the application of science and technology to farming.

The Statistical Reporting Service provides crop reports, information on storage stocks, numbers of livestock and poultry, farm labor and wages, and prices paid and received by farmers. The Service also provides information on markets and market potentials for agricultural products. Crop and livestock estimates are based on information collected and evaluated in field offices covering all the States.

The Farmer Cooperative Service conducts research to help farmers improve their economic position through cooperative organizations under authorizations of the Cooperative Marketing Act of 1926. Research on cooperative enterprises provides information on organization, management policies, employee relationships, merchandising, accounting, operating costs, efficiency, financing, transportation, and membership relations.

The Forest Service in its Forest Products Laboratory at Madison, Wis., its 10 regional experiment stations and numerous other field locations conducts research on the entire field of forestry, including wild land management, growth and harvest of timber, fire protection, forest insects and diseases, range management, forest product utilization, economics, and watershed management. Forest Service cooperates widely with other Federal agencies and with State and private agencies in research.

The Soil Conservation Service conducts field and laboratory research in connection with the National Cooperative Soil Survey in cooperation with many State agricultural experiment stations and other State and local agencies. Research facilitates the classification of soils according to their productive capacity under different systems of soil management, their suitability for various crops, and their reaction to cultivation.

Agricultural Marketing Service is responsible for planning and administering of marketing research in the physical and biological science aspects of moving agricultural products from the farmer to the ultimate user. This program includes research to maintain quality of food, feed, and fiber and to develop methods for prevention of waste and spoilage; measurement of quality and improvement of grade standards; research to develop methods of reducing cost of moving products from grower to consumer. Agricultural Marketing Service cooperates with private agencies, shipping associations, State experiment stations, and State marketing agencies.

Research is also conducted in several foreign countries by nationals of those countries for the benefit of American agriculture. Such research is supported by local currency resulting from sales of U.S. farm products under Public Law 480. Such currency cannot be used in the United States, so U.S. agriculture will benefit from this research via new crops, new knowledge of disease and insect control, new products which will help to expand markets for our farmers.

The Federal Extension Service has leadership in educational programs for the U.S. Department of Agriculture. It acts as liaison between the Department and the land-grant college officials on all matters associated with cooperative extension service. The Cooperative Extension Service is carried out through a three-way partnership among local people, the State land-grant college, and the U.S. Department of Agriculture. At the local level, county extension workers take the lead in helping people analyze their individual situations and farm enterprises to make use of research information, practical experience, and programs administered by USDA.

The U.S. Department of Agriculture Library, as the National Agricultural Library, cooperates with the other two national libraries, the National Library of Medicine and the Library of Congress, in providing access to the worldwide literature in the agricultural, chemical, and biological sciences. It contains more than 1 million volumes. Information is disseminated through bibliographies, loans, photo copies, and reference services to land-grant colleges, State experiment stations, Government agencies, industry, scientists, and farmers.

Office of Information conducts editorial work, printing and distribution of publications; provides current information through press, radio, and TV; provides exhibits and motion pictures. Through technical and popular publications, including yearbooks and farmers' bulletins, it makes available to farmers and the general public information on research, conservation, regulatory and action programs and service work of USDA.

Regulatory and service programs authorized by the Congress are administered by several USDA agencies.

The Agricultural Research Service administers various laws and regulations and conducts cooperative control activities. These include animal inspection and quarantine, plant quarantine, animal disease eradication, plant pest control, and meat inspection. These programs prevent entry into the United States of many animal and plant pests and diseases, or their transmission to other countries in U.S. exports. They have eradicated cattle fever ticks and Mediterranean fruit fly, and control bovine tuberculosis and brucellosis. They insure the wholesomeness of our meat supply. They maintain high standards of veterinary biologics and pesticide chemicals sold to U.S. farmers.

The Agricultural Marketing Service, through its cotton, dairy, fruits and vegetables, grain, livestock, poultry, and tobacco divisions, helps formulate or carry out policies and programs in connection with marketing, purchase, diversion, export, and distribution of commodities. These divisions conduct authorized inspection, grading, classing and standardization programs. Fees and charges are collected to cover costs of voluntary services, while mandatory Federal grades and standards programs are financed by Federal appropriations. AMS is responsible for administering about 20 acts.

Countrywide market news reporting offices provide current information on supply, movement, and price of agricultural commodities.

Through its Food Distribution Division, Agricultural Marketing Service is responsible for administering the national school lunch and special milk programs; for planning the distribution of commodities acquired under surplus removal and price support programs to schools, charitable institutions and needy families at home, and to voluntary relief agencies for needy persons overseas; and for increasing the use of plentiful foods. It also conducts the food stamp plan pilot projects started in June 1961.

The Commodity Exchange Authority administers the Commodity Exchange Act. It supervises futures trading on designated commodity exchanges, including the Chicago Board of Trade and the New York Cotton Exchange. CEA seeks to prevent price manipulation and corners affecting agricultural commodities and to protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices in futures trading.

The Foreign Agricultural Service administers departmental foreign agricultural programs and develops plans and policies related to the foreign interests of U.S. agriculture. Agricultural attachés and officers at 56 posts abroad cover over 100 countries. They speak on behalf of U.S. agriculture abroad and assist in broadening foreign markets for U.S. farm products. FAS cooperates with the United States in foreign trade and agricultural organizations on market development in more than 50 countries, including participation in trade fairs. Special programs encouraging U.S. agricultural exports include: Sales for foreign currencies under title I of Public Law 480; barter of farm products for strategic and other materials, and long-term dollar credit under titles II and IV of the law, and short-term dollar credit.

### CONSERVATION SERVICES

The Agricultural Stabilization and Conservation Service shares costs with farmers and ranchers to encourage and assist them to carry out on their farms and ranches authorized new and additional soil building and soil and water conserving practices. The agricultural conservation program offers cost sharing only for conservation measures considered necessary to meet the most urgently needed conservation problems which would not otherwise be carried out to the extent needed in the public interest. These activities are carried out in the field through the ASCS committees with the assistance of local representatives of Soil Conservation Service and Forest Service.

The Soil Conservation Service is responsible for developing and carrying out a national program of conservation for land and water resources. SCS seeks the establishment of an integrated system of land use and conservation treatment in harmony with the capability and needs of the land. Soil Conservation Service integrates all aspects of land use and treatment by assisting farmers and local groups in planning for each farm, ranch, watershed as an economic unit and as a combination of land resources. SCS administers the Great Plains conservation program; plans and applies flood damage reduction practices on 11 major watersheds; gives technical assistance to farmers and ranchers participating in the conservation credit program of Farmers Home Administration; provides technical assistance on soil and water conservation in rural areas development, and makes snow surveys for water forecasting in the Western States.

The Forest Service is responsible for conservation use of U.S. forests and related water and range and wild land resources for timber, for soil conservation, for watershed protection, for improvement of wildlife habitat and for recreation. Forest Service administers the national forest system and the national grasslands, and cooperates in forestry programs with States and private forest owners. Wood, water, forage, recreation and wildlife are managed for maximum sustained yield without damage to the basic productivity of the land. The Forest Service protects our forests against fire, insects, diseases and other destructive agents.

The Agricultural Stabilization and Conservation Service is responsible for production adjustment, price support, inventory management and sales of Government-owned surplus farm products, for milk marketing orders, for administration of the International Wheat Agreement, the National Wool Act and the Sugar Act, for emergency disaster relief, and for preparedness planning for national defense. ASCS State and county committees, which are farmer-elected, advise on formulation of policies and program plans.

Price support, storage facility and surplus commodity operations and certain financing functions under the International Wheat Agreement Act, the National Wool Act, Soil Bank Act, and Public Law 480 are financed by Commodity Credit Corporation. CCC is managed by a board of directors under the general supervision and direction of the Secretary of Agriculture.

The Federal Crop Insurance Corporation protects against crop losses due to weather, insects and disease in about one-third of our counties. FCIC insures wheat, cotton, tobacco, corn, flax, dry beans, soybeans, barley, rye, citrus, peaches, oats, grain sorghum, rice, raisins, and peanuts. The amount of protection offered is limited by law to the general cost of producing a given crop in an area.

The Office of Rural Areas Development is responsible for accelerating departmental activities that lead to an expansion of job opportunities in farming communities and the small towns serving them. RAD operates under the general direction of a 13-agency board, of which the Director of Agricultural Credit serves as Chairman. The Area Redevelopment Administration, Department of Commerce, provides Federal loan, grant, and technical aid for industrial and other enterprises in certain rural redevelopment countries. USDA has been delegated responsibility for administering this program and the Office of Rural Areas Development coordinates departmental activities.

Farmers Home Administration provides loans and technical assistance for the operation, purchase and improvement of family farms. Applications from veterans with farm experience receive preference. Borrowers must agree to refinance their loans with other lenders as soon as they are able to do so. FHA has about 1,400 local offices serving all agricultural counties. Loans are provided from funds provided by Congress and, in the case of farmownership, labor housing, and water development and soil conservation loans, from funds advanced by private lenders on an insured basis. Forty-three State directors, each assisted by a five-member advisory committee, administer the FHA program in their respective areas.

Rural Electrification Administration makes loans for the extension of central station electric service to unserved rural people and for the purpose of furnishing and improving rural telephone service. Construction loans are self-liquidating in a period of not to exceed 35 years.

The Farm Credit Administration supervises a nationwide system of credit cooperatives as an independent agency. The Secretary of Agriculture names one of the 13 board members.

In the national defense program, USDA is responsible for production, processing, storage, and distribution of food through the wholesaler level; stockpiling of food for emergency use (except in shelters), biological and chemical warfare defense for crops and animals; radiological defense in rural areas; and rural fire control. A special assistant to the Secretary of Defense coordinates and directs defense work within Agriculture, and provides liaison with other Federal agencies and State and local governments.

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## FOREIGN AID TO COMMUNIST COUNTRIES

Mr. DIRKSEN. Mr. President, there apparently has been widespread misinterpretation in the press as to what the modified Mansfield-Dirksen amendment to the foreign aid bill does. In order to clarify this, I ask unanimous consent to insert in the RECORD the following broadcast by Ray Henle on "Three-Star Extra" last Friday, June 8, the day that the modified amendment passed the Senate.

Mr. Henle said:

Some of the news dispatches give an impression that the Senate has reversed itself to the point of complete retreat from its original position of voting a prohibition on foreign aid to Communist and Marxist countries.

What the Senate did was to modify its original position to permit shipments of food as provided by existing law, but with four important conditions: (1) the recipient country must not be participating in Communist world conquest programs; (2) must not be controlled by a country advocating such a program; (3) the food must be a direct help to the U.S. security; and (4) the President publicly must notify the Congress of his intention to send such food shipments.

The Senate then also voted the Hickenlooper amendment providing that no U.S. foreign aid of any kind may go to a country which since January 1, 1962, has not paid for U.S. property expropriated, and further that the administration under no circumstances may waive the requirement for such payment.

The date is important. It means that unless Brazil and Ceylon now pay up for recently expropriated properties, they can get no U.S. foreign aid.

Thus it will seem that the Senate action of this week was a most important development in restoring congressional controls over foreign aid. Certainly the Senate served notice on all nations contemplating expropriation of U.S. properties that they will be ineligible for aid unless they make just compensation. Without such warning, many nations no doubt eagerly would have followed the practice of Brazil and Ceylon.

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## TRIBUTE TO MRS. HENRY J. KNOTT

Mr. BEALL. Mr. President, I have always been especially pleased to see proper recognition given to outstanding achievements, and consequently I was particularly delighted to see that one of my State's most exemplary women, Mrs. Henry J. Knott, had received the President's Medal from the College of Notre Dame of Maryland, in Baltimore. Mrs. Knott is the second women in the history of the college to be awarded the President's Medal, and I can attest personally to the fact that she is eminently worthy of the honor.

Prior to the presentation, an article about Mrs. Knott was printed in the Evening Sun of Baltimore, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### COLLEGE HONORING MRS. KNOTT

(By Jeanne B. Sargeant)

Marion Burk Knott will receive the President's Medal at commencement ceremonies, Sunday, at the College of Notre Dame of Maryland to be held on the North Charles Street campus.

Mrs. Knott, who is the mother of 13 children (12 living), is pleased at her selection, but she is also mindful of the fact that Sunday she expects to become a grandmother. And while this will be the 17th grandchild for her and her husband, Henry J. Knott, it is an event about which she never becomes blase.

#### SECOND TIME

This is only the second time in the history of the college that the President's Medal has been awarded. Mrs. Knott's citation, to accompany the medal, will read:

"The President, Faculty, and Board of Directors of the College of Notre Dame, praising the sacrificial qualities in the life of the Christian mother, and with particular distinction, Marion Burk Knott * * * exemplar of the church's desire that women shall protect, nurture, and conserve not only the physical but also the spiritual and intellectual life of the family. Because Mrs. Knott exemplifies in her life the essential Christian woman giving and preserving, the bearer of grief and bringer of joy, loving, and greatly loved, the College of Notre Dame of Maryland takes pleasure in presenting her with the President's Medal for outstanding Christian motherhood."

#### TWELVE LISTED

The Knotts have been married for 34 years. They have had nine daughters and four sons, six of whom are married. The young people chronologically from the eldest are: Mrs. Patricia Smyth, who is a 1951 graduate of Notre Dame College; Sister Henry Marie, S.S.N.D., who is studying at Notre Dame and is also a teaching Sister at St. Mary's, Govans; Mrs. Alice Voelkel; Mrs. Margaret Riehl, Mrs. Catherine Wies, Henry J. R., Rose Marie Knott, Mrs. Lindsay Harris, the newest bride; Francis X., James F., Martin G., and Mary Stuart. Ann Carlisle, the sixth Knott child, died at the age of 12.

Seven of the youngsters attended the Institute of Notre Dame. Mrs. Riehl is a graduate of Mercy Hospital School of Nursing. Henry graduated from Loyola High School and night school. Mary and Martin are attending the Cathedral School, and Francis and Jimmy are at Regiopolis College in Kingston, Ontario, an English Jesuit school.

#### MANY HARBORED

The Knott brood has been raised on Greenway and for the past decade has lived in Lakehurst.

In addition to an even dozen children, the Heathfield Road ranch property has harbored 35 sheep, a huge St. Bernard dog, geese, ducks, and a somewhat decrepit Irish terrier.

And then there were the two years when the Knotts took in Constance Noel Rann, who is now 9, after her mother died. Constance stayed with the Knotts for 2 years, 1953–55, until her father remarried and they made a new home in Ohio.

In a family of this size, life is never dull. This year there were three weddings in 11 months, and by September, grandchildren No. 17, 18, and 19 will have appeared on the scene.

#### NOT PERMISSIVE

Yet Mrs. Knott, a soft-spoken Richmond native, does not believe in permissiveness either with her children or her grandchildren.

"You do children no favor without discipline," she firmly believes. "I have always been very strict, and so is Mr. Knott."

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## TRIBUTE TO HAROLD WATERHOUSE RICE OF HAWAII

Mr. FONG. Mr. President, last week, Tuesday, June 5, one of Hawaii's most illustrious and distinguished native sons passed from the island scene. He was Harold Waterhouse Rice of the Valley Isle, Maui, a descendant of two prominent pioneering families in Hawaii.

His life spanned more than three-fourths of a century, with 55 of his 79 years on his beloved Maui where he was affiliated with Hawaiian Commercial & Sugar Co. and where he carried on his extensive cattle-ranching business.

Harold Waterhouse Rice was an outstanding member of the Senate of the

Territory of Hawaii for 24 years, serving one session as its president. During a part of this time, I served in the house of representatives. I remember him as a hard-working, progressive, capable, and a most discerning senator.

I also served with him as a delegate to the Hawaii State Constitutional Convention. He contributed much to its deliberations. He also served his people well as executive officer and member of the Board of Supervisors of the Island of Maui.

From his grandfather, Rev. Harrison Rice, he inherited a great love and concern for his fellow man, and these attributes remained with him throughout his long life. From his maternal grandfather, John T. Waterhouse, he inherited the business acumen which made him a successful businessman.

In his lifetime, Harold Rice was privileged to witness the full spectrum of Hawaii's political life—Monarchy, Republic, Territory, and finally statehood in this great American Union.

He firmly believed in a strong two-party system of Government. So convinced was he of the need for a strong minority that in 1943 he resigned from the Republican Party after more than 25 years as an active member to join the Democratic Party which was then the minority party.

In business, he was also as nonconforming as he was in politics. He disagreed with management in many of its policies and led many stockholders' fights against what he felt was not to the benefit of the stockholders.

Controversial as Harold Rice was in politics and in business, he was beloved by his people.

He was colorful, knowledgeable, and dynamic, and with his passing, a portion of Hawaii has passed on forever.

Mr. President, the entire State of Hawaii mourns the passing of its beloved Keiki Hanau o Ka Aina—son of the land—Harold Waterhouse Rice—acclaimed by Valley Islanders as the man who has done the most for Maui.

## TRIBUTE TO THE LATE SENATOR HENRY FOUNTAIN ASHURST

Mr. GOLDWATER. Mr. President, the concluding words in the diary that Henry Fountain Ashurst kept throughout his life are these:

> It is a comforting assurance that nothing in this diary will cause pain to any person or bring reproach to anyone who is dead.

Henry Ashurst was elected one of the first two Senators from the new State of Arizona in 1912, and he continued to serve the State and the Nation in that capacity for 30 years. His many contributions to both I will not enumerate here as they are well established in the memory of time. Henry Ashurst's greatest fame probably stemmed from his devotion to the perfection of the use of the English language. His was a voice tutored not by the pulse of the ballot, but by the beat of logic. He was a man not driven to victory over his brother by force or innuendo, or depredation, but, by the logic of argument.

Emerson, in his essay, "Nature," remarks that a "third use which nature serves to man is that of language," and in the section of this essay touching on language, he points out again and again the closeness of nature to the words of man. This is true, for we find honesty of expression coming from people whose lives have been in contact with nature. His years in the saddle as a cowboy carried Henry Ashurst into the remote places of Arizona where he found in nature a true source of expression, likewise a source of inspiration. As young Henry clopped, clopped his way across the desert sands or the pine needled cushions of the forest floor, or across the sandstone floors of the canyons, he recalled that he had directed thousands of speeches to the brush of the desert, to the blueness of the juniper tree, to the red walls of the canyons, and surely his words must have carried high into the sighing pines and across the waters of the lakes of his county of Coconino. Words that no one but his horse and himself heard; words which are now floating around in space, mingling with words of other men who have become beacons of expression, who likewise, inspired by nature's closeness and by the loneliness of the saddle, orated or sang or spoke verse to an inanimate world of beauty. Such men all attest to the wisdom of the words of Emerson, who wrote, "that picturesque language is at once a commending certificate that he who employs it is a man in alliance with truth and with God."

While the language we all speak and write became the center around which Senator Ashurst's life revolved, it was far from the only remembrance those of us who loved him carry. His life was a dedicated one in which hard work was the keystone. In fact, the thought of his accomplishments reminds me of the stories my uncle, who served in politics with Senator Ashurst, used to tell me about the boat trips up the Colorado River. Large iron rings would be set in the stone faces of the canyon wall or secured to the trunks of great trees along the shores. Through these rings the Captain would pass ropes and then by a series of heave ho's from those on board, including passengers and crew alike, the boat would pass over the sandy shoals and into the deeper and more navigable waters.

As Henry Ashurst encountered shoals on his journey up the changeable river of life, he would not sit waiting for the fates to release him, but he would look hard for some strong point to which to fasten his rope, and then pull himself through to better water. His was an exemplary life for that reason, among many others, for he was a living example of the benefits that come to men who live with freedom and independence of thought.

Ashurst's life spread as the two tips of a draftsman's compass from the day of the old to the day of the new, and he carried across that long span of time qualities of gentlemanliness and decency, scholarship and application, devotion and patriotism which will serve forever as an example to generations to come. As history unfolds, the greatness of this man will likewise come to life, and the words closing his diary, "is a comforting assurance that nothing in this diary will cause pain to any living person or bring reproach to the memory of anyone who is dead," will prove to be true. Not only that, but they will prove to those of us who follow that logic can prevail where violence fails.

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The VICE PRESIDENT. Without objection, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

## THE MORALITY OF NUCLEAR TESTING

Mr. MORSE. Mr. President, I suppose that in recent months most Senators have had the same mail experience I have had in regard to one of the hottest controversial issues that have been of great interest to the American people. I refer to the issue of the resumption of atmospheric nuclear testing by the United States.

I am satisfied that the President of the United States studied, pondered, and wrestled with this problem far beyond, even, our power to comprehend what the man endured; for we who served with the President when he was a Senator from Massachusetts, and served with him, as I did, on the Committee on Foreign Relations, know full well the long-time, deep concern of the present President of the United States in regard to both the great danger which nuclear testing in the atmosphere presents not only to the American people but to all mankind, and also his recognition of the very serious problems of morality which are involved in the issue of nuclear testing. I cannot speak for the President, but it is perfectly easy to deduce from the record the strain he must have endured before reaching his final determination to resume nuclear testing. I share the point of view the President reached. I do not believe he could have reached any other decision in the interest of the security of the Nation and in the interest of advancing the cause of freedom throughout the world.

In a previous speech, I discussed the problem as being one of a choice between immoralities—as a choice between degrees. However, I do not think that any of us who believes in a Divine

Being—which is true of almost all Americans—can escape the conclusion that nuclear testing is immoral. In fact, I do not believe we can escape the fact that the building of nuclear armaments and the participation in a nuclear armament race are immoral. However, there are greater immoralities inseparably connected with the issue.

So, too, is a nuclear war immoral. So, too, would be the following of a course of action which so weakened the security of this Nation that Russia would be in a position where she could successfully wage a nuclear war and knock us out quickly. That would be a greater immorality than the immorality of the resumption of nuclear testing.

So the President had to make the difficult decision as to whether the United States would resume nuclear testing in the atmosphere in order to make certain that we had done what could be done, within the present knowledge of science, to keep us on a footing with Russia, so that Khrushchev would understand that at all times he, too, has everything to lose and nothing to gain by starting a nuclear war.

In my previous comments on this subject, and particularly in answer to my correspondents, many of whom have been highly critical of the position taken by the senior Senator from Oregon, I have pointed out to my constituents and to those who have written to me from outside my constituency that I felt the decision which the President made was absolutely right. In that correspondence and in my previous speeches I have stated that my service as a delegate of our Government to the United Nations for a period of 3 months, in which I had to deal with the Russians day in and day out, observing their tactics, convinced me that there is no question or doubt that if Russia ever thought the United States was weak enough to be subject to military conquest, she would make the attempt.

The American people should recognize that prior to his making the final decision with respect to the resumption of nuclear testing, the President of the United States was the beneficiary of the most expert and technical scientific advice he could receive. So were we who are members of the Committee on Foreign Relations. Of course, we are not free to discuss publicly some of the information we have. But we are free to state to the American people our conclusions as their representatives in the U.S. Senate; and I have pointed out to my constituency—and I do so again today—that I am perfectly satisfied that as a result of the last atmospheric testing by the Russians, we were finding ourselves trailing them in the development of certain nuclear defenses, and possibly trailing them so far as nuclear defenses in connection with antimissile defense were concerned; and the scientists and the military experts pointed out that it was not safe, having in mind the security of our country, to permit that situation to continue, and that it was necessary to have a resumption of limited nuclear testing in the atmosphere—and the President made that very clear when he announced his decision—in order to bring up to date our nuclear defenses, by obtaining the scientific information which those tests would give us, so there would be no doubt that Russia would understand that we were at par with her, and probably ahead of her.

Of course, this is an ugly paradox, for I think all persons informed regarding the progress being made in connection with nuclear defenses recognize that if this nuclear armament race continues for a considerable number of years, there will be increased danger that a nuclear war will break out. That seems to be in the inherent nature of armament races. History is replete with instances in which armament race after armament race has ended in war after war; and I do not think we have any reason to believe that this ugly aspect of history will not repeat itself. Yet in this paradox, we find ourselves, as Senators, it seems to me, in the position of having to make a decision in support of a President who, I believe, has taken a very sound position regarding this matter, in that we will take no chance as regards the security of our country; we will seek to keep our country so strong that Russia will not dare attack; and at the same time we will prosecute every endeavor and every possibility for arriving with Russia at an honorable agreement which will make it possible to bring to an end, for all time, the mad nuclear armament race in which the Western Powers and Russia are presently engaged.

Thus, I have said—and I repeat today—that our decision has been one of choice between two immoralities; one, the lesser; the other, the greater. It is certainly the greater immorality to plunge the world into a nuclear war. It certainly would be the greater immorality for this Republic to follow a course of action which would so weaken the security of our country that the world would become faced with the probability of enslavement by communism.

Mr. President, that has been the position of many of us who have answered the critics who have charged us with somehow betraying what they assume for themselves is the cause of liberalism in America. Sometimes I am at a loss to understand various groups which take unto themselves the alleged right to tell the rest of us what is liberal and what is nonliberal. That is particularly true—I say with all respect, because I do not question their sincerity—of the groups which take the position that under no circumstances should the United States resume nuclear testing, because, they say, it is grossly immoral—even though the facts indicate, I believe, that it would be a greater immorality for us to follow the course of action they recommend.

Mr. President, I think it reassuring to the great majority of the Members of the Senate who share my view in regard to backing up the President's decision as regards nuclear testing, to find that there appeared yesterday in the public press what I regard as the soundest analysis of the decision of this country to resume nuclear testing that I have read thus far. In fact, when I consider how I have wrestled with this matter and how I have written reams on it and have spoken pages of the CONGRESSIONAL RECORD on it, all I wish to say is that the condensation, the conciseness, and the irrefutable logic of a great scientist, as set forth in a wonderful article published yesterday in the little magazine This Week, ought to be an answer to every letter to Senators in regard to nuclear testing, and should be enclosed in the answers to such letters. Because I think the article is most important, and because I think Senators who have not seen it should have their attention called to it, by having it printed in the CONGRESSIONAL RECORD, so that they can use it, by taking it from the CONGRESSIONAL RECORD in answering their mail, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Let's Face the Truth About Nuclear Testing," written by Dr. Hermann J. Muller, with the assistance of Jack Harrison Pollack.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### LET'S FACE THE TRUTH ABOUT NUCLEAR TESTING

(By Dr. Hermann J. Muller with Jack Harrison Pollack)

BLOOMINGTON, IND.—As a geneticist, I have been strongly opposed to the United States resuming nuclear atmospheric tests.

But as an American citizen, I have regretfully come to accept the need for testing.

Despite my grave concern over adding more radioactive fallout to the atmosphere—and offending considerable world opinion—I believe that our nuclear testing today may be in the national—and international—interest. Certainly, testing is accompanied by terrible risk. But I think the tests may have benefits greater than the damage. Indeed, the tests today may provide our only chance for life a peaceful, nonslave world.

I am an incurable optimist, and even as I write these words I still fervently hope that the Soviet Government will agree to reasonable inspection and controls. If instead of "nyet" the Russians suddenly say "da," as they occasionally do, then both our and their tests can stop forever.

#### MINIMUM FALLOUT

But, meantime, I do not feel that President Kennedy has been playing the megaton madness game. His reluctant decision to carry out new tests was not an act of panic. After many months of weighing the evidence he concluded that at the present time testing was the least evil of the unpleasant possibilities confronting the free world. He assured Americans on March 2 that the fallout would be held "to an absolute minimum—far less than the contamination created by last fall's Soviet series—by paying careful attention to location, wind and weather conditions, and by holding these tests over the open sea."

From my 35 years of laboratory experience with radiation, I know the damage that results from it, no matter whether it comes in the form of bombs, cosmic rays, or careless use of X-rays. The damage is either somatic (which hurts our own bodies) or genetic (which will hurt succeeding generations). Contrary to what you may have heard or read, there is no such thing as a "safe" or "harmless" dose of radiation. Any amount is genetically undesirable because it causes mutations—that is, sudden unpredictable biological changes. And over 99 percent of such mutations are harmful.

#### THE DELAYED REACTION

Nuclear testing—by us or the Russians—results also in leukemia, bone cancer, and other abhorrent ailments in the present population, as well as many thousands of hereditary defects in populations of the future. For each amount of radiation received, there is a probability of dying sooner. Because both the somatic and genetic defects are concealed or delayed, they cannot, individually, be recognized as stemming from today's radiation. But the damage done to later generations will probably be very much greater, all told, than to the directly exposed individuals.

Tests are no better for the Russians than for us. After the Soviet Union dropped its 65-megaton H-bomb on October 30, 1961, Premier Khrushchev answered the worldwide protests by dismissing them as hysterical. I do not agree with him. They are very real—for his people, too.

The poison pumped into the sky by Russia doesn't skip over the Soviet Union. Russia will probably suffer most from the fallout resulting from its own atmospheric tests. So much fallout has been concentrated where the Soviet tests were made, its citizens will continue to be exposed to it far more than we.

Despite these dangers from testing to us and the Russians, I believe that today the only sensible course for democratic America is to admit the damage potential in resumed tests, but at the same time to weigh the case for testing against the possible consequences of not testing, our subjugation by a totalitarian system.

I know what this means, because I worked in Russia between 1933 and 1936 at the Institute of Genetics, first in Leningrad and later in Moscow. I was invited there by the great Russian scientist, Nikolai Vavilov, who died in disgrace in a concentration camp in 1942. I went to Russia hopefully but became disillusioned when I saw how genetics was being perverted by Dictator Stalin to fit the Communist Party line.

In Russia then I heard marching factory workers singing rousing songs about how much freer they were than workers anywhere else. This was the pathetic freedom of those born blind. Today Russian geneticists are reportedly allowed to work only on approved subjects, such as trying to show why U.S. nuclear tests should be stopped. With their dialectical materialism, the Soviets can prove or disprove anything.

All these things considered, the world today is confronted with three big possibilities for tomorrow:

1. A universal slave state dominated by Russia.
2. Annihilation through nuclear war.
3. A humanistic alliance of all people.

I believe that today's tests are an important measure—for this moment—enabling us to avoid the first two terrible fates and work toward the sane third choice.

Totalitarian slavery would be as great a tragedy for mankind as nuclear war. And if all our dread is directed toward nuclear war, the way for the coming of totalitarianism will be made easier.

Nuclear war also is a far greater danger than tests. If we ever had a nuclear war, we would be showered with thousands of times more radiation. Ironically, many Americans seem to be more worried about the tests than possible war.

The responsibile free world leaders are aware of these two terrible alternatives. When Premier Khrushchev shunned President Kennedy's and British Prime Minister Macmillan's last-minute appeal for inspection in April, they would have taken a step toward surrender had they canceled the scheduled tests and renounced testing unilaterally. Past Russian actions have shown that any agreement unaccompanied by inspection is a sham in which the honest party turns out to be the dupe.

Admittedly, the tests may accelerate the arms race. Testing may give the Russians or us further capabilities of nuclear offense and defense. But it is unlikely that either side will develop an overwhelming advantage over the other—unless one side stops testing and the other side forges ahead. As things stand, both sides know the consequences of nuclear war—defeat for both sides, destruction for both civilizations.

My own belief, however, is that U.S. tests will ultimately convince the Russians that we mean what we say about defending the free world's security and make them more receptive to a genuine test ban treaty.

If testing seems a high price to pay, remember than an infinitely higher price—both to present and future generations—would have to be paid if war ever broke out. Remember, too, the other terrible price—if we were enslaved. The problem must be assessed from all sides.

### EINSTEIN'S INVITATION

Despite my repeated warnings about the danger of radiation for 35 years, I have always believed that tests were preferable to war or slavery, and under some circumstances might prevent them. In 1955, I declared our tests were then justified and I still think they were. Earlier, in 1948, when Dr. Albert Einstein asked me to join his antimilitarist Emergency Committee of Atomic Scientists, I told him that I couldn't conscientiously say that the genetic damage from nuclear testing was great enough to be conclusively against it. I said that the damage was less than that being done by some medical, dental, and shoestore men who weren't controlling their X-rays. Despite Einstein's well-known pacifism he didn't seem at all surprised at my views and asked me to serve on his committee, anyway.

But today I refuse to ally myself with any group which unconditionally favors or opposes testing. I realize there is honest difference of opinion among scientists and others. However, I think too many advocates and critics of testing are engaging in wishful thinking, or concentrating on one of the alternatives of the problem, while neglecting the other. Some are misguided, some consciously influenced by ulterior motives. The public, caught in between, generally lines up with one side or the other, calling its position white, the other black.

One of the most vocal advocates of testing has been Dr. Edward Teller, the nuclear physicist. But I think he is greatly underrating (1) the risk of both somatic and genetic damage from the tests and (2) the aggravation of feelings that lead toward war by continuing the arms race.

In his recent book, "The Legacy of Hiroshima," Dr. Teller claims, "Radiation from test fallout might be slightly harmful to humans. It might be slightly beneficial, or have no effect at all." Elsewhere in the book he adds, "Fallout from nuclear testing is not worth worrying about. Its effect on human beings, if there is an effect, is insignificant."

I emphatically disagree. I think that every laboratory test by myself and others indicates that radiation is very much worth worrying about.

At the other extreme, eminent scientists like Dr. Linus Pauling, of the California Institute of Technology, and many student and peace organizations demand that all U.S. nuclear testing be stopped immediately. Though I sympathize with the aims of these well-meaning people, I think they underestimate the damage which would be done to our intellectual, moral and political freedoms if the Rusians took over. And they do not seem to realize that there is a very real danger that the Soviets would succeed in taking over if we alone disarmed. These antitesting Americans also ignore the question of whether further testing would increase our antimissile capabilities.

### WEAKNESS INVITES WAR

Weakness and unpreparedness, unfortunately, invite Soviet war and aggression. Korea, Berlin, and southeast Asia proved that. Merely marching for "peace" doesn't insure it. Back in 1940 Americans picketed the White House with peace slogans. But that didn't stop Hitler, Mussolini or Tojo.

Fortunately for America, President Kennedy doesn't lean toward either the Teller or Pauling sides. His top scientific advisers, like Dr. Jerome B. Wiesner of Massachusetts Institute of Technology, are wise, capable men of sound judgment who are carefully weighing the fallout, world opinion, and delicate scientific, military and political aspects of testing in a complicated balance of forces. I think we are lucky that their voices can be heard, even though they cannot always carry the argument.

Today only top administration members and top brass have the inside knowledge of the true nuclear picture. Though the average American needs to know more to evaluate it, this information cannot be made public now, regrettably, because it might be advantageous to our potential enemies. I hope that soon this will not be so.

Meanwhile, the situation is not hopeless. Here are three positive things I urge that we do:

1. Establish a national system for keeping a record of every American's exposure to radiation from whatever source throughout his life. This would help scientists to determine definite radiation danger levels and warn people when those levels are approached or exceeded.

2. Limiting the amount of man-made radiation reaching people. Let us insist, for example, on protective shields over the reproductive organs during X-raying, and that doctors get training in radiation protection. Such elementary precautions would greatly reduce genetic damage.

3. Continue our testing, if necessary, but simultaneously work for genuine disarmament. If we steadfastly do so, then the Russians will not be able to refuse a reasonable type of inspection indefinitely. Time is on our side. They will have to come around in the end. If we hold firm, I think we can get a workable agreement. But until we have controlled bilateral disarmament, the survival of freedom demands from us the ultimate reasonableness—and the ultimate firmness.

In the long run, the only really important test for us and the Russians is whether we can agree on a worldwide plan to end all nuclear tests—and the arms race.

Mr. LAUSCHE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. LAUSCHE. I know of the decision taken by the Senator from Oregon about the course our country should follow in order to be humanitarian and fair with the world and yet also promote a program which would insure our security. I know of his attitude in regard to nuclear testing, and I commend him for it.

I merely wish to say that if the President had followed a course different from that which he did follow, in my opinion it would have endangered the future life of our Nation. While the Soviet is indifferently following a course which suits her best, we cannot stand by and merely say that while the Soviet is engaging in nuclear tests, we will do nothing about them.

Mr. MORSE. I completely agree with the Senator from Ohio. He and I serve together on the Foreign Relations Committee; and he knows whereof I speak when I point out the information we have regarding this problem and the danger in which our country would have been placed if the President had not decided to resume nuclear testing. The Senator from Ohio is aware of the information at our command regarding the gains the Russians made in their last nuclear tests; and of course, as the Senator from Ohio has heard me say before, and as we discussed the matter in the Foreign Relations Committee, I should think that all the American people need to know is that while we sat for weeks with the Russians at Geneva trying to work out with them an agreement for the cessation of any future nuclear testing, and while we then had every reason to believe that they were meeting with us in good faith, not in deception, the fact is that during those weeks they were in the process of preparing their bombs for testing.

Mr. LAUSCHE. That is correct.

Mr. MORSE. And it is also a fact, as the Senator from Ohio knows, as a member of the Foreign Relations Committee, that it took the Russians, for even the smallest bomb they tested, at least 30 days to get it ready for testing; and it took them from 3 to 4 months to get their larger bombs ready for testing.

Mr. LAUSCHE. Yes.

Mr. MORSE. That means that every day of the weeks that they were supposedly negotiating in good faith with us, they were actually negotiating with us in complete deceit, because while they were purportedly trying to work out with us an agreement for an all-time cessation of nuclear testing, they were actually getting their bombs ready to test. I should think that is all the American people need to know about what we are confronted with in this mad nuclear armaments race, which all of us pray to God can be brought to an honorable end.

Mr. LAUSCHE. Yes.

Mr. MORSE. So certainly we cannot, as Senators, refuse to back up our President—who, in my judgment, went through a great ordeal before he finally reached his decision to resume nuclear testing. Certainly we owe him the support we are giving to him; and I am delighted that we now have—and, in my opinion, in irrefutable form—this great article by one who in my opinion is one of the great scientists of our time, Dr. Muller.

Mr. LAUSCHE. Mr. President, will the Senator from Oregon yield again?

Mr. MORSE. I yield.

Mr. LAUSCHE. It seems to me that the tragedy lies in the fact that many U.S. citizens of the best of intentions have been duped into believing that the Soviet wants a ban on nuclear testing, but that our Government does not, whereas the truth is that we have leaned over backward. The President withheld reaching this final decision to the point where I know that he, himself, felt that if any wrong was done, it was in the direction of delaying rather than hurrying the tests.

Mr. MORSE. I think the Senator is right.

Mr. LAUSCHE. I do know that to Senators there have come delegations of citizens arguing that we ought not to resume nuclear tests. To me it seems that that humanitarian quality is excellent, but when there are international brigands on the seas, on the land, and in the air, totally unmindful of humanitarian impulses, but bent solely on communizing the world, there is no other course for our Nation to follow than the one that is needed to insure our security.

I commend the Senator from Oregon for his presentation of this morning.

Mr. MORSE. I appreciate the remarks of the Senator from Ohio very much, but I want to say for the record, for such benefit as it might possibly have among his constituency in Ohio, that I consider it a great honor to serve with the Senator from Ohio on the Foreign Relations Committee of the Senate and work with him shoulder to shoulder, as we have, on issues that involve the strengthening of the security of this country of ours.

The Senator from Ohio has made very clear, as the senior Senator from Oregon has sought to do likewise, that we will support any disarmament program that will bring to an end the immoral nuclear armament race whenever the Russians show a willingness to agree to what we have offered, and which was offered when I was a delegate to the 15th General Assembly of the United Nations, which offer has been repeated for some years—the offer of the United States to end all nuclear testing and all nuclear armament races whenever the Russians are willing to agree to a complete and total inspection and control program.

We cannot have partial disarmament and have security. Our offer is that we are perfectly willing—and we have the United Nations to enforce it—to bring to a total end all nuclear armament races, but it is going to require total inspection and total control in regard to all the nations in the world that are already members of the nuclear club or are on the threshold of joining the nuclear club.

That latter comment has serious import, because every year the danger is that another nation and another nation and another nation will become a nuclear power. I think it is as certain as certainty can be that if we go on as we are for many more years, a holocaust is bound to break out because of an irresponsible act on the part of an irresponsible leader or because of an accident that starts the first bomb going down. Nobody is going to take the time to find out why it went down. The assumption will be that the war is on. It will be only a matter of minutes before the orders will be released and the cloud of atomic forces will break down upon humanity.

Mr. LAUSCHE. I agree with the Senator.

Mr. MORSE. We must have that kind of disarmament program.

Coming back to this article by Dr. Hermann J. Muller, Dr. Muller won the Nobel Prize in 1946 for his 1926 discovery of how radiation affects heredity. He is a distinguished service professor of zoology at Indiana University, and a member of the National Committee on Radiation Protection. He has been called the father of modern genetics.

I have read a great deal about Dr. Muller. We are familiar with his views in the Foreign Relations Committee of the Senate. In my judgment, there is no man in the United States or in the world who is a greater authority on radiation and the effect of radiation, and the relation of radiation to nuclear tests and to the whole matter of nuclear disarmament, than is the great Dr. Hermann J. Muller.

In the article to which I have referred, entitled "Let's Face the Truth About Nuclear Testing," he discusses the viewpoint of two other great scientists who are at opposite poles in regard to nuclear testing, one a Nobel Prize winner, Dr. Linus Pauling, of the great scientific laboratory of California, and the other Dr. Edward Teller.

Dr. Muller disagrees with both of them. He cites in his article the point of view by Dr. Pauling:

> This great immorality of bomb testing * * * must be abolished from the world. * * * The job of perfecting techniques for destroying the world has been completed.

I think it is fair to say that Dr. Pauling is one who has advocated unilateral nontesting on the part of the United States, whereas Dr. Edward Teller has tried to minimize the effects of testing and the danger of the nuclear armament race.

Dr. Muller quotes Dr. Teller in his article as follows:

> Fallout from nuclear testing is not worth worrying about. Its effect on human beings, if there is an effect, is insignificant.

I speak respectfully when I say that, in my judgment, there is no question about the superiority of the qualifications of Dr. Muller to testify in regard to the effects of fallout and the effects of radiation on the human body.

Dr. Muller says, in regard to the points of view of both Dr. Pauling and Dr. Teller, "I emphatically disagree." He sets forth in this article his reasons for disagreement with these two eminent scientists.

I shall not read very much of the article, but in order to emphasize the point I have already made in my speech I wish to read certain excerpts at this point.

In the article Dr. Muller states:

> Despite these dangers from testing to us and the Russians, I believe that today the only sensible course for democratic America is to admit the damage potential in resumed tests, but at the same time to weigh the case for testing against the possible consequences of not testing—our subjugation by a totalitarian system.

In that one paragraph he puts succinctly what the senior Senator from Oregon in the past, in speeches consisting of pages, has tried to put in documented detail, because I think that sentence points out the decision the President had to make. He had to make the choice between damage that is bound to be caused to some degree by the resumption of nuclear testing and the greater damage to mankind that would result if we allowed ourselves to become so weakened so that, to use the words of Dr. Muller, we would be open to subjugation by a totalitarian system.

He completely disagrees with the position of Dr. Teller that fallout from nuclear testing is not worth worrying about.

Dr. Muller in this article points out that there is going to be damage from fallout caused by the testing in which the United States is participating. It is inescapable. We do not serve the truth at all by seeking to minimize that damage and danger.

Elsewhere in this excellent article Dr. Muller says:

> Weakness and unpreparedness, unfortunately, invite Soviet war and aggression. Korea, Berlin and southeast Asia proved that. Merely marching for "peace" doesn't insure it. Back in 1940 Americans picketed the White House with peace slogans. But that didn't stop Hitler, Mussolini or Tojo.
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> Fortunately for America, President Kennedy doesn't lean toward either the Teller or Pauling sides. His top scientific advisers, like Dr. Jerome B. Wiesner of Massachusetts Institute of Technology, are wise, capable men of sound judgment who are carefully weighing the fallout, world opinion and delicate scientific, military and political aspects of testing in a complicated balance of forces. I think we are lucky that their voices can be heard, even though they cannot always carry the argument.
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> Today only top administration members and top brass have the inside knowledge of the true nuclear picture. Though the average American needs to know more to evaluate it, this information cannot be made public now, regrettably, because it might be advantageous to our potential enemies. I hope that soon this will not be so.

Dr. Muller went on to state:

> Meanwhile, the situation is not hopeless. Here are three positive things I urge that we do:
>
> 1. Establish a national system for keeping a record of every American's exposure to radiation from whatever source throughout his life. This would help scientists to determine definite radiation danger levels and warn people when those levels are approached or exceeded.
>
> 2. Limiting the amount of man-made radiation reaching people. Let us insist, for example, on protective shields over the reproductive organs during X-raying, and that doctors get training in radiation protection. Such elementary precautions would greatly reduce genetic damage.
>
> 3. Continue our testing, if necessary, but simultaneously work for genuine disarmament. If we steadfastly do so, then the Russians will not be able to refuse a reasonable type of inspection indefinitely. Time is on our side. They will have to come around in the end. If we hold firm, I think we can get a workable agreement. But until we have controlled bilateral disarmament, the survival of freedom demands from us the ultimate reasonableness—and the ultimate firmness.
>
> In the long run, the only really important test for us and the Russians is whether we can agree on a worldwide plan to end all nuclear tests—and the arms race.

Mr. President, in closing these comments I wish to extend my sincere congratulations and commendations to Dr. Muller for providing the American people and the Congress of the United States with this very succinct and I think cogent answer to the question, "Should we have resumed atomic testing?" As Dr. Muller points out, the answer is an inescapable "Yes."

## THE ADMINISTRATION TRADE EXPANSION PROGRAM

Mr. YOUNG of Ohio. Mr. President, it is to be hoped that the Congress, before the adjournment of this session, will enact the administration trade expansion bill into law. This will carry forward the reciprocal trade policy of that great Secretary of State, Cordell Hull, adopted nearly 30 years ago.

International trade is a two-way road. We in Ohio—and, in fact, all Americans in the Middle States and throughout the entire Nation—are fortunate in that we have the great Saint Lawrence Seaway, which adds another sea coast to America.

We in the Midwest may now ship economically and directly to Europeans and to North African ports the products of American farms and factories. The European Common Market of six nations has been our best customer. They have lowered trade barriers. They also have the power to raise tariff walls and thereby to exclude much of what we export.

Passage of the administration trade expansion bill will give flexibility, enabling our President to adjust tariffs downward when the well-being of America requires that to be done. Then, if the Congress disapproves, Congress will have the power to change the revision immediately if in session, or within a few months in any event.

Americans excel workers of other nations in production. By mutual cooperation with common market countries our exports will climb sharply. We shall sell farm crops and factory products, of which we have a surplus. We shall enjoy the luxury of importing and of consuming the much lower-priced luxury items from other nations. We shall do all these things if we show the wisdom of enacting into law the administration trade expansion bill.

Our standard of living will rise to further heights. Our prosperity should become recordbreaking, following the time that we are in complete cooperation with the booming European Common Market countries. Employment and prosperity will be at heights never previously experienced as a result of the exchange of products of American farms and factories for the handicraft and luxury items of European nations.

Americans should therefore support—and I believe they do—our President and the Congress in this trade expansion program and, later on, in bringing about a Western Hemisphere Common Market.

Mr. President, we Americans should not forget that the free trade between all of the States and Territories of our Union, provided in the Constitution by our Founding Fathers, so that there could never be any barrier erected in any State or Territory against another State or Territory of our Federal Union, has contributed to the greatness and to the prosperity of our American way of life. We shall carry this concept forward by enactment of the administration trade expansion bill.

## PANEL OF EXPERTS TO STUDY LINK BETWEEN CIGARETTE SMOKING AND DISEASES

Mr. MOSS. Mr. President, I am most gratified by the announcement that the U.S. Public Health Service will appoint a panel of experts to study whether there is a link between cigarette smoking and certain killer diseases, notably cancer of the lung. The report of these experts will provide excellent brickwork for the massive educational program on the hazards of cigarette smoking which would be established by Senate Joint Resolution 174, of which I am a cosponsor.

We have known for a long time that there was a relationship between smoking and lung cancer. In 1959, 3 years ago, Dr. Leroy Burney, who was then Surgeon General of the Public Health Service, wrote in the American Medical Association Journal, "The weight of evidence at present implicates smoking as the principal etiological—causitive—factor in the increase of lung cancer," but evidently there was no further official cognizance taken of the fact. We in this country have jogged along, refusing the face up to facts which have appeared incontrovertible. Meanwhile, Great Britain and other European countries have moved to make a more final determination, and much has been published about the work they have done and the conclusions reached.

The panel of experts which the Public Health Service will select, after consultation with other Federal agencies, will include representatives from nonprofit-making agencies, health organizations, and the tobacco industry itself, as well as experts in the scientific and medical fields. This wide base of representation augurs well for the study. The fact that the panel will not only review all available data and evaluate it, but also will make suitable recommendations is a hopeful sign that at long last we are about to do something, as a nation, to warn our people about the hazards of cigarette smoking.

## THIRTY-FIFTH ANNIVERSARY OF SERVICE

Mr. KEATING. Mr. President, international aviation is a relatively new enterprise. It was in May of 1927 that Charles A. Lindbergh crossed the Atlantic from Roosevelt Field on Long Island to Le Bourget Airport in Paris. It was in June of 1927 that Pan American World Airways was conceived by Juan Terry Trippe and a group of Yale colleagues and World I Navy pilots. Colonel Lindbergh, whose achievement paved the way, later became, and still is, a route consultant to Pan American.

Pan American's contributions to the growth of the aviation industry have been of significant importance. First to cross the Atlantic, pioneers in Latin America, the Pacific and Alaska, and the first airline to develop a globe-girdling service, Pan Am stands today as an example of what the free enterprise system can accomplish.

Mr. President, the New York Herald Tribune on Sunday, June 3, carried a fascinating and informative story of Mr. Trippe and the enterprise he has guided to success. I ask unanimous consent that this article be printed in the RECORD.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the Record, as follows:

### Thirty-five Years of Pan Am: Juan Trippe: Birthday of An Empire

Thirty-five years ago last Friday a 27-year-old bond salesman turned dabbler in commercial aviation formed a new company to fly the 90-mile Key West-to-Havana route.

From such a beginning Juan Terry Trippe and his infant Pan American Airways blazed a worldwide pattern of air travel stretching nearly as far as three times around the earth.

As Pan American World Airways, the company now flies about 65,000 route miles, a distance unequaled by any other private-enterprise carrier although exceeded by government-owned or subsidized foreign lines.

Its 130 planes, about half of them $6 to $7 million jets, touch down in 80 countries.

A subsidiary has built or is building a global chain of 26 hotels on 6 continents, partly to accommodate patrons who last year traveled over 6 billion revenue miles.

### ANOTHER SIDELINE

In another "sideline" activity, Pan Am since 1953 has run the Atlantic missile range for the Air Force out of Cape Canaveral—an operation requiring 9,000 employees ranging from frogmen to mechanics and sailors on a fleet of 10 seagoing ships.

Six hundred more of its 32,000 employees are assigned, under an Army Signal Corps contract, to the electronic environmental test facility and drone test range in Arizona.

From $200,000 in capital raised by Cornelius V. Whitney, a classmate at Yale University, Pan Am's assets have risen to about $600 million.

Characteristically, Mr. Trippe, a retiring and somewhat aloof man for all his dynamism, paid no formal heed to today's milestone.

His office in Manhattan which soon will occupy a new 69-story Pan Am Building erected astride Grand Central terminal, reported he was away on the system—in Bermuda.

### ONLY A NAME TO SOME

Some longtime employees of supervisory rank have never met the big boss, or have seen him only two or three times.

Although Mr. Trippe's vision of aviation's future probably dates from boyhood when he flew model planes in New York's Central Park, his first adult enterprises in the field were disappointing.

A Navy flier in World War I, he got his feet wet in the early 1920's by organizing Long Island Airways, using war-vintage planes bought with borrowed money.

Passengers were taken up on sightseeing flights, and the company offered a charter service and did contract work for motion picture concerns.

Then, Mr. Trippe turned to another enterprise, Colonial Air Transport, flying between New York and Boston. Colonial received the country's first domestic airmail contract.

### PAN AM BORN OF A ROW

He left Colonial and launched Pan Am after financial backers quarreled with his plans to extend the company's operations to Chicago and to Miami and Havana.

By 1928, the Key West-Havana operation, started in October 1927, with a trimotored Fokker craft, had expanded to 7 planes, supported by 118 employees, over 251 miles of routes.

These reached mostly south into the Caribbean area.

In 7 more years, Pan Am had inaugurated its China Clipper service, and a few years later thrust its routes across the Atlantic to Europe, and a little later to Africa.

The airline had begun to roll up "firsts" in commercial aviation, many of them results of the laboratory for over-ocean flying provided by Caribbean island-hopping operations.

### TALENTS GREW, TOO

Pan Am thus claims to have pioneered among airlines in radio communications, emergency lifesaving equipment, tailoring of aircraft operational needs, instrument flying, and serving meals aloft.

Talents in diplomacy aided Mr. Trippe in complex negotiations over routes and ground rights in innumerable countries as Pan Am fanned out, and he proved adroit in complementary arrangements necessary in Washington.

Mr. Trippe early committed his company to an attempt to apply to commerical air transport the American genius that expressed itself in industry as the technique of mass production.

In a 1943 speech, he said the choice was one of "becoming a luxury service to carry the well to do at high prices, or to carry the average man at what he could afford to pay."

He also saw even broader implications for mass air travel, saying in 1955 it "may prove to be more significant to world destiny than the atom bomb."

On that occasion, he went on:

"For there can be no atom bomb potentially more powerful than the air tourist, charged with curiosity, enthusiasm and good will, who can roam the four corners of the world, meeting in friendship and understanding the people of other nations and races."

### HONORS GALORE

One of the most decorated of American civilians, Mr. Trippe has been honored with medals and orders of 17 countries.

In 1947, former President Harry S. Truman presented him with the Harmon aviation trophy in recognition of World War II services, including Pan Am's ferry of critical materials, personnel and combat planes to farflung battlefronts.

## ORDER OF BUSINESS

Mr. MAGNUSON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. MAGNUSON. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. Burdick in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MAGNUSON. Mr. President, I yield to the distinguished Senator from Arizona [Mr. Hayden].

Mr. HAYDEN. Mr. President, House bill 10802, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, has been made the unfinished business of the Senate. I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill, as so amended, be considered as original text for the purpose of further amendment; and that no points of order against legislation in an appropriation bill be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

The committee amendments, agreed to en bloc, are as follows:

On page 2, line 9, after the word "Management", to strike out "$39,375,000" and insert "$41,022,200."

On page 5, line 14, after the word "museums", to strike out "$81,000,000" and insert "$82,827,000".

On page 5, line 23, after the word "law", to strike out "$34,300,000" and insert "$34,677,000".

On page 6, line 10, after the word "contract", to strike out "$52,000,000" and insert "$55,550,000".

On page 7, at the beginning of line 1, to strike out "$16,000,000" and insert "$17,000,000".

On page 7, line 6, after the word "offices", to strike out "$4,000,000" and insert "$4,350,000".

On page 7, at the beginning of line 11, to strike out "twenty" and insert "thirty", and in the same line, after the word "including", to strike out "fifty" and insert "seventy-one".

On page 9, line 1, after the word "funds", to insert "other than judgment funds awarded by the Indian Claims Commission or the Court of Claims".

On page 9, line 23, after the word "Basin", to strike out "$25,425,000" and insert "$26,034,320".

On page 10, at the beginning of line 19, to strike out "$8,409,000" and insert "$11,635,000"; in line 20, after the word "property", to strike out "$40,000,000" and insert "$44,526,000", and in the same line, after the word "expended", to insert a colon and the following proviso: "*Provided*, That no part of this appropriation shall be used for the condemnation of any land for Grand Teton National Park in the State of Wyoming."

On page 11, line 17, after the word "offices", to strike out "$1,900,000" and insert "$1,964,000".

On page 11, at the beginning of line 21, to strike out "thirty-five" and insert "fifty-two", and in line 23, after the word "exceed", to strike out "fifty" and insert "fifty-seven".

On page 16, line 8, after "(72 Stat. 837)", to insert "conduct investigations of marine geology and hydrology;", and in line 17, after the word "activities", to strike out "$56,100,000" and insert "$56,900,000".

On page 18, line 8, after the word "substitutes", to strike out "$26,550,000" and insert "$26,887,000".

On page 19, line 22, after the word "limitation", to strike out "$6,000,000" and insert "$20,000,000".

On page 20, line 6, after "(74 Stat. 337)", to strike out "$2,000,000" and insert "$3,450,000".

On page 20, line 16, after the word "amended", to strike out "$750,000" and insert "$875,000".

On page 22, line 1, after the word "law", to strike out "$14,600,000" and insert "$15,981,500".

On page 22, at the beginning of line 17, to strike out "$7,900,000" and insert "$8,473,000".

On page 23, line 24, after the word "deer", to strike out "$26,500,000" and insert "$27,436,000".

On page 24, line 6, after the word "therein", to insert "(including improvements of the county road from Brigham City, Utah, to the headquarters Bear River Migratory Bird Refuge)", and in line 8, after the amendment just above stated, to strike out "$4,900,000" and insert "$8,033,800".

On page 24, line 17, after the word "offices", to strike out "$1,250,000" and insert "$1,331,000".

On page 24, line 21, after the word "and", to strike out "seventeen" and insert "twenty-four".

On page 26, at the beginning of line 1, to strike out "$7,600,000" and insert "$7,700,000", and in the same line, after the word "exceed", to strike out "$525,000" and insert "$625,000".

On page 26, line 9, after "(42 U.S.C. 1958a–1958g)", to strike out "$2,000,000" and insert "$2,085,000," and in line 10, after the word "exceed", to strike out "$175,000" and insert "$225,000".

On page 26, at the beginning of line 15, to strike out "$3,600,000" and insert "$3,747,000".

On page 27, line 3, after the word "only", to strike out "$3,350,000" and insert "$3,340,000".

On page 29, line 21, after the word "lands", to strike out "$138,400,000" and insert "$141,045,000", and on page 30, line 1, after the word "than", to strike out "$300,000" and insert "$805,000".

On page 30, line 10, after the word "law", to strike out "$22,975,000" and insert "$25,865,000".

On page 30, line 18, to strike out "$15,800,000" and insert "$16,405,000".

On page 31, after line 7, to insert:

"ACCESS ROADS

"For acquiring by condemnation or otherwise additional roads needed for access to national forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $2,000,000, to remain available until expended."

On page 32, after line 7, to insert:

"For acquisition of land to facilitate the control of soil erosion and flood damage originating within the exterior boundaries of the Uinta and Wasatch National Forests, in accordance with the provisions of the Act of August 26, 1935 (49 Stat. 866), as amended, authorizing annual appropriation of forest receipts for such purposes, from such receipts, $20,000: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of the national forest."

On page 33, line 4, after "(16 U.S.C. 568e)", to strike out "$1,000,000" and insert "$1,500,000".

On page 33, line 9, after the word "and", to strike out "fifty-two" and insert "seventy-nine."

On page 35, line 5, after the word "Commission", to strike out "$70,000" and insert "$80,000".

On page 35, line 19, after the word "Act", to strike out "$55,284,000" and insert "$57,000,000".

On page 36, line 4, after "(42 U.S.C. 2004a)", to strike out "$8,320,000" and insert "$9,335,000".

On page 38, line 13, after "(5 U.S.C. 2131)", to strike out "$3,350,000" and insert "$2,825,000".

**Mr. HAYDEN.** The committee, as indicated on page 1 of the report, considered budget estimates of $932,674,000, including indefinite appropriations of receipts and requested borrowing authorizations, for the agencies and bureaus of the Department of the Interior and for the related agencies listed on page 2 of the report. Excluded from this bill are the Southeastern Power Administration, the Southwestern Power Administration, the Bonneville Power Administration, and the Bureau of Reclamation.

The committee recommends definite appropriations totaling $885,037,820 for the programs and activities of these agencies, an increase of $33,945,820 over the amount allowed by the House of Representatives, and a decrease of $16,133,180 under the sum of the budget estimates.

The major increases recommended by the committee are as follows:

| | |
|---|---|
| Bureau of Indian Affairs | $1,023,000 |
| Office of Coal Research | 1,450,000 |
| Bureau of Commercial Fisheries | 811,500 |
| Bureau of Sport Fisheries and Wildlife | 4,811,800 |
| Forest Service | 4,145,000 |
| Division of Indian Health | 1,281,000 |

The committee feels that these increases, as well as decreases under the budget estimates for certain of the bureaus, are necessary and adequate to accomplishment of national resources and research programs.

### FORESTRY RESEARCH APPROPRIATIONS

**Mr. STENNIS.** Mr. President, I wish to comment briefly on the committee's recommendation for an increase for forestry research in the appropriations for the Forest Service of the Department of Agriculture. The committee recommendation is for $25,865,000 which is $2,715,000 more than the budget estimate for forestry research.

The proposed increase to which I refer is for strengthening several highly important research projects and for constructing high priority research laboratories.

Last February 15, I spoke before the Senate about a national forestry research program and what it needed to move us ahead in the development of our forest resources. My proposals at that time went somewhat beyond the increases in forestry research which the Appropriation Committee recommends. However, the committee increases represent a step forward and should be approved. They show real foresight by the committee in providing for forestry research that is badly needed.

I want to call special attention to the committee's proposal to provide for eight laboratory construction projects. Unfortunately, the fiscal year 1963 budget for Forest Service research construction was reduced by $4,445,000 under the 1962 allowance. This is a backward step but I am glad to see that the committee has provided for eight laboratory projects which will, in part, restore the funds needed for the construction program.

The committee proposal provides for $150,000 for a watershed and silviculture laboratory at Parsons, W. Va. This will equip the existing program with badly needed facilities and will speed important work in protecting soil and watershed values.

Another project of $450,000 for watershed, range, and wildlife habitat research at Tempe, Ariz., is of exceptional importance in solving problems of that area. Although only half of the amount needed, it will provide for a good start on the facilities ultimately required.

At Alexandria, La., $450,000 is proposed for a southern pine utilization laboratory and companion facilities for the silviculture, range, and fire and insect protection research. This also is but half of the eventual estimated needs but it, too, represents a step ahead.

The committee proposes $250,000 for a forest recreation and wildlife habitat laboratory at Warren, Pa. This will provide for the initial stage of a badly needed facility at that location.

At Sewanee, Tenn., research workers have been crowded into inadequate quarters with limited equipment to push ahead their research. A proposal of $200,000 will provide better laboratory facilities for important research in timber production and improved cultural methods.

Improvement of the management of western mountain watersheds will be speeded by approval of $450,000 proposed for a laboratory at Logan, Utah. This is but half of the current needs for watershed research but it will represent a start in equipping scientists working in this important area.

At Redding, Calif., it is proposed that $250,000 be made available for a timber management, utilization, and insect research laboratory. Here, too, important research will greatly benefit from the facilities that can be provided with this sum even though it is only a little more than half of the $450,000 needed for a complete project.

Finally, I call your special attention to a proposal to provide $380,000 for preliminary planning and engineering necessary for the expansion of the Forest Service's Forest Products Laboratory at Madison, Wis. This needed wood chemistry and pulp and paper laboratory is long overdue, and I am pleased indeed that the committee's proposal for necessary planning can proceed, paving the way for an appropriation for actual construction at an early date.

Let me call the special attention of the Senate to two projects which illustrate the importance of forestry research and benefits which result from such research.

Recently, I participated in the dedication of the Hardwood Research Laboratory at Stoneville, Miss., where I saw many remarkable accomplishments. The research scientists at this laboratory have already produced a fast growing cottonwood tree which increased 15 feet in height and 2 inches in diameter in the first year. New techniques in the planting and production of cottonwoods are now being widely used by landowners in the area. This is typical of the excellent research being done at Stoneville and other research laboratories, and I am pleased that the committee has recommended a small increase in funds to speed up this and other essential work now in progress.

Another project given special attention by the committee is research on restoration of strip-mined land in the Appalachian region. In the production of coal, strip mining is a very important activity but unfortunately it frequently does great damage to the soil, water, timber, and other forest resources.

The committee has recommended an increase of $200,000 for this vital research and this increase will provide for a balanced study of the problem and lead to the development of ways to carry on strip mining with a minimum damage to the land. Further, we are confident that this research will lead to the determination of steps which can be taken to restore these damaged lands to their full productivity.

The only way to meet the forest product needs of our Nation in the decades ahead is by long-range programs, planned and put into effect well in advance of the end product need. Our Nation will have a population of over 400 million people 40 years from now. This is more than twice our present population, and we must prepare now in order to have the necessary resources then.

I commend the chairman and members of the subcommittee and the full Appropriations Committee for their wisdom and foresight in recommending a sound forestry research program. Much is left to be done in future years but we are making steady progress in the right direction.

Mr. SCOTT. Mr. President, I would like to support the appropriation bill for the Forest Service as reported by the Appropriation Committee and compliment that committee for recognizing the need for increased attention to our forest resources.

I was particularly pleased to see the increases provided for forest research. This important activity provides the sound basis of knowledge needed to guide programs aimed at protecting, managing and utilizing the timber, water, forage, wildlife, and recreation resources of our forest lands. In these days of concern over the atom and travel to outer space it is gratifying to see this recognition of the importance of our basic natural resources.

I would like to speak specifically with respect to two items proposed by the committee included in the increase for Forest Research. The first is $200,000 for "expanded research on restoration of strip-mined land in the Appalachian region" and the second is $250,000 for "initiation of construction of a Forest Recreation and Wildlife Habitat Laboratory at Warren, Pa."

Strip mining for coal is an important activity throughout a large part of the Appalachian region. This method of coal extraction is relatively inexpensive and supplies a significant portion of this country's energy requirements. At the same time strip mining has in the past and is at present doing too much damage to our water, timber, and other forest resources. The increase proposed will provide a well-balanced research effort on the problem of how to carry on strip mining with a minimum of damage to the other resources during the mining operation and insure complete restoration of strip-mined lands to their full productive and functional capacity. This research is of great importance to my State and many others in the East and I strongly support it.

The forest lands of my State as well as the surrounding States are located within a relatively few miles of the largest metropolitan areas of the country. The demand for forest recreation, including hunting and fishing, has reached tremendous proportions and is continuing to grow. Research is urgently needed to determine how the needs might best be met, how to manage heavy recreation use so that the other resources are not destroyed and the recreation environment is itself not irreparably damaged. The proposed laboratory at Warren, Pa., will provide a much-needed facility to expedite the research on forest recreation and wildlife habitat. Although the full laboratory and equipment will require $450,000, the $250,000 proposed by the committee for fiscal year 1963 will provide a first stage on this much-needed facility.

I strongly urge that the Senate approve the Forest Service appropriation item as reported by the Appropriation Committee.

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to insert in the RECORD a telegram from the Outdoor Writers Association of America dealing with the item in the pending Interior Department appropriations bill for additional construction at the National Marine Research Laboratory at Sandy Hook, N.J. I hope that the Senate will concur in the recommendations of the Senate Appropriations Committee for a start on such construction.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *May 31, 1962.*

Senator CLIFFORD P. CASE,
*Old Senate Office Building,*
*Washington, D.C.:*

As directors of the Outdoor Writers Association of America, with membership of 1,500 in the United States, we urge you to support the $150,000 construction item for National Marine Research included in the Interior Department appropriations bill (H.R. 10802) and referred to in Senate Report 1490, page 16.

These funds would permit the construction of essential laboratory facilities for biological and ecological studies into the grave fish depletion problem which exists off all our coastal areas. Such research, first authorized by the Congress in 1959, is of great importance to the more than 6 million saltwater fishermen throughout the country, and to all States that derive considerable revenue from this sport in the form of tourist expenditures and equipment sales.

At present, the Interior Department has a laboratory at Sandy Hook, N.J., another on the west coast, and plans to open a third along the Gulf of Mexico. The modest sum recommended in the Senate report for the entire marine research program falls far short of the maximum annual authorization of $2.7 million provided in the original legislation, but it will at least enable this vital program to get underway at last.

RICHARD C. WOLFF.
GRITS GRESHAM.
BILL BROWNING.

Mr. MOSS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 10, it is proposed to strike the figure "$41,022,200" and insert in lieu thereof the figure "$41,152,000."

Mr. MOSS. Mr. President, the amendment would restore to the bill the amount of $129,800.

Mr. President, the distinguished Senator from Arizona [Mr. HAYDEN] has again demonstrated his outstanding leadership in the field of conservation. He and his committee are to be congratulated for bringing in a well-balanced and forward-looking bill covering the many conservation activities of the Federal Government.

I am deeply disturbed, however, as I know a great many others are, by the drastic cutback which the committee's report calls for in the conservation information and education activities of the Bureau of Land Management. Any monetary savings from such a reduction can only be made at the expense of information very much needed by the Congress and by the public.

The Bureau of Land Management is responsible for more than 475 million acres of public lands that are the property of all the people. For many, many years the land managed by the Bureau has suffered from neglect and overuse. Members of Congress were inadequately informed about what was happening to these lands and what was needed.

The Bureau of Land Management is one of the great resource agencies of the Government, Mr. President. It returns to the U.S. Treasury more than $7 for every $1 appropriated by the Congress. The activities of the Bureau are a wise investment in our Nation's future and in the future of these very valuable natural resources that belong to all the people. The work of the Bureau is of vital interest to members of Congress and to the public. But there are very few people who know anything at all about this great natural resources heritage which they own and in which they have such a vital interest.

The reduction would abolish 16 out of the Bureau's 21 programed information and education positions, including each of the 11 men handling this type of work in the Bureau's 11 Western State offices. One is in Salt Lake City and others are in Anchorage, Portland, Sacramento, Boise, Reno, Phoenix, Billings, Cheyenne, Denver, and Santa Fe. The reduction would also cut back the headquarters staff to five, leaving a staff obviously too weak to adequately inform the Congress or the public about what the Bureau is doing and why. Mr. President, no other major natural resources agency has such a small conservation information and education staff, while the BLM manages more land and takes in more revenues than any other conservation agency.

Mr. President, each year some half a million citizens visit and another half million write letters to the Government land offices seeking information about how to obtain public lands. In the past a lack of adequate information has left the people confused and befuddled—making them easy prey for certain unethical land promoters and speculators. I know many of my colleagues in the Senate have received woeful complaints from citizens in their State who have either lost money or failed to obtain information they sought. An adequate program to inform the public about the public lands can save the taxpayers many thousands of dollars and Senators many hours spent straightening out situations that arose chiefly from the lack of adequate knowledge about the rights and privileges of citizens under the Nation's public land laws.

Information and education work in Government agencies has often been the object of economy cuts. Sometimes these programs have grown out of bounds. However, this agency is at the other end of the scale. Even the 21 positions they had planned for is a barebones staff. The public and the Congress have a right to know what the Government agencies are doing. The failure of the public to know can only lead to clothing Government operations in darkness and ignorance. Adequate public information is one guarantee under our system of Government that the public interest is being fully protected. We must not jeopardize that interest by the false economy of such drastic cuts in this important work.

I therefore move, Mr. President, that the 16 positions for this needed work be restored and that the Senate amend the bill to include the $129,800 needed to finance this vital effort.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. GRUENING. I should like to associate myself with the amendment. It is highly desirable. The reduction that was made is very unwise and unfortunate. I hope the Senate will see fit to restore the small appropriation which will take care of these few positions.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. Moss].

Mr. MUNDT. Mr. President, first I should like to have the amendment read. I have no idea what is involved. The amendment is not before us in printed form.

The PRESIDING OFFICER. The amendment will be read.

The Legislative Clerk. It is proposed on page 2, line 10, to strike out "$41,022,200" and insert in lieu thereof "$41,152,000."

Mr. MUNDT. Before discussing the amendment, I should like to say a few words about the distinguished chairman of the Committee on Appropriations, who for more than 50 years has contributed his efforts and talents to his country. He has always adhered to the principles of government laid down by our Founding Fathers. It is difficult to comprehend how many hundreds of appropriation bills have been brought to and passed by the Senate during the time that our chairman has served in this body.

In the comparatively few years that I have been a member of the Committee on Appropriations, as contrasted with the half century served by the chairman, I have had many opportunities to watch him in action; and as ranking minority member of the Interior Appropriations Subcommittee, which now has a bill before the Senate, I have had an opportunity to work with him intimately and closely in trying to adjudicate the differences which are always encountered in connection with an appropriation bill of this type.

I commend the Senator from Arizona for the attitude which he has consistently displayed, not only in his service as chairman of the Committee on Appropriations, but also as chairman of the Interior Subcommittee on Appropriations. I have come to know Carl Hayden exceedingly well.

No matter how drawn out or long a hearing might be, he would not close it until everyone interested had an opportunity to be heard. He never allows prejudice to influence the conduct of a hearing; and he conducts the proceedings of his committee without partisanship.

Our subcommittee has provided the establishment of criteria which require a proposal to meet rather stern and rigorous tests; namely, adequacy for the agency involved, meeting the needs of the country, and insuring that the taxpayers' money is protected, and not wasted.

We should keep those qualifications and characteristics in mind as we approach a discussion of the bill on the floor of the Senate. Undoubtedly a number of efforts will be made to upset the fruits of the long, tedious tasks involved in the hearings of the subcommittee and of the full committee. Undoubtedly efforts will be made, such as the one before the Senate now, to increase an appropriation, and perhaps efforts will be made to reduce appropriations in certain respects. We have gone through these items with a fine-toothed comb. We have carefully considered them. The bill before us has passed the tests which I mentioned earlier.

The amount in the bill is above the House recommendation, but I invite attention to the fact that it is about $16 million under the budget estimates, yet sufficient to take care of the most urgent activities and programs which measure up to the tests relative to our national needs, activities which reach into every State of the Union. If we had yielded to every request for additional funds, the bill would have been many times above the budget request, instead of $16 million under it.

We could have made an indiscriminate across-the-board reduction which would have done serious injury to some of our national projects. Of some $40 million which the bill provides above and beyond the amount provided by the House, about one-fourth involves the education of Indian children, and one-fourth is devoted to trying to bring the white man's opportunity to the descendants of the red man, from whom, after all, our great land was taken in the only act of aggression in which this country has ever become involved. I hope that if at any time attempts are made to reduce the appropriation, they will be made in such a way as to exempt the effort to bring some element of justice to the American Indian living in our midst. Anyone who is familiar with the record of our treatment of the American Indian must recognize that it is not a bright spot on the escutcheon of American history. We have failed our Indian friends miserably down through the years. This failure has been manifest whether the administrations have been Republican or Democratic. In some way or other, we have failed to provide the educational opportunities for Indian youth which were offered as a matter of national policy to every other youngster in this country. In one way or another, we have failed to provide the employment opportunities for Indian youth which are offered to other youth. The American Indian has not organized himself into a political bloc. He does not have an organization constantly pleading for his rights or his opportunities. I appeal to the conscience of the Senate and of America, because we are doing little enough in providing a few extra million dollars to assist Indian youngsters with a decent and practical education.

As I commend the chairman for his fairminded and helpful leadership of the committee, I also hope the Senate will follow his recommendations, because they come to the Senate with the unanimous approval of the Committee on Appropriations. The recommendations were unanimous so far as the subcommittee was concerned; and, as I recall, they were unanimous in the full committee. I hope and expect that the chairman will continue to defend the committee's position; that he will not yield, on behalf of the committee, to requests for increases, because if we are to labor hard, carefully, and well on appropriation bills, as we have done, it seems to me we should defend them. I hope we can defend them successfully on the floor of the Senate. If once we begin to rewrite a bill on the floor of the Senate, we will open Pandora's box, and nobody can determine the ultimate financial consequences of such a course.

Therefore, I must oppose the amendment offered by the Senator from Utah [Mr. Moss], as I shall have to oppose other amendments if they are offered, because it seems to me that all the arguments and reasons offered by him were considered both by the subcommittee and the full committee. In the areas where we can economize, and where we did economize, it seems to me we should not, on the spur of the moment, by senatorial action, without the support of the hearings required, decide immediately, on the first paragraph of the first page of the bill, to increase the burden of the taxpayer and put the Government further into the red.

Mr. HAYDEN. Mr. President, I thank the Senator from South Dakota for his kind references to me. It was a pleasure to work with him during the long hours we worked on the bill. I join with him in the hope that the Senate may approve our work.

Mr. DWORSHAK. Mr. President, I, too, wish to join the Senator from South Dakota [Mr. Mundt], the ranking Republican member of the Subcommittee on Department of the Interior Appropriations, in commending the chairman of the subcommittee for his fairness in dealing with the many controversial issues which arose during the consideration and marking up of this appropriation bill. It is inevitable and only natural that the minority party, which happens now to be Republican, is represented by four members on the subcommittee, while the majority party has nine members. Obviously, the minority could have been outvoted at any time. So it is reassuring to know that the distinguished Senator from Arizona, the chairman of the subcommittee, has acted in a spirit of fair play, primarily because he understands the basic issues underlying the utilization and preservation of the Nation's valuable assets in the public lands States of the West.

Mr. President, I oppose the amendment which has been offered by the junior Senator from Utah. It is not difficult for me to understand that probably the amendment may be agreed to. However, I feel certain that if Senators have read some of the hearings and the report on the bill, and if they have paid any attention, as I am sure they have, to the general budget for the next fiscal year, they will know that while there are assurances that there will be a balanced budget or an actual surplus in the next fiscal year, already there is an admission that there will likely be a $7 billion or an $8 billion deficit—and the deficit probably will be higher than that.

The budget submitted for the next fiscal year provides for the employment of approximately 46,000 more employees in the executive departments of the Government. For the Department of the Interior, which the Senate is discussing today, the Bureau of the Budget requested funds to provide for 5,395 additional employees. I know that we are getting America on the move; we are going places; we are using more red ink than we have ever used. If the President of the United States is sincere—and I think he is—in appealing to the American people today to aid him in his efforts to stabilize our economy and to meet some of the serious challenges which confront us both at home and abroad, it seems to me that while it is very important that we resist successfully Communist infiltration and aggression in every corner of the globe, nevertheless we must, at the same time, recognize—and I feel certain that every Member of the Senate, regardless of the party of which he is a member, knows it—that we cannot maintain the kind of leadership which is essential for the free nations of the world unless we maintain a strong financial structure at home.

Mr. MUNDT. Mr. President, will the Senator from Idaho yield?

Mr. DWORSHAK. I yield.

Mr. MUNDT. The Senate should know that the subcommittee did not deal in a parsimonious fashion with the Department of the Interior in connection with the Bureau of Land Management, because by committee action we increased by almost $2 million the funds allotted by the House for this purpose.

I sincerely hope that the Senator from Utah will not press his amendment. If he does, I shall do my best to obtain a yea-and-nay vote, because I think we might as well put the Senate on record, in connection with the very first page of the bill, as to whether we desire to ignore the careful attention paid to the bill by the Department of the Interior, the Bureau of the Budget, and finally by the Committees on Appropriations of the House and the Senate. I do not believe we should indiscriminately increase the appropriation for an item of this kind. I think we have done well to increase the appropriation by an amount which we will seek to protect and defend when we reach the conference. However, if the Senator from Utah insists on trying to provide extra money at this time, I believe there should be a yea-and-nay vote, and I hope the Senator from Idaho will help me to get it.

I think the amendment should then be defeated.

Mr. DWORSHAK. I thank the Senator from South Dakota.

An erroneous statement has been made that the subcommittee has abolished 15 or 16 public information positions, providing for the employment of additional personnel in the central office here and 1 public information officer in each of about 12 district offices in the field, one of which would be established in the district office at Boise, Idaho.

The record will show that for several years there have been five information officers and personnel in the central office of the Bureau of Land Management. The proposal now before the Senate is a proposal made by the Bureau of the Budget for adding 16 more public information officers. I am sure that the realistic Senators from the Western States know that it is not necessary to have 16 more information officers.

There is no intent or desire on my part, and I am sure there is none on the part of the subcommittee, to suppress legitimate publicity or information, which has been available for several years. But there has been some extremely critical, unreasonable, and unfair publicity to the effect that those of us who have tried to eliminate the 16 new positions—not to eliminate existing jobs, because they have not yet been created; it is merely proposed that they now be established for the first time—are trying to suppress information relating to the operation of the district offices and the central office of the Bureau of Land Management.

Mr. President, many Members of the Senate who formerly had newspaper experience know, I am sure, that it is not necessary to have 21 information officers to handle publicity emanating from the Bureau of Land Management here in Washington and in the various district offices.

I would be somewhat hesitant to charge that an attempt is being made to set up an elaborate propaganda bureau, because I do not think that was the intent of those who made this proposal. But it might very easily be assumed that that is the purpose of this amendment, so that instead of having 5 employees in the Office of Information, Bureau of Land Management, there would be 21.

Mr. MOSS. Mr. President, will the Senator from Idaho yield?

Mr. DWORSHAK. I yield.

Mr. MOSS. This morning I talked with officials of the Bureau of Land Management. These positions are now in existence. So in the event this amount of money is eliminated, as is now proposed, a certain number of personnel will be eliminated.

By calling for the restoration of the $129,800, we are merely trying to continue the positions now in existence.

The positions proposed to be eliminated would be eliminated in the State offices in the 11 Western States, plus the elimination of 7 personnel in the Washington, D.C., office. So those are the ones we are talking about.

A very adequate discussion of this question is to be found in an editorial published on June 7 in the Salt Lake Tribune—a newspaper which has been very consistent in its editorial policy about economy in government and about insisting upon justification for every Federal position. But, as is pointed out in the editorial, an effort is being made to starve the agency which manages so much of our domain, including 74 percent of my own State. An effort is being made to starve it, by cutting out the information service which is needed. These personnel are not publicity personnel, as such, who get out press releases. Instead, they handle inquiries from citizens who seek information about public lands and about how to proceed if they wish to make a filing or do anything else in connection with public land. That is why this item is of such great importance to all the Western States.

Mr. DWORSHAK. The Budget request for the $129,800 to be used to pay these 16 new positions indicates that these are new positions, currently being created. If they were set up in the past and if they have actually been in operation, I should like to know where the money with which to pay them was obtained and why it is necessary now to ask for an increased budget in order to pay personnel who are said to be already on the payroll.

Mr. President, it may be futile to argue in favor of economy. This idea involves only the amount of $129,800; but the point is that if this precedent were established in regard to the Bureau of Land Management, there could be justification for adding, not only 16, but many hundreds of public information officers; and every Senator knows that in an election year, sometimes such information officers do work other than that related to the particular bureau or agency in which they are employed.

So I support the position taken by the distinguished chairman of the subcommittee and its ranking Republican member, because I think the record clearly indicates that if we can go overboard now in extending information services which are indirectly related to propaganda, probably we shall be faced with requests to add additional personnel, because a precedent will have been established.

For that reason, I oppose the amendment offered by the Senator from Utah.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

Mr. WILLIAMS of Delaware. Mr. President, I join my colleagues in opposing the amendment.

In answer to the argument that the extra 16 employees are needed, I call

**attention to the fact that in the first 16 months of this administration the Department of the Interior alone has added 5,694 new employees. Based upon the report submitted by the Joint Committee on Reduction of Nonessential Government Expenditures on December 31, 1960, the Department of the Interior had a total of 50,519 employees; and by the end of April 1962—the most recent date for which such figures are available—the Department had increased that number to 56,213—or an additional number, in the first 16 months of this administration, of 5,694 new employees. Breaking down that number by months, it amounts to approximately 356 a month, or 89 a week; and on the basis of a 5-day workweek, that means that for the past 16 months the Department of the Interior has been adding approximately 18 new employees every day during the first 16 months of this administration.**

**There must come a time when instead of adding new employees we should decrease the number. Certainly we do not now need any more employees.**

**So I join my colleagues not only in the effort to eliminate this particular increase but also in the effort to make additional cuts in this bill.**

**Mr. President, on the question of agreeing to the amendment of the Senator from Utah I ask for the yeas and nays.**

The yeas and nays were ordered.

**Mr. MILLER. Mr. President, I wish to add a word of commendation of the distinguished Senator from Idaho [Mr. DWORSHAK] for his great speech and for his pointing out exactly where we are going in failing to practice economy in the hiring of the hundreds of thousands of additional persons who have been placed on the Federal payroll.**

**I would not be so much concerned about the extra $120,800 proposed to be added to this appropriation, were it not for the fact that only last week this very body authorized the expenditure of $750 million additional for public works programs—$750 million which is not even included in the budget. I do not know how we are ever going to get a balanced budget—which the President of the United States has promised the American people—if we add $750 million, one week, and add another $120,800—and perhaps more—this week.**

**I should like to find out from some Senator on the other side of the aisle exactly where we are going to make up the difference for the $750 million which was authorized last week. It is fine to talk about a balanced budget, but such talk means nothing unless a balanced budget is delivered.**

**The Senator from Idaho has pointed out that sometimes it seems futile to talk about economy. However, I do not think it is ever futile to talk about real economy, for the American people and all Members of the Senate know it is right to have a balanced budget and to practice fiscal integrity with the people's money.**

**So I thank the Senator from Idaho for bringing this question to the attention of the Senate, and I join my colleagues in opposing this amendment.**

Mr. **LAUSCHE.** Mr. President, will the Senator from Delaware yield for a question?

Mr. **WILLIAMS** of Delaware. I yield.

Mr. **LAUSCHE.** Is not the Senator from Delaware a member of the committee that heard the testimony in regard to the item now before the Senate?

Mr. **WILLIAMS** of Delaware. No, I am not a member of the Appropriations Committee. The Senator from South Dakota [Mr. MUNDT] and the Senator from Idaho [Mr. DWORSHAK] are members of the Appropriations Subcommittee which heard the testimony on this item.

I have, however, read some of the testimony presented in the hearings of the committee. I am a member of the Joint Committee on Reduction of Nonessential Federal Expenditures, of which the chairman is the Senator from Virginia [Mr. BYRD]——

Mr. **LAUSCHE.** Mr. President, I cannot hear the Senator.

The **PRESIDING OFFICER.** The Senate will be in order.

Mr. **WILLIAMS** of Delaware. While I am not a member of the Appropriations Committee, I am a member of the Joint Committee on Reduction of Nonessential Federal Expenditures, which is under the chairmanship of the Senator from Virginia [Mr. BYRD], and which committee publishes monthly statistics on the increase or decrease in employment of the various Government agencies. It was based on those reports that I called the attention of the Senate to the fact that there have been added to the Department of the Interior a total of 5,694 new employees in the first 16 months of the new administration—that is, for the calendar year 1961 and the first 4 months of this year. Those are the latest figures we have.

Mr. **LAUSCHE.** What explanation has been given for the reasons which induced this increase in the number of approximately 5,500? Has any explanation been given why these 5,500 new employees have been added?

Mr. **WILLIAMS** of Delaware. I have seen no explanation. These are statistics alone. In my own opinion, there can be no reasonable justification for such an increase.

I recognize that some programs may, very properly, have increased cost, but certainly some others should have a corresponding decrease.

I call attention to the additional fact that the total amount of the Interior Deparment appropriations for fiscal 1961, including all the supplemental appropriations for that fiscal year, amounted to $754,536,700. In fiscal 1962, which was last year's appropriation, the bill as passed by the Senate carried a total of $795,791,650, or an increase last year of about $41 million over the preceding year.

If that were not bad enough, this bill calls for an additional $120,769,170 over the last fiscal year, or a total of $916,560,820.

If this bill is approved, even without the increases provided for in the pending amendments, it will mean an increase of 15 percent in appropriations for the Interior Department over that which was necessary 2 years ago. What kind of bureaucracy are we building?

I recognize that we have an unemployment problem, but certainly the New Frontiersmen have some solution other than putting them all on the Federal payroll.

Mr. **MOSS.** Mr. President, I ask unanimous consent to place in the RECORD three editorials from western papers, one from the Salt Lake Tribune of June 7, 1962, entitled "Unwise Scuttling Plan," one from the Oregonian, of Portland, Oreg., for May 18, 1962, entitled "Congress Kicking West in Pants," and the last from the Wyoming State Tribune of May 26, 1962, entitled "Peculiar Wisdom." These discussions put the problem in a different perspective.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune, June 7, 1962]

### UNWISE SCUTTLING PLAN

The Senate Appropriations Committee proposal to cripple the already inadequate information and education service of the Bureau of Land Management is inconsistent and difficult to understand.

In its report on the Interior Department money bill for next year, the Senate committee increased most funds for land and resource management, recreation and conservation programs. But it recommended elimination of the information-education positions in each of the BLM's 11 western field offices and slashing the Washington information staff to 5 persons, including clerks. If the recommendation carries, the "stepchild of Interior," the least understood resource management agency in the Government, will be less able to tell its story than at present.

A relatively few Americans are aware that the BLM administers about 400 million acres of public land and is the Nation's largest landlord. Even fewer realize that the BLM operates at a profit, returning to the U.S. Treasury nearly $7 for every $1 appropriated.

"All through the years," says the Wildlife Management Institute, "the BLM has been a milking operation, with the Federal Government getting all the riches it can out of the national land reserve and making little effort to invest enough money back into the lands.

"One reason this situation continues is that the BLM never has been permitted to tell its side of the story."

The same Senate committee in 1960 said that the public domain lands "represent a major national asset" and recommended that resource programs be strengthened.

The 1962 recommendation of the committee would be a step in the opposite direction. We hope the full Senate rejects the scuttling proposal.

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[From the Oregonian, May 18, 1962]

### CONGRESS KICKING WEST IN PANTS

The Bureau of Land Management, for many years the unloved country cousin who had to eat leftovers in the kitchen of the U.S. Department of Interior, is taking another elbowing in Congress. The budget slashing and juggling of BLM in both the House and Senate will be painful to Oregon and all the West if it isn't stopped.

Previously we reported here how the House rejected an item of $2 million, half to launch the Vale district range rehabilitation project in Malheur County as a major demonstration of how to make public lands carry more cattle and sheep, and half for range work elsewhere in Oregon. A Senate subcommittee restored $1 million for the Vale project, but the main committee harpooned it.

The BLM budget now reported to the Senate by its Appropriations Committee restores $700,000 of the House cuts in the administration's budget, but sustains a reduction of $1,400,000. The Udall budget for BLM was $41.5 million. The House cut this to $39.4 million. The Senate committee's recommendation is $40.1 million. This does not seem too bad, in total. But the trouble for Oregon lies in the nature of the cuts.

First, consider that the Bureau of Land Management, with about a $40 million annual budget, administers 477 million acres of Federal range and forest lands in the United States, this cost being about 8 cents an acre. BLM's revenues, which go to the Treasury, are estimated for next year at $383 million, mostly from oil and gas leases, of which $59 million will be paid to the States and counties. Grazing fees paid by stockmen amount to about $3 million a year. Forest revenues, nearly all from the O. & C. lands in Oregon, approximate $28 million a year.

(The U.S. Forest Service, in the Department of Agriculture, has a House-approved budget of $269 million to administer 180 million acres of public lands).

Second, consider that 20 years ago Secretary of Interior Oscar Chapman estimated the cost of restoring rundown rangelands to obtain sustained carrying capacity for livestock at $400 to $500 million. The estimate of the cost today is $700 million. Very little has been spent in the 20 years to stop range depletion and reverse the trend. The BLM is woefully short handed. For each BLM technician, office and field, there are a half-million acres of range to be administered. Each district manager has an average million acres to protect and improve, if possible—and there is never enough money.

In some sections, the Senate Appropriations Committee this year was more generous than the sharp-knifed House. It restored a House cut of $635,000 to grant the full budget figure for lands and minerals administration, much of which will go to Alaska and southern California. It added $500,000 to the budget estimate for surveying, to meet Alaska's needs. But it sustained a House cut of $100,000 in general administration funds. Also, it:

1. Reduced by $300,000 the funds for range management and fire prevention.

2. Cut $500,000 from the funds for forest management—and 60 percent of BLM forest funds are used to manage the O. & C. lands in Oregon, the only sustained-yield forest program under this agency and the producer of almost all of the $28 million a year from timber sales.

3. Eliminated $129,800 for the information and education service long needed by the BLM and inaugurated in February. This means that the 12 fieldmen employed in this work of telling the people what BLM is doing and trying to do—one in each of 12 States—and probably 2 of the 5 I. & E. men in Washington, D.C., will be fired or transferred to other work.

The last item is curious. Some Members of Congress, even from the West, seem to resent that BLM has begun to inform the cattlemen, lumbermen, sportsmen, and the public generally about its plans and activities, though there seems not to be the same resentment of the small army of public relations men employed by the Forest Service. Senator HENRY DWORSHAK, of Idaho, is reported to have led the assault which resulted in the Senate committee's vote to abolish BLM's skeletonlike information program. The public deserves better treatment than this.

In fact, the BLM budget submitted by the Department of the Interior is a starvation budget in relation to range and forest needs and the cuts in Congress are unconscionable. As a minimum, these items, plus the money for the Vale project, should be restored. And the administration and Congress should give much more attention hereafter to the resources which must be brought to full productivity under BLM management. To say that there is a tremendous public demand for better use of public land is an understatement.

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[From the Wyoming State Tribune, May 26, 1962]

### PECULIAR WISDOM

The Bureau of Land Management is an agency that administers some 400 million acres of public lands, mostly located in the Western States.

Some 6 months ago it instituted a policy of stationing an information officer at each of its 11 western field offices, including the 1 in Cheyenne, to facilitate the handling of news and information about the Bureau's activities for public enlightenment.

Considering the plethora of public relations men who cluster about the Government departments in Washington, this is a modest undertaking indeed.

Now, however, the Senate Appropriations Committee for some reason has decided to lop off these BLM information and education officers and has so recommended this action in the Interior Department's appropriations bill for the next fiscal year.

Information officers for the most part perform a worthwhile service in keeping the public posted on the day-by-day doings in the Government agencies, and the further removed they are from Washington, the more effective they seem to be.

Starting a program of this nature and then suddenly ending it 6 months later appears to be shortsighted.

We are all for economy, but if this is a moneysaving move, it is sort of like storming the bastions of hell with a water pistol.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. MOSS]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from South Carolina [Mr. THURMOND], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Minnesota would vote "yea."

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] and the Senator from South Carolina [Mr. THURMOND] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from South Dakota [Mr. CASE], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], the Senator from New York [Mr. JAVITS], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Kentucky [Mr. COOPER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Wisconsin [Mr. WILEY] are detained on official business. If present and voting, the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from New York [Mr. JAVITS], the Senator from New Hampshire [Mr. MURPHY], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 28, nays 41, as follows:

[No. 83 Leg.]

YEAS—28

Bartlett
Burdick
Byrd, W. Va.
Carroll
Clark
Dodd
Douglas
Ellender
Engle
Gruening
Hart
Hickey
Hill
Kefauver
Long, Hawaii
Mansfield
McCarthy
McGee
Metcalf
Moss
Muskie
Neuberger
Randolph
Smith, Mass.
Sparkman
Talmadge
Yarborough
Young, Ohio

NAYS—41

Allott
Anderson
Beall
Bennett
Bible
Boggs
Butler
Byrd, Va.
Cannon
Carlson
Case, N.J.
Church
Curtis
Dworshak
Eastland
Ervin
Fong
Goldwater
Hayden
Holland
Hruska
Jackson
Keating
Kuchel
Lausche
Magnuson
McClellan
Miller
Morse
Morton
Mundt
Pearson
Prouty
Proxmire
Robertson
Scott
Smathers
Smith, Maine
Symington
Williams, Del.
Young, N. Dak.

NOT VOTING—31

Aiken
Bush
Capehart
Case, S. Dak.
Chavez
Cooper
Cotton
Dirksen
Fulbright
Gore
Hartke
Hickenlooper
Humphrey
Javits
Johnston
Jordan
Kerr
Long, Mo.
Long, La.
McNamara
Monroney
Murphy
Pastore
Pell
Russell
Saltonstall
Stennis
Thurmond
Tower
Wiley
Williams, N.J.

So Mr. Moss' amendment was rejected.

### INTERIOR APPROPRIATIONS BILL CAN MAKE FUTURE LOOK BRIGHTER FOR WEST VIRGINIA

Mr. BYRD of West Virginia. Mr. President, I was able to amend this bill in committee to include certain items which will be of great importance and benefit to my State of West Virginia. As a member of the subcommittee handling this bill, and as a member of the Senate

Appropriations Committee. I have offered six amendments, four of which were adopted.

The first and most purposeful of my amendments adds $1,450,000 to the requested budget for the Office of Coal Research. This additional money is needed by that Agency to permit vital coal research to go forward, and to aid the projects in which I have been actively interested for almost a year.

Specifically, $1 million is needed by the Office of Coal Research to speed up the work on Project Gasoline, one of the biggest coal research projects yet undertaken. This project involves a new method for processing coal to make synthetic oils, char—a semicoke—gases, and chemicals, and may prove to be the most successful research undertaken for new, large-scale uses of coal.

If the research on Project Gasoline is successful, then a pilot facility may be located in the area of Morgantown, W. Va. This, I am informed, would be followed by a commercial-type plant at Cresap, W. Va., which would use approximately 3 million tons of coal a year. Success of the envisioned Cresap plant could lead to the establishment of similar commercial plants in other areas of West Virginia, as well as in other coal States. The mining of coal for this new use would stimulate employment in an industry that has been hard hit by large-scale unemployment, and would also provide job opportunities for hundreds of persons in the commercial plants and in related chemical industries.

The other $450,000 which I was successful in adding to the Office of Coal Research budget is for Project Bootstrap. This project involves the feasibility of enriching coal with hydrogen through an electric process to make synthetic gases, oils, chemicals, and other products.

According to the Office of Coal Research, should the research and development work on Project Bootstrap prove successful—and early benchwork tests by scientists on the project are reported to be very satisfactory—then a pilot plant may be located in the Beckley, W. Va., area because of that city's central location in the large Appalachian coalfields.

A commercial-type plant, which may result from Project Bootstrap, would utilize approximately 2 million tons of coal a year, and would provide, among other products, pipeline gas for industrial and household use. Several such plants, built to provide pipeline gas for eastern and midwestern cities, would absorb large tonnages of coal. Thus, Project Bootstrap, like Project Gasoline, would not only give great new impetus to the coal mining industry of West Virginia, but would also create a variety of job opportunities for many persons in my State.

Project Bootstrap is an effort to explore the possibility of reacting hydrogen, methane—or similar gases—under corona with powdered coal to make pipeline gas, chemicals, and other products. If Project Bootstrap is successful, the ultimate commercial plant can be envisioned as an integrated chemical and energy installation utilizing only coal, water, and air as raw materials. Portions of the coal would be used to generate hydrogen and volatile gases, which would be fed to a reactor to create marketable gases and chemicals. Either the residual coke, or gas, from these operations would power a turbine to provide high frequency electrical energy and process steam to complete the cycle. I am informed that, if the current experiments lead to a construction of a pilot plant in the Beckley, W. Va., area, about 50 persons would be employed by that facility. A commercial-type plant would employ more than 100 persons, and would use approximately 7,000 tons of coal a day.

If Project Bootstrap proves successful, a great new era is in store for the coal industry, with the possibility of many commercial-type plants manufacturing gas from coal for pipeline transmission to many eastern and midwestern cities from the heart of West Virginia.

Another amendment which I was successful in adding to the appropriations bill deals with the westward extension of the Monongahela National Forest. My amendment provides the U.S. Forest Service with $125,000 with which to begin this expansion. An estimated 550,000 acres, or more, of land would be acquired in eight counties in West Virginia: Braxton, Fayette, Greenbrier, Lewis, Nicholas, Randolph, Upshur, and Webster.

The Monongahela National Forest is proving to be an outstanding economic asset to the State of West Virginia. It is a resource of ever-growing value. Its allowable cut of timber increases with each passing year. The number of people visiting its recreation sites, partaking of its fishing and hunting opportunities, has almost doubled in the past few years. All of this has meant greater revenues to the counties in or near the Forest.

Thus, an extension of the Monongahela National Forest would provide both short- and long-term economic benefits to the people in those areas where the expansion would take place. It is for this reason that I pressed for my amendment which would initiate extension of the forest.

Mr. President, the recreation and tourist industry is of greater significance to the economy of West Virginia than is commonly realized. The scenic grandeur of my State has often been described as unique in the eastern half of the United States. But much work must be done before the fullest possible potential from the natural attractions of my State can be realized. The incompleted Bowden National Fish Hatchery is a case in point.

Last year, my amendment to complete the Bowden Hatchery was not accepted by the Appropriations Subcommittee on Interior and Related Agencies. This year, however, I was successful in adding $62,000 to the Interior appropriations bill to get this facility finished.

The $62,000 will complete earthen ponds, service roads, landscaping, fencing, and drainage ditches, and will provide fish-culture equipment. Therefore, the present approximate annual production of 80,000 pounds of trout will be increased to an approximate 100,000 pounds—a production which will play a significant role in maintaining the coldwater sport fishery in West Virginia, and in preserving and developing this recreational resource.

Last year, I also offered an amendment to provide $150,000 for construction of a watershed management laboratory at Parsons, W. Va. The amendment was not accepted by the subcommittee. This year, the amendment was agreed to because the urgency of this project was recognized by committee members. Watershed management is rapidly becoming a national problem, and scientific research on this matter is vitally needed.

The facility at Parsons, which would be located within a short distance of the Fernow Experimental Forest, should prove to be a valuable asset in research for soil stability and streamflow. All Appalachian area cities and communities depending upon municipal water supplies, will eventually benefit from the work of this laboratory. Its findings will also be applicable to other areas in the United States.

I am happy to report, too, Mr. President, that the Appropriations Committee gave its approval to the budgeted request for $250,000 for construction and research work in connection with the Timber Marketing and Utilization Center at Princeton, W. Va. Last year, I was successful in amending the Interior and related agencies appropriations bill to establish this center. At that time, I obtained an initial $450,000 for necessary planning, engineering, and land acquisition.

This Center results from my interest in finding ways and means to utilize the vast stands of poorer grades of hardwood so common to much of the Appalachian region. When I called the attention of the U.S. Forest Service to this problem early last year, officials of that agency agreed that a solution was vital to the economy of the Appalachian area and to the future timber needs of our country.

Early last year, I toured several southern West Virginia counties with officials of the U.S. Forest Service to assist them in viewing several possible locations for the proposed center. After several months of study, the Princeton area was selected by the agency for the facility. The center should certainly prove to be a worthy addition to the economic growth of West Virginia, as well as other Appalachian States.

I am mindful, Mr. President, that all of my amendments to the Appropriations bill for the Department of the Interior and Related Agencies must be agreed to in conference between the Senate and the House of Representatives. I can only hope that the Senate will accept my amendments and that the Senate conferees will be successful in holding the amendments in conference with the House of Representatives. The people of West Virginia direly need the economic opportunities which my amendments offer to them.

Mr. President, I ask unanimous consent to include at this point in the RECORD, a letter addressed to me by Mr.

George Lamb, Director of Coal Research, under date of June 1, 1962.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Office of Coal Research,
*Washington, D.C., June 1, 1962.*

Hon. Robert C. Byrd,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Byrd: I was most pleased to learn of the successful committee action in approving your amendment for additional funds for the Office of Coal Research to accelerate Project Gasoline and Project Bootstrap.

Personally, I believe that Project Bootstrap is everything its name implies, and its success may well be the greatest thing that ever happened to the low volatile and other coalfields of West Virginia. Since the pilot plant for Project Bootstrap is planned to be located in the Beckley area, Project Bootstrap ultimately could mean a sizable economic renaissance for the Beckley area and successful commercialization of this process could mean employment for hundreds of miners.

I am sure that the people of West Virginia will take great cognizance of your efforts on behalf of Project Gasoline and Project Bootstrap.

Sincerely yours,

G. A. Lamb,
*Director of Coal Research.*

Mr. MORSE. Mr. President, on behalf of myself, the chairman of the Committee on Interior and Insular Affairs, the Senator from New Mexico [Mr. Anderson], the chairman of the Subcommittee on Public Lands, the Senator from Nevada [Mr. Bible], the Senator from Idaho [Mr. Church], and my colleague from Oregon [Mrs. Neuberger], I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. On page 2, line 10, it is proposed to strike out "$41,022,200" and insert "$43,022,200."

Mr. MORSE. Mr. President, before I proceed to explain the amendment, the Senator from Alaska [Mr. Bartlett] has asked that I yield to him without losing my right to the floor, and with that understanding I am happy to yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I desire to join with Senators who have already spoken and those who, I am sure, will speak later in commending the chairman of the committee for another magnificent job in bringing the Department of Interior appropriation bill to the floor of the Senate. As we all know, he has, of course, done more in making possible the development of the West during the many years he has been in the Senate than any other Member of the Congress.

I express special gratitude to the committee for increasing the amount of money in the bill for cadastral surveys to be made available to the Bureau of Land Management. Likewise I applaud the committee's action in restoring the full budget estimate for construction of school facilities for American Indians, including Indians in Alaska.

I have prepared statements on these two subjects, and since the Senator from Oregon has been so gracious as to yield to me, and in the interest of conserving time, I ask unanimous consent that the statements be printed at this point in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

### Cadastral Surveys

I was gratified to learn that the Appropriations Committee has recommended to the Senate a substantial increase in the amount to be made available to the Bureau of Land Management for cadastral surveys. The Bureau in its budget estimate for fiscal year 1963 estimated a requirement for $4,490,000 for all public land States. The House of Representatives reduced this amount by $265,000. In the bill as reported to the Senate the amount to be made available for cadastral surveys includes the $265,000 deleted by the House plus an increase over the estimate of the Interior Department of $500,000.

The approval of this increase is of the most extreme order of importance to the orderly development of land in Alaska. I am informed that Alaska's share of the increase recommended by the Appropriations Committee could possibly permit an additional 350,000 acres to be surveyed by survey lines running 350 to 400 miles. Most of these new survey lines would define the exterior boundaries of State land selections allowing early transfer to Alaska of land to which it is entitled under the Statehood Act. It will be recalled that the Alaska Statehood Act provided that by 1983 Alaska could select 103,350,000 acres of land.

It is necessary that survey of State land selections be completed in order that title may be transferred to the State. Alaska has selected about 11 million acres since statehood. By the close of the current fiscal year 36 percent, or 4 million acres, of current State selections will have been surveyed.

Under the budget estimate of the Bureau of Land Management the 1963 program would have allowed the survey of an additional 2.9 million acres. Even with the increased appropriation in the Senate bill by the end of fiscal year 1963 surveys will have covered less than 70 percent of the acreage already selected by the State. New selections which may be made by the State will naturally reduce the ratio of the area surveyed to the area selected by the State. The need for an accelerated survey program is imperative to permit the terms of the Statehood Act to be honored.

In addition to the need for prompt action on State land selections there is equally pressing need for early survey of Federal land subject to disposition under the general land laws. Public land surveys will share to some extent in the increased money made available in the Senate bill.

I would urge most strongly that the committee-recommended increases for cadastral surveys be approved.

### School Construction

Some of the major funds in the Interior appropriation bill are those for construction to provide additional schoolrooms and rehabilitate existing facilities for Alaska's native children. The Senate committee's action in restoring the full budget estimate is to be commended. So far as Alaska is concerned, this is most important. There are hundreds of our young people attending school in older buildings, many of which are deplorably dangerous or overcrowded. Last year's program was an admirable start, but the job to be done will suffer if the 1963 fiscal year request is cut in any way. Under the program the Alaska allocations would provide additional rooms for 420 children now without facilities, plus replacing facilities for 660 children for a total construction program of $3,498,000. The following table shows this construction program, exclusive of other planning or utility requests:

| Locality | Budget request | Number of classrooms | Number of pupils |
|---|---|---|---|
| Alitak | $141,000 | 1 | 30 |
| Eagle | 159,000 | 1 | 30 |
| Hooper Bay | 519,000 | 7 | 210 |
| Kiana | 387,000 | 4 | 120 |
| Kwethluk | 230,000 | 3 | 90 |
| Newktok | 191,000 | 2 | 60 |
| Noatak | 378,000 | 4 | 120 |
| Nondalton | 219,000 | 2 | 60 |
| Old Harbor | 194,000 | 2 | 60 |
| Oscarville | 158,000 | 1 | 30 |
| Scammon Bay | 196,000 | 2 | 60 |
| Stebbins | 192,000 | 2 | 60 |
| Tanunak | 188,000 | 2 | 60 |
| Tatitlek | 186,000 | 2 | 60 |
| Tetlin | 160,000 | 1 | 30 |
| Total | 3,498,000 | 36 | 1,080 |

I have just received a letter from Nondalton written me by Mr. Nickoli Balluta and other members of the village council giving an excellent and most appealing example of what these funds mean to our native people. I urge that the committee recommendation of $55,550,000 be approved.

"In the May 17 issue of the Bristol Bay Digest the following article appeared.

"'Word just received from Washington, D.C., is that the Nondalton school project was part of the $3 million package removed from the Interior Department request.'

"Unless the Senate is able to restore this part of the budget, the school will be postponed. A new school building is needed here. The present school building is in very poor condition and is, we understand, the only school in the State heated by wood.

"In the winter the children at times have to keep their parkas and coats on. The wiring is so poor that when last checked, there were several places where the wires were bare and the wood scorched. How well this was remedied we do not know but we are glad that no fires were started.

"The present building has only one classroom and the State is renting the community building for a second classroom. This leaves the village without any place to have meetings, etc.

"There are about 50 students at present, while graduating 1, about 12 more will enroll this September. In 1963 there may be another 12 or so starting in the first grade. Then what?

"If there is anything you can do to help us get a new school we will appreciate it very much."

Mr. MORSE. Mr. President, I shall attempt to explain the amendment. We have copies of the amendment and the statement, which will be distributed to Senators.

President Kennedy, in Senate Document No. 88, recommended that Congress appropriate $2 million to the Bureau of Land Management for range conservation for fiscal year 1963. I believe that this money is absolutely essential if we are ever going to move ahead vigorously with the orderly development of a valuable national resource—the now deteriorating range lands of the Western States. Because I believe the need is so pressing, I am now proposing an amendment to provide this money.

As I pointed out, I am joined in the amendment by the Senator from New Mexico [Mr. Anderson], chairman of the Committee on Interior and Insular Affairs. I know of no member of the

Senate who is better informed on the problems of public lands than is the chairman of the Committee on Interior and Insular Affairs. I am joined also by the chairman of the Subcommittee on Public Lands, the Senator from Nevada [Mr. BIBLE], the Senator from Idaho [Mr. CHURCH], who is well versed on our public lands problems, as Senators will observe in some comments I shall make shortly in my brief explanation and my colleague [Mrs. NEUBERGER], who has lived with the conservation problem for many years in public service.

I point out specifically that my amendment would delete the figure "$41,022,200" from page 2, line 10, and substitute the sum of "**$43,022,200**" in the bill, H.R. 10802, as it was reported to the Senate.

I have discussed the question with the chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN]. He shares my view in regard to the amendment and desires to take it to conference if he receives the approval of the Senate.

I would like to describe briefly the background of this amendment and the reasons why I feel that its passage is so vital to our stake in the rehabilitation of the range.

For the past several years, along with other conservation-minded members of the Senate, I have worked toward modernization of the range policies of the Bureau of Land Management. What has the Bureau been doing? In a sense, it has been following what might be called a no home on the range policy, a policy that has drastically reduced livestock allowed under grazing permits and moved at a pace that is damaging to rehabilitation. The net result has been to force many small ranchers off the range. Many have been forced to the brink—and even over the brink—into bankruptcy. Meanwhile, soil, grazing and water resources on the land have continued to be used up.

### NEW APPROACH TO A SERIOUS PROBLEM

The conservation program on which I have been working—as have many of my colleagues from the West—is essentially a new approach to a very serious problem. It is not necessarily a novel approach, however. In the simplest possible terms, we believe that if something is broken and is worth fixing, the only reasonable course of action is to go ahead and fix it.

Our program calls for the fixing up of rundown ranges so they can carry livestock and game, serving, thereby, the needs of those who presently want to use the land. Our program also calls for protection of the thin mantle of soil from erosion losses, serving, thereby, to fix up the land for future use. These, then are the benefits foreseen under our program: For the present generation, the land will contribute to the economic welfare of the ranching communities—to the cash registers along main street; for coming generations, a vital natural resource will be protected.

### TWO-PRONGED ATTACK IS ENVISIONED

Our concern with orderly development policies has been expressed in a two-pronged attack on the problem of deteriorating rangelands. Before the Eisenhower administration left office I requested special funds with which to rehabilitate burned-over rangelands. These funds were appropriated. When the Kennedy administration came into office, I urged, first, that the rehabilitation of burned-over rangelands be a part of a regular appropriation request. This is now the policy of the administration and of this Congress. Second, I have urged that we undertake a program designed to rehabilitate eroded and worn out rangeland, giving special attention to those areas where range cuts were pending or where wildlife needs were not being met.

The present Assistant Secretary of the Interior, Mr. Carver, represented the junior Senator from Idaho [Mr. CHURCH] as his assistant, while the Senator from Utah [Mr. MOSS] conducted hearings at Boise on the effect of range cuts on livestock permitholders in Idaho. These hearings proved to be of tremendous help; they supplied us with facts indicating an urgent need for positive action.

I thank the Senator from Idaho [Mr. CHURCH] for the assistance he has rendered in the development of the range program.

Our attention was directed first of all to areas in the West—and there were many grazing districts affected—where range cuts were pending. Some of these cuts were scheduled to wipe out as much as 80 percent of the small ranchers' allotments, a reduction in acreage so severe that it would put these ranchers out of business.

### ON-THE-GROUND INSPECTION TRIP

On several occasions last year, I met with Bureau officials and with the Secretary of the Interior to discuss what should be done. In addition, Representative ULLMAN and I made an on-the-ground inspection of rangeland in eastern Oregon.

Representative ULLMAN is the Representative from the eastern Oregon congressional district.

The problem in the Vale district is a particularly critical one—and I do not think it is any secret that this district has been one of the most serious trouble spots for the Bureau of Land Management. The stockmen in the area and the Bureau have often been at odds. However, during our visit, it became clear that the gap in thinking between the Bureau and the stockmen was not so wide after all, that what actually was involved was a lack of communication, and that the heart of the matter was a woeful lack of funds required by the Bureau to carry out its conservation responsibilities.

The solution to this problem became evident to all concerned during our inspection visit. It was universally agreed that the Bureau should develop a sound conservation program—a program not only for the Vale district but for all of the other grazing districts as well. However, all programs have to start somewhere, and, because of the substantial effort that already had gone into the Vale program, we felt that this was a logical place to start.

I wish to make clear that the program we are asking for today is not limited to the Vale grazing district. Unfortunately some misunderstanding has been caused. The whole rehabilitation range program of the administration has been called the Vale project because it started in the Vale grazing district of my State. It had that label attached to it, and the appropriation covers Idaho, Nevada, and New Mexico. It is a 7-year program, and it will cover all the public lands of the West before it is consummated.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BENNETT. I was interested by the last statement of the Senator that this is a 7-year program, and that it will cover the other public land States. I was also interested to note that in the sponsorship of the program the Senator was joined by the Senator from New Mexico, and there is money in the bill for New Mexico; by the Senator from Idaho, and there is money in the bill for Idaho; by the Senator from Nevada, and there is money in it for Nevada.

There are many areas in my State in which pilot projects might be very useful. I wonder why the sponsors did not consider other representatives' areas in the 11 public land States, instead of leaving the impression that the matter has been tailor made to fit the sponsors of the bill.

Mr. MORSE. If the Senator will bear with me, I believe I can explain the bill and show that there is no intention at all in this program to discriminate against any State. We must start somewhere. Sometimes it is necessary to build a harbor in New York and not build one in Houston, although we will get to the Houston project as soon as we can. This is a project of the Bureau of Land Management of the Department of the Interior, who feel they are in a position to go forward with this as the first leg of a 7-year program. I shall explain that feature if the Senator will bear with me for a few minutes longer. Utah is included in the rehabilitation program. However, it is impossible to do it all in the first year.

Mr. BENNETT. Apparently it can be done only for those who sponsor the bill.

Mr. MORSE. I do not believe the Senator means to be unfair, but he is unfair in effect by what he says. There was no such intention, of course. We have worked on this with the National Advisory Council under the Taylor Grazing Act. This is not a Wayne Morse bill. This is not a Clint Anderson bill. This is a bill of the National Advisory Council, under the Taylor Grazing Act. It is their bill. We merely introduced the bill. They perfected the program, and made the proposal that we start in these areas, because there is a very serious need to start here. There is a serious need elsewhere also, but comparatively speaking, it is the judgment of the Advisory Council that we should start with this program. I want the Senator from Utah to know that there is no attempt on the part of the sponsors of the bill to discriminate against Utah.

Mr. BENNETT. It is unfortunate that there was not at least one other State included which did not have its representative as a sponsor of the bill.

Mr. MORSE. The bill is the bill the President submitted in behalf of his Advisory Council.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. Is it not a fact that since the receipt of the President's message the Senator from Oregon merely called other Senators to ask them to join as sponsors, because their States were involved?

Mr. MORSE. Yes.

Mr. ANDERSON. There is nothing proposed by these States.

Mr. MORSE. That is correct. I wish to say that all the blame should fall on me, not on my cosponsors, because when I offered the bill I spoke to the other Senators and said I would offer the bill and that they would probably want to give some support by their cosponsorship of the bill. I did it hurriedly. If have offended any Senator from any other State, I apologize. That is how it happened in the rush of affairs here. I was offering the bill, and I asked other Senators if they would cosponsor it.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CARROLL. Colorado is interested in this proposal. The junior Senator from Colorado assumes that the National Advisory Committee has made a recommendation with respect to certain States. Is that correct?

Mr. MORSE. It made a recommendation for the whole public domain. They made the recommendation that we start with these projects.

Mr. CARROLL. Was there a recommendation with respect to Colorado?

Mr. MORSE. Not in the first year. It will be included in the 7-year program.

Mr. CARROLL. I understood that Colorado was not included in the beginning of the program. I shall look into it more closely to see why Colorado, which has grazing lands as extensive as some of the other States, was not included. Perhaps we do not have the same degree of conservation problems.

Mr. MORSE. My judgment is that the ranges in Colorado are not in as bad shape as in the States that are included in the program for the first year. A need exists for the program throughout the West. It is spread over a 7-year period.

Mr. CARROLL. Mr. President, I appreciate the explanation of the able Senator from Oregon. I will look further into this matter. I want to assure the able Senator from Utah that I was not about to be bypassed with respect to this conservation practice, either. I had understood, however, that Colorado was not one of the States initially designated for inclusion in the program.

Mr. MORSE. For the first year. The Senator from New Mexico suggested that at this point I read to the Senate the communication from the President of the United States, which I read as follows:

THE WHITE HOUSE,
*Washington, April 19, 1962.*

THE PRESIDENT OF THE SENATE.

SIR: I have the honor to transmit herewith for the consideration of the Congress an amendment to the budget for the fiscal year 1963 involving an increase in the amount of $2 million for the Department of the Interior.

The details of this amendment, the necessity therefor, and the reasons for its submission at this time are set forth in the enclosed letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,
JOHN F. KENNEDY.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MAGNUSON. Further, it is merely carrying out the substantial proposals in the Taylor Grazing Act.

Mr. MORSE. That is correct.

Mr. MAGNUSON. Of 1934.

Mr. MORSE. That is correct.

Mr. MAGNUSON. That is all this does. It applies to areas where the range is poor and starts with the rehabilitation which the Taylor Act proposed when we passed it in 1934.

Mr. MORSE. That is correct.

### ADVISORY BOARD MEMBERS INVITED HERE

As a result of our talks in the area, Interior Secretary Udall and Assistant Secretary Carver early this spring invited members of the Vale Advisory Board, along with several members of the State and National advisory boards, to Washington, D.C. The discussions that followed were fruitful ones—and the meeting between high-level officials, practical conservationists and stockmen was in itself an important first step toward orderly range management policies.

Included in these discussions were National Advisory Board members, Dee Brownfield from New Mexico, Brunel Christensen from California, Henry Gerber of Klamath Falls, Oreg., and Charles Quaintance of La Grande, Oreg. Also present were members of the Oregon State Advisory Board. Bill Ross, the chairman of the Vale Advisory Board, presided at the meeting. This group spent almost a week going over in detail the proposed range rehabilitation plan for the Vale district. The conservationists and stockmen were not looking at it only as a Vale plan, however. They were looking at it as a model, or pilot program, that could be applied in any range district.

After completing its exhaustive study, the group approved the program without reservation. Concurrently, I appeared before the Senate Appropriations Committee and requested that an additional $2 million be made available for areas where range surveys indicated a need to reduce grazing use or where wildlife demands could not be met under existing range conditions. I explained that the cheat grass range should be replanted with crest grass, that sagebrush should be eliminated, that water supply development and fencing should be undertaken—that all of these steps should be taken under a cooperative management program to assure proper utilization of the range. I also discussed this matter with President Kennedy.

### PRESIDENT TRANSMITS BUDGET REQUEST

Subsequently, the President transmitted to Congress a formal budget amendment asking for a $2 million appropriation for this program.

I think it was the case, and unfortunately so, that some members of the Committee on Appropriations believed that the money was to be spent entirely in Oregon. This is not correct. I must assume or share the responsibility for that, because although I thought I had explained it to the Committee on Appropriations, I did not see all the members of that committee. I think some misunderstanding arose from the fact that all the members of the committee were not apprised of what the plan really covers.

The facts are set forth in a statement from the Assistant Secretary of the Interior. I ask unanimous consent that his statement be printed at this point in the RECORD, together with pertinent letters.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C., May 18, 1962.*
Hon. WAYNE MORSE,
*U.S. Senate, Washington, D.C.*

DEAR SENATOR MORSE: In further reference to my letter of May 14, 1962, I am pleased to inform you that the program for the rehabilitation of range lands in the Western States has been considered by the Bureau of the Budget. Neither the Bureau of the Budget nor this Department have objection to the distribution of the proposed work as outlined in the enclosure of my letter of May 14.

A letter is being sent to Senator HAYDEN requesting restoration of the program.

Sincerely yours,
JOHN A. CARVER, JR.,
*Assistant Secretary of the Interior.*

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U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C., May 14, 1962.*
Hon. WAYNE MORSE,
*U.S. Senate, Washington, D.C.*

DEAR SENATOR MORSE: In accordance with your request there is enclosed a program for rehabilitation of range lands in the Western States.

The enclosed material outlines a range improvement program along the lines presented in your testimony before the Senate Subcommittee on Appropriations.

Sincerely yours,
JOHN A. CARVER, JR.,
*Assistant Secretary of the Interior.*

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### BUREAU OF LAND MANAGEMENT—ADDITIONAL DATA REGARDING BUDGET AMENDMENT 1963 FOR ACCELERATED RANGE REHABILITATION ON THE PUBLIC LANDS

Many years of heavy use by wildlife and domestic livestock, wildfires, and other abuses accentuated by droughts and wind and water erosion have destroyed much of the vegetative cover on the public lands. Over 30 percent of the rangelands are in poor or bad condition. Only 20 percent is improving while the balance is static or becoming worse. Livestock operators are facing continual reductions in herd numbers because of dwindling forage production. Livestock is the backbone of the economy in greater portions of the Western States and reduction in livestock numbers creates a difficult situation not only for the range livestock producer, but also for communities in the area. Destruction of the vegetative cover has further resulted in the deterioration of watersheds. Irreplaceable soil is being lost from the range through sheet and gully erosion, and uncontrolled runoff from these watersheds is causing downstream losses and destruction by flooding and sedimentation.

The only alternative to permanent reductions in grazing use and continued flood and sediment damages downstream is the restoration of these lands to full productivity. The Vale district in Oregon, the Boise district in Idaho, the Winnemucca district in Nevada, and the Rio Puerco drainage in the Albuquerque district in New Mexico symbolize many of the major problems in present day Federal land resource management. Production can be restored in these areas by the intensive application of already proven treatments and practices. These project areas will constitute pilot areas of significant size to furnish much needed demonstrations of the value of effective conservation management on our national land.

### VALE DISTRICT, OREG.

Acceleration of the rehabilitation of the range resources in the Vale district requires the application of vegetative improvement projects coupled with fences, livestock water and other facilities for the protection, management and use of range areas during and following treatment. The following are major practices which will be accomplished during the first year of the project:

| Practice | Unit | Units to be accomplished |
|---|---|---|
| Range seeding | Acre | 13,000 |
| Brush control | do | 16,000 |
| Fencing | Mile | 50 |
| Water developments | Number | 40 |
| Range use facilities | do | 16 |

### BOISE DISTRICT, IDAHO

Restoration of resources on the public lands in the Boise district requires the accelerated application of those practices which will result in the improvement of the vegetative cover. The soil and climate are conducive to vegetative growth and lend themselves to established methods of range seeding and brush control. Water developments and range facilities for the protection and management of improved areas are also needed.

The following major accomplishments are planned for the first year of the project:

| Practice | Unit | Units to be accomplished |
|---|---|---|
| Range seeding | Acre | 6,000 |
| Brush control | do | 8,000 |
| Fencing | Mile | 30 |
| Water developments | Number | 20 |

### WINNEMUCCA DISTRICT, NEV.

The invasion of brush and other undesirable plants following heavy grazing in the Winnemucca district requires that brush and weed control measures be intensified to restore watershed values and forage production. Perennial grasses over much of the area have been reduced in abundance until adapted species must be established to replace them. Rehabilitation must consist of brush and weed control supported by water development, fencing and other range use facilities needed in protecting treated areas and enabling the establishment of sound systems of grazing management. The following major accomplishments are planned for the first year of the project:

| Practice | Unit | Units to be accomplished |
|---|---|---|
| Range seeding | Acre | 8,500 |
| Brush control | do | 11,000 |
| Fencing | Miles | 35 |
| Water developments | Number | 25 |

### ALBUQUERQUE DISTRICT, N. MEX. (RIO PUERCO)

More than 500,000 acre-feet of soil has been scooped out of valley fill and scalped from the upland topsoils in the Rio Puerco drainage, creating havoc locally and downstream. A number of villages have been abandoned, irrigation farming has had to be abandoned and grazing drastically reduced. The Rio Puerco contributes over half the silt which obstructs the channel of the Rio Grande and fills the basin of Elephant Butte Dam, but only one-sixteenth of the water. Corrective measures involve temporary impoundment of flood runoff near its source by land treatment measures such as contouring, deep ripping and by detention and diversion dams. Treated areas also require protection from uncontrolled grazing use. The following accomplishments are planned for the first year of the project:

| Practice | Unit | Units to be accomplished |
|---|---|---|
| Detention dams | Number | 25 |
| Diversion dams | do | 14 |
| Fences | Mile | 70 |
| Land treatment | Acre | 8,000 |

*Funds required by activities*

| Location: Districts | Management of lands and resources | | | Construction | | Total |
|---|---|---|---|---|---|---|
| | Management | Soil and moisture | General administration | Roads | Buildings | |
| Vale | $290,000 | $510,000 | | $35,000 | $165,000 | $1,000,000 |
| Boise | | 200,000 | | 15,000 | 85,000 | 300,000 |
| Winnemucca | | 250,000 | | | | 250,000 |
| Albuquerque-Rio Puerco | | 425,000 | | | | 425,000 |
| General administration | | | $25,000 | | | 25,000 |
| Total | 290,000 | 1,385,000 | 25,000 | 50,000 | 250,000 | 2,000,000 |

**Mr. MORSE.** Mr. President, I invite the attention of Senators to the fact that the Boise district of the Bureau of Land Management would be allotted $300,000 of this money, the Winnemucca district in Nevada, $250,000, the Albuquerque-Rio Puerco district in New Mexico, $425,000 and the Vale district, $1 million.

The reason for the larger allocation to the Vale district lies in the fact that a detailed plan has been prepared, and the Bureau is presently in a position to get started with a more definitive long-term range development program than might be possible elsewhere. I wish to make it clear that that is on a priority acreage basis.

The Vale district is as large as the State of Rhode Island, and the expenditures contemplated to complete range rehabilitation ultimately will total several million dollars. However, when the program is completed, the carrying capacity of this range for livestock and game will have been increased severalfold. There will also have been developed a sensible program of soil and water conservation and recreational use that will serve as a valuable model for the improvement of districts with similar problems.

### IMPORT COMPETITION FACTOR CITED

Recently the Senate considered H.R. 10788, dealing with textile imports. The Senator from South Dakota [Mr. MUNDT], proposed an amendment providing that import controls on lamb, beef, and other products would have to be imposed before the cotton agreements could go into effect. I am in favor of all proper efforts to protect domestic producers against competition from low-cost imports. I cosponsored the amendment placing this matter before the President. The problem of lamb and beef imports has a direct bearing on the range rehabilitation program which the Senate is considering today, for range rehabilitation offers a solution to the problem of import competition without imposition of controls.

The livestock industry is the backbone of the economy in large areas of the Western States. A reduction in livestock population means higher prices for the consumer, and this, in turn, means economic hardship in the ranching communities. Range development is not a subsidy; it is a program designed to allow American ranchers to produce the meat we need at reasonable prices, enabling them at the same time to remain competitive with foreign producers.

In short, range rehabilitation is a practical program for cooperation between ranchers and their government to insure wise management of public lands. The Federal share of the cost would be invested in reseeding the range. The stockmen would be required to invest their labor in water supply development, fencing, and other improvements. They would also be required to cooperate in improving grazing practices. And the benefits would be shared by all of us, today and in the future.

### THE SITUATION TODAY IS CRITICAL

At present, the situation is critical. The Secretary of the Interior advises us that over 30 percent of the public rangelands now are in poor condition. Even more significant, 80 percent of our rangelands are either not improving—they are stagnating—or they are deteriorating. We must halt this wasteful use of the public lands.

The Taylor Grazing Act, on the books since 1934, provides the authority required for rangeland conservation. It is up to us now to provide the money. The four areas covered by my amendment in support of the President's program offers us an opportunity to concentrate our efforts in areas of known difficulty. Our experience in these areas then can be put to good use elsewhere.

I have received numerous telegrams and letters from Oregonians regarding this program. They indicate clearly a desire on the part of the local people to work cooperatively with the Government on this important range conservation proposal. Among local supporters are not only ranchers, but bankers, chambers of commerce, production and credit associations, and county officials. I ask unanimous consent that some of these expressions of interest from my State be set forth at this point in my remarks.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

VALE, OREG., *May 11, 1962.*

Senator WAYNE MORSE,
*Senate Office Building,*
*Washington, D.C.:*

Senate committee refusal to approve funds for proposed Vale project is severe blow to conservation. Rehabilitation of public range is only salvation for wildlife, recreation, and livestock interests. This investment in the public's resources is long overdue. With Vale district as a pilot program the entire Nation will benefit. This opportunity may never occur again, so urge your enthusiastic effort to get funds appropriated.

WILLIAM G. ROSS,
*President, Malheur County Livestock Association and Chairman Vale District Advisory Board.*

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*Senate Office Building,*
*Washington, D.C.:*

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D. E. MASTERSON,
*President, U.S. National Bank of Portland, Vale Branch.*

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ONTARIO, OREG., *May 11, 1962.*

Hon. WAYNE MORSE,
*U.S. Senate,*
*Senate Office Building,*
*Washington, D.C.:*

Sorry to hear your Appropriations Committee eliminated Vale seeding project which meant renewed life for our livestock industry and indirectly to wildlife and recreation. Our public ranges have been in need of such attention for years. This project would serve as pilot for other Western States, so imperative it be reinstated. Warm regards.

ONTARIO CHAMBER OF COMMERCE.

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VALE, OREG., *May 11, 1962.*

Senator WAYNE MORSE,
*Senate Office Building*
*Washington, D.C.:*

The county court of Malheur County firmly believes that the appropriation before the Senate Department of the Interior Appropriations Committee concerning the pilot program BLM lands comprising the Vale, Oreg., grazing districts of vital importance to the improvement and maintenance of these lands and the appropriation is for the benefit of all concerned.

MALHEUR COUNTY COURT,
ELLIS A. WHITE, *County Judge.*

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BAKER, OREG., *May 16, 1962.*

Hon. WAYNE MORSE,
*Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR MORSE: We urge your continued support in procuring a reasonable amount necessary to rehabilitate the Vale, Oreg., range project.

BAKER PRODUCTION CREDIT ASSOCIATION,
EARL HEIZER, *Manager.*

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PRINEVILLE, OREG., *May 18, 1962.*

Senator WAYNE MORSE,
*Senate Building,*
*Washington, D.C.:*

Oregon cattlemen reaffirm favorable reaction to Vale project appreciate your interests and efforts in new attack advise if any help needed.

OREGON CATTLEMENS ASSOCIATION,
GEORGE W. JOHNSON,
*Executive Secretary.*

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ONTARIO, OREG., *May 19, 1962.*

Senator WAYNE MORSE,
*Washington, D.C.:*

Malheur County Livestock Association strongly urges reinstatement of appropriation for range rehabilitation pilot program in this area. At least 75 percent beef cattle operations in district dependent upon public range for summer feed and must have relief from imposed use reductions to remain a healthy industry in the future. The economy of entire western region seriously affected and dependent upon the livestock industry and therefore upon a progressive range rehabilitation program as to be inaugurated if funds made available.

WILLIAM G. ROSS, *President.*

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RESOLUTION

Whereas the administration has proposed a cut of $100 million in funds, for the agriculture conservation stabilization program for the coming year; and

Whereas this money is primarily used for actual conservation of farmland, and erosion control; and

Whereas the average farmer does not have sufficient funds, or equipment to combat the floods, droughts, and other elements of nature: Now, therefore, be it

*Resolved,* That Ashbutte Grange No. 802 duly assembled this 14th day of April 1962, go on record as requesting these funds to be continued.

CHARLES J. KEEGAN,
*Master.*
GERTRUDE FINNELL,
*Secretary.*

ASHWOOD, OREG.

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OREGON DIVISION, IZAAK WALTON LEAGUE OF AMERICA, INC.,
*May 28, 1962.*

Hon. WAYNE MORSE,
*U.S. Senator,*
*Washington, D.C.*

DEAR SENATOR MORSE: We are enclosing an editorial from the Oregonian of May 18 and it so happens that this editorial expresses the views of the Oregon division in respect to the subject of the cuts in the budget for the Bureau of Land Management.

We wish to make specific objection to the elimination of the $129,800 for the Information and Education Service of the BLM.

Your consideration of the enclosure and your support in assisting the sustaining of the BLM budget would be appreciated.

Sincerely yours,

ALLAN L. KELLY,
*President.*

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VALE, OREG., *May 15, 1962.*

Senator WAYNE MORSE.
Senator MAURINE NEUBERGER.
Representative EDITH GREEN.
Representative AL ULLMAN.
Representative WALTER NORBLAD.
Representative EDWIN DURNO.

DEAR SENATORS AND REPRESENTATIVES: In regard to the Bureau of Land Management pilot plan formulated this year in Washington, D.C., we are deeply confused about the information given you resulting in the refusal to appropriate the financing essential to completion of such a needed program. Money, heretofore appropriated in this field, has done little toward any concrete development of these rangelands other than administrative costs. The area is large and has two major services to give eastern Oregon—wildlife and stock grazing. The lifeblood of the cattle industry depends upon proper grazing. The raising of stock has long been a major industry in eastern Oregon and, as such, should merit the deepest consideration of Congress. It is well to be fully aware that eastern and western Oregon have small resemblance in any field.

You already have a copy of the recommendation made this last March 24 in Corvallis, Oreg., at the direction of the Oregon division of the Izaak Walton League of America in reviewing the Bureau of Land Management pilot plan. We enclose a copy of same.

Our local Malheur County Chapter of the Izaak Walton League is also sponsoring this spendid and workable program, and we are in the position of being well informed at the very source of its need. Regardless of party affiliation we feel every potential of the rehabilitation program was adequately investigated by Senator WAYNE MORSE and Representative AL ULLMAN and so reported to Congress.

The Izaak Walton League of America serves no purpose other than the "good of the whole" and, as such, has made this recommendation following information from all sources. We do not go into lengthy details concerning statistical matters already in your files, but we in this area do know the merits in the pilot program and the urgent need to the future maintenance of our great cattle industry.

Respectfully yours,

JOE F. BEACH,
*President, Izaak Walton League, Malheur County Chapter, Vale, Oreg.*

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MARCH 28, 1962.

Senator WAYNE MORSE.
Senator MAURINE NEUBERGER.
Representative EDITH GREEN.
Representative AL ULLMAN.
Representative WALTER NORBLAD.
Representative EDWIN DURNO.

DEAR SENATORS AND REPRESENTATIVES: On March 24, the directors of the Oregon division of the Izaak Walter League of America reviewed the Bureau of Land Management pilot plan for demonstration of range rehabilitation potentials on the Vale Grazing District of Oregon.

The attached resolution was unanimously adopted, and the division urges your support in securing the necessary appropriations and authority for execution of this $16 million pilot project.

The qualifications stated in the resolution are explained, as follows:

1. Livestockmen must cooperate: It is a matter of record that permittees in the Vale district have successfully resisted the Bureau's efforts to adjudicate grazing on the basis of range carrying capacity for many years. This being the case, it appears that substantial expenditures of public funds would be a waste unless the permittees are willing to accept the type of management that would assure maintenance of the rehabilitated areas,

2. Priority should be given to units that have been voluntarily adjudicated: The league is concerned for the fact that emphasis of work in the Vale district is not necessarily fair to the permittees in other districts who have voluntarily cooperated in grazing adjudication and range improvement programs. However, the Solier Creek and Mahogany units within the Vale district have been adjudicated.

3. Program should be broader than grass rehabilitation: Although the Bureau's plan provides for construction of access roads, fences, waterholes, and recreational facilities, the emphasis appears to be upon spray-

ing of sage brush and planting of perennial grasses. It is anticipated that rehabilitation of grasses will benefit cattle and perhaps antelope, but the elimination of shrubs could have a detrimental effect upon deer, sage grouse, and domestic sheep if the requirements of these animals are not fully considered in the design of the program.

The plan provides in principle for all of the above qualifications; however, the Izaak Walton League desires to clearly define the necessity for these provisions.

Your assistance in this constructive effort to improvement the renewable resources upon public lands will be appreciated.

Sincerely yours,
OREGON DIVISION, IZAAK WALTON LEAGUE OF AMERICA, INC.
ALLAN L. KELLY, *President*.

Copies to: Secretary of the Interior, Director of Bureau of Land Management, Senate Interior and Insular Affairs Committee, Senate Appropriations Committee, House Interior and Insular Affairs Committee, House Appropriations Committee.

### RESOLUTION

Whereas the Izaak Walton League of America, Inc., has repeatedly urged multiple-use management and development of Federal lands to better serve all people through protection and enhancement of renewable resources; and

Whereas Bureau of Land Management Director Landstrom and his staff have prepared a pilot plan for the orderly restoration of forage and other resources upon Federal lands in Oregon; and

Whereas the success of the plan is dependent upon adequate Federal appropriations and local cooperation of all interested parties, including the persons grazing livestock: Now, therefore, be it

*Resolved*, That the Oregon division, the Izaak Walton League of America, Inc., by action of its directors in regular meeting at Corvallis, Oreg., this 24th day of March 1962, endorses the proposed plan with the following qualifications and recommendations:

1. That no public funds shall be spent for the enhancement of grazing upon any allotment until the benefiting permittees agree to maintain livestock numbers and seasons of use at a level that will permit successful completion of rehabilitation projects and preclude further injury to ranges that are not being directly treated.

2. That the grazing units which have voluntarily cooperated in grazing adjudications and other constructive programs be given a priority in the range improvement program.

3. That forage species other than grass and the requirements of animals other than cattle also be given consideration in the design of this pilot project.

(Adopted by Oregon division, Izaak Walton League of America, Inc., March 24, 1962, Corvallis, Oreg.)

Mr. MORSE. Mr. President, I know that many members of the Committee on Appropriations favor this much-needed program. The committee chairman, the senior Senator from Arizona [Mr. HAYDEN] worked long and hard on its behalf. It is my hope that the Senate will now vote favorably on this appropriation and will instruct the conferees to stress its importance to the establishment of sound conservation practices, in furthering the economic welfare of our Nation—and in preserving a "home on the range" for the ranch families of the West.

Mr. President, I think I owe the distinguished Senator from Idaho [Mr. DWORSHAK] an apology for an unintentional failure on my part to discuss the proposal with him when it was before the Committee on Appropriations. Frankly, I did not know exactly when the subject would come up before the committee. I work at the same pace at which the Senator from Idaho works. I was not aware that he was not familiar with all the details of the project. But that does not excuse me for not apprising him that it involves the Boise district as well as the Nevada and New Mexico districts. I hope the Senator from Idaho will understand that my failure to talk with him was not an intention on my part to perform an "end run" around him.

Nevertheless, I believe the project is of as vital concern to Idaho as it is to Oregon and to other States. I assure the Senator from Colorado [Mr. CARROLL] again that under the Grazing Act we are starting a 7-year program that will be spread to the other parts of the public domain.

I put a simple question to the Senate: Do we want to appropriate the money recommended by the experts in the Department of the Interior and by the Advisory Council, working under the Taylor Grazing Act, for a program which, in their opinion, would restore the range and bring back into production a range which has now deteriorated? I think this would be a wise expenditure of money. I say most respectfully that I believe this program is more important than some other proposals for the enlargement of the Bureau's budget. I think this proposal should come first. I hope the Senate will share my view and will support the amendment.

Mr. BIBLE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Nevada.

Mr. BIBLE. Is it not true that this is a cooperative program?

Mr. MORSE. It is a cooperative program. There is one point that I missed; I shall cover it in a moment. This is a cooperative program. Those who will benefit by it will have to spend for water holes and for fencing; they will have to help with the eradication of sagebrush, with spraying, and, in some cases, with controlled burning.

I do not wish to bore the Senate with a long discussion of some of the problems of range rehabilitation, but I should like to stress one point. Many persons seem to have the notion that to rehabilitate the range, all that is necessary is to take off all the livestock and put an end to all wildlife on the range. There could be no surer way of deteriorating the range. The conception that if all grazing on the range were stopped, the range would replace itself is erroneous. I could take Members of the Senate to the great experiment stations in the West. For example, at the Squaw Butte Experiment Station can be seen a large area of land on which there has not been a set of grazing teeth since 1936. Across the fence is similar land that has been carefully grazed since 1936. That is the finest type of grazing land. But the land which has not been grazed has deteriorated. The plants have died out. It goes into bunch grass. Senators who know what bunch grass is know that the heart of the bunch grass is in the center of the plant. The best way to replenish bunch grass is to clip it; and it is best clipped with sets of grazing teeth. The range cannot be rehabilitated by letting bunch grass go unranged. That is a misconception which I find to be very prevalent when I talk with persons who are not familiar with range problems.

The Senator from Nevada [Mr. BIBLE] has raised a pertinent point by stating that this is a cooperative program.

Mr. BIBLE. I thank the Senator from Oregon. I wholeheartedly associate myself with him in supporting this amendment. It is very easy to explain why the Winnemucca district in my State of Nevada was included in this particular proposed legislation.

For the past 3 years Nevada has suffered one of its all-time worst droughts. The range has run down to such an extent that cuts of as much as 40 percent in range rights were threatened. This is true of the Vale District, and I think it is also true of the district in New Mexico and the district in Idaho. This program pays many times its cost, in dividends. In Nevada we are not unfamiliar with the reseeding program. It is a program on which the funds used are very well spent. I recall several reseeding projects in my own State and in other States which also were hit with drought. That was 2 or 3 years ago; and I believe I am correct in saying that by proper reseeding, the carrying capacity is improved by approximately 7 or 8 times what it is today.

There is another point which needs to be stressed in connection with this program: It is one of the very fine means of controlling and eradicating Halogeton, which is one of the great scourges of the Western States.

Mr. MORSE. That is correct. In this connection, the question can properly be asked, Why did not this item receive the approval of the Appropriations Committee? The Senator is a member of the committee——

Mr. BIBLE. That is true; and I voted for the amendment.

Mr. MORSE. But I believe that as a member of the committee, the Senator will agree with me when I state that when the item was considered in the Appropriations Committee, it was very doubtful whether all the members of the committee understood that this project covers several States, and is only the first leg of a 7-year program; and some members had the misconception that because the item bears the label "Vale project", it is solely an Oregon project. Of course, if it had been solely an Oregon project and if the entire amount of money had been allowed for only that part of the project, the item still would have been justifiable. But this is not a 1962 program for the senior Senator from Oregon. I have been battling for this kind of range rehabilitation during all my years in the Senate. I have been assisted by my colleagues from Oregon, as they have served with me, in connection with the range-rehabilitation program—not only by the present junior Senator from Oregon [Mrs. NEUBERGER], but also by her husband, the late Senator Dick Neuberger. We have worked for this kind of range rehabilitation program, not for Oregon, but for all the West. Now we have an opportunity to put into operation this sound program, under the provisions of the Taylor Grazing Act.

Mr. BIBLE. I am thoroughly in accord with the Senator from Oregon. I amplify his statement by saying that what is good for the Vale district, in Oregon, and for the Winnemucca district, in Nevada, is also good for all the other Western States. This program is one to increase efficiency and eradicate disease and erosion; and it will actually result in a saving in the long run. In my State, in this particular district, there are many small cattlemen; I think there are 150 permittees in the Winnemucca district. They are mainly small operators; and if they are faced with a cut of 70 percent, we know what the result will be: They will be wiped out; they will be forced into bankruptcy. This kind of program gives them a chance to continue on the range and to make a living.

Mr. MORSE. Of course the Senator from Nevada knows that when he talks about what these cuts do to the small family ranchers—those with from 75 to 300 head of cattle as their total source of income—it is clear that if a cut is made in their herds, not only will all their income be destroyed, but all of the value of their base ranch will also be destroyed. They may have 2,000 or 3,000 acres of sagebrush land, but the value of their homestead lies in the ability to graze their cattle there, and without this program that land will become absolutely valueless. That is the problem which the Federal Government is seeking to solve with the Council, under the Taylor Grazing Act; and that is the purpose of this amendment.

Mr. BIBLE. Mr. President, I am delighted to associate myself with the Senator from Oregon on this amendment. It is for a pilot program which would benefit all the grazing States. As such, this project should go forward.

Mr. CARROLL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Colorado.

Mr. CARROLL. I realize the importance of the work the Senator from Oregon has done on this project.

The Chairman of the National Advisory Board is a Colorado man, and I know that there is great concern in Colorado in regard to this program. I have been informed by the Deputy Director of the Bureau of Land Management, who also is a Colorado man, that there is need for this program in Colorado, not next year, but this year.

I wish to propound a parliamentary inquiry, if I may:

If this amendment, which calls for an additional $2 million, is adopted, will the Bureau of Land Management itself determine where the projects will start?

Mr. MORSE. That is true.

Mr. CARROLL. I ask the Parliamentarian if that is true.

The PRESIDING OFFICER. The Senator from Colorado has propounded a question which calls for a legal interpretation; he has not propounded a parliamentary inquiry.

Mr. CARROLL. Mr. President, I would not want anything in the record to indicate that the Bureau would be bound to allocate the funds to only certain States, because I think Colorado should be included. I believe that even more than the amount called for by the amendment should be appropriated, because several other States have equally serious problems of this sort. It is unfortunate that the junior Senator from Colorado was not consulted before the amendment was brought up, because he would have definitely advocated increasing the amount. I favor the amendment, and the Senator from Oregon is entirely correct. I do not want the Bureau of Land Management put in a straitjacket. I want it to be free to apply the funds where they are needed.

Mr. ANDERSON. Mr. President, I think we can assure the Senator from Colorado that the effect of this provision will be what he has just suggested.

The pending question is whether to adopt the amendment, which calls for an increase in the amount set forth on page 2 in line 10—in other words, to increase it from $141,022,200 to $43,022,200.

But the amendment does not provide in any way how the additional money is to be spent. The National Advisory Council, in considering the projects, naturally had to find projects ready and eligible to go under a cooperative arrangement; and it has estimated that $2 million could properly be used in this way.

But if the amendment is enacted and becomes law, I am certain that the Bureau will review the areas throughout the country and will select not only the ones which are ready to go, but also those most in need of this service. I am sure that Colorado will be included, because I am sure this service is badly needed there.

In my own State, a great deal of the silt being dumped at the dams comes from that part of the country. For example, it is obvious that such a project in Colorado is greatly needed at the Elephant Butte Reservoir, and that it would be of great merit.

The table set forth was presented in an effort to show that there is need in the various States for this much money, and more, and that in several years a great many States will be covered.

I am sure the Senator from Colorado is correct in believing that his State will receive attention in that connection; and I am sure I am correct in assuring him that the presentation being made this afternoon does not lock the door to the inclusion of any State, but is merely for the purpose of showing that there is definite need for at least this much money.

Mr. CARROLL. I thank the Senator from New Mexico.

Mr. MORSE. Mr. President, I agree with what the Senator from New Mexico has said. At the same time I would rather lose in my effort to have this amendment adopted than leave this record on the least uncertain or confused. I have tried my level best to give a very accurate account of how this project came into being.

I repeat that the amendment does not provide that so many dollars shall go to project A or to project B. But I did explain to the Senator how the project was born. A conference was held here. The National Advisory Council members' decision was to start range rehabilitation. As the Senator from New Mexico said, they looked at projects that were able and ready to be proceeded with. They said the recommendation would involve these projects and that we ought to start with a minimum of $2 million.

The Senator is quite right; the power rests in the Department of the Interior to reshuffle that money any way it wants to in regard to any project it wants to consider the first year; but I want the Senator from Colorado to know that their plan is to do these projects the first year, then to move into another group of States the second year, and another group the third year.

The whole project could be decimated by using so little money on a particular project that it would not do any good at all. So we have a problem as to whether or not we are going to underwrite a sound approach to the range rehabilitation program, range area by range area, or whether we are going to insist on diluting the amounts to be spent into such small sums that, in effect, the purpose will be defeated before we start.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CARROLL. Of course, what the Senator has said is true. I do not propose such a plan, but I do not propose, after the people of my State have been working on this problem for years, to have the junior Senator from Colorado stand by and say nothing and therefore have it implied that we do not need the assistance in our State, when, in fact, we do need it. I was informed a few moments ago that we need it as much as any other State, although perhaps not as much as Idaho.

Therefore, I want the RECORD to show I think that BLM should at least make a start in Colorado. I suppose other Senators could say the same about other States.

I am going to support the amendment. I have confidence in the Bureau of Land Management. I do not think they ought to pour most of the money into one area and do nothing in others. They could do some experimentation. Assistant Secretary of the Interior, John Carver, has said to me of this program, "We are on the threshold of history." And he indicated Colorado projects would soon be included.

I think we understand one another. I do not want the Senator from Colorado to have implied a sense of approval of a series of projects in certain States set up by the National Advisory Board of Advisers, without expressing the deep concern of the people of Colorado about participation in the program.

Mr. MORSE. I think the Senator is quite right. I have not any doubt, knowing his ability, that he will see to it that adequate representation of Colorado is made to the Bureau of Land Management with regard to the program. I am also convinced that, once the Senator from Colorado sits down with representatives of the Bureau of Land Management, he is going to be delighted with what the program will mean to the State of Colorado, as Colorado comes under the range rehabilitation program.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CHURCH. I commend the Senator for his lucid explanation of the amendment. I wish to tell him I am greatly pleased to be a cosponsor of the amendment.

As the Senator very generously mentioned in his remarks, the grazing problem has become critical in Idaho, so much so that the distinguished junior Senator from Utah [Mr. Moss], at my request, conducted hearings in Twin Falls, Idaho, 2 years ago, where no fewer than 60 or 70 witnesses, as I recall, came in to testify as to the drastic cuts which were threatened by the Bureau of Land Management in connection with grazing on the public range.

I should like to relate the proposed pilot program to conditions in Idaho. The amendment offered would restore $2 million needed by the Bureau of Land Management to improve and restore grazing lands in several Western States, including my own State of Idaho.

The quality of certain grazing lands in Idaho has been steadily deteriorating due to the lack of funds required to rehabilitate them. The condition of lands in the Boise district of Idaho is particularly severe. Cattle grazing has been restricted on these ranges, thereby working a hardship on both large and small ranchers. Restriction of grazing is a nonproductive answer to a very serious problem.

Under the provisions of the proposed amendment, $300 000 would be allotted by the Bureau of Land Management for range seeding, brush control, water development, and necessary fencing in the Boise district. Only through these positive measures of conservation can these lands be restored to serve the purposes of livestock production. Today livestock production is Idaho's No. 1 agricultural cash crop. Therefore, the importance of range rehabilitation and conservation to our ranchers cannot be overlooked.

Mr. President, the funds requested in this amendment are vital to the economic development of our Western States. Conservationists and ranchers in these States favor this program to combat grazing range deterioration in these critical areas.

So I am pleased to join the distinguished Senator from Oregon in cosponsoring the amendment. I want to commend him for the way he has undertaken to do what must be done to rehabilitate our rangeland. It is long past due, and this pilot program is a very promising start which, in the end, will bring great benefits to all the western public land States. I assure him I will be happy to do all I can to support him in this effort to help the sheep and livestock industry of the West.

Mr. McGEE. Mr. President will the Senator yield?

Mr. MORSE. I yield.

Mr. McGEE. The Senator states very well the cause of Wyoming as he describes the grazing problem in his own State of Oregon. I can think at the moment of a particular area where this problem has been plaguing us, the Kirby Creek area in the Big Horn area of the State, where some of the stockmen can point to proposals of 80-percent cuts, which means, in effect, as the Senator knows, they must go out of business as a result.

I want to associate myself with the Senator from Oregon in this approach to troublesome questions that need not have become troublesome if the Bureau of Land Management had been willing to act on this problem at an earlier time.

I applaud the Senator from Oregon on his initiative in pressing this effort. I assure him full cooperation will come from those who represent Wyoming.

I hope this proposal will avoid the confusion that proposals of some of our leading groups suggest, particularly in the realm of conservation. Conservationists occasionally get exercised on the question. I think it is unfortunate that they do, because this is a question of the wise utilization of the range rather than wasting the resources of the range. The resources are being wasted if the range is not built up and utilized effectively in economic terms. I think if we can dissociate the question of good use of the range from the theory of some conservationists, we will get down to brass tacks on the issue at stake in the proposal of the Senator from Oregon. I commend him for his efforts in this regard.

Mr. MORSE. Mr. President, it means a great deal to me to hear that statement, because I know the Senator knows the range problems of Wyoming, as does his colleague.

Mr. HICKEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Wyoming.

Mr. HICKEY. Knowing full well the way in which the senior Senator from Oregon thoroughly explores legislation before he introduces it, I have a couple of questions I would like to propound for the benefit of making a legislative record.

Considering what the Senator from New Mexico [Mr. ANDERSON] said and what the senior Senator from Oregon [Mr. MORSE] said, and recalling a hearing some 3 years ago when I was Governor and was in Worland, Wyo., the question rises in my mind, with regard to the statement made by the senior Senator from Oregon, and the subsequent remarks of the Senator from New Mexico, as to the number of people who represented the areas that were indicated in his speech.

Under the subheading "Advisory Board Members Invited Here" the Senator lists a number of people from Western States, from the public-lands States. There is no mention of any person from Wyoming or representing any part of Wyoming.

Mr. MORSE. I interrupt the Senator to say that the Department called on the National Advisory Council, it being informed as to the nature of the problem, to send representatives to the meeting to speak on behalf of the Council. The National Advisory Council members really represented all of the States, in the sense that the National Advisory Council represents all the States.

Mr. HICKEY. I believe that answers one of my questions. The selection of those who represented the western areas was made by the Advisory Council, which includes all the public-lands States.

Mr. MORSE. The Senator is correct.

Mr. HICKEY. Having that in mind, and recalling what was said by the Senator from New Mexico [Mr. ANDERSON], I interpreted that to mean that when the group met it presented specific problems in specific States, which totaled up to a need for the amount the Senator has indicated.

Mr. MORSE. I think it would be better to describe it in this way: There was a meeting with representatives of the Department of the Interior—with the Secretary, with the Assistant Secretary, with the Director of the Bureau of Land Management, and with other officials in the Department—and they discussed the whole problem of how to get on with the job of rehabilitating the range. The recommendations as to the first step came from the Department of the Interior and not from the advisers, not from the Council. The Department agreed on the procedure for range rehabilitation, which involved great changes in past Bureau of Land Management policy. That is the contribution which the representatives of the Council made.

The program for the first pilot test came from the Department and not from the Council.

I should like to have the Senator from Colorado [Mr. CARROLL] understand this thoroughly. I do not wish to have the RECORD place the responsibility for the suggested selection of pilot projects on the Council. That is the responsibility of the Department of the Interior.

As the Senator from Colorado has pointed out, this is subject, of course, to further discussions with the Department of the Interior. It is not fixed and certain. It was said, "These are projects we are in a position to go ahead with because there is a clear indication of cooperation and the local participation which is necessary."

Mr. HICKEY. That answers my second question, and pinpoints the fact that the selection of the area was specifically done by the Bureau of Land Management.

Mr. MORSE. The Senator is correct.

Mr. HICKEY. I sincerely appreciate the answers of the senior Senator from Oregon. I say to the Senator, as a former secretary of one of the first Taylor Grazing Boards in the State of Wyoming, I recall that at the time of Mr. Ferry Carpenter, who I am sure the senior Senator from Oregon well knew, there was an intention that the philosophy propounded by the senior Senator from Oregon be the philosophy in the control and management of the public range.

I am most happy to associate myself with the senior Senator from Oregon, even at this late date, in pinpointing the kind of things we need, which have so long been overlooked in the management of the range in a proper fashion, which will do as was indicated by my colleague [Mr. McGee]. We must eliminate the cuts which have caused so much difficulty.

The meeting to which I first referred was held at Worland, Wyo., at which we had representatives.

Mr. MORSE. Mr. President, I appreciate the comment of the Senator from Wyoming about the conservation philosophy of the Senator from Oregon, which, as I say, has been shared by my colleagues in Oregon. I wish to stress that this was a program unanimously recommended by the people from the range themselves, represented by the State and National Advisory Councils. That was their program.

I quite agree with the Senator. They pointed out over and over again at the conferences, "This is what the Taylor Grazing Act envisioned in the first place." They urged that the Department get back to its original plan.

If I may, I should like to have the attention of the Senator from Nevada [Mr. Bible], of the Senator from Colorado [Mr. Carroll], and of other Senators, because I had started on a point and I was diverted from it. I did not mention one other phase of the voluntary participation on the part of the ranchers themselves.

I need not tell anyone from the Western States that one of the most controversial issues raised from time to time is the issue of grazing fees. This was thoroughly discussed. There is not any question, I say to the Senators from the Western States, it is contemplated that as we go forward with this kind of program the grazing fees will be raised—and should be. Grazing fees will be raised—and should be.

When the representatives of the ranchers sit down in the kinds of conferences which have been held, they recognize this is to be expected. All they say is, "If we go through with the rehabilitation program such as is proposed, there will be range in sufficient quantity to justify a raising of the grazing fees, and the increase in the grazing fees will be plowed back into the Treasury of the United States and will help to resuscitate the range from the standpoint of increased income from the fees."

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Colorado.

Mr. CARROLL. I should like to invite the Senator's attention to the statement I gave in February 1960 before the Senate Subcommittee on Appropriations dealing with fiscal year 1961 funds for the Department of the Interior.

Mr. MORSE. I think it would be a good idea to have the statement again printed in the Record.

Mr. CARROLL. I said at the time, referring to fiscal year 1961.

> Colorado ranchers are concerned about the budget estimate reduction of $481,400 in the soil and moisture conservation program of the Bureau of Land Management.

The purpose of my statement was to call attention to the soil and moisture conservation program and its relationship to Colorado.

I point out that I sought $4,252,000 in fiscal year 1961. The Senate gave us $5 million, but this was cut to about $3.7 million in conference. The program was slipping badly behind in its 20-year schedule. I am pleased to see that this year the conservation program to help western cattlemen is back on schedule with an $8.5 million appropriation.

Mr. President, I ask unanimous consent that my statement may be printed in the Record at this point.

Mr. MORSE. Mr. President, I think the statement should be printed in the Record. May we have a ruling that the Senator's statement before the Appropriations Committee in 1960 may be printed in the Record at this point?

There being no objection, the statement was ordered to be printed in the Record, as follows:

### Statement by Senator John A. Carroll Before the Senate Appropriations Committee, February 1960, in Behalf of Funds for Range Reseeding and Soil and Moisture Conservation Practices by the Bureau of Land Management

Colorado ranchers are concerned about the budget estimate reduction of $481,400 in the soil and moisture conservation program of the Bureau of Land Management.

The House of Representatives has now concurred in that reduction.

If the Senate concurs in that action we will have thrown the 1955 20-year plan of the Bureau of Land Management 40 percent behind schedule.

In fiscal 1960 the soil and moisture conservation program had an appropriation of $3,733,900. This was down about $100,000 from the previous year. It has now been cut by $481,000 which reduces it to $3,252,000.

Under the BLM plan established in 1955 it was proposed that soil and moisture work should progress on the following appropriation schedule in order to accomplish the range protection work so vital to the economy of our Western States:

| | |
|---|---|
| 1956 | $2, 800, 000 |
| 1957 | 3, 500, 000 |
| 1958 | 4, 200, 000 |
| 1959 | 4, 900, 000 |
| 1960 | 5, 600, 000 |
| Total | 21, 000, 000 |

Instead the amounts appropriated have been:

| | |
|---|---|
| 1956 | $2, 738, 971 |
| 1957 | 3, 186, 142 |
| 1958 | 3, 625, 060 |
| 1959 | 3, 815, 050 |
| 1960 | 3, 733, 900 |
| Total | 17, 099, 123 |

In fiscal 1961 it was anticipated under the BLM 20-year soil and moisture conservation plan to expend $6,300,000. Instead the budget estimate calls for $3,252,500.

We fall further behind in our goal each year.

The difference in the budget estimate and the BLM 20-year plan means the following in soil and water conservation work on the Federal lands of the semiarid West:

1. Instead of building 80 detention dams we will build 42.
2. Instead of seeding 150,000 acres of western range land to grass we will seed 76,300.
3. Instead of controlling brush on 120,000 acres we will attack only 59,100 acres.
4. Instead of caring for 2,600,000 acres of land we will be able to care for only 1,403,000 acres.

All of this, as you can see, is a drastic reduction in the program the Bureau of Land Management and its State advisers deemed necessary for the next 20 years in the West.

I know the committee understands and appreciates the value of soil and moisture work in the West.

I am hopeful the committee will see fit to move this BLM program at least partially back on the schedule set for it in 1955.

I recommend that the committee consider restoring the $481,400 reduction in the Bureau of Land Management soil and moisture conservation appropriation and adding $518,600 to help bring the program back on schedule, making a total appropriation of $4,252,000.

Mr. CARROLL. I do this for the purpose of emphasizing the continuing importance of the problem to Colorado. Colorado ranchers, ably represented by Dan Hughes and Leonard Horn, have worked for years to get progressive soil and moisture and land management programs in our States. I am very reluctant even to raise a question that might in any way affect the possibility of adoption of the amendment of the Senator from Oregon. The amendment ought to be accepted overwhelmingly.

I point out, as the Senator from Oregon pointed out, that the Bureau of Land Management would retain the sole authority. The Bureau would use its best judgment and best intelligence as to how to begin the program.

This is to be the beginning of a great program. As Secretary Carver said to me today, "This is history in the making in the field of conservation." I know how hard the Senator from Oregon has worked for the program. I am told that the Vale project is a breakthrough into a new range-conservation concept. The intent now will be to take range areas on a project-by-project basis, much like Bureau of Reclamation water projects.

I say to the Bureau of Land Management and to those who will make the decisions on new projects: Take a look at western Colorado. We have several range districts ready to be rehabilitated and restored. Our Colorado stockmen need this help.

In view of the statements which have been made I hope Colorado will receive early consideration.

I thank the Senator from Oregon. I support his amendment.

Mr. MORSE. Mr. President, I yield the floor.

Mr. METCALF. Mr. President, I wish to discuss with members of the committee some language in the report, on page 17, as follows:

> The Senate concurs with the House allowance of $7 million for the migratory bird conservation account. The purpose of this appropriation is acceleration of acquisition of wetlands and other essential waterfowl habitat as authorized by the act of October 4, 1961.

That act was Public Law 87-383. It provided that there would be loaned to the migratory bird conservation program $105 million. In accordance with that loan, $7 million was proposed to be spent the first fiscal year, $20 million for the four succeeding fiscal years, and $18 million in the last year. In order to establish the program and activate the staffing so that the Commission on Acceleration could work, the appropriation was included. The distinguished Senator from Nebraska [Mr. HRUSKA] and I are the representatives in the Senate on the Commission. Of course, we want to do everything that we can in order to carry out the will of the Senate. Therefore, I direct these remarks to the question of determining exactly what should be done.

I wish to call the attention of the committee to the fact that Public Law 87-383, an act of October 4, 1961, provides that—

> No land shall be acquired with moneys from the Migratory Bird Conservation Fund unless the acquisition thereof has been approved by the Governor of the State or an appropriate State agency.

Members of the Commission have gone much further than that. The Commission has been very careful not only to see that the Governor of the State accepted and acquiesced in the proposed acquisition of land, but when opposition has arisen from local boards of county commissioners, county judges, or local taxpayers' associations, the Commission has rejected the proposed acquisition. Since there are so many areas in which we can work, we have desisted from going against local authority.

So when the committee directs that no staffs be formed to carry out the program until such time as the States of North Dakota, South Dakota, and Minnesota have assented to purchase of the lands in those States as required by law, I find some ambiguity in the direction the Senate has given me as its representative on the Commission. Does the language mean, for example, that we cannot go into the State of Louisiana or the State of California under the accelerated program, or must we stay out of North Dakota, South Dakota, and Minnesota until the authorities have acquiesced in the program?

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. METCALF. I yield.

Mr. MUNDT. First of all, I agree with the Senator from Montana that there is some ambiguity in the language as it appears at the top of page 17. It is subject to varying interpretations by different people. I shall try to relate precisely what the committee had in mind.

The provision is at best a temporary safeguard which has been put in by the committee because of proposed legislation of which the Senator from Montana may be coauthor, though I am not sure. The Committee on Agriculture and Forestry of which the Senator from Minnesota [Mr. MCCARTHY] and I are members is now working through a subcommittee to develop legislative language to meet that kind of problem.

I think perhaps the language might be stated in the following way, and I wonder if it would meet the objection of the Senator from Montana. What we were really endeavoring to say is that—

> The committee directs that no staff be formed to carry out the purchase program in the States of North Dakota, South Dakota, and Minnesota until those States have assented to purchase of lands as required by law.

The phrases were placed in rather difficult and redundant context. The statement is subject to some misinterpretation, but what I have stated is what we are trying to do. Would that language be satisfactory to the Senator from Montana?

Mr. METCALF. Whatever the Senate directs me to do as its representative on the Commission is satisfactory. I only wanted to be sure what the Senate specifically meant. Of course, the language would help us under the accelerated program to acquire additional wet lands. There are magnificent wet lands available.

Mr. MUNDT. The tax problem in other States is not as serious as it is in the three States mentioned. As the Senator knows, concentration purchases are contemplated in those three States. In turn, those purchases are concentrated in a few of the counties of each State; and until some way is found to reimburse those counties, we might conceivably bankrupt certain counties in certain States. The Senator would not want to do that, and neither would the committee.

Mr. BARTLETT. I am sure that in any event the members of the Commission would not want to do that. We would wait until the Governor and the local county agents acquiesced in the proposed purchases. But there are other magnificent wet lands that we can acquire, especially in the southern range. In those areas there are not the wonderful breeding grounds which are available in North Dakota, South Dakota, and Minnesota, but the winter ranges might be chosen so that we could get the program underway.

Mr. MUNDT. The Senator is correct.

Mr. BARTLETT. The language of the Senator from South Dakota would permit us to do that.

Mr. MAGNUSON. Of course, the whole legislative history of the wetlands bill is that we would not proceed in any case until we had the complete agreement of the local authorities, whether it be State, county, or other local authority.

Mr. MUNDT. The Senator is correct. Our language comports with that legislative history.

Mr. METCALF. The Senator from South Dakota has clarified the question and removed any doubt which the Senator from Montana has had. But I should like to direct the same question to the chairman of the committee.

Mr. HAYDEN. Mr. President, the section referred to is written in such a manner that until agreement has been reached with all three States, none of the $7 million recommended for the migratory bird conservation account can be used to hire personnel to carry out the provisions of Public Law 87-383. This does not affect any funds which otherwise may be available.

I understand that Minnesota has now agreed to all acquisition of lands in the State proposed to date. North and South Dakota are withholding their assent until legislation is enacted to provide a greater payment to the States in lieu of taxes lost because the purchased lands are taken from the tax rolls.

I personally would be willing to say that the funds are available for staffing necessary to carry out the law in a State which has agreed to the land acquisition requirements; and to purchase land easements to which each of these States has indicated there will be no objection.

Mr. METCALF. I thank the chairman of the committee. That is a complete answer to the question that the Senator from Montana had in carrying out his duties as a member of the Commission.

I also thank the Senator from South Dakota for his explanation and clarification.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. MUNDT. Madam President, it is never a pleasant task to have to reject the request of a Senator's colleague for funds for the districts which they represent. It is always easier and more pleasant to say, "The Secretary of the Treasury does not have the money, but we will borrow it and make it available to you."

Naturally I should like to participate in that sociable activity. But I think the decision which the Senate made in a yea-and-nay vote a few minutes ago, in protecting the position of the committee as against a request for $129,800 increase for a specific purpose, set a precedent that should be followed now when we are asked to make a $2 million increase for a different purpose. We voted to economize then—let us vote to economize now.

One can build arguments for the laudability of either program. But if we are to have any semblance of fiscal responsibility, we cannot by votes of the Senate as a whole begin to dole out $2 million contributions to States or quartets of States that have local problems.

The request we are now considering has a strange resemblance to some of the discussions that I have heard at recent meetings of our Senate Permanent Committee on Investigations, which has been looking into favoritism and alleged irregularities in connection with the operations of a well-known Texan. It is alleged that this prominent Texas citizen, among other things, used part of his ill-gotten gains to buy favors for himself from Government officials. In Congress we have given the name of "payola" to that kind of operation.

It seems to me that the request now before the Senate has a great deal of similarity to what might be called payola in reverse.

This time it looks as though a Government agency is trying to buy off Congress. This, I submit, is the goal of the Department of Interior and the Bureau of Land Management in their request for $2 million for a program of range development in the Western States.

The proposed amendment had a curious record of evolvement as it came before our committee. I propose to recite that rather strange and unusual record. I do not know whether it is intended primarily as an effort to increase the pasturage in the Western States, where I certainly believe there is need for additional conservation, or whether the measure is intended to add a little more attractiveness to the political pasturage on which the donkeys of that area are expected to feed next November. In either case we are dealing with green pasturage, whether it is green pasturage for animals or green currency for politicians. It seems to me this record on how this amendment developed should be before the Senate before it votes.

As I said earlier, as the ranking Republican member of the committee, I feel that the Senate ought at least on a rollcall vote to express itself on all of these requests for increases. As one Senator, all I can do is to continue to say that I think the Senate would do well to support the Committee on Appropriations instead of plunging off into the great blue yonder on new Federal spending sprees at a time when the President is preparing to ask us, for the second time in 1962, to increase the debt limit.

This is one place at least where we do not have to spend $2 million in the current fiscal year unless the Senate so elects.

I suggest now to recite the record by which we come to the decision we are about to make:

First, it will not be challenged by anyone that no hearing was held on the request; that no one appeared before the committee except the distinguished Senator from Oregon, who did make his presentation on it. Other than that we have not had one word of testimony on the request and no opportunity to ask one question of any responsible department official as to what this would involve. All we have is the fact that the Senator from Oregon appeared before the Interior Department Appropriations Subcommittee on March 13, which, I submit, was an unlucky day, when he asked for an additional appropriation of $2 million, "to be expended in areas where the range surveys indicated a need to reduce permitted grazing use or where wildlife demands cannot be met at the existing level of range condition."

It was not until over a month later, on April 19, that Senate Document No. 88 arrived, and we found that the request was that the money was to be spent in Oregon.

Mr. MORSE. Madam President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. MORSE. It was never the intention that all the money was to be spent in Oregon at that time. That was never the recommendation of the Advisory Council. It was always contemplated that the $2 million would be spent on projects as the Department of the Interior recommended.

Mr. MUNDT. What the Senator says emphasizes what I am trying to get across to the Senate, that if that is true—and I presume it is if the Senator says so—the Appropriations Committee was without any chance to hear such testimony.

Mr. DWORSHAK. Madam President, will the Senator yield?

Mr. MUNDT. That is the difficulty that we have when we try to legislate on matters without a single word of testimony on them.

Mr. DWORSHAK. Will the Senator yield?

Mr. MUNDT. I yield.

Mr. DWORSHAK. Does the Senator have before him a copy of Senate Document No. 88, which is the request of the Budget Bureau for the $2 million?

Mr. MUNDT. I do not have it here at the moment. Does the Senator have it?

Mr. DWORSHAK. Yes.

Mr. MUNDT. I wish the Senator would read it, to show whether all this money was intended to be spent in Oregon.

Mr. DWORSHAK. I read Senate Document No. 88:

The White House,
*Washington, April 19, 1962.*

The President of the Senate.

Sir: I have the honor to transmit herewith for the consideration of the Congress an amendment to the budget for the fiscal year 1963 involving an increase in the amount of $2 million for the Department of the Interior.

The details of this amendment, the necessity therefor, and the reasons for its submission at this time are set forth in the enclosed letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,
John F. Kennedy.

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Executive Office
of the President,
Bureau of the Budget,
*Washington, D.C., April 17, 1962.*

The President,
*The White House.*

Sir: I have the honor to submit herewith for your consideration an amendment to the budget for the fiscal year 1963 involving an increase in the amount of $2 million for the Department of the Interior, as follows:

Department of the Interior

*Bureau of Land Management*

| Budget appendix page | Heading | Original estimate | Revised estimate | Increase |
|---|---|---|---|---|
| 457 | Management of lands and resources | $41,552,000 | $43,252,000 | $1,700,000 |
| 458 | Construction | 1,000,000 | 1,300,000 | 300,000 |

This amendment to the budget is to provide facilities and services for the initiation of a pilot project to demonstrate the benefits which can be derived from increasing the productivity of depleted rangelands, and to accelerate improvements on other lands. The estimate is submitted at this time to carry forward recently completed plans for the intensive rehabilitation of the Yale grazing district in southeastern Oregon.

I recommend that the foregoing amendment to the budget for the fiscal year 1963 be transmitted to the Congress.

Respectfully yours,
David S. Bell,
*Director of the Bureau of the Budget.*

Mr. MUNDT. By whom is that letter signed?

Mr. DWORSHAK. By David S. Bell, Director of the Bureau of the Budget.

Mr. MUNDT. I appreciate the Senator's refreshing my memory on this matter, because I now have the Bureau of the Budget's letter, which the Senator has read. It simply goes to show how confusing the situation was, and that even the Senator from Oregon was confused. He did not realize he was getting $2 million for Oregon alone, because he just told the Senate it was not going to go to Oregon. Here we have the testimony from David S. Bell, Director of the Bureau of the Budget. I thought I remembered it, but I was not going to set my memory against the statement of presumed fact. As the Senator from Idaho has pointed out, the Department states specifically that the $2 million was to go to Oregon at the time we received Senate Document 88, and at the time the committee first voted to reject the proposal.

Mr. MORSE. Madam President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MORSE. The Senator from Oregon has never been confused about it. The Appropriations Committee had the report of the Department of the Interior, Bureau of Land Management, before it, which sets forth in detail the recommendation for the expenditure at the Vale District, at the Boise District, in Nevada, and in New Mexico. There was attached to it a tabulation of the funds that were required.

Mr. MUNDT. Is the Senator quoting from the presentation to our committee on May 18, or to our committee by the Department of the Interior?

Mr. MORSE. May 18.

Mr. MUNDT. I am quoting from Senate Document No. 88 dated April 19, 1962, which also contains a letter dated April 17, written by David Bell, Director of the Bureau of the Budget. I ask unanimous consent that the entire document of April 17 appear at this point in the Record.

There being no objection, the document was ordered to be printed in the Record, as follows:

Executive Office
of the President,
Bureau of the Budget,
*Washington, D.C., April 17, 1962.*

The President,
*The White House.*

Sir: I have the honor to submit herewith for your consideration an amendment to the budget for the fiscal year 1963 involving an increase in the amount of $2 million for the Department of the Interior, as follows:

Department of the Interior

*Bureau of Land Management*

| Budget appendix page | Heading | Original estimate | Revised estimate | Increase |
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This amendment to the budget is to provide facilities and services for the initiation of a pilot project to demonstrate the benefits which can be derived from increasing the productivity of depleted rangelands, and to accelerate improvements on other lands. The estimate is submitted at this time to carry forward recently completed plans for the intensive rehabilitation of the Vale grazing district in southeastern Oregon.

I recommend that the foregoing amendment to the budget for the fiscal year 1963 be transmitted to the Congress.

Respectfully yours,

David S. Bell,

*Director of the Bureau of the Budget.*

Mr. MORSE. I have already put it in the Record.

Mr. MUNDT. It is now in the Record again. The Senator is saying I am quoting in error. There it is in toto.

Mr. MORSE. I did not say it was in error. It is 30 days before the other document.

I have given the whole history. I have set forth what the Advisory Council agreed on here in Washington. It was their program. It was the program that the President asked for when he requested $2 million to carry it out. It covered the projects that I have listed.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. MUNDT. I wish to point out that there has been nothing said that changes by one iota the record as it evolved before the committee. First we were presented with the request for $2 million which, the Bureau of the Budget said on that day, was to be spent in Oregon in toto. At that point the Senator rose and said that was not the fact. I said if it is not the fact, then my memory is wrong. It was refreshed, happily, by the document read by the Senator from Idaho. Up to this time the record stands unchallenged. I wish to point out the rest of the evidence as it unfolded before our committee in due course.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. WILLIAMS of Delaware. While we are clearing up various statements in connection with this project, I should like to call to the attention of the Senator from South Dakota and the Senator from New Mexico an article which disturbed me somewhat. It was published in Newsweek magazine of May 28, 1962. I have no idea as to the accuracy of this article, but I would appreciate hearing both Senators comment on it. I read from Newsweek of May 28, 1962, as follows:

### The Periscope

White House.—Two examples of the close-in support J.F.K. is giving to Democratic Senators up for reelection: (1) When Oregon's Senator Wayne Morse asked Congress for $2 million to set up a cattle-range project in his home State, J.F.K. telephoned him to promise his personal endorsement; and (2) the President has privately informed Senator Frank Church, of Idaho, that he'll not push for action this summer on a bill opposed by Church and his constituents—repeal of the Silver Purchase Act.

I believe that the Senator from Oregon and the Senator from South Dakota will agree with me that the approval or disapproval of the $2 million request should be based on its merits and not upon how it would affect the reelection of a Member of the Senate. An amendment should be considered only on its merits.

Mr. MUNDT. To a question of that kind, I should say that Newsweek is owned by the Washington Post; and the distinguished Senator from Oregon has a much closer relationship with the Washington Post than does the Senator from South Dakota.

Mr. MORSE. Since when, I ask the Senator from South Dakota, do I have a closer relationship with the Washington Post than he does?

Mr. MUNDT. My relations with the Washington Post are not very good.

Mr. MORSE. They are better than mine.

Since the Senator from Delaware has raised a question of politics in this case, I may say to him that I do not know of anyone who questions my word as being my bond. My fight for range rehabilitation goes back for years and years. I have battled for this kind of range rehabilitation over the years. I am proud of the success we have had in the program from time to time.

Strong protests developed in my State, in Idaho, and in some of the other Western States over a policy which the Bureau of Land Management under this administration was inaugurating. Hearings were held in Oregon, at which the Director of the Bureau of Land Management appeared. I, too, appeared, as did the Representative from eastern Oregon, and we listened to the ranchers. Out of the protest meetings came the meetings in Washington, attended by members of the National Advisory Council and the State Advisory Council, and this program was evolved under the Taylor Grazing Act.

The Senator from South Dakota refers to the notification from the Bureau of the Budget. I have never contested that. I placed it in the Record. The Bureau of the Budget did not understand the program which was being recommended by the Department of the Interior. So there followed the explanations of the program, which left no room for doubt that from the very beginning it was always contemplated that the program was for the West, not merely for Oregon. It is a range rehabilitation program for all the West, as I have explained earlier, and it will be started under the $2 million request.

The Senator from South Dakota need have no question about what my testimony was before the Committee on Appropriations. I do not wish to interrupt his remarks, but I ask unanimous consent to have printed in the Record the statement I made on March 13, 1962, before the Committee on Appropriations. The statement will show that there is no question that the Senator from Oregon was urging this program not for Oregon alone, but for the West.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### BUREAU OF LAND MANAGEMENT

The budget presented by the Bureau of Land Management included an increase of approximately $8 million over last year. In my judgment, this is a minimum increase. I can report to this committee, however, that the forest program on the Oregon and California revested lands is proceeding with a high degree of efficiency. The increase provided will assure this forward momentum and I strongly urge the allowance of the funds requested. It is estimated that during the coming year revenues in excess of $32 million will be realized from the sale of 1 billion board feet of timber from these lands. When this tremendous income is measured against the $4.1 million budget it is evident that even after taking into account payments made to the counties, the Federal Government is receiving a handsome return both on past investments and operating expenses.

### *Grazing*

In 1959, when I appeared before this committee, I pointed out that the lack of adequate appropriations was developing an extremely harmful situation in the administration of grazing lands by the Bureau of Land Management in eastern Oregon. A comparison of the vast grazing holdings of the BLM with its forest holdings and the budgets for each provide conclusive evidence that the funds for administration and management on grazing lands have long been substantially below minimum standards.

The Bureau has continued to make its range surveys and these often have resulted in proposals to substantially reduce permit grazing. Decisions such as these are working extreme hardship on range permittees, a number of whom are scheduled for cuts in use of 50, 60, and even 70 percent in their permits. The matter has received my personal attention and that of my colleague in the House, Congressman Al Ullman. We have met on the ground with the cattlemen, with conservationists, and with Government employees, including research specialists. Our eastern Oregon range has been largely converted to a cheatgrass range and this grass does not provide the type of dependable forage which both livestock and game require.

I have a request before the Agricultural Appropriations Subcommittee for a modest increase in research funds for the Agricultural Research Service. However, the extent of our knowledge today is such that it is not necessary to await the results of research before pushing ahead vigorously with improved management techniques. I recognize that the President's budget for this year provides for increase in range administration and soil and moisture conservation. The cooperation that I have received from this committee, and particularly Chairman Hayden, in my effort to bring about immediate rehabilitation of burned-over rangeland has resulted in the inclusion in the budget of provisions that will assure funds to meet these emergencies.

I propose that we now take another forward step and it is in line with recommendations which I have made earlier and which have been adopted in part through the actions of this committee. The Bureau of Land Management desperately needs a more adequate appropriation for soil and moisture work and range administration.

The Bureau should be in a position where it can place into effect range rehabilitation programs and in the process hold to a minimum the reduction of permitted grazing use. To put it another way, the budget for the Bureau of Land Management in this activity should be geared toward realizing in the next 10 years the capability of these lands to carry double the present quantity of livestock and to meet fully our requirements for game management. Therefore, I request that an additional appropriation of $2 million be made to be expended in areas where range surveys indicate a need to reduce permitted grazing use or where wildlife demands cannot be met at the existing level of range condition. These funds would be used for reseeding, the conversion of cheatgrass range to crested grass, the elimination of sage, fencing, and water development and more adequate cooperative management to assure proper utilization of the range. One example of the type of situation needing attention is the conflict between the use of bitterbrush by livestock and deer on deer winter ranges. For example, one study has shown that deer have overused certain areas. Research shows that the application of sound game and livestock management practices coupled with real improvements in the condition of the land can bring about a resolution of these problems.

I have had further conversations with Secretary Udall and Assistant Secretary Carver on ways and means to improve not only land management but cooperation between various groups.

As the members of this committee know, range conditions are not the same in every part of the Nation. One study showed that removing cows from a range in the Southeastern United States measurably increased the capacity of the land to grow beneficial grasses. Another study in Utah and the studies at Squaw Butte in Oregon show that removing the cows does not result in the range coming back. In still another study it has been shown that on certain western ranges the presence of rabbitbrush actually increases the production of crested wheat grass. This is contrary to one of the long-held views that brush reduces grass production. Rabbitbrush has a toprot that can drive down for water but it has poorly developed lateral roots. The crested wheat thus has no competition from rabbitbrush and thrives under and adjacent to rabbitbrush. On the other hand, big sagebrush measurably reduces the effectiveness of crested wheat grass and drives it out In still another study it has been shown that rodents can be a primary cause of plant cover deterioration. Where livestock only had been excluded there were no marked changes in vegetative cover after 20 years but where rodents had been excluded there were marked changes in plant cover.

Therefore when I contend that cuts in range use will not always improve the range I am following the judgment of dedicated and trained researchers. The range manager must recognize the total biotic relationship. No range manager would expect to keep deer off the range with a 2-foot fence. Why should he try to restore the range for livestock and game by taking a step that just doesn't bring about the restoration?

I would like to have included with my remarks a copy of a letter I just received from an Oregon rancher, Mr. Merle Cummings. I think this letter is typical of the constructive approach that the majority of the ranchers in my State have exhibited. As Mr. Cummings points out, many of the ranchers accept the cuts simply because they believed there was no use in appealing the decision. Mr. Cummings goes on to say, "To me this is a dangerous attitude and if permitted to continue could threaten the very democratic foundations of our free system of government.

Whenever I find that a citizen has reached the point where he thinks that it is no use to appeal a decision even though he thinks he is right, then I feel it is time for the Congress to take notice. We are protecting the basic foundation of our system of government when we show a citizen that he can get a full and fair hearing. My goals in the review I have made of the problems of our ranchers have included attention to this very vital consideration.

Mr. Chairman, I ask each of you to read this letter from Mr. Cummings. I am sure that you will then agree with the case I have made for additional range funds.

The provision of additional funds will be helpful and I have the assurance that the Secretary of the Interior intends to proceed vigorously to achieve better cooperation and constructive improvement. I ask this committee to help on this matter as it has so capably in the past.

WESTFALL, OREG.,
*March 5, 1962.*

Hon. WAYNE MORSE,
*Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR MORSE: I am writing to thank you for the copy of that part of the CONGRESSIONAL RECORD containing your statement presented on the floor of the Senate in regard to your policy in the controversy between the users of public lands for grazing purposes and the BLM and the Izaak Walton League.

It is very heartening to the ranchers to get the support of their Senator and realize after many years of abuse both publicly and privately by the BLM and certain uninformed and misinformd private sporting groups to say nothing of the general public, to finally get some unbiased support from someone genuinely interested in our problems.

When we were informed by the BLM of these large cuts in the early spring of 1961 it was as if someone had cut the very ground out from under us as far as our livelihood was concerned with very little if any chance to get an unbiased hearing on our case. In the minds of many segments of the general public we were already judged as guilty in the destruction of the public ranges and prior hearings on appeals of range adjudications had been unsatisfactory as well as expensive to the permitees.

A number of permittees had accepted the terms of the BLM, not because they believed that they were right, but simply because they believed that there was no use appealing the decisions. To me this is a dangerous attitude and if permitted to continue could threaten the very democratic foundations of our free system of government.

I believe you have done a great service to our citizens in getting this matter out before the general public where the facts can be appraised for their true values rather than through misleading propaganda. After talking to some of my neighbors I am convinced that their faith in our Government has been renewed.

Certainly I do not write this to imply that there has not been abuses in some cases or that there is not room for improvement on our public rangelands. I believe in conservation and the majority of the livestock industry believe in conservation and restoration where possible and by all methods consistent with good range management.

In closing I would like to convey to you our heartfelt thanks for the opportunity to get our case out before the public in an honest and dignified manner. We believe in the future of our industry and that in most and perhaps all instances the future of the public ranges can be maintained and improved where improvement is possible without crippling reductions in carrying capacity.

Sincerely,

J. MERLE CUMMINGS,
*President, Westfall Range Users Association.*

**Mr. MUNDT.** I suppose the statement appears in the hearings, but I have no objection to its appearing again in the body of the RECORD.

**Mr. DWORSHAK.** Madam President, will the Senator from South Dakota yield?

**Mr. MUNDT.** I yield to the Senator from Idaho.

**Mr. DWORSHAK.** The Senator has apparently become involved in a dispute over the correct date. I call the attention of the Senator from South Dakota to the fact that our subcommittee marked up the bill on May 10. I believe that is a correct statement. That was when this item was rejected or was discussed. I have before me a letter signed by Assistant Secretary of the Interior John A. Carver, Jr., dated May 14, 1962, after the rejection of the proposal by our subcommittee. The letter is addressed to the senior Senator from Oregon and reads:

> DEAR SENATOR MORSE: In accordance with your request there is enclosed a program for rehabilitation of rangelands in the Western States.
>
> The enclosed material outlines a range improvement program along the lines presented in your testimony before the Senate Subcommittee on Appropriations.

A statement submitted by the Assistant Secretary of the Interior bears the following heading:

> Bureau of Land Management, Additional Data Regarding Budget Amendment, 1963, for Accelerated Range Rehabilitation on the Public Lands.

It seems obvious that 4 days after our subcommittee had acted upon this appropriation, Acting Secretary of the Interior Carver complied with the request for additional data—at least, the heading contains the words "Additional Data"—and then submitted a statement, from which I quote as follows:

> The only alternative to permanent reductions in grazing use and continued flood and sediment damages downstream is the restoration of these lands to full productivity. The Vale district in Oregon, the Boise district in Idaho, the Winnemucca district of Nevada, and the Rio Puerco drainage in the Albuquerque district in New Mexico symbolize many of the major problems in present-day Federal land resource management.

Obviously, no reference was made to any other district than the Vale, Oreg., district during the testimony and deliberations and until the markup of the bill; but 4 days after the bill had been marked up, Assistant Secretary of the Interior Carver submitted additional data.

**Mr. MUNDT.** I think the Senator from Idaho is correct. I expect to demonstrate that as I discuss the strange, unusual, and almost unprecedented evolvement of the amendment before our committee. At least, the fact now stands unchallenged in the RECORD that there were no hearings of any kind before the committee. We were asked to buy a cat in the bag. What is now being discussed in the colloquy must be very confusing to Senators who are not on the committee, because it is slightly confusing to us who are.

At least, the first point stands; namely, that there were no hearings.

Second, on March 13, the senior Senator from Oregon made a presentation to our committee. No one denies that. The purport is subject to different interpretations; but at least the presentation was made.

No one can deny that the Bureau of the Budget, in commenting upon that statement, said that the $2 million would be spent in Oregon. So we have the third point established. I shall endeavor to establish a few more, some of which might be enlightening to the Senators from Colorado, Wyoming, and Utah, who think their States will receive benefits. However, I think the Senators from Colorado, Wyoming, and Utah ought to know before they vote for the proposal that a legislative history cannot be established on an appropriation bill by colloquies with Senators who are not members of the Committee on Appropriations. I think that is also established.

**Mr. ALLOTT.** Madam President, will the Senator from South Dakota yield?

**Mr. MUNDT.** I yield to the Senator from Colorado.

**Mr. ALLOTT.** I have some acquaintance with this subject. As I understand the situation, and I have examined the statement which the Senator from Oregon placed before the committee on page 1203 of the hearings, I do not interpret his statement to be a statement in behalf of districts other than the Vale, Oreg., district and the other districts which are named.

This proposal was not placed before the Bureau of the Budget last year; or if it was, the Bureau of the Budget rejected it.

The Senator from Oregon came before the Subcommittee on Appropriations on March 13, 1962. The first document of the Bureau of the Budget was dated April 19.

**Mr. MUNDT.** That is correct. That is the one which confirms that all the money will be spent in Oregon.

**Mr. ALLOTT.** That is the first one. That is the one to which the Senator from Oregon refers.

Then the bill was marked up on May 10 and was reported to the Senate on the same day or the next day by the full committee. The full committee did not accept this item.

On May 18, 1962, the Department of the Interior presented its document, or letter, with respect to the other proposals.

I should like to say, as I said before the Committee on Appropriations, that there is no State which has a greater interest in grazing districts than does my own State of Colorado. If it is proposed to have the Bureau of Land Management engage in a broad national program, as the Senator from Oregon has indicated, then I think it ought to be on a planned basis, not on a basis of some proposal which has been dug up after the fact, to justify the statements of the Senator from Oregon and to beef up his case and put it in another context. If the Government is to engage in such a proposition as this, then we in Colorado have every right to demand that we be included in the presentation of facts along with the States which are named in the document of May 18.

If we are to engage in such a program, certainly Colorado has every right to demand inclusion in the participation set forth in the document of May 18, which includes New Mexico and other States.

**Mr. MUNDT.** We endeavored to dissuade the Senator from Oregon—who is somewhat difficult to dissuade, at times—from offering the amendment, because shortly there will be before our committee a supplemental appropriation bill. Furthermore, in the discussion of his proposal, there was considerable support among the members of the Appropriations Committee for launching an attack against the impoverishment of the grazing land and the pasturage of the Western States. But we happen to believe that Senators who do not live in those particular States are also entitled to some consideration for their States. So we would be happy to have hearings held and to proceed on this program, once we get the evidence from the technicians, aside from the political interests involved. I feel certain that if that is done, Colorado, Utah, and California will be included, instead of excluded; and many other States which have the identical problem will also be included in whatever action the committee finally takes, after it has all the evidence before it.

But if a start is made on a program which includes only 4 States, before the other States have an opportunity to be included, we shall find that cattle will be grazing in dust ponds in many of the States before this project—whether experimental or utilitarian—can possibly be completed.

So, because of the paucity of information—not because of any lack of recognition of the existence of the problem—we said that we thought it best first to get the evidence from the technicians and to establish the legislative history; and the only place where that can be done is in the committee. So we propose to have that evidence taken before the Appropriations Committee.

**Mr. ALLOTT.** Madam President, I wish to emphasize exactly the point the Senator from South Dakota has just made. For a considerable number of years a good deal of the time in my office has been taken up each year in efforts to solve the various problems to which the Senator from South Dakota has referred.

In the Appropriations Committee it was pointed out that the statement of the Bureau of Land Management representative in Oregon did not justify the request for Vale Valley.

My colleague, the junior Senator from Colorado [Mr. CARROLL], is now in the Chamber. I point out that I do not think this proposal has been properly documented or justified. Are we now to offer an amendment to include Colorado, also? I do not think so, because I do not think this proposal has been properly documented, or that there have been proper hearings or proper evaluations of it. I do not know what course my colleague will take, but I know that I will not offer an amendment to include Colorado; I shall simply urge all Senators to vote against the amendment, because we are soon to have before us a supplemental appropriation bill; and if the proposal is as important as Senators have said it is, undoubtedly we shall be able to provide for a long-term grazing project for all the Western States.

**Mr. MUNDT.** Madam President, as a member of the committee which will consider the supplemental requests, I shall be most happy—and I am assured by the chairman of the committee that he will be, too, to hear all such matters presented. But we see no reason in the world to "buy a cat in a bag" now, without any member of the committee having an opportunity to ask questions or even to discuss the needs in the other States, except as letters have come from the other States, whose residents are having the same problem. But there has been no opportunity to take testimony before the committee.

It seems to me that Senators who wish to have an opportunity to have $2 million poured into their States at this time should be willing to have the committee hold hearings and to let other States have their day in court, so that the entire picture can be understood, rather than to start with a statement by the Bureau of Budget that all the money will go to Oregon, and then gradually watch the picture unfold and shift and change as efforts are made to induce the committee to go along with the proposal.

To the Senators from Colorado and to the Senators from other States who think their States will get a great deal of money out of this program, I can say that only these four States are included at this time, and the Senators from these four States have divided the money among their own States, in advance of the fact.

As the matter now stands, Oregon is to get only half of the $2 million, instead of the entire $2 million, as was the original idea of the Senator from Oregon; Idaho will get $200,000; Winnemucca—which I suspect is in another of the four States—will get $250,000; and Albuquerque, N. Mex., will get $425,000.

I assume that Winnemucca is in one of the four States; and I can tell, by looking at the sponsorship of the amendment, where Winnemucca is located. It must be in Nevada.

I think the inclusion of all these may be very meritorious, and I can see myself voting for the inclusion of all of them if their inclusion can be justified on the basis of the testimony to be given by the departmental technicians and the other experts. But we are simply asked to vote for this "buggy-ride" of $2 million, with not one nickel to go to Colorado. Under this proposal, it is impossible to find that even one thin dime will go to any State except the States of the four sponsors of the amendment. So that is the legislative history of the amendment, and that is the fait accompli.

I believe that Colorado has this problem, too, for I have seen letters which so state. Likewise I believe there is such a problem in Utah. I believe the problem is rather general in the Western States. I believe something should be done about the problem at this session of Congress, but certainly it should be done in an orderly manner.

Oh, how the Senator from Oregon loves orderly procedure. That is very fine; and now I give him an opportunity to demonstrate whether there is to be orderly procedure before the committee in connection with this program.

**Mr. MORSE.** Madam President, will the Senator from South Dakota yield?

Mr. MUNDT. Yes, if that is agreeable to the Senator from Colorado.

Mr. ALLOTT. Yes.

Mr. MORSE. Madam President, the Senator from South Dakota has built up an interesting strawman, but it is only a strawman, for there never was a proposal to confine this item to Oregon. The council proceeded to point out that the Bureau of the Budget misunderstood the project.

I have stated how the project was brought into being. Colorado, California, and the other States are not excluded. They are included.

Mr. MUNDT. They will get everything but the money.

Mr. MORSE. Oh, no. But these particular projects are now ready to go ahead. The others are to be included in the 7-year program.

The program was filed with the committee by the Department of the Interior; and the committee had the information.

The Senator from Colorado says that someone in the Bureau of Land Management in Oregon says the Vale project is not ready. If anyone in the Bureau of Land Management in the State of Oregon ever made such a statement, he made it contrary to the recommendation of the head of the Bureau and contrary to the recommendation of the Assistant Secretary of the Interior and contrary to the recommendation of the Secretary of the Interior himself.

There has been much talk about what the full committee did. I wonder whether the Senator from South Dakota will tell the Senate how many members of the committee attended the full committee meeting when the bill was marked up, and how many of the members of the committee who voted were Republicans and how many of them were Democrats. I understand that on that particular day the overwhelming majority of those present were Republicans, that only a few Democrats were present, and that no proxies were used. I further understand that the Democrats voted for the project and the Republicans voted against it.

Mr. MUNDT. Madam President, apparently the Senator from Oregon is trying to identify his amendment as purely a Democratic amendment.

Mr. MORSE. Oh, no.

Mr. MUNDT. I wish to say——

Mr. MORSE. Madam President, will the Senator from South Dakota yield?

Mr. MUNDT. I shall be glad to yield in a moment.

Mr. MORSE. Then later I shall take the floor in my own right.

Mr. MUNDT. All I can say is that I have no idea who was there, how many were there, whether they were Democrats or Republicans, because I cannot remember a single time when we have sat in that committee and have voted as Democrats or Republicans. I think it is incorrect to say that, being an amendment offered by a Democrat, it would have been adopted had a majority of Democrats been present. I do not know whether such a partisan majority was present. I think it would be looked at as the Chairman and the rest of the members have looked at such proposals. It was a matter which was not presented in an orderly fashion. No hearings were held on it. Even the sponsors of the proposal become increasingly confused as to what it is about as they discuss it on the floor of the Senate.

Madam President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. MUNDT. I yield.

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## HUNGER IN THE COMMUNIST WORLD

Mr. LAUSCHE. I should like to read an editorial which was carried in the Cleveland Press of June 4, 1962. I ask that the editorial be included in the RECORD either preceding or following the discussion that has been had on the topic that has been before the Senate for the last 30 or 40 minutes.

The editorial is entitled "Hunger in the Communist World," and reads as follows:

> It is no mere coincidence that food shortages in China are accompanied by steep increases in Russian food prices. The trouble is chronic. It is basic to the Communist system and it is getting progressively worse.
>
> This is true wherever the Red flag flies, even in satellite nations which once had food to export. Mass socialistic experiments have combined with natural disasters in China to cause historic famine affecting nobody knows how many millions. After 44 years of these experiments the Russians tacitly have admitted failure, though they haven't moved to change the system. To do so would be to confess to the world that communism is the tragic fraud it is.
>
> The latest evidence is in the Russian price increases just announced. Butter, which had been priced at $1.45 a pound, has gone up to $1.80. Ham has been increased from $1.45 to $1.85. Other meat prices are up in proportion.
>
> In an earlier Russian famine we sent vast quantities of food and other relief which was administered by Herbert Hoover. This saved many lives but it also helped prop up a shaky regime and it is a question, over the long haul, whether it reduced the total amount of Russian misery, materially, or at all.
>
> Humanitarian instinct urges we find a way to get food into Red China, though the belligerent nature of that government makes that practically impossible and even our vast surpluses would not go far among China's 650 millions.
>
> And even if such relief were possible, it would help this brutal regime through this crisis, preserving it to exploit and starve more generations of Chinese, perhaps fashioning them into a military machine which, as in the case of Russia, threatens our own peace and security.
>
> We should feed and help resettle these Chinese refugees wherever they can get out; but aid through the gangster lords of this stricken land is against our own obvious interest. In the long run it also is against the interest of the Chinese people.

The food crisis in Russia is acute. It is acute in every Communist country. It is causing Chinese to flee in hordes whenever they can to places of refuge, where they hope to obtain food. The absence of food in every Communist nation is today a critical problem for those governments to solve.

Though humanitarian instincts prompt the giving of aid to those countries, when we give them aid we are allowing them to put more money into guns and ammunition and less into food. When we give them aid in solving their problems, we relieve them of the responsibility of growing food and we help them in their purpose of producing guns, possibly to be used against our American youth.

That applies to China and to every Communist nation which cannot produce the necessary food and is asking us to help supply it food while it is putting money into guns, ammunition, and other equipment contemplated for war.

Mr. MUNDT and Mr. CARROLL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. KEATING. Madam President, will the Senator from South Dakota yield for a comment on the remarks of the Senator from Ohio?

Mr. MUNDT. I yield.

Mr. CARROLL. Madam President, who has the floor?

The PRESIDING OFFICER. The Chair recognized the Senator from Colorado.

Mr. MUNDT. Madam President, I should like to know how I lost the floor, having yielded with the understanding that I would not lose my right to the floor.

Mr. CARROLL. Madam President, I have no objection to the Senator from South Dakota holding the floor.

Mr. MUNDT. I yield to the Senator from New York, with the same understanding.

Mr. KEATING. Madam President, the general principle to which the distinguished Senator from Ohio has called attention, although it may not meet this precise situation, will be greatly assisted by adoption of the amendment I offered to the foreign aid bill, which would deny, as the sense of Congress, aid to a country which, as a report of U.S. aid was able to divert an equivalent amount to buy Communist arms.

This is not exactly the same point, because of course we do not aid Red China, but the principle is very similar. Food is a weapon also, and we must never forget it.

I am very glad the distinguished Senator from Ohio has called attention to the problem because I feel it is a matter to which we do not generally give sufficient attention.

Mr. LAUSCHE. Madam President, will the Senator yield for another brief comment on this subject?

Mr. MUNDT. Madam President, I should like to get on with the work of the Appropriations Committee. I have yielded for these extraneous discussions in the hope that they would be brief. I do not wish to shut off any Senator, but I am sure the Senate would like to finish consideration of the appropriation bill today. I am prepared to conclude my own remarks shortly. I understand the Senator from Colorado [Mr. CARROLL] wishes to speak.

With that little admonition, I yield.

**Mr. LAUSCHE.** This will take only a half minute.

**Mr. MUNDT.** Very well.

**Mr. LAUSCHE.** One of the newspapers carried a very interesting cartoon, which showed a field with all the attributes for growing corn, but instead of growing corn it was growing guns. The cartoon depicted what is happening in the Communist nations.

**Mr. MUNDT.** I vividly recall the cartoon.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

**Mr. MUNDT.** Madam President, so that the RECORD may be complete, no matter what action the Senate finally decides to take in this connection, and so that it will be available for the review of friends at home, for other Members of the Senate and of the House, and for representatives of the press who may be interested in what occurs in the Congress—I ask unanimous consent to include in my remarks certain appropriate items.

First, I ask unanimous consent to have printed parts of the presentation by the Senator from Oregon [Mr. MORSE] to the Appropriations Subcommittee.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

### *Access road*

On February 26 of this year several of us from the Northwest asked the Chief of the Forest Service whether additional funds could be utilized for the program entitled, "Access Roads." You will recall that this road acquisition program was initiated by a number of us led by your colleague on this committee, the senior Senator from Washington, Mr. MAGNUSON. Earlier Senator NEUBERGER transmitted to you the identical response we all received from Dr. McArdle. He pointed out that an additional $4 million could be expended wisely and that this would result in the marketing of 300 million board feet of forest timber and the realization in 1 year alone of $5 million in revenues. When it is recognized that this income will continue in perpetuity, the appropriation of this additional $4 million becomes an expenditure we cannot afford to overlook. With regard to this program I would like to emphasize that it really has just one purpose—to assure the orderly harvest of national forest timber by making timely arrangements to utilize roads already constructed through the national forest by private companies.

In the Douglas-fir region of Oregon and Washington there are almost 14 million acres of commercial forest land of which 7.8 million acres or 56 percent is in public ownership. There are 8 million acres of old growth timber and 65 percent of this timber is in public ownership. One Forest Service study shows that 3 billion board feet are lost annually in the region due to mortality in these old-growth stands. This loss equals 25 percent of the annual timber harvest in the region. It occurs because of a lack of an adequate road network. In an extension of this study the Forest Service found that it is both practical and profitable to construct needed roads well in advance of the final harvest of the timber. Interest, maintenance charges, and depreciation on capital investment can be met by returns obtained from timber salvage.

The situation which faces the Forest Service is a practical one. In many areas the demand for timber is great. In some areas there are private roads already serving the national forest timber. These should be made available. In some cases this will make it possible to increase the allowable cut. In other situations the allowable cut is already being obtained from another part of the working circle. Here the benefit will be to capture large losses due to mortality or to assure a better balance between summer and winter logging. Wise use of the forest resources requires that we place in the hands of the forest managers the flexibility to wisely crop the forest. This is what we seek.

Members of this committee may be aware that the Secretary of Agriculture on the advice of the Attorney General and at the direction of President Kennedy is in the process of making a careful and thorough review of Forest Service policies relating to access to the national forests. It is therefore essential during the pendency of this review that we continue to provide the Forest Service with the tested and proven means of offering some improvement in an extremely difficult situation. The $4 million we have requested will do this.

### *Recreation*

I am pleased to note that the Forest Service budget for this year contains a substantial increase for recreation. It is my hope that the committee will also look at the extent to which the planned budget fulfills the requirements for the national forest program. Recreation is one of the fastest growing uses for the national forest. When Secretary Benson presented the program for the national forests to the Congress in 1959, he estimated that recreation visits would reach the level of 130 million annually by 1970. Since that time much new information has been developed, including that prompted by the Outdoor Recreation Commission. This enabled President Kennedy and Secretary Freeman to point out to us last year that recreation visits by 1972 would reach almost 200 million annually. Recreational uses on the national forests in 1961 exceeded 100 million visits. This is a 273-percent increase over 1950.

Recreation is an important industry in Oregon and our national forests are a key element in its growth but national forest recreational use in Oregon is not as great as in some other States. All I will say to this committee is that if the situation is as critical in other States as I know it to be in my own, we are going to find it necessary to revise our estimates of what needs to be done and to raise our sights considerably. At this point, I would like to include in the record the opening statement from the annual report of the supervisor of the Willamette National Forest, Mr. David Gibney:

"Everyone has an interest in the national forests.

"You may not earn your living in the forest, and you may not play there.

"You may never visit a national forest * * * but your interest in this land is as strong as anyone's, for the national forests belong to you and its multiple benefits are yours as surely as if you worked or played there.

"From the national forests comes lumber for many products—water for power, industry and human consumption—forage for raising cattle and sheep, for food and clothing. On the national forests, in some of the most beautiful country in the United States, millions of people each year hunt, fish, camp, hike, and enjoy themselves in the outdoors.

"The forest has many uses and each of these is vital to the welfare of the Nation."

It so happens that this forest is one of the most active in the entire United States. Last year the Willamette National Forest deposited over $12 million into the Treasury of the United States. Its 1,600,000 acres were operated at a cost of less than $3 million. This national forest is a great national asset.

I know that this committee is busy and also that it is aware of many intimate aspects of national forest administration. Therefore, I will not place before you the entire report by the forest supervisor. However, I should point out that on this forest in addition to a vast timber business, there are now close to 860,000 recreational visits—triple the amount in 1956. This forest is the third ranking forest in Oregon in recreational use. The Deschutes and Mount Hood have even heavier use.

One of the most pressing needs that exists on the Willamette Forest is the making of an adequate provision for the development of the great recreational potential in the Waldo Lake area, high in the crest of the Cascade Mountains. This area has been the subject of a great deal of careful deliberation by many people of my State with a genuine interest in sound multiple-use forest management. My estimate of the sentiment of the people in my State is that they want a rational development which places heavy emphasis on promoting the highest degree of well-rounded recreational opportunity. I am convinced that the necessary investments in roads, campgrounds, boating, and similar facilities in a situation which permits ready access in part of the area and trail access in the balance will produce what we all desire. I might point out that there are a number of unique scenic and scientific spots within the high mountain areas which demand most careful land-use planning for their protection.

The entire question of how to proceed is being actively studied by the Secretary of Agriculture, and he has placed this responsibility in the hands of his capable assistant, Dr. George Selke. I hope that the budget will permit moving ahead early next year following the completion of the analyses now underway.

The Willamette National Forest is an excellent example of a forest which offers a major challenge to the successful application of the principles of multiple use. It is one of the most ideally suited for recreation and it is one of the highest priority forests for the application of the most modern techniques in timber management.

The waters which are stored in this national forest are of an inestimable value to all of Oregon and it is the site of a number of major water utilization projects.

I am advised that to place the national forest program on schedule for recreation development in Oregon alone would require the appropriation of an additional $361,000. The national total would be somewhat higher. There are additional funds needed for recreation roads in the amount of $250,000. One of the major needs in recreation right now is to provide the full scheduled amount for the 1963 level of the national forest program for recreation, and I hope that the committee will see fit to do this.

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### BUREAU OF LAND MANAGEMENT

The budget presented by the Bureau of Land Management included an increase of approximately $8 million over last year. In my judgment, this is a minimum increase. I can report to this committee, however, that the forest program on the Oregon and California revested lands is proceeding with a high degree of efficiency. The increase provided will assure this forward momentum and I strongly urge the allowance of the funds requested. It is estimated that during the coming year revenues in access of $32 million will be realized from the sale of

1 billion board feet of timber from these lands. When this tremendous income is measured against the $4.1 million budget it is evident that even after taking into account payments made to the counties, the Federal Government is receiving a handsome return both on past investments and operating expenses.

### *Grazing*

In 1959, when I appeared before this committee, I pointed out that the lack of adequate appropriations was developing an extremely harmful situation in the administration of grazing lands by the Bureau of Land Management in eastern Oregon. A comparison of the vast grazing holdings of the BLM with its forest holdings and the budgets for each provide conclusive evidence that the funds for administration and management on grazing lands have long been substantially below minimum standards.

The Bureau has continued to make its range surveys and these often have resulted in proposals to substantially reduce permit grazing. Decisions such as these are working extreme hardship on range permittees, a number of whom are scheduled for cuts in use of 50, 60, and even 70 percent in their permits. The matter has received my personal attention and that of my colleague in the House, Congressman Al Ullman. We have met on the ground with the cattlemen, with conservationists, and with Government employees, including research specialists. Our eastern Oregon range has been largely converted to a cheatgrass range and this grass does not provide the type of dependable forage which both livestock and game require.

I have a request before the Agricultural Appropriations Subcommittee for a modest increase in research funds for the Agricultural Research Service. However, the extent of our knowledge today is such that it is not necessary to await the results of research before pushing ahead vigorously with improved management techniques. I recognize that the President's budget for this year provides for increase in range administration and soil and moisture conservation. The cooperation that I have received from this committee and particularly Chairman Hayden, in my effort to bring about immediate rehabilitation of burned over rangeland has resulted in the inclusion in the budget of provisions that will assure funds to meet these emergencies.

I propose that we now take another forward step and it is in line with recommendations which I have made earlier and which have been adopted in part through the actions of this committee. The Bureau of Land Management desperately needs a more adequate appropriation for soil and moisture work and range administration.

The Bureau should be in a position where it can place into effect range rehabilitation programs and in the process hold to a minimum the reduction of permitted grazing use. To put it another way, the budget for the Bureau of Land Management in this activity should be geared toward realizing in the next 10 years the capability of these lands to carry double the present quantity of livestock and to meet fully our requirements for game management. Therefore, I request that an additional appropriation of $2 million be made to be expended in areas where range surveys indicate a need to reduce permitted grazing use or where wildlife demands cannot be met at the existing level of range condition. These funds would be used for reseeding, the conversion of cheatgrass range to crested grass, the elimination of sage, fencing, and water development and more adequate cooperative management to assure proper utilization of the range. One example of the type of situation needing attention is the conflict between the use of bitterbrush by livestock and deer on deer winter ranges. For example, one study has shown that deer have overused certain areas. Research shows that the application of sound game and livestock management practices coupled with real improvements in the condition of the land can bring about a resolution of these problems.

I have had further conversations with Secretary Udall and Assistant Secretary Carver on ways and means to improve not only land management but cooperation between various groups.

As the members of this committee know, range conditions are not the same in every part of the Nation. One study showed that removing cows from a range in the Southeastern United States measurably increased the capacity of the land to grow beneficial grasses. Another study in Utah and the studies at Squaw Butte in Oregon show that removing the cows does not result in the range coming back. In still another study it has been shown that on certain western ranges the presence of rabbitbrush actually increases the production of crested wheat grass. This is contrary to one of the long-held views that brush reduces grass production. Rabbitbrush has a taproot that can drive down for water but it has poorly developed lateral roots. The crested wheat thus has no competition from rabbitbrush and thrives under and adjacent to rabbitbrush. On the other hand, big sagebrush measurably reduces the effectiveness of crested wheat grass and drives it out. In still another study it has been shown that rodents can be a primary cause of plant cover deterioration. Where livestock only had been excluded there were no marked changes in vegetative cover after 20 years but where rodents had been excluded there were marked changes in plant cover.

Therefore when I contend that cuts in range use will not always improve the range I am following the judgment of dedicated and trained researchers. The range manager must recognize the total biotic relationship. No range manager would expect to keep deer off the range with a 2-foot fence. Why should he try to restore the range for livestock and game by taking a step that just doesn't bring about the restoration?

I would like to have included with my remarks a copy of a letter I just received from an Oregon rancher, Mr. Merle Cummings. I think this letter is typical of the constructive approach that the majority of the ranchers in my State have exhibited. As Mr. Cummings points out, many of the ranchers accept the cuts simply because they believed there was no use in appealing the decisions. Mr. Cummings goes on to say, "To me this is a dangerous attitude and if permitted to continue could threaten the very democratic foundations of our free system of government."

Whenever I find that a citizen has reached the point where he thinks that it is no use to appeal a decision even though he thinks he is right, then I feel it is time for the Congress to take notice. We are protecting the basic foundation of our system of government when we show a citizen that he can get a full and fair hearing. My goals in the review I have made of the problems of our ranchers have included attention to this very vital consideration.

Mr. Chairman, I ask each of you to read this letter from Mr. Cummings. I am sure that you will then agree with the case I have made for additional range funds.

The provision of additional funds will be helpful and I have the assurance that the Secretary of the Interior intends to proceed vigorously to achieve better cooperation and constructive improvement. I ask this committee to help on this matter as it has so capably in the past.

**Mr. MUNDT.** Madam President, Senate Document No. 88 has been alluded to before. It has been ordered to be printed in the Record already.

I ask unanimous consent to have printed in the Record supplemental budget documents from the Department of the Interior, known as inserts 3 and 3A.

There being no objection, the documents were ordered to be printed in the Record, as follows:

### Appropriation for Management of Lands and Resources, Department of the Interior, Bureau of Land Management

Request: $1,700,000 for 12 months from July 1, 1962.

Appropriation to date: $———.
Obligations to ———, $———.
Expenditures to ———, $———.
Employment:
Average number, current appropriation: ———.
Number involved this estimate: 56.
Actual employment 2,948, February 28, 1962.
Budget estimate next fiscal year: $41,552,000.

### PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

A supplemental appropriation in the amount of $1,700,000 is requested to initiate the first year of the 7-year development program known as the Vale project and to otherwise greatly accelerate range rehabilitation work in Oregon.

Additional funds in the amount of $230,000 are requested to implement a balanced land treatment, management, and range use program in the Vale district. When completed, the Vale project will demonstrate the benefits which can be derived from increasing the productivity of depleted range lands.

In conjunction with this project, the first phase of an expanded fire presuppression program in the amount of $60,000 will be initiated.

Of the total, $1,385,000 is needed to assist in arresting erosion and watershed damages on the national land reserve in the Vale project area and other areas in the State of Oregon. An additional $25,000 is needed to provide adequate administrative support to this expanded Vale project and rehabilitation work in Oregon.

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### Appropriation for Construction, Department of the Interior, Bureau of Land Management

Request: $300,000, to remain available until expended for —— months from July 1, 1962.

Appropriation to date: $———.
Obligations to ———, $———.
Expenditures to ———, $———.
Employment:
Average number current appropriation: 27.
Number involved this estimate: 6.
Actual employment: 7, February 28, 1962.
Budget estimate next fiscal year: $1 million.

### PURPOSE AND NEED FOR SUPPLEMENTAL FUNDS

A supplemental appropriation in the amount of $300,000 is requested for the construction of access roads and buildings essential to the first year of the 7-year development program known as the Vale project, and to accelerate range rehabilitation work in other parts of Oregon. Of this amount $250,000 is for the construction of warehouses, offices, and other facilities essential to protecting the resource base and the materials, supplies and equipment required in the expanded rehabilitation program. The balance of $50,000 is for the design and construction of roads to provide improved access to the areas of the national land reserve in Oregon needed in the conduct of range management and rehabilitation work.

**Mr. MUNDT.** Madam President, the committee refused money for this appropriation after it was alleged by certain Members that the whole project smacked of political favoritism.

It was known by all Members that no hearings had been held in any way, shape or form, and it was recognized by all Members that some States were included specifically and others were excluded, in respect to the solution of the problem which involved some 10 or more States in all.

The Department was not discouraged by this action. No, indeed. Secretary Udall sent a letter to our chairman on May 18 with a "revision in the details of the $2 million program of the Bureau of Land Management for range improvement in the Western States." Yes, he said, "Western States." No longer was this only an Oregon project. The Vale district of Oregon still would get most of the money, but now the Secretary included the Boise district, Idaho; the Winnemucca district, Nevada; and the Albuquerque district, New Mexico.

Again to keep the record straight, I ask unanimous consent to insert Secretary Udall's letter and accompanying revised documents at this point in the RECORD.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C., May 18, 1962.*

Hon. CARL HAYDEN,
*Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Transmitted herewith is a revision in the details of the $2 million program of the Bureau of Land Management for range improvement in the Western States.

The proposed changes provide a broader area of application to areas in need of improvement.

The restoration of $2 million for the revised program will be greatly appreciated.

The Bureau of the Budget advised that there is no objection to the modification in the details of the program.

Sincerely yours,
STEWART L. UDALL,
*Secretary of the Interior.*

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BUREAU OF LAND MANAGEMENT—ADDITIONAL DATA REGARDING BUDGET AMENDMENT 1963 FOR ACCELERATED RANGE REHABILITATION ON THE PUBLIC LANDS

Many years of heavy use by wildlife and domestic livestock, wildfires, and other abuses accentuated by drouths and wind and water erosion have destroyed much of the vegetative cover on the public lands. Over 30 percent of the rangelands are in poor or bad condition. Only 20 percent is improving while the balance is static or becoming worse. Livestock operators are facing continual reductions in herd numbers because of dwindling forage production. Livestock is the backbone of the economy in greater portions of the Western States and reduction in livestock numbers create a difficult situation not only for the range livestock producer, but also for communities of the area. Destruction of the vegetative cover has further resulted in the deterioration of watersheds. Irreplaceable soil is being lost from the range through sheet and gully erosion, and uncontrolled runoff from these watersheds is causing downstream losses and destruction by flooding and sedimentation.

The only alternative to permanent reductions in grazing use and continued flood and sediment damages downstream is the restoration of these lands to full productivity. The Vale district in Oregon, the Boise district in Idaho, the Winnemucca district in Nevada, and the Rio Puerco drainage in the Albuquerque district in New Mexico symbolize many of the major problems in present-day Federal land resource management. Production can be restored in these areas by the intensive application of already proven treatments and practices. These project areas will constitute pilot areas of significant size to furnish much-needed demonstrations of the value of effective conservation management on our national land.

VALE DISTRICT, OREGON

Acceleration of the rehabilitation of the range resources in the Vale district requires the application of vegetative improvement projects coupled with fences, livestock water and other facilities for the protection, management and use of range areas during and following treatment. The following are major practices which will be accomplished during the first year of the project:

| Practice: | *Units to be accomplished* |
|---|---|
| Range seeding (acres) | 13,000 |
| Brush control (acres) | 16,000 |
| Fencing (miles) | 50 |
| Water developments (number) | 40 |
| Range use facilities (number) | 16 |

BOISE DISTRICT, IDAHO

Restoration of resources on the public lands in the Boise district requires the accelerated application of those practices which will result in the improvement of the vegetative cover. The soil and climate are conducive to vegetative growth and lend themselves to established methods of range seeding and brush control. Water developments and range facilities for the protection and management of improved areas are also needed.

The following major accomplishments are planned for the first year of the project:

| Practice: | *Units to be accomplished* |
|---|---|
| Range seeding (acres) | 6,000 |
| Brush control (acres) | 8,000 |
| Fencing (miles) | 30 |
| Water developments (number) | 20 |

WINNEMUCCA DISTRICT, NEVADA

The invasion of brush and other undesirable plants following heavy grazing in the Winnemucca district requires that brush and weed control measures be intensified to restore watershed values and forage production. Perennial grasses over much of the area have been reduced in abundance until adapted species must be established to replace them. Rehabilitation must consist of brush and weed control supported by water development, fencing, and other range use facilities needed in protecting treated areas and enabling the establishment of sound systems of grazing management. The following major accomplishments are planned for the first year of the project:

| Practice: | *Units to be accomplished* |
|---|---|
| Range seeding (acres) | 8,500 |
| Brush control (acres) | 11,000 |
| Fencing (miles) | 35 |
| Water developments (number) | 25 |

ALBUQUERQUE DISTRICT, NEW MEXICO
(RIO PUERCO)

More than 500,000 acre-feet of soil has been scooped out of valley fill and scalped from the upland topsoils in the Rio Puerco drainage, creating havoc locally and downstream. A number of villages have been abandoned, irrigation farming has had to be abandoned, and grazing drastically reduced. The Rio Puerco contributes over half the silt which obstructs the channel of the Rio Grande and fills the basin of Elephant Butte Dam, but only one-sixteenth of the water. Corrective measures involve temporary impoundment of flood runoff near its source by land treatment measures such as contouring, deep ripping and by detention and diversion dams. Treated areas also require protection from uncontrolled grazing use. The following accomplishments are planned for the first year of the project:

| Practice: | *Units to be accomplished* |
|---|---|
| Detention dams (number) | 25 |
| Diversion dams (number) | 14 |
| Fences (miles) | 70 |
| Land treatment (acres) | 8,000 |

*Funds required by activities—Colorado and Wyoming*

| Location—Districts | Management of lands and resources | | | Construction | | Total |
|---|---|---|---|---|---|---|
| | Management | Soil and moisture | General administration | Roads | Buildings | |
| Vale | $290,000 | $510,000 | | $35,000 | $165,000 | $1,000,000 |
| Boise | | 200,000 | | 15,000 | 85,000 | 300,000 |
| Winnemucca | | 250,000 | | | | 250,000 |
| Albuquerque-Rio Puerco | | 425,000 | | | | 425,000 |
| General administration | | | $25,000 | | | 25,000 |
| Total | 290,000 | 1,385,000 | 25,000 | 50,000 | 250,000 | 2,000,000 |

Mr. MUNDT. Madam President, it is clear that we need range improvement work. Almost every Western State needs such work. I certainly favor it, as I said in the committee. However, I think it is important to the protection of all the States and our national interest that there be a public hearing in respect to the question. The responsible officials of government should come before the committee. Those who are concerned in Colorado, in California, in Utah, and in other States have a right to present their cases to the Committee on Appropriations, so that we can write a long-range program, starting somewhere—and perhaps it should start in Vale; I do not know. We should proceed in a definite, orderly manner toward the solution of the problem, instead of singling out a few States for a project and ignoring the others. I do not think we should lay ourselves open to charges of that kind.

The committee acted wisely in refusing the money, even though it received supplemental and varied requests from the Bureau, with its stubborn tenacity, in an effort to try to get some money somewhere. The committee acted wisely and properly.

I suggest, Madam President, that the Senate should reject the amendment, if it is pressed for a vote. If it does so, I assure the Senators who have this problem in their areas that we shall be glad to hear, in supplemental hearings, a request to cover the whole area.

In my own mind, Madam President, it might be more appropriate on this occasion to move to lay the Morse amendment on the table. This would have the effect of keeping the subject before the Committee on Appropriations and providing an opportunity for hearings, which would permit Representatives and Senators from all 17 States to present their problems. It would permit Department officials to present their "cure," so that we could subject it to analysis, criticism, modification, and change.

Whether I shall make a motion to lay on the table, or whether any other Senator will do so, has not been decided, but it has been decided that if such is not done, there should be a yea-and-nay vote, for Senators to decide whether they wish to engage in this type of specialized legislation for four States in seeking to solve a problem existing in a great many States. Senators must decide whether they wish to appropriate $2 million without a single syllable of hearings before the committee from the Bureau and the Department responsible for handling the funds.

Mr. MORSE and Mr. CARROLL addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Madam President, I wish to summarize the position of the advocates of the amendment and to clear up the confusion over this problem created by Senators who have opposed it.

First, it was never contemplated that this would be solely an Oregon project. Attention was called to the fact that the Bureau of the Budget issued a statement on April 2 which erroneously referred to it as an Oregon project.

The administration proceeded forthwith to correct that error, and made it perfectly clear that the project was developed for a new program of range rehabilitation under the Taylor Grazing Act and that it would cover projects which, in the opinion of the Department of the Interior, were ready to move forward based upon the recommendations of the advisory council, which had been called back to Washington for a week and had devised the new program.

The senior Senator from Oregon testified before the Appropriations Committee. I do not know why Senators continue to insist that there were no hearings, unless a Senator, as he appears before and Appropriations Committee, goes through gestures that have no influence on the Appropriations Committee. The senior Senator from Oregon testified. He explained the project to the Appropriations Committee. The administration sent up its communications in regard to the project. The President sent up his communication making clear that the proposal had the approval of the Bureau of the Budget and his approval.

Colorado, Wyoming, and other States not referred to in the material that the Department of the Interior sent up will be included in the program, which, I announce again, is a new program under the Taylor Grazing Act. I call attention to the fact that each year the Appropriations Committee appropriates money to the Department of the Interior for the administration of the Taylor Grazing Act, and no bill of particulars is presented to the Appropriations Committee as to where each dollar shall go under the administration of the Taylor Grazing Act.

That is an administrative function of the Department of the Interior. It so happens, in order to explain this new program, that the Department of the Interior advised the Appropriations Committee through the communications system how it proposed to administer the $2 million, but it is in exactly the same form in which members on the Appropriations Committee have been appropriating money for years gone by. Funds are appropriated to the Department of the Interior for the administration of the Taylor Grazing Act.

The project is one which many of the opponents have said they are all for in principle, but the fact is that they do not want to appropriate the money.

I think the Senator from Delaware [Mr. WILLIAMS] let the cat out of the bag as to why some Senators on the other side of the aisle do not want to appropriate the money. I have not been in the Senate for almost 18 years without developing the ability to smell a political maneuver when its odor is as strong as the odor is here today. It is apparent that certain Senators on the other side of the aisle are of the opinion that they might help WAYNE MORSE get reelected if this amendment were to pass. I cannot interpret some of the statements on the other side, including that of the Senator from Delaware, in any other vein.

I would be less than human if I did not say that I am sorry those comments were made, because I am proud of the record I have made over the years in fighting for range rehabilitation.

This is the culmination of a fight I have waged year after year. The Senator from South Dakota has said that politics are never played in the Appropriations Committee. I hope not. I understand that on the day the provision was gutted in the Appropriations Committee there were present about eight Republicans and four Democrats. I cannot ignore what I think is a pretty clear inference as to what happened in the Appropriations Committee. I regret that the chairman of the committee apparently was not armed with proxies on that occasion.

We must face the reality of the situation. The chairman of the Appropriations Committee advised me to offer the measure as an amendment to the bill on the floor of the Senate, which is exactly what I have done today. I betray no secret when I say that the leader on the other side of the aisle discussed what happened in the Appropriations Committee in regard to this subject. It was understood that I would offer the amendment today because it is meritorious. There are Senators on the other side of the aisle, including an absentee member of the Appropriations Committee, who have told me it is meritorious, and have assured me that they would vote for it when the roll was called.

I do not think that what I have described is the way to deal with great interests in our country with reference to public lands. I do not think it is the way to deal with the advisory councils, Republicans and Democrats alike, that serve under the Taylor Grazing Act and have served for years. They came back to Washington, planned the program, and submitted it to the administration, and it was approved by the Department of the Interior and by the President of the United States.

In my judgment, Senators of both parties from the West cannot deny the fact that the proposal would be a great march forward in range rehabilitation. The record is made.

Let me say most respectfully, but frankly, that what we have heard is a diversionary tactic—to say, "Beat it today, and then start all over in a supplemental bill sometime later."

The people of the West are entitled to have the program approved now. Senators who are interested in it have a clear duty. As the Senator from Colorado [Mr. CARROLL] has made clear earlier today, they will discuss with those in authority in the Bureau of Land Management how the money shall be administered procedurally under the Taylor Grazing Act.

I point out that the proposal would be an appropriation for the administration of the Taylor Grazing Act. We have made appropriations for the administration of that act for years. We have not asked the Department of the Interior to tell the Senate how each dollar would be spent. Representatives of the Department have said that for range rehabilitation they need so much money under the Taylor Grazing Act. But they have been very forthright with the Senate this year. They have told us that there should be some changes as recommended by their advisory council for range rehabilitation. If that is the case, I am perfectly willing to rest on the case made. I am perfectly willing to have Senators assume their own responsibility for their votes on the issue.

Mr. CARROLL. Madam President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CARROLL. How long has the senior Senator from Oregon been fighting for appropriations for range rehabilitation?

Mr. MORSE. This is my 18th year.

Mr. CARROLL. How many times have appropriations been granted for the specific purpose of range rehabilitation?

Mr. MORSE. I answer the question by saying that I do not know of any times for this specific purpose, because the plan is a new one. But many times appropriations have been made to the Department of the Interior for administering the Taylor Grazing Act.

Mr. CARROLL. I recall that I testified in 1960 before the Appropriations Committee and asked for a specific appropriation for the specific program.

Mr. MORSE. So did I.

Mr. CARROLL. The request was denied. I heard on the floor of the Senate today that we should believe in a program of range rehabilitation. As the Senator from Oregon said earlier in his discussion, I called the Bureau of Land Management. I wanted to know what they would do with reference to the State which I represent in part. I was told very clearly, "Senator, if we have the money, we will do it."

I said, "Suppose you get $2 million. I want you to consider the problems in my State in relation to a proposed appropriation of $2 million."

He said, "We will do it."

**Mr. MORSE.** Surely. He should.

**Mr. CARROLL.** For that reason, I made the parliamentary inquiry. I do not want the Record to show that the appropriation would be for a specific purpose. It would be covered under the general provisions of the bill related to the Bureau of Land Management, and the money might be impounded by the Bureau of the Budget. It might very well be impounded by the Bureau of the Budget. But it seems to me that in the first step forward in all these years, it would be a step backward for me to vote to reject the amendment merely because I do not have some specific assurance about my State. I commend the able Senator from Oregon. I do not know whether Oregon will get a million dollars or not. If I think it may, I assure the Senator that I shall try to get a little of the money for Colorado. There is a national advisory group. We must repose confidence in volunteer groups who believe in range rehabilitation.

**Mr. MORSE.** I agree with the Senator.

**Mr. CARROLL.** Not having had other appropriations in other fiscal years, although I have asked for them, I think it is a serious mistake to turn our backs on the first effort we have made in the direction of range rehabilitation. I intend to support the amendment of the Senator from Oregon.

**Mr. MORSE.** I thank the Senator. I rest my case.

**Mr. DWORSHAK.** Madam President, I know that the Senator from Oregon is a kindly and fair man. He is the proud author of the Morse formula, which has won widespread support among his colleagues in the Senate on the basis that it applies fairly and equitably to every State.

I believe that the Senator from Oregon is a little out of character when he makes the broad charge that any Senator on this side of the aisle who opposes his amendment is motivated by some political desire to embarrass the Senator from Oregon. There is not one Senator from any of the Western States who does not wholeheartedly support the comments made by the Senator from Oregon insofar as the importance of range reseeding and range management on the public domain is concerned. There is not a Senator, regardless of which party he is affiliated with, who does not share that concern.

During the deliberations of the Appropriations Subcommittee there never has been any opposition on that basis. There have been disagreements over whether we should appropriate more money or less money, or whether we can accelerate a program. Why all this urgency and haste?

I have before me the Bureau of Land Management justification, page 47, dealing with soil and moisture conservation.

The amount available in 1961 was $5,116,817. The amount available in 1962 was $6,413,530. The estimate for 1963 is $8,525,000. That is an increase of $2,111,470 over last year. That is an increase of approximately 35 percent to enable the Bureau of Land Management to accelerate the soil and moisture conservation program, and reflects the considered judgment of the Bureau of Land Management. That was approved by the Committee on Appropriations, and I am sure the increased budget will also be approved by the Senate in voting for the appropriation which has been submitted. I do not mean the amendment offered by the Senator from Oregon, but the bill brought to the Senate by the Committee on Appropriations.

I find on BLM page 49 some detail with respect to the program of $8½ million. Brush control and range seeding are mentioned, both in terms of acres. In 1962 there were 237,289 range seeding acres. In the program for 1963 there will be 290,000 acres of range seeding, or an increase of 53,000 acres.

I have BLM page 84, which is the justification on range improvement. I find that the appropriation in 1961 was $863,070. In 1962, it was $739,842. For the coming year the estimate is $1,044,750. That is an increase of $304,908. That means an increase of 40 percent in that specific program for range improvement under the direction of the Bureau of Land Management.

I have called attention to these two appropriation items for the Bureau of Land Management to prove the liberality and the desire of the Appropriations Committee to support this program in the normal way, which requires matching from 25 to 40 percent by the local participants in these programs.

I am fearful that we are in danger of setting up a new precedent whereby we can get through an authorization for a particular project in a favored area without the requirement of local matching.

What will happen, then, to the program that we have followed for many years, which has been accepted by every interest, particularly the grazers on the public domain, to the extent that they are willing to make local matching in these programs?

The Senator from Oregon may have some personal justifiable reasons for asking for this preferential treatment. However, he has heard comments made by his colleagues from other public land States in the West, all of whom agree basically with his concept for an expanded public domain improvement and reseeding, which will ultimately bring more revenue through grazing fees.

However, I believe that the Senator from Oregon is not entirely fair when he says the State of Idaho, the State of Nevada, and the State of New Mexico were in the original concept, because the Record is replete with evidence to show that it was 4 days after the markup and reporting of the appropriation bill before the Assistant Secretary of the Interior submitted additional data. I may not use the same dictionary the Senator from Oregon uses, but I believe I know what "additional data" means. It means information that was not submitted by the Bureau of Land Management to our committee when this subject was before us for consideration originally.

I am reluctant to bring up this item, but at the time the subcommittee was considering this particular request I happened to read in the Idaho Statesman, of Boise, Idaho, which serves eastern Oregon, including the Vale district, the following dispatch:

> VALE BLM TO SPRAY SAGEBRUSH
>
> PORTLAND, OREG.—Six thousand acres of sagebrush and rabbit brush in the Vale district of the Bureau of Land Management will be aerial-sprayed between now and the end of June, Russell E. Getty, BLM State director, announced Wednesday.
>
> The spraying program, Getty said, is part of a BLM range improvement program. Control of brush releases perennial native grasses for the benefit of livestock and certain species of wildlife, he added.
>
> Getty said when good native grass is sparse or nonexistent the BLM seeds the sprayed areas with crested wheatgrass.
>
> Getty also issued a forecast of forage conditions on public rangelands in the Vale area.
>
> As of April 1 the conditions in the north part of the district were 13 percent above normal; in the central part they were 4 percent below normal and in the south 13 percent above normal.

The article, if it correctly states the facts, in quoting the Bureau of Land Management director in the Portland, Oreg. district, which includes the Vale district, shows that there is no immediate need or urgency for the proposed action at this time. Assurances have been given by Republicans serving on the committee, as well as by Democrats, who come from the States that are not included in the emergency program, that a supplemental appropriation bill will be considered soon and that there will be ample opportunity for the Bureau of Land Management to submit a detailed report or recommendation, not for one or two or three States, but, rather, for the negotiation of a farflung rehabilitation program throughout the 10 public land States of the West. I believe the State of Washington, represented by the Senator from Washington [Mr. MAGNUSON], is not interested in this program.

So only 10 of the 11 Western States participate.

If the Senator from Oregon would be as fair as are Senators on both sides of the aisle who serve on the Subcommittee on Interior Department Appropriations and study the estimates, justifications, and programs year after year, and would act in accord with his long record in this body, he would not seek the preferential treatment which would result in discrimination against other States of the West which are in exactly the same category as is his own great State of Oregon.

I think the amendment ought to be laid on the table without prejudice. In the next month or two, when the supplemental appropriation bill is considered, there will be an opportunity to proceed in a regular, orderly manner. A program can be presented which will be fair to all the States, and the Senator from Oregon will then receive the plaudits and acclaim of the States of the West, because he will have had a share in expanding this program.

Mr. President, I move that the amendment be laid on the table.

Mr. WILLIAMS of Delaware. Mr. President, on that motion, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The question is on agreeing to the motion of the Senator from Idaho to lay on the table the amendment of the Senator from Oregon.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Idaho [Mr. DWORSHAK] to lay on the table the amendment of the Senator from Oregon [Mr. MORSE]. The motion is not debatable. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PELL], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from South Carolina [Mr. THURMOND], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Oklahoma [Mr. KERR]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Oklahoma would vote "nay."

On this vote, the Senator from South Carolina [Mr. THURMOND] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from South Carolina would vote "yea," and the Senator from New Jersey would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from North Carolina [Mr. JORDAN], the Senator From Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PELL], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. CASE], the Senator from South Dakota [Mr. CASE], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], the Senator from New York [Mr. JAVITS], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from New Hampshire [Mr. MURPHY], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 30, nays 44, as follows:

[No. 84 Leg.]

YEAS—30

Allott
Beall
Bennett
Boggs
Butler
Byrd, Va.
Carlson
Curtis
Dirksen
Dworshak
Eastland
Fong
Goldwater
Hickenlooper
Hruska
Keating
McClellan
Miller
Morton
Mundt
Pearson
Prouty
Proxmire
Robertson
Scott
Smith, Maine
Stennis
Wiley
Williams, Del.
Young, N. Dak.

NAYS—44

Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Church
Clark
Cooper
Dodd
Douglas
Engle
Ervin
Gore
Gruening
Hart
Hartke
Hickey
Holland
Humphrey
Jackson
Kefauver
Kuchel
Lausche
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
Metcalf
Monroney
Morse
Moss
Muskie
Neuberger
Pastore
Randolph
Smith, Mass.
Sparkman
Symington
Talmadge
Yarborough
Young, Ohio

NOT VOTING—26

Aiken
Bush
Capehart
Case, N.J.
Case, S. Dak.
Chavez
Cotton
Ellender
Fulbright
Hayden
Hill
Javits
Johnston
Jordan
Kerr
Long, Mo.
Long, La.
McNamara
Murphy
Pell
Russell
Saltonstall
Smathers
Thurmond
Tower
Williams, N.J.

So the motion to lay on the table was rejected.

## LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about the program for the remainder of today and also for tomorrow.

Mr. MANSFIELD. Mr. President, if it is possible to reach a vote on the Morse amendment, I think we would seriously consider adjourning shortly thereafter; and I should like to suggest to the distinguished minority leader and to all other Senators that, if they find it agreeable to do so, the Senate convene tomorrow morning at 11 a.m.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator from Montana will yield, I have no objection to having the session tomorrow convene at 11 a.m., but I understand that the chairman of the Finance Committee has arranged to have the Secretary of the Treasury appear before the committee at that time; and I have an amendment to offer to this bill, also.

Mr. MANSFIELD. Mr. President, I am glad the Senator from Delaware has mentioned that fact. Therefore, I propose that the session tomorrow convene at 12 o'clock noon.

If action can be completed on the Morse amendment this afternoon, I wonder whether it will also be possible today to complete action on the Magnuson amendment, which will not take too long. There will be many other amendments to consider tomorrow.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. KEFAUVER. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. KEFAUVER. I have a brief statement which I wish to make today, if possible.

Mr. MANSFIELD. Mr. President, if final action is taken today on the Morse and Magnuson amendments, Senators can then take all the time they may wish to take.

At this time, I hope the Senate will proceed to vote on the Morse amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE], on behalf of himself and certain other Senators. On this question, the yeas and nays have been ordered.

Mr. MUNDT. Mr. President, I desire to take only a minute or two to inform the many Senators who were not present earlier of the present legislative situation and the pending issue.

The Senate now has before it an amendment to increase by $2 million the appropriations called for by the bill. This proposed increase would be above the amount recommended by the committee, and it involves an item on which no committee hearings were held.

It involves an amount as to which, it seems to me, if we are going to start to legislate increases on an appropriation bill in the face of the serious fiscal situation in which this country finds itself, we should at least recognize our responsibility to the taxpayers and to the Treasury to the extent that we do not legislate increases on items which have not even been heard by the committee.

Each Member must be his own custodian of his responsibility in fiscal matters. I simply wanted Senators, who were not present to hear the discussion, know what is involved in the issue.

**Mr. LAUSCHE.** Mr. President, I contemplate voting against the amendment. I shall vote against it because it tends to increase the amount recommended by the committee.

I have no faith in the argument which has been made that the Senator from Oregon charted this amount to be assigned to Oregon, and to no other States. Basically, I would vote against this amendment because of the increase proposed. I want it clearly understood that my vote will not be cast upon the basis that the Senator from Oregon tried to channel this money into Oregon, and no other place.

**Mr. MORSE.** I have already given my assurance that that is not so.

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## DRUG LEGISLATION

**Mr. KEFAUVER.** Mr. President——

**The PRESIDING OFFICER.** The Senator from Tennessee is recognized.

**Mr. KEFAUVER.** Mr. President, I wish to take but a few minutes, but I wanted to make this statement while the minority leader [Mr. Dirksen], the Senator from Nebraska [Mr. Hruska], and other Senators were present to hear the statement.

Mr. President, today a severe blow to the public interest was delivered in the Senate Judiciary Committee.

Most of the drug manufacturing industry and its acolytes have been punching away for some time at S. 1522, which is designed to make vital prescription drugs available to the people at reasonable prices.

Today they swung a "haymaker" and just about knocked this bill right out of the ring.

I refuse to believe that my colleagues in the U.S. Senate will let this sorely needed legislation go down "for the count" in this way. The people of this country want more reasonably priced drugs; they want safer, more accurately and honestly advertised drugs.

Some polls have shown that 60 to 70 percent of the people would be for price-controlled drugs. I am not for price control, however, because I believe the same thing can be accomplished by way of competition.

But whatever test we attempt, whether cost of manufacture, foreign prices, or bids to the Government, the cost of prescription drugs is and has been for some time unreasonably high.

I think the time has come for the spotlight to be turned on so that the people of this country can see who is on which side.

The people of this country want and are entitled to know about our efforts to try to get more reasonable prices for prescription drugs, safer drugs, and accurately advertised drugs.

As of now, these and other necessary and important objectives are in great jeopardy. That is why I want now to review the history of this struggle so that my colleagues and the public will know the facts.

Two and a half years ago the Subcommittee on Antitrust and Monopoly began a full-scale investigation of the drug manufacturing industry. It was the finding of the subcommittee, embodied in Senate Report No. 448, dated June 27, 1961, of the 87th Congress, that the prices charged for prescription drugs are exorbitantly high and that the profits of the leading manufacturers were excessive. We also found that a number of changes in the law should be made to assure that prescription drugs will be safer as well as less expensive.

The major recommendations of our subcommittee were embodied in S. 1552, the Drug Industry Antitrust Act. Very lengthy hearings were held on this bill and everyone who wished to be heard was permitted to testify. This bill, with certain amendments, was approved by the subcommittee several months ago. When the amended bill was referred back to the Committee on the Judiciary, it was rereferred to the Patents Subcommittee. That subcommittee recommended the deletion of certain provisions in the bill and, upon the initiation of its chairman, Senator McClellan, made certain changes in the remaining patent provisions. The bill was then sent back to the Committee on the Judiciary.

The bill, as further amended, received the strong endorsement of the President of the United States in the form of a letter to Senator Eastland, dated April 10, 1962. I request unanimous consent that this letter, a copy of which I have here, be placed in the Record, at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE WHITE HOUSE,
*Washington, D.C., April 10, 1962.*

Hon. James O. Eastland,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator: In the message I sent to the Congress on March 14, I called attention to the need for new legislative authority to advance and protect the interests of consumers in the marketing of drugs.

S. 1552, which is now pending before your committee, incorporates the major recommendations I made. It will strengthen and broaden existing laws in the food and drug field, contribute toward better, safer, and less expensive medicines, and establish a better system of enforcement. As you know, the bill is the outgrowth of 28 months of intensive investigation and hearings by your Subcommittee on Antitrust and Monopoly. I believe that early passage of this legislation will substantially improve the ability of the drug industry to serve the Nation and help provide consumers with quality drugs at low competitive prices.

I understand that the members of the Subcommittee on Patents have decided that the compulsory licensing feature of the legislation requires further study and consideration. I would hope that this would not, however, delay enactment of the other provisions of the bill—provisions which will establish necessary safeguards to assure the reliability and effectiveness of drugs placed on the market, provide for standardization of drug names, and thereby encourage physicians to prescribe drugs by nonproprietary rather than by brand names, require disclosure of adverse as well as beneficial effects of drugs in drug promotion, and assure consideration of therapeutic effectiveness in the granting of patents for drugs that are modifications of other drugs.

The message I sent to the Congress made several other suggestions which, it would seem to me, might appropriately be included in the bill now before your committee. They are:

1. Drug manufacturers should be required to keep records on, and report to, the Department of Health, Education, and Welfare any indications of adverse effects from the use of a new drug or antibiotic.
2. The Department of Health, Education, and Welfare should be empowered to withdraw approval of a new drug on the basis of a substantial doubt of its efficacy or safety.
3. The provisions requiring drug manufacturers to maintain facilities and controls to assure the reliability of their product, and to institute more effective inspection to determine whether drugs are being manufactured in accordance with the law, cannot feasibly be limited to a particular class of drugs and should therefore be made applicable to over-the-counter as well as prescription drugs.
4. An enforceable system of preventing the illicit distribution of habit-forming barbiturates and amphetamines should be provided.

The need for these amendments is based upon the accumulated years of experience of the Food and Drug Administration, and they appear to be properly within the scope of the subject matter dealt with in the extensive hearings of the Subcommittee on Antitrust and Monopoly.

In addition, I recommend two minor procedural changes:

1. In the section having to do with the rendering of advisory opinions by the Department of Health, Education, and Welfare to the Patent Office on the therapeutic effect of modifications and combinations, I suggest that the requirement providing the applicant with an opportunity for a plenary hearing be deleted. Under the provisions of S. 1552 in its earlier form, the Secretary's finding was conclusive and therefore should have required a formal hearing. But since the bill in its present form requires no binding decision to be made by the Secretary, the requirement of the hearing seems inappropriate and would tend to unduly delay the rendition of the Secretary's purely advisory opinion to the Commissioner. The action of the Commissioner is, of course, subject to well-established de novo judicial review.
2. The provision requiring the filing of patent agreements with the Commissioner of Patents should more properly be in the form of an amendment to the Patent Act rather than the Sherman Act.

I have asked the Department of Health, Education, and Welfare to transmit to you promptly any additional recommendations to strengthen, clarify, or improve the bill that it may have and that will not require additional hearings or substantially delay action on the bill.

It would not appear that the consideration of these proposed changes should occasion any further delay in the approval of this important measure.

With the above changes, S. 1552 adequately deals with the most pressing problems in the drug field, and it is my sincere wish that it be enacted during the current session of the Congress. Your cooperation and assistance to this end will be greatly appreciated.

Sincerely,

John F. Kennedy.

**Mr. KEFAUVER.** In this letter the President not only strongly endorsed S. 1552 as amended, but also requested certain additions and minor changes, which by request I was prepared to offer in the administration's behalf in the Judiciary Committee.

At a meeting of the Judiciary Committee last week, the remaining patent provision in the bill—as amended by Senator McCLELLAN—came under heavy attack from the Republicans. It was contended that the Commissioner of Patents objected to this provision which put some curb on the granting of patents to modifications and combinations of drugs which represented no medical advance. As the matter was left unresolved at the conclusion of the meeting, I immediately made an appointment to see Commissioner Ladd, and found that he enthusiastically supported the patent provision. I asked him if he would write a letter to Senator EASTLAND to this effect; he said he would; and he did. As a copy of this letter was sent to me I ask unanimous consent that it be placed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
PATENT OFFICE,
*Washington, D.C.*

Hon. JAMES O. EASTLAND,
*Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Senator KEFAUVER has requested me to write to you further in amplification of my letter of May 2, 1962, to Senator McCLELLAN, concerning sections 3 (a) and (b) of S. 1552 as proposed to be amended by the Antitrust and Monopoly Subcommittee. A copy of that letter is enclosed. Senator KEFAUVER has supplied me with a printed copy of S. 1552 as thus proposed to be amended and also a copy of amendments to this version which Senator McCLELLAN has proposed.

The comments made in my letter of May 2, 1962, constituted a studied and earnest effort to suggest improvements in the subsections under consideration which would make them clearer and more workable than the previous versions. Our efforts toward improving the text were directed to making the provisions workable in the context of our day-to-day operations in the Patent Office. Such an approach is in furtherance of the general approval by the President of legislation for the purpose of S. 1552 contained in his letter of April 10, 1962, to you and his expressed wish for enactment of such legislation in this session of the Congress.

In my testimony before the Antitrust and Monopoly Subcommittee I made it clear that present confusion with respect to the requirement of utility in certain chemical patent applications was undesirable from the viewpoint of the public interest. The proposed legislation provides a significant improvement in this respect, and, I feel, is altogether desirable to reestablish clearly the requirement of utility in the patent statute and to allow the Patent Office to require the necessary proof thereof.

I am gratified to see that two suggestions contained in my previous letter (relating to reference of certain applications to the Department of Health, Education, and Welfare and to broadening the conditions of patentability of chemical compounds in the area covered by the bill) have been proposed for adoption by the full committee. However, I would like to again call attention to the other suggestions contained in my letter, relating to the clarification of certain clauses. These should be taken care of by suitable explanations in the report on the bill.

My reference here to the desirable reassertion of the requirement of utility is to the language which would amend section 100 of part II of title 35 of the United States Code, as set forth in section No. 3 in the committee print of S. 1552, dated April 13, 1962, considered together with the further amendment to that provision which I understand that Senator McCLELLAN has proposed. Specifically, I understand that Senator McCLELLAN proposes to amend section 3 as it appears in this committee print by inserting on page 4, line 13, after the words "taken separately" the following: "or unless the modification or combination possesses some other substantial advantage over the drug so modified or the drugs so combined."

I believe that such a clarification of the law on utility is needed, desirable, and in the public interest. It will, moreover, materially assist the Patent Office in its administration of the patent laws.

In accordance with a request by Senator KEFAUVER, copies of this letter are being forwarded to him and to Senator McCLELLAN.

Respectfully,

——— ———,
*Commissioner.*

Mr. KEFAUVER. Having received this endorsement of the Commissioner of Patents, I felt that this provision would cause no more controversy.

Much to my amazement, at a meeting of the Judiciary Committee this morning, I discovered that there had been a secret meeting between representatives of the Department of Health, Education, and Welfare—just how much authority the representatives there had, I do not know—and staff members of the Judiciary Committee representing the Senator from Mississippi [Mr. EASTLAND] and staff members of the Antitrust Subcommittee representing the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA]—of which I knew nothing, and no member of the staff of the Antitrust and Monopoly Subcommittee knew anything.

Not only had there been an agreement to eliminate the remaining patent provision endorsed by Commissioner Ladd, but there had also been an agreement to water down virtually every remaining feature of the bill.

I know the chairman of our committee was trying to get some bill out and apparently felt that it was necessary to get the agreement of the Senator from Nebraska [Mr. HRUSKA] and the Republican members. I do not question the good faith of the Senator from Nebraska [Mr. HRUSKA] or the Senator from Illinois [Mr. DIRKSEN], but I want to say this is the first time in my legislative experience, that I have been working on a bill for a long, long time, a bill which the committee has been considering; a bill on which a meeting was called to completely change it; and a bill about which I had no notice and no opportunity to be present or have anyone present at the meeting to present the arguments that I felt should be made.

I was surprised and put out that I, as chief sponsor of the bill, had neither been invited to the meeting nor knew anything about it.

The bill which now remains is a mere shadow of the one approved by the Antitrust and Monopoly Subcommittee only a few months ago. I have had many inquiries as to what is happening about drugs, when prices are going down, when we are going to have more accurate advertising, when we are going to have safer drugs. I want the people to know what has been happening and what the situation is.

The bill as it stands is admittedly agreeable to the Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA]. They have generally, and I think admittedly, taken the position on these issues set forth by the pharmaceutical drug manufacturing industry, so I assume the bill is equally agreeable to the drug manufacturing industry. The spokesman for the drug manufacturing industry, Mr. Beasley, of Eli Lilly, testified in favor of a stronger bill than that which was finally drafted as a so-called compromise to be presented before the Committee on the Judiciary.

If this is the case, Senators may be assured that there will be nothing in the bill which will bring the price of drugs down. Undoubtedly there will be some provisions in the bill which will make a few useful changes in the technical provisions of the food and drug law. These have long been needed, and the PMA, unlike the AMA, has admitted the need several times, and has even gone further than the proposal worked out over the weekend, of which I knew nothing.

However, Senators may also be sure that these provisions will be considerably watered down from those approved by the Subcommittee on Antitrust and Monopoly Legislation.

At the meeting this morning there were present representatives both of the Department of Health, Education, and Welfare, and the Food and Drug Administration. I am unable to ascertain whether or not they were putting forward a new administration position or whether they were merely technicians assigned to assist the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] in arriving at a common position.

I hope it was the latter, because I believe the President is still behind our effort. The President has written a strong letter and has sent a message to Congress in respect to the prices of drugs. The Secretary of the Department of Health, Education, and Welfare has testified specifically for the food and drug sections. I believe both the President and the Secretary are still behind our drive to make prescription drugs both safer and more reasonable in price. Though the Secretary testified that these were not in his jurisdiction, he thought that the other sections relating to patents did have a good purpose, and he said he personally would be in favor of them, although he was not speaking for the Department of Justice nor the Commissioner of Patents.

I believe both the President and the Secretary of Health, Education, and Welfare are still behind our drive to make prescription drugs both safer and more reasonable in price. If I am incorrect, I hope that either the White House or the Department of Health, Education, and Welfare will clarify the position, so that everyone may know where everyone else stands on this important issue.

This is an important issue in respect to which millions of people—particularly older people, who have to take many medicines—are very much interested.

For my part, I shall not give up my effort to restore competition to the drug industry and thereby to lower the prices of drugs, but I should like to know who stands for this program—which departments stand for and which stand against this effort.

Mr. President, we know where the drug industry stands. The Senator from Illinois [Mr. DIRKSEN] and the Senator from Nebraska [Mr. HRUSKA] have made very clear where they stand. That is their prerogative. I cannot believe that there has been any backing away on the part of the President of the United States.

In view of the fact that representatives of the Department of Health, Education, and Welfare participated in secret meetings to damage this bill seriously, I think the people are now entitled to know just how they happened to be there and what the administration's present position is.

I yield the floor.

**Mr. EASTLAND.** Mr. President, I accept full responsibility for the alleged secret meeting which the Senator from Tennessee describes. The truth is that the administration designated certain individuals to handle the drug bill.

The Senator from Tennessee would offer amendments, and would get two or three votes, out of a committee of 15 members. It was my obligation to do what I think was needed, to get a realistic drug program, so I asked those who represented the administration to meet with the staff of the Judiciary Committee and to meet with the staffs of Senators who opposed the bill or who opposed parts of the bill, to see if, within the President's letter to me, we could arrive at a drug bill both healthy and wholesome, which would be a step forward. That was done. It was agreed on.

I admit that I did not call in my friend from Tennessee for consultation, because I thought it would be a futile act. I did not think he would make any agreement with respect to anything.

I submit that we have drafted a drug bill which is healthy, which meets the requirements of the President of the United States as stated in his letter to me, and which should be supported by the American people.

If there is anyone at fault, the Senator from Mississippi is at fault. I directed my staff to meet with the officials from the executive department who were handling the bill—where else should I have gone?—and to meet with the staffs of Senators who were opposing the bill, to see if we could agree upon a program supported by the administration. That has been done.

I do not wish any glory from this effort. I am not making any speech for public consumption at home or abroad. We have a workable program which meets the test laid down by the executive department of the Government. After all, the President must sign the bill. I think it is a great step forward, and a needed step forward.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Illinois [Mr. DIRKSEN] have never opposed a real drug bill. When we consider licensing a business to go into business we are dealing in socialism, and that should be opposed. I do not think the iron heel of the U.S. Government should be placed on any company which wishes to manufacture drugs, but I think the companies should be regulated. That is what is in the bill now pending in the Committee on the Judiciary.

**Mr. HRUSKA** and **Mr. CARROLL** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from Nebraska is recognized.

**Mr. HRUSKA.** Mr. President, the series of events referred to by the Senator from Tennessee started about 2½ years ago. The Subcommittee on Antitrust and Monopoly Legislation had the idea that the industry involved in the manufacture and the distribution of prescription drugs needed investigation.

I take a back seat for no one, including the distinguished chairman of that subcommittee, in a concern over seeing that the manufacture of prescription drugs should be of the highest quality and the greatest reliability, to be distributed and sold under as competitive a system as we can achieve which is consistent with free enterprise.

**Mr. EASTLAND.** Mr. President, will the Senator yield?

**Mr. HRUSKA.** I am happy to yield.

**Mr. EASTLAND.** Does not the Senator know that it is incumbent upon me, as chairman of the Committee on the Judiciary when there is a great controversy in the committee, to seek a middle ground on which we can all agree?

**Mr. HRUSKA.** The Senator from Nebraska is aware of that.

Mr. President, without the intervention of the chairman of the Committee on the Judiciary, the alternatives were not to have the bill which was approved in the subcomimttee and the bill which is the product of this alleged secret meeting. The choice would have been between the bill approved by that subcommittee and no bill at all.

It is my considered judgment that if the bill which had been approved by the subcommittee was brought to the floor of the Senate, it would not pass in any of its parts, including the portion related to information on patents for drugs, the part related to licensing of pharmaceutical companies, or the rest.

I am as concerned as anyone about proper use of drugs by those who are ill, those who need relief from pain, and those whose lives could be saved through them. I am deeply in sympathy with the declared objectives of the bill.

What about the so-called secret meeting? I suggest that a meeting attended by some 15 or 18 people is scarcely a secret. The charge surprises me. However, I can recall occasions, going back through the past 2½ years, when members of the minority were not able to receive even 1 day in advance of a hearing the names of the witnesses who would be called before the subcommittee, denying us the opportunity to inform ourselves on the provisions of the bill about which the testimony would be offered. Contrary to the rules of the subcommittee, statements of witnesses called by the majority staff were not supplied to us. Only by a constant effort were we able to get some semblance of information sufficiently in advance so that we could overcome the secret preparation of evidence that later emerged in the hearing.

It is true that we battled this bill out. We lost when the subcommittee voted on it. But we did not come to the floor of the Senate and complain about it. We took our case to the full committee. We discussed the question before the entire membership. As the chairman of the Committee on the Judiciary said, the voting was on the order of 9 to 2 and 9 to 3.

I suggest that such a pattern of votes does not reveal a unanimity of opinion in favor of the subcommittee's bill. Hence it is hardly realistic for one to say that a meeting called to salvage something of the bill would be secret. As a matter of fact the effort and action were not concealed. The meeting was the result of the working of the will of the entire committee.

We have heard that the bill has been entirely changed. Yes, it has been, and it should be changed. It should be changed because originally it contained provisions which would amend the basic patent law of our Nation. This would have signaled the destruction of the patent system which is provided for in the Constitution of the United States, and which has been in its present form for a long time. The bill should be changed because originally it provided for the licensing of legitimate pharmaceutical businesses. That power of licensing would give the Government life and death control over every phase of drug manufacturing. It departed from the present regulatory principles which were founded on the quality of the end product, and not on meticulous Government intervention in every process which produces that product.

The licensing provisions of the bill would overlap other provisions of the Food, Drug, and Cosmetic Act which work well in practice, and which themselves would be tightened by the bill.

The Department of Health, Education, and Welfare did not ask for a licensing bill. When Secretary Ribicoff was before the committee he said:

> The most that we would want, what we would be pleased to have, and what we could get along with explicitly is some system whereby we could tighten up some of the methods and conditions of manufacture and controls over quality and reliability.

No one is more eager to obtain those goals than is the Senator from Nebraska.

The bill originally approved for consideration by the Senate would not have been acceptable to this body. If it is the desire of the administration to enact a bill, we ought to consider the desires of the administration as listed in the Presidential letter, and to take the text and the tenor of testimony of the Commissioner of Patents and the Secretary of Health, Education, and Welfare, and fashion a bill that will meet the objectives for which they have asked.

I ask unanimous consent that there be printed in the RECORD at this point a brief summary of the amendments, what they would do, and the difficulties of the pending bill which they seek to overcome, so that this body may be informed as to the narrative and the tenor of the entire dispute.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

### SUBSTITUTE FOR SECTION 3

*Information on patents for drugs*

Section 3(b), with all amendments, lends itself to many constructions. The term "modification of a drug" is believed to mean only a new drug that is a close chemical relative of an existing drug, so close in chemical structure that the new drug is presumed to have properties not significantly different from those of the existing drug. Such a new drug is now regarded as presumptively "obvious" under section 103 of the Patent Code unless a surprising advantage is demonstrated. So construed, section 3(b) would not substantially change the law.

However, another possible construction would be based on the theory that section 3(b) would not be passed in the absence of a congressional desire to make a change. Terms such as "modification of drug" lend themselves to a broader meaning reaching beyond those modifications of existing drugs that would be presumptively "obvious" under the present law. In such event, drugs that are patentable, and should continue to be patentable, would be denied patent protection—for example, a drug which, even though having no convincingly demonstrated advantage over prior drugs, represents a genuine technical advance and useful new product competition that should continue to be stimulated by patent rights.

Moreover, the language of section 3(b) is unworkable, will create hardship, and will give rise to undesired consequences in specific and important instances, viz:

1. The case of the typical antibiotic, where chemical structure is unknown and it is therefore not known whether it is or is not a "modification of a drug."

2. The case where a product has utility both in the drug field and in another field. Disclosure of the drug utility—most desirable in the public interest—will be discouraged to avoid problems under section 3(b).

3. The case where a new standard of section 3(b) regarding comparison with the prior "drug" might be broadly construed to require otherwise unnecessary, socially useless, and highly dangerous tests of a prior chemical compound (in a manner not previously tested) on humans.

The Dirksen substitute is patterned on the statute (title 35 sec. 164) which has worked so well as to patents on plants for the Department of Agriculture. It would provide the flexibility that is desirable in consultations between the Patent Office and the HEW on any drug patent question.

### SUBSTITUTE FOR LICENSING (IN NAME OF REGISTRATION)

S. 1552 proposes a new section 508 to the FDC Act which would set up a "registration" system which is, in effect, a licensing system.

This is wrong for the following reasons:

A. The licensing system would give the Government life-and-death power over every phase of drug manufacture.

B. It departs from the present regulatory principles which are founded on the quality of the end product, not meticulous governmental control of the processes which produce the product.

C. It would overlap other provisions of the FDC Act which work well in practice and which themselves are to be tightened up by other provisions of S. 1552.

In lieu of the proposed licensing system, the following amendments should be substituted:

1. A substitute section 508 setting up a true registration system under which each manufacturer and each plant is recorded in the FDA for its purposes and for public scrutiny, with provision for inspection of each plant at least once in every 2-year period. Amendment No. 1.

2. Amendment of section 704(a) of the act to strengthen the FDA's inspection authority, without interfering unreasonably in matters unrelated to potential violations of the act. Amendment No. 2.

3. Amendment of section 501(a)(2) of the act to declare a drug adulterated if it is not made in accordance with current good manufacturing practice. Amendment No. 3.

The proposed true registration system, coupled with strengthened inspection authority and provision for manufacturing controls in accordance with good manufacturing practice (and with the new drug procedures of section 505), would make the licensing system proposed in S. 1552 superfluous as well as undesirable.

The amendments of sections 704 and 501 would carry out recommendation No. 3 in the President's letter of April 10.

### SUBSTITUTE FOR NEW DRUG PROCEDURES AND CRITERIA

*New drug clearance procedures*

A. S. 1552 would change the present procedure so that no new drug application could become effective unless and until the FDA specifically approves it. Under the present law, a new drug application becomes effective in 60 days (which FDA may extend to 180 days) unless the FDA acts to block it. The present procedure should be retained, with two changes: (a) Extension of the preliminary time for action from 60 to 90 days; (b) provision for hearing promptly after the 180-day period. This would eliminate the potential delay inherent in a requirement of affirmative approval, while preserving FDA's right to block marketing until it is satisfied with the evidence. This would be accomplished by amendment No. 4.

*Substitute for efficacy test on new drug original clearance*

B. Under the present law, the new drug must be shown to be safe for use. S. 1552 would also require that it be shown to be efficacious. However, S. 1552 does not make clear the burden of proof necessary to meet the test of efficacy. It should be made clear that the new drug applicant has met the test if he has presented substantial evidence (not necessarily preponderant evidence) that the drug will have the effects claimed for it. This would be accomplished by amendment No. 5.

The purpose of the amendment is to permit legitimate differences of opinion among responsible clinicians to be resolved by the medical profession in day to day practice, instead of being resolved for all doctors against the effectiveness of the drug by the fiat of the FDA staff. Experience proves that the majority of "experts" have often been wrong in initially condemning a new medicine.

*Substitute for safety and efficacy tests on new drug suspension*

C. Under the present law, a new drug previously cleared and on the market can be suspended, after hearing, if new evidence shows it to be unsafe. S. 1552 would permit the same suspension if new evidence shows it not to be efficacious. Recommendation No. 2 in the President's letter of April 10 is that a drug already on the market be subject to suspension if the FDA has substantial doubt as to its safety or efficacy, even though no new adverse evidence has become available since the drug first went on the market. However, "substantial doubt" is a slippery, elastic term, permitting suspension whenever the Secretary feels like it, without hope of meaningful judicial review. The test for suspension should be the same as on original clearance of new drugs. Suspension should be authorized on the basis of new evidence (evaluated with the old evidence), and only if, in the case of safety, the manufacturer cannot show the drug to be safe or, in the case of efficacy, cannot show substantial evidence that the drug has the effects claimed for it. This would be accomplished by amendment No. 6. This amendment would carry out the President's recommendation with respect to substantial doubt as to safety, but with safeguards, in the case of efficacy, to avoid suspension from the market of a safe drug for whose effectiveness there is substantial evidence.

*No change in definition of new drug*

D. S. 1552 would change the definition of "new drug" from one that is not generally recognized to be "safe" for use to one that is not recognized as "safe and efficacious" for use. This change is unnecessary to give FDA power to pass on the efficacy of truly new drugs, which are covered by the existing definition because, being new, they are not generally recognized to be safe. The change would also cause confusion when a new use is discovered for a safe old drug. For example, if aspirin in its normal dosage were to be newly recommended as efficacious for acne, it should not have to go through the elaborate new-drug procedure. If FDA believes the claim is false, it has ample power to seize the drug as "misbranded" under existing law. Amendment No. 7 would eliminate the change.

### RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS AND ANTIBIOTICS

This amendment would carry out recommendation No. 1 in the President's letter of April 10. It would add new language to existing sections 505(i) and 507(d) of the FDC Act, and add completely new sections 505(j) and 507(g) to the act. The amendment is in the form submitted by the administration, with additional language providing that FDA regulations with respect to records and reports of experience with drugs be promulgated with due regard for the ethics of the medical profession and that such regulations provide, where the Secretary of HEW deems it appropriate, for examination by the manufacturers of similar information obtained by the Secretary on their drugs.

### OFFICIAL OR GENERIC NAMES OF DRUGS

*Requirement that labels include official name with conspicuousness required under section 502(c) (substitute for requirement that type be equal in size and prominence to trade name)*

S. 1552 would require that the generic name of a drug be printed in type at least as large and as prominent as that used for the trade name.

This is wrong because:

1. The FDC Act should not be used to deprive drug manufacturers of trademark rights and thus reduce their incentive to strive for excellence surpassing the minimum statutory standard.

2. It is impracticable and undesirable to establish flat rules in the law with respect to the precise relative size of the various words on labels and advertising.

3. The present act gives the FDA adequate authority to require whatever information is necessary on labels and in labeling in such form as may be readily understood.

In lieu of the proposal in S. 1552, amendment No. 9 would require that the official name be shown on labels in accordance with section 502(c) of the act—that is, with the conspicuousness necessary to make it readily understood.

### *Provision for rulemaking procedures in designating official names*

S. 1552 gives the Secretary of HEW standby authority to fix the official name of any drug when he finds that no name has been selected under the existing USP-AMA procedures or that the name selected is not useful or is unduly complex. However, S. 1552 does not provide for any hearing. Amendment No. 10 would insure, by reference to the Administrative Procedure Act, that interested persons would have an opportunity to participate and present their views before any official name is fixed by the Government for a drug. This would, among other things, minimize the risk of fixing a name that would conflict with a valid trademark.

### SUBSTITUTE FOR PROPOSED SECTION 502(N) RELATING TO INFORMATION TO PHYSICIANS AND ADVERTISING

S. 1552 proposes a new section 505(n) in the act requiring that all advertising include warnings and statements as to efficacy. This is wrong because—

1. Advertising should continue to be covered by the Federal Trade Commission under the laws it administers, and not by the FDA under the FDC Act.

2. The present FDC Act and the regulations thereunder adequately provide for the furnishing of comprehensive information to practitioners.

3. It is impracticable for medical journal advertisements which are, of course, directed to practitioners, to include all the information proposed to be required by S. 1552.

4. The FDA authority should continue to apply to labels and labeling, and should continue to have the flexibility that now exists.

In lieu of the proposed new section 502(n), the substitute amendment No. 11 would require that practitioners requesting information about a drug be furnished the package insert required to be included in every package, which contains complete information about the drug, and any other FDA-approved matter.

### NO BATCH CERTIFICATION ON ADDITIONAL ANTIBIOTICS

S. 1552 proposes to extend Government batch certification control, now applicable to five specific antibiotics, to all antibiotics.

This is wrong for the following reasons:

1. Batch certification control was adopted after World War II as a temporary measure when antibiotics were new.

2. Antibiotic manufacture now has no problems different from those of other drug manufacture.

3. Batch certification is enormously expensive and wasteful of Government and industry time and money, as the Comptroller General has pointed out.

4. Other provisions of the FDC Act adequately provide for antibiotics of unimpeachable quality without the cumbersome and expensive certification procedures.

In accordance with the above, batch certification should not be extended to any additional antibiotics.

Amendment No. 12 would leave batch certification in effect for the five antibiotics now subject to it.

Mr. HRUSKA. Mr. President, there was nothing secret about the meeting referred to. I know of no rule or tradition which calls upon any Senator or group of Senators not to meet for the purpose of fashioning any bill or any amendments to a pending bill and submitting them to a meeting of the committee to which they will later go for the purpose of considering the bill.

Any inference that the Senator from Nebraska [Mr. HRUSKA] or the Senator from Illinois [Mr. DIRKSEN] represents the American Pharmaceutical Association, if that was what the Senator from Tennessee [Mr. KEFAUVER] was making, would be seriously mistaken and deeply resented. My concern is for the consumer of the drug. When a patent system is perverted resulting in the loss of research funds and the crippling of the creativity and productivity of the pharmaceutical companies and foundations that have made America the No. 1 nation in the field of medical care and the manufacture of new drugs, so long as I can raise my voice it will be used in opposition thereto.

The battle over disease is not yet won. The toil for new discoveries in the field of medicine is not yet finished. I propose to do everything I can to see that we will not place ourselves in the tragic position of saying, "We have done everything we can. Therefore we must see to it that progress is to be slighted for price. The idea of advancing and improving the spectrum of pharmaceuticals and new drugs can be forgotten."

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HRUSKA. I am happy to yield to the Senator from New York.

Mr. KEATING. The Senator from Tennessee [Mr. KEFAUVER], for whom I have great affection and admiration, has seen fit to make a political issue out of the bill and to place the blame on Republicans for scuttling his bill or endeavoring to defeat it.

As one Republican who does not serve on the Antitrust and Monopoly Subcommittee, let me say that when a representative of the Department of Health, Education, and Welfare meets with the members of the Judiciary Committee, and approves of the action that is taken, I hardly think it could be said that it is Republicans who are seeking to defeat the bill.

It is very unusual to bring in someone from the executive department for an executive meeting with members of the committee. I know nothing about the secret meeting; I did not attend any such meeting, nor did any member of my staff—but a representative of the Department of Health, Education, and Welfare met with the committee this morning and approved of the action which was taken. Under these circumstances, it is certainly stretching the point to blame this result on the Republican members of the committee.

The bill came before the full committee from the subcommittee after a long study. The subject is extremely complicated. The first part of the bill had to do with the patent laws. I found to my amazement, that the proposal had been given no attention whatever by the Subcommittee on Patents, the subcommittee to which we should look for advice as to what shall be done when changes in the patent law are to be made. The proposal in the bill would have drastically and completely changed the existing patent law as it relates to drugs. Therefore the measure was very properly sent to that subcommittee for study. It was reported back but it was recognized that some parts of it had not been the subject of any hearings. While it is true that we agreed to action in accordance with the desires of the Department of Health, Education, and Welfare with regard to the patent section, I still feel it would have been better to have had expert testimony on the provisions at issue. It is possible that there should be a change in the patent law relating to drugs. Who is to say? Certainly the Antitrust Subcommittee and the witnesses who were heard by the subcommittee were not experts on the patent features of the proposal.

Now we come to the licensing features of the proposal. I would not have thought that a proposal to license business people in this country would be a party issue.

There are many Democrats—I am certain—who oppose, as vigorously as I believe all Republicans oppose, the idea of saying that a man cannot go into business until he goes to some governmental department and gets permission. May the time never come in this country, which we have built up by private initiative and the ability to go out and compete in the market, when we shall say to a man that he must, without exception, go to a Government department to find out whether or not he can go into business and employ perhaps a half dozen people. It will never be done with my vote. I am not in favor of forcing Americans to go to a governmental agency to get permission to go into business.

I favor a sound drug bill. There is need for one. I thought we were proceeding in a constructive way. I was not invited to a so-called secret meeting. I did not know anything about it. I knew nothing more than what developed at the meeting this morning. I thought efforts had been made to reach a reasonable compromise. I do not speak as to the specific merits of the amendments which were offered, since I am not a member of either the Patents Subcommittee or the Subcommittee on Antitrust and Monopoly Legislation. This morning I had the impression that the general consensus—certainly it was two or three to one—was that some concessions would have to be made on all sides in order to obtain satisfactory legislation, and that the alternative was exactly as the Senator from Nebraska has stated it to be—either a bill with some concessions made by both sides, or no bill at all. I would prefer to see a bill.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HRUSKA. The vote that was indicated earlier, in a committee composed of 9 Democrats and 6 Republicans, certainly would remove the vote from the category of a partisan political vote.

Mr. KEATING. If it is possible to get a three-to-one vote in a committee made up like that, no one can charge that the Republicans were responsible.

Mr. CARROLL. Mr. President, this is a highly controversial issue. The bill is highly technical. As the Senator from Tennessee has said, some of us have been working on the bill for about 2½ years. I did not know that the Senator from Tennessee intended to make a statement today.

I believe the Senate is entitled to know this, even though I hesitate to say it. When the committee went into session this morning I found about 11 amendments which had been drafted by a group that none of us had ever heard of before. I do not call it even a secret group. No Member on the Democratic side, so far as I am aware—including the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. HART], the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. LONG], and I—ever knew that a so-called secret group was in session. I am not opposed to it for that reason. However, I believe the Senator from Tennessee has a valid objection and the right to present his case on the floor of the Senate. Any Senator who is chairman of a subcommittee which has worked on a bill for 2½ years is entitled to have a conference on a bill that is under consideration. To me this is a matter of comity, a matter of courtesy. I believe that my chairman, though acting in good faith, made a serious mistake when he said a conference with the Senator from Tennessee would have been futile. What about the rest of us on the committee? Would such a meeting have been futile?

It is not necessary again to enter into a discussion about the applicability of patent laws or whether there will ever be a licensing provision. None of us really believes that a licensing feature would become law.

The amendments which were submitted this morning—10 or 11 of them—were drafted by this so-called group. I asked what group had drafted them. I asked whether it was the staff of the Antimonopoly Subcommittee, which is one of the largest staffs of any committee in the Senate. There are technicians and experts on that staff.

This morning, when the Eastland-Dirksen group presented the 11 amendments, I, having learned something about filibustering in 3 or 4 years, asked for the floor. When I obtained it I held the floor and intended to speak until 12 o'clock, when I would make a point of order, so that there would be no action on these amendments. I believe the Senator from Tennessee is fully justified in asking the President where he stands and asking HEW where they stand; and to find out if a couple of junior executives who have no real technical knowledge of the bill, can draw up a bill without having had any knowledge of this kind of work. In 2½ years we have built up a very good staff, and I think this is very poor practice.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. CARROLL. I will yield shortly. As I said in speaking to the Senator from Tennessee and the Senator from Michigan when we met today, the chairman made a mistake in not conferring. I have always said that I hoped we would view the amendments objectively and impartially; and I have always said we should find out whether the amendments are really good amendments.

I wish to say a word for the senior Senator from Mississippi, the chairman of the Committee on the Judiciary. I believe he was acting in good faith. I think he wants to get a bill. I felt then, and it is my feeling now, that he thought in order to get a bill he would have to do it in this fashion. I think that was an error of judgment. I see nothing calculated or premeditated about it. He was not malicious. He wanted to get a bill out of committee. I believe the White House has been pressing him to report a bill on medical legislation. I have expressed myself. I think he has made a mistake in the manner in which he did it. This is a highly controversial bill. We have been infighting for 2½ years. I say to the Senator from New York that the Senator from Tennessee was not trying to put the blame on the Republicans.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. KEATING. He said Republicans. He began his remarks by saying that the Republicans had killed the bill.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. KEFAUVER. I said that certain individuals met with the staff of the Republicans on the committee, the Senator from Nebraska [Mr. HRUSKA], and the Senator from Illinois [Mr. DIRKSEN], and also the Senator from Mississippi [Mr. EASTLAND]; and that no one on the majority side of the Antitrust and Monopoly Subcommittee knew anything about it, and I certainly did not know anything about it. We were not invited. I did say that the Republicans joined with the group in voting against the proposal that Commissioner Ladd had recommended as late as last Saturday. I said there was some division of opinion as to where Commissioner Ladd stood. Then I received word from him, and we got his letter. Then the Republicans—I did not say it, but I will say it now—voted solidly against the provision after Mr. Ladd clarified his position.

Mr. CARROLL. We must not blame it all on the Republicans. Most of the Democrats voted that way, too. I did not question their motivation at all. We have enough experience to know that from time to time little coalitions are at work. Whether or not there was a coalition in this case, the truth is we got only three votes on the Democratic side.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. CARROLL. Not at this point. A few absentee Democrats might have gone along. We are experienced enough to know the pitfalls of this type of legislation. We are hitting into one of the biggest industries of the Nation, one with the highest prices, and one that is subject to the least regulation. Perhaps there is some justification for this. I, for one, never felt deeply about the licensing issue. I did not think it would pass. I felt deeply about the patent issue this morning, because it involves a question of law. It has something to do with utility. It has something to do with decisions.

I do not question the motivation of Senators who have a different viewpoint. I believe the able Senator from Tennessee [Mr. KEFAUVER] had a right to bring his case before the Senate. I hope this sort of procedure will not happen again. This morning, time after time, I asked the young man, "Whom do you represent? For whom do you speak? Do you speak for Secretary Ribicoff? For whom do you speak?" I felt sorry for the young man. I have known him for years. He is a young man of character, ability, and integrity. No doubt someone told him to go in and work with the committee. There is no doubt that there were others who were asked to work with the committee. There are little "juniors" who work for HEW; "juniors" from the Food and Drug Administration; and "juniors" who work for our own committee.

Nevertheless, the amendments are now before the committee, and we will examine them. My chairman wanted to hold a meeting this afternoon. I said we could not possibly hold a meeting because the great Senator from Illinois [Mr. DIRKSEN] was on the floor of the Senate today. Then it was proposed to hold a meeting at 10:30 tomorrow morning. I do not know whether I can permit a meeting to be held at 10:30 tomorrow morning, because we will miss another great Senator, the distinguished Senator from Arkansas [Mr. MCCLELLAN]. Perhaps we shall study the bill for several days in committee. I shall have to get a report on the amendments.

Nevertheless, I commend the Senator from Tennessee [Mr. KEFAUVER] for his courage and forthrightness in presenting the situation to the Senate. I do not believe I could agree with all his remarks. As I have said two or three times, I think there was an error in judgment on the part of the chairman of the committee. I hope this procedure will not be followed.

Mr. HRUSKA. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. HRUSKA. The Senator characterized the pharmaceutical industry as one having high profits and few regulations. It is not my place to defend the pharmaceutical industry. The record which has been made over the past 2½ years will speak for itself. However, I do not believe the record will bear out the Senator's statement.

Nor do I believe that millions of people should have their confidence shaken in the quality of the products of an established industry which has done much to increase the span of life of Americans, not to mention to relieve the suffering of those who are ill.

When the subcommittee held its meeting, and those who held our convictions and shared our concern on behalf of the consumers were overridden, did we come to the floor of the Senate and complain about coalitions, simply because more Senators voted on the other side of the question than voted with us? We did not. But for some reason, when there is a vote of 9 to 3 in a committee composed of 9 Democratic and 6 Republicans, immediately it is charged that there is an unholy alliance. Is not that a strange phenomenon?

Mr. CARROLL. The answer is obvious. When we held those hearings, they were not secret. Votes were taken, and they were recorded. The Senator from

Nebraska may have justification for saying that sometimes the plans of the subcommittee were not revealed to him. Sometimes they were not revealed to me. But basically, when we voted, our votes were recorded. There was nothing secret about them.

**Mr. HRUSKA.** The Senator from Tennessee [Mr. KEFAUVER] now has in his possession a series of amendments which he has had in his file for a week or 10 days, or possibly 2 weeks. He has referred to them constantly. He says the amendments are for the purpose of complying with the wishes of the administration. Yet we have not seen them. They were prepared in secret; they are being held in secret. They have not been furnished to us. Yet when we in an open meeting propose amendments for discussion and adoption, and they are adopted, we are accused and complained of. Yet it appears that others may hold amendments in readiness for the purpose of having them considered, and that is supposed to be alright.

**Mr. CARROLL.** These amendments are supposed to have the stamp of approval of HEW and the White House. The amendments drafted by the Senator from Tennessee are his own. I assure the Senator from Nebraska that I have not received one of them. When the time comes, we will examine them.

Does the Senator say this is not secrecy? The amendments were prepared in the secrecy of the Senator's office. I do not challenge his integrity.

**Mr. HRUSKA.** The meeting was not held in my office. There was nothing secret about it. Representatives of HEW and representatives of the professional staff, on behalf of the chairman of the full committee, were present. Also present were representatives of the staff of the distinguished Senator from Illinois [Mr. DIRKSEN] and of my own office.

The chairman of the committee has already explained why he did not call in the Senator from Tennessee [Mr. KEFAUVER] and the members of his subcommittee.

**Mr. EASTLAND.** Mr. President, will the Senator yield?

**Mr. CARROLL.** Does the Senator from Mississippi now say that he had representatives at the meeting and that the Senator from Illinois [Mr. DIRKSEN] had representatives at the meeting?

**Mr. EASTLAND.** I invited them.

Mr. President, will the Senator from Colorado yield?

**Mr. CARROLL.** I yield.

**Mr. EASTLAND.** Did the Senator from Colorado say that my judgment was bad in the matter?

**Mr. CARROLL.** I said the judgment of the chairman of the Judiciary Committee was bad in not conferring with the Senator from Tennessee [Mr. KEFAUVER] and in not conferring with the other Democratic members of the committee.

**Mr. EASTLAND.** I think I used good judgment, because we have a bill which, as I understand, the administration favors. It meets the test which has been established by the President of the United States.

**Mr. CARROLL.** Then I say that——

**Mr. EASTLAND.** What is wrong with an accomplishment? I had no interest in the bill.

**Mr. CARROLL.** It has now been revealed that the Senator from Nebraska [Mr. HRUSKA] and the Senator from Illinois [Mr. DIRKSEN] had representatives at the meeting with them. There are Democratic members of the committee. What was wrong with inviting them?

**Mr. EASTLAND.** Democratic members were present.

**Mr. CARROLL.** Why were they not invited to the meeting?

**Mr. EASTLAND.** I do not know whether they are on the subcommittee or not. I opposed certain provisions in the bill. I took the bill which the administration submitted and worked out a bill. I had my staff act as referee. They got together and made a proposal. That was all there was to it.

**Mr. CARROLL.** It may be—and this is my hope—that the amendments are good; that they are accurate. Perhaps a bill can be drafted.

**Mr. EASTLAND.** Mr. President, will the Senator from Colorado yield for a question?

**Mr. CARROLL.** May I finish my statement.

**Mr. EASTLAND.** Yes.

**Mr. CARROLL.** I hope that this will be true. We will analyze the amendments carefully. I sincerely hope that if such a situation arises again, Senators who have worked on the bill for 2½ years will not be bypassed. This is why I have said that, in my opinion, the able Senator from Mississippi made an error in judgment.

**Mr. EASTLAND.** The Senator from Colorado is mistaken. I used good judgment.

**Mr. CARROLL.** That is a question.

**Mr. EASTLAND.** We have a bill.

**Mr. CARROLL.** That is the Senator's opinion, and I respect it.

**Mr. EASTLAND.** The bill meets the test. I have told the distinguished Senator from Colorado that the amendments which are pending, which have not yet been adopted, are largely requests of the President of the United States. They are to be considered for inclusion in the bill. They are not in the bill now, but we are putting the requests of the President of the United States into the bill.

**Mr. CARROLL.** That is what I was under the impression the Senator from Tennessee had asked for. If this is the President's method of operating and the HEW's method of operating, I think we are entitled to know it.

**Mr. EASTLAND.** It is not the President's method of operating.

**Mr. CARROLL.** I thought the Senator said that these are the President's amendments.

**Mr. EASTLAND.** Oh, they are. I have assumed full responsibility for the way the situation was handled, because the responsibility was placed upon me to get a bill.

I have done what I thought was necessary to get a bill. If the Senator wishes to blame me or condemn me, I am open to it. I have been condemned before in many languages.

**Mr. KEFAUVER.** I do not wish to labor the point. In the first place, the President's amendments are not kept secret from anybody. They were sent to the staff of the full committee, and they are available to anyone who wishes to examine them. I desire to agree to anything which is reasonable or moderate. I have agreed in the subcommittee to many changes which were moderate, as I believe the Senator from Illinois and the Senator from Nebraska will agree. I think I have always been amenable to a reasonable approach to entering into a compromise. But I do not want the people to misunderstand what is going on here.

**Mr. EASTLAND.** Mr. President, will the Senator from Tennessee yield?

**Mr. KEFAUVER.** I want the people to know that nothing in this bill will cut the price of drugs or will get away from dishonest advertising or from failure to state side effects, or will do very much to improve the quality of drugs.

Furthermore, one cannot put the President's letter side by side with these amendments and call it the President's program.

Also, this morning I called Mr. Cohen, the Under Secretary of Health, Education, and Welfare; but no high official of the Department of Health, Education, and Welfare seemed to know anything about someone's being up here and working out amendments to the bill.

**Mr. EASTLAND.** Mr. President, will the Senator from Colorado yield for a question?

**Mr. CARROLL.** I yield, provided I may do so without losing the floor.

**Mr. EASTLAND.** I will tell the Senator that a high official of the Department of Health, Education, and Welfare told me this afternoon that he favored the amendment. The administration has never asked for licensing of businesses. We have included a registration provision and we have included the rest of the President's recommendations.

This afternoon a high official of the Department of Health, Education, and Welfare told me—and I think that before this is over they will speak for themselves—that they favor it.

There is no point in damning the Senator from Nebraska [Mr. HRUSKA], the Senator from Illinois [Mr. DIRKSEN] or anyone else. Blame me; I have done it.

**Mr. KEFAUVER.** Will the Senator tell us who in the Department of Health, Education, and Welfare——

**Mr. EASTLAND.** The Senator from Tennessee knows very well. I will not call names on the floor of the Senate. I think my word can be taken.

**Mr. KEFAUVER.** But if there has been a change——

**Mr. EASTLAND.** There has been no change.

**Mr. KEFAUVER.** I have been told that there was a change.

**Mr. EASTLAND.** Well, I will deny that.

Mr. CARROLL. Mr. President, I merely wish to say——

Mr. KEFAUVER. Mr. President, I just want the people to know that so far as I am concerned——

Mr. CARROLL. Mr. President, I am trying to say, in conclusion——

Mr. KEFAUVER. That we are trying to get a bill that will bring down the cost of drugs.

Mr. EASTLAND. Mr. President, the Senator is getting a bill which largely includes what he wanted. Everyone knows that legislation is a matter of give and take. Grandstand stuff for votes is something else.

Mr. KEFAUVER. I do not know whether the Senator from Mississippi is accusing me of grandstanding——

Mr. CARROLL. Mr. President, I have the floor, and I will yield the floor after I make an observation.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. CARROLL. Mr. President, this afternoon we have heard enough, it seems to me, about procedural matters to convince each Member that this is not the way to bypass the chairman of a subcommittee. If the White House is telling the chairman of the Senate Judiciary Committee one thing and is telling the Senator from Tennessee [Mr. Kefauver] another thing——

Mr. EASTLAND. Mr. President, will the Senator yield? The White House has told me nothing.

Mr. CARROLL. I was under the impression that these were White House amendments.

Mr. EASTLAND. I have never made such a statement. I said the people who were placed in charge of the bill by the executive branch of the Government agreed to help draft these amendments.

Mr. CARROLL. I just wish to make this closing remark: From what we have heard today, with this sort of procedure, it is a helluva way to run a railroad. [Laughter.]

Mr. EASTLAND. The point is that it is being run, and we are going to get a bill, and we are not going to argue about it.

Mr. HART obtained the floor.

Mr. KEATING. Mr. President, will the Senator from Michigan yield—for a question or a suggestion which I hope is constructive.

Mr. HART. I am sure it will be constructive; and if the Senator from New York will withhold it for just a moment, I shall appreciate that.

Mr. President, as the holder of parking license plate No. 85, my remarks will not reflect any sensitivity about failure to have consultation. I think I have not yet reached the stage where this situation affects my judgment.

All of us are familiar with the case of the lawyer who argued his case in the newspapers before the evidence reached the jury.

I feel very strongly that one section of the bill has been characterized in a fashion which will cause Members of this body to take a tentative position on it which later they will regret. When certain phrases are used, most Members react rather like an automatic sprinkler system. One of those phrases is, "You do not want to curb American business."

In order that all Senators may understand what we are talking about—and the licensing section was before the committee this morning—I should like very much to have the Record show in full at this point the licensing proposal of the bill which the Antitrust Subcommittee presented.

Mr. KEFAUVER. It is the registration section.

Mr. HART. Yes, the registration section. So I shall ask unanimous consent to have printed at this point in the Record that section of the bill.

Let us remember that we say there is nothing wrong with requiring and obliging the Government to inspect the books of a real estate dealer who wishes to sell a piece of property, and that there is nothing wrong with having the Government require one who wishes to sell stocks or bonds to make full disclosure. So what in heaven's name is wrong with requiring that before one can set up a bathtub, back-alley operating for the distribution of medicine, a similar requirement apply? That is what this section does; I want that understood.

Mr. KEFAUVER. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield.

Mr. KEFAUVER. In that connection I wish to say that Mr. Beasley, speaking for the Pharmaceutical Manufacturers Association, proposed just about the same thing—that there be registration, in order to prevent bathtub operators from engaging in this business—for, of course, the doctors may not have confidence in the medicine that is made by bathtub operators—and that in order to register and go into the business, one should maintain certain sanitary practices. He also said that one who does not continue to meet those standards ought to have his registration revoked or conditioned. That is the way this section of the bill is written—just about in the way Mr. Beasley recommended.

Mr. HART. And the amendment which was presented to us this morning—under whose sponsorship and through what evolution, I care not—would require that before the end of each year, anyone who wished to manufacture drugs would have to register his name and his business with the Secretary, and that within 2 years they would inspect it. This is substantive. But because of remarks made earlier, I think it would be well to have printed in full in the Record the proposed amendment offered in the committee this morning—after all, if there is any question about it, it might be well to have the amendment printed at this point, in connection with the debate—so that before this phase of the debate is concluded, this material will be available to Senators. Therefore, I shall ask unanimous consent that the registration section or amendment offered by the distinguished minority leader—on behalf of the administration, as I understood—be printed in the Record.

The PRESIDING OFFICER. Without objection——

Mr. EASTLAND. Wait a minute, Mr. President. It was offered by the minority leader on behalf of the minority leader; and I had accepted and agreed to the amendment.

Mr. HRUSKA. Mr. President, will the Senator from Michigan include in the request that the registration amendment be printed in the Record a request also to print in the Record the long section pertaining to factory inspection, together with the provisions for penalties if either registration or the factory inspection shows that there have been violations of the law?

Mr. HART. Would it not be well to have printed in full in the Record the amendments for committee discussion, this morning, numbered 1, 2, and 3?

Mr. EASTLAND. The Senator from Michigan would not object to having all the amendments printed in the Record, would he?

Mr. HART. No.

Mr. HRUSKA. Then let us have all of them printed in the Record.

Mr. EASTLAND. Let us have all of them printed in the Record, so it will show that it is a good bill.

Mr. HART. After Senators see what was before us at 10:30 this morning, they will understand the apprehension of some of us about the forthrightness with which it was proposed that we act.

Mr. EASTLAND. "Some" means very few, does it not, because the committee was overwhelmingly——

Mr. HART. Well, the record will show what it is.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

### REGISTRATION SECTION

On page 12, strike lines 3 through 8; and on page 14, commencing on line 12 strike all down through line 25, page 22, and insert in lieu thereof the following:

"(13) Chapter V of that Act (21 U.S.C. 351 and the following) is amended by adding at the end thereof the following section:

"'REGISTRATION OF PRODUCERS OF DRUGS

"'SEC. 508. (a) As used in this section—

"'(1) the term "manufacture, preparation, propagation, compounding, or processing" shall include repackaging or otherwise changing the container, wrapper, or labeling of any drug package in furtherance of the distribution of the drug from the original place of manufacture to the person who makes final delivery or sale to the ultimate consumer.

"'(2) the term "name" shall include in the case of a partnership the name of each partner and, in the case of a corporation, the name of each corporate officer and director, and the State of incorporation.

"'(b) On or before December 31 of each year every person who owns or operates any establishment in any State engaged in the manufacture, preparation, propagation, compounding, or processing of a drug or drugs shall register with the Secretary his name, places of business and all such establishments.

"'Every person upon first engaging in the manufacture, preparation, propagation, compounding or processing of any drug in any establishment which he owns or operates shall immediately register with the Secretary his name, place of business and such establishment.

"'(d) Every person duly registered in accordance with this section shall immediately register with the Secretary any additional establishment which he owns or operates and in which he begins the manufacture, preparation, propagation, compounding, or processing of a drug or drugs.

"'(e) The Secretary may assign a registration number to any person or any establishment registered in accordance with this section.

"'(f) The Secretary shall make available for inspection, to any person so requesting, any registration filed pursuant to this section.

"'(g) This section shall not apply to—

"'(1) pharmacies which maintain establishments in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practitioners licensed to administer such drugs, or patients under the care of such practitioners in the course of their professional practice and which do not manufacture, prepare, propagate, compound, or process drugs for sale other than in the regular course of their business of dispensing or selling drugs at retail;

"'(2) practitioners licensed by law to prescribe or administer drugs and who manufacture, prepare, propagate, compound, or process drugs solely for use in the course of their professional practice;

"'(3) persons who manufacture, prepare, propagate, compound, or process drugs solely for use in research, teaching, or chemical analysis and not for sale;

"'(4) such other classes of persons as the Secretary may by regulation exempt from the application of this section upon a finding that registration by such classes of persons in accordance with this section is not necessary for the protection of the public health.

"'(h) Every establishment registered with the Secretary pursuant to this section shall be subject to inspection pursuant to section 704 and shall be so inspected by one or more officers or employees duly designated by the Secretary at least once in the two-year period beginning with the date of registration of such establishment pursuant to this section and at least once in every successive two-year period thereafter.'

"13(a) Section 301 of that Act (21 U.S.C. 331) is amended by adding at the end thereof the following new paragraph:

"'(o) The failure to register as required by section 508.'

"13(b) Section 502 of that Act (21 U.S.C. 352) is further amended by adding at the end thereof the following new paragraph:

"'(o) If it is a drug and was manufactured, prepared, propagated, compounded or processed in an establishment not duly registered under section 508 of this Act.'"

### FACTORY INSPECTION

At the end of page 22, following line 25, insert the following: 13(c) section 704(a) of that Act (21 U.S.C. 374(a)) is amended to read as follows:

"(a) For purposes of enforcement of this Act, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or after such introduction, or to enter any consulting laboratory, or to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment, consulting laboratory, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein, and all things therein (including records, files, papers, processes, controls, and facilities) bearing on whether articles which are adulterated or misbranded within the meaning of this Act, or which may not be manufactured, introduced into interstate commerce, or sold, or offered for sale by reason of any provision of this Act, have been or are being manufactured, processed, packed, transported, or held in any such place, or otherwise bearing on violation of this Act. The inspection authorized by this section shall not extend to (A) financial data, (B) sales data other than shipment records, (C) pricing data, (D) personnel data, (E) data of anything in or related to research activity: *Provided, however,* That inspection of data relating to clinical experience with respect to new drugs, and antibiotics within the purview of section 507, shall be made only to the extent authorized under and subject to the applicable provisions of section 505 (i) and (j) and Section 507(d) and (g), and with respect to other drugs shall be made in accordance with regulations to be issued by the Secretary which shall have due regard for the professional ethics of the medical profession and shall provide, where the Secretary deems it to be appropriate, for examination, upon request, by the persons to whom such regulations are applicable, of similar information received or otherwise obtained by the Secretary."

13(d) section 704(b) of that Act (21 U.S.C. 374(b)) is amended by inserting after the word "warehouse" the words "consulting laboratory."

### QUALITY MANUFACTURING CONTROLS

At the end of page 22, after line 25, insert the following: "13(e) section 501(a)(2) of that Act (21 U.S.C. 351(a)(2)) is amended to read as follows:

"'(2)(A) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (B) if it is a drug and the methods used in, or the facilities or controls used for, its manufacture, processing, packaging, or holding do not conform to current good manufacturing practice to assure that such drug meets the requirements of this Act as to safety and has the identity and strength, and meets the quality and purity characteristics, which it purports or is represented to possess. The Secretary is authorized to issue interpretative regulations, upon notice and in accordance with the procedures set forth in section 4 of the Administrative Procedure Act (5 U.S.C. 1003), which shall, in any proceeding involving this paragraph, be prima facia evidence of what constitutes current good manufacturing practice.'"

### NEW DRUG CLEARANCE PROCEDURES

On page 12, commencing with line 13, strike all down through and including line 22, and insert in lieu thereof the following:

"(c) An application provided for in subsection (b) shall become effective on the ninetieth day after the filing thereof (or on such later date, not more than one hundred eighty days after the filing thereof, as the Secretary deems necessary to enable him to study and investigate the application), unless, prior to such day (or prior to such later date), the Secretary issues a notice to the applicant of opportunity for hearing as to whether the application satisfies the requirements of subsection (d). The date scheduled for the commencement of such hearing, if a hearing is requested, shall be the thirtieth day after the date of service of notice in accordance with the method of service set forth in subsection (g), unless a different date is agreed upon between the Secretary and the applicant.

### SUBSTITUTE FOR EFFICACY TEST ON NEW DRUG ORIGINAL CLEARANCE

On page 12, commencing on line 23, strike all down through and including the word "order" on line 14, page 13, and insert in lieu thereof the following:

Section 505(d) of that Act (21 U.S.C. 355 (d)) is amended to read as follows:

"(d) If the Secretary finds, after due notice to the applicant in accordance with subsection (c) and giving him an opportunity for a hearing, in accordance with said subsection, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such drug is unsafe for use under such conditions or do not show that such drug is safe for use under such conditions; (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity; (4) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such drug, he has insufficient information to determine whether such drug is safe for use under such conditions; or (5) on the basis of the information submitted to him as part of the application and any other information before him with respect to such drug, (A) there is a lack of substantial evidence (including substantial clinical evidence), supported by investigations of experts qualified by scientific training and experience to evaluate the effectiveness of drugs, that the drug will have the intended or purported physiological effect under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof, or (B) such labeling is false or misleading in any particular; he shall issue an order refusing to permit the application to become effective. If, after such notice and opportunity for hearing, the Secretary finds that clauses (1) through (5) do not apply, he shall issue an order declaring the application to be effective. Any such hearing shall be conducted, and the Secretary's order thereon shall be issued, on an expedited basis."

### SUBSTITUTE FOR SAFETY AND EFFICACY TESTS ON NEW DRUG SUSPENSION

On page 13, commencing on line 15, strike all down through and including line 21, and insert in lieu thereof the following:

Section 505(e) of that Act (21 U.S.C., 355 (e)) is amended to read as follows:

"(e) The Secretary shall, after due notice and opportunity for hearing to the applicant, suspend the effectiveness of an application with respect to any drug under this section if the Secretary finds (1) that clinical or other experience, tests, or other scientific data show that such drug is unsafe for use under the conditions of use upon the basis of which the application became effective; (2) that new evidence of clinical experience, not contained in such application or not available to the Secretary until after such application became effective, or tests by new methods, or tests by methods not deemed reasonably applicable when such application became effective, evaluated together with the evidence available to the Secretary when the application became effective, shows that such drug is not shown to be safe for use under the conditions of use upon the basis of which the application became effective; or (3) on the basis of the new information before him with respect to such drug, evaluated together with the evidence available to him when the application became effective, that (A) there is a lack of substantial evidence (including substantial clinical evidence), supported by investigations of experts qualified by scientific training and experience to evaluate the effectiveness of drugs, that the drug will have the intended or purported physiological effect under the conditions of use prescribed, recommended, or suggested in the labeling thereof, or (B) such labeling is false or misleading in any particular; or (4) that the application contains any untrue statement of a material fact. The order shall state the finding upon which it is based.

### NO CHANGE IN NEW DRUG DEFINITION

On page 8, commencing with line 21, strike all down through and including line 5, page 9.

### RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS AND ANTIBIOTICS

On page 13, immediately following line 21, insert the following:

"(11a) Subsection (i) of section 505 of that Act (21 U.S.C. 355(i)) is amended (1) by inserting 'the foregoing subsections of' after 'operation of'; (2) by inserting the words 'and efficacy' after the word 'safety'; and (3) by adding at the end thereof the following new sentence: 'Such regulations may provide for conditioning such exemption upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such drugs, as the Secretary finds will enable him to evaluate the safety and efficacy of such drugs in the event of the filing of an application pursuant to subsection (b): *Provided, however,* That regulations issued under this subsection and under subsection (j) shall have due regard for the professional ethics of the medical profession and shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations are applicable, of similar information received or otherwise obtained by the Secretary.'

"(11b) Section 505 (21 U.S.C. 355) of such Act is amended by adding at the end thereof the following new subsection:

" '(j) (1) In the case of any drug for which an approval of an application filed pursuant to this section is in effect, the applicant shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such applicant with respect to such drug, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section.

" '(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.'

"(11c) Subsection (d) of section 507 of that Act (21 U.S.C. 357(d)) is amended by adding at the end thereof the following new sentence: 'Such regulations may provide for conditioning the exemption under clause (3) upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such drugs within the purview of this section, as the Secretary finds will enable him to evaluate the safety and efficacy for use of such drugs within the purview of this section in the event of an application for certification or release pursuant to subsection (a), provided, however, that regulations issued under this subsection and under subsection (g) shall have due regard for the professional ethics of the medical profession and shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulations are applicable, of similar information received or otherwise obtained by the Secretary.'

"(11d) Section 507 of that Act (21 U.S.C. 357) is amended by adding at the end of such section the following new subsection:

" '(g) (1) Every person engaged in manufacturing, compounding, or processing any drug within the purview of this section with respect to which a certificate or release has been issued pursuant to this section shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such drug within the purview of this section, as the Secretary may by general regulation, or by order with respect to such certification or release, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to make, or to facilitate, a determination as to whether such certification or release should be rescinded or whether any regulation issued under this section should be amended or repealed.

" '(2) Every person required under this section to maintain records, and every person having charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.'

"(11e) Section 301(e) of that Act (21 U.S.C. 331(e)) is amended by inserting before the period at the end thereof a semicolon and the following: 'or the failure to establish or maintain any record, or make any report, required under section 505 (i) or (j) or 507 (d) or (g), or the refusal to permit access to or verification or copying of any such required record'.

"(11f) Section 302(a) of that Act (21 U.S.C. 332(a)) is amended by striking out '(e),'."

### REQUIREMENT THAT LABELS INCLUDE OFFICIAL NAME WITH CONSPICUOUSNESS REQUIRED UNDER SECTION 502(C), SUBSTITUTE FOR REQUIREMENT THAT TYPE BE EQUAL IN SIZE AND PROMINENCE TO TRADE NAME

On page 9, commencing with line 12, strike all down through and including line 4 page 10, and insert in lieu thereof the following: Section 502(b) of that Act (21 U.S.C. 352(b)) is amended to read as follows:

"(b) If in a package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count; and (3) its official name (if such there be) printed in a manner complying with subsection (c) of this section: *Provided,* That under clauses (2) and (3) of this paragraph, reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary."

### PROVISION FOR RULEMAKING PROCEDURES IN ESTABLISHING OFFICIAL NAMES

On page 24, line 11, after the word "drugs" insert the following:

"Such designation shall be made as a regulation upon public notice and in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 1003)."

On page 24, line 21, after the word "shall" insert the following: "upon public notice and in accordance with the procedures set forth in section 4 of the Administrative Procedure Act (5 U.S.C. 1003)."

### SUBSTITUTE FOR PROPOSED SECTION 502(N) RELATING TO INFORMATION TO PHYSICIANS AND ADVERTISING

On page 10, commencing with line 22, strike all down through and including line 8, page 12, and insert in lieu thereof the following:

"Section 502 of that Act (21 U.S.C. 352) is amended by adding at the end thereof the following new subsection: '(n) In the case of any prescription drug distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof maintains for transmittal and transmits, to any practitioner licensed by law of that State to administer such drug who makes written request for information as to such drug, true and correct copies of all printed matter which is required to be included in any package in which that drug is distributed or sold, or such other printed matter approved by the Secretary available to practitioners on written request. Nothing in this paragraph shall be construed to exempt any person from any labeling requirements imposed by or under other provisions of this Act.' "

### NO BATCH CERTIFICATION OF ADDITIONAL ANTIBIOTICS

On page 10, commencing with line 18, strike all down through and including line 21; and on page 13, commencing with line 22, strike all down through and including line 11, page 14.

On page 1, lines 3 and 4, strike the words "Drug Industry Antitrust Act", and insert in lieu thereof the following: "Drug and Factory Inspection Amendments of 1962".

### SUBSTITUTE FOR SECTION 3—INFORMATION ON PATENTS FOR DRUGS

SEC. 1. Section 702 of that Act (21 U.S.C. 372) is amended by adding at the end thereof the following new subsection:

"(d) The Secretary is authorized, upon request from the Commissioner of Patents, to furnish full and complete information with respect to such questions relating to drugs as the Commissioner may submit concerning any patent application. The Secretary is further authorized, upon receipt of any such request, to conduct or cause to be conducted, such research as may be required."

Mr. HART. Mr. President, I conclude by making this point relative to the necessity for including in the drug bill a good registration and inspection provision: Unless we can put this provision into the law, we shall be kidding ourselves by suggesting that a reputable physician will prescribe generically, and that this is the way we can cut drug prices in this country. Unless a doctor can have confidence that there is very effective and very rigid inspection, it is unrealistic to expect him to prescribe other than by trade name.

I yield to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, the Senator from Michigan and the Senator from Nebraska have asked that all the amendments presented this morning be incorporated in the RECORD. That is a good idea, but since the amendments refer to lines and pages in the bill before the committee, I think the text of the bill to which they refer should be printed in the RECORD, so that we can have reference one to the other.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Drug Industry Antitrust Act".

### SHERMAN ACT AMENDMENT

SEC. 2. The Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (26 Stat. 209, as amended; 15 U.S.C. 1 and the following), is amended by inserting therein, immediately after section 6 thereof, the following new section:

"SEC. 7. (a) For the purposes of sections 1, 2, and 3 of this Act, every contract, agreement, or understanding entered into after the effective date of this section by (1) any applicant to the Commissioner of Patents for a patent for a drug (or his successor in title) with any other person granting any right under such application or for the purpose of having a patent, shall be made in writing and a true and correct copy or (2) any patentee, his heirs or assigns, with any other person in connection with the granting of any right or license of any person under such drug patent during the term of that patent, shall be made in writing and a true and correct copy thereof shall be filed by the applicant, patentee, his heirs or assigns, with the Commissioner of Patents within ninety days after the entering into of such contract, agreement, or understanding.

"(b) No copy so filed shall be made available for examination, without the consent of the person who filed such copy, by any person other than a duly authorized officer, member, or employee of the Patent Office, the Department of Justice, or the Federal Trade Commission. Nothing herein shall prevent the use of such copy in any proceeding in a court on behalf of the United States or before the Federal Trade Commission.

"(c) Where a uniform type of agreement, license, contract, or understanding is employed, the filing of a copy thereof, together with a statement setting forth the names of all the parties to any such instrument, or any additions or changes in terms of the uniform instrument with respect to any party thereto, may be filed in lieu of each separate instrument.

"(d) Failure of any person to file a copy of such contract, agreement, or understanding, as required to be filed under this section, shall be subject to a penalty of not more than $1,000 for each such offense and not more than $50 for each day of the continuance thereof, which shall accrue to the United States and may be recovered in a civil action brought by the United States.

"(e) As used in this section, the term 'drug' has the meaning given thereto by section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321)."

### PATENTS FOR DRUGS

SEC. 2 (a) Section 100 of part II of title 35 of the United States Code (relating to the patentability of inventions and grants of patents) is amended by adding at the end thereof the following new subsection:

"(e) The term 'drug' means any drug (as defined by section 201 of the Federal Food, Drug, and Cosmetic Act) which may be dispensed only in conformity with the requirements of paragraph (1) of section 503(b) of the Federal Food, Drug, and Cosmetic Act."

(b) Section 101 of that title is amended by adding at the end thereof the following new paragraphs:

"(1) In addition to the other conditions and requirements for patentability under this title no patent may be granted for any modification of any patented or unpatented drug or for a combination of two or more drugs unless the Commissioner has determined that the therapeutic effect of such modification is substantially greater than that of the drug so modified or that the therapeutic effect of such drugs when taken in combination is substantially greater than the therapeutic effect of those drugs when taken separately, or unless the modification or combination possesses some other substantial advantage over the drug so modified or the drugs so combined.

"(2) The specification accompanying any application for a patent for a combination of two or more drugs, or for any drug involving a modification of any drug or combination of drugs, shall contain a full and complete written description of the manner of making the drugs so combined or the drug or combination of drugs so modified and the materials used therein, including the names of any drugs so used and a declaration as to whether such modification or combination is to be used as a drug. After receipt of any such application and before the granting of any patent thereon, the Commissioner shall transmit in all cases where he considers such referral to be either desirable or necessary as expeditiously as possible to the Secretary of Health, Education, and Welfare a request for his report and conclusion upon the question whether the combination or modification so described will have a therapeutic effect substantially greater than that of the drugs so combined or the drug so modified. Uon receipt of any such request, the Secretary shall conduct or cause the applicant to conduct or cause to be conducted such research as may be required. The applicant shall furnish to the Secretary such clinical data and other information as the Secretary may require.

"(3) Whenever the Secretary shall conclude that any combination of drugs or modified drug does not have the therapeutic effect prescribed in subparagraph (1) hereof, he shall so notify the applicant in writing by registered or certified mail addressed to the applicant at his last known address in the records of the Secretary. Within sixty days after the date of such notice, the applicant may submit in writing to the Secretary any additional information or material the applicant deems pertinent. After consideration of such additional information and material and opportunity for a hearing the Secretary shall make his final report and conclusion (with the reasons therefor) to the Commissioner. The Secretary shall cause to be kept a record of all information coming before him and his report and conclusion thereon.

"(3) The Secretary shall transmit in writing his final report and conclusion to the Commissioner which shall be made a formal part of the file record of the patent application. The report so made by the Secretary of Health, Education, and Welfare with respect to any such combination or modification shall be considered by the Commissioner in determining whether a patent therefor may be granted.

"(4) As used in this section, the term 'therapeutic effect' means the beneficial effect of the drug when used in the diagnosis, cure, mitigation, treatment, or prevention of disease in man, or its effect on the structure or any funtion of the body of man."

(c) Section 154 of title 35, United States Code, is amended by—

(1) striking out the word "Every" in the first sentence thereof, and inserting in lieu thereof the words "Except as otherwise specifically provided by this section, every"; and

(2) adding at the end thereof the following new paragraph:

"Every patent for a drug issued after the effective date of this paragraph shall contain a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, or selling that drug for the term of three years from the date of its issuance, and for any additional period (not exceeding fourteen years) during which the holder thereof grants to each qualified applicant an unrestricted license to make, use, and sell that drug in its finished form for use by the consumer. If, during any such additional period, the patentee fails to grant any such license to any qualified applicant within ninety days after receipt of a written request therefor made by that applicant, that patentee shall file with the Commissioner a written report of that fact. After receipt of any such report from the holder of any such patent, or after a determination made by the Commissioner on his own motion or upon complaint made by any applicant to the effect that the patentee has failed to grant to any qualified applicant any such license under any such patent within ninety days after receipt from that applicant during any such additional period of a written request for such license, the Commissioner shall cause notice of the cancellation of that patent to be published in the Federal Register and endorsed upon all copies of that patent thereafter distributed by the Patent Office. In this paragraph—

"(1) the term 'qualified applicant', when used with regard to any application for license to make, use, and sell any drug, means any person who at the time of such application holds an unsuspended and unrevoked registration issued under section 508 of the Federal Food, Drug, and Cosmetic Act and against whom no final injunction under section 508 is in effect; and

"(2) the term 'unrestricted license', when used with regard to a patent for any drug, means a license which (A) includes a description of the manner and process of making and using the invention in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected to make and use the same, and shall set forth the best mode contemplated by the patentee of carrying out the invention; and (B) contains no condition, limitation, or restriction upon the manufacture, use, or sale thereof other than the payment by the licensee of a royalty not exceeding 8 percentum of the gross selling price received by the licensee for the sale of that drug in its finished form for use by the consumer."

### FEDERAL FOOD, DRUG, AND COSMETIC ACT AMENDMENTS

SEC. 3. (a) The following amendments are made to the Federal Food, Drug, and Cosmetic Act:

(1) Section 201(p)(1) of that Act (21 U.S.C. 321(p)(1), defining the term "new drug", is amended by (A) inserting therein, immediately after the words "to evaluate the safety", the words "and efficacy", and (B) inserting therein, immediately after the words "as safe", the words "and efficacious".

(2) Section 201(p)(2) of that Act (21 U.S.C. 321(p)(2)) is amended by inserting therein, immediately after the word "safety", the words "and efficacy".

(3) Section 201 of that Act (21 U.S.C. 321) is amended by adding at the end thereof the following new subsection:

"(v) The term 'State' means any State or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico."

(4) That portion of section 502(b) of that Act (21 U.S.C. 352(b)), relating to misbranded drugs and devices, which precedes the colon contained therein is amended to read as follows:

"(b) If in packaged form unless it bears a label containing (1) the name, place of business of the manufacturer, packer, or distributor, and the registration number assigned under section 508 hereof to the person who manufactured, prepared or propagated the drug if it is a prescription drug; (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count; (3) its official name printed in type at least as large and as prominent as that used for any trade or brand name appearing on such label; and (4) the date, if any, beyond which the contents of such package cannot be expected to produce their intended specific results".

(5) Section 502(e) of that Act (21 U.S.C. 352(e)) is amended by—

(A) striking out the words "If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2) in case it is fabricated from two or more ingredients, the common or usual name" and inserting in lieu thereof the words "If it is a drug fabricated from two or more ingredients unless its label bears the official name and quantity".

(B) by striking out in the proviso the words "of clause (2)".

(6) Section 502(1) of that Act (21 U.S.C. 352(1)) is amended by inserting in the first sentence thereof, immediately after "bacitracin,", the words "or any other antibiotic drug,".

(7) Section 502 of that Act (21 U.S.C. 352) is amended by adding at the end thereof the following new subsections:

"(n) In the case of any drug distributed or offered for sale in any State, unless the manufacturer, packer, or distributor thereof—

"(1) includes with any information transmitted to any practitioner licensed by law of that State to administer such drug (A) a true and correct copy of all printed matter which the Secretary has required to be included in any package in which that drug is distributed or sold, or matter approved by the Secretary available to practitioners on request, and (B) in the case of any drug as to which any application has been made effective under section 505 of this Act, a full, true, and correct statement of all findings of fact and determinations made by the Secretary under that section with respect to that drug, as the Secretary may require; or

"(2) includes in all advertisements and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, distributor, or others with respect to that drug (A) the official name thereof printed in type at least as large and as prominent as that used for any trade or brand name thereof, (B) warning or summary thereof prepared with the approval of the Secretary as to any dangerous or harmful property or effect thereof, and (C) a full and correct statement of its efficacy: *Provided*, That the term 'advertisements' shall include all forms of advertising, whether transmitted directly to physicians, published in medical journals or other media, and whether in printed or oral form.

"(o) If it is a drug subject to the provisions of section 503(b)(1) of this Act and was manufactured, propagated, or prepared by a person who at the time of its manufacture, propagation, or preparation did not hold an unsuspended and unrevoked registration issued under section 508 of this Act."

(8) Section 505(b) of that Act (21 U.S.C. 355(b)) is amended by inserting therein, immediately after the words "is safe for use", the words "and whether such drug is efficacious in use."

(9) Section 505(c) of that Act (21 U.S.C. 355(c)) is amended to read as follows:

"(c) No application filed under subsection (b) shall become effective until the Secretary has (1) determined, after the conduct of such investigation and tests as he may consider necessary, that the new drug described in that application is safe for use and is efficacious in use, under conditions prescribed, recommended, or suggested in the labeling thereof, and (2) transmitted to the applicant in writing notice of his determination."

(10) Section 505(d) of that Act (21 U.S.C. 355(d)) is amended by—

(A) inserting in clause (1), immediately after the words "is safe for use", the words "and is efficacious in use";

(B) inserting in clause (2), immediately preceding the semicolon at the end thereof, a comma and the following: "or that the results of such tests show that such drug is not efficacious in use or do not show that such drug is efficacious in use";

(C) inserting in clause (4), immediately after the words "is safe for use", the words "and efficacious in use"; and

(D) striking out in clause (4) the comma following the words "he shall" and all thereafter to and including the comma immediately preceding the words "issue an order".

(11) Section 505(e) of that Act (21 U.S.C. 355(e)) is amended by—

(A) inserting therein, immediately after the words "The effectiveness of an", the word "approved"; and

(B) inserting in clause (1) thereof, immediately after the words "is unsafe for use", the words "or is not efficacious in use".

(12) Section 507 of that Act (21 U.S.C. 357) is amended by—

(A) amending the section caption to read as follows: "Certification of Antibiotic Drugs";

(B) striking out the word "or" where it appears immediately preceding the word "bacitracin" in the first sentence of subsection (a) thereof;

(C) inserting in the first sentence thereof, immediately after "bacitracin,", the words "or any other antibiotic drug,"; and

(D) inserting after "507" in the first sentence of subsection (e) thereof the words "and has not been exempted under section 507(c)".

(13) Chapter V of that Act (21 U.S.C. 351 and the following), relating to drugs and devices, is amended by adding at the end thereof the following new sections:

### "REGISTRATION OF PRODUCERS OF PRESCRIPTION DRUGS

"SEC. 508. (a) As used in this section—

"(1) the term 'drug' means any drug which is subject to the provisions of section 503(b)(1) of this Act and is manufactured, prepared, or propagated for distribution in interstate or foreign commerce, or within the District of Columbia, a possession of the United States, or the Commonwealth of Puerto Rico; and

"(2) the term 'manufacture, preparation, or propagation' shall not include the compounding or other preparation of a drug by a pharmacist in compliance with a prescription given by a duly licensed physician for a particular patient.

"(b) The Secretary shall promulgate regulations prescribing the qualifications required for the manufacture, preparation, or propagation of drugs, and regulations prescribing for any plant, facility, or establishment engaged in the manufacture, preparation, or propagation of any drug or class of drugs such standards and requirements as he shall determine to be necessary (1) to insure the continued chemical structure, strength, quality, purity, safety, and efficacy of such drug or class of drugs, and (2) to provide for adequate inspection of such plants, facilities, and establishments. Such regulations shall include, but are not limited to, provisions relating to: the adequacy of any commercial testing laboratories which perform assays or other laboratory services related to the manufacture, preparation, or propagation of any drug or drugs; plant sanitation; raw materials used and analytical reports on such materials; formula cards and actual manufacturing working sheets; batch records; weighing and measuring controls; coding systems; facilities for maintaining separate identity for each drug; cleaning of equipment between batches; quarantine of drugs until after clearance with the control laboratory; and, the complaint file of the establishment. Any officer, agent, or employee of the Department, authorized by the Secretary for that purpose, may, during all reasonable hours, enter and inspect any plant, facility, or establishment (including all warehouses, laboratories, other premises, vehicles and all records and pertinent equipment used in connection therewith) operated or to be operated within any State by any registrant or any applicant for a registration under this section for the manufacture, preparation, or propagation of any drug.

"(c) Under regulations which the Secretary shall prescribe, he shall register and assign a registration number to any person, upon application and a showing by the applicant of proper qualifications, for the manufacture, preparation, or propagation of one or more drugs as specified in the application.

"(d) No person may engage within any State in the manufacture, preparation, or propagation of any drug unless such person holds an unsuspended and unrevoked registration issued under this section. No person may import any drug into any State from any foreign country, or distribute within any State any drug imported from any foreign country, unless such drug was manufactured, prepared, or propagated by a person holding an unsuspended and unrevoked registration issued under this section.

"(e) No registration may be granted under this section to any person for the manufacture, preparation, or propagation of any drug or drugs unless the applicant therefor demonstrates to the Secretary that the plant, facility, or other establishment in which such drug or drugs is to be manufactured, prepared, or propagated complies with the regulations adopted by the Secretary.

"(f) No registration may be granted to any person under this section for the manufacture, preparation, or propagation of any drug or drugs in any plant, facility, or other establishment within any foreign country unless the Secretary has determined that adequate and effective means are available to determine from time to time whether that plant, facility, or other establishment continues to fulfill the requirements established under subsection (b) with respect to that drug or drugs. If at any time the Secretary determines that such means no longer are available for that determination as to any such plant, facility, or other establishment he shall suspend or revoke any registration then in effect under this section for the manufacture, preparation, or propagation of that drug or drugs in that plant, facility, or other establishment until such time as he shall have determined that such means are available for that determination. Any registration granted under this section for the manufacture, preparation, or propagation of any drug within any foreign country may include such conditions, including compliance with any of the requirements of this chapter and of chapter III of this Act, as the Secretary may determine to be required for the protection of public health and safety and such fees as are necessary to provide and maintain adequate inspection as prescribed in this section.

"(g)(1) Within thirty days after notice to an applicant for registration under this section that his application has been denied, the applicant may file with the Secretary his objection to such action, specifying with particularity the basis for such objection and requesting a public hearing thereon. As soon as may be practicable after receipt of any such objection, the Secretary shall conduct such hearing to receive evidence with respect to the issues raised by such objection. After completion of that hearing, the Secretary shall promptly enter and make public his final order upon such objection. Each order entered upon any such objection shall include a statement setting forth in detail the findings of fact and the conclusions upon which the order is based.

"(2) In a case of actual controversy as to any such final order issued under this section, the applicant for registration may obtain judicial review of that order by filing in the court of appeals of the United States for the judicial circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, within sixty days after the entry of such order, a petition praying that the order be set aside.

"(3) A copy of each such petition shall be served forthwith by the petitioner upon the Secretary or upon any officer designated by him for that purpose. The Secretary thereupon shall certify to and file in the court a transcript of the proceedings and the record on which his order was based as provided in section 2112 of title 28 of the United States Code. Upon such filing the court shall have exclusive jurisdiction to affirm or set aside the order. The findings of the Secretary with respect to questions of fact shall be sustained if based upon a fair evaluation of the entire record. The court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection.

"(4) If, in the course of any such judicial review, application is made to the court by any party thereto for leave to adduce additional evidence, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearing in such a manner and upon such terms and conditions as the court may deem proper, if such evidence is material and reasonable ground has been shown for failure to adduce such evidence in the proceedings below. The Secretary may modify his findings of fact, conclusions, and order by reason of any additional evidence so taken, and shall file with the court any such modified findings, conclusions, or order. The judgment of the court affirming or setting aside, in whole or in part, any final order under this section shall be final, subject only to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

"(h)(1) In addition to any other available enforcement remedy, upon a determination by the Secretary that any holder of any registration no longer possesses qualifications for the manufacture, preparation, or propagation of any drug or drugs, or that any plant, facility, or establishment, in whole or in part, no longer complies with the requirements specified therefor, the Secretary shall notify the registrant by registered or certified mail of the Secretary's determination and the grounds therefor and fixing a date, not less than thirty days after such notice, before which the registrant may demonstrate to the Secretary why he should not proceed in court for the suspension or revocation of the registration of such holder, or the registrant's right to manufacture, prepare, or propagate any drug or drugs in a plant, facility, or establishment, or in any part thereof, or to manufacture, prepare, or propagate any specified drug or drugs, as the facts may warrant. If, after the date fixed in such notice, the Secretary finds that good cause exists for proceeding in court, he shall file in the district court of the United States for the district in which the registrant resides or has his principal place of business a petition praying for the suspension or revocation of the registration, the registrant's right under the registration to engage in the manufacture, preparation, or propagation of any drug or drugs in any plant, facility, or establishment, or in any part thereof, or to manufacture, prepare, or propagate any specified drug or drugs, as he may deem the facts to warrant.

"Whenever the Secretary has made a determination that any registrant no longer possesses qualifications for the manufacture, preparation, or propagation of any drug or drugs, or that any plant, facility, or establishment, in whole or in part, no longer complies with the requirements specified therefor, in such manner as may substantially affect the safety of any drug or drugs, he may immediately proceed with the filing of a petition in court as hereinbefore provided and a petition praying for temporary injunction suspending the registration of such registrant, or the use of any plant, facility, or establishment, in whole or in part, or the manufacture, preparation, or propagation of any specific drug or drugs, pending the final determination of the cause. The district court, upon a showing by the Secretary that the safety of such drug or drugs may be substantially affected by the failure of the registrant to meet such qualifications, shall grant such temporary injunction, pending a final judgment.

"(2) A copy of such petition shall be served in accordance with the Federal Rules of Civil Procedure. Upon such filing the court shall have exclusive jurisdiction to determine the issues and enter judgment thereon. Such judgment of the court shall be final, subject only to review by the court of appeals as provided in section 1291 of title 28 and by the Supreme Court of the United States as provided in section 1254 of title 28 of the United States Code. The court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this section.

"(i) No person shall in any manner obstruct or interfere with, or attempt or conspire with any other person to obstruct or interfere with, the performance by the Secretary or any officer, agent, or employee of the Department of any duty imposed upon him by or pursuant to this section. Whoever violates the provisions of this subsection shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"(j) Nothing in this section shall be construed to prevent any person engaged in the manufacture, propagation, or preparation of a drug or drugs on the day before the effective date of this Act from continuing such manufacture, propagation, or preparation of such drug or drugs until an application for registration has been filed by such person and finally acted upon by the Secretary or the court under this section: *Provided*, That such an application has been filed by such person with the Secretary within one hundred and eighty days from the effective date of this Act.

"REVIEW AND DESIGNATION OF OFFICIAL NAMES OF DRUGS

"SEC. 509. (a) The Secretary may designate an official name for any drug if he determines that such action is necessary or desirable in the interest of usefulness and simplicity. Any official name designated under this section for any drug shall be the only official name of that drug used in any official compendium published after such name has been prescribed or for any other purpose of this Act.

"(b) Within a reasonable time after the effective date of this section, and at such other times as he may deem necessary, the Secretary shall cause a review to be made of the official names by which drugs are identified in the official United States Pharmacopoeia, the official Homeopathic Pharmacopoeia of the United States, and the official National Formulary, and all supplements thereto, to determine whether revision of any of those names is necessary or desirable in the interest of usefulness and simplicity.

"(c) Whenever he determines after any such review that (1) any such official name is unduly complex or is not useful for any other reason, (2) two or more official names have been applied to a single drug, or to two or more drugs which are identical in chemical structure and pharmacological action and which are substantially identical in strength, quality, and purity, or (3) no official name has been applied to a medically useful drug, he shall transmit in writing to the compiler of each official compendium in which that drug or drugs are identified and recognized his request for the recommendation of a single official name for such drug or drugs which will have usefulness and simplicity. Whenever such a single official name has not been recommended within one hundred and eighty days after such request, or the Secretary determines that any name so recommended is not useful for any reason, he shall designate a single official name for such drug or drugs. Whenever he determines that the name so recommended is useful, he shall designate that name as the official name of such drug or drugs.

"(d) After each such review, and at such other times as the Secretary may determine to be necessary or desirable, the Secretary shall cause to be compiled, published, and publicly distributed a list which shall list all revised official names of drugs designated under this section and shall contain such descriptive and explanatory matter as the Secretary may determine to be required for the effective use of those names.

"(e) Upon a request in writing by any compiler of an official compendium that the Secretary exercise the authority granted to him under section 509(a), he shall designate the official name of the drug for which the request is made.

"SEC. 510. The Secretary shall publish in convenient and readable form and shall distribute on a current basis to physicians, hospitals, medical and nurse training schools, depository libraries, and Federal, State, and local government offices concerned with the handling and utilization of drugs, true and correct copies of all printed matter which the Secretary has required to be included in any package in which any drug is distributed or sold or brochures approved by the Secretary available to practitioners on request."

Mr. HART. Mr. President, I am prepared to yield the floor——

Mr. MANSFIELD. Mr. President——

Mr. PASTORE. Mr. President——

Mr. HART. Mr. President, I thought I had the floor.

Mr. MANSFIELD. I yield.

Mr. HART. I apologize. I thought I had the floor.

Mr. MANSFIELD. I yield the floor. Go ahead.

Mr. HART. This reminds me of what occurred earlier.

Mr. EASTLAND. That is, the Senator has the floor, but does not have the votes. Is that what he is talking about?

Mr. HART. The Senator from Michigan has not expressed any opinion as to who should or should not have been consulted, when or where, but based upon our discussion this afternoon and our experience this morning, it has been suggested that in the Judiciary Committee one of the reasons why we cannot get out of committee bills in a certain area is that we have a very able chairman. The converse is being demonstrated—that, if the chairman rules it, we can get other bills out. This also is a moral.

Mr. KEATING. Mr. President, will the Senator yield for a brief discussion?

Does the Senator decline to yield?

Mr. HART. I do not want to be put in the position of seeming not to want to yield.

Mr. MANSFIELD. I yield.

Mr. KEATING. My purpose was to make a suggestion which I hope will be constructive. Apparently there is some difference of opinion as to whether the President wants the bill of the distinguished Senator or the amendments which we have before us. I suggest to the distinguished Senator from Tennessee that he have a talk with the President. It seems so simple.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Michigan has the floor.

Mr. KEFAUVER. I have talked with the President; I have talked with those who are advising him as to what they want in the bill. The bill as amended in the subcommittee follows the President's recommendations. Of course, I want to know how the administration stands now and what their position may be now, and the position of the Department of Health, Education, and Welfare; but judging by his letter and what has been told me, the subcommittee bill was the bill that was desired, with a few modifications. It would have brought prices down. This bill has some good features in it, but it would not bring prices down.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. Mr. President, do I have recognition?

The PRESIDING OFFICER. Has the Senator from Michigan yielded the floor?

Mr. HART. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, this little 5-minute speech started 1 hour and 35 minutes ago. I think all the members of the committee have had their say——

Mr. ERVIN. Except me. I have not.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I yield the floor. I thought every member of the committee had had his say. I am trying to expedite the business before the Senate, for a number of reasons.

Mr. ERVIN. Mr. President, I feel, in view of the statement of the Senator from Tennessee, that I owe it to myself, as well as to the Senate, to say something.

I have not received any advice from either the White House or the pharmaceutical industry, as to how I should vote on the bill we have been discussing. I have been trying to use the faculties with which nature has endowed me and such experiences as I have had in deciding how to vote on the bill which the Senate Judiciary Committee has been considering.

I can assure the Senator from Tennessee that I am just as much interested in having cheap drugs as he is. I am interested in having cheap automobiles. I am interested in bringing down the cost of everything, because I think everything is too high. But I have some convictions in respect to what makes the free enterprise system work. I think the best description of the free enterprise system is that given by the English Poet Kipling in the poem in which he discusses the occasion on which the Kaiser called all the men of Germany together and made a suggestion that they should work for the Fatherland rather than their families. Everybody seemed to be in favor of the proposal until one old German arose and stated:

> Until men are built like angels
> With hammer and chisel and pin,
> We shall work for ourselves and a woman
> For ever and ever. Amen.

I think that poem reveals what makes the free enterprise system work. I think if we want to get new drugs, or improvements in drugs, or improvements in automobiles, or improvements in anything else, we must offer incentives. We must assure men that they will enjoy the fruits of their own labor.

I knew nothing about this bill until it came from the Subcommittee on Antitrust and Monopoly. At that time it had a provision in it, as I interpret it, which said that if any drug or pharmaceutical company risked its money and used its knowledge and skill in research, and discovered a new drug and got a patent on it, its patent would expire 3 years after it had discovered the new drug, and put the drug on the market, unless it consented to give licenses to any other drug manufacturers to manufacture and sell that drug at an 8-percent royalty.

That provision did not satisfy my notions of free enterprise. I thought that provision undertook to take the fruit of one man's labor and one man's research and one man's expenditure and give it to other men who had not spent any money, who had not exercised their brains, and who had not done any research. I thought it undertook to take the fruit of one man's labor away from him and give it to others who had done nothing to deserve it. I do not think the free enterprise system will work under any such method as that. I did not favor that provision because it runs counter to my understanding of the incentive which makes the free enterprise system work. I am opposed to taking the fruits of one man's labor, research, and industry, and giving them to another man who, in the words of the Bible, "reaps when he has not strawed."

I was opposed to that provision.

I was doubtful as to the wisdom of another provision in the bill which also involved an amendment of the patent laws.

I heard both sides of the argument on that. I heard what my good friend from Tennessee had to say about it, and I heard what the folks on the other side had to say about it. The more I heard the more confused the issue became. I did not know which side was right and which side was wrong. It may be that the patent law ought to be amended as provided in that particular section.

The section also had some provision authorizing the Commissioner of Patents to seek advice from the Department of Health, Education, and Welfare. I personally thought that provision ought to be sent to the Subcommittee on Patents for further study in order that its wisdom or unwisdom might be made manifest.

I left the Senate last Friday to attend a wedding in North Carolina and have not been at any secret meeting anywhere at any time about this matter. But when I went to the meeting of the Judiciary Committee this morning there was a gentleman present who said he represented the Department of Health, Education, and Welfare which was charged with certain duties under the first section of the bill which was acted upon at the committee meeting this morning. I voted for an amendment which this gentleman stated that the Department of Health, Education, and Welfare wanted the committee to adopt as a substitute for the provision. The vote for the adoption of this substitute was about 9 to 3. I thought the Department of Health, Education, and Welfare was under the control of the Democratic Party. I did not know that the minority leader, Senator DIRKSEN, or the able and distinguished Senator from Nebraska [Mr. HRUSKA] had charge of the Department of Health, Education, and Welfare.

When the amendment was offered I decided that I would vote for it for several reasons. In the first place, the debate left me in doubt as to whether the provision under consideration was sound or not. So, when the Department which was to be charged with some duties under the section came in and said, "This is the substitute we want," I voted for it in the belief that it was a good Democratic proposal, as well as something which was stated in simple understandable English.

Then the gentleman who said he represented the Department of Health, Education, and Welfare also said that the Department did not favor what is called the registration provision of the bill. I had read the registration provision, and I would call it a licensing provision. As I construed it, this provision would confer on the Department of Health, Education, and Welfare the power to exclude people from the manufacture of drugs. I stated that I would vote for a substitute amendment recommended by this gentleman which eliminated the licensing provisions, but gave HEW the power to make drug manufacturers take measures calculated to protect the public health.

I am fundamentally opposed to excluding people from earning an honest livelihood, and I am opposed to giving to the Government the right to say who can pursue a certain occupation and who cannot pursue that occupation, except under the most extraordinary conditions.

The Department of Health, Education, and Welfare representative said:

> The Department does not want this power. We do not want the power to license people. We do not want to exclude people from the drug business. All we ask is the power to control these people in the interests of public health when they are in the business.

And he also said:

> This amendment does what the Department of Health, Education, and Welfare wants to do.

Mr. President, it is always a refreshing thing to me to see any kind of a governmental agency which says it does not want more power. So, when the Department of Health, Education, and Welfare came in and said: "We do not want the power that this bill attempts to give us," I said to myself, "The views of the Department are in harmony with mine. I do not believe that the Federal Government ought to say who can engage in business and who cannot engage in business. I think in a field like this, which affects the public health, there should be the power to control the person and to make him act in the interests of the public health in regard to manufacturing, when he starts manufacturing."

Mr. President, I am sorry that my vote did not please everybody. I voted my honest convictions. I voted my sincere convictions. I have not been to any secret meetings with anybody. I have not conspired with anybody. Nobody is responsible for my vote but me.

Mr. President, I am a somewhat modest person. The bill relating to drugs presents complicated questions. I do not claim that I have the absolute possession of all the truth in respect to them, and that those who disagree with me have none whatever. Consequently, I shall not criticize anybody who votes in a different manner from the way I vote on these questions. I shall say that I am as sincere and as intellectually honest in my vote as those who vote with me or those who vote the contrary position.

I make this statement because I think the place to settle differences between the members of the Judiciary Committee is first in the committee and then in the Senate.

I wish to apologize for feeling that I had to say anything whatever on this subject.

Mr. **MANSFIELD**. The Senator says little enough, and we enjoyed listening to him, as always.

The **PRESIDING OFFICER**. The Senator from Montana has the floor.

Mr. **MANSFIELD**. I now yield to the distinguished minority leader.

The **PRESIDING OFFICER**. The Senator from Illinois may proceed.

Mr. **DIRKSEN**. Mr. President, I hope my distinguished friend from Tennessee will do me the honor to give me a little attention. I have a great affection for him. I like his relentlessness. He is as single purposed as an Apache Indian. He is as gracious as a Victorian lady. There is a rare diligence about him, and a rare consistency about him also.

The difficulty is that we do not agree on the fundamental thesis. I am glad he is a patient man when he essays to change the result. His patience is certainly equal to that of Job. I think he makes Job look a little like an amateur, for he has spent 2½ years investigating price increases in the drug industry, and then when we finally come along with a bill, the bill has nothing whatsoever to do with prices. There is nothing in the bill which provides for a reduction in the price of drugs. This is quite a different kettle of fish. That is where the difficulty arises.

My name has been rather freely used in connection with the amendments which have been submitted.

The first amendment I submitted this morning was adopted by a vote of 9 to 3. There are six Republicans on the committee. I am sure it would take a great deal of eloquence and persuasion on my part to give anyone the idea that I was operating the Department of Health, Education, and Welfare. We simply cooperate in the interests of a good bill.

I am like the fellow who came home one night, who got his dinner and then told his wife he was going to sit up with a sick lodge brother. He got home at about 2 o'clock in the morning and, traditionally, his wife was waiting for him. "Where have you been?" she said. He said, "I have been sitting up with my sick friend." She asked, "What was his name?" He said, "His name was Murphy."

The wife did not bother the man further. In the morning the man went off to work. His wife got out the telephone book. She learned that there were 12 Murphys in the book. She called up every Murphy in the book and said to the Mrs. Murphy, "Was my husband with your husband last night?" And every one of the 12 Mrs. Murphys said, "Yes." [Laughter.] When the man got home that night, he put his dinner bucket on the kitchen cabinet, washed his hands under the spigot, and knew that the waters of vehemence were to come down with force upon his head.

He waited only for it to begin. When she got through, a great smile suffused his face like a western sunset.

She said, "I called up all the Murphys and you sat up in 12 different places last night."

He said, "Darling, never have I seen such cooperation on the part of the Murphys."

So we on this side have been cooperating in the interest of a bill.

My distinguished friend from Tennessee is a little frustrated. I have been frustrated, too. I have sponsored some legislative brain children which have never seen the light of day, or got through the great and realistic hour. So I have been frustrated. There is a plebeian and impolite term for it. I think it is called a bellyache. I shall ask my pharmacological friend from Minnesota to prescribe for it.

We are interested in a good bill. We have been confronted with a proposal to amend the basic patent law of our country. The Subcommittee on Patents had not even looked at the bill. What were we to do about it? Whether or not we were on good ground, I merely point out to the Senate that in our country there are approximately 180 million people. We have the strongest patent protection. There have been 60 major drug discoveries since 1940. In Great Britain, France, West Germany, and Switzerland combined, where there is an aggregate of 150 million people, but only intermediate patent protection, there were only 29 discoveries.

Italy has 50 million people. It has no patent protection on drugs. From 1940 to 1960 not a single patented drug discovery came from Italy.

Can anyone say that we have not a good patent law? If those figures do not prove that we have, I do not know what would. But the distinguished Senator from Tennessee wanted to sell us on the idea that we should amend the patent section of the Sherman Act in a drug bill. I suggest that Senators should read the proposed language. It is most intriguing. One is almost required to have a book of logarithms, a slide rule, and a U.S. Pharmacopoeia to read and understand it. My good friend talks about confusion. Sometimes there is confusion confounded.

Then, of course, in addition to other conditions and requirements for patentability, there is the question of the patentability of a drug. Under the proposed title no patent may be granted for any modification of any patented or unpatented drug or for any combination of two or more drugs unless the Commissioner determines that the therapeutic effect of such modification is substantially greater than that of the drug so modified.

What does that mean? It takes some puzzling to find out what that language means, except that we know it is a modification of the Patent Act. Why was it placed in this measure? The distinguished Senator from Tennessee put it in. He thinks we ought to lie back and accept it. In the interest of the preservation of a great patent system and a great drug industry, the provision was stricken.

Mr. **KEFAUVER**. Mr. President, will the Senator yield?

Mr. **DIRKSEN**. I yield.

Mr. **KEFAUVER**. The provision was recommended after extensive hearings. It was recommended by the President of the United States in his letter, and was modified by the Senator from Arkansas [Mr. McCLELLAN] in his amendment. The language, "Or some other substantial advantage over the drug so modified" was strongly recommended by the Commissioner of Patents. The Commissioner of Patents gave his reasons, saying that the courts had eliminated the utility test in connection with drugs, and he noted the language as modified by the Senator from Arkansas [Mr. McCLELLAN] which would require him to pass upon whether drugs should be patented or not.

Mr. **DIRKSEN**. Mr. President, the statement of the Senator is an opinion and is not borne out by the record. I think that has been disclosed.

With respect to compulsory licensing, what an alien provision to put in our patent structure. I know one company that spent $31 million in research on a definite drug and its many derivatives. How can they get it back in 3 years? What do they do? They back off and say, "That leaves us no incentive for research."

Somehow they must get it back. That is why we insisted on striking out that provision. Who put it in there in the first place? We did not put it in the bill. It came from our distinguished friend from Tennessee.

I was gloriously written up in Mr. Drew Pearson's column as being one of those trying to increase the price of drugs. We are merely trying to keep a patent section intact in the hope of preserving the incentive of our free enterprise system. That goes also for registration. The section referred to is not a registration section. It is a licensing provision.

Senators should read the conditions precedent and the conditions under which a license could be suspended. The burden of proof is upon the industry to prove to the Department of Health, Education, and Welfare that the industry ought to have their license back.

That has no place in the American system. I know that my gracious friend from Tennessee nurtures and cherishes those feelings with a deep conviction. But with an equally deep conviction I do not share them. I intend to fight them on every occasion. I am glad that the Committee on the Judiciary has reached such prestige now that it can hold its hearings in the Senate Chamber.

**Mr. KEFAUVER.** Mr. President, will the Senator yield for one correction?

**Mr. DIRKSEN.** I yield.

**Mr. KEFAUVER.** The Senator said that if a drug manufacturer was manufacturing drugs, the HEW could put him out of business, and the burden was on him to show that he had the proper sanitation, and so forth. The bill from the Subcommittee on Antitrust and Monopoly Legislation, of course, would require that the Commissioner of Health, Education, and Welfare obtain an injunction, and the burden would be on him to show that he did not have proper sanitation. So the Senator got that wrong, I am sorry to say.

**Mr. DIRKSEN.** No, the Senator from Illinois did not get it wrong. The job we had was to sell the proposal in the subcommittee. The subcommittee has been at meetings in the minority leader's office a good many times. We merely stroll over there from here, and then day after day we discuss the bill about which we are speaking. I do not know how long those discussions have gone on. But putting the burden of proof in every case upon the industry or the person engaged in industry is not proper. On one previous occasion when a bill that dealt with mergers, and so forth, was before the Senate the then chairman of the subcommittee from the other side of the aisle invited the head of the Antitrust Division under the Eisenhower administration to come to my office. We sat around and talked. Finally the head of the Antitrust Division said to me, "Do you know what you are doing, Senator Dirksen?"

I said, "I certainly do."

He said, "What you are trying to do is to let industry pick its own battleground in a fight with Government."

I said, "What do you think I am trying to do if it is not that, in the interest of preserving a great, free system that has done so much, and whose incentives must be preserved."

Mr. President, we are as desirous as anyone else to get a good drug bill. I think if the amendments are agreed to, we will get a good drug bill. I salute the distinguished chairman of the Judiciary Committee. He presides over a great committee. He does it efficiently. He does what a chairman ought to do. When his administration asks for a bill, he is up against a stalemate. Then, of course, he calls in consultants and asks, "Can you fashion something that will be agreeable to all sides and yet effectively do the job?"

I salute him for the great chairman that he is.

Now we will carry this proposal back to the Judiciary Committee. We are supposed to meet tomorrow morning. I do not know how long the meeting will take. There will be about 8 or 10 amendments. I hope we shall deal with them expeditiously. I am even willing to agree with my distinguished friend from Tennessee that, with the consent of the committee, we take 5 minutes on a side on each amendment. In an hour and 30 minutes we can get a Senate bill on the calendar.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATION, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

**The PRESIDING OFFICER.** The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. Morse] on behalf of himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. STENNIS** (when his name was called). On this vote I have a live pair with the Senator from West Virginia [Mr. Randolph] who, if he were present, would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

**Mr. HUMPHREY.** I announce that the Senator from Virginia [Mr. Byrd], the Senator from Connecticut [Mr. Dodd], the Senator from Tennessee [Mr. Gore], the Senator from Alabama [Mr. Hill], the Senator from North Carolina [Mr. Jordan], the Senator from Louisiana [Mr. Long], the Senator from Arkansas [Mr. McClellan], the Senator from Michigan [Mr. McNamara], the Senator from Rhode Island [Mr. Pell], the Senator from West Virginia [Mr. Randolph], the Senator from Georgia [Mr. Russell], the Senator from Florida [Mr. Smathers], and the Senator from South Carolina [Mr. Thurmond] are absent on official business.

I further announce that the Senator from Pennsylvania [Mr. Clark], the Senator from Arkansas [Mr. Fulbright], the Senator from South Carolina [Mr. Johnston], and the Senator from Missouri [Mr. Long] are necessarily absent.

I further announce that the Senator from New Mexico [Mr. Chavez] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. Chavez], the Senator from Arkansas [Mr. Fulbright], the Senator from Tennessee [Mr. Gore], the Senator from Alabama [Mr. Hill], the Senator from South Carolina [Mr. Johnston], the Senator from North Carolina [Mr. Jordan], the Senator from Missouri [Mr. Long], the Senator from Rhode Island [Mr. Pell], and the Senator from Louisiana [Mr. Long] would each vote "yea."

On this vote, the Senator from Virginia [Mr. Byrd] is paired with the Senator from Pennsylvania [Mr. Clark]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Arkansas [Mr. McClellan] is paired with the Senator from Michigan [Mr. McNamara]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Michigan would vote "yea."

On this vote, the Senator from Connecticut [Mr. Dodd] is paired with the Senator from Florida [Mr. Smathers]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Florida would vote "nay."

**Mr. KUCHEL.** I announce that the Senator from Vermont [Mr. Aiken] is absent on official business.

The Senator from Connecticut [Mr. Bush], the Senator from Indiana [Mr. Capehart], the Senator from New Jersey [Mr. Case], the Senator from South Dakota [Mr. Case], the Senators from New Hampshire [Mr. Cotton and Mr. Murphy], the Senator from New York [Mr. Javits], the Senator from Massachusetts [Mr. Saltonstall], and the Senator from Texas [Mr. Tower] are necessarily absent.

The Senator from North Dakota [Mr. Young] is detained on official business.

If present and voting, the Senator from Connecticut [Mr. Bush], the Senator from Indiana [Mr. Capehart], the Senator from New Hampshire [Mr. Cotton], the Senator from New Hampshire [Mr. Murphy], and the Senator from Texas [Mr. Tower] would each vote "nay."

The result was announced—yeas 42, nays 28, as follows:

[No. 85 Leg.]

YEAS—42

Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Church
Cooper
Douglas
Dworshak
Eastland
Engle
Ervin
Gruening
Hart
Hartke
Hickey
Humphrey
Jackson
Kefauver
Kerr
Kuchel
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
Metcalf
Monroney
Morse
Moss
Muskie
Neuberger
Pastore
Smith, Mass.
Sparkman
Symington
Talmadge
Williams, N.J.
Yarborough
Young, Ohio

NAYS—28

Allott
Beall
Bennett
Boggs
Butler
Carlson
Curtis
Dirksen
Ellender
Fong
Goldwater
Hayden
Hickenlooper
Holland
Hruska
Keating
Lausche
Miller
Morton
Mundt
Pearson
Prouty
Proxmire
Robertson
Scott
Smith, Maine
Wiley
Williams, Del.

NOT VOTING—30

Aiken
Bush
Byrd, Va.
Capehart
Case, N.J.
Case, S. Dak.
Chavez
Clark
Cotton
Dodd
Fulbright
Gore
Hill
Javits
Johnston
Jordan
Long, Mo.
Long, La.
McClellan
McNamara
Murphy
Pell
Randolph
Russell
Saltonstall
Smathers
Stennis
Thurmond
Tower
Young, N. Dak.

So Mr. MORSE's amendment was agreed to.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

### ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that upon the conclusion of its business tonight, the Senate adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

### INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MANSFIELD. Mr. President, there will be no further votes tonight. It is my understanding that the Senator from Washington [Mr. MAGNUSON] will offer an amendment which will be made the pending business. The amendment relates to access roads.

Before the amendment is offered, the Senator from Oregon desires to have the Senate take action on a concurrent resolution which he is prepared to submit.

### TRANSIT FARES FOR SCHOOLCHILDREN IN THE DISTRICT OF COLUMBIA—CORRECTION OF BILL

Mr. MORSE. Mr. President, Senate bill 1745, relating to fares for schoolchildren in the District of Columbia, has been sent to the White House. When the bill was engrossed by the House, one word was inadvertently omitted. It has been asked that a concurrent resolution, which I now send to the desk, be agreed to, so that the bill can be returned from the White House and the correction made.

The PRESIDING OFFICER. The concurrent resolution (S. Con. Res. 78) will be read.

The legislative clerk read as follows:

> *Resolved by the Senate (the House of Representatives concurring)*, That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 1745) entitled "An Act to amend the Act of August 5, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia"; that upon its return, the action of the Speaker of the House of Representatives and the President of the Senate in signing the said bill be deemed to be rescinded; and that in the reenrollment of said bill, the Secretary of the Senate be, and he is hereby, authorized and directed to make the following change, viz: On page 2, line 3, of the engrossed bill, after the word "return", insert the word "established".

Mr. KUCHEL. Mr. President, may I inquire of the Senator from Oregon if the concurrent resolution has been cleared with the leadership?

Mr. MORSE. It has been cleared with the leadership on both sides of the aisle.

Mr. KUCHEL. I thank the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 78) was considered and agreed to.

### DEATH OF DAVID MULHOLLAND, A PEACE CORPS VOLUNTEER

Mr. SMITH of Massachusetts. Mr. President, last Saturday David Mulholland, 23, son of Mr. and Mrs. Henry Mulholland, of Quincy, Mass., and a Peace Corps volunteer in the Philippines, died at Clark Air Force Base Hospital, Manila. He was the first volunteer from my home State of Massachusetts to die serving his country in the Peace Corps.

David graduated from Tufts University in 1960 and joined the Peace Corps after working as a reporter on the Worcester Evening Gazette. He was sent by the Corps to Ilog, several hundred miles from Manila, and worked there as a teacher's aid. The Peace Corps representative in the Philippines described him as one of the ablest and most popular volunteers. He was a part of a group that organized Camp Brotherhood, the first free camp for children in the Philippines.

David's parents were at his bedside when he died. I know that the sympathy of all of us go to them today. At a time when all Americans are being asked to make sacrifices in our struggle to secure the friendship of people in distant lands, they have made the greatest sacrifice of all.

Director Sargent Shriver of the Corps said about David:

> His willingness to give of himself to others is in the highest and brightest traditions of his country.

I add to Mr. Shriver's statement that I feel David showed all of us that peacetime service to our country in this era of global cold war conflict can involve sacrifices as great as any during a time of real war. We owe a great debt to him and all other Americans who have chosen to serve abroad helping the people of countries less fortunate than our own.

### INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MAGNUSON. Mr. President, I offer an amendment on page 31, after line 7, to insert an item of "$6,000,000." The amendment relates to access roads and, I understand, will be discussed tomorrow.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 31, after line 7, it is proposed to insert the following:

> ACCESS ROADS
>
> For acquiring by condemnation or otherwise additional roads needed for access to national forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $6,000,000, to remain available until expended.

Mr. HOLLAND. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I yield to the Senator from Florida.

Mr. HOLLAND. What was the amount requested by the Bureau of the Budget for this item?

Mr. MAGNUSON. The Bureau of the Budget requested $2 million.

Mr. HOLLAND. What amount was provided in the House bill?

Mr. MAGNUSON. The House eliminated the item entirely.

Mr. HOLLAND. So the Senator's proposal is to raise by $4 million the amount of $2 million requested by the Bureau of the Budget and denied by the House?

Mr. MAGNUSON. The Senator is correct.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. I think it would be helpful if the Senator from Washington made a brief explanation of the amendment, because he is proposing a substantial increase. I support his amendment completely; I think it is necessary. Still, it would be helpful if the Senator would make a brief statement in explanation of his proposal.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in explanation of my amendment. I think the statement will explain clearly why I favor the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> STATEMENT OF WARREN G. MAGNUSON ON H.R. 10802: MAGNUSON AMENDMENT ON ACCESS ROADS
>
> On behalf of my colleagues and myself from the Northwest, I offer an amendment which would increase the funds appropriated to the Forest Service for the item "access roads" from $2 million to $6 million.
>
> I shall explain briefly the urgent need for these additional funds, but first I would like to explain why this action is occurring today on the floor of the Senate. As the chairman of the committee knows, it was my intent to offer this amendment in committee when the bill was marked up. I was unable to be in the city on the day of the markup and thus it was not possible for me to personally present my amendment. However, while the amendment bears my name, I have offered it on behalf of myself and Senator JACKSON, the Senators from Oregon and Montana, and our colleague from Idaho, the junior Senators, Mr. CHURCH, Mr. ENGLE, and Mr. KUCHEL.
>
> On page 1124 of the hearings is a table which shows that of all the major Forest Service programs the one which is most underfinanced is their road program. The planned level for funds is slightly over $75

million, a gap of $14 million. This amendment would further narrow the gap by $4 million.

We believe that the adoption of this amendment is of the utmost importance. Over the past several months it has become evident that the American timber industry has been experiencing competitive difficulties in marketing lumber due to the inroads which have been made by Canadian producers.

The central purpose of this amendment is to provide vitally needed funds now which will provide access on existing private roads which traverse the national forests. These roads serve almost 20 billion board feet of timber. These public timber stands in our national forests have an estimated allowable cut of timber of close to one-quarter of a billion board feet. In addition, in these stands there is an annual average timber loss due to insects and disease of over 60 million board feet.

The availability of these roads will accomplish several laudable purposes. First I would like to stress that the contemplated expenditure of $6 million is an investment. In 1 year alone $5 million in Federal revenues from the sale of timber will be returned to the Treasury. Perpetual revenues of at least $4 million a year will continue to accrue to the Federal Treasury. Thus, this $6 million investment will be paid back in a little over 1 year's time. I would, therefore, submit that from the standpoint of financial attractiveness we cannot defer this necessary work.

Secondly, our forest products industry is suffering from competition with the Canadians. One of the most critical aspects is that Canadian stumpage appears in some instances to be somewhat less costly to their producers than is ours. The Forest Service has submitted a report which shows that, while the appraised rates for both Canadian and American timber are reasonably comparable, the actual cost of the stumpage from public lands in the United States compared to the cost of stumpage from public lands in Canada becomes considerably higher because our mills must bid more vigorously to secure this public timber.

Canadian timber sells at a few percentage points above the appraised price whereas our Forest Service timber sells at 25 to 50 percent above appraised prices. Increasing the amount of timber that can be offered for sale will still provide that the Government receives the full value. The figures that I have cited on timber value represent the Forest Service estimate of appraised values not the prices resulting from competitive bids. If we can increase the amount of timber offered for sale our domestic producers will have to bid so vigorously against each other. Their costs will be reduced and the entire industry will be better able to meet the burden of Canadian competition.

The amendment is promised financially on the concept that it is better to sell 100 units of timber at $20 than to sell 50 units at $40. High stumpage prices cripple the industry's ability to compete with Canada.

Thus this appropriation offers a solid and realistic way to assist the lumber industry of this country.

This industry has stated repeatedly that it does not seek subsidies. I would emphasize that the appropriation of these funds can in no way be defined as a subsidy. The price of timber depends upon many factors, one of which is the presence or absence of a road. When a road is available, the price of the timber is higher than when it is necessary for the successful bidder to construct a road. In this case, the Government will have purchased a partial interest in private logging roads which traverse national forest lands and the price of the timber will reflect the availability of the roads.

When this appropriation was before the House Appropriations Committee, they decided to eliminate it, giving as their reason a decision by the Comptroller General rendered on March 2 of this year to the effect that the purchase of these roads could be accomplished under the funds made available for forest development roads and trails under the Highway Act. When this appropriation item was first placed in the budget 4 years ago there was some question as to whether forest road and trail funds could be used to purchase an interest in a private road and to recapture the share not attributable to Federal timber so that there would be no subsidy to private parties. This special appropriation provided for the recapture and did not attempt to settle that issue. The Comptroller has now held that the fees that would be collected are not in the nature of a toll and thus not prohibited by the Federal Highway Act. However, the Comptroller General's decision did not make any more money available because as we all know the Highway Act authorization sets forth certain amounts and the budget provides the necessary funds to liquidate this authorization. This special fund, therefore, is of absolute necessity. If we are going to act now to bring the type of economic stability to our lumber industry that the present situation requires, I think I can forecast that in the light of the Comptroller General's decision and the action that we expect may be taken on pending authorization requests for subsequent years, it will not be necessary to continue this special program.

I would emphasize, however, that we are faced with a practical reality. The conduct of the Forest Service timber sale program hinges on the availability of road funds. The Forest Service has made certain plans based upon its budget request. It needs more funds for essential road construction for timber harvesting in many areas. The availability of this $6 million under the special access road appropriation will actually "free up" the funds in the forest road and trail appropriation so that there can be a substantial increase in the construction of roads and thus in the marketing of national forest timber.

When the cotton and textile agreement legislation was before the Senate, there was debate upon an amendment which if adopted would have held up the cotton and textile agreement until agreements were reached on limiting the importation of timber and certain other agricultural products. A number of us were unwilling to support this proposal because it did not seem realistic to hold up agreements on cotton until something could be done for timber. We preferred a course of action which searched out practical and constructive steps that could be taken to strengthen our domestic timber industry because we are convinced that relief for this industry is needed and the merits of the case are such that it need not be tied to the welfare of any other commodity.

Before this session ends I am certain that we will be seeking to take appropriate action on several recommendations. This is one of them and it is one of the most important.

The Committee on Appropriations has taken another step which is closely linked to this proposal. They have restored a cut of $800,000 in timber sale money made in the House of Representatives. I am convinced that the reasons given in the House report result from an honest misunderstanding. The House reasoned that since there was a drop in the lumber market, the sales in the forthcoming year would not be in such heavy demand. I suspect that this same reasoning led to the conclusion that less funds were needed for access roads.

This is not the case at all. Our lumber industry has plainly indicated that it seeks to have the Forest Service increase its timber sale, increase its allowable cuts, and strive to reduce the costs of national forest stumpage by taking every reasonable and proper step. I, therefore, urge the adoption of this amendment for access roads and hope that the Senate conferees will do their very best to explain to our colleagues in the House why the Senate position should be maintained.

The chairman of the House Appropriations subcommittee is a man whose understanding of natural resource problems is great. He is one of the Nation's outstanding conservationists. I am sure that with the facts before him he will understand the great economic importance of this amendment and how it will contribute to the conservation of our natural resources. The national forest timber which is served by these roads is not now available for us. Much of it is rotting on the stump. It is not being conserved. The inability of the Forest Service to sell this timber curtails the capability of the forest products industry to meet Canadian competition. I, therefore, urge the adoption of this amendment.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. MAGNUSON. Do I correctly understand that my amendment will be the pending business tomorrow, assuming that the Senate adjourns shortly?

The PRESIDING OFFICER. The Senator is correct.

Mr. CARROLL. Mr. President, tomorrow I intend to call up my amendment on page 18, line 8, before the period, to insert a colon and the following: "*Provided*, That no part of this appropriation shall be used to remove any machinery, equipment, or facilities from the oil shale pilot plant at Rifle, Colorado".

I think an explanation of the amendment should appear in the Record for today, so that it may be read carefully before the amendment is offered and considered tomorrow.

Mr. President, the total appropriation for "Conservation and development of mineral resources," by the Bureau of Mines proposed by the committee is $26,887,000.

This is an increase of $337,000 over the amount passed by the House.

Part of that $337,000 is $187,000 to expand oil-shale research.

The sponsor of this sum for oil-shale research is the senior Senator from Wyoming [Mr. McGee]. It is my assumption, and I think his intention, that most of this sum will be expended in the petroleum research facilities at Laramie, Wyo.

It is my understanding that the senior Senator from Wyoming [Mr. McGee] did not intend, when he offered his amendment in committee, that any of the $187,000 be spent in connection with the pilot oil-shale plant at Rifle, Colo.

The Senator from Wyoming, therefore, advises me that he has no objection to my amendment, which simply provides that the money shall in no way be used to remove any equipment from the Bureau of Mines oil shale experimental plant at Rifle, Colo.

### RUMORS OF PLANS TO MOVE RIFLE EQUIPMENT

For some time, Mr. President, we have been hearing rumors of plans within the Bureau of Mines to move out of the rifle plant one of the principal retorts.

The Bureau of Mines declares it has no such intentions, but the stories persist.

My amendment is merely insurance against rumor becoming fact.

In Colorado we are eager to see oil shale research accelerated with all possible speed. Any oil shale research done at Laramie, Wyo., benefits the State of Colorado, since the largest oil shale reserves in the United States are in Colorado.

Thus, Mr. President, I support funds for oil shale research.

I do insist, however, that in the course of this research there be no raid on the facilities already established in Colorado.

We hope soon, Mr. President, to have the Rifle oil shale pilot plant back in full operation. It is now in a standby condition. However, plans are in process right now to restore the plant to operation. These plans will soon be presented to Congress.

### HOUSE REJECTED AMENDMENT

Mr. President, in the House of Representatives, on March 20, an amendment was offered to the Interior appropriation bill to add $187,000 for oil shale research.

The amendment proposed in the House was rejected.

Mr. President, I ask unanimous consent to have printed at this point in the Record a statement made by Representative Wayne Aspinall, in whose district the Rifle plant is located.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### Statement of Hon. Wayne Aspinall

Mr. Chairman, this amendment is untimely. The request of the Bureau of Mines of the Department of the Interior for the additional money is untimely. As I understand the situation the Bureau of Mines has not been able to justify their request for these moneys in their appearance before the Committee on Appropriations.

There is on foot at the present time, and has been for many months a proposed program between the Department of the Navy in the Department of Defense and the Department of the Interior to see whether or not they can arrive at some conclusion as to the operation of the oil-shale demonstration plant facility at Rifle, Colo.

As I understand the request for the appropriation of the moneys which the gentleman from Colorado [Mr. Dominick] is trying to place in this legislation it will mean the moving of the small retort at Rifle to Laramie. This small retort is very important, as far as the demonstration program is concerned. It is not really a test tube operation. It is an advance beyond the test tube operations which are carried on in the research work at Laramie.

There are many people who live in western Colorado who would like to see this facility reactivated. I would too, privided I thought there was any chance of getting value for the money we spend. However, $187,000 is no amount at all when you consider the approximately $19 million which have been spent on this project with all too few answers found to the problems involved.

I suggest that we defeat this amendment for a most insignificant sum of money, and permit the representatives of the Department of Defense and the Department of the Interior to arrive at their agreement. Then we can present to Congress a proposal for an effective and constructive approach to the whole problem. I feel that when we spend $19 million, or any sizable part of such sum, whether it is in my district, the district of the gentleman from Pennsylvania, or any other district, that we are entitled to get dollar-for-dollar value out of it. We have not got it in this operation, I am sorry to say.

Mr. Chairman, I look forward to the happy day when we shall start the development of our vast oil shale values. Their wise use has much to offer to our national economy as well as to our national security. They constitute great reservoirs of untold wealth. Further research in laboratories and demonstration plants is vitally needed, and, in my opinion, needed now. But what we need is a real program, not necessarily big for bigness sake, but certainly not so small that its contributions would, without any doubt, be so limited as to be of no real value. Mr. Chairman, I consider that what is proposed in the amendment is of such limited potential that it should not be considered at this time and I ask for the rejection of the amendment.

Mr. CARROLL. Mr. President, following Representative Aspinall's remarks, the amendment was rejected. I have consulted with Representative Aspinall concerning my amendment, and he agrees that a provision is necessary in the bill to guard against any attempt to pirate equipment from the Colorado oil shale facility.

Mr. President, at the proper time, I shall urge the adoption of my amendment.

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## FAVORITISM OR MISMANAGEMENT BY THE DEPARTMENT OF AGRICULTURE

Mr. MILLER. Mr. President, so much attention has been given the Billie Sol Estes case lately that we may overlook the existence of other cases involving either favoritism or mismanagement on the part of the Department of Agriculture.

News accounts have brought out facts developed by investigators of the Billie Sol Estes grain operations; namely, that he received favored treatment in not being required to post an adequate bond for the Government grain stored in his warehouses. The Secretary of Agriculture has given assurance that there will be no loss to the Federal Government as a result of this favoritism. We are pleased to have this assurance, although the matter is yet to be completely investigated, and absence of loss would be purely accidental.

In my own State of Iowa, however, another case—this one involving what I would call incredible mismanagement on the part of the Department of Agriculture—has come to light. An outstanding news story on this case appeared in the Des Moines Sunday Register of June 10, carefully and painstakingly detailing the steps during which an Iowa grain elevator operator literally stole grain right out from under the nose of an Agriculture Department investigator for the Evanston office of the ASC commodity office. The Federal Government claims that the elevator operator owes it $240,000, consisting of $158,000 for 156,785 bushels of stolen corn, plus $67,136 for money already paid for storing and handling the stolen corn. The claim is covered by a $23,000 bond and an $83,000 bond, but the news story reports that there is legal doubt that the $83,000 bond is of the type on which the Government can collect.

From this account it appears that there was inadequate bonding of the elevator operator—not unlike the inadequate bonding in the Billie Sol Estes case. In the news account of the Iowa case, there is no hint of favoritism; but I believe that the case merits the attention of the McClellan investigating committee.

The taxpayers have a right to know why there was inadequate bonding; and they have a right to know why there was such inexcusable delay—from May 23, when the elevator operator's license was suspended for being 40,000 bushels short, until December 19, 1961—in issuing an order preventing the shipment of grain from the elevator. They have a right to know why the Evanston office on July 14 and 18 ordered shipment of 287,000 bushels of grain from this elevator to be completed by September 6, but none was shipped until August 22. Meanwhile, it appears that Government grain was being stolen by the elevator operator.

Finally, Mr. President, I trust that those responsible for this mismanagement, which has cost the taxpayers so much money, will be removed from the Federal payroll. With the addition of 100,000 more Federal employees to the Federal payroll on the New Frontier, I am confident there will be someone to take over their jobs.

I ask unanimous consent that appropriate excerpts from the Des Moines Register article be printed at this point in the Record.

There being no objection, the excerpts from the article were ordered to be printed in the Record, as follows:

### Stole Corn as Probe Went On—Got 100,000 U.S. Bushels Out of Bins—Barbour's Thefts Put at $240,818

(By Nick Kotz)

An Iowa grain elevator operator stole more than 100,000 bushels of corn from the U.S. Department of Agriculture after the Federal Government already had started action against him for a smaller grain theft.

Alex V. Barbour, Jr., owner of the Hawkeye Mill at Knoxville, received a 3-year Federal prison sentence in Des Moines last week for theft of 156,785 bushels of Government surplus corn stored in his facilities. The Government loss is $240,818.

What has not been revealed previously is that most of Barbour's grain theft took place in the 6 months (June to December 1961) after—

1. The Iowa Commerce Commission revoked Barbour's warehouse permit for a small grain shortage.
2. The U.S. Agriculture Department had taken Barbour's warehouse off the approved list for storing Federal grain.
3. The U.S. Agriculture Department had called for Barbour to ship to other Federal facilities 287,000 bushels of Federal grain still in his possession.

Barbour shipped the Government only about 132,000 bushels during the 6-month period.

U.S. Department of Agriculture officials and U.S. Attorney Donald Wine acknowledged Saturday that they don't know what Barbour did with about $158,000 of grain stolen after the Agriculture Department investigation began.

Barbour has taken bankruptcy. The bankruptcy proceedings have not shown to date what became of the 151,000 stolen bushels of grain or the money Barbour might have received for the grain.

Agriculture Department officials confirmed in an interview with the Sunday Register that Barbour continued to steal large amounts of Federal grain during a period of several months when Federal investigators actually were in Barbour's warehouse investigating the previous smaller shortage.

Agriculture Department officials reported an increasing shortage to the Evanston, Ill., regional office on several occasions while the investigation was in progress, it was learned.

ONLY 4,000 BUSHELS

However, Federal officials did not seal Barbour's warehouse until December 19, 1961, at which time only 4,000 bushels of grain remained in it.

Joseph Haspray, 19-State regional director of the Agriculture Stabilization Conservation Service Commodity Office at Evanston, Ill., was asked in a telephone interview how Barbour stole 100,000 bushels of grain after closing action was started against him for a previous shortage. Haspray said:

"The assumption under our system is that most persons are reasonably honest. Normally when a man gets in a short position, he doesn't continue stealing while you're investigating him. The point is, perhaps, we should have discovered this earlier."

Asked how the shortage could have continued to soar while Agriculture Department investigators were actually on the scene in Knoxville, Haspray said:

"The investigators are not policemen. They are there for the purpose of reviewing the records."

Questioned about what has happened to the missing grain that Barbour sold after the investigation started, Haspray replied:

"I would assume he sold it someplace. There's no way we can trace currency."

This is the chain of events in the State and Federal investigations after discovery of an original shortage in Barbour's grain storage facilities.

May 4, 1961: Wallace Dick, warehouse superintendent for the Iowa Commerce Commission, discovered a 34,000-bushel shortage in a routine check of Barbour's facilities. (The actual shortage could have been about 15,000 bushels greater because the commerce commission gives a generous 10 percent allowance for possible settling of grain in the bins.)

May 16, 1961: Iowa Commerce Commission checkers reported that Barbour was 40,000 bushels short (with the 10 percent allowance) of the 298,000 bushels his warehouse receipts indicated should have been on hand.

May 16: Commerce commission officials notified the Evanston Agriculture Department office of the shortage.

May 23: The Iowa Commerce Commission suspended Barbour's warehouse license pending a formal hearing on revocation of the license.

May 31: The Evanston regional office of the U.S. Agriculture Department issued an order removing Barbour's facilities from approved warehouse list—meaning he could not take in any more Federal grain.

June 6: Vernon Bruce, of Knoxville, regularly employed as a Federal warehouse grain examiner for Iowa by the Evanston office, checked the grain in Barbour's bins. Bruce said he found Barbour 18,950 bushels short of the 297,000 bushels his receipts indicated.

Bruce and Iowa Commerce Commission official Wallace Dick disagreed at about this time. Dick found a considerably larger shortage than Bruce did.

June 26: Iowa Commerce Commission checkers found Barbour now only 4,595 bushels short. Barbour told them he had purchased 14,000 bushels of grain to cover the previous shortage.

June 30: The Iowa Commerce Commission revoked Barbour's warehouse license. At a hearing 2 days earlier, Barbour told the commission he had replaced 40,000 missing bushels.

July 11: Federal official Haspray said the investigation division of the U.S. Agriculture Department was asked to start investigating Barbour on this date.

July 14 and 18: The Evanston office of the U.S. Agriculture Department ordered Barbour to ship the Federal Government all 287,000 bushels of its grain by September 6.

Agriculture Department records show that Barbour did not ship any grain to the Government until August 22 and shipped 132,725 bushels to the Government between August 22 and December 12 when his grain bins were virtually empty.

Regional Director Haspray said numerous telegrams were sent to Barbour when he did not start fulfilling the shipment orders.

July 1961: Agriculture Department Investigator Alexander M. Gibbon, of the Evanston office, went to Knoxville for several weeks to investigate the Barbour situation.

Gibbon reviewed Barbour's grain liability from January 1, 1961, to July 31, 1961, and in a September 16 report to the Evanston regional office noted that Barbour's shortage had increased to 64,000 bushels by the end of July.

Gibbon also noted that Barbour shipped out 39,000 bushels of grain on his own account (not to the Agriculture Department) during July.

Federal Warehouse Inspector Bruce, of Knoxville, and Iowa officials also acknowledge that Gibbon at this time discovered a 27,000-bushel shortage they had missed. Bruce said this shortage was missed because Barbour had falsely claimed to have shipped the Agriculture Department 27,000 bushels of corn in April when he had not done so.

July 1961: Iowa Commerce Commission official Dick said he made several telephone calls to the Evanston office telling them that the Iowa department was receiving no canceled receipts to indicate Barbour was shipping the Government its corn.

August to December 1961: David Fike, an Agriculture Department investigator for the Evanston office, went to Knoxville to investigate what was happening in the Barbour case.

Fike reported to the Evanston office and eventually to the U.S. attorney in Des Moines that the shortage in Barbour's grain bins was increasing monthly.

Fike's final report, not completed until early in 1962, showed that Barbour's grain storage was about 73,000 bushels at the end of August, 87,000 in September, 100,000 in October, 116,000 in November, and 152,000 by December 16.

October 6, 1961: Knoxville Federal warehouse Examiner Bruce made a physical examination of Barbour's bins on this date. Bruce reported to the Evanston office that Barbour still owed the Federal Government 230,000 bushels of grain but only had 134,000 bushels left in his storage facilities.

Bruce, who is a friend and neighbor of Barbour, said in an interview that it was obvious to him at this time that the shortage was still increasing.

Bruce said his only duty was to report the shortage and not to make any recommendations about action to be taken.

"Maybe we did goof up," commented Bruce, "but you just don't expect things like this to go on."

November 13, 1961: The U.S. Department of Agriculture in Washington referred the Barbour case for possible action to U.S. Attorney Roy Meadows in Des Moines. Donald Wine replaced Meadows as U.S. attorney 4 days later.

Late November 1961: Wine said that investigator Fike contacted him for the first time and informed him that Barbour's grain accounts apparently were not balancing.

Mid-December 1961: Wine said that Fike told him at this time it appeared that Barbour was stealing grain "right out from under my nose."

December 19, 1961: U.S. Attorney Wine obtained from Federal District Judge Roy L. Stephenson a civil restraining order sealing Barbour's storage bins and preventing him from shipping any more grain.

"This civil action was a holding move to stop Barbour from shipping out any more grain, but in a sense it was too late," Wine commented.

It was too late because by December 19 Barbour had only about 4,000 bushels of grain left in his storage facilities.

December 19, 1961: After issuance of the restraining order against him, Barbour filed a voluntary bankruptcy petition in Federal district court here.

Barbour listed debts of $336,722 including $170,000 to the Commodity Credit Corporation for 132,000 bushels of Federal corn. He listed assets of $134,499, consisting mostly of his interest in real estate and farm equipment.

Barbour's interests now are being handled in a Federal bankruptcy receivership action. Up to the present time, the bankruptcy proceedings have not indicated what happened to the 151,000 bushels of stolen corn or the money received for them.

January 3, 1962: Barbour was charged in Federal court with stealing 150,961 bushels (later raised to 156,785) of Federal grain stored in his elevator.

May 7, 1962: Barbour pleaded guilty to a 10-count Federal indictment charging him with stealing 156,785 bushels of corn from the U.S. Government. Of $240,000 the Government wants from Barbour, $158,000 is for stolen grain, and $67,136 is for money already paid to Barbour for storing and handling charges on the stolen grain.

At the time of sentencing, Federal Judge Stephenson asked Barbour what has become of the missing Federal grain or the proceeds from it.

Barbour's attorney replied that the thefts had taken place over a period of 5 years and Barbour now has no money from them.

However, records in the case show clearly that the theft of about 100,000 bushels occurred between June and December 1961, after Barbour's license was revoked and while he was under investigation.

Barbour's creditors, including the Federal Government, have a vested interest in this money, if any of it remains.

LITTLE CHANCE

At present, the Federal officials feel they have little chance of collecting the $240,000 from Barbour.

The Government will try to collect Barbour's two warehouse bonds which are for amounts of $83,000 and $23,000, but there is legal doubt whether the $83,000 bond is of the type the Government can collect a claim on.

Other persons also stand to lose.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. I yield.

Mr. WILLIAMS of Delaware. I compliment the Senator from Iowa for calling this to the attention of the McClellan committee and to the attention of the Senate, and I join in the request that the committee investigate this case along with the Billie Sol Estes case.

I think both the McClellan committee and the Committee on Agriculture and Forestry should give serious consideration and study to this subject to determine whether the bonding requirements for the storage of such grain are adequate under existing law or whether there is a weakness in the administration of the present law. This makes two instances which have recently been called to our attention wherein the bonding requirements were not adequate. In this particular case, as in the other case, the Department officials who were responsible for this storage paid no attention to the warning they received that the bond was inadequate and that Government grain was being stolen.

I understand that in this instance they were advised that this storage operator was stealing grain but did nothing while another 100,000 bushels were stolen from right under their noses. They paid no attention to the warning they received, and the Department took no steps to protect the Government.

As a former grain dealer I cannot understand how any inspector could let more than 150,000 bushels of grain be stolen right under his nose without knowing it, and certainly a better explanation is in order than that which thus far has been advanced.

**Mr. MILLER.** I thank the Senator from Delaware.

I think a reading of the newspaper account indicates that the attitude of at least one Department of Agriculture official was that after a certain amount of grain had been stolen, he assumed that probably no more would be stolen. The attitude of those officials seemed to be, "We assume that people have a certain amount of honesty in these operations." But, of course, that is the precise reason why we have bonding requirements. We want to be sure to protect the interests of the taxpayers of the United States. Therefore, it is clearly improper to proceed on the basis of an assumption by some official that there is a certain degree of honesty, or on the basis of an assumption by some official that no more stealing will take place. We merely want reasonable protection.

The Senator from Delaware, having once been in the grain business, well knows that if someone had engaged in mismanagement in a private elevator business, he would not be on that elevator's payroll very long.

**Mr. WILLIAMS** of Delaware. Certainly not.

In this instance, as I understand it, the Department argued that in the beginning it proceeded on the assumption that everyone was honest. But in this case, the attention of the Department was called to the fact that this particular storage operator was stealing Government grain; and then the Department officials merely sat back and relaxed and said, "Since he knows that we know that he has stolen some of this grain he will not be prone to steal any more, so we can just take our time."

The result was he stole another 100,000 bushels. Secretary Freeman cannot say that the Government in this instance has not lost money, and I venture the opinion that if their own money had been at stake they would not have had that same degree of trust.

**Mr. MILLER.** I thank the Senator from Delaware.

Mr. President, I yield the floor.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

### MADISON, WIS., FOREST PRODUCTS LABORATORY

**Mr. PROXMIRE.** Mr. President, on page 19 of the committee report on the pending bill there is a statement that the committee proposes an increase over the House allowance for various projects; and one of the projects, I am very pleased and very grateful to see, is "Preliminary planning and engineering for expansion of Forest Products Laboratory, Madison, Wis., $380,000."

This item was part of the President's budget of last year, and funds for it were approved by the Senate, but were not voted by the House; and, unfortunately, in conference this item was deleted from the bill. I understand this was the only forest research project in last year's budget that was not approved at that time.

So I am very grateful to the committee for including this item, even though the House did not; and I earnestly hope that in the conference the action of the Senate committee will prevail.

This item is of great importance to my State.

Senate approval of the $380,000 appropriation, this afternoon, for the Forest Products Laboratory, to start planning and architectural work, is an important step in the construction of the badly needed addition.

I personally appeared before the Senate Appropriations Committee to urge that funds for the new laboratory facilities be provided. I am delighted that the Senate committee agreed with my presentation and voted to provide the necessary funds. And I am even more gratified that the Senate this afternoon gave the project its OK.

Regrettably, no funds for the Forest Products Laboratory addition are provided in the House version of this appropriations bill. I hope that in the House-Senate conference that will take place in the near future, the Senate action will prevail. I intend to do all I can to insure this result.

The University of Wisconsin and the Wisconsin Legislature have already approved the sale of land to the laboratory for the proposed addition.

Failure to provide the needed funds now will prevent the planned orderly expansion of the laboratory on the basis of which this land transfer was approved.

## PROPOSED ELIMINATION FROM DEFENSE APPROPRIATION BILL OF ITEM FOR "FORRESTAL" CLASS AIRCRAFT CARRIER, AND PROPOSED REDUCTION OF FUNDS FOR B-70 MANNED-BOMBER PROGRAM

**Mr. PROXMIRE.** Mr. President, I submit two amendments to the Defense Department appropriation bill, which I understand probably will be called up tomorrow.

The first amendment would eliminate $280 million for a proposed new conventionally powered *Forrestal* class aircraft carrier.

The second amendment would reduce from $320 million to $171 million, for the fiscal year 1963—the amount requested by the administration—the appropriation of funds for the B-70 manned-bomber program.

**The PRESIDING OFFICER.** The amendments will be received and printed, and will lie on the table.

**Mr. PROXMIRE.** Mr. President, regarding the B-70 and its recent cousin, the RS-70, the $171 million requested by the Department of Defense and requested in the President's budget is adequate to continue development. More than $1 billion has already been made available for the B-70.

It is my hope that the Senate as a whole will endorse the judgment of the President and Secretary McNamara, based on rock-solid logical and factual analysis, by not appropriating funds above the budget request for the B-70.

The item for the aircraft carrier requested by the Navy is in the bill, as recommended by the Senate Appropriations Committee, for $280 million. But if past experience is any guide, it is unlikely that this ship can be built for less than $340 million.

Yet one-third of a billion dollars is only a downpayment on an aircraft carrier. The cost of one aircraft carrier, with supply and refueling ships, antiaircraft equipment, and airplanes, is over $1 billion.

Almost as large as the U.S. Capitol—the length of three football fields—with a top speed of 30 knots, confined to the surface of the ocean, and with none of the advantages of hardened protection or underwater concealment, an aircraft carrier is an inviting target.

To buy a conventional carrier in an age of nuclear submarines, intercontinental rockets, supersonic airplanes, and sky-to-ground missiles is to invest in obsolescence. This is particularly true in view of the fact that the testimony of so many experts is that the only use of such a conventional aircraft carrier is for conventional war, and that in terms of conventional war it would be better to replace none of our present aircraft carriers rather than make this proposed addition to the carrier fleet.

## THE STATE DEPARTMENT IS MISTAKEN IN OPPOSING THE FREEDOM ACADEMY

**Mr. PROXMIRE.** Mr. President, several Senators have sponsored proposed legislation creating a Freedom Academy to provide research and expert training to Americans in and out of government in the nonmilitary aspects of the cold war.

I feel that this legislation is urgently necessary for many, many reasons. Of course, primarily we need it because our Russian adversaries in the cold war have been successfully engaged in this paramilitary activity and have been winning because of it. In addition, in the absence of such competent and responsible training, a number of ill-informed, irresponsible extremist groups have developed around the country, with do-it-yourself Red-fighting programs, that in some cases may do more harm than good.

After patiently waiting for many months, we have finally received a report on the Freedom Academy from the State Department. The gist of the report is that we are doing enough already.

This smug position is flatly contradicted by the lack of any effective Government action to equip America to fight this crucial cold-war battle except for a pitifully inadequate indoctrination of a few hundred foreign service officers for a few days.

Obviously, the present program does not even scratch the surface. I earnestly hope that the Foreign Relations Committee will give our proposal serious consideration, in spite of the State Department's adverse recommendation.

In this connection, the distinguished columnist, Roscoe Drummond, in a column carried nationally yesterday, wrote in strong support of the Freedom Academy bill. I ask unanimous consent that this article by Mr. Drummond be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, June 10, 1962]

### HOW OUR COLUMNISTS SEE THE WORLD—ROSCOE DRUMMOND: PRAISE AND REBUFF

WASHINGTON.—The bipartisan Senate sponsors of the Freedom Academy bill have received some bad news—and a little good news—from the State Department.

The bad news is that the State Department does not want Congress to pass the bill creating a Freedom Academy which would do independent research on methods of waging the cold war and would provide special training for people, inside and outside the Government, to conduct the nonmilitary side of the conflict more effectively.

Frederick G. Dutton, Assistant Secretary of State for Congressional Relations, in a 3-page, 1,200-word letter suffocates the Freedom Academy idea with praise for its purposes and with a "no" in every paragraph, saying in effect: "Hands off, we're doing just fine."

On the other hand, the State Department, worried by the public support which the Freedom Academy is winning and apparently in an effort to blunt the case for it, announces that it is preparing to add a 5-week course in cold war techniques to the regular curriculum of the Foreign Service Institute.

I call this negative good news. It is good because by it the State Department admits the need for doing more to provide specialized cold war training.

It is negative because it shows that the Department is doing nothing adequate to provide this training. A 5-week course thrown together by an improvised faculty for a few Government officials is like sending the Marines to Guadalcanal after preparing them for a game of table tennis.

Thus, the State Department concedes that what the Freedom Academy would do is needed and moves to meet that need inadequately—woefully inadequately.

Perhaps it is understandable that the State Department should resist the Freedom Academy proposal. Every arm of the Government is jealous over its traditional prerogatives. There is a built-in bureaucratic resistance to anything that might upset the status quo—or even appear to do so.

Dutton's letter shows that the State Department is extremely sensitive over its jurisdictional authority as the President's sole agent in foreign affairs. I think it is overly sensitive and that Dutton's rebuff to the sponsors of the Freedom Academy bill rests on a misreading and a misunderstanding of the project.

Fragments of the problem are being dealt with by research specialists today. The need is to draw together under one roof the most qualified experts to undertake coordinated and sustained research to provide, not a cursory course for a few weeks, but a complete, specialized, and thorough training.

The Freedom Academy would not be operational, would not undercut the State Department. The service academies—the Army, Navy, Air Force, and National War College—all undertake continuous studies of military strategy. This research is available to the services; it produces new ideas and breaks new ground, but the service academies do not undercut the Pentagon or take operational responsibility from the Chiefs of Staff.

The proposed Freedom Academy would not dilute or impair the authority of the State Department any more than the Naval Academy dilutes or impairs the authority of the Navy. It would strengthen the State Department by nourishing the insight and the expertness of all in Government dealing with the cold war.

I should think that Senator WILLIAM FULBRIGHT, of Arkansas, and Representative FRANCIS WALTER, of Pennsylvania, the respective chairmen of the Senate and House committees to which the Freedom Academy bill has been assigned, would not accept the State Department's negative attitude.

## LEAVES OF ABSENCE

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may be excused from attendance on the Senate tomorrow, Tuesday, June 12, 1962.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKEY. Mr. President, I ask unanimous consent that I may be excused from attendance on the Senate on Wednesday, Thursday, and Friday of this week.

The PRESIDING OFFICER. Without objection, it is so ordered.

## DEFENSE CONTRACTS: IMBALANCE INCREASES

Mr. KEATING. Mr. President, the latest statistics released by the Defense Department show that military prime contracts awarded to New York State in the first 3 months of 1962, that is, January through March, amount to $670 million or 9.7 percent of the total. This is a decline from the previous quarter, October through December 1961, when New York State received 11.7 percent of the total. It is also a decline over the comparable January through March period of 1961 when New York received 10.6 percent of the total.

Mr. President, while New York's share declines, the dollar value of defense contracts going to California increases with each quarter. For the period January through March 1962, California received 24.6 percent as compared to 24 percent for the last quarter of 1961.

Mr. President, this imbalance is a serious one, not only from the point of view of New Yorkers who continue to pay nearly 20 percent of the Nation's taxes, but also to thoughtful citizens throughout the country who do not want to see defense work dangerously concentrated in one small area. Let me make this clear. I am not saying that New York should have work which they are not capable or willing to perform at the lowest possible cost. What I am saying is that more of an effort must be made to prevent defense work from becoming the particular preserve of one part of the country. Considerably greater efforts must be waged throughout the Defense Department to make use of capable firms which may happen to be located east of the Rockies.

Mr. President, just last week I received a letter from a small business in New York State which was anxious to get defense work. The president of the firm, which is located in Ithaca, New York, informed me that he had asked for a copy of the full specifications necessary for a certain item from the procurement office in California. He informs me that he was told that drawings and specifications could not be sent as the present supply was exhausted, but that he could travel to California if he wished to inspect the copies there.

Mr. President, section 2305, title 10 of the United States Code, provides that specifications and attachments must be "accessible to all competent and reliable bidders." Where this is not the case, the invitation is invalid, and no award may be made. I do not personally consider specifications available in California as "accessible" to a New York small business. If it is necessary to amend the procurement regulations in order to insure that specifications will be sent directly to any firm that is interested, then I intend to prepare, introduce, and fight for such an amendment to insure simple justice to small business people throughout the United State.

Mr. President, it is perhaps merely a coincidence that this matter came to my attention the very week that figures were released showing California's increasing preponderance of defense work at the expense of New York. Nevertheless, it reveals very strongly the need for increased effort by west coast agencies to provide full service and assistance to firms no matter where they are located. In fact, additional service in the nature of providing for complete information would not be amiss for firms located at such a great distance.

For these reasons, Mr. President, I am having legislation drafted to insure that information is made available to all firms which request it on any formally advertised bid from the Defense Department. I am very seriously disturbed over the present situation and over the treatment which apparently is accorded to New York firms in certain instances, and I intend to follow up this matter with vigor and determination to enlist the support of all my colleagues whose States may also be the victims of similar neglect by procurement agencies.

## OMAHA OFFICE OF THE PARK SERVICE

Mr. HRUSKA. Mr. President, earlier this year discussions occurred regarding a proposal to move the regional office of the National Park Service from Omaha, Nebr., to Cheyenne, Wyo.

This subject was gone into somewhat in the interrogation of Secretary Udall when he appeared before the House Appropriations Committee. A factual statement and other testimony is contained in the record of those hearings.

There was opposition to the move expressed not only by Representative GLENN CUNNINGHAM, of the Second Congressional District of Nebraska, but also by Representative BEN JENSEN, of Iowa.

The report of the House committee on H.R. 10802 for Interior Department appropriations reads in part in this regard:

> The committee does not believe that the proposed move of the regional office of the National Park Service from Omaha, Nebr., to Cheyenne, Wyo., is warranted, and has disapproved the use of any funds for this purpose.

No inquiry into this subject was made during the course of the Senate Interior Appropriations Subcommittee hearings on this bill. My further information is that no expression of interest was indicated on this point until the executive meeting of that subcommittee. Upon markup of the subcommittee there was inserted the following language:

> The committee feels that the National Park Service should not be denied the use of funds contained in this bill to transfer its region II headquarters from Omaha, Nebr., to Cheyenne, Wyo., if after the Secretary of the Interior's promised restudy is completed, the advisability of the transfer is confirmed.

The language of the Senate subcommittee is in direct conflict to that contained in the House report. The Senator from Nebraska sought in Appropriations Committee markup session to amend the Senate language so as to conform with the House language. Failing in this, he submitted an amendment which in effect would have required the Secretary to report the result of his restudy of this subject to the Appropriations Committees of the House and Senate for their action. This second proposal was also rejected.

The testimony given in the House hearings showed that there would be a minimum of about $200,000 spent during the course of the first year of such move over and above the present budget figures. It would involve an office having a little over 100 employees. It would involve moving Park offices presently located in very satisfactory and adequate Federal space to non-Federal space which would have to be rented. It was testified that some 20,000 square feet of space at approximately $3 per square foot would be required. The office has been in Omaha, Nebr., for many years. The officials and employees of the National Park Service stationed there would undoubtedly find it difficult to re-move. This would result in accelerated retirement, on the part of several and perhaps many of them. Such acceleration is always an additional expense and a great loss to Government service in view of the experience and the seasoning which such employees have attained in the Service involved.

The Secretary in his testimony before the House committee testified the basic consideration should be economy. There is no showing of any kind in the hearings that any economy would be achieved, either short range or long range.

Mr. President, if the National Park Service can expend within the course of this coming year an additional amount of about $200,000 to move this office, it must mean that they have $200,000 which they do not need. This amount is not large as sums around Congress go, but certainly it represents the tax dollars of many citizens which could be devoted to a much more useful purpose. On the basis that this move is unnecessary, it is submitted that the appropriation of this Department should be cut by those $200,000 rather than to have them use that sum for an unnecessary move.

While the Senator from Nebraska agrees with the language and the conclusion of the House committee, he would be satisfied with language which would require the Secretary of Interior to report his findings to the Appropriations Committee on each House for its further action after he has made his showing on the point. Certainly if he were asking for an expenditure of a new item of $200,000, we would like to have justification therefor. The amount is just as large whether it is for a new activity or for the expense of an unnecessary move of this kind.

During the hearings in the House, it was brought out that on previous occasions such a move had been proposed and discussed, so that the subject is not new. This is a fact, Mr. President, but in each previous instance after a thorough consideration by the Secretary and by the committees of the House and Senate, the proposal was rejected because there was no showing of any advantage by way of money savings, service or efficiency. In fact, the contrary was established.

It is my earnest hope that when conference on this bill is held that the language of the Senate report will be made to conform to that of the House report; or in the alternative that the language of the Senate report be modified and amended so as to include the requirement that the Secretary report to the House and Senate committees the result of his restudy, for further action of those committees.

Mr. President, in order that this matter may be sent out in its more complete factual background, I ask unanimous consent that there be printed at the conclusion of my remarks excerpts from the testimony of the House, as contained on pages 46 to 48 of its hearings.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

### OMAHA OFFICE OF THE PARK SERVICE

By the way, Mr. Secretary, I hope that you can tell us today that that proposal to move the regional Park Service office from Omaha, will not be consummated. I was greatly surprised when I heard that it was even contemplated. Maybe you are not ready to give the committee a categorical answer on that, yes or no, but I do want to read a letter here that GLENN CUNNINGHAM, of Omaha, wrote me on January 13. I didn't request the letter but he knew that I had talked to Connie Wirth, the Director of the National Park Service, and expressed my opposition to this proposed move. Of course, Connie told me that was orders from higher-ups.

I said, well, that must be Mr. Udall, the Secretary. The Secretary is the only fellow above you in this respect. So I asked him to tell you that I hoped this would not happen. However, GLENN CUNNINGHAM, the Congressman from the Second District, Omaha, writes me this letter, and I want it to appear in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., January 13, 1962.*

Hon. BEN F. JENSEN,
*Member of Congress,*
*House of Representatives, Washington, D.C.*

DEAR BEN: Late in the afternoon of January 5 I received a telephone call from an official of the regional Park Service office which was established in Omaha, Nebr., in March 1935, advising me that a directive had just been received by the Omaha office from Conrad Wirth notifying them that it had been determined to move the office from Omaha to Cheyenne, Wyo., and that the transfer was to be finally completed by September of this year.

Attempts have been made by the civil servants to do this before, and if my memory is correct it has been attempted on two different occasions. Once it was to be moved to Salt Lake City, and then to Denver, Colo. Each time facts and figures were presented to prove that such a move was not in the best interests of the Park Service and would be most uneconomical.

Upon learning of the action, I called Mr. Wirth, who confirmed that such an order had been issued but was quite indefinite relative to the details. I inquired if Mr. Udall concurred and he stated that he had.

I contacted members of the House Appropriations Committee who stated they would not favor such a move and so told Mr. Wirth. I am informed they would look with much disfavor upon Interior Department appropriation requests if he did not voluntarily reconsider this decision. They were upset because this action had been taken without even the slightest consultation with the Appropriations Committee.

I have been in contact with our Democratic Governor, Frank Morrison, of Nebraska, as well as the Democratic national committeeman from Nebraska, B. J. Boyle, and they both are opposed to the move.

Frankly, I am of the opinion that when economy and efficiency can be served by transfer of an agency from one location to another, I would not be concerned. But it has been proved in the past that a transfer out of Omaha of this agency would not be economical nor efficient. Figures supplied to me indicate that it would be a very expensive transfer. If all of the 101 employees were to move, the approximate costs of transporting furniture, per diem en route, and other expenses, would amount to $128,290.

Furthermore, it is my understanding that no adequate Federal space is available in Cheyenne, and assuming that this agency would require 20,000 square feet of space, at approximately $3 per square foot, which may be minimal, the rental cost would exceed $60,000 per year. In Omaha on the other hand, there is no such expenditure, as the Park Service occupies Government-owned quarters in the Federal Building.

I have reasons to believe that less than half of the personnel of the Omaha offices would be willing to move to Cheyenne and many would take retirement, necessitating the recruitment of many new employees in the Wyoming area. These retirements would also be costly and involve a large expense to the Government, because not only would we begin paying retirement annuities earlier, but there would be lump-sum annual leave payments to make, as required by law. This of course would not be in the best interests of the Park Service because of the many fine, well-trained personnel who would be lost in the process. The loss of such personnel would be a crippling blow to the efficiency of the Park Service.

The regional director of the Park Service headquarters in Omaha is quoted as saying that Omaha is well situated as an office for region 2 of the Park Service. Statements made in Washington that the shift to a location "more conveniently serving national parks in Wyoming, Colorado, and Montana should result in increased efficiency" do not stand any test of accuracy. Region 2 is made up of Montana, North Dakota, South Dakota, Nebraska, Kansas, Wyoming, Colorado, Minnesota, Iowa, Missouri, and a part of Utah. Although there are 26 national parks under the supervision of the Omaha regional office, the Omaha regional director has stressed that in addition to serving national parks, his office aids States, counties, and metropolitan areas with their park systems. He further states the office also cooperates with such projects as the Army Engineers' development of the Missouri River Basin.

This is not a partisan matter with me nor with Nebraskans and midwestern people in general in any sense of the word. As has been stated, the Democratic officials, including the national committeeman and the Governor of Nebraska, also support opposition to this proposed transfer. For the good of the National Park Service, we would be deeply grateful for any assistance you might feel willing to give to stop this transfer.

Sincerely yours,

GLENN CUNNINGHAM,
*Member of Congress.*

What is your comment, Mr. Secretary?

Secretary UDALL. Why, of course, I am aware of several communications of the point of view represented in the Congressman's letter. We have attempted up to this point to treat this on its merits, and to try to get at the facts. I think it is significant that under two previous administrations this was proposed. I want to assure you that the only consideration that we weighed on it was the consideration of the merits, which concerns the primary factor of economy. I think this is the key to the whole thing. I hope you would agree with me it is the key to the whole thing.

As a result of the representations that you and others have made, I am quite willing to assure you today that we are going to back up and restudy the entire matter. I would like to have the facts and figures that you, or Congressman CUNNINGHAM, or anyone else has, so that we can evaluate them. I think we owe that to you and to the committee, but I do say that economy in the long run—not the economy of this year or next year, but what is most economical in the long run—that this ought to be the key and the answer to it. I think we ought to make our determination on that basis.

I do think we need additional facts, and I am willing to enter into a new study of it. This is our present plan. In other words, to make a whole review of that matter.

Mr. JENSEN. I appreciate that. You know, I am not a fellow who wants to spend money unnecessarily. I do know that Omaha, Nebr., is the headquarters for all of the Missouri River Valley development program, under the supervision of the Army Engineers. It is very important that that part of it be close to the Army Engineers, and they are in the same building.

I have many times had business dealings with one of the agencies; that is, the Army Engineers and the Park Service, and I would say, let's see what the other agency has to offer, and what position they have taken on this. It is a very fine setup they have there, Mr. Secretary.

This is another thing. There are 17 of those people who live in my district, and to uproot the families with children in them who have their homes there, is something very difficult. They just won't go. A lot of them cannot go. So you are dislocating a lot of sovereign governments—the American home, which is sovereign in every respect. To destroy a home, a sovereign government in this land of ours, is not good. So I am very serious and concerned about this matter and I just hope, yes, I pray, that this just will not be done, and that this proposed move will just not be consummated.

Thank you, Mr. Secretary, and thank you, Mr. Chairman.

Secretary UDALL. All right.

Mr. MAGNUSON. Mr. Secretary, in your view what is the basic consideration that led to this decision to move to Cheyenne? Is there a greater concentration of major parks in a reasonable radius of Cheyenne than Omaha, or what?

Secretary UDALL. The basic considerations which were evaluated in the making of the decision, as I indicated, we felt should be economy. Of course, when you start talking about economy you are also talking about the relationship of where an office is located with respect to the area it serves. It is felt that the proposed change would put it nearer the center of gravity and nearer the main areas that are presently in the park system. Over the long haul positive economies, therefore, would result.

It may be that there are factors that we did not evaluate. We are quite willing to back up and be sure that we have evaluated them. However, as you will see if you look at a map, these were the primary considerations. Yes.

Mr. MAGNUSON. You are not contemplating any revision of the makeup of the second region?

Secretary UDALL. No, no. That will remain the same.

Mr. MAGNUSON. Dr. Fenton.

Mr. FENTON. Yes.

## ADJOURNMENT

Mr. HICKEY. Mr. President, I now move, in accordance with the previous order, that the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 17 minutes p.m.) under the previous order, the Senate adjourned until tomorrow, Tuesday, June 12, 1962, at 12 o'clock meridian.

## CONFIRMATION

Executive nomination confirmed by the Senate June 11, 1962:

### U.S. CIRCUIT JUDGE

Oliver Seth, of New Mexico, to be U.S. circuit judge for the 10th circuit.

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# EXTENSIONS OF REMARKS

## Coming Events Cast Their Shadows Before

EXTENSION OF REMARKS
OF
### HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
*Monday, June 11, 1962*

Mr. DENT. Mr. Speaker, throughout history men have repeatedly tried to change the course of the political, economical, and geographical destiny of the world's nations. None ever succeeded.

Of course there have been temporary achievements along the planned courses of the planners and schemers. When using the word "schemers" we cover the whole field of their activities from the beginning of time until the present.

Recently one of my friends sent me an article appearing in a foreign newspaper. In sending me the article he said in part:

> Your long and lonely fight against the hidden but inevitable consequences of unrestricted uneconomic world trade seems to have more substance than meets the eye. In our rush to put personal considerations behind the all-powerful and unquestionable welfare of the state, we seem to have set aside all lessons of history and all concepts of the kind of life carved out of this wilderness by the Founding Fathers.
>
> Too few of us are aware of the persistent drive toward Willkie's one-world idea. Maybe it is good, maybe it is the only way out. Be that as it may, the appalling thing to me as a citizen is the callousness of the architects of the grand plan, their utter disregard of the fundamentals of a free society, the doubletalk, the false front put on the whole scheme.
>
> If joining a world federation of nations is the answer to the future of mankind, let us at least be told that this is the road we are taking. Let us not hide behind the interests of the powerful groups within our Nation and their counterparts in other nations whose main concept of human relations is based upon cash balances in the banks and the price of labor.
>
> To some, statistics provide answers; to others, statistics provide alibies.

Mr. Speaker, after receiving the above-quoted letter, I read the article by C. Knolton Nash, not once but over again and again.

I tried to shoot it full of holes. I could not, simply because of my own studies and conclusions.

If Mr. Nash were wrong, why are we witnessing the greatest campaign in our political history since the ratification of our original Constitution? Why the millions of dollars and billions of words in support of a trade plan which, if inaugurated, will set the unfolding of the grand plan which Nash hails as "the superior State of the North."

Personally, like all Amricans, I can live under any conditions any other citizen can. However, I would like to know just what these conditions are going to be. Like all other Americans, I believe

I am entitled to know what is in store for my children and my children's children. I want, with my fellow Americans, a chance to voice an opinion and, in my case, as a Representative of the people, a chance to cast my vote one way or the other, knowing why and for what I am voting.

If the American people are being driven into a treaty-bound agreement, for economic, political, and military union because of fear of communism rather than in their own individual and national interest and other considerations, they ought to be told. If they know and still accept the course of action planned for them, well and good. It goes without saying, all of us will obey the will of the majority.

The people, in whose name all changes take place in government, can be talked into anything when they are kept uninformed and ignorant of the real purposes for the changes.

Throughout history this has been the case. The Russian people revolted. Did they revolt for the kind of tyranny that they have been subjected to? Did they vote to destroy their freedom of religion, their right to work in their own fields, the right to raise their own families? They did not.

If the revolutionary leaders would have proposed their plans for a police state openly, instead of building up the pressure against the known oppression of the ruling classes, there never would have been a communistic government.

Bringing our history closer to home and up to date, let us take a look at Cuba. Did the Cubans revolt for communistic Castroism, or did they revolt against corruption and tyranny, poverty, and century-old peasantry? The answer is obvious. They were uninformed, misled, and misguided.

I recognize, and so do you, that the revolution being planned for us may well be bloodless and it may well be the complete opposite of the tyranny of communism, but unless the people are aware of the real aims of the planners is it not much the same in the final outcome?

Americans will be Americans in much the same manner as Pennsylvanians are Pennsylvanians. We, in Pennsylvania, have a constitutional State authority, but regardless of how much we talk about States rights all of us know that the power and influence of the Federal Government makes our power independent but not absolute. We must, as a member of the family of States, live within the same rules set for the rest of the family. Like all families, the backward, less able, will get the greater benefits and considerations. This may be very good, but let us know what we are asking for.

As I have said—even this may be all right. All we can ask is that we be told, that we be let in on the plans. I shall venture a guess that few if any Members of Congress know or believe the situation to be other than what we are told it is. Few if any of the great mass of Americans believe or even give a thought to the consequences of an all-out capitalistic form of government. Outright capitalism as such means exploitation, planned economy, price fixing, profiteering, and separation of our peoples into classes, on educational, occupational, and financial lines.

There is a difference, however, in capitalism, in the degree of power given to any person or group. Constitutional, democratic capitalism such as we have developed in the United States of America, is the best known form of government yet devised by man. It gives the promise of greater personal freedom, fulfillment of individual ambition, desires, and wants than any other form of government. It is only when we lose sight of the human equation in our commercial planning, whether it be internal or external, that we endanger these concepts and promises of our way of life.

There was a time when the whole effort of this Nation was expanded toward the creation and protection of industry and jobs. We seem to have stopped the pendulum to the other side of the swing and now it appears that jobs and investments are secondary and production and trade are primary considerations of our planned economy. It will not work; simply and bluntly stated, it will not work.

Our memories are very short. When this Nation was caught up in the great whirlpool of human misery caused by the great worldwide depression of the late twenties and early thirties, did we attempt to solve the problem by automation, cut prices and more production? We did not; we did exactly the opposite. Did the Federal Government tax incomes to producers? It did not; it gave spending money to consumers.

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## The United States and the Free World

EXTENSION OF REMARKS

OF

### HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 11, 1962*

Mr. REUSS. Mr. Speaker, I include my recent commencement address before Roosevelt University, Orchestra Hall, Chicago, Ill.:

THE UNITED STATES AND THE FREE WORLD

(By Representative HENRY S. REUSS, of Wisconsin)

There are many ways in which Roosevelt University is an appropriate memorial to the great American for whom it is named. But one springs most immediately to mind. Roosevelt University, in conception, was planned to fill a desperate contemporary need. In execution, it has been meeting that need.

Something better than three-quarters of Roosevelt students attend the university while holding down part-time jobs, another note that brings echoes of the age of Roosevelt and of a nation getting on with the day-to-day business of survival and at the same time planning intensively for the future.

Or again, consider the makeup of your university's board of trustees and board of advisers: labor leaders, financiers, lawyers, industrialists, sociologists, artists, people of both sexes, of all races and all faiths, including people without formal religious adherence. The university, like Franklin Roosevelt, makes a steady effort to get in touch with all the available wisdom of our society.

One correspondence between the university and the man it honors is seen most vividly in the magnificent building you occupy, the auditorium. Other American universities, both the ancient, privately endowed institutions of the east coast and the great legislatively endowed institutions of our own part of the country, have spent years and millions on the architecture of learning. We know the results. There are a few notable exceptions, mostly either survivals of the 18th century or daring experiments of the 20th. But by and large the architecture of learning in America may be divided into sham-Gothic, sham-Romanesque, sham-Tudor, sham-Georgian, and not only a sham-classic but a sham-neoclassic as well.

Roosevelt University, as you well know, has never enjoyed the advantages of wondering what to do with endowment income. The university has had to seize fast to whatever has been available and to make do with what was at hand.

The result? You have pursued your various paths to learning in one of the few universally recognized masterpieces of American architecture.

Surely there is something here of the spirit of the New Deal, the spirit of Franklin D. Roosevelt. The New Deal has been criticized for never really having had a master plan for grappling with the towering woes that beset the country in early 1933. The young administration of F.D.R. operated on a day-to-day basis, meeting each crisis as it came along, endlessly improvising, casting about for available wisdom and applying what wisdom it found to each day's needs.

Yet out of this prolonged improvisation came an enduring change in American life, a change for the better.

This same spirit of inspired improvisation can be seen at work in the vital relationship between the United States and the free world today.

Because of the overriding importance of the relationship between the United States and the free world, I would be very happy to lay before you today a simple, orderly, comprehensive statement of the philosophy of that relationship.

I would be pleased to be able to say, or to hear, that this country is leading the rest of the nations of the free world toward the greater realization of political and economic democracy. I should like, equally, to hear or to say that we nations of the free world are in the orderly, phased process of bringing into being a new world federation of peoples. The federation could even be developed, in outline, with representative government in which national representation is a fine balance of population, of gross national product, of attainment in learning or in scientific contributions to mankind. In this way, you and I might agree, all the factors of national identity might be taken into account and those Americans might be mollified who today regard with suspicion and alarm the presence in the assembly of the United Nations many a nation which, to use a phrase of the New Deal era, has never met a payroll.

But such an ambition is folly. The phenomenon we seek to describe, the relationship between the United States and the free world, is not a terrain feature or a chemical element which will hold still while we examine it. It is a changing, an evolving thing. Even as we look at it, it becomes something slightly different than what it was the moment before.

To illustrate: assuming that most of you are about the age of 22, in the year you were born the governing sentiment in this part of the country, according to most observers, was that the United States had no relationship whatsoever with the rest of the world. What's more, no relationship was wanted.

This, of course, was an ancient American tradition, one that goes back to the Farewell Address of George Washington and his celebrated warning against "entangling alliances." Beyond the voice of the Father of His Country, that tradition was dictated, too, by the force of circumstances, by the thousands of miles of wilderness still to be explored and settled, by the very real distances separating America from the nations of Europe and from an Asia we were hardly aware of.

That tradition lingered on in our national consciousness long after it had served its purposes, long after it could be justified even by geography and travel time. In the year that you were born, that tradition, especially here in our Midwest, had gone sour and expressed itself in the doctrine of isolationism and the peculiar organization, America First, both of which would have shot the American eagle and made our national bird the ostrich.

As this country, in the years after World War II, was making painful efforts to come to grips with a new and only dimly understood world in ferment, that old tradition made what I take to be its last gasp: the frightened and desperate notion of "Fortress America."

Meanwhile, of course, the facts of modern life had made such a course utterly impossible. The change had been going on, gradually, for decades, for generations. It is worth recalling that one of the causes of our Revolution itself was our desire for a freer trade with the world. In the early years of the Republic, President Jefferson set a precedent for negotiating our national expansion with other powers when he made the Louisiana Purchase. President Monroe set an even more far-reaching precedent when he proclaimed, unilaterally, the conditions of independence which would obtain in the rest of this hemisphere. In fact, our American policy was never as "isolationist" as the America Firsters said it was in the year that you were born.

Our national realization of that change has proceeded with great rapidity and often with shock in the years of your lives. The first shock was World War II, and our participation in it on a global scale. American troops confronted the Nazis in Africa and Europe and fought back Japanese imperialism across thousands of miles of the Pacific. American industry shaped itself to support a worldwide effort against encroaching tyranny.

In the first years of peace, almost as a reflex action, we began to divest ourselves of that globe-girdling chain of responsibility we had assumed during the war. Then began the realization that having taken up the responsibility, we could not, in justice or even self-interest, put it down. We became what we are today, the center of a loose but worldwide chain of associated nations, held together first by the interests of mutual security but also by other interests in common.

I suggest that it is precisely those "other interests" that will loom more important in the years ahead.

I suggest that in the remaining years of the 20th century—at the end of which you graduates will be 60 years old—it is those nonmilitary interests which will be paramount in shaping the relationship between the United States and the free world.

I suggest that this change has already begun.

Surely one of the most dramatic aspects of our emerging relationship with the free world is the Peace Corps.

I became mixed up with the Peace Corps from the beginning. Five years ago, in southeast Asia, I saw at firsthand how our aid program overemphasized military hardware, and the more grandiose kinds of steel-and-concrete-projects, such as super highways. I saw these programs too often carried out by the kind of big car-driving, enclave-living, PX-shopping American caricatured in "The Ugly American."

It seemed to me that we Americans, inheritors of Thomas Jefferson and Abraham Lincoln, could do better. Indeed, in a small way, we were already doing better. There, going through the Cambodian jungle, I saw a team of four young American school teachers opening up the first schools the Cambodian villagers had ever known. They loved their work, and the Cambodians loved them. The only pity was that there were only 4 of them, rather than 400.

The appropriation to set up a study of the Peace Corps squeaked through Congress by the skin of its teeth 2 years ago. This year, the Peace Corps has received a thundering vote of confidence in Congress.

The men and women of the Peace Corps operate as human beings lending their technical knowledge and personal assistance to other human beings, rather than as Government agents directing the flow of machines and materials to other governments. Peace Corps people live with and in the style of their hosts. While on the job they receive subsistence and that's all. Their $75 a month is a "readjustment allowance" and is not paid until they finish their service. They speak the language as they share the lives of the people they work with.

Their goals are limited; they do not build military highways or air fields; rather they concentrate on small but significant improvements in agricultural methods, in food preservation, in mechanics practicable on the village level of technology. Village irrigation projects and village teaching projects are started, explained and helped with. While I visited our American Peace Corps team in the underprivileged countryside of Chile a few months ago, I grew very proud of these young people. In a world of aggressiveness and competitiveness, here were a few score young Americans performing a completely unselfish act.

The point here is not that the Peace Corps is an effective tool of American foreign policy. As a matter of fact, it is deliberately kept separate from foreign policy and from our military activities around the world. The point is that the Peace Corps is a radical departure in the relationship between the United States and the free world. At the same time it is an extension to our brothers in the free world of American principles and methods as old as the old frontier; community cooperation, for example, and universal education, and the drive to change one's conditions for the better through one's own efforts.

This, you will note, is quite different from a system of purely military alliances.

The same thing applies to our food for peace operation. The very name suggests a revolutionary approach to the ancient human problem of war and peace. How many wars in the history of man have been fought for food? From the Romans in Egypt to the Nazis in the Ukraine, conqueror after conqueror has justified his use of the rod of death by his need for the staff of life.

Food for peace is the beginning of a change. The program confronts our costly American crop surpluses with the fact that around the world people are still suffering from malnutrition and even, in time of disaster, from starvation. That these two things should coexist is deplorable. In a saner world, it would be unthinkable. Food for peace is a step toward that sanity.

In the Alliance for Progress, President Kennedy's new program of American aid to Latin America, still another step forward is taken. The Alliance, of course, is a renewal of the good neighbor policy of Franklin D. Roosevelt. But now it is spelled out much more precisely that the good neighbors are to be all the people of the lands to the south, and not, as too often in the past, merely the military or commercial ruling groups. Land reform, tax reform, and social progress generally are made a condition of aid under the Alliance.

Next I would cite this country's steady and determined efforts to bring about international agreement on disarmament. Progress at Geneva has not been sensational; the market for plowshares has not been ruined by the sudden availability of swords in great numbers to be beaten down. But progress has been made and, more important, in the face of whatever discouragement the United States has consistently continued negotiations. Two great powers, each one mortally suspicious of the other, are feeling their way toward a world in which war will become steadily more unlikely, as it has become steadily and immeasurably more horrible to contemplate.

Thus, even as our worldwide alliances themselves are revealing new depth of meaning for the relationship between the United States and the free world, we are working persistently to make military alliances in themselves less necessary than they have been in the past and are now.

Finally, consider for a moment our emerging new attitude toward world trade as that attitude is expressed in the Trade Expansion Act, favorably reported by the House Ways and Means Committee only this week. Like many others, I have certain reservations about the bill as written.

Chiefly, I object to the fact that, for all practical purposes, this country's entering into fruitful negotiation with the European Common Market is envisioned as entirely dependent upon the United Kingdom's joining the Common Market. This limitation is insured through the 80-percent clause: the legislation will empower the President to eliminate tariffs only on items of which the United States and the Common Market together account for 80 percent. But without the United Kingdom in the Common Market, there are no such items at all.

I object to this. England may join the Common Market; it may not. It may join next month, highly unlikely, or it may join years from now. I believe we should enter into a tariff cooperative with the Common Market now. I also believe the Common Market itself is too narrow and confined a concept for the free world. I believe that ultimately we must have free trade, or something approaching free trade, throughout the free world.

But the point is that the Trade Expansion Act is certainly a step in that direction, and as such deserves the backing of all Americans.

Now, surveying all these recent developments in America's relations with the free world, I think we perceive a profound change taking place. I think we see emerging, out of purely pragmatic actions, a philosophy that will guide our country in the years remaining in this century, the years of achievement in your lives, from the age of 22 to the age of 60.

In the beginning of the postwar world, our relations to the free world tended to be based on military considerations. We wanted military allies and we wanted round-the-world military bases. That is changing as an exclusive consideration. It is changing, pragmatically, because we have found that by itself it doesn't work.

The changes, however, carry us beyond pragmatism to our own American leadership in the humane meeting of human needs, to the idealism of Franklin Roosevelt and the New Deal. What we are fumbling our way toward is a New Deal extended to the world. In area after area we are working so that man's life in political freedom will have the reliable material foundation without which political freedom is either impossible or meaningless.

Our militant anticommunism is becoming instead a program of pro democracy, pro the dignity of man. This, it seems to me, is as high a "manifest destiny" as a people could wish.

In observing the folk-ritual of the commencement speech, we come now to the place of the graduate in the future the speaker has sketched. Well, I am not a recruiting officer for the Peace Corps, but frankly, knowing what I know of Roosevelt University, I should be both surprised and disappointed if some of you didn't serve in the Corps, sharing for a period with others the skills and the heritage of freedom you have acquired here. Others may find themselves able to serve, publicly or privately, in the trade and the aid effort. That will crown the relationship of this country to the rest of the free world.

But those of you who do will necessarily be a minority. For all of you, there is a duty to understand the changes that are now taking place in the relations between the United States and the free world. Examine them in detail. Discuss them. Decide about them.

We have long repudiated isolationism as national policy. We are now groping our way toward a policy which can take its place in the decades to come. One could do worse than envision the New Deal extended to the free world. If you support this extension, as intelligent and aware citizens, and, some of you, as leaders and doers in this new field of American achievement, then you will have been true to your past. Then it will not be for nothing that you have come to maturity at a university named for Franklin Roosevelt.

## Memorial Day Address by Senator Long of Missouri

EXTENSION OF REMARKS

OF

### HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

*Monday, June 11, 1962*

Mr. HUMPHREY. Mr. President, on May 30, Senator EDWARD V. LONG, of Missouri, told the 11th and 12th districts of the American Legion at memorial services in St. Louis that "patriotism, like charity, begins at home."

Senator LONG was the principal speaker at services held in the Soldiers' Memorial Building in the plaza.

"The first duty that patriotism imposes upon us," the Senator said, "is a duty of self-appraisal."

I commend the reading of this splendid address to every citizen. It is a thoughtful, challenging, and constructive message.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR EDWARD V. LONG, DEMOCRAT, OF MISSOURI, BEFORE THE AMERICAN LEGION 11TH AND 12TH DISTRICTS, ST. LOUIS MEMORIAL DAY SERVICES, MAY 30, 1962

On Memorial Day, we are reminded that to be born and to die is the decree of all men. To be forgotten is the acme of human bitterness and the greatest sadness of human existence.

Ninety-four years ago, the observance of Memorial Day began with the decoration of Civil War graves. The original intent was that on May 30, living veterans should pay tribute to their comrades-in-arms who had fallen in battle.

When we refer to deceased war veterans, we speak of the honored dead. Even though Memorial Day has become the day when we pay tribute to all the dead, let me speak briefly of those who made the supreme sacrifice for the love of their country.

Our tribute to their sacrifice is valid only if we determine to maintain in ourselves a love of country as strong and self-sacrificing as that which we honor in them.

Love of our country is best summed up in a single word: "Patriotism." If I had to give a title to these brief remarks, I would say: "Patriotism, like charity, begins at home."

The first duty that patriotism imposes upon us is a duty of self-appraisal. Think: What would the country be like if everyone acted as I act?

When you talk to a veteran about war—that is, if he will talk about it—you soon learn that war is anything but glamorous. Victory in war comes after long, slow, grinding, stubborn, heroic acts. The heroism of peace is similarly a long task of drudgery and waiting. The poet, Longfellow, must have had the Armed Forces in mind when he wrote the line: "Learn to labor and wait."

Each man's duty is given its particular character by his own particular circumstances. Age and physical condition plays a big part in how a man governs his duty. Experience and training along with education and intellectual capacity also will play a major role. But, in all circumstances, it remains true that duty is not in the glamorous past nor the shining future. Duty is in the near-at-hand, in the immediate present, regardless of how dull and unexciting it may appear to be.

One of our more cynical writers of today defines duty as "That which sternly impels us in the direction of profit, along the line of desire." In making a self-appraisal of our own conception of duty, it is well for us to take stock and see if we fall in this same category. If we are doing anything purely for the money in it, it is high time we get out of that job and that attitude.

Judge what you are doing, and what you are going to do, by its value as a contribution to the society around you. This society may be limited to your immediate family and the neighborhood. Or, it could be the wider society of our Nation and the world. There is a basic necessity of making a living, of course, and a responsibility that each of us bears for himself and his family. I am not suggesting that you disregard the need for making money—that, too, is a duty, in fact. I am urging that each of us recognize that there are always numerous opportunities available for us to serve not only our families; but to serve also our neighborhoods and communities, as well as serving our country.

If you are settled in the work you intend to follow through the years, look outside your occupation and find ways for the improvement of physical and social conditions in your neighborhood, your city, your State, and the Nation. Let your position or job be not solely a means of earning a livelihood, but your way of living a good life and of serving your fellow man.

I urge you to take an intelligent and responsible interest in the affairs of your Government. Learn what is going on, form your opinion upon knowledge, and then make that opinion effective. Talk to your neighbors and your associates—write letters to your Representatives and officials, and, by all means, be sure to vote with conscientious attention to both men and issues. It is true patriotism to be deeply and continuously concerned for the welfare of your community and your Nation.

In short, put yourself into the place where you are most needed, and set yourself to work at the task in which you can do the most good.

This patriotism is not exclusively military, but it includes the willing acceptance and performance of military duties. He who has learned to love and serve his country in peace will be among the first to volunteer or willingly accept the draft in order to defend his country in war. He who has gladly accepted the drudgery of peace will have become ready to accept the obedience and hard work expected of a soldier in training and at war. The man who has learned to consider his life and work as devoted to the service of God and his fellow man will be ready to join effectively in the common effort of our military forces to guard against the possibilities of war, or to repel armed attack.

A practical, well-rounded patriotism is a matter for the whole man and for his whole lifetime. Patriotism is not a thing to be turned on as a band marches by and then quickly turned off. Love of country involves the building up of the country in all respects, not just the armed defense of attacking armies. It includes inspiring people with the love of God and with devotion to moral principle.

Furthermore, it includes concern with the honest and effective conduct of political and governmental affairs; the rehabilitation of criminals, the care and cure of the mentally ill, and the training and employment of the handicapped. Each of us must be inspired, not only with the impersonal ideal of love for our vast and varied land, but with a very near and personal love for our immediate neighbors. Then, and only then, can we all join hands in working together to make our city, our State, and our Nation a better place in which to live.

When we have this practical, down-to-earth patriotism, then we will have no disillusioning shock when military duty calls. I grant you that such service probably will be slow, with numerous discomforts, both large and small. But, where we love—we gladly serve. And in this service, ranging from trivial duties to the devotion of a lifetime, we best honor those who have died for our country.

In conclusion, the following lines from "Hail Columbia" seem most appropriate in recognition of the honored dead and of the gift they passed to us and our never-ending obligation to carry on:

"Hail, ye heroes,
Who fought and bled in freedom's cause.
Let independence be our boast,
Ever mindful what it cost.
Ever grateful for the prize
Let its altar reach the skies."

## The National Lottery of Chile

EXTENSION OF REMARKS

OF

### HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 11, 1962*

Mr. FINO. Mr. Speaker, I should like to apprise the Members of this House of the national lottery of Chile. In Chile, as in many other Latin American nations, lotteries are frequently used to assist charitable and welfare organizations.

Last year, the gross annual receipts came to $23 million of which the Government received some $5½ million. Most of the moneys were earmarked and used for institutions such as the Red Cross, public health and universities.

Mr. Speaker, it is difficult to understand why we, in the United States, do not make the gambling urge work for the general good. A national lottery in this country cannot only strike a lethal blow at organized crime but pump into our Treasury over $10 billion a year in additional income which can be used to cut taxes and reduce our national debt.

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## Excerpts From Address by Hon. Alexander Wiley, of Wisconsin, Over Wisconsin Radio Stations, Concerning Impact of Proposed Legislation on Agriculture

EXTENSION OF REMARKS
OF
**HON. ALEXANDER WILEY**
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
*Monday, June 11, 1962*

Mr. WILEY. Mr. President, in a weekend address over Wisconsin radio stations, I was privileged to discuss the impact of proposed legislation now before Congress concerning U.S. agriculture.

I ask unanimous consent that the text of my remarks be printed in the CONGRESSIONAL RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

### EXCERPTS FROM ADDRESS BY HON. ALEXANDER WILEY, OF WISCONSIN, OVER WISCONSIN RADIO STATIONS, CONCERNING IMPACT OF PROPOSED LEGISLATION ON AGRICULTURE

In agriculture, as elsewhere in American life, we, as a people, are experiencing broadening horizons and dramatic far-reaching changes and progress.

Fundamentally, the scope of farm operations continues to be local in terms of land, machinery and equipment, labor, taxes, and, yes, markets.

In a shrinking world, however, we find, more and more, that events elsewhere—regionally, in Washington, or around the world—may affect the price of farm products, as well as the economic status of the farmer.

For these reasons, then, it becomes necessary to extend the horizons of agricultural planning from the local to the national and global areas. Currently, such factors which bear significantly upon the economic outlook in agriculture here in Wisconsin and across the Nation include: (1) The proposals now before Congress for liberalizing reciprocal trade agreements; if adopted, as recommended then would result in a greater flow of imports; and (2) the increased agricultural production of other economically advancing countries creating greater competition on the world market.

Now, what does this mean to the Wisconsin farmer?

Within our economic system, farm prices are determined, to a large degree if not entirely, by the law of demand and supply. Currently, there exists a $9 billion surplus of farm commodities. To reduce such stockpiles, efforts are being made—and renewed efforts are needed—to find outlets at home and abroad.

Annually the U.S. exports, either in sales, or under Government programs, amount to about $5 billion. Of the 1960–61 U.S. exports, Wisconsin's equivalent share, that is, proportionate contribution to national sales, has been estimated as follows: $31.5 million for field crops; $28.5 million for livestock and livestock production, including dairy products; $2.3 million for vegetables; and $2 million for other commodities.

Currently, the Ways and Means Committee is winding up its consideration and writing a new bill for revision of trade agreements. The Congress, of course, will need to consider this very carefully.

Recognizing the need for flexible authority in administering tariff policy, the Congress cannot and should not relinquish its voice in determining such policies. Why?

(1) Because of its constitutional responsibilities; and (2) traditionally, the Congress, I believe, is more sensitive to the day-to-day needs of the American people and the economy. Without reflecting unfairly on the competence of well-qualified administrative officials, there may be instances, in any administration, in which policy deemed good for the world—by ivory tower bureaucrats—may not always be good for America, including the American farmer.

In evaluating the proposals for liberalizing trade agreements, then, Congress—among other things—must (1) preserve its constitutional voice in tariff and quota regulations; (2) write in necessary safeguards to prevent damage to the domestic economy; (3) assure a hearing, and as necessary assistance, for industries adversely affected by trade agreements; and (4) assure that trade agreements are mutually beneficial.

Recognizing that there must be a two-way flow of trade, congressional objective must be to (a) encourage the expansion of U.S. exports way beyond the 4 percent of our production now flowing abroad; and (b) to adopt the kind of trade policy that will protect domestic industries and business that may be adversely affected by necessary changes in general trade agreements.

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## Is Our Trade Policy a Free Trade or a Protectionist Trade Policy?

EXTENSION OF REMARKS
OF
**HON. JOHN H. DENT**
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
*Monday, June 11, 1962*

Mr. DENT. Mr. Speaker, recently I received a letter with an attachment on protectionism that should be read to all Members of Congress. I also received some correspondence from Japan.

Whether we agree with the writer or not, the fact remains that statements such as these have been kept from the public press while millions of words, making less sense, have been published in support of a trade policy that few, if any, of us can describe or analyze.

Is our trade policy a free trade or a protectionists trade policy? Are we going to make our ports free ports, where we can buy all products at the customshouse at prices you run into in the free markets such as Shannon Airport, Panama, and the foreign sales offices in our international airports.

Frankly, if I thought that we could better our economy with this kind of trade policy as proposed in H.R. 9900—now the clean bill reported H.R. 11970—I would be the leading fighter for the bill. I cannot see it, maybe it is because 4 years ago I predicted the failure of the 4-year extension of the Reciprocal Trade Act when we were promised the same benefits from that act as we are again being told will come to the American economy.

It is no secret that the failure of the 4-year extension forced abandonment of any attempt to renew the Trade Agreements Act. That is why we have H.R. 11970, which is nothing but a rehash of the Reciprocal Trade Act with a little dressing thrown in to make it look like something new, something bold but, in truth, is something worse and something old.

I have supported the free trade idea, but never have I gone so far overboard that I would be willing to vote for legislation that spells out unemployment and closed factories as a blessing.

Where I come from, my people work and want to continue working at jobs with reasonable wages. They are not so willing to give up a bird in the hand for two in the bush.

I find among my colleagues the same protective instinct for their people. The farm Members want no part of free trade for farm products. The same goes for cotton, textiles, oil, and many other products protected by agreement. They see no wrong in free trade for the other fellow. The little fellow without a strong voice in Congress, in the press, in the hands of the powerful, is being fed to the wolves of what some of us, having nothing to lose, call progress.

The first of these letters follows. In some instances, I have deleted the name of the sender for reasons best know to the writer.

FEBRUARY 7, 1962.

DEAR CONGRESSMAN: I agree with your position and disagree with Dr. Russell who says that because we exported 20 to 16 ratio in dollars, we created 20 jobs for 16 lost.

In the first place I want to make some general statements.

1. I don't believe it is possible to build a civilization without protection. Every civilization we have had was protected in some way or another. The Indians even had protection. Some time after the stone age, the priests and other leaders of the church had to have protection against being killed by members of the proletariat.

2. One hundred and fifty years ago the United States began its existence. At that time the country of India had more natural resources than the United States. They still have more but look at the difference. We started to build our economy and the first thing we did was put on a protective tariff. This protected our industries so we could pay enough wages to provide purchasing power, and gave us revenue. Russell didn't include this revenue in his statement. Taxes would have to be raised to compensate for the loss in revenue if tariffs are lowered.

I have contended for a long time that Ford was the greatest economist the United States ever had. You are old enough to remember when he raised the wages to $5 a day. Businessmen all over the United States complained and asked why he did it. His reply was he wanted to sell cars to these men and they couldn't buy cars without money. That is still a fundamental in any economy but all the economists think about is trying to buy something cheap. They forget to provide purchasing power.

3. Russell states in his article that we are exporting $20 billion worth of goods and importing $16 billion worth. None of the economists ever talk about exporting in terms of tonnage or in terms of man hours. For the sake of illustration, I have converted the $16 billion worth of imports to man hours at the going wage in Germany which is 85 cents an hour. This shows we are importing 20 million man-hours.

I have converted the $20 billion of exports to man-hours, assuming they are man hours, so a comparison can be made, and find we are exporting about 5 million man-hours.

I have yet to see an economist who wants to do business at our level. They all want to go to the world level and we can't do that without seriously impairing our whole economy.

Some place I read that the members of the National Association of Manufacturers was polled on the lowering of the tariff—25 percent wanted the tariff lowered, 25 percent do not, and the other 50 percent have no opinion because they don't know what is going on or don't know anything about the economy. The truth of the matter is this Nation is self-sustaining up to about 98 percent. We probably could increase the foreign trade to 5 percent without hurting our economy seriously.

The foreign trade that will not hurt is to trade agricultural products for strategic minerals and stockpile them. They will stockpile, of course, much easier than grain and it won't cost very much money for a place to stockpile the minerals.

There are some other propositions in the request for the power to lower tariffs which strike me as very serious. I don't think there is a man living that should be given the power to raise and lower taxes at will, or to raise and lower tariffs at will.

A bill to raise or lower taxes, to my mind, is another authority that should not be granted. It is my humble opinion that if it was, the first thing that would be done would be raise taxes because I don't believe the money is going to roll in from 1961 profits.

Steel had to absorb that wage increase, many other industries have cut prices in an attempt to get business, discount houses are running rampant all over the country so the profits will be down. All the economists forget that Uncle Sam gets his money from profits. Taxes should be lowered but they cannot be until some of this unnecessary spending is stopped.

Herter says there are a billion people waiting to have their economy developed. I don't know how Herter expects to sell these billion people anything when their income is $100 per year, or less. Going back to India, their income is $70 per year per capita.

For 150 years India has tried to make so-called free trade work. Other nations have tried it, particularly England. Now the whole economy of the Common Market is starting in with a plan that was adopted by the United States 150 years ago. The irony of it all is that the economists have this administration sold on the idea that we should adopt the economy that has kept those nations in the Common Market in poverty for all these years.

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Mr. Speaker, these two letters are self-explanatory but apropo to the discussions on H.R. 9900—now the reported clean bill H.R. 11970.

### TARIFFS KILL JOBS

(By Dean Russell)

Representative NOAH M. MASON, of Illinois, top Republican on the House Ways and Means Committee, is now predicting that the tariffs in the United States will definitely not be lowered and will probably be raised. "If the administration tries to continue the Reciprocal Trade Act in its present form, there will be a devil of a fight," he states.

MASON claims that most Congressmen are now opposed to our 27-year-old policy of lowering tariffs for nations that lower them for us, and that this increasing opposition could easily result in the defeat of the act when it comes up for renewal next June.

It so happens that Representative MASON has always been one of my favorite Congressmen. My only real disagreement with his voting record is on the issue of tariffs. In defense of his campaign for higher tariffs, he generally advances the familiar arguments of protecting American jobs and industries against "cheap foreign labor."

He is correct in his observation that if it were not for Government protection against foreign competition, many persons in the United States would lose their jobs, and a considerable number of American companies would be forced out of business. But MASON completely ignores the American consumer and the multitude of jobs and industries that depend on foreign trade.

He dramatizes the jobs and industries that are threatened by the $16 billion worth of yearly imports into the United States. But he just ignores the far larger number of jobs and industries that are involved in our $20 billion worth of exports—automotive and electric equipment, steel mill products, machine tools, coal and cotton, petroleum products, and many others. Comparatively speaking, prohibitive tariffs would destroy 20 American jobs and companies for every 16 saved. And worse still, the companies that would be destroyed by this policy are our most efficient ones that pay the highest wages. Apparently, our high tariff Congressmen completely ignore the obvious fact that foreigners cannot continue to buy from us unless they are permitted to sell to us.

Actually, tariffs never protect jobs for the Nation as a whole. But tariffs do always increase prices for consumers throughout the country. Today, you and I are paying higher prices for clothing and watches (and many other items), because the American manufacturers of those products are protected by tariffs. I am just as opposed to protection and subsidies for industry as I am opposed to protection and subsidies for farmers, unions, and professional men. I cannot logically and morally be for one and against the other.

Mr. Speaker, I wonder if the dean would wipe out the job protection contained in the immigration laws. How can he buy a suit from a union worker in the United States as cheaply as one from Hong Kong? He cannot, but by the same token he would have to be paid the same as a Hong Kong professor.

For example. Perhaps our protectionists could understand this issue better if they would consider the economic effects in Illinois of a tariff against all products from our other 49 States. Here is how it would work:

We do not have, for example, an autobile industry in our States. The reason is simple—we can buy cars cheaper from Detroit and, in effect, pay for them with machine tools that we produce cheaper than they do. We could easily create an automobile industry in Illinois, however, if the State were permitted to put a 25-percent tariff against imported cars.

Mr. Speaker, there is a vast difference between our economy operating under one set of rules and laws, one currency, and so forth, and free trade is possible.

With that amount of Government protection (really a concealed subsidy), capital would flow from our machine tool industry into our new automobile industry that could then offer the owners of the capital a higher return on their money. That development would immediately increase costs (and prices) for machine tools because those companies, in turn, would then have to pay a higher price to hold and attract the needed capital. And for a while at least, the machine tool companies would also have to pay higher prices for labor because the new automobile industry would bid especially high for the services of those skilled mechanics.

Thus, even if Detroit didn't retaliate with tariffs against our machine tools, the higher prices would automatically mean that fewer would be sold. That, in turn, would mean fewer jobs in the machine tool industry. Meanwhile, you and I would also have to pay $500 more for a car. In turn, that added cost would mean that you and I would have $500 less to spend for housing, education, entertainment, and so on. Thus those industries would also have to lay off workers. And since Illinois would soon run out of unemployment benefits, those people would have no choice but to scratch out a living as best they could. Under those circumstances, obviously it wouldn't be much. But unquestionably, many new jobs would have been created in our new automobile industry.

Mr. Speaker, maybe the dean ought to know the difference between a self-contained equalized economy and a dog-eat-dog international trade economy.

After that arrangement had continued for 10 years or so, it would be almost impossible to stop it; the protectionist politicians would quickly and correctly point out that all the jobs in our high cost Illinois automobile industry would be wiped out overnight if we removed their protection from competition and permitted those "cheap cars from Detroit" to be sold in our local markets.

Mr. Speaker, this is the kind of far-fetched examples and logic fed to the unthinking Americans by proponents.

### THE ECONOMIC FACTS ABOUT COMPETITION AND TRADE

That is always the final result of Government protection and subsidies and interference with the free market economy. The absence of tariffs among our 50 States explains better than anything else why our level of living is so high. It is due almost entirely to competition, natural specialization, survival of the most efficient managers and companies, and the free movement of labor and capital from one industry and one section of the Nation to any other industry and section.

Those economic facts about competition and trade also explain why the nations of Europe are now establishing a tariff-free Common Market. The advocates of that project are well aware that the ultimate result will be better jobs at higher pay for all employees, lower prices for all consumers, and even higher profits for the owners who are capable of operating in a free and competitive economy.

For both economic and political reasons, the United States should provide the leadership for lower (not higher) tariffs among nations.

Mr. Speaker, is it not true that the Common Market, while establishing free trade within, is wisely and necessarily putting up a strong protection tariff wall against imports?

I warned in 1958 that we were the only trading nation that allowed diplomacy, political and sentimental considerations to govern our economic action.

I predicted then that we would be flooded with cheap-labor-produced consumer goods, depriving our workers of job opportunities.

Again I issue this same warning. If you wish to ignore my appeals to economic reasoning, you may do so. However, will you kindly read and study the following letters, one from the United States and the other from Japan.

The following is a letter received from the Ballo Thermometer Co., Leesburg, Fla.:

BALLO THERMOMETER CO.,
*Leesburg, Fla., May 22, 1962.*

Hon. JOHN H. DENT,
*U.S. House of Representatives,*
*Washington, D.C.*

DEAR MR. DENT: We sent an inquiry to the Japanese firm whose letter is enclosed, asking for prices on fever thermometers. This was done to keep abreast of the latest developments of the impact of imported fever thermometers versus American made.

As you know from previous testimony, we are in a critical situation. According to this letter, if the Japanese Government intends to eliminate their own self-imposed quota on fever thermometers entering the United States, this will mean the kiss of death to the American thermometer industry.

This company is one of six or seven now exporting thermometers into the United States of America. How can we be helped?

Sincerely,
BALLO THERMOMETER CO.

The following is a letter received from the Phoenix Brand Hospital & Surgical Supplies, Kobayashi Shoji K. K., in Tokyo, Japan:

"PHOENIX" BRAND HOSPITAL & SURGICAL SUPPLIES (KOBAYSHI SHOJI K. K.),
*Tokyo, May 11, 1962.*

BALLO THERMOMETER CO.,
*Leesburg, Fla., U.S.A.*

DEAR MR. ———: Your cable of the 9th has been appreciated, in which we note that you want 100 gross fever thermometers per month.

To our great regret, however, we have so many orders from the presently established customers that no more goods are available for you for the time being. Last year, U.S. buyers were not so active in their purchase of Japanese thermometers, but this year they are rather active while the number of good thermometer manufacturers has been decreased. As a result, almost all the manufacturers have full orders almost beyond their production capacity. Our shipment is also seeing delay after delay, which is the present situation.

For information, the Japanese Government's quota system now in force is expected to be suspended next year. As we are planning an increased production, maybe we shall be able to make a definite offer in October or November this year.

Kindly excuse the inability of making an offer this time.

Sincerely,
KOBAYASKI SHOJI K. K.
T. KOBAYASHI.

I call your attention to letter No. 1. There are only two manufacturers left in the United States—with 184 million people—but Japan has 6 or 7 that export to the United States. Japan has 70 million people. I know that we must help Japan in its trade deals; but can we become a buyer nation? Is this not the tragedy of our trade policies? The little people are being pushed out of business while monopolies and importers provide the products.

Is it not the same process as that which happened when the chainstores pushed the independent grocer to the wall? Now we have the chainstores endangered by the discount house. Many Members of Congress, most of them free traders, have sponsored legislation to curtail the discount houses and national chainstores with a quality stabilization (fair trade) bill. Funny how they can see the danger to our economy, our wage scales, our investment incentives with unfair cutthroat competition here at home, but think nothing of eliminating a whole industry, small, but important to a self-sustaining economy, with unfair foreign competition.

We note also that another group of Members, all free traders, have introduced an anti-cut-price bill making it unlawful for any agricultural products to be offered for sale in an area away from the source of production at prices lower than the cost of production within the sales area.

What in heavens name is the difference between this and my amendment disallowing foreign competitive products to enter our country at less than our costs of production.

Can Ballo Thermometers Co. make thermometers with U.S. costs, labor, taxes, and raw materials to sell at anywhere near the price of the Japanese import? They cannot.

I know; I heard their testimony. It is contained in the hearing reports.

I even find that one of the strongest boosters for the no tariff on manufactured products legislation is himself a sponsor of a protectionist bill creating a new tariff on an untariffed, free entry item.

This bill would place a 50-percent tariff on shrimp imported into the United States. Upon investigation we find that bill was given hearings by the sponsor and a favorable report written in spite of the fact that much of the shrimp comes from so-called underdeveloped nations in the Latin American areas.

I have said it before and I repeat, scratch a free trader and he will bleed like a protectionist. The above examples of shortsighted protectionism are reminiscent of the story of the Socialist organizer trying to win a convert. He made the pitch that under socialism everybody shared alike. The intended victim asked whether "if you had two horses would you give me one?" The answer, "Yes, sir." "If you had two cows would you give me one?" "Yes, sir." "If you had two goats would you give me one?" A little pause and then the Socialist gave this answer: "You go jump in the creek, you know I got two goats."

Now you will note the second letter and the fact that the Japanese cannot produce fast enough to provide for our market. When they can, watch the fur fly. The marketplace in every U.S. city will look like a trade fair with U.S. goods almost extinct.

In fact, you will note that the Japanese are waiting for the Congress to pass this new trade bill without restrictions and they will then lift their voluntary quotas and you can kiss the U.S. thermometer industry goodby.

It will not be the first time. Ask the small oil producer and the coal miner what happened under the voluntary oil quota deal.

It got so bad that even Eisenhower, a free trader, had to establish quota limits to keep the American domestic oil industry and what was left of the coal industry alive for future emergencies.

I cannot believe that the industry and labor spokesmen who appeared before the Committee on Imports were making up tall tales or deliberately falsifying their records. I believe that they are in trouble—do you?

I do not oppose free or expanding trade legislation, I do, however, oppose legislation that does not require equity in tariff rates between trading nations before any further tariff or other trading restrictive covenants are lowered or removed.

How can any Member vote for legislation that denies an American, no matter how small his interest and stake in our economy, the right to his day in court.

Without strong peril point and escape clause requirements, this legislation will spell the deathknell of many of our small independent producers, most of them situated in small communities.

I do not mind being a citizen of the world, the same as some of our great advisers, but I want to live and prosper in the United States of America.

## Dramatic About-Face: McClatchy Press Now Favors Weakening of the Preference Principle

EXTENSION OF REMARKS
OF

### HON. CHARLES S. GUBSER

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
*Monday, June 11, 1962*

Mr. GUBSER. Mr. Speaker, there is increasing cause to suggest that the title of House bills 11244 and 11245 should be changed from the so-called regional preference bill to the preference confusion bill.

Everybody is confused. The most ardent advocates of public power, including the principals of Interior, Reclamation, APPA, REA, Bonneville and other agencies, are fighting among themselves. Obviously the proposed giant Federal grid system is incompatible with preference. Those who advocate one cannot support the other. The issues are contrary and cannot be reconciled.

The public power press is also confused. In California, three newspapers of the McClatchy chain, the powerful Sacramento, Fresno and Modesto Bees, dominate the great central valley. They are among the most articulate of all spokesmen for public power. Since before any national leader of public power was born, the McClatchy Bees have been all out in their advocacy of public power, and for half a century they have held as high as the Bill of Rights the principle of preference.

Just to show you how confusing this regional protection bill can be, let me cite for the RECORD the contradictory editorials of the McClatchy Bees on this ill-advised piece of hypocritical legislation.

On April 20, 1962, the Sacramento Bee ran an editorial under the heading, "Intertie Proposal Erodes Public Power Preference." The editorial pointed out that under reclamation law, public agencies shall have first call on Federal power. "This is fundamentally right to guarantee that the people will receive the benefits from their own project," the editorial declared.

"The Pacific Northwest is entitled to protection against unreasonable raids on its power," said the Bee in the April editorial, adding this statement of its basic philosophy about public power: "But this should not be given at the expense of the time-honored and tested preference clause."

Further quoting that editorial: "This bill weakens the preference principle and should be examined closely by Congress."

I submit that this is an honest and serious evaluation by an ardent spokesman of unflinching loyalty to the public power cause.

However, even the McClatchy Press is confused now as it reexamines the bill and assesses the pressures and counterpressures within the public power forces. I quote from an editorial in the same newspapers this week. The editorial, in the Sacramento Bee issue of June 5, 1962, is titled "Northwest Is Entitled to Power Protection."

This editorial is an about-face. Now the Bee totally ignores the peril to preference in advocating that the bill be passed. "Nothing could kill off the intertie more completely than to have this protective legislation fall by the wayside," the editorial declares.

I was shocked to note that in the second editorial, the Bee criticizes me for agreeing right down the line with what it said in the first editorial.

Obviously, the McClatchy advocates of public power are as confused as everybody else over this bill. The pressures for Federal transmission lines have bent the Bee thisaway today; the pressures for preference bent the Bee thataway yesterday. While Congress considers this "preference confusion bill," we can wonder only which way the pillars of public power will be bending tomorrow.

## Health Care Benefits for the Aged Bill

EXTENSION OF REMARKS

OF

### HON. THRUSTON B. MORTON

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

*Monday, June 11, 1962*

Mr. MORTON. Mr. President, last Thursday, June 7, I introduced a bill, S. 3386, which would establish a health care benefits for the aged program. In response to requests, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3386

A bill to provide for Federal financial participation in State programs established for the purpose of assisting individuals age sixty-five or over in obtaining health benefits insurance on a voluntary basis

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Health Care Benefits for the Aged Act".

DEFINITIONS

SEC. 2. For the purposes of this Act—

(a) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(b) The term "State" includes District of Columbia.

(c) The term "State plan" means a State plan for health benefits for the aged.

(d) The term "State agency" means the agency established or designated in accordance with section 4(a)(11).

(e) The term "contract" means the policy, contract, agreement, or other arrangement entered into between a carrier and a State agency for the purpose of providing for the participation by individuals in a health benefits program under a State plan.

(f) The term "health benefits program" means a group insurance contract provided by a carrier for the purpose of providing, paying for, or reimbursing expenses for health services.

(g) The term "carrier" means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the costs of, health services under group insurance contracts in consideration of premiums payable to the carrier.

(h) The term "premium" means the amount of the consideration charged by a carrier for participation by an individual in a health benefits program provided by the carrier.

(i) The term "State share" means the portion of the premium to be paid by the State with respect to the participation of an individual in a health benefits program.

(j) The term "individual share" means the portion of the premium to be paid by an individual for his participation in a health benefits program.

(k) The term "taxable year" means a taxable year as defined in section 441(b) of the Internal Revenue Code of 1954.

(l) The term "Federal income tax liability" means, in the case of any individual, the amount of the income tax imposed for the taxable year on such individual under part I of subchapter A of chapter 1 of the Internal Revenue Code of 1954, determined without regard to the provisions of part IV of subchapter A of chapter 1 of such Code (other than section 37 of such part IV). The amount of the Federal income tax liability under a joint return shall, for purposes of the preceding sentence, be deemed to be the amount of the Federal income tax liability of each of the parties to such return.

APPROPRIATION

SEC. 3. For the purpose of enabling each State to assist individuals residing therein who are age sixty-five or over to obtain, through prepaid health benefits plans, provisions of, payment for, or reimbursement for the expenses of, health care services at subscription rates which such individuals can afford to pay (determined on the basis of the amount of their Federal income tax liability for the taxable year), there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this Act. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans for health benefits for the aged.

STATE PLANS

SEC. 4. (a) A State plan for health benefits for the aged must—

(1) provide for the participation, on a voluntary basis, by all residents of the State who are age sixty-five or over in a health benefits program which complies with the provisions of section 7;

(2) provide for adequate dissemination to such residents of full and complete information concerning the benefits provided under such program, the terms and conditions thereof, and the amount of the premium therefor;

(3) provide for such review by the Secretary and such other safeguards as the Secretary may determine to be necessary or desirable to assure that the premiums for participation in any such health benefits program reasonably and equitably reflect the cost of the benefits to be provided thereunder, and that participants therein shall receive the benefits to which they are entitled thereunder without undue delay;

(4) make suitable provision for the receipt, under such program, of benefits by participants residing in the State but who are temporarily absent therefrom;

(5) provide that any individual, who is enrolled under such a program for any taxable year, and who, during such year, changes his residence to another State, shall not be precluded from continuing to participate in such program for the remainder of such year by reason of his change of residence;

(6) provide that the full amount of the premium for such program with respect to each individual participating in such program shall be paid by the State;

(7)(A) provide that the individual share of any such premium shall be fixed in accordance with regulations issued by the Secretary under section 8, and that such share shall be collected by, or under the supervision of, the State agency; and

(B) provide that the tentative amount of such share, in the case of any individual, shall be determined on the basis of the amount of the anticipated Federal income tax liability of such individual as contained in his most recent declaration of anticipated Federal income tax liability (filed in accordance with section 9), and that, in the event of any discrepancy between the amount contained in such declaration and such individual's actual Federal income tax liability as reported to the State agency pursuant to section 11, a proper adjustment in the amount of such share will be made;

(8) provide that the State plan shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

(9) provide that the cost of administration of the State plan will be paid by the State;

(10) provide such methods of administering (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods) as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

(11) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan;

(12) make provision, in accordance with regulations promulgated under section 10, for verification of representations made by individuals incident to the determination of

their share of the premium for participation in such a health benefits program; and

(13) provide for prompt notice to appropriate law-enforcement officials of any facts or circumstances suggesting that any fraud or misrepresentation has been committed by any individual in connection with his participation, or application for participation, in a health benefits program under the State plan.

(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a), except that he shall not approve any plan which imposes, as a condition of eligibility to participate in a health benefits program provided under such plan—

(1) any residence requirement which excludes any resident of the State; or

(2) any citizenship requirement which excludes any citizen of the United States.

### PAYMENT TO STATES

Sec. 5. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has a plan approved under this Act, for each quarter, beginning with the quarter commencing October 1, 1962, an amount equal to the sum of the amounts expended, during such quarter, under the State plan as the State share of the premium for a health benefits program under such plan with respect to each individual participating in such program, not counting so much of any expenditure with respect to any individual which is attributable to payment of such a premium in excess of $125 per annum.

(b) The method of computing and paying the amount referred to in subsection (a) shall be as follows:

(1) The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a). Such estimate shall be based on (A) a report filed by the State containing its estimate (determined in accordance with regulations issued by the Secretary) of the amount payable to it under subsection (a), (B) records showing the number of individuals in the State who are sixty-five or over, and (C) such other data as the Secretary shall find useful. In making any such estimate with respect to an individual who, prior to the date such estimate is made, has (incident to his participation during such quarter in a health benefits program under the State plan) filed in accordance with section 9 a declaration of anticipated Federal income tax liability, the estimated amount payable to the State under subsection (a) with respect to such individual shall be based on the State share of the premium for such individual's participation in such program, determined on the basis of data contained in such declaration.

(2) The Secretary shall then certify to the Secretary of the Treasury, the amount so estimated by the Secretary, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State under subsection (a) for such quarter.

(3) The Secretary of the Treasury shall thereupon, prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary, the amount so certified.

### OPERATION OF STATE PLANS

Sec. 6. In the case of any State plan which has been approved under this Act by the Secretary, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration plan finds—

(1) that the plan has been so changed as to impose any residence or citizenship requirement prohibited by section 4(b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 4(a) to be included in the plan, or any other provision of this Act (or regulation issued thereunder by the Secretary) relating to the administration of the plan;

the Secretary shall notify such State agency that further payments will not be made to the State until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

### HEALTH BENEFITS PROGRAMS

Sec. 7. (a) In order to qualify under the State plan, a health benefits program must—

(1) be offered by a carrier which is licensed to issue group health insurance in the State;

(2) be offered under a contract which contains a detailed statement of benefits offered, including such maximums, limitations, exclusions, and other definitions of benefits as the Secretary shall by regulations prescribe;

(3) offer participation of noncancellable or guaranteed renewable basis; and

(4) offer each participant in the program a choice of either (A) ordinary or short-term illness coverage, or

(B) long-term or catastrophic illness coverage.

(b) Subject to the requirements contained in subsection (a), a health benefits program may be of the following types:

(1) Service Benefit Plan.—

(A) Hospital benefits.

(B) Surgical benefits.

(C) In-hospital medical benefits.

(D) Ambulatory patient benefits.

(E) Supplemental benefits.

(2) Indemnity Benefit Plan.—

(A) Hospital care.

(B) Surgical care and treatment.

(C) Medical care and treatment.

(D) Prescribed drugs, medicines, and prosthetic devices.

(3) Comprehensive Medical Plans.—Benefits of the types specified in this subsection under paragraph (1) or (2) or both.

(c) For purposes of this section the term—

(1) "service benefit plan" means a statewide plan under which payment is made by a carrier under contracts with physicians, hospitals, or other providers of health services for benefits of the types described in subsection (b)(1) rendered to participants in such plan, or, under certain conditions, payment is made by a carrier to the participant;

(2) "indemnity benefit plan" means a statewide plan under which a carrier agrees to pay certain sums of moneys, not in excess of the actual expenses incurred, for benefits of the types described in subsection (b)(2); and

(3) "comprehensive medical plan" means—

(A) a group-practice prepayment plan which offers health benefits of the types referred to in subsection (b)(3), in whole or in a substantial part on a prepaid basis, with professional services thereunder provided by physicians practicing as a group in a common center or centers. Such group shall include physicians who represent at least three major medical specialties which are applicable to aged persons, and who receive all or a substantial part of their professional income from prepaid funds; or

(B) individual-practice prepayment plans which offer health services in whole or substantial part on a prepaid basis, with professional services thereunder provided by individual physicians who agree, under certain conditions specified under regulations issued by the Secretary, to accept the payments provided by the State plan as full payment for covered services rendered by them including, in addition to in-hospital services, general care rendered in their offices and the patients' homes, out-of-hospital diagnostic procedures, and preventive care, and which are offered by organizations which have successfully operated for a period of not less than six months prior to entering into a contract with a State agency.

### AMOUNT OF STATE SHARE AND INDIVIDUAL SHARE

Sec. 8. (a) The amount of the State share with respect to any individual for any period within a taxable year of such individual shall be based on the Federal income tax liability of such individual for such year and shall be determined in accordance with a schedule issued by the Secretary.

(b) Such schedule shall provide that the State share shall be—

(1) in case such period is a period of twelve months and the amount of the annual premium is $125 or less—

(A) an amount equal to 100 per centum of the premium, if the individual has no such tax liability for such year, (B) an amount equal to 20 per centum of the premium, if the individual has such a tax liability of $400 or more for such year, and (C) an amount (equal to not less than 20 per centum nor more than 100 per centum of the premium) established by the Secretary in regular inverse proportion to the amount of such individual's tax liability as aforesaid, if the individual has such a tax liability for such year but the amount thereof is less than $400;

(2) In case the amount of the annual premium is more than $125, the amount provided by paragraph (1) with respect to the first $125 of such premium plus 100 per centum of the excess of such premium over $125; and

(3) in case such period is less than twelve months, an amount which bears the same ratio to the amount of the State share (as determined under paragraph (1) or paragraph (2), as the case may be) as the number of months in the period bears to the number twelve.

(c) The amount of the individual share of any individual for any period shall be equal to the amount, if any, by which the amount of the premium with respect to such individual for such period exceeds the amount of the State share with respect to such individual for such period.

### DECLARATION OF ANTICIPATED FEDERAL INCOME TAX LIABILITY

Sec. 9. (a) As a requisite to participation in a health benefits program under a State plan by any individual for any period within any taxable year of such individual, such individual shall file in duplicate, prior to the beginning of such period, with the State agency (or the local agency administering the State plan) a declaration (in such form and manner as hereinafter prescribed) of his anticipated Federal income tax liability for such year.

(b) Any such declaration shall be filed under oath or affirmation and shall be filed on forms supplied to the State agency by the Secretary. Such forms shall be prepared by the Secretary with the advice and assistance of the Secretary of the Treasury and shall require the submission of such data as may be necessary to provide, insofar as possible, an accurate estimate of the Federal income tax liability of the individuals filing such forms.

### REPORT OF AMOUNT OF FEDERAL INCOME TAX LIABILITY TO STATE AGENCY

Sec. 10. Each individual who, during any taxable year, has participated in a health benefits program under a State plan approved under section 4(b), shall, at the time he files his Federal income tax return for such year, report to the State agency (on such forms and in such manner as the Secretary shall by regulations provide) the amount of his Federal income tax liability as determined by appropriate data contained in such return.

VERIFICATION OF ACCURACY OF DECLARATIONS OF ACTUAL FEDERAL INCOME TAX LIABILITY

SEC. 11. The Secretary and the Secretary of the Treasury shall cooperate in promulgating rules, regulations, and procedures for the purpose of—

(a) comparing amounts of actual Federal income tax liability reported by individuals to State agencies pursuant to Sec. 10 of this Act and the amounts of the actual Federal income tax liability of such individuals, as disclosed by Federal income tax returns submitted by such individuals or as determined by the Internal Revenue Service subsequent to the submission of such returns;

(b) assuring that, in the case of any such discrepancy, appropriate action will be taken to adjust the amounts of the State share and the individual share of the premium with respect to the individual to whom such discrepancy relates.

AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 12. Section 213(e) of the Internal Revenue Code of 1954 (relating to definition of medical care for purposes of deduction of medical expenses) is amended by adding after paragraph (2) thereof the following new paragraph:

"(3) Notwithstanding the provisions of paragraph (1)(A), no amount paid with respect to an individual toward any premium for participating in a health benefits program under a State plan approved under section 4(b) of the Health Care Benefits for the Aged Act shall be considered as an amount paid for medical care."

## The Tragic Days of Estonia, Latvia, and Lithuania

EXTENSION OF REMARKS

OF

### HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 11, 1962*

Mr. DEROUNIAN. Mr. Speaker, on this occasion of the commemoration of the victims of the Soviet mass arrests, executions, and deportations from the Baltic Republics of Estonia, Latvia, and Lithuania, I would like to draw attention once more to the findings of the Select Committee on Communist Aggression, published in 1954:

1. In 1939, the U.S.S.R., after concluding a secret pact with the Nazis which divided Eastern Europe into spheres of influence, did impose so-called mutual assistance pacts upon Estonia, Latvia, and Lithuania.

2. The mutual-assistance pacts so imposed upon the Baltic States called for the establishment of Soviet Russian military bases and airfields in each of those nations, at the same time guaranteeing that there would be no interference with their internal affairs, including their political structure and social and economic systems.

3. Contrary to the provisions of those mutual assistance pacts and other existing treaties, the Soviet Union, without provocation, did in June 1940 invade and take military and political control over Lithuania, Latvia, and Estonia, thus committing an act of unprovoked aggression.

4. Under the protection of the occupying Red army forces, political commissars of the Kremlin (Vishinsky, Dekanozov, and Zhdanov) did dissolve the legal Governments of Estonia, Latvia, and Lithuania and arbitrarily established puppet governments to control the people.

5. A network of political agents of the U.S.S.R. did on July 14, 1940, conduct elaborately staged mock elections in the Baltic States with the support of powerful Red military forces, the results of which were completely assured long before the first ballot was cast. Only one list of candidates, handpicked by the Kremlin representatives, was presented to the voters, and the exercise of the secret ballot was denied.

6. By the process of mock elections the political commissars of the U.S.S.R. did install puppet parliaments in Lithuania, Latvia, and Estonia, which on July 21–22, 1940, adopted a resolution prepared in Moscow, petitioning the Supreme Council of the Soviet Union for recognition as a Soviet republic. This action by the puppet parliaments was in violation of the sovereign will of the Lithuanian, Latvian, and Estonian people and in violation of the legal constitutions of those nations which required a popular referendum on such an issue.

7. The U.S.S.R. has been and is now engaged in a ruthless program of sovietization in Estonia, Latvia, and Lithuania, employing the well-known Communist tactics of arrest and detention without cause, torture chambers, mass deportations to slave-labor camps, population transfers, and widescale political murders.

These basic findings, which have never been legitimately contradicted, serve as a grim reminder of the reasons for our noting today the anniversary of the mass deportations of tens of thousands of Baltic peoples in 1940 and 1941.

## Freedom of the Press

EXTENSION OF REMARKS

OF

### HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 11, 1962*

Mr. DENT. Mr. Speaker, I am sure the rules of the House dictate the time allocations and the fact that open and free debate is often impossible. However, only the conscience of the producers limit newspapers, radios, and TV coverage.

One wonders how the many little voices wanting to be heard in their pleas for a better understanding of the other side of the problem can help but feel frustrated and in a way, discriminated against.

During these long months of discussion, the overwhelming tonnage of newsprint and the cubic volumes of preheated air put out over TV and radio waves in favor of this legislation makes opposition to the trade bill one of the world's wonders.

I do not take delight in being put in a position of almost solitary opposition simply because I do not oppose trade legislation, expanded or otherwise. I do oppose the kind of legislation, however, that promotes trade without regard to equity, without reasonable consideration of the economic facts and with practically no regard to history, our own, or any other nation's.

If we think passing this bill will remove foreign trade from the realm of cold, hard commercialism, we are as wrong as we will ever be, and in time—pursuing this course to its ultimate—we will be as dead as the proverbial dodo bird, industrially.

For a while, as chairman of a committee attempting to get the facts on the impact of foreign imports on American employment, I was ready to throw in the sponge.

Invitations to persons who had much to say to the public about the great benefits of our trade proposal were ignored in some cases, and politely refused in others.

However, it soon developed that there were many Americans who felt they should be heard and whose testimony proved to me and to any other person who attended the hearings, that the problem was serious and that the whole story was not being told to all the people.

A few of the news reporters tried to cover the hearings but when they filed their stories, somehow, they never appeared in print.

Right when I was at my lowest point, I ran across something said by that immortal American and great Democrat, Thomas Jefferson. In speaking of the press of his day, he made the following observations:

> I deplore the putrid state into which our newspapers have passed, and the malignity, and the mendacious spirit of those who write them * * * these ordures are rapidly depraving the public taste.

After letting off this oversupply of indignation, Jefferson added the following:

> It is, however, an evil for which there is no remedy, our liberty depends on the freedom of the press and that cannot be limited without being lost.

How true, and I believe each of us, in our turn, have had occasion to feel as Jefferson must have when he penned his blast at the contemporary press.

However, like most of us in public life, he recognized that in spite of the attitude of some of the press, freedom of the press was and certainly is essential to our way of life.

I doubt if any sensible or sane American would do anything that would, in any way, restrict the freedom of the press.

There is a serious threat, however, to this freedom. It is not a legislative restriction, nor is it in any way a direct curtailment of their freedom.

The danger to the press comes in the form of indirect censorship when a newspaper finds itself financially interested in TV or radio—both of which are licensed, regulated, and supervised by the Government through legislative enactments.

One cannot help but wonder if the press is not doing to itself what it has feared would be done by Congress; namely, a restriction and restraint of the essentials of the fundamental freedom of the press, whether we consider the press as that media represented by journalism, or we include radio and TV.

Recently, I was invited to appear on what was labeled as a "fair report" on the trade controversy.

The indignation of some of the persons who for hours, and even days, worked to make this TV broadcast a truly representative presentation shows the methods employed and the biased reporting of the subject.

Attached hereto are some of the letters and protests of the principles in what Mr. Gustkey called a fiasco. As I have said so many times, an informed people make few mistakes, but a misinformed people can destroy themselves.

John Stuart Mill once said:

> If all mankind, minus one, were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had the power, would be justified in silencing mankind.

Mr. Speaker, the rights of an individual cannot be denied without, in turn, denying the rights of all the peoples.

One wonders how long it will be before we finally realize that a man's job is his most valued economic possession.

If an individual is wrong, in most cases, the individual is the victim, but when the leaders are wrong, the whole nation suffers.

In my humble opinion, the added protest of Father John A. O'Brien shows that the charge against the TV chain is not an isolated case but rather it appears to be the rule.

The letters and protests follow:

AMERICAN FLINT GLASS WORKER'S
UNION OF NORTH AMERICA,
*Toledo, Ohio, May 23, 1962.*

*To All Local Union Officers, Executive Board Members, International Representatives.*

DEAR SIR AND BROTHER: Some weeks ago members of the American Flint Glass Workers' Union, officials of the Imperial Glass Co., of Bellaire, Ohio, and others interested in preserving the American handmade glassware industry, devoted several days and many hours cooperating with CBS–TV in an effort to bring to the attention of the American people the adverse effect low-wage imports have had on our industry. We were assured that in return our case would be presented adequately and fairly.

Television camera crews worked in the Imperial Glass Co. for several days. Our members participated in a filmed meeting with Congressman DENT that lasted from early in the evening until well past midnight. In addition, Representative Mangiopane accompanied the TV crew to Cambridge and Newark, Ohio, and Paden City, W. Va., where photographs were taken of 3 of the 19 glass plants that have been shut down in recent years. All of the facts were presented before the television cameras.

Unfortunately for us 99 percent of the story concerning the plight of the American handmade glassware industry and others similarly, adversely affected by imports was left on the cutting-room floor of CBS. Instead of a fair projection of the impact of imports, TV viewers received on May 24 what we believed to be a highly slanted presentation in favor of H.R. 9900.

At a time when the great and fully automated steel industry has resisted legitimate wage increases and is seeking special tax concessions because of low-wage competition from abroad, the American people are being brainwashed into the belief that only a few clarinet manufacturers, bicycle hornmakers and glass workers are affected by low-wage imports.

Our local union officers, members, and glass industry officials in the Ohio Valley, worked hard and presented a fine case concerning the effects of imports. We are sure that if the American people had an opportunity to view the entire story they would have been awakened to the long-range detrimental effects that low-wage competition from abroad will have upon our entire economy.

Present indications are that H.R. 9900 will be passed. Nevertheless, in spite of the great forces arrayed against us, we should all continue to work hard to achieve protective amendments to this piece of legislation that so adversely affects so many of our members.

Sincerely and fraternally,
GEORGE M. PARKER,
*International President.*

[From the Martins Ferry (Ohio) Times-Leader, June 4, 1962]

GLASS FIRM PRESIDENT SAYS HE WAS DUPED BY TV PROGRAM

The President of the Imperial Glass Corp., of Bellaire said today that he was duped by the producers of the CBS network television program, "CBS Reports."

In a bitterly worded letter to glassworkers in the Ohio Valley, Carl Gustkey declared he was "misled, hoodwinked, tricked, deluded, deceived and actually lied to" so that he and others would cooperate in the filming of scenes for a program dealing with the proposed Trade Expansion Act now before Congress.

Gustkey offered his "humble, contrite" apologies to the glassworkers and said that he was the "duped-stupe, used tool and Judas' goat" who set up the glass workers as "innocent clay pigeons for a premeditated and planned program to reduce to ashes the arguments of those who oppose the act."

For the convenience of the camera crews, Gustkey and others arranged a protest meeting at the Mellott Memorial Library in Bellaire. During the meeting, which, he said involved considerable effort and expense, CBS cameramen recorded and photographed statements in opposition to the trade legislation.

The meeting lasted for 5 hours and some of the participants were summoned from distant points.

Gustkey said he was assured that the program would be fair but, although the camera crews were busy in Bellaire for more than 7 hours, only a minute part of the scenes taken were used on the air.

He charged that, hundreds were "manipulated and used" in Bellaire.

Gustkey called the program diabolically misleading and said that the Bellaire statements were edited out to weave a pattern of proof in favor of the legislation.

Opponents of the bill were presented on the program, Gustkey charged, as pathetically insignificant in our Nation's economy.

"How could anybody call this program educational or for the public good when it was so slanted and so one-sided?" he asked.

Gustkey said that in an intense effort to help the glass industry he only harmed it.

After a quarter of a century of fighting for the industry, he said, he was unwittingly used against it.

He said he will always regret "to my dying day that I was the prime implement that sucked you in too."

The program included scenes taken at various points in the Nation to reflect sentiment concerning the bill and to show the effect foreign competition is having on U.S. industry.

Strong statements in favor of the bill were made during the program by President Kennedy, former President Eisenhower, former Secretary of State Christian J. Herter and other public figures.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., June 1, 1962.*

Mr. GENE DE PORIS,
*Producer, "CBS Reports,"*
*New York, N.Y.*

DEAR GENE: I had the doubtful pleasure of witnessing the results of our endeavors on the "CBS Reports" last week. I hesitated to write to you about the matter because it has been said that you can't be hung for what you don't say. However, my deep resentment at the manner in which the subject was presented compels me to at least go on record as being, to say the least, disappointed.

It was not the short period of time allotted to my presentation that disturbed me so much. It was the inhuman and inconsiderate treatment of the glass industry, as such. I speak now especially of the hundreds of workers and their families who sat in a crowded, uncomfortably hot and close room, for hours on end in a sincere and honest effort to present—in their small way—what they thought was to be an appeal to the mass of American TV listeners.

The handling of the commentary by David Schoenbrun was as biased a narration and commentary as I have ever heard in a so-called presentation of facts, and I underscore "facts."

There are some of us who are fighting for what we believe to be the survival of a system, a system we inherited and feel morally obligated to pass on to future generations containing all of the fundamental freedoms, rights, and prerogatives that were handed to us, plus whatever refinements and betterments we are capable and courageous enough to add thereto.

Nobody seems to care about the very simple truth that the facts and figures presented to the public in the press and in the very show in which we participated, are as phony as a $3 bill. We all seem to be prone to overlook the damage, the hurt, and the anguish caused to the peoples of a community when their industry, their jobs, and their community is sacrificed on the altar of expediency in the name of the common good, with the promise that the injury to this group would be made up by added benefits to another group.

Who am I, as a Member of Congress, to place myself in the position of a judge and a jury, condemning one group of workers to relief, Government handouts, divorcement from their selected occupation or trade, and even removal from their homesites, friends, neighbors, and families in order that another worker, who, by the very nature of his industry, and his geographic location, is to be helped to a better way of life at the sacrifice of the condemned.

Who amongst us has the right to say that a glassworker in Bellaire, Ohio, doing the job he knows best, receiving a standard American wage, paying the cost of living, his taxes, his community betterment programs, feeding and clothing his family, willing and able to compete within his own geographic and domestic economy, is to be displaced as a worker in order that an airplane worker in Indiana or Connecticut, or anywhere else, can work at the production of airplanes which, for the moment being noncompetitive worldwide, can be sold in the world market.

The problem goes deeper than that portrayed by the misnamed "CBS Report," entitled "Breaking the Trade Barrier." The problem goes down to the fundamentals of the American way of life, and whether a man, living within this economy, obeying its laws, paying his share in the free enterprise system, competing with his fellow worker, is to be compelled to compete for a livelihood with workers in other countries not governed by the same situation of fundamental laws and principles that he must obey.

I know that defeat in this matter for the point of view that I represent is inevitable, but I can also say—with full confidence—that history in its cold evaluation of the facts, will point to this issue as the one in which the American news media dipped to that low depth commented on by Thomas Jefferson when he made the following remarks: "I deplore the putrid state into which our newspapers have passed, and the malignity, the vulgarity, and the mendacious spirit of those who write them * * * these ordures are rapidly depraving the public taste.

"It is, however, an evil for which there is no remedy: our liberty depends on the freedom of the press and that cannot be limited without being lost."

The sad part of the whole matter is that for approximately 30 years, as a legislative member of the State and Federal Government, I have religiously supported every major issue, strengthening and guaranteeing the freedom, not alone of the press, but of all news media. What Thomas Jefferson did not know is that the very freedom that we have so vigorously guarded for them, even against the known abuse by individuals within the news media, was that the day would come when the major newspapers of this country would place themselves in a position where they would, in fact, create a self-censor, self-restraint, of the very freedoms guaranteed them by our Government, in their interest to protect television and radio income-producing affiliates which happen to be licensed, supervised, and restricted by governmental laws and regulations.

I hold no brief against you for the final presentation of this matter. It is no major damage to me, as an individual, or to any of us who participated, but it is certainly a very serious matter to the millions—and I repeat—millions of Americans already affected adversely, and to the millions more who will be affected adversely by this unwarranted, uneconomic attack upon what we so proudly hail on the Fourth of July as our way of life.

With every kind regard, I am,

Sincerely yours,

JOHN H. DENT,
*Member of Congress.*

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### A DEEP APOLOGY TO IMPERIAL EMPLOYEES AND THEIR FRIENDS

Someone owes abject apologies to everyone who so courteously cooperated, and who so willingly and sincerely participated in the recent, lengthy local filming of a "CBS TV Reports" presentation finally called "Breaking the Trade Barriers," a minute part of which was nationally televised on May 24 at 10–11 p.m., E.D.S.T., and I reckon I'm the one—so I here offer personal, humble, contrite from-the-heart expression of regret to each of you.

More than anyone else in the glass business, it was I who was the "duped-stupe," the "used tool," the Judas' goat and it was I who set up all of you as innocent clay pigeons for deliberate and nigh-deadly destruction in what turned out to be, in my opinion, a premeditated and planned public program to reduce to ashes the arguments of those who oppose the proposed Trade Expansion Act of 1962, now before our Congress.

A running, longhand, personally kept daily diary, almost hour by hour, of the initiation, entire planning, and actual developments of the CBS contacts with me on this matter from New York City and while here in the Bellaire area, indicates to me, that I, we, were mislead, hoodwinked, tricked, deluded, deceived, and actually lied to—and proves to me just how gullible a person or persons can be when a skilled imposture is presented to them.

The TV cameras turned here for a total of well over 7 full hours, the report was going to be "fair," cameras were "covering foreign competition too," the Jamestown Glasshouse "will be filmed and included," participants were called in from afar at great expense, full community and local-area glasshouse cooperation was enlisted, we all fell for and were really worked over at a tiring 5-hour meeting of protest where hundreds were faultlessly manipulated and many used as testators to the point of utter exhaustion, et cetera. To what avail? Only to the advantage of the proponents of H.R. 9900.

In an intense calculated effort to help our industry, I only harmed it. In an attempt to carry out my duty to the proud workers in America's first and oldest industry, I just plain aided and abetted those who have already and would further sell us down the river. Can you dare imagine it? I, of all people in our valiant industry, who has fought continually (if not successfully) for our mutual welfare for over a quarter of a century, being used against it? Well, it is no longer a figure for wildest imagination or conjecture—I was. What an ass.

One never complains of personal or business defeats when brought about by honest, fair, honorable means. But people, all people, have the right to complain, especially in America (or we did have once upon a time), when they are victims of outrageously unfair tactics and of being kicked when they are already down. I was so handled. Our entire industry was so handled. You were so handled. And we have all been so handled for years upon years. Yet we are so small we are not of importance.

I'm deeply sorry, and will always regret to my dying day, that I was the prime implement that sucked you in, too. I shall continue to be an advocate of international fair trade, and a vocal and active adversary of international free trade, as I've so been during my lifetime. How can I be otherwise, after suffering, along with you, these past 28 years, the absolutely unfair and seriously damaging impact of imports on our industry and seeing as clearly as anything can be revealed how H.R. 9900 could completely annihilate the few of our jobs that are left industrywide, and what is left of our investment?

That I was used to harm you bespeaks only of my hill country stupidity. Had it not been for me, our industry would not have been a part of that TV feature. Mine is the blame. There are no words, however, to assuage the situation for my placing you in a position where you inadvertently aided in an insidious campaign to brainwash the American Congress and the people it is supposed to represent, into a further selling out of our economy, planned and directed by the alleged leaders of America, most of whom never have earned a dollar in all their lives in the competitive mart of business or in industrial or commercial employment of self or personal capital earned by the sweat, blood, and tears that inevitably accompanies the personal pursuit of wages and salaries and the production of profits and dividends.

I know exactly how each of you feel. Perhaps I even feel the heartache a little bit more because of the responsibility that I assumed, leading to our participation in what could become for us, a vast contribution toward our own economic oblivion. Everywhere I go I'm greeted with "hello sucker." A supermarket cashier said last Saturday, "Mr. Gustkey, you sure got took on the CBS show Thursday night." If it were I only who had "got took" my heart would be lighter. The establishment took all of us.

Our actual expressed experiences were even edited out of the diabolically misleading show in order to help weave a pattern of proof for Commerce Secretary Hodges' publicly stated callous accusations that we who have every right to oppose H.R. 9900 are but foolish "mental midgets, economic illiterates, and business boobs." Since we were presented as so pathetically insignificant in our Nation's economy, it can be presumed henceforth that we amount to nothing in the eyes of our Congress, and through the deliberate aim of "CBS Reports," and both Eisenhower and Kennedy, the American public will now believe it is completely proper for our Government to continue its nefarious effort to toll out our death knell.

I now conclude this tirade against tyranny—against tyranny in our Government and against tyranny in the public communications system. Hell, how could anybody call this program educational or for the public good when it was so slanted and so one-sided.

It's way past time for our country and Congress to awaken from their apathy toward our beloved Nation's domestic welfare and the economic security of our own citizens. Brethren and "sistern," let us pray.

Yours in utter disgust,

GUSTKEY.

JUNE 1, 1962.

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THE NATIONWIDE COMMITTEE OF INDUSTRY, AGRICULTURE AND LABOR ON IMPORT-EXPORT POLICY,
*Washington, D.C., May 28, 1962.*

Dr. FRANK STANTON,
*President, Columbia Broadcasting System, New York, N.Y.*

DEAR DR. STANTON: On two occasions at a 2-year interval I have had the pleasure of participating in a radio debate over your system with Mr. Charles P. Taft. I have appreciated the opportunity thus offered to help present to the public the issues on a national question, i.e., the tariff and trade question.

The two occasions were debates and each participant had equal opportunity to set forth his views. Whatever debates may be worth they cannot be questioned on the basis of bias unless the participants were selected in a manner designed to produce concealed bias. This would not likely be the case.

During the past week I witnessed the "CBS Report" that was devoted to the President's trade bill. It showed a glass plant in Bellaire, Ohio, and a few other plants in Indiana, etc., and featured several speakers.

I am sorry to say that the total effect was one of almost complete bias and could well be classified as out-and-out propaganda for the President's proposal.

It is not necessary to say or to imply that this was intentional. It is serious enough to aver that such was the effect.

Perhaps the best analogy would be to say that it was as if a prosecuting attorney in presenting a case to a court were permitted first to make the opening statement, then to select the witnesses without challenge, to lead them, if not by word, then by interpretation, allow no rebuttal, and then to make the closing statement. The witnesses might range in stature from a factory worker to the holders of the highest office in the land (in this case the President and his immediate predecessor), and the latter happily or by coincidence would support the prosecution.

In no court of law would such a procedure be even remotely tolerated. It violates the most rudimentary element of fairness and represents a travesty of equity or just treatment.

Let me add that this program was not the only TV program that is guilty of such a travesty. It is one thing to editorialize in a newspaper, where the news columns presumably give the facts (I say presumably because the shortcoming here is sometimes quite notorious), but something quite different in a TV program when the presentation is all there is.

The TV under circumstances such as those of your May 24 "CBS Report," runs very close to making of itself a mouthpiece of official governmental propaganda in a highly controversial issue.

I presume I should ask for equal time but I do not think this would really reach to the heart of the question.

Meantime, I assure you of my esteem of what I am sure are your high principles and aims.

Sincerely,

O. R. STRACKBEIN,
*Chairman.*

[From the Steubenville (Ohio) Register, May 31, 1962]

FATHER O'BRIEN CHARGES TV SHOW RIGGED, SLANTED

NOTRE DAME, IND.—A priest who was one of three Catholic spokesmen on a nationally televised program dealing with birth control has charged "the whole format of the program was rigged against those who opposed, on moral grounds, the use of artificial contraceptive devices."

Father John A. O'Brien, research professor of theology at the University of Notre Dame, complained in a letter to Frank Stanton, president of the Columbia Broadcasting System, that the May 10 program "CBS Reports: Birth Control and the Law," was "one sided, slanted and biased."

The priest recounted that after he accepted an invitation to appear on the program, he found the procedure "quite unsatisfactory and bewildering."

"I was before the camera for approximately 2 hours in which I answered a great variety of questions about whose formulation I had nothing to say as well as nothing to say in regard to what portions of this material would be used," Father O'Brien detailed.

"My uneasiness and concern over this unusual arrangement were further heightened by the consciousness that the director of the program itself (Eric Sevareid), was an all-out partisan of the opposing side. Can you imagine any court of justice allowing what portions of the testimony of witnesses of the opposing side were to be presented to the jury and what were to be excluded? Yet this was precisely the strange and almost incredible arrangement to which my two colleagues and I were subjected," he continued.

Father O'Brien emphasized in the letter that there "is a hard core of rigorous intellectual reasoning underlying the opposition of the Catholic Church to the use of artificial contraceptive devices, mirroring the ethical conviction held by virtually all Christendom up until the last decade or two, which never came to the surface in the program."

"On the contrary," Father O'Brien continued, "practically every device was used to promote the use of contraceptives and even to render that mandatory in public institutions, and to belittle and disparage the viewpoint of the opposing side."

Father O'Brien pointed out Federal law requires equal time be allocated each side in airing divergent views of the two major political parties and said substantially the same arrangement should be expected in presenting divergent views of two major religious faiths on such a program.

The priest said he has advocated repeatedly for the removal of birth control in politics, "for ending the cold war on this subject and for the working out of an arrangement in connection with public institutions which will respect the constitutional rights of both sides to follow their religious and ethical viewpoints."

"I greatly fear that programs of the one-sided, biased, and rigged character of 'Birth Control and the Law' will not be conducive to the achievement of that desired end," he said.

The Catholic spokesmen with Father O'Brien on the program were Father Dexter L. Hanley, S.J., a professor of the Georgetown University Law School, Washington, D.C., and John Philbin of the Cana Conference in the Chicago archdiocese.

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# HOUSE OF REPRESENTATIVES

## TUESDAY, JUNE 12, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalms 86: 7: *In the day of my trouble I will call upon Thee: for Thou wilt answer me.*

Almighty God, grant that the reality and blessedness of Thy companionship and counsel may be with us during these days of stern demands and difficult decisions.

May it be our constant and abiding certainly that Thou wilt help us when we fall and heal us when we fail.

We earnestly beseech Thee that we may sense the pressure and urgency of our high vocation and act without delay in discharging the duties and tasks which await us.

Wilt Thou give wings to our prayers that they may lift us unto the highlands of the spiritual and bring back the blessings we so greatly need, although we know not how to ask for them except with the cry of a broken spirit and contrite heart, which Thou art always ready to hear and answer.

In Christ's name we offer our petition. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 24, 1962:

H.R. 10607. An act to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions, and for other purposes.

On May 28, 1962:

H.R. 1372. An act for the relief of Rocco Cambrea;

H.R. 1435. An act for the relief of Jacinto Machado Ormonde;

H.R. 1533. An act for the relief of Lee Kyong Ja;

H.R. 5610. An act for the relief of Pierino Renzo Picchione;

H.R. 7777. An act for the relief of Elisabetta Piccioni;

H.R. 8195. An act for the relief of Ronald L. Mutter; and

H.R. 8515. An act for the relief of James R. Banks.

On May 31, 1962:

H.R. 1349. An act for the relief of Fong Chun Hong;

H.R. 1588. An act for the relief of Fong Kai Dong;

H.R. 1604. An act for the relief of Spencer E. Hewitt;

H.R. 1650. An act for the relief of Irene Kemeny;

H.R. 1697. An act for the relief of Viola Borwick Warbis;

H.R. 1701. An act for the relief of Mrs. Kikue Yamamoto Leghorn and her minor son, Yuichiro Yamamoto Leghorn;

H.R. 1703. An act for the relief of Maximo B. Avila;

H.R. 1918. An act for the relief of John D. Morton;

H.R. 2687. An act for the relief of Miss Helen Fappiano;

H.R. 2838. An act to exempt from taxation certain property of the Army Distaff Foundation;

H.R. 3005. An act for the relief of Sister Mary Aurelia (Chiara Di Gesu);

H.R. 3148. An act for the relief of Maddalena Haas;

H.R. 3696. An act for the relief of Gertrude M. Kaplan;

H.R. 4365. An act for the relief of Sp. 5 Daniel J. Hawthorne, Jr.;

H.R. 4380. An act to quiet title and possession to an unconfirmed and located private land claim in the State of Louisiana;

H.R. 4563. An act for the relief of Abraham Gelb;

H.R. 5686. An act for the relief of Mrs. Willie Mae Brown;

H.R. 5689. An act for the relief of Felicja Saulevicz;

H.R. 6344. An act for the relief of Mon Fred Young;

H.R. 6464. An act for the relief of Cecil D. Rose;

H.R. 6772. An act for the relief of Hendrikus Zoetmulder (Harry Combres);

H.R. 6773. An act to repeal the act of August 14, 1957 (Private Law 85-160);

H.R. 7477. An act to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects;

H.R. 7671. An act for the relief of Louanna L. Leis;

H.R. 7752. An act to amend the District of Columbia Alcoholic Beverage Control Act, as amended, and for other purposes;

H.R. 8030. An act to amend the act admitting the State of Washington into the Union in order to authorize the use of funds from the disposition of certain lands for the construction of State charitable, educational, penal, or reformatory institutions;

H.R. 8482. An act for the relief of Paul J. Pericle;

H.R. 8628. An act for the relief of Joseph A. Tedesco;

H.R. 8916. An act to authorize grants for planning and carrying out a project of construction for the expansion and improvement of the facilities of George Washington University Hospital in the District of Columbia;

H.R. 8941. An act to authorize acceptance of the gift made to the United States by the will of Esther Cattrell Schmitt;

H.R. 9060. An act for the relief of Rhea G. Burgess;

H.R. 9097. An act to authorize the Secretary of the Interior to sell certain public lands in Idaho;

H.R. 9188. An act to relieve Theodore A. Anderson from loss of agricultural conservation program benefits;

H.R. 9409. An act for the relief of Mrs. Iris Ann Landrum;

H.R. 9596. An act for the relief of Daniel E. Moore;

H.R. 9597. An act for the relief of James N. Tull;

H.R. 9647. An act to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes;

H.R 9699. An act to authorize the Commissioners of the District of Columbia to sell certain property owned by the District of Columbia located in Prince William County, Va., and for other purposes;

H.R. 9752. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in Greece in 1963, and for other purposes;

H.R. 9753. An act to amend sections 3(7) and 5(b) of the Internal Security Act of 1950, relating to employment of members of Communist organizations in certain defense facilities;

H.R. 9805. An act to change the name of Whitman National Monument to Whitman Mission National Historic Site;

H.R. 9830. An act for the relief of John B. Hogan;

H.R. 10098. An act to authorize the exchange of certain lands at Antietam National Battlefield site; and

H.J. Res. 576. Joint resolution to designate calendar year 1962 as Cancer Progress Year.

On June 8, 1962:

H.R. 1348. An act for the relief of William Burnice Joyner;

H.R. 1395. An act for the relief of Sydney Gruson;

H.R. 1404. An act for the relief of Mrs. Frances Mangiaracina;

H.R. 1712. An act for the relief of Elizabeth Rose DiCarlo;

H.R. 2103. An act for the relief of Antonio C. Ysrael;

H.R. 2672. An act for the relief of Sonia Maria Smith;

H.R. 5652. An act for the relief of Kevork Toroian;

H.R. 8368. An act for the relief of A. Eugene Congress;

H.R. 8570. An act to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force;

H.R. 9466. An act for the relief of Slc. Jesse O. Smith; and

H.R. 11261. An act to authorize an adequate White House Police force, and for other purposes.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 198. A joint resolution deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment; and

S. Con. Res. 78. Concurrent resolution requesting the President to return to the Senate the enrolled bill, S. 1745, relating to District of Columbia schoolchildren's fares, and providing for its reenrollment with a certain change.

## JAMES B. TROUP

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10502) for the relief of James B. Troup, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 5, strike out "complied" and insert "been lawfully admitted to the United States for permanent residence on September 20, 1956, and the time he has resided and been physically present in the United States since that date shall be held and considered as compliance".

After line 6 insert:

"SEC. 2. For the purposes of the Immigration and Nationality Act, the time Sylvia Mattiat has resided and been physically present in the United States since her lawful admission for permanent residence on November 8, 1950, shall be held and considered as compliance with the residence and physical presence requirements of section 316 of that Act."

Amend the title so as to read: "An Act for the relief of James B. Troup and Sylvia Mattiat."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

## FERDINAND A. HERMENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2865) for the relief of Ferdinand A. Hermens.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in the administration of the Immigration and Nationality Act, section 352(a) of that Act shall be held not to be nor to have been applicable to any period of residence of Ferdinand A. Hermens, a naturalized citizen of the United States, in Germany after April 30, 1962, and prior to May 1, 1965.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## HODGES' HALO

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, there is something incongruous and ill fitting about Secretary of Commerce Hodges' newly acquired halo.

On May 23, Mr. Hodges offered some glib and vague testimony, before the Committee on Post Office and Civil Service, about doing away with jobs and eliminating obsolete functions in the bureaucracy.

It was subsequently widely reported—quite erroneously—that he had proposed a 10-percent cut in Federal personnel.

Ever since, Mr. Hodges has been receiving editorial encomiums, hailing him as a wise and courageous exponent of economy.

Even the Chicago Tribune, usually realistic about such matters, editorially urged that other Government Department heads be as honest with themselves and the public as Mr. Hodges.

The truth is—as I stated to the House on June 4—that following his testimony, Secretary Hodges went out of his way to reassure his own Department that he didn't have anything specific in mind in the way of reductions—and to quit worrying.

Since then, the Manpower Utilization Subcommittee staff has abundantly confirmed that he did not—and does not—have anything specific in mind on this score.

What Secretary Hodges does have very definitely in mind points in the diametrically opposite direction.

The Commerce Department budget for fiscal year 1963—now before the Appropriations Subcommittee—calls for an increase of 2,229 permanent positions in that Department.

This is approximately a 10-percent increase in the Department's permanent work force.

Incidentally, these very specific recommendations were already months-old information, buried in the voluminous figures of the 1963 Federal budget, when Secretary Hodges made his recent phony pitch about doing away with jobs.

I do not in the least mind suggesting that Mr. Hodges turn in his halo.

I just hate to disillusion the editorial writers—and the hard-pressed American taxpayers.

## INCREASE OF PUBLIC DEBT LIMIT

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 685, Rept. No. 1806), which was referred to the House Calendar and ordered to be printed:

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposing to strike out all after the enacting clause and insert in lieu thereof the text of the bill H.R. 12026 as an amendment in the nature of a substitute, and said amendments shall be in order any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

## FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 606, and ask for its immediate consideration.

The Clerk read the resolution as follows:

> *Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2206) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

**Mr. SISK.** Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and now yield myself such time as I may consume.

**The SPEAKER.** The gentleman from California is recognized.

**Mr. SISK.** Mr. Speaker, House Resolution 606 provides for the consideration of H.R. 2206, a bill to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado. The resolution provides for an open rule with 3 hours of general debate.

H.R. 2206 would authorize the construction and operation by the Secretary of the Interior of the multiple-purpose Fryingpan-Arkansas project in Colorado, for furnishing supplemental irrigation water, furnishing municipal water, controlling floods on the Arkansas River, supplying electric power and energy, and other incidental purposes. The project would constitute a major step in maximum utilization of water and land resources in Colorado.

Supplemental irrigation water would be made available for approximately 280,000 acres of land through the transmountain diversion of an average of about 70,000 acre-feet of water annually, the conservation of floodflows in the Arkansas Valley, the reregulation of winter flows there and the reuse of return flows. In addition, about 20,500 acre-feet of water would be made available annually to meet the rapidly expanding municipal water needs of Colorado Springs, and other Arkansas Valley towns. Operation of the project for flood control would prevent a large part of the flood damages which, under present conditions, occur annually in the Arkansas Valley. The hydroelectric plants and related facilities would provide over half a billion kilowatt-hours of electric energy annually to meet the expanding power and energy needs in the area. Also, the project would benefit fish and wildlife, provide recreational opportunities, help control sediment, and prevent stream pollution.

Mr. Speaker, the following organizations and groups are in support of the rule and the project now pending. It has the unanimous endorsement of the Colorado Legislature, the endorsement of labor: the AFL-CIO, both national and local; the chambers of commerce of the Arkansas Valley; the civic clubs of the Arkansas Valley; the National Reclamation Association of Soil Conservation Groups, State and local; of the veterans' organizations, local; of the National Rural Electric Cooperative Association and local REA cooperatives; the private power companies; Colorado Public Service and Southern Colorado Power Co.; the Upper Colorado River Commission; the Izaak Walton League; the National Rivers and Harbors Congress; the Communications Workers of America; the National Wool Growers Association; the National Lamb Feeders Association; the Denver Chamber of Commerce; the Colorado State Chamber of Commerce; the Colorado Farm Bureau; and the National Farmers Union. The project conforms to the formula of the Chamber of Commerce of the United States. It also has the endorsement of the Arkansas-Red-White River Basin Interagency Commission; the Missouri River Basin Interagency Commission; the Arkansas River Compact Administration. It has the unanimous support of the General Assembly of the Colorado State Legislature.

Mr. Speaker, I urge the adoption of House Resolution 606.

Mr. Speaker, I reserve the balance of my time.

## CALL OF THE HOUSE

**Mr. GROSS.** Mr. Speaker, I make the point of order that a quorum is not present.

**The SPEAKER.** Evidently a quorum is not present.

**Mr. ALBERT.** Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 104]

Addonizio
Alford
Ashmore
Bass, N.H.
Blatnik
Blitch
Boykin
Brewster
Cahill
Clark
Colmer
Curtis, Mass.
Dawson
Dent
Diggs
Dooley
Dorn
Dulski
Farbstein
Fino
Flood
Fulton
Garland
Garmatz
Giaimo
Glenn
Goodell
Granahan
Green, Oreg.
Green, Pa.
Hall
Hardy
Harrison, Va.
Harrison, Wyo.
Healey
Hemphill
Hoffman, Mich.
Holifield
Horan
Ichord, Mo.
Jennings
Jones, Ala.
Kearns
Kee
Keith
Kelly
Kitchin
Laird
McMillan
McSween
McVey
Macdonald
Merrow
Miller, N.Y.
Moorehead, Ohio
Moulder
Nix
Norrell
Pirnie
Powell
Riley
Rivers, S.C.
Roberts, Ala.
Saund
Scott
Shelley
Shipley
Slack
Stratton
Stubblefield
Teague, Tex.
Thompson, N.J.
Tuck
Van Pelt
Wilson, Calif.
Yates
Zelenko

**The SPEAKER.** On this rollcall, 357 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## FRYINGPAN-ARKANSAS PROJECT, COLORADO

**Mr. SMITH of California.** Mr. Speaker, I yield myself 10 minutes, and ask unanimous consent to revise and extend my remarks.

**The SPEAKER.** Without objection, it is so ordered.

There was no objection.

**Mr. SMITH of California.** Mr. Speaker, House Resolution 606 provides for the consideration of H.R. 2206, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Fryingpan-Arkansas reclamation project in Colorado. The resolution provides for an open rule with 3 hours of general debate.

Companion bills have been introduced by the gentlemen from Colorado [Mr. CHENOWETH, Mr. ROGERS, and Mr. DOMINICK]. The State of Colorado is presenting a united front in support of this legislation.

Mr. Speaker, this subject has a rather long legislative history. In the 83d Congress the House rejected a rule on a similar measure. The bill was taken up in the closing days of the session, and the House apparently decided that consideration should be postponed until the following session. In the 84th Congress the House rejected a rule on a similar bill. Again the vote was taken during the closing days of the session. I believe on the day before the House adjourned. It was apparently the sentiment of the House that there was not sufficient time to consider the bill on its merits, and that consideration should be postponed until the following session.

At the time the House took the above action there was a division in Colorado concerning this project. There was opposition to the bill on the western slope of Colorado, from which area the water is to be diverted to the eastern slope. Because of this opposition it was impossible for Colorado to present a solid front for this project, and as a result favorable action was impossible. In the 85th Congress the bill was again granted a rule, but it was late in the session, and the rule was not considered by the House.

In 1959 the sponsors of the project began negotiations with the western slope in an effort to work out an agreement. These efforts were successful, and an agreement was reached in 1960.

Hearings were held in June 1961, and this bill was reported favorably. At this hearing witnesses appeared from the western slope of Colorado in support of the project.

We were advised in the hearing before the Rules Committee that there is now full agreement in Colorado on this project, as evidenced by the fact that all four Members of the Colorado delegation have introduced identical bills. In previous years the gentleman from Colorado [Mr. CHENOWETH] was the sole sponsor of the legislation, as his district will receive most of the benefits of the project.

The Colorado Water Conservation Board has unanimously approved this project. I understand this agency is the official spokesman for Colorado on water matters.

Mr. Speaker, the Fryingpan-Arkansas project is a multiple-purpose development for furnishing supplemental irrigation water, furnishing municipal water, controlling floods on the Arkansas River, supplying electric power and energy, benefiting fish and wildlife, providing recreational opportunities, and helping to control sediment and stream pollution.

The project primarily involves only one State, the State of Colorado and that State's decision as to the use of its available water resources. It would permit the implementation of an agreement among all official water resources agencies in the State of Colorado for maximum beneficial use of a small portion of the State's undeveloped water resources. It provides for development and operation in both eastern and western Colorado under operating principles which have been unanimously agreed to and are a part of H.R. 2206. An average of 69,000 acre-feet of water from the headwaters of the Colorado River in western Colorado, an amount which is about 2 percent of Colorado's share of the upper basin's expected entitlement, would be diverted annually through the Continental Divide into the Arkansas Basin where the water resources are presently overdeveloped and the need for additional water has become critical.

The project is estimated to cost about $169,905,000 of which about $151 million or 89 percent will be repaid. About 57 percent of the reimbursable amount will be repaid with interest. The 11 percent of the cost which is nonreimbursable is allocated to flood control and fish and wildlife—costs which are traditionally borne by the Federal Government.

The exportation of water from the Colorado River Basin to the Arkansas Basin makes it possible to use, in the Arkansas Basin, additional water which presently cannot be used.

## CALL OF THE HOUSE

Mr. SMITH of Virginia. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 105]

Addonizio
Alford
Ashbrook
Ashley
Ashmore
Bass, N.H.
Blatnik
Blitch
Boykin
Bray
Brewster
Cahill
Clark
Cohelan
Colmer
Corman
Curtis, Mass.
Davis, Tenn.
Dawson
Dent
Diggs
Dooley
Dorn
Doyle
Dulski
Ellsworth
Farbstein
Flood
Fulton
Garland
Giaimo
Glenn
Goodell
Granahan
Green, Oreg.
Green, Pa.
Hall
Hardy
Harrison, Va.
Harrison, Wyo.
Harvey, Mich.
Healey
Hemphill
Hoffman, Mich.
Holifield
Horan
Ichord, Mo.
Johnson, Md.
Jones, Ala.
Kearns
Kee
Keith
Kelly
Kitchin
Laird
McMillan
McSween
McVey
Macdonald
Miller, George P.
Miller, N.Y.
Moore
Moorehead, Ohio
Moss
Moulder
Nix
Norrell
Pirnie
Powell
Riley
Rivers, S.C.
Roberts, Ala.
Saund
Scott
Selden
Shelley
Shipley
Slack
Spence
Stratton
Stubblefield
Sullivan
Taylor
Teague, Tex.
Thompson, N.J.
Tupper
Van Pelt
Wallhauser
Whalley
Whitener
Wickersham
Wilson, Calif.
Yates
Zelenko

The SPEAKER. On this rollcall, 342 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## FRYINGPAN-ARKANSAS PROJECT, COLORADO

The SPEAKER. The gentleman from California [Mr. SMITH] has the floor.

Mr. SMITH of California. Mr. Speaker, this additional water consists of winter flows, return flows, and floodflows and its use increases the water supply available in the Arkansas Valley to about 163,000 acre-feet. This amount would provide for furnishing supplemental irrigation water to approximately 280,000 acres and, in addition, provide 20,500 acre-feet of municipal water for Colorado Springs and other Arkansas Valley cities. About half a billion kilowatt-hours of electric energy annually would be available from the seven powerplants that are included in the project plan to take advantage of the topography of the area. Flood damages which presently average more than $700,000 annually would be prevented by operation of the project.

The hearings disclosed that this project does not provide for irrigating a new land. The supplemental water supply represents two late seasons irrigations of about 3½ inches each which will make the difference between successful crop operations and failure. This is a program providing relief to the farmers in the Arkansas River Valley who have been suffering over a long period of years from lack of sufficient water for successful irrigation of their crops. Nothing is more distressing to farmers than to have their water give out before crops are matured.

Mr. Speaker, the State of California has indicated opposition to the project. Representatives of the Colorado Water Conservation Board and of the Colorado River Board of California were able to get together and agree, for the most part, on the details of this project. On April 13, 1962, Mr. Northcutt Ely, special counsel of the Colorado River Board of California, wrote to the gentleman from Colorado [Mr. CHENOWETH] and advised the objections we previously raised to the specific provisions of the Fryingpan bill have been met with the single exception noted in my testimony.

The one exception which H.R. 2206 does not contain is one which limits in effect transmountain diversions in Colorado to 25 percent of the total which may be available to that State. Efforts were made to insert this amendment in the San Juan-Chama Navajo irrigation project, H.R. 7596, with negative results. So I have little hope that it can be added to this measure.

California still feels that these Colorado River projects should not be instituted until the Supreme Court has acted in the Arizona-California lawsuit, which has now been continued until fall, and until a complete study has been made of the presently available water in the upper Colorado.

However, I have recently communicated with the appropriate officials of the Colorado River Board of California, and they advise me that Colorado has been most cooperative in accepting all suggested amendments except the one just referred to above. And that if these reclamation projects are to be started, this should be one of the better ones.

Mr. Speaker, I know of no objection to the rule, and urge its adoption. I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Speaker, I wish to add my brief comments in support of House Resolution 606 for the consideration of H.R. 2206. As a Representative of the State of Massachusetts, I am particularly pleased to join with my western colleagues in active support of a water development project which will not only benefit the State of Colorado, but which will likewise further the sound economy of this Nation.

It is sometimes difficult for us who live along the Atlantic coast to visualize the climatic conditions of interior States, such as Colorado, where the average annual rainfall is less than 20 inches. The first and foremost problem of the western pioneer was the securing of an adequate water supply for year-around use. This problem has not abated over the years. Imaginative thinking and dogged determination by the western people, however, have led to the development of a western economy which today is a major factor in our national strength. This Federal Government, through its reclamation program, has often been the catalyst by which riches have been produced from aridity.

The people of Colorado and neighboring States have demonstrated to the appropriate committees of this House a convincing and enduring faith in the merits and necessity of their project. I am advised that to date they have expended almost a million dollars in their own investigation and promotion of this project, in addition to the expenditures by the Bureau of Reclamation. The people of the Arkansas Valley in Colorado have organized themselves into the largest water conservancy district in the history of the State of Colorado. They have bound themselves under State law to raise from ad valorem taxation alone more than $400,000 annually to assist in project repayment.

Mr. Speaker, I am convinced that the people of Colorado know their own needs better than anyone else. I am likewise convinced that their project is a proper and sound Federal investment. I, therefore, urge the adoption of House Resolution 606.

Mr. SMITH of California. Mr. Speaker, I yield 8 minutes to the gentleman from Kansas [Mr. Avery].

Mr. AVERY. Mr. Speaker, as I stood in this well about a month ago and presented as best I could the case for the middle western farmer in opposing the so-called Navajo Reclamation project, so I find myself again today in virtually the same position, and hoping to be able to persuade you not only that there is a case to be made for the middle western farmer but that today we have a case for the taxpayer as well.

I do not make these observations without being mindful of the tremendous importance of this particular piece of legislation to my good friend, the gentleman from Colorado, Representative Chenoweth, the gentleman from Colorado, Mr. Dominick, and also to my good friend from Denver, the gentleman from Colorado, Mr. Rogers, and of course the chairman who has been in charge of this legislation for many years, the distinguished gentleman from Colorado, Mr. Aspinall. But despite my love, affection, and admiration for all four of these Members of this body, I feel that my responsibility goes beyond that.

In performing our service in this House, if it were just a matter of standing up to take a position that would accommodate every other Member, our responsibilities would be relatively simple indeed. I do not think however, that is why we are here. That is not why we are selected to represent our areas and people. For all the reasons that I understand and you understand we are here, I think it is necessary in the discharge of our responsibility from time to time to analyze and perhaps oppose a measure, and certainly today would be one of those occasions.

From 10:30 this morning until 12 o'clock, the Committee on Rules heard the gentleman from Arkansas [Mr. Mills] argue most persuasively, and I am inclined to believe without enthusiasm, that the national debt ceiling should be raised from the temporary ceiling of $300 billion to $308 billion. I think everyone in this House has heard the gentleman from Arkansas [Mr. Mills] debate and present his legislation on the floor on quite a number of occasions, and you are all aware how persuasive he can be. He reminded the Committee on Rules that he felt we were in a situation this morning where we had no choice: The commitment had been made for these certain obligations against the Treasury of the United States and we had no choice except to proceed to authorize an increase in the debt limit to an amount that would accommodate the refunding responsibility of the Treasury of the United States. I, for one, supported the gentleman from Arkansas [Mr. Mills] in his request. But, I would like to remind the Members of the House of some other things that the gentleman from Arkansas [Mr. Mills] said. He said, if we were to be able to reduce the national debt limit, if we were ever going to have a tax reduction, Congress must call a halt on spending at the time of authorization. In my humble judgment, my colleagues, that is today. Why do we pick out this particular project? Well, we are not picking out this particular project—this just happens to be the issue before the House today. We have had the Peace Corps, educational television, and we have had a dozen other issues where we could have faced up to some fiscal responsibility, but we let it go by the board—we let that go over the dam, so to speak. I do not think that establishes any precedent or any justification for just closing our eyes and saying—oh, well, what is the use, this is only $170 million. These Members from Colorado are fine men so we will stand aside and pass this one, too.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I will yield to the gentleman in just a minute. I would like to continue with my particular thought at the moment, I might say to my friend from Colorado [Mr. Rogers].

During general debate I am sure much will be said that the justification for this project is not dependent upon supplemental irrigation; and that may be true. But, if you will read the committee report, you will find estimated $11 million a year of annual benefits from this project of which over half are dependent upon accelerated agricultural production. If there is a shortage of any kind of food item anywhere in the United States, it has not come to my attention. I would merely cite one example. If the majority and the leadership had felt that they had the votes to pass this farm bill this week, I am sure it would have been on the floor following this particular piece of legislation, probably tomorrow. That bill was to provide for a mandatory reduction in feed grains and a mandatory reduction in wheat. If the Secretary of Agriculture could have had his way, there would have been a mandatory reduction in dairy products. Under the present program, I understand it is only costing $300 million a year to subsidize the dairy industry. And I am not taking issue with that. I notice in the committee report that the principal agricultural commodities to be produced in the Arkansas Valley are products that come from dairy cattle. There are 14,500 dairy cattle, it has been stated, in the valley, and if this project is approved, there would be an increase not only from the stock that is there, but there is to be more stock too.

I am told that the administration position for justifying the dairy section in the farm bill was that under the present support program, it costs $4.70 a hundred for each 100 pounds of milk the Government has to buy—that is surplus milk. But if we pass the agricultural bill, it is only going to cost $2.50 a hundred. So they say, we cannot afford not to pass the agricultural bill; but we are proceeding today to consider an increase in the surplus not only of dairy products but other agricultural products as well. I just cannot see the logic of it. Let me just repeat that for you again.

We are asked to increase the debt limit at 11 o'clock this morning, and come down here at 1 o'clock this afternoon and are asked to pass a bill costing $170 million that will increase agricultural production; and Mr. Speaker, the majority, if they had their way, would pass a farm bill tomorrow to roll back agricultural production again. If there was ever an exercise of inconsistency in policy I think the program of the House this week would head the list.

Before I yield to my freind from Colorado, this is an inquiry I would like to submit to the Chairman of the Interior and Insular Affairs Committee. I have a letter from the executive secretary of the Water Resources Board of the State of Kansas, Mr. Robert Smith. He states as well as it can be stated, I think, the position of the State on this particular project. Without reading the letter I insert it in the Record at this point:

May 25, 1962.

Hon. Wm. H. Avery,
*U.S. Congressman,*
*House Office Building,*
*Washington, D.C.*

Dear Mr. Avery: Inquiry has reached this office relative to the possible effects the Fryingpan-Arkansas reclamation project would have on the State of Kansas. Please be advised that Kansas has not voiced any water policy objections to this project. Briefly, the water picture is as follows:

The project involves, among other things, the diversion of a relatively modest amount of water from the western slope of the Rockies to the Arkansas River Basin on the eastern slope. Kansas interests in the Arkansas River flows in eastern Colorado are established by the terms of the Kansas-Colorado Arkansas River Compact. This compact establishes a basis for the operation of the John Martin Reservoir from which ditch irrigators in both Kansas and Colorado obtain irrigation water when same is available. The bulk of the water to be diverted from the western slope by the proposed Fryingpan project is scheduled for use in Colorado upstream from John Martin. It is not anticipated that the diverted water will significantly increase the flows into John Martin, but such effect as there is would be beneficial.

The project also involves reregulation of the native waters of the Arkansas River, and it is most conceivable that ill-advised reregulation of these native waters would have an adverse effect on the waters available to John Martin and hence to users in both States below John Martin. In recognition of this possibility, the Arkansas River Interstate Compact Administration, made up of representatives of both States, has taken the stand that no reregulation of the native waters shall be undertaken except under a plan of operation which has been approved by the compact administration. Both States incorporated the compact administration views in their review comments. Kansas support of the project, therefore, assumes that any reregulation of the native waters will be subject to the approval of the compact administration.

Very truly yours,

Robert L. Smith,
*Executive Secretary.*

I would like to have the assurance of the chairman of the committee that if this bill is to pass and the project is to be authorized that all management of what is described as "native water in the Arkansas River" will be submitted for approval by the Kansas-Colorado-Arkansas River Compact Administration.

Mr. ASPINALL. I would answer the gentleman this way: The Fryingpan-Arkansas project has the unanimous consent of the Arkansas River Compact Administration, and the Arkansas River Compact Administration has a representative from Kansas. So the answer is "Yes," native waters will be treated as they are supposed to be treated in compliance with the Arkansas River compact.

**Mr. AVERY.** I thank the gentleman for his reply. I assumed that would be the answer, but since the inquiry was submitted by the State of Kansas I wanted the RECORD to reflect that particular comment.

**Mr. ROGERS of Colorado.** Mr. Speaker, will the gentleman yield?

**Mr. AVERY.** I yield.

**Mr. ROGERS of Colorado.** Further answering the gentleman's question, and emphasizing what the gentleman from Colorado has said, the gentleman from Kansas recognized that there is a compact between the State of Colorado and the State of Kansas which everybody has agreed works perfectly. The enactment of this legislation will not change that situation in any manner whatsoever.

The reason I asked the gentleman to yield is to inquire whether he realizes that the Congress is not giving to the State of Colorado $171 million but that $150 million of it is repayable. Is there any project of flood control or development of that nature that has a repayment feature such as is provided in this legislation?

**Mr. AVERY.** I would agree with the gentleman I do not think there is, because I think this will be largely repaid by agricultural subsidies, and I do not think there is another project that will be repaid that way.

**Mr. ROGERS of Colorado.** The point is I do not want the House to be misled.

**Mr. AVERY.** I do not want to be misled either.

**Mr. ROGERS of Colorado.** Then the gentleman would readily agree that this legislation provides for repayment of at least $150 million based upon a formula that has been in the reclamation law for a number of years.

**Mr. AVERY.** I would reply to the gentleman this way: There is a repayment formula in the bill, but as I understand, it applies to the repayment of costs of irrigation and of certain municipal water and power uses, but there is also an offset for certain costs that are not reimbursable. It is a matter of judgment, of course, as to what extent both apply.

**The SPEAKER.** The time of the gentleman from Kansas has expired.

**Mr. SISK.** Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Rules, the gentleman from Virginia [Mr. SMITH].

**Mr. SMITH of Virginia.** Mr. Speaker, here we go again on the same old merry-go-round, the Fryingpan-Arkansas project. The advocates have never been able to obtain an approval in this House in the many, many years it has been before us. The last time the bill was up for consideration, the rule was defeated, and the House disposed of the matter very expeditiously. In that way some of us who opposed this bill had the hope it had finally come to rest. But it never rested. In the last session they got a rule, but they did not have the temerity to call it up because they did not have the votes.

**Mr. ASPINALL.** Mr. Speaker, will the gentleman yield?

**Mr. SMITH of Virginia.** I yield to the gentleman from Colorado.

**Mr. ASPINALL.** The gentleman, the distinguished chairman of the Committee on Rules, knows that the request was made of his committee in July for a rule, but the Rules Committee did not give us the rule, which is the reason it was not brought up in the last session of the Congress.

**Mr. SMITH of Virginia.** My figures show differently; in other words, that the Rules Committee did grant a rule. I will check with the gentleman later on in the discussion and verify that. To be frank, I do not think you got out of the Rules Committee without an understanding you were not going to bring it up in that Congress. With that kind of an understanding, I do not think you had much hope of passage.

Mr. Speaker, I have heard my friends over on the left, and I have been with them many times, debate and argue that we must get down to some kind of fiscal responsibility in this Congress, that we must defer some of the things that it would be nice to have until we get in better shape financially. This morning the Committee on Rules passed a resolution which will bring up for your consideration tomorrow an increase of $8 billion in the national debt. You will recall it was in the last 3 months that you passed one raising it $2 billion. You will recall that year after year and year after year for the last 6, 7, or 8 years you have every year at least once and sometimes twice increased the debt limit. Yet, with all the appeals that you gentlemen have made, and I have joined with you in them, to this Congress to bring about some financial responsibility in order to avoid the bankruptcy of this country, it has had no effect.

Mr. Speaker, I expect you are going to vote for this bill today, and you are going to vote for a lot more of them. Do you know how much more money it is expected to be spent or asked for in this session of the Congress, and included in the budget for 1961, which is the only budget that has been completed? It jumped from $81 billion for 1961 to $99-plus billion for this year.

Mr. Speaker, how are we going to pay these bills? How are we going to get the money? I have been voting every time for an increase in the national debt limit on the theory that you had incurred the bills and you must pay them. However, I have now concluded that the time is past when that argument has any effect on this House or the Congress. I therefore propose to vote against that bill. That is the only way you are ever going to stop this wild spending.

The reason this particular project was defeated before on the rule was because we are arguing now about a farm bill. There is a great discussion going on all over the country trying to reduce this $6 or $7 billion annually that we are providing for farm subsidies.

We are raising too much agricultural products, more than the country can consume, and now you are in here with this bill. A couple of weeks ago you came in with the San Juan project; I think it was some $40 million or $50 million, and that one bored a hole through the Rocky Mountains down into New Mexico and put the river on the other side so that they could raise some more produce. And, they said, "Well, we are not going to hurt the surplus." But, it does increase the surplus, so that we are spending $7 billion a year to stop raising things, and here you are spending $40 million in New Mexico and $170 million in Colorado so that you can raise some more produce, to increase your surplus and cost your taxpayers more money. Now, does that make any sense? I appeal to you Members of Congress to think about our present fiscal situation.

**Mr. SISK.** Mr. Speaker, will the gentleman yield?

**Mr. SMITH of Virginia.** I yield to the gentleman from California.

**Mr. SISK.** I know that my chairman wants to be completely accurate, and he remembers, probably, that I had some interest in this bill as well as another reclamation bill, and a rule was reported on April 17, 1962, which was something like 6 weeks ago. The distinguished chairman will remember that we did not hold hearings——

**Mr. SMITH of Virginia.** Are you talking about this bill?

**Mr. SISK.** That is right.

**Mr. SMITH of Virginia.** We granted a rule on the bill, yes. What about it? I am glad to stand corrected.

**Mr. SISK.** I understood the chairman said we granted a rule last year and it was not called up.

**Mr. SMITH of Virginia.** No. It was the last Congress, I should have said. We granted a rule in the last Congress.

I am just wondering. You know, I cannot keep up with all of these things.

Now, here is what we are doing. We spent $81 billion in 1961. In 1963 we are going to project spending to $100 billion. We increased the debt limit every year over the last 5 and 6 years, and now, after we do all that, and we do not have any money to pay the bills—we are depending upon our tax money—then we get notice that we are going to reduce taxes. We have already passed one tax bill. Many of us thought we were going to raise more revenue, but the net result is, by the prediction of the Joint Committee on Finance of the House and the Senate, that we are going to lose $1 billion. That is what the chairman said, and I trust him more than any other financial expert in this Government. That is going to lose you $1 billion. If we are going to reduce taxes, I do not know how many billion dollars we are going to lose, and here we are going to spend more money, and then we think we have got good sense.

**Mr. SMITH of California.** Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

**Mr. CHENOWETH.** Mr. Speaker, I rise in support of this rule. Those of you who have been here for some years know of my interest in this project. There has been some reference made to the past history of this project. I want to remind you, as has been pointed out by the distinguished gentleman from California, Mr. SMITH, that twice this project was defeated on the rule in the closing days of the session. One time it was the day before adjournment and another time about a week before adjournment. At that time the State of Colorado was divided on this project. We are now presenting a united front. All sections of the State and all groups are united in a solid drive for this project. I want the House to have all of the facts concerning the history of this legislation. This project has never been considered on its merits. The vote on the rule in 1954 was on July 28, and the vote in 1956 was on July 26. Since that time the project has been revised, and it was possible for all interested parties to agree on the same. I feel we have a much better bill before you today, and one that deserves your full support.

Mr. Speaker, I want to thank my distinguished colleagues, the gentlemen from California [Mr. SMITH and Mr. SISK], for their very splendid statements in behalf of this project. We in Colorado appreciate the support of California on this project. I want to thank my colleague, the distinguished gentleman from Massachusetts [Mr. O'NEILL], for his support and his very splendid statement. I am sorry that my distinguished colleague from Kansas [Mr. AVERY], is opposed to the project. I feel that he is a little out of step on this project, as Kansas really belongs with Colorado in this fight. I know the gentleman from Kansas [Mr. AVERY], is concerned over the farmers of Kansas. I can assure him that they are not going to suffer in the slightest as a result of this project. No new land will be brought under cultivation in this project. We are not seeking to take anything away from Kansas. Kansas is also a reclamation State and we have mutual interests.

Mr. Speaker, the project provides for supplemental irrigation water for land which is already under cultivation. Additional water is necessary in order that they may be assured a crop. The water made available by this project is insurance for these farmers against crop failures because of water shortages.

Mr. Speaker, I want to commend my colleague from Colorado [Mr. ROGERS], who referred to the fact that this is a loan. This is not a gift. This is a project which is going to pay back the money that the Government is going to furnish for construction costs. Insofar as the surplus crops are concerned, it is going to be 12 to 14 years before this water is made available to this land. I submit that no one can predict what our food requirements will be 15 years from now. It is obvious we are going to need more production in order to take care of our increased population.

Mr. Speaker, I take second place to none in seeking sound financial and fiscal policies in this country. I feel that we must have a balanced budget, and curtail expenditures wherever possible. I regret that the matter of increasing our national debt limit has been brought into this debate. However, Mr. Speaker, if we were to follow these arguments to their logical conclusion, the Congress might as well adjourn and go home, since under this approach we would not be able to consider any further legislation at this session. I do not think the Members of the House intend to quit, and we still have much to do at this session. I am satisfied that Congress will consider many other pieces of legislation which will involve Federal expenditures.

Mr. Speaker, I want to remind the Members of the House that this project is not going to have any immediate impact on our budget. This project, as I stated before, will not be completed for 12 to 14 years. The money to be used for the construction costs will not be spent immediately, but will be spread out over that period of time.

By voting for this project today, as I hope you will, you will not be adding to our immediate budgetary problems.

Mr. Speaker, my good friend, the gentleman from Kansas [Mr. AVERY] made reference to dairy products. The Arkansas Valley in Colorado is not essentially a dairy area. I wish to correct the gentleman on that statement. This project is not going to contribute to any surplus dairy products. I am anxious to relieve the gentleman of this apprehension.

Mr. Speaker, I want to say this in closing. This is a good project. This is a project which has had careful consideration, study, and planning over a period of many years. It has had the support of three administrations. President Eisenhower always gave this project his full support. He recommended the Fryingpan in several budget messages from 1955 to 1960. President Kennedy has endorsed this project. It has had the support of four Secretaries of the Department of the Interior—two Democrats, and two Republicans. The project now has completely bipartisan approach.

Mr. Speaker, as I mentioned a moment ago, the State of Colorado is appealing to Congress to make this loan so we can construct this project, and use some of our own water. I am sure you will not regret this action and that when the project is in operation you will be fully convinced that this is a good investment, not alone for the State of Colorado, but for the entire Nation.

Mr. Speaker, I urge the Members of the House to visit our Western States and see these reclamation projects in California, Texas, Oklahoma, the great Northwest, the Missouri Basin, and the Rocky Mountain States. I would like to have you see these great multiple-purpose projects which have been completed and are now in operation. I am sure you would be convinced that this is a good program, not alone for the immediate area where the project is located, but for the entire area, and the Nation as a whole.

Mr. Speaker, I hope the rule will be adopted without opposition. I urge you to vote both for the rule and the bill. I assure the Members of the House that their support of this project will be sincerely appreciated.

**Mr. SISK.** Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## ANNUAL REPORT ON THE OPERATIONS OF THE MUTUAL SECURITY PROGRAM FOR THE PERIOD ENDING JUNE 30, 1961—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 432)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers and illustrations, referred to the Committee on Foreign Affairs and ordered to be printed:

*To the Congress of the United States:*

Transmitted herewith is the final annual report on the operations of the mutual security program for the period ending June 30, 1961. The report was prepared under the direction of the Administrator of the Agency for International Development as coordinator of the foreign assistance program, with participation by the Department of State and the Department of Defense.

This report marks the end of one decade in our aid programs and the beginning of another; the transition from what was primarily a decade of defense to a decade of development. The past decade has seen the strengthening of many of our friends and allies so that they have been enabled not only to thrive without our grant assistance, but also to bear an increasing share of the responsibility of helping the less-developed nations.

Fiscal year 1961 can perhaps best be characterized as a year of reevaluation for the foreign assistance program. A Presidential task force was set up early in 1961 to review the program thoroughly—from basic policy to future objectives. The work of this task force, and subsequently the constructive efforts of the Congress, resulted in the Foreign Assistance Act of 1961, which created the Agency for International Development and in effect inaugurated the decade of development.

For the new decade, new tools have been forged to implement the changes in program emphasis toward economic and social progress through self-help, long-range development, and a shift from grant assistance to loans. These objectives can be realized, however, only if the strength and will of the free world against overt aggression and subversion from within are maintained. We must continue, therefore, to carry forward an effective military assistance program to sustain the safeguards and defensive arrangements necessary for the peaceful development of the free world.

JOHN F. KENNEDY.

THE WHITE HOUSE, *June 11, 1962.*

## FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. ROGERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2206) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2006, with Mr. Fascell in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ROGERS of Texas. Mr. Chairman, I yield 15 minutes to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. Aspinall].

Mr. ASPINALL. Mr. Chairman, let us first put this program in its proper perspective. We are talking about water resource conservation and wise-use programs. This program of reclamation can no more be divided from water resource conservation programs authorized and constructed and operated for the Department of Agriculture, in conformity wih watershed programs, or from flood control or rivers and harbors improvement or from HEW and its pollution program, than one member of the human body can be taken from the body and considered as the whole body itself.

There has not been any fight and there will not be any fight made on flood control, because flood control is a good program. It gives to the body politic the compensating benefits for the investment made. There will not be any fight made upon the watershed program of the Agriculture Department because it is a good and sound program. I do not know how many of you remember, but when we authorized the small watershed program we authorized a Federal expenditure that could reach $11 billion, dependent entirely upon how the program is sold to the Committee on Appropriations. It might interest you to know that in one State, for example, in the State of Virginia presently there is taking place a Federal cost in the small watershed program of $17,235,965. The Federal Government is rather attentive and sympathetic to the needs of such State; and it should be. This is not a sectional program.

Why it is that we have to singly point out the reclamation program and try to separate it from the rest of the water conservation programs I have never been able to understand. To build a strong nation you do not try to weaken some of the links. It is just not the thing to do.

With that in mind, I do not believe it is necessary for me to try to sell to this body the necessity of water resource conservation and wise use of those natural resources. I think this body is pretty well sold on that idea, because year after year, session after session, we accept our responsibility and we authorize programs and we appropriate the money.

When we get to the place that we fail to do so, then remember that the most important, the most valuable resource that this Nation has outside of its people, its young people, especially, is water, without which this Nation can be expected to decline and waste away.

Mr. Chairman, the legislation before the House today would authorize the Secretary of the Interior to construct, operate, and maintain the Fryingpan-Arkansas project in the State of Colorado. This is a multiple-purpose development for furnishing supplemental irrigation water, furnishing municipal water, controlling floods on the Arkansas River, supplying electric power and energy, and providing fish and wildlife benefits and recreational opportunities. This project would constitute a major step in maximum utilization of water and land resources in Colorado.

The Fryingpan-Arkansas project, along with the San Juan-Chama project which was approved a few weeks ago, constitute a major portion of the program for new reclamation project authorizations that will be considered in the 87th Congress. The approval by the House of this legislation is most important from the standpoint of keeping authorizations in balance with construction appropriations and continuing a sound and orderly Federal reclamation program.

Mr. Chairman, the Federal reclamation program is a program for turning the waters of the West to their maximum usefulness. It is oriented toward full economic development of the West—development which is largely dependent upon the availability of water—water for farms, water for cities, water for industry. The program is designed to put our land and water resources to work—creating new homes and opportunities. It creates new wealth that would not otherwise exist, broadens the tax base, and provides a dependable market for manufactured products from other areas of the Nation. Development of the West to date must be credited almost entirely to the development and beneficial use of the water resources. Almost every population center west of the 100th meridian, outside of seaport cities, has had irrigation farming as a key factor of its origin. While the Federal reclamation program has played an important role, more than three-fourths of the total irrigated acreage in the Western States today was initiated as private development.

Today we have run out of simple projects; however, we have not met the need for continued development. Due principally to our exploding population and expanding industry, the pressures are greater than ever to maintain the pace of economic development. Today our planning is based upon maximum use of the available water resources for all purposes. With the multiplicity of uses that are involved, the projects proposed for Federal construction are those which cannot be undertaken on a solely local basis. The Fryingpan-Arkansas is such a project. It is designed to make maximum use of a portion of Colorado's limited water resources. It involves extensive Federal interests as well as State and local interests. It involves the exportation of water from western Colorado, the source of most of Colorado's remaining undeveloped water, to the Arkansas Valley where the need is greatest.

Extensive waste would result if attempts were made to serve the various purposes of the project separately. It is not physically or economically feasible for the farmers in the Arkansas Valley to develop only a supplemental supply of water to meet their late season needs or for the Federal Government to build such a project.

Neither is it feasible for the cities in the Arkansas Valley to develop only a source of water to meet their municipal and industrial needs. The electric power development would not be feasible by itself and it would not be feasible for the Federal Government to build storage on the Arkansas River for flood protection alone. However, all these project purposes are adequately served by the Fryingpan-Arkansas project and, in addition, extensive recreation and fish and wildlife benefits will be provided, as well as storage capacity to serve future needs in western Colorado, and the multiple-purpose development is completely feasible from both an engineering and economic standpoint.

The most important purpose of the Fryingpan-Arkansas project is to furnish supplemental water to 280,000 acres in the Upper Arkansas River Basin where, at the present time, the waters are overappropriated and serious losses in crop production on presently irrigated acreage are an annual occurrence. In a sense, the project could be characterized as a "rescue operation" because that is actually what it means to the Arkansas Valley lands. Even with the six-tenths of an acre-foot of late season water made available by this project, long-term average shortages of around 16 percent will still prevail. However, the small amount which would be made available is most important because it represents the difference between successful crop operations and failure for these lands. This small supplemental supply will stabilize the livestock industry in the valley and will permit flexibility in farming operations so that cropping practices can shift to meet marketing demands.

This is the kind of increase in efficiency which Secretary Freeman recently referred to as being entirely consistent with sound long-term agricultural objectives. With a more dependable water supply, the farmers will turn to more diversified cropping and away from those crops which have been contributing to our surplus problem.

I might point out at this point, in answer to a proposal that has been made so often, that the Arkansas Valley portion of the project would be physically infeasible without the exported water from western Colorado. The entire plan for making about 183,000 acre-feet of water usable in the Arkansas Valley is dependent upon a series of exchanges in the upper reaches of the Arkansas River Valley which require the availability initially of the 69,200 acre-feet of exported water.

Although legislation to authorize the Fryingpan-Arkansas project has been before the Congress since 1953, the project is only now ready for authorization. All the problems which have previously stood in the way of authorization have, in my opinion, now been satisfactorily resolved. Never has a project been as thoroughly studied by Federal and State agencies and by the Congress as the Fryingpan-Arkansas project. While this is the fourth time legislation to authorize this project has been approved by the Interior and Insular Affairs Committee, it is the first time that the project comes to the House with almost unanimous support.

For instance, this is the first time that the legislation has had the full support of both eastern and western Colorado. This is the first time that the project serves the dual purpose of promoting development on both sides of the Continental Divide. It would develop the waters of the Fryingpan River for use in both eastern and western Colorado under operating principles which have been unanimously agreed to and which are, by reference, a part of the legislation. For the first time, the Colorado River Water Conservation District of western Colorado had a representative before our committee testifying in support of the legislation and the southwestern water conservation district also gave its support to the project. Also, for the first time, the economic and repayment studies of the modified plan of development show that the project meets all the standards and criteria normally required for feasibility of reclamation projects without any exceptions. Also, for the first time, there has been practically no objection to the legislation from those agencies and groups in southern California which previously expressed fear that this small transmountain diversion of water would adversely affect the quality of water in the lower Colorado River. They undoubtedly now recognize that this small diversion, which is only about 2 percent of Colorado's share of the upper basin's expected entitlement, cannot possibly have any appreciable effect upon the quality of the water downstream.

The gaining of this new support has not detracted from the support previously given the project. It has the wholehearted support of the Public Service Co. of Colorado and the Southern Colorado Power Co. which are private utilities operating in the project service area. Just last week Mr. R. T. Person, president of the Public Service Co. of Colorado, stated in a letter to me:

> We would like to reiterate to you our wholehearted support of this worthy project. Our support is based on the company's recognition that water is one of our most vital resources and its proper utilization, conservation and development are inseparably linked to the continuing growth and economic progress of this region and the entire Nation. It is our firm belief that the proposed Fryingpan-Arkansas project is a needed and worthy reclamation undertaking deserving the broadest cooperation and support, as the economic development of the Arkansas Valley is dependent upon this project for its future growth.

The Fryingpan-Arkansas project was specifically endorsed by former President Eisenhower in his last several budget messages to the Congress. It also has the unqualified support of the present administration and was mentioned specifically by President Kennedy in his message on conservation as a project which should be authorized and constructed as soon as possible. Secretary Udall personally testified before the committee on H.R. 2206 as to the need for and his unqualified support of this project. Secretary of Agriculture Freeman has specifically endorsed this project.

The official report of the Department of Agriculture approving the enactment of H.R. 2206 was received about a year ago. Just yesterday the committee received a supplemental statement from Secretary Freeman in which he said:

> We understand the project would not bring new lands into production but would involve the reorganization of existing irrigation facilities and the supplying of supplemental water to make possible increased efficiency in the management of existing irrigated farms in the project area and minimization of waste that comes from losses in years of short water supply. This is consistent with a major objective of this Department to provide appropriate and needed services for improvement of the family farm pattern and of farm and rural living. It is in keeping with the provision of technical assistance to individual farmers and ranchers, taking into account present national production needs, to help develop efficient use of soil and water resources and to protect productive agricultural land to meet future national needs. We recognize that most of the farm products coming from irrigated land are not those for which there are serious overproduction problems. The provisions of additional water to supplement present inadequate water supplies, as is proposed by the Fryingpan-Arkansas project, helps enable project farmers to adjust their production plans so they can respond to variations in production needs.

The Upper Colorado River Commission has endorsed the project by formal resolution. The Colorado River Water Conservation Board, the official agency of the State of Colorado, in matters pertaining to water resources development, has unanimously approved and endorsed the Fryingpan-Arkansas project. Governor McNichols, in a statement to the committee, endorsed the project and stated that it occupied the highest priority in the development of the water resources of Colorado.

The point I am making is that the Fryingpan-Arkansas project we have before us today is physically different, economically and financially improved and enjoys much greater support than the Fryingpan-Arkansas project previously considered. From the standpoint of the physical plan, the Reudi Dam and Reservoir on the Fryingpan-Arkansas River has been substituted for the Aspen Dam and Reservoir on the Roaring Fork River. This relocation of the western Colorado storage feature from Aspen to Reudi has resulted in almost four times the original storage capacity. This change provides storage to serve western Colorado in the foreseeable future in addition to the replacement storage needed in connection with the Fryingpan-Arkansas transmountain diversion. There is no question but what the water from Reudi Reservoir will be fully utilized in western Colorado in the near future. In the meantime, as another indication of the solid support for the Fryingpan-Arkansas project in Colorado, the Southeastern Colorado Water Conservancy District has agreed to sign a contract for repayment of the entire cost of the Reudi Reservoir until such time as the excess storage capacity is used to serve western Colorado and the water users receiving this service assume a portion of the reservoir cost.

With respect to feasibility, the project before us today shows a much improved repayment picture. The power allocation will be repaid with interest in 41 years after completion of all power facilities. The municipal water supply allocation will be repaid with interest in 40 years following completion of construction. The irrigation allocation will be repaid within 50 years.

The gentleman from Texas, Mr. WALTER ROGERS, chairman of the subcommittee handling this legislation, will give you further details on the physical plan of development and the financial and economic aspects of the project.

Mr. Chairman, seldom in the history of reclamation has any group of people demonstrated a more convincing faith in the necessity of the reclamation project than the people of the Arkansas Valley. In addition to years of untiring efforts they have expended more than $700,000 to bring the project to its present status. In 1958, the people of the Arkansas Valley organized themselves into the largest water conservancy district in Colorado and, by so doing, demonstrated their willingness to raise from ad valorem taxes alone approximately $516,000 annually over the repayment period to assist in project repayment and operation. An additional sum of half of this amount can be raised to cover any deficiencies or defaults in contractual obligations. This is a recognition on the part of all the people of the Arkansas Valley of the value of the development to the overall economy of the area. It is an indication that they recognize that extensive indirect or secondary benefits will flow from the construction and operation of the project. Over 50 percent of the irrigation revenues will come from ad valorem taxes.

I also would like to point out this, that there is being received at this time in the neighborhood of $450 million each year in income taxes from the Federal Government's investment in irrigation programs. That is twice the amount that we yearly ask for authorization and appropriation for this program. That is how successful the reclamation program has been since its inception in 1902.

You know as well as I know that the reclamation program has more than paid for itself in the last 12 years. That means that we have received into the Federal Treasury more money, just under $4 billion, than we have paid out for the whole reclamation program since 1902.

Simple projects such as those that were authorized in the early years of irrigation are constructed. There are no more of them. Those projects were the cream of the crop. They have been taken care of either by private enterprise or by early authorizations and early projects of the reclamation program. So what we have left are these multiple-purpose projects, projects that cannot be handled by single groups, cannot be handled by single local governmental entities, projects that within themselves can be handled only by Federal aid and supervision. One of such projects we have before us today.

May I say generally, and it will be shown to you by those who have the responsibility for giving the details, that this project is one of the best projects as far as reclamation law and established policy is concerned that has been brought to the Congress during my tenure of office in Congress. Its physical feasibility is satisfactory, its economic feasibility is satisfactory, its financial feasibility is satisfactory. It has one thing that no other reclamation program has had, to the extent at least that this project has, and that is the sharing of costs by all local people of the project area. When it is pointed out to you what these procedures mean, I think you will understand what I am talking about.

I should like for just a moment to refer to this map.

Let me show you what is involved. Let us not be misled by any statement about taking water from one watershed to another. That has been done since we have been a nation. Of course, it was not done for reclamation purposes, but it was done for other purposes which were just as necessary at the time that such programs were authorized and built as reclamation is today. For the first decade, the State of Colorado saw transmountain diversions for mining purposes as well as for irrigation purposes just the same as this project which is on a little bit larger scale than the early projects. We have in the State of Colorado at the present time transmountain diversions that are much larger than this. One of these is the so-called Colorado-Big Thompson project in the northern central part of the State and the other, the Denver diversion, for Denver to get its municipal water. So transmountain diversion is nothing to be shied away from simply because some remarks are made about digging holes in the mountains. It is practical and feasible and it is in the interest not only of the State of Colorado but the people of the Nation.

There is one other thing I would like to bring out before I refer to the map. I represent the western part of Colorado. However, not all of my district is on the western slope. The fact of the case is that where the construction is going to take place in this project, most of it is in my district. And where the water to be used, most of that is in the district of my colleague, the gentleman from Colorado [Mr. Chenoweth]. But, up until just recently we did not have an agreement between western Colorado and eastern Colorado as far as this project is concerned because western Colorado wanted to know whether or not it had sufficient water to send across the ridge into eastern Colorado and still take care of its needs, present and future. We have had surveys which show this project can be authorized and constructed and still the interest of western Colorado be protected, and that is the reason why we are today supporting this legislation. I think it is in the best interests of our Nation Not only are the Federal congressional district representatives united in support of this legislation but also the Legislature of the State of Colorado unanimously—65 members of the house and 35 members of the senate passed a resolution showing their support of this project.

If you can find any more unanimity in a State, I would like to know about it. The purpose of the project is to take water out of the Fryingpan tributaries and send it across the mountains through this tunnel which is indicated here on the map and drop it into the Arkansas Valley and send it down to the users, the agricultural, municipal, industrial, and power users in the Arkansas Valley. That is all that is involved here. The tunnel is not a big tunnel. It is not nearly as large or as long as other tunnels in the State of Colorado. One reason we had so much difficulty before was that in Aspen, it was proposed that there be a reservoir of 28,000 feet, 2 miles above the city. The people of Aspen did not want that. They did not want the reservoir above their city.

So the agreement that has been arrived at is for a reservoir almost four times as large, to be built over the Divide on the Fryingpan River. The water is available—do not let anybody tell you that the water is not available. The Ruedi Reservoir is to be used for river regulation and also it is to be used for any feasible uses in the future, down in this area indicated here on the map, for agricultural uses and, perhaps, a small power drop—and down in this area, indicated on the map, for municipal uses. The western slope feels that it is protected and it feels its potential uses can be taken care of. The eastern slope feels like it can be taken care of with what is proposed in this legislation.

These lands shown in green on the map are the lands that are under irrigation at the present time. There are between 300,000 and 350,000 acres, if I remember.

Of these lands, only 280,000 acres will be served by this project. These lands are water deficient in the neighborhood of, perhaps, an acre-foot of water per year.

This legislation would provide that they would get about six-tenths of an acre-foot of water annually which would allow for two late irrigations and make farming activities financially feasible in what now is a water-short area. The amount of water is not as much as they would like to have, but at least it would firm up their farm operations.

I spoke a while ago in regard to the contribution to be made by the taxpayers of the district. These areas which are shown in purple, or lavender color, and a part of them outside of the irrigated land area, are the areas of the conservancy district. These are the areas which will have an ad valorem tax. You notice that the city of Colorado Springs, the city of Pueblo, Canyon City, Buena Vista and others are not going to receive too many direct benefits as far as their cities are concerned, but they will pay part of the irrigation construction cost that is authorized in this bill. The merchants, the professional people, the workers, the whole people all know the indirect benefits that will accrue to them, and they have pledged themselves to pay about $500,000 a year toward the cost of this project.

Let me now refer to this chart: in this column we have the total cost of the project, $169,905,000, and this cost starts out with nonreimbursables in the amount of $18,908,000. Of that, approximately $15 million is for flood control. The rest of it is fish and wildlife, recreation, and so forth.

In this column, we have the cost of the project broken down into these various allocations: Irrigation $66,097,000, all of which it reimbursable; then we have allocated to power $62,667,000, all of it reimbursable with interest at the rate the Federal Government has to pay for long-term loans.

In this column we have municipal and industrial allocations in the amount of $22,233,000, all of which is reimbursable with interest at the same rate.

In this area we have flood control $15,014,000. This is nonreimbursable.

Now we come to the column showing $150,997,000, which is the amount of reimbursables; and we find that irrigation revenues of $46,686,000 will be paid by the users or by the taxpayers, and that is broken down showing the water users paying $21,720,000, with the ad valorem tax bringing to the program $24,976,000.

I know of no project, flood control or otherwise, where the people of the area not directly served by the project—this is in addition to any water toll that the users have to pay—I know of no project that has that kind of sharing program.

In this area we have the power program repayment: $82,078,000. Besides paying its own costs with interest within the 50-year period power will make a contribution to irrigation of $19,411,000, which is considerably less than the ad valorem taxpayers will contribute.

In this area of the chart we have set forth the revenues from the municipal and industrial users. The amount shown on the chart, of course, does not include the interest payment that will be made. In other words, this project has a repayment possibility that very few projects have, and that is one of the things that has not only brought about the endorsement of all of those organizations which were mentioned by the gentleman from California [Mr. Sisk] when he made his statement on the rule, but it has the complete and unanimous support of all the representatives of the State of Colorado.

Mr. Chairman, this has been studied for 35 years. I think this is one of the beautiful things about this kind of a program. That is the reason that we are here unanimously supporting the legislation. Where it failed of permission to be considered by the House in previous years, it has now been made into a good project.

I think the people of Colorado and the Bureau of Reclamation should be congratulated and commended for bringing a project to us that can stand this lengthy and detailed study.

It has been mentioned in argument on the rule that $700,000 have already been contributed by the people of this area—that is, the Colorado governmental agencies and the conservancy district—in order to further this project. This is a rather large sum to be raised by the people themselves in the interest of their own project.

Let me refer to the remarks made by the gentleman from Kansas [Mr. AVERY].

It was only in the last Congress that the Congress authorized a project for the State of Kansas, a project which was based upon potential irrigation, although it is true that most of it provides for municipal water and flood control. But it would not have had the support of this Congress if it had not been for the irrigation features. At that time there was no one from Kansas that I heard of complaining about agricultural surpluses, about the question of financing, or anything like that at all. The fact of the matter is that the record will show that the gentleman who made the remarks against this project a while ago made no such utterances against the project in his own State of Kansas.

Mr. Chairman, I desire to answer the points made by those signing the minority report.

The report of the Regional Director, Bureau of Reclamation, dated July 5, 1950, refers to the Fryingpan-Arkansas project as the "initial development, Roaring Fork diversion, Gunnison-Arkansas project," and discusses the possibility of future diversion from the Gunnison River. However, the comments and recommendations of the State of Colorado on that report dated August 7, 1951, made it clear that the State of Colorado did not contemplate the diversion of water from the Gunnison River and that the operating principles did not provide for any such future project. The State recommended that this be made clear in the final report and that, in line with this understanding, the name of the project be changed to "Fryingpan-Arkansas Project."

The report of Secretary Chapman, dated October 19, 1951, goes along with the recommendations of the State of Colorado. The report was sent to the President and later to the Congress on June 9, 1953, with the name changed to "Fryingpan-Arkansas Project" and on the basis that this is a self-contained project and not dependent in any way on additional future diversions. Since that date, no active consideration has been given by the Department of the Interior or the Bureau of Reclamation to diversions from the Gunnison River to the Arkansas Basin. It was also made completely clear by Colorado witnesses at the first hearings on the Fryingpan-Arkansas project in June 1953 that the State of Colorado had no plans for future diversions from the Arkansas River.

H.R. 2206 specifically states in section 1 that nothing in the legislation shall constitute a commitment to exportations of water beyond that required for the Fryingpan-Arkansas project. Decrees issued by the State courts of Colorado after 1950 have committed the Gunnison River waters to other purposes and preclude the development of the Gunnison-Arkansas project referred to in the Bureau's original report. The operating principles which are a part of H.R. 2206 also would preclude such a development.

Mr. Chairman, while the Fryingpan project bears the same name as the project proposed on which previous hearings have been held, important changes have been made which greatly improve the project, and result in substantial new benefits to both eastern and western Colorado. Specifically the following changes have occurred:

First. Aspen Reservoir—28,000-acre-foot capacity—on the Roaring Fork River has been dropped.

Second. Ruedi Reservoir—100,000-acre-foot capacity—on the Fryingpan River has been added.

Third. The area to be served by the Ruedi Reservoir is entirely different than the area proposed to have been served by Aspen Reservoir; that is, oil shale developments in the vicinity of Rifle will derive substantial benefits from Ruedi Reservoir.

Fourth. The increased cost of Ruedi Reservoir over the cost of Aspen Reservoir—$5 million—has been guaranteed repayment by the Southeastern Colorado Conservancy District.

Fifth. The water treatment plant for Pueblo has been deleted.

Sixth. The location of the heading for the pipeline to Colorado Springs to be built at the expense of Colorado Springs has been moved a substantial distance.

Seventh. Refinements of facilities to assure wintertime operation have been made. Opponents have pinpointedly attacked wintertime canal operations. The Bureau of Reclamation has reappraised this aspect and fortified the system by making minor changes which insure perfect wintertime operation.

Mr. Chairman, the Fryingpan project is a true multipurpose project; it goes hand in hand with the increased population, and insures resource development and conservation, as well as agricultural security. The towns and cities of the Arkansas Valley require municipal water of a quality suitable for drinking purposes. Melting snow gathered at an altitude of 10,000 feet provides the best possible source and the Fryingpan captures this snow water for the cities. No one portion of the project can be isolated and separately appraised. By combining snow waters at high elevations with the drop in altitude of 5,000 feet to the farming land makes possible the generation of electric energy serving two purposes rather than one. In turn, the Pueblo Reservoir at an altitude of 5,000 feet adds flood control protection and irrigation benefits. All these factors combine to make the project financially feasible. The minority report is misleading: The $63 million of the project costs charged to irrigation purposes produces 183,600 acre-feet of water for all purposes.

There will be a ready market for all power that can be generated by the time the power is available—construction will require about 10 years—and a price of 6.5 mills per kilowatt hour is assured. Mr. L. R. Patterson, vice president of a private investor utility, the Public Service Co., of Colorado, speaking for that company and also for the Southern Colorado Power Co., confirmed the statement of James R. Meyers, president of the Arkansas Valley Generating & Transmission, Inc., and manager of the Southeastern Colorado Power Association—REA co-ops—and agreed there will be no problem in obtaining 6.5 mills. Both men testified that preference customers will consume most if not all of the power locally; but, if not, the Public Service Co. stated it is willing to buy or wheel any power available. Any statements to the contrary ignore the testimony of these experts—see pages 129-131 of hearings. The assurance of a market is demonstrated by the fact that all power to be generated by the Colorado River storage project has already been oversubscribed.

Mr. Chairman, the suggestion that the system of canals and powerplants cannot operate during extremely cold winter months is completely false. Existing systems, operated by both private and public power agencies, operate at temperatures at and below the temperatures which will be experienced by these project facilities.

Operating techniques have been developed at other installations which, coupled with relative design changes—from lower elevations in warmer climate powerplants—permit the operation of powerplants without undue interference from ice. It is a known physical fact that water reaches its maximum density at 39° F. The water used during the winter months will be released from the lower levels of the reservoirs and the temperature at which the water is released will be in the 39° F. range.

Ice covers will be permitted to form on the surface of the canals and will be maintained by relatively constant levels in the power canals by the use of float-controlled automatic gates, strategically placed along the canals. This ice cover serves as an insulating mat on the surface of the canal and the water flows freely under this cover. Pictures are available to prove this.

Provisions are included in the designs and cost estimates for heating the trash rack structures—when and if necessary—as well as for heating the gates and seals at the check structures so that the trash racks and gates will operate freely. These measures are standard operating and design procedures developed by the engineering profession to permit operation of powerplant facilities during the cold winter months at this latitude and elevation.

The portion of the project charged to irrigation features is $66 million, and for this 280,000 acres of land can receive supplemental irrigation water, being the difference between a paying crop and no crop. It means having water available for the last two irrigations of any growing season—$5.40 per acre-foot for this kind of water is a sound investment. At this stage of the season a farmer has already invested in seed, cultivation, and existing irrigation charges. He has gambled on success or failure for the year. The difference is the last two irrigations. The price of $5.40 is the price fixed by the farmers under the project as that which they are able and willing to pay in accordance with reclamation law. No new land will be irrigated. The repayment of the $66 million is also secured by a portion of the power revenues. The Government is assured of the repayment of the $66 million charged to irrigation.

The optimum of benefits has been combined in this project. The benefit-cost ratio of 1.6 to 1 is one of the highest ratios of any reclamation projects in recent years. This is a result of the blending of all requirements in one project. Personnel of the Bureau of Reclamation testified to the benefit-cost ratio under the existing formulas approved by the Department of the Interior.

Mr. Chairman, the minority proposes that the Pueblo Reservoir should be built and no waters imported from the Colorado River. Pueblo Reservoir by itself is not an answer to the water requirements in the Arkansas Valley. It would provide flood protection, make possible winter storage of water, would save evaporation losses, and impound these waters, plus waters that would spill from John Martin Reservoir. The quality of the water would fail to meet the requirements of the needs of the cities and towns. The minority suggestion would prevent the city of Colorado Springs from obtaining any waters and Colorado Springs is an underwriter of the Fryingpan project and a part of the repayment district. The minority proposal would deny any benefits to western Colorado, and is poor piecemeal planning. Waters imported from the Colorado River greatly strengthen the project. Water of fine quality drops 5,000 feet before use. This imported water benefits the cities and generates power. The 69,000 acre-feet of imported water makes possible the exchange and regulation of Arkansas water that results in a new water supply total of 183,600 acre-feet. The minority suggestion would strike all of these benefits.

Mr. Chairman, the minority report would stress that Colorado has 1 percent of the Nation's farms taken out of production by the soil bank program. The minority ignores the fact that the area in the soil bank program in Colorado is substantially outside of the boundaries of the Fryingpan project. The project area is less than one-tenth of 1 percent of the acreage of the United States, devoted to recent so-called surplus crops—corn grain, sorghums, and wheat, whereas the total population of the project acreage is 341,000 or less than two-tenths of 1 percent of the U.S. population. These figures show that on a per capita food-consumption basis the project area does not contribute to any food or crop surplus. No tobacco or cotton is produced in the project area. The project does not contemplate any new land. All irrigation benefits are restricted to lands presently irrigated with an inadequate supply of water. With a firm supply of water a greater percentage of garden and vegetable crops will be grown, crops not in a surplus category.

The Arkansas Valley is a feed-deficit area, 80,000 cattle being produced and fed. Irrigated acreage makes possible crop diversification. The Fryingpan project is a rescue operation designed to preserve an existing economy and not to bring raw land into cultivation.

There is no conflict between the objectives of the Departments of Interior and Agriculture. Secretary Freeman has repeatedly stated that sound planning requires and contemplates reclamation development. Water resources development in the moisture-deficient western areas has been one of the greatest factors in establishing the West as an asset to the Nation, rather than a dependency.

It will take approximately 10 years to complete construction of the Fryingpan project. The increase, if any, in the production of agricultural products will not become a reality for many years, and such increase will be in an area where no surplus or only a very small surplus problem exists. Geographically, dispersion of food sources is important to the United States.

Mr. Chairman, the minority report is in error. Every unit of Colorado government having the duty to pass upon any water plan, to protect any water resource, or to participate in any water planning, has officially approved the Fryingpan project. The Colorado River Water Conservancy District, the district having responsibility for water resources in the counties of origin, has approved and is supporting the Fryingpan project. The Southwestern Water Conservancy District, representing the San Juan Basin of Colorado, has also approved the project. The voices of a few chronically dissatisfied individuals should not cloud the issue. The Colorado Water Conservation Board, the official agency representing Colorado, has approved the Fryingpan.

The policy of the United States is to provide financial assistance to local schools in those areas where the number of children attending schools is affected by activities of the U.S. Government. This policy was adopted in the acts of September 23 and September 30 of 1950. The White House through the Bureau of the Budget has objected to section 5. There is no objection to its deletion by amendment either in the House or in the Senate. Language comparable to section 5 was incorporated in the bill authorizing the Trinity project in California.

The first sentence of section 6E copies language found in the Colorado River Storage Project Act, as does the first half of the second sentence, but starting with the phrase "and any person or entity whose rights may be affected," appears new language to which the Department of Justice and the White House have objected.

The deletion of this language in the House by amendment or in the Senate can be anticipated. There is no need for such language. The fifth amendment to the U.S. Constitution affords protection to any individual damaged by any activities of the United States. Likewise, a State may sue the United States in the U.S. Supreme Court.

The objectionable language might result in a veto of the act by the President, and this hazard should be avoided.

Mr. Chairman, House Document No. 130—operating principles for the Fryingpan project—gives the Aspen area protection it does not now have and cannot get in any other way. Under Colorado law the Roaring Fork River at Aspen can be dried up at any time its flow is required to satisfy decreed ditch rights. The Twin Lakes Co. owns valid decrees on the Roaring Fork and has the right to divert most of the flow of that river. House Document No. 130 in paragraph 11, permits a contract to be made whereby the Twin Lakes Co. will refrain from drying up the Roaring Fork River to the extent that an exchange of 3,000 acre-feet of project water is made available to the Twin Lakes Co. Aspen Reservoir was deleted from the project at the request of the Aspen area, and without Aspen Reservoir the recreational interests have more protection if the Fryingpan is built than they presently have.

The minority report is in error. By virtue of the provisions of House Document No. 130—paragraph 9—the Fryingpan project has a first or prior right over the Basalt project to divert waters to eastern Colorado the extent of 120,000 acre-feet in any 1 year, or 50,000 acre-feet more than the permitted average annual diversion. The cumulative annual average over a long period will not exceed 69,200 acre-feet. This prior right represents all waters physically collectible at an altitude of 10,000 feet. The Bureau of Reclamation has never contemplated diversion for the Fryingpan project, in excess of the quantities or priorities specified in paragraph 9. A full and ample supply of water is assured the Fryingpan project.

The Secretary of the Interior—section 1B of H.R. 2206—is authorized to investigate the feasibility of a 5,000-acre-foot reservoir in the vicinity of Aspen. No construction is authorized. Feasibility of such a dam must be demonstrated by a written report. Any implication in the minority report that an Ashcroft Dam is authorized or will be built is unjustified and unwarranted.

Mr. Chairman, the Fryingpan-Arkansas project falls squarely under reclamation law in all respects and the multiple-purpose concept of making maximum use of available resources. The combining of purposes in one project results in a completely sound and feasible development and prevents a waste of resources which would occur if development were attempted on a single-purpose basis. It is ideally suited for development under reclamation law. It involves extensive Federal interests and is beyond the capability of local enterprise. It benefits an area where the people themselves have gone as far as they can in meeting their needs. Irrigation in the Arkansas Valley, up to this point, has been by private development.

I am sure that all Members of the House who have supported the Federal reclamation program in the past as a means of assisting economic development of the entire Nation will find this project completely consistent with the objectives of this great program and will give it their enthusiastic support.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I rise in support of H.R. 2206, introduced by my colleague, the gentleman from Colorado [Mr. ASPINALL], a bill authorizing the construction, operation, and maintenance of the Fryingpan-Arkansas project in Colorado. I have sponsored this project from its inception. I have introduced a companion bill, H.R. 2207. My colleagues in the House, the gentlemen from Colorado [Mr. ROGERS and Mr. DOMINICK], have also introduced companion bills.

The Fryingpan-Arkansas transmountain water diversion project is a multiple-purpose project located entirely within the State of Colorado. It derives its name from the Fryingpan River in western Colorado, from which river water will be diverted to the Arkansas River in eastern Colorado.

The purpose of the project is to divert surplus water from the Colorado River Basin in western Colorado to the Arkansas Valley in eastern Colorado. The project will provide supplemental water for irrigation, and also water for municipal, domestic, and industrial purposes, as well as flood control. Hydroelectric power will be generated at seven powerplants. There is also an allocation for the preservation of fish and wildlife resources, and recreation.

This project has been before the House previously, but has never been considered on its merits. In 1954 the House in the closing days of the session rejected a rule for the consideration of the project, and again in 1956 the resolution for a rule was defeated just before adjournment. The Senate has three times passed bills authorizing this project.

The bill now before the House presents a revised project, and in my opinion a much better project than contained in the previous bills. The most important change has been the substitution of the Ruedi Reservoir on the western slope for the Aspen Reservoir. The Ruedi Reservoir will provide storage for 100,000 acre-feet of water for the benefit of western slope water users.

The entire cost of the Ruedi project is being guaranteed by the Fryingpan, and under the operating principles the Ruedi Reservoir must be in operation before any water will be diverted to the eastern slope. This affords full protection to the water users of western Colorado, and there is now complete agreement on this project in Colorado.

This is a feasible project and has been carefully planned by the Bureau of Reclamation. I want to emphasize at the outset that this is a reclamation project, and not a power project. We are primarily interested in the water the project will make available. The development of power is incidental to the water features of the project.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to my colleague from Colorado.

Before yielding I want to commend him on his most comprehensive and convincing statement. He presented the details of the project to the House in a most interesting and informative manner.

Mr. ASPINALL. Is it not true that there is in the legislation and that there is in the operating agreement to which reference is made in the legislation protection for all people who have prior present and potential rights in western Colorado?

Mr. CHENOWETH. The gentleman is absolutely correct. Under the provisions of this bill the Ruedi Reservoir would be first built, and under the operating principles which have been agreed upon, and which are included in this bill by reference, that project must be in operation before any water is diverted from the western to the eastern slope.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Also in section 3(c) there is additional protection to those on the western slope. It says:

> Any and all benefits and rights of western Colorado water users in and to water stored in the Green Mountain Reservoir, Colorado-Big Thompson project * * * shall not be impaired, prejudiced, abrogated, nullified, or diminished in any manner whatever.

That gives further protection to those on the western slope that we will take this water from.

Mr. CHENOWETH. I thank my colleague from Colorado for making that contribution. That further bears out the fact that there is complete agreement among the water users of the western slope.

Mr. Chairman, I am also happy over the fact that an agreement has been reached with the State of California on this project. On April 13, 1962, Mr. Northcutt Ely, special counsel for the Colorado River Board of California, advised me by letter that except for an overall limitation on transmountain diversions that California had no objections to this legislation. This is most gratifying, as we have been working to obtain this agreement for many years. We are most pleased that the way has been cleared for members from California to support this project.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to my distinguished friend from Iowa.

Mr. SCHWENGEL. First, I would like to say that I am very much interested in conservation in America, and that I am impressed with the presentation of the gentleman from Colorado [Mr. CHENOWETH] of this project at this time. However, there are some questions that come to mind which I think ought to be answered at this point. I want to assure the gentleman that I have not yet made up my mind as to how I am going to vote on this question.

Mr. CHENOWETH. I hope that I may be of some help to the gentleman from Iowa in making up his mind to vote for this project.

Mr. SCHWENGEL. If the gentleman will yield further, how many people will be directly benefited when this project is completed, and as it is being offered here before the House of Representatives today?

Mr. CHENOWETH. I would say several hundred thousand people.

Mr. SCHWENGEL. Three hundred thousand people?

Mr. CHENOWETH. Yes. My congressional district has a population of over 450,000, but not everyone would be benefited by this project. But I would say in the neighborhood of 350,000 people would benefit, directly and indirectly, from this project.

Mr. SCHWENGEL. Three hundred and fifty thousand people?

Mr. CHENOWETH. Probably.

Mr. SCHWENGEL. If the gentleman will yield further, how many millions of dollars are involved in this project?

Mr. CHENOWETH. One hundred sixty-nine million, nine hundred and five thousand dollars, estimated, is the total cost of the project.

Mr. SCHWENGEL. Did the gentleman mention the figure of 350,000 people who would be benefited?

Mr. CHENOWETH. Yes. I think about that number.

Mr. SCHWENGEL. If the gentleman will yield further, based upon a per capita basis, that is quite an investment, is it not?

Mr. CHENOWETH. I have never figured it on that basis, I will say to the gentleman from Iowa. However, these people who are committing themselves to the repayment of this project are anxious and are willing to pay whatever the cost may be to obtain this water.

Mr. SCHWENGEL. I understand that.

Mr. CHENOWETH. These people have pledged their property to repay these costs. Their property is included in a water conservancy district, organized under the laws of the State of Colorado. The tax that is now being paid is four-tenths of a mill. That tax will then go up to 1 mill, which will produce something over $500,000 a year when the project is in operation. They are willing to pay this money back. All they want is a loan and the Federal Government to advance the money to construct this project. The cost of the same will be repaid, and for the most part with interest.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ROGERS of Texas. I yield the gentleman 5 additional minutes.

Mr. CHENOWETH. I thank the gentleman from Texas for yielding me additional time.

Mr. SCHWENGEL. If the gentleman will yield further, if my arithmetic is correct, we are investing around $40,000 of Federal money for every person living in this area; are we not?

Mr. CHENOWETH. I have never figured it on that basis, I will say to my good friend from Iowa. The gentleman from Colorado [Mr. ASPINALL] in his statement called attention to the increased amount of money which is returned to the Federal Treasury in taxes as a result of these reclamation projects. I think it is a good investment. What the investment is for every man, woman, and child in the area I do not know. I have never considered the cost on that basis.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to my colleague from Colorado.

Mr. ROGERS of Colorado. As I understand it, the gentleman from Iowa [Mr. Schwengel] wants to know definitely how many people will be benefited as a result of the construction of this project, and what it would cost. Further, based upon those facts, the gentleman wants to try to arrive at a figure as to the cost per person.

Mr. SCHWENGEL. I want to know first how many people will be directly benefited if this project is built.

Mr. ROGERS of Colorado. In the first place, the gentleman from Colorado [Mr. Chenoweth] failed to mention the regulation of the water on the western slope with the construction of the Ruedi Reservoir, which could be included in the number that he has set forth.

Secondly, of the moneys that are advanced, or of the $171 million, at least $150 million is repayable. So, it is impossible for the gentleman from Colorado [Mr. Chenoweth] and myself to say to the gentleman from Iowa [Mr. Schwengel] with any certainty as to how much it would be for each individual who may live in the southern part of the State or the western part of the State.

In addition to that, there are the power projects. Electricity may be sent to the various parts of the State of Colorado. While one cannot say that it will directly benefit everyone, nevertheless, we in Colorado feel that it will benefit the entire State, which has a population in excess of 1.75 million people.

Mr. CHENOWETH. I would like to support what the gentleman from Colorado [Mr. Rogers] has just stated. The entire State will benefit from this project.

Mr. SCHWENGEL. If the gentleman would yield further, in that sense it could help the whole of the United States?

Mr. ROGERS of Colorado. That is right.

Mr. SCHWENGEL. If the gentleman will yield further, my point is, and the gentleman still has not answered the question, how many people will be directly benefited as a result of the construction of this project so we can arrive at the per capita cost?

Mr. ROGERS of Colorado. If the gentleman from Colorado [Mr. Chenoweth] will yield further, may I say to the gentleman from Iowa we have never in any of these projects taken an individual count of the heads on, say, a project which is estimated to cost $20 million, or which amount the Government would be out, of which most of it is for flood control, no more than if the gentleman from Iowa had a flood control project and came to us and stated what it would cost to control a river, and how much it would cost the people in the gentleman's district per head.

Can the gentleman tell me——

Mr. SCHWENGEL. Oh, yes, I can.

Mr. ROGERS of Colorado (continuing). How much per head it would cost for the people in his district or in any flood control area for a specific project?

Mr. SCHWENGEL. I can.

Mr. CHENOWETH. Mr. Chairman, I want to see the gentleman from Iowa [Mr. Schwengel] satisfied concerning the figures he is seeking.

Mr. SCHWENGEL. I am just trying to get some facts and figures that I can use as a basis for considering the worthwhileness of this project.

Mr. CHENOWETH. This will benefit not merely the people in this immediate area, but the people of the entire State and the entire Nation. I contend an investment in reclamation is a good investment for the entire country. I think the State of Iowa will benefit from this just as much as any other State.

Mr. SCHWENGEL. On a per-acre basis we know how much is involved here. The minority report says that we will be spending $1,560 per acre for a full water supply. On that basis, this is a rather expensive project.

Mr. CHENOWETH. I do not think it is anything like that. I think around $250 per acre is a more accurate figure. What I am trying to impress upon the Members is that all of this money is going to be repaid. The farmer is going to pay for his water. The district will be taxed. The money will be paid back to the Federal Government, with interest.

Mr. KING of Utah. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Utah.

Mr. KING of Utah. Mr. Chairman, I should like to correct what may have been a mathematical error. Based upon benefits to 400,000 people, according to the amount involved, I come to a figure of $425 as the cost per person; which I think is a very reasonable figure.

Mr. CHENOWETH. I know the gentleman is an expert mathematician and I appreciate his contribution.

Mr. Chairman, the residents of the Arkansas Valley are asking for a loan—not a gift. They have obligated themselves to repay every cent of the construction costs of this project. Their property is included in the Southeastern Colorado Water Conservancy District, organized under the laws of the State of Colorado, which will sign a contract for the repayment of construction costs allocated to irrigation, power, and municipal water. This property will be taxed to assist in repayment of these costs. The farmers using project water will pay for the same. The towns and cities using water for municipal purposes will pay for this water, with interest.

Mr. William I. Palmer, Assistant Commissioner of Reclamation, in his appearance before the House Subcommittee on Irrigation and Reclamation last year, had this to say about the Fryingpan:

> We, in the Bureau of Reclamation, believe that this project meets every standard test of current reclamation doctrine, as defined by many recent acts of Congress. All reimbursable costs are returnable within a 50-year period of time, and the project is economically justified by the most severe test that has yet been suggested for public works construction. Satisfactory repayment entities have been created under Colorado law and have continuously urged enactment of authorizing legislation so that appropriate repayment contracts might be consummated. The State of Colorado and previously divided factions thereof, we understand, are united in their support of the development.

This project provides for the annual diversion of 69,100 acre-feet of water from the western slope to the eastern slope of Colorado. This will be accomplished by a tunnel 5.3 miles in length, and some 10 feet in diameter.

In addition, it will be possible to capture intermittent floodflows of the Arkansas River and reregulate these waters. The water supplies of the Arkansas Valley would be increased by about 183,000 acre-feet annually. This would furnish 163,100 acre-feet of supplemental water for the 280,000 acres of farmland now under cultivation, and would supply 20,500 acre-feet for municipal purposes.

No new land will be brought under cultivation by this project. The irrigation water will be used to supplement the water now being used on some 280,000 acres of irrigated land in the Arkansas Valley in Colorado. There is an annual shortage of water in this area, and this additional water will be used to firm up crops, which might otherwise be lost for lack of sufficient water at the proper time.

This project is not going to add to the surplus stock of agricultural commodities in this country. On the contrary, the project will enable the farmers of the Arkansas Valley to plant those crops which will bring them the highest yield per acre. These are not crops which are now in surplus. At the present time the farmers must plant those crops which they feel can be harvested. This will depend on the amount of water available. If they had the assurance of adequate water in the late season they would plant the specialty crops which bring them the most money, and provide a higher net cash yield per acre. This project will give them that assurance.

The water made available under this project can be regarded as insurance for the farmers in the Arkansas Valley. They are now confronted each year with the possibility that they will not have sufficient water to finish out the high value crops which are grown in this area. If they knew that adequate water would be available at all times during the growing season they would plant more of these crops each year. Under this project the farmers will raise more sugarbeets, alfalfa, onions, tomatoes, and other high value crops. This has been the experience under the Colorado Big Thompson project in Colorado, which has been in successful operation for some years.

The Arkansas Valley is a very fertile and productive area. The principal crops raised are alfalfa, sugarbeets, corn, sorghums, vegetables, and different types of seeds. There are two sugarbeet factories in the valley. The American Crystal Sugar Co. has a plant at

Rocky Ford, and the National Sugar Manufacturing Co. operates a plant at Sugar City. There is a tomato cannery which also processes pickles, and a number of alfalfa dehydrating plants. The valley is the home of the famous Rocky Ford watermelons and cantaloups. Turkey raising and cattle feeding are very important to the economy of this area. It is necessary to ship in large amounts of grains to supply the turkey and livestock producers. The feed grains produced in the valley are consumed locally, and will not add to our farm surplus.

There is also a growing need for additional domestic water in this area. Some 20,500 acre-feet of this water will be used to supply cities and towns with municipal water. Included are Pueblo and Colorado Springs, the second and third largest cities in Colorado, as well as a number of other cities and towns in the Arkansas Valley.

I would like to make it crystal clear at the outset that this is not a new project, hastily conceived and lacking necessary engineering data and support. This project has been under consideration for many years and has received exhaustive study and planning by the Bureau of Reclamation. Many years ago in Colorado men with vision conceived the idea of bringing surplus water from the western to the eastern slope of Colorado, in order to satisfy recurring water shortages in the Arkansas Valley. This project is the culmination of their dreams. Many of these pioneers in water development have passed on to their reward, but others are living and I hope will live to see their dreams fulfilled.

This project is being sponsored by the Southeastern Colorado Water Conservancy District, which has been organized under the laws of the State of Colorado. This district comprises the lands which will be served with supplemental irrigation water under this project, and consists of some 280,000 acres. The total assessed value of the lands contained in the district is over $450 million. This district also includes the cities of Colorado Springs and Pueblo, and other towns and cities in the Arkansas Valley, which will receive municipal water.

The conservancy district is the legal entity which will sign the repayment contract with the Federal Government on this project. It has been operating for several years and is being financed by a four-tenths of a mill levy on all the property included in the district. The district has a most competent board of directors, and has prospered under their efficient direction. A tax of 1 mill will be levied upon all of the real property in the district when the project is in operation. The office is located at Pueblo, where monthly meetings of the board are held. The president of the district is Mr. J. Selby Young, of Colorado Springs.

This project has had the approval of three administrations, two Democratic and one Republican. The first approval was by Mr. Oscar L. Chapman, Secretary of the Interior, on May 4, 1951. The second approval was by Mr. Douglas McKay, Secretary of the Interior, on April 28, 1953, and later by Secretary Fred A. Seaton. The project has again been approved by the present administration and by Mr. Stewart Udall, Secretary of the Interior.

The project has had the strong, personal endorsement of two Presidents of the United States, former President Dwight D. Eisenhower and President Kennedy. In several budget messages to Congress from 1955 to 1960, President Eisenhower annually recommended authorization of the Fryingpan project. He included funds for the project in 1955 and 1956, and continued to recommend its prompt authorization. President Kennedy has also endorsed the project and has urged Congress to authorize the same.

The Fryingpan project has the unanimous approval of the Colorado Water Conservation Board, which speaks officially for the State of Colorado on all water matters. I wish to commend Mr. Felix L. Sparks, executive director of the board, for the fine job he did in working out the agreement between the water users in the western and eastern slopes. It is largely through his efforts that Colorado is today presenting a united front on this project.

The project has the approval of the Colorado River Water Conservation District, and the Southwestern Colorado Water Conservation District, both of which have agreed to the operating principles as contained in House Document No. 130, 87th Congress. These districts represent the water users of western Colorado.

The project has also received the unanimous endorsement of the Upper Colorado River Commission. At a meeting of the commission held in Denver on May 11, 1961, a resolution was adopted by unanimous vote endorsing the Fryingpan project. This commission has the responsibility for the administration of the Upper Colorado River Basin compact. The endorsement and approval of the project by this commission is most significant, and indicates that all of the upper Colorado River States have approved the project.

The Fryingpan project has the approval of all of the States which are parties to the Colorado River compact, as well as the State of Kansas, which has a compact with the State of Colorado for the division of the waters of the Arkansas River.

The estimated cost of the project based on 1961 prices is $169,905,000, which is allocated as follows:

| | |
|---|---|
| Irrigation | $66,097,000 |
| Power | 62,667,000 |
| Municipal water | 22,233,000 |
| Flood control | 15,014,000 |
| Fish and wildlife | 3,839,000 |
| Recreation | 55,000 |
| Total | 169,905,000 |

A limitation of $170 million has been inserted in H.R. 2206. In my opinion the project can be constructed for a smaller amount. This is also the opinion of many others, including engineers and water leaders. I wish to emphasize that it will require a period of from 12 to 14 years to complete construction of this project, during which time interest will be paid on construction costs. Every effort will be made to reduce the cost of construction to the lowest possible figure.

This project is beyond the ability of local interests to finance and construct. All of the money will be repaid to the Government, with the exception of the items charged to flood control, fish and wildlife, and recreation, amounting to $18,908,000, which costs are nonreimbursable. The remainder of the construction costs will be repaid with interest, except the allocation to irrigation, which is interest-free under reclamation laws.

The farmers will contribute to the repayment costs by paying for all of the project water which they use at the rate of $5.40 per acre-foot. Farmers will also pay for storage of their own water during the winter months at the rate of $2.25 per acre-foot. This water will be stored in the Pueblo Reservoir. The towns and cities will pay for the water they use for domestic purposes. Hydroelectric power will be sold to preference customers and to private utilities.

The annual receipts under the project have been estimated as follows:

| | |
|---|---|
| Conservancy district | $516,160 |
| New irrigation revenues | 364,965 |
| Power revenues | 2,371,150 |
| Municipal water | 832,710 |
| Total | 4,084,985 |

Under the provisions of this bill, the power costs will be repaid in 41 years, with interest, after completion of the power facilities. The revenue from power sales will then be used to assist in the payment of the amount allocated to irrigation, but which is beyond the ability of the water users to pay during the period specified. It is estimated that the irrigation allocation will be repaid in a period of 50 years, after completion of construction. The amount charged to municipal water will be repaid with interest in 50 years. It is estimated that water users, and revenues from the conservancy district, will pay some 70 percent of the total amount allocated to irrigation, or about $46,635,000. The balance of $19,411,000 allocated to irrigation will be paid from surplus power revenues.

The bill provides that the Secretary of the Interior shall not proceed with the construction of any of the municipal water-supply systems until he is satisfied that it would be infeasible for the local communities involved to construct these facilities, either singly or jointly. If these facilities are constructed by the local cities the cost of the project will be reduced in the amount of $14,240,000.

This is a self-contained and independent project, using water belonging to the State of Colorado which has been allocated under the upper Colorado River compact. Only 69,100 acre-feet of water is to be diverted from the Colorado River Basin. Under this compact, Colorado was allocated 51.75 percent of 7,500,000 acre-feet, amounting to 3,850,000 acre-feet of water in the Colorado River. The amount to be used by this project is less than 2 percent of this total. Colorado is now using less than 2 million acre-feet of the Colorado River water to which she is entitled under the terms of the compact. Colorado furnishes 70 percent of the water in the Colorado River.

No other State is affected by this project. This water belongs entirely to the State of Colorado. Not a drop of water is taken from any other State. The project merely provides for the use in Colorado of water which has been allocated to us under the terms of the upper Colorado River compact.

The State of California has withdrawn its objections to the project. On April 13, 1962, Mr. Northcutt Ely, special counsel for the Colorado River Board of California, advised me that the objections we previously raised to the specific provisions of the Fryingpan bill have been met with the single exception noted in my testimony. The exception to which Mr. Ely refers is the proposal for an overall limitation of 25 percent on all of the transmountain diversion out of the Colorado River Basin. It was impossible to reach an agreement on this proposal, as we feel such a limitation cannot be approved under the compacts dividing the water between the several States, and under the constitution of the State of Colorado.

The water will be collected on the western slope by a system of 50 miles of covered conduits and tunnels. The water to be diverted will come from Hunter Creek and the Fryingpan River, which are tributaries of the Roaring Fork River. The water will be brought to the eastern slope through the Continental Divide by means of a tunnel.

There are three earthen dams in the project which will be used to store water. Two of these dams are now in existence and will be enlarged. The first of these is the Sugar Loaf Dam near Leadville, which now has a capacity of 17,000 acre-feet. This reservoir will be enlarged to a capacity of 117,000 acre-feet. The second is the Twin Lakes Reservoir, which now has a capacity of 56,000 acre-feet, and will be enlarged to 260,000 acre-feet.

The third dam will be located just west of Pueblo and will have a capacity of 400,000 acre-feet. The overall storage capacity of the project will be 777,000 acre-feet.

The project will produce about 123,900 kilowatts of hydroelectric energy from a series of seven powerplants. Six of these plants will be in the vicinity of Leadville and Salida, where there is a total drop of 2,250 feet in elevation. The seventh plant will be located at the Pueblo Reservoir, just west of the city of Pueblo. It is estimated that the total firm power output of these plants would be 507 million kilowatt-hours annually. It is proposed to sell firm power at 6.5 mills.

Most of this power will be purchased by REA cooperatives in this area, including the Southeast Colorado Power Association at La Junta, the San Isabel Electric Association at Pueblo and the Sangre de Cristo Electric Association at Salida. These REA associations serve more than 35,000 rural people living in 17 counties in southeastern Colorado, comprising approximately one-fourth of the State's total area.

These REA groups have been intensely interested in this project and have always given the same their wholehearted support. They have first claim on this power as preference customers. All of these cooperatives are in need of cheaper and additional power in order to supply the demands of their customers, and at the same time meet their financial obligations to the Rural Electrification Administration in Washington.

Practically all of the power now available to the REA cooperatives comes from private utilities. There has been a very happy relationship between the REA groups and the private power companies in this area. The private utilities, the Southern Colorado Power Co. and the Public Service Co. of Colorado, have agreed to make their transmission facilities available for the distribution of this power. They have also offered to purchase all of the power not required by the preference customers.

The Fryingpan-Arkansas project is designed as a completely self-contained unit. Its approval by Congress implies no commitment for any future transmountain diversion project from the Colorado River Basin to the Arkansas River Basin, and there are no plans for any such project.

The Fryingpan-Arkansas project is feasible and has a favorable benefit-cost ratio. An economic analysis of the project indicates that over a 100-year period the project benefits will exceed the cost in a ratio of about 1.65 to 1.

Mr. Royce J. Tipton, of Denver, a recognized engineer of national and international reputation, in a statement before the House committee, commented on the project as follows:

> My conclusion is, after having been intimately identified with the evolution of the project as a member of the engineering advisory committee of the policy and review committee, that the project is well conceived from an engineering standpoint, and that it will provide the maximum possible benefits from the water supplies made available by it. From the standpoint of need for the project, and the engineering feasibility of it, I strongly urge its authorization.

The water to be diverted by this project will be sold for $5.40 per acre-foot. Farmers from the Arkansas Valley have appeared before the committee and stated without hesitation that they are willing to pay this price for this water. They stated that in many cases this additional water would mean the difference between a crop or no crop at all. They assured the committee that the farmers in the Arkansas Valley are able, ready, and willing to pay this amount for this supplemental water. These farmers have always given the project their full support.

The project has the enthusiastic support of the people of the Arkansas Valley. Many civic, fraternal, and community organizations have endorsed this project. The desperate need for this additional water is fully recognized and these people are most anxious to have this project constructed at the earliest possible date.

Among the many groups supporting this project, and who have submitted resolutions in favor of the same, are:

National Farm Loan Association of Pueblo.

Local No. 113, International Brotherhood of Electrical Workers.

Chamber of Commerce of Pueblo.

Colorado State Federation of Labor.

Colorado State Association of REA Cooperatives.

Holbrook Mutual Irrigating Co.

Resolutions from numerous city councils, town boards, and county commissioners.

Resolutions from many senior and junior chambers of commerce.

Resolutions from many Rotary, Kiwanis, Lions, and Elks Clubs, and American Legion posts.

Numerous civic organizations and clubs.

Many labor organizations.

Several sportsmen's clubs.

This is a reclamation project to be constructed under general reclamation laws. It is a good investment for the Government. The initial cost will be repaid to the Federal Government in full, and with interest, except for the amount allocated to irrigation, which is interest-free under reclamation laws. All that we are asking is a loan. The Government will advance the money, for construction costs, and it will be repaid as mentioned above.

I want to thank my colleagues in the House who have expressed their interest in the Fryingpan-Arkansas project, and for their support, both in past years and on the present bill. I urge you to vote for the bill and to authorize this project which is in the best interests of not only Colorado, but the entire Nation.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. Chairman, what we are dealing with today is the most vital resource we have: water. Without this, there is not any community that can survive. Without this, no land can produce any edible vegetation nor any crop of any kind.

The Arkansas River Valley in Colorado is a fertile area. It is a growing area in both population and industry. But a critical shortage of water exists in the basin, a shortage that menaces the whole economic stability of the region. The average rainfall, for example, in the region is one-third the average rainfall in St. Louis, New York, or Washington; one-fourth that of Atlanta, and one-fifth the average rainfall in New Orleans. With existing water supplies, the problem of pollution, chloride content, alkalinity, hardness, and turbidity is one of the most serious in the whole country. It is imperative that additional supplies of water be secured if this region is to continue to develop. The Fryingpan-Arkansas project is the only hope for new water—no other source is available as the underground water is already up to the rate of recharge.

At present, the extreme fluctuations of the Arkansas River produces both floods and drought, leaving the farmers of the valley to face each year with complete uncertainty. Flood damage is estimated to average $700,000 a year, and the constant threat of drought and crop failure has an adverse and depressing effect on all business in the region. The purpose of this project is to correct both these conditions.

The situation in this area of southeastern Colorado is strikingly similar to the conditions which existed in my own district of northeastern Colorado prior to the construction of the Colorado-Big Thompson project.

Experience has shown that the Colorado-Big Thompson has been of enormous benefit to northern Colorado. It has stabilized the economy of that region, and was largely responsible for avoiding what could have been a major disaster during the drought years of 1953 to 1957.

It is interesting to note that in the area under irrigation from Colorado-Big Thompson water—and I think you all will be interested in this—the farms in general have shifted from crops which are classified generally as surplus to more stable crops, including vegetables and additional farm livestock feeding operations.

Prior to the completion of the Colorado-Big Thompson project the crops grown in the area were barley, corn, oats, sorghum, wheat, alfalfa hay and other hay, irrigated pasture, other forage, ensilage, dry beans, sugarbeets, vegetables, seeds, and fruits.

Now look what has happened since the Colorado-Big Thompson project made it possible for the farmer to plant for his most productive market because he has the additional water. Barley acreage and yield decreased 23 percent. Corn and oats dropped 17 percent. Wheat acreage dropped a phenomenal 71 percent. But vegetable production increased almost 36 percent.

The same results can be anticipated in the Arkansas Valley when this project is completed. Of the five major crops which make up virtually our entire inventory of surplus agricultural commodities—wheat, corn, cotton, tobacco, and sorghum—the Arkansas Valley does not now produce any cotton or tobacco, and this project would not change that picture. No cotton or tobacco will be produced by the water supplied from this project. The production of wheat is not economical under irrigation and it will decline sharply. Wheat is uneconomical by comparison with other irrigated crops. It cannot compete with vegetables where they can be grown on the same land. The Fryingpan-Arkansas project is not going to irrigate any new land. It will better irrigate some land already under irrigation. Perhaps even more important, will be the assurance of a more adequate water supply to the cities of Pueblo, Colorado Springs, Rocky Ford, La Junta, Las Animas, Lamar, Canon City, and Leadville.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I want to commend my colleague on the very interesting and persuasive statement he is making. I am very much interested in the statistics he has given concerning the operation of the Colorado-Big Thompson project. He calls our attention to the fact that some of these crops—in surplus—have been reduced because of the additional water made available.

Mr. DOMINICK. I thank my colleague.

Mr. CHENOWETH. I should like to have the gentleman impress this fact on the gentleman from Kansas [Mr. Avery] and that the same thing that happened in connection with the Colorado-Big Thompson project will occur in the Arkansas Valley if the Fryingpan project is constructed.

Mr. DOMINICK. I am sure that would be true. When you provide water for irrigation purposes, the result of this is you put into production crops which are the best cash crops you can get, which are not those now included in the surplus products.

There is one more thing which I think must be emphasized; that is, I think the stumbling block to most of the water power projects is not here present—that is, the public versus private power fight. It is not in this project. We do have public power in this, but the private utility companies as well as the cooperatives have assured us they are in complete agreement about the need for and the planned operation of the Fryingpan-Arkansas project.

There is no element of relief in this project. The only amounts that are not going to be repaid are for fish and wildlife, recreation, and flood control, which you have already heard my colleagues, the gentlemen from Colorado [Mr. Chenoweth and Mr. Aspinall], talk about. These things are necessary as part of a multipurpose project, and they will benefit the entire State—and the Nation, for that matter.

This project has been under study for 30 years. It has been ready for 10 years. The disagreements which have blocked passage in prior years have been resolved in the State and the urgency gets greater every year.

This is an authorization bill, not an appropriation bill. Appropriations, when they are made, will be repaid directly to the extent of almost 90 percent. The construction will occur over a period of 12 or 14 years depending upon the amount of appropriations in future years, and there will be no appreciable effect as far as I can see in this or in next year's budget. So I earnestly ask all those who are present, for their support in voting for the enactment of what I conceive to be one of the best and most important reclamation projects we have ever had before us.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I am delighted to yield to my colleague.

Mr. WICKERSHAM. I notice the gentleman from Kansas in inquiring about this program, agreeing with what you say, that this would be a lot better for Kansas because they would raise a lot less wheat; is that right?

Mr. DOMINICK. As far as I can see, this will result in a benefit to Kansas and by virtue of the amount of corn, wheat, and sorghum that would be taken out of production in the Arkansas Valley, it would give them room, perhaps, for a little more market.

Mr. WICKERSHAM. The gentleman from Iowa and the gentleman from Kansas are both very able men, and I can appreciate the fact that they are interested in finding out the facts. Is it not true that more people go to Colorado from Kansas and from Iowa than almost any State in the Union for recreation facilities and also stay there all summer long?

Mr. DOMINICK. From Kansas, from Iowa, from California, and from Texas, we have an invasion which we welcome every year. We hope they will keep coming and this will make it even more pleasant for them to come.

Mr. WICKERSHAM. There is one little project in my district in Oklahoma which is one-fourth this large, and 2¼ million people come there each year for recreational purposes and the additional business that is generated has been worth hundreds of thousands of dollars.

Mr. DOMINICK. I think the gentleman has made an excellent point and I sincerely appreciate his contribution.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I am glad to yield to the gentleman from Kansas, my good friend.

Mr. AVERY. I certainly appreciate the gentleman yielding, particularly in view of the fact that reference has been made to the gentleman from Kansas, and I can only conclude that it might possibly have been me because I did address the Committee this afternoon.

Mr. DOMINICK. Yes, and it was so intended.

Mr. AVERY. No. 1, I want it to be abundantly clear that you do not need to pass this project to accommodate Kansas. We are getting along pretty well just the way things are. You do not need to pass the farm bill to accommodate Kansas, we are getting along without that and we can get along without this project too. If the transient and tourist business from Kansas into Colorado is pretty important, then I would suggest that we just go along and leave things in status quo. But, if you pass this farm bill and pass the pending bill, we are not going to have enough money to go to Colorado.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROGERS of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the authorization of the Fryingpan-Arkansas project, as provided for in H.R. 2206, would permit the State of Colorado to put to maximum use a small portion of its undeveloped water resources. About 69,000 acre-feet of water would be diverted from the Colorado River Basin to the Arkansas River Basin. This small amount is only about 2 percent of Colorado's share of the Upper Colorado River Basin's expected entitlement under the Colorado River compact of 1922 and the Upper Colorado River Basin compact of 1948. By this transmountain diversion from western Colorado to eastern Colorado through the Continental Divide, additional water in the Arkansas basin will be made usable so that the total project water supply for the Arkansas Valley amounts to about 183,000 acre-feet.

The project would provide supplemental irrigation water for approximately 280,000 acres of land in the Arkansas Valley and about 20,500 acre-feet of municipal water for Colorado Springs and other Arkansas Valley towns. Operation of the project would prevent flood damages along the Arkansas River which presently average more than $700,000 annually. The hydroelectric plants and related facilities would provide about half a billion kilowatt-hours of electric energy annually. In addition, the project would benefit fish and wildlife, provide recreational opportunities, help control sediment, and prevent stream pollution.

The Fryingpan-Arkansas project is a self-contained multiple-purpose development wherein each function is related and contributes to the support of the overall project and its feasibility. The project would be operated in a manner which has been agreed upon by the State of Colorado and all agencies within the State which have responsibilities in connection with the development and use of water resources.

I would like to explain briefly the Fryingpan-Arkansas project plan of development and operation. A system of canals and tunnels, referred to as the collection system, would be constructed on the upper tributaries of the Fryingpan River and the Roaring Fork River in western Colorado for collecting an average of about 69,000 acre-feet of water annually which would be diverted to the Arkansas Valley through the 5.3 mile Fryingpan-Arkansas Tunnel. On the eastern slope the water would be stored in the Sugar Loaf Reservoir, which is to be enlarged under the project plan from its present capacity of 17,000 acre-feet to 117,000 acre-feet. From there, the regulated water would flow through the Elbert Canal and powerplant and into the Twin Lakes Reservoir which would be enlarged from its present active capacity of 56,000 acre-feet to 260,000 acre-feet. In addition to the imported water, water from the Arkansas River would be diverted into the Twin Lakes Reservoir by construction of the Snowden Diversion Dam and Canal. The enlargement of the Twin Lakes Reservoir would also permit the Twin Lakes Canal Co. to export an additional 14,000 acre-feet of water annually. From the Twin Lakes Reservoir the water would be diverted through five additional powerplants before reaching the Arkansas Valley service area. The principal storage facility on the Arkansas River would be the 400,000 acre-foot Pueblo Reservoir where the flows would be regulated for irrigation, for municipal use, and for flood control. An additional powerplant would be constructed at the Pueblo Reservoir.

The entire power system, consisting of seven powerplants and related facilities, would have an installed capacity of 123,900 kilowatts. Specific municipal water facilities for conveying water to Colorado Springs and other Arkansas Valley towns would be constructed by the United States only if construction by the communities themselves proved infeasible.

I would like to return briefly to western Colorado and discuss the Ruedi Dam and Reservoir which would be constructed on the Fryingpan River, about 14 miles above Basalt, Colo. The Ruedi Dam and Reservoir, with a capacity of about 100,000 acre-feet, would provide the replacement water for the water diverted to the Arkansas Basin and would also provide additional regulatory storage capacity to serve future multiple purposes in western Colorado. Only about 28,000 acre-feet of capacity is needed in connection with the diversion to the Arkansas Basin. It is this feature of the project which provides for development and use of water in both eastern and western Colorado. The legislation also requires the Secretary of the Interior to investigate and report upon the need for an additional reservoir of about 5,000 acre-feet capacity on the Roaring Fork River above its confluence with the Fryingpan River. The purpose of such an additional reservoir would be to offset any adverse streamflow conditions on the Roaring Fork River in the vicinity of Aspen which might occur as a result of the Fryingpan-Arkansas project operations.

The Fryingpan-Arkansas project, consisting of the works which I have just described, is estimated to cost $169,905,000. This amount includes $13,761,000 for the municipal water delivery system which may be constructed by the communities themselves, thus reducing the project cost.

Of the total estimated cost of $169,905,000, $18,908,000 is allocated to nonreimbursable purposes and $150,997,000 is allocated to reimbursable purposes. The nonreimbursable purposes are flood control, $15,014,000; fish and wildlife, $3,839,000; and recreation, $55,000. The reimbursable purposes are irrigation, $66,097,000; municipal water, $22,233,000; and electric power, $62,667,000. The entire cost of the Ruedi Dam and Reservoir is included in the cost of the Fryingpan-Arkansas project for repayment purposes even though three-quarters of the storage capacity will be available to serve future needs in western Colorado.

The amount allocated to electric power would be repaid with interest by the 41st year after completion of all power facilities. The amount allocated to municipal water supply would also be repaid with interest in a period of 40 years following completion of construction. If the municipal water delivery system is constructed by the Federal Government, it would also be repaid with interest within a 50-year period. The amount allocated to irrigation would be repaid within 50 years from revenues received from water users amounting to $21,709,000, revenues received from ad valorem taxes amounting to $24,977,000, and revenues from power operations above those required for repayment of the power investment amounting to $19,411,000.

The Department's economic analysis of the Fryingpan-Arkansas project indicates that on an annual basis the total project benefits will exceed the costs in a ratio of 1.65 to 1. The total annual benefits are determined to be about $11 million, comprising irrigation benefits amounting to $5,007,000, municipal and industrial water benefits amounting to $1,274,000, power benefits amounting to $3,606,000, flood control benefits amounting to $720,000, fish and wildlife benefits amounting to $172,000, recreation benefits amounting to $80,000, and sediment control amounting to $141,000.

Mr. Chairman, the subcommittee of which I am chairman has given thorough and detailed study to H.R. 2206 and to the Fryingpan-Arkansas project. Last year the subcommittee held 2 days of public hearings on this legislation during which only one witness appeared in opposition. He was representing a number of others. In addition, the committee has exhaustively studied this project in previous years. The project before us today has been modified since it was previously considered and is much improved from both a physical and economic standpoint. In addition to the standard provisions in the bill for project authorization purposes, the bill includes language to assure operation of the project in accordance with all the compacts, statutes, and treaty which make up the so-called law of the Colorado River and to fully protect the rights of all the States in the Colorado River Basin. The committee adopted only minor and clarifying amendments to the bill.

The Interior and Insular Affairs Committee concluded that the proposed Fryingpan-Arkansas project is sound from an engineering, economic, and financial standpoint and meets every standard test of current reclamation doctrine and policy. The committee concluded also that the project is urgently needed to stabilize the livestock industry in the Arkansas Valley, to permit flexibility in farming operations so cropping practices can be adjusted to meet market demands, and to help alleviate the present unstable economic conditions that exist due to the effects of drought and a restricted water supply.

Mr. Chairman, the Committee on Interior and Insular Affairs recommends that the House approve H.R. 2206.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield at that point?

Mr. ROGERS of Texas. I am happy to yield to my chairman.

Mr. ASPINALL. And in conformity with the statement the gentleman has just made it would be necessary for the Secretary of the Interior to have a finding that it is infeasible for these municipalities to build their own municipal lines and systems before the Secretary will have authority. Is that correct?

Mr. ROGERS of Texas. The gentleman is correct.

Mr. ASPINALL. And if the Secretary so finds, an amount is included within the overall amount that will be authorized by this bill, but if the Secretary does not so find then the amount of $170 million must be reduced by the amount of $13 million. Is that correct?

Mr. ROGERS of Texas. That is correct. I thank the gentleman for his contribution.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

**Mr. ROGERS** of Texas. I yield to the gentleman from Kansas.

**Mr. AVERY.** I do not like to presume upon the time of the members of the committee on that particular project, but I think it is important to point out the distinction between the utilization of the various assets in this project. Those of us who are appearing here in opposition today certainly have no quarrel to make with the opponents over the Water Conservation Act.

It is purely irrigation that will have the effect of accelerating agricultural production at this time, to which we object.

Now, my question is, Has the committee considered the various increments of this project, such as the Pueblo Reservoir, that I understand is to provide a substantial amount of flood control with which we are sympathetic, and if this is to provide flood control, very obviously it would have to stabilize the water supply in the Arkansas River from that point to wherever the assets will be dissipated? Has that approach been considered, leaving out irrigation?

**Mr. ROGERS** of Texas. You mean to finance the entire program without irrigation?

**Mr. AVERY.** If you leave out irrigation, you would not have to take up so much water. Could you fully utilize the water that belongs to the water users, forgetting about the irrigation, and stabilizing enough water for the other uses?

**Mr. ROGERS** of Texas. I think possibly you could, but unless you tie this entire project together, I think your cost would shoot upwards measurably, and when you try to approach on a per capita cost or per-acre cost, I think it would be completely out of proportion to what we have here because of the payback ability of the project.

**Mr. AVERY.** Could the gentleman tell us what the estimated cost of the Pueblo Reservoir would be?

**Mr. ROGERS** of Texas. That is in the report to which I refer my good friend.

**Mr. AVERY.** I am advised it is $38 million.

**Mr. ROGERS** of Colorado. Mr. Chairman, if the gentleman will yield, $37,758,000 is the figure given.

**Mr. ROGERS** of Texas. Now, that is on page 6 of the report: Pueblo Dam, Reservoir, and powerplant, $37,758,000.

**Mr. AVERY.** Now, I do not want to prolong this, but may I submit this final question? Can that project be justified as economically feasible as a separate entity?

**Mr. ROGERS** of Texas. The Pueblo Reservoir?

**Mr. AVERY.** Yes.

**Mr. ASPINALL.** Mr. Chairman, if the gentleman will yield, studies show that it would not be considered feasible, and standing by itself, Pueblo Reservoir would not be built. But, standing with the rest of the units of the project, the stepping down and lowering of the water as it comes down and the benefits that will come from these other installations show that the reservoir can be built, and the cost that is allocable to flood control is consistent with formulas presently used for such purposes.

**Mr. AVERY.** I must say that I regret that that particular aspect of the project could not stand by itself, because I think there would be no opposition to it. And, it seems to me it is in perfect conformity to the recognized obligation of the Federal Government. But, when you add irrigation to that at a time of surplus, I just cannot find myself in agreement with my friend from Texas and my friend from Colorado.

**Mr. ROGERS** of Texas. Let me say this in regard to the surplus, and I think the matter ought to be pointed up very clearly. As the gentleman knows, we have been over this project a number of times, and I looked upon it with a great deal of skepticism when it first became my opportunity to get into it. But, the fact of the matter is this, that these surpluses are going to be settled in either one of two ways in this country. They are going to be settled by control of the production of the product itself or they are going to be settled by permitting the price to go so low that it will not be in any way feasible to grow them. Now, what is going to happen I do not know, and the gentleman, I am sure, is waiting to see what happens to the farm bill. But, in this particular instance we have a water supply lack. If these people in this general area could have more water, I think they would grow nonsurplus crops. What has happened is this, and I believe the record will reflect and I think the hearings will reflect it, and I refer the gentleman to them, that all of the feed grains and the corn that went into the Commodity Credit Corporation—I do not believe any corn has gone into the Commodity Credit Corporation, but any that has, has been redeemed by the farmer, and the same thing is true of grain sorghums that went into Commodity Credit Corporation storage, which, of course, burdened the economy with surpluses, but it has been redeemed by the farmer, which simply means it was fed out.

So, livestock operations in this area are much more profitable if these people can grow this and feed it out.

**Mr. AVERY.** Mr. Chairman, will the gentleman yield 1 minute further, and then I shall not ask him to yield again?

**Mr. ROGERS** of Texas. I yield to the gentleman from Kansas.

**Mr. AVERY.** I do not think it is fair to draw a line between products that are in surplus and products that are not. There are some that are supported and some that are not. I do not know of a single agricultural product that is in short supply. If there are some in short supply I would like to know about them.

**Mr. ROGERS** of Texas. Let me say this to the gentleman from Kansas in answer to that: I think the reason for that is this: When you get back to the basic problems involved, there are two kinds of agricultural problems. One is surplus agricultural commodities, and one is a shortage of agricultural commodities. We have one problem while Russia and China have another. I prefer ours. I think the reason we have surpluses is because we had the foresight to do the things in the western part of this country in reclamation and in working the land as we have to provide the needed food and fiber for the people of this country.

**Mr. AVERY.** The gentleman still did not mention any products that were in short supply. Are there some agricultural products in short supply?

**Mr. ROGERS** of Texas. There are some agricultural products that are not supported which I think should be developed in this general area.

**Mr. ROGERS** of Colorado. Mr. Chairman, will the gentleman yield?

**Mr. ROGERS** of Texas. I yield to the gentleman from Colorado.

**Mr. ROGERS** of Colorado. Let me say for the benefit of the gentleman from Kansas [Mr. Avery], I am sure that the gentleman concedes there is a short supply of sugar. This is an area where sugarbeets grow in abundance. This project would not contribute to any surpluses that we have. That is at least one of the products, and there are others such as cantaloups and vegetables that are grown in the Arkansas valley. Are they in a surplus state? I do not think so.

**Mr. AVERY.** Are they in a short supply? That was my question.

**Mr. ROGERS** of Colorado. Yes, they are in short supply.

**Mr. SCHWENGEL.** Where?

**Mr. ROGERS** of Colorado. We have to import approximately 45 percent of our sugar.

**Mr. AVERY.** We are talking about cantaloups.

**Mr. ROGERS** of Colorado. Yes, we are talking about cantaloups. As the gentleman from Kansas knows, the cantaloup season goes from area to area. For the benefit of the gentleman, the season starts in California and then when the California season is finished, it goes to Arizona. The season runs in Arizona about 2 months—the middle of August. Colorado farmers harvest from August 15 to October—those delicious Rocky Ford cantaloups.

**Mr. AVERY.** They are delicious. On that I can agree.

**Mr. ROGERS** of Colorado. And, they are not in surplus supply. If the gentleman thinks they are in surplus supply, try to buy some of them down here about the first of September.

**Mr. GROSS.** Mr. Chairman, will the gentleman yield?

**Mr. ROGERS** of Texas. I will be happy to yield to my good friend, the gentleman from Iowa [Mr. Gross].

**Mr. GROSS.** If you will turn the farmers loose to raise all the sugarbeets they want to, they will bury the gentleman from Colorado [Mr. Rogers] with sugar.

**Mr. ROGERS** of Texas. Let me say this to the gentleman from Iowa: He knows of my interest in that. We are going to do our very best to try to do that very thing.

**Mr. CHENOWETH.** Mr. Chairman, will the gentleman yield?

**Mr. ROGERS** of Texas. I yield to the gentleman from Colorado [Mr. Chenoweth].

**Mr. CHENOWETH.** I want to commend the distinguished chairman of the subcommittee on a very splendid, comprehensive, and convincing statement, and for his support of this project. I want to remind the gentleman from Kansas [Mr. Avery], that this area in Colorado is a deficit area insofar as feed grains are concerned. We buy feed grains from Kansas, Oklahoma, and Texas, as well as other States.

Mr. AVERY. Maybe that will help the gentleman understand my position out there.

Mr. CHENOWETH. I assume the gentleman wants our business in the State of Kansas. We are happy to do business with our friends in Kansas.

Mr. GROSS. We will sell and ship you some more.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Kansas.

Mr. BREEDING. I would like to direct my remarks to the distinguished gentleman in the well, the gentleman from Texas [Mr. Rogers]. I would like to tell the gentleman that I think he has overlooked one of the most important things in this debate. I do not believe it has been mentioned, and that is the fact that this kind of program will raise the water table in my own State of Kansas. In my congressional district there is located at the western end of my district many thousands of acres of irrigated land. We think this will help raise the water table so we will have more water for the growing of these sugarbeets and cantaloups and what have you that grow in that area. I might also point out that the gentleman from Kansas [Mr. Avery] said he did not know of any agricultural commodity that was not in surplus.

I would like to remind the gentleman that in the present Agricultural Act there is a provision to permit oil crops to grow on this diverted acreage and turn back the payment on these crops that we are continuously importing today. We do not have enough castor oil, we do not have enough of various kinds of oil that these crops produce.

In the legislation that is coming up there is also such an amendment in there to provide that these crops may be grown on the diverted acres. I would point out that important feature that has to do with raising the water table. In the western part of the State of Kansas, especially where we have thousands of acres of deep-well irrigation we feel that this will raise the water table.

I am one Kansan in support of this project.

Mr. ROGERS of Texas. Mr. Chairman, I thank the gentleman for his excellent point, because everyone who resides in the Great Plains area of this Nation is familiar with the problem he is talking about, and appreciates it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to my good friend from Iowa.

Mr. GROSS. What would be the interest rate? The gentleman has referred several times to repayment with interest. What will be that interest rate?

Mr. ROGERS of Texas. I think the interest rate as figured on this project is 2.632 percent, which is the interest rate on long-term Government obligations.

Mr. GROSS. Can the Government borrow money on that basis now?

Mr. ROGERS of Texas. I doubt that seriously.

Mr. GROSS. So do I.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to my chairman.

Mr. ASPINALL. This is dependent, of course, on the money market at the time construction starts and the average interest cost for long-term loans over the preceding 15 years. Money is made available by this legislation for loans at rates conforming to such formula.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. It is well known that the gentleman from Colorado and the gentleman from Texas are very thorough and very conservative. After studying all these projects you have had before your committee and after perfecting them, would not the gentleman say this is one of the best if not the best that has come before your committee?

Mr. ROGERS of Texas. I would say this, that this project is an investment in America. I think if we are going to meet the challenges of the future, whether they be from the Soviet republics or from any other ideology that conflicts with the basic constitutional freedoms guaranteed in this country, we had better build up our own resources and not waste time doing it.

Mr. WICKERSHAM. Would not the gentleman also say that this would provide for less production of Government-supported commodities and provide for many more commodities which are nonsupported?

Mr. ROGERS of Texas. I think that is correct.

Mr. ASHBROOK. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 106]

Addonizio
Alford
Andersen, Minn.
Ashmore
Auchincloss
Baker
Barrett
Bass, N.H.
Blatnik
Blitch
Boykin
Brewster
Cahill
Carey
Celler
Colmer
Corman
Curtis, Mass.
Davis, John W.
Davis, Tenn.
Dent
Diggs
Dingell
Donohue
Dooley
Dorn
Farbstein
Flood
Fulton
Gallagher
Garland
Giaimo
Gilbert
Glenn
Goodell
Granahan
Green, Oreg.
Green, Pa.
Gubser
Hardy
Harrison, Va.
Harrison, Wyo.
Healey
Hébert
Hemphill
Hoffman, Mich.
Holifield
Horan
Hosmer
Ichord, Mo.
Jennings
Jones, Ala.
Kearns
Kee
Kelly
Kitchin
Kluczynski
Laird
McMillan
McSween
McVey
Macdonald
Mason
Merrow
Miller, George P.
Miller, N.Y.
Moeller
Moore
Moorehead, Ohio
Moulder
Nix
Norrell
Pirnie
Powell
Rains
Riley
Rivers, S.C.
Roberts, Ala.
Saund
Scott
Seely-Brown
Selden
Shelley
Sheppard
Shipley
Slack
Smith, Calif.
Smith, Miss.
Spence
Stubblefield
Thompson, N.J.
Tupper
Vinson
Wallhauser
Widnall
Wilson, Calif.
Yates
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Fascell, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 2206, and finding itself without a quorum, he had directed the roll to be called, when 336 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. Saylor].

Mr. SAYLOR. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, you have heard this bill described in glowing terms about what it does. Now I would like to tell you some of the things that are wrong with this bill, because I have been opposed to it since it was introduced first in 1952. I am satisfied, Mr. Chairman, that if this bill is passed it will be the forerunner of the huge Gunnison-Arkansas project. I realize that some of the proponents of this legislation are sincere in their belief that they have convinced the Bureau of Reclamation that this project, the Gunnison-Arkansas project, should not be built.

However, the very arguments that they have given in favor of it point to the fact that this is still in the minds of the career employees in the Bureau of Reclamation.

The gentleman from Texas [Mr. Rogers] pointed out what I think are some of the finest examples of the fact that this Gunnison-Arkansas project is still in the minds of the people in the Bureau of Reclamation. First he said that the Sugar Loaf Reservoir is going to be enlarged from its present capacity of 17,000 acre-feet to 117,000 acre-feet. Is it not rather strange that we have been told that we are only going to divert 69,000 acre-feet of water and yet the first reservoir that we talk about already has an increase in its capacity of 100,000 acre-feet? The next one is that the present capacity of the Twin Lakes Reservoir is 56,000 acre-feet and it is going to be enlarged to 260,000 acre-feet, so immediately there is a surplus of 200,000 acre-feet in that reservoir. It is interesting to note that the Sugar Loaf Reservoir is owned by the Colorado Fuel & Iron Co., one of the principal sponsors of this legislation. And I might say that if the House Committee on Government Operations would like to do a little investigating, they ought to look into the lobbying activities and the expense accounts of the Colorado Fuel & Iron Co. and the number of people they have sent here. I am sure that they would find a very interesting report would be made because this company, which will be one of the real beneficiaries of this project, has for years been very, very active in seeing to it that many people were brought here from Pueblo and surrounding areas to lobby for this project.

Then there is the Twin Lakes reservoir which has been referred to. I would like to remind a few of the Members who have been in Congress for some number of years a little bit about the Twin Lakes Development Corp. The RFC made the first loan to the Twin Lakes Development Corp. and after it paid back some of the money it was in such dire circumstances that it went to the RFC to get another loan to help pay the interest and give it some more operating capital.

At the time that the RFC had its assets liquidated by order of Congress, the same people in Colorado who are now asking that the Congress of the United States invest $169 million in this project thought so little of the 4-percent bonds of the RFC that they were only willing to pay 15 cents on the dollar for this asset.

It is also interesting to note that among those assets which disappeared from the RFC, and nobody has been able to find out where, were 30,000 shares of stock in the Twin Lakes Development Co. I would like to know and so would a good many other people like to know what happened to this stock. If this bill passes this stock will skyrocket in value.

Congress has turned this bill down before. It has turned it down because while today we have a fine example of State unanimity, it is so unanimous that we have even seen the two distinguished Members of the other body that come from the State of Colorado here—in fact, the word came to me that some of them asked certain of the House employees whether they were going to vote for the bill. Certainly I did not think this project was in such shape that it was necessary to ask House employees whether they were going to vote for it.

I am surprised at the depth to which some people will go to see that a project is passed.

Let us look at some of the testimony that has been given in prior years on this project. You have heard people say that there is plenty of water. Do not let anybody disrupt or change your thinking that there is plenty of water for this project. So that we may understand the difference between this project and the others, I would like to quote the author of the bill in the testimony he gave to the House Committee on Interior and Insular Affairs. The gentleman from Colorado [Mr. ASPINALL] stated:

> There is very little difference between this bill and the other bills that have been considered.
>
> As near as I am able to determine, the only difference between the other bills that have been considered by the House Interior Committee and the bill that is presented before you is that you have substituted a 28,000-acre-foot reservoir above Aspen, Colorado, for a 100,000-acre-foot reservoir known as the Ruedi Reservoir.

In 1953 the gentleman from Colorado [Mr. ASPINALL] stated:

> Mr. Chairman, before our colleague—

He was referring to our colleague from Colorado [Mr. CHENOWETH]—

> Mr. Chairman, before our colleague leaves the witness stand, I wish to make one observation and one statement. My colleague has referred to the fact that this project provides for the transmountain diversion of surplus water from the Colorado River Basin in western Colorado. Now I am not sure that my colleague would be willing to go on record before this committee that there are surplus waters at the present time in western Colorado for transmountain diversion. In other words, that is not a statement of fact, that is a statement of what this project is based upon.

The gentleman from Colorado [Mr. ASPINALL] further stated:

> I want that distinctly understood by the committee, because one of the best students that we have of western Colorado water resources in western Colorado is Mr. Silmon Smith, who states that the western slope is already overappropriated and that there is no water present there for transmountain diversion. So that the committee has a definite understanding that that question is involved at the same time as we study the economics and the feasibility of this project, it is absolutely necessary to understand that.

When we go back into the House, I shall insert into the RECORD, if permission is granted, Mr. Silmon Smith's analysis showing that in 1952 there was no water to build this project, and I am sure there has been no new water coming into western Colorado for this project.

*Analysis of Colorado's share of Colorado River and its consumptive use, present and potential*

[In acre-feet]

| | |
|---|---|
| Theoretical water for upper basin States (note 1) | 7,500,000 |
| Allotted to Arizona (note 2) | 50,000 |
| Colorado, New Mexico, Utah, Wyoming (note 2) | 7,450,000 |
| Colorado share of 51.75 percent (note 3) | 3,855,375 |
| Colorado share of Mexican treaty shortage (note 4) | 106,475 |
| Colorado share holdover reservoir evaporation (note 5) | 414,000 |
| Subtotal | 520,475 |
| Total for Colorado use (note 5) | 3,334,900 |
| Western Colorado present use (note 6) | 1,129,000 |
| Eastern Colorado present use (note 7) | 544,000 |
| Subtotal | 1,673,000 |
| Remaining for Colorado use (note 7) | 1,661,900 |
| Potential irrigation—western Colorado: | |
| Gunnison River shed (note 8) | 192,000 |
| Colorado (above Gunnison River) shed (note 9) | 150,000 |
| San Juan-Dolores in Colorado (note 10) | 294,305 |
| Yampa-White shed (note 11) | 187,620 |
| Little Snake shed (note 12) | 72,635 |
| Total | 896,560 |
| Remaining after western Colorado irrigation | 765,34 |
| Western Colorado potential municipal consumption (note 13) | 23,000 |
| Remaining for industrial use and evaporation | 742,340 |
| Potential irrigation—western Colorado—Continued | |
| Pulp and paper mill, Colorado River (note 14) | 3,000 |
| Oil shale and related industry (note 15) | 300,000 |
| Evaporation from use reservoirs (note 16) | 50,000 |
| To care for all errors in irrigation estimates, and coal synthetic fuel, Atomic Energy Administration, and all other future industry in western Colorado (note 17) | 389,340 |
| Total | 742,340 |
| Balance remaining for diversion | 0 |
| Colorado share possible salvage inflow-outflow measure on historic use basis (note 18) | 37,933 |
| Diversion plans with no water available: | |
| 1st phase Gunnison-Arkansas (note 19) | 68,000 |
| Blue-River-South Platte (note 20) | 430,000 |
| Gunnison-Arkansas gravity diversions (note 21) | 590,000 |
| Gunnison-Rio Grande diversion (note 22) | 20,000 |
| Diversion reservoir evaporation (note 23) | 30,000 |
| Total | 1,138,000 |

Note 1: Colorado River compact, 1922; article III(a).

Note 2: Upper Colorado River Basin compact; article III(a)(1).

Note 3: Upper Colorado River Basin compact; article III(a)(2).

[In acre-feet]

| | |
|---|---|
| Note 4: Average 1914–45 virgin flow Lee Ferry [1] | 15,638,500 |
| Inflow Lee Ferry to Hoover Dam [2] | 1,060,000 |
| Inflow Hoover Dam to Gila [3] | 150,000 |
| Natural channel loss Hoover Dam to Gila [4] | 1,030,000 |
| Virgin flow of Gila River [5] | 1,270,000 |
| Total | 17,088,500 |
| Upper and lower basin [6] | 16,000,000 |
| Balance available for Mexico | 1,088,500 |
| Compacted to Mexico [7] | 1,500,000 |
| Shortage to be made up equally by lower and upper divisions [8] | 411,500 |
| Upper division share [9] | 205,750 |
| Colorado 51.75 percent share [10] | 106,475 |

[1] Final report engineering advisory committee to Upper Colorado River Basin Commission. Nov. 29, 1948, p. 3.

[2] Bureau of Reclamation 1956 Report on Colorado River, H. Doc. 419, 80th Cong., 1st sess., p. 282.

[3] Same authority, p. 283.

[4] Same authority, p. 283.

[5] Same authority, p. 284.

[6] Colorado River compact, art. III(a) and III(b).

[7] Treaty with Mexico February 1944, 78th Cong., 2d sess., pt. III Colorado River, art. 10(a).

[8] Colorado River compact, art. III(c).

[9] Colorado River compact, art. III(c).

[10] Upper Colorado River Basin compact, art. IV.

Incidentally, the "further equitable apportionate" of the Colorado River in 1963, as referred to in article III(f), Colorado River compact, will not take place because there is none to apportion. It should also be noted that this shortage results from the virgin flow over the long flow period and if the average flow of the more recent period had been used, the shortage would be some 15 percent greater.

Note 5. Report of Regional Director Larsen, Region IV, submitted March 1949, reports at page 12, Colorado River storage project, nine reservoirs in upper basin with a total capacity of 48,065,000 acre-feet necessary to iron out wet and dry cycles and provide necessary silt basins in order to fulfill the upper division obligation not to deplete the river flow below an aggregate of 75 million acre-feet for any period of 10 consecutive years (article III(d)) and his studies show an annual evaporation rate on these reservoirs ranging from 1.5 percent to 3.2 percent with the rate of 2.6 percent on the Glen Canyon Reservoir site, the construction of which he urges. The presently estimated annual evaporation on these holding reservoirs is 800,000 acre-feet of which Colorado must bear 51.75 percent, to wit: 414,000 acre-feet. Any change of reservoir sites will decrease or increase this figure.

Note 6: Page 186, Bureau of Reclamation 1946 Report, House Document No. 419, 80th Congress, 1st session.

Note 7: Page 186, same authority; showing existing and presently authorized projects. These transbasin uses consist of the following: Grand River Ditch, Moffat Tunnel, Williams River diversion, Twin Lakes diversion, Colorado-Big Thompson diversion, and other existing small diversions. In this computation, Colorado-Big Thompson has been scheduled at 310,000 acre-feet.

Note 8: Report of area engineering office, region IV. This is an increase of 44,400 acre-feet over the amount presented to the Colorado Water Conservation Board by its engineering staff in December 1948.

Note 9: Present estimate on uncompleted study in progress by Area Engineering Office, region IV. This is an increase of 52,160 acre-feet over the amount presented to the Colorado Water Conservation Board by its engineering staff in December 1948.

Note 10: This is the estimate furnished to the Colorado Water Conservation Board by its engineering staff in December 1948 pending the completion of the survey by region IV, and based upon the error made by this engineering staff in its report on the Colorado River and the Gunnison River is more than 39 percent too low. Pending the completion of the Bureau survey in western Colorado there is no better figure available.

Note 11: This is the estimate of Colorado Water Board staff in December 1948, and although it is the best figure available until region IV of the Bureau has completed its study, this figure may be considered 39 percent too low for the reason above set out.

Note 12: This is the estimate of Colorado Water Board Engineering Staff in December 1948 and same observations apply as above.

Note 13: This figure does not include municipal use in collection with synthetic fuel development. No sufficient study has been made and it is believed to be too small.

Note 14: This is the presently contemplated consumptive use of water of the paper and pulp mill project to be located on the Colorado River west of Glenwood Springs.

Note 15: Mr. Boyd Gutherie, in charge of the United States shale experimental plant in January 1949 at Grand Junction, Colo., to the Colorado River Steering Committee, gave it as his opinion that the consumptive use of water for processing shale at the rate of 1 million barrels per day, and for the incident municipal use would be 268,000 acre-feet of water per year. Based upon his findings at the experimental plant, it was his opinion that such an operation would be in effect within a decade, and that in the event of war the peacetime operation would be doubled or trebled. It will be remembered that the experimental plant is located on the U.S. Naval Shale Fuel Reserve (any failure to properly report Mr. Guthrie is the fault of the compiler and not Mr. Guthrie). Mr. Guthrie made no effort to estimate the required consumption of water by incidental activities which would normally accompany such a development and the figure of 32,000 acre-feet has been added to his estimated minimum peacetime operation to cover that factor, making an even 300,000 acre-foot estimate.

Note 16: There will be of necessity reservoirs serving the presently authorized diversion projects and also reservoirs in western Colorado for use of irrigation and industry in addition to the main stem impounding reservoirs and from all of these there will be evaporation depending in amount upon their location. It is impossible to definitely arrive at this amount and this figure has been arbitrarily adopted as a minimum.

Note 17: There remains in the Colorado River for consumptive use by Colorado 389,340 acre-feet of water. Referring back to items 10, 11, and 12 where no sufficient study has been made, it is reasonable to assume that they are 39 percent too small and if it shall later be determined that such is a fact, as has already been determined on the Gunnison and Colorado (above Grand Junction), then there will be required to complete the irrigation program in western Colorado 216,278 acre-feet of water which must be subtracted from the 389,340 acre-feet, leaving 173,062 acre-feet for all other purposes, and unless the flow of the Colorado River gets up to the long-term average, this will be further reduced by an additional Mexican treaty burden. Whatever amount may remain, whether it be 389,340 or 173,062 acre-feet must cover all industrial uses, including metal mining, recovery of atomic energy strategic materials, hydrogenation of coal, and an increase in the oil shale recovery program which might ensue in the event of war. The exact requirements for these purposes are, of course, at this time not possible of exact determination.

It is apparent from the summary report to the United States Bureau of Mines by the Corps of Engineers, United States Army, submitted in May 1949, that the recovery of synthetic fuel values in western Colorado from shale and coal will be measured by the water available for treatment and not by the amount of shale and coal which will not be exhausted in several hundred years.

On page 10 of the Bureau's 1946 Report on the Colorado River, House Document 419, appears the following: "Enormous beds of bituminous and subbituminous coal within the basin (of Colorado River) in eastern Utah, southern Wyoming, and western Colorado are estimated to contain nearly one-fourth of all the coal reserves in the United States. Mines in these areas now supply most of the coal requirements in the Rocky Mountain and Pacific coast areas."

On page 71 of the same House Document 419 prepared by the Bureau of Reclamation in 1946 appears the following language: "The Colorado River Basin is a part of America's frontier. It is, perhaps, as little developed as any comparable area in the United States. Yet it is known that here lie buried one-sixth of the entire world's coal reserves, billions of barrels of oil in shale and sand (equivalent to many times the known petroleum reserves in all the oilfields of the United States) and vast treasures of other minerals including petroleum, natural gas, copper, lead, zinc, gold, silver, rare hydrocarbons, vanadium, molybdenum, phosphates, and many others. For only a few of these can it be said that development has had even a good beginning. Development of the basin's land and water resources is little beyond the half-way mark toward ultimate potentialities."

On page 80 of the same House Document 419 appears the following language: "Coal: The upper basin contains enormous reserves of coal, mostly of bituminous and subbituminous grade. Reserves here are much larger than those in any other section of comparable size in the world and amount to approximately one-third of all the coal deposits in the United States and one-sixth of those in the entire world. Some of this coal is below present mineable depths, but mineable reserves alone are nearly one-fourth of the Nation's total deposits. Coal reserves within the upper basin are roughly estimated at 400 billion tons. Bituminous coals from the upper basin are considered the highest quality bituminous coals on the western market. They are low in ash and moisture, extremely low in sulphur and highly volatile with a high heat value."

On page 82 of the same House Document 419 appears the following language: "Oil shale: The upper basin also contains the largest deposits of oil shale in the United States. The reserves of this potentially important mineral fuel account for approximately 82% of the 75 billion barrels of recoverable oil in shale in the United States, which is equal to four or five times the known reserves of petroleum in all the oil fields of the Nation. The extractions of the oil from shale will require the establishment of plants near the deposits. Whether oil shale or coal or both are utilized to meet future needs for oil and gasoline, these mineral fuels are of great potential importance."

On page 83 of the same House Document 419 appears the following language: "This array of mineral fuels and carbonaceous materials is not approached by any region in any other part of the world. The extent to which these materials may provide the basis for future mining and mineral processing within the basin and in contiguous areas cannot be foretold definitely, but it is certain that their effect on future industrial development will be important.

Note 18: By the report of the Engineering Advisory Committee to Upper Colorado River Basin Compact Commission, November 29, 1948, at page 6, it is estimated that by using the "inflow-outflow" measurement of water use, there will be salvaged to the upper basin 73,300 acre-feet of water of which Colorado's share would be 37,933 acre-feet. This figure is based on the historic flow, and does not purport to show the total salvage under maximum use and the total salvage is unknown to the compiler; nor may it be assumed that this method of measurement will eventually be adopted by all interests.

Notes 19 to 23:

See Bureau of Reclamation project report Gunnison-Arkansas Project No. 7–8a 49–0 and Blue River-South Platte Report No. 7–8a 1–0; both dated June 1948.

With reference to these items a short discussion of the Colorado law is appropriate. Colorado from the beginning has espoused the doctrine of prior appropriation of water. The Colorado River compact was executed on the theory of equitable division of the water and in order to protect the slower developing interior where the water originates, from the faster developing Pacific coast area (which furnishes no water to this river), and to protect the interior from the doctrine of prior appropriation. The Colorado River compact contemplated use of some of the water from the river in Colorado outside the river basin. Transmountain diversions have been made from the basin to eastern Colorado by agreement and on the theory that such water was surplus over the needs of western Colorado and would otherwise be forfeited to the lower basin users.

There has always been a doubt as to how much, if any, of Colorado's share was not needed for the development of the natural basin. The Bureau of Reclamation has undertaken this study, and the people have relied upon the Bureau to complete the study. The work of the Bureau has been of inestimable value to the arid West, but its work is far from complete. Western Colorado has urged the early completion of the study in Colorado in order that the development might proceed in an orderly manner. For more than 10 years last past, however, the Bureau has expended more than twice as much of the public money in seeking to discover projects to divert the water out of the natural basin than it has expended to discover how much, if any, water is available for export without damage to the natural basin. Western Colorado has vigorously and without much effect protested this program. We have urged the completion of the in-basin study. Some years ago the arid West was divided into regions for study and development. Colorado was placed in two regions: Region IV and Region VII. The areas divide at the crest of the Continental Divide. The Colorado Water Conservation Board advised against the division of the State between two regions. The results have been worse than we feared. We have competition instead of cooperation. We have confusion instead of coordination.

In an effort to correct this situation the Colorado Legislature in 1943 enacted an amendment to the Water Conservation District Act and on page 636, Chapter 192 of the 1943 Colorado Session Laws appears this language: "Provided, however, that any works or facilities planned and designed for the exportation of water from the natural basin of the Colorado River and its tributaries in Colorado, by any district created under this Act, shall be subject to the provisions of the Colorado River Compact and the Boulder Canyon Project Act, as amended; that any such works or facilities shall be designed, constructed and operated in such a manner that the present appropriations of water, and in addition thereto, prospective uses of water for irrigation and other beneficial consumptive-use purposes, including consumptive uses for domestic, mining and industrial purposes, within the natural basin of the Colorado River in the State of Colorado, from which water is exported, will not be impaired nor increased in cost at the expense of the water users within the said natural basin; and that the facilities and other means for the accomplishment of said purpose shall be incorporated in, and made a part of, any project plans for the exportation of water from said natural basin in Colorado." This language incorporates the policy of the State of Colorado in the use of the waters of the Colorado River within the State. It is binding upon any development operating through a water conservation district. Theoretically at least, the Bureau of Reclamation has recognized this policy as binding upon its development of Colorado's water use.

The figures appearing herein are facts developed almost entirely by the Bureau. They are available to anyone who searches. How, in good faith in the face of these facts, can the Bureau continue to expend millions of dollars of public monies on plans to divert more than a million acre-feet of water, which it knows does not exist? We take pride in the splendid accomplishments of the Bureau of Reclamation, and only recently the Bureau broke all records in an emergency repair of a failed project tunnel which otherwise would have most seriously damaged the economy of western Colorado; and we are glad of this opportunity to express our gratitude.

It is not the purpose of the writer to criticize all of the personnel of the Bureau of Reclamation. It is a large and far-flung organization. There are some who recognize the facts as they are, but these seem powerless to correct the situation.

The people of eastern Colorado do not wish or intend to destroy western Colorado. The eastern slope people are being told that "the water we seek to divert and which you can use in eastern Colorado, is surplus and cannot be used in western Colorado and unless diverted to eastern Colorado, it will be lost to California and Arizona." The men who tell this to the eastern slope people should know it is not true. We, of western Colorado, where originates more than 70% of all the water which flows to Lee Ferry (the dividing point between the upper basin and lower basin) and 65% of all the water which flows in the entire Colorado River Basin (including the Gila River) deplore the failure of the representatives of the Bureau of Reclamation to speak up and tell the facts to the people of Colorado.

Since the Colorado River compact was executed in 1922, it has been found there is and was less water in the river than it was formerly assumed. When the treaty with Mexico was executed there was granted to Mexico about twice the amount of water we could spare without loss to the basin in the United States. When the Upper Colorado River Basin compact was executed, Colorado accepted less water than she knew she needed. This was upon the theory that the resulting shortage would be suffered by the proponents of transmountain diversion. In spite of all these facts, the engineers in charge of Bureau diversion projects proceed as though they had never heard of them with possibly minor exceptions; for example: We don't hear much said about a proposed third Gunnison-Arkansas diversion, called the pumping unit, of an additional 800,000 acre-feet which has not even been listed among the diversion plans on the first sheet.

The people of western Colorado do not want a river authority. We do not want such an authority for the same reason that we prefer an inefficient bungling representative or democratic form of government to a streamlined efficient dictatorship.

We realize the need of some coordination between Regions IV and VII; between the Bureau of Reclamation and the Bureau of Mines; between the Bureau of Reclamation and those persons who think God put water in lovely mountain streams for some purpose other than building tunnels, dams and ditches; between the Bureau of Reclamation and the people who live in the area which furnished the water.

If the figures on the foregoing analysis are not correct, there are many able engineers who will be glad to correct them, including those who made the figures. If the planned diversions, for 1,138,000 acre feet of surplus water which does not exist, proceed to construction, just which and what water will be taken from western Colorado's development? Will they stop all irrigation development in the natural basin, which they admit is about one-half completed, in order to raise more sugar beets on the eastern slope prairies? Or will they take the water which will be required to develop the United States oil shale reserve and the world's greatest coal resources? We think these questions should be answered. We trust this Commission will answer them and report the answers to the President of the United States from whom you take your authority.

With appreciation for the opportunity to present the viewpoint of the people at the "grass roots," this is

Respectfully submitted.

SILMON SMITH.

And so that if there were no water in the Colorado River to build this project in 1952 there is none now.

This fact is further substantiated by the following letter from Henry L. Stein, secretary-treasurer of the Salvation Ditch Co., in a letter to Congress dated June 2, 1962. The letter states:

SALVATION DITCH CO.,
*Aspen, Colo., June 2, 1962.*

*Members of Congress of United States of America, Washington, D.C.*

GENTLEMEN: Salvation Ditch Co. is a typical, cooperative irrigation project of the western slope of the Rocky Mountain region. We believe that we represent the largest single unit of water use in Pitkin County, Colo. Presently about 1,800 acres of land are under cultivation by virtue of Salvation Ditch and about 2,000 additional acres are potentially to be benefited. About 50 people are directly dependent upon the irrigation of this ditch. Crops involved are largely alfalfa, small grain and some potatoes and grass pasture for livestock.

Our membership feels that the Fryingpan project will badly damage the values represented by Salvation Ditch and the lands which it effects. Our legal water rights with sources in Roaring Fork River, Hunter Creek, and Woody Creek will be endangered by the requirements of the project and the economy of at least 20 families will be immediately threatened. Perhaps if the national wealth were somehow being increased by this project the sacrifice could be endured but having studied the fantastic conclusions of the Department of Reclamation over the years there is still no clue to any national benefit to be derived from the project.

We are told that our senior adjudications of 103 cubic feet per second at our headgate on Roaring Fork will forever after be honored. But from the same source comes a promise that a minimum of 15 cubic feet per second will be maintained in the Roaring Fork at Difficult Creek which is 2 miles above our headgate. Vague promises are made of a major ditch with its source in Castle Creek which will discharge into Roaring Fork above our headgate and supplement our water supply. But such a ditch would cost several millions of dollars and be forever after a major maintenance problem. The same or a smaller consideration would construct a modest dam below Aspen where our water rights plus the several tributary streams would allow storage during high water season and generation of ample power for the entire valley. But so modest a project fails to interest the Government offices who seem bent upon massive destruction with only theoretical promises in result. We say this because, as long-time farmers and ranchers in this valley, we know that the 54,000 acre-feet of water which the Fryingpan project is designed to gather and divert to the Arkansas River drainage just simply does not exist. Further, even if it did exist, the total benefits to be realized to the Nation from diversion of this water would not equal a tenth of the huge cost of the project to say nothing of the multiple losses the project would inflict upon such going values as our Salvation Ditch.

Sincerely,

HENRY L. STEIN.

The next thing I would like to call to the attention of the members of this committee is something that has been carefully neglected and that is the collection system which is being talked about to collect this 69,000 acre-feet of water. This will be done in a series of ditches and canals that are to be built at elevations of 10,000 feet down to 9,500 feet. I might recall to the members of the Committee on Appropriations, if any of the members are here, that in 1948 you called before you the representatives of the Reclamation Department to explain to you why the Colorado-Big Thompson project had pyramided in cost, and you were told it was because they found at elevations of the collection of water from the Colorado-Big Thompson, it had been necessary to change completely the engineering and to cover all of the ditches. If this is so—therefore, the unreasonable costs of the Colorado-Big Thompson project.

In this project the water will be collected at much higher elevations. At this same hearing the gentleman from Colorado [Mr. ASPINALL] stated to the Commissioner of Reclamation that it would be impossible to collect water in the springtime because these ditches would be filled with ice and snow from the preceding winter.

If they were filled with ice and snow from the preceding winter in 1952, the record is still the same—they will be filled with ice and snow in 1962, if this project is authorized.

Therefore, the collection system as designed will not work. It will be necessary to go to the Committee on Appropriations to cover these ditches and it will add at least $100 million to the cost of this project.

I would like to say to the members of the committee, it is remarkable the gyrations that the Bureau of Reclamation will go through to prove their point. Believe it or not, I was always told that still mountain water would freeze at 32° Fahrenheit. But in the testimony that was given to the House Committee on Interior and Insular Affairs in the 84th Congress in the years of 1955 and 1956, we had witnesses appear who said first that the water would not freeze. Why would it not freeze? Because the water coming out of the reservoirs will be at a maximum density of 39°. It not only has 144 British thermal units of heat to overcome the freeze, but it has 7° of superheat and as it flows down 60 miles of canal, believe it or not, the Bureau of Reclamation says it would get into the tunnel just before it froze. I can just tell you in the Colorado-Big Thompson, they tried the same thing and it did not work there. I am sure it will not work here.

I would like to call another feature to the attention of this committee because I think it is extremely important.

I have been under the impression that month after month and year after year and in administration after administration, I have seen the cost indexes rise. Believe it or not, we have with us now a project in which the cost indexes are going down. I do not believe it is possible, but that is the testimony before our committee. In 1953, Mr. Lineweaver, then Assistant Commissioner of Reclamation testified that this project would cost $72,898,000:

Mr. LINEWEAVER. Yes, sir; we will make that comparison and reconciliation, Mr. SAYLOR, and we will have it available tomorrow. Mr. Powell, who is the area engineer, will be a witness following Governor Aandahl's appearance tomorrow morning and will have that comparison and reconciliation available for you.

(COMMITTEE NOTE.—The cost comparison is as follows:)

### FRYINGPAN-ARKANSAS PROJECT COST COMPARISON

The cost estimate has been raised from $147,440,000 (October 1949) to $172,898,000 (January 1953) by using unit costs for construction items prevailing as of January 1953 and further by changing the contingencies and other items as indicated in the following table:

| | October 1949 estimate | January 1953 estimate |
|---|---|---|
| Estimated construction cost | $102,244,270 | $114,625,598 |
| Contingencies: | | |
| Percent | 22.5 | 22.6 |
| Amount | $22,985,430 | $26,236,402 |
| Field cost | $125,230,000 | $140,862,000 |
| Construction facilities: | | |
| Percent | 1.22 | 2.25 |
| Amount | $1,521,900 | $3,171,000 |
| Investigations, designs, supervision, and surveys: | | |
| Percent | 13.2 | 15.4 |
| Amount | $16,558,000 | $22,881,200 |
| General expense: | | |
| Percent | 2.7 | 2.5 |
| Amount | $3,419,000 | $3,503,800 |
| General service equipment | | 1,053,000 |
| Constructed features (CBT) | | 1,427,000 |
| Noncomparable 1949 costs: | | |
| Dillon interconnection | 100,000 | |
| Limon interconnection | 75,000 | |
| O. & M. during construction | 536,000 | |
| Total cost | 147,440,000 | 172,898,000 |

The Fryingpan-Arkansas project is estimated to cost $169,905,000 on the basis of prices prevailing at the present time. The cost of the various features would be as follows:

| | |
|---|---|
| Ruedi Dam and Reservoir | $12,831,000 |
| Fryingpan-Arkansas tunnel | 9,213,000 |
| Sugar Loaf Dam and Reservoir enlargement | 6,063,000 |
| Twin Lakes Dam and Reservoir enlargement | 8,311,000 |
| Pueblo Dam, Reservoir, and powerplant | 37,758,000 |
| Salida, forebay and afterbay | 1,225,000 |
| South Side collection system | 9,679,000 |
| Hunter Creek extension canal and diversion dam | 672,000 |
| North Side collection system | 16,282,000 |
| Snowden diversion dam and canal | 1,030,000 |
| Elbert Canal and powerplant | 6,528,000 |
| Twin Lakes-Otero, and Wapaco Canals, Otero and Wapaco powerplants | 12,926,000 |
| Princeton, Pancho, Salida Canals, Princeton-Pancho-Salida powerplants | 20,646,000 |
| Transmission lines, substations, and switchyards | 11,934,000 |
| Municipal water system | 13,761,000 |
| General property | 1,046,000 |
| Total construction cost | 169,905,000 |

He further testified that between January 1953 and October 1953 the cost of this project had increased to $177,432,000. You heard the gentleman from Colorado [Mr. ROGERS] and the gentleman from Colorado [Mr. ASPINALL] explain that instead of the small reservoir which was to be built above Aspen, Colo., we now have a reservoir four times that size and that it had increased the cost in the neighborhood of $12 million. They come before you and giving you the Bureau figures on this project 10 years later say it will cost $169,905,000.

Mr. Chairman, this is for 1½ inches of water. Do not let anybody talk to you about giving them 6 inches of water, they are going to get 1½ inches of water out of this 69,000 acre-feet for power and for municipal uses, and the balance for irrigation is to come out of the reregulation of the Arkansas River.

This is substantiated by testimony before our committee.

Mr. CHRISTY. In conclusion, the Arkansas Valley in Colorado is in desperate need of supplemental water supply for irrigation, municipal and industrial purposes.

Full use has been made of existing water supply that is economically feasible for development by means of separate projects—this account of the difficulty of proper division of water under priority doctrine of water rights due to variations in timing of the runoff.

Possible reregulation of winter diversions, concentration of storage to reduce evaporation losses, as well as the proper use of new water from the Colorado River Basin, together with proper use of remaining flood runoff, must of necessity come through a large multipurpose project, including hydroelectric power, wherein the benefits can be divided throughout the whole Arkansas Basin in Colorado according to need.

Mr. HOSMER. Was your figure that they would have to charge around $7 or $8 an acre-foot to sustain this $10,881,600 revenue?

Mr. SAYLOR. That is correct. It is a simple matter of mathematics; 69,200 acre-feet, and they expect to get $10,881,600 in 40 years.

Mr. ASPINALL. If the gentleman will yield, there is not any 69,200 acre-feet, because you have losses of 15,500. So really your net irrigation supply, as I understand the report on page 16 is 53,700.

Some members of the committee, particularly the gentleman from Florida [Mr. HALEY] who has been on this committee since we have begun the hearings, have recommended to the Bureau of Reclamation that they consider the Arkansas feature as a separate function. I have just received figures from the U.S. Army Engineers of what would have happened had the Bureau of Reclamation and the Army Engineers done the thing that the gentleman from Florida [Mr. HALEY] and the gentleman from Pennsylvania, myself, urged, built the Pueblo reservoir in 1952. There would never have been a year, from that time down to the present, that there would not have been as high as 930,000 acre-feet of water to be used for the production of power and for irrigation in this Arkansas Valley; and this could have been done without any of the power features that are being included in the Rube Goldberg device that drops the water down there through this tunnel and down on the eastern side.

*Surface water supply—U.S. Geological Survey, lower Mississippi Basin*

[Acre-feet]

| | Canyon City | Pueblo | Los Animas |
|---|---|---|---|
| 1951 | 456,200 | 346,000 | 69,500 |
| 1952 | 625,400 | 557,300 | 103,000 |
| 1953 | 468,800 | 386,200 | 85,190 |
| 1954 | 284,800 | 224,600 | 39,120 |
| 1955 | 329,900 | 266,300 | 135,600 |
| 1956 | 415,000 | 336,300 | 47,940 |
| 1957 | 909,500 | 980,100 | 385,900 |
| 1958 | 600,100 | 497,000 | 142,200 |
| 1959 | 398,900 | 337,000 | 20,340 |
| 1960 | 518,300 | 467,700 | 53,040 |
| Average | 500,190 | 439,850 | 109,189 |

This is the forerunner of the Gunnison-Arkansas project. Let me give you another reason why this is the forerunner of the Gunnison-Arkansas project. The tunnel they are going to build is how big? Big enough to take 69,000 acre-feet? Oh, no, Mr. Chairman, that tunnel is big enough to take 69,000 acre-feet through in any 1 month of the year. Why do they have it this size? Because they expect very shortly to come up and ask you to buy the billion-dollar Gunnison-Arkansas project.

Mr. Chairman, there is still another reason why the House should delay action on this project.

Since the House Committee on Interior and Insular Affairs considered this bill, the present administration has devised new standards for water projects.

An account of this appeared in the Congressional Quarterly for the week ending June 8, 1962.

The article is as follows:

### ADMINISTRATION SETS NEW STANDARDS FOR WATER PROJECTS

The President on May 15 approved a new set of standards for planning water, power, and land-use projects which supersedes the highly controversial Budget Bureau Circular A–47 issued on December 31, 1952. The 1962 standards are expected to result in the submission to Congress of a somewhat larger number of proposed multiple-purpose projects than in the past. It also bypasses the Budget Bureau as the executive agency to formulate and to try to enforce such standards on the various departments. Generally speaking, these are welcome developments to Congress, which was highly critical of A–47.

#### A–47

President Roosevelt on October 4, 1943, issued Executive Order No. 9384 requiring all agencies to submit to the Budget Bureau reports on public works and improvement projects and to include Budget Bureau comments about specific projects when submitting project planning reports to Congress. As the review of project reports proceeded under this Executive order, the Budget Bureau found that the various Federal agencies, notably the Departments of Agriculture and Interior and the Corps of Army Engineers, applied different standards in appraising benefits and costs of water resources projects. To try to provide a uniform set of standards, the Budget Bureau issued its Circular A–47 on December 31, 1952, just at the close of the Truman administration.

Congress repeatedly clashed with the Budget Bureau over both A–47 and its proposed revisions during the early years of the Eisenhower administration. Congressional criticism was based largely on the following points: (1) A–47 was so stringent as to foreclose approval of many water projects; (2) the Budget Bureau was allegedly arrogating to itself unauthorized authority in drawing up such standards and in reviewing each individual project; (3) the Budget Bureau did not have personnel qualified to formulate such standards; (4) A–47 was drafted by Budget Bureau officials allegedly unfriendly to reclamation and public-power projects; (5) the Budget Bureau delayed the submission of project reports to Congress. Senator CLAIR ENGLE, Democrat of California, summed up congressional opposition to A–47 by calling it a banker's approach to resource development.

As a practical matter, A–47 has been generally disregarded by Congress in recent years. It could not stand up under political pressure from Congress and from the various water and public-power lobbies, or under the historic rivalry of the various departments in the field of water and land-use development. So the problem of formulating a uniform set of standards remained, particularly after the Senate on January 28, 1958, adopted Senate Resolution 148 demanding that additional information be submitted to Congress beyond and above that regularly submitted by the executive agencies to comply with A–47, but the House failed to adopt a similar resolution.

President Kennedy on October 6, 1961, appointed a group comprised of the Secretaries of Interior, Agriculture, the Army, and Health, Education, and Welfare to come up with a new set of uniform standards. It did so, and the President approved the new set of standards on May 15.

#### THE 1962 STANDARDS

Basically the 1962 standards and A–47 provide that projects may be built by the Federal Government for the following purposes: domestic, municipal or industrial water supply; irrigation; water quality or pollution control; navigation; hydroelectric power and energy; flood control and prevention; land and beach stabilization; drainage; outdoor recreation, and fish and wildlife development. Under both standards, a project is justified if the estimated benefits exceed the estimated costs. A–47 encouraged project planning for one major purpose, with other purposes incidental, and it was limited to the above purposes. The 1962 standards encourage multiple-purpose development, provide that "all project purposes shall be treated comparably" in allocating costs, and provide that projects may be built for purposes other than those specifically named. Among the other significant differences between the new 1962 standards and A–47 are the following:

1. Objectives: A–47 was designed to establish "priority for projects yielding the greatest value to the nation" and to secure "effective resources development at minimum necessary cost." It stressed efficiency and economy. The 1962 standards are based on three specified major objectives: national economic development, preservation of outdoor recreation areas, and "well-being of people." The overall basic objective of the 1962 standards is to provide the best use or combination of uses of water and land resources to meet both short-term and long-term needs.

2. Benefits: Under A–47, projects were mainly evaluated on the basis of primary benefits clearly identifiable as gains, assets, or values directly resulting from the project. Under the 1962 standards, both primary and secondary tangible benefits based on monetary yardsticks and in addition intangible benefits based on "satisfying human needs and desires" are considered in determining total benefits of a project. Benefits are sharply maximized in the 1962 standards, as measured against project costs and also as measured against the evaluation of benefits under A–47.

3. Recreation: The 1962 standards stress outdoor recreation and fish and wildlife development as equal with such historic purposes for building projects as flood prevention and navigation. A–47 treated recreation, fish and wildlife benefits as incidental.

4. Public power: Hydroelectric power is upgraded in the 1962 standards, which provide that hydroelectric power features will be incorporated into a Federal project where such power "can contribute advantageously to a needed increase in power supply. Long-range power needs, in the light of generally expected economic growth of an area, may justify measures initially to insure later availability of the full power potential." A–47 measured Federal hydroelectric power development largely against "the cheapest alternative source of energy, including taxes and interest charges."

5. Irrigation: Both standards based irrigation benefits on "the increase in the net income" of farm output resulting from irrigation and reduction in drought damages. But A–47 sought an economic analysis from the Secretary of Agriculture on each irrigation project, as it related to the short-range and long-range agricultural needs of the Nation, and A–47 questioned the subsidy to irrigation.

6. Domestic, municipal and industrial water: A–47 considered such project features "primarily a local and State responsibility." The 1962 standards do not.

7. Area redevelopment: The 1962 standards specifically provide for project construction in designated areas of chronic and persistent unemployment. A–47 did not.

8. Tax loss: A–47 considered tax loss in evaluating project costs, notably in relation to public power. Generally speaking, the 1962 standards do not. They state: "Allowances in lieu of taxes and taxes foregone will not be included in project economic costs, except as required by law." Other factors used in evaluating project costs are not markedly different in the two standards.

9. Economic life of a project: It was set, generally, at 50 years under A–47. It is set, generally, at a 100-year maximum under the 1962 standards.

10. Repayment: A–47 covered the subjects of cost allocation and project repayment. The 1962 standards do not. President Kennedy has asked the four Secretaries to formulate new policies, standards and procedures relating to cost allocation, reimbursement and cost sharing.

11. Impact: Because A–47 was an effort by the Budget Bureau to impose uniform standards on reluctant Departments and it stirred up congressional antagonism, it was generally ineffective. As the President approved the 1962 standards which were drawn up and accepted by the four departmental Secretaries, the new set of standards are more likely to be followed.

#### UPCOMING CONTROVERSIES

The new standards have not yet become controversial largely because the problems of cost allocation among the various purposes, reimbursement to the Federal Government and cost-sharing with State and local governments have not yet been resolved. But, like A–47, the new standards ultimately are likely to become controversial too, though for different reasons.

Achieving uniformity in project repayment and cost allocation almost certainly will require congressional action. This will set off heated congressional debate and sharp infighting among the various resource lobbies.

Critics claim that the standards are so broad as to justify most proposed projects. If many more projects are presented to Congress under the new standards, the chances of the best projects being lost in a political shuffle will markedly increase.

With the upgrading of public power, more projects will become involved in the always bitter public versus private power battles in Congress.

With the upgrading of recreation and fish and wildlife development, these purposes will, for the first time, be in sharp competition with such old-line and sometimes conflicting purposes for dam building as flood control and irrigation. In fact, with the stress on much broader multiple-purpose development, there will be more competition among all purposes, and sharp conflict within the planning agencies as well as in Congress over various project features of the larger, more comprehensive projects.

Experts estimate that there will be about a 10-percent increase in proposals to build water, power and land-use projects submitted to Congress annually in the wake of the new planning standards.

Interior Secretary Stewart L. Udall on May 28 called the new set of standards "one of the most important steps" taken by the administration to date in the resources field.

The National Wildlife Federation on May 25 hailed "the new importance given to recreation and fish and wildlife development" in the new standards. Sounding a different note, Senator NORRIS COTTON, Republican, of New Hampshire, said the demise of A-47 would "open the gates for more uneconomic public power projects and for an ever larger and more spacious pork barrel."

**Mr. SAYLOR.** I just want to say, Mr. Chairman, that if you have any desire to go back to your constituents and explain your votes this week you will do one of the first things first, you will turn down this project. This project comes at a time when this country can ill afford $169 million expenditure in Colorado.

While this rule was being debated a special report was reported from the Rules Committee asking that the debt ceiling of the United States be raised to $308 billion. A little later this week or early next week you are going to be asked to adopt a bill which will place strict limitations on farm crops, limitations that this country has never had. Certainly you cannot go back and tell your people that on the one hand you voted to increase surpluses, yet say to the farmers in your district who do not live in the State of Colorado that they must abide by stringent rules and regulations such as this country has never endured up to this time.

I sincerely hope this bill is once again defeated.

**The CHAIRMAN.** The time of the gentleman from Pennsylvania has expired.

**Mr. SAYLOR.** Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. LANGEN].

**Mr. LANGEN.** Mr. Chairman, the inconsistencies of this week's program before the House bears mentioning one more time.

We have before us at this time a reclamation project, designed to increase the production of agricultural products. We have on our calendar for this week, which I understand has very mysteriously been delayed until next week, a bill likewise to reduce production of these same products. There is also on this same calendar a bill to expand our national debt. If it is our desire to expand the national debt and to further aggravate the agricultural program and to place additional burdens on the taxpayers and consumers, yes, then I would suggest that you pass the Fryingpan-Arkansas bill before us now, because it is a step in the direction that will certainly accomplish this.

We are doing this right in the wake of a statement by the Secretary of Agriculture made before the Committee on Agriculture of the House of Representatives in support of legislation that since they have somewhat remodeled and recommended to us for consideration:

> We have got to face up realistically to an agriculture of fewer and more efficient farms which can provide operators with good incomes from food prices around present levels.

And listen to this:

> Migration from farms to the cities would be encouraged.

Yes, this is what the Secretary recommends to the people who have been in the farming business, who have been established farmers, and who are not at this point asking for large expenditures of money in order to increase their production, but are rather plainly and simply asking that they might be able to continue to operate as they have been doing for the past number of years.

We have just had an excellent dissertation on the problems related to this project as they pertain to water. I shall not cover any of that field. But let me straighten out the record somewhat as to what is actually involved here, as far as agriculture is concerned.

In so doing, I shall refer to some figures, and I want everybody here to understand they are not my figures, these are figures that were presented to the committee by the Bureau of Reclamation in defense of the project.

This is what they say is good about the project, and why it should be enacted.

What are some of the crops that are going to be raised? Frankly, they are going to increase the production of alfalfa hay by 115,000 tons per year. They are going to increase the production of small grains by 2 million bushels per year. They are going to increase the production of sugarbeets by 150,000 tons per year plus increases in beans and in other miscellaneous crops.

Now, I ask the membership of this House whether they have a method of calculation or whether they have a system of mathematical calculations that can prove and show to me or to the citizens of this country how there can be any kind of fiscal responsibility in the expenditure of $250 and more per acre in order to accomplish the added production that I just referred to. When you look at the very same State we find this to be the case, that right at the present time they have 1,299,000 acres in the soil bank on which we are paying them not to cut hay. If you want to expand this across the Nation, you will find we have taken 4,767 farms out of production and are paying them to stay out of production and not to cut any hay. The same thing is certainly true of grain crops. And, in the very same State, again, I should say this: We have a feed grain program now, and what is the experience there? This year, 1962, by the latest report of the Department of Agriculture of the signup for this year, we find that they have agreed to take out of feed grain production 366,000 acres at a cost to the taxpayer of $6 million this year. These are the problems with which we are confronted as far as this project is concerned.

Now, we have heard a lot of talk here this afternoon about reclamation projects and irrigation projects and the degree to which they are related to agricultural production and how they have not cost the taxpayers anything and that they do not produce surplus crops. I want to refer just briefly to the annual report put out by the Bureau of Reclamation which gives this experience in clear and concise figures. Out of the 7 million acres plus that are now in reclamation projects we find that 6.2 million acres are used in the production of cereals, of forage, and all miscellaneous feed crops including beans, and sugarbeets, there are 418,000 acres of wheat, 527,000 acres of barley, and all of these directly involved in the farm bill that we are asked to pass just as soon as they dare bring it up. And, you might be interested in knowing what the cost of production on these acres is. The gross value is $662 million a year. Now, I ask you what does it cost the taxpayers to take a comparable 6 million acres out of production and to pay those people for not producing the same kind of crops.

I mentioned a moment or two ago that we had a farm bill coming before us that is going to limit these same productions, and I wish I had time to discuss all of these, but let me just refer to it briefly. What does that bill provide? It provides that the Secretary would proclaim a national marketing quota for each year equal to the total requirements of corn, oats, grain sorghums, barley, livestock, feed, human food, seed for industrial uses, and so forth—yes, a national marketing quota on all of these. What does that mean? It means that for every single bushel of additional production that is created in this area somebody else somewhere is going to have to reduce by that amount, and the practice has been that we have a program of paying for the reduction of an equal amount if we are even going to hold our own.

Mr. Chairman, if we hope to accomplish such as has been recommended, that we eat into the surplus supplies, then they are going to have to reduce even more than that. Coming from an area in which this has been the applicable practice for many, many years, I can speak truthfully of what this means to farm people in areas that presently are not requesting any kind of reductions of this kind, but are asking merely for the right to produce. I should refer to sugar beets, because they are one of the crops in here in which they are proposing to increase production by 115,000 tons a year. I have within my congressional district—and this is true all throughout the valley—literally hundreds; yes, and I might even say thousands of farm people who for 20 years have been begging for the right to plant sugar beets at no cost to the taxpayer, at no cost to anyone. All they say is: "Just let us raise them. We have got the soil, we have got the climate, we have got the machinery; we have everything that is necessary."

Well, are we then under these circumstances—and what a time we have had trying to get some kind of sugar bill out of the Committee on Agriculture this year—going to tell these people, or going to let these people know whether or not we are going to recognize them to the degree of giving them a little extra opportunity to raise beets. But, no, we can get nowhere with that. However, we can come along with a bill of this kind which calls for an expenditure of $170 million, designed to increase the production in these areas.

Mr. Chairman, I am wondering just how long the public is going to stand for this kind of misuse of the taxpayers' dollar; to continue to appropriate money in one instance in order to go in this direction, and then appropriate equally large amounts in order to go in the other direction. It does not only affect the taxpayer or the appropriations. As a matter of fact, I suppose if it were only the dollars; that is, the $170 million involved here, my generous nature might well say that "Well, perhaps we can overlook a part of the inconsistency."

But it goes far beyond that. Mr. Chairman, the irrigation costs, remember, are interest-free. The irrigators can pay back only a small percent—18 percent, I believe. This is how unfeasible the project is. They have to take the rest out of power profits which ordinarily would have come back to the Treasury. So, in that respect again we find that the benefits to the irrigators themselves are not able to carry the burden. Suppose they had to pay the interest? It would more than double the cost of the project.

Mr. Chairman, the consumer comes into the scene here, too. I know that all of us have an interest in the consumer, and we want to see that he is furnished with a generous supply of food at a reasonable price. But it remains as a fact that we are not going to produce food any cheaper by expenditures of $250 per acre when the very same crops can be raised without an expenditure of any kind. Consequently, when they are dealing in a farm program and with price supports and all of the related items, obviously the true cost has got to go up, not only in the product itself, but as far as the related expenses are concerned as they relate to the taxpayers in general.

Mr. Chairman, let me just add this item: I do this because of a personal concern. I do not see how we possibly can get to the point where we are going to consider adding restrictions to farm people that actually go to this point. When the agricultural bill was first presented to the Committee on Agriculture there were provisions in it calling for dairy allotments.

And do not forget that in this project there is the production of dairy products involving 14,500 milk cows and the added hay and forage that would be used for that purpose. They actually went to the point in proposed legislation where we were going to say to the rest of the dairy farmers throughout the country, "You cannot expand your production, by even one cow." They even went to the point where the Secretary recommended that if a young man was going to get into the farming business he was going to have to buy a dairy allotment. Can you imagine us in the United States getting to the point where we were going to have to buy the right to raise dairy cows? This is almost unbelievable to me. But, yes, this is the direction in which we are heading and if we want to get there the quickest way to do it is to continue to approve projects of this kind which further aggravate the entire agricultural program.

Mr. Chairman, in conclusion let me say this to the House, that here you have a bill that certainly does not meet the best interests of the economy of this country; it certainly does not meet the best interests of the taxpayer, nor does it meet the best interests of the consumer. Consequently, in my humble opinion, this House would be wise to turn down this legislation at this time.

Mr. ROGERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I listened with great care to the remarks of the gentleman who preceded me in this well. I was impressed by the persuasiveness of his remarks constituting as they did a very strong case for the abandonment of any and all programs undertaken by our Government to improve the technology of agriculture. Somehow I cannot believe that is what he wanted us to be persuaded of. Yet there is just as much justification for the Federal Government to provide relief to the farmers of the Arkansas Valley in Colorado by providing them with a more adequate water supply for the irrigation of their crops, as there is for any of the numerous relief programs that are carried on by the Department of Agriculture throughout the Nation for the benefit of individual farmers and farming communities that are in distress and in need of aid. If it is to be argued that providing a supplemental irrigation water supply to an area in distress will add to agricultural surpluses, then it can be argued with equal force that many of the programs of the Department of Agriculture designed to aid farmers in distress, will also add to agricultural surpluses. Furthermore, it will require many years to complete the project which will make the supplemental irrigation water supply available to the Arkansas Valley farmers.

The proposed Fryingpan-Arkansas project, which would be authorized by H.R. 2206 now before this body, is purely and simply a rescue program. The primary purpose of the project is to bring relief to the farmers along the Arkansas River Valley who have been suffering during a long period of years because of a lack of adequate water for the successful irrigation of their crops. Not a single acre of new land would be irrigated by the Fryingpan-Arkansas project.

It would also provide municipal and industrial water, flood control, fish and wildlife, and recreation benefits.

Flood control programs by the Department of Agricultrue and also by the Corps of Engineers have long been considered justifiable where they are necessary for the protection of property, including the protection of farmlands against the ravages of early spring flood runoffs; but there can be no more justification for a flood control program to protect farm croplands against floods in the spring of the year than ther can be justification for a project to provide supplemental irrigation water to protect the growing of crops during the late summer months. The principal difference, however, is that flood control is nonreimbursable whereas costs allocated to irrigation are repaid by the irrigation farmer over a period of years, although without interest.

The Federal Government, through the Department of Agriculture, is carrying on numerous programs in every State of the Nation, which are designed to aid farming areas in need or distress.

A very recent report by the Department of Agriculture entitled, "Land and Water Resources," dated May 1962, on page 68, in referring to one particular program designed to aid farmers in various ways, makes the following statement:

> Technical assistance in conservation planning includes on-sight help to farmers, ranchers, and other landowners; group enterprise systems for water management affecting several adjoining tracts; periodic revision of plans to reflect necessary changes; and the guidance needed to get planned soil and water conservation treatment property installed on the land.

And still another place in this report, which is the latest word from the Department of Agriculture on this entire program of relief to the various farming communities and individual farmers throughout the Nation, we find the following paragraph:

> In the areas of the Nation that have the more serious land-use problems and greater agricultural hazards, special provision for land adjustments, for research, for the conservation treatment of land, for education and demonstration, for credit, and for measures to achieve steady economic growth should be encouraged.
>
> Another significant program that is designed to aid farmers in a distressed area is the so-called Great Plains conservation program. The intent of this extensive program was to stabilize agriculture in that distressed area.

The vast program of the Agricultural Research Service in many instances is designed to bring relief to areas that are in distress, particularly in the control of plant disease and the use of insecticides.

There is no question but that all of these programs are very commendable and very much worth while and should be continued in the interests not only of agriculture, but of the entire Nation.

It would be decidedly unfair, however, for the Federal Government to continue with its vast program of agricultural aid in so many different forms which is carried on in practically every agricultural community of the Nation, and at the same time refuse to grant the one particular type of aid that is needed in so many irrigated areas of the western part of the United States—a supplemental irrigation water supply which is so vitally necessary for the successful growing of the crops of those areas.

It is impossible to imagine a farmer anyplace, being confronted with a more difficult situation than an irrigation farmer who is living upon and attempting to make a living from an irrigated farm in the arid and semiarid regions of the West with an inadequate water supply—an irrigation supply that is exhausted in July or August. Under such conditions a farmer is required to either abandon a portion of his farm and save the water supply for a smaller area, or he is required to grow only those crops that can be matured with a very limited water supply regardless of what the market conditions for such crops may be. Under such conditions a farmer is facing a situation that is almost impossible. His expenses go on just the same as they do during those years when he has a full irrigation supply of water. His irrigation laterals must be kept clean and in repair, his buildings and fences must also be kept in repair, his planting and cultivating expenses are just as heavy as they are in other times, his family must be fed and clothed and his children must be educated—yet he finds his income very greatly reduced. In fact, it is difficult to imagine farmers in any part of the United States more in need of relief or assistance and aid than an irrigation farmer in the arid West during those years when his water supply plays out before his crops are matured.

These are among many reasons which compel me to fully support authorization of the Fryingpan-Arkansas project.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Chairman, I wish to express my deep appreciation, particularly to the distinguished chairman of the committee, the gentlemen from Colorado, Mr. ASPINALL; our longtime and revered colleague, Mr. CHENOWETH, and our very able colleague, Mr. DOMINICK; and all of the people concerned with water in Colorado who over the years have negotiated and worked on this particular project. The people of Colorado have made every effort to live and let live with their neighbors on the river. In drafting this bill, they have worked closely not only with the water interests of California, but with the interests of the other areas concerned in order to attempt to place in the bill provisions which would be fair to everybody.

There was one proposed provision at which the Colorado interests balked and that was the placing of a reasonable limitation on the amount of water that could be exported through the mountain outside of the Colorado Basin into another basin. I understand their position, but it is one of the reasons why I must oppose this bill and oppose this project. We have heard a great deal about crops, farm surpluses, and other things this afternoon which are somewhat confusing, so I think it might be well to review just what this project attempts to do. The map which was used previously showed an area of some 280,000 acres along the Arkansas River in a narrow strip which would be given supplemental water. The supplemental water is not too great—it amounts to about half an acre-foot per acre per year.

The reason it is needed is, of course, that the people who had farms along the river every once in a while would experience a good water year and at that time move up a little way farther from the river and exploit a little more land with the extra water available that particular year. Over a period of time they got to thinking it would be great to be able to use this extra land all the time. That eventually generated this so-called Fryingpan-Arkansas project. In other words, if they had remained in the original area that they could farm with the amount of water they had, they would be all right, but they expanded up into the arid areas, got to liking the occasional extra crop income, and now they want to have it all the time by irrigating these additional areas with the project.

Now, as to what they propose, the project. You have heard of the freedom trains or the freedom buses down South. In effect, they want to build a freedom tunnel here through the Rocky Mountains here, and transport some of the water that would normally drain into the Colorado and send it to the other side of the mountain to drain eventually to the other States through which the Arkansas River flows.

Unfortunately, this is an expensive proposition. It requires not only an expensive tunnel, but it requires also a number of dams and reservoirs. Obviously this is far beyond the capacity of the farmers to pay for. After all, they are only getting some 80,000 acre-feet more of water a year, not very much water. So the sponsors have added to this bill certain power features responsible for roughly half the cost of the bill. The water has a long way to fall after it comes eastward through the mountain at an altitude well over a mile, some 7,000 or more feet. As this water drops, it is supposed to generate a certain amount of electricity. Unfortunately, there is not too much water, so it is not going to generate too much electricity.

Therefore, instead of one plant they have had to put several generating plants into the project to increase the amount of power. Unfortunately even with several plants, since the amount of water that comes down is not constant throughout the year, most of it will be in the category of "dump" power which can be sold only at very low rates. Thus they are not going to get too much power revenue back. As a matter of fact, I think myself this would be a much better bill if we cut the size of the authorization in half, eliminated the power features, and accepted a net loss of the amount the farmers cannot actually pay back. As a further matter of fact, we might even have to accept such a loss.

Thus because it is well known that even initially about one-fifth of the water is designated for municipal uses the municipal allocation is 20,500 acre-feet per year. That is going to cost us $13.7 million of this appropriation, but the municipal users will pay this money back in full with interest. Pueblo, Colorado Springs, and some of the other towns around there will pick up this tab. But, as inevitably will happen, we are not really going to be faced with agricultural surpluses coming out of this area. This is because somehow or other this 80,000 acre-feet of water that is supposed to go to the farmers will eventually be transferred over, somehow, to the municipalities to allow them to meet their growing needs. As that goes on, I assume that the Interior Department will change the payback contract so that they will get enough money out of the municipalities to get all of the water transmission investment back.

If what I have said so far is a little bit confusing, it is partly because of my inability to comprehend all of this and partly because this is somewhat of a confused project. It is in many instances, as has already been pointed out, costly, and has other drawbacks. I want, however, to draw a comparison with another project we have discussed in recent days, the San Juan-Navajo project. You heard it, you passed it through this House. The Fryingpan-Arkansas project is a whole armful of long-stemmed American Beauty roses compared to the San Juan-Navajo project, yet that bill was passed without a record vote. The leadership, and I mean to say the leadership on both sides, employed every parliamentary maneuver in the book to prevent that project from coming to a rollcall vote because had it come to a rollcall vote it would have been defeated.

My parting shot is simply this. If the leadership on both sides of the aisle fail to exercise as many parliamentary maneuvers, skills, and pressures to avoid a rollcall on the Fryingpan-Arkansas, as they did on the San Juan Chama-Navajo project, then it will simply amount to an act of discrimination against the State of Colorado.

Mr. ROGERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, the national development of our country since its founding is one of the phenomena of history that was brought about because we as Americans were able to take the natural resources placed here and divert them into food and fiber, so that we have developed the strongest nation in the world. This did not come about accidentally. It came about because we had the initiative and the willingness to obtain the know-how to develop the resources, as is placed on the marble behind me, when Daniel Webster said:

> Let us develop the resources of our land, call forth its powers, build up its great interest, and see whether we also may in our day and generation perform something worthy to be remembered.

Those who outlined the political subdivisions of the western part of the United States, when they considered the boundaries of the State of Colorado, made it an almost square dimension.

Down the middle of that State runs the Continental Divide. The Continental Divide in many places rises 14,000 to 15,000 feet. There during the fall, winter, and spring are deposited great amounts of snow, snowdrifts that go many times 40 to 50 feet in thickness. In the springtime, when the weather becomes warm and the snow melts, it goes in two directions—one to the State of California and the other through the Arkansas River we have under consideration, and eventually flows into the Mississippi.

The people of the State of Colorado began to develop their resources early, and in the 1920's they entered into a compact with seven of the Western States for the proper development of the Colorado River.

In that compact it was provided that the State of Colorado, which supplied approximately 70 percent of the water, would have its proportionate share.

In 1948 they entered into a compact with the other upper basin States that this water should be distributed to the States and Colorado would receive approximately 51.2 percent of the water allocated to the upper basin States.

The State of Colorado in cooperation with the Federal Government first brought about the development of the Northern Colorado Conservancy District, often referred to as the Big Thompson project. In that instance they constructed a canal 17 miles long from what we call Grand Lake down to a lake in Estes Park, Colo. The city and county of Denver, without aid or assistance in any manner whatsoever, constructed dams and reservoirs on the western part of the Continental Divide and transported water for use in the city and county of Denver.

Mr. Chairman, the southern part of the State of Colorada, which is controlled by the waters from the Arkansas River, has not been fully developed. It is thought that if we are to have a proper development of the water in the State of Colorado, the passage of this legislation is essential.

It is true that the estimated cost is approximately $171 million, but as I have attempted to point out from time to time on the floor of this House, this comes under the reclamation law, which has a formula for the repayment of approximately $150 milion of the $171 million. This is not a grant in the ordinary sense of the word, because the reclamation law requires its repayment, and since we are to repay, in this instance, approximately $150 million, then the cost that is talked about in connection with a further deficit in the national spending does not have application. The gentleman from Colorado [Mr. ASPINALL] pointed out before, there has been a tremendous amount of repayment into the reclamation fund within the last 4 years.

This is like money in the bank, and while we develop this part of the country, understand it makes its contribution to many parts of the Nation by virtue of the things that will be raised and enjoyed when this project has been approved.

Mr. Chairman, we in Colorado feel that this is a proper development. We feel that we are obligated to make the repayment. We feel that if we are to go forward, then this project should be approved.

Reference has been made to a possible buildup of surplus crops. It was my happy pleasure to first start the practice of law in the southern part of the State. I know that cattle and sheep were the major portion of the industry there, and then, in addition to that, the money crop is that of sugarbeets. Certainly we have a shortage of sugar production. We import into this country approximately 45 percent of the sugar that we consume, and the arguments that are used that this will lead to surpluses in other areas of crops that have now been put under bond, does not apply. The wheat that is grown in that area is not in the agricultural irrigated area but in the dry land. A lot of the sorghum that is grown is in the dry land area.

We feel that if we are to have the proper development, we should have the passage of this legislation, because it contributes not only to the welfare of the State of Colorado but to the entire United States.

Mr. SAYLOR. Mr. Chairman, I have no further request for time.

Mr. ROGERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MORRIS K. UDALL].

Mr. MORRIS K. UDALL. Mr. Chairman, I want to speak briefly in support of this bill. I think the Fryingpan project is a good project, and that it is sound. I hope I can assist in separating the relevant from the irrelevant.

Mr. Chairman, the people of Colorado have worked for this project for a generation. Finally their day of decision arrives. Unfortunately, through the workings of chance, we have scheduled for consideration tomorrow a debate on raising the debt limit, this annual or semiannual exercise in futility that we occasionally go through around here. Whatever bill happens to be caught in this unfortunate circumstance, Lord help the sponsors.

Mr. Chairman, I hope the people of Colorado will be given justice on this measure, not on the basis of what happens to be scheduled today or tomorrow or next week. If this was a good bill in the first week of June, it is a good bill in the second week of June. I would only say in concluding on this point, I think it is fortunate for us that Mr. Hoover's FBI appropriation bill does not happen to be up for consideration this week. We are kind of shortsighted, and whenever we are reminded that the question of the debt limit is coming up, we strike out at whatever measure happens to be close at hand.

Mr. Chairman, I hope the people of Colorado and the people of the district represented by the gentleman from Colorado [Mr. CHENOWETH], who do the best they can in this dry land, will not be hurt by this matter of chance in scheduling this particular bill at this time.

Now, this reclamation project will cost $170 million. This is a lot of money. However, one might assume from what has been said this afternoon that we are going to dip into the Treasury right now and raise the debt tomorrow afternoon by $170 million. This is not true. This project will take about 8 or 10 or 12 years to complete. There are dams to be built, tunnels to dig, and canals to excavate. There are powerplants to be built. If one will read the report, one will find that in the first year of the construction of this project the total cost to the U.S. Government is $785,000. So, when one talks about the debt limit tomorrow, let us keep this in mind. The cost in the second year of construction of this project will be $6 million, and not $170 million. It will be $6 million. And so it goes for the next 8 or 9 or 12 years.

Mr. Chairman, we have talked about sound investments. Based upon some of the debate here today, one might assume that this was $170 million that we are going to throw down a rathole somewhere. Mr. Chairman, reclamation does not cost; it pays. This is not a drain on the taxpayer. This will be paid back—a lot of it paid back—with interest. This is not bank interest rates, of course, as the gentleman from Iowa pointed out. But these rates of interest are somewhat similar to those friendly rates of interest that REA co-ops in Nebraska, in Kansas, in Iowa, and Minnesota receive to bring much-needed power to farm areas. And this REA program is good. When a businessman spends $1 million on a new plant, we do not say it is money down the drain or money down a rathole. The stockholders say "there is a good, sound investment; it is going to create jobs and will build up the economy, and we will get our investment back with dividends and interest." I say the U.S. Government will get this $170 million back with dividends and interest.

Mr. Chairman, reclamation has proven that it is good. It is easy for alert Congressmen to pick holes in any reclamation project. We have had some good and experienced hole-pickers at work here today. Reclamation has now gone full circle. It takes about 50 years for one of these projects to come to fruition and pay off. Let me tell the Members of the House about Phoenix, Ariz. Let us go back to 1911. If one had been asked to select the 10 least likely places in America to be major cities, I think Phoenix would have headed the list. It was a dry city of 12,000 people; when these people got water it came all at once right in the living room and flooded everyone out. It was a hot and barren country. When Teddy Roosevelt and other farsighted leaders—and I can hear the sponsors in the Congress in those early days laughing at this Rube Goldberg project in Arizona—supported this type of reclamation, they probably did not fully realize what would happen. Yet this first, major project has now paid off. It cost $20 million. We take out of Phoenix $200 million every year in Federal income taxes. Phoenix, Ariz., has 700,000 people; it is one of the Nation's major cities. We have millionaires out there now. Of course, some of them think they are going to lose all their money and that we are headed down the road to socialism, because of Federal spending and so forth. However, Phoenix gets larger and larger every year. Phoenix would be a little town today except for the foresight of the Congress back in the 1900's when it decided to invest $20 million in this project.

Mr. Chairman, much has been said here about how much it cost to pipe water through a mountain. They say one never mentions rope in the house of a man who has been hanged. I think of all the men serving in this body the last one of them who ought to be talking about the transmountain diversion is the gentleman from Long Beach, Calif., because the water he drinks out there is Colorado River water—a lot of it in Long Beach and Los Angeles—that goes down the Colorado River aqueduct. They take it out of Arizona, pipe it over there through a transmountain aqueduct, and put it on the Pacific slope—on the Sierra slope—completely out of the Colorado River Basin.

This is a major breakthrough, this transmountain idea. This is really important. We have finally learned to put the water where the people are. We have done it in Colorado, we have done it in California and in Arizona, and in New Mexico in the San Juan-Chama project. This is important. This is not something to be ashamed of or to laugh at. This is a scientific, technological breakthrough that can be done efficiently and economically and we can pay for it.

And so I think, in conclusion, Mr. Chairman, this is a sound project; it is deserving of the support of Congress and is a project we will be proud to have supported in the years to come.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I was a member of the House Interior and Insular Affairs Committee in 1955 and 1957 when the Fryingpan-Arkansas project was considered. The Fryingpan-Arkansas was a good project then but it involved many unresolved problems in the State of Colorado and the Colorado River Basin and, for this reason, it was not ready for congressional approval. The principal problems involved water rights and water use.

Mr. Chairman, any time a problem arises in the Western States with respect to the use of water, it is going to take time and effort to resolve it and this is what has happened in the case of the Fryingpan-Arkansas project. Today, there is full and complete agreement within the State of Colorado on the diversion of this small amount of Colorado's undeveloped water from the Colorado River Basin to the Arkansas Basin for use in an area of Colorado where the water resources are overdeveloped and the need for a supplemental supply is critical. The project has been modified since it was last before the Congress to provide additional water for use in western Colorado, and this has been a factor in resolving the water-use problem as well as improving the overall project from a physical and economic standpoint.

Thus, time and cooperative effort have resulted in the resolution of all problems within the State of Colorado. The same can be said with respect to problems that existed within the basin. Today, all seven Colorado River Basin States are officially supporting the Fryingpan-Arkansas project. Those agencies and organizations in my neighboring State of California that have previously opposed the project are now raising no objection to its approval. Many studies, meetings, and discussion by and among officials of the States and agencies of the Colorado River Basin have contributed to this improved attitude toward the project by those who previously had reservations regarding it.

The use of Colorado River water for the Fryingpan-Arkansas project amounts to only about 2 percent of Colorado's share of the upper basin's expected entitlement. The effect of this small diversion upon the quality of water in the lower basin will be negligible. There is language in H.R. 2206 which fully protects the rights of all the States in the basin as well as the water users of western Colorado. This language specifically provides that the use of water made available by the project be subject to and controlled by the various compacts, statutes, and treaty which relate to the use of Colorado River water. It also makes all project works and all officials and employees subject to the provisions of said compacts, statutes, and treaty.

Language in H.R. 2206 also directs the Secretary of the Interior to comply with all the applicable provisions of the various compacts, statutes, and treaty and, in the event of failure of Secretary to so comply, permits any State to bring an action into the Supreme Court of the United States to enforce compliance with such provisions.

With respect to the problem of water quality, the bill requires the Secretary to make detailed studies of the quality of water throughout the entire Colorado River system and to report the results of such studies to the Congress periodically.

Mr. Chairman, I congratulate the gentleman from Colorado, Chairman ASPINALL, and the other members of the Colorado delegation and the State of Colorado for the painstaking effort that has gone into resolving all of the problems relating to the Fryingpan-Arkansas project and bringing this project back to the Congress free of controversy so far as the State and the Colorado River Basin are concerned.

I know how much this project means to the economic development of the State of Colorado. I am pleased to state that the entire congressional delegation from Arizona and the State of Arizona itself are wholeheartedly supporting H.R. 2206. I hope that it will be approved by the House.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. HOSMER. The Colorado River Board of California has stated until the Supreme Court case, in which the gentleman's State is suing my State, has been decided and until such time as the Secretary of the Interior gets around to making a water inventory of the resources of the Colorado River Basin, it must oppose further projects that will consume water in the area about which the gentleman is speaking.

Mr. RHODES of Arizona. I am glad to have that correction. I understand, then, that the Colorado River board is now still opposed to the Fryingpan-Arkansas project?

Mr. HOSMER. Not in the specific sense of the Fryingpan-Arkansas project but in the general sense that it is a project which will make additional use of water of the Colorado River Basin.

Mr. RHODES of Arizona. As I understand it, the Colorado River Board of California is the State agency which would give the official position of the State in such matters as this?

Mr. HOSMER. I am not able to answer that question in a straightforward fashion as the gentleman well knows because there are many voices on water in California, depending upon what part of California you are living in, and which Federal projects you are bargaining for at the particular time and place.

Mr. RHODES of Arizona. Would the gentleman agree with me that there are agencies in California having to do with water which formerly were opposed to this project which are not now opposed to it?

Mr. HOSMER. Yes, there was a deal on the San Luis project with some of the people interested in that.

Mr. RHODES of Arizona. So that the answer then, I take it, to my question was in the affirmative?

Mr. HOSMER. No; it was yes and no.

Mr. RHODES of Arizona. I thank the gentleman.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I wonder whether or not this unanimity in the State of Arizona is any prelude to the central Arizona project we might have brought up very shortly.

Mr. RHODES of Arizona. It would be my hope, of course, that if the Supreme Court in its wisdom determines that the State of Arizona has sufficient water coming from the main stream of the Colorado to make a project feasible to divert that water to beneficial use, there would be such a project, and that my good friends from Pennsylvania and California will join me in attempting to get the House of Representatives to authorize a project for that very purpose.

I hope this bill will be passed overwhelmingly by the House.

Mr. SAYLOR. Mr. Chairman, I have no further requests for time.

Mr. ROGERS of Texas. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That for the purposes of supplying water for irrigation, municipal, domestic, and industrial uses, generating and transmitting hydroelectric power and energy, and controlling floods, and for other useful and beneficial purposes incidental thereto, including recreation and the conservation and development of fish and wildlife, the Secretary of the Interior is authorized to construct, operate, and maintain the Fryingpan-Arkansas project, Colorado, in substantial accordance with the engineering plans therefor set forth in House Document Numbered 187, Eighty-third Congress, modified as proposed in the September 1959 report of the Bureau of Reclamation entitled "Ruedi Dam and Reservoir, Colorado", with such minor modifications of, omissions from, or additions to the works described in those reports as he may find necessary or proper for accomplishing the objectives of the project. Such modifications or additions as may be required in connection therewith shall not, however, extend to or contemplate the so-called Gunnison-Arkansas project; and nothing in this Act shall constitute a commitment, real or implied, to exportations of water from the Colorado River system in Colorado beyond those required for projects heretofore or herein authorized. In constructing, operating, and maintaining the Fryingpan-Arkansas project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto).

(b) A reservoir at the Ruedi site on the Fryingpan River with an active capacity of approximately one hundred thousand acre-feet shall be constructed in lieu of the reservoir on the Roaring Fork River at the Aspen site contemplated in House Document Numbered 187, Eighty-third Congress. The Secretary shall investigate and prepare a report on the feasibility of a replacement reservoir at or near the Ashcroft site on the Roaring Fork River above its confluence with the Fryingpan River with a capacity of approximately five thousand acre-feet, but construction thereof shall not be commenced unless said report, which shall be submitted to the President and the Congress, demonstrates the feasibility of said reservoir and is approved by the Congress. The Secretary shall expedite completion of his planning report on the Basalt project, Colorado, as a participating project under the Act of April 11, 1956 (70 Stat. 105), and said report shall have the priority status of the reports to which reference is made in section 2 of said Act.

(c) No part of the single purpose municipal and industrial water supply works involved in the Fryingpan-Arkansas project shall be constructed by the Secretary in the absence of evidence satisfactory to him that it would be infeasible for the communities involved to construct the works themselves, singly or jointly. In the event it is determined that these works, or any of them, are to be constructed by the Secretary, a contract providing, among other things, for payment of the actual cost thereof, with interest as hereinafter provided, as rapidly as is consistent with the contracting parties' ability to pay, but in any event, within fifty years from the time the works are first available for the delivery of water, and for assumption by the contracting parties of the care, operation, maintenance, and replacement of the works shall be a condition precedent to construction thereof.

Sec. 2. (a) Contracts to repay the portion of the cost of the Fryingpan-Arkansas project allocated to irrigation and assigned to be repaid by irrigation water users (exclusive of such portion of said cost as may be derived from temporary water supply contracts or from other sources) which are entered into pursuant to subsection (d), section 9, of the Reclamation Project Act of 1939 (53 Stat. 1187), as amended, shall provide for a basic repayment period of not more than fifty years after completion of construction and shall not provide for any development period. Such contracts shall be entered into only with organizations which have the capacity to levy assessments upon all taxable real property located within their boundaries.

(b) Rates charged for commercial power and for water for municipal, domestic or industrial use or for the use of facilities for the storage and/or delivery of such water shall be designed to return to the United States, within not more than fifty years from the completion of each unit of the project which serves those purposes, those costs of constructing, operating and maintaining that unit which are allocated to said purposes and interest on the unamortized balance of said construction allocation and, in addition, within the period fixed by subsection (a) of this section, so much of the irrigation allocation as is beyond the ability of the water users and their organizations to repay.

(c) The interest rate on the unamortized balance of the commercial power and municipal, domestic, and industrial water supply allocations shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from the date of issue.

Sec. 3. (a) The Fryingpan-Arkansas project shall be operated under the direction of the Secretary in accordance with the operating principles adopted by the State of Colorado on December 9, 1960, and reproduced in House Document Numbered ——, Eighty-seventh Congress.

(b) The Secretary may appoint the two representatives of the United States to the Commission referred to in paragraph 19 of said principles and may, upon unanimous recommendation of the parties signatory to the operating principles, adopt such modifications therein as are not inconsistent with the provisions of this Act.

(c) Any and all benefits and rights of western Colorado water users in and to water stored in the Green Mountain Reservoir, Colorado-Big Thompson project, as described, set forth and defined in Senate Document Numbered 80, Seventy-fifth Congress, shall not be impaired, prejudiced, abrogated, nullified, or diminished in any manner whatever by reason of the authorization, construction, operation, and maintenance of the Fryingpan-Arkansas project.

(d) Except for such rights as are appurtenant to lands which are acquired for project purposes, no valid right to the storage or use of water within the natural basin of the Colorado River in the State of Colorado shall be acquired by the Secretary of the Interior through eminent domain proceedings for the purpose of storing or using outside of said basin the water embraced within that right, and no water, the right to the storage or use of which is so acquired by anyone other than the Secretary, shall be transported through or by means of any works of the Fryingpan-Arkansas project from the Colorado River Basin to the Arkansas River Basin.

Sec. 4. (a) The Secretary is authorized and directed (1) to investigate, plan, construct, operate, and maintain public recreational facilities on lands withdrawn or acquired for the development of said project, (2) to conserve the scenery, the natural, historic, and archeologic objects, and the wildlife on said lands, (3) to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with the purposes of said project, and (4) to investigate, plan, construct, operate, and maintain facilities for the conservation and development of fish and wildlife resources. The Secretary is authorized to acquire lands and to withdraw public lands from entry or other disposition under the public land laws necessary for the construction, operation, and maintenance of the facilities herein provided, and to dispose of them to Federal, State, and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest: *Provided*, That all lands within the exterior boundaries of a national forest acquired for recreational or other project purposes which are not determined by the Secretary of the Interior to be needed for actual use in connection with the reclamation works shall become national forest lands: *Provided further*, That the Secretary of the Interior shall make his determination hereunder within five years after approval of this Act or, in the case of individual tracts of land, within five years after their acquisition by the United States: *And provided further*, That the authority contained in this section shall not be exercised by the Secretary of the Interior with respect to national forest lands without the concurrence of the Secretary of Agriculture.

(b) The costs, including the operation and maintenance costs, of the undertakings described in subsection (a) of this section shall be nonreimbursable and nonreturnable under the reclamation laws, the funds appropriated for carrying out the authorization contained in section 1 of this Act shall, without prejudice to the availability of other appropriated moneys for the same purpose, also be available for carrying out the investigations and programs authorized in this section.

Sec. 5. The Secretary is authorized to enter into an agreement with any public school district serving an area affected by construction of the Fryingpan-Arkansas project pursuant to which there will be paid to the district, annually or semiannually, from appropriations made for construction of the project, an amount substantially equal to the average per pupil cost of operating the district's schools during the school year or term for which payment is made, multiplied by the average number of pupils then enrolled in those schools who are dependents of persons brought into the project area who are engaged in project construction activities. This amount, however, shall be diminished by any payments made or anticipated to be made to the district pursuant to the Act of September 30, 1950, as heretofore or hereafter amended (20 U.S.C., ch. 13). The Secretary shall reduce further the contributions to the school districts in the amount of tax revenues received by the districts by reason of project activities. The Secretary may advance a reasonable portion of the amount estimated to become payable under any such agreement during the then current or ensuing school year or term, but any amount so advanced shall be subject to adjustment after the close of the year or term if it does not fully cover, or if it more than covers, the amount to which the district is found to be entitled under the first three sentences of this subsection. The Secretary is further authorized, without duplicating assistance to which any such district may be entitled under the Act of September 23, 1950, as heretofore or hereafter amended (20 U.S.C., ch. 14), to make available funds or facilities to provide space in which to carry on educational and related activities.

Sec. 6. (a) The use of water diverted from the Colorado River system to the Arkansas River Basin through works constructed under authority of this Act shall be subject to and controlled by the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, and the Mexican Water Treaty (Treaty Series 994), and shall be included within and shall in no way increase the total quantity of water to the use of which the State of Colorado is entitled and limited under said compacts, statutes, and treaty, and every contract entered into under this Act for the storage, use, and delivery of such water shall so recite.

(b) All works constructed under authority of this Act, and all officers, employees, permittees, licensees, and contractees of the United States and of the State of Colorado acting pursuant thereto, and all users and appropriators of water of the Colorado River system diverted or delivered through the works constructed under authority of this Act and any enlargements or additions thereto shall observe and be subject to said compacts, statutes, and treaty, as hereinbefore provided, in the diversion, delivery, and use of water of the Colorado River system, and such condition and covenant shall attach as a matter of law whether or not set out or referred to in the instrument evidencing such permit, license, or contract and shall be deemed to be for the benefit of and be available to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming and the users of water therein or thereunder by way of suit, defense, or otherwise in any litigation respecting the waters of the Colorado River system.

(c) None of the waters of the Colorado River system shall be exported from the natural basin of that system by means of works constructed under authority of this Act, or extensions and enlargements of such works, to the Arkansas River Basin for consumptive use outside of the State of Colorado, and no such waters shall be made available for consumptive use in any State not a party to the Colorado River compact by exchange or substitution; nor shall the obligations of the State of Colorado under the provisions of the Arkansas River compact (63 Stat. 145) be altered by any operations of the Fryingpan-Arkansas project.

(d) No right or claim of right to the use of the waters of the Colorado River system shall be aided or prejudiced by this Act, and the Congress does not, by its enactment, construe or interpret any provision of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, or the Mexican Water Treaty or subject the United States to, or approve or disapprove any interpretation of, said compacts, statutes, or treaty, anything in this Act to the contrary notwithstanding.

(e) In the operation and maintenance of all facilities under the jurisdiction and supervision of the Secretary of the Interior authorized by this Act, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act (and any contract lawfully entered into by the United States under any of said Acts), the treaty with the United Mexican States, and the operating principles, and to comply with the laws of the State of Colorado relating to the control, appropriation, use, and distribution of water therein. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section and consent to given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise, and any person or entity whose rights may be affected, impaired, or infringed upon by reason, or as a result, of such noncompliance may maintain an action, suit, or proceeding in the United States District Court in and for the District of Colorado seeking appropriate relief, and consent is hereby given to the joinder of the United States, the Secretary of the Interior, and his subordinate officials, employees, and agents as a party or parties to such action, suit, or proceeding, as a defendant or otherwise.

SEC. 7. The Secretary of the Interior is directed to continue his studies of the quality of water of the Colorado River system, to appraise its suitability for municipal, domestic, and industrial use and for irrigation in the various areas in the United States in which it is used or proposed to be used, to estimate the effect of additional developments involving its storage and use (whether heretofore authorized or contemplated for authorization) on the remaining water available for use in the United States, to study all possible means of improving the quality of such water and of alleviating the ill effects thereof, and to report the results of his studies and estimates to the Congress on January 3, 1963, and every two years thereafter.

SEC. 8. There is hereby authorized to be appropriated for construction of the Fryingpan-Arkansas project, the sum of $170,000,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project and for future costs incurred under sections 4 and 5 of this Act.

Mr. ROGERS of Texas (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 2, after the words "site on" insert the words "Castle Creek, a tributary of".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 17, after the word "numbered" insert the figure "130".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 4, strike out the words "laws, the" and insert in lieu thereof "laws. The".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 7, strike out the word "thereafter" and insert in lieu thereof "thereafter, the expense of said studies to be no part of the financial obligation of the Fryingpan-Arkansas project."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 10, after the figure "$170,000,000" insert "(June 1961 prices),".

The committee amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

Mr. SAYLOR. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 8, line 9, through page 9, line 14, strike out all of section 5 and renumber subsequent sections accordingly.

Mr. SAYLOR. Mr. Chairman, this section which my amendment deletes places the people in this area in a very favored position. No other act involving construction has ever contained such a provision. In view of the fact that the impacted school area bill has been revived by the House, I see absolutely no need for this provision. This provision modified the rules across the board with regard to construction in an area of a reclamation project and it should not be in this bill.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the chairman of the full committee.

Mr. ASPINALL. Mr. Chairman, I accept the amendment offered by the gentleman from Pennsylvania.

The subsection was placed in the bill because of the peculiar economic situation surrounding the County of Lake in the State of Colorado which at the time the subsection was proposed had a very small tax base and a very limited amount of facilities for schools with the definite knowledge that with the coming of construction, there would be an added burden, and it was thought at the time it might take too long to get the benefits offered under Public Law 815 and Public Law 874. However, the experience that has been had recently with other projects leads me to believe that benefits will flow under the provisions of these two public laws of the United States and that these needs in this particular area within the project area will be satisfied.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentleman.

Mr. PUCINSKI. I am very happy to hear the chairman accept the amendment. I introduced a bill today which would extend the impacted areas school legislation program to include any youngster who moved into a State within less than 6 years. I think these local communities that have to carry this additional burden of providing education for these migrant children are suffering a great hardship today. Therefore, my proposal which I hope the Congress will consider will certainly meet the problem that the chairman of the committee just spoke of and the problem that the gentleman wants to take care of by deleting this provision from this particular bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. GROSS. If I may address this question to the gentleman from Illinois, would that take care of the migrants to Hyannis Port?

Mr. PUCINSKI. I am sorry I did not hear the gentleman's question.

Mr. GROSS. Would that take care of the migrant schoolchildren going to Hyannis Port?

Mr. PUCINSKI. This legislation would make funds available to any child attending a public school who has lived in a State less than 6 years.

Mr. GROSS. Then it would; would it not?

Mr. PUCINSKI. If they would otherwise qualify for Federal assistance under this act, the answer is—yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was agreed to.

Mr. SAYLOR. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 10, line 22, through page 11, line 7, strike out all of subsection (c) and reletter subsequent subsections accordingly.

Mr. SAYLOR. Mr. Chairman, a few weeks ago we had the San Juan-Chama project before us, and the representative from the State of California offered an amendment to that bill which is just what is contained in this amendment; but the House in its wisdom turned down that amendment because they said it would be impossible to administer. There is no more reason for it in this bill than there was in the San Juan-Chama bill. Exchange or substitution of water is just as difficult to live with on the Colorado as it is on any other river. Besides, there is what amounts perhaps to a prohibition with reference to the Colorado River States. This will do nothing but make for a waste of water. I certainly hope that the Committee will adopt this amendment and make the two acts that we pass consistent.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment because this is part of the agreement that was arrived at during the long legislative controversy. This is one of the California amendments. We say that it does no violence to the Fryingpan-Arkansas legislation.

I would like to quote from a part of the hearings, questions by the gentleman from Colorado [Mr. CHENOWETH] on page 316 of the hearings:

Mr. CHENOWETH. Do I understand, Mr. Ely, that it is now the California position on the Fryingpan that except for the 25-percent limitation you have reached agreement on this project?

Mr. ELY. That is correct, sir.

Mr. CHENOWETH. You are supporting the Aspinall bill?

Mr. ELY. I cannot say we are supporting it. I have no authority to say that. I can say that the objections which we had to the Chenoweth and Aspinall bills are removed, with the single exception of the limitation on transmountain diversions.

With this in mind this amendment was accepted by the committee. I do not think it affords any real protection to the people of the lower basin; on the other hand, I do not think it does any violence to the bill. For this reason I oppose the amendment.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. SAYLOR. Can the gentleman tell me how the people are going to handle the water going through the transmountain diversion, how they are going to distinguish it when it gets into the Arkansas River so that none of it will go down the Arkansas River beyond the border of the State of Colorado?

Mr. ASPINALL. As to the individual drops of water, the gentleman is correct, because intermingling in these instances is the common practice. The amount of water which is brought over from western Colorado is to be used in the State and no part of such amount is to go beyond the Colorado border.

Mr. SAYLOR. I say to my colleague I would agree with him heartily but that is not what this section of the bill provides. This section of the bill provides that none of the waters of the Colorado River shall be exported beyond the natural basin. That is the reason I offer the amendment, to make the two acts consistent.

Mr. ASPINALL. It is a part of the operating agreement, and the waters from the Colorado River as such will be used in Colorado, no matter where they come from.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

The CHAIRMAN. Are there further amendments?

Mr. SAYLOR. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 11, line 19, through page 12, line 20, strike out all of subsection (e) and insert in lieu thereof the following language:

"In the operation and maintenance of all facilities under the jurisdiction and supervision of the Secretary of the Interior authorized by this Act, the Secretary is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act and the treaty with the United Mexican States in the storage and release of water from reservoirs in the Colorado River Basin. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this subsection, and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise."

Mr. SAYLOR. Mr. Chairman, this amendment is also offered to make the language in this bill identical with the language in the San Juan-Chama bill. The provision that is contained in the language we have right now reduces lawsuits to an absurdity. You now allow anyone to bring the Secretary of the Interior into the U.S. Supreme Court for failure to comply with the laws of the State of Colorado. That is what the provision that is in the bill now states.

I certainly do not believe it is the intention of this Congress to allow any aggrieved individual in Aspen or on the west side of the divide to enter a suit in the U.S. Supreme Court against the Secretary of the Interior. Yet that is what is contained in this bill.

I am trying to remove that ridiculous provision from the bill and make this bill comply with the law that a week ago Congress said it wanted.

I might say if we are ready to tackle revision of laws in connection with the bringing of lawsuits, let us do it under general legislation and not do it in this manner. Let us bring it before the proper committee, take testimony from the executive branch of the Government and determine what changes, if any, should be made. Let us not make changes in the procedure of bringing suits in a bill like this which ends up with absolutely asinine results.

Mr. ASPINALL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL to the amendment offered by Mr. SAYLOR to section 6(e): On page 12, line 11, after the word "otherwise" change the comma to a period and strike out the remainder of section 6(e).

Mr. ASPINALL. Mr. Chairman, the amendment I have offered to the amendment offered by the gentleman from Pennsylvania will do what the gentleman from Pennsylvania has in mind.

There was a particular situation existing in the eastern part of the western slope of Colorado which brought this to our attention. This was caused by the Bureau operation of some of the facilities in western Colorado of the Colorado-Big Donfried project. It was because of such situation that we saw fit to insert a provision in this particular section which would permit an individual to sue in certain instances. After the committee had approved the language, I then wrote to the Department of the Interior asking for its position on the provision in the bill. This was after the bill was approved by the committee. The Department of the Interior in letters dated July 5 and July 18 stated what most of us consider valid reasons for the exclusion of this particular language from the bill.

I wish to insert these letters at this point:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C., July 5, 1961.*

Hon. WAYNE N. ASPINALL,
*Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.*

DEAR MR. ASPINALL: On May 4, 1961, we submitted to your committee the views of this Department on H.R. 2206, 2207, 2208, and 2209, bills "to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado."

This letter supplements and revises that report.

In addition to the suggestions contained in our earlier report we would further recommend the deletion of the following language in section 6(e) of the bill, beginning on line 10 through the end of the section on page 12: "and any person or entity whose rights may be affected, impaired, or infringed upon by reason, or as a result, of such noncompliance may maintain an action, suit, or proceeding in the United States District Court, in and for the District of Colorado seeking appropriate relief, and consent is hereby given to the joinder of the United States, the Secretary of the Interior, and his subordinate officials, employees, and agents as a party or parties to such action, suit, or proceeding, as a defendant or otherwise."

This language constitutes an open invitation to unnecessarily burden the operation of this project, intended for the benefit of all the people, with a multiplicity of individual suits with diverse claims for relief, which could well involve the actual operation of the project in the injunctive processes of the courts.

Individuals are guaranteed just compensation for any property rights which might be taken in the operation of this project by the fifth amendment to the Constitution and by the Tucker Act, which provides a remedy against the United States for money damages in the event of a taking. The provisions of section 6(e) at lines 5 to 10 also afford protection to individual interests beyond the protection afforded by the Tucker Act through the medium of suits by any State of the Colorado River basin. This authorization for State suits is similar to the authorization for such suits contained in section 14 of the act of April 11, 1956 (70 Stat. 105), authorizing the Colorado River storage project. Deletion of the language, as we recommend, would therefore bring the language of this bill into line with the law of the river as set out in the Colorado River Storage Project Act and, moreover, would be consistent with the action recently taken by your committee in the case of the bill to authorize the San Juan-Chama and Navajo irrigation units (H.R. 7596).

Manifestly, in a river system as complex and delicately balanced as the Colorado River, the right to institute litigation for specific relief should not extend below the level of the States themselves. Litigation which could affect the operation of the river, as distinguished from litigation seeking monetary awards for just compensation, could have, it need hardly be pointed out, substantial impact upon vital interests of the basin States, as well as upon the interests of the United States.

The departure from the normal channel of relief, that is, suits seeking just compensation under the fifth amendment for a taking, thus poses issues affecting most seriously the deepest interests of the United States and each of the basin States. We cannot too strongly emphasize the havoc that authorization for the indiscriminate initiation of individual actions could wreak in the complex business of the operation of river control projects.

Finally, it should be observed that should an agent of the United States act beyond the scope of his statutory authority, any citizen adversely affected could enjoin the agent without the consent of the United States to suit. *Larson* v. *Domestic and Foreign Commerce Corp.* (337 U.S. 682 (1949)). Such action is not that of the United States and the suit brought to enjoin it is not brought against the United States.

We most urgently recommend, therefore, the deletion of the authorization for suits by other than the basin States themselves.

The Bureau of the Budget has advised that there is no objection to the presentation of this supplemental report from the standpoint of the administration's program.

Sincerely yours,

JOHN A. CARVER, Jr.,
*Assistant Secretary of the Interior.*

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U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
*Washington, D.C., July 18, 1961.*

Hon. WAYNE N. ASPINALL,
*Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.*

DEAR MR. ASPINALL: This is in reply to your letter of July 13 requesting our views on a proposal to add certain language to section 3(a) of H.R. 2206 and similar bills to authorize the Fryingpan-Arkansas project in lieu of the language which our letter of July 5 recommended be deleted from section 6(e) of the bill.

Section 6(e) authorizes the joinder of the United States in any action brought in the Supreme Court of the United States by a State of the Colorado River basin to enforce compliance by the Secretary with, among other requirements, the operating principles. The language which our letter of July 5 recommended be deleted from section 6(e) authorized the institution of suits for compliance by any affected person or entity.

Section 3(a) as presently drawn requires that the project be operated in accordance with the operating principles. Section 6(e) does likewise. The suggested addition to section 3(a) set out in your letter of July 13 would transfer from section 6(e) in somewhat more limited form the authorization for suit, the deletion of which was recommended by our letter of July 5.

While the authorization for suit as proposed for incorporation in section 3(a) would run to the parties signatory to the operating principles rather than to "any person or entity," it would extend the waiver below the level of the State. It would, therefore, be subject to the same concerns expressed in our letter of July 5 and for the reasons set out in that letter we must recommend against adoption of the proposal.

As you know, in connection with consideration by the Congress of the authorization of the Colorado River storage project (act of April 11, 1956, 70 Stat. 105) all efforts to extend the authorization for suit below the State level were rejected. You will recall that Representative ROOSEVELT offered such a proposal which was rejected on the floor of the House. (See CONGRESSIONAL RECORD, vol. 102, pt. 3, pp. 3742–3744.) In the debate on Mr. ROOSEVELT's amendment, the dangers of authorizing litigation outside the usually applicable channels and below the level of the State were emphasized. It will also be recalled that the Department's March 8, 1955, report on the Colorado River storage project legislation likewise recommended that any waiver of the ordinary immunity from suit run only in favor of a State.

We would reiterate that if property rights of the districts signatory to the operating principles are taken in the operation of the Fryingpan-Arkansas project that district, like all other persons similarly affected, would be entitled to just compensation under the fifth amendment, and that should an agent of the United States act beyond the scope of his statutory authority relief in a proper case could be afforded under the doctrine of *Larson* v. *Domestic and Foreign Commerce Corp.* (337 U.S. 682 (1949)).

We are, therefore, impelled to recommend most urgently that the proposed addition referred to in your letter of July 13 not be included in the bill.

Sincerely yours,

STEWART L. UDALL,
*Secretary of the Interior.*

Although there was a logical purpose for the first inclusion of the language, nevertheless I am inclined to agree with the gentleman from Pennsylvania as to the possible detrimental effect of this provision in the bill.

Mr. Chairman, I ask that my amendment be offered as a substitute rather than as an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. ASPINALL as a substitute for the amendment offered by the gentleman from Pennsylvania: On page 12, line 11, after the word "otherwise" change the comma to a period and strike out the remainder of 6(e).

**Mr. SAYLOR.** Mr. Chairman, I am perfectly willing to go along with the substitute that corrects a large portion of the defects that exist in this section. I hope, with the history that has been made here in considering the amendment and the substitute, the matter will be taken up in conference, and I hope the other language will be corrected at that time.

**Mr. ASPINALL.** Mr. Chairman, I shall be glad at the proper time to ask that those two letters be made a part of the RECORD.

**The CHAIRMAN.** The question is on the substitute offered by the gentleman from Colorado [Mr. ASPINALL].

The substitute was agreed to.

The amendment, as amended by the substitute, was agreed to.

**Mr. BARRY.** Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the committee is due a great tribute for having spent years painstakingly going over this matter and bringing it to the floor of the House. I also think that on the Republican side of the aisle the gentlemen from Colorado [Mr. DOMINICK and Mr. CHENOWETH] have rendered a tremendous service in making it possible for us who live in the eastern part of the country to have a full understanding of this measure before we vote upon it. It has been demonstrated, I know, conclusively, at least as far as the gentleman from New York is concerned, that this is an area where our dollars can be well spent, realizing that 90 percent of those dollars are going to come back to the U.S. Treasury; realizing that the water in the upper reaches of the Colorado tributaries will be used mainly for the purpose of irrigating an area that now produces surplus crops which would continue to increase our surplus crops were this bill not enacted into law. By the completion of this project we will then grow crops in the truck farming industry which will render better food at cheaper prices while reducing our surplus crops.

I would say that to these men, the gentlemen from Colorado [Mr. DOMINICK and Mr. CHENOWETH] and other members of the committee, that we in Congress indeed owe a debt of deep gratitude. Finally let me say that I, as a farmowner in California, even though my State is New York, use Colorado River water, but that I heartily endorse this project and ask for its acceptance by the committee.

**Mr. SAYLOR.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SAYLOR: On page 12, line 21, through page 13, line 10, strike out all of section 7 and renumber subsequent sections accordingly.

**Mr. SAYLOR.** Mr. Chairman, this is duplication in triplicate. This is the general law of the land. It is written into the reclamation laws that the Secretary of the Interior is directed to continue his studies of the quality of water of the Colorado River system and to reinforce it. Two weeks ago in the San Juan-Chama bill we placed the same provision in the law and said that the only difference was that he had to report by the end of the 87th Congress. I certainly hope that this amendment will be adopted and this provision stricken from the bill as needless duplication.

**Mr. ASPINALL.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the reason I rise in opposition is the same reason that I spoke about when the other amendment, which was a California amendment, was before the Committee on the motion of the gentleman from Pennsylvania to strike it from the bill. This is part of the agreement. I am inclined to agree with the logic of my friend from Pennsylvania that we are studying the waters of this river perhaps too extensively, but on the other hand, in order to see that the interests of the lower basin are protected, I see no reason why this same provision should not be in the bill. I assure the Members of the Committee that there will be no duplication in this study as long as the gentleman from Colorado now speaking is chairman of the Committee on Interior and Insular Affairs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was rejected.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 13, line 20, strike out "sections 4 and 5" and insert "section 4".

Mr. SAYLOR. Mr. Chairman, this is a perfecting amendment, and is made necessary because of the fact that we adopted the first amendment which I offered.

Mr. ASPINALL. Mr. Chairman, if my colleague, the gentleman from Pennsylvania [Mr. SAYLOR] will yield, the purpose of the gentleman, of course, is correct. On the other hand, a part of the word "section" appears on line 19. So the amendment should read "tion 4 of this Act."

The CHAIRMAN. Does the gentleman from Pennsylvania accept the modification of his amendment?

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent to modify my amendment to read "on page 13, lines 19 and 20, strike out sections '4 and 5' and insert 'section 4'.".

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. DOMINICK. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. LINDSAY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LINDSAY. Mr. Chairman, I rise in support of H.R. 2206, the Fryingpan-Arkansas project. I think that the arguments advanced by the distinguished gentlemen from Colorado [Mr. CHENOWETH and Mr. DOMINICK], are unassailable. This project has been under study and consideration for over 30 years and has been ready for authorization for over 8 years. It was supported by President Eisenhower and now by President Kennedy.

I originally had several questions about this bill, and I am pleased to state that they have all been answered by the distinguished gentleman from Colorado [Mr. DOMINICK] and by the other coauthor of the bill, the distinguished gentleman from Colorado [Mr. CHENOWETH]. These gentlemen have devoted enormous energy and time in furthering this cause, and in so doing they have been logical and reasonable throughout.

I come from a crowded urban center on the eastern seaboard, and it would be easy for me to say that I would oppose this bill and thereby strike a blow for economy. The benefits to be derived from the project have no immediate impact on the 17th District of New York. But I cannot do that in all conscience, because the bill in the first place will not damage the budget.

Every dime of it, except a limited amount having to do with national conservation, is repayable within 50 years, plus interest.

Second, it constitutes a major step in the maximum utilization of water and land resources in Colorado, and the entire Arkansas Valley will benefit, as will, indeed, the United States as a whole. Our country is hurt by flood damage. It is true, also, that the project will benefit fish and wildlife, provide additional recreational opportunities, help control sediment, and prevent stream pollution.

Mr. Chairman, no one can even suggest that the gentlemen from Colorado I have spoken of are in any way fiscally irresponsible. They are among the Members of the House who have been sound and thoughtful in the use of taxpayers' money. They are listened to with respect by every Member. They would not be backing this measure if it were not in the public interest to do so.

Therefore, Mr. Chairman, as a New Yorker, I would like to contribute my voice to the support of this measure and my commendations to its authors.

The CHAIRMAN. Are there any further amendments?

If there are no further amendments, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2206) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado, pursuant to House Resolution 606, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SAYLOR. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. In accordance with the order of the House of last Thursday, further consideration of this bill will be postponed until tomorrow, June 13, 1962.

## FEDERAL AID TO SCHOOL DISTRICTS IMPACTED BY MIGRATION OF AMERICAN POPULATION

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, I have today introduced legislation which would provide Federal assistance to public schools in those school districts of America which are experiencing a substantial influx of school-age population due to the migration of Americans.

My proposal provides for school districts impacted by normal interstate migration of families to receive the same benefits now distributed by the Federal Government to school districts impacted by Federal activity. The Federal Government at present contributes in excess of $300 million a year to 3,008 local school districts throughout the Nation whose public school population has been increased because of some form of Federal activity in those respective school districts.

The Congress of the United States, by an overwhelming vote, has approved the principle that when the Federal Government establishes an installation or project in a local school district, which brings into that school district an additional number of children whom the public school system must educate, the Federal Government shall help defray the cost of educating these children.

Last year, by an overwhelming majority of both Democrats and Republicans, Congress extended the federally impacted areas school assistance bill for another 2 years.

During debate on this measure, it was clearly agreed by proponents of this legislation that these vast expenditures of Federal funds directly to the local districts, both for operating expenses and construction of additional school facilities needed to educate children of Federal workers, in no way constituted any interference by the Federal Government with the administration of local educational standards.

My bill extends this principle of aid to federally impacted areas to provide Federal aid for each migrant youngster who has lived less than 6 years in the State in which the public school district applying for such aid is located.

Mr. Speaker, it is my judgment that this is a sound proposal. For many years there have been advocates both in and out of Congress who have described in great detail hardships which local school districts are suffering because of steadily increasing school population. The Congress of the United States has debated for many years the merits and demerits of Federal aid to education; and while I respect the views of both the proponents and opponents of Federal aid to education, the stumbling block, it appears to me, has been in attempting to justify across-the-board Federal aid to local school districts.

There are no restrictions on travel and movement of population among the 50 States in our Republic, and this is properly so. Certainly we would not want to deny any American the right to move wherever he chooses for whatever are his reasons. Census figures clearly indicate that we are probably the most mobile nation in the world. More people move from one locality to another in the United States per year than in any other nation in the world.

During the past 5 years, the Census Bureau reports that 50 percent of all Americans have moved to another location at least once. In some States, as much as 30 percent of the population has moved from one State into another during the past 10 years.

While I would not want to do anything which would curtail this complete freedom of movement, it appears to me somewhat unfair to burden the resident taxpayers of a local community with the entire immediate additional cost involved whenever a new family moves into a local school district from another State and enrolls its children in the public school system of that district.

Throughout our Nation, local school districts have had to increase their budgets repeatedly to provide for these additional youngsters. In the city of Chicago, when school reopens next September, the Chicago Board of Education will have to provide facilities for 25,000 additional children at an additional cost of $5 million a year for operating costs alone. It appears from the most reliable estimates which I have been able to obtain that the number of students who recently moved into Chicago from other States in this group will be quite large. More substantial is the additional cost involved in providing building facilities for these new students.

The Federal Government assumes responsibility in a whole series of problems which arise between the States. It strikes me as being perfectly logical to ask the Federal Government to assume part of the cost of the initial impact on a community created by families who move into the community from other States, at least until these migrant families can become a meaningful participant in their new community's economic stream.

The alternative is either to have the local taxpayer assume the ever-increasing full cost of providing education for these migrant youngsters, or—and this of course is completely unworkable—ask the State from whence the families came to make some sort of contribution. Obviously, no one, including myself, would seriously propose the latter.

My proposal provides that we follow the same formula for Federal aid to migrant students which is now incorporated in the federally impacted areas school bill. The Federal Government, under existing law, pays one-half of the total contribution made by the local government toward public education of those children whose parents have moved into the school district as a result of some Federal activity in which they are engaged but who do not actually live on a Federal installation.

I have selected the qualifying period of 6 years because it is my judgment that it takes at least that long for a family to be absorbed into the economic stream of a local community, and it is my further judgment that it takes approximately that length of time before a new family starts making a sufficient contribution to the local taxes of a community to help significantly defray the initial cost of providing educational facilities for a youngster's schooling. The 6-year base period would also help provide a local school district with Federal assistance for the first—and maybe even second—grade of education for those children who may have been brought into the local school district while still in their infancy.

In my discussions with local school administrators, I find that the greatest rise in local school costs frequently is experienced in providing additional school facilities for the increasing population at the first- and second-grade level.

The 6-year residence criterion which I propose would permit the Federal Government to assist local communities meet the initial expense of providing additional facilities in education for these youngsters affected by migration of population. Of course, all students in elementary and secondary levels enrolled in the public school of a given district would be counted for Federal aid so long as they have resided in the State less than 6 years.

I should like to point out that my proposal would follow existing legislation for Federal aid to students who do not live on a Federal installation. Here, the Federal Government would pay only half the local contribution. But the Federal Government also pays the full amount otherwise contributed by the local community for each child attending public schools but living on a Federal installation, such as a military base. This payment is made on the theory that parents of these youngsters attending public schools make no significant contribution toward local real estate taxes.

Therefore, Mr. Speaker, I believe my proposal is sound, since the Federal Government already pays an amount equal to 50 percent of the local contribution for each child attending public schools in the local school district whose parents work on a Federal installation, even though they may rent or own property off the installation and even though they are making a full local tax contribution to local authorities. The theory behind this concept is that even though these parents make a direct tax contribution to local authorities, the initial cost of providing education for their children is so great that their immediate local contribution is not sufficient to meet the initial cost, and so the Federal Government makes the additional contribution. All I ask is that we follow the same policy for migrant students moving into a school district.

We know that here in the very shadow of the Nation's Capitol there are any number of local school districts which receive huge sums of money in Federal assistance for the operation of the public schools because the parents of children attending these schools are employed by the Federal Government. We know further that in many instances the parents of those students who are being subsidized by the Federal Government own their own homes in these local school districts and pay the same local real estate taxes that all other property owners in the given school district pay.

It is my hope that Congress will adopt this proposal because there is no question that many school districts throughout America have reached the absolute saturation point in increasing local taxes to meet the additional cost of providing education for children of families who have recently moved into the school district.

My bill follows the identical formula now used in impacted areas for assisting local school districts both in current operating expenses and additional need for construction. I fail to see how we can justify a $300 million a year subsidy for children of Federal workers, even though those Federal workers make a full contribution to the local tax base, on the one hand, and then ignore the problem being suffered by local school boards because of an influx of school-age population over which the local school board has no control.

My bill has the same guarantee against any Federal interference with local academic standards that is now incorporated in existing legislation affecting federally impacted areas.

Under my proposal, local school boards would conduct the same type of census that is now conducted throughout the country in more than 3,000 local school districts to determine the number of students eligible for Federal assistance.

The statement of findings and purpose in the preamble of my bill reads as follows:

> SEC. 101. The Congress hereby finds that the obligation of a local educational agency to provide education to children who have but recently become residents of their school districts imposes a substantial hardship on such local educational agency, and that where such students came from outside the State, there exists a Federal responsibility to assist such agencies in providing education for such students. It is the purpose of this Act to meet such responsibility by providing Federal grants to local educational agencies for the maintenance and operation of their schools, and for construction of new schools, based on the number of students attending the schools of such agencies who have resided in their State for less than six years.

For the purpose of this act, we define the term "out of State child" to mean a child who has resided in a State for less than 6 years from the beginning of the fiscal year for which the determination is made. However, no child who may be counted for purposes of determining grants under the impacted areas bill shall be considered an out-of-State child for purposes of this act.

This bill would provide Federal aid only to schools which are maintained at public expense, under public supervision and direction, and without tuition charge, and would include both elementary and secondary education students in the applicable State. This bill, as stated before, would provide Federal assistance both for current expenditures, identical to existing legislation in federally impacted areas, and also for construction.

The term "current expenditures" as defined in my bill means expenditures for free public education to the extent that such expenditures are made from current revenues, except where such term does not include any such expenditures for the acquisition of land, the erection of facilities, interest or debt service. What this means, in effect, is that the Federal Government would merely transfer to the local school district's account the Federal contribution due to the local school district just as we now do in the case of the $300 million which we contribute to some 3,008 school districts which receive benefits under the federally impacted program.

In the case of construction, we use the identical formula contained in Public Law 815, under which local school districts now receive Federal aid for construction of additional school facilities in federally impacted areas. The Federal Government, under this proposal, would pay 50 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated for every child eligible for Federal assistance in the local school district under this act.

Under this proposal, the local school district would initiate the application for Federal assistance, but such application would have to go through the State school administrator for action by the Federal Government.

In order to qualify for such assistance, a local school board would have to have at least 10 children who have moved into the State over a period of less than 6 years, but the total must be equal to at least 1 percent of all children in the school district who were in average daily attendance in the public schools of such district during the preceding fiscal year for which the application is made.

I feel quite confident that with this limitation, only those school districts throughout the country who have suffered severe financial hardships because of the movement of population will take advantage of this Federal assistance.

It is my belief that the administration of this act would create no more problems that are now experienced in the administration of the federally impacted areas provisions in existing law. As youngsters reach the maximum 6-year residence in the State and are dropped out of the program, new youngsters moving into the State would become eligible. In any event, this legislation does recognize the fact that after 6 years, a family moving into a new State has been sufficiently absorbed in the economic stream of the local school district to make its full contribution to the cost of public education in that particular district.

It should be kept in mind that to qualify for such assistance, a youngster would have to move from one State into another. Conceivably a family with children might move from one school district to another within a given State, but because the State government makes its contribution to local school districts, the guiding criterion in determining qualification for Federal assistance is the 6-year residency in a State and not the particular school district. It then becomes readily clear that students moving out of a large city into the suburbs would not become eligible for this assistance if they have lived in the State longer than 6 years.

I have tried in this bill to recognize the fact that many urban communities of America are suffering very serious financial problems in maintaining their public educational system because in many of these large urban communities, there has been a moving out of the city into the suburb of the higher wage earner at a time when a large percentage of unskilled workers from the rural communities of America are moving into large cities. We are experiencing a strange phenomenon in America where real estate property owners are moving out of the city into the suburbs, on the one hand, but the overall public school population of the large cities is not diminishing by a commensurate number because unskilled workers, usually with large families, are moving into the cities with no immediate contribution toward local taxes.

There is sufficient evidence in many instances that unskilled workers moving into large industrial areas cannot immediately adapt themselves to urban life and, therefore, are not able to make any significant contribution to the local tax base; but the fact remains indisputable that these migrant workers' families must be provided public school education.

Mr. Speaker, I have made a sincere effort in this legislation to recognize the plight of the local taxpayer in our large urban areas. But it should also be recognized that the shifting of American population is a continuing process throughout the country, and it would be a mistake to think that this legislation was designed only to help the urban communities of America, albeit these are the communities that are experiencing today the greatest problem in providing adequate education in their public schools.

The bill which I have introduced is an authorization bill and provides no guidelines for the actual cost of this program because I believe this is a function which the Appropriations Committee will assume when we have had some indication from local school boards as to how many of their children would actually qualify for this legislation. However, the best available figures which I have been able to compute from the 1960 census indicate that approximately 900,000 school-age children move annually in the United States. This is only an estimate, and I am inclined to think that the figure is high; but on the basis of this figure, it would appear that to implement this program with sufficient appropriations would require no more money than is now being spent by the Federal Government under its assistance to federally impacted school districts. The best estimate that I have been able to obtain, therefore, for the cost of this program would be approximately $300 million a year.

I am extremely hopeful, Mr. Speaker, that this legislation will receive early consideration by Congress. This does not establish any startling new precedent, but rather recognizes the fact that in a republic of 50 States, serious problems do develop in local communities as the population of this Republic exercises its right to move from one State to another and from one community to another for whatever their reasons. Since local communities cannot obtain any assistance from the school districts from which these youngsters have moved, it stands to reason, then, that the Federal Government should assist the local community in meeting the initial cost, which usually is the largest cost, in providing education for these new students.

I fail to see how anyone would object to this principle when we already are spending more than $300 million of Federal funds every year to help federally impacted school districts. If this Federal assistance to federally impacted school districts was limited only to the children of the military, one could argue that this is part of our national defense effort; but this is not the case. Thousands of youngsters of Federal employees help bring additional revenue from the Federal Government to the local school districts, even though their parents who are employed by the Federal Government may have absolutely nothing to do with national defense.

It is for this reason that I hope Congress will enact this form of assistance to the hard-pressed local school districts of America.

Mr. Speaker, the text of my bill follows:

H.R. 12089

A bill to provide Federal assistance to local educational agencies to assist them to meet the financial burden resulting from the entry into their school systems of children from outside the State

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Educational Assistance Act of 1962."

TITLE I—GENERAL

*Statement of findings and purpose*

SEC. 101. The Congress hereby finds that the obligation of a local educational agency to provide education to children who have but recently become residents of their school districts imposes a substantial hardship on such local educational agency, and that where such students came from outside the State, there exists a Federal responsibility to assist such agencies in providing education for such students. It is the purpose of this Act to meet such responsibility by providing Federal grants to local educational agencies for the maintenance and operation of their schools, and for construction of new schools, based on the number of students attending the schools of such agencies who have resided in their State for less than six years.

### *Definitions*

SEC. 102. For the purposes of this Act—

(1) The term "out-of-State child" means a child who has resided in the State for less than six years from the beginning of the fiscal year for which the determination is made. No child who may be counted for purposes of determining grants under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), shall be considered an "out-of-State child" for purposes of this Act.

(2) The term "child" means any child who is within the age limits for which the applicable State provides free public education.

(3) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary education in the applicable State.

(4) The term "current expenditures" means expenditures for free public education to the extent that such expenditures are made from current revenues, except that such term does not include any such expenditure for the acquisition of land, the erection of facilities, interest, or debt service.

(5) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of costs of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the State for the base year designated in the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain.

(6) Estimates of membership, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

(7) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(8) The term "school facilities" includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public.

(9) Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies in accordance with regulations prescribed by him.

(10) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education or which has responsibility for the provision of such facilities.

(11) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(12) The term "State" means a State, Puerto Rico, Guam, the Virgin Islands, or Wake Island.

(13) The term "Commissioner" means the United States Commissioner of Education.

(14) The term "base year" means the regular school year preceding the fiscal year in which an application was filed under title III or the regular school year preceding such school year, as may be designated in the application; and

(15) The term "increase period" means the period of two consecutive regular school years immediately following such base year.

(16) Membership of schools and average daily attendance shall be determined in accordance with State law or, in the absence of State law governing such a determination, in accordance with regulations of the Commissioner; except that, notwithstanding any other provision of this Act, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this Act the attendance of such child at such school shall be held and considered (A) to be attendance at and membership of a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be attendance at or membership of a school of the local educational agency receiving such tuition payment or entitled to receive such tuition payment under the contract.

### *Administration*

SEC. 103. (a) In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

(b) The Commissioner shall administer this Act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this Act.

(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this Act, including a detailed statement of receipts and disbursements.

(d) In carrying out his functions under this Act, the Commissioner is authorized, pursuant to proper agreement with any other Federal department or agency, to utilize the services and facilities of such department or agency. Payment to cover the cost of such utilization shall be made either in advance or by way of reimbursement, as may be provided in such agreement. The Commissioner is authorized to delegate to any officer or employee of the Office of Education any of his functions under this Act except the making of regulations.

## TITLE II—GRANTS FOR MAINTENANCE AND OPERATION

### *Children with respect to whom payments are made*

SEC. 201. For the purpose of computing the amount to which a local educational agency is entitled under this title for any fiscal year, the Commissioner shall determine the number of out-of-State children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such fiscal year.

### *Amount of payments*

SEC. 202 (a) The amount to which a local educational agency is entitled under this title for any fiscal year shall be an amount equal to one-half of the local contribution rate (determined under subsection (d)) multiplied by the number of children determined under section 201.

(b) No local educational agency shall be entitled to receive any payment for a fiscal year with respect to a number of children determined under section 201, unless the number of children who were in average daily attendance during such year and to whom such section applies—

(1) is ten or more, and

(2) amounts to 3 per centum or more of the total number of children who were in average daily attendance during such year and for whom such agency provided free public education.

(c) The determination whether a local educational agency has met the percentage requirement for eligibility under subsection (b) for any fiscal year shall be made on the basis of estimates by the Commissioner made prior to the close of such year, except that an underestimate made by the Commissioner pursuant to the foregoing provisions of this sentence shall not operate to deprive an agency of its entitlement to any payments under this title to which it would be entitled had the estimate been accurate.

(d) The local contribution rate for a local educational agency (other than a local educational agency in Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency, or in a State in which there is only one local educational agency) for any fiscal year shall be computed by the Commissioner, after consultation with the State educational agency and the local educational agency, in the following manner:

(1) he shall determine which school districts within the State are in his judgment generally comparable to the school district of the agency for which the computation is being made; and

(2) he shall then divide (A) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which he is making the computation, which the local educational agencies of such comparable school districts made from revenues derived from local sources, by (B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such second preceding fiscal year.

The local contribution rate shall be an amount equal to the quotient obtained under clause (2) of this subsection. If, in the judgment of the Commissioner, the current expenditures in those school districts which he has selected under clause (1) are not reasonably comparable because of unusual geographical factors which affect the current expenditures necessary to maintain, in the school district of the local educational agency for which the computation is being made a level of education equivalent to that maintained in such other districts, the Commissioner may increase the local contribution rate for such agency by such amount as he determines will compensate such agency for the increase in current expenditures necessitated by such unusual geographical factors. In no event shall the local contribution rate for any local educational agency in any State (other than Puerto Rico, Wake Island, Guam, or the Virgin Islands) for any fiscal year be less than (i) 50 per centum of the average per pupil expenditure in such State or (ii) 50 per centum of the average per pupil expenditure in the United States (which for the purposes of this sentence and the next sentence means the fifty States and the District of Columbia), but not to exceed the average per pupil expenditure in the State. For the purposes of the preceding sentence the "average per pupil expenditure" in a State, or in the United States, shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all local educational agencies in the State, or in the United States, as the case may be (without regard to the sources of funds from which such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding fiscal year. The local contribution rate for any local educational agency in Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency, or in a State in which there is only one local educational agency, shall be determined for any fiscal year by the Commissioner in accordance with policies and principles which will, in his judgment, best effectuate the purposes of this title and most nearly approximate the policies and principles provided herein for determining local contribution rates in other States.

### *Method of making payments*

SEC. 203. (a) No local educational agency shall be entitled to any payment under this title for any fiscal year except upon application therefor, submitted through the State educational agency and filed in accordance with regulations of the Commissioner, which application gives adequate assurance that the local educational agency will submit such reports as the Commissioner may reasonably require to determine the amount to which such agency is entitled under this title.

(b) The Commissioner shall, subject to the provisions of subsection (c), from time to time pay to each local educational agency, in advance or otherwise, the amount which he estimates such agency is entitled to receive under this title. Such estimates shall take into account the extent (if any) to which any previous estimate of the amount to be paid such agency under this title (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

(c) If the funds appropriated for a fiscal year for making payments provided in this title are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies will be entitled to receive under this title for such year, the amount thus appropriated shall be available for payment of a percentage of the amount to which each local educational agency is entitled under this title, such percentage to be equal to the percentage which the amount appropriated is of the amount to which all such agencies are entitled under this section.

## TITLE III—GRANTS FOR CONSTRUCTION

### *Authority for grants*

SEC. 301. The Commissioner shall make grants as provided in this title to assist local educational agencies which have had a substantial increase in the number of out-of-State children attending their schools to construct minimum school facilities for such children. There is hereby authorized to be appropriated such sums as the Congress may determine to be necessary for carrying out this title. Sums so appropriated, other than sums appropriated for administration, shall remain available until expended.

### *Establishment of priorities*

SEC. 302. The Commissioner shall from time to time set dates by which applications for payments under this title must be filed. The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications in the event the funds appropriated under this title and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under this title have not already been obligated). Only applications meeting the conditions for approval under this title (other than section 305(b)(2)(C)) shall be considered applications for purposes of the preceding sentence.

### *Federal share for any project*

SEC. 303. Subject to section 304 (which imposes limitations on the total of the payments which may be made to any local educational agency), the Federal share of the cost of a project under this title shall be equal to such cost, but in no case to exceed the cost, in the school district of the applicant, of constructing minimum school facilities, and in no case to exceed the cost in such district of constructing minimum school facilities for the estimated number of children who will be in the membership of the schools of such agency at the close of the increase period and who will otherwise be without such facilities at such time. For the purposes of the preceding sentence, the number of such children who will otherwise be without such facilities at such time shall be determined by reference to those facilities which (1) are built or under contract as of the date on which the Commissioner set, under section 302, the earliest date on or before which the application for such project was filed, or (2) as of the date the application for such project is approved, are included in a project the application for which has been approved under this title.

### *Limitation on total payments to any local educational agency*

SEC. 304. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this title may not exceed the estimated increase, since the base year, in the number of out-of-State children, multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. In computing for any local educational agency the number of children in an increase under this section, the estimated number of children described in the preceding sentence who will be in the schools of such agency at the close of the increase period shall be compared with the estimated number of such children in average daily membership of the schools of such agency during the base year.

(b) A local educational agency shall not be eligible to have any amount included in its maximum by reason of subsection (a) unless the increase in children referred to in such subsection, prior to the application of the limitation in subsection (c), is at least ten and is equal to at least 1 per centum of the number of all children who were in average daily membership of the schools of such agency during the base year.

(c) If (1) the estimated number of children who are not out-of-State children who will be in the membership of the schools of a local educational agency at the close of the increase period is less than (2) 107 per centum of the number of such children who were in the average daily membership of such agency during the base year, the total number of children counted for purposes of subsection (a) with respect to such agency shall be reduced by the difference between (1) and (2) thereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as children who are not out-of-State children except children whose membership in the base year and increase period was compared in computing an increase which meets the requirements of subsection (b).

(d) Notwithstanding the provisions of subsections (b) and (c) of this section, whenever and to the extent that, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this title, the Commissioner may do any one or more of the following: (1) he may waive or reduce any percentage requirement in subsection (b); (2) he may waive the requirement contained in the first sentence of subsection (c) or reduce the percentage specified in clause (2) of such sentence.

(e) If—

(1) the first year of the increase period for an application made by a local educational agency constitutes the second year of the increase period for a previous application made by such agency under this title, and

(2) any payment has been or may be made to such agency on the basis of such previous application,

then, in determining under this section the total of the payments which may be made to such agency on the basis of the later application, the total number of children counted for purposes of subsection (a) may not exceed—

(3) the number of children whose membership at the close of the increase period for the later application is compared with membership in the base year for purposes of such subsection, minus

(4) the number of such children whose membership at the close of the increase period for the previous application was compared with membership in the base year for purposes of such subsection.

### *Applications*

SEC. 305. (a) No payment may be made to any local educational agency under this title except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

(b)(1) Each application by a local educational agency shall set forth the project for the construction of school facilities for such agency with respect to which it is filed, and shall contain or be supported by—

(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than twenty years after the completion of the construction;

(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law Numbered 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended;

(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this title on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(2) The Commissioner shall approve any application if he finds (A) that the requirements of paragraph (1) have been met and that approval of the project would not result in payments in excess of those permitted by sections 303 and 304. (B) after consultation with the State and local educational agencies, that the project is not inconsistent with overall State plans for the construction of school facilities, and (C) that there are sufficient Federal funds available to pay the Federal share of the cost of such project and of all other projects for which Federal funds have not already been obligated and applications for which, under section 302, have a higher priority.

(c) No application under this title shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

*Payments*

Sec. 306. (a) Upon approving the application of any local educational agency under section 305, the Commissioner of Education shall pay to such agency an amount equal to 10 per centum of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, pay to such agency the remainder of the Federal share of the cost of the project.

(b) Any funds paid to a local educational agency under this title and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

*Withholding of payments*

Sec. 307. (a) Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this title have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify such agency that no further payment will be made under this title with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

(b) The final refusal of the Commissioner to approve part or all of any application under this title, and the Commissioner's final action under subsection (a) of this section, shall be subject to judicial review on the record, in the United States court of appeals for the circuit in which the local educational agency is located, in accordance with the provisions of the Administrative Procedure Act.

### REGULATION OF IMPORTS OF AGRICULTURAL COMMODITIES AND PRODUCTS

Mr. ALBERT (at the request of Mr. Cooley) submitted a conference report and statement on the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956.

### CONSUMER FINANCE COMPANIES

Mr. ALBERT. Mr. Speaker, the following bill has been added to the list of bills from the Committee on Ways and Means previously announced to be called up by unanimous consent this week: H.R. 8824—a bill to modify personal holding company tax in case of consumer finance companies.

These six bills may be called up for consideration tomorrow.

### LEGISLATIVE PROGRAM FOR WEDNESDAY AND THURSDAY

Mr. ALBERT. Mr. Speaker, I take this time to advise that after the vote on the Fryingpan-Arkansas project tomorrow we shall proceed with the consideration of the bill H.R. 11990, the temporary increase of the public debt limit, as previously announced; and that following action on that bill we shall consider on Thursday the bill H.R. 11677, the Equal Pay Act of 1962.

### BICENTENNIAL OF AMERICAN INDEPENDENCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Green] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Speaker, in the year 1976, this Republic will reach the bicentennial of its independence. It is, therefore, fitting that we should commemorate this occasion in a lasting spirit of pride and dignity as a memorial to those whose God-given vision, determination, and sacrifice established and preserved the exercise of our freedom under a democratic form of government.

Many made the supreme sacrifice; others willingly contributed their talents and their treasure to the enduring struggle and eventual victory that heralded our birth as a new nation.

In this spirit, we approach another significant milestone in our glorious history, and we should properly and adequately prepare for solemn observance of those trying days when the struggle therein made it possible for this Nation, under God, to grow great and strong. It will not be a Philadelphia celebration in any narrow sense but a living revival and national observance of our beginning in history.

We must plan carefully and well in advance for a celebration that will make the occasion for all the world to see and note. The basic theme should seek to avoid the carnival and even the customary commercial exploitation. Rather, we hope by the broadest use of our arts and our culture to restore vividly those colonial characters and scenes and to reenact genuinely and in minute detail the events of those stirring historic days in a world's fair worthy of the theme of American independence.

The commemorative period will embrace 6 months, from April to October 1976, when all the people in this vast land of ours, in concert with the U.S. Congress and the other branches of government, may take part in the national observance to relive and revitalize that era in history which brought forth a great nation and a great people, a strong and living bulwark in the everlasting struggle for the freedom and dignity of all mankind.

Mr. Speaker, in leaving these thoughts with you and my colleagues in the House, I now introduce a joint resolution of the Congress for this purpose, and respectfully ask that it be given early and appropriate consideration by these august legislative bodies.

In due time, other resolutions will be introduced for the purpose of creating and appointing a joint congressional committee, or commission, to coordinate and implement Federal Government participation in the national observance.

### THE PRESIDENT'S FARM BILL

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. Bolton] may extend her remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mrs. BOLTON. Mr. Speaker, the President's 1962 farm bill, recently reported out of the Committee on Agriculture by just one vote, contains among other things provisions calling for permanent and mandatory acreage allotments and marketing quotas. If you are a city person, think a minute. We who are city folk do not know what it is to have to deal with nature, with the many unseen forces that produce our food. We go to market and buy milk, pork chops, eggs, broilers, steak, and so forth. What do most of us know about cows, hogs, chickens, turkeys, beef animals, and so forth, or about raising the hay, oats, wheat, et cetera, they eat, or about the cost of them in dollars and human energy—yes, in human character—that provides them?

Setting up restrictions and controls for the farmer when you do not understand or know the controls he accepted when he became a farmer—the controls of droughts, floods, tempests—are you not bound to fall into the danger of ignoring laws you cannot circumvent or control? Will you not make bad mistakes and so create a very difficult situation? You cannot patch such mistakes with controls and subsidies. For all too many years this Government has been experimenting with food production controls, hoarding, and so forth. So have Communist Russia and China. Their people are hungry. Why follow their path?

## OBSERVATIONS ON OUR ECONOMY—JUNE 10, 1962

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the gyrations of the stock market during the past 2 weeks have called attention to the state of our economy in a dramatic and unsettling manner.

Pessimists claim that the market's behavior signals a coming decline in business activity. More optimistic observers—many of whom serve in the Kennedy administration—dispute this view.

The optimists affirm their faith in the strength of our economic recovery and assert that the market downturn represents both a recognition that inflation has come to an end and a long overdue correction of inflated stock prices. Ironically, yesterday's prophets of gloom and doom have become today's economic Pollyannas.

Many able persons consider the Kennedy administration's view overly optimistic. Walter Lippmann, for example, said in a May 31 column that there are reasons for thinking that the President's opinion that the outlook for business is good and does not justify the pessimism of the stock market "is too rosy a view." Lippmann said that the most probable answer for the stock market action "is a loss of confidence that the administration is fulfilling the promise to bring about something near to full employment of capital and labor and a rising rate of economic growth."

In analyzing our complex economic situation, reference to the facts is more helpful than all the slogans of dispair and optimism. The facts show that there is, indeed, ample evidence that this is the weakest of the four postwar economic recoveries.

At the end of April, or 14 months after the bottom of the recession in February 1961, employment had increased only 1.5 percent; long-term unemployment had fallen only 24 percent; industrial production had increased under 15 percent; and unemployment as a percentage of the civilian labor force remained at the high level of 5.5 percent.

Nearly 9 percent of the civilian labor force was totally or partially unemployed in April, considering there were nearly 4 million totally unemployed and another 2.2 million employed involuntarily on a part-time basis for economic reasons. In addition, since the recession bottom, the civilian labor force has failed to grow as expected, leading to what Chairman Heller of the President's Council of Economic Advisers has termed "submerged unemployment."

Furthermore, four quarters after the recession bottom, real gross national product has increased only 8.1 percent, which was considerably below the record of the previous recoveries.

It is interesting to note that during this anemic Kennedy recovery total Federal expenditures—seasonally adjusted at annual rates—from the first quarter of 1961 through the first quarter of 1962 increased by over 10 percent—almost double the highest previous increase during the same period of the other postwar recoveries.

The following statistics tell in more detail the story of how this Kennedy recovery compares to the other postwar recoveries.

*Civilian labor force in millions—Seasonally adjusted*

| Recession bottom | | 14 months later | | Percent change |
|---|---|---|---|---|
| Date | Percent | Date | Percent | |
| October 1949 | 62.4 | December 1950. | 63.0 | +1.0 |
| August 1954 | 64.4 | October 1955 | 66.9 | +3.9 |
| April 1958 | 68.7 | June 1959 | 69.5 | +1.2 |
| February 1961 | 71.9 | April 1962 | 71.7 | (1) |

[1] No significant change.

Source: Department of Labor.

*Employment in millions—Seasonally adjusted*

| Recession bottom | | 14 months later | | Percent change |
|---|---|---|---|---|
| Date | Percent | Date | Percent | |
| October 1949 | 58.1 | December 1950. | 60.3 | +3.8 |
| August 1954 | 60.6 | October 1955 | 64.0 | +5.6 |
| April 1958 | 63.7 | June 1959 | 66.0 | +3.6 |
| February 1962 | 66.7 | April 1962 | 67.7 | +1.5 |

Source: Department of Labor.

*Unemployment as a percentage of the civilian labor force—Seasonally adjusted*

| Recession bottom | | 14 months later | |
|---|---|---|---|
| Date | Percent | Date | Percent |
| October 1949 | 7.8 | December 1950 | 4.2 |
| August 1954 | 6.0 | October 1955 | 4.4 |
| April 1958 | 7.3 | June 1959 | 5.0 |
| February 1961 | 6.9 | April 1962 | 5.5 |

Source: Department of Labor.

*Long-term unemployment (over 15 weeks) in thousands—Seasonally adjusted*

| Recession bottom | | 14 months later | | Percent change |
|---|---|---|---|---|
| Date | Percent | Date | Percent | |
| October 1949 | 1,035 | December 1950. | 475 | −54.1 |
| August 1954 | 1,029 | October 1955 | 581 | −43.5 |
| April 1958 | 1,398 | June 1959 | 956 | −32.0 |
| February 1961 | 1,447 | April 1962 | 1,097 | −24.2 |

Source: Department of Labor.

*Industrial production—Seasonally adjusted*
*[1957=100]*

| Recession bottom | | 14 months later | | Percent change |
|---|---|---|---|---|
| Date | Percent | Date | Percent | |
| October 1949 | 62.2 | December 1950. | 80.7 | +29.7 |
| August 1954 | 84.9 | October 1955 | 99.4 | +17.1 |
| April 1958 | 87.1 | June 1959 | 109.6 | +25.8 |
| February 1961 | 102.0 | April 1962 | 117.0 | +14.7 |

Sources: Federal Reserve.

*Gross national product in billions of 1954 dollars—Seasonally adjusted quarterly totals at annual rates*

| Recession bottom | | 13 months later | | Percent change |
|---|---|---|---|---|
| Date | Percent | Date | Percent | |
| October 1949 (4th quarter) | 293 | November 1950 | 332 | +13.3 |
| August 1954 (3d quarter) | 362 | September 1955 | 397 | +9.7 |
| April 1958 (2d quarter) | 395 | May 1959 | 434 | +9.9 |
| February 1961 (1st quarter) | 433 | March 1962 | 468 | +8.1 |

Sources: Department of Commerce, Council of Economic Advisers.

*Total Federal expenditures in billions—Seasonally adjusted at annual rates, by quarters*

| Recession bottom | | 13 months later | | Percent change |
|---|---|---|---|---|
| Date | Percent | Date | Percent | |
| October 1949 (4th quarter) | 40.8 | November 1950 | 41.6 | +2.0 |
| August 1954 (3d quarter) | 68.2 | September 1955 | 68.8 | +.9 |
| April 1958 (2d quarter) | 86.0 | May 1959 | 91.1 | +5.9 |
| February 1961 (1st quarter) | 98.0 | March 1962 | 107.9 | +10.1 |

Sources: Committee for Economic Development, Council of Economic Advisers.

A recent article by the economic writer for the Washington Post, Bernard Nossiter, adds further weight to the opinion that this is the weakest of the four postwar economic recoveries. Under unanimous consent, Mr. Speaker, I include the article in the RECORD at the conclusion of my remarks.

Now, in the face of an incomplete and uncertain recovery, we are being told that another business downturn may be in the offing.

An article in the Wall Street Journal of June 4 pointed out that five of the nine leading indicators of business activity throw doubt on the strength of the recovery. The article makes clear that while one of these indicators may be giving a false signal, four others are showing bearish trends. The article concludes that the recovery is still underway but not very strongly. Under unanimous consent, Mr. Speaker, I include the article in the RECORD at the conclusion of my remarks.

Mr. Speaker, I can draw only one conclusion. The economic policies of this administration have not produced results.

Inflation—which administration leaders tell us is at an end—continues. Just recently the Department of Labor announced that the consumer price index rose in April for the third month in a row. As a matter of fact, the increase (seven-tenths of a percentage point) since the beginning of this year equals the rise for all of last year.

Has our gold stopped flowing out of the country? It has not. From January through April of this year, our gold stock declined $428 million, compared to $369 million for the same period last year.

How about our balance-of-payments deficit? That problem, too, continues to plague us. The deficit for the first quarter of 1962 at a seasonally adjusted annual rate was estimated at $1.8 billion, compared to $1.37 billion in the first quarter of 1961. A sharp increase in imports this year compared to a negligible increase in exports contributed substantially to this result. The value of our imports in April was at the highest level of any month for the past 2 years.

In the face of a continuing high level of unemployment, and particularly long-term unemployment, recent Government estimates show that job-creating business spending for plant and equipment this year will rise only 8 percent over the 1961 level, far below the Kennedy administration's targeted rise of 15 percent. As a matter of fact, the latest survey, which was taken after the April steel price controversy, shows a slight reduction of earlier 1962 spending plans of manufacturing industries.

The profits squeeze on business also continues. The May issue of the monthly letter of the First National City Bank of New York pointed out that net income of 967 leading corporations dropped 9 percent from the fourth quarter of 1961 to the first quarter of 1962. Net income rose 29 percent from the first quarter of 1961 through the first quarter of 1962, but this is hardly surprising since we were in the depths of the recession in the first quarter of 1961.

Some will say that in speaking frankly about the economy I am a prophet of gloom and doom engaging in scare talk. Nothing could be farther from the truth, Mr. Speaker.

I recognize that there are many elements of strength in our economy. I have tremendous confidence in the basic dynamism and resiliency of our free enterprise system. Given a chance to work, spared excessive tinkering by the bureaucrats in Washington, I know that the American economy can work out its problems.

True, these problems are difficult. No man can claim to have all the answers to see us through this period of economic adjustment.

But what concerns me is that the Kennedy administration apparently has launched a policy of conscious economic intervention which is a giant step toward bureaucratic guidance of private economic decision making.

Administration leaders have made clear that their action in the steel price dispute will be repeated should certain target sectors of labor or business get out of line.

One result of this policy is the irony that an administration which pledges itself to economic growth and more jobs is crippling business confidence—the prime source of growth and jobs.

I, for one, Mr. Speaker, do not believe that elected or appointed officials—or anyone else for that matter—are possessed of the wisdom required to determine realistic and fair wages and prices, whether directly or through enforcement of voluntary standards. The job is just too complex. Excessive Government interference in the wage-price process can only lead to severe and unsettling distortions and rigidities in our economic system. The free market is still the best arbiter of wages and prices.

This is not to say that Government does not have a legitimate interest in major price and wage decisions. It does—and must. Business and labor have grown big and powerful. Their decisions profoundly affect our Nation's economy and our very security.

It is right and necessary for Government to be the watchdog of our free enterprise system. It should have the equipment to do the best possible job in fighting abuses of economic power arising from restrictive business or labor practices. Because Government has a responsibility to insure a freely functioning market. But it does not have and should not seek responsibility to make or dictate the thousands of economic decisions made daily throughout the land.

Perhaps even more important, Mr. Speaker, is that the Government which watches over our free enterprise system should be a government of laws—not men.

In the minority views to the 1962 Annual Report of the Joint Economic Committee, the Republican members closed by saying, "Those who have little faith in the inherent dynamism and resiliency of our free enterprise economy have been proved wrong in the past. We think they are wrong again and that history will bear us out."

Events since that report appeared in March bear out that prediction. One can only hope that the administration will draw from our current economic problems the right conclusions and apply the right remedies.

The articles follow:

[From the Washington Post, Mar. 30, 1962]

### CAPITAL, LABOR AGREE KENNEDY VIEW OF ECONOMY TOO ROSY

(By Bernard D. Nossiter)

Wall Street and organized labor, an unlikely pair of bedfellows, apparently agree on one point: President Kennedy's view of the economy is too rosy.

Outside of Government, economists are increasingly skeptical of the President's insistence that this is a "strong" recovery. In fact, a sampling of the major economic indicators shows that the current recovery could be labeled the weakest of the four postwar upturns.

This does not mean that a slump is on the horizon. As far ahead as economists can see with assurance—about 6 months—there is no sign of a downturn. But the pace of the advance in the last 6 months has been meager.

Wall Street reflects this in stock prices which haven't been rising; labor expresses it in more insistent demands for Federal action, partly appeased by the President's proposal on Monday for an extra $600 million in public works spending.

At the White House, Mr. Kennedy's experts single out the first 3 months of 1962 as the sore spot, acknowledge that they were disappointing but find the results mysterious.

Here, in schematic form, is a picture of how the first year of this recovery compares with the first year of the three earlier postwar recoveries.

All four began climbing at about the same rate. But after 6 months of advance, the three earlier recoveries rose at a faster pace; the current recovery continued rising too, but at a slower rate.

This shows up by comparing four important measurements of the economy in the four recoveries. The four indexes are jobs outside of farming, incomes of persons, industrial output, and business investment in new plant and equipment.

Here is the percentage that each indicator gained in the first 6 months of the four recoveries:

*Recoveries*

| | 1949–50 | 1954–55 | 1958–59 | 1961–62 |
|---|---|---|---|---|
| Jobs | 3.4 | 1.7 | 1.2 | 1.6 |
| Incomes | 7.5 | 3.0 | 3.3 | 4.0 |
| Output | 13.8 | 7.5 | 10.2 | 10.7 |
| Plant | 8.0 | −4.4 | −1.2 | 2.5 |

In general, the 1961–62 advance (which began last March) is about in line with its predecessors for this 6-month segment.

But now look how it stacked up in the latest 6 months (through February) for the current recovery:

*Recoveries*

| | 1949–50 | 1954–55 | 1958–60 | 1961–62 |
|---|---|---|---|---|
| Jobs | 5.1 | 2.8 | 3.5 | 0.7 |
| Incomes | 7.4 | 5.0 | 4.3 | 3.2 |
| Output | 12.3 | 6.7 | 11.0 | 1.6 |
| Plant | 21.2 | 15.6 | 8.5 | [1] 4.0 |

[1] Current quarter is estimated.

In the second 6 months of the first three recoveries, the gain in jobs was 4 to 7 times as great as in the current period; the gain in incomes, one-third to more than twice as large, in output, 4 to 8 times; in investment, 2 to 5 times.

Why is this recovery lagging? Many experts point to two factors:

1. Consumers are no longer buying autos, washing machines, and other durable goods with the same enthusiasm that they did in the earlier advances.
2. Homebuilding has been declining.

As a result, business is investing less.

Why are hard goods and homebuilding no longer giving the economy a big lift? There are three major schools of thought.

The White House experts argue that there is no structural flaw in the economy, that consumers and corporate treasuries are loaded with cash and both should begin spending as soon as some economic spark is put to this money fuel. The cheap steel pact now in the making, the investment tax credit now before Congress, or even spring weather might be the spark.

A conservative school would contend that there is a basic flaw, a lack of profits and incentive to invest. This could be cured by cutting labor costs and reducing business and top bracket levels.

A liberal school would agree that there is a basic flaw but finds it in maldistributed income. Too much wealth in the top half and not enough in the bottom, with the top half's demand for housing and durables relatively satiated. This could be cured by cutting bottom bracket taxes, lifting wages of the submerged sector, and increased Federal spending to reemploy the jobless.

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[From the Wall Street Journal, June 4, 1962]

### Appraisal of Current Trends in Business and Finance

Out of nine monthly indicators which economists have found often foreshadow trends in general business, five in April showed tendencies throwing doubt on the strength of the recovery which started early last year. However, one of these doubtful indicators, when analyzed closely, is far more favorable than it appears at first sight.

That one is the total of new orders for durable goods, which has an unusually accurate record of turning upward or downward ahead of general business. It has led general business upturns from the last four recessions by from 1 to 8 months, and it has led downturns into recessions by even greater margins.

In the light of this background, the trend of this statistic since January has looked ominous. The January total of durable-goods orders was $16.4 billion, the February total was down to $16.2 billion, the March total down again to $16 billion and the April total down once more to $15.8 billion. All these figures are adjusted for normal seasonal changes, to enable the analyst to see the real trend from month to month.

However, the figures for recent months are distorted ones. They include extra orders for steel placed by consumers fearing a steel strike. The knowledge that there would be no strike became available only at the end of March, when a settlement was reached in the industry's wage negotiations.

In order to see what the real trend in these orders might have been without this distortion, the following table has been constructed. It shows total orders for durable goods, and also what is left after deducting the orders for iron and steel alone. As readers will see immediately, the net figures show an uptrend right through April.

[In billions of dollars]

| | Total | Iron, steel | Net total without iron, steel |
|---|---|---|---|
| January 1961 | 12.9 | 1.1 | 11.8 |
| February | 13.4 | 1.0 | 12.4 |
| March | 13.8 | 1.1 | 12.7 |
| April | 14.4 | 1.3 | 13.1 |
| May | 14.8 | 1.3 | 13.5 |
| June | 14.9 | 1.4 | 13.5 |
| July | 15.0 | 1.5 | 13.5 |
| August | 15.6 | 1.5 | 14.1 |
| September | 15.7 | 1.5 | 14.2 |
| October | 16.1 | 1.5 | 14.6 |
| November | 16.1 | 1.5 | 14.6 |
| December | 16.2 | 1.9 | 14.3 |
| January 1962 | 16.4 | 1.9 | 14.5 |
| February | 16.2 | 1.5 | 14.7 |
| March | 16.0 | 1.3 | 14.7 |
| April | 15.8 | .8 | 15.0 |

Just how much reliance to put in these net figures, in which orders for steel are left out, is unknown. The orders for durable goods with steel left in are the ones which have been found to turn sooner than general business. Whether the same thing would be true of the net figures, such as those in the table, would have to be studied in as many recessions and recoveries as the total figures have been studied.

Furthermore, distortions from fear of a strike probably didn't exist solely in orders for steel. Doubtless there was also some extra ordering of products containing steel. But even keeping this possibility in mind, it seems clear that if steel orders had been affected solely by ordinary considerations without thought of a strike, they would have been smaller in the big months such as December and January, and they would have been larger in the very small month of April. In that case, the trend of total orders probably would have resembled more closely the trend of net orders with steel taken out. In other words, the trend through April would look better than that of the actual totals. (First indications for May, reported by the National Association of Purchasing Agents, and detailed elsewhere in today's paper, are less favorable.)

This analysis of the April new orders reduces to four from five the number of early moving indicators for which April figures throw doubt on the strength of the recovery. These four are commercial and industrial building awards, dollar liabilities represented by business failures, the stock market and prices of industrial raw materials.

The stock market, of course, is down sharply. Its declines have often foreshadowed, or been associated with, business declines. Furthermore, the stock market declines which have not been connected with business declines have almost all (though not quite all) been caused by specific events such as a war or a Presidential heart attack.

The index of prices of industrial raw materials, around 86 percent of 1947–49, is at its lowest level since its bottom for the 1960–61 business recession. At that time it turned up a month before general business did. The weakness late last week in steel scrap, which is one of its components, suggests this index is now still falling.

Dollar liabilities represented by business failures are a widely fluctuating figure. They have been increasing, with some irregularity, since December. Commercial and industrial building awards, on the other hand, turned down in April only after reaching a record high in March. Their decline, however, was quite sharp, putting them below their level in four of the five preceding months.

Among the remaining four of the nine monthly indicators that tend to foreshadow general business trends, two, new housing starts and average weekly hours worked in factories, reached new recovery highs in April. The other two, new hirings and layoffs, are not available yet for that month.

Altogether, it may be said that the so-called leading indicators for April are a mixed bag. They are not bearish, but they are not particularly bullish. They suggest the recovery is still underway, but not very strongly.

George Shea.

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### Stagnation and the Stock Market

(By Walter Lippmann)

Prices on the stock market have been falling sharply since the middle of March, and it is difficult to believe that the heavy selling is merely a technical correction that will soon end.

It is said in official circles in Washington, and indeed it has been said by the President himself, that the outlook for business is good and does not justify the pessimism of the stock market. But there are reasons for thinking that this is too rosy a view.

Others are saying, particularly in Republican partisan circles that the slump is due to a loss of confidence by businessmen ever since the President cracked down on Mr. Blough and the increase in the price of steel.

The trouble with this piece of partisan mythology is that the bear market began on March 16 and it was only on April 11—some 26 days later—that the President had his collision with Mr. Blough.

There can be no doubt, of course, that such massive selling as we are now witnessing is due to a loss of confidence by the owners in the future prospects of their securities. The question is what is causing this loss of confidence.

The most probable answer, it seems to me, is that there is a loss of confidence that the administration is fulfilling the promise to bring about something near to full employment of capital and labor and a rising rate of economic growth.

What the stock market is saying, I submit, is that while there is a considerable recovery from the depths of the recession in 1961, the recovery is already being arrested although it is a long way from being completed.

With unemployment at 5.5 percent and with the utilization of steel plants at only 60 percent, the American economy, although prosperous, is in fact stagnant.

It is beginning to look as if the Kennedy administration were repeating the pattern of the Eisenhower administration, with its three recessions brought on by the fact that each recovery was throttled down, as the only way to prevent inflation of prices, before the recovery was completed.

There is mounting evidence that those economists were right who told the administration last winter that it was making the mistake of trying to balance the budget too soon.

It will be said that the budget is not balanced; it shows a deficit in fiscal year 1962 of $7 billion. And so indeed does that budget show such a deficit. But the fact of the matter is that what is known as "the budget," namely, the administrative budget, falsifies the relationship between the Federal Government and the American economy.

The administrative budget, which shows a $7 billion deficit, deals only with the money appropriated by Congress and spent by the Government departments. It leaves out the trust funds, such as social security and the highway funds, which run to $25 billion annually. It counts revenues when taxes are collected, not while they are accruing and being withheld for the payment of taxes.

For the impact of the Federal Government on the economy, on inflation, and deflation, recession and recovery stagnation and growth, the budget that matters is the Department of Commerce statement of Federal receipts and expenditures as part of the national income accounts—that is to say, what is often called the income and product account budget.

Nobody looks at it except the economists, and one of the greatest services that a public man could perform today would be to make the people understand the difference between the two budgets. For while the administrative budget is necessary for administration and is like a man's checkbook, the income budget tells the real story of the financial condition.

The income and product budget shows that at the end of 1962 the outgo and ingo accounts will be virtually in balance, with a deficit of only about half a billion dollars. Thus, in reality, the Kennedy administration is no longer stimulating the economy, and the economy is stagnating for lack of stimulation. We have one of the lowest rates of growth among the advanced industrial nations of the world.

There is as yet no simple remedy open to the administration. It is, so to speak, between Scylla and Charybdis—between the threat of gold withdrawals by our foreign creditors on the one hand, and, on the other hand, fierce popular dogmatism that treats the administrative budget as the absolute measure of responsibility, respectability, and financial decency.

Converging on Mr. Kennedy, the combined influences of the two has forced him into a fiscal policy that, as the stock market is saying, does not work. As things are going, the stagnation that is overtaking the recovery will be followed by another recession.

It is safe to predict that if present trends continue, the administration will have to go into action. It will have to take some of the strong measures that it was advised to take but did not dare to take some 7 months or so ago.

Among them, I should guess, will be a call for a sharp cut in the direct taxes paid by individuals and corporations. If this shows up as a considerable deficit in various budgets, but particularly in the income budget, that may be just the strong medicine that we need.

## HANGING THE FARMER

**Mrs. MAY.** Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARSHA] may extend his remarks at this point in the RECORD and include extraneous matter.

**The SPEAKER.** Is there objection to the request of the gentlewoman from Washington?

There was no objection.

**Mr. HARSHA.** Mr. Speaker, the Senate has already passed the omnibus farm bill after much wrangling. Now the House will be called upon to swallow this morsel. The farm bill in its present form is the most ominous power grab ever devised. This bill will destroy the last vestige of free enterprise among farmers, it is a nightmare of increased controls, costs and regimentation. Mr. Freeman wants to control everything from the "hothouse to the cornpatch." The Secretary of Agriculture would virtually become a one-man czar of agriculture with the club to force farmers to live under the strictest controls ever devised.

Secretary Freeman stated in a speech at a midwest regional agricultural convention in Chicago that "free enterprise is an unsatisfactory alternative to Government regulation for solving the farm problem." Freeman is certainly implementing this statement with the controls he advocates.

Freeman's proposal would stifle the initiative of the farmer, render him helpless to dictatorial authority, lower his income, increase costs to the consumer and raise taxes. In effect the Secretary would be dictating the law and pulling all the strings with the farmer as puppet."

The American farmer once free and an example of individuality and free enterprise at its best, will be emasculated by this legislation in its present form.

This proposal in its melange of the inconsistent is all but incredible. It is incredible that it could be enacted by a responsible Congress.

That portion of agriculture which is now free of controls—that is livestock and truck farming—is the healthiest phase of our agricultural economy and leading farm organizations and disconcerning farmers have been doing their utmost to remove farmers from stifling controls. I trust this House will defeat it in its present form, and I am happy to see the leadership has seen the folly of this program and has postponed the debate of this measure.

## FREEDOM IS INDIVISIBLE

**Mrs. MAY.** Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

**The SPEAKER.** Is there objection to the request of the gentlewoman from Washington?

There was no objection.

**Mr. DERWINSKI.** Mr. Speaker, one of the most effective organizations in the world fighting the expansion of international communism is the American Friends of the Anti-Bolshevik Bloc of Nations. This is an American organization speaking for hundreds of thousands of American citizens who personally or by descent hail from the enslaved non-Russian countries of Europe and Asia. This organization represents the great bulk of the captive nations that communism has brutally subjugated. Obviously, this organization and its members possess firsthand knowledge and experience with Soviet Communist colonialism and imperialism, and their views should be especially important to us. I wish to place into the RECORD at this point the memorandum which this organization submitted to the United Nations General Assembly in November 1961:

### "FREEDOM IS INDIVISIBLE"—MEMORANDUM TO U.N. GENERAL ASSEMBLY

#### 1. RUSSIAN COLONIALISM AND IMPERIALISM—THREAT TO MANKIND IN GENERAL

In his dynamic and farsighted address before the U.N. General Assembly on September 25, 1961, the Honorable John F. Kennedy, President of the United States of America, stated:

"My country favors a world of free and equal states. We agree with those who say that colonialism is a key issue in this Assembly. My Nation was once a colony—and we know what colonialism means. And that is why there is no ignoring the fact that the tide of self-determination has not yet reached the Communist empire, where a population far larger than that officially termed 'dependent' lives under governments installed by foreign troops instead of free institutions—under a system which knows only one party and one belief—which suppresses free debate, free elections, free newspapers, books and trade unions—and which builds a wall to keep truth a stranger and its own citizens prisoners. Let us debate colonialism in full—and apply the principle of free choice and the practice of free plebiscite in every part of the globe."

These words underscore most emphatically the fact that the Soviet Union and its Communist Dictator Nikita S. Khrushchev have succeeded in beclouding international opinion in the matter of colonialism. At the last (15th) session of the U.N. General Assembly Mr. Khrushchev proclaimed himself a champion of "liberation of the colonial peoples of Asia and Africa," thus trying to turn the eyes of the world away from the most oppressive and most inhuman empire in mankind's history: the Soviet Union.

The Soviet Union under the leadership of Nikita S. Khrushchev has become a mighty nuclear power. The Kremlin is using this power to threaten the security and national existence of a series of free nations of the world. By constant threats and blackmail, by insidious intimidation and systematic subversion of free nations everywhere the Kremlin has succeeded in bringing the world today to the brink of nuclear disaster.

The record of Russian colonial imperialism and oppression in the non-Russian countries, now subjugated colonies of the Soviet Russian empire, is a long and appalling one. The wholesale deportation of non-Russian populations to Siberia and central Asia; systematic genocide of smaller and larger subjugated nations; the subversion of their national cultures; the indiscriminate exploitation of their economic resources; the destruction of their religious, national and personal freedoms—these are the characteristic traits of Russian rule in Khrushchev's Communist and colonial empire.

This fate awaits all other nations, be they in Asia, Africa or Latin America, which are gullible enough to swallow Khrushchev's sweet talk about the "emancipation of the colonial peoples" under the leadership of Moscow.

#### 2. FREEDOM FOR ALL NATIONS AND PEOPLES

The United Nations emerged after World War II as an agency of peace and international order. As such it should champion the cause of freedom of all peoples regardless of race, religion or ethnic background.

Regrettably, however, such is not the case. We see that the Soviet Union and its subservient satellites are making a mockery of the principles of freedom, national independence, and international justice. By ignoring the plight and enslavement of the captive non-Russian nations inside the U.S.S.R. as well as those in the satellite orbit, the West perhaps unwittingly has helped substantially to build up an image of a "unified and noncolonial Russia," and by doing so has helped make Communist Russia attractive and appealing to the many colonial peoples of Africa and Asia, who resent indiscriminately the Western Powers as symbols of oppression and colonialism.

Therefore, it is the sacred duty of this 16th session of the U.N. General Assembly not only to reject the Western brand of colonialism, but above all to direct its primary discussion onto the present-day Russian colonialism, which in the guise of "international communism and proletarian revolution" has been augmenting the imperial interest and territorial acquisitions to a degree never dreamed of by any czar of Russia.

### 3. RUSSIAN COLONIAL POLICY IN CAPTIVE NATIONS

We appeal to you for the support of your free voice for the cause of freedom and genuine liberation of the captive nations of Europe and Asia in the forum of this august international Assembly.

You would perform a great service to the cause of freedom and humanity itself should you challenge the unbridled and inhuman Russian Communist colonialism during the forthcoming debates in the 16th session of the U.N. General Assembly.

We especially appeal to those representatives at the 16th session of the U.N. General Assembly who represent the so-called neutral nations, those nations whose spokesmen recently held a conference in Belgrade, Yugoslavia. It is a matter of regret that the outcome of the conference was not such that could be construed as emanating from truly neutral nations. If it did anything, the conference on the whole supported the policies of Khrushchev, thus helping the Kremlin in its relentless drive to conquer the world for Russian communism.

These neutral nations must learn and acknowledge what is going on in the U.S.S.R. and in other Communist-controlled nations of eastern and central Europe and Asia. Have they not heard of the persecution, oppression and enslavement of the Ukranians, Byelorussians, Armenians, Cossacks, Georgians, Idel-Uralians, Turkestanians, Lithuanians, Latvians, Estonians, Slovaks, Czechs, Bulgarians, Poles, Hungarians, Rumanians, Albanians, East Germans, Serbs, Croats and Slovenes? The latter three peoples, although not under direct Soviet Russian rule, suffer from the Communist regime of Tito, who is also firmly in Khrushchev's corner as far as Russian Communist colonialism is concerned.

### 4. COMMON ACTION OF ALL U.N. MEMBERS—IMPERATIVE

The present membership of the United Nations barely contains one-tenth of the Communist states, while the overwhelming majority of U.N. members are anti-Communist or "neutral" or "unalined." By a combined majority of votes the free and "neutral" states can easily defeat any and all ventures proposed by the Soviet Union in the United Nations.

Therefore, you have a unique opportunity to unmask the Bolshevik colonialists and enslavers by pointing to the criminal and inhuman policies which they inflict on the captive nations from East Berlin to central Asia.

You have this chance when the report on the brutal suppression of the Hungarian freedom fighters in 1956 by the Russians will come up for discussion during this session of the U.N. General Assembly.

You will recall that during last year's session of the U.N. General Assembly the Right Honorable John G. Diefenbaker, Prime Minister of Canada, valiantly challenged Mr. Khrushchev by advising him that before he embarks upon the "liberation" of the peoples of Asia and Africa, he should grant freedom to the Ukrainians, Lithuanians, Latvians, Estonians, and other captive nations held under the Communist dictatorship of the Kremlin. Mr. Diefenbaker, in his speeches in the Canadian Parliament, continues to support the cause of freedom for the captive non-Russian nations in the U.S.S.R. and its satellite colonial dependencies.

You can do likewise, sir, if you would fearlessly challenge the Russian Communist colonialists and put them before the panel of world public opinion to answer for the crimes and inhumanities they are perpetrating upon the captive nations.

Only the final emancipation and liberation of all the captive nations of Asia and Africa, and only upon the dissolution of the totalitarian and terror-ridden empire of the Kremlin can the United Nations and humanity at large hope for a genuine peace and for justice in the world.

Mr. Speaker, it is unfortunate that the United Nations, handicapped as it is by the machinations of the Soviet Union, its satellites, and a few naive nations, does not possess the ability to understand and appreciate the views expressed by the American Friends of the Anti-Bolshevik Bloc of Nations. One of the truly great steps toward world peace and freedom would be to accept the basic views expressed in this memorandum.

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## THE POOR TAXPAYER—TAKEN FOR A $30 MILLION RIDE

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Wilson] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, the taxpayers of the United States are paying a heavy tax load every day. They are paying for many needed services of Government but they are also paying dearly for some of the services, spending money on taxes that is wasted and squandered as seldom before in our history.

For several days, I have been making a case against military procurement. I have been attempting to show that the Navy Department is not as interested in saving the taxpayers money as it is in steering defense contracts to the sources it favors. I have proven that the Navy could save the taxpayers $1.3 million by allowing a contract to an Indiana manufacturer to make a UHF radio needed by the Marine Corps. The Navy apparently is not interested in this saving. It is interested in protecting its own skirts, in saving face and in beclouding the facts surrounding the vicious practice known as sole source procurement.

My remarks of the past several days have already been documented on the floor of the House. My support of any legislation that will cut down the sole source procurement of defense materials is just as well known.

Now, however, I would like to release information on just eight cases out of my 15-month study of defense procurement. In these eight cases, as you will note, Mr. Speaker, the taxpayer has been bilked out of over $30 million. There are many more cases and I will document them in the future. Here are just eight—they follow a pattern and they prove what I have contended—that sole source procurement of military goods is costing us up to one-third of our defense dollar and that next year from $12 to $15 billion will be wasted needlessly.

Here is a statement I made at a meeting with two of my colleagues today. If I am able to gain the necessary cooperation, an investigation should and may be made into this practice of sole sourcing defense contracts, based on just such evidence as I now present.

The statements made in this presentation can be backed up with documentation supplied by the General Accounting Office and other sources. The case of the AN/PRC 41 radio set is just one "before the fact" example of how the taxpayers are going to be taken for another ride. The eight "after the fact" cases I now present show the sad experience of the past.

Under unanimous consent, I insert my statement to Congressmen Hébert and Bray at this point:

### Statement of Congressman Earl Wilson, Republican, of Indiana, on Military Procurement Made in Conference With Congressman F. Edward Hébert, Democrat, of Louisiana, and Congressman William Bray, Republican, of Indiana, June 12, 1962, Requesting an Investigation of Military Procurement by the Special Subcommittee on Investigations of the Armed Services Committee

Following are brief sketches of eight typical cases I have investigated in my 15-month study into military procurement. They represent but a small sample of the whole and more details are being compiled on many additional cases at present. In every instance statements and allegations are based on past history and documentation supplied by the Comptroller General's office and by inquiry into various segments of the electronics industry. Specific questions are welcomed and documentation will be supplied in answer.

Case No. 1—TR–152 (   )/SQS–23 transducer: This was the first case studied, and results are published in the Congressional Record, volume 106, part 15, pages 20348–20353, inclusive. The results of Navy action are obvious. Bureau of Ships civilian employees obtained two bids—one from a favored firm and the other an entirely unwanted proposal from an "outside" manufacturer. Since the unwanted firm's bid was low, a second bidding was arranged. It is clear that in such manner the favored firm learned the amount of the "outside" firm's bid. The "outside" firm restated its original bid, but the favored firm underbid it by $20,000 on a $4,500,000 contract. When this procurement was forced into the open, the price per unit fell from $100,000 to $70,000 and subsequently even lower, saving the taxpayers $1 million on one contract. The company that forced the bidding, however, was shut out in the cold for its interest. Officials of this company can be summoned before this committee to answer pertinent questions.

Summary, case No. 1: Open competition saved taxpayers $1 million, but the Navy Department resisted putting procurement into open competition at every turn.

Case No. 2—AN/SPS 10 radar: The Navy negotiated an original $40,000 per system price with Du Mont and Sylvania on this procurement. This price subsequently fell to $17,083 per system when open competition was introduced, and Daystrom, Inc. won the contract. This represented a difference of 58 percent between high and low price. As examples, Contract NObsr 52321 awarded a contract to Sylvania to produce 185 units at a price of $27,000 per system, or a total price of approximately $5 million. A subsequent award, NObsr 75399, was for 57 units at a total cost of $1,898,620 or $33,297 per unit. When Daystrom won its contract in open competition, the price dropped $17,083 per unit, at which time a Bureau of Ships civilian employee, Dean S. Young, indicated in an official report that the successful bidder could not make a profit on the item. Subsequent procurement found the price in the same general area under conditions of open competition, indicating that sole-source procurement cost the taxpayers millions.

Summary, case No. 2: Using the price of $33,297 per unit for a total of 242 units bought under sole-source procurement methods mentioned above, the taxpayers paid out a total of over $3.9 million more than necessary to buy this equipment, almost a 50-percent overall loss in this one instance. Even using the lowest sole-source price does little to brighten the picture, proving again that open competition serves the best interest of the taxpayer and prevents any possible duplicity by procurement agency employees.

Case No. 3—AN/WLR 1—electronic countermeasures receiver: Documentation on this case is still being furnished by the General Accounting Office and is not as yet complete. Sole-source negotiations with Collins Radio Co., Cedar Rapids, Iowa, under terms of contract NObsr 75710 covered a huge program of production which undoubtedly was "justified" by some Navy officials in the same way as so many other justifications. This sole-source justification has cost the taxpayer in excess of $60,000 per system. When competition was introduced, the cost fell to approximately $15,000 per system with Sylvania winning the contract. Later the unit price dropped even lower with additional awards to General Instruments, proving again that when competition is introduecd the price goes down. Complete details are not as yet developed in this instance, but it is obvious that a saving of over 75 percent could have been effected had this equipment been bought under a policy of open competition.

Summary, case No. 3—pending: Taxpayers have had to pay up to 75 percent more for the privilege of having equipment bought from just one company with no one else given a chance to bid.

Case No. 4—PP–2100/ARC 27 power supply: This is a small, 6-pound transistorized power supply that is used in the AN/ARC 27 radio set. It is installed in both Air Force and Navy aircraft for pilot communication. Production of this equipment has been divided for more than 12 years in limited, restricted transactions between Collins Radio and Admiral. The PP–2100 was developed by Admiral, and because of reasons declared as "urgency for delivery" Contract NOas 59–9028–f (fixed price) was awarded to Admiral for $2.5 million where the unit price was $360. No competition was allowed. Follow-on procurement was advertised and competition invited and the award of contract went to Crescent Communications for approximately $180. To further indict the corrupt nature of sole-source procurement is the fact that when open competition was introduced, Admiral Corp. quoted $181.45 for the same identical equipment it had previously been awarded at $360 without competition.

Summary, case No. 4: The General Accounting Office is still investigating to determine how much profit was made in this sole-source action. Its interim report indicates a much higher percentage of profit than was certified by the contractor. It is obvious, however, that this sole-source action by Navy cost the taxpayers $1.25 million in a $2.5 million award to Admiral. It is also a fact that the determination of sole source was made for reasons of urgency when in fact the procurement covered a power supply that was to replace an existing power supply already installed and operational in aircraft.

Case No. 5—AN/APS 88 airborne radar set: Originally, this was a sole-source transaction with Bendix Pacific. It resulted in a contract (NOw–60–0696–r) with an estimated price of $32,000 per system. This price was subject to downward adjustment based on experienced costs of production. It was ultimately adjusted to an average per system price of approximately $30,000 for 51 systems, with a final cost totaling $1,440,843. This cost was accomplished with no competition whatsoever. Subsequently, September 9, 1960, the Navy advertised a requirement for 57 additional systems of the same equipment. This, however, was an open, advertised unlimited competition and it resulted in a price of $17,247 per system for 57 systems. Bendix Pacific quoted $26,493 unsuccessfully in this same competition. Total cost in this open procurement was $984,000. A saving of $500,000 was effected in the second procurement, but based on competitive bidding, the taxpayers paid $561,000 more than necessary on the sole-source transaction. At present, someone in the Navy Department has decided to restrict the bidding for a third procurement of this equipment and has limited the participation to Bendix Pacific, high bidder in the previous procurement, and Texas Instruments, low bidder in the open competition. I have asked the General Accounting Office to take cognizance of this action, feeling that if past experience in my study is any criterion, the final purchase price on this third procurement will be considerably in excess of $17,247 simply because the force of competition is eliminated.

Summary, case No. 5: Forcing a procurement into the open saved the taxpayers $500,000, but only after they had their pockets picked of $561,000 because some Navy official signed a determination and finding that a sole-source contract was necessary.

Case No. 6—AN/PDR 43 radiac set: A sole-source negotiation with Electronic Products Co., of Mt. Vernon, N.Y., developed the AN/PDR 43 and the Navy paid $7,308.66 for each of 6 preproduction units and $871.45 each for 44 production units, with a total award of approximately $87,195.76 under contract NObsr–71163. Three follow-on awards on a sole source basis purchased substantial quantities of this equipment at prices ranging from $490 to $657.67. All this was done without competition. On the first competitive transaction, Navy Invitation 259–61, opened May 26, 1961, the price feel to $247.20, and the successful bidder was Electro-Neutronics, Oakland, Calif. Subsequent competition reduced the price even lower—to $217.53 by this same firm, Electro-Neutronics, thereby reducing the cost by almost 60 percent. The Navy actually purchased 1,500 units of the AN/PDR 43 under sole-source conditions with an average price of $600 per set, a total expenditure of almost $900,000. When competition was introduced, it was established these same sets could have been bought for a total price of about $325,000, thereby confirming that the taxpayer was penalized almost $600,000 in a single instance before competition replaced sole-source procurement.

Summary, case No. 6: The luxury of the sole-source method of procurement cost the taxpayers $600,000 and resulted in a 60-percent waste of the taxpayers' money.

Case No. 7—AN/PRC 10 portable radio set: This radio set was originally purchased by the Army Signal Supply Agency in limited competition with awards equally spaced between Admiral, RCA, and Motorola. The last award made before open competition was introduced was to Admiral for about $2 million at a unit price of $404. Since approximately 1950, the Signal Supply Agency spent millions of dollars, my research indicates close to $30 million, and avoided open competition. The first open competition was under invitation 61–1921, and it resulted in an award to Model Engineering, Huntington, Ind., for 10,917 units at a price of $286.29 per radio. This saved the taxpayer about 28 percent, and there is no reason why competition should not have been introduced prior to June 1961. Over 10 years were spent in production before the Army put the requirement out for open bidding. Using the figure of $30 million as an approximation, it is probable that $8.4 million of the taxpayers' money has been spent needlessly. What makes this even more unbelievable is that subsequent to the award to Model, the Army has placed several million dollars of additional awards, all on a sole-source basis. I have asked the General Accounting Office to tell me why this is being done.

Summary, case 7: Almost $8.5 million wasted and the Army is now reverting to form. The General Accounting Office is still seeking an answer to my questions, and the final report for that reason is pending. I am also informed that Government-furnished equipment is being delayed to Model so that a future case of a poor delivery record may be made to halt further public procurement of this equipment.

Case No. 8—AN/WRT–1 and AN/WRT–2 radio sets: A sole-source contract was awarded to Westinghouse Electric to develop this radio set, with a price of $1.8 million paid for development. When the radio was ready for production, Westinghouse was awarded a sole-source contract to build 430 units at a unit cost of $29,725 and a total contract price of $12.8 million. A second procurement also resulted in a sole-source contract to Westinghouse, this time for 617 radios at a unit cost of $19,200 and a total cost of $12.1 million. Almost $25 million was spent for a little over 1,000 radios. When a third procurement was necessary, pressure from industry forced it into open competition, and this time the unit price tumbled to $10,497.52, and the award went to Cosmos Industries, Inc. Competition thus cut the bill more than half, but not until the taxpayers had paid $25 million for a radio that could have been bought for a little more than $10 million.

Summary, case 8: The open competition price for this radio was probably a bit low for circumstances, but it is still established that Westinghouse was awarded contracts almost two times more expensive than necessary, costing the taxpayers $15 million.

General summary—Case No. 1: $1 million saved that would have been spent by Navy, saved over Navy's protests; case No. 2—$3.9 million wasted; case No. 3—75 percent of taxpayers' dollar squandered; case No. 4—$1.25 million thrown away; case No. 5—$561,000 wasted; case No. 6—$600,000 spent needlessly; case No. 7—$8.5 million thrown away; case No. 8—Up to $15 million poured down the drain. This represents a total waste in eight examples cited of approximately $30 million and waste in individual cases of from 28 to 75 percent. These are but a few examples of how sole-source procurement wastes the defense dollar. There are many more, and they will be documented by me in the near future.

The real concern of the American citizen should be the identity of those in the Navy Department who justify such transactions, who approve such profligate squandering of public moneys. These men should be exposed. The procurement branches of the Defense Department, especially the Navy Department, should be examined closely, and the guilty parties sought out and punished for their actions. In my files are the names of people who have signed certifications of determination and finding leading to sole-source procurement, contract officers whose actions are highly suspect, and top officials of the Navy Department who ought to be removed from office for their incompetency and inefficiency, if they are not to be prosecuted for their actions. It appears that someone in the Navy Department, or a group of "someones", is receiving kickbacks for steering contracts to the right firms. The time has come to put a stop to this, to put defense procurement out into the open, and to rid the Government of those people who are not honest in the discharge of their duties.

Most of the studies mentioned above are after the fact, although one or two are current. To test Navy reaction, I undertook study of Navy procurement of AN/PRC 41 radio set (see Congressional Record of June 6 and June 7) to determine what would happen if sole-source policy was contested before it cost the taxpayers millions. To date, reaction has been exactly as I expected. Navy has held up award rather than save taxpayers $1.3 million on one contract and has, by its action, admitted its certification of urgency to be in question. It has also been caught in several actions of serious question in this instance. Its reaction to my AN/PRC 41 study proves its prime concern is not always the welfare of the taxpayer and raises questions that should be resolved by an investigating committee of this Congress.

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## SUMMARY OF POLL RESULTS

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Bray] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. BRAY. Mr. Speaker, in recent weeks I have conducted an opinion poll among the voters of the Seventh District of Indiana. The tabulation of the many thousands of replies which I have received is submitted at this time, for I believe my colleagues will find it of interest and importance.

The results indicate that the people are greatly concerned about our position in international affairs and that they will support policies of firm action to halt further Communist expansion.

Determined resistance to Communist encroachment of our position in West Berlin is expressed by 85 percent of the responses, 9 percent are opposed to the use of force to maintain our position there, with 6 percent unmarked.

The use of troops to stop Communist aggression in Vietnam is approved by 49 percent; 16 percent did not answer, and 35 percent are opposed. From additional comments, I know there is great uncertainty about what the United States should do in this area.

Strong resistance to U.S. recognition of Communist China is evidenced by a 90 percent vote against it. Only 5 percent favor recognition, and 5 percent have no opinion.

There are great misgivings about our foreign aid program. People question its direction, the manner in which it has been handled, and its efficacy. Seventy nine percent of the replies express the desire to reduce President Kennedy's request for $4.8 billion in foreign aid. Seventeen percent oppose any reduction, leaving 4 percent with no recorded opinion.

The President's proposal to purchase $100 million worth of United Nations bonds is opposed by 76 percent of those replying; 18 percent favor the bond purchase, and 6 percent did not respond.

President Kennedy's request for authority to eliminate tariffs through agreements with other nations is rejected by 70 percent of the replies, supported by 24 percent, and 6 percent are undecided. Particular concern was expressed over the effect of increased imports upon employment in this country. Many industries have already suffered considerable cutbacks because of the import of products from countries where very low wages are paid. It was feared by many who replied that further tariff reduction would destroy many American industries and the jobs which they provide.

Turning to matters of purely domestic concern, on the subject of the King-Anderson bill for medical care for elderly people financed through social security taxes, 68 percent express opposition, 30 percent are in favor, and 2 percent have no opinion.

Federal aid for the operation of public elementary and secondary schools, which has been the subject of much debate for several years, is opposed by 70 percent. Those favoring such aid amount to 26 percent, leaving 4 percent who decline to comment.

The administration's request to increase the $300 billion limit on the national debt would be denied by 86 percent of those who replied. It is approved by 9 percent, and 5 percent decline to answer.

On the question about the Freeman farm program of strict production controls, those replying were asked to state if they are engaged in farming. Of the farmers, 86 percent are opposed to it; 11 percent favor the program, and 3 percent did not indicate their view.

Among persons who are not farmers, the program finds support with only 12 percent of the people. It is rejected by 73 percent, and 15 percent have no firm opinion.

The response to this questionnaire indicates a growing public concern over matters of national interest. Many of those who replied enclosed letters expressing their viewpoint in more detail or their opinions on other subjects.

Such polls do give an important guide to the thinking of Seventh District voters. Furthermore, they increase participation of the citizens in their Government. I am gratified for the cooperation received from my constituents in this endeavor.

The tabulation follows:

*Final summary of opinion poll conducted by Congressman William G. Bray, 7th District, Indiana*

| Do you favor— | Percentage | | |
|---|---|---|---|
| | Yes | No | No opinion |
| 1. The King-Anderson bill for medical care for elderly people financed through social security taxes? | 30 | 68 | 2 |
| 2. Purchase by the United States of $100,000,000 worth of U.N. bonds? | 18 | 76 | 6 |
| 3. Giving the President authority to eliminate tariffs through agreements with other nations? | 24 | 70 | 6 |
| 4. Federal aid for the operation of public elementary and secondary schools? | 26 | 70 | 4 |
| 5. U.S. recognition of Communist China? | 5 | 90 | 5 |
| 6. Use of force if necessary to maintain our position in West Berlin? | 85 | 9 | 6 |
| 7. Increasing the national debt limit beyond the present $300,000,000,000? | 9 | 86 | 5 |
| 8. A reduction in the $4,800,000,000 President Kennedy has asked for foreign aid? | 79 | 17 | 4 |
| 9. The use of U.S. troops to stop aggression in Vietnam? | 49 | 35 | 16 |
| 10. The Freeman farm program of strict production controls? | | | |
| Opinion of those engaged in farming | 11 | 86 | 3 |
| Opinion of those not engaged in farming | 12 | 73 | 15 |

## ANOTHER LOOK AT THE U.N.

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Rousselot] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, there appeared in the October 1961 issue of the American Legion magazine an article entitled "Another Look at the U.N." which I believe would be of interest to many of my colleagues in Congress. Under leave to revise and extend my remarks, I place the article in the body of the Congressional Record for this day. The text of the article follows:

### Another Look at the U.N.

(By Emilio S. Iglesias)

In the 16 years of its existence the United Nations has been the subject of a tremendous outpouring of glorification. Indeed, a cult of U.N. worshipers has zealously preached the doctrine that only through the United Nations can mankind be saved. Until recently this idea was widely accepted as gospel. At banquets and at PTA meetings, in schools and in churches, the word went forth that the U.N. exemplified man at his best, using his genius to create a better world, a world of peace and brotherhood.

In the early years there were, of course, critics, people who pointed out that among the architects of the United Nations were such people as Alger Hiss. These same critics also expressed fear that the U.N. would inevitably encroach on our own sovereignty and involve itself in our domestic affairs. But most of all they were skeptical of any organization in which the U.S.S.R. and its satellites were partners. This, they said, was like permitting thieves and murderers to become members of a police association, with equal voting privileges.

Such expressions were ridiculed by those who looked so hopefully to the United Nations to achieve peace on earth and good will among mankind, but in recent months there has been a significant change. Even among those who once supported the United Nations with zeal, there has been wavering. Indeed, in some cases caustic criticism has been voiced by those who were formerly the most outspoken advocates of the world organization. One of the most surprising of these comments came from Dean Acheson. Writing in the fall 1959 issue of Orbis, the former Secretary of State said: "The United Nations insofar as it believes that by its votes and by its debates it is accomplishing anything could not be more mistaken."

The first President of the U.N. General Assembly, M. Paul Henri Spaak, not long ago expressed his disillusionment with the U.N. by saying that he felt like "a deceived lover whose mistress has abandoned him." He went on to say that not only is the U.N. in danger but "it threatens to become a danger to others."

Charles de Gaulle expressed his opinion of the organization caustically: "The United Nations offers no more than tumultuous and scandalous sessions where it is impossible to organize objective debate and which are filled with invective delivered by the Communists and their allies. The result is that in the Congo the United Nations carries to the spot its global incoherence. In these conditions France does not see how she can take any other attitude toward the United Nations—or the disunited nations—than that of the greatest reserve. In any case, she does not want to participate either through her manpower or through her finances in any current or eventual enterprise of this organization—or disorganization."

Even certain segments of the press which once looked upon any criticism of the U.N. as a form of heresy became alarmed at the way the U.N. operated in the Congo. The New York Times, the New York Herald Tribune and the Washington Post sadly concluded that the U.N. was actually backing the Communists in the Congo. Stewart Alsop voiced his disillusionment in a Saturday Evening Post article when he questioned whether we ought to continue to support the U.N.

Many Americans have been confused by what took place in the Congo and by the strange cast of characters that moved on and off that chaotic stage. The Russians, as usual, contributed to the confusion by demanding that Dag Hammarskjold be fired for the part he played. This caused many Americans to jump to the conclusion that, since Khrushchev was against the Congo operation, it was ipso facto a meritorious action. Actually it was not that simple. Khrushchev was satisfied with the U.N.'s performance until his stooge Lumumba was captured by anti-Communists. Then, and only then, did he turn on Hammarskjold. Which was unfair, in a way, since obviously the Secretary General of the U.N. had done little to interfere with Lumumba and his forces.

Ideally, the U.N. force dispatched to restore order in the Congo should have functioned without fear or favor. That, after all, is the way idealists envision any U.N. police force. But in actual practice the U.N. force acted in a disillusioning manner. Troops and leadership reflected the political coloration of the various countries of origin, and that coloration was predominantly red, or at least a deep pink. Supposed to be neutral, the leaders of the U.N. forces seemed consistently neutral in favor of the Lumumba faction. Because of this, enraged anti-Communist Congolese on several occasions fought U.N. troops.

Chief target of the criticism was an Indian, Rajeshwar Dayal, sent to the Congo by Secretary General Hammarskjold as his personal representative. Admittedly the assignment was no easy one, but Dayal's pro-Communist bias aroused such a storm of protests that he had to be removed. And his actions are understandable when it is considered that he is a protege of Krishna Menon, India's Minister of Defense, who has shown little love for the West.

As this is written, the turmoil in the Congo has ceased, at least temporarily, while the leaders of the rival factions meet to discuss the formation of a coalition government, with the Communists' current favorite, Gizenga, making unreasonable demands as the price of his cooperation.

The Congo crisis is only one of many U.N. actions that have caused deep concern over the implications of those actions. There are many who have excused and continue to excuse U.N. inaction by saying that the world organization does not have enough power to keep the peace. Their suggested remedy is that the U.N. be given a more powerful army, usually referred to as a police force. But now the disquieting thought arises as to how far the U.N. can be trusted with the power it already has, let alone greater power. Given a powerful body of troops, would the U.N. use this force as it did in the Congo, tempering its vaunted idealism to the political winds that blow in the halls of the U.N. Building, and bending to Russian threats and bluster?

This thought is especially disturbing when it is considered that the United States can no longer count on the support it once had, a fact that was demonstrated in the closing session of the General Assembly on April 22. On that occasion, the United States suffered a serious diplomatic defeat when the U.N. decided that the Cuban controversy should not be referred to the Organization of American States. At the same session, and with characteristic openhandedness, this country agreed to pay $47 million, or nearly half of the entire cost of the Congo operation for 1961.

Up to now the United States has shown a curious compulsion to underwrite far more than its share of U.N. operating costs, on the assumption that we are paying for peace and getting it at a bargain price. Pro-U.N. lecturers and writers plug this idea by saying that the cost of the U.N. is equivalent to the price of a pack of cigarettes per person per year. This is so if you take one set of figures, but if you use those figures you are likely to be greatly misled about how much the U.N. really costs. And what the U.N. costs no one seems to know, including organizations that deal in information about the U.N. It may be for this reason that attempts to get specific information on U.N. finances met with a certain amount of vagueness and equivocation.

Following are figures supplied by U.N. press information on the Organization's 1960 budget:

| | | |
|---|---|---|
| General budget: | | |
| U.N. | cost | $58, 347, 514 |
| United States | gave | 18, 953, 330 |
| U.S.S.R. | do | 7, 940, 460 |
| Albania | do | 23, 320 |
| Bulgaria | do | 93, 280 |
| Byelorussian S.S.R. | do | 274, 010 |
| Czechoslovakia | do | 507, 210 |
| Hungary | do | 244, 860 |
| Poland | do | 798,710 |
| Rumania | do | 198, 220 |
| Ukraine S.S.R. | do | 1, 049, 400 |
| UNEF (Emergency Forces) (Middle East) budget: | | |
| Cost | | 20, 000, 000 |
| United States | gave | 6, 497, 064 |
| U.S.S.R. | not paid | 2, 721, 932 |
| Congo budget: | | |
| Cost | | 48, 500, 000 |
| United States | gave | 15, 745, 211 |
| U.S.S.R. | not paid | 6, 596, 425 |

However, the U.S. mission to the U.N., quoting "a congressional document," reported that the total cost of all the U.N. for 1960, including assessments for the U.N. "family," was $344 million—of which $53 million was for the general U.N. budget, $84 million for the Congo; $20 million for UNEF.

The U.S. Committee for the U.N. came up with some different figures, saying that the United States had given $192 million to the U.N. in 1960.

Things became a bit more confused when the American Association for the U.N. reported that the total budget for the U.N. and 10 of its agencies for 1960 was $128,211,450.

Whichever figure you choose, it is obvious that running the U.N. calls for much more than "cigarette money," as some would have you believe.

But that is only part of the picture, and American taxpayers are beginning to realize that they are paying far more than this. They know that one reason for the billions being given to other nations in foreign aid programs is to promote good will in the form of votes in the United Nations. Even those who feel that the realities of international life call for such vote-buying are beginning to feel that a large proportion of the billions voted for foreign aid since World War II has been money poorly invested, and this antagonism is evident in public reaction to the administration's latest demand for more billions for giveaway purposes.

There is no doubt that this reaction was caused in no small measure by the actions of many of the nations that were beneficiaries of money taken from the American taxpayer. An example of this can be found in the action of India, Yugoslavia, Ghana, Guinea, the United Arab Republic and Morocco. In the last fiscal year the United States gave those countries $400 million and in addition arranged to give them $500 million in surplus food. As a measure of their appreciation, these six nations voted against us in the U.N. more often than with us on such crucial issues as the seating of Red China.

Our leaders persist in referring to such nations as "neutralists," and this fallacy is reflected in our continuing efforts to give them whatever they want that might keep them friendly. At his meeting with President Kennedy in Geneva, Nikita Khrushchev proved himself to be far more realistic when he said that today there are no neutrals. Certainly if they are neutralists, they are, like the U.N. forces in the Congo, pretty consistently neutral on the side of the Kremlin. Despite this, the aid goes on. In May it was announced that the administration was going to lend India another billion dollars in the next 2 years, "to help meet the foreign exchange requirements of India's third 5-year plan." Completely overlooked was the annoying fact that in the last session of the U.N., India voted with us only six times and voted with the Soviet Union 50 times.

In the early days of the U.N. the United States could count on enough support to provide some sort of control in that body, but now control by the West has ended, and the balance of power is held by the neutralist nations of Europe and Asia, and the new nations of Africa. This is evident from some statistics. There are now 99 member nations of which 17 may be considered democratic while 11 comprise the Communist bloc. However, the latter group is buttressed by such nations as Ghana, Guinea, India, Indonesia, etc., who usually side with the Communists. This united front, helped out by the new nations, poses a serious threat. Next year it is expected that this coalition will vote for the admission of Red China, which will mean a showdown.

On the subject of China, Americans have made their position unmistakably clear, and their attitude is reflected in Congress' stand against admitting Red China to the U.N. The reasons for American opposition to Red China are readily apparent. That outlaw nation conducted a bloody, ruthless and undeclared war against us, a war in which tens of thousands of Americans were killed and hundreds of thousands wounded. Its brutalities against American prisoners of war violated all the rules of warfare, and its arrogant refusal to account for Americans it still holds has bred a deep resentment in all Americans. To cap all this, Red China is still at war with the United Nations.

Yet despite all this, strong pressures are being exerted to admit Red China into the

U.N., and certain American political figures are said to be conniving in the attempt. Most discussed of the maneuvers is a so-called two Chinas gambit which will offer representation to both Red China and Nationalist China. The promoters of this irresponsible action argue that Red China will surely refuse, in which case the West will be in the clear. This may be, but by conceding that Red China is worthy of a place in the U.N., we have gone a long way toward destroying at least the morale of a faithful ally, Nationalist China, one of the few dependable friends we have left in the Orient. The rest of the world would certainly interpret our acquiescence in the two Chinas gesture as notice that the United States is abandoning Nationalist China. For that matter, the fact that some of our political leaders even talk about the possibility or the "inevitability" of Red China's recognition has hurt us immeasurably by showing our allies, and neutrals, how undependable we often are.

Other actions in the U.N. have certainly made that point previously. The most dramatic recent example was the manner in which we antagonized a dependable ally, Portugal, by siding with the Soviet against her over Angola.

If there is any common denominator in all this, it may be found in our highly irrational and emotional aim to woo the new nations. We have contributed handsomely to the establishment of these nations, and already we have seen how they have repeatedly turned against us in the U.N. But despite this, we continue to seek to curry favor with them. This would be bad enough if it just meant that we continued to bribe them. It is reprehensible and foolish when we betray trusted allies to gain their good will. But probably worst of all is the way in which we permit our fetish for these primitive countries to determine our foreign policy. What earthly reason, for example, is there for worrying about what the pro-Communist politicians of Ghana, Guinea, and Mali think when it comes to decisions concerning our own security? Specifically, why should we allow these people to determine the fate of a loyal and trusted ally, Nationalist China? Yet there are rumors that that is precisely the strategy being readied by our global diplomats. We will, diffidently, step back and let the U.N. decide whether Red China will be admitted. The Reds plus the neutralists will vote to admit the outlaw, and we will accept the decision like good sports.

This raises another point that is troubling many Americans. If Red China gets into the U.N. it will be largely because of the one-nation one-vote policy of the world body. It is probably safe to say that most Americans have never heard of such new nations as Upper Volta, Somalia, Chad, Dahomey, and Gabon. But each of these has as much voting power in the General Assembly as the United States. This, to many, is as unrealistic as permitting Russia to have three votes to one for the United States. Indeed, years before the United Nations was founded, President Franklin D. Roosevelt discussed a new "League of Nations" in which the small nations were to have no voice whatsoever. The idea of giving small nations an equal voice with the big ones was, he said, ridiculous. His plan was to have a league made up of four nations, the United States, the Soviet Union, Great Britain, and China. This may have been an undemocratic proposal, but it makes as much sense as the present system.

Our lack of control is also causing concern in view of growing demands from African and Asian nations that the West give them huge grants of money for their internal development. The most ambitious scheme, called the Special United Nations Fund for Economic Development, or SUNFED for short, calls for $55 billion, over a 10-year period, 70 percent of it to be contributed by the United States. This money would go to Asian, African and Latin American countries with no control whatsoever by the United States.

The Soviet Government would certainly never put up with this sort of thing. Never, in its 44 years, has it shown any willingness to permit an impartial tribunal to pass on any of its actions. Khrushchev on July 11 conceded this when he said:

"Even if all the countries of the world adopted a decision which did not accord with the interests of the Soviet Union and threatened its security, the Soviet Union would not recognize such a decision but would uphold its rights, relying on force."

The Soviet has made liberal use of the veto in the U.N. to forestall any action it considered antagonistic or even critical. Meanwhile, we have permitted the U.N. to make many moves inimical to our national interest because we disdained to use the veto power. But now Khrushchev has come up with a new weapon for use in the U.N. and elsewhere. This is his famous "troika" proposal. A troika is a Russian sleigh pulled by three horses, and the term "troika" in Soviet terminology means a triumvirate. Khrushchev wants his rule of three applied to the implementation of Soviet foreign policy. The importance that he attaches to the application of the troika principle in the U.N. is evident from the way he pounded his shoe for emphasis when he expounded it, calling for Hammarskjold's dismissal at last fall's U.N. session.

To run the U.N., he wants a troika instead of a Secretary General, and this three-man committee (one Communist, one neutralist, and one pro-Westerner) would operate under a rule of unanimous consent, meaning any member could veto any action. How it would work in the U.N. is evident from the way this Russian principle has stymied any action in Laos and at the Geneva disarmament sessions. In the case of Laos, the neutralist nation was India, with Krishna Menon running the show. In view of Menon's record, what happened was predictable. Indeed, in view of the way most of the Afro-Asian nations have been voting, the use of the troika principle would come close to giving the Kremlin a two-to-one vote on any issue—with the veto power to back it up if necessary.

Another move by the Soviet bloc to load the dice in its favor is the current demand for more jobs in the Secretariat. A U.N. committee recently recommended the assignment of 100 more key positions to Communist-bloc personnel, jobs now held by U.S. and other anti-Red personnel. You may be sure that the people who get these jobs will be full-time employees of the Soviet Union, and working solely for U.S.S.R. interests, even though the United States will be paying the largest percentage of their salaries—approximately a third, contrasted with an approximate 13.62 percent by the Kremlin.

Few things in the history of the U.N. caused so strong a reaction against the organization in this country as the Red circus that the nabobs of communism staged last August when they descended on New York City en masse to meet at the U.N. But disturbing in the extreme to many Americans was the realization that the rulers of the Communist conspiracy, including some of the most despicable criminals in the world's history, could come without bidding to our shores to stage a mammoth Red demonstration. To add insult to injury, Americans had to spend millions to guard these monsters whose crimes against humanity made them logical targets for thousands of refugees who had good reason to hate them. This, plus the realization that this motley crew can return at any time it suits their fancy or whenever it will help advance the cause of world communism, caused many Americans to start using the slogan "Get the United States out of the U.N.; Get the U.N. out of the United States."

It is also irritating to know that, thanks to American hospitality, U.N. officials from Iron Curtain countries are permitted to go where they have no business, engage in actions that are reprehensible, and when caught they are turned loose unpunished because of so-called diplomatic immunity.

The sinister methods of Soviet agents in the United States have been demonstrated time and again. The case of Mme. Oksana Kasenkina, who risked death in escaping from the Soviet Embassy, in New York, 13 years ago, dramatized another facet of communism. And everyone is aware of the Soviet's operations in the field of blackmail, bribery, and general corruption. However, despite this, Americans were shocked at the strange death of a top U.N. diplomat, and at the callous proceedings that led to his death.

The man was Paul Bang-Jensen, a Dane, whose body was found on November 26, 1959, in a park near his home at Lake Success, N.Y. The autopsy report gave the cause of death as "Gunshot wound of the head; suicidal." Some maintained that he did not commit suicide since he had written a note to his wife in which he had said that "under no circumstances whatsoever would I ever commit suicide." But probably more important is the way he had been treated by U.N. officials prior to his death. Bang-Jensen was Danish Deputy Secretary of the U.N. Special Committee on the Problem of Hungary. In this capacity he had compiled a mass of material dealing with the Soviet's actions in that unfortunate country, and he became disturbed at the way the Hungarian situation was being used by the politicians of the U.N. In his efforts to keep the report on Hungary from being sabotaged, he aroused the antagonism of high U.N. officials, including Hammarskjold, and was suspended.

Some time later he was called on to turn over to the Secretariat some documents including a list of the anti-Communist Hungarians who had given him information with the understanding that their names would not be divulged. Fearful that this information would find its way to the Russians, with foreseeable consequences, Bang-Jensen refused. The lists were subsequently burned by him, in the presence of witnesses atop the U.N. Building. On July 3, 1958, the Secretary General notified him he was being dismissed for misconduct.

When his body was found less than a year later, the case had all the earmarks of a cloak-and-dagger thriller, and many still believe that he was murdered by Soviet agents. The manner of death is relatively unimportant. The significant point is that Bang-Jensen was ignominiously thrown out of the U.N. because he refused to compromise his principles.

What troubles thoughtful Americans even more than all the foregoing is the way in which our own Government has permitted the United Nations to formulate U.S. foreign policy. This peculiar kind of diplomat lunacy, which incidentally is bipartisan, takes many curious forms which require us to subordinate our own best interests to the interests of other nations. Through some strange process of reasoning our State Department goes on the assumption that, to be good, a policy must have U.N. endorsement. Keeping in mind the ministrations we can expect from the Soviet bloc and the treatment we are likely to get from such neutralists as Indonesia, India, Ghana, and Guinea, it is difficult to see much logic in this, but there it is.

An interesting example was the recent vote concerning Angola, Portugal's African territory. Siding with the Afro-Asian bloc we twice voted to condemn Portugal for "repressive acts" there. As a result we have alienated one of our NATO allies, and one that had proved highly dependable.

Curiously, on the same day that we went on record for the second time against Portugal's colonial policy, the newspapers carried another story datelined United Nations. In this case we were accused by the United Nations of an unsatisfactory colonial policy in our handling of Micronesia, the Pacific Islands that we have had on our hands since we drove the Japanese out during World War II. The complaint was that we had not done enough for the islanders.

Another example of our undue and unrealistic concern for the new members of the U.N. is said to have been the reason the attempted invasion of Cuba by Cubans turned into a fiasco that made this country ridiculous in the eyes of the world. Those who took part in that ill-fated mission say that promised air cover which would have given them a fighting chance was withheld at the last moment. It has been reported, and it has not been denied, that this action was taken at the behest of our Ambassador to the United Nations, Adlai Stevenson, who told the President that such action would be offensive to the Afro-Asians and therefore embarrassing to us in the U.N.

Mr. Stevenson, with his talent for the ready quip, once made a speech about the United Nations in which he referred to the postponement of disarmament talks as "a considerable achievement of a negative sort." It would seem that this would apply also to Mr. Stevenson's contribution to the Cuban situation.

On the subject of Cuba, not long after the failure of the invasion, and while Americans were still indignant over that inexplicable performance, the United Nations approved the expenditure of $3 million to help Castro with his agricultural problems. This scheme, concocted by the governing council of the United Nations Special Fund, called on the United States to contribute $463,000. Attempts to learn from the U.N. if the United States had paid or was going to pay this money were unproductive. If a guess may be hazarded—we will pay.

The case of Red China was mentioned earlier, and reference was made to pressures being exerted to seat that nation in the U.N. It is no secret that much of the pressure comes from Great Britain. Lord Home not long ago laid it on the line when he advised us to wake up to "the facts of international life" and accept the inevitable by allowing Red China into the U.N. Certainly no one can accuse the British of letting idealism interfere with "the facts of international life" when trade and other matters important to the British are concerned. A thriving trade exists between Red China and Great Britain, and only recently it was announced that Canada, also extremely tolerant of Red China, had agreed to sell that famine-ridden country $362 million worth of grain. An additional quantity of grain worth more than $100 million was being sold to Red China by Australia. Obviously, what the nations of the British Commonwealth do is their own business, even though the grain deal helps to prop up a Communist regime that is in difficulties because of its inability to feed its own people. However, some skeptics cannot help but think that the U.N. figures in some of these British deals, as another aspect of "the facts of international life."

Unfortunately, we no longer have much bargaining power to cope with the realists and the opportunists in the United Nations. Our politicians have a strange compulsion to give our wealth away, and the idea of demanding something in return seems repulsive to them. For example, as one of his last official acts as President, Dwight D. Eisenhower appeared before the U.N. and assured members of U.S. aid without any strings attached. More recently, and indicative of the fact that such overwhelming generosity is bipartisan, Adlai Stevenson told representatives of the African nations that they could have American help but they had to show "initiative." Unless there has been a drastic change of policy, however, this means only that they will have to show enough initiative to ask for help.

Since our foreign aid is dispensed on the premise that we do not insist on anything in return, the beneficiaries can, and do, feel at liberty to take any position they choose in the U.N. They know they are going to get American money, regardless, and if they happen to swing over to the Communist side they are likely to come up with something from the Kremlin to boot. However, the Soviet drives a harder bargain, Mr. Khrushchev being about as philanthropic as a pawnbroker.

It might also be pointed out the wily Mr. K. is also a good actor. Advocates of the U.N. point to his shoe-pounding act in that body as proof that he is trying to destroy the organization. As a clincher they cite his demands that Dag Hammarskjold be fired. If you study pictures of Khrushchev as he banged his shoe, you will find that he was having no tantrum, as some seemed to think, but was obviously enjoying himself. This was not the action of a man calling for the end of the U.N. but of one who was expressing his contempt for the organization and the people in it.

There is another reason why Khrushchev is not likely to order his robots out of the U.N. The Russians made that mistake once before, in 1950, when they walked out in a boycott aimed at getting rid of Trygve Lie. When the North Koreans then swarmed over the border into South Korea, the matter was presented to the Security Council and neither Russia nor any of its satellites were around to exercise the veto and thus forestall action against the Reds. The Communists quickly came back but too late to reverse the action that had been taken.

Why should they leave the U.N.? Through the political instrumentation of the organization they can accomplish many things. While they were not present to stop the United States from initiating action in Korea, it may logically be assumed that the Communists in the U.N. were not inactive when our military leaders in Korea found themselves being hamstrung by U.N. meddling. Some of this was doubtless or a high-level nature, but much of it could well have come from lower echelons. During the Korean war a committee of the Senate and a New York grand jury started studying Secretariat posts allotted to citizens of the United States to see how many Communists held those jobs. Some 200 American employees of the U.N. suddenly resigned and were not required to testify. Seventeen who were brought before the committee refused to answer questions about Communist Party membership, and, under pressure, Trygve Lie dismissed them. But in 1953 the U.N. Administrative Tribunal ruled that they should not have been dismissed; it awarded them heavy damages, and ordered them rehired.

There may be some question about these people and what they were doing at the time of the Korean war, but the record speaks for itself concerning what the U.N. has not done about Korea since the war ended. At the time the Communists attacked, the U.N. resolved that North and South Korea would eventually be reunited. Today, 11 years later, the country is still divided; Red China is still at war with the United Nations, and the Soviet Union, which organized, directed, and armed the invading Red armies, has not even been reprimanded.

Later there was the Hungarian revolt against communism. While the U.N. stalled, doing nothing while the Hungarians won their revolution, Khrushchev waited to see what the United States would do. We in turn waited to take our cue from the United Nations. When the U.N. did nothing, Khrushchev brutally struck down a revolt for liberty that could have proved a turning point in history.

For more than a decade the United Nations has been passing resolutions ordering Israel to return to borders established by the U.N.—without result. It also adopted a resolution calling for Israel to internationalize Jerusalem. This brought from David Ben-Gurion the retort: "Jerusalem will be internationalized over our dead bodies." In 1948 the U.N. called on Israel to permit Arab refugees driven from their homes in Palestine to return, but the reply was a flat "No." Nor are the Arabs any more amenable to the U.N. Nasser was ordered to stop his blacklisting of Israel shipping in the Suez, but to date he has paid little attention.

When the Red Chinese moved into Tibet, slaughtering its peaceful citizens without cause, the U.N. viewed this barbarism with the greatest equanimity. And the dispute between India and Kashmir still goes on.

Little wonder that the U.N. is increasingly looked upon as an international debating society and a forum for making propaganda rather than as an effectual means of settling disputes. While this view may not be shared by speakers at PTA gatherings and at women's clubs, it certainly seems to reflect the view of first-string diplomats since they usually ignore it when there are important problems to be solved.

Soon after the U.N. was founded, in 1948, Stalin precipitated a crisis over Berlin. At that time the West took the problem to the Security Council. It it doubtful that the U.N. will even be called on in the current Berlin crisis even though Hammarskjold long ago made it clear that the U.N. wanted to be consulted. In the Laos crisis, too, the U.N. had no part. Nor was it called on to participate in the nuclear test negotiations conducted at Geneva.

Since every possible avenue that might lead to peace is being explored by President Kennedy, and was explored by President Eisenhower before him, their actions would indicate a definite lack of confidence on their part in the ability of the U.N. to do much good. Why a succession of summit meetings on questions that are the province of the United Nations? Why did we send our diplomats to Geneva, at the instigation of the British, to negotiate in a 14-nation conference on Laos when we had the U.N. here in the United States? A third question, flowing from these, is: If the United Nations is not capable of doing the job, why bother with a United Nations?

Advocates of the United Nations answer this by saying that the only way in which the U.N. can function properly is to give it more power, and subordinate ourselves still further to the global body. Such a view is currently being advocated by the National Council of Churches which, incidentally, also favors the admission of Red China to the U.N. Also in favor of giving still more of our sovereignty are the World Federalists.

If our aim is national suicide, then the national council and the World Federalists have the right prescription. That is evident from the way the votes are lining up against us on issues that have a powerful bearing on our national security. At the present time, an insidious move is underway to give the U.N. the power to intrude into our domestic affairs by extending the jurisdiction of the International Court of Justice or World Court, an organ of the U.N. Only 38 nations automatically accept that Court's jurisdiction while the other members of the U.N. may be made parties to World Court litigation only with their express consent. No Iron Curtain country has accepted the compulsory jurisdiction of the Court, even with reservations. The United States has up to now safeguarded its right to decide whether any case affecting American interests shall be admitted to adjudication by the

Court. Our safeguard has been in the so-called Connally amendment. But the internationalists are now working diligently to repeal this amendment, which would permit the World Court to inject itself into our affairs and force compliance with its decisions. At the present time four measures are up for consideration by the Senate Foreign Relations Committee which would serve to have the United States surrender sovereignty to the World Court. Two of these are resolutions. One, Senate Resolution 39, is sponsored by Senators Humphrey, Morse, and Javits. Another, Senate Resolution 136, is sponsored by Senators Javits, Humphrey, and Joseph Clark, Democrat, of Pennsylvania.

It does not seem to worry those who are pressuring to push these measures through that the World Court is headed by one Bohdan Winiarski, a jurist from Red Poland. Nor is the presence of Philip C. Jessup on this lofty bench reassuring. Jessup, it will be recalled, played an important role in the malodorous Institute of Pacific Relations.

If we expect to maintain our existence, let alone our position of leadership, it is high time that we stop taking the United Nations as seriously as we have up to now. We should recognize, as the Soviet does, that the U.N. has its uses, and we should make use of it when its facilities can serve to advance American aims. However, we should not permit it to formulate U.S. foreign policy, and we most certainly should not allow it to get a foothold in our domestic affairs by such devices as repeal of the Connally amendment.

Since the beginning of the century, we have been embroiled increasingly in world politics and conflicts. In helping to establish the United Nations, our hope was that through this organization there would be an end to conflicts. But while the cry has been peace, the world has had a succession of blood baths, thanks to the same Communist clique which now sits in the conclaves of the United Nations, and which is able to inject itself increasingly into our affairs through that organization.

There is a basic fallacy in this which, if understood, provides a clue as to what we should do. It is assumed that the United States is so strong that it can not only defend but subsidize half of the world. This is obvious from the demands that are made on us for military help and economic aid. Yet we ourselves make it appear that we are so weak that, unless we are propped up by the United Nations, we are helpless.

The time has come to show that we not only have the strength and decision necessary to assume once again the initiative in the world, but that we know how to use them. We have seen the delegates to the United Nations in action, and it certainly is not chauvinistic to say that this Nation can provide better leadership than seems to be available from that assemblage of global politicians. This is not to say that we ought to cut loose from the U.N. and go it alone. To repeat, where the U.N. can serve our national interests, let us use the U.N. But let it not be the other way around, as it has been, with the U.N. using the United States as a pawn. We can and must act like leaders, establish policies based primarily on what will be in the best interests of the United States of America—and then follow through on those policies without fear and without compromise.

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## A CALL FOR ARAB-ISRAEL PEACE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, on May 9, 1962, on the occasion of the 14th anniversary of the State of Israel, I had the privilege of presenting a statement on the floor congratulating Israel and calling for an Arab-Israel peace. That statement had attached to it 171 names of Members of the House. I am very happy to record here an additional 61 names of Members of the House who have subsequently joined in the signing of such statement, and I herewith present the full list of 232 names:

E. Ross Adair, of Indiana.
Joseph P. Addabbo, of New York.
Hugh J. Addonizio, of New Jersey.
Carl Albert, of Oklahoma.
John B. Anderson, of Illinois.
Victor L. Anfuso, of New York.
Leslie C. Arends, of Illinois.
Thomas L. Ashley, of Ohio.
Wayne N. Aspinall, of Colorado.
James C. Auchincloss, of New Jersey.
William H. Ayres, of Ohio.
Cleveland M. Bailey, of West Virginia.
Howard H. Baker, of Tennessee.
Walter S. Baring, of Nevada.
William A. Barrett, of Pennsylvania.
Robert R. Barry, of New York.
Perkins Bass, of New Hampshire.
William H. Bates, of Massachusetts.
Frank J. Becker, of New York.
Ralph F. Beermann, of Nebraska.
John A. Blatnik, of Minnesota.
Edward P. Boland, of Massachusetts.
Richard Bolling, of Missouri.
Frank T. Bow, of Ohio.
Frank W. Boykin, of Alabama.
John Brademas, of Indiana.
James E. Bromwell, of Iowa.
William S. Broomfield, of Michigan.
Charles A. Buckley, of New York.
James A. Burke, of Massachusetts.
James A. Byrne, of Pennsylvania.
William T. Cahill, of New Jersey.
Clarence Cannon, of Missouri.
Hugh L. Carey, of New York.
Elford A. Cederberg, of Michigan.
Emanuel Celler, of New York.
Charles E. Chamberlain, of Michigan.
J. Edgar Chenoweth, of Colorado.
Robert B. Chiperfield, of Illinois.
Marguerite Stitt Church, of Illinois.
Frank M. Clark, of Pennsylvania.
Merwin Coad, of Iowa.
Jeffery Cohelan, of California.
Harold R. Collier, of Illinois.
Silvio O. Conte, of Massachusetts.
Robert J. Corbett, of Pennsylvania.
James C. Corman, of California.
William C. Cramer, of Florida.
Glenn Cunningham, of Nebraska.
Laurence Curtis, of Massachusetts.
Thomas B. Curtis, of Missouri.
Emilio Q. Daddario, of Connecticut.
Paul B. Dague, of Pennsylvania.
Dominick V. Daniels, of New Jersey.
Clifford Davis, of Tennessee.
William L. Dawson, of Illinois.
James J. Delaney, of New York.
John H. Dent, of Pennsylvania.
Winfield K. Denton, of Indiana.
Steven B. Derounian, of New York.
Edward J. Derwinski, of Illinois.
Charles C. Diggs, Jr., of Michigan.
John D. Dingel, of Michigan.
Peter H. Dominick, of Colorado.
Harold D. Donohue, of Massachusetts.
Edwin B. Dooley, of New York.
Thomas N. Downing, of Virginia.
Clyde Doyle, of California.
Thaddeus J. Dulski, of New York.
Florence P. Dwyer, of New Jersey.
Joe L. Evins, of Tennessee.
George H. Fallon, of Maryland.
Leonard Farbstein, of New York.
Dante B. Fascell, of Florida.
Michael A. Feighan, of Ohio.
Edward R. Finnegan, of Illinois.
Paul A. Fino, of New York.
Daniel J. Flood, of Pennsylvania.
John E. Fogarty, of Rhode Island.
Gerald R. Ford, Jr., of Michigan.
Peter Frelinghuysen, Jr., of New Jersey.
Samuel N. Friedel, of Maryland.
James G. Fulton, of Pennsylvania.
Cornelius E. Gallagher, of New Jersey.
Peter A. Garland, of Maine.
Edward A. Garmatz, of Maryland.
J. Vaughan Gary, of Virginia.
Leon H. Gavin, of Pennsylvania.
Robert N. Giaimo, of Connecticut.
Jacob H. Gilbert, of New York.
Milton W. Glenn, of New Jersey.
Henry B. Gonzalez, of Texas.
Kathryn E. Granahan, of Pennsylvania.
Kenneth J. Gray, of Illinois.
Edith Green, of Oregon.
William J. Green, Jr., of Pennsylvania.
Robert P. Griffin, of Michigan.
Martha W. Griffiths, of Michigan.
Harlan Hagen, of California.
Seymour Halpern, of New York.
Ralph R. Harding, of Idaho.
James Harvey, of Michigan.
Wayne L. Hays, of Ohio.
James C. Healey, of New York.
Ken Hechler, of West Virginia.
Chet Holifield, of California.
Elmer J. Holland, of Pennsylvania.
Craig Hosmer, of California.
W. R. Hull, Jr., of Missouri.
Daniel K. Inouye, of Hawaii.
Charles S. Joelson, of New Jersey.
Harold T. Johnson, of California.
Thomas F. Johnson, of Maryland.
Frank M. Karsten, of Missouri.
Joseph E. Karth, of Minnesota.
Robert W. Kastenmeier, of Wisconsin.
Elizabeth Kee, of West Virginia.
Hastings Keith, of Massachusetts.
Edna F. Kelly, of New York.
Eugene J. Keogh, of New York.
Clarence E. Kilburn, of New York.
Carleton J. King, of New York.
Cecil R. King, of California.
David S. King, of Utah.
Michael J. Kirwan, of Ohio.
John C. Kluczynski, of Illinois.
Frank Kowalski, of Connecticut.
John C. Kunkel, of Pennsylvania.
Thomas J. Lane, of Massachusetts.
Richard E. Lankford, of Maryland.
Roland V. Libonati, of Illinois.
John V. Lindsay, of New York.
J. Carlton Loser, of Tennessee.
John W. McCormack, of Massachusetts.
Gordon L. McDonough, of California.
Harris B. McDowell, Jr., of Delaware.
John J. McFall, of California.
Clifford G. McIntire, of Maine.
Torbert H. Macdonald, of Massachusetts.
Clark MacGregor, of Minnesota.
Peter F. Mack, Jr., of Illinois.
Ray J. Madden, of Indiana.
Don Magnuson, of Washington.
David T. Martin, of Nebraska.
Joseph W. Martin, Jr., of Massachusetts.
Charles McC. Mathias, Jr., of Maryland.
Chester E. Merrow, of New Hampshire.
Robert H. Michel, of Illinois.
George P. Miller, of California.
William E. Miller, of New York.
William E. Minshall, of Ohio.
Walter H. Moeller, of Ohio.
John S. Monagan, of Connecticut.
Joseph M. Montoya, of New Mexico.
Arch A. Moore, Jr., of West Virginia.
William S. Moorhead, of Pennsylvania.
Thomas E. Morgan, of Pennsylvania.
Thomas G. Morris, of New Mexico.
F. Bradford Morse, of Massachusetts.
John E. Moss, of California.
Abraham J. Multer, of New York.
William T. Murphy, of Illinois.
Lucien N. Nedzi, of Michigan.
Ancher Nelsen, of Minnesota.
Robert N. C. Nix, of Pennsylvania.
Leo W. O'Brien, of New York.
Thomas J. O'Brien, of Illinois.
Barratt O'Hara, of Illinois.

James G. O'Hara, of Michigan.
Alvin E. O'Konski, of Wisconsin.
Thomas P. O'Neill, Jr., of Massachusetts.
Frank C. Osmers, of New Jersey.
Harold C. Ostertag, of New York.
Thomas M. Pelly, of Washington.
Philip J. Philbin, of Massachusetts.
Otis G. Pike, of New York.
Alexander Pirnie, of New York.
Melvin Price, of Illinois.
Roman C. Pucinski, of Illinois.
William J. Randall, of Missouri.
Ben Reifel, of South Dakota.
Henry S. Reuss, of Wisconsin.
George M. Rhodes, of Pennsylvania.
R. Walter Riehlman, of New York.
Ralph J. Rivers, of Alaska.
Howard W. Robison, of New York.
Peter W. Rodino, Jr., of New Jersey.
Byron G. Rogers, of Colorado.
John J. Rooney, of New York.
James Roosevelt, of California.
Benjamin S. Rosenthal, of New York.
Dan Rostenkowski, of Illinois.
Harold M. Ryan, of Michigan.
William Fitts Ryan, of New York.
Katharine St. George, of New York.
Fernand J. St. Germain, of Rhode Island.
Alfred E. Santangelo, of New York.
D. S. Saund, of California.
Richard S. Schweiker, of Pennsylvania.
William W. Scranton, of Pennsylvania.
Horace Seely-Brown, Jr., of Connecticut.
John F. Shelley, of California.
Garner E. Shriver, of Kansas.
Abner W. Sibal, of Connecticut.
B. F. Sisk, of California.
John M. Slack, Jr., of West Virginia.
Brent Spence, of Kentucky.
William L. Springer, of Illinois.
Robert T. Stafford, of Vermont.
Harley O. Staggers, of West Virginia.
Samuel S. Stratton, of New York.
Leonor Kretzer Sullivan, of Missouri.
Frank Thompson, Jr., of New Jersey.
Homer Thornberry, of Texas.
Herman Toll, of Pennsylvania.
Thor C. Tollefson, of Washington.
Stanley R. Tupper, of Maine.
Morris K. Udall, of Arizona.
Charles A. Vanik, of Ohio.
James E. Van Zandt, of Pennsylvania.
Joe D. Waggonner, Jr., of Louisiana.
George M. Wallhauser, of New Jersey.
John C. Watts, of Kentucky.
Phil Weaver, of Nebraska.
Jessica McC. Weis, of New York.
J. Irving Whalley, of Pennsylvania.
J. Ernest Wharton, of New York.
William B. Widnall, of New Jersey.
Bob Wilson, of California.
Sidney R. Yates, of Illinois.
Clement J. Zablocki, of Wisconsin.
Herbert Zelenko, of New York.

## ARCHITECT OF CAPITOL CITED FOR SAFETY PROGRAM

Mr. STEED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEED. Mr. Speaker, the Architect of the Capitol, Mr. J. George Stewart, was cited for honorable mention for the President's Safety Award at a presentation ceremony held June 8 at the Executive Offices Building.

It is good to see this evidence of the success of the safety and fire prevention program carried on at the Capitol for the last 4 years under the administration of Mr. Stewart. The House Legislative Appropriations Subcommittee originally approved this work, and I trust it will be carried on and appropriately implemented in the future.

I also take this opportunity to pay tribute to the safety programs of the Departments of the Treasury and the Army and of the Federal Power Commission, which won the President's Safety Awards for 1961, presented by Vice President Lyndon B. Johnson.

At this point I wish to insert the remarks of the Architect in response to the presentation of the award:

### Remarks of J. George Stewart, Architect of the Capitol

Mr. Vice President, Mr. Secretary, honored guests, ladies, and gentlemen, I would like to introduce three of my assistants who accompany me: Mr. Thomas F. Clancy, Supervising Engineer, Capitol Building; Mr. Robert F. Dalrymple, Safety Engineer; and Mr. William C. Justice, Chief Engineer at the Capitol Power Plant.

Just 4 years ago I appeared before the Appropriations Committees of the House and Senate and put forth a proposal to establish a small Safety and Fire Prevention Department on Capitol Hill.

I was granted funds at that time for a safety engineer and this force has since been augmented by safety inspectors. We are proud of this department and the work it has accomplished in this brief period.

Our buildings, which include the Capitol—the "Workshop of Congress" and a building of great importance and interest to the American people—are constantly being improved from a safety standpoint. Last fall the Congress appropriated $475,000 for elimination of fire hazards in the Capitol and this work is proceeding.

Many of our supervisors have received special training in safety and these employees in turn have trained men under their control. And above all else, today we are all safety conscious.

The Congress can justly be proud of this program and as I accept this award today, I do so in the name of the Congress, as well as my staff and myself, whose combined efforts have made this program and this award possible.

And while we are infants in this program, having started late, I now serve notice on all departments of the Government that we will be back later competing for a higher award.

## WALNUT VENEER INDUSTRY

The SPEAKER pro tempore (Mr. Libonati). Under previous order of the House, the gentleman from Illinois [Mr. O'Hara] is recognized for 60 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, the black walnut tree is as American as "Yankee Doodle Dandy," as Uncle Sam himself.

It is grown chiefly in five or six Middle Western States, is one of the few products exclusively American and it furnishes one of the world's most precious timbers for the manufacture of fine furniture. Its extinction would be no less than a national calamity, resulting from the careless dissipation of a rich heritage and neglect of its protection.

Sentiment, I presume, has much to do with the patterns of our lives and the direction of our interests. It is the sentiment of a long ago boyhood that brings me to the well in this historic Chamber to join with my colleagues from the few States where the black walnut grows to alert the House and the Nation to an alarming situation that threatens the extinction of this uniquely American tree.

The black walnut tree was the constant companion of my boyhood as it was that of most boys of the period in the Middle West. It was part and parcel of the America I knew, growing up as a boy in the village of Berrien Springs, than county seat of Berrien County in Michigan, 10 miles distant from the nearest town by horse and buggy over very sandy or very muddy roads.

But on the outskirts of our village we had our black walnut trees, and they were our pride and joy. Natives of our soil—no imports and transplantings these—we sensed that they were part of the history of our country and when we played games of war it always was a black walnut tree that served as the American fortress when hostile redskins or British redcoats were on simulated attack.

On Saturdays and other days after school in picking time I and my schoolmates would compete at gathering walnuts, shucking them and leaving them on roofs and elsewhere to dry out. Shucking black walnuts with the bare hands leaves a deep yellow stain. In our school the boy with lily white hands in walnut time was thought a bit of a sissy. The boy with the deepest yellow stain on his hands was the leader and the champion. Youth in the Middle West in those days measured American manhood by the depth of the yellow stain of the black walnut.

This was 70 or more years ago. It was not long after the close of the Civil War, and there were living then many who had fought in the war with Mexico and a few veterans of the War of 1812. America was growing up, and as it had been from the very first the native American black walnut tree was growing up with America, an inseparable part of what we call Americana.

Yes, Mr. Speaker, the black walnut tree is as American as Yankee Doodle Dandy; as Uncle Sam himself. This is the reason I have asked this time to discuss the plight of a unique American industry. Unique in fact for the entire world, because in our great Midwest are the last stands of that most beautiful of hardwoods, the American black walnut tree.

Unless we do something in the very near future to prevent the rapid depletion of this valuable natural resource, this loveliest of furniture woods soon will be gone, and it will take generations to replace it, if, indeed, it can be replaced at all.

Here are the simple facts:

Countries abroad, short of hardwood which they have squandered on their own soil, are buying increasing quantities of black walnut veneer logs in this country, driving up the price to astronomical figures and threatening the very existence of our domestic industry.

Exports of American black walnut veneer logs have increased from 600,000 board feet in 1954 to over 10 million board feet in 1960, and a comparable rate last year. Unless some curb is placed on these exports, they will go higher. These exports, plus reasonable domestic usage—far less than the domestic usage in the twenties—have started a net drain; have upset the growth-drain balance necessary to the maintenance of black walnut as an American natural resource. If something is not done to stop this drain, black walnut will disappear—it will become a curio, like the American buffalo—in a few short years.

The export price of this most valuable hardwood log native to the United States has increased from $425 per thousand feet—the 1955-58 range—to about $825 per thousand board feet last year; in 1962, the average has been $970—certainly an inflationary trend.

The walnut veneer industry is centered in the midwest—in the States of Illinois, Indiana, Iowa, Missouri, Ohio, Kentucky, and Tennessee, and to some extent in Pennsylvania and West Virginia.

The industry has taken two steps to preserve this natural resource:

The first is its program, now in its 33d year, for conservation and replanting of black walnut trees here at home. I shall discuss this in a moment, while pointing out that it takes 50 years or more to get a walnut tree to usable size; much longer for a prime veneer quality tree.

Second, the industry has made a direct application to the Secretary of Commerce for relief under the Export Control Act of 1949. By that act, the Congress declared it to be the policy of the United States to impose export controls "to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand."

Certainly, Mr. Speaker, the present plight of the walnut veneer industry comes under this provision. Although a hearing was held in the Department of Commerce last November, attended by officials from all interested Government departments, there has been no action.

You will note that no tariff problem is involved here, and no interference whatever with President Kennedy's proposal for increasing the flow of trade.

As a matter of fact, preservation of black walnut veneer logs for use by domestic industry, would indeed be of assistance, because it would stimulate export of veneer or manufactured veneer products, whose value has been enhanced by the incorporation of substantial American labor. The same dollar export value of walnut veneer represents only one-third the volume of logs it takes to create that same export value.

Now, of course, these walnut logs—the raw material of the domestic veneer industry—are being shipped overseas because these foreign countries can pay more than twice as much for high quality American logs due to lower wage and production costs.

As examples, the average hourly wage rate in the American walnut veneer industry is $1.57, which contrasts sharply with rates of 52 cents in West Germany, 26 cents in Italy, and 20 cents in Japan, the three countries to which the great bulk of exported walnut veneer logs are being shipped.

No wonder these foreign manufacturers can buy our precious logs at double what our domestic manufacturers can afford to pay. They manufacture the veneer abroad, with their cheaper labor and costs, and ship finished plywood and furniture back to the United States for sale. This is no idle thought. It is being done. Most of the American black walnut logs exported in the last few years have been consumed abroad as the European economy has prospered, but some is now finding its way back to the United States, where it is being sold in competition with the products of American industry, at lower prices than American manufacturers can afford.

The American walnut veneer industry is not an integrated one—90 percent of the product of the industry is walnut veneer, for use by plywood and furniture manufacturers. Several of the companies are located in areas which the Secretary of Labor has designated as areas of substantial unemployment. All of the manufacturers have curtailed or postponed plans for modernization or upgrading of their facilities. Some have already curtailed operations—all as a result of the crisis occasioned by this abnormal foreign demand. To further withhold the relief to which the Export Control Act entitles them would be to intensify the unemployment problems of these already distressed areas and to aggravate the economic problems of the industry—to consign American black walnut to the status of a curio—a relic of what once was great—and uniquely American.

As I said, Mr. Speaker, the industry is active in its efforts to conserve and develop the supply of black walnut trees in the areas where they can be grown.

Black walnut, unlike other hardwoods, is not found and will not grow in large stands, but it grows sparsely, in small farm woodlots among other species and as scattered field and pasture trees. The industry has cooperated in Federal and State forestry programs designed to encourage the planting, management and proper harvesting of black walnut trees. Each year with the help of civic organizations, 4-H Clubs, Boy Scouts, and county agents, it supplies thousands of bushels of seed walnuts to State nurseries, which process and distribute seedlings and stratified seed walnuts to landowners for planting. The industry has cooperated with State and Federal forestry agencies in conducting and financing experiments to improve the growth and quality of walnut trees. It provides for the publication and distribution of educational pamphlets, strip films on proper planting of walnuts and seedlings and the proper care and harvesting of walnut trees in order to obtain the maximum yield of high quality wood.

In summing up, Mr. Speaker, may I point out again that this sharp increase in foreign demand for high-quality walnut logs, skimming the cream, if you please, will soon exhaust the limited supply of logs available to this and even future generations unless we stop it.

The abnormal foreign demand has driven up prices paid by domestic veneer producers and this increase has led in turn to higher retail prices which American consumers must pay for furniture, paneling, and other products made from walnut.

Continued depletion of high-quality walnut logs will compel domestic producers to curtail or cease operation, resulting in the loss of investment and increase in unemployment in areas already found to have substantial unemployment.

In order to protect the domestic economy from the excessive drain of this great natural resource, the industry has asked that exportation be cutback at least to the 1955-59 average annual export volume which would be about 2 million board feet.

This would help promote the domestic economy and would not injure our foreign trade policies.

I suggest this request is a very reasonable one. I hope it will get prompt and sympathetic attention from our Government.

This is a unique and pressing problem and I deemed it wise to bring it to the attention of the House.

Mr. DENTON. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I am glad to yield to my distinguished colleague, the gentleman from Indiana.

Mr. DENTON. Mr. Speaker, I want to compliment the gentleman from Illinois for bringing to the attention of the Congress the serious problem of depletion of our domestic supply of walnut timber and I wish to associate myself with the statement which he has made.

I have a number of constituents, principally in New Albany, Ind., who are engaged in the walnut veneer manufacturing business and they advise me that during the last 10 years there has been a tremendous increase in the exportation of walnut logs to other countries, principally Germany, Italy, and Japan. This has made it very difficult for walnut veneer manufacturers to secure walnut logs, but if this rate of export continues, the entire source of their supply of walnut veneer logs in this country will be used up and destroyed.

It seems to me that this is a clear case for relief under provisions of the Export Control Act.

Mr. O'HARA of Illinois. I thank my friend from Indiana for his valuable contribution. He realizes, as do most of us in the Middle West, the importance of this industry. The black walnut tree is a native of our country. It is only grown here. To ship the unprocessed logs to other countries is bad for American industry and destructive of a great American raw material.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield.

Mr. McCULLOCH. I have listened with a great deal of interest and some nostalgia to my distinguished colleague's story of his boyhood and his roaming of the woods. I too have long been a lover of trees in general and of the walnut tree in particular, because in that part of Ohio from which I come is found some of the finest walnut trees that grow in all the world. The burls and figures in the walnut wood are the envy of the best cabinet makers all over the world. It is the type of walnut which was used on the walls of this Chamber and it is the type of the beautiful paneling in the Members' reception room in the Capitol, which was just completed this year.

I am happy indeed that my colleague from Illinois has taken time to let the Members of the House know what is happening to our walnut trees.

Whenever I think of trees, of course, I think of that immortal poem of Joyce Kilmer, and without objection from the House I would like to read it into the RECORD at this point.

Mr. O'HARA of Illinois. I wish the gentleman would.

Mr. McCULLOCH. It is as follows:

### TREES

"I think that I shall never see
  A poem lovely as a tree.
"A tree whose hungry mouth is pressed
  Against the earth's sweet-flowing breast;
"A tree that looks at God all day,
  And lifts her leafy arms to pray;
"A tree that may in summer wear
  A nest of robins in her hair;
"Upon whose bosom snow has lain;
  Who intimately lives with rain.
"Poems are made by fools like me,
  But only God can make a tree."

As my distinguished colleague has said, it takes a long time to grow almost any kind of tree, but it takes a particularly long time to grow a walnut tree for veneer use. Seventy or more years. We have had important statistics from our distinguished colleagues. I would like to add one. From 1954 to 1960 exportation of walnut logs increased seventeenfold while domestic use has increased barely 3 percent.

Logs are now bought in Ohio and shipped to New Orleans, down the Gulf of Mexico, through the Panama Canal and across thousands of miles of the Pacific, and there made into veneer, one sixty-second of an inch thick where it may be processed by the delicate and loving hands of the Japanese and then becomes a part of the best furniture, or as good furniture as is made in all the world. We cannot process veneer by hand, our wages are too high. We must process veneer by mechanical abrasion, and for that reason we cannot cut and economically use veneer much, if any less, than one thirty-second of an inch thick.

So we are constantly outbid by our friends in three, four, or five countries in the world, though all the while most nations have export controls on the lumber that is in scarce supply in their countries.

As our distinguished colleague from Indiana has said, the material facts are before the responsible Departments, Commerce and State, and the justification for invoking the law is clear and convincing. I hope with what the gentleman from Illinois has said, and what others will say from these five, six, or seven Midwestern States, those who are responsible for the safety and welfare of this country will act pursuant to law in accordance with the evidence before them.

I had intended, Mr. Speaker, to end here, but in addition to the use of walnut lumber for fine furniture, panels, and cabinetwork, there has never been found a material that is better for use in gunstocks, both in army rifles and in sporting weapons, than walnut.

Walnut gunstocks have stopped the bullets and shrapnel of many an enemy before they tore into the flesh of American soldiers. Furthermore, they have withstood the wind, the rain, the freezing, the cold of the North and the heat and steam of the jungle, and when properly cared for by the soldier who depended upon it for his protection always responded with a reliability and a smoothness and a warmth that no other wood has ever shown.

So I hope, Mr. Speaker, that those who have never been in the country, who have never planted a walnut tree, will reconsider the record and have the courage to do that which should be done.

I thank the gentleman for yielding to me so much of his time.

Mr. O'HARA of Illinois. I thank my beloved friend from Ohio. I appreciate his reading of that beautiful poem, his tribute to trees in general, and especially the American black walnut tree.

It may be sentiment, but it seems to me that all worthwhile things of this world are grounded in sentiment—love of family, love of nation, and love of native trees. To me the black walnut tree stands for my country. It was here and here only before Columbus came to America, it was here when the Indians were roaming this country, it was here in the morning years of our Republic, a great and a noble tree grown only in the United States. It is not a transplanted tree. It is ours, our only uniquely American tree. Now it is threatened with being wiped out because of a lack of understanding that we cannot export excessive quantities of these native trees to be processed abroad.

Mr. Speaker, I speak with deep emotion. I would speak with the same deep emotion if Yankee Doodle Dandy were under attack and there was danger of Yankee Doodle Dandy being sent out of the United States. So, with the same sentiments and the same emotion I speak for the American black walnut tree.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members may have 5 legislative days in which to extend their remarks on this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

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## PLIGHT OF THE TEXTILE INDUSTRY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. JONAS] is recognized for 15 minutes.

Mr. JONAS. Mr. Speaker, soon after taking office in 1961, Secretary of Agriculture Freeman announced an increase in the price supports for cotton. Since this increase in the domestic price support level pushed the world price of cotton still higher than the domestic price, the Secretary increased the cotton export subsidy to 8½ cents per pound.

Recently I received a letter from the president of one of the most modern yarn mills in the country. He points out in this letter that the increase in the domestic price support level caused the price of the type of cotton he uses to go up from 32.50 cents to 37.33 cents per pound, and that the increase in the export subsidy to 8½ cents make it possible for his competitors abroad to buy American-grown cotton for $42.50 a bale less than he has to pay for the same type of cotton.

The following is quoted from the letter of this textile manufacturer. It points up with stark reality the difficulties faced by the domestic textile producers under current policies of the U.S. Government:

> We have one of the most modern textile spinning mills in the world; it was completed in early 1961. The plant employs 101 people including myself; it has all new machinery, new production methods, and strict quality control. Our manufacturing space is all refrigerated, clean, and is ideal for employee comfort and manufacturing. Our yarn quality is excellent and our customers are pleased with our quality. We all feel that we have done everything humanly possible to build an efficient plant to employ personnel who were left without work when a previous spinning mill closed down on the same location.
>
> We have been in a relatively bad market since we made our first pound of yarn. The cotton cost has risen from 32.50 cents to 37.33 cents per pound and the yarn prices have declined. Our product is all cotton carded knitting yarns from 14/1 to 30/1; we spin Memphis Territory Cotton.
>
> Last week I was in southern Germany and Switzerland looking at the newest Swiss textile machinery and methods in production. The mills there were spinning cotton from Pakistan. The management informed me that they could buy cotton from Pakistan and other countries other than the United States for 3 cents per pound cheaper than they could buy cotton from the United States—even with our 8½ cents per pound subsidy.
>
> When I came back last Thursday, I called on my knitting customers in New York. I could not procure any new business because they frankly showed me Portuguese yarn that they were buying for 11 cents per pound cheaper delivered than our costs.

This two-price system for cotton, under which the taxpayers of the United States are subsidizing foreign textile producers to the extent of $42.50 per bale of cotton, will destroy the domestic textile industry unless prompt relief is granted. Not only is there a substantial disparity in production costs by reason of low-wage rates abroad, but our Government is actually increasing this disparity by making American-grown cotton available to foreign producers at 8½ cents a pound cheaper than U.S. mills have to pay for it.

In view of these facts, it is not surprising that the Carded Yarn Association reports that the "March 1962 monthly total of cotton yarn imports represents an alltime peak following a pattern of steadily increasing volume."

Although 901–a yarn imports into this country were supposed to be frozen in the short term Geneva pact at 8,336,000 pounds for the base year, 12,811,000 pounds have already entered this country during the first 6 months of the agreement and there are still 6 more months to go. In other words, imports of carded single yarns in the period from

October 1961 through April of 1962 already exceed by 175 percent the entire base year quantity allowed under the Short Term Geneva Agreement of last year.

The Southern Textile News reported in its March 31, 1962, issue that "textile imports gain sharply during the last quarter of 1961" and quotes from figures released by the U.S. Department of Commerce which indicate that imports of cotton broadwoven cloth for January 1962 amounted to 48.7 million square yards, which was an increase of 70 percent over the December 1961 imports of 34.3 million square yards. The January total was at an annual rate of 584.4 million square yards.

This substantial increase in textile imports since the Short Term Geneva Agreement was made is not only alarming in itself but the danger is compounded by the fact that imports during the period from October 1, 1961, to October 1, 1962 will form the basic levels which will go into effect with the start of the "long-term"—5-year—Geneva agreement, October 1, 1962.

If imports continue to increase as they have increased during the first 6 months of the short-term agreement, the import figures that will be used to form the basis of the long-term agreement will be substantially higher than the domestic producers were led to believe when the Geneva agreement was made.

I respectfully request prompt action on the part of our Government to take such steps as may be necessary to halt this tremendously increasing flow of textile products into this country. The Government has the ability to take such action. The only question is whether the necessary steps will be taken and how soon. The Interagency Textile Administrative Committee announced on April 10 that action had been taken which resulted in the cessation of the exportation of certain cotton textiles from Spain to the United States.

An April 10, 1962, news release from the Office of the Secretary of Commerce, announcing the cessation of certain cotton textile exports from Spain to the United States, clearly shows that our Government is not powerless to protect the textile industry against disruption from unrestricted imports from abroad. The tremendous increase in shipments of certain categories of cotton textiles since October 1, 1961, is a sufficient danger signal to cause our Government to act in the interest of protecting the hundreds of thousands of people who derive their livelihood from the domestic textile industry, as well as those who have their money invested in that industry. The following quotation is taken from the news release just mentioned:

> Under the terms of the agreement, a participating country, if unrestricted imports of cotton textiles are causing or threatening to cause disruption of its domestic market, may request the participating country responsible to restrain, at a specified level not longer than the level prevailing for the 12-month period ending June 30, 1961, its exports of those cotton textiles causing or threatening to cause such disruption. The arrangement provides for a 30-day discussion period in which the governments concerned may reach an agreement on the matters involved. Failing to achieve such an agreement, the requesting country may decline to accept imports at a level higher than the specified level, and in critical circumstances, action may be taken provisionally by either country involved while the request is under discussion.

Unless the Government takes steps immediately to stabilize textile imports at the 1961 levels, the injury and damage done to the domestic textile industry, and to the hundreds of thousands of U.S. citizens who derive their livelihood from that industry, will be irreparable. The extent of this damage cannot even be calculated because it will be projected far into the future.

As a Member of Congress who has supported the efforts of the textile industry to obtain relief from the inexcusable and unreasonable two-price cotton system, I would most respectfully urge the U.S. Tariff Commission to hand down its decision without further delay in the section 22 proceeding that was instituted before that Commission on November 21, 1961. The Commission completed hearings in the case on February 23, 1962, and final briefs were filed on March 26. Surely sufficient time has elapsed since March 26 for the Tariff Commission to render a decision on such a vital matter. It is now June 12 and soon 3 months will have elapsed since final briefs were filed. Certainly that should have been sufficient time to enable the Commission to render a decision in view of the emergency nature of the problem and the urgency for prompt and favorable action.

In my humble judgment, it would be unconscionable for the 8½ cents per pound cotton export subsidy to be continued without an equalizing fee to protect the textile industry against such unreasonable competition.

The need for immediate action should be obvious to all concerned and I sincerely hope that a favorable decision will be rendered by the Tariff Commission and that the decision will not longer be delayed.

I conclude my remarks on this subject today by including the text of a resolution adopted on June 6, 1962, by the Carded Yarn Association, Inc., and a similar resolution adopted on June 7, 1962, by the North Carolina Textile Manufacturers Association:

### RESOLUTION ADOPTED BY THE MEMBERS OF THE CARDED YARN ASSOCIATION, INC., JUNE 6, 1962

Whereas under Government policy, the U.S. manufacturers of cotton yarns must pay 8½ cents per pound or $42.50 per bale more for their raw cotton than do the foreign manufacturers of yarn; and

Whereas this differential, resulting from the two-price cotton system, gives to the foreign manufacturer a grossly unfair advantage in selling his products in the U.S. markets in competition with the U.S. manufacturer; and

Whereas the profit windfall so created for the foreign manufacturer provides a tremendous stimulus to greatly increase the shipments of yarns to the U.S. markets, resulting in imports of carded single yarns in the period October 1961 through April 1962 which already exceed 175 percent of the entire 1961 base year quantity under the Short Term Geneva Agreement; and

Whereas this excess of imports will have the effect of raising permissive yarn imports under the long-term Geneva agreements to a level far higher than contemplated in the Geneva negotiations; and

Whereas President Kennedy, under point 4 of his program for textiles, directed that the Secretary of Agriculture find a method of eliminating or offsetting the disadvantage the American cotton mill has, compared to the foreign mill, in respect to its raw material cost; and

Whereas action was initiated before the Tariff Commission, under section 22 of the Agricultural Adjustment Act to implement such directive, with the Department of Agriculture urging the imposition of an 8½-cent offset fee on the raw cotton content of cotton textile imports; and

Whereas because cotton yarn represents the first major semimanufactured product in processing cotton, and raw cotton constitutes an extremely high percentage of total cost, the domestic yarn industry will be destroyed unless the cotton differential is offset: Now, therefore, be it

*Resolved,* That the Carded Yarn Association, speaking in behalf of every cotton spinner and every cotton mill employee, calls on each Member of Congress to express his vigorous support, for the imposition of an offset fee of 8½ cents per pound raw cotton content, to President Kennedy and to the Tariff Commission; and, to all others who have a concern in, and responsibility for, the correction of this gross injustice.

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### RESOLUTION ADOPTED BY THE NORTH CAROLINA TEXTILE MANUFACTURERS ASSOCIATION, JUNE 7, 1962

American-grown cotton can be purchased by foreign textile plants for $42.50 per bale less than the price American mills must pay for identical cotton. This phenomenal differential places domestic mills in a serious noncompetitive position.

President Kennedy on May 2, 1961, announced a textile program which included a key point to eliminate or offset this two-price cotton differential. Secretary of Agriculture Freeman, on November 13, 1961, requested the President to have the Tariff Commission investigate under section 22 of the Agricultural Adjustment Act the need for an offset import fee on cotton textile commodities to equalize the raw cotton cost differential between foreign and American mills.

Following the President's request of November 21, the Tariff Commission held hearings, which were completed February 23, 1962, and received final briefs on March 26.

Since that time no action has been taken.

Meanwhile, the flood of imports of textiles continues and is rising. The delay of the Tariff Commission's decision is fostering confusion and uncertainty in an already volatile market. It has halted incentive for purchases of capital equipment and is nullifying plans for plant expansion.

We, the textile manufacturers of North Carolina, urgently and respectfully request the Tariff Commission to make a prompt decision in this vitally important case. We believe the vast textile industry and many Members of Congress who have demonstrated an interest in this subject have a right to know the result.

**Mr. JONAS.** Mr. Speaker, I ask unanimous consent to revise and extend my remaks and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. THOMPSON of New Jersey (at the request of Mr. MORRISON), for today, June 12, 1962, on account of official business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WRIGHT, for 45 minutes, on Thursday, June 14.

Mr. MICHEL, for 15 minutes, on Wednesday, June 13.

Mr. ALEXANDER (at the request of Mr. ALBERT), for 1 hour, on Thursday next.

Mr. JONAS (at the request of Mrs. MAY), for 15 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. JOHN W. DAVIS and to include an address by Mr. THORNBERRY.

Mr. MADDEN to include testimony before the Committee on Interstate and Foreign Commerce yesterday.

Mr. ROOSEVELT in two instances, and to include extraneous matter.

Mr. ASPINALL, his remarks in the Committee of the Whole, and to include certain letters and other material pertinent to the issue under consideration.

Mr. SAYLOR, his remarks in the Committee of the Whole, and to include extraneous matter, including certain tables.

Mr. CHENOWETH, his remarks in the Committee of the Whole, and to include extraneous matter and communications.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. KOWALSKI.
Mr. THOMAS.
Mr. MULTER.
Mr. GONZALEZ.
Mr. BOLAND.

(The following Members (at the request of Mrs. MAY) and to include extraneous matter:)

Mr. GOODLING.
Mr. TOLLEFSON.
Mr. CONTE.
Mr. ROUSSELOT.

## BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 11, 1962, present to the President, for his approval, bills of the House of the following titles:

H.R. 2833. An act for the relief of Franziska Aloisia Fuchs;

H.R. 3247. An act to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section;

H.R. 3595. An act for the relief of Anna Isernia Alloca;

H.R. 3633. An act for the relief of Angelina Rainone;

H.R. 3714. An act for the relief of Janina Maciejewska;

H.R. 4655. An act for the relief of Adele Anis Mansour;

H.R. 6330. An act for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children;

H.R. 6695. An act to amend title 39 of the United States Code with respect to the transportation of mail by highway post office services, and for other purposes;

H.R. 7061. An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes; and

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail.

## ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 13, 1962, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2173. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1963 involving a net decrease in the amount of $16,700,000 for the Agency for International Development (H. Doc. No. 430); to the Committee on Appropriations and ordered to be printed.

2174. A communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1963 involving an increase in the amount of $750,000 for the Deparment of the Interior (H. Doc. No. 431); to the Committee on Appropriations and ordered to be printed.

2175. A letter from the Administrator, Federal Aviation Agency, transmitting a report on violations of administrative control of funds procedures promulgated by this Agency in accordance with section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

2176. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2177. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to facilitate the work of the Department of Agriculture, and for other purposes"; to the Committee on Agriculture.

2178. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 3 of the act of July 21, 1961 (75 Stat. 216, 217), and is submitted to the Speaker of the House of Representatives pursuant to rule XL of the House of Representatives; to the Committee on Science and Astronautics.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 685. Resolution providing for the consideration of H.R. 11990, a bill to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act; without amendment (Rept. No. 1806). Referred to the House Calendar.

Mr. PHILBIN: Committee on Armed Services. H.R. 7278. A bill to amend the act of June 5, 1952, so as to remove certain restrictions on the real property conveyed to the Territory of Hawaii by the United States under authority of such act; without amendment (Rept. No. 1807). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10263. A bill to authorize the Secretary of the Air Force to adjust the legislative jurisdiction exercised by the United States over lands within Eglin Air Force Base, Fla.; without amendment (Rept. No. 1808). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10825. A bill to repeal the act of August 4, 1959 (73 Stat. 280); without amendment (Rept. No. 1809). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 11251. A bill to authorize the Secretary of the Army to relinquish to the State of New Jersey jurisdiction over any lands within the Fort Hancock Military Reservation; without amendment (Rept. No. 1810). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of Illinois: Committee on Ways and Means. H.R. 8824. A bill to modify the application of the personal holding company tax in the case of consumer finance companies; with amendment (Rept. No. 1811). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 12061. A bill to extend the Renegotiation Act of 1951; without amendment (Rept. No. 1812). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interstate and Foreign Commerce. H.R. 11244. A bill to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company; with amendment (Rept. No. 1813). Referred to the House Calendar.

Mr. BENNETT of Florida: Committee on Armed Services. H.R. 12037. A bill to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence; without amendment (Rept. No. 1814). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H.R. 10788. A bill to amend section 204 of the Agricultural Act of 1956 (Rept. No. 1817). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 11970. A bill to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes; with amendment (Rept. No. 1818). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the

Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1304. A bill for the relief of Jung Hae; with amendment (Rept. No. 1799). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1488. A bill for the relief of Clara G. Maggiora; without amendment (Rept. No. 1800). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 2371. A bill for the relief of Ali Khosrowkhah; without amendment (Rept. No. 1801). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 2604. A bill for the relief of Pietro Dattoli; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 2664. A bill for the relief of Mrs. Irena Ratajczak; without amendment (Rept. No. 1803). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 3000. A bill for the relief of Lea Min Wong; without amendment (Rept. No. 1804). Referred to the Committee of the Whole House.

Mr. MORSE: Committee on the Judiciary. H.R. 3501. A bill for the relief of Mrs. Hasmik Arzoo; with amendment (Rept. No. 1805). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 4718. A bill for the relief of Bogdan Kusulja; with amendment (Rept. No. 1815). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 9186. A bill for the relief of Eladio Aris (also known as Eladio Aris Carvallo); with amendment (Rept. No. 1816). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BASS of Tennessee:

H.R. 12068. A bill to amend the U.S. Warehouse Act to prohibit kickbacks in connection with the storage of agricultural products, and for other purposes; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 12069. A bill to extend authority for the waiver of nonimmigrant visas; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 12070. A bill to provide assistance in the field of special education to institutions of higher education, and to the States, for training personnel and undertaking research and demonstration projects, and to establish, for consultation in connection therewith, an advisory council and technical advisory committees; and to amend the Vocational Rehabilitation Act to provide services to determine rehabilitation potential, to expand vocational rehabilitation services, and to make grants for construction of rehabilitation facilities and workshops; to the Committee on Education and Labor.

By Mr. QUIE:

H.R. 12071. A bill to provide assistance in the field of special education to institutions of higher education, and to the States, for training personnel and undertaking research and demonstration projects, and to establish, for consultation in connection therewith, an advisory council and technical advisory committees; and to amend the Vocational Rehabilitation Act to provide services to determine rehabilitation potential, to expand vocational rehabilitation services, and to make grants for construction of rehabilitation facilities and workshops; to the Committee on Education and Labor.

By Mr. GRAY:

H.R. 12072. A bill to amend the Tariff Act of 1930 to provide a uniform rate of duty for all grades of fluorspar at $7.50 per short ton ($8.40 per long ton); to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 12073. A bill to amend section 605 of the Communications Act of 1934 as it relates to unauthorized publication of communications; to the Committee on Interstate and Foreign Commerce.

By Mr. KOWALSKI:

H.R. 12074. A bill to amend title 38 of the United States Code in order to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. MAILLIARD:

H.R. 12075. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits to citizens of the United States who were captured in China by the armed forces of Japan during World War II and were interned by the Imperial Japanese Government; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTOYA:

H.R. 12076. A bill to provide for the establishment of Valle Grande National Park in the State of New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NORBLAD:

H.R. 12077. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York:

H.R. 12078. A bill to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Island; to the Committee on Interior and Insular Affairs.

By Mr. PIKE:

H.R. 12079. A bill for the relief of Suffolk County, N.Y.; to the Committee on the Judiciary.

By Mr. SPENCE:

H.R. 12080. A bill to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors; to the Committee on Banking and Currency.

By Mr. TEAGUE of California:

H.R. 12081. A bill to authorize the Secretary of the Army to convey certain land and easement interests at Hunter-Liggett Military Reservation for construction of the San Antonio Dam and Reservoir project in exchange for other property; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 12082. A bill to amend the Internal Security Act of 1950; to the Committee on Un-American Activities.

By Mr. BENNETT of Michigan:

H.R. 12083. A bill to authorize the addition of certain donated lands to the administrative headquarters site, Isle Royale National Park; to the Committee on Interior and Insular Affairs.

By Mr. BRUCE:

H.R. 12084. A bill to amend the Internal Revenue Code of 1954 to encourage individual responsibility in the field of medical care by expanding the present deduction for medical expenses to include all such expenses incurred by a taxpayer (regardless of the amount thereof and regardless of the person on whose behalf they are paid), and to provide comparable encouragement for individuals electing to take the standard deduction; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 12085. A bill to assist the States in providing necessary instruction for adults not proficient in basic educational skills through grants to States for pilot projects, improvement of State services, and programs of instruction, and through grants to institutions of higher learning for development of materials and methods of instruction and for training of teaching and supervisory personnel; to the Committee on Education and Labor.

H.R. 12086. A bill to amend the Civil Service Retirement Act to provide for the adjustment of inequities and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 12087. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MACGREGOR:

H.R. 12088. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. PUCINSKI:

H.R. 12089. A bill to provide Federal assistance to local educational agencies to assist them to meet the financial burden resulting from the entry into their school systems of children from outside the State; to the Committee on Education and Labor.

By Mr. BREEDING:

H.J. Res. 734. Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment; to the Committee on Agriculture.

By Mr. HORAN:

H.J. Res. 735. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood, and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. WESTLAND:

H.J. Res. 736. Joint resolution to provide for the acquisition and operation of the Freedom Train II by the Archivist of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BELL:

H.J. Res. 737. Joint resolution extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition; to the Committee on Foreign Affairs.

By Mr. GREEN of Pennsylvania:

H.J. Res. 738. Joint resolution to authorize the President to designate Philadelphia, Pa., as the site of a World's Fair commemorating the 200th anniversary of the signing of the Declaration of Independence; to the Committee on Foreign Affairs.

By Mr. MONTOYA:

H. Con. Res. 481. Concurrent resolution to favor the establishment of an International Living Museum of Anthropology and Ethnography; to the Committee on Foreign Affairs.

By Mr. HAYS:

H. Res. 686. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

## MEMORIALS

Under clause 4 of rule XXII.

The SPEAKER presented a memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States to authorize and provide for additional accommodations for veterans in the veterans' hospitals in East Orange and Lyons, N.J., which was referred to the Committee on Veterans' Affairs.

### PRIVATE BILLS AND RESOLUTIONS

**Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:**

By Mr. BATES:

H.R. 12090. A bill for the relief of James Comeau; to the Committee on the Judiciary.

By Mr. COHELAN:

H.R. 12091. A bill for the relief of Miss Helena Hilda Butterfield; to the Committee on the Judiciary.

By Mr. DAGUE:

H.R. 12092. A bill for the relief of Arthur H. Brackbill; to the Committee on the Judiciary.

H.R. 12093. A bill for the relief of Joseph Wolf, Jr.; to the Committee on the Judiciary.

H.R. 12094. A bill for the relief of Wilmer R. Bricker; to the Committee on the Judiciary.

H.R. 12095. A bill for the relief of William C. Doyle; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 12096. A bill for the relief of Mariano Fagone; to the Committee on the Judiciary.

H.R. 12097. A bill for the relief of John Houmis; to the Committee on the Judiciary.

By Mr. GAVIN:

H.R. 12098. A bill for the relief of Suh Hyang Hee; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 12099. A bill for the relief of Mrs. Zorka Boskov; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 12100. A bill for the relief of Mrs. Milagros Elizaga Jacoby (nee Uy); to the Committee on the Judiciary.

H.R. 12101. A bill for the relief of Mrs. Nathalie Iline; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 12102. A bill for the relief of Jose Domenech; to the Committee on the Judiciary.

H.R. 12103. A bill for the relief of Dr. Sayed Ahmad Madani and Shami H. Madani; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 12104. A bill for the relief of Ging Sze Chin; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 12105. A bill for the relief of Alexei Bogdanoff; to the Committee on the Judiciary.

H.R. 12106. A bill for the relief of Avangelia Karas; to the Committee on the Judiciary.

By Mr. MOELLER:

H. Res. 687. Resolution providing for sending the bill H.R. 11894 and accompanying papers to the Court of Claims; to the Committee on the Judiciary.

# SENATE

## TUESDAY, JUNE 12, 1962

**The Senate met at 12 o'clock meridian, and was called to order by the Vice President.**

**The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:**

**O Thou who art from everlasting to everlasting, give us, we pray, as we come, an elevated vision of the long years, with the constant realization that a lifetime here is but a second in the eternal plan of the God of the ages.**

**So may we toil in these fields of time in the sense of the eternal. Undiscouraged and undismayed by the imperfections of mankind, barely emerging from the nursery of his final destiny, teach us Thy patience as we labor on in the hope that sends a shining ray far down the future's broadening way.**

**Solemnize us with the consciousness that beyond the appraisals of men regarding what is said and done here, there falls upon the record of Thy servants who here serve the Republic, the searching light of Thy judgments.**

**We ask it in the name of the Master of all good workmen. Amen.**

### THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 11, 1962, was dispensed with.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 8, 1962, the President had approved and signed the following acts and joint resolutions:

S. 971. An act for the relief of Salvatore Briganti;

S. 2132. An act to approve the revised June 1957 reclassification of land of the Fort Shaw division of the Sun River project, Montana, and to authorize the modification of the repayment contract with Fort Shaw Irrigation District;

S. 3157. An act to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired;

S.J. Res. 88. Joint resolution authorizing the issuance of a gold medal to Bob Hope; and

S.J. Res. 151. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the Third Division, Riverton Federal reclamation project, Wyoming.

### REPORT ON MUTUAL SECURITY PROGRAM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 432)

**The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations:**

***To the Congress of the United States:***

**Transmitted herewith is the final annual report on the operations of the mutual security program for the period ending June 30, 1961. The report was prepared under the direction of the Administrator of the Agency for International Development as coordinator of the foreign assistance program, with participation by the Department of State and the Department of Defense.**

**This report marks the end of one decade in our aid programs and the beginning of another; the transition from what was primarily a decade of defense to a decade of development. The past decade has seen the strengthening of many of our friends and allies so that they have been enabled not only to thrive without our grant assistance, but also to bear an increasing share of the responsibility of helping the less-developed nations.**

**Fiscal year 1961 can perhaps best be characterized as a year of reevaluation for the foreign assistance program. A Presidential task force was set up early in 1961 to review the program thoroughly—from basic policy to future objectives. The work of this task force, and subsequently the constructive efforts of the Congress, resulted in the Foreign Assistance Act of 1961, which created the Agency for International Development and in effect inaugurated the decade of development.**

**For the new decade, new tools have been forged to implement the changes in program emphasis toward economic and social progress through self-help, long-range development, and a shift from grant assistance to loans. These objectives can be realized, however, only if the strength and will of the free world against overt aggression and subversion from within are maintained. We must continue, therefore, to carry forward an effective military assistance program to sustain the safeguards and defensive arrangements necessary for the peaceful development of the free world.**

**JOHN F. KENNEDY.**

**THE WHITE HOUSE, *June 11, 1962.***

### LIMITATION OF DEBATE DURING MORNING HOUR

**On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.**

### COMMITTEE MEETINGS DURING SENATE SESSION

**On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:**

**The Judiciary Committee.**

**The Permanent Subcommittee on Investigations, of the Committee on Government Operations.**

**The Internal Security Subcommittee, of the Judiciary Committee.**

**The Finance Committee.**

### EXECUTIVE SESSION

**Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.**

**The motion was agreed to; and the Senate proceeded to the consideration of executive business.**

### EXECUTIVE MESSAGES REFERRED

**The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.**

**(For nominations this day received, see the end of Senate proceedings.)**

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

## U.S. ARMY

The Chief Clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

## U.S. AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

## U.S. MARSHAL

The Chief Clerk read the nomination of Luke C. Moore, of the District of Columbia, to be U.S. marshal for the District of Columbia for a term of 4 years.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## NOMINATIONS IN THE ARMY PLACED ON THE SECRETARY'S DESK

The Chief Clerk proceeded to read sundry nominations in the Army, which had been placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

## LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

## CONCURRENT RESOLUTION OF LOUISIANA LEGISLATURE

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the Record, and appropriately referred, a concurrent resolution adopted by the Legislature of the State of Louisiana, proposing an amendment to the Constitution to be known as "The Freedom of Choice Amendment."

There being no objection, the concurrent resolution was referred to the Committee on the Judiciary, as follows:

### House Concurrent Resolution 7

Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Constitution of the United States to be known as "The Freedom of Choice Amendment"

Whereas since the earliest days of the Union of the United States the individual States have exercised certain basic rights within their respective borders; and

Whereas this system of State rights has produced beneficial results and is in accord with the principles of local self-government; and

Whereas such rights are in keeping with the basic design of our Federal system: Therefore be it

*Resolved by the House of Representatives of the Legislature of Louisiana (the senate thereof concurring herein)*, That the Congress of the United States is hereby memorialized to adopt and offer to the States for ratification or rejection the following amendment to the Constitution of the United States:

"This amendment shall be known as 'The Freedom of Choice Amendment.'

"The right of the owners and operators of all kind and description, their agents, servants and employees, of all hotels, restaurants, inns, cafes, bars, ice cream parlors, soft drink stands, motels, apartment houses, trailer camps, cemeteries, dance halls, skating rinks, bath houses, barber shops, beauty shops and other privately owned places of public accommodation or amusement to choose their own guests, patrons and tenants shall not be abridged.

"The right of churches, lodges, fraternities, sororities, private clubs, and all other privately owned and operated institutions and associations to choose their own guests, patrons, and members shall not be abridged.

"The rights of owners of land to contract with other owners of land, either individually or through associations, for the use and occupancy of privately owned lands in the same neighborhood shall not be abridged: *Provided*, That no owner of land shall be compelled to join in any such contract or become a member of any neighborhood association: *And provided further*, That the right and freedom of such contracting owners to give written consent by a majority vote shall not be restricted or abridged by law or contract so as to prevent the giving of such consent to any person solely because of said person's race, color, creed or nationality. The term 'neighborhood' shall mean whatever area the contracting parties may designate.

"Unless restricted by his own voluntary agreement, the right of any property owner to sell or lease his property to another person of his own choice shall not be abridged.

"Educational policies, including administration, finance, subject matter of instruction, assignment of pupils and all matters pertaining thereto shall be exercised exclusively by the several States solely as the legislative bodies thereof shall determine to be in the best interests of the people of said State, or by such other means as provided by such legislative bodies, including initiative and referendum voting.

"Rules and regulations pertaining to intrastate transportation and all other intrastate public agencies shall be exercised exclusively by the States"; and be it further

*Resolved*, that the clerk of the House of Representatives of the Louisiana Legislature shall transmit copies of this concurrent resolution to the Congress of the United States and to the Members of the Louisiana delegation in the Congress.

——— ———,

*Speaker of the House of Representatives.*

——— ———,

*Lieutenant Governor and President of the Senate.*

## POLISH CONSTITUTION RESOLUTION

Mr. KEATING. Mr. President, the Polish American Congress, downstate New York division, adopted a resolution at exercises on May 6, 1962, commemorating the Polish Constitution of the 3d of May. One thousand Americans of Polish birth or descent gathered for this occasion to honor and reassure the Polish people of their interest in striving for Polish independence from the yoke of Soviet dictatorship. Through the continuing faith of these Americans, the hopes of the Polish people may be kept alive, and independence once more restored to the Polish nation.

Mr. President, I ask unanimous consent to have the resolution of the Polish American Congress printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Whereas the adoption of the Polish Constitution of the 3d of May, 1791, was one of the greatest acts in the 1,000-year history of Poland as a Christian nation; and

Whereas this expression of the rights of the individual adopted shortly after the Declaration of Independence in the United States was the first guarantee of personal liberty given to the people of any nation in central or eastern Europe; and

Whereas the Constitution of the 3d of May not only assured the people of Poland of their liberty under the then Polish Government but also served as a beacon of hope to all oppressed peoples in surrounding countries; and

Whereas because of their devotion to liberty, the people of Poland soon thereafter in 1796, saw their nation overrun by neighboring tyrants anxious to destroy the seed of liberty planted in their midst, causing the third partition of that nation; and

Whereas the people of Poland upon regaining their freedom were once more attacked and subjected by the same brutal forces which caused the third partition of Poland, still carry in their hearts a love for the ideals of freedom expressed in the Polish Constitution of the 3d of May; and

Whereas this devotion to liberty caused Poland to fight against hopeless odds when attacked in 1939 by Nazi Germany and Communist Russia, and to continue that fight until the present day; and

Whereas Poland, which has made countless contributions during the past 1,000 years to the protection and advancement of Christian ideals and Western civilization still suffers the fate of a colony of Communist Russia while at the same time, former colonies of onetime colonial empires are attaining full national independence despite their primitive civilizations:

Now, therefore, 1,000 Americans of Polish birth or descent, assembled at exercises commemorating the Polish Constitution of the 3d of May under the auspices of the downstate New York division of the Polish American Congress on Sunday, May 6, 1962, in the Polish National Hall in New York, do hereby resolve as follows:

1. To continue to work for the full freedom and independence of Poland.

2. To assure the enslaved people of Poland of our brotherly love and our determination to aid them.

3. To convey our appreciation to Stefan Cardinal Wyszynski, the primate and spiritual leader of Poland.

4. To appeal to the President of the United States for final recognition of the Oder Neisse line as the western boundary of Poland and to make the restoration of Poland's former boundary line on the east as one of the aims of American foreign policy.

5. To appeal to the President of the United States to bring to the attention of the United Nations, the plight of the people of Poland and other central and eastern European nations behind the Iron Curtain to the end that full independence shall be restored to these nations in the same spirit in which independence has been granted to the former subjects of once great colonial empires.

## BILLS INTRODUCED

Bills were introduced,* read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSH:

S. 3397. A bill for the relief of Janos Kardos; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 3398. A bill to make price support available to producers of durum wheat who were unable to plant an acreage of durum wheat for 1962 equal to the acreage required under the 1962 durum wheat program; to the Committee on Agriculture and Forestry.

By Mr. BUTLER:

S. 3399. A bill for the relief of Mrs. Rosa Lee Cheng; to the Committee on the Judiciary.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 3400. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture and Forestry.

By Mr. SMATHERS:

S. 3401. A bill to amend the act of March 4, 1907, to provide that the 16-hour limitation upon continuous duty for certain railroad employees shall apply to employees installing, repairing, and maintaining signal systems, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMATHERS when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (by request):

S. 3402. A bill to amend the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Agriculture and Forestry.

By Mr. ALLOTT:

S. 3403. A bill to provide for the construction, operation, and maintenance of the Fruitland Mesa Federal reclamation project, Colorado; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 3404. A bill for the relief of Basilios Captain; to the Committee on the Judiciary.

## INCLUSION OF RAILROAD SIGNALMEN WITHIN COVERAGE OF HOURS OF SERVICE LAW

Mr. SMATHERS. Mr. President, I introduce for appropriate reference, a bill which would include railroad signalmen within the coverage of the hours of service law. This hours of service law, substantially unchanged since its enactment in 1907, is designed "to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon."

The Brotherhood of Railroad Signalmen requested that I, in my capacity as chairman of the Surface Transportation Subcommittee, introduce this measure on behalf of the men who install, repair, and maintain signal systems. A supporting memorandum, retained in the committee files for public inspection, states:

> It is axiomatic that no signal system is better than the maintenance afforded it. And it follows that no fatigued signalman should be permitted to work on a signal system where his mistakes may result in signal failures or display of improper aspects which could lead to catastrophic collisions or derailments.

The railroads have an excellent safety record, but recent events suggests that there may be room for some improvements. It is my hope that the various Federal agencies and private industries concerned with this problem will provide the Senate committee with their comments and suggestions in connection with this measure.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3401) to amend the act of March 4, 1907, to provide that the 16-hour limitation upon continuous duty for certain railroad employees shall apply to employees installing, repairing, and maintaining signal systems, and for other purposes, introduced by Mr. SMATHERS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

## FRUITLAND MESA FEDERAL RECLAMATION PROJECT, COLORADO

Mr. ALLOTT. Mr. President, I introduce, for appropriate reference a bill providing for the construction, operation and maintenance of the Fruitland Mesa Federal reclamation project in Colorado.

The authorization of this project as a participating unit of the Colorado River storage project was approved by this body some 7 years ago; however, when the Colorado River storage bill came back from the conference committee, in the form in which it was finally enacted into law, the Fruitland Mesa unit, along with some 23 other participating units, was simply designated to receive priority in the completion of planning reports.

The report of the Bureau of Reclamation on the Fruitland Mesa project has now been completed, and it has been approved and adopted by the Secretary of the Interior.

Fruitland Mesa is a proposed multipurpose water resource development in the Gunnison River basin in west-central Colorado. The project would develop presently unused flows of Soap, Curecanti, and Crystal Creeks for irrigation and for important benefits to sport fishing and recreation.

The lands to be irrigated would include 16,520 acres that would receive a full water supply from the project, and supplemental water would be provided for 6,930 acres presently irrigated but without adequate water supply.

This area is one of generally depressed living standards largely because of inadequate supplies of irrigation water and reductions in grazing permits on Federal lands. Frequent drought conditions have caused severe water shortages in the latter part of the irrigation season in many recent years. By providing a dependable supply of irrigation water, this project would improve and stabilize the economic status of the farmers and produce other important benefits to the entire area, the State, and the Nation.

Livestock feed is presently grown on 94 percent of the irrigated land, and the greater portion of the land would continue to be devoted to that purpose after completion of this project. It is expected, however, that with the dependable late-season supply of water provided by the project, some lands would be planted to fruits, particularly pears and cherries.

A major feature of the project would be the proposed Soap Park Dam and Reservoir on Soap Creek with a storage capacity of 44,670 acre-feet. This reservoir would provide benefits to sport fishing, and it is anticipated that the reservoir and adjacent areas in the Gunnison National Forest will become a center of extensive public recreation use. The project area is within a few miles of the Black Canyon of the Gunnison National Monument which, with its spectacular gorge of the Gunnison River, provides one of the most remarkable bits of scenery in western Colorado.

Over 95 percent of the cost of this project is allocated to irrigation and would be fully reimbursable in accordance with usual reclamation practices. The benefit-cost ratio for the project is 2:49 to 1 over a 100-year period of analysis.

I urge the Senate to act promptly upon this legislation, which is most important to the State of Colorado.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3403) to provide for the construction, operation, and maintenance of the Fruitland Mesa Federal reclamation project, Colorado, introduced by Mr. ALLOTT, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

## DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

## ESTABLISHMENT OF A COMMUNICATIONS SATELLITE AUTHORITY—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 2890) to establish a Communications Satellite Authority to provide for the development of a global communication system, and for other purposes, the name of the Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

## NOTICE OF HEARING ON NOMINATION OF ROGER D. FOLEY, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEVADA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 19, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Roger D. Foley, of Nevada, to be U.S. district judge, for the district of Nevada, new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2865) for the relief of Ferdinand A. Hermens.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 10502) for the relief of James B. Troup.

## ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Address delivered by Senator KERR, entitled "Utilizing Human and Physical Resources," at the commencement exercises at Salem College, Salem, W. Va., on June 8, 1962; and remarks made by himself in presenting Senator KERR.

By Mr. WILEY:

Excerpts from weekend address over Wisconsin radio stations relating to the progress of major legislation in Congress.

By Mr. KUCHEL:

Partial text of remarks by him before Propeller Club, Los Angeles, Calif., May 22, 1962, on the subject "Jobs, Cargoes, and Goods—The United States and the Common Market."

## SECRETARY FREEMAN RESPONDS TO LUMBER INDUSTRY PROPOSALS FOR CHANGE IN FOREST SERVICE POLICIES

Mrs. NEUBERGER. Mr. President, on February 21, 1962, a group of Senators and Representatives and lumber industry officials from their States met with the Secretary of Agriculture to discuss some of the factors which have retarded prosperity of the forest-products industry, our Nation's fourth largest employment source. The discussion at the meeting with Secretary Freeman centered around management and sales policies of the Forest Service which they claimed were adversely affecting lumber operators, both large and small.

The economic stability of many communities in the West is closely related to Forest Service operations, because of the Government's large timber ownership. For instance, in my State of Oregon, about 11.4 million acres of commercial forest land is in the national forests, out of a total of about 25.8 million acres.

At the February meeting, the National Lumber Manufacturers Association made four proposals to the Secretary of Agriculture. These were:

First. Institute an orderly program of timber sales designed to promote the regular harvest of trees from national forest commercial forest areas, to insure community stability, continuous employment, improved wood products, and a healthy forest industry.

Second. Take cognizance of the monopoly the Government has as the principal seller of timber in large areas, and avoid taking advantage of the dominant position in the setting of rates for timber.

Third. Revise the existing procedure for appealing adverse decisions of the U.S. Forest Service, Department of Agriculture.

Fourth. Revise the existing Federal timber sales contract form, to provide a normal buyer and seller relationship.

Yesterday Secretary Freeman forwarded to me his reply to the National Lumber Manufacturers Association. He has proposed some changes in existing regulations. I doubt that these revisions will entirely satisfy the industry, although they do provide a starting point for a more realistic relationship between Forest Service policies and the requirement that stands of timber in the forest reserves be used to promote employment and economic stability in adjacent areas.

I ask consent, Mr. President, to include in the RECORD, with my remarks, a copy of the Secretary's letter to me and his response to Mr. Arthur Temple, president of the National Lumber Manufacturers Association, dated June 7, 1962.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., June 11, 1962.*

Hon. MAURINE B. NEUBERGER,
*U.S. Senate.*

DEAR SENATOR NEUBERGER: Enclosed is a copy of my response to the four proposals presented by representatives of the National Lumber Manufacturers Association at the February 21 meeting.

I appreciate your interest in this matter and assure you that the Department of Agriculture will continue to cooperate with the lumber industry in trying to work out solutions to mutual problems.

Sincerely yours,
ORVILLE FREEMAN,
*Secretary.*

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DEPARTMENT OF AGRICULTURE,
*Washington, D.C., June 7, 1962.*

Mr. ARTHUR TEMPLE,
*President, National Lumber Manufacturers Association, Diboll, Tex.*

DEAR MR. TEMPLE: When we met on February 21, I promised serious consideration to the four points presented by you and others connected with the National Lumber Manufacturers Association.

Since that time there have been a number of other developments affecting forestry and the lumber industry which have both domestic and international implications.

To some extent the points you raised were covered in a letter to nine western Senators on April 17 to which was appended a memorandum from Chief Forester Cliff. I have requested Mr. Cliff to furnish his analysis and recommendations for action on your four proposals. A copy of his memorandum is enclosed. His recommendations are approved subject to the following comments.

### PROPOSAL NO. 1—PERFORMANCE STANDARDS

I believe you will find the revised wording proposed by Mr. Cliff for a regulation stating timber sale program objectives substantially meets the basic objectives of your first proposal. The regular harvest of full sustained yield should be the objective of national forest timber sale programs. However, in pursuing this objective, it is necessary to coordinate timber harvesting with other national forest uses.

We are constantly striving to improve administration. Your further recommendation on strengthening annual reporting is thus timely. The Forest Service will be developing data, some along the lines you suggest, but all designed to better show the record of management and aid in accelerating improvements.

### PROPOSAL NO. 2—TIMBER APPRAISALS

The Department's General Counsel advises that "appraised value" as used in the basic timber sale act of June 4, 1897 (16 U.S.C. 476) means fair market value. It is our opinion that an appraisal made in accordance with your proposed regulation would not develop market value. This estops complete adoption of your proposal.

Mr. Cliff has proposed wording for a regulation on appraisal procedure which develops market value. I am willing to include this appraisal procedure statement in departmental regulations for the national forests.

The Forest Service is continually reviewing stumpage pricing policies and procedures. It is seeking to meet current developments as they unfold with equitable adjustments. We want to avoid unnecessary and nonproductive controversies with timber purchasers. Important contributions toward this purpose are Mr. Cliff's decisions to terminate the use of the quartile system and, insofar as minimum rate limitations will permit, to require adherence to guidelines to maintain average rate of profit margin at a reasonable level for all species for which cutting is mandatory.

### PROPOSAL NO. 3—APPEAL PROCEDURES

The first two items of your specific proposals on appeal procedure are now available under the existing regulation A-10 governing appeals on Forest Service actions. The third item which proposes referral of appeals to independent boards or the courts for final decision would require authorizing legislation. I understand that Congresswoman **Hansen's** bill H.R. 11135 includes three provisions similar to the three provisions of proposal No. 3 of your February 21 recommendations to me. This Department will, of course, report to the House Committee on Agriculture on this bill when requested. I do not at this time want to close the door to full consideration of this bill in connection with such a report.

It would be helpful to the Department to have a series of documented cases presented which demonstrate what in your judgment are the inadequacies of the present procedure. These could include not only cases where appeals may have been filed but also situations where your members have perhaps felt frustrated under the existing procedure.

On April 17 I indicated to the Northwest Senators that we would endeavor to utilize experienced and responsible personnel for "troubleshooting" purposes. The goal I have asked the Forest Service to attain is the resolution of operating problems at the field level so that matters brought before the Chief and before me represent major policy matters.

### PROPOSAL NO. 4—TIMBER SALE CONTRACTS

I shall be glad to have you proceed to work with the Forest Service on a contract review project along the lines outlined by Mr. Cliff.

In summary, we have developed alternative wordings for regulations on your first two proposals. We realize that the revised statement on appraisal differs materially from your proposal, but a basic legal question on the meaning and use of fair market value is involved. In order to reduce areas of disagreement, appraisal procedures have been adjusted by elimination of the quartile system and establishment of firm guidelines on maintenance of average profit margins for all species for which cutting is mandatory. The only actual issue raised in connection with appeals is legislative rather than administrative. On the matter of contract wording review, we are offering to set up a working group with the timber industry.

We want to continue to work together to maximize use and benefits from the National Forests for both industry and the general public.

Sincerely yours,
**Orville L. Freeman,**
*Secretary.*

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**U.S. Government,**
**Forest Service,**
*Washington, D.C., May 7, 1962.*

To: Orville L. Freeman, Secretary of Agriculture.
From: Edward P. Cliff, Chief.
Subject: External relations (National Lumber Manufacturers Association's proposals).

This memorandum is in response to your request for Forest Service recommendations on the four proposals submitted to you by the National Lumber Manufacturers Association on February 21. My analysis of the proposals and my recommendations are stated below:

### PROPOSAL NO. 1

This is a proposal for issuance of a new regulation of the Secretary of Agriculture entitled "Sale of the Allowable Cut."

For almost 20 years, an objective of national forest management has been the development of cutting at the full allowable rate on each national forest working circle. Although we have not reached this goal we have been making steady progress toward it. I recommend incorporating a statement of this policy in the Secretary's regulations. A suitable statement for this purpose, which can be inserted as the first paragraph in a revision of regulation S-6 (36 C.F.R. 221.6), follows:

"The Forest Service shall develop an orderly program of timber sales designed to obtain regular harvest from commercial forest areas of the national forests on a full sustained-yield basis in accordance with policies established for multiple-use management and protection of national forest resources. Attainment of this objective in annual timber sale programs must necessarily depend on the finances available, local market demand for stumpage, and adequacy of transportation.

One of the reasons for revision of the language proposed by the association is to provide for recognition of associated resource values in multiple-use management of the national forests. Another reason is to recognize factors beyond control of the Department which might limit attainment of timber harvesting goals.

The second paragraph of the association's proposed regulation would require the Chief of the Forest Service to report annually to the Secretary of Agriculture on a number of items in respect to cutting rates, allowable cutting limits, and comparisons of potential growth per acre with average volume cut per acre on each national forest. Most of the data listed is already made available and published in various forms. The Forest Service is willing to compile this material centrally and issue it annually. A Secretary's regulation to require this is unnecessary and could prove cumbersome to adjust to keep in step with developing needs for information and data on the national forest timber business.

In summary, my recommendation on proposal No. 1 is to adopt substitute wording for the first paragraph which will be included in a revision of regulation S-6. In respect to the second paragraph we propose to compile the information requested and publish it annually.

### PROPOSAL NO. 2

This is a proposal to issue a new Secretary's regulation entitled "Timber Appraisal."

The first paragraph of the association's proposed regulation, as well as the introductory material, stresses the dominant position of the Forest Service as the principal seller of timber in large areas in the United States, and the lack of a normal market in those areas where there are no alternative sources of supply. Approximately two-thirds of the saw-log timber cut in the West comes from private timber and one-third from public timber. In the South and East the proportion of cut from public timber is substantially less. However, there are many localities in the West where the bulk of the timber available for sale is on the national forests and other public lands. It is also true that as old growth private timber is liquidated or becomes more tightly held there is growing dependence on national forests by western timber operators who own little or no timberland.

Virtually every sawmill which must buy timber for current operating purposes is faced with a problem of relatively few sources of supply since logs cannot be hauled great distances. Both mills purchasing national forest timber and mills purchasing private timber generally have the same basic problem of lack of alternative timber sources. We agree that where the Forest Service is in a dominant position, it should not take advantage of this position in the setting of the price for timber. We do not believe that we have been doing so.

The Forest Service has recognized that the lumber industry has been experiencing depressed market conditions during the past 2 years. The following adjustments in national forest stumpage prices and pricing policies have been made since 1959:

1. Appraised stumpage prices have been substantially reduced. Weighted average prices for timber sold in the six western national forest regions, exclusive of Alaska, were:

[Per thousand board feet]

| | Calendar year | | |
|---|---|---|---|
| | 1959 | 1960 | 1961 |
| Average appraised price | $14.80 | $13.46 | $10.27 |
| Average bid price | 19.65 | 16.28 | 13.78 |

Appraised and bid prices in 1961 were about 30 percent less than in 1959.

2. Appraisal procedure adjustments were made in December 1961 and January 1962 which resulted in further reductions in appraised prices of about $1.50 per thousand board feet for ponderosa pine and from $2 to $6 per thousand for timber in the Douglas-fir region of Oregon and Washington.

3. Minimum rates for ponderosa pine in the Rocky Mountain and Southwestern States were reduced to $3 per thousand in December 1961.

4. In other parts of the West, minimum stumpage prices for ponderosa pine, Douglas-fir, and other high-value species were reduced to $3 per thousand in April 1962.

5. In December 1961, the stumpage price adjustment procedure was modified to provide (a) a more effective method of amortizing road costs, and (b) a more equitable offset for periods when further stumpage price decreases are restricted by minimum contract rates.

National forest timber is sold under the provisions of 16 U.S.C. 476, which provides that timber shall be offered at not less than appraised value. Appraised value in this context means fair market value. The Forest Service attempts to establish fair market value in its timber appraisals. At any particular time and for any particular condition, there should be only one market value level for all purposes. There cannot be a different market level for sales, income tax, condemnation, or other purposes.

The determination of fair market value in many situations, particularly in parts of the West where the amount of timber available for current purchases is much less than the local demand for such stumpage, is a difficult, complicated, and controversial matter. We give consideration to all pertinent factors which affect market value of stumpage. We are willing to consider proposals for modification of the methods in use to reflect various factors affecting market value. But it is not proper to exclude consideration of any factor which is pertinent to the determination of market value.

Analysis of transactions in stumpage, including bidding performance for national forest timber offerings, is an essential part of determination of fair market value for timber. In highly competitive areas, bid prices for national forest timber must be discounted. Such discounting must be primarily on a judgment basis. Use of judgment is an essential item in determination of fair market value. Judgment is used primarily to determine what factors are pertinent in a particular appraisal and what weight to give them.

Adoption of the second paragraph of the association's proposal No. 2 would set apart national forest timber appraisal from timber appraisal for other properties and other purposes. We consider that the proposed regulation would specify procedures which do not develop market value and hence would be contrary to our statutory responsibilities.

The association's proposal would require that profit margins in appraisals be based on Government reports of profit experience in competing building materials industries with due allowance for differences in risk. Profit margins for appraisals of any sort must be developed by experience over considerable periods to go with the cost and selling value levels used in the analytical appraisal process. Transference of profit-margin levels between industries with differing accounting and trade practices, markets and raw materials supply factors would not be a sound procedure.

The association's proposal also specifies: "Product values shall be based on current market experience." Conformance to this proposed requirement would result in a direct relationship between end-product prices (lumber or plywood) and stumpage prices. Stumpage price levels would have the same fluctuations as end-product prices.

Stumpage, logs, and lumber are all separate commodities. Supply, demand, and distribution relationships for stumpage, which has restricted local markets, are markedly different than for finished forest products which are marketed all over the United States. In the long run, lumber prices are one of the strongest factors affecting stumpage prices. However, stumpage prices do not follow all the fluctuations of the lumber market.

The association's request for exclusive use of current product prices is undoubtedly generated in part by its objections to the practice adopted by the Forest Service in 1961, commonly called the quartile method, which established upper and lower limitations on the base index used for stumpage rate adjustment sales (escalation) and for the adjustment of the lumber selling prices used in appraisal to current conditions. For a few years prior to 1961, the Forest Service has generally used the most recent calendar quarter for this purpose. However, we have varied the period used in accordance with our judgment of market trends.

Under the quartile system, the most recent swing in lumber prices is divided into four parts and use of the most recent calendar quarter base lumber price indexes is limited to values between the upper and lower quartiles of this range. This procedure, in effect, dampens the swing of stumpage prices as compared to lumber prices. This dampening is in accordance with observation of the lumber-stumpage price relationships since 1950. This method systematizes judgment and informs purchasers of what they can expect as the lumber market shifts. During periods when quarterly indexes are between the two quartiles, the most recent calendar quarter is used.

It has proven difficult to obtain understanding of the nature of the quartile procedure. It has been criticized as "forward pricing and price prediction." The system has generated more controversy than its significance or utility justifies. Therefore, I am taking immediate action to terminate use of the quartile system. In making this termination, the Forest Service is acting to be responsive to industry views. We feel that use of the quartile system has advantages to the industry as well as to the Government and we have been willing to maintain use of the system through periods when advantages to industry would accrue. We have obtained no acceptance of the quartile system by industry and are now closing out this issue.

We shall return to the practice previously in effect which is to use a price and cost period considered to be representative and adequate for developing conversion and stumpage value for the timber under appraisal. At present we will adjust product selling values in appraisals to reflect current price levels. Under this method there is need for more variation in the profit ratio than is necessary under the quartile system to produce fair market value stumpage. The adjustment pricing period may be varied by making it more or less current than the most recent calendar quarter or of longer duration in accordance with our judgment of market trends, and thereby reduce the variation in profit ratios.

The phrase "for entire sale offerings," in the first sentence of the second paragraph of the association's proposal is intended to establish a requirement that appraisals be made on a basis which will provide an average normal profit for all species. Under this proposal the price of higher valued species would be reduced to offset less than normal profit resulting from insufficient margin of product value over cost in low-value species.

Utilization of material with low margin of product value over cost along with species with ample margin of profit value over cost will maximize the total margin of profit for a timber tract but the average rate of profit will be reduced. A reasonable reduction in the rate of profit margin generally has been accepted by timber purchasers and by timber owners cutting their own timber in order to increase the total dollars of profit margin in the cutting of a tract of timber. Guidelines for making adjustments to maintain average rate of profit margin at a reasonable level for all species for which cutting is mandatory, insofar as minimum stumpage prices will permit, are established in the "National Forest Handbook" (FSH 2423.72). My review of this point discloses that these guidelines have not been put to use to the degree intended and as a practical matter timber is usually advertised with required utilization of species appraising to less than normal profit on the basis that there is a demand and market for it without adjustment to average profit margin standards. Revised instructions are being issued to require observance of these guidelines for all sale offerings and to limit the reduction in average profit rate in appraisals to not more than 25 percent because of requirements for utilization of species or product groups which appraise to less than normal profit opportunity.

We feel that this treatment is a reasonable compromise between the conflicting viewpoints of maximizing total dollar profit opportunity and the rate of profit opportunity in appraisal of a particular tract. This procedure will not apply when it is possible to permit optional utilization on the part of the bidder of material with inadequate profit margins. In some instances there will be insufficient margin of product value above cost for all species to provide 75 percent of normal profit margin. Such sales must necessarily either be withheld or offered with subnormal profit margins. Sales of this kind when offered will be priced at minimum rates for all species. While we cannot recommend acceptance of the association's proposed regulation on appraisal procedure, we feel a statement in the Secretary's regulation on the broad principles of national forest timber appraisals is desirable. The following language is recommended for insertion in a revision of regulation S-7 (36 CFR 221.7):

"The objective of national forest timber appraisals is to establish fair market value. The basic procedure will be analytical appraisal under which stumpage is a residual value determined by subtracting from product values the sum of operating costs and margins for profit and risk. Costs and product values shall be those of an operator of average efficiency and related to the conditions of the local terrain and timber quality. All the pertinent factors affecting value shall be considered in determination of cost, product values and margins for profit and risk including prices paid in transactions, in valuations established for other purposes with public agencies, or by the courts, for comparable timber."

PROPOSAL NO. 3

Under this heading the association criticizes the adequacy of present appeal procedures, states that purchasers are subject to arbitrary decisions by administrators without rights of appeal outside the agency, and that lack of a prompt and impartial appeals procedure is becoming increasingly serious. Three specific procedural steps are proposed. Items 1 and 2, which deal with written decisions and reviews in writing, can be obtained under the present regulation A-10 (36 CFR 211.2). This provides an appeal procedure for aggrieved persons who, in transacting or wishing to transact certain kinds of business (including timber sales) with the Forest Service, feel that an administrative action or decision of a Forest Service officer was in error. The third item is a request for consideration beyond the second stage of written decision by an impartial board or to the courts with the right of hearing and examination of the evidence in an adversary proceeding.

Under regulation A-10, the appeal procedure to the Chief of the Forest Service, in grievances involving contractual relationships, provides for a public hearing conducted by a hearing examiner who is entirely independent of the Forest Service and provides that the testimony of witnesses be under oath or affirmation and subject to cross-examination. Decisions by the Chief are based exclusively on the hearing record, and if the decision is appealed to the Secretary, his decision will be based on the same record which was before the Chief and supplemental briefs. The regulation further provides that the Secretary, if he determines that the hearing record is incomplete or insufficient, will remand the case to the Chief with appropriate instructions for further action.

We know of no arrangement under which disputes over the administration of national forest property can be deferred to a board of arbitration for final adjudication. Such an arrangement would place final decisions on administration of national forest property in the hands of persons who have no statutory administrative responsibility. There is no statute authorizing appeals from final agency actions or decisions concerning the discretionary administration of national forests to the courts for judicial review. In addition to the administrative appeal procedure, persons adversely affected by Forest Service actions or decisions giving rise to justiciable controversies have recourse to the courts. Item 3 of the proposal advanced by the association is, therefore, unusual and, if accepted, would have wide repercussions on the administration of other uses of the national forests.

In summary, our position on proposal No. 3 is that there is no authority to set up provision for referral of disputes for final adjudication to an arbitration board or to the courts. On the other hand, we are quite anxious to have a prompt and effective appeals procedure in operation for national forest timber sales as well as for all other activities of the Forest Service. We shall be glad to work with the association as with other groups on consideration of specific problems or specific proposals for solutions of problems in connection with appeal procedures under the present regulation or any possible modification of that regulation which is in line with authorized practices of Federal administration.

### PROPOSAL NO. 4

This is a request for a new timber sale contract form.

The last major revision of the national forest timber sale contract form was completed in 1954 after lengthy discussion with industry groups culminating in a full week's conference with representatives of the National Lumber Manufacturers Association and the American Pulpwood Association. There have been few changes since that time. The basic contract is essentially the same one which the industry reviewed 8 years ago.

We are entirely willing to review the present timber sale contract form with purchaser groups for the objective of clarifying or otherwise finding better solutions for the items which disturb the association.

Contract wording is a detailed matter which should be studied by experts representing both buyers and sellers of timber. We do not consider it advisable to set up a working committee composed exclusively of attorneys. We shall be glad to have representatives of the Forest Service and of the Department's Office of the General Counsel meet with representatives of the association who are concerned with both operating and legal considerations. This initial group could proceed to develop a plan for prosecuting this proposal.

If the association wishes, and the General Accounting Office is willing, we would be pleased to submit the contract form for its review. However, we regard the choice of terms and conditions in such contract to be for agency determination.

This analysis has been prepared with recognition of the difficult market conditions during the past 2 years. The changes in timber sale administration made to date, together with action proposed by this memorandum, constitute our attempts to take constructive action to the extent possible. This action will not close consideration of the problems of timber pricing and timber sale for we will continually search for improvement in this important segment of the national forest program.

EDWARD P. CLIFF.

## HAWAII SURGEONS HELP SAMOA

**Mr. LONG of Hawaii.** Mr. President, one of the most urgent problems faced by our friends in American Samoa is to obtain the services of badly needed professional people in various fields of endeavor. Recently, members of the Hawaii Medical Association volunteered to help remedy the shortage of medical help in Samoa. Surgeon members of the Hawaii Medical Association have taken turns serving in Samoa until a permanent surgeon can be found to take a position there. The action of the Hawaii Medical Association and its members is in the best tradition of the medical profession. I am proud to call the attention of my colleagues to this generous action, which is an important step toward recognition of our longstanding responsibilities to the loyal and friendly people of American Samoa.

I ask unanimous consent that an article from the American Medical Association News of May 28, telling of the action of the members of the Hawaii Medical Association, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Members of the Hawaii Medical Association were warmly praised by the Governor of American Samoa for their volunteer efforts to ease a critical physician shortage on the island.

In a letter to the American Medical Association, Gov. H. Rex Lee pointed out that for several months Samoa's Medical Services Department has been unable to recruit a surgeon.

### MEDICAL SOCIETY HELPS

The Hawaii Medical Association, Governor Lee said, learned of the situation and arranged with some of its surgeon members to go to Samoa and provide "a very desperately needed service."

Through April, four Hawaii surgeons had served on the island for a month each. The first volunteer was Thomas H. Richert, M.D., who described the situation as "a real emergency."

Dr. Richert was followed to the island by M.D.'s C. V. Waite, Frederick B. Warshauer and Edward W. Boone.

### SERVICE AND SKILL

"These men," Governor Lee wrote, "have given their skills without compensation and at a considerable financial loss to themselves.

"We feel," the Governor continued, "that in these times when the medical profession is frequently criticized for its material approach, such generosity and devotion to humanity should be made known to the lay public."

Arrangements have been made to continue sending volunteer surgeons to Samoa until a permanent surgeon is obtained. HMA also plans to send specialists in various areas of medicine to conduct clinics and seminars.

## FREEDOM ACADEMY

**Mr. MUNDT.** Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article by the distinguished journalist, Mr. Roscoe Drummond, entitled, "Freedom Academy Has Merit," which appeared in the New York Herald Tribune for Sunday, June 10. This article in somewhat abbreviated form also appeared in the Washington Post for Sunday, June 10. I ask unanimous consent to have printed in the body of the RECORD the Drummond article as it appeared in the Washington Post.

With respect to the Washington Post I might add with gratitude that the Freedom Academy seems to be making some progress, for an earlier column by Mr. Drummond, describing in detail the purposes of the Freedom Academy, was excised in toto by the Post.

This most recent article by Mr. Drummond deals with the negative views on the Freedom Academy bill—S. 822—which have just been communicated to the Senate Foreign Relations Committee by the Department of State. In his concise, yet always thorough, style, Mr. Drummond points out that the negative views of the Department of State reflect a fundamental misunderstanding of the purposes and objectives envisioned for the Freedom Academy.

Of all the agencies of Government none should be more interested than the Department of State in the upgrading and improvement of our total research and training efforts in the multiple and complex disciplines of nonmilitary conflict. This is the task proposed for the Freedom Academy in S. 822, a bill sponsored by 12 Members of this body whose basic philosophies span our two-party political spectrum. It is, indeed, unfortunate that the Department of State, which stands to be the prime beneficiary of the Freedom Academy bill's proposed program of research and training should resist the adoption of this legislation. Such negativism is especially discouraging at a time when our country so badly needs positive thinking in its Department of State.

I heartily concur with Mr. Drummond's expressed hope that Senator FULBRIGHT and Congressman WALTER will not be dissuaded from holding public hearings on the Freedom Academy bill by reason of State's adverse views which are premised on a serious misunderstanding of the proposal for action embodied in S. 822.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, June 10, 1962]

### NEGATIVE GOOD NEWS

(By Roscoe Drummond)

WASHINGTON.—The bipartisan Senate sponsors of the Freedom Academy bill have received some bad news—and a little good news—from the State Department.

The bad news is that the State Department does not want Congress to pass the bill creating a Freedom Academy which would do independent research on methods of waging the cold war and would provide special training for people, inside and outside the Government, to conduct the nonmilitary side of the conflict more effectively.

Frederick G. Dutton, Assistant Secretary of State for Congressional Relations, in a 3-page, 1,200-word letter, suffocates the Freedom Academy idea with praise for its purposes and with a "no" in every paragraph, saying in effect: "Hands off, we're doing just fine."

On the other hand, the State Department, worried about the public support which the Freedom Academy is winning and apparently in an effort to blunt the case for it, announces that it is preparing to add a 5-week course in cold-war techniques to the regular curriculum of the Foreign Service Institute.

I call this negative good news.

It is good because by it the State Department admits the need for doing more to provide cold-war training.

It is negative because it shows that the Department is doing nothing adequate to provide this training. A 5-week course thrown together by an improvised faculty for a few Government officials is like sending the marines to Guadalcanal after preparing them for a game of ping-pong.

Thus the State Department concedes that what the Freedom Academy would do is needed and moves to meet that need inadequately—woefully inadequately.

Perhaps it is understandable that the State Department should resist the Freedom Academy proposal. Every arm of the Government is jealous over its traditional prerogatives. There is a built-in bureaucratic resistance to anything that might upset the status quo—or even appear to do so.

Assistant Secretary Dutton's letter shows that the State Department is extremely sensitive over its jurisdictional authority as the President's sole agent in foreign affairs. I think it is overly sensitive and that Mr. Dutton's rebuff to the sponsors of the Freedom Academy bill rests on a misreading and a misunderstanding of the project.

Fragments of the problem are being dealt with by research specialists today. The need is to draw together under one roof the most qualified experts to undertake coordinated and sustained research to provide, not a cursory course for a few weeks, but a complete, specialized, and thorough training.

The Freedom Academy would not be operational, would not undercut the State Department. The service academies—the Army, Navy, Air Force, and National War Colleges—all undertake continuous studies of military strategy. This research is available to the services; it produces new ideas and breaks new ground, but the service academies do not undercut the Pentagon nor take operational responsibility from the Chiefs of Staff.

The proposed Freedom Academy would not dilute nor impair the authority of the State Department any more than the Naval Academy dilutes or impairs the authority of the Navy. It would strengthen the State Department by nourishing the insight and the expertness of all in Government dealing with the cold war.

I should think that Senator WILLIAM FULBRIGHT, of Arkansas, and Representative FRANCIS WALTER, of Pennsylvania, the respective chairmen of the Senate and House committees to which the Freedom Academy bill has been assigned, would not accept the State Department's negative attitude.

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[From the Washington Post, June 10, 1962]

### EDUCATION FOR THE COLD WAR—FREEDOM ACADEMY HAS MERIT

(By Roscoe Drummond)

The bipartisan Senate sponsors of the Freedom Academy bill have received some bad news—and a little good news—from the State Department.

The bad news is that the State Department does not want Congress to pass the bill creating a Freedom Academy which would do independent research on methods of waging the cold war and would provide special training for people, inside and outside the Government, to conduct the nonmilitary side of the conflict more effectively.

Frederick G. Dutton, Assistant Secretary of State for Congressional Relations, in a 3-page, 1,200-word letter suffocates the Freedom Academy idea with praise for its purposes and with a "no" in every paragraph, saying in effect: "hands off, we're doing just fine."

On the other hand, the State Department, worried by the public support which the Freedom Academy is winning and apparently in an effort to blunt the case for it, announces that it is preparing to add a 5-week course in cold war techniques to the regular curriculum of the Foreign Service Institute.

I call this negative good news.

It is good because by it the State Department admits the need for doing more to provide specialized cold war training.

It is negative because it shows that the Department is doing nothing adequate to provide this training. A 5-week course thrown together by an improvised faculty for a few Government officials is like sending the marines to Guadalcanal after preparing them for a game of ping-pong.

Perhaps it is understandable that the State Department should resist the Freedom Academy proposal. Every arm of the Government is jealous over its traditional prerogatives. There is a built-in bureaucratic resistance to anything that might upset the status quo or even appear to do so.

Dutton's letter shows that the State Department is extremely sensitive over its jurisdictional authority as the President's sole agent in foreign affairs. I think it is overly sensitive and that Dutton's rebuff to the sponsors of the Freedom Academy bill rests on a misreading and a misunderstanding of the project.

The proposed Freedom Academy would not dilute nor impair the authority of the State Department any more than the Naval Academy dilutes or impairs the authority of the Navy. It would strengthen the State Department by nourishing the insight and the expertness of all in Government dealing with the cold war.

I should think that Senator WILLIAM FULBRIGHT, of Arkansas, and Representative FRANCIS WALTER, of Pennsylvania, the respective chairmen of the Senate and House committees to which the Freedom Academy bill has been assigned, would not accept the State Department's negative attitude.

## TRIBUTE TO GRADUATING CLASS OF GLEN LAKE COMMUNITY HIGH SCHOOL, MICH.

Mr. HART. Mr. President, a trip to Washington has been a tradition for the graduating class of Glen Lake Community High School, not far from Traverse City, Mich.

This year, however, the class is not coming because 6 weeks ago one of its members was discovered to have cancer.

So, instead, 33 graduates decided to give their entire class fund—$700—to the stricken boy, 17-year-old Duane Richardson.

Mr. President, this school district is not a rich one. It is questionable whether many of these youngsters will be able to make the trip on their own in the near future. Yet I understand these youngsters made the decision almost spontaneously.

Graduating classes come to Washington because it is an excellent place to grasp firsthand a little of our history and to learn something about the spirit of sacrifice that has made this Nation a great one.

So perhaps by giving up their trip, these youngsters at Glen Lake Community High School have proven that they have already learned the greatest lesson, that of charity. We are very proud of them and I take this means of telling the people of the country about them.

## LOCAL RESIDENTS OPPOSE NEW DAM IN KANSAS

Mr. PROXMIRE. Mr. President, last week I appeared before the Senate Appropriations Committee to outline in detail why it would be a serious mistake to go ahead with the proposed Glen Elder dam and irrigation project in Kansas.

In my statement I made three main points:

First. The Glen Elder project has not been properly authorized. Neither the Interior nor Public Works Committees, in the House of Representatives or the Senate, has ever considered this project in detail. The only previous congressional reference to it was a single line in the 1944 omnibus Pick-Sloan authorization, where it is listed along with 325 other projects. Since that date the project has been altered substantially. In the intervening 18 years the economic context in which a project evaluation must be made has also changed completely.

Second. Irrigation provided by the Glen Elder project will lead to a substantial increase in feed grain surpluses. The official description of the project indicates that 13,000 of the newly irrigated acres will be used to grow grain sorghums, with a crop value at current prices of over $1 million per year. I consider it incomprehensible that we should provide funds to increase grain sorghum production at the same time Congress is trying to deal with a feed grain surplus amounting to $3.3 billion, including over 700 million bushels of sorghums.

Third. The economic justification for the Glen Elder project is dubious, which further emphasizes the need for full congressional review and authorization. Its overall benefit-cost ratio is barely above one. Modifications in criteria suggested by the President's Water Resources Council could lower the ratio to less than one. Its financial feasibility is also doubtful. Some $4 million of the $17 million cost of the irrigation features will be repaid by the users over a 50-year period. The other $13 million will not be repaid until about the year 2060, when revenues from the power sales of the Missouri River basin will become available. Even though the initial costs will eventually be paid in this way, the general taxpayer will bear the substantial imputed interest cost, an estimated $50 million, as well as the cost of acquiring the surplus grain sorghums.

I have now received a number of letters from citizens of Kansas who live in the area immediately surrounding the Glen Elder project. These are people who have firsthand knowledge of the alleged benefits attributed to the project.

It is very interesting to note that they strongly oppose it. Their letters included press clippings from the Beloit, Kans., Daily Call and other Kansas papers which further document the local opposition. One item in the paper indicates that the opposition goes back some 10 years, since in 1952 nearly 100 farmers living in the area appeared to protest against the project.

I ask unanimous consent that certain letters from Kansas residents with names deleted be printed in the RECORD at this point, along with the attached newspaper clippings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 8, 1962.

DEAR SIR: I'm surely glad somebody had nerve enough to speak out against this dam. I live about 30 miles down the river from Glen Elder. We get all the rainfall we need maybe not at the right time nor the right amount at once—if we had irrigation you take the water in your turn maybe we get a big rain what then? Our valley is too narrow—it would take years of leveling by the time farmers were ready to irrigate they would have lost the land in expense. The floods are a matter of cause and effect. They grade up the roads and highways so what? Lets make smaller dams and keep more water where it falls. If this water should cover up Waconda Springs I say it would be a crime against nature. Power to you.

Yours truly,

——— ———.

### Wisconsin Senator Fights Kansas Dam

Washington, June 7.—Senator William Proxmire, Democrat, of Wisconsin, came out today against the proposed Glen Elder Dam and irrigation project in Kansas, saying it would add millions of dollars to the cost of farm surpluses.

In a statement prepared for a Senate Appropriations Subcommittee, Proxmire criticized the Kennedy administration for backing the project as the one major new start in the water projects for the year beginning July 1.

"The right hand doesn't know what the left hand is doing when a reclamation project is proposed that will bring thousands of acres of land into new production of feed grains, just a few days after enactment of a farm bill sharply limiting farm production of feed grains.

"The only substantial new start in the President's budget for reclamation projects in fiscal 1963 is the Glen Elder Dam. Yet one of the main benefits expected from this project is irrigation for 13,000 acres of land to produce grain sorghums, an important feed grain.

"Just 2 weeks ago the Senate passed the administration farm bill putting tight controls on the Nation's feed grains and specifically on grain sorghums. Right now the U.S. Government has a surplus of more than $3.3 billion worth of feed grains.

"The Glen Elder project would provide water for 60 new farms which would grow 13,000 new acres of grain sorghums with an annual crop value of more than $1 million.

"As a national policy on resource development, this is straight out of 'Alice in Wonderland.'

"The spectacle of using scarce tax dollars to misuse scarce water to grow feed grains at the same time the Federal Government is spending more dollars to buy surplus feed grains is utterly beyond comprehension."

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June 8, 1962.

Dear Senator: Being a part of the majority of this area opposed to the construction of the proposed Glen Elder Dam, my husband and I were delighted to see by last night's Salina Journal that you are also opposed to it. It does not make sense to spend over $59 million for a reservoir, which, because of its location, will not provide the expected flood control, and there will be no irrigation district.

There will be no irrigation district because over 48,000 acres of land along the river below the damsite in Mitchell, Cloud, and Ottawa Counties have been petitioned out of any irrigation district that might be proposed.

Although the Bureau of Reclamation claimed at first that there would be a district of 21,000 acres, which they have now cut to 13,000, the Bureau knows that even these few acres will be impossible to find for a district. Thus, they are asking for the project under an entirely false premise.

Maps showing the blacked-out areas of farms petitioned out, plus copies of the original petitions and witnessed signatures, are on file in Floyd Dominey's office in Washington, D.C. He and the Bureau know that Kansas law requires 50 percent of the landowners to petition the State for an irrigation district. The maps show that there is not enough land not blacked out to create a district. The maps have also been submitted to the Senate Appropriations Committee, of which you, I believe, are a member, by Joseph E. Franzmathes, Washington, D.C., who represents the big majority of the area opposed to the entire project.

The proposed dam would back water to a point west of Downs, in Osborne County. Osborne County is a part of the irrigation district below the Webster Dam, which shows how close the Glen Elder Dam is to the Webster as well as the Kirwin, both on this one small Solomon River. State figures show that the Solomon drains one-eighth of the State, but puts only one-twelfth of the water into or carried by the Kaw, or Kansas River, during floodtimes. That is the figure before the Webster Dam, so it would be even smaller now. The big feeder creeks of the river are below that Glen Elder site, so the dam would offer very little flood control.

As to recreation spots, this area is surrounded by the Lovewell, Kanopolis, Webster, and Kirwin Dams and Reservoirs plus parks, so that to say it is needed for that purpose is as smart as to irrigate to produce more.

This area has been fighting this dam for 25 years. The enclosed newspaper clipping shows an item reprinted from a 1952 paper, when a Congressional Basin Survey Commission met at Hays, Kans. Congressman Clifford Hope, chairman of the group, later made an investigative tour through the valley and proposed site. His report stated that he found the dam neither needed nor wanted. That should have killed it once and for all, but the Bureau hates to give up. It keeps trying to get it approved, and each time makes it a bigger project, until it is now one of the biggest lakes in the State that they want.

Since the project will do none of the things for which it is proposed, and since the majority oppose it in a three-county area, why waste money investigating, surveying, and planning it? It is no wonder that we can't balance the budget when we have such senseless spending of tax dollars.

Sorry that I have written at such length, but I hope you will continue to oppose the project. Perhaps this letter will help substantiate the statements of Mr. Franzmathes, who grew up here and has land along the river in what the Bureau says would be the irrigation district. He knows the facts and the sentiment here.

Thank you for anything you can do to kill the entire project.

Sincerely,

——— ———.

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From Old Gazette Files—June 12, 1952

Nearly 100 Mitchell County farmers living below the proposed Glen Elder Dam as well as several businessmen appeared before the Basis Survey Commission at Hays on Friday to protest this proposed project by the Bureau of Reclamation. Stewart Barker acted as spokesman for the delegation.

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June 8, 1962.

Dear Sir: We are indeed very, very grateful for your protest against the Glen Elder, Kansas Dam.

In 1952 a group of some 100 farmers and businessmen appeared before the mission's Basis Survey Commission and defeated the issue. It was proven that it was not wanted nor necessary with two other dams Kerwin and Webster being built to enlarged capacities.

Unfortunately in 1956 a restaurant owner who moved into Beloit and two others reactivated the issue and for 2 years it was promoted up and down the Beloit streets by motor boat owners, etc. Lovewell Dam in Jewell County is only some 35 miles distant over good roads.

The April 10 meeting brought out the fact that those of us in the proposed irrigation district would be faced with $1,000 per acre costs. The feed grain payment last year on my husband's farm was $18 to $15.20 per acre. How many years would it take to pay for 1 acre. Furthermore this feed grain land has to be worked twice or three times a year to keep the land free of weeds—and this alone costs some $10 per acre, labor, gasoline, tractor, etc.

To protect ourselves we landowners now have approximately 380 landowners owning some 49,000 acres petitioned out of any irrigation district ever being formed in the Glen Elder district. This constitutes 90 percent of the entire district. Copies of these petitions were sent to Floyd Downing, Commissioner, Bureau of Records, on August 8, 1960. Mr. Joe Franzmathes who attended the April 10 meeting, also appeared before us at the House Appropriations Committee meeting and the Senate Appropriations Committee with our petition of protest and the blocked out maps.

Furthermore, a group of 30 landowners took our maps and petitions of protest to Topeka before Gov. John Anderson and Mr. Robert Smith, secretary of the Water Resources Board on November 1, 1961.

We simply cannot afford $1,000 per acre, nor does it make sense to take 14,000 acres of the best bottomland in Kansas out of production and the perimeter area, excess roads, etc., will be for more.

This part of Kansas is a wheat-producing area. Preferably to feed grain crops. Last year in the Bostwick District in Jewell County just north of us the farmers were delayed in getting their corn and milo planted, because of excessive rains, this made the crops late in maturing and some one-third of the crops were never harvested because early snow and rains put the feed down. Yet their repayment costs, fertilizer costs, higher taxes went right on. You can bet on it.

Your quote "This is straight out of Alice in Wonderland" also being beyond comprehension.

Believe me, Senator Proxmire, you can't imagine how right you really are.

If Senators and Representatives in Washington saw Chet Huntley's T.V. broadcast on "The Land" they should wake up to what is really happening to Kansas. He picked out Westmoreland, Kans., as a rundown, one horse town. Why didn't he tell the Nation that one reason was because the Department of Interior had taken out some 26,000 acres for Juttle Creek Reservoir and prorated the taxes on the remaining land. Now they want to take out some 57,000 acres of land out of the same county for that fool Prairie National Park. And for those who lamented loud and long over Udall reception, I want to tell you for sure, the story of Alice in Wonderland would be a dream in comparison. Pottawatomie County stands to lose some more land from the Verdigris Reservoir, yet these taxes go higher and higher.

When the Russian hordes take over the U.S. Senate, they won't want Kansas; there's going to be nothing left but dams, reservoirs, parks, etc., and whenever the Corps of Engineers and Bureau of Reclamation can go ahead making plans for dams three times the cost, three times the size, etc., and twist the President and Congress around their little finger, there is not much left of our democratic form of Government, and a government of the people, by the people and for the people has most certainly perished from this earth.

We ask you to continue your fight against any and all funds ever being spent to further this project. Thank you,

Respectfully,

——— ———

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June 7, 1962.

Dear Senator: I wish to congratulate you on your stand on the proposed Glen Elder Dam in Kansas, as this is something that we do not need, and a waste of the taxpayer's money, keep up the good work. From one that lives in this territory and knows the situation.

Sincerely,

——— ———.

### AIR VIEWS ON GLEN ELDER DAM

WASHINGTON.—Spokesmen from Kansas gave conflicting testimony to a congressional committee Thursday for and against the Glen Elder Dam and Reservoir project in Kansas.

Floyd Funston of Solomon and Paul Mears of Beloit said it is vital to their area's economic survival and urged a $750,000 appropriation so construction can start in the year beginning July 1.

Joe E. Franzmathes, appearing for the Solomon Valley Citizens Association, said 90 percent of the farmers owning land in the proposed irrigation district don't want the project.

Franzmathes, a native of Beloit, is an attorney in the U.S. State Department in Washington. His wife is the former Elizabeth Lutz of Beloit.

He said there is a good chance the reservoir water will be salty and no good for irrigation. Besides, he said, irrigation is not necessary to make the land produce profitably.

He also expressed a doubt the proposed dam would provide any appreciable flood protection for the Kansas River Valley or Kansas City.

"The solution of the flood problem in that area," he said, "is to build many small dams on draws, washes, and small tributaries, create ponds on farms and terrace the land.

"If the city of Beloit needs an additional water reservoir, a $59 million dam, flooding 14,000 acres of good bottomland, seems to be a pretty expensive water supply system for a town of about 3,500 population."

Funston and Mears, appearing for the Solomon Valley Flood Control and Water Conservation Association, told the committee:

"The Glen Elder Dam, a key flood control structure of the Kansas River basin, will provide a high degree of protection to the lower Solomon River Valley; and, when operated in conjunction with other basin reservoirs will effectively aid control of flooding on the lower Smoky Hill and Kansas Rivers."

Funston and Mears contended the project will pay for itself in 100 years. They said its other benefits will include storage water for irrigation and other purposes, a municipal water supply for Beloit and other communities, pollution abatement, wildlife conservation and recreation facilities.

## J. EDGAR HOOVER, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Mr. JAVITS. Mr. President, J. Edgar Hoover, its Director, has dedicated his career of 45 years to building up in the FBI of the Department of Justice, one of the world's most efficient organizations to combat crime and subversion. Every citizen of the United States is in some way indebted to him for the safety of our Nation. Mr. Hoover's profound understanding of the purpose and enforcement of law has unfailingly afforded each individual dignity in defense of his actions and has maintained an orderly functioning of due process of law.

The Business and Professional Women's Clubs of New York State, Inc., has taken the initiative at its convention, May 24 to 27, to accord proper recognition to Director J. Edgar Hoover for his untiring efforts on behalf of freedom and justice by adopting a resolution praising his contribution to our Nation. I ask unanimous consent that this resolution be printed in the RECORD as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

### RESOLUTION BY BUSINESS AND PROFESSIONAL WOMEN'S CLUBS OF NEW YORK STATE, INC.

Whereas J. Edgar Hoover has dedicated his entire life to fighting the criminal and the subversive, and under whose leadership the FBI has become a highly respected American institution standing for the highest principles of justice, freedom, and fairplay; and

Whereas J. Edgar Hoover has contributed to a public understanding of the menace of communism through his speeches, articles, and especially in his book, "Masters of Deceit"; and has long advocated that communism can and must be met through reliance on law and our democratic institutions and has abhorred vigilante methods, witch hunts, and mass hysteria; and

Whereas J. Edgar Hoover will have completed 45 years of service in the U.S. Department of Justice on July 26, 1962, including the duties of Director of the FBI for the past 38 years: Therefore be it

*Resolved,* That the Business and Professional Women's Clubs of New York, May 24 to 27, 1961, commend J. Edgar Hoover and the FBI for their unparalleled contribution to the welfare and safety of the American people; and be it further

*Resolved,* That this convention convey to J. Edgar Hoover and the FBI its gratitude and continued support; and be it further

*Resolved,* That this resolution be submitted to the National Federation of Business and Professional Women's Clubs, Inc., seeking similar commendation; and be it further

*Resolved,* That copies of this resolution be sent to the President of the United States, to Mr. J. Edgar Hoover, to the Attorney General and to the Senators and Congressmen from New York State.

## ARMY NATIONAL GUARD, AIR NATIONAL GUARD, AND AIR RESERVE CALLUPS

Mr. GOLDWATER. Mr. President, the Secretary of Defense has indicated a desire to drastically cut the Reserve and National Guard Forces under their present organizational numbers.

Mr. President, no nation, regardless of its wealth, can afford to maintain in times of peace a full-time army or a full-time air force or navy. This is prohibited not only from a dollar standpoint but also the drain on industry personnel, and the labor force could not tolerate it. Historically, then, we and other nations have had to depend on what we call the citizen forces or the weekend soldiers, the Reserves, and the National Guard. Other nations in the past have provided better trained units than we possessed, but I believe the callup in the Berlin crisis of last fall adequately indicated that the level of proficiency of our Reserve and National Guard Forces has made tremendous progress since the days of World War II. Probably the biggest factor bringing about this change came with the passage of the Universal Military Training and Service Act of 1951 which established reserve obligations for persons entering the Active Forces after they had finished their term of active service. The Reserve Forces Act of 1955 and steps taken under that legislation also added to the effectiveness of these forces. The burden taken off unit commanders by having basic training done under the 6-month program enabled those commanders to stress more effectively unit training which, until the end of World War II, was one of the great weaknesses of the Guard and the Reserve.

That the successful callup of Reserve Forces of the Guard, both ground and air, and of the Navy has had a distinct impact upon the thinking of the leadership of Russia there can be no doubt. One of the most firmly held beliefs in the minds of Russian military people has historically been that the United States has no Reserve Forces in being which could be brought into a military situation quickly and with effectiveness. The ability of the President to call upon Reserve Forces to augment the regular forces and to have those Reserve Forces act so efficiently and so quickly makes it very plain to Mr. Khrushchev and to other leaders of the Communist movement that our citizen soldiers, sailors, and airmen are ready not in 6 months but overnight to assume their place in line alongside of the Regulars. This allows the President, as Commander in Chief, and his commanders in the military forces to exercise more flexibility than they have ever been able to exercise before because regular units in the field can be moved to wherever they are needed and the gaps created are filled immediately by Reserve and Guard Forces.

In view of the greater efficiency and strength of the Reserve Forces, it is impossible to understand the desire of the Department of Defense to cut down their numbers. Contrary to this, I would suggest a greater expenditure for our Reserve and Guard Forces in the form of modernized and adequate equipment and the encouragement of young men to enter these forces.

Mr. President, those of us who have devoted a large part of our lives to Reserve activities feel that we are finally achieving the peak of perfection in training that we have striven for all of these years, and to not have the wholehearted support of the Department of Defense in this important part of our forces buildup is unthinkable. So that my colleagues might be better equipped with an understanding of what took place under the callup of the Reserves, I have had prepared a summary of Air National Guard and Air Reserve mobilizations and a summary of Air National Guard, Army, mobilizations in the 20th century, which I ask unanimous consent be printed at this point in my remarks.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

### A SUMMARY OF AIR NATIONAL GUARD MOBILIZATIONS IN THE 20TH CENTURY

The Air National Guard had its origin before the Wright brothers were able to convince the U.S. Army that the airplane had military possibilities. The first State unit, designated 1st Company, Signal Corps, National Guard of New York, was established April 30, 1908, at the armory at Park Avenue and 34th Street in New York City. Although the U.S. Army had established the Aeronautical Division in the Office of the Chief Signal Officer less than a year previously, the Wright brothers did not successfully demonstrate their flying machine for the Army until November 1908.

The 1st Company began its actual flying in 1911 when its first official pilot, Beckwith Havens, joined the company and the unit received its first effective aircraft. In the year before, the company's homemade airplane failed to leave the ground at maneuvers. When Havens operated the new airplane at the joint Army-National Guard maneuvers in 1912, the aircraft inventory of the U.S. Army only included two airplanes.

Another National Guard aviation unit, an aeronautical detachment in the 7th Coast Artillery Co. of the California National Guard, was organized in February 1911. Its first member, Eugene Burton Ely, had just the month before made a singular contribution to naval aviation when he first proved the feasibility of landing aircraft on warships. The Missouri National Guard organized a third aviation unit—a Signal Corps air section—in March 1911, and its members were taught flight and ballooning.

### WORLD WAR I

The first federally recognized aviation unit in the National Guard, and the only one prior to World War I, was the 1st Aero Company, New York National Guard. This unit was organized on November 1, 1915, under the command of Capt. Raynall C. Bolling. The company was mustered into Federal service July 13, 1916, for the Mexican border disturbances, remaining on active duty for 4 months. Training at the Signal Corps Aviation Station at Mineola, N.Y., the unit employed four military biplanes purchased through private contributions, and a training plane donated by the Wright Co. In November 1916, seven JN4's of the 1st Aero Company, under the command of Captain Bolling, made the first National Guard cross-country flight from Mineola to Princeton, N.J., and return.

During World War I, the War Department decided that no National Guard aviation units would be used in the war. However, most of the guard's aviation personnel saw service in the conflict. The then Major Bolling was killed in World War I as he fought off German captors. Bolling and Miller Air Force Bases are named for Bolling and J. E. Miller, another officer of the 1st Aero Company.

### WORLD WAR II

During the 1920–21 reorganization of the National Guard, aviation units were solidly placed in the organization. In 1920, the War Department announced its plans to include "aero units" in the postwar organization of National Guard divisions. At this time the first regulations governing the organization of the observation squadron, the balloon company, and the photo section in the National Guard were issued. The troop basis authorized 19 observation squadrons, and to these were added 10 more shortly before World War II.

The National Guard, which was ordered into Federal service beginning in September 1940, furnished 29 observation squadrons, including 800 officers and 4,000 enlisted men. These guardsmen were in a high state of readiness, and according to the 1941 Annual Report of the Chief, National Guard Bureau, "enjoyed an experience level which was a great deal higher than the average throughout the air service." Because of the state of their training, the Army Air Forces was able to use them to a great extent in providing command echelons and integral units in its observation groups in the air support commands created on September 1, 1941. Most of the new observation groups were composed in greater part of former National Guard squadrons.

### KOREA

In October 1945, the Secretary of War approved policies relating to the postwar organization of the National Guard which included provision for air units in the several States. The Air National Guard as known today began when the 120th Fighter Squadron of Colorado became the first National Guard unit to gain Federal recognition after World War II. The date was June 30, 1946. The official use of the name Air National Guard dates from the adoption of the National Security Act (Public Law 253, 80th Cong.) on July 26, 1947.

The last of the 514 units alloted to the Air National Guard in 1946 was federally recognized in May 1949.

In October 1950, the first Air National Guard units to be ordered into active Federal service during the Korean war reported to their stations. In less than a year, more than three-fourths of the Air National Guard was on active duty with the U.S. Air Force in Korea, Europe, and in the continental United States. The Air National Guard contributed 22 of its 27 wings and a total of 45,000 officers and airmen. Before the end of the Korean war, 66 of the Air Guard's tactical squadrons were in Federal service and 4 of its pilots had become jet aces. Air Guardsmen were awarded more than 1,300 citations, medals, and honors.

### BERLIN MOBILIZATION

Today the Air National Guard is at the highest degree of readiness in history with a strength of more than 70,000 officers and airmen, including those on active duty, and with all its squadrons equipped with firstline aircraft. The tactical squadrons completed the changeover to jets in fiscal year 1959. The Air Guard began allotting Century-series aircraft to its squadrons in 1958, and these aircraft—F–100's, F–102's, and F–104's—now make up approximately 18 percent of the total Air Guard aircraft inventory.

On October 1, 1961, as part of the military buildup occasioned by the heightening of international tension at that time, a partial mobilization of the Air National Guard was effected. Over 21,000 Air Guardsmen were called to active duty for a period not to exceed 1 year. In October and early November, 8 of the fighter squadrons involved in this callup, comprising more than 200 aircraft, flew to various bases in Europe, in a single accident-free deployment. Additional units, including three F–104 flying squadrons, were mobilized on November 1, 1961. Within the month, these 3 flying squadrons and their 60 aircraft were airlifted to Europe.

The Air National Guard contributed a total of nine wings, plus the three F–104 squadrons, to the buildup. Of these, six were tactical fighter wings, the F–86H Sabrejet, the F–84F Thunderstreak, and the F–100 Supersabre. One is a tactical reconnaissance wing, using the RF–84F Thunderflash, and two are long-range air transport wings, flying the F–97 Stratofreighter.

Praise for the successful deployment, the resultant buildup in Europe, and for the wings and squadrons on active duty at their home stations had come from all over. Gen. Curtis LeMay, Air Force Chief of Staff, summed it up when he said: "Never before has the U.S. Air Force depended so heavily on the ability of the Air National Guard and Air Force Reserve to respond so quickly and effectively. Never before have the Air Reserve Forces met a challenge with such speed and efficiency."

The fighter squadrons integrated into the regular Air Force with no problem and were flying regular patrols within days after landing. The air transport squadrons have worked side by side with Air Force MATS squadrons in exercises and transport missions all over the world. The aircraft control and warning squadrons called up are performing regular Air Force missions proficiently both in the United States and in Europe.

Before World War II, the Army Air Corps Reserve had 2,500 pilot officers; some 1,500 were qualified for flying. There were no administrative or specialist-rated officers; no enlisted men.

Of these, some 800 were on active duty in 1939. Only 700 were left for call. Soon after Pearl Harbor, nearly all were in service. An Air Corps Enlisted Reserve was recruited during the war as a holding group with some training through Civil Air Patrol. The National Guard had an aerial observation squadron in each of 28 States and the District of Columbia, with a total personnel of 4,800. All these units were called.

Compared with an active force of only 1,600 officers and 18,000 enlisted men in 1939, the small Reserve and Guard were a big augmentation. But in the growth to a wartime peak of 376,000 officers and nearly 2 million enlisted, the air war was fought largely by men of no prior experience.

During the Korean war, 158,870 reservists and guardsmen were called up and assigned to the Air Force. This included 22 wings, or about 80 percent of the Air National Guard, totaling 45,594 men. Of these, 19 were fighter wings, 2 light bombardment, and 1 TAC reconnaissance. Twenty-nine were Air Force Reserve wings.

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### BACKGROUND: 1961 USAF RESERVE MOBILIZATIONS

July 25, 1961: President Kennedy announced Government's plan to augment military forces in face of the Berlin problem.

August 1, 1961: The Governors of all States in which the Air Force intended to mobilize Reserve Forces and the commander of Continental Air Command were notified of the tentative selection of individual units for possible recall.

August 11, 1961: The U.S. commanders in European and Atlantic areas, and each service Chief, were notified of Air Force plans to deploy large tactical forces to Europe.

August 21, 1961: Secretary of the Air Force called special meeting of Air Reserve Forces policy committee to confer on personnel policies for buildup.

August 25, 1961: Individual Air National Guard and Air Force Reserve units chosen for active duty were notified and given October 1, 1961, as their active duty date. All units selected were on the original priority list furnished to State Governors, and Continental Air Command, on August 1. The units were also informed where they were to be based and to which major air command (TAC or MATS) they would be attached for mission assignment.

The Air Force Deputy Chief of Staff for Systems and Logistics established new supply priorities for the units to be called up and placed hundreds of supply orders for the units being activated (spare engines, external fuel tanks, clothing, ammunition, etc.).

The Air Force Director of Civil Engineering was given authority to accomplish all necessary construction in Europe to support the tactical units scheduled for deployment there.

September 1961: Tactical Air Command, Military Air Transport Service, and the U.S. Air Forces in Europe prepared for assimilation of jet tactical fighter squadrons, troop carrier squadrons, air transport squadrons, and aircraft control and warning units which would be assigned to the three commands.

Flying units intensified training and were authorized to achieve 100-percent manning by October 1 and to draw supplies necessary for extended active duty.

U.S. and European bases scheduled to receive the recalled units were readied.

October 1, 1961: Air National Guard fighter, transport, and aircraft control and warning squadrons, and Air Force Reserve troop carrier squadrons entered active duty at their regular home bases.

October 9, 1961: Three F-104 fighter interceptor squadrons were alerted for recall on November 1.

During the remainder of the month, units which were to remain in the United States continued training toward full assumption of their missions with Tactical Air Command and Military Air Transport Service.

The Air National Guard units scheduled for deployment to Europe on November 1, 1961, began training for the oversea trip and completed their equipment shakedowns.

Late in October, advance echelons of ground crews departed the United States for Europe to take over ground facilities at the bases to be occupied.

October 25-26, 1961: Flying units moved deployment jet fighter and reconnaissance aircraft to staging bases for oversea flights.

November 1, 1961: The three F-104 squadrons entered active duty, were reorganized as tactical fighter squadrons, and began disassembling their Starfighters for airlift across the Atlantic.

Oversea deployment flights of F-84F, RF-84F, and F-86H aircraft began from U.S. staging bases.

November 2-10, 1961: Some 200 jet fighters arrived at their European deployment bases after cross-Atlantic flights. Squadrons and flights of aircraft control and warning personnel arrived at deployment destinations in Germany.

November 10-22, 1961: Another 60-odd F-104A's, partially disassembled, arrived by C-124 Globemaster at Ramstein, Germany, and Moron, Spain, air bases.

Not a single accident occurred during the mass movement overseas.

Late November 1961: Several tactical fighter units achieved sufficient combat readiness to begin standing runway alert with the permanent U.S. Air Forces in Europe.

Mid-December 1961: Two weeks ahead of planned deadline for completion of the deployment, the Air Reserve Forces sent to Europe were in place on their assigned bases and were ready and prepared to fight if needed.

January 1, 1962: Air transport and troop carrier wings, which had been recalled while in transit to assigned aircraft, attained operational readiness and were incorporated into MATS and TAC system.

### *Additional notes*

Total Air Reserve Forces deployed in Europe in November 1961 were 10 tactical fighter squadrons, 1 tactical reconnaissance squadron, and 1 tactical control group (Aircraft Control and Warning).

Total personnel deployed 11,000.

The more than 250 jet aircraft deployed to Europe departed the United States and were in position overseas less than 6 weeks after they were called to active duty. The deployment time compares with almost 3 months required during the Korean war before the first unit called up reached Korea.

The total number of Air Force reservists recalled exceeded 27,000.

In addition to units mobilized for 1 year, 10 Air Force Reserve SA-16 rescue crews went on 60 days active duty in the Atlantic area to cover the deployment.

Of the 27,000 air reservists called up, 24,000 were volunteer members of the units, were in drill-pay status and had been conditioned to possible recall.

Filler reservists were provided for the remaining 12 percent of the authorized spaces.

Of 2,666 individuals called as fillers, 1,274 or 48 percent were volunteers; 1,030 or 39 percent were non-prior-service personnel; 362 or 13 percent were personnel who had completed a period of active duty, had Ready Reserve obligated time and had military specialties not otherwise available.

Examples: C-124 and C-97 flight engineers; qualified engine and aircraft mechanics; communications specialists; aeromedical technicians.

Of the 27,000 air reservists called, more than 95 percent had been in drill-pay status, volunteered, or were non-prior-service, draft-deferred personnel.

The Reserve mobilization was the first time since 1940 that the United States called Reserve Forces to active duty when the country was not at war.

On November 9, 1961, Gen. Curtis E. LeMay, Air Force Chief of Staff, sent the following message to the Reserve units deployed to Europe:

"The movement of the newly federalized Air National Guard units to Europe was executed in an orderly, efficient, and professional way. This required the utmost in leadership, planning, and cooperation on the part of all units and personnel involved. All obstacles were overcome by ingenuity and determination in spite of the extremely short preparation time available. The end result of the safe and expeditious arrival of the fighters would be a source of great pride to all who had a part in the operation."

In late December in a letter to the families of the recalled reservists, General LeMay stated:

"Never before has the U.S. Air Force depended so heavily upon the ability of the Air National Guard and Air Force Reserve to respond so quickly and effectively. Never before have the Air Reserve Forces met a challenge with such speed and efficiency."

The Air Reserve Forces units recalled to active duty represent only a small portion of our total Reserve Forces strength. This is best illustrated by the fact that 61 flying squadrons and 100 Guard support units comprising 50,000 personnel remain available in the Air National Guard. In the Air Force Reserve remain 45 flying squadrons, 348 nonflying support units, and individuals comprising another 60,000 skilled and ready personnel.

The Air Force considers the Air Force Reserve and the Air National Guard to be useful and valuable parts of our overall aerospace power and will continue to take advantage of their inherent potential. The Air Force not only intends to support these components but also hopes to find new methods and new missions to make them even more useful.

Basically, the Air Force considers that its Ready Reserve constitutes an integral part of the total aerospace strength—and as such must be maintained as a force—in being.

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### A SUMMARY OF ARMY NATIONAL GUARD MOBILIZATIONS IN THE 20TH CENTURY

On October 1, 1961, the Army and Air National Guard began the most successful mobilization in U.S. history. There were many factors contributing to this success. Some of them can be traced directly to legislation of the past 10 years. Others, however, are the result of gradual and painstaking evolution; of profiting from the mistakes of previous mobilizations.

By and large, the three major factors contributing to last October's mobilization were (a) the 6-month training program, (b) the preservation of unit integrity, (c) reorganization of the Guard before the crisis occurred.

The significance of these factors becomes clearer when viewed against the background of previous mobilizations.

#### WORLD WAR I

Under the National Defense Act of June 3, 1916, the organized militia was officially reestablished as the National Guard, and the organization was made to conform to that of the Regular Army.

The Guard began to reorganize in 1916, but because of low manning permitted by the Regular Army and the call to active service for duty on the Mexican border, the process moved slowly. One of the questions experts on the Guard have asked is why the period during which the Guard was on the Mexican border was not utilized to organize the Army, including the National Guard, into divisions at least, and armies and corps, if possible, and comparable to those in effect in the European armies at that time.

Because this was not done, the Guard had to be reorganized after it was called to active duty for the First World War, resulting in much confusion and in the making up of composite divisions which broke up unit integrity and slowed down training.

In addition, the War Department practically destroyed the Guard when it ordered the discharge of every officer and enlisted man from every State obligation on the same day it drafted the individual members of the Guard into Federal service.

During the First World War the National Guard furnished more than 380,000 men and two-fifths of the divisions in the American Expeditionary Force. Eleven divisions were in actual combat and were credited with piercing the Hindenburg Line, crushing the St. Mihiel salient, smashing to victory through the Meuse-Argonne, and spent more days in actual combat than did either the Regular or National Army divisions. The performance of these National Guard organizations, according to records of the German Supreme Command which were released after World War I by Maj. Gerd von Rundstedt (Field Marshal von Rundstedt of World War II), was exceptionally high: Of the eight American divisions considered excellent or superior by the German High Command six were National Guard divisions. These were the 26th, 28th, 32d, 33d, and 42d Divisions.

World War I fatalities in the Regular Army and National Army totaled 28,501. For the National Guard, fatalities numbered 1,238.

#### WORLD WAR II

Following World War I, the National Guard became once again the National Guard of the several States. The divisional organization, established during the war, was retained.

Under the act of June 15, 1933, a new component of the Army was created, termed the National Guard of the United States. This new component, while identical in personnel and organization to the National Guard of the several States, was nevertheless a separate entity. It was a component of the Army in peace as well as in war, while the National Guard of the several States was a component of the Army only when in the active military service of the United States.

But the National Guard of the United States still could be ordered into active Federal service only by the President after Congress had declared an emergency to exist. Thus, when the National Guard of the United States was active in the Federal service—the National Guard of the several States was inactive and vice versa.

*World War I*

| Division | Date mobilized | Date overseas |
|---|---|---|
| 26th | August 1917 | October 1917. |
| 27th | July 1917 | May 1918. |
| 28th | do | Do. |
| 29th | August 1917 | June 1918. |
| 30th | do | May 1918. |
| 31st | do | October 1918. |
| 32d | do | February 1918. |
| 33d | do | May 1918. |
| 34th | do | September 1918. |
| 35th | do | May 1918. |
| 36th | do | July 1918. |
| 37th | August-October 1917. | June 1918. |
| 38th | August 1917 | October 1918. |
| 39th | do | August 1918. |
| 40th | do | Do. |
| 41st | September 1917. | December 1917. |
| 42d | do. | November 1917. |

For the first 4 years after World War I, the National Guard reorganized in the States at the rate of about 40,000 men a year. Then came an economy era. The Guard was not allowed to attain its target strength of 435,000, but was held down and stabilized at about 185,000 for the next 15 years. Then, under the impetus of Hitler's threat to world peace, the ceiling was raised. New units were created and enlistments increased.

By joint resolution of Congress, approved August 27, 1940, the National Guard was ordered into active military service of the United States for 12 consecutive months. Induction began September 16, 1940, and was completed October 6, 1941. The National Guard brought into Federal service a total of 300,034 men in formed and trained units, comprising 18 combat divisions and 100,000 in other, separate units.

But, while the Regular Army was undergoing organizational changes to the three-regiment triangular division during this time, the Guard was not reorganized until later. The so-called American defense period of 1940-41 was permitted to pass without converting the unwieldy, immobile, and difficult-to-supply square divisions of the Guard to triangular divisions, as had been done in the Regular Army. In October 1940 the Guard division commanders urged such a course, but it was determined by the War Department that henceforth the Army Corps would consist of two square divisions, one triangular division, and such armor as might be attached. Yet, almost coincidental with Pearl Harbor, nine Guard divisions were ordered converted, and later the remainder. In one instance, the conversion took place while one division was en route overseas, and the confusion and adverse effect on morale and esprit may well be imagined.

In addition, contrary to a congressional statement of policy in the Selective Training and Service Act of 1940, hundreds of National Guard units, many of them with a long historical tradition, were broken up during the period of World War II. No explanation has ever been given for why this was done, and it would be difficult to explain the reason why, when National Guard divisions were finally converted to the triangular type, the surplus units were not utilized to organize from six to nine divisions with all trained personnel instead of organizing new divisions with untrained men.

But the units the Army left alone, even without the benefits of modernization and little active duty training, acquitted themselves admirably. For instance, an artillery regiment from the State of New Mexico underwent a conversion starting in April of 1940 and then was inducted into Federal service on January 6, 1941. The regiment was sent immediately into combat in the Philippines and on April 9, 1942, surrendered to Japanese forces on Luzon. In the 4 months the organization was in combat it hung on fiercely. The August 7, 1950, edition of Life magazine said of them: "Their guns burned out firing at Japanese planes, and at the end they were turned into infantry to protect MacArthur's retreat. After the fall of Bataan nearly all the survivors joined the Death March." Less than half ever came home.

*World War II*

| Division | Date mobilized | Date overseas |
|---|---|---|
| 26th | January 1941 | September 1944. |
| 27th | October 1940 | March 1942. |
| 28th | February 1941 | October 1943. |
| 29th | do | October 1942. |
| 30th | September 1940 | February 1944. |
| 31st | November 1940 | April 1944. |
| 32d | October 1940 | May 1942. |
| 33d | March 1941 | July 1943. |
| 34th | February 1941 | January 1942. |
| 35th | December 1940 | May 1944. |
| 36th | November 1940 | April 1943. |
| 37th | October 1940 | May 1942. |
| 38th | January 1941 | December 1943. |
| 40th | March 1941 | August 1942. |
| 41st | September 1940 | March 1942. |
| 43d | February 1941 | October 1942. |
| 44th | September 1940 | September 1944. |
| 45th | do | June 1943 |

Mr. Louis Morton in the book "The Fall of the Philippines," says of the unit: "Acts of personal heroism were commonplace * * * men dashed into flaming buildings to rescue their comrades as well as supplies and equipment. Others braved the strafing gunfire to aid the wounded. One private appropriated an abandoned truck and made seven trips with wounded men to the station hospital."

Even those units that were cannibalized and reorganized acquitted themselves quite well. When the mobilization was completed on October 1, 1941, the size of the Army had been doubled by the activation of the National Guard.

It is estimated that over 75,000 National Guard enlisted men became commissioned officers during World War II, either by being graduated from officer candidate schools or by battlefield commissions. National Guard units participated in 34 separate campaigns and 7 assault landings. The casualties of National Guard divisions totaled approximately 175,000. Available records show that 148 Presidential citations were awarded to National Guard units for outstanding performance of duty in action or for conspicuous valor or heroism. Individual guardsmen received 14 Medals of Honor, 50 Distinguished Service Crosses, 48 Distinguished Flying Crosses, and more than 500 Silver Star Medals.

### KOREA

With the end of World War II the National Guard was completely demobilized as its members were separated from Federal service and returned directly to civilian life. For a short period, there actually was no National Guard.

A joint committee of the War Department General Staff drew up the policies for the postwar National Guard, which were approved by the Secretary of War on October 13, 1945. These policies delineated an entirely new conception of the National Guard as an M-Day (mobilization day) force, trained, equipped, and immediately available for service in the event of aggression by an enemy.

When hostilities commenced in Korea on June 27, 1950, the Guard had just completed a thorough job of rebuilding and reorganization following this deactivation. By June 30, 1951, 110,000 Army guardsmen from 1,457 units, including 8 infantry divisions and 3 regimental combat teams, were on active duty. These units would have been combat-ready in far less time than they actually took had they not been required to send many combat troops to Korea as individual replacements. The cannibalized units, plus the large amount of Guard equipment withdrawn from the States by the Department of Army (approximately $700 million worth of equipment and facilities in all), slowed down the Guard's preparation for battle. Despite these obstacles the Guard contributed significantly to the Korean conflict.

*Korean war*

| Division | Date mobilized | Date overseas |
|---|---|---|
| 28th | September 1950 | November 1951 (Europe). |
| 40th | do | March 1951 (Korea). |
| 43d | do | September-October 1951 (Korea). |
| 45th | do | March 1951 (Korea). |

Some units went right into battle and acquitted themselves well. For instance, the 313th and 204th Field Artillery Battalions of the Utah National Guard were ordered into Federal service in August, 1950. They were sent intact, with Utah officers and men, and additional fillers into Korea in January 1951. Between the date they were ordered into active service and their entry into combat, they received only 2 weeks of unit training. They saw 11 months of action. During that time they did not lose one man through enemy action, although one of the units received the Presidential citation for gallantry in action. There were approximately 700 Utah National Guardsmen involved.

### BERLIN MOBILIZATION

The Berlin mobilization was the most successful mobilization of National Guard forces in our history. On October 1, 1961, the 32d Infantry and the 49th Armored Division and the 104 nondivision units were 45,118 men strong. When mobilized on October 15, they brought into Federal service 98.3 percent of that strength.

Both of these divisions and the majority of the nondivisional units were combat ready in 4 months and are now members of the Strategic Army Corps. This is 2 months less time than was required of these divisions since they were both among the six divisions designated by General Taylor in 1955 as part of his "six by six" plan which required these divisions to be ready for combat in 6 months.

Many items of equipment in national short supply, both in the Active Army and in the Reserve components have been an Army-wide problem during this mobilization. The States responded to a levy made upon them for vehicles, self-propelled artillery and other weapons by delivering more than 8,000 such items to the Active Army in condition which permitted immediate use in training, not only by mobilized Guard and Reserve units, but by the units of the expanded Active Army. In doing this, the National Guard reenacted the role that it played in filling Army shortages in the Korean war. Great publicity has been given to complaints from inducted reservists. Investigation shows that but few active members of inducted Guard or Reserve units were involved. The bulk of the complaints came from fillers. General Van Fleet, in a report concerning these complaints, said:

"The spirit of the citizen-soldier in all of the units and camps visited stands out as the one indelible impression. It is magnificent and truly reflects the readiness of America to answer the call of the President in this or any other emergency. Complaints are insignificant and not representative of the overwhelming majority. The headlines appearing in the press of dissatisfaction and inadequacy of supplies are overstated. Morale is extremely high in all units. The quality of these units is far above any previous mobilization that took place in World War II or Korea."

This success was made possible because several policies which the National Guard had been working for since the First World War were adopted. During the Korean conflict, though the National Guard had been brought to the highest state of modernization and readiness in its history, its combat readiness was hampered after mobilization by the requirement of breaking up recalled units to send individual replacements to Korea. The maintenance of unit integrity, for the first time, during the Berlin mobilization solved this problem and the success of the mobilization proved the wisdom of the practice.

The second great help to the success of the mobilization concerned reorganization. During the mobilizations of the two World Wars, modernization and formation of the basic National Guard division structure was not begun until the crises were upon us. But during the mobilization the modernization to the Pentomic division concept had been completed 3 years before the mobilization, preventing the resultant confusion and damage to readiness posture after recall.

Finally, General Van Fleet's observations were possible because of the actions taken by the National Guard following the Korean war.

Personnel: Higher enlistment standards were imposed, paralleling those of the Active Army. Seventy percent of all guard personnel have been trained on active duty. Approximately 80 percent of National Guard officers are veterans. Virtually all new officer appointments are graduates of Officers Candidate Schools and all officers must complete Army Service School resident or extension courses to qualify for promotion.

Training: Because all of its members were basically combat trained, the National Guard, for the past 3 years, has been able to devote all its time to the training of its batteries and companies as units.

The high level of training achieved in the National Guard is due in large extent to the 6-month training. Though viewed with some apprehension by the National Guard when instituted, it has been a major factor in producing mobilization readiness.

The drill attendance attained by these units is 93 percent—up since Korea from 77 percent. Annual field training attendance has climbed to 97 percent.

Technicians: A recognized major factor in this mobilization readiness has been the National Guard technician program. In this recent mobilization, these technicians constituted a hard core of professionals who materially assisted in the transition from State to Federal service and who are fully qualified to carry on their administrative, training, and maintenance functions for the mobilized National Guard.

National Guard maintenance: Every battalion in the National Guard operates its own organizational maintenance shop, manned by technicians who are members of units. These shops are backed up in each State by a combined field maintenance shop also operated by technicians who are members of National Guard ordnance units. This system has met every peacetime requirement and has now met the demands of active Federal service.

Administration: The conversion from State to Federal status was facilitated by adoption, during the past few years, of Active Army administrative procedures. The Guard now uses Active Army personnel forms.

A recently adopted change to the National Guard property accounting system simplified the transfer of property accountability from the States back to the Federal Government.

The Army pay voucher system was applied to the Guard in 1960.

During the months immediately preceding the recent mobilization, the Guard Bureau, together with State authorities, reviewed and refined all mobilization procedures relating to supply and personnel matters.

Facilities: Seventy percent of armory requirements have been provided. Provision of these fine facilities is reflected in the level of unit training and in the excellent state of administration.

To the 900 still satisfactory armory facilities constructed by the States prior to World War II, have been added the 1,054 new armories built under the provisions of the RFFA of 1950. In addition, the States at great cost to themselves, and with some assistance from Federal appropriations, have provided field training facilities without which it would have been impossible to train our divisions and other units.

These premobilization actions made possible the statement of Gen. George H. Decker, Chief of Staff, U.S. Army, following his visit to the 32d Infantry Division at Fort Lewis and the 49th Armored Division at Fort Polk:

"The most impressive fact concerning the Reserve Forces on active duty is the high quality of personnel of all ranks, I was most favorably impressed by their keenness of mind, their professional skill and their devotion to duty."

To that it can be added that the Army could have called up any two from a dozen National Guard divisions which would have earned the same praise from the Chief of Staff.

Mr. **GOLDWATER**. Mr. President, failing to include an equally detailed report on Naval Reserve Forces does not by any means indicate either a lack of interest in that field or a lack of appreciation of their tremendous contribution in the Reserve area. It is only that I am better acquainted with the activities particularly in the Air and the Army, having been a member during my life of both the Air National Guard and the Air Reserve and the Infantry Reserve. It is interesting to note, however, that the Navy activated 40 destroyers and destroyer escorts, and 18 antisubmarine squadrons. These were mostly manned by Reserve personnel and they were sent within a matter of a very few weeks into active duty. Some of these destroyers formed part of the antisubmarine group in the North Atlantic. In fact, the antisubmarine warning system was greatly strengthened by the bringing in of Naval Reserves.

In all, Mr. President, we of this country are indebted to the men and women we call weekend soldiers or weekend sailors or weekend airmen, because they comprise a tremendously strong string of substitutes who sit on the bench waiting to be called in to help their regular brothers already on the field. It is to be hoped that this thoughtless reduction, as has been suggested by the Department of Defense, will be ignored by both Houses of Congress, and that the Department itself will recognize the need for the retention of the strength of the Reserve Forces and the building up of this strength rather than the tearing down of it.

Mr. President, I ask unanimous consent to have printed in the RECORD two documents relating to the call to active duty and release of National Guard units.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

*Air National Guard units called and release date*

| Unit | Base of release | Release completed by— |
|---|---|---|
| 1. 161st Fighter Group, including 197th Fighter-Interceptor Squadron (augmented) returning from Ramstein, Germany. | Sky Harbor Airport, Phoenix, Ariz | Aug. 15 |
| 2. 134th Fighter Group, including 151st Fighter-Interceptor Squadron (augmented) returning from Ramstein, Germany. | McGee-Tyson Airport, Knoxville, Tenn | Do. |
| 3. 169th Fighter Group, including 157th Fighter-Interceptor Squadron (augmented) returning from Moron, Spain. | McEntire Air National Guard Base, S.C | Do. |
| 4. 435th Troop Carrier Wing, excluding squadrons listed in 5 and 6, below | Homestead Air Force Base, Fla | Aug. 27 |
| 5. 77th Troop Carrier Squadron | Donaldson Air Force Base, S.C | Do. |
| 6. 78th Troop Carrier Squadron | Barksdale Air Force Base, La | Do. |
| 7. 442d Troop Carrier Wing Headquarters, excluding squadron listed in 8, below | Richards-Gebaur Air Force Base, Mo | Do. |
| 8. 305th Troop Carrier Squadron | Tinker Air Force Base, Okla | Do. |
| 9. 108th Tactical Fighter Wing, including elements returning from Chaumont, France, but excluding squadrons listed in 10 and 11, below. | McGuire Air Force Base, N.J | Aug. 20 |
| 10. 119th Tactical Fighter Squadron (augmented) | Atlantic City, N.J | Do. |
| 11. 149th Tactical Fighter Squadron (augmented) | Byrd Field, Richmond, Va | Do. |
| 12. 113th Tactical Fighter Wing, excluding squadrons listed in 13 and 14, below | Andrews Air Force Base, Md | Aug. 24 |
| 13. 120th Tactical Fighter Squadron (augmented) | Buckley Field, Denver, Colo | Do. |
| 14. 136th Tactical Fighter Squadron (augmented) | Niagara Falls Municipal Airport, N.Y | Do. |
| 15. 117th Tactical Reconnaissance Wing, including elements returning from Chaumont and Dreux, France, but excluding squadrons listed in 16, 17, and 18, below. | Sumpter Smith Air National Guard Base, Birmingham, Ala. | Aug. 20 |
| 16. 153d Tactical Reconnaissance Squadron (augmented) | Key Field, Meridian, Miss | Do. |
| 17. 160th Tactical Reconnaissance Squadron (augmented) | Donnelly Field, Montgomery, Ala | Do. |
| 18. 184th Tactical Reconnaissance Squadron (augmented) | Municipal Airport, Fort Smith, Ark | Do. |
| 19. 131st Tactical Fighter Wing, including elements returning from Toul, France, but excluding squadrons listed in 20 and 21, below. | Lambert Field, St. Louis, Mo | Do. |
| 20. 169th Tactical Fighter Squadron (augmented) | Greater Peoria Airport, Ill | Do. |
| 21. 170th Tactical Fighter Squadron (augmented) | Capitol Airport, Springfield, Ill | Aug. 1 |
| 22. 102d Tactical Fighter Wing, including elements returning from Phalsbourg, France, but excluding squadrons listed in 23 and 24, below. | Logan International Airport, Boston, Mass | Aug. 20 |
| 23. 131st Tactical Fighter Squadron, returning from Phalsbourg, France | Barnes Field, Westfield, Mass | Do. |
| 24. 138th Tactical Fighter Squadron (augmented) returning from Phalsbourg, France | Hancock Field, Syracuse, N.Y | Do. |
| 25. 122d Tactical Fighter Wing, including elements returning from Chambley, France, but excluding squadrons listed in 26 and 27, below. | Baer Field, Fort Wayne, Ind | Do. |
| 26. 112th Tactical Fighter Squadron (augmented) | Express Airport, Toledo, Ohio | Do. |
| 27. 113th Tactical Fighter Squadron (augmented) | Hulman Field, Terre Haute, Ind | Do. |

*Air National Guard units called and release date*—Continued

| Unit | Base of release | Release completed by— |
|---|---|---|
| 28. 121st Tactical Fighter Wing, including elements returning from Etain, France, but excluding squadrons listed in 29 and 30, below. | Lockbourne Air Force Base, Columbus, Ohio | Aug. 20 |
| 29. 162d Tactical Fighter Squadron (augmented) | Municipal Airport, Springfield, Ohio | Do. |
| 30. 164th Tactical Fighter Squadron (augmented) | Municipal Airport, Mansfield, Ohio | Do. |
| 31. Elements of 152d Tactical Control Group returning from Germany (from Roslyn, N.Y.): | | |
| (a) Group Headquarters and 106th Tactical Control Squadron (from Roslyn, N.Y.) | Bolling Air Force Base, D.C. | [1] |
| (b) 102d A.C. & W. Squadron (Howard, R.I.) | do | [1] |
| (c) 101st A.C. & W. Flight (Worcester, Mass.) | do | [1] |
| (d) 103d A.C. & W. Squadron (Orange, Conn.) | do | [1] |
| (e) 108th A.C. & W. Flight (Syracuse, N.Y.) | do | [1] |
| (f) 123d A.C. & W. Squadron (Blue Ash, Ohio) | do | [1] |
| (g) 112th A.C. & W. Flight (State College, Pa.) | do | [1] |
| 32. 133d Air Transport Wing, excluding groups listed in 33 and 34, below | Minneapolis-St. Paul International Airport, Minn. | Aug. 31 |
| 33. 157th Air Transport Group | Grenier Field, Manchester, N.H. | Do. |
| 34. 109th Air Transport Group | City Airport, Schenectady, N.Y. | Do. |
| 35. 146th Air Transport Wing, excluding group listed in 36, below | Van Nuys, Calif. | Do. |
| 36. 138th Air Transport Group | Municipal Airport, Tulsa, Okla | Do. |
| 37. Weather flights: | | |
| (a) 101st Weather Flight | Logan International Airport, Boston, Mass | Do. |
| (b) 113th Weather Flight | Hulman Field, Terre Haute, Ind | Do. |
| (c) 121st Weather Flight | Andrews Air Force Base, Md | Do. |
| (d) 125th Weather Flight | Municipal Airport, Tulsa, Okla | Do. |
| (e) 131st Weather Flight, returning from Phalsbourg, France | Barnes Field, Westfield, Mass | Do. |
| (f) 163d Weather Flight, returning from Chambley, France | Baer Field, Fort Wayne, Ind | Do. |
| (g) 164th Weather Flight, returning from Etain, France | Municipal Airport, Mansfield, Ohio | Do. |
| (h) 195th Weather Flight | Van Nuys, Calif | Do. |

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[1] Release is planned to be done incrementally between mid-July and early August.

*Army National Guard units called to active duty and release dates*

ALABAMA

| Unit | Mobilization station | Home station | Begin movement on— |
|---|---|---|---|
| HHC, 1st Medium Tank Battalion, 131st Armor | Camp Irwin | Ozark | Aug. 1 |
| 146th Engineer Cnstruction Battalion | Fort Rucker | Enterprise | Do. |
| 711th Signal Battalion, combat area | Fort Gordon | Mobile | Do. |
| 145th Quartermaster Company | Fort Lee | Georgiana | Do. |
| 900th Engineer Company, maintenance direct support | Fort Polk | Brundidge | Aug. 5 |
| 128th Medical Company, maintenance | Fort Benning | Fairhope | Do. |
| 186th Engineer Company, light equipment | do | Brewton | Aug. 7 |
| 129th Medical Clearing Company | do | Mobile | Do. |
| 403d Ordnance Company, ammunition | Fort Chaffee | Florala | Do. |
| 282d Transportation Company, direct support | Fort Eustis | Birmingham | Do. |
| HHB, 2d Howitzer Battalion, 203 Artillery | Fort Polk | Auburn | Aug. 9 |
| 279th Signal Battalion, corps | Fort Hood | Huntsville | Do. |
| 109th Evacuation Hospital | Fort Polk | Tarrant | Do. |
| 131st Ordnance Company, general auto support | Fort Benning | Oxford | Do. |
| 156th Military Police Battalion, Army | Fort Gordon | Linden | Do. |

ARIZONA

| | | | |
|---|---|---|---|
| 222d Transportation Company, light truck | Fort Ord | Winslow | Aug. 1 |

ARKANSAS

| | | | |
|---|---|---|---|
| 404th Ordnance Company, general auto support | Fort Chaffee | Monticello | Aug. 5 |
| 216th Medical Clearing Company | Fort Benning | Lake Village | Aug. 7 |
| 172d Engineer Company, maintenance, direct support | Fort Bragg | Heber Springs | Aug. 9 |
| 148th Evacuation Hospital | Fort Chaffee | Little Rock | Do. |
| 296th Medical Holding Company | do | Booneville | Do. |
| 219th Medical Company, ambulance | do | Dewitt | Aug. 11 |

CALIFORNIA

| | | | |
|---|---|---|---|
| 152d Medical Company, air ambulance | Fort Ord | Sacramento | Aug. 1 |
| 3668th Ordnance Company, ammunition | Fort Lewis | Redlands | Do. |
| 161st Ordnance Company, field supply | do | Long Beach | Do. |
| 123d Ordnance Company, general support | Camp Irwin | do | Do. |

COLORADO

| | | | |
|---|---|---|---|
| 928th Medical Company, ambulance | Fort Carson | Burlington | Aug. 1 |
| 169th Field Artillery, HHB | Fort Sill | Denver | Aug. 5 |
| 947th Medical Clearing Company | Fort Carson | do | Aug. 7 |
| 140th Signal Battalion, combat area | Fort Riley | do | Aug. 9 |
| 122d Medical Company, ambulance | Fort Polk | Trinidad | Aug. 11 |

DELAWARE

| | | | |
|---|---|---|---|
| 1049th Transportation Company, aircraft highway maintenance | Fort Meade | New Castle | Aug. 7 |
| 109th Ordnance Battalion, ammunition HHD | Aberdeen Proving Ground | Middletown | Aug. 9 |
| 116th Surgical Hospital | Fort Campbell | New Castle | Do. |

*Army National Guard units called to active duty and release dates*—Continued

| Unit | Mobilization station | Home station | Begin move-on— |
|---|---|---|---|
| DISTRICT OF COLUMBIA | | | |
| 107th Engineer Company, panel bridge | Fort Meade | Washington, D.C | Aug. 1 |
| 114th Engineer Company, panel bridge | Fort Benning | do | Aug. 5 |
| FLORIDA | | | |
| 379th Signal Detachment (RQ) | Tobyhanna | Camp Blanding | Aug. 1 |
| 39th Signal Detachment (RQ) | do | Jacksonville | Do. |
| 144th Transportation Company, Light Truck | Fort Bragg | Marianna | Aug. 5 |
| 149th Quartermaster Company, Petrol Depot | Fort Lee | West Palm Beach | Aug. 7 |
| 158th Transportation Company, Light Truck | Fort Benning | Cocoa | Aug. 9 |
| GEORGIA | | | |
| 111th Signal Battalion, Army | Fort Meade | Washington | Aug. 9 |
| IDAHO | | | |
| 129th Engineer Company, Dump Truck | Fort Lewis | Driggs | Aug. 1 |
| 616th Transportation Company, Light Truck | do | Emmett | Do. |
| 938th Engineer Company, Dump Truck | do | Ashton | Do. |
| 139th Engineer Battalion, Combat | do | Nampa | Aug. 7 |
| 145th Engineer Group, Combat HHC | do | Idaho Falls | Do. |
| ILLINOIS | | | |
| 128th Ordnance Company, Field Supply | Fort Leonard Wood | Quincy | Aug. 5 |
| 3637th Ordnance Company, Direct Auto Support | Fort Knox | Springfield | Aug. 7 |
| IOWA | | | |
| 1063d Aviation Company, Fixed Wing | Fort Riley | Waterloo | Aug. 1 |
| KANSAS | | | |
| 496th Ordnance Group, Maintenance and Supply, HHD | Fort Riley | Topeka | Aug. 1 |
| 110th Ordnance Battalion, Ammunition, HHD | do | Norton | Do. |
| 110th Ordnance Company, General Auto Support | do | Manhattan | Do. |
| 170th Ordnance Company, Ammunition | Fort Bliss | Mankato | Aug. 9 |
| 250th Ordnance Company, Direct Auto Support | Fort Riley | Marysville | Do. |
| KENTUCKY | | | |
| 2d Medium Tank Battalion, 123d Armor | Fort Stewart | Owensboro | Aug. 7 |
| 413th Ordnance Company, General Support | do | Frankfort | Do. |
| 3d Medium Tank Battalion, 123d Armor | Fort Knox | Bowling Green | Aug. 9 |
| LOUISIANA | | | |
| 159th Evacuation Hospital | Fort Sill | New Orleans | Aug 5 |
| 3628th Ordnance Company, Direct Auto Support | do | Lafayette | Do. |
| 769th Signal Battalion, Cable Construction | Fort Polk | Baton Rouge | Aug. 7 |
| 415th Ordnance Company, General Auto Support | Fort Campbell | Alexandria | Aug. 9 |
| 204th Transportation Group, Truck HHD | Fort Eustis | New Orleans | Do. |
| MAINE | | | |
| 2d Medium Tank Battalion, 20 Armor | Fort Campbell | Lewiston | Aug. 7 |
| MASSACHUSETTS | | | |
| 664th Medical Detachment (OA) | Fort Devens | Pittsfield | Aug. 1 |
| 3d Howitzer Battalion, 211 Artillery | Fort Bragg | Fall River | Aug. 5 |
| 1st Howitzer Battalion, 211 Artillery, 155 millimeter | do | New Bedford | Aug. 7 |
| 102d Field Artillery Group, HHB | do | Fall River | Aug. 9 |
| MICHIGAN | | | |
| 156th Signal Battalion, Combat Area | Fort Benning | Detroit | Aug. 5 |
| MISSISSIPPI | | | |
| 148th Engineer Company, Maintenance Direct Support | Fort Rucker | Pascagoula | Aug. 1 |
| 367th Ordnance Company, Direct Auto Support | Fort Bragg | Natchez | Do. |
| 114th Military Police Company | Fort Gordon | Jackson | Aug. 5 |
| 1065th Transportation Company, Light Truck | Fort Polk | Poplarville | Do. |
| 156th Engineer Company, Light Equipment | do | Yazoo City | Do. |
| 223d Engineer Battalion, Construction | do | West Point | Do. |
| 134th Surgical Hospital | Fort Polk | Jackson | Aug. 7 |
| 123d Medical Company, Air Ambulance | Fort Bragg | Meridian | Aug. 9 |
| 134th Transportation Company, Light Truck | Fort Chaffee | Bay St. Louis | Do. |

*Army National Guard units called to active duty and release dates*—Continued

MISSOURI

| Unit | Mobilization station | Home station | Begin movement on— |
|---|---|---|---|
| 106th Ordnance Company, General Auto Support | Fort Knox | Desoto | Aug. 5 |
| 864th Medical Company, Ambulance | Fort Riley | St. Louis | Aug. 7 |
| 204th Signal Battalion, Supply and Maintenance | Fort Benning<br>Fort Campbell<br>Fort Bragg | do | Do. |

NEBRASKA

| | | | |
|---|---|---|---|
| 24th Medical Company, Air Ambulance | Fort Leonard Wood | Wahoo | Aug. 1 |
| 1057th Transportation Company, Light Truck | Fort Carson | York | Do. |
| 1056th Transportation Company, Light Truck | Fort Sill | Crete | Aug. 5 |

NEW HAMPSHIRE

| | | | |
|---|---|---|---|
| 157th Signal Company, Construction | Fort Meade | Manchester | Aug. 1 |
| 4th Howitzer Battalion, 197th Artillery, 155 Millimeter | Fort Bragg | Keene | Aug. 5 |
| 2d Howitzer Battalion, 172d Artillery, 8-inch Towed | do | Nashua | Aug. 7 |
| 1st Howitzer Battalion, 172d Artillery | do | Manchester | Aug. 9 |

NEW JERSEY

| | | | |
|---|---|---|---|
| 114th Surgical Hospital | Fort Dix | Paterson | Aug. 1 |
| 141st Transportation Company, Light Truck | do | Orange | Do. |
| 253d Transportation Company, Light Truck | Fort Campbell | do | Aug. 5 |
| 30th Ordnance Battalion, Maintenance and Supply HHD | Fort Bliss | Camden | Do. |
| 112th Field Artillery Group, HHB | Fort Polk | Trenton | Aug. 9 |
| 122d Ordnance Company, Direct Support | Fort Chaffee | Camden | Do. |

NEW MEXICO

| | | | |
|---|---|---|---|
| 394th Signal Detachment, RQ | Tobyhanna | Albuquerque | Aug. 1 |

NEW YORK

| | | | |
|---|---|---|---|
| 134th Ordnance Company, Direct Auto Support | Fort Dix | Rochester | Aug. 1 |
| 587th Transportation Company, Terminal Service | Fort Eustis | Neconset | Do. |
| 105th Military Police Company | Fort Benning | Utica | Do. |
| 101st Signal Battalion, Combat Area | Fort Devens | Yonkers | Aug. 5 |

NORTH CAROLINA

| | | | |
|---|---|---|---|
| 123d Signal Detachment, RQ | Tobyhanna | Wilmington | Aug. 1 |

NORTH DAKOTA

| | | | |
|---|---|---|---|
| 818th Engineer Company, Dump Truck | Fort Lewis | Bottineau | Aug. 1 |
| 896th Engineer Company, Float Bridge | Fort Riley | Bismarck | Do. |
| 769th Transportation Company, Light Truck | do | Mott | Do. |
| 164th Engineer Group, Combat HHC | Fort Leonard Wood | Bismarck | Aug 5 |
| 164th Engineer Battalion, Combat | Fort Riley | Minot | Do. |
| 231st Medical Clearing Company | do | Grand Forks | Aug. 7 |

OHIO

| | | | |
|---|---|---|---|
| 131st Medical Company, Collecting | Fort Campbell | Xenia | Aug. 1 |
| 112th Ordnance Company, Direct Support | Fort Sill | Newark | Aug. 7 |
| 3641st Ordnance Company, Direct Auto Support | Fort Knox | Port Clinton | Aug. 9 |
| 357th Ordnance Company, General Supply | do | Elyria | Do. |

PENNSYLVANIA

| | | | |
|---|---|---|---|
| 165th Military Police Battalion | Fort Polk | Lehighton | Aug. 5 |
| 131st Transportation Company, Light Truck | do | Wellsboro | Aug. 11 |

RHODE ISLAND

| | | | |
|---|---|---|---|
| 107th Signal Support | Fort Sill | Providence | Aug. 5 |

SOUTH CAROLINA

| | | | |
|---|---|---|---|
| 111st Signal Company, Large Base | Fort Benning | Greenville | Aug. 5 |
| 108th Signal Battalion, Support HHD | Fort Stewart | Greenwood | Aug. 9 |

*Army National Guard units called to active duty and release dates*—Continued

| Unit | Mobilization station | Home station | Begin movement on— |
|---|---|---|---|
| **SOUTH DAKOTA** | | | |
| 211th Engineer Company, Panel Bridge | Fort Lewis | Lemmon | Aug. 1 |
| 740th Transportation Company, Light Truck | Fort Carson | Milbank | Do. |
| 741st Transportation Company, Light Truck | do | Clear Lake | Do. |
| 214th Engineer Company, Dump Truck | Fort Polk | Mobridge | Aug. 5 |
| 1st Howitzer Battalion, 147th Artillery | Fort Sill | Sioux Falls | Aug. 7 |
| 730th Medical Clearing Company | Fort Riley | Winner | Do. |
| 115th Signal Company, Support | do | Yankton | Aug. 9 |
| **TEXAS** | | | |
| 136th Transportation Company, Medical Helicopter | Fort Riley | Austin | Aug. 1 |
| 49th Armored Division | Fort Polk | Dallas | Aug. 5 |
| 1104th Transportation Company, Aircraft Heavy Maintenance | Atlanta General Depot | Carrizo Springs | Aug. 7 |
| 122d Transportation Company, Direct Support | Fort Hood | Ellington | Do. |
| **UTAH** | | | |
| 144th Evacuation Hospital | Fort Leonard Wood | Fort Douglas | Aug. 1 |
| 1st Target Acquisition Battalion, 140th Artillery | Fort Hood | do | Aug. 5 |
| 115th Engineer Battalion, Combat | Fort Lewis | Murray | Aug. 7 |
| XI Corps Artillery, HHB | Fort Hood | Fort Douglas | Aug. 9 |
| 116th Engineer Company, Light Equipment | Fort Lewis | Springville | Do. |
| 3659th Ordnance Company, Direct Auto Support | do | Salt Lake City | Do. |
| 115th Ordnance Company, Direct Support | do | Fort Douglas | Do. |
| **VERMONT** | | | |
| 58th Engineer Battalion, Depot HHD | Granite City | Middlebury | Aug. 1 |
| 45th Engineer Company, Dump Truck | Fort Devens | Proctor | Aug. 5 |
| 131st Engineer Company, Light Equipment | do | South Burlington | Do. |
| **VIRGINIA** | | | |
| 2d Howitzer Battalion, 111th Artillery | Fort Campbell | Richmond | Aug. 5 |
| 189th Engineer Company, Float Bridge | Fort Belvoir | Fredericksburg | Do. |
| 684th Signal Company, Support | Fort Bragg | Radford | Aug. 9 |
| **WASHINGTON** | | | |
| 1041st Transportation Company, Staging Area | Fort Lewis | Camp Murray | Aug. 7 |
| **WEST VIRGINIA** | | | |
| 150th Armored Cavalry Regiment | Fort Meade | St. Albans | Aug. 9 |
| 3664th Ordnance Company, Direct Support | Fort Polk | Point Pleasant | Aug. 11 |
| **WISCONSIN** | | | |
| 32d Infantry Division | Fort Lewis | Milwaukee | Aug. 1 |
| **WYOMING** | | | |
| 1022d Engineer Battalion, Combat | Fort Lewis | Laramie | Aug. 9 |

## PROFITS CREATE JOBS

Mr. GOLDWATER. Mr. President, on June 8 my distinguished and delightful friend, Senator HUMPHREY, of Minnesota, commented upon my astonishment that Mr. George Meany, the president of the AFL–CIO, apparently from his own remarks, does not understand how profits mean more jobs. The Senator, in his customary, complete manner, made available the complete remarks of Mr. Meany by placing them in the RECORD. I am glad that he did this because my comments were based merely on the newspaper accounts of his statement. However, on reading carefully the remarks as inserted in the RECORD, I feel that, while Mr. Meany certainly must understand the relationship of profit to job, his remarks do not indicate this. Mr. President, no man who has worked as hard as Mr. Meany all of his life, climbing as he has to the presidency of America's greatest labor organization, could conceivably question the fact that capital which stems from profits creates jobs. It is unfortunate, therefore, that in his remarks at the White House Conference he did put the question in such a manner that the casual reader would have no doubts about Mr. Meany's economic understanding.

Mr. Meany and my friend from Minnesota, as well as all Americans, are deeply concerned about the problem of unemployment, but, unfortunately, they do not recognize that many people take employment as just one of those things that happen. Jobs are created by invested capital and capital is created by profit. This cycle is the nearest thing to perpetual motion man has ever devised and it is only when man begins to tamper with the natural functioning of this cycle that unemployment occurs. Mr. Meany comments in his remarks about great profits and the fact that some of them are increasing year after year. In volume, this is true—in other words, the total profits of the Nation have risen but the percentage of profits to sales has not increased since 1950.

If needed tax adjustments can be made, particularly in the field of depreciation allowance, the creation of investment capital will begin again and jobs will pick up. I might remind my colleagues that the worldwide depression into which we entered in 1929 started in Austria when that country's capital structure gradually dried up. Austria had gone through a long period of government investing in noncapital ventures much as we have been doing in this country, and when there was no more money to invest, the banks closed up and the depression started. To prevent our economy from suffering the same fate, it behooves all of us occupied in Government to bend our efforts to the end that Government becomes less demanding on the profits of companies and people so that companies and people can invest their money in the form of capital in new businesses, new machines, and new jobs.

## VIETNAM—ANOTHER KOREA?

Mr. MORSE. Mr. President, Dr. Hans J. Morgenthau is widely recognized as one of the leading authors and writers on foreign policy subjects. Recently there was published in the magazine Public Affairs, an article which Dr. Morgenthau has written on the subject "Vietnam—Another Korea?"

Dr. Morgenthau is director of the Center for the Study of American Foreign and Military Policy, at the University of Chicago. His most recent book is entitled "The Purpose of American Politics."

In the article on Vietnam, Dr. Morgenthau challenges some of our present policies in South Vietnam and raises some very pertinent questions to which our Government needs to give heed as we reappraise American foreign policy in southeast Asia, and with particular reference to South Vietnam.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### VIETNAM—ANOTHER KOREA?

(By Hans J. Morgenthau)

The involvement of the United States in the Vietnamese war poses acutely two fundamental issues with which American foreign policy has tried to come to terms elsewhere, and which it is likely to have to face in Vietnam and elsewhere in an even more acute form. These issues are: the unqualified support we are extending to regimes whose political weakness compels us in the end to commit ourselves militarily beyond what our national interest would require; and the peripheral containment of Communist China. In order to understand the nature of the issues as they pose themselves in Vietnam, it is first necessary to take a look at the history of our involvement in the affairs of Vietnam.

That history has been determined by a number of paradoxes. The war which France fought in Indochina until the Geneva agreement ended it in 1954 was for her essentially a colonial war, no different from the wars that France and Spain had fought in Africa in the twenties. For the great majority of the Vietnamese, on the other hand, the war was a war for national liberation. However, for the two powers without whose intervention the Indochina war would have taken on a different character and might well have had a different outcome, the United States and Communist China, the war had nothing to do with national liberation of colonialism. As far as Communist China was concerned, the war was an attempt to extend the area of influence and domination of communism. For the United States, too, the main issue of the war was the expansion of communism. Certainly the United States did not support France for the purpose of maintaining French power in Indochina. The United States looked at the Indochina war as part and parcel of its overall strategy of containing communism throughout the world.

Yet while American interests were directly affected by the outcome of the Indochina war, the United States intervened only to the extent of supporting the French war effort; it did not intervene in the war itself nor did it participate actively in the Geneva settlement. On the one hand, the United States realized that the war was lost for the West, short of American intervention. On the other hand, it did not see fit, recovering as it was from the trauma of the Korean war just ended, to take over the military burden in Indochina which France had shouldered so long, with such enormous liabilities, and such lack of success. While the United States is committed to the containment of communism everywhere in the world, this commitment is obviously subject to qualifications; the limited involvement of the United States in the Indochina war and its passivity during the Geneva negotiations are cases in point.

The Geneva Conference ratified the military defeat of France and the political bankruptcy of its policy in Indochina. This defeat and bankruptcy having been complete before the conference, one must ask why a conference was held in the first place. From a strictly military point of view, the Vietminh could have marched south and forced the French to evacuate. Why, then, did the Communists agree to hold a conference? Why did the Soviet Union even emphasize at the Berlin Conference of 1954 the necessity for such a conference? And why was it that at the conference itself the Communist powers, for the sake of agreement, made important concessions to the West? The Communists went into the conference proposing the 14th parallel as the dividing line between North and South Vietnam, and they retreated to the 17th parallel. They originally demanded that elections be held 6 months after the armistice, and they conceded 2 years.

We have heard much of negotiating from strength. Certainly at Geneva in 1954, the Communists had strength. Yet they conducted the negotiations in the spirit of compromise, and the political settlement to which they agreed was much more advantageous to the West than was warranted by the actual military situation. It would certainly be absurd to suggest that it was magnanimity which induced the Communists to make these concessions, or that it was simply for the sake of an agreement per se that they were made. It seems to me that a consideration of why those concessions were made, why there was a conference to begin with, with a compromise agreement to terminate it, will give us an inkling of the place that South Vietnam holds today in the overall world situation, particularly from the point of view of the United States and its interests.

First of all, Communist China pursues in Asia an overall military and political objective which parallels the objective of the Soviet Union in Europe. It is to remove the power of the United States from the continent of Asia; for American power on the continent of Asia, especially in the form of military strong points, constitutes a permanent challenge to the power of Communist China on that continent. A continuation of the Indochina war, ending foreseeably with a complete military disaster for France, might still have led to the active participation of the United States and established it as a military power within the traditional sphere of influence of China.

Secondly, what the Communists conceded at Geneva, both they and many Western observers viewed as only temporary concessions. It was then generally believed that South Vietnam was doomed; that Ngo Dinh Diem was the creation of the United States, pulled out of a hat by desperate American officials; that he would be unable to master the chaos then prevailing in South Vietnam; and that elections, whenever held, would give an overwhelming majority to the Communists. Thus the Communists expected, and in view of the facts then available had a right to expect, that sooner or later South Vietnam would fall to them.

Thirdly, the Vietminh wanted to take over the Red River delta intact rather than to have to conquer it.

Finally, and perhaps most importantly, the Soviet Union had just embarked upon its new policy of transforming the cold war of position into a cold war of maneuver, which was to be decided not in southeast Asia but Europe. At that time France occupied a key position in the overall struggle for power in Europe. Its attitude was decisive for the success of the European Defense Community. By making a concession to France, by not humiliating France to the limit of its ability, the Soviet Union must have hoped to prevent France from ratifying EDC. For whatever reasons, France did not ratify EDC, and in that measure the expectations of the Soviet Union were justified.

II

However, the expectations of friend and foe alike, which anticipated the absorption of South Vietnam into the Communist orbit as inevitable, were belied by the vigor and success with which South Vietnam set about creating a new state from the ruins of a French colony. The vigor and at least temporary success of this seemingly hopeless experiment were due to three factors: American support, the qualities of the Vietnamese people, especially of the refugees from the north, and the personality of President Diem.

The United States, once the danger of getting involved in another Korean-type war had passed, recovered the ability to correlate its commitments to the objective of its foreign policy. That objective being the containment of communism, the United States embarked upon a concerted policy of political, military, and economic assistance to President Diem's regime. Without that assistance, President Diem could not have achieved his initial successes.

Yet these successes owe a great deal also to the extraordinary qualities of the Vietnamese people. Anybody who has traveled in Asia with his eyes open, beholding the different degrees of decay and backwardness, must have been impressed with the vitality and intelligence of the Vietnamese people. The order, vigor, and productivity of the refugee camps were—to take only one example—monuments to these qualities.

But the qualities of the Vietnamese people and American aid would not have been enough by themselves; they needed the fulcrum of President Diem's extraordinary personality in order to become effective as raw material in the building of a temporary political order in South Vietnam. In little more than a year Diem managed to get rid of the Emperor and make himself President; to establish his control over the army; to purge the police of the gangster element; to push back, and in part eliminate, the independent power of the religious sects and of the Communists; and thus to establish something approaching efficient administration in a considerable part of the territory of Vietnam. All this was done entirely by totalitarian means—suppression of political opposition, muzzling of the press, arbitrary executions, and so on. Nor were the positive—puritanical and ideological—elements of totalitarianism missing. Diem embarked upon a successful "Anti-Loose Living" campaign which soon transformed Saigon, the former Paris of southeast Asia, into the dullest of French colonial towns, and he also set up a most intricate and elaborate system of propaganda and control in the villages.[1]

It was obvious to me when I visited Vietnam in 1955—and I told President Diem so to his evident displeasure—that these policies would inevitably lead to a bipolarization of politics in South Vietnam. Supported by an oligarchy whose interests were tied to the regime, he would have to govern a politically frustrated and hence indifferent population, while the Communist underground would provide the only organized opportunity for political opposition. By equating all opposition with communism, he would force the popular aspirations for change into Communist channels. This is in fact what happened. Having to choose between President Diem's personal totalitarianism and the totalitarianism of communism, which at least can justify itself by a forward-looking philosophy, the Vietnamese people at best have abstained from choosing and at worst have chosen communism.

The extent of popular disaffection with the Diem regime is not known to American public opinion, which following the example of government, prefers to think of the problem of South Vietnam in terms of Communist aggression versus the defense of freedom. This disaffection is particularly widespread among those classes which are the natural supporters of a democratic regime or else its indispensable allies, such as busines and professional men, university teachers and students, civil servants, and army officers. It is especially strong among the refugees from the north, who, after fleeing from Communist totalitarianism, are disappointed and embittered at the discovery that they have exchanged one totalitarianism for another. Their disaffection extends to the Kennedy administration from which they expected support for their aspirations. It is significant and bodes ill for the future of the regime, moreover, that the intensity of disaffection increases with the degree of education and political sophistication.

The attitude of the great mass of the peasants, on the other hand, is marked by indifference to the ideological positions of either side. They tend to look at Diem as a kind of American puppet, the successor to Bao Dai, the French puppet, and at the Americans as the successors to French colonial rule. Communism means nothing to them one way or the other. What interests them and determines their attitude are the benefits and disadvantages to be expected from either side. Thus they will submit to, and cooperate with, whoever happens to exercise authority at a particular time, and prisoners will join the other side almost as a matter of course, only to rejoin their former friends if the fortunes of guerrilla war should change.

### III

How has American policy tried to cope with this situation? It has done so by two simple expedients, which have recommended themselves here as elsewhere exactly because of their simplicity: support for the domestic political status quo and military defense against the foreign enemy. Both policies are simple, as compared with the alternatives, in terms of the intellectual effort to be expended and the short-term political risks to be taken. But they also contradict each other in that the domestic political status quo is the greatest single impediment to successful military defense, short of commitments in men and material on the part of the United States out of all proportion to the American interests at stake. Nothing could be simpler than to see in President Diem's regime the only viable anti-Communist government of South Vietnam, which therefore must be supported come what may, despite one's misgivings about its philosophy and policies. Nothing could be simpler than to reduce the political and military instability of South Vietnam to the result of Communist aggression from without to be countered by military action. But the very simplicity of these conceptions distorts a complex reality, and in consequence, policies based upon them are bound to be unsuccessful or can be made successful only at disproportionate costs and at inordinate risks.

If it was obvious to a casual observer like myself in 1955, it could not have been lost upon the experts 6 years later, that the main source of the political and military instability of South Vietnam must be sought in the very status quo which our policy is committed to maintain. If South Vietnam had a government which could count upon the loyalty of its civil service and armed forces and the support of the peasants, guerrillas would not be able to control whole provinces and penetrate to the very outskirts of the capital. Guerrilla warfare is a political problem before it is a military one. Both in Malaya and Greece, military action against the guerrillas remained ineffective until drastic political reforms removed the causes for popular indifference and hostility. The case of Greece is particularly instructive in this respect; for here the United States in the late forties had to cope with a situation not dissimilar from that which confronts it today in South Vietnam. The United States was able to restore peace and order in Greece through a coordinated political, economic, and military campaign which required the commitment of limited American resources because it gave priority to political and economic reforms. The arguments advanced on behalf of the inevitability of the existing political and economic status quo were as specious in the case of Greece a they are now in the case of South Vietnam.

The idea that there is no alternative to Diem is in the nature of a self-fulfilling prophecy. There appears to be no alternative to Diem only because we have placed all our bets on him. Six years ago, I was impressed with both the number and quality of public figures who took a passionate and intelligent interest in establishing a free and decent political order in South Vietnam. It is of course impossible to say from a distance whether such men are still available today. But certainly the United States could, if it had a mind to, find a general who could take over the reins of government and through whom the necessary political, economic, and social reforms could be effected.

The United States has two alternative policies to choose from: political reforms as a precondition for the restoration of peace and order in South Vietnam, or purely military means. The former policy requires the elimination of Diem and demands of American officials in the field great manipulative skills and exposes them to considerable short-term political risks, while it is likely to require of the United States but a limited military commitment. On the highest level at least, the Government of the United States seems to have recognized the need for such political reforms, but there is no indication that this intellectual recognition has been transformed into effective political action in Saigon. Thus we have been forced to choose, halfheartedly and almost by default, the other alternative of a purely military solution.

### IV

This policy is a legacy from the Dulles era. It was then widely held that the acquisition by a Communist power of any piece of territory, regardless of its size and location, was a calamity which signaled the beginning of the end for the free world. Vietnam, for instance, was considered to be the "cork in the bottle," the "first in a row of dominoes"; if it fell all of Indochina would fall, too. In fact, of course, North Vietnam went Communist, but South Vietnam did not, nor did the other states of Indochina. This unexpectedly favorable outcome of the Indochina war provides empirical proof for the proposition that Communist territorial gains can be localized and affect the interests of the United States adversely in differing degrees.

The misconception that each Communist territorial gain constitutes for the United States a calamity of the first magnitude has as its corollary the proposition that the United States must commit its military power to the defense of any territory that might be threatened by Communist subversion or aggression. The indiscriminate policy of alliances, offering our military support to whatever nation was willing to accept it (i.e., SEATO and the Eisenhower doctrine) reflects that conviction. However, when the chips were down we were fortunately capable of distinguishing among interests which did not require any American military commitment at all, those which required a limited military commitment, and those which might require an all-out military commitment. Thus we did not intervene in the Indochina war, risking thereby, and reconciling ourselves to, the loss of all of Vietnam to the Communists. We did not commit our military strength to the liberation of the countries of Eastern Europe, of Cuba, and of Tibet. We were very careful in limiting the Korean war, and it was Mr. Dulles himself, the most consistent proponent of a military oriented foreign policy, who liquidated the Korean war on the basis of the status quo ante bellum.

It is therefore incumbent upon the Government of the United States to determine with all possible precision the extent of the American interest in South Vietnam. The extent of our military commitment must depend upon that political determination. Is South Vietnam as important to us, or more or less so, than Korea or Cuba? Or is it as important as Berlin? The answer to political questions such as these must determine the extent of our military commitment.

Once South Vietnam is assigned its place in the hierarchy of American interests throughout the world, the Government of the United States can profitably raise the question of a diplomatic solution to the problem of South Vietnam. Such a solution could be envisaged after the model of the diplomatic solution of the Geneva agreement of 1954, to which South Vietnam after all owes its very existence as an independent state. The United States is not the only country that has interests in Vietnam. So do the Soviet Union and Communist China, and so do our allies. The possibility of a negotiated settlement within the context of the overall interests of the major parties concerned is certainly worth exploring, and it is an open question whether the chances for such a settlement are greater now than they would be at the conclusion of a drawn-out, inconclusive war.

A purely military policy is popular with the officials in the field because it frees them from the burden of political manipulation to which they are unaccustomed and from which they almost instinctively shy away because of the political risks involved. It is also popular with large segments of the American people because it promises a clear-cut solution to an irksome problem in the form of victory. Yet in truth, this purely military policy is fraught with enormous risks and dangers for the United States. For it raises acutely the fundamental issue of our Asian policy: the peripheral containment of Communist China by military means. It conjures up the possibility, if not the likelihood, of a repetition of the Korean war, perhaps even more drawn out and less conclusive in its results than that war was. It should not be forgotten that, fought under much more favorable political conditions, the guerrilla war in Greece lasted 5 years and the one in Malaya lasted 12.

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[1] See my report in the Washington Post, Feb. 26, 1956.

It is an illusion to think that Communist China is being contained today by the military power which the United States can bring to bear locally in Laos, Thailand, South Vietnam, or Taiwan, or that it has thus been contained in the past. Communist China can, if it wishes, increase the challenges locally with little cost to itself and thereby force the United States to increase its military commitments far beyond its own. It will stop, as it has stopped in the past, at the point where the escalation of American conventional military commitments conjures up the possibility of an all-out war initiated by the United States. It is at that point that containment becomes effective. In other words, what contains Communist China is its overall weakness visa-a-vis the United States. Yet barring a catastrophe within Communist China, this weakness is likely to be replaced in the foreseeable future by a strength which will make Communist China the foremost military power in Asia. It is from the perspective of this actual source of the containment of Communist China and of the prospect of China's future military strength that the current military policy of the United States in South Vietnam must be viewed.

If the present primarily military approach is persisted in, we are likely to be drawn ever more deeply into a Korean-type war, fought under political and military conditions much more unfavorable than those that prevailed in Korea and in the world a decade ago. Such a war cannot be won quickly, if it can be won at all, and may well last, like its Greek and Malayan counterparts, 5 or 10 years, perhaps only to end again in a stalemate, as did the Korean war. Aside from the military risks to which it will give rise in view of the distribution of military power which exists today and is likely to exist 5 or 10 years hence, such a war would certainly have a profound impact upon the political health of the Nation. McCarthyism and the change in the political complexion of the Nation which the elections of 1952 brought about resulted directly from the frustrations of the Korean war. The American people are bound to be at least as deeply affected by the frustrations of a Vietnamese war.

The present primarily military approach has been undertaken without sufficient regard for its own military implications and its likely impact upon American politics at home and the American position in the world. The only viable alternative to that approach is the subordination of our military commitments to, and thus their limitation by, our political objectives in South Vietnam. These objectives must be defined as the restoration of a viable political order, which constitutes the only effective defense against Communist subversion. It is obvious that such a political order can be established only through American intervention. It would be infantile to argue against such a policy on the ground that it is intervention; for if we had not intervened consistently since 1954 in the affairs of South Vietnam, Mr. Diem would not be its President today and South Vietnam itself would not exist. The choices before us are not between intervention and nonintervention, but between an intervention which serves our political interests and thereby limits our military commitments, and an intervention which supports to the bitter end the powers that be, even if their policies, by being counterproductive, jeopardize the interests of the United States.

## AGRICULTURAL PROBLEMS—ARTICLE BY WILLARD W. COCHRANE

Mr. MORSE. Mr. President, Mr. Willard W. Cochrane, Director of the Bureau of Agricultural Economics, in the February 28, 1962, issue of the Employee News Bulletin of the Department of Agriculture set forth, in an article entitled "As I See It," capsule form, the philosophy of the Kennedy farm program.

Because of the stature of the author of this article, the brevity and lucidity of the statement, and the timeliness of such a statement in view of the farm legislation which soon will be before the Senate, I ask unanimous consent that Director Cochrane's article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### AS I SEE IT

(By Willard W. Cochrane)

You and I are members of a great Federal department working together to serve the best interests and highest purposes of the American farmer, the American consumer, and in fact, the American people. And never were the problems and the opportunities confronting agriculture greater than they are today. Agriculture is caught up in a great technological revolution, the end of which no man can see—with dramatic and far-reaching implications for resource use, the relation of land to people, rural communities, and trade and finance. Under the leadership of President Kennedy and Secretary Freeman, agriculture is seeking and finding new concepts and new ways for coping with this technological upheaval through which it is progressing. These are difficult years, but they are years of great progress and of promise, despite the wails of the pessimists.

We seek to give American farmers the assurance of good and stable prices and incomes so that they will continue to build a highly productive and flexible agricultural plant—one capable of responding to any foreseeable food and fiber production emergency. This is the kind of an agriculture we all want.

But the force and drive of an agriculture based on modern technology, where several million farmers make uncoordinated productive decisions, lead to excess production and surplus commodities. This in turn must either drive prices and incomes down, or, if prices are supported, move into Government stocks and becomes a burden on the Federal budget. Neither alternative is tolerable, and each stands rejected either by farmers or the public.

We seek first to expand outlets for farm products at home and abroad. This is the commonsense approach. But even after we have expanded outlets as much as it is possible, we still have the capacity to produce more than we can use effectively.

We need, therefore, a more modern and durable program of adjustment whereby farmers, in cooperation with each other and with their Government, can manage the supplies of farm products by suitable means—commodity by commodity. This is the program of abundance, of balanced production, of conservation of our human and natural resources, and of development to aid rural people.

## SOLUTION NEEDED FOR INCREASING CARRYOVERS OF GRAIN—LETTER FROM PAUL W. JONES

Mr. MORSE. Mr. President, typical of the strong support which the administration farm program has been receiving among the grassroots farmers of my State is a recent letter I have received from Mr. Paul W. Jones, of Heppner, Oreg. Mr. Jones' letter speaks for itself and, in my judgment, represents the attitude of a great many Oregon farmers. I respectfully commend it to the attention of my colleagues.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HEPPNER, OREG.,
*March 12, 1962.*

Hon. WAYNE MORSE,
*Member of the U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR MORSE: I am taking this opportunity of writing you to urge your support of the administration farm legislation.

I am at present actively engaged in farming near Heppner, and I am at present president of the Morrow County Grain Growers, a director of the North Pacific Grain Growers, with which you are probably familiar, and a life member of the Oregon Wheat League.

I tell you this only to show my familiarity with the farming business.

I think as never before that our farmers feel that there must be a solution to the mounting surplus or carryover of grain in this country, as a whole. I think and believe that this legislation will do more to solved the problem and is the most effective method yet proposed for that purpose.

We realize that it probably will not raise income, for some years at least, but will ultimately produce what for years has been advocated by some of the best "brains" in the wheat business.

Sincerely,

PAUL W. JONES.

## TRIBUTE TO DONALD A. WILLIAMS, ADMINISTRATOR OF THE SOIL CONSERVATION SERVICE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the National Association of Soil Conservation Districts, honoring Donald A. Williams, Administrator of the Soil Conservation Service. Mr. Williams is a dedicated public servant and is very deserving of the honor accorded him by the resolution.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

### RESOLUTION OF THE NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS IN NATIONAL CONVENTION AT PHILADELPHIA, PA., FEBRUARY 8, 1962

We commend Donald A. Williams, Administrator of the Soil Conservation Service, for his vigorous leadership in keeping the Soil Conservation Service program scientifically sound, technically up to date, and efficiently administered. Significant progress in advancing sound, enduring soil and water conservation has been made under his leadership. We have given him our full support in the past and we reiterate it at this time.

We are impressed with the competence and caliber of men appointed to key administrative positions in the Soil Conservation Service under his competent direction. These appointments have been made as a part of the career civil service system of multiple appraisal and promotion. Such appointments must be maintained under the civil service system if a sound technical program for assisting with the protection, improvement, and development of the Nation's soil and water resources is to be continued.

We will vigorously oppose any actions which would subject appointments in the Soil Conservation Service (local, State, or National) to partisan political pressures. Copies of this resolution will be forwarded to the President of the United States and the Secretary of Agriculture.

## DIFFERENCES BETWEEN MARXISM AND DEMOCRACY—ADDRESS BY THE AMBASSADOR TO MEXICO

Mr. MORSE. Mr. President, on February 25, our Ambassador to Mexico, the Honorable Thomas Mann, spoke in Laredo, Tex. His remarks were directed to the differences between Marxism and democracy, and have special reference to all societies which are anxious to achieve industrialization and a higher living standard as quickly as possible.

I ask unanimous consent that Ambassador Mann's remarks be printed in the Congressional Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

### Remarks Made by the Honorable Thomas C. Mann, U.S. Ambassador to Mexico, at Laredo, Tex., on February 25, 1962

Today I would like to say a few words about the theories and doctrines of communism and the historical developments which gave rise to them. More specifically, I will undertake to compare some of the principal tenets of the American Revolution with some of the principal Communist dogmas.

In the next few days, I hope to make some additional remarks about another aspect of communism: How Communists disguise their doctrines behind a curtain of words.

I

Communist doctrine has its roots in the industrial revolution which began nearly 200 years ago.

You will recall that in the darkness which descended on Europe after the fall of Rome, political and economic power was in the hands of kings and noblemen. Land, a principal source of wealth, was divided between them. The right to govern descended with the land from generation to generation.

Most of the people were serfs, bound to the land and bound to the service of its owner in peace and in war. They accepted an inferior status for themselves and for their children as an immutable law of nature.

Industry was limited and consisted of the small "cottage" kind managed by skilled craftsmen who organized themselves into guilds. Those who wished to learn a trade were required to apprentice themselves to a master.

This primitive pattern of society was changed suddenly by the discovery of machines to replace handlooms in the manufacture of textiles; of ways to harness steam power in industry and transportation; of the use of coal in the manufacture of iron and steel; and electricity and the means of its use. Other advances were made in industrial engineering and in transportation and communications.

The industrial age, the age of the machine, had arrived and with it mankind had, for the first time, an opportunity to produce consumer goods for all the people. For the first time, there were prospects of raising the masses of people out of their misery and into a new world of relative abundance.

For the nobility, the arrival of the machine age meant the beginning of the end of their power and wealth.

For the peasant on the land, it meant large-scale migration to new, mushrooming factory and mining towns unprepared to receive him. It meant working for whatever wages were offered, often at below subsistence levels. It meant chronic unemployment, child labor, long working hours in inhuman working conditions. It meant miserable housing, poverty, disease, and despair.

For governments, the age of the machine created an urgent need to reform systems and doctrines so as to be able to cope with new political, social, and economic problems in a society suddenly grown complex. Economics was in its infancy yet new fiscal and monetary policies had to be devised. The problem of the cycle of "boom and bust" which seemed to plague all economies had to be solved if steady economic growth and stability in levels of employment were to be achieved. There was an urgent need to devise means to prevent a growing disparity in the income of the few rich and the many poor—to achieve a more equitable distribution of the national income.

For the few who had the capital to build factories and expand them, to open mines and exploit them, it meant mushrooming fortunes. For them it also meant a new political power based not on social position or ownership of land but on industry and commerce.

All of these developments set the stage for revolution. Changes in political, economic, and social practices were both desirable and inevitable. The only real question was the direction they would take.

II

By 1776—before the industrial revolution had reached its full momentum—our own Revolution had already been launched. Its immediate aim was to safeguard and expand for our people the liberties which the common man had so slowly and painfully won from his masters. It therefore radically altered the old political order through the creation of constitutional and representative government all of whose powers were derived from the people.

Our political system was grounded on the simple premise that the people could not only be trusted to govern themselves but they could also be trusted to debate and decide what changes should be made so as to bring about the greatest good for the greatest number.

Thomas Jefferson, in a letter to one of his contemporaries, described this principle in these words:

"We both consider the people as our children and love them with parental affection. But you love them as infants whom you are afraid to trust without nurses; and I as adults whom I freely leave to self-government."

Another eminent revolutionary theorist, James Wilson, expanded on this principle. He maintained that the people rather than the State were the masters. It was the people who had the right to elect their representatives and to depose them when they were unfaithful to their trust. He conceived of the State as: "a complete body of free, natural persons, united together for their common benefit; as having an understanding and a will; as deliberating, resolving and acting; as possessing interests which it ought to manage; as enjoying rights which it ought to maintain; as lying under obligations which it ought to perform."

While our revolution was initially political in character, its doctrines of freedom and equality based on the dignity and inalienable rights of the individual opened the way for eliminating the economic and social injustices which came with the industrial revolution. It was based on the premise that if the people are given power they can be depended on to look after their interests. This premise has been proven sound by history. Reform did come, political reform, social reform, and economic reform. They continue unabated to this day.

But our revolution did not seek to destroy the existing social and economic system. On the contrary, it recognized the value of Christian ethics in man's relationship to man and in international relations. It sought to conserve what was good in these systems and to change what was bad.

Our revolution moreover did not seek to cast the mind and spirit of man into a mold of total and absolute conformity. Rather it sought to free the mind and spirit of man so that he could continue his age-old search for a more perfect truth, so that he could continue to learn from experience, to improve, to change, to progress. This cardinal principle of our revolution was expressed by Thomas Jefferson in these words:

"I have sworn, on the altar of God, eternal hostility against every form of tyranny over the mind of man."

III

Another kind of revolution was proposed by Karl Marx, a German philosopher who lived in western Europe between 1818 and 1883. Marx's ideas were later interpreted and expanded by Lenin. In the comparison of the principles of our revolution with Marxist-Leninist doctrine are to be found the principal issues which today divide the free world and the Sino-Soviet bloc.

First, Marx and Lenin thought that the only reality was material. This idea needs to be better understood by us. It means they ascribed no value to the spirit or the dignity of man, that they believed man does live by bread alone. It means that no value is given to ethics, to charity. Listen to the words of Lenin:

"When people talk to us about morality we say: For the Communist, morality consists entirely of compact united discipline and conscious mass struggle against the exploiters. We do not believe in eternal morality and we expose all fables about morality."

This thesis is in basic and fundamental conflict with our principle that human dignity is worthwhile and that the individual has certain inalienable rights. On this encompassing concept of the absolute importance of the material rest other concepts of Marx and Lenin to which I will now refer.

Second, Marx and Lenin differed from our principles in that they did not trust the people to govern themselves—to decide for themselves which reforms would achieve the greatest good for the greatest number.

Hence, instead of democracy they proposed dictatorship. They proposed not even a dictatorship by the majority of the people but a dictatorship of the proletariat defined in Marxist doctrine to mean the minority who work for wages, particularly in the mines and in the factories. The small farmer, the student, the white collar worker, the intellectual, the businessman, the professional man are, in Marxist-Leninist theory, excluded from the term "proletariat." When Communist doctrine condescends to refer to these social groups at all, it refers to them collectively as the "toiling masses"; no provision whatever is made for their participation in government.

Marxist-Leninist theory recognizes two kinds of democracies. One is "bourgeois," defined as all those whose economic systems permit employers of labor to own means of production. The other is "socialist," defined as all those patterned after the Soviet Union. In neither definition does the quality of freedom which individuals enjoy nor the degree of their participation in government decisions have any relevancy.

This is a fair summary of the theory. Now let us look for a moment at the practice.

The "proletariat"—the factory worker and the miner—are used, as theory says they should be, in the first violent and bloody stages of revolution. But once the party apparatus is firmly in power, there is no instance in all history where the proletariat has actually had any voice in government.

Also used to prepare the way for the overthrow of constitutional and parliamentary institutions and to participate in the violent stages of revolution are individuals from all social groups who, rightly aspiring to the correcting of social injustices, have been deluded into thinking that they are doing good for their people when they turn them over to the tender mercies of a Communist dictatorship.

It is difficult to believe that these people really understand that they themselves are, in Communist doctrine, marked for extinction. Communism devours its own children. But it first destroys not only the opposition but all those who are considered to be potential opposition because they might have an independent thought of their own. In Communist theory, refusal to submit to the "discipline" of the party. is to be guilty of "deviationism, the most serious of all Communist crimes. Gratitude for help given to Communists in difficult times is, in Communist doctrine, not a virtue. In Communist theory, the only virtue, the only end, is to gain power for the party and then to hold it permanently and exclusively. The means by which this is accomplished are unimportant.

It is the Communist Party which actually rules or, more precisely, a very small group at the top of the party hierarchy and sometimes, as in the case of Stalin, only one man.

Membership in the party is, of course, by invitation only. But although party members constitute only a small fraction of the population, a Communist government is always a party government, a Communist army is always a party army, a Communist state always a party state. Party members occupy all important government positions. They are the only ones who have and exercise overall power. They are the new lords and nobles. They are the new ruling class.

They exercise more power than any aristocracy of the Middle Ages because they control all property, tangible and intangible, real and personal, agricultural and industrial. Since individuals under their control have no property and no possibility of producing wealth of their own, they have no resources with which to oppose tyranny. This monopoly of the means of production is an effective means of crushing all opposition—of depriving the people of what Jefferson referred to as the right of revolution. This is the central reason why no country on which communism has fastened itself has ever even temporarily regained its freedom against the wishes of its rulers.

The Communist ruling class is more ruthless than the old aristocracy because it is without ethics and charity. Every Communist revolution has been written in the blood of its people. Every Communist regime has been built on the bones of its people.

The point which I wish to stress here is that the acceptance of Marxist-Leninist doctrine and practice inevitably and automatically means the loss of all of the rights of the individual so slowly and painfully acquired through the ages. It means a return to semifeudal tenets: All industry and all land belong to the Crown; the people are bound to a particular industry or farm selected for them by their rulers. It means a return to serfdom under a new set of masters. It signifies the betrayal of the basic principles written into the constitution of every republic.

Third, Marxist doctrine differs from our revolution in that it sets up a new kind of tyranny over the mind of man. Marx wrote, and Communists still claim, that his doctrine was the only scientific explanation of history, of events past and to come. The doctrine claims there is no possibility of error in it, that it is the alpha and the omega of all truth, that it brings all reality, past, present and future, into one complete frame.

I suppose one should not be too surprised that one man should claim to have a monopoly on truth, that he should believe mankind has nothing more to learn from experience and meditation, that the human mind should be cast into a 19th century mold of dogmatism. But it seems incredible that any intellectual of our day and time would accept this as either noble or true.

Djilas is one of the most eminent theorists in the Yugoslav Communist movement. I do not agree with everything he has written. But he knows communism in theory and in practice and his descriptions of Communist tyranny over the mind are accurate and graphic:

"A citizen in the Communist system lives oppressed by the constant pangs of his conscience, and the fear that he has transgressed. He is always fearful that he will have to demonstrate that he is not an enemy of socialism.

"The school system and all social and intellectual activity work toward this type of behavior. From birth to death a man is surrounded by the solicitude of the ruling party, a solicitude for his consciousness and his conscience. Journalists, ideologists, paid writers, special schools, approved ruling ideas and tremendous material means are all enlisted and engaged in this 'uplifting of socialism'. In the final analysis, all newspapers are official. So are the radio and other similar media.

"These oligarchs and soul savers, these vigilant protectors who see to it that human thought does not drift into 'criminal thought' or 'antisocialist lines'—these holders of obsolete, unchangeable and immutable ideas—have retarded and frozen the intellectual impulses of their people. They have thought up the most antihuman words—'pluck from the human consciousness'—and act according to these words, just as if they were dealing with roots and weeds instead of man's thoughts.

"On the one hand, the ideological discrimination in Communist systems aims at prohibiting other ideas; on the other, at imposing exclusively its own ideas. These are two most striking forms of unbelievable, total tyranny.

"History will pardon Communists for much. But the stifling of every divergent thought, the exclusive monopoly over thinking for the purpose of defending their personal interests, will nail the Communists to a cross of shame in history."

Fourth, our revolution held that a government "of the people, by the people and for the people" was desirable and necessary to guarantee the essential rights of the individual and to protect him from the tyrannies of classes and groups; to provide free education for the people; to pass laws and guarantee their administration with equal justice for all; to prevent man's exploitation by man; and to provide for the common good and for the national defense.

Marxist-Leninist doctrine, on the other hand, insists that since government is the tool of the "bourgeois" and that since the triumph of communism will signify the abolition of classes, government in a "classless" society will no longer be necessary and will wither away.

Few would dispute the triumph of the Communists in the Soviet Union more than 40 years ago. All of the classes that existed under the czars were ruthlessly liquidated and a new order was established, based on Marxist-Leninist doctrine, in which the Communists themselves were the sole masters. But the Soviet Government shows neither any sign of "withering away" or any intention of reducing the privileges and powers of its bureaucrats. Now more than ever the principal purpose of the party is to perpetuate itself in power.

Do Communist leaders today still believe in this utopian myth of the disappearance of the state? This would seem doubtful even allowing for man's capacity for self-deception. But they could never admit their disbelief not only because Marxist-Leninist doctrine is for them a secular religion but because to do so would remove the only doctrinal justification they have for their rise to power by blood and terror. So the myth remains as a hope for their people of a better life hereafter.

Fifth, American doctrine is that it is both feasible and inevitable that the social and economic injustices which existed within the society of the 18th and 19th centuries will be corrected by the people themselves operating through democratic institutions. We have nearly 200 years of history with which to judge this claim.

In the days of Marx a few families owned all of the great industries. Today literally millions of stockholders own our industry. Profits are divided so widely that our type of capitalism today has been accurately described as a "people's capitalism."

Workers for wages have organized themselves into powerful unions and confederations which have achieved what Marx could only have considered an unbelievable miracle. The voice of labor is one of the most powerful in our land. Old problems of child labor, inhuman hours of work, unfair wages, unhealthful and unsafe working environment, and chronic, widespread unemployment have all been corrected.

Our farmer, like the worker, enjoys the highest standard of living in history based on land and other reforms which took place many decades ago.

Monopolies have not been tolerated since passage of the Sherman and Clayton antitrust acts, many years ago.

Our taxation is based on ability to pay so that it is no longer possible to acquire very large fortunes or to pass them on to succeeding generations. We have achieved, in sum, a social justice that goes hand in hand with ownership by the people of our industries and farms. And we have achieved this without sacrificing freedom.

In Marxian theory of 1850 none of this could happen. Marx wrote that "class struggle" between the proletariat and the bourgeois was inevitable. More than a hundred years of history not only in our land but in many others proves that this was a bad guess. But the Communists are stuck with a doctrine they cannot abandon and so they must continue to talk, as if we still lived in the mid-19th century, of imperialism, exploitation, monopolies, and social injustice.

### IV

Our principles and our faith are the product of the experience of hundreds of millions of people who through the ages have survived on many frontiers and by trial and error progressed to ever higher horizons of freedom and justice.

Our principles are the product of a long and rich cultural heritage based on the philosophy of the Greeks, the law of the Romans, the long struggle for freedom of the peoples of the West, on the revolutionary concepts of the enlightenment.

We will not abandon our principles. We will not surrender our freedom. We will instead renew our faith in our country, in its leadership, and in the inevitable triumph of freedom.

## CURRENT PROBLEMS IN EDUCATIONAL RESEARCH—ADDRESS BY WILLIAM BENTON

**Mr. MORSE.** Mr. President, at the annual conference and luncheon of the United Parents Association, which was held in New York City last January 13, former Senator William Benton took occasion to speak to an audience of 2,400 delegates about current problems in educational research. I would particularly call to the attention of the Senate his statement that:

> The 4 years of experience under the National Defense Education Act shows that, in qualifying for Federal aid, no community in the Nation was forced to change its curriculum or to expose its children to any kind of Government propaganda, or indeed to do any of those things which the alarmists would have us worry about.

Since I feel that this point needs to be made again and again as educational legislation is considered by the Senate.

I found Senator Benton's speech to be most challenging; and since it is one which I believe will be of value to the Senate, I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I would be happy if I could think that my ancestors had a hand in issuing your invitation to me to be with you today. For 125 years, they worked in the field of education as missionaries, clergymen, public school teachers, and university professors. As a boy I was often told how each in his own way shared a view voiced by Thomas Jefferson when he was trying to rally public support for his new university:

"What service," he asked, "can we ever render to our country equal to promoting education? What objects of our lives can be proposed so important? What interest of our own which ought not to be postponed to this? In the single life which nature has given us, on what can we better bestow our health, time, and labor, than on public education? The exertions and mortifications are temporary; the benefit eternal."

These views were shared by my father, a university professor, and by my mother, in her youth an elementary school teacher who became the first woman county superintendent of schools in the State of Minnesota. They were shared by my uncles and my aunts and my cousins—professors and teachers mostly. I constantly heard such views at the Thanksgiving and Christmas family reunions.

Yet I would be false to the truth if I told you that from early boyhood I agreed with what I heard. When I compared the time and devotion my parents brought to their teaching posts—when I compared these with the material rewards they had gained—it seemed to me that "the exertions and mortifications" in the cause of education were the things that were "eternal," while the "benefit" might be classified as merely "temporary."

In choosing my own career after graduating from Yale 40 years ago, I therefore resolved to stay away from the field of education. I even turned down a Rhodes scholarship because my mother insisted, if I took it, that I pursue a career in education or scholarship. I remember when she plaintively wailed, "Billie, if you won't do something respectable, won't you at least be a lawyer?" Infected as I was by the bacillus of the anti-intellectualism which suffused our eastern college campuses in the post-World War I years, I decided to try to be the first person in the history of my family who would not be underpaid. So I went into advertising. I went with the biggest advertising agency in the world. I was to work on the Palmolive account. When my widowed mother heard that I was embarked on work so alien, she expressed her dismay in a letter I still remember. "Dear son," it began, "I am sorry to hear that you are going into a business which says that Palmolive soap is a good soap."

It was not until the mid-1930's that I began to redeem myself—if I ever did. At that time, I sold my interest in the advertising firm I had founded. I became half-time vice president of the University of Chicago. From there I went on to many another education venture. I am today a trustee of four universities and one college.

So much by way of personal prolog.

Let me now seek to grasp the subject which brought me here today.

I have asked myself what I can say about public education that would not strike this audience as a monolog it already knows by heart. Your role as leaders in the United Parents Association says in itself that you already know most of the educational facts a speaker here can cite, and already agree with most of the ideas he might ask you to support. (I am assuming, for the moment, that your speaker is not Senator GOLDWATER.)

Do not the ideas and the facts form a kind of 1962 litany which we can all join in singing?

Can we not unanimously agree that the minds of our schoolchildren are America's greatest potential natural resource—that the future of American democracy is bound up with the quality and quantity of the education we provide for them—and that a happy future for them will depend on how effectively they can unite learning and liberty? As President Kennedy told the Congress in his message on the state of the Union, "a child uneducated is a child lost."

Surely we also agree that no democracy can permanently survive if knowledge is a monopoly of that privileged few who can afford to pay for the right of access to that knowledge—while the majority of the people, primarily for financial reasons, are kept in comparative ignorance. This condition unhappily prevails throughout most of Latin America today.

President Kennedy quoted H. G. Wells to the Congress, "Civilization is a race between education and catastrophe."

We can agree further in a democracy, where the people are indeed the makers and rulers of their own destiny, a society devoid of knowledge and intelligence will have the characteristics of the portrait drawn by Horace Mann in the 1830's. It will resemble said he, "an obscene giant who has waxed strong in his youth, and grown wanton in his strength; but whose brain has been developed only in the region of the appetites and passions. Boasting of his bulk alone—such a democracy, with all its noteworthy capacity for good, will rush with the speed of a whirlwind to a sorry end."

Finally, and today most importantly from the standpoint of public policy, may we not agree that the educational and financial problems faced by our country are such that we must unite to achieve an acceptable program of Federal support for education?

I now suggest that to the great Jeffersonian postulates which have formed the foundation of our American educational structure, our times have added four lines of argument—new though subordinate lines of argument which Jefferson could not have envisioned. All of them of course add further fuel to the fire building up for more funds from the Federal Government for the support of education.

The first of these four, and the most important of all, was detailed by President Kennedy in his special message to the Congress last February. It is the money problem. The story the Presidential message had to tell was a familiar one. It was the story of too many State and local governments which now lack the resources to assure an adequate education for every child—of too many classrooms that are overcrowded—of too many teachers who are underpaid—of too few teachers to provide instruction to an exploding school population—of too many talented students who cannot afford the benefits of higher education. Unhappily, as President Kennedy documented, without Federal support there is now no chance to live up to Jefferson's dream, the American dream. This dream is the inspiration of public education, the strength of democracy, the theme of your conference of today.

Second, we need Federal support for reasons stemming from the titanic struggle between freedom and communism. The Soviet Union is spending a far higher proportion of its national income on education than do we. Red China, on its part, poverty stricken as it is, has quintupled its college enrollment in the past decade, and in the same decade has quadrupled its primary and secondary school enrollment from 25 to 108 million. And such figures are exerting a powerful magnetic pull on the minds of the 1 billion people in the uncommitted countries who are searching for examples of political patterns to follow in shaping their own future.

Third, growing out of the foregoing and due to the perilous state of today's world, we need national support for education for reasons of national defense. A theme in my book, "This Is the Challenge," published in 1958, is that the struggle with the Soviet Union is likely to be won or lost in the classrooms. Which system will do the best job living up to Dr. Theobald's appeal for "equality of opportunity"?

Fourth, we need national support for education to prepare our people for the longer life expectancy and the increased leisure opening before us. Can't we have education that will prepare men and women to take advantage of the 30- or even 20-hour week which some of us here may live to see?

Yet after we sing this litany of familiar ideas in which we believe, I then hum to myself. I'm sure most of you have hummed yourselves the same song. Why did the President's program of Federal aid for education fail in the last Congress? I could take an hour giving you details on the conflicts that developed. But the underlying answer, I believe, is a simple one and a humbling one. The answer is that you and I failed.

Those of us who believe in education and who know its urgent needs—it is we who failed. We failed adequately and aggressively to present our open-and-shut case to those of our fellow citizens who do not share our knowledge. And thus our fellow citizens failed to exert that pressure of opinion which our Congressmen know so well how to detect and how to measure.

I shall not attempt today to spell out a program of countrywide grassroots political action. I shall only say that such a program, adequately financed and led, would be sure to work. But I shall repeat here one proposal—a proposal for a permanent program about education and for education—a proposal I first made in 1959 as chairman of the Education Subcommittee of the Democratic Advisory Council. I would be pleased if your committees would examine this proposal and gratified if you would endorse it.

It is based on the experience developed in the past 15 years under the Employment Act of 1946. This act gave no new powers to anyone. It provided the President with a Council of Economic Advisers to help him maintain a continuing review of basic economic trends and of the effect of Federal economic policies. It required him, on the basis of this review, to submit annually an economic report to Congress. Further, a so-called congressional "Joint Committee on the Economic Report" reviews the President's report and prepares its own recommendations.

The postwar contributions growing from this act have helped keep the President, the Federal agencies, Congress, business and labor, and the Nation as a whole, better informed about the potential strengths and weaknesses of the economy, its trends and needs. Public debate about economic policy has been stimulated. The formulation of both public and private economic decisions and policies has improved.

Now I propose a similar set of procedures for education. They need not involve the grant of any new Federal powers. I propose a Council of Educational Advisers, and a Joint Congressional Committee to review its annual report. This procedure would keep the administration, the Congress, the State and local governments and the Nation, far better informed about educational policies, problems and progress. Here we would have an urgently needed annual audit. It might even inform and stimulate the United Parents Association of New York. Such an annual review at such a high level would inevitably help generate public understanding. It should help foment the political action required.

Today, relative to need, the United States has much more adequate information about Dutch elm disease, wheat crops, fish runs, bank balances, horseracing, baseball, and dogs, that it has about education.

The truth is that there is no valid justification today—except lack of public understanding—for the continued exposure of American children to inadequate and underdeveloped educational programs.

If we don't like to call the remedy Federal aid, let's call it Government rehabilitation aimed at undoing decades of neglect and obsolescence. Yes, we have a problem in semantics.

Is it not idle to worry about whether there is a road back from Federal aid? In a free society there is a road back from anything we do not like—even prohibition.

And in any case, there is no validity to the fear that Federal aid to education means Washington control over what our schoolchildren are taught. Indeed, there is recent and powerful evidence to the contrary. The 4 years of experience under the National Defense Education Act shows that, in qualifying for Federal aid, no community in the Nation was forced to change its curriculum or to expose its children to any kind of Government propaganda, or indeed to do any of those things which the alarmists would have us worry about.

I have been suggesting that you and I, as parents and citizens, can help the educators and those who want to be educators. We can marshal arguments and we can develop pressures. Let me now ask what can the educators do to help us in this mutual cause.

The general task faced in most communities is to renovate the whole of our school system from the first grade on up through higher education. The word is "renovate"—not "scrap." Renovate implies the conservation of what is good about the existing school system, while the dust, dullness, and decay are swept out. And please remember what President Kennedy said this week, "Excellence in education must begin at the primary level."

This first step in the process of renovation seems self-evident. Let us ask our educators to help us sweep out the mass of superstitions, obsolete attitudes and professional cliches that have cluttered up the teaching process. Some of these are so deeply entrenched that it almost seems a sacrilege to suggest that they might be invalid. Yet the time has come for meetings such as this to reexamine the whole lot of them and to give some thought to what could happen if we replaced most of them.

I am referring to such matters as "optimum class size." I refer to the way teachers are trained and licensed. I refer to the way we allegedly revise and update our curriculums—and our accreditation procedures—to our attitude toward college preparation—and to many other concepts and activities that are surrounded by such fixations that many feel that change now seems almost impossible.

Yes, we must strive to clean away the debris of dogmas and cliches—the stratification and ossification of which Mayor Wagner spoke—so that we can take the big next step—so that we can seize the big opportunity which is now within our grasp. This next step calls for applying readily available knowledge about education to the practices of education.

If General Motors had paid as much for its research as the American educational system has paid, and if it had as much research at its fingertips as education does, nobody would recognize the American automobile. It would be as near perfect as anything mechanical can be—with tires that would last a lifetime and an engine that operated off of two thimblefuls of water a year.

But the sad fact is that with incredible amounts of educational research now at their fingertips, if they would only stretch out their fingers, the American teachers colleges, school boards, and school administrators have not achieved a nodding acquaintance with the knowledge explosion in education.

How many of you know that so many scholars are doing so much research about education—and that so little is being done to use the product of this research? What other research projects have millions of captive subjects showing up every day to be exposed to tests, to new techniques and to new opportunities to explore better ways of doing the job?

If we are going to achieve success in the educational task ahead, we are going to have to find a way to do what other important areas in our society have done. We must process the findings of educational research into productive resources and put them to work. We should seek to do this promptly.

One of my associates in Encyclopaedia Britannica Films has gone so far as to recommend that we declare a moratorium on all research in education for the next 5 years. He suggests that this might shock some of our school boards and educational administrators into lifting their eyes from present practices and from the past in which they are enmeshed. They might then take a look at the unusual opportunities now at hand. His arm-twisting prompts me to a query of my own.

Do we perhaps need a major research project to find out why so few in education seek to apply the results of current research? Why indeed, as my friend, the distinguished educational scholar Ralph Tyler has said—why indeed should it take 50 years for 50 percent of the educators to take up a new idea that is manifestly good? Can't your association devote some of its time to this question?

As things stand, we know that our children can't even learn to read properly. We know there is room for improvement and updating in almost every aspect of the curriculum and at all levels in our school system. Yet the law of uniform motion that exists in education continues to resist new developments. And to any of you here today who question this, let me give you three quick examples drawn from my own personal experience as chairman of Encyclopaedia Britannica Films which for 32 years has been devoted to American education.

Example 1: More than 30 years ago, it was clearly demonstrated that the motion picture could improve learning, that it could increase retention and bring provocative and stimulating experiences to the classroom that had never been brought there before. This research is why Eastman Kodak and A.T. & T., the two predecessor companies of Encyclopaedia Britannica Films, decided to produce motion pictures for the classroom. Yet here in New York City, as in the majority of other school systems around the country, the film is used only to a tiny fraction of its real potential, and the rate of increased use is slow indeed. (Yet there are school systems where materials of this kind have been used with dramatic effect—cities in which the research has been used—and not merely noted.)

Example 2: We Americans have been viewing television in our homes for 10 years now and plenty of studies have demonstrated that educational TV has been a most alluring possibility. Yet the best one can say about educational TV at this moment is that its programs have been less than mediocre, and that its future looks as dim as its past has been ineffective.

If educational TV holds even a fraction of the promise that has been attributed to it, how do you explain that throughout the last 10 critical years we have not done more with it?

How can we now learn about the educational opportunities in TV except by using it, strengthening it, molding it to our needs—and is this not better than learning about it by reading research reports?

I congratulate the backers of channel 13.

Example 3: Several years ago the experimental psychologists delivered a potentially tremendous resource to American educators in the newly developed technique of programed learning—sometimes called teaching machines.

Research now clearly demonstrates that in many areas of subject matter programed learning can reduce the time it takes to learn, can increase the effectiveness of learning, and can enable our teachers effectively to deal with more students. Could anyone ask for more than that in a new technique in education? Yet it is probably safe to predict that a decade will go by before the children or grandchildren of more than one-tenth of the people in this audience will be exposed to the opportunity of learning in this helpful new way.

I suggest that no business could long survive if it were run as is our educational system. No business enterprise could long continue to exist which did not use contemporary research knowledge to deal with contemporary problems and which treated newly emerging techniques as though they never existed or as if they were designed to be playthings at the management level rather than implements in the field.

Why do our educators hold back because of the dangers in barging ahead too hastily when these are only a fraction of the danger of doing nothing at all? The dangers of experimentation, so often pointed to with owlish morbidity by our school officials and school boards, are really no dangers at all. The experimentation usually has been done elsewhere and the research reports tell all about it.

Once we have resolved to bring our teaching practices in line with the new discoveries and resources, one further step still awaits us. This step calls for an exercise in honesty about the cost entailed in making the new techniques available. Once again I make a comparison with business—and I do not apologize for it. Education is big business, indeed, and some of its practices can be judged by business standards.

Our schools are today paying a cruel price for the way they live their year-to-year financial lives; so much so, that they may founder on the sheer inadequacies of short term financial thinking in the face of goals that can only be achieved through a planned longer period.

In a world of changing technology and techniques, a year-to-year policy of financing our school operations—and I distinguish sharply here between operations and school construction—can lead to the perpetuation of inadequacy. When a school system doesn't have enough books in its library, or enough films in its film library, or enough laboratory equipment in its science departments, it shortchanges generation after generation of students with a policy of budgeting based largely on replacement and on only minor additions to its resources.

It is time our education leaders—our school superintendents and budget officers—gave the school boards and the community an honest and complete look at the cost of properly equipping our schools—and in doing this right now, or at least over a reasonably short term.

What would it really cost to bring the library up to date, with enough books (and enough copies of the right books) so that important reading can be done by the students when it should be done? What would it cost to build the kinds of audiovisual resources now—not in an unlikely and distant decade from now—audiovisual resources that would make it easy, and not frustrating and nearly impossible for a teacher to use the priceless aids that are readily available? What is the cost of reequipping our science labs to teach today's science today—to all students and not just a lucky few?

With the real costs at hand, we should now seek to do the things we have to do. We may find the financial answers at the banks—or through the Federal Government, or in new approaches to taxes—or in different kinds of school operation. However, many of the modern teaching techniques will actually cut costs in the long run, and today's higher costs can indeed come back in the form of future reductions.

Not one school system in a thousand, in planning ahead, goes much beyond its conventional needs in brick and mortar and in teachers. Not 1 in 10,000 has a real profile of the comprehensive task ahead in financial terms—in budget terms that recognize how to adapt our school systems to modern developments in instructional techniques and materials. This means that almost every annual budget is a surrender to the inevitable continuation of mediocrity, a surrender to the status quo.

Of course this task of renovation also calls for educating State legislatures about the facts of educational life. In many States, because of laws framed to the wishes of normal schools and teacher lobbies, it would be impossible for a school board to engage the services of Herodotus to teach ancient history, of Euclid to teach his own subject of geometry, of Shakespeare to teach a class in his own plays, of James Madison, the father of the American Constitution, to teach a class in civics. In my own State, a valedictorian of his class at Yale who has majored in physics does not qualify for employment as a teacher of physics in the Hartford high schools.

The men who created the very subjects taught to our schoolchildren would be locked out of most classrooms because they do not hold a teacher's certificate from a normal school or teachers college. Conversely, all too often those who hold the teacher's certificates know pitifully little about what they teach.

Also needed is a review of the way our State laws often discriminate against innovations in teaching techniques. Many States, as some of you know, have specific and most unhappy standards for textbooks—even to the details as to their length, type of cover, size of the printing, and so forth.

Indeed, if it were possible to create a tranquilizing pill which bestowed "knowledge and skill"—a pill which would endow every student taking it with all the world's knowledge—it would not be allowed in many States. Yes—it could not be used in the schools with the blessing of many State departments of education.

May I now ask whether we can hope that our teachers, who are both the victims and the beneficiaries of our educational system, will join in persuading the legislators to do their part in recasting it? Such is my regard for teachers that I believe most of them will, even though many have invested many a dreary semester in learning how classroom tactics in the sixth grade should differ from those of the fourth or the eighth—rather than in seeking to master more thoroughly the subjects they teach.

I seem to have cast myself in this cursory and arbitrary commentary as the educator's critic. Let me conclude as the friend.

All of us agree, I am sure, that universal education is indispensable to the practice of democracy. Further, it is vital to the progress of our economy. It is a key to our national defense, and to the conduct of our worldwide competition with communism. It promises the highest values for an affluent and leisured society.

But I shall now confess that, to me, education is more than all these. Primarily, education is an end in itself. Many divergent systems of philosophy have agreed on a definition of human happiness: happiness is the process by which each man develops himself in his highest powers. And isn't that also the definition of education? What other field of human activity can say as much? And how can happiness for the greatest number be achieved except through education? President Kennedy told the Congress this week, "The policy of this administration is to give to the individual the opportunity to realize his own highest possibilities."

And so today I salute those of you who are teachers as the tribunes and the servants of the very greatest good. And I further salute those of us who are champions of education. We are warriors of happiness—and happy warriors.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

## OIL THEFT PROBE IN EAST TEXAS OILFIELD STARTED BY FEDERAL AGENT

Mr. YARBOROUGH. Mr. President, on April 1, 1961, the present administration appointed Mr. Dan Purvis, of San Antonio, Tex., as chairman of the Federal Petroleum Board at Kilgore, Tex.

Shortly thereafter, Mr. Purvis initiated an investigation of rigged oil production in the east Texas oilfield. To show that his investigation was well known almost a year ago, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Texas Rigged Well Testing Probed," from the Oil and Gas Journal of July 17, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### TEXAS RIGGED WELL TESTING PROBED

The Federal Petroleum Board at Kilgore, Tex., is investigating complaints that some Texas operators are getting "marginal" status for their wells—with a big boost in oil allowable—by rigging well tests.

In some Texas fields, such a switch from prorated to marginal status will permit an operator to produce from three to four times as much oil per month.

Dan Purvis, chairman of the FPB, confirmed last week at Kilgore that his office is checking into the situation. He said many complaints were received from nearly all corners of the State.

Whether the practice is illegal under current Texas law is uncertain. Purvis declined to comment on this question or to disclose any other details about the investigation or possible FPB action.

#### MARGINAL LAW PROBLEM

First public disclosure that such manipulation of marginal-well tests was going on appeared more than a year ago in a Journal article on outdated Texas oil laws and regulations (OGJ, Jan. 25, 1960, p. 125).

The key to this particular problem is the Texas marginal-well law.

Under this law, a pumping well in Texas is not prorated after its production falls below a certain volume. This volume is determined according to a depth-bracket formula. An operator gets marginal status when he is able to show, under test, that his well cannot produce more than this set volume.

But there is nothing in the marginal-well statute to require that the well, during this test must produce at its most efficient pumping rate. Producing rates of a pumping well are easily alterable by changing the length of the pumping stroke, the number of strokes per minute, and other data.

The trouble with the marginal-well law stems from its passage at a time when all Texas wells were producing their allowables every day. This was before it was even conceived that the State someday might be on an 8-day producing schedule. And it has resulted in some "absurd" situations.

#### EAST TEXAS EXAMPLE

East Texas field offers a good illustration.

There the marginal well may produce 20 barrels a day every day of the month. But the top allowable for the better wells in the field is only slightly in excess of 20 barrels a day.

The upshot is that the marginal east Texas field well—the poorest in the field—gets to produce up to 620 barrels a month, while the best wells in the field (capable of producing thousands of barrels daily) are restricted to as low as 160 barrels per month. So there is a definite incentive to obtain marginal status in east Texas field.

One company's study in 1960 showed that east Texas field marginal wells represented only 15.45 percent of total field wells, but produced 23.3 percent of the field's total allowable.

#### IS THIS HOT OIL?

The function of the FPB is to squeeze off production of hot oil. It enforces the Connally Hot Oil Act which forbids interstate shipment of crude oil produced in violation of proration orders of the various State oil-regulatory agencies.

The question involved is whether the added oil that results from manipulation of well potentials so as to qualify for marginal status is hot oil.

Most operators feel it definitely illegal to take some physical action which would alter a well's true potentials. The FPB may well agree.

Mr. YARBOROUGH. In the midst of Mr. Purvis' investigation to determine whether or not there was stolen or illegally produced oil in the east Texas oil field, Mr. Lewis P. Blanton, the man whom Dan Purvis had succeeded as Chairman of the Federal Petroleum Board, was ordered reinstated to the Federal Petroleum Board chairmanship by the Civil Service Commission, which acted under a mandatory regulation requiring that persons not given proper notice of discharge be reinstated. It had been determined by the Civil Service Commission that Mr. Blanton had not been given the required notice. Mr. Purvis was removed and Mr. Blanton was reinstated in September of 1961.

Mr. Blanton continues to serve as chairman of the Federal Petroleum Board at Kilgore.

Now the hot oil scandal rocks the oil industry, with alleged illegal directional drilling and a probable theft of tens of millions of dollars worth of oil in the east Texas oilfield.

When this whole investigation is completed, Mr. President, and all the details are known, I think the lion's share of credit for moving to uncover this illegal situation should go to Mr. Dan Purvis, former Chairman of the Federal Petroleum Board of Kilgore. I am proud to have had the privilege of recommending Mr. Purvis for appointment at Kilgore.

In a brief 5 months in office, Mr. Purvis began to uncover and make public to the oil and gas industry and the rest of the world the situation that now exists.

This investigation is a matter of major import to the country, of grave importance to the oil and gas industry, and developments in it should be watched closely by the Congress, with a view toward taking any action necessary on a Federal level.

It comes under the jurisdiction of Federal agencies by virtue of the Connally Hot Oil Act of 1935. That act provides in part as follows:

> SEC. 2. As used in this Act—
>
> (1) The term "contraband oil" means petroleum which, or any constituent part of which, was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of a State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State, or any of the products of such petroleum.
>
> (3) The term "interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, or from any place in the United States to a foreign country, but only insofar as such commerce takes place within the United States.
>
> SEC. 3. The shipment or transportation in interstate commerce from any State of contraband oil produced in such State is hereby prohibited. For the purposes of this section contraband oil shall not be deemed to have been produced in a State if none of the petroleum constituting such contraband oil, or from which it was produced or derived, was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of such State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State.

I ask unanimous consent to have printed in the RECORD several articles including an article from the Houston Post of Monday, May 7, 1962, entitled "Oil Theft Probe Near"; two articles from the Dallas Morning News of Sunday, June 3, 1962, entitled "Rangers Called To Aid in Drilling Probe," and "Ten More Oil Field Operators from East Texas Enjoined"; and also an article from the Wall Street Journal of Monday, June 4, 1962, entitled "Oil Firms, State Sue Over Well-Slanting in East Texas Field; New Scandal Brews."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Houston Post, May 7, 1962]

### OIL THEFT PROBE NEAR—SLANTING OF WELLS REPORTED

(By Billy Thompson)

Suspicion-loaded signs that some east Texas operators are stealing their neighbor's oil by siphoning it through slant-down holes move nearer courtroom proof and well site showdown this week.

Already, Texas Rangers are tracking down reports, rumors and tips in the fabulous oil empire—reminiscent of the early 1930's when the chaos of theft and violence required martial law in the derrick-dotted field.

Next Friday morning a hearing will begin in a Longview courtroom on a temporary injunction issued last Thursday restraining the railroad commission from conducting an inclination survey of oil wells in and along the fairway of petroleum stretching from Upshur County southward through Gregg County to Cherokee County.

Four days later, on May 15, the regulatory agency will hold its own hearing in Austin for operators to show cause why their pipeline connections should not be severed. The order also requires the operators to show cause why they should not be required to comply with commission orders regarding the running of inclination surveys on their leases.

The Longview and Austin hearings—one or both—may bring into the open, oilmen believe, drilling and producing operations which smack of modern-day piracy.

Also, the hearing rooms may become the stages from which small operators vent their feelings that the commission is "picking on them" and is "being run" by big oil companies. The claims have been made already to members of the regulatory agency in private.

To these contentions, Chairman William J. Murray, Jr., counters:

"I won't be a party to a whitewash. This is a battle between right and wrong, not major and independent."

The commission—long recognized as the leading oil regulatory body in existence—wants to check scores, perhaps hundreds, of wells to see if they were drilled within prescribed limits for hole drift, or whether their shafts have been deflected so greatly that the wells produce oil from under other leases, some removed from the well location.

A commission rule prohibits the downward direction of a well being inclined more than 3°. The regulation was issued a year ago when rumors of oil stealing by siphoning became increasingly frequent.

Commission investigators as well as company probers have been checking out the rumors and tips for more than 2 years. In recent weeks the commission has beefed up its east Texas field staff in preparation for onsite checkouts.

The hearing at Longview Friday will be at 10 a.m. District Judge Sam B. Hall granted the temporary restraining order and will conduct this week's hearing.

Two Gregg County oilmen asked the injunction, contending that production of their oil wells would be damaged if they were forced to pull producing equipment from the wells for the surveys.

The commission had anticipated its well check might turn to the courthouse and, at the time of the Longview injunction, was working on an order for the show-cause hearing.

Murray said at week's end that the two hearings "will not alter our timetable."

"After the show-cause hearing and a look at the record, we'll be ready to do battle in court or in the field," he said.

He expects a courtroom fight "for I don't think many will comply" with the survey notices to some 60 operators by registered mail and the remainder by routine mail—and the commission's answer in Longview this week will be enough to sustain its position at that level, Murray believes.

Matthews was acquitted on February 14. He testified during the trial that he shot Dorsey when Dorsey came at him with a knife.

Matthews and his stepbrother, Walter Lee Snyder, testified during the trial that they were investigating directional drilling in Rusk, Gregg, and Upshur Counties.

Snyder testified that Dorsey and Matthews had been discussing drilling activities, including directional drilling and the transfer of production to "dummy" oil wells. Snyder said Dorsey wanted to be paid for his information and said he had a lot of information that he would give if he were paid for it.

Matthews, Snyder testified, told Dorsey that he would have to testify to the information in court.

These indications of irregularities involving directional drilling have come to light so far, the Post has learned.

1. Last January, an oil well operated by a major company suddenly started producing drilling mud instead of oil. That meant that the driller of a nearby well was drilling a "deviated" hole under the land leased by the major.

The driller of the nearby well was using what one oilman called "the best whipstock equipment in east Texas." Whipstocking is a technique that has been perfected in offshore drilling where slant drilling is common.

Quite by accident, the hole cut into the shaft sunk by the major. The deviation was more than 3°, more like 90°, sources acquainted with the case said.

2. Spot checks by commission investigators along the east and west fringes of the field have turned up new and revived producing wells in places where technical considerations made a resumption of production very unlikely.

3. Checks showed that wells reported to the commission as being in production were found not even to have transmission belts to drive the pumps.

4. Signs identifying wells and leases were found to have been switched. Commission regulations require that these signs be displayed.

5. One well, recorded as producing oil from the Woodbine sand at a depth of about 3,000 feet was found to have nearly 6,000 feet of sucker rods in the hole. "Sucker rods" are a part of the pumping system of the well and can give an indication of the depth.

Eight or nine rangers in the east Texas field area have been assigned to the case at the request of the commission.

Murray said the help of the rangers was asked "to protect and investigate." He said a member of the commission staff has been told that a "man has been hired to bump you off."

Last May, Chairman Murray, in answer to a Houston Post inquiry, revealed the railroad commission was concerned over reports that some wells, with their bores deviating excessively, where being drilled in the east Texas field.

Murray's comment was mild way of saying that the commission had indications that some wells that had been dug at one site were tapping an oil reservoir under another operator's lease.

An oil country source familiar with the commission's interest sized up such a situation thusly: "This is the same as stealing from a lease tank."

Then the commission supplemented a long-standing regulation prohibiting "unnecessary" well deviation with an order limiting such deivation to 3°. The new order carried instructions for operators to file a log of borehole surveys made in completing a well and for commission personnel also to log the well.

The order apparently drew only routine notice until Chairman Murray capped off a rising tide of rumors and tips with instructions to the east Texas field district office at Kilgore to undertake a wide-scale inclination survey throughout the field.

Roy D. Payne, district supervisor, began notifying a list of operators on April 20 that surveys would be run on their leases on dates the operator and commission could work out.

Two groups of notifications were placed in the mails, asking the operators to certify willingness on a copy of the notice to be returned to the Kilgore office.

Friday was the deadline for answers. Failure to comply made the operator subject to having his pipeline (market) connections severed, or to other penalties. Fines up to $1,000 a day can be assessed for violating Texas oil regulations.

The commission has declined to disclose the number of wells on the suspect list.

However, the Post was told by sources close to the situation, "there are 200 or 300 trouble spots," indicating that as many as 300 leases may be involved. The number of wells could total 1,000.

In the commission's files may be some of the strongest signs of violations.

Monthly proration schedules published by the commission show the quota or allocation for every well in Texas, including those exempt from shutdown days.

To get an allocation or an exemption an operator must file reports that his well was drilled and completed in conformance with regulations.

Many of the suspect wells in east Texas are among the 3,900 marginal producers and thus can produce all month long. The prorated or good producer is subject to shutdown.

Wells that cannot produce more than 20 barrels a day are not subject to shutdown days by Texas statutes.

Thus, an exempt well, with a producing capacity of 19 barrels a day, could produce 570 barrels a 30-day month. On the other hand, a good 30-barrel well could produce only 240 barrels in the same month if Texas were on an 8-day proration schedule.

Such a situation, observers think, has encouraged illegal drilling and production. For some it has emerged into a way of life, like bootlegging was during prohibition, commented one source.

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[From the Dallas Morning News, June 3, 1962]

### RANGERS CALLED TO AID IN DRILLING PROBE

(By Fred Pass)

KILGORE, TEX.—Texas Rangers began patrolling the large and rich east Texas oilfield in force Saturday.

A contingent of some 25 rangers, augmented by a like number of Texas highway patrolmen, assembled in Kilgore and began working with Texas Railroad Commission investigators who are making inclination tests of oil wells in the field.

Presence of the rangers created rumor waves which quickly spread throughout the large oilfield area that martial law had been declared. Many people here still remember the days of the early 1930's, when martial law went into effect to bring order to the field and to prevent the running of hot oil.

But Ranger Sgt. Lester Robertson, of Dallas, who is in charge of the 50-man force, said no such action has been taken.

"Martial law is not needed unless it gets to where we can't handle the situation," he said. "And the situation is a long way from that."

Sergeant Robertson said there has been no trouble "to speak of" so far. He said the rangers would be on duty in the field as long as they are needed to assist the railroad commission.

Ranger Capt. Bob Crowder, of Dallas, is expected to take command of the group next week. The officers are billeted in a Kilgore motel.

The rangers and railroad commission personnel are preventing the plugging or other alteration of wells before investigators can make tests to determine if any are drilled at illegal angles.

The question of illegal directional drilling in the east Texas field is scheduled to get its first district court airing in Rusk County Courthouse at Henderson Monday.

Hearings will begin at 9 a.m. in fourth district court. District Judge A. R. Stout, of Waxahachie, is scheduled to hear the first four civil suits which Humble Oil Co. has filed against six operator-defendants and numerous other defendants. Judge Stout will substitute for District Judge J. C. Gladney, the regular judge of the court.

The hearings follow a flurry of civil suits that were filed last week by large oil companies against east Texas field operators.

By the weekend, three companies had filed eight suits in State and Federal courts, seeking injunctions to prevent operators from altering their wells until they can be investigated, and asking damages if the wells are found to be tapping their oil pools.

These suits are in addition to action taken last week by the Texas Railroad Commission and attorney general's office in Austin.

Humble started the civil action a week ago Saturday by filing four suits in fourth district court here. They named as operator-defendants H. L. Long of Tyler, in two suits, Charles Stubblefield, of Tyler, in one suit with Long, A. E. McCubbin, J. S. McCubbin, and J. Rex Stegall, of Gregg County, in a third suit, and Judson Turner, of Overton, Rusk County, in the fourth suit.

In addition to these six operators, the suits also named 12 other defendants, including several financial institutions, due to their interests in the leases in question.

In these four suits, Humble asked court orders to prevent well alterations, and the right to make tests of the wells to determine location of the well bottoms. If the wells are found to be bottomed under their leases, the company also asks damages of nearly half a million dollars.

These are the four suits on which hearing will be held Monday.

Last Thursday, Humble followed with two more suits in fourth district court, naming W. O. Davis Jr., of Longview as operator-defendant. And on Friday, Continental Oil Co. petitioned the district court to restrain a Gregg County resident, Edwin G. Stanley, and others from altering wells.

Named defendants along with Stanley were Billy Bridwell, H. L. Long, R. H. Hedge, all of Tyler, Petroleum Pipeline & Storage Co. and the estate of W. H. McConnell, deceased.

Hearings on these cases have been set for next Wednesday.

Latest suit was filed on Friday in Federal district court in Tyler. Pan-American Petroleum was granted a temporary injunction against E. A. Major and O. M. Garvin, of Tyler, doing business as Major & Garvin Producing Co. The court order was to prevent plugging of wells.

A hearing on permanent injunction in this case has been set in Federal court for Monday, June 11.

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[From the Dallas Morning News, June 3, 1962]

### TEN MORE OILFIELD OPERATORS FROM EAST TEXAS ENJOINED

(By Richard M. Morehead)

AUSTIN, TEX.—Ten east Texas oilfield operators were placed under court orders here Saturday against interfering with deviation tests being made by the railroad commission.

District Judge Herman Jones granted the commission a temporary injunction, which the regulatory agency said is needed to assist in its investigations.

The same judge previously had granted court orders restraining three east Texas field operators from interfering with the inclination tests, designed to determine whether wells were illegally slanted underground to draw oil from adjoining property. Surveys of these were underway this weekend.

The commission meanwhile entered an emergency 15-day order against plugging of the big field's wells. An indefinite no-plugging order is in effect on 1,022 wells located on 162 leases, where the commission plans to make inclination surveys.

Judge Jones' latest order applies to the following operators and leases:

H. L. Long, of Tyler: Willie Star lease, Daniel-Clark survey, Rusk County.

E. W. Scates, of Longview: 0.53 acre, J. H. Watkins lease, Thomas Anderson survey, Rusk County; 23.5 acres, N. Ephriam lease, Daniel-Clark survey, Rusk County.

Robert Cargill, of Longview: 191.25 acres, G. J. Turner lease, Thomas H. Smith and Hugh Henderson survey, Rusk County.

Tom Cook, Jr., of Longview: 25.68 acres, Major Kennedy lease, Daniel-Clark survey, Rusk County.

Owen H. Thomas, of Kilgore: 25.86 acres, Arthur Kennedy lease, Daniel-Clark survey, Rusk County.

J. D. Laird, of Kilgore: 56 acres, G. Ephriam lease, Daniel-Clark survey, Rusk County.

Elba Oil Co.: 100.08 acres, Monroe Holt lease, Daniel-Clark survey; 43 acres, Z. H. Dorsey lease, R. Miller survey; and 96.78 acres, L. R. Jacobs lease, R. Miller survey, all Rusk County.

T. C. Morrow, of Corsicana: 58 acres, Herring-Thornhill lease, R. W. Smith survey, Rusk County.

J. K. Maxwell, of Kilgore: 35 acres, W. M. Sexton lease, Daniel-Clark survey, Rusk County.

Amtex Oil Co.: 30 acres, Bob Woods lease, Isaac Skillern survey, Gregg County.

"The commission has reason to anticipate and does anticipate that the owners of the above-described leases will refuse to allow the commission to conduct its investigation into their leases," said Attorney General Will Wilson's petition.

It said that operators, their employees, and agents needed to be restrained by court from interfering with the inclination surveys.

The petition named as defendants along with Elba Oil Co., Mrs. Virginia Gibson and W. O. Davis, Jr., of Longview; T. C. Morrow, of Corsicana; and J. K. Maxwell, of Kilgore. As codefendants with Amtex Oil Co., it named J. L. Gulley, Raymond H. Hedge, and J. L. Patton, of Tyler; A. E. McCubbin, J. S. McCubbin, Rex Stegall, G. V. Yoachum, and Carter-Jones Drilling Co., Inc. (J. K. Maxwell, vice president), all of Kilgore.

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[From the Wall Street Journal, June 4, 1962]

### OIL FIRMS, STATE SUE OVER WELL-SLANTING IN EAST TEXAS FIELD; NEW SCANDAL BREWS

DALLAS.—While the eyes of Texas have been riveted in recent weeks on the activities of Billie Sol Estes, a new State scandal has been brewing in the Nation's largest oil pool—the east Texas field.

Preliminary investigations by Texas officials indicate that scores, and perhaps hundreds, of wells in the 32-year-old field have been intentionally slanted underground by some producers to enable them to tap oil reserves lying beneath neighboring leases. These wells, investigators believe, have drained millions of dollars of oil that did not legally belong to those producing it.

Rumors that the east Texas field was riddled with slanted wells cropped up several weeks ago when the Texas Railroad Commission, the State's oil regulatory agency, sought permission from 60 producers to check their wells in the field. Most of the producers at first refused to submit to the State study but later relented in the face of threats that pipeline connections to the wells would be severed.

Friday, the matter broke into the courts when the State of Texas and two major oil companies filed suits against several producers in connection with the slanting charges. The companies filing suit were Humble Oil & Refining Co., subsidiary of Standard Oil Co. (New Jersey), and Continental Oil Co. The Texas suit charged four oilmen and one company with illegal production of oil in the east Texas field and sought penalties totaling $3,442,000. The company suits sought a court order to run surveys on several leases to determine if suspect wells were slanted and bottomed out on the companies' properties.

### FEDERAL AID TO INVESTIGATE

The Federal Government also announced it was entering the case. John Kelly, Assistant Secretary of the Interior Department, said he is sending a representative of his office to east Texas to investigate reports that slant-well operators are violating the so-called Connally Hot Oil Act, a Federal law prohibiting interstate transportation of oil produced in violation of State regulations.

Most oil wells slant somewhat from the vertical as a drilling bit cuts its way down through hard rock formations. Some wells are even intentionally slanted to obtain better surface drilling locations. But the east Texas case involves the intentional slanting of wells long distances to tap oil reserves under other people's leases. One investigator said there are indications wells have been slanted as much as three-quarters of a mile horizontally in the east Texas field.

"We've been a bit taken by surprise by the technological advances in directional drilling we are discovering," said William I. Murray, chairman of the railroad commission.

Mr. Murray said the State went to court because at 2 a.m. one morning last week, commission employees spotted one operator dumping cement in two suspect wells. The cement effectively blocks efforts to test a well for deviation.

Shortly after the suits were filed Friday morning, the Commission issued an order prohibiting all operators in the east Texas field from plugging any well for the next 15 days. "We're not making any broad-scale accusations as yet," said Mr. Murray, "but we have strong indications that our regulations have been violated. We will probably run tests on at least 200 wells at the start and if the tests show violations, the investigation will be greatly broadened." The field has some 19,000 wells.

The Continental Oil suit was directed against the same defendants named in the well-plugging suit filed by the State. They are Edwin G. Stanley of Kilgore, a former commission employee, H. L. Long, Billy Bridewell, R. H. Hedge, and Petroleum Pipeline & Storage Co., all of Tyler. If tests show the defendants' six wells are draining oil from beneath Conoco leases, as the company said in the suit it suspects, Conoco asks that it be awarded in excess of $255,000 in damages for an estimated loss of 80,000 barrels of crude oil. None of the defendants could be reached immediately for comment.

When Mr. Stanley worked for the railroad commission, he had the job of trapping oil operators who illegally deviated oil wells in the State.

### HUMBLE ASKS TESTS ON 45 WELLS

Humble filed six suits in Rusk County court asking for directional tests on 45 wells it said it suspects are illegally taking oil from under Humble leases. If the tests show this to be the case, Humble seeks in excess of $1,438,082 in damages and asks the court to permanently enjoin further production from the 45 wells.

One of the 45 wells, Humble charges, actually penetrated a Humble well 330 feet inside Humble's lease line, causing estimated $28,000 damage.

Mr. Long is chief defendant in two of the Humble suits. The principal defendants in the others are Nortex Oil & Gas Co. of Dallas, Judson Turner and Carter-Jones Drilling Co. of Kilgore, W. O. Davis & Elba Co. of Longview, and A. E. McCubbin, J. S. McCubbin and J. Rex Stegall, all of Kilgore.

On the east Texas field in general investigators hint that disclosures so far only touch the surface of a potentially major scandal. One said he would not be surprised if as much as half of the field's production comes from illegally slanted wells. The east Texas field is permitted to produce at the rate of 129,182 barrels daily this month, with regulated wells limited to the equivalent of just 8 full days' output.

### WILD EARLY DAYS RECALLED

The east Texas field investigation stirs memories of the wild early days of the giant pool. Within 2 years after its discovery in 1930, production from the field soared to such heights it broke the crude oil price. Oil sold then for as little as 10 cents a barrel. National Guard troops were ordered out to close the field by force. After a long legal battle, the State was permitted to impose regulation of oil production in Texas in relation to market demand. East Texas crude currently sells for $3.10 a barrel.

After State production regulations were imposed, however, many producers continued to produce oil illegally. Some even tapped into pipelines owned by others. They then took this illegal oil across State lines to sell it. These activities led to passage of the Connally Act by Congress in 1934.

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## U.S. INFORMATION AGENCY UNDER LEADERSHIP OF EDWARD R. MURROW

**Mr. YOUNG of Ohio.** Mr. President, my purpose is to manifest my approval—in fact, my admiration—of the real and needful service for our Nation rendered throughout the world by the U.S. Information Agency since very shortly following the appointment by President Kennedy of Edward R. Murrow to head this important Agency.

The U.S. Information Agency has become one of the tremendously important governmental agencies in our cold war effort. He has inspired it with a new sense of purpose and direction in its task of convincing the peoples of the world that our policies are in harmony with their legitimate aspirations for freedom, progress, and peace.

To carry out these objectives, this Agency operates 214 posts in 99 countries throughout the world. On occassions, I have criticized the manner in which many of our oversea Federal employees—I prefer to call them relaxed Americans—conduct themselves and perform their duties. Among them are a few of the 1,275 Americans working for the U.S. Information Agency abroad. I am happy to report that under the efficient direction of Ed Murrow, these relaxed few are being weeded out as quickly as possible and most of them have already been forcibly removed from the payroll by Director Murrow.

Few men in public life bring to their offices the fine experience, background, understanding, and imagination that Ed Murrow has brought to the post of Director of the U.S. Information Agency. Under his leadership, the USIA has adopted two outstanding characteristics.

First, there has been an increased emphasis on honest reporting. Gone are the futile and foolish attempts to picture us as a nation without faults or shortcomings. The world today is too small to try to distort events for propaganda purposes. The mass media of communications are rapidly becoming available to people everywhere. As Ed Murrow once put it:

> I think our credibility is our great asset and we cannot suppress information if we wanted to. There are too many other sources.

The truth is our most important weapon, and people the world over will respond to it in the long run.

Second, there has been every effort to focus the news on important events rather than cover all news across the board. For example, developments in Berlin were covered extensively so that people throughout the world would be aware of our determination to defend freedom and of our refusal to retreat an inch in the face of threats and ultimatums from Communist aggressors. In southeast Asia—one of the hotspots of the cold war—USLA material has been circulated even in Communist-held territory. In Latin America, the Alliance for Progress has been well publicized and is constantly being stressed by USIA officials. Our space program has also been singled out for intensive coverage.

One measure of the success of this Agency is the amount of money spent by the Soviet bloc in jamming its broadcasts. It is estimated that $112 million was spent last year by Communist nations simply to jam Voice of America broadcasts. That amount, and probably more, is being spent this year in attempting to jam our USIA broadcasts. This is almost as much money as the total USIA budget. Under Director Murrow our citizens are receiving full value for our expenditures.

Mr. President, this Agency gives significant support to our policy abroad. Through the Voice of America, magazines, books, pamphlets, libraries, and educational movies, the USIA is gradually succeeding in setting forth a true picture of our Nation and its goals. Without this effort, the Soviet Union would have an immeasurable propaganda advantage. We are fortunate in having the capable leadership of Edward R. Murrow, and can expect that the agency will continue its present high level of accomplishment. Mr. Murrow is indeed a truly great and patriotic American.

## THE FARM PROGRAM

Mr. LAUSCHE. Mr. President, a few days ago I received a letter from an Ohioan which I believe is quite interesting. In the first sentence he thanks me for having voted against the new farm program. Later in his letter he states:

> Last year we raised a bumper corn crop on 165 acres. In fact we averaged 137 bushels to the acre. This year half of our bins are still full because we have not fed it up so instead of putting out 167 acres we figured on putting out probably 80 or 90 acres. Along comes good old Uncle Sam and he offered me $54 an acre not to plant a little over 50 acres. Now Senator, this land was purchased, most of it, for not to exceed $50 an acre and the Government now wants to pay me $54 an acre not to raise corn. Now, ordinarily I would have said no, I don't want a Government handout, but last year they came around and reappraised my farm double the appraised value and then raised the rate so that my real estate taxes have gone up a little over $3,000 for the year. So I just figured if the Federal Government wants to help me pay my taxes I would take it and now believe me, the funny thing about it was, the minute you sign the contract you get half of the money right then and there and the other half, once they have checked and decided you are complying and staying within the crop allotment. How silly can we get?

This citizen manifests a great fairness, but, like all others, when the giving hand is stretched out he takes what the Federal Government has to offer. He paid less than $50 an acre for his land, yet he is now getting $54 an acre not to use it at all. We can well understand why we are getting into trouble on the Federal level.

(At this point Mrs. NEUBERGER assumed the chair as Presiding Officer.)

## THE NORTH PACIFIC FISHERY

Mr. BARTLETT. Madam President, yesterday the senior Senator from Washington [Mr. MAGNUSON] and my colleague from Alaska [Mr. GRUENING] brought to the attention of the Senate and of the country the fact that the fisheries problems of this Nation do not have the rating or ranking in the Federal Government to which they are entitled. These Senators pointed out that unless the fisheries are elevated, in terms of national policy, disaster may well fall upon this industry, which has been so important in many ways for so long insofar as the United States is concerned, but which, on account of the lack of attention, is rapidly going to the bottom of the ocean in every way.

Madam President, I had the privilege of reading last night an informed article on this subject, insofar as it relates to the fishery in the North Pacific Ocean. The article was written by Mr. Edward W. Allen of Seattle, Wash., who this year is chairman of the International North Pacific Fisheries Commission, and who is known everywhere throughout the world as one of the greatest international lawyers on maritime matters.

The article is entitled "Fighting for Fish," and appeared in the May issue of the International Oceanographic Foundation magazine known as "Sea Frontier." I ask unanimous consent that the article—so informative, so descriptive, so meaningful in terms of the discussion had yesterday between the senior Senator from Washington [Mr. MAGNUSON] and my colleague [Mr. GRUENING]—may be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### FIGHTING FOR FISH

(By Edward W. Allen)

"Fish disdain to recognize political boundaries," and fishermen are often just as obdurate if not restrained. With modern power, refrigeration, and other facilities, they now can roam the world, and those of some nations already do. This may not only affect the future supply of much needed food resources, but also the longed for peace of the world.

Nowhere are both of these perils better illustrated than in the North Pacific where four great nations abut from different angles waters which contain some of the richest fisheries anywhere to be found. Will these nations add to the current world confusion, or will they lead the way toward solving the problem of peaceful and rational utilization of these riches of the sea?

When Secretary Stettinius' reorganizers revamped the Department of State, they eliminated the division on fisheries which Cordell Hull had established, and turned its functions over to a mere clerkship. "What," said an Assistant Secretary, "has this Department to do with a can of fish on a grocer's shelf?" When asked whether a Russian, a Japanese, and an American fishing boat contending for the same fish out in the middle of the North Pacific might not create an international problem, he shrugged his shoulders and said they hadn't thought of that.

#### A VERY REAL PROBLEM

Now, however, the division of the Department (eventually reinstated by Robert Lovett, when he was Under Secretary) is giving this very problem some live and lusty thoughts. For today in the open North Pacific, Japanese are catching millions of American-spawned salmon. Japanese and Soviet trawlers are taking billions of pounds of groundfish on the Alaska side of the Bering Sea, and both are threatening to enter the expansive Continental Shelf, of the Gulf of Alaska, with commercial trawling gear.

There is an historical as well as a geographical difference between the fisheries of the North Pacific and North Atlantic.

Whether or not Portuguese and Breton fishermen reached the Grand Banks prior to the voyage of Columbus, there is no doubt that these banks have been fished for centuries by fishermen from so many countries that no nation can legitimately claim superior rights. Their practices blend with the original Hugo Grotius concept of "freedom of the seas," although by recent agreement the countries concerned are now seeking to promote conservation in the area.

If we forget the days of whaling when New England barks penetrated almost every nook of the whole Pacific, it is almost correct to say that prior to World War II, Asiatic fishermen stayed on their side and American fishermen on theirs. A temporary exception occurred when in the 1930's the Japanese, seemingly with acquiescence of Washington officials, entered the king crab fishery of eastern Bering Sea, then secretly expanded into salmon fishing. But when this was discovered, and Secretary Hull protested, Japan withdrew its salmon vessels.

Although Japan early developed floating salmon canneries, salmon fishing nevertheless continued to be a coastal rather than a deep sea pursuit by all four of the North Pacific countries—Japan, Russia, the United States, and Canada. And halibut, the next most important fishery in the northeastern Pacific, was by nature confined to the Continental Shelf.

Pacific Coast halibut having become severely depleted, in 1923 the United States and Canada created a commission to investigate the situation. Although halibut had been fished in the Atlantic for centuries, and incidentally overfished in recent times, little was known about the species biologically. This commission revolutionized ocean fishery research. Instead of individual scientists each going his own way, the director organized a team to carry out a systematic program which exposed the home life of halibut from the egg to the "whale," as an extra large halibut is called. Creation of a new commission with regulatory power was recommended. Instead, the Governments of Canada and the United States gave the old commission power to make regulations which, when approved by the Executives of the two Governments, became law in both countries. This Commission has had remarkable success. It has restored the fishery to practically maximum sustainable production and has demonstrated what can be done by intelligent and friendly international cooperation.

Similarly, in 1937 the same nations created a commission to deal with the once enormous but almost vanished Fraser River sockeye salmon runs. Its research disclosed that as a result of rock slides into Hell's Gate Canyon, which were erroneously thought to have been removed, there were certain stages of the water at which the salmon were unable to ascend the terrific cataracts and reach their spawning grounds. Because the fluctuation in the height of the water at the Canyon sometimes reaches the astounding figure of 100 feet, old-fashioned fish ladders could not meet the situation and a new type of fishway was successfully devised. Intensive research and intelligent management have enabled this commission, also, to boast a splendid success story.

#### TO HELP, NOT HINDER

So these important northeast Pacific fisheries were developed, investigated, regulated, and exclusively pursued under joint United States and Canadian management. It is but natural that these two nations should feel that they had established superior rights to them and that international law should be construed so as to foster rather than to obstruct the conservation of the valuable food resources of the sea. At first these claims were termed "historic rights," and might well have been sustainable under analogous concepts of international law, but under pressure of theoretical government economists these rights were developed into what became known as the principle of abstention. Briefly, this means that where a nation has exclusively developed a coastal fishery, has subjected it to conservation research and regulation, and is making substantially full use of it on a sustainable yield basis, other nations should abstain from permitting their fishermen to enter the fishery, regardless of the distance the fishery extends offshore.

In 1951 the so-called "Tripartite" fisheries treaty was negotiated between the United States, Canada and Japan, wherein all three nations committed themselves to the conservation of ocean fisheries generally, and Japan agreed that abstention by it applied to American salmon and halibut. An expansive research program encompassing the huge area of the northern Pacific Ocean, including Bering Sea, has been carried on, inspired by two features of the treaty. One

> was to prove whether the United States and Canada were themselves complying with the conservation requirements for continued abstention by Japan. The other was to show whether the provisional line specified in the treaty protocol (175° W.), east of which the Japanese would abstain from fishing salmon, should be shifted.
>
> ### THE ROVING SALMON
>
> The line was originally assumed to divide American from Asiatic salmon. Research disclosed that the Bristol Bay red salmon did not have the sagacity to stay home on their own side of the ocean, but were enticed by apparently green pastures to the westward so that at certain stages of their life practically all of them could be intercepted by the Japanese west of the provisional line. In fact, there were found to be some areas west of the line where practically all the red salmon were of Alaskan origin at certain times, and under United States interpretation of the treaty, were entitled to protection. On the other hand, in alternate years Siberian pink salmon seemed to hanker for the flavor of American waters east of the line; but these are not caught by American fishermen, who, unlike the Japanese, are not operative far offshore.
>
> Affirmative action by the commission requires unanimity, but on the one hand the United States has not succeeded in having the line shifted westward, and on the other hand the Japanese are still obligated to abstain from American salmon and halibut. The Tripartite Treaty may continue indefinitely, but it may be terminated in June, 1963, or thereafter, by any party giving a year's notice.
>
> The North Pacific picture has changed radically in the last few years. The intensive trawling in Bering Sea not only threatens the halibut stock there, but may even be excessive as to other ground fish, and if extended into the Gulf of Alaska it may imperil the work of both the halibut and salmon commissions despite the inspiring example of successful international cooperation they have set before the world.
>
> So far the Russians have not sought American salmon, but they now have a salmon treaty with Japan which not only results in reducing the Japanese catch of Siberian salmon, but naturally increases their longing for American salmon. Whether the Japanese will consider it desirable to terminate the Tripartite Treaty is an open question. There are arguments both ways.
>
> The Geneva conferences of 1958 and 1960 on the "Law of the Sea" by no means solved the problems of the North Pacific. The members of the International North Pacific Fisheries Commission from all three nations are striving diligently to find answers, but the future is guesswork. There is at least one assertion which can be made with confidence—the present North Pacific fishery situation is one of increasingly precarious perplexities.

**Mr. MAGNUSON.** Madam President, I wish to associate myself with the remarks of the Senator from Alaska.

I wish to repeat what we stated yesterday. When my colleague from Alaska [Mr. BARTLETT] was a Delegate in the House of Representatives from Alaska, before Alaska became a State, he and I and the late distinguished Richard Neuberger, husband of the present occupant of the chair, along with the senior Senator from Oregon [Mr. MORSE] and other Senators, tried for many years to convince the State Department of the fact that fisheries are an important economic segment of the United States and therefore ought to be considered on a policy level in the State Department. We never could get that result, though Mr. Lovett at one time elevated the consideration of the problem.

I have known of international conferences on trade, some of the GATT agreements, and some of the other agreements the United States enters into, which spend 3 or 4 weeks talking about machine tools, automobiles, grain—and perhaps rightly so—and, when the conference members are at the point of preparing to go home, finishing negotiations, somebody will present for consideration the problem of international fisheries. This is the way we have been negotiating our fisheries agreements. It happens because, at the policy level in the State Department, there is no one who can stand up and talk about the problem.

What happens? When one goes to an international fisheries conference one sees someone from the Fish and Wildlife Service, or perhaps someone under a subhead of a subdepartment of the State Department, who sits across the table from Cabinet ministers, to do the negotiating. He has two strikes against him before he starts. This is what the Senator from Alaska and I are talking about this morning.

I hope the State Department will read the colloquy. We have talked about this problem for many years, yet we seem unable to make any progress in respect to it.

**Mr. BARTLETT.** Madam President, will the Senator yield?

**Mr. MAGNUSON.** I yield.

**Mr. BARTLETT.** I could not agree more absolutely with the Senator.

**Mr. MAGNUSON.** I wish the Vice President could be doing the negotiating on our side.

**Mr. BARTLETT.** I am glad the Vice President is still in the Chamber, to listen to this discussion, which I know is of great interest to him.

Men like Donald L. McKernan, the Director of the Bureau of Commercial Fisheries, and William C. Herrington, special assistant to the Under Secretary for Fisheries and Wildlife of the Departmen of State, are knowledgeable and well informed.

**Mr. MAGNUSON.** But they have no authority.

**Mr. BARTLETT.** They have no authority. They have no policymaking authority whatsoever.

I know the Senator will agree with me when I say that if Governor Egan, of Alaska, had not acted promptly, affirmatively, and decisively the other day when the Japanese fishing fleet started to fish in the coastal waters of Alaska, probably many more Japanese fishing vessels would be there today, fishing the resources which are Alaskan in origin and upon which the fishermen from the State of Oregon, and from the State of Washington, as well as Alaskans, have customarily depended for a considerable amount of their livelihood. We must protect the fishery or a great industry will be lost and a hardship will be brought to many people.

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## KEEPING THE ECONOMY MOVING

**Mr. SYMINGTON.** Madam President, previously I presented the Senate the fact that some businessmen blame the recent stock market break on high taxes, an unbalanced budget, Government intervention in the steel industry, and the influence of large unions.

But in 1929 the budget was balanced, taxes were low, there was no Government intervention, and there were no large unions. Nevertheless the stock market break was far more severe and far more serious.

Rather than allocate responsibility, it seems to me we should now be considering positive and constructive action. In that connection I refer to a thought-provoking article by Mr. Walter Lippmann, one of the wiser men of this Nation, entitled, "To Get the Economy Moving."

In the article Mr. Lippmann said:

> It is no explanation of the situation to say that businessmen do not like Kennedy and the Democrats and are therefore afraid to invest. They did not like Truman in 1950 but they did invest. They liked and trusted Eisenhower in 1960 but they did not do anything to save the 1960 Eisenhower recovery from being aborted. The truth is that the great movements of the business cycle are not caused by incidents, personalities, or political parties, but by continental and global tides of supply and demand.

Recently the Secretary of the Treasury delivered an address in which he suggested a tax reduction next year.

Mr. Lippmann's article reminds one of a famous American slogan: "Eventually—Why Not Now?"

Madam President, I ask unanimous consent that the article entitled "To Get the Economy Moving," published in the Herald Tribune this morning, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> ### TO GET THE ECONOMY MOVING
>
> (By Walter Lippmann)
>
> While there is wide agreement that a tax cut is needed, there is an important difference of opinion on when it should be put into effect. The administration's position is that a tax cut should be voted in the next session of Congress, if possible early in 1963. If this is done, the effects of the cut will not at best be felt until some 10 months from now.
>
> There are others who think that it is imprudent to wait so long, that what the economy needs is the stimulation of additional demand in the near future. This could be had by action in this session of Congress to cut by a few percentage points the withholding from payrolls for taxes, as well as the installment payments in September and January for incomes and corporations. Eighty percent of personal income tax is paid in the form of withheld wages and salaries. The economic effect of an income tax cut on income and spending would be felt by the beginning of the month after it was enacted.
>
> The argument for waiting until next year rests on the idea that if taxes are cut before the tax structure is reformed (as proposed by the administration), Congress is likely to lose interest in tax reform. The administration's current view is that for the long run tax reform is very important and that it should not be sidetracked by the popularity of a tax cut. On the contrary, the unpopular features of tax reform should be made more palatable by the tax cut.
>
> This may be a correct estimate of congressional psychology. The question is whether the prospects of the economy today

do not require a decision to stimulate and prolong the recovery and avert a recession. Tax reform may be more difficult if the recovery is promoted and sustained by a tax cut. But everything will be more difficult if the recovery is aborted before it has been achieved.

There is ground for thinking that the underlying trend is not toward a full recovery. I myself believe that this is the determining cause of the bear market in stocks which has been in existence since December. It is true that consumer buying is good, including automobiles and houses, but against this we find that inventories are being kept extremely low, that while hours of work have been steady, unemployment remains high.

Most disturbing and most significant is the fact that plans to purchase plant and equipment—which is the backbone of full employment and a high rate of growth—are disappointingly small. Early in January the administration was hoping for a rise of 14 percent above the 1961 capital investment level. Today, the figures for May show that current business plans indicate a rise of only about 8 percent, which is no more than it was back in February. If this continues, the chances are that the Kennedy recovery, like the Eisenhower recovery of 1960, will grind to a halt.

It is no explanation of the situation to say that businessmen do not like Kennedy and the Democrats, and are therefore afraid to invest. They did not like Truman in 1950 but they did invest. They liked and trusted Eisenhower in 1960, but they did not do anything to save the 1960 Eisenhower recovery from being aborted. The truth is that the great movements of the business cycle are not caused by incidents, personalities, or political parties, but by continental and global tides of supply and demand.

It is no accident that the Kennedy recovery of 1962 has become throttled down as the true budget of income and product accounts has been coming into balance. The truth is that the American economy, far from being inflationary, is in fact being pressed down by strong deflationary pressure. Many do not see this because they are confused by the administrative budget which does not tell the true story. In that budget there is a deficit. But in the really significant budget—the income accounts—there is a premature balance achieved before recovery has been completed. In an economy with large unemployment and low utilization of plant capacity this balance of the income accounts is deflationary.

The reason why a tax cut is desirable is that it will relieve the deflationary pressure.

It is to the problem of our throttled recovery that the administration ought, I think, to address itself primarily. I do not say that tax reform is not important and desirable. But recovery is more important and recovery should not be jeopardized by the legislative prospects for tax reform.

As for the reforms themselves, I must confess at once that I do not understand the proposals well enough yet to write about them at all. I feel reasonably certain, however, that the controversial items which are holding up the 1962 tax reform bill are not big enough to be of such crucial importance that they must have first priority.

The President's first priority is to get the economy moving.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

There being no objection, the Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the senior Senator from Washington [Mr. MAGNUSON] to strike out, on page 31, line 12, the figure "$2,000,000" and insert in lieu thereof the figure "$6,000,000".

Mr. MAGNUSON. Madam President, I wish to address myself to a problem which involves the amendment now pending with relation to access roads. I wish also to invite the attention of Senators to a subject which is directly involved in the problem of stumpage and forest timber sales.

When the committee was considering the bill, I, along with my colleague from Washington [Mr. JACKSON], asked that the Forest Service supply certain information for the committee. The distinguished Senator from Arizona [Mr. HAYDEN] joined in the request. The material is available in the hearing record starting at page 1102. It shows that there is room for substantial improvement.

At a hearing held in Portland, Oreg., last week by the Committee on Commerce there was discussion of the Forest Service timber sales program. The senior Senator from Oregon was present. The junior Senator from Oregon [Mrs. NEUBERGER], the present occupant of the chair, was vitally interested, and sent certain information to the committee. In the hearing it was suggested that the problem be discussed on the floor during the consideration of the appropriation of funds for the Forest Service. I agreed, because there is no doubt that the lumber industry is experiencing great difficulties in competition with the Canadians. We in the Pacific Northwest area know of that competition. One of the factors is the national forest timber availability.

Our first point of interest was whether the timber sale performance matched the basis on which funds were appropriated. It definitely does not.

In fiscal year 1961 there was a terrible fall down in national forest timber sale performance. Only 77 percent of the timber offered for sale was sold. In the region represented by the Senators from California only 62 percent of financed timber was sold. In the Idaho-Montana region it was 79 percent. In the Oregon-Washington region 82 percent was sold. In the Rocky Mountain region—Colorado, South Dakota, and Wyoming—only 44 percent of the timber financed for sale was sold; and in Alaska a mere 31 percent was sold. The Lake States region—Minnesota, Wisconsin, Michigan, Illinois, and so forth—shows a record of only 64 percent sold. The record in previous years has sometimes been better and sometimes worse. It is a very spotty record. It must be improved starting right now.

Over the years we have been very considerate of the needs of the Forest Service. We have continually granted budget requests and we have added funds on occasion. I do not regret that we have done this. There may be some extenuating circumstances but I am interested in results not excuses. I think the Forest Service can improve and my remarks today are intended to see that they do so.

The point I want to make perfectly clear on the record is that the Forest Service has an obligation to offer for sale the full amount of timber that the budget plans will be sold. If circumstances come up where this is not practical or possible we should be advised.

From here on out it should be crystal clear that the timber sale business involves a direct obligation on the part of the Forest Service. Timber sales plans should be made early and available for local mills to plan on. The industry should be able to count on the fact that 99 times out of 100 a timber sale that is planned will be made when it was planned and in the approximate volume planned. If some hitch develops, a substitute sale should be ready.

The Forest Service must arrange its affairs so that these sales are made with clocklike regularity.

This is a $100 million business. It must be operated like a business and a business run on humane standards. Efficiency must become a watchword but I do not want to suggest that I am urging that the Forest Service develop a cold, impersonal, business machine operated like a coffee vending machine. What is needed is performance according to plans and plans that are based on doing the utmost to sell all of the timber permissible under sustained yield rules. We have communities and payrolls dependent upon this timber. Their legitimate needs must be met.

The second thing that must be done is to modernize the allowable cuts. If more timber can be properly added to allowable cuts this must be done and done promptly. If there are reasons why the allowable cut cannot be increased, then we and the local people should know those reasons. In some cases allowable cuts are held back because lands burned in the past decades have still not been reforested. If this is the case—the funds should be sought. In other cases the full allowable cut cannot be reached because of a lack of roads or road use. I shall offer an amendment to take care of some of these road problems. I should not have to do this—the budget requests should clearly set forth these fund needs.

If rotation ages can be reduced—or there is a change in log utilization standards—the allowable cuts should reflect these factors.

I want to make it perfectly clear that I do not propose that the Forest Service figure out how to log the wilderness areas. On the presently commercial forest land outside of wilderness, there is plenty of ability to grow timber without trespassing on the little timber that is today in wilderness and limited areas.

To accomplish these two basic suggestions there are several things that must be done. First, the Chief of the Forest Service must take a good hard look at procedures presently being followed and institute the necessary reforms.

Second, the people concerned with developing the budget in the Department and the Budget Bureau as well as in the Congress need to have better working tools.

This can be accomplished by making annual reports more than historical documents—by converting them to working tools. Efficient management requires that executive levels be on top of developments. They need to know early what is happening and at the same time, the operating levels need to know the level of performance expected.

The forest industry suggested to Secretary Freeman some information that they think is important. Their suggestions may be good but they do not cover the salient points on performance. When the Forest Service appears before our committee next year they should have in our hands—as of January 15—a report on business for both the first and the second half of calendar year 1962. We should know by Forest Service regions—or States such as Washington and Oregon—where the sale business is large, the relation between what the agency was financed to do, and thus planned to do, and what they accomplished. Even more important, we should know what the problems of management are and how they are to be overcome.

In short, we should have a meaningful annual report placed before the Congress each January 15 that can be used as an adjunct to the budget process. I suggest that this first year the effort be concentrated on the timber sale and allowable cut business. We can then see how this goes and extend the application to grazing, to recreation and other programs.

Therefore, I want the record to show that this is what we expect and this constitutes a condition upon which funds are appropriated.

Finally, the agency has the power to transfer funds. In order to bring all possible relief to the timber industry from short timber supplies, the Forest Service should be prepared to transfer funds from programs with less immediate economic importance to timber activities.

I intended to propose an amendment which would add to the research work of the Forest Service, and add a small laboratory for timber management and animal damage prevention research. The subject was discussed in committee. I think the foundation is laid for sympathetic consideration of the entire subject of animal damage to young forests. I need not suggest to anyone from our area how serious the problem is.

The laboratory is needed to permit progress of research on the management of young-growth Douglas-fir stands and on the prevention and control of animal damage to these young forests. As more and more of the old-growth timber is removed, more of the cut must come from the young-growth stands. In 1960 about one-third of all the private timber cutting in western Washington was in young growth. Research is needed to develop an intensive culture for these young-growth forests. This research has been started at Olympia, Wash., but is hampered by the lack of adequate facilities.

One of the problems in the western timber industry is the terrific loss suffered from animal damage to young forests. This loss is now estimated to be about $15 million a year in the Pacific Northwest alone. It is most serious in areas where a high investment has been made in seeding and planting a new forest, only to have it destroyed by rodents, deer, elk, and other animals. Even older trees are damaged by bears and porcupines. Chemical repellents and other controls now in use are only partially effective. Animal damage research at Olympia will seek to develop more effective controls, but this will require improved facilities for the laboratory phases of the research.

This new facility would materially assist research on two of the many critical problems facing the western timber industry at this time.

I ask unanimous consent to have printed in the RECORD a letter from the Department of Agriculture, Forest Service, under date of June 7, and a letter from the Department of Natural Resources of the State of Washington, dated May 25, in reply to my letter of June 4.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
*Washington, D.C., June 7, 1962.*
Hon. WARREN G. MAGNUSON,
*U.S. Senate.*

DEAR SENATOR MAGNUSON: I am glad to supply the information you requested in your letter of June 4 about our program and plans for forestry research at Olympia, Wash.

We have two projects underway there now: (1) Studies of how to improve the production of second-growth Douglas-fir and related species through better cultural practices; and (2) investigations of ways to prevent and control animal damage to forests. Both projects are directed toward the most critical problems of present management in the western Cascades region now and in the years ahead. As you are aware, there is an increasing area of young growth forest being created as the older stands are harvested. Maintaining future timber production will depend on having a strong scientific basis for solving the many technical cultural problems that arise. Animal damage is unfortunately a serious problem in these same areas. Ways must be found to prevent the losses caused by animals to many forms of tree growth.

Future plans call for strengthening the present work on the two projects as fast as overall budgetary situations permit. Such increases are included in the national forestry research program estimates which are a part of the fiscal year 1963 Senate appropriations hearings record and will be as follows:

| Project | Expenditures for research | |
|---|---|---|
| | Fiscal year 1962 | Future need |
| Improving cultural practices | $37,000 | $180,000 |
| Prevention and control of animal damage | 32,000 | 120,000 |
| Total | 69,000 | 300,000 |

In fiscal year 1963 we hope to increase the animal damage project by about $15,000. Even so, there is still quite a way to go to get the two projects implemented to the proposed level.

Our laboratory facilities at Olympia, now very limited, would have to be developed. We estimate this will require a total of $350,000—a laboratory building at $300,000, and special scientific equipment and auxiliary facilities, $50,000. A site for this building has already been made available by the State of Washington.

I hope that this information adequately answers your questions.

Sincerely yours,
EDWARD P. CLIFF,
*Chief*
By V. L. HARPER.

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JUNE 4, 1962.
MR. EDWARD P. CLIFF,
*Chief, Forest Service, Department of Agriculture, Washington, D.C.*

DEAR MR. CLIFF: I have just returned from a trip to the State of Washington and while there I encountered a great deal of interest in the future plans of the Forest Service in regard to the research center at Olympia, Wash. Will you give me the answers to the following questions?

What plans do you have for expansion of the research center at Olympia?

What type of research will be done at this center?

What funds for capital outlay would be necessary to accomplish an effective research program at the Olympic center?

Any other information which you have in regard to the center will be most appreciated.

Thank you and kind regards.

Sincerely,
WARREN G. MAGNUSON.

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STATE OF WASHINGTON,
DEPARTMENT OF NATURAL RESOURCES,
*Olympia, Wash., May 25, 1962.*
Hon. WARREN G. MAGNUSON,
*Senate Office Building,*
*Washington, D.C.*

DEAR MAGGIE: I certainly appreciated the efforts put forth by you and your staff in making me feel at home on my recent visit to Washington, D.C.

MAGGIE, I wish you would consider the possibility of asking the Forest Service if they have plans for the expansion of the research center at Olympia; what type of research would be done at this center; and what funds they feel would be necessary for capital outlay to accomplish an effective research program for the forest problems that they plan to study. It seems strange that Oregon and some of the other States are able to receive approval for their Forest Service capital outlay funds, and the request for our State is ignored. I know that the people in research in the Fish and Wildlife Service and our State Department of Natural Resources, as well as those in research working out of region 6, feel there is an urgent need for an expansion of the Olympia Research Center. I do hope there is still an opportunity to have the funds approved for this expansion program at this session of Congress.

Relative to the lumber import problem, I am enclosing some data from a financial newsletter that I receive which should be helpful to your staff in giving them a broader appreciation of the problem.

I do hope you are successful in increasing the Forest Service appropriation for the road development program.

I certainly enjoyed the opportunity to visit with you at lunch the other day and am looking forward to being of some effective use during your coming campaign.

Sincerely,
BERT L. COLE,
*Commissioner of Public Lands.*

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**Mr. MAGNUSON.** Madam President, the pending order of business is an amendment to increase access roads in the Forest Service from $2 million to $6 million. Last night, before the Senate adjourned, I placed in the Record a statement which I offered on behalf of myself, my colleague from Washington [Mr. Jackson], the Senators from Oregon [Mr. Morse and Mrs. Neuberger], the Senators from Montana [Mr. Mansfield and Mr. Metcalf], the Senator from Idaho [Mr. Church], and the Senators from California [Mr. Engle and Mr. Kuchel], which very well states the whole situation, and which, I believe, is ample proof of why this amount should be increased from $2 million to $6 million.

Mr. BARTLETT. Madam President, this problem is of great interest and concern to me, because as a member of the Commerce Committee I participated in the hearings in Washington and in Olympia, Wash., and more recently in Lewiston, Idaho. I was not able to be present at a meeting held not long since at Portland, Oreg. The problem of Canadian competition with American lumber is of great gravity. It concerns Alaska to a very slight extent, as compared with the Pacific Northwest States, but apparently the competition even there is becoming greater all the time.

First I wish to say that the attention which has been paid to this problem by the senior Senator from Washington, the distinguished chairman of the Commerce Committee [Mr. Magnuson] is praiseworthy in every way. He has devoted his time and efforts to it, and has held many hearings in many sections of the country, because this very urgent problem does exist.

As we have gone from point to point in the holding of these hearings, many different reasons have been advanced by the lumber people as to why they are losing steadily much of the American market, and why Canadian lumber is moving in to take the place of American lumber.

Some people have told us that the railroad freehold provision is an instrumental factor. Others have said—and this is particularly so on the west coast—that the transportation differential in favor of the Canadians poses a serious threat and, in fact, is an overwhelming handicap so far as American producers are concerned. Of course, everyone now speaks about the depreciation of the Canadian dollar. Forest Service policies have come in for much criticism by those who are engaged in the lumber industry.

Whatever the cause or causes, the fact is that mills are closing constantly in the great Pacific Northwest States, and too often the communities where they are located are one-industry towns. When a mill closes there is no employment in that area.

Something, indeed, must be done about the problem. Curative measures must be found, and found quickly.

Personally, I wish to say that the Senators and Representatives from these States, including the junior Senator from Washington, who is in the Chamber, and the Presiding Officer, the junior Senator from Oregon [Mrs. Neuberger], have done much in trying to reach solutions. Of course, the senior Senator from Oregon [Mr. Morse] participated in the hearing at Portland which was held only the other day. That hearing was conducted by the Senator from Indiana [Mr. Hartke]. And the junior Senator from Idaho [Mr. Church] and the Congresswoman from that district [Mrs. Pfost] were with me at Lewiston.

Madam President, I ask unanimous consent to have incorporated with my remarks a letter from Charles M. Hines, president of the Edward Hines Lumber Co., of Chicago; also an editorial which appeared the other day in the Portland Oregonian of June 7, entitled "Buyers Versus Forests," in which considerable reference is made to statements made by Joseph W. McCracken, executive vice president of the Western Forest Industries Association, a most knowledgeable person in the field of the lumber industry.

Of course, I am for the amendment proposed by the senior Senator from Washington [Mr. Magnuson] to increase access road funds. More such roads need to be built. I intend to vote for more money so more timber will be accessible. If the amendment is adopted and the extra money remains in the bill, a forward step will have been taken, one of many which will be necessary before American industry again becomes truly competitive.

There being no objection, the letter and editorial were ordered to be printed in the Record, as follows:

Edward Hines Lumber Co.,
*Chicago, Ill., May 10, 1962.*

Hon. E. L. (Bob) Bartlett,
*Senate Office Building,*
*Washington, D.C.*

My Dear Senator Bartlett: I was present, with Mr. Joseph J. Fitzgerald of our company, at the recent hearings on timber problems before the Magnuson committee, and know of your great interest in finding a solution to those problems that confront so many converters of public timber, and the communities that are dependent upon them.

During the past 2 weeks we have received and reviewed copies of Chief Forester Cliff's memorandum to Secretary Freeman and the Secretary's letter to the Northwest Senators. While I thought that the March 5 letter that the Senators sent Secretary Freeman was excellent, reflecting a realistic understanding of the basic problems we face, I am greatly disappointed with the Secretary's reply and the Cliff memorandum it encloses.

The Forest Service bluntly reiterates all of its policies of the past, with the possible exception of conceding that some of its forests are not operating on a realistic allowable cut.

Mr. Cliff urges restoration of the $800,000 cut in timber sale appropriations made by the House. If the Forest Service adopts the Graves report, and likewise agrees to a maximum timber sale program consistent with sustained yield, it is quite proper that they be granted sufficient money for timber sales procedures. However, Mr. Cliff infers in his letter that Forest Service public relations need improving and recommends that a large sum of money be appropriated for that entirely different purpose. It is quite true that their public relations are deplorable, due solely to the fact that sawmill operators, plywood mills, loggers, cattle ranchers, and sheep grazers, are deeply disturbed because representatives of the Forest Service have been arbitrary, brusk, and impractical in dealing with them. We recommend that the Senate committee restore this $800,000 providing it is clearly agreed that all the money appropriated for timber management be devoted to that purpose.

I remember when the Forest Service in the days of Mr. Watts, Mr. Granger, Mr. Carter, and others enjoyed the best possible relationship with Congressmen and Senators in the timber States. They received the greatest cooperation from our legislators. I am afraid there is a tendency now for the Forest Service to consider itself an autonomous bureau, entrusted with our national timber resources which shall be used and managed in the manner it determines.

It is also quite apparent that the Chief Forester, after reviewing the serious charges made by the industry and Senators and Congressmen, at the February 21 meeting with Secretary Freeman, has now found these charges to be unsubstantial and has rejected them in their entirety.

While the Service promises further study in respect to certain recommendations of the industry, I fear that it is only paying lipservice to the suggestions that have been made and that no results can be expected, excepting as you and other Senators urge them into action.

Interwoven in Mr. Cliff's statement are many indications of deep resentment against the lumber industry and all those that have dared to take their cause before the public and to their elected representatives. Our company has tried to inform our employees and townspeople of the dangers to their welfare inherent in the present practices of the Forest Service. This is resented by the Portland office, even though it is quite clear that our employees, the communities dependent on our operations, and our material suppliers have the same vital interest in this matter as do the operators.

After a long experience of some 30 years with various administrators of the Forest Service at all levels, I am simply astounded that that agency has retrogressed so far and has now assumed such a resentment against petitions of our industry that were supported so unanimously by you.

In fact, the Cliff memorandum now takes the incredible attitude that any publicly expressed difference with the Forest Service is controversial, and that the Service alone settles all controversies. It even states that—

"Part of the cause for recurrence of the same issues is refusal of industry representatives to accept decisions which the Forest Service considers to be the resolution of an issue."

While I deplore such arbitrary action, as I am sure that you do, I am gratified that the Service has exposed its true feelings. The issues are now sharply drawn. They have now put our industry, the communities dependent on our operations, our timbered States, and congressional representatives on notice that the relationship of the Forest Service with its monopoly control over timber raw materials in the lumber-oriented States must be clarified once and for all if the lumber industry and all that are dependent on it are to survive.

For many years, our company, as one of the largest buyers of national forest timber, had excellent relations with the Forest Service. While we did not always agree and we did find it necessary to frequently bring our practical problems of logging and manufacturing to the attention of their top officials, we did get fair treatment, and everyone, including the timbering communities, benefited to the great satisfaction of the Forest Service and ourselves. With the help of our congressional representatives, this relationship can be restored, provided the Forest Service does not consider itself an independent bureau, responsible to no one.

As you may know, I consider it important that Federal timber be made available on a free competitive basis to all who convert timber, both large and small. We larger operators, that are wholly dependent upon Government timber, have the same problems and responsibilities in operating Federal timber as do the other converters. In our case, some large sales must be made available for our large production so that we can employ a large number of people. When we have problems with the Forest Service, we have able logging engineers and general managers to represent aggressively our interests before the Forest Service. Even with this help we have been unable to secure the quality of timber as advertised by the Forest Service or build our roads within the limits provided in their appraisals. On the other hand, the smaller operator is penalized even more as his resources do not permit such losses. An appeals procedure must be provided in each region for all operators. It must particularly meet the needs of the small people who cannot employ lawyers and engineers to represent them. A road cost that exceeds estimates by $5,000 might very well ruin a small operator. Many of them have been driven to seek Government loans for this reason.

I am enclosing in this letter a draft of our proposal for an improved, impartial appeals procedure. If practical, experienced men are appointed to these local appeal boards that are familiar with timber, logging and manufacturing, at least in a general way, every small operator as well as ourselves will have available in each region an impartial board that can at least act as a brake on any arbitrary and unyielding, unilateral actions upon the part of the Forest Service in the future. These procedures must be informal, and the board must be prepared often to go into the field to review important questions of roads and timber quality, with representatives of the operator and Forest Service present to give their respective sides of the story. It is to be hoped that the establishment of such a procedure would relieve all of you in Congress from this multitude of complaints and disputes as there is no other impartial body to whom the operators can take their grievances.

I do not know of anything that you can accomplish that will have a greater significance to timbered States, and the welfare of their fine people and communities than to restore proper Forest Service concern for stability of timber supply and maintenance of employment in the communities dependent on the national forests. The Service and Agriculture must have the restraining hand of those in your position who know and understand that solutions to the timber problem are absolutely necessary to stabilize communities, make for better jobs, and a healthy forest industry.

Sincerely,

CHARLES M. HINES,
*President.*

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### BUYERS VERSUS FORESTS

Both the U.S. Forest Service and provincial timber authorities in British Columbia base stumpage prices on the price of the finished product—lumber or plywood. From the product selling price are deducted costs for falling, bucking, yarding, transportation to the mill, manufacturing, administration and selling. Allowances are made also for building access roads and for profit and risk.

But the British Columbia lumber manufacturer pays much more lower stumpage prices for Government timber, in most instances giving him a substantial advantage over his Pacific Northwest competitor. This advantage, along with others in shipping costs, currency manipulation, etc., has made it possible for British Columbia lumbermen to cut deeply and dangerously into the U.S. domestic market.

At the hearing conducted in Portland Monday by the Senate Committee on Interstate and Foreign Commerce, timber and lumber operators got down to specifics in their campaign to soften the policies and attitudes of the Forest Service. Comparing the methods by which Forest Service and British Columbia authorities arrive at stumpage prices, Joseph W. McCracken, executive vice president of the Western Forest Industries Assn., made the following points:

Canadian grading systems and practices are different.

The U.S. buyer of Government timber must build roads along the routes and to the specifications imposed by the Forest Service; in British Columbia, the operator may build his roads on routes and to whatever specifications are satisfactory to him.

Unlike the Forest Service, British Columbia bases its timber appraisals on current, not predicted, lumber prices.

The allowance in British Columbia for profit and risk runs up to 50 percent higher than the allowance made by the Forest Service.

Many witnesses at the hearing leveled charges at the Forest Service, involving alleged bureaucratic disregard for the welfare of timber purchasers and the communities dependent on Federal timber for their livelihoods, and even of the Forest Service's own policies. Mr. McCracken declared that if the Forest Service applied its own announced policy on rotation ages, the annual allowable cut in western Oregon would be increased by 294.5 million feet and in Washington by 205.5 million feet.

He asserted that a new, scientifically produced inventory for the Siuslaw National Forest was ignored. The allowable cut used is 23 percent below the one the new inventory would have justified. If the rotation age approved by the Forest Service were applied to the new inventory figures, the annual allowable cut in the Siuslaw Forest would jump from 327 million feet to more than 500 million.

The witnesses stressed the elaborate roads they are required to build, scaling practices which sometimes compel them to pay for timber that independent scalers cannot find, failure to sell the full allowable cut on a predictable basis, or to increase allowable cuts when new inventories show they should be. Figures were produced to show that hundreds of mills have been forced to close and that more will have to shut down.

It was a one-sided hearing. The Forest Service will have its innings later in Washington, D.C. But the figures were so alarming and the complaints so unanimous that a listener was convinced there is considerable fire as well as smoke in the woods. The old fight between timber buyers and the Forest Service has broadened to include the whole economy of the Pacific Northwest.

Mr. McCracken pointed out that, unlike the National Aeronautics and Space Administration, the Forest Service has no basic policymaking organization above it. In the Department of Agriculture, of which it is a part, there is no higher group expert in forest resource management. As a consequence, technicians make as well as administer the policy, and from their decisions there is no appeal to an independent agency.

It would be better for the Forest Service and its many fine people, as well as for the timber industry, if basic policy were set on a higher level. Maybe the Senate hearings held in several parts of the Northwest will lead to some such solution.

Mr. JACKSON. Madam President, my senior colleague has discussed in detail the major problems which now beset the timber industry in this country. I should like to associate myself with his remarks and those of the senior Senator from Alaska, and emphasize certain matters which I think are of special concern.

For many months it has been apparent that the American timber industry has been suffering economic difficulties because of the effects of Canadian competition. The ability of our timber industry to meet this competition and to survive as a healthy segment of the economy is tied directly to the policies and activities of the National Forest Service.

Of major importance is the need for adequate financing of the Forest Service access road program. Senator MAGNUSON has offered an amendment to provide funds which are needed immediately to obtain access on existing private roads in the national forests. As he has pointed out, the proposed increase of funds from $2 to $6 million is nothing more than a sound investment. It is not a subsidy. The availability of access roads will be reflected in the price for stumpage, and any increase in the funds for the access road program will be returned to the Federal Treasury. It is extremely important that this increase be voted in order to permit a substantial increase in the marketing of national forest timber.

Secondly, as Senator MAGNUSON pointed out, the Forest Service must improve its performance in the handling of timber sales. The timber industry has a right to depend on greater reliability and stability in marketing national forest timber. The timber industry is almost totally dependent on sales of national forest timber. Too often the scheduling and extent of these sales has been so erratic that the price of stumpage has been artificially increased, with severe consequences to the industry and to the many communities that are dependent upon it. I am satisfied that with adequate road financing the allowable cut can be increased. In any case, there is no reason to doubt that greater regularity and efficiency in timber sales can be realized. The responsibility for providing necessary access road funds lies with the Congress. The responsibility for efficient management of timber sales lies with the National Forest Service. It is vitally necessary to the health of our timber industry that both of these responsibilities be met.

Mr. MAGNUSON. Madam President, I merely wish to add one statement for the RECORD, which I believe is now quite complete. What is sought is not an expenditure of money. This money will come back to the Treasury. Whenever a stand of timber is sold, if access roads are involved, the cost is added to the sale. It is estimated by the Forest Service that the amount we are suggesting would come back to the Treasury in the next 16 months. I know that the Senator from Wyoming is interested in this matter.

Mr. McGEE. Madam President, what I should like to know is whether this money would be available for use for multiple access, that is for access for other purposes, other than merely for timber.

Mr. MAGNUSON. This matter was discussed in some detail with the Forest Service. Naturally, an access road into a timber area should be available and would be available to people for recreational purposes. I must say for the private timber people that they have been very cooperative. Whenever they have built an access road or whenever they have bid on a stand of timber and then built the road, they have always added the cost of the road to the price.

The average citizen may enter the forest to hunt, fish, or view the scenery. Such areas are used for recreational purposes. The Forest Service is most insistent that when an access road is agreed to, or whenever there is an exchange of roads between Forest Service timber and private timber, the recreational facilities of the area shall not be diminished.

I think this proposal would add to the recreational facilities of the United States. Not only is this a western problem; it is a problem which confronts the entire country.

Mr. McGEE. Madam President, we who come from the Western States appreciate the initiative of the Senator from Washington. I am delighted to have his special explanation that the access roads will be made available for other uses, as well. That will be of particular interest to the people in my area.

Our timber producers will follow this proposal with keen interest, but there are many other users and uses, so the people of my area will be comforted to know that they will receive consideration. I commend the Senator from Washington for his leadership.

Mr. MAGNUSON. Sometimes various factions argue about the cost of access roads and how much is to be written off for recreational purposes. But that is an administrative problem. I suggest that there has not been too much trouble. In general, those who are in disagreement finally agree on a satisfactory solution.

Mr. McGEE. Did I correctly understand the Senator from Washington to say that he expects these roads to be built ultimately at no cost to the taxpayer?

Mr. MAGNUSON. That is correct. This would be one of the finest investments that could be made. Not only would the money come back directly from the roads, but the roads would open up some available allowable cut which otherwise, for lack of access, might rot.

Mr. McGEE. It would result in new economic development which, in turn, would produce additional taxes.

Mr. MAGNUSON. There is another factor which enters into the situation.

About a year ago, the Attorney General ruled, concerning the right of access to timber, that a person who owned timber was not a settler in the literal sense; therefore, he did not have an absolute right to ingress and egress for his timber.

That posed a problem for the Forest Service concerning the making of exchanges with private persons for access roads. The Forest Service is now drafting rules and regulations which will be satisfactory to all concerned. Several meetings have been held on this subject. The whole area will open up to provide not only recovery, but allowable cuts, which will do much for the benefit of our forests.

I believe that to skimp on this item would be pennywise and pound foolish. The Government would not only get back all the money it might spend on the project, but would also open up allowable cuts of timber for the Forest Service. Conservative as the Forest Service is, it would benefit from the additional cuts which might be made. Also, the Forest Service would be able to make exchanges of timber and be of assistance in opening up additional recreation areas throughout the country.

Mr. McGEE. Not only is this not a spending program, it is an investment program. It will be good business and will provide a measurable economic return which will enrich both the Treasury and the area served.

Mr. MAGNUSON. I think almost everyone will agree to that.

Another thing which will happen, which we who come from the West can understand, will be that the smaller operator will have an opportunity to compete by cutting certain timber which a large timber operator might, perhaps, allow to stand.

Mr. McGEE. A larger timber operator might be able to afford to let the timber stand.

Mr. MAGNUSON. Yes. But the timber operators are not opposed to this proposal. They want to open up and use the forests, because this country is rapidly reaching the point where we have a sustained yield. It is long overdue, but that point is being reached. So when we speak about allowable cuts, we are not proposing to waste the resources of the timberlands of the United States. The access roads which will be built will open up those lands and make it easier for everybody to do the job which was long ago begun in the conservation of our natural resources.

The Senator from California understands the situation very well. There is no place in the United States where access roads are more urgently needed and where recreational facilities are so readily available than in northern California.

Mr. McGEE. The Senator from Washington will have my complete support. My State of Wyoming will welcome this appeal, because our timber producers, who are very active, are generally small operators; and second, because of our appeal to tourists. This project would provide a welcome outlet for the development and expansion of touring opportunities in Wyoming.

With all due respect to California, which has a large recreational demand, Wyoming has one attraction that this proposal would make available as a magnet to draw tourists; namely, the absence of large numbers of people. Ours is an appeal to visit the wide-open spaces, to "get away from it all." This is a strong appeal and will afford increased opportunities for that type of recreation.

Mr. MAGNUSON. Some of the large timber producers have been more than cooperative concerning the recreational feature; in fact, they have encouraged it. I think that is laudable.

Furthermore, this proposal will represent a wise investment for another reason. I do not know what the actual loss from forest fires is in any given year. That information can be supplied later for the RECORD. But I know that whenever access roads are built into an area of timber, the possibility of loss by fire is minimized. The access roads would serve as a premium for the whole United States, and would serve as the best investment in the nature of insurance against forest fires.

Mr. McGEE. It would really be an extra dividend, because it has not been calculated as a part of the return.

Mr. MAGNUSON. No; that factor has not been included in the cost.

Mr. KUCHEL. Madam President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. KUCHEL. First, I congratulate the distinguished senior Senator from Washington. He has performed a service in offering his amendment today. He has performed a service not alone to the conservation of American natural resources in the great West, from which he and I and you, Madam President, come; but also he has performed a specific service to the lumber industry of the United States.

The lumber industry in America is sick. A few weeks ago I participated in a hearing conducted by the Senator from Washington, in which a number of Senators from both sides of the aisle were present and participated. There it was indicated to what extent the American lumber industry is declining, and how unemployment in that industry is mounting. We learned that lumber imported into the United States from abroad is being sold both on the eastern seaboard and even in the West at prices well below our own. American lumber producers are finding it increasingly difficult to compete in their own country with this influx of foreign lumber.

In the Senate yesterday the able Senator from Washington provided us with an accurate description of this problem. He said, in part:

> In fiscal year 1961 there was a terrible falldown in national forest timber sale performance. Only 77 percent of the timber offered for sale was sold. In * * * California only 62 percent of financed timber was sold. In the Idaho-Montana region it was 79 percent. In the Oregon-Washington region 82 percent was sold. In the Rocky Mountain region—Colorado, South Dakota, and Wyoming—only 44 percent of the timber financed for sale was sold; and in Alaska, a mere 31 percent was sold. The Lake States region—Minnesota, Wisconsin, Michigan, Illinois—shows a record of only 64 percent sold. The record in previous years has sometimes been better and sometimes worse. It is a very spotty record.

Mr. President, I agree with the observations of the Senator from Washington. The Forest Service must improve its timber sale performance in California and they must modify those allowable cuts to meet modern sustained yield requirements.

I am delighted that my good friend from Washington recognizes that we do not need to invade the wilderness for timber. I would make the point that careful management on the commercial forest land in the national forests increases the timber supply and thus protects our wilderness areas.

At the hearing which the Senator from Washington held sufficient evidence was adduced to demonstrate that we are dealing with a multiplicity of legislative programs in attempting to alleviate the plight which confronts some of our domestic industries. Trade legislation will soon be before the Senate. The passage of a comprehensive and realistic reciprocal trade bill is of crucial importance to the economic future of the United States and the people of my own State. In 1960, California was America's leading exporter with over $1.8 billion. Problems with respect to the balance of payments continue to plague us. But here is one opportunity for the Senate, by adopting the amendment which the Senator from Washington has offered, to do a constructive chore for conservation and for the timber industry of the United States. If this amendment is adopted, the Forest Service can accelerate its authority to acquire needed access roads, so as to open up new areas in the forest regions. Under the theory of allowable cuts, new timber could begin to move in a properly competitive situation. Our producers will have some relief from heavy, almost unbearable, stumpage competition at the raw material stage and Canadian competition at the lumber selling end.

In my judgment, the Bureau of the Budget has made a request for inadequate funds in this area; let the Record clearly indicate that. I regret that the House of Representatives did nothing in regard to this problem. I stand for economy but here we would not be economizing, we would be aiding unemployment by holding timber unavailable. But to the credit of the Senator from Washington [Mr. Magnuson], this amendment would provide the Forest Service, in the Department of Agriculture, with sufficient funds to do the job, realistically and vigorously. Congress, and particularly the Senate, has before it a specific opportunity to reduce the sickness of the lumber industry in America and to do something constructive for it.

I salute the Senator from Washington; and I hope the amendment will be overwhelmingly adopted.

**Mr. MAGNUSON.** I thank the Senator from California. He is one of America's great conservation leaders, broad in perspective, always constructive, and constantly effective.

Madam President, I suggest the absence of a quorum.

**The PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. MAGNUSON.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**The PRESIDING OFFICER** (Mr. Metcalf in the chair). Without objection——

**Mr. YOUNG** of Ohio. Mr. President, reserving the right to object, it is my understanding——

**The PRESIDING OFFICER.** Debate is not now in order.

**Mr. YOUNG** of Ohio. Then, Mr. President, I object.

**The PRESIDING OFFICER.** Objection is heard; and the clerk will resume the call of the roll.

The legislative clerk resumed the call of the roll.

**Mr. MAGNUSON.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**The PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

**Mr. MAGNUSON.** Mr. President, I wish to add a little to the Record in regard to the matter of access roads.

The Senator from California and I have long been concerned with this problem; and I think the best compliment I could pay him is that when one Senator asked me, "Are you ready for the rollcall on this amendment?" I replied to that Senator, "Wait until the Senator from California speaks on this matter, because he will be of immeasurable help to us in connection with this problem."

The Senator from California has been dedicated to this matter, because he and I have long since discovered that our forests form a great field for conservation. We have practically come to a permanent sustained yield, but we are actually losing our forests because of inaccessibility to the places where the cuts can be allowed.

The Senator from California talks about an allowable cut. I do not think anyone would ever accuse the Forest Service of being loose in its estimates on what should or should not be cut. The Forest Service leans the other way.

When we talk about a 44-percent, a 50-percent, or a 60-percent allowable cut, we are talking about, and the Senator from California is talking about, a great deal of forest timber that is lying there, decaying.

**Mr. KUCHEL.** Wasting.

**Mr. MAGNUSON.** Yes, wasting, because it cannot be gotten to. When we ask for this money, we are not only suggesting that we be able to get to the allowable cut, but also that when people get there, they pay back what it cost to build the road; and we have recreation facilities, in addition.

I compliment the Senator from California for his help.

I suggest the absence of a quorum.

**The PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. HUMPHREY.** Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

**Mr. CASE** of New Jersey. Mr. President, I asked for recognition in order to speak briefly on a matter of great urgency to our State, and I think to other States along the Atlantic and other coastlines of the country. As a result of the storm in the spring, as I think everyone knows, a great deal of the beach protection in the form of dunes was destroyed; and the Army Engineers have developed a plan for erecting temporary, low dune barriers in order to prevent the next storm from completing the devastation, which would be awful in its consequences.

This program has been underway in New Jersey and other areas along the Atlantic coast, but we have run into the situation in New Jersey—and I am sure the situation may exist elsewhere also—that a considerable amount of the shore front is not accessible to the Engineers for the building of these temporary dune protections.

Our State conservation commissioner, H. Mat Adams, reported recently that the State needs to acquire 17 miles of beachfront in order to make it possible for the Army Engineers to complete the necessary temporary emergency barriers. Commissioner Adams urges that the Federal Government should have a part in this proposal, and, to that end, that the bill which the Senate passed last year, S. 543, which is now pending in the House, be passed by the House and implemented as quickly as possible.

There appeared in the Newark Star Ledger for June 3, 1962, an article on this subject, which I ask unanimous consent to have printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

### STATE SEEKS MORE LAND TO AVERT NEW SHORE CRISIS

The Jersey coast faces a crisis this hurricane season unless Congress immediately passes legislation that would enable the State to buy $6 million in private land for beach protection, State Conservation Commissioner H. Mat Adams reported yesterday.

Adams said about 17 miles of real estate along the coast must still be bought to carry out the new beach and sand dune protection program and there is no money for it.

The old protection was washed away in the March 6 storm and will have to be rebuilt further back on private land.

The State and towns, however, do not have the necessary funds to buy the land at present and not a penny of the emergency Federal aid available may be spent for land purchases, under present law.

#### WANT PERMISSION

The U.S. Corps of Army Engineers will not build the protection on private land without permission of the municipal governments.

"They could pull out and leave the protection down unless they get approval," said Adams, who made the $6 million land acquisition estimate.

The State legislature has a statute allowing $400,000 in matching funds for purchase of real estate. But the Federal legislation has not come through.

The commissioner said the solution to the financial woe would be passage of a Senate-approved bill by the House.

The Federal bill would grant funds up to $25 million to the 12 States along the Atlantic coastline for land purchase for recreational facilities.

"If this bill is passed speedily, the Federal Government could alleviate the land crisis and we could build protection by summer's end," explained Adams.

Adams cited Sea Isle City as an example of a community in need of help from the Federal Government.

"That town lost 35 percent of its ratables and there are not any beaches left," he said. "It's in tough financial shape." But if the Government bill passes, the town would qualify for more aid and it could buy the land for beach fortification.

Another measure of help could be supplied by President Kennedy's public works bill that was approved by the Senate last week.

This measure provides for projects—including seawalls and bulkheads to be completed in a year with 100 percent Federal funds.

In addition to the financial troubles, the commissioner said, there also is a sand shortage.

"It will take us at least 2 years to get the sand back on the beaches as it was before the March storm," he explained.

Adams estimated that at least 50 million cubic yards of sand was washed away or ended up in the ocean and bay, elsewhere on the shore, though the overall picture is not so bleak.

EMERGENCY HELP

Emergency protection for the coastline is being built on an around-the-clock, 7-day-a-week basis in order to meet the August 15 deadline, the start of the hurricane season.

The State has about $9 million in matching funds for repair work to shore communities. It has requests for $21 million.

Some towns, however, are financing their own rebuilding through bond issues.

Adams compiled a town-by-town list of repairs made thus far:

At Sea Bright and the north end of Monmouth Beach there are two dredges pumping sand for beach protection. They are a quarter way done, and should be finished before the deadline.

BEACH BUILDUP

Beaches are being built up in Deal, Block Harbor, Belmar, Bradley Beach, Spring Lake, and Ocean Grove. Some jetty repairs will be made in these communities.

The three beaches in Long Beach Island at Holgate have been filled but on the beachfront work still goes on.

Shores dunes here are halfway completed. The dunes will be higher than the last.

Harvey Cedars is 95 percent finished on its 2-mile protection program.

In Atlantic County, Brigantine has a dune alinement program and dredges are working to fill in the beaches.

Ocean City is proceeding with plans to build two bulkheads—one 1,600 and the other 13,000 feet—to repair its beach front.

Mr. CASE of New Jersey. Insofar as it bears upon this problem, that bill would authorize Federal participation with the States, to the extent of 50 percent, for the acquisition of shoreline recreational areas. A total of $25 million would be authorized to be appropriated for this purpose by the bill as passed by the Senate.

I believe the Secretary has some assurance that the House plans to act with reasonable promptness. I believe there should be some assurance from the Department of the Interior that when the bill is passed the Department will act promptly with regard to the New Jersey problem. I should like to ask the chairman of the Appropriations Committee a question in this regard.

Assuming action is taken by the House, and that the area along the New Jersey shore and other areas along other shores are recommended by the Secretary of the Interior for participation in the Federal aid program—which would include, of course, a request for supplemental appropriations for that purpose—can the chairman of our committee give assurance that immediate action would be taken by our committee to consider and to act upon the request for any such supplemental appropriations? I feel sure the chairman will so assure us. The point, of course, is that unless the emergency works are completed by the 15th of August, which is the beginning of the hurricane season, there is grave danger there will be serious damage, such as the shoreline suffered last spring, perhaps in even greater and more severe and disastrous form.

If I may, I should like to ask the chairman of the committee, with whom, of course, I have already discussed the problem, if he can give us any assurance in that regard.

Mr. HAYDEN. The Senator has made it perfectly evident that there is an emergency situation, which brooks no delay. So far as I am concerned—and I am sure I speak for the committee—I believe the committee will be glad to do anything it can to expedite the program as soon as the House passes the bill.

Of course, the program must be authorized by law. If an authorization bill is passed and there is an appropriation bill from the House, there would be no delay on this side.

Mr. CASE of New Jersey. I appreciate the chairman's statement very much. I thank the acting majority leader for his courtesy in giving me this time.

BUREAU OF OUTDOOR RECREATION

Mr. HUMPHREY. Mr. President, while the distinguished chairman of the committee is in the Chamber, I should like to invite to his attention the fact that there is a substantial item in the bill under what we call the National Park Service. As the chairman knows, the Department of the Interior is considering the creation of a Bureau of Outdoor Recreation, to take care of recreational and outdoor facilities classified under the appropriate heading.

There is nothing in the bill to prevent the Secretary from doing that, and from allocating whatever funds are necessary for the administration of those activities, is there?

Mr. HAYDEN. There is no prohibition, no.

Mr. HUMPHREY. As I recall, the other body in its report made some recommendations on that matter.

Mr. HAYDEN. The reorganization plan of 1950 authorized that proposal.

Mr. HUMPHREY. I thank the chairman of the committee.

Mr. President, in connection with the pending measure I wish to mention the newly created Bureau of Outdoor Recreation.

At the time the House acted on H.R. 10802, the Bureau of Outdoor Recreation had not been created. The House noted in its report that the President in his February 28, 1962, message on conservation had expressed his intention of creating such a Bureau in the Department of the Interior. The House report concludes as follows:

> At that time the committee will expect that the amounts provided in the bill for nationwide recreation planning, $504,337, and for cooperation with States and other agencies, $596,759, will be transferred to the new Bureau.

The Bureau of Outdoor Recreation was created by the Secretary of the Interior on April 2, 1962, which was subsequent to the House action. In addition, by Executive Order 11017 dated April 27, 1962, the President established a Recreation Advisory Council and provided generally for coordination with respect to outdoor recreation resources.

I believe this Bureau of Outdoor Recreation will perform a most vital function in an area of ever-growing importance. Should the Department of Interior need additional funds to carry out this program, I am confident that the Congress will be receptive to its request. It is quite clear now that the Secretary can utilize funds provided under the terms of the pending bill for this particular Bureau. I am confident that the funds invested will reap a rich dividend in extending to the American people wider opportunity to enjoy the great outdoors.

## ADDRESS BY PRESIDENT KENNEDY AT YALE UNIVERSITY COMMENCEMENT EXERCISES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the address delivered yesterday by President Kennedy at Yale University commencement exercises be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF PRESIDENT KENNEDY'S COMMENCEMENT ADDRESS AT YALE UNIVERSITY

President [A. Whitney] Griswold, members of the faculty and fellows, graduates and their families, ladies and gentlemen, let me begin by expressing my appreciation for the very deep honor that you have conferred upon me.

As General de Gaulle occasionally acknowledges America to be the daughter of Europe, so I am pleased to come to Yale, the daughter of Harvard.

It might be said now that I have the best of both worlds. A Harvard education and a Yale degree.

I am particularly glad to become a Yale man because, as I think about my troubles, I find that a lot of them have come from other Yale men. Among businessmen I have had a minor disagreement with Roger Blough of the law school class of 1931, and I have had some complaints, too, from my friend Henry Ford, of the class of 1940. In journalism I seem to have some differences with John Hay Whitney of the class of 1926—and sometimes I also displease Henry Luce of the class of 1920—not to mention always—William F. Buckley, Jr., of the class of 1950.

I even have some trouble with my Yale advisers. I get along with them, but I'm not always sure how they get along with each other.

I have the warmest feelings for Chester Bowles of the class of 1924, and for Dean Acheson of the class of 1915, and my assistant McGeorge Bundy of the class of 1940. But I am not 100 percent sure that these three wise and experienced Yale men wholly agree with each other on every issue.

APPEALS FOR AMITY

So this administration, which aims at peaceful cooperation among all Americans, has been the victim of a certain natural pugnacity developed in this city among Yale men. Now, that I, too, am a Yale man it is time for peace.

Last week at West Point, in the historic tradition of that Academy, I availed myself of the powers of Commander in Chief to remit all sentences of offending cadets. In that same spirit, and in the historic tradition of Yale, let me now offer to smoke the clay pipe of friendship with all of my brother Elis. And I hope that they may be friends not only with me but even with each other.

In any event I am very glad to be here, and as a new member of the club I have been checking to see what earlier links existed between the institution of the Presidency and Yale. I found that a member of the class of 1878, William Howard Taft, served one term in the White House as preparation for becoming a member of this faculty. And a graduate of 1804, John C. Calhoun, regarded the Vice Presidency, quite naturally, as too lowly a status for a Yale alumnus and became the only man in history to ever resign that office.

### ISSUES OF YESTERYEAR

Calhoun in 1804 and Taft in 1878 graduated into a world very different from ours today. They and their contemporaries spent entire careers, stretching over 40 years, in grappling with a few dramatic issues on which the Nation was sharply and emotionally divided—issues that occupied the attention of a generation at a time: the national bank, the disposal of the public lands, nullification or union, freedom or slavery, gold or silver.

Today these old sweeping issues have largely disappeared. The central domestic problems of our time are more subtle and less simple. They relate not to basic clashes of philosophy or ideology, but to ways and means of reaching common goals—to research for sophisticated solutions to complex and obstinate issues.

The world of Calhoun, the world of Taft, had its own hard problems and notable challenges. But its problems are not our problems. Their age is not our age. As every past generation has had to disenthrall itself from an inheritance of truisms and stereotypes, so in our time we must move on from the reassuring repetition of stale phrases to a new, difficult but essential confrontation with reality.

For the great enemy of the truth is very often not the lie—deliberate, contrived and dishonest—but the myth—persistent, persuasive and unrealistic.

Too often, we hold fast to cliches of our forebears. We enjoy the comfort of opinion without the discomfort of thought.

### PROBLEMS OF MYTHOLOGY

Mythology distracts us everywhere—in government as in business, in politics as in economics, in foreign affairs as in domestic affairs.

But today I want to particularly consider the myth and reality in our national economy.

In recent months many have come to feel as I do that the dialogue between the parties—between business and government—between the Government and the public—is clogged by illusion and platitude and fails to reflect the true realities of contemporary American society.

I speak of these matters here at Yale because of the self-evident truth that a great university is always enlisted against the spread of illusion and on the side of reality.

No one has said it more clearly than your President Griswold:

"Liberal learning is both a safeguard against false ideas of freedom and a source of true ones."

Your role as university men, whatever your calling, will be to increase each new generation's grasp of its duties.

### THREE ILLUSIONS SET FORTH

There are three great ideas of our domestic affairs in which, today, there is a danger that illusion may prevent effective action.

They are:

First, the question of the size and shape of Government's responsibilities; second, the question of public fiscal policy; and third, the matter of confidence—business confidence, or public confidence—or simply confidence in America.

I want to talk about all three and I want to talk about them carefully and dispassionately—and I emphasize that I am concerned here not with political debate but with ways to separate false problems from real ones.

If a contest in angry argument were forced upon it, no administration could shrink from response, and history does not suggest that American Presidents are totally without resources in an engagement forced upon them because of hostility in one sector of society.

### PARTISANSHIP IS DECRIED

But in the wider national interest we need not partisan wrangling but common concentration on common problems. I came here to this distinguished university to ask you to join in this great task.

Let us take first the question of the size and the shape of Government. The myth is that Government is big, and bad—and steadily getting bigger and worse.

Obviously this myth has some excuse for existence. It is true that in recent history each new administration has spent much more money than its predecessors.

Thus President Roosevelt outspent President Hoover and, with allowances for the special case of the Second World War, President Truman outspent President Roosevelt.

Just to prove that this was not a partisan matter, President Eisenhower then outspent President Truman by the handsome figure of $182 billion. It is even possible, some think, that this trend may continue.

But does it follow from this that big Government is growing relatively bigger? It does not. For the fact is for the last 15 years the Federal Government, and also the Federal debt, and also the Federal bureaucracy, have grown less rapidly than the economy as a whole.

If we leave defense and space expenditures aside, the Federal Government since the Second World War has expanded less than any other major section of our national life; less than industry; less than commerce; less than agriculture; less than higher education; and very much less than the noise about big Government.

The truth about big Government is the truth about any great activity: it is complex. Certainly it is true that size brings dangers, but it is also true that size can bring benefits.

Here at Yale, which has contributed so much to our national progress in science and medicine, it may be proper for me to mention one great and little noticed expansion of Government which has brought strength to our whole society: the new role of our Federal Government as the major patron of research in science and in medicine.

### FEDERAL CONTROLS CITED

Few people realize that in 1961, in support of all university research in science and medicine, $3 out of every $4 came from the Federal Government. I need hardly point out that this has taken place without undue enlargement of Government control; that American scientists remain second to none in their independence and in their individualism.

I am not suggesting that Federal expenditure cannot bring on some measure of control. The whole thrust of Federal expenditures in agriculture has been related by purpose and design to control, as a means of dealing with the problems created by our farmers and our growing productivity. Each sector, my point is, of activity must be approached on its own merits and in terms of specific national needs.

Generalities in regard to Federal expenditures, therefore, can be misleading. Each case—science, urban renewal, agriculture, natural resources—each case must be determined on its merits if we are to profit from our unrivaled ability to combine the strength of public and private purposes.

Next, let us turn to the problem about fiscal myths. Here the myths are legion and the truth hard to find. But let me take as a prime example the problem of the Federal budget.

We persist in measuring our Federal fiscal integrity today by the conventional, or administrative, budget with results which would be regarded as absurd in any business firm, in any country of Europe, or in any careful assessment of the reality of our national finances.

The administrative budget has sound administrative uses. But for wider purposes it is less helpful. It omits our special trust funds and the effect they have on our economy. It neglects changes in assets or inventories. It cannot tell a loan from a straight expenditure. And worst of all it cannot distinguish between operating expenditures and long-term investments.

This budget in relation to the great problems of Federal fiscal policy, which are basic to our country in 1962, is not simply irrelevant; it can be actively misleading. And yet there is a mythology that measures all our national soundness or unsoundness on the single simple basis of this same annual administrative budget.

If our Federal budget is to serve not the debate but the country, we must find ways of clarifying this area of discourse.

Still in the area of fiscal policy, let me say a word about deficits. The myth persists that Federal deficits create inflation, and budget surpluses prevent it.

Yet sizable budget surpluses after the war did not prevent inflation, and persistent deficits for the last several years have not upset our basic price stability.

Obviously, deficits are sometimes dangerous—and so are surpluses. But honest assessment plainly requires a more sophisticated view than the old and automatic cliche that deficits automatically bring inflation.

### MYTHS ABOUT PUBLIC DEBT

There are myths also about our public debt. It is widely supposed that this debt is growing at a dangerously rapid rate. In fact, both the debt per person and the debt as a proportion of our gross national product have declined sharply since the end of the Second World War.

In absolute terms, the national debt since the end of World War II has increased only 8 percent while private debt was increasir 305 percent and the debt of State and loc governments on whom people frequently s gest we should place additional burden the debt of State and local government h increased 378 percent.

Moreover, debts public and private are neither good nor bad in and of themselves. Borrowing can lead to overextension and collapse—but it can also lead to expansion and strength. There is no single simple slogan in this field that we can trust.

Finally, I come to the problem of confidence. Confidence is a matter of myth and also a matter of truth—and this time let me take the truth of the matter first.

It is true and of high importance that the prosperity of this country depends on the assurances that all major elements within it will live up to their responsibilities.

If business were to neglect its obligations to the public; if labor were blind to all public responsibility; above all, if Government were to abandon its obvious—and statutory—duty of watchful concern for our economic health—and any of these things should happen—then confidence might well be weakened and the danger of stagnation would increase.

### DEFINES CONFIDENCE ISSUE

This is the true issue of confidence.

But there is also the false issue—and in its simplest form it is the assertion that any and all unfavorable turns of the speculative wheel—however temporary and however plainly speculative in character—are the result of—and I quote—a lack of confidence in the national administration.

This, I must tell you, while comforting, is not wholly true. Worse, it obscures the reality which is also simple. The solid ground of mutual confidence is the necessary partnership of Government with all of the sectors of our society in the steady quest for economic progress.

Corporate plans are not based on a political confidence in party leaders but on an economic confidence in the Nation's ability to invest and produce and consume.

HISTORY IS MENTIONED

Business had full confidence in the administration in power in 1929, 1954, 1958, and 1960. But this was not enough to prevent recession when business lacked full confidence in the economy. What matters is the capacity of the Nation as a whole to deal with its economic problems and its opportunities.

The stereotypes I have been discussing distract our attention and divide our efforts. These stereotypes do our Nation a disservice not just because they are exhausted and irrelevant, but above all because they are misleading—because they stand in the way of the solution of hard and complicated facts.

It is not new that past debates should obscure present realities. But the damage of such a false dialog is greater today than ever before simply because today the safety of all the world—the very future of freedom—depends as never before upon the sensible and clearheaded management of the domestic affairs of the United States.

The real issues of our time are rarely as dramatic as the issues of Calhoun's. The differences today are usually matters of degree. And we cannot understand and attack our contemporary problems in 1962 if we are bound by traditional labels and worn-out slogans of an earlier era.

But the unfortunate fact of the matter is that our rhetoric has not kept pace with the speed of social and economic change. Our political debate, our public discourse on current domestic and economic issues, too often bears little or no relation to the actual problems the United States faces.

TODAY'S ISSUES OUTLINED

What is at stake in our economic decisions today is not some grand warfare of rival ideologies which will sweep the country with passion but the practical management of a modern economy. What we need are not labels and cliches but more basic discussion of the sophisticated and technical questions involved in keeping a great economic machinery moving ahead.

The national interest lies in high employment and steady expansion of output and stable prices and a strong dollar. The declaration of such an objective is easy. The attainment in an intricate and interdependent economy and world is a little more difficult. To attain them we require not some automatic response but hard thought.

Let me end by suggesting a few of the real questions on our national agenda.

First, how can our budget and tax policies supply adequate revenues and preserve our balance-of-payments position without slowing up our economic growth?

Two, how are we to set our interest rates and regulate the flow of money in ways which will stimulate the economy at home without weakening the dollar abroad? Given the spectrum of our domestic and international responsibilities, what should be the mix between fiscal and monetary policies?

Let me give several examples from my experience with the complexity of these matters, and how political labels and ideological approaches are irrelevant to the solutions.

Last week a distinguished graduate of this school, Senator William Proxmire, Democrat, of Wisconsin, of the class of 1938, who is ordinarily regarded as a liberal Democrat, suggested that we should follow in meeting our economic problems a stiff fiscal policy with emphasis on budget balance and an easy monetary policy with low interest rates in order to keep our economy going.

In the same week the Bank for International Settlements in Basle, Switzerland, a conservative organization representing the central bankers of Europe, suggested that the appropriate economic policy in the United States should be the very opposite—that we should follow a flexible budget policy as in Europe, with deficits when the economy is down, and a high monetary policy on interest rates, as in Europe, in order to control inflation and protect gold.

Both may be right or wrong. It will depend on many different factors. The point is that this is basically an administrative or executive problem in which political labels or cliches do not give us a solution.

DISCUSSES BUDGET DEFICIT

A well-known business journal this morning, as I journeyed to New Haven, raised the prospects that a further budget deficit would bring inflation and encourage the flow of gold. We have had several budget deficits beginning with $12,500 million deficit in 1958. And it is true that in the fall of 1960 we had a gold dollar loss running at $5 billion annually.

This would seem to prove the case that a deficit produces inflation and that we lose gold. Yet there was no inflation following the deficit of 1958 nor has there been inflation since then. Our wholesale price and index since 1958 has remained completely level in spite of several deficits, because the loss of gold has been due to other reasons—price instability, relative interest rates, relative export-import balances, national security expenditures—all the rest.

Let me give you a third and final example. At the World Bank meeting in September, a number of American bankers attending predicted to their European colleagues that because of the fiscal 1962 budget deficit there would be a strong inflationary pressure on the dollar and a loss of gold.

Their predictions of inflation were shared by many in business and helped push the market up. The recent reality of noninflation helped bring it down.

We have had no inflation because we have had other factors in our economy that have contributed to price stability. I do not suggest that the Government is right and they are wrong. The fact of the matter is, in the Federal Reserve Board and in the administration this fall, a similar view was held by many well-informed and disinterested men—that inflation was the major problem that we would face in the winter of 1962. But it was not.

COMPLEXITIES UNDERSCORED

What I do suggest is that these problems are endlessly complicated. And yet they go to the future of this country and its ability to prove to the world what we believe it must prove. I am suggesting that the problems of fiscal and monetary policy in the sixties as opposed to the kinds of problems we faced in the thirties demand subtle challenges for which technical answers—not political answers—must be provided.

These are matters upon which government and business may, and in many cases will, disagree. They are certainly matters that government and business should be discussing in the most sober, dispassionate and careful way if we are to maintain the kind of vigorous economy upon which our country depends.

How can we develop and sustain strong and stable world markets for basic commodities without unfairness to the consumer and without undue stimulus to the producer?

How can we generate the buying power which can consume what we produce on our farms and in our factories?

How can we take advantage of the miracles of automation with the great demand that it will put upon high-skilled labor and yet offer employment to the half a million of unskilled school dropouts every year who enter the labor market—8 million of them in the 1960's?

How do we eradicate the barriers which separate substantial minorities of our citizens from access to education and employment on equal terms with the rest?

How, in sum, can we make our free economy work at full capacity, that is, provide adequate profits for enterprise and adequate wages for labor and adequate utilization of plant and opportunity for all?

DIALOGS FOR POLITICS

These are the problems that we should be talking about, that the political parties and the various groups in our country should be discussing. They cannot be solved by incantations from the forgotten past.

But the example of Western Europe shows that they are capable of solution. That government, and many of them are conservative governments, prepared to face technical problems without ideological preconceptions, can coordinate the element of a national economy and bring about growth and prosperity—a decade of them—a decade of them.

Some conversations I have heard in our country sound like old records, long-playing, left over from the middle thirties. The debate of the thirties had its great significance and produced great results. But it took place in a different world with different needs and tasks. It is our responsibility today to live in our own world, and to identify the needs and discharge the tasks of the 1960's.

If there is any current trend toward meeting present problems with old cliches, this is the moment to stop it—before it lands us all in the bog of sterile acrimony.

Discussion is essential, and I am hopeful that the debate of recent weeks, though up to now somewhat barren, may represent the start of a serious dialog of the kind which has led Europe to such fruitful collaboration among all the elements of economic society and to a decade of unrivaled economic progress.

JEFFERSON IS QUOTED

But let us not engage in the wrong argument at the wrong time, between the wrong people in the wrong country, while the real problems of our time grow and multiply, fertilized by our neglect.

Nearly 150 years ago Thomas Jefferson wrote:

"The new circumstances under which we are placed call for new words, new phrases, and the transfer of old words to new objects."

That is truer today than it was in the time of Jefferson, because the role of this country is so vastly more significant.

There is a show in England called "Stop the World, I Want To Get Off." You have not chosen to exercise that option. You are part of the world, and you must participate in these days of our years in the solution of the problems that pour upon us, requiring the most sophisticated and technical judgment.

And, as we work in concert to meet the authentic problems of our time, we will generate a vision and an energy which will demonstrate anew to the world the superior vitality and the strength of the free society.

**Mr. HUMPHREY.** The President's call for the start of a serious dialog on how to "make our free economy work at full capacity" could not come at a more propitious time. And it is my hope that all interested groups will take to heart the President's advice that this is the moment to stop attempting to meet "present problems with old cliches before it lands us all in the bog of sterile acrimony."

Mr. President, I am convinced that the overwhelming majority of the American people share President Kennedy's views that this is no time for name calling, petty partisan squabbling, or reliving controversies of past decades, but rather it is a time to work together as fellow Americans to see that our economic system is developed to its fullest potential.

It would be tragic indeed if our goal of full development of the economy was not to be realized because we permitted illusions rather than reality to govern our conduct. If we but use our good sense and not blind ourselves to reality through preconceived notions, I am confident that we will make great progress and that our economy will develop at a rate never before known to mankind.

Mr. President, when speaking to a group of business people yesterday it was my privilege to suggest that the President's Labor-Management Advisory Committee take under consideration an objective analysis and survey of America's competitive position with Western European neighbors and friends in the field of export trade. It is my view that one of the great opportunities for developing our economy and for our economic growth rests on the improvement of our export trade and on the development of new markets.

I believe there are some old cliches which need to be reexamined and discarded in this respect. One of those cliches is that we have priced ourselves out of the market. It would be more true to say that we have not entered the market in many areas of the world, nor have we put together the policies and machinery for export business which would permit us to develop new markets.

I am pleased to note that the Export-Import Bank is now providing much more generous export credit guarantees to stimulate export of America's goods. Of course, I actively support the President's expanded foreign trade program. I believe this is an absolute essential for the development of our economy.

I am hopeful that the Labor Management Advisory Committee of the President and of the Secretary of Labor will concentrate its attention, in the months ahead, upon ways and means for American industry and American labor to cooperate to improve our competitive position in foreign markets. I also hope that we in the Congress will do our task of providing the proper incentive for the American system of enterprise, so that America can modernize its plant and its industrial machinery, and so that we may stimulate the production which is necessary for an expanded foreign trade operation.

For these reasons in the past I have recommended prompt tax reductions, both in corporate and in individual rates, and I have supported the President's tax program, because I believe these things are necessary.

Mr. President, I ask unanimous consent that an editorial from this morning's New York Times be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### IS DEBATE ENOUGH?

Few Americans will find fault with the moderate tone of the President's speech at New Haven on the economic problems confronting the country. If he did not offer any tangible olive branch to disaffected businessmen, whether or not they are from Yale, he did at least attempt to restore communications. By calling for discussion, by inviting a "common concentration on common problems," he is plainly seeking cooperation on the major issues.

It is in the interest of business men, and of the Nation, that they contribute to the solutions of these problems. Though Mr. Kennedy spoke of a dialogue and debate between business and Government, neither debate nor dialog has been going on; rather the air has been filled with the discordance that results from voices speaking at cross purposes.

The President opened the debate by providing his own appraisal of some of the major areas of dispute. It is doubtful that his defense of Federal spending or his criticisms of the shortcomings of the present Federal budget will be acceptable to fiscal conservatives. But this is all the more reason that the debate should take place, because these are key issues that must be clarified if an effective partnership is to be formed.

This kind of debate takes time. The problems are so complex that it is unrealistic to expect any quick or simple answers. But the economy may not be able to await the debate outcome.

The President must demonstrate leadership by action as well as talk. He should be prepared, for example, to reconsider whether a tax cut is necessary this year, as we believe it is. There can be no refuge in the excuse that the issue must await debate. The Nation, including the business community, will feel that a debate is meaningful only if convinced that the administration has the current situation under control.

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## ADDRESS BY JAMES B. CAREY BEFORE JAPANESE TRADE UNIONISTS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD an address delivered on May 28 at the 10th anniversary convention of the All Japan Federation of Electric Machine Workers' Union in Kofu, Japan, by James B. Carey, president of the International Union of Electrical, Radio and Machine Workers of the AFL–CIO and vice president of the AFL–CIO.

I commend Mr. Carey for this excellent speech in which he presents so forcefully and eloquently the case for democratic trade unionism and exposes the hypocrisy of the Communist-controlled unions.

As my colleagues know, no one in this country has done more to fight the evil menace of communism than has James B. Carey. As the leader of the IUE, he has worked untiringly to build a strong and democratic union. His efforts have reduced the once powerful Communist-controlled United Electrical Workers—UE—to an insignificant and discredited organization completely divorced from the mainstream of American trade unionism.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY JAMES B. CAREY, VICE PRESIDENT, AFL–CIO, AND PRESIDENT, INTERNATIONAL UNION OF ELECTRICAL, RADIO AND MACHINE WORKERS, AFL–CIO, AT THE 10TH ANNIVERSARY CONVENTION OF DENKI ROREN (ALL-JAPAN FEDERATION OF ELECTRIC MACHINE WORKERS' UNION), KOFU, JAPAN, MAY 28, 1962.

President Takehana and delegates to this 10th anniversary convention of Denki Roren, I am greatly honored to present a message to the 10th anniversary convention of Denki Roren from the President of the United States. This is President John F. Kennedy's greeting to you and your members:

"I have asked my friend, James B. Carey, president of the International Union of Electrical, Radio and Machine Workers, AFL–CIO, and a vice president of the AFL–CIO, to carry my greetings and congratulations to the 10th anniversary convention of Denki Roren.

"Your union and President Carey's union have much in common in addition to being the largest unions of electrical manufacturing workers in Japan and the United States respectively. The two unions are approximately the same age, and both have successfully opposed the efforts of totalitarian forces to capture control of the workers in their industries.

"To Denki Roren, its officers and members, on its 10th anniversary convention, I send my warm congratulations and my best wishes for many more decades of service to the workers it represents and to democratic unionism.

"I am happy that President Carey has invited a delegation of Denki Roren to visit the United States and attend the IUE's 10th Constitutional Convention in September. I am sure it will be a fruitful and enjoyable experience.

"In recent years Japan and the United States have had invaluable exchanges of business groups, religious bodies, cultural missions, and athletic teams. I believe that regular exchange of trade union delegates can be equally valuable in cementing the ties of friendship and brotherhood between the two nations.

"For that reason I greatly hope that it will prove possible for Denki Roren to accept President Carey's invitation and attend the IUE's convention. I hope also that it may prove possible for me to greet the delegation personally when it comes to the United States.

"I will, of course, look forward to hearing President Carey's report of his visit. I appreciate your hospitality to him which I am sure will be reciprocated when the Denki Roren representatives come to the United States in September."

I am honored to be the bearer of this message to you from President Kennedy who, as you know, had in his election and still has the overwhelming support of American working men and women and their trade unions.

I am also honored to bring you greetings from the union I serve as president, the International Union of Electrical, Radio and Machine Workers, AFL–CIO, the world's largest union of electrical manufacturing workers, representing more than 425,000 men and women in the United States and Canada.

And as a vice president of the American Federation of Labor-Congress of Industrial Organizations, I bring you congratulations and best wishes from that organization and the 13 million workers its represents.

It is extremely significant, I feel, that Denki Roren's 10th anniversary follows so closely after the 10th anniversary of Japan's resumption of complete sovereignty. In the 10 years since the signing of the San Francisco Peace Treaty, Japan has fully reemerged as a leading member of the family of nations. I am advised, in fact, that there is an excellent chance of a Japanese leader being elected President of the United Nations General Assembly later this year.

In Europe and in the United States Japan's economic progress has evoked enthusiastic admiration. We know that your country's gross national product has increased at an average rate of 9 percent a year during the past decade, the fastest rate of growth in the world.

We are aware that Japan is now the world's fourth largest producer of steel, and ranks first in such fields as shipbuilding and textile exports. In Denki Roren's own field, your electrical products ranging from transistor radios to electron microscopes and heavy equipment are known throughout the world for their superb quality.

What Japan has achieved in 10 years is a demonstration of what can be accomplished only in a democratic nation and by a free people. Such progress as you have made is not attainable, as modern history has repeatedly proved, by a people oppressed by totalitarianism either of the left or right.

If I may return for a moment to President Kennedy's message to this convention, I am happy that he pointed out that Denki Roren and the IUE have much in common. The parallels are quite marked.

Our international union, while also holding its 10th convention this year, was born 3 years earlier in 1949. Both the IUE and Denki Roren are industrial unions believing in complete organization of the industry. Denki Roren's leaders, like the IUE's, emerged from a successful struggle against political authoritarianism. Denki Roren and the IUE share, to a very considerable extent, the same democratic ideals and goals, the same aspirations toward political and industrial democracy. Both Denki Roren and the IUE fervently hope for and work for world peace and the brotherhood of laboring men everywhere.

Because our two organizations share these ideals and goals we both have an overwhelming stake in the survival of self-government and self-determination.

Unless political and economic democracy survive and flourish, democratic unionism cannot survive or flourish. The last quarter-century has proved over and over again that democratic unions are always the first victims of totalitarianism either of the right or the left.

That is true because democratic unionism by its very nature seeks to abolish social and economic discrimination and to eliminate special privilege. Believing deeply in brotherhood, democratic unionism aspires to the creation of a more equalitarian world in which poverty and oppression are totally eradicated.

Neither autocrats nor autocratic systems of government can tolerate democratic unionism because, above all else, democratic unionism proclaims the essential dignity of man, the importance of the individual, and the sanctity of human life.

Because democratic unionism holds vehemently to these values in all free nations, the International Confederation of Free Trade Unions is today one of the most powerful influences in the world for democratic progress and peace. We see in the ICFTU an instrument for improving the economic welfare of millions of under-privileged men and women and for the social and political advancement of new and emerging countries. We see the ICFTU as a means of encouraging those peoples and those countries to follow paths of democracy and civil rights rather than the twisting courses of dictatorship and exploitation.

Let me emphasize here that the longer and closer becomes our association with other unions around the world—through the ICFTU and the International Metalworkers Federation—the clearer it becomes that labor movements in all the industrialized countries of the free world face the same problems today, or will in the future.

We do not pretend in the United States or anywhere else that we have found the complete solution to all these problems—to say that would be to imply that we have created the perfect society—but we are making steady progress toward their solution. And most important, in the democracies, we are free to find our own solutions, by trial and error if necessary; and not by a decree or edict imposed autocratically from above.

The United States today probably has more serious economic problems than does Japan. In this country you have little or no unemployment and even a shortage of skilled labor. In our country, although we have more men and women employed than ever before in our history, we are striving to find a solution for an unemployment problem that persists at the level of 4 to 5 percent of the Nation's work force. We have experienced four recessions since 1945, while Japan's economic growth has not been similarly victimized. In the United States, automation, many economists now predict, will henceforth abolish approximately 200,000 jobs a year; while Japan does not yet face that hazard.

Large-scale joblessness is thus a pressing problem today in such countries as the United States, England, and France, and the effects of automation in these countries can create additional difficulties until we find the solution we are seeking.

But no one seriously believes that countries like Japan, West Germany, and Sweden can remain forever immune to the virus of unemployment and automation. Extensive unemployment has been experienced in these nations before, and it will be again.

Today, however, there is a difference. We know that the problems are essentially indivisible, that they are or will be common to all industrialized nations in the free world and that a common remedy must be found. It is this belief that has brought eight nations of Western Europe into the Common Market, an unprecedented, unified economic unit.

Because there can be no such thing in this age as a one-nation major depression, there cannot be extensive unemployment in one major nation without it spreading to other nations. Consequently the problem is not the problem simply of one labor movement or of individual labor movements. Unemployment, automation, exploitation, trades, these today are problems of international labor.

That is why we are joined together in organizations like the ICFTU. That is why we seek solutions such as international fair labor standards by working through the ICFTU and particularly the International Labor Organization; and through the same agencies and our own governments we promote reciprocal trade programs designed to benefit not the workers of one or two countries but the workers of all countries.

With the international free labor movement sharing experiences and problems, and cooperating in the solution of those problems, we strengthen free unionism everywhere. If we in the United States can provide organizational know-how and specific assistance that will help labor movements in Latin America realize their full potentials and raise living standards, then the economy and unions of the entire Western Hemisphere benefit. If the Japanese labor movement can do the same in Asia, not only the economic security of the various Asian countries is strengthened but their national defenses as well.

The labor movements of the free nations, therefore, need not only to intensify their ties and fraternal relations with one another in defense of democracy and self-determination; they need also to intensify their internal militancy. Effective representation of union members in collective bargaining, in grievance handling, in legislative and political action, all require aggressive democratic programs and aggressive democratic leadership. The largest membership in the world cannot help a union if it does not have a militant program and determined, resourceful, courageous leaders.

It is necessary here to make the vastly important distinction between true militancy and fake militancy.

When the Attorney General of the United States, Robert Kennedy, was your guest here in Japan 4 months ago he mentioned that the United Automobile Workers, the largest industrial union in the United States with well over 1 million members, and my own union, the International Union of Electrical, Radio & Machine Workers, had both defeated Communist attempts to control the organization of workers in their respective industries. But most important, said the Attorney General, was the fact that they did it by democratic methods.

The United Auto Workers eradicated the Communist threat in that industry simply by outperforming the Communists in every area and function of trade union life. The UAW and the IUE both proved that there was nothing that the Communist-controlled unions could do that our democratic unions couldn't do much better, while preserving the dignity of the individual and the highest moral and ethical standards.

It is important to understand that in this critical struggle the U.S. Government maintained a strict hands-off attitude. Democratic unionism and totalitarian unionism were permitted to fight it out in the public arena, so to speak, in a protracted contest for the loyalties, devotion, and support of hundreds of thousands of working men and women.

The Communist unions had the full benefit of exactly the same Federal laws that benefited the anti-Communist unions. At no time was there any legal discrimination against the Communist groups, no harassment, no persecution.

Actually the history of our fight against Communist unionism in the United States involves much more than just our two unions.

At the end of the war there were 11 American unions with a membership of around 1,500,000 that had fallen under the domination of Kremlin stooges in the United States. They were pitiful organizations, actually. They were forced to follow every twist and reversal and somersault of the American Communist Party line. They were forced to zig and zag absurdly every time Moscow foreign policy zigzagged. Like puppets, which they were almost literally, they jerked to whatever strings were pulled first by the Profintern, later by the Comintern, and finally by the Cominform.

It was impossible for them, therefore, to function as true trade unions. They were primarily Communist political instruments. By their very nature they had to be less concerned with the economic welfare of their members, with the wages, hours, and working conditions of the workers, than with the torturous political turns of the Kremlin line.

In 1948, to cite one example, Moscow decided on a weird political adventure: support of a third party candidate for the Presidency of the United States. Now political action by labor is one of the oldest and most respected traditions of American unionism—going back to the years immediately following the American Revolution, the 1780's and 1790's. But always organized labor in the United States has regarded itself primarily as an economic instrument with its political function secondary.

But in 1948 American Communists and especially Communist unions were ordered to forget everything else and to devote all attention and all energy to this ridiculous political fiasco.

The result was that the Communist-dominated unions completely abdicated the responsibilities of collective bargaining. They could find no time for negotiating contracts, for pursuing wage increases, for handling grievances.

The result in every one of the Communist unions was an infuriated and rebellious rank and file. The more that wage scales in the Red-dominated unions fell behind the pace of other unions, the more grievances piled up and were left unresolved, the more workers became disgusted with Communist political chicanery.

In 1949 and during the following year the Communist-controlled unions were brought up on trial by the Congress of Industrial Organizations. The trials were conducted with the most scrupulous concern for democratic procedures and American judicial methods. The Communists were tried by juries of their peers; they had the right of counsel, and were given full and fair opportunity to call witnesses and in every way defend themselves.

In the end, however, 11 unions were expelled from the family of labor. It was only then that the real struggle began.

By far the most dramatic struggle came in the electrical, radio, and machine manufacturing industry. This industry had witnessed the mushrooming of the largest and strongest Communist-controlled union in the entire history of the American labor movement. A few years before its expulsion from the house of labor, this Communist union had more than 500,000 members and a stranglehold on what was due to become the Nation's most vitally important defense industry.

In the years since this Communist union was thrown out of the American labor movement its membership of 500,000 has skidded to less than 50,000 today; it is a pitiful skeleton with fewer than one-tenth of its former members left, and still declining.

What happened? In dozens, then in scores of local unions, Government sponsored, secret-ballot elections resulted in wholesale defections from the Communist-dominated group. Similarly, in scores of disaffiliation elections, not conducted by the Government, local union membership voted overwhelmingly to abandon the Red-controlled union.

Almost without exception these local unions voted to join our new union, the International Union of Electrical, Radio, and Machine Workers which was chartered the day the Communist-controlled union was expelled.

As I stated, the Communist-dominated union still exists—in fragments. What shattered it, and what continues to shatter it, is its subservience to the Communist Party and the totalitarian line of the Kremlin. The destruction of this enormously strong and numerically powerful Red union was the straight-forward result of democracy in action. The U.S. Government played no favorite between my union and the Communist union. The workers in our industry themselves made the decision and made it by secret ballot. The result is that the Communist union, as with the American Communist Party itself, is presently on the brink of oblivion. In addition, most of the other unions that were expelled from the labor movement in 1949–50 for serving the Kremlin have now disappeared completely from the American scene.

A former President of the United States has declared that the IUE performed an invaluable public service by annihilating the Communist-controlled union. He meant that it could be a disaster for the free world today if that union were still in a dominant position in the most sensitive of all our defense industries—an industry that produces atomic energy apparatus, guided missiles, rockets, electronic brains and computers and a huge variety of instrumentation essential for defense of the free world and for scientific peacetime purposes.

There would be few if any military secrets in our electrical and electronics industry in the United States today if this Communist union and others were allowed to run rampant through our plants and laboratories as they once tried to. Democracy's defenses would be incalculably weaker; Communist aggression—which we saw in all its brutality and savagery in Hungary, Poland and East Berlin—would be more ruthlessly and frequently turned loose for new blood baths.

I say, therefore, that there is no trade union militancy in communism or Communist unionism; there is only response to the political commands and decrees of the Kremlin. When the Kremlin says, as it did in the example I cited, forget about bread-and-butter issues, forget about bargaining, forget about contract protections and benefits, forget about grievances—then all these trade union principles and functions are abjectly forgotten.

Opportunism is not militancy; we must learn that distinction. Throwing stones, inciting street mobs, provoking riots, those things are not militancy; they are the demagoguery of violence which as often as not seeks not militant union demonstrations but martyrs, corpses, dead workers for propaganda exploitation.

A final word needs to be said on this score of militancy. When totalitarians have neither facts nor logic to use against an opponent they resort to smears. One of those smears is the slander that American unions lack militancy because they are "lackeys of Wall Street capitalism" or some such nonsense.

If militancy were to be measured by the frequency and size of strikes—and I most definitely do not think it can be—then the American labor movement would rank at the top or very near the top of the world's labor movements in militancy.

As a matter of fact, Japanese union leaders know first hand how ridiculous this "lackey" charge really is. The longest major strike in modern American history occurred in 1955 and 1956 when 55,000 IUE members closed down 30 plants of the Nation's second largest electrical manufacturer, the Westinghouse Electric Corp., for more than 5 months, 156 days to be exact. And during that coast-to-coast strike, I recall our picket lines were visited and joined by Japanese union officials touring the United States at that time. Before it ended in victory for our union the Westinghouse strike had cost the company $360 million in sales and $60 million in profits.

At one time or another we have been forced to strike General Electric, the world's largest and richest electrical manufacturer; Radio Corp. of America, and other giants of the industry.

Our union, moreover, supports strikes in other countries against American companies. Not long ago we contributed funds to the strike of General Electric workers in Mexico; and last month we sent money to assist a strike in Chile against Standard Electric.

And to explode that "Wall Street lackey" charge once and for all, it was our international union that originally exposed an industry-wide conspiracy to rig bids and fix prices on heavy electrical equipment in the United States. This bid-rigging and price-fixing, a violation of the Federal antitrust laws, had as one of its purposes the freezing out of overseas competitors in England, Japan and other countries. That conspiracy was ended a year ago with the fining of 29 corporations and 44 company officials, and jail terms for 7 top executives, including 3 from General Electric and 2 from Westinghouse.

We might, to conclude with this point, inquire of those who babble the "lackey" charge when the last strikes occurred in the electrical manufacturing industries of Rumania, Eastern Germany, Poland and China; and what happened to the workers or union officials who last criticized top management of the electrical manufacturing industries in Russia, Bulgaria, Hungary, and Red China.

We would like to hear from them; they might have some interesting things to say about "lackey unions."

Nothing anywhere else in the world has compared with the amazing economic growth of Japan and West Germany during the last decade. History, I believe, will show that this unparalleled economic progress in Japan and West Germany was to very great extent due to the insistence in both countries on the preservation of political democracy.

While there are numerous parallels between Japan and West Germany, there is one towering dissimilarity. Through the center of Tokyo there is no 12-foot wall of stone and mortar and cruel barbed wire separating the people of East Tokyo from the people of West Tokyo.

The enemies of freedom have not erected in your capital city a wall of fear, a wall of ignorance, a wall of desperation. Here in Tokyo the Communists have not been able to erect a primitive barrier to keep hundreds of thousands of citizens, living in substandard conditions, from knowing of the prosperity and higher living standards of their neighbors on the other side of the wall. Here in Tokyo there is no partition bristling with rifles and machineguns, to separate millions of Tokyo citizens from other millions of Tokyo citizens, because of a fear that all, given the chance, will choose freedom and democracy and prosperity.

The walls that communism finds it necessary to erect—the Iron Curtain and the Berlin Wall—are the ultimate proof that communism knows that it cannot, anywhere, stand a comparison between the values and accomplishments of democracy and the tyrannies and exploitations of communism.

Seven months ago I was privileged to be the bearer of another message from President Kennedy to a large democratic labor organization, a group of trade unions in Western Berlin. In sight of the Russian wall—constructed, as I say, more of hate and fear than of stone and barbed wire—I delivered this message from the President of the United States to the beleaguered Berliners:

"Free union movements are focal points for the aspirations of countless millions who hope for a better life and freer voice. In an age of mass poverty and mass illiteracy over wide reaches of the world, and of concentrated wealth and skill in other parts, man is faced by the moral imperative of justice. Those who would deny or pervert this moral charge are the corrupters, not the makers, of history. The necessity for freedom and the realization of human dignity in freedom, is a greater force for change in human affairs than any sword, any wall, any tyrant's club. One cannot shut the desire for freedom out from a man's heart; the attempt in itself is an admission of failure.

"Free union movements, while they differ broadly from nation to nation, are founded upon right—the right of the individual to a fair return for his labor, the right of the people to benefit from their toil, the right to enjoy in economic life freedom from want. Man should not have to depend upon the largess of an aloof state for the satisfaction of what is his by right.

"For this reason, unions in the free world are the very bulwark of individual right, the voice of conscience, the living examples that free men can control their own destinies."

It could not be stated more truly or universally for free labor movements everywhere. Yes, "unions in the free world are the very bulwark of individual right, the voice of conscience, the living examples that free men can control their destinies."

I said there was no wall of separation, hate and fear running through the center of Tokyo; but there is such a wall running through the center of the island of Sakhalin. Since the end of World War II Russia has occupied the southern half of Sakhalin which had been administered by Japan for 57 years since the Treaty of Portsmouth, signed in 1905 in Portsmouth, N.H.

There is, in fact, a Russian wall of silence and exclusion surrounding the entire island of Sakhalin.

There can be no analogy drawn—as some Communists try desperately to draw—between the Russian occupation of southern Sakhalin and the American administration of the island of Okinawa. The differences, in fact, are enormous.

We remember, first off, that under article III of the peace treaty with Japan the United States recognizes Japan's "residual sovereignty" in Okinawa. The clear-cut implication of this is that Okinawa will—by logic and historic inevitability—revert to Japan when the threat to world peace has diminished.

Is there any such treaty or agreement between Japan and Russia that recognizes Japan's "residual sovereignty" in southern Sakhalin? Is there any understanding of any kind that implies that southern Sakhalin will and should revert to the Japanese nation and people?

To the contrary. There is every evidence that the Kremlin hasn't the slightest intention of ever relinquishing its control and occupation of the Japanese territory on Sakhalin.

But the contrasts between Sakhalin and Okinawa run even deeper than that. Gradually on Okinawa more and more self-government, more and more self-determination, has been returned to the Okinawans themselves. Civil rights and democratic liberties have been enlarged and extended. I know something of this almost from a firsthand standpoint.

A representative of my union, the IUE, on leave to the International Confederation of Free Trade Unions, spent more than a year on Okinawa assisting the workers to set up their own trade unions and their own democratic labor movement. Today we know that trade unionism on Okinawa is numerically stronger and more influential than ever before in history.

How about southern Sakhalin on these two scores? Has there been in recent years any increase in self-government and self-determination on southern Sakhalin? Has there been any growth of civil rights and democratic liberties on southern Sakhalin?

You in the Japanese labor movement know the answers far better than I do.

Attorney General Kennedy, when he was here, was impressed with the deep concern that the Japanese Government and the Japanese people have in the future of Okinawa. I have been similarly impressed through the delegations of Japanese unionists who have visited me in our union's headquarters in Washington.

One thing I feel very certain of—and I speak only for myself in making this prediction: I am clearly and completely sure that just as the Philippine people were given the opportunity of determining their own destinies, so eventually will the Okinawan people.

If isolationism is impossible for free nations in the modern world, isolationism for free labor movements is equally impossible. We have already noted that there cannot be an extensive depression or unemployment in one major country without it affecting other countries. We have noted that such problems as poverty, inadequate medical care, illiteracy are no longer the problems of single nations but of all free nations.

But those problems are also, in this modern world, the problems of the international labor movement. Labor's freedom everywhere is jeopardized wherever communism is given an opportunity to exploit the deprivation and suffering of any single group of people or nation.

We of the free labor movement around the world know that we are fighting on two fronts. We are fighting against the assaults of totalitarianism and we are fighting against poverty and disease that literally invite in totalitarianism. We know, therefore, that the first and most crucial part of the worldwide struggle is to wipe out poverty and disease. Where this is accomplished communism will obtain no foothold.

Following the restoration of peace in 1945, the industrial unions of the United States and the unions of many other free nations made a wholehearted effort to work for the worldwide eradication of poverty and disease in conjunction with Communist-controlled unions.

With these objectives we established in 1945 the World Federation of Trade Unions. That collaboration lasted only 3 years. The Russian unions and the unions of the Russian-occupied countries weren't interested in alleviating poverty and disease except where they could make political capital of such humanitarian efforts.

I know of this intimately because I participated in the founding of the WFTU in 1945 and I participated in the dismemberment of the WFTU in January 1949.

When we withdrew from the WFTU our American industrial unions declared:

"Through the WFTU we hoped to participate in and influence the course of economic reconstruction not only in war-devastated Europe but also in those areas of the world still suffering from feudalism, poverty, illiteracy, and exploitation.

"Through the WFTU we hoped to assist all workers everywhere to achieve those elementary and fundamental human rights for which labor has always fought: freedom of assembly, freedom of organization, freedom of speech, freedom of religion, freedom from arbitrary arrest, the right to work, social security, the abolition of slave or forced labor, and freedom from tyranny in any and every form."

Eventually, of course, the Kremlin made it clear that it could not accept those goals or any serious moves in the direction of democratic rights and civil liberties. The Kremlin could not tolerate anything that did not serve one single fanatical purpose—the advancement of its own despotic political power.

We hardly needed to bury it. It buried itself—in the Kremlin. Since the withdrawal of the free labor movements of Asia, Africa, Europe and the Americas, the WFTU has abandoned all pretense of being anything but a political instrument of the Kremlin, an agent of Communist imperialism.

I've told you that Communist unionism is, to all extents and purposes, dead in the United States; and it is dying in England and other democratic countries. In England, incidentally, the experience of the country's electrical workers has an amazing parallel to the experience of American electrical workers.

For 10 years the Electrical Trades Union of England was misled, misused and exploited by a Communist minority that had seized and entrenched itself in the union's leadership. Just 2 months ago, this union of 250,000 members finally, after a decade of Communist control, recaptured its democratic independence. The Communists, who had maintained themselves in power by rigging elections and stuffing ballot boxes, were kicked out of the British labor movement just as they were kicked out of the American labor movement.

One of the most repulsive aspects of Communist unionism anywhere is its opportunism; its willingness to pervert truth and decency for an immediate political gain. In the United States, for example, the leaders of the Communist union that we have nearly eliminated from our industry are today propagandizing against Japanese imports, especially electrical imports. In large banner headlines their newspaper recently proclaimed that your lamps and presumably your radios and other products are made by sweatshop labor, by what amounts almost to slave labor. That is the Communist claim.

Thus on the one hand the Communists in the United States shout noisily their advocacy of "internationalism"; and on the other hand they join, in effect, with our worst reactionary elements in rabble-rousing against reciprocal trade and Japanese electrical imports.

America's free labor unions engage in no such duplicity or hypocrisy. We are in favor of reciprocal trade and for the improvement of commercial relations with Japan and other nations.

Just a few weeks ago I appeared before a committee of the U.S. Congress and testified against higher tariffs and restrictive quotas. I told the congressional committee:

"American labor is acutely aware—and I might say, admiring—of what Japan has accomplished and what American-Japanese relations have accomplished in the fields of economic, political and social cooperation.

"We of the American labor movement have been neither stampeded or panicked by the bugaboo of Japanese imports.

"We know that over the past 5 years Japan has bought more products from the United States than from any country in the world except Canada. We know that U.S. exports to Japan were worth $1.3 billion in 1960 while U.S. imports from Japan totaled $1.1 billion, giving us an export surplus to Japan of nearly $200 million.

"We know that at least 191,000 American jobs are wholly dependent on our exports to Japan.

"The Japanese economy, as the world knows, has boomed almost miraculously. It now receives no economic aid, as such, from the United States. On the contrary, Japan has been transformed from a country receiving aid to a country that not only stands on its own feet but actually today ranks seventh among the free world nations as a supplier of economic aid. And Japan, only 17 years ago, we remember, was a nation devastated both militarily and economically."

Our reciprocal trade relations with Japan constitute one of the compelling reasons for constantly closer ties between Denki Roren and the IUE. I say this because in the electrical and electronic manufacturing industry—far more than in any other industry—Japanese and American unionists share the same employers, or share employing companies that are financially interlocked.

The IUE's biggest employer, for example, is General Electric which is the largest single stockholder in Toshiba, one of Japan's top electrical manufacturers. GE, I am advised, owns 12 percent of Toshiba, and Toshiba currently turns out transistors and radios under GE brand names.

Westinghouse, our second largest manufacturer, has complex financial arrangements with Mitsubishi Electric Co., of Tokyo; and another of our employers, General Precision Instrument, also has an agreement with Mitsubishi whereby General Precision will own 40 percent of a new Mitsubishi company to produce General Precision products in Japan.

Another of the giants of American industry, Radio Corp. of America, markets sets both in the United States and elsewhere manufactured by your Sanyo Electric Co., of Osaka.

And so it goes; the list is long and the corporate and financial interrelations are often extremely complex.

But one thing is obvious. These interlocking relations between American and Japanese producers is an overwhelmingly powerful argument for collaboration between Denki Roren and the IUE to seek "international fair labor standards."

Exchange of information, exchange of delegations, cooperation in periods of negotiations and even in times of strike—these can be immensely valuable to both Denki Roren and the IUE.

Democratic unionism, joined together across the continents and across the seas, is one of the last great hopes of peace and freedom in the world.

It is my hope and our international union's hope that our relations with Denki Roren will be brought much closer and much more effective—as President Kennedy has suggested in his message to you—by a visit

> to the United States and to our union's 10th constitutional convention of your esteemed President Takehana. We will look forward to being his host and host to those of his colleagues who can accompany him to the United States. We will, I am sure, profit greatly by his address to our convention and by our discussions of mutual problems and goals.
>
> A very few days ago, in Washington, Japanese Ambassador Asakai declared:
>
> "In the 102 years since the arrival of the first Japanese Ambassador to Washington, relations between Japan and the United States have never been better than they are today."
>
> I believe we can say exactly the same about relations between the labor movements of Japan and the United States—and we pledge ourselves in the months and years to come to make our fraternity—of Denki Roren and the IUE, of the Japanese labor movement and the American labor movement—always more mutually beneficial and fruitful.

## PROMINENT REPUBLICAN FAVORS MEDICAL CARE UNDER SOCIAL SECURITY

Mr. HUMPHREY. Mr. President, I have some good news for the Senate today. I notice that a prominent Republican favors medical care under social security.

Last week the first convention of the National Council of Senior Citizens for Health Care Through Social Security met here in Washington and was addressed by Dr. Arthur Larson, a onetime special assistant to President Eisenhower. Dr. Larson, a prominent Republican, having served as Under Secretary of Labor and as Director of the U.S. Information Agency, endorsed social security health benefits as the right way to provide medical care for the aged.

I think Dr. Larson's support for this program is especially significant in light of his acknowledged standing as an authority on social security law, and workman's compensation law. His best-known work in this field is a layman's guide to social security, entitled "Know Your Social Security." It is heartening to know that a scholar of Dr. Larson's stature is a proponent of this administration's program for health care under social security.

In closing, I would like to quote from his address to the Senior Citizens Council and to commend him for his stand on one of the most far-reaching welfare proposals in our history. Dr. Larson said:

> Social security health benefits are not an entering wedge for socialized medicine, and they definitely are the American way of handling the financial problems of hospital and medical care for the aged.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of New Jersey. I join the Senator from Minnesota in expressing appreciation and satisfaction at Dr. Larson's speech to that group, and also his confirmation of a position which I myself have long held in regard to the question of medical care for the aged, and provision for it under the social security system, which I think is entirely sound.

I also express the hope that following the suggestions made by the administration spokesmen—I believe the Secretary of Health, Education, and Welfare recently was one of those, and there have been others recently—a serious effort will be made within the basic principles of the social security system to enact appropriate legislation at this session of Congress.

To that end I ask unanimous consent to include in the RECORD at this point an editorial which appeared yesterday in the New York Times.

Mr. HUMPHREY. I saw that editorial. I hoped that it might be included in the RECORD. Mr. President, I ask unanimous consent that the editorial to which reference has been made be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### DECISION DAYS ON MEDICAL CARE

> The next 2 weeks will determine whether anything is to come this year of all the sound and fury over medical care for the aged. The House Ways and Means Committee will meet in closed session to discuss the administration's plan for a program based on social security, as well as the welter of substitute proposals put forward by Republicans and conservative Democrats. Intense horse trading is probable, but most observers already predict that it will wind up without any bill.
>
> This may be a welcome outcome to politicians on both sides, who usually like a lively campaign issue better than a law. But it will do nothing to relieve the health needs of elderly persons or the financial aches their ailments often create for their families. We hope the administration and the critics of its plan will use this period for a genuine attempt to agree on a program all can back in good conscience.
>
> There are many areas of potential compromise that would not impair reliance on the sound insurance principles of social security. Chief among these would be a formula for protecting those uncovered by the social security system—a total of 3 million persons, or one-sixth of the country's aged population. Nearly half of these would be eligible for benefits on the basis of financial need under the Kerr-Mills Act and other existing public assistance programs. The President indicated in his news conference last week his readiness to support measures to provide comparable help to others outside social security. Such universality of protection would offset a principal objection to the White House-backed King-Anderson bill.
>
> Another line of concern could be eased by changes in the certification procedure for hospitals and nursing facilities. Instead of having eligibility determined by the Secretary of Health, Education, and Welfare, that responsibility might well be left to the Joint Committee on Accreditation of the American Medical Association and the American Hospital Association. This would further deflate the charge that the program represents a wedge for Federal rule of medicine.
>
> Additional opportunity for give and take exists on such items as the amount and duration of benefits or the provision of a cash option for persons who prefer coverage under private health insurance. The problem here would be to guard against an excessive concentration of the poorest health risks in the Government pool, with an attendant distortion of its cost estimates. The need for a general program to help the aged pay their hospital and nursing home bills is now acknowledged by almost every faction in Congress; it will be a miscarriage of democracy if the session ends with nothing done.

Mr. HUMPHREY. Mr. President, I wish to say to the Senator from New Jersey that it is my view that there are ways and means to devise a health care program under the terms of social security. The task of the legislature and the duty of the legislative body on such a serious issue as the one to which we refer is to find ways of making necessary accommodations and adjustments. The so-called King-Anderson bill, which I support in terms of its fundamental principles and provisions, is not sacrosanct. By that I mean it is not beyond some adjustment or some possible change that may improve its text and application. I understand that the Senator from New Jersey feels much in that same spirit. I am hopeful that before the Congress concludes its work at this session it will be able to pass a bill that will meet the test of social security financing and at the same time represent an improvement over the present bill.

Mr. CASE of New Jersey. I join wholeheartedly with the acting majority leader in that hope.

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MORSE. Mr. President, I rise to make a statement concerning the Magnuson amendment which is pending before the Senate, to increase the amount of an appropriation in the pending bill from $2 million to $6 million.

I am unhappy with a good many sections of the Department of the Interior appropriation bill that has come from the Committee on Appropriations. I am unhappy about it because, in my judgment, a good many parts of the bill are unsound from the standpoint of sound public policy. The bill is unsound because parts of the bill represent a false economy at this time, and a pennywise and pound-foolish policy.

I point out that the economy of our country is our most important defense weapon. The segment of our economy known as our natural resource areas is pretty vital to the destiny of this Republic.

The interests of our country can never be protected by economizing at the cost of its natural resources of our country. In too many sections, the bill would do exactly that. Yesterday there was a struggle on the floor of the Senate over an effort to strengthen the bill from the standpoint of returning, by way of rehabilitation of the range, the verdure of the western plains, by providing for improvements necessary to protect the water table of the great arid areas of the West. I say most respectfully that when it comes to consider appropriations such as the kind we are discussing, we should keep in mind the fact that a civilization does not climb on falling water tables.

The undeniable fact is that the water table is falling in some of the great arid sections of the West. There is need for reforestation. There is need for rangeland seeding. There is need for the development of water resources in those areas if we are to leave the heritage which we, as trustees, ought to leave to future generations of American boys and girls—God's gift of natural resources to us.

Senators have heard me say before in my years in the Senate that we have a moral obligation to see to it that our natural resources are left in a better condition than that in which we found them. But in my judgment, the bill pending before the Senate falls short of fulfilling that trust in several particulars. One particular relates to the rangeland issue which was discussed on the floor of the Senate yesterday. Another issue—and it is only one of several—is the issue with respect to which the Senator from Washington [Mr. MAGNUSON] is taking the lead. I am proud to join him as a cosponsor. The proposal would do something about providing the necessary access roads so that there may be an intelligent, scientific, and economic harvesting of the timber resources of our country. We are helping America move ahead again with these amendments. We are meeting the challenge of the New Frontier.

There are two or three points in regard to the need for the proposed increase of $2 million to $6 million which the Senator from Washington [Mr. MAGNUSON] is recommending in regard to that particular item. I would have Senators keep in mind that for the past several weeks the Senate, through its Committee on Commerce, presided over by the Senator from Washington [Mr. MAGNUSON], has been conducting public hearings in the field in regard to the depression that has hit the lumber industry of the United States. I am satisfied that I can say without fear of successful contradiction on the part of anyone in the Senate that there is no basic industry in the United States today that is as depressed as is the lumber industry. In the past 24 months several hundred lumber mills have closed their doors. Many of them have dismantled. The lumber market has gone awry. One of the reasons why the lumber market has gone awry is the Canadian competition with which the lumber producers in this country have been faced.

What has been presented to the lumber industry of this country is a competition, not against the lumber mills of Canada, but against the Government of Canada. We must face the fact that various forms of direct and indirect subsidy which the Canadian Government is supplying to the lumber industry of Canada is placing the lumber industry of this country in the doldrums, in a very serious depression. Canadian competition is adversely affecting the lumber producers of the United States.

At another time, as we will be discussing proposals that are bound to come out of these hearings, the facts will be presented to the Senate in regard to what the Canadian competition is doing to the lumber economy of this country.

Mr. President, come with me and sit with me for a moment as I describe to you what has happened in some of these public hearings in regard to the depressed economic condition of our lumber industry. Listen with me for a moment as I allude to the testimony of mayor after mayor, Governor after Governor, Republican and Democratic leaders in State after State; listen with me to the testimony of presidents of chamber of commerce after chamber of commerce; listen with me to the testimony of labor leaders, of bankers, of merchants, of the lumber operators themselves. Listen with me as they all tell the same sad, depressing story, to the effect that the lumber industry of our own country is being gutted by the competition from Canada, aided and abetted by the various forms of governmental subsidy in Canada.

I am well aware of the importance of trade with Canada. No one need remind me that Canada is one of our best customers. I do want to raise my voice this afternoon, however, in defense of fair competition. I want to raise my voice this afternoon in defense of the proposition that our Government, through the allied agencies involved in the problem I am about to discuss in the pending bill, has a clear duty to see to it that we give the lumber industry of our country an equal break with Canadian mills, an equal opportunity to compete with Canadian mills. If we are to do that, as it is shown by witness after witness, who have testified by the reams in these public hearings, that something must be done, we will have to do something about the forestry programs and policies of the U.S. Government.

I now direct the attention of the Senate to some of the policies of the Forest Service particularly, although to some extent some of this applies also to the Bureau of Land Management. The Senator from Washington [Mr. MAGNUSON] has proposed an increase in the appropriations allowed in the bill for access roads from $2 million to $6 million. One might very well ask, What does the proposed increase have to do with the Canadian competition problem? I say it is of major importance in connection with the Canadian problem of competition. Why? Because, as the Senator from Washington has pointed out with undeniable proof, the Forest Service of the United States is not approaching the allowable cut in the sales which it offers to American lumber producers.

The allowable cut is a technical term. Although I need not do so for the information of the Senate, let me point out that by the allowable cut we refer to that figure of the amount of board feet of timber that can be cut out of a national forest in the interest of sound conservation, in the interest of a sound sustained yield program that will guarantee to future generations of Americans a continuity of timber supply, so that the time will never come when we will be a deforested country, as China has become. It represents the harvest of the annual growth of timber.

I digress to say that we must not forget that China was once a great country of forests. However, China forgot its obligations as a trustee to the Almighty that granted China great natural resources.

For some years, starting with that great crusader and conservationist, Gifford Pinchot, we have been working in this country for the protection of our forests, allowing only that cut that would assure a permanency to our forests, and a continuity of forest growth. We call it a sustained yield. There shall be sustained in our forests sufficient yield by way of fostering new growth and cutting only to that point where we can maintain that sustained yield. That is the allowable cut.

The Forest Service has not conducted its sales program so as to reach the allowable cut. That means a great waste.

I ask to place in the RECORD a table which shows how the mark has been missed in Oregon and Washington.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Comparison of financed cut and sell to actual cut and sell*

[All figures rounded to million board feet]

OREGON

| | Financed sell | Actual sell | Percent actual of financed | Financed cut | Actual cut | Percent actual of financed |
|---|---|---|---|---|---|---|
| Fiscal year 1959 | 2,420 | 2,827 | 116 | 2,326 | 2,544 | 109 |
| Fiscal year 1960 | 2,994 | 2,694 | 90 | 2,334 | 2,847 | 122 |
| Fiscal year 1961 | 2,841 | 2,514 | 88 | 2,918 | 2,409 | 83 |
| Total, Oregon | 8,264 | 8,035 | 97 | 7,578 | 7,800 | 103 |

WASHINGTON

| | Financed sell | Actual sell | Percent actual of financed | Financed cut | Actual cut | Percent actual of financed |
|---|---|---|---|---|---|---|
| Fiscal year 1959 | 1,373 | 1,552 | 113 | 1,208 | 1,107 | 92 |
| Fiscal year 1960 | 1,796 | 1,131 | 63 | 1,216 | 1,348 | 111 |
| Fiscal year 1961 | 1,794 | 1,300 | 72 | 1,597 | 1,167 | 73 |
| Total, Washington | 4,963 | 3,983 | 80 | 4,021 | 3,622 | 90 |

NOTE.—Small volumes in California from Rogue River and Siskiyou included in Oregon totals. Umatilla divided for financed sell: 90 percent Oregon, 10 percent Washington. Does not include timber advertised but not sold, or volume prepared and withheld from advertising.

Mr. MORSE. Mr. President, the senior Senator from Washington has already recited the national figures. This is a record that must be improved and improved at once. On top of this, the Forest Service must exert itself to make certain its allowable cuts are where they ought to be. On top of this, they must salvage timber not in the allowable cuts. They must develop more efficiency and supply less excuses.

Let no one get the idea that if we do not cut trees in a forest we protect the forest. As any forester will tell us, old trees overripen. Old trees become diseased. Old trees are more susceptible to insect plague. Old trees, if we are to have a healthy forest and a sustained-yield forest, must be cut.

The Senator from Washington [Mr. MAGNUSON] has already put into the RECORD some very vital statistics in regard to this matter. I quote for emphasis what he has already said. He told the Senate:

> In fiscal year 1961 there was a terrible fall down in national forest timber sale performance. Only 77 percent of the timber offered for sale was sold. In the region represented by the Senators from California only 62 percent of financed timber was sold. In the Idaho-Montana region it was 79 percent. In the Oregon-Washington region 82 percent was sold. In the Rocky Mountain region—Colorado, South Dakota, and Wyoming—only 44 percent of the timber financed for sale was sold; and in Alaska a mere 31 percent was sold. The Lake States region—Minnesota, Wisconsin, Michigan, Illinois, and so forth—shows a record of only 64 percent sold. The record in previous years has sometimes been better and sometimes worse. It is a very spotty record. It must be improved starting right now.

We are confronted with the fact that a part of our lumber trouble is that our lumbermen cannot get logs offered for sale in sufficient amount so that the logs can be purchased in competition with the logs that are purchased by the Canadian mills from the Canadian Government. There are two facets to this problem of stumpage price.

The Forest Service will say that it puts the appraised value on the sale of logs. What happens many times, probably most of the time, is that the prospective buyers bid up the price at auctions under which Federal timber is sold. They bid up the price over and above the appraised value put on the lumber by the Forest Service. So the Forest Service has a tendency to wash its hands and ask, "What can we do about it? They are paying more for the logs than we had appraised them for if it had not been for the auction."

The fact is that the Forest Service does not tell the full story. I want it clearly understood that I severely criticize the Forest Service for what I consider to be a policy they have been following in regard to the sale of timber, a policy which is not in the public interest. Congress must make it perfectly clear to the Forest Service that there must be a halt in the policy of the Forest Service. I say to the taxpayers of America: Make clear to your politicians that you expect them to halt the unsound economic policy of the Forest Service. The time has come to call the Forest Service to an accounting for what I consider to be a shocking, wasteful policy which it has followed in regard to the allowable cut procedure.

There is no excuse for the Forest Service not having modernized and made realistic its allowable cut program. There is no excuse for denying to the lumber mills of the country the sales which would make it possible for them to buy, at prices which they can afford to pay, the necessary timber to operate the mills. It is the old story of supply and demand. We cannot legislate away the law of supply and demand. If the Forest Service does not modernize the allowable cut, if it permits less than the true allowable cut to be marketed, it limits supply. The problem is just that simple.

The Forest Service has been limiting the supply of standing timber available to the lumber mills of the country. That is one of the reasons why the prices have soared beyond the appraised value placed on the lumber by the Forest Service.

There is another facet of the problem, too. Suppose a man is a lumber mill operator and his mill is in the precincts of a national forest. He has competitors, and only so much timber is offered for sale. The amount falls far short of the allowable cut. The Forest Service has not done the job which, I submit, it is the clear duty of the Forest Service to do. It is the responsibility of the Forest Service to make certain that it offers the amount of logs which will make it possible to reach the allowable cut.

I submit a table on appraised and bid prices and ask unanimous consent that it be printed at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Bid versus appraised prices, advertised sales,*[1] *Pacific Northwest region, Oregon and Washington*

| Calendar year | Douglas-fir region | | | Percent decrease [2] | | Pine region | | | Percent decrease [2] | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Appraised | Bid | Percent overbid | Appraised | Bid | Appraised | Bid | Percent overbid | Appraised | Bid |
| 1959 | 20.22 | 27.42 | 135.6 | 100.0 | 100.0 | 14.05 | 16.55 | 117.8 | 100.0 | 100.0 |
| 1960 | 18.71 | 23.64 | 126.3 | 92.5 | 86.2 | 15.85 | 16.48 | 104.0 | 112.8 | 99.6 |
| 1961 | 14.98 | 20.04 | 133.8 | 74.1 | 73.1 | 10.82 | 12.50 | 115.5 | 77.0 | 75.5 |

[1] Summarized from National Forest Advertised Timber Sales, Region Six, a quarterly publication of region 6.

[2] Using 1959 prices as a base.

Mr. MORSE. Mr. President, this table establishes the incontrovertible fact that spirited bidding continues despite the drop in appraisal rates.

The lumber mill operator must make a choice as to whether he will shut down his mill or will continue to operate the mill for some months at a sure loss. So he goes to the auction sale, and the bidding goes up, up, and up, because other mill operators are in the same predicament. He must decide which is the cheaper course of action to follow. Confronted with a loss, no matter which way he turns, he must decide whether it is cheaper for him to shut down his mill and sustain the loss of an idle mill, because merely shutting down the mill does not mean that it will not cost him to continue to own the mill. It is necessary to maintain the mill and pay the cost of insurance; and usually it is necessary to pay a higher premium on a vacant mill than on an operating mill. But that is frequently the situation and it is understandable. The maintenance of the mill and the costs of maintenance continue.

Then the mill operator is confronted with the probability that he will lose a large share of his labor force, because the labor force will not sit idly by, waiting for the economic climate to change. Much of the labor force will be lost to other employers. So when the mill operator reaches a decision to reopen his mill, he will find that there is a short supply of labor.

All I am attempting to do is to paraphrase the testimony which was given to us by witness after witness from the lumber industry in the hearings which we have just closed throughout the country.

So the mill operators go to the auctions and decide they had better take a chance and bid more than they know the timber is then worth, in the hope that in the next 6, 10, or 12 months there will be a break in the lumber market and prices will go up, conditions will improve, and they can at least come close to breaking even, or at least sustain a loss which will be less than they would have suffered had they shut their mills down completely.

But they would not be in such a predicament if they received from the Forest Service the kind of treatment that they deserve. The record is perfectly clear, on the other hand, that one of the subsidies which the Canadian Government makes available to Canadian mills is to make certain that the Canadian mills are often able to buy timber from Canadian Government forests without competition, at a price alleged to be substantially lower than the price the American mills find it necessary to pay in heavy bidding for timber obtained from U.S. forests.

That is one of the great competitive advantages which Canadian mills have over U.S. mills. There are other advantages, but they are not pertinent to the discussion of the amendment of the Senator from Washington [Mr. MAGNUSON]. Nevertheless, I shall allude to them so that the Senate will know I am talking about a total case, not merely a single segment in regard to a competitive disadvantage in which U.S. mills find themselves in relation to Canadian mills.

There are transportation costs. There is the question of the Jones Act, under which U.S. mills must ship in American bottoms, while Canadian mills can use the bottoms of the world. That is a very important question of policy which is not before the Senate this afternoon, although I shall discuss it in some detail when appropriate proposed legislation with respect to that situation comes before the Senate, I hope sometime within the next 30 days or sooner. Suffice to say now that we should not forget that the Jones Act is an act of many years standing on the statute books of the country. The Jones Act is the Merchant Marine Act. The Jones Act was passed in order to assure the American people that in time of war there would be an adequate merchant marine. It is true that there are not very many lumber ships left, but as Mr. Dewey, one of the ablest witnesses whom I heard at the lumber hearings, representing the merchant marine of the Nation, testified, we cannot start to say that we will make an exception for lumber ships. All ships are needed in time of war. But if we started to make an exception of those ships, even though there are only a few in number, plying between the east and west coasts, then, of course, the entire merchant marine policy of the Nation would be jeopardized, because other interests would then expect similar consideration.

We must face the fact, as I shall argue in detail with proof later, that the differential in the cost of shipping is, in fact, a defense cost. The fact that the U.S. Government requires lumber mills to ship their products in American bottoms really places upon the lumber mills the payment of a part of the defense cost of the country. That figure is easy to determine. It is easy to determine what the difference in transportation cost is between Vancouver, British Columbia, and Seattle, Wash., and New York City—from coast to coast—in U.S. bottoms as compared with foreign bottoms. The senior Senator from Washington [Mr. MAGNUSON], the senior Senator from Oregon, and other Senators are the sponsors of a bill which I hope will eventually be considered by the committee and will then come before the Senate, which will provide that the U.S. Government will pick up that differential, because it is a part of the defense cost of the country. It is as vital in the maintaining of a necessary merchant marine in time of war as an expenditure for any other defense weapon for which we spend millions of dollars; as vital, in my judgment, as a military plane or a missile, because defense must be dealt with from the standpoint of its totality. We cannot keep the country secure by providing only one defense weapon; we need the entire arsenal. So, Mr. President, that is also involved in this matter, in connection with Canada.

Canada has many transportation advantages and many other advantages. We can equalize the competition by means of the amendment the Senator from Washington proposes to increase the appropriation for access roads from $2 to $6 million. This is not a subsidy amendment. Every cent spent will come back to the Treasury.

The Canadian Government has seen to it that the Canadian operators can get out their lumber and that their allowable cut is made available to their mills. But the U.S. Government has not performed so well for the American lumber mills. The U.S. Government, through the Forest Service, has fallen far short of making available to the U.S. mills the allowable cut that a sound sustained-yield program would foster; and as I have indicated already, the Forest Service must be brought to task for this delinquency on the part of its administrative policies, and in my judgment the Federal Government must see to it that access to the timber is made available to the American mills.

Mr. President, accessibility is an issue for which I have battled for going on 18 years in the Senate. The first year when I was in the Senate, so the RECORD will show, I sponsored an access-roads bill; and every year since then I have stood on the floor of the Senate, as I do at this moment, pleading with the Senate and pleading with the Government to see to it that we build the needed access roads into the Federal timber, so that the timber can be brought out.

There are many reasons for building those roads, as I have said. Let me enumerate a few of them again:

The primary need, of course, is to make the allowable cut available to the lumber mills of the country. It does no good to have on a great mountainside a great stand of Federal forest if there is no road to the forest, to make it possible to get out the logs, once they are cut. There are all kinds of landlocked forests in this country, and I wish to talk about a landlocked-forest situation for which the U.S. Government is responsible. I am talking about the forests that are, in fact, landlocked because no roads reach them. We need roads going into these forests, in order to make it possible to get out the allowable cut.

I do not take any great satisfaction in the old alibi that one reason why the allowable cut does not get out of some forests is that there are no roads going into the forests. I ask, What did the last administration do? I have asked this many times in the past, "What were your budget requests for access roads?" The undeniable fact is that year after year the past administration simply did not ask for adequate funds with which to build access roads into the forests, in order to make it possible to get out the allowable cut.

I ask unanimous consent that a table be inserted which shows the results under the forest highway acts since 1953.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Authorization for forest development roads and trails during Eisenhower administration*

| Federal Aid Highway Act | Authorization for fiscal year | Authorization | |
|---|---|---|---|
| | | Recommended by administration | Approved by Congress |
| 1954 | 1956 | $22,500,000 | $24,000,000 |
| 1954 | 1957 | 22,500,000 | 24,000,000 |
| 1956 | 1958 | 24,000,000 | 27,000,000 |
| 1956 | 1959 | 24,000,000 | 27,000,000 |
| 1958 | 1959 | None | 5,000,000 |
| 1958 | 1960 | None | 30,000,000 |
| 1958 | 1961 | None | 30,000,000 |
| 1960 | 1962 | None | 35,000,000 |
| 1960 | 1963 | None | 40,000,000 |
| Total | | 93,000,000 | 242,000,000 |

Mr. MORSE. Mr. President, I take the position that the Forest Service is also a trustee of the forests of this country, as are the taxpayers of the United States. And the Forest Service has the clear duty to inform the people, year after year, how much money it needs for the construction of access roads, in order to make it possible to get out the allowable cut.

But we drag out the program year by year; and we insist, as the second boss of the Forest Service—for the Forest Service has two bosses: the executive branch and the Congress—and we put on the heat, so to speak, and we say to the Forest Service, "Tell us what you could spend efficiently and effectively in accordance with your need to help you with the allowable-cut problem, if the money is appropriated." That is the money that some of us year after year have battled for, here on the floor of the Senate, as we are battling this afternoon; and I shall always be proud of my record in regard to this issue, for year after year I have proposed increases in the appropriations for access roads, over and above the appropriations originally recommended by the Forest Service, and over and above the recommendations made by the President—and that is true of all the Presidents under whom I have served, either Democratic or Republican. As a result of those battles—and, Mr. President, many of my colleagues in the Senate have joined me shoulder to shoulder in leading these fights—appropriations amounting to many millions of dollars have been made available for the construction of access roads, over and above what each of the administrations would have granted had we not reversed the Forest Service and the administrations in connection with the recommendations they made to the Congress.

Of course, we should not have had to make that fight; that is one fight which should have been unnecessary. And we should not have to be making this fight this afternoon. The Senate Appropriations Committee—and I speak most respectfully, but frankly, for I think the facts need to be brought out in the public record—in my judgment should not have brought to the floor of the Senate the recommendation of the administration or the recommendation of the Forest Service, because the recommendation of the administration and the recommendation of the Forest Service is demonstrably inadequate in order to provide a sound forest economy in this country for the next fiscal year; and I wish to say to this administration, although it is an administration of my party, "You simply cannot justify a false economy program at the expense of the natural resources of this country."

So we should have an access roads program appropriation of a minimum of $6 million, so that the Forest Service can get into some of the national forests and can obtain or build the roads that will make it possible to meet this demand from the lumber industry and from the business leaders of the areas of the country that are dependent upon a lumber economy for their prosperity.

When that is done, Mr. President, no one should labor under the misapprehension that the program is costing the taxpayers of the United States any money, for I have heard the chairman of the Appropriations Committee say many times, over the years—and he would say so today if the question were now put to him—that money spent for access roads is money well spent, because it returns to the U.S. Treasury many times the investment that is made.

I say to those in the timber industry who have built roads through the national forests to top their own timber—"You have a responsibility to make these roads available on reasonable terms." The fact that the roads are not available means sales are not made up to allowable cuts. This in turn forces high bidding and our operators engage in a vicious competition which the Canadians do not have.

When it is shown that much of the timber in a great national forest is overripe or is windblown or is disease-ridden, there is no economy in not proceeding to harvest those trees.

Likewise, Mr. President, if we want to have reforestation in the shortest possible time, we need to provide access to the forests, so that it will be possible to proceed scientifically to cut that forest, because scientific cutting will stimulate the regeneration and improvement of that forest. This may sound like a paradox; however, it is not.

So, Mr. President, one of the things this Government should do now, in meeting the plight of the lumber industry, and in meeting the problems in connection with Canadian competition—which is the result of the various forms of direct and indirect subsidy the Canadian Government is supplying their lumber mills—is to increase the appropriation so we can proceed to get the roads into our national forests that will make it possible to bring out the timber up to the allowable cut.

There are other problems in regard to the accessibility problem that grow out of lack of access roads, because I am not talking now about access roads only for getting timber out. I am talking about the need for access roads to save the timber now standing that is not ready for cutting. One of the great plagues that threatens the lumber industry is the plague of fire. Access roads are needed for fire protection. That need is easily demonstrable. Mr. President, I can take you into great national forest areas in this country where there is a good pattern of access roads, and I can take you to the supervisor of that forest, or to the regional forester of the Forest Service, and he will be my witness to tell you the great advantage to the reduction in the fire hazard that these roads have provided.

So when we are fighting here today for additional appropriations for access roads, we are fighting also for a preventive measure necessary to protect our forests from the ravages of fire.

There is another need for access roads, there is another need for accessibility, there is another need for what we call the multipurpose access road. There was a time when all that was built into a forest was a logging trail. Loggers went in and slashed down the trees and dragged them out over a logging trail. That practice led to great waste. It was found to be most uneconomic. So there has developed, as a matter of national policy, the so-called multiple-use road, a road that can be used for getting out the logs, a road that can be used for fire protection, a road that can be used for general public use, for the benefit of tourists and recreationists, a connecting road with great interstate highways.

How important that is in the great areas where the national forests exist. Take my State, for example. The No. 1 source, so far as our economic life is concerned, is lumber and agriculture, and then comes recreation. In my judgment, within 15 years, and possibly within 10 years, the greatest source of income for the State of Oregon will be income from so-called recreational sources. The great increase in tourism, the increase in leisure time, the increase in recreational activities are going to bring to the Pacific Northwest, and the whole West, for that matter, tens upon tens upon tens of thousands of tourists each year, including also the recreational activity of our indigenous population. But there must be roads. There must be accessibility.

Here again those of us who are fighting for the increased appropriation this afternoon are fighting for a strengthening of the economy of the United States. That is why I said, at the beginning of my remarks, that, in my judgment, this appropriation bill has too many sections in it that represent a false economy, a pennywise and pound-foolish policy; and this is one of them.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CHURCH. I am sure the Senator has already touched on the point about which I desire to inquire. Since it was impossible for me to be here earlier, I ask the Senator whether it is not so that additional money for access roads is merely taking money from one pocket in order to put that money back into another pocket.

Mr. MORSE. And more back in the other pocket.

Mr. CHURCH. Even more. Rather than representing a cost to the taxpayers, this is a method for opening up the necessary access roads to permit full and efficient harvesting of timber, but the added return on the sale of the timber will more than make up for the money spent to construct the roads.

Mr. MORSE. Many times over, and I have heard the chairman of the Appropriations Committee say that many times in the years I have been in the Senate.

Mr. CHURCH. Is it not also true that we have had insufficient money appropriated over the years to construct the number of access roads which a full and fair cut of our public timber clearly requires?

Mr. MORSE. That is true. Before the Senator came on the floor I was talking about the hearing held at Lewiston. The Senator sat there and heard business people, lumber people, labor people, and many public officials in his own State testify to this very point. They pointed out that, unless we do something about the allowable cut and the Forest Service gets up to the allowable cut—which it cannot do unless it has accessibility—the lumber industry of the great Pacific Northwest is going down and down to a further depth than it has already reached in competition with the Canadian mills that are not plagued with the kind of shortsighted government policy that the U.S. Government is extending, and has been extending for some years, to the lumber interests of this country.

Mr. CHURCH. I would like to comment on the Lewiston hearings in a moment, but first I should like to ask the Senator if there is not an inequity in failing to provide adequate money for access roads in that the Forest Service is required to place timber up for sale and to make a condition of the sale the construction of a road which falls to the operator to build, the cost of which is deducted from the proceeds of the sale, and thus in many cases limits the sale, for all practical purposes, to the large operators who are in a position to construct the roads, having both the capital and the equipment to do the job, but which discriminates against the smaller independent operators who do not.

Mr. MORSE. I am so glad the Senator has raised that point. It was one of the points I had intended to dwell on, and shall dwell on now. I wonder, if between the two of us, we cannot drive it home to the Senate, because if we can get the Senate to consider the matter, I do not see how it can limit us in the matter of access roads.

Let the record show what the shortsighted policy of the Forest Service has been in regard to the matter of access roads—and they have been aiding and abetting that policy, and I have been fighting it for a long time. They will put up a huge sale of timber, but put it up on condition that the purchaser of that timber is going to have to build an access road into the timber. Then the Forest Service lays down certain conditions that are going to have to be complied with in regard to the specifications for the road, and the cost is tremendous. No small operator can possibly buy the timber under those conditions.

What we do is exclude the small businessman in the American timber industry from the purchase of the timber. Do we save any money? We certainly do not, because the purchaser of the timber buys the timber, as the Senator from Idaho has pointed out, subject to building the road, and he is allowed to deduct the cost of the road from the purchase price he pays.

One may ask the question, "Can't the small fellow do that?" The answer is "No," because it takes money to swing a deal like that. They have to pay a terrific sum of money on the line when they buy the timber. They have to float the financing for roads that may cost thousands and thousands and thousands of dollars a mile.

Senators would be surprised to learn the costs of some of these roads up the sides of mountains.

So, in effect, the Government is building the roads through the big lumber operators.

I have gone through this battle many times. There is also no question that the U.S. Government, under the Corps of Engineers, under governmental supervision, could build the roads more cheaply. There is no doubt about the fact that the access roads which the Federal Government does build, by and large, are built cheaper than those which are built by the lumber operators themselves. So we lose at every turn in this matter. The people who end up losing all are the little operators.

One of the ironies in this situation, I say to the Senator from Idaho, is that we as Senators appropriate huge sums of money for small business programs. We have provided for setting up a Small Business Administration. God bless it. I think it is doing a great job. We are very inconsistent in our Government policies. This is a small business aid we could give to small lumber mills in this country if we gave them access to the forests, making the forests more available to them, instead of shutting them out in sale after sale.

These men come before the committees of Congress, as the Senator knows, and this is one of the great criticisms they express. They say, "We do not have an equal break with the big boys."

Mr. CHURCH. Access roads are an aid we could supply to small business, which would not cost the Treasury a dime.

Mr. MORSE. It would make the Government some money.

Mr. CHURCH. It might very well.

Mr. MORSE. It would make the Government some money.

Mr. CHURCH. I agree with the Senator's position. It is squarely based upon the facts. It represents good public policy.

The Senator has referred to the hearings at Lewiston. It was not coincidental that most of the small operators who appeared at those hearings laid particular emphasis upon the importance of increasing appropriations for access roads.

The large operators, in all fairness, are very important to the economy of the West. I have no argument against any of them, as the Senator knows. Nevertheless, I think it is in the general interest to administer our public forests in such a way that the small operator will not be forced out, so that the independent lumberman will have an opportunity to participate in the purchase of public timber, and the essence of free enterprise in the lumber business—which I take it to be individual entrepreneurship—will not be lost.

I think it would be a calamity even for the big operators, let alone for the public interest, if the time ever should come when the national forests in the Northwest become merely gigantic tree farms for two or three great corporate entities.

Mr. MORSE. I could not agree more with the Senator. I know many of the large operators and I have worked closely with them. Large operator after large operator has said to me, "Get in there and fight as hard as you can for increased appropriations for access roads, because they are vital to the industry."

These men would much prefer to be relieved of the headache of building the roads. I speak for the overwhelming majority of them. They would much prefer to be relieved of the operation of building the roads. It is a pretty difficult administrative job. It is costly for them.

The Government, in regard to the supervision and building of access roads, is in a much better position to do the job more economically.

Not only at Lewiston, but also at Portland and at Olympia, and wherever hearings have been held, I think access roads would have to be named as the No. 1 recommendation of the operators in order to help them meet competition with Canada, since that would meet the question of the allowable cut. That would take away from the Forest Service any excuse at all for not reaching the allowable cut, and would make it possible for lumber operators to buy stumpage, because of the law of supply and demand, at a low price.

Mr. CHURCH. The Senator has been exceedingly objective in his comments. He has pointed out, quite rightly, that this is not an issue which divides the big and small operators, in the sense that the big operators oppose the amendment now pending.

Rather, it is essential to the well-being of the entire industry that the access road program be expanded. The big operators in my State have joined with the small, independent operators to urge increased appropriations of funds for this purpose.

I conclude by saying that the hearings at Lewiston, which I requested and attended, ably chaired by the senior Senator from Alaska [Mr. BARTLETT], demonstrated beyond any shadow of a doubt that the lumber industry in the Northwest is faced with the most critical problem to confront it in a great many years. The Senator is quite correct when he says that the essence of the problem is Canadian competition.

I do not for a moment pretend that the amendment now being considered represents a full answer to the problems facing our lumber industry. However, the hearings at Lewiston demonstrated—from more than 100 witnesses, from small and large concerns alike, who came to testify concerning the severity of their problem—that appropriations for access roads need to be increased. Larger appropriations need to be approved. This is one of the steps open to the Congress which can be most helpful to a very hard-pressed industry.

I do not remember a time, since the great depression, when a larger number of men have been unemployed in the north woods of Idaho than today. The Government and the Congress must take cognizance of the severity of our problem and must take steps with dispatch to alleviate this depressed condition, insofar as the Government can. Today we can take one important step in that direction.

I commend the Senator from Oregon for his address. I am happy to be a cosponsor of the amendment. I am hopeful that the Senate today will approve the amendment for the benefit of a sick industry in the West which desperately needs our help.

Mr. MORSE. I thank the Senator from Idaho very much for the very fine contribution he has made to this debate.

Mr. President, before I close I wish to say to the Senator from Arizona, who has seen the situation develop, that I have only one more topic to discuss in connection with my case in support of the amendment. That is the topic which involves American foreign policy in relation to the amendment.

I say most respectfully that in my judgment the Appropriations Committee, in bringing the bill to the Senate, overlooked some of the implications the bill bears to American foreign policy, for the reasons I shall discuss under my last topic.

Mr. President, I have one other topic to discuss in connection with my support of the Magnuson amendment. I wish to discuss it from the standpoint of some foreign policy implications.

Some may ask offhand, "What in the world does the amendment have to do with American foreign policy?"

My answer is, "More than one might think."

In the first place, there is the point already brought out in my colloquy with the Senator from Idaho [Mr. CHURCH], in connection with the first major point that I made in my argument today. We have a very serious problem with Canada. We have a very serious problem in regard to the question of competition with Canada in the lumber field, resulting from the subsidization by the Canadian Government in various ways of Canadian mills, to the detriment of American mills, which competition has resulted in the closing of several hundred American mills and has thrown out of work many American workers.

I am one Senator who does not intend to sit in the Senate and support his Government in a policy that amounts, in fact, to exporting jobs to Canada.

Here is one Senator who does not intend to sit in the Senate and support a U.S. Government policy that in effect amounts to liquidating a large segment of the economy of his State.

Here is one Senator who warns the President of the United States today that he will be in trouble if he does not proceed to take the necessary steps to see to it that a Government policy that discriminates against a segment of our own country to the benefit of an economy in another country is stopped.

The problem permeates the entire administration—and it is my administration. I yield to no one in support of the present administration when I am satisfied that the administration is following a policy that is in the national interest. We have a right to look to our administration for some remedy. For many months the administration's attention has been called to the problem. From the floor of the Senate today I ask the President of the United States, "When are you going to insist that the departments of your Government that have jurisdiction over this subject do something about it?" I shall continue to follow where the facts lead on the issue.

It is within its administrative power and jurisdiction to handle much of this problem without any legislation at all, although I intend to support some legislation in regard to it, too. I intend to support the Magnuson-Morse bill in regard to the modification of the Jones Act. I intend, if my administration forces the issue, to support legislation, although it may not pass in this session of Congress. I want the American voters to pass judgment on it in November 1962. I shall support legislation, if this administration does not stop a policy of discriminating against the lumber industry of this country, that will place a temporary quota on Canadian timber—a fair quota, a quota that will not discriminate against Canada, but a quota that will even the balance of competition, a quota which has been proposed by witness after witness in lumber hearing after lumber hearing, a quota which will take into consideration the historic pattern of Canadian imports into the United States from Canada for the past 10 years, for example, and, after the imports reach that level, assess upon all imports that flow into the United States following that point a quota tariff that will put them on a par with the U.S. mills. Such quota tariff would continue until this administration and this Government take the necessary steps to give our timber industry the relief that it deserves.

I fully appreciate the import of what I have said in the past 2 minutes. This is the place to say it.

This administration made clear when it first proposed its so-called foreign trade bill that it did not propose or intend to follow a foreign trade program that would do irreparable injury to American industry. This administration has seen fit—and I supported it—to provide protection on a fair and equitable basis, but not a discriminatory basis, with respect to the textile industry. I ask, "Mr. President, do you consider the textile industry of greater import than the great timber resources of this Nation?"

I supported the President when the textile amendment was before the Senate. I opposed the Mundt amendment, which would have prevented the textile agreement from going into effect, by being one of the supporters of the Humphrey-Morse amendment as a substitute. It placed upon the President the responsibility of proceeding to determine the facts in regard to the items which the Senator from South Dakota had included in his amendment—beef, lamb, poultry, timber products, and dairy products. I said then, as I say now, that the obligation of the administration is to find out what the facts are, to find out what steps can be taken administratively, or what may be needed legislatively in order to prevent the same kind of irreparable injury that the administration was so anxious to prevent in regard to the textile industry.

I would not even want to suggest that political power might have anything to do with the textile amendment, although there are some who have that suspicion. I propose to face these problems on the basis of the facts on each issue. The facts supported Senators from the textile producing States. I also point out that the facts support Senators from the lumber producing States.

We are not trying to prevent trade with Canada, but we are saying that our Government cannot justify a trade program which permits the lumber industry of this country to be placed at a discriminatory disadvantage because of aid in the form of a subsidy in one way or another by the Canadian Government to the Canadian lumber industry.

Let me put it this way, because it is basic in my economic philosophy. I believe the U.S. Government—and I would like to have my administration start doing it—has the responsibility of protecting the private enterprise system in the United States. The Government does not protect the private enterprise system when it countenances giving a discriminatory advantage to an industry in another country which is the beneficiary of the largess of a subsidy by a foreign government.

This principle is not limited to Canada. The lumber situation merely illustrates the problem. As a member of the Committee on Foreign Relations, I know that the problem arises around the globe. In my judgment, we have reached a point in the field of foreign aid where our Government must be called to account by the voters of this country, if necessary, in regard to placing the American private enterprise system at a discriminatory disadvantage in relation to competitive industries abroad which are subsidized, not only by foreign governments abroad, but also by the U.S. Government itself.

The time has come, as I said on the floor of the Senate last Friday, when I discussed another phase of the foreign trade program and policy, for us to take a long, hard look at the economic effects of some of our foreign aid programs in relation to our own industry. The time has come when we must cease pouring out of the Treasury of the United States the resources of taxpayers of the United States for strengthening industries in other countries, some of which have already reached the point where they can stand on their own feet. They should be asked to stand on their own feet. We have heard much about the Common Market program. I believe that the European Common Market is good for Europe and good for the world. I recognize that we cannot turn back the hands of the clock. However, we must follow certain courses of action to protect our own industry. That is why I said last Friday—and I was so glad to have the majority leader discuss at least certain facets of this problem in his notable speech of last Sunday in Michigan—that we must take a look at the foreign aid program to see what some of the effects are on the greatest defense weapon the United States has, which is the private enterprise economy.

That is why I said then, and say now, that we must ask our NATO allies, "When are you going to start to pay your share of the bill?" We must say to our allies, "You are now enjoying a prosperity and an economic stability the like of which you did not even enjoy before World War II."

Most of our NATO allies are in a better economic position today than they were before World War II.

They got there because of us. They got there because, in large measure, we rebuilt them—and should have. I supported those programs. I supported the NATO Treaty. I supported the Marshall plan. I supported the point 4 program. But we supported them in order to help those countries return to economic stability and prosperity. Many of them have reached that point. Yet we continue to pour millons of dollars into them. It ought to stop. The senior Senator from Oregon serves notice that he proposes to vote to stop it whenever he has a chance to vote to stop it. That does not mean I will not vote for foreign aid, but I shall vote for selective foreign aid, not blanket foreign aid.

So bound up in this amendment in the Senate this afternoon, which proposes to raise the appropriation for access roads from $2 million to $6 million, is a very important symbolic foreign policy problem. This particular amendment is necessary in order to put our lumber industry in a position where it can compete on a plane of equality with Canadian mills. It will do that by getting roads built into the national forests so that the Forest Service can permit the allowable cut, which will enable our mills to have the supply of timber which will make it unnecessary for them to bid up the price, far beyond the value of the timber, so far as making a profit on it is concerned, when they manufacture it into lumber.

The amendment also has this importance: It is symbolic because it can very well be the beginning of a major foreign policy debate in the Senate, to which the American people will respond and in regard to which I am satisfied they will, once they become acquainted with the facts, serve notice on this administration that the so-called foreign-trade bill must be worked out in a manner which will not do irreparable damage to American industry. If we make conditions more difficult for American business, we cannot have competition with the Common Market; we cannot have competition with the efficient mills elsewhere in the world—and the interesting thing is that the United States has helped to build those mills, and we deserve credit for it. I am not asking that American business be given a preferential position. My faith in the private enterprise system is such that I believe it can compete with the operation of a factory or industry in any other country, if that industry is not the recipient of either a government subsidy of that nation or a government subsidy of the United States.

So I want my administration to know that the Magnuson amendment, more than the administration may ever have thought, is symbolic of what I believe is an onrushing foreign policy debate in this country. The people will reverse the Kennedy administration, unless the Kennedy administration takes note before it is too late that the American people do not intend to continue to support a foreign-aid program of a blanket nature, which results, in effect, in the exportation of millions of American jobs out of the United States into foreign lands. I want to be put in a position where I can support it. But I want the chairman of the Committee on Appropriations to take note that neither he nor any other Member of the Senate can ignore the direct relationship between the Magnuson amendment and the problem of Canadian competition in lumber.

That is a foreign policy problem, and I respectfully say that we have had no evidence from the Committee on Appropriations that they gave due consideration to this problem when they reported to the Senate an inadequate recommendation of only $2 million for forest access roads.

I come to my final point on foreign policy in relation to this problem, and then I shall close. It will be of interest to the taxpayers to know how many millions of their dollars have been spent in the underdeveloped areas of the world for the building of access roads there. I am sure it will be of interest to them to take note of the facts. Although we have spent many millions of dollars for highway construction in many parts of the world, sadly enough some of that construction has been completely wasted; sadly enough, some of those highways are standing practically unused; sadly enough, some of those highways have been built into areas where they never should have been built in the first place.

Mr. President, in my judgment, the Magnuson amendment is symbolic. In my opinion, it is the opening shot in an attack on a shortcoming of American foreign policy. If we really want to protect American jobs, if we really want to put the American lumber industry in a better position, so that it can compete without the discriminatory advantage which the Canadian lumber mills presently enjoy, let us vote for the Magnuson amendment, because I think it is a sound amendment from whatever angle the subject is approached.

Mr. President, I yield the floor.

Mr. GRUENING. Mr. President, I listened with great interest and sympathy to the eloquent statement of the distinguished senior Senator from Oregon [Mr. MORSE] and to the most enlightening colloquy between the Senator from Idaho [Mr. CHURCH] and the Senator from Oregon on the same subject. They and the distinguished Senator from Washington [Mr. MAGNUSON] have provided the Senate with a nucleus for many discussion points on matters in which the governmental agencies charged with utilizing our forest resources are directly concerned.

They suggest among other valuable comments that the Forest Service timber sale program needs a more thorough inspection. They believe that the Forest Service has an obligation to offer for sale the full amount of timber that the budget plan incorporates. Senator MAGNUSON points out, most properly, that if circumstances arise which prevent full sale schedules of timber that the Congress should, indeed must, be advised.

We of the Western States depend heavily on our forest resources. I do not at this moment in history include as exactly in the same category in every respect my State of Alaska in this group for the Alaskan forest industry is just starting to grow. Our first pulpmill is only 8 years old. But our Alaska timber resources still have enormous potential and, given a fair opportunity to grow, should one day provide a major source of income within the State and of materials for the whole Nation. The vast wealth of Alaska's timber is as yet largely untapped.

More important, it needs intelligent and practical evaluation. Millions of board feet in Alaska are wasting each year because forest access roads have not been constructed. Fire, disease, insect infection, and perhaps manmade policies take their toll. Yet within the vast State of Alaska, an area one-fifth the size of the other States of the Nation combined, stand 1 trillion board feet of timber.

Think of it. Timber to house those who seek new homes. Timber from which to build furniture for the many needs of construction. Timber from which to manufacture all kinds of products required in the contemporary world.

Senator MAGNUSON points to the fact that in Alaska in fiscal year 1961 a mere 31 percent of the timber offered for sale was sold.

I can appreciate the problems the Forest Service faces in Alaskan sales. Few mills operate. Transportation facilities are minimal.

For a century Alaska has suffered from a lack of adequate transportation opportunities. Discrimination in the apportionment of Federal funds kept from the State opportunity to build even the scantiest of interlocking roads. The long haul today over the Alaska Highway which connects my State with Washington State is not a fast means of transportation. Senator MAGNUSON and I, as members of the Alaska International Highway Commission, legislation to create which he sponsored in 1938, played a part in securing that highway, though the route was not the one we favored.

When the Canadian Prince Rupert-Whittier Sea Train Barge started operation this past month it appeared to many that a new and less expensive system of transportation of goods into Alaska would correct part of Alaska's transportation ills.

The sea train barge would compete with the service of the Alaska Steamship Corp. operating out of Seattle and the competition would decrease freight rates. That was the assumption.

This still may take place and I hope it does. Competition can help Alaska. Anything that helps reduce the high freight rates, which burden Alaska and are a major cause of Alaska's high living costs, is desirable.

But competition can unwittingly hurt Alaska. The sea barge has brought to the State a new ill.

Last month the first sea train rail barge brought 780,000 board feet of Canadian timber to the port at Whittier. That lumber was destined for markets in the rail belt which extends from Seward on the Pacific coast, through Anchorage and Palmer to Fairbanks.

Ironically, the timber, following arrival in the State, can be sold for less than the rate for which it is today produced by mills within the State. Moreover, it caused the reopening of the abandoned military port of Whittier, which, built in wartime by the Federal Government, solely for defense reasons, now threatens to compete disastrously with the ports of Seward and Anchorage.

The Alaska Lumbermen's Association has asked the Alaskan delegation to see if the U.S. Government can impose a temporary quota on the flood of softwood lumber from Canada on a quarterly basis to remain in effect while a long-term solution is being explored by the several agencies of government involved.

Association President Milton J. Daly, of Ketchikan, says the mills in the State cannot stand the new competition to their limited and highly seasonal local markets.

This new development will not increase the sale of domestic timber. It will not encourage development of new mills and it may discourage two which are planned.

No one condemns the action of the Canadian lumber interests. It is their business to find and develop new markets.

But this new threat to an industry not yet out of babyhood can only add to the problems of the U.S. Forest Service, the Federal Government generally, and the citizens of Alaska particularly.

I ask unanimous consent to have printed at this point in the RECORD the text of a letter I have received from the Alaska Lumbermen's Association describing this problem in detail.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KETCHIKAN SPRUCE MILLS,
*Ketchikan, Alaska, June 5, 1962.*

Hon. ERNEST GRUENING,
*Senate Building,*
*Washington, D.C.*

DEAR SENATOR GRUENING: In confirming my wire to you of date, am attaching the full text of the wire sent to President Kennedy on May 9 by the National Lumber Manufacturers Association expressing the association's viewpoint on Canadian lumber imports.

We in the lumber industry in Alaska have previously been affected only indirectly by the importation of Canadian lumber into the south 48 through such price effects as it caused, which, in the last 2 years, were serious enough. A small quantity of Canadian lumber has been trucked up the highway in recent years, but not in such substantial volume to concern the Alaskan milling industry.

We are presently very much alarmed, however, at the initial movement of 780,000 feet board measure of lumber from Prince George arriving at Whittier via the first rail barge last month. That the Canadians are aggressively serious in this matter is without question as we know that additional movements are scheduled. Further, our company has had many conversations with representatives of the Canadian exporting firm and we know that favorable rail rates from Prince George and Dawson Creek to Rupert, as well as favorable sea train rates from Prince Rupert to Whittier, were established by the Canadian National Railway to make this movement possible. As an example, reduction of the former Prince George to Rupert rate of 80-odd cents a hundredweight to a through rate portion, for this part of the haul, of 46 cents a hundredweight for 80,000-pound cars is substantial Government **assistance.**

The interior Canadian plants pay a base labor rate of $1.78 per hour compared to our Ketchikan base rate of $2.55. Their freight rate by rail to Anchorage is $36 per thousand feet compared to our $31.50 per thousand, but they have the benefit of $4.50 per thousand in exchanging the American funds to Canadian currency, which makes their freight rate the same as ours. To Fairbanks, their rate is lower than ours, as they enjoy a through rate on the Canadian National Railways and the Alaska Railroad, where we, in barging to Anchorage, have to pay a local rail rate from Anchorage to Fairbanks.

The Alaska rail belt market is of such small size that the entrance of another substantial lumber source into and participating therein will have a demoralizing effect on most of the mills in both westward and southeastern Alaska, as the majority of us depend substantially or wholly upon that market. It is just not good for Alaskan economy at this stage of development.

Any help you can give the industry here through assisting the position taken by the National Lumber Manufacturers Association will be deeply appreciated by all Alaskan operators, I am sure.

Sincerely,

MILTON J. DALY.

Mr. GRUENING. Mr. President, if we are to meet the competition we face, then each contributor to our economy must function in a modern fashion. The U.S. Forest Service must meet its timber sale commitments and it must modernize its allowable cuts procedures. As the Senator from Washington has said:

> Timber sales plans should be made early and available for local mills to plan on.

The Senator from Oregon [Mr. MORSE] likewise believes that Forest Service procedure can and should be improved.

Timber sales must be made regularly.

The timber which can be cut and marketed must be made available. Each of the States should be selling nearly to capacity.

Reforms in sales procedure must be made.

Bureau of the Budget planners must have better working tools.

Advance planning is needed.

The Congress generally and the Appropriations Committee specifically must know what is needed if Congress is to help meet the demands and needs. Senator MAGNUSON's suggestion that the Forest Service give to the Congress a meaningful annual report is sound. If it becomes necessary to transfer funds, this should be done.

We cannot sit idly as our natural resources spoil. Therefore, I am delighted to have this opportunity to express my thoughts about proper timber management and to commend highly the remarks which have been made by my colleague from Alaska [Mr. BARTLETT] and by the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], and the Senator from Idaho [Mr. CHURCH], in calling attention to the plight of the lumber industry, which is an important segment for our national economy.

Alaska has more acreage set aside in national forests than any other State in the Union—20,742,224 acres. Yet less funds are expended per acre in my State than in any other State, a mere, paltry 23 cents per acre.

Mr. President, I ask unanimous consent that a State-by-State tabulation of per acreage expenditures be printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

*Total allocation*

| State | Total acreage | Dollars | Per acre |
|---|---|---|---|
| Alabama | 631, 772 | 2, 720, 500 | $4. 27 |
| Alaska | 20, 742, 224 | 4, 856, 800 | . 23 |
| Arizona | 11, 381, 561 | 9, 372, 900 | . 82 |
| Arkansas | 2, 405, 030 | 5, 579, 400 | 2. 32 |
| California | 19, 963, 359 | 46, 245, 400 | 2. 32 |
| Colorado | 14, 350, 487 | 10, 871, 100 | . 76 |
| Connecticut | ---------- | 146, 400 | ------ |
| Delaware | ---------- | 49, 000 | ------ |
| District of Columbia | ---------- | 7, 477, 900 | ------ |
| Florida | 1, 074, 758 | 3, 281, 800 | 3. 05 |
| Georgia | 786, 438 | 3, 692, 900 | 4. 70 |
| Hawaii | ---------- | 147, 400 | ------ |
| Idaho | 20, 349, 401 | 24, 504, 000 | 1. 20 |
| Illinois | 211, 013 | 1, 112, 600 | 5. 27 |
| Indiana | 121, 930 | 567, 000 | 4. 65 |
| Iowa | 5, 296 | 155, 300 | 29. 32 |
| Kansas | 107, 114 | 135, 850 | 1. 27 |
| Kentucky | 459, 084 | 1, 954, 200 | 4. 26 |
| Louisiana | 591, 566 | 3, 351, 900 | 5. 67 |
| Maine | 50, 021 | 886, 800 | 17. 73 |
| Maryland | ---------- | 781, 700 | ------ |
| Massachusetts | 1, 651 | 303, 900 | 184. 07 |
| Michigan | 2, 559, 412 | 5, 283, 700 | 2. 06 |
| Minnesota | 2, 787, 407 | 7, 264, 700 | 2. 61 |
| Mississippi | 1, 133, 973 | 6, 818, 900 | 6. 01 |
| Missouri | 1, 374, 573 | 2, 592, 100 | 1. 89 |
| Montana | 16, 635, 730 | 16, 233, 500 | . 98 |
| Nebraska | 339, 716 | 422, 500 | 1. 24 |
| Nevada | 5, 058, 028 | 1, 499, 200 | . 30 |
| New Hampshire | 677, 559 | 1, 627, 700 | 2. 40 |
| New Jersey | ---------- | 266, 100 | ------ |
| New Mexico | 8, 997, 993 | 6, 582, 900 | . 73 |
| New York | 13, 747 | 843, 100 | 61. 33 |
| North Carolina | 1, 124, 152 | 3, 908, 800 | 3. 48 |
| North Dakota | 1, 104, 850 | 658, 900 | . 60 |
| Ohio | 106, 655 | 1, 300, 700 | 12. 20 |
| Oklahoma | 267, 883 | 1, 850, 600 | 13. 18 |
| Oregon | 14, 938, 806 | 43, 731, 400 | 2. 93 |
| Pennsylvania | 470, 869 | 1, 970, 700 | 4. 19 |
| Rhode Island | ---------- | 79, 000 | ------ |
| South Carolina | 587, 273 | 2, 710, 800 | 4. 62 |
| South Dakota | 2, 004, 004 | 2, 772, 000 | 1. 38 |
| Tennessee | 595, 982 | 2, 044, 200 | 3. 43 |
| Texas | 775, 263 | 2, 948, 100 | 3. 80 |
| Utah | 7, 922, 001 | 8, 622, 100 | 1. 09 |
| Vermont | 231, 901 | 905, 900 | 3. 91 |
| Virginia | 1, 448, 815 | 3, 260, 900 | 2. 25 |
| Washington | 9, 668, 619 | 22, 488, 500 | 2. 33 |
| West Virginia | 903, 982 | 2, 519, 800 | 2. 79 |
| Wisconsin | 1, 468, 743 | 6, 848, 100 | 4. 66 |
| Wyoming | 9, 144, 255 | 5, 693, 100 | . 62 |

Mr. GRUENING. Mr. President, these figures are just another example of how, despite statehood, the encrusted habits and practices of the colonialism which Alaska suffered during its 92 years under the flag, first as a District, then as a Territory, but always as a stepchild in the national family, persist. Equality in the apportionment of U.S. Forest Service funds, so that more forest access roads could be built would be one essential step toward rectifying Alaska's logging and timber problems.

A temporary tariff or quota for Canadian lumber would be another.

Mr. ENGLE. Mr. President, I am for Senator MAGNUSON's forest roads amendment because the small- and medium-size lumber operators in California and other States need access to available national forest timber. The larger operators of the industry which own forest land in front of or mixed with ripe national forest timber have both access and timber. But the smaller ones very often do not—unless the Government controls more access roads to reach the available forest cut. Given equal access opportunity, small- and medium-size units of the industry will have equal opportunity to bid on timber sales to a larger degree than is now possible.

The Forest Service is working on an urgent program of acquiring privately owned roads totaling in cost more than $6 million for the portion of road ownership which is properly the Government's share. This is a road acquisition program, not a roadbuilding program; these are existing roads over which privately owned timber has been hauled out of the forests. It is good business for the Government to buy quickly into ownership of these privately owned roads because it increases the value of the Government timber. Furthermore, the purchase of existing roads can be completed much more rapidly than the construction of duplicating road systems. The $2 million put in by the Senate committee is not enough. We need the additional $4 million proposed by the Magnuson amendment. It is my understanding, because of the large area of national forests in California and the nature of the allowable timber cut in relation to existing roads, that approximately one-fourth of the access road expenditures would be made in my State.

Another important additional benefit which would accrue would be to open up to the general public the use of large areas of national forest land. This recreational benefit is not to be overlooked. We have a particular need in California, and I am sure in other States, to provide accommodations for the increasing number of people who are seeking outdoor recreation, hunting and fishing on public lands.

Mr. MAGNUSON. Mr. President, the yeas and nays have not been ordered on my amendment. I now ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, I have no more to add to what has already been said about the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington. The yeas and nays have been ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## VISIT TO THE SENATE BY PARLIAMENTARIANS FROM NIGERIA

Mr. GORE. Mr. President, in Nigeria, the most populous country of Africa, freedom is flowering under a people whose institutions stem from the same heritage of which our people are so proud. It is a diversified country, a large country, devoting great effort to education—a country whose laws, whose system, and whose tenets of faith promote, protect, and defend the dignity of the individual.

In Nigeria we see great promise of growth and development, not only in economics but also in political and social fields.

Today we are favored with a visit by a delegation from the Parliament of Nigeria. There are four Senators and four Members of the House of Representatives, including the President of the Senate and the Speaker of the House of Representatives.

The Members of the Senate of Nigeria are:

The Honorable Dennis Chuhude Osadebay;

The Honorable Dahlton O. Asemota;

The Honorable Zanna Medalla Sheriff; and

The Honorable Chief Z. C. Obi.

The Members of the House of Representatives of Nigeria are:

The Honorable Ibrahim Jalo Waziri;

The Honorable E. C. Akwiwu;

The Honorable Chief O. B. Akin-Olugbade; and

The Honorable Muhammadu Sagir Umar.

Also the Honorable J. M. Udochi, Ambassador of Nigeria, and Mr. J. O. Adeigbo, staff assistant to the Nigerian delegation.

I ask Senators to join me in welcoming the distinguished delegation from Nigeria, a country which has demonstrated its friendship for the United States and for Western ideals, including freedom, to which we are devoted.

The PRESIDING OFFICER (Mr. Metcalf in the chair). On behalf of the Senate, the Chair welcomes our distinguished guests.

[Applause, Senators rising.]

Mr. GORE. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair in order that Senators may greet our guests.

There being no objection, at 2 o'clock and 32 minutes p.m., the Senate took a recess subject to the call of the Chair.

At 2 o'clock and 36 minutes p.m., the Senate reassembled on being called to order by the Presiding Officer (Mr. Metcalf in the chair).

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## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. Magnuson].

Mr. WILLIAMS of Delaware. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Washington will be read.

The Legislative Clerk. On page 31, in line 12, it is proposed to strike out "$2,000,000" and insert "$6,000,000."

Mr. WILLIAMS of Delaware. Mr. President, is this amendment a substitute for language in the committee version of the bill?

Mr. MAGNUSON. No; I merely propose to add $4 million to the amount. The amendment is only to the amount involved. No new language at all is proposed.

The PRESIDING OFFICER. As the Chair understands the amendment, it would strike out the figure "$2,000,000," and would insert in lieu thereof the figure "$6,000,000."

Mr. WILLIAMS of Delaware. As I understand it, the amendment, by means of which the Senator from Washington proposes to insert the language between lines 8 and 13, does constitute legislation.

I should like to propound the following parliamentary inquiry: Does a point of order lie against the Magnuson amendment which proposes to change the dollar figure, or will a point of order lie after the Magnuson amendment has been adopted? Would the language between lines 8 and 13 be subject to a point of order after the adoption of the Magnuson amendment, or would the point of order be affected by the action of the Senate?

The PRESIDING OFFICER. If the Chair correctly understands the parliamentary inquiry, the Chair states that if the Senate were to adopt the Magnuson amendment, thus changing the figure from $2 million to $6 million, the $6 million would not be subject to a point of order.

Mr. WILLIAMS of Delaware. Then, Mr. President, I make the point of order that the Magnuson amendment and the language which it proposes to insert is legislation, and therefore is out of order.

The PRESIDING OFFICER. The Chair overrules that point of order. The Magnuson amendment is not legislation. It merely would increase the amount from $2 million to $6 million.

Mr. WILLIAMS of Delaware. Mr. President, I desire to propound a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. After the Magnuson amendment has been acted upon, since the rest of the language obviously is legislation, if a point of order is made against the language after the Magnuson amendment has been acted upon and if that point of order is sustained, then will the $6 million figure be stricken?

The PRESIDING OFFICER. The Chair is informed that the committee amendments were agreed to en bloc, but points of order in connection with them were not waived. Therefore, the Senator from Delaware can raise a point of order as to the rest of the amendment at any time he may choose to do so.

Mr. WILLIAMS of Delaware. I so understand. But if the Magnuson amendment is adopted and if the figure is changed from $2 million to $6 million and the point of order is then made, it will strike out the entire section?

Mr. MAGNUSON. My understanding is that the Senator from Delaware can make a point of order against the entire section, regardless of the amount involved.

Mr. RUSSELL. Mr. President, that is the way I understand the situation. It makes no difference whether the amount is $6 million or $50 million; the language of the amendment—but not the amount—is, in any case, subject to a point of order.

The PRESIDING OFFICER. That is correct.

The Chair finds it very difficult to rule in advance upon a point of order to be submitted at a future time by the Senator from Delaware.

Mr. RUSSELL. Mr. President, I think the Chair might assuage the concern of the Senator from Delaware if the Chair stated that regardless of whether the Magnuson amendment is adopted or is rejected, the right of the Senator from Delaware to make the point of order will not in anywise be affected.

The PRESIDING OFFICER. The Chair will give that assurance to the Senator from Delaware; namely, regardless of whether this amendment is adopted or is rejected, the action of the Senate on the amendment will not affect the right of the Senator from Delaware to make a point of order to the language as legislation in a general appropriation bill.

Mr. WILLIAMS of Delaware. As to this language?

The PRESIDING OFFICER. Yes, a point of order as to the language of this section—as to whether it is legislation.

Mr. WILLIAMS of Delaware. That is correct—that is to say, lines 8 through 13, inclusive, on page 31 of the bill. In other words, I shall have the same right to make the point of order after the Magnuson amendment is acted upon that I have at this time. The reason I press this point is that earlier I had been advised differently.

The PRESIDING OFFICER. That is correct.

Mr. WILLIAMS of Delaware. Then I have no objection to having the Magnuson amendment voted on first.

Several Senators. Vote! Vote!

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the yeas and nays on the question of agreeing to my amendment be withdrawn.

Mr. WILLIAMS of Delaware. No, Mr. President; let us proceed to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

Mr. WILLIAMS of Delaware. Mr. President, I oppose the amendment of the Senator from Washington. Before the vote is taken, I think it should be pointed out that in connection with this particular proposal the Bureau of the Budget requested only $2 million. The House rejected even the Budget request for $2 million. The Senate Appropriations Committee did include $2 million, which was the Budget request. Now the Senator from Washington proposes, through an amendment, to increase that amount by an additional $4 million—thus constituting a $4 million increase over the amount of the Budget request.

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS of Delaware. Mr. President, on that basis I think the amendment should be rejected, but I am willing to have the vote taken at this time on its merits.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. Magnuson]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Wyoming [Mr. Hickey], the Senator from Florida [Mr. Holland], the Senator from Michigan [Mr. McNamara], and the Senator from Maine [Mr. Muskie] are absent on official business.

I also announce that the Senator from New Mexico [Mr. Chavez] is absent because of illness.

I further announce that the Senator from Arkansas [Mr. Fulbright] and the Senator from South Carolina [Mr. Johnston] are necessarily absent.

On this vote, the Senator from Florida [Mr. Holland] is paired with the Senator from Michigan [Mr. McNamara]. If present and voting the Senator from Florida would vote "nay," and the Senator from Michigan would vote "yea."

I further announce that, if present and voting, the Senator from New Mexico [Mr. Chavez] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken] is absent on official business.

The Senator from Kansas [Mr. Carlson], the Senator from Kentucky [Mr. Morton], and the Senator from Texas [Mr. Tower] are necessarily absent.

The Senator from Connecticut [Mr. Bush] is detained on official business and, if present and voting, would vote "nay."

If present and voting, the Senator from Kentucky [Mr. Morton] and the Senator from Texas [Mr. Tower] would each vote "nay."

The result was announced—yeas 47, nays 41, as follows:

[No. 86 Leg.]

YEAS—47

Allott
Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Case, S. Dak.
Church
Clark
Dodd
Dworshak
Eastland
Engle
Gore
Gruening
Hart
Hartke
Hayden
Hill
Humphrey
Jackson
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
Metcalf
Monroney
Morse
Neuberger
Pastore
Pell
Randolph
Scott
Smith, Mass.
Sparkman
Stennis
Symington
Wiley
Williams, N.J.
Yarborough
Young, N. Dak.

NAYS—41

Beall
Bennett
Boggs
Butler
Byrd, Va.
Capehart
Case, N.J.
Cooper
Cotton
Curtis
Dirksen
Douglas
Ellender
Ervin
Fong
Goldwater
Hickenlooper
Hruska
Javits
Jordan
Keating
Kerr
Lausche
Long, La.
McClellan
Miller
Moss
Mundt
Murphy
Pearson
Prouty
Proxmire
Robertson
Russell
Saltonstall
Smathers
Smith, Maine
Talmadge
Thurmond
Williams, Del.
Young, Ohio

NOT VOTING—12

Aiken
Bush
Carlson
Chavez
Fulbright
Hickey
Holland
Johnston
McNamara
Morton
Muskie
Tower

So Mr. Magnuson's amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. ANDERSON. I move to lay that motion on the table.

Mr. HUMPHREY. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President——

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. I should like to have the attention of the distinguished Senators.

Mr. WILLIAMS of Delaware. Mr. President, I had requested recognition.

The PRESIDING OFFICER. The Senator from Washington was recognized.

Mr. MAGNUSON. I suggest an amendment which might be acceptable, on behalf of the committee members. I suggest that on line 9, under the heading of "Access Roads" we strike out the words, "acquiring by condemnation or otherwise," and change the amount so that the language would read:

> For additional roads needed for access to national forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $6,000,000.

And then to strike out the words: "to remain available until expended."

Mr. DOUGLAS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HAYDEN. Mr. President, the Senator from Washington suggested striking out the language not at present authorized by law.

Mr. MAGNUSON. Yes.

Mr. HAYDEN. The language which would remain is authorized by law, and there would be no question about it.

Mr. MAGNUSON. I so move, Mr. President.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. Mr. President, I invite the attention of the Presiding Officer to the language of the bill, on page 31, beginning on line 8, under the title "Access Roads," down to and including line 13.

I make a point of order that this language constitutes legislation on an appropriation bill, and I make the point of order that that language should be stricken from the bill.

Mr. MAGNUSON. Mr. President, I have made a motion. I have made a motion to modify the language against which the Senator from Delaware is making a point of order.

Mr. WILLIAMS of Delaware. I make a point of order, Mr. President——

Mr. MAGNUSON. A motion is pending.

Mr. WILLIAMS of Delaware. A motion may be pending, but a point of order is in order at any time; and I am making the point of order at this time.

The PRESIDING OFFICER. The Senator from Delaware is correct. The point of order has to be ruled upon in advance of the vote on the motion offered by the Senator from Washington. The Senator from Delaware is in order in making the point of order.

This language is obviously legislation on an appropriation bill. The point of order is sustained.

Mr. MAGNUSON. This is the formal amendment, Mr. President. I wish to address myself to the point of order.

The PRESIDING OFFICER. Does the Senator from Washington now offer an amendment?

Mr. MAGNUSON. This is the amendment I suggested before, in writing.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The Legislative Clerk. On page 31, after line 7, it is proposed to insert the following:

> ACCESS ROADS
>
> For additional roads needed for access to national forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $6,000,000.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, I wish to address myself to the point of order, so that the Senate will understand it. I suggested that we change the language. I am sure the members of the Committee on Appropriations will agree it should be changed, so that the language will not be subject to a point of order. The suggested language would carry out existing law, the act of June 4, 1897.

The Senate concurred in my amendment to increase the amount from $2 million to $6 million. If the point of order, which the Presiding Officer has said he would sustain in this particular case, is sustained against the language in the bill, there would be no money whatsoever for access roads. I do not think the Appropriations Committee wants that to happen. I am sure I do not. I am sure the Members of the Senate who voted for the increase in the amount would not wish to have that happen.

Therefore, Mr. President, I am in the position that all I can do is to appeal from the ruling of the Chair.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. There has been no point of order against the pending amendment. The Senator from Delaware made a point of order against the language in the appropriation bill, on page 31, which the Chair sustained as legislation on an appropriation bill. The Senator from Washington now has submitted an amendment which would take out the objectionable language. So far as the Chair is concerned, there is nothing to rule on. The Chair is ready to put the question, if the Senate is ready to vote.

The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. Has not the Senate already voted on the question at issue? The amendment now submitted, if the amendment is insisted on—I thought perhaps the two-thirds rule might be invoked, but it was not—would involve a duplication of the vote already taken, would it not, except for the language to which there was objection?

The PRESIDING OFFICER. That is a decision to be made by the Senate. The amendment is a new amendment. The Senate voted on the $6 million appropriation.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. HUMPHREY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY. Is it correct to say that the point of order raised by the Senator from Delaware was sustained, which struck out the language on lines 8 through 13 of page 31 of the bill, and that the Senator from Washington has submitted a new amendment, with new language which meets the requirement of the rule? In other words, it is language which is not legislation on an appropriation bill, but merely would fulfill existing law, with the sum of $6 million provided therein.

The PRESIDING OFFICER. The Senator from Minnesota has succinctly stated the new amendment.

Mr. HUMPHREY. So we vote again for the $6 million, and we shall be on our way to doing business.

The PRESIDING OFFICER. The amendment does not embody the language which is legislation on an appropriation bill.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. MAGNUSON. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. If the Senate is to sustain the vote previously taken, the vote again would be "yea," would it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS of Delaware. I think it should be clear that the Senator from Washington is not striking from the bill certain language which is legislation. That language has been stricken from the bill by a point of order. It is not in the bill any longer.

Mr. MAGNUSON. That is correct. I have submitted a new amendment.

Mr. WILLIAMS of Delaware. The Senator from Washington submitted a new amendment which, if agreed to, would do the same thing as the Senator previously tried to do. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS of Delaware. It is my understanding, Mr. President, that the amendment of the Senator from Washington is merely an amendment similar to the amendment which was voted on a few minutes ago. Therefore, I make the point of order that the amendment is not in order. My point of order is not made on the basis that it is legislation on an appropriation bill, but on the basis that the preceding question has been determined by a vote. Therefore it is not in order to vote again on the same question.

The PRESIDING OFFICER. The Chair rules that there has been a substantial change in the amendment, and that the amendment embodies no legislation in an appropriation bill.

Mr. ALLOTT. Mr. President, the Chair has now ruled on the question. I do not think any Senator is confused. I do not believe any votes will be changed on the substantive question as to whether or not $6 million is to be included for access roads. In an attempt to save time, and I think to express the will of all Senators as it was expressed before, I ask unanimous consent that the yea and nay vote on the preceding amendment be made the yea and nay vote upon the pending amendment.

Mr. WILLIAMS of Delaware. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILLIAMS of Delaware. Mr. President, I think we should make clear that what this amendment does is provide a 300-percent increase in the item over and above what the Budget Bureau recommended. That increase would be added to an item which was rejected by the House of Representatives in its entirety. There has been no justification by the Budget Bureau or in any other way.

In addition, this appropriation bill already includes $120 million over and above what was provided in last year's bill. Last year's bill was increased by about $70 million over the preceding year. During the past 12 months, as a result of increased appropriations, the Department of the Interior has added 5,694 new employees. It added 1,500 new employees during April, the most recent month on which the joint committee has reported.

Since the beginning of the Kennedy administration, in January 1961, the Department of the Interior has added an average of 18 new employees every day. The calculation includes holidays and is based on a Government 5-day workweek.

With much of the money appropriated there is being built up a big political bureaucracy. Let us not delude ourselves. If that is what the Senate wants, let us approve the increased appropriation; but before we do so, let us recognize that a vote for these increases would be a vote against the possibility of a tax reduction. We are hearing a great deal of talk from high administration officials about reducing taxes. I have said it is nothing but political propaganda in an election year. We will not cut taxes as long as we increase expenditures. I think every Senator knows that.

If we want to cut taxes, the way to do so is to cut down the spending and then pass the savings on to the people in a bona fide tax reduction. I think the people of our country have as much sense about spending their money as any bureaucrat in Washington, under the present administration or under any other administration. Why siphon all of their money through Washington?

If Senators vote for the amendment making these increases they will vote for it with a clear understanding that not only are they approving a bill which carries a substantial increase—a $120 million increase—over the appropriation in the preceding year for the same department, but also they are voting another $4 million over what even the Budget Bureau has asked. And no one has accused the Budget Bureau of being bashful in asking for money.

Mr. MAGNUSON. Mr. President, I shall take but a moment. The money proposed to be expended would be returned. A revolving fund to build roads to obtain access to forest lands that are eligible to be cut would be established. The amendment has nothing to do with taxes. We would receive the money back. We would create more wealth by using lands which are not now being cut.

There is involved the same old question we have heard discussed year after year. The amendment would make it possible for some of the smaller operators to bid on certain forest lands on which cutting is allowable. It would help to revive an industry that is in trouble. It would add more taxes to the national economy. It would open up new areas for recreation and other purposes.

I know who is opposed to the amendment. Those who are opposed have great forest reserves and do not want other reserves opened up. That is all the opposition amounts to. It is an old story.

Within 17 months, by a conservative estimate, the amount of money expended would be paid back into the Treasury. Taxes would be much greater when lands on which there is allowable cutting are set aside for cutting on a sustained-yield basis under the conservation program.

Mr. WILLIAMS of Delaware. Mr. President, I did not make a point of order in the beginning because I was willing to go along with the recommendation of the Budget Bureau for an appropriation of $2 million for these access roads. I will go along with the restoration of the $2 million as recommended by the committee if the Magnuson amendment can be defeated.

I am not seeking to eliminate the item in its entirety, but I do object to increasing it 300 percent over and above what the Budget Bureau said was needed. I ask that the amendment be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. Magnuson]. On that question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

**Mr. HUMPHREY.** I announce that the Senator from Wyoming [Mr. Hickey], the Senator from Florida [Mr. Holland], the Senator from Michigan [Mr. McNamara], and the Senator from Maine [Mr. Muskie] are absent on official business.

I also announce that the Senator from New Mexico [Mr. Chavez] is absent because of illness.

I further announce that the Senator from Arkansas [Mr. Fulbright] and the Senator from South Carolina [Mr. Johnston] are necessarily absent.

On this vote, the Senator from Florida [Mr. Holland] is paired with the Senator from Michigan [Mr. McNamara]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Michigan would vote "yea."

I further announce that, if present and voting, the Senator from New Mexico [Mr. Chavez] would vote "yea."

**Mr. KUCHEL.** I announce that the Senator from Vermont [Mr. Aiken] is absent on official business.

The Senator from Kansas [Mr. Carlson], the Senator from Kentucky [Mr. Morton], and the Senator from Texas [Mr. Tower] are necessarily absent.

If present and voting, the Senator from Kentucky [Mr. Morton] and the Senator from Texas [Mr. Tower] would each vote "nay."

The result was announced—yeas 49, nays 40, as follows:

[No. 87 Leg.]

YEAS—49

Allott
Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Case, S. Dak.
Church
Clark
Dodd
Dworshak
Eastland
Engle
Gore
Gruening
Hart
Hartke
Hayden
Hill
Humphrey
Jackson
Kefauver
Kuchel
Long, Mo.
Long, Hawaii
Magnuson
Mansfield
McCarthy
McGee
Metcalf
Monroney
Morse
Moss
Neuberger
Pastore
Pell
Randolph
Robertson
Scott
Smith, Mass.
Sparkman
Stennis
Symington
Wiley
Williams, N.J.
Yarborough
Young, N. Dak.

NAYS—40

Beall
Bennett
Boggs
Bush
Butler
Byrd, Va.
Capehart
Case, N.J.
Cooper
Cotton
Curtis
Dirksen
Douglas
Ellender
Ervin
Fong
Goldwater
Hickenlooper
Hruska
Javits
Jordan
Keating
Kerr
Lausche
Long, La.
McClellan
Miller
Mundt
Murphy
Pearson
Prouty
Proxmire
Russell
Saltonstall
Smathers
Smith, Maine
Talmadge
Thurmond
Williams, Del.
Young, Ohio

NOT VOTING—11

Aiken
Carlson
Chavez
Fulbright
Hickey
Holland
Johnston
McNamara
Morton
Muskie
Tower

So Mr. Magnuson's amendment was agreed to.

**Mr. MAGNUSON.** Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

**Mr. MORSE.** I move to lay that motion on the table.

The motion to table was agreed to.

**Mr. ANDERSON.** Mr. President, I call up my amendment identified as "5–17–62—C."

The PRESIDING OFFICER (Mr. Pell in the chair). The amendment will be stated.

**Mr. ANDERSON.** Mr. President, in view of the fact that I can make an explanation of the amendment which will be satisfactory, I am sure, I ask unanimous consent that the text of the amendment be not read, but, instead, that it be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the Record, is as follows:

On page 9, lines 1 to 3, strike out ", other than judgment funds awarded by the Indian Claims Commission or the Court of Claims,".

On page 9, line 6, change the colon to a comma and add "except that judgment funds awarded by the Indian Claims Commission or the Court of Claims and the interest thereon may not be advanced to the tribes until a report of the purposes for which the funds are to be used has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives and both committees have approved the advance by committee resolution or neither committee has disapproved the advance by committee resolution within sixty calendar days from the date the report is submitted to the committees, not counting days on which either House is not in session because of an adjournment of more than three calendar days to a day certain:".

**Mr. ANDERSON.** Mr. President, the amendment that I am proposing is intended to accomplish the same purpose as the language reported by the Appropriations Committee, but to allow a little more flexibility in the programing and use of Indian judgment funds.

The committee language would preclude any use of the judgment funds, although previously appropriated by Congress, until substantive legislation has been enacted specifying the purposes for which the money may be used. I think this is a little too rigid and that our purpose could be accomplished in a slightly different manner.

The amendment I am proposing would require the Secretary of the Interior to submit to Congress a plan prepared by him and the Indian tribe for the use of the judgment money already appropriated by Congress. The plan would have to lie before the Committees on Interior and Insular Affairs of the two Houses for 60 days unless both committees adopt resolutions approving the plan at an earlier time. If neither committee has disapproved the plan by the end of the 60 days, the money would become available to carry out the plan.

This is the procedure Congress has provided in other cases, and I believe it is a good procedure to use here. It has been written into the law with respect to the disposal of utility systems on Indian reservations, and also with respect to small reclamation projects.

The amendment is not intended to preclude the Secretary of Interior from paying the costs of litigation in accordance with the terms of approved contracts.

I should also say that I appreciated very much what the Committee on Appropriations has done. It put into the bill the language which the Committee on Interior and Insular Affairs sent to the Committee on Appropriations and asked to have included in the bill. However, after it was included it was called to our attention that this would preclude the use of the judgment funds until authorizing legislation had been enacted. I believe the amendment I am offering will allow flexibility in using judgment funds, which are running into many millions of dollars, and retain in Congress an opportunity to look at them before they are programed. I would appreciate it very much if the chairman of the committee would accept the amendment.

**Mr. HAYDEN.** I agree with the amendment. I believe it is justified, and is a legitimate precaution to take. I will be glad to accept it and take it to conference. I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

**Mr. ANDERSON.** Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The Legislative Clerk. On page 6, line 10, it is proposed to strike out "$55,550,000" and insert in lieu thereof "$57,000,000."

**Mr. ANDERSON.** Mr. President, the amendment seeks to add some money to permit the Navajo Indian irrigation project to be started.

Under the Navajo Indian irrigation project, 110,630 acres of Navajo Reservation lands will be developed and irrigated, providing farms for 1,120 Navajo families and giving a livelihood in related service activities to another 2,240 families, thus providing a higher standard of living for more than 16,000 Navajo Indians.

It is necessary that funds be made available in fiscal year 1963 because the Navajo Reservoir is presently being filled with water. Consequently it is most important that the control works and tunnel be started as soon as possible to avoid increases in the costs which would develop if this work were accomplished after the reservoir was filled. Also, it is planned to dump a part of the waste from the tunnel excavation in the reservoir area and the rest of it in the Kutz

Canyon. This plan provides two working headings for the tunnel which would not be possible if the reservoir were filled with water.

It is also necessary that the definite plan report be formulated as soon as possible.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the work proposed for fiscal year 1963.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Navajo irrigation project, work proposed for fiscal year 1963*

| | |
|---|---|
| Development of definite plan and report: | |
| Aerial surveys and topographical map project area | $415, 600 |
| Aerial surveys main canal and structures | 104, 800 |
| Soil surveys | 156, 000 |
| Agricultural economic studies | 31, 200 |
| Engineering studies and report | 111, 200 |
| Total | 818, 800 |
| Preconstruction surveys, investigations and designs: | |
| Geologic | 100, 000 |
| Design preparation of plans of outlet works and tunnel | 100, 000 |
| Total | 200, 000 |
| Construction of reservoir outlet works and tunnel (2 miles) | 400, 000 |
| Purchase of right-of-way | 31, 200 |
| Total estimate | 1, 450, 000 |

Mr. ANDERSON. Mr. President, the able Senator from Arizona knows as much about this project as anyone else, if not more. I should merely like to have his comment on the amendment, because the authorization bill has yet to be signed.

Mr. HAYDEN. Mr. President, in my judgment the Senate cannot consider this amendment until we have received an estimate, to be submitted by the Bureau of the Budget in the supplemental appropriation bill. Neither has the authorization bill been signed by the President.

Mr. ANDERSON. No; it has not been signed. The distinguished senior Senator from New Mexico [Mr. CHAVEZ], who is a member of the Senator's subcommittee, had intended to present the amendment. I am merely presenting it for him in his absence. At the time the amendment was proposed, it was hoped that the authorization bill would have been signed, and that the amendment might properly be acted on at this time.

Mr. HAYDEN. As I understand, the authorization bill has not yet been signed. I think the proposal would be strengthened if we had a budget estimate. I suggest that the Senator from New Mexico withdraw the amendment now and resubmit it at a later time.

Mr. ANDERSON. Mr. President, in view of that advice, I withdraw the amendment.

Mr. LAUSCHE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Ohio.

Mr. LAUSCHE. What is the estimated total cost of the project?

Mr. ANDERSON. I think it is $135 million.

Mr. LAUSCHE. The appropriation bill provides $55 million.

Mr. ANDERSON. Oh, no. An attempt was made in the beginning to provide $555,000. The Bureau of Reclamation felt that if the tunnel could be cut before the reservoir filled, a substantial sum of money would be saved. However, I have taken the advice of the chairman of the committee and have withdrawn the amendment.

Mr. LAUSCHE. Was not this proposal discussed in the Senate a year ago?

Mr. ANDERSON. Yes.

Mr. LAUSCHE. As I understand, the issue at that time was the development of new farmlands through the expenditure of public moneys, while the Government was paying money to farmers to take lands out of production. Was not that the argument?

Mr. ANDERSON. That was the argument. If the Senator from Ohio knew what the House had done, he would feel very happy over its action. The House took what I believe is completely unprecedented action. The House provided that no crop which is now certified by the Secretary of Agriculture to be in surplus production may be raised on any of this land until 10 years after the completion of the project. Since the project probably will not be finished for at least 10 to 14 years, that will put off any possibility of using the land for almost a quarter of a century.

Mr. President, I gladly accept the advice of the senior Senator from Arizona, who has been a Member of the Senate for quite some time and has been handling appropriations for a long period of time. I will abide by his suggestion. However, I felt, in justice to my colleague from New Mexico [Mr. CHAVEZ], that I should offer the amendment. However, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CARROLL. Mr. President, I call up my amendment designated "6-11-62—A" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, line 8, before the period it is proposed to insert a colon and the following: "*Provided*, That no part of this appropriation shall be used to remove any machinery, equipment, or facilities from the oil shale pilot plant at Rifle, Colorado".

Mr. CARROLL. Mr. President, in 1944 the U.S. Government constructed a pilot oil shale plant at Rifle, Colo., at a cost of about $20 million. Since 1956 no research has been conducted at that plant and the facility has been kept in a standby condition. At the Rifle plant are expensive retorts used in breaking down the shale into oil. The retorts are the essential equipment in the whole experimental process. We want to be sure that the equipment at Rifle stays at Rifle.

There is a real possibility that the Rifle plant will soon be reopened. The Navy Department and Interior Department are seeking to negotiate with educational institutions to supervise experimental work on oil shale without further cost to the Government.

The senior Senator from Wyoming [Mr. MCGEE] who is a member of the Committee on Appropriations, was successful in having included in the bill before the Senate today an amount of $187,000 to expand oil shale research to be conducted, I understand, in Laramie, Wyo.

Rumors have been circulating that as a part of the research to be conducted in Laramie, Wyo., one of the principal retorts at the Rifle, Colo., plant is to be removed. I understand from the Senator from Wyoming that it is not his intention that that be the effect of his amendment; that it is not contemplated by the Bureau of Mines that any machinery or retorts at Rifle, Colo., be removed.

The Senator from Wyoming is in the Chamber; and if he wishes to speak on this subject, I shall be pleased to yield to him.

Mr. MCGEE. Mr. President, I thank the Senator from Colorado for raising this question. I assure him that never was it the intention, in seeking the additional appropriation for an oil shale laboratory on the campus of the University of Wyoming, to remove any of the facilities from Rifle, Colo.

Actually, the real purpose of the appropriation which I support is to speed up experimentation and exploration, in the hope that a breakthrough may be made in some of the related byproducts of the oil shale land. For example, it is thought that in the oxygen compounds, or nitrogen, or sulfur compounds some products which are noncompetitive with oil may be found. That is why our scholars and research scientists have asked for the extra money. There is no intention or desire to pirate any of the plant from Rifle, Colo.

In all truth, I hope we may intensify the activity on the campus of my university and, at the same time, get the plant at Rifle in operation again, because I think it is most urgent that we develop all of the possibilities available to us in the national interest; that we not neglect any of these potential breakthroughs.

It is for that reason that I support the amendment offered by the Senator from Colorado.

Mr. CARROLL. I thank the Senator from Wyoming. I observe in the Chamber the distinguished Senator from West Virginia [Mr. RANDOLPH], who, together with former Senator O'Mahoney of Wyoming many years ago, was known as the father of the Synthetic Liquid Fuels Act. The senior Senator from West Virginia knows the history and the background of this research. He pioneered in this vital program. If he desires me to yield, I shall do so for any comment he may desire to make.

### COAL AND OIL SHALE RESEARCH TO DEVELOP SYNTHETIC LIQUID FUELS

Mr. RANDOLPH. Mr. President, I thank the astute Senator from Colorado. Only that the record of an earlier effort may supplement the cogent remarks of the Senator from Colorado and the pertinent observations of the Senator from Wyoming [Mr. MCGEE], I would note that the Synthetic Liquid Fuels Act, which became law in 1944, brought into being not only research in the processing of high-octane gasoline from coal, but also investigations in the important area of the processing of oil and oil products from shale.

It was, as my friend from Colorado noted, my privilege and responsibility, when a Member of the House of Representatives, to have sponsored the Synthetic Liquid Fuels Act with former Senator O'Mahoney, of Wyoming. After having been passed earlier in the Senate under the persuasive and effective management of our esteemed former colleague from Wyoming, the measure was passed by the House on February 16, 1944, under the stress of wartime demands for liquid fuels. It was extended later, when peacetime demands for oil and oil products surpassed peak requirements of World War II.

Thus, the provisions of the act were first implemented during the last administration of President Franklin D. Roosevelt, was continued during the administrations of President Harry S. Truman, but was permitted to expire during the administrations of President Dwight D. Eisenhower.

I hope that research intended to develop liquid fuels from coal will be renewed. And I trust there will be further investigations of the feasibility of producing oil from shale.

Our colleagues from Colorado and Wyoming and those from other Rocky Mountain States appropriately call attention to the large quantities of oil shale which exist there.

In the earlier research activities under authority of the Synthetic Liquid Fuels Act of 1944, the U.S. Bureau of Mines built and operated three laboratories and two engineering plants. One laboratory was at Laramie, Wyo. It was dedicated to the study of oil shale and related problems. Another laboratory was at Bruceton, Pa., where there was study of the broad problem of coal-to-oil processing. And a later laboratory at Morgantown, W. Va., was established primarily to perform missions in the conversion of coal to gas, both for direct use as fuel and for synthesis of liquid fuels and chemicals.

A station at Louisiana, Mo., was used to demonstrate on a semicommercial scale the conversion of synthesis gas—made from coal—to liquid products.

And there was the experiment station at Rifle, Colo., which the diligent Senators from Colorado [Mr. CARROLL and Mr. ALLOTT] seek to protect—and very properly so—by this amendment. The station at Rifle was built to demonstrate methods for mining and retorting oil shale and for converting crude shale oil to other fuels by refining. Earlier this year I had the opportunity and the privilege of renewing acquaintances in that section of Colorado. It was a pleasure to inspect the properties there which formerly played a substantial role in the synthetic liquid fuels research. I share the hope and the optimism of both Senators from Colorado that the facilities at Rifle will soon again be active centers for important research.

Today, my colleagues, in this measure before the Senate, we are dealing again with funds for the programing of a continuation of research and pilot projects in a field in which there is a rich history. We are thinking it terms of broadening the scope of investigations begun at Rifle, Colo., at Bruceton, Pa., at Morgantown, W. Va., at Laramie, Wyo., and at Louisiana, Mo. In the earlier explorations there were experimentations with certain agricultural products which were thought to lend themselves to conversion into liquid fuels, and it may be that in the future these investigations might also be renewed.

I shall use 2 or 3 additional minutes to review the fact that Congress acted affirmatively in this matter in 1944. We were, Mr. President, under the impact of the stringencies of international conflict. We were faced with the condition under which the oil supplies from overseas so necessary to supplement our domestic production were cut off not only in degree, but we faced a possible total blockade.

Meanwhile, Mr. President, we knew that the Royal Air Force of the British Empire and the Luftwaffe of Nazi Germany were powered substantially by synthetic liquid fuels processed from coal. Yet we were tardy in recognizing that in our own coal and shale deposits we had similar—in fact, greater, possibilities. That was the real reason why our esteemed former colleague, Senator O'Mahoney, of Wyoming, and I sponsored the Synthetic Liquid Fuels Act and why it was passed overwhelmingly in both Houses of the Congress.

So, Mr. President, I support with enthusiasm the committee's coal research amendments and I likewise support the clarifying amendment the Senator from Colorado [Mr. CARROLL] has offered, and I congratulate the Senators from Colorado and the Senators from Wyoming, in whose States oil shale is to be found in abundance.

The breakthrough can come and should come, not because we are under the crises of the so-called cold war or because of possible conflict in the future, but because it is incumbent on us to move forward in the areas of research which show real promise. We must work for the feasibility of production of gasoline processed by synthetic means from coal and oil shale. This should be a part of our national growth and our resources for the future.

I am grateful to the Senator from Colorado for his generous remarks. He has afforded me the opportunity to not only speak on this point, but also to express the view that funds provided and spent for research and development in this area will bring back not only the original investment but, also, a dividend to the economy and the security of the United States. Again, I congratulate the Senator from Colorado [Mr. CARROLL] and the Senator from Wyoming [Mr. MCGEE] for their timely and knowledgeable remarks.

Mr. CARROLL. Mr. President, I thank the able senior Senator from West Virginia. I know of his great interest in this program and I know of his contributions in years past. His remarks today are very timely and pertinent.

Mr. President, this matter was discussed on the floor of the House of Representatives. Mr. ASPINALL, the chairman of the Interior Committee, objected to the addition of the $187,000 for oil shale research unless there was a clarification of its purpose. I think this amendment satisfies everyone.

I now ask the distinguished chairman of the Appropriations Committee, the senior Senator from Arizona [Mr. HAYDEN], if he will accept the amendment.

Mr. HAYDEN. Mr. President, there is no controversy about this matter. The Senator has stated the situation as it is, and it should not be disturbed. So I think there is no controversy about the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

Mr. ALLOTT. Mr. President, I intend to support the amendment. I have long fought for the development of our oil-shale resources.

Oil shale is a natural resource with which we in this country are singularly endowed. In fact, it is a latent resource which, most assuredly, will one day find its rightful place in the roster of basic minerals. On numerous occasions, I have directed attention to the fact that in the Colorado-Wyoming-Utah area the Green River deposits of oil shale exceed 1½ trillion barrels of recoverable oil. This is an exceedingly significant reserve which becomes even more meaningful when compared with the fact that the known liquid petroleum reserves of the United States are 35 billion barrels. Oil products are essential to peacetime development. They are critical in time of war. To do other than prepare ourselves to draw upon this vital reserve, safe within our own borders, is sheer folly. I made that statement here on the floor of the Senate over a year ago; I repeat it now.

The technology advances, the techniques of oil shale extraction and other data now available are in no small way directly attributable to research work carried on at the demonstration plant on the naval oil shale reserves near Rifle, Colo. Before these mountains of shale can be reduced to petroleum, research must continue, culminating, ultimately, in a commercial production capable of fulfilling peacetime industrial uses and defense requirements. In order to move forward with research projects in these fields, the Bureau of Mines budget for fiscal year 1963 included the sum of $187,000.

I have followed with particular interest this request of the Bureau of Mines, especially since this modest amount was defeated by the other body. In a letter dated April 12, 1962, to the chairman of the Appropriations Committee, I requested restoration of this budget item, in spite of the fact the Bureau of Mines had not requested such restoration. In response to this request and, I understand, with the support of the senior Senator from Wyoming, the subcommittee on May 1, 1962, restored the $187,000, and we in the full committee confirmed this action.

Mr. President, I ask unanimous consent to have printed at this point in the

Record, in connection with my remarks, the letter written by me on April 12, 1962, to the chairman of the Appropriations Committee requesting the restoration.

There being no objection, the letter was ordered to be printed in the Record, as follows:

April 12, 1962

Hon. Carl Hayden,
*Chairman, Senate Subcommittee on Interior Appropriations, New Senate Office Building, Washington, D.C.*

Dear Mr. Chairman: I am extremely concerned over the $187,000 deleted by the House of Representatives from the fiscal year 1963 Bureau of Mines budget, which money is programed for expanded oil shale research. I believe that these funds are urgently needed to provide information that is technologically and economically critical to the development of the oil shale industry, either in a normal, commercial sense or under the stress of a national emergency.

Because of this conviction, I wrote the Department of the Interior inquiring as to the proposed use and the need for this $187,000. I enclose a copy of the letter and memorandum on this subject which was received from the Department in reply.

I would appreciate your making this information available to members of the subcommittee for their most earnest consideration for restoration of this item. You can be assured of my support for this restoration when the full committee takes up the bill.

Best regards.
Sincerely yours,
Gordon Allott.

**Mr. ALLOTT.** Mr. President, the other body's action was due, in part, to the fact that some uncertainty exists over which Department of Government should take control of the plant—Interior or Defense. While it would be most helpful to have a clear demarcation of authority, nevertheless, while the respective Departments lock horns, the plant facilities deteriorate. It is far better, and a more judicious use of the plant, to allow the Bureau of Mines to engage in research during the interim. I certainly favor an expeditious solution to the question of jurisdiction, and to that end have introduced, along with the senior Senator from Utah, S. 1277, which would authorize the Secretary of the Navy to take exclusive possession and control of the Rifle plant.

There was also some concern that this $187,000 appropriation would result in the transfer from Rifle to Laramie, Wyo., of the retort, which forms an integral part of the plant's operation. This is a very real concern and certainly a matter to be dealt with. However, I have assurances from the Bureau of Mines that the removal of any equipment from Rifle is very remote. The Acting Director of the Bureau, in a letter to me dated April 9, gave me that assurance. At the appropriate place in my remarks, I shall place the full text of that letter in the Record.

I may say that was 3 days before I wrote to the chairman of the Appropriations Committee, the letter requesting the restoration of this amount.

Therefore, we have the situation where one of the sources of concern is, as a practical matter, removed, and the other, a dispute between Interior and Defense, is far from settled. But I reiterate that in my judgment the facilities at Rifle can better survive the deadlock by being put to use and maintained, rather than by slowly rotting away.

The Bureau of Mines, at my request, furnished me with its proposed program for the use to be made of the $187,000. Included is development work in the retorting step, the least advanced of all oil shale technique. In addition, the Bureau plans to investigate the potential of oil shale and its products as a source of chemicals. Finally, there is the expressed intention to assess oil potential of the Piceance Creek Basin, a possible prospective extension of the present known shale deposits. In order to have, in detail, the program as outlined by the Bureau of Mines, in justification of this budget request, I ask unanimous consent that the plans be made a part of the Record at this point.

There being no objection, the plans were ordered to be printed in the Record, as follows:

OIL-SHALE PROGRAM—PLANS FOR USE OF $187,000 DELETED BY HOUSE OF REPRESENTATIVES FROM 1963 BUDGET REQUEST

It is the firm opinion of the Bureau of Mines that the work that is programed under this $187,000 is urgently needed to provide practical information that is technologically and economically critical to development of an oil-shale industry, either in a normal commercial sense or under the stress of a national emergency.

Of all the Bureau and other process development work in the field of oil shale, the retorting step, in which oil is produced from the shale rock, is the least advanced. A particularly important consideration in the retorting operation, and one on which the Bureau proposes intensive effort, is the means of efficient removal of oil from the retorting system as the oil is produced from the shale and comprehensive recovery of the oil after its removal. Contrary to popular belief, shale oil evolves as a mist in the retort rather than as a true vapor or gas. The size of individual particles in this mist is a most important factor in final yield of oil and in trouble-free operation of a retort. If the mist particles are too large, they tend to mass together and form larger particles in the retort with subsequent troublesome coking and burning along with decrease in yield of oil. Conversely, if the particles are too small, their recovery in oil-collection equipment is difficult and again unnecessary losses occur. These problems are well recognized, but their solutions are not. Therefore, the Bureau recommends strongly that funds be provided to permit pilot-scale and supporting laboratory development work on the formation and control of oil-shale mists in retorting and recovery systems. Effective progress toward solution of the problems described depends upon such joint efforts which are not feasible without additional support.

Another important study planned under and dependent upon the $187,000 increase is to investigate the potential of oil shale and its products as a source of chemicals. By terms of the Synthetic Liquid Fuels Act of 1944 and subsequent amendments thereto, the Bureau's research and development work on oil shale was directed toward the production of fuel products, and this guideline was continued to the present day even though the act mentioned has not been in effect in recent years. However, somewhat parallel to the situation that has developed in the petroleum industry, the economics of an oil-shale industry will depend, perhaps to an important degree, upon the chemicals and other byproducts that can be produced from shale along with more conventional fuel products. The possibilities of such supplementary support are largely unknown; however, based upon the fragmentary information that now is available, the potential of an oil-shale chemical industry (a "karochemical industry," is an appropriate and perhaps more descriptive term) is large. The Bureau of Mines feels that it can add considerable impetus to development of an oil-shale industry through providing technical and economic information to evaluate the "karochemical" potential, but is unable to do so without additional financial support of its program.

Other work planned under the $187,000 increase includes assessment of the oil potential of what are thought to be vast oil-shale deposits that have been only recently discovered in the Piceance Creek Basin lying north of what was earlier considered to be the principal oil-shale area of Colorado. Only cursory information now is available about the extent of the Piceance Creek deposits, and about such important evaluation factors as their richness and pattern of oil yield as related to depth and geographical location. Additional work is proposed by the Bureau to fill the gaps in the Piceance Creek picture in order to stimulate eventual development of this extension of the Nation's oil-shale reserves.

**Mr. ALLOTT.** Mr. President, along with this program proposal, I ask unanimous consent that a letter to me from Mr. James Westfield, Acting Director of the Bureau of Mines, appear at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of the Interior,
Bureau of Mines,
*Washington, D.C., April 9, 1962.*

Hon. Gordon Allott,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Allott: This is in reply to your letter of April 2, 1962, concerning plans of the Bureau of Mines for work on oil shale under the $187,000 that recently was deleted by the House of Representatives from the 1963 budget request.

The work for which the amount mentioned was requested may be categorized under three headings: (1) Laboratory and pilot plant applied research to solve serious problems involved in removing shale oil without undue degradation and loss from the retorting equipment and in the subsequent oil-recovery steps, (2) studies to determine the chemical potential of an oil-shale industry including development of partinent economic information, and (3) investigation of the richness and extent of the large, but as yet poorly defined, oil-shale deposits of the Piceance Creek area of western Colorado lying north of the area that until recently was thought to comprise the bulk of Colorado's oil-shale deposits.

Additional details of the work that is planned and information about the need for each part are included in an enclosure to this letter.

In answer to your question about where the proposed work would be conducted, the laboratory phase of the oil-recovery studies would be done at Laramie. Depending on the early results of the laboratory work, the pilot-plant phase might be done wholly or in part at Rifle as appeared most feasible. The possibility of moving any of the Rifle equipment to Laramie is very remote as such a course of action would cause a problem of wide separation of the pilot operations from the supply of shale and probably would be prohibitively expensive in view of the rather limited funds that have been requested. The chemical studies are planned entirely for Laramie, where key members of the staff that would do this work now are located. The Piceance Creek oil-shale evaluation work also would be done by Laramie personnel, but would involve considerable onsite work in Colorado.

The Bureau of Mines appreciates this opportunity to be of assistance to you.

Sincerely yours,

——— ———,

*Director.*

Mr. ALLOTT. While I believe that a reading of the correspondence I have had with the Bureau of Mines would certainly allay any fears of a reasonable man concerning the possible removal of any machinery or facilities from the installation at Rifle, Colo., the amendment will specifically prohibit such action, and as such I intend to support it.

This sum, $187,000, is indeed modest in terms of the Interior Department Budget as a whole. However, I am confident that it will be wisely used and will result in further advances in oil shale extraction techniques. I hope that the Senate will act favorably on the Bureau's request and, thereafter, stand firm on this item in the event of a conference with the other body.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of myself and the Senator from Ohio [Mr. LAUSCHE] I call up my amendment, which is at the desk and identified as "6-6-62—A."

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware for himself and the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 20, beginning with line 19, to strike all down to and including line 23.

Mr. WILLIAMS of Delaware. Mr. President, I cannot conceive of this amendment's being objected to. The amendment carries out the objectives of the President, who earlier this year made a rather strong speech against the excessive cost of the stockpiling program in general. The President and later the Senator from Missouri criticized the manner in which we have accumulated excessive inventories of minerals in our strategic stockpiles. The President said that it was bordering on a national scandal and that we should stop accumulating these minerals.

This amendment proposes to strike from the bill the money provided to subsidize the increased production of lead and zinc. This subsidy program was established by the Congress last year as a part of the stockpiling program of this country. In the preceding year President Eisenhower had vetoed a similar bill. Why should we provide an incentive for the production of lead and zinc at a time when both are in oversupply and overproduction? This program was authorized under a bill which was passed by the Congress at the last session in 1961 and signed by President Kennedy.

Later President Kennedy saw the evils of this program and became concerned about its excessive cost and suggested that the program be curtailed and investigated.

In 1960 a similar bill was passed by the Congress and vetoed by then President Eisenhower as being unjustifiable. I am sorry that last year the Congress passed the bill and that President Kennedy signed it; however, there is time now for us to rectify this mistake.

I congratulate the President of the United States on later recognizing the fact that with $8½ billion worth of these minerals in our stockpile there is no further need either to provide an incentive for their increased production or for stockpiling them.

As an example, we have in the national stockpile today $384,832,300 worth of lead. We have a potential loss on it, based on today's market, of $117,898,100. Why should we pass a bill here today which will provide a further incentive for the production of more lead?

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I have a memorandum obtained from the authorities in charge of the stockpile showing that we now have on hand 1,302,000 tons of lead, and that our objective for strategic purposes required a volume of 286,000 tons. In other words, we have 1,302,000 tons, when the estimate for security purposes is that we need 286,000 tons. Therefore, the volume on hand is four times the needed amount of lead for strategic purposes.

Mr. WILLIAMS of Delaware. That is correct. The General Services Administration recently supplied information to the effect that the amount of lead which we have on hand over and above what can be justified in the name of national defense is 986,355 tons at a cost of $291,037,300. Certainly we should be talking about liquidating that inventory, as the President pointed out, rather than increasing the production of lead or adding to the stockpile.

The bill provides for a subsidy of $75 per ton up to 1,500 tons of lead per year for each mine. The so-called small lead producers can sell their lead in the open market. The market price at present is 9 or 9½ cents, but the Government will pay 75 percent of the difference between the market price and 14½ cents. A producer will be subsidized on that amount up to 1,500 tons. At present market prices that represents a subsidy of about $75 a ton for the production of lead.

Why should be subsidize further the production of lead when we have more lead than we can use in the stockpile?

In bills before the Congress the President is asking for approval of the Congress to dispose of certain items in this stockpile. If we want to get rid of them—and I agree with the President that we should cut down on this excessive inventory—the first step is to stop buying. It makes no sense to say we want to cut down on the stockpile when at the same time we are buying those identical minerals.

No one attempts to justify this subsidy of lead and zinc in the name of national defense.

Let us be realistic—this program is no direct contradiction to the President's request for a cutback on stockpiling costs. If the Congress wants to pass this bill then let us stop criticizing the stockpiling program.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I call attention to the provisions of the bill for which the appropriation is being made in the language now before us. Am I correct that the bill which passed last October provides that the Government shall pay to the producer an amount equal to 75 percent of the difference between 14½ cents a pound, the designated price in the statute, and the price for which lead is selling on the market?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. To illustrate, lead today is selling at 9½ cents a pound on the market. The designated price in the statute is that the producer shall receive 14½ cents. The difference, therefore, is 5 cents a pound, of which the Federal Government pays 75 percent for each pound to the producer. Is that correct?

Mr. WILLIAMS of Delaware. That is correct, up to 1,500 tons per mine.

Mr. LAUSCHE. Seventy-five percent of 5 cents is 3¾ pennies. With 2,000 pounds per ton, 3¾ pennies per pound results in a figure for the Federal Government to pay to the producer of $75 a ton, as of today.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. The statute says that the Government will subsidize up to 1,500 tons per mine; is that correct?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. So an operator with a 1,500-ton producing mine would receive $75 times 1,500, or $112,500 for the production of the mine.

Mr. WILLIAMS of Delaware. The Senator is correct. This bill proposes to subsidize the expanded production of lead at a time when we have more lead than we know what to do with, at a time when the President of the United States says that our stockpiling program is already bordering on a national scandal, and at a time when the President is asking the Congress for authority to liquidate inventory of the stockpile rather than to add further to it.

This program is in direct contradiction to what the President said he wanted Congress to do and what the President said he wanted to do in connection with the stockpiling program.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. WILLIAMS of Delaware. I yield further.

Mr. LAUSCHE. Last year, in the discussion with the Senator from Colorado, it was developed that to produce 2,000 tons of lead in a mine required 40 workers. I assume that to produce 1,500 tons of lead in a mine would require three-quarters of 40 workers, or 30 workers.

I submit, if we should pay $112,500 to a producer of 1,500 tons of lead, and if that producer had 30 workers, since it would cost us $112,500 for the 30 workers the cost would be $3,750 for each worker, in order to run the mine.

Mr. WILLIAMS of Delaware. That is one way of stating it.

As the Senator from Ohio so ably pointed out last year when he led the opposition to these proposals, we might as well recognize the fact that this proposal involves not only a subsidizing of the workers but also a subsidizing of the operation of these mines. This is what has been described as a "75 percent Brannan plan" for the lead and zinc industry of America.

Senators will remember that former Secretary of Agriculture Brannan proposed that the Federal Government adopt an agricultural program under which the farmer could sell his commodities in the open market for any price available and could bill the Government for the differential between the price he received and the support price. The Congress overwhelmingly repudiated that suggestion. This proposal for 75 percent of that formula for the lead and zinc industries is just as bad.

Mr. LAUSCHE. Will the Senator express an opinion on this statement: With four times more lead in the stockpile than is needed, if the appropriation is passed Congress will be authorizing the payment to producers of lead mines of approximately $3,750 per person to keep the mines open and to produce lead which we do not need.

Mr. WILLIAMS of Delaware. That is right.

There is another provision in the same section of the bill which would subsidize the zinc industry. Zinc is to be subsidized on the basis of 55 percent instead of 75 percent of the differential between the price at which the zinc is sold in the open market and 14½ cents per pound.

We also have an excess inventory of zinc. There is eight times as much zinc in the stockpile as we need. We should be getting rid of zinc rather than adding to our inventory. There is a total of 1,401,616 tons of zinc in our stockpile over and above what there is any possible justification for in the interests of national defense. That excess zinc cost the American taxpayer, when it was purchased, $392,039,400.

Now they want a subsidy to produce more zinc.

The irony of the situation is that some of those supporting this subsidy for increased production of lead and zinc are publicly leading the parade in criticizing our stockpiling program. There is already a potential loss on zinc approximating $100 million.

As the President said, the way these materials have been accumulated is a national scandal, and in my opinion the way the Government insists upon continuing the subsidy program is a national disgrace.

Mr. LAUSCHE. Mr. President, will the Senator yield at this point, in respect to zinc?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I have available the latest report on zinc. It has been obtained from the General Services Administration.

The Federal Government has on hand now 1,580,000 tons of zinc. Our stockpile objective was 178,000 tons. In other words, the oversupply is in the ratio of more than 8 to 1.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. We have on hand more than 8 times as much zinc as we need for strategic purposes, yet we contemplate, by the appropriation bill, paying to zinc producers 55 percent of the difference between the designated price of 14½ cents per pound and the price paid on the market, which on June 8 was 11½ cents a pound. That is 3 cents a pound, on which the differential of 55 percent would be paid. Does the Senator agree with me up to that point?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. That would mean we would agree to pay 1.65 cents per pound as of present-day prices, or $33 per ton. For 1,500 tons that would result in a figure for zinc operators of $49,500 per mine.

Mr. WILLIAMS of Delaware. The Senator is correct. Under the pending bill we are to pay that much to encourage the production of zinc, a commodity of which, as the Senator from Ohio has pointed out, we have more than 8 times as much as we can possibly justify in the name of national defense. It is a commodity which the President of the United States said we should be liquidating. Many Members of Congress supported the President in the statement that we should be liquidating these excessive inventories in the stockpiling program.

How the President could sign a bill with this provision in it and how any Member of the Senate could vote for it and still express concern over the excessive cost of our stockpile is a point which I cannot understand.

Why have an investigation into our stockpiling program if we are going to vote for a continuation of the subsidy for our pet minerals?

I agree fully that we have a problem with respect to the disposition of these excess inventories, but the No. 1 step in getting out of our excessive stockpile is to stop subsidizing increased production.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield further.

Mr. LAUSCHE. The stockpile we have been talking about is the one which has been under discussion in the newspapers in the past 2 months?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. Which has been characterized as being loaded with scandal?

Mr. WILLIAMS of Delaware. Yes, it is the same stockpile program which the distinguished Senator from Missouri [Mr. Symington] is presently engaged in investigating. It is the same stockpile with respect to which there has been a great deal of discussion about excess inventories.

The Senator from Missouri recently made recommendations as to how the Government should start liquidating certain of these minerals, but certainly the No. 1 step in liquidating a stockpile is to stop adding to it; otherwise we are just throwing away more money.

One of the arguments which has been made is that by rejecting this subsidy here today we would be reneging on a contract which Congress approved last year. Some of the supporters of the subsidy argue, "Congress passed the bill; therefore these commitments are made and we have a contractual obligation to pay the subsidy now. That is wrong. We have no commitments under this law. I checked with the Secretary of the Interior. I asked him the question of whether under the law passed by the Congress last year and signed by President Kennedy anything had been done. I asked the Secretary how much had been spent and how much had been committed as of the date of my letter.

I received a reply from the Assistant Secretary, which I shall later place in the Record, in which he stated that there had been no payments made under the 1961 act and that there had been no commitments or obligations made for payments under that act. He went further and said that no obligations would be incurred until funds were provided in the appropriation bill and were available.

In other words, he has made no commitments. He has made no obligations. If we do not provide the money, there will be no commitment and no obligation. Our amendment to repeal this subsidy is perfectly in order.

I shall ask unanimous consent to have the entire letter printed.

Mr. LAUSCHE. What is the date of that letter?

Mr. WILLIAMS of Delaware. May 8, 1962.

Mr. LAUSCHE. That is about a month ago?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. The Assistant Secretary of Interior stated that no expenditures had been made and no commitments undertaken under the bill passed last October?

Mr. WILLIAMS of Delaware. Yes. I shall read the entire letter.

Mr. LAUSCHE. I think it ought to be read.

Mr. WILLIAMS of Delaware. My letter to Hon. Stewart L. Udall is dated April 24, 1962, and is as follows:

April 24, 1962.

Hon. Stewart L. Udall,
*Secretary of the Interior,*
*Washington, D.C.*

My Dear Mr. Secretary: Last year Congress passed H.R. 84 (Public Law 87–347), the purpose of which was to authorize a direct subsidy to be paid to the producers of lead and zinc.

In this connection will you please advise me the total amount of all such subsidies which have been paid or which the Government is obligated to pay under this law.

Yours sincerely,

John J. Williams.

On May 8 I received the following reply:

U.S. Department of the Interior,
Office of the Secretary,
*Washington, D.C., May 8, 1962.*

Dear Senator Williams: As of this date no stabilization payments have been made to domestic producers of lead and zinc under Public Law 87–347 about which you inquired in your letter of April 24. This law authorizes a maximum of $16,500,000 over a 4-year period, of which $4,500,000 is allowed in calendar year 1962. This amount was requested by the Department of the Interior in the supplemental appropriation bill for fiscal year 1962 (H.R. 11038). No obligations will be incurred until funds provided in this bill are available.

Sincerely yours,

JOHN M. KELLY,
*Assistant Secretary of the Interior.*

Mr. LAUSCHE. As of May 8 there was a direct communication from the Assistant Secretary of the Interior to the effect that no expenditures had been made and no obligations undertaken, and none would be undertaken until the money was made available.

**Mr. WILLIAMS of Delaware.** That is what the Assistant Secretary of the Interior stated in the letter. So at this time we can act on the amendment without in any way jeopardizing any obligations.

Mr. ALLOTT. Mr. President, will the Senator yield for a question of clarification?

Mr. WILLIAMS of Delaware. Certainly.

Mr. ALLOTT. I think what the Senator has said is correct with respect to the particular item. But I am sure he is aware that in the second supplemental appropriation bill, which was passed, the Senate included an item of $4,880,000 for the purpose stated. The bill is still in conference between the House and the Senate. The appropriation was for the calendar year 1962.

**Mr. WILLIAMS of Delaware.** I am aware of that fact. At the time the bill was considered the item slipped by, or I would have opposed it also.

Mr. ALLOTT. I am sure that the Senator would have done so.

**Mr. WILLIAMS of Delaware.** But that does not alter the fact that in reply to my letter the Assistant Secretary said that no commitments had been made nor would any obligations be incurred until he received the funds. The Senator from Colorado will agree with me that as of this time the Secretary has no money for that purpose. The other bill has not as yet been finally approved by the Congress either.

Mr. ALLOTT. That is the reason I asked the Senator to yield. The letter was written in the manner in which it was written because the second supplemental appropriation bill for 1962 to implement the act for the entire calendar year of 1962, which included funds for that purpose, has not yet come out of conference between the Senate and the House.

**Mr. WILLIAMS of Delaware.** The Secretary has no money, and no commitments have been made.

We are confronted here today with another appropriation of $2 million and some odd thousand for additional subsidies to the lead and zinc industry, which appropriation we can very properly strike out. In striking it out we would not renege on any obligations because the Secretary has made plain that obligations to spend the money would not be made until after he received the money.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

**Mr. WILLIAMS of Delaware.** I yield.

Mr. LAUSCHE. Does the item relating to lead and zinc come within the general scope of the newspaper accounts of scandals respecting the stockpile?

**Mr. WILLIAMS of Delaware.** Yes; the item is involved in the following way. The lead and zinc that are being subsidized under this bill are not being sought by the Government and placed in the stockpile, but——

Mr. LAUSCHE. The Senator is correct.

**Mr. WILLIAMS of Delaware.** So on that basis some try to argue that there is no connection. But there is a connection. This subsidy program is definitely designed to increase production of these two minerals. The bill was placed before the Senate and advanced as a defense production measure. It was supported on the basis that in order to protect the security of our country we should subsidize the operations of the multitude of small lead and zinc producers to keep them producing additional lead and zinc. No one has attempted to deny that point. Why subsidize the increased production of lead when we already have four times as much as we need?

Why subsidize the increased production of zinc when we already have eight times as much as we need?

Why criticize the excessive cost of our stockpiling program and then vote for a continuation of the subsidy.

Why go through the grandstand act of investigating the procurement policies under this stockpiling program if we are not going to correct it when we have a chance?

Mr. SYMINGTON. Mr. President, will the Senator yield?

**Mr. WILLIAMS of Delaware.** I shall be glad to yield in just a moment.

To the extent we pay a subsidy to expand production, such expanded production would be in direct competition with our stockpile inventory. If we want to reduce the stockpile, the first step should be to stop buying. Certainly these programs cannot be separated. The President has said, and the Senator from Missouri has pointed out, that we should be working in the direction of reducing our overall stockpile, but we shall never get the stockpile reduced by adding to it. Certainly as we try to sell some of the stockpile in the open market and then at the same time subsidize the expanded production of the same commodities, we shall be working toward directly opposite objectives. That is the point I am now making. If we wish to reduce the stockpile, and I am reasonably certain that the Senator from Missouri will concur on that point, we should first stop buying. We should stop subsidizing the increased production of any commodities with respect to which there is no need.

Mr. LAUSCHE. Is it a fact that the President has suggested and recommended that the stockpile be liquidated or sent into the markets and converted into cash?

**Mr. WILLIAMS of Delaware.** Yes. I do not have his speech before me, but if I recall correctly the President said that if we reduced our stockpile to what we actually need we would cut it by about $3 to $3½ million.

Mr. LAUSCHE. On the one hand, it is recommended that we reduce the stockpile, and on the other hand, through the measure now before the Senate, we would subsidize the increased production of lead. Is that the situation?

**Mr. WILLIAMS of Delaware.** The Senator is correct. It would be just as unrealistic for the Congress to adopt a program of continuing high level subsidies for increased production of agricultural products while at the same time the Government was trying to liquidate its excessive inventories. It is equally unsound to treat in that way the mining industry or any other segment of our economy.

I hope the amendment offered by the Senator from Ohio [Mr. LAUSCHE] and myself to delete the section authorizing these unwarranted subsidies for lead and zinc will be approved.

**Mr. LAUSCHE.** My calculations show that under the proposed appropriation we would pay more than $3,700 per worker in order to produce lead that we would not need; and we would pay approximately $1,600 per worker in order to produce zinc that we would not need.

**Mr. WILLIAMS of Delaware.** The Senator is correct. If we wish to subsidize the workers of America, let us do so through unemployment insurance and not through the farce of producing lead and zinc, for which we have no justification.

Mr. President, at the appropriate time, I shall ask for the yeas and nays on the amendment. I do not know whether there are sufficient Senators present to obtain the yeas and nays at this time. I will ask for them later.

**Mr. CARROLL.** Mr. President, I know that the Senator from Oklahoma will make a full presentation on this subject. I thought it might be of interest to Senators if I should make a short statement in respect to information that has come to me in my capacity as chairman of the Minerals Subcommittee. As has been brought out in the colloquy between the able Senator from Ohio [Mr. LAUSCHE] and the able Senator from Delaware [Mr. WILLIAMS], no money is now being spent for the purpose stated. I have undertaken a study in my own State. Although we will not have a full picture of the benefit this program will bring to the industry until it is in effect and the applications from qualifying miners are in, some information is available. In my State, according to Bureau of Mine data, 77 mines were producing in 1956. By 1961, that figure had dropped to 39. Mr. President, these figures refer to mining operations which could qualify under the terms of this program.

Presumably, in Colorado, the number of applications will lie somewhere between 39 and 77. This is the positive side I regret to advise Senators that since 1956, 63 mines in Colorado have been forced to close. According to information furnished me by the late Dr. Ed Clark, then director of the Colorado Department of Natural Resources and Mr. G. A. Franz, Jr., director of the Colorado Bureau of Mines, 111 mines produced ore in 1956. Only 58 were producing by 1960.

These are small mines. There are those who may feel that it is not important to keep them alive. I say it is important—not only to these unemployed miners, but it is in the national interest to maintain a healthy domestic mining industry. What has depressed the market price on lead and zinc? It is obvious that the price is depressed by the lead and zinc that overhangs the world market. It comes from lead and zinc that comes in from Mexico, Peru, Australia, Canada, and other foreign countries. Imports have caused substantial damage, if it has not already struck the death knell for the metal-mining industry of this Nation, especially with reference to lead and zinc.

If I may digress for a moment I should like to say that last Friday I conducted a hearing to find out what we could do about the gold mining industry. It was in 1934 that Franklin D. Roosevelt fixed the price of gold at $35 an ounce. In all this period of time we know what the increase in the cost of mining operations has been, yet the price of gold has remained fixed. What do Senators think all this has done to the gold mining industry of this Nation? That industry is dying on the vine.

Last Friday we called in the Under Secretary of the Treasury for Monetary Affairs and in a very brilliant presentation he said that because of the "special"—I believe I am using the proper word—because of the unique character of this commodity, gold, we cannot permit a subsidy because of the psychological impact it would have upon the financial markets of the world. There is a link between money and gold, which gives stability to the financial markets of the world, and therefore we could not have a subsidy for gold mining. That industry is dying on the vine. South Africa has a subsidy. Canada has tax incentives. However, in this country we cannot authorize a subsidy because to do so might alarm the people of the world. There may be some merit to that position.

The lead and zinc matter has been repeatedly before the Tariff Commission. We have asked in some instances to have a quota provided, and perhaps provide higher tariffs to help the expiring industry in this country. These measures have all met with stiff opposition. The stabilization approach before us now seemed the only means possible for helping our domestic mining industry.

I wish to be very frank in saying that this $2½ million appropriation is not going to help the little miners of my State very much. The only thing I rise to speak about is that we misconceive the purpose of this type of legislation. It has been before Congress for over 10 years. It was never designed for stockpiling. It was designed to give price stability to an industry which is slowly expiring.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. SYMINGTON. Is it not true that there is no money available in this bill for the purchase of either lead or zinc for the stockpile? In fact the bill prohibits any of the lead or zinc produced under the bill to be purchased by the Government.

Mr. CARROLL. That is my understanding.

Mr. SYMINGTON. Therefore, the pending bill has nothing to do with the stockpile, with one exception, which the able Senator from Delaware [Mr. WILLIAMS] brought out, namely that there is already too much lead and zinc. If we move lead and zinc heavily, we will reduce the market price. The pending bill does provide it must be sold in the market; it cannot be stockpiled. The bill makes it possible for small mines and bankrupt people to go back to work in dead or dieing towns in various parts of America. Those miners who participate have to produce less than 3,000 tons a year to get any money under the bill.

Not long ago we took a hundred thousand tons of lead and zinc from two foreign countries. It was a complicated barter.

Mr. CARROLL. I wish the Senator would explain how that barter took place.

Mr. SYMINGTON. I appreciate the able Senator's asking me to do that. It would be hard. I have tried to follow it in detail. Four or five countries were involved. The idea was that the world lead market would be reduced because of what some of the countries that sold it would do in the way of barter. There were some cash transactions in it also; therefore it is hard to consider it pure barter, or the kind of barter the Senator from Colorado and I would really understand.

This amendment really involves a subsidy of the production by very small mines, to very small people, in order they may eat, and live, and send their children to school. The lead is to be sold right in the marketplace. No money is provided for stockpiling it.

Therefore I am surprised and distressed at the emphasis some of my colleagues in the Senate are putting on the stockpile aspect.

Mr. CARROLL. I thank the Senator.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CARROLL. First, I should like to respond to the able Senator from Missouri. As a matter of fact, as I have stated the lead and zinc question was considered by the Subcommittee on Minerals, of which I am the chairman. That is a subcommittee of the Committee on Interior and Insular Affairs. I tried to pursue this matter objectively and impartially, because, as I have indicated, most of the mines in my State are already closed. What I did was to call in State Department witnesses to have them tell us about the overhang of the world market so far as lead was concerned, and tell us what they were doing about that overhang. It is a mistake for Senators to consider that this is a stockpile proposal. The Senator from Missouri has put his finger on the crux of the question. If we want to hold these mines, it means a subsidy. If we want to release the stockpiled materials on the market, it will mean closing the mines.

Mr. SYMINGTON. Both big and little mines.

Mr. CARROLL. Yes.

Mr. SYMINGTON. The large lead producers have been importing and selling, in this country, thousands of tons of lead. That lead is not produced by American miners. It comes from foreign countries, these tremendous amounts of lead and zinc.

Mr. CARROLL. They are doing it today.

Mr. SYMINGTON. In addition, there are large corporations which, despite the already heavy costs of the stockpile, have furnished hundreds of millions of dollars of additional materials and minerals for the stockpile, despite the fact we already had enough of some of those materials from the standpoint of what would be needed in case of war.

What we are talking about has nothing to do with stockpiles. What is proposed is simply a method by which people who are now bankrupt and poverty ridden in small towns in many parts of the United States can go back to work in small mines. Not one cent can be obtained under this program unless less than 3,000 tons a year is produced, 1,500 of lead and 1,500 of zinc.

Mr. CARROLL. I may say to the Senator from Oklahoma that I had no idea I would speak at this length, but I wanted to talk about Colorado. The Senator from Oklahoma is really an expert in this field, but I wanted to make a little observation about our mines.

What is proposed is a subsidy, I admit it. I even say that it should have been done years ago.

Mr. President, now I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I concur in the statement made by the Senator from Missouri about the relationship of the amendment to the stockpile. The Senator from Missouri has not made the statement, but the bill contains a provision that the subsidy shall not be given if the Government buys either the lead or the zinc. But there is the relationship that the President of the United States has expressed his horror of a stockpile containing more than $8 billion worth of minerals. He has said the stockpile must be liquidated.

But under this provision of the bill, we propose to begin to produce lead and zinc. True, the quantity will not be large. But I cannot see how, on the one hand, we can complain that we have too much and should liquidate it, while on the other hand, we say that the mines should be opened up, and that every worker on lead will be subsidized in the sum of $3,750, and for every worker on zinc, in the sum of $1,650. I cannot see sound fiscal policy in such a program.

My approach may be antiquated; but if we are to subsidize lead and zinc, what shall we do about machine tools and ceramics and glass? Where shall we stop? More is involved in the small mines, not of 3,000 tons per mine, as the Senator from Missouri has stated, but 1,500 tons per mine. It is the principle that is important, and the question is, Where shall we end?

If the figures as I have recited them are wrong, namely, that we will be subsidizing at the rate of $3,750 per man, if the mine produces 1,500 tons on the basis of today's market, I wish some Senator would point it out.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. SYMINGTON. The total is 3,000 tons—1,500 tons for lead, and 1,500 tons for zinc.

Mr. LAUSCHE. I have applied 1,500 tons to lead and 1,500 tons to zinc.

Mr. CARROLL. Mr. President, the figures cited by the Senator from Ohio are a little high, with reference to the subsidy per miner but he is entitled to his opinion. I think he raises a good question. When industries in this Nation are destroyed by the influx of goods and materials, what shall we do about it? That is a good question.

I apologize to the able Senator from Oklahoma for speaking at such length, because I wish to listen to his presentation. I know he will explain the stockpile program and how the procurement will work.

Mr. MONRONEY. Mr. President, I thank the Senator from Colorado, who has done so much to help to clarify the situation.

Let me repeat, again and again and again, that the bill has not one thing to do with stockpiling. We are not buying lead and zinc for the stockpile and have not for some time. True, we have brought much lead and zinc into the United States, as we have sold our wheat abroad, at a subsidized price, in a barter exchange for lead and zinc from other countries. It may be true that we could, perhaps, by adopting the amendment, dispose of an infinitesimal amount of lead and zinc in the stockpile. We could also drive the country into a depression if we suddenly dumped the minerals we have in the stockpile. Of course, we hope to dispose of some of these items in an orderly way; but the result of our barter program with respect to farm surpluses under Public Law 480 has built up a great portion of the surpluses in the stockpile.

This has been a part of the foreign aid program. Perhaps it is a necessary part, but we ought to try to ameliorate the damage which the oversupply of lead and zinc causes on the domestic market today.

The Senator from Delaware [Mr. Williams] and the Senator from Ohio [Mr. Lausche] well know that the bill does not authorize the Government to buy a single pound of these materials.

If this program should be killed, we shall be stockpiling human beings who are most anxious to go to work and make an honest dollar. That is the purpose of the appropriation. It is the result of a bill which was carefully discussed, passed by both Houses of Congress, and signed by the President on October 3, 1961. It relates only to small independent producers, because the "big boys" are operating in Peru, in Chile, and in Turkey, and elsewhere throughout the world, in veins which are thick, with machinery that is new, and with labor which is cheap. Foreign imports have knocked the price down to 9½ cents a pound on lead, and to a correspondingly low price on zinc. They do not care whether the mines in the United States operate. Only one-third of the lead and zinc that can be produced in the United States is now being produced. If the production of small mines does not go into the market, it will only increase imports from other countries. Certainly I should like to see them find a market and to help them merchandise their ore here, but not at a time when a combination of low prices and a world surplus has closed every Oklahoma mine in the great tristate area.

Not a miner has been working for several years. The hard-rock miners are awfully hard to convert into airplane mechanics or textile workers. I can tell Senators that. Of course, their sons may move away and do well. Mickey Mantle, the son of a lead and zinc miner, is doing very well; but the miners in the family have been unemployed.

Mr. SYMINGTON. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield to the Senator from Missouri.

Mr. SYMINGTON. The basic reason lead and zinc miners are not working is that large corporations are consistently sending into the United States tens of thousands of tons of lead and zinc now being used in the industrial operation of this country. Is that not correct?

Mr. MONRONEY. That is correct. Where once we produced 60 percent of our needs in lead and zinc, today we produce only about one-third of our consumption of lead and zinc.

We are trying to keep a few of these mines in the United States alive, even though we have to subsidize them to the extent of a few pennies a pound on a small quantity of lead or zinc, the price of which has been driven down by imported supplies. The Tariff Commission has countless times recommended action to increase tariffs, but no such action has been taken.

Dozens of small mines in my State would benefit from this provision; and it is estimated that about 500 small mines in 20 States would be benefited. The mines to be benefited by this measure must be small mines, because by the terms of this provision they are ineligible if they produced in the base year more than 3,000 tons of lead and zinc, combined, and that means a very small mine operation.

But certainly this provision would raise the hopes of small miners in Colorado and in Missouri, as the Senators from those States well know. Furthermore, unemployment among these miners is today so great that the towns where most of them are living are becoming ghost towns.

When we passed the act, it immediately brought hope that, somehow, we would keep alive production by the small mines. For calendar year 1962, $4,880,000 has already been approved by both Houses in the supplemental appropriation bill, which now is in conference; and I find it strange that only at this late date is this amendment offered. Of course, none of us can change the item contained in the supplemental bill, because that bill is now in conference.

The funds provided by this item in the pending bill would be for the last half of the fiscal year 1963, to put the program on a fiscal year basis.

It is true, as the distinguished senior Senator from Delaware has said, that no part of these funds has yet been spent; but the miners, now that Congress has three times approved their program to keep alive this small segment of the mining industry, have proceeded on their own—knowing that the bill has been passed by both Houses—to resume work. In one county in Oklahoma more than 300 miners already are at work draining the water, repairing the underground road network, the lifts, and so forth. At least 50 more are at work repairing and reopening the central mill to process and clean the ore. The miners are doing so either without pay or with a promise of deferred pay. But they are at work reconditioning the mines. Without that work, the water would rise and destroy the mines. So the miners are proceeding to get production operations moving. The entire area is taking on hope. The 50 men reopening the central mill—and it is only an example—are making it available again to process and clean the ore. These are small business men. They work with their hands, while wearing aluminum helmets, swinging sharp picks deep underground, digging thin veins of ore, in the hope of reviving the vital tri-State mining area. It seems to me that to eliminate this item now, after they have had their hopes raised, would be tragic, indeed. Now to say to them, "Congress was just kidding you; either Congress did not know what it was doing, or it was just playing fast and loose with your hopes to eliminate unemployment," would be one of the worst things we could possibly do.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. Burdick in the chair). Does the Senator from Oklahoma yield to the Senator from Rhode Island?

Mr. MONRONEY. I yield.

Mr. PASTORE. I regret that I was not in the Chamber when the distinguished Senator from Oklahoma commenced his remarks. However, apart from what this item means to the individual workers who would be affected by it, will the Senator from Oklahoma state, if he has not already done so, the effect on the national interest if this aid were not forthcoming?

Mr. MONRONEY. I shall be glad to do so. As I have said, traditionally the United States has produced about one-half of its lead and zinc needs. But today that percentage has decreased to about 30 to 40 percent. Once the mines are closed and filled with water, if the water is not soon pumped out again, the ores deep underground, in the hard-rock caverns, disintegrate, the tunnels fall in, and great natural resources are lost.

Furthermore—and this is fundamental and axiomatic in connection with minerals—if a domestic supply is not available, finally we have to pay "through the nose" for foreign supplies because of a lack of available domestic production at a reasonable price. If we become entirely dependent upon oversea supplies, we have no way of keeping the price at a reasonable level.

In this one county, where more than 350 miners have now started work, the projection for the end of the year is 500 miners and 125 working in the central mill. Next year the number will be between 800 and 1,000.

Congress has passed many bills for the purpose of giving aid to depressed areas, and has provided for retraining, and for various programs in that connection. However, all that the people in this area are requesting is an opportunity to fight their way back to prosperity. By this means we could obtain only minimum production. But this would enable the miners to resume work, and the wheels would begin to turn again in mining counties. This appropriation would be much cheaper than a retraining program provided as a subsidy by the government.

The miners want to work. The total investment in the new materials needed for reopening the mines—and not a penny will be spent in this connection by the Federal Government, but reliance will be upon the action already taken by Congress—exceeds one-quarter of a million dollars. Although none of the funds provided by the supplemental bill have yet been spent, many of the workers have placed mortgages on their houses or on their automobiles, and many of their relatives have done likewise, because they wish to have the mines ready for production when the appropriation finally is available.

The act provides for a beginning on January 1, 1962; so when we pass this item and when the money from the supplemental bill—which already has been passed—becomes available, funds will be available for the benefit of these small businessmen. If they were huge corporations, perhaps expenditures by them could be charged off as tax losses. However, they have no profits against which to charge them, but only the unemployment checks which they have been receiving for years.

Now they wish to go to work. They are habitually unemployed, and will continue to be, unless something is done by Congress to fulfill the pledge it made.

This item was authorized by Congress in the act of October 3, 1961. As a result of the work already done in the mines, the allied industries have been greatly benefited; and many of the firms in the East have already found new business in terms of the sale of tractors, diesel trucks, dump trucks, lifts, and pumps—and also including the sale of blasting powder manufactured by the Du Pont Co. in Delaware. So the result has been a chain reaction in terms of more business, some of it in the metropolitan centers.

We have tried to have this measure result in increased employment, and Congress has already passed several bills aimed at the rehabilitation of those affected in the various pockets of continuing unemployment. This measure would relieve only a small percentage of those who are unemployed; but it would also aid in the production of vital minerals, and thus would make it possible to keep alive a production base which would help protect us from the foreign exploitation which would occur if we did not have a domestic supply. In every war—World War I, World War II, and the Korean war—the mines have been reopened, in order to give us the necessary supplies of these vital materials.

The amount authorized for the fiscal year 1963 is $4,900,000, of which $4,500,000 will go directly to the small producers. But we are now asking for only one-half of this amount to be made available for this operation for the last half of fiscal year 1963.

The proposal is based on actual sales by small producers to smelters or other processors. No mine that has produced over 3,000 tons a year of lead and zinc combined is eligible. No mine that was not operating from 1956 to 1961 is eligible. They will be carefully checked as to their ownership, to be sure that only owners of the mines will be eligible to market this ore with the subsidy provision. Thus, it would require administrative action to determine the facts.

The records show that from 1956 to 1961, the base period, some 574 units were producing less than 3,000 tons of lead and zinc combined.

I point out to my distinguished colleague from Ohio that if one of these mines producing less than 3,000 tons, combined, a year produced only 2,000 tons in the base period, that figure would be the basis. The bill provides no windfall even for small producers.

This is not a stockpiling operation. It has to do only with the production of new metal that will move into the market, and it will give U.S. producers an opportunity to supply the lead and zinc this country and the Government must have.

If the proposal is killed, if the mines are left closed, we will not be helping the stockpile. It will still be there. We will only help the big corporations which have the metals that are mined in Peru and other Latin American countries and shipped into this country, and make us dependent on oversea supplies.

The provision is self-liquidating with respect to the volume of work which would be provided, and from which we would benefit.

A downward sliding scale would be provided. This is not permanent legislation. In 1962 it would provide a subsidy to American producers on up to 3,000 tons, combined, of lead and zinc. In 1963, the subsidy would be received only on 2,400 tons, combined, of lead and zinc. In 1964 it would be on 1,800 tons, combined, of lead and zinc. In 1965, it would be on 1,200 tons, combined, of lead and zinc.

This gives us an opportunity to keep domestic mines alive and provide an opportunity to idle men to be put to work, rather than be dependent on unemployment checks.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CARLSON. I join in the remarks which the distinguished Senator from Oklahoma has made. I think he has presented, in a factual way, the reasons why we should provide funds and implement the purposes of the law enacted on October 3, 1961, Public Law 87-347. If we do not do so, we shall not keep faith with those for whose interest this legislation was enacted.

I sincerely hope that the amendment proposed by the Senator from Delaware [Mr. WILLIAMS] and the Senator from Ohio [Mr. LAUSCHE] will be defeated. If we had defeated the proposed legislation in 1961, there might have been some justification for going to the people and saying, "We did not pass the legislation, so there is no need for providing funds." But we did pass the legislation, and since the passage of the original act, as the Senator from Oklahoma has pointed out, the people involved have rebuilt their plants and are ready to start operating in anticipation of funds being provided. They had a right to do so. I hope the Senate will not adopt the pending amendment.

I thank the Senator from Oklahoma for yielding to me and commend him for the statement he has made, with which I concur.

Mr. MONRONEY. I thank the Senator from Kansas.

It is true that much hard work has been done in reconditioning the mines as a result of passage of the authorization act. Moreover, since early this year an amount of $4,880,000 has been appropriated for the full calendar year 1962. There was no challenge of the funds provided. The producers went to work. They are ready to produce the metals. It seems to me it is too late to pull the rug out from under those who have waited for years to produce the metals so vitally needed.

Mr. ALLOTT. Mr. President, first of all, I compliment the Senator from Oklahoma on a very excellent statement, particularly with respect to delineating the areas and fields which these funds would cover. He has described them very well and accurately; and in describing them has made a strong case for the implementation of the legislation by the appropriation of funds.

I also listened with great interest and approbation to the remarks of the distinguished senior Senator from West Virginia, who by his cosponsorship of the Synthetic Liquid Fuels Act, and in many other ways, has shown his interest in this essential problem of preservation and development of our natural resources.

I propose to discuss two or three aspects of this question, and I shall not speak at great length, but I wish to begin by saying, as has been repeated over and over on the floor, that this measure has nothing to do with stockpiling.

It was stated on the floor a while ago by the distinguished Senator from Ohio, I believe, that approximately 1,200,000 tons of lead were in the stockpile, but that the need was slightly in excess of 276,000 tons. His figures are accurate, but they paint a completely false picture of the situation. For example, while there are 1,200,000 tons of lead in the stockpile—if that was the figure he used—the annual consumption of lead in the United States for the year 1961 is estimated by the Bureau of Mines, according to its document for 1962 on this subject, to be 1,018,000 tons.

The use of lead in the United States has constantly decreased from 1,213,000 tons in 1955 to 1,018,000 tons in 1961. One of the great reasons for that is that polyethylene and aluminum sheathings have replaced lead sheathings for communication cables. So in spite of what our opponents complain of as the amount in the stockpile, we have only 1 year's supply of lead for the United States.

I wish to analyze the figures a little further. In 1955 the United States mined 338,000 tons of lead. The figure increased to 353,000 tons in 1956, and gradually dribbled down to 260,000 tons in 1961. So there has been a decrease in 7 years from 338,000 tons in 1955 to 260,000 tons in 1961.

In 1961 the amount of lead mined in the United States was only 21 percent of the amount of lead used in this country.

Now let us take a look at the zinc picture. In the field of zinc we find that the production of zinc dropped from 515,000 tons in 1955 to 425,000 tons in 1959. It went up to 435,000 tons in 1960, and up to 467,000 tons in 1961. Consumption was 900,000 tons.

Further considering the problems of lead, let us take another look at the countries from which it comes. Twenty-one percent comes from Mexico. Twenty-one percent comes from Australia. Seventeen percent comes from Peru. Fourteen percent comes from Canada. Eight percent comes from Yugoslavia. Nine percent comes from the Republic of South Africa. All other imports total 10 percent.

What is actually happening over the years in respect to both commodities? Using rough figures, it can be said that the picture in the United States is that we mine one-third, we recover one-third, and we import one-third.

What about the lead and zinc that comes into this country? This is a pitiful and pathetic story about an American industry which should be shouted from the housetops. Three times during the past 6 years the lead and zinc industry has gone to the Tariff Commission for relief. Never has the relief requested under the peril point and escape clause of our tariff laws been granted.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MONRONEY. If I am correct in my understanding, I believe the Senator means that the Tariff Commission found for the industry, but the President did not act.

Mr. ALLOTT. The Tariff Commission has not always found for the industry.

Mr. MONRONEY. There were several unanimous decisions for relief, however, were there not?

Mr. ALLOTT. Yes. The last time the Tariff Commission acted, and the President did not follow its recommendations.

Let us consider imported lead, because it represents a pitiful and pathetic tale of what has been done to America.

The present market price for lead in New York is 9½ cents a pound. The present market price for zinc is 12 cents a pound. If we add those together, we get 21½ cents a pound as the combined price of lead and zinc.

In most instances, although not always, lead and zinc are taken from the same mine. Testimony which has been repeatedly given before the Committee on Interior and Insular Affairs of the Senate shows that 21½ cents a pound is at least 9 cents a pound less than the cost of producing lead and zinc as a combined product in the United States. In other words, in the United States lead and zinc cannot be produced profitably for less than 30, 31, or 31½ cents a pound.

Why is this the case? There is one basic reason. The explanation is the cheap labor market which exists in foreign countries.

The industry has gradually declined year after year.

I ask unanimous consent to have printed in the RECORD at this point a document prepared for me, which shows the production of lead and zinc in Colorado. It gives a graphic illustration for the lead and zinc industry of that State from 1948 to 1960. It shows that the number of mines has decreased from 159 to 50. It shows that the number of tons of lead produced has decreased from 25,143 to 18,080. It shows that the value of lead produced has gone down from approximately $9 million to $4,230,720. It shows that the value of zinc produced has gone down from $12 to $8 million.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Production of lead and zinc in Colorado*

| Year | Number of mines estimated by U.S. Bureau of Mines | Tons of material treated | Tons of lead produced | Tons of zinc produced | Value of lead produced | Value of zinc produced | Average price of lead | Average price of zinc |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Cents | Cents |
| 1948 | 159 | 692,991 | 25,143 | 45,164 | $9,001,194 | $12,013,624 | 17.9 | 13.3 |
| 1949 | 151 | 584,193 | 26,853 | 47,703 | 8,485,548 | 11,830,344 | 15.8 | 12.4 |
| 1950 | 124 | 796,269 | 27,007 | 45,776 | 7,291,890 | 13,000,384 | 13.5 | 14.2 |
| 1951 | 116 | 1,167,507 | 30,336 | 55,714 | 10,496,256 | 20,279,896 | 17.3 | 18.2 |
| 1952 | 109 | 1,132,014 | 30,066 | 53,203 | 9,681,252 | 17,663,396 | 16.1 | 16.6 |
| 1953 | 57 | 906,321 | 21,754 | 37,809 | 5,699,548 | 8,696,070 | 13.1 | 11.5 |
| 1954 | 67 | 721,860 | 17,823 | 35,150 | 4,883,502 | 7,592,400 | 13.7 | 10.8 |
| 1955 | 72 | 708,907 | 15,805 | 35,350 | 4,709,890 | 8,696,100 | 14.9 | 12.3 |
| 1956 | 72 | 995,487 | 19,856 | 40,246 | 6,234,784 | 11,027,404 | 15.7 | 13.7 |
| 1957 | 55 | 948,128 | 21,003 | 47,000 | 6,006,858 | 10,904,000 | 14.3 | 11.6 |
| 1958 | 37 | 750,930 | 14,112 | 37,132 | 3,302,208 | 7,574,928 | 11.7 | 10.2 |
| 1959 | 27 | 671,699 | 12,907 | 35,388 | 2,968,610 | 8,139,240 | 11.5 | 11.5 |
| 1960 | 50 | 745,271 | 18,080 | 31,278 | 4,230,720 | 8,069,724 | 11.7 | 12.9 |

Mr. ALLOTT. Mr. President, I have in my files similar documents with respect to every other State which produces lead and zinc. If it were not that it would encumber the RECORD, I would make them all a part of the RECORD. I am willing to supply them to any Senator who requests them, and they will be available for information.

For the State of Colorado the table gives a graphic description of what has happened.

I see the Senator from Rhode Island [Mr. PASTORE] is in the Chamber. I should like to have his attention. A while ago the Senator from Rhode Island directed an inquiry to the distinguished Senator from Oklahoma concerning the national-interest implications of this proposal. I should like to attempt to answer the Senator's question.

Mr. PASTORE. I should appreciate it, because I think Senators are very much interested in what the proposal means to the national welfare and to the security of the country, and what it would mean in case of an emergency, if the mines were closed and could not be reopened.

Mr. ALLOTT. I heard the Senator's question. It intrigued me when he addressed the question to the Senator from Oklahoma. I should like to attempt at least, to answer it.

I have already pointed out that the amount in the stockpile—which cannot be put on the market without the consent of Congress—is, according to the figures of the distinguished Senator from Ohio, approximately 1.2 million tons. This represents about a year's consumption of lead. As I pointed out a few minutes ago, the estimated consumption of lead in the United States last year was 1,018,000 tons, a little less than consumption has been in the past. Roughly, the same figures apply to zinc.

The point is that even if the lead were released from the stockpile, which could only be done by act of Congress, the lead released would supply this country for only 1 year.

There are some who today believe implicitly that if we are to be engaged in any war we are to be engaged in an all-out pushbutton war which will be over in a few minutes. The senior Senator from Colorado does not so believe. We are all entitled to our own judgments. This problem involves the question of military logistics.

Those of us who saw the oil tankers burning off Miami during the last World War cannot forget it. If we ever get into any protracted type of conventional or semiconventional war we shall be up against the same things we were up against previously. We paid through our noses for every metal we obtained; manganese, lead, zinc, fluorspar, and many other metals.

From the standpoint of the national interest, at best we have a 1-year supply in the stockpile. From the standpoint of the national interest, this supply is not too much to have on hand, when we may face a protracted conflict. A protracted conflict is not out of the question, even with all our nuclear instruments of war.

The second point I wish to make is the point made by the Senator from Oklahoma, which I thought was a very cogent one. In the majority of instances, when a mine is closed it is ruined. The expense of reopening the mine is so great that the mine may be lost forever. Therefore, closing the mine and keeping it closed for any length of time may cause the loss of a great natural wealth. This is true of lead mining. It is true of zinc mining. It is true of many other kinds of mining.

There is a third and very great and potent reason why the interests of this country demand that we keep this industry on its feet. This concerns the know-how of mining. A hard rock miner is not made in a day, or in a year, or even in 3 or 4 years. A hard rock miner is made from years of experience.

We have observed the effect of 2 or 3 years of closing mines. If we do not do something to help this industry we shall soon lose the know-how of mining. It will be impossible to reopen the mines, because it will be impossible to find those with the know-how to mine these metals. The problem is that simple.

In summary, from the standpoint of national interest and national consumption, the so-called overhang of surplus factor is insignificant.

What we would have to pay if we were forced to import these metals during a period of crisis, makes the proposed program a necessity.

Second, we face the prospect of losing many of our mines.

Third, we face the prospect of losing the know-how of mining.

I say to the distinguished Senator from Rhode Island that those are the reasons why I believe the country has a great national interest in the program.

I point out that in Colorado most of our mines are closed. Among them are the Eagle mine of the New Jersey Zinc Co. at Gilman, the Treasury Tunnel-Black Bear-Smuggler Union group in San Miguel County, owned by Idarado Mining Co., the Emperius Mining Co. of Creede, Mineral County, the Rico Argentine Mining Co., at Rico, Dolores County. The Standard Metals Corp. has just established a large zinc ore mine reserve at Silverton in San Juan County. Believe it or not, those companies cannot open their mines and produce the wealth of our country because cheap labor abroad has so depressed the price that they cannot compete. We have great wealth-producing assets in our country which are idle because we cannot afford to produce the wealth.

For a moment I should like to speak about what the importation of lead and zinc does.

Reference was made by a Senator a while ago to the lead and zinc smelter at Leadville, Colo. That has been one of the great industrial plants of the central portion of our State for many years. What I am about to say is hard to believe. The price of lead has been so far depressed that for the past 4 or 5 years the lead and zinc facilities at Leadville have been operated on lead and zinc ore transported from Mexico, across the Rio Grande, 10,500 feet into the air at Leadville, Colo., where the smelting takes place. It is impossible to imagine a more uneconomic operation in terms of common ordinary horsesense. Yet that is what has happened. Today the lead-zinc smelter at Leadville is closed. It is being dismantled. It is significant to note that what lead and zinc is mined in Colorado today goes down to El Paso, Tex. So far as I know, there is no production of lead and zinc in Texas in any significant quantity. Why is that smelter located in El Paso? The lead and zinc smelter is there for only one reason, and that reason is the cheap labor available for lead and zinc imported from Mexico.

There are other ways in which I would like to have attempted to resolve this problem, but they were not available to use. We were turned down again and again. The distinguished former Secretary of the Interior, Fred Seaton, offered to the Congress two different ways of handling the problem, and the Congress turned both of them down. The first suggestion was an import excise tax. Congress would not accept that idea. Then the Secretary offered a tariff bill. Congress would not accept that solution.

So today the method embodied in the bill is the only way that I know of to try to keep an industry alive, unless we should adopt the tariff or the quota routes, which Congress has refused to do. The proposal is the only way to keep alive an industry whose very livelihood affects the vitality of America. It would not take long during a period of war and crisis to deplete all the stocks we have in our stockpile in this country. If we are to protect the national interests of our country, from the standpoint of availability and price, the destruction of our own natural resources, and keeping available the know-how of mining, we must adopt the suggested program. As the Senator from Oklahoma has ably pointed out, in effect, we have promised the people this program. The Senate passed an appropriation bill earlier this year. The Senate should pass the measure again and reject the amendment which has been offered.

**Mr. KERR.** Mr. President, I associate myself with the remarks of my colleague [Mr. MONRONEY] in opposition to the Williams amendment. I also wish to congratulate the two distinguished Senators from Colorado for their very able presentations on the questions involved. I am not surprised at the opposition to the very modest provision in the pending bill—a little over $2 million—which is intended to carry the program through the second half of the fiscal year 1963. The opposition has been addressed principally to criticism of the stockpile. The program which would be aided by the appropriation contributes nothing to the stockpile. The production which would be the basis for the limited production payments made possible by the appropriation must go into the market and be sold in the market in order to make the producer eligible for the benefits of the bill and the appropriation. The production would not compete with the stockpile. It would compete with imports. The producers are the smallest of those who compete for a part of the domestic market. As it is now, the only American producers who can compete with importation of lead and zinc from foreign countries are the big producers. They would receive nothing from the bill.

The program represents the survival of a limited number of small producers, in the hope that the day will come when the domestic market will not be so heavily burdened with low-cost foreign production that they can survive in this great country by providing a very limited percentage of the lead and zinc used in this great economy, without having to be kept alive with a transfusion of production payments. The fact is incontestible and uncontested that without the appropriation, the group of small producers will be pushed over the precipice into bankruptcy and out of business. After having twice passed the authorizing legislation for the program, and after having very wisely provided the money to start the program in the last half of the fiscal year 1962 and the first half of the fiscal year 1963, I do not believe that the Senate will now abandon that small group of domestic producers in a manner that would result in economic destruction and oblivion.

**Mr. WILLIAMS of Delaware.** Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

**Mr. LAUSCHE.** Mr. President, I shall be very brief in stating my reasons for supporting the amendment, of which the Senator from Delaware and I are sponsors.

First, the records clearly show that there is a great excess of lead and zinc in our stockpile. The figures as of June 11 show that we had 1,302,000 tons of lead, at a time when the strategic requirements called for 287,000 tons. The supply is three and a half times more than we need.

With regard to zinc, as of June 11 we had on hand 1,580,000 tons. The objective for strategic purposes was 178,000 tons. Thus, the supply is eight times the need.

We have a vast stockpile of minerals. Minerals are running out of our ears. I spoke with the representative of the General Services Administration, and those are the terms he used—"Zinc and lead are running out of our ears."

By the pending bill we contemplate encouraging the mining of more lead and zinc. We cannot reconcile those two facts. In the bill a limitation is placed on the amount that may be expended annually to subsidize the producers. To begin with, the amount authorized is not adequate to care for the demands that will be made.

Four million five hundred thousand dollars per year would never take care of the demands. Supplemental aid would be asked for. I document that statement by the testimony in the hearings, in which the expert witness said that $6 million at least would be needed.

What is the subsidy? I want the newspapers of Ohio to carry this story back to my State: $3,750 per worker would be paid to keep the mines open for the mining of lead; $1,750 per man to keep the mines open for the mining of zinc. That is a rather significant sum of money. I cannot subscribe to the proposal.

I have a further reason. If we establish a precedent with respect to lead and zinc mines, where are we to stop? I heard the Senator from Rhode Island [Mr. PASTORE] say at one time that there ought to be a subsidy for textiles—or perhaps it was for watches. If we are to subsidize zinc mines and lead mines and fluorspar mines, how long will it be before Ohio industrialists will say we should subsidize the machine tool industry, the bicycle manufacturing industry, and possibly the baseball glove industry? Where shall we stop?

**Mr. PASTORE.** Mr. President, will the Senator yield?

**Mr. LAUSCHE.** I yield for a question.

**Mr. PASTORE.** It will have to be for an observation. The Senator from Ohio referred to what he said was the position of the Senator from Rhode Island. I have never said that we should subsidize the textile industry; nor has the textile industry asked for a subsidy.

**Mr. LAUSCHE.** I am very glad to hear that.

**Mr. PASTORE.** All we asked for was that there be a limitation on the importation, which was crucifying the textile industry.

**Mr. LAUSCHE.** That gives strength to the argument I am making. If we are to subsidize the lead and zinc industry, I ask, What answer shall we give to the other industries of the country which become affected and which are not able to compete?

I have the deepest respect for the integrity of the several Senators who have spoken. I know that their basis was genuine. They want to help the people within their States. I am of the belief that what we are doing eventually will kill the goose that has laid the golden egg. We cannot continue in this way without eventually destroying the system under which we live and have thrived so richly.

That is all I have to say on this measure. I have a deep conviction that my approach is sound. By that statement I am not casting any reflections upon the position taken by other Senators who have spoken on this subject.

**Mr. MUSKIE.** Mr. President, will the Senator yield?

**Mr. LAUSCHE.** I yield.

**Mr. MUSKIE.** I wish to ask a question or two with respect to the figures the Senator has used. As I understood the Senator, he said that this would mean a subsidy of $3,750 per man in one of the two industries. Was it lead or zinc?

**Mr. LAUSCHE.** Lead.

**Mr. MUSKIE.** I wonder if the Senator would explain how he arrived at that figure. I am particularly interested in knowing the total number of employees the Senator believes to be involved.

**Mr. LAUSCHE.** To begin with, 2 years ago, in a colloquy with the Senator from Colorado, I asked him how many employees were required to mine 2,000 tons of lead. He said 8. I calculated what the cost per man would be with 8 employees, and it ran to $10,000 or more. Then hurriedly messengers were sent out to obtain figures that were supposed to be accurate. It was found that instead of 8, the number was 30 men—30 workers were needed to mine 2,000 tons of lead. In the pending bill 1,500 tons are involved, or three-quarters of 2,000. So, if it required 40 men to mine 2,000 tons, it would take 30 men to mine 1,500 tons. That is the base from which I began. Let me give the Senator the base figures. The price declared in the bill for lead is 14½ cents. As of last Friday, I believe, lead was selling at 9½ cents a pound. That leaves a difference of 5 cents. The subsidy is 75 percent of the difference.

That means that the subsidy is 3¾ cents a pound. There are 2,000 pounds to a ton to be subsidized. That amounts to more than $5 a ton. The maximum for which payment can be made is 1,500 tons. One thousand five hundred tons multiplied by 75 gives a figure of $112,500. Thirty workers would be employed, which means that the cost would be $3,750 per man.

Those figures cannot be disputed. I repeat that that type of subsidy cannot be justified. I should like to have the newspapermen let the people of Ohio know about this.

**Mr. MUSKIE.** Mr. President, will the Senator from Ohio yield?

**Mr. LAUSCHE.** I yield to the Senator from Maine.

**Mr. MUSKIE.** Does the Senator have any figure on the total employment in the mines?

**Mr. LAUSCHE.** I shall show the Senator how this information developed in the hearings. The situation is very startling. The fear was expressed that some Senator, on the floor of the Senate, might begin to point out the abnormal cost. Assuming the figures to be correct, this is how the question about the excessive cost was answered in the hearings.

One witness said:

> Now, it would seem to me we have to justify, if we can, and I am sure we can, that we are doing this not only for employment.

In the hearings, reasons were sought which would support this figure. Then the witness said:

> We are doing this not only for production. But we are doing this for the purpose of holding mines in a system and a standby for national defense and conservation. And while you are doing it, you can show how you can enrich the economy at the same time.

With respect to the figures, the testimony shows the following :

> If there are 215 mines that will be reached by this bill, and if those mines are only 8 percent of the total production, and then, if we are going to put in about $5 million subsidy to those mines alone, and then the further "if," if we have about 20 men to a mine, or some 44,000 people—

I believe that figure should be 4,400—

> this is one of the arguments they make on the floor. They show a huge subsidy of $5 million going to a very small group with a very small percentage of production.

**Mr. MUSKIE.** The Senator from Ohio used the figure "$4,500,000" a year for operation, and this would amount to $100 a man.

**Mr. LAUSCHE.** It would amount to $1,000.

**Mr. MUSKIE.** The amount is $4,500,000 for 4,400 men.

**Mr. LAUSCHE.** That is the very point I am making. The money now proposed to be authorized would prove to be grossly inadequate to take care of the responsibility.

The program has been established on one basis, but the Committee on Finance has limited the amount to $4,500,000. The point I make is that the amount of money is not adequate. The amount which can now be paid is limited. The bill does not provide enough money.

I yield the floor.

**Mr. WILLIAMS of Delaware.** Mr. President, the argument has been made that the proposed subsidy for lead and zinc has no connection with the stockpile program. I disagree completely with the reasoning behind that argument. The purpose of the whole stockpile program as outlined in the legislation which Congress passed was—to assure the Nation of sources of vital metals in time of emergency or war. There is not a Senator who will dispute the fact that the stockpile program originally was started to assure the Nation's source of vital metals in time of emergency or war. That fact was recognized by all.

Now, what did the committee report on the bill authorizing this lead and zinc subsidy give last year as a reason for its adoption? I quote:

> Conserve domestic reserves of lead and zinc in order to assure the Nation's source of these vital metals in time of emergency or war.

In presenting both programs the same argument was used.

As the Senator from Ohio has pointed out, as a result of our original stockpiling we have accumulated 3½ times as much lead as is needed and 8 times as much zinc as is needed. The President of the United States has charged that this excessive accumulation of metals and minerals in the stockpiles represents a national scandal. Upon the request of the President the Senator from Missouri has begun an investigation as to past procurement policies. Here is a chance to correct the condition.

I have already quoted from the committee report on the bill as reported to the Senate. I quote again from page 3 of the committee report on H.R. 84:

> The purpose of H.R. 84 is to stabilize the mining of lead and zinc by small producers and, at the same time, conserve domestic reserves of lead and zinc in order to assure the Nation's source of these vital metals in time of emergency or war.

Yes, that statement was made in justification of the subsidy program, and it is in substance the same as the statement made to justify the original stockpile program. Let us stop deluding ourselves. This subsidy program is a part of the stockpile discussion. It is impossible to criticize one and defend the other.

Under this proposal lead and zinc would not be added to our national stockpile inventories. That is true. But to the extent we subsidize expanded production of these minerals we increase supply and hinder our liquidation program. Appropriating millions for this subsidy program is in direct contradiction of the President's proposal that a start be made to reduce the excessive inventory of the stockpile. On that point I do not believe there can be any argument.

The Department of the Interior, in a letter signed by John M. Kelly, Assistant Secretary of the Interior, dated July 21, 1961, opposed the enactment of the bill.

President Eisenhower in 1960 vetoed a bill proposing a subsidy for lead and zinc in the manner as provided in the bill signed last year by President Kennedy.

Under date of September 19, 1961, when the bill was originally passed, I received a letter from Frank B. Ellis, Director of the Office of Defense and Civilian Mobilization. I had asked Mr. Ellis whether there was any justification for the lead and zinc subsidy program in the interest of national defense. I read from the reply by Mr. Ellis:

> This has reference to your letter of August 29, 1961, in which you ask six questions on lead and zinc and on S. 1747, which has been reported by the Senate Committee on Interior and Insular Affairs.
>
> The replies to your questions are:
>
> 1. In view of the status of our present inventories of lead and zinc we would have no defense justification for recommending the enactment of S. 1747.

Earlier today I placed in the RECORD a letter from the Department of the Interior; and in it Secretary Udall says that no commitments have been made and no commitments will be made until the money is available. So this amendment does not involve any reneging on contractual obligations. Regardless of whether I favor or oppose such a provision, I recognize that once a commitment is made we are obligated to provide the necessary funds. But in the letter the Secretary of the Interior states that no commitments have been made and none will be made until the money is made available.

So as we prepare to vote on this amendment I think we should ask ourselves whether we believe in and concur in the President's statement that an orderly liquidation of some of the metals placed in the strategic stockpile should begin at this time so as to decrease the $8 billion stockpile, or whether we wish to have more production and thus aggravate the existing stockpile situation by building up additional inventories.

Some opponents to our amendment have expressed horror at the thought that anyone would suggest that we begin to liquidate the stockpile of these strategic minerals, and references have been made to the great unemployment problem which would be created and the great disruption of the market which would be caused. But I point out that I was only quoting what President Kennedy himself said when he recommended that between $3 billion and $3,500,000,000 worth of strategic minerals in our stockpile be liquidated in view of the fact that we have no need for them. Are they accusing their President of trying to create unemployment?

Senators who do not wish to have these inventories liquidated should frankly say so and should not stick their tongues in their cheeks and say to the taxpayers, "We want to liquidate these national stockpiles, and we agree with the President that we have 8 or 10 times as much in the stockpiles as we need. Yes, we express very great concern over the cost, but by our votes we will arrange to have more of these minerals purchased for the stockpile."

In short, Mr. President, Senators should be realistic. Of course, some market conditions will be disrupted if liquidation of the stockpiles is begun. The Senator from Missouri himself said he recommended getting rid of some of the materials in the stockpiles for which we have no need by using some of the materials in connection with the Government's contracts. Certainly that would likewise disrupt market conditions to some extent.

No one is proposing that all the materials be dumped on the market at one time; that would create chaos, both domestically and internationally. But we must make a start or we will never liquidate the excessive stockpile inventories. The market will be affected to a certain degree, but there is no alternative. If we are unwilling to face this problem and to deal with it, even at the expense of having some effect on market conditions, then let us stop talking about it. Without excusing the President of his responsibility, the Senate should frankly admit that this situation has been largely brought about by Congress itself. After all, every dime spent on the stockpiling program has been spent as a result of action taken by Congress. So Senators should not talk about how horrified they are over what has been done, for whatever was done was as a result of congressional action.

I believe the Senate is ready to vote on the question of the adoption of this amendment. I realize that this item relates to an amount of less than $3 million, but the principle involved is most important. Unless Senators are willing to vote to put a stop to this mineral subsidy program they should stop criticizing the excessive cost. As the Senator from Ohio [Mr. LAUSCHE] has pointed out, hundreds of millions of dollars are invested in the stockpiles of metals which we do not need. So the question is whether Senators desire to cut down on these unneeded supplies or whether they wish to continue to provide subsidies for expanded production. That question will be answered by the votes which Senators cast on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], on behalf of himself and the Senator from Ohio [Mr. LAUSCHE], to strike out, on page 20, lines 19 through 23.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. HICKEY], the Senator from Florida [Mr. HOLLAND], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

I further announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Michigan [Mr. MCNAMARA] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Michigan would vote "nay," and the Senator from Virginia would vote "yea."

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Florida [Mr. HOLLAND], and the Senator from Wyoming [Mr. HICKEY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from New Jersey [Mr. CASE], the Senator from New Hampshire [Mr. COTTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from New Jersey [Mr. CASE], the Senator from New Hampshire [Mr. COTTON], and the Senator from Texas [Mr. TOWER], would each vote "yea."

The result was announced—yeas 36, nays 52, as follows:

[No. 88 Leg.]

YEAS—36

Beall
Boggs
Bush
Butler
Capehart
Case, S. Dak.
Clark
Cooper
Curtis
Dirksen
Douglas
Dworshak
Ervin
Fong
Goldwater
Hickenlooper
Hruska
Javits
Jordan
Keating
Lausche
Miller
Morton
Mundt
Murphy
Pastore
Pell
Prouty
Russell
Saltonstall
Scott
Smathers
Smith, Maine
Thurmond
Williams, Del.
Young, N. Dak.

NAYS—52

Allott
Anderson
Bartlett
Bennett
Bible
Burdick
Byrd, W. Va.
Cannon
Carlson
Carroll
Church
Dodd
Eastland
Ellender
Engle
Gore
Gruening
Hart
Hartke
Hayden
Hill
Humphrey
Jackson
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
Metcalf
Monroney
Morse
Moss
Muskie
Neuberger
Pearson
Proxmire
Randolph
Smith, Mass.
Sparkman
Stennis
Symington
Talmadge
Wiley
Williams, N.J.
Yarborough
Young, Ohio

NOT VOTING—12

Aiken
Byrd, Va.
Case, N.J.
Chavez
Cotton
Fulbright
Hickey
Holland
Johnston
McNamara
Robertson
Tower

So the amendment offered by Mr. WILLIAMS of Delaware for himself and Mr. LAUSCHE was rejected.

**Mr. MONRONEY.** Mr. President, I move to reconsider the vote by which the amendment was rejected.

**Mr. HUMPHREY.** Mr. President, I move to lay that motion on the table.

**The PRESIDING OFFICER.** The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

## ECONOMIC "MYTHOLOGY"

**Mr. GOLDWATER.** Mr. President, if there are still any doubts about why the business community and the American people are lacking confidence in the administration's economic policies, the President's speech at Yale ought to tie them down. I believe everyone in this country is taking his confusion and uncertainty directly from the White House.

In effect, Mr. President, the Chief Executive wrote off the books as "mythology" everything in the economic situation that disturbs the American people as well as foreign governments.

The budget, he tells us, is "not simply irrelevant; it is actively misleading" and, consequently, it should not be regarded as a measure of soundness. And since the President has decided the budget does not count, there can be no "sophisticated" reason for anyone wanting to see it balanced.

The President also consigns to "mythology" the argument that Federal deficits lead to inflation. And, having adopted this comfortable new theory, he goes all out to find justification for more public debt. He tells us that it is only a myth that the national debt is growing at a dangerously rapid rate. He says—and if Senators want more confusion, here it is—that public confidence is both "a matter of myth and a matter of truth."

Mr. President, I am sure that every Member of this body would be happy if we could solve our public debt problems through the expediency of "mythology." Would it not be nice if we could forget the $9.4 billion which we must pay every year in interest on the national debt? We might just get the President to call it a "myth" and write the whole thing off.

And, since the matter of public confidence is part myth, I guess we can forget the billions of dollars lost in the recent stock-market plunge, the lag in capital investment, the problem of unemployment, and the nagging persistence of our adverse balance of international payments.

Yes, Mr. President, we can now rest easy. Everything that the proponents of sound and responsible fiscal policy have been worrying about just does not exist. It is all a myth.

In conclusion, let me say that if anyone is confused over the President's remarks, an editorial in the Washington Post and Times Herald this morning should clarify everything. It says:

> The President did well to summon the Nation to confront its hard economic problems on another plane, and in a different arena. In a world of rapidly changing circumstances we ought to avoid emotional and quasi-religious attachment to formulate for the solution of economic problems deriving their sacred character from myth and legend unrelated to contemporary crisis.

As James Reston of the New York Times recently said:

> This is the silly season.

The President—the administration—has indeed summoned the Nation to confront its problems on another plane—the plane of mythology which exists only in White House fancy.

I ask unanimous consent that an editorial entitled "Too Sophisticated by Far," published in this morning's Wall Street Journal, may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### TOO SOPHISTICATED BY FAR

> The Nation's economic discourse, President Kennedy believes, is imprisoned in myths and cliches. He wants to liberate it into the clear air of reality, so that we can talk and act intelligently about the "sophisticated and technical" questions that are the real economic problems of our times.
>
> Everyone ought to be in favor of that. The trouble is that Mr. Kennedy chooses to ignore the enormous mythology that comes under the mislabeled heading of liberalism. The further trouble is that some administration officials want to get so sophisticated about such matters as the public debt that they will be able to persuade the people it isn't really a debt at all, or anyway nothing to worry about.
>
> More than a trace of this kind of "sophistication" showed up in the President's commencement address at Yale yesterday. Consider, for example, the question of the size of the Federal Government and its role in the economy.
>
> While admitting that big Government has its dangers, Mr. Kennedy charged that it is a myth that Government is steadily getting bigger and worse. How come? Because, "if we leave aside defense and space expenditures—which is leaving aside quite a lot—then the Federal Government has expanded less than any other major sector of national life since World War II.
>
> The sophisticated device here is to argue that something is not as big as it seems because it is not yet as big as something else. Obviously such a rationalization is a carte blanche for unlimited Government spending.
>
> Unfortunately for the argument, the rapid growth of Government is there for all to see. It is a fact; it is reality. And equally plain is the manner of its growth—not only defense, but the constant addition of more political subsidies to more groups.
>
> President Kennedy says people should stop talking as though this were the 1930's instead of the 1960's. But who plays the old records of the thirties more tiresomely than the Kennedy administration itself? Public works, youth conservation corps, spending and deficits; the whole Kennedy domestic program is a rehash of the nostrums of the depression.
>
> The fresh economic thinking today is to be found elsewhere. It lies in the argument that a trimmed-down Government, with substantial tax cuts made possible by lower costs, would release the energies of the people and bring about the prized economic growth. It would also do much to solve those "sophisticated and technical" problems the President mentioned, like maintaining the value of the dollar abroad.
>
> Instead of offering real hope for the Nation's economic future, the President merely offers more justifications for more Government growth. Thus we are told that the "conventional" Federal budget is "actively misleading" because it ignores trust funds and counts capital outlays as spending instead of investment. On the basis of either the cash budget or the "national income accounts" budget, some deficits would turn out to have been surpluses.
>
> Yet again, the facts get in the way of the rationalization. Trust funds by their nature should not be counted as general revenues, and the kind of wasteful capital spending the Government indulges in certainly is spending, rather than investment somehow comparable to that of a private company. The virtue of the conventional budget is that it tells us the truth, and the sorry truth is that Federal income almost never equals Federal outgo.
>
> The President is absolutely right that we need fresh insight and hard thought instead of myths and tired slogans. That is why it is so unfortunate to have him advocating the dreariest and most threadbare economic prescription of all.
>
> And let us remember that far more than theory is at stake. A policy based on the shopworn mythology of state spending, planning, intervention, and control will affect the lives of all of us and largely determine our standing in the world. Meantime, the economic debate can hardly be very useful if it gets so "sophisticated" that it plays tricks with facts.

**Mr. SCOTT** and **Mr. SYMINGTON** addressed the Chair.

**Mr. GOLDWATER.** I am happy to yield to the Senator from Pennsylvania.

**Mr. SCOTT.** Does the Senator agree with me, speaking of myths, that in the Yale speech the President has "mythed" the point?

**Mr. GOLDWATER.** I might put it another way—he was a "mythery" guest.

**Mr. SYMINGTON.** Mr. President, will the Senator yield?

**Mr. GOLDWATER.** I am happy to yield.

**Mr. SYMINGTON.** I was listening to my able colleague from Arizona, who mentioned the fall of the stock market. Some of my friends have blamed the President for the fall in the stock market. They concentrate their criticism on four points: the fact that our taxes are high; that the budget has not been balanced for some time; that there was intervention in the steel situation; and that some say labor has undue influence in this administration.

I present for consideration of the Senate that in October 1929, I was working in several corporations. At that time there was a considerably sharper break in the stock market, with much more disastrous results. It is interesting to note that at that time the budget was balanced, taxes were low, there was no Government intervention, and there were no large labor unions.

Mr. GOLDWATER. I do not know the point the Senator is attempting to make, but I am glad he has made those remarks. I, too, was working at that period of history. I recall that the Government started then what it is still attempting to do, which is to pull the country out of a hole by government intervention. That still has not been done. If it had not been for World War II, we still would be in pretty bad shape.

Mr. DIRKSEN. Mr. President, only to add to the gaiety, I saw a man with a smiling face the other day who said, "I haven't lost my confidence, I've only lost my money."

## INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. DIRKSEN. Mr. President, I submit a motion to recommit, which I ask to have stated for the information of the Senate.

The PRESIDING OFFICER. The motion will be stated for the information of the Senate.

The legislative clerk read as follows:

> The Senator from Illinois, Mr. DIRKSEN, moves to recommit the bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes, to the Committee on Appropriations with instructions to report the bill back to the Senate in a total amount for all purposes and items which shall not exceed the sum of $868,595,000.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois to recommit the bill, with instructions.

Mr. DIRKSEN. Mr. President I shall not take very long. The motion is to recommit the bill to the committee with instructions to return it at the House figure. It would cut the proposed appropriation by $48 million. The Senate figure is $48 million above the House figure. It is $121 million above the appropriation for the Department of the Interior for the fiscal year 1962. In offering the motion in that fashion, I intend no reflection upon the Senate Committee on Appropriations. I served on that committee for a long time. I served on the House Appropriations Committee for a long time—on one or the other of the two committees at least 17 years—so I would be the last Member of the Senate ever to reflect upon the committee.

Other considerations support the motion to recommit.

For a long time we have undertaken somehow to bring our budget into balance. I was a member of the Reorganization Committee of the House and Senate in 1946. In the act that was passed by both Houses there was included a provision for a legislative budget. It provided that the four committees—the Committee on Finance, the Committee on Ways and Means, and the two Appropriations Committees—were either by themselves or through subcommittees to meet. They were authorized and directed to meet and to report a legislative budget along with estimated receipts and estimated expenditures. If the receipts exceeded the expenditures, the debt would be reduced by that amount. The reduction was automatic. If expenditures exceeded receipts, the provision in the Reorganization Act called for a resolution that it was the sense of Congress that the public debt be increased by a like amount.

We invested great hopes in that provision. Under that section we met once. I shall never forget the meeting. We could not agree. Finally we reduced the number to a subcommittee of five from each of the four committees. For nearly a month we labored in the hope of reporting a legislative budget. That was probably in the fiscal year 1947—15 years ago—and, Mr. President, that committee has never met since that time, nor has that section of the Reorganization Act ever been repealed.

So notwithstanding all the effort that was made in order to give legislative character to a budget, the fact of the matter is it was never consummated. So we are still confronted with the problem of continuing deficits.

Eighteen days hence, June 30, will mark the end of the fiscal year. From all signs and tokens it would appear that the deficit for the fiscal year 1962 will be $7 billion plus. There are estimates now that for the fiscal year 1963, which will be a year hence, the deficit could be $4 billion or more. That remains to be seen. But it is pretty certain that there will be a deficit instead of a surplus submitted in the President's budget in January of this year.

In connection with all of this, we hear talk of a tax reduction. The President and Secretary of the Treasury Dillon have both proclaimed one. If there is a tax reduction, obviously we shall add to the deficit.

I was rather curious about that part of the statement of Mr. Dillon in which he said we must find new loopholes from which to recapture $5 billion to offset the drop in revenue as a result of the tax reduction.

The water is all going to come out of the same well. I do not know where we will get it, but certainly the impact will be exactly the same.

In his budget message in January, the President observed that in a planned deficit increase is the risk of inflation, but Mr. Dillon in his recent speech in New York said that:

> A deficit is inflationary only if there is a strong demand for goods which places a heavy pressure upon supply.

If a tax cut leaves more spending money in the pocketbooks of individuals and corporations, and is designed to stimulate consumer spending, how in the world would we miss the inflationary fever that would go along with it? If that is true, the price increase that would come later would vitiate all the benefits of a tax increase.

What I say may sound like a hedge, but we shall be confronted with a proposal for a tax reduction. Logically I do not see how any Member of this or the other body could support a tax reduction without first looking at the expenditures, doing some work in that field, and cutting the budget.

These are the factors in the whole tax equation: It would increase the 1963 deficit. It would increase the interest outlay, which is already $1 out of every $10 in the 1963 budget which must be set aside for interest to our people for the purpose of using their money.

It would increase the public debt. I read that, shortly after the House gets through, there will be before the Senate a proposal to raise the debt by another $6 billion or $8 billion.

All that will have an impact upon private spending for capital investment. Therein is the secret of more jobs and business expansion. But I do not know how we could encourage it unless the Government should take the lead in the field of spending.

We have the problem of a foreign reaction. I have talked with some who are skilled in the international field. I worry a little about what would happen if those abroad in the central banks and elsewhere, and particularly holders of short-term and long-term U.S. paper, should get the idea that we are not going to face our responsibilities in the budget field, and their confidence should become further diminished. What would we say if they should start dumping securities and demanding from our dwindling gold stock the necessary legal reserve against demand deposits and Federal Reserve notes? We have only a little more than $5 billion in our reserve gold account. We have been steadily losing gold. I think it is one of the most delicate and dangerous problems that confronts the country at the present time.

Mr. President, out of sheer conviction that the Congress will have to do something in the field of economy, this is a modest beginning to cut $48 million from a bill that presents a total of $916 million as reported to the Senate.

Having served on the Appropriations Committee, I know it is not easy for a Senator by his vote to repudiate the work of the committee, but that cannot be my concern. I have an individual responsibility with respect to the stability and to the solvency of the country. Looking over the general picture in the other body, I was not a little distressed to learn that there has been hardly any attempt at economy. But it will have to start somewhere.

In my present frame of mind I intend to offer motions to recommit on every appropriation bill that reaches the floor of the Senate, because I cannot charge my conscience with having done nothing in that field, and ultimately being confronted with a proposal for a tax reduction, which would only add to the deficit, and which has such a commanding appeal to citizens, individual and corporate, in all walks of life. That would be an awkward situation, indeed.

That is the whole argument, Mr. President. On the motion I ask for the yeas and nays.

The yeas and nays were ordered.

**Mr. MAGNUSON.** Mr. President, the Senator from Illinois and I have served on the Appropriations Committee together. I should like to ask him whether it would not have been better, if the Senator felt the way he has expressed himself about every appropriation bill, if he would appear before the committee with reference to the items in the bill. Why does he not do that rather than make his motion now at the end of the consideration of the bill?

**Mr. DIRKSEN.** I serve on the Judiciary Committee and on eight subcommittees.

**Mr. MAGNUSON.** I serve on some committees, too.

**Mr. DIRKSEN.** I serve on the Committee on Rules and Administration. There are a few chores, also, that go along with being minority leader.

**Mr. MAGNUSON.** Yes.

**Mr. DIRKSEN.** If I can compress anything more into an 18-hour day, whenever the Senate is in session, I shall be very glad to return to my old committee. If my friend will find me the time, I will be delighted to do it.

**Mr. MAGNUSON.** I can find the Senator the time. He can come before the Committee on Appropriations and take up item after item, if he can suggest that we eliminate any items. He should do that rather than come to the floor of the Senate at the end of the consideration of the bill and suggest that it be done in this fashion. He suggests that he will make the same motion on every appropriation bill. The Appropriations Committee did not have the benefit of his ideas and advice. We do not know why he should want to eliminate one item and retain another in the bill. The consideration of this kind of bill is a very difficult job, as the Senator well knows. I wonder why he would not agree to appear before the committee and say, "I want this item knocked out." I might vote with him on several items.

**Mr. DIRKSEN.** I am not beguiled by the argument of my distinguished friend from Washington.

**Mr. MAGNUSON.** It is only a suggestion.

**Mr. DIRKSEN.** He knows what problems would be involved in going through these items one by one in every appropriation bill. If he can persuade my distinguished friend from Montana to give me a staff of 100 people, I will get the job done. It will take a lot of work to do it.

**Mr. MAGNUSON.** If the Senator will give me a list, I will present it for him to the Committee on Appropriations. Let him give me a list of the items that he wishes to have eliminated.

**Mr. DIRKSEN.** And how will the Senator present that list?

**Mr. MAGNUSON.** I will take it to my friend the Senator from Arizona, and to the Senator from North Dakota, and say, "The distinguished minority leader thinks this is wrong."

**Mr. DIRKSEN.** I have made that identical argument myself. I am not deluded by it. There is a huge Appropriations Committee in the other body. It is an exclusive committee. I served on it, and when I did, I served on no other committee in the House. Every subcommittee is an exclusive one. Members of the House Appropriations Committee serve on only one subcommittee. As a result, they do their work very well. They examine every item in the bill. I always felt as though I was a sort of court of appeals as a member of the Senate committee, because usually we considered only those items on which the agencies protested a cut, and we worked on those items. That constituted perhaps 15 or 20 percent of the bill.

It should not be said that this proposal is capricious or arbitrary. There is a great deal of work behind the House committee in its action on the appropriation bill. I can say that without in any way demeaning the work, the diligence, and the devotion of the Senate committee. I hold in my hand the record of the House hearings. It must weigh at least 6 pounds.

**Mr. MONRONEY.** Mr. President, will the Senator yield?

**Mr. DIRKSEN.** I yield.

**Mr. MONRONEY.** I am trying to understand the nature of the motion of the Senator from Illinois. With all due regard to wanting fiscal stability, it seems to me that his motion is in the nature of a meat-ax approach, without reference to any one item in the bill; or it is an effort to rubberstamp the House bill. If that is the purpose of the Senator's motion that the bill be recommitted, I presume the result would be that we would have before us the same bill as the House passed. Is that correct?

**Mr. DIRKSEN.** The Senator can make his own argument on that point.

**Mr. MONRONEY.** I want to know on what we are voting. I want to know whether we would be voting on the exact amount that is in the House bill.

**Mr. DIRKSEN.** Exactly.

**Mr. MONRONEY.** Then we would merely rubberstamp the action of the House of Representatives. The Senate, which is trying to keep alive a bicameral system of double checks and balances, would not have anything to say about it. The minority leader is asking us to accept the House bill. The Senate would in effect say that it does not have intelligence enough in its committee structure to consider the line items that are open. We are asked to use a meat-ax approach, instead of a surgeon's scalpel. When I am asked merely to rubberstamp the action of the House of Representatives and say that we are not competent or intelligent enough to consider these items, but must rubberstamp the House bill, I fear I cannot go along with the distinguished Senator from Illinois.

**Mr. DIRKSEN.** This is not a meat-ax approach, because if it were, we would have to charge the Committee on Appropriations of the House with having turned out a meat-ax bill. If the Senator wishes to make the other argument, about the rubberstamp, that is all right with me. He can make that explanation if he likes. I am never afraid to go along with the House figure. If I had had more time I probably could have devised another formula. I may arrive at another one with respect to the other bills. Under the circumstances, I will press this motion on the pending bill, and see whether there is some economy sentiment in the Senate.

**Mr. MAGNUSON.** Mr. President, will the Senator yield?

**Mr. DIRKSEN.** I yield.

**Mr. MAGNUSON.** I do not think the Senator from Illinois should say that the members of the Committee on Appropriations have acted with utter disregard for economy.

**Mr. DIRKSEN.** No.

**Mr. MAGNUSON.** Some of the items in the bill might be items on which I would vote with the Senator from Illinois. There are others with respect to which I would disagree with him. I would want to know what items should be cut out and which should be kept in.

**Mr. DIRKSEN.** Does the Senator serve on the subcommittee that heard the testimony on the pending bill?

**Mr. MAGNUSON.** No; I am not a member of that subcommittee.

**Mr. DIRKSEN.** If he were on the subcommittee, obviously he would know what had taken place.

**Mr. MAGNUSON.** I am quite familiar with the bill.

**Mr. DIRKSEN.** Before the full committee got through with the bill the distinguished Senator from Washington would have a chance to pass on every item.

**Mr. MAGNUSON.** I voted with the committee.

**Mr. DIRKSEN.** Of course.

**Mr. MAGNUSON.** If I were to vote with the Senator from Illinois I would not know which items should be cut out, because some of the House items were given serious consideration. We voted for some and we voted against others.

**Mr. DIRKSEN.** As a member of the full committee the Senator obviously was familiar with it. He knows whether the bill will stand a $48 million cut.

**Mr. MILLER.** Mr. President, will the Senator yield?

**Mr. DIRKSEN.** I yield.

**Mr. MILLER.** I am constrained to vote for the motion to recommit the bill. I could be persuaded to vote against it if I could have assurance from the leadership on the other side regarding the specific items that will be cut out of the President's budget to make room for the $750 million in public works programs for which the Senate voted recently and which are not in the President's budget. I believe that the President was sincere at the time he made a promise to the American people to have a balanced budget in the coming fiscal year. Of course, a promise, in itself, is worth nothing. Delivery is what counts. Delivery must take place here. If I could have assurances as to what items would be cut back to make room for the $750 million in public works programs, which are not in the budget, I would vote against the motion of my leader. If I cannot have such assurance, I will be constrained to support my leader.

**Mr. MANSFIELD.** Mr. President, will the Senator yield?

**Mr. DIRKSEN.** I yield.

**Mr. MANSFIELD.** I suggest to the Senator from Iowa that he vote with his leader, as I am sure he intended to do all along. The question he raises is an impossible one to answer. All of us understand the practicalities and realities of the situation confronting us. Were I in his place I would do the same thing. I know every one of my colleagues in the Senate understands the situation, and I hope the Senate can vote on the pending question very shortly.

**Mr. WILLIAMS** of Delaware. One of the arguments used against the motion of the Senator from Illinois is that he proposes to disturb the sacred recommendations of the committee. I invite attention to the fact that the Senator who has raised that argument also disturbed the sacred recommendations of the committee earlier this afternoon when he offered an amendment to increase one of the items three times over the amount which the committee said was needed. By record votes the Senate has already increased the committee's recommendation by several million dollars. A million and a half dollars was added by one amendment, and $2 million by another and $4 million was added in another. I point out to my leader that the committee's recommendations are not always held sacred. It so happened that one of the changes made earlier this afternoon was offered by a a member of the committee itself.

**Mr. MAGNUSON.** Yes; but the Senator from Delaware never appears at any Appropriations Committee hearing when we meet for hours, days, and weeks considering specific items, which is what we must do. I presume the members of the committee do not take their work lightly. We reduce the amounts on many items. We like to hear the views of other Senators. But it is a popular game, when the committee has finished, to criticize the committee on the floor of the Senate.

The committee did not agree with my proposal on access roads, so I said I would offer an amendment on the floor of the Senate. I served notice that I would do so, and today I spent considerable time talking about the problem and discussing it before the Senate.

**Mr. DIRKSEN.** In his whole legislative career, the distinguished Senator from Washington would not have sat as long and uninterruptedly in committee as the distinguished Senator from Delaware has sat in the hearing on the tax bill.

**Mr. MAGNUSON.** I would not have sat as long as that because it would not have taken me that much time to finish.

**Mr. PROXMIRE.** Mr. President, will the Senator from Illinois yield?

**Mr. DIRKSEN.** I yield.

**Mr. PROXMIRE.** Does the Senator from Wisconsin correctly understand that the Senator from Illinois intends to submit motions for the recommittal of all appropriation bills which exceed the recommendations of the House and the Bureau of the Budget?

**Mr. DIRKSEN.** I will go further than that. My recommendation will be in the nature of a formula which I think will be fair.

**Mr. PROXMIRE.** I understand that tomorrow the Senate will consider the Department of Defense appropriation bill, which I notice is $522 million above the recommendation of the Bureau of the Budget and $589 million over the recommendation of the House. Does the Senator from Illinois intend to offer a motion for recommittal if the Senate goes along with the recommendation of the committee?

**Mr. DIRKSEN.** I do.

**Mr. LAUSCHE.** Mr. President, will the Senator from Illinois yield?

**Mr. DIRKSEN.** I yield.

**Mr. LAUSCHE.** I contemplate voting against the bill. I shall do so for three reasons. First, it would finance the employment of 5,694 new employees who have been installed in the last 16 months. There has been no explanation or showing as to why those 5,694 new employees are needed.

Second, the bill as it is now before the Senate entails a 16-percent increase in the cost of operating the Department of the Interior.

Third, the bill provides for financing lead and zinc mines in the sum of $3,750 per man in lead, and $1,750 per man in zinc.

If all budgets were increased by 16 percent, where would the Treasury land? No explanation has been given of why $120 million more, according to the recommendation of the committee, is needed. The $120 million was increased by $6 million yesterday and today.

I shall voice my approval of the motion made by the Senator from Illinois, not by voting for his motion, but by voting against the bill.

**Mr. MILLER.** Mr. President, will the Senator from Illinois yield?

**Mr. DIRKSEN.** I yield.

**Mr. MILLER.** I should like to ask a question of the Senator from Washington, in view of the colloquy between him and the distinguished minority leader.

I have received an impression which concerns me very much. It is not my privilege to serve on the Committee on Appropriations.

**Mr. MAGNUSON.** The Senator from Iowa would be a good member.

**Mr. MILLER.** I am aware of the long hours spent by Senators who are members of that committee. I know the Senator from Washington speaks from knowledge when he talks about long hours. But somehow I get the impression that because of the numerous items in the appropriation bills and the long hours which are spent by the committee in the consideration of bills, there is a fatalistic outlook on cutting back appropriations in order to meet the revenue of the Federal Government.

Does the Senator from Washington see any possibility of the Committee on Appropriations recommending appropriations for the coming fiscal year in such a way as to match the expected revenue of the Federal Government, so that there will be a balanced budget?

**Mr. MAGNUSON.** I think most appropriation bills provide less money than is requested by the Bureau of the Budget. I have handled many appropriation bills on the floor of the Senate. The amount provided by the bill now before the Senate is under the amount requested by the Bureau of the Budget. The Budget makes its estimates based upon the estimated revenues. If revenues are not received in accordance with expectations, budgets become out of balance.

The point I make is that if a Senator who is deeply interested in a subject wishes to propose a reduction in or addition to the Budget request, or even discuss the subject with the committee, the committee will afford him a hearing. The committee welcomes Senators who are not members of the committee. Actually, they are heard first when they appear before a committee. We ask the representatives of other agencies to step aside in order that Senators may be accommodated first.

But when the committee works on a bill, if I agree with some parts of it, but disagree with other parts of it, I serve notice that I will propose an amendment on the floor of the Senate.

But if Senators do not appear before the committee and present their case, how can the committee know what is contemplated? Perhaps the case might be a good case.

The committee does not take fatalistic attitudes. But after we have gone over a bill with what we believe is a fine-toothed comb—and remember that the House also has considered the bill carefully—we then report to the Senate what we believe is a good bill.

**Mr. MILLER.** I am aware of the diligent work of the Committee on Appropriations, but is it the intent of the committee to match the appropriations in accordance with the revenue and with the President's promise of a balanced budget?

**Mr. MAGNUSON.** The committee receives the budget from the Bureau of the Budget, as the Senator from Iowa knows. The Bureau of the Budget submits its budget in accordance with the estimates of revenue. The committee does not have a barometer which can tell us daily whether the estimates of revenue will be up or down. I suppose that this year the revenue will be down a little. We do not have that information, but we do the best we can.

I do not believe the Committee on Appropriations has ever exceeded the budget, unless there was a pressing need to do so, or unless we honestly thought conditions warranted doing so.

I have handled 18 or 19 independent offices appropriation bills in the Senate. Each of them has provided $6 billion or $7 billion. Never have I reported a bill which was above the budget—and I think the Bureau of the Budget has some very serious-minded people.

**Mr. MILLER.** This is what I mean by fatalism: The attitude is that we shall never exceed the budget unless there is an urgent requirement to do so. But the fact is that for about 26 of the last 30 years the budget has been unbalanced.

**Mr. MAGNUSON.** The Senator is incorrect. The Senate does not exceed the budget recommendations. Certainly, the budget has been unbalanced; but the reason why the budget has been unbalanced has been the stupid business called war. If it were not for the national defense, the Government could be operated on 19 cents of the tax dollar. That is what we are arguing about.

Mr. MILLER. I would be the first to agree that war or cold war is a serious problem with respect to balancing the budget. But the fact remains that the President of the United States promised the people a balanced budget.

Mr. MAGNUSON. Every President has promised that.

Mr. MILLER. Oh, no. The President of the United States did not promise a balanced budget last year. He promised one this year. Is not that correct?

Mr. MAGNUSON. Would the Senator like to know some of the fiscal facts of life concerning the budget?

Mr. MILLER. I do not know them as the Senator from Washington knows them. I am responding to the Senator's question.

I know this fiscal fact of life; namely, that the President has promised the American people a balanced budget. And I think we have a job on our hands if we are to deliver on that promise.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. DIRKSEN. I yield.

Mr. MAGNUSON. I thought I had the floor.

Mr. DIRKSEN. No, Mr. President; I have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. MAGNUSON. I did not realize that.

Mr. SYMINGTON. I thank the Senator from Illinois.

Mr. President, I have been listening to the colloquy between the Senator from Iowa and the Senator from Washington. The Senator from Iowa has emphasized about half a dozen times that the President promised a balanced budget. I would discuss that for a moment.

In 1929, everyone took a balanced budget as a matter of course, at that time the national debt was less than 5 percent of what it is today.

A few minutes ago it was stated on the floor that if it had not been for the war, we never would have been in good shape. I challenge that statement. Some persons believe that war is needed in order to continue the profits of capitalism. I do not agree.

After all the things done by the Roosevelt administration between 1932 up to the beginning of World War II—and I did not approve of some of them—the national debt was less than $40 billion. Then the war in Europe began, and we decided to defend our country and did defend ourselves; and when the war was over, our national debt had risen from some $39 billion to some $270 billion. That is the record.

To me, it is clear the President cannot have a balanced budget in view of the recent stock market break, because anyone who has taken losses in the market—and I am among them—will pay less taxes; he will be able to offset his income with losses; and that will be true of hundreds of thousands of American taxpayers.

I agree with the Senator from Washington, having heard promises of balanced budgets ever since I first came to Washington, more than 40 years ago. No President—not President Hoover or President Eisenhower or President Truman or President Roosevelt could balance the budget following sharp economic breaks. That is the point I am trying to make.

Mr. DIRKSEN. Mr. President, I am prepared to vote on my motion, which is a very simple one.

Confucius observed that the longest journey begins with a single step. I am trying to take a single step in the field of economy; and I suggest that the Senate vote.

Mr. MUNDT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MUNDT. I shall be rather brief, Mr. President.

First, I do not wish to leave unchallenged the unique recital of economic history which has been given us by the Senator from Missouri, who wishes to have the people of the country believe there cannot be a balanced budget because of the recent break in the stock market. If he examines the chronology of these matters, I believe he will discover that the unbalancing of the Federal budget preceded by many, many months the break in the stock market. So it cannot correctly be said that the break in the stock market is the reason why there will be an unbalanced budget. In any event, history will clearly disclose the facts, and no one can succeed in twisting the calendar of the past. It is perfectly clear that before the stock market started going down, our budget was woefully out of balance.

So, the question of whether the stock market break in part developed as a result of an unbalanced budget is one for the economists to answer—it could not have been the other way around. The timing is all wrong for that.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SYMINGTON. The RECORD should show that the stock market began to go down in December. Recently, it went down more sharply.

Mr. MUNDT. If the Senator is speaking of the day-to-day drop, that is different from the recent big drop.

Mr. SYMINGTON. So I think the effect of the decline in the stock market applies definitely to the present calendar year, and also to the next fiscal year. Of course I do not say that the stock market drop constitutes the only factor to have an effect on the prospects for a balanced budget.

I think the Senator from South Dakota will agree, however, that the recent drop in the stock market may have the most to do with a possible balanced budget, from the standpoint of tax income versus Government outlay.

Mr. GOLDWATER and Mr. MILLER addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. I yield to the Senator from Iowa.

Mr. MUNDT. Mr. President, I thought I had the floor.

The PRESIDING OFFICER. No; the Senator from Illinois has the floor.

Mr. MUNDT. I shall seek the floor later.

Mr. MILLER. Mr. President, in response to the Senator from Missouri, let me say that I am sorry he thinks I am being a little unfair by emphasizing the President's promise of a balanced budget. But I am emphasizing it because I believe that if, due to the vicissitudes of the economy, the revenue which the President anticipated is not achieved, the very least we can do is not to cause additional expenditures. However, we have already caused additional expenditures to the extent of the additional $750 million for public works. So I am trying to point out that, at the least, we should not let the balanced budget become so greatly unbalanced as to cause discouragement among businessmen, because of further inflation.

The Senator knows that last year and in the first 4 months of this year we have had additional inflation which amounts to approximately $3.5 billion. We do not want that trend to continue.

I am sure the Senator from Missouri would like to see a balanced budget, if it is feasible. My point is that we should not make the situation any worse than it already is; and therefore, the Senator from Illinois is trying to have the Appropriations Committee review these bills, so that the effect on the unbalanced budget will not be more severe.

Mr. GOLDWATER. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. GOLDWATER. The other day I raised this question with Mr. Maurice Stans, an economist of some repute. I thought the decline in the stock market would have an effect on the revenue received by the General Treasury, but Mr. Stans warned me not to go out on such a limb; he warned me that the effect might be just the other way around. The effect might be the opposite of what I had thought.

So I do not think the decline in stock market prices necessarily means a sizable decline in revenue of the Federal Government. I offer this as a suggestion which I picked up from that able economist.

Mr. SYMINGTON. I thank the Senator; but I have not always agreed with Mr. Stans in the past, and cannot agree with him on this matter.

If thousands of taxpayers can take tax credits because of stock market losses, through sales of securities at the lower prices, I do not see how that would fail to have an adverse overall effect on income taxes reported by individuals and corporations throughout the country, because in addition to personal losses, I believe the able Senator from Arizona will agree the stock market break is bound to have an effect in the future on purchases—such items as automobiles, appliances, television sets, construction, and perhaps trips people plan to take.

I reply to the Senator from Iowa, I was not saying he was being unfair to the President. I know the Senator from Iowa would not be unfair. But my point is that he is emphasizing the President's balanced budget promise, which was made well before the sharp stock market break, and its reaction on our economy.

I am sure the Senator from Arizona does not believe that the only thing that kept the country going was war, because this country was in fine shape, with a relatively very small national debt, just before World War II.

Mr. GOLDWATER. Mr. President, the Senator from Missouri is changing the subject. I did not offer this as my own conclusion. John Galbraith wrote, in 1952, in a book on economics, that this country was pulled out of the depression by World War II. Those were not my words; they were Mr. Galbraith's words—the words of one who, fortunately, has been for some time our Ambassador to India.

I think the Senator would do well to investigate the short-term gains and the profits and losses which have resulted from the recent decline in the stock market. I feel that the losses which were experienced will not be found to be as large as he has anticipated—certainly not of such a magnitude that they will add in a very considerable way to the deficit.

Automobile sales have reached an all-time peak, and may continue through the next quarter at that rate. It has not affected buying.

Mr. SYMINGTON. If the Senator continues to talk this way, I will begin to think the stock market break was a fine event.

Mr. GOLDWATER. If the Senator is not going to pay taxes next year, perhaps it will be for him.

Mr. SYMINGTON. I have lost on the stock market break, and am sure the Senator from Arizona has, too.

Mr. GOLDWATER. No, because the Senator from Arizona does not own a share of stock. I became smart in 1929.

Mr. DIRKSEN. Mr. President, I have discovered how painful the subject of the economy really is, and I yield the floor.

Mr. MUNDT. Mr. President, I wish to make one further comment, in conclusion, so far as the stock market is concerned and its relationship to the budget. I think we are all disappointed that the stock market has been so steadily going down. If collectively we can dissuade our former colleague who is now in the White House from making any further ultimatums to business such as was inherent in the Yale University speech yesterday, perhaps we will suffer fewer of the serious slide-offs in the stock market such as is occurring today. As a body, we ought to work to restore the confidence of the business community, instead of slashing away at it with speeches from the White House or unwise legislation enacted by the Congress.

Turning now to the motion of the distinguished minority leader, I regret that I cannot support his motion to recommit. By and large, what I wanted to say on that subject has been ably said by the Senator from Oklahoma when he said this effort must be considered either a meat-ax approach or a departure from the appropriations procedures in the Senate by which we would capitulate completely to the House.

If we were to follow our distinguished minority leader in this instance and make this action a precedent, we might as well not make the time-consuming effort of having the extensive appropriations hearings which we hold on bills. The House does do a good job, but not a perfect job. Sometimes we reduce the amounts of the House appropriations; sometimes we increase them.

Frequently there are occurrences between the passage of the bill in the House and the time it gets to the Senate. Very often the Senate must act on requests for money which were not before the House.

I hope that our minority leader, after this effort tonight, will follow what he has indicated may be his future policy, and that is to propose a more effective, efficient, and successful method of bringing about economy by action in the Senate. With his fertile mind, I think, he will be able to initiate efforts that will be fruitful, if he will devote his mind to leading attacks on line items in the bill as they come before us. I would not expect the Senator to come before the committee and take the case before the committee as the Senator from Washington proposed. It can be argued in public here on the Senate floor and handled through a series of rollcall votes.

The Senator from Idaho [Mr. Dworshak] and I made a couple of such efforts yesterday. We lost the big one, but the Senate did vote to economize to the extent of $100,000 in a rollcall vote. That is progress. It shows it can be done. We should try the same formula frequently. Economizing may become habit forming if we all work at it hard.

I submit the example of the distinguished Senator from Louisiana [Mr. Ellender], who always makes a line item fight on the foreign aid bill. He does not always win, but, with the tenacity of a bulldog, he continues his efforts until he gets figures to the point where the Senate adopts some of them. I think we need that kind of effort on all our appropriations bills, but I do not think it would be proper to vote to vacate everything we have done, to say that the word House is Holy Writ, and that we are not going to make any changes, but simply undo the long efforts we have made, when we can take the bills up item by item in committee.

I hope, as a result of the discussion on the Dirksen motion and the present effort of the minority leader, as we come to the next appropriation bill we will argue out the specific amendments and items, and perhaps we can repeat in many instances the success we had yesterday as we did, happily, on the cut of $100,000 on a line item in this bill.

I cannot go along with the minority leader on his meat-ax motion. I wanted to explain my position for the Record. I hope he will develop a more selective approach on other appropriation bills. I shall be happy to work with him in developing such an approach and delighted to support such an effective economy move.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. Dirksen], to recommit the bill with instructions. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG of North Dakota (when his name was called). On this vote I have a pair with the senior Senator from Iowa [Mr. Hickenlooper]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. Byrd], the Senator from Wyoming [Mr. Hickey], the Senator from Florida [Mr. Holland], the Senator from Arkansas [Mr. McClellan], and the Senator from Michigan [Mr. McNamara] are absent on official business.

I also announce that the Senator from New Mexico [Mr. Chavez] is absent because of illness.

I further announce that the Senator from Arkansas [Mr. Fulbright] and the Senator from South Carolina [Mr. Johnston] are necessarily absent.

On this vote, the Senator from Virgina [Mr. Byrd] is paired with the Senator from New Mexico [Mr. Chavez]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Arkansas [Mr. McClellan] is pair with the Senator from Texas [Mr. Tower]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Texas would vote "yea."

I further announce that, if present and voting, the Senator from Arkansas [Mr. Fulbright], the Senator from Wyoming [Mr. Hickey], the Senator from Florida [Mr. Holland], the Senator from South Carolina [Mr. Johnston], and the Senator from Michigan [Mr. McNamara] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken] is absent on official business.

The Senator from New Jersey [Mr. Case], the Senator from New Hampshire [Mr. Cotton], and the Senator from Texas [Mr. Tower] are necessarily absent.

The Senator from Iowa [Mr. Hickenlooper] is detained on official business, and his pair has been previously announced.

On this vote, the Senator from New Hampshire [Mr. Cotton] is paired with the Senator from New Jersey [Mr. Case]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Jersey would vote "nay."

On this vote, the Senator from Texas [Mr. Tower] is paired with the Senator from Arkansas [Mr. McClellan]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Arkansas would vote "nay."

The result was announced—yeas 26, nays 60, as follows:

[No. 89 Leg.]

**YEAS—26**

Beall
Bennett
Boggs
Bush
Butler
Capehart
Carlson
Cooper
Curtis
Dirksen
Fong
Goldwater
Hruska
Javits
Keating
Miller
Morton
Murphy
Pearson
Prouty
Proxmire
Robertson
Scott
Thurmond
Wiley
Williams, Del.

**NAYS—60**

Allott
Anderson
Bartlett
Bible
Burdick
Byrd, W. Va.
Cannon
Carroll
Case, S. Dak.
Church
Clark
Dodd
Douglas
Dworshak
Eastland
Ellender
Engle
Ervin
Gore
Gruening
Hart
Hartke
Hayden
Hill
Humphrey
Jackson
Jordan
Kefauver
Kerr
Kuchel
Lausche
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McGee
Metcalf
Monroney
Morse
Moss
Mundt
Muskie
Neuberger
Pastore
Pell
Randolph
Russell
Saltonstall
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Williams, N.J.
Yarborough
Young, Ohio

**NOT VOTING—14**

Aiken
Byrd, Va.
Case, N.J.
Chavez
Cotton
Fulbright
Hickenlooper
Hickey
Holland
Johnston
McClellan
McNamara
Tower
Young, N. Dak.

So Mr. DIRKSEN's motion to recommit was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 10802) was read the third time.

Mr. DWORSHAK. Mr. President, I was compelled to vote against the motion to recommit, because I have heard many arguments which did not convince me that the way to economize is to come to the Senate Chamber and to make a gesture which in advance one knows will be futile. As a member of the Appropriations Committees for many years—for 12 years in the Senate and 4 years in the House—I think I know something about how to effect economies and curtail Federal spending.

Most members of the Committee on Appropriations desire to economize, although they are in disagreement on various items. In the Senate we do not hear many proposals to cut down on specific items of spending.

I shall not take much time, Mr. President. I merely call attention to one item as to which we could make a legitimate reduction which, in the long run, would result not only in economy but also in greater efficiency and real service for 350,000 Indians who live on reservations in this country.

In the current fiscal year there was an increase for the Bureau of Indian Affairs of $37 million over fiscal year 1961. However, in the pending bill there is a proposed increase of $39 million for fiscal year 1963 over the current fiscal year. This means that the budget for the Bureau of Indian Affairs and for the health program for the Indians in the next fiscal year will be approximately $265 million.

I have in my hand a tabulation which I had printed in the RECORD last year. I do not propose to have it printed at this time, but I merely call attention to the fact that 15 years ago, in 1948, the total budget for the Bureau of Indian Affairs was $39,806,000. The increase in the pending bill, for fiscal year 1963 over fiscal year 1962, is equal to that sum of $39 million. For a single year, after a very large increase in fiscal year 1962, there is a proposed $39 million increase for the Bureau of Indian Affairs, which is a sum equal to the entire budget of the Bureau of Indian Affairs in 1948.

I call attention to this fact only because there are many opportunities, during the deliberations of the Appropriations Committee and in the Senate, as we consider the appropriation bills, to save many millions of dollars, if we have the will to economize and to stop unrestrained spending on the part of the executive departments downtown.

I hope that in the weeks and months ahead during this session we shall have the fortitude and courage, as well as the determination, to scrutinize bills in the Appropriations Committee and in the Senate. By so doing, we can curtail Federal spending and can make some real effort toward balancing the Federal budget.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. RUSSELL. I generally agree with the distinguished Senator. I have endeavored to be a proponent of economy. However, it is very difficult indeed, for me to vote against projects for the people of the United States when I know that similar projects are carried in foreign aid bills, or mutual assistance bills, as they are euphemistically called, for the people of other lands. That is one reason why I have not voted for all amendments to reduce amounts in all bills. It is very difficult to vote against a project in the United States when we know that the Congress will vote for similar projects for people in other lands.

Mr. DWORSHAK. Mr. President, I thank the Senator from Georgia for his contribution. He has put his finger on a specific appropriation bill in which a reduction of probably 40 percent, 50 percent or 60 percent might be effected without minimizing in any way the effectiveness of our foreign aid program. That is a good illustration of real economy.

### INTERIOR APPROPRIATIONS FOR UTAH

Mr. BENNETT. Mr. President, I rise in support of six important appropriation items which the Senate Appropriations Committee has approved but which were neither in the President's budget nor in the House-passed bill. The Senate committee and its chairman are to be commended for including these items in the bill because of their great importance. These items are as follows:

First, $50,000 to initiate a survey of a scenic parkway in southern Utah.

Second, $105,000 to reconstruct and improve the access road to the Bear River National Wildlife Refuge, connecting it with Brigham City, Utah.

Third, $20,000 to commence a 3-year program to acquire vitally needed private lands to assure the success of the American Fork watershed project.

Fourth, $150,000 to construct a visitors center at Natural Bridges National Monument in San Juan County, Utah.

Fifth, $450,000 to start construction of a $900,000 Forest Service watershed research laboratory at Logan, Utah.

Sixth, $25,000 to continue and expand the technical assistance program on fisheries for the Colorado River storage project at Springville, Utah.

### SOUTHERN UTAH NATIONAL PARKWAY

For over a year I have waged a campaign in behalf of construction of a national scenic parkway to be built across southern Utah, designed to connect the national parks and monuments in southwestern Utah and in adjacent northern Arizona and western Nevada with the national monuments and recreation area in southeastern Utah and western Colorado.

The first step in this campaign was introduction of a bill, S. 808, to authorize construction of the proposed Southern Utah National Parkway. However, this was opposed by Secretary of Interior Stewart Udall on the ground that a preliminary survey should be made. Therefore, I introduced a bill, S. 2280, which would authorize $80,000 to make such a survey. But in reporting on this second bill, the Department of Interior said, concerning the undertaking of the survey, "We hope to do this when personnel and funds are available for the purpose." However, the Department gave no indication that either personnel or funds would be available in the foreseeable future. On February 28, I, therefore, addressed a letter to the senior Senator from Arizona [Mr. HAYDEN], chairman of the Senate Appropriations Committee, asking that the committee interrogate National Park Service officials, determining whether or not the Service could undertake a survey on the proposed parkway if funds were made available.

Then on March 6 of this year, I appeared before the Senate Appropriations Committee in support of an $80,000 appropriations to survey the parkway. That same day, the senior Senator from Arizona incorporated my bill, S. 2280, in the hearing record and asked the Director of the National Park Service, Conrad Wirth, how much money could be used economically to undertake the survey called for by the bill. Mr. Wirth said that he would study the matter, and subsequently submitted a statement for the hearings record in which he said:

> The feasibility study contemplated in S. 2280 could be completed in 1 fiscal year. Accordingly, the National Park Service could economically use the full amount of $80,000 which the survey is estimated to cost in the 1963 fiscal year.

Mr. Wirth then proposed to broaden the study over a 2-year period at a cost of about $160,000. I ask unanimous consent that those portions of pages 677 and

678 of the committee hearings that apply to the proposed parkway be included in the RECORD at this point in my remarks.

There being no objection, the portions were ordered to be printed in the RECORD, as follows:

### UTAH PARKWAY REQUEST

Mr. WIRTH. That is the parkway, yes.

Chairman HAYDEN. The proposed Southern Utah National Parkway. Does the amount which you request for the national park system plans include this survey?

Mr. WIRTH. No; it does not.

Chairman HAYDEN. How much could you economically use for this purpose?

Mr. WIRTH. I would like to check on that and make a recommendation or submit some material, Mr. Chairman.

Chairman HAYDEN. You may place it in the record.

Mr. WIRTH. All right. That is rugged country down in southern Utah, and while there is a lot of it that we could get through, I think I would like to make a little closer analysis of how much would be needed for that.

(The information referred to follows:)

### "AMOUNT THAT COULD BE USED ECONOMICALLY IN 1963 IN CARRYING OUT THE SURVEY CONTEMPLATED IN S. 2280

"The feasibility study contemplated in S. 2280 could be completed in 1 fiscal year. Accordingly, the National Park Service could economically use the full amount of $80,000 which the survey is estimated to cost in the 1963 fiscal year. The Service feels, however, that such a study should include not only southern Utah but the general Colorado River region in adjoining States where outstanding scenic parkway possibilities exist. This would include the area covered by S. 2280 and areas in southeastern Nevada, western Colorado, northwestern New Mexico, and northern Arizona. Such an overall study would require 2 years and would cost about $160,000."

Mr. BENNETT. Mr. President, it is clear from the record that the $50,000 included in the Senate appropriations bill is a result of my work and my efforts both in introducing S. 2280 and in appearing before the committee for funds. Therefore, it is equally clear that the $50,000 this year will be used principally to survey the possible routes proposed in S. 2280. Such a parkway would be a veritable national park in its own right, opening up one of the most magnificent scenic areas in the United States. Moreover, it would bring more tourists to that area of the Southwestern United States than any combination of new national parks that I can think of. My parkway proposal is endorsed by virtually every responsible organization in southern Utah, as well as State officials.

Unfortunately, there is not a single national parkway west of the Mississippi River, and virtually all of the parkways are in the South. Yet, it is we in the West who are expected to give up hundreds of thousands and even millions of acres of land for national park purposes. Therefore, I think it is high time that this discrimination against the West be ended. National parkways should be scenic routes connecting national parks, and I think that we in the West are entitled to consideration.

### ACCESS ROAD TO BEAR RIVER NATIONAL WILDLIFE REFUGE

Mr. President, I also wish to give my full support to amendment D of May 14, offered by the senior Senator from Arizona [Mr. HAYDEN], which makes possible reconstruction and improvement of the 14-mile access road to the Bear River National Wildlife Refuge west of Brigham City, Utah.

The road is about 14 miles in length, extending from just west of Brigham City to the refuge headquarters. Both the Bureau of Sport Fisheries and Wildlife and the Box Elder County Commission have surveyed the road and report that 11½ miles is in poor condition and in need of repairs. Some sections are in extremely bad condition and in some places are hardly passable.

The Director of the Bureau of Sport Fisheries and Wildlife, D. H. Janzen, indicated to me in a letter of February 20 that the Bureau feels a "moral responsibility" to cooperate with county officials "to whatever extent possible." However, there were no funds included in the President's fiscal year 1963 budget requests.

No doubt, Director Janzen's statement that the Bureau has a moral responsibility to assist in building the road is based upon the fact that the road is the sole access to the refuge, and the great bulk of its use comes from Government employees and others using the refuge. Approximately 22,000 people visited the refuge last last year. This high degree of use has resulted in the present serious condition of the road.

At the present time, Box Elder County realizes only about $100 in taxes from this vast 64,000-acre area which has almost totally been removed from the county property tax rolls.

Federal participation in this kind of a road program for national refuges has recent precedents. The Okefenokee refuge in Georgia presents an almost direct parallel to the Bear River refuge road situation. There, Congress appropriated funds to rebuild the road in fiscal years 1957 and 1958. The work was placed up for bid by the Bureau of Sport Fisheries and Wildlife according to specfications prescribed by local county officials. Shortly thereafter, Congress approved a similar cooperative road program at the White River, Ark., refuge. In this case, a fire protection road was built around the refuge, using existing roads as much as possible.

Box Elder County is not in a position to build a road because its funds are already committed elsewhere to roads which serve residents of the county and which have a higher priority than the Bear River refuge access road, which is essentially a service road for the refuge. The available Federal aid secondary funds have been budgeted by the county over the next 3 years for a road north of Great Salt Lake leading to Nevada. The county's problem has been made even worse by the recent floods throughout the county with consequent need to repair county roads and bridges.

Although the county does not have funds to cooperate fully and will furnish county labor and equipment to rebuild the road. It is also willing to maintain the road in the future just as it has in the past.

This is a most worthwhile cooperative project, and I urge the Senate to approve the amendment which would permit Federal participation to the extent of $105,000.

### LANDS FOR AMERICAN FORK WATERSHED PROJECT

Some time ago, Congress approved the American Fork watershed project to carry out vitally needed conservation activities as a joint endeavor by the local people and by the Forest Service and Soil Conservation Service. However, a problem has arisen because some of the land most needed is privately owned and surrounded by National Forest Service lands in the upper reaches of the watershed. There are about 30 private landowners involved. The Utah County Commission, the local participating organizations, and the Forest Service have all advised me that there cannot be a gap of untreated lands in the upper watershed area, or the entire project may be doomed to failure.

The Forest Service has developed a detailed 3-year program, which will cost $80,000. With this money, the land will be purchased from the 30 private owners, attached to the national forest, and conservation work undertaken thereon. The Forest Service advised me that it can use $20,000 during the coming fiscal year, and the Appropriations Committee approved that amount. It will be financed from Uinta National Forest receipts. Unfortunately, there is no authority under Public Law 566, which was passed by Congress in 1954, to carry out watershed treatment work.

This is one of the most important watersheds in Utah and must be protected. A small investment now will reap untold benefits in the future.

### VISITORS' CENTER AT NATURAL BRIDGES NATIONAL MONUMENT

For over half a century the Natural Bridges National Monument has been in existence without any significant development being undertaken by the National Park Service. For many months I have waged a campaign to correct this record of neglect, an effort which has finally borne fruit. This year the budget requests include over $433,000 to build an access road, parking lot, two employee residences and utilities at Natural Bridges. Unfortunately, the President's budget did not include funds for a vitally needed visitors' center; so it was necessary for me to appear before the Senate Appropriations Committee in support of $150,000 for this purpose. The committee deserves commendation for including this worthy project in the bill, and I approve Senate approval.

### FOREST SERVICE WATERSHED RESEARCH LABORATORY

One of the great programs under the administration of Secretary of Agriculture Ezra Taft Benson was the program for the national forests. It was based upon careful study, and estimated the work needed and the costs involved to fully develop our forest resources. One of the key features in this program was a major Forest Service watershed, erosion and rehabilitation research laboratory, to be built at Logan, Utah, in cooperation with the Utah State University. Utah State University has one of the most outstanding corps of water experts in the United States.

The laboratory would cost $900,000, but unfortunately was not included in the President's budget for the coming fiscal year. The project is one of nine forest research projects included in the program so well presented by Senator Stennis in a speech given to the Senate on February 15, 1962.

The purpose of the laboratory is to study problems relating to flash floods originating on steep mountain watersheds. It is expected that the laboratory will be able to develop ways of improving water yield from the mountain watershed, and ways of rehabilitating areas which are producing excessive runoff and erosion.

Plant cover is the only effective natural means of protecting against the high-intensity rainstorms which strike high mountain areas, yet because of the rapid runoff it is very difficult to establish vegetation by usual means. It is believed that this laboratory could develop new techniques and acquire new information about mountain erosion and the effects of vegetation on floods, which could greatly cut down losses both from erosion and from flooding.

The laboratory facility will conduct research on problems covering a large area in Utah, Idaho, Montana, Nevada, and western Wyoming.

This is a vitally needed project and I urge Senate approval of the $450,000 which the committee has included in the bill.

### COLORADO PROJECT TECHNICAL ASSISTANCE ON FISHERIES

Unfortunately, funds were not included in the budget to continue and expand the technical assistance program on fisheries for the Colorado River storage project at Springville, Utah.

This is a cooperative program with the Utah Fish and Game Commission to develop the sport fishing possibilities in connection with the project and to provide for technical assistance to the Skull Valley and Uinta-Ouray Indian Reservations. There is a great need for this project and I urge the Senate to approve $25,000 for this purpose in support of the committee action already taken.

### CONCLUSION

My remarks have been directed only to those items which have not already been approved by the House, but in addition I fully support the $2,673,355 program for development of national parks and monuments in Utah. As one of the stanch supporters of the 10-year Mission 66 program to bring these areas up to a suitable standard, I am pleased to see the great progress which has been made in Utah.

In addition, to other Interior appropriation items which have my general support, I specifically endorse the $408,000 for the Fish Springs National Wildlife Refuge, $80,000 for the Springville fish hatchery and $30,000 for the cooperative fishery unit at Utah State University, $55,000 for the Ouray National Wildlife Refuge, and the $90,000 for the Bear River National Wildlife Refuge.

### PARK HEADQUARTERS REGION

Mr. McGEE subsequently said: Mr. President, an item is contained in the appropriation bill just passed by the Senate on which I should like to comment, in view of matters which are already included in the Congressional Record. The language in the report of the Senate Subcommittee on Appropriations includes a proposal by the Secretary of the Interior to move the region 2 to park headquarters, Cheyenne, Wyo. The proposal was made at the instigation of the Department alone sometime last winter, and not upon the instigation of Senators from the State of Wyoming at that time. The reason for the proposed move, according to the Department of the Interior, was that of economy. It was thought that the movement of the office to Cheyenne, Wyo., would be in the interest of saving the taxpayers' money. However, on the House side protests were lodged against the proposed move. The protests were mobilized by Members of the House from both Nebraska and Iowa, and understandably so, inasmuch as the proposal involved the city of Omaha and approximately 100 families.

As a result of the protests on the House side, the suggestion was made by the Secretary of the Interior, under interrogation, that he would be glad to have another look at the proposal, to reexamine all the data at stake, and make a new determination as to whether it would be economical to move the office to Cheyenne. That promise and that commitment having been made, the House committee nonetheless included language in its report that would prohibit the use of any funds by the Department to transfer the office from Omaha to Cheyenne. With that in mind, I think we ought to keep the record straight before this body because of the House action.

My colleague [Mr. Hickey] offered an amendment on the floor of the Senate to strike the House language. The point of the Hickey amendment was to remove any restrictions or restraints upon the Department if in its judgment it found it of interest to the taxpayers and the saving of money to make that shift of the park headquarters. As a consequence of the Hickey amendment, the Appropriations Committee of the Senate accepted the modification and suggested language of its own. The language which the committee of the Senate introduced in its report was that—

> The committee feels that the National Park Service should not be denied the use of funds contained in this bill to transfer its region II headquarters from Omaha, Nebr., to Cheyenne, Wyo., if after the Secretary of the Interior's promised restudy is completed, the advisability of the transfer is confirmed.

In the light of that language, I think the Record should further show that the basis for the proposal of the shift from Omaha is not new or unique with this session of Congress. For whatever reasons, twice in recent years the proposal has been made to transfer the office farther west. The basis of the economic determination of the cost of administering the office or the cost of the move, I think, are rather open to question, depending upon what factors are used for calculating the ultimate cost figure. I think the offer of the Secretary of the Interior was made in good faith in an attempt to make an honest cost calculation before such a move was undertaken, but I think it well to point out to Senators that the reason for the economy at stake lay in the long-range advantages that Secretary of the Interior Udall expressed in his testimony before the House committee when he was being interrogated on the basis of the move. One might raise the question at this point, What has happened since the earlier two attempts to move the office away from Omaha to a point farther west? What has happened to change the earlier calculations? Whatever other factors may have been involved in the administrative decision to make the shift, I can suggest one basic and fundamental change that has taken place, and that is that the load administered until now by the region 2 office in Omaha has been substantially shifted. The President's new Outdoor Recreation Commission has now been set up and prepared to take on much of the administrative detail for the State parks and any municipalities that once were lodged with the Park Service itself.

It is understandable on the part of some that under the old jurisdiction of the Park Service in region 2, which stretched all the way from Missouri and the Dakotas to the Rocky Mountain States, as far west as Utah, there was a case to be made for the geographical location, but only the geographical location, of the office in that area. With the larger portion of these duties which are being administered in Missouri and Nebraska and Iowa and Dakotas now being shifted to the Outdoor Recreation Commission, it seems to me that it makes only more understandable the position of the Park Service that this office should be shifted to a point more centrally located in the particular areas of concern to the Park Service. Four major national parks lie in the center of the area in which Cheyenne would be the vortex, namely, the Rocky Mountain National Park, the Grand Teton National Park, Yellowstone, and Glacier.

The point of the Interior Department is that for two reasons this would be a fundamental economy. First, it would be administratively less costly, that it would be close logistically to the point of operations which for other reasons center at the present time at San Francisco; and that in general the move to Cheyenne, Wyo., would be in the interest of tighter operation and more economical operation.

I say all this by way of background, because I believe it is well to keep the whole problem in perspective.

We are mindful of the difficulty that this move poses to roughly a hundred families which would, under this proposal, be moved from Omaha. It is understandable that there are those who would not like to leave Omaha. Most of us hesitate to disrupt families.

I think it ought to be the objective judgment of this body that the convenience of officials or families in an administrative setup of our Government ought to be one of lesser priority to the efficiency and the economy of the operation of such an office. In my judgment anyone who goes into Federal service, including the Park Service, must accept the occupational hazard that he will be moved about here and there from time to time. He has no guarantees and cannot have any guarantee of perpetual longevity in any given community merely because he likes it in that community. I have news for those who may be so involved. They will experience a delightful and exhilarating experience in being moved to their new location. I say that, remembering my own delight in living in Nebraska.

However, I believe that this should have nothing to do with the basic determination of the location of a regional office. It is for that reason that I urge every Member of the Senate conferees to take a strong position on retaining the Senate language. We do not say in the Senate language that the Park Service office must be moved anywhere. We do not say that it must be moved to Cheyenne, or must stay in Omaha. We only say that, in all fairness, when the Secretary has promised to reexamine the subject, we do not wish to prejudge the judgment administratively on this score. It is on that basis that we would prefer to leave the question of the Park Service location up to the Secretary of the Interior at the present time.

The **PRESIDING OFFICER**. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 10802) was passed.

Mr. **HAYDEN**. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. **MANSFIELD**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **HAYDEN**. I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. MCCLELLAN, Mr. BYRD of West Virginia, Mr. BIBLE, Mr. MUNDT, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

Mr. **MANSFIELD**. Mr. President, on behalf of the Senator from Wyoming [Mr. HICKEY], I ask unanimous consent that a statement prepared by him, relating to the Department of the Interior and related agencies appropriation bill, be printed in the RECORD.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

STATEMENT BY SENATOR HICKEY

The Interior and related agencies appropriations bill for 1963, having been passed by the Senate, I should like to call to the attention of my colleagues certain language adopted by the Senate Appropriations Committee and included in its report to the Senate.

The background of the committee's statement is as follows:

Some months ago the Interior Department announced that the National Park Service would transfer its region II headquarters from Omaha to Cheyenne, Wyo. The reasons for this move were increased efficiency and economy, as the Wyoming city is more conveniently located in relation to the national parks. Subsequently the Department announced that it would restudy the issue. Then, when the Interior and related agencies bill was before the House Appropriations Committee, that unit included in its report a restriction forbidding any of the appropriated funds to be used for the office transfer.

When the bill was before the Senate committee, I proposed the following language which Senator MCGEE, a member of the committee, accepted and which the Senate committee included in its report:

"The committee feels that the National Park Service should not be denied the use of funds contained in this bill to transfer its region II headquarters from Omaha, Nebr., to Cheyenne, Wyo., if after the Secretary of the Interior's promised restudy is completed, the advisability of the transfer is confirmed."

I quote this section of the committee report at this point, so that the RECORD may clearly show the intent of the Senate in regard to this matter.

## DEPARTMENT OF DEFENSE APPROPRIATIONS, 1963

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 1538, H.R. 11289.

The **PRESIDING OFFICER**. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

The **PRESIDING OFFICER**. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

## AUTHORIZATION FOR COMMITTEES TO MEET DURING SENATE SESSION TOMORROW

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Finance Committee may be authorized to meet during the session of the Senate tomorrow.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **SPARKMAN**. Mr. President, I ask unanimous consent that the Subcommittee on Housing of the Committee on Banking and Currency be authorized to meet during the session of the Senate tomorrow.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

## ORDER FOR ADJOURNMENT UNTIL 11 O'CLOCK A.M. TOMORROW

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it adjourn to meet at 11 o'clock tomorrow.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

## LEGISLATIVE PROGRAM

Mr. **DIRKSEN**. Mr. President, I should like to ask the distinguished majority leader about the program for tomorrow and the remainder of the week.

Mr. **MANSFIELD**. Mr. President, there will be no further votes tonight. I do not believe there will be any discussion on the pending Defense Department appropriation.

At the conclusion of the Senate's consideration of the Defense Department appropriation bill, it is anticipated that the television bill, which will be in charge of the distinguished Senator from Rhode Island [Mr. PASTORE], will be considered.

I believe that tomorrow I shall be able to give the distinguished minority leader and Senators a more detailed outline of the schedule for the remainder of this week and next week.

Mr. **DIRKSEN**. I thank the Senator.

Mr. **HUMPHREY**. I should like to ask the chairman of the Committee on Appropriations a question before we conclude our work today. I understand that under present legislation and under the authority of Reorganization Plan No. 3 of 1950, the Secretary of the Interior could and may establish within the Department of the Interior an office of solar energy by departmental order. Is that true?

Mr. **HAYDEN**. If there is legislative authority for the Secretary to perform the function, apparently he can set up the position under Reorganization Plan No. 3 of 1950 which permits him to act to meet changing needs and to improve the efficiency of his Department. It was under this authority that he created the Bureau of Outdoor Recreation.

## OFFICE OF SOLAR ENERGY

Mr. **HUMPHREY**. Mr. President, at a time when we are considering the appropriations measure for the Department of the Interior, I wish to urge and support the creation of an Office of Solar Energy within the Department of the Interior.

The power potential from the sun is unlimited. I ask you to consider some of the factors on this suggestion:

First. Solar energy is freely available.

Second. It is omnipresent.

Third. Most of its radiation is of a high energy potential.

Fourth. It has a low and variable density, and

Fifth. Utilization of it does not produce noxious waste products.

Solar energy is of course, free, but its value of output must be weighed against the cost of obtaining such output. Eventually, solar energy could be used for water heating, house heating, house cooling, chilling or freezing, and innumerable other activities.

Under present legislation and under the authority of the Reorganization Plan Number 3 of 1950, the Secretary of the Interior may establish within the Department of the Interior an Office of Solar Energy. He may do this by departmental order.

Funds for the conduct of this office are available within the appropriations provided for the Office of the Secretary. If additional funds are needed, these should be requested in the first supplemental.

What is important now is that the Office of Solar Energy be established and directed by a Departmental Order from the Secretary of Interior. I repeat, the legislation for the designation of such an office is available under the terms of the Reorganization Act of 1950, Plan No. 3.

The need for the Office has been clearly established by the recent report entitled "Conference on Solary Energy" under the chairmanship of Dr. Roger Revelle.

I addressed the Senate on the establishment of an Office of Solar Energy on February 15, 1962, when I introduced a bill, S. 2849 for research and utilization of solar energy.

It is well known that the Federal Government has played an active and effective role in the development of hydroelectric power, atomic energy, and the use of thermal power. In this relatively new field of solar energy, the Government needs to coordinate and step up its activities for the development of solar energy devices and techniques.

As I noted on February 15:

> With stepped-up research and development, we can utilize solar energy for a vast area of positive purposes. Power for communications, hospitals and agricultural equipment, to name a few purposes, can be placed in isolated areas of the Nation and world where no power exists now.

Solar energy is vital to our space program, to our program of foreign aid, and can play a vital role in the economical desalting of water. Solar energy can be used for heating or cooling. It may well provide a much needed answer for the problems of refrigeration in the tropical and arid areas of the world.

Regrettably, no one agency or office of the Government at present has an over-all responsibility or total interest in solar energy research and development. The Department of Interior with its interest and experience in the development of power and energy sources could and should take the lead in this long overdue task of coordination and administration. I urge that the Secretary do this without delay. I understand that he has the authority to do so and it appears that someone needs to take on the responsibility. I ask the chairman for his observation and comment.

## DRUG LEGISLATION

**Mr. KEFAUVER.** Mr. President, yesterday, in the CONGRESSIONAL RECORD, beginning at page 10107 and continuing through page 10108 there were printed explanations relative to the contents of a bill which was drafted by the staff of the Senate Judiciary Committee. The explanations were put in the RECORD by the Senator from Nebraska.

Following that, on page 10113 through 10115 the text of proposed amendments were printed.

Later, in the RECORD, at page 10115 there was printed Senate bill S. 1552, as reported by the Antitrust and Monopoly Subcommittee.

For the purpose of examining the contents of the amendments referred to and the original bill, S. 1552, I have before me an analysis of the amendments, six of which were adopted by the Judiciary Committee this morning, the remainder being pending. I believe the analysis has been objectively prepared under my supervision by a staff member of the committee, and I believe it to be factual.

I invite Senators and others who are interested in reasonably priced drugs, drugs that are better and more fully and more fairly advertised, and drugs that are more dependable, to read this analysis. My own opinion is that the amendments to which I have referred, which were placed in the RECORD by the Senator from Illinois [Mr. DIRKSEN], constitute a very small part of the over-all approach and purpose of S. 1552. I ask unanimous consent that the analysis be printed following my remarks in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

### EXPLANATION OF DRUG AMENDMENTS PROPOSED BY SENATORS EASTLAND, DIRKSEN, AND HRUSKA

#### SUBSTITUTE FOR LICENSING IN NAME OF REGISTRATION—AMENDMENTS 1, 2, AND 3

Amendment 1 strikes out the present registration provision of S. 1552, section 508. In lieu thereof it requires every drug manufacturer to register with the Secretary of HEW "his name, places of business and all * * * establishments." He is then assigned a registration number. The information as to name and place of business shall be available to the public. This section is not to apply to pharmacies, physicians, enterprises engaged solely in research, teaching and chemical analysis and others that the Secretary may exempt.

Every establishment registered shall be subject to inspection at least once in every 2 years. Failure to register is made a prohibited act. A drug is misbranded if manufactured in an establishment not duly registered under section 508.

Comment: The principal purpose of the registration provision as contained in S. 1552 was to establish an effective means of seeing to it that drugs of inadequate quality did not appear on the market; this result was to be achieved by requiring all drug manufacturing plants to secure a registration, which, upon a finding of failure to meet standards required for safety, etc., could be suspended or withdrawn.

This provision of S. 1552 was designed to reflect the change in the nature of drug formulation. Not too many years ago most drugs were compounded by the pharmacist. To protect the public health, the pharmacist had to be licensed, which required him to demonstrate his professional competence. Today, over 90 percent of all drugs are compounded by the manufacturers, and yet there is no requirement that before being permitted to sell drugs which may be used by millions of people, he should demonstrate his competence and be licensed or "registered" in the manner set forth in S. 1552.

The provision would extend to all prescription drugs a form of protection to the public interest already employed for many products used in protecting the public health.

Since 1944 (42 U.S.C. 262) the Secretary of HEW has had the power to license manufacturers of any virus serum, toxin, antitoxin, or analogous products upon a showing that the establishment and the products meet standards adopted therefor. He has had the power to suspend or revoke the license and generally to regulate the production, branding, and adulteration of such products, and to inspect the establishment.

Producers of opium poppies and manufacturers of products therefrom have been subject to licenses by the Secretary of the Treasury, the revocation of such licenses and standards for such licensees since 1942 (21 U.S.C. 188).

Manufacturers of economic poisons (insecticides) have been subject to registration and cancellation of such registration by the Secretary of Agriculture, and to regulations and inspection since 1947 (7 U.S.C. 135).

Moreover the Congress has used a licensing or registration in many other fields when they deemed it appropriate to the regulation of interstate commerce, such as in the sale of stocks and bonds, atomic energy, and fisheries.

The proposed substitute adds nothing to present law with respect to failure to meet specified standards but merely requires the filing of the name and address plus a requirement that each plant be inspected at least once every 2 years. It conveys no authority to refuse or to suspend a registration. The only remedies are those currently in the law, namely seizure of the product for adulteration. Other than the fact that it is to be inspected every 2 years, the amendment affords physicians no basis for assuming that any given drug company is producing drugs under conditions which assure adequate quality. It thus provides no assurance that drugs prescribed on a generic-name basis are of acceptable quality, which was the principal objective of section 508.

Since the amendment provides no means of preventing a manufacturer who is not meeting the standards from placing drugs on the market, the only means of enforcement would be seizure of the drugs when found on the market as adulterated. There is considerable testimony to the effect that physicians do not regard this present method of enforcement as sufficiently adequate to warrant prescribing by generic name.

Amendment No. 2, factory inspection, would permit FDA inspectors to enter any drug factory and to inspect such factory and all things therein bearing on whether articles are adulterated or misbranded. Specifically exempted from inspection are financial data, sales data other than shipments records, pricing data, and personnel data.

Comment: Except for conditions which might be considered to "bear on" the adulteration or misbranding of products, there would be no standards fixed in the act (or to be determined by the Secretary) which a drug company would be required to meet. The amendment does not specify what conditions in a plant "bear on" adulteration or misbranding, and it would be most difficult in the absence of standards to sustain seizure of the drug as adulterated without definite standards having been violated. The only action which could be taken against a company which failed to meet whatever standards are employed would be seizure of the product as adulterated.

In contrast S. 1552 specifically sets forth the standards to be employed in factory inspection, which are designed to insure "the continued chemical structure, strength, quality, purity and efficacy" of drugs. Thus, the Secretary of HEW is empowered to prescribe the "qualifications required of the manufacturer" and to promulgate regulations which shall include provisions relating to such matters as plant sanitation, raw materials used, batch records, weighing and measuring controls, cleaning of equipment between batches, etc.

Amendment No. 3, quality of manufacturing controls, provides that the method used in or the facilities or controls used for the manufacturing of a drug must conform to "current good manufacturing practice to insure that such drug meets the requirements of this act as to safety, identity and strength and meets the quality and purity characteristics which it purports or is represented to possess." The Secretary is authorized to issue interpretative regulations which shall be prima facie evidence as to what constitutes "current good manufacturing practice."

Comment: In place of the specific standards set forth above, which incidentally were proposed by FDA itself in 1952, the amendment introduces a new term into the discussion of this issue, "current good manufacturing practice," the meaning or interpretation of which is not described. It is impossible to imagine the amount of confusion for both Government and industry which would arise from the interjection into the law of such an ambiguous and imprecise standard. Moreover, the amendment, for some reason, eliminates from the objectives which inspection is designed to acheive "continued chemical structure, strength * * * and efficacy."

### SUBSTITUTE FOR NEW DRUG PROCEDURES AND CRITERIA—AMENDMENTS 4, 5, 6, AND 7

Amendment 4 relating to new drug clearance procedures extends the time period a new drug application becomes effective unless the FDA acts to block it. The extension is from 60 to 90 days. In contrast, S. 1552 provides that the application does not become effective until it is specifically approved by FDA.

Comment: The present requirement that applications become effective within a certain period of time unless negative action is taken by the FDA is one of the principal flaws in the current law. Extending the time period from 60 to 90 days would be of little value. It is almost unthinkable that drugs with the potential of causing the most serious side effects, including death, should automatically be placed on the market unless the FDA takes positive action to the contrary. The provision is probably more responsible than anything else for the increasing frequency with which drugs have been appearing on the market with dangerous side effects and later have had to be recalled.

Amendment 5 would modify the term "evidence" with respect to a showing of efficacy by the word "substantial." The purpose is to make it possible for drugs to be approved on the basis of a showing of "substantial" rather than "preponderant" evidence.

Comment: This amendment raises the question of whether the FDA should approve the marketing of a drug which could not pass the preponderant test but could pass the substantial test. Inasmuch as most drug companies are able to produce "substantial" evidence as to the efficacy of their drugs, the provision would have the effect of virtually nullifying the requirement of establishing efficacy. Confronted with a body of "substantial" evidence adduced by the drug company, the FDA would have to permit the marketing of the drug even though the preponderant evidence was that the claims for the drug's efficacy were excessive.

Amendment 6. The comments on amendment 5, which relate to the original clearance of new drugs, are also applicable to this amendment, which is to the same effect but relates to suspension of new drug applications that have been approved.

Amendment 7 would eliminate efficacy from the definition of new drugs. It is contended that every time a new claim for efficacy is made it is necessary to go through the new drug application procedure again.

Comment: What this is aimed at is the requirement under S. 1552 that when a new claim of efficacy of a drug is made, approval must be obtained from FDA. For example, if a drug approved for marketing as a tranquilizer is claimed to be efficacious in the treatment of arthritic, its efficacy with respect to this new claim must under S. 1552 be approved by FDA. Under the amendment the drug, once initially approved as a tranquilizer, could be promoted as an antiarthritic drug, sedative, antihistamine, etc., without the new claims being approved by FDA. In such circumstances the ability of FDA to act against excessive claims for efficacy would be limited to its existing and relatively ineffective power to seize the drug as misbranded.

### RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS AND ANTIBIOTICS—AMENDMENT NO. 8

Amendment No. 8 is the same as the amendment previously offered by HEW requiring the keeping of records and making reports by drug manufacturers with respect to side effects for new drugs and antibiotics.

Comment: This is a desirable amendment which was recommended by the President, and should be accepted.

### OFFICIAL OR GENERIC NAMES OF DRUGS—AMENDMENTS NOS. 9 AND 10

Amendment No. 9 provides that instead of the official or generic name being "printed in type at least as large and as prominent as that used for any trade or brand name," as required under S. 1552, official names shall be printed in a manner designated under regulations issued by the Secretary.

Comment: The testimony of medical authorities was almost unanimous as to the desirability of this provision. Making the size of type of the generic name dependent upon the judgment of the Secretary would subject the HEW to constant pressures and make for a lack of uniformity as between different companies, different drugs and different periods of time.

Amendment No. 10 provides that before the Secretary establishes an official name he shall hold a public hearing. This provision appears with respect to both the designation of official names upon a review made by the Secretary (sub. (d)) and after a request by the compiler of an official compendium that the Secretary designate the official name (sub. (e)).

Comment. This requirement would appear to be completely unnecessary with respect to subsection (e), since the request would be made to the Secretary only after the official name had first been proposed by a drug company, rejected by a compendium (such as the U.S. Pharmacopoeia), and presumably the drug company would also have rejected the alternative name proposed by the compendium. Only under circumstances such as these would the request be made to the Secretary by the compendium in the first place. Obviously the matter would not come as a surprise to the company and there is no need for the inclusion of a hearing under these circumstances in what is in effect a "last resort" procedure.

Subsection (d) authorizes the FDA to make reviews of generic names, and it is anticipated that these will be made infrequently but will cover a large number of drugs. The requirement that a hearing be held for each official name that the Secretary in such a review may consider establishing would probably make this provision extremely cumbersome, time-consuming and costly in operation.

### INFORMATION TO PHYSICIANS AND ADVERTISING—AMENDMENT 11

Amendment 11 would strike out all the provisions in S. 1552 with respect to material to be furnished to doctors by drug manufacturers and the requirements with respect to what shall be carried in advertisements.

Comment: The amendment would delete the requirement in S. 1552 that the manufacturer who sends information to a doctor should include a copy of the package insert. It would delete the requirement that advertisements include the official name printed in as large type as the trade name, a warning (or summary thereof) as to dangerous or harmful properties of the drug, and a statement of the drug's efficacy. The amendment would substitute for these provisions merely a requirement that the manufacturer maintain for transmittal to doctors copies of printed matter required by the Secretary to be placed in the package and to furnish such printed matter to the doctor on request of the doctor. Thus the information contained in the package insert would not reach physicians unless they requested it. This adds nothing to the present law since now a manufacturer will send such matter to a physician upon request.

### NO BATCH CERTIFICATION ON ADDITIONAL ANTIBIOTICS—AMENDMENT 12

The substance of this amendment is to leave the present law with respect to antibiotics certification as it is.

Comment: Under the present law, 5 antibiotics which happen to have been introduced between 1945 and 1949 are subject to certification. This is the result of a historical accident that these are the antibiotics which had been introduced at the time section 507(a) of the Food and Drug Act regarding the certification of antibiotics was adopted. The present situation is anomalous in that the production of most of the older antibiotics, for which certification is required, has become relatively standardized, whereas this is not true of some of the newer antibiotics. The testimony in the hearings was to the effect that certification was no longer needed in the case of older antibiotics but is badly needed in the case of some of the newer products. S. 1552 places all antibiotics under certification with, however, recognition of the fact that section 507(c) of the present law provides that "whenever in the judgment of the Secretary the requirements of this section and of section 502(l) with respect to any drug or class of drugs are not necessary to insure safety and efficacy of use, the Secretary shall promulgate regulations exempting such drug or class of drug from such requirements."

## TRIBUTE TO ED SULLIVAN—14TH TV ANNIVERSARY

**Mr. JAVITS.** Mr. President, on June 24, Ed Sullivan celebrates his 14th anniversary in television. I would like to take this opportunity to call to the attention of my colleagues the contributions he has made to the American cultural scene.

Since the beginning of television, Ed Sullivan has played an important part in the development of television as a medium of entertainment and of a broader knowledge of the art and culture of all mankind for the entire family. His shows have largely originated from New York City. His program has been presented at a time when the family is together, and he has always been extremely careful to select performers and present entertainment from the United States and from many lands that is suitable for people of all ages. The 14 years that he has appeared on television—a period said to be longer than any other performer on an entertainment program—attests to the esteem of the American public.

Ed Sullivan has made an excellent impression for the United States abroad through his cooperation with the U.S. State Department in presenting his show in the Soviet Union. He has traveled hundreds of thousands of miles to places like Brussels, Alaska, Ireland, Portugal, Japan, and West Berlin with performers and has presented programs in those countries which have reflected credit on our country.

Ed Sullivan's show has brought the best of every foreign country's entertainment to the people of this country. It was the first television program to present the Sadler's Wells Ballet company from England and the Moiseyev dance company from the Soviet Union. He has brought excerpts from the best of Broadway's productions to people who do not have the opportunity to see them soon after they have opened.

In this period of television's "vast wastelands," Ed Sullivan has consistently presented a program that certainly cannot be included in this generalization. Many of the cultural achievements of our country and our most prominent artists have been seen and heard by his estimated weekly audience of 40 million people. His program has also been an incentive to the young of talent throughout the world, because of his interest in giving young performers earned opportunities.

The offstage Ed Sullivan is a credit to his profession. No cause is too small to receive his help. His generosity is well known to every charitable organization.

I am proud to pay this deserving tribute to my friend and native New Yorker Ed Sullivan on the occasion of his 14th anniversary on television for his important contributions to his two professions—columnist and TV star—to the television industry and to the Nation.

I ask unanimous consent that a biography of Ed Sullivan, prepared by the Columbia Broadcasting System TV network, be inserted in the RECORD at this point.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

### ED SULLIVAN—HOST OF "THE ED SULLIVAN SHOW," SUNDAYS, 8–9 P.M.

Ed Sullivan has the distinction of presenting the oldest and one of the most popular hour-long shows on network television: "The Ed Sullivan Show."

Sullivan's first program was broadcast on the CBS Television Network on Sunday, June 20, 1948. It featured a pair of young comics, Dean Martin and Jerry Lewis, who split a $200 fee for their work.

In the 14 years since that first show, Sullivan has presented thousands of star performers and has traveled more than a million miles to bring the best of American and foreign entertainment to the American television public. He has filmed shows in 18 foreign countries, including programs in Moscow and Spoleto, Italy, which won the George Foster Peabody Award in 1960 for their "contribution to international understanding."

Sullivan has been responsible for numerous television innovations. "The Ed Sullivan Show" was the first program to: broadcast from outside a studio; use overhead cameras and rear-screen projection; turn its cameras on the studio audience and introduce personalities from the audience; use a split screen on an entertainment show; hide cameras in the sets and suspend cameras from booms; televise a performer in one city appearing in front of a set located in another city; use VideoScene; present an ice show; have a permanent chorus line; present television biographies of outstanding people in the entertainment world; present portions of Broadway musicals and dramatic shows with their original casts while they were still appearing on Broadway; show miniature previews of forthcoming motion pictures; take its own equipment into Moscow. It was also the first American variety show to perform in the Soviet Union for the Russian people.

The program stems from a 1947 Madison Square Garden Harvest Moon Ball which Sullivan hosted for the New York Daily News. Impressed by Sullivan's easy manner with entertainers, Worthington Miner, then manager of program development for the CBS television network, called Sullivan and arranged for a conference. "Toast of the Town" was the outcome. In September 1955, the name of the show was changed to "The Ed Sullivan Show."

Sullivan's wide acquaintance with sports and show business personalities, his former experience as a vaudeville trouper, his success as the host for many all-star benefits and his 30 years' experience as a New York newspaperman helped him get the program off to a flying start.

Sullivan first entered show business in the early 1930's when, as a master of ceremonies for benefit shows, he branched out into vaudeville and radio. His "Dawn Patrol" stage troupe played for years across the Nation and starred many leading vaudeville and nightclub performers.

In radio, Sullivan introduced to the airwaves such notables as George M. Cohan, Florenz Ziegfeld, Jimmy Durante, Gertrude Niesen, Jack Haley, Frances Langford, and Irving Berlin.

One of his most important accomplishments in radio, Sullivan feels, was in having Jack Benny make his debut on the Sullivan program on CBS radio. That great day in radio history was March 29, 1932. In 1942, on his 10th anniversary in radio, Benny honored Sullivan by repeating on his own program the script of that first broadcast.

Prior to his appearance on television, Sullivan was best known for the charity affairs which he staged, especially during World War II. His massive show for Army emergency relief grossed a record $226,500, and, a year later, his American Red Cross benefit at Madison Square Garden surpassed that figure with a gross of $249,000. During the past 11 years he has taken numerous troupes and stars to veterans' hospitals and other institutions. The Armed Forces have cited him five times for his efforts in war bond drives and hospital tours.

As host of his television program, as a columnist and as a private citizen he has worked tirelessly for many worthy causes. The numerous awards he has received for his civic efforts have made him one of America's most honored entertainment personalities. For his contributions on their behalf, he has been cited by foreign governments (Italy, France, Israel), all branches of the Armed Forces, charities (American Cancer Society, Lighthouse for the Blind, Arthritis and Rheumatism Foundation) and many other organizations. The Advertising and Allied Industries cited his accomplishments in the following manner:

"One of the great names in American show business and journalism, Ed Sullivan has devoted his talents, his energies, and his resources, for nearly three decades, to the cause of human rights and community welfare.

"His patriotic and civic efforts are matched only by his services to the cause of better understanding among Americans of all races and faiths. These services are among the most significant achievements of any public personality in the world of entertainment in our time."

A yearly high point in Sullivan's role as a showman is the annual New York Daily News Harvest Moon Ball at Madison Square Garden and his subsequent appearances with the winners in theaters across the land.

Sullivan, born in New York, lived in upper Manhattan until his family moved to Port Chester, N.Y., where he attended St. Mary's Parochial School and Port Chester High School.

After graduation from high school, Sullivan became a reporter for the Port Chester Daily Item at $10 a week. The job, Sullivan adds, included coverage of the police court, weddings, funerals, and other events of local interest.

Sullivan joined the staff of the old New York Evening Mail in 1920 as a sports reporter. He later moved to the World, the Morning Telegram, and the Graphic as a sports writer. After 12 years of writing for the back pages, he became a Broadway columnist, a job which brought him into contact with all of the important names of show business. He shifted later to the Daily News, establishing his "Little Old New York" column, which developed into one of the Nation's best known and most widely syndicated features.

In television, Sullivan merges the varied talents he has developed during his 30 years on Broadway.

Ed Sullivan has done much to improve the working relationship between the television and movie industries with his biographical sketches of such motion picture producers as Walt Disney and Samuel Goldwyn and with his salutes to the major studios.

Sullivan has been responsible for the television debuts of scores of popular personalities, including Victor Borge, Walt Disney, Bob Hope, Dean Martin, and Margaret Truman, and numerous Hollywood stars such as June Allyson, the late Humphrey Bogart, Rita Hayworth, Van Johnson, Hedy Lamarr, Burt Lancaster, Jane Powell, Lana Turner, and Esther Williams.

Despite an exhausting and hectic daily schedule, he claims he is chronically lazy. His main diversion from his program and his column is golf. He learned the game as a youngster when he and Gene Sarazen caddied together at the Apawanis Club at Rye, N.Y. He usually tries to play a round in every new city he visits on his tours.

Sullivan and his wife, Sylvia, have an apartment in the Hotel Delmonico on Park Avenue, Manhattan, where Sullivan conducts all of his business as television performer and Broadway columnist.

His daughter, Betty, who is married to Robert Precht, producer of "The Ed Sullivan Show," has made him a four-time grandfather. He has three grandsons, Robert Edward, Vincent Henry, and Andrew Sullivan, and a granddaughter, Carla.

**Mr. KEFAUVER.** Mr. President, I join in commemorating the anniversary of Ed Sullivan's participation in TV programs and in paying tribute to him and his great talents.

**Mr. JAVITS.** I thank the Senator. Ed Sullivan is a man who is more than an entertainer or master of ceremonies. He is really an outstanding public figure. I am very grateful to the Senator from Tennessee.

## THE WORLD OF THE FUTURE

**Mr. KUCHEL.** Mr. President, the people of California are understandably proud of the efficient labor being performed in their State in the field of science and engineering. Much of it is geared directly to the efforts of the U.S.

Government in the fields of America's defense and of outer space. But much of it, also, begins to have a profound and beneficial effect upon the daily life of all mankind.

Many of the large industrial complexes located in California spend a considerable portion of their own time, their own efforts, and their own money seeking new breakthroughs in several important fields—for means to make our missiles and rockets even more reliable; and for methods of producing them for less cost. They are also striving to find applications of the new knowledge to more mundane but no less important areas.

A typical story of the progress which is being made and of the aspirations of the men of science and engineering was recently told in graphic detail by Mr. John R. Moore, president of the Autonetics Division of North American Aviation, when the Autonetics Research Center was dedicated in my home community of Anaheim, Calif.

The remarks of Mr. Moore are particularly intriguing. He speaks about the world of the future. He says that mankind has a choice: The future can be bright and alive, or it can be dark and dead. He paints a picture of hope and faith; indeed, of the hope and faith to which men who are engaged in science and engineering generally, and in his Autonetics Research Center particularly, have been so strongly dedicated.

Mr. President, I ask unanimous consent that the text of Mr. Moore's dedicatory speech be printed in the body of the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

### Address by Mr. Moore

The world of the future can be bright and living, or it can be dark and dead. Much of the future is right here today—within a few feet of this room. Our problem is to find it and to put it to the beneficial use of mankind.

Much of our work is guided by the stern realities of military necessity. We at Autonetics and North American are proud to be doing our share. But aside from the fundamental goal of providing true national security against any hostile force, we are inspired also by the desire to use our technology to enrich the life of the world. And, we are victims of man's ceaseless desire to conquer new frontiers, even new worlds.

To each of these goals this research and development center is dedicated. Throughout the divisions of Autonetics, and of North American Aviation, scientists and engineers are grappling with many of the same problems with which we deal here. But their goals are too often, of necessity, limited to a particular project, to a contract obligation, to an immediate and pressing problem.

The urgency of solution is no less here. But here we have tried to create an environment, assemble a team, and supply the tools whereby men of equally high motivation can project solutions of today's problems and needs into a future, measured not by months but by years.

Science and technology have undergone a major revolution since World War II. This revolution—spurred by the necessities of national defense—has seen advances on all scientific fronts at a rate which could not have been predicted, even in 1950. Our technology has moved as far in one decade as it would have moved in a century by prewar standards. Along with advances in the scientific specialties have gone the feasibility and desirability of combining the outputs of the individual disciplines into increasingly complicated interacting systems, with corresponding complications in the organizations which produce them and the society which uses them. Because of this, I feel that the era which we are now entering is not so much the space age as the age of complexity, with the glamorous conquests of space representing only one manifestation of a more far-reaching situation which extends into all avenues of human activity.

Necessary conditions for our age of complexity have been the phenomenal advances in that group of scientific disciplines often misnomered "the electronics industry." Autonetics today, with its 32,000 employees, is 1 of the 10 largest organizations in that American electronics industry. This industry, which has as its primary characteristics the extension of human capabilities to sense, communicate, analyze, remember, and control, now contributes essential elements to almost every other scientific endeavor—whether in the uncharted reaches of space or the electron microscopes of virology.

From a business standpoint, the electronics industry has reached its first plateau of maturity. But this plateau is destined to be short lived. This research laboratory—along with thousands of others throughout the world—is dedicated to the verification of this prediction.

Already we see in these laboratories developments which give promise of changing our technology far more in the next 15 years than the changes which accompanied the revolution in which the age of complexity was born. These developments are destined to have far-reaching effects on all of our lives—on how we live and travel and communicate—on the kinds of schooling our children must be given and the kinds of jobs we must learn to do.

The years to date have sponsored many ideas, inventions, and activities representing the application of the disciplines of classical physics to the interconnection of discretely valued lumped parameter elements. These interconnections have been performed by wires, mechanical elements and far-field electromagnetic waves.

As such, it was possible to understand a sharp distinction between the engineer and the scientist working in the same scientific field. The new principles open up a whole new world of controlled field phenomena, along with vast complexes of interconnected lumped parameter elements in which the coupling is fabricated at the same time that the individual elements are built—by accurately controlled electron and ion beams. In such equipment the engineer must be a modern physicists as well as a practical man. This is not meant to imply that the need for engineers distinguishable from pure scientists will not continue to exist in many fields—but, rather, to note the expanding requirement for a kind of training and capability not readily available today.

This new revolution in the electronics industry will partake of all the alarms and excursions and attritions of any revolution. It will change electronics from a handicraft industry to the most highly automated in the world. Already some of the building blocks of the new revolution have been given names, picked up by the press, "microelectronics," "grown-circuits," "functional electronic blocks," "thin film technology," "photon interconnection," "cryogenics," "Lasers," "Masers," "Irasers," "plasmas," and many more.

The invention of the transistor, a scant 15 years ago, provided a major impetus for basic research into the nature of the solid state. The aim today is not just to make possible smaller and lighter assemblies. More important, it is to provide assemblies of vastly improved reliability. This is a necessary condition to the ability of electronics to achieve its bright destiny as the greatest servant of mankind.

A home radio set may contain 50 parts. The guidance system for a missile may contain 25,000 parts. This is an increase by a factor of 500 and, if the failure of any part will cause a catastrophe, the average reliability of each individual component must be increased by a factor of more than 500 to keep the guidance no less reliable than the radio.

The high degree of automaticity inherent in the production processes of tomorrow also will result ultimately in materially lower costs. The electronic assembly line of the future can be envisioned as an extension of some of the laboratories you will see here today. Electronic assemblies will be formed under ultraclean conditions in high vacuum chambers. Processes of cutting, forming, diffusing, and interconnecting will be accomplished by invisible electron and ion beams similar to those which paint the picture on a TV tube, only much more powerful. These beams will be controlled in their action by digital computers of great flexibility. With these processes it will be literally possible to write the required characteristics into a tiny block of semiconductor material and to form the interconnections in place through the deposition of very thin layers of refractory metals such as tungsten or tantalum.

The ultimate in this process is what might be termed "invisible electronics"—circuits so small as to be invisible even under a microscope. Since the electron beam can have a resolution capability finer than one wavelength of visible light, we have at hand a tool for working on things truly beyond our capability to visualize. Our laboratory here has one such instrument called a "microprobe." With it we can literally "see" the gross structure of matter and the distribution of specific chemical elements in an alloy, a solution or a surface interface.

The realization of such tiny circuits may make possible some truly arresting results in the field of digital computers. We are on the verge of breakthroughs to relieve man of much of the burden of mental labor, just as the industrial revolution relieved him from much of the burden of manual labor.

One of the problems we face as scientific knowledge grows by fantastic amounts is simply the documentation, processing, filing and retrieving of available information. Today, we are faced in many areas with subject matter so complex that no one man or integrated team of men can know or recall everything relating to a single subject. The menial mental task of assembling information and then analyzing it is becoming overwhelming. This has led to intensive efforts on the part of the electronic industry involved with data processing. Such efforts have resulted in many applications for engineering calculation, business administration, factory information, process control and vehicle control.

However, important as these external organized equipments are today and in the future, we are now beginning to think in terms of a new type of device called the bionic machine. These electronic systems do not use biological elements as the name might imply, but, rather, attempt to simulate the operation of the human brain. In this sense they are called self-organizing—which means that they are capable of automatically adapting their internal relationships to fit situations which develop from external stimuli. Such devices were originally investigated for automatic pilots, for language translation and for pattern recognition in a more general sense—to recognize meaningful information among a maze of extraneous data.

Today you will see one such machine. It is the rudimentary predecessor of what we believe will be the instrument of the emancipation of the mind: the computer which learns. The AGILE learning machine to be demonstrated is rudimentary only because it is limited in capacity by the realities of our present state of the art in component miniaturization. It has been estimated that the human mind has a memory equivalent to 2 billion bits and contains analogs of 200,000 integrators. In an era of invisible electronics, we could expect that computers would be available with a bit capacity which begins to rival the human brain.

Such computers, programed in the learning mode—crammed with every facet of information and experience in a given subject or field—would make possible what we like to call the automatic oracle. It could be interrogated at will by a person in search of knowledge. For example, if it were made an authority on the human heart, a doctor interested in an obscure symptom discovered in a patient could consult the automatic oracle for digested information to assist in reaching a prompt, accurate, perhaps lifesaving diagnosis. Or a lawyer, interested in past decisions pertinent to his case, could refer to a legal "automatic attaché."

In brief, we have within sight a capability which could radically change the destiny of man by vastly expanding, augmenting and freeing his brain capacity. But to do so with today's computers might well, in some cases, require the assembling of every major computer in the Nation to handle a single intellectual field in depth. Thus, one importance which microminiaturization assumes involves the feasibility of building electronic computers of vastly greater complexity with a reliability that will make them usable and at a cost which will open up the market for them.

And, that, of course, is not the only technology currently in transition from laboratory to production line, and on which we shall work here. Another is the science of discrete energy level devices. These may be known to you under such names as Lasers, Masers, Irasers, atomic clocks, or Mossbauer devices. They have in common their ability to act as generators, amplifiers, or detectors of energy of very precisely controlled frequency and phase, through the medium of quantum effects in solids or gases. Radio telescopes use these effects. Atomic clocks so precise they would lose only 1 second in 300 years now are available. Lasers and Irasers can produce extremely intense beams of visible or infrared radiation which is coherent—that is, of the same phase—which permits extremely sharp focusing. A Laser beam transmitted from an earth station would subtend to only about half a mile at the surface of the moon, and American scientists recently were able to detect the reflection of such light from earth to moon and return.

Lasers, as potential sources of high density energy, have obvious military applications in such things as so-called death rays transmiting large amounts of energy with the speed of light. But more important to that bright and living side of our future are applications in the communications field, and in the intricate micromachining process needed with automated fabrication of future electronic systems.

Such advanced discoveries and techniques usually have their first applications in new frontiers. The most highly publicized uses thus have been coming in the field of outer space, where exploration is largely a scientific and exploratory venture, but certainly has its military overtones. Space is becoming a place to hide, a place for spies in the skies, a place for orbiting fortresses. It could become the battlefield of the future as the world's powers seek means to disarm, at least on the earth itself.

And, while outer space is the current focus of attention, so is it possible that inner space—that major portion of the earth's surface which is under water—may become a focal point within the next decade. Man has used the ocean surfaces as a transportation medium for centuries, but we know almost nothing about the ocean depths. The ocean floor covers 139 million square statute miles—and yet, except for the Continental Shelf, less than 1 square mile has been photographed and less than 3 percent has been mapped. We literally know more about the surface of the moon, even today, than we do about the ocean bottom.

What are its resources? We know we have oil in the ocean floor and drill for it from huge, cumbersome platform vessels. We see dredging for phosphorus and pumping for sulfur, miles from our shores. But what other scarce resources are there? How can we recover them economically to meet the needs of a burgeoning world population? What of the minerals to replace the depletion of surface supplies? Our ocean fishing in many ways has made no real advances from the Stone Age. How can we "farm" the fish of the seas or use the myriads of marine plant life to the benefit of mankind?

And as we can hide weapons in space, so can we hide missile-launching submarines in this inner space. But, as our potential enemies obtain this capability, how do we combat it? How do we detect it? How do we prevent other covert military use of the ocean deeps? Even in a world without national arms, what of the prospecting and policing actions required for exploiting 70 percent of the earth's surface?

Through this laboratory and the other divisions of North American we hope to make substantial contributions in the areas of the ocean sciences. Indeed, one thing you will see today is a model of a two-man vehicle capable of self-sustained, mobile operation in ocean depths to more than 3,000 feet.

It represents, in its small way, the teamwork which must go into scientific advances. Autonetics and Los Angeles divisions of North American are cooperating on design and drafting of plans. Rocketdyne division engineers are working on auxiliary buoyance tanks. The Columbus division is developing a hull of sandwich construction to withstand the tremendous pressures.

The research and development team at this new center is planning the instrumentation, controls, final assembly, and operations.

The fascination of work such as ours lies in being a part of the fantastic new world which science and technology is creating; in being part of the team at North American and at Autonetics. I am particularly delighted to work with the group which Dr. Robert M. Ashby has assembled to man this center.

Roughly one-third of the technical people here hold doctorates. All are advanced experts in their particular fields. We feel fortunate in being able to create a group, and an environment, which will grow and play a vital part in shaping the future. I hope all of you here today will view it, not just as customers or competitors, but as fellow weavers at the loom of the fabric of the future.

Dr. Ashby, it is in this spirit that we dedicate this center today, and that I present to you this dedicatory plaque which symbolizes our bit of mankind's aspirations.

## ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. **KEFAUVER**. Mr. President, under the previous order, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 54 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, June 13, 1962, at 11 o'clock a.m.

## NOMINATIONS

Executive nominations received by the Senate June 12, 1962:

### U.S. DISTRICT JUDGE

Roger D. Foley, of Nevada, to be U.S. district judge for the district of Nevada. (A new position.)

### IN THE NAVY

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Van P. Liacopoulos
John N. Luebbermann

Ernest G. Koehler (Naval Reserve Officers' Training Corps candidate) to be a permanent ensign in the line of the Navy subject to the qualifications therefor as provided by law.

The following-named graduates (from Navy enlisted scientific education program) to be permanent ensigns in the line of the Navy subject to the qualifications therefor as provided by law:

Jesse W. Armstrong
Edward L. Campbell
David M. Charles
Walter A. Crossman
John L. Mountjoy
William L. Newcomb
William P. Tinder
Okey Townsend, Jr.

The following-named graduates (from Navy enlisted scientific education program) to be permanent ensigns in the Navy (engineering duty) subject to the qualifications therefor as provided by law:

John E. Handberry
Floyd G. Lecroy
William G. O'Brien

Philip G. Kesel (Navy enlisted scientific education program) to be a permanent ensign in the Navy (aeronautical engineering duty (aerology)), subject to the qualifications therefor as provided by law.

Joseph M. Moroney (Navy enlisted scientific education program) to be a permanent ensign in the Navy (special duty, communications) subject to the qualifications therefor as provided by law.

The following-named graduates (from Navy enlisted scientific education program) to be permanent lieutenants (junior grade) in the line of the Navy, subject to the qualifications therefor as provided by law:

Frederick G. Doell
Robert M. Foley
Elmer R. Grimes

Howard A. Boshers (Navy enlisted scientific education program) to be a permanent lieutenant (junior grade) in the line of the Navy in lieu of ensign as previously nominated, subject to the qualifications therefor as provided by law.

Joseph H. Freeman, Jr. (Navy enlisted scientific education program), to be a permanent lieutenant (junior grade) in the line of the Navy in lieu of ensign as previously nominated and confirmed, subject to the qualifications therefor as provided by law.

James R. Meyer (Navy enlisted scientific education program) to be a permanent ensign in the Supply Corps of the Navy, in lieu of ensign in the line as previously nominated and confirmed, subject to the qualifications therefor as provided by law.

The following named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Richard F. Ambur
Jack R. Brewer
Stephen T. Bush
Robert B. Fitzgerald
John W. Garden
John C. Gibson
Richard M. Monihan
Surl L. Nielsen
James Z. Taylor
David L. Wishart

The following named (Naval Reserve officers) to be permanent lieutenants in the

Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

John C. Folusiak
Donald M. Phillips

The following-named officers of the Navy for permanent promotion to the grades indicated:

*To be captains, Medical Corps*

Judson H. Jenkins
David Minard
James P. Semmes
David B. Rulon
George W. Taylor, Jr.
Newton W. Allebach
Edwin F. Aune
William B. Ingram
James C. Hodges, Jr.
Oscar Gray, Jr.
Albert D. Nelson, Jr.
Orville F. Nielsen

*To be captains, Dental Corps*

Joseph S. Hurka
Thomas J. Hanson
Donald C. Hawkins
Frederick W. Brigance
Joseph J. Hoyt
Charles W. Folkers
Justin F. Stolitsky
Peter C. Conglis
George A. Pfaffmann
Alva A. Wheat
Walter E. Ralls
James J. Brown, Jr.
Leon G. Suehs
Thomas H. Mayo
Fiore A. Papera
Joseph G. Hancock
Richard T. Sochowski
James W. Sedlacek
Gordon H. Rovelstad
Edward G. Hutton
Henry T. Mumme, Jr.
John H. Smith

*To be commander, Medical Corps*

Roger F. Reinhardt

*To be lieutenant commander, Dental Corps*

James E. Corthay

*To be lieutenants, line*

Samuel F. Keller, Jr.
Patrick J. Cusick
James A. Mares
Walter F. Behrle
Henry P. Woodcock, Jr.
John H. Miller
Nestore G. Biasi
Rodney W. Couser
Robert E. Daley
James W. Holmes, Jr.
Grant G. Gullickson
John Popp, Jr.
George W. Pearson
Eugene T. Knight
Lewis M. Popplewell
Julian L. Raines
Charles E. Cogswell
James F. Barkley
Charles B. Rose
Francis W. Lannon
Henry C. Rodgers
John J. Muniz
George Bernier, Jr.
John W. Welsch
George M. Langford
Archie G. DeRyckere
William A. Rose
Louis A. Downey
Clarence A. Devine
Kermont C. Brasted
Harold S. Kimbrough
John F. Gildea
John J. Teuscher
Harry H. Ferrier
Norman L. Spry
Ray Goodson
Allan A. Porter
Perry F. Creighton, Jr.
James E. Tassell
Edward J. McLyman, Jr.
Lee R. Craig
Harry E. Thompson
James G. Hill
John E. Bilderback
Albert J. Scoles
Albert A. Wood, Jr.
Clyde E. Waldrop
Robert H. Willyard
Joseph H. Fegan
Raymond P. Tennison
Gordon F. Siljestrom
Harold W. Fisk
Leonard Leo
Leonard J. Abbott
Robert A. Crozier
Thaddeus F. Chiz
Henry L. Monroe, Jr.
Sam A. Ferguson
John D. Santivasci
Oscar W. Benefiel, Jr.
Roy W. Asher
Anthony Janus, Jr.
Clarence R. Lake
Joseph F. Turpel
Ralph R. Huff
Frederick J. Richey
Isom L. Brown
James W. Alexander
Charles L. Smith
Thomas E. Bower
Frank R. McCoy, Jr.
Raymond Perry
Willard B. York
Victor A. Baglioni
James L. DeLozier
John B. Powers
Jack A. Offins
Louis H. Marcoux
Mike Manso
Roger L. Graham
Robert M. Donovan
William H. Rush
Roger M. Exon
Charles D. Grundy
William J. Summerville, Jr.
Robert W. Ullman
Albert J. Lacklen
Walter D. J. O'Toole
Gerard P. Brunick
Orris V. Clark
Richard J. Wear
Melvin E. Chapman
Bill R. Allen
John F. Craven
Donald Kear
John E. Tucker
Frank C. Conerty
John H. Ulrich
Richard J. Deisher
Calvin M. Weil
Joe A. Hudson
Lawrence G. Hoppenjans
Clarence A. Hicks, Jr.
Robert W. Lane
Vernon E. Petranek
Warren H. Crawford
Russell R. Gill
Ross G. Ostlund
Neil "S" Pruden
John S. McClure
Wallace E. Trelford
LeRoy C. Laine
Ellis F. Green
Faber W. McCartney
Bobby G. Henderson
John W. Hughes
Fred A. Feakes
William F. Shand
Alexander J. Jansen
Robert C. Brown
John J. Berrier, Jr.
Ronald D. Brogden
Clifford A. Lowrey
Ernest T. Thompson
Calvin C. Epple
John W. MacDonald
Alfred L. Poe, Jr.
Francis L. Stephens
Clinton H. Young
Harold L. Bridenstine
Edward A. Johnston
Harry C. Martin
Charles W. Myer
Charles H. Morgan, Jr.
Joseph A. Corsi
Jack F. Sousae
Russell C. Beltz
Peter F. Allen
Olen E. Naylor, Jr.
William A. Pollard
Robert A. Hampton
Travis D. Nations
Paul M. Windham
Charles J. McCarthy, Jr.
Donald F. Hebert
Jack Hagen
John L. Dwyer
Gerald C. Kelly
Miles T. Graham
Archie D. Borden
Garvey A. Blanc
Richard I. Mixon
Roy E. Battles
George H. Nourse
Charles A. Allen
Frank Parker
William R. Chadwick
Joseph D. McCann
Roy V. Hall
John A. Brecheen
Edmund W. Heath
Monroe W. Barker
Edward J. Augustyniak
William H. Campbell
Gordon B. Shupe
Jerry T. Middleton
Robert H. Cookson
Stuart J. Mason, Jr.
Kenneth R. Rebello
Donald S. Foltz
Clifford V. Robinson
Richard C. Eller
Kenneth E. Smith
William J. Leach
Wallace A. Skelton
Arthur L. Schelling
Willie R. Myers
Robert J. Shanley
Robert W. Cameron
Wilber B. Swaim
Frank E. Lyle
William C. Reed
Kirby P. Hunt
Harry A. Wagner
Walter E. Nolan, Jr.
Victor A. Decesare
Charles W. Phillips
Eugene Rogers
Edward R. Crawfoot
Earl F. Day

*To be lieutenants, Supply Corps*

Robert E. Cotton
Robert W. Lawrence
William H. Trenkle
Paul G. Zoller
Albert A. Manson
Eugene V. Coleman
Warren "M" Sweet
Herman D. Beach
Joseph L. Bilka
Robert E. Murray
Charles E. Griffiths
William P. O'Donnell
William H. McInnis
Allen F. Smith
Cary F. Wright
Alfred I. England
Harry W. Leftwich
Joseph W. Stok
Robert D. Lang
Herschel J. Bonnett
Ralph L. Holland
Winston L. Martin

*To be lieutenants, Civil Engineer Corps*

Fred Moore, Jr.
William F. Monnier
Murray L. Brooks

The following-named officers of the U.S. Navy for permanent promotions to the grade of lieutenant (junior grade), in the line and staff corps as indicated, subject to qualification therefor as provided by law:

LINE

Bell, John M.
Borde, Paul P.
Davis, Grady W., Jr.
Depew, John N.
Fox, Vern H.
Hammer, Robert C.
Hark, Donald L.
Higbee, Gerald M.
Inman, Walter E.
Klappenbach, Edward W.
Lawson, John W.
Lee, Linda M.
Liles, Don K.
Mundy, Jerome J.
O'Hara, Charles W.
Ross, Lawrence T.
Scrader, Marianne W.
Stanley, Walter L.
Turkington, William W., III
Wallis, Constance M.
Williams, Windell V.
Winthrop, Griffith J.
Wright, Perry W.
Youngmann, Kenneth C.

SUPPLY CORPS

Evans, Steven H.
Francis, Thomas M.
Goodman, Jack R.
Jewett, Grey R., Jr.
Lee, Richard H.
Mazurek, Stanley F.
McAdams, William M.
Ray, Harold L., Jr.
Selgelid, Larry C.

CIVIL ENGINEER CORPS

Butler, David E.

NURSE CORPS

McCollum, Dolores E. K.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent promotion to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Bobby D. Chambless
Charles W. Gibson, Jr.
Clifford H. Greisen, Jr.
Richard A. Heath
Harold E. Itchkawich
Poindexter M. Johnson
John J. Kaplafka
Robert F. King
William T. Ridgeway
Michael W. Sayers
Leonard K. Slusher
George E. Turner, Jr.
Paul S. Weathers, Jr.

The following-named officers of the Marine Corps for temporary promotion to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Thomas V. Barrett
David M. Beinner
William D. Benner
John P. Brickley
Richard T. Brophy
Ralph D. Burns, Jr.
Charles W. Cobb, Jr.
Thomas L. Cusick
Stephen C. Durrant
Frank W. Evans
Joseph A. Galizio
Constantine Gofas
William S. Goodman
Clifton W. Guthrie
Phillip L. Harrington
Claire L. Hayner
John D. Hess
Ralph E. Hines
Richard W. Hooper
Carl J. Horn
Kenneth D. Johnson
Thomas E. Jones
David M. Kenworthy
Paul S. Marcani
Roland E. Monette
Robert A. Nargi
James S. Needham
Martin H. O'Connor, Jr.
Robert J. Paterson
Joel N. Peterson
Glen L. Severson
Cloyce E. Sinclair
William F. Snyder
Frank W. Tuckwiller
William R. Warren
Donald M. Weller, Jr.
William H. West, Jr.
Arnold G. Whittelsey
Ronald N. Wilson

The following named for permanent appointment to the grade of second lieutenant for limited duty in the Marine Corps, subject to the qualifications therefor as provided by law:

John F. Angil
Mordecai R. Arnold
Richard T. Beitel
Paul J. Bevers
Kenneth L. Bourgeois
Richard A. Brentlinger
Charles R. Bridges
Edward V. Cox
Ted O. Dickson
John F. Drummond
James E. Eastman
Harold A. Erwin
Frank Ferrante
William R. Filo
Roland T. Geddes
Gerald L. Gill
Eugene M. Glass
John A. Goehring
D'Arcy E. Grisier
John A. Hadley
James D. Hardaway
Robert F. Harrington
James B. Hickok
Howard W. Higgins
James H. Holbrook, Jr.
John "L" Jenkins
Harold B. Jensen, Jr.
James G. Kolb
Eugene L. Kratcoski
Charles T. Lamb
Theodore P. Lingenfelter
Louis A. Link
Robert E. Lorch
Arville D. Martin
Patrick L. McDermott
Paul V. McNutt
Richard P. Miller
Charles G. Mulford
Donald R. Muncie
Karl L. Myers
Kenneth E. Noland
Carroll K. Obert
Donald O. O'Dell
Vernon J. Perz
Herbert M. Sanchez
Edwin E. Schreck
Richard W. Schulz
William J. Selwitschka, Jr.
William W. Stumpf
Igor R. Valentine
Forest N. Varn
Dellie A. Vick, Jr.
James E. Wells
Morgan L. Wilkinson
Carl R. Yale

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## CONFIRMATIONS

Executive nominations confirmed by the Senate June 12, 1962:

### U.S. ARMY

The following-named officer for appointment in the Regular Army of the United

States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3307:

Brig. Gen. Achilles Lacy Tynes, O18916, Medical Corps, U.S. Army, to be major general, Medical Corps.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

*To be major generals*

Maj. Gen. James Hedges Forsee, O18265, Medical Corps, U.S. Army.

Brig. Gen. Chester William Clark, O41908, U.S. Army.

Brig. Gen. Frank Thomas Mildren, O21992, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. James Abner Richardson 3d, O29906, U.S. Army.

Brig. Gen. Richard John Meyer, O19147, U.S. Army.

Brig. Gen. Thomas Heber Lipscomb, O19371, U.S. Army.

Brig. Gen. George Allen Carver, O19122, U.S Army.

Brig. Gen. Ferdinand Thomas Unger, O20734, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. William Hutcheson Craig, O19526, U.S. Army.

Brig. Gen. George Stafford Eckhardt, O19766, U.S. Army.

Brig. Gen. John Joseph Lane, O19021, U.S. Army.

Brig. Gen. Achilles Lacy Tynes, O18916, Medical Corps, U.S. Army.

Brig. Gen. John Frederick Thorlin, O19067, U.S. Army.

Brig. Gen. David Parker Gibbs, O19189, U.S. Army.

Brig. Gen. Roland Haddaway del Mar, O29917, U.S. Army.

Brig. Gen. William Allen Harris, O18976, U.S. Army.

Brig. Gen. Harry Lester Hillyard, O19524, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank Joseph Sackton, O30553, Army of the United States (colonel, U.S. Army).

Brig. Gen. Hugh McClellan Exton, O19780, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frederick Carlton Weyand, O33736, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Norman Basil Edwards, O19936, Army of the United States (colonel, U.S. Army).

Brig. Gen. Eugene Albert Salet, O30790, Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert George Fergusson, O20267, Army of the United States (colonel, U.S. Army).

Brig. Gen. Austin Wortham Betts, O19373, U.S. Army.

Brig. Gen. William Pelham Yarborough, O20362, Army of the United States (colonel, U.S. Army).

Brig. Gen. Douglas Phillip Quandt, O20605, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Edward Leon Rowny, O23744, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Arthur William Oberbeck, O20569, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Samuel Edward Gee, O19251, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harry Jacob Lemley, Jr., O19756, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Billinslea, O20367, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harry Herndon Critz, O19786, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Howard Skeldon, O20831, Army of the United States (lieutenant colonel, U.S. Army).

*To be brigadier generals*

Col. Donald Gilbert Grothaus, O20221, U.S. Army.

Col. Allen Thomas Stanwix-Hay, O51759, U.S. Army.

Col. John Daniel Hines, O38900, U.S. Army.

Col. William Leslie Calhoun, O42664, U.S. Army.

Col. John Arthur Goshorn, O31465, U.S. Army.

Col. Lawrence Pierce Jacobs, O31556, U.S. Army.

Col. Kelley Benjamin Lemmon, Jr., O20816, Army of the United States (lieutenant colonel, U.S. Army).

Col. Allen Douglas Hulse, O21233, Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank Carter Norvell, O19471, U.S. Army.

Col. Robert Hall Safford, O20244, U.S. Army.

Col. John David Torrey, Jr., O20217, U.S. Army.

Col. George Madison Jones, O19965, U.S. Army.

Col. Thomas Nelson Sibley, O21277, Army of the United States (lieutenant colonel, U.S. Army).

Col. George Edward Pickett, O21938, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lawrence Bernard Markey, O38826, U.S. Army.

Col. John Gottfried Gramzow, O30735, U.S. Army.

Col. Michael Shannon Davison, O22051, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Bradford Smith, O22113, Army of the United States (lieutenant colonel, U.S. Army).

Col Steve Archie Chappuis, O20899, Army of the United States (lieutenant colonel, U.S. Army).

Col. Eads Graham Hardaway, O20855, Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth Joe Hodson, O43268, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald Vivian Bennett, O23001, Army of the United States (lieutenant colonel, U.S. Army).

Col. B J Leon Hirshorn, O51762, U.S. Army.

Col. Kenneth Irwin Curtis, O19790, U.S. Army.

Col. Roland Bennett Anderson, O21108, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lawrence Edward Schlanser, O19886, U.S. Army.

Col. Robert Runyan Linvill, O40305, Army of the United States (lieutenant colonel, U.S. Army).

Col. Stanley Lauriston Harding, O32134, Army of the United States (lieutenant colonel, U.S. Army).

Col. Patrick Francis Cassidy, O32809, Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank Milton Izenour, O21263, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Gilbert Turner, O31414, U.S. Army.

Col. Gordon Talmage Kimbrell, O20851, Army of the United States (lieutenant colonel, U.S. Army).

Col. Clarence Carl Haug, O19736, U.S. Army.

Col. William Braden Latta, O21119, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Robert Meyer, O20762, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Kenneth McCormick, O31982, Army of the United States (lieutenant colonel, U.S. Army).

Col. Justin William Stoll, O30483, U.S. Army.

Col. Bernard Sanders Waterman, O19746, U.S. Army.

Col. Melville Brown Coburn, O19973, U.S. Army.

Col. Fillmore Kennady Mearns, O21106, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Thomas Corley, O21325, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Clifton Dalrymple, O31509, U.S. Army.

Col. Raymond John Harvey, O20116, U.S. Army.

Col. Walter Edward Lotz, Jr., O21090, Army of the United States (lieutenant colonel, U.S. Army).

The following-named officer for temporary appointment in the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

Col. Robert Ludwig Schulz, O42115, U.S. Army.

### U.S. AIR FORCE

The following-named officers to be assigned to positions of importance and responsibility designated by the President in the grade indicated, under the provisions of section 8066, title 10 of the United States Code:

*To be generals*

Lt. Gen. John K. Gerhart, 525A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Dean C. Strother, 591A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Mark E. Bradley, Jr., 552A (major general, Regular Air Force), U.S. Air Force.

*To be lieutenant generals*

Maj. Gen. William S. Stone, 1059A, Regular Air Force.

Maj. Gen. Richard M. Montgomery, 1025A, Regular Air Force.

Maj. Gen. Thomas P. Gerrity, 1613A, Regular Air Force.

Maj. Gen. Charles B. Westover, 1351A, Regular Air Force.

Maj. Gen. David A. Burchinal, 1936A, Regular Air Force.

The following-named officer to be placed on the retired list in the grade indicated, under the provisions of sec. 8962, title 10, of the United States Code.

*To be general*

Gen. Laurence S. Kuter, 89A (major general, Regular Air Force), U.S. Air Force.

### U.S. MARSHAL

Luke C. Moore, of the District of Columbia, to be U.S. marshal for the District of Columbia for the term of 4 years.

### IN THE ARMY

The nominations beginning Warren G. Cosby to be major, and ending Walter Youngblade to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 24, 1962.

# EXTENSIONS OF REMARKS

## A Bill To Reopen NSLI For 1 Year

EXTENSION OF REMARKS
OF

### HON. FRANK KOWALSKI

OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
*Tuesday, June 12, 1962*

Mr. KOWALSKI. Mr. Speaker, I introduce, for appropriate reference, a bill to amend title 38 of the United States Code to permit, for 1 year, the granting of national service life insurance.

Several bills are presently pending in the House Committee on Veterans' Affairs to restore the right for insurable, and service-disabled veterans of World War II and of the Korean conflict to pick up their national service life insurance protection. This right was abruptly discontinued on April 25, 1951—Public Law 23, 82d Congress—without adequate notice to permit World War II veterans to protect their interest. Veterans of the Korean conflict, for the most part, had only 120 days after separation from the service to purchase NSLI, and this right was discontinued effective January 1, 1957. In addition to readjustment problems, few Korean veterans chose to take out the very limited type of NSLI then offered them since it was nonparticipating and nonconvertible at that time.

We are all familiar with the impasse that has developed between the Senate Finance Committee and the House Committee on Veterans' Affairs with reference to reopening NSLI for a limited period, and a bill approved by the House on April 2, 1962—H.R. 10743—to provide a very modest increase in the compensation rates for war veterans suffering from service-incurred disabilities.

I firmly believe that this impasse should be eliminated at the earliest possible moment. One way of breaking this logjam would be for the House Veterans' Affairs Committee to hold hearings and vote an NSLI reopening bill out of committee. I am convinced that the large majority of my colleagues in the House would welcome the opportunity to be permitted to vote in favor of such a proposal. I am sure that the some 16 million veterans who might be affected would welcome such a move.

I, therefore, take this means to ask the chairman of the House Veterans' Affairs Committee to seriously consider the plight of our war-disabled veterans and their dependents who are being penalized, through no fault of their own, simply because the full membership of the House is not being given an opportunity to vote on this wanted and needed legislation. If the House is given such an opportunity, I am sure the result will be to break the existing logjam and thus speed Senate action on the sorely needed compensation increase legislation for the service disabled, and reopening of national service life insurance for the protection of families of World War II and Korean veterans at premium rates these veterans can afford to pay.

Based upon information that has been available to all Members of Congress—page 8296, CONGRESSIONAL RECORD of May 14—it is my understanding that neither the President nor the Administrator of Veterans' Affairs is opposed to this reopening legislation.

## Progress of Major Legislation in Congress

EXTENSION OF REMARKS
OF

### HON. ALEXANDER WILEY

OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
*Tuesday, June 12, 1962*

Mr. WILEY. Mr. President, in a weekend address over Wisconsin radio stations, I was privileged to discuss the progress of major legislation in Congress. I ask unanimous consent to have excerpts of the address printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

PROCESS OF MAJOR LEGISLATION IN CONGRESS

During this get-together, I would like to review the progress of legislation in Congress.

Frankly, this has been a slow-moving session. Now, well past the usual midway mark, despite a tremendous workload of legislation, the record of accomplishment is nothing to write home about.

For example, of several major appropriation bills—for Treasury, Interior, Post Office, legislative branch, Defense Department, Health, Education, and Welfare, and other agencies—on which action is needed prior to the beginning of the new fiscal year on July 1, only one has been enacted into law.

In addition, there is a heavy agenda of other legislation, much of which is strongly controversial, including proposals for revision of our tax laws, liberalization of reciprocal trade agreements, medical care for the aging, a changed farm program, revision of postal rates, mutual security for strengthening free-world defenses, and other measures.

Despite 1962 being a campaign year, the outlook is not only for longer than usual, but also an extraordinarily busy session of Congress.

The challenges are too great and the times too critical, for just political expediency. Consequently, we will need to stay on the job until the work of the Congress is effectively finished.

CHALLENGES AROUND THE GLOBE

Around the globe, also, we are confronted by great problems and challenges, the outcome of which may well affect us individually and as a nation.

Significant among these are the following:

1. Confrontations with the Communists, on all fronts, where right or wrong moves can mean peace or war;

2. The creation of a common market in Western Europe (a) which not only is an economic bulwark against communism, but (b) requires substantial, and some, including the United States, will participate in or be frozen out of the market;

3. Strengthening free world alliances; and

4. Maintaining a strong, solvent, forward-striding country.

In a globe of shrinking horizons, then, the creation of sound policies in these and other areas, will be necessary to maintain peace, to promote U.S. progress and security and to fulfill promise of a brighter future, here in Wisconsin and around the Nation.

## Address by Hon. Homer Thornberry to the Conference of Executives of the American Schools for the Deaf, Austin, Tex., April 1, 1962

EXTENSION OF REMARKS
OF

### HON. JOHN W. DAVIS

OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
*Tuesday, June 12, 1962*

Mr. JOHN W. DAVIS. Mr. Speaker, I should like to call to the attention of the membership of this body the very excellent address which was delivered by the gentleman from Texas [Mr. THORNBERRY] to the Conference of Executives of the American Schools for the Deaf at Austin, Tex., on April 1, 1962:

ADDRESS BY MR. THORNBERRY

Dr. Edgar, Mr. President, Mr. Grace, members of the Conference of American Schools for the Deaf, my friends of long standing who are and have been members of the faculty and of the alumni of the Texas School for the Deaf, I appreciate the very generous introduction which Dr. Edgar has been good enough to give me.

Dr. Edgar is one of our State's outstanding leaders in the field of education. As commissioner of education in Texas he has been a warm friend of the deaf and of the Texas School for the Deaf. It has been my privilege to have known him as a friend when he first came to Austin as superintendent of the Austin Schools. I am grateful that he would take the time here tonight and present me to you.

May I acknowledge the presence of the fine people with whom I am privileged to be associated at Gallaudet College. We have a splendid delegation from Gallaudet and I know you will enjoy knowing them better.

One of the great privileges I have is serving with unselfish, public spirited men on the board of directors of Gallaudet College. I am particularly pleased that Dr. Boyce Williams is with us here. He is an outstanding alumnus of Gallaudet and is the alumni member of the board. He renders a valuable service to Gallaudet as a member of the board and to the deaf in his important capacity as consultant, deaf and hard of hearing, Office of Vocational Rehabilitation, Department of Health, Education, and Welfare.

Dr. Leonard M. Elstad, president of the college, is here for the conference. He is making a splendid contribution not only to Gallaudet in its program of higher education for the deaf but he is also doing an outstanding job of public relations for Gallaudet and the deaf of the Nation. It is most fortunate that we have Dr. Elstad's leadership in this field. I have great personal confidence in his administration and in the work he is doing.

According to the program and the invitation from Mr. Grace, my assignment is to deliver the keynote address of the conference.

I must confess that this is my first experience with a keynote address to be delivered to an important conference such as yours. I am somewhat familiar with keynote addresses which have been delivered to political conventions. I have never been sure that some of those I have heard made much of a contribution to the success of the particular conventions to which they have been delivered. And I hasten to point out that my degree of enthusiasm for such speeches has not depended entirely on which political party was holding the convention.

I am told that such keynote addresses are necessary to arouse the enthusiasm of the rank and file members of the political convention and to exhort the faithful.

Certainly those of you who are here for this conference must be counted as the faithful in the great, important, and little-noticed program of the deaf. I hope that in some small way I am able to make some contribution which will start this most worthwhile conference on the right road.

When Mr. Grace asked me last fall to be with you at this conference I was glad to accept. I was glad to accept not only because of my lifelong interest in the deaf and their education, but because I wanted the opportunity to meet with those of you who have the great responsibility of providing the leadership in the education of the deaf, and to express my appreciation to you for the dedicated service you are rendering not only to the deaf of this Nation but to all of the people of this country.

I am the product of the education of the deaf. After all, what my parents knew and learned came from those like you who are dedicated to the teaching of the deaf. In turn, they became teachers of the deaf.

As has been indicated, I am the son of deaf parents. Here at this school where we meet tonight my mother and father came many years ago for their education. Later, both of them devoted a major part of their lives in helping to teach deaf children. Here they met, married, and made their first home just across the avenue on which this campus fronts. I was born in that home and spent many hours in play on this campus.

I used the sign language before I learned to talk vocally. The first friends I ever knew were deaf. Some of the oldest and most loyal friends I ever had were deaf. While there are few of them left on this earth, my family and I never had better or more understanding friends than those with whom my father and mother were assoicated at this school for more than half a century.

I believe I have had as good an opportunity to observe deaf people as anyone. I have known the deaf as parents. I have had an opportunity to observe them as teachers, and I have also seen them engaged in almost every type of vocation known to man, and I know them as patriotic and honorable citizens.

I need not tell you that the deaf possess more determination and perseverance than the average. As you know, they seem to have a fierce determination that their children shall grow up as upright and honorable people and receive the best education possible. I am proud of my heritage as a son of deaf parents.

You know one can never tell what might happen because of background and association. Dr. J. W. Blattner was a long time teacher of the deaf and administrator in this field. Some of you may have known him. He taught here at this school, was its principal, and later served as superintendent of the Oklahoma School for the Deaf. My mother thought he was one of the greatest men who ever lived. Many times during our lifetime she would tell me what Dr. Blattner had told her about some given experience and would quote what he said as "doctrine."

After he retired, he and Mrs. Blattner moved back to Austin. After I had first been elected to the Congress and Mrs. Thornberry, the children, my mother and I were getting ready to go to Washington, Dr. Blattner came out to our house. He came walking down the sidewalk to our door, telling me that he expected me to go on the board of directors of Gallaudet College. I was not at all sure that I understood him. I had heard, of course, of Gallaudet, but I had no idea that I could be a member of its Board. He explained to me that two Members of the Congress and one from the U.S. Senate served on the Board. As soon as I came to Congress, I called Dr. Elstad but I found there were already two Members of Congress on the Board. A short time later, in 1949, a vacancy occurred. I went to my dear friend, the great and revered Speaker Sam Rayburn, who readily agreed to appoint me to the Board where I have been proud to serve ever since.

Many of you here at this conference are extremely interested in Gallaudet College and know of the progress which we have been able to make in the building program at Gallaudet. Perhaps some of you have visited the campus recently and have seen the great change which has been brought about in the last 10 years. The first new construction, I believe, was in 1952 and 1953 when the Congress appropriated $131,000 for the construction of an annex to Kendall School. Incidentally, this was the first new construction on the campus of Gallaudet College since 1917 when the girls' dormitory, Fowler Hall, was completed.

After the annex to Kendall School was completed, the new library was constructed in 1955. You may recall that the alumni of Gallaudet College furnished the inspiration for this building by giving $141,000 for this purpose. To this amount was added $250,000, the amount appropriated by the Congress.

To show you what has happened at Gallaudet since 1949, I would like to point out that in 1949, the Congress appropriated $393,805 for salaries and expenses. In the appropriation bill for fiscal year 1963 which the House has just passed, is provided the sum of $1,410,000 for salaries and expenses.

Again, in 1949, enrolled in Gallaudet were 200 students and 9 graduate students. Enrolled now are 464 students and 28 graduate students. Anticipated for next fall are 593 students and 40 graduate students. I am sure you will agree with me that Gallaudet has made great progress.

Along with this has come, of course, more budget control by the Bureau of the Budget. The college has been required in order to obtain these funds and these buildings to change its method of scholarships to students. Properly, the Bureau of the Budget feels that the college should require parents of these students to contribute to their children's education to the extent they are able.

From your program I note that you will spend tomorrow afternoon in a review of research. It seems to me that this is important. I am glad that at Gallaudet a great deal of emphasis is being placed on research into deafness and I know Dr. Frisina will give you a good report on what is being done in this field. Let me also call attention to the Counseling Center for the Deaf which was established by Gallaudet College under the terms of a U.S. Office of Vocational Rehabilitation demonstration project.

Those of us who have a direct responsibility for Gallaudet College are proud of what has been accomplished, but we are not satisfied. We want to accomplish even more for the deaf in the days to come. We want your help and your support. After all, neither the college nor your school exists for the benefit of board members, administrators, faculty, or the alumni. They must serve the welfare of the deaf children who are to become like those who have gone before them, useful and worthwhile citizens of our Republic.

While you will spend time Thursday morning in a discussion of Public Law 87-276, which authorizes grants for the training of teachers for the deaf, I would like briefly to refer to it here, if I may.

All of us realize the great need for trained teachers of the deaf. The enactment of this law will certainly help to meet this need.

You will be glad to know that the Congress has already appropriated $1,500,000 to be allocated during this fiscal year ending in July 1962, for use during the school year, 1962-63. This week the House provided an additional $1,500,000 for the next fiscal year. I do not believe it is necessary for me to go into the procedure which will be followed in making grants for scholarships and for support to those schools which will train these new teachers since that will apparently be discussed next Thursday.

At the same time it must be heartening to you to know that the Congress has recognized this great need and that there is now at last a program which can meet that need.

I could not close this speech without paying a deserved tribute to those of you who have dedicated your very lives to the education of the deaf of this Nation.

Of course, it seems at times that your efforts receive little recognition outside of the institutions which you serve. Too often, the pay is not commensurate with the tremendous tasks you perform.

Yet, when we see the tremendous progress which has taken place in the field of the education of the deaf in the last few years and when we know that we will see greater opportunities for research and improvement in methods of education of the deaf in the coming years, the challenge to you must seem inspiring indeed.

As you proceed in your deliberations in this conference, I hope you will accept the challenge—an acceptance which is required if we are to serve our beloved country in this day and time—the challenge to rise above the temptation to be satisfied with mediocre education of the deaf. This is a luxury which our Nation can no longer afford whether we talk about education of the deaf or the education of the hearing.

This seems to be a time when trouble and turmoil exist throughout the world.

One cannot look at a newspaper without recognizing that in many parts of the world people are uneasy and in conflict. What happens in Laos, in West Berlin, in Africa, in South America, yes, and even in outer space, affects you and me and our children.

Sometimes each of us is tempted to say that we cannot do anything about these problems—that the deaf child cannot do anything about these problems. There is one thing each of us can do—and that is—to do the best we can in our job—in our individual sphere—in the performance of our own responsibility.

This Nation and the free world are in great need of the talents of every person.

And in times when you feel discouraged by the obstacles, the problems, and the difficulties with which you are faced in your responsibilities in the field of education of the deaf, let us not forget what the Master said about how we would be judged on His return to this earth. You will remember we are not to be judged by the power we obtain, the prestige we achieve, or the wealth we accumulate. You will recall that He will come in all His glory with His holy angels and sit on His throne. Then we will be gathered before Him and we will be separated as a shepherd divides his sheep from the goats. And on His right will be gathered the sheep and on His left the goats. And He will bless those on His right and say they are to inherit the Kingdom prepared from the foundation of the world because when they fed the hungered, gave drink to the thirsty, clothed the naked, took in the stranger, and came to the sick and those in prison, the least of His brethren, they did it unto Him.

This is the judgment to which you and those associated with you in a noble cause are entitled and certainly will receive if you carry out the challenge which is yours.

May this conference serve to inspire you in your answer to that challenge.

Thank you.

## U.S. Senator Robert S. Kerr Honored by Salem College With Degree of Doctor of Humanities

EXTENSION OF REMARKS

OF

### HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

*Tuesday, June 12, 1962*

Mr. RANDOLPH. Mr. President, our colleague, Robert S. Kerr, the senior Senator from Oklahoma, was awarded the honorary degree of doctor of humanities by Salem College at commencement exercises in West Virginia on Friday, June 8.

It was my privilege to present Senator Kerr for this honor, serving in my capacity as a member of the board of directors of the splendid institution of higher learning with a student enrollment of more than 750 young men and young women from our State and several other States and some foreign countries.

President Duane Hurley and T. Edward Davis, president of the governing board, assisted in the impressive ceremonies of degree granting. Col. Paul G. Benedum, president of the Claude Worthington Benedum Foundation and a leader in the oil and gas industry, spoke at the graduation exercises and also at the dinner in Clarksburg, on the evening before, at a dinner in recognition of the welcome guest.

Mr. President, the more than 800 citizens present at commencement were appreciative of the Senator's remarks. That others, including the Members of Congress, may read this challenge, I ask unanimous consent to include the speech, and to have printed in the Congressional Record my words in presenting Senator Kerr for the degree.

There being no objection, the address and remarks were ordered to be printed in the Record, as follows:

UTILIZING HUMAN AND PHYSICAL RESOURCES

(By Senator Robert S. Kerr, of Oklahoma, Salem College, Salem, W. Va., commencement exercises, June 8, 1962)

Senator Randolph, President Hurley, honored guests, facutly members, graduates, and degree earners of 1962, ladies, and gentlemen, thank you.

To be present at a commencement exercise is always a great privilege. I am sincerely grateful for this opportunity to meet and visit with this handsome and impressive assemblage, the 1962 graduates of this fine college and their families and friends.

I am grateful because it gives me an opportunity to gain inspiration and to renew my hopes and my faith in the future.

This is a proud and unforgettable hour for those of you who earned the degrees being awarded today by Salem College. It is a proud hour, also, for your loved ones and for the faculty and patrons of the college. To me, you are more than a graduating class. You are part of that gallant throng, the countless thousands of this year's college and university graduates. You are about to move into the mainstream of life, into the bloodstream of this Nation's existence. You will add much to its reservoir of mental, physical, and spiritual resources. You will be a mighty transfusion of imagination, vitality, and power.

To reach this point of departure, this station of achievement and opportunity, required great devotion and great effort on your part. Only the diligent and dedicated drink fully at the fountain of knowledge. Here at Salem, the fountain flows freely. Diligence and dedication are here in great abundance.

Yes, this college has grown and developed as the needs of the community, the State, and the Nation have grown and developed. The record, in this instance, goes back to 1886. The founders of Salem College saw it as an instrument to attain the best possible utilization of the human and physical resources for the development of the community, the State, and the Nation.

The productive and creative character of the faith of the founders of Salem College is evidenced by you who are graduating today.

There have been many changes on this campus down through the years; changes in curriculum, changes in emphasis, changes for the better. The philosopher Heraclitus in 513 B.C. said, "There is nothing permanent except change."

To organize and develop human and physical resources for the betterment of our world, the inevitability of change must be taken into account. Physical resources change. Human beings change—constantly for the better, we hope. But the basic resource which God made available to man does not change.

The Apostle Paul summarized our spiritual resources in three enduring and cherished words: Faith, hope, and charity.

True, the great apostle named three human manifestations—hope and charity, in addition to faith. And he told us, "The greatest of these is charity." Yet we know there would be neither hope nor charity without faith.

Faith blesses no creature save man. Therefore, I would pay tribute to faith and particularly the strongest and most vital faith—that of the human being in God. Of such faith is born courage; undying and immutable courage.

The most deadly enemy to human happiness is fear: Fear of the present, fear of the future, fear of the known, fear of the unknown. Faith smashes the shackles of fear, frees us from its imprisonment, replaces its paralysis with unlimited power.

Yes, I am grateful for the unexcelled blessing of faith—in our God, in our country, in our free institutions, in ourselves.

Reinforced and fortified by faith, we can live safely and happily amid the astonishing realities of today and face the fabulous predictables of tomorrow. We can also anticipate the astounding unpredictables of the unknown future with unshakable serenity.

Thus, priceless unchanging faith endures and enables us to live on in a world of constant change.

Throughout all history those beings and things which have resisted and refused adjustment to change have been destroyed or have vanished.

Animals and vegetation which could not adjust have become extinct. The mighty mastodons, the fearsome dinosaurs which once majestically roamed and dominated the earth, ceased to exist eons and eons ago. Why? They could neither change nor adjust to an environment which required change. Many instances of known decline and extinction of animal species include the Arizona elk, the great auk, the Labrador duck, the passenger pigeon, the Carolina parakeet, the Eskimo curlew, and the health hen. Species which have a perilously low level are the sea otter, the ivory-billed woodpecker, the white-winged dove, the trumpeter swan, and the California condor. At one time in the early years of this century the American bison came close to extinction, because man brought changes to its environment, specifically, the high-powered, long-range rifle, with which it could not compete. Man himself changed his rules and laws to protect the buffalo. In more recent times, changes in public policy designed to protect the majestic whooping crane have been put into effect.

Our scientists have found, through the study of fossils, that many types of plant life have vanished, and others have flourished and multiplied, because of changes in climate or other environmental factors. Among plants, the most famous example of a living fossil is the ginkgo tree, the only remaining species of the once widespread order of Ginkgaloes abundant in ages long past. The ginkgo would probably have been extinct in recent centuries were it not for the protection of man in the temple gardens of the Orient.

Governments which have failed to meet the changing or expanding requirements of people have been defeated, overthrown, or destroyed.

Perhaps it would not be too facetious to point out that, as a U.S. Senator, I try to keep this in mind. Principles do not change, but policies do, and I change my approach to the problems of Government sometimes, lest the people of Oklahoma decide to change a Senator.

In West Virginia, I am sure, the same rule holds.

In Washington every day we see changes in policies and approach proposed which would have far-reaching consequences for us all. Our system of government is built upon a philosophy of constant change and improvement.

The story of ancient Egypt, 4,000 or 5,000 years ago, may be taken as the classic model of a government incapable of change. The god-Pharaohs, by the very nature of their attitude toward their office, could not be reasoned with, nor enter into negotiations as equals with other powers. Compromise in any form was the one thing a Pharaoh could not accept. Hence, the great Egyptian rulers, able as they were, were shackled by an outlook on life that ultimately proved their downfall. They were mighty military conquerors, but their governments were built on blind force.

Thousands of years later Napoleon made the same mistake. He should have known that the basic essential ingredient to national unity and strength is brotherhood and mutual tolerance. Napoleon did consolidate much of the gains of the great political revolution of 1789; he left his people a fine code of law, but he failed, in the words of another great French soldier, Foch, to perceive that man is not above his Creator, and in the end his countrymen turned against him like a Roman mob on a wounded gladiator, and his empire is now one with Nineveh and Tyre.

The bough which cannot bend is broken, the vessel which cannot adjust to its freezing contents, bursts.

We will all agree, I am sure, that the world of today changes with awesome speed. The advancement of science and technology proceeds at ever-increasing speed, creating pressure and strain on statesmen and political philosophies geared to a slower pace. More efficient machines of transportation and communications bring us new comforts and conveniences. They also create more complicated political and moral problems.

This past 16 months, since I became chairman of the Senate Space Committee. I have come to understand better the great forces for change that are at work in today's world. The President's special message to the Congress in May of last year pointed up the situation. Who would have dreamed, only a few short years ago, that a President of the United States would urge us all to join in a national effort to send a manned expedition to the moon in this decade? Who could have understood then, though we all understand him well today, had he said in 1952 that such an effort would mean "in a very real sense, it will not be one man going to the moon—it will be an entire Nation. For all of us must work to put him there."

What a challenge we face. What an exciting adventure. Already we have been dazzled by the amazing achievements of our scientists, not only those engaged in manned space programs, but by the researchers who have developed new medicines and medical techniques, new products designed to make our food more plentiful and more enjoyable, our clothing more serviceable, our homes more comfortable. I predict that the greatly expanding research in the life sciences now underway on many fronts will result in a 10-year extension of the average lifespan of the people of this country, within your lifetimes.

Consider our food production for a moment. Here in this great country, only 1 worker in 10 is now engaged in producing food, feed, and fiber, yet we have vast surpluses of many commodities. Behind the Iron and Bamboo Curtains the picture is far different. Regimentation and brute force are no substitutes for the freedom which gives our farmers initiative and enterprise. Simple statistics prove this, for in the communistic world 7 out of 10 workers are engaged in agriculture, yet food is short and millions starve. Escape seems their only salvation.

It has become crystal clear that many of the research projects underway in connection with space exploration will lead to creation of new industries, businesses, products, and services. Certainly, this new age of discovery will have profound effects upon our educational system. Learning must be emphasized more and more, and you who receive diplomas here today are aware, I am sure, that your learning must and will continue throughout your lives.

To meet the needs of our complex economic system, plus the burdens this Nation has assumed as the leader of the free world and the protector of the peace of the entire world, many of you will continue your formal education. Highly specialized, highly trained people are needed in many fields. Just how complex and demanding our needs are was spelled out for the Congress recently by Dr. James Van Allen, the famous Iowa physicist who discovered the radiation belt around the earth that bears his name. Dr. Van Allen said that the graduate schools of the universities of this Nation now are training only about a dozen persons a year who qualify for doctor's degrees covering the entire range of the space sciences.

I have spoken much about science and technology and how it affects our future, but I would not want to leave the impression that I consider science and technology the highest or even the ultimate goals of mankind.

Look about you, young friends, and observe yourselves. Each of you, each scrubbed and shining individual, represents a glorious combination of science and art. I look into the lovely faces of the young women of this graduating class, and into the handsome faces of the young men, and am reminded once more that the art of Christian living remains our basic and ultimate objective. Science is the willing handmaiden of all art, including the art of living. What young man and woman among you, I might ask in an impersonal vein, did not use the old reliable chemistry of soap and water to spruce up for this big event? Even now, the people of the United States, with the help of their scientific experts, have launched a project to preserve—and to spruce up, so to speak—the remnants of ancient Egyptian art and artifacts that are about to be inundated by the huge new reservoirs on the upper reaches of the Nile.

But it is the art of Christian logic, the fundamental truths derived from faith in God, that will save and preserve this Nation. This is the art of thinking and feeling which, if we are fortunate, we learn from infancy from God-fearing mothers and fathers. The art of brotherly love transcends all other, it finds constant expression in the friendly smile, the warm handshake, the understanding word.

This art, then, the art of Christian living, has reached an alltime high in our Nation. Never in the recorded history of mankind have human values been held so high as they are held today in the United States of America.

We take pride in the loving care with which we conduct our civic campaigns for our numerous charitable institutions, our youth organizations, our cultural activities. Our churches are at the core of our society, and the political institutions which protect our freedoms, our rights as individuals, and our opportunities for development, could not exist without their fundamental, spiritual ingredient.

The most stupendous physical struggle in all history is now being waged between the two most powerful nations of all times. Soviet Russia and the United States are spending tens of billions of dollars each year building more deadly engines of human destruction—what an awesome tragedy. What a glorious world we could build if these billions and this effort could be used, under God, for the betterment of mankind instead of for his possible destruction.

The good scientist knows better than the artist, perhaps, that scientific roots of the tree of knowledge would rot and die but for the spiritual blossoms that grace its branches. The English biologist, Thomas Huxley, listed the changes that would have to occur before we could dispense with art. He said: "When men no longer love nor hate; when suffering causes no pity, and the tale of great deeds ceases to thrill, when the lily of the field shall seem no longer more beautifully arrayed than Solomon in all his glory, and the awe has vanished from the snow-capped peak and deep ravine, then indeed science may have the world to itself, but it will not be because the monster has devoured art, but because one side of human nature is dead, and because men have lost the half of their ancient and present attributes."

These are reassuring words. Man does love justice still, and despises injustice and tyranny. Tales of great deeds do thrill us, and the lily of the field still charms us more than the glitter of manmade chromium. Beauties of nature, the snowy peak, the majestic prairie and the quiet ravine, these and all other evidences of God's artful grace, were never in greater demand. The beauty of nature is the chief delight of man, be he or she a scientist in a laboratory, a worker in the field or mill, the professional or business man or woman, or the homemaker.

The unchanging nature of man with his resource of faith, and the unchanging truth of his God in heaven, give us a yardstick by which to measure the constant changes wrought by nature and by knowledge. My father used to paraphrase a verse or two from Proverbs: "By knowledge, God created the heavens and earth."

By knowledge, linked to his unshakable faith in God, man will marshal his physical resources and man will inherit the earth. The knowledge that enables us to utilize our resources may change, but the rock of ages—faith—changes not at all. I bid you: Keep the faith—faith, the one resource that gives value to all resources.

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## REMARKS OF SENATOR JENNINGS RANDOLPH, DEMOCRAT, OF WEST VIRGINIA, IN PRESENTING THE HONORABLE ROBERT S. KERR, U.S. SENATOR FROM OKLAHOMA, FOR THE HONORARY DEGREE OF DOCTOR OF HUMANITIES AT COMMENCEMENT OF SALEM COLLEGE, SALEM, W. VA., JUNE 8, 1962

President Hurley, members of the board and the faculty, men and women of the class of 1962, and cherished friends, we live in a world beset by tension and change; yet there are also challenge and faith. Perhaps never before have we faced such far-reaching problems or been threatened by such awful consequences should we fail. In the span of 60 years we have seen transition from a horse and buggy, gaslight economy to one of moonshots, orbital flights, and vast technological growth. And the need for continuing expansion has never been more pronounced.

We are locked in an international struggle with Communist forces, and therefore cannot afford a lapse in our development. To do so would be to encourage some other nation to attain economic or technological superiority, thereby placing us at tremendous disadvantage in the cold war, and threatening our national security. As a consequence, this is the time to use the capabilities with which we have been blessed.

The theme of this week of commencement activities is "Utilization of Resources for World Betterment." The Member of the Senate of the United States who well personifies that worthy aim is the forthright senior Senator from Oklahoma. His life, embodying service to citizen and country, success in business and public affairs, and depth of character and personal conviction, bears eloquent testimony not only to his own talent and initiative—which are truly unmeasurable—but also to the yet free society in which we live, and the opportunities its holds for the individual.

ROBERT S. KERR once was a magazine salesman, but now he has reached an eminent position in the world of industry. This stalwart American was born in a log cabin and reared on a farm, but today he is among the most respected and influential leaders of this Republic. He is wisely utilizing his resources.

The man whom we hood this morning with the degree of doctor of humanities has ably served his State and Nation in positions of challenge and responsibility for more than two decades. After a term as Governor of Oklahoma for 4 years, he was elected to the Senate of the United States in 1948, and reelected in 1954 and 1960. Senator KERR is respected by his colleagues for his demonstrated ability to develop a penetrating analysis of legislation—a quality which is an aid to sound consideration and solution of entangling problems. Likewise, he is known as one who has no peers in debate. His colleagues admire him as an astute and highly successful manager of legislation in committees of the Senate and in the forum of the Senate.

Throughout his courageous career in public service Senator KERR has demonstrated a rare understanding of the vital importance of conservation, and has promoted vigorous action to insure that natural resources are not wasted, but are placed to the best possible use. He brings this same conscientious awareness to his chairmanship of the Senate Committee on Aeronautical and Space Sciences—a group which will have mounting influence upon this Nation's participation in the enlargement of known environmental frontiers. He is the ranking majority member of both the Finance Committee and the Committee on Public Works. No other legislator holds such high rank on three major

Senate committees. Senator Kerr is recognized for his regular attendance at committee meetings. It is added testimony to his genius that he is able to fit so many exacting activities into a demanding schedule.

Meaningful as have been the accomplishments of our noted and influential guest, a simple story from his personal life will reveal the true force of character and insight which he so richly possesses, and for which Salem College honors him. It illustrates Bob Kerr's regard for his fellow man, and his firm belief that ultimate success lies in the development of our own personal resources.

While Governor of Oklahoma and on a tour of the State prisons, Senator Kerr learned of a Negro murderer who was seeking parole. The man had established an outstanding conduct record in prison, and had taken up the ministry, attempting to bring the words of God to fellow inmates. Convinced that the prisoner was worthy of an opportunity to serve the community, and to repay in more positive terms the debt he owed society, the Governor became instrumental in securing his parole.

When released, the man was offered employment in the Governor's house with truly heartwarming results. Not only did this rehabilitated individual loyally serve until his death, but he continued in the ministry, rising to a position of responsibility in his denomination and exerting a worthwhile and lasting influence for good.

Because Bob Kerr envisioned in this human being a dedication, a determination, a potential, a resource—the man became, not a bitter reminder of life within prison walls, but a constant beneficial force in the lives of his neighbors. Surely this is utilization of resources at the highest level.

And so, with knowledge of his conscientious service to his country, with respect for his courage in upholding the sacred ideals of our democracy, and with gratitude for his example as friend and humanitarian, and Christian statesman, we welcome the senior Senator from Oklahoma into the Salem College family.

It is a personal privilege and an official obligation joyfully embraced to propose U.S. Senator Robert S. Kerr for the degree of doctor of humanities.

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## Memorial Day, 1962

EXTENSION OF REMARKS

OF

## HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. GOODLING. Mr. Speaker, each year members of the Red Lion, Pa., American Legion and Veterans of Foreign Wars posts combine efforts in arranging a commemorative program for Memorial Day.

Following a street parade, appropriate services were conducted this year in Red Lion Park where a beautiful and well-kept memorial has been erected in honor of those from the community who gave their all in two World Wars and Korea.

Raymond R. Smith, Esq., was master of ceremonies.

Dr. Oliver Kirk Maurer, pastor of the United Church of Christ, offered this invocation:

Eternal God, the Father of our Lord Jesus Christ and our Father, we pause and turn to Thee on this Memorial Day. We thank Thee for memory and for the vital part it plays in life. As we remember the yesterdays, we are mindful of the faith of our forefathers and their willingness to risk all, that here we might have a land of freedom, where everyone might worship God according to the dictates of their conscience.

As we pause to remember those who have gone before, we are mindful and grateful for their devotion and the efforts they put forth to give us this great and wonderful country of freedom and opportunity. We remember those, O God, who have struggled and died on fields of battle to protect and preserve those things which have contributed so much to make this a great, grand, and glorious nation. Help us, O God, to hold aloft the torch they have handed us. We pray, O God, that we may give ourselves with might and main, devotion and untiring effort, to prove ourselves worthy of that which we have received from those who have gone on before. Help us, O God, to give ourselves in untiring effort and with every devotion to keep this country great and to pass the torch of freedom and opportunity, burning brightly, to those who will follow after us in the tomorrows.

O God, bless the speaker of this hour. Help him to bring to us that truth which will make us more grateful, more loyal, and more helpful citizens of this great and glorious Nation. May the ceremonies of this hour be a fitting tribute to those who have helped to make this country great, an honor to Thee, O God, and a blessing to all who have assembled. This we pray in the name of Jesus Christ, our Lord. Amen.

My remarks made on the occasion of this Memorial Day follow:

### MEMORIAL DAY 1962

One of the bloody conflicts of the Civil War was the Battle of Shiloh. It was fought April 6–7, 1862, and pitted 37,000 Confederate troops against 55,000 Union soldiers. It was in this battle the Confederate general, Albert Sidney Johnston, lost his life. On the afternoon of the second day General Beauregard, who was then in command, ordered his troops to withdraw.

The Battle of Shiloh was a vital link in the chain of victories which won the Mississippi Valley for the Union. It was, however, won at a terrible price. The Union Army lost 13,047 men while 10,699 Confederates fell in battle. Many of the fallen Confederates and a few Union soldiers were carried across the State line and buried in Mississippi.

In April 1863, the agony of Shiloh was a year old. A group of women, led by Miss Matt Morton, started placing spring flowers on the graves of their southern soldier dead. Two Union graves were discovered and they, too, were decorated.

The site is now known as Friendship Cemetery and is probably the cradle of our Memorial Day observance.

In 1868 Gen. John A. Logan, commander in chief of the Grand Army of the Republic, issued an order designating May 30 as the day graves of soldiers should be decorated. Special services at Arlington constituted the first official observance of the day.

Memorial Day 1962 holds a special significance for all Americans. It is well that we pause and renew our pledge of allegiance to this Nation and to the countless numbers who made the supreme sacrifice in order that we may enjoy the liberty and freedom we have.

Today we are living in a time of unprecedented unrest, danger, and peril. Nothing is secure. The world is sitting on a powder keg and a war could be triggered in seconds.

By the same token, we are living in times of unprecedented challenges and opportunities and it becomes our grave responsibility to see to it that our technical and scientific knowledge is used constructively and not for the purpose of destroying others and ourselves also. Lieutenant Colonel Glenn expresses it beautifully in these words: "As our knowledge of the universe in which we live increases, may God grant us the wisdom and guidance to use it wisely."

Universal peace is the goal toward which all must strive. It is essential, however, that in a democratic society we remain free and to maintain that freedom we must fight and die if need be as did those millions of valiant Americans to whom we pay tribute on this Memorial Day. As we pause to do this, may we not merely make it another holiday, but a day of rededication for all Americans. The price of preserving freedom in the past has been appalling, yet all would pale into insignificance should the existing armed might of the world be brought into action.

Out of World War I came this clear call to you and to me:

> "We are the dead.
> Take up our quarrel with the foe.
> To you from falling hands we throw
> The torch, be yours to hold it high.
> If ye break faith with us who die
> We shall not sleep, though poppies grow
> In Flanders fields."

Almost one-half century has passed since we received that command. We have had two terrible and devastating wars. The veterans of World War II and Korea replied in these words:

> "Sleep on ye brave
> Your flaming torch aloft we bear.
> With burning heart an oath we swear
> To keep the faith, to fight it through
> To crush the foe or sleep with you
> In Flanders fields."

It is our grave responsibility to see to it that never again shall more sleep "in Flanders fields."

Do we actually and sincerely appreciate the freedom we enjoy or the heritage that is ours?

Gen. Omar Bradley defined it in these words: "Freedom; no word was ever spoken that has held out greater hope, demanded greater sacrifice, needed more to be nurtured, blessed more the giver, damned more its destroyer, or comes closer to being God's will on earth. May Americans ever be its protector."

Another has said: "Freedom is America's most cherished possession." It will survive only if you and I and Americans everywhere become more gravely concerned about that force seeking to destroy it—communism. It is a great privilege to enjoy freedom. It is your responsibility and mine to preserve it for the next and succeeding generations.

What does the flag of freedom mean to you? I heard John Glenn say recently: "I know I still get a hard-to-define feeling down inside when the flag goes by; and I know that all of you do, too."

Dr. Daniel A. Poling tells this story: "Years ago, in Smithfield, an Ohio village made famous as the home of the five fighting McCooks of the War Between the States, I addressed a Memorial Day service, entertained in the home of the Presbyterian minister, the Reverend Mr. Love, I was seated with the family at the breakfast table when, in response to a knock at the front door, the pastor brought into the room a small boy who lived in the coal mine town—the tipple town—just under the hill. The miners were all foreigners and only the children who had enjoyed the advantages of our schools spoke our language. This boy was timid and half-afraid. Said he: 'My father has a band and the band would like to play for your parade. They would like to play patriotic music and follow the flag. My father doesn't speak English but he sent me to ask whether you would grant his request and to say that he and his friends would be very proud. Very grateful and very happy to march and play.' The boy's voice trembled then as he concluded: 'My father loves the flag, too, sir, and he wants to be a good American. I am an American, sir, because I was born under the flag.' "

Many of us might well reaffirm our faith in the freedom we enjoy lest those to whom Doctor Poling referred and who lived under other flags but are now enjoying what we take for granted, show greater devotion than do we. Do we as individuals understand and work for the preservation of good government? Are we familiar with our traditional ideals and practices of the past which we want to preserve because we believe they are right and worthwhile? Are we true to the spirit and devotion of our Founding Fathers and Mothers? They would not allow others to do for them what they could and should do for themselves. They did not look to government to supply their every need. They understood and practiced individual responsibility. Are we today forgetting the basic principles which are our heritage?

Memorial Day 1962. What about Memorial Day in 1972, 1982, 1992?

We face grave threats. Not all are nuclear. Listen to the words of a young girl student who wrote a colleague of mine: "In my history class we have been learning about the beginnings of communism and the tactics Communists use in their search for world power. Even though I am not of voting age, I wanted to let you know that I want you to do all you can to stop the Communists from taking over our country. I don't want to live under these tyrants. I love my country and would sooner die than see it taken over by Communists.

"America is their No. 1 target. We stand for everything they hate. I try to do my part in bringing up the standards of patriotism here by hanging out the flag on all legal holidays. Could you, please, see if you could do something to make people hang out the flag and play the national anthem. If we don't show we love our country how will the rest of the world know we love America. Our country is the greatest on the earth. We should do everything we can to stop communism's spread and display to the rest of the world Americans love their country and would rather die than live under communism."

Here, then, is a threat that is very real and presents a serious challenge we cannot ignore. Will you join with this young girl in raising the cry, or sit complacently by and allow our heritage to deteriorate?

The threat from within is just as real and just as serious as that from without. For obvious reasons I shall not discuss it here.

There are forces in the world who would destroy us. As those we honor today gave their last full measure of devotion, we, too, must face the foe with grim determination. May we always hold high the ideals for which brave men sacrificed. We can do no less than see to it that our honored dead shall not have died in vain.

Bow low, fair clouds, and kiss the earth,
Where human freedom had her birth,
Where heroes struggled in the fight,
And patriots died for human right.
Bow low, and rainbow glories shed
Above a nation's gallant dead,
Then bear the news o'er land and sea,
Earth's fettered millions may be free.

Fly low, bright birds with painted wings,
And join the song a nation sings,
A glad, and sacred jubilee,
For God has set his people free.
Sing of the flag with starry field,
Sing of the eagle and the shield,
Sing of the victories of peace,
Sing of the time when wars shall cease.
Bloom on, sweet flowers, thy perfume shed
Above each soldier's lowly bed,
Kind nature's fairest tribute bring,
And clothe each mound with flowers of
spring.
Look up, with loving, dewy eyes,
Into the blue recording skies,
And pledge in red, and white, and blue,
That May flowers ever will be true.

Let all the people gather near,
And bow themselves with reverent fear,
For God with mighty, outstretched hand
Has graciously redeemed our land.
Come, peace, and spread they sheltering
wing,
Come, love, thy sweetest tribute bring,
Come, all, and join a sacred lay
To celebrate Memorial Day.

ANNIE IBITTENMEYER.

## Cadet John H. Fagan, Jr., of Northampton, Mass., Tops 1962 Military Academy Graduating Class as No. 1 West Point Cadet

EXTENSION OF REMARKS
OF
### HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
*Tuesday, June 12, 1962*

Mr. BOLAND. Mr. Speaker, the citizens of Northampton, Mass., in my congressional district, were indeed as proud as I was last week when their native son, Cadet John H. Fagan, Jr., whom I appointed to the U.S. Military Academy, received his diploma from President Kennedy as the No. 1 man in his class at West Point.

Cadet Fagan had been a 4-year honor student at the Military Academy and he topped his class in 3 of the 4 years at West Point. As the No. 1 man in the 1962 graduating class, he received the Francis Vinton Greene Memorial Award. He is the son of Mr. and Mrs. John H. Fagan, of 21 Fifth Avenue, Northampton. During his 4 years at West Point he was a member of the Rig and Crest Committee, secretary of the French Language Club, a Roman Catholic chapel acolyte, and a member of the staff of the Pointer, the cadet magazine.

Mr. Speaker, I was unable to go to West Point last Wednesday for the commencement, but Cadet Fagan was told of my pleasure in his achievement by President Kennedy himself as he presented the Northampton cadet with his diploma. Under unanimous consent I include with my remarks a letter from Maj. Gen. W.C. Westmoreland, Superintendent of the Military Academy, my letter to Cadet Fagan, and a letter from Lawrence F. O'Brien, special assistant to the President:

OFFICE OF THE SUPERINTENDENT,
U.S. MILITARY ACADEMY,
*West Point, N.Y., May 31, 1962.*

Hon. EDWARD P. BOLAND,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. BOLAND: I am pleased to inform you that Cadet John H. Fagan, whom you appointed to the U.S. Military Academy, will be presented an award during June Week. As the No. 1 man in the graduating class, he will receive the Francis Vinton Greene Memorial Award, a set of books, presented as a memorial to the late Maj. Gen. Francis Vinton Greene, class of 1870. General Greene was the No. 1 man in his class.

Cadet Fagan will be graduated on Wednesday, June 6, and will be commissioned in the artillery branch of the U.S. Army.

Sincerely,
W. C. WESTMORELAND,
*Major General, U.S. Army,*
*Superintendent.*

WASHINGTON, D.C., *June 1, 1962.*

Cadet JOHN H. FAGAN, Jr.,
*U.S. Military Academy,*
*West Point, N.Y.*

DEAR JOHN: I want to take this opportunity to congratulate you on your coveted achievement in being selected as the No. 1 cadet in the general order of merit in the U.S. Military Academy 1962 graduating class.

I write to you with a feeling of profound gratification that I appointed you to the Military Academy at West Point. Needless to say, I am genuinely proud of the 4-year honors record you have established with the Corps of Cadets at the Academy.

You will graduate next week and receive your commission in an Army that the free world looks to for inspiration and leadership in the fight for liberty against Communist aggression for some years to come. I am sure that the citizens of Northampton will agree with me that you are destined, because of your West Point record, to become one of the great future leaders of the American Army.

Again, I want to offer you my sincere congratulations and best wishes for success in your Army career.

Sincerely yours,
EDWARD P. BOLAND,
*Member of Congress.*

THE WHITE HOUSE,
*Washington, June 9, 1962.*

Hon. EDWARD P. BOLAND,
*House of Representatives,*
*Washington, D.C.*

DEAR EDDIE: You are undoubtedly now aware that the President made direct reference to your pleasure in the achievement of Mr. John Fagan when he presented his diploma to him at West Point.

With kindest personal regards,

Sincerely,
LAWRENCE F. O'BRIEN,
*Special Assistant to the President.*

## San Antonio: Mother-in-Law of the Services

EXTENSION OF REMARKS
OF
### HON. HENRY B. GONZALEZ
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
*Tuesday, June 12, 1962*

Mr. GONZALEZ. Mr. Speaker, there is a saying among members of the Armed Forces, the professional fighting men of America, that San Antonio is "the mother-in-law of the Army." It is a saying that stems from the days the Quartermaster Corps set up its depot in the Alamo before that building became recognized as the shrine of liberty it now is.

The saying applies as aptly to the Air Force and Navy as well as the Army, for San Antonio has long been sought as a duty assignment, as a place of residence, as a place where military men wish to spend the leisure of retirement.

San Antonio has earned this appellation by being a good host and a good home for military installations and the men and women assigned to them. But more than that, the citizens of San Antonio have time and again demonstrated that they cared about the welfare and interests of persons in the Armed Forces.

Recently, a new demonstration of this feeling has been made known. It comes in the form of a nonprofit organization chartered as a fraternal, social, educational, and patriotic organization for the noncommissioned and petty officers throughout the Armed Forces. Its name is the NCO Association of U.S.A., and its national headquarters is in San Antonio.

This is the only organization of this character that I know of which is open to the NCO's, specialists, and petty officers of the Nation's five branches of service—Army, Navy, Air Force, Marines, Coast Guard, National Guard, and participating Reserve.

It sets for itself some eight objectives at the outset, and these are: Establishment of an NCO employment service, a credit union, an endowment or relief fund, aid with oversea banking, improved insurance, legal aid, social activities, and a study of legislation and benefits affecting the NCO.

San Antonio is proud that this enterprising organization has been found in its midst, and it is my hope that through its work San Antonio will earn even better its nickname of "Mother-in-law to the Services." In so doing, it can continue to be a place of hospitable service to some of the constituents of every Member of this Congress.

## Jobs, Cargoes, and Goods: The United States and the Common Market

EXTENSION OF REMARKS

OF

### HON. THOMAS H. KUCHEL

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

*Tuesday, June 12, 1962*

Mr. KUCHEL. Mr. President, on May 22, 1962, I had the honor to speak before the Propeller Club in Los Angeles, Calif., on the subject of the "United States and Its Relations to the Common Market." I ask unanimous consent that a partial text of my comments on that occasion be printed in the RECORD.

There being no objection, the partial text of remarks was ordered to be printed in the RECORD, as follows:

JOBS, CARGOES, AND GOODS: THE UNITED STATES AND THE COMMON MARKET

Western Europe, once economically separated by steep trade barriers and politically divided by ancient rivalries, is a thing of the past. In its place has emerged a united, spectacularly booming, aggressively competitive Europe whose long-range prospects are that it will become the world's greatest economic and industrial force—greater than the Soviet Union, greater even than the United States.

Our shores are no longer inviolate. And, unless we move boldly into foreign trade, we will be driven from the world marketplace and relegated to a secondary role. Our choice is not whether to join or not join in a trade association. Our choice is whether to bargain effectively or ineffectively. The Common Market is an accomplished fact—we must learn to deal with it and we must learn to live with it.

Who would have believed 10 or 15 years ago, that Europe, torn and bleeding from a long and devastating war, would ever have moved so far toward economic and political unity? Indeed, it was only 5 years ago that six European nations joined to sign the Treaty of Rome and form the European Economic Community—what we call the Common Market. To bolster needed economic strength and to attain prosperity, this handful of European nations agreed to knock down trade barriers among themselves, so that goods could move freely across the borders and so that their businessmen could plan and build a much larger group of preferred buyers. It was a start toward a United States of Europe, a realization of a dream dating back to the time of Charlemagne.

Now, Great Britain desires to join this emerging economic bloc—perhaps signaling an end of a 500-year-old independent economic grandeur. Her choice was not easy—but she too has access to the thriving markets of Western Europe.

Norway and Denmark are negotiating for membership also. Austria would like to join. Sweden is interested. Their neighbors contemplate moves in that direction.

Within a few years, the Common Market will include at least 11 European nations. Their population will total 244 million—compared to 185 million in the United States and 214 million in the U.S.S.R. Their steel output will be as large, if not larger, than ours. It will dwarf the Soviet Union's. Auto an electrical production will be much larger than the U.S.S.R.'s and second only to ours.

Common Market success has already been dazzling, and its momentum is quickening. In the years since 1957, the Common Market nations have reduced tariff levels among themselves by an average of 35 to 40 percent. By July, it is likely to reach 50 percent—well above the 30-percent goal foreseen for that date. And since the tearing down of trade fences the member states have been gaining economic strength by leaps and bounds: Their trade with one another has soared 25 percent; their industrial production is rocketing at 8 percent a year (ours is about 3 percent); their living standards are rapidly approaching ours; their wage rates are also keeping up with the accelerated pace. Since 1955 wages have increased 67 percent faster than ours with West Germany and France averaging well over 8 percent in annual increases (our annual average rate has been about 3.5 percent).

This peaceful European evolution has immediate meaning for America. It is not remote, as particularly you in the transportation and shipping industry know. It is already affecting each one of us—our jobs and the prices we pay. Moreover, it will affect us increasingly in the future.

America is a great consumer of goods but even a greater producer of goods. Europe and the other rapidly growing nations of the free world are great producers of goods and, potentially, even greater consumers. If we bring these two equations together—by reduction of arbitrary and other burdensome restrictions on trade we have a potentially advantageous situation for our country. The powerful demands of growth markets abroad can and should mean net added sales, added jobs, and added profits for American business for years to come.

Europe, however, is not the only potential. The concept of the European market opens the possibilities of a Common Market for Latin America, Asia, and Africa. The fact is, some of our neighbors to the south have taken some first steps in this regard. It was the promise of my Republican Party platform to encourage "appropriate regional groupings" of the countries of these areas and "that such groupings adopt means to attain viable economics following such example as the European Common Market. And if from these institutions," the platform went on to say, "there should follow stronger economic and political unions, we would welcome them with our support."

As far as the shipping industry is concerned, an expanding trade program would be both an opportunity and a challenge.

Today, less than 12 percent of our Nation's trade goes in the U.S. bottoms—a paltry achievement compared to, say, the British merchant marine, which handles 70 percent of the United Kingdom's exports. American flag liners have a considerable amount of excess capacity. The goal must be to increase not only the annual tonnage of our commerce carried, but to improve our relative standing among the merchant marine of the free world.

To boost revenues American lines are engaged in the most ambitious peacetime vessel replacement program ever undertaken. This program, approved by both the legislative and executive branches of the Government, though sometimes, I regret to say, pushed aside in Washington, is designed to replace obsolete merchant ships of the Second World War with modern, fast, efficient vessels—vessels we must have if our merchant marine is to meet our essential defense and economic needs. The total cost of this program is in the neighborhood of $4 billion, covering 300 ships. About one-fourth of these qualify for construction subsidies.

It is difficult to overestimate the importance of this issue to California. And it is easy to confess its difficulties to our State. We, as Californians, have a tremendous stake in foreign trade. In 1960, the Pacific coast exported $2.7 billion worth of agricultural and manufactured products, 14 percent of our country's total exports. California exported $1.8 billion. We are No. 1 in the Union. Illinois is second with $1.7 billion; New York is third with $1.5 billion.

Unless our exports remain at a high level, we will be faced with the hazard of a worsening deficit in our balance of payments. Last year our trade earned us a surplus of almost $5.4 billion, helping to offset a deficit of $7.9 billion in all the other component parts of the balance-of-payments ledger. The American merchant marine, despite the relatively small share of our foreign commerce which it carries, has actually earned or conserved between $600 million and $1 billion annually toward a payments balance.

Through increased trade and correspondingly increased American-flag shipping participation in that trade, American liner earnings will undoubtedly increase. By their increase, the operating differential payments, paid by the Government to give our vessel operators a measure of parity with low cost foreign operators, will be returned to the Government. Whether they are returned in whole or in part, the cost of maintaining the merchant marine will nonetheless be reduced.

California leads the Nation with over $478 million worth of agricultural exports—about 10 percent of all U.S. agricultural exports. We rank third in the export of manufactured products—valued at over $1.3 billion—close after New York and Illinois with $1.4 billion each. Our transportation equipment industry in 1960 exported $476 million; chemical and allied products, $123 million; petroleum and coal products, $113 million; followed by electrical machine industries at $45 million.

Other machinery manufactured in California was exported in the amount of $85 million.

Direct employment in ocean shipping, shipbuilding, stevedoring, insurance, foreign trading and a host of satellite industries is well over the 125,000 mark on the Pacific coast. When added to the jobs partially, or indirectly, affected by exports and imports, it has been estimated that 1 person out of 6 in the Pacific coast States derives a significant part of his livelihood from a healthy two-way foreign trade.

Having said all this, the trade policy question, now before the Congress, poses some specific conundrums for our State. Ever since the end of World War II, our people—Californians—have had some specific difficulties, especially our farmers, with many of our friends in Europe. We have tried to recapture our traditional and historic share of the European market. And we suffered some grievous rebuffs, in England, France, and Germany, among others. We do not propose to be anybody's patsy. We want to be free of all mean selfishness, and we want our friends to apply the same decent rule. And in considering trade policy legislation in the Congress, we, as Californians, do not propose to be deemed irrelevant nor inconsequential in any negotiations which new Federal legislation may contemplate. I am not isolationist, neither is America. But who speaks for the multiplicity of California agricultural or industrial questions if a California Senator declines to do so?

We seek, as Californians and as Americans, a free-world trade policy which will be fair, and will be profitable, to all who participate in it. We do not propose to undercut nor bankrupt our own. What we urgently desire is an increasing economic strength of every liberty-loving nation all around the globe. And specifically with respect to the Common Market, I am prepared to clothe our Chief Executive with the tools, and with the authority, to negotiate mutually profitable agreements which will help all of us without destroying any economic segments in any nation. Hurts there will be, and I hope we may deal with, and ameliorate them. But selfishness is not indigenous to any nation. We seek to treat our friends as we would have them treat us. We want our friends to give the same consideration to our difficulties as we do theirs. And in the forthcoming Senate debate on H.R. 9900, I shall attempt to represent the best interests of California, as well as those of the Nation.

The world has never been in this position before. Communication around the world is instantaneous, and transportation outdistances the speed of sound. Mankind has discovered the secret of our awesome, even obliterating, power, which is readily available for good or for evil. And in this divided globe, both the free societies of free peoples and the imperialistic Communist society of dominated peoples possess nuclear might, and share the capacity for circling our planet in minutes and in reaching out to the stars.

Free nations have long since seen the danger to their way of life from the disciples of Marx and Lenin. That is why they have striven to stand closer together, in the interest of their own security, their own perpetuation, and their own defense. Their multilateral defensive agreements have, perhaps irresistibly, tended to bring them together in considering, and in attempting to solve, their common problems in fields of economic welfare, in trade and commerce and in culture. And I must say that, as an American, I applaud the creation of a Western Europe Economic Community, although it poses new and difficult economic problems for our own United States. To the extent that the free peoples of Europe stand together as competing partners as well as comrades in the defense of freedom, the security of our own beloved America is given added strength and is rendered more sure.

And why should we not, as friends, deal with them to improve our own lot, to increase our own trade surplus, to raise our own exports, and to assume—here at home—the responsibility to be competitive in foreign trade? The grand design is to keep our own liberty and to advance the course of a just peace. And within that context, a viable American economy must enjoy its rightful share of the free world's free markets. It is an exhilarating chore for all of us, management and labor, industry and agriculture, to contemplate.

It can be translated, also, into one more kind of firmness against communism. The Soviet Union trade policy is political. It seeks to destroy the Western alliance and uses political prices to dispense its merchandise in dealing with free countries when that technique suits its purpose. Not very long ago Soviet Premier Khrushchev wrote Chancellor Adenauer painting a rosy picture of expanding West Germany trade with the Red orbit if only Adenauer would recognize the economic cost of its Western ties.

There is an interrelationship between many of the questions which plague us in our relations with the rest of the world. Trade policy, transportation policy, balance of payments, military and mutual security expenditures overseas, the strength of our own economy are all integral parts of a complex picture of enormous dimensions.

As we attempt to solve these problems, we must remember that we deal with our country, and our own people, their welfare and their life; and that our solutions, or our attempted solutions, shall be grounded on the welfare of our own country, and our own people and on the never-to-be-forgotten truth that human freedom will survive only if America remains strong, and being strong, continues to enact her role of honor along with those who, like you and me, treasure liberty foremost.

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## The Human Way Out

EXTENSION OF REMARKS

OF

## HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. ROOSEVELT. Mr. Speaker, my attention was recently directed to an address delivered by Mr. Lewis Mumford at the University of California. The address and the correspondence regarding it is set out below. I believe this material will be of interest to my colleagues, for it is indicative of the well-meaning and certainly sincere desire on the part of many who desire peace, but who nevertheless fail to take into consideration the practicalities of the situation. Many so-called liberal views are sometimes distorted. By the presentation of this material I hope to contribute something to a better understanding of both points of view:

MAY 16, 1962.

Hon. JAMES ROOSEVELT,
*Old House Office Building,*
*Washington, D.C.*

DEAR CONGRESSMAN ROOSEVELT: I take the liberty of bringing to your attention the enclosed address delivered by Mr. Lewis Mumford at the University of California.

Perhaps you will agree that we have arrived at a point in history when the establishment of a genuine peace; i.e., the ending of the East-West cold war, has become a prerequisite to any kind of satisfactory life on this planet, if not mandatory to the survival of the human species.

I do not know whether it is as clear to you as it is to me that the responsibility for the prolongation of the cold war lies heavily with the West, and especially with our own foreign policy. Were it not for the incessant prosecution of the cold war from our side, I am convinced there never would have been a resumption of Soviet bomb testing.

Where will the initiative arise to bring an end to the cold war, if not from those few liberal Congressmen and Senators on Capitol Hill?

Any comment you may wish to offer will be most gratefully received.

Sincerely yours,
MATTHEW P. HYLAND.

### THE HUMAN WAY OUT

(By Lewis Mumford, visiting professor at the University of California, Berkeley; address delivered at the university meeting, September 28, 1961)

The subject of this morning's talk, "The Human Way Out," is not of my choosing; it has rather been thrust upon me by current political events and reactions. At this critical moment in human history, I have no other course but to speak openly and freely about the situation in which we find ourselves, and to explore what means we still have at our disposal to curb the forces that our own leaders, from 1945 on, all too confidently and carelessly set in motion. I regret that President Kennedy's address to the United Nations Assembly has not lightened my task nor absolved me from its performance.

If I flinched from taking on this duty I should be unfaithful to my vocation as a teacher. There is no disaster shelter for the mind, in which the American scholar can take refuge, to cower in darkness and shameful silence, protected from the poisonous fallout of public error. The worst dishonor possible would be to remove our minds from the full light of day, and to withhold from our countrymen our most valuable human resources: not merely our specialized critical intelligence, but our imaginative insights, our moral evaluations, our historic perspectives, our prognostic anxieties.

The public task that has fallen to me is one I would gladly have evaded, if peace of mind could be purchased so cheaply. More than once during the last 16 years I have found myself wryly sympathizing with the Biblical Prophet Jonah, who fled from his unpleasant duty of announcing to the people of Nineveh that, unless they altered their conduct, they were headed for destruction. And I am still envious of Jonah's good fortune, not just in escaping the tempest and the belly of the whale, but in living to see the words he so reluctantly addressed to the inhabitants of Nineveh heeded by everyone, from the king and nobles down; so that "great city," though it contained six score thousand people who couldn't tell the difference between "their right hand and their left," was saved, along with much fine cattle.

The only thing that lightens my burden today, my sole support and consolation, is the conviction that I shall be uttering, to a far larger degree than anyone would suspect from reading the newspapers or listening to the radio, the thoughts that millions of other people, our own countrymen and our neighbors all over the world, are now thinking in anguished silence, still unheeded by their leaders. All this last month, I confess, I have been going about my work from day to day, haunted by a few lines that come near the end of the most heartbreaking of Shakespeare's tragedies, "King Lear": "The weight of this sad time we must obey: Say what we feel, not what we ought to say."

And in that mood I face you this morning.

Let us go back to the beginning. Half a generation ago, our country found itself in sudden possession of almost illimitable physical powers and potentialities, derived from scientific insight into the ultimate constitution of matter. By a chain of brilliant experimental investigations, in which this university, through Prof. E. O. Lawrence's laboratory, played a distinguished part, the technical means of transforming mass into energy were invented. Potentially, this marked a human advance comparable only to that which the neolithic domestication of food plants and animals had brought in. But instead of being applied, like that older technical triumph, to the enhancement of human life, the new powers of nuclear fission were directed at once to a negative function: large-scale human extermination. The permission to use atomic energy turned into the compulsion to use atomic weapons, against present or future enemies. This fixed idea still dominates us.

Unhappily for mankind, the release of nuclear energy had been preceded by an even more devastating kind of liberation: a release from moral inhibitions and salutary taboos it had taken civilized man 4,000 or 5,000 years to build up. Three years before the atom bomb was invented, our own country, along with our democratic partner, Britain, had adopted the totalitarian strategy of attacking, not only identifiable military targets, but numerous inhabitants of whole cities, doing what the Germans had done, to our own well-justified horror, in their assaults on Warsaw, Rotterdam, and London. This willful breakdown of mankind's well-established safeguard against insensate violence, this transformation of war into genocide, turned every country into a potential extermination camp. Though we covered our actions with the specious excuse that such wholesale extermination would shorten the war and thus save precious human lives, our Government actually placed every human life on this planet in jeopardy, as soon as atom bombs went into mass production. We must now face the consequences of these tragic errors.

I do not propose to examine the many sins of commission and omission that have, from this starting point, brought us into the present desperate situation. Suffice to say that massive errors were committed—and are still being committed—by both our own country and Soviet Russia, the principal offenders. Both Governments quickly became the prisoners of the absolute weapons they were creating; and these weapons in turn brought into existence a host of scientific, technical, industrial and political agencies, whose many members acquired a heavy vested interest in the strategy of extermination, and had no economic or personal incentive to seek an alternative strategy and policy. The food that most of mankind now eats has been poisoned by the mere testing of these nuclear weapons; but the moral atmosphere has been even more heavily contaminated.

In their reliance upon weapons of genocide—nuclear, chemical, bacterial—both the United States and Soviet Russia have been equally at fault. Today, in consequence, both countries symbolize the dilemma of the irresistible force confronted with the immovable object. Neither Government will yet give ground, even on trivial issues like those raised in Berlin. Each still threatens the other with unrestricted extermination and destruction, despite the fact that the same catastrophe would be visited on both sides, and would eventually do grave damage to every other people on the planet, no matter how innocent or remote. The notion that there is some neat technological way out of this impasse forms part of the strange pathology of our time. Plainly every new mechanism of death invented by either side only heightens the present tension, widens the prospective terror, and commits them more heavily to the universal catastrophe they profess to abhor but do not shrink from projecting.

Our own country has declared its readiness to sacrifice 50 million of its own citizens to our nuclear gods on the first day that genocide breaks out. We have covered over that first appeasement of these demented gods by building wholly illusory underground shelters, designed on the quite indefensible assumptions that only military targets would be hit, only nuclear weapons would be used, and—most fantastic assumption of all—that the conflict itself would last only a single day. At best, our peripheral fallout shelters would provide an extra fortnight for contemplating the traumatic horror of facing the continuance of a purposeless war, and lingering on, wracked by disease and starvation, in a meaningless world, disintegrated and permanently defiled beyond power of redemption.

To accept such an abomination of terror and desolation as even a remote possibility, much less an honorable and tolerable sacrifice, is sheer madness; and the fixed policy that will eventually lead to such an end is, by any rational criterion, a mad policy, empty of human values and unworthy of human respect: the policy of underdimensioned men with 10-year-old minds, operating within a one-generation frame of reference, with no respect for the values of human history and no concern for the future of the human race. Let us face these consequences before our leaders commit us further to this unpardonable sin, to use Hawthorne's words, this ultimate crime against mankind itself. And let us speak plainly to our leaders to this effect: We hold these truths to be self-evident, that there is no national purpose, however ideal, no practical urgency, however pressing, that would justify the risk of bringing about the irretrievable mutilation of the human race and the nullification of human history.

From this it follows that we must swiftly change our minds and alter our rigid policies. There are no alternatives to our present course that our own Government should not be prepared to examine, no lengths it should not be prepared to go, no humane proposals it should be afraid to make lest they be treated as a confession of military weakness—in order to forfend even the bare chance of such a fatal terminus. If we are to overcome the irrational factors that are increasingly driving us into a corner out of which they threaten to break only by a final irrational act, we ourselves must take the lead in rebuilding the moral foundations we ourselves thoughtlessly demolished, and challenge the premises that have brought us to the verge of accepting this gigantic aberration as a normal intelligent choice.

More than that: We must not merely repair our own morals but improve our manners. At such a hair-triggered point as this, the persistent public baiting and taunting of the Russian Government and the Communist system by our leaders only betrays their incapacity to come to grips with reality; the reality of Soviet Russia's existence, the reality of the world's need for their willing consent and cooperation in the enterprise of insuring mankind's survival and continued development. The fact is that we need the help of the Communist peoples, as they in turn need ours, if we are to escape the death trap each nation has cunningly set for the other.

Only one course is now open to us: To retrace our steps and seek a human way out. What, then, does it mean to be human? To be human is to recognize, as even the most primitive tribes recognize, that we are all part of a cosmic process that encompasses and outlasts our little lives. As living organisms, we are members of a complex, cooperative society that includes species at every level of development, from the viruses and bacteria to the most fully developed human personalities, a Confucius or an Emerson, an Aristotle or an Einstein. As families or nations, we live not alone or on our own exclusive terms, but with the constant help of countless other species. Wantonly to break apart this complex web of organic life and human culture at any point is to assault the foundations of our own existence. Our security and our welfare rest upon mutual aid and mutual tolerance. And when we are fully human, the entire human past and future are constantly present in our consciousness, to deliver us from insolent fantasies based on the prejudices of our tribe and the discoveries of a single generation.

To be human, by the same token, is to recognize with humility our own inherent imperfections and limitations. At every moment, as Christian doctrine has always stressed, men are prone to sin and error, to hallucinations, self-deception and headstrong pride. All men individually, and all nations collectively, are finite and fallible beings; and they are never more open to flagrant error than when they feel smugly self-righteous and immune to any possible criticism. Traditional wisdom warns us against these flattering illusions. Though we may make our little daily decisions alone, knowing that our mistakes will hurt only ourselves, now that our leaders persist in committing us to policies that might eventually bring disaster to all mankind, we must recall them to their human conditions: they need the heroic wisdom of the race, and the criticism and correction of all other peoples, and above all they need to restore their own balance by bringing back into the picture the human factors they have blindly ignored.

Only if we operate once more from a humble human base will the problems that now seem insuperable become open, step by step, to a human solution. There are many alternatives to the course that the Western nations have been following these last 16 years: there is still an abundance of open choices, accommodations and compromises, midway between the hateful extremes of one-sided surrender and mutual extermination. But the time is late, and the dangers multiply day by day.

Since only the human way out remains, the most imperative task for us as Americans is to summon forth and patiently cultivate sufficient friendly human feeling in ourselves to evoke a similar response in our opponents. The belated proposals that both the Russian and the American Governments have made toward total disarmament will not move an inch toward realization whilst our Governments meet each other filled with hostility, suspicion, and bravado, poisonous qualities that derive directly from their confidence in the very weapons that must now be destroyed. The human breakthrough must preface every serious governmental effort; and the first changed in the atmosphere, the first melting of inflexible power into supple wisdom and humanity, must be made by each of us, opening our hearts as well as our minds, and speaking freely, as I have been speaking to you this morning.

Let us speak truth to the power that can only will its own destruction. Let us tell our leaders that this is not a time to threaten desperate, irretrievable acts, but to utter disarming words: words that will sympathize, conciliate, heal, embrace: words that will pave the way to honorable compromises, and eventually passing beyond the insurance of coexistence, will bring about positive cooperations. At this point, only the quick therapy of words, meaningful words, openly and honestly exchanged, as in a direct face-to-face relation, can free us from the grim tensions and compulsions that now have us in their grip. "The weight of this sad time we must obey." Yes, the time has come to speak, and to say what we feel; for what we feel in the depths of our being is precisely what we ought to say: we have no commitment to catastrophe.

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MAY 31, 1962.

Mr. MATTHEW P. HYLAND,
*Washington, D.C.*

DEAR MR. HYLAND: Thank you for your recent letter and its enclosure. I appreciate your bringing Mr. Lewis Mumford's address to my attention—which I did, indeed, find most interesting.

I do not gather from his address, however, any indication that the "responsibility for the prolongation of the cold war lies heavily with the West, and especially with our own foreign policy." Neither can I agree with the sentiments which read: "Were it not for the incessant prosecution of the cold war from our side, I am convinced there never would have been a resumption of Soviet bomb testing."

While I am not authorized to speak for the "few liberal Congressmen and Senators on Capitol Hill," I doubt very much whether there are any of us who would agree with the statements quoted above. On the other hand, I feel very strongly that while we can agree with Professor Mumford's feelings, there should be no letup in our willingness to examine and advance every responsible proposal for alternatives to the present course, and we should undertake to make every possible proposal to "forefend even the bare chance of such a fatal terminus." It must be recognized that this has to be a two-way street, and if it is to be successful Soviet Russia must give it more than lipservice, which is all she has given so far.

Further, I must emphatically disagree that the West has provided "incessant prosecution of the cold war from outside." The facts are clearly to the opposite and such statements only make it more difficult to reach a true understanding of the situation by the American people and, indeed, by our Russian friends who are encouraged by such statements to believe that they can continue their prosecution without criticism because of the existence of such opinions within the United States.

In conclusion, while our principles and hopes are largely identical, our differences seem to be that we can accomplish them in the minds of some by a unilateral course. I do not believe this is possible and I believe that the times call for bilateral efforts to a much greater degree.

Thank you again for your interest in writing, and with every good wish, I am,

Sincerely,

JAMES ROOSEVELT.

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## Statement of Congressman Ray J. Madden, of Indiana, Before the House Committee on Interstate and Foreign Commerce Now Holding Hearings on the Quality Stabilization Legislation

EXTENSION OF REMARKS
OF

## HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. MADDEN. Mr. Speaker, Congressman OREN HARRIS, chairman of the Interstate and Foreign Commerce Committee, and Congressman PETER MACK, chairman of the Subcommittee on Quality Stabilization Legislation, opened a week's hearings on Monday—yesterday.

These hearings are open and any Member of Congress is invited to testify, pro or con on this bill.

The following is the statement which I presented to the committee at the opening of these hearings Monday morning:

STATEMENT BEFORE A SUBCOMMITTEE OF THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE ON H.R. 10335, KNOWN AS THE QUALITY STABILIZATION BILL, JUNE 11, 1962

Mr. Chairman and members of the Special Subcommittee of the House Committee on Interstate and Foreign Commerce, I am grateful to the chairman and members of this committee for your decision to hold hearings on the quality stabilization bill. Your cooperation demonstrates that you are much concerned over the devastating methods of merchandising in recent years that is causing great damage to the manufacturers, retailers, and consumers throughout the country.

Basically, the quality stabilization bill offers a major step in curbing dishonest practices that are misleading the consumer in merchandise values. It spells out bait advertising, deceptive pricing, and published misrepresentations of the product as reasons why a manufacturer may protect the property rights in his brand name or trademark.

The public will be helped by the enactment of the quality stabilization law, since the established price and quality symbolized by the brand name will be a standard from which it may judge the competitive values of products. The consumer will be guarded against the loss-leader operator who uses the honored brand name or trademark to build store traffic at the expense of his more honest competitors, while recouping his loss at the same time on overpriced, inferior, and blind merchandise.

### OPERATION

If the owner of the trademark elects to come under quality stabilization, the retailers and distributors must cooperate with the owner or manufacturer in maintaining the stabilized price of that trademarked product. This enables the manufacturer to continue to build quality into his stabilized brand name product. If the retailer violates the provisions of the quality stabilization law, the brand name owner can revoke the retailer's right to use the brand name. If the distributor violates the revocation order, the brand name owner (the manufacturer) can then institute a Federal civil suit for damage. The legislation will call for no Government bureaucracy or department to supervise or enforce the quality stabilization law. The law is 100 percent optional and the manufacturer, retailer, wholesaler, or consumer can choose to come under or stay out of quality stabilization. It provides a wholly meritorious and worthwhile opportunity for quality products to be distributed through quality-conserving resellers.

### NOT FAIR TRADE

Since its introduction last January 1961, the merits of this proposed legislation have come to the attention of thousands upon thousands of manufacturers, distributors, retailers, and consumers.

This bill is not fair trade legislation and is not a price-fixing measure.

The quality stabilization bill has now become one of the most widely publicized and acclaimed measures that await action in this session of Congress. In our long and critical struggle against communism, the American system of free enterprise must be our major weapon. Business failures in recent years and the growing lack of protection for consumer purchases must be given consideration by this Congress. The marketplace is rapidly becoming infested with the so-called fast buck merchandisers.

### OPTIONAL

In giving the manufacturer the optional right to control his trademark, safeguards are also established for the distributor, the retailer and, most important of all, the consumer. It is imperative in considering the bill, that you fully realize that its use by the manufacturer, retailer, and consumer is optional. No product can be stabilized under the proposed quality stabilization law unless competitive products are available to the consumer. And sale or purchase of a product stabilized under the proposed law is also completely voluntary on the part of the distributor, the retailer, and the consumer. It is of fundamental importance that this bill be recognized as one not aimed at harming any legitimate business, but as a measure of economic benefit to all.

### BUSINESS FAILURES

The Senate Small Business Committee has reported that small business failures (bankruptcies—businessmen giving up the struggle for survival), climbed in 1960 to the highest point since 1933 and the great depression. The House Small Business Committee, in its December 16, 1960, report entitled "Status of Small Business—1948–58," 86th Congress, 2d session, made this frightening statement: "Most small retailers discontinue business without going through bankruptcy. This explains why, of the 139,000 who discontinued business in 1959, only 6,873 showed up among the business failures."

There are about 2 million retailers in America; 88 percent of them operate in only one location from one store—70 percent individually own their own businesses. These are not huge outfits, over 75 percent have annual sales under $100,000.

There are 165,000 merchant wholesalers in the United States; 91 percent of them are active owners of unincorporated businesses—71 percent operate from only 1 building.

It is the well-known brand names, brands with a reputation for a reliability, that are taking it on the chin. If these brands did not have such an excellent reputation, do you suppose they would be of interest even for 1 minute to the discounter who needs a traffic builder for his kind of selling?

We cannot permit the further degeneration of the brand-name system of distribution. We must arrest the growing rate of failure of small business in this country. We must give the incentive to the manufacturer in this country to build toward excellence, and we must protect the consumer from junk merchandise.

Quality stabilization covers specific areas in which a manufacturer can control, that is, prevent the unfair use of his own property —his trademark—by the reseller. These areas are: (1) International misrepresentation as to make, model, size, age, etc.; (2) bait and switch merchandising tactics; or (3) price.

To repeat, it is not compulsory that the brand-name owner use the law.

### MECHANICS OF USING THE LAW

The manufacturer who does elect to use the quality stabilization law will publish a specific retail price at which his trademarked product must be sold. He has this right so that he may protect the quality of the product, the goodwill of his brand name, the ethical reseller, and the consumer. This is not to say that the manufacturer cannot change his specific price. Not at all. Competition is promoted, not restricted, by the quality stabilization bill, and the interaction of competitive forces will insure that the manufacturer's price represents fair value or else that manufacturer will be forced out of his business. Any price established under this law will be at the manufacturer's peril.

This is the way the free enterprise system should function.

If a retailer knowingly violates the published policy of the manufacturer by engaging in any one or all of the three specific practices named in the bill—price deviation, bait and switch tactics, misrepresentation—then the manufacturer may revoke the right of that offending retailer to make any further use of the manufacturer's name, brand, or trademark.

The quality stabilization bill is not a one-way street. It imposes an obligation on the manufacturer as well. The bill states that lack of due diligence in revoking the rights of competing resellers known to the trademark owner to be committing similar acts of unfair competition will constitute a valid defense against any action brought under this law.

With the enactment of the quality stabilization bill, the reseller and the public will know where each manufacturer stands as to policy and quality consistency. The manufacturer no longer will have the convenient excuse that he cannot protect good resellers against unfair competition.

### FOUNDATION ESTABLISHED BY SUPREME COURT

The quality stabilization bill contains none of the usual fair trade language. There is no provision for contracts as the bill is wholly predicated on the owner's property rights in his good name; there is no dependence on a nonsigner clause as is the case with fair trade. The essential difference is that fair trade enforcement is to compel a dealer to raise his prices for a product, while under the quality stabilization bill, the action is one akin to trespass—to stop a reseller from abusing a manufacturer's property right in his trademark.

The quality stabilization bill simply provides that when a trademark is abused, the trademark owner may deny that unfair reseller further use of the brand name or trademark. Essentially, it is a confirmation by Congress of the unanimous decision of the U.S. Supreme Court in *Old Dearborn Distributing Co.* v. *Seagram-Distiller's Corp.*, 299 U.S. 183 (1936), that the manufacturer possesses property rights in the goodwill symbolized by his trademark. The bill describes how the manufacturer may protect his trademark as it moves along the channels of distribution.

### CONSTRUCTIVE COMPETITION INSURED

The quality stabilization bill leaves the Sherman Act intact. Any group of manufacturers or wholesalers or retailers who abuse the quality stabilization bill to effect illegal collusive price fixing between themselves would be courting the same prosecution as the heavy electrical firms and their executives experienced not long ago in Philadelphia.

To underscore that the quality stabilization bill will promote competition, it must be emphasized repeatedly that the manufacturer alone must make the basic marketing decision—whether to stabilize his price, as a means of restoring and improving quality, or to rely primarily on price alone to attract customers. It is, after all, his brand and his reputation which is at stake. Only he can make the decision.

Wholesalers and retailers will be free, too, to determine whether they wish to handle products of stabilized quality or a competitive unstabilized one. They may elect to handle top brand lines which are stabilized and others on which they can vary the price. It is their decision. If they elect to handle the quality stabilized brand, they must respect the law and the manufacturer's established policy. This means that the reseller may not abuse the brand name by misrepresentation as to make, model, size, age, or other details of the quality stabilized brand, by bait and switch merchandising techniques, or by selling that brand name product at other than the manufacturer's specific price.

### THE CONSUMER'S INTEREST

This legislation safeguards the consumer. This committee is not unmindful of the situation that results when an unprincipled retailer can take advantage of a product by running a loss-leader ad. For every dollar spent by the misguided customer who is brought in on account of this ad, sacrificing a brand name or a trademark of some producer, that customer spends an estimated $9 for inferior products at the regular or higher price. Now, what happens? It does not take long until that honored product loses customers. Soon the loss-leader advertiser drops the brand name product and picks up another quality product to temporarily pack his store with unsuspecting customers. It is operations of this kind that the quality stabilization bill will control by protecting the customer, the producer, and the small retail man.

We need protection for the small retailer, the consumer, labor, and for the man who invents a product or spends his adult life and great sums of money to establish a brand name or trademark.

Enactment of the quality stabilization bill will result in availability of products in which the public can have confidence—confidence in their stabilized price and in their quality. Customers can buy that which they seek: quality and price, or price alone. The retailer, by offering both quality stabilized and unstabilized brands, can give the consumer an excellent mix of durable, high-quality products and products of lesser quality whose prices fit his pocketbook or his limited needs.

I feel confident that there will be many brands, made by reputable manufacturers, which will not be stabilized even though some of their brands are stabilized. The quality stabilization bill will affect discount merchants only as to the products the manufacturers place under quality stabilization and then only as to the brand name thereof. On those products the manufacturer will have the legal and equitable right to protect his property. But the discounter is optionally free to handle quality stabilized products along with merchandise that he does not elect to come under quality stabilization.

It is not the purpose of the quality stabilization bill to put anyone out of business. Indeed, it is my conviction that it will reduce the number of small businesses whose owners find it necessary to liquidate. I predict that enactment of the quality stabilization bill will result in a drastic drop in the number of small business failures.

Obviously, the buying public will benefit from this bill. For the first time in a number of years, the consumer will have a standard against which to measure quality. The quality stabilization law will also give protection to the consumer against entrapment and unwise purchase of the loss-leader merchant specializing in bait and switch tactics.

The opponents of this legislation seem to be motivated by marketing forces who are the principal offenders against the historical retail methods and practices that have in the past, enabled legitimate retailers and manufacturers to build successful marketing economy second to none in the world. Their strategy appears to connect quality stabilization legislation by smear propaganda through identifying it with fair trade and price fixing. Anyone who reads and studies H.R. 10335 can easily determine that no provision in the bill identifies it with fair trade or even remotely with price fixing. The bill creates no Federal enforcing department and its provisions are 100 percent optional with both the manufacturer, retailer, and consumer.

### HELP EMPLOYMENT

In urging speedy consideration of this bill by this committee, I direct your attention to the fact that unrestrained price slashing is rapidly disabling labor, industry, resellers, and the public. Our entire economy will continue to deteriorate at a time when leading economists and statesmen agree we need instead economic growth to strengthen our Nation for survival.

I represent the great industrial Calumet region of Indiana. In recent years purchasers and small retailers have been asking me what can be done to reestablish confidence in retail marketing. Unemployment in my area is critical.

Enactment of this quality stabilization legislation will contribute more toward restoring employment than any other legislation that can be enacted by Congress. When a manufacturer is forced to make 15 men do the work of 20, and is forced to employ cheaper and less-skilled labor as well as inferior materials, both American labor and the American consumer are injured where it hurts most. Small manufacturers of trademarked products have been forced to close their factories or downgrade the quality of their products to suit the high pressure, falsely advertising retailers, as a means of staying in business. This type of retailer may be few in number but they are powerful and heavily financed, and growing in size and number every day.

Enactment of the quality stabilization bill will give manufacturers the confidence to build better products instead of cheaper products with poor quality. This bill will give the bargain seeker an opportunity of knowing what is a bargain by placing a standard of value as a gage.

### NONPARTISAN

This is strictly nonpartisan legislation. Ten U.S. Senators of both parties have cosponsored quality stabilization, and ten Members—from both parties—have introduced the bills in the House of Representatives.

I am hereby submitting with my statement the list of approximately 70 national trade and professional organizations that have endorsed this quality stabilization bill:

Quality Brands Associates of America, Inc.

National Retail Hardware Association.

National Office Machine Dealers Association.

Independent Garage Owners of America.

National Association of House to House Installment Cos., Inc.

National Sporting Goods Association.

National Association of Retail Clothiers and Furnishers.

National Retail Furniture Association.

Retail Jewelers of America.

Master Photo Dealers and Finishers Association.

National Appliance and Radio-TV Dealers Association.

National Wholesale Jewelers Association.

National Stationery and Office Equipment Association.

Wholesale Stationers' Association.

Toy Wholesalers' Association of America.

Billiard and Bowling Institute of America.

Gift and Decorative Accessories Association of America.

Marine Manufacturers Safety Equipment Association.

Sporting Goods Jobbers Association.

American Fishing Tackle Manufacturers Association.

Archery Manufacturers and Dealers Association.

National Wholesale Hardware Association.

Fountain Pen and Mechanical Pencil Manufacturers' Association, Inc.

American Watch Association, Inc.

Watch Material Distributors of America.

Automotive Service Industry Association.

National Association of Bedding Manufacturers.

The National Association of Shirt, Pajama and Sportswear Manufacturers.

National Industrial Distributors Association.

Christian Booksellers Association.

National Congress of Petroleum Retailers.

National Shoe Manufacturers Association.

Wallcovering Wholesalers Association.

National Small Business Association.

American Research Merchandising Institute.

American Retailers Association.

National Art Materials Trade Association.

National Shoe Retailers Association.

Motor and Equipment Manufacturers Association.

Northamerican Heating & Airconditioning Wholesalers, Inc.

National Association of Women's & Children's Apparel Salesmen, Inc.

American Watch Manufacturers Association.

National Bicycle Dealers Association, Inc.

National Audio-Visual Association, Inc.

National Office Furniture Association, Inc.

National Outerwear and Sportswear Association.

National Frozen Food Association, Inc.

The Automotive Warehouse Distributors Association, Inc.

National Association of Glove Manufacturers.

American Association of Small Business.

National Marine Products Association.

National Association of Retail Druggists.

Paint and Wallpaper Association of America, Inc.

Retail Tobacco Dealers of America.

National Association of Tobacco Distributors.

National Retail Farm Equipment Association.

American Pharmaceutical Association.

National Conference of State Pharmaceutical Association Secretaries.

Metropolitan Cities Drug Association Secretaries.

National Association of Chain Drug Stores.

Toilet Goods Association.

American Booksellers Association.

National Wholesale Druggists Association.

Automotive Electric Association.

Corset & Brassiere Association of America.

Proprietary Association.

The Independent Shoemen.

National Candy Wholesalers Association.

## Bremerton, Wash., and the Bremer Family

EXTENSION OF REMARKS

OF

### HON. THOR C. TOLLEFSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. TOLLEFSON. Mr. Speaker, Bremerton was platted in 1891, and occupied part of the homesteads of Warren Smith and Theodore Williams, on the north side of Port Orchard Bay. The land had been logged off and was a field of stumps with all the debris that usually followed the logger, except for such parts of the homesteads as the sturdy settlers had been able to clear. And that was not any considerable part of the total area.

But the vision which gave birth to the town was the vision of William Bremer, who had come to the Port Orchard Bay region 3 years prior to the date of platting, and who had been engaged in the real estate business with an office in the village then known as Port Orchard, located on the land which in later years became known as Charleston. Bremer saw in the strategic location of the bay region the possibility of a naval station and it was due to his efforts more than to the efforts of any other man that the present Navy yard became an actuality.

William Bremer was born in Esson, duchy of Brunswick, Germany, June 12, 1863. As a young man he went to South Dakota with his parents and in 1888 he came to the then Territory of Washington, landing at Seattle. Looking around, he saw the advantages of Kitsap County with its rich timber resources and its proximity to Seattle, which city he conceived as the coming metropolis of the Northwestern country. He soon located in Port Orchard to engage in the real estate business.

The movement for a naval station near Seattle had been started many years prior to the coming of Bremer, but it had vegetated most of that time, and it was not until the coming of Lt. A. B. Wycoff as the representative of the Secretary of the Navy for the purpose of purchasing the land for the site of a drydock, that Bremer put his plans into action and took it upon himself to aid as much as possible in the location of the plant and in the development of the region surrounding the site. It was in this way that Bremerton was born.

For years, it now seems that Bremer was about the only man in the region who saw tremendous development. For the struggling town grew so slowly that there was no form of town government until 1900, or a full 10 years after the plats had been filed. And there were good reasons for the lack of interest on the part of the people. Washington and the Northwest were in the midst of a timber-cutting tournament, and every man was interested in getting into the production of lumber in some form. The idea that the United States might develop a navy yard near Seattle, and right in the heart of the fast developing world of stumps could not find lodgement in the brain of the average man of the period.

But by 1901, Bremerton had grown considerably, and it was necessary to have some form of city control. The incorporation was completed in 1901, and A. L. Croxton was elected mayor. Croxton assumed office October 16 and served through the period ending with the 1st of January 1904.

After serving his city and the State of Washington ably and well for more than a score of years, William died December 23, 1910. His most lasting monument is the navy yard, Puget Sound, as it is, and as it shall be in the years to come.

Bremerton has one of the most picturesque settings of any city in the Northwest. Located on one of the fine, protected harbors of Puget Sound, it is the gateway to one of the greatest playgrounds in the United States—the Olympic Peninsula, where mountains, glaciers, forests, lakes, mountain streams, and the sea make an ideal recreational area. It has within its corporate limits the best equipped navy yard in the United States. Bremerton is now a thriving city of approximately 37,000 people. Its navy yard employs some 10,000 civilian workers. The ships of the U.S. Navy come and go through out each year, coming for repairs and overhauls.

## The Eleanor Roosevelt Cancer Foundation

EXTENSION OF REMARKS

OF

### HON. ALBERT THOMAS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. THOMAS. Mr. Speaker, under leave to extend my remarks in the Record, I include the following address by Mrs. Eleanor Roosevelt at the Second Annual World Peace Through World Health Award dinner held in Washington, D.C., on May 22, 1962:

Mr. Arthur Godfrey. The warmth and presence here tonight of you far better expresses the love and affection which we all have for our next speaker, and it is my great honor and happy privilege to present to you the First Lady of the World, Mrs. Eleanor Roosevelt. [Standing applause.]

Mrs. Eleanor Roosevelt. Mr. Chairman, Mr. Master of Ceremonies, Mr. Vice President, distinguished guests, ladies and gentlemen: I think you all know by this time that the main purpose of this dinner is to honor an outstanding individual whose services have advanced the cause of world peace through world health.

Last year, when the first award of this foundation was given to Gen. Omar N. Bradley, many of us heard the Vice President of the United States make a very serious report.

Mr. Johnson said that over half of the world or 2½ billion people either suffer from chronic illness or become ill annually, and that this vast human suffering places illness second only to hunger.

The Vice President has not only been moved by the suffering cause of the world, but he has traveled tens of thousands of miles as a representative of our country to support the worldwide effort in the fight against disease.

He has made a 30,000-mile trip to the lands of southeast Asia and he has traveled thousands of miles in Africa. Everywhere he has represented the American people whose compassion and desire is to help those in need which is our greatest source of strength.

I am happy to present the Second Annual World Peace Through World Health Award to a distinguished statesman. So far, I have been using the notes as they were a little afraid I would forget something, you see, so they made sure to write them down for me.

I think Mr. Johnson has had a very deep sense of responsibility in this particular area. I know that friends of mine have given a great deal of their time and energy to trying to get our Government aware of this problem and have felt that their hands are upheld and that they have gotten the greatest help from the Vice President.

So I think my husband would have had a feeling that we must have a research and that we must find the answers to problems as they come up, and he would be very happy tonight that a great American and humanitarian, the Vice President of the United States, Mr. LYNDON B. JOHNSON, is being given this award. [Standing applause.]

### REMARKS BY VICE PRESIDENT LYNDON B. JOHNSON

The VICE PRESIDENT of the United States. Mrs. Roosevelt, Mr. Roosevelt, Mr. Godfrey, Justice Clark, distinguished Ambassadors and fellow Americans, you do me great honor tonight with this award. I am most grateful and it adds so much to my gratitude to receive this award from the Eleanor Roosevelt Cancer Foundation and to have the great honor of sharing this platform tonight with such a grand lady.

All over the world, wherever men and women yearn for freedom from disease and deprivation in a world without war, no name lights their eyes or quickens their hearts more than the name of Eleanor Roosevelt. [Applause.]

I think it is quite fitting, in her presence, that we should talk tonight about world health and world peace.

If there were a single broad highway stretching straight, swift and sure toward peace, men and nations would have traveled it a long time ago. But there is no such road and the way to peace is not an easy way. Those who seek peace must find their way across unknown, unexplored and often unfriendly terrain.

This is what we are doing tonight.

We seek peace by many roads, along many trails, up many paths. We cannot know where, or when, our search will end. But we live with an abiding faith that our searches will end in success.

So it is in this context that we explore along the roads and trails and paths of medical research. We believe that our discoveries there will help us to reach and to keep universal peace in the world.

We recognize that better health alone would not be enough. Nor would better food, better shelter, better clothing, better jobs or better education be enough alone.

None of these things alone can bring peace to the world any more than can armament—or disarmament—alone.

If we are to succeed in our quest for peace, we must concern ourselves at all times with the total condition of man.

I think it is well for us to remind ourselves that the United States today is committing its resources on a monumental scale to programs which will, as their end result, improve the total condition of man on this earth.

Over the past decade, we have made a cumulative outlay for research and development in the natural sciences of about $80 billion. This is four times the comparable amount for the preceding 10 years. It is equal to the total Federal budget for the fiscal year 1961.

Are we making our effort on this scale solely for the satisfaction of national pride? Is it our highest hope only to place a man on the moon or to have been the first to send a man out among the stars?

The answer of the American people is, emphatically, "No."

Our national purpose in supporting today's research is not to perform spectaculars among the planets or merely to win moments of national glory on this earth.

We do what we do in the search for peace.

We do what we do in the hope that our endeavor would lead the world to a day of universal justice and freedom. [Applause.]

We do what we do, not to make our Nation stand larger on this earth, but to help all mankind to stand more erect and upright together.

At this moment we live in a world of peril. Prudence requires that the focus of our efforts be directed to neutralizing that peril.

But our search for security is, I believe, producing far greater contributions to the methods of peace than to the techniques of war. Many overlook one thing: Our defense budgets are going today not to amass vast stores of arms but to amass great stores of human knowledge.

The whole concept of defense spending is changed. Instead of spending wastefully on weapons that could only be used destructively, the bulk of our defense research dollars is spent on knowledge that can only be used constructively.

Francis Bacon once said that "the real and legitimate goal of the sciences is the endowment of human life with new inventions and riches."

This objective is the real and legitimate goal of the national effort we are making today.

One of the great lessons of experience with science is that our most important discoveries often are the discoveries we least expect.

Columbus was looking for a route to the east when he discovered the New World of the west. Edward Jenner was led to discover immunization for smallpox by his observations that the disease seldom developed among milkmaids.

In an obscure London laboratory, Alexander Fleming wondered what had killed the bacteria under his microscope—and by chance established that cause was common bread mold borne through his laboratory window by the air. It was this observation that led to the discovery of penicillin.

Accidents? Yes, perhaps they were. But we recall the admonition of Pasteur that "fortune finds the prepared mind."

Tonight we do not know what trails we may find and follow out in space. But going forth with prepared minds we can believe that we will find much more there than the green fireflies seen by Colonel Glenn.

Space research is costly, but it is less than what we pay each year in cigarette taxes. But those costs will be returned to us by many great discoveries that will improve the condition of mankind throughout the earth.

These thoughts are appropriate in this year of 1962 which is being observed as Cancer Progress Year. Twenty-five years ago the Cancer Society's first nationwide Cancer Crusade began.

In that same year, the National Cancer Institute was organized. At that time one victim of cancer in four was being cured. Today, I am told, the cure rate is one in three.

This speaks much for the union of private and public resources in concerted endeavor against this killer which still strikes one American every 2 minutes.

We fight tonight against cancer through surgery, as Arthur has told you, through radiation and through drugs. We can hope that by the endeavors in which we engage the day will come when we will have in hand drugs and cures for this disease and for many others. Another 25 years will not pass before that day arrives, due to the leadership of great women like Eleanor Roosevelt and the Eleanor Roosevelt Cancer Foundation and those who support it.

Out of those efforts in this field—and in all the fields of scientific endeavor—we will be able, I believe, to assure for mankind that condition of health which is a prerequisite for the condition of peace.

We in the United States live and work without illusions about the nature of peace. We realize that peace is a condition—not an agreement.

Peace will not be assured for mankind by the stroke of a pen or the signing of a treaty. Peace will be made real only when the condition of man makes thoughts of war unreal.

We in the United States seek agreements to hasten the arrival of that condition of peace for mankind. We shall never cease to seek such agreements.

But if willful men refuse to sign those agreements, we shall not permit their refusal to deny to mankind the coming of conditions of peace throughout the world.

That is why we can believe, as we do, that if all the eddies and ripples of the moment are not on the side of peace, the greater waves and stronger tides of this century run with the free societies and bear us toward the shores of a peaceful world.

Nations may veto the agreements that control nations. But no nation—and no national leader—can veto the progress being made toward controlling those things which oppress the lives of men.

We can be proud, I believe, of the leadership being demonstrated by our country today in unifying the force of science and the force of political leadership into a new instrument for the making of peace.

Much of the credit for the course our Government has taken lies to the eternal credit of a man whose memory is very much with us today on the occasion of this Cancer Progress Year.

I refer, of course, to that great warrior for the public interest, that great servant of the public good, who fell himself last year as a victim of the disease against which we marshal our efforts now—the Speaker of the House of Representatives, Sam Rayburn.

Over a long period, his efforts and leadership did much to bring into being the program we have for medical research as well as the broader programs of scientific research in other fields to which we are now committed.

If the benefit of that research were not forthcoming in time to spare Sam Rayburn the agony of his last days, I know that his faith was not diminished in his conviction that those efforts will ultimately succeed as he expected them to succeed.

The horizons of science are much too broad—the unknowns of science are much too great—for us to presume to foretell what final victories will emerge from the research of this day.

We can be sure, however, that this grand enterprise on which we are jointly embarked will bring the human race to a time in which the creative talents and abilities of all men are liberated from the oppression of disease, poverty, and despair.

We walk the roads we walk, we search the trails we search, we pioneer the new paths of our times in the belief that it is the mission and the trust of our country to lead the world toward these high goals.

It was a great American educator, Horace Mann, who once told a group of young people, "Be ashamed to die before you win at least one great victory for humanity."

So it is in this spirit that we tonight go about our mission. Mrs. Roosevelt, you have won many great victories for humanity, but the rest of us who have not achieved so much will go home tonight remembering the words of Horace Mann—"Be ashamed to die before you win at least one great victory for humanity."

We are determined to win not one but many victories for humanity. One of those victories we are determined to win is victory over disease, to which the Eleanor Roosevelt Cancer Foundation is dedicating all of its resources, its talents, and its energy.

Thank you. [Standing applause.]

Mr. ROOSEVELT. Mr. Vice President, allow us to honor you as you, indeed, have honored us. I know I speak for all of us when I say we are grateful to you for your wonderful remarks.

Before closing these ceremonies, may I just express for all of us our thanks to those many people, the hard working staff, to our national director, Mr. Sidney Glazier, and the great numbers of volunteers who have helped make this a memorable evening.

If I can, I would like to express one little hope and prayer of my own. My father, as you know, worked long in the cause of polio. He did not live to see the final victory that came with the Salk vaccine.

I would have a prayer, with the help of all of you who are professionals and nonprofessionals, that we may have God's blessing in trying to bring about a similar victory during the lifetime of my mother. [Applause.]

So, may I ask that as I send you away with my greetings.

I will now ask Maj. Gen. Frank A. Tobey, the Chief of Chaplains, U.S. Army, to give us the benediction.

Maj. Gen. FRANK A. TOBEY. Let us pray:

Oh God of power and glory, we share Thy creative task with mortal men. Give us insight equal to our responsibilities as coworkers with Thee in this great cause.

In every daily duty, keep us keenly aware we are laboring with Thee to make this world a better place in which to live. We are grateful for the heavily fought for and spectacular advances which have been made by medical science, but grant us vision for the future so that we may continue to advance in healing methods for all mankind and as undefeated souls we may sustain the shock of these volcanic days.

Now may Thy richest benediction crown these efforts with success. God's peace be with all of you and with all mankind. Amen.

Mr. ROOSEVELT. Good night.

(Thereupon, the Second Annual World Peace Through World Health Award dinner was adjourned at 10:30 p.m.)

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## Address by the Honorable Douglas Dillon, Secretary of the Treasury, June 4, 1962

EXTENSION OF REMARKS

OF

## HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. MULTER. Mr. Speaker, it is with pleasure that I commend to the attention of our colleagues the following address given by our distinguished Secretary of the Treasury, the Honorable Douglas Dillon.

Secretary Dillon spoke on June 4, 1962, at the annual dinner of the New York Financial Writers Association, held in New York City. Those reading his address will find that he, with President Kennedy, believes that business can do more for itself than Government, and to the maximum extent possible, our Government will encourage business accordingly.

Secretary Dillon's address follows:

REMARKS BY THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY

Two weeks ago President Kennedy told a White House Economic Conference that we must distinguish between myth and reality in considering today's complex economic problems. Since an important element of your job as financial writers is to increase public understanding of economic complexities, I am most happy to have this opportunity to discuss some of them with you.

A week ago today, we witnessed a phenomenon that should give us all pause. For, during the course of that day, all vestiges of reason were temporarily pushed aside, and panic took control of the great New York Stock Exchange—touching off similar repercussions in security markets throughout the world.

In considering why that happened, I think it would be helpful to review briefly the state of our economy and its relationship to stock market prices.

The current recovery started just 15 months ago. After a midwinter hesitation, the economy picked up steam in March and has been moving ahead rapidly ever since to record levels of production and income. The latest confirmation shows up in the May employment figures: Nonagricultural employment rose beyond the usual seasonal expectations by an impressive 500,000 jobs. This means that businessmen across our country hired half a million more new employees in a single month than would normally be expected—a clear sign of continued economic expansion. Seasonally adjusted unemployment also declined—as did the overall rate of unemployment—but the major significance of the May figures lies in the sharp upward surge of new jobs.

While the hesitation of the economy in the early months of this year has made the achievement of our 1963 gross national product goal of $570 billion much more difficult, the rapid advance of recent months means that the possibility of success still remains. We will, in any event, come close to our goal, for the basic ingredients of continued progress are all at hand. As one of our Nation's leading industrialists, Mr. Henry Ford, so aptly pointed out last Friday, disposable income today is $20 billion higher than a year ago, installment debt is relatively low, credit is plentiful, and employment is rising. Because of the underlying health of our economy—and despite the decline in common stock prices over recent months—we can look forward confidently to continued economic progress. This advance will further lower our still intolerable level of unemployment. It should also bring with it a rise in corporate profits.

Profits are essential to our free enterprise system. This fact is as fully recognized by those in Government as by those in business, since Government depends on profits for a large portion of its revenues. Even more important, Government is well aware that the economic growth we all seek depends upon the ability of capital, as well as labor, to earn a fair return.

The disappointing performance of the economy in the first quarter inevitably had its impact upon profits, which, on a seasonally adjusted basis, were apparently little changed from the fourth quarter of 1961. But with the economy picking up steam—as it has during this second quarter—corporate profits can be expected to increase with it. Despite the fact that over the postwar period the share of profits in the sales dollar has declined, there is general agreement among business forecasters that total pretax corporate profits for 1962 are breaking sharply out of the narrow range in which they have moved for the past 3 years and will reach a new record high, well above $50 billion. These larger profits clearly justify stock prices higher than would have been warranted by the level of earnings that has characterized the past 3 years.

With this in mind, let us look for a moment at the level of stock prices: Based on Standard & Poor's averages, we find that in the 4 years 1954 through 1957, stocks as a whole sold at an average of between 11.2 and 14 times earnings. In 1958, this average moved up to between 16 and 17 times earnings, and remained there throughout 1959 and 1960. Last year's bull market brought this ratio up to 21 times earnings for the year as a whole, and to about 23 times earnings at the high point toward the close of the year. The drop in the market over the past few months, coupled with the increased earnings in prospect for 1962, brought this ratio back to where it is today—between 15 and 16 times earnings—slightly under the level that prevailed in the 1958 to 1960 period, but more than the level of earlier years.

I would certainly be the last one to try to pick an exact and appropriate level for the price-earnings ratio of common stocks. But one thing stands out clearly in any review of stock prices: the 1961 price rise cannot be credited solely to the prospects for improved earnings. The estimate of 1962 corporate profits contained in the January Federal budget document—which many have criticized as being overly optimistic—forecast pretax profits of $56.5 billion. But stock averages last December were about 19 times even this level of prospective earnings. Clearly, something other than the profit outlook must have been involved in last year's bull market.

We all know what that something was—the belief that inflation was just around the corner. Today, the belief has been pretty well dissipated. And that is the basic reason behind the decline in stock prices over the past few months.

Now how did stock market investors make such an error last year? Apparently, they abandoned reality in pursuit of a mirage that grew out of a myth. The mirage was imminent inflation. The myth was the belief that Government deficits are inevitably accompanied by inflation, no matter what the state of the economy may be.

The facts were far different and clear enough for those who wished to read them, but myth proved more powerful than reason. Demand inflation, the only kind of inflation in which budgetary policy plays an important role, is clearly related to the state of the whole national economy, and it is not governed by any single factor such as the Federal budget. Only when budget deficits combine with high demand to put pressure on supply, do they bring demand inflation in their wake. Last year this of course was far from the case. For our economy was just starting to pull out of recession. There were large numbers of unemployed and there was a widespread underutilization of plant capacity. The President and other members of the administration consistently stated that they intended to devote their energies to maintaining the stable price level so essential to our balance of payments.

I, myself, repeatedly pointed out that while a substantial deficit was in prospect for fiscal 1962, it would not be inflationary because of the excess capacity in the economy. The President made clear, as early as last July, that having in mind the sharp improvement in the economy forecast for 1962, he intended to submit a balanced budget in January. But, despite this, the myth prevailed. The belief that any Federal deficit would be inflationary no matter what the state of the economy encouraged speculation and pushed stock prices to dizzy heights. A reaction was inevitable, once fact prevailed over fiction—as sooner or later it always does.

I have heard it suggested that the decline in stock prices might be somehow connected with a lack of confidence in financial circles abroad in the efforts we are making to right the imbalance in our international payments. If this were true, it would be serious indeed. Fortunately, the facts are completely to the contrary. There is one item in our balance of payments which is generally considered to closely reflect any flight of capital. This is the item known as "errors and omissions," which includes all items not otherwise recorded. Until 1960, this item had been a favorable one in our payments balance. In 1960, for the first time, it showed a substantial deficit in this particular account—a deficit which was continued in 1961. However, so far this year, this sensitive item has once again returned to its former status as a plus in our overall payments picture—a clear indication of growing, not lessened, confidence in the dollar.

The same story is told by the price of gold in the free market in London, where the gyrations of the fall of 1960 have given way to a relatively stable market at prices no higher and—more often than not—lower than the cost of buying gold in New York and transporting it overseas. All this is not surprising when we take account of the continuing improvement in our payments situation. In the first quarter of 1962, despite an increase of more than $500 million in our imports as compared to the unusually depressed level that prevailed during the first quarter of 1961—an increase that was the natural reflection of our economic recovery—our overall deficit turned out to be just a little more than $100 million larger than in the same quarter last year. Leaving imports aside, this means that there was a solid improvement of about $400 million in all the other elements of our balance of payments.

Preliminary indications for May which, mind you, would include any repatriation of foreign funds as a result of stock market sales, indicate that it will be the best month for our payments position since January, when the return of temporary, year-end window-dressing outflows brought approximate balance in our overall payments. So far this year, our overall deficit appears to be running at an annual rate of about $1.5 billion. This compares with last year's figure of $2.5 billion, and the $3.5 to $4 billion deficits that characterized the 3 preceding years. As I have often stated, we intend to work vigorously until the deficit is wholly eliminated—a result we hope to achieve by the end of next year.

Another myth that has been current in business circles in recent months is the misconception that the Kennedy administration is pursuing an overall antibusiness policy. In discussions of the recent steel price episode, the fact that the full influence of the Government had a few days before been successfully exerted to secure a noninflationary wage settlement in steel is too often totally disregarded. Disregarded also are other efforts of the administration to provide a better climate for economic growth—and thus, a better climate for business in general.

I refer in particular to the major reform in the administration of depreciation for Federal tax purposes that is now nearing completion. Depreciation reform was one of my earliest concerns upon entering the Treasury. I found then, that despite longstanding business complaints about inequities in the provisions for depreciation, little had been done to improve the situation. True, two basic studies had been initiated in the summer of 1960, studies that were scheduled for completion 2 years later, in mid-1962. These studies bore primarily on the depreciable lives of business property. Nothing at all had been done on the equally important matter of reexamining the procedures under which the guidelines for depreciable lives were being administered. And it is these procedures, as much as the lives themselves, that have been responsible for the widespread sense of frustration among businessmen in their dealing with the Government on the depreciation problems.

Early last year, we determined to tackle this problem head on. We expedited the studies of the basic data that were already underway so that we could receive the results by the end of 1961, rather than in mid-1962. And we started right from scratch in reexamining each and every one of the assumptions on which the law had been administered for the past 25 years. As we went along, we were pleased—and a little surprised—to find that all, or practically all, of the controversy that has long characterized relations between business and government in the administration of depreciation could be eliminated by appropriate changes in our approach.

Accordingly, we are now preparing new, more flexible, and more objective means of measuring the reasonableness of depreciation charges claimed by taxpayers. This will allow the taxpayer to exercise judgment in selecting depreciable lives, judgment based upon his own plans for the future, rather than forcing him to rely primarily upon historical experience. It will void haggling over minutiae by looking to the reasonableness of the taxpayer's overall depreciation, rather than to the depreciable life of each and every separate item. And it will prevent the taxpayer's judgment from being controverted except where, by an objective test, it is clearly not reasonable. No longer will a change in revenue agents bring with it—as it so often does today—a reexamination of depreciation practices. And industry will, for the first time, be certain that the law is being administered with identical results in every part of the United States.

We have now reached the point where I can be sure that a final draft of the new provisions will be ready for publication by the end of this month, or early in July. At the same time that we publish our new procedures, we will also publish our revision of the Bulletin F schedule of depreciable lives, reducing to some 75 overall categories—only a few of which will apply to any one business—the 5,000-odd items that are presently carried in Bulletin F. While we will have done our best to achieve truly realistic guideline lives, we will always be prepared to meet with any industry which feels that the lives assigned to it are not reasonable and fair, and to make such further adjustments as may be mutually agreed. In this way, we intend to keep our guideline lives fully current with future developments, so that they may never again reach their present unrealistic status.

All of this has required a tremendous effort by the Treasury. And I must say quite frankly that it is difficult for me to comprehend how an administration which is on the verge of carrying to fruition such an enormous and important reform to help the business community can be labeled as "antibusiness."

But this is not all. It was clear from the very start of our efforts to assist business that more than realistic lives and improved administration would be required if we were to meet foreign competition and stimulate the increased investment needed to spur our rate of economic growth.

First, as to foreign competition: It is a hard fact that every other industrialized country in the free world provides special incentives to investment in one form or another. We can do no less if we are to compete successfully in the marketplace of the world. We must have both the 8-percent investment credit which is now before the Congress and the full benefits of our new administrative reform if we are to match our foreign competitors.

The same is true if we are to stimulate the increased investment we must have to speed our rate of growth—an essential prerequisite to the solution of our number one problem of unemployment. Throughout the fifties, the proportion of our GNP invested in plant and equipment steadily declined. It reached a new low point last year. At the same time, our free world competitors have been raising the proportion of their GNP going into plant and equipment. By last year, some of them were devoting twice as much of their GNP to new investment as were we—and, it is important to note, that over the years, some of them have grown twice as fast as we have. Since the level of new investment has a direct correlation to rates of growth, we simply must increase our investment if we are to increase our rate of growth.

The best and surest way to obtain more investment in new plant and equipment is to improve the profitability of such investment. And it was for just this reason that we chose the investment credit to complement our administrative reform of depreciation practices. For the investment credit, through the operation of the simple concept of a return over and above original cost, is by far the most powerful stimulant to profits of any of several possible forms of investment incentive. For each dollar of revenue lost to the Government, it provides two or three times more stimulus to profits than any other practicable form of incentive.

I am well aware that some in the business community have been cool to the idea of the investment credit. This is difficult to understand since the combination of the credit and the forthcoming administrative reform will, for the first time in many years, put American industry on a comparable footing with its foreign competitors in the tax treatment of capital investment in machinery and equipment.

What has been the basic reason behind business opposition?

I am convinced that it has been misunderstanding, plain and simple. In our talks and correspondence with business executives, and we have talked to many of them, we were frankly astonished to learn that the chief source of opposition was a widespread conviction that our investment credit proposal was no more than a tactical trick designed to avoid the very reform of depreciation practices that we were working so hard to bring about. Other businessmen thought that the investment credit was merely a temporary antirecession device and seemed not to hear our repeated assurances that the credit was designed as a permanent part of the tax structure. It was another case of the triumph of myth over reality.

We have learned, however, that opposition to the credit is now far less widespread than one might believe from the positions taken by certain national business associations. Our correspondence and conversations clearly show that on this subject the position taken by these national organizations no longer accurately reflects the view of American business. For many businessmen have changed their opinion during the past year as they have come to understand our proposals better, and in particular as they have come to appreciate the fact that the investment credit is not intended as a substitute for, but rather as a supplement to, depreciation reform.

In today's atmosphere of concern over the adequacy of our rate of economic recovery, one thing is crystal clear: The uncertain fate of the credit is beyond question exerting a negative influence on business spending—just at the time when an increase in plant and equipment expenditures is badly needed to keep our economy moving. There is no appropriate action readily available that would be more immediately helpful to the economy than prompt enactment of the tax credit, so that business could have a solid basis on which to plan for the future.

In the slightly longer term there is, of course, much that can be done. And we fully intend to do it. There has been growing talk in recent weeks of the desirability of income tax reductions as a stimulus to the economy. I, for one, am glad to hear such talk. To me, it portends a sympathetic reception to the overall income tax reform on which we have been working since last year, and which was first promised by the President in his tax message a year ago last April. This tax reform program will be ready for congressional action next January and we plan to submit its general outlines before the close of the present session. It will not be a hasty, ill-considered reaction to the gyrations of the stock market. Rather, it will be a fundamental restructuring of our income tax system, designed to promote the maximum of long-term economic growth.

Over the past year, I have frequently stated that the central element in this reform would be a proposal to readjust the rate structure of the income tax. I had not thought it necessary to spell out the fact that readjustment necessarily meant readjustment downward. But in case there is any misunderstanding, let me make clear that this is just what it means—a top-to-bottom reduction in the rates of income tax. Naturally, any reduction will cost the Government revenue, and will bring with it the need to broaden the base of our tax structure so as to offset the reductions in whole or in part.

Contrary to some crystal ball reports I have read, there have been no decisions on any of the details. This applies both to the extent of possible rate reductions and to the form and extent of possible offsetting measures to broaden the income tax base. But one fact is clear and that is we have now been at work for nearly a year on a proposal for income tax reform—a proposal basically designed to stimulate the growth of our economy—a proposal that will be ready for action at the opening of the next session of the Congress.

In conclusion, let me say that the confusion of myth and reality, of fact with fiction, when considering the complex economic problems of the day, is not in our national interest. The problems we face are not easy. Their solution requires the best efforts of all of us. We must not allow ourselves to be diverted from the difficult tasks at hand by polemics, emotion, or prejudice, unsupported by facts. There is today a clear consensus as to our national objectives—a consensus that reaches from coast to coast and includes both political parties and all elements of our society. Those goals are full employment, rapid growth so that we may steadily improve our standard of living, and reasonable price stability.

In the past 4 years, we have managed to attain just one of those goals—reasonable price stability. In 1958, the wholesale all-commodity price index of the Department of Labor averaged 100.4. Last week the same index read 100.2—no change in 4 years. But we have not been so successful in achieving our other goals. We must continue vigorously to pursue full employment and rapid growth—without impairing the price stability that we have already achieved. Success will require not only proper Government policies, but also public understanding and acceptance of these policies, as well as real effort on the part of all sectors of our society. We must concentrate our efforts on genuine problems, and not permit ourselves to be diverted by exaggerated fears or hobgoblins—be they imaginary inflation, such as that which preoccupied investors last year, or an imaginary antibusiness campaign by the administration such as I fear preoccupies too many businessmen today.

As members of the Financial Writers Association of New York, you are contributing immensely to the much-needed understanding that is required before a truly national consensus becomes possible. I ask you to continue your efforts in the sure knowledge that you are performing a public service of major proportions.

## Results of Questionnaire of Congressman Silvio O. Conte

EXTENSION OF REMARKS

OF

### HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. CONTE. Mr. Speaker, many of us here in the House question our constituents from time to time on the major issues facing us in the Congress and the entire Nation. The results of these questionnaires are most interesting and useful to each Member in many ways. The tabulations of the answers to my poll of this year indicate that the people of the First Congressional District of Massachusetts are disturbed about the suggested solutions to many of the Nation's problems and the comments that were made reinforce this conclusion.

Therefore, Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tabulations of my 1962 questionnaire for the scrutiny of the House:

*Results of Congressman Conte questionnaire, June 4, 1962*

| | Yes | | No | | Undecided | | Blanks | |
|---|---|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| I. Medical aid for the aged: | | | | | | | | |
| (a) A compulsory, federally administered plan financed by employer and employee social security payments | 817 | 32 | 1,233 | 48 | 152 | 6 | 348 | 14 |
| (b) A voluntary, State-administered plan financed jointly by Federal, State, and individual contributions | 855 | 33 | 996 | 40 | 235 | 9 | 464 | 18 |
| (c) A voluntary federally administered plan financed by increased social security taxes | 476 | 19 | 1,295 | 51 | 221 | 8 | 558 | 22 |
| II. Aid to education: | | | | | | | | |
| (a) Federal funds for public school construction | 1,597 | 63 | 683 | 27 | 110 | 4 | 160 | 6 |
| (b) Federal funds for public school teachers salaries | 643 | 25 | 1,561 | 61 | 149 | 6 | 197 | 8 |
| (c) Federal funds for private college-level institutions | 647 | 25 | 1,500 | 59 | 206 | 8 | 197 | 8 |
| III. Tax revision: | | | | | | | | |
| (a) A withholding tax on income from interest and dividends | 756 | 30 | 1,486 | 58 | 161 | 6 | 147 | 6 |
| (b) Presidential authority to raise and lower taxes under emergency conditions | 585 | 23 | 1,545 | 61 | 209 | 8 | 211 | 8 |
| (c) Tax relief for families with children in college | 1,530 | 60 | 712 | 28 | 176 | 7 | 132 | 5 |
| IV. National budget: | | | | | | | | |
| (a) A balanced budget and reduction of the national debt | 2,066 | 81 | 102 | 4 | 174 | 7 | 208 | 8 |
| (b) Reduction of nondefense Federal spending | 1,868 | 73 | 293 | 12 | 184 | 7 | 205 | 8 |
| V. Various issues: | | | | | | | | |
| (a) Creation of a cabinet-level Department of Urban Affairs | 836 | 33 | 992 | 39 | 420 | 17 | 302 | 11 |
| (b) Federal Government fallout shelter program | 483 | 19 | 1,509 | 59 | 397 | 16 | 161 | 6 |
| (c) All Massachusetts Congressmen running at-large rather than from specific districts | 230 | 9 | 2,004 | 79 | 205 | 8 | 111 | 4 |
| VI. Foreign aid program: | | | | | | | | |
| (a) Continued economic aid under the foreign aid program to nations committed as our allies | 1,907 | 75 | 353 | 14 | 166 | 6 | 124 | 5 |
| (b) Continued military aid to nations committed as our allies | 1,870 | 73 | 281 | 11 | 181 | 7 | 218 | 9 |
| (c) Economic aid to— | | | | | | | | |
| (1) Yugoslavia | 495 | 19 | 1,286 | 50 | 447 | 18 | 322 | 13 |
| (2) Poland | 564 | 22 | 1,230 | 48 | 422 | 17 | 334 | 13 |
| (3) Egypt | 550 | 22 | 1,158 | 45 | 499 | 20 | 343 | 13 |
| (4) Indonesia | 659 | 26 | 835 | 33 | 557 | 22 | 499 | 19 |
| (5) India | 979 | 38 | 834 | 32 | 447 | 18 | 290 | 12 |
| (6) Newly independent but neutral nations | 1,397 | 55 | 437 | 17 | 408 | 16 | 308 | 12 |
| VII. Berlin: | | | | | | | | |
| (a) The President's policy on Berlin to date | 1,707 | 67 | 247 | 10 | 313 | 12 | 283 | 11 |
| (b) Refusal to negotiate until Russian pressure against the West in Berlin is relieved and dropped as a threat | 1,822 | 72 | 335 | 13 | 191 | 7 | 202 | 8 |
| (c) A summit meeting in the near future on the Berlin problem | 845 | 33 | 899 | 35 | 519 | 20 | 287 | 12 |
| VIII. Foreign policy: | | | | | | | | |
| (a) Tariff and quota reductions in an attempt to maintain present favorable foreign trade position with the European Common Market | 1,771 | 70 | 270 | 10 | 330 | 13 | 179 | 7 |
| (b) Continued economic and military assistance to South Vietnam against communism | 1,893 | 74 | 215 | 8 | 307 | 12 | 135 | 6 |
| (c) Continuation of the Peace Corps | 1,651 | 65 | 349 | 14 | 419 | 16 | 131 | 5 |
| (d) Purchase by the United States of up to $100,000,000 of United Nations bonds | 1,032 | 40 | 865 | 34 | 513 | 20 | 140 | 6 |

## The U.N. Bond Issue

EXTENSION OF REMARKS
OF

## HON. JOHN H. ROUSSELOT

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. ROUSSELOT. Mr. Speaker, last January Senator HARRY F. BYRD, of Virginia, discussed the United Nations bond issue on the "Manion Forum." The "Manion Forum" is a weekly radio program hosted by Clarence E. Manion, former dean of the school of law at Notre Dame University. I think Senator BYRD's comments should be printed in the RECORD.

His comments follow:

### THE U.N. BOND ISSUE: A WORTHLESS INVESTMENT AND A DANGEROUS PRECEDENT

(By Dean Clarence E. Manion and U.S. Senator HARRY F. BYRD)

Dean MANION. I want to document this discussion today with statements by one of the alltime great men of America, Senator HARRY F. BYRD of Virginia. Nearly 30 years have passed since this most unusual man turned up in the U.S. Senate after making a sensational record for economy and good government as Governor of his native State.

It is ironical, to say the least, that during this extended period of his continuous service in the Senate, the fiscal position of the Federal Government deteriorated progressively to its present point of grave, clear, and imminent danger to the value of our dollar.

We may take consolation from the probability that without Senator BYRD's persisting remonstrances in the Senate, and particularly as chairman of the powerful Senate Finance Committee, reckless, unbridled Federal spending would have forced us into national bankruptcy and centralized socialism long ago.

Five years have gone by since Senator BYRD made his first appearance on the "Manion Forum." Before we hear him speak today, I want you to listen to what he had to say at that time. Here is Senator BYRD speaking over this microphone in April 1957:

"Our country is mortgaged to the hilt at this moment. The $275 billion Federal debt that you and I owe, equals the full assessed value of all the land, all the buildings, all the mines, all the machinery, all the factories, all the livestock—everything of tangible value in the United States of America.

"In addition we have another $250 billion of contingent liabilities—the obligations which our Government has guaranteed, such as $40 billion worth of possible losses on Federal housing * * * there's a limit beyond which even a country as great and rich as ours cannot go. I think we've reached it." ("Manion Forum" broadcast No. 135, Apr. 28, 1957.)

That was Senator BYRD, in 1957, when we were already up against the borders of bankruptcy. Where are we now?

Our direct published Federal debt is no longer $275 billion. It is now up to the legal limit of $298 billion. President Kennedy insists that this legal debt limit must be raised by $10 billion to $308 billion.

He needs more borrowing power for expenditures already authorized and for other multibillion-dollar spending projects called for in his pending budget for 1963.

One of these additional expenditures is the President's proposed purchase of $100 million worth of United Nations bonds.

I have asked Senator BYRD to tell us what he thinks about this proposed investment of your taxes. I take you to Washington now for his statement.

### BYRD OPPOSES PURCHASE OF U.N. BONDS

Senator BYRD. I am very proud to have a few moments on Dean Manion's program. I want to say that I shall oppose, to the utmost of my capacity, the announced proposal that the U.S. Government should purchase half of a $200 million United Nations bond issue.

I oppose this for three reasons: First, it would be financially unsound. Second, it would be participation in an international scheme to coerce United Nations membership (member nations) to pay for projects of which they do not approve. Third, it would be the entering wedge for many millions of similar bonds. These would be 25-year bonds at 2 percent interest. Their purchase would be unsound under any and all tests for prudent financial investment.

In addition, the U.S. Government itself is operating on a deficit financing basis. The present Federal debt limitation is at its statutory limit approaching $300 billion. The administration is now requesting an increase in the debt ceiling.

From the standpoint of sound financing, it does not make sense to sell U.S. bonds at nearly 4 percent interest to buy United Nations bonds, of no value, at 2 percent interest.

What nations are going to pay increased assessments, to pay the interest and redeem the bonds? Where will the purchasers of the bonds look for relief in the event of default?

The financial crisis in the United Nations has been brought about largely by the refusal of such nations as France, Belgium, Portugal, the U.S.S.R. and others to pay special assessments for so-called peace and security operations. These so-called peace and security operations include the expenses of the United Nations troops in the Congo and in the Middle East. These expenses are now running $10 million a month in the Congo and $1,600,000 a month in the Gaza Strip.

There is no penalty for refusal to pay special assessments in the United Nations. The failure to pay regular U.N. budget assessments for 2 years results in loss of voting rights in the General Assembly of the United Nations.

It is proposed to redeem these bonds and pay the interest by regular assessments. This scheme appears to be a plan for the coercion of nations, including some of our friends as well as the Communists, who oppose certain U.N. special projects of conducting wars to the extent of not wishing to pay for them.

Coercion is unworthy of the United Nations, which was intended to be an international organization dedicated to peace and good will in the world. Long-term bond issues by such an organization as the U.N., which exists only through the cooperation of more than 100 nations, are unsound under the best possible conditions. This precedent should not be established.

Dean MANION. Thank you, Senator BYRD, for this clear warning against a proposal which is both fantastic and hypocritical. Of all the ornaments on President Kennedy's new Christmas tree budget this is, by all odds, the most grotesque.

Remembering what you told us, Senator, about the desperation of our fiscal situation 5 years ago, and observing the aggravation of that condition now, it is easy to understand your apprehension when the President proposes to borrow more money at 4 percent in order to lend it to a worthless creditor at 2 percent.

My friends, coming from the President of the United States, this is a thoroughly alarming proposal and I am sure that you share the concern that Senator BYRD has just expressed. This U.N. bond transaction calls for the deliberate waste of one-tenth of a billion dollars. Of course, this is mere peanuts to the prodigal sons of socialism who have conjured up the $92 billion spending plan which the President has just unfolded, but it is very important money to the thousands of American wage earners from whom it will be withheld by the Government.

This unprecedented spending program will have to be cut drastically if we are to escape the collapse of the dollar in run-away inflation. But it is difficult to believe that Congress will cut this budget anywhere, if its statesmanship is not sharp enough to amputate this absurd appendage quickly and decisively.

### U.N. BOND PURCHASE ONLY DOWNPAYMENT

Senator BYRD has stated three good reasons why Congress should refuse to stultify itself by approval of this hypocritical transaction. On the other hand, the President has given us no reason why Congress should comply with his request—except the gratuitous assertion that it is in our interest to keep the U.N. solvent, and to force its members to pay their share of the expenses incurred in such a palpable violation of the U.N. Charter as the current invasion of the Congo.

Even if these objectives were desirable, neither of them would be accomplished by this bond transaction. This $100 million of your money would be merely a downpayment on our assumed and continuing obligation to underwrite all future debts of the United Nations, even when those debts are incurred in the course of helping communism and opposing the best interests of the United States.

The President began his state of the Union message with a reference to the Constitution, but he had definitely dropped and departed from that subject when he reached the recommendation that the American taxpayers be made to bail out the moral and financial bankruptcy of the United Nations.

The Constitution does not empower the President—the Congress, nor both together to finance the obligations of a world organization.

The powers of the U.S. Government are limited and specified by constitutional provisions which the President, along with all Senators and Representatives, has sworn to uphold and maintain. It is true, unfortunately, that Supreme Court decisions have given our international treaties a superconstitutional status which effectively repeals constitutional provisions with which those treaties conflict. But there is nothing in the treaty called the United Nations Charter which obliges the United States or any ratifying government to buy the securities of that all but defunct organization.

By the provisions of this charter, the United Nations organization is expressly prohibited from interfering in the domestic affairs of member nations (section 7, article 11), and without this provision it is certain that the charter would never have been ratified by the U.S. Senate.

But its charter to the contrary notwithstanding, the U.N. has, nevertheless, invaded the Congro and made war upon Katanga, an autonomous, responsible, and anti-Communist province of that troubled country that is trying to escape control of a central Congo Government dominated by Communist influences.

Unfortunately, the U.S. Government has openly and directly supported this illegal invasion of the Congo by the U.N., and this in spite of the fact that our anti-Communist allies in the NATO organization have refused to do so.

It was in the course of this expensive, illegal, military invasion that most of the unpayable debt of the U.N. has been incurred and this it has decided to fund with the worthless bond issue in which President Kennedy has offered to invest the taxpayers' money.

This entire transaction from beginning to end is shot through with illegality. The U.S. Government is not omnipotent in spite of the fact that constitutional restrictions and limitations upon its powers are treated as a grim and ghastly joke in many quarters of official Washington today.

The Constitution does not empower our Government to pay the debts of the United Nations, but it does direct Congress to pay the debts of the United States. The President now asks Congress to perform its constitutional obligation in reverse; namely, by increasing the debt of this country in order to pay the debts of the U.N.

No informed person has any illusions about the realities of what the President is proposing. The U.N. bonds that we will get for our $100 million are completely worthless. As Senator BYRD has said, these bonds are merely the entering wedge for more of the same.

If we buy these bonds, we will simply be paying the debts of the U.N. and establishing a precedent for repeating that performance again and again as long as the U.N. is alive, and, you may be sure that it will oblige us by staying alive, just as long as we pay the bills—but no longer.

Besides Senator BYRD, is anybody in Washington concerned about the constitutional obligation of Congress to pay the debts of our Government? Is the debt and the legal debt limit to be raised automatically and indefinitely forever?

The President promises to balance his preposterous budget with increased revenues extorted from taxpayers. Let us hope that he can fulfill this promise, but a balanced budget does not mean debt reduction, and debt reduction and ultimate payment of the debt is what is prescribed by the Constitution and what is required now unless the value of our dollar is to be scrapped by complete socialism.

Over this microphone some months ago, Congressman SAMUEL DEVINE, of Ohio, proposed a concrete approach to necessary debt reduction which he has embodied in a bill now pending before Congress. ("Manion Forum" broadcast No. 350.) This measure would require 10 percent of the Federal Government's estimated annual tax collections to be applied to Federal debt reduction.

Is it unreasonable to make such a provision for systematic reduction of our own debt before we agree to pick up the tab for all the other governments of the world and raise our own debt and legal debt limit in order to do so?

The President's answer is "Yes." But the President is not your master; on the contrary, he is your servant and so are the Members of Congress. It is not what they say but what you say that counts. Get a copy of Congressman DEVINE's bill (H.R. 2471), and send it to your Senators and Congressman along with your direction that they vote to kill the President's U.N. bond purchase proposal.

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## Strain in American-Israel Relations

EXTENSION OF REMARKS

OF

### HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 12, 1962*

Mr. ROOSEVELT. Mr. Speaker, my colleague, the Honorable SEYMOUR HALPERN, recently joined me in the introduction of a bill we proposed to include in the Foreign Assistance Act of 1962 to provide that the Government of the United States shall furnish no aid or assistance to any foreign nation or citizen thereof in carrying out any activity under which American citizens will be discriminated against.

Congressman HALPERN was recently honored by the Queens Hadassah in New York City as its "Man of the Year" and on that occasion delivered an eloquent speech stressing the need for and desirability of including that language in the foreign aid bill. Mr. HALPERN's address follows, and I urge its careful consideration:

STRAIN IN AMERICAN-ISRAEL RELATIONS

(Text of address of Hon. SEYMOUR HALPERN, Representative from New York, delivered at the convention of Queens Hadassah, on receiving its Man of the Year Award, Sheraton-Atlantic Hotel, New York City, June 5, 1962)

It is with great pride that I receive this honor tonight from my dear friends in Queens Hadassah. I shall prominently display this award; I shall cherish it all the days of my life and I shall always do my utmost to justify the thoughts which prompted you to give it to me.

I am honored, too, to be invited here tonight, and to participate in so fine a meeting where I see so many old friends, and hope to come away with some new bonds of friendship.

In all this joyous atmosphere and in the festive spirit of Israel's recent 14th anniversary celebration, I must admit a heavy heart. I am worried about American-Israel relations, and I am taking the liberty of discussing my thoughts here—for what more appropriate place could there be, than at a Hadassah meeting, for the instilling of ideas and for the generation of energy, which might contribute to putting the United States and another great democracy in a more positive relationship than the present course now indicates.

I tell you quite frankly that policymaking officials in Washington have embarked on a reckless pursuit of the illusion of Arab friendship at a frantic pace, and at indescribable cost. Noble words about Israel's anniversary, uttered from the highest levels in our Government, including the State Department, unfortunately leave us with somewhat of a hollow ring.

I was pleased to take the floor of the House, only a few weeks ago, to join in a tribute to Israel's anniversary. We celebrated a holiday sacred to Israel, and very meaningful to a multitude of Americans without regard to political or religious persuasion.

There is a tremendous emotional, fraternal, and national involvement—a sense of shared pride in Israel's progress. After all, America and Americans played a vital role, a saga activated and implemented by your own great organization, in the rebirth of Israel after 2,000 years of Jewish exile and suffering.

It is therefore only natural that Americans who love freedom and justice enjoy a vicarious triumph in knowing that Israel achieved another successful year. Israel marched forward, consolidating her strength, building her institutions, and obtaining growing status in the family of nations as a responsible democracy.

But I would be less than honest, here among friends whose hearts beat with mine and whose tears flow with mine, if I did not report honestly to you. Frankly, I am worried—yes, distressed—as Israel enters its 15th year.

Israel seeks only to extend the hand of friendship to America and the free world while striving to survive the cold and hot wars implacably waged against her by Communist-supported and Communist-armed Arab foes.

I returned recently from a trip to South America, where I was a delegate to the Inter-American Development Bank Conference. I came back with a measure of new hope for the program envisaged by our Government's Alliance for Progress. The difficulties we face there are tremendous, but at least something of a start has been made. I regret, however, to reflect today on our policies in another part of the world, the Near East. I must tell you that our relations with the Arab States are emerging as an "alliance without progress."

In South America, the Alliance is quite rightly linking reform and social justice with U.S. assistance. But I am dismayed to witness the United States working, at this very moment, along with West Germany and England, on an agreement to provide Nasser's Egypt with huge new sums of money. The United States, of course, would be the heaviest contributor in the consortium.

Let me make it clear that I favor the principle of international assistance. But I simply cannot understand the contrast between the Alliance for Progress philosophy of human justice in Latin America and the "alliance without progress" in Egyptian-American relations. Dictator Nasser will condescend to accept our assistance. However, Egypt shows no indication whatever of obeying United Nations resolutions against the Egyptian boycotts and blockades which affect, not just Israel, but also the United States and American citizens.

Those truly concerned with human rights wait in tense agony as the news arrives from Algeria with reports of terrorism and Arab attacks on Jews, once more the innocent scapegoats of history caught in the turbulent storm of revolution. Radio Cairo brags that Washington is about to provide Egypt with huge new assistance and dollars, with no strings attached. The same Egyptian broadcast simultaneously boasts of Moslem forces in new, independent Algeria joining with the Arab armies in a new drive to wipe out Israel.

The State Department knows very well that Algerian Arab terrorists received Soviet weapons, and even Russian training. The Department also knows that Soviet arms continue to move into Egypt, Syria, and other Moslem states.

Mr. Chester Bowles recently went to Cairo and met with Nasser, as President Kennedy's personal representative. Mr. Bowles later reported that the time had come for the United States to try to improve relations with Egypt. He also thought Egypt should concentrate on raising living standards, and not on raising huge radio transmitters to broadcast propaganda, which, I might add, is frequently irresponsible, anti-American, and favorable to the Sino-Soviet bloc. The Bowles mission presented a mammoth proposal of an expanded long-range program of economic aid to Nasser.

Yet, now, with no commitment whatever from Cairo as to a more peaceful course involving Israel as well as Egyptian designs for hegemony over her Arab neighbors, we have the spectacle of a gigantic handout in the offing.

As if this were not bad enough. But what makes matters even more repugnant is a report, by the Cairo correspondent of the New York Times, that Nasser is very cool to accepting this aid unless the United States promises to help keep Israel out of the European Common Market. Imagine that. Thus, the man who seeks to rule all the Middle East wants the United States to assist him in crippling the economy of Israel, and holds out as his price the acceptance of our foreign aid plan.

How ironic. How ridiculous. But this is the bold reality of a very serious situation which unfortunately, in the vast world scheme of things, has not been focused into proper perspective. This is a symbol, not of progress but of regression, and I shall add, but of blatant appeasement.

Are we to reward Nasser for blacklisting American ships that dare to trade with Israel? Are we to reward Nasser for denying his own citizens due process of law? Are we to ignore the expropriations and seizures that we condemned so loudly when committed by Fidel Castro, Nasser's good friend in Cuba?

Does this mean that Israel should look on with calm reassurance when Soviet munitions, jet bombers, rockets and arms of the latest design from Russian factories, together with Soviet bloc military instructors, continue to arrive at the ports of Egypt? Through our dollars are we to indirectly finance this arms flow from the Sino-Soviet bloc to Egypt? If Nasser is sincerely concerned with improving his economy and peaceful development, why does he need jet bombers and rockets?

The same State Department that drafted the new "alliance without progress" for American-Egyptian relations also is telling us that the United States must not currently press for Arab-Israel peace at the United Nations. What happened to the high-sounding promises about the White House taking initiative for Arab-Israel peace?

When Israel defended herself in March against attacks on Lake Tiberias, the State Department rushed to the United Nations with a resolution heaping blame on one side, Israel's side, in a two-sided dispute. Was this a move to persuade Nasser to accept our money, so the Arabs could buy more Russian arms?

If what I fear is true, there is emerging in the Near East something I could not even term an "alliance without progress." I would call it an "alliance for retrogression."

The same State Department that is so upset about the Communist threat to Laos, the same officials who advised us to dispatch Marines to Thailand just a few days ago, and are terrified by Communist penetration in Southeast Asia, seem to be indifferent or blind to the continuing flow of Communist arms into the Arab States.

Am I to understand that Americans are prepared to fight and die in Southeast Asia against one faction of Communist-armed fanatics, while Israel is supposed to passively submit to attacks from another faction of Communist-armed fanatics on her borders? We recall that the Syrian troops who fired into Israel territory, killing and wounding Israelis, used Soviet guns. Soviet instructors taught the Arabs how to use those guns. Shortly after the United States denounced Israel for fighting back, Syria announced that it was obtaining even more Soviet arms.

Friends, the situation is ridiculous. The State Department feels we should fight in Southeast Asia, but that Israel has no right to defend itself in the Near East. The State Department is even preparing a loan that would permit the Arabs to bring more Russian arms into the Middle East. That is why I say that some of the so-called greetings offered Israel by the State Department on Israel's anniversary had a hollow ring.

I submit that it was diplomatically stupid and contrary to the best American interests to censure Israel for defending herself against Soviet-armed, pro-Communist Arab collaborators. It was, even in kind language—shameful. In substance, to curry the questionable favor of the Arab States we sold our free-world friend, Israel, down the Jordan.

Are we to tell the Arabs, in effect, that they can get away with murder against Israel? Will not this invite aggression that might set off a world conflagration? What sense is it to close one window in Laos, against the aggressors, but to open another in the Near East? And even provide the culprits with a stepladder and prior notice that police are off duty in that area.

Mr. Frederick Dutton, an Assistant Secretary of State, wrote me very recently in an attempt to justify the flow of Soviet arms to Syria. In an amazing reference, he whitewashed the Syrian-Soviet arms deals by stating that I must be aware of what he termed "the policy of the United States not to become a major supplier of arms in the Near East." This being the case, he said, "Certain of the Arab States have secured the bulk of their military equipment from other sources."

Now, this is insulting to our intelligence. The United States is providing military assistance to Jordan. We also find American arms in the arsenals of Lebanon, Jordan, Iraq, and Saudi Arabia. Soviet arms are piled high in the arsenals and airports of Syria, Egypt, and other Arab States. Yet to this very day, Washington authorities continue to deny military assistance to Israel to defend herself against the forces, armed by both America and Russia, who openly announce dedication to Israel's destruction by force of arms.

Arab goals are being realized in Algeria and elsewhere. The time has come for an Arab "alliance for progress" which would be peaceful and productive, which we could and should support. But, instead, we are witnessing an Arab "alliance for aggression" which we must strongly oppose. No American loans should go to a nation that uses her assets for purchase of Russian arms.

Congressman JAMES ROOSEVELT of California and I have submitted an amendment to the Mutual Security Act which would deny American assistance to any nation that discriminates against Americans on a basis of religion by seeking to impose blockades and boycotts.

As you know, in the past few years, amendments to the Mutual Security Act have expressed the sense of Congress that the President should use executive discretion in denying assistance to such nations that discriminate against American citizens and interests on any arbitrary and insulting basis of the religious faith of our fellow countrymen.

Congress has made it known that this is an intolerable situation by a number of expressions contained in various measures adopted by overwhelming votes through the years. Congress has looked to the State Department and the Chief Executive for implementing action. So have all of you, but we regret to observe, despite flagrant violations of the principle of these provisions, the sense of Congress has been ignored. That is why Mr. ROOSEVELT and I advocate legislation to make mandatory this denial of aid to violator-nations. We are convinced that Congress must move without reservation to insure respect for its expressed position on the denial of assistance to those nations that openly maintain a national policy of discriminating against Americans.

The offenders, as you know, are not our allies. They allege to be "neutrals," but most often vote against free world interests generally, and against America specifically, while repeatedly siding with the Soviet Union, at the United Nations. These Arab League States not only bar Americans of Jewish faith from access to their territory but have entered into a coordinated boycott undertaking to punish American merchant ships and manufacturers solely because these firms, regardless of the personal religious convictions of their owners, dare to trade with Israel, a democratic state friendly to America and closely aligned with the free world. This boycott even applies to doing business with American firms here, whose officers or employees are of the Jewish faith.

It has been alleged, from time to time, by State Department officials that we must appease admittedly discriminatory Arab tactics in order to serve diplomatic ends. I fail to see how much has been accomplished by such appeasement, a depressing departure from American dignity and tradition. We need only look at so many of the Arab States' votes in the United Nations. We need only to look at the treatment we received at the hand of Saudi Arabia in connection with the airfield we built there. Despite every conceivable sacrifice of principle and decency we've been kicked off this field with the expiration of the agreement this last April. We need only look at the Soviet guns, tanks, jets, and even submarines now forming the basic armed strength of the main Arab armies, especially those of Egypt and Syria, linking those countries logistically with the Soviet munitions factories and Soviet military instructors.

I respectfully submit that the time has come when we must set forth standards of conduct by recipient nations toward United States citizens as a qualification for our economic assistance. And this should be spelled out without qualification. Having a declaration of policy is obviously not enough. The executive branch has ignored the sense of Congress as we have solemnly expressed it. We owe it to the self-respect of the American public, as well as to the highest national interest, to now establish a firm position and incorporate mandatory language into the pending Mutual Assistance Act legislation.

Surely, this amendment is consistent with the President's own expressed objective, which he has made clear to Congress, but which, regretfully, has not been carried out by his own executive branch. He has said on various occasions that he wants foreign aid linked with the promotion of social justice and morality. I might add that the platforms of both our political parties make strong pledges to combat foreign discrimination against Americans, on a basis of religion, especially through travel barriers, boycotts, and blockades.

Well, if these principles are to be realized and not just remain as high-sounding ideals, then Congress should adopt the mandatory provisions of our bill.

I feel this is the only answer. This is the least we can do, at this late date, to remedy a situation that has persisted too long. It is apparent the compromise of principle has marred our national countenance. The day is gone when we can sit quietly and permit nations soliciting our assistance to discriminate against our citizens with impunity. I might add that either that day is gone or our national dignity, our heritage, are going sadly undefended.

When will we reassert our right to respect in the family of nations? The least we can do is to refuse to finance regimes that dip our flag in the dirt by intolerable demonstrations of bigotry against millions of our citizens.

Are nations to be permitted to take American friendship for granted, regardless of their conduct toward Americans?

Our historic national tradition has charted proud precedents. In 1885, the United States refused to accept protests by Austria-Hungary on the appointment of our Ambassador to that kingdom because the designee's wife happened to be of Jewish faith.

In 1911, the United States abrogated a trade treaty with czarist Russia, in effect since 1832, because of Russian mistreatment of American citizens of Jewish faith.

In 1924, we protested to Switzerland against exclusion of Americans of the Mormon faith.

Our vigorous repeated protests to Fascist Italy and Nazi Germany are also part of that history.

In 1956, our President, then a Senator of the United States, described Egypt's Nasser as "the chief provocateur against the West."

Last year, at the United Nations General Assembly, Mr. Nasser voted with the Soviet Union on 53 occasions, but only four times with America. Egypt's discrimination against our shipping, and otherwise affecting our citizens, continues unabated. But, as I said earlier, now we are giving increased assistance to Egypt.

The program for giving these new huge sums to Egypt must be reviewed at all levels and I assure you that I will do my part in Congress toward this end. The voice of Congress, and of the people, will be heard on this issue, you may rest assured. But the action and vital voice and guidance of the ZOA are needed at this dangerous moment.

I know you will neither evade the challenge nor minimize the dangers.

The State Department told me, and I quote verbatim, that "should hostilities recur in the region—the Near East—we are convinced the aggrieved party should take full advantage of the United Nations peace-keeping instrumentalities so readily available in the area."

How in heaven's name can Israel take "full advantage of the United Nations peacekeeping instrumentalities"? We just witnessed the tragic and cynical spectacle of April 9 when the United States, for misguided notions of expediency, joined with the Soviet Union, and other big powers on the Security Council, against Israel, a besieged small country that valiantly sought to defend herself.

What made this move all the more deplorable, as I pointed out in my message to the President, the Secretary of State, and our Ambassador to the United Nations, is not only did we support the censure resolution but we cosponsored it.

I wish Mr. Dutton or Mr. Rusk—or someone would explain what appears to be a lot of doubletalk. They might as well admit their decision to woo the Arabs at Israel's expense.

I believe Israel is entitled to more than empty phrases from the executive department. I believe that American citizens would be remiss if they did not challenge, in America's own interest, the tragic tendency now apparent.

America must tell Israel that, despite our recent travesty at the United Nations and despite the disquieting reports about massive handouts to an aggressive Egypt, we will reconsider and alter policies before it is too late.

Let us today renew our determination to stand by our friend and true ally, the State of Israel. We must do this in our own national interest. Let us soberly remember, and remind the State Department, that Israel is the only nation in the world which, menaced by Soviet-equipped forces, turned to America to join our military assistance program, to defend herself against communism and aggression, only to be rejected by us as so tragically evidenced by the United Nations censure resolution.

The occasion of Israel's recent anniversary will be truly significant if we now take inventory of the entire picture and generate here a new realization of the dangers, and embark on action to insure the healthy future of Israel-American relations. If this is done, I am confident that mistakes will be corrected and new paths found so that we can, in good conscience, anticipate a happy fifteenth anniversary of Israel.

Zionists know from the depths of their experience that the "watchman of Israel" must not sleep and must not slumber. It is a duty to be a watchman of Israel, it is also an honor.

The crisis of Zionism is also the crisis of Judaism. Zionism fulfilled becomes a chief source of nourishment of Judaism. Zionism, through the State of Israel, has revived all aspects of Jewish life.

At the Ideological Conference in Jerusalem, some years ago, Foreign Minister Golda Meir made a paradoxical statement. During a debate about Israel and the diaspora, she said that "when I meet my American friends, women who are my contemporaries, I am sorry for them. They worry about their grandchildren. My grandchildren are in a kibbutz in the Negev, but I am absolutely sure about them."

Her confidence is understandable. Grandchildren in the Negev may pose problems concerning health or physical safety. But there are no problems in the matter of the "Jewish" survival of the grandchildren. She might have to worry about defense, but not about the strategy of keeping her offspring Jewish.

The Zionist movement revived Israel, and continues to serve. Today, Israel is reviving the Jewish people and Judaism itself. That is the true dimension of our challenge and our reward.

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# SENATE

## Wednesday, June 13, 1962

The Senate met at 11 o'clock a.m., and was called to order by the Vice President.

Rabbi David Berent, Congregation Beth Jacob, Lewiston, Maine, offered the following prayer:

O Heavenly Father, Thou Master Architect of the universe; reverently we ask Thy blessing upon the Government of the United States of America and upon all who govern by the consent of this people.

Do Thou bless these representatives of the people of this Republic. Grant them wisdom and understanding in their deliberations. Sanctify their purposes as they serve Thee and their people, and hallow their lives as they give of themselves in dedication.

Make us restless, O Lord, for Thy sake and for the sake of Thy children. Give us turbulence of mind and distress of conscience as long as men are enslaved, discriminated against, and persecuted. Let us feel offended when we want to be serene, indignant when we want to be at ease. In this world which is becoming transformed before our astonished eyes, help us to learn and to teach that we must welcome freedom and human dignity—not resist it. Help us to learn and to teach not merely that resistance to freedom is futile, but a defiance of Thine image and Thy name. Give us, O God, guided leaders, instead of guided missiles. May the words of our mouth and the meditations of our heart be for Thy sake and for the sake of all Thy children. Amen.

## THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 12, 1962, was dispensed with.

## MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On June 12, 1962:

S. 1962. An act for the relief of Kenneth David Wooden;

S. 2011. An act for the relief of Antonia Longfield-Smith; and

S. 2099. An act for the relief of Tina Jane Beland.

On June 13, 1962:

S. 107. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

## LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. Mansfield, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

## COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. Mansfield, and by unanimous consent, the Investigations Subcommittee of the Committee on Government Operations and the Committee on Aeronautical and Space Sciences were authorized to meet today during the session of the Senate.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### Continuation of Land Acquisition Program

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the transfer of funds from the "Salaries and expenses" appropriation for fiscal year 1962 to the "Construction of facilities" appropriation for that year to permit continuation of the land acquisition program for the expansion of launch facilities at Cape Canaveral, Fla.; to the Committee on Aeronautical and Space Sciences.

### Facilitation of Work of Department of Agriculture

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to facilitate the work of the Department of Agriculture, and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

### Amendment of Section 12(10) of Area Redevelopment Act

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to amend section 12(10) of the Area Redevelopment Act (with accompanying papers); to the Committee on Banking and Currency.

### Report on Review of Noncash Grant-in-Aid Credits Allowed for Publicly Owned Parking Facilities, Housing and Home Finance Agency

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of noncash grant-in-aid credits allowed for publicly owned parking facilities, Housing and Home Finance Agency, dated June 1962 (with an accompanying report); to the Committee on Government Operations.

Report on Review of Stock Funds and Related Consumer Funds in the Department of Defense (Part 1)

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a review of stock funds and related consumer funds in the Department of Defense, part 1, dated June 1962 (with an accompanying report); to the Committee on Government Operations.

Temporary Admission Into the United States of Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of order entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JORDAN, from the Committee on Rules and Administration, without amendment:

S.J. Res. 192. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress (Rept. No. 1586); and

S. Res. 345. Resolution to provide additional funds for the Committee on Armed Services (Rept. No. 1585).

By Mr. JORDAN, from the Committee on Rules and Administration, with amendments:

H.R. 8141. An act to revise the laws relating to depository libraries (Rept. No. 1587).

## STRENGTHENING AND IMPROVEMENT OF NATIONAL TRANSPORTATION SYSTEM—REPORT OF A COMMITTEE (S. REPT. NO. 1588)

Mr. SMATHERS. Mr. President, from the Committee on Commerce I report favorably, with an amendment, the bill, S. 2560, to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

This is an exceedingly complicated piece of legislation, upon which the Subcommittee on Surface Transportation, of which I have the honor to be chairman, held long and thorough hearings. The bill underwent four major revisions during and after the course of the hearings and finally was approved by unanimous vote of the full Committee on Commerce just a few days ago.

The VICE PRESIDENT. The report will be received and printed, and the bill will be placed on the calendar.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 3405. A bill for the relief of Alvaro Rodriguez Jimenez; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 3406. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain allowances and reimbursements for moving expenses paid by an employer to or on behalf of an employee; to the Committee on Finance.

By Mr. CLARK (for himself, Mr. Randolph, Mr. Hart, Mr. Long of Missouri, Mr. Javits, Mr. Pell, and Mr. Williams of New Jersey):

S. 3407. A bill to provide for Federal assistance on a combination grant and loan basis in order to improve patient care in public and other nonprofit hospitals and nursing homes through the modernization or replacement of those institutions which are structurally or functionally obsolete; and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. Clark when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (for himself, Mr. Hickey, and Mr. Mansfield):

S. 3408. A bill to establish in the Library of Congress a library of musical scores and other instructional materials to further educational, vocational, and cultural opportunities in the field of music for blind persons; to the Committee on Rules and Administration.

By Mr. CASE of New Jersey:

S. 3409. A bill for the relief of the Middlesex Concrete Products & Excavating Corp.; to the Committee on the Judiciary.

By Mr. DIRKSEN (for himself and Mr. Carroll):

S. 3410. A bill to amend the Administrative Procedure Act, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. Dirksen when he introduced the above bill, which appear under a separate heading.)

By Mr. McCARTHY (for himself and Mr. Hart):

S. 3411. A bill to extend the temporary extended unemployment compensation program, to increase the rate of the Federal unemployment tax for taxable year 1964, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. McCarthy when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT (for himself, Mr. Dirksen, Mr. Cooper, and Mr. Morton):

S.J. Res. 199. Joint resolution to provide for the designation of September 22, 1962, as "Emancipation Proclamation Centennial Day"; to the Committee on the Judiciary.

(See the remarks of Mr. Mundt when he introduced the above joint resolution, which appear under a separate heading.)

## HOSPITAL MODERNIZATION ACT OF 1962

Mr. CLARK. Mr. President, on behalf of Senators Randolph, Hart, Long of Missouri, Javits, Pell, Williams of New Jersey, and myself, I introduce, for appropriate reference, a bill to establish a combination matching grant and loan program to assist certain public and private nonprofit hospitals and nursing homes to undertake needed modernization and replacement projects.

In most metropolitan areas today, modernization rather than new bed construction, is the principal health facilities need. A 1960 Public Health Service nationwide survey of each of the 25 U.S. metropolitan areas which have more than 2,500 general hospital beds, and sample reports from 32 smaller areas showed a projected national cost for needed modernization and replacement of $3.6 billion.

This staggering figure is nearly four times the current high rate of annual construction expenditures in the entire health facilities field, and only a fraction of the latter sum is spent on modernization and replacement which does not add to new bed capacity.

The breakdown of the results of this survey are as follows:

| Type of facility | Existing beds (1956) | Projected modernization needs | |
|---|---|---|---|
| | | Number of projects | Cost (millions) |
| All types | 1,106,000 | 2,255 | $3,648 |
| General hospitals | 606,000 | 2,080 | 2,838 |
| Metropolitan areas | 380,000 | 1,303 | 2,187 |
| Nonmetropolitan areas | 226,000 | 777 | 651 |
| Mental hospitals, State-owned | [1] 500,000 | 175 | 810 |

[1] Estimated.

In Pennsylvania alone, the estimated backlog of modernization needs as shown in the 1960 survey was $215 million, including $35.3 million in Pittsburgh, $34.1 million in Philadelphia and $2.2 million in Scranton. The State-by-State figures have never been published but the information on estimated individual State needs can be obtained from the Public Health Service.

Assistant Surgeon General Haldeman in an article in the July 1961 journal Hospitals explained the problem facing urban communities in these terms:

> The depression years and wartime military restrictions caused deficits to accumulate in hospital plants. These deficits led to postwar emphasis on new hospital plants and plant expansion. Since most of our earlier hospitals were in urban centers, postwar attention, with Federal assistance, was focused on rural shortages. This left urban projects with lower priorities. Meanwhile, physical deterioration and functional obsolescence moved slowly but inevitably upon the older city hospitals. In addition to this, urban communities are in a state of social flux around the hospital doors; neighborhoods are being transformed by superhighways, by industry and commerce, and by the movement of people to the suburbs. All of these factors create new pressures requiring that special attention be devoted to urban modernization and replacement, including the relocation of some facilities to other sites.

My bill would authorize the Surgeon General, acting through the State Hill-Burton agencies, to make, first, grants, up to 50 percent of the cost of qualified modernization projects, and/or second, loans instead of grants or to supplement authorized grants, provided the total Federal share did not exceed 80 percent of the cost of the project. In addition, assistance would be provided for the development of comprehensive regional health facilities plans. The amounts to be authorized have been left blank in the bill pending the development in hearings of data on the optimum size of the proposed program. The date of commencement of the proposed program is July 1, 1963, so there would be no budgetary impact until fiscal year 1964.

Every effort has been made to complement and not to interfere with the existing Hill-Burton construction program. The Hill-Burton State agencies would process the applications, and procedures similar to the existing program would be employed by the Surgeon General. Projects which increase bed capacity by more than 5 percent would be ineligible for modernization funds.

The 50 percent grant figure was chosen as the median point between the maximum and minimum grants available under Hill-Burton. In many of the States where modernization is most needed, only the minimal grants are available under the formula in the existing program, and the cost of modernization is frequently so high that this formula did not seem appropriate or sufficient for a modernization program. A smaller percentage of local financing is required under the modernization proposal than under Hill-Burton on the theory that the existing investment in plant and land in themselves indicate sufficient participation by the localities.

Extensive comments and advice have been received in the preparation of the bill from the Public Health Service, the American Hospital Association, the American Municipal Association, the American Institute of Planners and the Pennsylvania Departments of Health and Public Welfare, and I would like to thank the persons in those agencies who lent assistance.

I ask unanimous consent that the text of the bill and a summary of the measure be printed in the Record at the conclusion of my remarks, and that the bill be allowed to remain at the desk for additional cosponsors for a 1-week period.

**The VICE PRESIDENT.** The bill will be received and appropriately referred; and, without objection, the bill and summary will be printed in the Record, and the bill will lie on the desk, as requested by the Senator from Pennsylvania.

The bill (S. 3407) to provide for Federal assistance on a combination grant and loan basis in order to improve patient care in public and other nonprofit hospitals and nursing homes through the modernization or replacement of those institutions which are structurally or functionally obsolete; and for other purposes, introduced by Mr. Clark (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the Record, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Hospital Modernization Act of 1962".

### FINDINGS

Sec. 2. (a) The grants for hospital construction authorized by title VI of the Public Health Service Act have resulted, through the assistance and stimulation given to the States and localities, in the construction of many greatly needed hospitals throughout the Nation. In accordance with the purpose of that title, federally aided hospital construction has in the main been construction of new beds in areas suffering from a total lack or an acute shortage of hospital facilities. The geographic distribution of hospital beds is now far better than it was when the Hospital Survey and Construction Act was enacted. Because of the rapid growth and changing distribution patterns of the population, however, there continues to be widespread need for construction of new hospital beds. In recent years, moreover, a further important need has developed in the growing obsolescence of many of the hospitals that were already in existence when the program of new construction was originally projected. Continued progress toward the declared congressional objective, the provision of adequate hospital facilities for the people of the Nation, now requires not only continuing and rapid addition to the number of hospital beds, but also the modernization, or where necessary the replacement, of many existing structures, in order (1) to improve patient care by increasing the adequacy of services, safety, and efficiency; (2) to keep the Nation's hospital plant functional in relation to evolving medical practice; and (3) to adapt the facilities to new hospital and related medical uses.

(b) There is throughout the country a grave shortage of nursing homes of high quality, a shortage which becomes ever more serious with the growth in the number of aged persons. Through grants for the construction of public and other nonprofit nursing homes, Congress has taken steps to increase the number of nursing home beds. But many of the older institutions are in serious need of modernization or replacement.

(c) The public and nonprofit institutions which are in need of modernization or replacement are generally unable to raise locally the substantial sums required otherwise than by borrowing, and though able to give adequate assurance of repayment, many are unwilling to borrow the necessary funds at commercial interest rates because of the substantial additional cost which would be imposed on their patients.

(d) With respect to new construction of public and other nonprofit health facilities, it is the policy of the Congress to provide the needed assistance in the form of capital grants. With respect to modernization or replacement of obsolete facilities, on the other hand, the established sources of income of the institutions make practicable and desirable a Federal program of grant and loan payments. Under such a program any payment may consist of a grant amounting to not more than half the cost of such modernization or replacement project, and/or a loan without a grant or to supplement a grant as long as the Federal share does not exceed 80 per centum of the cost of the project. The establishment of such a combination grant and loan program, as a corollary to the program of grants for new construction, is now essential to the orderly and balanced development of the Nation's health facilities.

### AMENDMENT ADDING TITLE VIII TO THE PUBLIC HEALTH SERVICE ACT

Sec. 3. The Public Health Service Act (42 U.S.C., ch. 6A) is hereby amended by adding, immediately after title VII thereof, the following new title:

### "TITLE VIII—GRANTS AND LOANS FOR MODERNIZATION OR REPLACEMENT OF HOSPITALS AND NURSING HOMES

### *"Declaration of purpose*

"Sec. 801. The purpose of this title is to assist, through payments which consist of grants and/or loans in the modernization or replacement of public and other nonprofit hospitals and nursing homes which are necessary to the provision of adequate hospital and nursing home services to the people, but which are structurally or functionally obsolete.

### *"Definitions*

"Sec. 802. As used in this title—

"(a) the term 'hospital' includes general, mental, chronic disease, and other types of hospitals, and related facilities, such as laboratories, outpatient departments, nurses' homes and training facilities, and central service facilities operated in connection with hospitals, but does not include any hospital furnishing primarily domiciliary care;

"(b) the term 'nursing home' means a facility for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled nursing care and related medical services.

"(1) which is operated in connection with a hospital, or

"(2) in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State;

"(c) the term 'public' means owned and operated by a political subdivision of a State or by an instrumentality of such a political subdivision, or by a State university or medical school; or by a State (in the case of general hospitals only);

"(d) the term 'nonprofit' means owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

"(e) the term 'modernization' means major repair (to the extent permitted in regulations), renovation, or remodeling of an existing structure, and includes equipment incident thereto, but does not include any expansion of the structure which increases bed capacity by more than 5 per centum;

"(f) the term 'replacement' means construction (as defined in section 631(h)) of a facility designed primarily, as determined pursuant to regulations prescribed under section 806(4), to serve the same needs as a facility or facilities which have been or will be closed, and does not include any construction to provide bed capacity of more than 105 per centum of the capacity of such closed facility or facilities;

"(g) the term 'State' includes Puerto Rico, Guam, the Virgin Islands, and the District of Columbia;

"(h) the term 'State agency' means the agency designated in accordance with section 623(a)(1);

"(i) the terms 'cost of construction' and 'title' shall have the meanings, respectively, prescribed in section 631 (i) and (j); and

"(j) the term 'Federal Hospital Council' means the Council appointed under section 633(b).

### *"Authorization of payments*

"Sec. 803. The Surgeon General is authorized to make grant and/or loan payments for the modernization or replacement of public and other nonprofit hospitals or nursing homes which he finds are necessary for the provision of adequate hospital or nursing home services to the people of the respective States, but which are structurally or functionally obsolete (as determined in accordance with the regulations). As requested in the application and as determined by the Surgeon General to be necessary to carry out the purpose of this Act, any such payment may include or consist exclusively of a grant from funds appropriated pursuant to section 804 in an amount not to exceed 50 per centum of the cost of construction for such modernization or replacement, and may include or consist exclusively of a loan from funds obtained under section 805, amounting to part of such cost or part of the remaining portion of such cost, but in no event shall a payment consisting exclusively of a loan, or including a grant and a loan, exceed in amount 80 per centum of such cost.

### *"Authorization of grant funds*

"SEC. 804. There is authorized to be appropriated for making grants under the provisions of this title the sum of $---------- for the fiscal year beginning July 1, 1963, and for each fiscal year thereafter.

### *"Authorization of loan funds*

"SEC. 805. (a) In order to obtain funds for loans under this title, the Surgeon General may, on or after July 1, 1963, from time to time issue notes and obligations for purchase by the Secretary of the Treasury. The maximum aggregate principal amount of such notes and obligations outstanding at any one time shall not exceed the sum of $————.

"(b) Notes or other obligations issued by the Surgeon General under this section shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Surgeon General, with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secretary of the Treasury which shall be not less than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Surgeon General and adjusted to the nearest one-eighth of 1 per centum. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Surgeon General issued under this section and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"(c) There are hereby authorized to be appropriated to the Surgeon General such sums as may be necessary, together with loan principal and interest payments made under this title, for payments on notes or other obligations issued by the Surgeon General under this section. Such principal and interest payments, if not necessary for such payments on notes or other obligations, shall be available for loans under this title.

### *"General regulations*

"SEC. 806. The Surgeon General, after consultation with the Federal Hospital Council and with the approval of the Secretary, shall by regulation prescribe—

"(1) the method of allotting among the States grant and loan funds made available under this title for each fiscal year, on the basis of the population of the respective States, as determined on the basis of the latest figures certified by the Department of Commerce, and other factors which the Surgeon General finds pertinent, in such manner as to reflect so far as possible the relative need of the States for such funds for modernization and replacement of public and other nonprofit hospitals and nursing homes;

"(2) subject to the provisions of this title, the terms and conditions applicable to any funds loaned hereunder;

"(3) the general manner in which the State agency shall determine the priority of projects based on the relative degree of obsolescence of the various hospitals and nursing homes within the State which are in need of modernization or replacement, and the relative parts which such hospitals and nursing homes play in the provision of services to the people of the State and such other factors as the Surgeon General may by regulation prescribe;

"(4) criteria for determining whether a facility proposed to be constructed is designed primarily to serve the same needs as a facility or facilities which have been or will be closed, taking into account the population to be served and the general character of the services to be provided;

"(5) supplementation for application to replacement projects, and revision for application to modernization projects, of the regulations relating to standards for construction and equipment issued under section 622 (e), and of the regulations supplementary thereto issued under section 653(a) with respect to nursing homes; and

"(6) supplementation and modification, for application to projects under this title, of (A) the regulations relating to nondiscrimination and to services to persons unable to pay therefor issued under section 622(f), with the modification that the exemption relating to separate facilities stated in clause (1) of such section shall not apply to projects under this title, (B) the regulations relating to methods of administration issued under section 622(g), and (C) the regulations supplementary thereto issued under section 653(a) with respect to nursing homes.

### *"State plans*

"SEC. 807. (a) Any State desiring to take advantage of this title may submit, as a revision of or supplement to its hospital construction plan approved under section 623 (or such plan as extended to the construction of nursing homes under section 653), a plan for the modernization and replacement of hospitals, or of hospitals and nursing homes, which meet the conditions stated in section 801. Such plan must—

"(1) meet the requirements of section 623(a) other than paragraphs (4), (5), and (10) thereof (relating to the State hospital construction program, priorities of construction, and periodic review and modification of the construction program); and if the plan includes nursing homes, meet the requirements of section 653(a) (2) (relating to the conformity of the State nursing home construction program with regulations of the Surgeon General);

"(2) set forth a program of modernization and replacement of hospitals, or of hospitals and nursing homes, which (A) is based on a statewide survey of need and takes into consideration any areawide program developed in an area within (or partly within) the State and approved by the State agency, and (B) meets the requirements as to lack of discrimination on account of race, creed, or color, and for furnishing needed hospital services to persons unable to pay therefor, prescribed by regulations issued under section 622(f) as supplemented and modified for the purposes of this title as provided in section 806(6) above;

"(3) set forth, with respect to hospitals or with respect to hospitals and nursing homes, the relative need determined in accordance with regulations issued under section 806(3), for the several projects included in such program, and provide for carrying them out, insofar as the financial resources available therefore make possible, in the order of such relative need; and

"(4) provide that the State agency will from time to time, and in any event whenever an areawide program referred to in clause (2) has been developed and approved by the State agency, review its program and submit to the Surgeon General any modifications thereof which it considers necessary.

"(b) The Surgeon General shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

### *"Allotments to States of grant and loan funds*

"SEC. 808. Each State shall be entitled for each fiscal year for which funds are authorized under this title to an allotment, determined in accordance with regulations issued under section 806(1), from the amounts made available for that fiscal year pursuant to section 804 and section 805. The Surgeon General shall notify each State agency, as promptly as possible after funds for a fiscal year are made available under each such section, of the amount of the State's allotment of the funds provided pursuant to such section, but no payment shall be made out of the allotment of a State until a State plan under section 807(a) has been submitted by such State and approved by the Surgeon General. Sums allotted to a State under this title for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the same purposes for the next fiscal year (and for such year only), in addition to the sums allotted for such State for such next fiscal year.

### *"Applications for and approval of payments*

"SEC. 809. (a) An application for a payment under this title shall be submitted, by a public or other nonprofit agency, to the Surgeon General through the State agency. If two or more public or other nonprofit agencies join in the project, the application may be filed by one or more of such agencies.

"(b) The application shall set forth (1) a description of the project, including a description of the site of the project; (2) plans and specifications for the project which are in accord with regulations as revised and supplemented under section 806(5); (3) reasonable assurance that title to the site of the project, and to any structure thereon, is or will be vested in one or more of the agencies filing the application, or in a public or other nonprofit agency which is to operate the hospital or nursing home; (4) the amount, if any, requested as a loan under the provisions of this title; (5) reasonable assurance that any financial support needed, in addition to that furnished under the provisions of this title, will be available for carrying out the project, and that adequate financial support will be available for maintenance and operation when completed, and for payment of interest and repayment of principal of any funds loaned, in accordance with the terms of the loan; (6) reasonable assurance that the operation will be in compliance with applicable State standards for operation and maintenance, and with regulations as supplemented and modified under section 806(6) relating to nondiscrimination and to services to persons unable to pay; (7) the estimated cost of the project; (8) assurance that no grant has been made for the same project under title VI, and that no application for such grant is pending; (9) if the project is one for replacement, satisfactory evidence, in accordance with regulations issued under section 806(4), that the facility to be constructed is designed primarily to serve the same needs as a facility or facilities which have been or will be closed; and (10) adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction assisted by such payment will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5), and will receive compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in any workweek in excess of 8 hours in any workday or 40 hours in the workweek, as the case may be. The Secretary of Labor shall have, with respect to the labor standards specified in paragraph (10) of this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(a) Each such application shall be accompanied by (1) a recommendation by the State agency of approval of the project, based on findings that the project meets the requirements of subsection (b) and that the estimated cost of construction is reasonable; and (2) a certification by the State agency that the application is in accordance with the State plan approved under section 807(b), that funds for the project are available from the State's allotments under this title, and that the project is entitled to priority over other projects within the State in accordance with regulations issued under section 806(3).

"(d) The Surgeon General shall approve such application if sufficient funds to pay the Federal share of the cost of the project are available from the allotment to the State, and if the Surgeon General (A) finds that the application contains reasonable assurance as to title, financial support, and payment of prevailing rates of wages; (B) finds that the application is in conformity with the State Plan approved under section 807 of this title and contains an assurance that in the operation of the hospital or nursing home there will be compliance with the applicable requirements of the State Plan and of the regulations prescribed under section 806(6) of this title; and (C) concurs in the findings and certification by the State agency under subsection (c). No application shall be disapproved because of disagreement with the findings or certification of the State agency until the Suregon General has afforded the State agency an opportunity for a hearing.

"(e) Amendment of any approved application shall be subject to approval in the same manner as an original application.

*"Payments*

"SEC. 810. (a) Whenever an application has been approved under section 809(d), the Surgeon General is authorized to make a payment to the applicant in accordance with the provisions of this title. Any loan or portion of such payment which is a loan shall (1) bear interest at a rate not less than the rate arrived at by adding one-quarter of 1 per centum per annum to the rate which the Secretary of the Treasury determines to be equal to the average annual interest rate on all interest-bearing obligations of the Unitd States when forming a part of the public debt as computed at the end of the fiscal year next preceding the date the application for the loan is approved and by adjusting the results so obtained to the nearest one-eighth of 1 per centum, and (2) subject to the provisions of regulations issued under section 806(2), shall be secured in such manner (if any) and repaid in such installments and within such period, not exceeding forty years, as the Surgeon General may determine. Subject to the provisions of this subsection and of such regulations, the amount or terms of a loan may be modified upon approval of an amendment of an application.

"(b) A grant or portion of a payment which is a grant under this title shall be made to the applicant in installments, each of which shall be paid upon certification by the State agency, based upon inspection by it, that work has been performed upon the project, or purchases have been made, in accordance with the approved plans and specifications, and that an installment is due. A loan or portion of a payment which is a loan under this title shall be made to the applicant in such installments or in lump sum and in advance or otherwise as the Surgeon General may prescribe by regulations. If the Surgeon General, after investigation or otherwise, has ground to believe that a default has occurred requiring action pursuant to section 811(a) he may, upon giving notice of hearing pursuant to such subsection, withhold further advances pending action based on such hearing.

"(c) If, at any time before any loan or loan portion of a payment for a project has been repaid in full, any of the events specified in clause (A) or clause (B) of section 625(e) shall occur with respect to such project, the unpaid balance of the loan shall become immediately due and payable by the applicant, and any transferee of the facility shall be liable to the United States for such repayment to the same extent as the borrower. The provisions of section 625(e), relating to recovery of expenditures under certain conditions, shall apply in the case of any grant payment made under this title.

*"Withholding of funds*

"SEC. 811. (a) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 623(a)(1), finds (1) that the State agency is not complying substantially with the provisions required by section 807(a) to be contained in its plan, or (2) that any funds have been diverted from the purposes for which they were advanced, or (3) that any assurance given in an application filed under section 809 is not being or cannot be carried out, or (4) that there is a substantial failure to carry out plans and specifications approved by the Surgeon General under section 809, or (5) that adequate State funds are not being provided annually for the direct administration of the State plan, the Surgeon General may withhold further advances from all projects in the State, or from any project or projects affected by the default as he may determine to be appropriate under the circumstances, until the default has been corrected; and if it is not corrected he shall reduce, by the proper amount, the Federal share of the cost of the project affected by the withholding.

"(b) The provisions of section 632(b), relating to judicial review of action by the Surgeon General under section 632(a), shall be applicable to action by him under subsection (a) of this section.

*"Administration; general provisions*

"SEC. 812. (a) In administering this title the Surgeon General shall consult with the Federal Hospital Council. He is authorized to make such administrative regulations and perform such other functions as he finds necessary to carry out the provisions of this title. Any such regulations shall be subject to the approval of the Secretary.

"(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Surgeon General notwithstanding the provisions of any other law, shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided,* That such financial transactions of the Surgeon General as the making of loans and vouchers approved by the Surgeon General in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

"(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Surgeon General notwithstanding the provisions of any other law, may—

"(1) sue and be sued;

"(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which he has made a payment pursuant to this title, and in the event of any such acquisition, the Surgeon General may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease and otherwise deal with, such property: *Provided,* That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

"(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned;

"(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

"(5) obtain insurance against loss in connection with property and other assets held;

"(6) subject to the specific limitations in this title, consent to the modification, with respect to the time of payment of any installment of principal or interest, security, or any other term of any loan under this title, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this title; and

"(7) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this title will be achieved.

"(d) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this title if the amount of such contract does not exceed $1,000.

"(e) In administering this title, the Surgeon General, with the approval of the Secretary, is authorized to utilize the services and facilities of any executive department or agency in accordance with an agreement with the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon between the Secretary and the head of the department or agency furnishing them.

"(f) Except as otherwise specifically provided, nothing in this title shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any hospital or nursing home with respect to which any funds have been or may be expended under this title.

*"Assistance in area planning*

"SEC. 813. (a) In order to carry out more effectively his duties under the Public Health Service Act, the Surgeon General may make grants-in-aid on such terms and conditions and in such installments, and in advance or otherwise as he may determine, to States, political subdivisions, universities, hospitals, and other public and private nonprofit institutions or organizations, to assist in developing and publicizing comprehensive regional, metropolitan or local area plans for coordination of hospitals, nursing homes and other health facilities, provided that such grants may be made only for the development of plans specifically certified to be needed by a State agency or agencies.

"(b) There is authorized to be appropriated for the purpose of this section the sum of $———— for the fiscal year beginning July 1, 1962, and for each fiscal year thereafter."

### TECHNICAL AMENDMENTS

Sec. 4. (a) Section 1 of the Public Health Service Act is amended to read:

"Sec. 1. Titles I to VIII, inclusive, of this Act may be cited as the 'Public Health Service Act'."

(b) Section 625(a) of such Act (42 U.S.C. 291h(a)) is amended by inserting at the end thereof: "No application shall be approved for the same project for which a payment has been made under title VIII, or for which an application for such a payment is pending."

(c) Section 632(b)(3) of such Act (42 U.S.C. 291j(b)(3)) is amended by striking out "sections 239 and 240 of the Judicial Code, as amended" and inserting in lieu thereof: "section 1254 of title 28, United States Code".

(d) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title VIII (as in effect prior to the enactment of this Act) as title IX, and by renumbering sections 801 through 814 (as in effect prior to the enactment of this Act), and references thereto, as sections 901 through 914.

The summary presented by Mr. Clark is as follows:

### HOSPITAL MODERNIZATION ACT OF 1962

### I. SUMMARY OF MAJOR PROVISIONS

The purpose of the bill is to establish a separate program of Federal assistance to the States, in the form of grants and loans, administered by the Surgeon General, to pay the cost of modernizing or replacing existing public and nonprofit hospitals and nursing homes which have become structurally or functionally obsolete.

The modernization projects which could be undertaken under the program would include major repairs, renovation or remodeling of existing structures and equipment, so long as they do not result in the expansion of a structure to increase its bed capacity by more than 5 percent. The facilities that could be replaced under the program are those that have been closed or are about to be closed and the replacement facilities would have to serve the same needs as those that are replaced. No replacement facility could be constructed with a bed capacity of more than 105 percent of the capacity of the closed facility.

The new program proposed by the bill (adding a new title VIII to the Public Health Service Act) would be in addition to the existing program of Federal assistance for the construction of new hospitals authorized by the 1946 Hill-Burton Act (title VI of the Public Health Service Act.) The new program, in general, would follow the Hill-Burton legislative pattern but would differ as to method of allotting money to the States and the manner of financing projects.

Under the bill the Surgeon General would be authorized to make payments with respect to qualified facilities in the form of (1) a grant amounting to not more than one-half the cost of the modernization or replacement project; and/or (2) a loan for part of the cost, but in no event would a payment consisting solely of a loan, or including a grant and a loan, be allowed to exceed 80 percent of the cost of the project.

The Hill-Burton Act authorizes the Surgeon General to make grants for constructing qualified facilities. In certain cases loans may be made in place of grants although such loans have been extremely rare. The amount of a grant for any particular project under the Hill-Burton program may range from one-third to two-thirds the cost of the project under a variable matching formula, which seeks to relate local effort to statewide fiscal ability in comparison with the average ability of the Nation as a whole. A State may elect to receive a uniform Federal share of 50 percent of the cost of constructing certain facilities authorized separately under the Hill-Burton Act (including nursing homes). The act provides minimum allotments to the States for the various categories of facilities for which grants are made (e.g., $200,000 a year for hospitals and public health centers and $20,000 for nursing homes).

Under the bill, the method of allotting grant and loan funds among the States for each fiscal year would be prescribed by regulations issued by the Surgeon General, after consultation with the Federal Hospital Council (established under the Hill-Burton Act) and with the approval of the Secretary of Health, Education, and Welfare. The allotment of these funds would have to be made on the basis of the population of the States, and other pertinent factors, in such a manner as to reflect as far as possible the relative needs of the States for modernization or replacement of qualified facilities.

The bill authorizes the appropriation of $———— for the fiscal year beginning July 1, 1963, and each subsequent fiscal year for the purpose of making grants. In order to obtain funds for loans the Surgeon General would issue notes and obligations, not exceeding $———— in principal at any one time, for purchase by the Secretary of the Treasury. Loans to borrowing hospitals and nursing homes would bear interest at a rate equal to the current average annual interest rate on all interest-bearing obligations of the United States plus one-quarter of 1 percent and would be repayable in such installments and within such period, not exceeding 40 years, as the Surgeon General determines.

In order to obtain benefits under the bill a State would be required to submit a State plan, as a revision or supplement of its plan submitted under the Hill-Burton Act, which meets the requirements of regulations issued by the Surgeon General. The Surgeon General's regulations would pertain to such matters as the manner in which State agencies determine priority of projects and criteria for determining whether a facility is designed to serve the same needs as the one it is to replace. In some instances the Surgeon General's regulations under the bill would supplement and modify those issued under the Hill-Burton Act. With respect to regulations prohibiting nondiscrimination on account of race, creed, or color in a facility that receives assistance under the bill, however, the existing provisions of the Hill-Burton Act authorizing separate but equal facilities would not apply.

The bill also authorizes $———— a year to be appropriated for grants to States, political subdivisions, universities, hospitals, and other public and private nonprofit institutions to assist in developing and publicizing comprehensive regional, metropolitan, or local area plans for coordination of hospitals, nursing homes, and other health facilities.

The enacting clause contains a short title, "Hospital Modernization Act of 1962."

The remainder of the bill is divided into three sections as follows:

Section 2: Findings.

Section 3 adds a new title to the Public Health Service Act: "Title VIII—Grants and Loans for Modernization or Replacement of Hospitals and Nursing Homes."

Section 4: Technical amendments.

Section 2 of the bill contains findings of fact.

Subsection (a) contains a statement that as a result of the grants under title VI of the Public Health Service Act to the States and localities many needed hospitals have been constructed throughout the Nation; that this construction has mainly been new beds in areas suffering a lack or shortage of such facilities and that the geographic distribution of hospital beds is better than when the Hospital Survey and Construction Act was first enacted in 1946; but that because of population growth and changing patterns the need has continued for the construction of new hospital beds; that another need has developed because of the obsolescence of hospital facilities already in existence.

Subsection (b) contains a statement that there exists a grave shortage of nursing homes because many are in need of modernization or replacement.

Subsection (c) relates to the inability of, or the high cost to, public and nonprofit institutions in need of replacement or modernization to raise funds locally.

Subsection (d) recites the policy of the Congress as to providing assistance by way of grants for the new construction of public and other nonprofit health facilities. Establishes a new policy of setting up a combination grant and loan program for the modernization or replacement of obsolete public and nonprofit health facilities.

Section 3 adds a new title to the Public Health Service Act (42 U.S.C. chapter 6(A)); namely, "Title VIII—Grants and Loans for Modernization or Replacement of Hospitals and Nursing Homes" with 13 sections, as follows:

801. Declaration of purpose
802. Definitions
803. Authorization of payments
804. Authorization of grant funds
805. Authorization of loan funds
806. General regulations
807. State plans
808. Allotments to States of grant-loan funds
809. Application for and approval of payments
810. Payments
811. Withholding of funds
812. Administration; general provisions
813. Assistance in area planning

Section 801 of the new title contains a statement of the declaration of purpose.

Section 802 of the new title contains the definitions of the terms as used in the title.

Subsection (a) "Hospitals": General, mental, chronic disease, and other types of hospitals, and related facilities, such as laboratories, outpatient departments, nurses' homes and training facilities, and central service facilities operated in connection with hospitals, does not include any hospital furnishing primarily domiciliary care.

Subsection (b) "Nursing homes": Facility for accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care, but who require skilled nursing care and related medical services (1) operated in connection with a hospital, or (2) in which nursing care and medical services are prescribed by, or performed under the general direction of, persons licensed to practice medicine or surgery, in the State.

Subsection (c) "public": Owned and operated by a political subdivision of a State or by an instrumentality of such a political subdivision, or by a State university or medical school or by a State (in the case of general hospitals only).

Subsection (d) "nonprofit": Owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

Subsection (e) "modernization"—Major repair (as defined in regulations), renovation, or remodeling of an existing structure, including equipment incident thereto—not including any expansion of the structure which increases bed capacity by more than 5 percent.

Subsection (f) "replacement": Means construction as defined in section 631(h) of the Public Health Service Act of a facility to serve the same needs as a facility which has been or will be closed. It is limited, however, to construction which provides bed capacity of up to 105 percent of the capacity of the closed facility. Section 631(h) of the Public Health Service Act defines the term "construction" to include construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings including architects' fees. It excludes the cost of offsite improvements and except for public health centers the cost of acquisition of land. The criteria for determining whether the proposed facility will serve the same needs as the closed facility or the facility to be closed will be determined by regulations authority for the issuance of which is set forth in section 806(4) of this bill. Such criteria are to take into account the population to be served and the character of the services which will be provided.

Subsection (g) "State" is defined to include Puerto Rico, Guam, the Virgin Islands and the District of Columbia.

Subsection (h) "State agency" is defined to mean the single agency designated by the State in its State plan as the sole agency for the administration of the plan, or the agency designated as the sole agency for supervising the administration of the State plan.

Subsection (i): The "cost of construction" is defined to mean the amount found by the Surgeon General to be necessary for the construction of a project.

The term "title" when used with reference to a site means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 percent of the value of the land) as the Surgeon General finds sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purposes of construction and operation of the project.

Subsection (j): The "Federal Hospital Council" is defined to mean the existing Federal Hospital Council consisting of the Surgeon General as Chairman and eight members. Four are to be knowledgeable in the operation of hospitals and the other four are to represent the consumers of hospital services and knowledgeable of the need for hospital services in urban or rural areas. The tenure of appointment expires two at the end of the first year, two at the end of the second year, two at the end of the third year, and two at the end of the fourth year. Appointments are limited to two continuous terms and the rate of compensation is not to exceed $25 per diem plus expenses while serving away from home. Meetings are to be called as the Surgeon General deems necessary but at least annually. The Surgeon General is required to call meetings at the request of three or more members.

Section 803 sets forth the authorization of payments. Any payment may include or consist of a grant from appropriated funds up to half the cost of construction for modernization or replacement project and may include or consist of a loan for part of the cost or part of the remaining portion of the cost as may be requested by the applicant and determined by the Surgeon General to be necessary to effectuate the purpose of the legislation; but in no event shall a payment consisting of a loan or including a grant and a loan exceed 80 percent of the cost of the project. Thus a loan may vary from 0 to 80 percent of the cost, but if a maximum grant of 50 percent of cost is applied for the maximum loan available would be 30 percent of the cost.

Section 804 contains the authorization of grant funds. The authorization of grant funds contains an effective date commencing with the fiscal year beginning July 1, 1963, and for each fiscal year thereafter.

Section 805 contains the authorization of loan funds. Under subsection (a) the Surgeon General on or after July 1, 1963, is permitted to issue notes and obligations not exceeding $———— for purchase by the Secretary of the Treasury in order to obtain funds for loans.

Section 805(b) prescribes that the notes or other obligations issued by the Surgeon General shall be in the forms and denominations, have the maturities and be subject to such terms and conditions as the Surgeon General may deem appropriate, with the approval of the Secretary of the Treasury. The interest rate is to be determined by the Secretary of the Treasury, but may not be less than the average annual interest rate on all interest-bearing obligations of the United States which form a part of the public debt as computed at the end of the fiscal year immediately prior to issuance and adjusted to the nearest one-eighth of 1 percent. Authorization is granted to the Secretary of the Treasury to purchase any obligations issued under this section and to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which securities may be issued under that act are extended to include the purchase of notes or obligations issued under this section. The Secretary of the Treasury may sell notes or obligations acquired under this section. Transactions of the Secretary of the Treasury under this section are to be treated as public debt transactions of the United States.

Subsection (c) of section 805 of the new title contains the authorization for appropriation to the Surgeon General of the necessary funds for payments on the notes or obligations issued by him plus loan principal and interest payments. Principal and interest payments where not necessary for payments on notes or other obligations are made available for loans.

Section 806 of the new title provides for the issuance by the Surgeon General, after consultation with the Federal Hospital Council and with the approval of the Secretary, of certain regulations. Specifically, the regulations are to prescribe—

1. The method of allotment among the States' grant and loan funds on the basis of population and other pertinent factors so as to reflect the relative need for modernization and replacement funds.

2. The terms and conditions applicable to any funds loaned.

3. The general manner in which the State agency shall determine the priority of projects based on relative degrees of obsolescence and the relative need for the services provided.

4. The criteria for determining whether a proposed facility is designed to serve the same needs as the closed facility or the facility proposed to be closed.

5. Supplementation for application to replacement projects, and revision of application to modernization projects of regulations issued under the Hill-Burton Act relating to standards for construction and equipment.

6. Supplementation and modification of regulations relating to nondiscrimination and to services for indigent persons, except that the provision of the Hill-Burton Act stating that "an exception shall be made in cases where separate hospital facilities are provided for separate population groups, if the plan makes equitable provision on the basis of need for facilities and services of like quality for each group," shall not apply to projects under this title.

Section 807 deals with the modification of existing State plans relating to hospital construction under the Public Health Service Act or the construction of nursing homes. Such State plan must meet the requirements of the Hill-Burton Act as to administration. The plan must set forth a program of modernization and replacement of hospitals or of hospitals and nursing homes. The program is to be based on a statewide survey of need and take into consideration any areawide program developed in an area within the State. It must also meet the requirements as to lack of discrimination on account of race, creed, or color, and for furnishing necessary hospital facilities for persons unable to pay therefor. It must also provide that the State agency will periodically review its program and in any event when an areawide program has been developed and approved. At such time such modifications as the State agency deems necessary are to be submitted to the Surgeon General.

Section 808 provides for the allotments to States of grant and loan funds previously authorized. The Surgeon General is to notify each State agency of the amount of the State's allotment but no payment to the State is to be made until there is an approved State plan. Sums allotted to a State for a fiscal year remaining unobligated at the end of such year remain available for 1 additional year.

Section 809, subsection (a), provides for the application for payments under this title to the Surgeon General through the State agency by a public or other nonprofit agency. The section also provides for the filing of joint applications where two or more public or other nonprofit agencies are involved.

Subsection (b) of section 809 requires that the application must contain a description of the project, including a description of the site of the project; plans and specifications for the project which are to be in accordance with such regulations as may be issued; reasonable assurance that title to the site or any structure will be vested in one or more of the agencies filing the application, or in a public or other nonprofit agency which is to operate the facility; the amount, if any, requested as a loan; reasonable assurance that any additional financial support necessary will be available and that adequate financial support will be available for maintenance and operation of the facility when completed, and for payment of interest and replacement of principal of any portion of the payment loaned, in accordance with the terms of the loan; reasonable assurance that the operation will be in compliance with applicable State standards for operation and maintenance and with regulations issued to implement the act relating to nondiscrimination and to services to persons unable to pay; the estimated cost of the project; assurance that no grant has been made for the same project under title VI (pertaining to the construction of hospitals) and that no application for such a grant is pending; that where the project is one of replacement satisfactory evidence shall be submitted in accordance with the regulations that the facility to be constructed is designed primarily to service the same needs as the facility to be closed; and reasonable assurance of compliance with the prevailing wages and overtime features of the Davis-Bacon Act.

Subsection (c) of section 809 sets forth that the application shall be accompanied by a recommendation of approval by the State agency based on findings that the project meets the requirements of subsection (b); that the estimated cost is reasonable; a certificate by the applicant is in accordance with the approved State plan; that funds for the project are available from the State's allotments; and that the project is entitled to priority over other projects within the State in accordance with the regulations issued under the act.

Subsection (d) provides for the approval of an application by the Surgeon General if he (A) finds reasonable assurance of title, financial support, and payment of prevailing wage rates; (B) finds conformance with the State plan and assurance of compliance with the nondiscrimination regulations; and (C) concurs in the findings and certification by the State agency. It further provides for a hearing by the Surgeon General to the State agency in the event of disagreement with the findings or certification by the State agency.

Subsection (e) sets forth that amendments to an approved application are subject to approval in the same manner as the original application.

Section 810(a) of the new title provides for payment to the applicant after an application has been approved. It further provides that in cases of loans the payment shall bear interest at a rate of not less than the rate arrived at by adding one-quarter of 1 percent per annum to the rate which the Secretary of the Treasury determines to be equal to the average annual interest rate on all interest-bearing obligations of the United States which then form a part of the public debt as computed at the end of the fiscal year prior to the date the application was approved and adjusting the result to the nearest one-eighth of 1 percent. It further provides that subject to the regulations the loan shall be secured in such manner (if any) and repaid in such installments and within such period, not to exceed 40 years as the Surgeon General determines. The amount and terms of the loan may be modified upon approval of an amendment to the application.

Section 810(b) provides in the case of grants for payment to the applicant in installments, upon certification by the State agency, based upon its inspection that the work has been performed, or purchases made, in accordance with the approved plans and specifications. Advance payments of loans are permitted. If the Surgeon General has ground to believe that a default has occurred requiring the withholding of funds after giving notice of hearing he may withhold further advances pending action based on the hearing.

Section 810(c) provides that if prior to the repayment in full of any loan payment for a project it either is (1) sold or transferred to any person, agency, or organization which is not qualified to file an application or which is not approved as a transferee by the State agency, or (2) ceases to be a nonprofit facility, then the unpaid balance of the loan shall become immediately due and payable. Any transferee of the facility shall also be liable to the United States for such repayment to the same extent as the original borrower. Grants are made subject to the same recovery provisions applicable in the Hill-Burton Act.

Section 811(a) of the new title provides for the withholding of funds by the Surgeon General in certain instances after notice and opportunity for hearing to the State agency. These instances are where there has been a finding of failure to substantially comply by the State agency; or where there has been a diversion of funds from the purposes for which they were advanced; or that any assurance in the application is not being carried out; or substantial failure to carry out plans and specifications; or that adequate State funds are not being provided annually for the administration of the State plan.

Section 811(b) of the new title provides for judicial review of action by the Surgeon General.

Section 812 sets forth the general administration provisions as are necessary to effectuate the purpose of title VIII. These include consultation by the Surgeon General with the Federal Hospital Council; provide for an annual audit by the General Accounting Office; give the Surgeon General the right to sue and be sued, foreclose, enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority, sell or exchange at public or private sale, or lease, real or personal property, sell or exchange any securities or obligations or obtain insurance against loss. Federal supervision or control over the administration, personnel, maintenance, or operation of any hospital or nursing home coming under this title is prohibited.

Section 813(a) of the new title authorizes the Surgeon General to make grants-in-aid to States, political subdivisions, universities, hospitals, and other public or private nonprofit institutions or organizations to assist in developing and publicizing comprehensive regional, metropolitan, or local area plans for coordination of hospitals, nursing homes, and other health facilities.

Subsection (b) authorizes $____________ to be appropriated each fiscal year to carry out the purpose of the section.

Section 4 of the bill contains technical amendments.

Subsection (a) includes the new title VIII added by the bill within the short title of the Public Health Service Act.

Subsection (b) amends section 675(a) of the Public Health Service Act by adding a sentence prohibiting the approval of an application under title VI (Hill-Burton) for the same project for which a payment has been made under the new title VIII or for which an application for such payment is pending.

Subsection (c) amends section 632(b)(3) of the Public Health Service Act by substituting the current section of law (28 U.S.C. 1254) which authorizes the Supreme Court to review decisions of U.S. courts of appeals upon certiorari or certification in place of references to sections of the former Judicial Code that have been repealed.

Subsection (d) amends the act of July 1, 1944 (under which the Public Health Service Act was originally enacted), by renumbering the title and section numbers of its temporary and emergency provisions and amendments and repeals. These provisions are presently in title VIII of such act and would be placed in title IX to allow the new title added by the bill to be placed in title VIII.

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## ADMINISTRATIVE PROCEDURE REFORM

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, a bill to amend the Administrative Procedure Act and ask that it be referred to the proper committee.

For 3 years now, the Subcommittee on Administrative Practice and Procedure, of which I am a member, has been conducting a detailed study of the troublesome areas and problems in administrative procedure. It has held a number of hearings and has received and considered many proposals for reform. These proposals, themselves, have been the product of many years of study.

Since the Administrative Procedure Act became law in 1946, there have been recommendations for procedural reform made by the Hoover Commission, by the Conference on Administrative Procedure called by President Eisenhower, and by the Administrative Conference of the United States called by President Kennedy, as well as many very thoughtful and detailed proposals by the American Bar Association and other bar associations, by the administrative agencies themselves, and by the executive branch.

These proposals run a vast gamut in their attempt to solve the problems which all but those with special interests admit exist in administrative proceedings. On the one hand there are proposals to give the agencies more authority and more discretion and on the other hand there are proposals which would require the agencies to act so as to give greater certainty and "forecastability" to their actions and provide equality of treatment between the Government and private citizens, more fairness, as some put it. We in the Congress have the task of reconciling these rather dissimilar approaches to what must be done to achieve administrative reform. It is our particular responsibility because we created the administrative agencies which include not only the Big Six regulatory agencies, but all the myriad of administrative agencies within and without the executive branch.

We may not often give it much thought, but these agencies, taken together, constitute the major part of our Government. Their functions range from milk price orders to the award of airline routes and radio station licenses. They include such varied problems as labor relations and business practices. Excluding foreign affairs, the Military Establishment and the courts, the administrative agencies deal directly with the day-to-day relationship of the individual to his Government. It is, therefore, most important that their procedures to do such a vast job be fair and adequate.

A decade ago Mr. Justice Jackson said:

> The rise of administrative bodies probably has been the most significant legal trend of the last century and perhaps more values today are affected by their decisions than of those of all the courts.

Today there are dozens of administrative agencies in our Government. Not even the experts can agree on the total number. They process thousands and thousands of cases each year. One commissioner testified last year that he had made 18,000 decisions in the last 5 years and another said he had to make a decision every 5 minutes of each workday, but these are only two men, occupying positions at the top of large agencies. They are the visible part of the administrative agency iceberg. Think of the thousands upon thousands of decisions made by others in these agencies and in all the other agencies.

Twenty years ago, the Attorney General's Committee on Administrative Procedure reported that—

> Taken together, the various Federal administrative agencies have the responsibility for making good to the people of the country a major part of the gains of 150 years of democratic government.

This year Judge Friendly urged administrative reform "if administrative adjudication is to be made consistent with the democratic process." Indeed, if we ever have a revolution in this country, it may well be because the people have rebelled against the manner in which administrative decisions are made.

We must always bear in mind that the administrative agencies are called the headless fourth branch of Government. They are not provided for in our great Constitution which established as the will of the people the three primary branches of our Government—legislative, executive, and judicial—each operating as a check upon the other. This headless fourth branch of Government, this multitude of administrative agencies, has been engrafted upon our form of government, and to a large degree has engulfed it. The agencies exercise functions which would otherwise be exercised by the Congress, the Executive and the courts. How they exercise these functions is, therefore, of the greatest importance to all of us.

It has often been said that the need for reform in administrative procedures has been studied to death. The need for administrative reform and the importance of such reform are without question. There remains only the decision of what should be done. With all that has been said about the administrative agencies of this great Government of ours, with their vast powers which affect the lives of all 180 million of us, the problems are self-evident. There is no denying their existence. They are facts.

The first of these problems is that the members of an agency can no longer, even in theory, be required to devote their personal attention to every case. In practice they do not; in some agencies it would be physically impossible. The workload is too great. We must, therefore, authorize a division of the work. But in doing so, we must make it a meaningful division of work. We must be practical and we must be certain that responsibility is not separated from duty. The lines of duty and responsibility must be clear.

Let us begin with the members of an administrative agency. They are responsible for the policies and the personnel of the agency. They are responsible for seeing that the agency's job is done and done properly. This is as it should be. These are the overall matters of agency activity and administration. Agency members should not be relieved of these duties and responsibilities. But they can and should be relieved of the responsibility and duty of deciding every case.

In the past the proposals for relieving the agency members of the duty of deciding individual cases have been of two general types. One type would remove from the agency the function of deciding individual cases and give that function to some sort of an administrative court. The other type of proposal would give to the agency members the authority to delegate any of their functions to any other agency employee. Each of these approaches has its merits and its disadvantages, but I do not believe that either will accomplish the desired result—an effective administrative procedure. I proposed a different approach in my individual views in the annual report of the subcommittee, filed in April of last year. This bill embodies that approach, with many refinements.

The "administrative agency" was created by the Congress specifically to combine in one overall body the functions of making policy and deciding cases within the broad guidelines laid down by the Congress. I do not think that the solution to the problem of workload at this time requires abandoning this concept. Nor do I think that delegation of duties is the panacea for this difficult problem. So long as the duty to decide every case remains, the problem remains. The extra hands provided by delegation, being unseen, became horrible specters, complicating and confusing the proper responsibilities. Therefore, I take the approach in this bill that agency members should be relieved by law from the responsibility for the decision in each individual case, but given the express duty to review such decisions under an appropriate procedure if there is an allegation that error has been made in the decision.

I believe that this will preserve the advantages to be found in the present concept of the administrative agency, with its combination of functions, and at the same time allay the fears that decisions are made "on the dark side of the moon" by unknown subordinates to whom the decision making function has been delegated. It will also greatly reduce the workload of the agency members by limiting to questions of error their duty with respect to individual cases. But, and I emphasize this, it will give any member of the public who feels that he has been adversely affected by error in a decision the right to have the agency consider his argument. I have strongly opposed the proposals which would take away this right of the citizen and I do not believe those who say the only way to reduce the workload and the backlog of the agency members is to take away this right of the public.

I might say that this approach to reducing agency workloads which I first proposed in S. 3795 in the 86th Congress met with the approval of my good colleague, the Senator from Colorado, on the other side of the aisle and forms the backbone of S. 1734 which he introduced in this Congress. Though there have been attempts to weaken and diffuse this approach, I was gratified to note that the Administrative Conference of the United States at its meeting in April of this year rejected such attempts and approved a recommendation to the President adopting the principle of these bills. Thus, the Senator from Colorado and I are together in our approach to this problem.

The second self-evident problem—at least it should be self-evident—is that agencies do not function properly or well in the public interest if they do not formulate their policies and announce them for all the world to know. I have said it is self-evident that agencies should do this, but as Judge Friendly has pointed out in a series of three articles just published in the Harvard Law Review, it has been self-evident to everybody but some of the agencies. While Judge Friendly is a disinterested analyst, he is not uninformed on the problem. He is now a judge of the U.S. Court of Appeals and, as such, he participates in the judicial review of administrative decisions. Prior to becoming a judge he was a distinguished lawyer known for his particular competence in administrative law matters. Thus, as a lawyer and participant he has seen what goes on in administrative proceedings and as a judge he has reviewed what has come out of such proceedings. With that background, he began this fine series of articles in the following manner:

> The thesis presented is this: A prime source of justified dissatisfaction with the type of Federal administrative action which I will shortly specify is the failure to develop standards sufficiently definite that decisions will be fairly predicable and the reasons for them will be understood; this failure can and must be remedied.

He defined the area of Federal administrative action with which he was dealing as "those instances where Congress has adopted a general standard which a commission or board is to apply."

It is no doubt true, as Judge Friendly says, that we in the Congress have contributed to the difficulties of some agencies by not establishing sufficiently specific legislative policies, and we should continue to review that problem. But Judge Friendly and other critics of what may be called the administrative muddle have not found this sufficient to excuse the agencies from making an adequate effort to develop standards. At one point in his articles Judge Friendly commented:

> I do suggest that after three-quarters of a century of regulatory experience in the railroad field and of several decades in others, many patterns have recurred with sufficient frequency that it ought to be possible to articulate basis of administrative determination more specific than we have generally had.

And relating the need for standards to the practice of delegation he said:

> Indeed, I would emphasize the point as to delegation even further. In these large agencies a considerable amount of delegation is inevitable; definition of standards is required if the agency members are to be the masters of the staff rather than the slaves of anonymous Neros, each fiddling his own tune.

Mr. Justice Douglas, a man of wide administrative experience before he went on the bench, urged the need for standards to limit discretion when he said:

> Law has reached its finest moments when it has freed man from the unlimited discretion of some ruler, some civil or military official, some bureaucrat. Where discretion is absolute, man has always suffered.

We in the Congress, as we deal with the problems which people bring us, know that their greatest difficulty is in determining what guidelines an administrative agency is using in making its decision. Often it appears that there are no guidelines and that the discretion of the anonymous Neros is absolute.

It is not an easy matter to establish guidelines, however, and perhaps that is why it is not done. Here again, Congress may have to share the blame because it put restraints on the manner in which an agency could formulate standards instead of putting restraints on unbridled discretion in the decision of particular matters. I believe most people would agree that the inclusion of particular matters in the present definition of "rulemaking" has inhibited agency policymaking. This bill, therefore, redefines agency rulemaking, defines policymaking and gives the agencies the discretion they need in making rules and policies. On the other hand, it requires that these rules and policies be equally and fairly applied in all particular matters unless, in an exceptional case, the policy is not appropriate under the circumstances. The bill also puts a bit more teeth in the provision of the Administrative Procedure Act which requires agencies to publish, or make available to the public, information as to their organization, procedures, rules and policies.

In the area of adjudication, the bill adopts the proposal of the American Bar Association for improvement in the adjudication process by the institution of an informal adjudication proceeding for use in appropriate matters, but the bill does not extend the application of the act to matters beyond the present scope of the act as does the American Bar Association proposal.

However, the bill recognizes that the informal procedure may be useful in many matters in which only formal proceedings are now available, and, therefore, it permits use of informal procedures upon the request of any private party, in the discretion of the agency, where the agency does not so provide by rule. It is my belief that such a provision may be of substantial value in eliminating the logjam which has developed in many agencies in the disposition of matters. I want to call particular attention to the fact that if the informal procedure is used it will not be necessary to repeat the ground already covered in any formal proceeding which may follow.

In the bill I also provide what I have often urged before, that agency members must have longer terms if they are to function effectively. My colleague, the Senator from Colorado, has also urged this. Agency members should be men of stature. Such a position should be the pinnacle of a career rather than a stepping stone to a position in a company or a law firm. I believe that we will solve many of the problems which have harassed administrative proceedings if we provide an adequate tenure of position for such men.

Lastly, I am a believer in keeping things under observation, and, therefore, I have proposed the creation of a continuing administrative practice commission in place of the intermittent executive attempts to seek solutions to the troublesome areas of administrative procedure. Again, I believe, my colleague from Colorado is in favor of a permanent administrative practice commission. However, such a commission, to be effective, should not be composed of a proponderance of representatives from the agencies and I, therefore, have provided that the general public should have at least as great a representation as the agencies.

In recognition of the fact that judges such as Judge Prettyman have already made such a valuable contribution to administrative reform by their service on similar but temporary bodies, and that other judges have added much to our knowledge in this field by their articles, speeches, and statements, I have provided that the Commission shall have the benefit of their great knowledge and experience. I have also provided for congressional participation on the Commission. The administrative agencies are the children of the Congress. We cannot shirk our responsibility for the proper operation of the agencies. The opportunity to participate in the consideration of the needs and problems of administrative agencies which will be given by such a commission will be of great value to us just as we find our participation in international matters as members of U.S. delegations of assistance in our consideration in Congress of matters relating to foreign affairs.

I have spoken only of some of the highlights in this bill. It is the result of long and careful study of the problems which exist and the various proposals which have been made in this field. I wish to express my deep appreciation to all those who have reviewed the various drafts through which the bill has passed and made invaluable comments and suggestions for its improvement. I wish, too, to commend the American Bar Association and the other bar associations who have labored so long and done so much good work in this field and made that work available to me. Finally, I want to express my appreciation to the other members of the subcommittee and the chairman, the Senator from Colorado, who has given much consideration to these problems of administrative procedure and who has in the past taken the same approach which I have taken to a solution of those problems which are dealt with in this bill. All of us know that the problems of the people in dealing with their Government are the same whether they live in Illinois or in Colorado, or in any other State. The people look to us for assurance of fair and effective administrative proceedings and they will praise the efforts of those who join in such an undertaking.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3410) to amend the Administrative Procedure Act, and for other purposes, introduced by Mr. Dirksen (for himself and Mr. Carroll), was received, read twice by its title, and referred to the Committee on the Judiciary.

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## EXTENSION OF THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to extend the Temporary Extended Unemployment Compensation Act of 1961 for an additional year. This is the bill recommended by President Kennedy in his letter to the Congress on April 10, 1962.

I ask unanimous consent that the bill be printed in the Record at the conclusion of my remarks, along with the letter from President Kennedy and an analysis of the provisions of the bill prepared by the Department of Labor.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCARTHY. Mr. President, I also ask unanimous consent that the bill remain at the desk until after the close of Senate business on Wednesday, June 20, in order that Senators who wish to cosponsor the measure may have an opportunity to do so.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McCARTHY. Mr. President, when the economy recovered following the last recession, unemployment continued at an abnormally high rate. Despite increased business activity and the enactment of several measures, such as the Area Redevelopment Act, the rate of unemployment has remained high. This represents a waste of the manpower of the Nation, but apart from its economic effects on production and purchasing power, it constitutes a most serious human problem. It means suffering for millions of workers and their families.

A variety of measures are required to decrease the rate of unemployment, and these efforts must involve private measures as well as Government action.

The difficulty of a solution to this persistent problem is no excuse for not taking action to help alleviate the suffering of the unemployed.

In my judgment one of the most serious responsibilities facing the Congress is that of raising the standards of the unemployment insurance system. It is the only program of the Social Security Act which has not undergone major adjustments in the light of a quarter century of experience.

Because the unemployment compensation system has not been adequately revised to meet the different conditions which have characterized the postwar economy, we have had to pass two temporary measures—one in 1958 and another in early 1961—to prevent the breakdown of the unemployment insurance systems in several States and to reduce the hardships of the unemployed. There is a need for permanent legislation to enlarge the coverage, to increase the duration of benefits and to adjust the minimum level of benefits, as well as to provide a realistic basis for financing the system and to provide some degree of Federal responsibility for meeting what is a national problem.

Last session I introduced a bill, S. 2084, to provide for the establishment of national standards and to improve the method of financing the unemployment compensation systems. It now appears that action at this session for a major revision of the system is unlikely. In order to provide some protection for the unemployed for the next year, until the committees can work on permanent legislation, I am introducing a bill to provide a 1-year extension of the Temporary Extended Unemployment Compensation Act of 1961.

Eligibility under the temporary act of last year expired on April 1, 1962, and workers who have become unemployed after that date are not eligible for supplemental benefits. Those who qualified for benefits before April 1 can continue to draw supplemental benefits until June 30 and then the payments cease—but the problems of the unemployed do not end.

Fortunately, the rate of unemployment is down somewhat over last year when the temporary act was passed, but the problem is still serious. The number of unemployed was 3,900,000 in April. The seasonally adjusted rate of unemployment was 5.5 percent in April, below the 6.9 percent of the year previously, but not significantly lower than the rate in February of this year.

The special problem of the long-term unemployed is particularly serious. The number who have been out of work for 15 weeks or longer was 1.5 million in April, about the same number as in March and February. The group in most difficulty, those unemployed 27 weeks or more, has remained at about 700,000 for several months.

In April 163,000 workers exhausted their benefit rights under State unemployment compensation systems and the estimate is that another 135,000 will exhaust regular benefits in May. Thus, even though the broad unemployment picture is somewhat improved over last year, the long-term unemployed still need assistance.

The temporary program of last year was not as costly as was anticipated. In his letter on April 10 President Kennedy stated that $184 million will be available from the special tax on the 1962 and 1963 payrolls as provided by the bill last year.

In order to finance the program for an additional year, as provided by the bill I am introducing, it will be necessary to increase the rate of the Federal unemployment tax by only 0.1 percent for the year 1964.

The immediate purpose of this bill is to assist the long term unemployed. It maintains the eligibility of unemployed workers for supplemental benefits up to an additional 13 weeks of supplemental benefits after they have exhausted their benefit rights under a State program. It is an emergency measure, to meet the needs of the long-term unemployment until the next Congress when, I believe, we should enact permanent legislation to improve the unemployment compensation system.

The Bureau of Employment Security classifies 150 major production and employment centers and a number of smaller areas according to the rate of unemployment. Areas of "substantial unemployment" are those in categories D, 6 percent to 8.9 percent unemployment; E, 9 percent to 11.9 percent; and F, 12 percent or greater. I ask unanimous consent that the listing of areas of substantial unemployment, as recorded in "Area Labor Market Trends," May 1962, be printed in the RECORD.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

### AREAS OF SUBSTANTIAL UNEMPLOYMENT, MAY 1962

#### MAJOR AREAS

Alabama: Birmingham.

California: Fresno, San Bernardino-Riverside-Ontario, San Diego, Stockton.

Connecticut: Bridgeport, New Britain, Waterbury.

Florida: Miami.

Indiana: Evansville, South Bend, Terre Haute.

Louisiana: New Orleans.

Massachusetts: Brockton, Fall River, Lawrence-Haverhill, Lowell, New Bedford, Springfield-Chicopee-Holyoke.

Michigan: Battle Creek, Detroit, Muskegon-Muskegon Heights.

Minnesota: Duluth-Superior.

Missouri: Kansas City.

New Jersey: Atlantic City, Jersey City, Newark, New Brunswick-Perth Amboy, Trenton.

New York: Buffalo, Utica-Rome.

North Carolina: Durham.

Ohio: Canton, Hamilton-Middletown, Lorain-Elyria, Toledo, Youngstown-Warren.

Pennsylvania: Altoona, Erie, Johnstown, Philadelphia, Pittsburgh, Scranton, Wilkes-Barre-Hazleton.

Puerto Rico: Mayaguez, Ponce, San Juan.

Rhode Island: Providence-Pawtucket.

Tennessee: Chattanooga.

Texas: Beaumont-Port Arthur.

Washington: Spokane.

West Virginia: Charleston, Huntington-Ashland, Wheeling.

#### SMALLER AREAS [1]

Alabama: Anniston, Gadsden, Jasper, Selma, Talladega.

Alaska: Anchorage.

Arkansas: Camden.

California: Eureka, Modesto, Oxnard, Redding, Ukiah.

Colorado: Pueblo.

Connecticut: Ansonia, Bristol, Danielson, Meriden, Middletown, Norwich, Torrington, Willimantic.

Delaware: Dover.

Florida: Daytona Beach, Fort Lauderdale-Hollywood.

Georgia: Carrollton, Cedartown-Rockmart, Toccoa, Waycross.

Illinois: Canton, Centralia, Danville, Decatur, Galesburg, Harrisburg-West Frankfort-Herrin, Kankakee, La Salle, Mattoon.

Indiana: Connersville, Michigan City-La Porte, Muncie, New Castle, Vincennes.

Kansas: Coffeyville-Independence-Parsons, Pittsburg.

Kentucky: Danville, Elizabethtown, Hopkinsville, Madisonville, Owensboro, Paducah, Pikeville, Richmond.

Louisiana: Alexandria, Hammond, Lake Charles, Monroe, Opelousas.

Maine: Biddeford-Sanford, Lewiston- Auburn.

Maryland: Cambridge, Cumberland, Hagerstown.

Massachusetts: Milford, Newburyport, North Adams.

Michigan: Adrian, Bay City, Benton Harbor, Holland-Grand Haven, Iron Mountain, Jackson, Marquette, Monroe, Mount Pleasant, Port Huron, Traverse City.

Minnesota: Brainerd, Grand Rapids, Hibbing-Virginia.

Mississippi: Biloxi-Gulfport, Greenville, Laurel, Pascagoula, Tupelo.

Missouri: Cape Girardeau, Jefferson City, Washington.

Montana: Butte.

New Jersey: Bridgeton, Lakewood-Toms River, Long Branch, Newton, Ocean City-Wildwood-Cape May.

New York: Amsterdam, Auburn, Batavia, Elmira, Geneva, Glens Falls-Hudson Falls, Gloversville, Jamestown-Dunkirk, Newburgh-Middletown-Beacon, Ogdensburg-Massena-Malone, Olean-Salamanca, Oneonta, Plattsburgh, Watertown, Wellsville.

North Carolina: Elizabeth City, Fayetteville, Forest City-Rutherfordton, Greenville, Henderson-Oxford, Hendersonville, Lumberton, Mount Airy, North Wilkesboro, Roanoke Rapids, Rockingham-Hamlet, Rocky Mount, Waynesville, Wilson.

Ohio: Ashtabula-Conneaut, Athens, Batavia-Georgetown, Cambridge, East Liverpool-Salem, Fremont, Kent-Ravenna, Mount Vernon, New Philadelphia-Dover, Portsmouth, Sandusky, Zanesville.

Oklahoma: McAlester, Muskogee, Okmulgee-Henryetta, Shawnee.

Oregon: Albany, Klamath Falls, Medford, North Bend-Coos Bay, Pendleton, Roseburg.

Pennsylvania: Berwick-Bloomsburg, Bradford, Butler, Clearfield-Du Bois, Gettysburg, Indiana, Kittanning-Ford City, Lewistown, Lock Haven, Meadville, New Castle, Oil City-Franklin-Titusville, Pottsville, St. Marys, Sayre-Athens-Towanda, Sharon-Farrell, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Warren, Williamsport.

Puerto Rico: Aguadilla, Arecibo, Caguas, Carolina, Guayama, Manati, Yauco.

South Carolina: Conway.

Tennessee: Bristol-Johnson City-Kingsport, Cleveland, Greeneville, Harriman-Rockwood, Morristown.

Texas: Galveston-Texas City, Laredo, Texarkana.

Utah: Provo-Orem.

Virginia: Chincoteague, Covington-Clifton Forge.

Washington: Aberdeen, Anacortes, Bellingham, Centralia, Wenatchee, Yakima.

West Virginia: Beckley, Bluefield, Clarksburg, Fairmount, Logan-Madison, Martinsburg, Morgantown, New Martinsville, Oak Hill-Montgomery, Parkersburg, Ronceverte-White Sulphur Springs, Welch.

Wisconsin: La Crosse, Marinette-Menominee.

Mr. McCARTHY. Mr. President, I also ask unanimous consent to have printed an article entitled "The Jobless," which treats of the need for permanent legislation to revise the unemployment compensation system. It was written by Raymond Munts and it appeared in the March 1962 issue of the American Federationist.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### THE JOBLESS

(By Raymond Munts)

Scene: A local unemployment compensation office.

Time: April 1962.

JOBLESS WORKER. I just got my last benefit check. I want to apply for the Federal extended benefits.

INTERVIEWER. You can't apply because the extension was temporary and ended March 31.

WORKER. But I don't have a job yet.

INTERVIEWER. I'm sorry. There's nothing we can do.

This scene will be repeated over and over throughout the United States—some 33,000 times during the first week of April. And, before the month is over, 150,000 people still without job prospects will be cut off from unemployment compensation.

The second temporary Federal extension of unemployment compensation is about to come to an end, but the problems of hundreds of thousands of people continue. These are the people who cannot find a job within 5 or 6 months. They are the long-term unemployed for whom the American system of high productivity means automated idleness and human obsolescence.

A Senator named Kennedy, back in 1958, foresaw the limitations of the temporary extensions and proposed a bill to overhaul the unemployment insurance system. Last June, as President, he urged Congress to adopt several permanent reforms.

The Kennedy proposals were put into a bill by Senator EUGENE J. MCCARTHY, Democrat, of Minnesota, and Congressman CECIL R. KING, Democrat, of California. The McCarthy-King bill would cover 3 million more workers, raise weekly benefits, provide them for a longer time, and improve the financing of the jobless pay system.

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[1] These areas are not part of the regular area labor market reporting and area classification program of the Bureau of Employment Security and its affiliated State employment security agencies.

The AFL–CIO Executive Council endorses the measure as going "a long way toward meeting deficiencies in the system." Labor has urged permanent improvements in the Federal-State unemployment insurance system for many years. "Had this been done," said the council, "the temporary extensions would have been unnecessary and the severity of the last two recessions would have been greatly mitigated. Neither the wage earners of America nor the Nation's economy can afford another delay."

Only 15 to 20 percent of wages lost by the unemployed are reimbursed by regular unemployment insurance.[1] This is because of limitations in coverage, eligibility, and benefits. Clearly reform is overdue.

Pick any 10 unemployed persons. It will be found that three or four are excluded from any benefits because of where they worked or the operation of eligibility requirements. One or two have been out of work so long they have exhausted their benefit rights. The remaining five are drawing benefits which average about one-third of their wages. Two of these "lucky" five will probably use up all of their benefits before finding reemployment under current conditions.

On layoff, the same man doing the same job would fare differently depending on the State in which he worked. In one State the average payment will be $22; in another $40; top payments in some States are half those in others.

For all the variation, however, the weekly benefit amounts in all States have one thing in common. They insure a smaller portion of the workers' weekly wages than they did 25 years ago. In the original laws, a benefit of at least half one's weekly wage prevailed for all but the highest jobless wage earners. Only one State now applies this principle. Even the average wage earner has half his wage insured in only four States.

Benefits are allowed for up to a maximum of 6 to 39 weeks, depending on the State and on one's previous earnings. The average person qualifies for a maximum of 17 weeks in Virginia, 30 in Pennsylvania.

Workers go on relief only as a last resort, but the shortcomings in unemployment insurance caused relief expenditures to rise by 40 percent in a recession year like 1958.

Families of unemployed workers cannot stretch their jobless pay very far. A study shows that even with jobless payments their bills pile up (25 percent of unemployed families); they borrow money (22 percent); get help from relatives (21 percent); move to cheaper quarters (11 percent); or go on relief (4 percent).[2]

According to the U.S. Chamber of Commerce and the National Association of Manufacturers, weekly benefits are more adequate than formerly. They argue that average benefit payments have risen faster than the cost of living.

The facts are true, but the conclusion is not. Unemployment benefits were geared to wages for the purpose of underwriting the worker's standard of living, even as it changes with time. This is much different than cost of living, which if used as the measure would permanently tie the unemployed's family budget to 1930 living standards.

Instead of $34 a week, the national average benefit payments would have to be $43 to properly mirror changes in standards of living of the last 25 years.

Business circles further argue that jobless benefits were originally for 16 weeks and that the program was intended only for "temporary unemployment." However, "temporary unemployment" today lasts longer than 6 months for an increasing number of the jobless. Even with the 24 weeks maximum now allowed the average jobless pay applicant in the regular State program, 2.5 million exhausted their benefits in the last calendar year.

Better unemployment insurance is not the only answer, of course. The AFL–CIO has argued for economic policies that will bring gainful employment. Labor also has urged standby public works, retraining and relocation plans. And labor asks for renovation of unemployment insurance and improvement of public welfare. All of these fit together and play appropriate roles in a free economy.

George Orwell, perhaps the greatest student of unemployment and its human cost, once said: "It seems to me that economic injustice will stop the moment we want it to stop and no sooner, and if we genuinely want it to stop the method adopted hardly matters."

Orwell is right in a profound, almost utopian, sense. From a more practical viewpoint, there is another explanation for footdragging in the attack on unemployment. The jobless benefits program has become so cheap that there is little economic incentive for the business community to put Americans back to work.

Originally set at 3 percent of payrolls, the tax on employers now allows substantially reduced rates and is paid on only a fraction of payrolls. This explains why the effective rate over the last 10 years averages 1.16 percent of payrolls.

Although violently opposed to the higher benefits of the McCarthy-King bill, the chamber of commerce admits that unemployment taxes in a group of firms surveyed cost only 1 percent of payroll or 2.3 cents per payroll hour, which is one-tenth of employee benefits in those companies. It is also one-fourth of the average annual wage increase negotiated in recent years.

Opponents of the bill cite rising benefit payments rather than low taxes to explain declining State reserve funds. But benefit liberalization has not raised costs; the value of the program has remained stable as gains in duration of benefits are offset by reduced wage insurance and tighter qualifying requirements. The higher cost rates in recent years are directly proportional to the greater amount of unemployment.

States with short reserves today (there are 23 of them) were well on their way to trouble before the recession of 1958. After the long wartime accumulation of reserves, they went so far with low tax rates and underfinancing in their efforts to create a "favorable industrial climate" that they let reserves disappear. In most States since 1945, taxes in both good years and bad have been insufficient to pay for benefits or maintain reserve levels.

The Kennedy proposal would bolster the financing of the program. By setting benefit standards, the bill gives each State an objective for its financing and prevents sacrificing benefits on the altar of lower business taxes. While the bill does not abolish experience rating and low taxes, it blunts some of the extreme effects. It also raises the tax base.

Had it been in effect in 1960, the McCarthy-King bill would have raised benefit payments by one-fifth; the long run cost will be only a fraction of the 3 percent originally intended.

Abuses are cited by opponents of the bill, but they are usually vague charges. When the issues are explicit, reasonable people will differ on what constitutes "abuse" of the ground rules.

Originally, benefits were given to those unemployed involuntarily (i.e., for reasons beyond their control) if they were available and registered for suitable work. With the adoption of the "experience rating," employer tax rates have varied according to claims from employees. As a result, a different philosophy has colored disqualifications. It is now argued that benefits should be paid only where the worker's unemployment is due to an act of his employer. Instead of serving socioeconomic purposes, the benefits are to be regarded as the employer's gift.

Since there are many instances where neither the claimant nor his employer can be held responsible, a no-man's land of confusion has been generated. For example, if your doctor says you have to change your residence to Arizona, then according to the original view you should draw benefits while looking for a job in Arizona because the unemployment is involuntary. But the employer objects that he didn't cause the unemployment, that he pays the tax and that benefits should be denied.

For violating one of the increasingly complex ground rules, the unemployed worker might be penalized 4 weeks or more of benefits. But in 35 States now he will have his benefits canceled altogether, in some cases for the full duration of his unemployment.

Some employers contend that anybody who draws a pension should be automatically disqualified forever afterward. But what about compulsory "retirement"? What about cases where a man wants to work because he cannot live on a pension? What about instances where he has worked since "retirement" and proven his continuing attachment to the work force? In all these cases the worker does not retire from the work force. These are real problems and cannot be dismissed as "abuse."

Fear that short-term women employees, seasonal workers and rootless single people will gobble up benefits is cited in opposition to higher benefits of longer duration. But a U.S. Department of Labor study of those drawing the expiring temporary extensions shows that 3 out of 5 were men (about the same proportion as in the workforce); that two-thirds were the main or only wage-earners and that half were the heads of households.

Outright fraud is discouraged by unions although there are still instances where a local union has connived in a deception. One international union exposed some of these and cautioned its members that "nothing could be worse for the future of social security than for the idea to become general that stealing of this kind is less reprehensible than picking the pocket of one's neighbor." Where public officials know of such things and fail to act they should be dismissed summarily and it is the responsibility of company and union officials to see that this happens. Actually, the officials show considerable vigilance: 200,000 cases of fraud were penalized in a 3-year period.

The $5.6 million overpayments to fraudulent claims represent one-fifth of 1 percent of benefit payments. This compares with income tax cheating, where 8 percent of all taxable income, 15 percent of dividend income and 58 percent of rental income is not reported. Only a small part of the tax loss is ever recovered, whereas two-thirds of the fraudulent jobless payments are later recouped: actual loss on fraud was one thirty-sixth of 1 percent of benefit payments.

More significant in amount than claims frauds is the $40 million in overdue and defaulted employer tax contributions to unemployment compensation.

In 1937, commenting on unemployment in England, Orwell wrote "* * * the middle classes were still talking about 'lazy idle loafers on the dole' and saying that 'these men could work if they wanted to' and naturally the opinions percolated to the working classes themselves."

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[1] Richard A. Lester, "The Economic Significance of Unemployment Compensation 1948–59," Princeton University.

[2] Haber, Fauri, Cohen, "Significant Findings on the Impact of the 1957–58 Recession in Relation to Unemployment Insurance," University of Michigan.

The calculated purpose of such attacks is to make the unemployed feel guilty and ashamed of being unemployed. To attack the unemployed is one way of absolving yourself of any responsibility, especially if you've got a good job.

Attempts to discredit the jobless have the effect of decreasing legitimate claims and reducing the employers' tax rates the next year. About 30-40 percent of the jobless do not file claims within 7 days following layoff and, therefore, lose some benefits; some never apply.

"Loafers, quitters, schemers, system beaters, dole grabbers and parasites," wrote one well-known magazine 2 weeks before a congressional committee started a study of the jobless program. Most such attacks are carefully timed to discourage corrective legislation or to promote ripper bills.

What are the prospects for the McCarthy-King bill? Two years ago, 12 of the 25 members of the powerful Ways and Means Committee voted for benefit standards. Some influential conservatives in Congress are known to be dissatisfied with the temporary extensions and are open to some reasonable alternatives of a permanent nature.

Influential voices on the President's Advisory Committee on Labor-Management Policy have just declared: "the duration, coverage and amount of unemployment compensation, where inadequate, should be increased and made subject to realistic uniform minimum requirements under the Federal-State system." In addition to the labor and public members, this was subscribed to by Elliot Bell of McGraw-Hill; Joseph Block of Inland Steel; John Franklin of United States Lines; the late J. Spencer Love of Burlington Mills; Richard S. Reynolds, Jr., of the Reynolds Metal Co., and Thomas J. Watson, Jr., of International Business Machines.

Perhaps this range of opinion represents new awareness that unemployment insurance is an investment in people, in those people who need and want work.

**The VICE PRESIDENT.** The bill will be received and appropriately referred.

The bill (S. 3411) to extend the temporary extended unemployment compensation program, to increase the rate of the Federal unemployment tax for taxable year 1964, and for other purposes, introduced by Mr. McCarthy (for himself and Mr. Hart), was received, read twice by its title, and referred to the Committee on Finance.

### Exhibit 1

### S. 3411

A bill to extend the temporary extended unemployment compensation program, to increase the rate of the Federal unemployment tax for taxable year 1964, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Section 6, paragraph (2) of the Temporary Extended Unemployment Compensation Act of 1961 (75 Stat. 8) is amend to read as follows:

"(2) ending—

"(A) on March 31, 1963, or

"(B) on June 30, 1963, in the case of an individual who (for a week beginning before April 1, 1963) had a week with respect to which temporary extended unemployment compensation was payable under section 3, reimbursement was payable under section 4, or reimbursement would have been so payable but for the fact that the unemployment compensation was payable under title XV."

Sec. 2. (a) The first sentence of section 905(b) of the Social Security Act is amended by deleting the word "and" between the dates "1963" and "1964" in the parenthetical phrase, by substituting a comma therefor, by adding after the date "1964" the words "and 1965", and by inserting after the words "50 percent" the following: "(with respect to calendar years 1963 and 1964) and 20 percent (with respect to calendar year 1965)".

(b) Section 905(c) is amended by changing the date "December 31, 1963", wherever it appears, to "December 31, 1964", by changing the date "December 1, 1963" in subsection (c)(2)(A) to "December 1, 1964", by changing the dates "1961 and 1962" and "May 1, 1963" in subsection (c)(2)(B), wherever they appear, to "1962 and 1963", and "May 1, 1964", respectively; and

(c) Section 905(d) is amended by changing the date "December 31, 1964" therein to "December 31, 1965".

Sec. 3. (a) The last sentence of section 3301 of the Internal Revenue Code of 1954 (relating to the rate of the Federal unemployment tax) is amended to read as follows:

"In the case of wages paid during the calendar years 1962 and 1963, the rate of such tax shall be 3.5% in lieu of 3.1%; in the case of wages paid during the calendar year 1964, the rate of such tax shall be 3.2% in lieu of 3.1%."

(b) Section 3302(d)(1) of such Code (relating to credits against the tax) is amended by adding after the last word within the parenthesis a comma and the following words: "and in the case of the tax imposed with respect to calendar year 1964, in lieu of 3.2%."

Sec. 4. Notwithstanding any provision of the Temporary Extended Unemployment Compensation Act of 1961 or of State law, individuals who have exhausted their rights to unemployment compensation under State law or Title XV of the Social Security Act shall be eligible for compensation under this Act to the same extent as they would have been eligible for such compensation if this Act had been enacted on March 31, 1962.

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### Text of a Letter From the President to the President of the Senate and the Speaker of the House, April 10, 1962

Dear Mr. President: I am transmitting herewith, for the consideration of the Congress, a draft of the legislation which would extend the temporary extended unemployment compensation program until April 1, 1963.

The present program expired April 1, 1962. But there are still large numbers of long-term unemployed, and I believe that immediate action is required so that the benefits of the program can continue. In my letter of March 12 you will recall I expressed concern about the effect of the termination of the temporary program upon these workers. I therefore urged early consideration by the Congress of legislation which called for permanent improvement in the Federal-State unemployment insurance system. However, in view of the heavy schedule faced by the committees of the Congress before whom that legislation is pending, it seems unlikely that the legislation will be able to receive the consideration it deserves this year. Under these circumstances, provision should be made for continuation of the temporary program.

The temporary extended unemployment compensation program which expired April 1 did not cost as much as had been estimated. Accordingly, $184 million will be available from the special taxes to be collected on 1962 and 1963 payrolls to help finance the extension I am proposing, and an increase of only 0.1 percent in the tax rate for 1964 is necessary to finance the remaining cost of the extended program.

The Secretary of Labor estimates that 1,500,000 long-term unemployed workers throughout the Nation will be benefited by the new extension of the unemployment compensation program.

Sincerely,

John F. Kennedy.

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### Statement in Explanation of a Draft Bill To Extend the Temporary Extended Unemployment Compensation Program, To Increase the Rate of the Federal Unemployment Tax for Taxable Year 1964, and for Other Purposes

This bill would amend section 6 of the Temporary Extended Unemployment Compensation Act of 1961 (75 Stat. 8), to extend the temporary extended unemployment compensation program for 12 months. Thus, instead of ending on March 31, 1962 (or on June 30, 1962, for those who had a week of unemployment before April 1, 1962, with respect to which temporary extended unemployment compensation or reimbursement was payable), the program would end on March 31, 1963 (or on June 30, 1963).

Section 2 of the bill would amend subsections (b), (c), and (d) of section 905 of the Social Security Act to make changes in the dates specified therein necessitated by the proposed extension of the program. A further amendment would be made to section 905(b) which relates to transfers to the Federal extended compensation account from the employment security administrative account of the proceeds of the additional Federal unemployment taxes levied by the Congress for the purpose of financing the extended program. The amendment would provide that transfers made by the Secretary of the Treasury from the Employment Security Administration account to the Federal extended compensation account at the close of each month in calendar year 1965 would be an amount determined by him to equal 20 percent of the net Federal tax paid in that year, instead of the 50 percent applicable to transfers in calendar years 1963 and 1964. This is because the additional tax of 0.1 percent for taxable year 1964 (payable in 1965) represents 20 percent of the net Federal tax of 0.5 percent for that year, while the additional tax of 0.4 percent for taxable years 1962 and 1963 (payable in 1963 and 1964) represents 50 percent of the net Federal tax of 0.8 percent for those years. Section 905(c) relates to the transfer to the accounts of the States in the unemployment trust fund any balance remaining in the Federal extended compensation account as of the date specified, and section 905(d) relates to the termination of the account.

Section 3(a) would amend section 3301 of the Internal Revenue Code of 1954 to increase for taxable year 1964 the rate of the Federal unemployment tax from 3.1 to 3.2 percent. Under the present law the rate for taxable years 1962 and 1963 is 3.5 percent and for taxable year 1964 it would have gone down to 3.1 percent. The additional 0.1 percent tax is necessary to help meet the costs of the extension of the temporary extended unemployment compensation program proposed by this bill. Section 3(b) would amend section 3302(d)(1) of the Internal Revenue Code of 1954 to provide that in the case of the tax imposed for calendar year 1964, the tax credit shall be computed at the rate of 3 percent in lieu of 3.2 percent.

An extension of the temporary program is necessary because the number of long-term unemployed continues to be high. Although the March unemployment figure showed a decrease of 160,000 from February, the number was still 4,382,000. The number of long-term unemployed—those who have been out of work for 15 weeks or longer—numbered 1.5 million, about the same as the month before. The number unemployed 27 weeks or longer was 700,000, about the same as in

February. Moreover, during April an estimated 150,000 workers will exhaust regular benefits, and during May an estimated 135,000 will exhaust regular benefits. In only one month during the proposed extension is it estimated that exhaustions will fall below 100,000.

The 12-month extension would be financed out of an anticipated surplus of the increased taxes for taxable years 1962 and 1963 over expenditures under the present act, and the 0.1 percent additional Federal tax proposed by this bill.

## EMANCIPATION PROCLAMATION CENTENNIAL DAY

Mr. MUNDT. Mr. President, on behalf of myself, the Senator from Illinois [Mr. DIRKSEN], and the Senators from Kentucky [Mr. COOPER and Mr. MORTON], I introduce a joint resolution which I shall read, so that it will appear at this point in the RECORD. The purpose of the joint resolution is to provide for the designation of September 22, 1962, as Emancipation Proclamation Centennial Day. The joint resolution reads as follows:

Whereas, on September 22, 1862, President Abraham Lincoln issued the first of two historic documents proclaiming freedom from slavery for nearly four million men, women, and children; and

Whereas the issuance of this proclamation irrevocably committed the Government of the United States to the cause of abolition of human slavery and endowed the struggle for the preservation of the Union with the attributes of a moral crusade in the interest of human freedom and the ideal of democracy; and

Whereas the creed upon which this proclamation was founded announced the dedication of the United States to "a struggle for maintaining in the world that form and substance of government whose leading object is to elevate the condition of men; to lift artificial weights from all shoulders; to clear the paths of laudable pursuit for all; to afford all an unfettered start and a fair chance in the race of life"; and

Whereas the issuance of this proclamation and the statement of these ideals are of continued significance in a world in which free civilizations are today being challenged by the enslaving forces of totalitarianism; and

Whereas it is fitting that special attention be accorded to the one-hundredth anniversary of that memorable event: Therefore be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the 22nd day of September, 1962, is hereby designated as "Emancipation Proclamation Centennial Day," and the President of the United States is authorized and requested to issue a proclamation inviting the people of the United States to observe and celebrate such day with appropriate ceremonies and activities.

Mr. President, as a part of my remarks I ask unanimous consent to have printed in the RECORD at this point excerpts from a history book entitled "History of the United States of America," written by Henry William Elson, in which several pages are devoted to a discussion of the historic step by which the Emancipation Proclamation came to be designated.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

### HISTORY OF THE UNITED STATES OF AMERICA

(By Henry William Elson)

The Battle of Antietam not only drove Lee back to Virginia soil and ended his invasion which, with a simultaneous invasion of Kentucky by 40,000 Confederates under General Bragg, had caused great excitement in the North; it also enabled Lincoln to issue the most important proclamation ever issued by a President of the United States.

The war had been going on for a year and a half; it had cost 80,000 men and $1 billion; but it was still, as in the beginning, a war for the Union. The real cause of the strife, slavery, was not yet seriously molested. But a beginning had been made. And after Antietam the matter took such shape that henceforth there could be no backward step. Emancipation, as well as the preservation of the Union, became the policy of the Government. From the beginning of the war there had been a radical party that ceased not to demand that the Government strike at slavery. But the President hesitated long, and the radicals denounced him unsparingly; yet Lincoln was right. He knew that the radicals were greatly in the minority; he knew that with all his desire to see the institution fall, he would alienate the border States and perhaps the whole Democratic Party of the North; especially in the Ohio Valley, if he pressed the matter too soon. The Republican Party was almost equally apathetic. Though in full control of Congress from 1861, it did not repeal the fugitive slave law till 1864 and then it did so without enthusiasm. The Democrats claimed to be fighting for the Union and not for the Negro. Lincoln therefore, with infinite tact, waited for public opinion and aided its development.

The gradual steps toward emancipation are interesting to note. The first step was taken by General Butler while in command at Fortress Monroe. He refused, in May 1861, to send three black fugitives back to their master, pronouncing them contraband of war. The next step was an act of Congress in August of the same year, confiscating all property, including slaves, employed in the service of the rebellion. Next came Fremont's confiscation order in Missouri, which, as we have noticed, was overruled by the President. In May of the next year, 1862, Gen. David Hunter, commanding on the coast of South Carolina, issued a proclamation declaring the slaves in his department—South Carolina, Georgia, and Florida—free; but the President overruled this, as in the case of Fremont. In spite of these apparent checks the subject continued to develop. On April 16, 1862, Congress abolished slavery in the District of Columbia, with compensation. In June it passed a law prohibiting slavery in all the territories of the United States, including those to be acquired. As early as March 6, Lincoln had urged Congress in a special message to cooperate with any State for the gradual emancipation of its slaves, with compensation from the Government. He figured out that the cost of the war for 87 days would purchase all the slaves in the border States at the rate of $400 apiece. A resolution to this effect passed the House on March 11 and the Senate on April 2. Lincoln in July called the Senators and Representatives from the border States to the White House for a heart-to-heart talk on the subject. He begged them to accept his policy, pointing out to them that the opportunity might never come again, that the signs of the times pointed to the ultimate extinction of slavery; but he pleaded in vain. (The next winter a bill came up in Congress to offer Missouri $10 million for her slaves; but it was defeated by the efforts of the border State members, aided by the Democrats of most of the Northern States.)

The second and most sweeping Confiscation Act was passed on July 17, 1862. This act in substance pronounced all slaves free who should come within the protection of the Government, if their owners were in rebellion against the Government, or had given or should give aid or comfort to the rebellion.

On July 22 at a Cabinet meeting Mr. Lincoln declared his purpose to issue an emancipation edict to take effect January 1, 1863, and he read the document he had prepared. Two of the members, Seward and Welles, had been taken into the President's confidence and knew what was coming. The others were astonished at the announcement. But all approved it except Blair, who feared that it would throw the fall elections against the administration. At Seward's advice Lincoln decided to wait for some signal Union victory in the field, and the document was pocketed and kept secret for 2 months. Meantime the radical party continued to denounce the President for moving so slowly. Horace Greeley, representing this party, addressed an open letter, "The Prayer of Twenty Millions," to the President through the New York Tribune, urging him to take immediate action, to "execute the laws," meaning specially, the confiscation laws. To this Mr. Lincoln replied that while his personal wish was that all men should be free, his paramount official duty was to save the Union with or without slavery. (This letter was written on August 22, precisely a month after the famous Cabinet meeting, and precisely a month before the more famous proclamation was issued to the world.)

Then came Antietam and the retreat of Bragg from Kentucky. Now the proclamation could be issued and seem a child of strength. On the 22d of September, therefore, Mr. Lincoln issued his Emancipation Proclamation, which has been pronounced the most important document ever issued by a civil ruler. In this proclamation he declared that the slaves in all the States or designated parts of States that should be in rebellion against the Government on the 1st day of January 1863, should be forever free. This gave a hundred days' notice to the seceding States, but none of them heeded the warning, nor were they expected to heed it. Accordingly, on the 1st day of January the President issued his proclamation, of which the former had been but a warning, declaring the freedom of all slaves in the seceding States, except certain parts of Louisiana and Virginia, then held by the Union armies. (Slavery in the border States was not effected by this proclamation.)

This proclamation had no immediate effect in emancipating the slaves, no more than had the Declaration of Independence in bringing independence. Such a result could not have been expected. But the proclamation set forth the policy of the Government on this most important question that ever arose in American politics since the Revolution, except that occasioned by secession: it placed the war on a new basis without abandoning the old; namely, that henceforth it should be a war against slavery as well as against disunion; it announced to the world that if the North were successful in the great war, slavery must perish. The proclamation had a salutary effect on Europe, and won the North many friends. Europe cared little about preserving the Union, but as soon as the North proclaimed to the world that it was battling against human slavery, as well as against disunion, the sympathies of mankind were turned in its favor. During the summer and fall of 1862 the British Government, urged by France at every step, came dangerously near recognizing the independence of the South. The matter was seriously debated in the Cabinet. Even Gladstone, whose memory today the American people delight to honor, predicted the certain success of the South, declaring that Jefferson Davis had made a nation. The deep-lying cause that led the British ruling aristocracy to wish to see the Union broken up and the South triumphant was its innate hatred of democracy. But with the issuing of the proclamation the great middle class that loved democracy and hated slavery made its voice heard. This class was led by the brilliant English statesmen, John Bright, by Richard Cobden, and by W. E. Foster, all of whom represented in Parliament great cotton manufacturing centers that suffered by the war. The unselfish attitude of the British masses was based wholly on a feeling of humanity.

Lincoln had at heart belonged to the radical party all along, in that he desired the overthrow of slavery; but he was too wise to be rash. He waited for the development of public opinion, and he waited none too long. The proclamation made the administration many enemies, as well as friends, and it doubtless had much to do in bringing about an alarming political reaction in the fall elections. A new Congress was elected about 6 weeks after the preliminary proclamation, and the Democrats showed great gains. The Republicans lost nine Members from New York, six from Pennsylvania, eight from Ohio; and but for New England and the border States they would have lost control of the House, while New York and New Jersey chose Democratic Governors. But the Emancipation Proclamation was not the sole cause of the reaction. Many voted against the administration because of arbitrary arrests, of the suspension of the writ of habeas corpus, of want of success in the field, of the dismissal of McClellan; and thousands of strong friends of the Union voted the Democratic ticket simply because they had always done so. The result, however, fell heavily on the burdened heart of Lincoln. He feared that it meant a want of confidence in himself, but he bore the burden silently and took no backward step.

Often has the constitutional right of the President to issue this proclamation been questioned. The President ordinarily has no power to interfere with private property. Not even the General Government had the constitutional right to touch slavery in any State. How then could Lincoln by his mere flat set free 4 million slaves? The answer is that the measure was a war measure. It is the right and the duty of the President to suppress rebellion by any means necessary to success. Here was a vast revolt against the Government, and it was the slaves that raised the crops, that fed the armies that fought against the Government. Why not then strike at slavery? Here was the legal, technical ground on which Lincoln could do what he did, and he made use of it. He issued the proclamation ostensibly to weaken southern armies, knowing, at the same time, that he would not weaken them thereby. This, then, could not have been his real object, but it was the only ground on which he had any legal right to act. Must we, then, pronounce his act but a lawyer's trick after all? However that may be, the real object of the proclamation was to compass the downfall of slavery, to prepare the way for a constitutional amendment, to commit his party to the cause. The end accomplished was so unselfish and so vast as a factor in modern civilization that the world has long forgotten the technicality in admiration of its author.

**Mr. MUNDT.** Mr. President, the Emancipation Proclamation by Abraham Lincoln on September 22, 1862, marked the greatest act of humanitarianism ever engaged in by the head of a sovereign state in the history of the world. It seems to me that this act should be commemorated by the Senate and by the House of Representatives this year, especially at a time when almost half of the human race is threatened by the slavery of communism and by totalitarianism of one type or another by political despots in various foreign lands.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 199) to provide for the designation of September 22, 1962, as Emancipation Proclamation Centennial Day, introduced by Mr. MUNDT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

## CONVENTION AND PROTOCOL WITH SWEDEN, RELATING TO EXTRADITION—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from Executive E, 86th Congress, 2d session, a convention on extradition between the United States and Sweden, together with a related protocol, signed at Washington on October 24, 1961, transmitted to the Senate today by the President, and that the convention and protocol, together with the President's message, be referred to the Committee on Foreign Relations and that the message from the President may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The message from the President is as follows:

*To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention on extradition between the United States of America and Sweden, together with a related protocol, signed at Washington on October 24, 1961.

I also transmit for the information of the Senate the report made to me by the Secretary of State with respect to the convention and the protocol.

JOHN F. KENNEDY.

The WHITE HOUSE, *June 13, 1962.*

(Enclosures: (1) Report of the Secretary of State; (2) convention on extradition between the United States and Sweden, with protocol, signed October 24, 1961.)

## AMENDMENT OF SMALL BUSINESS ACT—AMENDMENT

Mr. SALTONSTALL submitted an amendment, intended to be proposed by him, to the bill (S. 2970) to amend the Small Business Act, which was ordered to lie on the table and to be printed.

## NOTICE OF HEARING ON H.R. 8140, A BILL TO STRENGTHEN THE CRIMINAL LAWS RELATING TO BRIBERY, GRAFT, AND CONFLICT OF INTEREST

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled before the full committee for 10:30 a.m., Thursday, June 21, 1962, in room 2228, New Senate Office Building, on H.R. 8140, a bill to strengthen the criminal laws relating to bribery, graft, and conflict of interest, and for other purposes.

Persons or organizations desiring to testify with regard to this proposed legislation should communicate with the Committee on the Judiciary not later than Tuesday, June 19, 1962.

## NOTICE OF RESUMPTION OF HEARING ON NOMINATION OF IRVING BEN COOPER TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearing will be resumed on Friday, June 22, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Irving Ben Cooper, of New York, to be U.S. district judge, for the southern district of New York.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. KEATING], and myself, as chairman.

## NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Jesse L. Dobbs, of Texas, to be U.S. marshal, western district of Texas, term of 4 years, vice Albert W. Saegert, term expired.

Drew J. T. O'Keefe, of Pennsylvania, to be U.S. attorney, eastern district of Pennsylvania, term of 4 years, vice Joseph S. Lord III, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, June 20, 1962, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

## MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2865. An act for the relief of Ferdinand A. Hermens; and

H.R. 10502. An act for the relief of James B. Troup and Sylvia Mattiat.

## ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 13, 1962, he presented to the President of the United States the enrolled bill (S. 2865) for the relief of Ferdinand A. Hermens.

## THE EAST TEXAS OIL THEFT SCANDAL

Mr. YARBOROUGH. Mr. President, an editorial in the Dallas Times-Herald of Sunday, June 10, 1962, shows the great extent of illegal directional drilling for oil in the east Texas oilfields, and the theft there of large amounts of oil. The Times-Herald stated that the "hot oil" produced in the east Texas oilfields might amount to as much as $6 million worth in a month. Mr. President, in a year's time, this would amount to an illegal theft of $72 million worth of oil.

I point this out to emphasize the magnitude of "hot oil" operations in Texas. At this time it has not been determined how long "hot oil" production has been practiced in the east Texas oilfields—but certainly for several years now. However, I wish to point out that this situation was first called to the public's attention by Mr. Dan Purvis, of San Antonio, at the time when he was serving as head of the Federal Petroleum Board, at Kilgore, in 1961.

This illegal directional drilling and theft of oil are frauds of monumental proportions. While the Honorable Tom Connally was U.S. Senator from Texas, he authored the Connally Hot Oil Act of 1935, in an effort to prevent frauds and scandals such as those now rocking the east Texas oilfield.

I ask unanimous consent to have printed in the RECORD the editorial, entitled "In Texas," from the Dallas Times-Herald of June 10, 1962; and an article entitled "Paper Puts Oil Thefts at $6 Million a Month," from the Houston Chronicle of June 8, 1962.

There being no objection, the editorial and the article were ordered to be printed in the RECORD, as follows:

[From the Dallas Times-Herald, June 10, 1962]

### IN TEXAS

The probe into possible illegal drilling in the giant east Texas oilfield grew hotter last week. The Railroad Commission said that out of 10 wells surveyed so far, 8 were slanted to such a degree that they could not be producing oil from their own leases.

The Times-Herald learned from one source that the amount of hot oil produced in the field might total as high as $6 million monthly. Some 60 Rangers and other law enforcement officers are assisting in the investigation.

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[From The Houston Chronicle, June 8, 1962]

### PAPER PUTS OIL THEFTS AT $6 MILLION A MONTH

DALLAS.—Illegal drilling in east Texas may have resulted in theft of as much as $6 million worth of oil a month, the Dallas Times Herald said Thursday.

A hearing has been set for June 13 on an injunction to prevent oil operators from plugging wells the Railroad Commission wants to investigate to determine if they were drilled on the slant.

There was no indication as to how long the stealing has gone on.

Texas Ranger Capt. Bob Crowder, in charge of 40 Rangers and about 20 highway patrolmen guarding the wells, said several wells were damaged before he was sent to east Texas, the Dallas paper reported.

Roy D. Payne, district supervisor of the Railroad Commission, said 8 of the 10 wells surveyed so far were "bottomed in adjacent leases."

"There was such a degree of slant in those wells that they could not be producing oil from their own leases," he said.

"Two of the wells were straight holes," he said.

The Railroad Commission will make surveys of 160 wells before the investigation ends, Payne predicted.

Payne said he has been directed not to give any more information or interviews locally on the progress of the investigation.

He said he had been directed to make a daily report to the Railroad Commission at Austin and that any news releases would originate in that city.

Meantime, it was learned that four Rusk County wells, tested Wednesday by Railroad Commission personnel, proved to be deviated beyond the permissible 3 percent.

That brought to 12 the number of slanted holes found in the last 12 wells. In the other two, it was found that the holes had been plugged.

## SMALL COLLEGES LEFT OUT OF FEDERAL RESEARCH GRANTS

Mr. YARBOROUGH. Mr. President, in the Dartmouth College case, far more than a century ago, Daniel Webster said:

> It's a small college, but there are those who love it.

Not only do Americans love the small colleges, but the history of this country shows that they have made a great contribution to the growth, life, and development, and to the intellectual achievements of their graduates.

Mr. President, the erudite, scholarly, and informative Saturday Review, in its June 2, 1962, issue, has a most stimulating editorial by Guest Editor Glenn A. Olds, president of Springfield College, of Springfield, Mass., under the title "The Power Pyramid."

I think that Dr. Olds has done a fine service in pointing out the narrow range in the awarding of Government research contracts to institutions of higher learning. Institutions with 5 percent of the students receive 95 percent of the Federal funds. The small colleges are bypassed.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, at this point, Dr. Olds' stimulating editorial from the Saturday Review of June 2, 1962, under the title of "The Power Pyramid."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### THE POWER PYRAMID

Power is paradoxical. It is essential to survival, yet a threat to perfection. It is a clue to certain forms of cultural success, and to the failure of others. It makes a responsible democracy possible, and a representative democracy necessary. It is a means, not an end, for the distinctively human life, but is easily made into an end in itself. Power preserves life at a price—the constant temptation to turn it upside down, and destroy the end it is a means to protect.

This is why free men and societies have feared the concentration of power and sought to distribute and share it widely and responsibly; why they have designed checks, balances, and successive transfer of power. In the interest of security such precautions are slow, sloppy, and inefficient; yet in the interest of perfecting persons in freedom, they are essential. It is this pull between the desire to preserve our security and at the same time to perfect our freedom that lies at the root of the stresses of our time—between left and right in politics, in social philosophy, and in educational strategy. It is this same tension which prompted Hitler in "Mein Kampf" to put his finger on a painful point in saying that the weakness of any democracy is its temptation to imitate Fascist methods in fighting fascism.

Anyone visiting Washington these days must be struck with this paradox in the pyramiding of power to preserve, if not perfect, our freedom. We have been accustomed to it in times of crisis, and for military and political reasons. This we can understand, and in part accept. What distresses some of us, however, is how this subtle pyramiding of power has crept into education, which, through diffusion of knowledge and development of diverse abilities, has traditionally been the chief bulwark against concentrated power. Indeed, the classic conviction of education in a democracy is that no region, institution, or person has a corner on ability or the truth; nor does any professor or panel of experts deserve to be the custodian or conscience of a culture. To be sure, there has been a virile, aristocratic counterpoint to this theme, but it has never threatened to consume the score.

Yet, today, in the name of national defense, international security, and missile races to the moon, we are fast diluting this important function of education. Many of us associated with the widely scattered small colleges of America have been troubled by the growing pattern of Government and foundation interest support. At a recent conference in Washington it was disclosed that roughly 75 percent of all Government contracts involving research programs go to 25 institutions of higher learning out of over 2,000 in this country. Moreover, fewer than 100 institutions account for nearly 95 percent of the total funds. Ironically, private foundations are caught up in a similar pattern. One might think this reflects the fact that academic excellence, capability, and expertise are very finely selected and concentrated, but this is a case that remains to be made convincingly. It certainly runs counter to every basic democratic presupposition.

Certainly, too, these deepening grooves, once channeled out, constitute a crucial, if not vicious circle. And here lies the peril. Like a closed club whose membership succeeds itself on selection, review, and decisionmaking, this pattern of power repeats itself.

Even if such pyramiding of power were required for survival, which is debatable, it raises the knotty question of Pyrrhic victory. For what does it tell us of the real dynamics of democracy and the capability of the average man? Must he be further brainwashed into thinking that unless he makes the team of the prestige school and participates in projects of national priority and support, he is somehow unworthy of the club, or a failure as a democratic leader? Is this not more than a step away from that surrender of personal responsibility which is at the root of all permissive perversion of power? Does it not tempt us into thinking that only Washington, Harvard, or the Ford Foundation knows what is good enough to be supported or worthy of our most serious effort?

It may be true that to "him that hath, shall much be given," but it is time we asked how he got what he has, and whether it is too narrowly possessed and deserved. Indeed, we need to ask whether such possession is possible at all apart from that wider reservoir of consent and competence without which our form of democracy is unthinkable.

As we increase our funds to speed up the Voice of America abroad, let us not be deceived at home into thinking that only those who have mastered the Carnegie course have a right to speak, or indeed, that unless they have been screened by a panel of experts and chosen as spokesmen, they ought not to be heard.

GLENN A. OLDS.

## POLK COUNTY AND TRINITY RIVER VALLEY PROGRESS

**Mr. YARBOROUGH.** Mr. President, many thousands of people in Texas are building their hopes for the future on the vast Trinity River Valley improvement program to make the Trinity River navigable as a large canal from the Texas gulf coast to Fort Worth.

In the May-June 1962 edition of the Trinity Valley Progress, the goals of the industrious people of Polk County are discussed in an interesting and informative article. The article shows how one county with a population of 11,957 as of 1960 is planning a magnificent future based in part on the opportunities offered by the development of water resources. The Trinity Valley Progress is a publication of the Trinity Improvement Association, dedicated to sponsoring improvement for the entire Trinity watershed, including flood control, soil-water-forest conservation, navigation, reclamation, alleviation of stream pollution, conservation of wildlife, and storage of water for municipal, agricultural, industrial, and recreational uses.

I ask unanimous consent to have printed in the RECORD an article entitled "Polk County: Wood, Water, and Workers Ready for Trinity Canal."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### WOOD, WATER, AND WORKERS READY FOR TRINITY CANAL

About an hour's drive up the Trinity Valley from crowded, noisy gulf coast cities is Polk County—a scenically beautiful area bristling with the green carpet of tall timber typical of east Texas.

Polk County, created in 1846 from Liberty County and named for the Nation's 11th President, James K. Polk, has an abundance of forest resources. It is looking forward to an equal abundance of water resources that will come from the planned Lake Livingston and a navigable, controlled Trinity River. Polk Countians, like other residents of the Trinity Valley, know that their future growth and progress depends on the development of water resources.

Polk County, perhaps appropriately, is shaped generally like a space capsule. The air-age growth along the gulf coast area will undoubtedly be attracted more and more into its 1,094 square miles as barge transportation on the Trinity and water for industry and domestic uses are developed. It will find increasing uses for its vast amounts of timber, iron ore, lignite and building stone, and sands.

The pride and plans for the huge Lake Livingston is shared by Polk County with three of its neighbors—San Jacinto, Trinity, and Walker Counties. The four have formed a four-county development association to make plans for roads, picnic grounds, and other tourist facilities around its 500-mile shoreline.

Many of those now actively planning for the best usage around the 1,750,000 acre-feet of water to be added to the four counties are those who have long been supporters of the Trinity River development program. Their farsightedness and experience with water-planning projects will prove valuable with the complexities that will come with the huge Lake Livingston.

The big lake has been headline news regularly in Livingston's Polk County Enterprise, Corrigan's Times, and the coastal city dailies ever since the Trinity River Authority and the city of Houston started working out plans for its construction. After considerable negotiations an agreeable plan was adopted for the almost 2 million acre-feet of water, with TRA holding approximately one-third and the other two-thirds to bolster future water supplies for the bayou city.

Nat Ricker, field superintendent for the Coastal Engineering & Survey Co., and his crews are winding up their survey work this summer. Technical information from their Tellurometers and theodolites and other equipment readings are being fed to Brown & Root engineers for plotting and planning the waters that will back up from the big dam, a few miles southwest of Livingston.

Lake Livingston will straddle the Trinity River from southern Polk and San Jacinto Counties deep into Walker County not far from Huntsville. The planned lake is a part of the comprehensive plan for development of the Trinity.

A look at Polk County economics today shows that 87 percent of its 700,000 acres is commercial forest, five major timber companies being the principal landowners. Because of the predominance of tall timber, many of the Polk Countians earn their livelihood from the sale, harvest or manufacture of wood and wood products.

The county has seven sawmills, four of them sell finished lumber, the others sell only rough lumber.

Beef cattle, dairying, truck crops, swine, and poultry are other sources of agricultural income. Cotton, once the main row crop, has dwindled to little importance.

Polk County has an excellent network of farm-to-market roads which is of particular help to the beef and dairymen and to the nearly 30 truck farmers who furnish most of the fresh vegetables sold in the Beaumont Farmers Market.

County Agent James D. Wrenn likes to point to progress in the social and cultural phases of Polk County development, too. The county is proud of its seven 4-H Clubs and the work being done to encourage youngsters for future community leadership.

Development of Polk County resources and a large section of bordering San Jacinto County is also the job of Work Unit Conservationist Horace J. Miller, Soil Conservation Service, U.S. Department of Agriculture. Mr. Miller and Aids A. L. Young and Charles Dickens have more than 904,000 acres in their district, approximately 12 percent of it in farms under district agreement.

Since much of the total land is in woodland, one of the main objectives of the SCS district program is aimed at good conservation practices for timber. This year, Mr. Miller said, the emphasis is on "woodland weeding" or control of undesirable trees. Intermediate cutting is another practice that is getting the conservation men's attention. Sound, selective thinning is constantly promoted.

Mr. Miller said that in the past 10 years the land-use trend has been toward converting cropland to pasture. This has brought about the need for establishing perennial grasses and legumes on thousands of acres of cropland plus an improvement of partial stands of grasses and legumes on existing pastures.

In Polk County, as in other Texas counties, vised by Chairman Louis Stanford, Vice Chairman L. M. York, Secretary T. E. Collins, and members G. C. McClain and Ellis Murphy.

In Polk County, as in other Texas counties, the soil and water conservation work is a team effort, with full cooperation from the County Agent, the ASCS office, the Farmers Home Administration offices, and the Texas Forest Service.

Livingston, the county seat, is the center of much of the area's activities. It is a good, solid, friendly town that traces its history back to 1838, when Moses L. Choates established a camp there. Pioneer Choates named his camp "Springfield," but another Texas town with priority rights to the name caused him to change it to Livingston, for a town near his former home in Alabama.

Alabama has another connection with Polk County. The Alabama Indian tribe lives in Polk County, on Texas' only Indian reservation.

A few miles east of Livingston, on a 4,444-acre section of east Texas' most beautiful piney woods lives some 360 members of the Alabama and the Coushatta tribes of "original" Americans. Almost a quarter of their land is a magnificent virgin pine forest with spring-fed creeks, and filled with a silence that would refresh the soul of the most sophisticated city dweller.

As one newspaperman put it, "There are places just around the bend where you expect any minute to see Sam Houston and some of his Alabama Indian friends sitting by the fire and smoking the peace pipe."

The first reference to the Alabama tribe was noted in 1701. When the French moved in, about 1717, they settled some of the squabbles among the tribes and made friends with the Alabama tribe. After the French abandoned their wilderness outposts the tribe started wandering across the southern States and wound up in Texas, in 1816.

After that the Alabamas and their friendly neighbors, the Coushattas, were pushed around by the white man until Sam Houston's time. The general demanded and got for his Indian friends some 1,280 acres from the State.

For the next 60 years the red men got no help from either Federal or State governments, and his pine-covered forest home yielded almost nothing for food and clothing. Even his hunting privileges in the nearby Big Thicket were taken away from him. Disease, undernourishment, and deprivation cut the numbers down to about 200.

In 1928, both Federal and State agencies were prodded into appropriating funds to help improve living conditions. In 1954 the State of Texas took over full responsibility and now furnishes medical, dental, and burial expenses and, since the land is tax free, pays school tuition for the approximately 120 school-age youngsters.

A kindergarten in the village introduces most of the small fry to the English language. Public schools in nearby Big Sandy, Woodville, and Livingston do the rest. Education is being stressed and several members of the tribe have college degrees.

Tribal customs prevail in some operations of the Alabama-Coushatta Reservation. Bronson Cooper Sylestine, the 82-year-old chief, with Fulton Battise, second chief, and a tribal council of seven, make decisions such as the expenditure of State funds and some tribal matters. The chief, appointed for life, and the second chief hold lifetime voting power in council affairs.

Representative for the Board of Texas State Hospitals and Special Schools, State supervision agency of the reservation, is Supt. Walter Broemer. Superintendent Broemer hopes to help the proud, intelligent tribesmen become self-sustaining. He is aiming at two things, increasingly better education for the children, who can compete with their white neighbors for better jobs, and for a dramatic display of their communal life and customs so tourist trade can bring up their meager economic positions.

Many Polk Countians believe it could be one of the brightest, most interesting tourist spots in Texas.

While county leaders are keeping one eye on the potential tourist trade to follow the spreading waters of Lake Livingston, the other eye carefully considers the industrial growth that will come with low-cost barge transportation via the Trinity Canal. The Polk County Chamber of Commerce will furnish some straight-to-the-point, factual information on raw materials, available sites, and other data to any industrialist interested. The chamber, under the direction of President Sidney Smith and Manager Ingram Pace, has its headquarters in Livingston.

Livingston, and its sister towns of Corrigan, Camden, Onalaska, Blanchard, and a dozen others, point out that their county, with its wood, water, and workers, will soon be the industrial and tourist gateway to east Texas.

## MEDICAL CARE FOR ELDERLY

Mrs. NEUBERGER. Mr. President, daily I read, with great interest, numerous articles in the Congressional Record regarding the King-Anderson proposal for health care. I read both sides of the question in the Record and in the press, but I think nothing is so effective regarding the legislation as letters from people who are afflicted with illnesses as they reach their later years and the experiences they have had with social security and with private health plans.

I ask unanimous consent that a number of letters I have received from my constituents on this subject be included in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Warrenton, Oreg.,
*May 22, 1962.*

Dear Senator: This letter is not a request for you to do any more for medicare for aged, am sure you have done and will do all possible. It is to inform you of my own experience for past 16 years.

Am almost 74. Sixteen years ago my doctor ordered me to hospital with stomach ulcers, later was in for final check, discovered diabetes, back in hospital to learn to care for myself. Later in for infected knee. Later infected ankle. Then to Portland for cataract removal, twice same eye. Result, no vision that eye. Next, blood clot in foot. November 19, ulcers. Now have an ulcer on shin. Doctor trying to care for it outside hospital.

Last December my wife in hospital 8 days, gall bladder removed. My first trip to hospital, $9 per day, 5-bed ward, last visit $22 same ward. My expense, $40 per day. That included three blood transfusions, insulin, and sleeping capsules. My wife's ward, three beds. With operation room, recovery room, etc., $50.14 per day. Doctor has not yet sent bill. Our drug bill now almost $1 per day. Pay hospital $20 per month but they are ahead of us most of time.

Have been a carpenter for over 50 years. But now failing eyesight—am not able to do finish or cabinets. Arthritis keeps me from climbing. Have been lucky enough past 5 years—maintenance work on mink ranch, $1 per hour. When that ends, surely will be pinched. Have not smoked or drank up wages.

My two older sons—one a flyer killed in action. He was studying for dentistry. Other died of cancer of blood, result of war. So no help. Helped my only daughter attend school, Eugene. My eldest son attending Oregon State University. Freshman working his way—able to help him very little. Other son in high school.

Best wishes for success. If bill not absolutely right, can be changed.

Sincerely,

——— ———.

P.S.—Paying $199.80 per year to Oregon Physicians' Service insurance.

Astoria, Oreg.,
*February 10, 1962.*

Hon. Maurine Neuberger,
*U.S. Senate,*
*Washington, D.C.*

Dear Mrs. Neuberger: I am writing to you because I feel that your recent illness and prolonged period of hospitalization will have enabled you to appreciate—as perhaps few others in Washington can appreciate—the situation in which many oldsters in our country find themselves today. Through no fault of our own we are caught in the grip of ever-mounting medical and hospital costs.

I will cite my own case because it is at typical: I am 84 years old and have exhausted the savings which I had thought would provide for me during my retirement years. For the past 2 or 3 years I have not dared to seek any medical aid or relief for plain and increasing infirmities because there is nothing left out of my small social security benefit, after I have paid for food and other necessities.

At each session, the hope is held out that something will be done to remedy this situation, and to bring medical care for oldsters, if not a national health plan such as we read all other industrialized countries in the free world have except the United States. And each session closes with nothing being done. Now I understand the President himself has come out and urged a bill be passed, but this is held up in the House Ways and Means Committee, and may not even reach the floor of Congress.

I am sure you will support such legislation in the Senate, but hundreds of your constituents and loyal supporters in Oregon are hoping there is something you can do to persuade the members of the Ways and Means Committee of the House to recommend the bill favorably to the House for action.

With appreciation of your work for Oregon, I am,

Sincerely,

——— ———.

Portland, Oreg.,
*May 24, 1962.*

Hon. Maurine Neuberger,
*Washington, D.C.*

Dear Friend: I call you "friend" because your work for the people's good makes you indeed a friend.

We are hoping our President's social security efforts are successful as there are many of us who are seldom thought about. My case is typical: Employed under social security since its inception, 1937. Born in 1888—74 years old. Retired 1953—drew social security.

Had cared for my husband, a cancer victim for 3 years before I retired. There was no deletion for the "no income" years at that time.

My social security check is $49. I am too frail to work. The medical help in the social security bill will keep me off the welfare rolls and help my three children to send their children to college.

I have a partial hospital coverage insurance that costs $90 per year, besides the medical fees.

My E bonds all went to pay hospital and medical care for my husband.

I am very thankful that I had these bonds and that I have my own social security check coming every month.

I am proud of our Government and happy that we are helping our own needy people.

Sincerely,

——— ———.

## PROPOSALS TO DO BUSINESS WITH FINLAND

Mr. SCOTT. Mr. President, a recent article in the New York World-Telegram calls attention to the fact that hundreds of small manufacturing firms in Finland desire to establish close business relationships with companies in the United States. Based on an interview with Niilo P. Mannio, managing director of the Finnish Union of Manufacturers, who was here on a business tour, the points made about this subject are worthy of study by businessmen in this country.

The industries of Finland function in a climate much like our own; that is, in a system of capitalistic free enterprise. More than two-thirds of her foreign trade is with nations of the free world. For these reasons and because I know Finland to be a nation of integrity, I should like to endorse the views expressed in the article.

There is a strong similarity between the small businessmen of Finland and the United States. The benefits of expanded mutual trade which they may enjoy merits our encouragement. A substantial reservoir of good will exists here for Finland, the country that has always paid her debts, and it can be furthered in the days ahead by increased beneficial trade.

I ask unanimous consent to have printed in the Record the article which appeared in the New York World-Telegram on April 30, 1962.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Finland Wants American Links

Hundreds of small manufacturing firms in Finland are desirous of establishing close business connections with American companies, Niilo P. Mannio, managing director of the Finnish Union of Manufacturers, stated here today.

They believe that such connections would prove advantageous to all concerned, he pointed out. The Finns want in particular to obtain licenses to use the most advanced technology in production. For this, they are willing to share their growing markets with American companies.

In the years immediately after the war, the bulk of Finnish exports went to Russia, Mr. Mannio pointed out. Next year, however, fully half of the exports will be going to new markets in the West, notably on continental Europe but also in the northern countries.

The continental European markets of course will open up even more if Finland, along with the other northern countries, Sweden, Norway, and Denmark, negotiates to share in the European Common Market. A big market is developing domestically in Finland, too, he said.

The typical small manufacturer in Finland, capitalized at around $250,000 and employing about 30 persons, would welcome the participation of American companies in joint enterprises, Mr. Mannio said. At present, Mr. Mannio is on a business tour of the United States under the auspices of the State Department's foreign leader exchange program.

## FALLOUT SHELTER FOR SCHOOLCHILDREN

**Mr. ANDERSON.** Mr. President, the Nation's first completely underground school was dedicated yesterday at Artesia, N. Mex. The Abo Elementary School was designed to provide classrooms for some 540 children, and emergency shelter and protection from fallout radiation for 2,100 persons. The total cost of the structure was $470,000, with the Office of Civil Defense Mobilization contributing $134,000 because this was a pilot project.

School officials and civil defense authorities from at least 19 States have already inspected the school, which is primarily the result of the initiative of the people of Artesia.

I ask unanimous consent that a message from President Kennedy to Mr. Tom Brown, Democratic national committeeman of Artesia, be printed at this point in the RECORD, along with the remarks of the Honorable Steuart Pittman, Assistant Secretary of Defense for Civil Defense.

There being no objection, the letter and remarks were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
*Washington, D.C., June 12, 1962.*

Mr. TOM BROWN, Sr.,
*Democratic National Committeeman,*
*Artesia, N. Mex.*

DEAR SIR: I am happy to learn from Senator ANDERSON that the Abo Elementary School is being dedicated today. I have long known of Senator ANDERSON'S interest in improving the educational opportunities of the people of New Mexico. The future of our Nation depends upon well-informed citizens.

The inclusion of a fallout shelter for the schoolchildren and the surrounding community is commendable and a necessary step toward insuring the survival of this country. Recognizing the importance of this type of project, the administration has recommended school shelters as an integral part of our civil defense program. In appreciation of your foresight, I have asked Assistant Secretary of Defense Steuart Pittman to appear at the Abo Elementary School as my representative today.

With all best wishes.

JOHN F. KENNEDY.

### ADDRESS BY THE HONORABLE STEUART L. PITTMAN, ASSISTANT SECRETARY OF DEFENSE FOR CIVIL DEFENSE, ABO ELEMENTARY SCHOOL-SHELTER DEDICATION, ARTESIA, N. MEX., JUNE 12, 1962

I welcome this opportunity to speak at the dedication of this school. The capacity of your school board and school administration to pioneer in designing new environments for education is one of the qualities which would make our country an impossible target for any rational aggressor. It is also the quality that makes possible a realistic civil defense program.

Abo School is designed as a school, not as a shelter. Its design came about as a result of your highly successful experience with two windowless schools and a careful study of the conditions and costs that make sense for your schools. I understand that placing your school underground has achieved four things:

1. Better control of air conditioning;
2. Better learning conditions, fewer distractions;
3. Glareless lighting; and
4. More wall teaching space.

In more congested areas, the success of your experiment has particular significance. The availability of ground level play areas above the classrooms may warrant the moderate extra cost of below-ground construction.

The Federal Government became interested in this project after your school board decided, for educational reasons, in favor of advanced windowless designs. The Government has borne a share of the cost of this school as part of our continuing effort in researching and devoloping the most effective ways to achieve dual-purpose shelter space as a byproduct of the creative effort to improve our indoor environment.

Although your primary purpose was to make the best classroom facilities possible for about 540 schoolchildren, you have in addition, at slight extra cost, created in your community a capacity to shelter 2,100 persons against fallout radiation.

The underground school which we see here in Artesia is a unique project. But there are a surprisingly large number of unique projects which provide valuable data and experience for the growing body of knowledge about how to improve buildings so that they can protect against fallout radiation. In the Defense Department, we are stimulating many of these projects with both money and technical assistance. We are serving as a national and international center to cross-fertilize advanced work of this kind so that the pace of progress will pick up.

The design of your forward-looking architects, made possible by the alert and open minds of your school board and school administrator, is particularly important because school construction is the largest element in the Nation's new institutional construction. Schools are community centers and will play their role in an emergency, whether planned or otherwise. Furthermore, over a quarter of our population are students and the future of the country is tied to their fate.

So, it is indeed an inspiration to see this contribution to the technology of radiation protection emerge as a byproduct of efforts to improve the environment of classrooms and the cost of maintaining schools.

The objective of the President's new civil defense program is to locate and develop enough shelter space for the entire population to take cover from fallout radiation. Most of this will be done by using the shielding which now exists in many buildings all over the country, adapting new construction to provide more shelter areas and modifying structures which have some potential for shielding against radiation. To make this nationwide shelter system effective will require intensive organization, planning and training in every locality throughout the Nation.

Before describing how this program will work, I want to explain to you briefly why the decision was made by the President and the Secretary of Defense to start down this difficult road. Many people have it in their minds that fallout shelters are a flimsy version of a bomb shelter and would be overwhelmed by anything as big as nuclear war. The sense of hopelessness comes from oversimplifying the problem. The Secretary of Defense has available the results of elaborate continuing studies of a wide range of hypothetical attacks and the effects on human survival under varying conditions.

These results show that a nationwide system of shelters, sufficient to protect against fallout radiation, give reasonable assurance that at least a fourth of the population, that might otherwise be killed, would be saved by the shelters and a majority of our population might be saved by the shelter system under types of attacks less destructive of human life. These estimates extend over some years ahead when extremely heavy attacks would be theoretically possible. In short, the saving of lives that could be expected to result from a nationwide shelter system is enough to assure survival of this country as a Nation and in some circumstances could carry the country through a nuclear attack with a large majority of our population alive.

A number of commentators and scientists have attracted public attention by saying that the only shelter system that can save a significant number of lives would be a deep blast shelter system costing hundreds of billions of dollars. In the Defense Department, we disagree with these views with confidence because we have a far wider range of essential information about the problem. The conclusion has been reached with great care and deliberation that a moderate shelter program is practical and could make a decisive difference in the capacity of this Nation to recover from a nuclear attack.

The administration is determined to go through with this program. We have a difficult year ahead in which we must build public understanding of what must be done. Each citizen who is responsible for the lives of others has an obligation to play his role, particularly during this difficult first year when the subject is least understood. Leadership elements in this country, who are capable of looking this problem squarely in the face, must work together persistently and effectively to bring about the insurance of national survival against the possibility that our intensive search for peace should fail.

Now let's look at the shelter program. We have estimated that the shelter requirements of the Nation could be met in about 5 years if there is adequate response to the Federal Civil Defense program. The first leg is the easiest: The shelter space that already exists throughout the country. We have been conducting an extensive survey of all major structures in the country using over 1,500 architects and engineers under the contract with the Army Corps of Engineers and the Navy Bureau of Yards and Docks. We have developed a highly systematized method of gathering up the raw data, analyzing it and feeding it back to the communities that need this information. All the data is in and almost completely analyzed. The results are better than we had estimated. Our projections now indicate that there is enough fallout shelter space to take care of between 50 and 60 million people.

This amount of existing shelter space is a most significant fact. Following the debate about civil defense in the press, one would think that we are on the threshold of a decision as to whether or not to have shelters. The fact is that we have them in large quantities for large numbers of people, and the problem at hand is what to do about it and how to make best use of them. No responsible person would suggest that we fail to tell those who live or work near these buildings that they provide protection which would increase their chances of survival in the event of a nuclear attack. People are entitled to this knowledge.

Another major undertaking will be the provisioning of the shelter space which is made available to the public. The Federal Government will procure and pay for these provisions and deliver them to local governments throughout the country for installation in the public shelter areas. The importance of these provisions cannot be overstated. The plan calls for enough food and water to sustain life on an austere basis for a 2-week period. There will be included basic medical supplies to use during this period. There will also be included radiation detection equipment, which is absolutely vital. These devices will be the eyes of the sheltered population as they seek to find their way into less crowded parts of the buildings after the first few days and as they seek to leave these buildings later for short trips, to decontaminate and find their way back to their homes after the radiation levels have declined sufficiently.

The Advisory Committee on Civil Defense of the National Academy of Sciences has pointed out that there are no technical problems essential to a shelter program that cannot be solved. The fundamental question is not technical feasibility. According to this distinguished body of scientists, engineers, and executives, it is a question of leadership, of guiding the public in a difficult undertaking. The urgent task at hand is to mobilize a broad base of leadership for this task.

Here in Artesia, we see the challenge that the nuclear age presents to every town. It has been met by an intelligent and pioneering response. When we consider the grim details of the possibility of a thermonuclear war by miscalculation, it is no answer to say this presents problems too difficult to meet, to say that the results are too frightening and so abandon ourselves to despair. In a world so small with uncontrolled forces so great, we cannot allow ourselves the luxury of inaction.

Rather, we must work for peace as never before, and I do not need to tell you that your Government and your President are using every resource to bring about peace with security. But this search and struggle for peace does not in any way conflict with prudent measures we take for our own protection. Abo School well illustrates this self-evident truth.

Your mayor, your school superintendent, your school board have served their country well by an example which will attract widespread attention by civic-minded leaders in many communities throughout the country.

## MEDICAL CARE FOR THE AGED

Mr. SMITH of Massachusetts. Mr. President, opponents of President Kennedy's medical care to the aged program would often have us believe that the doctors of this country wholeheartedly support their efforts to halt this bill.

I have never believed that this was so. No one knows better than the average doctor what the cost is of the vital services he renders. No one is in a better position than he to know about the high cost of modern medicines and hospital care. And I do not believe that the American doctors are any more insensitive to the economic problems caused by disease than to the physical pain it creates.

I am glad to report today, Mr. President, that over 300 Boston doctors have just added their names to the increasing group of people in my home State who have declared themselves in favor of the President's program. This shows, I believe, that the support for this measure is far more widespread than its opponents realize. It shows that the doctors of this country are ready to join the average citizen in asking for this bill.

I am not surprised at this, Mr. President, and I am pleased by it. More statements like this from the medical community should go a long way toward changing the antiprogressive image of the profession which some of its members have created for it.

I congratulate those doctors from Boston on their forthright stand and hope that more of their fellow physicians will now speak out in favor of this program.

I ask unanimous consent to include in the RECORD excerpts from an article which appeared in the Boston Globe of June 8 and an editorial from the same paper.

There being no objection, the excerpts and editorial were ordered to be printed in the RECORD, as follows:

### THREE HUNDRED AND THIRTEEN BOSTON DOCTORS CRACK AMA FRONT ON MEDICARE

(By Ian Menzies)

The first real crack in organized medicine's hitherto solid front against the King-Anderson medicare plan backed by President Kennedy came in Washington yesterday.

It was detonated with the arrival of a petition signed by 313 Boston physicians, many of them holding major professorships at Harvard, Tufts, and Boston University medical schools and with both national and international reputations in the world of medicine.

The petition ran completely counter to the policy of the American Medical Association.

It endorsed the King-Anderson bill and urged Congress to take action on the plan, locked up in the House Ways and Means Committee for months.

Especially flown to Washington yesterday morning, the petition was handed to Congressman CECIL R. KING, Democrat, of California, joint sponsor of the bill, by Mrs. Genevieve R. Goldy, executive director of the Physicians Committee for Health Care for the Aged Through Social Security.

The White House was aware of the petition's arrival by early afternoon.

"This petition," said Mrs. Goldy, "has helped to provide a badly needed antidote to the propaganda campaign which has sought to conjure a picture of all physicians in opposition to the social security health care principle.

"We are gratified by the courageous action of the Boston physicians * * * this is a completely voluntary and spontaneous action by leading members of the medical profession.

"It is obvious from an examination of the names on this petition that eminent doctors have taken the trouble to study the issues involved in health care for the aged, and to have publicly made known their views.

"We hope that Members of Congress and the public will give full consideration and credence to the importance of this statement by leading figures of the medical profession."

KING said the AMA had tried to convey the impression that all doctors oppose the King-Anderson bill.

"This, of course," he said, "has never been the case. The signatures of the doctors from Boston show they have voluntarily voiced their support for the principle of health care for the aged through social security.

The petition signed by the Boston group, which may lead to similar petitions from other medical centers such as New York, Chicago, and Los Angeles, said in part:

"We the undersigned approve the principle by which social security funds would be set aside during the years of active employment to prepay the inevitable and often heavy medical-care costs of later life. We wish to express our support of the King-Anderson bill or similar legislation embodying the social security principle. We urge the Congress and particularly the members of the House Ways and Means Committee to support such legislation. This statement is an expression of individual opinion."

Among signers known throughout medicine and by laymen too were: Dr. Charles A. Janeway, physician in chief, Children's Medical Center, and Thomas Morgan Rotch, professor of pediatrics, Harvard; Dr. Francis D. Moore, surgeon in chief, Peter Bent Brigham Hospital, and Moseley professor of surgery, Harvard; Dr. Herman L. Blumgart, physician in chief, Beth Israel Hospital; Dr. Walter D. Bauer, chief of medicine, Massachusetts General Hospital, and Jackson professor of clinical medicine, Harvard.

#### MANY NOTABLES SIGN

Also Dr. James H. Means, emeritus professor of clinical medicine, Harvard; Dr. Count W. Gibson, professor of preventive medicine, Tufts; Dr. William Dameshek and William B. Schwartz, professors of medicine, Tufts, and New England Center Hospital; Dr. Arnold S. Relman, professor of medicine, Boston University; Dr. Peter H. Knapp, professor of psychiatry, Boston University.

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#### DOCTORS DIVIDED

Solid indication that there is more than one point of view among doctors on the King-Anderson bill to provide hospital care to the aged under social security came yesterday with a petition signed by more than 300 Boston physicians favoring the measure.

The signers included many of the clinical professors in this world center of medicine, and particularly from Harvard. Only last month, members of the same group had helped to vote down overwhelmingly a proposal to make membership in the Massachusetts Medical Society compulsory for doctors.

Some see in all this a division of opinion between the hospital physicians and the so-called general practitioners. Yet it would be inaccurate to draw a hard and fast line. All that can be said with certainty is that not all eminent doctors support the position of the American Medical Association, and this is only to be expected.

## THE AMERICAN CIVIL LIBERTIES UNION: SUBVERSIVES OR PATRIOTS?

Mr. CLARK. Mr. President, a recent article in the professional police journal, Police, in the March-April 1962 issue, by Dr. A. C. Germann, the head of the Department of Police Science and Administration, Long Beach State College, is entitled "Two Sides of Every Coin—The American Civil Liberties Union: Subversives or Patriots?" It takes up a number of the archaic and discredited charges against the American Civil Liberties Union and provides factual responses. I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### TWO SIDES TO EVERY COIN—THE ACLU: SUBVERSIVES OR PATRIOTS?

(By A. C. Germann)

#### ABOUT THE AUTHOR

Dr. Germann received the bachelor's degree in philosophy from Loyola University, Los Angeles, and the master's and doctoral degrees in public administration (with a specialization in law enforcement) from the University of Southern California.

He was a sworn officer of the Los Angeles Police Department, serving assignments in traffic, jail, juvenile, vice, patrol, and administrative units; later, he joined the faculty of the School of Police Administration of Michigan State University; in 1957, he assumed the responsibility for the police science program of Long Beach State College. Dr. Germann has acted as special police consultant to several Michigan and California comunities, as well as serving on many police oral examining boards.

Dr. Germann served with the U.S. Air Force during World War II and during the Korean engagement. He is a member of the International Association of Chiefs of Police (Education and Training Committee, 1958–60; vice chairman, 1960–61), the International Federation of Senior Police Officers, the American Society of Criminology (central vice president, 1956), the California Peace Officers' Association, the American Society for Public Administration (board of directors, Los Angeles chapter, 1958–60), the Southern California Personnel Association, the Western Governmental Research Association, and the International Society for Clinical and Experimental Hypnosis. He is a member of Lambda Alpha Epsilon, national honorary police fraternity (sponsor, Kappa chapter, Long Beach State College), and Alpha Sigma Nu. He serves as secretary, law enforcement study committee, deans of instruction, California State Colleges, and is a member of the board of directors, Loyola-St. Vincent's Alumni Association.

His writings have appeared in Police, the Police Chief, the Journal of Criminal Law, Criminology, and Police Science, and other professional publications. He is author of "Police Personnel Management," "Police Executive Development," and coauthor of "Introduction to Law Enforcement" (Charles C. Thomas, publisher, Springfield, Ill.).

The writer, a former police officer who is currently directing an academic baccalaureate program of preservice and inservice law enforcement education, has noted, in various law-enforcement newsletters and periodicals, over the past several years, a most bitter and acrimonious series of attacks on the American Civil Liberties Union.

In the winter of 1960, the writer prepared an affirmatively factual article on the ACLU and asked for private comment from his immediate staff and from several local police administrators. The reaction and advice was that, apart from the objectivity of the material, some working law-enforcement administrators and practitioners would not want such information, some were strongly opinionated and could be vindictive, and some unenlightened police leadership would single out the writer for blackballing, thus damaging the reputation of the college program, stigmatizing the faculty, and frightening current and potential students.

In the spring of 1961, the writer requested some of the better known governmental agencies at the Federal and State level to give an evaluation of the ACLU. In the fall of 1961, the writer sent a final draft of this article to working law enforcement administrators, to directors of academic law-enforcement programs, and to citizens of high repute, eliciting their reaction and advice. Selected excerpts from the replies received appear with the article here presented.

On balance, the writer feels that although this is a controversial subject within the law-enforcement fraternity, and although he will receive some criticism from foolish and ignorant men, and some criticism from wise and learned men, there is sufficient timely justification for the following presentation, and that it is in the best interests of the professional police service.

#### THE ACLU—WHAT IS IT?

The ACLU is the only permanent, national, nonpartisan organization devoted solely to defending the Bill of Rights—without compromise.

For more than 40 years, the ACLU has interested itself in improving both democracy and freedom by defending the central constitutional safeguards which keep power in check—the Bill of Rights and other allied provisions of Federal and State Constitutions. More than 60,000 members stand stanchly behind the ACLU objectives of securing for all citizens: (1) Freedom of belief, expression, and association, (2) equality before the law, and (3) due process under law.

#### THE ACLU—WHAT DOES IT DO?

The ACLU, by legal action, engages in court tests of civil liberties principles embodied in the Bill of Rights, wherever threatened or violated.

The ACLU, by legislative action, lobbies for measures that strengthen civil liberties, and opposes bills that would impair civil, religious, and political freedoms.

The ACLU, by community education, works to inform the American citizen of his personal and national stake in defending the Bill of Rights.

#### THE CONTROVERSY

The ACLU has long been a controversial organization. To many police administrators and practitioners, ACLU is categorized as those who seek to handcuff the police; fiery resolutions calling for its investigation by the Congress of the United States categorically attest to its villainy; and derogatory allegations (of whatever vintage and credibility) are energetically and enthusiastically disseminated to the law enforcement vocation.

True enough, the ACLU has been a constant and strong irritant to many police agencies, for the ACLU has prodded, questioned, challenged, scrutinized, criticized, and loudly condemned many alleged law enforcement policies and activities that seemed to be contrary to the Bill of Rights.

True enough, the ACLU has defended the constitutional rights of many nonconformist or antisocial members of our society—including Communists, Socialists, Fascists, Japanese, Mexicans, Negroes, Puerto Ricans, Catholics, Jews, Jehovah's Witnesses, rapists, murderers, racketeers, union leaders, industrialists, soldiers, conscientious objectors, teachers, and students—wherever their constitutional rights were seriously threatened or violated.

True enough, the ACLU has been a current thorn in the skin of the police in many an American community in that it has been energetically pressing for a police review board, thus, perhaps, seeking to deprive the chief of police of his legitimate and proper disciplinary authority and responsibility.

True enough, the ACLU has, at times, taken positions and drawn conclusions from premises that, to many, seemed frail indeed.

True enough, ACLU attorneys have, at times, seemed to be pressing an all-out attack on the policeman by alleging brutality or prejudice and trying the officer in front of the jury, instead of presenting a meritorious and dignified defense of their client.

True enough, ACLU members or chapters have seemed to overgeneralize about the police service, and have tended to regard all police as indifferent, brutal, arbitrary, or ignorant of the law and its limitations.

However, it would seem obvious that to overgeneralize about the ACLU in a derogatory fashion, or to knowingly fail to present its total character, constitutes a degree of irresponsibility that is unworthy of professional law enforcement, for it is incumbent upon any honest and competent inquiry to present all the facts.

#### THE CHARGES

Several charges are leveled, loudly and often, in grisly harmony, at the ACLU:

1. One derogation alleges that Report 2290, 1931, House Committee to Investigate Communist Activities in the United States, contains this statement: "The American Civil Liberties Union is closely affiliated with the Communist movement in the United States and fully 90 percent of its efforts are on behalf of Communists who come into difficulty with the law."

(It is seldom noted, by those making this charge, that the report is over 30 years old; that Mr. Martin Dies, first chairman of the House Committee on Un-American Activities, stated in 1939 that "This committee found last year, in its report, that there was not any evidence that the American Civil Liberties Union was a Communist organization"; or that Mr. Richard Arens, present staff director for the House Committee, stated in 1960 that, "The American Civil Liberties Union, ACLU, has never been investigated by the Committee on Un-American Activities, nor has it been found to be a Communist front by the Committee on Un-American Activities, or, so far as I know, by any governmental agency.")

2. Another derogation alleges that the 1943 Report of the California Factfinding Committee on Un-American Activities contains this statement: "The American Civil Liberties Union may be definitely classed as a Communist front or 'transmission belt' organization."

(It is seldom noted, by those making this charge, that the report is over 18 years old; that the 1959 Report of the California Senate Factfinding Committee on Un-American Activities states, "We do not believe that the American Civil Liberties Union nationally is in any sense subversive * * *"; or that the 1961 report of the same committee stated, "We greatly disagree with many things that the ACLU California chapters do, but we do not believe that any of them are so infiltrated by Communists or fellow travelers at the present time to justify us in characterizing any of them as a Communist front.")

3. Another derogation alleges that some of the people who are, or who have been, members of the ACLU are, or were, Communists, fellow travelers, Communist sympathizers, or Communist dupes.

(It is seldom noted, by those making this charge, that many outstanding Americans are, and have been members of ACLU, such as Felix Frankfurter, Harold L. Ickes, and Frances Perkins; that national board and committee membership of ACLU have included such names as Msgr. John A. Ryan (Catholic University, Washington, D.C.), Robert M. Hutchins, (director, Center for the Study of Democratic Institutions, Santa Barbara, Calif.), Arthur Schlesinger (assistant to the President of the United States, Washington, D.C.); or that the current national chairman is the Hon. Francis Biddle, Attorney General of the United States, 1941–45, and 30-year member of ACLU).

The charges, basically, are that the ACLU is "Red."

### THE RESPONSE

This writer would not deny that some Communists have been members of the ACLU or may now be members, any more than he would deny that some Communists have been, or are now, members of academic institutions, employer or employee groups, religious bodies, or governmental agencies. Communist infiltration is a problem that is not unique to ACLU. The writer would deny, however, the assumption or suggestion that the ACLU is part of the Communist conspiracy, and is solely or mainly composed of and dominated by Communists or their dupes.

Why then, are police personnel bombarded with anti-ACLU materials? Is the vocation being "used" by groups subversive of democracy? Can the cloak of patriotism and anticommunism justify and sanctify the inflammatory and tendentious charges made against the ACLU?

Combating communism on a worldwide basis is frustrated, in the opinion of this writer, if we allow, in our country, any weakening of our dedication to the principles of human dignity and human rights. Our dedication to the ideals of freedom of belief, expression, and association; equality before the law; and due process under law are among our strongest ideological weapons against the Communist world menace.

Those who fret continually about Communist subversion in our country might well give equal energy to the task of making democracy come true for all Americans and might well support the ACLU in all of its proper efforts toward such objective. The most dangerous subversion in our country is that which denies in practice the human dignity and liberty that we profess.

Communism denies God, degrades man, and is a zealous and militant philosophy that knows what it believes and practices what it preaches. We who oppose it should have clear notions about God, about the nature of man as a child of God, about the immortal destiny of man, about human dignity and human rights—and we should practice our beliefs just as zealously and militantly. To attack a defender of the Bill of Rights, as such, as a "Red," is, in the opinion of this writer, genuine subversion.

### THE RECORD

The writer fully realizes that tempers are short, and that he who questions the "popular opinion" is likely to be subject to violent reaction. Nonetheless, the writer would beg leave to present, in the interest of truth and objectivity, a few items for consideration by his law enforcement conferees, and would trust that none have taken the position, "Don't bother me with facts; my mind is already made up."

### I. EDITORIAL COMMENT

One might well note editorial commentary relative to the ACLU, often extended at its anniversaries or conferences, bearing in mind that most of the editors and publishers maintain a conservative philosophy:

#### NORTHERN PAPERS

Minneapolis Morning Tribune: "Over a long period of years conservatives and radicals, employers and labor unions, Americans in every walk of life and of every political complexion, have found the ACLU fighting on their side. The only provocation to action has been a civil liberty endangered. * * *"

The Capitol Times (Madison, Wis.): "The American Civil Liberties Union * * * has been fighting for real Americanism * * * it is an unyielding foe of the tyranny of communism. * * *"

#### EASTERN PAPERS

Toledo Blade: "Formed * * * to fight for the constitutional rights of all persons without regard to their political, religious, or other beliefs, the American Civil Liberties Union has nevertheless scrupulously disassociated itself from the views of those whose rights it was defending. Although the union has upheld the freedom of Communists to speak or to write, it has at the same time earned the hatred of Communists by demanding the same freedom for Fascists. * * *"

Pittsburgh Post-Gazette: "What the ACLU really stands for is the essence of Americanism, once so well expressed by Supreme Court Justice Frank Murphy when he said: 'Only by zealously guarding the rights of the most humble, the most unorthodox, and the most despised among us, can freedom flourish and endure in our land.' "

#### SOUTHERN PAPERS

New Orleans Item: "The ACLU is a controversial organization, yes—one that has had the courage to take an unpopular stand more than once. It has defended the constitutional rights of citizens of various creeds and political beliefs because it believes that if any American is deprived of his liberties, then the liberties of all of us are in danger. But on its record, the ACLU would seem to be about as subversive as the Bill of Rights."

St. Louis Post-Dispatch: "The ACLU has established its fearlessly independent reputation, and particularly its freedom from Communist control, by * * * years of evenhanded defense of principle — the freedom principle of the Bill of Rights."

#### WESTERN PAPERS

The Denver Post: "The ACLU has stood firmly against waves of near-hysteria that have threatened, at times, to sweep away long-treasured civil liberties. * * * The organization has asserted a thoughtful and justifiable viewpoint on close questions of Communists' rights. And while its concepts of civil liberties have not always been either popular or sustained by the courts, few informed persons or organizations have ever questioned the purity of its motives, the quality of its patriotism, or the depth of its courage."

San Francisco Examiner (June 14, 1961): "The Fact-Finding Committee on Un-American Activities of the State Senate has corrected an old injustice, and enhanced its own reputation, by setting its records straight about the loyalty of the American Civil Liberties Union * * * it was said in complete honesty that the committee declares itself 'convinced that (the ACLU) is not a Communist-dominated organization or a subversive front in any sense.' This is a complete reversal of position. * * *"

Sacramento Bee (Oct. 17, 1961): "Civil liberties have been so maligned by those who have conducted campaigns to still liberals that it is conceivable some ignorant folk might be misled into assuming the ACLU is subversive * * * the ACLU is a dedicated and thoroughly American organization. It is concerned with doing battle for every right secured in the Constitution. * * *"

#### MIDWESTERN PAPERS

Chicago Daily News: "In its long history the ACLU has befriended persons of all shades of political and religious opinion. * * * It would be a grave injustice to leap to the conclusion that insistence upon civil rights for alleged Communists, any more than for alleged murderers, indicates the slightest sympathy for unpatriotic or antisocial behavior. Concern for free speech, equal treatment under the law, and a fair trial before conviction is the essence of Americanism, the opposite of Communist tyranny. * * *"

The Des Moines Register: "The Civil Liberties Union * * * has defended the rights of free speech, free press, religious freedom, and academic freedom from all sorts of political groups and individuals—including race-baiters, semi-Fascists, Communists, and other reactionaries as well as liberals. * * *"

#### NATIONAL PAPERS

The New York Times: "The American Civil Liberties Union * * * a useful and thoroughly patriotic organization. * * * To equate patriotism with conformity, orthodoxy and name-calling is dangerous nonsense; and this cannot be pointed out too often. * * *"

The Christian Science Monitor: " 'I do not agree with a word you say,' said Voltaire, 'but will defend to the death your right to say it.' It would be hard to find a more searching test of the genuineness of democratic sentiments than is implicit in this famous dictum. And it would be equally hard to find an organization that subjects itself to this test more often and more willingly than does the American Civil Liberties Union. * * *"

### II. PERSONAL COMMENT

One might well note the personal comments of distinguished Americans relative to the ACLU:

Gov. Thomas E. Dewey, New York, in a letter to ACLU, November 23, 1945, said: "I am happy to send warm greetings to all members of the American Civil Liberties Union. * * * It is a matter of just pride to the citizens of New York State that the American Civil Liberties Union was incorporated under the laws of the Empire State * * you have established an enviable record. You have established also, beyond all possible doubt, proof that the American Civil Liberties Union is an essential part of American life * * * Without the American Civil Liberties Union there would be no organization to take up the cudgels for lone, oppressed individuals * * * It has been inspiring to observe that the American Liberties Union has stood unwavering on the principle of defending everybody's rights without distinction. * * * It is a pleasure, therefore, to hail the gallant part that the American Civil Liberties Union has taken in upholding the principles for which this Republic was founded and to extend my warm good wishes for continuing success. * * * "

President Harry S. Truman, in a letter to ACLU, November 24, 1945, said: "I send you warm greetings. * * * I believe with your members that whatever a man's political thinking, whatever his background, environment or education, he must, if he be a real American, respect the aims of organizations such as yours. The integrity of the American Civil Liberties Union and of its workers in the field has never been, and I feel, never will be questioned. Officers, directors and members of the Union have performed outstanding service to the cause of true freedom."

Gen. Lucius D. Clay, in a letter to ACLU, November 27, 1949, on the retirement of Roger Baldwin, executive director of ACLU, said: "It is with great regret that I learn that Roger Baldwin is retiring as executive director of the American Civil Liberties Union * * * he helped all of us who had associated with him, just as through the years he has helped our country to a better understanding of tolerance and the dignity of man."

Gen. Douglas MacArthur, in a letter to ACLU, December 30, 1949, on the retirement of Roger Baldwin, said: "Roger Baldwin's crusade for civil liberties has had a profound and beneficial influence upon the course of American progress. With countless individuals finding protection in the nobility of the cause he has long espoused, he stands out as one of the architects of our cherished American way of life."

President Dwight D. Eisenhower, in a telegram sent to a dinner honoring 10 civil liberties organizations, among them NAACP and ACLU, March 16, 1953, said: "I am sure that the people of the United States join * * * in honoring the work of the distinguished private agencies which are doing so much to guard civil rights and to advance human rights in our Nation. Their achievements over the recent decades have helped to translate into reality our religious and democratic ideals. * * *"

President Eisenhower, in a letter to ACLU, April 18, 1960, said: "In this 40th anniversary year of the American Civil Liberties Union, it is a special pleasure to send greetings to those attending your biennial conference. * * * There is work to be done, and while I remain in office—and for as long as God gives me to live—I will continue to combat every threat to our sacred principles of freedom, liberty, and equal justice under law. It is good to be reminded that the members of the American Civil Liberties Union and the overwhelming majority of my fellow citizens are working together in this field with steadfast vigor and understanding."

Cardinal Cushing, Boston, in September 1960, made public apology for labeling the ACLU a "pro-Communist front," according to the winter, 1960, issue of "Civil Liberties in the Bay State." The item states:

"Cardinal Cushing has apologized for a 'flagrant error' which tagged the ACLU as a 'pro-Communist front' in one of a series of articles he wrote for the Boston Evening American entitled 'Questions and Answers on Communism.'

"The series appeared in September, the article in question on September 24. The prelate, in reply to a letter of protest from the Reverend Gardiner M. Day, CLUM chairman, said he had ordered 5,000 pamphlets based on the series destroyed and promised he would 'make amends in your behalf.'

"The article, which referred to the United Nations as the 'outstanding example of a popular front in the United States,' included the ACLU along with the Theater Guild, the Lawyers Guild, the League of the Defense of Democracy and the Friends of the Soviet as pro-Communist fronts. It referred readers to page 90 of 'Masters of Deceit' by J. Edgar Hoover where the author is alleged to present a 'typical example of Red activity on the part of the ACLU.'

"On September 28 the Evening American printed a retraction, commented that the reference in Hoover's book was to another organization and carried a statement by Chairman Day which noted in part:

"'It is indeed unfortunate that the article should refer, as it does, to ACLU as a 'front.' It is not listed in either the Attorney General's list of subversive organizations or in the list issued by the House Un-American Activities Committee. On the contrary, the Pilot, official newspaper of the Boston Archdiocese, has referred to the Union as 'the ranking civil liberties organization in our country.' Leading citizens, including well-known Catholics, serve on the governing boards of ACLU both nationally and locally. An outstanding Jesuit educator, writing in America, a Catholic weekly, has commended ACLU for its activities in many fields and has pointed out its work to help Catholics in fighting discriminatory ordinances and public school regulations.

"In his reply to Chairman Day's protest, Cardinal Cushing said he was 'very upset' about the error, noting that the articles were 'hurriedly prepared to be timed with the visit of the leader of international communism to the United States.' He added that the FBI had also pointed out to him the erroneous reference to ACLU.

"'I feel awful about this matter,' the cardinal declared, 'and if you have any reactions to it I will be happy to send a personal note to all who are concerned about it.'"

Hon. Joseph O'Meara, dean, Notre Dame Law School, 20-year member of ACLU, in 1961, in the "Voice of St. Jude," said: "Liberty will not take care of itself, so the ACLU is desperately needed to safeguard our liberty. It is the only organization which is on guard day and night to defend these liberties. Personally, I have disagreed with some of the stands taken by the ACLU, but I am in complete sympathy with its primary purpose, and I think every American citizen should be."

### III. LETTERS TO THE WRITER

One might well note a few comments which have been extracted from letters sent to the writer in spring, 1961. The letters were in answer to his request for opinions about the character of the ACLU:

U.S. Senate, Internal Security Subcommittee: March 3, 1961, from Senator THOMAS J. DODD, vice chairman: "The American Civil Liberties Union has not been cited as subversive by the Attorney General nor is it listed in the House Committee on Un-American Activities 'Guide to Subversive Organizations and Publications'. * * *"

U.S. Congress, House Committee on Un-American Activities: March 22, 1961, from Frank S. Tavenner, Jr., director: "The American Civil Liberties Union has not been investigated by the Committee on Un-American Activities, nor has there been any hearings held in connection with the organization. It has not been cited as a subversive organization by this committee or any other Federal agency. * * *"

U.S. Civil Service Commission, Investigations Division: March 8, 1961, from Woodrow L. Browne, acting chief: "* * * in its investigations the Commission does not treat membership in the American Civil Liberties Union as a loyalty question requiring referral. * * * Neither does the Commission consider such membership as derogatory in evaluating the suitability and fitness of Federal applicants or appointees to positions in the competitive civil service. Membership in this organization is not viewed as disqualifying under the Commission's standards of fitness for Federal employment. * * *"

California Senate, Factfinding Committee on Un-American Activities: March 28, 1961, from R. E. Combs, chief counsel: "* * * I am asking that you be sent a copy of our 1959 report. On pages 144–146 you will find some materials about the ACLU which categorically states that we do not now consider it a Communist front or transmission belt. * * * Having served as a consultant to a Presidential Commission on Government Security in Washington in 1956–57, I had an opportunity to study the techniques of experts in the business of evaluating personnel records for security purposes. I assure you from personal knowledge that none of the experts I knew would come even remotely close to considering membership in the ACLU as evidence of the slightest disloyalty. * * *"

State of California, Department of Justice, attorney general, March 2, 1961, from Nancy Strawbridge, administrative assistant: "Communists believe in destruction of American freedom and our Constitution. The American Civil Liberties Union constantly fights to preserve American freedom and our Constitution. * * * No truly responsible person or organization can accurately label this group as anything but thoroughly patriotic."

### CONCLUSIONS

Admittedly, the writer has, in this presentation, been most favorably inclined toward the ACLU. The reason must be obvious: to bring some balance to police thinking, in the interest of truth and justice, for most police administrators and practitioners have been subjected, within the vocation, to a constant barrage of material vilifying the ACLU, thus making a well-considered appraisal of the organization most difficult.

It is very easy to believe ill of someone or something we want to believe ill of. Most policemen can testify to this, for they are most sensitive to the generalized public reaction and attitude which stigmatize an entire department or the vocation as a whole because of the inept or immoral or foolish actions of an individual policeman or police unit. Most policemen regard this kind of generalized public reaction as unfair, illogical, unjust, and somewhat asinine. The same rationale applies to a consideration of the ACLU. To stigmatize a chapter, or the organization as a whole, because of the inept or immoral or foolish actions of an individual ACLU member or units is to be just as unfair, illogical, unjust, and asinine.

The objectives of ACLU and the objectives of law enforcement are worthy and in keeping with the common good. There is no good reason, in the opinion of the writer, why the ACLU and the law enforcement vocation cannot work hand in hand in a mutual effort to secure ordered liberty for our people. There is no good reason, in the opinion of the writer, why the ACLU cannot make acceptable suggestions to law enforcement for the better protection of individual liberties, nor why law enforcement cannot make acceptable suggestions to the ACLU for the better achievement of public support of activities aimed at community security.

In its dealing with each other, the ACLU and the American police service must learn to conduct a dialog with precision and with scrupulous regard for objective evidence. Merely because the ACLU loudly and insistently points up both real and imagined civil rights violations is no reason for law enforcement to respond with an attack on ACLU personalities. And merely because the police regularly and forcefully make both legal and illegal arrests in acting to repress crime is no reason for ACLU to form an unbending antipolice state of mind. Impartial, objective, and rational appraisal of the points at issue, both by police and civil libertarian, will assist in the mutual solution (or at least a better mutual grasp) of a grave problem of democratic law enforcement: the achievement of ordered liberty in a manner that wisely balances individual freedom with collective security.

Both police and civil libertarian must avoid the mental rut wherein the police mind looks upon any criticism as the work of a "bleeding heart" or "subversive," and wherein the civil libertarian looks upon any crime repression as the work of "heavy handed brute" or "storm trooper." Discussions between law enforcement people and ACLU people should be on a logical basis, with emotional polemic at a minimum, and with a strict regard for the complete facts.

This writer is quite sanguine that professional police administrators and policemen are fully as stalwart in defense of civil liberties as are members of ACLU. And this writer is quite sanguine that wise and learned ACLU members are fully as enthusiastic in supporting strong crime repression activities as are members of the law enforcement vocation.

As a matter of fact, this writer can see no paradox, no contradiction in terms, no friend-foe dichotomy, and no necessary embarrassment in terms of police membership in ACLU and would offer that consideration to all professional police administrators and practitioners.

No professional police administrator or practitioner would need fear the ACLU membership condition which states: "The ACLU needs and welcomes the support of all those, and only those, whose devotion to civil liberties is not qualified by adherence to Communist, Fascist, KKK, or other totalitarian doctrine."

## PHILADELPHIA FREEDOM WEEK, 1962

Mr. CLARK. Mr. President, during the week beginning June 27, and ending July 4, Philadelphia will celebrate Freedom Week, 1962. I am happy to advise the Senate that the principal address on July 4 at Independence Hall will be made by the President of the United States, Hon. John Fitzgerald Kennedy. I am confident that the President's remarks on that occasion will constitute an important contribution to the study of our foreign policy, as he will be speaking in the hallowed building where both the Declaration of Independence and the Constitution of the United States were drafted and signed.

I sincerely hope that a substantial delegation from the Senate of the United States will attend the ceremony and hear our President speak on this vital subject.

I ask unanimous consent to have printed at this point in the RECORD the schedule of events during Freedom Week, 1962, in Philadelphia.

There being no objection, the schedule of events was ordered to be printed in the RECORD, as follows:

### PHILADELPHIA FREEDOM WEEK, 1962

### JUNE 27 TO JULY 4

Wednesday, June 27, Independence Hall, 12 noon: Presentation of "Philadelphia Firsts" to firms and institutions founded in Philadelphia as the first of their kind in the Nation. Drexel Institute Chorus of 150 voices. Band music. Nationally known speaker.

Thursday, June 28, Washington Square, 12 noon: Raising of the colors of Thirteen Original States by Children of American Revolution. Freedom messages from the Governors of the Thirteen Original States and featuring participation by descendants of the signers of the Declaration of Independence. Laying of wreath on Tomb of Unknown Soldier of Revolutionary War. Band music. Fife and drum corps.

Friday, June 29: Special naturalization ceremonies in Old City Hall, where the first Supreme Court met. Nationally known speaker will address the assembly.

Saturday, June 30: Special tours to historic places such as Independence Hall, Betsy Ross House, Christ Church, Benjamin Franklin's Grave, Olympia, Valley Forge, and City Hall for panoramic view of city.

Sunday, July 1: Inauguration of Son et Lumiere, the spectacular light and sound pageant of history, "The American Bell," written by Archibald McLeish, narrated by Frederic March, Independence Hall.

Monday, July 2: Salute to Freedom Fighters of the World, Independence Hall, 12 noon. Freedom Week Committee in cooperation with Free Europe Committee will present program at Independence Hall featuring nationally known speakers, band music, etc.

Monday, July 2: Arrival in Philadelphia of Yankee Doodle Dandies from the Thirteen Original States. These are boys and girls who were all born on the 4th of July and who have won a competition in their home State, thereby earning the privilege of coming to Philadelphia to compete for the title of National Yankee Doodle Dandy, the winner to present an original short essay on "What My American Freedoms Mean to Me" at the annual Independence Day ceremonies at Independence Hall. Residents of the Thirteen Original States are encouraged to come to Philadelphia for these historic 4 days in July (July 1–4) to support their State's Yankee Doodle Dandy.

Tuesday, July 3: Competition among Yankee Doodle Dandies for title of National Yankee Doodle Dandy to be held in Congress Hall which is being renovated and which will be open again to the public for the first time in June.

Wednesday, July 4: Official Independence Day services at colonial church. Annual Independence Day ceremonies at Independence Hall. Program highlighted by colorful pageant of flags in salute to the 50 States and to the Governors of all the States who will be in Philadelphia on July 4. Pageant presented by Philadelphia Council of Boy Scouts of America and Girl Scouts of Philadelphia. Prominent personality of the theatrical world in a reading of the excerpts of the Declaration of Independence. (Marian Anderson has been invited to do this.) Musical tribute by the winning Mummers Band dressed in satins and plumes. Miss Liberty Belle, Philadelphia teacher of American history, who is Freedom Week's Ambassadress of Freedom. The colonial clad figure makes her farewell appearance. National Yankee Doodle Dandy presents his winning essay and Philadelphia's Yankee Doodle Dandy who presents the "Children's Declaration," a reaffirmation of a child's faith in the American way of life. Musical birthday tribute to the Yankee Doodle Dandies by Philadelphia Police and Firemen's Band. Greetings from the mayor of Philadelphia, greetings from the Governor of Pennsylvania, greetings from the U.S. Senators from Pennsylvania, greetings from the House of Representatives, presentation of Philadelphia Freedom Award to former President Harry S. Truman, and an address by President John F. Kennedy. In the afternoon the Independence Regatta on the Schuylkill. In the evening, fireworks. Free parking at Independence Hall parking lots.

## KEY ISSUES OF WAR AND PEACE—ADDRESS BY DR. LEO SZILARD

Mr. CLARK. Mr. President, in the past few months, Dr. Leo Szilard, who is now living in Washington, D.C., has spoken at Harvard, Swarthmore, Western Reserve, the University of Chicago, the University of California at Berkeley, Stanford, Reed, Oregon University, and Sarah Lawrence on the question "Are We On the Road to War?" The text of the speech given at those nine colleges and universities appeared in article form in the April 1962 issue of the Bulletin of Atomic Scientists. For a provocative, original, and highly stimulating discussion of some of the key issues of war and peace now confronting the Nation, I commend to Senators a reading of Dr. Szilard's article.

I do not necessarily endorse everything that Dr. Szilard has said, but I believe his views are worthy of widespread public discussion.

Mr. President, I ask unanimous consent that the text of Dr. Szilard's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### ARE WE ON THE ROAD TO WAR?

(By Leo Szilard)

For a number of years now, you have had an opportunity to observe how we, as a nation, respond to the actions of the Russians, and how the Russians respond to our responses. Those of you who have watched closely the course of events in the past 6 months, may have been led to conclude that we are headed for an all-out war. I myself believe that we are, and that our chances of getting through the next 10 years without war are slim.

I personally find myself in rebellion against the fate that history seems to have in store for us, and I suspect that some of you may be equally rebellious. The question is, What can you do?

War seems indeed to be inevitable, unless it is possible somehow to alter the pattern of behavior which America and Russia are exhibiting at present. You, as Americans, are not in a position to influence the Russian Government; it follows that you would have to bring about a change in the attitude of the American Government which, in turn, may bring about a similar change in the attitude of the Russian Government.

It is conceivable that if a dedicated minority were to take effective political action, they could bring about the change in attitude that is needed. But such a minority can take effective action only if it is possible to formulate a set of political objectives on which it may unite.

Ever since the end of the war, the policies of the great powers have consistently followed the line of least resistance, and this line leads to an unlimited arms race. I do not believe that America can be made secure by keeping ahead in such an arms race.

There have been repeated attempts to stop the arms race by negotiating an agreement that would provide for some form of arms control. So far, all such attempts have failed, and each time they were followed by the continuation of the arms race, with renewed vigor.

Toward the end of the Eisenhower administration, it was generally expected that the next administration would adopt a new approach to this problem and that a fresh attempt would be made to bring the arms race under control.

When Khrushchev was in New York a year ago last October, I tried to see him, in the hope of finding out how responsive he might be to such a new approach. I was told that they had scheduled 15 minutes for me but, as it turned out, the conversation went on for 2 hours. At that time, it was not known whether Kennedy or Nixon would get elected, and I started off the conversation by saying that no matter who is elected, the Government would try to reach an understanding with Russia on the issue of stopping the arms race. Khrushchev answered—and he spoke in all seriousness—that he believed this also.

A year ago last November, I checked out of the hospital in New York, where I had been confined for over a year, took a taxi to the airport, and flew to Moscow to attend the sixth Pugwash Conference on Science and World Affairs. I was accompanied by my wife, who is also my doctor, and I stayed on in Moscow for about a month beyond the end of the conference. I stayed on in Moscow in order to engage in private conversations with our Russian colleagues, because I knew from experience that only in private conversations is it possible to get anything across to them or to discover what they really believe to be true.

None of our Russian colleagues brought up the issue of bomb tests in any of these conversations in Moscow, even though 2 years earlier some of them had been passionately interested in this issue. I found, however, an undiminished interest in far-reaching disarmament which would result in substantial savings. On one occasion, I had tea with Fedorov, the General Secretary of the Soviet Academy of Sciences, with no one present except my interpreter. I had met Fedorov before and I always got along well with him. On this particular occasion, he spoke to me as follows:

"You must really believe me when I tell you that we want general disarmament. You have seen all this construction work going on in Moscow; it has been going on for many years; still we are not able to catch up with the housing shortage. If we had disarmament, we could not only solve this problem, but many of our other economic problems as well. Also, we could develop other nations on an unprecedented scale. So far, we are building only one hydroelectric dam in Africa—the Aswan Dam in Egypt; if we had disarmament, we could, and we would, build 20 such dams in Africa."

I tried to impress upon our Russian colleagues that the Kennedy administration would make a serious effort to reach an understanding with Russia on the issue of arms control, but that the new administration would need time—6 months and more than 6 months perhaps—to find its bearings on this issue and to get organized to deal with it.

When I returned to this country in February, I decided to stay in Washington for a while.

In Washington, my friends told me that the Government was going to make a sincere effort to reach an agreement with Russia on the cessation of bomb tests and that a reasonable proposal would be made to the Russians on this issue. They would have liked to hear from me that Russia would be likely to accept such a proposal, but coming fresh from Moscow, I had serious doubts on this score.

The invasion of Cuba took me by surprise. When I first heard about it, it was not clear, as yet, whether we were going to give air support to the invading Cuban exiles and whether we would, if necessary, send in the Marines also. My immediate reaction was that of alarm, for I believed that if we did any of these things, we would seriously risk war with Russia. I did not think that Russia would try to intervene in the Caribbean area, and I did not think that the Russians would launch long-range rockets aimed at our cities. I thought, however, that Russia might make some military move elsewhere, probably in the Middle East.

In retrospect, it would seem that I was wrong, for Tom Slick of the Slick Oil Co., in San Antonio, Tex., recently set forth, apparently on good authority, that, if America had openly intervened in Cuba, at that point, Russia would have moved into West Berlin.

I would not venture to appraise just how close we came to an all-out war on the occasion of the Cuban incident. I am reasonably certain, however, that if our intervention in Cuba had been successful, this would have blocked for many years to come any possibility of reaching an agreement on arms control with Russia. Failure to reach an accommodation on the Berlin issue might, of course, produce the same result.

I would not entirely exclude the possibility of war over Berlin, but to me, it seems more probable that this crisis will be resolved by some uneasy compromise, and that it will not lead to an all-out war. Russia may bring pressure in West Berlin in order to promote any one of a number of her foreign policy objectives, but on the larger issue, the issue of Germany, the true interest of America and Russia is the same. The true interest of both countries is to have Europe politically as stable as possible.

I am convinced that the Berlin issue could be satisfactorily resolved by negotiations, but this conviction is based on the belief that there is something that the Russians want that we should be willing to give them, and that there is something that we want that the Russians should be willing to give us in return.

There are many people who do not share this belief. They hold that the Berlin issue was artificially created by Russia for the purpose of humiliating America, for breaking up NATO, and for converting West Germany into a Communist state.

Many people, perhaps the majority, believe that the Russians are very much like the Nazis; that they have concrete plans for bringing about, one way or another, our total defeat in Europe, and also for subjugating the whole world to their rule.

Many people have a black and white picture of the world; they believe that the nations fall into two classes: the peace-loving nations, and those who are not peace-loving. America, France, England, and generally speaking our allies, including Germany and Japan, are peace-loving nations. Russia and China are not peace-loving nations. Twenty years ago, the situation was somewhat different: at that time, Russia was a peace-loving nation, but Germany and Japan were not.

Many people believe that ever since the atomic bomb forced the unconditional surrender of Japan, America has unceasingly tried to rid the world of the bomb, and that Russian intransigence, alone, blocked progress in this direction.

When I listen to people who hold such views, I sometimes have the feeling that I have lived through all this before and, in a sense, I have. I was 16 years old when the First World War broke out, and I lived at that time in Hungary. From reading the Hungarian newspapers, it would have appeared that whatever Austria and Germany did was right and whatever England, France, Russia, or America did was wrong. A good case could be made out for this general thesis, in almost every single instance. It would have been quite difficult for me to prove, in any single instance, that the newspapers were wrong, but somehow, it seemed to me unlikely that the two nations, located in the center of Europe, should be invariably right, and that all the other nations should be invariably wrong. History, I reasoned, would hardly operate in such a peculiar fashion, and gradually I was led to conclusions which were diametrically opposed to the views held by the majority of my schoolmates.

Many of my schoolmates regarded me as something of an oracle because I was able to cope with the mysteries of lower arithmetic which baffled them and one of them asked me one day quite early in the war who would lose the war. I said that I didn't know who would lose the war, but that I thought that I knew who ought to lose the war; I thought that Austria and Germany, as well as Russia, ought to lose the war. Since Austria and Germany fought on one side, and Russia on the other side, it was not quite clear how this could happen. The fact is, of course, that it did happen.

I am not telling you this in order to impress you with how bright I am. Nobody at 60 can claim to be as bright as he was at 16, even though in most cases it is not the intelligence that deteriorates, but the character. The point I am trying to make is that even in times of war, you can see current events in their historical perspective, provided that your passion for the truth prevails over your bias in favor of your own nation.

After the First World War, when I lived in Berlin, a distinguished friend of mine, Michael Polanyi, asked me one day what I thought ought to be the rule of human conduct regulating the behavior of an individual in society. "Clearly," he said, "you cannot simply ask a man to be generous to other people, for if the other people are mean to him, and if he follows your rule, he may starve to death. But," said Polanyi, "perhaps the rule ought to be 'Be 1 percent more generous to people than they are to you.'" This should be sufficient, he thought, because if everyone were to follow this rule, the earth would, step by step, turn into a livable place.

I told him that, to my mind, this would not work at all, because if two people behave the same way toward each other, each is bound to think that he is 30 percent more generous than the other. Clearly, the rule would have to allow for this bias. Perhaps if we were to stipulate as the rule of conduct, "Be 31 percent more generous to the others than they are to you," such a rule might work.

America and Russia are not following any such rule of conduct. Moreover, their bias greatly exceeds 30 percent.

Most Americans apply a yardstick to America's actions which is very different from the yardstick which they apply to Russia's actions. Whenever their bias in favor of their own nation gets into conflict with the truth, the odds are that the bias will prevail. As a result of this, they are not capable of seeing current events in their historical perspective. They may well realize that we are in trouble, but they cannot correctly diagnose the cause of the trouble and, therefore, they are not in a position to indicate what the right remedy might be.

The people who have sufficient passion for the truth to give the truth a chance to prevail, if it runs counter to their bias, are in a minority. How important is this minority? It is difficult to say at this point, for, at the present time, their influence on governmental decisions is not perceptible.

If you stay in Washington, you may gain some insight into the manner in which governmental decisions come about; you may get a feel of what kind of considerations enter into such decisions, and what kind of pressures are at work.

With President Kennedy, new men moved into the administration. Many of them understand the implications of what is going on and are deeply concerned. But, they are so busy trying to keep the worst things from happening, on a day-to-day basis, that they have no time to develop a consensus on what the right approach would be, from the long-term point of view.

There are also a number of men in Congress, particularly in the Senate, who have insight into what is going on and who are concerned, but mostly they lack the courage of their convictions. They may give a lucid analysis of the trouble in private conversations and then at some point or other they will say: "Of course, I could not say this in public."

In Washington, wisdom has no chance to prevail at this point.

Last September, Life magazine printed an article about me which said that I was in Washington trying to find out if there was a market for wisdom. Thereupon, I received a flood of letters from colleges and universities inviting me to give lectures. Most people get some pleasure out of hearing themselves talk, and so do I; yet I did not see much point in going around the country giving talks, if all I had to say was that there was no market for wisdom. Therefore, I declined all these invitations; that is, I declined them all, until Brandeis University invited me to attend a special convocation and receive an honorary doctor's degree. At that point, my vanity got the better of me, and I accepted. At Brandeis, I spoke at dinner informally to the trustees and fellows of the university, and this was my closest contact with grassroots since I moved to Washington—if, indeed, you may regard the trustees and fellows of Brandeis as grassroots.

I told them at Brandeis that I thought we were in very serious trouble; people asked me what there was that they could do about it, and I had no answer to give.

Is there, indeed, anything that these people—and for that matter I, myself—could do at this point that would make sense?

When I got back to Washington, I started to think about this, and I believe it will be best now if I simply recite to you how my thoughts developed from this point on.

The first thought that came to my mind was that in cooperation with others, I could try to set up an organization in Washington—a sort of lobby, if you will—which would bring to Washington, from time to time, scholars and scientists who see current events in their historical perspective. These men would speak with the sweet voice of reason, and our lobby could see to it that they be heard by people inside the administration, and also by the key people in Congress.

The next thing that occurred to me was that these distinguished scholars and scientists would be heard, but that they might not be listened to, if they were not able to deliver votes.

Would they be listened to if they were able to deliver votes?

The minority for which they speak might represent a few percent of the votes, and a few percent of the votes alone would not mean very much. Still, the combination of a few percent of the votes and the sweet voice of reason might turn out to be an effective combination. And if the minority for which these men speak were sufficiently dedicated to stand ready not only to deliver votes, but also to make very substantial campaign contributions, then this minority would be in a position to set up the most powerful lobby that ever hit Washington.

The problem which the bomb poses to the world cannot be solved except by abolishing war, and nothing less will do. But first of all, we must back away from the war to which we have come dangerously close.

Could such a dedicated minority agree not only on the long-term political objectives which need to be pursued in order to abolish war, but also on the immediate political objectives, the objectives which must be pursued in the next couple of years, in order to make the present danger of war recede to the point where attention can be focused on the task of abolishing war?

America cannot be made secure by keeping ahead in an atomic arms race and an agreement providing for arms control is a necessary first step toward abolishing war.

An agreement on arms control does not seem to be, however, around the corner. It might very well be, therefore, that in the immediate future America would have to take certain unilateral steps. Some of the steps would be taken in order to reduce the present danger of war; other steps would be taken so that if a war breaks out, which neither America nor Russia wants, it may be possible to bring hostilities to an end before there is an all-out atomic catastrophe.

Such unilateral steps are not adequate substitutes for negotiated agreements, and they can carry us only part of the way, but still there are some unilateral steps which should be taken at the present time and I propose to discuss at this point what these steps may be.

The issue of bomb tests and the issue of bomb shelters are peripheral issues; they are more the symptoms of the trouble we are in than the cause of the trouble, and I propose to turn now to issues which I believe to be more relevant.

1. Nothing is gained by America's winning meaningless battles in the cold war, and a change of attitude in this regard is urgently needed. Take the International Atomic Energy Agency in Vienna, for instance. This organization has at present no function whatsoever, and if it is maintained in existence at all, it should be maintained as an exercise in cooperation among nations.

The first director of this agency was an American, and his term expired recently. Since, next to America, the Soviet Union is the most important atomic power, America could have proposed that the next director of the agency be a Russian. Instead, America proposed a Swede, who was not acceptable to the Russians, and since America had the votes she was able to win one more victory in a meaningless battle of the cold war.

All this victory accomplished was to reduce the chances of finding some useful function for this agency, because the Russians resent being pushed around in this agency and there is no way for us to force them to play ball.

I believe that it would be important for the Government to reach a major policy decision, and for the President to issue an Executive order against fighting meaningless battles in the cold war.

We have a cultural exchange program with the Russians but their State Department and our State Department are playing a game of "if you hit our scientists, we shall hit your scientists." Accordingly, our State Department imposes senseless travel restrictions on our Russian colleagues who visit this country. These travel restrictions are not aimed at the safeguarding of any secrets, but are merely a way of hitting back at travel restrictions which the Soviet Government occasionally imposes on American scientists who travel about in Russia.

I believe that representations ought to be made, at as high a level of the administration as is necessary, for the Secretary of State to find some other assignment in the State Department for those who have, up till now, handled the East-West cultural exchange program.

2. I believe that America could and should make unilaterally two crucially important policy decisions and that she should proclaim these decisions.

First of all, America should resolve and proclaim that she would not resort to any strategic bombing of cities or bases of Russia (either by means of atomic bombs or conventional explosives), except if American cities or bases are attacked with bombs, or if there is an unprovoked attack with bombs against one of America's allies.

Further, America should make a second policy decision and should proclaim this decision. In order to understand the meaning and relevance of this second decision, it is necessary to consider the following:

Soon after the war, when Russia did not as yet have any atomic bombs, she proposed that the bomb be outlawed. This could take the form of a unilateral pledge, given by each atomic power, that it would not resort to the use of atomic bombs, either for the purpose of attacking cities or bases, or as a tactical weapon to be used against troops in combat.

Recently, Sulzberger of the New York Times discussed with Khrushchev the possibility of such unilateral pledges, renouncing the use of the bomb. Khrushchev said, on this occasion, that if there were a war, even if at first only conventional weapons were used, subsequently the side which is about to lose the war would find it impossible to abide by its pledge and would resort to the use of the bomb.

This brings out what I believe to be the crux of the issue, that today it might still be possible to resist force with force, but the objective of the use of force must no longer be victory. The objective must only be to make a conquest difficult and expensive.

If force is used then an all-out war, which neither side wants, can be avoided only if both sides recognize that the use of force must not be aimed at victory, or anything approaching victory.

Keeping this point of view in mind, America could and should adopt the policy that, in case of war, if she were to use atomic bombs against troops in combat, she would do so only on her own side of the prewar boundary.

In case of war America would then be bound by a pledge to this effect as long as Russia imposed a similar restraint on her conduct of the war.

Manifestly, this type of use of atomic bombs would be a defensive operation and, moreover, it would be a very effective defensive operation, either on the part of Russia or on the part of America, as long as the restraints remain in effect on both sides.

Such a pledge would be no less clear than the simple pledge renouncing the use of the bomb, but it would be much easier to keep and therefore it would be a more believable pledge. And if neither side aimed at anything approaching victory, then it would substantially reduce the danger of an all-out war.

When I discussed this issue in Germany 3 years ago, people there said that if the ground forces of the Allies were pushed back to the Rhine, and America used atomic bombs against troops in combat between the Rhine and the Oder-Neisse line, many West German cities might be destroyed by American bombs. I do not know to what extent West German cities could be spared by a judicious tactical use of atomic bombs by American forces, but I do know that if America were to use bombs beyond the prewar boundary, West German cities would be destroyed by Russian bombs.

Recently, the United Nations Assembly vetoed with a more than two-thirds majority, 55 against 20, to outlaw the use of atomic bombs in war. The use of atomic bombs in warfare was declared by the Assembly to be a crime and a violation of the United Nations Charter.

Since the machinery of the United Nations was set up for the purpose of maintaining peace among the smaller nations, assuming the cooperation of the great powers to this end, attempts to regard a two-thirds vote of the Assembly as legally binding must necessarily fail. Still the United States must not fly in the face of world opinion and simply disregard the vote of the General Assembly, when a two-thirds vote of the Assembly expresses the legitimate concern of the great majority of the nations that the use of atomic bombs in warfare might lead to a world catastrophe. Rather, out of respect for world opinion and in its own interest, the United States ought to go as far toward complying with it as valid considerations for its own security permit. The restrictions on the use of atomic bombs in case of war which I am advocating are advocated with this end in view.

Western Europe is not inferior to Russia either in manpower or in resources and it would be possible for Western Europe to build up within 5 years conventional forces to the point where it could renounce the use of atomic bombs against troops in combat in case of war. But even this would be to no avail unless the nations involved give up any thought of fighting limited wars for "limited objectives" and resort to force only to make a conquest difficult and, with luck, to prevent it.

As long as there is no agreement providing for arms control, and Russia remains in possession of large stockpiles of bombs, America has no choice but to maintain a strategic atomic striking force. However, it should maintain such a force only as protection against America or her allies being attacked with bombs. The number of bombs retained for this purpose need not be very large, and more important than the number of bombs retained is the invulnerability of the bases from which they would be launched. If these bases are invulnerable, so that no single massive attack against them could substantially damage America's ability to retaliate, then America needs to retain only enough bombs to be able to destroy in retaliation a substantial number of Russia's cities, after giving due notice to permit their orderly evacuation.

It must be made clear, however, that if America adopts the policy here advocated, she thereby renounces the threat of strategic bombing as a general deterrent because she could then make this threat only in case Russia would drop bombs, and drop them on our side of the prewar boundary.

I, personally, do not believe that America would lose much by giving up the threat of strategic bombing, because the deterrent effect of such a threat is negligible unless the threat is believable.

If America were to threaten to drop bombs on a large number of Russian cities in case of war, knowing full well that Russia would retaliate by dropping bombs on a large number of American cities, such a threat would be tantamount to a threat of murder and suicide. The threat of murder and suicide would not be a believable threat in the context of the so-called Berlin crisis, nor would it be a believable threat in the context of any other similar conflict in which America's rights and interests may be at stake, but not America's existence as a nation.

Those responsible for the planning of strategy in the Department of Defense would concede this much.

According to persistent press reports there is, however, an increasingly influential school of thought in the Department of Defense which holds that, in case of war with Russia, America may engage in strategic bombing, aimed at the destruction of Russian rocket bases and strategic airbases. America would not bomb any of Russia's cities if she can help it, as long as Russia did not bomb any of America's cities.

This school of thought holds that, at present, Russia does not have many long-range rocket bases and strategic airbases, that the location of many of these bases is known, and that most of them are vulnerable and could be destroyed by attacking them with bombs. By building enough long-range solid-fuel rockets (Minutemen) and submarines capable of launching intermediate range solid-fuel rockets (Polaris) America may be able to keep ahead in this game for the next 5 years.

Those who advocate such a policy believe that if America should succeed in knocking out, say, 90 percent of Russia's strategic atomic striking forces, then the Russians would probably speak to us as follows: "We have enough rockets left to destroy a large number of American cities, but we know that if we did this America may retaliate by destroying all of our cities. Therefore, we are going to hold our fire and we propose to negotiate peace. We concede that the power balance has now shifted in America's favor and we are now willing to yield on a number of issues on which we took an inflexible stand prior to the outbreak of hostilities." If this were to happen America would have won a victory even though it may be a victory in a limited sense of the term only.

Naturally if there is a war and America resorts to the bombing of bases in Russia, one could not expect the Russians to sit idly by and watch America picking up step by step one base after another. It follows that America would have to start the strategic bombing of Russian bases with a sudden, massive attack and to try to destroy all vulnerable Russian bases of known location in the first attack.

There are, of course, people in the Department of Defense who have serious doubts that America would actually carry out such a first strike against bases, in case of war, yet they believe that—at the present juncture—it is a good thing to threaten to bomb Russian bases in case of war because this is a more believable threat than the threat of "murder and suicide."

I do not know just how believable this threat is, but I do know that at best we are purchasing an increased restraint on Russia's part for a year or two, and that we are purchasing it at a very high price. For whether we adopt such a strategy or merely give Russia the impression that we have adopted such a strategy, we are provoking an all-out atomic arms race and may within a very few years reach the point of no return, in this regard.

Therefore, I believe that it is imperative to oppose: (a) the adoption of plans which call for a first strike against Russian rocket and strategic air bases in case of war, and (b) the adoption of the policy of "deterring" Russia, with the threat that America would resort to such a first strike in case of war. I believe that the rejection of both these policies is an attainable political objective because there is considerable doubt within the administration of the wisdom of these policies.

3. America could and should resolve that atomic bombs and the means suitable for their delivery, which are supplied by her and which are stationed in Europe, shall remain in the hands of American military units which are under American command, rather than be placed under the control of NATO. As long as America is committed to defend Western Europe, there is no valid argument for turning over bombs to the control of other Western European nations.

Germany is going to put increasingly strong pressure on the U.S. Government to turn over such equipment to NATO control, and I would be in favor of balancing any such pressure by bringing domestic political counterpressure to bear on the Government.

America should stand firm in opposing the production of atomic and hydrogen bombs by Germany as well as the production of means suitable for their delivery.

It is conceivable, of course, that all attempts to achieve arms control may fail and that in the end it will not be within the power of the United States to prevent Germany from producing its own bombs and rockets. At about the same time the United States may however also free herself from her commitments to defend Germany against external military intervention. But we are not concerned at this point with developments that may conceivably occur in the unpredictable future.

4. Not every issue can be solved by Congress passing a law, and there are borderline issues where political action alone can bring no solution because the specific knowledge is lacking of how to go about the solution. The issue of general disarmament seems to be such a borderline issue.

I believe that, at the present time, little could be gained by bringing pressure on the administration to enter into formal negotiations with Russia on the issue of general disarmament, because—as they say, "You can lead a horse to the water, but you can't make him drink."

I believe that no substantial progress can be made toward disarmament until Americans and Russians first reach a meeting of the minds on the issue of how the peace may be secured in a disarmed world.

American reluctance to seriously contemplate general disarmament is largely due to uncertainty about this point. If it became clear that a satisfactory solution of this issue is possible, many Americans may come to regard general disarmament as a highly desirable goal.

On the issue of how to secure the peace in a disarmed world, progress could probably be made reasonably fast through nongovernmental discussions among Americans and Russians. I believe that such discussions ought to be arranged through private initiative, but with the blessing of the administration.

The Russians know very well that America is not ready seriously to contemplate general disarmament and this, to my mind, explains why, in spite of being strongly motivated for disarmament, the Russian Government displays in its negotiations on this issue much the same attitude as does the American Government. As far as negotiations on disarmament are concerned, hitherto both Governments have been mainly guided by the public relations aspect rather than by the substantive aspect of the issue.

The Soviet Union's attitude might change overnight, however, if it became apparent that America was becoming seriously interested in disarmament.

The Russians are very much aware of the economic benefits they would derive from disarmament, and I believe that the Soviet Union would be willing to pay a commensurate price for obtaining it. It stands to reason that this should be so for the Soviet Union spends on defense an even larger fraction of her industrial output than America does.

America is at present committed to protect certain territories which are located in the geographical proximity of Russia. In the case of general disarmament, America would not be able to live up to any such commitments. Disarmament would therefore be politically acceptable to America only if it is possible for her to liquidate her present commitments—without too much loss of prestige and without seriously endangering the interests of the other nations involved.

Khrushchev seems to be very much aware of this. Therefore, if it came to serious negotiations on the issue of disarmament, and if it became manifestly necessary to reach a political settlement in order to permit America to liquidate her military commitments, then the Soviet Union might go a long way toward seeking an accommodation.

5. General disarmament may, if we are lucky, eliminate war, but it would not end the rivalry between America and Russia.

It is a foregone conclusion that American efforts toward creating an orderly and livable world will be frustrated in southeast Asia and Africa because of our failure to devise forms of democracy which would be viable in these regions of the world. The task of devising forms of democracy which would be suitable to the needs of such areas is not a task that the Government can handle. Various forms of democracy may have to be devised which are tailor made to fit the various areas. A major private group could tackle and ought to tackle this problem. If it is not solved, more and more underdeveloped nations may become dictatorships; some of them may have a rapid succession of dictator after dictator and, in the end, the people may have to choose between chaos and communism.

It is a foregone conclusion that America's efforts to raise the standard of living of underdeveloped nations may be frustrated in those areas where the birth rate is high, infant mortality is high, and there is little arable land left. Improvement in the standard of living will initially lead to a fall in infant mortality, and if the birth rate remains high, the population will shoot up so rapidly that economic improvements will not be able to catch up.

Our failure to develop biological methods of birth control, suitable for the needs of such areas, is responsible for this state of affairs. The development of such methods is not a task which the Government can undertake. The Government could not create research institutes which would attract scientists who are ingenious and resourceful enough to come up with an adequate solution. A major private group could and should tackle this problem.

If it should turn out that it is possible to formulate a set of political objectives on which reasonable people could generally agree, and if these objectives could count on the all-out support of a sizable and dedicated minority, then I should be impelled to go further, and I would plan to go further along the following lines:

I would ask about 15 distinguished scientists to serve as fellows of a council which might be called Council for Abolishing War or perhaps Council for a Livable World. The fellows (who are all scientists) would elect the board of directors, but membership on the board would not be restricted to scientists.

This council would, first of all, assemble a panel of political advisers, and then in close consultation with these advisers, it would formulate two sets of objectives. To the first set belong those objectives which cannot be attained at the present time through political action because it would take further inquiry, and perhaps even real research to know, in concrete terms, what needs to be done. To the second set belong those objectives which can be pursued through political action because it is clear what needs to be done.

The fellows of the council would set up a research organization aimed at the pursuit of the first set of objectives, and they would elect the trustees of that organization. The fellows of the council would also set up a political organization aimed at the pursuit of the second set of objectives, and they would elect the board of directors of that organization. Because one of the major functions of the second organization would be to lobby, we may refer to it for our purposes as the lobby.

The council would hold hearings, perhaps one every 4 months, and would subsequently proclaim in detail the immediate political objectives it proposes to advocate. It would communicate these objectives, perhaps in the form of a series of pamphlets, to all those who are believed to be seriously interested. Those who regularly receive the communications of the council would be regarded as members of the movement, if they are willing actively to support at least one of the several specific objectives proclaimed by the council.

It seems to me that there is no need to enlist those who are interested as members of an organization. What one needs to create is not a membership organization, but a movement.

The articulate members of the movement would be expected to discuss the relevant issues with editors of their newspaper and various columnists and other opinion makers in their own community. They would be expected to write to, and in other ways keep in touch with, their Congressman and the two Senators of their own State.

One of the functions of the lobby would be to help the members of the movement clarify their own minds on the political objectives they wish actively to support.

The members of the movement would be regarded as pledged to vote in the primaries as well as in the elections. As far as Federal elections are concerned, they would be pledged to cast their vote, disregarding domestic issues, solely on the issue of war and peace.

The members of the movement would be regarded as pledged annually to spend 2 percent of their income on campaign contributions. The members would be asked to make out a check payable to the recipient of the campaign contribution but to mail that check to the Washington office of the lobby for transmission. In this manner the lobby would be in a position to keep track of the flow of campaign contributions.

Those in high income brackets may be left free to contribute 3 percent after taxes rather than 2 percent before taxes.

All members of the movement would be free to wear an emblem that would identify them as members of the movement, if they wish to do so.

Those who cannot spend 2 percent of their income on campaign contributions may regard themselves as supporters of the movement if they spend either 1 percent of their income or $100 per year, according to their preference. Such supporters of the movement may receive the advice and guidance of the lobby on the same terms as the members of the movement.

So that each member of the movement may know where his contribution should go, in order to be most effective in furthering the political objectives which he has chosen to pursue, the lobby would keep in touch with each member. The lobby would keep the members informed about the particular contests for seats in Congress which are of interest to the movement; but it may advise one member to take an interest in one of these contests and another member to take an interest in another of these contests.

For covering the operating expenses of the lobby and the research organization (which would be maintained independently from and operated parallel to the lobby), one would look to the members of the movement. Each year a certain group of the members would be asked by the lobby to contribute 2 percent of their income to it, rather than to spend it for political contributions. One year this group might be composed of those whose names start with the letter "C." Another year it might be composed of those whose names start with the letter "R," etc.

The movement must not wield the power that it may possess crudely. People in Washington want to be convinced, they do not want to be bribed or blackmailed. He who gives consistently financial support to certain key Members of Congress may evoke their lasting friendship and may count on their willingness to listen to him as long as he talks sense. He who talks to Members of Congress, but does not talk sense, will not accomplish anything of lasting value, even if he temporarily sweeps some Members of Congress off their feet by making huge political contributions to them.

There are many intelligent men in Congress who have insight into what goes on; the movement could help these men to have the courage of their convictions. There are others in Congress who are not capable of such insight; the only thing to do with them is not to return them to Congress, and to replace them with better men. This may make it necessary to persuade better men to run in the primaries and to stand for election. To find such better men must be one of the main tasks of the movement, and the lobby must be prepared to help members of the movement to perform this task.

I did not come here to enlist any of you in such a movement or to launch such a movement. I came here to invite you to participate in an experiment that would show whether such a movement could be successfully launched.

First of all, I ask each of you to look into your own heart and try to discover whether you yourself would want to participate in a political movement of the kind described, provided the objectives—as formulated from time to time—appeal to you and you thought that the movement could be effective.

Those of you who wish to participate in the experiment are asked to show a copy of this speech to people in your home community who might be interested and to determine who of these would be likely to be part of a dedicated minority that would give all-out support to a movement of the kind I have described.

I would appreciate your writing me, as soon as possible, how many people you have talked to and how many of these and who of these (name and address), you think, could be counted upon.

If the result of this experiment indicates that such a movement could get off the ground, provided it were started in the right way and on a sufficiently large scale, then the Council for Abolishing War would be constituted. Presumably the council would attempt to identify 25,000 individuals who would be willing to make campaign contributions in the amount of 2 percent of their income. Presumably, if the council is successful in this, the fellows of the council would proceed to establish the lobby.

By the time the movement attains 150,000 members it would presumably represent about $20 million per year in campaign contributions or $80 million over a 4-year period.

Whether such a movement could grow further and come to represent not only a decisive amount in campaign contributions but also a significant number of votes, would then presumably depend on the future course of world events.

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## DISTORTED ATTACK ON U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Mr. CLARK. Mr. President, the May 15, 1962, issue of the Economic Council Letter was brought to my attention recently. It contained such a grossly distorted and blatantly inaccurate attack on the U.S. Arms Control and Disarmament Agency, that I sent a copy to Mr. Foster, the Agency's Director, for comment. Since other Members of Congress may have seen the letter or received complaint about the Agency from constituents who saw the letter, I ask unanimous consent that the May 15 letter of the Economic Council and the Agency's Council and the Agency's comments on it be printed in the Record.

There being no objection, the letter and comments were ordered to be printed in the Record, as follows:

U.S. Arms Control and Disarmament Agency,
*Washington, D.C., June 4, 1962.*

The Honorable Joseph S. Clark,
*U.S. Senate.*

Dear Senator Clark: This is in reply to your letter of May 21 in which you enclosed Economic Council Letter No. 527, dated May 15, 1962, commenting on the Public Law 87–297, the Arms Control and Disarmament Act. I note that the National Economic Council and its president, Mr. Merwin K. Hart, have consistently written disparagingly of many U.S. institutions and policies. It is not surprising, therefore, that now the council is undertaking to attack the new U.S. Arms Control and Disarmament Agency. While it is not useful to deal with all the inaccuracies contained in the letter, I believe there are some major inaccuracies which should be made the subject of specific comment.

The first criticism made by the letter is a criticism of the powers given to the Director of the Arms Control and Disarmament Agency. The first instance which the letter cites as an exclusive power is: "He may negotiate directly with representatives of other nations, with international organizations, with diplomatic representatives of the United States at home and abroad."

The letter is apparently referring to section 34(a) of the act which provides as follows:

"Sec. 34. Under the direction of the Secretary of State—

"(a) the Director, for the purpose of conducting negotiations concerning arms control and disarmament or for the purpose of exercising any other authority given him by this Act, may (1) consult and communicate with or direct the consultation and communication with representatives of other nations or of international organizations and (2) communicate in the name of the Secretary with diplomatic representatives of the United States in this country and abroad."

I fail to find anything extraordinary in the Congress authorizing an official, who is responsible to the President and the Secretary of State, to conduct negotiations with foreign governments. This authority was requested in the draft bill transmitted by the President and was recommended by the Secretary of State in his testimony in support of the bill. The authority contained in this bill was endorsed by the major high officials of the Eisenhower and Truman administrations who had broad experience with disarmament problems. These include former Secretaries of Defense Robert Lovett and Thomas Gates and former Secretary of State Christian Herter. President Eisenhower himself endorsed the need of an expanded effort in the field of arms control and disarmament as is represented by the Arms Control and Disarmament Agency.

To make perfectly clear how U.S. disarmament policy is made I want to stress that all important policies are decided by the President after thorough discussion by a Committee of Principals which consists of the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the President's National Security Adviser, the President's Science Adviser, the Chairman of the Atomic Energy Commission, the Director of the U.S. Information Agency, and the Director of the U.S. Arms Control and Disarmament Agency.

Furthermore, you will note that the author of the letter failed to note the proviso in section 33 of the act, which reads as follows:

"Sec. 33. The Director is authorized and directed to prepare for the President, the Secretary of State, and the heads of such other Government agencies, as the President may determine, recommendations concerning United States arms control and disarmament policy: *Provided, however,* That no action shall be taken under this or any other law that will obligate the United States to disarm or to reduce or to limit the Armed Forces or armaments of the United States, except pursuant to the treaty making power of the President under the Constitution or unless authorized by further affirmative legislation by the Congress of the United States."

The second objection made by the author of the letter is that the Agency, by executive order, may take over the activities and facilities of the Defense Department, including records, property, civilian personnel, and funds. The author of the letter instructs anyone who doubts this to read section 47 of the law. The letter goes on to state, however, that although the Congress might, within 60 days, prevent any such transfer, this provision could be evaded by a transfer ordered when Congress was not in session. Here I believe that the author of the letter should have followed his own advice and read section 47 of the law because 47(b) expressly provides that "No transfer shall be made under this subsection until (1) a full and complete report concerning the nature and effect of such proposed transfer has been transmitted by the President to the Congress, and (2) the first period of 60 calendar days of regular session of the Congress following the date of such report by the Congress has expired without adoption by either House of the Congress of a resolution stating that such House does not favor such transfer. The procedures prescribed in title II of the Reorganization Act of 1949 shall apply to any such resolution." In other words, the statement that such a transfer could be made effective when Congress was not in session is a plain misstatement.

The author of the letter apparently finds objectionable the fact that a disarmament agreement which might be negotiated for presentation to the Senate might include provision for the "elimination of our Army, Navy, and Air Force," and for "the establishment of a United Nations Force." The author's description of such a disarmament agreement is completely in error and has no relationship to anything contemplated by the U.S. Government when he writes: "All that would be left to the people of the United States would be the world police force," and the people of the United States would have "their personal rifles, shotguns, and revolvers, on which free people depend, in the last analysis, for their defense against tyranny, * * * first registered and then seized." In the first place, the U.S. disarmament plan has proposed no such seizure of small arms. In the second place, if freedom could be guaranteed against tyranny by the sole existence of rifles, shotguns, and revolvers, then today the people of Hungary, of East Germany, of Poland, and of other countries would be free. They had such weapons, but the Soviets had tanks, missiles, aircraft, and submarines. These are some of the weapons the Soviet Union has used to suppress freedom. The U.S. disarmament policy is directed toward finding means for achieving peaceful settlement of differences rather than through the use of such arms.

The Economic Council letter does not grasp at all the purpose of a disarmament policy. It does not understand that behind such a policy is the effort to remove the likelihood of a destructive and catastrophic war engulfing the world and destroying our civilization. The author of the letter would have his readers think that only U.S. weapons were being reduced, whereas the program is directed at removing force and aggression as the tools of Soviet states. As the weapons of the Soviet Union and the United States are reduced, and whether the Soviet Union will let us inspect its territory to verify that they have been reduced is still a great obstacle to agreement, the United States contemplates the strengthening of the United Nations. It is firm U.S. policy to work for the use of law rather than force as the major means by which disputes can be settled and this is where the United Nations and its various subsidiary agencies have helped to prevent and stop aggression. Any United Nations peace force established would only be established after the United States, including two-thirds of the U.S. Senate, had been satisfied that the political control over such a force in no way jeopardized our national security.

The author of this letter completely overlooks the emphasis which is placed upon the reduction and elimination of those arms which are aimed at the United States by our potential enemies. The adoption of such an attitude would not help the security of the United States; it would put it in greater jeopardy. As President Kennedy said in his United Nations address last fall:

"Today, every inhabitant of this planet must contemplate the day when this planet may no longer be habitable. Every man, woman, and child lives under a nuclear sword of Damocles, hanging by the slenderest of threads, capable of being cut at any moment by accident or miscalculation or by madness. The weapons of war must be abolished before they abolish us.

"Men no longer debate whether armaments are a symptom or a cause of tension. The mere existence of modern weapons—10 million times more powerful than anything the world has ever seen, and only minutes away from any target on earth—is a source of horror, and discord, and distrust. Men no longer maintain that disarmament must await the settlement of all disputes, for disarmament must be a part of any permanent settlement. And men no longer pretend that the quest for disarmament is a sign of weakness—for in a spiraling arms race, a nation's security may well be shrinking even as its arms increase."

Sincerely yours,

William C. Foster.

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[From the Economic Council Letter, May 15, 1962]

### What Goes on Here?

On September 26, 1961, an act to establish a U.S. Arms Control and Disarmament Agency was signed into law (Public Law 87-297) by the President. The National Economic Council was one of the first to write about this in council letter No. 512, October 1, 1961.

If there is a more dangerous law on the statute books, the National Economic Council is unaware of it. It should be repealed forthwith.

Because the law covers more than 8 pages and its provisions are set forth in legal verbiage, requiring puzzling out by the average mind, its dangerous implications are not readily grasped. Perhaps many of the Senators and Representatives voting for the act did not fully see its potentials.

The Director of this Disarmament Agency, under the direction of the Secretary of State, is clothed with enormous and unprecedented powers, which may be augmented by Executive orders.

He may negotiate directly with representatives of other nations, with international organizations, with diplomatic representatives of the United States at home and abroad.

The Agency, by Executive order, may take over the activities and facilities of the Defense Department, including records, property, civilian personnel, and funds. You doubt this? Read section 47 of the law.

While it is true that Congress may, within 60 days, exercise its veto power on certain acts of the Agency, it is possible that transfers may be ordered while Congress is not in session. The law must be read and studied before its full significance can be comprehended. For example, the law defines the terms "arms control" and "disarmament" as meaning "the identification, verification, inspection, limitation, control, reduction, or elimination of Armed Forces and armaments of all kinds." During the debate in the House an endeavor was made to strike out the word "elimination," as its inclusion could result in the United States being left without any Armed Force whatever. The endeavor failed (80 noes, 52 ayes). Where were the rest of the Members?

In short, the Agency may well be called, in the words of Representative Ashbrook, of Ohio, the surrender agency. In its potentials, it permits the signing away of some of our essential sovereign rights, it authorizes the transfer of our atomic energy plants, it permits the elimination of our Army, Navy, and Air Force, it envisages the establishment of a United Nations Peace Force, it points, of course, to vast unemployment and consequent depression, coupled with the toughest of reemployment problems.

The very existence of this Agency calls loudly for every citizen to use all possible legitimate means to induce his Congressman and two Senators to go about wiping this ill-conceived law from the statute books, if we are to remain a free and sovereign people. It's as important as that.

Under this act the people of the United States could be completely disarmed. Their Army, Navy, and Air Force could be taken from them. Their personal rifles, shotguns, and revolvers, on which free people depend, in the last analysis, for their defense against tyranny, would be first registered and then seized.

All that would be left to the people of the United States would be the world police force. But that police force would be directed by the United Nations. The Congress and the legislatures of the States—indeed, the President of the United States himself—would have no say in the matter.

And the United Nations would not leave its interests in the United States to American police, for such police units might side with American citizens. The police units stationed in the United States would be made up from other countries, say, from Russia, Red China, India, Cuba, the Congo, and Ghana. How will you like that, Mr. and Mrs. American Citizen and American boy and girl? But once this situation comes it will make no difference whether you like it or not. It will be fastened on you. And your children's children will exist under it.

So the time to act is now. The time to get mass action is on Independence Day—on July 4 next. The Arms Control and Disarmament Act must be repealed. Write to Theodore Jackman, Post Office Box 9517, St. Petersburg, Fla., sending 15 cents for one copy of his broadside, containing much information. Send $1 and get seven copies. Call a small meeting of thoughtful citizens of your community and plan to take action. What action? It will come to you when you read this broadside.

Incidentally, you will note from this broadside whether your Congressman and your two Senators voted for or against this act. If against, ask one of them to be the speaker at a public meeting; if for, ask some other strong public man to speak.

Every candidate for either House of Congress from your district or State must know how you feel.

This disarmament act must be repealed.

## CONTEST WITHOUT WAR

Mr. CLARK. Mr. President, William Ernest Hocking, Alford professor emeritus of philosophy, Harvard University, has sent to me a remarkable paper he has written entitled "Footholds: Toward a World Order Allowing Contest Without War." With his permission I should like to share his writing with readers of the CONGRESSIONAL RECORD, I ask unanimous consent that Professor Hocking's paper and the covering letter which he wrote to me be printed in the RECORD.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

MADISON, N.H.,
*April 30, 1962.*

Hon. JOSEPH S. CLARK,
*Senator From Pennsylvania,*
*Washington, D.C.*

DEAR SENATOR CLARK: You have been calling for fresh and constructive thinking about ways to achieve peace. You have stated eight premises, and mentioned certain areas for discussion. You have spoken of the climate of opinion in this country as needing improvement.

In my judgment, you are sounding just the right note. And what is needed is not a mass of technical literature, but a very plain grouping of the judgments on which a way out of the intricacies over which we could stumble into a meaningless war can be shown. This I have tried to do, and I submit it as a partial response to your call.

Yours very truly,
WILLIAM E. HOCKING.

### FOOTHOLDS

(By W. E. Hocking)

### PREFACE

*Raison d'etre*

Civilized humanity is today drifting toward a war which no one wants and no one could win.

One might comment on the absurdity of this situation, if it were not a threat of the utmost tragedy; the most powerful civilization the world has known, powerful in mental command and technical equipment, devoid of a clear plan for escaping self-destruction.

Why?

The root trouble—I risk the assertion—is in the morals of our high mentality—our willingness to assume that we know what the war, if it came, would be about, when in fact we do not know. And we lack the moral force to face our confusion and fight our way through to truth. There is no issue which a war could settle.

We know well enough the names of the opposing parties, their banners, their slogans—compact names for opposing beliefs in economy, politics, philosophy—and we assume that we know the world purpose of our opponent as involving our own compulsory acceptance of his ideology. Refusing this putative compulsion, in the name of liberty versus dictatorship, we think we have a sufficient casus belli.

We are uneasily aware that party names and banners have to be compact commoncoin; that actual issues are thus oversimplified. We are somewhat less on our guard as to the need that a banner adopt an ideal as a party perquisite, an object of exclusive virtue and loyalty; these banner labels cannot stop to note the limiting conditions of validity (as of liberty unlimited) nor to confess sheltered self-interests snuggling under the flag of the ideal. Each moves toward presenting its case to the world, and incidentally to itself, as the all good versus the all evil. Such a situation, if it were actual, would still hardly condone a war of annihilation, though it might ease the concept: but to believe it actual requires an abeyance of thought.

The chief source, however, of our present confusion is elsewhere. There is, indeed, a conflict of ideologies; but with that, a conflict of cliques and methods, the tactics by which the opposing groups undertake to put their ideologies into effect. The word "communism" has in many quarters almost lost interest as a type of social-economic organization, coming to stand primarily for a certain strategy of expansion which offends our principles of fairplay. We disapprove of the ideology, but we are not proposing to settle accounts with it by war; what we propose to fight is "the gang" and its methods.

We confuse our thinking by the assumption that communism is identified with this method of advancing its cause. With a moment's reflection we recall that the association is historical, not intrinsic. Communism appears in this century as a party of revolution, inheriting the ethic of an uphill fight, confronting not a ballot-box rejection but an avowed will to destroy the movement root and branch. As a matter of life and death, a revolutionary party is likely to reply with all the methods of political realism, of cunning, cruelty, deceit. It attempts to enforce acceptance of its ideology, creating by terror a false unanimity of opinion; it demands the obsequious services of artists and men of letters; it resorts at heed to banishment and assassination. It creates, in brief, the police state, as long as its own survival is threatened by an opponent whom it regards as equally unprincipled and far more hypocritical.

In our abhorrence of these methods, we incline to treat communism as a block-phenomenon whose ideology is completely disposed of, for all decent citizens, by the procedures of its advance, supported by its theory of class war, and its appeal to revolution in its own classics.

For us of today, the strife we have to deal with is thus twofold: it is a conflict of ideologies; but it is also a conflict of the groups or "gangs" and their modes of action, their principles or lack of principle.

And the current attempts to deal with this strife fall into two classes showing different types of futility. There are those who argue it out with the contrasting ideologies, as if they were the whole issue, easing the whole picture into an academic frame, as in a Platonic dialogue. And there are those who deal solely with the gangs-and-methods, assuming the crimes of revolution inherent in the ideology, and condemning in advance anyone who so much as lends an ear to the reprobate point of view. Both of these attempts, I say, are futile. But the second, closing in advance any possibility of cure, is incapable of recognizing actualities. Erich Fromm rightly calls this temper pathological.

I shall follow neither of these programs. I shall begin with the ideologies-in-action, developing their own self-criticism through experience. I shall then propose a method of interaction which can supplant the distemper of the revolutionary upsurge, a way to contest without war.

But this effort, as of today, must not involve another learned treatise, another opportunity for confusion. The immediate need is for a wide and general clarity, a singling out of the underlying simplicities, the grounds of necessary agreement which underlie every actual contest, and a method of workout for the residual and very real issues, a method compatible with world order.

I shall here try to outline those few commonsense footholds, practically self-evident, which can provide an arena for orderly contest and judgment.

WILLIAM ERNEST HOCKING.

APRIL 30, 1962.

### FOOTHOLDS TOWARD A WORLD ORDER ALLOWING CONTEST WITHOUT WAR

I. Every ideology, when put into practice on a national scale, is changed by experience.

This holds good whether or not such changes are acknowledged by authorities committed to an orthodoxy. For experience—as distinct from outside criticism—brings about one's own discovery of faulty premises, or of faulty apprehension of the ideas involved, and so initiates the process of self-correction.

(Self-correction is at the basis of that type of change or development of ideas sometimes called "dialectic").

II. As a result, there is in the world today, on a national scale, no pure communism and no pure capitalism.

The U.S.S.R. economy approaches a state capitalism—as all industrializing involves a conservative accumulation of capital and a study of personal incentive. The U.S. economy, with graduated income tax, New Deal legislation, compulsory contribution to "social security" * * * approaches in various respects a "welfare state."

In brief, all working economies are "mixed economies"; the originally hostile ideologies, without losing contrast of principle, tend to converge, a most striking history of unintended rapprochement.

III. In view of this convergence, pure hostility—the all-good-versus-all-evil attitude—is no longer even intelligent.

Pure evil, if we can find it, deserves no toleration, still less appeasement: all that is decent in us revolts against compromising with corruption for the sake of peace. But the will to find pure evil—indulging the luxury of condemnation—may be equally vicious. No great power can today intelligently devote itself to the political extinction of its ideological opponent, engaged as that opponent must be—and verifiably is—in the inexorable process of learning from experience.

The alternative, accepted coexistence, experimental and competitive, becomes the rational basis of policy, at the moment when it has become the necessary basis, since nuclear war has become an intolerable resort, an uncivilized threat.

The ideal of requiring unconditional surrender, implied by the demand to push the cold war to the point of victory, thus calling out the maximum of fear and disposition to preventive attack, involves the maximum of fallacy, and of provocation—a perfect example of the Roman adage, optima corrupta pessima, "the corruption of the best becomes the worst." (summa jus summa injuria).

IV. It follows at once, in direct challenge to current assumptions—that no great power can, in sober realism, entertain the goal of world conquest.

This goal is radically different from the "world revolution" of traditional Marxian eschatology, a proletarian overturn from within. But the vision of world-sway still animates the expensive urge of Communist policy—legitimate enough, provided the means used are open competitive persuasions rather than force or fraud. The myth of world triumph is the normal utopia of every warmly held political ideal; the nature of that vision excludes the notion of military conquest as a fit means for making an ideal prevail.

But my present point—in full view of the enormous military preparations on both sides, and also of the catch-as-catch-can methods of Communist advance—is that no great power, thinking through the actual position of a world conqueror, can in sober realism want it. The facts of experimental change, just reviewed, undermine the conviction of finality essential to the intent of world conquest. And, in addition, the following considerations make themselves felt:

The problem of administration on a world scale present obstacles no government is prepared to meet. It suffices to imagine the U.S.S.R. undertaking to administer the United States, whether before or after a nuclear holocaust.

The self-interest of each competitor, during the experimental period, calls for the continuing existence of its opposite number, as a source of critical ideas and techniques. Obviously, the conquest of either competitor by the other would at once terminate the competition, with its independent experiments. But further, the actual lively concern for scientific, technical, cultural exchange implies that neither opponent wishes the elimination of the other.

And since in the present confrontation, world conquest means the destruction of one competitor, the play of brinkmanship, indulged in by both, holds itself carefully from actual explosion, even if destruction were not self-destruction: the play is permeated with a pathological insincerity. The 'aim at world conquest' is a synthetic nightmare.

V. Once the sham of world conquest is disposed of, the vicious circle of the arms race is potentially broken.

That circle I have elsewhere formulated as follows: communism must be destroyed, because, for communism, capitalism must be destroyed. And for communism, capitalism must be destroyed, because, for capitalism, communism must be destroyed.[1]

Both premises now disappear. The arms race becomes an intolerable masquerade.

In point of fact, the perilous poise of complete readiness to strike, without striking, indicates the presence of an effective inhibition toward authorship of mass ruin: let us say a factor within the psychological reality of a will-not-to-destroy, to that extent, however subordinate, an element of world peace in action.

And the presence of this fragmentary motive contains the promise of the possibility of world law. The hope for a working international law, rendered difficult by the absence of a common world-custom, world-tradition—the historical background which Savigny rightly demands for an effective code—has led to the assumption that international law can be excogitated from general ethical principles, and that we can thus gain "World Peace Through World Law." But law can have no hold on minds not moved by the dignity as well as the fragility of the civilization so far achieved on both sides of the line. We must rather reach world law through world peace. And of that peace, we have a glimpse in this inhibition, which implies common agreement on coexistence and the conditions of intercourse and experiment.

VI. The cancellation of world conquest as an objective calls for an affirmative technique for advance beyond the stage of denunciatory confrontation. Coexistence implies not only the right to carry on the ideological experiment, each for itself, but a mutual interest in the progress of each experiment: the experiment is by each party, but it is for mankind.

A state of cultural tension has been historically a frequent perhaps normal, condition of thinking humanity (though never before has such tension enjoyed the advantage of such clear-cut ideological definition, extended more or less vaguely to the thinking masses). The outcome of such tensions has frequently been a synthesis, a union of opposing ideas—with correction—more significant than either alone.[2] The dialectical self-corrections of experience frequently result in unintended syntheses: our "mixed economies" are cases in point, in effect tentative syntheses; so also the set of principles proposed by Sun Yat Sen in his San Min Chu I, now honored alike by Mao Tse-tung's China and a new postage stamp issued by Uncle Sam, none less. But syntheses cannot be aimed at; they must arrive as hypotheses, subject to the test of experience. And they imply an intimate acquaintance by each of the experiment of the other.

The most effective and available instruments of advance are exchanges in the personnel of the sciences and arts, and conferences across boundaries.

VII. For significant experiment in the field of the existing opposition of ideologies, there are certain postulates to be observed.

We note that the opposition is not simply economic: it affects the entire area of human life—politics, ethics, the meaning of history, law, religion, the liberty of the arts—an ideology is a composite social directive, with its own uniting esprit de corps. And obviously, deliberate experiment on a national scale, and in full view of other nations, is not feasible over this whole range. Obviously, also, it will involve the political arm.

Recalling that a nation, by its nature, is an experiment in lawmaking, an individual experiment having its own flavor, the political arm may fairly undertake experimental alterations in the national institutions, subject to these conditions:

a. Imposing ideas, beliefs, sentiments by political power is a self-defeating enterprise, at once a violation of human dignity and an insured futility. It is the chronic illusion of political power that it can compel belief.

b. The state may, however, undertake experiments in the field of overt action; and an experiment requires unanimity of action pro tempore, within the implied behavior; and with the possibility that the experience may induce changes of opinion. (The attempt to regulate agriculture is a case in point, in which the political arm itself may have something to learn.)

c. Divergent experiments on opposite sides, pertinent to the present conflict, must have as one aim, to determine the area of necessary agreement, with the understanding that no opposition can be total.

VIII. The sciences have become the natural center of this technique of exchange and conference across boundaries. For here the necessary agreements are most obvious and most central. The instruments of all social action, whether of economy or war, depend for their success on a valid scientific groundwork; and the radical advances in the physical sciences connected with the names of Max Planck, Niels Bohr, Lorentz, Einstein, have compelled all human techniques of contention to come to unity on their terms.[3]

There was at one time an official Soviet psychology (centered on Pavlov) and an official Soviet biology (Lysenko). But the compulsions of the competition itself have established unity of technique in these fields. Joint conferences, such as those begun at Pugwash, tend to extend this area. The techniques underlying industry, and involving property, yield agreement less readily, but the yield (as in agriculture, in which U.S.S.R. has often welcomed the sharing of methods, from the time of the early efforts in dryfarming to the recent exchanges on the arts of raising corn).

Though an ideology is in one sense a philosophy, and an area of necessary agreement in philosophy would be most effective, rapprochement is here most difficult; and yet also visible, as when "dialectical materialism," strongly disturbed by new concepts of matter, considers whether matter is "autodynamic." Conferences between philosophers, across boundaries, are under consideration, not with the idea of eliminating differences, but with the idea of defining them.

IX. Experimental mixtures of the commune-and-authoritative with the individualist-and-free will not be limited to the major contestants. They must be in order in wide variety, and under a wide range of political backgrounds.

Hence the notion of throwing around the Western Hemisphere a cordon sanitaire from which Socialist ingredients are to be excluded becomes incongruous. Monroe Doctrines are not qualified to exclude ideas, nor experiments with ideas.

Nor can the United States in accord with its own professions impose its system on others, whether affirmatively or by ostracizing its counterpart. Nor can it limit their liberty to undertake experiments of their own choice, assuming that the choice is genuinely their own, and not in turn imposed from outside.

Further, with the vanishing of the shooting-war relation between the opposing types of order, there arises a question whether the proportion of the authoritarian to the individualist may be a function of the stage of development in which a given community stands, rather than an absolute ideal for all states.

X. The ultimate, and most effective, foothold remains to be stated.

The central difficulty in all diplomacy is the problem of the motivation of the opponent. The most reasonable of proposed settlements may be hopeless because of the factors of suspicion and hostility on one side or both. It is almost a fixed habit of the professional diplomat to assume that the motivation of his opponent is a fixed quantity: he represents "the enemy," period.

For any emergence from the present impasse, the indispensable postulate is that the motives of opponents are capable of change in view of the necessary interests, hence agreements, of human beings. The one hopeless foreign policy is that which demands victory over an opponent assumed unchangeably perverse. It is devoid of the one quality capable of effect, the power and will to remake the motives of the antagonist, by way of certitudes necessarily universal, but capable of being invoked only by one who himself is aware of them, ceasing to be the diplomat and becoming for the moment the plain human being with the full sense of good-and-evil as the core of everyman's consciousness, immediately shareable. (And particularly with a willingness to admit the errors of one's own past misdirected hostilities.) (The "Spirit of Camp David" was no illusion; while it lasted it contained the possibility of changing history.)

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[1] Strength of Men and Nations," 128, 182 f.

[2] Cf. Henry A. Murray's important discussion in Daedalus, summer 1961, p. 556 ff., under the heading "Unprecedented Evolutions."

[3] Cf. the series of "Studies in Soviet Thought" published by D. Reidel Publishing Co. of Dordrecht, for the University of Fribourg, Switzerland.

On the basis of such shared certitudes creative risks can be taken including the risk attending unilateral rejection of nuclear tests—not otherwise. This means that the ultimate power in the field of foreign policy must be personal, and find its place in person-to-person encounter. The ultimate effort is to change motives, so that rational coexistence becomes possible; and that effort must never be surrendered.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

## PEACE CORPS IN TANGANYIKA

Mr. HUMPHREY. Mr. President, I noticed in yesterday's Washington Post a two-paragraph story that indicated a considerable amount of criticism in Tanganyika, Africa, relating to the Peace Corps. I am happy to report this morning that I have a letter from the Director of the Peace Corps, Robert Shriver, which reads as follows:

DEAR SENATOR HUMPHREY: You probably saw the attached two-paragraph story in today's Washington Post. I think you will be interested in seeing the full Reuters dispatch which the Post did not carry.

I am also attaching some additional material which may interest you. It underscores the fine reception the Peace Corps has received in Tanganyika. In fact, ministers of the Government of Tanganyika have asked us to send approximately 75 additional volunteers, of which the Peace Corps has agreed to supply 30 nurses and 2 lab technicians this year.

The two paragraphs in the Post this morning gave a completely distorted picture of the situation in Tanganyika, and I wanted you to have the complete story.

Sincerely,
ROBERT SARGENT SHRIVER, Jr.,
*Director.*

I ask unanimous consent that the two-paragraph story of June 12 in the Washington Post be printed in the RECORD at this point, together with the Reuters dispatches from Dar es Salaam, Tanganyika, dated June 12, an article from the Baltimore Sun of Friday, May 18, and another story from Tanganyika, dated June 6, by W. D. Friedenberg, of the Scripps-Howard newspapers.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 12, 1962]

### PEACE CORPS HIT IN TANGANYIKA

DAR ES SALAAM, TANGANYIKA, June 11.—A vitriolic attack on the U.S. Peace Corps was made here today during a budget debate in Parliament.

John Mwakangale, regional commissioner in the Southern Highlands region, said Peace Corps members are "undermining the Tanganyika Government" and that "wherever they are stationed trouble starts."

DAR ES SALAAM, TANGANYIKA, June 12.—Prime Minister R. M. Kawawa defended the Peace Corps last night against a legislator's charges that the young Americans were stirring up trouble in Tanganyika.

The east African leader told Parliament he had challenged John Mwakangale to back up his charges with evidence but the National Assemblyman could not do so.

Several other Government Ministers rose to the defense of the Peace Corps volunteers. One emphasized the Americans had been officially invited to the country.

Mwakangale, who represents the Mbeya district in southern Tanganyika and is Government agent for the region, had complained that there were three Peace Corps workers in his area but none had come to see him.

"Wherever they are, we always hear of trouble," he declared. "You hear of people trying to overthrow the Government. These people are not here for peace. They are here for touble."

Kawawa accused Mwakangale of "irresponsible speech."

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[From the Baltimore Sun, May 18, 1962]

### PEACE CORPS LIFE RUGGED

(By Joseph R. L. Sterne)

DAR ES SALAAM, TANGANYIKA, May 17.—Wading hipdeep in swamps with hippos snorting behind a curtain of tall grass, riding the Kilombero River in a dugout canoe, palavering with tribal chiefs at sunset after a long day on safari, sleeping under thatch-roofed shelters, getting up in the morning to find a crowd of natives wanting to join the hike because there is safety in numbers in elephant country.

Such is the rugged outdoor life that enlistment in the Peace Corps has brought to two young Americans.

As members of the 35-man team of engineers, surveyors, and geologists who arrived in Tanganyika last September, 22-year-old Thomas Katus, of McIntosh, S. Dak., and 24-year-old Jerry Parson, of Albany, N.Y., are ready, henceforth, to take President Kennedy at his word.

Unlike some Peace Corps teachers in West Africa who have found life comparatively soft, the Tanganyika group has encountered the very hardships Mr. Kennedy talked about when he called for volunteers soon after his inauguration.

#### FLOODED TRAILS

Two surveyors spent 6 weeks straight in the bush country near the Ruanda-Urundi border. Katus and Parson have gone on several 80-mile hikes along flooded trails. One volunteer, a Japanese-American named Allen Tamura, spent so much time with the Wogogo tribe that he will become an honorary member when the chief gets around to killing a goat.

Yet, for all these challenges not a single man has wanted out. Going quietly about their job in helping with Tanganyika's $2,500,000 feeder-road program, they have earned the quiet gratitude of this country's newly independent government. Not a single disagreeable incident has occurred. Prime Minister Rashidi Kawawa, when asked his verdict on the Peace Corps effort, said the volunteers here have "done a very good job mixing with the people and encouraging self-help measures."

"We hope to get more of them," he remarked.

#### MORE HELP MAY COME

According to Tanganyikan sources, more help may in fact be on the way later this year. The Government has asked for 30 nurses, 25 experts in land development, and 15 more surveyors and water specialists.

Skilled personnel of this nature is needed because many British civil servants are leaving the country and there are few trained Africans to take their place. In addition, Government services are expanding."

The Tanganyika Peace Corps group, under the leadership of E. Robert Hellawell, a Cleveland attorney, took preliminary training at Texas Western College in El Paso and in Puerto Rico before coming to Africa. Of an original 50-man contingent, 15 were weeded out or withdrew voluntarily.

Those who made the grade received 7 weeks of intensive instruction in Swahili after their arrival in Tanganyika, then reported for their assignments to scattered towns named Njombe Mtwara and Bukoba, Tabora, Dodoma and Morogoro.

As representative members of the group, Katus and Parson had understandable reasons for joining the Peace Corps.

Parson, a young Negro, said "he wanted to know Africa and help people." "I was tired of doing the job I was doing (materials testing for the State of New York) and not doing anything for anyone else."

Katus, a one-time engineering aspirant who is switching to political science, said he felt "the Peace Corps was a damn good idea in our foreign policy for a change." In between safaris he is taking correspondence courses from the University of Minnesota and may try for the Foreign Service.

Both young men have no regrets that they volunteered, but both feel they will have had enough when their tour of duty ends in July 1963.

Like most other members of the Peace Corps here, Parson and Katus have had bouts of dysentery, a predictable disease for newcomers to the bush. They also have learned to be amateur doctors, dispensing medicines to villagers along their line of march.

#### MAKING SURVEYS

Working out of Morogoro, the two volunteers are making preliminary surveys of a trail that is periodically washed out in rainy season.

It will be their task to move the narrow road to higher ground, build culverts over streams cascading into the river and erect simple bridges that can withstand flood pressures. The aim is to make the route passable in all weather so African villagers can get to market to sell their crops and buy supplies.

The Peace Corps effort is but a small part of the large American aid program taking shape here in Tanganyika.

Under the aegis of the Agency for International Development, 74 secondary school teachers are at work and another 61 will come next year. American specialists are assisting in community development, Africanization of the civil service and the establishment of an agriculture school and a teacher training college.

Moreover, Washington has agreed to underwrite a $10 million loan for Tanganyika's 3-year development plan and is rushing relief under the food-for-peace program for villagers isolated by the flooding Rufiji River.

The U.S. program, though not as large as the aid Britain is giving its former trust territory, is one of the key props in Tanganyika's economic planning.

#### TAKES TIME

Economic development, however, takes time as well as money. Planning is hard enough in an underdeveloped country, but carrythrough presents even greater problems. So far, for example, Tanganyika has not been able to launch a single project that will be financed from the loan funds.

For this reason, the Peace Corps has special appeal at this stage in the country's history.

In teaching health, engineering and agriculture, Tanganyika has many skilled and semiskilled jobs to be filled and a surplus of mundane but necessary tasks to be performed without long months of preparation.

One senior British official, who confessed he was skeptical about the Peace Corps when it was first announced, said he had changed his views "180 degrees."

"I take it all back," he smiled. "We have a dozen lads out here now on a Peace Corps type of program and I hope we send many more. It's good for the youngsters, and it's very helpful to Tanganyika."

(By W. D. Friedenberg)

MBEYA, TANGANYIKA, June 6.—A good Peace Corps man nowadays in Tanganyika is hard to find.

They are good, all right. Tanganyika's energetic little Prime Minister Rashidi Kawawa says enthusiastically "They're very good, very helpful. We wish we had more."

The reason they are hard to find is that they are scattered all over the country, out in the bush, doing their job—mainly helping lay out feeder roads in the most remote parts of the land.

The last place to look is in the modest Peace Corps office in the capital city of Dar es Salaam. There is an English secretary holding the fort, but the 35 Peace Corps volunteers themselves are off in Mwanza, Njombe, Morogoro, Mbeya, or some other place you, or they, never heard of before.

Now halfway through their 2-year tour, they have not transformed the face of the countryside, but they have made a few much appreciated nicks in Tanganyika's enormous ground communications problem.

The problem is that this undeveloped country of 360,000 square miles has only 3,500 miles of main roads and 10,000 miles of district roads—dirt, for all but a few hundred miles.

More through routes are needed. But needed even more are bush-country feeder roads to enable farmers to move their corn, cotton and livestock to market, to encourage forestry, mining and transport, and permit Government health, education and information services to penetrate communities now in near isolation.

To survey these feeder roads, there are simply not enough leftover British civil engineers, and the Africans who will someday replace them have not yet been produced in sufficient numbers. This is where the Peace Corps volunteers come in—and go out into the bush.

Here in the mountainous southwest corner of Tanganyika, our man in Mbeya, a town of 5,000, is Rodger Stewart, 22, of Pittsburg, who took leave from Lehigh University after his junior year to join the Corps. (Note, Pittsburgh: Stewart is son of Mr. and Mrs. Howard B. Stewart of 513 Emerson.)

After 7 weeks of orientation and Swahili study in Arusha, he came here. "I'm working with two African assistants, and a crew," Stewart said. "So far we've alined a bunch of feeder roads, and built a little three-room courthouse. Now I'm doing the drawings for a 100-foot bridge."

"I think I'm learning a lot, and I'm having a good time"—and, he admits, when pressed, "Yes, I guess I'm helping out, too."

Most of Stewart's time is spent camping out, traveling around by jeep and foot. He is in town rarely, and is even saving some of his $168 monthly salary.

The Peace Corps takes care of him well. There is a doctor, John King, 26, of Norfolk, Va., who travels around looking after volunteers' ailments. And the Corps sends a weekly newspaper from the States.

One disappointment is that there is relatively little afterwork camaraderie between Peace Corps volunteers and their African workmates. The educational gap is usually pretty wide and in many cases, the general feeling is that talking about the work at hand seems to exhaust the conversational possibilities.

But American-African relations appear to be good—as indeed are United States-Tanganyikan relations. Prudently, the United States is not overpublicizing the Peace Corps, thus making it a blatant political tool, and this makes the Peace Corps work all the more acceptable, appreciated and perhaps successful.

Clearly, Tanganyika would like to have more Peace Corps volunteers after this group goes home.

**Mr. HUMPHREY.** Mr. President, these particular stories give a true picture of what is really happening in reference to the Tanganyikan reception of the Peace Corps.

I also noticed in the paper, as I was reading the morning press, a further story relating to the reception of the Peace Corps personnel in Tanganyika, stating as follows: "Tanganyikans Defend Peace Corps." This story is from the news dispatches from Dar es Salaam, Tanganyika, June 12, and reads as follows:

> Premier R. M. Kawawa defended the Peace Corps last night against a legislator's charge that the young Americans were stirring up trouble in Tanganyika.
>
> The Tanganyikan Premier told Parliament he had challenged John Mwakangale to back up his charges with evidence but the national assemblyman could not do so.
>
> Several other Government ministers rose to the defense of the Peace Corps volunteers.

I ask unanimous consent, Mr. President, that the full text in this news story in the Washington Post of June 13 be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 13, 1962]

### TANGANYIKANS DEFEND PEACE CORPS

DAR ES SALAAM, TANGANYIKA, June 12.—Premier R. M. Kawawa defended the Peace Corps last night against a legislator's charge that the young Americans were stirring up trouble in Tanganyika.

The Tanganyikan Premier told Parliament he had challenged John Mwakangale to back up his charges with evidence but the national assemblyman could not do so.

Several other Government ministers rose to the defense of the Peace Corps volunteers.

Mwakangale, who represents the Mbeya district in southern Tanganyika and is Government agent for the region, had complained that there were three Peace Corps workers in his area but none had come to see him.

#### HE'S NOISY

Mwakangale's voice was often so loud that his words were lost. He was interrupted eight times during his outburst and warned he faced suspension from Parliament unless he lowered his voice.

Mwakangale said, "Are the Peace Corps really here to make peace? It's just the opposite. Wherever they are we always hear of trouble. We hear of people trying to overthrow the Government. These people are not here for peace, they're here for trouble. We don't want any more Peace Corps."

He said the Peace Corps is "undermining the Government."

Mwakangale also launched into diatribe against foreign embassies in Dar es Salaam.

Premier Kawawa later told Parliament "in my experience of membership in this House I must say I've never heard such an irresponsible speech."

#### HE WANTS MORE

The newspaper, Tanganyika Standard, later quoted the Premier as saying that the Peace Corpsmen "have done a very good job of mixing with people and encouraging self-help measures. We hope to get more of them."

The newspaper also quoted praise from other Tanganyikans, including a surveyor, who said:

"They are extraordinary people. They do not consider themselves superior. I find I can mix with them in a way I never could before with white men or Asians."

**Mr. HUMPHREY.** As you know, Mr. President, the charge of the legislator that was critical of the Peace Corps was to the effect that the Peace Corps, and I quote the language, "is undermining the Government." Then the press dispatch goes on to say that:

> Mwakangale also launched into diatribe against foreign embassies in Dar es Salaam. Premier Kawawa later told parliament "in my experience of membership in this House I must say I've never heard such an irresponsible speech."

The only reason why I cite these clippings and news stories and the letter of the distinguished director of the Peace Corps is that we must expect from time to time that there will be irresponsible charges against this splendid program. I am surely not critical of the Washington Post for reporting what obviously was news. When a member of a parliament of another country attacks the program of the United States, there should be a report of it; but what I do think is important is the fact that the true story as related in today's press and by Reuters dispatches, as well as writings from the Scripps-Howard press, is a much more reassuring story. In fact, the Government of Tanganyika has welcomed the Peace Corps. In every country this is the case.

We will always find someone, somewhere, who will attempt to grab the headlines by bitter and irresponsible attacks. I regret that this happened, but I want to thank the Premier of Tanganyika for his stalwart defense of the work of the Peace Corps. I hope those who conduct the activities of the Peace Corps will in no way be affected by this kind of comment in the press or the legislative halls.

This is the part of public life which those of us who are in it expect. The Peace Corps is no exception. It will have its enemies and those who will attempt to misrepresent its purpose.

We can be very proud of the Peace Corps, of its officers, of its representatives, of its staff, of the Director, and of the members of the Peace Corps.

I, for one, am grateful to the Government of Tanganyika for this immediate defense of a splendid program, which is a program to aid other people, one of the finest this Government has today.

**Mr. DIRKSEN.** Madam President, has morning business been closed?

**The PRESIDING OFFICER** (Mrs. NEUBERGER in the chair). Morning business has been closed.

## DEPARTMENT OF DEFENSE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

**Mr. DIRKSEN.** Madam President, has the unfinished business been laid before the Senate?

**The PRESIDING OFFICER.** The unfinished business has been laid before the Senate.

**Mr. ROBERTSON** obtained the floor.

Mr. HUMPHREY. Madam President, I suggest the absence of a quorum.

Mr. ROBERTSON. Madam President, I ask unanimous consent that I may yield for that purpose, with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON. Madam President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTSON. Madam President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc; that the bill as thus amended be regarded, for purposes of amendment, as an original text; provided, that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 4, line 11, after the figures "$239,200,000", to insert the following provisos: "*Provided*, That the Army Reserve personnel undergoing paid drill training and paid from this appropriation shall be maintained at an end strength of not less than three hundred thousand for fiscal year 1963: *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained."

On page 5, at the beginning of line 2, to strike out "$83,800,000" and insert "$87,974,000".

On page 5, line 16, after the word "law", to strike out "$50,100,000" and insert "$56,800,000."

On page 6, line 2, after the word "Code", to insert a colon and the following provisos: "*Provided further*, That the Army National Guard will be programed to attain an end strength of four hundred thousand in fiscal year 1963: *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained."

On page 7, after line 2, to strike out:

### "OPERATION, NAVY

"For expenses, not otherwise provided for, the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and recreation; recruiting expense; transportation services; communications services; maps and similar data for military purposes; military surveys and engineering planning; contracts for maintenance of reserve tools for twelve months beginning at any time during the current fiscal year; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers, including payments in advance for rentals or options to rent land; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; not to exceed $4,193,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government, $3,128,345,000.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, ARMY

"For expenses, not otherwise provided for, necessary for the maintenance and repair of real property facilities of the Army; including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes including hire of motor vehicles; contracts for maintenance of reserve facilities for twelve months beginning at any time during the fiscal year; and field printing plants; $275,000,000, and in addition, such amounts of the appropriation 'Operation, Army' as may be determined by the Secretary of Defense to be necessary to accomplish the purposes of this appropriation may be transferred to and merged with this appropriation."

And in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, ARMY

"For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and recreation; recruiting expenses; transportation services; communications services; maps and similar data for military purposes; military surveys and engineering planning; contracts for maintenance of reserve tools and facilities for twelve months beginning at any time during the current fiscal year; repair of facilities; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers, including payments in advance for rentals or options to rent land; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; not to exceed $4,193,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government, $3,411,845,000, of which not less than $275,000,000 shall be available only for the maintenance of real property facilities."

At the top of page 10, to strike out:

### "OPERATION, NAVY

"For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, including aircraft and vessels; modification of aircraft; design and alteration of vessels; training and education of members of the Navy; administration; procurement of military personnel; hire of passenger motor vehicles; welfare and recreation; medals, awards, emblems, and other insignia; transportation of things (including transportation of household effects of civilian employee); industrial mobilization; medical and dental care; care of the dead; lease of facilities; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; dissemination of scientific information; administration of patents, trademarks, copyrights; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; departmental salaries; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement of services, special clothing, supplies, and equipment; installation of equipment in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves, as authorized by law and not to exceed $6,000,000 for emergency and extraordinary expenses, as authorized by section 7202 of title 10, United States Code, to be expended on the approval and authority of the Secretary and his determination shall be final and conclusive upon the accounting officers of the Government; $2,671,916,000, of which $1,100,000 shall be transferred to the appropriation 'Salaries and expenses', Weather Bureau, Department of Commerce, fiscal year 1963, and $16,980,000 shall be transferred to the appropriation 'Operating expenses', Coast Guard, fiscal year 1933, for the operation of ocean stations: *Provided*, That not more than $311,740,000 may be used for the repair and alteration of naval vessels in Navy shipyards.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, NAVY

"For expenses, not otherwise provided for, necessary for the maintenance and repair of real property facilities of the Navy; including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes including hire of motor vehicles; contracts for maintenance of reserve facilities for twelve months beginning at any time during the fiscal year; and field printing plants; $163,526,000, and in addition, such amounts of the appropriation "Operation, Navy" as may be determined by the Secretary of Defense to be necessary to accomplish the purposes of this appropriation may be transferred to and merged with this appropriation."

And in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, NAVY

"For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, including aircraft and vessels; modification of aircraft; design and alteration of vessels; training and education of members of the Navy; administration; procurement of military personnel; hire of passenger motor vehicles; welfare and recreation; medals, awards, emblems, and other insignia; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; medical and dental care; care of the dead; lease of facilities; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; dissemination of scientific information; administration of patents, trademarks, copyrights; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; repair of facilities; departmental salaries; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement of services, special clothing, supplies, and equipment; installation of equipment in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves, as authorized by law and not to exceed $6,000,000 for emergency and extraordinary expenses, as authorized by section 7202 of title 10, United States Code, to be expended on the approval and authority of the Secretary and his determination shall be final and conclusive upon the accounting officers of the Government; $2,837,142,000, of which not less than $163,526,000 shall be available only for the maintenance of real property facilities, $1,100,000 shall be transferred to the appropriation 'Salaries and expenses', Weather Bureau, Department of Commerce, fiscal year 1963; and $16,980,000 shall be transferred to the appropriation, 'Operating expenses', Coast Guard, fiscal year 1963; for the operation of ocean stations."

On page 13, after line 16, to strike out:

### "OPERATION, MARINE CORPS

"For expenses, necessary for the operation and maintenance of the Marine Corps including equipment; procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement and manufacture of military supplies, equipment and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems and other insignia; operation of station hospitals, dispensaries and dental clinics; and departmental salaries; $170,682,000, of which not to exceed $2,000,000 is to be available only for the payment of a connection charge to the Beaufort Jasper Water Authority.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, MARINE CORPS

"For expenses, not otherwise provided for, necessary for the maintenance and repair of real property facilities of the Marine Corps; including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes including hire of motor vehicles; $21,318,000, and in addition, such amounts of the appropriation 'Operation, Marine Corps' as may be determined by the Secretary of Defense to be necessary to accomplish the purposes of this appropriation may be transferred to and merged with this appropriation."

And in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, MARINE CORPS

"For expenses, necessary for the operation and maintenance of the Marine Corps including equipment and facilities; procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for the enlisted men; procurement and manufacture of military supplies, equipment, and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems and other insignia; operation of station hospitals, dispensaries and dental clinics; and departmental salaries; $193,000,000, of which not less than $21,318,000 shall be available only for the maintenance of real property facilities; and not to exceed $2,000,000 is to be available only for the payment of a connection charge to the Beaufort-Jasper Water Authority."

On page 15, after line 16, to strike out:

### "OPERATION, AIR FORCE

"For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve and the Air Reserve Officers' Training Corps; operation, maintenance, and modification of aircraft and missiles; transportation of things; field printing plants; hire of passenger motor vehicles; recruiting advertising expenses; training and instruction of military personnel of the Air Force, including tuition and related expenses; pay, allowances, and travel expenses of contract surgeons; rental of land or purchase of options to rent land without reference to section 3648, Revised Statutes, as amended, use or repair of private property, and other necessary expenses of combat maneuvers; care of the dead; chaplain and other welfare and morale supplies and equipment; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for enlisted men and patients not otherwise provided for; awards and decorations; industrial mobilization; special services by contract or otherwise; and not to exceed $6,000,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; $4,095,444,000.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, AIR FORCE

"For expenses, not otherwise provided for, necessary for the maintenance and repair of real property facilities of the Air Force; including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes including hire of motor vehicles; contracts for maintenance of reserve facilities for twelve months beginning at any time during the fiscal year; and field printing plants; $269,200,000, and in addition, such amounts of the appropriation 'Operation, Air Force' as may be determined by the Secretary of Defense to be necessary to accomplish the purposes of this appropriation may be transferred to and merged with this appropriation."

And in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, AIR FORCE

"For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve and the Air Reserve Officers' Training Corps; operation, maintenance, and modification of aircraft and missiles; transportation of things, repair and maintenance of facilities; field printing plants; hire of passenger motor vehicles; recruiting advertising expenses; training and instruction of military personnel of the Air Force, including tuition and related expenses; pay, allowances and travel expenses of contract surgeons; rental of land or purchase of options to rent land without reference to section 3648, Revised Statutes, as amended, use or repair of private property and other necessary expenses of combat maneuvers; care of the dead; chaplain and other welfare and morale supplies and equipment; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for enlisted men and patients not otherwise provided for; awards and decorations; industrial mobilization, including maintenance of reserve plants and equipment and procurement planning; special services by contract or otherwise; and not to exceed $6,000,000 for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government, $4,368,644,000, of which not less than $269,200,000 shall be available only for the maintenance of real property facilities."

On page 18, after line 13, to strike out:

### "OPERATION, DEFENSE AGENCIES

"For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments and the Office of Civil Defense), including administration; hire of passenger motor vehicles; welfare and recreation; awards and decorations; travel expenses, including expenses of temporary duty travel of military personnel; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; care of the dead; lease of buildings and facilities; dissemination of scientific information; administration of patents, trademarks, and copyrights; tuition and fees incident to the training of military personnel at civilian institutions; departmental salaries; procurement of services, special clothing, supplies, and equipment; field printing plants; information and educational services for the Armed Forces; communications services; not to exceed $1,165,000 for emergency and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense for such purposes as he deems appropriate, and his determination thereon shall be final and conclusive upon the accounting officers of the Government; $332,048,000.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, DEFENSE AGENCIES

"For expenses, not otherwise provided for, necessary for the maintenance and repair of real property facilities of activities and agencies of the Department of Defense (other than the military departments and the Office of Civil Defense); including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes including hire of motor vehicles; and field printing plants; $13,217,000, and in addition, such amounts of the appropriation 'Operation, Defense Agencies' as may be determined by the Secretary of Defense to be necessary to accomplish the purposes of this appropriation may be transferred to and merged with this appropriation."

And, in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, DEFENSE AGENCIES

"For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments and the Office of Civil Defense), including administration; hire of passenger motor vehicles; welfare and recreation; awards and decorations; travel expenses, including expenses of temporary duty travel of military personnel; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; care of the dead; lease of buildings and facilities; dissemination of scientific information; administration of patents, trademarks, and copyrights; tuition and fees incident to the training of military personnel at civilian institutions; repair of facilities; departmental salaries; procurement of services, special clothing, supplies, and equipment; field printing plants; information and educational services for the Armed Forces; communications services; not to exceed $1,165,000 for emergency and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense for such purposes as he deems appropriate, and his determination thereon shall be final and conclusive upon the accounting officers of the Government; $350,331,000; of which not less than $13,217,000 shall be available only for the maintenance of real property facilities."

On page 21, after line 2, to strike out:

### "OPERATION, ARMY NATIONAL GUARD

"For expenses of training, organizing, and administering the Army National Guard, including operation of structures and facilities; hire of passenger motor vehicles; personal services in the National Guard Bureau and services of personnel of the National Guard employed as civilians without regard to their military rank, and the number of caretakers authorized to be employed under provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Army; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard of the several States, Commonwealth of Puerto Rico, and the District of Columbia, as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $171,800,000: *Provided*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, ARMY NATIONAL GUARD

"For expenses, not otherwise provided for, necessary for the maintenance and repair of real property facilities of the Army National Guard; including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes including hire of motor vehicles; services of personnel of the National Guard employed as civilians without regard to their military rank; $2,600,000, and in addition, such amounts of the appropriation 'Operation, Army National Guard' as may be determined by the Secretary of Defense to be necessary to accomplish the purposes of this appropriation may be transferred to and merged with this appropriation: *Provided*, That the number of caretakers authorized to be employed under provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Army: *Provided further*, That obligations may be incurred under this heading without regard to section 107 of title 32, United States Code."

And, in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

"For expenses of training, organizing, and administering the Army National Guard, including maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personal services in the National Guard Bureau and services of personnel of the National Guard employed as civilians without regard to their military rank, and the number of caretakers authorized to be employed under provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Army; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard of the several States, Commonwealth of Puerto Rico, and the District of Columbia, as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $174,400,000, of which not less than $1,900,000 shall be available only for the maintenance of real property facilities: *Provided*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code."

On page 23, after line 21, to strike out:

### "OPERATION, AIR NATIONAL GUARD

"For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses; operation of facilities for the training and administration of the Air National Guard, including maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard of the several States, Commonwealth of Puerto Rico, and the District of Columbia; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, of Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; $192,800,000: *Provided*, That the number of caretakers authorized to be employed under the provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Air Force and such caretakers may be employed without regard to their military rank as members of the Air National Guard: *Provided further*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, AIR NATIONAL GUARD

"For expenses, not otherwise provided for, necessary for the maintenance and repair of real property facilities of the Air National Guard; including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes, including hire of motor vehicles; services of personnel of the National Guard employed as civilians without regard to their military rank; $1,600,000, and in addition, such amounts of the appropriation 'Operation, Air National Guard' as may be determined by the Secretary of Defense to be necessary to accomplish the purposes of this appropriation may be transferred to and merged with this appropriation: *Provided*, That the number of caretakers authorized to be employed under provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Air Force: *Provided further*, That obligations may be incurred under this heading without regard to section 107 of title 32, United States Code."

And, in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

"For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, material, and equipment, as authorized by law for the Air National Guard of the several States, Commonwealth of Puerto Rico, and the District of Columbia; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, of Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; $194,400,000, of which not less than $1,600,000 shall be available only for the maintenance of real property facilities: *Provided*, That the number of caretakers authorized to be employed under the provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Air Force and such caretakers may be employed without regard to their military rank as members of the Air National Guard: *Provided further*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code."

On page 27, after line 16, to strike out:

### "OPERATION, ALASKA COMMUNICATION SYSTEM, ARMY

"For expenses necessary for the operation of the Alaska Communication System, including purchase of two passenger motor vehicles for replacement only, $6,395,000, and, in addition, not to exceed 15 per centum of the current fiscal year receipts of the Alaska Communication System may be merged with and used for the purposes of this appropriation and charges for station agent agreements may be paid from receipts of the Alaska Communication System.

### "MAINTENANCE OF REAL PROPERTY FACILITIES, ALASKA COMMUNICATION SYSTEM, ARMY

"For expenses, not otherwise provided for, necessary for the maintenance, repair, and improvement of real property facilities of the Alaska Communication System; including minor construction projects, and projects for alteration, expansion, extension or addition, as authorized by law; all other necessary expenses of administration but only when incidental to the foregoing purposes including hire of motor vehicles; $505,000, and in addition, such amounts of the appropriation 'Operation, Alaska Communication System, Army' as may be determined by the Secretary of Defense to be necessary to accomplish the purpose of this appropriation may be transferred to and merged with this appropriation."

And, in lieu thereof, to insert:

### "OPERATION AND MAINTENANCE, ALASKA COMMUNICATION SYSTEM, ARMY

"For expenses necessary for the operation, maintenance, and improvement of the Alaska Communication System, including purchase of two passenger motor vehicles for replacement only, $6,900,000, of which not less than $385,000 shall be available only for maintenance of real property facilities; and, in addition, not to exceed 15 per centum of the current fiscal year receipts of the Alaska Communication System may be merged with and used for the purposes of this appropriation and charges for station agent agreements may be paid from receipts of the Alaska Communication System."

On page 30, line 21, after the word "authorized", to strike out "$2,500,000,000" and insert "$2,555,000,000".

On page 31, line 8, after the word "plants", to strike out "$3,007,970,000" and insert "$3,057,160,000".

On page 31, line 25, after the word "amended", to strike out "$2,907,200,000" and insert "$2,929,200,000", and on page 32, line 3, after the word "expended", to strike out the colon and "*Provided*, That not more than $299,195,000 of these funds may be used for conversion of naval vessels in Navy shipyards."

On page 32, line 20, after the word "plants", to strike out "$901,700,000" and insert "$908,500,000".

On page 33, line 19, after the word "things", to strike out "$3,507,900,000" and insert "$3,604,900,000".

On page 35, line 8, after the word "amended", to strike out "$950,000,000" and insert "$962,500,000".

On page 36, line 9, after the word "law", to strike out "$1,317,000,000" and insert "$1,323,000,000".

On page 36, line 16, after the word "law", to strike out "$1,473,458,000" and insert "$1,478,458,000".

On page 36, line 23, after the word "law", to strike out "$3,480,900,000" and insert "$3,776,000,000", and on page 37, line 2, after the word "and", to strike out "$223,900,000" and insert "$491,000,000".

On page 37, line 14, after the word "expended", to strike out "$439,000,000" and insert "$449,000,000".

On page 51, line 11, after the word "cotton", to insert "woven silk and woven silk blends,", and at the beginning of line 19, to insert "woven silk and woven silk blends,".

On page 58, after line 4, to strike out:

"Sec. 540. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct costs."

And, in lieu thereof, to insert:

"Sec. 540. Of the funds made available in this Act for repair, alteration, and conversion of naval vessels, 65 per centum shall be available for such repair, alteration, and conversion in Navy shipyards, and 35 per centum shall be available for such repair, alteration, and conversion in privately owned shipyards: *Provided*, That if determined by the President to be inconsistent with the public interest based on urgency of requirement, capability, and economy of performance to have such vessels repaired, altered, or converted as required above, such work may be done in Navy or private shipyards as he may direct."

**Mr. DIRKSEN.** Madam President, will the distinguished Senator from Virginia yield?

**Mr. ROBERTSON.** I yield.

**Mr. DIRKSEN.** Madam President, I offer the amendments which I send to the desk and ask to have stated.

**The PRESIDING OFFICER.** The amendments will be stated for the information of the Senate.

The Legislative Clerk. On page 36, lines 23 and 24, it is proposed to strike out "$3,776,000,000" and to insert "$3,456,000,000." On page 37, lines 2 and 3, it is proposed to strike out "$491,000,000 shall be available only for the RS–70 program" and to insert "not to exceed $171,000,000 shall be available for the B–70 (RS–70) program."

**The PRESIDING OFFICER.** Without objection, the amendments offered by the Senator from Illinois will be considered en bloc.

**Mr. KEATING.** Madam President, will the Senator yield for a parliamentary inquiry?

**Mr. ROBERTSON.** I yield.

**Mr. KEATING.** I did not understand the Presiding Officer's ruling. Was it that the amendments of the Senator from Illinois would be considered along with the committee amendments?

**Mr. DIRKSEN.** The committee amendments have been agreed to en bloc.

**Mr. ROBERTSON.** The Presiding Officer announced that, without objection, the committee amendments have been agreed to, leaving the bill as an original text for the purpose of amendment. The distinguished minority leader then sent to the desk, for consideration at an appropriate time, amendments to the bill, as now pending.

**Mr. KEATING.** Madam President, I thank the Senator from Virginia. I wish to make a further parliamentary inquiry.

**The PRESIDING OFFICER.** The Senator will state it.

**Mr. KEATING.** Are the amendments of the Senator from Illinois divisible?

**The PRESIDING OFFICER.** The amendments would be divisible.

**Mr. KEATING.** I thank the Presiding Officer.

**Mr. ROBERTSON.** Madam President, I say at the outset I am glad that the distinguished minority leader has, at the beginning of consideration of the bill, offered his amendment, which clarifies a misrepresentation of his position as reported over the radio this morning. At 8 o'clock there was a report on the radio that the Senator from Illinois was to move that approximately $500 million be cut from the amount in the bill. That report was incorrect. What the Senator is proposing is to strike out the increase for the RS–70 program made by the House and the additional increase made by the Senate committee for the RS–70 program, leaving the figure at exactly the budget estimate for the RS–70 program.

**Mr. DIRKSEN.** The Senator is correct; except that I might have other amendments to offer, which, if agreed to, could aggregate $500 million.

**Mr. ROBERTSON.** I did not know about that. That will be perfectly satisfactory. The Senator, of course, can offer any amendments he wishes to offer.

As I have explained before, this is not a partisan bill. This is neither a Democratic bill nor a Republican bill. It is aimed at our national security. This is not a bill to give employment. The bill is aimed at protecting us from having our brains beaten out by heartless aggressors if they think we are no longer able to defend ourselves.

It is perfectly in keeping for those who think there is no danger to attempt to cut the bill all they please. Whenever they succeed in cutting it, as I shall point out, they will be cutting the sinews of our defense program, which we are building up with the hope that we will never have to fight, because there will be no victor in an all-out nuclear war.

We have considered the bill very carefully. The amount in the bill is actually only $8 million above the budget estimate. There was some fancy footwork on the part of the Department, in setting up the budget, with respect to a fund of $514.5 million which was in the fiscal year 1962 budget. We inserted that amount for the production of long-range bombers because, as General Clay recently told me:

> We cannot implement our foreign policy with a missile.

We also did not feel that our missile program had developed to the point that we could be secure without bombers. We did not feel that our missile program had developed to the point that at any given time we could press a button and, from all established bases both here and in Europe, have nuclear warheads fired upon any enemy which attacked us. We know it is our long-range bombers which protect us; and which, as Winston Churchill once said, preserve "an uneasy peace."

Therefore, last year we put in the budget the sum of $514.5 million for the continued production of long-range bombers, the only bombers we had which could go to the enemy and return again.

**Mr. DIRKSEN.** Madam President, will the Senator yield?

**Mr. ROBERTSON.** I should like to finish my thought. It will take only a minute.

We provided that the funds could not be used for any other purpose. The administration, for reasons best known to itself, refused to spend the money.

This year the Department representatives said, "Remove the limitation, and then we shall have $514.5 million to spend, and it will not appear in the budget." We said, "Oh, no. Oh, no; we will rescind your authority. Then, when you spend the $514.5 million, you will have it in your budget."

In these circumstances, there was some fancy bookkeeping involved, which made it appear that the committee recommendations were very much in excess of the budget estimates; as a matter of fact, the committee recommendations would be under the budget estimates except for the increase included therein for the RS–70 program.

All those who wish to put their faith in missiles alone, who do not think we need any long-range bombers, plus all of those who do not think we shall engage in a war, can say, "Why spend for military purposes, when we want a tax cut, more bread, and circuses?" They can seek to cut the bill in any way they please.

They should bear in mind, first, that there is a difference of opinion about the necessity for long-range bombers, if we are to have a balance in our military program; a program which includes the ability to fight brush wars as well as nuclear wars. We must have an instrumentality of defense and of attack at the same time; something which can be dispatched toward the enemy territory, and, if advisable, be recalled. If we conquer a nation, men will be required to occupy it. That is one issue.

Another issue is: Do we want to take the chance of a change of heart by Mr. Khrushchev, or whoever may succeed him in the Politburo? Do we believe that the Communists are only indulging in an idle boast when they say, "We will bury you"? Do we believe that they are going to change their hearts with respect to Stalin's and Lenin's program of world domination? If so, here is the place to cut, because the bill before the Senate contains the largest appropriation of all peacetime bills. Do not cut the appropriation for the RS–70. Cut the appropriation across the board. Cut everything in it, because I can assure the Senator that there is nothing in the bill which the military authorities have not recommended.

I yield to the Senator from Illinois.

Mr. DIRKSEN. Madam President, this may be a good opportunity to observe that the Secretary of Defense is not wanting in his devotion to national security. The President is certainly not wanting in that respect. The Budget Bureau is certainly interested in our national security. Our distinguished former President, General Eisenhower, with his long experience, was not lacking in devotion to our national security in his consideration of the B-70 and the RS-70. What I am trying to do here is quite in conformity with their views, because they did not ask for the additional money.

Mr. ROBERTSON. They did not ask for the additional money for the RS-70. But the distinguished minority leader, so I was informed, said that he might move to cut the appropriation by a total of $500 million. He now proposes to cut $320 million from the RS-70 program. The first report is the point to which I was addressing my remarks. I think the former President was a great American. During the 8 years he was in office I supported him more frequently than did some members of his own party. But I am not unmindful of the fact that, when I was instrumental, as I recall, in including $900 million in an appropriation for the construction of B-52's, Charlie Wilson said that it was a political move and he would not spend a nickel of the appropriation. What happened? He did not spend the money until an acute emergency arose. Then both he and the distinguished Commander in Chief of the Armed Forces were happy to have the money available. If that money had not been available, we would not have had the B-52, and, if we had not had the B-52, we might have found ourselves in a holocaust long before now. We might have reached the point described by H. C. Wells, in which civilization would be left trembling, with nothing remaining but slums and destroyed cities.

The B-52, as we all well know, not only served a useful, but a necessary, purpose. I know that the distinguished Dr. Brown of the Defense Department has said that he doubts we can successfully develop the program. Over and above his doubts, he pointed out that it would be very expensive.

Not Dr. Brown, but a corporal in the same outfit, said, "We can save $58 million by realining the Army National Guard and the Army Reserves." Senators know what such a realinement would do. It would not be so simple a matter as straightening the wheels of an automobile to enable it to hold the road. It would cut down their strength. We have taken care of that matter in the bill before the Senate. That was more than the President had requested.

Perhaps the distinguished Senator from Illinois wishes to go against the National Guard and the Reserves. It is his privilege to do so. We inserted in the bill money in the amount requested by the supporters of those forces, as opposed to the budget request. The Senator can return to Illinois and say, "I do not care anything about the National Guard and the Reserves. Let them be realined."

Mr. DIRKSEN. I am not interfering with the Guard.

Mr. ROBERTSON. We must find some activity to cut if it is proposed to cut $500 million from the appropriation. We must identify the activity. We cannot simply just cut the bill $500 million; we must be told where to apply the cut. We have cut every item which we believe should be cut.

Mr. DIRKSEN. But if the distinguished chairman will go along with me on the $320 million, I shall have only $180 million to go.

Mr. ROBERTSON. The distinguished chairman is repeating what he has already recommended. He did not proceed to this point with his eyes shut. He did not do it with any view that, as soon as someone fired a shot, the result would be comparable to what happened to the army of Laos. It is said that the general retreated when only one soldier had been shot, and he was only hit in the heel. We do not retreat after the first shot has been fired. If we go down, we will do so with no lessening of our convictions that this country has stood for principles which are right.

Mr. DIRKSEN. I thought the man was hit in a helicopter.

Mr. ROBERTSON. No, he was hit in the heel. Anyway, they surrendered after taking all of our millions of dollars.

Mr. KEATING. Madam President, will the Senator yield for a clarification?

Mr. DIRKSEN. I yield.

Mr. KEATING. I should like to address a question to the Senator from Illinois. Am I correct in my understanding that his amendment addresses itself to two points: First is the RS-70 program, for which he proposes to cut the figure back to the figure recommended by the Budget. The other item is something else. What is the other item?

Mr. DIRKSEN. There is no other item.

Mr. KEATING. That is the reason I asked whether the amendment was divisible. I thought the Senator was addressing himself to a different point.

Mr. DIRKSEN. No. My amendment deals only with the total. I have included the amount by which the budget would be exceeded by the item for the B-70 program. But it all relates to the same subject. The $171 million is the amount that the Budget Bureau recommended.

Mr. KEATING. But it all has to do with the RS-70?

Mr. DIRKSEN. The Senator is correct.

Mr. DWORSHAK. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield to the distinguished Senator from Idaho.

Mr. DWORSHAK. I commend the Senator from Virginia for the outstanding work he has done as acting chairman of the Defense Subcommittee which handles the largest budget of any subcommittee. I share the concern of the minority leader in trying to curtail Federal expenditures wherever possible and to keep within the limits of the budget submitted by the Bureau of the Budget.

I should like to ask the Senator from Virginia if the discussion in our subcommittee for the past 3 or 4 years has not been most difficult and confusing when we considered the so-called B-70 bomber, which is now known as the RS-70 bomber. The Senator will recall that there has been disagreement and divergence of opinion among officials in the Pentagon especially—and while I would not say there has been disagreement in the Air Force, I think it has existed in the Office of the Secretary of Defense—over whether we ought to proceed slowly or rapidly in the development of the RS-70. Is it not true that General LeMay, the Chief of Staff of the Air Force, testified at our hearings recently that we have already lost about 4 years in the original concept for the development of the B-70?

Mr. ROBERTSON. The Senator is correct, because we could have no fixed responsible determination as to whether to go forward or backward, so we went forward and backward and got nowhere.

Mr. DWORSHAK. We actually stood still.

Mr. ROBERTSON. He said also that if we did not include the extra money proposed, we would lose another year in the program. It is a question of policy. Do we want to rely solely upon guided missiles, which have not, with all due deference, been perfected; or do we want a well-balanced defense of both missiles and manned bombers, which can reach a destination and return? During the coming year, production of every bomber that we have will cease. The present aircraft are rapidly being worn out, as many are kept in constant service to avoid the possibility of a surprise attack.

Mr. DIRKSEN. Is it not also true that General LeMay testified before the subcommittee that no reasonable man would ask for more than was recommended by the Budget, and that there was a possibility of reprograming if it were desired to do something in connection with the B-70-RS-70 program?

Mr. ROBERTSON. I cannot remember that.

Mr. DIRKSEN. I do remember it, because I read it this morning in the hearings.

Mr. ROBERTSON. We assured the general that he could come before us and speak in his "native tongue." He said he wanted all the money, regardless of what had been said before.

Mr. SALTONSTALL. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I should like the Senator from Illinois to hear this. I understand that the Senator from Illinois has offered an amendment to cut the RS-70 back to the budget figure.

Mr. ROBERTSON. Did he not say he might cut another $500 million?

Mr. DIRKSEN. No. I said if the chairman would go along with me on the $320-million cut, I would then have only $180 million to go later.

Mr. ROBERTSON. I do not go along with the Senator even part way.

Mr. SALTONSTALL. I should like to make a statement in support of the action of the chairman of the subcommittee. I voted with him on this matter for the whole $491 million. I did it for the very simple reason that Congress, under the Constitution, has the responsibility of providing sufficient funds with which to take care of our defense. In this instance there is a fundamental difference of opinion or basic difference of opinion between the leaders of the Air Force, who are responsible for our air power, and other members of the administration, especially the civilian members.

What we have done is to make it possible, just as we did with the B-52 last year, for the administration to spend this money if they find they can do so wisely. With relation to the RS-70, I believe there have been some developments made since we had our hearings on this subject. The RS-70 is being experimented with, or research work is being done on it, not only as a reconnaissance weapon, but also as a tactical defense weapon, for its use from that point of view, as well as a possible future bomber.

It is my understanding that the research and development work is going forward, and that some people are more optimistic in respect to the research and development than are others. However, if we cut it back to the earlier budget, it is my understanding that we will simply develop the body of the plane, and that it will do nothing so far as the radar work is concerned, and nothing so far as the weapons development is concerned. If we cut back the budget and do not put any of these additional amounts in the bill, then, as the Senator from Virginia has said, there has already been some delay, and more delay will occur. The last B-52 comes off the line, I believe, in the present calendar year.

Mr. ROBERTSON. In September.

Mr. SALTONSTALL. In September.

Mr. ROBERTSON. Then we are through.

Mr. SALTONSTALL. The B-58 is through. The B-47 has been extended, but that plane is obsolete, anyway.

As one member of the committee, I went forward with the full $491 million because in my opinion we will then carry out our responsibility as the appropriating body by giving the executive branch what we believe may be necessary, where there is a difference of opinion, concerning the defense and security of our country. If they find that they cannot use the money profitably, then we must leave it to the executive department to work that out, but, as Members of Congress, we will have done our full duty.

Mr. ROBERTSON. I would like to say to my friend from Illinois that I approached this biggest of all peacetime budgets with the hope that I could find something in it which could be wisely deleted. However, General LeMay, who appeared before us—let us get into the RECORD what he said. In answer to my question as to whether he was satisfied with the Defense budget which had been presented, General LeMay said:

> The amount of the budget, yes, sir. I do not think any reasonable man could quarrel with the size of the budget, but I do have some reservations, particularly in the strategic portion of the budget.

What is that portion? That is the long-range bomber portion. What are General LeMay's reservations? This is what he said:

> It has always been the Air Force view and my own personal view, too, that we need both manned and unmanned systems. All of our war-gaming has shown that you can conduct a more efficient campaign if you use both missiles and manned systems. You can take advantage of the good points of each system and the combination gives you a more efficient attack than you would get with either one of them alone.

With respect to the RS-70, he said:

> We think it will cover a wide range of tasks at various levels of conflict, in which the speed of response, discrimination, on-the-spot action, flexibility of weapons choice and vehicle recovery are of very great importance.

After we had reported the bill, I told the Air Force Secretary that we put in the money for the long-range bombers, but I added, "I do not think you will use it." He said, "You may be surprised about that."

I will be frank in saying that it was with some reluctance, and after considerable deliberation, that I recommended the addition of this money. If those in charge do not see fit to spend it, my responsibility to the security of our Nation will have been discharged. I acted on the best military advice we have, which was that we need both the long-range bombers and the missiles. If anyone else wants to put his confidence in the pressing of buttons to win the next war, he can do so.

I am reminded of the story in the Bible of Asa, who put his faith in doctors, and as a result Asa slept with his fathers; he died.

Dr. Brown took a dim view of the RS-70 program. The military experts strongly recommend its accelerated development. One may place his faith in whomever he desires.

The Senator from Illinois can put his confidence where he wishes to put it.

Mr. DIRKSEN. I will put my confidence in the letter which the Secretary of Defense wrote to the Senator from New Mexico [Mr. CHAVEZ] of October 27, 1961. I read from the letter:

> A decision has been reached regarding utilization of funds appropriated by the Congress for long-range bombers.
>
> This decision, approved by the President after an intensive review, is that the progress of the accelerated defense buildup makes unnecessary the use of these funds above the amount requested by the President.

The Bureau of the Budget and the President and the Department of Defense asked for $171 million. The committee recommends $491 million. If Senators wish to be logical and assert the position of Congress, they should mandate the expenditure. Then if the money is not expended, of course Senators know what they can do. Otherwise it becomes an exercise in futility. I am content to follow the recommendation of the Secretary of Defense, for the moment, instead of going through this kind of situation for the second year.

Mr. ROBERTSON. As far as the Department of Defense is concerned, it is a matter of later-discovered evidence. Later-discovered evidence is always sufficient to reopen any criminal trial. This evidence was discovered later.

Mr. STENNIS. Madam President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. STENNIS. How can the Senator from Illinois say that this is an exercise in futility, when the Chief of Staff of the Air Force, a man of great experience, whom some call the father of the strategic strike force, comes before the committee and solemnly says, on his responsibility, that in his opinion this is a must? This is no new question. This is no new matter. The President has considered it and reconsidered it, as has the Secretary of Defense.

Last year the Preparedness Subcommittee went through all this and then went to the White House. The Senator from Massachusetts was there. All of us were there. We were in conference with the President for 40 minutes. We asked him to support this matter. The representatives of the Department of Defense were there. Everyone recognized that it was a close question. The officials reconsidered it. They decided to put it off. Still, the conditions are almost the same as they were a year ago. Here is General LeMay saying what he said a year ago. He says that missiles have advanced, yes; that they have been stepping forward with them and that they have made some advances, but that the matter is still a close one. This is not a new situation. We have advanced with the missiles. When one goes and sees how they operate, he is almost convinced that with all their great probabilities, they will probably never be used, certainly not until it is all-out everything, which underscores the need for the development of this frontline. It comes to the question of whether we are going to put some money on the front-running horse, and in this case the front-running horse is the system that is most advanced.

The ultimate is that the weapon has high probabilities. It may be that it will never be developed. Bugs may be found. But at least it is the front-running horse in this situation. I think it would be a great mistake to back up now. All that needs to be done is to reappropriate the money which was appropriated last year.

Mr. ROBERTSON. I thank both the Senator from Massachusetts and the Senator from Mississippi, who have been so helpful in the subcommittee and the full committee in preparing the bill. But I think we should recognize the author of the amendment, the chairman of the committee, the distinguished Senator from Arizona [Mr. HAYDEN], who offered the amendment to restore the money. I think he is entitled to say a word in behalf of the amendment.

Mr. HAYDEN. My reason for doing so has been fully stated by the Senator from Mississippi [Mr. STENNIS]. I could not make a better statement than he has just made. It is perfectly sound, based on logic and good reason.

Mr. DIRKSEN. What General LeMay said to the committee, in response to the distinguished Senator from Virginia, the chairman of the subcommittee, appears on page 186 of the hearings:

> Senator ROBERTSON. Let us see if we understand each other.
>
> Do I understand you to say that you would be satisfied with a total of $18,900 million if some of the items were rearranged, or would you add some items?
>
> General LEMAY. I think we could rearrange some of the items to pick up this money. When you get an increase in the overall Department of Defense budget of the size contemplated this year, I do not think any reasonable man will say we should have more.

Mr. SALTONSTALL. Madam President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I should say to the distinguished Senator from Illinois, the minority leader, who I know always speaks his mind clearly, that a year ago we included B-52 money in the bill, stating that it should be used for the B-52 and nothing else; that if it were not used for the B-52, then it should not be used.

This year the Department asked the committee to strike out that provision and to allow them to use the $514 million for their general purposes. The House refused, saying it would make a clean budget for that item. The House said that that money could not be used, but provided a new item of $514 million.

The Senate committee approved that action, believing it was a clean way to make a budget. We felt that money previously appropriated should not again be appropriated, since it was included for a special purpose. We have done the same thing this year with respect to the RS-70. We have provided the additional money to be used for the RS-70. If it cannot be used for the RS-70, it cannot be used for any other purpose. I believe that is a sound way to carry out our responsibility as an appropriating body for the security of the country.

Mr. ROBERTSON. Would the distinguished Senator from Illinois, who just quoted General LeMay as saying he is satisfied with the budget, permit me to place in the RECORD all that he said, including his strong endorsement of funds for the RS-70?

Mr. DIRKSEN. Oh, yes; that it is necessary to rearrange the items.

Mr. ROBERTSON. The Senator from Illinois stressed the antipenult, but not the penult. Here is what General LeMay said:

> It is the trend that I see starting in this present budget which I am worried about.
>
> Senator ROBERTSON. The theory of the Defense Department in refusing to go ahead with the B-70 is that before it could be operational, we will have a missile program that will carry all of the destructive and defensive power that is needed.
>
> I understand that you feel that we should go ahead with the B-70.
>
> General LEMAY. I do. I believe we need both.

Madam President, I had not expected to open my discussion of the bill on the subject of the RS-70.

Mr. DIRKSEN. We may just as well. When I read the word "trend" in General LeMay's testimony, I thought, "Well, I share his distress," because what I see is a trend for a $100 billion budget for this country; and I see the same allergy all over again with respect to saving money. Under the circumstances, although the Bureau of the Budget did not ask for it, we propose forcing the money on them, just as they did not ask for it last year, but we gave it to them anyhow, saying, in effect, "Please spend the money." They refused to spend it; they did not spend it. Now we are saying again, "Please spend the money."

Mr. ROBERTSON. I remind the Senator again that if we get away from the tricky bookkeeping in the budget, which claims credit for $514.5 million, without its being reflected in the budget, we have added only $8 million to the budget. That includes all which we have provided for the RS-70, which was not requested, and it includes all that we have provided for special training for Air Force and Navy Reserves, which the Bureau of the Budget also did not request, but which was eminently well sustained in the hearings.

Mr. DIRKSEN. The Senator is joining 2 fiscal years.

Mr. ROBERTSON. Oh, no.

Mr. DIRKSEN. Now, he is putting in a rescinding provision.

Mr. ROBERTSON. We are rescinding what was appropriated last year, what was impounded and not used, and we are making it show in the budget, which accounts for most of the amount over the budget. This, however, is a fictitious overage. It came about through a bookkeeping device.

Mr. SALTONSTALL. The Senator from Illinois has quoted from General LeMay's testimony. I quote from General LeMay's testimony on page 1360 of the hearings:

> Senator SALTONSTALL. What you are saying to us, General LeMay and General Schriever, is that if we do not appropriate up to, we will say, $491 million, that, actually, we will not only slow up the programs, but we will lose the advantages of what we have already done to a certain extent?
>
> General LEMAY. Yes, sir.
>
> Senator SALTONSTALL. How many of those advantages will we actually lose outside of the trained manpower?
>
> General LEMAY. I think that is the big one. This is a question I think General Schriever can probably answer better than I can.
>
> General SCHRIEVER. That is the so-called impact on the industry working on the program, but we also lose time in initiating the development of these subsystems, like the strike missile, the command and control system, the environmental system, the ability to refuel the airplane in flight.
>
> Getting on with characteristics and capabilities that the weapon system must have, would just be postponed by 1 year.

Then we went on to develop that point. I respectfully invite the Senator's attention to pages 1360 and 1361 of the hearings.

Mr. DIRKSEN. I respectfully invite the Senator's attention to the fact that, first, President Eisenhower took the position which I take now with respect to the RS-70. Is not that correct?

Mr. SALTONSTALL. That is correct.

Mr. DIRKSEN. Second, does the Senator believe that the President is wanting with respect to views on national security; that he is not familiar with the subject? After all, the Pentagon, the President, and the Bureau of the Budget asked for $171 million for development money, and no more. Now the committee has added $320 million. Are they not aware of the problem?

Mr. SALTONSTALL. On the basis of what was the knowledge of the B-70 at that time—and it was the B-70—President Eisenhower stated that the research and development work would be stopped. Actually, some of the research and development took place.

This year, the Secretary of Defense and President Kennedy requested something more than $170 million to continue the work, because there have been new developments in the RS-70, and the missile program has not gone forward just as they would like to have it go forward. Work must be done on a manned bomber for many years to come—4, 5, 6, 7, or 8 years. So money was requested for further development of that program.

The Air Force, through General LeMay, says that if the body of the airplane is to be built and is to be flown, the use of that plane will be delayed if we do not make it possible to develop radar and weapons system along with it. Therefore, the use of that plane would be delayed for years to come.

In addition, as I said before, the RS-70 has not only new possibilities as a plane for observation purposes, but also as a plane for tactical use in the striking force.

Mr. DIRKSEN. I have only one comment to make: I have reason to believe that our great, Number One, World War II chief, President Eisenhower, has not changed his mind regarding this matter; and certainly it will not be said that he does not have an experienced and a professional touch on problems of this kind.

Mr. ROBERTSON. Mr. President——

Mr. ENGLE. Mr. President, will the Senator from Virginia yield to me?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Virginia yield to the Senator from California?

Mr. ROBERTSON. I yield.

Mr. ENGLE. Mr. President, according to the House committee report:

> The Secretary of Defense has directed that a reexamination of the program be made. Two study groups have been designated to review the entire program concept and make recommendations to the Secretary of Defense. One group entirely within the Air Force is headed by Dr. Joseph Charyk, the Under Secretary of the Air Force. The second group is headed by Dr. Harold Brown, the Director of Defense Research and Engineering, Office of the Secretary of Defense. These groups will study the program both jointly and separately. The study groups are scheduled to make a report within a few weeks.

In other words, after we included the money, last year, for the B-70 and after the Secretary of Defense refused to spend that money, he returned before the committee and said, "In light of all we know and have heard since, we are going to restudy this matter again."

So the Congress is undertaking to supply him with the necessary funds.

I do not know of any way to make the Secretary of Defense spend the money. For a while the House was going to try to do that; it was going to mandate him to do it, as our distinguished minority leader has just now suggested. Finally, the House dropped that language—and I suppose the House had to, because I do not know of any way to mandate the Secretary of Defense to spend the money.

But as the distinguished chairman of the Appropriations Subcommittee has said, we can discharge our responsibilities; and we do discharge our responsibilities when we act in the national interest according to the best information we can obtain.

Let me state, Mr. President, that the total amount of experience available in the respective committees of the House and the Senate dealing with this matter exceeds all the experience today in the Department of Defense, save and except that of the military chiefs; and the military chiefs are with us on this problem. In other words, when we consider the experience with which this problem has been evaluated, we find that experience is on the side of the position taken by the Congress and taken by the military chiefs.

The Chief of Staff of the Air Force, General LeMay, has made very plain what he thinks about the RS-70, as did his predecessor, General White, in the preceding hearings. They were for it, and they said so.

Certainly the members of the Senate Committee on Armed Services, the House Committee on Armed Services, the Senate Appropriations Committee, and the House Appropriations Committee have in total, a vast amount of experience with this matter, and have more brains and more experience with this military business than does any civilian section today in the Department of Defense, including the brilliant and capable Secretary of Defense, Mr. McNamara.

Mr. ROBERTSON. Mr. President, the chairman of the subcommittee will state that we heard the testimony of Secretary McNamara's assistant, Dr. Brown, who has a Ph. D. degree and perhaps other degrees; but we did not regard him as a bomber expert. He thought there was doubt about this matter. He said that it will be very expensive, and, in any event, the missiles will come faster than we think. So only $171 million was put into this program.

And, as stated by the Senator from California, we heard all the military experts. They said, "Go ahead full steam with the RS-70 program, as we must not rely solely on missiles. We shall unduly delay the effectiveness of this plane, if it is developed in the way we think it can be, unless we provide the full amount for it." That is exactly what we did. We acted on the advice of the military experts.

Mr. ENGLE. Exactly. Not only that, but we also acted on the judgment of the men who have served on these congressional committees almost before the present Secretary of Defense was born.

Let me state the present situation: We have had a program to build a prototype bomber. The B-70—to begin with, and now called the RS-70, because at the present time it is a reconnaissance type airplane—has been in the program since the preceding administration. They are going to build three prototypes. A prototype is like building a ship and putting a motor in it and having it travel on the sea; but if it is to be made into a battleship, it is necessary to add the necessary guns, the navigational systems, the radar, and all the rest.

So they want to hatch an egg here and see whether this bird will fly—although all of us know it will fly, because it has been tested time and time again in the test chambers; but they do not want any equipment to be placed in it. So, basically, the dispute is whether we shall build a hull and shall fly it, or whether we shall build a weapons system, so that we shall have something we can use.

We can build the hull, and from the standpoint of proving the aerodynamics of flying at 2,000 miles an hour, mach 3, we shall have demonstrated something. Some of my colleagues may remember that last year I was on this floor, asking for an authorization of $25 million—half of which was granted—to convert the technology which would come out of the B-70 bomber into a supersonic jet commercial transport, so we would have that knowledge, in any case. But that would not give us a weapons system. In order to have a weapons system we have to include the bombing systems, the navigational systems, the radar, the defensive systems, all in parallel lines, so that when the bomber hull finally comes out, the others will come with it at the same time and will be matched together in a weapons system. That is what the whole argument is about.

At the present time the administration wants, as did the preceding one, subject to the findings of the two committees studying the matter—to build a simple hull. We want to put the other systems into it, because otherwise there will be another 3 or 4 years of delay; and in that event the RS-70, instead of being available as a fighting weapon when it finally came off the line, would have to be matched subsequently, at the cost of much additional time, with the bombing systems, the navigational systems, the radar systems, and the defensive systems, with the result that we would have a 4-year-old airplane before we would get it into fighting shape.

All the arguments have been made with great vigor and great eloquence by my distinguished friend, the Senator from Virginia, and my distinguished friend, the Senator from Mississippi; but let me say, in case some Senators have not thought of it, that today, when we are talking to the Soviets about the banning of nuclear tests and, some day or other, we hope, the banning of nuclear war, we must realize that if that ever should occur—and I do not know whether it will—the question would be, What would we have left? We would not have any B-52's, except obsolete ones, for we have stopped the production of them. We have ended the production of the B-58's. The B-47's are already obsolete. So we would have nothing left to go back to.

These congressional committees have concluded that our reliance exclusively upon missiles is dangerous to the safety of the Nation, and that we should go forward with the B-70, now the RS-70, as a full weapons system. That is what the Appropriations Committee has authorized, and in this measure has appropriated for; and I hope the Senate will sustain the committee in the intelligent and the wise judgment it has made in connection with this matter.

Mr. PROXMIRE. Mr. President, will the Senator from Virginia yield to me?

Mr. ROBERTSON. First, Mr. President, I wish to thank the Senator from California for so clearly stating the position of the committee. We acted on the best expert advice we could obtain. While we believe in economy, we do not want to put a price tag on our survival. So we felt it our duty—regardless of whether the Department uses the money—to make it available; and if the Department does not use it, at least our responsibility for the safety of the Nation will have been discharged.

Now I yield briefly to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I should like to ask two or three brief questions of the Senator from California, in order to make the record clear.

First, let me ask whether I correctly understood the Senator from California to say that the military chiefs agree that the appropriation of funds in addition to those requested by the administration is desirable and necessary for the RS-70 system.

Mr. ENGLE. I defer to the distinguished chairman of the subcommittee.

Mr. ROBERTSON. We did not take the subject up with the Joint Chiefs of Staff. They did not raise objection. The increase was advocated by General LeMay only.

Mr. PROXMIRE. That is my understanding, and I should like to quote a statement from Secretary McNamara on March 15, 1962, when he said that he has discussed this entire problem with the Joint Chiefs of Staff, and, again, except for the Air Chief of Staff, they all support the B-70 program recommended by President Kennedy.

So the consensus of all the military chiefs except the head of the Air Force is unanimously in favor of the amendment, and unanimously in favor of the level recommended by the President. Is that correct?

Mr. ROBERTSON. In the first place, we did not request the heads of the military services, who are not involved, to come in and gratuitously challenge the budget. That is the first point. The second point is that there is still some rivalry among the services as to who gets what. None of them get all that they request. When we talk about making a $300 million or a $500 million cut, bear in mind that the Secretary of Defense has recommended billions and billions of dollars.

They were not too happy. They agreed to go along with the budget, and if they so agreed, why should they come in and praise or commend one chief of staff who said, "I am not satisfied you are doing the best for national defense"?

Mr. PROXMIRE. The point of my argument is that the heads of the other services agreed with the recommendation of the Secretary of Defense.

Mr. ROBERTSON. For whatever that is worth.

Mr. ENGLE. Mr. President, if the Senator will yield, Senator YOUNG asked in the committee:

> General LeMay, this program does not have the full support of the Joint Chiefs of Staff, does it?
>
> General LEMAY. The Joint Chiefs of Staff feel that we should continue on with a development program. I think there was a difference of opinion as to the speed with which we should carry it on. But they believe definitely it should be carried on, and they all believe we should not abandon the manned weapon systems.

Mr. PROXMIRE. That is exactly the view of the Senator from Wisconsin and I believe of the Senator from Illinois. We take $171 million of additional money to carry on the program. Nobody is saying that we should forget the RS-70 program and abandon it or abandon the manned bomber. We say we should follow the recommendation of the Secretary of Defense and the recommendation of the President.

Mr. ENGLE. We have lost 4 years, according to General LeMay. We will lose more than that if we do not act and let it go. We can be sure of one thing: The Navy will be in favor of the aircraft carrier, and the Army will be in favor of modernization of the Army to the full extent. With respect to what happens in the other part of the budget, they are not going to intercede and say very much.

What I have said, and am saying, is that when we get advice from the Military Establishment, going all the way from General White to General LeMay, that they were for the most rapid possible development of the RS-70, when we take the cumulative experience in the Congress of the United States, in the Committee on Armed Services, in the Committee on Appropriations of both the House and the Senate, incomparably we have a better view of what goes on than does the Secretary of Defense. Secretary McNamara may be an expert on of lot of things—making automobiles, for instance—and he is a brilliant and capable Secretary of Defense; but he does not know everything.

I will say this in his behalf: He came back again and after he had looked it over, as stated in the House committee report, he appointed two committees, one in the Air Force and one in the Department of Defense, to restudy the matter.

We think we ought to make the money available because if the study comes out the way we think it should, he will request and he will need the money.

Mr. PROXMIRE. But it is a fact that the House committee did not include the $320 million increase over the request of the administration. The House went to about $50 million over the administration request. The House is much closer to the position taken by the Senator from Wisconsin and the Senator from Illinois.

Mr. ENGLE. I will tell the Senator what the House did.

Mr. PROXMIRE. We are amending the House bill.

Mr. ROBERTSON. The authorization is the same as the appropriation. The Appropriations Committee and the House did not go along with the full amount, but it did raise the budget request.

Mr. PROXMIRE. The Senator is correct.

Mr. ROBERTSON. We got into the discussion because I sent the distinguished minority leader a copy of the statement I was planning to make. I had heard over the radio he was going to propose a cut of $500 million. Then it turned out he was going to propose a cut of only $320 million. I thought he was talking about the RS-70 program. We had expected to discuss that when we reached the amendment, which was submitted by the Senator from Wisconsin, and which was printed and which makes that very recommendation. I do not know who will take credit for making the motion, but at the proper time we shall have a debate on the amendment.

Meantime I would like to proceed with a few prepared remarks on this bill.

Mr. ENGLE. Will the Senator yield for a brief comment, in order to get the record straight?

Mr. ROBERTSON. Will it be a brief comment?

Mr. ENGLE. Very brief. I want to read from the report of the House accompanying the bill:

> The committee has provided language in the bill making the funds requested in the budget, plus the $52.9 million added by the committee available only for the RS-70 program. The committee has also provided funds and transfer authority in the emergency fund appropriation to the extent of $300 million, which could be utilized at least in large part for this program, should the determination be made to do so.

Mr. LAUSCHE. Mr. President, what is the Senator reading from?

Mr. ENGLE. I am reading from the House report, on page 8, accompanying the Department of Defense appropriation bill for 1963, H.R. 11289. So the House has provided $350 million extra, if we use round numbers.

Mr. ROBERTSON. Mr. President, my overall justification for presenting a spending bill of unprecedented size is that this Nation faces the possibility of destruction. I would like to quote from what I said in presenting the Department of Defense bill to the Senate last year:

> No man dares to place a price tag upon our survival.

I shall not go into the details, today, of outlining to my colleagues the results of an all-out nuclear war; that there could be no victor in such a war, I am sure Mr. Khrushchev knows. Needless to say, no sane-thinking man in the high councils of any government wants such a war. I am firmly convinced that Mr. Khrushchev will not deliberately start a war that will devastate civilization, but I say this to the Communist world—this military program which we present here today is an indication that it should never misjudge our military capability and that of our NATO allies. What I said last year, when I presented this bill to the Senate for its consideration, is still true today.

On August 3, 1961, I said:

> The addition to our manpower and military hardware recommended to the Nation by its Commander-in-Chief will, of course, strengthen our military posture. But it will do far more than that—it will indicate to the world our willingness to fight for freedom, should there be no other alternative. But there is another alternative, and the diplomats of the chancelleries of the world will fail their day and generation if they do not discover it.

Again, as acting chairman of the Defense Subcommittee of the Senate Appropriations Committee, it is my privilege to present the largest single peacetime appropriations bill ever presented to the Senate. As a matter of historical interest, it is exceeded only by the Military Appropriations Act of 1944, which provided $59 billion for the Army, which then included the Army Air Corps.

The total of this bill as reported to the Senate is approximately $48.4 billion. This is an amount about $590 million above the appropriation recommended by the House of approximately $47.8 billion, and about $522 million above the budget estimate of approximately $47.9 billion. It is an increase over the appropriations provided last year of almost $2 billion. I am confident that the wise utilization of these funds will help us to preserve what Sir Winston Churchill once termed "an uneasy peace."

As recommended by this committee, the bill contains the following appropriations:

For military personnel, $12.9 billion.

For operation and maintenance, $11.6 billion.

For procurement, $16.8 billion.

For research, development, test and evaluation, $7.2 billion.

Broken down by services, the bill contains the following approximate amounts:

For the Army, $11.6 billion.
For the Navy, $15.2 billion.
For the Air Force, $19.6 billion.
For Defense agencies, $2 billion.

### EXPLANATION OF INCREASE OVER BUDGET REQUEST

A word of explanation is advisable regarding the increase of $522 million over the budget estimate, to which I just referred, since otherwise the committee's action could be misunderstood. Senators will recall that last year the Congress provided $514.5 million to continue the production of long-range bombers. However, the executive branch did not choose to utilize that money for the purpose intended and, instead, requested authority to use those funds in 1963 for other purposes. But the House did not agree to this. To the contrary, it provided that since the executive branch did not plan to utilize the funds for the purpose appropriated, they should be rescinded; that is, returned to the Treasury. This necessitated the appropriation of a like amount to provide funds for the requested programs. The committee has concurred in the House action and, in so doing, has recommended an increase in the appropriation by $514.5 million over the budget. Other actions recommended by the committee would result in a further net increase of some $8 million, and this would bring the total increase to $522 million. In final analysis, then, the committee recommends a defense program $8 million larger than that requested by the administration.

I do not wish to take the time of the Senate today to attempt to detail every last penny of the utilization of this appropriation. On the other hand, as a Senate steward, I believe it is my duty to attempt to provide as full a picture as possible, within reasonable time limits, of this most important piece of proposed legislation. What I have to say will be divided into two parts. The first will deal with the changes which the committee has made in the bill as it came from the House. The second will deal generally with some of the more important aspects of the military departments which these funds will support.

**Mr. LAUSCHE.** Mr. President, will the Senator yield?

**Mr. ROBERTSON.** I yield.

**Mr. LAUSCHE.** I direct the Senator's attention to the total figures. The report shows that, over the budget estimate for 1963, there is an increase of $522,221,000.

**Mr. ROBERTSON.** I have already stated that.

**Mr. LAUSCHE.** Yes. There is a footnote that this includes $514.5 million in new obligational authority in lieu of utilizing the sum of $514.5 million appropriated for the current fiscal year for the procurement of long-range bombers, as proposed in the President's program.

**Mr. ROBERTSON.** The Senator is correct.

**Mr. LAUSCHE.** Will the Senator explain that footnote?

**Mr. ROBERTSON.** Last year we were not willing to see the production of B-52 bombers discontinued, so we provided $514.5 million for those bombers. We did not spell out that the money would be spent for the B-52's, but we had pretty good evidence that, if the funds were released, they would be spent for B-52's. We said, "For long-range bombers; you build what you think is best." We knew what they would do.

That money was not used. So in September the last B-52 will come off the line. There will not be any more. There will not be any more of the B-58's. They do not have the range, but they have the speed, of the B-52's. When these planes wear out, we shall not have any more long-range bombers.

The Department did not spend the money. The Department representatives this year said, "Let us spend the money this year for other purposes, and we shall not have to put the money request in the budget." They said, "If you will remove that limitation, we shall have $514.5 million in the clear." We said, "Oh, no. We want you to have in your budget what you actually are asking to spend." The House said, "We rescind the authority, and we add $514.5 million to your budget estimate." We concurred in that action.

That maneuver put the total figure $514.5 million above the budget estimate. Then we added $8 million more upon the urgent request of the Reserve components about special training for the Reserves of the Navy and the Air Force. Actually, this results in a figure of only $8 million above the true budget estimates.

**Mr. LAUSCHE.** If I correctly understand the Senator's remarks, the request was that the authority to spend the appropriation of $514.5 million made for the 1962 fiscal year be continued, but that the restrictions be removed.

**Mr. ROBERTSON.** That is what was asked.

**Mr. LAUSCHE.** That $514.5 million was not included in the budget estimates, so when the committee recommended its inclusion it did not recommend an increase in overall expenditures?

**Mr. ROBERTSON.** That is true. This increased the official figures for the budget estimates. That was a bookkeeping increase. There was no actual increase in the spending involved.

I appreciate the fact that my friend has brought that up, because it is a rather tender matter to have the committee come to the Senate with a bill which appears to include $522 million above the budget estimate when, as a matter of fact, it is only $8 million above the budget estimate. There is a very good explanation of that increase, which we shall give when we reach those items, if any Senator has any question respecting it.

### CHANGES FROM HOUSE ACTION

First, then, I shall speak of the changes which have been made in the House bill.

### RESERVE COMPONENTS

One of the most controversial issues before the committee, and one with which I am sure Senators are all familiar, is that dealing with the Reserve components, and, more particularly, the Army Reserve and the Army National Guard. The committee has taken specific actions to bolster the Reserves in all three services, which I shall describe in turn.

For the Army Reserve components, the budget as submitted in January requested funds for a combined strength for the Army Reserve and the Army National Guard of 670,000. It was not indicated at that time exactly how this total would be divided between the two organizations. In April a budget revision reduced the total sharply downward to 642,000, of which 275,000 was for the Army Reserve and 367,000 was for the Army National Guard.

In its consideration of the measure, the House of Representatives provided funds to maintain the Army Reserve at 300,000 and the Army National Guard at 400,000. The committee has concurred in this action. In so doing, the House and Senate have repeated a pattern which has recurred almost annually for a number of years. Regardless of administration, the executive branch has attempted to scale down below the total of 700,000 the strength of the Army Reserve components. In each instance the Congress has vigorously resisted such efforts. At times, it has been necessary to place in the law mandatory language precluding the possibility of planned reductions. At other times, as a result of understandings with the executive branch, this has not been necessary. For fiscal year 1963, thus far, no such understanding or assurance has been given. Therefore, the committee had no choice but to provide in the bill mandatory language which, for fiscal year 1963, will compel the Department to program its Reserve forces so as to achieve an end strength in the Army Reserve of 300,000 and the Army National Guard of 400,000.

I need not remind this body of the important part which our Reserve components—Army, Navy, Marine Corps, and Air Force—have played in past national emergencies. In 1916, in 1917, in World War II, in the Korean conflict, and during the Berlin crisis, we were thankful to find them in our first line of defense. As I speak here today, there are Reserves and National Guard troops serving on active duty. Under the circumstances, the committee believes that prudence would dictate no diminution in our Reserve strength posture.

A related problem is that dealing with the proposed reorganization of the same Army Reserve components. The Department of Defense has proposed to reorganize the Army Reserve and Army National Guard by increasing the strength of high priority units, eliminating approximately 800 units, and realining others. Later, I believe, it is planned to reorganize them into the ROAD concept, comparable to that which the Regular Army is presently undergoing. Testimony indicated that this reorganization could have a marked effect on the number of units in all geographical locations of reorganized components. At the same time, the committee was not unmindful of the need for continued modernization of all defense elements. Therefore, a provision has been placed in the bill which provides that, insofar as is practicable, the number and geographical location of units will be maintained throughout the country. Throughout the years, the Army Reserve and Army National Guard have been reorganized at increasingly frequent intervals. It is the opinion of the committee, and so stated in its report, that these reorganizations should not impair the mobilization readiness of the forces involved. And it is the hope of the committee that great care will be exercised in such reorganization so that no State will lose substantial segments of its Reserve forces.

### NAVAL RESERVE

In another action, for the Naval Reserve, the committee has added $4,174,000 to increase the average drill pay strength to 125,000 to accommodate reservists to be released from active duty in August, to increase the number receiving 2 weeks active duty, and to accelerate recruit training.

### AIR FORCE RESERVE

For the Air Force Reserve, the committee has added $6.7 million to increase the paid drill strength in the Air Force recovery program, increase the number of drills in that program from 24 to 48, and provide a 75-percent manning level for those in the program.

### OPERATION AND MAINTENANCE APPROPRIATION STRUCTURE

Turning to another matter, the House was disturbed over the continued utilization of maintenance funds for operational requirements by the individual military departments. The resulting deterioration of physical plants would, over the years, cause higher costs in replacement than would otherwise be the case. Therefore, the House split eight different operation and maintenance appropriation requests into two each: "Operation" and "Maintenance of real property facilities." This action would preclude the use of maintenance funds for operation, but would permit, by the use of a proviso, the use of operation funds for maintenance of real property facilities.

This committee was wholeheartedly in agreement with the House objective. However, testimony indicated that such an agreement would force the military departments into the establishment of somewhat cumbersome financial machinery. For this reason, the committee has restored the budgeted single appropriation titles but, in each case, has included a proviso which assures that the funds provided for maintenance of real property facilities will be used for no other purpose. It is believed that this revision accomplishes the desired objective of the House, avoids complicated financial procedures, and permits the Department of Defense more flexibility in providing funds for maintenance than would otherwise have been the case.

### AIRCRAFT CARRIER

I should like to discuss now the attack aircraft carrier, funds for which are included in this bill. Long ago, Oliver Cromwell discovered that a man-of-war is the best ambassador. While I do not believe this is necessarily true, it points up a historical fact which, in part at least, is as valid today as when he uttered that statement 300 years ago. Today's men-of-war are called by different names and those names include fantastic weapons of which Cromwell never dreamed. Two of these are the attack aircraft carrier and the strategic manned bomber. I wish to discuss each of these in turn, because they account for substantial amounts in the bill.

This bill includes $280 million for one conventionally powered attack aircraft carrier of the *Forrestal* class. When operational, it will replace one of the *Essex* class carriers, built during World War II, which are rapidly aging and must be replaced. In addition to becoming increasingly uneconomical to repair and maintain, they are increasingly hazardous to modern aircraft performance, both from the standpoint of personal safety and from the aspect of utilization of equipment.

In his testimony before the Senate committee, the Secretary of Defense argued strongly for funds to build this carrier. I quote from his testimony:

> There are many potential trouble spots in the world where the attack carrier is and will continue to be the only practical means of bringing our air striking power to bear. Carrier airpower can be employed without involving third parties, without invoking treaties, agreements, or overflight rights. And, as has been demonstrated many times before, the carrier task force is a most effective means for presenting a show of force or establishing a military presence, which often has helped to maintain the peace and discourage hostilities. There is no reason to expect that the need for this form of airpower will diminish in the future. The fact that they may be vulnerable to attack in a general nuclear war does not detract from their value in limited war.

We are all aware of the valuable role which the aircraft carrier has played in the recent past. One needs mention only a few geographic areas—Korea, Lebanon, the Formosa Straits—to pay tribute to the effectiveness of the role the carrier has played in convincing potential aggressors that we are not bluffing in our determination to maintain world peace and stability. Without the availability of the aircraft carrier force in the gulf of Siam, the recent landings of our marines in Thailand might have proved to be a much more hazardous operation. The cost of an aircraft carrier is not small. But the cost of what its presence in the troubled spots of the world may well have avoided is incalculable. The 6th Fleet and the 7th Fleet, with their carrier forces as a backbone, have paid dividends far beyond their cost.

The carrier forces of the Navy are of extreme importance because of their ability to exert military power in varying degrees, not only in nuclear delivery capability but in the selective scale any particular situation may require. The carriers of the U.S. Navy represent the only weapon system in the American arsenal today which is simultaneously prepared to wage a general war, a limited war, or simply to make a show of force whenever and wherever necessary in support of our national policy while contributing to the fulfillment of all naval tasks.

We must continue into the unforeseeable future to have our aircraft carriers provide airborne weapons support to our amphibious forces, whose abilities may prove to be as great an asset to our country as they were in the large-scale operations carried out during World War II. The Chief of Naval Operations, Admiral Anderson, during our hearings pointed out:

> There is still no more efficient means of projecting American fighting men in quantity into enemy-held areas than by utilizing well-armed, superbly conditioned amphibious units.

The aircraft carrier is one of the most integral parts of a successful amphibious operation.

### RS-70

And now let me speak about the RS-70, or as it was formerly known, the B-70. Some Senators will recall that after World War II there was a determined effort to limit the size of our strategic bomber force. The committee felt that this was unwise. In the 1948 defense supplemental appropriation the committee, and subsequently the Congress, approved about $750 million over the budget estimate to bring our strategic bomber force from the 48 group goal toward a 79 group goal. This was a highly controversial issue. Both sides expressed strong arguments, but the committee persisted in its determination. Senators know what happened. The funds were appropriated, then impounded. Suddenly came Korea. A global war hung in the balance. The funds were available and were released.

And now, for the first time since then, we find that it is planned to stop production of our strategic bomber force. In a few months there will be no more B-52's coming off the production lines. There will be no more B-58's. Production of the B-47 was stopped in the mid-1950's. Every plane which is lost will be one less in our inventory. There will be no replacements.

Simply stated, I think the question is, "Are we prepared in the years immediately ahead to place full reliance on the missile?" A second question—not asked as frequently, but just as important—is "In our measured judgment will the ICBM's located here at home and our ICBM's in foreign countries and our Polaris missiles under the seven seas prove as effective a deterrent to the aggressor as our manned bombers have proved through the years?"

Recently, Gen. Lucius Clay answered that question very simply. He told me:

> We cannot implement foreign policy with a missile.

The total cost of the present program as outlined by the Department of Defense is about $1.3 billion. To date $800 million has been expended. In addition $220 million is being allocated in the fiscal year 1962 program. The fiscal year 1963 budget program called for $171 million. This would leave about $100 million to be spent in future years.

The amount included in the budget request would continue a limited development program, which is mainly to demonstrate the technical feasibility of the aircraft structure and configuration, as well as certain major subsystems required in high speed, high altitude environment.

To this amount the House added $52.9 million, or a total of $223.9 million. The committee recommends a total of $491 million. The additional funds would provide a start on the development of the reconnaissance sensor aspects of the subsystem, as well as of in-flight refueling, strike missile, environmental control, and autopilot, none of which is possible under the present program. The full $491 million will also provide for a start on new test aircraft in addition to the three now in the program.

The Senate committee listened long and attentively to the arguments on this issue. The Secretary of Defense did not specifically oppose the additional funds provided by the House but indicated he would restudy the matter. On the other hand, a strong presentation was made to provide a total of $491 million—the amount which the Congress had authorized for the full development of the RS–70 weapons system. Gen. Curtis LeMay, Chief of Staff of the Air Force, and Gen. Bernard Schriever, commander, Air Force Systems Command, were called before a special session of the committee to testify. They did not ask to testify, but were called to give their personal opinions, as two of the greatest experts in the world on strategic retaliatory forces. They had no prepared statements. What they told us was in response to specific questions. The acting chairman asked General LeMay if he thought we should put all our dependence on guided missiles. General LeMay replied:

> It has always been the Air Force view and my own personal view, too, that we need both manned and unmanned systems. All of our war gaming has shown that you can conduct a more efficient campaign if you use both missiles and manned systems. You can take advantage of the good points of each system and the combination gives you a more efficient attack than you would get with either one of them alone.

He was asked what could be expected form the RS–70. General LeMay replied:

> We think it will cover a wide range of tasks at various levels of conflict, in which the speed of response, discrimination, on-the-spot action, flexibility of weapons choice and vehicle recovery are of very great importance.

In reference to the failure to make funds available for the full weapons system he was asked to what extent has this failure slowed down the research and development program. General LeMay answered:

> I think the program has been slowed down to the extent that it has been delayed by at least 4 years.

General Schriever was asked what part of the total program could be accomplished with the funds provided by the House. He replied:

> You could just continue the XB program which is the three aircraft. We would be unable to initiate any of the subsystem developments leading to a weapons system except carry on to some degree the radar which is the reconnaissance part of the system. But there are other things that have to be added, such as command and control. You need to be able to communicate from over enemy territory back to the home base, for example. You need environmental control, the ability to refuel, the strike missile—these are some of the subsystems that must be gotten underway if we are to get to a weapons system.

He was then asked if the additional funds above the House allowance were not provided, how much would it delay placing the RS–70 into an operational availability. General Schriever replied:

> You would be delaying 1 year the decision to go toward an RS–70 configuration, which would result probably in more delay than 1 year in a weapons system because there would be a phasedown of the industrial base.

The committee was impressed with the information submitted by the Air Force which indicated that it was essential to our continued superiority to have a diversification of our forces to include both manned and unmanned aerial vehicles since no single weapons system can do the entire job. General LeMay stated that in general, diversification provided four paramount advantages:

First, it gives us a flexible or versatile capability so that if one method of attack is rendered ineffective because of enemy defenses, we have other methods available;

Second, it forces the enemy to expend maximum effort and resources in his attempt to defend against all methods of our attack;

Third, it compounds the enemy attack problems, both in types and numbers of weapons, which in turn enhances the survivability of each of our systems; and

Fourth, the manned systems give us a capability to observe and report the physical evidence of an enemy's situation. This information is a vital requirement for the conduct of war.

That is the record. Senators who are interested may find the full discussion in the hearings before you. The committee was faced with the decision as to whether the position of the Secretary of Defense, whose opinion we value, was correct, or whether we might be jeopardizing the future defense of our Nation by further delays in this program. The decision of the committee, by an overwhelming majority, was to provide the funds necessary to implement a complete RS–70 weapons system at the earliest date possible. You will find a full discussion of the RS–70 on page 3 and the pages following in the committee report.

I shall discuss now some other changes which the committee has made in the House bill.

### AIRCRAFT AND MISSILE PROCUREMENT AND MANAGEMENT

The House made reductions totaling $134 million in three accounts for the Navy and Air Force dealing with aircraft spare parts procurement and management. This reduction was to encourage a thorough analysis of inventory and accounting methods, procedures, and practices and to eliminate waste and excess procurement. The two departments requested restoration of the full amount. The Air Force flatly stated that a reduction such as that contemplated would definitely jeopardize its capability to support the aircraft and flying hour programs. The Navy stated that the proposed reduction would reduce the state of military readiness of Naval aviation, create an unacceptable level of spare parts, and place such a burden upon the newly implemented management system that a proper evaluation of the system cannot be made. The committee recommends that the funds be restored.

At the same time, the House made reductions totaling $48 million to encourage more competitive subcontracting in aircraft and missile programs. Your committee has not approved the requested restoration of half of that sum, but in concurring with the House reductions, does so with the understanding that these reductions are not intended to be made in any specific program area but generally, in recognition of the existence of a number of weaknesses in the procurement process of which lack of competitive procedures, especially in the subcontracting area, is one.

The committee has received periodic reports from the General Accounting Office indicating that improvement is needed in virtually all areas of Defense contracting. Disturbed by this, the committee during the hearings pointed out to responsible officials of each of the military departments the need for more effective controls over procurement. The report of the committee strongly urges the Department of Defense to redouble its efforts to exercise greater supervision over contractual procedures in order to minimize wasteful procedures. The committee recognizes the problems with which many dedicated Defense officials are dealing in this area. It recognizes the vast scope of the procurement procedure. But it believes that more must be done to prevent excess purchasing, duplicate purchasing, and questionable bidding procedures.

I ask unanimous consent to have printed in the RECORD at this point a letter which I have received from the Secretary of Defense concerning policies on contracting procedures.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> JUNE 7, 1962.
>
> Hon. A. WILLIS ROBERTSON,
> *Chairman, Department of Defense, Subcommittee of the Senate Appropriations Committee, U.S. Senate.*
>
> DEAR SENATOR ROBERTSON: I have your telegram of June 6 relative to the conversion of a victory ship to a missile range instrumentation ship. I have also seen your letter of the same date to the Chief of the Bureau of Ships on this subject. Please accept this letter as the reply of this Department to both messages. In addition, I am familiar with the specifics of the related problem which has been of concern to Senator HRUSKA on a different procurement.
>
> These cases raise two principal issues. The first of these has to do with the compliance by the Department with the provision, in recent appropriation acts, requiring award by formal competitive bidding whenever practical. The second has to do with the propriety, in cases where formal advertising is not practical but it is possible to buy by competitive negotiation, of giving consideration to late proposals submitted after the date specified for the receipt of proposals.
>
> As we have explained to Senator HRUSKA, the requirement in the appropriation act for formal advertising has been expressed in our procurement regulations and is being followed throughout the Department. Pertinent excerpts from the Armed Services Procurement Regulation are attached. We are taking steps to provide regular reviews of our procurement organizations to assure compliance.
>
> It is apparent that, in making over 500,000 formal contracts in the course of a year, there will be cases where the practicality of using formal advertising involves borderline judgments on which there may be disagreement. There may be some other cases where simple mistakes are made. It is our endeavor to assure that mistakes are kept to an absolute minimum and that, wherever possible, borderline decisions are resolved in favor of formal advertising.
>
> I am informed that the victory ship conversion to an instrumentation ship for the Pacific missile range involved specialized capabilities and required that the working plans and detailed designs be provided by the contractor. The Navy's specifications were of a performance type and it was of

concern to the Navy that the successful offeror be of more than marginal competence to assure superior design and performance. Accordingly, the Navy concluded that formal advertising would not be practical and that it would be in the Government's interest to handle this procurement by competitive negotiation.

I have now reviewed this decision and consider that this was a borderline decision. I am taking steps with the Secretary of the Navy to assure that more of our shipbuilding and conversion contracts are handled by formal advertising. However, I feel that this is a problem which requires very careful case-by-case judgments. I can assure you of our intention to comply strictly with the letter and spirit of the appropriations act provision.

The second issue—that having to do with the treatment of late proposals—arises only in connection with competitive negotiated procurements. It has been our policy, in such procurements, to consider late proposals or revisions thereof where to do so would be of significant advantage to the Government. The failure of the Bureau of Ships to award the victory ship conversion contract to the Norfolk Shipbuilding & Dry Dock Corp. on the basis of its initial proposal stems from its compliance with this policy. After negotiations had been completed, but before award, a price reduction was offered by a competitor. Since this reduction was significant, the Bureau of Ships determined that it must be considered. Accordingly, it offered all bidders an equal opportunity to submit new quotations with a revised cutoff date.

This case and several others, which we have recently encountered, have clearly pointed to a need for an immediate change in our procedures for handling late bids in competitive negotiations. I have concluded that a procedure which normally results in the rejection of such bids, while it occasionally may result in a higher price to the Government, will, on the average, reduce our costs by assuring that we receive the best prices in the original bidding. In addition, it will preserve the integrity of the competitive system and avoid chicanery or the appearance thereof. Accordingly, I have directed that our procurement regulations be changed immediately to assure that late bids in competitive negotiations are rejected. The only exceptions will be where the consideration of the late bid would be of extreme importance to the Government, as where it offered some important technical or scientific breakthrough. Such exceptions will require approval at secretarial levels within the departments.

I regret that our present ground rules have resulted in the situation you described in your telegram. However, since these ground rules had been published, have been in effect for several years, and governed our relations with all bidders in this procurement, I do not feel that we can waive them retroactively. Accordingly, we are proceeding with the rebidding of this case. You may be assured that similar cases will not arise in the future.

Sincerely,

Robert S. McNamara,
*Secretary of Defense.*

Mr. ROBERTSON. As an economy advocate in Congress, I am not so sanguine as to believe that every dollar in this bill will be wisely spent. But I am convinced that the programs for which these funds are requested are valid and necessary to our defense effort. I am not convinced that every one of the 3½ million military and civilian personnel in the Defense Department is steeped in an urge to economize. But I am convinced that the leaders of the Department and their assistants are doing all in their power to make every defense dollar count toward national protection. I believe that there are areas, such as I referred to in defense procurement, where considerable improvement is needed. It is my hope that those in charge will continue to do all in their power to improve procedures which have as their objective the elimination of waste and extravagance.

### FINANCIAL ADJUSTMENTS

In four areas of financial adjustment, the House made reductions of $221 million for which the Department requested restitution of $110 million. This committee has restored these funds as follows: Reductions totaling $116.5 million were made in the belief that additional recoupments could be recovered because it was believed that the estimates were too low and that additional recoveries could be made. The Senate committee has restored $40 million of these funds as a result of testimony which indicated that for the Army, as a general rule, additional costs were resulting from increased labor and material costs requiring more upward than downward revisions in prior year contracts. It was indicated that in fiscal years 1960, 1961, and 1962 to date, increased costs have already exceeded canceled obligations by about $176 million with the probability that approximately another $48 million increase will eventuate before the end of the year. For the Navy, testimony indicated that there currently exists a $45 million shortage in the shipbuilding account so that, if recoupments not previously foreseen do materialize, they will be needed to offset this shortage.

A similar situation exists in regard to the so-called generation of free assets from reimbursable orders not requiring replacement in kind. The House made reductions totaling $39.5 million on the basis that the budget estimates of free assets are less than the amounts which will be realized. The Department requested that $25 million of this total, all for the Army, be restored. The committee recommends approval of the $25 million restoration, since it was clearly indicated during the hearings that estimates of recovery of free assets from stock sales have been overstated rather than understated and that past experience has shown that the additional funds will not materialize.

In a third area, the House made reductions totaling $45 million on the basis that it was likely that unobligated balances will exceed the budget estimates, and that, even if these estimates were to remain firm, the balances were considered to be excessive. The Senate committee has restored these reductions, as requested by the Department. It based its action on testimony which indicated that the unobligated balances are planned to support specific programs and that all the funds are earmarked for these specific programs. In addition, some unobligated balances are required to insure continuity of contracting activities throughout the year. Thus, the committee's action insures the continuation of programs which otherwise might be curtailed.

### SHIP REPAIR, ALTERATION, AND CONVERSION

For many years, there has been a statutory division of work on new construction of ships between public and private shipyards. No such division has previously been in effect in regard to the repair, alteration and conversion of naval ships. For fiscal year 1963, the House, for the first time, imposed monetary limitations in the bill which, in effect, would limit repair and alteration work in the appropriation, "Operation, Navy" and the conversion work in "Shipbuilding and conversion, Navy" to 65 percent of the total in each appropriation.

The committee has approved an amendment submitted by the Department of Defense which would generally accomplish the House objective. In a new section 540 of the bill it is provided that 65 percent of the repair, alteration, and conversion of naval vessels shall be placed in Navy shipyards and 35 percent in privately owned shipyards. This language permits the Navy Department somewhat greater flexibility in administering the programs while accomplishing the same objective as the House desired. In an additional proviso, the committee has included language which provides the President with discretion in the placement of such orders if it be in the public interest.

I digress to say that both the distinguished Senators from Hawaii have asked me about that provision. I am glad to yield to the Senator from Hawaii [Mr. Fong], who wishes to ask a question about the provision in the bill.

Mr. FONG. As the distinguished Senator from Virginia knows, at the navy yard at Pearl Harbor there are 9,000 employees who are deeply concerned with respect to section 540 of the bill. I ask the distinguished Senator from Virginia whether section 540 would give the Navy Department greater flexibility than the House-passed bill?

Mr. ROBERTSON. It certainly would. The bill as passed by the House contained a direct limitation of 65 percent, which would apparently be 10 percent less than the Navy yards are now getting. We found that the private yards are receiving almost 52 percent of the dollars spent. During World War II they built up a force of 50,000 employees, who were doing Government work. They still have 50,000 employees, whereas the employees in the public yards have been reduced by 100,000. There are no private yards in Hawaii. The public yard must repair all the vessels of the Pacific Fleet. We could not bring an injured vessel all the way to California, Oregon, or to the wonderful Bremerton yard in Washington State, for example. So we thought it very essential, when in the public interest, that the President be given this authority and that he be not bound by the limitation. So my distinguished colleague from Hawaii need not worry. The yard will be maintained. It is absolutely necessary in the public interest that the yard be maintained, and the bill, as amended, would give the authority to the President to do so.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I wish merely to add to what the Senator from Virginia has said that it was brought home quite conclusively to us by Admiral Anderson, the Chief of Naval Operations, that he believed that the 11 Navy yards were essential to be maintained so that in time of emergency they would be available for use. He believed that the 65-35 percent, with authority given to the President to change that ratio if he believed it in the public interest, was not inconsistent. He would be able to make it possible for the Government to carry on and maintain the Navy yards so that they might be available in time of emergency, and might be used at the present time.

Mr. FONG. Are we to understand that the Secretary of the Navy is satisfied with the proviso?

Mr. ROBERTSON. The proviso came to us from the Secretary of Defense. The Secretary of the Navy told us, not publicly, but privately, that he was not unduly concerned since the President would have the right to make the change, and, in effect, that they knew the location of the door to the White House.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. If the Senator has read the record of the public hearings, the Secretary of the Navy went even a little further than has been indicated by the Senator from Virginia.

Mr. ROBERTSON. When a committee hearing results in 1,800 pages of testimony, one cannot remember every line of testimony. But I know that the Secretary of the Navy was reasonably well satisfied, and if he is better satisfied than I thought, I will stand corrected. But I do not want him to be too well satisfied, because then someone on the other side may not be satisfied. That is the situation which confronts us.

Mr. FONG. Does the Senator feel that, with the proviso, military considerations will override fiscal limitations?

Mr. ROBERTSON. In the mountains of Virginia, where there were once private mills, there was an old saying: "As safe as old wheat in the mill."

So far as the yard in Hawaii is concerned, the Senator is "as safe as old wheat in the mill." The Government cannot do without the yard in Hawaii. I cannot guarantee that some other yard might not be curtailed. However, the Secretary of the Navy stated that it was essential to maintain all of the yards. He felt that their workload would continue. It is claimed that the work will be increased.

Mr. FONG. I thank the Senator.

Mr. ROBERTSON. What I have said includes the Brooklyn Navy Yard, one of the largest in the Nation.

Mr. KEATING. The Senator is correct. I wish to express my gratitude to the distinguished Senator from Virginia [Mr. ROBERTSON], the distinguished Senator from Massachusetts [Mr. SALTONSTALL], and other Senators for the great interest they have shown in the problem and the way they have handled it. I sincerely hope that the solution which has been arrived at will be an equitable one to yards like the Brooklyn Navy Yard. The assurances that the Senator seems to have received coincide with those I have had informally that the program will not interfere with the operation of the yard in Brooklyn or result in a drop in employment there.

Mr. ROBERTSON. We thought it a fair compromise under which both private yards and public yards could expect fair treatment.

What I have said applies also to the yard in the State of our distinguished friend, the Senator from South Carolina [Mr. THURMOND]. I visited that yard about 6 weeks ago. It is not the largest in the country, but it is one of the best. About 7,000 workers are employed in the yard, and it is leading the Nation in assembling the Polaris submarine. That yard is doing excellent work.

Mr. THURMOND. I thank the distinguished Senator from Virginia. I am pleased to hear his report.

Mr. STENNIS. Mr. President, as I understand the situation, there is a special assembly of those sponsoring the public-owned yards. The idea is to say enough to take care of those yards without arousing any opposition. I do not oppose the Navy yards which are publicly owned. They have a place, and an important service to render. They render service in a very fine way. But there is another side to the picture, which is that of the privately owned yards. I am thinking primarily of them.

I am not talking about the large ones. Let me ask this question. After all is said on the floor, the language the Senator has put in the bill means what it says, does it not?

Mr. ROBERTSON. That is correct. The President must say affirmatively that it is in the public interest to exceed the 65 percent.

Mr. STENNIS. Otherwise, the President failing to do that——

Mr. ROBERTSON. The hands of the Navy will be tied. In addition to that, I was responsible for a letter dated June 7 from the Secretary of Defense. They had asked for competitive bids on $5 million or $6 million on a reconversion job. The Norfolk Shipbuilding Yard got the job after a California company could not give bond, as a result of which the Norfolk people were the low bidder. After the bids were opened, another company submitted a bid below any other bids. We complained about accepting bids after they had been opened. They were opened, and new bids were invited. One of the previous bidders then cut $300,000 below any other bid, thereby obtaining the contract. The Secretary of Defense wrote me a letter on June 7, saying that, not only on advertised competitive bids, but also on negotiated bids, would they open the bidding, and that the lowest responsible bidder would get the contract. That is a great protection for private enterprise.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. STENNIS. Except in cases where it would not be practicable to do so for some reason or other.

Mr. ROBERTSON. Oh, yes. We have a general law that, if no bid within reason is received which is in the public interest, all bids can be rejected. However, when that is done, it is necessary to advertise for bids, and then everyone can come in again with full knowledge of what everyone has bid before. There is no secret about it. So I will say again that this is a compromise. It means what it says. The President must take affirmative action and say that it is in the public interest, and both public yards and private yards can accept it in confidence that both will be protected.

Mr. STENNIS. This was fought out in committee, and it was discussed, and several votes were taken on it. Is that correct?

Mr. ROBERTSON. That is correct.

Mr. STENNIS. There was prevailing a spirit of arriving at an adjustment, without any favoritism to anyone.

Mr. ROBERTSON. That is right.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. JAVITS. I have had the benefit of hearing some of the discussion on the question of the proviso. I should like to say to the Senator from Virginia that, coming from a State where in some measure we have both problems, what the committee recommends seems to me to be a fair resolution of what for people like myself promised to be an extremely thorny subject. I thank the Senator.

Mr. ROBERTSON. The Senator from Virginia finds himself in exactly the same situation in which the Senator from New York finds himself. We have a public yard at Portsmouth, known as the Norfolk Shipyard, and at Newport News we have the biggest private yard in the world. So the situation is the same as in New York, where there is located the Brooklyn Navy Yard and also the Bethlehem Yard. They are two fine yards. This provision takes care of both of them. It is a fair arrangement with respect to what is involved, without showing any favoritism to anyone. We do take the House figure of 65 percent, unless the President says otherwise.

Mr. JAVITS. I hope very much the Senate will go along with the Senator from Virginia.

Mr. ROBERTSON. I thank the Senator.

### RESEARCH GRANTS

In another area of some controversy, the House placed a limitation on research grants to provide that the indirect costs of such grants shall be limited to 15 percent of the direct costs. The committee has stricken the amendment from the bill in the hope that in the conference with the House on this and other appropriation bills a uniform governmentwide limitation on research grants may be worked out. In accordance with this action, a restoration of $4 million in the Army and Air Force was recommended.

A number of relatively minor changes have been made by the committee. They are all described in the report in detail. I shall summarize most of them at this time and will gladly answer any questions you may have.

Restorations were made as follows:

Prepositioning of supplies for the Army, $8.5 million; publication of technical manuals, Navy, $1.7 million; civilian personnel, Marine Corps, $1 million; Defense Supply Agency $5 million; security review functions, $66,000; Army repair parts procurements, $10 million; Sparrow III missile production, $4,190,000; shipbuilding administrative expenses, $2 million; shipyard modernization, $6.8 million; C–141 aircraft procurement, $10 million; corrosion control for Air Force aircraft, $2 million; communications improvements, $12.5 million.

A minor change placed woven silk yarn in the same procurement category as cotton and wool.

### HOUSE INCREASES

I have already described in detail certain House increases above the budget dealing with the Army Reserve components and the RS–70. The House made other increases above the budget which your committee has also approved. These include funds for additional T3J–1 aircraft and Mark 46 torpedoes, an addition of $42 million for the man-in-space Dyna-Soar program, $2 million for a water connection to provide for procurement of water for naval and marine installations in the Beaufort, S.C., area, and $122,000 for the National Board for Promotion of Rifle Practice.

This concludes my discussion of specific monetary actions.

### GENERAL AND LIMITED WARFARE

I propose now to provide a brief picture of the general objectives of what I believe to be our defense policy, and then to outline, with the funds already provided and those which you are asked to pass upon today, how in our military departments these objectives have been and will be attained.

### GENERAL WAR

First, let me speak to our military requirements for general and limited warfare. With respect to general war, our policy remains as ever: to maintain at all times forces fully adequate to deter war through our recognized ability to destroy any attacker. Let me state for the record, after my close association with this bill, that there is no doubt in my mind that we already have that capability.

However, it is obvious that in the past several years the potential character of general war has been steadily changing as the threat of the large intercontinental ballistic missiles became more and more a reality. In response to this shift, our own forces have been and are being modified, both offensively and defensively, as swiftly as possible, with enlarged emphasis on those weapons systems which could survive an all-out surprise nuclear attack. To this end a highly sophisticated, protected and efficient system of command and control of our general war forces has been developed so that continuous, uninterrupted command will be maintained over our forces.

With this same objective in mind, a substantial increase in emphasis has been given to those weapons systems which inherently have a high degree of survivability in a nuclear war environment. Thus, the Polaris submarine-launched missile program has been substantially increased as has the program for the land-based Minuteman ICBM, which lends itself to hardening and dispersal. The number of bombers on the 15-minute alert has also been increased, and will be able to take full advantage of the BMEWS warning system. And because the B–52 will continue to be the mainstay of our manned bomber force for some time, the development and production of the Skybolt air-to-ground missile has been accelerated. Penetration aids for our ballistic missiles, a backup for the SAGE system, additional Nike-Hercules ground-to-air missiles, the continued development of the Midas satellite warning system, ASW measures and countermeasures—all are additions to our general warfare arsenal.

### LIMITED WAR

An even greater percentage of increased funds is being provided for limited warfare requirements. For a number of years this committee fought to maintain the strength of the Army. I am happy to report that the number of combat-ready divisions has been increased by 40 percent and that two new permanent divisions will shortly replace the two National Guard divisions which are scheduled to return to Reserve status in August. Thus, while the strength of the Army will fall considerably below the 1962 yearend strength, it will be substantially above that of the previous year. The number of tactical air squadrons in the Air Force has been substantially expanded to provide air support for the Army. A total of about $2.5 billion—about the same as for the current year—has been requested for Army hardware. To move the limited war forces promptly to wherever they may be needed, $500 million has been provided for procurement of airlift aircraft. The Army's special forces for guerrilla warfare have been increased.

The emphasis which has been placed on the above items, I am convinced, will give us stronger strategic retaliatory forces and continental air defense forces—and what is fully as important—will help them survive a general war strike. The modernized general purpose forces for limited war, together with an expanded airlift, will provide our military forces with the versatility necessary to present-day conditions.

And now I shall pass on to the composition of our three military departments.

### DEPARTMENT OF THE ARMY

This bill provides for an Army with a yearend strength of 960,000 men. This is a substantial reduction from the yearend strength of 1,081,100 for the current year, which was brought about by the calling up of Reserve Forces during the Berlin buildup, but it is approximately 100,000 more than the 857,933 yearend strength for fiscal 1961.

Testimony submitted to our committee indicates that Army forces in the future will be more flexible and better suited to the strategic problems facing us in the world today. Army divisions are now preparing for employment under widely varied conditions of climate and terrain. The new ROAD division concept enables a flexibility which permits ready deploying of divisions, and task grouping within the divisions, to move to any known mission.

At the beginning of fiscal year 1962, our forces in Europe consisted of five divisions plus two battle groups in Berlin. At the end of fiscal year 1963, the Army will have even greater strength in the European theater.

In the Pacific, we had three divisions in the beginning of fiscal year 1962 and one separate battle group, located on Okinawa. This budget provides for strength increases for additional combat and support units.

One of the ever-increasing aspects of the Army's fighting forces is the strategic Army force located in the United States. At the beginning of fiscal year 1962, the active portion of the Strategic Army Forces consisted of six divisions, only three of which were active division forces maintained at full strength and ready for deployment. By the end of fiscal year 1963, the Strategic Army Forces will consist of eight full-strength Active Army divisions, backed up by realined reserve component structure.

This budget also provides for an improvement in the Army's capability to deploy balanced air-ground combat forces. This has been initiated with the organization of the U.S. Strike Command. This joint headquarters has operational control of combat ready units of the Continental Army Command and the Tactical Air Command located in the United States. One of the problems for the strategic reserve has been the problem of airlift and sealift. I am pleased to report to the Senate that great improvements have been made in the past 2 years in this area and that we are making a substantial improvement in this 1963 budget.

Increased firepower capability is assured by the procurement of quantities of the Davy Crockett, the M–14 rifle, and M–60 machinegun and the M–60 tank. Self-propelled artillery include the 105 millimeter, the 155 millimeter, and the 8-inch howitzer. Continued production is planned for the Sergeant, Honest John, and Little John missiles, as well as the Hawk, Redeye, and Pershing.

Air mobility will be enhanced with the procurement of the Caribou transport, the Chinook helicopter transport, and the Iroquois utility-transport helicopter. Logistical support will be furnished, along with other procurement, by the 5- and 15-ton LARC and the 60-ton BARC, all amphibious lighters.

As indicated above, significant effort is being made in the area of limited warfare capability. In this respect the Army is placing greater emphasis on research and development of such essential items as lightweight infantry and artillery weapons systems with increased range, mobility, and effective firepower.

The Army is also entering an extensive research program to improve its mobility. Development continues on aircraft, both fixed wing and helicopter, and on all types of ground vehicles. Work is progressing satisfactorily on several types of high performance, vertical or short takeoff and landing aircraft. Among these, for example, is a new 4-ton VTOL transport, being developed jointly with the Air Force and the Navy. In the off-road ground mobilization capability area for our Armed Forces, the Army is developing a small family of difficult terrain carriers. I cite as an example the XM 571, a full-track amphibious support carrier.

The Army is giving increased emphasis on research for special warfare and psychological warfare operations and chemical and biological weapons. In the ballistic missile defense field, notable progress has been made in the development of the program of the Nike-Zeus, which has progressed from component testing to complete weapons system testing at the White Sands Missile Range, leading toward demonstration of the system's full capabilities at Kwajalein sometime this year.

The committee was impressed with the Army's research efforts, both basic and applied, and indications are that in the fields of weapons and vehicles research, that very satisfactory strides are being made.

### DEPARTMENT OF THE NAVY

The Navy, for fiscal year 1963, will show an end strength of 665,000, approximately the same as in fiscal year 1962. The active Marine Corps will remain at 190,000. The fleet will operate for the coming fiscal year 862 ships, which include 12 Polaris submarines, 9 of which are already operational, and the remaining 3 will join the fleet before the end of fiscal year 1963.

This bill contains provisions for a total of 37 new ships and 35 conversions. A list of these is found on page 50 of the committee report. In addition to the carrier, which I have already discussed, it includes one guided missile frigate, eight nuclear attack submarines, six Polaris submarines already noted, and four amphibious transport docks.

I would like to speak a moment to the conversion program being carried out by the Navy. One of the greatest problems faced by the Navy in its ship program is the continuing obsolescence of our Navy ships. The bulk of the fleet was built during and immediately after World War II. Unless we have a more accelerated ship replacement program, our Navy faces a great degree of obsolescence by the year 1970. We have been attempting to alleviate the obsolescent condition by a conversion program, particularly in our destroyer force, by updating our destroyers through more modern propulsion systems and improved electronic equipment, but even this program will ultimately have its limitations.

The Navy and the Marine Corps will operate over 7,000 aircraft in the coming fiscal year, and I might say in this respect that the Navy's procurement of fighter and attack aircraft during the coming fiscal year will average more than one-third higher than the 1960–61 level. The present bill before you provides for 899 new aircraft, of which 863 will be combat types. The most important of the new aircraft being added to our Navy inventory is the tremendously effective F4H Phantom, which our military experts tell us is probably the best all-around aircraft in the world today. The Air Force is buying this aircraft under the designation of the F–110, which enables the Air Force to have a new aircraft without going through an expensive development program. Other aircraft which will be added to the Navy inventory this year are F8U–2N Crusader; the A4D Skyhawk; the A2F–1 Intruder, and the A3J Vigilante, which, with the F4H, will provide us with the world's most potent fighter attack aircraft combination. Also being procured in the Navy's aircraft program are the W2F–1 Hawkeye for early warning and fighter control; the P3V–1 Orion, the turboprop and much-improved patrol aircraft; and the S2F–3 Tracker, which will give us greater capability in antisubmarine warfare.

The Navy's request for missiles is up sharply from previous years and as a result the combat readiness of the fleet will be enhanced considerably—the procurement of such missiles as Sparrow, Terrier, Tartar, Talos, Bullpup, Sidewinder, and Shrike in this 1963 bill which more than double that of the 1961 level. Included in this year's appropriations is also money for the procurement and production of quantities of the submarine-launched Subroc missile, which will enable our submarines to reach out and destroy their targets at greater distances.

In the area of research and development, funds provided in this bill will allow the Navy to proceed at an increased rate of development. Of particular importance in this area are the Typhon weapon system, which will improve the Navy's defense against airborne threats and the long-range Polaris missile, which has been mentioned elsewhere in this report.

Large-scale appropriations are recommended for ASW warfare development, which is of necessity classified and cannot be set forth in this report to the Senate; but as acting chairman of the Department of Defense Subcommittee, I wish to assure you that the Navy is making great and encouraging strides in this area and several fine accomplishments can be recorded for the past year.

### DEPARTMENT OF THE AIR FORCE

For the Air Force the bill places an increased emphasis on general purpose forces. This is reflected in the following major ways: An increase of five tactical wings, modernization of the tactical fighter forces through the procurement of F–105 and F–110 aircraft, continued development work on the TFX, the initiation of a development program for a mobile midrange ballistic missile, and an increased procurement of conventional munitions.

Substantial funds are included for KC–135A and KC–135B jet tanker aircraft to support the bomber and tactical fighter forces. The airlift capability of the Air Force will be strengthened considerably by the completion of the development of the C–141 aircraft and the start of procurement in quantity of this aircraft. Also, fiscal year 1963 will see the procurement of a number of C–130E aircraft to complete transport squadrons projected for fiscal year 1963.

The air defense program of the Air Force has been materially strengthened during the past year. We still must maintain an effective defense against manned bombers, since the Soviet will continue to have an impressive nuclear delivery capability in this area. The defense system we must maintain consists of manned and unmanned interceptor aircraft as represented by the F–101, F–102, F–106, and the Bomarc. To alert and control these weapons, as well as the Army Nike missiles, we have an extensive controlling and warning network.

Programed for ballistic missiles are funds to complete the 13-squadron Atlas ICBM and the 6-squadron Titan II ICBM program and continuance of the Minuteman program.

I would like to report to the Senate that our two ballistic missile early warning system—BMEWS—sites are now operational. This warning system is deployed to detect ICBM's approaching the United States from polar routes. The third BMEWS site, to be located in the United Kingdom, is under construction and will be operational in the third quarter of fiscal year 1963. The missile defense alarm system—Midas—which complements the BMEWS, is under development. There is also in this bill money for the development of advanced sensing equipment and data processors to support our space detection and tracking system—Spadats.

### CONCLUSION

Before I close I wish to express my sincere appreciation to the members of the subcommittee and those on the full committee under the able chairmanship of Senator HAYDEN, who have devoted so much time, so much effort, so much thoughtful consideration to the items which make up this bill. It is only with their able assistance, their guidance, their painstaking analyses that this bill has been fashioned as successfully as I believe it has. I wish to pay particular tribute to the senior Senator from Georgia [Mr. RUSSELL], who assisted so much in our deliberations, and to my very able friend, the senior Senator from Massachusetts [Mr. SALTONSTALL], who has sat with me through the long hours of hearings comprising over 1,800 pages of testimony. The Senator from Mississippi [Mr. STENNIS] and the Senator from Idaho [Mr. DWORSHAK] were also of great assistance. I also wish to thank the members of our fine staff.

I wish to impress upon my colleagues that this bill is not a partisan bill and at no time during its consideration did party thinking play a part. For that I wish to express my gratitude to the members of both parties who worked so hard on the measure.

I also wish to thank Defense Department personnel for their part in the consideration of the bill. The very able Secretary of Defense and the Deputy Secretary of Defense have always been available to assist in consideration of problems which have arisen. Their broad knowledge and comprehension, their forthrightness, aided greatly in expediting the bill. This is also true of the Assistant Secretary of Defense—Comptroller—the Secretaries of the military departments, the chairman and members of the Joint Chiefs of Staff, and the budget officers of the military departments. I also wish to call attention to the very capable liaison work which Major General Moore has provided. To them, and to many others too numerous to enumerate, I owe a sincere thank you.

Mr. President, at the commencement of this discussion of defense funds, I repeated the statement that I made in presenting the defense budget last year. In discussing the horrendous power of nuclear weapons I said:

> There is another alternative, and the diplomats of the chancelleries of the world will fail their day and generation if they do not discover it.

Last Sunday, I was privileged to attend the commencement exercises of a Virginia school in which I have great pride—the Virginia Military Institute. Since its founding some 125 years ago, its sons have played a notable part in all of our wars. In 1917 the entire graduating class went immediately into active service. In World War II, VMI furnished 50 generals and admirals, including the Chief of Staff of the Army. Last Sunday, I watched 218 members of the graduating class cross the platform of the crowded gymnasium in which the commencement exercises were being held, with a diploma in their left hand and a commission in the Armed Forces of the Nation in their right. In the event of a shooting war they were prepared to prove that "Stonewall" Jackson was right when he said before the Battle of Chancellorsville:

> The institute will be heard from today.

But the cadet corps of VMI opened its commencement exercises by singing, in a most effective way, a familiar hymn entitled "God of Our Fathers, Whose Almighty Hand." While we and our NATO allies are spending billions of dollars to stay the hand of a possible aggressor, the real hope of the free world lies in these lines from the VMI commencement hymn:

> From war's alarms, from deadly pestilence,
> Be Thy strong arm our ever sure defense;
> Thy true religion in our hearts increase
> Thy bounteous goodness nourish us in peace.

Mr. PEARSON. Mr. President will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. PEARSON. Mr. President, I support the Senate Appropriations Committee and the Air Force Chief of Staff in their recommendations that the development of the RS–70 bomber and its associated systems proceed as rapidly as possible.

This is a highly controversial subject for both military and constitutional reasons. I fully recognize the responsibilities of the executive branch and the Secretary of Defense and I commend the Senate Appropriations Committee for not ordering but more properly urging the administration to proceed with this vital program.

I believe that the people of this Nation have the utmost respect for the impressive progress of the military and civilian agency accomplishments in the field of unmanned missile development. The future holds even greater wonders.

In spite of these accomplishments, I do not believe we are ready to turn over our national defense to this inanimate system. As General LeMay told the committee: "Missiles cannot think, they cannot look and report back and they cannot be used for other than a single purpose." The day may come when they can, but a research and experiment process is not a substitute for a weapons system.

The RS–70 was programed as the follow-on to the B–52. The development of ICBM altered it to be a reconnaissance-strike weapon with the capability of flying at speeds in excess of mach 2 to search out undestroyed targets and destroy them, if necessary. It is capable of carrying missiles and radar to perform functions no missile now or immediately operational can perform.

Even if such a weapons system becomes operational simultaneous with the production of the RS–70, the companion system would not be inconsistent with military planning which frequently seeks to guarantee its capability by side-by-side systems.

The administration has requested $171 million principally for the development and construction of the airframe and engines and some work on a bomb-navigation system and $52 million for development of other essential components.

The committee additions are designed to expedite the development of the radar system required and sufficient funds to proceed with three aircraft in addition to the three planned by the administration.

I urge that the Senate support the committee. Over $1 billion has already been spent in this program. It should not be allowed to go for nought when the product of the expenditure has such a great defense potential.

Mr. THURMOND. Mr. President, I take this opportunity to congratulate the able and distinguished Senator from Virginia for the magnificent report he has made. I commend him and the other members of the subcommittee and the full committee for reporting to the Senate an appropriation bill which will adequately keep this Nation prepared.

To my way of thinking, the first function of Congress is to provide for the survival of the people and the Nation. To do this, it is necessary that we maintain a strong preparedness program; that we be ready to cope with any emergency which may arise, whether it be an emergency of a general nature or total war, or whether it be of a limited nature.

I believe that the appropriation bill which the distinguished Senator from Virginia has presented to the Senate is one which will provide the necessary equipment and personnel needed to protect the Nation.

I especially wish to commend the members of the subcommittee for providing for the Reserves.

On page 6 of the report, the committee said:

> **While recognizing the necessity for modernization of the Army Reserve components, the committee does not believe that a reduced strength should accompany such modernization.**

With that statement, I am in hearty accord. It is my judgment that we should not now, of all times, reduce the strength of the Reserves. I believe that, if anything, the strength of the Reserves should be increased. I am highly pleased that the committee has provided funds to maintain the Reserves at the strength suggested and provided for in the report.

I shall not take the time to comment on many other aspects of the bill and the report—which I could do; I simply wish to commend the distinguished Senator from Virginia for the excellent work he and his committee have done.

Mr. ROBERTSON. The high compliment paid me by the distinguished Senator from South Carolina is doubly appreciated. In the first place, he has had military service during war. He holds the highest rank of anyone who has ever served in Congress; that is, the rank of major general in the Reserves. Second, he serves on the Committee on Armed Services, which is constantly studying the problem of military affairs, and which has jurisdiction over the authorizations which must be made before the Committee on Appropriations can report a bill.

In advocating a strength of 400,000 for the National Guard and 300,000 for the Reserves, and including in the bill language to make that strength mandatory, we have in mind that we do not wish ever to turn the Nation over to a military clique, and that we do not ever wish to take the position that only West Point, the Naval Academy, and the Air Force Academy can furnish officers competent to lead the Armed Forces in time of war.

Mr. SALTONSTALL. Mr. President, first I wish to commend the Senator from Virginia for the hard and conscientious work which he has applied to the bill. As one who has attended most of the public hearings and all of the executive sessions, I am well aware of the amount of work the Senator from Virginia has put into the bill. I know the Senate will appreciate the remarks he has made this morning concerning the measure. I am sure the Senator from Virginia and I will both agree that behind all of our work was the influence, if we will, of the chairman of the subcommittee, the distinguished Senator from New Mexico [Mr. CHAVEZ], who could not be present at all times, but whose influence we felt while we worked on the bill.

Mr. ROBERTSON. I agree with the Senator from Massachusetts. The committee had the full cooperation of the Senator from New Mexico. He could not attend all the meetings of the committee, but he attended some of them.

I appreciate the reference which the Senator from Massachusetts has made to my services. As I said in my remarks, I had to depend very much upon the Senator from Massachusetts [Mr. SALtonstall], the Senator from Georgia [Mr. Russell], and other members of the subcommittee and the full committee in reporting the bill, a bill which we hope will meet with the general approval of the Senate.

Mr. SALTONSTALL. I thank the Senator from Virginia. I invite attention to a few of what I believe are the highlights of the bill.

First, as to the National Guard and the Reserves, which the Senator from South Carolina [Mr. Thurmond] has just mentioned, and in which he is so much interested, the bill provides for a net strength for the National Guard of 400,000 men, and 300,000 for the Reserves. At the same time, the bill contains a proviso that in making any realinement of forces in the Army which the Secretary of Defense believes may be necessary, including realinement so far as the National Guard and Reserves are concerned, he will maintain the number and geographical locations of the existing units, so far as possible. The committee believes that in that way the realinement of the Army and the Reserves can go forward, and that the interests of the National Guard and the Reserves will be protected, so far as the geographical locations of the existing units are concerned.

In addition, as has already been fully discussed, and as I shall merely mention, the committee restored $267,100,000, so as to provide the full amount recommended by the Air Force, represented by General LeMay and General Schriever, for the RS-70. We have provided that if the money is not spent for the purpose stated it may not be spent for any other purpose. This item has already been fully discussed, so I shall not speak further about it.

Also, as the chairman has pointed out, the committee provided that the $514,500,000 which the Defense Department recommended be released for any use in the military budget this year—which was money which was provided for the B-52 last year, but not used—be stricken out, in order that the bill might express the will of Congress this year. So the committee has provided a new item of $514,500,000.

The House provided another highlight. The House placed a restriction of 15 percent on the overhead costs of research work by any institutions, including colleges or other organizations which conduct research. The Senate struck that provision because, first, the President recommended that it be stricken by the Senate; and, second, we found that the bookkeeping methods in the various institutions varied so much that it was difficult to limit the restriction to 15 percent. So that item has been stricken from the bill, and it is hoped that the Senate will back the committee's position as we take the whole problem to conference.

Another highlight is the amount provided for maintenance and repair work to be done by Navy yards and private construction yards. That subject has been discussed at length. The Senate allowed the House figures of 65 percent and 35 percent to stand, but included a proviso that the President, in the national interest may change the ratio if he believes it is wise to do so.

Another highlight relates to operation and maintenance. The House separated the figure into two amounts: first, operation and maintenance forces for personnel; and then provided for maintenance of the various establishments as a separate items. The Department of Defense agreed with the amounts and with what the House sought to do, but believed the money should all be in one account; so the Senate has placed it in one account. We then took the amount which the House said should be used for the maintenance of the various military installations and had included the proviso that the amount should be allotted to the local commander for the purpose of maintenance of the establishment. This may not be diverted for other purposes if it was intended as an allotment for maintenance of real property facilities.

Then the Senate committee went forward with the items for the Polaris submarine and for the aircraft carrier, for which the House had voted appropriations. The aircraft carrier appropriation amounts to $280 million. I believe an amendment to strike that out will be offered. That item provides for building the aircraft carrier only, but does not provide for the necessary elements to protect it. But we did approve that item, and voted to include the $280 million appropriation voted for this purpose by the House.

Those are the highlights of this appropriation bill. They have been described very fully by the distinguished Senator from Virginia [Mr. Robertson] in the course of his remarks.

In addition, I should like to state that every year we receive requests from the Department of Defense or from the three services for reprograming—reprograming of procurement, R.D.T. & E., and of construction items which have been allocated previously. I believe there should be more careful supervision of that and more careful study, so there would not have to be so much reprograming. For instance, this year the Armed Services Committee and the Appropriations Committee have approved a total, up to the present time, of $3.7 billion for the reprograming of procurement and R.D.T. & E. Perhaps the total will be more than $4 billion before the end of this fiscal year. That is approximately 20 percent of the procurement, research, development, engineering, and test funds voted by Congress. Therefore, I believe this should be carefully worked out, so there would not be all of this reprograming. Really this is a diversion of funds from that which Congress originally appropriated them. That applies to real estate and to the procurement of weapons and the development of and research on weapons. I believe that should be more thoughtfully considered and studied.

The committee hearings contain a letter on this subject from the Secretary of Defense. In the letter he says he will give more careful attention to it.

I ask unanimous consent to have printed at this point in the Record a paragraph which inadvertently was omitted from the committee report, although the committee intended to include it. Therefore, I call attention to it at this time; and certainly when the military construction bill is before us, I wish to have something on this subject in the report, because I believe that the money we appropriate should be used for the purposes for which we appropriate it, insofar as possible.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### Suggested Report Language on Reprograming

The committee notes with gratitude the House comments on the important subject of reprograming. This matter was explored rather fully in the hearings before this committee. It should be pointed out that through the device of reprograming several billion dollars will be utilized for purposes other than that for which they were originally intended.

In a letter to this committee Secretary McNamara points out that reprograming is a necessary part of the budget process, and with this concept the committee cannot disagree. However, it is essential if the Congress is to be called on to make any sort of judgment in these matters it must be given facts which will permit an intelligent decision to be made.

Inasmuch as the reprograming requests are frequently characterized by the requirement of expeditious action, this problem becomes one of concern to the Congress as well as the Department of Defense.

The committee recognizes that this is a joint problem and feels that it should have the early attention of the Department of Defense and other military services so that the future procedures could be evolved.

Mr. SALTONSTALL. Mr. President, those are the highlights of the bill which has been reported to the Senate; and I hope it will be passed by the Senate without amendment.

Mr. COOPER. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. COOPER. First, I should like to join the other Senators who have commended the Senator from Virginia [Mr. Robertson], the manager of the bill, for his leadership, and also the Senator from Massachusetts [Mr. Saltonstall], and the Senator from Mississippi [Mr. Stennis], for their assistance in the presentation of the bill. All of us owe much to them and the members of the committee for the thorough work they do every year in preparing the defense appropriation bill. And our thanks go also to the Senator from New Mexico [Mr. Chavez], the chairman of the subcommittee who cannot be here today.

Mr. SALTONSTALL. I thank the Senator from Kentucky. The bill does involve a great deal of very important work, although it is exceedingly interesting.

Mr. COOPER. I want to secure an interpretation of the meaning of the provision in the bill concerning the National Guard units and the Reserve units.

I know the Senate committee has followed the House as far as concerns the item appropriating full funds to maintain the numerical strength of the National Guard and the Reserve units as it is today. That is correct, is it not?

Mr. SALTONSTALL. Yes.

Mr. COOPER. Is the Secretary of Defense under any duty or responsibility to use the funds appropriated and to maintain the full numerical strength of the guard and Reserves?

Mr. SALTONSTALL. As the Senator from Kentucky well knows, we cannot order the Secretary of Defense to spend all the money we appropriate. We have allowed a sufficient amount—we did not change the amount voted by the House—to permit an end strength of 400,000 for the National Guard and of 300,000 for the Reserves, together with funds for training for the Air Force Reserves and the Naval Reserves, which are not included in the Senator's question. Of course, the end strength is what is important, for the average strength might at one time exceed 400,000, and later might be less than 400,000.

Mr. COOPER. Of course, I realize that the Secretary of Defense cannot be compelled to use the money. But is it the intention of the committee that the Secretary of Defense shall use the money to maintain the present numerical strength of the National Guard and the Reserve units? I believe he should follow the expressed intention of the Congress and maintain the full strength of the National Guard and Reserves.

Mr. SALTONSTALL. Yes; and the word we use is "shall."

Mr. COOPER. I thank the Senator from Massachusetts.

Is the Senator from Massachusetts able to state for the record any information or statements from the Secretary of Defense which indicate his intention to follow the advice of the committee?

Mr. SALTONSTALL. I would say that although the Secretary of Defense did not approve this provision, yet he knew that the Senate and the House would include it; and certainly he indicated to us that he would try to live up to the provision. But I cannot say affirmatively that he said he would, because I do not think he did; I do not remember that he did. But certainly this was discussed in his presence, and was discussed especially in the presence of the Under Secretary of the Army, Mr. Ailes, whom we questioned very carefully in regard to this provision. In that connection, the bill includes the following provision:

> *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained.

Mr. COOPER. I wish to address myself to that point, also.

But first I desire to refer to the National Guard. I find the following language in title 32, United States Code, section 104, subsection C, dealing with the location, organization, and command of the National Guard units:

> To secure a force the units of which when combined will form complete higher tactical units, the President may designate the units of the National Guard, by branch of the Army or organization of the Air Force, to be maintained in each State, and Territory, Puerto Rico, the Canal Zone and the District of Columbia. However, no change in the branch, organization, or allotment of a unit located entirely within a State may be made without the approval of its governor.

I ask the Senator from Massachusetts whether it is his view—that this section which I have read, and it was corroborated in a telephone conversation I had with the Assistant Secretary of Defense for Personnel—that the proposed changes in the National Guard cannot be made without the consent of the Governor of a State?

Mr. SALTONSTALL. Yes; it is my understanding that they cannot be made without the approval of the Governors.

Mr. COOPER. But could the Department of Defense refuse to provide funds, and thus force the changes it desires, if it wished to use so radical a method?

Mr. SALTONSTALL. Let me read from the statement the committee prepared, which I hope will answer the Senator's question:

> The proposed realinement of the Reserves and National Guard was a matter which the committee considered very carefully. We do not, of course, want to prevent the modernization of these forces; nor do we want to see a number of good units abolished just to accomplish a reduction in the strength of the total forces, or to provide for a higher manning of selected units. The committee made it clear in its report that the planned reorganization should not impair the mobilization readiness of the forces involved, where it also expressed the hope that no State will lose substantial segments of its Reserve Forces. Because of the very strong feeling of the committee in this respect, it recommended the following provision respecting both the Army Reserves and the Army National Guard: "* * * That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained."
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> This language is a clear expression of the views of the committee, and, if adopted by the Senate, it will constitute the position of this body on this issue.

That language is now included in the bill.

Mr. COOPER. I ask the Senator if the committee had any response from the Secretary of Defense or representatives concerning the recommendation of the committee that the present units of the National Guard and Reserve should be preserved at their present geographical locations.

Mr. SALTONSTALL. The Sceretary of the Army, I think, made it clear that, if this provision was in the bill, it would be a workable provision for the rearrangement or realinement that the Army intended for the National Guard and the Reserves. It was argued at great length, and I think the Senator will find in the record of the hearings that they do not want to change the geographical units in the realinement so that there will be a conflict with the best interests of the National Guard as we know them today. They did not say affirmatively they would not do it, but that is the inference I got from the hearing.

Mr. COOPER. I would like to dwell on this subject 2 or 3 minutes, because it is very important. It is important both to the Reserve and to the National Guard. It is important to the States, and to the security of the Nation.

All of us agree that a unit whose mission is no longer vital and necessary to the defense forces, should be reorganized, and its mission changed so that it will better serve the Nation's defense needs. If the mission of a unit is no longer needed—is obsolete—it would be in the interest of the defense of the country to reorganize and change the mission of the unit.

Nevertheless, the committee has said to the Department of Defense, and I agree, that the unit can be maintained and its geographical location preserved, and within these conditions, the unit can be modernized and reorganized.

Mr. SALTONSTALL. When the Senator uses the words "mission" and "realinement," I do not want to draw a distinction in meaning as between those two words; but what the Senator has said was the intention the committee wanted to carry out. There is no question in my mind about it. So far as it was possible to do so, I would say that was the expression of opinion of Under Secretary Ailes, of the Army, who was in charge of this subject.

Mr. COOPER. Are your comments responding to the questions which I have asked the Senator about the National Guard, applicable also to the Reserve units?

Mr. SALTONSTALL. Yes. The Reserves were represented at the hearings. Most of the questions and colloquys were directed especially to the National Guard, but there was no question raised by members of the Reserve Association who were present as to the change in the language which is in the bill, which was asserted to be workable by Under Secretary Ailes. He did not say he favored it, but he said he could work under it.

Mr. COOPER. I thank the Senator very much for his answers and for his interpretation of the provision which was written into the bill. I would like to join with the committee in their interpretation of the provision, and express my firm conviction that it is in the interest of our national defense and national security to maintain the National Guard and Reserve units both at the present strength and geographical locations, and reorganize them where necessary, but as the committee desires, and the Congress desires, holding these units at present strength and location.

Mr. SALTONSTALL. That was our feeling.

Mr. COOPER. I hope very much these units will be maintained in their geographical location. In my own State we have a number of National Guard companies, or units, and many Reserve units. The 100th Reserve Division is on duty today at Camp Chaffee, being the first one called up. We have 11 National Guard companies on duty today. They are meeting their responsibilities and have helped secure the country since the Berlin crisis arose.

Now it is said that National Guard units are Harlan, Barbourville, Williamsburg, London, Somerset, and Pineville may be eliminated and perhaps other National Guard units and Reserve units yet unnamed.

I oppose the elimination of these units and the committee and the vote of the Senate will indicate that the Senate and the Congress opposes any such action. National Guard companies are always at the call of the Governor for any contingency or need in the State.

I would like to point out another factor that is important. The National Guard units and the Reserve units have a great deal to do with maintaining an interest in our Armed Forces, beyond their immediate mission. Their willingness to serve and their demonstrated responsibility and loyalty to our defense and country, contributes to a greater sense of responsibility in our country. The men who serve are volunteers. They are in the Armed Forces because they are concerned about the defense of the country. They are ready to serve whenever called. I would dislike to see the day come when the Department of Defense would cut down the National Guard and the Reserve Forces.

**Mr. SALTONSTALL.** May I clarify one remark? The Senator said something about the approval of the Governor with reference to the National Guard. I answered in the affirmative. As the Senator knows, the Governor has no direct control over the use of the Reserves.

**Mr. COOPER.** I understand.

**Mr. SALTONSTALL.** I yield the floor.

**Mr. FONG.** Mr. President, the Appropriations Committee has very heavy responsibilities and none more important than its duties in connection with the defense bill before us. For this committee plays a key role in the defense posture of our Nation, which serves to protect not only America but our friends and allies the world over. I wish to congratulate members of the Senate Appropriations Committee for discharging their duties so conscientiously and effectively and for bringing to the Senate a much-improved bill over the House version.

The subcommittee of which the able and distinguished junior Senator from Virginia is acting chairman deserves special commendation for working long and diligently hearing and studying testimony on our vast defense operations, giving careful judicious consideration to our Nation's security needs.

This bill is by far the largest single appropriations bill to come before the Senate in terms of dollars, containing $48.4 billion in new obligational authority. Each and every year, defense spending comprises more than one-half of expenditures of the Federal Government. Fiscal year 1963 spending provided by this bill will be no exception.

These billions of dollars constitute the price tag we are paying for readiness and for peace. We Americans pay this price willingly, for we know that without a modern, first-class defense establishment, our very homeland would be in jeopardy.

Mr. President, there are two matters contained in this bill to which I shall direct particular comment this afternoon. One relates to the Army National Guard and Army Reserves and the other to the Navy ship repair and conversion limitations.

I am most pleased with the committee action rejecting the administration's proposed 58,000 reduction and recommending instead a 400,000-strength Army National Guard and 300,000-strength Army Reserve. As I stated in my testimony before the Defense Appropriations Subcommittee, this is a time for our Reserve forces to be strengthened, rather than weakened, particularly in view of the very disturbing developments in southeast Asia. Regular troops of Hawaii's famous Wolfhound Division are already stationed on the front lines in Thailand. We in Hawaii certainly oppose any reduction in the backup support supplied by our Reserve components to our Regular Army Forces in Hawaii.

There can be no mistaking the recommendation of the Senate Appropriations Committee. In addition to providing the necessary funds and the explicit language for a yearend strength of 400,000 for the Army National Guard and a 300,000 Army Reserve, the committee specifically provides that the number and geographical location of units will be maintained throughout the country insofar as practicable.

Mr. President, the proposed Guard reduction would have wiped out Hawaii's 227th Engineer Battalion, the only engineer unit in our State. We were never apprised of what reduction would have been made in the Army Reserves. But, as an island State and a western defense outpost for our Nation in the Pacific, Hawaii could not willingly consent to a reduction in our Reserve components.

I heartily endorse the committee action and urge my Senate colleagues likewise to support the committee so that our very necessary Army National Guard and Army Reserve may have the necessary strength in these troubled times.

Mr. President, the second matter to which I refer is the allocation of Navy ship repair and conversion funds between navy shipyards and private yards.

As the bill was approved by the House, it contained dollar ceilings on repair and conversion work in Navy shipyards, amounting to 65 percent each of total ship repair and ship conversion funds. The balance of 35 percent in each case was directed by the House bill to be awarded to repair and conversion work in private shipyards.

Under the House bill, there is no question that repair and conversion work in Navy shipyards would have to be curtailed and that unemployment in these public shipyards would occur. No one could give any firm estimates as to the resulting unemployment in Navy yards, but there was an educated guess that overall throughout the country 5,000 Navy employees would lose their jobs.

Moreover, the House limitations in effect put fiscal ceilings on matters which should be decided first and foremost from a defense standpoint.

As I stated in my testimony before the Senate Defense Appropriations Subcommittee in opposition to the House 65–35 percent limitations:

> The limiting provisions in the bill approved by the House of Representatives make real the possibility of forcing the Secretary of the Navy to send a ship to a private yard for repairs or conversions at a time when, in his best judgment, it would be contrary to our defense requirements. It is essential to our national security that the Secretary of the Navy have the discretion to allocate repair and conversion work on Navy ships, particularly those on the combat line, among navy and private shipyards.
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> Navy shipyards have a purpose beyond that of berthing ships. These shipyards provide the necessary support for our Navy on the seas. They insure optimum performance and constant readiness by maintaining and utilizing the necessary skilled working force and modern facilities to support our combat ships.
>
> We in the State of Hawaii have experienced firsthand the vital necessity for combat-ready naval forces. The stepped-up tempo of naval activities of other nations in the Pacific and the Atlantic demands our own ships to be continuously on station. As ship-servicing needs grow, the importance of our naval bases grows. The continuing turbulence in the Asian theater, particularly southeast Asia, likewise underscores the imperative need for naval preparedness in the Pacific.
>
> Pearl Harbor Naval Base in Hawaii has been and is today the hub of our farflung naval forces in Asia and the Pacific. Located approximately 2,500 miles from the west coast, it is part of our first line of defense in the Pacific. There are no private shipyards adjacent to it. It is conceivable that the limitations proposed by the House bill would require the Navy, in certain instances, to send ships needing repairs or conversions to the west coast, even though such ships were based at Pearl Harbor. In this event the closest private shipyard would be nearly 2,500 miles away.
>
> Some possible effects of sending Pearl Harbor based ships to west coast private shipyards are, first, those ships would be unavailable for line duty for a longer length of time than if the work were done at Pearl Harbor; second, the labor-management situation at the private shipyard might be such that the ship would not be ready for duty within the period called for by the repair/conversion contract. This would not be the case at a naval shipyard; third, there would be the added expense of having the ship proceed to and from the west coast and Pearl Harbor; fourth, the problem of adequate billeting of the men on the ship would have to be solved, whereas, at Pearl Harbor there are adequate housing facilities available; and fifth, the men on board these ships would be separated from their families for a longer period of time than if the ships were to undergo the same repairs or conversion work at Pearl Harbor. In view of the intense service-career program of our Armed Forces, this unnecessary separation certainly would not help the program.
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> I am aware that there is an increase of $24 million available for repair/conversion work in navy shipyards in fiscal 1963 over fiscal 1962. However, there is no assurance that this increase will also increase the workloads at all navy shipyards. There is no assurance this will increase the actual volume of work because increases in material and labor costs in fiscal 1963 may offset the added dollars.

Since I testified, Mr. President, I have learned that all $24 million of this increase is for conversion work. I am also informed that half of this amount is destined for purchase of electronic and other equipment from outside suppliers and will not generate employment in navy shipyards. Only $12 million are slated for work in navy shipyards.

I further told the Appropriations Subcommittee:

> Any reduction in force resulting from a lower workload because of the 65-percent limitation would work great hardship on the Pearl Harbor employees and their families. Hawaii's isolation from other land areas precludes our unemployed from readily migrating to other areas in search of jobs.
>
> Forced layoffs might well result in loss to the Navy of specially skilled personnel, many of whom had to be recruited earlier from our sister States. The Navy might face great difficulty in recruiting specialists in the future.

Mr. President, while I would have preferred complete elimination of the 65–35 percent provisions of the House bill, I believe the language proposed by the Defense Department and approved by the Senate Appropriations Committee as section 540 of the pending bill constitutes a practical and workable compromise, which, if properly administered, will maintain our naval shipyards such as Pearl Harbor at A–OK readiness and in "Go" condition to meet the repair and conversion need of our Pacific Fleet.

Section 540 does two things. First, it applies the 65-percent limitation to the combined total ship repair and ship conversion funds provided in the bill. The House limitation applied to each of these totals separately. The Navy Department will have more flexibility under the Senate committee provision to allocate ship repair and conversion work between private and navy shipyards, for it will have only one ceiling to bump up against instead of two.

The second feature of section 540 provides the President with leeway in which to exceed these limitations when defense considerations require it. Specifically, section 540 provides "that if determined by the President to be inconsistent with the public interest based on urgency of requirement, capability, and economy of performance to have such vessels repaired, altered, or converted as required above, such work may be done in navy or private shipyards" as the President may direct.

Under this proviso, as I understand it, if urgency of requirement, capability, and economy of performance call for assigning work to a navy shipyard or private shipyard, the President may order such assignment of work even if the cost would result in exceeding the 65-percent or the 35-percent limitation.

I have discussed section 540 with both the chairman of the Defense Appropriations Subcommittee, the distinguished junior Senator from Virginia, and the ranking minority member of the subcommittee, the distinguished senior Senator from Massachusetts. I have been assured by them that the committee was quite cognizant of the need at Pearl Harbor Navy Shipyard, that the committee intended to allow the Navy flexibility in allocating ship repair and conversion work, and that the committee believes section 540 permits the administration to make its decisions consistent with our Nation's defense requirements.

Mr. President, with such assurances, I am encouraged that the Pearl Harbor Naval Shipyard will continue to keep our Pacific Fleet ships in shape for early line duty and that Pearl Harbor Shipyard does not face a drastic slash in workload or unemployment. I am further encouraged by information which I have just obtained from the Navy Department which shows no substantial change in ship repair and conversion work estimated for Pearl Harbor in the coming year, compared with the current fiscal year.

Although the committee did not recommend complete elimination of the 65–35 percent division of ship repair and conversion work, the language suggested by the Defense Department and approved by the committee is a reasonable compromise and gives sufficient flexibility in the use of funds and in the allocation of repair and conversion work.

Administration of the provision rests with the Navy Department and the President, who I am confident recognize the vital importance of Pearl Harbor Navy Shipyard in repair and conversion work for our Pacific Fleet.

Therefore, Mr. President, I strongly support the Appropriations Committee on section 540 and urge the Senate to approve the language as is. Assuming the Senate approves section 540, I strongly urge the Senate conferees to stand firm in insisting on this provision in conference with the House.

Mr. BENNETT. Mr. President, I want to compliment the members of the Senate Appropriations Committee for the time and dedicated effort which has been given to the hearings and reporting of the Department of Defense appropriations bill for fiscal year 1963.

I especially want to commend the committee for including language in the bill which will prohibit the Secretary of Defense from slashing the National Guard and Reserve Forces of our Nation. The specific language pertaining to the National Guard provides "That the Army National Guard will be programed to attain an end strength of 400,000 in fiscal 1963: *Provided further*, That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained."

The bill also contains a similar provision stabilizing the Army Reserve personnel at 300,000 men for fiscal year 1963.

If the Senate approves these provisions in the appropriations bill, and the House concurs in this action it will prevent the decimating of the Guard and Reserve Forces now stationed in the various States throughout the Nation. For instance, in the State of Utah, if the administration's decision were to become effective it would result in the abolition of 6 National Guard units, the closing of at least 3 armories, and the displacement of 550 Utah guardsmen because their units would be abolished. The situation in Utah is typical of what would occur in other States unless the Congress approves the language written into the Defense appropriation bill. I therefore, urge my colleagues to approve these important provisions which are contained in title I of H.R. 11289 as amended by the Senate Appropriations Committee.

Mr. President, I would also like to commend the committee for the action which it has taken to strengthen our deterrent weapons systems. Funds are contained in the bill for both conventional weapons and to increase our arsenal of missiles. Utah is playing a major role in the production of several of the new missiles to be used by the Army, Navy, and Air Force. For instance, the Army's Sergeant missile is produced entirely in Utah, and a major part of the Navy's Polaris, and the Air Force's Minuteman missiles are produced in Utah. Funds for all three of these missiles are contained in the fiscal year 1963 appropriations bill.

Funds are also contained in the bill for the Skybolt, which is the Air Force's newest and most promising air-to-ground missile. Hill Air Force Base in Utah has been assigned the depot maintenance responsibility for this new missile which is fired from a B–52 in flight and has a speed of 9,500 miles per hour. The Defense Department is now reviewing contractor proposals for production of the Skybolt, and we in Utah are hopeful that one or more of the components for this new missile will be produced in the Beehive State.

Since the administration scrapped plans for the development of a mobile Minuteman system, the Defense Department has been considering a new highly mobile missile which could be mounted on trucks, vessels, or other conveyances. From studies which have evolved, the Air Force has been given the mission to initiate development of a mobile midrange ballistic missile—MMRBM—and the appropriations bill now before the Senate contains $80 million in funds to proceed with studies of this new weapon system. This missile is also of particular interest to me since several contractors have submitted proposals to construct components of the MMRBM in Utah.

Funds for advanced development of several projects which have potential application for both military and space use are contained in the bill. One of these projects in which I have been particularly interested is the development of an aerospace plane, which offers a possible one stage to orbit and return space vehicle, capable of taking off from a standard B–52 runway, performing a space mission and returning to a routine airfield landing. The Marquardt Corp., which developed the revolutionary ramjet engine used on the Bomarc, the Redhead Roadrunner and other missiles, is particularly interested in the aerospace plane and has been doing research work on this concept for some time. This company has its major production plant and test facilities in Utah, located in Ogden and Little Mountain.

There are many other important sections in the Defense Department Appropriations bill which deserve discussion, and I am sure these will be taken up by the distinguished chairman and members of the Appropriations Committee.

I urge the Senate to approve the bill and especially those sections which I previously mentioned pertaining to the preservation of our National Guard and Army Reserve Forces.

Mr. PROXMIRE. Mr. President——

Mr. STENNIS. Mr. President, may I ask the indulgence of the Senator?

Mr. PROXMIRE. I shall be delighted to yield to the Senator from Mississippi in just a moment.

First, I call up my amendment identified as "6-12-62—A," and I offer it as substitute for the pending amendments offered by the minority leader. I also ask unanimous consent that the two provisions of the amendment, referring to different portions of the bill, be considered en bloc. Finally, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, the reading of the amendments will be dispensed with.

The amendment, offered by Mr. PROXMIRE, is as follows:

On page 36, lines 23 and 24, strike out "$3,776,000,000" and insert in lieu thereof "$3,456,000,000".

On page 37, line 2, strike out "$491,000,000" and insert in lieu thereof "$171,000,000".

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin that the amendments be considered en bloc? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Mississippi without losing my right to the floor.

Mr. SALTONSTALL. Mr. President, reserving the right to object to the Senator's unanimous-consent request, I shall not object if he answers my question. Does the Senator from Illinois approve of the suggestion?

Mr. PROXMIRE. My amendments are somewhat different from those of the Senator from Illinois, which are being considered en bloc. My request is to meet a strictly technical situation. The Senator from Illinois asked that his amendments be treated en bloc. I consulted with the Parliamentarian. He suggested that my amendments be considered en bloc.

Mr. SALTONSTALL. I shall not object, but I wanted to call attention to this matter because the Senator from Wisconsin has asked unanimous consent to substitute his amendments for the pending amendments of the Senator from Illinois.

Mr. PROXMIRE. The Senator from Wisconsin did not ask to substitute his amendments for those of the Senator from Illinois. I am calling up my amendments as a substitute. Then I am asking unanimous consent that the provisions in my amendments be handled en bloc, as the Senator from Illinois did, because, according to the Parliamentarian, it is necessary to handle it that way.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I gather that the substitute is in order. Is that correct?

The PRESIDING OFFICER. The Senator is correct. The amendments will be considered en bloc.

Mr. PROXMIRE. I yield to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator. My remarks will be very brief.

First, I commend very highly the splendid work of the Senator from Virginia [Mr. ROBERTSON] and the Senator from Massachusetts [Mr. SALTONSTALL] with reference to the handling of the pending appropriation bill. The committee owes the Senators a special debt of gratitude for the endless days and nights they spent in taking testimony and working out this bill and considering and weighing and evaluating the testimony of the various witnesses and their contributions to the committee. Their work is always good, but it has been outstanding this year.

Of course, we miss our good friend from New Mexico [Mr. CHAVEZ], who attended some of the hearings, but could not carry the heavy load this time.

Mr. SALTONSTALL. I thank the Senator for his references to me.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. DIRKSEN. I think it is appropriate to direct attention to the fact that the amendment I offered makes $171 million the ceiling for the RS-70 purpose. The amendment offered by the Senator from Wisconsin makes it a floor, and they could add to it.

Mr. PROXMIRE. That is exactly correct. That is a proper distinction.

Mr. DIRKSEN. The administration requested the $171 million figure, so I have set the ceiling at $171 million.

Mr. PROXMIRE. The Senator is correct.

Mr. STENNIS. Mr. President, I wish to add a further word. I think at this time, in connection with the colloquy between the Senator from Kentucky [Mr. COOPER] and the Senator from Massachusetts [Mr. SALTONSTALL], it will be helpful to read the provision in the bill, beginning on page 4, with reference to the Army Reserve. This will fill out what the Senators have said for the RECORD. The language is as follows:

*Provided,* That the Army Reserve personnel undergoing paid drill training and paid from this appropriation shall be maintained at an end strength of not less than three hundred thousand for fiscal year 1963: *Provided further,* That insofar as practicable in any reorganization or realinement for the purpose of modernization the number and geographical location of existing units will be maintained.

A similar provision is to be found on page 6 with reference to the Army National Guard.

The National Guard and the Reserve are being treated identically the same under the terms of the bill. This would make mandatory the spending of money up to an amount which would pay these men on that basis for the increased amount of drill. That is the same provision which was in the law last year. It is not in the bill for the current fiscal year, because when we passed the bill last year there was a program of calling up the National Guardsmen and calling up the Reserves, increasing the program all the way around.

This would reiterate what has been done heretofore with reference to the end strength of the units. It would permit realinements. It would permit a change of units which are obsolete. The end strength, however, would have to remain at the levels stated.

Mr. COOPER. I thank the Senator.

Mr. STENNIS. I thought the actual quotation would be appropriate.

Mr. COOPER. I appreciate that. I know it can be said that we are interested in this only because there are units in our States.

Mr. STENNIS. That could be said, yes.

Mr. COOPER. It might be said that men in these units write us and wish to have the units maintained. I shall not say that does not have any influence. However, considering the long service of the Senator from Mississippi on the Committee on Armed Services, and also his contribution as a member of the Subcommittee of the Appropriations Committee which deals with the Defense Department budget, I should appreciate very much having in the RECORD the Senator's view as to the value of maintaining the National Guard and Reserve units not merely because certain units happen to be located in our States, but with respect to the value they have for the total defense of this country.

Mr. STENNIS. I thank the Senator for the implied compliment in his question. I was going to address the Senate quite briefly on that very point.

I add, it is with a sense of gratification I join in support of the funds for the 700,000 men for the National Guard and Army Reserve units. I fully support providing the necessary dollars to carry out that program.

I think the Berlin callup has been the most convincing peacetime demonstration, by all means, that we have ever had as to the value of our Reserve program and our National Guard program.

As I said on this floor a few months ago, I visited Fort Polk, La., where there are 21,000 men under arms. Every person there, from the privates to the general in command, was a member of a Reserve or National Guard unit. These men were taken from their homes, from their businesses, from their professions, away from their families, on very short notice last September and October. They were actually welded into a formidable fighting unit with strength. They passed very high and exacting requirements.

General Clay told us in a session not long ago that the so-called Berlin callup—the bringing of the reservists and National Guardsmen into service, considering the way their families backed them up, the way Congress backed them up, the way the President backed them up, and the way people throughout this Nation backed them up—was felt like an electric shock in Berlin, in Western Europe, and within the walls of our adversaries. There was testimony in abundance from others who were in a position to know the situation.

I do not think there is any doubt that this was one of the finest demonstrations of the value of the Reserve and National Guard units we have ever had. It proves the need for them and the fact that the program works out in practicality. These men and their families deserve a great deal of credit.

The continuation of this program will also be what the Senator from Mississippi believes is the avenue of military training and utilization of talent whereby we can get the most for our defense dollar. It is possible to provide for approximately five reservists or guardsmen for the same amount required to provide for one Regular serviceman.

As has been demonstrated, in a very short time these men are ready to go, ready to utilize their training and their talents.

Those basic conditions are behind the support, both of manpower and of money, for the Reserve and National Guard units. I think this expression by the Congress will be not only the equivalent of a mandate to the Department of Defense to carry on this program but also an expression of appreciation for what has been done, as well as the further challenge to the men in these Reserve and National Guard units.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator, though I hope briefly, because I am on borrowed time myself.

Mr. GOLDWATER. I thank the Senator. I wished to ask the Senator whether there is any substantial change in the budget estimate for this program this year compared to last year.

Mr. STENNIS. Considering the figures which are in the bill now before the Senate, there is not any substantial change, except for the changes which were caused by the Berlin callup.

Mr. GOLDWATER. If the Senator will allow me to do so, I wish to thank him for his support of the Army National Guard, Air National Guard, and Reserve units in this country. I think it is most unfortunate that these groups have come under an attack by the Defense Department. I feel certain that they have come under this attack without any real knowledge on the part of those who attack of what they are attacking.

I should like to back up what my good friend from Mississippi has said. This is the first time I know of in history in which Reserve units have been able to be used to back up American foreign policy.

One thought which the Russians have held most strongly, more than any other in the field of the military, has historically been that the United States was not equipped to fight a war immediately; that it would be necessary to delay at least 6 months and perhaps a year.

Mr. President, I speak as one who has been in the Reserve movement for nearly 33 years. In the past 5 or 6 years we have seen the National Guard, both ground and air, and the Reserve—ground, air, and Navy—come of age, one might say.

Those units which were called up in the Berlin crisis demonstrated to Mr. Khrushchev more thoroughly, I think, than anything else the President could have done, that we are ready to fight if he is ever foolish enough to wish to do so. I speak with more knowledge of the Air National Guard than of the ground National Guard, but these units were all ready to go into combat. The Air National Guard units, for example, flew 200 F-84 jet aircraft across the North Atlantic without a single accident. Every single aircraft of the Air National Guard which moved overseas moved overseas without an accident. To my knowledge, only two fatalities have been suffered by the Air National Guard since they were called up in the Berlin crisis.

The ground National Guard was ready to go into combat, into the front line, almost immediately, which I know surprised many frontline commanders in NATO.

Mr. President, I could not let this opportunity go by without thanking my good friend who serves with me on the Committee on Armed Services, who does such an admirable job, for the statements he has made today. I am sure the Department of Defense acted more from ignorance than it did from facts. If anything is needed today, I believe it is the expression of encouragement to the Reserve and National Guard units, in the form of available money and particularly in the form of new equipment. I am hopeful that the Congress—the Senate and the House—will follow this program through and will carry on the tradition of keeping a strong Reserve.

I might bring one final point to the attention of the Senate. No nation in the history of the world hase ever been able to maintain a full-strength military. Nations have always had to depend upon their reserves. The European reserve system has always been better than ours because their young men are required to spend periods of time in active service, whereas through one loophole or another the young men of our country have been able to avoid it. Up to the provisions of the Reserve Act of 1951, followed by the act of 1955, we have never really provided any incentive for them or any basic training to be obtained by them. If we obtain that ability I am very hopeful that the Congress in its wisdom will instruct the Secretary of Defense that, in the wisdom of Congress, the Secretary is very foolish even to suggest that we cut back this very necessary and powerful army of our defense.

Mr. STENNIS. I thank the Senator for his remarks and for his fine support of the Reserve and National Guard program, in which he has been consistently active. In all the services most of the Regulars have neglected the Reserves in their thinking. When there comes a division of the dollar, naturally the Regulars are looking after their own programs. Congress has stood up and fought the battles for recognition of the Reserves as well as equipment and facilities. The National Guard must beg for a little facility for National Guard summer training that would cost, for example, only $100,000.

Recently I spent a day and a half at Camp Polk in Louisiana. I visited many of the units there. I visited a medical unit which was being led by one of the foremost doctors in my State. The unit had equipment and facilities, and could perform battlefield operations, if necessary. It was prepared to make blood transfusions and do everything that goes with a major medical operation. It is in a high state of preparation. It has an excellent rating. By the way, the unit is rated by the Regulars.

I found at Camp Polk artillery battalions of various kinds. I do not know the proper term to use, but they had excellent ratings. I met with a number of those men and I was amazed at the available talent. There were among them noncommissioned officers who were young businessmen, insurance agents, clerks in stores, and owners of farms. They were leaders in their communities. They were men of the very highest order of intelligence one could find. Those elements are of great value in the Reserve and National Guard programs.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield briefly, since I am speaking on time yielded to me by the Senator from Wisconsin [Mr. PROXMIRE].

Mr. HOLLAND. I thank the Senator for yielding. I commend him for the position he is taking, which is not new to him. He has been taking that position through the years in support of both the Air National Guard and the whole National Guard, and also the Reserves.

Mr. STENNIS. I thank the Senator.

Mr. HOLLAND. I also associate myself with the remarks of the distinguished Senator from Arizona [Mr. GOLDWATER], who for so long has been a distinguished officer in the Air National Guard.

Judging from my mail through the years, from National Guardsmen in particular, a question of morale is involved in the issue which is now being discussed. The National Guard has felt throughout the years, and feels this year, that there is insufficient appreciation on the part of the Regular Establishment of what the National Guard is doing for our country. I invite attention to the fact that it requires a patient, dedicated, and patriotic type of fortitude to render years of service in the National Guard and in the Reserve. They are to be commended, helped, and sustained by the Congress in every way we can do so.

The remarks being made today on the floor of the Senate and the action of the committee in this regard are all in support of an effort which is made not only in time of war but generally in time of peace, when the men in the National Guard and Reserve have something else to do, as we all have. They are making a real and constant sacrifice for our country.

I think we should encourage them and do things that will contribute to their morale rather than to give encouragement to what seems to them—and, I must say, at times to me, to be a lack of appreciation on the part of the Regular Establishment for the dedicated services that are rendered through the years of peace by both officers and noncommissioned and enlisted personnel. I thank the Senator warmly for the fine position which he has taken uniformly and continues to take today.

Mr. STENNIS. Mr. President, I thank the Senator for his remarks. I agree with him wholeheartedly. Without doubt the response of the Reserves and the National Guardsmen, their families, their communities, and the people throughout the Nation during the Berlin crisis was the real message that was heard in the Kremlin. When the Berlin crisis arose, we had nuclear weapons and missiles that we could have dropped over there, but we could not use them. We had strategic airpower with bombs enough to have blown a nation almost off the map. We could not use them. We had to obtain ground forces. We put the Reserves in action. They filled out the picture; and, at least temporarily, the action produced results.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. CARLSON. I wish to associate myself with the remarks of the distinguished Senator from Mississippi [Mr. Stennis], the distinguished Senator from Arizona [Mr. Goldwater], and the distinguished Senator from Florida [Mr. Holland], all of whom have spoken in regard to the National Guard and the Reserve units.

The Senator from Florida and I have both served as Governors of States in which we had an opportunity to become very closely associated with the membership of the National Guard. As has been mentioned, the quality of those who are willing to give of their time is high. I commend the committee for the action it has taken, which I am hopeful and confident will be sustained by the Congress.

I hope that the Regular Establishments of our military service will seriously consider giving further additional recognition to the National Guard and Reserve units, to which I think they are entitled because they are very important parts of our national defense. As was well brought out, they played a strategic and important part in the Berlin crisis. I thank the Senator.

Mr. STENNIS. I thank the Senator. I observe that the Senator from Connecticut [Mr. Bush] is in the Chamber. He and I have had several conversations in the committee about the economy of the Reserve. The proposal is really an economic measure. The Senator from Connecticut has been concerned about that subject. He and I have discussed it many times in the committee. We agreed that the dollar went further when it came to manpower and readiness in the Reserve programs than in any other field, even though we must also have the other program.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. STENNIS. The Senator knows my situation. I am happy to yield.

Mr. GOLDWATER. I am sure that the Senator from Wisconsin will be kind enough to yield additional time. I thought it might be of interest to Senators present in the Chamber today to know about some of the organizations of the National Guard which are returning to the United States from oversea assignments.

There is the 161st Fighter Group, which is returning from Ramstein, Germany. That group included the 197th Fighter-Interceptor Squadron. The commanding general of the 17th Air Force, under whom those men served, was a classmate of mine in school. He told me that never in his life had he been so pleasantly surprised with the high quality of men as he was with that displayed by the Arizona National Guard and the other units that came with them.

Also returning from Ramstein is the 134th Fighter Group, including the 151st Fighter-Interceptor Squadron, which is based at McGee-Tyson Airport, Knoxville, Tenn.

Returning from Moron, Spain, is the 169th Fighter Group, including the 157th Fighter-Interceptor Squadron. They are based at McEntire Air National Guard Base, S.C.

There is the 108th Tactical Fighter Wing, including elements returning from Chaumont, France. They are from McGuire Air Force Base, N.J.

There is the 117th Tactical Reconnaissance Wing, including elements from Chaumont and Dreux, France, which are based at Sumpter Smith Air National Guard Base, Birmingham, Ala.

There is the 131st Tactical Fighter Squadron which is returning from Phalsbourg, France. They are based at Barnes Field, Westfield, Mass.

I could continue to list the returning units. Today one of the most exceptional jobs in the callup is being done by some California outfits. There is the 146th Air Transport Wing, which includes many weather flights, three of which have been overseas. The 131st Weather Flight has been in Phalsbourg, France. The 163d Weather Flight has been in Chambley, France. The 164th Weather Flight has been in Etain, France.

These young men are flying C–97's on daily missions of the Military Air Transport Service to the Far East. They have given up their jobs as doctors, lawyers, and successful salesmen. The commanding general, a close friend of mine, is a west coast businessman, the manager of Newsweek. I am happy to say that Newsweek magazine, in appreciation of his services and the services of other men, has continued him on the payroll while he is in the service. This is one of the greatest experiences in the Transport Service, where, on D–1 plus about 3 we estimated that we would be some 20 percent deficient in transport capability. Through our National Guard Air Service this deficiency has been materially reduced. Under the experience that will be applied in the future, this deficit can be further reduced.

In closing, I say to Senators that late yesterday afternoon I made remarks on this entire subject. They start at page 10206 of the Record. Of particular interest to Senators would be the table starting at page 10210 and going through page 10214, showing the Air National Guard units, when they were called, and when they will be released.

Mr. President, I ask unanimous consent to have printed in the Record at this point as a part of my remarks an article entitled "Guardsmen Eagerly Await Return to Valley of Sun," written by George Ridge and published in the Arizona Republic of June 10, 1962, dealing with the prospective return to Sky Harbor, in Phoenix, Ariz., of the 197th Fighter-Interceptor Squadron, heretofore stationed at Ramstein Air Base, West Germany.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Guardsmen Eagerly Await Return to Valley of Sun

(By George Ridge)

Ramstein Airbase, West Germany.—"Valley of the Sun, here we come," shouted one member of the 197th Fighter-Interceptor Squadron when the word came that the unit will be returned to Sky Harbor in Phoenix as soon as possible after June 20.

First Lt. John C. Iovinelli, a pilot, just about summed up the squadron feeling when he called Europe "an education in itself." But he added, "I will be happy to return to college."

"It's been great and I enjoyed it," said Capt. Val H. Sklenar. "I wouldn't have missed this tour for the world. But now that we've been given the date, I'm ready to go home."

A2c. Larry A. Nathanson will return to his business administration studies at the University of Arizona.

"I feel we had a job to do and we did it," he said. "Now I'm ready to go home."

The Air Force announcement said specific dates for the return will depend on the amount of time needed and the availability of transportation.

The 197th, recalled last October during the Berlin crisis, has been stationed here since mid-November.

Flags of all NATO nations fly in front of the headquarters building, but the only one visible from the flight line belongs to the State of Arizona.

How do the men from the Valley of the Sun feel about their sudden recall and transfer to Ramstein?

"Now that winter is over, we're beginning to enjoy life," said Lt. Col. Thomas H. Barnard, commander of the 197th.

Ramstein is situated in the rolling, pine-covered hills near Kaiserslautern and the months from December through March feature brisk temperatures and lots of snow.

The area around Kaiserslautern, or K-Town as it is known to GI's, houses the largest U.S. military complex in Europe.

Surrounding the city are some of the loveliest woods and lakes of Germany. An hour's drive away to the east is the Rhine River and the university city of Heidelberg.

Travel seems to have been the major off-duty ambition of the men of the 197th.

"I've been to Paris and pretty well explored Germany," says A1c. Philip Schwab, who worked as a butcher in Phoenix and now is assigned as a cook at Ramstein. "Paris and Germany are different," continues Schwab, "but there's no place like home."

The 197th has run tours to castles and other scenic attractions around Ramstein, and excursions all over Europe were offered through the service clubs.

One member of the Copperheads even gained a measure of fame while on tour.

When Sgt. Ronald G. Hendricks appeared on the ski slope at Berchtesgaden in the Bavarian Alps, he was greeted by a band and a cheering crowd.

The unsuspecting airman was the millionth skier to use the Army-sponsored slope at Berchtesgaden since the recreation area was opened after the war.

Hendricks, a refueling operator whose wife Rita lives in Phoenix, was "king for a day" with top billing at a banquet and gifts that included free ski instruction, ski trousers, and a key to the city.

A2c. Kenneth M. Place, an engineer with the city of Phoenix, and currently combat operations clerk with the Copperheads, would like to bring his wife to Europe and revisit some of the places he's seen, like London, Paris, Brussels and Amsterdam.

He liked Switzerland best.

"They have mountains there," the Arizonan said.

For many in the 197th this is the second recall to active duty. For some, like Capt. Walter Armistead, it is the third.

Armistead, who is on leave as head of the English department at Coronado High School, flew Marine jets in the Far East.

Recreation at the base is varied. Capt. Curtis Williams, the intelligence officer, bought a sports car and now places high in rally driving. S. Sgt. Reynaldo G. Cordova formed a softball team, named the Guadalupe Indians.

These off-duty diversions, plus the vital work the squadron is doing as part of the 17th Air Force, have helped to keep morale high, according to Maj. Russell J. Kapp, the administrative officer.

"Sacrifices in this callup have really been in the airman ranks," said Kapp, "and I can't praise our airmen too highly. They had a job to do and they've done it."

A3c. John Montalvo, an aircraft mechanic, interrupted his schooling at Phoenix College to come to Germany.

Relaxed in his office beneath a big picture of the Arizona desert, Barnard praised Ramstein as a "very fine base with very fine people." Barnard, making his first tour of duty in Europe, was one of the founders of Arizona's Copperhead Air National Guard unit.

Even at rest, Barnard never really leaves the high-speed world of the F–104. For example, a recent weekend was spent at Germany's version of the Indianapolis Speedway, Nürburgring, where a 1,000-kilometer auto race was being staged.

Capt. Don Owens, a pilot, finds the big change from Arizona in the flying.

"We can't go up as much, naturally, because of the weather," he says. "There's also a big difference in the flying area."

"The 197th has really put on a good show," says Brig. Gen. F. W. Gillespie, commander of the 86th Air Division.

Maj. Gen. H. R. Spicer, commander of the 17th Air Force, commended the 197th as having "strengthened" his command tremendously.

Perhaps one of the most eager to get home is A2c. Richard Viges, who has never seen his new-born daughter Lisa.

Richard's father, SM. Sgt. Enzie W. Viges is an assistant line chief with the 197th.

"Gonna get Dad to Paris?" someone asked the younger Viges.

"I'd sooner get him to Phoenix," came the prompt reply.

Mr. GOLDWATER. I thank the Senator from Mississippi and the Senator from Wisconsin.

Mr. STENNIS. Mr. President, in connection with the B–70 discussion I have already brought out material facts. I merely wish to add, by way of reiteration of the figures, the reasons listed by General LeMay.

The present program, when completed, as envisioned by the Department of Defense for the B–70 would cost $1.3 billion.

The budget this year allowed $171 million for continued development of this aircraft. However, this does not provide for full weapons system funding. Last year the committee allowed $400 million for the B–70 and the Department of Defense did not use $180 million of this appropriation.

This year, the Department of Defense budget recommended $171 million to continue the program for the development of the XB–70 aircraft. The House added to this sum $52.9 million which made a total of $223.9 million available. This $52.9 million would provide for a start on development of new type of radar.

The program envisioned by the Senate committee's recommendation of $491 million would provide for advanced technology on the reconnaissance sensor aspect of the subsystem as well as inflight refueling, the strike missile, environmental control, and autopilot, none of which is possible under the present program envisioned by the Department of Defense. The full $491 million will also provide for a start on new test aircraft in addition to the three now in the program.

So if it is decided to have the wings, we will have the weapons system ready.

General LeMay listed in general, four paramount advantages of having a mix of aircraft and missiles:

> First, it gives us a flexible or versatile capability so that if one method of attack is rendered ineffective because of enemy defenses, we have other methods available.
>
> Second, it forces the enemy to expend maximum effort and resources in his attempt to defend against all methods of our attack.
>
> Third, it compounds the enemy attack problem, both in types and numbers of weapons, which in turn enhances the survivability of each of our systems.
>
> And fourth, the manned systems give us a capability to observe and report the physical evidence of an enemy's situation. This information is a vital requirement for the conduct of war.

Further, Mr. President, with these missiles, whose effectiveness makes more improbable their use, we would find ourselves with weapons that would be the ultimate, to be used only should there be absolute all-out war and complete destruction. With respect to manned aircraft, how can we afford not to carry forward our foremost program while the other programs are phasing out?

If the final decision should be not to use the money, very well; no harm will have been done. The money is available as we provide it for this year.

### AIRCRAFT CARRIER

With respect to some of the argument of the Senator from Wisconsin on the aircraft carrier, it seems to me this is a very simple matter. The decision has already been made by Congress. It has already been made by the Navy. It has already been made by the Joint Chiefs of Staff. Everyone who has rendered a decision with reference to the carrier, with some personal dissent, perhaps, and every agency of Government that has passed on the question, including both committees of Congress, has found that the need is present and that the funds are required. The House voted a $30 million reduction, and the Senate committee voted to follow that reduction.

In the limited war and cold war roles, the aircraft carrier force provides a most important and unique capability. Secretary McNamara has pointed out that there are many potential trouble spots in the world where the aircraft carrier is and will continue to be the only practical means of bringing our airstriking power to bear. Carrier airpower can be employed without involving third parties, without invoking treaties, agreements, or overflight rights. And, as has been demonstrated many times before, the carrier task force is a most effective means for presenting a show of force or establishing a military presence, which often has helped to maintain the peace and discourage hostilities.

The carrier fleet of this Nation is now policing the world, traveling through the waters of the seven seas—in the Mediterranean, the Atlantic, the Caribbean, the Pacific, and the Far East. The carriers are present day and night, every day of every week of the year. The carriers are always on duty, patrolling the waters, with their planes ready to go. One of the finest demonstrations that I have ever seen—even though the aim was not always accurate with the missiles—was on the *Forrestal* off the Atlantic coast, about 60 days ago. These fine units—I have forgotten the exact terminology—with their high-powered planes took off from the *Forrestal* and returned to it, landing at night. I talked with the pilots on board, in the readyroom, as it is called. These fine young pilots, trained to the *n*th degree, with their whole heart and soul in their mission, are ready with high-powered weapons. These fine young men are sailing around the world day and night.

Nothing has been said of Formosa lately. However, the carriers are there, sailing around all the time. They can reach the trouble spots of the world on short notice. They constitute the greatest single influence of our military power all over the world. More than anything else, every day they help to enforce foreign policy to a degree.

There is no reason to expect that the need for this form of airpower will diminish in the future. The fact that they may be vulnerable to attack in a general nuclear war does not detract from their value in limited war.

Let no one have any doubt that if we ever have a nuclear war, nothing will be left anyway. The entire world will be the target for these weapons.

To meet our commitments around the world we believe a modern force of attack carriers is required. The *Essex* class carrier is marginal for this purpose. Most are about 20 years of age and despite extensive modernization, they no longer are fully effective in their role as attack carriers.

Of course, they have some value. For example, a *Forrestal* carrier can launch aircraft twice as rapidly as can an *Essex* class carrier. The added length and tonnage of the *Forrestal* carriers are a distinct advantage under severe sea conditions prevalent in the Western Pacific, the China Sea area in the typhoon season, or the northern oceans in the winter. In the North Atlantic, for example, aircraft can be operated 345 days per year from the *Forrestal* class carrier and only 220 days from the *Essex* class carrier. Moreover, the *Forrestal* carriers have about 300 percent more jet fuel and over 150 percent more ordnance capacity. Finally, for the same type aircraft the accident and fatality rates on the *Essex* class are considerably higher than on the *Forrestal* class. Carrier operations are hazardous, and aside from the property losses involved, we should take every reasonable step to minimize the loss of life.

Mr. President, I shall not intrude longer on the time of the good Senator from Wisconsin [Mr. Proxmire], whose courtesy I deeply appreciate. I thank him for the time he has yielded to me.

**Mr. PROXMIRE.** I thank the Senator from Mississippi.

Mr. President, I observe that not a sufficient number of Senators are in the Chamber at the moment to order the yeas and nays on my substitute amendment so I shall defer my request for the yeas and nays until later.

**Mr. ROBERTSON.** Mr. President, will the Senator yield?

**Mr. PROXMIRE.** I yield.

**Mr. ROBERTSON.** I think enough Senators are present, if the Senator will ask for the yeas and nays now. One or two more Senators are in the cloakroom.

**Mr. PROXMIRE.** Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

**Mr. PROXMIRE.** I thank the Senator from Virginia.

**Mr. CLARK.** Mr. President, will the Senator yield?

**Mr. PROXMIRE.** I yield.

**Mr. CLARK.** Mr. President, I know that the Senator from Wisconsin is about to speak at length in support of the position of the President of the United States, the Secretary of Defense, and the Joint Chiefs of Staff, who do not believe they need the full appropriation in the pending bill for the construction of a superaircraft for B–70's. I wish to indicate my strong support of the position which the Senator from Wisconsin is about to take and to pledge my vote in support of his amendment.

In my opinion, it is unfortunate that the committee has seen fit—I believe unanimously—to disregard the advice of the Joint Chiefs of Staff, the Secretary of Defense, and the President of the United States. I suggest that we are probably about to engage in a paper battle, because I am confident that the money will not be spent even if it is voted. Nevertheless, in view of the archaic method in which the budget is now prepared, if the Senate votes for the appropriation the amount will help to swell what we fear will be a deficit.

I shall support the Senator from Wisconsin because, first, the money will probably not be spent anyway, and this amount would distort the budget; second, because I support the President of the United States and his principal supporters in this regard.

**Mr. ROBERTSON.** Mr. President, will the Senator from Wisconsin yield, so that I may ask a question of the Senator from Pennsylvania?

**Mr. PROXMIRE.** I yield, provided I do not lose the floor.

**Mr. ROBERTSON.** In what way would an appropriation which was not spent be reflected in the deficit? I thought the deficit related only to the amount spent.

**Mr. CLARK.** It will be reported in every newspaper in the United States that the money has gone into the budget. I know full well, from observing the press in this country, what will happen if the Senate votes for this kind of appropriation. It will be reported all over the country: "Wild-eyed spenders run wild again." This time I do not intend to participate in such an action. I realize that my good friend from Virginia and I are in disagreement, but I honor his opinion.

**Mr. ROBERTSON.** The committee included in the appropriation bill $514,500,000 for long-range bombers. There will be an estimated deficit this year of $7 or $8 billion. Will that item be any part of it?

**Mr. CLARK.** The Senator is correct.

**Mr. ROBERTSON.** Very well. Unless it is spent, it will not be in the budget. So this amount will not be spent, but it will be in the comparison.

**Mr. CLARK.** The Senator from Virginia is technically correct, but I believe I am practically correct.

I believe every Member of the Senate knows exactly what will happen. The Senator from Virginia has made a great reputation for economy since he has been a Member of this body. I honor him for it. I suggest that this would be an appropriate place to show a little intelligent economy.

**Mr. ROBERTSON.** How much would the amount of the bill be above the budget?

**Mr. CLARK.** Actually, it would not be above the budget. I am looking for the figures. The Senator knows the answer to his own question.

**Mr. ROBERTSON.** The Senator is advocating a cut far below the budget, is he not?

**Mr. CLARK.** No.

**Mr. ROBERTSON.** But if we strike out this item of $514.5 million the amount will be over $500 million below the budget.

**Mr. CLARK.** I say to the Senator from Virginia that the facts speak for themselves. They are already in the Record. I suggest again that this is an unwise expenditure. I am sorry the Senator from Virginia disagrees with me.

**Mr. ROBERTSON.** Unwise or not, let us get the figures correct concerning the deficit, whether we are above or below the budget. We will be $8 million above the budget if we include training for Air Force and Naval reservists. That item will not be challenged. If the amendment of the distinguished Senator from Wisconsin [Mr. Proxmire] were adopted, the bill would be far below the budget.

**Mr. CLARK.** Mr. President, will the Senator from Virginia yield for a question?

**Mr. ROBERTSON.** I yield.

**Mr. CLARK.** Does not the Senator know that this money will not be spent?

**Mr. ROBERTSON.** On the contrary, the Secretary of the Air Force told me last Sunday that he thought it would. I said to him, "I doubt that it will ever be spent."

He replied, "You may be surprised. Very serious consideration is being given to spending it"; and he urged me to have the committee include it.

**Mr. CLARK.** The President of the United States told me yesterday afternoon that he was not going to spend it.

**Mr. ROBERTSON.** The Senator from Pennsylvania has the best authority, but the responsibility for not using the funds will be his, not mine.

**Mr. CLARK.** I thank the Senator from Wisconsin for yielding.

**Mr. YARBOROUGH.** Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. Lausche in the chair). Does the Senator from Wisconsin yield to the Senator from Texas?

**Mr. PROXMIRE.** I shall be glad to yield in a moment. First, Mr. President, I wish to clear up several controversies which have developed.

Let me say that I understand that the RS–70 provision in the bill was not reported unanimously by the Appropriations Committee. I may be in error about this, and I shall be happy to be corrected if I am wrong; but I understand that in the committee there were at least four votes against the increase in RS–70 funds. If that is not correct, I shall be happy to be corrected.

**Mr. ROBERTSON.** That is correct.

**Mr. KEATING.** Mr. President, will the Senator from Wisconsin yield?

**Mr. PROXMIRE.** Does the Senator from New York desire me to yield on this point?

**Mr. KEATING.** Yes.

**Mr. PROXMIRE.** Very well; I am glad to yield.

**Mr. KEATING.** Will the Senator from Wisconsin point out the difference between his amendment and that of the Senator from Illinois?

**Mr. PROXMIRE.** Yes, I shall be glad to do so. The difference is this:

Following the words, on pages 36 and 37: "*Provided,* That of the funds available in this appropriate account $157,000,000 shall be available only for the Dyna-Soar program," and so forth, the amendment of the Senator from Illinois would strike out "$491,000,000 shall be available only for the RS–70 program." His amendment would insert in lieu thereof "not to exceed $171,000,000 shall be available for the B–70 (RS–70) program."

My amendment provides for the insertion, on page 36, line 23, immediately after the word "*Provided,*" the following: "That of the funds available in this appropriation account $157,000,000 shall be available only for the Dyna-Soar program and $171,000,000 shall be available only for the RS–70 program."

My amendment means that the transferability provided in the bill, and referred to on page 8 of the House committee report, would be available. In other words, if the two studies now being conducted by the groups which have been referred to should persuade the Secretary of Defense that he should use more than $171 million for this purpose, his hands would not be tied, and he could go ahead. At the same time, my amendment would strike $320 million from the bill, would reduce the total spending called for in the bill by this amount.

Mr. KEATING. But under the amendment, if I correctly understand it, if it is decided, after the further surveys, that more funds should be used, they could not be used without further appropriation, could they?

Mr. PROXMIRE. That is true of the Dirksen amendment. It is not true of my substitute.

Mr. President, I yield now to the Senator from Texas, with the understanding that in yielding to him I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

### EXECUTIVE DIRECTOR CARLTON, OF RESERVE OFFICERS ASSOCIATION, STATES CASE FOR RESERVES

Mr. YARBOROUGH. Mr. President, I thank the Senator from Wisconsin for yielding to me, in order to permit me to make a brief statement in connection with the issue of the desired strength of the Reserve Forces—one of the matters dealt with by the committee.

In connection with the issue of the desired strength of our Nation's Reserve Forces, I noted with some puzzlement that the Secretary of Defense was quoted as having said there is "not one shred of evidence" to support the claim that it would be desirable to maintain our present modest Reserve Forces.

I cannot believe that the able and experienced Appropriations Committee of this body has brought to this floor a bill proposing continuance of the present strengths of the Reserve Forces of the Army, Navy, and Air Force unless the committee had heard not only many "shreds" of evidence, but most compelling evidence. We fully realize that the executive branch has many advantages in coming before our congressional committees, and that it is only when convincing evidence is presented that a committee will recommend any step contrary to recommendations of the executive branch.

In this case, as I have stated on this floor many times, I believe it is folly to talk about cutting back our Reserves. The case has been so well made, not only in the Appropriations Committee, but in the entire Congress, and indeed throughout the United States, that I believe we would be derelict in our duty if we took any other course.

The Senate Appropriations Committee met for many weeks. It heard from a great many people, as well as those from the Department of Defense controller's office. As is perfectly proper, it heard from outside organizations not officially connected with the Government, although they are just as dedicated to national security as anyone could be. One of these organizations was the Reserve Officers Association of the United States. It holds a charter from this Congress; and its 40-year record is an enviable one. Therefore, it was heard with open minds by the committee members, and it made a presentation which was quite proper. The ROA's statement, presented by Col. John T. Carlton, the executive director, who is well known to many of us as a former staff member of the Senate, is of particular interest; and I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### STATEMENT OF COL. JOHN T. CARLTON, EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES, BEFORE THE SENATE SUBCOMMITTEE FOR MILITARY APPROPRIATIONS

Mr. Chairman and members of the committee, we appreciate the opportunity to present our views regarding the appropriations for our Reserve Forces.

The recent partial mobilization has demonstrated clearly that the Reserve Forces are vital to the security of this country even in relatively minor crises. In a major mobilization the need for their services would be intensified. Any doubts of these fundamental facts have been completely dissipated in the minds of all practical military men.

Our active Army, even with the two new divisions, is an Army able to deploy only 16 divisions into combat. Such minor countries as Yugoslavia, Turkey, and South Korea are able to field larger armies than this. Our Navy's Fleet is manned, with the exception of the Polaris submarine, and the newly constructed ships, at a level of 80 percent of war complement. The combat elements in our Air Force approximate the same.

The numbers in the organized Reserves of the Army, the Navy, and the Air Force are not sufficient to meet the elementary requirement of putting an Army in the field comparable to that of a major power or of bringing the combat elements in the Navy and Air Force up to their war complements. Moreover, the manning ceilings imposed on most Reserve units, arbitrarily established by the Department of Defense in order to conserve drill pay spaces, have seriously impaired the capability to achieve maximum readiness. The shortsightedness of this policy was brought glaringly to light during the recent buildup when the shortages had to be made up with the so-called "fillers."

The Congress is charged with the responsibility of providing the funds in peace and war for the security of our country. The Armed Services Committees have approved Reserve Forces considerably larger than those requested by the Secretary of Defense. For several years now the Secretary of Defense has insisted on ignoring the will of the Congress and the desire of the services in the matter of financing adequate Reserve components. Generally this is brought about by the influence of the comptroller element within the Defense Department and the Bureau of the Budget rather than by accepting the considered judgment of experienced military leaders.

We think that the niggardly policy imposed by them upon the Reserve Forces is dollar wise and defense foolish. We believe that it is doing a serious injury to our country's mobilization base. We respectfully ask that you examine carefully the areas of this budget which we will discuss in our presentation on the requirements of each of the services. In them we have pointed out elements that we believe demand restoration to preserve the national security. Our requests are modest. We only ask for adequate strength and an adequate training program.

#### ARMY RESERVE APPROPRIATIONS

In our statement before the House Armed Services Committee on March 28, we justified an increase of $32.8 million to support the strength and training of the Army Reserve. Accordingly, that committee recommended "an increase of $58,800,000 to maintain the strength of the Army National Guard at 400,000 and the Army Reserve at 300,000." That increase was approved by the House and is now in the bill before you. We heartily recommend its retention.

For the record, however, we would like to quote a short passage from the House committee report (No. 1607) as follows:

"A proposed reorganization of the Army Reserve components is the primary issue in the military program. The strength and composition of the Army Reserve components have been a point of contention for many years. Previous budgets have recommended from time to time that the Army Reserve and National Guard be reduced in strength and each time the Congress has provided for continuing the strengths at previous levels. The revised plan, as proposed by the Department while reducing the paid drill strength at the same time proposed to increase the overall readiness and indeed the reliance of the Active Force on the Reserves. The committee is proposing that the higher strength levels be retained. The funds to be appropriation have been increased accordingly."

To summarize, we would like to repeat the recommendations we made to the House Appropriations Subcommittee:

(a) That the Army Reserve budget for fiscal year 1963 be increased by an amount sufficient to maintain the present minimum level of 300,000 paid drill spaces with 48 drills per year.

(b) That the technician program be increased by an additional 500.

(c) That there be no realinement or reorganization of the Reserve structure pending a complete hearing by the Armed Services Committees on the Reserve program.

(d) That there be no reduction in the division forces of the Army Reserve structure.

(e) That the reorganization of the Reserve division forces be in consonance with that of the Regular Army in order to avoid premature inactivations and activations.

#### NAVY RESERVE APPROPRIATIONS

The recent callup provided a convincing demonstration of the value of the Naval Reserve. The antisubmarine warfare component of the Naval Reserve was called. Its response was immediate. Reserve commanding officers steamed their destroyers and flew their aircraft as a part of the fleet without any postmobilization training. Within days their ships were all over the world—they were a part of the Dominican patrol in that crisis; they are presently in the north Atlantic as a part of "Task Force Alpha" and their aircraft are flying antisubmarine warfare surveillance patrols daily.

This truly marked a historic achievement. Yet, in spite of this demonstrated effectiveness, in spite of the pledge to the Congress by the Secretary of Defense to intensify the training of the Reserves, the proposed Reserve personnel Navy budget contains additional cuts in Naval Reserve training.

For the past several years Naval Reserve training has been gradually reduced.

In 1961 the Congress enacted an appropriation for Reserve personnel, Navy, of $88 million. This was a sound, needed appropriation which met the requirements of the Navy in a modest yet adequate manner.

Immediately upon receipt of the appropriation, the Bureau of the Budget impounded $2 million. The Defense Department Comptroller almost equaled the speed of the Bureau of the Budget in holding back an additional $2 million.

Being forced to curtail their plans to fit the reduced apportionments, it followed that obligations and expenditures were reduced and approximately $4 million were not used.

This served to form a new and lower plateau for the 1962 appropriations, which were reduced to approximately $84 million.

The Navy is operating on this budget now and it is proving entirely inadequate at a time when the Secretary of Defense has indicated that the tempo of Reserve training should be substantially accelerated.

In December, the training of the selected Reserve components was reduced by the cancellation of drills.

In January, the Naval Reserve officers schools, so essential for officer training, had their instructors' billets reduced by 15 to 20 percent. The commanding officers of these schools were deprived of their drill pay.

In January, in at least one naval district the members of the specialist component were advised that they could have no active duty for training even though they had volunteered to take this duty without pay.

Yet in the face of an obviously inadequate appropriation the Navy Department has been required to submit a request for a budget of approximately $1,400,000 less than the 1962 appropriation.

Mr. Chairman, we realize that the Secretary of Defense has great problems in developing the posture of the Active Forces. They are immediate problems. Nevertheless, though the problems of immediacy may appear to be overwhelming, it should always be borne in mind that the Navy, when hostilities commence, will not be the Navy of today, composed primarily of Regulars, but will be a Navy composed of Regulars and Reserves. Its effectiveness in combat will be measured almost directly upon the effectiveness of the Reserves who move into it.

Curtailment of Reserve training now will mean a dilution of the Navy's effectiveness on mobilization.

We do not ask for any frills. We do not ask for any large additions. We ask only for an appropriation adequate to maintain a decent training level.

We believe that there are three areas in this budget that should be increased. They are:

(a) The Selected Reserve (p. 153, pt. I, "Military Personnel," hearings of the House Subcommittee on Military Appropriations): Pay group A, 48 paid drills and 15 days of paid active duty for training; pay group B, 24 paid drills and 15 days of paid active duty for training; pay group F, 90 to 180 days of paid active duty for training.

This element is currently budgeted for an average strength of 122,488. Last year it was budgeted for 125,000; the year before at 127,000. It has been steadily cut back from year to year.

The minimum requirements to augment and support the fleet on mobilization is a strength of 161,000. The Secretary of Defense has authorized a strength of 135,000. The Navy has not in the past several years been permitted to ask this committee for funds to maintain this strength.

We urge the committee to provide funds for an average strength of at least 130,000.

The estimated cost of this addition is $5.3 million.

(b) Category D training (p. 153, pt. I, "Military Personnel," hearings of the House Subcommittee on Military Appropriations): Pay group D, 15 paid days of active duty training.

This element is currently budgeted at 2,700 officers. It represents the only paid training received by officers in the Specialist Component (Naval Research, etc.) and young officers who are fresh from the fleet and who cannot join the selected Reserve.

In 1961 it was budgeted at 7,645, the year before at 10,259.

It also has been steadily cut back from year to year. Our particular concern relates to the younger officers. These officers are products of the various officer procurement programs who have had from 2 to 5 years active duty in the fleet.

All of these officers are highly competent. Some of them have been heads of departments on such complicated ships as the new fleet destroyers. If they can go to sea for 2 weeks each year, they will retain their competence. If they cannot, they will soon become useless as naval officers and will lose interest and be lost to the Navy.

In our view, this is extremely shortsighted economy and is a waste of talent trained at great expense.

We urge the committee to provide funds for sending at least 8,500 of these officers to active duty for training annually.

The estimated cost of this addition is $1.8 million.

(c) Accelerated training (p. 157, pt. I, "Military Personnel," hearings of the House Subcommittee on Military Appropriations): Surface, submarine, and special, accelerated recruit program, 70 days; accelerated class A program, 90 days.

The accelerated recruit program is currently budgeted at 800 enlisted men and the class A program at 350 enlisted.

Here again there has been a steady erosion of both of these elements. Recruit training was budgeted at 800 last year and at 1,500 the year before. Class A training has moved from 800 in 1961 to 350 in the present budget.

This is the finest enlisted training program used by the Navy. It has been adequately described to this committee. The specialized and concentrated training these young reservists receive at schools combined with the 2 years of practical active duty they receive in the fleet make them into the finest type of petty officer, comparable to their Regular Navy contemporaries. This program deserves better than it gets.

We urge the committee to provide funds to increase the quota to at least 1,100 men in the accelerated recruit training category and to at least 1,100 men in the accelerated class A category.

The estimated cost of these increases are $100,000 and $474,000 respectively. The proposed operation and maintenance budget and the proposed military construction Naval Reserve budget are to the best of our knowledge adequate. The total increase requested amounts to $7,674,000, which would increase the overall RPN budget to $91,474,000. We are asking for these increases, Mr. Chairman, because we are convinced they are required to maintain the very minimum necessary to provide an effective mobilization capability to the fleet.

Mr. Chairman, we would like to respectfully invite the attention of the committee to the fact that when the House organized itself into a Committee of the Whole House to consider the bill, Congressman Sikes, a senior member of the subcommittee, pointed out that the average strength permitted by the bill was for 122,488 men as against an average strength of 125,000 for the previous year. He pointed out other deficiencies listed herein and expressed the hope that the Senate would correct them. Congressman Roberts of Texas made a similar statement, and Congressman Mahon, the chairman of the subcommittee, indicated his hope for consideration by Senate action. (See Congressional Record, Apr. 17, 1962, pp. 6849–6850, and Congressional Record, Apr. 18, 1962, p. 6899.)

### AIR FORCE RESERVE APPROPRIATIONS

The Air Force also is faced with unwanted cuts in Reserve personnel funds and has been forced into defending appropriation requests in an amount much smaller than they really require for a well-balanced Air Force Reserve.

The major identifiable cuts made in their requests to the Department of Defense have been at the expense of its well-known recovery program, so I will devote the major part of my remarks to this situation. However, the testimony from the Air Force witnesses (see p. 455, pt. I, "Military Personnel," of the House Military Appropriations Subcommittee hearings) indicated that the greater part of a million dollars has been cut from the 1962 program supporting other Reserve functions. This will undoubtedly mean fewer active-duty tours for highly skilled people in pay group D and E, fewer courses of technical training for the Air Force's hard-core officers and enlisted men and generally less participation in these other programs.

But the greatest injury to the Air Force Reserve program in the Department of Defense proposed 1963 budget is in the recovery program. Approximately $6.7 million were cut from the Air Force Reserve personnel requirements in the Department of Defense proposed budget, arbitrarily holding the strength at 20,000 versus a requirement for 32,000 for the recovery program. Reserve personnel funds for this program will be restricted to $8.3 million versus a requirement for $14 million. The effect is that training will be reduced by 50 percent, and manning from 75 percent of authorized strength to 50 percent or less. The Air Force requirements, as well as the drastic effect of this cutback, are adequately detailed in the testimony of Air Force witness on page 454, part I, of the House Military Appropriations Subcommittee hearings.

The record is quite clear. Last year $56 million was appropriated in personnel funds to the Air Force Reserve. This year the Department of Defense request is for $50,100,000, the lowest request in at least 7 years. To us, this is inconceivable, especially in view of what is being brought out during the Reserve posture hearings in the House. This evidence indicates quite clearly to us that the reduced manning and foreshortened training resulting from restrictive budgets imposed by Department of Defense were the principal causes of the difficulties faced in the Berlin buildup by all Reserve units.

The reference we made to Congressman Sikes' speech in the statement on the Naval Reserve holds true with the Air Force Reserve. He pointed out that Defense Department reductions in the Air Force Reserve personnel budget have hamstrung the Reserve, particularly in view of the added mission of the recovery program.

The addition of the $6.7 million which we request and the Air Force needs will allow a proper continuation of the recovery program and provide funds for adequate training and manning of its established units and individual mobilization positions.

We appreciate the support this committee and the Congress gave the Air Force Reserve program last year in appropriating an additional $4 million. We regret the action by the Department of Defense in withholding these funds from the Air Force. We hope and request that this committee will approve the additional funds for fiscal year 1963 to serve notice that the Congress, at least, is not going to let this highly essential military program fall by the wayside.

### SUMMARY

This concludes our statement. We sincerely appreciate this opportunity to appear before you. We have made no unreasonable demands. We believe we have exercised reasonable restraint and have asked for the

> bare minimum necessary for adequate national security.
>
> Strong Reserve programs are essential to our survival. Fascination with new and developing weapons sytsems has understandably preoccupied the new leadership in the Defense Department. This is natural, but it can be harmful because minor analysts invariably fill this vacuum and work their wills unobtrusively with cuts and more cuts.
>
> The Reserve programs and the Nation need your help to maintain a safe minimum. The seriousness of the heavy erosion that has taken place in the last several years may be vividly illustrated by the fact that the Reserve programs now stand at approximately one-half of the drilling strength set forth in the National Reserve plan as established by the Defense Department and adopted by the Congress as the rockbottom requirements.
>
> We sincerely hope that you will hear our plea and restore the relatively small additions that are so urgently needed if the training of our Reserves is to be maintained at an acceptable level.

Mr. ROBERTSON. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield.

Mr. ROBERTSON. I thank the Senator from Texas for endorsing the stand taken by the committee. We heard much testimony on this matter, and we were unanimous in regard to it. It is discussed on pages 5 and 6 of the committee report.

There is no doubt that someone in the Defense Establishment—although I do not know who it was—decided that a cut should be made in the National Guard and in the Reserves. There is no doubt that that decision was made. The representatives of the Department came to us with a program which was called realinement. However, at the time we had no doubt that that was a "phony" term, and that the purpose was, not to realine these forces, but to eliminate them.

We heard testimony, from the heads of various important organizations, that it is important to our future to have a civilian army, as well as a professional standing army, and that all the States take pride in their National Guard organizations.

Furthermore, the House has included only the amounts necessary to maintain National Guard strength at 400,000 and Army Reserve strength at 300,000. Our committee added a provision that the funds must be used for those purposes.

I thank the Senator from Texas for his statement.

Mr. YARBOROUGH. Mr. President, I wish to commend the Appropriations Committee, and particularly the distinguished Senator from Virginia [Mr. ROBERTSON], who spent many weeks in taking the testimony at the hearings, for the consideration they gave and for the knowledge they brought in working on the bill, and I desire to thank them particularly for the consideration they gave to the Reserve requirements and for the great care they gave to this bill.

### ALLOCATION OF NAVY SHIP WORK TO PRIVATE SHIPYARDS

Mrs. NEUBERGER. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mrs. NEUBERGER. Mr. President, I support the new section 540 added to H.R. 11289 by the action of the Senate Appropriations Committee. The amendment gives long-overdue recognition to the private shipbuilding industry of the United States as an element in our national defense structure. It is my hope that the proposal—recommended by the Department of Defense—for allocation of 35 percent of Navy ship repair, alteration and conversion work to private shipyards will be approved by the Senate.

With the decline of the U.S. merchant marine in recent years, privately owned shipyards have been hard pressed to maintain costly facilities and keep together a trained and competent work force. Lack of ship construction and repair work has frequently reduced yards in my home city of Portland to skeleton operations.

I am greatly indebted to the floor manager of the bill, the Senator from Virginia [Mr. ROBERTSON], who also is chairman of the Banking and Currency Committee, on which I serve, and where we deal a great deal with small-business operations. This allocation of 35 percent of Navy ship repair work will be in the nature of aid to a small business in my community, where our shipyards are small enough to come within that requirement.

Mr. President, a moment ago I stated that in recent years the lack of ship construction and repair work has frequently reduced the shipyards in my home city of Portland to skeleton operations. This was not always the case. During World War II, shipyards in the Portland-Vancouver area turned out 746 major ships, ranging from tankers and Libertys and escort carriers. Other private yards in the vicinity turned out 990 small vessels during the same period. It is estimated that one out of every seven merchant vessels built for World War II service came off ways in the Portland area. This is an impressive production record.

I hope we shall never again be called upon by war to duplicate that record of ship construction. But it would be unrealistic to permit our private shipbuilding industry to decline, and thus deprive our Nation of a valuable defense tool.

The allocation formula established in section 540 will not mean any lessening of the effectiveness of naval shipyard operations; but it will help to assure private shipyard capability manned by a trained and competent work force. Therefore, I urge favorable action on the amendment allocating 35 percent of repair, alteration, and conversion to privately owned shipyards, and 65 percent to Navy shipyards.

I thank the Senator from Wisconsin.

Mr. CASE of South Dakota. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. CASE of South Dakota. I understand that we now have pending two amendments—one submitted by the Senator from Illinois [Mr. DIRKSEN], which would reduce to not to exceed $171 million the amount available for expenditure on the RS–70 program, but would earmark, from the total amount to be available for research, testing, and evaluation, $171 million, which could be spent only for that purpose; if it were not spent for that purpose, it could not be spent for anything else.

The amendment offered by the Senator from Wisconsin as a substitute would strike out the words "not to exceed," in effect, and would still leave $171 million that could be spent only for the RS–70 program. However, the language the Senator from Wisconsin suggests would not prohibit the use of additional money on the RS–70 program, provided it were taken out of the balance of the overall total of $3,670 million for research, development, test, and evaluation in the Air Force.

The Senator from South Dakota has followed, with a great deal of interest, the debate as it has been presented before the Committee on Armed Services, both last year and this year. I must say that, though I believe a dollar costs a dollar to the taxpayer whether it goes for defense or anything else, if we have a doubt, the prudent thing is to provide the money so long as we have confidence that it will not be spent if it is not needed.

There are some agencies of the executive branch of Government to which I would not give ready access to a sum of money as large as this, even though a reasonable case might be made for a project. In this case, however, I must say Secretary of Defense McNamara has been so clear in his presentation of budget items and so firm in his statement that he would not spend money unless it was needed. Since in these particular items, if he leans in one direction or another, he leans against spending money, it seems the better part of prudence to make the funds available, provided they are earmarked so they will be spent only for this purpose. That is what the language provides.

The Proxmire language would make it possible to spend more than $171 million if it were taken out of the research funds. The language of the amendment of the Senator from Illinois would place a ceiling of $171 million which could be spent on this particular account. That would be the ceiling of the amount that could be spent without further action of the Congress.

My observation, over years of experience with military appropriations both in the House and the Senate, is that we need to regard with a careful eye appropriations made to the military. I think we should make all possible efforts to recapture excessive profits or prices; but if the element of safety or protection or a proper posture of national defense is involved, then I think the doubt should be resolved in favor of security.

The most valuable, the most productive, the most successful projects that we have had in the way of aircraft development have been those which have accomplished their purpose without being used in war. I mention, for example, the B–36. It was developed in the period between the B–29 and the B–52. This large bomber was never used in a hot war, but by its presence it provided a deterrent capability which enabled this country to survive many crises which might have turned into hot war had we not had that potential.

Because I think it is important that we not only have a lead, but maintain the lead and be out in front in the future, I shall support the recommendation made by the committee in the bill.

I thank the Senator for yielding.

Mr. PROXMIRE. Mr. President, first I want to make it crystal clear why I think this particular substitute should be adopted in place of the amendment offered by the distinguished minority leader. On the basic principle I agree wholeheartedly with the minority leader. The fact that he, with his prestige in the country and the Republican Party, is offering an economy amendment to a defense bill is enormously encouraging and deserves commendation.

At the same time, we should consider what the House has done and how the bill has passed the House and what the position of the administration is. We could probably save $320 million. We could reduce the bill by $320 million. Both the Senator from Illinois and the Senator from Wisconsin do that. The House committee in its report on the bill, on page 8, said:

> The committee has also provided funds and transfer authority in the emergency fund appropriation to the extent of $300 million, which could be utilized at least in large part for this program—

That is the RS-70 program—

> should the determination be made to do so.

I think we all recognize that Mr. VINSON in the House and distinguished Members of the Senate have made a hard, strong, and very effective fight for the expansion of the program at a more rapid rate than the Secretary of Defense had contemplated.

One of the concessions they have been able to win from the Defense Department is that two careful studies of the subject will be made, one by the Department of Defense, headed by the distinguished head of Defense Research and Engineering, Dr. Harold Brown, and one by the Air Force itself, to answer the very serious questions as to this whole program that were raised by the Secretary of Defense.

Both the Secretary of Defense and Dr. Brown have indicated that in the event these reports are favorable, they will go ahead more rapidly with the RS-70 program. I think all of us, unanimously, feel that if there is a real promise in this program, if it meets the objections raised to it by the Secretary of Defense, we should go ahead with it.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. Will the Senator, for the benefit of the legislative history, give the background in the military and tactical fields of Dr. Harold Brown?

Mr. PROXMIRE. The Senator from Wisconsin knows him as Director of Defense Research and Engineering. He has that area of background, but he is a man of distinguished achievement and ability in engineering, as I understand. He is dedicated to viewing this program based on the overall view, and not on the provincial view of one Department, the Air Force. I will accept the statement of the Senator if he is implying that he is not an expert in this particular field. I will admit he is not if the Senator from Arizona indicates he is not.

Mr. GOLDWATER. No. I do not know Dr. Brown. I wondered if we could get into the RECORD some background for his qualifications to decide whether or not the RS-70 program is a good one for the defense of the country.

Mr. PROXMIRE. It is my understanding that Dr. Brown is the selection of the Secretary of Defense, who approves of him and relies on him and respects his judgment. The Secretary of Defense has a remarkable record for selecting competent personnel, both in private business and in his Department. Dr. Brown is the top, overall expert authority for the Department of Defense viewpoint, rather than that of any one of the three armed services.

Mr. GOLDWATER. I do not have any quarrel with his professional or technical background, if he has one. I merely thought it would be interesting to have it in the RECORD so it would lend strength to whatever report he might make, showing what experience he has had in the field of strategic or tactical aircraft or concepts.

Mr. PROXMIRE. Would the Senator from Arizona agree that in the event Dr. Brown's committee and/or the Air Force committee came up with the recommendation that more money should be spent on the program, it would be in the national interest to make it possible to spend more funds on the RS-70 program?

Mr. GOLDWATER. Whether the report is favorable or unfavorable, at least this Senator will be influenced by what he judges to be the competency of those people reviewing the program. I would place much weight upon a person who came from the aeronautical field, upon a person who is familiar with strategic and tactical concepts.

As I have said, I do not say that Dr. Brown does not possess these attributes. I do not know. I thought possibly the Senator from Wisconsin knew.

Mr. PROXMIRE. No. I wish to underline, however, the importance of this particular substitute amendment. If the amendment of the Senator from Wisconsin should fail and if the amendment of the Senator from Illinois [Mr. DIRKSEN] should be agreed to, then it would be impossible for the Air Force to spend more than $171 million on this program even if the Secretary of Defense wished to do so, if Dr. Brown wished to do so, and if the Air Force wished to do so, without additional legislation.

Mr. GOLDWATER. If I were to lean to an amendment, though I do not lean to one at this time, I would lean to the Senator's amendment.

Mr. PROXMIRE. I thank the Senator from Arizona.

Mr. President, there were very fervent and appealing pleas for economy made in the Senate yesterday, and they were deeply sincere pleas. They dealt with the question of spending an additional $2 million in one case and an additional $6 million in another case. I think it was perfectly proper and appropriate to make a fight on those amendments.

Now we are dealing in a far different dimension. If we are to be effective in achieving economy for this Government, we have to take the very painful and difficult step of considering economy in respect to this particular appropriation bill, which is far bigger than all the other appropriation bills we shall consider in toto. As the committee report indicates, the total involved in respect to this bill is $48,429,000,000—48 thousand million dollars. That is equivalent to $1,200 for every family in this country. As I say, it is much more than one-half of the total budget.

It is substantially more than half, of course, when we recognize that much of the remainder of the budget—particularly the part with respect to the service on the national debt—is wholly beyond our control.

The Senator from South Dakota properly said that, when in doubt with regard to a question of economy on the one hand and of security on the other, we should vote for security. I could not agree more. Certainly we should do so. That is one reason why I think the amendment which I am offering today would permit us to do what is necessary, because if there is any doubt in the mind of the President of the United States, if there is any doubt in the mind of the Secretary of Defense, after the studies have been made, then under my amendment, as it is worded, it would be perfectly possible to take action. The President and the Secretary would be free to use the emergency fund which is in the bill for this precise purpose, put there in the House of Representatives. It will be available to be spent. Certainly, if more money should be needed, there is no question in my mind that all Senators would join enthusiastically in supporting a supplemental request by the President of the United States. Certainly I would be one who would be most enthusiastic.

I imagine the most adverse situation which could possibly develop is if there were a report made which was very favorable to the RS-70 program, or a big breakthrough, let us say on September 10, and if the Congress had adjourned sine die 3 or 4 days earlier. Then it might be necessary to wait 3 or 4 months. In the meantime, however, the full $171 million would be available. In addition, much of the $300 million would be available. All of that money could be spent immediately.

I am confident—as I am sure all other Senators are confident—that as soon as Congress returned the Congress would at once approve a supplemental appropriation to provide additional funds, if they were needed.

This is a moderate approach. It is also an approach which recognizes the legitimate, proper, desirable concern of the Secretary of Defense and of the President of the United States about this whole program.

I wish to quote from the words of the Secretary of Defense, because I think he has made a devastating case against going ahead as precipitately as the committee would have us do.

The Secretary of Defense said this on March 15:

> The secretaries and chiefs of the other services, whether under this administration or the previous administration, never supported the B–70 for full weapon-system development or procurement and, indeed, many vigorously opposed it. So it is a matter of record that the B–70 has long been considered a very doubtful proposition, with the weight of competent scientific, technical, and military opinion against it for many years.

I wish to make it clear that I do not oppose this program. I do not oppose it. My amendment would in no way restrain the program, provided the Secretary of Defense can be satisfied that the studies which are now being undertaken properly suggest there can be a productive expenditure of money for the B–70 program.

The Secretary of Defense said further:

> In selecting a weapon system to accomplish a particular military task—

This is the important point, Mr. President, which we are inclined to neglect—

> we are dealing not with absolutes but with comparatives.

The whole thrust of the Secretary's position is not that we should not spend the money, or that it is not a question of national defense, but that there are alternative ways of proceeding, which will be more effective and which will give us stronger armed forces. If we wait until we have the answers, instead of rushing in, we may make more progress.

The Secretary said further:

> We must always take into account not only the planned capabilities of the proposed weapon system but also its full cost in comparison to the cost and effectiveness of other weapon systems which can do the same job, perhaps in somewhat different ways. I believe we can all agree that the common objective of both the legislative and the executive branches of our Government is to provide all of the forces we need for our security at the lowest possible overall cost.

Then the Secretary specified the real difficulties in regard to the RS–70 program. He said:

> The RS–70, as proposed by the Air Force, is very far from being ready for production or even full weapon-system development.

The Secretary of Defense may be mistaken. Because of his great regard for distinguished Members of Congress who suggested that further research be done, he has agreed to do that. He has also agreed that if the studies are at all promising, then he will proceed, as the Air Force has suggested.

It seems to me the Secretary is very wise in saying that we should not commit ourselves to the expenditure of almost a half billion dollars—of $491 million—which, added to the $1 billion we have already put into this program, would make it very hard to turn back and would result, as I shall show, in an enormously expensive weapons system, when there are alternatives which are far less expensive and I think will be more efficient.

The Secretary also said:

> The new subsystems which could provide the RS–70 with its damage assessment capability have been started in development, but we are not sure now that we know how to develop successfully the extremely high data rate, sharp resolution radar system required.

The position of the Secretary of Defense is, "Let us find out first, before we commit these additional hundreds of millions of dollars."

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Arizona.

Mr. GOLDWATER. I have been following very carefully, in an interested way, the discussion of the Senator from Wisconsin, in his review of the press release of the Secretary of Defense of March 15.

The Senator read that:

> The RS–70, as proposed by the Air Force, is very far from being ready for production or even full weapon-system development.

Is the Senator aware that this airplane is to be put together in July, wheeled out of the hangar in September, and flown in December?

Mr. PROXMIRE. Yes. The Senator from Wisconsin is well aware that there will be prototypes built. As a matter of fact, the main purpose of the additional $300 million is to build not three prototypes but six prototypes. It is true that a prototype would be built in the near future.

I think the Senator from Arizona would join the Senator from Wisconsin in saying that this is not putting the weapon into production. The purpose of producing the prototype is, as I am sure the Senator from Arizona knows far better than I, to check out some of the serious problems, rather than to produce a weapon. Merely producing one aircraft does not mean it can be mass produced indefinitely.

Mr. GOLDWATER. The Senator used the figure of six B–70's or RS–70's. Would the Senator tell me where he got that figure?

Mr. PROXMIRE. Yes, I shall be happy to tell the Senator where I got the figure.

On page 1049 of the hearings the Senator from Virginia [Mr. ROBERTSON] was questioning General Ferguson, and he said:

> What do you mean "three more airplanes"?

General Ferguson in reply said:

> We have only a three-airplane program at this time. In response to Senator SALTONSTALL, I said we would like to have $320 million more in 1963 to undertake the program which we had submitted for approval to the Department of Defense. That includes three more airplanes and the airborne radar and the other developments that are required for an airplane that is very close to the operational configuration that we would like to have.

That is on page 1049 of the hearings.

Mr. GOLDWATER. I should like to read from page 1369 of the hearings on the Department of Defense appropriation bill. I asked General LeMay this question:

> First, we have heard a lot about the cost of the B–70 program being $10 million.

The record inadvertently says, "$10 million" when it should be "$10 billion."

> Did this figure come out of the Air Force?
>
> General LEMAY. No, sir; it did not. We have never submitted a program for production. In other words, we prefer to wait until a little later before determining how many of these weapon systems we are going to need, or how many B–70's we will need.
>
> It depends on the threat at the time. This system will not come in until 1967. That is 5 years from now. We have not had too much luck in forecasting intelligence that far ahead.

There is another paragraph which I shall not read.

The Chief of the Air Force, in the hearings before the Appropriations Committee, indicated in his testimony that no plans had been made with respect to how many aircraft would be needed. At this time I wish to scotch the rumor that the Air Force is seeking $10, $20, or $50 billion for an unlimited number of RS–70's. According to the testimony of General LeMay, his statement is in conflict with the testimony of General Ferguson, which, unfortunately, I did not hear.

Mr. PROXMIRE. In addition to the testimony of General Ferguson, testimony from the Defense Department was very explicit on that point. The Senator from Missouri [Mr. SYMINGTON] questioned General Ferguson at several points. He had to proceed on assumptions. The Senator from Arizona is quite correct. There have not been any definitive determinations as to exactly how many planes would be required. Until that point is determined, it is difficult to tell exactly what the cost would be.

In answer to a question of the Senator from Missouri [Mr. SYMINGTON], Dr. Brown estimated that the first 45 planes would cost about $5 billion. He estimated that the next 100 planes would also cost about $5 billion. The first 45 planes would cost about $100 million apiece. The next 100 planes would cost about $50 million apiece.

It is true that the Senator questioned the qualifications of Dr. Brown, but he is the top overall expert authority in the Defense Department. That particular estimate has not been questioned, although I understand General Merrell said that the figure was high. On page 1043 of the testimony, he said:

> General MERRELL. I would like to correct it exactly for the record, if I may, sir, but our figure is approximately $7 billion.

He made the figure $7.6 billion for 150 planes, but he left out the tankers and the operating cost. The figures might be quite close if the total cost of the operation were included.

Mr. GOLDWATER. We are not talking about 150 airplanes, 200 airplanes, or 10 airplanes. Again I am forced to question the ability of Dr. Brown when he pulls figures out of the air. Why did he not use 500 or 300? To my knowledge, and my knowledge may be lacking, the Air Force has never submitted a plan for any quantity of such aircraft. I know that various individuals in the Air Force hold different ideas as to what the Department would like to have or should have. I asked General LeMay about the figure of $10 billion that has been floating around. The Secretary of Defense has used the figure. I believe he used it in his press release. I asked General LeMay, the Chief of the Air Force, about that figure and he said, "It does not come from the Air Force."

At this point I should like to eliminate any discussion about the long-range probabilities in connection with the cost of the airplane. If it proves to be a good weapon, I do not believe that the Congress will quibble about how much it will cost. The only point I wish to bring out is that there is no program in the Air Force, or any decision as to the number of planes to be built. I have heard of three.

If the Senator will allow me, our colloquy might save the Senate the unpleasantness of hearing me speak on the subject. I did not interrupt the Senator a moment ago when he spoke about economy. I thought I had better tie my tongue. I believe that his amendment would bring about a very uneconomic move. We have already spend upward of $1 billion on the program.

About a month ago I visited the factory in Palmdale, where the plane is being assembled. Many hundreds of skilled craftsmen there are looking forward to a cutoff date sometime in July. Other hundreds are looking for a cutoff date in September. Other hundreds are looking for a cutoff date with the flyaway from Palmdale to Edwards Air Force Base late in December.

I am as conservative about the expenditure of money as is my good friend from Wisconsin or any other Senator. But I cannot justify the action proposed by his amendment. I think it would be false economy to proceed as far as we have gone in constructing this one aircraft, when we know that any prototype project would require at least three, and then summarily dismiss skilled workmen who have been gathered from all over the United States. The component parts of the plane are made in places as far away as Georgia, and at approximately 200 different plants throughout the country.

In my opinion the weapons system will prove to be the most effective we have ever had, manned or unmanned. If we try to reassemble that highly skilled, specially trained group after the men have been dispersed across the United States, it will cost us another $1 billion plus to build one airplane. So for the sake of economy, if the Senator is arguing in that direction, I would certainly pause. Having spent as much money as we have spent on the program, this is not the time to go back on it and say, "Let us not finish the job."

Mr. PROXMIRE. In reply to the Senator from Arizona, I say that is exactly the point the Senator from Wisconsin has been laboring. Once we commit ourselves to an additional $500 million, having already spent $1 billion, the argument of the Senator from Arizona is that much stronger.

The position of the Secretary of Defense, as I understand, is that we should take a more careful look at the research that has not been achieved. Let us find out whether we can really do the job. There is serious question on the part of reliable and objective observers that we can ever do a part of the job that is expected of the RS-70. Let us make that determination before we make the big commitment, which may be irretrievable if we go as far as $1,500 million.

That is exactly the argument of the Senator from Wisconsin. The fact that we spent $1 billion means that it may or may not be wise now to pull out of the poker game. But whether it is wise or not, it does not mean that we should go ahead because we have committed a certain amount. We should be very careful at every stage of our spending and be willing to turn back manfully if we find that the best evidence we can obtain is that the plane will not be a success.

Mr. GOLDWATER. If I, with my limited knowledge of the subject, felt that we could not develop those systems, I would join the Senator from Wisconsin in his amendment. I would probably join in an effort to scotch the whole program now. But I have never seen a technological question posed to the people of the United States that has not been answered. I remember that the same arguments now propounded were used when the B-47 was brought out. The argument was in respect to a three-man crew—pilot, copilot, and bombardier-navigator. It was said that one man could not be trained to handle bombing and navigation at the same time. I remember that argument. I believe some phases of that question were discussed on the floor of the Senate.

We not only produced bombardier-navigators, but we produced bombardier-navigators who were able to do a better job than two or three men were able to accomplish during World War II. Why? Because some of the technological problems that confronted the builders were overcome.

The Senator has talked about the program as being a sort of guessing maneuver or guessing game. I remind my good friend that we are embarked on a $40 or $42 billion project to put a man on the moon. The Senator and I have supported that project. When we speak about technological difficulties to be overcome with the RS-70, we are only talking about a plane that flies mach 3. We can already fly a plane mach 7 with a man in it. We are talking about a plane that would fly 80,000 feet in the air. Some of our present aircraft have flown close to that altitude. We have overcome the technological difficulties involved in respect to them.

I note that the Secretary of Defense said:

> We are not sure now that we know how to develop successfully this extremely high data rate, sharp resolution radar system required.

Several nights ago I heard an address by the president of the American Telephone & Telegraph Co. in which he spoke about transmitting 25 million messages through a tube 2½ inches in diameter. We have heard of the development of Mazor, which is essentially a tube of light that can handle messages.

I believe there is no problem that cannot be solved; and methods for dealing with this problem have already been developed.

I seriously question the background of those who provided the Secretary of Defense with certain questions the answers to which are already known in some of our other services.

Mr. PROXMIRE. I thank the Senator from Arizona.

Mr. ALLOTT. Mr. President, will the Senator yield for a comment?

Mr. PROXMIRE. I yield.

Mr. ALLOTT. This has to do with the discussion which the Senator had prior to the time he yielded to the Senator from Arizona. He was commenting upon the absolute opinion of Dr. Brown and the Secretary. I have a great deal of respect for the Secretary. His mind is a human calculating machine. He is an outstanding man. However, I am not aware of anything in his background which indicates that he has any specialized knowledge of aircraft or that he has any specialized knowledge of military logistics. On the question of the very RS-70's, I was interested in the very question the Senator has just brought up. At page 1366 of the hearings, General Schriever was testifying with regard to this subject when I came into the room. It was with reference to criticism that has been made that we do not have the complementary scientific know-how to make the RS-70 an effective weapon.

I said:

> Senator ALLOTT. This may be slightly repetitious. I was delayed a few minutes.
>
> General Schriever may have been testifying to this when I came in.
>
> Criticism has been leveled at the RS-70 that we do not have the complementary scientific know-how to make this an effective weapon, and that we are still some distance off in the future toward making this an effective weapon.
>
> I would like to have you comment on this because it is the most telling criticism that I have heard of the system.

In reply to my question General Schriever testified as follows. I want to read his answer in full, because it would do an injustice to not so do:

> General SCHRIEVER. Yes, sir. There has been question raised in the past with respect to technical feasibility in attaining the radar capability required, the processor capability, which processes the data from the radar, the strike missile, the guidance system associated with the strike missile, and, to a lesser degree, the control and communications system.
>
> We have always contended in the Air Force, based on analysis by our technical people that these things were feasible technically and that a normal development program would achieve the results.
>
> I believe that generally the technical people today feel that all of these subsystems are technically feasible. There may be some

> difference of opinion in the minds of certain people as to how soon they can be achieved.
>
> Another question, of course, which has arisen is the degree of capability that these systems must have from a performance standpoint in order to provide a useful weapon system.
>
> I think General LeMay pointed out that the trained personnel of the Strategic Air Command could, with today's systems, have a useful weapon system without further technical advance.
>
> We know that we can achieve further technical advance, and I think this is generally agreed to, although there is always a question of judgment as to how soon you can accomplish these.
>
> This will always be the case in development work.

There we have General Schriever, commander of the Air Force Systems Command, putting his reputation on the line with an opinion contrary to that of the Secretary of Defense and Dr. Brown. The significant thing he says is that at the present stage of development of today's systems we could have a useful weapons system, and with what might reasonably come in normal technical development, we could go far beyond these present potentialities.

Mr. PROXMIRE. My reply to the Senator from Colorado is that this statement has been seriously questioned by the Secretary of Defense and by Dr. Brown. I agree with the Senator from Arizona and with the Senator from Colorado that the Air Force people may be more technically competent in their ability, and they give good reasons. Even General Schriever, under the circumstances, had this to say:

> There may be some difference of opinion in the minds of certain people as to how soon they can be achieved.

There is no question about that. That is a masterpiece of understatement by General Schriever.

The Secretary of Defense and the head of research for the Defense Department have said it will be 1970, 8 years from now, at best—and they used the words "at best"—before we can expect to have the kind of radar that is necessary to do the reconnaissance work which would be the main mission of the RS-70.

The fact that we would have to wait that long suggests that we could look around for alternatives. There are manned bomber alternatives now. They are less expensive. They might work out and provide a more rapid capability and also just as efficient a capability.

Mr. ALLOTT. First of all, let me say that, without casting any reflection on Dr. Brown or the Secretary of Defense, General Schriever's ability cannot be question in this field, particularly when we consider the opinion and position of General LeMay. This being true, the points he makes are very persuasive, particularly when he says that with today's systems and personnel we could have a useful weapons system out of this without further technical advance. This statement leaves very little room for conjecture over the plane and system's potentialities.

Mr. PROXMIRE. May I say at that point, Mr. President, that that statement is seriously questioned. As a matter of fact, Dr. Brown says that unless we have a far greater degree of perfection with respect to the strike missile—obviously, we cannot use the Skybolt, for example, with the RS-70—that capability is lacking. We must develop a wholly new strike missile, before there is any bombing capability. All that is in the future.

Mr. ALLOTT. The bombing capability is only part of the planned mission for the plane.

Mr. PROXMIRE. It is still RS. That means reconnaissance strike.

Mr. ALLOTT. It is reconnaissance and strike, but I believe its greater potentialities lie in the reconnaissance mission. I cast no reflection on the integrity or the capability of Dr. Brown or the Secretary of Defense, but I do believe that General Schriever and General LeMay and the people associated with them in the Air Force know a great deal more about what they are talking about in this particular field, both in the practical aspects of construction, and in the logistic planning for its use, than either of the other gentlemen.

Mr. PROXMIRE. The surest way to bankrupt the country would be to give the Air Force, the Army, and the Navy everything they want. I am sure the Senator from Colorado would agree with the Senator from Virginia [Mr. ROBERTSON], who earlier said that the armed services had asked for billions of dollars that the Secretary of Defense had to turn down. They should make an argument and a fight for it, to the fullest possible capability. They believe in their mission. However, it is necessary for the Secretary of Defense and the House and the Senate to exercise their own responsibility based upon their own best judgment.

We get direct factual arguments from these people, and when all that the Air Force can say in reply is, "Yes, but the Air Force people know the Air Force better than anyone," it seems to me that that is no reply at all.

Mr. ALLOTT. No; I did not mean that.

Mr. PROXMIRE. On point after point the Secretary of Defense and Dr. Brown contend, and they have persuaded the President of the United States, that this is one area where we should not go ahead until we have further information. That is all they are saying. They are not against the RS-70. They are not against manned bombers. They say, "Let us go ahead when we have this firmed up at least to some extent, because there is no question that this whole system may fail."

Mr. ALLOTT. The Senator will find, if he reads the record, that the reply of General Schriever was really a reply to an answer given by Dr. Robbin to a question of mine at a previous hearing on this same question. I say, as I said before, I do not impugn the ability or integrity of these people. However, when we have people like General Schriever, who is a scientist in his own right, and who is the head of Air Force development in a dozen different allied fields, that is the kind of experience that is persuasive with me. The Senator from Wisconsin obviously has arrived at a different conclusion. I do not know what Dr. Brown's background is. I have tried to find out since this question was brought up.

Mr. PROXMIRE. What could be fairer than to have the Secretary say, "We are going to appoint an Air Force group and a Defense group. If they come in and answer the questions I have raised, and say that we should proceed, and we have the capability to proceed to make the RS-70 operational, okay, we will go ahead?" Meanwhile, the House has made this allowance, primarily for this purpose and also for other purposes. Therefore they can go ahead with the program if they get a favorable response from these two committees. It seems to me that in doing this the administration has been very responsible and very careful to give maximum flexibility while at the same time enabling the Senate to save $320 million, if these reports are unfavorable, as they well may be, in view of the whole history of the project.

Mr. ROBERTSON. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. ROBERTSON. The Senator from Wisconsin said he had been trying to learn Dr. Brown's background. I think I can assist him. He is a brilliant young man, 36 years old, having a B.A., an M.A., a Ph. D., and a Phi Beta Kappa from Columbia in physics. He has never had any military service or training or any knowledge of the military. He expressed a dim view of the RS-70. He doubted whether it could be perfected as a missile.

So we get in the budget a very small item, $171 million, with which to proceed, and which the military experts said would set us back at least a year, and that we are now 4 years behind in its development.

When we wanted to find out whether the military officers agreed with Dr. Brown or not, they were told, "You cannot testify."

I examined the witnesses and said, "We are the legislative branch of the Government. We have the responsibility of appropriating money. We have the right to know the unrestricted views of our military experts."

There was a Colonel Jones who came before the committee to explain the RS-70. The Secretary of Defense said, "He is too optimistic. He cannot give you, even in executive session, the testimony he gave the House."

So I replied, "We will not hear Colonel Jones. We do not want any watered-down, censored report."

Then I sent for the Secretary and said, "Let us understand each other. Are you going to prohibit officials of the Air Force from testifying freely and frankly to us?'

He said, "The Secretary may testify, and the Chief of Staff of the Air Force may testify."

I asked, "May anyone else testify?"

He said, "They may testify, but they must say that they are coming at your request, and that they are giving their personal views, and do not speak for me or the Department or the President."

That was the extent to which we had to go to overcome the adverse report of a man who was 36 years old, who knew nothing about the military, but who was expert in physics, and that was all; and he had turned down the project.

Mr. PROXMIRE. I thank the Senator from Virginia.

Mr. GOLDWATER. Mr. President, will the Senator from Wisconsin yield, so that I may add to what the Senator from Virginia has said?

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. I have since found out that Dr. Brown was on the Advisory Council of the Air Force for, I believe, 1 year, during the year 1956–57. I believe that is the extent of his qualifications.

Mr. PROXMIRE. On that particular point, at page 979, where Dr. Brown made a crucial statement, he said:

> I think when you add all these times up, you will find that 1970 is the soonest you could have an acceptable radar system in an RS–70 airplane system.

That is physics; it is a matter of judgment in physics. It is not a matter of judgment from having flown an airplane or having served in the Army, the Navy, or the Air Force, which is very important and something to be proud of but which is totally irrevelant. Dr. Brown is a top scientist, and it was a scientific judgment which Dr. Brown gave. The chairman of the subcommittee has properly qualified Dr. Brown as an able scientist.

Mr. GOLDWATER. Let us not forget that the Air Force research and development, the Army research and development, and the Navy research and development, plus the Massachusetts Institute of Technology, have been interested for years in the field of expanding the ability of our radar. Dedicated scientists are working at that task.

The Senator from North Dakota [Mr. YOUNG] asked General LeMay:

> There is not much of a problem in having a predetermined target, but you would have a problem with your present equipment flying at this speed and being able to hit the target while you are going over it, wouldn't you?
>
> General LEMAY. We feel that we know how now to build a radar with sufficient resolution to pick up some targets that are imprecisely located. We know what the signature of this target is, or what we call the signature. We know what the target is going to look like on the radar scope, and we may know the general area that it is in. So we can pick out that area that we are interested in, expand it on the scope, and examine it carefully. We are not interested in all of the other area. I think it will not be difficult to do. If we just build an airplane with equipment in it that we know how to do now without taking advantage of any more advances in the state of the art between now and 1967, we will have a tremendous weapon system.

I know the Senator is referring to a portion of the Secretary's press release, in which he said, commenting on the requirements of such a radar system:

> A system which, in combination with an operator, could recognize targets from an altitude of 70,000 feet and out to a considerable distance. To appreciate what this involves, consider the fact that to separate visually two points in an area as large as this radar is supposed to observe would require a screen 15 feet by 15 feet to present a television quality picture.

If we were to examine the entire area that present airborne radar will scan, it would require a screen about 15 by 15 feet or larger. But the crew of a SAC aircraft are not going out on a wild goose chase. They know where they are going. They have been trained for years, night and day, to recognize a signature. There are towns in America which are similar to towns in Russia. Those crews have "bombed" those towns thousands of times. So when they see a signature on the scope, they know they are at their location.

To maneuver over their targets at an altitude of from 70,000 to 80,000 feet visually is not difficult. I had the pleasure of riding in a U–2 aircraft not so long ago. We flew at an altitude I cannot disclose, but I was amazed at the amount of visibility which the human eye can perceive. I have flown at altitudes with high-class fire equipment which had long range firing ability with the use of radar.

I have no question at all that when General LeMay says we can develop these planes, if the money is provided, that we can develop them. We can develop straightforward radar and side-seeking radar. We can develop any kind of radar needed for the purpose, if enough money can be provided.

My complaint with the Secretary of Defense is not that he is slowing down the production of aircraft itself, because he is going ahead with it. We are not arguing that point. I simply believe that he is not proceeding wisely in following the development of the next two; but that is beside the point. He has not allowed the development of the system we are discussing.

I know the Senator from Wisconsin plans to discuss the electronic system and the bombing system.

Mr. PROXMIRE. The Senator from Wisconsin does not plan to detain the Senate at great length. I shall be as brief as possible. However, I wish to emphasize the very serious difficulties that have been developed. In my judgment, the best and most competent people in the Department of Defense, who are objective, who do not have an ax to grind, have not been able to solve the problem. They are not asking that this weapons system be ended; all they ask is that they be permitted to do a little more research before they make a big, heavy commitment.

Mr. GOLDWATER. Perhaps we may be getting at some points of difference among us who believe the B–70 system should proceed. I have all the respect in the world for the academic mind. Probably there is great wisdom in asking for academic help once in a while. However, I believe the Department of Defense is relying too heavily upon the professors and the academic minds.

What is wrong with taking the advice of men like Gen. Curtis LeMay, who has flown bombers on missions? What is wrong with taking the advice of the Chief of Staff of the Navy, of the Army, of the Air Force?

Mr. PROXMIRE. There is nothing wrong with that. We have often done so.

Mr. GOLDWATER. What is taking place in the Pentagon, in my humble estimation, is that too many IBM's are being used. Perhaps I should not say "IBM's." General Electric, which has a plant in my home town, criticized me for saying "IBM," so I will say electronic computors.

Too many questions are being fed into an automated box, which is providing answers with which many of us cannot agree.

I do not doubt that the Senator from Wisconsin is sincere. I know he believes that the Secretary of Defense has made some plausible arguments. I disagree with the Secretary; I do not believe his arguments will hold up. I do not believe they have been made with full, good judgment or by men who have had experience.

This is far more than a field system. It is the greatest breakthrough in aerodynamics since the Wright brothers pedaled their craft down a sandy beach. It could put the United States years ahead of Russia.

I fear the day when some Russian airplane flies in over our seacoast and asks for landing instructions at Idlewild. It will be asked, "Where did you depart from?"

The answer may be, "I left Paris 30 minutes ago; I expect to land in New York in 45 seconds." Then we shall be going through another Sputnik experience.

But today we have, in Palmdale, Calif., a plane which, although it costs a very large amount of money, will enable us to get ahead of the Russians in the one field in which they are now ahead of us—namely, the field of manned aircraft.

Mr. PROXMIRE. But we have already spent a billion dollars on this program. So it has not been starved; and the administration is now asking for an additional $171 million for it. Furthermore, the Secretary of Defense says that if that is not enough, he will promptly ask for more. What more can he do?

Mr. GOLDWATER. Has the Senator from Wisconsin seen the construction at Palmdale, Calif.?

Mr. PROXMIRE. No, I have not.

Mr. GOLDWATER. Well, although I have had considerable experience with aircraft, I questioned how $1 billion could be spent on an airplane. So I went out there, a month ago, and looked at it. I wish all Senators could see it; then they would understand why this brand-new concept is so expensive. It is completely different from anything now in the air; it is so new that it has to be made entirely by hand; and it is put together with vacuum welding, which alone cost us hundreds of thousands of dollars to develop—a weld which occurs in a fraction of a second. That was developed in Germany, but now we have it. This aircraft has a honeycomb skin—something never before developed.

It is well known that I am not one noted for being "fast" with the taxpayers' dollars, and it is obvious that normally I would not favor spending additional amounts on such an expensive aircraft unless it was of the greatest importance. But obviously this aircraft constitutes a vastly important technological development and advancement which, if we do not make, the Russians will make. That is the justification in this case.

Mr. PROXMIRE. Insofar as reaching the moon is concerned, I agree with the Senator from Arizona that we should consider the request; but certainly many problems are involved in connection with any proposal to commit $20, $30, or $40 billion for reaching the moon, especially when the matter of timing is concerned. It is obvious for example that the moon project will require us to use so many of our experts and engineers that many other important projects including military projects and graduate engineering training will be starved.

Therefore, we must make up our minds about the relative importance of these various projects; and, on the basis of our best judgment, after hearing all the arguments by those who have the overall responsibility of the kind the Secretary of Defense has, we must make our decision.

Of course, in a military decision such as this, if we have any doubt, we should vote for the full commitments; and certainly the Senator from South Dakota was correct when he said that if we are in real doubt, we should always go along with spending the additional funds which have been recommended, no matter how large they may be.

Mr. GOLDWATER. Let me say that I followed the views expressed by President Kennedy in the course of his campaign. On one occasion he said:

> This year, as the result of the efforts of Senator Engle and others, the Congress of the United States appropriated $300 million for the B–70's. I indorse wholeheartedly the B–70 manned program.

And in Wichita Falls—and there happens to be an aircraft construction factory located there—he said:

> We have been trying for 2 years to get the B–70 in California the $300 million the Congress appropriated.

I do not always agree with the President, delightful though he is. But I do not believe the B–70 is a myth; and I rely on his statement that he is in favor of it. If he is against it, I have not heard of that.

Mr. PROXMIRE. I agree with the Senator from Arizona that the President is in favor of it, and I am in favor of it, and so is the Senator from Arizona. I do not believe that any member of the administration or the Senate is not in favor of it. The only question is one of timing, the question of when we are prepared to go ahead with this very expensive commitment, which, as a result, would cause other projects to be starved.

There is another project—one far less expensive, which would cost not $100 million per plane as the RS–70 would but perhaps $3 or $4 million a plane—and this might do the job. So the Secretary of Defense should be free to make his final judgment on this matter, rather than have his hands completely tied.

Mr. GOLDWATER. Of course, it is true that time is of great importance in connection with this matter. I would not be so much concerned if we had 10 or 12 years to spare. But does the Senator from Wisconsin realize that in September of this year the last B–52 bomber will roll off the production line, and that we do not have another bomber coming off the line to take its place; that in 3 years the B–47's will be obsolete for they are already in a state of fatigue; that the B–57 fleet will be seriously reduced in effectiveness, because of attrition; and that the B–58 fleet is not of any great size, and for all practical purposes does not exist.

So we cannot wait. We have already delayed for years the development of the B–70 as a weapons system, and I do not think any Member of this body would feel very happy if 3½ years from now we were attacked by manned aircraft from Russia and if at that time we did not have available a retaliatory manned aircraft force.

Mr. PROXMIRE. The answer has already been given by the Secretary of Defense, in his letter of last August. In it he made very clear that today we have an enormous manned bomber capacity, and he made very clear that a great deal of our retaliatory power is in our B–52's. It is true that the assembly line will stop in September. Nevertheless, this particular eventuality was thoroughly considered in two ways by the Secretary. In his letter of last August he said:

> Previous appropriations enable us to plan on a very high bomber inventory through the mid-1960's. In the operational inventory we will have over 700 B–52's and B–58's at the end of fiscal year 1966. Should it be decided later to maintain this level of heavy bomber aircraft beyond fiscal year 1966, the request for appropriations can be made several years from now. There appears to be no need to make such a decision before mid-1963 at the earliest.

In short, he said the production could be restarted and that there is no question in terms of the shutdown of the assembly lines and the availability of labor. I think all agree that the Secretary of Defense is especially competent in these fields. He has written that letter, and the statements he has made in it have stood up and never have been successfully challenged, I think. In short, he said that we are ready to go with manned bombers, and that the B–52 fleet has greatly advanced, and that although subsonic, it is a good aircraft and is very efficient when equipped with Hounddogs or Skybolts.

So we are prepared to rely upon manned bombers; and anyone who says that we are not or that we are turning away completely from manned bombers is not correct.

Mr. GOLDWATER. Mr. President, I should like to argue that point a little. We may not be turning away from manned bombers; but I think the Secretary of Defense and the Senator from Wisconsin both overlook the normal rates of attrition. I do not expect the B–47's to be around in a few years, so we shall forget about them. But if we do not build any more B–52's, when the normal attrition sets in we shall suffer a loss of highly trained crews and the ability to train more.

If the Secretary of Defense thinks he can set up a production line for B–52's any time in 1962 and will be able to produce them from it in 1964, I want to remind him that these planes are not Fords or Ramblers. A B–52 is a handmade airplane, and it is very difficult to find men capable of doing these specialized jobs.

For example, at Palmdale I saw a man working on a panel that was handmade. He was wearing out a diamond saw about every inch or inch and one-half. I asked him how long it would take him to cut off that 4-foot length. He said that if he did not work very hard he could not do it that week.

Such men cannot be found in a UAW hiring hall. They are trained specialists. So when it is suggested that the Secretary of Defense could punch a computer and could show that 1963 equals 1964, all I can say is that I have never seen it done, even in the Ford factories which he has managed so efficiently.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I will yield to the Senator in just a moment. Before I do that, I would like to point out that the B–52 is not the only bomber or the only alternative to the RS–70. As is shown beginning on page 977 of the hearings, the Senator from Missouri [Mr. Symington] had this to say, and I read from that page:

> One thing that worries me about the RS–70 is the fact that even in development, they don't know how it will work. Another point that worries me is the cost. When you get up to paying $100 million for an airplane, that seems to be large even under present evaluations. Now we have long-range fighters coming up, like this new TFX, where you have a lot of range. You can refuel four simultaneously from one tanker. Because of the tremendous increase in yield-to-weight ratio you can carry fairly substantial megaton loads. These fighters I believe, are around $2 to $3 million as against the cost of an RS–70, $100 million. This thought was first given by the chairman of the Armed Services Committee, Senator Russell. Can't a good part of this job be done by smaller newer airplanes?
>
> Dr. Brown. I think that there is a possible role for the TFX in strike reconnaissance. Of course, we are not any surer that the TFX can do it than we are that the RS–70 can do it so far as components are concerned.
>
> Senator Symington. You are talking about the reconnaissance bomber?
>
> Dr. Brown. That is right.
>
> Senator Symington. In the minds of the public the 70 is still a bomber. They have not yet gotten accustomed to the fact it is a reconnaissance plane. If you take the premise it is a bomber, there is a great deal that can be done for $2 or $3 million, in an airplane far beyond the speed of sound; is that correct?
>
> Dr. Brown. Yes. As a bomber the TFX would cost perhaps not as little as $2 million but certainly something less than $3 or $3½ million.
>
> Senator Symington. I did not know what the cost of the TFX was—

And so forth. What this statement underlines and reinforces is the fact that there are several alternatives to the RS–70. The Secretary of Defense has simply requested some research before we make this enormous, and perhaps irretrievable, commitment on the RS–70. It will take a few weeks or months to see, first whether the benefits can be proved by researchers, and, second, whether the alternatives are acceptable. The Secretary of Defense is saying, "Let's take a look and see if this will work before we go ahead."

**Mr. GOLDWATER.** The argument for the TFX could be used against Dr. Brown, if he is thinking of it in the place of the RS–70, because of weapons development and the development of the electronic and navigation and bombing systems, and the argument does not stand up. The last I heard of it, the TFX was up for competition between companies, and we do not have one yet.

**Mr. PROXMIRE.** That is true. We do not even have an RS–70.

**Mr. GOLDWATER.** The TFX is not off the boards. They do not know what it will look like. The F–100 can carry a rather heavy load. So can the R–102. the F–104, and the F–106. So can the F–110.

**Mr. PROXMIRE.** The Senator from Wisconsin was talking about reconnaissance.

**Mr. GOLDWATER.** These aircraft can be equipped for reconnaissance, but they carry only one man, and it is very questionable whether one man could fly a mission to Russia and return for refueling and be capable or alert enough to find the target. I would not want to put reliance on it. I hope we get the TFX, because we have only one fighter plane coming off the line. It will be 1967 before we get an inventory of them. I do not know why the Department of Defense is against the Air Force. I do not know why the Air Force has to carry rifles and wander through the jungles in order to justify its existence. We won the last war with airpower. We are containing the Communists in Vietnam with airpower. Why the Department of Defense cannot see that airpower, in conjunction with pushbutton warfare, is the answer, I cannot understand.

**Mr. PROXMIRE.** First, let me say, in reply to the Senator from Arizona, that I am not against the Air Force. The Air Force is getting a substantial appropriation.

**Mr. GOLDWATER.** I wish the Senator would tell that to the Pentagon.

**Mr. PROXMIRE.** I would not want to see the Air Force crippled or prevented from advancing. It is simply a question of judgment on the part of the Department of Defense to see how we can get the best overall defense effort.

**Mr. MILLER.** Mr. President, will the Senator yield?

**Mr. PROXMIRE.** I yield.

**Mr. MILLER.** The Senator from Wisconsin said a moment ago that the Secretary of Defense had indicated that the assembly line on B–52's could be started up readily enough and that he did not think this statement had been questioned. The Senator from Arizona has just questioned that statement.

I would like also to invite the Senator's attention to page 189 of the hearings, in which the Chief of the Air Force did question that statement. I read from that page:

> Senator DWORSHAK. What about the other bombers, B–52 and B–58?
>
> General LEMAY. For the B–52, as of now, I think we have just plain missed the boat. If we ordered additional B–52's now, there would be a gap of at least a year in the production line. Where the employees would be discharged we would have to pick them up later and start up the line.

It seems to me this is questioning the statement of the Secretary of Defense.

**Mr. PROXMIRE.** I disagree entirely. I think the Secretary of Defense, of course, expected that there would be a gap in production. He said so. He said that should it be decided later to maintain the heavy bomber production beyond fiscal 1966, it would be possible to restart, and if we started, say, in 1963, by 1965 we would be getting planes off the assembly line.

There is a production gap, but at the same time he said that in 1967 we will have an inventory of 600 or 700 of these aircraft without any restart. On the basis of the B–52's being equipped with better air-to-air and air-to-ground missiles, their retaliatory potential will be tremendously increased.

**Mr. MILLER.** Is not the Senator from Wisconsin concerned about the production-line gap?

**Mr. PROXMIRE.** The Senator from Wisconsin recognizes, as I am sure the Senator from Iowa does, that we do not rely on any one aspect of our armed effort. We are moving into the missile age very rapidly. We are building Polaris submarines and missiles. I think it is perfectly proper to move into a new manned bomber development. I think it is desirable. I do not think we should continue to produce the B–52, which is subsonic, and which is 10 years old, if we can get a supersonic plane. But if the Secretary of Defense finds it does not work out, we can go back to the B–52. We can restart. That is a very unlikely event, but we can do it. But 3 years from now we will have a fantastic retaliatory power, as I am going to point out, and as the Secretary of Defense said. So there is some question as to the value of this kind of reconnaissance operation, because our power is going to be absolutely devastating, even if we suffer from a first strike. Right now we have a devastating punch.

So I think it is perfectly proper and appropriate to consider the wisdom of discontinuing the production of an aircraft that is 10 years old and subsonic, even though this is a marvelous bomber and the best we have.

**Mr. MILLER.** I wish I could get the tenor of the Senator's argument. Is it that the Senator is concerned about the amount in the budget for the development of the aircraft?

**Mr. PROXMIRE.** My position is that I am supporting the Secretary of Defense and the President of the United States in their request for funds for the B–70, or the RS–70. It is my position that to authorize more, to appropriate more, to force more on them, would, in the first place probably be a futile act and, in the second place, would subject them to very great pressures of all kinds to spend the additional money. I think the argument made by the Secretary of Defense against this additional appropriation will stand up. At the present time it is standing up. It has not successfully been challenged, in my judgment.

**Mr. CANNON.** Mr. President, will the Senator yield?

**Mr. PROXMIRE.** I yield.

**Mr. CANNON.** Am I to understand that the Senator from Wisconsin bases a part of his argument on the fact that we might be able to spend less money on bombers that might do the job just as well?

**Mr. PROXMIRE.** The position of the Senator from Wisconsin is that we might be able to develop other airplanes, if the Secretary of Defense and the other experts in the Department of Defense and in the Air Force should make the decision that there are alternative ways of accomplishing the same mission. One alternative would be to develop other manned aircraft, at far less cost, such as manned fighterbombers—smaller planes but equally as fast as an RS–70. These might be produced more effectively and more efficiently, than a bomber and could do as good a job. That is a possiblity.

**Mr. CANNON.** Does the Senator from Wisconsin have any idea how long it takes to develop and to produce an airplane, starting from scratch?

**Mr. PROXMIRE.** I know that it takes a long, long time. I invite the attention of the Senator from Nevada to the fact that Dr. Harold Brown, Director of Defense Research and Engineering, and the the Secretary of Defense say that it will probably be 1970—8 years from now—before the radar aspects of the reconnaissance mission of the RS–70 can be perfected. That is the earliest date. That is 8 years away.

In the meantime, it is perfectly possible we might be able to develop an alternative plane, in somewhat less time. I agree with the Senator that it would take several years, a number of years, to develop an alternative plane. The TFX and other planes are being considered to some extent, although I think the Senator from Arizona is correct in saying that basically they supplement the RS–70.

**Mr. CANNON.** With respect to the TFX, does the Senator from Wisconsin realize that the contractor has not been selected for the design phases of the TFX at the present time?

**Mr. PROXMIRE.** That is my understanding.

**Mr. CANNON.** The present problem with respect to that plane is the selection of the contractor even to design the TFX, let alone to complete the design and to talk about production. We are talking about something which is 10 years away.

**Mr. PROXMIRE.** And we are at least 8 years away, at the soonest, from the RS–70. Yet we have spent a billion dollars, and we are being asked to spend another half billion dollars on the RS–70.

**Mr. CANNON.** The Senator says that we are 8 years away from developing the RS–70. Does the Senator realize that the first model of the RS–70 will be out on the runway this fall?

**Mr. PROXMIRE.** I understand that there is a prototype being constructed now, and that there will be a prototype built next year, and then another prototype after that. The request for the additional half billion dollars, I understand, is to produce six prototypes rather than the three prototypes planned under the budget request.

Mr. CANNON. Is it not part of the purpose to develop concurrently the systems which are needed, rather than to wait 8 or 10 years, as the Senator has pointed out, for the radar to catch up?

Mr. PROXMIRE. No. The Senator from Wisconsin should never be interpreted as saying that we should wait for any length of time to develop anything. I said that the Secretary of Defense said $171 million, which is a whale of a lot of money, is all the Department thinks it can spend in the next fiscal year in regard to developing the B–70. Most of this money will be for prototypes, but part of this money will be used for radar, and part for other purposes.

As the Senator from Nevada, who is a far greater expert than the Senator from Wisconsin will ever be in this field, well knows, when a prototype is built, as will be done for the RS–70, it is built for the purpose of developing all aspects of the aircraft and for testing it.

Mr. CANNON. Will the Senator yield to me so that I may read a paragraph from the committee report?

Mr. PROXMIRE. I am happy to yield for that purpose.

Mr. CANNON. I read as follows:

> The budget request of $171 million is to continue a program for the development of the XB–70 aircraft which does not have as its stated objective at this time the development of a fully operational weapons system to replace the B–52's and B–58's. The program of $223,900,000 provided in the House bill would expedite the development of an advanced reconnaissance system required in the RS–70 system, but it is not adequate for the initiation of development effort on other military subsystems or for the commitment of additional test aircraft.

Those are the words in the committee report. I wonder if the Senator feels that we should wait to test these individual prototypes over a period of 3 years before we initiate the development effort on the other military subsystems which are required, as stated in the committee report.

Mr. PROXMIRE. The House report makes it clear, on page 8, in the last sentence—and the provision is still in the bill—what can be done for the RS–70 program. It is stated:

> The committee has also provided funds and transfer authority in the Emergency Fund appropriation to the extent of $300 million, which could be utilized at least in large part for this program, should the determination be made to do so.

It is very important that Senators understand this problem, especially the Senators who are taking the same position as the Senator from Nevada. My amendment is to be contrasted with the amendment for which I would substitute mine—the amendment of the Senator from Illinois. My amendment would enable the Secretary of Defense to spend an additional $300 million plus the $171 million, if he finds reason to do so. That is the issue we face.

If the Department of Defense makes the breakthroughs which they hope to make, though they are not yet sure they can make them in their research, then it will be possible to proceed. Then the Department can go ahead with the program.

Mr. CANNON. Mr. President, if the Senator will yield further, it seems to me that a failure to authorize and to appropriate funds as requested will materially delay the development of this program. It is only by strong language from the Congress that the Secretary of Defense will be guided to take the necessary steps to be sure that we do have a follow-on aircraft for the B–52 and the B–58 aircraft, which, as the Senator from Arizona so well pointed out, will be in the obsolescent stage in the not too distant future, and, not too long thereafter, will become absolutely obsolete.

Mr. PROXMIRE. I am sure that the Senator from Nevada has the greatest respect for the distinguished chairman of the House Committee on Armed Services, Mr. VINSON. It is well known that a very spectacular fight was conducted earlier this year on this issue by Mr. VINSON. Mr. VINSON and the House decided not to go to $491 million for the RS–70. They decided in favor of this emergency provision, which seems to me to make sense, and they went a little higher, providing $50 million more. In view of their deep concern and very deep interest in this measure, it seems to me that the amendment of the Senator from Wisconsin, if it is agreed to as a substitute for the amendment of the Senator from Illinois, would be a very moderate approach, which would enable the Air Force to move ahead and to move ahead promptly.

Mr. President, as I was saying, the Secretary of Defense stated:

> We are not sure now that we know how to develop successfully the extremely high data rate, sharp resolution radar system required. Our best estimates now are that we could not have such a system early enough to produce an operational RS–70 force capable of useful reconnaissance strike before 1970.
>
> The RS–70, without these subsystems, would be nothing more than a B–70, the production of which it is now agreed would not be warranted.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I will yield to the Senator in a minute.

The Secretary also said:

> Until we know much more about the proposed system—its technical feasibility, its military effectiveness, and its cost—we have no rational basis for committing this aircraft to weapon-system development or production.
>
> But regardless of whether or not the RS–70 will be ready for production or can be produced substantially as the Air Force describes it, the question still remains: would the program be worth its cost? This question can be answered only in terms of—

And this is something we overlook in all the argument—

> the total job to be done and the various alternative ways of doing it in relation to their respective costs.

That is the position of the Secretary of Defense. He would like to have a little more time for research before he decides whether to go ahead with the weapons system which is not proved. There are all kinds of possibilities that it may never prove itself. The Secretary wishes to be able to go ahead with research first. He has convinced the President of the United States that this is proper. He has convinced all of the heads of all of the services, except the Secretary of the Air Force, that he is correct. It seems to me that this is a modest and appropriate position to take.

Now I yield to the Senator from Nevada.

Mr. CANNON. I am sure that the Senator from Wisconsin would not wish to leave the RECORD with an incorrect impression. The Senator from Wisconsin stated that Mr. VINSON, the chairman of the House Committee on Armed Services, backed down on his proposal. That is not correct.

Mr. PROXMIRE. No; I did not say that.

Mr. CANNON. The Senator said that the chairman of the House Committee on Armed Services [Mr. VINSON] made a change in regard to the authorization, to the extent of the $300 million emergency provision, if I recall correctly.

However, part of the House authorization bill reads as follows:

> For aircraft: For the Army, $218,500,000; for the Navy and the Marine Corps, $2,134,600,000; for the Air Force, $3,626,000,000, of which amount $491,000,000 is authorized only for the production planning and long leadtime procurement of an RS–70 weapon system.

That is language from the House bill as it was passed and signed by the President. I think perhaps the Senator referred to the bill considered by the Committee on Appropriations.

Mr. PROXMIRE. I was referring to the bill before the Senate, H.R. 11289.

Mr. CANNON. That is not the bill which came from Mr. VINSON's committee.

Mr. PROXMIRE. The Senator is talking about the authorization bill.

Mr. CANNON. That is correct.

Mr. PROXMIRE. The Senator is correct. The authorization bill was the same in the Senate. The Senator from Wisconsin had no objection to that. I think that the Appropriations Committees should be in a position to act on the basis of maximum flexibility and to decide to go higher if they wish to do so.

I am sure that Mr. VINSON would have been able to prevail in the House, considering his great prestige in the House, if he had felt at all strongly that the provision which was in the House bill was inadequate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Illinois.

Mr. DOUGLAS. I wonder if the Senator will look again at the language on page 33, lines 19 and 20, of the bill which he is seeking to amend.

Mr. PROXMIRE. It is the understanding of the Senator from Wisconsin with respect to the pending amendment that the language that would be amended appears on page 36, line 23, and page 37, line 2.

Mr. DOUGLAS. Then it is not amendment 6-16-62—B, but another amendment that the Senator has before the Senate?

Mr. PROXMIRE. That is correct. The pending amendment is an amendment that I offered on the 12th. The first amendment was defective; I am not calling that amendment up.

Mr. DOUGLAS. The pending amendment is designated "6-12-62—A."

Mr. PROXMIRE. The Senator is correct.

Mr. DOUGLAS. Am I correct in inferring that there would be no mandate upon the Secretary of Defense to spend the money for the RS-70? The language is "to remain available until expended." I wonder if that language would not give to the Secretary of Defense the right to refuse to spend the money if in his judgment it were inadvisable to do so.

Mr. PROXMIRE. It would, indeed. The language on page 37 of the bill provides—

> *Provided*, That of the funds available in this appropriation account $157,000,000 shall be available only for the Dyna-Soar program and—

The amount would be amended to $171 million—

> shall be available only for the RS-70 program.

Under those circumstances the amendment of the Senator from Wisconsin would not tie the hands of the Secretary of Defense. If he wished to spend more he could do so. But $171 million would be available only for the RS-70 program. If he wanted to spend $500 million, he could do so. Under the amendment of the Senator from Illinois [Mr. DIRKSEN], he could not. He could spend only $171 million and not one penny more.

Mr. DOUGLAS. The question I wish to raise is whether the present language in the bill would require the Secretary of Defense to spend those sums, or would merely make it possible for him to do so.

Mr. PROXMIRE. It is the understanding of the Senator from Wisconsin that the Secretary of Defense would not be required or directed to spend the funds. He would use his own discretion. It is further the understanding of the Senator from Wisconsin that the Secretary of Defense probably would not spend the money unless there were a new development, which we do not anticipate.

Mr. DOUGLAS. I was thinking of the terms of the bill as reported by the Committee on Appropriations.

Mr. PROXMIRE. That is correct. It is also correct as applied to the amendment by the Senator from Wisconsin.

Mr. DOUGLAS. I personally do not regard myself as competent to pass on the subject as to whether the RS-70 should be developed or not, or how much money should be devoted to the project. I have great faith in Secretary of Defense McNamara. I think he is probably the most competent Secretary of Defense we have had in a long time. I have great respect for his integrity and patriotism.

I recognize that the present language would put some moral pressure upon him to spend the money, but he has a stiff backbone.

Would it not be possible for the Secretary to refuse to spend the money if, upon an investigation, he still believed that it would be not in the public interest to do so?

Mr. PROXMIRE. Oh, yes. We have a clear precedent in what happened with respect to the $520 million which was authorized and appropriated for bomber procurement last year. The bill was signed into law.

Mr. DOUGLAS. On the other hand, if we do not give to the Secretary the power of spending additional sums if he finds out it would be advisable to do so——

Mr. PROXMIRE. The Senator well knows that the amendment would not cut him down at all. It would provide every penny for which he asks. In fact, it would give him more. The bill provides a $300 million emergency fund, most of which would be available for the program if the Secretary wanted to undertake it. Furthermore, if the Secretary found that he would like to proceed, he could request a supplemental appropriation. It is clear that what the Secretary of Defense and the President of the United States want is an appropriation of $171 million, and not $491 million, for that purpose. The position of the Secretary and the President is crystal clear.

Mr. DOUGLAS. Suppose the Senate should agree to the amendment of the Senator from Wisconsin, which would make available $320 million less for the RS-70 than is provided in the committee bill. Is the Senator saying that the Secretary could go ahead and spend that money anyway?

Mr. PROXMIRE. I am saying that the Secretary could then go ahead and spend the $171 million. In addition, he could spend from the fund created in the bill, and referred to by the House in the following language:

> The committee has also provided funds and transfer authority in the emergency fund appropriation to the extent of $300 million, which could be utilized at least in large part for this program, should the determination be made to do so.

Mr. RUSSELL. Will the Senator state the reference?

Mr. PROXMIRE. That quotation appears on page 8 of the House committee report.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a clarification?

Mr. PROXMIRE. I am delighted to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I refer the Senator from Illinois to page 68 of the committee report. I say most respectfully to the Senator from Wisconsin that an emergency fund of $150 million is provided; and the other $150 million, to make up the $300 million about which the Senator from Wisconsin is talking must be transferred from some other appropriation. In other words, the Secretary could spend only $150 million in addition to the $171 million. The other $150 million would have to come from a transfer of funds allotted for other purposes.

Mr. PROXMIRE. The point is important, but can be well answered. It is true that the funds would have to be transferred from elsewhere. The appropriation is made for the entire fiscal year. The Senate will perhaps not be in session from early September to January. If the Secretary of Defense and the President should change their minds and decide to spend the money, all they would have to do would be to ask for a supplemental appropriation any time after the 1st of January. In the meantime, plenty of money would be available in the appropriation to spend for the project.

I agree wholeheartedly with the Senator from Massachusetts that if the funds available should run out, the Department would probably ask for supplemental funds later in the fiscal year.

Mr. DOUGLAS. I invite the attention of the Senator from Wisconsin to page 38 of the bill, which provides that a fund of $150 million may be transferred.

Mr. PROXMIRE. The Senator is correct.

Mr. DOUGLAS. In addition, on page 38, line 15, the following provision appears: "and, in addition, not to exceed $150,000,000, to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense."

Mr. PROXMIRE. I think that is the proper reference.

Mr. DOUGLAS. So that is where the Senator obtained the total of $150 million.

Mr. PROXMIRE. A total of $300 million altogether. That is the understanding of the Senator from Wisconsin.

Mr. DOUGLAS. I am somewhat puzzled as to what all the shooting is about.

Mr. PROXMIRE. I think the Senator from Illinois has raised a good point. The purpose of the amendment of the Senator from Wisconsin was to keep the authorization for this enormously expensive program in line with the request of the Secretary of Defense. If we take the position that we should always authorize and appropriate every nickle everyone asks, I think the program would be a wasteful one. It would put great pressure on the Secretary of Defense. There was considerable pressure on him to spend $520 million last year. While he has a strong backbone, I think the course proposed would be an inefficient and wasteful way for the Senate to proceed. It seems to me that under the circumstances, when the Secretary convinces us that he is right—and he has convinced this Senator—we should provide the funds he wants, and no more.

Mr. DOUGLAS. In other words, the purpose of the amendment of the Senator from Wisconsin is to diminish the psychological pressure upon the Secretary of Defense. Is that correct?

Mr. PROXMIRE. That is correct.

Mr. DOUGLAS. It is a very serious thing to assume responsibility for reducing funds available for the program when there is no legal obligation upon the Secretary to spend the moneys which we make available.

Mr. PROXMIRE. Even more serious is what has already been done by the committee; namely, to sharply reduce some of the funds made available to the Secretary of Defense below what he requested. For example, I refer to the appropriation for military personnel. It seems to me the Senate as a whole has every right, if it wishes to do so and is responsible in doing so, to reduce the available funds to the level which the Secretary requested; and that is what the Senator from Wisconsin is attempting to do. I am not reducing the Secretary's funds below what he asked.

Mr. DOUGLAS. I agree we have that right. However, the Senator from Illinois would have to know more about it to feel wise enough to exercise that right. Modern war has grown so complicated and defense has grown so complicated that it is very hard for a layman to pass judgment on these things. If this were to be mandatory upon the Secretary of Defense, I might be tempted to agree with the Senator from Wisconsin, because I have a great deal of confidence in Secretary McNamara. Since it is not mandatory, what the Senator is saying, in effect, is that this appropriation might be the straw that will break a strong man's back.

Mr. PROXMIRE. Well, that is correct. I believe that the Senate should never appropriate more money than has been justified, and should rarely exceed the requests of the administration unless the justification is strong. In this case, I believe the position taken by the Secretary of Defense is exceedingly strong.

Mr. ROBERTSON. Mr. President, I know that the Senator is eager to yield the floor. He has fully developed the subject. I know he does not want to leave any false impression with the comment he made on military personnel. I am sure the Senator had in mind the elimination of the housing for military personnel, which had not been authorized, and therefore the appropriation had to be cut out.

Mr. PROXMIRE. The Senator from Wisconsin would be more accurate if he were to say that this was classified under military personnel in the committee report, which refers, as he says, to housing.

Mr. ROBERTSON. We did not have any authority for it.

Mr. PROXMIRE. Mr. President, I will now proceed as rapidly as I can. I will proceed only briefly, because I have no desire to detain the Senate any longer, since I have spoken longer than I had planned to speak. Mr. President, we should realize the impact that the plans we are now developing can have on a possible adversary.

As the Secretary of Defense pointed out:

> The 1963 and prior year budgets provide for over 1,000 Atlas, Titan, and Minuteman intercontinental ballistic missiles, plus 41 submarines with over 650 Polaris missiles, plus more than 700 B-52 and B-58 bombers. By 1967 the alert portion of the force alone will have three times the destruction capability of the alert force we had last June.

The Secretary went on to state:

> DESTRUCTION CAPABILITY
>
> Now, how large a part of the enemy target system could this force be expected to destroy after absorbing an enemy surprise attack? As I pointed out in my statements to the Congress in January, this calculation involves a number of factors of which the following are the most important:
>
> 1. The number of warheads that each type of vehicle can deliver.
>
> 2. The proportion of each weapon system expected to survive the initial all-out nuclear attack—the survival rate.
>
> 3. The degree of reliability of each system, i.e., the proportion of the ready operational inventory that we can count on getting off successfully within the prescribed time—the reliability rate.
>
> 4. The ability of each type of vehicle to penetrate the enemy's defenses—the penetration rate.
>
> 5. The warhead yield and degree of accuracy that can be expected of each weapon system.

Then the Secretary went on to say:

> Utilizing these factors and applying to them values which, on the whole, are thought to be quite conservative, we calculate that the strategic retaliatory forces programed through 1967 could achieve practically complete destruction of the enemy target system—even after absorbing an initial nuclear attack. The addition of a force of either 200 B-70's, which was proposed last year by the Air Force, or the 150 RS-70's now being considered, either of which would cost about $10 billion, would not appreciably change this result.

In other words, the Secretary of Defense is saying that the addition of this enormous expenditure would not increase the perfectly fantastic capability for nuclear devastation which we now have.

The Secretary is not frozen to the concept of all-out nuclear war. He has said:

> While calculations of this sort are useful for estimating the adequacy of our programed forces under extreme conditions, it should be pointed out that these forces may not necessarily be used in this manner. Indeed, we are implementing command and control processes at all levels of authority to insure that our response can be graded by degree, by geographical and political area and by target type as would be appropriate to the type and extent of an enemy attack.

It is the alternatives which we should consider. It seems to me that by adopting my amendment we give the Secretary of Defense the opportunity to select the alternatives which would be more economical and more effective and which would give us a strong armed force.

The Secretary went on to say:

> With regard to the wartime reconnaissance capabilities of the RS-70, we have other means of performing that function and with any adequate high-processing-rate radar system which may be developed, the B-52's and B-58's could have a considerable reconnaissance and bomb damage assessment capability incident to their principal mission. We think that the B-52's and B-58's, arriving after our missiles have suppressed the enemy's air defense, could penetrate as well or almost as well, as the RS-70.
>
> A decision by the Soviet Union to produce and deploy an anti-ICBM system could not significantly change this overall picture, and in any event would be no less effective against the RS-70 and its missiles. To insure that our missiles can reach their targets even then, we have included a substantial sum in the 1962 budget for a "penetration aid program." We also have the option of increasing the Minuteman program for which extra production capacity has already been provided.
>
> It is clear, therefore, that the RS-70 program, as we see it now, would not add significantly to our strategic retaliatory capability in the period after 1967.

Obviously that will not be until 1970.

> Interestingly enough, at the very time the Air Force is urging the production of another aircraft system on the grounds that nuclear-armed missiles are not dependable, one theater command is requesting the producing of a new nuclear-armed missile to replace his aircraft which he says are too vulnerable in a nuclear war environment. And, while the Air Force, in pressing its case for a new bomber, has questioned the dependability of nuclear-armed missiles, it is at the same time urging an aircraft (the RS-70) which itself depends for its strike capability on highly sophisticated nuclear-armed missiles.
>
> While I am fully convinced that it is entirely premature to make any kind of commitment to weapon-system development or production of the RS-70 in fiscal year 1963, I am not prepared to preclude such a commitment at a later date. By continuing our XB-70 program of three prototype aircraft at the cost of $1,300 million and by proceeding with the exploratory development of the key subsystems of the proposed RS-70 for which funds have been included in the 1963 budget, we will have open to us the option of producing and deploying an RS-70 system at a later time if the need for such a system should become apparent. Since the key subsystems have yet to be developed, delaying the decision for 1 year would not postpone the real operational readiness of the first wing at all.
>
> I have just recently reviewed this entire problem with the Joint Chiefs of Staff and again, except for the Chief of Staff of the Air Force, they all support the B-70 development program recommended by President Kennedy.

I wish to conclude by reviewing the testimony of Dr. Harold Brown, who said:

> As presented in the President's budget the plan provides for the development of three aircraft prototypes with the objective of preserving the option of developing a manned bomber system while exploring the parameter of mach 3 flight.

In other words, the budget contemplates an option, to keep it alive, and make it possible to exhaust other alternatives—

> The Office of the Secretary of Defense takes the position that while development of a reconnaissance-strike capability for manned strategic aircraft may be desirable the present state of the art is not adequate to support a system development at this time. We further believe that there are three main areas of technical development that must be pursued before a firm programing decision can be made leading to the production of an RS-70 system.
>
> 1. A radar system including sensors, processors, and usable display techniques.

The testimony is that it will be 1970 at the earliest when such a radar system will be available.

2. A strike missile compatible with the radar equipment.

It should be remembered that the present strike missiles that we have available, such as the Skybolt and Hound Dog, will not work on the RS–70, which is a supersonic mach 3 plane. That plane cannot carry external missiles, and the internal missile for it has not yet been developed. Therefore, the strike part is in the future, and we do not know whether we can develop effective parts for this weaponry.

3. Reliable communications to originate and rely strike reports to CONUS.

The aspect of the reconnaissance strike mission which inhibits any possible desire to proceed concurrently even if the RS–70 is justified is the fact that the performance levels required of the equipment must meet an absolute and very high standard in order to be useful at all. Their status is that they are in too early a stage of development for confident prediction of success.

Assuming that they can be developed at some time, one must then evaluate what the RS–70 might be able to do as compared with competing ways of doing the same thing.

Dr. Brown went on to develop alternatives, which I believe have been brought out quite thoroughly in the course of the debate this afternoon. However, I should like to underline the fact that the cost of the RS–70 will be $5 billion for 45 planes; $10 billion if 150 planes are built. This is a perfectly enormous cost of $100 million for each plane, compared with the cost of $10 million of the present B–52 manned bombers, and compared with the expected $2 million, $3 million, or $4 million cost of the TFX strike reconnaissance plane, which can be developed very possibly as an alternative, but which admittedly has not yet been designed.

Once again I wish to reiterate a point, by placing in the Record at this point a letter dated August 1, 1961, from the Secretary of Defense, in which he states that if it is found desirable to produce more of the present manned bombers—the B–52's, which have served us so well, and which can use the devastating air-to-ground missiles—we can restart the assembly line at any time, efficiently, and the cost will be very moderate.

Mr. President, I ask unanimous consent that the letter be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of Defense,
*Washington, August 1, 1961.*

Hon. William Proxmire,
*U.S. Senate.*

Dear Senator Proxmire: In reply to your letter of July 28, I repeat my previously stated opinion that it is not necessary for the Congress to appropriate funds in fiscal year 1962 above administration requests for B–52 and B–58 bombers. Inherent in this is my belief that the production of B–52's and B–58's is already adequately "protected" for the period of time involved in our further study of the bomber concept.

Previous appropriations enable us to plan on a very high bomber inventory through the mid-1960's. In the operational inventory we will have over 700 B–52's and B–58's at the end of fiscal year 1966. Should it be decided later to maintain this level of heavy bomber aircraft beyond fiscal year 1966, the request for appropriations can be made several years from now. There appears to be no need to make such a decision before mid-1963 at the earliest. The risk involved in delaying the decision is not one to the security of the Nation, but solely a financial risk fully justified by the remoteness of the possibility of having to exercise the option and pay the "restart cost" penalty.

Should an eventuality develop requiring us to reinstitute the B–52 production lines, we can, for example, do so in mid-1963 and produce for delivery during the period 1965–67. A recent survey shows that in mid-1963 the personnel strength at the Boeing-Wichita airframe fabrication and assembly plant will not have been reduced below 9,400. With respect to the B–52's Pratt & Whitney engine, the TF–33–7 turbofan engine for the new C–141, and the JT3D–2–4 turbofans which are being retrofitted into jet airliners have the same parts configuration as the B–52 engine. In fact, all are fabricated in one general machine shop and are mingled in the assembly line. There is no change in facilities anticipated at Pratt & Whitney during this period and the tools will not be deactivated.

Should a decision be made in mid-1963 to commence production of B–52H aircraft, Boeing's present production leadtime of 15 months would be extended an additional 12.5 months. Aircraft deliveries would start in October 1965. Although current engine and bomb-navigation system delivery leadtimes would also slip, they would still fit well within the airframe fabrication and assembly leadtime of 27.5 months. The total "restart costs" would amount to approximately $245 million.

For the reasons outlined above, it is my conclusion that it is not necessary to make appropriations in fiscal year 1962 for the continued production of heavy bombers.

I hope that this information is responsive to your inquiry.

Sincerely,

Robert S. McNamara.

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July 28, 1961.

The Honorable Robert McNamara,
*Secretary, Department of Defense,*
*Washington, D.C.*

Dear Mr. Secretary: The President's request for additional defense appropriations emphasizes the importance of achieving maximum effective military strength for each dollar spent. Pertinent to this is the proposed appropriation of $525 million above administration requests for B–52 and B–58 bombers.

It is my understanding that you recommended that these funds not be provided for manned bombers this year, pending further study of the bomber concept and its place in our overall defenses.

Testimony at the House Appropriations hearings indicated that production of these planes will continue until August and October 1962, with no further action by Congress. At the same hearings it was stated that $100 million for each of these bombers would protect production beyond those dates, pending a future decision on their role.

I would like to know the present position of the administration in this subject. Do you recommend that $525 million be appropriated for manned bombers at this time? Do you believe that production of B–52's and B–58's needs to be protected now pending your Department's reappraisal?

Since these appropriations are expected to be before the Senate very soon, I would appreciate an immediate reply.

Sincerely,

William Proxmire,
*U.S. Senator.*

Mr. PROXMIRE. Mr. President, before I yield the floor, I wish once again to invite the attention of the Senate to the fact that regardless of how Senators may feel finally toward the amendment of the Senator from Wisconsin, any Senator who supports the position of the committee should, it seems to me, vote for the substitute amendment of the Senator from Wisconsin, because the substitute amendment of the Senator from Wisconsin makes it possible for the Secretary of Defense to spend not merely $171 million, but as much money from the reserve funds as he wishes to spend; whereas the amendment of the Senator from Illinois [Mr. Dirksen], for whose amendment the amendment of the Senator from Wisconsin is a substitute, limits the amount which could be spent to $171 million. The amount is not to exceed $171 million. This distinction is very important.

Therefore, I hope that on the impending vote there will be a strong "yea" vote. If not, I think there will be a mistake made on the part of many Senators who vote, because if I understand the tenor of the Senate, whether Senators will support the position of the Senator from Wisconsin and the President of the United States and the Secretary of Defense, or will support the committee—either way—the amendment of the Senator from Wisconsin should be substituted for the amendment of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Is the Senator from Wisconsin saying that if his amendment is substituted for the amendment of my colleague from Illinois [Mr. Dirksen], the Senate would then have a chance to vote again on his amendment?

Mr. PROXMIRE. By all means; I think that is absolutely correct.

Mr. DOUGLAS. Would it be possible for a Senator to vote in the affirmative, preferring the amendment of my colleague, and then to vote against the amendment of the Senator from Wisconsin?

Mr. PROXMIRE. Yes. I hope Senators would not follow the second alternative, but I can imagine that many Senators would do that. I suppose that Senators who feel they wish to give the Secretary of Defense as much flexibility as possible, those who feel that a breakthrough might be developed during this period, would definitely adopt this policy.

Mr. President, I yield the floor.

Mr. KUCHEL. Mr. President, before the Senate is the Defense Department appropriation bill for 1963. Recommended to the Senate by the Senate Committee on Appropriations is an expenditure of nearly $48½ billion. For 10 years in the Senate, I have voted to approve every penny for America's defense which the President has requested and which our appropriations committee has approved. I shall do so again today.

I have the honor to be a member of the Senate Appropriations Committee.

I listened to much of the testimony which was adduced at its many hearings. I have read most of the balance of it. I have listened to the discussion taking place by my colleagues on the committee during the workup of the bill.

As the committee has made its report to the Senate, I find myself in enthusiastic approval. I do not speak as a military expert. I speak as a lay Senator. I speak as a veteran and as an American citizen who is interested in having the Government of the United States maintain what that great and gallant Dwight D. Eisenhower called a proper posture of defense.

Pending at the desk is the amendment of the distinguished Senator from Wisconsin [Mr. PROXMIRE], which would delete those moneys added by the committee to continue to expand what is now referred to as the RS–70 weapons system. In my view, this amendment is regrettable in the extreme. The Senate ought to repudiate it.

I want to refer to a few paragraphs which the Chief of Staff of the U.S. Air Force, Gen. Curtis LeMay, said to the committee when he testified before it:

> By the end of this year—

That is, this calendar year—

> we hope to start tests of a prototype B–70 which could well be the start of a new generation of flight performance in long-range aircraft.
>
> The B–70's indicated performance should affirm my conviction that the essential mission of manned military aircraft depends upon our continuous advancement of their combat capabilities.

Here, then, is the genesis of a deterrent and defensive system which could, in the next few months, demonstrate its irresistible need to our Military Establishment.

Last fall, in the State from which I come, I saw these incredible, stupendous, unimaginable, manmade eagles being constructed. I stood in awe as I saw, bit by bit and piece by piece, engineers fit together what will be one of the first of three prototypes of this amazing aircraft, capable of flying three times the speed of sound, capable of flying over vast areas of land and sea, many miles above the surface of the earth, ready, if called upon, to perform a whole series of important tasks in the defense of our country.

I believe in our constitutional system of government. I believe it is the responsibility of the executive branch to determine what weapons and what weapons systems are to be obtained for American defense. There is no question about that. But Congress, too, has constitutional responsibilities in the field of defense, and one of them is to make available moneys to the executive branch to utilize for our Military Establishment in this nuclear era.

What the Senate Committee on Appropriations has done has been to present in this bill, to the President of the United States, to the Secretary of Defense, and to the Joint Chiefs of Staff, a clear and continuing opportunity to make what would be a crucially important decision. It was said during the time in which the amendment to increase the budget was under consideration, and about to be adopted:

> The $491 million would be used to redirect the present XB–70 program to the reconnaissance/strike concept, to initiate development effort on essential military subsystems for which no funds have been made available to date, and to provide for additional test aircraft so that flight-test of the integrated weapon system can proceed in an orderly manner. The majority of the add-on funds would be devoted to the design, engineering, and fabrication of such subsystems as the strike missile, environmental control, engines, autopilot, and inflight refueling, none of which is possible under the $171 million program. Since all of these systems are essential, any program which is aimed at flight-test evaluation of the reconnaissance/strike concept ultimately must provide appropriate funding therefor. Similarly, such a program must provide for additional test aircraft since it is not practical to fulfill the flight-test requirements with only the three aircraft currently authorized.

Mr. President, assume that a B–70 soars into the air by Christmas time this year. That is what is predicted. That, no doubt, will be the fact. Assume that the impact of its flight, and of its capability, is so enormous on those who have, and should have, the responsibility to determine what weapons systems this country needs that a decision is made then, and on that date, to go full speed forward with this new weapons system. If we adopt the amendment of the Senator from Wisconsin, that decision could not be made.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point?

Mr. KUCHEL. I do not yield now. I will in a few moments.

If we assume to the contrary, that the Secretary of Defense at that time or subsequently would determine that it would not be in the interest of American defense to continue, what harm would be done? None at all would be done. The appropriation would simply lapse.

Mr. President, the amendment of the Senator from Wisconsin ought to be repudiated wholesale, so that the Congress of the United States may present to the executive branch the capacity to make the type of decision we wish ever to have made in the interest of American defense.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my friend from Kansas.

Mr. CARLSON. Mr. President, I wish to concur in the statement made by the distinguished Senator from California. It seems to me the issue is a very simple one. The question is, Do we believe that we can by 1970 be completely dependent on a long-range missile for deterrence to war and for operational use in any conflict which may occur, both in what we call the poorly defined stage of limited war or all-out war, or should we have a combination of aircraft and missiles?

If affirmative action is not taken by the Congress at this session, and if there is no implementation of the B–70–RS–70 program, we shall be completely dependent upon missiles by 1970.

I shall support the recommendation of the committee and shall vote for the $491 million the committee recommended for this program.

I have been privileged during all the years of my service in Congress to watch the development of bomber aircraft. I am sure the Senator from California has done the same. We have watched the development of the B–17, the B–29, the B–36, the B–47, the B–52, and the B–58. In my opinion, it is essential that we have a program of continuing improvement and expansion of our modern manned aircraft in order to have a combination of missiles and manned aircraft.

The advent of the ICBM does not preclude the necessity for continued development of and use of advanced manned weapons systems.

Second, manned weapons systems, such as the B–70, could strongly complement our other strategic weapons systems.

Third, unless the operational supersonic bomber is developed now there will be no replacement for the B–52 at the time it enters a period of obsolescence.

I think it is essential that we take the action recommended by the committee today. I hope there will be no doubt as to the action taken by the Congress.

I appreciate the statement made by the able Senator from California, and I concur in it.

Mr. KUCHEL. I thank my friend from Kansas. He makes a clear, effective and logical argument against the amendment now pending.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the distinguished Senator from Georgia, chairman of the Senate Committee on Armed Services.

Mr. RUSSELL. I wish to associate myself completely with the argument made by the distinguished assistant minority leader in opposition to the amendment. If there has been any one area in which this Nation has had complete preeminence, among all the new weapons systems that have developed out of this revolution in weapons systems, it has been in respect to manned aircraft. Now it is suggested that we deliberately plan to surrender the great prestige which goes with leading the world in manned aircraft, particularly with respect to long-range and considerable carrying capacity.

We spent billions of dollars on matters of prestige, such as in the foreign aid program. We rush to countries, for fear the Russians will get there first, to give them money before the Russians do. We seek the prestige of arriving first to give away money.

If we agree to the proposal which has been made, there will be Ilyushin bombers, which are good jet planes, on the airports of the world for the people of other nations to see. Some of those people are not as sophisticated as the planners in the Pentagon. They will look at this great Russian plane and they will say, "The Americans have nothing on earth comparable to that plane." If we abandon the plane known as the RS–70, they will be telling the truth. We will have nothing comparable to that Russian plane.

For my part, I am not ready, for a number of reasons, to rest the future destiny of the American people and the security of this Nation on missiles and missiles alone. In the first place, it is almost incomprehensible to me that so long as there is anything like near equality in strength any nation would launch an atomic war. If that is not done, the missiles will have kept us from an atomic holocaust, but they will be worth nothing in war.

The reconnaissance plane, however, would serve a very useful purpose. It can go and return, bearing tidings as to what took place with respect to conventional weapons. It can do that at an altitude and at a speed which renders it practically immune from any of the ground-to-air weapons of which we have any knowledge at the present time.

A missile is a one-shot weapon. A person shoots it, and if it works all right it will go where it is supposed to, but how often do we read in the newspapers that it has been necessary to destroy a missile because it began pursuing an erratic course as soon as it was launched? That is not true with respect to an airplane, which can go and can return.

My only regret in this matter is that I fear the Department will not spend the money. We appropriated the money last year, and they did not spend it. I regret very much that they did not spend it.

I told the distinguished Secretary of Defense, for whom I have great and unbounded admiration, that no man has yet been born of woman who cannot make some error of judgment. I think an error has been made in regard to the decision not to prosecute development of this manned bomber.

I greatly fear that this is somewhat of a sham battle we are making for the appropriation. The chances are the money will not be spent.

Under the Constitution of the United States, as a Senator of the United States I have a responsibility. The Constitution says that the Congress shall provide for the common defense. The Constitution says that the Congress shall raise and maintain armies, navies, and the means of defense.

I could never feel that I had measured up to the obligation placed upon me by the Constitution of the United States if I voted to abandon manned aircraft in the bomber field at this stage of our history.

I apprehend that if there are wars in the future—and there will be, I fear, fringe wars and peripheral wars—they, too, will be fought with conventional weapons. The vast arsenal of missiles, intercontinental missiles with nuclear warheads, will be sitting in 10-story concrete and steel silos, while men will be fighting and planes will be flying. We shall be seeking information of what the enemy has, as we have sought it in past wars. In that case the RS–70 will be an invaluable weapon.

My only regret is that we have fallen so far behind. As I stated a moment ago, I could not feel I had discharged my responsibility if I voted, under my constitutional obligation to help maintain the national defense, to say that "the United States after this date shall not develop a new weapon in the one field in which we have stood preeminent from the beginning."

We need not talk about any waste. The best money we have spent has been spent for weapons never used, because they have kept the peace.

Let us consider the B–36, for example. We spent about $2 billion on the B–36. We built hundreds of them. They never dropped a bomb in anger. No shot in anger was ever fired at them. Now they have all been junked. But over a period of 10 or 12 years, when Russia had an overwhelming ground superiority, those B–36's kept the peace.

It is as foolish to say that that was a waste of money as it is to say that because a man's house did not burn down, when he had a fire insurance policy, he wasted the money he paid to the insurance company.

I think the Senate should vote down the amendment. The Senate should support the appropriation. Every opportunity we have, we should tell the Secretary of Defense that we hope he will go ahead with the development of this plane, to permit the United States to maintain its preeminence in the field of manned aircraft.

**Mr. PROXMIRE.** Mr. President, will the Senator yield?

**Mr. KUCHEL.** I shall yield in a moment.

Mr. President, the argument made by one of our senior colleagues, the distinguished senior Senator from Georgia [Mr. RUSSELL], who is chairman of the Senate Committee on Armed Services and also a member of the Appropriations Committee, is a powerful and moving one. I completely agree with him. I think his argument demonstrates full well why the amendment should be rejected.

I yield to the Senator from Wisconsin.

**Mr. PROXMIRE.** I ask the Senator from California why, if the amendment of the Senator from Wisconsin is agreed to, it would be impossible next December or January for the Secretary of Defense, if the prototype proves successful, to spend more money. I ask the Senator from California to look at the provisions of the amendment of the Senator from Illinois [Mr. DIRKSEN], which would be replaced by the amendment of the Senator from Wisconsin. The fact is that the amendment of the Senator from Illinois would indeed restrict the Secretary of Defense in spending more than $171 million. The language that the Senator has proposed is "not to exceed $171 million."

The language of the amendment of the Senator from Wisconsin deliberately and carefully omits that restriction and provides that $171 million shall be available only for the RS–70 program. It also provides that the Secretary of Defense will be enabled to spend any additional amount out of the appropriation that he wishes to spend for the RS–70 program.

On page 38, lines 14, 15, and 16, of the bill an additional $150 million would be made available in an emergency fund. Also $150 million would be made available through a transfer of funds from other projects to the Secretary of Defense.

Therefore the position of the Senator from Wisconsin is that the amendment is designed to meet exactly the kind of situation that may develop next December or January. The prototype might prove out. Then the Secretary of Defense could spend whatever he wished to spend. He could come to the Congress in plenty of time and ask for a supplemental appropriation. I am sure that I would approve it, and I think it would be approved unanimously under those circumstances. Therefore it seems to me the appropriate action for the Senate at this point would be to amend the amendment of the Senator from Illinois, and then if Senators still feel that the committee position should be supported, the Senate can reject the amendment.

**Mr. DOUGLAS.** Mr. President, will the Senator yield?

**Mr. PROXMIRE.** The Senator from California has the floor.

**Mr. KUCHEL.** I shall yield in a moment. Let me reply to the Senator from Wisconsin.

Mr. President, the reason I oppose the amendment of the Senator from Wisconsin is that it seeks to strike from the bill the figure $491 million, which the Senate Committee on Appropriations in its wisdom wrote into the bill, and substitute the amount of $171 million. That effectively kills the option which the committee believes ought to be constantly available to the executive branch.

I yield to the Senator from Wisconsin.

**Mr. PROXMIRE.** Mr. President, my amendment does not kill the option. That is wrong. My amendment is a substitute for the harsher language that the amendment of the Senator from Illinois provides, which is "not to exceed $171 million." The Senator from Illinois' amendment does kill the option. The position of the Senator from Wisconsin is that $171 million at least must be available for the RS–70 program, and if the Secretary of Defense wishes to spend additional funds from his emergency fund, he may do so.

**Mr. KUCHEL.** Mr. President, I will have the honor to vote "no" on any amendment offered to reduce the defense moneys which the bill presently appropriates to the Defense Department. I yield to the Senator from Illinois.

**Mr. DOUGLAS.** Mr. President, merely for the sake of proper identification, I wish to make clear that the amendment which the Senator from Wisconsin proposes to modify is the amendment of the junior Senator from Illinois [Mr. DIRKSEN], and not the senior Senator from Illinois.

**Mr. ROBERTSON.** Mr. President, I suggest the absence of a quorum.

**The PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. ROBERTSON.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

**Mr. MANSFIELD.** I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from South Carolina [Mr. JOHNSTON] would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Louisiana would vote "yea."

**Mr. KUCHEL.** I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Utah [Mr. BENNETT] are absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 13, nays 74, as follows:

[No. 90 Leg.]

YEAS—13

Bartlett
Burdick
Carroll
Clark
Fulbright
Holland
Javits
Lausche
Pell
Proxmire
Smathers
Smith, Mass.
Young, Ohio

NAYS—74

Allott
Anderson
Beall
Bible
Boggs
Bush
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Case, N.J.
Case, S. Dak.
Church
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Dworshak
Engle
Ervin
Fong
Goldwater
Gore
Hart
Hayden
Hickenlooper
Hill
Hruska
Jackson
Jordan
Keating
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Muskie
Neuberger
Pastore
Pearson
Prouty
Randolph
Robertson
Russell
Saltonstall
Scott
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.

NOT VOTING—13

Aiken
Bennett
Butler
Chavez
Eastland
Ellender
Gruening
Hartke
Hickey
Humphrey
Johnston
McNamara
Tower

So Mr. PROXMIRE's amendment was rejected.

**Mr. ROBERTSON.** Mr. President, if Senators will remain in the Chamber, the bill can be disposed of, in my opinion, in a relatively brief period. There are two other amendments, but I do not think they will be discussed extensively. Neither do I believe a yea-and-nay vote will be required on either of them.

But a yea-and-nay vote is very important on the passage of the bill. There was a yea-and-nay vote in the House, and not a Member voted against the bill. We need to let the nations of the world know where we stand in our determination to defend our freedom.

**Mr. SALTONSTALL.** Mr. President, I move that the Senate reconsider the vote by which the Proxmire amendment was rejected.

**Mr. ROBERTSON.** I move to lay that motion on the table.

**Mr. GOLDWATER.** I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The **PRESIDING OFFICER.** The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

**Mr. MILLER.** Mr. President, I voted against the amendment in the nature of a substitute offered by the Senator from Wisconsin [Mr. PROXMIRE], and I must also oppose the main amendment. Both amendments would reduce to $171 million the appropriation of $491 million for the RS–70 program.

It seems that under the doctrine of the separation of powers, the executive branch can ignore the desires of the legislative branch and refuse to spend the money appropriated for a specific program. This was done last year in the case of money appropriated for procurement of additional B–52 bombers. To use the words of the Chief of the Air Staff, "we missed the boat" on this, because if the money had been spent and additional B–52's ordered last year, there would not be a 1-year gap in the production line. The feeling now seems to be that it is better to use the money thus appropriated for something else. The $514 million was impounded and is being carried over for use in 1963 without being earmarked.

But regardless of the separation of powers doctrine, it seems to me that Congress, as an independent branch of the Federal Government, has a duty to go ahead and reach its own decision on what is or is not wise with respect to the RS–70 program. This is particularly the case when the leader of our military air forces, in his considered and experienced judgment, has the courage to speak his convictions, which happen to be different from the official views of the Department of Defense. The Appropriations Committee of the Senate has done this. I believe the whole Senate should also do it. To adopt these amendments would place the judgment of the U.S. Senate ahead of the experienced judgment of the Chief of the Air Force and the agreement therewith of the Appropriations Committee.

Were something else involved besides strategic airpower, I might feel less strongly about the matter. However, the primary deterrent of Soviet military aggression has been and will continue to be strategic airpower. Unless we maintain the proper superiority in this area of military forces, our activities in the conventional area will be of no avail.

Let me make it clear that the Chief of the Air Staff and others who support a stepped up RS–70 program do not advocate a higher national defense appropriation. But we do believe that the tremendous sums included in this budget should be realined to make room for the stepped-up RS–70 program. We should put first things first, and the first thing is our strategic airpower. That is why the Chief of the Air Staff has testified that he is concerned over the direction our military budgets are taking, dropping from 18 percent of the budget to 8 percent.

It will not be responsive to suggest that unmanned missiles will obviate the need for a weapon such as the RS–70. We do not know all of the strategic military targets in the Soviet Union, nor would we have any way of knowing that the targets on which our missiles are zeroed in were destroyed in event of a strategic nuclear war. This is where the RS–70 would be needed.

If it is suggested that the Soviets will build a defense capability against the RS–70, I can assure the Members of the Senate that our military planners have estimated that the cost to the Soviets of developing such a defense would be much greater than the cost of an RS–70 program and would channel money and materials which the Soviets might otherwise use for other weapons systems into that defense system. On balance, assuming they were able to develop a defense, we would be ahead. It is this type of frustration to which they would be subjected that we must strive for in the hope that the day will come when they will desist from their efforts to offset our deterrent capability and will resort to nonmilitary means in advancing their imperialism.

Mr. President, I ask unanimous consent that the portion of the printed hearings set forth on pages 179, 185, 186, 188, 189, and 190, which I have marked, presenting the views of the Chief of the Air Staff on this subject be printed in the RECORD.

There being no objection, the excerpts from the hearings were ordered to be printed in the RECORD, as follows:

TESTS ANTICIPATED ON PROTOTYPE B–70

By the end of this year, we hope to start tests of a prototype B–70 which could well be the start of a new generation of flight performance in long-range aircraft.

The B–70's indicated performance should affirm my conviction that the essential mission of manned military aircraft depends upon our continuous advancement of their combat capabilities.

The bombers, missiles, and men of the Strategic Air Command are the central fact that must be considered by an enemy before any aggressive act. We are continuing a 15-minute alert posture for about half the bomber force. And, of course, almost all the operational missiles are on alert. Our bomber forces are training to participate in continuous airborne alert whenever that may be ordered.

Strategic offensive forces and continental defense forces have a complementary role in providing a deterrent posture or in providing for survival of the Nation should general war occur.

### OPINION ON BUDGET

Senator Robertson. Are you satisfied with the defense budget which has been presented to us?

General LeMay. The amount of the budget; yes, sir. I do not think any reasonable man could quarrel with the size of the budget. However, I do have some reservations, particularly in the strategic portion of the budget. I do feel that we must go on with the manned systems development—the RS–70 and the full weapons system.

I do not think we ought to make a decision now to go into production, but I do think we have to do the things to give us the option of going into production if it is necessary.

It is my personal belief that it will be necessary, that we must do it. Also, I am not satisfied with the number of Minuteman missiles being procured in the budget. I have told the Secretary of Defense of my reservations on this, of course, and the decision has gone against me.

I will proceed now to produce the best Air Force I can with the administration's program.

Senator Robertson. Let us see if we understand each other.

Do I understand you to say that you would be satisfied with a total of $18,900 million if some of the items were rearranged, or would you add some items?

General LeMay. I think we could rearrange some of the items to pick up this money. When you get an increase in the overall Department of Defense budget of the size contemplated this year, I do not think any reasonable man will say we should have more, and I do not say we should have more. I think we could reprogram and rearrange to get the strategic power that I think we must have. I think we are all right now. It is the trend that I see starting in this present budget which I am worried about.

Senator Robertson. The theory of the Defense Department in refusing to go ahead with the B–70 is that before it could be operational, we will have a missile program that will carry all of the destructive and defensive power that is needed.

I understand that you feel that we should go ahead with the B–70.

### SUPPORT OF B–70 PROGRAM

General LeMay. I do. I believe we need both.

Senator Robertson. In that event, should we put additional money in this bill for the B–70, and if not, from what item would you take the money to put it on the B–70?

General LeMay. I think that your strategic forces must come first. Now, I agree with the administration's policy of trying to build up a little more conventional power that could take care of limited wars in a little better manner than we might have been able to do it in the past.

However, I point out that you cannot fight a limited war except under the umbrella of strategic superiority. For example, we would not have dared to go into Lebanon when we went in there without strategic superiority which kept the enemy air force off. So, I believe that your strategic power comes first.

I do not believe that we are going to have enough to have that superiority in the future.

I worry about the trend as established by this year's budget. That is my reservation on the strategic power.

Senator Robertson. You believe it would be prudent to continue with the manned bombers especially in the field of the B–70?

General LeMay. I think that would be one of the things we have to do. I think, also, we have to increase the number of missiles.

Senator Robertson. Increase the number of missiles?

General LeMay. Yes, sir.

### RESERVATION REGARDING PROGRESS

General LeMay. As I said before, my reservation in the 1963 budget is mainly in the strategic field.

The bulk of the increases have been in what we call limited war capability with conventional arms.

I maintain you cannot fight in this area without a strategic umbrella protecting you to avoid a general war. You cannot do anything in that field unless you have strategic superiority.

Senator Dworshak. You are consistent in that viewpoint.

General LeMay. I worry about its going downhill because the trend is already established. The program now calls for dropping from about 18 percent of the Defense budget down to about 8 percent of the Defense budget for the strategic areas.

We have been able to maintain our superiority over the past years with about 18 to 20 percent of the Defense budget. This is being dropped down. The program now calls for a drop down to about 8 percent about 4 years from now.

I do not think you can maintain superiority in this field with that sort of program. This is where I express my reservation.

Senator Dworshak. Is that not partially because we are transferring our main activity to the missiles rather than manned bombers?

General LeMay. Nothing is free. Missiles are expensive, too. It is just the amount of money you are going to spend on the systems.

Senator Dworshak. The point I would like you to discuss is whether you feel that greater reliance on missiles is not a defensible position at a time when you insist that the Strategic Air Force is our basic arm of defense.

General LeMay. I think we need both and I do not believe you can buy sufficient quantities of both with 8 percent of the national defense budget.

Senator Dworshak. For strategic forces?

General LeMay. For strategic forces.

Senator Dworshak. Did you take that same position in the recommendations which were made through the Defense budget to the Budget Bureau?

General LeMay. I did to the Secretary of Defense and to the President.

### ACCELERATION OF B–70 PROGRAM

Senator Dworshak. It is pretty difficult for this subcommittee to know what should be done. I can recall that within the past few years we have taken an aggressive position on the development of the B–70 at a time when higher authorities were trying to discourage that program and actually impounded funds which had been made available; is that true?

General LeMay. That is true.

Senator Dworshak. You still believe that we should accelerate that B–70, for instance, as a vital part of our strategic forces?

General LeMay. I do, very much so.

Senator Dworshak. You do not feel that we are making the progress we should with B–70?

General LeMay. We should be accelerating that program.

Senator Dworshak. What about the other bombers, B–52 and B–58?

General LeMay. For the B–52, as of now, I think we have just plain missed the boat. If we ordered additional B–52's now, there would be a gap of at least a year in the production line. Where the employees would be discharged we would have to pick them up later and start up the line.

What we would get for the money appropriated now which was considered sufficient at one time for a wing of B–52's would not be worth it. I would rather spend money for something else.

Senator Dworshak. Did not this subcommittee recommend an increased amount for bombers, either B–52's or B–58's, a year ago?

General LeMay. It did.

### USE OF B–52 AND B–58 FUNDS

Senator Dworshak. Was that money used?

General LeMay. It was not used. If we had used it at that time a year ago, then I think we would have gotten full value for our money, but it is just too late now.

Senator Dworshak. What was done with that money?

General LeMay. It was not used.

Senator Dworshak. Was it transferred for other purposes?

General LeMay. No, sir. As it was written in the appropriation bill, it was forbidden to be used for anything except long-range bombers.

Senator Dworshak. So we have actually frozen funds that could have been utilized for either 52's or 58's?

General LeMay. Yes, sir.

Senator Dworshak. There has been no increased procurement of B–58's, either.

General LeMay. No, sir.

Senator Dworshak. Is that on the basis that the money could be used more effectively for missiles although it is not being used for any purpose now?

General LeMay. The Secretary of Defense made a decision that we had adequate airplanes.

Senator Dworshak. And he disregarded the additional appropriations made available by the Congress for manned bombers?

General LeMay. That is correct.

Senator Dworshak. And you, as the former head of the Strategic Air Forces, have contended that, as you point out, with only 8 percent of our budget utilized for that program, you feel that it is entirely inadequate under the circumstances which prevail throughout the world today?

General LeMay. The trend, as I see it established now, goes downhill to about 8 percent—about 4 years from now.

Senator Dworshak. Is the proposal being made to use the impounded $514.5 million which was made available a year ago for other purposes in the budget for next year?

General LeMay. I am sorry, I did not understand that.

Senator Dworshak. I say that $514.5 million appropriated last year for manned bombers has been impounded.

General LeMay. That is correct.

Mr. MILLER. Mr. President, the views of the Chief of the Air Staff are not premised on anything else except a patriotic desire to keep the United States secure from Soviet aggression and to thereby preserve the peace. He has no other ax to grind—no monetary consideration whatsoever. Indeed, if there were any monetary considerations which overrode his dedication to the service of our country, he could long since have resigned and gone into private industry to make his fortune. Articles such as the one appearing last March in the Washington Post by Marquis Childs, entitled "Invisible Lobby Behind the RS–70" are interesting reading, but they miss the point that regardless of the benefits to be derived in contracts and employment occasioned by a stepped-up RS–70 program, the merits of the program are what count. I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MILLER. Mr. President, if it be argued that defeat of these amendments will mean an increased cost of national defense over the budget request, there are at least two answers. First, this need not necessarily result if cuts are made elsewhere to make room for the stepped-up RS–70 program. Second, I suggest that the Senate should have had this in mind the other day when it decided to spend $750 million, not contained in the budget, for public works. Which are we to have? An adequate strategic air power to preserve our deterrent capability? Or a public works program which did not even have the priority warranting its inclusion in the budget? I believe the answer is obvious.

I predict that history will record that our present Chief of the Air Staff shares a position of foresight and dedication comparable to that of other great military leaders of our country, such as Gen. Billy Mitchell, Admiral Halsey, General Pershing, and General MacArthur. I believe that the action of the Appropriations Committee represents a vote of confidence in him, and I hope the Senate itself will extend that vote of confidence by rejecting this amendment.

EXHIBIT 1

### INVISIBLE LOBBY BEHIND THE RS–70

(By Marquis Childs)

Ever since General Eisenhower uttered his warning, on the eve of leaving the presidency, about the threat of the domination of what he called the military-industrial complex, the power of that complex has become more apparent.

Nothing quite like the pressures applied on the administration to back down in its opposition to what would eventually be a $10 billion program for the RS–70, formerly the B–70 bomber, had been seen in this capital for a long time. The agreement by the administration to give careful study to the recommendations of the House Armed Services Committee means a truce but it is not the end of the war.

On one side of the struggle is the Air Force, big industry representing payrolls in a number of States and a great many Members of Senate and House who represent those States. On the other side is Secretary of Defense Robert S. McNamara, backed by the President.

That lineup is, however, an oversimplification. This controversy bears some resemblance to the fight between the battleship admirals and the submariners in the Navy. Advocates of a missile strategy in the Air Force are said to have doubts about the course of their chief, Gen. Curtis LeMay, who is all out against the other Joint Chiefs of Staff and against Secretary of the Air Force Eugene M. Zuckert in behalf of the manned bomber.

On the administration side, the President has been reminded by Senator BARRY GOLDWATER, one of the most impassioned advocates of the program, that as Senator Kennedy he had favored the B–70 and had criticized his predecessor for opposing its development. The burden of responsibility puts an entirely different look on the whole problem of defense. The President has frequently called attention to the nearly $10 billion added to the defense budget in missiles, hardened sites, the bomber alert and in conventional forces.

As for McNamara, he has never had the slightest doubt about his view that to produce the B–70—or the Reconnaissance Strike 70, as it has become known—would be a political surrender to the demand for jobs and industry contracts. Last May, as he had begun to get a grip on the awesome assignment he had taken on, he said to a close associate:

"I'll stake everything on stopping the B–70. If there is one thing I know it is research and development."

Already $1.3 billion has been committed for development of three prototypes of the reconnaissance-strike plane and nearly a billion has been spent or is about to be spent. The RS–70 is supposed to carry equipment that, while the plane is flying at 2,000 miles an hour, can send back photographic data indicating targets for a second and followup nuclear strike. It would also carry Skybolts, which could be fired on targets from a distance of several hundred miles. McNamara doubts that the plane as presently conceived could possibly carry the contemplated equipment still on the drawing boards.

The Air Force has pushed a campaign backing the conviction not only that the RS–70 is feasible but that it is essential to the Nation's defense. Clearance officers in the Pentagon were astonished to get a paper prepared by the Air Force for a Republican Congressman attacking McNamara's position. Clearance was denied.

Coordinated with the military pressure was the operation of the industrial lobby representing the subcontractors in at least 20 States that would have a piece of the RS–70 project. One Pentagon office was reported to be working exclusively on making sure that Members of Congress from these States would know about the payrolls to be generated by a $10 billion RS–70 program.

The industrial side of the military-industrial complex might be called the invisible lobby, since the agents of the relatively small number of giant corporations getting most defense contracts do not have to register under the Lobby Act. One of the few searching efforts to show how it operates and its effects on Government spending was in a series of articles last year by James McCartney of the Chicago Daily News. Government negotiators are far too often outmanned, outskilled, and outtraded when they sit down with the agents of big industry to negotiate contracts adding up to $50 billion a year.

McNamara once cited the pay of a negotiator for his former employer, the Ford Motor Co., of $80,000 a year, sitting opposite a Defense Department procurement officer getting $10,000 a year. This same imbalance runs from top to bottom.

Mr. ROBERTSON. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, now that many Senators are in the Chamber, I shall take about 5 minutes to summarize the amendment which is now before the Senate.

Yesterday I offered a motion to recommit the Department of the Interior Appropriation bill. At that time it was charged that either I was using a meat ax approach or was trying to rubber-stamp the House of Representatives. I was trying to do neither. I was speaking from a deep conviction. I remind Senators that since 1932, of 31 budgets, 25 have come here in a deficit position. If anyone doubts for a moment that our fiscal situation is not an easy one, he had better take a second guess, because the Nation is in a serious state of affairs. It is difficult to contemplate the gold problem, with gold moving out of the United States at the rate of $3 million a day right now, and to match what is in the gold stockpile against the legal reserve demand against demand deposits and the Federal Reserve notes, without taking account of the fact that we are in a very uneasy predicament; and no one knows it any better than the distinguished senior Senator from Virginia [Mr. BYRD], who is contending with the problem almost every day.

I find myself in pretty good company. I have the President of the United States on my side. I have the Secretary of Defense on my side. I have a former President and great general on my side. I have the Bureau of the Budget on my side, because the Bureau of the Budget did not ask for the amount that is in the bill.

The bill provides $491 million for this purpose. I tried to put a ceiling of $171 million on it, so as to save $320 million. One hundred seventy-one million dollars is all that the Bureau of the Budget asked for. Senators will find that in the hearings. That is all the President wanted. That is all Mr. McNamara wanted. He sent a letter to the chairman of the subcommittee under date of October 27, 1961, when we provided him with $514 million, and he would not spend it. Now we are entreating the Department all over again with the extra money, saying, "We are going to give it to you. Please spend it." But the Department has not asked for it.

The difference between the original amendment and the Proxmire amendment is that this amendment sets a ceiling of $171 million on expenditures. The Proxmire amendment merely set a floor. Shall we force this money on the Department? I shall not.

I think the time has come to take a step in the direction of economy in our Military Establishment as well as in our other appropriations.

I add only one further comment. Does any Senator believe that the Budget Director is not interested in this subject? Does any Senator believe that the distinguished Secretary of Defense, Mr. McNamara, is not interested? If they needed and wanted this money, they would have asked for it.

We can see that some of the testimony on this point by Dr. Brown and other witnesses is pretty fuzzy. I read the pertinent part of the hearings. The head of the Air Force, General LeMay, came before the committee and said that the amount asked for in the budget is as much as any reasonable person could ask for. He said that perhaps the funds could be rearranged and reprogramed to do whatever development work needed to be done. So there was no point in going above the budget figure.

That is the whole story. Do Senators want to provide the Department with

$320 million which the Department has not requested? If so, then vote against the amendment. Do Senators want to provide $320 million that neither the Bureau of the Budget nor the President nor the Secretary of Defense has asked for? If so, then give them the money and vote against the amendment.

But I am not yet in that frame of mind where I shall force money on the President, the Bureau of the Budget, and the Department of Defense, when there will be coming to the Senate shortly—and it is under consideration on the floor of the House this afternoon—a proposal to kick the debt ceiling to $306 billion, the highest in the history of the country.

I do not think the situation needs any further embellishment. I am ready to vote. I yield the floor.

Mr. ROBERTSON. Mr. President, the distinguished minority leader stated that President Eisenhower was on his side.

Mr. DIRKSEN. He still is.

Mr. ROBERTSON. Very well. He recommended $358 million for this program.

The Senator from Illinois says that President Kennedy is on his side, although the President has reduced the request to $220 million.

The Senator's amendment is more restrictive than the one on which 13 Senators just failed.

Mr. DIRKSEN. Yes, it is; I agree.

Mr. ROBERTSON. The Senator has had the yeas and nays ordered on his amendment. I hope he will not get even 13 votes; nevertheless, he is entitled to the yeas and nays.

The PRESIDING OFFICER (Mr. Burdick in the chair). The question is on agreeing to the amendment of the Senator from Illinois.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Louisiana [Mr. Ellender], the Senator from Indiana [Mr. Hartke], the Senator from Minnesota [Mr. Humphrey], and the Senator from Michigan [Mr. McNamara] are absent on official business.

I also announce that the Senator from New Mexico [Mr. Chavez] is absent because of illness.

I further announce that the Senator from Alaska [Mr. Gruening], the Senator from Wyoming [Mr. Hickey], and the Senator from South Carolina [Mr. Johnston] are necessarily absent.

On this vote, the Senator from Alaska [Mr. Gruening] is paired with the Senator from Louisiana [Mr. Ellender]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Louisiana would vote "yea."

I further announce that, if present and voting, the Senator from New Mexico [Mr. Chavez], the Senator from Indiana [Mr. Hartke], the Senator from Minnesota [Mr. Humphrey], the Senator from Michigan [Mr. McNamara], and the Senator from South Carolina [Mr. Johnston] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. Aiken] and the Senator from Utah [Mr. Bennett] are absent on official business.

The Senator from Maryland [Mr. Butler] and the Senator from Texas [Mr. Tower] are necessarily absent.

On this vote, the Senator from Utah [Mr. Bennett] is paired with the Senator from Texas [Mr. Tower]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 15, nays 72, as follows:

[No. 91 Leg.]

YEAS—15

Anderson
Bush
Capehart
Carroll
Clark
Dirksen
Fulbright
Hickenlooper
Holland
Javits
Lausche
Proxmire
Smith, Mass.
Wiley
Williams, Del.

NAYS—72

Allott
Bartlett
Beall
Bible
Boggs
Burdick
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case, N.J.
Case, S. Dak.
Church
Cooper
Cotton
Curtis
Dodd
Douglas
Dworshak
Engle
Ervin
Fong
Goldwater
Gore
Hart
Hayden
Hill
Hruska
Jackson
Jordan
Keating
Kefauver
Kerr
Kuchel
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Muskie
Neuberger
Pastore
Pearson
Pell
Prouty
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Williams, N.J.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—13

Aiken
Bennett
Butler
Chavez
Eastland
Ellender
Gruening
Hartke
Hickey
Humphrey
Johnston
McNamara
Tower

So Mr. Dirksen's amendment was rejected.

Mr. ROBERTSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I call up my amendments numbered "6-11-62—C," and I ask unanimous consent that the reading of the amendments be dispensed with. I can explain the amendments very briefly.

The PRESIDING OFFICER. Without objection, the reading of the amendments is dispensed with.

The amendments offered by Mr. Proxmire are as follows:

On page 32, line 1, strike out "$2,929,200,000" and insert in lieu thereof "$2,649,200,000".

On page 32, line 5, strike out the period and insert in lieu thereof a colon and the following: "*Provided*, That none of these funds may be used for the construction of an aircraft carrier."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I wish to propound a unanimous-consent request that there be allotted 20 minutes on the amendment, 10 minutes to the side, before the vote is taken.

The PRESIDING OFFICER. Is there objection? Without objection, the order is entered.

## LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time taken for this discussion be exclusive of the time limitation agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. I wish to ask the majority leader whether he contemplates completing action on the Defense appropriation bill tonight.

Mr. MANSFIELD. In response to the question raised by my distinguished colleague, it appears that it may be possible to finish action on the bill tonight. If so, it is the intention to call up Calendar No. 1487, H.R. 8031, the all-channel TV bill, and that will be the pending business for tomorrow.

After that it is considered possible that the Senate will take up Calendar No. 1501, S. 2970, the Small Business Administration bill; Calendar No. 1536, S. 3161, making permanent the Export Control Act; Calendar No. 1526, S. 3062, permitting hay harvesting on conservation reserve acreage; Calendar No. 1544, H.R. 11040, to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which bill may take some time.

Somewhere in between the consideration of those bills, the Senate will take up Calendar No. 1438, H.R. 10162, an act to amend the Bretton Woods Agreements Act, relative to the International Monetary Fund; Calendar No. 1332, Senate Joint Resolution 137, relating to the State of Alaska, with an amendment by the Senator from Alaska; Calendar No. 1481, Senate Resolution 37, amending rule XIX, relative to disparaging language; and Calendar No. 1494, H.R. 7913, increasing of number of cadets at West Point.

Those measures will be taken up, if not exactly, approximately in that order.

Mr. RUSSELL. Mr. President, did the Senator mention the bill increasing the housing allowance for members of the Armed Forces?

Mr. MANSFIELD. I did not get to that particular one. It was reported from the policy committee today, and will be brought up shortly.

Mr. JAVITS. Mr. President, with regard to Calendar No. 1487, H.R. 8031, is it contemplated that there will be serious opposition to that bill?

Mr. MANSFIELD. That will be the business tomorrow. I understand the Senator from New Hampshire [Mr. Cotton] has a few remarks to make. Other Senators may wish to speak. The Senator from Rhode Island [Mr. Pastore] will be in charge of the bill.

Mr. JAVITS. Does the Senator expect any serious problems?

Mr. PASTORE. I do not.

Mr. COTTON. Mr. President, as a signer of the minority views, while I will accept the generalization of my good friend from Rhode Island, I think there is a principle involved, and I shall briefly review the reasons for the minority views which the Senator from Maryland [Mr. BUTLER] and I have signed. Because I feel there is a principle involved that in the future may be of importance, and in which other Senators may share our views, I may request a rollcall, but I would certainly not belabor the issue.

Mr. MANSFIELD. I appreciate what the Senator has just said; and, for the information of the Senator from New York, I may say that there will be opposition.

## DEPARTMENT OF DEFENSE APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

Mr. PROXMIRE. Mr. President, what the pending amendment does, very briefly, is to reduce the appropriation by $280 million. It provides that none of the appropriation shall be spent for the construction of an aircraft carrier.

The bill now provides for the construction of a conventional, nonnuclear-powered aircraft carrier. It provides $280 million for that purpose.

The fact is that it will probably cost closer to $320 million for the ship itself, and if we include the cost of weapons, aircraft, and tankers, it is estimated that the cost will be at least $1 billion for one ship.

This will not be an addition to the aircraft carriers that we have, but it will be a replacement. It will mean that a somewhat newer type will replace one of the *Essex*-type carriers.

The fact is that we now have 16 carriers. We are supposed to reduce the size of the attack fleet to 14, anyway, so what we are doing is providing a somewhat newer, somewhat more advanced carrier, at a cost of about $1 billion, to replace one of our older carriers.

Mr. President, the fact is that we are not in competition with anybody on aircraft carriers. The Soviet Union has none and will not build any. We will not be in competition with anyone in the future. The fact is that Red China does not have any. No other Communist country will build any. The British have five aircraft carriers. They are building no new ones. They have some additional small commando-type carriers. The French have one. Germany has none. Russia has none. Red China has none.

Under the circumstances, to make an appropriation of $280 million, which is only a downpayment on an ultimate expenditure of $1 billion, is wasteful.

The fact is that, in the judgment of many military experts, aircraft carriers became obsolete at the end of World War II. If they were not obsolete then, certainly developments since then have changed warfare thoroughly.

The human mind has trouble keeping pace with the rapidity of change, when we realize that we are living now in the missile age, when we have planes that can fly at 4,000 miles an hour, when we have missiles that travel at a speed of 17,500 miles an hour, and we are working on systems, as are the Russians, which give promise of being able to shoot down a missile the size of a typewriter, going at a speed of 17,500 miles an hour, 300 miles in the air. We think we can hit such a missile and knock it down.

Think what an inviting and easy target an aircraft carrier makes in contrast. The size of an aircraft carrier is three times the size of this Capitol. It is three football fields in length. It travels at 30 knots. It makes the easiest kind of target.

The Secretary of Defense has said that such a carrier would be used only under conventional war circumstances. The fact is that under conventional war conditions an *Essex*-type carrier would be as useful as the one we are being asked to provide funds for. The showing of an aircraft carrier is a symbol of our power, prestige, and willingness to act, especially in southeast Asia and other areas where we have no land bases. If we steam up with an *Essex*-type carrier, it is just as impressive in Lebanon, Laos, or Vietnam as if we steamed up there with the latest type of aircraft carrier.

The fact is that an aircraft carrier is slow moving, exceedingly expensive, and would be used only in limited warfare. We have ample aircraft carriers available for that type of warfare.

I reserve the remainder of my time.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I shall not labor the time on this amendment, but my colleague from Wisconsin has spoken the truth, and I shall support the amendment.

Mr. PROXMIRE. I thank the Senator.

Mr. ROBERTSON. Mr. President, I yield myself 2 minutes.

It has been repeatedly said during the debate on this bill that we hope and pray we shall never be involved in a nuclear war. We put billions of dollars into our defense with the hope of staying the hand of a possible aggressor. But all military experts are agreed that when we wish to bring our power to bear upon what we call a brush war, we need a surface ship; and if we need a surface ship, it must be a modern one. The *Essex*-type carrier cannot handle our fast airplanes. It kills the pilots and destroys the planes.

In urging support for the $171 million amendment on the RS-70 bomber, the distinguished Senator from Wisconsin said the President does not want it and that the Defense Department does not want it, and the distinguished Senator from Pennsylvania [Mr. CLARK], who voted with him, said the President told him yesterday, "If you vote it, I will not spend it."

With respect to this aircraft carrier, the President says, "I want it." The head of the Department of Defense says, "I want it." The Joint Chiefs of Staff have said, "We need it." The House committee was unanimous in approving it. The House was unanimous in voting for it, except that the House cut the amount $30 million below the budget estimate. The Senate subcommittee was unanimously for it. The Senate full committee was unanimously for it.

Now the distinguished Senator from Wisconsin seeks to place his judgment against the combined military judgments of the leaders of this Nation, and he says it would be a wasteful expenditure. I hope the amendment will be rejected.

Mr. MORTON. Mr. President, will the Senator yield to me 2 minutes?

Mr. ROBERTSON. I yield 2 minutes to the Senator from Kentucky.

Mr. MORTON. Mr. President, I support the Senator from Virginia.

The Senator from Wisconsin makes the point that an aircraft carrier travels only 30 knots. That is exactly 30 knots faster than a missile base travels, I assure the Senator.

The combined military judgment of this Nation, as the Senator from Virginia has pointed out, should be taken into account. The fact that this carrier would replace another aircraft carrier in the fleet is good, in my view. That carrier will not be scrapped. It will be put where it can be revived and put into service again if we should need it.

With the high-speed planes of today, which have to take off and land on carriers, it is necessary to have high-speed modern carriers to accept the planes, to decelerate the plane with high landing speeds.

I hope the amendment will be rejected.

Mr. ROBERTSON. Mr. President, if it is agreeable to the Senator from Wisconsin, who has offered the amendment, I am willing to yield back the remainder of my time, if he will yield back the remainder of his time.

Mr. GOLDWATER. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. GOLDWATER. I have been trying to find a reference to this carrier in the hearings. I do not see any explanation as to why it was not authorized to be a nuclear-powered carrier.

Mr. ROBERTSON. That is because it was said it would cost too much. The Department wished to try out the one which was recently commissioned before $100 million more was put into that type of carrier. I am talking about the *Enterprise*. We went on it in the recent maneuvers. It is a wonderful ship.

Mr. MORTON. Mr. President, will the Senator yield to me?

Mr. ROBERTSON. I yield.

Mr. MORTON. Nuclear power for naval vessels is not as important in regard to carriers as it is in regard to certain other types, because of the fact that the carriers can store great amounts of fuel.

The Senator will recall that we discussed this problem in respect to an appropriation bill of 3 years ago. The Department of Defense and the administration did not particularly favor nuclear carriers. Much drama and excitement are involved. A carrier takes on a large amount of fuel. It can go practically around the world without refueling.

The need for nuclear power, marinewise, is much greater in respect to submarines and some other vessels than in respect to carriers, which have a tremendous capacity for carrying fuel.

Mr. SALTONSTALL. Mr. President, will the Senator from Virginia yield me 1 minute?

Mr. ROBERTSON. I yield 1 minute to the Senator from Massachusetts.

Mr. SALTONSTALL. In addition to what the Senator from Kentucky has said, the additional cost of nuclear power for an aircraft carrier, if my memory is correct, is equivalent to the cost of a Polaris submarine. The amount involved is $120 million, slightly more than the cost of a Polaris submarine.

In addition to what the Senator from Kentucky has said, the carrier must carry fuel for the aircraft which fly off its deck, so it must be refueled from time to time in order to obtain fuel for the aircraft.

The conventional system is better for those reasons. We get more for the money elsewhere, and it would be necessary to refuel the carrier anyway.

Mr. GOLDWATER. I thank my friend.

Mr. PROXMIRE. Mr. President, I wish to reply briefly to the latest point made.

In the 1959 debate in the Senate on the nuclear-powered carrier several Senators, including some leading members of the Committee on Armed Services, said that to acquire a conventional carrier would be to buy obsolescence. The bill asks us to buy a conventional carrier. It was stated then that it would be a great mistake to do so. I believe the argument had considerable force at that time, when stated in support of the nuclear carrier.

One of the great weaknesses of a carrier is the fact that it must be refueled. This is a weakness in regard to many ships. As the Senator from Massachusetts has said, the carrier not only must carry a great amount of fuel for its own purposes, but also a large amount of fuel for the planes.

Mr. President, I understand that the Senator from Virginia is willing to yield back the remainder of his time. I yield back the remainder of my time. I am ready to vote.

Mr. ROBERTSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was rejected.

Mr. MORSE. Mr. President, the Defense Department appropriations bill, H.R. 11289, particularly as it relates to the subject of alteration, repair, and conversion of naval vessels, is of great potential importance to the economy of my home State of Oregon, as well as that of the Nation. I strongly support the bill as reported, although I formerly preferred the version passed by the House of Representatives. This bill, as passed by the House on April 18, 1962, would in effect require the Secretary of the Navy to assign 35 percent of the funds appropriated for alteration, repair, and conversion of naval vessels to privately owned shipyards, with 65 percent of such work remaining in the Government-owned U.S. Navy yards. This would represent an increase in the percentage of work allocated to private yards which, between fiscal years 1953 and 1962, averaged 19.7 percent for repair and alterations and 11.3 percent for conversions, according to statistics inserted in the records of the Defense Appropriations Subcommittee.

As reported by the Senate Appropriations Committee, this provision—section 540—incorporates language advocated by the Secretary of Defense which would give to the President some flexibility in altering this proportion in an emergency.

Oregon possesses none of the 12 U.S. naval shipyards or ship repair facilities. It does, however, have private shipyards of proven capability, such as Gunderson Bros. Engineering, Willamette Iron & Steel, Albina Engine & Marine, Northwest Marine Iron Works, Portland Shipbuilding Co., Floating Marine Ways, and Astoria Marine Construction Co., to name just a few.

Many officers and workers in these concerns as well as interested businessmen, union officials, and local residents have written me concerning the merits of such an allocation. There is a widespread feeling in my State that Oregon shipbuilders ought to have the opportunity to bid on naval repair work, and to receive an increasing amount of it, commensurate with their frequently demonstrated ability to do a better job at less cost to the taxpayer.

I need not review the many considerations advanced in support of a greater proportion of repair work being assigned to private yards. The Members of the Senate, particularly those from States with seafaring traditions, are well aware of what is involved.

I advocate that thorough consideration be given to the recognized efficiency of private shipyards, to the potential saving of taxpayers money, and to the strategic value of further dispersal of naval repair facilities which would result if a greater proportion of this work were to go to private yards of established competence such as are found in Portland and the vicinity. The importance of having an adequate supply of skilled labor on hand in important port areas as those found in Oregon, should also be borne in mind.

A further factor, in these days of the growing concern of this Nation over the situation in Asia, is the development of wartime capabilities on the Pacific coast of this country where many commercial facilities are languishing in contrast to some Canadian ports which flourish in the relative absence of governmental restrictions.

As a vivid and timely example, the repair facilities of the Willamette Iron and Steel Co. recently laid idle for several days, resulting in unemployment for approximately 800 men. During this period, advertisements appeared in the Portland newspapers indicating that shipfitters and welders were needed immediately at the Puget Sound Naval Shipyard.

It is most gratifying to note the belief of the Defense Appropriations Subcommittee of the House of Representatives that—

> The entire problem of the utilization of shipyard facilities is a matter for intensive study by the Department of Defense and the Navy with a view toward working out a realistic, practical, and economical approach to the utilization of this capability in accordance with the best interests of the Government.

I commend the House subcommittee for requesting such a study to be made so that the results will be available to the Congress prior to consideration of the 1964 budget estimates, and I hope the Senate will join in the request.

The need for such a study is well illustrated by the state of the transcript of the present hearing, which I find to contain several examples of inconsistency, argumentative material, and comparisons of unequals upon such basic points as comparative costs for repair, employment figures and investment in plant and equipment.

What does clearly emerge from the testimony is the hard fact that our domestic commercial shipbuilding industry is suffering grievously because of foreign competition. This is a matter of legitimate congressional concern. As the Senator from New Jersey [Mr. WILLIAMS] aptly pointed out, foreign nations are undertaking shipbuilding programs for reasons of prestige as well as of economic advantage and the combination of these factors is further aggravating the world's excess of shipping capacity. It is my understanding that the plight of our shipbuilding industry also is influenced by these factors.

Construction, repair, and conversion of naval and related wartime vessels has not in the past, and can never in the future, suffice to sustain the economic health of the industry. According to figures furnished to me in December 1961 by the Bureau of Ships, average employment in private shipyards in fiscal year 1961 was 122,400. This compares to 135,000 during the Korean war, 1,500,000 during World War II, and an average of 52,520 during the years 1933–39. It would seem unrealistic to set industry standards by the 1½ million persons employed during World War II or by the 20 private yards which absorbed this World War II production and have since shut down because requirements have been fulfilled.

In some categories such as for the Military Sea Transportation Service, private industry has done 100 percent of the work, which is along the lines of their traditional operations in construction of merchant shipping.

For other categories, such as repair and alteration, which must sometimes be done on an emergency basis, and must always be done immediately regardless of the complexity and regardless of the state of labor-management relations, the Navy has retained 80.3 percent.

Because of these complex factors, I believe it is appropriate that both the Navy's request for $200 million to modernize its yards and the request of private shipbuilding interests for a greater share of repair and alteration work be thoroughly studied.

While this study is being conducted, I urge as a Senator from the State of Oregon, that the subcommittee retain that portion of the House version of H.R. 11289 providing an increase for the next fiscal year in the proportion for shipwork going to private yards.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 11289) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

I also announce that the Senator from New Mexico [Mr.CHAVEZ] is absent because of illness.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Michigan [Mr. MCNAMARA], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from South Carolina [Mr. JOHNSTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], and the Senator from Utah [Mr. BENNETT] are absent on official business.

The Senator from Maryland [Mr. BUTLER], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 88, nays 0, as follows:

[No. 92 Leg.]

YEAS—88

Allott
Anderson
Bartlett
Beall
Bible
Boggs
Burdick
Bush
Byrd, Va.
Byrd, W. Va.
Cannon
Capehart
Carlson
Carroll
Case, N.J.
Case, S. Dak.
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Dworshak
Ellender
Engle
Ervin
Fong
Fulbright
Goldwater
Gore
Hart
Hayden
Hickenlooper
Hill
Holland
Hruska
Jackson
Javits
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, Mo.
Long, Hawaii
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
McGee
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Muskie
Neuberger
Pastore
Pearson
Pell
Prouty
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NAYS—0

NOT VOTING—12

Aiken
Bennett
Butler
Chavez
Eastland
Gruening
Hartke
Hickey
Humphrey
Johnston
McNamara
Tower

So the bill (H.R. 11289) was passed.

Mr. SALTONSTALL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERTSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERTSON. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon; and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia.

The motion was agreed to, and the Presiding Officer appointed Mr. ROBERTSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. HILL, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mrs. SMITH of Maine conferees on the part of the Senate.

## AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1487, H.R. 8031.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, with an amendment, on page 1, line 8, after the word "of", to insert "adequately".

## ORDER FOR ADJOURNMENT UNTIL TOMORROW AT NOON

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

## BUSINESS CONFIDENCE MUST BE EARNED

Mr. JAVITS. Mr. President, I desire to speak about the extremely important speech made by the President of the United States at Yale University on the occasion of his receiving an honorary degree there on Monday last. I am deeply interested in the domestic economy and what is happening to it, because I am a member of those committees of the Senate which deal with this subject.

The repercussions of the President's commencement address at Yale, the break and continuing slide in the prices of securities on the stock exchanges, and the growing crisis of business confidence in the economy and in the administration, are likely to make the domestic economy the overshadowing issue of the remainder of this session of Congress.

The state of the economy, as the President of the United States recognized, lends credence to the situation, as the economic community senses a pause in the recovery from the recession of 1960. Although employment seems to have improved, there is some discouraging news on retail sales, personal income, and corporation profits, and we still face the hard nut of endemic, unacceptable unemployment at a rate of 5.4 percent.

This morning we are told that the No. 1 administration priority is tax revision, but this, let us understand, is the legislative action on the tax bill already passed in the House with its highly controversial provisions on withholding tax on dividends and interest, and its provision for income tax credit for new equipment strenuously opposed by the distinguished chairman of the Committee on Finance, who is in the Chamber now. This is not the antirecession tax cut which has been much discussed and which some members of the President's own party are openly opposing.

The President has asked for business confidence. But has he earned it? The answer is, not yet. The grave danger of current events is that we must have business confidence to avoid a recession, to deal with endemic unemployment, to retool and coordinate U.S. trade and industry, to expand our markets, to deal with our adverse international balance of payments and to give equality of economic opportunity.

Business confidence does not mean the confidence of only management or investors; it also means the confidence of labor and consumers. Confidence in Government does not mean only confidence in the President; it also means confidence in the Congress and in the majority party, which at least presumably will determine the actions both of the administration and the Congress.

Can the President ask for the confidence of business if he does not also propose to win that confidence through asserting an equality of leadership when it comes to labor? Can the President expect the confidence of American business in his leadership of the Nation before he shows his ability to lead his own party?

In short, whatever the President may say about myths and cliches, and however agreeable may be his intellectual speculations, both he and the country are up against the hard proposition that confidence to be received must be earned, that the economic equation demands productivity and markets, and that an economy cannot be gotten to move forward by incantations, intellectual as they may be, any more than it can by cliches and myths.

There are some fundamental challenges in American economic life today, which cannot be glossed over or avoided. Among them is endemic unemployment—to which I have already referred—standing at 3.7 million with nearly 700,000 already out of a job for 6 months or longer. The country apparently has no confidence in the intimation that public works are the way to deal with this problem. The country wants a way to increase economic activity, and the traditional New Deal approach to unemployment is considered to be obsolete. Nor does the country have any confidence in the "made-work" idea, understandable as it is that the trade union leaders should resort to demands for a shorter workweek in the absence of anything more substantial on the horizon.

The problem also is in how to make the transition to greater automation, lower costs, and greater integration of the U.S. economy. Here cooperative action and financing during a transition period are most important. The manpower retraining bill is a welcome first step. There are grave problems, however, presented by our antitrust laws which in some of their operations are now also obsolete; by the absence of coordination in American business adequate to meet the cold war challenge and by the absence of any mechanism like a peace production board for this purpose.

Techniques of taxation are far behind the times and the present tax bill does not deal with them. The administration recognizes this and promises to issue new depreciation schedules on equipment and machinery within the month which will help. But the whole problem of incentive in the tax system for those who work and produce has not yet been met or even effectively put before us.

I have this practical suggestion to make, if the President is looking for the confidence of business; and I applaud him for seeking it: A much more constructive purpose could be served now if the administration would announce abandonment of both impractical withholding provisions on dividends and interest and the discriminatory proposals for the taxation of U.S. private foreign investment, so that the tax bill, still in the Senate Finance Committee, could be cleared and passed. In this way the issues would be clarified for meaningful and immediate consideration of the thoroughgoing reform of our tax structure which the administration has promised to put before the Congress this year, and which is proposed to go into effect on January 1, 1963.

I am well aware of the opposition of the chairman of the committee to the 8-percent tax credit for equipment; but I believe there would be not nearly the need for that provision, although I agree with the proposal for it, and I would support it; but that, too, may have to be eliminated.

In combination with the revised depreciation schedules promised within a month, as Secretary Dillon has promised, the U.S. economic community could then plan for the future, instead of peering into a dark jungle of contradictory promises and hopes. A clear view ahead on taxes is needed—and this clear view must include an acceptable, major reform at the lowest and highest levels of taxation, not just a "quickie" tax cut which, in the absence of the other measures I have advocated, would be of little use except to further increase the deficit.

The very difficult balance-of-payments problem which concerns the whole economic world, awaits some resolution. Whatever the President may think about myths in budgets and national debt, many of those who can make or unmake our balance of payments and those with whom we compete intensively in the world market for exports have very different ideas. This does not mean that I do not agree with the President concerning the relation of production to the national debt—for what is important is what we are worth with respect to what we owe—but I am talking about how we can be worth more. That is the new path; and I believe we should follow that path.

Productivity, not words, will answer the "myth," as the President puts it, about the national debt. Yet we see, at the very moment when our whole export trade must be stimulated, a completely contrary attitude on the part of the administration in pushing its tax bill which proposes to disadvantage American investment abroad through its tax treatment, even though such investment is closely tied to our trade and the hopes of improving our international balance of payments.

The President has asked for a "serious dialogue of a kind which has led in Europe to such fruitful collaboration among all elements of economic society and to a decade of unrivaled economic progress." I join him in this; but I also point out that leadership demands action and decisions and, above everything else, being able to lead in one's own house before one tries to lead the world.

The President has the means to accomplish the results he seeks. It is in the interest of every American that he succeed, and it is in this spirit that I speak today.

I want the President to succeed. The fact that he and I are members of different political parties is immaterial to me and to the rest of the country. This is not that kind of a debate. I want the President to succeed; and I offer these suggestions, based upon my work in the Senate and also upon a fair knowledge of the greatest financial market in the world—that in New York City. I regard the steps I have suggested as absolutely indispensable in order to assure the economic progress of the country.

Mr. KEATING. Mr. President, will my colleague yield?

Mr. JAVITS. I yield.

Mr. KEATING. I wish to congratulate my colleague on his excellent address, and also for the specific recommendations he has made, the most important of which calls for an announcement by the administration that it is abandoning its tax program insofar as a withholding tax on dividends and interest is concerned. I also congratulate my colleague for proposing that the administration abandon what he very properly calls its discriminatory proposals for the taxation of U.S. investors abroad. I hope those in the administration who are concerned with these matters will give careful heed to the recommendations my colleague is making.

In his address at Yale, the President discussed three kinds of myths—those relating to the size and scope of government, to fiscal policy, and to what he termed "the matter of confidence." He sought to dispel what he called those "myths", in terms of the policies and the objectives of his administration.

However, in making his address at Yale, the President ignored a fourth area. Despite overtures to private business, the President retains an apparent and quite obvious apprehension about the business community. Personally, I believe it is a myth to think that the interests of business and the interests of Government necessarily are opposed.

I agree with the President that public confidence is fundamental to a free economy. What we have observed in recent weeks—the stock market dip and the slowdown in our business growth rate—amount essentially to a crisis arising from a lack of confidence. The President is correct in stressing this point; but certainly he must do his share in building the necessary confidence.

At one point in his address at Yale University the President made an obvious reference to business leaders, when he said:

> If a contest in angry argument were forced upon it, no administration could shrink from response, and history does not suggest that American Presidents are totally without resources in an engagement forced upon them because of hostility in one sector of society.

I wish that sentence had been omitted from the President's address.

I doubt very much that the business community is as hostile as the President implies. Private industry is basic to a free-enterprise system; and if businessmen were of the frame of mind he attributes to them, we would be in for rough sledding.

So I trust that his reference to "a contest in angry argument" does not reveal a hesitation on his part to really cooperate with industry. In a society whose lifeblood is friendly cooperation between labor, industry and Government, any failure of the administration to trust and respect one or another of these parties can throw up a real barrier to the building and maintaining of confidence in a free economy.

Mr. President, in the course of his address my colleague referred to tax revision as the No. 1 priority of the administration; but he also pointed out that this entire economic question is gradually becoming the overshadowing issue for the remainder of this session of Congress—as it is.

There was a time when Secretary Ribicoff talked about a "sleeper" issue for 1962; and I believe he was referring to the important proposed legislation relating to medical care. His choice of terms was an interesting one at the time; and right now it seems as if the "sleeper" issue—perhaps with a slight play on words—for 1962 will be the economy.

Our recovery has slowed down to a crawl. Unemployment remains dangerously high. In other respects the rebound from the 1960–61 recession has been the slowest of any of the four postwar recessions. So the "sleeper" issue may be, Why is everyone, labor and business included, so confused and uncertain about the economy? Why has there been such a complete failure in the efforts to build public confidence and to get America moving again?

I join with my distinguished colleague in the desire to make constructive suggestions. There is no gain for anyone, in any political party, or in any sector of our economy, in not getting America moving again, in not getting this sluggishness in the economy eliminated.

I believe my colleague has made several constructive suggestions today. I agree completely in the approach which he has made to this problem.

Mr. JAVITS. I am very grateful to my colleague. May I say, in response, that vindictiveness is not the way of American public life. I voted, in my time, against the Taft-Hartley Act and other measures which I thought were punitive and vindictive on labor. I believe the same way about vindictiveness toward management, or in any other segment of our economy. If anybody gets vindictive, the American people and the American form of government, including Congress, have ways to deal with it. I think we have a right to move forward on the assumption that vindictiveness will not be a part of the American scene.

I have said these things today—and I will be brief because I respect the time of the Senate and its desire to pass the bill today, if possible—when we are appropriating money in the area of $48 billion. Where does it come from? It comes from the productivity of the economy that we are talking about. The Government produces nothing; the Government collects and does the things the people want done. This is an enormous block of production we are talking about. So it is very pertinent to decide what is the best policy to pursue in order to give us the best possibility of enjoying the fruits of that production for our own safety and defense.

In conclusion, I would like to make a part of my remarks the four questions which the President asked in his Yale speech, to which I am making my contribution in the way of an answer to those questions.

These questions are:

How can we develop and sustain strong and stable world markets for basic commodities without unfairness to the consumer and without undue stimulus to the producer?

How can we generate the buying power which can consume what we produce on our farms and in our factories?

How can we take advantage of the miracles of automation, with the great demand that it will put upon high-skilled labor and yet offer employment to the half a million of unskilled school dropouts every year who enter the labor market—8 million of them in the 1960's?

How do we eradicate the barriers which separate substantial minorities of our citizens from access to education and employment on equal terms with the rest?

I hope the President will consider it is not only a problem which is in the Executive, but one which is in the Congress, and will therefore pay strict attention to the observations and suggestions which are made here.

## MEDICAL CARE FOR THE AGED

Mr. ALLOTT. Mr. President, we have heard a great deal lately from the administration to the effect that the American people have been badly misled and misinformed with respect to the true intentions of the President's medicare proposal. In his recent address at Madison Square Garden, President Kennedy pleaded with the American people to seek the truth on this issue, presumably on the basis that once our citizens became aware of the facts as presented by the administration they would then support this measure without reservation.

Recently I received a letter from Bill Armstrong, managing director of radio station KOSI in Denver. True to the tradition of public service, KOSI took the President's challenge and ran a series of statements pro and con in order to stimulate public interest. The listeners were then invited to call the station and register an opinion on the proposal.

While I intend to include Bill Armstrong's letter in the RECORD, I would like to point out to the proponents of this legislation that out of a total of 6,397 telephone calls to the station, 5,516 individuals were against this measure.

It would appear to me that the administration has grossly underestimated the ability of the American people. I shall only add here that the proof of the pudding is in the eating thereof.

I ask unanimous consent to have the letter printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DENVER, COLO., *June 8, 1962.*

Hon. GORDON ALLOTT,
*Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR ALLOTT: As you know, KOSI has been extremely interested in the King-Anderson bill, which is now pending before Congress. We have felt that the public has not been very well advised as to the merits and drawbacks of this proposal, and, in an effort to stimulate public enthusiasm for the close scrutiny of the bill, we have set out to broadcast a series of statements, both pro and con, regarding the legislation, and asked our listeners to call us at KOSI public opinion poll headquarters where we set up a battery of telephone operators to receive calls from listeners expressing themselves either for or against the legislation.

It occurred to me that you will be interested in the results of the poll. During 4 days our operators (pledged to keep the tally honestly and accurately and supervised by station personnel) answered 6,397 phone calls and reported the following:

| | | *Percent* |
|---|---|---|
| For | 881 | 13.7 |
| Against | 5,516 | 86.3 |
| Total | 6,397 | 100.0 |

We, of course, maintain an absolutely impartial position on the bill and attempted to present both sides of the case in the various statements which were broadcasted by speakers favoring and opposing the legislation. While we do not think that this public opinion sample is necessarily scientific nor projectable to the State of Colorado as a whole, we do believe that it has some meaning. Certainly the mere fact that so many people took the trouble to express themselves on the issue indicates the importance of it to the public.

We hope this information will be of interest and useful to you.

Respectfully submitted.

W. L. ARMSTRONG,
*Managing Director, KOSI.*

## AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. PASTORE. Mr. President, there appears a very simple and very clear explanation for the need of this legislation in the committee report, which begins at page 2. I ask unanimous consent that there may be inserted in the body of the RECORD at this point in my remarks the explanation which appears in the report beginning at page 2 and ending on page 5. My reason for doing this is to afford the Members of the Senate an opportunity to read this very short explanation, which I believe will be very helpful.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

### NEED FOR LEGISLATION

One of the most valuable national resources which this country possesses is the radio spectrum. In carrying out its statutory mandate to provide the people of the United States with a truly nationwide and competitive broadcasting system, the FCC has allocated sufficient spectrum space to accommodate 2,225 television stations, which include 1,544 UHF stations and 681 VHF stations. But, chiefly because of the nonavailability of television receivers which are capable of picking up UHF signals as well as VHF signals, the bulk of the UHF band is unused today, for at present there are only 103 UHF stations and 500 VHF stations in actual operation. This means that only 7 percent of the potential UHF assignments are in actual use, while the remaining 93 percent remain idle.

This legislation is designed to remedy this situation, for its basic purpose is to permit maximum efficient utilization of the broadcasting spectrum space, especially that portion of the spectrum assigned to UHF television. At the same time, this legislation will benefit the public interest in other substantial and important respects, for in addition to bringing new television service to underserved areas it will promote the development and growth of educational television.

At present the FCC has reserved 270 television channels for educational purposes, of which only 62 are in use. Of the total reserved for educational purposes, 92 are VHF and 187 are UHF. Only through the establishment of additional educational television broadcasting facilities and the activation of noncommercial educational television broadcasting stations can the goal of creating an educational television system serving the needs of all the people in the United States be accomplished.

Recently the Congress enacted legislation (Public Law 87–477, 87th Cong., 2d sess.) that provides for grants-in-aid for the acquisition and installation of television transmission apparatus for certain educational television broadcasting stations.

During the consideration of this educational television legislation, it became evident, as a result of a national study, that there was a maximum need for at least 97 VHF and 821 UHF channels which should be added to the presently reserved channels to meet the needs of education in the years ahead. This means, in short, that the minimum needs of education projected from a grassroots level from school to school throughout the country will require at least 1,197 television channels for over-the-air broadcasting, in addition to closed circuit systems which might be used.

Therefore, it becomes obvious that this legislation calling for the manufacture of all-channel television receivers ties in significantly with the recently passed educational television legislation. For even in areas where there is extensive commercial VHF service, the all-channel television receiver legislation would help create the type of circulation which will permit the development of the educational television broadcasting stations that use UHF channels.

This goal would be achieved by eliminating the basic problem which lies at the heart of the UHF–VHF dilemma—the relative scarcity of television receivers in the United States which are capable of receiving the signals of UHF stations. Of the approximately 55 million television receivers presently in the hands of the public, only 9 million (or about 16 percent) can receive UHF signals. This scarcity of all-channel receivers is further aggravated by the fact that the overwhelming bulk of television set production is limited to VHF sets only. Moreover, since 1953, the situation has become progressively worse. In that year, over 20 percent of television receivers were equipped at the time of manufacture to receive UHF; by 1961, that percentage had declined to 6 percent.

The practical effect of this scarcity of all-channel receivers is clear: It prevents effective competition between UHF and VHF stations which operate in the same market, thus relegating UHF to those areas where no VHF stations are in competition. Where the two types of stations operate together, advertisers show a marked preference for placing their programs on VHF outlets, as do also networks, who will affiliate with a VHF station wherever possible. Nor has the viewing public shown any substantial willingness to buy receivers capable of receiving UHF signals, except in those areas where no VHF programs are available.

At the present time the country is divided into 278 so-called television markets: 127 of these markets have only 1 television station, 70 are 2-station markets, 57 are 3-station markets, and 24 are markets with 4 or more stations. Consequently, under the television market term, almost three-fourths of the television markets have a choice of one or two local stations. The significance of these figures illustrate that our present system of competition in the television field is limited by the allocations structure to no more than three national networks. Moreover, even in terms of the present 3 networks, 1 of them is under a limited handicap because of the second figure (70 markets are limited to 2 stations) and this leads to a situation that makes it difficult for a third network to secure primary affiliates in those markets. In addition, the opportunity for local outlets which would be available for local programing and local self-expression is severely restricted in many of the markets because of the limited number of stations that are available and even in those areas where there are some available, the stations are network affiliates.

Over the years, this problem has been exhaustively considered by your committee, the House Committee on Interstate and Foreign Commerce, and the Federal Communications Commission. Since 1953, numerous hearings have been held on this subject, and both Congress and the Commission have explored various alternative solutions for the UHF problem. One of these proposed solutions—the possibility of obtaining from the Department of Defense additional frequencies for use in the VHF and lower UHF portions of the lower portions of the radio spectrum—turned out to be impracticable because of the disruption which would have been caused to Government radio services operating on the frequencies proposed to be reassigned.

Another proposed solution contemplated a 70-channel UHF-only television system. But the FCC rejected this proposal on the grounds that it would cause a tremendous and unwarranted dislocation of services, and further, that there is a definite need for utilizing both UHF and VHF television channels. There is thus a vicious cycle; refusal by the public to buy UHF sets until there are UHF stations offering attractive programs, and the inability of UHF broadcasters to provide good programing in the absence of an audience which will attract advertisers and networks. The net result: Very few UHF stations have dared to go on the air; of those that have, 100 had to give up and are now dark.

In light of these considerations, your committee was impressed by the following judgments reached by the FCC:

First, that it is necessary to break this vicious cycle that has been strangling UHF television.

Second, that this must be done by striking at the root cause of the problem—namely, the lack of television receivers capable of receiving UHF signals.

And, finally, that the only practical and effective means of insuring that such receivers get into the hands of the public is to enact legislation requiring that all sets manufactured are capable of receiving all of the channels allocated for television use in both the UHF and VHF portions of the spectrum.

We have fully considered the various arguments which have been advanced against this legislation. It has been argued that it would be a dangerous precedent which might lead to congressional control of all types of manufactured products. It must be remembered that this involves a unique situation which would not in any way constitute a general precedent for such congressional regulation of manufactured products. Thus we are here concerned with an instrumentality of interstate commerce. Television receivers are an essential factor in the use of the spectrum, and, as such, are clearly within the ambit of congressional legislation.

While initially there will be an increased cost, it is expected that this will be substantially reduced once the benefits of mass production are fully realized. In any event, the relatively slight increase in cost will be a small price to pay for the unlocking of the 70 valuable UHF channels.

## MEDICAL AND HEALTH CARE UNDER THE SOCIAL SECURITY SYSTEM

**Mr. DOUGLAS.** Mr. President, the Bloomington Pantagraph is at once one of the most influential and most conservative newspapers in central Illinois. It is therefore extremely significant that it should have published a strong and lucid editorial supporting medical and health care for the aged under the social security system.

I ask unanimous consent that the editorial, which appeared in the Pantagraph for May 8, 1962, be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### SOCIAL SECURITY BEST MEDICAL CARE PLAN

After thorough study of the alternatives we believe the social security approach to medical care for the aged is the most reasonable yet proposed.

It offers the only effective opportunity for prepaying of medical and hospital costs by the greatest number of people.

It is the only plan which does not involve the appropriation of Federal funds for its financing for those unable to buy private plans.

It is clear that the administration and the American Medical Association, the principal opponent to the social security approach, cannot compromise on the key issue in any medical plan—how to pay for it.

We do not say that the program now envisioned by the administration is the best one which could be devised under social security. The provisions fall far short of adequate protection.

The argument that medical care for the aged under social security would be socialistic cannot stand the real test of logic.

The Federal-aid program under the Kerr-Mills legislation is outright socialism in that the recipient pays nothing toward it. On the State and Federal level it is a drag on general revenues.

Some States have shifted all the burden to the Federal Government by reducing regular matching appropriations for aid programs by the amount of the Kerr-Mills grant.

Most plans put forward call for the use of Federal funds.

The American Hospital Association, for example, has suggested Federal grants-in-aid to assist low-income families in paying the cost of Blue Cross premiums. Even the plan for tax deduction credit (the Bow plan) involves Government aid.

We feel that Representatives and Senators who cry socialism in opposition to the extension of social security to medical care had best look to their own generous pensions and to the virtually free medical and hospital attention they receive from the Government.

Congress seems to worry less and less about spending—if it benefits its own membership.

Many insiders in Washington predict that a social security-oriented medical plan will be adopted by the Congress. There is every reason to believe that grassroots sentiment is growing in favor of such a program.

We do not have the answer to those who fear medical care for the aged under social security is only the first step to universal medical care on the British plan.

That battle can be fought when it arises.

But the fact remains that fewer than half our citizens over 65 have health insurance and still fewer have adequate protection.

With the high risk involved, private plans are out of the reach of many. Many, however, will not abandon private plans if social security medical care is adopted. Insured private retirement plans have not suffered because of social security.

The Kerr-Mills legislation, adopted last year, is a Federal matching program similar to those under which States operate old-age assistance and aid to dependent children programs.

Illinois appropriated $9 million; Federal funds in a similar amount are available. But only 24 States passed enabling legislation to take advantage of the plan. They didn't have the money. It is an awkward program and a humiliating one. To get aid recipients must be classed as "medically indigent."

In the large view, this country cannot afford to let the aged ill suffer when the free enterprise system has the genius and the capability of providing well for all our citizens.

### ADJOURNMENT

Mr. McCARTHY. Mr. President, if there is no further business to come before the Senate, I move that the Senate adjourn, under the previous order, until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 50 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, June 14, 1962, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES

### WEDNESDAY, JUNE 13, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Genesis 28: 16: *Surely the Lord is in this place; and I knew it not.*

O Thou whose throne is in the heavens, although Thou art high and holy yet hast Thou respect unto the lowly.

We rejoice that Thou art willing to dwell in the tabernacles and temples of time and to make the hearts of the humble the habitation of Thy love.

Gird us with faith and courage as we seek to discharge our appointed tasks faithfully and aspire to be coworkers with Thee in building Thy kingdom of peace.

May it be our purpose and passion to remove all the barriers that divide the members of the human family so that the spirit of good will may grow and Thy name be glorified among all mankind.

Hear us for the sake of our blessed Lord. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10802. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. McCLELLAN, Mr. BYRD of West Virginia, Mr. BIBLE, Mr. MUNDT, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce and Finance of the Committee on Interstate and Foreign Commerce be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

### ECONOMIC PHILOSOPHY OF WILLIAM GRAHAM SUMNER OF YALE UNIVERSITY

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, as a Yale alumnus of the class of 1908, I am proud that my alma mater has honored the President of the United States in conferring on him the honorary degree of doctor of laws, but his remarks in accepting this honor have given me pause for thought. Yale University has been steeped in the sound economic philosophy which has made our country great by the utterances of one of its immortal professors, William Graham Sumner, who was professor of political and social science from 1872 to 1909 when he retired.

Recognized by the teachers of political science as a leader whose utterances have an alltime applicability, his philosophy and reasoning are still studied and recognized as sound and truthful. If we are to accept the advice of the President of the United States, this basic philosophy will be considered as a myth. I could not help but think that at the conclusion of the President's remarks the ghost of Prof. William Graham Sumner rose and quoted from his writings in 1909:

> We are inheritors of civil institutions which it has cost generations of toil and pain to build up and we are invited to throw them away because they do not fit the social dogmas of some of our prophets.

And again:

> If this country, with its population, its resources and its chances is not prosperous by the intelligence, industry and thrift of its population, does any sane man suppose that politicians and stump orators have any devices at their control for making it so?

The leaders of our country at this critical time would be benefited by studying the philosophy of the late Prof. William Graham Sumner.

### CALL OF THE HOUSE

Mr. MACK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Addonizio
Alford
Ashmore
Blitch
Boykin
Celler
Collier
Colmer
Curtis, Mass.
Davis, Tenn.
Dent
Diggs
Dooley
Flood
Granahan
Harrison, Va.
Hoffman, Mich.
Holifield
Horan
Jones, Ala.
Kearns
Landrum
McMillan
Miller, N.Y.
Moulder
Norrell
Powell
Riley
Saund
Sheppard
Smith, Miss.
Steed
Stubblefield
Yates

The SPEAKER. On this rollcall, 402 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### FRYINGPAN-ARKANSAS PROJECT, COLORADO

The SPEAKER. The unfinished business is the question on the passage of the bill H.R. 2206, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. On this question the gentleman from Pennsylvania [Mr. SAYLOR] demanded the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SAYLOR. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. Two hundred and sixty-one Members are present, a quorum.

So the bill was passed.

A motion to reconsider was laid on the table.

### COMMITTEE ON BANKING AND CURRENCY

Mr. MULTER. Mr. Speaker, I ask unanimous consent that Subcommittee

No. 3 of the Committee on Banking and Currency be permitted to sit today during general debate.

Mr. GROSS. Mr. Speaker, reserving the right to object, would the gentleman please state to the House the subject matter under discussion by the subcommittee?

Mr. MULTER. If the gentleman will yield, the subcommittee is finishing its executive session on the mass transportation bill.

Mr. GROSS. Does the gentleman from New York think that the subcommittee ought to be sitting while the House is debating an $8 billion increase in the Federal debt?

Mr. MULTER. If the gentleman will yield further, only during general debate for about 1 hour, so we can wind up this work and get the bill to the full committee.

Mr. GROSS. Mr. Speaker, in view of the nature of the business before the House this afternoon, I must object.

The SPEAKER. Objection is heard.

## AUTO MANUFACTURERS CONSIDER RESUMPTION OF HORSEPOWER RACE

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr Speaker, I am very much disturbed to learn that some of the automotive manufacturers have withdrawn from a voluntary resolution adopted in 1957 to suspend advertising claims on speed and horsepower. This agreement was made after the Subcommittee on Health and Safety, of which I am a member, had investigated the problem of mounting traffic accidents. The subcommittee's investigation showed that there was a relationship between the horsepower race and spiraling accident statistics to match.

A resolution was adopted by the Automobile Manufacturers Association, the industry organization. There have been recent reports from inside the industry itself that the agreement was being violated, and there has also been evidence pointing to that fact as the Nation's consumers witnessed claims of horsepower and speed leaking into industry advertisements.

Mr. Speaker, it has long been my hope that a primary concern of these members of private enterprise would be the public's safety. The resolution signed in 1957 came as a great relief to those who feel as I do; namely, that the automotive industry could and should restrain itself. Unfortunately those members of the automotive industry withdrawing from the resolution do not share the belief or do not have confidence that the industry can cooperate to restrain itself for the safety of the Nation's highway users.

It is my hope that those members of the industry who have indicated a withdrawal from the resolution will reconsider their action.

## DEFERRING ISSUANCE OF PROCLAMATION WITH RESPECT TO NATIONAL WHEAT ACREAGE ALLOTMENT

Mr. BREEDING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S.J. Res. 198) deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the resolution, as follows:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any other provisions of law, the Secretary of Agriculture may defer until July 15, 1962, any proclamation under section 332 of the Agricultural Adjustment Act of 1938, as amended, with respect to a national acreage allotment for the 1963 crop of wheat and any proclamation under section 335 of such Act with respect to marketing quotas for such crop of wheat; and may defer until August 25, 1962, any referendum under section 336 of such Act with respect to marketing quotas for such crop of wheat.

Mr. BREEDING. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BREEDING: On page 1, line 9, after the word "wheat", strike out the semicolon, insert a period and strike out the remainder of the bill.

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

Mr. BREEDING. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

> Amendment offered by Mr. BREEDING: Amend the title to read as follows:
>
> "Deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment."

The amendment was agreed to.

A motion to reconsider was laid on the table.

## PUBLIC DEBT LIMIT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 685 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposing to strike out all after the enacting clause and insert in lieu thereof the text of the bill H.R. 12026 as an amendment in the nature of a substitute, and said amendments shall be in order any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

## CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

The SPEAKER. Without objection, a call of the House is ordered.

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. The question is on the motion.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will state that this motion does not require the presence of a quorum.

The motion was agreed to.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 108]

Addonizio
Andrews
Ashmore
Blitch
Boykin
Celler
Collier
Colmer
Curtis, Mass.
Davis, Tenn.
Dent
Dooley
Flood
Gary
Gathings
Granahan
Grant
Harrison, Va.
Hoffman, Mich.
Holifield
Jones, Ala.
Karth
Kearns
Lankford
Libonati
McMillan
Miller, George P.
Miller, N.Y.
Moss
Moulder
Norrell
Powell
Riley
Roberts, Ala.
Santangelo
Saund
Shelley
Sheppard
Stubblefield
Teague, Tex.
Yates

The SPEAKER. On this rollcall, 394 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## PUBLIC DEBT LIMIT

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and pending that, myself such time as I may consume.

Mr. Speaker, this rule was recommended to the Committee on Rules by the Committee on Ways and Means, as I understand, unanimously. It is a rather unusual rule. It is a closed rule which provides for the usual committee amendments but also provides for the submission of the bill H.R. 12026 as an amendment to the committee bill. H.R. 12026 was introduced by the gentleman from Wisconsin [Mr. BYRNES] and provides for different amounts as the debt ceiling. The bill itself is, of course, quite controversial, but so far as I know, the rule itself is relatively noncontroversial.

I now yield 10 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, this is the second time this year that we have been forced to consider a bill to further increase the debt limit. Over the years since I have been chairman of the Committee on Rules it has been my duty to bring to this House, I think every year, and sometimes twice a year, a bill to further increase the debt limit. I have supported those bills in the past on the theory that if you spent the money, you would have to pay the bill. I have reluctantly and regretfully reached the conclusion that if we keep on increasing this debt limit we will never be able to bring about the financial responsibility that will save this country from a great debacle. I thought that as time went on we would get some reasonable relief in the way of these great expenditures, and the irresponsibility of our expenditures is no better illustrated anywhere in the annals of this Congress than by what has just happened here within the last hour when here we are proposing to increase the debt limit by $8 billion, we have a bill to spend $170 million on a dam to take the water from the west side of the Rocky Mountains and tunnel through the mountains over to the east side in order to produce some more surplus commodities, in order that we may pay more subsidies for producing them, and in order that we may increase the tremendous cost that we are now under for storage of those commodities. Can one think of anything more silly? Even the Congress in all its wild extravagancies has time after time defeated that bill and refused to let that bill even be considered. Yet, today, faced with a further deficit and with a further increase in the debt limit, this morning that bill was passed. It should be noted that it was passed without a rollcall. When a rollcall was asked for, 25 Members only were willing to permit this House to vote upon a bill of that magnitude.

Where is the great, responsible, conservative Republican Party that has been issuing all these proclamations about the fact that we must have sound fiscal affairs, and sound government? Where were they this morning when they would not stand up and permit this House to vote upon a bill to spend $170 million to produce more surplus commodities for which the Government must pay?

Mr. Speaker, you know what is happening here is very well illustrated, and I think the best statement that could be made about our expenditures is that statement which was made recently—and I want to quote it—by the chairman of the great Subcommittee on Defense of the Committee on Appropriations, the gentleman from Texas [Mr. MAHON]. In presenting that bill, the gentleman from Texas [Mr. MAHON], opened his remarks by showing that in the last—I think it is 10 years—while Federal expenditures for our defense purposes had only increased 12 percent, the expenditures for purposes of domestic affairs, do-good affairs, welfare affairs, and all of the other, had increased, how much would you think, as against 12 percent for military affairs? The gentleman from Texas [Mr. MAHON] said:

> If you project this through fiscal year 1963, you will find, according to the budget, that through that period the increase in defense expenditures will be 12 percent above 1954, and nondefense expenditures will be 94 percent [increase over 1954].

Mr. Speaker, are we ever going to stop? Are we not going to regard at all the fact that our people are burdened with tremendous taxes? It is not only the rich people that are burdened with taxes; it is the little people. Now, of course, we are going to get relief from taxes because today we are going to increase the debt limit and pass our extravagance on to our grandchildren. We passed a tax bill in this House this year which, according to the Joint Committee on Fiscal Affairs, is going to decrease our revenue receipts by $1 billion, and we are going to increase our budget. Do you know how much we are going to increase our budget between 1961, which is the last completed year, and the budget for 1963?

Well, it jumps from $81 billion in 1961 to $99 billion-plus in 1963, with some additional items coming along that will run it over $100 billion. An increase between last year and next year of $18 billion, an increase of 25 percent. And yet I could not get enough people in this House to stand up on their hind legs and vote one way or another on this outrageous bill that just passed to put a further $169 million of unnecessary expenditures on the people. Where are you going to stop? Or are you ever going to stop? Is it any wonder that the stockmarket is reflecting a situation similar to that preceding the great depression of 1930?

I had hoped that Members would begin to think about the importance of this. If you are going to increase this debt limit every time they come down here and ask you, what is going to be the result? And this is not going to be the situation by the first of the year. They are now saying let us increase $8 billion right now, but we are going to decrease it under this bill $3 billion at one time and another $3 billion and by the next year we are going to get it down back to the present $300 billion.

Whom are we fooling? Are we fooling ourselves, when we look at the figures? You are going to be back here early next year increasing this debt limit again. One of my old colleagues, who is an old farmer, sitting back in the cloakroom the other day, made this remark—and you get your wisest remarks from the old people back in the country. He was talking about another problem, and he said, "The only way to wean a calf is to pull it away from the cow." We have got to pull it away from the cow, if we are going to save this country. The only way to wean them is to cut off the pap. And although I have voted for these increases year after year, and year after year, the time has come when I cannot under my oath and in good conscience vote for any further increases. But they say, "Well, what are you going to do?"

It so happens that in 1953 there was a proposal to increase the debt limit $15 billion and somebody over in the other body got conservative, strange as it may seem, and they defeated that bill. There was a great furor over the country. They said the country was going to the damnation bowwows because we would not increase the debt limit. But what happened? They pulled in their belt a little bit, they weaned the calf and everything went along all right; there was not any trouble.

If you can come to the conclusion that we shall not increase the budget for domestic affairs by 96 percent, that we will not vote for these things now, that we will wait a few years until we are in better shape, we can do it. But unless you are going to do that, and unless you let it be known, unless you serve notice that you are going to do that, you are not going to save the fiscal situation in this country.

Mr. BROWN. Mr. Speaker, I yield myself so much time as I may use, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BROWN. Mr. Speaker, the gentleman from Missouri [Mr. BOLLING] has explained very thoroughly the provisions of this rule. It is a rather peculiar one. It is partially a gag rule and partially not. It will permit the offering of a substitute bill which is in the form of endorsing the same sort of a national debt increase procedure except it will not do it in quite as large a volume; in other words, it would increase the debt limit by $6 billion instead of increasing it by $8 billion.

I rather suspect that when voting time comes the Republican substitute will be accepted, and, in the end, I would like to say to my colleagues on this side of the aisle, the Republican Party will be charged with raising the debt limit rather than the Democrat Party which should bear the responsibility inasmuch as it has heavy majorities in Congress, and also controls the executive branch of this Government.

I listened with a great deal of interest and enjoyment to the remarks made by the distinguished chairman of the Rules Committee, because they were so very much in line with that which I intended to say, and with that which I said in the Rules Committee yesterday, even down to the illustration I used in the Rules Committee relative to weaning a calf. I may want to repeat it later on for emphasis, if I may.

Here in the well of this House on Tuesday of last week, following an address made by the Secretary of the

Treasury, Mr. Dillon, in New York on the previous day, in which he hinted very broadly there would be an administration-sponsored tax-reduction bill submitted to the Congress before this session adjourns, we had before us a bill to extend for another year the so-called Korean war emergency tax rates on corporate earnings and various kinds of excise taxes.

I said then, and I say now, that if there was any real, great or deep interest by this administration in reducing taxes, as was afterward confirmed by the President on Wednesday of last week, then was the time to take action, because in the President's statement, made just a few hours later, he told the American people he intended to soon submit to Congress a bill that would reduce tax rates on both corporation and individual incomes, and perhaps change excise tax rates and requirements.

It seems rather peculiar that on one day we were told by the Secretary of the Treasury we are going to have a tax reduction bill, while on the next day we passed a bill to increase or extend the same type of taxes. Then we turn completely around, this great Congress and this great Government of ours, in these hours of economic trial and tribulation, and of danger to the Nation, and say we will reduce taxes again, that the old cliches about the need for economy are outmoded, that we can easily have greater spending and lower taxes at the same time, so that old saying which has been quoted so often, that family or government can spend forever more than is taken in without sooner or later having the roof fall in, are no longer true, that such is no longer an economic fact.

As was pointed out by the chairman of our Rules Committee, the distinguished gentleman from Virginia [Mr. SMITH], a little less than an hour ago this House passed by a voice vote, after the refusal of the great majority of this House to stand up and be counted, a bill to cost at least $170 million, and perhaps twice as much. Whether it be a worthy project or not is not the question. But probably the final cost will be $400 million, to bore a hole through the Rocky Mountains to bring water from the west slope to the east slope, at a time when we will have to borrow every blooming penny of that amount, for our children and grandchildren to pay.

Oh, I know it is argued, that on these reclamation and irrigation projects, and it is the law, that the beneficiaries pay back over a period of time—50 years, at 2 percent a year—the cost of such irrigation and reclamation projects. This is only a part of the cost of this gigantic project we had before us a while ago. But at the same time, there is no interest paid by the beneficiaries, and the interest over the 50-year period amounts to a great deal more than the principal of the appropriation for, or cost of the reclamation project itself, from the beginning.

Here we are today with a bill before us to once more do that which we have done before, and this is the third time within a year, approve a bill to increase the national debt ceiling or limit. This time it is again an administration sponsored bill, and I want to stop long enough to say, in my own mind the chairman of the great Committee on Ways and Means [Mr. MILLS] is no more happy over this present situation than I am, and has brought this bill before the House only because he believes it is his responsibility as chairman of the Committee on Ways and Means to do so. But here we are with a bill, an administration-sponsored bill, to increase the national debt limit by another $8 billion, and with a substitute bill by our Republican colleagues to be offered under the rule which was agreed to by our Democratic leadership, our majority leadership in the Congress, to increase the debt limit by only $6 billion. In other words, to just become a little less pregnant under the minority proposal than under the Democratic version of the bill.

But, the American people will pay the full cost just the same. They will pay the $6 or $8 billion.

The argument was made before the Committee on Rules by those in favor of this bill, that, of course, under its provisions on April 1 the debt ceiling will be dropped back a little bit, and on June 24, 1963, it will be dropped back again to $300 billion. Anybody who believes that we will reduce the national debt limit next year can just come down here and stand on his head in the well of the House, because there is no person here who does not know better.

Of course, the bill is presented to us on the basis that we are going to have a balanced budget next year. Well, already various tax experts, Treasury experts, and the budget experts of this Congress, the Joint Committee on Internal Revenue Taxation, have brought out findings that we now have, based on what we have already authorized and appropriated, and not counting this Fryingpan bill we had before us today—good or bad, as it may be—the one we had here earlier—that we will have a deficit next year, in fiscal 1963, of $4,900 million, and we are not even well started on passing judgment on numerous appropriation bills and spending bills that are now pending before this Congress. Of course, if we reduce taxes, as has been promised, and it is very attractive to the average voter and the average taxpayer, and I know very few people who do not like the idea of having a tax reduction, if they can get one, as they have been promised—it makes a good campaign slogan and an entrancing statement just prior to the congressional elections of 1962—but if that happens, then the 1963 deficit will be even greater and much larger. Inflation, according to the latest pronouncement from on high, does not injure anybody: it does not hurt much any more. No, it just hurts the people who can stand it the least. And the ones who are hurt the most are the old people, living on their savings, on retirement income, or on a pension, or who receive different kinds of other benefits, such as social security and so forth—the little man that Judge SMITH talked about a while ago, the little people of America.

And here we are back again, for the third time in a year, ready to increase the national debt limit. So we can do what? So we can go out and borrow more money, and to spend more money, so our great-grandchildren, and children yet unborn, who may have problems of their own to solve in their time, will have to pay off our debts, and meet our obligations that we should have been men and women enough to meet ourselves in our own generation, but have failed to do so. Yes, we have betrayed the children of tomorrow by failing to have the courage to meet our own problems in this generation. Instead we have said, and are saying by this legislation, "Let the children of tomorrow pay the debts we have incurred to meet the wild spending programs of our day."

Let us now take a look at the general picture for a moment or two, if you please. The national debt is already at an alltime high. Only during the height of World War II did the national debt limit reach $300 billion. When it reaches $308 billion it will mean that this Government will owe almost twice as much, and some people say it will add up to more than twice as much, in direct national debt, if you please, as the national debts of all the other governments of the world combined, believe it or not. And yet we stand here and take it all as just a matter-of-course situation, that such huge debt is not important, that it does not mean much except we are going to pay off the debt at some future time, or that we will reduce the national debt later, by cutting it down a bit. When? Some time in the future, but not today, because we do not dare cut down on public spending; instead, we are going to give the green light for more public spending in the future. When this bill runs out next year we will have another request to increase the debt to $310 billion, $315 billion, or $320 billion just as sure as you are sitting here. You know it and I know it. If we were to be honest with ourselves we would have to admit, and the American people should know it, that we are facing a serious situation in this country.

Oh, yes. We are going to balance the budget and reduce the national debt, and at the same time we are going to reduce taxes, but not reduce spending. What did the Secretary of Commerce say yesterday? He said we need tax relief right away to spur the national economy because the national income dropped over $2 billion during the month of May, alone. Look at the stock market. Look at the commodity market, and you will even wonder whether or not we should take this as just an ordinary matter of fact, and again increase the national debt and go merrily on the way with big spending.

What are the overall obligations of this Government? Our direct and secondary obligations, the things this Government, this Congress, and the administration now in power and the administration before it have committed the American people to meet in the years ahead? One trillion, two hundred and fifty billion dollars—$1,250 billion, to put it another way. That is what we have obligated ahead. Again we ask: How are we going to reduce the national debt next April or next June 24?

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Speaker, my distinguished colleague from Ohio knows that I am neither an economist nor the son of an economist, and in view of that fact I have made some inquiry about our financial situation this fiscal year, from the experts of the Ways and Means Committee. By such authority, I am advised that it is now a fact that the deficit this year will be at least $7 billion.

Furthermore, it is my studied judgment that if this Congress implements but half of the written recommendations by the President of the United States, and if business continues as good as it has been under the New Frontier, that come the end of the fiscal year, June 30, 1963, the deficit will be someplace between $10 billion and $18 billion.

Mr. Speaker, I am leaving that figure on the record.

Mr. BROWN. I thank the gentleman from Ohio for his contribution.

Of course, if taxes are reduced, and spending continues at a greater rate there will be even a greater deficit than the amount the gentleman has named. Let me say, however, that the issue we have before us today is whether or not we want to extend this national debt limit, to increase it again by $8 billion, or as the minority representation wants to do by a substitute bill, to increase it by only $6 billion, in the hope that perhaps it may be reduced later on, but with the certainty it will not be cut in any amount, but will be increased again, or whether we want to refuse to extend this debt limit further or to increase it at all.

As for myself, I think it is time we all stand up and be counted. As far as I am concerned, I am opposed to any increase in the national debt at this time, whether it be by $8 billion or by $6 billion.

The statement has been made, Mr. Speaker, that if we do not increase the national debt limit we will not be able to meet our obligations. We are asked what we will do. We will quit spending some of this money that has been authorized and obligated but not actually expended on a lot of projects which we can do without until we get our financial house in order. We can meet the Nation's requirements and obligations we have to meet, like interest on the national debt, payments to veterans for compensation and pensions, and all of that.

However, we might have to cut a few unneeded employees off the Federal payroll. We may even have to do without boring holes through the Rocky Mountains, for a while, and a few other things like that. But if the spenders do not have the money to spend, they will be forced to cut the cloth to meet the situation, and we will continue to exist as a Government, perhaps sounder, perhaps safer, under the $300 billion debt ceiling than we will ever be able to do under the proposed $308 billion limitation.

I am hoping—perhaps it is a faint and forlorn hope, but I am hoping—that the House will give the message to the country, and to the administration, and anybody else who may be concerned, that we are through with increasing the national debt limit, to continue deficit finance spending, and borrowing money for future generations to pay, because we know it eventually means the end of our system of government, sooner or later, if we do not.

### TEMPORARY $8 BILLION INCREASE IN DEBT LIMIT WOULD NOT BE NECESSARY WERE IT NOT FOR INCREASE IN INTEREST BURDEN FEDERAL GOVERNMENT HAS BORNE SINCE 1952 BECAUSE OF HIKE IN INTEREST RATES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PATMAN. Mr. Speaker, once again Members of Congress are being asked to approve a request for a temporary increase in the debt limit. This is the latest in a long series of requests for so-called temporary increases, which have a way of becoming permanent increases in the Federal debt.

### FISCAL RESPONSIBILITY DEMANDS THAT INTEREST BURDEN ON FEDERAL DEBT BE REDUCED

One of the expressions most often used these days is the term "fiscal responsibility." Everyone favors so-called fiscal responsibility and accuses the opposition of indulging in fiscal irresponsibility. But the American people are too seldom given the real facts on fiscal responsibility. The American people are not fully informed as to the reason why these successive debt increases are required.

Very few people, Mr. Speaker, realize that this temporary $8 billion increase in the debt limit would not be necessary were it not for the sharp increase in interest rates the Government has been required to pay on its debt since 1952.

The years since 1952 have been troubled years, but I do not think that historians will refer to them as years of crisis. Certainly they cannot by any stretch of the imagination compare with the terrible years of crisis we faced during the 12 years beginning in 1939 and extending on through 1951. Those were, in truth, years of crisis. The early portion of that period witnessed the opening of World War II in Europe and our partial involvement in that great conflict with aid we afforded the Allied Powers.

Then, Pearl Harbor in 1941 brought our full and complete involvement in that tremendous conflict. We carried the war to a great victory and then wrestled with the problems of postwar rehabilitation and recovery. In 1950 we found ourselves involved in another emergency—the Korean conflict.

### FORTHRIGHT TREASURY AND FEDERAL RESERVE ACTION HELD DOWN INTEREST RATES DURING YEARS OF CRISIS—1939–51

Mr. Speaker, I think that history will note one great outstanding fact relating to that 12-year span—years of crisis. This fact is that a forthright Treasury Department and a cooperative Federal Reserve System held a careful checkrein on one of the most significant factors in the cost of Government. I refer to the level of interest rates that the Government bears on its outstanding obligations.

The Treasury and the Federal Reserve—faced with the greatest inflationary pressures the world had ever known—were able to hold the average rate of interest paid on Federal debt at less than 2 percent during the 6 years, 1942–47. For the 12 years from 1939, when the war emergency period commenced, until 1951, no obligation issued by the Government bore an interest rate in excess of 2½ percent, and no bonds fell below par.

This was a great achievement. I wonder how many members of this body realize what an enormous debt we would have today if the Treasury and the Federal Reserve had not so courageously held the lid on interest rates during those years of crisis.

### ABANDONMENT OF COURAGEOUS POLICY BY MONETARY AUTHORITIES TREMENDOUSLY INCREASED COST OF GOVERNMENT

Testifying before the Ways and Means Committee, I supplied data which demonstrate in bold perspective what the abandonment of that courageous policy of holding down interest rates has done to our debt and to the interest burden since 1952—not only in the added interest burden the Federal Government must bear, but also the tremendous additional interest burden the whole economy must bear because of the hike in interest rates which occurred since 1952—the year in which the Eisenhower administration entered office.

### TEN CENTS OF EVERY TAX DOLLAR REQUIRED FOR INTEREST ON FEDERAL DEBT

Very few people in this country realize what a large amount of money the Federal Government pays in interest on its obligations today. I wish that every citizen in this great Nation would look at a chart which appears on page 12 of the 1962 Budget Review issued by the Bureau of the Budget. This chart tells a story that thousands and thousands of words cannot tell. It shows a very simple but profound fact—that fixed interest charges absorb 10 cents of the Federal tax dollar. In other words, 10 cents of every dollar in taxes goes to pay fixed interest charges on our Federal debt.

### INTEREST CHARGES TAKE 10 TIMES AS MUCH AS ANTIRECESSION EXPENDITURES

Mr. Speaker, we face enormous problems today in getting our economy rolling—in solving the problem of recession and recovery—in attempting to bring about a reduction in the tremendous amount of unemployment, now representing 5½ percent of the work force—in trying to reestablish economic growth in this country. Yet, if we look again at the chart which the Budget Bureau has shown us, we find that under the category of antirecession programs only 1 cent of the tax dollar is used for that purpose. In other words, 10 times the amount that is being spent for antirecession programs is being spent each year for interest charges on Federal debt.

Our high-interest, tight-money policy is inhibiting economic recovery today. It has been an increasing damper on economic activity over the past decade. Except for this policy we most probably would not have had any deficit in the past 10 years. Indeed, we would have had surpluses and would have continued reducing the Federal debt, just as was done during the Truman administration.

I am not suggesting that in terms of our ability to pay, the Federal debt has increased in the past 10 years. On the contrary, our ability to pay—the size of our economy—has been increasing a great deal faster than our debt, notwithstanding the fact that the growth of the economy has been slower than it should have been. At the end of the war—at the end of 1946—the gross Federal debt was equal to 133 percent of our gross national product. Ten years ago—at the end of 1952—it was 77 percent of the gross national product. At the end of 1962 it will be in the neighborhood of 51 to 52 percent of our gross national product.

*Federal debt and gross national product, 1938–63*

[In billions of dollars]

| Fiscal year | Gross national product | Gross debt at end of year (June 30) | Federal debt as percent of gross national product |
|---|---|---|---|
| 1938 | 88.0 | 37.2 | 42.3 |
| 1939 | 88.2 | 40.4 | 45.8 |
| 1940 | 95.7 | 43.0 | 44.9 |
| 1941 | 110.5 | 49.0 | 44.3 |
| 1942 | 140.5 | 72.4 | 51.5 |
| 1943 | 178.4 | 136.7 | 76.6 |
| 1944 | 202.8 | 201.0 | 99.1 |
| 1945 | 218.3 | 258.7 | 118.5 |
| 1946 | 202.8 | 269.4 | 132.8 |
| 1947 | 223.3 | 258.3 | 115.7 |
| 1948 | 246.6 | 252.3 | 102.3 |
| 1949 | 261.6 | 252.8 | 96.6 |
| 1950 | 263.8 | 257.4 | 97.6 |
| 1951 | 310.8 | 255.2 | 82.1 |
| 1952 | 338.8 | 259.1 | 76.5 |
| 1953 | 359.7 | 266.1 | 74.0 |
| 1954 | 362.0 | 271.3 | 74.9 |
| 1955 | 377.0 | 274.4 | 72.8 |
| 1956 | 408.5 | 272.8 | 66.8 |
| 1957 | 433.0 | 270.5 | 62.5 |
| 1958 | 440.2 | 276.3 | 62.8 |
| 1959 | 466.7 | 284.7 | 61.0 |
| 1960 | 494.8 | 286.3 | 57.9 |
| 1961 | 506.6 | 289.0 | 57.0 |
| 1962 estimate | 545.0 | 295.4 | 54.0 |
| 1963 estimate | 580.0–590.0 | 294.9 | 50.0–51.0 |

Source: Bureau of the Budget, January 1962.

Yet, we have had deficits we should not have had. How did these come about?

Dr. Arthur F. Burns, first Chairman of President Eisenhower's Council of Economic Advisers, listed two principal reasons for the 1960 recession. The first was the sharp shift in Federal finances on a cash basis from a deficit to a surplus, and the second was a tight-money policy. To quote Dr. Burns:

> The fiscal restraint on general economic expansion was accompanied—indeed preceded—by a tightening of credit conditions.
>
> By mid-1959 commercial banks were already in debt at the Federal Reserve to the tune of $1 billion. The money supply stopped growing. Demand deposits diminished by nearly $4 billion between July 1959 and May 1960. Interest rates rose sharply, both on short-term and long-term loans. Indeed, long-term rates advanced faster than during a comparable stage of any business cycle during the past hundred years. (Daily CONGRESSIONAL RECORD, Apr. 27, 1961, p. A2886.)

As a matter of fact, tight-money policy was a major factor in each of the recent recessions, and those recessions, in turn, brought the huge deficits that have necessitated successive debt increases.

### COST OF CCC PRICE SUPPORT PROGRAM BOOSTED $1 BILLION SINCE 1952 BECAUSE OF HIKE IN INTEREST RATES

Mr. Speaker, fixed interest charges of 10 cents out of each tax dollar exceed the amount spent on all the agricultural programs—which take 7 cents of the tax dollar.

In some quarters there is considerable criticism of efforts of the U.S. Department of Agriculture to bring about a stabilization of agricultural prices through the price support program of the Commodity Credit Corporation. Such criticisms usually come from those who have very little sympathy for the problems of the farmer, and particularly from groups that favor a high interest policy which burdens the little people of the Nation.

One would think the critics of this program would wish to see it done in the most economical fashion possible. But how many of the critics of the price supports are concerned with the interest burdens the program bears? Actually, in the fiscal year 1961 interest charges for the entire agricultural price support program handled by the Commodity Credit Corporation amounted to $421 million, or 36 percent of the total cost of storage, transportation, handling, and interest, and 20 percent of all costs amounting to $2,067 million—including loss on sales, donations, export subsidies, acreage diversion, and general overhead, but excluding inventory revaluation.

How many critics of the price support program are concerned with the extra interest burdens the program shoulders because of the hike in interest rates since 1952? I have secured figures from the Agriculture Department which reveal that the costs of the price support program have been boosted by $1 billion since 1952 because of the hike in interest rates.

During the period January 1939 through June 30, 1941, the Commodity Credit Corporation was able to borrow money to relend to farmers for price support purposes, at the rate of one-half of 1 percent. From July 1941 through June 30, 1948, the rate was 1 percent. It was increased to 1¼ percent for the period July 1, 1948, through June 30, 1951, then to 1½ percent for the fiscal year ending June 30, 1952, and to 2 percent in the 6-month period ended December 31, 1952. From then on the interest rates the Commodity Credit Corporation paid rose steadily, reaching a peak of 5 percent in January 1960. Since that time there has been a moderate downward adjustment, and the present rate is 3 percent.

The Commodity Credit Corporation borrows from the Treasury, and the rate of interest it pays is determined by the rate the Treasury, in turn, pays for short-term obligations; thus the general boosting of interest rates has had a substantial impact on the cost of running the Commodity Credit Corporation program.

I am placing in the RECORD at this point a statistical tabulation prepared by the Department of Agriculture, showing the effective interest rate on CCC borrowings, as well as data on the amount of actual interest paid during the fiscal years 1949 through 1961, together with a comparison of the amount of computed interest if the rates had been held at either 1, 1¼, or 1½ percent—rates which prevailed at various times prior to 1953.

*Interest paid by CCC to the U.S. Treasury on capital stock and borrowings from the Treasury from July 1, 1948, through June 30, 1961*

| Fiscal year ended June 30— | Effective rate per annum | Interest paid | Computed interest if rate had been— | | |
|---|---|---|---|---|---|
| | | | 1 percent | 1¼ percent | 1½ percent |
| | *Percent* | *Millions* | *Millions* | *Millions* | *Millions* |
| 1949 | 1.250 | $8.9 | $7.1 | $8.9 | $10.7 |
| 1950 | 1.250 | 32.7 | 26.3 | 32.7 | 39.2 |
| 1951 | 1.250 | 37.1 | 29.6 | 37.1 | 44.5 |
| 1952 | 1.500 | 33.4 | 22.3 | 27.8 | 33.4 |
| 1953 | 1.750 | 48.5 | 27.7 | 34.6 | 41.5 |
| 1954 | 2,125 | 90.8 | 42.7 | 53.3 | 64.1 |
| 1955 | .962 | 59.8 | 62.5 | 78.0 | 93.8 |
| 1956 | 1.830 | 180.0 | 98.2 | 123.0 | 147.2 |
| 1957 | 2.894 | 337.6 | 130.0 | 145.0 | 175.0 |
| 1958 | 3.490 | 420.9 | 122.8 | 153.5 | 184.5 |
| 1959 | 1.508 | 192.5 | 128.0 | 159.0 | 192.0 |
| 1960 | 3.953 | 472.5 | 119.2 | 149.5 | 179.4 |
| 1961 | 3.527 | 421.2 | 119.2 | 148.0 | 178.2 |
| Total, 1953–61 | | 2,223.8 | 850.3 | 1,043.9 | 1,255.7 |
| Additional interest burden, 1953–61 | | | 1,373.5 | 1,179.9 | 968.1 |

Source: U.S. Department of Agriculture.

These data reveal that had the interest rate the CCC paid on its borrowings from the Treasury been held at 1½ percent, the average effective rate prevailing in 1952, the additional interest burden for the years 1953 through 1961 would have been smaller by $968 million. If the rate had been held at 1¼ percent—which prevailed from mid-1948 to mid-1951—the added interest burden would have been less by $1,180 million. If the rate had been 1 percent—which prevailed during the 7-year period 1941–48—a total of $1,374 million in additional interest would have been saved.

Thus we see how the devastatingly high interest policy of the Eisenhower administration skyrocketed the cost of the agricultural price support program.

### BANKERS PARTICIPATE IN PRICE SUPPORT FINANCING

From time to time I have pointed out that we have a banker-dominated Federal Reserve System which fosters the profits of the commercial bankers by raising interest rates. It should be noted that bankers participate very largely in the financing of the price support program. As a matter of fact, through the years the banks have handled as much as anywhere from 40 to 70 percent of the total loans to farmers for commodity storage purposes. These were riskless ventures on the part of the banks because the CCC guarantees their repayment. The banks not only have a guaranteed loan, but also are able to maintain, through this service to farmers, close contact with them as customers of their banks.

This is just another example of the way in which commercial bankers are favored in our system. They have the power to create money to make loans. This power is theirs only by virtue of the fact that it is the credit of the Nation that stands behind them. So in this instance I have cited, the banks have been able to create money in order to loan it to farmers on a proposition fully backed and guaranteed by the Federal Government. It would not be surprising at all to find the banks promoting increases of interest rates so that they can make more and more money in this easy, sure, and absolutely guaranteed manner.

### INTEREST CHARGES SUBSTANTIALLY HIGHER THAN PAYMENTS TO VETERANS

Fixed interest charges very substantially exceed what is paid to veterans—which takes 6 cents of the tax dollar. As a matter of fact, fixed interest charges are the second largest category of expenditures set out in this chart by the Budget Bureau—second only to major national security, international, and space programs, which take 62 cents of the tax dollar.

I have said that the $8 billion temporary increase in the debt limit would not be necessary today except for the sharp hike in interest costs on the Federal debt since 1952. I testified before the Ways and Means Committee on June 1 and introduced into the record a study prepared from Department of Commerce data, analyzing the added interest cost on the Federal debt during the period 1953–60.

### HIKE IN INTEREST RATES SINCE 1952 RESPONSIBLE FOR $8½ BILLION INCREASE IN FEDERAL DEBT THROUGH 1960 AND MORE THAN $12 BILLION BY MID-1962

The results of that study are indeed astounding. They show that if interest rates had been held at the 1952 level, the Federal debt at the end of the calendar year 1960 would have been smaller by nearly $8½ billion. Stated differently, the extra interest burden borne by the Federal Government during the years 1953 through 1960 because of the hike in interest rates as compared with 1952, aggregated nearly $8½ billion. By now—mid-1962—the extra interest burden has probably piled up another some $4½ billion, to aggregate more than $12 billion since 1952. Compare this with the $8 billion temporary increase in the debt limit which is being requested in this legislation, and you can see that we would not be here today discussing this matter if the administration in power during those years—the Eisenhower administration—had met its responsibilities and held down the tremendously burdensome inflation in interest rates.

### INCREASE IN INTEREST RATES SINCE 1952 RAISED BURDEN ON TOTAL PRIVATE AND PUBLIC DEBT BY $48.5 BILLION

Eight and one-half billion dollars, Mr. Speaker, is a huge sum of money—but it pales in comparison with the additional interest burden the whole economy shouldered because of the hike in interest rates subsequent to 1952. In my testimony before the Ways and Means Committee I submitted a study based on Department of Commerce data showing that in 1960 total public and private debt reached the astronomical magnitude of over $1 trillion.

In the total of public and private debt, the additional interest paid because of the rise in interest rates since 1952—cumulated for the years 1953 through 1960—reached the enormous sum of $48,542 million.

There are facts which the American people should ponder. If these facts were brought to the people they would become alarmed—as I have. They would ask the question, "Why is it that the Treasury and the Federal Reserve cannot today do what was done in the years of crisis from 1939 on, and lift this terrible interest burden from the shoulders of our people?"

### SPOTLIGHT SHOULD BE THROWN ON DISASTROUS INTEREST BURDEN

Mr. Speaker, I have appeared before the Ways and Means Committee a number of times. As long ago as February 1943 I appeared in regard to one of the first debt increase bills necessitated by World War II. Time and again I have urged that we take off our blinders and see where the problems lie. I have attempted to put the spotlight on the disastrous monetary policies which have placed such a heavy interest burden on our people. I have also made very concrete and specific proposals of ways in which the public debt could and should be reduced—and specific and concrete ways in which the interest burden could be minimized. I have urged that steps be taken to avoid the inflationary dangers inherent in permitting the commercial banking system to finance Government debt through purchasing Government securities with bank-created money.

All of these matters have been laid before the Ways and Means Committee by me from time to time. Unfortunately, my recommendations for fiscal responsibility have been neglected.

Notwithstanding the reservations many of us may have in regard to unnecessary increases in Federal debt, and lack of efforts to reduce the debt, it behooves Members of Congress to vote approval of the request for a temporary increase in the debt limit. The Government cannot be crippled by refusal to support this debt increase, for the Government must meet its obligations. To reject this request would make fiscal responsibility a hollow and meaningless phrase.

In my testimony before the Ways and Means Committee I stressed the fact that not to support the debt limit increase would be to indulge in pure demagoguery comparable to voting for all appropriation bills but against all taxes. And I concluded my testimony with the observation that there is nothing wrong with our budget and the high interest burden the Government bears that the Federal Reserve System could not correct with a sincere desire to do so translated into action. Let us return to genuine fiscal responsibility, such as was employed during the years of crisis—during the 12 crisis years 1939–51, when the monetary authorities met their responsibilities to the Nation.

We should start immediately to rectify the prevailing tight-money, high-interest situation—to give a boost to the economy and to remove the millstone of debt. We must reduce interest rates so that we will not find ourselves returning again, again, and again to approve further increases in the debt limit.

It is requested that my testimony of June 1, 1962, before the Ways and Means Committee be included at this point in the RECORD, followed by highlights of my previous testimony given on two occasions in 1958 before the committee:

### STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, BEFORE THE WAYS AND MEANS COMMITTEE, JUNE 1, 1962

Mr. Chairman, my name is WRIGHT PATMAN, representing the First Congressional District of Texas in Congress since 1928. I am a member of the Joint Economic Committee, the Small Business Committee, and the Banking and Currency Committee.

Your invitation to comment on the proposal to increase the debt limit is most appreciated. You have been very courteous to me, Mr. Chairman and members of the committee, in my numerous appearances before you. As long ago as February 1943, the committee afforded me an opportunity to be heard on one of the first debt increase bills necessitated by World War II. At that time I urged that money needed to finance the war be raised to the fullest extent possible through taxes, and that necessary debt increase be financed from savings and not from bank-created money. Nearly two decades later, I am of the same view on these points.

May I reiterate my general philosophy on the debt question? It is my belief that the Federal debt should be reduced in good times when a budget surplus is being achieved. It is recognized, of course, that when business is in a recession and unemployment is large, debt retirement is difficult and, indeed, might have an adverse effect on the economy. However, although we have great demands on the budget for essential programs, such as national security, and so on, there is one way in particular by which enormous savings could be made. I refer to the excessive interest burden which the Government bears at this time.

### INTEREST CHARGES TAKE 10 CENTS OUT OF EVERY BUDGET DOLLAR

As this committee well knows, in the 1962 budget 10 cents out of every dollar goes for fixed interest charges. This is one of the major budget items—an item larger than agriculture, which requires 7 cents out of the budget dollar, and an item larger than veterans' payments, which take 6 cents out of the dollar. In fact, a chart in the 1962 budget review shows that the largest budget category is major national security, international, and space expenditures—which takes 62 cents out of the budget dollar. Fixed interest charges are second, with 10 cents out of the budget dollar.

### HALF OF 1963 INTEREST ON DEBT DUE TO HIKE IN INTEREST COST SINCE 1952

In the course of the recent Joint Economic Committee hearings on the President's Economic Report, several members of the committee expressed concern over the effects of the upward trend in interest rates over the postwar years on the cost of carrying the Federal debt. Since the budget for fiscal 1963 estimates interest costs for the year at $9.4 billion, I asked the Director of the Budget if he would estimate what this cost would be on the same amount of debt, at interest rates prevailing during the two previous administrations. According to the estimates submitted, the interest cost for fiscal 1963 would be $6.6 billion at the average rates prevailing in the period 1946–53; and the cost would be $7.1 billion at average interest rates prevailing in the years 1954–57.

I think these estimates submitted by Mr. Bell are conservative. My own estimate is that for fiscal 1963 nearly half of the over $9 billion interest cost is due to the increase in interest rates since World War II.

Annual interest burden to the Federal Treasury amounting to over $9 billion is a tremendous sum, but the tragedy is that it is a sum of money which is nearly double what it would be if interest rates had not been boosted so sharply during the past 15 years.

As a matter of fact, Mr. Chairman, the $8 billion so-called temporary increase in the debt limit being considered today would not be necessary were it not for the increase in interest burden which the Federal Government has borne since 1952, because of the hike in interest rates.

### ADDITIONAL FEDERAL INTEREST BURDEN $8.5 BILLION SINCE 1952

With your permission, Mr. Chairman, I would like to offer for the record a tabulation prepared from Department of Commerce data showing the amount of the Federal debt, the actual interest paid on the Federal debt, the computed average interest rate paid on the debt, and the additional interest paid in each of the years 1953 through 1960 over and above the amount of interest that would have been required at the 1952 interest rates paid by the Federal Government. Let me highlight this by pointing out that over this period, 1953 through 1960, there has been an additional burden of interest amounting to $8,457 million.

*Computed additional interest cost on Federal debt, 1952–60*

| Year | Average total Federal debt [1] | Actual interest paid | Computed average interest rate | Estimated interest based on computed 1952 rate | Difference | Cumulative difference |
|---|---|---|---|---|---|---|
| | *Billions* | *Millions* | *Percent* | *Millions* | *Millions* | *Millions* |
| 1952 | $274.8 | $6,290 | 2.289 | $6,290 | | |
| 1953 | 284.3 | 6,637 | 2.335 | 6,508 | $129 | $129 |
| 1954 | 291.9 | 6,887 | 2.359 | 6,682 | 205 | 234 |
| 1955 | 298.1 | 6,863 | 2.302 | 6,824 | 39 | 373 |
| 1956 | 301.2 | 7,596 | 2.522 | 6,895 | 701 | 1,074 |
| 1957 | 301.1 | 8,354 | 2.775 | 6,892 | 1,462 | 2,536 |
| 1958 | 306.2 | 8,021 | 2.620 | 7,009 | 1,012 | 3,548 |
| 1959 | 316.3 | 9,212 | 2.912 | 7,240 | 1,972 | 5,520 |
| 1960 | 321.3 | 10,292 | 3.203 | 7,355 | 2,937 | 8,457 |

[1] Includes categories of debt not subject to statutory debt limit.

Source: U.S. Department of Commerce: Debt figures represent averages of beginning and end of year totals shown on p. 388, "Statistical Abstract of the United States, 1961"; interest paid secured from national income supplements, Survey of Current Business.

In other words, if interest rates on the Federal debt had not been increased between 1952 and 1960, the debt would have been smaller by nearly $8½ billion. Complete figures on interest payments for the year 1961 will not be available until next July. However, we know that the figure of $8½ billion will be boosted by several billions more.

### ADDED INTEREST BURDEN ON TOTAL PRIVATE AND PUBLIC DEBT NEARLY $49 BILLION SINCE 1952

Again based on Department of Commerce data, it is possible to estimate the additional interest burden that the whole economy has had to bear because of the sharp increase in interest rates since 1952. In 1960 total public and private debt reached the astronomical magnitude of more than 1 trillion. On the total of public and private debt, the additional interest paid because of the rise in interest rates since 1952—cumulated for the years 1953 through 1960—reached the enormous sum of $48,542 million.

With your permission, Mr. Chairman, I offer statistical documentation for that statement.

*Computed additional interest cost on total public and private debt, 1952–60*

| Year | Average total public and private debt | Actual interest paid | Computed average interest rate | Estimated interest based on computed 1952 rate | Difference | Cumulative difference |
|---|---|---|---|---|---|---|
| | *Billions* | *Millions* | *Percent* | *Millions* | *Millions* | *Millions* |
| 1952 | $626.7 | $19,523 | 3.115 | $19,523 | | |
| 1953 | 665.0 | 21,732 | 3.268 | 20,715 | $1,017 | $1,017 |
| 1954 | 699.0 | 23,489 | 3.360 | 21,774 | 1,715 | 2,732 |
| 1955 | 750.3 | 25,808 | 3.440 | 23,372 | 2,436 | 5,168 |
| 1956 | 808.8 | 29,487 | 3.646 | 25,194 | 4,293 | 9,461 |
| 1957 | 850.1 | 33,616 | 3.954 | 26,481 | 7,135 | 16,596 |
| 1958 | 893.4 | 35,517 | 3.976 | 27,829 | 7,688 | 24,284 |
| 1959 | 951.9 | 40,275 | 4.231 | 29,652 | 10,623 | 34,907 |
| 1960 | 1,006.4 | 44,984 | 4.470 | 31,349 | 13,635 | 48,542 |

Source: U.S. Department of Commerce: Debt figures represent averages of beginning and end of year totals shown on p. 388, "Statistical Abstract of the United States, 1961"; interest paid secured from national income supplements, Survey of Current Business.

Finally, Mr. Chairman, let me recall some highlights in the trend of interest rates in recent years. As I have indicated, during World War II when inflationary pressures were at their greatest, the Federal Government was able for a period of 6 years, 1942–47, to hold the average rate of interest paid on the Federal debt at less than 2 percent. Since that time, the average computed rates have increased steadily and sharply, and in 1960 averaged 3.2 percent.

With your permission, Mr. Chairman, I include herein a tabulation showing the average computed interest rate on the Federal debt, together with the average on total public and private debt, for the period 1933–60:

*Computed interest rates on total public and private debt, total Federal debt, and total private debt, 1933–60*

| Year | Interest rates on total public and private debt (percent) | Interest rates on Federal debt (percent) | Interest rates on private debt (percent) |
|---|---|---|---|
| 1933 | 4.662 | 3.340 | 4.938 |
| 1934 | 4.579 | 3,096 | 4.964 |
| 1935 | 4.326 | 2.575 | 4.846 |
| 1936 | 4.192 | 2.447 | 4.740 |
| 1937 | 4.190 | 2.667 | 4.721 |
| 1938 | 4.042 | 2.433 | 4.615 |
| 1939 | 4.059 | 2.436 | 4.674 |
| 1940 | 3.966 | 2.501 | 4.536 |
| 1941 | 3.729 | 2.087 | 4.374 |
| 1942 | 3.128 | 1.796 | 3.917 |
| 1943 | 2.611 | 1.601 | 3.502 |
| 1944 | 2.315 | 1.481 | 3.332 |
| 1945 | 2.302 | 1.587 | 3.414 |
| 1946 | 2.476 | 1.847 | 3.477 |
| 1947 | 2.611 | 1.930 | 3.560 |
| 1948 | 2.735 | 2.029 | 3.590 |
| 1949 | 2.879 | 2.141 | 3.722 |
| 1950 | 2.948 | 2.179 | 3.766 |
| 1951 | 3.007 | 2.235 | 3.753 |
| 1952 | 3.115 | 2.289 | 3.862 |
| 1953 | 3.268 | 2.335 | 4.086 |
| 1954 | 3.360 | 2.359 | 4.210 |
| 1955 | 3.440 | 2.302 | 4.338 |
| 1956 | 3.646 | 2.522 | 4.470 |
| 1957 | 3.954 | 2.775 | 4.784 |
| 1958 | 3.976 | 2.620 | 4.871 |
| 1959 | 4.231 | 2.912 | 5.085 |
| 1960 | 4.470 | 3.203 | 5.273 |

And in conclusion, Mr. Chairman, let me say that we must support this request for an increase in the debt limit—for not to do so would be to assume the position of the demagog who would vote for all appropriation bills but would vote against all taxes. I hasten to remind the committee, however, that for 12 years, from 1939 when the war emergency period commenced, until 1951, no obligation issued by the Government bore an interest rate in excess of 2½ percent, and no bonds fell below par. Under the law, the Secretary of the Treasury fixes the interest rate on all long-term obligations. The Federal Reserve can establish and hold any interest rate on Government obligations it desires. There is nothing wrong with our budget and the high interest burden the Government bears that the Federal Reserve Sytem could not correct with a sincere desire to do so translated into action.

Thank you very kindly.

### HIGHLIGHTS OF TESTIMONY OF HON. WRIGHT PATMAN BEFORE THE WAYS AND MEANS COMMITTEE ON JANUARY 17 AND JULY 30, 1958

Specifications and limitations which should be placed in the bill to increase the debt limit to include the following:

1. Require that the securities issued under the increased debt authority be sold, insofar as possible, to individuals, corporations, and to savings-type institutions; and that the portion which can be sold only by the creation of new money be sold to the Federal Reserve rather than to the commercial banks.

Now, the reasons for this are quite simple:

To the extent that national securities are purchased by individuals, by corporations, and by savings-type institutions, there will be little inflationary effect.

By savings-type institutions we mean, of course, the savings banks, the savings and loan associations, the credit unions, the life-insurance companies and other such organizations which, unlike the commercial banks, do not create money.

The first objective should, therefore, be to finance all of the new debt it is possible to finance out of savings, both corporate and personal. To the extent that the new securities can be absorbed out of savings, the effect will at least not devalue the dollar.

Selling the new securities either to the Federal Reserve System or to the private commercial banks will mean that the purchasers will create the money with which to buy the securities. In either case, the result will be inflationary, but there is at least one important difference. The interest payments made to the Federal Reserve will automatically come back to the Treasury, which will help to keep the debt down.

What sense is there in allowing the private commercial banks to create the money to buy Government securities, and burdening the taxpayers with interest charges on that money? The commercial banks perform no necessary service whatever in buying Government securities. They perform no service in creating money, on the credit of the Nation, which the Government cannot perform for itself without burdening the taxpayers with interest charges.

To avoid any misunderstanding, let me state, as I have many times before, I am not unfriendly to the private banks. The fact is, however, that the private banks are the most prosperous segment of our economy today; they do not need more Government subsidies at the expense of the taxpayers. So, it seems to me idiotic for the Government to pay these banks to create money to purchase Government securities. The Government can do this for itself, and for the good and justifiable purpose of keeping the debt down.

2. Require that all securities sold by the Treasury be sold on competitive bid.

The reason for this is also self-evident.

The Treasury is now selling certain of its securities on competitive bid, and it has an established machinery for this. Each week it sells between a billion and $2 billion of 91-day bills on the regular Monday bill auction. This auction method leaves no question about what money market rates are, and no guessing about what interest rate must be offered in order to sell the securities. After the Treasury receives all the bids, it knows how much has been bid for and at what prices, and it then decides what the highest price is it will pay for the hire of the money.

But in contrast, the Treasury issues the greater proportion of its securities at fixed and predetermined interest rates. In deciding what arbitrary rates it will fix on these securities, the Treasury leans heavily on the advice which it solicits from the big bond dealers and other big purchasers of Government securities. Based on the advice of interested parties, the Treasury officials then make a guess at what the interest rate should be. What they are guessing at, presumably, is the lowest interest rate which they can fix on the securities in order to sell them. There is some doubt whether all of the Treasury's guesses in recent years were intended to be low, or intended to help bring about a general increase in interest rates.

3. Prohibit the Treasury from leaving any of its funds on deposit with the private banks.

The recent practice of the Treasury is to keep billions of dollars of funds on deposit with the private banks, not just during this administration, but long before this administration. The taxpayers are paying interest on these billions, while the Treasury is lending it out, interest free, to the private banks. What do the banks do with these funds? They lend them out and draw interest on them. So the taxpayers are paying interest on billions of dollars of debt which benefits only the private banks, and on which the banks are making a profit.

[As of May 24, 1962, tax and loan accounts of the Treasury on deposit with commercial banks amounted to $7,039 million, to which should be added another $463 million of other Treasury accounts in commercial banks. Incidentally, the so-called class C banks—the largest banks, of which there are only 51—held $3.7 billion of the Treasury tax and loan accounts as of May 24, 1962—a very high proportion of the total. On the average throughout the year the Treasury has some $5 billion idle and unused on deposit with commercial banks.]

When the Treasury leaves its funds on deposit with the private banks, there are two bad effects:

(1) The effect is inflationary; by leaving its funds in the private banks, instead of calling them in the Federal Reserve banks, it is adding to the money supply.

(2) The taxpayers are paying interest on money which is idle, insofar as the Treasury is concerned. The money could be used by the Treasury to buy in some of its own short-term obligations and thus save the interest on these obligations.

As had been pointed out many times, the Treasury is in no position to use funds left on deposit with the private banks. The Treasury must first call these funds into the Federal Reserve banks before it can write checks on them to pay its bills. Keeping the funds in the private banks is no convenience to the Treasury. Obviously if the Treasury can maintain billions in deposits with the private banks, then the Federal debt is billions higher than it need be.

[As indicated above, 1962 figures show average Treasury deposits of $5 billion with commercial banks.]

In any case, the record shows that beginning in February of 1953, the Treasury has engaged in repeated "giveaways." Time after time it has fixed rates so high on new securities that the securities were immediately reselling in the open market at prices higher than the Treasury got for them.

As I see it, the Treasury has all to lose and nothing to gain by guessing what the market is. When it guesses too high, it burdens the taxpayers with unnecessary interest charges. But when it guesses too low, there is no offset; it does not sell the securities; and so has to guess again.

So issuing securities at fixed prices and at fixed interest rates is one more factor which makes the Federal debt higher than it need be, and one more factor which diverts the taxpayers' money to meet unnecessary interest charges, rather than going to pay off some of the debt.

4. Set a fixed percentage by which the Federal debt is to be reduced each year.

For some years now, the debt ceiling has been fixed by law. There have been many times when the ceiling had to be raised, of course. But we still have a ceiling and go through the process of raising it only after a specific review of the conditions which require raising it, on the theory that this tends to hold the debt in check. There is no other reason for having a ceiling. If this procedure does not serve to check unjustified increases in the debt, then the procedure is not only worthless to its purpose, it also involves a waste of time and effort. Few of us doubt that having a ceiling fixed by law does help to keep the debt in check.

But this procedure is one sided. If it is a good procedure for helping to keep the debt from going up, then it should be an equally good procedure for helping to bring the debt down. A fixed schedule for reducing the debt would, in my opinion, help to assure that reductions are made in those periods when reductions reasonably could be made.

Certainly, we have got to do something to stop this process of meeting each emergency by piling new debt on the peak of the previous emergency. And the procedure I suggest is at least worth a try.

Furthermore, this seems as good a time as any for the committee to write into the law a definite schedule for paying off the Federal debt. I would suggest a target of 2 percent per year. There will, of course, be times when no reduction can be made, and an exception to the schedule will be asked for and granted. But at other times such deficiencies should be made up.

As the committee knows, at the beginning of each year the President submits to Congress his Economic Report which sets out the Nation's economic budget for the year ahead. At about the same time the Treasury submits a budget which is drawn up in the light of the President's economic budget. The Joint Economic Committee makes a careful review of these budgets and then tries to inform the whole Congress what the range of economic policies is that can be adopted consistently with the President's economic budget and with the broad objectives set out in the Employment Act of 1946.

There should then be a definite requirement to review the possibility of reducing the Federal debt at this time, along with the review of the other elements in the economic budget. And there should be a definite requirement for a fixed reduction within the year ahead which can be amended only by a specific request and with persuasive reasons for amending the requirement.

5. New securities issued by the Treasury in accordance with the increase in the debt limit should be offered first to individuals, partnerships, corporations, and savings institutions—including savings banks, savings and loan institutions, credit unions, and insurance companies, and second by direct sales to the Federal Reserve.

The Government owns the Federal Reserve System. It owns it entirely—lock, stock, and barrel. I know there is sentiment around over the country saying, "Well, the banks own the Federal Reserve System."

Of course the banks do not own the Federal Reserve System. Over the years I have interrogated Mr. Eccles, and Mr. Martin and different people about it, and I think that Mr. Martin has finally come up with an appropriate and correct phrase that explains it. When I ask him how about the ownership of the Federal Reserve System, he always says that the banks have a "nonproprietary interest" in the Federal Reserve System.

That is correct. It is a nonproprietary interest, and no other. The Government owns it and should use it. Now is the time to use it. So in the future when these securities come up for issuance, the Treasury should be asked by this committee to consider offering these securities first to the people. Encourage individuals to buy and encourage corporations and partnerships and insurance companies to buy them.

After that, instead of selling the securities to the commercial banks that create the money to buy them, the Treasury should sell them to the Federal Reserve.

When the commercial banks buy Government securities, they create the money for this purpose, on the credit of the Nation, and then collect interest from the Government.

The Treasury could sell them to the Federal Reserve and pay the same rate of interest, but the money will flow back over into the Treasury.

In that way we would pay the interest, but it would come back to the benefit of the taxpayers.

(The latest figures for the year 1961 show that the Federal Reserve had current earnings of $942 million, from which current expenses of $161 million were deducted, leaving net earnings of $780 million. Of that, $687 million was paid to the U.S. Treasury.)

Mr. BROWN. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. Avery].

Mr. AVERY. Mr. Speaker, in view of all of the talent that is assembled on the floor today, I am somewhat reluctant to rise to speak on this matter. However, I have a few comments and observations I would like to make.

May I say first, I voted for this particular rule when the proposition was before the Rules Committee. I have always proceeded on the theory that if we are going to reduce the cost of the Federal Government or reduce deficit spending or if we are to balance the budget, the time to do it is at the time of authorizations and not wait until we have committed the country and have committed the Treasury to meet certain obligations, then put the Treasury in a straitjacket, so to speak, by this method of refusing to raise the national debt limit.

In view of what happened today, however, I am about ready to change my position. I have seen no disposition on the part of the Congress to reject any spending proposal that comes on the floor of the House here for consideration. As I sat here and listened to the gentleman from Virginia and the gentleman from Ohio, I tried to remember the last time this House had rejected a proposal to spend money. As near as I can recall, the last time we did so was when we turned down the rule on the Arkansas-Fryingpan bill previously. Yet today we turn around and pass that bill without even a record vote. If that is going to be the philosophy of this House, I see no other recourse for those of us who feel some apprehension over our fiscal situation but to support a debt ceiling that will not accommodate all of these programs.

Now, the other thought I wanted to leave with you is this: This may be construed as being political, and if it is, why, so it shall be. It seems to me there are some events that have evolved in the last few days that could be analyzed to only one conclusion, and that is that this administration is abandoning, is completely abandoning, any claim toward fiscal responsibility and a balanced budget. Why do I say that? I would just like to recite three events in the last 48 hours.

The gentleman from Arkansas [Mr. Mills] told us yesterday morning in the Committee on Rules, and the gentleman from Ohio [Mr. Brown] repeated it, that unless we had a balanced budget in fiscal 1963, even the $8 billion advance in the ceiling as proposed by the majority would not be sufficient, that they would be back to ask for another increase in the debt ceiling later this year or next. Now, it seems to me that it is folly for us to believe that there is even a possibility of a balanced budget in fiscal 1963. I am told by members of the Joint Committee on Internal Revenue Taxation that there will be a possibility of a deficit from $4 billion to $5 billion just under the present spending proposals and commitments in fiscal 1963.

Then there was a story in the paper on Monday night that a new philosophy was evolving downtown without directly quoting sources that deficit spending was not necessarily inflationary as long as the Treasury obligations could be placed to individuals as opposed to institutions. They argued no danger of inflation would result from such. Now, that is a complete abrogation of all recognized philosophies that have been established over the years.

Then, last night there was a story in the paper—and these are the events that make me apprehensive—quoting the Director of the Budget, Mr. Bell, that the Federal budget is too modest as proposed for 1963. Those are three developments we should examine. The Treasury and the administration is really saying "Yes, we are spoon-feeding you a new doctrine" on the realization that we are going to have a considerable amount of deficit in our Treasury in our budget for 1963 and probably as long as this administration is in power. Really today you are not voting for an $8 billion increase, because we are going to be committed for increases even in excess of that soon after we return in January next year. There is no other conclusion in view of this new philosophy. Since I voted for the rule in the Committee on Rules, I am going to vote for it today, but this is the last time I can, in good conscience, vote for or support on the floor of the House a bill of this nature unless it is demonstrated we put a brake on some of the authorizations on the House floor.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. Arends].

Mr. ARENDS. Mr. Speaker, I just wanted to say to my good friend, the gentleman from Virginia, Judge Smith, that I, too, am deeply disturbed with respect to this matter of again raising the debt ceiling. When we finally come to a rollcall vote, if it is in the shape as introduced, then I expect for the first time in my voting record to vote against the increase in the debt ceiling. Whether it be under a Republican or Democratic administration, I have always heretofore supported it. But, somewhere along the line we will have to shut the water off, and I think this is the time.

Furthermore, we must tell the American people that this huge spending is not brought about solely by spending for defense. This was brought out in the debate on the $48 billion defense appropriation bill on the floor of the House when it was clearly shown by figures from the Bureau of the Budget that the great increase in spending is in nondefense spending. The taxpayers should know what is happening. We cannot blame it on defense spending but rather on increased nondefense spending.

I repeat, when the final vote comes on the bill as presented, I expect for the first time to vote against the increase in the public debt, knowing it is the beginning of the end if we carry on as we have in the past.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. Smith].

Mr. SMITH of Virginia. Mr. Speaker, I would like to direct a question to the gentleman from Illinois [Mr. Arends].

Mr. ARENDS. Yes.

Mr. SMITH of Virginia. The gentleman from Illinois predicates his prediction of how he is going to vote upon whether the bill is in its present shape. There is only one way it can be changed, and that is reduce it from $8 billion to $6 billion. However, that does not change the principle involved that we have been debating this morning. I would be glad if the gentleman now, or at some other time, would explain the difference between tweedledum and tweedledee.

Mr. BROWN. Mr. Speaker, I yield the balance of the time remaining to the gentleman from North Carolina [Mr. Jonas].

Mr. JONAS. Mr. Speaker, we have had some confessions here today, and I would like to make one. I voted against increasing the debt limit under the previous administration and have voted against all increases heretofore granted under the present administration. I cannot vote for the increase contemplated in the bill under consideration and never expect to vote to increase the debt limit in the absence of a grave national emergency such as war. Some Members of the House may say that this attitude labels me as fiscally irresponsible, but I do not agree. I think the course of fiscal responsibility would dictate that this Congress say to the administration and to the world that the U.S. Government must hereafter live within its means; that it must give up deficit financing as a way of life and stop borrowing money to pay current bills.

Mr. Speaker, we cannot put the blame all on the executive departments. This House—both branches of the Congress—must share the responsibility. As has already been said by several speakers today, the way to stop this overspending is to stop giving the money to those who have the responsibility of doing the spending.

Mr. Speaker, I have before me the daily statement of the U.S. Treasury for May 31, 1962. I want to call the attention of the Members present and others who will read the Record to some of the significant things that alarm me in this statement. First, Mr. Speaker, it shows that the national debt on the last day of May was $299.1 billion, as contrasted with $289.9 billion on May 31, 1961. This means that during the course of 1 year the national debt of the U.S. Government increased by $9.2 billion.

Mr. Speaker, this daily statement of the Treasury also shows that there has been withdrawn from the Treasury in cash during the last 11 months—July 1, 1961, through May 31, 1962—$98.1 billion, as contrasted with cash withdrawals in the previous comparable 11-month period—from July 1, 1960, through May 31, 1961—of $89.4 billion. This means that during the last 11 months various executive departments and agencies withdrew $8 billion more in cash from the Treasury than they did in the previous comparable 11-month period.

This same daily statement of the Treasury shows that on May 31, 1962, our gold assets amounted to $16.4 billion as contrasted with $17.4 billion on May 31, 1961. This means that during the course of the last year we have lost $1 billion of our gold assets.

Mr. Speaker, it will be argued that the needs of national security dictate this increased spending. Well, I have stated previously on the floor of the House that I would be willing to bankrupt this country and go bankrupt myself if it became necessary to protect and defend our country. But the facts show, as the gentleman from Illinois has already pointed out, that more than 50 percent of the increased spending this last year is applicable to activities other than defense.

The Treasury statement from which I have quoted shows that only $3.7 billion of the $8.7 billion increase in spending during the last 11 months is applicable to defense, including military assistance; and that $5 billion of the $8.7 increase is applicable to civilian agencies all across the board. And I might call attention to the fact that one of the biggest increases was for the Commodity Credit Corporation which withdrew from the Treasury $1.4 billion more in cash during the last 11 months than it did during the period from July 1, 1960, to May 31, 1961.

You will find these increases all across the board and the statement clearly shows that $5 billion of the $8.7 billion increase is applicable to civilian activities and not to defense spending.

Mr. GROSS. Mr. Speaker, will the gentleman yield to me so I may read a telegram?

Mr. JONAS. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank my friend from North Carolina. I should like to read a telegram that I received on June 11. It is timed 2:51 p.m.

> Hon. H. R. Gross,
> *House Office Building,*
> *Washington, D.C.:*
>
> The Speaker urgently requests that you be present Wednesday, June 13 for all teller votes on bill temporarily increasing the public debt limit. Many thanks.
>
> Hale Boggs,
> *Democratic Whip.*

Mr. Speaker, I want to assure the Democratic whip that I will be present this afternoon for all teller votes.

Mr. JONAS. Mr. Speaker, may I say in conclusion—I understand my time is just about up—with respect to the bill passed earlier today, I do not recall that the Arkansas-Fryingpan project was the last authorization bill that we turned down, as the gentleman from Kansas said, but I am sure that I voted against it that day as I voted against the bill today and I would have voted against it just as quickly on a rollcall. I had to tell some very good friends that I could not support that bill because, as the gentleman from Ohio has said, that is just another illustration of where we have got to stop spending money that we do not have.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11990, with Mr. Jennings in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, reference has already been made to the fact that this is not the first time in the history of our Government that the Committee on Ways and Means has brought to the membership of the House the recommendation that the existing ceiling on the debt be raised either on a permanent basis or on a temporary basis.

Mr. Chairman, on June 30 of this year at the close of business the permanent limit on the public debt will be $285 billions. In addition to that, for the fiscal year 1962 there is authority for a temporary increase in excess of the $285 billion of $15 billion, making a total of permanent and temporary debt for this present fiscal year of $300 billion—$15 billion of that expires at the close of business on this June 30.

Mr. Chairman, on that date, in all probability, there will be $295 billion of Federal Government securities outstanding.

Mr. Chairman, this is not just a decision that we can make in a light vein nor is it, in my opinion, a decision that we can make on what we may think is the best thing for us individually to do.

Mr. Chairman, today I think we are faced with the necessity of using the highest degree of statesmanship on the part of each and every one of us. I think we are faced with the need for the highest degree of responsibility on our part in the discharge of our duty. Regardless of how we have arrived at this point, we are now faced with fact. Can any one of us be willing to assume the responsibility of what happens in this economy of ours if, after having incurred obligations of $295 billion in excess of our revenues during the history of our Government, we suddenly say that at least $10 billion of those securities and of those obligations we now repudiate? This is the amount in excess of our $285 billion permanent debt ceiling.

Oh, yes, you may want to alibi it by saying, "If we turn down either what the gentleman from Wisconsin [Mr. Byrnes] is suggesting or what the committee itself is suggesting, the Ways and Means Committee will be required to report something other to the floor of the House."

Mr. Chairman, there is no way of reporting something to the House and discharging our responsibility by merely validating $10 millions of bonds that will be outstanding in excess of the ceiling on the public debt. It takes more than that.

The Ways and Means Committee is not responsible for this situation unless you charge us with dereliction in not having levied such tax rates on the American economy as to have completely stifled it.

If you want to charge us with that, then we are responsible, because there are only two ways that the Secretary of the Treasury can pay obligations that are created by the Congress and in turn the executive departments in the carrying out of the responsibilities charged by legislation, that is, either through tax revenues or through the issuance of securities to borrow what we do not raise through taxes. We know that.

Yes, Mr. Chairman, your Committee on Ways and Means would not want to, and I do not think fairly could, be charged with the responsibility for the situation we face.

Your Committee on Ways and Means does have original jurisdiction over two trust funds at least. How have we handled those trust funds? We have not done with them, nor permitted them to be handled as the general funds of the Treasury have been handled by all of us collectively. I am referring specifically to the social security and the highway trust fund. In these instances your Committee on Ways and Means has had initial jurisdiction, charged with a responsibility for expenditures and taxes. There we have performed with fiscal responsibility, we have made the social security fund actuarially sound by maintaining an adequate reserve of taxes over outlays. We have provided in the highway trust fund for collection of revenues—not the issuance of bonds—to pay for this gigantic road program that we initiated during the past administration.

So I say to you the membership of the Committee on Ways and Means has no more liking for the facts of the hour than does the average American citizen or the Members of the House of Representatives who is not a member of the Committee on Ways and Means. But, Mr. Chairman, we are perfectly willing in the Committee on Ways and Means to face up to the facts. We are perfectly willing to recognize a situation and to know what the dangers involved are in our failure to discharge our responsibilities.

I say to you, Mr. Chairman, there are not three alternatives, as has been suggested during the course of the debate on the rule. There are only two alternatives here. First of all, it is unthinkable to me that any Member of this House could bring himself to say that he would not vote for any increase in the debt ceiling for the next fiscal year. What does it mean if he wants to do that? There will be $38 billion in all probability expended by the Government on the basis of budget requests within the first 6 months of the next fiscal year, or by December 1 of this year.

What does it mean for those expenditures if we have to drop suddenly to a $285 billion ceiling, even without regard to what may happen to the value of the bonds that are already outstanding? This means we must drop the existing debt of $295 billion on July 1, to some level below $285 billion because we will owe $295 billion and we will have a ceiling on it of $285 billion. The $38 billion would have to be reduced by over 50 percent. How are we going to do it except by almost going out of business here in Washington? Maybe some people want us to do it.

There is involved in this $38 billion some $20 billion of national defense for the Department of Defense. Are we going to assume the responsibility as responsible Members of the House of saying that a $285 billion ceiling is at least one alternative? I think we can rule it out.

No one has any higher regard for each and every Member of this House than I have. We quarrel—we fuss among ourselves, sometimes we get a little political—not just across the center aisle necessarily, but even among Democrats and among Republicans. But there is one thing that we do do when a grave emergency exists, we never treat it lightly. We rise to the responsibilities required of us and we discharge those responsibilities. I leave it to any one of you—I leave it to every one of you, all of whom I respect and admire—to answer: Can you afford to assume the responsibility? Can you afford to assume the responsibility of that alternative of no increase over a $285 billion permanent ceiling which will go into effect on July 1? So I say there are only two alternatives.

Both of these alternatives involve the penetration of a level or plateau of debt ceiling that I have always hoped it would never be my lot to see arrive. As chairman of the Ways and Means Committee I have never thought in terms of ever having this responsibility of bringing to you legislation that even for a short period of time would penetrate that plateau of $300 billion, because I know what is in your minds as you sit here today. You are thinking that once that level is penetrated then there is no stopping until you get to the $350 billion or to the $400 billion level. That worries me as it worries you.

But here we are faced with alternatives, both of which penetrate that $300 billion. I am not going to refer to the difference as it was referred to by the distinguished gentleman from Virginia as the difference between tweedle-dee and tweedle-dum, because $2 billion, to me, is not a difference that can be so described, and I am sure my friend from Virginia did not intend the usual connotation of these words. He, of course, was referring to a matter of principle. I am interested in the saving of $2 billion.

My friend the gentleman from Wisconsin [Mr. BYRNES] is just as sincere as in his position as I am in the position I am taking, in the position that the majority members of the Ways and Means Committee have unanimously taken.

What is involved in this difference, Mr. Chairman? There is no difference whatsoever except with respect to what we think is the seasonal requirements for financing the obligations of the Federal Government. Nothing whatsoever is involved, Mr. Chairman, except a difference of opinion between my friend from Wisconsin and myself as to what we think is required in order to take care of the seasonal operations of Government, primarily on the 15th day of December.

Mr. Chairman, I believe it is not generally understood just how our expenditures are made and our receipts come in and go out over the course of a fiscal year. Mr. Chairman, even if you have a balanced budget with present levels of Government spending you will take in during the first five and one-half months of the next fiscal year, which is mostly the last half of this calendar year, $11.2 billion less than you will spend in those 6 months of the fiscal year; in other words, you will spend $38 billion on these projects, $20 billion for defense and $18 billion for nondefense. You will take in during that period of time slightly less than $27 billion. Even if you have a balanced budget for the entire year that is the fact, for in the last 6½ months of the fiscal year revenues come in at a higher rate overall than expenses go out, so that you make up that $11.2 billion. That is what we refer to as the seasonal requirements of the Treasury to handle this fluctuation of revenue.

Now, why should he not be permitted to handle that? The gentleman from Wisconsin [Mr. BYRNES] is saying that he should be permitted to handle it, but the gentleman from Wisconsin is saying this in addition: "I want to put him in a tighter squeeze than does the chairman of the Ways and Means Committee because in the process of putting him in a tighter squeeze I may be able to get them downtown to reduce some of their spending in the first half of this fiscal year." If I thought that could be accomplished this way, if I thought that were the proper way of doing it I would be perfectly willing to accept his amendment. I told the Rules Committee on yesterday that we have gone into this thing in much detail in the committee but I would look at the matter further because I had hoped I would justify in my own way, and in my own mind, something less than $308 billion. But, Mr. Chairman, upon further reflection, upon what I have described in the Rules Committee, after a further reading of the needs and after having spent many, many hours since then going over material, and thinking in the deepest of detail about the situation, I have reached the conclusion that we cannot afford ever this degree reduction of $2 billion—even though it is a percent of $308 billion. There are too many risks that may be involved in connection with such a decision.

Mr. Chairman, if I am right, here is what can happen, on the basis of a balanced budget. The committee bill is predicated upon this being the case. As I said to the Rules Committee, if this budget for next year is not balanced, and if it should be out of balance, as much as $5 billion, which is presently predicted by the staff of the Joint Committee on Internal Revenue Taxation, neither the committee bill nor the suggestion of the gentleman from Wisconsin [Mr. BYRNES] take care of that situation.

I think the committee bill will take care of the situation on December 15, on March 15, on June 30, on the basis of a balanced budget. But if the budget is out of balance as much as $5 billion, we will have to be back here, we will have to come back to you in February, certainly not later than March, to get the 308 extended for the rest of the fiscal year, because this is not permitted in the committee bill. The seasonal needs would thus be converted into provision for deficit financing. But under the committee bill the decision will later be made by the Congress as to whether seasonal needs can be converted to the needs of deficit financing.

What difference does it make during the course of the fiscal year if we permit the flexibility of 308 for this period of time or if we make it 306 for this period of time, then step down to 305 or 304, as the gentleman from Wisconsin [Mr. BYRNES] would suggest, when both of us come out with the same conclusion—the committee and the gentleman from Wisconsin [Mr. BYRNES].

This temporary ceiling on June 30, 1963, cannot exceed $300 billion. That is exactly where the temporary ceiling is today. The committee bill keeps good faith with the membership of the House. We are saying to you, we are putting you and the country on notice, that this bill is geared to a balanced budget. It requires a balanced budget. We are telling you ahead of time so that you will not be taken unaware that if there is not a balanced budget we will have to be back here in February or March of next year under the committee bill.

I fear if we take the gentleman from Wisconsin's [Mr. BYRNES] suggestion we will just move the date up from February or March to November or December of this year. I think actually under either approach, if the staff of the Joint Committee is right, we will be back here talking to you further about a debt ceiling.

Mr. Chairman, I have had some taxpayers tell me that about the only time they save money, about the only time the Government saves any money is when the Congress is not in session. If that is the case, and I am not alleging it is, but if that is the case, I raise this question with you. If the gentleman from Wisconsin [Mr. BYRNES] holds down the debt ceiling by $2 billion, which wouldn't be borrowed unless it were needed anyway this may well call us back in special session in November or December to raise the ceiling.

Will we come back just to do that or will we come back and pass some other authorizations and appropriations?

Mr. Chairman, I leave it to your good judgment. I have always thought that when the American people understood a situation, they would come up with the right conclusion. I know that the membership of this House, when it understands a situation and knows what is the responsible thing to do, will come up with the right conclusion.

Mr. Chairman, we have said repeatedly in the field of political combat, in debate, that there can be no difference between us over the defense of this country; that there can be no difference between us in the field of foreign policy, for there we stand together, whether we think everybody else is right or not. We do not want to give the impression that there is a difference between us.

Mr. Chairman, to me, as has been said earlier, the fiscal integrity of my Government runs a close second to those first two in requiring bipartisanship, for without fiscal integrity or without fiscal responsibility or without the willingness to treat this also in the area of bipartisanship, we may bring the house down on us.

There are those, Mr. Chairman, who say—I do not; I am not an economist—but there are those with whom I have discussed the matter in business who tell me that today, in the year 1962, there are many factors identical with the situation in the year 1957. We were going uphill just a little bit. We had not attained full employment; we had not gotten to the point of full prosperity. We were trying to make the top of the hill. We thought we saw it in sight. The administration at that time—and I commended it; I am not blaming it now—decided to forego the $3 billion temporary debt ceiling that it had enjoyed in the previous fiscal year and revert to the then permanent $275 billion.

Mr. Chairman, it is a matter of record as to what happened. Secretary Anderson was in a straitjacket. Secretary Anderson was in such a straitjacket that contractors of the Federal Government, Department of Defense, were required to carry their bills, and the whole program of progress payments was cut back, so I am told. Yes, that was done. In another such situation the Secretary of the Treasury was unable to increase direct borrowing so he borrowed indirectly through FNMA, which went to the public to the tune of a billion or a billion and a half, at an additional interest cost of $18 million. The Secretary was forced to use every conceivable device that he could use to meet the payroll of the Government, to pay the obligations of the Government, and stay within the ceiling. He had to forego issuing bonds at a time when he could get a good interest rate and issue them at a time when the interest rate was less favorable to the Government.

Mr. Chairman, I ask you, my colleagues, whether or not for $2 billion difference we want to run that risk again.

Mr. Chairman, as a result of it, like it or not, the fact that the Government had to cut back, the fact that the Government could not make the advances that it was making in the area of national defense, there are those—and I am not saying it—but there are those who say the position and the actions that had to be taken in that instance made some degree of contribution to the recession that we experienced in 1958. Yes; if the situation today is at all like it was in 1957, for $2 billion less in seasonal borrowing, do we want to assume the responsibility of running the risk of a repetition of the financing that had to be done by my distinguished friend, Bob Anderson? Do we want to have it said of us, as some said then, that because we pinched, because we did an unwise thing, we may have made a contribution to an economic upset, or downturn, or whatever you want to call it?

Mr. Chairman, I know that if the membership of this House will think upon these things, the membership will do the statesmanlike thing.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, the chairman of the Committee on Ways and Means, in his usual workmanlike fashion, has presented a case for extending the debt limitation temporarily to $308 billion.

Mr. Chairman, in the past I have supported every single debt limitation increase, because I felt that essentially the bills had been created through our appropriations and the issue was simply one of how we were going to pay our bills. To a large degree that still is the issue. However, a new factor has entered into this picture today for the first time.

Mr. Chairman, in the previous administrations—and that includes all of them which have requested increases in the debt limitation—there had been a direct adherence to the theory that the budget should be balanced and there had been a direct adherence to an abhorrence and an avoidance of the theory that has been advanced in our society and other societies for many years in the past decades—that deficit financing by the Federal Government is the way to move an economy forward. I happen to disagree fundamentally with those economic theorists. The gauntlet has been thrown down to this Congress by this administration on this issue. The administration has said—and I think the hearings will bear it out as a result of the interrogation that I and others of the Ways and Means Committee conducted of the Secretary of the Treasury and the Director of the Bureau of the Budget—that there is no intention to balance the budget in fiscal 1963; that the theory of deficit financing is their fiscal policy.

Mr. Chairman, the President in his speeches in recent weeks, and particularly the one at Yale University, has suggested that those of us who adhere to this theory of a balanced budget are dealing in myths, and that this is not sound fiscal policy.

Mr. Chairman, this is a fair subject for national debate, but this debate should be conducted forthrightly. It should not be conducted by the administration at one time telling the people that it does believe in a balanced budget, that it does believe in cutting back expenditures as a manner of meeting a falloff in Federal revenues, and then, as in the case of this legislation, espouse a doctrine of deficit financing.

Last October the President of the United States with the usual accompaniment of all stops pulled out on the propaganda machine, called on his Cabinet to cut back expenditures because he said it was important to have a balanced budget. There was a great deal of publicity given to that point of view; and perhaps in October of 1961 the President of the United States did not think that a balanced budget was a myth; that it was important in our basic fiscal policy to adhere to this theory.

I asked the Secretary of the Treasury, Mr. Dillon, and the Director of the Budget, what was the result of this plea on the part of the President to his Cabinet officers to cut back expenditures. This is in the record of the hearings and I have obtained unanimous consent to include extraneous matter after my remarks here. The matter that I am going to include covers the questions asked and the replies of the Secretary of the Treasury in our hearings held just last week.

On page 28, if any of the Members have the hearings before them and are interested, there is a statement which was submitted for the record, because at the time the Secretary of the Treasury and the Director of the Budget could not tell the committee where there had been any substantial cuts and if there were, how much they were, which was a strange thing in itself.

But the statement alleges—although I might say it is highly questionable—that they were able to cut back in that short 6-month period which will end June 30, 1962, $1 billion.

In the minority views there are included tables which show that the President will have for fiscal 1963 over $181 billion of spending authority. The President has stated in his budget that he presented to us for the fiscal year 1963 that his expenditure rate is to be $93 billion of this total of $181 billion authority to spend. Obviously there is considerable flexibility in the hands of the Executive in cutting the expenditure rate. Take the budget for 1963. The expenditure rate is $93 billion. The request for additional authority to spend is $99.6 billion, demonstrating the point of the flexibility that exists between the power and authority that the Congress gives the Executive to spend and the actual expenditure rate. It is not all flexibility, because a great deal of it has to do with how we let contracts for goods and services or for buildings or whatever they have that have to be scheduled over a period of time. But there is considerable leeway.

The President demonstrated quite clearly, if we are to believe the testimony of the Cabinet officers, and I think we should, even though they have not substantiated it, that they had cut back $1 billion in their expenditure rate after the October plea of the President to the Cabinet officers to cut back.

I am sorry the gentleman from Virginia, Judge SMITH, does not seem to be in the Chamber, because I wanted to try to explain to him why there is a difference between tweedle-dee and tweedle-dum, as he calls it—the $2 billion. If the President through exercising discipline based upon his belief at that time that a balanced budget was important could produce this cutback of a billion dollars, and I am satisfied he could do that with perfect safety to our country—and I might say our interest on our side of the aisle has been in the area of nondefense expenditures—certainly over a period of a full year that kind of discipline can cut it back $2 billion.

So the issue is drawn before this House very clearly, and I think it is going to separate the men from the boys, as to whether this Congress adheres to the economic philosophy of a balanced budget or whether the Congress adheres to what is now the President's philosophy, which is deficit financing and that a balanced budget is a shibboleth, a myth of the past, something that is unnecessary in the 1960's and the latter part of the 20th century.

This is such a deep and important matter for our country that it should be debated forthrightly. Let the President go before the people and let the Members of the Congress do the same this fall. Those of you who believe in deficit financing openly advocate it. There are arguments, you will have many an economist behind you. Go forthrightly to the people of this country and tell them that that is your policy and that is the policy of this administration, and then give us the privilege and the right that the people need to have of forthrightly presenting to them why we do not adhere to that policy; why we disagree with that, and feel that two times two is still four even in 1960, as it was in 1950 and 1940 and even on back into the 19th century, and that simply because we progress in economics and develop a more complicated society and as we move into higher mathematics it does not change the basic arithmetical table that 2 times 2 remains 4.

Finally, I would call attention, if I may, to something that is equally important. The President has been pleading with our business community to have confidence in his administration. This argument I want to present to you for your consideration. It does not have to do with whether the theory of a balanced budget is correct or the theory of deficit financing is correct. It has to do with the fact that our business community, rightly or wrongly, does believe that a balanced budget is essential to sound fiscal policies, and when a sound fiscal policy is not followed by the administration there can be no basic confidence.

So the administration must, I think, have some regard for this fact if they are indeed concerned about the confidence of our business community. The administration must demonstrate to the people just the converse of what we heard in these hearings to be the considered judgment of the administration's spokesmen when they were asked whether or not they would contemplate cutting back on expenditures in view of the fact that their revenues have not been forthcoming and cannot be anticipated. The administration's answer was "No." The further question was asked, "If we have a continued decline in this recovery rate, would you actually increase expenditures?" The answer was "Yes."

On page 59 of the hearings the representative of the chamber of commerce, Mr. Neilan, was asked this question by me:

> If the American businessmen felt that the administration was going to follow the economic fiscal philosophy as expressed by Dr. Harris and others who advocate deficit financing, would that result in a deterioration of the confidence the private sector has in this administration?

And here is the spokesman for our business community, Mr. Neilan, replying:

> I think it would not only result in a deterioration of confidence, but that lack of confidence would probably be expressed in increased investments abroad.

We have the same problem as to the confidence of the people abroad, I might say, businessmen and Government leaders, in the fiscal policies of the United States. They, too, adhere to the doctrine of a balanced budget. Indeed, therein lies one of the basic causes for lack of confidence on the part of businessmen both in our country and in nations abroad. That is the question in this issue before us. The $2 billion cut suggested here is within reason and it will require one thing, that the administration cut back expenditures in a slight degree to demonstrate its firm belief in the theory of a balanced budget.

Mr. Chairman, under permission granted in the House, I include the following testimony:

Mr. Curtis. Mr. Bell, how much was there in dollars cut back as a result of the President's plea to the Cabinet officers that you referred to?

Mr. Bell. Do you mean last fall?

Mr. Curtis. Yes.

Mr. Bell. The President did not make a figure public, Mr. Curtis.

Mr. Curtis. Can we make it public now?

Mr. Bell. In the first place, I do not carry it in my head.

Mr. Curtis. I just mean the round figure.

Mr. Bell. As I recall it, it was upward of a billion dollars.

Mr. Curtis. Upward of a billion dollars? Can we apportion that out? You mentioned the National Health Institute.

Very honestly, I do not see where it shows up in the budget figures.

Mr. Bell. Excuse me, the figure I gave you may well include something that does not represent the same kind of a cutback in expenditures that I was discussing earlier with Mr. Byrnes.

That may very well include the effect of the President's and the Secretary of Defense's decision not to spend the additional funds that Congress had enacted for the B–70 program, and that kind of decision, of course, relating to the B–70 and the B–52, and so on, those decisions were not taken simply in the interest of economy, but reflected a judgment as to what was and what was not necessary for the national security.

Mr. Curtis. Some of this billion, then, is in defense?

Mr. Bell. I suspect a large part of it would be defense.

Mr. Curtis. What would be the nondefense?

Mr. Bell. I am sorry, I just do not have those figures in my head.

Mr. Curtis. Here is why I think it is important, Mr. Bell: Lord knows the administration spends a lot of effort publicizing the effect that he has asked the Cabinet officers to do that.

I read it in the paper. I think it becomes important to know whether it is a public relations approach to this or whether it is real.

I cannot find it, frankly, in the budget.

Mr. Bell. There is a Cabinet officer sitting at my right, Mr. Curtis, and I think he can tell you that it was real.

Secretary Dillon. I can only tell you about my own budget.

Mr. Curtis. What was the cutback in the Treasury?

Secretary Dillon. In the Treasury it was not possible to make any cutback except in two areas which were susceptible to this. One was in the construction budget for the Coast Guard, which was cut back about $10 million, about 25 percent. It is not a very big budget. The other cutback was in the Internal Revenue Service where there was a reduction and a slowing up in some of their expenditures, just on the basis that they had such a large budget that they ought to be able to do it. Those were the two areas.

Mr. Curtis. Maybe they got more efficiency as a result.

Secretary Dillon. I would hope so.

Mr. Bell. Sir, as far as the Coast Guard is concerned, that does represent more efficiency. It represents a deferral of some construction items which are badly needed.

It was simply the reflection of the President's instructions that, where possible, items even though seriously needed should be deferred.

Mr. Curtis. My comment was related to the Internal Revenue.

Was that in the nature of around $10 million, too?

Secretary Dillon. That was somewhat less.

Mr. Curtis. Here is the point, Mr. Secretary——

Secretary Dillon. I think the large savings as far as I know, and Mr. Bell can give you the facts, were in what he mentioned earlier, some of these housing programs, veterans and farm housing.

Mr. Bell. And other loan programs, yes.

Mr. Curtis. That is what we need to direct attention to. We are talking in terms of billions, of course.

When you hear about this kind of economy, a plea on the part of the President, and with all the publicity given to it, it seems surprising to me that those of you who deal with accurate figures, particularly the Bureau of the Budget, would not have some knowledge of what this amounted to in the nondefense area.

The best you can give me is something that it must be around a billion, and when we get into it most of that turns out to be defense, which was not economy but because of a change in programs.

Now, when I direct it to the nondefense, we come down to where we are talking in terms of $10 million, one $10 million item and one which is less.

It looks like—if you will pardon me for saying so, unless you come up with some figures—it looks like another public relations gimmick. Would you not agree?

Mr. Bell. Of course I do not agree.

Mr. Curtis. Why not?

Mr. Bell. You are asking me, Mr. Curtis, to reconstruct figures which were relevant and very much in everybody's mind 6 or 8 months ago. I do not have them in my head today. That is all I have been saying.

So far as $10 million is concerned, you may think that is small but we do not.

Mr. Curtis. I am used to that kind of remark, too. Of course I do not think it is small. But I said I related it to the fact that we are talking in terms of billions.

Mr. Bell. It is small in relation to billions; that is right.

Mr. Curtis. When it comes to answering my question, it certainly is almost meaningless, because we are talking in terms of billions of dollars.

When I ask you where this saving has resulted and try to get some hard figures, you come back with the best you can give me, one $10 million item.

No, I think a million dollars is a lot of money, too. So I am used to those cute replies, and I do not preach them either.

Mr. Bell. The only reason we got into the Treasury, sir, was because here is a Cabinet officer and he did feel the request from the President.

Mr. Curtis. I was glad to get it because it certainly illustrates what I fear is the case, that when you get down to it there practically were no cutbacks.

Mr. Bell. No, sir; that is not the case.

Secretary Dillon. I do not think that is the case at all. I will take exception to that.

Mr. Curtis. Let us leave it here.

Secretary Dillon. I will not be quiet about that. I take strong exception. The Coast Guard is a service of the United States. They very badly need funds to keep going. They had a 25-percent cut in their construction budget and I do not think that is "peanuts."

Mr. Curtis. Let me put it this way: In relation to what we are trying to get at, which are overall figures that deal in billions, it is not much if that is the best you can come up with—but let me say I am concerned about the Coast Guard, too. If we were making a plea to the public on these kinds of things, I could make a good plea for the Coast Guard, too.

I recognize this maneuver to take what I am trying to say, to get at some real figures, to turn it around and make it appear that because I ask these questions thereby I am not concerned about either the Coast Guard, or as the Director of the Budget has said, that I think $10 million is inconsequential.

Sir, it is inconsequential when you relate it to the billions that we are talking about. I know you recognize it.

Mr. Bell. This is certainly not the largest of the sums. The figures——

Mr. Curtis. Let us leave the record open, then, if we may, Mr. Chairman, and let us see what hard figures they can come up with.

Mr. Bell. The figures relating to the Department of Health, Education, and Welfare were made public at the time.

Mr. Curtis. I understand that. The record is now open for you to put them in.

Mr. Bell. If my memory is not wrong, they were upward of $100 million. Most of the other figures—I do not know how many of them were made public at the time. It was up to the Cabinet officer, very largely, who was concerned.

Mr. Curtis. That is why I thought the Director of the Budget would have these kinds of figures. I am leaving the record open so that we can see what we are talking about on this economy move.

Mr. Byrnes just showed me a detail in a matter I am reading from that despite the much publicized recent moves for economy and efficiency in the Department of HEW, its expenditure increases for next year are the third largest in the budget.

HEW expenditures for the current year are estimated at $4.5 billion; for next year they are estimated at $5.2 billion, an increase of $714 million.

This is exceeded only by increases for military functions and space. I do not know where that is from.

Mr. Bell. I tried to make clear that the reductions I cited here related to the expenditure rates for 1962 in comparison to those authorized by the Congress——

Mr. Curtis. In other words, they are cuts in increases?

Mr. Bell. That is right.

Mr. Curtis. The increases were not great.

Mr. Bell. For the most part that was the case.

Mr. Curtis. This bears on a letter that I wrote to the President at the time of the Berlin crisis, asking him where we should cut back in the nondefense sector if he was going to increase for this Berlin. I got no reply to that.

The most reply would be this reference that you have made to the President's plea in October—or whenever it was in 1961—to the Cabinet officers. At the time I wondered whether there was anything real to it or whether this was just a publicity matter.

The record is open for us to have the data if it was something substantial that came out of it.

(The following statement was later submitted for the record:)

"On October 26, 1961, the President issued a statement to his Cabinet officers and other heads of Government agencies asking each of them to follow a most careful and frugal policy with respect to commitments and expenditures under the 1962 budget as enacted by the Congress. The President stressed the need to scrutinize all expenditures, tighten requirements, postpone the initiation of deferrable projects, and limit the number of Government employees.

"As a result of the President's directive, the departments and major agencies took a number of steps which resulted in a reduction of expenditures below amounts that would otherwise have been spent. Other expenditures reductions resulted from various program decisions, such as those relating to the B–52 and the B–70, which contributed to an estimated expenditure reduction in the Department of Defense of $270 million, although they were not, of course, made as economy measures, but on the basis of what was required to provide for the national security. Among the reductions made as economy measures, several were announced at the time, such as those which were taken by the Department of Health, Education, and Welfare, which were expected to reduce expenditures by more than $60 million. Other significant reductions in expenditures were planned by the Department of Agriculture, the Veterans' Administration, the Small Business Administration, the Federal Aviation Agency, and a number of other agencies. While the actual outcome of the fiscal years' expenditure plans for each Federal agency will depend on many factors, including changes in economic conditions, crop reduction, the international situation, and other developments that have occurred since last fall, the estimates made at that time indicated that had the various adjustments noted above not been made, fiscal year 1962 expenditures would have been estimated at something over $1 billion higher than they actually were estimated, and the deficit would have been estimated at around $8 billion instead of around $7 billion."

Mr. Curtis. I want to relate this, of course, to the basic problem we have here in the budget for fiscal 1963. You give us an expenditure rate of $92.5 billion.

Is that correct?

Mr. Bell. Yes, sir; although, as the Secretary pointed out, with the formal modifications in the budget the President has submitted, it now is close to $93 billion.

Mr. Curtis. The new obligational authority request, however, is $99.3 billion?

Mr. Bell. Yes.

Mr. Curtis. Has that been changed, by the way?

Mr. Bell. Yes, sir.

Mr. Curtis. What is that now? It is over $100 billion, I guess?

Mr. Bell. It would be, yes.

Mr. Curtis. The new obligational authority becomes quite important because that is what the President could spend if he wanted to, and it was physically possible.

Mr. Bell. Well, yes, sir; except for the time point.

Mr. Curtis. That is what I mean, the timing.

Mr. Bell. I mean much of the new obligation authority is enacted to cover a period of years, and it is so intended and planned.

Mr. Curtis. That is right, because, of course, it does deal with programs. Even if you gave them the authority, the physical limitations exist.

If you are building a building, it would take a certain number of years, and so on.

That brings up the second thing in any budget, the carryover obligation authorities, those that are obligated and those that are unobligated. I believe the estimates for carryover obligational authority for June 30, 1962, obligated that is, carryover obligational authority, is $45 billion.

Has that figure been changed? This is from the budget on page 268, I believe. At page 268, balances of obligational authority, table 17.

Reading this, $45,371 million is the obligated carryover, end of 1962; June 30, 1962.

Mr. Bell. That is right.

Mr. Curtis. Has that been changed? Is that still $45.3 million?

Mr. Bell. I assume that there probably are some small changes in it, Mr. Curtis. I do not know that we have made a formal revision in that figure, and I doubt that a significant one would be necessary.

Mr. Curtis. The only significance would be this: If you cut back your expenditure rate in October and November——

Mr. Bell. That would be reflected in here already.

Mr. Curtis. Would it?

Mr. Bell. Yes, sir. These figures were put together in December.

Mr. Curtis. So anything that is done as a result of the President's plea would show in this particular estimate. Otherwise, of course, it would show up in the increase in obligational authority having been used?

Mr. Bell. Yes.

Mr. Curtis. The next item is carryover obligational authority unobligated. That is $36.3 billion. That is for a total of $81.6 billion obligational authority carryover.

Mr. Bell. Right.

Mr. Curtis. The only reason I bring that in is that I think it clearly demonstrates, with the new obligational authority in $99.3 billion, the considerable flexibility that eixsts in the President in respect of expenditures.

In other words, here he is dealing with, in effect, over $180 billion worth of obligational authority, and the expenditure rate can vary considerably as a matter of discretion, although a lot of it has to do with the physical facts of the thing.

But a lot of it is discretionary; is it not?

Mr. Bell. I do not have the figures I would like to have to be able to respond accurately to that point. You are entirely right, that there is some considerable degree of discretion involved in the rate at which obligations are entered into and expenditures then follow.

On the other hand, there are at least two major points which limit the degree of discretion. The first you have referred to as the nature of the program that is involved.

When the Secretary of Defense has several billion dollars worth of obligational authority which has been enacted by the Congress, so that he can purchase Polaris submarines, and he cannot, except within very severe limits, use that obligational authority for other purposes, the rate at which Polaris submarines can be constructed is, of course, variable only to some extent.

If you started today and said a year from now you would like to be able to double the rate of construction of Polaris submarines, you might be able to approach such a change. But if you said, "As of next month I want to be spending twice as much for Polaris submarines," that would be impossible. You have already taken note of that point.

A second element, however, which is very significant here, is the relationship between the executive branch and the Congress. When these funds are enacted, they are enacted against a specific program proposal which has been presented and defended by the responsible officers in the executive branch.

If the Secretary of Interior described to the Appropriations Committee and the Congress the way in which he was going to use obligational authority for, say, the Bureau of Reclamation, it would clearly not be appropriate for him to make major shifts in that program without coming back to the Congress and receiving some kind of approval.

Mr. CURTIS. Every Executive exercises discretion and freezes funds for certain reasons. In fact, I think Congress, itself, would be critical of the President if he did not.

When the budget is prepared, it is prepared on the basis of those concepts and they can change, just as on the question of the bombers. That can be changed by circumstances.

I remember President Truman froze funds, and I think President Eisenhower froze funds from time to time.

All I am trying to direct attention to here is that there is this flexibility. It is not as flexible, maybe, as you are pointing out, not that he has complete discretion, but there is a great realm of discretion.

The reason I bring this out is because I have been one who has gone along with every debt limit increase on the theory that Congress had already told the Eexecutive he could spend the money, and we were simply figuring out ways and means of meeting our bills.

But I have always been aware of the fact there was this discretion. I think there is considerable discretion. Then it becomes important to understand what is the economic and fiscal policy of the Executive.

Does he want a balanced budget? Is that part of his economic theory and part of his fiscal policy?

I want to get into that in just a minute.

I have one other item just for your comment. Another way of judging what is happening is by looking at personnel figures. The figures I have, show that in January 1961, in comparison to March 1962, the Federal personnel increased 89,000. Breaking it down, 28.095 were in the Department of Defense—these are civilian employees; outside defense, 60,906.

Mr. BELL. Of which how many are in the Post Office, Mr. Curtis?

Mr. CURTIS. I do not care where they are. I am simply relating it to nondefense. A lot may be in Post Office and elsewhere. I would be glad to get a complete breakdown.

The monthly payroll, January 1, 1961, was $1,154,994,000; monthly payroll, January 1, 1962, $1,256,911,000. It is a $101 million increase in just a year in the monthly payroll.

This is not defense except a relatively small portion of it.

Mr. BELL. Better than a third. Is that right?

Mr. CURTIS. 28,000 are civilian defense and 61, rounding it out, are other than defense. It does not look like at least in this period there has been a cutback.

Has there, since March 1962, been an attempt to cut back on the Federal payroll, or has it been increasing at a comparable rate?

Mr. BELL. I do not know about the rate, Mr. CURTIS. The projections that we have been using indicate some slow but steady increase in Federal employees during the 2 years that we are now talking about.

As you, I think, know, the distribution of Federal civilian employees is about 50 percent in the Department of Defense and another 25 percent in the Post Office. Large additional numbers are in Veterans' Administration and several other agencies.

The increases which have come have been a substantial share of defense, with a steady increase in the Post Office, and quite substantial numbers in the Space Agency, which is an agency for which the Congress has agreed with the President there should be a rapid and sizable increase.

Mr. CURTIS. Yes, but you can cut back, you know, can you not, in certain parts? I would assume you could.

Mr. BELL. There are net savings going on in a number of programs steadily. But as long as the activities of the Government are rising, subject to productivity gains you are going to see some increase in Federal employment.

I do not think there is any way around it.

Mr. CURTIS. I just want to get the policy.

Mr. BELL. The policy is a very tight one. The President has continuously kept pressure on each of his department and agency heads, first, to limit to the maximum extent the number of employees proposed for enlarged or new activities; and, secondly, the President has pressed very hard for a continuing effort to increase productivity and, therefore, to carry out existing and ongoing activities with fewer employees per unit of output.

Mr. CURTIS. In other words, the President's policy is putting on all this pressure but he still has this increase so he is committed to a policy of increased employment in the Federal Government.

Is that not a fair conclusion?

Mr. BELL. The policy is as I indicated, Mr. Curtis. If Federal activities rise more rapidly than productivity of Federal employees rises, there will obviously be a gain in employment.

The policy is to carry out the Federal activities which are authorized by the Congress with the minimum possible number of employees.

Mr. CURTIS. Now we have the point of increased Federal activities. Just do not put it over to the Congress. The President's policy is committed to increasing them. There is nothing disgraceful about it.

I simply want to get the administration to admit that that is their policy, to increase Federal activities, activities that we are not in now. Their policy is to increase them.

Mr. BELL. There have been a series of recommendations for increased activity, defense and space, for example.

Mr. CURTIS. I understand defense, but I am really relating this to nondefense.

Mr. BELL. The largest single increase is in the Post Office, which is simply a reflection of the large volume of the mails. It has been rising steadily year after year, and I expect it will continue to, although the Post Office has been showing recently quite an impressive gain in the productivity per employee.

Mr. BYRNES. If the gentleman will yield, just on the matter of where the increases are, I am sorry I do not have the tables for all of the agencies, but I have a table taken from the report of the Joint Committee on Reduction of Nonessential Federal Expenditures, and they show that a change just between February and March of this year, apparently that is the last monthly change we have, and they certainly do not bear out what you are saying.

To the extent that they have a breakdown it is as follows: They show an increase of 5,075 employees in the Government between February and March. Of that, in the Department of Defense there was a 101 increase; agencies exclusive of the Department of Defense had an increase of 4,974.

You mentioned the Post Office. Here is their breakdown of where this increase took place: Agriculture, 1,036. That is in the winter months, too, between February and March.

Mr. BELL. There is a substantial seasonal swing in Agriculture, which starts in March. A lot of the seasonal swing in the Forest Service is in the spring.

Mr. BYRNES. If you want my impression with the orders that went out as to the activity of the governmental employees in the States, I can suggest to you that the one thing they probably were concerned about was the election this fall in the number of people that are out campaigning rather than working on the Department of Agriculture.

Also, though, just to complete this table, Health, Education, and Welfare had an increase of 725; Interior, 827.

There is a total for those three Departments of 2,588, over half of the nondefense increase.

The other nondefense agencies were 2,386. I come back to the point that the increase in the Department of Defense was only 101.

Mr. BELL. In that particular month. I think, sir, that the month to month changes should be used here with a great deal of caution because there are very sizable seasonal swings.

Mr. BYRNES. I regret that we do not have it for more months.

Mr. CURTIS. I would like to leave the record open to point out if this is not a typical month the reasons why it is not.

(The following information was subsequently furnished to the committee:)

"Of the approximately 5,000 employees added to the civilian employment rolls between the end of February and the end of March 1962, 3,099 represent normal seasonal increases which occur every year. This appears in the following agencies:

| | |
|---|---|
| Agriculture | 954 |
| Commerce | 272 |
| Defense—Corps of Engineers | 228 |
| Interior | 686 |
| Post Office | 480 |
| Treasury | 479 |
| Total | 3, 099 |

"Of the other 1,900 increase, significant program increases appear in the following agencies:

Health, Education, and Welfare ____ +725

"Most of the increase is due to workload in Bureau of old-age and survivors' insurance, resulting from expanded coverage under recent amendments to the act; there is also expanded medical research in the National Institutes of Health, and in the medical care program of Public Health Service, as well as in research and enforcement activities.

National Aeronautics and Space Administration ____ +638

"This is a continuation of the planned buildup to implement the manned lunar landing program.

"The other 500 is the result of minor increases and decreases throughout the executive branch.

*"Executive branch, civilian employment changes, March 1962*

| Agency | Feb. 28, 1962 | Mar. 31, 1962 | Increase or decrease |
|---|---|---|---|
| Agriculture | 91, 879 | 92, 938 | +1, 059 |
| Commerce | 28, 855 | 29, 127 | +272 |
| Defense: | | | |
| Military | 1, 032, 978 | 1, 032, 809 | −169 |
| Civil—Corps of Engineers | 27, 852 | 28, 080 | +228 |
| Health, Education, and Welfare | 73, 852 | 74, 577 | +725 |
| Interior | 55, 550 | 56, 236 | +686 |
| Justice | 30, 883 | 30, 873 | −10 |
| Labor | 8, 169 | 8, 296 | +127 |
| Post Office | 579, 606 | 580, 086 | +480 |
| State | 24, 080 | 24, 160 | +80 |
| Agency for International Development | 15, 135 | 15, 233 | +98 |
| Treasury | 84, 911 | 85, 390 | +479 |
| Subtotal | 2, 053, 750 | 2, 057, 805 | +4, 055 |
| Atomic Energy Commission | 6, 809 | 6, 809 | ------- |
| Federal Aviation Agency | 43, 543 | 43, 622 | +79 |
| General Services Administration | 30, 722 | 30, 742 | +20 |

*"Executive branch, civilian employment changes, March 1962*—Continued

| Agency | Feb. 28, 1962 | Mar. 31, 1962 | Increase or decrease |
|---|---|---|---|
| Housing and Home Finance Agency | 12,555 | 12,729 | +174 |
| National Aeronautics and Space Administration | 20,312 | 20,950 | +638 |
| Small Business Administration | 2,967 | 3,013 | +46 |
| Tennessee Valley Authority | 18,267 | 18,333 | +66 |
| Veterans' Administration | 176,958 | 176,794 | −164 |
| All other | 59,021 | 59,124 | +103 |
| Subtotal | 371,154 | 372,116 | +962 |
| Total | 2,424,904 | 2,429,921 | +5,017 |

"NOTE.—Figures differ from the report of the Committee on Nonessential Expenditures used by Mr. CURTIS because the committee includes data for the General Accounting Office, the Government Printing Office, and consultants who receive expenses during a month, none of which are included in the executive branch employment figures of the Civil Service Commission."

*"Executive branch, analysis of employment increases, January 1961 to March 1962*

| | |
|---|---|
| January 1961 | 2,341,084 |
| March 1962 | 2,429,921 |
| Total increase | 88,837 |
| Defense—Result of the Berlin buildup | −28,054 |
| Post Office—Mail volume (8,000 of this was conversion of temporary employees working on an overtime basis to full-time employment resulting in a net dollar savings.) | −11,940 |
| All other | 48,843 |
| Seasonal employment—May run as high as 48,000 by June 30 | −9,088 |
| Program increases | 39,755 |
| Agriculture—Protection and management of forests, increased soil and water conservation activities, regulatory and research work | 4,583 |
| Health, Education, and Welfare—Increased workload in old-age and survivors' and disability insurance; expanded programs in PHS; improved enforcement, increased responsibility, and greater workload in Food and Drug | 9,143 |
| Interior—Expanded programs of NPS, Land Management, Indian Affairs, Geological Survey, and Reclamation | 2,647 |
| Labor—New programs of labor and management reporting and fair labor standards; improvement in employment services, consumer prices and other statistics | 1,348 |
| Treasury—Long-range buildup of Internal Revenue and program increases in Customs and Mint | 3,736 |
| Federal Aviation Administration—Mostly air traffic controls and maintenance technicians for newly installed traffic control and navigation facilities | 3,596 |
| General Services Administration—Cleaning and building management for new buildings, additional leased space and buildings transferred from Defense; new motor pools; increased supply sales to Defense | 1,512 |

*"Executive branch, analysis of employment increases, January 1961 to March 1962*—Continued

| | |
|---|---|
| Program increases—Continued | |
| National Aeronautics and Space Administration—Implementation of manned lunar landing program | 4,739 |
| Tennessee Valley Authority—Temporary construction employees | 3,502 |
| Veterans' Administration—Improving quality of the medical care program | 3,008 |
| Other | 1,941 |

*"Civilian employment, executive branch, Jan. 31, 1961, and Mar. 31, 1962*

| Agency | Jan. 31, 1961 | Mar. 31, 1962 | Increase or decrease |
|---|---|---|---|
| Agriculture | 86,696 | 92,938 | +6,242 |
| Commerce | 30,568 | 29,127 | −1,441 |
| Defense: | | | |
| Military | 1,005,718 | 1,032,809 | +27,091 |
| Civil—Corps of Engineers | 27,117 | 28,080 | +963 |
| Health, Education, and Welfare | 65,434 | 74,577 | +9,143 |
| Interior | 52,030 | 56,236 | +4,206 |
| Justice | 30,632 | 30,873 | +241 |
| Labor | 6,948 | 8,296 | +1,348 |
| Post Office | 568,146 | 580,086 | +11,940 |
| State | 23,341 | 24,160 | +819 |
| Agency for International Development | 14,584 | 15,233 | +649 |
| Treasury | 77,027 | 85,390 | +8,363 |
| Subtotal | 1,988,241 | 2,057,805 | +69,564 |
| Atomic Energy Commission | 6,833 | 6,809 | −24 |
| Federal Aviation Agency | 40,026 | 43,622 | +3,596 |
| General Services Administration | 29,230 | 30,742 | +1,512 |
| Housing and Home Finance Agency | 11,177 | 12,729 | +1,552 |
| National Aeronautics and Space Administration | 16,211 | 20,950 | +4,739 |
| Small Business Administration | 2,332 | 3,013 | +681 |
| Tennessee Valley Authority | 14,831 | 18,333 | +3,502 |
| Veterans' Administration | 173,786 | 176,794 | +3,008 |
| All other | 58,417 | 59,124 | +707 |
| Subtotal | 352,843 | 372,116 | +19,273 |
| Total | 2,341,084 | 2,429,921 | +88,837 |

"NOTE.—Figures differ from the report of the Committee on Nonessential Expenditures because the committee includes data for General Accounting Office, Government Printing Office, and consultants who receive expenses during a month, none of which are included in the executive branch employment figures of the Civil Service Commission."

Mr. CURTIS. I think we do want to get into this area and find out where these increases are occurring and what the underlying policy is.

Now I get to the basic question which I think underlies any Federal economic and fiscal policy.

Is the administration committed to trying to balance the budget in fiscal 1963?

Secretary DILLON. I would say that the situation on that is perfectly clear. The President submitted a budget that was balanced, that still is balanced, with the extra funds which he has requested for public works.

This balance, however, was based on an economy that was moving ahead at the rate which we considered a reasonable rate for economic recovery. That rate of recovery would bring in the revenues needed to balance the budget.

If we are mistaken, if the recovery is far less than that, and our revenues fall off, I do not think it would be the President's intention to reduce expenditures to meet these reduced revenues because that would only mean that the economy would fall off still further.

Mr. CURTIS. That is what I thought. In other words, the President, based on his estimation of the economy, would have as a policy deficit financing for 1963?

Secretary DILLON. Not based on his estimate of the economy. I say if the economy does not live up to his estimate and does not do as well as expected, then there would be a deficit.

Mr. CURTIS. I want to get back to the way I worded it. If he were committed to a balanced budget, then with the powers that he does possess in flexibility he certainly could cut back on some expenditures, particularly in directing attention to the nondefense areas.

Secretary DILLON. I do not think that the commitment to a balanced budget is irrespective of the progress of the economy. It is based on a reasonable estimate. If things go wrong and the economy does not live up to that, if it slows down, if we are not doing as well as we can, I think that was made very clear last year, it is not the view of the President that we should then reduce expenditures to meet these lower revenues which would, in turn, lower the revenues further because the economy would do still less well and you would get yourself into a downward spiral that would not be good.

Mr. CURTIS. I fully appreciate the theory of those who advocate deficit financing. I happen to disagree with them, but I wanted to get it on the record that that was the theory of this administration.

We had a discussion on this in fiscal 1962, and I asked you at that time if it was the policy of the administration to have a balanced budget in years of prosperity.

You made the remark, and I thought it was appropriate, that there was a lag in collection of revenues from the upturn, and, therefore, I was a little premature in my suggestion that the balance should start in fiscal 1962.

Fiscal 1962 was a more prosperous year than fiscal 1961, and fiscal 1961—each one broke records. Fiscal 1960 broke records, fiscal 1961 broke the records, fiscal 1962 broke the record, fiscal 1963 obviously is going to break the record.

So the question then comes: Does this administration adhere to the economic and fiscal philosophy that a budget should be balanced over a business cycle?

Secretary DILLON. I think we do very definitely. Talking about records, fiscal 1961 and fiscal 1962 in particular—I suppose you may be referring to annual gross national product figures, and they are correct—but everybody knows that in those years we went through a recession which was very real to millions of people who were unemployed, and it was not a period, neither of those years, of prosperity.

Mr. CURTIS. Your last statement was what, neither of those periods were prosperity?

Secretary DILLON. Reflected prosperity. What you just said. You said the remark was appropriate that I made last year.

Mr. CURTIS. I said it was appropriate. I did not say I agreed with it.

Secretary DILLON. I assumed that is what you meant.

Mr. CURTIS. No, no.

Secretary DILLON. I was hopeful.

Mr. CURTIS. I am sorry to dash your hopes on that. No, I thought it was a very appropriate remark and a matter that should be weighed, a respectable argument. No, I disagree with you for other reasons. But I thought it did pertain and was a way of bolstering a theory which I think is unsound, a theory of deficit financing.

At one time the theory was to balance the budget annually. Then came along this theory where you do not have to have annual balances, as long as you will balance over a period of the cycle and you recoup the deficit that you spent in your recession years in your years of prosperity.

Yours was a sort of addendum to that theory, as I interpreted it. Now I am pursuing that further.

As I gather, the argument now becomes that if in a particular year, even though the net makes it a prosperous year because it breaks other records, if it then has incurred a downturn, then this theory of a balanced budget over the cycle does not apply.

Secretary Dillon. The whole problem comes down to what one's definition is of "prosperity."

Mr. Curtis. That is right.

Secretary Dillon. "Prosperity," I think, is defined and looked upon by the President as a period in which we are operating near enough to capacity so that our employment situation will be at or very near full employment which, at least for the initial purposes, has been fixed at a 4-percent unemployment rate.

We are nowhere near that yet, although our situation is still improving month by month. But we still have over 5 percent unemployed. We are hopeful that we can get to such an era. If we did get to such a time, a time of full employment, good employment, our budget should be balanced.

Actually, the expenditure estimates, the budget estimates, which were based on a balanced budget, and which are based on the revenues that would come in in this calendar year as a result of the economic situation in this calendar year, were more conservative than that because they assumed a balance at a time when unemployment was not supposed to be anywhere near 4 percent.

We had originally expected it would be down, maybe, to 4½ percent now or 4¾ percent, and it would not get to 4 percent until the end of the fiscal year, a year from now. So we were expecting balance there. In the year when 4-percent unemployment ran throughout the year, we would expect a surplus of $5, $6, $7 billion—a very substantial surplus.

Mr. Curtis. What you are getting at is the gross national product is no longer your criteria of what is a prosperous year. That is what you are saying. Now you are using the unemployment statistics as a criterion of whether you have prosperity.

That is a strange shift.

Secretary Dillon. No, I would say gross national product is a criterion, if you take the actual gross national product and measure it against the potential gross national product operating at reasonably full capacity and reasonably full employment.

Even though our gross national product may go up year by year, if you are operating way below capacity, with many unemployed, I do not think that would be a time of great prosperity.

Mr. Curtis. Mr. Secretary, there are people who actually openly advocate a theory of deficit financing and do not go through this kind of reasoning to try to cling to what they call the old shibboleth. You still would cling to the old shibboleth, however, that a balanced budget over cycles is still a desirable thing and you think that is the administration's policy?

Secretary Dillon. Yes, assuming that any time you have a cycle with adequately full employment; that is right. Do not consider it a whole cycle if we never get to full employment. If we continue along the way we have been for the last few years, carrying many unemployed on our rolls, we are continually in the bottom part of the cycle.

Mr. Curtis. I am always interested in new economic theories, and this is a new one. I do not know whether we can base the public policy on it, but at least if that is the administration's fiscal and economic policy it justifies the term "new" in the New Frontier.

On that basis, then, I think that we in this committee in our recommendations to the Congress can say if the economy does not move forward, and this, incidentally, measured by gross national product, to the $570 billion figure, that there will be a deficit, and perhaps it could be substantial.

Part of this deficit financing theory would be not only would they not cut back on the present expenditure rates, but the President would increase the expenditure rate as witness the quotation from Dr. Heller, who made the expenditure in the fourth quarter, I took it as calendar year of 1962, to be $10 billion more than the last quarter of 1961.

Is that a fair statement of the administration's economic and fiscal policy?

Secretary Dillon. I think it is a fair statement that if the $570 billion GNP is not achieved, there will be a deficit because of shortfall in revenues.

Mr. Curtis. I was addressing my point to the expenditure side.

Secretary Dillon. On the expenditure side, certainly just because there is a shortfall in revenues it is not a reason whereby the President would have any desire to thereby automatically increase expenditures.

Mr. Curtis. He would not?

Secretary Dillon. No, he would not. He would, however, if there was substantial unemployment, if that got worse.

Mr. Curtis. There is substantial unemployment now.

Secretary Dillon. I say if it got worse. If it was not continually improving then it might be clear that there was need for further action.

That is the type of action that was just approved by the Senate in approving one of his counterrecession bills.

Mr. Curtis. And Secretary Hodges, because of the stock market situation, recommended that a tax cut be implemented. Is that administration's policy or is that the Secretary's?

Secretary Dillon. No, I think that Secretary Hodges made it clear that was his personal feeling.

Mr. Curtis. You are not advocating that, as I understand it?

Secretary Dillon. Not at this time, no.

Mr. Curtis. You say "not at this time." Projecting a leveling off of our economy, would you recommend such a thing?

Secretary Dillon. What Secretary Hodges recommended was that there be a tax cut by September, or at least he thought there ought to be consideration given to it, and I said that was not what I was recommending. We do have under consideration, as you know, a bill that we have said we will forward as soon as it is ready—we hope later this session for consideration next year—which will revise the income tax rate structure from top to bottom. We have also tried to broaden the base to bring in some additional revenue that way. I do not want to say anything that will indicate that we are not proceeding with that, because we are proceeding with it very directly.

Mr. Curtis. That is tax reform rather than doing something for economic impact?

Secretary Dillon. That is tax reform. For economic impact, the President has sent to the Congress a proposal to have the flexible authority to reduce income taxes for a temporary period and for a fixed amount at such times as a recession might make it appear that this was desirable.

The essence of that suggestion is not, as many of the critics have said, a desire by the President to have a lot of additional authority himself. It is merely a desire to have some system set up whereby rapid action in this way could be taken for a brief, defined, temporary period.

I think that is better than an increase in expenditure, which is the other theory. I think the increase in the expenditure takes too long.

Mr. Curtis. He wants to do both, though; is that right?

Secretary Dillon. Well, he has asked for certain authority on the expenditure side, too. But personally, I feel, and I think with the amount of funds involved, the tax procedure is much more rapid, would be much more effective and is much more important. But the method by which that is carried out is immaterial, as long as a method is devised to make it rapid and immediate, so that it can be used at the right time and not 3 months after the right time, although it is very difficult to figure out a way to do that without some limited delegation of authority to the President by the Congress.

Mr. Curtis. It is your opinion definitely that we are not in a recession now?

Secretary Dillon. No. We are talking economic philosophy; it has nothing to do with the situation now.

Mr. Curtis. What would you call the period we are in now?

Secretary Dillon. I would call the period we are in now a period in which we are moving toward full employment, a period of recovery. It is not a period of full prosperity.

I could not call it a period of full prosperity when we have well over 5 percent still unemployed, and when our Nation's plant is operating at maybe 10 percent below what the businessmen, themselves, say is the operating capacity they like to operate at.

Mr. Curtis. So the definition now, as I understand it, of this fiscal and economic policy is that we only have balanced budgets in times of full prosperity, whatever full means, not just prosperity measured by GNP?

Secretary Dillon. No, that is not quite correct. In the time of full employment, we would feel that at that time, because of the pressure of demand on the economy, it would be essential and wise to have a very substantial budget surplus, $5 to $10 billion.

Mr. Curtis. In other words, you relate it, and I am beginning to get some logic out in the open, to the employment and unemployment figures?

Secretary Dillon. You could just as well relate it to the capacity operation of business. But those are two things that go close together.

Mr. Curtis. I can see that the work we are doing in economic statistics in the Joint Economic Committee in digging into how we measure unemployment is a very vital thing.

Secretary Dillon. I would agree with you. I think that is one of the most important things you can do.

Mr. Curtis. I happen to think so, too, because I think our tools are the best in the world but they are not good enough to base policy on.

Secretary Dillon. Anything you can do to improve that would be very helpful.

Mr. Curtis. Now, one other point.

In executive session, I believe you gave us a figure, or maybe it was Mr. Bell, that for every $4 billion of gross national product, we have about $1 billion of revenue. Is that a good formula?

Secretary Dillon. For every what?

Mr. Curtis. For every $4 billion of gross national product increase we can anticipate about $1 billion additional revenue?

Secretary Dillon. That is roughly the Treasury's experience.

Mr. Curtis. In other words, if we lost $10 billion, if we did not reach 570 and got to 560, we would be shy about $2½ billion of anticipated revenue.

I just wanted to get that formula.

Secretary Dillon. That is the way it usually works. It is not exact, but that is a rough way of measuring income.

Mr. Curtis. I have just a couple of items on debt management.

As I understand it, we will have to refinance about $74 billion of bonds in fiscal 1963, or is that calendar 1963? I had those figures somewhere.

Secretary DILLON. We sent that forward to the committee. Maturing in fiscal 1963, yes; roughly $75 billion, $74.832 billion.

Mr. CURTIS. Does that include the bonds, the new bonds, that you would be marketing if we granted this additional debt?

Secretary DILLON. No. This is just the refunding. What would happen during the year is that you would have to sell an additional amount of bonds, say it is $11 billion or $8 billion, whatever the figure, in the first half of the year and then pay them off in the second half so that at the end of the year they would not be outstanding. But during the year it would go up and then come down.

Mr. CURTIS. I was just trying to see the impact on our investment market, how much we would be hitting the investment market.

Secretary DILLON. In the last few years, the figure of the extra financing on the market that the Treasury has had to do in the second half of the calendar year, the first half of the fiscal year, has generally been considered to be about $10 billion.

Our figure for this year, with a slightly larger budget, is $11 billion.

Mr. CURTIS. What did we have to refinance in fiscal 1962, then?

Secretary DILLON. To refinance? I would have to give you that figure. I do not have it here. But we had the $10 billion gap of the same type in July–December.

(The information requested is as follows:)

*"Volume of financing, semiannually, fiscal years 1957–62*

"[In billions of dollars]

| Fiscal year | Issues for new money | Refinancing | | Total financing [1] |
|---|---|---|---|---|
| | | Maturing issues [1] | Advance refunding | |
| 1957: | | | | |
| July to December | 7.6 | 20.6 | -------- | 28.2 |
| January to June | 6.0 | 16.2 | -------- | 22.2 |
| 1958: | | | | |
| July to December | 10.6 | 32.7 | -------- | 43.3 |
| January to June | 7.0 | 24.6 | -------- | 31.5 |
| 1959: | | | | |
| July to December | 12.1 | 25.3 | -------- | 37.4 |
| January to June | 12.0 | 16.1 | -------- | 28.1 |
| 1960: | | | | |
| July to December | 12.9 | 24.5 | -------- | 37.5 |
| January to June | 5.0 | 20.4 | 4.2 | 29.6 |
| 1961: | | | | |
| July to December | 7.0 | 22.4 | 4.0 | 33.4 |
| January to June | 5.2 | 18.2 | 6.0 | 29.4 |
| 1962: | | | | |
| July to December | 10.5 | 21.7 | 3.8 | 36.0 |
| January to June [2] | 6.4 | 25.8 | 5.2 | 37.4 |

"[1] Excludes rollover of regular weekly bill maturities.

"[2] Includes increases in regular weekly bills announced through May 1962.

"NOTE.—Figures may not add to totals due to rounding.

"Source: Office of the Secretary of the Treasury, Office of Debt Analysis."

Mr. CURTIS. I am just trying to figure out what our rollover is. My next question will be, What is our average maturity date now on our debt?

Secretary DILLON. The average maturity date now has been somewhat longer than it has been recently because of the results of the advance refunding where we have succeeded in placing substantial quantities out on a very long term. That has increased the average maturity somewhat. I think it is about 4 years, 9 months.

Mr. CURTIS. And it had been about 4 years?

Secretary DILLON. It got down to about 4½ years.

Mr. CURTIS. If you have tables on maturities going back, maybe, 5 years, I think they would be helpful.

Secretary DILLON. We have a table showing the average maturity of the public debt going back 5 years. We can easily put that in. It is 4 years, 10 months, right now.

Mr. CURTIS. Four years, ten, right now?

Secretary DILLON. Yes.

(The information requested is as follows:)

*"Maturity distribution and average length of the marketable interest-bearing public debt* [1]

"[Billions of dollars]

| End of month | Amount outstanding | Maturity classes | | | | | Average length | |
|---|---|---|---|---|---|---|---|---|
| | | Within 1 year | 1 to 5 years | 5 to 10 years | 10 to 20 years | 20 years and over | Years | Months |
| June: | | | | | | | | |
| 1957 | 155.7 | 72.0 | 40.7 | 12.3 | 26.4 | 4.3 | 4 | 9 |
| 1958 | 166.7 | 67.8 | 42.6 | 21.5 | 27.7 | 7.2 | 5 | 3 |
| 1959 | 178.0 | 73.0 | 58.3 | 17.1 | 21.6 | 8.1 | 4 | 7 |
| 1960 | 183.8 | 70.5 | 72.8 | 20.2 | 12.6 | 7.7 | 4 | 4 |
| 1961 | 187.1 | 81.1 | 58.4 | 26.4 | 10.2 | 11.0 | 4 | 6 |
| 1961—July | 191.3 | 85.2 | 58.4 | 26.4 | 10.2 | 11.0 | 4 | 4 |
| August | 191.1 | 80.7 | 63.6 | 25.7 | 10.2 | 11.0 | 4 | 5 |
| September | 191.9 | 81.3 | 63.7 | 21.9 | 11.5 | 13.4 | 4 | 8 |
| October | 195.2 | 82.6 | 65.8 | 21.9 | 11.5 | 13.4 | 4 | 7 |
| November | 195.6 | 83.6 | 67.1 | 19.5 | 12.0 | 13.4 | 4 | 8 |
| December | 196.0 | 85.9 | 64.9 | 19.8 | 12.0 | 13.4 | 4 | 7 |
| 1962—January | 197.6 | 86.4 | 64.9 | 20.9 | 12.0 | 13.4 | 4 | 6 |
| February | 197.6 | 88.4 | 62.9 | 20.9 | 12.0 | 13.4 | 4 | 7 |
| March | 196.5 | 87.2 | 59.7 | 23.7 | 10.7 | 15.2 | 4 | 11 |
| April | 198.1 | 88.1 | 59.2 | 25.0 | 10.7 | 15.2 | 4 | 10 |

"[1] Partially tax-exempt bond classified to earliest call date.

"NOTE.—Dollar figures may not add to totals due to rounding.

"Source: Office of the Secretary of the Treasury, Office of Debt Analysis."

Mr. CURTIS. I wanted to get, also, the average interest rate we are now paying. Do you have that, offhand?

Secretary DILLON. Offhand, I think average cost is about 3.2 percent, but we can furnish it exactly for the record.

Mr. CURTIS. And that average interest rate has been going up; has it not?

Can you give us a table on that?

Secretary DILLON. I will give you a table on that. It went up rapidly and reached a peak in 1959–60. Then it came down after that. Now it probably will inch up again as we gradually refinance and pay off these 2½-percent and 2¼-percent bonds that were issued during the war. There is an issue of those that was to come due the middle of June this year that we refunded. The balance will be paid off and then they are gone. There is another one in December. So they have to be replaced by higher interest cost issues. That automatically increases the average.

Mr. CURTIS. What will be the budget impact on this increased interest cost for fiscal 1963? That is estimated, I guess.

Secretary DILLON. It is estimated in the budget. We do take account of this in our estimates.

Mr. CURTIS. You do take account?

Secretary DILLON. Yes.

Mr. CURTIS. Your estimates of interest rates have been within reason?

Secretary DILLON. They have been within reason.

Mr. CURTIS. And if you would in this table, just go back 5 years, it would help, I think, to break down the interest rate on long term and short term.

Secretary DILLON. I will be glad to do that.

(The information requested is as follows:)

*"Computed average interest rate on Federal securities*

| End of month | Total interest-bearing debt [1] | Public debt | | | | | | Guaranteed securities [3] |
|---|---|---|---|---|---|---|---|---|
| | | Marketable issues | | | | Nonmarketable issues | Special issues | |
| | | Bills [2] | Certificates | Notes | Bonds | | | |
| | *Percent* | *Percent* | *Percent* | *Percent* | *Percent* | *Percent* | *Percent* | *Percent* |
| June: | | | | | | | | |
| 1957 | 2.73 | 3.20 | 3.34 | 2.50 | 2.48 | 2.85 | 2.64 | 2.61 |
| 1958 | 2.64 | 1.03 | 3.33 | 2.81 | 2.58 | 2.89 | 2.63 | 2.62 |
| 1959 | 2.87 | 3.32 | 2.84 | 3.30 | 2.62 | 2.92 | 2.69 | 2.63 |
| 1960 | 3.30 | 3.82 | 4.72 | 4.06 | 2.64 | 3.22 | 2.77 | 2.68 |
| 1961 | 3.07 | 2.58 | 3.07 | 3.70 | 2.83 | 3.33 | 2.80 | 3.14 |
| 1961—July | 3.06 | 2.56 | 3.07 | 3.70 | 2.83 | 3.33 | 2.81 | 3.16 |
| August | 3.08 | 2.58 | 3.00 | 3.66 | 2.84 | 3.33 | 2.84 | 3.16 |
| September | 3.10 | 2.60 | 3.00 | 3.66 | 2.89 | 3.33 | 2.83 | 3.21 |
| October | 3.10 | 2.63 | 3.00 | 3.64 | 2.89 | 3.34 | 2.82 | 3.29 |
| November | 3.12 | 2.65 | 3.00 | 3.62 | 2.96 | 3.34 | 2.82 | 3.32 |
| December | 3.14 | 2.70 | 3.00 | 3.61 | 2.97 | 3.35 | 2.82 | 3.33 |
| 1962—January | 3.16 | 2.81 | 3.00 | 3.61 | 2.98 | 3.35 | 2.82 | 3.36 |
| February | 3.18 | 2.86 | 3.28 | 3.70 | 2.98 | 3.36 | 2.84 | 3.39 |
| March | 3.21 | 2.92 | 3.28 | 3.69 | 3.05 | 3.36 | 2.84 | 3.42 |
| April | 3.22 | 2.93 | 3.28 | 3.69 | 3.06 | 3.37 | 2.85 | 3.46 |

"[1] Total direct and guaranteed debt.

"[2] Based on discount value at offering prices.

"[3] Held outside the Treasury.

"Source: Office of the Secretary of the Treasury, Office of Debt Analysis."

Mr. CURTIS. Thank you, Mr. Chairman.

Mr. KARSTEN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Chairman, I urge support for the pending bill, as reported. It is clear that this position requires defending the committee bill against the attack of those who would not pass a debt ceiling increase at all and against the attack of those who will urge the alternative $306 billion ceiling for the seasonal peak.

On the first issue of whether or not we should have the debt ceiling bill, I will note that the usual opposition to debt ceiling increases in the past has been put in the terms that it is finally time for the Congress to put down its foot and stop deficit financing.

This is what the committee bill does. It serves effectively to achieve the objective of a debt limit. So far as the operations for the entire fiscal year are concerned, the Ways and Means Committee bill does not provide borrowing authority to cover a significant deficit. It requires that the debt before the end of the fiscal year be in the same order of magnitude as it is at present—that would be something under $300 billion.

Throughout the previous administration, it was the practice to provide a debt limit bill adequate to cover the debt during the peak of the seasonal need in the winter months and to provide that the limit would stay at that level through the end of the year.

This always provided sufficient borrowing authority for the administration to end the year with a larger than expected budgetary deficit. The committee, however, for the first time in the history of public debt limit legislation, has designed a bill which meets the seasonal borrowing need without providing extra borrowing authority to cover at the end of the year an unanticipated deficit. This is precisely what the opponents of deficit financing have been telling us for years that they wanted done. The committee bill does this. It is a bill that impels the administration to strive for budgetary balance for the fiscal year 1963.

The minority members of the Committee on Ways and Means have recognized that basically this provision is sound and in fact something of this magnitude is necessary. However, they have come up with a proposal which basically requires that some of the seasonal variations in Government receipts should simply disappear.

In a desperate effort to find a different bill they have offered the proposal that we make a smaller provision by $2 billion for the seasonal borrowing need, but they want the debt limit by the end of the year to be precisely where it would be under the committee bill.

Understand this clearly: The substitute is not a bill for reducing Government expenditures. It is a bill for juggling Government expenditures. By this time next year, it involves exactly as much borrowing authority as the committee bill.

To make this point very clear, notice that the simplest way by which the Treasury could comply with the debt ceiling provided under the substitute would be to postpone payment of some bills during the winter months. The language of the substitute invites precisely this. It says that we do not care to reduce your expenditures for the fiscal year but we do want to change the timing.

On the basis of prior experience with these matters, the preferred technique for dealing with a tight debt ceiling is to borrow through Government corporations where the debt will be outside of the statutory debt ceiling and where it will be at an interest rate approximately 1 point higher. The substitute, on its own face, invites the Treasury to do precisely what former Secretary of the Treasury Humphrey and former Secretary of the Treasury Anderson have done in similar situations. The substitute simply requires the administration to tinker with the seasonal peak which can most readily be done by selling short-term notes through a Government corporation such as the Commodity Credit Corporation or the Federal National Mortgage Association.

Your committee, as I have pointed out, has developed a sound debt limit provision which, taken for the fiscal year as a whole, meets the historic role of a debt ceiling which does not provide authority for deficit financing. The committee bill deals with the seasonal problem in a pragmatic way, that does not make the provision for seasonal needs available to finance a large annual deficit. This is basically a conservative provision for the present financial situation.

Mr. Chairman, I am reminded today of a day in August of 1941, when 202 Members of this body with the same or a similar degree of application to duty, of devotion to country, and of courage as possessed by the opponents of your committee's bill, voted against the extension of the draft. Fortunately for the country, 203 Members with perhaps a lesser degree of application, devotion, and courage, voted for that bill. It is with vicarious pride that I recall that a New York Member, Arthur G. Klein, sworn in on that day, was among the 203.

No one then could have foretold the events of the following December. No one today can foretell with certainty the economic road that lies ahead. We may all hope that it will be broad, high, and smooth. We may even hope that that road will be such that the opponents of your committee's bill, if defeated today, may be proved to be right, but I shudder to contemplate the effect of their success today, should they be proved in the future to be wrong. So to our devoted and courageous and, I may say, congenial opponents we should today give our plaudits, but to the pending bill we should, must, and I am confident will, give our overwhelming support.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, it is my intention today to vote against the request for a debt ceiling of $308 billion and to support the proposal of the minority for a limitation of $306 billion.

I have tried to analyze the situation as objectively as I can, and it is my considered opinion this is the proper and sound approach. It might be well to add at this point that over the years I have consistently supported every debt limitation increase. I should add that when we considered a previous request this year I forewarned the administration that as far as I was concerned this was the last time.

Mr. Chairman, it might be helpful to take a look at two documents. Here is the fiscal 1962 budget as submitted on January 16, 1961, by former President Eisenhower. In this budget document he requested new obligational authority to a total of $80,867 million.

I now have in my hand the budget submitted on January 18, 1962, by President Kennedy, 1 year and 2 days later than the document I previously referred to.

The Kennedy budget for fiscal 1963 calls for new obligational authority to the extent of $99,303 million. So we have two documents; one by the previous administration and one by the present administration, submitted to the Congress and to the public 367 days apart.

The difference in new obligational authority is $18,436 million. That is a fairly sizable increase in a request for new obligating authority in a period of 12 months and 2 days.

Some of our colleagues might mistakenly say this substantial increase can be related to defense programs increased by this administration.

May I set the record straight? The increase in new obligating authority shows that the Kennedy fiscal 1963 budget over the Eisenhower fiscal 1962 budget for national defense programs was $8,300 million, a 19.8-percent increase.

Another substantial increase in the Kennedy program over the last Eisenhower budget is in the Department of Agriculture, $917 million, a 16.65-percent increase in new obligating authority. The Department of Health, Education, and Welfare shows a very substantial increase in the Kennedy program over the Eisenhower program in this 12-month-and-2-day period of $2,252 million for a 55.9-percent increase.

Let us take interest on the national debt. The Eisenhower program called for interest of $8.5 billion; the Kennedy program 12 months and 2 days later, $9.3 billion, or an $800 million increase in interest to be paid on our national debt.

Now let us turn to another rather significant difference in these two documents. If you look at them, they do not look much different. The Kennedy budget document for fiscal 1963 has 1,157 pages; the Eisenhower document, 1,023 pages. But, the Kennedy document calls for over $11.6 billion increase in spending. That is a fairly significant difference.

If you look at the Eisenhower budget document that was submitted in January of 1961, it called for total expenditures in fiscal 1962 of $80,865 million. The Kennedy budget for fiscal 1963, which I now have in my hand, which was submitted in January of 1962, calls for expenditures of $92,537 million. The Kennedy expenditure program shows an increase of $11,672 million, of which only $5,390 million is related to increase in expenditures for the military functions of the Defense Department. The Kennedy fiscal 1963 program calls for an increase of $1,178 million in expenditures for the Department of Health, Education, and Welfare. Department of Agriculture expenditures increased under the Kennedy budget over the Eisenhower budget by $927 million, and the interest on the public debt, expenditurewise, increased $800 million.

Now, it seems to me that this Congress in this session has certain very specific responsibilities, particularly those of us who intend to vote for a $306 billion figure or, if that fails, to vote against the $308 billion figure.

In this session of the Congress, the House of Representatives has reduced the President's appropriation requests, that is, new obligational authority, by $554 million, as it appears in the figures that come from the Committee on Appropriations, but because of a bookkeeping transaction in the Defense appropriation bill, you can add to that $514.5 million, so the net result is that, in the appropriation bills thus far, five regular ones and two supplementals, we have reduced new obligational authority by $1,068 million, and we still have seven regular appropriation bills to consider.

It is my considered judgment that if we show the kind of fortitude that is required, we can reduce new obligational authority by over $2 billion for fiscal 1963.

Mr. Chairman, on what basis can I make that forecast? History has a way of repeating itself. In the 87th Congress, 1st session, we cut new obligational authority by $4.9 billion. In the 2d session of the 86th Congress, $211 million; 86th Congress, 1st session, $1.8 billion; 2d session of the 85th Congress, $617 million; and the 1st session of the 85th Congress, $5,043 million.

Mr. Chairman, it is my strong belief that we can cut in new obligational authority at least $2 billion, and probably more. All of us know that in any budget document a President make a recommendation for new programs requiring new legislation, and he also forecasts the new obligational authority that is requested, as well as the new expenditure authority if these basic laws are enacted. President Kennedy did that in the fiscal 1963 budget submission. If we do not pass legislation requested by President Kennedy in about seven areas, we can eliminate the need for new obligational authority to the extent of $1,134 million. That is, if we do not pass some of the legislation which the President has requested to authorize these programs. Permit me to itemize it for you: General aid to education, $600 million; improvement in education quality, $120 million; medical education assistance, $34.4 million; adult literacy program, $5.4 million; Federal aid to the arts, $100,000; youth employment opportunity, $75 million, and the U.N. bond issue, $100 million.

Mr. Chairman, if we want to look at it from the expenditure point of view, we, in fiscal 1963, by not enacting these measures that I have indicated, can actually cut down expenditures by $302.4 million. So, whether one looks at it from an appropriations or expenditures point of view, we can do a job in the Congress to make this administration live within the $306 billion debt limitation.

Mr. Chairman, may I add a word of caution? The President, as you know, did not budget any funds for Federal pay increase legislation in the first 6 months of fiscal 1963. Now, all of us ought to take a good, hard look at this specific problem, because if we intend to vote for a pay increase that commences July 1, we will by our own action have a very serious impact on the expenditure program in the first 6 months of the next fiscal year. I am just reminding the membership of the House that we ought to take a hard look at this particular problem, because the President in this specific area is trying to be responsible. Some of my colleagues, based upon some of the bills which I have read and which have been introduced, I do not think are being responsible.

Let me now turn to a question that the chairman of the Committee on Ways and Means raised.

I am sorry I cannot quote specifically what the gentleman from Arkansas [Mr. MILLS] said, but I believe the gentleman intended to say this, and if I am wrong I hope the gentleman will correct me: He inferred that if there was a way that the agencies could reduce their expenditures in the next fiscal year to live within a lower debt limitation, he would favor any figure lower than $308 billion. I believe that is in substance what the gentleman said. Apparently the Department of Defense feels that if it tightens the fiscal screws it can make some decrease in expenditures in the first 6 months of fiscal 1963 or, perhaps, during the whole of the fiscal year.

Mr. Chairman, I say this because I am told by very reliable authority that the Secretary of Defense has contacted one or maybe more Members in the House of Representatives, saying that unless the limitation is $308 billion there may have to be some curtailments in the Department of Defense. Let me make it clear, I do not object to the Secretary of Defense discussing this problem with Members of the Congress.

The Secretary of Defense himself has the responsibility if he desires to discuss this kind of a problem with Members of Congress.

I am bothered, however, that apparently no other agency of the Federal Government has indicated under any circumstances that it can cut back its expenditures in fiscal 1963. I believe that if the Department of Defense, through the Secretary of Defense, says they can and may have to reduce expenditures, other agencies of the Federal Government can do so, likewise. This is where I think the finger or pressure for economy should be put.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The whole point of limiting the reduction that is proposed in the substitute that I shall offer from $8 to $6 billion, limiting it to a $2 billion reduction rather than a larger one, is that it will avoid the necessity of cutting defense expenditures contemplated for the fiscal year 1963.

The gentleman has mentioned to me previously that he has received a call from some defense contractors saying that the Department of Defense advised them that their contracts may be in jeopardy if Congress does not approve a $308 billion debt ceiling. I have had any number of Members of Congress come to me and say that they have received the same information from contractors in their districts. I say to the gentleman that to me it smacks of blackmail, when the Department of Defense or the administration threatens contractors, saying that their contracts may be cut back or cut out unless Congress approves a ceiling of $308 billion. We can prove right here and now that they do not need $308 billion in order to keep those defense contracts going.

Mr. FORD. Mr. Chairman, may I relate an incident that happened to me personally, and I intend to mention names. I returned yesterday afternoon to my office about 5 o'clock, from a subcommittee hearing on foreign aid appropriations. There was a note from my staff indicating that Mr. Wally Edwards, the Chrysler Corp. representative in Washington, wanted me to call him. I returned his call. He said that earlier in the day—this was yesterday—he had received a call from Mr. Ron Linton who works for the Department of Defense. Mr. Linton allegedly had said to Mr. Edwards, "Can you find out how the Republicans in the House from Michigan are going to vote on the $308 billion debt limitation proposal?" And he said, "If they do not vote for the $308 billion, defense contracts in Michigan may be curtailed."

And he also said to Mr. Edwards, "The missile B program in which your corporation, Chrysler, is interested, could be in jeopardy."

Mr. Edwards, who is a very fine, straightforward individual, having been requested by an official of the Department of Defense to call me, did call me and inquired what we Republicans from Michigan were going to do about the administration's request for a $308 billion debt ceiling.

I know Mr. Edwards is an honest, frank person who was only doing what had been requested by an official of the Department of Defense. I gave him a very firm answer. I said, "I hope this won't embarrass you. I hope and trust it will not embarrass your corporation in its bona fide effort to compete in competitive bidding for defense contracts; but I want you to know that the House Republicans in Michigan are going to vote unanimously against a $308 billion figure. The Republicans in Michigan are not going to be blackmailed by this kind of an approach from the Department of Defense." It would be reprehensible for Mr. Edwards or the Chrysler Corp. to be penalized by my disclosure of the above information. In the public interest this had to be revealed and I will do all I can to protect either or both from subsequent discrimination.

Mr. RIEHLMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. RIEHLMAN. I have served for 16 years in the House of Representatives and I have heard recently something of the pressure that is being put on the majority side of the House to follow the President's programs. But never before as a Member of this House have I been approached by someone who represents industry, saying to me in substance, "If you don't support the increase in the debt limit, one of the industries in your own district is liable to have its contract cut back. Therefore, the gentleman from New York [Mr. RIEHLMAN], you bear the responsibility of people being laid off and a large contract in your district being cut down."

This is firsthand blackmail coming, I say, and I stand corrected if I am wrong, from the administration down through the Defense Department, and I abhor it.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I appreciate the gentleman from Michigan's bringing this matter to the attention of the House. I believe it is a very serious matter. It is obvious to us already that the New Frontier is set. I have been reading the campaign speeches of Candidate Kennedy, and it is rather amazing to try to compare what he said on the campaign trail with the performances of his administration. I find that at page 890 of this official document he said:

> We will seek a balanced budget over the years of our administration, seeking a budget surplus in good years as a brake on inflation.

Obviously the New Frontier does not plan on having any good years, because there will be no surpluses at any time during this administration.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. CURTIS of Missouri. I was in a conference yesterday afternoon where a businessman told me that he had been told to contact a Congressman to peddle this same operation. I said, "If you can tell me who the man in the Defense Department was who said they would cut defense expenditures, and had to, I would tell him to his face that he was a liar." Let me say this to my friends on the other side of the aisle, this issue has gone way beyond the debt limitation or anything else. The whole theory of representative government is at stake when we have an Executive who does things of this nature.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. KNOX. I want to congratulate the gentleman from Michigan [Mr. FORD] on being forthright in bringing to the attention of this House the efforts of the administration to pressure the Republican Members from Michigan. I am amazed and appalled to believe that those who are in the administration would use the type of blackmailing they are attempting to use on Michigan. Michigan is one of the prime States as far as defense contracts are concerned. We have the ability, the knowledge, the technology, and the know-how to produce those things that are required for the defense of this Nation.

Now, I want to say this. Michigan has always been on a competitive basis, and there is no reason for any discrimination. What are we? Have we become foreigners in Michigan, that the administration is going to set us aside unless we yield to their will and whims and the blackjack which they are going to use? I am convinced more than ever now that I will never vote for any $308 billion, and if the Department of Defense is trying to take away from the State of Michigan these contracts which the State of Michigan industrial groups are entitled to because they have the low bidders, then the Department and the administration must answer for that.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. BECKER. I would like to say to the gentleman I am very happy that he brought this out because, until he did bring it out on the floor, I thought maybe I was the only one contacted by a defense contractor. I received a telephone call yesterday, and a veiled threat to the effect that I had better get busy and go along with this. I am amazed. I feel somewhat dirty by this type of operation that, as a Member of the House of Representatives, defense contractors are being called by the Department of Defense. Now, I do not have a defense contractor in my district, but I have plenty of them surrounding my district. They have done a good job—but to use this type of tactics to get me and to bring me in line to vote for an increase in the national debt, something that I have voted against for the last 3 or 4 years in order to try to bring about some kind of fiscal responsibility. I said to the gentleman who called me yesterday, I will not only vote against $308 billion, I will vote against $306 billion also, to keep the national debt where it is and stop the kind of fiscal irresponsibility that is going on.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SEELY-BROWN. The gentleman from Michigan who is addressing the House is a ranking member of the Department of Defense Subcommittee on Appropriations. That is correct, is it not?

Mr. FORD. That is correct.

Mr. SEELY-BROWN. If the figure is cut from $308 to $306 billion, can the gentleman give us the assurance that that $306 billion limit will in fact make it possible for the Department of Defense to carry forward its programs without any necessary cutbacks?

Mr. FORD. I can assure the gentleman from Connecticut that the limitation of $306 billion will permit the Department of Defense to carry on the programs contained in the fiscal 1963 budget providing this administration makes an honest, conscientious effort to cut back and to hold down nondefense and nonessential expenditures. The President himself last October 26, 1961, called upon his agencies to do that in the remaining days of fiscal 1962, and allegedly—and I say "allegedly"—they did. From that time on to June 30 of this year they allegedly saved $1.1 billion. If they have this advance notice before the beginning of the next fiscal year, and we can give it to them by giving them the $306 billion figure, they can save, I am sure, in the nondefense areas at least $2 billion and they can live within the $306 billion figure.

Mr. SEELY-BROWN. Has any additional defense program been brought to your attention recently which would require them to go from $306 to $308 billion?

Mr. FORD. I know of no significant change in the defense program that would require an increase from $306 to $308 billion.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. CRAMER. I was amazed to also hear that so many others of my colleagues received calls. I had two gentlemen visit my office yesterday, representatives in Washington of an industry in Florida. After rather lengthy discussion about other matters of comparative unimportance I was shocked when I was confronted with a bold threat coming from the Department of Defense when they said to me, "Congressman, how are you going to vote on this debt increase?" I asked them, "What do you mean by that?" They said, "Well, we want you to know we just came from the Defense Department, and we were advised if the $308 billion debt ceiling is not voted affirmatively tomorrow that it is very likely that defense expenditures will have to be cut; and we are doing defense business in Florida, and we want you to know that we are fearful it is going to affect our contracts."

If that is not a threat—and there is nothing veiled about it—if that is not a threat to private enterprise and if that is not a threat to a Member of Congress, I have never heard one. I would suggest to the administration that they acknowledge the fact that there is such a thing as the separation of powers under the Constitution of the United States, and that the legislative branch is supposed to act independently of the executive.

We are not going to be beaten over the head with such threats.

Mr. FORD. May I conclude by saying that from July 1 of last year to June 7 of this year, according to a daily statement of the U.S. Treasury, defense expenditures had gone up $3.7 billion over the previous year. In the same timespan the total increase in Federal expenditures during this period for all purposes is $8.8 billion. Thus, the nondefense expenditures have been the cause of over 50 percent of the total Federal Government increase in expenditures whereas defense expenditure increases are slightly more than 40 percent responsible. I say to you that the best and most logical area in which to make reductions in expenses in fiscal year 1963 is the nondefense area.

Mr. RIEHLMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. RIEHLMAN. Mr. Chairman, I have heard and read much about the ruthless manner in which the President and his representatives have exerted pressure on Members of their own party to support the administration's legislative program. Well, I have now been subjected to the President's pressure lobbying tactics and I must say I have never experienced anything more flagrant or underhanded in the last 16 years.

Through the enormous power the President wields, he now has representatives of industry doing his dirty work for him. Can you imagine what a representative of a leading defense contractor and aircraft manufacturer would be doing in my office lobbying for passage of this debt limit increase? He was in my office because some individual in this power-happy administration had let his company know that if this debt limit increase was not passed the administration might find it necessary to cut back defense spending. If this happened it might be necessary to cut back one of his company's contracts, and it just so happened that a firm in Congressman RIEHLMAN's district was a subcontractor under this contract which might be cut back.

The implication, needless to say was quite clear. The President and his boys, apparently not having the guts to do this on their own, had some industry representative come around with this verbal blackjack in his hand and make it clear that I might just get him with a subcontract loss in my district if I did not play ball with the administration and work to pass the debt limit increase. This is lowdown, underhanded political blackmail if I have ever witnessed it.

I will tell the President of the United States and anyone else who cares to listen that I intend to vote against this bill, that I hope the bill is beaten, that if the President is throwing up a false smokescreen by tying defeat of this bill to a weakening of our national security it is most despicable and unworthy of a man in whom our people have placed their trust, and if the President of the United States really does intend to cut vital defense spending instead of carving the fat off his tremendous nondefense budget the blood of canceled contracts and weakened defense posture will be on his hands and not mine. I intend to vote my conscience and my convictions and I will not be blackjacked into doing otherwise by any man.

Although I have supported increases in the public debt limit in the past, I have about come to the end of the road. I see no end in sight to this upward spiral of Federal spending and borrowing. The budget for the coming fiscal year is up almost $3.5 billion over the present fiscal year, with nondefense expenditures accounting for roughly $2 billion of this amount. We hear talk that $100 billion and $125 billion budgets will be commonplace before too long. We read statements from administration sources that would have us believe deficit spending is a blessing and that the national debt will eventually be wiped out by the population explosion, or some such theory as that. If these are the New Frontier cliches which are to replace those ancient ones the President referred to earlier this week, I want no part of them.

I realize that the Treasury Department must have some flexibility in managing the debt and in countering the cyclical flow of revenues to meet the day-by-day expenses of the Government. The Government must pay its obligations. But I think this particular issue involves more than just this. It involves this seemingly endless spiral of spending and borrowing which permeates our fiscal policy. In my estimation the present administration is running unchecked with the public purse of the Nation well in hand. The purse was not stolen, my colleagues, we have given it away and must accept the responsibility. And unless we make a stand in favor of regaining our constitutional control over the public purse we will be faced with bigger budgets, bigger deficits, a bigger debt, and a constant limping up to Capitol Hill by administration spokesmen on this crutch known as "flexibility for the Treasury."

It is my contention that we must begin to draw the line. And I say we must start here by demanding of the administration some assurance that it will undertake—with a sense of purpose and sincerity—the task of getting this Nation back on the track of—pardon the cliche—fiscal responsibility. With some meaningful assurance that this deficit spending is going to cease, I think we will be in a much better position to evaluate this constant pressure to increase the statutory debt ceiling.

And when I say "meaningful assurance" I refer to something more solid than a budget which is balanced on paper but which our own Joint Committee on Internal Revenue Taxation estimates is already unbalanced in reality to the tune of $4.9 billion.

If need be, we must force some effort on the part of the administration to retrench its spending programs and to live within its revenues. There would be no better way to force what would most certainly be an agonizing, if not excruciating, reappraisal of spending policies than to keep the lid tightly clamped on the national debt.

And now I will go back and sit in my mythological fog, amongst the ancient cliches and wornout slogans, and hope to heaven this body will assert itself for the purpose of restoring some common sense to the conduct of our fiscal affairs.

Mr. SCHWENGEL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Chairman, I rise today with reluctance to oppose this move to raise the debt limit. Reluctant because I am not a member of the great Ways and Means Committee and because I am not a thorough student of high finance. But I have a strong feeling in my heart that we are making a great mistake in not finding other answers to the problem that we are trying to resolve with more money.

I have always opposed raising the debt limit because of the effect it has on inflation—the value of the dollar.

Mr. Chairman, the jurisdiction of the Ways and Means Committee, as spelled out in the Legislative Reorganization Act of 1946, includes: First, revenue measures generally; second, the bonded debt of the United States; third, the deposit of public money; fourth, customs, collection districts, and ports of entry and delivery; fifth, reciprocal trade agreements; sixth, transportation of dutiable goods; seventh, revenue measures relating to insular possessions; and eighth, national social security. All of those areas affect the economy of our country, but none greater than the question of bonded debt.

Ernest S. Griffith, formerly Director of the Legislative Reference Service of the Library of Congress, and now dean of the School of Internal Service, American University, has written in his book, "Congress: Its Contemporary Role," that the Ways and Means Committee, together with the Appropriations Committees and the Finance Committee, has "one of the few opportunities offered, organizationally speaking, to take an overall view of our national economy."

It is my humble opinion that the Ways and Means Committee has not assumed its full share of responsibility toward fiscal policy. They, in my opinion, are not sufficiently aware of its responsibility toward maintaining fiscal stability. I feel that the Ways and Means Committee should make use of this opportunity. I would suggest that the committee take another look, a new look, at the entire question of the national debt so that the picture of the overall effect of this action may be seen.

Mr. Chairman, I urge the House to reject the proposed so-called temporary increase in the debt limit of the United States, and to urge that the House consider a permanent program, a program of reducing the national debt. A first step in such a permanent program is set out in my debt reduction resolution, House Concurrent Resolution 167, introduced February 20, 1961.

Temporary increases in the debt limit are temporary only in the sense that each is one more, and not the last, step to authorize a continually rising debt. This way of life—this terrible practice on fiscal policy must stop before we ruin the last best hope of earth. The American way of freedom. In one recent year, 1957, we did not provide an extension of a temporary increase in the limit, but we failed at that time to take appropriate supporting action. The debt limit was allowed to return to its so-called permanent level in 1957, but expenditures and taxation programs were not adjusted appropriately, with the result that a slowdown in paying the Government's bills was enforced, probably triggering a slide of the economy into recession. A temporary surplus of receipts in fiscal 1957 was followed in the next year, fiscal 1958, by this Government's largest peacetime deficit. No such results will follow if we refuse now to raise the debt ceiling, and if we undertake a permanent program of debt reduction. We must set out a policy line which will make clear that the Government intends to operate more economically and to place more responsibility for the vigor of the economy on the productive private economic sector and on local and State levels of government.

A permanent program of debt reduction will return capital now tied up in Government securities, to the private economy system for productive investment. It will diminish the supply of Federal securities, raising their price and thus lowering the interest rates which the Government has to pay when it issues new securities to replace the maturing issues coming due throughout each year. The lower rate of interest on a smaller debt will cut down the second largest of all Federal expenditures, the interest on the public debt, thus reducing the total cost—original outlay plus interest—of all Federal budgetary programs. The tax dollar thus will become more efficient; it will buy more of useful services and construction, equipment and supplies; less of it will go to paying interest. As President Eisenhower said in his message on the budget for 1961, proposing a budget surplus to be applied to debt retirement:

> In my judgment this is the only sound course. Unless some amounts are applied to the reduction of debt in prosperous periods, we can expect an ever larger public debt if future emergencies or recessions again produce deficits. The corresponding reduction of the public debt will reduce Government competition with private industry, individuals, and State and local governments for investment funds and will help ease the pressure on interest rates.

Debt reduction will itself bring substantial economies; it will be achieved only if the Congress resolutely undertakes to operate the Government more economically. We must take to heart and embody in legislative action the words of President Lincoln, stating a fundamental guide for the Government:

> The tendency to undue expansion is unquestionably the chief difficulty. How to do something, and still not do too much, is the question. I would not borrow money. I am against an overwhelming, crushing system. Suppose that, at each session, Congress shall first determine how much money can, for that year, be spared for improvements; then apportion that sum to the most important objects. (Quoted in H. Doc. No. 211, 86th Cong., 1st sess., p. 14.)

A similar thought was expressed often by President Eisenhower. In his message on the budget for 1961, he said:

> I believe that the American people have made their wishes clear: The Federal Government should conduct its financial affairs with a high sense of responsibility, vigorously meeting the Nation's needs and opportunities within its proper sphere while at the same time exercising a prudent discipline in matters of borrowing and spending and in incurring liabilities for the future.

The necessity of retiring national debt has also been recognized by President Kennedy. For example, in his message outlining a program to restore momentum to the American economy—February 2, 1961—the President stated:

> This administration is pledged to a Federal revenue system that balances the budget over the years of the economic cycle—yielding surpluses for debt retirement in times of high employment that more than offset the deficits which accompany—and indeed help overcome—low levels of economic activity in poor years.

This Government has pursued a strong policy of restraining the increase in debt during wartime. Although less of World War II might have been financed by borrowing, the record was better than that of other governments, or of the United States in earlier wars. The record of control of inflation also was better than in earlier wars.

On this point, a study prepared for the Joint Economic Committee contained this estimate:

> If one allows for the proportion of economic resources used for war purposes, inflation in the Civil War was about 12 times as great as in World War II, and the inflation in World War I was about 4 times as great as in World War II. (Study paper No. 7: "Study of Employment, Growth and Price Levels, 1959," p. 13.)

Despite the success in controlling wartime inflation, a substantial post-World War II inflation occurred, and a principal foundation of that inflation was the debt accumulated during wartime. The debt supplied liquid assets to sustain a volume of consumer spending and business investment which could not be met by current production of goods at stable prices.

The inflation from 1946 to 1948 brought many inequities, particularly to pensioners and to millions of persons who were living on the principal or interest income from their past thriftiness and support of war loan programs. In July 1948 the National City Bank described some of these losses as follows:

> The effective buying power of these savings has been destroyed to the tune of billions of dollars. For example, holders of the $40 billion of prewar public debt have had the value of their holdings, in terms of buying power, cut by 40 percent or $16 billion. A dollar saved 5 years ago has lost 27 cents of its purchasing power. A dollar saved only 1 year has already lost 8 cents of its purchasing power.
>
> The 6-percent-a-year rate of inflation—the average rate of rise in the Consumers' Price Index since 1939—is a moderate rate as price inflations go. But when the 2.5-percent rate of interest paid on Government bonds is compared with this 6-percent average rate of price inflation, it becomes clear how far the cards are stacked against the creditor and the saver. It has been calculated that $100 realized today from a $75 savings bond purchased in 1938, will buy less than the $75 would have bought in that year.

A decade later, the debt had increased nearly $2.5 billion and consumers prices had risen 17 percent. The inequities of inflation were again summarized with respect to investors. The Joint Economic Committee study, referred to above, recites, as follows:

> One study showed that a given sum of money invested on December 13, 1948, would have the following real value in 1958 in 1948 dollars: Cash, a loss of 16.7 percent; U.S. Treasury 2½s of 1967–72, a loss of 29 percent; preferred stocks, a loss of 25 percent; common stocks, railroads, a gain of 106 percent; industrials, a gain of 225 percent; public utilities, 125 percent; fire insurance, 19 percent; and New York City banks, 81 percent. The selling price for a typical one-family residence, a gain of 0.8 percent; farm real estate, a rise of 28 percent.

Inflation creates inequities for persons who contribute to and participate in social insurance. The average benefits under old age and survivors insurance dropped one-third in purchasing power during the period from 1938 to 1948, while the real income of much of the rest of the population was increasing. While the real income of the insured beneficiaries continues to lag behind the increase in real income for the whole population, their real benefits have increased since 1950, only because of frequent revision of programs. Losses in purchasing power affect 12.7 millions receiving monthly retirement and disability benefits under the Social Security Act; 600,000 under the Railroad Retirement Act; 600,000 under civil service retirement; 3.3 million receiving monthly benefits from Veterans' Administration, a total of 17,200,000 and 5.5 million people receiving survivor benefits. Whenever our Government participates in or allows conditions to prevail that devalues the dollar that these needy and deserving people receive we are aiding and abetting a tragic situation. It amounts to a public crime because practically all of the money they get goes for clothing, shelter and food.

Inflation creates inequities among the working population also. Farmers, for example, obtained an increased share of the consumers' food dollar during the war years, but subsequently have lost ground, so that instead of 54 percent of the food dollar as in 1945 they now receive about 39 percent or about the same share as during the farm depression of the 1920s. Meanwhile, inflation has been very evident in their cost factors. The prices of farm machinery were at an index of 176 of the 1910–14 base at the end of the war. At the end of 1961 the prices were at an index of 393 of the 1910–14 base, or 223 if 1945 is used as a base.

In a period of rising national debt and accompanying rising prices, the loss of purchasing power of bonds inflicts the greatest damage on individual holders of Government bonds. Individuals have been the largest classification of holders of Government securities during most of the years since the end of World War II. The loss in value of their investment in Federal obligations has made the sale of long-term securities difficult. Among the many consequences of such losses has been the diversion of individual investment into corporate stocks as a hedge against inflation. The process has been carried so far that such investments yield gains more in terms of capital gain than of dividend income. This process is not without danger, as has become drastically apparent in recent weeks.

The Congress can make its position absolutely clear by refusing to increase the debt limit, and by taking appropriate supporting action.

Inflation is not essential to economic growth and progress. If the Federal Government continued to spend beyond its revenues, it would contribute to strong markets for many industries, and would add to the total of incomes. But the larger incomes do not necessarily create the profitable opportunities for expansion of industrial output. When wages do not lag behind prices, rising prices do not necessarily bring expansion of output and employment.

Rising prices should not be relied on to increase output. Look at the record of the post war decade, 1947–57. Iron and steel ranked first in order of increases in wholesale prices, but fifth in order of increase in output among 10 leading industries. Tire and tube prices were second in order of increase, but output increase was seventh. Electrical machinery was third in order of price increase, first in order of increase in output. Chemicals were eighth in order of price increase, second in order of increase in output.

The words which I quoted earlier from President Eisenhower and President Kennedy emphasized the importance of the revenue system in a program of debt retirement. This committee, through its control over the revenues and over the limit of the public debt, has the authority to strengthen the economic system by retiring the public debt. Many words have been wasted in discussing whether the Government should cut its expenditure pattern according to the revenue cloth, or whether it ought to fit its taxes to its expenditure program. President Lincoln's words on the primacy of revenues are clear. The organization of the Congress also makes the priorities clear. This committee is endowed with authority over the public debt and thus with final authority over the use of appropriations and other authorizations to obligate the Government. I urge that this authority be exercised in the interest of financial responsibility by refusing to raise the so-called temporary debt ceiling. Let us send this bill back to the committee so we can fulfill the admonitions of sound students on public finance including the President's eloquent precept when he said, "Ask not what the country can do for you but ask what you can do for your country."

Mr. KEOGH. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I do not know of anything I can say to you that is going to shed much light after what has already been said. I think there has been a great deal of discussion here about blackmail threats, and things like that. For me, I respect the gentleman from Michigan as one of my dear friends and one whose judgment I respect, but this business of accusing people of blackmail simply because they make a plain statement of fact that if we do not have the money we cannot spend the money, is a far cry from blackmail, it seems to me.

The gentleman from Michigan stated, himself, in clarifying his remarks, that we could go ahead with our defense program; yes, we could go ahead with our defense program and not cut it back, provided we cut back somewhere else. In other words, we cannot carry out what has been budgeted unless we cut back somewhere, under the gentleman's position. So any statement from any person in any business or anywhere else that could be construed as a threat through simply stating "My business is going to be hurt unless you pass this debt increase" is not blackmail, it is a plain statement of fact. Businessmen who get defense contracts are certainly going to look after their own business if they can and are going to ask you to cut somewhere else. People building post offices are going to tell you they fear there will be a cutback if the debt increase is not passed. They will tell Members who have post offices in their districts to vote for this so there will not be a cutback. The plain fact is there is not enough money, as the gentleman from Michigan stated, unless we cut back somewhere. Everybody wants to cut back the other fellow's project.

I believe where we have incurred an obligation to the people of this country in voting these appropriations we have got to pay the bill when it comes due.

I do not like to vote for debt increases any more than anyone else. I would rather vote to reduce the debt limit to $300 billion; I would rather bring it down time after time, and I do not think I am one who is guilty of having added to this increase from time to time, but when the bills come in we must meet the obligation or somebody is going to suffer somewhere down the line.

The distinguished chairman of our committee very capably and ably pointed out that the bill which the Committee on Ways and Means is asking for here does not request one dime more on the national debt ceiling than is absolutely necessary to carry out the obligations which have already been incurred. In fact, he indicated that the only difference between the committee bill and the substitute which is being urged is not what the debt ceiling should be but in the amount of flexibility which should be allowed. Each proposal contemplates a ceiling on June 30, 1963, of $300 billion. There is no difference in that, and I hope the Members will understand that point because it is important. The only difference is in the degree of flexibility which shall be allowed during the course of the year which is needed because of the timing of the receipt of revenues and the timing of payment of bills due.

It seems to me in a spirit of frankness we ought to concede that if we vote for bills which increase spending we must be prepared to vote for authority for the Government to pay the bills. The proposition to me is just that simple. It does not do any good to lock the barn after the horse is stolen.

This same thing happened back in 1957 when the debt limit was not adequate to meet the Government's needs. At that time the Defense Department was required to and did reduce the progress payments up to 20 percent. They cut back on them and slowed down business which brought the recession which occurred in 1958.

I am not one who believes the Defense Department should be a giant WPA more than any other branch of the Government should be, but if they are going to go about cutting down defense contracts in your district, remember if they are not going to cut them in your district they are going to have to cut them in someone else's district, if we are to meet the obligation, unless we give them the total amount of ceiling that is necessary.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. ALGER].

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I tried to get the gentleman from Florida to yield to me for 1 minute. In his remarks he misinterpreted, I believe, the statement made by the gentleman from Michigan [Mr. FORD]. The gentleman from Michigan [Mr. FORD] was objecting to the Defense Department doing away with the competitive system of placing defense contracts and doing it on a State-by-State basis. This is the same kind of executive power which was used in the steel case when a telephonic bid was made with the Lukens Steel Co. to place over $5 million of contracts. It is interesting to note after the gentleman from Michigan [Mr. FORD], and I raised this question on the floor of the House, the illegality of that particular contract was brought out and 25 percent of that bid was withdrawn. This was done very secretly over in the Defense Department. This was in fact an illegal contract, and it is now. Since the gentleman from Michigan and I called it to their attention, they are correcting it, but they used it as high-power pressure in order to keep people in line.

This is not the system of checks and balances—it is the abuse of power—between the executive and legislative branches that this country has stood for throughout its entire history.

Mr. ALGER. I thank the gentleman.

Mr. Chairman, with due respect to any Member present, I intend to speak to you publicly as I would to you privately in the cloakroom, in committee, or off the floor of this House. I hold that the economic health of this Nation is the heart of our economic well-being and anything that jeopardizes our fiscal solvency I must oppose. When I see people trying to get blood out of a turnip economically and changing the basic facts of economics I am deeply disturbed. So, I oppose the debt limit increase to $308 billion, and I also oppose the alternative for reasons I know will be sufficient for those who see the consistency of my position, particularly in view of my voting record, and I shall relate my views to both the minority and the separate views as found in the report accompanying the bill.

Our chairman mentioned earlier—that I do respect our chairman—that he would leave it to anyone to accept the responsibility of opposing this ceiling increase; indeed, cutting it back to $285 billion. Well, I will accept that responsibility by saying I will start with the responsibility of keeping it at the present level and then yearly, based on cutting down some of the nondefense spending, cut it back by stages to $285 billion, thereby making our economy much stronger. So, I am not worried about the responsibility of opposing the debt ceiling. Indeed, I say that the risk of continuing reckless spending, the lack of fiscal responsibility, is a far greater danger than opposing this bill today. Indeed, what we have here is a clash of economic theories, and at the heart of it is his responsibility as each Member sees it in his duty in the Congress. For my part, as an unabashed, avowed conservative, which, of course, makes me a Republican, I am for a balanced budget. I am for fiscal responsibility, for some kind of a sensible spending program. As I see it, we have no fiscal policy in the Kennedy administration; indeed, I say to the chairman of my committtee, there is no fiscal integrity, and I will debate that issue here or off the floor of the House as my colleagues see fit. At any rate, I am against raising the debt ceiling.

Now, I shall relate my views to the separate views of the Republicans found on page 13 and thereon, and I read from the report as follows:

> When the Ways and Means Committee reported an increase of $2 billion in the public debt limitation last February, the Congress was told that a request for an additional $8 billion would be forthcoming. At that time we expressed our opposition to any further increase unless the administration made a determined effort to control the increasing rate of Federal expenditures. No such effort has been made.

I am quoting from the separate views, enough reason to oppose this increase. Further, there has been or there will be, with the passage of this bill, again quoting from the report, an increase of $23 billion in a 12-month period in the temporary debt ceiling. This is the greatest increase in history, and I, myself, will not have any part of increasing the debt.

Third, and the separate views go on:

> The Republican members of the committee do not wish to participate in any action which might be construed as an approval of public spending of such magnitude.

I respectfully, at this point, disagree with the views of some of my colleagues and say that I oppose the wild spending we are doing, and I shall vote against granting money, squandering money, as we are, to pay the bills. The gentleman from Michigan and others have pointed out that nondefense spending, not defense spending, is the problem confronting us, and from 1955 Congress has increased nondefense spending over defense by a margin of $2 to $1.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from North Carolina.

Mr. JONAS. The gentleman may remember that back in March, out of the Committee on Appropriations, we brought in the second supplemental appropriation bill for 1962 appropriating nearly half a billion dollars in deficiency funds for a score of Government agencies.

We had extended hearings on that bill and all the witnesses told us that they must have that money or they would have to close shop. So we got busy and brought out a bill appropriating about half a billion dollars to run them through June 30 of this year. That bill is still in conference, and this is the 13th of June. The fiscal year will be ended before the agencies can get any of that money that we were told back a few months ago they had to have in order to keep operating. Thus emergencies have a habit of disappearing if the money is not forthcoming.

Mr. ALGER. I thank the gentleman. The gentleman's statement speaks for itself and answers this urgent appeal for more debt. In supplementing what the gentleman had just said, I would now read from page 14 of the report:

> This unexpended obligational authority of more than $181 billion, which the President can to a large degree control, is adequate to reschedule Federal expenditures in order to conform to a reduced debt limitation. The decision on the part of the Kennedy administration to spend and borrow is deliberate. More Federal deficit spending is the growth formula of the New Frontier.

Mr. Chairman, here is a constructive solution to those who are troubled when they say "I must vote for this because otherwise I am being irresponsible." My friends, the administration has the money. All they have to do is tighten the belt. The moment of agonizing reappraisal is here. Today we can do it. We can force this administration to reappraise the urgent fiscal needs. There must be some kind of fiscal program. On the contrary we on the Ways and Means Committee cannot tell you in good conscience what we are going to spend on what or what is needed therefor in tax revenues. As it is we all keep getting additional Presidential messages and requests for increases of spending and programs. We do not know what the fiscal policy is, or what the spending policies are. We are getting requests piecemeal.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I am glad to yield to the gentleman from Virginia.

Mr. POFF. Am I correct in my understanding that in fiscal year 1963 there is available to the President a total of $181 billion in unexpended obligational authority? If that is true, is it possible for the President, operating within that framework, to reduce spending to a sufficient extent to be able to stay under the debt ceiling at $306 billion.

Mr. ALGER. It is my understanding that much of this money is earmarked. But at a time like this when we are asked to spend more money than we can afford to spend beyond the budget—and by the way, with people talking about a balanced budget, I have been chuckling here, because what we are doing is borrowing money allegedly to balance the budget so that we will be in the black. There is no question but what this is deficit financing. Yes, there is enough money in the $181 billion of obligation authority to permit the latitude which the gentleman is interested in seeing this administration exercise as to fiscal control, without increasing the debt limit.

Mr. Chairman, this administration started out in what was a balanced budget, or surplus position, but are now running $7 billion or $9 billion in the hole, as the chairman of the Finance Committee in the other body has called to our attention. I do not know how much, but the deficit is very great. However, limiting the debt is one way to stop further carelessness, since the Congress has no limitation otherwise on his power to spend, borrow, and tax.

Mr. Chairman, I would like to point out the fact that I refuse to go along with a congressional procedure, which is worth a laugh in this instance if not some other, and that is this whole business of saying that once Congress authorizes a program, we have got to spend the money. Of course, when we authorize a program, we always say "We do not have to appropriate; we can take care of that during the consideration of the appropriation bill and cut it back." When we get the appropriation bill, we say "Of course, we must spend it because we authorized it." I say that this is a fallacious procedure at best, and I do not intend to go along with it, or pick up the tab for reckless spending.

Mr. Chairman, I would now like to read from the report on page 15, which I think is an excellent statement:

> The fiscal pattern of the Kennedy administration is clear. A balanced budget is submitted "on paper" to satisfy the advocates of fiscal responsibility, and to forestall, if possible, any further drain on the gold required to meet our foreign obligations. At the same time, the administration is pursuing a policy of increasing Federal expenditures, irrespective of the Federal revenues. That course satisfies that group of economists, including the White House "inner circle," who advocate public spending and Federal deficits as a means of insuring national prosperity.

Mr. Chairman, I decry our giving dignity to such economists in approving this bill today.

Mr. Chairman, how is it that Mr. Kennedy did promise us a balanced budget? Again, the lack of fiscal responsibility is so apparent that I would like to read further from the report:

> There was thus submitted to the Congress for fiscal 1963 a Federal budget which was balanced through the simple expedient of forecasting Federal revenues sufficient to meet the desired level of Federal expenditures.

Again, that is not fiscal responsibility and I will have no part of it. As to our gold situation, we have $16.5 billion on hand. We have agreed to give away over $4½ billion of that in a foreign aid bill. And at this time, with increases in deficit financing, and the cost of paying the interest on our national debt, we are absolutely committing economic fiscal suicide. It seems to me the wrong course entirely to increase our debt ceiling, particularly in view of the fact that foreign countries at this time hold $18 to $20 billion on which they can claim our gold. And if that is not enough, through this system of increasing the

Federal debt, we have lost through back-door financing, as pointed out on page 16 of the report, a total of $150 billion in public debt authorizations which have been placed on the books of the Treasury without first passing through the proper appropriation channels of Congress.

We have got to get control once again of the fiscal management of the Government which we have long since lost.

Mr. Chairman, finally I would like to refer to the minority views which the gentleman from California [Mr. UTT] and I submitted. And this is really all that I wanted to say, because I hate to dignify the subject, with all due respect to any other thoughts about fiscal responsibility—I hate to dignify this specific subject of the debt ceiling for this reason. As I see it, it is a phony, it is a hoax, it is a gimmick. The debt ceiling has not even limited us at all. Why not just do away with the debt ceiling? Why not repeal it, as we try to say on page 18 of the report, and vote the money or not vote it? Why have a debt ceiling? There is nothing temporary about what we are doing. We talk about a cutback next year, when all of us know in our hearts that the chances are that we are going to be down here not only not asking for a cutback and making good what we are suggesting here, but asking to make it permanent, or ask for an increase of it.

Finally, I would say that what we ought to do, as far as I am concerned, and the course which I have championed since I have been here for 8 years, is to have a constitutional limitation on the power of our Government to tax, spend, and borrow. Without this I do not believe we will ever, in this body, exercise the self-discipline and the fiscal responsibility which we continue to remind each other we really believe in, and which is necessary to preserve limited government and to prevent spending ourselves into bankruptcy.

Mr. HERLONG. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON of Virginia. Mr. Chairman, I wish that I could follow the argument that we reduce expenditures by requiring the Treasury to finance at a higher rate of interest, which would be necessary under this bill. President Truman used to have on his desk a sign that said, "The buck stops here." If this House and this Congress wants to know where the buck stops on Government expenditures, it stops in this room. Any idea that we can continue to appropriate and appropriate year after year, whichever administration is in power, more and more money, and then by the waving of a wand reduce the amount of the authorized national debt, and reduce Government expenditures, is the height of folly. It is just a fool's paradise.

I remember, when I first came to this House, President Truman sent up his budget of $36 billion. There was the biggest uproar throughout the Nation about the extravagance of that budget. The Reorganization Act had just been passed and we got into a great to-do about whether the annual resolution we still are required by law to pass but never have, stating the total of appropriations should be $31 billion or $36 billion. We never resolved that. We did not then and have not since. The Congress wound up that year spending, or making commitments to spend in the future, more money than the administration recommended and it has been true pretty nearly every year during the 16 years I have been here. But we have a great to-do every year about the budget.

Each year the Congress appropriates the money. Each year that produces a deficit. Each year the Treasury is confronted with the problem of meeting the obligations of the Government when they fall due. Each year it becomes necessary for this Congress to decide whether or not the obligations of this Government which this Congress is voting are to be met or are to be repudiated.

I have serious doubts of the ability of this Government to stay within this debt limit. The figures of the Secretary of the Treasury were based on the assumption of a balanced budget. I wish I could be optimistic enough to think that the budget in 1963 will be in balance. If it goes out of balance over $3 billion or $4 billion, then under this proposed substitute the Treasury would be forced to resort to methods of financing which would cost the Government more in what it pays for money than under the existing bill. If the deficit in 1963 would be $8 billion or $10 billion, then the problem confronted by the Treasury would indeed be a serious one.

I therefore conclude as I began, by saying that the responsibility for Government expenditures is in this body. On this very day, on an authorization measure involving something over a billion dollars, it was impossible to get enough Members to rise to get a rollcall on that increased expenditure. Twenty percent of the membership of this House were not willing to stand up and be counted on this very day. If they had, there might have been a difference in expenditures of a billion dollars.

The only way in which you are going to solve this problem, the problem of deficit spending, of annual increases in the national debt, is for this Congress to live within the means of the revenue produced by oppressive taxation on our people.

For that reason, I support the measure.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I grant to each and every one of my colleagues the right to make their own determination of what they regard as blackmail.

I also reserve the right to do the same for myself.

I should like to put the members of the executive branch from the top to the bottom on notice as to what in my judgment constitutes blackmail.

When any member of the executive branch proposes to discuss with me pending legislation on its merits he is welcome to do so, whether I agree with him or not.

When any individual of whatever position in the executive branch undertakes to discuss with me the fate of defense or other Government contracts in the State of Michigan in relationship to my vote on any issue, I regard that as blackmail.

But whenever any member of the executive branch not only proposes to raise the question of my vote but does it through the intermediary of a defense contractor in my district having pending negotiations with the Government, I say it not only constitutes blackmail, it constitutes contemptible cowardice.

That precisely is what happened to me, today.

A perfectly reputable and completely honorable constituent with a pending defense contract called to ask me how I stood on the debt limit issue. He did not tell me how to vote or suggest how I vote or anything of that kind. But in response to my subsequent inquiry, he acknowledged that he was requested by an underling in the Defense Department to make that call.

I label that as both blackmail and cowardice, on the part of the executive branch.

Having addressed that notice as to what I regard as blackmail to the members of the executive branch, I want to address one further notice to them. I want to say that my contempt for any underling in the executive branch who indulges in that practice is exceeded only by my contempt for his superior, however high his rank, who gives the orders for that to be done.

I have one final word. I claim no virtue superior to any of my colleagues. But I have a word to address to the citizens and the constituents of the Third District of Michigan.

I do not believe the time will ever come—regardless of their views of me and of my votes and my record—I do not believe the time will ever come that the citizens in my district will insist upon the election or the defeat of a candidate for Representative in the Congress on the basis of whether he is willing to cast his votes on issues in order to secure Government contracts for his district.

I just have one further word for the constituents of my district.

If, and God forbid that time ever comes, that should ever be what the voters of the Third District of Michigan want, they will have to get themselves a different Representative in Congress.

Mr. Chairman, I yield back the balance of my time.

Mr. HERLONG. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, we have heard a lot about deficit financing today. I certainly do not want to appear as a champion of deficit financing, but I would rather have my own child assume a financial obligation of her Nation when she grows up than to risk her living under tyranny in a Communist world. We have had a lot of votes in this Congress. We voted $47 billion by unanimous vote for a military appropriation. Not a voice was raised against it. And by an overwhelming vote and, perhaps, I believe, a unanimous vote again, we have had astronomical space appropriations. Over 60 cents out of every tax dollar goes for military, space, and security and the remaining 35 cents meets all the other needs of our Nation.

To me the plain fact is we are faced with a national emergency. Patriotism, to me, is more than a matter of talk. Political expedience would dictate to me opposition to this bill. But my own sense of responsibility impels me to back my talk with my action, and I, for one, am willing to subordinate political considerations to considerations involving the defense and security of the United States of America.

**Mr. BYRNES** of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

**Mr. GROSS.** Mr. Chairman, I feel somewhat left out this afternoon. I have not had any of the blackmail pressure to which a number of the Members have been subjected. All I received was a telegram from the distinguished Democrat whip, on behalf of the Speaker to be present on the floor to vote. So I do feel slightly left out.

Several of those have spoken of how they have consistently voted through the years to increase the debt ceiling. I have consistently voted against it and intend to continue to do that this afternoon.

As far as the $6 billion amendment is concerned as compared with the $8 billion ceiling in the bill, I agree with the gentleman from Virginia [Mr. SMITH] that it is just a case of Tweedledee and Tweedledum. This reminds me of the proposal we had last year, you remember, when it was sought to finance the foreign aid program to a large extent through the back door of the U.S. Treasury. When that was defeated, the House turned around and put into the foreign giveaway bill a 5-year plan which was in effect about the same thing. In other words, in the foreign aid bill last year we fought a sham battle over back-door financing, and that is what the proposed amendment to this bill would amount to.

I say again there is not too much that remains to be said in opposition to this bill that the distinguished gentleman from Ohio [Mr. BROWN] and the distinguished gentleman from Virginia [Mr. SMITH] have not already stated in their excellent remarks during consideration of the rule. I would like to relate to you a few of the official facts of life; so let us take a little journey beginning on page 19 of the May 1962 issue of Current Business by the U.S. Department of Commerce, Office of Business Economics. In this connection, let us compare some figures taken from the statistical abstract. In 1950, the public and private debt of this country was $566,600 million. In 1961, the public and private debt of this country was $1,078,300,000,000—trillion—almost double.

Breaking down this astronomical figure, the debt of the Federal Government and agencies was $266,400 million in 1950. In 1961 the Federal Government and agency debt was $330,200 million.

In 1950, the State and local government debt of this country was $24,200 million. In 1961 it was $72,500 million.

In 1950, the total corporate debt of this country was $167,100 million. In 1961, the total corporation debt was $363,300 million, or more than double.

In 1950, the farm mortgage debt was $6,100 million. In 1961, it had more than doubled to $14,200 million.

The nonfarm mortgage debt in this country in 1950 was $59,400 million. In 1961 it was $189,900 million—almost $190 billion.

Other nonfarm debt, but including the consumer debt of farmers, $37,200 million in 1950. In 1961 it was $93,700 million.

This Nation is debt ridden; it is becoming unmanageable, and I would like to ask someone on the majority side when they expect to see a deliberate devaluation of the dollar?

**Mr. BOGGS.** Mr. Chairman, will the gentleman yield?

**Mr. GROSS.** I yield to the gentleman from Louisiana.

**Mr. BOGGS.** I want to tell the gentleman I am happy that he got my telegram.

**Mr. GROSS.** I will say to the gentleman I noticed after I read the telegram to the House, that it was paid for by the taxpayers.

**Mr. BOGGS.** I want to help the gentleman.

**The CHAIRMAN.** The time of the gentleman from Iowa has expired.

**Mr. HERLONG.** Mr. Chairman, I yield the gentleman 2 additional minutes.

**Mr. BOGGS.** The gentleman has been very helpful in keeping Members on the floor throughout the session.

**Mr. GROSS.** I thank the gentleman.

**Mr. BOGGS.** I just want to make sure the gentleman is on the floor from here on out. We are going to send him a telegram. He is helpful to us. Some of his friends over here have a hope, and I would concur in it, that the gentleman would come on and join up with us anyway.

**Mr. GROSS.** If the gentleman is going to get prolific about this telegram business, I hope he will pay for it out of some other funds than the taxpayers' provide. I would not want to see him contribute to the deficit and debt of the country, making necessary a continuation of the same kind of bill we have here today.

**Mr. BOGGS.** When the gentleman thinks about all of the telegrams that go out, shall I say for purposes that might not be entirely essential, I do not think it is too bad occasionally to send a telegram to a Member of the Congress. I am happy that the gentleman got it, and I will be happy to contribute and pay for it myself.

**Mr. GROSS.** I hardly know how to respond to the gentleman. I find that words are inadequate to thank him for his thoughtfulness in my behalf.

**Mr. BOGGS.** I am a great admirer of the gentleman, and I am happy that the gentleman got the telegram.

**Mr. GROSS.** I still cannot find words to express my appreciation to the gentleman for his great interest in my welfare and my presence on the floor of the House. I will do my best to accommodate him.

**Mr. BOGGS.** The gentleman knows I have always had his welfare at heart. I have a deep affection for him, and that is the reason I sent him the telegram.

**Mr. GROSS.** I thank the gentleman profusely.

Mr. Chairman, there appears to be only one way to force a return to fiscal sanity in this country and that is refuse to approve further increases in the national debt except in a time of grave national emergency. In our own private financial affairs we cannot spend far beyond our means without a day of accounting that takes us either into bankruptcy or to jail.

Because of profligate spending, this Government is gliding inevitably into national bankruptcy and I predict that when that day arrives this Government will become, in fact, a Fascist dictatorship.

This is the day and hour to call a halt. This is the day to serve notice that the management of our Government must chart a new course for we cannot go on piling up mortgages—placing hopeless yokes upon the shoulders of our children and their children—and expect them to know and enjoy the precious freedoms that have been ours.

**Mr. BYRNES** of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

**Mrs. CHURCH.** Mr. Chairman, no one in this House has higher respect for the Ways and Means Committee than has been mine during the entire 12 years that I have been a Member of the Congress. No Member of the House, moreover, so merits my admiration and respect as the present chairman of that great committee. No words that I shall speak today should be interpreted as an attack upon that committee. What I would and do attack is the continued idiotic refusal of the Congress itself to realize this unchallengeable truth—that the only way to protect the fiscal solvency of this country and the most immediate way to insure the respect of the world for our continued sound economic and fiscal development is not to continue borrowing, but to stop spending.

The argument and plea presented so urgently by the members of the Ways and Means Committee, namely, that the only way to resist national bankruptcy and deterioration of our fiscal position in the eyes of the world is to permit more public borrowing, in my case falls on deaf ears. I belong to that simple group within the Congress that feels that in national, as in private, spending, the only way to resist bankruptcy is to stop spending. Had any Member of this Congress, during recent years, conducted his private affairs with the abandon and reckless extravagance with which Federal moneys have been voted and spent, he would long ago have fallen into personal bankruptcy. He would, indeed, have laid himself open to a charge not only of lack of prudence but complete lack of commonsense.

I have said that the argument that an increase in the debt limit is the only way to avoid national bankruptcy and discredit falls, in my case, on deaf ears. It does so, Mr. Chairman, because it is the same argument that I have heard advanced since 1953 every time that the extravagant appropriations by the Congress have led to a request for an increase in the debt limit.

My association with this Congress—although not a member—began in January of 1935. At the end of 1934, the entire Federal debt of this country was $27,053 million. When I became a Member of Congress in my own right in January 1951, the Federal debt had increased to $257,357 million at the close of 1950. And during the intervening years, between 1951 and 1962, time and time again the Ways and Means Committee has been forced to bring to this Congress requests for temporary or permanent increases which would allow the United States to pay for the expenditures which this body had voted. It is interesting to note that the argument of necessity, in order that bills might be paid, has been the plea on which each time the request has been made.

It was in 1953 that I was asked for the first time to vote for an increase in the national debt ceiling in order to meet our obligations. The permanent ceiling then was $275 billion. The then chairman of the House Committee on Ways and Means, the beloved Member from New York, Mr. Daniel Reed, made an appeal that almost convinced me. Said Chairman Reed:

> It is a painful, though necessary, task which confronts this House today. It is a task which is particularly distasteful to me. Never once have I yielded in my fight to cut Government spending. Never once have I yielded in my fight to reduce the crushing burden of taxation on our people. Time and again, year after year, I have stood before this House and warned that the path we were following was the path to national bankruptcy. These warnings have not been heeded. We have preferred, Mr. Chairman, to countenance waste and extravagance in our Government operations. We have preferred to take the money earned by the sweat of our own people and squander it recklessly abroad. As a result, I stand before you today—compelled by the bitter necessities of our present situation to ask this House to support legislation raising the statutory debt limit by $15 billion.

The House, without my vote, did pass a permanent increase of $15 billion, later changed through action in the Senate in the next session and conference, to a temporary increase of $6 billion. My decision to resist the plea at that time was based—as is similar resistance today—I repeat, Mr. Chairman, on my conviction that the only way to save the solvency of this country is to stop unnecessary Government spending.

The argument to save our solvency by raising the debt limit, however, has remained the same. On June 27, 1955, when the motion was made to extend for 1 year the temporary increase of $6 billion, the gentleman from Tennessee, chairman of the Ways and Means Committee, Mr. Cooper, said:

> We must remember that it is the Congress itself which has the final say-so in the amount of money which the Government is authorized to spend, and once expenditures have been authorized and commitments have been made, it is the obligation of the Congress to protect the fiscal integrity of the Government.

The warning had no effect. Profligate spending continued and increased.

On June 21, 1956, Chairman Cooper again besought the House to support a temporary increase of $3 billion in these words:

> While I am concerned about the necessity for continuing a temporary increase in the public-debt limit, I am glad to note that the request this year is for a $3 billion increase which is one-half of the increase found necessary in the two previous fiscal years. As I pointed out to the House last year when we were considering this subject, it is the Congress itself which has the final say-so in the amount of money which the Government is authorized to spend, and once expenditures have been authorized and commitments have been made, it is the obligation of the Congress to protect the fiscal integrity of the Government.

Again the warning to cut spending went unheeded.

On January 21, 1958, when the request for a temporary increase of $5 billion was before the House, the gentleman from Arkansas [Mr. MILLS], the present respected chairman of the Ways and Means Committee, said:

> First of all, let me tell you that when the gentleman from New York, Mr. Reed, and I introduced the bills here in question, following the request from the Secretary of the Treasury that we do so, we said that we introduced the proposed legislation reluctantly because we share the thought of most Members and we do not like the facts and realities which put us in the position of believing that we cannot get by in the discharge of our responsibilities under a debt ceiling of $275 billion, but we must recognize them for what they are. I am not here because I like this thing. The gentleman from New York, Mr. Reed, does not like it. We said at the time we introduced the bill together that we did not like this, but we wanted it clearly understood that so far as we personally were concerned this was no indication of any lessening of our personal desire that we economize in Government spending in every way we can economize.

Again the warning to cut spending was not heeded by the Congress.

On August 5, 1958, seeking an increase in the permanent debt ceiling and also a temporary increase, Chairman MILLS spoke even more strongly:

> Mr. Chairman, the bill itself poses a serious matter, one that we do not like, and places the Ways and Means Committee in a position that the committee certainly would prefer not to be in. The chairman of that committee does not look with relish upon this responsibility. I am just as concerned, if not more so, Mr. Chairman, about the American people destroying our way of life and all those things which we have inherited from the past as I am about those things being destroyed by forces without the United States.
>
> Mr. Chairman, when we are in a period such as the present, I think it is incumbent upon all of us—not only the Members of Congress, but every man, woman, and child in the United States—to develop a degree of statesmanship with respect to our attitude about Government spending and fiscal responsibility that we have not yet attained in the history of the United States. I am not saying that, Mr. Chairman, because I am so concerned about the immediate situation, but because I am concerned about the trends of the immediate situation.
>
> The Secretary of the Treasury told us very frankly in the course of the hearings that this entire matter of the debt ceiling would have to be again reviewed by the Congress next year, and as we start another fiscal year, 1960. What will that type of Federal spending and the deficits that it contemplates do to this economy? What will that rate of spending do to this economy? I do not know for certain.
>
> I have some ideas. It could let loose inflationary pressures that in turn will be emulated by business and labor. The result could be that during the course of the next several years we will see rises in prices such as we have not seen in peacetime.
>
> Mr. Chairman, in view of the gravity of the problems with which we are dealing today, I hope that there will be a development of a degree of statesmanship and reality on the part of every man and woman in all walks of life. I hope that they will not continue to believe that that man or woman who merely asks for their support on the basis of getting more and more from the Federal Treasury will in the end do them the service that the request purports to do.

Again the warning to cut spending was not heeded by the Congress.

On June 19, 1959, with a permanent ceiling of $283 billion, Chairman MILLS again reminded:

> We are now in the process of paying the piper for what has already happened, good or bad.

Again the Congress did not heed the warning.

On June 8, 1960, seeking the extension for 1 year of $8 billion of the temporary increase, Chairman MILLS again warned:

> Let me make it eminently clear, Mr. Chairman, in reporting this bill and bringing it to the House with a favorable recommendation, the membership of the Committee on Ways and Means does not want to be put in the position where it is thought that we relish this task. Neither does the membership of the Committee on Ways and Means want to be interpreted in the process of making this recommendation as being unmindful of the fact that the people of the United States are becoming somewhat weary of the burdens of taxation, and I daresay somewhat weary of the causes back of those things that prompt this bill being reported to the House today for your consideration.

Again the warning was not heeded.

On June 26, 1961, when a temporary increase of $13 billion over the permanent ceiling of $285 billion was asked, Chairman MILLS made the following appeal for acceptance of fiscal responsibility by the Congress, an appeal that challenged every Member of this House to accept his own responsibility to put reason into our spending programs:

> The Congress, and this administration, and the previous administration, have all contributed in creating this debt. Some would have us look back and in our wisdom today say that we made a mistake last year, that we made a mistake in our actions so far this year; that we regret what the Appropriations Committee has done, we regret what the authorizing committees of the House have done. So now what are we going to do? Are we going to register a vote of protest about what we have already done?
>
> Do you want us to say to the President of the United States, "Because our hindsight is so much better than our foresight in voting these authorizations and these appropriations, we have been unable to do the job that the Constitution of the United States imposes upon us; namely, to exercise some degree of control with respect to spending, you take the responsibility to cut where you think it ought to be cut to the extent of $10 billion."

> I do not think the Congress wants to abdicate this responsibility. I do not think the Congress ought to abdicate this responsibility. I think the gentlemen who are chairmen of all of the committees must take some responsibility themselves to operate within the limitations of what revenues can be produced under our tax system and decide ahead of time what spending levels in this country we want.
>
> Yes, I would like to see reductions made, but I do not want them made on a helter-skelter basis by somebody downtown. I want the Congress of the United States, if it feels so concerned today, to take action in the remaining days of this session to reevaluate these old programs, to reevaluate new programs, and take such action as the Congress of the United States should take under the Constitution to determine what it wants to do and not leave to somebody else that which is our constitutional responsibility.

On February 20, 1962, in seeking an increase in the temporary ceiling to $15 billion until June 30, 1962, Chairman MILLS pinpointed the fact that it is congressional authorization and appropriation which has played the major part in causing the deficits on which the requests for increases in the public debt ceiling are based. He stated:

> We talk in terms of the size of the debt; yes. I do not like the fact that we have to come in here because the size of the debt has increased, increased since June 1961, by an additional deficit of almost $4 billion over what we then predicted. I do not like that any more than you like it. The fact is before us, however, that there is a deficit now contemplated for this fiscal year of $7 billion instead of $3.7 billion which was the deficit we had before us as an estimate when we asked you to grant this temporary authority of $13 billion in June 1961.
>
> Mr. Chairman, now what constitutes that change? Three billion dollars of it occurred as a result of what developed after this debt ceiling was passed last June—arising from the issues involved in the Berlin situation and our speeding up in trying to face that problem. That accounts for $3 billion of it. In addition to that, it developed that the Department of Agriculture, primarily through the Commodity Credit Corporation, had to have $737 million more than was estimated it would need in June due to better crops than anticipated. There was an increase in the spending of the National Aeronautics and Space Administration of $250 million, and an increase in the Atomic Energy Commission of $160 million since our estimates of June last year. There were some reductions, but the total adds up to these figures, largely from these operations that I have given you with reference to these particular increases.
>
> Mr. Chairman, did we as a majority voting in the House—yes; upon the request of the administration—provide for a speedup in our military posture of $3 billion? Of course we did without a dissenting vote. We had no control in this Congress over this additional estimate for the Commodity Credit Corporation of the Department of Agriculture, but by a majority vote we provided for that situation. We had no control over this $300 million of additional interest required to finance the public debt. It was due in part to an increase in the rate of interest. It was due in part to an increase in the size of the debt.
>
> We provided the additional money for the Space Administration. We provided the additional money for the Atomic Energy Commission. We thought it was the proper thing to do. I ask you now, regardless what the picture looks like, no matter how we may abhor the overall result, if it is not good commonsense to permit the Secretary of the Treasury to finance this in the most economical way possible to him. That is all we are asking, to provide him the tools to do that job.

Mr. Chairman, the first time that I heard this appeal to protect the fiscal integrity of the country, I was almost persuaded. I recognized the immediate basic situation. I had, furthermore, great respect—as I do today—for the Members who have been forced to make that plea. In the years that have intervened, however, there has been no cessation of spending and no indication, in fact, that the Congress realizes the necessity for economy. Even the most cogent warnings by the Ways and Means Committee, reiterated year by year, have made no imprint.

It would, of course, be a shock to have the debt limit revert to the present permanent ceiling of $285 billion, as we have been told would happen if this bill does not pass. Disruption of payments would undoubtedly occur. Nevertheless, Mr. Chairman, such strong reaction might be the shock needed to put congressional spending, at long last, on a sound basis. The Congress might even see the necessity for taking steps, in prosperous years, to reduce what is already owed. "Shock" treatment has been proved to produce success, as a last resort, in parallel situations.

The current fear gripping the country and already showing signs of provoking economic and financial crises at home and in our world position is not based on apprehension that we may not vote to increase the debt limit or on concern that we may not be able to make a suitable financial accounting. The confidence in the dollar, at home and abroad, has been shaken by the runaway spending program which the Congress appears to have neither the wit nor the will to end.

Once again, Mr. Chairman—as always in the past—I shall vote against the proposed temporary increase as the only means that I can find to express my own protest against the continued reckless spending of the Congress. My vote reflects my deep-seated fear that neither might nor power nor any other means can save this country unless we reverse the present pattern of fiscal irresponsibility.

**Mr. BYRNES** of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. PELLY].

**Mr. PELLY.** Mr. Chairman, the record on H.R. 11990 to provide an increase in the public debt limit should show that 30 or more Members of this House joined me in urging the Committee on Ways and Means to include a provision in the bill limiting the total amount of borrowing by Government agencies from the Federal Treasury under so-called back-door authorizations. As the hearings on H.R. 11990 will show I appeared and testified with the expressed interest of many other Members in support of an amendment to place a ceiling on the total amount of notes and obligations of officers and agencies of the United States issued under the provisions of the Second Liberty Bond Act which the Secretary of the Treasury may hold at any one time.

Obviously financing Federal programs by borrowing from public debt receipts contributes to and is a part of the national debt.

In this connection I quoted U.S. Treasury Department figures showing a $14 billion net increase during the past 8 years in this back-door borrowing; I did so by giving the balances outstanding as of June 30, 1954, and each June 30 thereafter and up to and including June 30, 1961.

Under permission previously obtained in the House to include certain tables and other figures I will cite here the total outstanding each year:

*Balance of securities outstanding under authorizations to expend from public debt receipts*

| | |
|---|---|
| June 30, 1954 | $19,067,356,068.10 |
| June 30, 1955 | 22,326,588,855.13 |
| June 30, 1956 | 26,151,825,631.09 |
| June 30, 1957 | 28,887,923,518.82 |
| June 30, 1958 | 28,019,181,548.36 |
| June 30, 1959 | 32,827,699,526.78 |
| June 30, 1960 | 33,068,389,166.81 |
| June 30, 1961 | 33,406,372,105.83 |

In my statement I indicated that the latest figures I had seen of outstanding securities under these authorizations was as of March 31, 1962, when the total amount had increased to $35.7 billion.

Mr. Chairman, in proposing a limitation on back-door borrowing I had in mind that this would be an effective means of curbing new borrowing authorizations which bypass the regular annual appropriations procedure. I did so to reinforce control of the public purse by the Congress as provided in the Constitution.

To be specific, Mr. Chairman, my suggestion was to include in any legislation setting a national debt ceiling a provision such as the following:

Add the following section:

> Section 21 of the Second Liberty Bond Act, as amended (31 U.S.C. 757b), is amended (1) by inserting "(a)" immediately before the first sentence thereof, and (2) by adding at the end thereof the following new subsection:
>
> "(b) The face amount of obligations of the United States or any officer or agency thereof, issued under any provision of law other than this Act, which the Secretary of the Treasury may hold at any one time shall not exceed in the aggregate $40,000,000,000."

I recognize, of course, that the Ways and Means Committee was faced with a difficult problem as far as the amount of the new debt limitation was concerned. Furthermore, I recognize that information as to my proposed amendment was not included in the testimony of the Secretary of the Treasury. In any event for one reason or another the committee did not consider my amendment favorably and the bill was reported without any such ceiling on back-door financing.

Under a closed rule I cannot offer such an amendment here on the floor of the House. The most that I can do is to explain the purpose of this amendment and hope it will receive greater consideration in the future.

I especially want to emphasize that this proposal would reinforce control of the public purse by the Congress because its objective is to limit new programs and new public expenditures to the normal appropriations procedure. I see this as a means of offering a deterrent to any new programs. At the same time my amendment would not interrupt or disrupt any existing programs.

As the committee knows, back-door spending or financing Government programs by borrowing from the Treasury has reached tremendous proportions.

Likewise, the committee knows that this method of avoiding the normal appropriations process in the Congress has seriously weakened control over Federal spending.

This practice had a relatively modest beginning 30 years ago when it was used to finance the Reconstruction Finance Corporation.

The practice proved so attractive to advocates of so-called progressive legislation and those who wished to pass huge spending programs that there has been a total of $150 billion of public debt authorizations placed on the books of the Treasury as of June 30, 1961.

Something like $72 billion of this huge amount has been repaid, but meanwhile the Congress has canceled or forgiven in excess of $16 billion. This forgiveness is an insidious way of providing for expenditures outside of the regular appropriations process. The remainder, $62 billion, is represented by $33 billion still owed the Treasury and $29 billion that can be borrowed from the Treasury. Today one of the largest amounts outstanding of back-door financing is the $11.5 billion owed to the Treasury by the Commodity Credit Corporation for its agricultural price support program. Obviously, all this money will never be repaid and as the losses accrue the outstanding obligations will have to be canceled or appropriations made to restore the capital.

By including in debt ceiling legislation a limitation on total obligations of agencies of the Government which can be held by the Treasury at any one time confidence in our economy will be promoted and also in the fiscal affairs of the Government of the United States.

Before concluding, Mr. Chairman, I would like to remind this committee that the chief fiscal officer of the Congress has long objected to any Government expenditure that bypasses the normal appropriations procedures. In this connection, let me quote from a letter dated March 16, 1961, from the Comptroller of the United States, Joseph Campbell, to the Honorable A. WILLIS ROBERTSON, chairman of the Committee on Banking and Currency, U.S. Senate, which appears in the Senate record on 1961 housing legislation. Mr. Campbell states as follows:

> We believe that the financing of loan programs through public debt transactions, by combining program authority with funding, tends to perpetuate programs that might not otherwise stand the test of recurring congressional review.
>
> The General Accounting Office has for many years stated objections to this method of financing, and recommends that funds to finance Government activities be made available to the agency responsible for administering the program through the normal appropriation processes rather than through authorizations to finance through public debt transactions.

Mr. Chairman, the continuing need to consider increasing the public debt limitation is in large measure due to back-door authorizations. Not until the Congress places the full responsibility of all appropriations in one committee of the House can we hope to control spending and exercise fiscal responsibility. One committee should have jurisdiction and weigh the urgency and costs of Government programs in relation to the amount of Federal revenue and funds available in the Treasury to pay for them.

I hope the day will come soon when the House can change its rules in order to provide for such a means of controlling expenditures. Until then it is vital to discourage agency borrowing from the Treasury and spending outside of the appropriations process. All expenditures must have annual scrutiny and review.

Until that day comes the amendment I have proposed to curb authorizations to expend from public debt receipts is essential if we are going to have a stable dollar and responsible fiscal administration of our affairs.

Mr. Chairman, I am sure the distinguished gentleman from Arkansas [Mr. MILLS] will agree with me that back-door spending is responsible for a great deal of the public debt. His remarks both in and out of committee hearings showed, I am sure, he favors studies of borrowing authority both from the Treasury and also by Government agencies outside the Treasury. This latter type of back-door borrowing from the general public, of course, would not be under the jurisdiction of the Committee on Ways and Means.

Mr. Chairman, I urge the membership of this House to study the whole problem of spending outside of the appropriations procedure. But pending any such broad studies, however, I would hope by a limit in the public debt limit its growth could be deterred.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I would be glad to yield to the gentleman from Virginia.

Mr. POFF. Do I understand the gentleman to say that in addition to the $35 billion now outstanding some $16 billion has been charged off or canceled out or forgiven?

Mr. PELLY. That is correct.

Mr. POFF. May I inquire of the gentleman for what purposes was that money originally borrowed from the Treasury?

Mr. PELLY. The money was borrowed from the Treasury on the presumption that it would be expended and repaid in the form of loans, and would eventually get back into the Treasury. But, as the gentleman knows, in many of these programs that we have there is a loss, and the funds cannot come back and repay the borrowing from the Treasury.

Mr. POFF. Would the gentleman yield further?

Mr. PELLY. I would be happy to yield further to the gentleman.

Mr. POFF. I wonder if the gentleman would supply later for the RECORD the statistics showing for what specific purposes the $16 billion figure to which he referred was originally borrowed?

Mr. PELLY. Mr. Chairman, I would like to advise the gentleman from Virginia that those statistics were provided by me to the Committee on Ways and Means and are a part of the record on the hearings, and he can find them there.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Chairman, I had not intended to speak on this proposal, but in the classic words of one of our Founding Fathers, a decent respect for the opinions of some people in this country, particularly in my district, impels me to speak.

I am not at all concerned about consistency or lack of consistency, on my part, in this matter. For several years, beginning in the Truman administration, I voted to increase the debt limit, always hoping that from year to year the Members of the House would have the courage to vote against authorizations and appropriations that would carry us beyond the debt limit, except in time of war or other real emergency.

It is my studied judgment, Mr. Chairman, that this great country should not operate at a deficit except in such times. If I can believe the Department of State, the historians and the current commentators we may be in the kind of so-called emergency we are in today for 50 or more years.

The time has therefore come to make the decision to balance the budget, painful as it may be. Several of my colleagues have pointed up that this is a debt-ridden country, and the resulting burden on the people is becoming intolerable. Certainly that is true, and the record proves it.

Within the hour I called the Department of the Treasury to find out what had been happening in the matter of the purchase and redemption of E- and H-bonds since January 1, 1962. From that date to and including May of this year $2,058 million of bonds of such type had been redeemed. In that time only $1.9 billion of bonds of that type had been purchased. The month-by-month record is as follows:

*E and H series bonds*

| | Purchased [1] | Redeemed [1] |
|---|---|---|
| January | $476,000,000 | $483,000,000 |
| February | 362,000,000 | 376,000,000 |
| March | 374,000,000 | 396,000,000 |
| April | 349,000,000 | 401,000,000 |
| May | 353,000,000 | 402,000,000 |
| Total | 1,914,000,000 | 2,058,000,000 |

[1] Round figure.

NOTE.—$45,000,000,000 of such bonds outstanding.

Source: U.S. Department of Treasury.

We had some talk earlier today quoting some people in high administration circles to the effect that deficit financing was good so long as Government bonds were purchased by individuals. Individuals are not purchasing as many bonds as they are redeeming, and if we continue this irresponsible financing there will be less and less voluntary purchasing of Government obligations by individuals. We need not be economists to know that when bonds are not voluntarily bought they are forced into circulation through the Federal Reserve System, and say what you may, and who may say it, that practice results in inflation and it will bring well-known inflationary effects to people of America.

In the past, except on one occasion, the last time, I have voted to increase the debt ceiling. I have decided the way to balance a budget is to force it in balance. "The way to resume is to resume." I am not going to vote to increase the debt ceiling by $3 or $6 or $8 billion, or any other amount, this year. The shock treatment, so well described by my able colleague from Illinois, now appears to be the only way to bring about the desired result.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, I rise to address the House on the subject of the national debt. Let me say that I am opposed to an increase in the national debt, and that I urge this body to disapprove any increase in the debt whether it be to $306 billion or to $308 billion. I might draw attention to the fact that I submitted testimony on this subject to the Ways and Means Committee when it had this proposal under consideration, and that the committee has pending before it legislation which I introduced to provide for systematic repayment of the national debt.

The bill I speak of which is before the Ways and Means Committee is H.R. 1080. That legislation, if enacted, would require the Secretary of the Treasury to apply a sum equal to 1 percent of the national debt annually in payment on the debt principal. A system such as this one would guarantee payment on the debt, and there is no such statutory provision for planned payment of the debt at this time.

The national debt now stands at approximately $298 billion as a result of the temporary increase enacted last year. When this increase expires July 1, 1962, the debt ceiling will return to $285 billion unless otherwise altered by legislation. As you know, a debt ceiling is a brake on Government spending, and we are spending too much.

Any proposal to increase the national debt must also involve the reduction of the debt. There is a correlation between the size of the national debt and the interest burden it carries. As the debt grows larger, the public is saddled with higher taxes to support its obligations.

As you can see, there must be repayment on the debt itself. Morally, each American has been taught that he must meet his financial obligations. When we borrow money, we do so in good faith, and it is only fitting that we pay it back. The economic realities of life demand that we repay our debts if we are to maintain good credit. In the business world, debt repayment is essential to our national economy. Yet in the biggest business this Nation has—the business of government—there is no specific provision for planned repayment of our debts.

The Federal budget for fiscal year 1963 contains an item in the amount of some $9.4 billion for interest on the national debt. This amount represents an interest rate of 3.2 percent as of April 30, 1962. Yet nowhere in the Federal budget is there an item marked for payment on the debt itself.

In 1790, the national debt could have been completely satisfied had each American paid $19 into the U.S. Treasury. At the end of the War of 1812, that figure would have been $15. Just after the Civil War, a payment of $78 from every American would have satisfied the debt. After World War I, $240 was needed. Today, with the public debt totaling some $298 billion, a payment of $1,604 would be needed from every living American to satisfy it. This would be a payment over and above the taxes collected each year to keep the Government running.

This Nation is engaged in a great struggle for the survival of its freedoms. The great global conflicts which the United States has experienced in recent years are certainly major factors in our increasing indebtedness. Today our resources are tapped with needs for huge armies and explorations into outer space. Our national economy is fortunately able to accommodate most of these essential expenditures.

However, there are many programs which are not essential to the survival of democracy. It is this sort of nonessential spending which I believe to be against the best interests of our Nation's welfare. Foreign aid is a prime example of the kind of program which could be reduced immediately. Last year, the foreign aid program came to nearly half of the interest on the national debt itself. The American taxpayer would be greatly relieved, I am sure, if we were to substitute an item in the Federal budget to apply as payment on the national debt in place of the excessive billions spent on foreign aid. What priority does debt reduction have in our Government when every conceivable program comes first?

Mr. Speaker, the reduction of the national debt must be done on an orderly, programed basis. Should the Congress approve legislation to apply 1 percent of the debt as payment on the national debt itself, with no change in the current permanent debt ceiling of $285 billion, the debt could be reduced to $232 billion in 20 years, and $172 billion in 50 years. This reduction in the principal would result in a saving of nearly $19 billion in interest alone for the first 20 years, and a saving of nearly $100 billion in interest over 50 years.

I urge the Congress to disapprove an increase in the national debt and further ask that it enact legislation to provide for the systematic reduction of the debt itself as soon as possible. We must face up to fiscal responsibility sometime. We ought to start now.

Mr. BARRY. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. LANGEN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LANGEN. Mr. Chairman, I rise in opposition to the bill.

It is unfortunate that we must once again meet to consider raising this Nation's public debt limit. Many of us have repeatedly voiced our concern over deficit spending. We have been accused of a host of things, ranging from old-fashioned thinking to obstructionism. It is with sadness that I observe the outcome of our concern; meetings such as this, when we must again decide whether or not an additional step toward financial bankruptcy will be our last.

I have noted, as have others, the Shakespearian inscription on the front of our National Archives. It says simply: "What is past is prologue." I have always been under the impression that we should build upon the past, not repeat its mistakes. But here we are again, considering another so-called temporary increase in our public debt limit. It seems there is nothing quite so permanent as these temporary increases.

My point is simply this: one of these days we will reach the point of no return. We may reach it today. We may reach it tomorrow. One thing is certain, if we refuse to learn from the past we will surely reach it eventually.

Let us consider the immediate past for a moment, in an effort to learn just why we are gathered this day to consider raising our debt limit. We, and our constituents, have been fed a steady diet of explanation. The main theme revolves around the Berlin crisis and the resulting military buildup. When you lower your waving flag long enough to see the cold figures on the wall you note that the revised budget for fiscal 1962 shows an overall increase in expenditures of $8.2 billion over the original budget of the preceding administration. The absolute increase in expenditures for military personnel operations and procurement amounted to only $2.2 billion. That leaves $6 billion of additional expense that cannot be blamed on the Berlin crisis. The main crisis, it seems to me, is in the field of fiscal miscalculation if not irresponsibility.

A typical example is legislation such as just passed by this House, in the authorization of the Fryingpan-Arkansas irrigation-reclamation project. We passed a similar project just a few weeks ago. The two of them represent an expenditure of over $400 million to increase agricultural production; it will take an even greater expenditure to reduce production in a like amount by other legislation. If we are ever going to curtail these and the many other wasteful and irresponsible spending programs, we must start by not permitting these continuous increases in the national debt.

In addition to threatening our economy by the all-too-easy method of deficit spending, we are weakening our position in the international arena. Since last summer, imports have increased to record proportions. Our accounts payable in the world exceeded our accounts receivable by about $19 billion. Right now we have only about $17 billion in gold, of which $12 billion is pledged to back up the money in circulation here at home. I shudder to think what would happen if our creditors demanded payment, since we simply could not pay it. We know from history that one of the major causes for a demand on our gold is a loss of confidence in the value of our currency. Round after round of temporarily increasing our public debt limit hardly instills much confidence anywhere.

It is evident once again that this consideration today could have been avoided by proper management and proper estimates. In a matter of months we will gather again to consider repairing the damages of another series of miscalculations. There is no assurance that the current budget proposals will fare any better.

I respectfully suggest this House look carefully at the immediate past and use it as a prolog to fiscal responsibility instead of a prelude to disaster.

Mr. BARRY. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. Chamberlain] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection

Mr. CHAMBERLAIN. Mr. Chairman, although I do not know when we will be voting on the President's requested increase in the public debt, I want to announce my intention of voting against this bill. I opposed raising the debt limit on the other two occasions when the matter was before us because of my concern over the unabating demands for new Federal spending which have led to these requests. I am taking this occasion to register again my protest at the disorganized fiscal policies which underly the three increases in the public debt limit we have granted in the past 2 years. I do this, not because I do not feel we should meet our financial obligations, but because this is about the only effective means I have to make known my opposition to the expansion of Government spending.

Mr. MILLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Jennings, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, had come to no resolution thereon.

## THE PEACE CORPS IN TANGANYIKA

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to address the House for one minute, to revise and extend my remarks, and to include correspondence with Mr. Sargent Shriver of the Peace Corps.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, in all probability most of us have read the short item in yesterday's Washington Post advising of an attack on the U.S. Peace Corps by a member of the Tanganyika Parliament.

In this connection I have the following letter addressed to me by the Honorable Robert Sargent Shriver, Jr., Director of the Peace Corps, together with certain enclosures:

Peace Corps,
*Washington, D.C.*

Hon. John J. Rooney,
*House of Representatives,*
*Washington, D.C.*

Dear Mr. Rooney: You probably saw the attached two-paragraph story in today's Washington Post. I think you will be interested in seeing the full Reuters dispatch which the Post did not carry.

I am also attaching some additional material which may interest you. It underscores the fine reception the Peace Corps has received in Tanganyika. In fact, Ministers of the Government of Tanganyika have asked us to send approximately 75 additional volunteers, of which the Peace Corps has agreed to supply 30 nurses and 2 lab technicians this year.

The two paragraphs in the Post this morning gave a completely distorted picture of the situation in Tanganyika and I wanted you to have the complete story.

Sincerely,
Robert Sargent Shriver, Jr.
*Director.*

[From the Washington Post, June 12, 1962]

### Peace Corps Hit in Tanganyika

Dar es Salaam, Tanganyika, June 11.—A vitriolic attack on the U.S. Peace Corps was made here today during a budget debate in Parliament.

John Mwakangale, regional commissioner in the southern highlands region, said Peace Corps members are "undermining the Tanganyika Government" and that "wherever they are stationed trouble starts."

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Dar es Salaam, Tanganyika, June 11.—A vitriolic attack on the U.S. Peace Corps was made here today during a budget debate in Parliament.

John Mwakangale, regional commissioner in the southern highlands region, said Peace Corps members are "undermining the Tanganyika Government" and that "wherever they are stationed trouble starts."

Mwakangale's attack was quickly denounced by Prime Minister Rashidi Kawawa who said: "I've never heard such an irresponsible speech."

Mwakangale's voice was often so loud that his words were lost. He was interrupted eight times during his outburst and warned that he faced suspension from Parliament unless he lowered his voice.

Mwakangale said: Are the Peace Corps really here to make peace? It's just the opposite; wherever they are we always hear of trouble, we hear of people trying to overthrow the Government. These people are not here for peace, they're here for trouble. We don't want any more Peace Corps."

He said he knew that the Tanganyika Government had invited the Peace Corps to send volunteers here but "the things they're doing are things which are undermining the Government."

Prime Minister Kawawa interrupted to ask him to substantiate his charges.

Mwakangale then launched into another diatribe against foreign embassies in Dar es Salaam.

"If they don't behave, one day they'll find themselves in the Indian Ocean. I know what they're doing. They're not here to benefit the people of Tanganyika, they're here to pursue their own policies—imperialism and communism.

"It's better to have nothing than something which is going to destroy our unity, our peace."

Premier Kanawa later told Parliament "in my experience of membership in this house I must say I've never heard such an irresponsible speech before or after independence by any member of this house, particularly considering the most responsible position he holds in the country."

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Dar es Salaam, Tanganyika, June 12.—Prime Minister R. M. Kawawa defended the Peace Corps last night against a legislator's charges that the young Americans were stirring up trouble in Tanganyika.

The East African leader told Parliament he had challenged John Mwakangale to back up his charges with evidence but the national assemblyman could not do so.

Several other Government Ministers rose to the defense of the Peace Corps volunteers. One emphasized the Americans had been officially invited to the country.

Mwakangale, who represents the Mbeya district in southern Tanganyika and is Government agent for the region, had complained that there were three Peace Corps workers in his area but none had come to see him.

"Wherever they are, we always hear of trouble," he declared. "You hear of people trying to overthrow the Government. These people are not here for peace. They are here for trouble."

Kawawa accused Mwakangale of "irresponsible speech."

## EXCLUDING NONPROFIT HOSPITALS FROM PROVISIONS OF TAFT-HARTLEY LAW

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, today I have introduced a bill to eliminate the discriminatory exclusion of nonprofit hospitals from the provisions of the Taft-Hartley Act. It is my firm belief that all employees should have the right to organize and join unions which have the right to bargain on behalf of their members.

The situation in New York City hospitals is an excellent example of what can happen when employees are denied the right to unionize. In Beth El Hospital in Brooklyn several hundred nonprofessional employees have been on strike for 3 weeks. A new hospital workers' strike may occur at Manhattan Eye and Ear Hospital in the very near future. This situation stems from the denial to voluntary hospital workers of the rights of union representation and collective bargaining. The management of Beth El Hospital and other voluntary hospitals refuse to negotiate with the representatives of their employees. Under present law the management can ignore the union with impunity. Not only has the management of Beth El Hospital refused to bargain, but it has embarked upon an antiunion crusade including the use of the injunction and jail sentencing of union leadership. Such actions will not help care for patients and will not solve the problem of underpaid hospital workers, most of whom are Negroes and Puerto Ricans.

In a comprehensive article in the Buffalo Law Review—winter 1960—two Buffalo University professors, David Kochery and George Strauss, point out the grave injustice of denying collective bargaining to nonprofit hospital employees. The conclusion of the article sums up the findings of the professors and recommends that hospital employees receive the same right to organize as any other wage earners:

> Under the multiple flags of public health, hospital efficiency, and charity, the hospital employee is effectively denied, unlike any other class of institutional wage earner, all avenues for self-improvement * * * we submit that there are no demonstrable reasons for denying him the effective right to organize and to bargain collectively through representatives of his own choosing. He is at least entitled to such a right as is any other wage earner.

Mr. Speaker, I hope the National Labor Relations Act will be amended to protect the rights of nonprofit hospital employees.

## ANOTHER EXAMPLE OF MILITARY WASTE

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, the most painful place to hit a man is in the pocketbook. The taxpayers of this Nation are waking up and realizing that the profligate spending policies of the Armed Forces procurement people mean higher taxes to them, and they are getting mad. Since I started releasing results of my 15-month study into military procurement, I have been getting letters from all over the country. I am merely stating the case. My interest is in the welfare of the United States. The press is getting the message across and the people are reacting. My colleagues, my constituents, and people from all over the country are saying, "Stay after the scandal in military procurement. Tell us more." Just today, an official in the General Accounting Office informed me that people there think a vitally needed job is being done. This is truth. This is fact. This is beyond repute. I am here today to continue to back up my claim that the taxpayer is getting it in the neck. I am here today to prove the truth of an old saying that I heard as a boy: "Man is the only animal that can be skinned more than once and live." The taxpayer has been skinned for years, and the practice has been getting worse. But now the little man who pays the bills is getting mad and some changes are coming.

Up to $12 to $15 billion of the funds we appropriate in this session of Congress for national defense may be wasted, squandered, thrown away and poured down the drain by the military procurement services unless we in Congress get busy and do something. That is a statement which I have been making repeatedly for the past several days as I have revealed the findings of a 15-month study I have undertaken into the purchase of military equipment.

My purpose here today is the same as it has been in the past few days and will continue to be the same for many days to come—to prove that what I say is true, is backed up by documented evidence, and is an indictment of the procurement policies of the armed services which should be pursued.

Yesterday in this House I listed eight representative cases in which over $30 million was wasted. One of those cases was a report on the procurement of a hand-carried radio set known as the AN/PRC 10, used for purposes of communication. It is a case which documents almost unbelievable stupidity and is just another example that proves what I vigorously contend—that up to one-third of the taxpayers' dollars spent for national defense is being wasted and paid out in excess profits to industries, which by diverse means, gain a mantle of favoritism to make Government equipment.

The procurement authority for the AN/PRC 10 was invested in the Chief Signal Officer, U.S. Army Signal Supply Agency, Washington, D.C. For more than 10 years, my research has shown, contracts were awarded by the Signal Supply Agency in Chicago and Philadelphia to contractors such as Motorola, Admiral, and Radio Corp. of America for many millions of dollars. Awards were spaced equally between these three firms, and no other manufacturer was allowed to bid.

There was continuing pressure from the electronics industry to be given a chance to build this equipment and finally, after 10 years, a procurement for the AN/PRC 10 was placed in the open for advertised bidding and open competition. Prior to this time the price for this radio fluctuated in the $400 range with the last sole-source award being made for $401 per radio. This award was made to Admiral Corp., Chicago, Ill., for 6,555 units at a total price of $2,630,839.95.

When open competition was introduced—IFB-SC-36-039-61-1921—and a requirement for a quantity ranging for from 2,000 to 20,000 units was recorded on June 16, 1961, an award of contract went to Model Engineering & Manufacturing Co., Inc., Huntington, Ind., for 10,917 units at a price of $269.51.

Model's successful quotation was one-third lower than the previous sole-source quotation by Admiral Corp. It doesn't take a degree in economics to understand that Model saved the taxpayers 33 cents out of every dollar.

In short, Model Engineering proved the Government could and did save over a million dollars on one contract alone. It also proved that the prices paid for 10 years had been exorbitant and that the taxpayer had been penalized to the extent of many millions of dollars in past sole-source procurements.

Now, Mr. Speaker, I have just learned through documentation supplied by the General Accounting Office that just 5 months after the award of an open, competitive contract to Model Engineering, the Signal Officer has "justified" and has awarded additional contracts for additional millions of dollars to Admiral Corp. to make this same radio—and again on a sole-source and noncompetitive basis. I have also learned through this documentation supplied at my request that the unit price paid to Admiral was $414 per radio, and that the taxpayers had to pay out over $1 million more than necessary on this latest sole-source procurement. All of these awards were recommended by the Signal Corps as being in the best interests of the United States, specifically because of the time of delivery required by the Army.

Think of it. For 10 years the American taxpayers' pockets had been picked. Finally, industry forced this procurement into the open and proved it could save 33 percent of the money that was being spent. And what was its reward? What was the result? The same equipment was put back into a sole-source classification, and the price went even higher. Mr. Speaker, this is not only wasteful, it is criminal, and these people who continue to manipulate the public funds for their own uses should be brought to justice.

To proceed, I am informed that Model Engineering also submitted what is referred to as an "unsolicited proposal" in the sole-source action that followed the open-competitive bid. It offered its plant and facility to produce the AN/PRC 10 at prices almost one-third less than that ultimately paid by the Signal Supply Agency for this equipment, but its bid was ignored—and so was the best interest of the United States.

In a report to my office received only yesterday, the Comptroller General, Joseph Campbell, indicated he is cognizant of the very significant difference between a unit price of $269.51 when the equipment was purchased competitively and the unit price of $414, awarded on a sole source basis. He says this action raises a number of questions, and I agree. I have already followed through and asked new questions concerning his report, and I intend to get definite names, dates, and figures as answers.

Yes, this sort of thing does raise questions, especially in the planning and logistics department of the Army, even as similar reports to me by GAO raise questions about the same department of Navy, the rottenest apple in the whole barrel.

I now have information, not yet made public, that an even more astounding thing is about to happen. Under negotiation SC-36-039-62-11578-A1-51, the Signal Corps in Chicago is conducting another negotiated procurement scheduled for opening on June 15, 1962, at 4:30 p.m., covering even more units of the AN/PRC 10. What is going to happen is simple. Unless this sort of thing is stopped, the taxpayers are going to continue to be robbed—and that is the only way to put it—and our national defense posture is going to cost much, much more than necessary.

The failure of the signal officer to consider an independent Indiana manufacturer, Model Engineering, which wanted to save the Army almost one-third of its money on one single piece of equipment, plus the plan to continue to award contracts for this equipment on a negotiated basis, overcharging the Government in so doing, is nothing less than wanton, reckless, irresponsible, and incompetent dissipation of our national wealth. The past is terrible in retrospect in this and in other military procurement studies I have revealed and will reveal. The future promises to be even more disastrous.

How is it possible for single individuals in the military service to continue to justify, as they call it, these actions and thereby penalize the U.S. Treasury to the tune of billions of dollars a year? How is it possible that they can continue their looting of the Treasury with such impunity? Why is there no penalty for these people who are, in effect, crippling our country financially and paving the way toward national financial ruin. Our defense budget represents over half of our tax bill. This problem is crucial and vital and should not be ignored any longer.

Now, in closing, I should like to state that in connection with the procurement by the Navy Department of the AN/PRC 41 radio set under a sole-source arrangement, as described by me in the CONGRESSIONAL RECORD of June 6, 1962, the Navy has apparently conceded that its first reasons for sole sourcing this production were false and fraudulent. It still intends to make the taxpayer pay upward of $1.3 million more than necessary for the radio, but it now plans to issue a new set of reasons why only its favored company can make the equipment. I have already started to seek these new reasons and plan to investigate them. I shall also prove in future days here that the AN/PRC 10 and the AN/PRC 41 cases are just typical samples that prove my ultimate contention. That ultimate conclusion is that we are wasting over 30 percent of our defense dollars and that it is time to rid ourselves of the uncivil servants who pervert their roles in Government for their own ends.

## SECRETARY OF THE ARMY ELVIS J. STAHR, JR.

Mr. BRAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, I wish to say a word about a very able and distinguished member of the administration who will be returning in a few weeks to his career in education as president of Indiana University—Secretary of the Army Elvis J. Stahr, Jr.

The record of Secretary Stahr glows with many solid achievements. He has employed the highest degree of quiet integrity, sound judgment and firm persuasiveness to bring about a remarkable improvement in our defense posture.

Secretary Stahr's tenure has covered a period of Army growth to a point where it can carry out effectively its global missions in support of national policies.

Under Secretary Stahr's leadership—to quote a few examples—the number of full-strength Army divisions was increased from 11 to 16, and procurement of modern weapons was stepped up, allowing the Army to equip all elements of its 7th Army in Europe with the new model rifle and machinegun, and to issue improved tanks and personnel carriers to appropriate units.

Advances in the field of Army aviation which promise to revolutionize the Army's ability to surmount the obstacles of time and terrain in moving its supplies, troops on the battlefield and in bringing out its wounded were continued with increased emphasis. Great strides were also made under Secretary Stahr's leadership in the Army's expanding role as instructor, adviser, and supporter of our allies in those areas plagued or threatened with insurgency and guerrilla warfare.

Secretary Stahr has also directed the Army in a series of cooperative and consolidating actions with other services and agencies of the Department of Defense, resulting in the elimination of duplicatory functions and activities and enhancing the degree of unity within the Armed Forces.

Mr. Speaker, accomplishments of this magnitude are obviously neither accidental nor the result of only one man's efforts. But, as the Army Secretary, Mr. Stahr had the responsibility of taking the best ideas of the Army staff and selling them to the administration, the Congress and the American people. He represented the Army forcefully and accurately to congressional committees. His enthusiasm for the Army and its vital role has been clearly reflected in his many public utterances, through which he has won great respect, support and understanding for the Army and the Armed Forces.

He did not presume that his appointment as Secretary transformed him into a full-blown military genius in mufti. Instead, he listened and learned. In doing so he gained the trust and confidence of his staff. I suspect he must have hit it off equally well in his dealings with the other services; never have reports of interservice wrangling and dissatisfaction regarding the Army been so few.

His relations with the Congress have been most frank and cordial. It was always a great pleasure to meet and do business with a man in such a responsible position who did not pretend to know the answer to everything, but was willing to apply hard work, intelligent analysis, and wholehearted cooperation to produce the best possible solution to his problems. Many a bright young Government executive could learn a great lesson from Secretary Stahr's performance. Those who believe that razzle-dazzle and fancy footwork are adequate for the conduct of the Government's business should take a look at what integrity, dedication, intelligence, and ability can accomplish.

As he returns to the career he temporarily abandoned 17 months ago, his influence will still be felt. He has many times expressed his great conviction on the interrelationship of education and national defense. As the head of a great university he will be in a position to impress this message on the young men and women of America.

I have had a great personal esteem for Secretary Stahr for a long time. His tenure as Secretary of the Army has heightened that esteem and added to his stature as a national figure. I am proud to so state here and for the record. I am sure I express the sentiment of all my colleagues and the Nation at large when I also offer a deep and sincere expression of gratitude for his energetic leadership as Secretary of the Army.

## PRESIDENT TAFT: STATEMENT ON CANAL ZONE SOVEREIGNTY AND JURISDICTION

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, ever since the ill-advised action of the President of the United States on September 17, 1960, in directing the formal display of the Panama flag over the Canal Zone territory, the question of sovereignty over the zone has become a topic of increasing discussion in the Spanish language press of the isthmus, with resulting confusion and uncertainty.

Among the remarks of American statesmen most often quoted out of context on the matter of sovereignty over the Canal Zone, are those of President William Howard Taft, who, first as Secretary of War and later as President, was associated in responsible capacity with the construction of the Panama Canal a longer time than any other high official.

On November 16, 1910, while attending a banquet given by the President of Panama in the capital city of that Republic, President Taft made this significant statement:

> We are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that canal to enable us to do this effectively. (Source: Canal Record, vol. IV [Nov. 23, 1910], p. 100.)

Such comments by President Taft were no mere offhand remarks, but a deliberately phrased declaration by the President of the United States. It was a clear-cut and accepted statement of the policy under which the Canal Zone was acquired and the Panama Canal constructed and has since been maintained and operated in a land of endemic revolution and political instability. It would indeed be tragic for any weakening in this policy to be made at this time of international crisis which may continue for many years to come.

Any subtraction from the time-tested policy of exclusive sovereignty of the Canal Zone by the United States is well calculated to cause disaster to the entire world, for the Panama Canal, as a major transportation artery, has long been the key target in the long-range program for Bolshevist conquest of the Caribbean.

Furthermore, the surrender of the Panama Canal to any other country or to any international body might well result in the most serious consequences to the free world as well as open a diplomatic Pandora's box. This is no time to temporize on a subject of such transcendent significance.

In order that the full text of President Taft's significant statement may be available to all agencies of our Government, both legislative and executive, which may be concerned with this matter, and the Nation at large, I quote it as part of my remarks:

[From the Canal Record, Nov. 23, 1910]

PRESIDENT TAFT'S VISIT

President Arosemena and my friends of Panama, I am always glad to accept your hospitality. As once I have done in the case of Mexico, so now in the case of Panama, I have ventured to violate the customary limitation upon the movements of the President of the United States by leaving the soil where it exercises sovereignty to come beneath the flag and the protection of a friendly neighbor.

The birth of the Republic of Panama and the peculiar interest that the United States has had since that birth in Panama's welfare and prosperity found a common cause in the construction of the Panama Canal. The Treaty between the two countries makes the United States the guarantor of the integrity of the Panama Republic, and, therefore, in a sense the guardian of the liberties of her people secured by its constitution. Our responsibility, therefore, for your Government requires us closely to observe the course of conduct by those selected as the officials of your Government after they are selected, and to insist that they shall be selected according to law. All this, I say, makes us especially interested in what is done in your Government, but this relation neither calls for nor permits annexation. We are here to construct, maintain, operate and defend a world Canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that Canal to enable us to do this effectively. We do not wish any further responsibility in respect to your Government than is necessary in the carrying out of our purpose to construct and maintain this Canal. We have no desire to add to the territory under our jurisdiction except as the operation of the Canal may require it. We have guaranteed your integrity as a Republic, and for us to annex the territory would be to violate that guaranty, and nothing would justify it on our part so long as Panama performed her part under the Treaty. I wish to make this statement as emphatic as possible, because irresponsible persons, without the slightest foundation of fact, have started the rumor that my visit to the Isthmus was for the purpose of preaching annexation, when nothing could be further from the truth. Panama cannot be too prosperous, cannot be to healthy, cannot be too strong a Government for the United States. And I know I speak the unanimous voice of the people of the United States when I say that they would be most reluctant to have to take over the responsibilities of government in this neighborhood, beyond that of the Canal Zone, and that they would feel utterly dishonored in so doing unless there was some conduct on the part of the Panamanian people which left them no other possible course. I am glad to say that there is not the slighest indication or probability that the Panamanian people will ever pursue a policy which will require such a change in the present most satisfactory relations between the two Republics.

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## PARTICIPATION OF CALIFORNIA DEPARTMENT OF EDUCATION IN NATIONAL DEFENSE EDUCATION ACT OF 1958

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, the State of California Department of Education has participated actively in all programs authorized under the various titles of the National Defense Education Act of 1958, Public Law 85–864. A recently completed statewide evaluation of title III of the act, "Improvement of Mathematics, Science, and Foreign Language Instruction," was compiled from responses of 877 school districts enrolling 80 percent of all the students in California. In summary they state that National Defense Education Act has enabled school districts to make significant improvement in their program, not only in the fields identified in the act, but in all subject areas, for National Defense Education Act has stimulated pride in the quality of education and created an awakened sense of urgency for overall educational improvement.

Two facts are significant: the overall improvement reported in the summary has represented an expenditure of Federal funds in California under title III of only 89 cents per pupil per year; second, in all of the responses, not a single reference was made to concern over Federal control or Federal influence in the program.

THE EFFECT OF TITLE III OF THE NATIONAL DEFENSE EDUCATION ACT AS REPORTED BY THE ADMINISTRATORS OF CALIFORNIA SCHOOL DISTRICTS

(By Donald W. Johnson, consultant, Bureau of National Defense Education Act Administration)

During the fiscal years 1959 through 1961, the California State Department of Education approved 2,680 projects for the improvement of instructional programs in science, mathematics, and modern foreign languages under title III of the National Defense Education Act. Approvals were received by 887 school districts and 51 offices of county superintendents of schools for projects requiring expenditures of $8,080,831 in matching Federal funds. In addition, 137 requests for consultant services were approved under section 303(a)(5).

Alpine County, in which the schools have an average daily attendance of 71, is the only county in which there is no school participating in a program authorized under title III of the National Defense Education Act. Data for 1959–60 show that the 887 participating school districts had a total average daily attendance of 2,725,322, or 81.1 percent of the total average daily attendance of the State; and that the 51 offices of county superintendents of schools whose projects were approved represented schools with an average daily attendance of 2,974,981, or 88.5 percent of the total average daily attendance for the State.

A summary of the approved projects and fund allotments is shown in table 1 by subject area and level.

More than half (56.9 percent) of the approved projects were in science; 24.3 percent in foreign languages; and only 14 percent in mathematics. The balance, or 4.8 percent of the projects, included more than one subject area.

TABLE 1.—*Title III National Defense Education Act project approvals for California schools according to educational level, subject, and amount of Federal funds encumbered, 1958–59, 1959–60, 1960–61 fiscal years*

| Educational level | Project subject | Fiscal year | | | | | | Total number of projects approved | Total Federal funds encumbered |
|---|---|---|---|---|---|---|---|---|---|
| | | 1958–59 | | 1959–60 | | 1960–61 | | | |
| | | Number of projects approved | Federal funds encumbered | Number of projects approved | Federal funds encumbered | Number of projects approved | Federal funds encumbered | | |
| **Elementary** | Science | 195 | $543, 483 | 252 | $859, 134 | 340 | $533, 967 | 787 | $1, 936, 584 |
| | Mathematics | 43 | 55, 194 | 68 | 100, 265 | 91 | 120, 908 | 202 | 276, 367 |
| | Foreign language | 64 | 87, 680 | 75 | 127, 372 | 104 | 153, 780 | 243 | 368, 832 |
| | Combined | 23 | 131, 217 | 17 | 161, 763 | 22 | 186, 091 | 62 | 479, 071 |
| | Total | 325 | 817, 574 | 412 | 1, 248, 534 | 557 | 904, 746 | 1, 294 | 3, 060, 8[illegible]4 |
| **High school** | Science | 158 | 416, 773 | 216 | 660, 349 | 183 | 545, 216 | 557 | 1, 622, 338 |
| | Mathematics | 32 | 58, 827 | 64 | 92, 671 | 61 | 68, 387 | 157 | 219, 885 |
| | Foreign language | 95 | 493, 771 | 109 | 556, 037 | 142 | 632, 961 | 346 | 1, 682, 769 |
| | Combined | 35 | 196, 310 | 13 | 88, 533 | 9 | 7, 868 | 57 | 292, 711 |
| | Total | 320 | 1, 165, 681 | 402 | 1, 397, 590 | 395 | 1, 254, 432 | 1, 117 | 3, 817, 703 |

TABLE 1.—*Title III National Defense Education Act project approvals for California schools according to educational level, subject, and amount of Federal funds encumbered, 1958–59, 1959–60, 1960–61 fiscal years*—Continued

| Educational level | Project subject | Fiscal year | | | | | | Total number of projects approved | Total Federal funds encumbered |
|---|---|---|---|---|---|---|---|---|---|
| | | 1958–59 | | 1959–60 | | 1960–61 | | | |
| | | Number of projects approved | Federal funds encumbered | Number of projects approved | Federal funds encumbered | Number of projects approved | Federal funds encumbered | | |
| Junior college | Science | 25 | $137,732 | 63 | $259,483 | 94 | $351,919 | 182 | $749,134 |
| | Mathematics | 3 | 18,827 | 5 | 10,275 | 7 | 24,363 | 15 | 53,465 |
| | Foreign language | 18 | 103,086 | 24 | 128,673 | 21 | 87,092 | 63 | 318,851 |
| | Combined | 2 | 8,974 | 7 | 71,850 | | | 9 | 80,824 |
| | Total | 48 | 268,619 | 99 | 470,281 | 122 | 463,374 | 269 | 1,202,274 |
| 3 levels | Science | 378 | 1,097,988 | 531 | 1,778,966 | 617 | 1,431,102 | 1,526 | 4,308,056 |
| | Mathematics | 78 | 132,848 | 137 | 203,211 | 159 | 213,658 | 374 | 549,717 |
| | Foreign language | 177 | 684,537 | 208 | 812,082 | 267 | 873,833 | 652 | 2,370,452 |
| | Combined | 60 | 336,501 | 37 | 322,146 | 31 | 193,969 | 128 | 852,606 |
| | Total | 693 | 2,251,874 | 913 | 3,116,405 | 1,074 | 2,712,552 | 2,680 | 8,080,831 |

School districts operating elementary schools submitted 48.3 percent of the projects approved, and received 37.9 percent of the total funds; districts operating high schools, with 41.7 percent of the approved projects, received 47.2 percent of the funds; and districts operating junior colleges, with 10 percent of the approved projects, received 14.9 percent of the funds. Project approvals for the 1961–62 fiscal year show that participation in the program by California school districts operating elementary schools was slightly increased. There were no other significant changes.

The proportion of project participation by school districts for elementary school purposes is greater in California than in the rest of the United States, and the districts are receiving a larger proportion of the available funds for these purposes. According to the latest report received from the Office of Education, U.S. Department of Health, Education, and Welfare, 16.6 percent of the available funds have been received by elementary schools in the Nation as a whole.

Although large amounts of money have been distributed under title III to school districts in California, the cost of the program to both the Federal Government and the State has been only 89.7 cents per unit of average daily attendance per year. This figure includes all allocations to school districts for approved projects, all administrative costs as well as those for consultant services, and the many related activities carried on by various bureaus of the California State Department of Education, but it does not include matching funds provided by school districts for the purchase of equipment and materials.

The Bureau of National Defense Education Act Administration recently completed a statewide evaluation of its activities to (1) determine how wisely the NDEA funds have been utilized; (2) assist local school districts in evaluations of their instructional programs in science, mathematics, and modern foreign languages; (3) obtain appraisals of the NDEA program and learn how services of the Bureau might be made more effective; and (4) secure information in answer to questions raised by the California State Legislature.

Procedures for evaluating the activities of the Bureau included the following steps:

1. Cooperative planning with members of the Division of Instruction of the California State Department of Education to determine specific purposes and techniques of the evaluative procedure.

2. Involving representatives from the legislative budget committee, the office of the legislative analyst, and the State department of finance.

3. Selecting Wilbur Schramm, director of the Institute for Communication Research at Stanford University, as an adviser.

4. Appointing an advisory committee, consisting of representatives from school districts and offices of county superintendents of schools, to complete a pilot questionnaire.

5. Holding training sessions for representatives from offices of county superintendents of schools who in turn provide school districts with proper instructions regarding the purposes and techniques of the evaluative procedure.

6. Examining completed questionnaires, grouping answers into appropriate categories, and coding the answers for statistical treatment.

7. Tabulating responses to questionnaires.

By April 1, 1962, the 1,507 responses that had been received from 877 school districts and 51 offices of county superintendents of schools described the effect of 2,804 projects, 98.8 percent of the projects approved.

### FINDINGS AND IMPLICATIONS

The findings and implications contained in this report are based upon the experiences of school districts with a combined average daily attendance of 2,694,988, or 80.2 percent of the average daily attendance in California public schools during the 1959–60 fiscal year.

Finding: Participation in the programs under title III of the National Defense Education Act increases proportionately with the size of the district and with the level of the district.

Implication: Staff time must be scheduled so that school districts can take full advantage of the incentive programs which involve planned curriculum improvement.

Table 2 shows the distribution of school districts participating in programs under title III of the National Defense Education Act according to type and size. There was participation by 16.3 percent of the districts in the State whose average daily attendance was less than 100; by 35.4 percent of the districts with an average daily attendance between 100 and 299; by 57 percent of the districts with an average daily attendance between 300 and 999; and by 80.3 to 100 percent of the districts with 1,000 average daily attendance or more.

TABLE 2.—*Number and percent of California school districts by type and size with programs approved for partial financing under title III of National Defense Education Act, 1958–59, 1959–60, and 1960–61 fiscal years*

| Group | Range of average daily attendance | Type of school district | | | | | | | | | | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Elementary | | | High school | | | Unified | | | Junior college | | | | | |
| | | Number in State | Number with approved projects | Percent with approved projects | Number in State | Number with approved projects | Percent with approved projects | Number in State | Number with approved projects | Percent with approved projects | Number in State | Number with approved projects | Percent with approved projects | Number in State | Number with approved projects | Percent with approved projects |
| 1 | 0 to 99 | 515 | 80 | 15.5 | 9 | 4 | 44.4 | 1 | 1 | 100.0 | 2 | 1 | 50.0 | 527 | 86 | 16.3 |
| 2 | 100 to 299 | 264 | 84 | 31.8 | 36 | 21 | 58.3 | 7 | 3 | 42.9 | 1 | 1 | 100.0 | 308 | 109 | 35.4 |
| 3 | 300 to 999 | 261 | 124 | 47.5 | 70 | 56 | 80.0 | 22 | 19 | 46.4 | 5 | 5 | 100.0 | 358 | 204 | 57.0 |
| 4 | 1,000 to 4,999 | 222 | 166 | 74.8 | 76 | 68 | 89.5 | 53 | 44 | 83.0 | 19 | 19 | 100.0 | 370 | 297 | 80.3 |
| 5 | 5,000 to 9,999 | 33 | 30 | 90.9 | 19 | 16 | 84.2 | 12 | 11 | 91.7 | 2 | 2 | 100.0 | 66 | 59 | 89.4 |
| 6 | 10,000 to 49,999 | 20 | 16 | 80.0 | 10 | 10 | 100.0 | 20 | 20 | 100.0 | 1 | 1 | 100.0 | 51 | 47 | 92.2 |
| 7 | 50,000 to 99,999 | | | | | | | 2 | 2 | 100.0 | | | | 2 | 2 | 100.0 |
| 8 | Over 100,000 | 1 | 1 | 100.0 | 1 | 1 | 100.0 | 2 | 2 | 100.0 | | | | 4 | 4 | 100.0 |
| | Total | 1,316 | 501 | 38.1 | 221 | 176 | 79.6 | 119 | 102 | 85.7 | 30 | 29 | 96.7 | 1,686 | 808 | 47.9 |

The size of the administrative staffs tends to increase as school districts grow in size, and there is a tendency to provide administrative services to a greater extent in high school and junior college districts. Only 15.5 percent of the 515 elementary school districts with an average daily attendance of less than 100 participated in programs under title III of NDEA; and 44.4 percent of the 9 high school districts participated. Among all the school districts with less than 1,000 average daily attendance, participation in NDEA projects was shown to be 27.7 percent of the 1,040 elementary districts; 70.4 percent of the 115 high school districts; 87.5 percent of the eight junior college districts; and 76.7 percent of the 30 unified school districts.

Thus, although it would appear that the size of a school district is the determining factor in its participation in the program, such is not the fact. The critical factor is the size of the administrative staff which is given responsibility for the preparation of projects and time in which to do the required work.

The school districts that assigned one person to supervise all project applications obtained the greatest amount of financial assistance, reported the greatest amount of gain in their instructional programs, and had the fewest problems in using National Defense Education Act funds.

Participation by small elementary school districts is also directly related to the size of the staff provided by the office of the county superintendent of schools to develop the applications and to assist the districts in the implementation of the approved projects.

Finding: Participation in title III of the National Defense Education Act has been inversely proportional to the assessed value per pupil of the districts.

Implication: Incentive programs are not effective in school districts that have sufficient resources to finance the educational aspirations of the community.

Of the approximately 500 school districts in California that receive basic aid only, 190 districts, or 38.2 percent, participated under title III of NDEA. The percent increased to 43.7 percent for districts receiving equalization aid on the regular formula, and to 62.2 percent for districts receiving equalization aid on the basis of the alternate formula.

Among elementary school districts, 61.1 percent of the alternate equalization districts participated, while only 29.8 percent of the basic aid districts submitted project applications; and at the secondary level, the percents were 93.3 percent and 73.7 percent, respectively.

The lack of participation in title III by wealthy districts may be accounted for by their wealth, and not their opposition to the intent of the NDEA program. A letter written by the superintendent of one of the wealthiest school districts in California to the Department of Education early in the program stated that the district was sympathetic to the intent of NDEA, but did not intend to participate because the district had sufficient funds to finance any improvements they desired.

The 50-50 matching requirement of the law has worked a hardship on some school districts, and 93 indicated a desire for a more flexible form of matching. The study, however, did not support the claim that NDEA makes "the rich richer and the poor poorer." On the contrary, there was evidence in the evaluation documents to support the conclusion that NDEA funds were of significant assistance to the school districts in the State on a simple financial basis. One large district facing severe financial problems received a recommendation from its staff that participation in NDEA be discontinued, but it was the school board's judgment that failure to participate would be detrimental to the educational plans of the district.

Finding: Title III of the National Defense Education Act has helped to educate large numbers of students in science, mathematics, and modern foreign languages.

Implication: Financial incentives to school districts in special subject areas help to establish a desire on the part of students to enroll in these subjects, and assist the districts in providing for the increased enrollment.

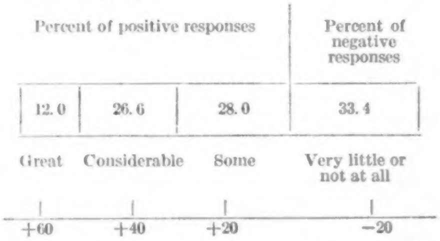
The National Defense Education Act has had little influence on enrollments in science and mathematics in the elementary schools of California, for these two subjects have long been part of the required course of study. In foreign languages, however, enrollment in the elementary schools has grown from a very few to 187,294 pupils, 8 percent of the total number of elementary pupils in the State. It may be concluded that money made available under title III of the National Defense Education Act was a major factor in the rapid growth of programs in foreign language.

The Bureau of Secondary Education of the California State Department of Education reports a 51.3-percent increase in science enrollments, a 75.1-percent increase in mathematics enrollments, and an 89.6-percent increase in foreign language enrollments during the 1959-61 period when the total enrollment in secondary schools increased only 47.5 percent. Similar figures are not available for the junior colleges.

It was the intent of Congress in passing the National Defense Education Act "to enable more students to be educated in science, mathematics, and modern foreign languages." Many factors have been in operation that would result in increased enrollments. The purpose of the NDEA was to help school districts accommodate this increase.

The extent to which the NDEA was successful, in the opinion of the administrators of the public schools of California, is shown by table 3:

TABLE 3.—*Extent to which title III of the National Defense Education Act was effective in enabling California school districts to provide for increased enrollments in science, mathematics, and modern foreign languages*



Reports from the school districts submitting completed questionnaires indicated that student enrollments are related not only to current social pressures and vocational aspirations, but also to the richness of the learning environment. There are several reasons why the provision of equipment and materials has an effect on enrollment. In the first place, the initiation of new programs, such as the foreign language program at the elementary level, requires the expenditure of considerable funds to secure the necessary equipment and teaching materials. In the second place, the provision of equipment and materials for student experimentation and use appears to have a motivational influence upon the student. The Bureau of Secondary Education reports that the increase in enrollments in advanced science courses reflects higher educational goals on the part of the students and satisfaction with the beginning courses.

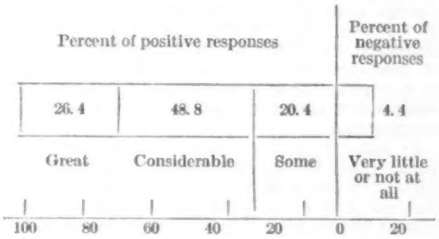
Finding: Title III of the National Defense Education Act has resulted in significant improvement in the quality of instruction offered California students in science, mathematics, and modern foreign languages.

Implication: The provision of funds for the purchase of equipment and materials stimulates program improvement and provides the motivation for curriculum change on the part of the district and the reward for change on the part of the teacher.

The California State plan for the administration of the NDEA requires from each applicant district a proposal that contains a detailed description of the proposed program of instruction, including specific descriptions of the use of equipment and materials, the plans of the district for inservice education, and an evaluation program. This requirement is credited by districts as being responsible for the effect of the NDEA on the improvement of instruction.

Altogether, 95 percent of the respondents to the questionnaire reported that the NDEA had been effective in improving instructional programs in science, mathematics, and modern foreign languages. The extent to which those responding thought that the NDEA had influenced the programs is shown in table 4:

TABLE 4.—*Extent to which title III of the National Defense Education Act was effective in improving instructional programs in science, mathematics, and modern foreign languages in California schools*



Although school districts reported considerable improvement in their instructional programs, the inservice plans contained in the project applications did not reach fruition, nor were the anticipated evaluations actually carried out. Therefore, the question to be answered at this time is not whether the programs improved, but rather by what process the improvement took place. The answer to this question seems to depend upon the number of teachers involved in the program change.

For example, in high schools where only a small number of teachers were involved in a physics program, the process of change was effected by (1) sending one or two teachers to a summer institute or workshop; (2) upon their return having them teach physics under controlled conditions; (3) meeting frequently during the year with the other physics teachers; (4) gaining approval from the board of education to continue experimentation for a second year; (5) submitting an NDEA project for equipment and consultant help; (6) holding a workshop of 3 to 7 weeks for physics teachers; and (7) teaching the course during the school year with constant consultant help. While these activities were going on, every aspect of the program was being evaluated. In the total process, staff attitudes were developed that made implementation of the new program fairly easy. Secondary school administrators reported that the fellowships provided by the National Science Foundation had been the greatest single factor in program changes.

Reports from many high school districts in California indicate that when small groups of teachers are involved, this approach to curriculum change is appropriate.

At the elementary level, where the number of teachers involved in a proposed program change may run into the thousands, the approach described has not proven effective. Approximately 50 percent of the elementary school districts reported that they were having difficulties with their inservice programs and that they needed additional staffing to deal with the problems.

Another stimulus for change comes from the provision of additional equipment and materials. Regardless of the care that may be exercised in the selection of items, the equipment purchased will be subject to some criticism. This criticism may be expressed by rejection of the equipment and new materials or by stated preferences for items other than those furnished. Critical attitudes are generally communicated to the school administrators along with recommendations. After a certain amount of intercommunication, additional purchases of equipment and materials are based upon the evaluation and recommendations of the dissident group, within the framework employed in making the original purchases.

Teachers then accept the responsibility for obtaining the skills needed to use the additional equipment and materials. Many teachers obtain these skills on their own time and at their own expense through extension and summer school courses. They introduce the additional equipment and materials to the classroom, make further informal evaluations of equipment needs and instructional techniques, and another cycle of change is begun.

The three main aspects of the process of change appear to be (1) increased depth of involvement by the individual teacher; (2) increased involvement in terms of numbers of teachers; and (3) increased enrichment in the quantity and quality of instructional equipment and materials made available to the teachers.

At this time it is impossible to tell how many years all the teachers in a school district may be involved in such a process, although it appears that the length of time will be in proportion to the number of teachers affected and the amount of change desired. The approach described as appropriate at the high school level involved only a few teachers, but took a 3-year period to complete.

Finding: Administrators of school districts report that additional improvement in instructional programs is still necessary.

Implication: Continued assistance in improving instructional programs, and incentives such as provided by the NDEA are desired by most school districts.

More than one-third of the responding school districts reported that they had plans for further improvement of their instructional equipment and materials; one of every five reported plans for additional laboratories for classes in science and modern foreign languages; one of every eight anticipated additional organizational and instructional changes; and one out of two school districts reported need for additional staff to provide in-service education for teachers.

Inasmuch as the districts generally reported that they were unable to finance these additions unless they had financial assistance, the continuation of NDEA programs or other similar legislative programs is necessary if the districts are to achieve their goals.

Finding: Title III of the National Defense Education Act has created a demand for inservice education programs that districts are unable to supply with existing resources.

Implication: School districts in California are staffed in terms of maintaining an existing educational program, and are thus inadequately staffed when the legislature or society places upon the schools the obligation for major curriculum change.

School districts were asked to identify the basic problems which they faced in terms of the implementation of their NDEA projects and their plans for future change. One of every six districts felt that it lacked sufficient help. Three out of eight districts reported insufficient funds for in-service education or for equipment and materials. One of every four districts reported that its biggest problem was the improvement of the teaching staff; and one of every four reported the need for local consultants to assist in the in-service program.

The tenor of the reports received from the school districts indicated that title III of the NDEA had served as a stimulus for program change and program improvement. However, the reports indicated that this stimulus had come at a time when the school districts lacked resources to provide the necessary in-service education for their teaching staffs, and the supply of competent teachers was insufficient for their needs.

Finding: Title III of the National Defense Education Act has strengthened the awareness of school districts of the need for more effective evaluation procedures.

Implication: During a period of program change, the need for adequate tools to evaluate the effectiveness of the changed program by obtaining evidence regarding improvement and learning places further demands on school districts for more adequate administrative staffs.

School districts were asked to report the nature of the evidence they had collected and upon which they based their judgment regarding improved learnings on the part of students. Professional opinion was the most frequently used criterion. Only one of every three school districts reported any objective evidence such as test data or enrollment figures to support their findings. Many administrators reported that existing tests were inappropriate for the changed educational programs, that the pressure of time upon existing staff did not permit adequate evaluation, and that they lacked the funds to add staff members for purposes of evaluation.

Reports from most of the school district administrators showed not only a great need for evaluation of their school programs; but also considerable evidence that they were deeply concerned with the effectiveness of instruction. The reports reflected an awareness that such evaluations were not being made, and contained appeals to the California State Department of Education for assistance in evaluating their programs with more effective and appropriate tests, consultant assistance, and financial assistance in maintaining an adequate staff to administer and interpret the data which could be collected.

Finding: Title III of the National Defense Education Act has stimulated the change to a more highly specialized organization of instruction.

Implication: The infusion of energy and money into any area results in a more complex and a more highly specialized organization.

School districts were asked to describe the organizational change which had taken place in their instructional programs. The responses of the elementary school districts indicated that approximately one of every three had fully departmentalized at the seventh and eighth grade level; and that some degree of departmentalization had occurred as low as the fourth grade in one of every 20 school districts. One of every four reported that science was taught as a separate subject; one of every five reported some type of grouping to provide greater individualization of instruction; and one of every five employed additional teachers to provide for increased specialization of instruction.

High school districts reported a similar trend toward increased specialization of assignment. One of every seven high school districts gave department heads released time for administrative duties; 1 of 10 reported restricting the teaching staff to specific areas of science or mathematics; 1 of 3 reported changes in their practices of assigning students to classes; and 1 of 15 reported employing laboratory assistants in science or in foreign language, and granting free time to teachers for program preparation.

Finding: Title III of the NDEA has so far had an overall favorable effect upon other subject areas in the school program.

Implication: Incentive programs for special subject areas are not necessarily damaging to the school program as a whole.

Four favorable comments regarding the effect of the NDEA on other subject areas were made for each unfavorable comment. In order of frequency, the favorable effects of the NDEA included (1) the increased use of general audiovisual equipment and materials; (2) the establishment of a climate of recognition for the extent of improvement possibilities; (3) the development of techniques of program appraisal and program development in other subject areas; and (4) improved cooperation with other school districts, offices of county superintendents of schools, and institutions of higher learning.

The unfavorable effects of the NDEA most referred to were overloading the administrative and supervisory staff; and the feeling that money had been taken from other areas of the curriculum. There were also some references to the creation of staff jealousies as a result of selecting certain subject areas.

In general, however, it was the feeling of the school districts in California that the National Defense Education Act had been a stimulant for program improvement in all areas of the school curriculum, and that its favorable effects far outweighed any unfavorable effects.

Finding: School districts have recommended changes in administrative practices for title III which are currently being put into effect.

Implication: Continual feedback from school districts regarding any service program is essential to the improvement of administrative procedures and to adaptation to changed circumstances.

School districts were asked to recommend the changes in administrative practices that would be of assistance to them in the development of programs financed under title III of the National Defense Education Act. Half of the districts responding requested that the deadline for submission of projects be shifted to the spring. An almost equal number requested that the Bureau of National Defense Education Act Administration take steps toward revising its manual of instructions.[1] One of ten school districts stated that the straight 50–50 matching should be made more flexible so that the poorer school districts might receive the benefits they need.

The California State Department of Education has already responded to the request for the spring deadline by establishing April 24, 1962, as the deadline for applications for the 1962–63 fiscal year. The manual of instructions for the preparation of projects is currently under revision and several statewide committee meetings will be held to obtain the reactions of school districts toward the changes proposed. The provision of more flexible matching requirements is under study.

### CONCLUSIONS

Participation of a school district in title III programs is related directly to the size of its administrative staff and inversely to its wealth.

Title III of the National Defense Education Act has been successful in California in helping school districts to accommodate increased student enrollments and improve the quality of instruction in science, mathematics, and modern foreign languages.

Title III has stimulated school administrators in the State to initiate programs of instructional improvement; and the equipment and materials provided under title III have acted both as motivation and reward to the teachers in the school districts involved. Secondary school district administrators credit the National Science Foundation with being the greatest single factor in program change.

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[1] "Manual of Information and Instructions Regarding Application for Projects Under Title III of National Defense Education Act of 1958" (Public Law 864): "Financial Assistance for Strengthening Science, Mathematics, and Modern Foreign Language Instruction—Grants for Acquisition of Equipment, Materials, and Minor Remodeling." Sacramento: California State Department of Education, 1959 (revised).

Title III has achieved only limited success in the development of adequate in-service education programs for teachers and the encouragement of effective evaluation programs. School districts report that they have insufficient funds to employ adequate staff for these purposes and are seeking aid either from such programs as are represented by the National Defense Education Act or programs established by the State legislature.

Title III has stimulated the development of more complex and more highly specialized instructional programs, which include the increased specialization of teachers and greater attention to pupil placement.

Title III has been a favorable influence upon the school program as a whole. The criticisms regarding additional workload on school district staffs are more than counterbalanced by the use of ideas, equipment, and techniques developed in NDEA supported subjects and by the stimulation of improved programs in other subject areas.

The experience of the school districts indicates that even under the most favorable circumstances a minimum of 3 years is necessary for curriculum change, and that considerably more time is needed if large numbers of teachers are involved.

The total cost of the NDEA title III program in California, including administrative costs, consultant and supervisory services, and matching funds for equipment and materials, has been approximately 90 cents per pupil per year.

Probably the most valuable result of the study is that it has proven that small amounts of money, when wisely spent as a result of careful planning, can effect a significant impact on the educational program in a school district and in the State.

## THE KING-ANDERSON BILL

**Mr. ROOSEVELT.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

**The SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

**Mr. ROOSEVELT.** Mr. Speaker, in these critical times the external pressures on the very fabric of our existence have tempted many to put aside needed solutions to problems of great domestic importance. Medical aid to the aged is such a problem, and such temptation can no longer be indulged.

The King-Anderson bill, now being considered by the Committee on Ways and Means, is a carefully planned program which supplies us with a heartening and long overdue solution. I trust the committee will give this body an opportunity to cast its vote on this critical measure.

The attempt to legislate some kind of medical aid for the aged goes back more than a generation to the days of my father. It includes all the various health insurance proposals, formal and informal, that were made by Senator Wagner; it includes the several Wagner-Dingell bills; it includes the Forand bills; and it now includes the King-Anderson bill, to which this administration has given its unqualified endorsement.

Opposition to such proposals has always come from the same groups, bellwethered by the ultraconservative lobby of the American Medical Association, although the reasons for such opposition—at least its public reasons—have shifted from time to time.

Today we hear loud protests against the King-Anderson bill. Some say it is a fraud on the public because it does not undertake to furnish certain benefits, and is, therefore, not true medical aid to the aged. Yet those same voices also opposed the earlier bills which did extend those very benefits on the ground that too much was being given away and in some mysterious way we were socializing medicine.

The hypocritical posture of these vested interests has been clearly revealed. It is time they confessed their true position is against any medical aid on any terms to any citizen at any time—always excepting, of course, retired generals and Members of Congress. Then the issue would be joined and laid before the public in clear perspective.

Until that day comes, we must recognize the opposition for what it is and not let it confuse and dissuade us from the complete and positive solution that the King-Anderson bill represents.

## RESOLUTION CONTINUING APPROPRIATIONS CARRIED IN THE SECOND SUPPLEMENTAL APPROPRIATION BILL, ORDERED CONSIDERED JUNE 14

**Mr. CANNON.** Mr. Speaker, I ask unanimous consent that it may be in order tomorrow, after disposition of the business on the Speaker's table, to consider a resolution continuing appropriations carried by the second supplemental appropriation bill, 1962.

**Mr. TABER.** Mr. Speaker, reserving the right to object, the gentleman from Missouri advises me that this is nothing more than an ordinary stereotyped provision such as we have previously used to clean up appropriations.

Mr. Speaker, I withdraw my reservation of objection.

**The SPEAKER.** Is there objection to the request of the gentleman from Missouri?

There was no objection.

## RESIDUAL OIL

**The SPEAKER.** Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 3 hours.

**Mr. CONTE.** Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

**The SPEAKER.** Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

**Mr. CONTE.** Mr. Speaker, as the hour approaches for the fateful deliberations of this body on a determination of national trade policy to meet the great challenges of this decade, it is altogether appropriate that we focus our attention on a particular trade problem of great significance to the economy of New England and the East—and a problem which profoundly affects our Nation's security.

In March of 1959, President Eisenhower by Executive order imposed mandatory controls on the importation of crude fuel oil and its products and derivatives. This was done expressly to aid the domestic oil industry and to encourage greater exploration of crude oil in this country. It so happened that the wording of the order—I believe inadvertently—brought within the scope of the order one particular derivative of crude oil which could have no conceivable effect upon domestic exploration; that is, residual oil, a byproduct of the refining process which has traditionally been sold by domestic producers at a cost well below the price of the crude oil from which it is derived. It is the black tarry substance which is left after all valuable oil products have been refined from the crude.

It is, in fact, so unimportant to domestic producers that through technological advances they have succeeded in steadily reducing the amount of residual oil left from each barrel of crude after refining. Many modern refineries have so far improved the refining process that no residual oil is left after refining.

It is for this reason that domestic production of residual fuel has steadily declined. This decline is very much in the interest of the domestic fuel oil producing industry and the general public because as improvements are made in the refining process, the consumer benefits from an overall lower cost for all oil products.

While this decline has taken place, domestic consumption of residual fuel oil has remained constant; approximately 550 million barrels in 1960 as in 1950. Even consumption on the east coast, which for many reasons must rely on residual oil almost exclusively, has risen only a few percentage points.

Since the President's proclamation in March of 1959, domestic drilling and exploration have continued to decline. While it is difficult to justify from an economic standpoint the wisdom of these controls insofar as their primary purpose is concerned, it is impossible to justify the wisdom of these controls from the point of view of the residual oil consumer who has been severely penalized with needless shortages and increased costs.

When the order of the Office of Civil and Defense Mobilization, now the Office of Emergency Planning, was transmitted to the President in March of 1959, few people realized the significance of its all-inclusive language. The case for allowing free importation of residual oil was, in fact, never heard.

The only conceivable beneficiary of residual oil import controls is the domestic coal industry which, it is argued, would benefit from the elimination of residual oil consumption in the United States. This argument is entirely fallacious since the elimination of all residual oil in the United States would not put a single coal miner back to work. The imposition of controls, however, helps through regulated marketing systems to inflate the price of residual oil and thereby permit higher charges by the barons of the coal industry to east coast consumers. These controls do no more than encourage excessive profits by the interests which control the mines. The elimination of all residual oil imports would result only in a 3 percent increase in coal consumption, which would be more than met by increasing the output of existing mechanized facilities.

The coal industry seized upon the Presidential Proclamation as an opportunity to further its own interests and it has staunchly defended the continuation of these quotas. The industry has in fact gone to great extremes including placing an extravagant advertisement in many newspapers just a few weeks ago demanding that the Congress tighten controls on imports of crude and residual oil.

Mr. Speaker, I include as part of my remarks the text of the advertisement sponsored by the National Coal Policy Conference to which many of my colleagues subscribed by authorizing the use of their signature in the advertisement, along with several other inserts at the conclusion of my statement.

(See exhibit 1, New York Times reprint.)

Mr. CONTE. I am confident that this advertisement went well beyond the intent of many of my colleagues when they permitted the use of their name in connection with a brief and innocuous statement purporting to maintain a healthy domestic fuel industry. This advertisement went far beyond the point of view intended to be expressed by many of those who subscribed to the views stated in this advertisement.

Before taking each of these assertions and comparing them with the facts, I would like it noted for the record that this is, in my judgment, a flagrant attempt to intimidate the Congress at a most difficult time. The coal industry has seized upon the debate in the Congress over the President's trade expansion program as an opportunity to advance its own selfish interests. It is a familiar but reprehensible tactic at a time when Members of Congress are weighing one of the most vital issues to come before us in order to determine what is truly in the national interest. The National Coal Policy Conference has blatantly attempted, in a way offensive to the democratic process, to blackmail the Congress into submitting to their demands. We in New England do not subscribe to such an unenlightened approach.

The analysis of each assertion in this advertisement demonstrates its total irresponsibility.

(See exhibit 2, "Congress Speaks," April 9, 1962.)

Mr. CONTE. I am confident that the executives of the National Coal Policy Conference will insure that expenditures incurred for advertisements of this sort—over $7,000 in the New York Times alone—will appear in its reports of lobbying expenditures which must be filed with the Congress.

We in New England cannot afford to lavish vast sums of money for expensive newspaper advertisements in order to influence the public or the Congress. We can merely try to state the facts. Our interest is the consumer. Our interest is not in enhancing our profits and dividends. Our interest is in permitting New England to compete fairly with the rest of the Nation. We ask merely to be free from onerous controls which artificially support the price of a raw material vitally needed in our economy.

Over a year ago, the New England congressional delegation and the New England Council joined in a petition to the Office of Civil and Defense Mobilization for a study of the national security justification for the continuation of controls on residual fuel oil. Over 100 submissions were made to the Office of Civil and Defense Mobilization which is required by section 7 of the Trade Agreements Act to make recommendations to the President who is then required, based upon these recommendations, to either eliminate or reaffirm the previous proclamation. Every responsible Government agency filed its views with the Office of Emergency Planning and I am informed that the State Department and the Defense Department among others recommended elimination of these controls. I am informed that the staff of the Office of Emergency Planning also recommended elimination of these controls and that tentative conclusions were transmitted to the President and his staff last January. On approximately March 1, formal recommendations were made to the White House. As of this date, however, no action has been officially taken.

I do not know what accounts for this delay on the part of the administration. The President has eloquently stated his concern for the consumer, even to the extent of submitting a special message to the Congress. Yet he has permitted these costly controls to remain in effect—controls which he soundly denounced as a Senator from Massachusetts—controls which have cost the New England economy over $30 million a year in increased costs. Again the President has eloquently expressed his desire for freer trade throughout the world. Yet he has permitted to remain in effect an unjustified control on imports which jeopardize our trade relations with Venezuela, one of our most important allies in this hemisphere.

The continuation of import controls on residual oil is totally inconsistent with the most fundamental objectives of this administration.

Mr. Speaker, a very excellent editorial from the Boston Herald of April 20, 1962, points out the inconsistency between certain administration policies and the continuation of residual oil quotas.

(See exhibit 3, Boston Herald editorial of April 20, 1962.)

Mr. CONTE. We in New England and indeed those of us throughout the East whose constituents have suffered the heavy burdens of artificially inflated fuel oil costs these past few years will watch with considerable interest the President's decision on the recommendations of the Office of Emergency Planning. I dare say that his action will have great bearing upon the reaction of many of us to the President's request for increased authority to negotiate a freer trade policy.

The contradiction between the President's trade expansion program and continued import restrictions is obvious when New England is asked to accept for many of its key industries increased import competition as to finished products, yet is being denied free access to the raw material essential to the manufacturing process.

Ironically many of those industries which rely most heavily upon residual oil are industries which must now compete in free world markets for the sale of their finished products. For example, the paper industry has no tariff or quota protection. It must sell its newsprint in Boston and in New York in open competition with Canadian and European competition. Energy costs in the manufacture account for 12 to 15 percent of the overall cost. Certain New England paper manufacturers have been denied access to residual oil. Others have incurred substantially increased costs in purchasing their residual oil requirements. One substantial paper manufacturer incurred increased costs of $100,000 in 1 year because of the inflation in the price of residual oil caused by import quotas. This manufacturer is one of the largest employers in Maine and in the particular year involved, 1961, operated at a deficit. It is principally the differential in energy costs which permits Canadian manufacturers to undersell New England manufacturers in Boston and New York from $6 to $12 per ton. It is indeed tragic when basic industries which employ thousands of our people must pay substantial price premiums for essential raw materials due to an unjustified and senseless trade policy and then compete in open competition with foreign manufacturers which have a substantial advantage in reduced energy costs.

To be effective, a trade policy must be consistent. The establishment of a restrictive policy for the supposed benefit of the coal regions may, as in this instance, make it impossible for an American manufacturer to place his finished products in free competition with the products of other countries. While we may be able to overcome the disadvantage imposed upon our manufacturers by increased labor costs in this country, it is difficult to accept the proposition that the adverse results of a restrictive trade policy on a raw material should make it impossible for us to achieve the benefits of free trade in end products. The continuation of the quota program is a discriminatory burden on New England manufacturers and defeats the objectives of the President's trade expansion program.

It will be argued by the proponents for the continued existence of quotas that the price of residual oil in recent months has experienced a substantial decline.

There has in fact been a price decline of 20 cents per barrel at cargo or wholesale levels in the last 2 months. This has been brought about partly by a general decline in the price of oil products, partly by the substantially enlarged quotas put into effect as of April 1 and partly by normal seasonal declines. Whether this recent price drop will reach down to the consumer level remains to be seen. In any event, excess costs for past years cannot be retrieved and there is no certainty that quotas will not be tightened up again with resulting quota-induced price increases in the future. The quota program as it applies to residual oil is wrong in principle.

The quota system freezes competition in the distribution of residual oil; it eliminates interfuel competition and precludes new distributors from entering the field. This destruction of competition and this disruption of normal marketing procedures can only mean the continuation of artificially high prices in excess of world market levels. Even at this time following reductions in the price of residual oil in the East, there is a wide disparity between the price of bonded and nonbonded oil according to the most current figures of the Office of Emergency Planning. That is the difference between oil sold in American harbors for use in international commerce and residual oil sold in the same American harbors for domestic use. During recent months, this disparity has ranged from 25 to 40 cents per barrel. It is the most accurate indication of the true cost to the consumer of residual oil quotas. One may cite statistics for barge prices, posted prices, odd lot prices, and depending upon what statistical index is used, almost any conclusion can be drawn. But the basic difference in cost brought about by the quota system is the increased price of oil sold under the quota from oil sold not under the quota in the same location. This increase continues to range for New England alone in the $25/30 million level according to the Federal Reserve Bank of Boston and the New England Council.

According to the difference between bonded and nonbonded bunker prices for ships in November of 1961, the difference was 31 cents per barrel. Without import restrictions, the price level on the east coast would have been at least 30 cents per barrel lower last November according to the Office of Emergency Planning. The seasonal price decline which occurred on March 12 reduced the differential to 20 cents per barrel but considering that 300 million barrels a year are consumed on the east coast, this is still an enormous sum.

The New England Council conducted a survey of many manufacturing firms and public institutions throughout New England.

Mr. Speaker, a tabulation of a random sample of New England consumers with the amount of increased costs which they have paid in 1961 as a result of the imposition of residual oil quotas is included at the conclusion of my remarks.

(See exhibit 4.)

Mr. CONTE. Also an article dated March 26, 1962, which appeared on the front page of Barron's National Business and Financial Weekly, underscores the great contradiction between residual oil quotas and the President's policy of freer trade.

(See exhibit 5.)

Mr. CONTE. We do not ask, Mr. Speaker, for any preferential treatment in New England. We ask only for the opportunity to compete on fair and equal terms with the rest of the Nation. We do not seek in the forthcoming debate over the trade bill to blackmail either the President or the Congress into catering to our special interests in order to gain our support for the President's trade expansion program. Our support or our rejection of the President's bill will be based upon our own honest and objective evaluation of its merits and upon our own assessment of the way in which this bill will contribute to the overall interests of our domestic economy. I must add, however, that the administration of this law, assuming it is enacted, will be all important, and it is difficult to have confidence in the way in which these increased powers will be administered if the handling of the residual oil matter is a true indication of the administration's attitude toward U.S. trade relations with other free countries. It is a poor standard indeed and as a matter of conscience and logic, it must be rectified. Those of us from consuming areas of the country have a right to expect and to receive some assurances from the administration that we will not be asked to suffer the adverse effects of a freer trade policy without similarly enjoying its benefits, that we will not be asked to place our finished manufactured products in free and open competition unless we can similarly purchase essential raw materials in free and open competition.

In conclusion, Mr. Speaker, there is included a copy of the editorial which appeared in the Saturday Evening Post in November of 1961 on this vital subject.

(See exhibit 6.)

EXHIBIT 1

[Advertisement from the New York Times, Apr. 1, 1962]

CONGRESS SPEAKS: "SECURE, DEPENDABLE, DOMESTIC FUELS VITAL TO OUR NATIONAL WELFARE"

To our congressional colleagues: A secure and dependable domestic fuel supply is basic to the continued welfare of our Nation, to its industrial development, to the consuming public, and to the national security.

We must never reach the point where fuels produced domestically are insufficient for all national needs, including national defense production in case of war or other emergency.

As imports of both residual and crude oil continue to increase, we become more and more dependent on them. Domestic production and transportation facilities for both petroleum and coal are thereby weakened, and the national security is endangered.

These facts are important:

Total imports of residual oil increased from 119 million barrels in 1951 to 235 million barrels in 1961. Imports in 1961 were 53 million barrels greater than in 1958, the last year before controls were started.

For 6 years there has been no increase in domestic crude production, while imports of crude and products (except residual) have increased by an average of about 50,000 barrels per day annually since 1956. In contrast to static production in the United States, crude production in the free world outside the United States has increased 50 percent, and in Russia production has doubled.

Exports of Venezuelan residual oil to the United States increased from 170 million barrels in 1958 to 208 million barrels in 1960, during the years that the import control program has been in effect.

Venezuelan crude oil exports to the United States totaled 192 million barrels in 1958, and were up to 200 million barrels in 1960.

The posted price of residual oil in cargo lots per barrel in Boston Harbor was $2.43 per barrel in 1958 (immediately prior to controls), and $2.26 per barrel on March 21, 1962, after 35 months of import controls.

Excessive oil imports have caused a significant decline in exploration and drilling for domestic crude oil.

Imported residual has increased from the equivalent of 45 million tons of competing U.S. coal to 55 million tons in 4 years. These excessive imports have decreased production and employment in the coal industry, have reduced railroad revenue from coal transportation and are forcing a decline in rolling stock available for transporting of coal.

Reliance for meeting the Nation's fuel requirements—both for normal economic growth and the security of our Nation—must never be upon insecure and uncertain sources.

Signed by:

Senator J. GLENN BEALL, Republican, of Maryland; Senator WALLACE F. BENNETT, Republican, of Utah; Senator QUENTIN N. BURDICK, Democrat, of North Dakota; Senator JOHN M. BUTLER, Republican, of Maryland; Senator ROBERT C. BYRD, Democrat, of West Virginia; Senator FRANK CARLSON, Republican, of Kansas; Senator JOHN SHERMAN COOPER, Republican, of Kentucky; Senator ERNEST GRUENING, Democrat, of Alaska; Senator VANCE HARTKE, Democrat, of Indiana; Senator GALE W. MCGEE, Democrat, of Wyoming; Senator THRUSTON B. MORTON, Republican, of Kentucky; Senator FRANK E. MOSS, Democrat, of Utah; Senator JENNINGS RANDOLPH, Democrat, of West Virginia; Senator JOHN G. TOWER, Republican, of Texas; Senator RALPH W. YARBOROUGH, Democrat, of Texas; Senator MILTON R. YOUNG, Republican, of North Dakota; Representative WATKINS M. ABBITT, Democrat, of Virginia; Representative WAYNE ASPINALL, Democrat, of Colorado; Representative CLEVELAND M. BAILEY, Democrat, of West Virginia; Representative HOWARD H. BAKER, Republican, of Tennessee; Representative WILLIAM A. BARRETT, Democrat, of Pennsylvania; Representative ROSS BASS, Democrat, of Tennessee; Representative WILLIAM G. BRAY, Republican, of Indiana; Representative DANIEL B. BREWSTER, Democrat, of Maryland; Representative FRANK W. BURKE, Democrat, of Kentucky; Representative JAMES A. BYRNE, Democrat, of Pennsylvania; Representative FRANK CHELF, Democrat, of Kentucky; Representative J. EDGAR CHENOWETH, Republican, of Colorado.

Representative ROBERT B. CHIPERFIELD, Republican, of Illinois; Representative FRANK M. CLARK, Democrat, of Pennsylvania; Representative ROBERT E. COOK, Democrat, of Ohio; Representative JOHN H. DENT, Democrat, of Pennsylvania; Representative WINFIELD K. DENTON, Democrat, of Indiana; Representative W. J. BRYAN DORN, Democrat, of South Carolina; Representative THOMAS N. DOWNING, Democrat, of Virginia; Representative ED EDMONDSON, Democrat, of Oklahoma; Representative CARL ELLIOTT, Democrat, of Alabama; Representative ROBERT A. EVERETT, Democrat, of Tennessee; Representative GEORGE H. FALLON, Democrat, of Maryland; Representative IVOR D. FENTON, Republican, of Pennsylvania; Representative DANIEL J. FLOOD, Democrat, of Pennsylvania; Representative SAMUEL N. FRIEDEL, Democrat, of Maryland; Representative EDWARD A. GARMATZ, Democrat, of Maryland; Representative KATHRYN I. GRANAHAN, Democrat, of Pennsylvania; Representative KENNETH J. GRAY, Democrat, of Illinois; Representative

William J. Green, Jr., Democrat, of Pennsylvania; Representative Ralph R. Harding, Democrat, of Idaho; Representative Wayne L. Hays, Democrat, of Ohio; Representative Ken Hechler, Democrat, of West Virginia; Representative Robert W. Hemphill, Democrat, of South Carolina; Representative Elmer J. Holland, Democrat, of Pennsylvania; Representative George Huddleston, Jr., Democrat, of Alabama.

Representative W. R. Hull, Jr., Democrat, of Missouri; Representative Richard H. Ichord, Democrat, of Missouri; Representative W. Pat Jennings, Democrat, of Virginia; Representative Thomas F. Johnson, Democrat, of Maryland; Representative Carroll D. Kearns, Republican, of Pennsylvania; Representative Elizabeth Kee, Democrat, of West Virginia; Representative David S. King, Democrat, of Utah; Representative John C. Kunkel, Republican, of Pennsylvania; Representative Richard E. Lankford, Democrat, of Maryland; Representative Roland V. Libonati, Democrat, of Illinois; Representative Peter F. Mack, Jr., Democrat, of Illinois; Representative Charles McC. Mathias, Jr., Republican, of Maryland; Representative William H. Milliken, Republican, of Pennsylvania; Representative William E. Minshall, Republican, of Ohio; Representative Joseph M. Montoya, Democrat, of New Mexico; Representative Arch A. Moore, Jr., Republican, of West Virginia; Representative William S. Moorhead, Democrat, of Pennsylvania; Representative Thomas E. Morgan, Democrat, of Pennsylvania; Representative Thomas G. Morris, Democrat, of New Mexico; Representative James H. Morrison, Democrat, of Louisiana; Representative William H. Natcher, Democrat, of Kentucky; Representative Robert N. C. Nix, Democrat of Pennsylvania; Representative Arnold Olsen, Democrat, of Montana.

Representative Otto E. Passman, Democrat, of Louisiana; Representative Carl D. Perkins, Democrat, of Kentucky; Representa- Richard H. Poff, Republican, of Virginia; Representative Melvin Price, Democrat, of Illinois; Representative George M. Rhodes, Democrat, of Pennsylvania; Representative Ralph J. Rivers, Democrat, of Alaska; Representative Walter Rogers, Democrat, of Texas; Representative Richard L. Roudebush, Republican, of Indiana; Represenative John P. Saylor, Republican, of Pennsylvania; Representative George E. Shipley, Democrat, of Illinois; Representative Eugene Siler, Republican, of Kentucky; Representative John M. Slack, Jr., Democrat, of West Virginia; Representative Howard W. Smith, Democrat, of Virginia; Representative Brent Spence, Democrat, of Kentucky; Representative Harley O. Staggers, Democract, of West Virginia; Representative Tom Steed, Democrat, of Oklahoma; Representative Frank A. Stubblefield, Democrat, of Kentucky; Representative Herman Toll, Democrat, of Pennsylvania; Representative Thor C. Tollefson, Republican, of Washington; Representative James W. Trimble, Democrat, of Arkansas; Representative James E. Van Zandt, Republican, of Pennsylvania; Representative Francis E. Walter, Democrat, of Pennsylvania; Representative John C. Watts, Democrat, of Kentucky; Representative J. Irving Whalley, Republican, of Pennsylvania; Representative Victor Wickersham, Democrat, of Oklahoma.

### OTHERS IN CONGRESS AGREE

Personal statements by 110 Members of Congress warning of the dangers of excessive oil imports to domestic fuels have been collected and published in a small brochure entitled "Congress Speaks." Those quoted, by permission, represent both Houses of Congress and both political parties, as do the signers of the above letter. Copies may be obtained by writing to the National Coal Policy Conference, Inc., 1000 16th Street NW., Washington, D.C.

## Exhibit 2

### "Congress Speaks"—Full Page Ad in the Times, April 1, 1962

The $7,000 full page paid advertisement in the national edition of the New York Times on April Fools Day over the printed signatures of a great many Members of the House of Representatives and Senate of the United States is an affront to the dignity of the democratic process.

This high pressure propaganda release by the National Coal Policy Conference appeared in the national press just 3 days after Mr. Edward A. McDermott, Acting Director of the Office of Emergency Planning, in his speech before the National Coal Policy Conference made the following statement relative to the study being conducted by his office on the question of residual oil imports: "We will shortly submit our findings to the President and a decision should be forthcoming very soon."

The following analysis of the statements made in this advertisement is presented merely to show the extent of irresponsibility of the National Coal Policy Conference and not to embarrass the Members of Congress whose names appeared under the statement:

1. "Imports of residual oil increased from 119 million barrels in 1951 to 235 million barrels in 1961."

(The important fact is that the total use of residual oil in the United States has increased less than 10 percent over the last 12 years. Domestic production is dwindling and imports must fill the gap.)

2. "Imports of crude and products have increased by an average of about 50,000 barrels per day annually since 1956."

(The restrictions on residual oil and the restrictions on crude oil are entirely different problems and completely unrelated to the study which has been going on since last June by the Office of Emergency Planning.)

3. "Exports of Venezuelan residual oil to the United States increased from 170 million barrels in 1958 to 208 million barrels in 1960."

(As pointed out above, as domestic production diminishes each year, exports must fill the gap.)

4. "Venezuelan crude oil exports to the United States totaled 192 million barrels in 1958 and 200 million barrels in 1960."

(Again this has absolutely nothing to do with the residual oil question. It is a meaningless statement and is not important to the issue before the executive branch.)

5. "The posted price of residual oil in cargo lots in Boston was $2.43 per barrel in 1958 and $2.26 per barrel in March 1962.

(Everyone knows that the wholesale price of oil products was high during the Suez crisis. Oil users also know that as of today, they are paying at least 25 cents a barrel more than they would if controls were removed. Actual price for nonquota oil in New York Harbor at the present time is $2.21 per barrel whereas oil under the import program is being sold at $2.47 per barrel.)

6. "Excessive oil imports have caused a significant decline in exploration and drilling for domestic crude oil."

(Again the big switch away from the residual oil question. Residual oil imports have no effect one way or the other on exploration or drilling in this country.)

7. "Imported residual has increased from the equivalent of 45 million tons of competing U.S. coal to 55 million tons in 4 years. These excessive imports have decreased production and employment in the coal industry, have reduced railroad revenue from coal transportation and are forcing a decline in rolling stock available for transporting of coal."

(The inference that all residual oil replaces coal is absolutely unwarranted. Residual oil has been used as fuel as far back as World War I and now serves markets which have been beyond coal's reach and markets which they will never be able to serve. It is strange indeed that the coal industry should mention reduced railroad revenue when the dieselized railroads represent the largest single market loss the coal industry has suffered.)

8. "Reliance for meeting the Nation's fuel requirements—both for normal economic growth and the security of our Nation—must never be upon insecure and uncertain sources."

(It is unbelievable that anyone in this country would endeavor to characterize our Venezuelan neighbors as being an insecure and uncertain source for an essential raw material, to label our strongest allies in an alliance progress as "insecure." As a matter of fact, in times of peace and war, oil supplies from the Caribbean area have been more certain and more secure than any other fuel sources. During World War II, Venezuela kept our fighting forces well supplied with fuel and since World War II, there has not been a single interruption in the supply of residual from Venezuela; whereas there have been many long tedious interruptions to the supply of coal due to strikes.)

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## Exhibit 3

[From the Boston Herald, Apr. 20, 1962]

### Prices, Steel and Oil

The Kennedy administration has declined to interfere with a price raising conspiracy on residual oil, New England's prime low cost fuel.

The conspirators are the coal industry, the United Mine Workers, and certain coal-carrying railroads. They want the price of residual to stay up high enough to force utilities, office and apartment buildings, industries, and hospitals to burn coal rather than oil.

These groups persuaded former President Eisenhower to set up import quotas on residual oil even though domestic oil producers have no interest in this byproduct, which sells for less than the cost of the crude oil it is derived from. The only purpose was to ease the depression in the coal States.

Despite the protests of the New England Council, the Oil Users' Association, and the New England Congressmen, the Kennedy administration has retained the quota restriction, although it did lift the quota limitation by 10 percent beginning April 1.

The New England Council has produced evidence to show that the slump in coal is not due to the competition of residual oil and that the quota restriction cannot relieve the slump perceptibly.

If conditions in the coalfields are so critical as to the need national help, New England stands ready with the rest of the Nation to do her share. But New England does not want to be assessed above the rest of the country for a disorderly project of relief that has no promise of success, anyhow.

After United States Steel raised its prices, President Kennedy cited the consequences.

He saw a billion dollars added to the cost of national defense.

The quotas on residual oil also increase the cost of defense, even though well short of a billion dollars. Defense installations in New England and elsewhere on the east coast are having to pay more for fuel. The Navy has had to pay more to supply its ships.

But other Government departments have had to meet added costs, and Government subsidized ships have had to pay as much as 63 cents per barrel more from the same dockside spigot as foreign vessels whose bounded oil is not subject to import restrictions.

The President cited the inflationary effect of the steel price increase. Is there no inflationary effect when New England has to have its already high cost fuel position made even more costly?

Steel is steel and oil is oil, perhaps, but prices are prices whether for steel or oil. So is inflation inflation.

The residual oil quotas must go or hold-the-line policies have no meaning.

### EXHIBIT 4

Dictaphone Corp., Bridgeport, Conn., $1,000.

Robertson Paper Box Co., Inc., Montville, Conn., $6,600.

Snow Flake Canning Co., Brunswick, Maine, $11,308.50.

Central Maine Power Co., Augusta, Maine, $340,715.

Songo Shoe Manufacturing Corp., Portland, Maine. $6,750.

Keyes Fibre Co., Waterville, Maine, $15,000.

Bangor Hydro-Electric Co., Bangor, Maine, $30,102.10.

Raytheon Co., Lexington, Mass., $58,800.

Lewis-Shepard, Watertown, Mass., $1,000.

Davis & Furber Machine Co., North Andover, Mass., $3,875.

Chase Mills Realty Trust, Watertown, Mass., $1,100.

Crompton & Knowles Corp., Worcester, Mass., $1,800.

Bird & Son, Inc., East Walpole, Mass., $157,725.

Heald Machine Co., Worcester, Mass., $2,750.

Erving Paper Mills, Erving, Mass., $9,000.

Fitchburg Gas & Electric Co., Fitchburg, Mass., $2,655.

Revere Copper & Brass, Inc., New Bedford, Mass., $4,000.

Revere Sugar Refinery, Charlestown, Mass., $65,000.

Strathmore Paper Co., West Springfield, Mass., $38,500.

Lawrence Mills, Inc., Lawrence, Mass., $44,295.40.

New England Lime Co., Adams, Mass., $32,672.

Wyman-Gordon Co., Worcester, Mass., $20,000.

Penobscot Chemical Fibre Co., Boston, Mass., $76,326.

Tileston & Hollingsworth Co., Boston, Mass., $21,401.

Fitchburg Paper Co., Fitchburg, Mass., $30,000.

Public Service Co. of N.H., Manchester, N.H., $160,000.

Nashua-New Hampshire Foundation, Nashua, N.H., $15,000.

Spaulding Fibre Co., Inc., North Rochester, N.H., $8,770.

Monadnock Paper Mills, Inc., Bennington, N.H., $15,000.

A. G. Dewey Co., Enfield, N.H., $7,357.

Nashua Corp., Nashua, N.H., $8,750.

Troy Mills, Inc., Troy, N.H., $5,264.

Taft-Peirce Manufacturing Co., Woonsocket, R.I., $1,638.

Newport Electric Corp., Newport, R.I., $86,400.

University of Vermont, Burlington, Vt., $2,100.

Central Vermont Public Service Corp., Rutland, Vt., $1,017.

Jones & Lamson Machine Co., Springfield, Vt., $1,200.

Fellows Gear Shaper Co., Springfield, Vt., $1,200.

Brattleboro Memorial Hospital, Brattleboro, Vt., $721.32.

Vermont Marble Co., Proctor, Vt., $2,200.

Mary Fletcher Hospital, Burlington, Vt., $3,655.

### EXHIBIT 5

[From Barron's Weekly, Mar. 26, 1962]

### ESCAPE FROM PRINCIPLE—WASHINGTON IS MERELY PAYING LIPSERVICE TO FREE TRADE

To his many admirers among the fourth estate, especially those who have read Machiavelli's "The Prince," John F. Kennedy ranks as one of the greatest living masters of the politician's art. They have watched approvingly as the President, in bland disregard of his campaign promises, proceeded to load the Federal bench with Democrats, qualified and unqualified alike. They have applauded the adroitness with which his party, while failing to establish a new Department of Urban Affairs, simultaneously succeeded in making a clever pitch for the Negro vote come November. Above all, they have been fascinated by the skillful way in which the White House, in the effort to advance the cause of its foreign trade bill, has been jockeying for votes. Last Monday to this end it ordered a sharp increase in the tariffs on woolen carpets and glass, the bulk of which comes from Belgium. Thereby, in the apt words of an observer, it won the support of 12 States at the expense of only one small ally.

To the practical politician, who places nosecounts and rollcalls above principle, the price undoubtedly was right. At the moment, however, it no longer looks like a bargain. To the surprise of Washington, which tends to underrate its friends as persistently as it overrates its foes, the move has whipped up a storm of anger in Brussels and other European capitals. The Belgian Government, indeed, not only has lodged a formal protest against what it regards as a clear-cut act of bad faith, but also it may refuse to ratify the new round of reciprocal tariff concessions negotiated between the United States and the Common Market.

Last week's inspired stroke of pragmatism, moreover, may lead to painful political consequences at home. Whatever ground it has gained in the handful of favored States, it is bound to harden the opposition elsewhere. For coming on the heels of equally cynical tactics in textiles, the latest episode reflects scant credit on the standards—or, rather the lack of them—which the administration, in the conduct of foreign trade policy, has chosen to pursue. It must surely raise grave doubts about the wisdom of expanding, as provisions in the pending measure would do, the already broad powers of the Executive in this strategic sphere. Free trade is a noble slogan and a worthy national goal. However, it cannot cloak with sanctity a bad piece of legislation.

Despite its appealing title—"A bill to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture and labor, and for other purposes"—H.R. 9900 happens to fall into this category. In so stating, Barron's, which can cite an unbroken record of editorial opposition to protectionism and all its works, is well aware that in some respects the measure is on the side of the angels. We have no quarrel with its efforts to weaken the weasel-worded "peril point" provisions and escape clauses of the law now on the books, or to replenish the President's nearly exhausted authority to negotiate lower tariffs. On these scores the bill by and large is seeking to carry on in the honorable traditions of Cordell Hull.

Unfortunately, however, its authors have not been content with the rich legacy of the reciprocal trade agreements. On the contrary, in an excess of zeal they have sought to endow the executive branch with a vast store of new authority. For example, as the Wall Street Journal pointed out the other day, in the guise of cushioning the impact of tariff cuts, the legislation would create a new program of Federal assistance, under which, following a White House decree, private citizens, companies, industries, or States would qualify for "adjustment allowances" of apparently unlimited duration and amount. The bill, furthermore, provides that all Presidential determinations "shall be final and conclusive and shall not be subject to review by any court." Most startling of all, in a section title "extraordinary relief," it empowers the President both to raise existing tariffs at his own discretion, and to levy new ones on duty-free goods up to half of their value. He also may impose any "other import restrictions * * * as he may determine to be in the national interest."

Here, of course, is the granddaddy of all escape clauses, couched in language vague enough to permit the President to do virtually anything he pleases in the realm of foreign trade. In the most prudent of hands such untrammelled authority would be risky. In the hands of the incumbent, who tends to identify the national interest with that of his party, the results could be wellnigh disastrous. On this score, it might be noted, some ominous precedents already have been set. Thus, as a Senator from Massachusetts, Mr. Kennedy properly denounced import quotas on crude and residual fuel oil as rank discrimination against one part of the country, as well as an intolerable burden upon U.S. industry generally. However, to judge by his failure to remedy the abuse, circumstances evidently alter cases.

Again, in an effort to soften opposition to its pending trade bill, the administration has gone to extraordinary lengths to discourage the import of textiles, notably from Hong Kong. Ten days ago, with unprecedented harshness, it slapped an embargo on six cargoes of cotton goods which, it claims, were shipped here in defiance of so-called voluntary quotas. For its pains the White House thereby may corral a few reluctant southern votes. At the same time, however, it has dealt a hard blow to the prosperity of one of the few places in all Asia which manages to thrive by its own efforts.

Against political expediency, the foregoing suggests, the national interest doesn't stand a Chinaman's chance. The point was underscored last Monday, when the White House, invoking the escape clause, ordered increases ranging up to 100 percent in the duties on woolen carpets and glass. As noted, it hopes to win friends and influence people in about a dozen strategic States, a result which it may or may not have achieved. It has surely succeeded in making enemies in other parts of the world, notably in Belgium, which sells one-fourth of its sheet glass and nearly half of its carpet production to the United States. What has outraged the Belgians is not merely the stiffness of the levies, but also their obnoxious timing. In Geneva, after all, this country recently concluded a new reciprocal trade pact with the European Economic Community, of which Belgium is a charter member. To spring higher imposts on the EEC right now strikes many Europeans as sharp practice, if not an outright breach of faith. As a consequence, the fate of the Geneva agreement, which must be ratified by the various Parliaments, is now in doubt. At the least, the U.S. maneuver, far from furthering the cause of Western unity, has done it a grave disservice.

In the realm of foreign trade, then, as in so many other areas of policymaking, the Kennedy administration has fallen short of the mark. Why it has failed so signally must be left to the judgment of some future, more dispassionate, historian. To this observer, however, its weakness lies in what others persist in regarding as a major source of strength, namely, the willingness to sacrifice anything for votes. Political expediency—or pragmatism, as it is called nowadays—has been known to win elections. Good government, however, must rest on something more enduring.

### EXHIBIT 6

### WHY RESTRICT IMPORTS OF AN ESSENTIAL FUEL?

Quotas and import restrictions are at best clumsy interferences with normal trade practices. When they are imposed on products that are in short supply, they make no sense at all. A case in point is the quota on residual oil imposed in 1959 as part of a regulation restricting oil imports in the supposed interest of national defense. Considerable confusion has arisen recently from the news that Secretary of the Interior Stewart L. Udall was considering reducing the quota for imports of crude oil, while relaxing, if not removing completely, import quotas on residual oil. Why make it more difficult to import petroleum at one state of refinement while encouraging the importation of still another grade?

The reason for this apparent contradiction is simple enough. Crude oil is in ample supply in the United States, while residual oil—the gooey, gelatinous product left over at the end of the refining process—is in very short supply. Indeed, few American refineries have any residual left when refining has been completed. Residual oil comes almost entirely from Venezuela where, because of United States restrictions on importation of this necessary fuel, surplus residual oil is frequently dumped into artificial lakes and pits.

The importance of residual oil to the American economy lies in its use as fuel by public utility plants, schools, hospitals, apartment houses and some manufacturing plants—located mostly on the east coast. Because of the quota the cost of residual oil in the United States is about 39 cents above the world price. In cost per energy unit, coal and residual oil are not far apart; the difference lies in the cost of shipping and hauling. Senator Pastore of Rhode Island explained in a speech in the Senate last summer that the transportation cost of importing 100,000 barrels of residual oil from Venezuela is $17,800, while transportation charges for an amount of coal equivalent in heating potential is $122,000. It is easy to see why Senators from New England are up in arms against continuance of the restriction.

The principal defender of the restrictions is the coal-mining industry and the miners it employs. The unemployment of miners is attributed to imported residual oil when, as is fairly plain to most people, the thing which has cost jobs to miners is automation. As Senator Pastore pointed out in the speech referred to, employment in the mining industry declined from 415,582 in 1950 to 159,100 10 years later—but during that decade the amount of residual oil consumed hardly varied at all. We tend to agree with Senator Bush, of Connecticut, who said that these quotas on residual oil "have not stimulated oil exploration. And they have not cured the real cause of unemployment in the coalfields. But they have done serious economic damage on the eastern coast of the United States"—and, it might be added, to the economy of Venezuela, which country we need on our side.

This quota looks like one exercise in economic nationalism which we could very well do without. Protectionism which doesn't protect anything seems hardly worth maintaining.

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from New York.

Mr. KEOGH. Mr. Speaker, first I want to commend our distinguished colleague from the Commonwealth of Massachusetts for his foresight and his obviously careful preparation in connection with his special order today.

Mr. Speaker, the stated purpose of the Foreign Trade Expansion Act of 1962 is to stimulate the economic growth of the United States by lowering trade barriers to the mutual benefit of our country and its trading partners.

The importance of achieving this goal cannot be overrated. Our economy is not growing nearly as rapidly as that of most other industrialized nations of the world. The only way to improve this situation, without rigid governmental planning, is to create additional incentive through foreign trade. We must give our manufacturers the opportunity to participate in the economic expansion of such areas as the European Common Market which has the most dynamic growth potential of any region of the world. At the same time we must keep our Nation competitive by permitting a reasonable and growing flow of imports to reach our shores. The Trade Expansion Act of 1962 is designed to accomplish this purpose. But it can do so only if it is passed without crippling amendments designed to appease special interest groups. For such amendments would defeat the very purpose of the act, would make our country less competitive, and serve notice on the world that when there is a conflict between principle and expediency we choose expediency.

The Trade Agreement Expansion Act continues all the safeguards contained in the existing trade legislation. It contains a national security clause, peril point provisions, as well as an escape clause. In addition, the bill provides a special adjustment assistance to companies and brokers who might suffer damage from increased import competition.

Thus no justification exists for amendments to the bill designed to protect specific industries. Such amendments would only deny the President's flexibility which bears so essentially in effective trade negotiations.

One of the most vociferously opposed amendments is being suggested by the U.S. coal industry and by certain domestic oil producing groups. This amendment would: First, require a reduction in the present level of residual fuel oil imports; and, second, would freeze the level of oil imports to a rigid formula incorporated into the law.

Domestic oil and coal producers have enjoyed protection from unlimited imports for over 3½ years under the national security clause of the existing legislation. Particularly in the case of residual fuel oil imports, this restriction has caused harm to consumers throughout the east coast and especially in New England. What is needed is a relaxation, or even better, elimination of these restrictions, but certainly not an amendment to tighten it still further and more permanently.

The new trade bill is supposed to improve the competitiveness of our economy and bring about better commercial relations with our trading partners abroad. The proposed amendments on fuel oil and crude oil imports will have exactly the opposite effect. This is why these amendments must not become part of the Trade Expansion Act of 1962.

Mr. Speaker, I ask unanimous consent that my distinguished colleague and affable neighbor from Brooklyn, Representative Anfuso, may be permitted to extend his remarks immediately following mine.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. ANFUSO. Mr. Speaker, much sound reasoning about the necessity for removing the restrictive quotas on residual oil has been presented here today. Rather than attempt to restate or summarize these arguments, I will just comment briefly on the topic covered by my colleague from Brooklyn, Congressman Keogh; that is, the inconsistency that exists between the President's liberal trade bill and the continuance of these restrictive quotas on residual oil.

We must all realize, and I think this point cannot be overemphasized, that if such a bill as this Trade Expansion Act of 1962 is to accomplish its purpose, it cannot be burdened with amendments, such as the one being pushed by the U.S. coal industry, which will establish artificial protection for special interests.

We of New York, in opposing these restrictive quotas on residual oil, are not asking for any such special privilege. On the contrary, we are only asking for the removal of these special privileges, so that New York and New England consumers will no longer be forced to pay this artificially high price for fuel.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Speaker, I want to commend our most able and distinguished colleague from Massachusetts on his address and for fighting for a cause that certainly is in the best interests of his section of the country and, in fact, in the best interests of the entire United States. I would like to be associated with the remarks of the gentleman from Massachusetts.

Mr. CONTE. I thank my beloved colleague and former Speaker of the House, the gentleman from Massachusetts [Mr. Martin].

Mr. FINO. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. FINO. I have listened with great interest to the gentleman from Massachusetts, and I want to associate myself with his remarks.

Mr. CONTE. I thank the gentleman from New York [Mr. Fino].

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. LINDSAY. I would like to commend our colleague, the gentleman from Massachusetts, for the wonderful and important work he has done in this area. The average consumer of this country has too few spokesmen in the House of Representatives. Consumers are not organized in any type of pressure group that I know of. What the gentleman has been doing for a number of years now, and again here on the floor of the House of Representatives today, is to put in a plug for the ordinary consumer who too often is neglected in the pressure of power politics and special interest legislation today. This question of the importation of residual fuel oil has come up again and again, and it has always seemed strange to me, as it has to the gentleman from Massachusetts, that the restrictions still exist. It is amazing that the situation has not been remedied, that quotas still exist, and that the forces of competition, even in a limited way, are not permitted to find their normal channels. So, if the gentleman, joined by his colleagues who have spoken with him on the floor today, can do any good in persuading the executive branch of the Government and its constituent agencies to reconsider the whole problem of residual fuel oil importation, then indeed a public service will have been performed.

I congratulate our friend from Massachusetts and commend him for what he has done and encourage him to continue in this battle.

Mr. CONTE. I certainly appreciate the assistance of the very distinguished gentleman from New York, and I recognize his continual awareness of the problems facing the consumers of the country.

Mr. SIKES. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Florida.

Mr. SIKES. Mr. Speaker, I commend my distinguished friend from Massachusetts for his efforts, his interest, and his voice here today.

It should now be fully obvious that time is past due for a decision on residual oil. The present restrictions simply cannot be justified. Imports are limited at a time when domestic production is declining. This is a vital commodity whose users are faced not only with high prices, but the threat of shortage, as a result of import restrictions. The entire eastern seaboard is affected. In my State, in one city, Jacksonville, a public utilities department found itself saddled with an added cost of nearly a half million dollars in 1961 as a result of this situation.

For a year, the Office of Emergency Planning has been conducting an investigation. Certainly by this time every possible fact of importance has been considered and reconsidered. I believe that residual quotas have been an expensive experiment benefiting no one, and I know it is time for action.

In Florida, we are both marketers and consumers of residual or heavy fuel oil. Both of these groups are suffering hardships. Both are being unjustly penalized by present-day restrictions. The marketers, and this includes many small businessmen, are fighting for their lives because controls have resulted in a monopoly in the hands of a few major suppliers. A continuation of high prices and declining consumption is in prospect just as long as the present system of import restrictions is continued. A great many people—in and out of business—have been hurt by what has taken place, but the person who ultimately pays the bill is the citizen who buys the service or the product which residual oils produce. It should not be overlooked in this process that present restrictions result in increased expenses to the taxpayer for the purchases of residual fuel oil by the Government; they result in a policy of discrimination by the Government toward its citizens and in a captive market for coal on the east coast which has not been shown to be beneficial to the coal industry.

Mr. CONTE. I certainly appreciate the eloquent remarks of the gentleman from Florida [Mr. Sikes] and his help in removing these restrictions.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my colleague from Massachusetts.

Mr. PHILBIN. Mr. Speaker, I commend my distinguished colleague for the effort he is making to bring about a larger importation of residual fuel oil into our Nation and particularly into our State and area where it is so desperately needed.

As the gentleman has pointed out, this is a question of great interest to our people, and I want to assure him that I join with him and will cooperate with him in doing everything in my power to make sure that a more realistic policy in this regard is fixed by Congress and that we may be able to supply the great and growing needs of our State and our area for this indispensable product that is so vitally required by our industry and by our people.

Let me assure my gracious, distinguished friend, and very able colleague, the gentleman from Massachusetts [Mr. Conte], that I not only commend but deeply appreciate his efforts to insure a truly adequate supply of residual oil for our State, region, and for the Nation.

Over a period of time now, I have been making every possible effort to impress upon appropriate Government officials the great importance of a revised oil import control program which will permit sufficient supplies at reasonable prices of residual oil to meet the demonstrated need of our industries, our consumers and our people, including those required for the national defense and security which, of course, must be paramount. As those conversant with this question recall, our efforts to this end commenced under the last administration, and so far as I am concerned, and I am sure this is true of others, my interest and labors have persisted in this administration and are still continuing with unabated vigor.

An important aspect of this situation has been the increased price of residual oil in New England at times due to the uncertainty of the supply.

As I have repeatedly pointed out, this has meant a higher operating cost for many New England utilities, manufacturing plants, public institutions, other public buildings, hotels and apartment houses which in the past amounted in one instance to almost $1 million a year for a single large utility.

Obviously, these higher prices must be borne ultimately by the public and they constitute a competitive disadvantage to our industries and uncertainty for our workers.

The New England Council, an organization representing approximately 3,000 businesses, has been vitally concerned, deeply interested, and especially vigorous and able in its continued campaign for suitable solutions.

In February 1961, Secretary of the Interior Udall, in authorizing an import increase of 100,000 barrels daily, has been most helpful in alleviating dangerous shortages of residual fuel oil in the New England area.

At that time, my distinguished friend, Mr. Conte, as he is doing today, pressed for the removal of mandatory restrictions in a communication to President Kennedy signed by the entire New England delegation, and I believe that this renewed action, designed to seek final and more reassuring solutions, is timely and deserving of support.

It is my sincere hope that the Department and the administration will continue to give these vital matters appropriate study and consideration, independently, if necessary, of the problems posed by the Common Market and the trade expansion bill, and will move in every way necessary to see to it that our New England area and our Nation shall be assured of an adequate flow of fairly priced residual oil to serve our industries, our consumers, and our workers.

I thank my distinguished friend from Massachusetts for yielding to me and commend him for his excellent statement on the question as well as upon his vigorous campaign.

Mr. CONTE. Mr. Speaker, I appreciate what my colleague from Massachusetts [Mr. Philbin] has done in the effort to eliminate unfair restrictions.

Mr. CAREY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. CAREY. Mr. Speaker, I want to associate myself with the gentleman from Massachusetts and commend him for his untiring efforts in this most important need.

I also desire to associate myself with the statement made by the gentleman from New York [Mr. Keogh] and the gentleman from New York [Mr. Lindsay] on the other side of the aisle insofar as consumer interest is concerned.

I desire to ask a few questions at this time pertinent to statements that were made by the gentleman from Massachusetts. I was fascinated by your very well put sentence that the actual imports into the northeastern area and the coastal area would not result in any greater unemployment in the production of coal insofar as any increase in residual oil imports into this area are concerned. Would you amplify that? In other words, if we brought in more residual fuel oil would there be any lesser employment insofar as the coal-producing States are concerned?

Mr. CONTE. No; no one has suggested that employment would decrease in the coal industry.

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I might say that in testimony given before the House Ways and Means Committee the President of the United Mine Workers stated emphatically that not one miner had been put to work since the imposition of the restrictions on residual oil. Also the testimony given by Mr.

Decker, head of the petroleum industry, revealed that no more people had been employed in the petroleum industry since imposition of the restrictions on residual oil, which indicated that the restrictions have not aided the coal miner one bit, and it has not aided persons employed in the petroleum industry. If the gentleman will read the testimony on the trade bill, he will find those facts are borne out.

Mr. Speaker, I would like to commend the gentleman from Massachusetts for his efforts in behalf of the people of Massachusetts, and also my good friend and colleague, the distinguished Member from New York, for the work both are doing. I know that the people back home will appreciate it greatly.

Mr. CONTE. I thank the gentleman.

In line with what my very able colleague has said, if you were to stop completely the importation of residual oil, not even allowing one barrel to come into the United States, this would mean an increase in the production of coal of about 3 percent, and this increase of 3 percent would be taken up totally by mechanization. So it would not result in the reemployment of one single coal miner. The only effect it would have would be to increase the price of coal and increase the price of domestic residual oil at the cost of the consumers back in New England and on the eastern seaboard.

Mr. CAREY. Is it not also true, insofar as the large utilities are concerned and the chief users of all fuels are concerned, they are not adequately able to transfer from one source of energy to another without extreme cost insofar as their equipment is concerned? It may also involve greater problems of air pollution that we are concerned with now in extremely polluted areas, insofar as our cities are concerned. This might bring into being a greater amount of soot in our cities than is now occasioned by those users who are using residual oil. I do not want to infer that coal is superior to oil or that oil is superior to coal with regard to eventual pollution or lack of pollution; however, the changeover they are not prepared to do on a minute's notice with a cutoff of this kind and the impact that might result.

Mr. CONTE. The gentleman has brought up a very interesting point. The problem of coal soot in the air could be detrimental to the health and safety of the public, and, as a result, something would have to be done to control coal soot. There is also the matter of transportation cost. The cost of delivering coal by rail to the New England and eastern seaboard would be very expensive to the consumer.

Mr. CAREY. I want to speak again to the point involving consumer interests. The consumer is the one who should be concerned. All of us are dedicated to reducing inflation in this country. We know that the only way in which the consumer participates in our fuel policy is when he buys power he is contributing toward the cost of the energy that generates that power. The more sources of energy available naturally in the free enterprise system the lower will be the eventual cost. The Northeast and the eastern seaboard are lacking in energy sources. We are importers of all forms of energy sources for the generation of power. We bring in gas, we bring in coal, we bring in oil. I, for one, am not opposed to the introduction of more and more forms of energy-producing material. I welcome atomic energy sources, I welcome coal sources, I welcome natural gas sources on an economical, feasible basis. As a matter of fact, in testimony before the Subcommittee on Mines and Mining, of which I am pleased to be a member, the specialists have given testimony that a new transmission line for coal-water slurry coming into the city of New York, transmitted through the States of Pennsylvania and New Jersey, may someday be a reality. I favor this; this is fine. That is the introduction of a new source of energy.

All of these things will contribute, I hope, toward making available lower and lower costs to the power-generating facilities which can be eventually passed on to the consumer. However, if we are going to be consistent with the introduction of this lower-cost energy system or other newer power sources, then I think we should also say that we want coal to come into the Northeast and reduce our costs, and we should also allow to the greatest extent possible the importation of residual oil, which is again a great source of power at an economical rate. And, I say this, if we are going to be against every device which reduces the cost of power, heat, and light to the consumer, we might just as well put out into the Atlantic Ocean some kind of a deterrent which would make the gulf stream move away from the coast of Long Island or Rhode Island or Massachusetts, because this tempers our climate. If the gulf stream were not as close as it is, we would have to burn more coal, but I am sure no one would suggest that. And, by the same token, inasmuch as Venezuela in South America is our good neighbor and Venezuela is allied with us in trying to help the impulse of democracy in South America, as we did in North America, I think we should help Venezuela by generating in her economy as many dollars as we can by giving her payments for a commodity which we can well use. Therefore the importation of residual oil from Venezuela does no violence to our assistance program in South America. Now, the more Venezuelan oil that comes into the Northeast, the lower is going to be the eventual cost to the consumer, and whether it be the gulf stream or the Venezuelan oil flowing into our ports, all of these things tend to bring down the cost of a vital and necessary fuel for light and heat in the New England territory, in the Northeast, and all up and down the eastern seaboard.

Just this day we passed the Fryingpan-Arkansas project. I think this is going to contribute greatly to the development of the Southwest and our great country, just as we want development in our area. We want to build up every energy source available to us. We do not have deep reaches of coal veins in New York. We travel through the subways to make our living. Therefore we must look elsewhere, and if we do and we look to Venezuela for these sources, I think we are doing a good thing. We tell the South American people that we want to buy their residual fuel, we want to give them dollars, and this is contributing to their economy and to our consumer economy as well.

Therefore I think that our broad statement should be this, that the Northeast, the coast of this Nation, admits its dependency on energy segments, whether they be in Pennsylvania or Ohio or anywhere else in this country, for the development of our economy, but we do not want to exclude a neighbor like Venezuela. We do not want to say we will buy the oil you produce up to 10 percent of your available capacity. We do not want to put a limitation on a good neighbor, and that is what we have been doing.

Mr. Speaker, we are talking about our extension into world trade on the most viable basis. If we are going to do that and say "our door is open; we want to compete in the marketplace and we want to buy from you, and sell to you, because we are a trading nation," we can do so and be consistent with that kind of policy. To say that though we have the demand and though we have the need, we are going to exclude a good neighbor from this kind of common trade policy, I say in order to be good neighbors we have to act like good neighbors. Therefore, I say throw open the door that exists in New York, Boston, Philadelphia, and Florida, and all of our cities on the eastern coast, and say "bring in your residual oil; we can use it, we will pay you the proper price for it."

Mr. Speaker, I say this does no violence to the Southwest, and to Oklahoma, and Texas, because we know very well that this is a market that has to be served by domestically produced oil.

Now, Mr. Speaker, we come down to the final question: How much? I say as much as we can economically buy, and as much as they can economically sell. This is the opening opportunity for fair trade. This is the opening of the Common Market. The Common Market is just as important in this hemisphere as it is in Europe. I say we would do a great thing if we moved on that course to identify the Common Market between Venezuela and the United States, in like manner as between Brussels or any other point where the Common Market has become a matter of discussion and a matter of importance.

Mr. Speaker, I thank the gentleman for yielding at this time to me, and I wish to be identified with the gentleman's continuing remarks on this subject.

Mr. CONTE. Mr. Speaker, I want to take this opportunity to congratulate the gentleman from New York [Mr. CAREY] on the fine presentation which he has made, and on the cogent arguments that the gentleman has made for removing these mandatory restrictions. The important fact that the gentleman brought up in regard to our good friend to the south, Venezuela, is critical during these days, and we should do everything we can to pump strength into the economy of that country and not try to choke it off.

Mr. MORSE. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am happy to yield to my good friend from Massachusetts.

Mr. MORSE. Mr. Speaker, I rise to congratulate my distinguished and able colleague, the gentleman from Massachusetts [Mr. CONTE], on his vigorous and persistent leadership in this most important subject.

Mr. Speaker, fuel is important to us in New England, where winters are cold and heating costs high. Unlike other States which produce fuel and champion the use of one type or another, according to their production, we, in the northeastern section of the United States, are consumers of fuel. Like consumers everywhere, it does not seem logical to us that we should be denied the product of our choice at reasonable prices.

Because of the high costs of transporting fuel from producing States to New England, residual oil has become the most economical fuel for use in many of our schools, hospitals, apartment houses, and utilities.

Fortunately for the American oil producer, improved refining techniques have made it possible to break down high-grade American crude into more of its higher grade components. Every year more refineries produce no residual fuel oils at all.

Unfortunately, because of restrictions which prevent our importing the oil necessary to make up the lag in domestic production, the costs of this commodity vital to New England have steadily increased.

My constituents keep asking me: "Why residual oil restrictions?" I can give them only one answer: Residual oil restrictions serve as a smokescreen to obscure from the unemployed coal miner the fact that mechanization is the cause of his plight.

In the last 10 years a quarter of a million miners have lost their jobs, yet coal production continues to increase year after year. In the 34 months since quotas were imposed on residual oil imports, over 40,000 miners have had to leave the mines. Those remaining, however, have produced millions more tons each year. Today 5 skilled men with machines can produce the coal once mined by 50. Stripping machines 16 stories high tear earth from the coal seam in hundred-ton bites. Last year the Peabody Coal Co., second largest in the Nation, began push-button mining at Coshocton, Ohio, with the installation of a machine which enters the strip alone and is operated by a two-man team at the controls outside. Significantly, the Peabody Co. chalked up another record profit last year.

The miners and my colleagues from the coal-producing States should not be deluded that the last job has been lost to the machines. Recently, William R. Wearly, president of the Joy Manufacturing Co., the world's largest producer of coal mining machinery, reported at the annual stockholders meeting that his company has had a 25- to 30-percent increase in orders for mining machinery in the last 4 months. Further, he said that new equipment, either planned or already in production, can help the coal industry cut costs of mining from a 1960 figure of $2.94 a ton to $1.63 in 1970. My colleagues from the coal-producing States know where these savings will come from. They will come from replacing more miners with machines.

Mr. Speaker, I do not wish to be recorded as opposing mechanization. Over the long pull it can bring benefits to workers as well as consumers. We in New England know well of the temporary hardships it can cause. Heaven knows we have been through them all in my State. But when it happened, we did not ask the Government to help us obscure the 20th-century facts of economic life from our workers by passing a multimillion-dollar penalty on to the citizens of West Virginia. I am not against mechanization, but let us face up to the facts; mechanization, not residual oil, has cost the out-of-work coal miner his job.

It is time for the coal industry to demonstrate its pride, self-assurance, and self-confidence, to try to do more on its own for itself and its own workers' welfare. The administration requested $57,491,000 for the Bureau of Mines during fiscal year 1963 to finance a program with special emphasis on research. Of this sum, $7,214,000 is for bituminous coal research and $1,042,000 for anthracite projects.

This kind of research is carried on by industry in other major fields. Still, whether or not Government financed, it is directed at finding new uses for coal and is what is needed to give the industry a real shot in the arm.

I am amazed that the industry does not heighten its efforts to justify this Government largess by an increase in its private research programs—financed by its own money. In all history, coal mining profits have seldom been higher. The same mechanization which has cost individual miners their jobs has increased the profits of the mine operators.

If the industry, for the ultimate benefit of all its participants—management, labor, and investors—would set up a continuing private research activity, financed out of profits, by a penny-a-ton levy on coal produced in this country, it would establish an independent non-Government research effort with cumulative effects year after year.

With coal production running well over 400 million tons a year in the United States, a single penny-a-ton contribution, from the industry and for the industry, would yield $4 million a year for private research into new uses for coal.

It is this kind of a positive look to the future, instead of a negative look to the past, that provides the best hope for returning out-of-work coal miners to their jobs.

It certainly seems reasonable to ask the coal industry to contribute additional pennies per ton to provide solutions to its problems. We in the New England States are paying millions of dollars every year in inflated costs of residual oil because of restrictions which do not help the coal miner and serve only to camouflage the true cause of his problem.

As the Speaker of the House so aptly put it on last August 30:

> The brunt of the economic burden of restricted residual oil imports falls on New England.
>
> New England right now finds within its boundaries 27 areas of substantial unemployment. This is a greater number of economically depressed areas than can be found in any comparable region of the Nation, including West Virginia. It is ridiculous for us to talk of helping depressed areas recover and at the same time impose on other equally distressed areas inequitable burdens and penalties which help no one.
>
> One of the simplest ways to help distressed areas in New England is to end restrictions on fuel oil imports, the only practical source of much of our energy needs.

Mr. TUPPER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am happy to yield to my colleague from Maine.

Mr. TUPPER. Mr. Speaker, I would like to associate myself with the statements made by the gentleman from Massachusetts [Mr. CONTE] and to commend him for them. The State of Maine has a vital stake in removing these restrictions on residual importations from the standpoint of lowering the cost of fuel oil in my State.

Mr. Speaker, I rise to express my interest and concern on the question of residual oil quotas in the United States.

The maintaining of import quotas on residual oil is inconsistent with the pending Trade Expansion Act of 1962 which is designed to encourage freer trade among the nations of the free world.

Over the years the net results of these quotas has only resulted in higher prices on oil and other types of fuel in our New England area and particularly in my State of Maine, while serving to impair relations with Latin America.

There are a number of serious misconceptions about residual oil imports. For instance, there is a notion that importation of residual fuels hurt American refineries. This is not true; the yield of residual fuel from crude oil run through American refineries is approximately 10 percent and getting less each year. Some refineries using high grade American crude oil produce no residual oil whatsoever.

Since 1959 when imports of crude oil were restricted, costs per barrel to oil users along the Eastern seaboard have increased substantially.

Maine families resent having to pay higher prices for oil and electricity as a result of this restriction against residual oil imports.

Maine manufacturing firms also are hurt; for example, one Maine paper manufacturer pays 30 percent more for fuel than a nearby Canadian competitor.

I think continuation of these residual oil restrictions are unnecessary and unwise. I hope the President will agree.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I would be glad to yield to my colleague, the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Speaker, foreign trade is a vital part of our economy. At present we are exporting goods at an annual rate of about $21 billion. This is an all-time record, and according to the U.S. Bureau of Labor Statistics it provides jobs for over 3.1 million Americans.

New York State has a very significant stake in this trade. We export at the rate of about $1.5 billion annually, or nearly 10 percent of the Nation's total exports. In manufactured goods New York State exports are ahead of any other State in the Union.

U.S. access to our foreign markets, many of which are growing at a fast rate, is becoming more vital for our industries, farmers, and workers than ever before in our history.

Exports are only one side of the foreign trade coin, however. The other consists of imports. Unless we permit sufficient flow of foreign goods to come into our country, foreign nations will be neither able nor willing to purchase our goods.

The domestic production of residual fuel oil has been declining for many years, so that imports are merely filling the gap between domestic supply and demand. Coal is only very slightly affected by these imports, since the great bulk of residual fuel oil is consumed in plants, apartment buildings, hospitals, and schools which are not equipped to use any other fuel. Less than 2 percent of total U.S. coal production competes directly with imported fuel oil. Yet there is currently a campaign designed to restrict still further the importation of residual fuel oil.

The U.S. east coast is seriously affected by import restrictions on residual fuel oil, and as a representative of New York State I have a natural concern in this area.

For the information of the Congress as well as all of those who share my concern in this matter, I include at this point in the RECORD the following series of questions and answers on residual fuel oil imports as presented by the Independent Fuel Oil Marketers of America, Inc.:

1. Question. Is residual fuel oil an essential product?

Answer. It certainly is along the U.S. east coast, which accounts for 60 percent of the total U.S. consumption of this product. It supplies about 30 percent of our industrial fuel needs, 15 percent of all electric utility fuel needs, and heats the bulk of all apartment houses and public buildings along the eastern seaboard.

2. Question. Are residual fuel oil imports necessary?

Answer. Yes, because domestic production of this product east of the Rocky Mountains is steadily and irrevocably declining. In 1950 it still amounted to 840,000 barrels daily, by 1955 it had declined to 794,000 barrels daily, and in 1960 it was down to just 628,000 barrels daily. Hence, the demand for this product must be filled to an ever-increasing degree from abroad.

3 Question. Is the decline in the domestic production of residual fuel oil due to imports?

Answer. No, because domestic refiners regard residual fuel oil as an accidental byproduct falling off in the process of producing gasoline, kerosene and distillate oil. Since the sales price of residual fuel oil lies below that of the crude oil from which it is made, refiners are continuously engaged in reducing the yield of this product in order to get more of the higher-value products out of each barrel of crude oil. Thus at the U.S. gulf coast the yield of residual oil is now only 7 percent, compared to 17 percent 10 years ago.

4. Question. Would the abolition of imports restrictions on residual fuel oil not interfere with the Government's stated purpose for restricting crude oil imports?

Answer. No. The supply of domestic crude oil is currently in excess of demand. Hence, each barrel of imported crude oil displaces a barrel of domestic crude oil. This is why the Government has restricted the importation of foreign crude oil. By contrast, domestic residual fuel oil is in short supply. Foreign residual fuel oil therefore supplements domestic residual oil output but does not supplant it.

5. Question. Does imported residual fuel oil seriously threaten the U.S. coal industry?

Answer. No. The great bulk of U.S. coal sales takes place in inland areas, not reachable by imported fuel oil. In this market coal reaps the benefit of declining domestic production of residual fuel oil. But even on the east coast direct competition between coal and residual oil is limited to a relatively small number of utilities with firing facilities for both fuels. The U.S. Oil Imports Administrator has estimated that only about 6 million tons of coal—1.5 percent of total U.S. coal production—are currently in direct competition with residual fuel oil on the east coast.

6. Question. What are the causes of the chronic unemployment in the U.S. coal industry?

Answer. Primarily, technology. The average productivity per mine worker has risen steadily from about 6 tons per day in 1948 to 13 tons in 1960. Other factors are the loss of coal to natural gas in space heating and to diesel oil as a railroad fuel.

7. Question. Recognizing that the imports restrictions work a hardship on all residual fuel oil marketers on the east coast are these restrictions at least equitably administered among all affected marketers?

Answer. No. The existing regulations discriminate against most independent marketers by making them captives of one or two major-company suppliers.

8. Question. How is this done?

Answer. The Government has decreed, in effect, that any marketer who in 1957 (2 years before the restrictions went into effect happened to have brought imported residual oil into the United States through another company instead of buying it directly offshore, is forever tied for that portion of his imports to that other company.

9. Question. How should the imports regulations be changed pending their eventual complete elimination?

Answer. They should be changed in such a way as to restore as far as possible the previously existing relationship between buyers and sellers of this commodity. This should be done by revising current regulations and the Independent Fuel Oil Marketers of America, Inc., is presently studying this problem. This would suitably distribute the import allocation among all marketers instead of concentrating two-thirds of the total in three companies as is now the case, thereby creating a monopoly cartel.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am delighted to yield to my good friend from Vermont.

Mr. STAFFORD. Mr. Speaker, I wish to also congratulate my colleague, the gentleman from Massachusetts [Mr. CONTE] on his leadership in this important field.

Mr. Speaker, I rise to express my interest in the question of residual oil quotas in the United States.

In view of recent developments in the administration of the quota system on residual oil one might wonder why there should be any controls at all.

In a letter to Senator SALTONSTALL, of Massachusetts, dated February 20, 1962, Lawrence F. O'Brien, special assistant to the President, stated that President Kennedy had asked the Secretary of the Interior to maintain a close watch over stocks of residual oil to guard against shortages and increased prices.

On March 17, 1962, Mr. O'Brien, in a letter to the Speaker of the House, had this to say about the amount of oil to be allowed in for the 12-month period ending March 31, 1963:

> As you know the Department of the Interior has announced increased allocations for next year. The maximum level of 507,000 barrels a day is viewed by representatives of all segments of the domestic industry, both suppliers and consumers, as adequate. This, together with existing stock levels, provides assurance that consumers will be able to obtain all of the supplies that they require, while at the same time a balance is maintained between domestic and off-shore sources of this strategic commodity.

I am informed that the level of 507,000 barrels per day is indeed adequate and that the cargo price of this oil has dropped 20 cents per barrel on the east coast. If this price drop is passed along to the ultimate consumer, it will go a long way but not all of the way toward putting the price where it ought to be.

It is only logical then to ask: "Why controls at all?" They make fuel planning and buying uncertain; they irritate our best friend in the Alliance for Progress; they create abnormalities in marketing or oil; they do not protect the national security; they are inconsistent with the trade expansion policy being fostered by the administration; and they do not help anyone including the unemployed coal miners.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield the floor to the distinguished gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. CONTE] for making this time available to all of us who are interested and vitally affected in this important problem of lifting the restrictions on the importation of residual oil. He has been and continues to be a vigorous leader in this struggle to provide competitive fuel and fair prices for consumers of this country. I compliment him and congratulate him on his fine effort. Together I am confident that we shall be successful. I assure the gentleman from Massachusetts that in Florida we join in the efforts of Massachusetts, and many other States to eliminate this discriminatory practice of import restrictions on residual oil.

President Eisenhower in March of 1959 imposed these restrictions on the basis that excessive importation of crude oil and residual oil was threatening the existence of this country's petroleum industry and that this would adversely affect the country's national defense and security. Since this domestic industry is, however, unwilling to produce sufficient quantities of this product to meet the demand, the only conclusion one can reach is that imports of residual oil can have little effect on either the health or vigor of the petroleum industry in the United States.

The restriction of imports of residual oil adversely affects foreign relations and is a factor in our struggle against communism. It is contrary to the policy of this administration's plan to bolster the social and economic development of South America to restrict purchases of residual oil which, in the case of Venezuela, is a major part of the economy of that country. Residual oil has been in short supply since the 1930's and the import restrictions are forcing users to pay inflationary prices.

Since the imposition of these controls in 1959, two things have been happening. Because of the quota system which sets the total amount of residual oil that can be imported, the amount of imports is so close to the demand that there is a continuing tendency to raise prices. The increase of prices of residual oil in the middle 1960's is directly attributable to this condition.

The other situation which has become very serious for the consumer is that competition between oil companies has virtually been eliminated, due to the concentration of oil-import quotas in the hands of a few major suppliers, and even the latter are against this arbitrary allocation of business volume by the Government. Companies who desire to take on new customers find themselves in an almost impossible situation; that of having a demand for extension of their services without the fuel capability of providing it.

These matters are especially important to the residents of the State of Florida. Our people and our industries are almost completely dependent upon residual fuel oil. We have no coal deposits. Waterpower is not available. While natural gas is used when available, oil is the primary source of energy. Florida Power & Light Co., an electric utility serving over 750,000 customers in the State of Florida which is better than 40 percent of the State's consumer-family population in 1960 used 5,786,837 barrels of residual fuel oil and 7,249,006 equivalent barrels of natural gas for the generation of electricity. It is estimated that their total use for this year will be 20 percent greater than that. This is due for one reason, to the tremendous growth of the State which has jumped from the 20th to the 10th most populous State in the Nation. The company's concern about the adequacy of fuel supply in the near future is aggravated each day the existing controls are kept on the books; the residents of Florida at the same time, because of electricity costs, have a legitimate interest in the amount of fuel which is being supplied for the generation of electricity.

The Office of Emergency Planning for more than a year has had under study, the question of lifting these restrictions. I trust a favorable decision will be forthcoming soon. It is hoped that the spirited debate we will witness within the next several weeks on the administration's trade program will have a salutary effect on this current study.

Mr. CONTE. Mr. Speaker, I want to take this opportunity to compliment the able gentleman from Florida [Mr. Fascell] for the very powerful statement he has made here on the floor of the House against this mandatory restriction on residual oil. Certainly he knows, more than I or others who do not have the opportunity to serve on the Committee on Foreign Affairs, the importance of our relations with our good neighbors to the south, especially Venezuela, and what these restrictions are doing to them economically. It is not helping anyone in the United States, it is not helping our coal producers, it is not helping our domestic oil producers, and it does hurt our relations with Venezuela.

Mr. FASCELL. Mr. Speaker, will the gentleman yield further?

Mr. CONTE. I yield to the gentleman.

Mr. FASCELL. The gentleman is absolutely correct. Because of our policy we are forcing these people to seek oil alliances in other areas of the world. This is all wet, this is all wrong. If they are going to seek any kind of alliances it ought to be with our own people and we ought to be able to provide a program that does not drive Venezuelans and others in South America to the oil-producing countries of the Middle East, or to the Russians, or somewhere else. We ought to be able to resolve that problem among ourselves.

Mr. CAREY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. CAREY. Mr. Speaker, I am very glad that our colleague from Florida has brought up this point. There does exist in the world today a petroleum offensive. There is a war of oil on. Unfortunately the initiative in this war has gone over to the side of tyranny, the Russian oil offensive. I should hope that we would respond as we always have in the past, and initiate within our governmental circles where we have the responsibility, and in the Congress, some sort of a counteroffensive; a dynamic counteroffensive, to show that we can mobilize our power resources to take the lead in this hemisphere and declare an open-door policy with regard to oil.

In that way our friends, at least in South America and other portions of the world, will not be driven into the Soviet orbit so far as this is concerned.

I am proud and glad that the gentleman from Florida raised this point about the very, very potent Russian offensive in petroleum that is going on today.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to my colleague from Massachusetts.

Mr. LANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a statement entitled "Request for Elimination of Restrictions on the Import of Residual Oil," filed with the Office of Civil and Defense Mobilization by the New England Council, the Oil Users Association, and the American Public Power Association.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. LANE. Mr. Speaker, first may I express to the gentleman from Massachusetts [Mr. Conte] my appreciation of all the efforts he has made in reference to this very, very important subject matter dealing with the importation of residual fuel oil.

For some period of time my colleague has worked unselfishly on this subject matter and has left no stone unturned in order to concentrate attention on this subject that is vital to us especially in New England and the eastern areas.

I want to associate myself, too, with the remarks of those who have preceded me here today, the gentleman from New York, the gentleman from Florida, and my colleagues from Massachusetts and the other New England States, in support of this special order that has been allotted here today to the gentleman from Massachusetts [Mr. Conte] in order that we may be availed of some opportunity to make our statements in reference to this important subject.

Three years of residual quotas have proven conclusively that controls of this sort cannot benefit the unemployed coal miner. Nobody questions the vital importance of solving the unemployment problem in the Nation's coal mining regions but everyone should agree that the problem should be solved in a constructive and effective way. Public Law 87-27 passed by the 87th Congress on May 1, 1961, provides for the following: $100 million for loans for public facilities, $75 million for grants for public facilities, $4,500,000 annually for technical assistance to depressed areas, $4,500,000 annually for training of unemployed workers, and $10 million annually for retraining and subsistence payments.

The cost of this program is being shared by the whole Nation including the residual oil users on the east coast who must also bear the cost of restriction program.

In an effort to create new markets for coal, the Bureau of Mines in the Department of Interior has an annual appropriation of $7,750,000 in 1961 and has an estimated budget of $8,168,000 for fiscal year 1962 for coal research. In addition to this, the Federal Coal Research Act created the Office of Coal Research, also in the Department of Interior, to develop new and more efficient methods of mining, preparing, and utilizing coal. This is essentially an attempt to deal with coal's short-range problems. At the same time, the Bureau of Mines is concentrating on long-range research. The cost of both of these programs is being borne nationally and contracts have recently been let under these appropriations.

Perhaps the most constructive approach to a sound economic solution to unemployment was advanced by the President. He transmitted to Congress a new manpower development training program, now Public Law 87–415, to train or retrain several hundred thousand workers in new occupational skills. This program is to extend over a 4-year period in order to retrain workers with skills made obsolete by automation and industrial changes. The unemployed will be taught the new skills which new processes demand. The President said this was a positive answer to the challenge of technology.

The coal industry has falsely labeled imported residual oil as being a waste product dumped on the American market at predatory prices. Unlike American crude most Venezuelan crudes are particularly adapted to the production of residual oil. When Venezuela crudes are refined they get a 50-percent yield of residual oil as compared with a 6-percent yield for American crudes from Texas and Louisiana. With a product mix which is over 50 percent residual it is a gross error to label this product as a waste product. It is also an error to infer that it is dumped on the market at a loss. No refiner could afford to sell 50 percent of his output at a loss. Furthermore, Caribbean refiners ship this product to Europe, Africa, and Canada and the price free on board the Caribbean is the same regardless of destination.

One might also seriously question what the coal industry means by predatory pricing. There is only one way in which any product can be sold and that is at a competitive price. This applies to coal just as well as it does to oil or gas. If residual oil marketers did not meet competitive prices in the geographical areas where they are able to they would not be able to sell their product. As a matter of fact, Venezuelan residual at the point of origin is more expensive than domestic coal at the mine.

It is only the fact that oil is easier to transport and handle that it is able to compete with coal. This is why coal has never been able to make any significant inroads in the heavy fuel market in such areas as Florida, the west coast and some parts of New England. As the transportation and handling factor becomes more acute, it is perfectly reasonable to assume that in other areas of the country residual and coal will become closer in price.

Three years of quota restrictions on residual have proven that they are of no benefit to the bituminous coal industry. During this period manipulation of the quota has caused oil prices to go way up and down and in neither circumstance has coal benefited or been hurt nor has it been demonstrated that coal employment has been affected one way or the other. During this period the GSA right here in Washington has paid as high as $2.40 a barrel and as low as $2.03. They have not burned any more oil or any coal. They just have paid out more of the taxpayers' money.

Mr. Speaker, the policy of limiting the import of residual fuel oil through restrictive quotas never had any justification in fact. On March 10, 1959, President Eisenhower issued a proclamation cutting down imports of all oil, including residual oil which is used by industries, government installations, hospitals, schools, office buildings, apartment houses, and housing projects.

What was the motivation for this drastic action?

The U.S. Office of Civil and Defense Mobilization claimed that imports of crude and residual oil were threatening the national security by discouraging domestic oil production, exploration, and development. There would not be sufficient domestic oil reserves available in time of national emergency.

This blanket order conveniently ignored the distinction between residual oil and other types produced in this country. Since residual oil is the least profitable product of the refining process, American refineries are not interested in producing this low-cost fuel oil which is essential and on an increasing scale, to meet the industrial and the human needs of the eastern part of the United States.

Furthermore, in the event of an extended national emergency, and imports were unavailable, the Government could order domestic refiners to make up the deficit in supply by producing more residual oil.

With or without quotas, domestic production of residual fuel oil, a byproduct of the refining process, has steadily declined from 31 percent of each barrel of crude oil in 1930; to 20 percent in 1950; and 10 percent in 1961. Therefore, all the arguments in support of quotas fail for lack of substance.

What then is behind the organized and persistent campaign to place artificial restrictions on the import of this fuel which is vital to the economic growth of the east coast?

It is an irrational and desperate effort on the part of coal-mining interests to turn back the clock and force residual oil users to convert their facilities to coal. Even those users who succumbed to pressures which verge on economic blackmail, would prefer gas or other fuels. Coal, therefore, cannot displace residual oil. This obstruction to progress reminds me of the harnessmakers who tried to stop public acceptance of the automobile as a more efficient means of private transportation, because it was ruining their business.

Declining employment in the coal-mining industry is not due solely to the disappearance of the coal monopoly, as other abundant and cheaper fuels took over many of its markets. Mechanization in the coal industry has displaced many more miners.

Employment in the mines dropped from 442,000 in 1948 to 174,000 in 1961. During the same period, output per man has increased from 6.43 tons to 12.12 tons per day. In the last 10 years more than a quarter of a million men have left the industry, but the output of those who remained has doubled.

We in the New England States understand and sympathize with the unemployed coal miners and the depressed economies of the coal-mining States. We went through a similar experience ourselves when so many of our textile mills closed down or moved away. We did not seek scapegoats for our troubles, but applied ourselves to the task of attracting or building replacement industries. The problems of the coal-mining areas merit Federal attention and assistance to bring about those adjustments that will revive the economies of those areas. In this you will have the encouragement and support of Members from the east coast States.

Meanwhile, we counsel you to abandon this negative effort to restrict the imports of residual oil, that is based on the frustrated and aggressive attitude that "If you won't use coal we'll make it difficult for you to get an adequate supply of any other energy-producing fuel."

Let us face it. This squeeze play is bound to fail. It would not put a single unemployed coal miner back in a job that has vanished. It can only hurt many other Americans and for no justifiable reason.

Any way you look at it, restrictions on the imports of residual oil serve no useful purpose. The coal mining lobby is doing a disservice to the Nation by trying to block change and progress.

Import quotas on residual fuel oil hamper economic growth and must be removed.

### Request for Elimination of Restrictions on the Import of Residual Oil

(Filed with Office of Civil and Defense Mobilization by the New England Council, the Oil Users Association, and American Public Power Association)

The New England Council, the Oil Users Association, and the American Public Power Association respectfully request the Office of Civil and Defense Mobilization to intercede with the President of the United States to rescind the residual oil provisions of the Presidential proclamation of 1959, under which imports of residual fuel oils are sharply restricted.

In support of this request, we submit the following facts and figures which we believe will prove conclusively that: (1) the restrictions on residual oil and the restrictions on crude oil are entirely different, insofar as the national security is concerned; (2) the inclusion of residual oil in the oil import program does not serve the intent of the program; (3) while demand for residual oil is slightly higher, the supply is dwindling in the United States because residual is uneconomic for U.S. refiners to produce; (4) reduction in residual oil imports are not in the best interests of national security but do, in fact, have the opposite effect; (5) current restrictions on residual oil imports work a hardship on major east coast industry, on public agencies and institutions, and on millions of private citizens in eastern coastal areas. By blocking normal competitive processes, they take millions of dollars out of the pocketbooks of U.S. consumers; (6) artificially induced high prices on residual oil in using areas result in placing much of east coast industry at a competitive disadvantage with other geographical areas and in world markets; (7) residual oil imports do not offer injurious competition to the domestic petroleum industry, nor have they been responsible for the depressive effects in the bituminous coal industry; and (8) the program is inflationary. Moreover, it retards economic growth.

In addition, we believe that reductions of residual oil imports cause unnecessary hardship to oil-producing Latin American neighbors and, therefore, are inconsistent with the administration's policies of inter-American cooperation.

BACKGROUND OF THE RESIDUAL FUEL OIL IMPORT PROGRAM

At the request of the OCDM, President Eisenhower issued a proclamation on March 10, 1959, which sharply restricted the imports of crude oil and its derivatives.

The reasons given were that (1) demand for petroleum products were increasing at a substantially greater rate than were the domestic reserves of oil, (2) the interests of national defense required that further exploration for oil in this country should be stimulated, and (3) excessive imports of crude oil from Latin America offered damaging competition to the domestic oil industry.

No mention was made of the competition with the bituminous coal industry, but it is believed that this was an important factor in the OCDM and presidential actions. This was substantiated in hearings conducted by the Interior Department early this year.

Included in these restrictions were residual fuel oil as a derivative of crude, despite the fact that, due to U.S. efficiency in refining, residual oil is only a small percentage of American production and is inadequate to supply domestic needs.

The effects have been to place residual oil supplies below demand, increase prices to the American consumer (even while world prices of residual have been dropping), and place industry, institutions, apartment houses, and small users at a serious disadvantage since they lack the long-term contracts of larger users.

EAST COAST DEPENDENCE ON RESIDUAL OIL

For many years, residual oil has been the principal fuel of most east coast industry. It has also been the principal fuel of apartment houses, hospitals and public buildings. Industrial power units and building heating units have been built around this fuel and cannot be changed to other fuels, or where they can, only at prohibitive costs.

The reasons for this are clear. The delivered prices of coal to these areas are far higher than the price of residual oil, because of high shipping costs of coal.

For example, many industrial areas of the country cannot use coal economically. The logistics of coal to most of New England, for example, call for rail delivery to Hampton Roads, Va., reloading to ships, stockpiling at destination and ground transport for local delivery. Consequently, the shipping costs of coal per ton are actually greater than the price per ton at the mine mouth.

This means that east coast industries have to pay a much higher delivered cost per ton than do those of the inland areas, where shipping is direct and low in cost. To use coal as fuel would seriously affect the competitive position of many east coast industries.

New England has historically depended on residual oil because it is the least expensive fuel available to them in an area where heating costs have usually run 50 percent above the national average. The restriction on residual imports has imposed an additional burden by disrupting normal competition among fuels.

Restrictions on these supplies, the deadening of competition among suppliers, and the upward trend of prices in this sellers' market have created a hardship for many millions of consumers and have placed east coast industry at a competitive disadvantage.

IMPORTS ONLY MAKE UP U.S. DEFICIT

The American refiner by and large does not find it economically advantageous to produce residual fuel oil. It brings him less revenue than his other products. He is continually trying to reduce the amount he produces. Thanks to innovations in refining technique he is succeeding. The yield of residual fuel oil from domestic refineries is being reduced each year. Residual produced from crude runs in the United States has declined from 425 million barrels, or 20 percent in 1950, to 332 million barrels, or about 11 percent in 1960. This reduction in yield has been built into our refineries.

At the same time, the demand for residual oil in the United States has shown a slight increase. But on the east coast, in particular, the demand for residual oil is increasing substantially. For example, between 1950 and 1960, the east coast demand rose from 255,426,000 barrels to 318,775,000 barrels.

It is obvious that as the supply diminishes, residual oil must be imported to fill the gap between domestic production and domestic demand.

The principal foreign source of supply is Venezuela. Venezuelan crudes give high residual yields. The average yield for all Venezuelan crudes is in excess of 50 percent. Many yield as high as 70 percent residual.

Unlike his U.S. counterpart, the Caribbean refiner wants to produce residual. For him it is not a waste product which he is anxious to eliminate. It represents over 50 percent of his product mix and he refines it at a profit.

It is a shocking fact that despite the shrinking supply of residual fuel oil in the United States and the abundance of residual flowing from the refineries of our South American neighbor, the Government of the United States has undertaken to restrict the imports of residual into this country since March 10, 1959.

It is time to face the facts on residual controls. They are a wasteful hidden cost of living for U.S. consumers. And even their proponents do not actually benefit from them.

RESIDUAL OIL IMPORT RESTRICTIONS SHOULD BE REMOVED

The following compilation of facts show conclusively why the restrictions on the import of residual oil should be exempted from the oil import program.

These facts clearly show that (1) the domestic petroleum industry cannot supply the current needs, (2) limited import quotas serve to keep residual oil prices unreasonably high, thereby affecting eastern industry and millions of consumers, (3) it is impossible for most eastern users to substitute coal for residual oil, (4) imports of this oil cannot adversely affect national defense requirements, (5) removal of restrictions on this product would improve inter-American relationships, without seriously affecting any part of the domestic economy, and would thereby contribute to our national security.

RESIDUAL IMPORT CONTROLS DO NOT HELP THE DOMESTIC OIL INDUSTRY

Those who argue that residual must be controlled to maintain a healthy petroleum industry base their argument on the belief that controls help to maintain the price of crude at the wellhead.

In a letter to the New England Council dated October 15, 1960, Mr. Elmer F. Bennett, then Under Secretary of the Interior, made the following comment concerning the objectives of including residual oil in the oil import program:

"Residual fuel oil is included in the Oil Import Program solely because of the relationship of that product to the domestic petroleum industry. Domestic production of residual fuel oil in Districts I to IV totals 60 percent of domestic demand in those districts in the year 1959. This volume represents a considerable percentage of the gross revenue received by domestic refiners and, consequently, has a direct bearing on the price the oil purchaser may pay for domestic production of crude oil. Any material reduction in the price of residual fuel oil resulting from excessive imports would probably be reflected in the price of crude oil at the wellhead."

Let's examine this argument:

Refiners in the Texas gulf and Louisiana gulf districts use domestic crude almost exclusively. Their percentage yield of residual is currently running at the rate of 7.6 percent for the Louisiana gulf and 7.4 percent for the Texas gulf.

The Independent Oil Producers Association reports indicate these refiners currently are paying an average $3 a barrel for crude at the wellhead. Assuming 25 cents a barrel for transportation to the refinery, the total cost of crude to them becomes $3.25. The low cargo price for residual at the gulf is now $2.20. With a residual yield of 7½ percent, this loss, on a barrel of crude, is 7.9 cents.

If, as a result of the removal of import restrictions, the price of residual at the gulf were to drop 10 percent to $1.98, the loss per barrel of crude resulting from the decline would increase to 9.5 cents. According to the Interior Department's theory, this would be 1.6 cents less revenue per barrel for the purchase of crude. This is five-tenths of 1 percent of the current crude price, a very small portion to trace back to the raw material from the byproduct. The effect on domestic refiners of the price fluctuations of a major product such as gasoline obviously obliterates any effects of a change in the price of residual.

In the light of these facts, assigning a major role to residual in buoying up the price of crude oil is like saying the price of sawdust affects the price at which a sawmill purchases raw timber.

To be sure, as the price of the byproduct fluctuates, the net profit of the producing industry also fluctuates to some extent. But the impact of the fluctuations in the price of residual is minimal—quickly lost in the major change caused by price fluctuations in the principal petroleum products, gasoline and light distillates.

RESIDUAL RESTRICTIONS DO NOT ENCOURAGE OIL EXPLORATION

Let's examine the Interior Department's argument further. The theory supposes that residual restrictions, by buoying the price, help to stimulate oil exploration.

Since residual oil cannot be a profitable factor in the domestic production process, domestic producers would not in any circumstance explore simply to supply the residual market.

If, in fact, there is any connection between demand and exploration, the demand for other products more profitable determines capital outlays for oil exploration. In 1959, for example, the oil industry cut back on exploration because of the oversupply of crude and the business recession of the previous year.

Let's go one step further.

How about the refineries that produce no residual at all? There are many of these in the United States. Inasmuch as they represent the most advanced refinery design, still more refineries in the future will be similarly designed to eliminate residual as a byproduct.

Should we turn back the clock and make them produce residual? The argument is patently ridiculous.

TABLE III.—*Residual oil data, 1949–60*

[Thousands of barrels]

| Year | Residual oil demand [1] | | | Exploratory wells drilled, United States [3] |
|---|---|---|---|---|
| | Total United States | East coast | New England [2] | |
| 1949 | 496,021 | 211,482 | 50,658 | 7,294 |
| 1950 | 553,793 | 255,426 | 64,236 | 8,554 |
| 1951 | 564,397 | 262,784 | 60,575 | 10,302 |
| 1952 | 555,165 | 270,735 | 59,861 | 10,552 |
| 1953 | 560,474 | 284,876 | 65,303 | 11,062 |
| 1954 | 522,317 | 266,180 | 58,889 | 11,280 |
| 1955 | 557,057 | 278,214 | 62,063 | 12,271 |
| 1956 | 562,813 | 291,123 | 61,477 | 13,034 |
| 1957 | 548,801 | 297,033 | 60,109 | 11,739 |
| 1958 | 531,067 | 296,972 | 60,443 | 9,588 |
| 1959 | 558,800 | 322,317 | 71,388 | 10,073 |
| 1960 estimate | 556,600 | 318,775 | (4) | 9,635 |

[1] Source: U.S. Bureau of Mines.
[2] Source: API Petroleum Facts and Figures.
[3] Source: Oil and Gas Journal.
[4] Not available.

A MORE CONSTRUCTIVE APPROACH TO A HEALTHY OIL INDUSTRY

What do we advocate instead?

We advocate removing the price supports on residual oil created by the import program.

This will encourage domestic refiners to speed up the installation of coking facilities, with the end in view of creating a more profitable product mix.

This policy would benefit the residual oil users on the east coast, eliminating the price penalty they are now forced to pay. It would tend to help conserve America's fuel reserves by using residual refined from Venezuelan crude rather than U.S. crude. And it would help the domestic refiner by eliminating his historical losses on the sale of residual.

RESIDUAL RESTRICTIONS CANNOT RELIEVE UNEMPLOYMENT IN COAL MINE AREAS

Even though the Government has not justified the restriction on the basis of its effect on the coal industry, we feel it is important to examine this aspect of the question.

Coal interests have consistently claimed that importation of residual oil has resulted in unemployment in the coal-mining regions of the United States. That this claim is not true is best shown by the data provided by the coal industry in its "Bituminous Coal Data, 1960." In 1950 the bituminous coal industry employed 415,582 men and produced 516,310,000 tons of coal. The output per man-day was 6.77 tons. Ten years later the industry employed 159,100 men and produced 413 million tons at a productivity rate of 13.25 tons per man-day. In the 10-year period over a quarter of a million men have left the industry, and the output of those that have remained has doubled.

During the same 10-year period the use of residual oil in the United States has remained relatively constant, 554 million barrels in 1950 and 556 million barrels in 1960. A large portion of these sales are made in areas where coal is not competitive; for example, many parts of New England, Florida, and the west coast. In addition, some markets for residual—ships and the oil industry itself—are beyond the reach of the coal industry and have been for many years.

TABLE IV.—*Bituminous coal data, 1950–60*

| Year | Production (net tons) | Men employed | Number of mines | Average number of days worked | Net tons per man per day | Percent of underground production | | Percent of total production | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Cut by machine | Mechanically loaded | Mechanically cleaned | Mined by stripping |
| 1950 | 516,311,053 | 415,582 | 9,429 | 183 | 6.77 | 91.8 | 69.4 | 38.5 | 23.9 |
| 1951 | 533,664,732 | 372,897 | 8,009 | 203 | 7.04 | 93.4 | 73.1 | 45.0 | 22.0 |
| 1952 | 466,840,782 | 335,217 | 7,275 | 186 | 7.47 | 92.8 | 75.6 | 48.7 | 23.3 |
| 1953 | 457,290,449 | 293,106 | 6,671 | 191 | 8.17 | 92.3 | 79.6 | 52.9 | 23.1 |
| 1954 | 391,706,300 | 227,397 | 6,130 | 182 | 9.47 | 88.8 | 84.0 | 59.4 | 25.1 |
| 1955 | 464,633,408 | 225,093 | 7,856 | 210 | 9.84 | 88.1 | 84.6 | 58.7 | 24.8 |
| 1956 | 500,874,077 | 228,163 | 8,520 | 214 | 10.28 | 84.6 | 84.0 | 58.4 | 25.4 |
| 1957 | 492,703,916 | 228.635 | 8,539 | 203 | 10.59 | 80.9 | 84.8 | 61.7 | 25.2 |
| 1958 | 410,445,547 | 197,402 | 8,264 | 184 | 11.33 | 75.3 | 84.9 | 63.1 | 28.3 |
| 1959 | 412,027,502 | 179,636 | 7,719 | 188 | 12.22 | 72.1 | 86.0 | 65.5 | 29.4 |
| 1960 | 413,000,000 | 159,100 | 7,500 | 196 | 13.25 | ---------- | 87.4 | 67.8 | 29.1 |

Source: U.S. Bureau of Mines.

The unemployed coal miner should not be deluded that his plight is due to unrestricted imports of residual oil, especially since there has been no increase in the use of residual, and the productivity in the coal industry has been doubled through mechanization. In underground mines the use of mechanical loaders has increased from 67 to 85 percent in terms of coal produced and mechanical cleaning apparatus from 35 to 63 percent. At the same time equipment improvements in strip mining have been dramatic, particularly in the size and capacity of shovels used to remove overburden.

Productivity in the bituminous coalfields per man-day worked has just about doubled from 1950 to 1960. In order to keep the same number of miners at work it would be necessary to double the demand for coal. This would require bituminous production of an additional 413 million tons per year. This theoretical increase is equivalent to 10.6 times the total permissible imports of residual oil for the year ending March 31, 1962.

THE RESIDUAL MARKET IS RELATIVELY INFLEXIBLE

Could coal take over existing residual markets?

There are severe limitations on the ability of an industrial type fuel user to convert from one fuel to another.

As a practical matter, most heavy fuel users cannot convert to other fuels without prohibitive expense.

A survey by the New England Council in June 1961, of its industrial members reveals that out of 70 manufacturing companies 67 used residual oil extensively, 2 coal, and 1 gas. All of the oil users state they could not convert to another fuel without prohibitive cost. Four said it would be impossible to switch to another fuel or would take so long they would have to go out of business.

A few steam powerplants—in areas where oil, coal, and gas have been competing for the business—are equipped to burn more than one fuel.

Having burned oil for a number of years, a powerplant equipped to burn more than one type of fuel would find the incremental cost of additional labor and maintenance required to return to coal very high. These additional operating costs raise the conversion price parity for coal substantially above the point where conversion would take place on a straight B.t.u. basis.

As noted above, a relatively small number of residual users are able to burn other fuels. The Interior Department has estimated possible conversion might amount to 6 million tons of coal per year. Continued improvements in productivity or a few added work hours by the industry would produce the necessary tonnage. This amount of coal could be produced without putting a single unemployed miner back to work.

WHY DEMAND FOR COAL HAS DECLINED

Two factors are sufficient in themselves to account for the entire decline in demand for coal since the 1947–49 period.

First, the railroads, which used 114 million tons of coal in 1947, have switched almost completely to diesel fuel. On February 28, 1960, the Wall Street Journal noted that use of coal by the railroads had declined to about 1.7 million tons for the year 1960. Here is a single giant former coal customer whose operating changes have accounted for a loss of volume of more than 110 million tons a year, or nearly half the total decline in coal demand since 1947. Even the coal-carrying railroads converted their equipment almost totally to diesel. This was done in spite of the fact that coal for years has been the best single revenue producer for the railroad industry, and despite the fact that the coal-carrying railroads are the most profitable in the industry.

Second, millions of families throughout the country stopped shoveling coal into basement furnaces and installed oil burners or gas burners in their homes. In 1947 the figure for retail coal deliveries was 137 million tons; in 1960 the figure was 29 million tons, a loss of 108 million tons per year.

The demand which coal has lost since 1947 would have been lost in any case.

The loss is unrelated to residual imports.

WHY SHOULD COAL BE PROTECTED?

We have shown that unemployment in the bituminous coal industry is due to technological change in mining methods; that residual oil has not been a factor in principal market losses which the coal industry has encountered.

What is the future of the coal industry?

The growing market for coal is in the power generating plants of electric utilities. In this area coal has made substantial gains since 1947. In 1947 utilities used 90 million tons of coal. In 1960 electric power utilities used 165 million tons of coal.

The National Coal Association's publication "Steam Electric Plant Factors, 1959," having previously defined the coal competitive area as including New England, the Middle Atlantic region, and the east-north-central region, presents the following statements and facts:

"Within the above defined coal competitive areas coal held 83 percent of the total steam electric utility fuel market in 1959. This may be compared with 84 percent in 1958, 85 percent in 1957, 86 percent in 1956, 85 percent in 1955, 83 percent in 1951, 81 percent in 1952 and 1954, 80 percent in 1953. The following tabulation shows the percentage of the coal competitive market assignable to coal, oil, and gas by years since

**1950 (percentages were derived on a B.t.u. basis):**

| | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 |
|---|---|---|---|---|---|---|---|---|---|
| Coal | 83 | 81 | 80 | 81 | 85 | 86 | 85 | 84 | 83 |
| Oil | 7 | 7 | 8 | 6 | 5 | 4 | 4 | 5 | 6 |
| Gas | 10 | 12 | 12 | 13 | 10 | 10 | 11 | 11 | 11 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

The National Coal Association predicts that the utilities will use 185 million tons of coal in 1961. In "Bituminous Coal Facts, 1960," the coal industry estimates that electric utilities will burn 475 million tons of coal in 1975 to produce 65 percent of their power output, and that by the year 2000, consumption will be 600 million tons a year.

Based on these potentials, it is only fair to ask why this industry, which is and has been supplying between 80 and 85 percent of the fuel requirements for the electric industry in the coal competitive area, should demand or expect protection, in the form of legislative or governmental fiat, from competition from other fuels.

### COAL'S REAL PROBLEM IS NOT RESIDUAL OIL, BUT TRANSPORTATION COSTS

The coal industry has done an outstanding job of keeping down the cost of coal at the mine in the last 15 years of inflation. However, the mine mouth cost of coal is only a portion of the total cost of coal to users.

In many areas of the United States coal has never been competitive with oil or any other fuel, because of the cost of transportation from the mine to the user. And it never can be.

In such areas, transportation costs for coal exceed by a large amount the cost of coal at the mine.

A typical example is the case of one large user in New England that buys coal at the mine for under $5 a ton. Rail freight from West Virginia to Hampton Roads, Va., plus vessel transportation to Boston makes the total transportation bill approximately $5.57. Transportation costs do not stop there. The coal must be unloaded from the collier, stocked out into a coalfield and then reloaded onto a conveyor belt, put through a crusher, loaded into silos by belt, and then put through mechanical pulverizers. All of this equipment is costly to purchase and install and expensive to maintain.

Contrast this with the current price of $1.16 a ton for delivering residual oil from Cardon, Venezuela, to Boston.

In the first instance, coal costs $5.59 a ton for delivery; in contrast, oil costs $1.16 a ton. Putting this on a ton-mile basis merely magnifies the discrepancy. Coal costs 0.6 cents per ton-mile, oil 0.05 cents per ton-mile. The coal rate per ton-mile is 11.9 times that for oil.

A T-2 tanker holds approximately 100,000 barrels of residual oil. The transportation bill for such a tanker bringing a full cargo from Cardon, Venezuela, to Boston, at present rates, would be $17,800. In terms of B.t.u.'s 100,000 barrels of residual oil is about equivalent to 22,000 tons of bituminous coal. To transport 22,000 tons of coal from the bituminous fields of West Virginia to Boston would cost $122,000, over $100,000 more than the equivalent in residual oil shipped from Venezuela, despite the fact that Venezuela is 1,382 statute miles farther away.

High transportation costs is the coal industry's real problem, one which is beyond its control. Because of high transportation costs, the area where coal is competitive is going to be subject to changes. These are inevitable. In some areas the coal industry has never been able to compete and in some areas it has been on the competitive borderline compared with other fuels. It must inevitably lose other areas because of the high cost of transportation.

This does not mean that the coal industry's total marketing prospects are diminished in any sense. The large utility consumption within low-cost shipping distances of the coal mines represents a bonanza for the bituminous coal industry.

### THE UNEMPLOYMENT PROBLEM IS BEING ATTACKED OTHER WAYS

Nobody questions the vital importance of solving the unemployment problem in this Nation's coal mining regions. But everyone should agree that the problem should be solved in a constructive and effective way.

Public Law 87–27 passed by the 87th Congress on May 1, 1961, known as the "depressed area bill" provides for the following appropriations: $100 million for loans for public facilities, $75 million for grants for public facilities, $4,500,000 annually for technical assistance to depressed areas, $4,500,000 annually for training of unemployed workers, and $10 million annually for retraining and subsistance payments.

The cost of this program will be shared by the whole Nation including the residual oil users on the east coast, who also must bear the cost of the restriction program.

In an effort to create new markets for coal, the Bureau of Mines in the Department of Interior has an annual appropriation of $7,750,000 this year, and has an estimated budget of $8,168,000 for fiscal year 1962 for coal research. In addition to this, the Federal Coal Research Act created the Office of Coal Research, also in the Department of Interior, to develop new and more efficient methods of mining, preparing, and utilizing coal. This is essentially an attempt to deal with coal's short-range problems. At the same time, the Bureau of Mines is concentrating on long-range research. The cost of both of these programs is being borne nationally.

Perhaps the most constructive approach to a sound economic solution to unemployment was advanced by the President in his state of the Union message this year. On May 25, President Kennedy stated that he was transmitting to Congress a new manpower development training program to train or retrain several hundred thousand workers in new occupational skills. This program is to extend over a 4-year period in order to retrain workers with skills made obsolete by automation and industrial changes. The unemployed will be taught the new skills which new processes demand. The President said this was a positive answer to the challenge of technology.

### CAPACITY OF COAL INDUSTRY IN TIMES OF EMERGENCY

The coal industry repeatedly has argued that in a national emergency it would be unable to provide the energy requirements for which it would be called upon. This argument does not stand up.

Present residual fuel oil allocations allow for the importation of 461,427 barrels per day. This is the equivalent of 104,000 tons of coal a day or 38 million tons per year. In 1959 the coal industry exported 37,226,948 tons of coal. Most of the export coal being shipped overseas is exported by us for the same reason that we import residual oil. Metallurgical coal in Western Europe and in Japan is in very short supply as is residual oil in this country. For this reason the governments of those nations, national security arguments notwithstanding, have fostered the importing of this coal from the United States.

In the event of a national emergency limitations on the exportation of coal would offset any loss of imports of residual oil.

Restrictions on residual are not necessary to create additional coal mining capacity.

The coal industry already has sufficient capacity to meet any national emergency. The capacity of the bituminous coal industry as it now exists is best described by the National Coal Association in its publication, "Bituminous Coal Data, 1959":

"As it is impossible for all mines to operate every working day in the year, a conservative figure of 280 for calculating potential capacity was suggested some years ago by the coal committee of the American Institute of Mining and Metallurgical Engineers. The average output per day worked in 1959 was 2.1 million tons which, if applied to 280 days, gives an annual potential output of 588 million tons compared with the actual production of 410 million tons."

This represents a reserve capacity in the bituminous coal industry of 43½ percent without any further mechanization in existing mines.

### WHAT HAS BEEN THE EFFECT OF THE RESTRICTION PROGRAM ON THE COAL INDUSTRY?

Residual oil and coal compete for sales to only three major classes of consumer—industrial users, the space-heating market, and electric utilities. Industrial use of residual fluctuates not with oil prices but with the state of the economy. Consumption of residual for space heating shows a steady increase from year to year. Only electric utility use of residual appears responsive to oil price changes.

A source of data on the amount of switching between coal and residual within the electric utility industry since the restrictions have been in effect can be obtained from the Federal Power Commission, table V.

From this it would appear that coal's participation in District I electric utility fuel consumption changed from 72.7 percent in 1959 to 74.4 percent in 1960, and oil from 16.7 percent in 1959 to 14.7 percent in 1960. Based on the total fuel requirements for 1960 (90.2 million coal equivalent tons), this represents a gain of 1.5 million tons for coal and a loss of 1.8 million equivalent tons for oil. The balance of 0.27 million tons was picked up by gas.

Assuming increased coal consumption to be an objective of the restriction program, let's consider at what price this increase was bought.

TABLE V.—*District I: Consumption of fuels by electric utilities*

| | Actual units | | | Million tons of coal equivalent [1] | | | | Percent participation | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Coal (million tons) | Oil (million barrels) | Gas (billion cubic feet) | Coal | Oil | Gas | Total | Coal | Oil | Gas |
| 1956—New England | 6.1 | 12.5 | 9.5 | 6.1 | 3.0 | 0.4 | 9.5 | 64.2 | 31.6 | 4.2 |
| Middle Atlantic | 34.2 | 12.7 | 36.5 | 34.2 | 3.0 | 1.4 | 38.6 | 88.6 | 7.8 | 3.6 |
| South Atlantic | 21.5 | 20.2 | 85.5 | 21.5 | 4.9 | 3.4 | 29.8 | 72.2 | 16.4 | 11.4 |
| District I | 61.8 | 45.4 | 131.5 | 61.8 | 10.9 | 5.2 | 77.9 | 79.3 | 14.0 | 6.7 |

See footnote at end of table.

TABLE V.—*District I: Consumption of fuels by electric utilities*—Continued

| | Actual units | | | Million tons of coal equivalent [1] | | | | Percent participation | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Coal (million tons) | Oil (million barrels) | Gas (billion cubic feet) | Coal | Oil | Gas | Total | Coal | Oil | Gas |
| 1957—New England | 6.3 | 13.3 | 11.4 | 6.3 | 3.2 | .4 | 9.9 | 63.6 | 32.3 | 4.1 |
| Middle Atlantic | 34.9 | 14.3 | 64.7 | 34.9 | 3.4 | 2.6 | 40.9 | 85.3 | 8.3 | 6.4 |
| South Atlantic | 22.4 | 22.0 | 78.1 | 22.4 | 5.3 | 3.1 | 30.8 | 72.7 | 17.2 | 10.1 |
| District I | 63.6 | 49.6 | 154.2 | 63.6 | 11.9 | 6.1 | 81.6 | 77.9 | 14.6 | 7.5 |
| 1958—New England | 5.8 | 13.0 | 13.2 | 5.8 | 3.1 | .5 | 9.4 | 61.7 | 33.0 | 5.3 |
| Middle Atlantic | 31.4 | 20.1 | 87.2 | 31.4 | 4.8 | 3.4 | 39.6 | 79.3 | 12.1 | 8.6 |
| South Atlantic | 22.9 | 23.5 | 67.8 | 22.9 | 5.7 | 2.7 | 31.3 | 73.2 | 18.2 | 8.6 |
| District I | 60.1 | 56.6 | 168.2 | 60.1 | 13.6 | 6.6 | 80.3 | 74.9 | 16.9 | 8.2 |
| 1959—New England | 5.7 | 16.9 | 12.6 | 5.7 | 4.0 | .5 | 10.2 | 55.9 | 39.2 | 4.9 |
| Middle Atlantic | 32.3 | 25.9 | 101.9 | 32.3 | 6.2 | 4.0 | 42.5 | 76.0 | 14.6 | 9.4 |
| South Atlantic | 26.0 | 18.6 | 120.0 | 26.0 | 4.5 | 4.8 | 35.3 | 73.7 | 12.7 | 13.6 |
| District I | 64.0 | 61.4 | 234.5 | 64.0 | 14.7 | 9.3 | 88.0 | 72.7 | 16.7 | 10.6 |
| 1960—New England | 5.9 | 16.1 | 12.9 | 5.9 | 3.9 | .5 | 10.3 | 57.3 | 37.9 | 4.8 |
| Middle Atlantic | 34.0 | 25.1 | 88.9 | 34.0 | 6.0 | 3.5 | 43.5 | 78.2 | 13.8 | 8.0 |
| South Atlantic | 27.2 | 14.1 | 147.3 | 27.2 | 3.4 | 5.8 | 36.4 | 74.7 | 9.4 | 15.9 |
| District I | 67.1 | 55.3 | 249.1 | 67.1 | 13.3 | 9.8 | 90.2 | 74.4 | 14.7 | 10.9 |

[1] Conversion factors: Oil, 0.240 ton bituminous equivalent; gas, 0.0395 ton bituminous equivalent.

Source: Federal Power Commission.

We have concluded that the price of oil in the United States is now 33 cents per barrel higher than the world price due to the restriction program. Applied to 1960 east coast demand of 318.7 million barrels, this increase represents an additional cost of $106.2 million paid by users of residual oil to achieve increased consumption of 1.5 million tons of coal through utility conversions. This amounted to a penalty of over $70 for each ton of coal converted.

As Representative HASTINGS KEITH, of Massachusetts, has pointed out, it would have been better for the Nation as a whole if there had been no restriction program and someone had bought this coal at the mine and thrown it away.

UNWARRANTED RESTRICTIONS VIOLATE OUR INTERNATIONAL TRADE POLICIES

Since World War II, the United States has taken a leading role in liberalization of foreign trade relations. Removal of trade restrictions has been a stated policy of our Government, and still is. One expression of this comes from OCDM, in reporting the Treasury Department's views on this policy: "The Treasury Department takes the position that the policy of encouraging the expansion of international trade on a nondiscriminatory basis is one from which the United States derives reciprocal benefits."

Import restrictions on residual fuel oil violate this policy before the world. If the national security were indeed benefited, such repressive measures might be justified, but it is not benefited. Therefore, continuation of these restrictions would be a direct slap at those friendly nations whose residual oil is a major item of export.

Specifically, this discrimination is especially difficult for Venezuela, which has been an active supporter of U.S. foreign policy in Latin America. Trade restrictions on residual oil primarily affect Venezuela, and they also serve to limit dollar income that would otherwise be available to buy more American goods.

It is not extraneous to this point that the growth of anti-American feeling, demonstrated in the hostility to former Vice President Nixon in 1958, might be aggravated by any continuing feeling of discrimination against this country. Nor is it to be forgotten that the Venezuelan Government asked Adlai Stevenson in June to end the abuses and injustices of U.S. oil restrictions. In a country where a major proportion of petroleum derivatives is residual oil, removal of restrictions on this product could have considerable effect.

A nation which recognizes its responsibility to less-developed countries in the form of money grants and technical assistance should not overlook the advantages inherent in sincere stimulation of trade with those countries.

CONCLUSION

We have shown that the restrictions on residual oil (a) do not enhance the national security, but have the opposite effect, (b) discriminate against important industrial areas of the country, (c) increase costs to public buildings, institutions, and public agencies, (d) take millions of dollars out of the pockets of U.S. consumers, and (e) violate international trade policies.

We have shown also that imports of residual oil have no adverse effects on the domestic petroleum industry, are not responsible for the distress in the coal industry, and continued restrictions cannot be used to rectify that distress.

We, therefore, request that the OCDM recommend to the President of the United States that the restrictions on the import of residual oil be rescinded.

Mr. CONTE. I thank my colleague from Massachusetts for his excellent statement and for helping to bring this important issue before the Congress and the people of the United States.

Mr. McINTIRE. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the honorable gentleman from Maine.

Mr. McINTIRE. Mr. Speaker, I am delighted to join with my colleague from Massachusetts in his remarks today relative to the problem confronting the Northeast in relation to restrictions on the importation of residual fuel oil. I want to commend the gentleman for his diligent work in this regard over a long period of time, and also commend him for again bringing to the attention of the Members of the House and the attention of the executive branch and the people at large to the very serious problem which this import limitation places upon the economy of many sections of the Northeast.

Earlier this week it was my privilege to visit with some of the important industrial people of my district, discussing with them the competitive situation in which they find their products in the marketplace, the importance of efficiency in operation and the importance of saving wherever a saving can be made. I assure my colleague that in this regard this import limitation is an expense to the economy of the Northeast, and to that extent it is a very substantial detriment to the economy of our area. I wish to associate myself with the gentleman in his efforts to have a constructive answer to this most serious problem.

Mr. CONTE. I appreciate the remarks of the most able gentleman from Maine.

Mr. Speaker, at this point I ask unanimous consent that the remarks of the gentleman from Missouri and the gentleman from New York be placed at the end of my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KEITH. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Massachusetts.

Mr. KEITH. Mr. Speaker, I would like to join with my colleague from Massachusetts and others in New England in support of the case which he is presenting here so ably to us. If the President's action in overlooking this serious problem is indicative of the way our trade bill might be implemented, it does not bode well for the country or for the progress of that legislation.

Mr. Speaker, I hope my remarks today will reassure those who favor quotas that much good and little, if any, hardship, will result from the hoped-for removal of residual oil import restrictions.

Early last session I joined with those who urged the Office of Emergency Planning to undertake an immediate, comprehensive investigation of the residual oil import question. I did so because I was confident that such a study would clearly reveal that this fuel, important as it is to the economy of the east coast, does not meet the criteria for the mandatory oil import program. Import restrictions were reportedly established to insure a stable, healthy domestic petroleum industry and prevent severe industrial dislocation. Residual oil is a byproduct of the refining process, and as our own domestic industry becomes more and more efficient it produces less and less of this "residual" oil. The industry's ultimate goal, therefore, is to someday reach a point of efficiency and sophistication where no residual oil at all would be produced nationally.

Since it is a leftover, a product that for the sake of efficiency is an undesirable quantity in the modern American refinery, it could not reasonably, then, be considered essential to the well-being of our domestic industry. As an unwanted byproduct it contributes little to insure a stable, healthy industry, and, as such, certainly could not influence industrial dislocation.

The domestic oil industry has never been able, nor has it apparently wanted, to satisfy the demand for residual oil in our country.

Why then was residual oil included among those petroleum products listed for regulation? I suggested last session, when I took the floor to discuss this problem, that it had been added by the administration as an afterthought. I believe there is factual evidence to this effect.

Those of us in New England, and elsewhere along the east coast, had hopes the President would see fit to relieve us of the onerous quota system on such imports, since we have all heard his request for greater authority to liberalize trade and tariff policies. We had hoped this since the President favored freer trade he would demonstrate his commitment to this objective by freeing residual oil imports. After all, the President now has this authority and needs no further authorization from Congress. Exercising it in this instance would demonstrate his good faith and belief in freer trade. It would be proof that the further authority he asks for in other areas would be used to promote the general welfare, rather than be used as as an instrument of politics, by granting concessions to one region of the Nation at the expense of others.

Unfortunately, Mr. Speaker, our hopes have thus far proven unfounded. The administration has again avoided facing this issue and has tried to sweep the problem under the rug. Instead of abolishing import restrictions as recommended, the Department of Interior has thrown New England a bone by raising quotas somewhat, an insignificant amount in view of the economic hardship these restrictions have proven during the last 2 years.

Only a small percent—1½ percent—of our Nation's coal production is in competition each year with residual oil. The arbitrary and artificial increases in the costs of residual oil, which resulted from the restrictions, cost the consumers millions of dollars each year. If the quotas were lifted, the American consumer could purchase all the coal displaced by oil, throw it away, and still have saved between $7 million and $36 million a year during the last 2 years. If the restrictions do not serve our Nation's security, then it is unthinkable that our consumers continue to bear the burden of these restrictions. True, the price of residual oil has dropped since the allotments were increased. Yet, the distributors and the consumers have no assurances, as long as the quota system is in effect, that imports will not be tightened again.

It is claimed that in time of crisis, the Nation will have to depend upon domestic supplies of fuel to meet emergency needs, just as it always has—that our ability to survive should not be determined by an outside power—that we could become, in effect, a captive nation.

The fact is that substantial quantities of fuel were imported into the United States during World War II. Furthermore, in the context of modern warfare, national security is dependent upon the security of the free world. A United States shut off from foreign supplies implies defeat. While Russian submarines are superior and exist in larger quantities compared with those possessed by Germany prior to the last war, our defenses against submarines have at least kept pace. Furthermore, it is inconceivable that the potential vulnerability of our sea lanes would be any greater than the vulnerability of our domestic fixed targets and transportation network. A total modern war, should it be fought over an extended period of time, would require a flexible transportation system throughout the free world. Water transportation is a part of this flexibility. In both World Wars I and II, the United States was invulnerable to direct attack. This is no longer the case. It is for this reason that residual oil import controls damage the cohesiveness of the free world and should be lifted. For this reason alone, import controls, rather than providing national security, are in fact a threat to our Nation's security.

Further important threats to national security from residual oil import restrictions can be found. Import quotas always result in an increase in prices. In fact, this is the very purpose of any restrictive foreign-trade program. Numerous studies have shown that in this sense the import program has been effective, but this very price increase adds further to the inflation that is plaguing our economy. It is, in itself, a threat to national security. Our defense dollar shrinks; our foreign-trade balance will be smaller and therefore will buy less foreign economic, as well as military, aid—urgently required for the defense of the free world.

We must not forget that we have left the 19th century. Modern wars are not fought by isolated opponents.

This would be to ignore the success of our great alliances and our role as a world power. We are no longer a nation separated from the world by great bodies of water. Rather, the greatness of this country is firmly based upon our international commitments and obligations with all the benefits and responsibilities that grow from them. Any unnecessarily restrictive acts in our international trade policies can only detract from the strength of our own position for which we have consistently worked over the past decades.

In view of the vast natural fuel resources of all types available in this country, it is ridiculous to think that because we import residual oil from Venezuela we could become a captive nation. Moreover, this country's economic strength does not only depend on fuel resources, but upon the degree of efficiency and flexibility of its entire economic system. Our strength depends upon the strength of the free world. This is the true meaning of national security. If we are afraid of Soviet submarines cutting our supply lines, the answer should not be to retreat to our own shores, but rather to make sure that these supply lines will remain open.

Another argument of opponents is that we face danger that the entire east coast coal market will be lost completely to foreign residual oil. The fact is that there are today only limited areas and limited industries in which residual oil, not to speak of imported residual oil, is competitive with bituminous coal. Only some large electric utilities with duplicate burning facilities are within this competitive market. According to the best available information, an absolute maximum of 6 million tons of coal is involved. Based upon past research by the Bureau of Mines, the relation between residual oil consumption and prices is very small. From this past research, one can estimate that a drop of say 22½ percent in residual oil prices would result in a coal displacement of only 2.1 million tons. The fact that coal consumption in the electric energy industry has grown rapidly even within the so-called competitive area, testifies to the vigor of the coal market. There is no indication that coal is losing out to residual oil.

It has been said that coal production would not expand to meet emergency needs of the Nation.

It is extremely unlikely in the first place that coal production would be required to expand significantly in any future emergency—certainly not in a total nuclear war in which no time would be available to build up the U.S. industrial capacity; certainly not in a brushfire war where ample Venezuelan residual oils would remain available to us, and certainly not in a period of cold war. But even if we were pushed back to our own shores without any attack on our inland installations—an utterly ridiculous assumption—our coal industry, our oil industry, and our gas industry could expand significantly if, as the coal industry wants us to believe, World War II is an example. From 1939 to 1940, coal alone expanded by almost 17 percent, from 1940 to 1941, it expanded almost 12 percent, and from 1941 to 1942, it expanded by more than 13 percent. I believe that with today's increased productivity and less than full capacity operation, such increases would again be entirely feasible, and would be adequate to supply any additional demands.

It has been implied or alleged that in four major labor markets in Virginia, there are 17,750 unemployed miners because of the influx of residual oil. Unemployment of coal miners is not due to imports of residual oil but rather to vast improvement in productivity and to market losses in home heating to the other fuels, particularly gas. As a matter of fact, in the only market in which there has been any significant competition between residual oil and bituminous coal—that is the electric utility market—coal consumption has consistently increased over the last decade. It appears that what some of the coal companies want, therefore, is further acceleration of this expansion by Government action, at the expense of the entire residual oil-burning industry along the east cost.

It appears that the quota program has weakened, not strengthened, our national security due to the resultant higher defense costs and to its adverse effects on international relations, as well as through its damage to the national economy. Removal of controls under peacetime conditions would benefit our cold war effort as well as stimulate economic efficiency and flexibility by restoring healthy competition. Under all rationally conceived war or emergency conditions, foreign sources of residual oil can be maintained and the supply, if need be, can be expanded if we make sure that in time of peace, we maintain friendly trade relations.

Furthermore, the development of fuel sources throughout the free world in peace gives us a dispersal and flexibility of supply in time of war.

Mr. Speaker, I am fully aware of the adverse effect of unrestrained and indiscriminate import policies upon our economy. I have witnessed repeated injury to New England industries, such as shoes, textiles, nails, and binder twine. But I sincerely believe that unreasonable restrictions on the importation of residual oil have resulted in unnatural price increases and undue increases in production costs. Thus, the restrictions are further hampering some New England industries from sharing in the benefits of a sound economic growth. In the interest of such growth, and particularly national security, I urge immediate removal of import quotas on residual fuel oil, and hope my colleagues in Congress will convey to the administration their support for the removal of these quotas.

Mr. **BATES**. Mr. Speaker, will the gentleman yield?

Mr. **CONTE**. I yield to the very able gentleman from Massachusetts.

Mr. **BATES**. Mr. Speaker, I wish to join with the gentleman from Massachusetts and congratulate him for the yeoman work he has done in respect to this residual fuel oil problem which is of so much importance to the people of New England.

Mr. Speaker, I want to take just a few minutes to quickly and unequivocally reject the contention of the National Coal Policy Conference, Inc., that residual fuel oil imports should be drastically reduced in the interests of national security. They would do this by the insertion of restrictive quota language on such imports in the President's trade expansion bill. The President disagrees. The New England Council disagrees. The President's bill will be debated on the floor next week. If such language were inserted in the bill, many New England residual fuel oil users such as power generating plants, industrial plants and even domestic consumers would have to go back to burning coal. This is about as ridiculous as forcing the railroads to go back to coal-burning locomotives in the interest of national security.

Why does coal urge this action in the name of national security? What does national security mean in context with coal's objectives? The term "national security" embraces national defense in the military sense and an adequate industrial complex that can be mobilized to support the primary military machine in any type of war that it may be confronted with.

As we move deeper into an atomic and missile age the concepts of future wars have changed drastically. Military planners of our national defense no longer seriously envision prolonged World War I and II type wars for the future. These two wars placed long and heavy demands on our industrial machine, particularly with respect to energy requirements provided by such fuels as domestic and imported oil and domestic coal. Military thinking and planning in today's atomic missile age range in concept from an all-out nuclear attack of great violence and short duration, to the Laos-Vietnam type of small but prolonged conflict. Nowhere in between is envisioned another massive 4-year nonnuclear land type operation after the European pattern of World War II, with its associated submarine attrition on shipping. It is doubtful that any all-out war with our one potential enemy could be contained very long as a nonnuclear conflict. So much for the varieties and magnitudes of future wars that are commonly thought of when one thinks of the term national security.

Now let us look at the fuel demands that would be placed on our industrial and logistics complex for each of the foregoing types of conflicts. Obviously our industrial complexes would be badly incapacitated by an all-out nuclear conflict, however short. Coal's argument that we should place little or no reliance on foreign oil imports in peace or war is rather academic in an all-out nuclear situation. Certainly, their argument has little validity in a Laos-Vietnam type conflict or a simultaneous multiple of this brush type engagement, which causes no drain on the free world's petroleum resources.

The National Coal Policy Conference, Inc., keeps reiterating how coal will again be needed to compensate for oil tanker losses off our coast resulting from enemy submarine action, as in World War II. This concept hardly finds accommodation in today's modern military thinking which as previously suggested does not contemplate another long drawn out conventional conflict such as World War II. Coal's argument that we should not depend on friendly neighbors such as Venezuela for oil in time of peace or war is contrary to all military logistics planning and certainly not compatible with the military's concept of what type of wars may confront us in the future.

Another national security argument of coal, however, militarily archaic and self-serving in concept, is that the coal industry should be protected by the Government and kept prosperous so that it can be mobilized promptly to meet any national defense emergency. If coal cannot be kept as prosperous as they would like to be in a free enterprise system, because consumers prefer cheaper and more convenient fuels, coal says that government should step in and force the consumers to use coal in the name of national security. National security, by implied coal definition, means a prosperous coal industry like in the old days before they lost a sizable piece of their market to fuel oils and natural gas. Actually, coal looks forward to a very satisfactory recovery due to growing sales in the electrical power generation market.

Gentleman, it is obvious from what I have just said that the coal interests are using the national security cloak to set up a strawman threat that just is not there. Actually, they are building their case for forcing fuel consumers to go back to coal on a military hypothesis long decadent. As suits their purpose, they are planning for coal's role in the next war by planning for the last one. Actually, national security is not a factor in their planning. It is only an excuse to pressure the Congress and the President into setting aside an exclusive market for coal at the exepnse of the consumer.

Mr. **FASCELL**. Mr. Speaker, will the gentleman yield?

Mr. **CONTE**. I yield to the gentleman from Florida.

Mr. **FASCELL**. The gentleman, as has been pointed out by others, has been very keenly interested in this reform since he has been a Member of the Congress and has exerted a great deal of effort toward its improvement. It is interesting to note right here the tremendous amount of review that has been exercised on the question of residual oil since the last Presidential proclamation and that all of the affected States have submitted their petitions in favor of removal. The agencies have all recommended it. I wonder if the gentleman could inform us who is for the restrictions, if anybody, besides the coal people.

Mr. **CONTE**. Well, there are some coal barons and some oil folks out West, but that is about all. This problem has been studied and reviewed to death. There is no doubt in my mind that there is no one who can make a sound argument on why we should continue this mandatory provision.

Mr. **FASCELL**. In other words, the case is on our side, but the economic politics is not with us yet.

Mr. **CONTE**. I think the gentleman from Florida has put his finger on the core of the situation.

Mr. **FASCELL**. I do not know that I did, but I was glad to join the gentleman from Massachusetts in touching the hot wire.

Mr. **CONTE**. I thank the gentleman.

Mr. **STAGGERS**. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I know that the gentleman from Massachusetts is speaking in the interest of his people of the State of Massachusetts when he makes his statement about residual oils. However, I am wondering if he considers that his recommended action might not hurt some other sections of the United States with reference to the importation of residual oils?

Mr. CONTE. Certainly not. Does the gentleman mean by his statement that the importation of residual oil will hurt other sections of the United States?

Mr. STAGGERS. If the gentleman will yield further, yes.

Mr. CONTE. Again, certainly not.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield further?

Mr. CONTE. I yield to the gentleman.

Mr. STAGGERS. In the case of residual oils is this just a sort of a leftover product from the refining of oil and gas?

Mr. CONTE. It is about the lowest scum you can get out of oil after you take the cream and every valuable product of oil. In other words, you have this tarry substance which is residual oil which the domestic petroleum producers do not find profitable to produce.

Mr. STAGGERS. Are the domestic oil producers in favor of this residual oil coming into the United States?

Mr. CONTE. Why, this is one of the most unholy alliances I have ever seen. You might be able to stand up against the coal lobby, but when you have a marriage of the coal lobby and the domestic petroleum lobby together, it is most difficult to fight them both. They are very powerful. That is why we still have these mandatory restrictions on the books today. These two lobbies have always been at odds up to this point, but they have finally agreed on this one particular issue.

Mr. STAGGERS. Do we not always learn that when there are emergencies and when it is to the benefit of people to get together, they usually do it? I am sure the gentleman is aware of the expression that politics make strange bedfellows.

Mr. CONTE. It certainly does.

Mr. STAGGERS. I would like to again ask the gentleman about this residual oil. It is cheap oil, cheaper than can be produced here, that is supplied to the east coast? Who is this benefiting? I know it benefits the consumers here. Does it benefit anyone else from where it comes, or does it help in relation to any other country, or anything like that?

Mr. CONTE. Certainly it does. As a member of the Subcommittee on Mutual Assistance of the Committee on Appropriations which dispenses the foreign aid appropriations after the Foreign Affairs Committee has passed the authorization bill, I can say that in the 4 years that I have been on this subcommittee I think that the people of Venezuela do not want a handout. They would rather produce their goods and sell them on the world market. I think the people in Venezuela would rather drill their wells and get this residual oil and sell it, so they can have revenue of their own in Venezuela, and thereby stimulate their economy and put their people to work.

Mr. STAGGERS. If the gentleman will yield further, certainly I do not mean this colloquy in the wrong way. However, I certainly do not expect the gentleman from Massachusetts is naive enough to think the people of Venezuela are drilling these oil wells, and selling the product thereof to America?

Mr. CONTE. They certainly are. There are many people in Venezuela who are working on those wells.

Mr. STAGGERS. I said "drilling these wells, and selling the product thereof to America." Does the gentleman think that the Venezuelans are doing that?

Mr. CONTE. Certainly they are drilling, they are working for the oil companies.

Mr. STAGGERS. Who are the oil companies?

Mr. CONTE. I do not care who the oil companies are as long as the people derive work from them. If there is no market for residual oil, then this residual oil just goes to waste, and that means less revenue for the country and the people. The country itself has a stake in the amount of income it receives for residual oil, or for any other petroleum product.

Mr. STAGGERS. Will the gentleman bear with me a moment or two longer, because the gentleman is pursuing a subject in which I am very much interested. I would like to know this: Is the gentleman against the makers of these different shoes and different textiles coming into the gentleman's State from abroad?

Mr. CONTE. I cannot say too much about textiles any more. We used to have a lot of textile operations, but they all moved down South where they could get cheaper labor, tax concessions, and other benefits. The South, which is now very concerned about the importation of textiles from abroad, originally was not very concerned about taking our textile industries away from New England.

Mr. STAGGERS. If the gentleman will yield further, and would bear with me a minute or two longer——

Mr. CONTE. I would be glad to, but I would like to point out that the cost of this mandatory restriction on residual oil very much concerns many companies in my district. One of them is a paper company, and this mandatory restriction on residual oil costs that company as a part of doing business for 1 year the amount of $32,600.

So, if we are in a bind on imports of shoes or textiles, if we are in a bind on those items because of foreign competition, this quota is a compounding of the felony; because what you are doing is making the cost of doing business by these manufacturers even higher so that they cannot compete with foreign imports.

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield further, there are many other industries in the gentleman's State that are being hurt by the importation of foreign materials such as rope, watches, bicycles, perhaps, and others. I will say to the gentleman that I am talking only for my State, the State of West Virginia. I say that the residual oil which is being dumped on the east coast is to the detriment of the coal producing States of this Nation. A great many people say that it goes to help Venezuela and makes them happy. Well, I would rather see an angry Venezuelan any day than a hungry West Virginian. I believe in protecting our own, if we can.

I know the gentleman is doing a good job for his own State and his own district but this is not a one-sided proposition; there are two sides to it.

Mr. CONTE. I admire the gentleman for his stand. We learned a long time ago in government that we can disagree without becoming disagreeable. Certainly I want to commend the gentleman for fighting for his own people.

But these quotas do not put one additional person to work. As my colleague from the Committee on Ways and Means [Mr. BURKE] said here earlier on the floor, according to the testimony of the coal people before that committee, there is not one person being put out of work by allowing residual oil to come into the United States. I produced statistics here to show that if you stop residual oil from coming into the United States it would increase the production of coal by 3 percent. But this would not put one person to work because new, scientific mechanization would take the place of workers. That is what the coal industry said before the Committee on Ways and Means. The only thing these quotas are doing is to increase the price of coal and thereby filling the pockets of the coal barons. My heart does not bleed for them. My heart bleeds for the poor miners. If I thought that it would put people back to work in West Virginia, I would not be standing here now. But I am not going to defend the coal barons who are getting richer and richer by the day at the expense of the consumers and without helping their employees at all.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield further?

Mr. CONTE. I yield.

Mr. STAGGERS. Mr. Speaker, I believe if the gentleman would look at the cost of coal he would see that it has gone down in the last few years instead of up. It is one of the few products in this Nation that has gone down.

Mr. CONTE. Mr. Speaker, I would also like to point out this, the relationship of some of our factories, our hospitals, our apartment houses, our schools, to the use of residual oil. If they had to convert, if you were to stop all types of residual oil from coming in, and they had to go over to soft coal which they used in their coal burners, it would be a very expensive proposition. Then you also have the cost of transporting the coal from West Virginia and the coal mines of Pennsylvania all the way up into New England, which is almost prohibitive.

So, let us be practical about this. You just do not have a coal market in New England and the ills of the coal industry are not caused by the importation of residual oil to that area.

**Mr. FASCELL.** Mr. Speaker, will the gentleman yield?

**Mr. CONTE.** I yield.

**Mr. FASCELL.** Mr. Speaker, the gentleman has made a very important point. I think the problem with respect to conversion is exactly the same in Florida. One of the arguments that was made with regard to this proposal was based upon the assumption that there would be a conversion. I do not think there is any way upon which you could predicate any logical reasoning that if you prohibited residual imports you would have an automatic conversion to coal. I do not think that is a logical conclusion. I think the gentleman has answered the question, that due to scientific advances and due to other reasons, particularly cost, and because of the very nature of the product, the turn would be to some other kind of fuel, not to coal.

**Mr. CONTE.** Exactly right. You would convert to natural gas. They just could not afford to turn over to coal, they would turn over to natural gas, because that would be cheaper than coal.

**Mr. STAGGERS.** If the gentleman will yield further, I might say in respect to this conversion, the cost, and so forth, that if there were an emergency and this island of Cuba explodes, and they have a few Russian submarines along the coast, what are the people along the coast going to do if they do not have residual oil coming in? That is what happened in the last war. The oil we had been getting from abroad did not come in just because of a few submarines along the coast.

**Mr. CONTE.** I do not agree with the gentleman, because last year I remember asking the State Department that same question—where were we getting our oil during the last war. We were getting the great bulk of our oil for the fleet around the Southern Hemisphere from Venezuela.

**Mr. STAGGERS.** We were not having it shipped into this country.

**Mr. CONTE.** For our battleships, our destroyers, and our cruisers out there in the waters of the Southern Hemisphere we were getting fuel from Venezuela. You cannot go up there, hat in hand, in a crisis and say, "We need this oil. We are up against a problem now," and then, after the crisis, when you are back in a peacetime economy, turn your back on these people and expect to come back again, hat in hand, when we are in another period of crisis. A Venezuelan Ambassador told me this. I remember writing him on this particular point. He said, in essence, "You are either going to use our oil or we are going to have to turn to other markets. Then when there is a shortage of oil and you come to us, we have got other customers and we cannot drop those customers."

**Mr. STAGGERS.** I would like to go back to this matter of coal. We have now a process for utilizing coal in which it is turned into what they call slurry. The coal is crumbled and mixed with water and can be transported through pipelines just the same as oil or gas. This could be done if Congress passes a bill which we support. This coal could be coming into your area a lot cheaper than you have ever had this residual oil come in, and it will burn efficiently and probably better than the oil.

We have an unlimited supply of coal, 2,500 years of it, under our land. We do not have an unlimited supply of oil. The normal resources of natural gas in this country that we know about will last about 15 years. Certainly we cannot afford to waste it on other purposes when we have this great supply, a 2,500-year supply, of coal under our land. God blessed us with it, and certainly we ought to try to use that in some way to the best interests of all our people.

I say again, if any part of our country is being hurt by imports from abroad, we first should think of our people and try to help in any way we can. I think we should have as free trade as we can, but I think our first interest should be our own people.

I thank the gentleman for yielding.

**Mr. CONTE.** I have no argument with the gentleman on the last statement he made. If they can come up with fuel energy that will be cheaper than residual oil, wonderful.

I am out here for only one purpose today—and not to argue for the people who sell residual oil—nor to argue against the people who produce the coal. I am out here to protect the consumer. That is my only purpose in being in the well of the House today, to make sure that all consumers are protected. And if the gentleman from West Virginia can ship us some kind of fuel that is going to be cheaper than residual oil, we welcome it.

**Mr. FASCELL.** Mr. Speaker, will the gentleman yield?

**Mr. CONTE.** I am glad to yield to my good friend, the gentleman from Florida.

**Mr. FASCELL.** I just want to join the gentleman from Massachusetts by saying that obviously it is not competitive now. That is what the fight is all about. Any time it does become competitive, it is going to be automatically considered and you will not need any artificial restrictions on imports or price supports of any kind.

**Mr. STAGGERS.** Mr. Speaker, will the gentleman yield?

**Mr. CONTE.** I yield to the gentleman from West Virginia.

**Mr. STAGGERS.** I want to compliment the gentleman on the stand he is taking. I honestly believe the job of every Member of this Congress is to vote in support of the people who send him here and to honestly represent those people. Then, when the majority express their views, that should determine the stand that an individual Member of the Congress should take in this national legislative body. But I believe that you are presenting your problem very well here, as you should, in representing the people whom you represent. I would like to express another view with reference to the coal situation. When we take the coal out of operation, we are also affecting the railroads of this Nation that ship the coal to its destination in all parts of the Nation. It affects the families of railroad workers as well as other families. There is an interweaving and a combination of all these different factors.

**Mr. CONTE.** Now you are going off on a tangent. I agree with you that this is affecting the railroads. My goodness, you are not going to penalize the poor consumer up in New England and on the eastern seaboard and Florida and Hawaii who use residual oil because it is going to hurt the railroads. If you want to hit this thing head on, and we realize the railroads are being hurt, then come in here with a bill to subsidize the railroads. But do not let a little segment of our society subsidize the railroads through this higher price on hard coal or higher prices on residual oils. That is what you are doing. If you allow this residual oil to come in at a free flow and knock out these mandatory restrictions, there will be greater competition between the fuels, and it will mean a lower fuel cost for the people in New England and the eastern seaboard. But, do not come in here and try to subsidize the railroads and make a plea for them. Of course, I know they have a problem and I sympathize with them. But let us meet it head on and not through this method.

**Mr. STAGGERS.** I do not want to go into that. I could ask the gentleman whether he believes in subsidies, but I will not do that, because the gentleman is presenting his problem, I think, in a very factual way and is presenting it very well in representing his people, as I mentioned before. I certainly appreciate the gentleman's courtesy to me and thank him for yielding.

**Mr. FASCELL.** Mr. Speaker, will the gentleman yield?

**Mr. CONTE.** I yield to my good friend, the gentleman from Florida.

**Mr. FASCELL.** Mr. Speaker, I certainly would want to say the gentleman from West Virginia [Mr. STAGGERS] need not take a back seat to anybody in this Congress when it comes to his sincerity and his dedication to his people and his efforts in behalf of his own people. While the gentleman has been very generous about the remarks of the gentleman who is in the well and others who are here on the floor of the House today, I certainly want to pay my respects to the gentleman as a very fine and dedicated Representative of the people of his district.

**Mr. CONTE.** I thank the gentleman. I certainly join with the remarks of the gentleman from Florida.

**Mr. GIAIMO.** Mr. Speaker, I am pleased to join with my colleagues in this discussion of a problem of grave magnitude that confronts the New England economy. The extremely unfair restrictions on the importation of residual oil are costing New England consumers in excess of $20 million in fuel costs per year. I am sure I need not remind my colleagues in this House that New England is a major customer for imported residual oil. This commodity is used in the electric utility industry, in apartment buildings, in hospitals, institutions, and many manufacturing concerns.

For many months, we who represent New England constituencies have been fighting the import quotas. Although we have succeeded in raising the daily import quota, this is only a temporary victory. We must have a complete abolition of these restrictions which weigh as an anchor chain on our economy.

In 1961 and the early part of this year, a special subcommittee of which I was a member conducted an intensive study of the impact of imports and exports on American employment. One of the topics debated was the residual oil problem. Opponents of residual oil importation, primarily representatives of the coal industry, argue that residual oil has been a major factor in the decline of employment in the coal-producing areas. This is a misleading, grossly unfair exaggeration of the true nature of residual oil imports.

Testimony presented to the subcommittee by representatives of the New England Council, the Petroleum Industry Research Foundation, Inc., and other interested parties demonstrated that the importation of residual oil is not responsible for unemployment in the coal-mining regions. In fact, to quote Mr. James S. Couzens, chairman of the fuel committee of the New England Council:

> In 1949 bituminous coal industry employed 433,000 men and produced 437,800,000 tons of coal. The output per man day was 6.4 tons. Ten years later, the industry employed 174,000 men and produced 410 million tons at a productivity rate of 12.2 tons per man per day. In the 10-year period, over a quarter of a million men have left the industry, and the output of those that have remained has doubled.
>
> During the same 10-year period, the sales of residual oil in the United States have remained relatively constant, 553 million barrels in 1950 and 558.8 million barrels in 1959. A large portion of these sales are made in areas where coal is not competitive.

Furthermore, Mr. Speaker, it has been estimated that for every man who might be put back to work in the coal industry because of tightened restrictions on residual oil, five New England jobs would be lost. I emphasize the word "might" since there is absolutely no reason to believe that increased quotas would bring about an increase in employment in the highly mechanized coal industry. But there is a real possibility that the adverse effects of the residual oil import restrictions on employment in New England will far outweigh any possible benefits to employment in the coal mining regions.

The elimination or even reduction of residual oil imports would greatly harm the New England economy—and no one has even suggested that it would guarantee the rebirth of the coal mining region's economy. Gentlemen, the illness or the sickness in the coal industry does not warrant our going to an area such as New England, which is relatively healthy, and destroying its well-being. This would represent calculated destruction of one region at the price of dubious assistance to another.

Now, Mr. Speaker, I am among the first to express interest in the problems of the coal regions and the unemployed worker. I realize that the problems confronting them are serious and must be solved. But I do not think they can be solved at the expense of other areas of our country through programs such as the oil import restriction program. The problem of the declining consumption of coal relative to other fuels stems from four factors. The first is the conversion of the railroads to dieselization; the second, the loss of the commercial and residential heating market to cleaner and more efficient oil and gas; the third, the inroads of natural gas into the industrial fuel market, and the fourth, the decline in coke-oven operations. Coal unemployment has been augmented by increased automation. American miners have been the victims of American inventiveness in the coalfields—not residual oil.

New England needs residual oil. The present restrictions impose tremendous additional expenses on consumer and manufacturer and place our area in a position of economic disadvantage. These quotas were imposed in 1959 in a misguided effort to bolster the sagging coal economy. I fail to see where any appreciable gain has been registered by the bituminous region as a result of this program.

New England industry and consumers cannot be forced to return to increased coal consumption by quota restrictions. Testimony before the subcommittee to which I have referred reveal that a majority of industrial plants would undoubtedly convert to natural gas, rather than coal, because of the cost factor.

Mr. Speaker, I should like to summarize some of the many arguments against quota restrictions:

First. They place an unnecessarily heavy financial burden on the New England consumer.

Second. The prohibitively high cost imposed on the consumer impedes full economic growth in New England.

Third. There is no significant benefit which accrues to the coal-producing industries because of these restrictions.

The simple fact that must be drawn from our sad experience with restricted imports of residual fuel oil is that the controls have not helped national defense, have not helped the American oil industry, have not helped the consumer, and certainly have not helped the coal miner. They have forced an inflationary price rise in all fuels, they have increased the cost of goods and services marketed by the users of these increased-priced fuels. They have put regions like New England in an unfair competitive position in the United States and with Canadian firms across the border, and they have created all the evils that customarily accompany such controls.

I cannot see the wisdom behind the continuation of this system, Mr. Speaker, and I would like to urge that our colleagues in this House join us in exerting every possible effort to remove these bans.

Mr. BENNETT of Florida. Mr. Speaker, I have just received a telegram from the City Commission of Jacksonville, Fla., asking me to put in the RECORD the following resolution from the City Commission of Jacksonville, Fla., which is self-explanatory. I sincerely hope that Congress will recognize the needs of our country for residual oil, imported as freely as possible, as this has a tremendous bearing upon the development of large sections of the country, including that section which I have the honor to represent in Congress. The resolution follows:

> Whereas the city of Jacksonville, Fla., purchases and uses approximately 4 million barrels of residual fuel oil annually in the operation of its municipally owned electric utilities system; and
>
> Whereas the city of Jacksonville on past occasions has protested restrictions upon the importation of residual fuel oil as being unsound when weighed against the interest of the users thereof, and of the national defense; and
>
> Whereas the Secretary of the Interior of the United States has issued a recent ruling to increase residual fuel oil import quotas by 10 percent, effective April 1, 1962, in lieu of a complete removal of restrictions; and
>
> Whereas under such ruling the present inequities in distribution and hardships of higher prices will not be alleviated, and the city of Jacksonville will still have to pay unreasonable costs for the purchase of residual fuel oil which, in turn, will result in the same having to be passed on to the thousands of consumers served by its electric system: Now, therefore, be it
>
> *Resolved by the City Commission of the City of Jacksonville, Fla.,* That it does hereby protest the failure to completely remove the restrictions on the importation of residual fuel oil and does hereby reaffirm its position that the complete removal of such restrictions is in the best interests of the city of Jacksonville, its citizens, and of the users of such commodities throughout the United States; and be it further
>
> *Resolved,* That a certified copy of this resolution be forthwith transmitted by the secretary of this commission to Hon. CHARLES E. BENNETT, House of Representatives, Washington, D.C., and he is hereby requested to use his best efforts to assist in the complete removal of restrictions upon the importation of residual fuel oil.

Mr. BOLAND. Mr. Speaker, the continuation of present restrictions on the importation of residual oil into the United States is an unconscionable affront to a large sector of the American public.

The northeastern section of the Nation, including New England, has no natural sources of fossil fuels. It possesses a highly mechanized industry, utilizing large amounts of electric power. The cost of the power has a direct bearing on the competitive position of its industrial products. At the same time almost complete reliance has been placed on the use of residual oils as a source of fuel for the generation of power and for other industrial purposes. This has developed over the years due to its ease of handling, relative cleanliness, low cost, and ready availability.

Now, however, in recent years since the importation of residual oil has been subject to Federal control and limitation, this section of the country has been subjected to an economic squeeze.

Every year there are periods of time when the supply simply is inadequate, when the monopoly posture of the limited number of suppliers can raise prices, thus upsetting the delicate cost structure of New England's highly competitive industrial economy.

The domestic supply of residual oil is not adequate to meet the demand and is actually decreasing. This is due to the American ingenuity in extracting a higher proportion of the more valuable products from the raw crude. This is not the case in foreign refineries particularly those of Venezuela and Netherlands Antilles. The refining process in those two areas have a very much higher proportion of the heavy, gummy substance we know as residual oil. They have sought a market for this product, which would otherwise be wasted. They have found a market, up to a point in the Northeastern section of the United States. Their residual oil can be delivered at points of distribution and consumption at prices lower than those which American companies can attain. This serves the dual purpose of supplying an urgent demand and supplying friendly nations with a market for what in effect is a surplus product.

However, in the present situation, the overall supply of residual imports is limited by the oil import control program of the Federal Government. Periodically quotas are also established by the Federal Government which result in a shifting of quotas among marketers which in turn results in upsetting customary trade channels.

Supply is inelastic. A sudden cold spell in New England results in a serious stringency in supply and an inevitable rise in price. New England does not have storage facilities for huge quantities of oil that might be purchased in the off season. It depends upon current receipts to a great extent. Residual oil receipts enter almost immediately into competitive use. Any sudden or sizable increase in demand will quickly empty the supply lines, again with the inevitable price rise.

Control of imports through daily import quotas to individual importers makes it impossible to expand imports to meet demand in a satisfactory manner. Many times use of power has been subjected to restrictions, plants have been forced to forego plans for expansion and have on occasion been forced to close down, adding to the unemployment situation. Higher prices for oil and a wildly fluctuating supply condition have been serious factors affecting a broad segment of industry in New England particularly.

With a liberalized control of residual oil imports, this drastic annual state of affairs could be eliminated with harm to no one. The domestic oil industry simply cannot, or, is not flexible enough to meet the demands for residual oil. On the other hand two friendly nations, in urgent need of a market for their preeminent source of income would benefit to a considerable extent from a liberalization in control; and good will throughout Latin America would be a highly desirable byproduct.

Mr. CURTIS of Massachusetts. Mr. Speaker, quotas and import restrictions are at best clumsy interferences with normal trade practices. When they are imposed on products that are in short supply, they are especially objectionable. The obvious result of quotas is to raise the price of the restricted commodity and also of competitive products, results which completely disregard the interests of the consumer.

The principal defender of quotas on residual oil is the coal mining industry. Its efforts in this matter taken together with the pressure which it has exerted to restrict the use of natural gas as boiler fuel, has the ultimate goal of forcing coal at any price on fuel users all over the country. This means end-use controls, and it means higher fuel costs and the end of technical improvements normally expected from a competitive market.

Removal of freedom of choice and competition is not in the public interest. Competition is the great regulator in our economy and the real protector of the public interest in the United States. Whatever fuel a consumer uses, if the ability to choose one fuel is removed, then all users suffer. A wider choice means competitive pricing and the consumer benefits.

In addition to eliminating interfuel competition any quota system tends to eliminate competition between suppliers of the same fuel. Three years of experience with quotas on residual oil has demonstrated this clearly. Buyers are no longer able to approach new sellers and sellers are unable to solicit new accounts. In addition, the program has made it difficult for a new marketer to enter the heavy oil business. In view of the growing market for coal, it is hard to understand the industry's incessant drive to force coal on fuel users irrespective of the economic consequences.

The National Coal Association defines the coal competitive area as including New England, mid-Atlantic, and the east north central region. In this coal competitive area oil is supplying a smaller percentage of the fuel requirements to the electric utilities industry than it did in 1951, 1952, and 1953. At that time it was supplying between 7 and 8 percent of the requirements, in recent years between 5 and 6 percent.

The interests of the New England consumers must be protected, and unreasonable quotas and restrictions eliminated.

Mr. ROGERS of Florida. Mr. Speaker, for some time now there has been concern about the limitations placed on the importation of residual fuel oil into the United States.

The Department of the Interior placed these restrictions on imports in 1959, and they, along with the Office of Emergency Planning, have been studying the matter in an effort to reach a solution. No encouraging signs have been forthcoming, other than an increase in import quotas April 1.

The people of Florida are opposed to this restriction as there is a direct correlation between the availability of low-cost residual fuel oil and the growth and expansion of our economy.

Florida is just awaking industrially. We have come a long way the past few years, and hope to continue to do so in the years ahead. We need good industry to support our growing population. This industry must have economic fuel to survive. Our electric power is dependent on low-priced residual fuel. Restricting imports on this fuel at a time when no abundant supply exists in our own country to meet our needs at a realistic price, is most damaging.

If the industry of Florida is to compete in the American marketplace, and abroad, we must be able to purchase the fuel and other supplies needed in a competitive manner.

It is my hope that the Department of the Interior will alleviate the present situation on residual fuel oil imports, so that we may operate in a free economy. Only in this way can we experience the industrial expansion so necessary to keep up with the needs of our population and at the same time assist our Nation in achieving a stronger position.

Mr. CRAMER. Mr. Speaker, on request of constituents in my district, and because of my own concern and interest with respect to the residual fuel oil situation, I am glad to insert in the RECORD, for my colleagues' information, a letter addressed to Mr. Charles W. Colson, Washington representative of the New England Council, by Mr. H. K. McKean, senior vice president of the Florida Power Corp., wherein Mr. McKean discusses the costly effect the mandatory residual fuel oil import restrictions have had, and will continue to have, upon Florida Power Corp. and its customers. The administration's Trade Expansion Act, H.R. 11960, proposes to continue such import restrictions and I hope the House will carefully consider Mr. McKean's letter and tabulation in its deliberations on this matter:

FLORIDA POWER CORP.,
*St. Petersburg, Fla., March 6, 1962.*

Mr. CHARLES W. COLSON,
*Washington, D.C.*

DEAR MR. COLSON: I wish to advise you of the costly effect that the mandatory residual fuel oil import restrictions have had, and are continuing to have, on the customers served by the Florida Power Corp.

The Florida Power Corp. is an investor-owned electric utility, operating in 31 counties in the State of Florida, and serving slightly over 300,000 electric customers. In addition to the customers directly served, the company also serves through its wholesale contracts for resale with various REA's and municipalities, an additional 80,175 customers.

All of these customers are served under fuel adjustment clauses wherein as the price of fuel varies, so does the price to the customer vary.

The Florida Power Corp. has a long-term fuel supply contract which expires on June 30, 1968. This contract provides a pricing base for residual fuel oil which terms mandatory residual fuel oil import restrictions a factor effectuating a force majeure clause in the contract.

The force majeure clause in our contract has been invoked and provides the price to be paid by the Florida Power Corp. shall be the gulf coast cargo price plus the freight differential, which differential is the amount by which the average current charter rate exceeds one-half USMC base charter rate.

If it were not for the effect of the mandatory fuel oil import restrictions, the company would be paying at this time under its contract, $2.00 per barrel for fuel oil delivered to its deepwater terminal located on Tampa Bay. A tabulation is attached hereto to show the amounts in excess of $2.00 per barrel which have been paid for the past some time.

We estimate that our 1962 consumption of residual fuel oil will be 1,770,450 barrels, and at our present excess cost due to mandatory residual fuel oil import restrictions of 35 cents per barrel, this means that our customers will pay during 1962, $618,657 for electric service which they would not have paid if these excess mandatory residual fuel oil import restrictions were not in effect.

The attached tabulation very clearly shows not only the effect of mandatory residual fuel oil import restrictions on the posted price, but also the effect on our company's costs. There is no doubt whatsoever in our opinion that mandatory residual fuel oil import restrictions have definitely caused this company to pay more for its residual fuel oil than it would have paid had these restrictions not been in effect.

Also during this period of restrictions, we have on occasion been unable to obtain residual fuel in proper quantities, and at times our inventories in fuel were reduced to dangerously low levels.

While the Florida Power Corp. is equipped to use two fuels—that is, residual fuel oil and natural gas—at all but one of its steam generating plants, the amount of natural gas is fixed and there is no foreseeable increase in the quantities of natural gas available to us at a reasonable price. Thus, as our loads grow, and the use of electricity increases, our residual fuel oil requirements become greater each year with a constantly increasing cost effect on our many customers due to the effect of the mandatory residual fuel oil import restrictions. Florida has no native fuels. In its efforts to attract new industries, Florida must necessarily compete with other areas, many of which are located where natural reserves of fuel—that is, gas, oil, or coal—are abundant and where fuel costs are therefore much less than in Florida. Restrictions on imports of residual fuel oil weakens the competitive position of the State of Florida in this respect. Coal as a fuel to fire boilers in the company's steam generating plants has two major drawbacks. First it is not competitive, on a delivered cost basis, with our other fuels. Second, the necessary work involved to convert the boilers and install the necessary coal handling equipment in existing plants to accommodate this fuel would entail prohibitive capital investments.

Therefore, it is obvious, in our opinion, that the mandatory residual fuel oil import restrictions serve no useful purpose in our State, weakens its industrial competitive position, and merely results in an unnecessary cost increase to our many customers. It is our opinion that the only solution to this problem is the prompt and complete elimination of the mandatory residual fuel oil import restrictions.

Very truly yours,

H. K. McKean.

*Per barrel price ranges, residual (bunker C) fuel oil, March 1959 through February 1961*

| | Posted Port Tampa | Posted gulf coast | Posted Caribbean | Price paid by Florida Power Corp. |
|---|---|---|---|---|
| 1959—March | $2.34 | $2.00 | $2 | ---------- |
| April | 2.34 | 2.00 | 2 | ---------- |
| May | 2.34 | 2.00 | 2 | ---------- |
| June | 2.34 | 2.00 | 2 | ---------- |
| July | 2.34 | 2.00 | 2 | ---------- |
| August | 2.34 | 2.00 | 2 | ---------- |
| September | 2.34 | 2.00 | 2 | ---------- |
| October | 2.34 | 2.00 | 2 | ---------- |
| November | 2.34 | 2.00 | 2 | ---------- |
| December | 2.34 | 2.00 | 2 | ---------- |
| 1960—January | 2.34 | 2.00 | 2 | ---------- |
| February | 2.34 | 2.00 | 2 | $2.13 |
| March | 2.34 | 2.00 | 2 | ---------- |
| April | 2.34 | $2.10-$2.20- 2.25 | 2 | ---------- |
| May | 2.34 | 2.10- 2.20- 2.25 | 2 | ---------- |
| June | 2.34 | 2.10- 2.20- 2.25 | 2 | ---------- |
| July | $2.34- 2.49 | 2.20- 2.30 | 2 | 2.13 |
| August | 2.49 | 2.30 | 2 | ---------- |
| 1960—September | $2.49 | $2.30 | $2 | $2.37 |
| October | 2.49 | 2.30 | 2 | ---------- |
| November | 2.49 | 2.30 | 2 | 2.30 |
| December | 2.49 | $2.30- 2.40 | 2 | 2.30 |
| 1961—January | 2.49 | $2.30- 2.40- 2.50 | 2 | 2.30 |
| February | 2.49 | 2.30- 2.40 | 2 | 2.57 |
| March | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.55 |
| April | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.29 |
| May | 2.49 | 2.10- 2.30- 2.40 | 2 | 2.29 |
| June | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.39 |
| July | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.47 |
| August | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.53 |
| September | 2.49 | 2.20- 2.30- 2.40 | 2 | ---------- |
| October | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.40 |
| November | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.44 |
| December | 2.49 | 2.20- 2.30- 2.40 | 2 | ---------- |
| 1962—January | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.42 |
| February | 2.49 | 2.20- 2.30- 2.40 | 2 | 2.35 |

## GENERAL LEAVE TO EXTEND

Mr. CONTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks.

The SPEAKER pro tempore (Mr. Rosenthal). Without objection, it is so ordered.

There was no objection.

## PROBLEMS OF THE TEXTILE INDUSTRY

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from North Carolina [Mr. Alexander] is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I asked for this time in order that I might discuss the problems of the textile industry and the status of the President's textile program.

On May 2, 1961, President Kennedy announced a seven-point program of assistance to the U.S. textile industry. It was designed to meet a wide range of problems faced in this industry. The program was developed by a Cabinet committee composed of five members of the Cabinet, headed by the Secretary of Commerce. The Cabinet committee had been studying the problems of the textile industry for about 2½ months at the request of the President.

In his announcement, the President recognized that, and I quote:

> The problems of the textile industry are serious and deep rooted. * * * I believe it is time for action.

Those of us who represent districts in which textile mills are located plus those who represent farmers who will be adversely affected by a weakened U.S. textile industry applauded the President's announcement. It was the first time that the problems of this industry have been given such painstaking study in the highest levels of the executive branch of our Government. No previous President had ever gone into the matter so thoroughly.

The President said he proposed to initiate seven measures. Four of the seven points dealt with such matters as research, taxation, and direct Federal assistance to workers and concerns injured by imports. To the extent that the President had authority to carry out these four points, he has done so. For this we are highly appreciative and commend him for his action.

The other three points deal directly with the import problem. In one of these, the State Department was directed to arrange for a conference of the principal textile exporting and importing countries which would seek an international arrangement that would avoid disruption of established industries. A series of such conferences were held in Geneva. As a result a 1-year temporary agreement among the principal textile countries was negotiated. Under this agreement, negotiated under the auspices of the GATT, the President could impose limitations on the imports of textiles from countries which failed to abide by the agreement. Although the 1-year Geneva Agreement does not end until September 30, 1962, it has been necessary to limit the quantity of certain categories of textiles from at least one country which had exceeded its quota for the entire year. Other restraining actions will probably be necessary. I will go into one of the principal reasons for this later.

A 5-year arrangement has been negotiated and informally agreed to by 19 principal textile exporting and importing nations. This arrangement would go into effect at the conclusion of the 1-year temporary arrangement under which we are now operating subject, of course, to formal ratification by the countries involved. This provides the framework for dealing effectively with the textile import problem, but there will be many difficult decisions ahead in connection with its administration in the United States. It will be much more effective and the administration much less onerous if action under one of the other points of the President's program is taken. I shall discuss this in some detail later.

Another point indicated that an application by the textile industry for action under the national security provision of the Trade Agreements Act would be carefully considered on its merits. In a statement accompanying the program, the President had said that in 1959, the Office of Defense Mobilization testified that the textile industry was one of the industries essential to our national security.

As a consequence, an application was filed with the Office of Emergency Planning on May 15 by textile industry associations covering all fabrics in all stages of manufacture. Public hearings in this case were closed October 15, 1961. Thus, this case has been in the hands of the Director of the Office of Emergency Planning for about 8 months awaiting decision.

The Director must decide whether imports of textiles and textile manufactures are in such quantities or under such circumstances as to threaten to impair the national security. This would be indicated by substantial unemployment, loss of capacity to meet defense needs, and other serious effects resulting from displacement of domestic products by imported textiles. If the Director of the Office of Emergency Planning so found and the President concurred, then the President would be empowered under the statute to take such action "as he deems necessary" to adjust textile imports.

It is becoming increasingly more difficult to understand why this case before the Office of Emergency Planning has not been decided. Certainly 8 months should give more than sufficient time to review the facts and reach a conclusion. I certainly hope that this will be done immediately.

The last point of the President's program which I propose to discuss in more detail is that dealing with the difference in the cost of cotton in the United States and in foreign countries. Over 13 months ago, the President directed the Department of Agriculture to explore and make recommendations to eliminate or offset this adverse cost differential to U.S. mills. This difference in cotton costs to U.S. mills as compared with foreign mills arises from the necessity of U.S. cotton being priced competitively in world markets in order to maintain exports of U.S. raw cotton.

All segments of the cotton industry, including textile mills, are interested in seeing the United States maintain its share of world cotton markets. So, in 1956, when we had been virtually driven out of the export business because U.S. cotton was not priced competitively, a cotton export program was inaugurated under which the Department of Agriculture was directed to make U.S. cotton available at competitive prices in world markets. At that time, imports of cotton in the form of textiles were running at the rate of about 200,000 bales a year. A fee should have been imposed then to offset the difference in cotton costs. Unfortunately, this was not done. Thus, the reason for point 4 of the President's program.

As directed by the President, the Secretary of Agriculture studied ways and means of eliminating or offsetting the so-called two-price cotton system. He apparently became convinced that there was no way in the near future to eliminate it. Accordingly, he recommended to the President on November 13, 1961, that action be taken under section 22 of the Agricultural Adjustment Act to provide for an equalization fee to offset the difference between U.S. and world prices of cotton. The fee would be imposed on the cotton content of textile imports. It would be in line with the implied purpose of the President's program.

Six months elapsed between the announcement of the President's program and the Secretary's request for section 22 action on November 13. The President promptly on November 21 requested the Tariff Commission to investigate. The Commission first set hearings for mid-March, then rescheduled them to begin February 13.

The Department of Agriculture with broad scale backing from the industry made a most effective case before the Commission in support of the fee. Hearings lasted 10 days and were concluded on February 23. Final legal briefs in the case were filed March 26. The industry, with good reason, based upon the solid case made before the Commission by the Department of Agriculture, was optimistic over the prospects of an early, favorable decision by the Commission.

Last summer the Honorable George Ball, now Under Secretary of State, is reported to have told representatives of the industry that the import fee approach would be supported by the State Department. There has been nothing to indicate that the President has changed his position so clearly laid out in his program of May 2, 1961. Yet, it has been almost 4 months since the Tariff Commission concluded hearings.

During this time, there have been persistent rumors and substantial evidence to the effect that, at least in some parts of the administration, the position has been changed. Could it be that this attitude is being reflected in the deliberations or the procedures of the Commission?

This is the fourth time the Commission has considered the effects of imports of upland cotton programs of the Department of Agriculture. Two of these cases have been considered during the past 2 years. Late last summer, in a case that was vigorously pursued by the administration, the Tariff Commission required less than a month after the hearings were concluded to make a finding that anything more than 1,000 pounds of a semimanufactured form of cotton known as picker lap, constituted interference with the Government's cotton programs. The President concurred and set an annual quota on picker lap of 1,000 pounds. This is just slightly over 2 bales of cotton that will be permitted entry in the United States in the form of picker lap during any year.

Compare this, if you will, with the more than 343 million pounds of cotton which are entering the United States on an annual basis—based upon the first 3 months of this current calendar year. On the basis of the raw cotton equivalent, the current rate of cotton imports in the form of textiles is more than 338,000 times the limitation placed upon the semimanufactured picker lap by the President in accordance with the Tariff Commission's recommendations. Frankly, I am at a complete loss to understand why, within a 4-month period, the Commission has not concluded that this tremendous flood of imports—85 percent greater than the comparable period for 1961—does not constitute interference.

Let us take a look at the first case relating to cotton under section 22 decided in 1939. At that time, the Tariff Commission held that imports of about 30,000 bales of upland cotton would materially interfere with the Government's programs. The current rate of imports is almost 25 times that quantity. Consider please, that the Government's cotton program is currently responsible for U.S. cotton being priced one-third higher to U.S. mills than to foreign mills. As I quoted earlier, imports of textiles were at the level of about 200,000 cotton bale equivalents. Now the current rate is over 3½ times that amount.

There is only one way to eliminate the cost differential between American and foreign mills, and that is to let domestic mills buy cotton at world market prices. This can be accomplished in only three ways:

First, would be to reduce the price support to the world market price. This would drastically cut farm income and bankrupt thousands of farmers. Obviously, we cannot do this.

Second, would be to subsidize the farmer on the domestic portion of his production to the extent of the export subsidy. There are many disadvantages to this plan, but one obvious one is cost. At a time when the administration is seeking to reduce the cost of its farm programs, it is highly unlikely that it would seek to undertake a program that would increase the costs.

Third, is to subsidize the domestic textile mills to the extent of the export subsidy. Here again, we are confronted with the cost factor, that would render this approach impractical and unlikely. I think it is safe to say that none of these things are going to be done for the reasons we know about.

This leaves only one alternative—the way specifically provided by the Congress to deal with matters of this nature—that is to impose an import equalization fee under section 22. This is recognized by the GATT and requested by the Department of Agriculture. It is the fair way. It is the straight-forward way. It would impose no burden on foreign textile producing nations. It would simply say to them: "If your mills desire to ship their products to the United States, you must do so in competition with U.S. domestic mills on an equal basis insofar as the cost of cotton is concerned. Your mills can buy their cotton cheaper than U.S. mills by the amount of the export subsidy. Therefore, a fee equivalent to the export subsidy will be collected on the cotton content of products you sell in this country."

As proof of the fact that the cotton cost difference is one of the principal factors causing the increase in imports, let me cite you the figures with respect to yarn and cloth. There is relatively little labor involved in the production of yarn and cloth. The biggest expense is cotton. So, a cotton mill that could buy cotton cheaper than another mill would have a great competitive advantage in offering its goods for sale. It could under-price the mill buying the higher priced cotton and still make an unwarranted windfall profit. This, I submit, is the reason why the imports of yarn during January, February, and March of this year were more than three times the level for the comparable 1961 period. In the case of cloth, this year's rate is more than two times that of last year. This compares with an overall increase of 86 percent. Just what effect is this tremendous increase in textile imports going to have on the international agreement I referred to earlier in my remarks?

The increased imports attracted by the cotton cost difference are bound to put heavy pressures on the Geneva agreement. It will make it extremely difficult for the United States to administer. It means that many more actions of the type taken against Hong Kong will be required. It was hoped when this arrangement was negotiated that it would be voluntarily lived up to by the countries party thereto. A country which was trying to live up to the agreement would spread its imports out over the year so that its quota would not be exceeded. Yet, during the first 7 months of the interim agreement, that is from last October through this April, cotton textiles shipped to the United States from Hong Kong represented 99 percent of its quota for the entire year. In two other countries, the quota has already been exceeded.

It is now obvious that unless the offset equalization fee is promptly imposed, successful administration of the Geneva arrangement will be extremely difficult, if not impossible.

The unfairness of the cotton cost situation is something that every mill man, every employee, every farmer, and every Member of Congress understands. It cannot be defended under any situation; certainly not in the context of the President's new trade objectives.

When the Rules Committee held hearings recently on a bill granting authority to the President to deal with countries not party to the Geneva Agreement, the chairman of that committee asked a witness, "How do you justify charging yourself more than you charge your foreign competitor?" He quickly added, "Forget the question. There is obviously no justification."

This is the heart of the case for the import fee. There is an exceedingly strong moral obligation, as well as a clear legal obligation on the part of the Government of the United States to act promptly to impose a fee.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I will be delighted to yield to my distinguished colleague from North Carolina [Mr. Whitener].

Mr. WHITENER. Let me say to the gentleman that I appreciate his yielding to me in order that I might commend him for the very fine presentation he is making in behalf of an industry which means a great deal to the districts which the gentleman from North Carolina [Mr. Alexander] and I are privileged to represent.

I am very much interested in the gentleman's statement with reference to the national security provisions of the Trade Agreements Act. The gentleman from North Carolina [Mr. Alexander] and I were both privileged to be in the military service during World War II, and I feel certain that the gentleman will remember, as do I, what we saw in our textile area at that time. It was a source of great interest to observe in my area, when I would come home on leave, that practically every vacant building of any size that could be found, textile machinery would go into those buildings, and we found a twisting plant, a spinning plant, or some other limited operation in the textile field.

This meant one thing to me at that time. A great undiluted textile industry, an industry which at that time had not been besieged with the volume of cheap imported textiles that we have seen since World War II, with all of its strength, was not able to fulfill the requirements of our country in time of military emergency. This resulted in the establishment of these plants, most of which were inefficient, but yet were able to produce a fabric or the components of a fabric which was felt to be absolutely necessary to us in time of war.

I am sure that the gentleman knows, as everyone knows who has shown any interest in this problem at all, that since World War II over 800 textile mills have fallen by the wayside, and I am talking about established textile plants, not these wartime or ersatz plants I referred to before. I am sure the gentleman knows there are approximately 25 percent fewer people working in the textile industry than there were at the end of World War II.

It is most elementary to me, and I hope the gentleman will agree, that our national security is involved in a further diminution of the textile industry, the jobs in the industry, the trained personnel, the ability to produce, and for that reason I say to the gentleman that he has sounded here a note which should not be overlooked by the administration, by the Congress, or by the people of America. Our national security depends on the production of an adequate amount of clothing just as it does depend on the production of implements used more directly in a military way.

I say to the gentleman again, he is sounding a note, in my opinion, that ought to be listened to by all those people who are interested in the preservation of our country.

Mr. ALEXANDER. I appreciate and want to thank the distinguished gentleman from the 11th District of North Carolina, not only for his comments here, but also for the many contributions he has made throughout the years in regard to this problem.

May I say to the gentleman that, in my opinion, the textile industry is as essential to the national security as any industry in the country, even including the steel industry.

Mr. WHITENER. I am sure that the gentleman must remember what we found at the conclusion of World War II when we came back home to our textile areas. Wherever you went you found that there was a demand for yarns and for fabrics which exceeded the supply. I know that in my case a former schoolmate of mine, for instance, was running a small hosiery mill down in Davidson County, N.C., who came to me and asked if I had any friends in the textile industry whom he thought I could prevail upon to let him buy a small quantity of yarn. Another young man of my acquaintance in prewar days, who was running a little knitting operation down in Ramseur, N.C., came to me and said, "Can you find some yarn for me? I will be glad to pay you to help me." Wherever you turned, people were willing to pay premiums, if they could have done so under the OPA regulations, and take all sorts of steps to try and get yarn and try to get cloth in order that they could use it in providing the needs of America.

And, I think, as I said before, that those who would overlook history, those who are not willing to look back to the mid-1940's and see what happened then when we were in a military conflict are not really serving the best interests of America. And, I know that the gentleman feels as I do; we are not just taking a selfish attitude for the moment for the particular area that we represent. To be sure, we are interested in the jobs of the people that we represent. We are interested in the economic success of our employee units in the textile plants. But, even greater, I am sure the gentleman feels as I do, our interest is in maintaining a well-rounded economy and one which will meet our national security requirements in the event we should have to face in the future some military conflict.

And, I commend you again for the very wonderful way in which you are bringing this matter to our attention.

Mr. ALEXANDER. I appreciate the kind remarks and I certainly agree with the gentleman on the importance of this matter.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I am glad to yield to the gentleman from South Carolina, and further I might say right here that the gentleman from South Carolina [Mr. Hemphill] has been very diligent in working on this problem from a national defense standpoint, from the standpoint of the people that he represents, and the security of the United States.

Mr. HEMPHILL. I want to thank the gentleman and I just hope that the people of his district and of his State are as grateful as we here in the Halls of Congress are for his fight on this particular problem. I think sometimes those who make the policies of the Nation forget history, however important this problem is. One of the things Napoleon learned when he lost the battle of Moscow, when he lost the battle to the Russians, at the time he suffered that dreadful defeat, was the lack and the need of textiles. When you go into the history of this country, you find that at Valley Forge our forces were seriously hampered because of the lack of textiles. We can engage in modern warfare, we can engage in global warfare, if you want to, or limited warfare, but we find out that the United States of America, for good or bad, is committed to all parts of the world. I have had the opportunity of seeing some of our finest people at the South Pole; on the other hand, I have seen them at the Equator, and all the guns, all the ammunition, all the hardware we have are valuable, I am sure.

If a man is not fed properly and if a man is not clothed properly, the instrument of the human being, which is the final instrumentation of defense and of security, is unable to complete its mission as an integral part of this Nation.

Mr. Speaker, if I recall correctly, during the recent World War II the Germans had trouble in Russia. People have to be clothed. One cannot fight a war in the extreme climates of this world, and one cannot defend against war in the extreme climates of this world, unless one is properly clothed and fed.

Mr. Speaker, I think the gentleman from North Carolina [Mr. ALEXANDER] is pointing out something that perhaps some of the policymakers in their efforts to be do-gooders around the world have forgotten. I was talking to one of my warm friends from the textile industry not long ago. He happened to be a loom fixer. I never got any higher than sweeper. He told me that in his department there were 14 men about 6 or 7 years ago, and now there are only 4. He further told me that at the mill in which he works there were 1,400 people 10 years ago, and now there are only 600 people. Our enemies know that, and they know how many people are employed and how many people are unemployed. They know how much we can produce, and how much we need, because we publish everything. The enemies of this country know what the fools of this country are doing to the textile industry, national defense, and security in weakening this very vital industrial operation. They are counting noses. They are counting people. They are counting yards. This is no panty-waist war. We talk about the cold war sitting in the comforts of our living rooms while watching television or listening to some news commentator paid by the advertisers. But the facts of the matter are we are in a war of life and death for survival. The textile industry is necessary to our survival. It is necessary to the survival of the little children who come to these galleries day after day, and who gather around our feet at night, and who lie in the bedrooms in peace and safety. I think it is up to the Congress to assert itself and tell these people where they are wrong.

Mr. Speaker, I commend the gentleman from North Carolina and thank him for a magnificent effort. I am sure the Nation is grateful, and I am sure his people are grateful for his efforts in this matter. Down in my district I have a plant which is a companion plant to one located in the gentleman's own hometown. I know most of the people there personally, and I am proud of them. They are great people, and do a good job. They are interested in what the gentleman has to say in their behalf.

Mr. Speaker, let me thank the gentleman again for his contribution, and for yielding to me on this occasion.

Mr. ALEXANDER. I appreciate very much the remarks made by the gentleman from South Carolina [Mr. HEMPHILL]. The gentleman's remarks certainly add a great contribution, and I might say to the gentlemen when he says that he never got any higher than a sweeper, I started out as a sweeper, but did get to work in the card rooms running cards. So, I am quite familiar with the textile problems, because my hometown is a textile town. Certainly, I am very familiar with the many problems that they have but, also, I am interested in this problem from a national standpoint. I agree with the gentleman from South Carolina that the textile industry is essential to the national security.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield further?

Mr. ALEXANDER. I am glad to yield further to the gentleman from South Carolina.

Mr. HEMPHILL. I just wonder about this: In the old days the gentleman knows that we did not receive very much pay, and sometimes one might have been a sweeper, but one got to do a lot of other things for which he did not get paid such as laying up ropings. I imagine the gentleman from North Carolina has had that experience.

Mr. ALEXANDER. I certainly have.

Mr. KORNEGAY. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. Mr. Speaker, I am glad to yield to my distinguished colleague, the gentleman from North Carolina [Mr. KORNEGAY], who represents a great segment of textile people.

Mr. KORNEGAY. First, Mr. Speaker, I should like to highly commend the gentleman from North Carolina [Mr. ALEXANDER] on his splendid presentation today in behalf of the textile industry, and also on the valiant fight he has carried on as long as I have been in this Congress on this matter. It is a subject that has not received in the press throughout the country the attention which is its due.

Mr. Speaker, I should like particularly to commend the gentleman for hitting on the question of two-price cotton, which to me is one of the most indefensible propositions in this country today. Why should domestic manufacturers have to pay 8½ cents a pound or 42½ cents a bale more for cotton raised in the United States than do people throughout the rest of the world and who at the same time convert that into manufactured goods and send them back to this country to the great damage of our industry, of our people, and of our country?

As the gentleman knows, I come from a great textile area, also; in fact, the largest textile concern in the world is headquartered in my district. The largest manufacturer of work clothes is in my district. There are many, many people in my district who depend for their livelihood upon work in the mills. Those same paychecks go into the economy of our whole section, of my district, and of our State.

Again, I want to commend highly my distinguished colleague and congratulate him on this occasion for bringing this message of such great importance to the attention of the House.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from North Carolina. I know how diligently he has worked on this problem ever since he has been in Congress. I commend him for that.

Mr. KORNEGAY. I thank the gentleman very much for those kind and generous remarks.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to my colleague.

Mr. WHITENER. I, too, concur in the statement of our colleague from North Carolina [Mr. KORNEGAY] with reference to the indefensibility of this two-price cotton arrangement which we have today. Some time ago I was talking to one of the leading executives in one of the great textile organizations of this country. In that conversation this gentleman mentioned to me that his company was giving serious consideration to moving completely into the field of synthetics or manmade fibers. The reasons for this, I am sure, are apparent to the gentleman who now has the floor. But whatever the reasons may be from the standpoint of industry, I think that our friend, the gentleman from Arkansas [Mr. GATHINGS], who sits here today and who serves as chairman of the Cotton Subcommittee of the Committee on Agriculture, would agree with us that a further movement of textiles into the field of manmade fibers and away from cotton is not helping our cotton situation in this country from the standpoint of the farmer.

Mr. GATHINGS. I agree wholeheartedly with the gentleman. I have seen some of the figures lately. It depresses me, too, to find that so many of the mills are now converting over or else they are using a percentage of manmade fibers along with cotton. That had not been done heretofore.

Mr. WHITENER. If the gentleman will yield further, I will ask the gentleman from Arkansas if the records do not also show that notwithstanding this 8.5-cents advantage which the foreign textile manufacturer has over the domestic textile manufacturer, in recent months we have seen a further reduction in the amount of our cotton from America which is going into export.

Mr. GATHINGS. Yes, in recent months a great reduction in cotton exports has occurred.

Mr. WHITENER. I believe the record will show that in January 1962, there were 600,000 fewer bales of cotton moving into the export trade or into the world market than in January of 1961.

Mr. GATHINGS. It was appreciable. I do not recall those particular figures.

Mr. WHITENER. That is a little more than appreciable, if my figures are right. So when, as the gentleman from North Carolina [Mr. ALEXANDER] is doing, there is brought to the attention of the Congress and the Nation the problem of two-price cotton, we cannot limit it just to the textile industry, which we see about us in our respective districts; it is basically an agricultural problem. Here we are in this Congress now about to wrestle with a new concept in agricultural legislation. At the same time we find that there are many in the country who are totally unaware of the real issues which are wrapped up in this two-price-cotton deal.

We need not fool ourselves about it. Members of Congress and Government officials in the executive departments can go around ostrichlike as much as they want to about it, but the people are aware of this problem.

To indicate that awareness, on Monday of this week I had the privilege of being in a textile plant in Maiden, N.C., in Catawba County. There is a bright-eyed lady, a young average citizen of America, a mother, a fine wife, a lovely little lady, stopped her work and said to me, "What are you folks doing in Washington about this 8.5-cent-a-pound advantage that foreign textile people have over us, which is threatening our jobs?" If I may say so, it was very comforting to me to be able to say to her, "Well, I am doing all I can. When I get back to Washington late this afternoon I will send you a copy of the CONGRESSIONAL RECORD showing what I am trying to do, and I will also send you a copy of the statement I made before the Tariff Commission in the section 22 hearings which they held as the result of the application of the Secretary of Agriculture."

I point this out to show that the people in the textile plants and in the offices of these textile plants, the employees—I am not talking about management—are aware of some of the problems that are created by Government misadventure. Certainly one of the great difficulties is this business of taking the taxpayers' money in this country to subsidize industry in foreign countries which not only threaten but are actually taking the jobs of our people. I hope that the gentleman from Arkansas whom we love so much and who is such a dedicated Member of the Committee on Agriculture and of the Congress can in some way help us carry the message and the warning to the cotton producing portion of our population, that they are in danger and that this situation is not related strictly to the textile industry but is a direct problem of the agricultural economy of our country.

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I am delighted to yield to the gentleman from Arkansas.

Mr. GATHINGS. I am most sympathetic to your problem, may I say to both of my colleagues from North Carolina. I have appeared before the Tariff Commission on this matter and I would be delighted to be again of any assistance in helping you to contend with this problem.

Mr. ALEXANDER. I appreciate your comments in regard to this. I might say that the gentleman from Arkansas [Mr. GATHINGS] has been one of the most diligent workers on the Committee on Agriculture and he has shown his interest in the cotton phase of this two-price system with which we are faced. The gentleman knows the problem and has been working diligently trying to rectify it and do what is best for our country.

## PROPOSED FARM LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 15 minutes.

Mr. MICHEL. Mr. Speaker, the farm bill, H.R. 11222, which was originally scheduled for consideration this week has apparently met with so much opposition that action on it has been indefinitely deferred. I, for one, certainly do oppose the bill in its present form, for in my judgment it would take the entire agricultural community of this country down a perilous path of complete Government subjugation and control.

This bill is a prime example of what we can expect from economic planners imbued with the philosophy that only they can best chart and manage the production and distribution of food and fiber in this country. If H.R. 11222 were ever enacted into law, the Congress would be declaring that farming is no longer an industry of independent endeavor and each individual farmer would find himself in a virtual straitjacket.

One of the most frightening aspects of this legislation is that the men who would exercise this absolute control of this very essential facet of our economy are not serving under a direct mandate from the people. The bureaucracy here in Washington would serve as the front office for all agriculture throughout the country, and we would have the Federal Government in the farming business, lock, stock, and barrel.

The Secretary is vested with entirely too much authority and would sit as a czar. For example, under title I, the Secretary of Agriculture will have the arbitrary power to "provide for changes in cropping systems and land use, for development of soil, water, forest, wildlife, and recreation resources by means of payments, cost-sharing, and other assistance.

Also under title I, the Secretary of Agriculture will have the arbitrary power to "assist local organizations through financial and other aid to develop and carry out programs of land conservation and land utilization."

Under title II of this proposal, the Secretary of Agriculture has the arbitrary power to reallot surplus crops to disaster relief, economic development programs, and school lunch programs.

Under title IV, the Secretary of Agriculture could arbitrarily proclaim marketing quotas for corn, oats, grain sorghums, barley, and rye for livestock feed, human food, seed, industrial uses, and exports. Are we ready to put such arbitrary powers in the hands of one man that he could control the very diets of the people of the United States?

In addition to the regulation of marketed goods, title IV authorizes the Secretary of Agriculture to arbitrarily tell the American farmer what he "may" grow and how much of it as well. With the passage of this monster, persuasion on a voluntary basis is refuted and force is its substitute.

Surely one might suggest that the referendum would guarantee the farmer against abuses but in its present form this referendum offers alternatives one would expect to find in a Soviet election. I do not feel that I need to review the absurdity of the whole referendum process here. A farmer might either cast a vote of "yes" which would undoubtedly be construed as wholehearted support of strict and strangling controls or he may vote "no" and commit economic suicide. It is a meaningless yes-no referendum without alternatives. What is even more unfair is the eligibility of those able to vote at all. Those farmers who refuse in the first place to go along with Government bossism are not even permitted to register their dissent. How can we with a clear conscience promulgate such an abortion of the democratic process?

Granted that some of the arbitrary powers just cited are not new, yet the Food and Agriculture Act of 1962 goes farther than any other piece of legislation passed by this Congress to bring the independent farmer under the heel of the Federal Government. With all of these new powers in mind and the position of the person in control of these powers defined, a cautious look at the possible implications of this proposed delegation of authority is in order. Casting aside those reservations which would be based on the integrity of any person in this high office and dismissing the possibility that any of the Secretary's power would ever be used to political ends, I am still amazed that such a "big stick" should be so easily relinquished by the Representatives of the people to one over whom they have no control. H.R. 11222 says in effect, "Here, Mr. Secretary, is the control over all feed grain producers, wheatgrowers, and consumers of these commodities; their fate is in your hands." There must be an alternative to this yoke.

Specifically, Mr. Speaker, subtitle A of title IV would set up strict and compulsory limitations on feed grain acreage and marketings for the first time. For all practical purposes, every grower of feed grains—without exception—would be controlled. While some might temporarily avoid an acreage cut, no grower, regardless of how small his operation may be, would be permitted to increase his acreage of feed grains above his 1959–60 average.

I would remind my good friends in the House that feed grain production is closely tied to the great livestock industry which accounts for the bulk of our food supply and more than 55 percent of gross farm sales.

The wheat section of title IV would establish a complicated, multiple-price system which would prove to be an administrative monstrosity. This program would cost the Government more than $1 billion per year on wheat exports alone. There is no question but that it would also raise food costs to the bread-consuming public.

The dairy section of title IV would be a first-class boondoggle. From the farmer's point of view, however, the worst feature of this section is that is would constitute an opening wedge for a compulsory supply-management program on milk.

The entire bill would be a giant step toward strict supply-management for all of agriculture. It means inefficient production and higher consumer prices; politically determined and regulated farm prices; more Federal bureaucracy; higher costs to taxpayers. We would certainly be taking agriculture down the primrose path.

And further, Mr. Speaker, this is not temporary legislation. It is a punitive measure designed to regiment the control of production and distribution of food. The number of Government-allocated permits to grow farm products would be approximately doubled. Under quota programs the average would be tripled.

Mr. Speaker, there have been a lot of myths floating around with respect to this legislation, and I should like to set the record straight at this point with the facts to answer a variety of them.

### MYTHS AND FACTS WITH REGARD TO THE PROPOSED FOOD AND AGRICULTURE ACT OF 1962, H.R. 11222

Myth. Producers who have been growing less than 25 acres of feed grains and less than 15 acres of wheat would be exempt from the proposed programs unless they voluntarily elect to be included. All feed grain producers would be exempt in deficit feed areas which are to be designated by the Secretary of Agriculture.

Fact. No one would be completely exempt from the proposed programs.

Farmers who have been planting less than the specified acreages of wheat and feed grains could elect to plant up to the amount of their base acreages, but such producers would be subject to penalties on any increase above base acreages based on past history—even though this might restrict their plantings to a fraction of an acre of feed grains or wheat.

Producers of wheat and feed grains who are eligible for the so-called small-producer exemptions would be forced to choose from (1) accepting a cut in an acreage base that is already too small for efficient modern operations, and (2) losing their right to vote on a program which would fence them in by freezing their right to grow wheat or feed grains on the basis of past history without regard to changing conditions.

Producers in so-called deficit feed areas would be permitted to plant their base acreages but would be subject to penalties on any increase above their base acreages. "Deficit area" feed grain producers would be disenfranchised and thus would have no opportunity to vote on a program which would, nonetheless, prohibit them from expanding their feed grain acreage.

Myth. The enactment of H.R. 11222 is justified by the need to reduce farm program costs.

Fact. Farm program costs would remain excessively high and might well be increased. Last year the Congress was told that the so-called emergency feed grain and wheat programs would reduce costs. What happened? In the case of the 1961 feed grain program costs were higher and the effect on production was less than the proponents promised. As a result, the administration has been able to show a "saving" under the feed grain program only by highly questionable assumptions including the charging of 9 to 11 years' storage against the additional grain that allegedly would have been produced without the program. Similar results are to be expected from the 1962 emergency programs.

The chairman of the Senate Committee on Agriculture and Forestry (Senator ELLENDER) recently told the Senate that an extension of the 1962 wheat program would cost the taxpayers $333 million annually to reduce wheat production about 100 million bushels—that is, the cost would be about $3.30 per bushel of reduction (p. 9190 of CONGRESSIONAL RECORD for May 24, 1962).

It is now said that H.R. 11222 would reduce the cost incurred under the so-called emergency programs by making compliance compulsory. However, H.R. 11222 actually would authorize the Secretary of Agriculture to make land retirement payments to the producers of feed grains and wheat in 1963 on the same basis as under the current "emergency" programs. If land retirement is too expensive under the existing programs, why is authority asked to make land retirement payments on the same basis next year? Payments are authorized for not only 1963 but also 1964 and 1965.

Wheat export aids are the most expensive item in the entire farm program, and this would continue to be true if H.R. 11222 were to be enacted.

The Secretary of Agriculture would be authorized to issue certificates to increase producer returns for wheat used as human food or exported. In the case of domestic food products, the cost would be passed on to consumers through what amounts to a bread tax. But there is no way that the cost of the program could be passed on to foreign buyers as long as the world price of wheat is below the support price for certificate wheat. Consequently, the U.S. taxpayer would have to pick up the tab for the certificates on export wheat through export subsidy programs. The Department of Agriculture has estimated that the proposed programs would result in the expenditure of more than $1 billion for wheat export programs alone in 1963—$430 million for export subsidies and $608 million for the export of wheat under Public Law 480.

If no new legislation is enacted, farm program costs can be cut by reducing price support levels. The support price for corn would automatically drop from $1.20 to $1.05 per bushel in 1963 and the support price for wheat could be reduced from $2 to $1.83 per bushel.

In addition, if no legislation is enacted, authority for the costly "emergency" feed grain and wheat programs will expire. Payments under these programs will total an estimated $1.2 billion in 1962.

Myth. The enactment of H.R. 11222 will keep the small farm operator in business.

Fact. The trend to fewer and larger farms will continue regardless of whether this legislation is enacted. As a matter of fact, such legislation might well contribute to a more rapid elimination of small farms. The controls contemplated by H.R. 11222 would reduce many adequate size, efficient farms to an inadequate, inefficient status. As a result, this legislation would create tremendous pressure for the consolidation of farm units.

Myth. H.R. 11222 provides for bushelage controls.

Fact. The programs authorized by H.R. 11222 are basically acreage control rather than bushelage control programs.

A feed grain producer would be entitled to receive price support on all of the feed grain he could grow on his allotted acreage. Likewise, there would be no limit on the number of bushels a wheat producer could produce and sell within his acreage allotment. An eligible wheat producer would receive marketing quotas for a specific number of bushels; however, he would be allowed to grow "noncertificate" wheat which could be sold, used for feed, or turned over to the Government under the price support program for noncertificate wheat.

The producers of both feed grains and wheat would continue to have a powerful incentive to increase per-acre yields through the use of improved practices, fertilizer, and supplemental irrigation.

Myth. The enactment of H.R. 11222 is justified by experience with tobacco and cotton.

Fact. The fact that some success has been realized with control programs on tobacco, cotton, rice, and peanuts does not in any way justify the application of controls to other commodities which are produced under different conditions and used for different purposes.

Tobacco, rice, and peanuts are all small acreage crops grown in relatively small local areas in contrast to feed grains, wheat, and dairy products which are produced over wide areas in large amounts. Even cotton is a small acreage crop in comparison with feed grains and wheat.

Tobacco, rice, cotton, and peanuts are all commodities produced entirely or primarily for use off the farm. Feed grains, on the other hand, are largely used on farms for the production of livestock, dairy, and poultry products. It is relatively a simple matter to apply marketing quotas to a commodity that moves in commerce where the buyer can be held responsible for the collection of penalties. It is quite a different matter to apply marketing quota penalties against a commodity that is consumed on the farm where produced.

Although the programs proposed for wheat and feed grains have been compared with existing marketing quota programs, they actually are quite different.

No existing commodity program includes the controls on diverted acres now being proposed for feed grains and wheat. The acceptance of control programs by the producers of tobacco, peanuts, rice, and cotton undoubtedly would have been substantially different had there been control of diverted acres on these crops comparable to that proposed for wheat and feed grains. Under the control programs applicable to these crops, producers have been allowed to shift their diverted acres to the production of such things as feed grains, wheat, and soybeans. Now it is proposed not only to impose diverted acre controls on feed grains and wheat, but also to permit the Secretary to designate "feed deficit areas" for special treatment. The result would be to throw the burden of adjustment for the entire agricultural economy on the commercial wheat and feed grain areas.

No other commodity is subject to a complicated multiple-price certificate plan such as that currently proposed for wheat.

No existing commodity program contains discretionary authority for the Secretary of Agriculture to designate "deficit areas" as he would be able to do under the proposed feed grain program.

No other commodity except tobacco—which is neither a food nor an animal feed—is subject to the drastic cuts in acreage that could be imposed on wheat and feed grains under the proposed legislation. The present cotton, rice, peanut and wheat programs all include provisions for minimum national allotments.

The alternatives which would be submitted to producers of wheat and feed grains in referendums—if the proposed legislation is enacted—are so "loaded" as to make a mockery of democratic processes. Producers would be forced to choose between (1) complete Government regimentation and (2) the withdrawal of all price support in conjunction with a program of dumping Government surpluses to destroy the market for current production. No existing program forces producers to make such an unrealistic choice. Producers of cotton, rice, and peanuts are entitled to qualify for price support at 50 percent of parity and to receive protection against the dumping of CCC stocks if quotas are disapproved. Tobacco producers do not have this protection, but CCC tobacco stocks are relatively small.

Myth. The enactment of H.R. 11222 is necessary to prevent a repetition of the Billie Sol Estes scandal.

Fact. One of the key factors in the Estes case is illegal traffic in cotton allotments. The enactment of H.R. 11222 would multiply opportunities for illegal manipulation of Government-allocated rights to produce farm products.

The number of farm acreage allotments would be approximately doubled. At the present time approximately 3.3 million farm acreage allotments are issued each year—1.7 million for wheat and 1.6 million for cotton, rice, tobacco, and peanuts.

H.R. 11222 would extend acreage allotments and marketing quotas to corn, grain sorghums, barley, and oats.

Approximately 2.8 million farmers produced grain sorghums and corn in 1959–60, and additional thousands would be brought into the proposed feed grain control program by the inclusion of oats and barley. (There are 418,000 producers of barley alone; however, some of them are already included in the total for corn and grain sorghums.)

*Number of allotments issued (latest year available)*

| | |
|---|---|
| Tobacco (1961) | 573, 070 |
| Cotton (1959) | 891, 414 |
| Wheat (1960) | [1] 1, 692, 197 |
| Peanuts (1959) | 118, 053 |
| Rice (1960) | 15, 368 |
| Total | 3, 290, 102 |
| Total, excluding wheat | 1, 597, 905 |
| Number of producers with bases (1962): | |
| Barley | 418, 358 |
| Corn<br>Grain sorghum | 2, 763, 911 |

[1] Excluding 133,025 noncomplying farms which had no acreage allotted.

In addition, the number of Government permits issued under the wheat program would be greatly increased since H.R. 11222 contemplates both marketing quotas based on acreage allotments and separate marketing allocations.

The number of acres devoted to feed grains in 1959–60 is almost twice as great as the number planted to the present marketing quota crops in that period.

*Average planted acreage of specified crops, 1959–60*

| | *In thousands* |
|---|---|
| Crops now under marketing quotas: | |
| Cotton | 15, 956 |
| Rice | 1, 610 |
| Peanuts | 1, 570 |
| Tobacco | 1, 147 |
| Wheat | 55, 846 |
| Total | 76, 129 |
| Feed grains: | |
| Corn | 82, 226 |
| Grain sorghums | 19, 545 |
| Oats | 33, 323 |
| Barley | 16, 216 |
| Total | 151, 310 |

Another aspect of the Estes case, of course, involves the storage of Government-owned commodities. H.R. 11222 would not get the Government out of the storage business. If the Government is going to operate a supply-management program on important food and feed commodities, it must, of course, maintain reserves for the protection of consumers. The only way to get the Government out of the storage business is to adopt programs which will encourage needed adjustments in production and consumption and cause the trade to carry the stocks that are needed as reserves. Needed adjustments in production could be obtained by lowering price support levels and setting up a sound land retirement program. The private trade could be encouraged to take over the job of maintaining needed reserve stocks by providing that no Government-owned commodities shall be sold for domestic use except at prices substantially above the current support levels.

Myth. Proposed dairy program would reduce Government costs.

Fact. The proposal to pay dairymen for voluntary reduction in milk production would be wasteful and ineffective. It would make little or no contribution to the solution of the existing surplus problem. It is not comparable to the so-called emergency wheat and feed grain programs because milk is not a field crop.

Voluntary reduction programs are feasible for field crops (although costly if accompanied by attractive price supports) because reduction is accomplished by retiring acreage which cannot be returned to production on another farm. Under the proposed dairy program a producer could quality for production reduction payments by selling (or leasing) cows to others who would keep them in production. A producer could also qualify for reduction payments by diverting milk to the feeding of calves or pigs. Milk diverted to the feeding of calves could lead to an increase in the number of cows available for future milk production.

## MIGHT-HAVE-BEEN

The SPEAKER pro tempore (Mr. ROSENTHAL). Under previous order of the House, the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, "Might-Have-Been":

> Look in my face; my name is Might-Have-Been;
> I am also called No-More, Too-Late, Farewell.
>
> —ROSSETTI.

In an age of complexity and confusion, no problem of government or business is more baffling than the attempt to disentangle truth and righteousness from the web of sophistry in which they are interlaced. Even in simpler times, the task was difficult. Moses delivered from the hand of God 10 commandments which were intended to serve as the supreme moral law for his companions. Among the 10 was the categorical imperative: Thou shalt not kill. But Moses found it necessary to amplify the original law to clarify it for particular cases, and at least 10 situations were listed in which private killing was not only justified, but made mandatory. The precepts of Moses were tested for 15 centuries and found wanting. Only with the coming of the Christ was a new code of righteousness set up for the government of humanity.

It is said that some 16 identifiable systems of law, including that of Moses, have been put into use by populous and powerful societies during the period of recorded history. Every one of them set up the ideal of justice, and in all of them factual verity has been an inherent element in the administration of justice. Yet in our own country in our own age, a writer delivers the sad but cynical comment that "a President cannot be right and liked with any universality." The same declaration might be made of any prominent individual, whether in business, in the professions, in education, possibly even in the church.

The founders of this Republic were men of religious faith, of intellectual vigor, and of practical experience. They envisioned a nation in which loyalty, morality, integrity, and right dealings should characterize public and private action. We flourished and grew strong and rich. But in the modern age, a restraining conscience is too often lacking in the conduct of affairs. We discuss in minute detail our position of power in relation to the rest of the world or any part of it. Are we strong enough to do what we want to do? Or we consider the wisdom or expediency of a proposed course of action.

Seldom is the question of righteousness brought into the argument. Communism rejects the whole concept of righteousness. For a Communist, there is no hope of a future life; the grave is the end of all. With such a philosophy, there is no room for morality. Any opportunity to realize the selfish desires of the moment is sufficient justification for action. Communism would erase "freedom" from the dictionary, abolish God, and degrade human dignity to the level of a machine. Consequently Fear stalks the earth like a giant colossus, casting his dark shadow over all the institutions and ideals the Western World has labored so long and so painfully to establish. For the danger is real that communism may ultimately prevail, and destroy our freedom and our righteousness.

Many times troubled and apprehensive people bring up the question: "What does the future hold for us as individuals and as a nation?" The answer must be: The future is locked in the hearts of the American people. It depends on whether we as individuals and as a society believe in and practice loyalty to our country, to our God, and to the high ideals in which this Nation had its being. Do we believe in right dealings with our fellow men? Are we willing to sacrifice material possessions, even life itself, in behalf of our country and our God? When we make decisions affecting ourselves and our relations with others, do we consider the approval of the Lord in those decisions? If we act in conformity with a righteous and patriotic response to those questions, our future will be happy and prosperous beyond compare. On the other hand, if we think and practice envy, jealousy, and greed; if we place our own comfort and wellbeing above that of others, our destiny will be one with Tyre, Nineveh, and Babylon. In ancient days these names were synonyms of power and glory; today the very site of their magnificence and pride is lost in the desert. The decision is ours as Americans. The cause of many of our troubles in the world is our failure to fuse a vital and active faith into our systems of education and business and government.

In their educational efforts, the ancient Greeks set up the ideal of a sound mind in a sound body. The two objectives were not enough; Greek civilization fell. Those who put their trust in a bright and shining intelligence and in physical excellence are always doomed to failure. Napoleon, an exponent of practical wisdom and physical force, ended his days on St. Helena, because, as Victor Hugo remarked, he "bothered God." Mussolini and Hitler were similar stumbling blocks in the path of righteousness, and they, like Napoleon, have vanished from the scene. Is it unreasonable to predict that Khrushchev, Mao, and all other would-be tyrants must eventually succumb to the same defect, an unregenerate soul?

To the Greek concept of an ideal citizen, we must add a third essential element, an alert and responsive soul. Military and economic might are wonderful. With it we can beat back the tides of fanaticism and malignancy that threaten our fair land. We can construct and dedicate hospitals, schools, churches, factories, roads, and communication systems, and find a path to the stars. Human wisdom is also wonderful. With it we can dispel superstition and ignorance, enlarge the boundaries of truth, fight disease and poverty, and promote order and justice among all the peoples of the earth. But we must not attempt to substitute human wisdom for that Divine Intelligence which pervades all nature. Intellectually and physically we are not inferior to any of mankind who have preceded us. A return to that living righteousness which animated our forefathers will insure a continuance of our prosperity and happiness.

On a day in June almost exactly 18 years ago, the military powers of the Allies were deploying for the assault on the Normandy beaches. King George VI broadcast this message:

> After nearly 5 years of toil and suffering, we must renew that crusading impulse on which we entered the war and met its darkest hour. We and our Allies are sure that our fight is against evil and for a world in which godliness and honor may be the foundations of the life of men in every land.

This is the challenge that faces us today if the histories of future ages are not to record our name as "Might-Have-Been."

## WHY THE SECRECY, MR. RIBICOFF?

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. Kowalski] may extend his remarks at this point in the Record and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. KOWALSKI. Mr. Speaker, one of the most important matters before this Congress is the enactment of a comprehensive medical and hospital care program for our elderly citizens. We have such a plan in the King-Anderson bill. Now, we hear of a compromise plan being discussed by the Secretary of Health, Education, and Welfare in executive sessions of the Ways and Means Committee and in dark corridors. A sudden shroud of secrecy has enveloped this medicare plan. I raise the question, "Why?"

I am one of the early sponsors of the Forand bill. Many of my colleagues have been actively promoting this or the more recent King-Anderson plan. We are doing this because in the last election the American people gave us a mandate to fight for this program. I personally, stand with the President for the King-Anderson bill—no phony compromises. I am confident that many of the Members of the House stand with me.

But there is a greater issue before us now—the question of secrecy. The slim and unsettling reports that appear in the press intimate that the Secretary of Health, Education, and Welfare Abraham Ribicoff has some special scheme. There is no discussion of what the elements of his scheme are to be. Congress is not informed, nor is the press, nor the people. The medicare bill is being treated as if it were a top-secret military weapon. It is not top secret. It is a matter of public concern.

We, as Members of Congress, have an absolute right to know the subject matter of these secretive talks. We have this right, and the corollary responsibility to see that our citizens' rights are not abrogated. When silence surrounds discussions of a plan that so intimately concerns the public welfare, I can only think that someone is trying to sell our senior citizens down the river. Someone is attempting to take away from them that which they so desperately need.

I ask Secretary Ribicoff to make public immediately any compromise plan on medicare that he is proposing. I demand this information for my colleagues and myself. I demand it so that our citizens can be heard as to whether they will accept or reject it. We have the right to know.

## FINANCIAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Nix] may extend his remarks at this point in the Record and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NIX. Mr. Speaker, on behalf of parents and children in District public schools and in response to a request from the Baptist Ministers Conference, I am introducing today a bill to amend the act providing "financial assistance for local educational agencies in areas affected by Federal activities" as contained in Public Law 874 in order that the District of Columbia may become eligible for a share in funds annually appropriated by the Congress. Should this body act favorably on the amendment, the District would immediately qualify for more than $4 million along with 3,700 other communities in federally impacted areas.

Although normal budgetary needs of the District are subject to legislation recommended by the Appropriations Committee, certain abnormal conditions such as urban renewal and highway construction have uprooted whole communities, induced population mobility and abandonment of some schools creating overcrowding, and thus the urgency of extending benefits of Public Law 874 to cope with demands for more school construction. Since both urban renewal and highway construction were Federal programs, the financial burden is clearly one that Congress must assume as provided in the impacted area bill enacted by the 81st Congress over 10 years ago.

If the District of Columbia had been included at that time by now it would have received some $50 million for school construction. That amount would have represented almost half the estimated total which the Superintendent insists will be needed by 1970 if District pupils are to be properly housed.

The second section of my bill seeks to halt the authority of the Federal Bureau of Public Roads which, it is reliably reported, has engaged in an accelerated highway construction program in the District at the expense of District schools and other general welfare programs. This latter stipulation is offered together with the proposal for added funds for school construction to insure that additional funds for schools may not be diverted to highway construction.

## DR. JOHN D. ROBINSON, SR.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. Henderson] may extend his remarks at this point in the Record and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HENDERSON. Mr. Speaker, on Friday, June 2, our Nation lost another member of that vanishing race of noble self-sacrificing Americans—a real dyed-in-the-wool country doctor.

Dr. John D. Robinson, Sr., of Wallace, N.C., began the practice of general medicine there in 1915 when the horse and buggy doctor was fact rather than fable. During 47 years of service in his community he typified the love of God, the concern for his fellow man, the skill of an artisan, and the deep and abiding knowledge of humanity which has become the hallmark of that American tradition which we all recognize and cherish as the country doctor.

Unlike many of today's physicians who enter the realm of politics only in an effort to influence legislation in which they feel a direct interest, Dr. Robinson, like so many of his contemporaries, was an influential politician and a lifelong member of the Democratic Party. He served as a Presidential elector six times which insofar as I have been able to determine is more than any other man has so served.

His death was considered of such public significance and deemed such a public loss that the mayor and official governing board of commissioners of the town of Wallace adopted and publicized a resolution expressing officially the sorrow and esteem of the town, and I deem it a privilege and pleasure to insert this expression in the Congressional Record as a part of these remarks:

Whereas in the course of history it appears ordained that certain few are set apart by the hand of Providence and imbued with qualities of greatness as expressed by dedication to the service of their fellow man, their community, State, and Nation; and

Whereas Dr. John D. Robinson was summoned for such a role and gave freely of his time, talent, and loyalty in the fulfillment thereof; and

Whereas his wise counsel, his love and affection, his demonstrated leadership made signal contribution in the lives and the events of this community and the people with whom he came in daily contact: Now, therefore, be it

*Resolved by the town commissioners and the mayor of Wallace, in official meeting,* That tribute be extended in memory of Dr. John D. Robinson, who has devoted a lifetime of unselfish labor to the betterment and welfare of Wallace and its citizens, and that we officially recognize these contributions by spreading upon the minutes of our meeting this testament; and be it further

*Resolved,* That we commend to those who would be great among us that they emulate the life of Dr. John D. Robinson by being first the servant of all and friend to many; and be it further

*Resolved,* That a copy of this action which expresses both our sorrow and esteem be mailed to members of his immediate family and a copy thereof be officially publicized.

Mr. Speaker, the Lord surely has a special place of rest and reward for country doctors, and Dr. John D. Robinson has earned his berth in it.

## YALE COMMENCEMENT ADDRESS BY PRESIDENT KENNEDY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Connecticut [Mr. Giaimo] is recognized for 30 minutes.

Mr. GIAIMO. Mr. Speaker, on Monday of this week, the President was the recipient of an honorary degree from Yale University. The subject matter of his remarks to the graduating class and distinguished guests was of extreme importance and significance, and I commend its contents to my colleagues and the American public.

It is with pride and pleasure that I insert this address in the Record.

### Text of President Kennedy's Yale Commencement Address

Let me begin by expressing my deep appreciation of the honor you have conferred on me. As General de Gaulle acknowledges America to be the daughter of Europe, so am I pleased to come to Yale, the daughter of Harvard. Indeed, I have heard that Yale may someday have daughters of its own—and, now that I am an alumnus, I may apply on behalf of my daughter.

Someone has told me that I now have the best of both worlds—a Harvard education and a Yale degree.

I am particularly glad to become a Yale man, because as I think about my troubles, I find that a lot of them have come from other Yale men. Among businessmen, I have had a minor disagreement with Roger Blough, of the law school class of 1931, and I have had some complaints too from my friend Henry Ford, of the class of 1940.

In journalism, I seem to have a difference with John Hay Whitney, of the class of 1926—and sometimes I also displease Harry Luce of the class of 1920—not to mention William F. Buckley, Jr., of the class of 1950.

In politics my luck is better, but lately I have had small arguments with Bob Wagner of the class of 1933 and Bill Proxmire of the class of 1938—and they are members of my own party.

I even have trouble with some of my Yale advisers. I get along with them, but they don't always get along with each other: I have the warmest feelings for Chester Bowles, of the class of 1924, and for Dean Acheson, of the class of 1915—but I am not 100 percent sure that these two wise and experienced Yale men wholly agree with each other on every issue.

So this administration, which aims at peaceful cooperation among all Americans, has been the victim of a certain natural pugnacity among Yale men. Now that I am a Yale man too, it is time for peace. Last week, at West Point, in the historic tradition of that Academy, I availed myself of the powers of the Commander in Chief to remit all the sentences of offending cadets. In that same spirit—and in the historic tradition of Yale—let me now offer to smoke the clay pipe of friendship with all my brother Elis—and I hope that they may be friends not only with me but with each other.

In any event I am very glad to be here—and as a new member of the club I have been checking to see what earlier links existed between this institution and the Presidency. I found that a member of the class of 1878, William Howard Taft, served one term in the White House as preparation for becoming a member of this faculty * * * and a graduate of 1804, John C. Calhoun, regarded the Vice Presidency as too lowly a station for a Yale alumnus—and became the only man in history ever to resign that office.

Calhoun in 1804 and Taft in 1878 graduated into a world different from the one which faces you. They and their contemporaries spent entire careers in grappling with a few dramatic issues on which the Nation was sharply divided—issues that often occupied attention for a generation at a time: the national bank, the disposal of the public lands, nullification or union, freedom or slavery, gold or silver.

Today these old sweeping issues have largely disappeared. The central domestic problems of our time are more subtle and less simple. They relate, not to basic clashes of philosophy or ideology, but to ways and means of reaching common goals—to research for sophisticated solutions to complex and obstinate issues.

The world of Calhoun, the world of Taft, had its own hard problems and notable challenges. But its problems are not our problems. Its challenges are not our challenges. Their age is not our age. As every past generation has had to disenthrall itself from an inheritance of truism and stereotype, so in our own time we must move on from the reassuring repetition of stale phrases to a new, difficult but essential confrontation of reality.

For the great enemy of the truth is very often not the lie—deliberate, contrived and dishonest—but the myth—persistent, persuasive, and unrealistic. Too often we hold fast to the cliches of our forebears. We subject all facts to a prefabricated set of interpretations. We enjoy the comfort of opinion without the discomfort of thought.

Mythology distracts us everywhere—in Government as in business, in politics as in economics, in foreign affairs as in domestic policy. But today I want particularly to consider myth and reality in our national economy. In recent months many have come to feel, I believe, that the dialog between the parties—between business and Government—between Government and the public—is clogged by illusion and platitude and fails to reflect the true realities of contemporary American society.

I speak of these matters here at Yale because of the self-evident truth that a great university is always enlisted against the spread of illusion and on the side of reality. No one has said it more clearly than President Griswold: "Liberal learning is both a safeguard against false ideas of freedom and a source of true ones." Your role as university men, whatever your calling, will be to increase each new generation's grasp of its new duties.

There are three great areas of our domestic affairs in which, today, there is a danger that illusion may prevent effective action. They are: First, the question of the size and shape of Government's responsibilities; second, the question of public fiscal policy; and third, the matter of confidence—business confidence, or public confidence—or simply confidence in America. I want to talk about all three. I want to talk about them carefully and dispassionately—and I emphasize that I am concerned here not with political debate but with finding ways to separate false problems from real ones.

If a contest in angry argument were forced upon it, no administration could shrink from response, and history does not suggest that American Presidents are totally without resources in an engagement forced upon them because of hostility in one section of society. But in the wider national interest we need, not partisan wrangling, but common concentration on common problems. I come this morning to ask you to join in this great task.

Let us take first the question of the size and shape of government. The myth here is that government is big, and bad—and steadily getting bigger and worse. Obviously this myth has some excuse for existence. It is true that in recent history each new administration has spent much more money than its predecessors. Thus President Roosevelt outspent President Hoover, and with allowance for the special case of the Second World War, President Truman outspent President Roosevelt. Just to prove that this was no partisan matter, President Eisenhower then outspent President Truman by the handsome figure of $180 billion. It is even possible that this trend may continue.

But does it follow that big government is growing relatively bigger? It does not—for the fact is that for the last 15 years the Federal Government, and also the Federal debt, and also the Federal bureaucracy—have grown less rapidly than the economy as a whole. If we leave defense and space expenditures aside, your Federal Government, since the Second World War, has expanded less than any other major sector of our national life, less than industry; less than commerce; less than agriculture; less than higher education; and very much less than the noise about big government.

The truth about big government is the truth about any other great activity—it is complex. Certainly it is true that size brings dangers, as we have lately seen in such areas as stockpiling and agricultural storage. But it is also true that size can bring great benefits. Here at Yale, which has contributed so much to our national progress in science and medicine, it may be proper for me to mention one great and little-noticed expansion of government that has brought strength to our whole society: The new role of our Federal Government as the major patron of research in science and medicine.

Few people realize that in 1961, in support of all university research in science and medicine, $3 out of every $4 came from the Federal Government. I need hardly point out that this has taken place without undue enlargement of Government control, that American scientists remain second to none in their independence, and even in their rugged individualism.

I am not suggesting that Federal expenditures cannot bring on some measure of control. The whole trust of Federal expenditures in agriculture have been related by purpose and by design to control * * * as a means of dealing with the problems created by our farmers and growing productivity. Each sector of activity must be approached on its own merits and in terms of specific national needs. Generalities in regard to Federal expenditures therefore can be misleading; each case—science, urban renewal, education, agriculture, natural resources—each case must be determined on its own merits if we are to profit from our unrivaled ability to combine the strength of public and private agencies, public and private purposes, public and private interests.

Next, let us turn to the problem of fiscal policy. Here the myths are legion and the truth sometimes hard to find. But let me take as a prime example the problem of the Federal budget. We persist in measuring our Federal fiscal integrity today by the convention or administrative budget, with results which would be regarded as absurd in any business firm, in any country of Europe, or in any careful assessment of the reality of our national finances. The administrative budget has sound administrative uses. But for wider purposes it is less helpful. It omits our special trust funds; it neglects changes in assets or inventories; it cannot tell a loan from a straight expenditure, and worst of all it cannot distinguish between operating expenditures and long-term investments.

This budget, in relation to the great problems of Federal fiscal policy, is not simply irrelevant; it is actively misleading. And yet there is a mythology that measures all our soundness on the single simple basis of this same annual administrative budget. If our Federal budget is to serve, not the debate, but the country, we must and will find ways of cleaning up this area of discourse.

Still in the area of fiscal policy, let me say a word about deficits. The myth persists that Federal deficits create inflation and budget surpluses prevent it.

Yet sizable budget surpluses after the war did not prevent inflation, and persistent deficits for the last several years have not upset our basic price stability. Obviously deficits are sometimes dangerous—and so are surpluses. But honest assessment plainly requires a more sophisticated view than the cliche that deficits are inflationary.

There are myths also about our public debt. It is widely supposed that this debt is growing at a dangerously rapid rate. In fact both the debt per person and the debt as a proportion of our gross national product have declined sharply since the Second World War. In absolute terms the national debt has increased only 8 percent, while private debt was increasing 305 percent and the debts of State and local governments increased 378 percent. Moreover, debts, public and private, are neither good nor bad, in and of themselves. Borrowing can lead to overextension and collapse—but it can also lead to expansion and strength. There is no single simple slogan in this field that can deserve our trust.

Finally, I come to the problem of confidence. Confidence is a matter of myth and also a matter of truth—and this time let me take the truth of the matter first.

It is true—and of high importance—that the prosperity of this country depends on assurance that all major elements within it will live up to their responsibilities. If business were to neglect its obligations to the public; if labor were blind to all public responsibility; above all, if government were to abandon its obvious—and statutory—duty of watchful concern for our economic health—if any of these things should happen, then confidence might well be weakened, and the danger of stagnation would increase. This is the true issue of confidence.

But there is also the false issue—and its simplest form is the assertion that any and all unfavorable turns of the speculative wheel—however temporary and however plainly speculative in character—are the result of "lack of confidence in the national administration." This, I must tell you, while comforting, is not wholly true. Worse, it obscures the reality—which is also simple. The solid ground of mutual confidence is the necessary partnership of government with all the sectors of our society in the steady quest for economic progress. This administration is not going to give way to general hostility to business merely because there has been a single temporary disagreement with an industry, nor will the future belong to those who ignore the realities of our economic life in a neurotic search for unending reassurance.

Corporate plans are not based on a political confidence in party leaders but on an economic confidence in the Nation's ability to invest and produce and consume. Business had full confidence in the administrations in power in 1929, 1954, 1958, and 1960—but this was not enough to prevent recession when business lacked full confidence in the economy. What matters is the capacity of the Nation as a whole to deal with its economic problems and opportunities.

The stereotypes I have been discussing distract our attention and divide our effort. These stereotypes do our Nation a disservice, not just because they are exhausted and irrelevant, but above all because they are misleading—because they stand in the way of the solution of hard and complicated problems. It is not new that past debates should obscure present realities. But the damage of such false dialog is greater today than ever before, simply because today the safety of all the world—the very future of freedom—depends as never before upon the sensible and clearheaded management of the domestic affairs of the United States.

The real issues of our own time are rarely so dramatic as the issues of the age of Calhoun. The differences today are mainly matters of degree. And we cannot understand and attack our contemporary problems if we are bound by the traditional labels and wornout slogans of an earlier era. But the unfortunate fact of the matter is that our rhetoric has not kept pace with the speed of social and economic change. Our political debates, our public discourse—on current domestic and economic issues—too often bear little relation to the practical problems we face.

What is at stake in our economic decisions today is, not some grand warfare of rival ideologies, but the practical management of the modern economy. What we need is, not more labels and more cliches, but more basic discussion of the sophisticated and technical questions involved in keeping our mighty economic machine moving steadily ahead.

The national interest lies in high employment, steady expansion of output, stable prices, and a strong dollar. The declaration of such objectives is easy; their attainment in an intricate and interdependent economy and world is a little more difficult. To attain them, we require not facile ideology, but hard thought. Let me end by suggesting a few of the real questions on our national agenda.

How can our budget and tax policies supply adequate revenues and preserve our balance-of-payments position, without slowing up our economic growth?

How are we to set our interest rates and regulate the flow of money in ways which will stimulate the economy at home, without weakening the dollar abroad, given the spectrum of our economic responsibilities, which should be the mix between fiscal and monetary actions?

With the necessity of maintaining our competitive position in the world, what should be the price and wage policies of our basic industries? Is there a public interest in such price and wage decisions, and if so, how is it to be defined and organized and expressed?

How can we develop and sustain strong and stable world markets for basic commodities without unfairness to the consumer and without unreasonable stimulus to producers?

How can we generate the buying power which will absorb the products of our factories and farms?

How can we share the benefits and burdens of technical progress, and how can we make sure that the benefits to some are not offset by the burdens on others? How can we take advantage of the miracles of automation, with its premium on highly trained labor, and yet offer employment to the half a million of unskilled school dropouts who enter the labor market every year?

How do we eradicate the barriers which separate substantial minorities of our citizens from access to opportunities for education and employment on equal terms with the rest?

How, in sum, can we make our free economy work at full capacity—that is, provide adequate profits for enterprise, adequate wages for labor, adequate utilization of plan, and adequate opportunity for all?

These are the problems that we should be talking about—the real problems of our age. They cannot be solved by incantations from the forgotten past.

But the example of Western Europe shows that they are capable of solution—that governments, and many of them are conservative governments, prepared to face technical problems without ideological preconceptions, can coordinate the elements of a national economy to bring about unexampled growth and prosperity.

Some conversations I have recently heard, and overhead, in our own country sound like old records, longplaying, left over from the middle thirties. The debate of the thirties had its great significance and produced its great results. But it took place in a different world with different needs and different tasks. It is our responsibility today to live in our own world—and to identify the needs and discharge the task of the 1960's.

If there is any current trend toward meeting present problems with ancient cliches, this is the moment to stop it—before it lands us all in a bog of sterile acrimony.

Discussion is essential; and I am hopeful that the debate of recent weeks, though up to now somewhat barren, may represent the start of a serious dialog of the kind which has led Europe to such fruitful collaboration among all the elements of economic society and to a decade of unrivaled economic progress. But let us not engage in the wrong argument at the wrong time between the wrong people in the wrong country—while the real problems of our own time grow and multiply, fertilized by our neglect.

Nearly 150 years ago, Thomas Jefferson wrote, "The new circumstances under which we are placed call for new words, new phrases, and for the transfer of old words to new objects." That is our need today—and it should also be our ambition—to replace imaginary issues by real, and tired slogans by fresh insight. As we work in concert to meet the authentic problems of our own time, we will generate an energy and vision which will demonstrate anew to the world the superior vitality and strength of the free society.

### AIRLINE BOMB-PREVENTION PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. MACDONALD] is recognized for 5 minutes.

Mr. MACDONALD. Mr. Speaker, in response to the inquiry of Representative MELVIN PRICE, my distinguished colleague from the State of Illinois, on the House floor, as to the work being done by the Federal Aviation Agency on an airline bomb-prevention program, I am happy to insert a letter providing this information:

FEDERAL AVIATION AGENCY,
*Washington, D.C., June 7, 1962.*

Hon. TORBERT H. MACDONALD,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. MACDONALD: Your request for information regarding the Federal Aviation Agency's efforts to prevent bombing of aircraft has been referred to me for answer. If I may, I will give you a brief résumé starting with the latest developments and working back.

It was Tuesday of this week, June 5, that a seven-man steering committee met at FAA headquarters to review all of the past efforts to find ways of preventing the bombing of airplanes and to determine the most intelligent course for the future.

The members of this committee were N. E. Halaby, Administrator, FAA, who served as chairman of the meeting; Alan Boyd, Chairman of the Civil Aeronautics Board; Courtney Evans, Federal Bureau of Investigation; Nicholas Katzenbach, Deputy Attorney General; Jerome Lederer, director, Flight Safety Foundation; Dr. Glenn T. Seaborg, Chairman, Atomic Energy Commission; and Stuart Tipton, president, Air Transport Association.

Among other things, the group found that in all cases where sabotage has been found to be the cause of these air tragedies, the criminal has lost his life as well as any financial gain he may have planned. In the Graham case at Denver, the bomber was not killed in the accident but was executed later. The group that met Tuesday is very anxious to have this one phrase, "Where sabotage has been found to be the cause, the criminal has lost his life as well as any financial gain he may have planned," repeated as often as possible in the hope that it, too, will serve as at least a partial deterrent.

The committee heard a brief survey of all of the projects and approaches to the problem made in the past including the possibility of using X-rays, fluoroscopes, moisture analyses, explosive ovens with microwave detonators, as well as chemical and even biological techniques to detect bombs intended for aircraft. The group got a longer briefing on a project the Atomic Energy Commission began in 1960, at the request of former FAA Administrator Quesada. This project, which employs nuclear engineering, involves the seeding of commercially manufactured explosives with a signal-giving chemical. This chemical would make it possible for a Geiger counter to pick up a signal if any of the seeded explosives were brought near a checkpoint, such as a baggage weigh-in.

The FAA has approximately $47,000 in the program in this fiscal year, but last April decided to increase the funds to $125,000 for each of the fiscal years 1963 and 1964.

In addition to the nuclear engineering work, a number of other proposals aimed at detecting or detonating bombs intended for aircraft were judged by the steering committee to be worth further study and exploration by experts. In a statement following the meeting, the committee said: "Results of these studies would be made public to the extent such publicity will not itself aggravate the problem by exposing techniques of prevention or detection."

The problem, as I know you realize, Mr. Congressman, is that we do not necessarily wish to draw attention to our efforts to solve this terrible problem but yet we want the American people to know their government officials are very much concerned and are doing what they can. Experts in the field advise us that the danger of talking about our efforts to meet the problem will simply serve as a challenge to demented people or that it will implant the idea in the minds of some sick persons who hadn't thought about it. In addition to that, the enormous difficulty of actually finding a fully effective solution makes it seem not entirely honest to keep talking about meetings and plans. It is really a very discouraging prospect as I am sure you know.

Just as an example of how discouraging it is, let us assume that all U.S. dynamite would be impregnated with this signal-giving chemical tomorrow. We would then have the problem of detecting dynamite already in the inventory, or made in some other country as well as detecting all of the explosives that can be made at home. Explosive experts tell us that it is not a very difficult problem to get from the drugstore all of the materials needed to make a bomb.

So the problem is complex and discouraging, and none of the responsible officials at the meeting Tuesday wish to appear unrealistic, not to mention dishonest. Yes it is the public's business and everyone recognizes how concerned the public is, so we are going ahead, not on a secrecy basis, but as quietly as we can still letting the people know we are also concerned and are doing what we can. We all appreciate, therefore, your interest very much, Mr. MACDONALD.

This group will be meeting again in a month or so to evaluate the work and studies going forward and as the statement the group put out after their meeting says, results will be made public to the extent that they are in the public's interest and will not in themselves aggravate the problem.

Once again, we all very much appreciate your interest which I know has been long standing, and please be assured that as discouraging as the task is, responsible government officials are very much concerned and are doing all that is possible. If there is any further information you need, Mr. Congressman, I would be pleased to supply it if I can.

Sincerely,

PHILLIP M. SWATEK,
*Director of Public Affairs.*

There have been a total of 17 known cases of planted bomb disasters. Innocent men and women will continue to be the victims until a solution is developed. Planted bombs represent only one aspect of a broader problem. We must prevent the present custom of loading dangerous cargo without adequate safety precautions on aircraft. Passengers must be prohibited from bringing aboard airplanes articles which can cause fires or explosions. I heartily concur with the gentleman from Illinois, Representative PRICE, in the imperative need for an accelerated program of research for detecting dangerous materials on our airplanes.

### SOVIET DEPORTATION OF BALTIC PEOPLES IN 1940

Mr. BARRY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Speaker, the Second World War was tragic in innumerable ways to the peoples of Europe; some suffered more than others, and some are suffering yet from its consequences. The Baltic peoples paid heavily both during and after that war. Very early in the duration, while the Western friends of the Baltic people were engaged in preparations for combat the Kremlin took advantage of our preoccupation to impose its terms upon the Governments of Estonia, Latvia, and Lithuania, and thereby deprived these people of their freedom. Then early in 1940 the Red army attacked and occupied these countries, thus putting an end to their independent existence. Within a very few months a Communist-style plebiscite made these countries part of the Soviet Union.

From the moment the Red army entered these countries Communist agents arrested large numbers of people, several hundred thousand in all. These innocent and helpless individuals were deported to distant Asiatic parts of the Soviet Union. That was some 22 years ago. Today marks the observance of that tragic event. Some of the victims of that tragedy may still be suffering in a Soviet prison camp, while many others must have died in exile. On this solemn occasion we pay tribute to the memory of the dead, and express our admiration for those sturdy souls who still carry on the struggle for freedom against Communist tyranny.

### STOCK MARKET CRASH—1962

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentlewoman from New York [Mrs. ST. GEORGE] may extend her remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, it has been interesting to look at the headlines regarding the stock market crash of 1962.

You would think that the market suddenly went down and then suddenly went up again and that a beneficent Government is taking care of the situation on those firm foundations of unlimited debt and deficit spending.

Unfortunately, this is only partially true. The stock market has not rebounded much, as is proved from the following figures appearing in today's Wall Street Journal, June 13. In fact, the rebound amounts to exactly 4.01 percent over the 1962 low of May 28. Nothing much to cheer about. We had perhaps better forget the Government-inspired headlines and turn to the factual and discouraging figures on the financial pages.

The Wall Street Journal figures follow:

Stock prices dropped sharply on the New York Stock Exchange, with trading activity substantially above the level of the past several sessions. The Dow-Jones industrial average fell 14.23 points, or 2.39 percent, to 580.94. This was just 4.01 points above the 1962 closing low set by the compilation on May 28, the day of its 34.95-point plunge. The railroad average dropped 2.18 percent to 122.91 and the utility average went down 1.81 percent to 110.76. Volume jumped to 4,690,000 shares from 2,870,000 Monday.

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## PRESIDENT TSHOMBE SPEAKS TO CONGRESSMAN BRUCE

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Bruce] may extend his remarks at this point in the Record and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BRUCE. Mr. Speaker, many Americans have been concerned about the stories drifting back from the Congo about the unharmonious meetings between Cyrille Adoula of the Central Government and Moise Tshombe, President of Katanga, and the hostile treatment being accorded Mr. Tshombe while he is in Léopoldville.

We have been further concerned by statements in the press by top officials of the United Nations which sound like saber rattling, remarks that can be construed as molding public opinion to expect another military attack on Katanga.

That peaceful state—peaceful, that is, before the onslaught of the "peaceful" United Nations armed forces which strafed innocent civilians and bombed and shelled Red Cross hospitals there—that peaceful state of Katanga is again being painted as the villain of the piece by the propagandists of the U.N.

Mahmoud Khiari, U.N. civil operations chief in the Congo said on May 20—and I quote the Chicago Tribune of May 21—that he is convinced that the present meeting between Cyrille Adoula and Moise Tshombe will "have negative results."

> That is why—

He said—

> the United Nations must apply—even by force—the Security Council resolutions in order to bring about Congo unity. If Katanga's secession is not rapidly destroyed, there is great danger that other provinces also will demand their independence.

In view of what Russell Howe reported in this morning's Washington Post, it seems to me Adoula's government is one from which moderate men might want to be independent. Howe wrote:

> The Central Government, whose prestige has suffered because of the protracted abortive negotiations with Tshombe, appears to be laying the ground for a foreign issue to detract public attention from the domestic crisis.
>
> A Foreign Ministry publication on the Congo's foreign policy lays great stress on the repressive nature of the Portuguese regime in Cabinda, an enclave to the north of the Congolese corridor to the Atlantic Ocean.
>
> Observers believe the Congo may be readying a claim to Cabinda, which is governed by Portugal as part of Angola. Acquiring Cabinda would extend the Congo's limited Atlantic coastline.

In today's New York Times, David Halberstam reports that yesterday, at Tshombe's first public appearance in Léopoldville since the talks began last month, the President of Katanga said that the Congolese Central Government was unwilling to make concessions in the present negotiations for an end of Katanga's secession because the Central Government believed the United Nations would help it take Katanga by force if the talks fail.

Tshombe appeared at a luncheon given by Robert K. A. Gardiner, head of the U.N. mission, for Adoula and Tshombe. Adoula, however, did not show up.

In his article, Russell Howe also states:

> The predominant impression among observers is that civil warfare with Katanga is in the offing and that U.N. intervention to implement the Security Council resolution on territorial integrity will be of a more determined character than on previous occasions.

Mr. Speaker, it would seem from the statement of Mr. Khiari, the actions of Adoula, and the reports in today's papers, that perhaps the Central Government might want the talks to fail.

I have had the impression, right here in Washington, that the Congo mess, which costs the United Nations $9,500,000 a month—and that is mostly our money one way or another—is close to another eruption of death and destruction waged by the U.N. against Katanga.

Because of this concern, yesterday I arranged to have a transoceanic telephone conversation with President Tshombe in Léopoldville, to get from him personally his view of the Congo situation and the treatment being accorded him during the negotiations there.

Mr. Speaker, I wish to introduce this conversation into the Record so that my colleagues may have the benefit of this firsthand information from one of the principals in this conflict. What Mr. Tshombe told me is most important in judging how fairly these talks are being conducted.

Following is the text of my conversation through a translator with Mr. Tshombe who spoke in French:

### Direct Conversation Between Congressman Donald C. Bruce in Washington, D.C., and President Tshombe of Katanga in Léopoldville, Congo, on June 12, 1962, With a Translator—Questions Asked by Mr. Bruce

Question. Are you free in your movements?

Answer. I am not free of my movements. I cannot go out, and especially in going to the meetings, I am not free.

It is absolutely necessary that the United Nations take the necessary steps to give me full freedom to go out.

I cannot receive visitors unless the United Nations is approached first and the request is then handed to Mr. Kamitatu, the Interior Minister. Mr. Kamitatu receives the request of the U.N. and must then give it back to the U.N. and it takes a long time, and they are so disgusted that they can never reach me any more. I have my personal friends who are trying to reach me for a long time and they can't see me.

Most of the people in Léopoldville—the population, I mean—are very favorable to me, but they cannot reach me by any means. They are to follow the mentioned procedure which delays everything and makes any meeting impossible.

To go out of the U.N. building, everybody from Katanga must be accompanied by one officer of the U.N. security forces and one man of the Congo (Central Government) Security Police. Everybody is accompanied by two guards, even in stores, shops, everywhere they go.

Question. Do you consider yourself a captive of the United Nations?

Answer. It is more or less difficult to answer from where I am, but any move I make is watched by the United Nations, is controlled by the U.N. and must be approved by the U.N.

Question. Can you meet with your cabinet?

Answer. They live in the same apartment suite as myself so I can see them.

Question. Are you all, in other words, in custody of U.N. forces?

Answer. Yes, yes, definitely yes.

Question. Do you plan to try to go back to Elisabethville?

Answer. I am making the greatest kind of effort to try to reach an agreement with Mr. Adoula, but I think I'm losing a great deal of time in view of the delays and contrary steps, and today I have no meeting with him. But I will do my best to reach an agreement.

Question. Could you leave if you wanted to?

Answer. It's difficult to judge whether I could leave Léopoldville, not knowing what disposition has been made of that question by the Adoula government.

Question. You stated in a May press conference that you trust the United Nations. Have you changed your mind about the U.N.?

Answer. Without changing my opinions, today I have confidence in Mr. Gardiner, the man. About the U.N., it is difficult to have a favorable opinion, for in Elisabethville soldiers are entrenched around the city and a state of siege exists. So in those circumstances it is difficult to know what the U.N. is doing.

So many controls are imposed, so many exactions and conditions imposed by the U.N. over Katanga, that I cannot consider having a favorable opinion on the U.N. under the circumstances prevailing.

I asked Gardiner last week when the talks looked like they were going fine for the future if they couldn't ameliorate the situation in Elisabethville. For instance, while I was in Kitona talking for peace with Adoula, the U.N. was occupying more houses and more military camps and doing things they had no right to do, but I got nowhere with Gardiner.

Question. Have you lost control of Elisabethville?

Answer. In Elisabethville, the airport, which was completely free before the war, is now entirely occupied by about 6,000 soldiers of the United Nations. There are cannons and bazookas along the road to Elisabethville from the airport. I don't consider the city is free, and there are incidents every day on the part of the U.N. troops.

Question. Do you feel that a meeting on neutral territory would help possibly in getting agreement?

Answer. Yes, definitely, it would be much more favorable than holding a conference as we do now in Léopoldville. I want to tell you why. It is because here the state of mind and tension is such that they are not calling for conciliation. It would be much better to hold a meeting in another city.

Question. When do you expect to try to go back to Elisabethville?

Answer. I will try a last effort to find a solution. I want to go back as soon as I can if things are going well, but if badly there's no use to stay in Léopoldville further. But I will try once again.

Question. Do you think you will be hindered from returning to Katanga?

Answer. I feel there is a strong possibility there will be a third war in Katanga. So it's wise to talk. U Thant's words in New York about mercenaries are only a pretext—there is no longer such a question in Kantanga—just a preparation for another attack.

I wrote today to Gardiner that I am discussing under threats and pressure and not freely and my feeling is confirmed by U Thant's statements and Sture Linner's in Brussels that prove they are preparing opinion for further action in Katanga and that prove I'm under pressure.

Mr. Bruce. Thanks very much.

Translator. Mr. Struelens, to Mr. Tshombe, I want to check with you. In summary can we say that first you have no freedom of movement, and second, that you are under pressure or threat when you are negotiating?

Answer. Yes; that is correct.

Translator. Thank you very much, Mr. President.

## RUSSIA'S GEORGIANS HOOT BENNY GOODMAN'S SINGER

**Mr. BARRY.** Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. Derwinski] may extend his own remarks at this point in the Record.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

**Mr. DERWINSKI.** Mr. Speaker, I have repeatedly urged House support of the creation of a Special Committee on Captive Nations, called for in the resolution introduced by the gentleman from Pennsylvania [Mr. Flood]—H.R. 211. I have emphasized in urging the creation of this committee the nationalistic spirit which continues to manifest itself within the Soviet Union and its satellite nations. An especially dramatic manifestation of this nationalism appeared the other day in stories relating to the Benny Goodman concert tour in Russia, and I include as part of my remarks at this time a reprint from the Sunday Chicago Tribune, based on an AP report:

### Russia's Georgians Hoot Benny Goodman's Singer

Tiflis, Georgia, Soviet Union, June 9.—Hot-blooded Georgian nationals hooted and whistled in resentment tonight as Benny Goodman's songstress, Joya Sherrill, sang a song in Russian. She cut her tune short.

Miss Sherrill's rendition of "Katusha" was drowned by the clamor from the sellout crowd of 8,000.

The Georgians apparently disliked her singing in Russian in this southwest Soviet city.

#### IT FRIGHTENS HER

"I was frightened," Miss Sherill said afterward. "They must really hate the Russians." The band had expected the exuberant Georgians to whoop it up for the American jazz music.

The concert was given in the Sports Palace, a modernistic structure which was sharply criticized by Premier Khrushchev last year. He said the money might have been better spent on housing.

Approximately 200 police and soldiers were stationed inside and outside the hall.

Asked if she would sing the song again tomorrow night she replied:

"Oh, no. My purpose is to entertain. I don't want to rub them the wrong way. I am not pushing [promoting] Russian."

Miss Sherrill has learned to sing the song in somewhat scruffy but completely understandable Russian.

There has always been a certain amount of linguistic and political conflict between Georgians and Russians, but bandsmen and reporters with the party were astonished at the outburst. They questioned a number of Russians who said it reflected a dislike of her singing Russian in Georgia.

In Moscow and Sochi the song was a big hit and always got friendly applause.

Neither the members of the band nor sponsors of the concert here had expected the crowd of Georgians to hoot it down.

The audience quickly indicated their hooting was not directed at Miss Sherrill herself. The people roundly applauded her next two songs. After the demonstration she sang, "I'm Beginning To See the Light" and "You've Got Me in Between the Devil and the Deep Blue Sea."

Mr. Speaker, this effectively demonstrates the tremendous internal weakness within the Communist empire that an effective, imaginative foreign policy would expand. I again ask the Members of the House to join in urging the Rules Committee to grant immediate consideration to House Resolution 211.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Flood (at the request of Mr. Walter), until July 9, on account of illness.

Mr. Chamberlain (at the request of Mr. Halleck), for Thursday, June 14, 1962, an account of official business.

Mr. Dent (at the request of Mr. Albert), for an indefinite period, on account of continued illness.

Mr. Stubblefield (at the request of Mr. Burke of Kentucky), until June 21, 1962, on account of illness.

Mr. McIntire (at the request of Mr. Halleck), for June 14, 1962, on account of official business; member of Visitation Committee of the House to the Federal Maritime Academy at Kings Point, N.Y.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Staggers, for 5 minutes, today, and to revise and extend his remarks.

Mr. Giaimo (at the request of Mr. Alexander), for 30 minutes, today, and to revise and extend his remarks and to include extraneous matter.

Mr. Macdonald (at the request of Mr. Alexander), to address the House for 5 minutes, today, and to revise and extend his remarks and to include extraneous matter.

Mr. Halpern (at the request of Mr. Barry), for 15 minutes, on Thursday, June 14, 1962.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Pelly and to include tables during general debate today on H.R. 11990.

Mr. Curtis of Missouri to revise and extend his remarks made in Committee and to include extraneous matter.

Mrs. Church to include extraneous matter in her remarks on H.R. 11990.

Mr. Philbin in three instances.

Mr. Gathings.

(The following Members (at the request of Mr. Barry) and to include extraneous matter:)

Mr. Van Zandt.

Mr. Curtis of Missouri.

Mr. Mathias.

Mr. Widnall.

(The following Members (at the request of Mr. Alexander) and to include extraneous matter:)

Mr. Zelenko.

Mr. Celler.

Mr. Multer.

Mr. Thompson of New Jersey.

## ENROLLED BILL SIGNED

**Mr. BURLESON**, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 10502. An act for the relief of James B. Troup and Sylvia Mattiat.

## SENATE ENROLLED BILL SIGNED

The **SPEAKER** announced his signature to an enrolled bill of the Senate of the following title:

S. 2865. An act for the relief of Ferdinand A. Hermens.

## ADJOURNMENT

**Mr. ALEXANDER.** Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p.m.) the House adjourned until tomorrow, Thursday, June 14, 1962, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2179. A letter from the Under Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to amend section 12(10) of the Area Redevelopment Act (Public Law 87–27, 87th Cong., 1st sess., May 1, 1961)"; to the Committee on Banking and Currency.

2180. A letter from the Comptroller General of the United States, transmitting a report on the review of noncash grant-in-aid credits allowed for publicly owned parking facilities by the Housing and Home Finance Agency; to the Committee on Government Operations.

2181. A letter from the Secretary of the Army, transmitting a favorable report dated September 26, 1961, from the Acting Chief of Engineers, Department of the Army, on a modification of the Walter F. George Lock and Dam, Chattahoochee River, Ga. and Ala., authorized by the Fish and Wildlife Coordination Act approved August 12, 1958; to the Committee on Merchant Marine and Fisheries.

2182. A letter from the Secretary of Defense, transmitting the Annual Report of the American National Red Cross for the year ended June 30, 1961, pursuant to the act of July 17, 1953 (67 Stat. 173); to the Committee on Foreign Affairs.

2183. A letter from the Comptroller General of the United States, transmitting a report on the first phase of the review of stock funds and related consumer funds in the Department of Defense; to the Committee on Government Operations.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BUCKLEY: Committee on Public Works. Report on Highway Construction Practices in the State of New Mexico (Rept. No. 1819). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 3. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; with amendment (Rept. No. 1820). Referred to the House Calendar.

Mr. CELLER: Committee on the Judiciary. Senate Joint Resolution 29. Joint resolution proposing an amendment to the Constitution of the United States relating to the qualifications of electors; without amendment (Rept. No. 1821). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLANCY:

H.R. 12107. A bill to provide that a percentage of the net budget receipts of the United States (up to 10 percent thereof) shall be devoted exclusively to the retirement of the public debt; to the Committee on Government Operations.

By Mr. FOGARTY:

H.R. 12108. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. HALLECK:

H.R. 12109. A bill to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 12110. A bill to amend the Internal Revenue Code of 1954 to provide credit against income tax for an employer who employs older persons in his trade or business; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H.R. 12111. A bill to amend title 10, United States Code, to authorize the President to take possession and assume control of transportation systems in time of national emergency; to the Committee on Armed Services.

H.R. 12112. A bill to amend title 10, United States Code, to provide for the identification of a military airlift command as a specified command, to provide for its military mission, and to eliminate unnecessary duplication in airlift; to the Committee on Armed Services.

By Mr. ROSENTHAL:

H.R. 12113. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 12114. A bill to limit the purpose for which funds appropriated or otherwise made available to the Department of Health, Education, and Welfare may be used; to the Committee on Education and Labor.

By Mr. ZELENKO:

H.R. 12115. A bill to amend the Public Health Service Act so as to establish a program to assist in the construction of adequate sanitation facilities for migratory farm labor; to the Committee on Interstate and Foreign Commerce.

By Mr. BASS of New Hampshire:

H.R. 12116. A bill to amend chapter 35 of title 38, United States Code, to provide educational assistance to the children of veterans who are permanently disabled 50 percent or more in degree from service-connected disability incurred during wartime or induction period service; to the Committee on Veterans' Affairs.

By Mrs. KEE (by request):

H.R. 12117. A bill to amend section 632 of title 38, United States Code, to provide for an extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans; to the Committee on Veterans' Affairs.

By Mr. LINDSAY:

H.R. 12118. A bill to amend the act of January 30, 1913, to provide that the American Hospital of Paris shall have perpetual succession; to the Committee on the Judiciary.

By Mr. CLEM MILLER:

H.R. 12119. A bill to amend the act of December 22, 1944, relating to recreation at certain civil works projects of the Corps of Engineers; to the Committee on Public Works.

By Mr. NIX:

H.R. 12120. A bill to amend the act providing financial assistance for local educational agencies in areas affected by Federal activities in order to provide educational assistance under the provisions of such act to the District of Columbia and to make the change in the District of Columbia motor fuel tax law needed to insure that such assistance will be fully effective; to the Committee on Education and Labor.

By Mr. SPENCE:

H.R. 12121. A bill to amend the Small Business Act; to the Committee on Banking and Currency.

By Mr. HARRIS:

H.R. 12122. A bill to amend the Federal Aviation Act of 1958, with respect to the retirement of employees engaged in air traffic control work; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Maryland:

H.R. 12123. A bill to amend the Housing Act of 1949 to permit municipalities to receive credit as local grants-in-aid under the urban renewal program for certain additional improvements constructed prior to Federal authorization of the loan or grant contract involved; to the Committee on Banking and Currency.

By Mr. RYAN of New York:

H.R. 12124. A bill to amend section 2(2) of the National Labor Relations Act to provide that the definition of "employer" therein shall include certain corporations or associations operating a hospital; to the Committee on Education and Labor.

By Mr. PURCELL:

H.R. 12125. A bill to amend the Internal Revenue Code of 1954 to grant an additional income tax exemption to a taxpayer supporting a dependent or dependents who have intellectual limitations to the extent his ability to learn and to adapt to the demands of society is impaired; to the Committee on Ways and Means.

By Mr. SCHWENGEL:

H.R. 12126. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for certain amounts set aside by a taxpayer for the higher education of prospective college students in his family; to the Committee on Ways and Means.

By Mrs. MAY:

H.J. Res. 739. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood, and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. PELLY:

H.J. Res. 740. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood, and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.J. Res. 741. Joint resolution to end all foreign aid to Communist-dominated nations; to the Committee on Foreign Affairs.

By Mr. PASSMAN:

H.J. Res. 742. Joint resolution to end all foreign aid to Communist-dominated nations; to the Committee on Foreign Affairs.

By Mr. McSWEEN:

H.J. Res. 743. Joint resolution to end all foreign aid to Communist-dominated nations; to the Committee on Foreign Affairs.

By Mrs. BLITCH:

H.J. Res. 744. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed; to the Committee on Agriculture.

By Mr. CANNON:

H.J. Res. 745. Joint resolution making supplemental appropriations for the fiscal year 1962; to the Committee on Appropriations.

By Mr. WESTLAND:

H.J. Res. 746. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. POFF:

H. Res. 688. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H.R. 12127. A bill for the relief of the survivors of Justin E. Burton; to the Committee on the Judiciary.

By Mr. BALDWIN:

H.R. 12128. A bill for the relief of Paul Hunter; to the Committee on the Judiciary.

By Mr. CAHILL:

H.R. 12129. A bill for the relief of Anna Del Baglivo; to the Committee on the Judiciary.

By Mrs. KEE:

H.R. 12130. A bill for the relief of Mrs. Lydia Schmidt Thompson; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 12131. A bill for the relief of Mrs. Una Clarke; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 12132. A bill for the relief of Ping Bo Jeung; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## Results of Questionnaire Survey

EXTENSION OF REMARKS

OF

### HON. CHARLES McC. MATHIAS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. MATHIAS. Mr. Speaker, I would like to insert in the CONGRESSIONAL RECORD the results of a survey that I made in my congressional district on various legislative proposals.

After the 2d session of the 87th Congress convened I sought my constituents opinions on some of the important matters to come before the Congress. I anticipated a heavy response to this legislative questionnaire because it has been obvious to me that my constituents are aware of and vitally concerned with the Nation's problems. My confidence has been sustained. So many responded that only recently has it been possible to complete tabulations and to review their additional commentary.

To give some background information on the results below it should be pointed out that the questionnaire was sent to all the 13,500 persons whose addresses have been compiled on my mailing list in the past year. Additional questionnaires were distributed through the kind assistance of interested citizens and civic, social, and business groups. It is clear that this random distribution does not constitute a scientific opinion poll and the results cannot be interpreted as if it had been. I received returns in excess of the usual response and many gave me extensive additional comments which I read with care.

By asking for constituents' views, it was not my intention to shift the burden of the ultimate responsibility to make legislative decisions. They have demonstrated the value and hardihood of our representative form of government by positive participation, and you will want to examine the results as received. I have indicated the responses in percentages as follows:

[Percent]

| | Yes | No | No response |
|---|---|---|---|
| 1. Do you favor summit negotiations on the future of Berlin? | 47 | 43 | 10 |
| 2. Do you believe that foreign aid appropriations should be maintained at present levels? | 38 | 52 | 10 |
| 3. Do you support the President's request to purchase up to $100,000,000 of United Nations bonds? | 45 | 50 | 5 |
| 4. Do you favor a new reciprocal trade program that will allow the President to make across-the-board tariff cuts in a mutual exchange for tariff cuts abroad on American exports? | 63 | 30 | 7 |
| 5. Do you believe that economic cooperation with the European Common Market is necessary? | 78 | 13 | 9 |
| 6. Do you believe that the Peace Corps can be an effective instrument in executing U.S. foreign policy? | 50 | 43 | 7 |
| 7. Do you favor increased defense expenditures even if it means an unbalanced budget? | 47 | 44 | 9 |
| 8. Do you believe that domestic programs should be cut to compensate for increased defense spending if such economics are necessary to balance the budget? | 58 | 35 | 7 |
| 9. Do you favor resumption of atmospheric nuclear weapons testing? | 63 | 27 | 10 |
| 10. Do you favor a $400 to $500 million program of Federal incentive grants to the States to help schools and other nonprofit institutions build fallout shelters? | 22 | 72 | 6 |
| 11. Do you believe that Congress should establish a tax withholding system for dividend and interest income? | 38 | 56 | 6 |
| 12. (a) Do you think a program of tax credits to encourage expansion of industrial capacity would be effective? | 51 | 34 | 15 |
| 12. (b) Would you prefer liberalization of depreciation allowances to stimulate industrial expansion? | 61 | 25 | 14 |
| 13. Do you favor tax deductions to parents for college tuition costs? | 67 | 30 | 3 |
| 14. Do you favor a program of medical care benefits for social security beneficiaries to be financed by an increase in payroll tax? | 35 | 61 | 4 |
| 15. Do you favor medical care for the aged through increased participation by State governments using general Federal tax revenues? | 38 | 56 | 6 |
| 16. Do you favor Federal financial aid for elementary and secondary public school construction and teachers salaries? | 29 | 68 | 3 |
| 17. Do you favor Federal financial aid for elementary and secondary public school construction only? | 29 | 65 | 6 |
| 18. Do you favor Federal financial aid for private and parochial elementary and secondary school construction as well as for public schools? | 14 | 84 | 2 |
| 19. Do you support expanded loan and grant programs for college classroom construction and student scholarships? | 57 | 38 | 5 |
| 20. Do you believe peacetime veterans should be given G.I. educational and home loan benefits? | 33 | 62 | 5 |
| 21. Do you favor new civil rights legislation? | 35 | 53 | 12 |
| 22. Do you favor a program of higher price supports for surplus farm commodities with more stringent production controls on farmers? | 14 | 77 | 9 |
| 23. Do you support legislation to improve the economic opportunities and standard of living conditions of domestic migrant farmworkers? | 59 | 31 | 10 |
| 24. Do you support changes in legislation providing strike settlement machinery? | 58 | 26 | 16 |
| 25. Do you support the establishment of a cabinet-level Department of Urban Affairs? | 29 | 65 | 6 |
| 26. Do you support the establishment of a Federal Advisory Council in the Arts? | 27 | 63 | 10 |
| 27. Do you support establishment of a national park within the Chesapeake and Ohio Canal National Monument? | 66 | 25 | 9 |
| 28. Do you believe that there should be a review and adjustment of Federal employees salaries? | 62 | 22 | 16 |
| (a) In all grades? | 45 | 31 | 24 |
| (b) In professional categories only? | 31 | 35 | 34 |
| 29. Do you think that Federal employees should be permitted to engage in political activity? | 44 | 40 | 16 |
| (a) In municipal and county elections only? | 38 | 35 | 27 |
| (b) In all elections; local, State and National? | 34 | 45 | 21 |
| 30. Do you believe the Congress should expand Federal mass transportation assistance programs to help relieve urban and suburban traffic congestion? | 42 | 47 | 11 |

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## The Congressman and His Universe

EXTENSION OF REMARKS

OF

### HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. WIDNALL. Mr. Speaker, the Phi Beta Kappa Association in the District of Columbia will sponsor a Congressional Night dinner on Friday evening, June 29, at the Sixth Presbyterian Church, 16th and Kennedy Streets NW.

The gentleman from Indiana [Mr. BRADEMAS] will be the principal speaker. His subject will be, "The Congressman and His Universe."

All congressional members of Phi Beta Kappa—14 in the House and 12 in the other body—have been invited. Many members of the distinguished scholastic honor society are employed in congressional offices, and they, too, will be welcome.

Membership in the association is open to some 4,000 members of Phi Beta Kappa in the Metropolitan Washington area, who are listed on the roll at the society's national headquarters, located here at 1811 Q Street, NW.

As an alumnus of Brown University, I take pride in the leadership given to the District of Columbia association by a campus contemporary, Edward R. Place, Brown, 1924. He will conclude his fifth term as president on Congressional Night. He has served two terms as president of the Brown University Club of Washington and before that two terms as president of the Boston Brown Club.

He is known to many Members of the Congress interested in the Great Lakes and St. Lawrence Seaway for his services as Information Chief of the St. Lawrence Seaway Development Corp., 1955–60. He is presently employed on the information staff of the National Coal Policy Association, Inc.

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## The Baltic Peoples and Their Fate in 1940

EXTENSION OF REMARKS

OF

### HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. MULTER. Mr. Speaker, the peoples of the three Baltic countries—Estonians, Latvians, and Lithuanians—had their ups and downs in the course of their long and turbulent history, but they enjoyed their happiest years during their independence subsequent to World

War I, and unfortunately the saddest period in their national history began soon after the outbreak of the Second World War.

After suffering under foreign rule, and particularly under the autocratic regime of Russian czars, the brave and gallant peoples of these three Baltic countries regained their national independence at the end of the First World War, set up their own democratic governments, diligently rebuilt their war-ravaged countries, and were leading a relatively prosperous and contented life. Latvians, Estonians, and Lithuanians felt that in freedom and independence they had attained their national goals, and their task was to maintain and safeguard these goals. With the aid and encouragement of their friends abroad, and under the guidance of their patriotic and wise leaders, the peoples of these three countries succeeded in doing this; they managed to maintain their independent status until late 1939. Then with the deterioration of the international situation, and with the loss of the backing of their friends in the West, they found themselves in danger of losing their freedom. Unfortunately, their worst apprehensions proved correct.

Early in 1940 Stalin's ruthless regime imposed upon them totalitarian communism and then annexed these countries to the Soviet Union. At the same time Stalin's henchmen caused the arrest of several hundred thousand Baltic nationals and these were exiled to distant parts of Asiatic Russia. This inhumane mass deportation, was carried out in mid-1940 with abominable and indescribable misery. People were uprooted from their homes and in freight cars shipped off to perpetual exile.

All this was done 22 years ago, and today the anniversary of that event is being observed in due solemnity. On this occasion we pay tribute to the memory of those who suffered and died in exile, and pray for the freedom of those who still endure hardships in Soviet prison camps.

## Ultramodern Fitchburg Paper Co.

EXTENSION OF REMARKS

OF

### HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. PHILBIN. Mr. Speaker, under unanimous consent to revise and extend my remarks in the RECORD, I include therein a speech which I recently made at the dedication of the beautiful, ultramodern, office building of the Fitchburg Paper Co., Fitchburg, Mass., a great industrial company, sparked and directed by a truly incredible figure in the business world, the great Mr. George Rodney Wallace, Jr., and his very capable son, Mr. George R. Wallace III.

The dedicatory exercises were arranged with great care and conducted with great dignity and impressiveness. The office building is truly ultramodern and probably more than 50 years ahead of its time and has a heliport located on its roof.

The speech follows:

REMARKS IN PART OF CONGRESSMAN PHILIP J. PHILBIN, FITCHBURG PAPER CO. DEDICATION, MAY 20, 1962

Reverend fathers, Mayor Bourque, distinguished guests, and friends, it is indeed a great pleasure and a very happy privilege for me to join you today in this historic and meaningful dedication of this beautiful modern administrative center facility of the Fitchburg Paper Co. It is a very happy circumstance that this occasion should be graced by so many distinguished guests, by such a representative attendance of faithful employees and the general public.

Situated in a superb setting in the beautiful and typically American community of Fitchburg, this new facility exemplifies the very latest and best of its kind that modern business and construction and science can produce. Down to the very last detail, down to its heliport, its equipment and its furnishings, and everything about it, the way it is planned, the way it is constructed, the way it is set up and arranged, represents innovations that please the eye and sometimes stagger the imagination. No wonder Al Toner, Swede Nelson, and Abbott Smith, who represents the first customer, and the rest of us, are aghast.

I doubt that there is anything quite of its kind in the country, or in the world for that matter, that so completely fulfills the word "modern," and so truly portrays the high advancement and progress of the times in which we live. As I look out upon our surroundings today, I feel we should refer to it as ultramodern, because that is what it is in all its ramifications. It is an enduring tribute to those who planned and built it, a great credit to all.

Now, as we all know, there are abundant reasons for the format of the structure and its contents that we see before us. The Fitchburg Paper Co. has had a long, illustrious history of success and forward motion. It has never stood still, it has always moved forward.

Conceived and started in a previous generation by rugged imaginative forbears of its present talented managers and leaders, in every period of its long history this business, this great and useful industry, which is such a valuable part in the life of this community and of the great economic strength of our Nation has been guided along sound progressive lines.

It has successfully met every challenge however great; it has steadily grown in size and importance; it has constructively geared itself to the dictates of change and progress.

Under the dynamic leadership of our beloved, distinguished friend, George R. Wallace, Jr., and his able and resourceful son, George R. Wallace 3d, this company now boasts over 750 skilled and devoted employees, 5 mills in Fitchburg, a wonderful, modern, new plant in Westminster, a subsidiary in Cleveland and is expected soon to launch another large subsidiary plant overseas.

The gifted leadership of George Wallace, which is so well known to all of us, has been a cogent and predominating influence in the affairs of the company.

A great, impressive captain of industry and free enterprise in the best sense of the word, possessed of boundless energy, fertile imagination, farsighted judgment, endowed with the drive, courage and capacity to achieve his goals, George Wallace has demonstrated the type of enlightened industrial and financial leadership that we like to believe is best in our great country and our beloved commonwealth.

To be sure, George Wallace has been the guiding genius of this business. But his interests, concerns and untiring efforts are very broad in scope and have by no means been confined to his business alone. He has unselfishly and generously given of himself, his great abilities and his worldly goods to innumerable good causes of charity, philanthropy and community welfare, and he has done these things with modesty, humility and that casual disclaimer of noble effort that is his custom.

George Wallace has made many friends and he has many admirers. To know him well is to love and esteem him as a man of nobility of purpose and lofty patriotism unflinchingly dedicated to high goals.

He has been widely recognized for his contributions in the many fields of American life in which he has labored. A striking, magnetic personality, a natural-born leader, and a versatile, gifted, fabulous figure in the affairs of our time, George Wallace is honored for the high quality of his Americanism, the unlimited scope of his horizons, the charity and kindness of his heart, the generosity of his impulse, his agile, resourceful mind, and the warmth and spirit of his intense loyalty and devotion to his family and friends, his company, his fellow workers, his city, and his country. I am sure that his fine son, who has already proved his worth and his leadership will follow the lofty example and inspiration of his distinguished father.

I take special pleasure and pride today in congratulating my dear friends, George Wallace, his most gracious, lovely and understanding wife, Alice, and his outstanding son, young George, already a proven leader with a great future ahead, his charming helpmate, Connie, and all the Wallace family, upon this happy occasion.

I also congratulate the many loyal, faithful, highly qualified employees of this fine company and their families, the great city of Fitchburg, the beautiful town of Westminster, and express the hope that this stirring, focal point of modern, American industrial achievement, many years ahead of its time, built here by the brilliant, dynamic, lovable George Wallace, under his guidance, and under the guidance of his able, devoted son, will endure, grow and prosper throughout the years to come, to bring greater strength, prosperity and happiness to this community, our people and our country and to stand as a monument to our peerless free enterprise system.

The dark clouds of the Communist conspiracy hover over many lands, bringing deep concern for their security and liberty. Our own Armed Forces are in foreign nations stemming the tides of Communist aggression. In many other ways, we are moving to stem these tides which threaten the free world.

But Americans will not falter, will not despair. The Soviet well knows that we will fight for security, liberty, and peace. They well know our power, our great strength, military, economic, and spiritual, our firm purpose to defend ourselves and our way of life, our love of humanity, our desire to build a peaceful world.

In such a crisis as confronts us, indeed at any time, it is satisfying and reassuring to note that in our great country we have strong, brilliantly conducted business institutions of the kind we hail today, and great leaders, at every level and in every field, like George Wallace, though not quite like him, and his able associates and workers, imbued with faith in our incomparable business system unalterably committed to the principles and ideals of our great free Nation, working always to strengthen and fortify our national capacity to move ahead, intent upon preserving the precious heritage of freedom which is ours. God willing, we will triumph in these tasks and prevail in the right for the cause of liberty.

It is now my distinct honor to present to my valued friend, George Wallace, a beautiful American flag that has been flown on state occasions over the Capitol of the United States. With all my heart, I sincerely hope and pray that it may fly over this busy place for years and years to come, symbolizing the patriotic sentiments that will be felt and expressed here, inspiring all who serve our great country.

Thank you very much.

## Presentation of Lt. Col. Frank Angelo of Jonesboro, Ark., Before the Hébert Subcommittee, House Committee on Armed Services

EXTENSION OF REMARKS

OF

### HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. GATHINGS. Mr. Speaker, the superb presentation before the Hébert subcommittee of Lt. Col. Frank M. Angelo of Jonesboro, Ark., won the wholehearted plaudits of the members of that group. On talking with some of them subsequently, they emphasized that the plea made by the Jonesboro businessman and the Adjutant General of Arkansas, Brig. Gen. Sherman T. Clinger, was factual, zealously presented, and convincing. The argument made by him being that a strong National Guard and Reserve force are essential in these troubled times of uncertainty; that the 58,000 proposed reduction in the National Guard should be rescinded, maintaining strength of the guard on the basis of the present 400,000 men. Colonel Angelo concluded his statement by quoting from an editorial written by the editor of the Jonesboro Evening Sun. It opposed reduction of the strength of the National Guard and Reserve units in a most plausible and effective manner. I quote from a portion of the editorial:

> Has the Department of the Army forgotten that the Japanese would have stormed right onto our Northwest shores had not the men of the 206th Coast Artillery shut the door in their faces at Dutch Harbor in the Unalaska chain in 1942? The Japs took Kiska and Attu and were ready to roll right down the chain to our west coast. But when they attacked Dutch Harbor, they were met by a hail of fire so great they never tried again, and within a year they had been chased completely out of the islands.
>
> The 206th wasn't a Regular Army unit, it was a National Guard outfit from Arkansas. Jonesboro will never forget, because about 150 of those men were Jonesboro residents. Some of the veterans of the 206th are still a part of the National Guard unit here, lending of their experience to younger men who may be called upon at any time for a similar defense. (The members of the 206th Coast Artillery, comanded by then Col. Elgin G. Robertson, now brigadier general, of Marianna, were all from eastern Arkansas.)

It is difficult to understand the reasoning behind the proposed cutback in the strength of the National Guard and Reserve Force at this most critical time. Recently, when the Defense Department appropriation bill was before the House it was passed with an overall increase in funds amounting to $1,344,535,000. It was and is recognized that our defense posture should not only be maintained, but should be expanded. Whenever the emergency arises these forces are available for any crises that may exist within the boundary of a State. In addition to their readiness to meet any demand of the military, they are also available for the needs of local and State civil defense. There may be ample opportunities to save money in connection with Federal Government expenditures, but it should not be done at the expense of the National Guard or Reserves.

It is hoped that the strong appeal of Colonel Angelo to an understanding and sympathetic subcommittee, that has done yeoman service over the years in opposition to unwarranted reductions in essential defense forces, will be instrumental in maintaining the guard and Reserve at present levels.

## The Climate for Business Progress

EXTENSION OF REMARKS

OF

### HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. CURTIS of Missouri. Mr. Speaker, last weekend, the very able gentleman from Maryland [Mr. MATHIAS] spoke before the conference of the District of Columbia Bankers Association at Hot Springs, Va. The gentleman has earned the respect of his colleagues on both sides of the aisle in his work as a freshman and I believe his address, commenting on the governmental climate which must be created to encourage progress in the private enterprise sector of our society, is well worth the attention of the Congress and the people of this country.

The speech follows:

SPEECH OF CONGRESSMAN CHARLES McC. MATHIAS, JR., OF MARYLAND, BEFORE THE DISTRICT OF COLUMBIA BANKERS ASSOCIATION, HOT SPRINGS, VA., JUNE 9, 1962

My thanks to the District of Columbia Bankers Association are not confined to appreciation for the invitation to appear before you this morning and your willingness to listen to my views on the current relationship between the worlds of finance and government. I only wish that it had been possible to spend more time here with you in more personal, individual discussions of some of the questions that concern us all so vitally. But in addition, I am grateful to you for returning me to an atmosphere of business which I left 2 years ago to run for Congress. Although I have been an attorney for a national bank for several years, the president and the board of directors could tell you that this is the closest approach I have been able to make to bank business since the 87th Congress convened in January 1961.

As members of the District of Columbia Bankers Association, individually and collectively, you have an opportunity, in the critical months and years ahead, to make significant contributions toward solution of the myriad of problems which plague our economy. If we were to choose one word to characterize the state of our economy today it would probably be "uncertainty."

The extent of that uncertainty is reflected in the stock market. To carry uncertainty one step further, even bankers may be uncertain as to what the market's fluctuations portend. I'll admit some uncertainty on my part. In typical fashion, however, the New Frontier is not the least in doubt. To be kind to the New Frontier one must concede they are not always right. To be critical of the New Frontier one must admit they are sometimes wrong. To belong to the New Frontier one must be never in doubt. The advantage of this view is that it leads one to believe, or at least to declare, that the plunging stock market is merely responding to the news that inflation is dead.

At best, in a free enterprise system, there will be lack of agreement over goals and the degree of progress being made toward them. But seldom has there been a greater degree of uncertainty over the state of our economy, as well as over where we have been and where we are going. There are sufficient, if not good reasons for this.

The uncertainties are reflected in the nine principal economic indicators for April. While not bearish, neither are they particularly bullish. We may well ask why. It could be that the economy is suffering from too many injections. It is possible, meaning that I am sometimes, but not in this case, in doubt, that the administration's periodic injections of uncertainties into the economy have induced uncertainty.

Do the economic indicators signal the approach of a cyclical peak? Although it is true that industrial production, personal income, and retail sales hit record highs in April, the 3 months decline in the value of manufacturers' new orders for durable goods injects a definite note of uncertainty as to the strength and direction of the business trend.

It is absurd to pretend that the precipitous drop in the stock market from its high in December has no connection with the short and long term uncertainties which have been introduced into our economy. The ill-advised remarks and mobilizations of the President with respect to steel prices acted only as a trigger to a previously loaded gun.

An analysis of the present state of the economy should first consider whether there has been in fact a failure in the sphere of executive action. Amid all the signs of energy evidenced in Washington these days it becomes difficult to separate proof from positive. Certainly there is no lack of posture. We can point to examples of forceful action that have bordered on the dramatic. There is no doubt that there is vitality in the White House. We must not be deceived, however, by appearances. The studied pose, the ringing phrase, the accusing finger. This is exhibition, not execution. As a Nation we do not gain, we lose, when a President substitutes wrath for reason.

There has been a plethora of talk about moving ahead but there has been little, if any, moving. It is time to ask why. It is time for the administration and its economic advisers to produce instead of pose. It is time for the Congress to bring order out of chaos in economic policy. Up to the present, the Congress has been attempting to fit together the pieces of puzzle which make up what may be termed the President's domestic program. Unfortunately it is becoming all too clear that the various pieces belong to different puzzles. The banker, the businessman, the farmer, the laboring man, and certainly the legislator, will find no consistency in the legislative proposals of this administration. There were ample reasons for uncertainty before the precipitate action of the President against the steel companies. The President's remarks merely confirmed the fear of many businessmen that there was little hope for improvement in the unsatisfactory trend of corporate earnings.

In that area of economic policy in which the administration has expressed the greatest concern—foreign trade—the President is pushing proposals which are diametrically opposed. The so-called Trade Expansion Act of 1962 (H.R. 9900) proposes to expand free trade and supposedly improve our balance of payments. The tax bill proposes to reduce American investment abroad and supposedly improve our balance of payments. With respect to economic foreign policy the two proposals are poles apart.

The Secretary of Commerce, testifying as the administration's leading witness for the Trade Expansion Act, admitted to the House Ways and Means Committee that he had not seen the tax bill. This was an admission at the highest levels in government that the impact from restriction and even liquidation of U.S. investment abroad had not even been considered by the Department of Commerce. It defies understanding.

The administration maintains that both the trade bill and the tax bill will improve our balance of payments. First of all, let there be no question over my position. We must expand foreign trade on the basis of the free trade principle. At the present time our exports total but 4 percent of our gross national product. Our imports total but 3 percent of our gross national product. Without looking behind these figures it would certainly appear that there is reason to expect that these percentages could be increased. But let us not delude ourselves as the administration appears to be deluding itself. The administration appears to put great faith in the Trade Expansion Act as a cure-all for our balance-of-payments problem.

It does not appear reasonable to expect that an increase in the total amount of trade necessarily will improve our balance of payments. It is more likely that increased and freer trade will tend to reduce the favorable balance as between exports and imports of goods. It is axiomatic that as we move toward freer trade we also move toward a leveling process in the balance of payments between nations. It is an economic fact that our foreign trade credits are made up of the deficits of other nations. We must encourage free trade and we must participate in it. It will stimulate the exchange of goods and the growth of our economy, provided we are able to compete. But we must not delude ourselves into believing that expanded trade will bring a magic influx of gold and a magical solution of our balance-of-payments problem.

The reduction of tariff barriers and the expected subsequent expansion of trade could in fact reduce our present favorable balance of trade and ultimately result in a trade deficit unless we put our house in order and prepare to compete in the free markets of the world. This is the crux of the trade problem. It is the problem that the administration has not faced up to. We will have a balance-of-payments problem and an outflow of gold so long as we have an administration policy of artificially low interest rates which, in effect, finances our deficit. We live in an international monetary world, and as long as the faucet is left on in the United States, water will run out to seek its level on an international scale. Abundant cash in the United States and better opportunities for investment abroad will inevitably cause dollars to travel. The Secretary of State and the Secretary of Defense speak urgently in terms of international communities and global military systems but we have established financial policies in an atmosphere of economic isolationism.

The administration is operating in a financial Disneyland. It claims to want to solve the balance-of-payments problem, and let us remind ourselves that the balance of payments is principally a measuring device. The administration's approach to the balance-of-payments problems is not unlike the happy inventor who plans to use a thermometer to control the weather. The balance-of-payments problem can be expected to respond, at least in terms of stabilization of gold reserves, provided the administration restores reason and consistency to national economic policy and provides a basis for confidence and a foundation for economic growth. Mr. Kennedy has been talking about moving ahead for 2 years now, the last 18 months of which he has been President. During the last year the only thing that has grown has been uncertainty.

Let us consider another financial measure which the administration expects will make the balance of payments go in the right direction. The administration tax bill sets out directly to reduce U.S. business investment abroad. I would go further and say that it seeks to reduce U.S. businesslike investment abroad. In principle, the policy of the tax bill is diametrically opposed to the policy of the trade bill. The net effect of the tax bill will be to reduce and limit U.S. business participation in the development of foreign markets abroad. The tax bill cannot be justified on the basis that it will contribute to a favorable balance of payments because the opposite is true. U.S. business investment abroad is a positive factor contributing to a favorable balance of payments. If the administration wishes to excuse the tax bill on the basis of closing tax havens abroad, I say they are using a cannon to kill a mouse. They are making trouble for the business community and in turn making trouble for themselves.

Should the tax bill be enacted as it was passed by the House, how long will it be before foreign countries currently taxing U.S. subsidiaries at rates less than 52 percent will raise taxes on U.S. firms, eliminating tax revenues as far as the United States is concerned and imposing an unequal burden on U.S. companies attempting to compete against foreign firms. Secretary Dillon argues the principle of equality of taxation. Does the administration tax bill provide equality of taxation? First of all the bill is so drafted that I defy anyone to state its overall purpose or effect. Let one thing be clear, however. There should be equality of taxation with respect to U.S. subsidiaries operating abroad. But let us also understand that the principle of equality must apply to the competitive situation abroad. Frankly, I am amazed that this administration, supposedly dedicated to U.S. participation in the international community, can seriously continue to offer proposals which are intended to restrict and in fact, reduce the free choice of the individual and the businessman to become and to remain a part of the international scene.

While the administration proceeds to restrict U.S. business investment abroad—and I call it businesslike investment because it is contractual in nature and will produce a direct economic return in the form of income and capital growth from ownership abroad—the administration has not attempted to come to grips with the debilitating effects of Government-administered participation in the international community, the foreign aid program.

Here is a program that is sound in concept but faulty in execution. It is doubtful that the United States can long continue to maintain convertibility while sustaining large grants of aid abroad. We must continue foreign aid but in every instance where it is possible to do so we must put American aid in the form of businesslike contractual agreements. Until this is done we cannot expect that our European allies will participate in aid programs to the extent we would wish.

At a time when we seek to expand foreign markets and extend free trade with both the developed and underdeveloped nations it makes no sense to restrict American business participation in foreign capital investments and virtually force liquidation of current investments abroad.

It is true that the tax bill provides tax investment credit for the purported purpose of encouraging plant rehabilitation and expansion. Unfortunately it has all the earmarks of a bone tossed into the business kennel in an effort to make the tax bill more palatable to the canines. Business expands when facilities are operating close to capacity, and when there is confidence in the health of the markets served and in the strength of the economy in general, not merely because money is cheap or a 7-percent tax credit is dangled before it.

You are all too familiar with that section of the tax bill which will have the greatest impact upon you as administrators, the withholding proposal. Once again, as in the case of elimination of tax havens the administration rolls out its cannons to kill the mice. By all means let us go after those who owe and do not pay, but why make those pay who do not owe? In the simplest of terms the administration proposes to change the order of things. And you, of course, will be the middlemen. In fact to use a term recently credited to an English banker, you will be "victims of first resort."

I think the phrase is apt, not only with respect to witholding but also in the sense in which it was used. The banking community is the focal point of economic forces. None know better, that the soundness of our money and the stability of our international monetary position is the sum of our economic policies. We must restore reason and consistency to our economic policies.

I don't believe we can look for reason and consistency in economic policy at this period unless we look to the Congress. Perhaps in Congress it will not be possible to take politics out of policy. In Congress, certainly, it will be possible to place a reasonable limitation on the granting of "carte blanche" power to the Executive.

I have attempted to show the contradictions in the economic policies of this administration. Their policy declarations and legislative requests consistently seek additional control mechanisms to be placed in the hands of the Executive. There is concern over this extension of the power of the Executive and the concern is well founded. Let us not forget that recent actions of the President respecting steel cannot be characterized as persuasive, either as to intent or effect. The mobilization of Government forces by the administration has had a stultifying effect. There is every evidence that they won the battle which is to lose, for them, the war.

The confidence of a community in its government is a marketable commodity. Confidence in the present administration has been seriously if not irreparably damaged. No amount of "jaw-jaw" is going to make the administration's present policies palatable. I had started to use the word goals rather than policies. But frankly, and unfortunately, I don't know what their goals are. I don't believe they know where they are going. I don't believe they know where they are. I don't believe they know where they have been.

Bankers and Congressmen alike may well have been interested in seeing Washington play host last week to the first international jazz festival. Perhaps many of you saw it begin with an impromptu parade by the Eureka Jazz Band of New Orleans. The Eureka Jazz Band of New Orleans makes music. They make music by improvising. As they jazz it up it is difficult to say where they are or where they have been with respect to any piece. Certainly I defy anyone, listening or watching, to say where they are going, either physically or musically. This ability to improvise makes the Eureka Jazz

Band great. It made for fine music outside the White House.

Meanwhile, on the same day, and on every day, inside the White House was another dedicated band. And what was this dedicated band doing? It was improvising also. The President was "taking" the first amendment. We now have the dictum that freedom of the press will be at the pleasure of the President. We may well see the time when newspapers acceptable to the White House may carry under their masthead the words "By Appointment to the President." I expect that had it been possible the President would have called the New York Stock Exchange recently and requested it to cancel all White House subscriptions to market reports.

Meanwhile, as the band played on, Mr. Dillon was describing the economy as moving forward and stating that the administration was still expecting a balanced budget for 1963. These words have the familiar ring of a vessel's bandmaster who is steadfastly prepared to go down with his ship. And so the administration goes tooting along on its treadmill blissfully unaware of the effect of their contradictory policies on the prime movers of the economy.

The natural question at this point is what can be done to cure or improve our economic ills. Certainly it must be obvious to you that I believe the major cause of these economic ills can be found in the political sphere. Erratic and inadequate leadership has bred uncertainty which, if continued, will lead to chaos.

We speak in this country of the balance of powers which is a very real and a very substantial factor lending stability and I may say continuity to our institutions and our relationships. But let us not forget that at any point in time or circumstances there exists in truth an imbalance of forces or on occasion a hiatus, a period between imbalances. We are very near a hiatus at this time. We have passed through a period when a new President has run through the gamut of easy, singleminded, self-serving solutions. There is more to the Presidency than winning it. Even at times when there has been a father image in the White House, America never listened to the siren song of power. There has never been and I trust there never will be a willingness to freely delegate the powers of our representative form of government to the White House. Congress remains the bulwark of representative government. It is important to remember this as we pass through the coming period of hiatus which must be followed in the next session of Congress by a balance in favor of the Congress. The whip hand in the White House, operating upon a Congress in which the President's party enjoys a two-thirds majority in both Houses, has failed because the President has attempted physical rather than moral leadership.

A little over 2 weeks ago the President undertook to begin the campaign of 1962. The sum of his remarks to two Democratic groups was that his majorities are not large enough. What he means is that the majority in Congress are not knuckling under. I have my own views as to the makeup of the next Congress and the political persuasion that is to be preferred. If the results in November are to my liking we will have an 88th Congress capable of setting a sound, consistent course in the field of economic affairs.

The next Congress must undertake a program of sound tax reform. The need for a reduction in taxes is evident. But it must be a comprehensive, equitable program designed to meet the needs of the economy. Electioneering or stopgap tax cut measures will make no contribution to the Nation.

The next Congress must undertake to insure the adoption of liberalized depreciation allowances for American industry. These are especially important if American industry is to be prepared to meet foreign competition in domestic and foreign markets. I have long advocated that the responsibility for establishing meaningful rules in this vital area belongs to the Congress. It cannot be left to the whims of executive edict.

Tax reform and liberalized depreciation allowances will truly stimulate the economy and keep it on a sound footing. These measures will permit U.S. industry to grow at home and compete abroad. This will be the responsibility of the next Congress of the United States. The measure of its success will be the extent to which all segments of our Nation may share and share equally in a dynamic economy that will combine growth and stability.

The types of Congress I am thinking about is a Congress that will have no fear in passing constructive legislation that will sustain and envigor the free enterprise system. The election of such a Congress will be only a first step but it will be a beginning. It must, and will, provide a climate in which assurance will replace uncertainty, purpose will replace expedience, and consistency will replace improvisation.

The goal we must seek for America is assurance. Americans have never asked more. Our system requires it. In the years immediately ahead, it is the Congress that will have to restore it.

## In Opposition to Quality Stabilization Bill, House Joint Resoluton 636

EXTENSION OF REMARKS

OF

### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my statement before the Commerce and Finance Subcommittee of the House Committee on Interstate and Foreign Commerce on the quality stabilization bill, House Joint Resolution 636, Monday, June 11, 1962.

The statement follows:

House Joint Resolution 636 and companion bills are the latest version of that hardy perennial, a national fair trade bill which has come before the Congress repeatedly. Concealed as usual behind a fog of euphemisms, this old wolf is presented to you this session dressed up in the seductive sheep's clothing of a "quality stabilization" resolution. The hard-to-hide wolf's tail this time carries the label "price stabilization." Tug the tail, however, and a telltale price-fixing howl is emitted. Once again, fair trade antics must rely upon semantics.

It is as plain as a pikestaff that this is a resale price maintenance bill. There's an old Turkish adage, "When a cat would eat her kittens she calls them mice." Call this bill what you may, it is still a resale price maintenance bill.

This bill is one of the most drastic fair trade price-fixing bills that has ever been presented to Congress. Before pointing out the particular features of this resolution which are the bases of my assertion, I propose to deal with the main thrust of the resolution, namely, resale price fixing. This is a bill for bigger and better markups for the retailer—a hoax against the consumer.

I have long been an opponent of the system of price fixing that is permitted by the so-called fair trade laws. Such price fixing flies in the face of our antitrust laws and the free competitive system which the antitrust laws are designed to protect.

Fair trade was spawned by wholesale and retail merchant associations, primarily the National Association of Retail Druggists, in the depression days. A powerful lobby was able to pressure 45 States into accepting the NARD's draft of a fair trade bill. Although manufacturers were comparatively inactive in this effort, the rallying slogan then as now was "protection of the manufacturers' trade name or trademark." Somehow all trade names and trademarks were elevated to Cadillac significance, subject to being sullied by association with anything but an artificially high price.

In 1937, however, the NARD lobby contended to Congress that the States had carefully considered the issues and had adopted fair trade to promote the public welfare. Congress nonetheless refused to exempt fair trade practices from the antitrust laws in a separate bill. The NARD was only able to secure enactment of the Miller-Tydings amendment to the Sherman Act through the device of attaching it as a rider to the appropriations bill for the District of Columbia. That act gave State-blessed fair trade contracts partial immunity from the Federal antitrust laws.

After World War II the proponents of resale price maintenance received one setback after another. In 1951, the U.S. Supreme Court in the Schwegmann case ruled that Congress in the Miller-Tydings amendment had exempted only those price-fixing arrangements which had been agreed upon by the parties. The coercive nonsigner clause was no longer available to enforce widespread price fixing.

By the McGuire Act Congress in 1952 granted an express exemption for the nonsigner clause from the antitrust laws.

The history of the last two decades has demonstrated that fair trade laws work to the detriment of both the consumer and the businessmen purportedly protected by them. Most impartial commentators have condemned them. In 21 States the courts have invalidated fair trade acts, or at least their nonsigner provisions. In an appendix to this statement I have attached excerpts from the opinions of a number of such courts. Some of the sponsors of these quality stabilization resolutions, I note, come from States where fair trade laws have been invalidated in whole or in part. These bills would impose a Federal fair trade law even on those States where fair trade has been rejected.

The principal evil that results from fair trade—the maintenance of artificially high consumer prices—has been exposed in State after State. After the Supreme Court of Ohio ruled the nonsigner clause unconstitutional, for example, prices on automatic coffeemakers quickly dropped from the $39.95 fair trade price to a $29.97 competitive price. Electric frying pans, which had a list price of $19.95 were reduced to $13.87. After an initial flurry of reduced price sales, in Ohio as in the case of other States that outlawed fair trade, the market soon became stable. The dire consequences that had been predicted by the fair traders—widespread business failures, increased concentration, and predatory excesses by monopolists—did not occur. The only result was that the consuming public received the benefit of having prices settle in the competitive market at about 20 percent lower than the former fair trade prices.

The Department of Justice in the past has presented to Congress several surveys which have demonstrated how much more the consumer must pay in fair trade States than in non-fair-trade States.

In 1952, when the McGuire Act was being considered, I conducted a survey and brought into the House of Representatives three baskets. I had purchased 11 identical articles in three different Peoples Drug Stores. I purchased one basket of them in the District of Columbia, where there was no fair trade. I purchased the same articles in Bethesda, Md., where there was fair trade. I purchased another basketful in Arlington, Va., where there was fair trade, and compared the prices that I paid for these identical articles. My statement to the House of Representatives appears in the CONGRESSIONAL RECORD, volume 98, part 4, page 4909, as follows:

"I purchased 10 cubic centimeters of u.40 protamine zinc Lilly insulin, used by diabetics. The price in the District of Columbia was 98 cents. The price in Maryland was $1.29. The Maryland price was 32 percent above the District price. In Virginia—in Richmond, for example—the same article, Lilly's insulin, was sold at $1.48. If you can tell me that the public is protected by fair trade, I would like to know why those differences in prices.

"I purchased a BD Yale 26-gage 1-inch hypo needle, used to inject insulin into a sick person's body. In the District of Columbia the price was 15 cents. In Virginia the price was 20 cents—33 percent higher in Virginia. In Maryland the price was 23 cents—53 percent more in Maryland.

"I purchased 100 Bayer aspirin tablets in Virginia, Maryland, and the District of Columbia. In the District of Columbia the price is 46 cents. What was the price in Virginia? The price was 59 cents. I paid 28 percent more for the same article in Virginia. What was the price in Maryland? Fifty-nine cents. Again I paid 28 percent more for the same article in Maryland.

"I purchased some 12-ounce bottles of Phillips milk of magnesia. Here are the bottles. In the District of Columbia the price was 34 cents. In Virginia it was 14 percent higher, or 39 cents. Similarly, in Maryland it was 14 percent higher, or 39 cents.

"I purchased some large tubes of Ipana toothpaste. See the difference in these purchases. I paid 27 percent more for the Ipana toothpaste in Virginia than I did in the District of Columbia. In the District of Columbia the price was 37 cents. In Virginia the price was 47 cents; and, likewise, in Maryland, it was 47 cents.

"I purchased packages of 20 Gillette blue blades. In the District of Columbia the price was 87 cents, whereas in Virginia I paid 11 percent more, or 98 cents, and also 11 percent more in Maryland, namely, 98 cents."

I could go on and recite the other articles that I purchased and for which under fair trade I had to pay 20, 25, and 30 percent more for the identical articles. With the chairman's permission, however, I will submit an extract of the debate in the House of Representatives on May 7, 1952, for the record.

I am told, moreover, that in 1960 there were striking differences between fair trade and non-fair-trade prices as follows:

In Columbia, S.C., a sick person could buy Achromycin V capeules and Declomycin for $7.20 instead of $7.65; Serpasil for $6.50 instead of $7.50; Orinase for $6.25 instead of $6.75; Coricidin for 75 cents instead of $1.08, and Neo-Synephrine for 65 cents instead of 90 cents.

In Houston, Tex., a sick person could obtain Achromycin V capsules for $6.96 instead of $7.65; and similarly as to Declomycin. Premarin could be bought for $6.73 instead of $8.25; Orinase for $5.25 instead of $6.75; Unicaps for $2.69 instead of $3.11; Theragran for $8.19 instead of $9.45. Incidentally, at the hearings on H.R. 6245 before my subcommittee Senator KEFAUVER gave some very interesting testimony as to the spread between the price charged the druggist and the price paid by the consumer on drugs such as Serpasil.

In an appendix to this statement I have listed similar examples in other cities and States, including Miami, Fla.; Indianapolis, Ind.; Louisville, Ky.; St. Louis, Mo.; Seattle, Wash.; Spokane, Wash.; Huntington, W. Va.; Minneapolis, Minn.; and Cleveland, Ohio. Congressman DINGELL, in his minority report on a similar bill in 1959, adduced many more instances of lower prices where fair trade did not prevail. Recently, at hearings on H.R. 6245 before my subcommittee, there was a great deal of testimony of the adverse effect on ill and elderly persons of the high price of drugs. I think each of us in Congress should hesitate to add to the burdens of these people by enacting legislation which must have the necessary effect of increasing the price of drugs they buy. How can you justify this legislation to them, if it is passed?

This bill will increase prices to the consumer. In all probability it will destroy the competitive bidding system under which most Government purchases are made. This will increase the cost of our defense operations and of our other Government operations. Federal, State, and local governments will be thus adversely affected.

And what did these fair trade laws do for the small businessman? They promoted the use by big retailers of their own private brand goods which could be sold for less than the smaller retailers' trade name goods, purchased from the manufacturers. They favored the inefficient retailer over the efficient retailer. They facilitated the rise of the discount house. They deprived the retailer who wanted to use price as a means to compete with larger competitors of the right to do so. They made less service and less price an infraction of the law and insured that less service would not be accompanied by less price. They took away any incentive for retailers to urge manufacturers to lower high prices. And now the proponents of these bills, in the name of free enterprise, would impose upon businessmen and the public socialism in the form of federally supported price fixing.

Since references are often made to discount houses at these hearings, a few words on that subject are warranted.

As Mr. Bicks, former head of the Antitrust Division, explained to this committee in 1959, "initially, fair trade gave discounters an unimpeachable nationally advertised price to cut. The buyer could clearly see the savings involved. Beyond that and more important, by attempting to stifle price competition, the fair trade laws created an economic vacuum into which the discount houses rushed." Business writers have also pointed out that: "Through the fair trade laws * * * and other devices, our legislators and courts have sought, in effect, to bottle up price competition, especially at the retail level. The discount house may be viewed as a manifestation of the explosive pressures which are likely to be generated as a result of an attempt to eliminate price competition in a competitive economy."[1]

While I hold no brief for discount houses as such, they have been a means of curbing inflationary prices and affording the forgotten man, the consumer, the opportunity of purchasing his needs at lower prices. They have also helped relieve manufacturers of surplus stocks. To those who look askance at discount houses as price cutters, I would call attention to the fact that most new types of retailing, including the department store, the mail order firm, and the supermarket, have started as a price cutter.

I notice that the National Appliance & Radio-TV Dealers' Association is on record as favoring this bill. It is interesting to observe, therefore, a statement made by the president of that association in 1956: "The discount house * * * came into being as a counterbalance to distorted retail margins. These margins weren't distorted until we came into volume retailing. The discount house was a natural development, and when you hear a dealer talking about his rights he's on his way because he hasn't any rights."

And how did the small businessman accept this fair trade bonanza? Well, many fought it and are continuing to fight it. Thus Mead Johnson & Co., in a 3-month period in 1961, brought over 100 fair trade suits. These small businessmen wanted, presumably they still want, to sell at a price which leaves them with a profit and also leaves the consumer with more money to make additional purchases. Out of this natural desire to compete has spouted a veritable torrent of litigation. One has to go back to prohibition days for a comparable number of lawsuits brought to enforce legislation so justly unpopular. To greatly augmented legal staffs of the large manufacturers engaged in policing their resale prices, there have been added commercial spies euphemistically called professional shoppers. And the cost of all this is borne, as always, by the consumer. Thus, in 1955, one company is reported to have announced it would spend $750,000 to enforce fair trade in just one of its departments. Sunbeam is reputed to have spent $1 million a year for such purpose.

And who have been the primary instigators of fair trade lawsuits? They have been drug manufacturers recently shown by the Senate Antitrust and Monopoly Subcommittee to have garnered unconscionable profits. Thus, in 1958, Mead Johnson & Co., made a net profit (after taxes) of 11.3 percent on drug sales. So, also, we find Parke, Davis & Co. suing a drugstore in New York City because a professional shopper purchased Myadec vitamin capsules for $5.75 whereas the fair trade price was $9.67, and Abdec vitamin preparation drops for $2.65 whereas the fair trade price was $3.51. Parke, Davis & Co. in 1958 had a 16-percent net profit on drug sales.[2] This case illustrates what the consumer loses by fair trade, the harassment of small business under fair trade, and the unreasonably high profits fair trade protects.

The fair trade cases in which an opinion is published are collated in the annual volumes of the Trade Cases series of the Commerce Clearing House. I had my staff review the fair trade cases in the last bound volume of that series, which covered 1960. In over 90 percent of such cases the fair trade violator, by any test, would be considered a small businessman. To mention some of them:

California: John F. Walker, a liquor dealer.

Illinois: Topps of Niles Inc.; Darby Sales Co.

Minnesota: Playtime Sporting Goods, Inc.

New Hampshire: Max Dichter Co., Inc., operating a retail store in Manchester, N.H., Man-Bur Sales Inc., operating the hardware department in the store.

Louisiana: Robinson Wholesale Co., a partnership composed of Robinson, his wife, and brother-in-law. Among those alleged to have sold Bulova watches at less than fair trade prices were Daniels Jewelry Store, Davidsons Furniture Store, and Zales Jewelry Store.

Ohio: Norwood Vitamin & Cosmetic Distributors, Inc.

New York: Janel Sales Corp.; Berner's Pharmacy Corp.; Mr. Less; Mr. Falleta; the Courtesy Drug Store in Hicksville, N.Y.

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[1] Alexander and Hill, "What To Do About Discount Houses," Harvard Business Review, 1955.

[2] Very recently this company announced it was no longer going to limit its sales to those observing its suggested prices. The president of Parke, Davis & Co. stated that the company's products would be placed on sale where people were buying them.

Pennsylvania: Wright Motor Sales Co., a gasoline dealer; Mr. Kostak, another gasoline dealer.

Proponents of this kind of legislation shift from arguing that it is necessary to protect the brand name of the manufacturer to urging that it is necessary to keep the retailer in business. The short answer to the first claim is that many brand names continue to be held in high repute despite the absence of any attempt to use resale price maintenance for such purpose. The shorter answer to the second is that the retailer in fair trade States has not been shown to have fared any better than the retailer in the non-fair-trade State.

There has been a great deal of loose talk about how the loss of fair trade protection would cause the failure of countless businessmen.

Let us examine the failure rate per 10,000 concerns in States without fair trade acts:

| | Failures [1] | | | Bankruptcies, 1961 [2] |
|---|---|---|---|---|
| | 1957 | 1958 | 1959 | |
| Missouri | 18.6 | 26.9 | 23.6 | 87 |
| Texas | 32.2 | 29.8 | 28.5 | 119 |
| Vermont | 19.0 | 23.0 | 20.1 | 11 |
| District of Columbia | 41.8 | 32.6 | 30.2 | 13 |

[1] Source: Final report of House Select Committee on Small Business, 86th Cong., 2d sess., p. 17.

[2] Source: Administrative Office of the U.S. Courts, "Tables of Bankruptcy Statistics," June 30, 1961, table F-3.

Now, let us take some comparable fair trade States:

| | Failures [1] | | | Bankruptcies, 1961 [2] |
|---|---|---|---|---|
| | 1957 | 1958 | 1959 | |
| Illinois | 37.3 | 42.6 | 45.6 | 120 |
| Maryland | 44.6 | 56.7 | 41.0 | 18 |
| New Jersey | 59.9 | 81.9 | 67.5 | 179 |
| New Hampshire | 27.6 | 27.2 | 23.6 | 12 |
| Wisconsin | 37.3 | 55.0 | 51.9 | 139 |
| California | 123.9 | 118.9 | 112.5 | 286 |
| Massachusetts | 34.9 | 42.9 | 41.5 | 57 |
| New York | 111.4 | 129.3 | 127.8 | 424 |
| Pennsylvania | 43.5 | 48.1 | 43.4 | 307 |

[1] Source: Final report of House Select Committee on Small Business, 86th Cong., 2d sess., p. 17.

[2] Source: Administrative Office of the U.S. Courts, "Tables of Bankruptcy Statistics," June 30, 1961, table F-3.

Now let us see the situation in some of the States which had the whole, or the nonsigner provision, of their fair trade law invalidated, 1956–58:

| | | | | |
|---|---|---|---|---|
| Colorado (1956) | 45.6 | 20.7 | 32.8 | 142 |
| Indiana (1957) | 20.0 | 27.0 | 22.6 | 42 |
| Kansas (1958) | 28.2 | 26.8 | 20.6 | 39 |
| Kentucky (1958) | 13.4 | 19.9 | 14.8 | 54 |
| New Mexico (1957) | 14.6 | 8.4 | 5.1 | 15 |
| Oregon (1956) | 198.0 | 201.5 | 175.3 | 51 |
| South Carolina (1957) | 40.0 | 44.3 | 47.4 | 14 |
| West Virginia (1958) | 26.5 | 26.3 | 35.7 | 20 |

Source:

Final report of House Select Committee on Small Business, 86th Cong., 2d sess., p. 17.

Administrative Office of the U.S. Courts, "Tables of Bankruptcy Statistics," June 30, 1961, table F-3.

Rejected by the courts of many States, forsworn by many a manufacturer, turned down by the legislatures of at least five States, bereft of economic rationale, unfair, fair trade is sought through House Joint Resolution 636 to be imposed, nationwide, on unwilling as well as on willing States. A basic national policy of free price competition is to be subverted into a policy of price fixing. The antitrust laws are to be gutted throughout. Missouri, Texas, Vermont, District of Columbia, which have rejected fair trade laws, will now have them rammed down their throats.

This legislation is a poorly disguised effort to camouflage a nationwide Federal price-fixing law beneath pious, but ill-defined, platitudes deploring unethical trade practices. Thus House Joint Resolution 636 refers to "store-traffic baiting" and "bait merchandising practices." I suppose that to a fair trade price fixer, the sale of goods at a reasonable price might be "store-traffic baiting," but the vagueness of these undefined phrases might include any unusual advertising device.

The first whereas clause in the resolution proclaims a desire to attack deceptive practices. But the Federal Trade Commission has been attacking just such deceptive merchandising practices, with ever-increasing vigor. Furthermore, there can be few States indeed which do not have their own laws dealing with deceptive practices.

In short, House Joint Resolution 636 would utterly confuse adequate, existing Federal and State laws dealing with unfair trade practices by superimposing upon them a loosely worded, probably preemptive Federal law.

The first whereas clause on page 2 of the resolution asserts that the manufacturer's incentive would be reduced "to maintain and increase, with relation to price, the value of such goods." It will indeed be a sad day when Congress passes a bill to encourage manufacturers to increase prices rather than to lower them. This is not my understanding of the policy of this administration. I doubt that it is an acknowledged policy of the opposition party. The same whereas implies that higher prices make for greater volume. I think that there would be few to buy this concept. The statement is pure malarky.

The second whereas clause on page 2 states: "Whereas substitutions of inferior labor and materials forced by the downward spiral of unrestrained predatory pricing on popular identified products, in the fields of foods, drugs, and beverages, endanger public health, and in other fields, endangers public safety * * *."

This is an old bromide indeed. There are laws, both Federal and State, to prevent unrestrained predatory price cutting. There is no proof that a price below a fair trade price has endangered public health and public safety. Such fearsome hobgoblins do not appear to have taken possession of such rock-ribbed nonfair traders as the District of Columbia, Missouri, Texas, and Vermont, nor of the States in which fair trade laws have been invalidated.

Such statements are as useless as trying to make hair grow on my bald head.

This bill assumes that high quality is the handmaiden of high price. On this assumption, low prices are the opium of the people. Under this theory, when the price of gasoline goes down the quality of gasoline goes down and our cars rebel; when the price of gasoline goes up the quality of gasoline goes up and our cars rejoice.

In the dream world of fair trade many such a canard passes for reality. To expose this canard—that the highest in price is the best in quality—I have had my staff spot check Consumers Reports, the publication of Consumers Union, a nationally known testing organization. The results stated in appendix C are taken from some 10 issues in 1961 and 1962. In brief, the highest priced product was not the highest in quality in one striking instance after another. Testifying recently before my subcommittee on H.R. 6245, Dr. Martin Cherkasky, director of Montefiore Hospital in New York City, stated: "A series of tests recently conducted by Drug and Therapeutic Information of New York and published in their Medical Letter confirms the unfortunate fact that price and quality often are in no way related." There is no necessary correlation between quality and price. It might be noted that according to a recent issue of Business Week appliance makers are going all out in guaranteeing quality of products. This, of course, is an industry which has had price cutting.

As the Supreme Court of Oregon has noted: "In substance, what is the real purpose of the Fair Trade Act? Regardless of how its true nature may be camouflaged by high sounding terms such as 'free and open competition,' 'unfair competition,' 'protection of good will,' etc., it is a matter of common knowledge that it is a price-fixing statute designed principally to destroy competition at the retail level. Protection of the good will of the trademark owner is simply an excuse and not a reason for the law."

If high quality and high prices were synonymous the magicians of Madison Avenue would be out of work. It has been said: "In the light of the function of advertising as a creator of value increments of enchantment, it is not surprising to discover, as we have in the consumer testing field, that there is slight if any correlation between the price and quality of many of the branded goods now offered on the market." [3]

House Joint Resolution 636 would give the owner of a distinguishing brand or mark a property right therein as well as in the public good will associated therewith. This property right would be protected even after the transfer of the goods to which the brand relates. Those who have purchased the goods for resale under the manufacturer's brand or name, if there are "goods usable for the same general purpose" from other sources may have that right revoked: (a) For employing the goods in furtherance of bait merchandising practices; (b) for advertising, offering for sale, or selling such goods at prices other than such currently established resale prices; (c) publishing misrepresentation concerning such goods.

The first and third practices thus listed are already unlawful under the Federal Trade Commission Act where interstate commerce is involved, and under many State laws. This leaves the telltale price-fixing provision forbidding resale "at prices other than such currently established resale prices."

I must take sharp issue, therefore, with the assertion in the statement filed with the Senate committee in connection with Senate Joint Resolution 159 by my colleague, Mr. MADDEN, that "This bill is not fair trade legislation and is not a price-fixing measure." I ask how could a price-fixing bill be more clearly expressed. To quote Mr. MADDEN: "The manufacturer who does elect to use the quality stabilization law will publish a specific retail price at which his trademarked product must be sold." Suppose a manufacturer of a branded product sells it to X, a distributor, who in turn sells it to Y, a wholesaler, who in turn sells it to Z, a retailer, who finally sells it to the consumer, will the manufacturer dictate the distributor's, the wholesaler's, the retailer's price all the way down the line? Hundreds of manufacturers, because of this inherent difficulty, have discarded the concept of fair trade; the laws under which they were authorized could not successfully be enforced. The manufacturers were sorely put to it by the essential multitude of cases brought. Will this substitute for fair trade be any less difficult or burdensome?

It has been contended by some of the supporters of this bill that it would not really restrict the retailer because he is free to take off the trademark and sell the unmarked goods at such price as he pleases. This is a fallacious argument. What does the retailer have left when he tears off the covering on a tin can? If the trade name is imbedded in metal or glass is he supposed to use a blow torch? If the price he pays includes the good will of a trade name, must he throw away that value?

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[3] Warne, "Advertising and Consumer Behavior," 10 Cartel 82, 85 (July 1960).

As to the right to return of goods by a nonconformer, as provided in this bill, the manufacturer may well find himself astride a Trojan horse, since he can never be sure that he has made a final sale. It is said that in 1954 the Sheaffer Co. spent $400,000 in buying back stocks of its own pens from price-cutting retailers.

Proponents of the bill assert that the retailer who wants to set his own prices is free to do so by turning to the products of a nonpricefixer. But the very purpose of this bill is to promote price fixing on the part of national advertisers, and the realities of business practice make it impossible for a retailer to shift readily from a nationally advertised fair trade product to a nonnationally advertised nonfair trade product. Moreover, this bill will prevent price competition by grocers, hardware store owners or druggists who must, as a practical matter, carry a wide selection of similar goods of different manufacture.

Under this bill manufacturers will be encouraged to cross-license each other on price-fixed terms and thus establish a nationwide large-scale network of fixed prices, since the bill provides a broad immunity from the antitrust laws with respect to resale price fixing at any level of business activities.

This bill would promote the very types of horizontal and vertical price fixing 70 years of antitrust legislation by Congress was designed to prevent. The businessmen who could not agree to fix prices or agree to have one of them fix prices for all of them, may do so under this bill simply by procuring someone to send them a convenient price-fixing notice.

It is no coincidence, I believe, that some of the most ardent supporters of these resolutions have been involved in price-fixing violations under the antitrust laws. I might add that in a number of antitrust cases, the courts have found that fair trade has been used as a means for carrying on a price-fixing conspiracy.

In many of our basic industries administered pricing and price leadership have largely eliminated price competition. This legislation bids fair to abolish price competition altogether by authorizing, indeed encouraging, horizontal and vertical price fixing. Even in those areas where price competition still persists, this bill would countenance its abolishment. What lipservice then could the proponents of this bill pay at their annual conventions about our vaunted free enterprise system which has served this great Republic so well since its foundation? I would suggest that the proponents of this bill should practice what they so piously preach. Let them compete in a free market rather than to destroy it.

If the Congress is now to abolish price competition by Federal fiat, let it at least be candid about it, without resorting to hypocritical phrases about quality stabilization.

The sure losers in any such precipitate flight from free enterprise will be the consumers, the sick, the poor who cannot afford the extortionate prices which fair trade fosters. The workingman, too, will be hard hit, but he at least may enjoy a measure of protection because so many collective bargaining agreements today are geared to the cost of living. Yet, this in turn, would beget new dangers to the public interest. The creeping inflation which successive administrations, both Republican and Democratic, have been trying to rein in since World War II, would break into a gallop if these pernicious bills should become law.

The enforcement provisions of this bill also gives me great concern as chairman of the Committee on the Judiciary. The violator is subject to a suit for damages and injunctive relief. The suit may be brought in any U.S. district court in the district in which the defendant resides or is found or has an agent. And the person who sells an item for 50 cents less than its fair trade price is subjected not only to the ordinary costs of the proceeding but to the cost of the plaintiff's attorney's fees.

The proposed statute would be applicable to "all acts and transactions in or affecting commerce which Congress may lawfully regulate, and to all acts and transactions in any territory of the United States or in the District of Columbia." The rights given under the bill are also available to owners of a brand name, or trademark, competing at any level of distribution, with the reseller.

The bill expressly provides that it does not modify or repeal the Miller-Tydings Act, the McGuire Fair Trade Act, or State fair trade laws.

This proposed law, aside from the fault of its basic premise that from price fixing all blessings flow, creates a Mycenaean maze for businessmen, lawyers, and the judges.

Thus while creating a compulsory national fair trade law, it also seeks to preserve State fair trade laws. The merchant who sells below the price fixed by the manufacturer may find himself sued in a Federal court on one ground and in a State court on another ground. The courts may be widely separated, even in different States. What may be legal under State law may be illegal under this proposed law.

This bill proposes to override the decisions of the courts which have held that the price fixer may not avail himself of State fair trade laws if he competes on the same level of distribution as the retailer against whom he brings suit. This proposed law would flood our already overburdened Federal courts with countless "pipsqueak" fair trade cases. It would turn our Federal courts into small claims courts at a time when Congress has raised the jurisdictional amount in civil cases to $10,000 to avoid engulfing the Federal courts in a sea of litigation. This bill would take away from the States a right they have enjoyed these many years; namely, to adopt or reject fair trade laws. It would impose upon many States a Federal policy contrary to State policy. It would represent a nadir of States rights.

Legal rulings, moreover, have not been the primary causes that have led to the abandonment of fair trade in many areas. Consumer resistance to high prices, warehouses stocked with unsold merchandise and the relentless pressure of substitute merchandise from competitive distribution channels were equally as important. Fair trade simply doesn't work. The enormous costs involved in comparison shopping, legal fees, and policing fair trade enforcement, alone, have been major causes for its abandonment by the manufacturers.

If, as this bill proposes, nonobedience to a fair trade price is an unfair, deceptive practice, the Federal Trade Commission would be asked to turn away from its weighty duties, indeed to reverse its own policy, and to engage its attorneys, economists, inspectors and members in pursuit of those guilty only of selling to the public at reasonable prices.

Small wonder this bill is disapproved by the Department of Justice, the Federal Trade Commission, and the Department of Commerce. The American Bar Association has strongly disapproved bills of this type. The Attorney General's National Committee To Study the Antitrust Laws was opposed to fair trade legislation. Recently, I received a letter from the American Farm Bureau Federation commenting upon H.R. 6245, a bill before my subcommittee. Pertinent to this hearing are the following passages from that letter:

"Since 1947–49 wholesale prices of drugs and pharmaceuticals, as reported by the Bureau of Labor Statistics, have declined 8 percent. This has occurred during a period in which most wholesale prices increased and in which wages in manufacturing industries increased 80 percent. On the other hand, the retail price of prescriptions and drugs, as reported by the Bureau of Labor Statistics, increased 21.5 percent during this same period.

* * * * *

"The divergence of these price trends strongly suggests that primary attention should be directed to the margins between wholesale and retail prices.

"The drug industry has been the major proponent of retail price fixing under the authority of so-called fair trade laws, and the major employer of fair trade pricing programs. We believe that retail price fixing by manufacturers should be regarded as a harmful restraint of trade, contrary to the public interest.

"We recommend that Federal laws designed to protect State fair trade laws from antitrust attack be repealed."

This bill's reservation of property rights, even after a resale, would replace modern principles of law by the precepts of the Middle Ages. No principle and policy of the common law has been more widely and uniformly accepted and approved by courts and legislatures, by commentators and by the people than the rule against restraints on the alienation of property. This is true of goods as well as of real estate. More than 50 years ago the Supreme Court in the celebrated Dr. Miles case held that the seller of a tradename product could not fix its resale price. The product in question, I might note, was a drug product. Concern for the trader and for the consumer, under our competitive free enterprise system, has denied any such reserved right to the patent and copyright holder. Is a tradename to be deemed of such greater significance as to override this traditional concern, or is the next step to propose price-fixing powers for patentees and copyrightees? Mr. Lowell Mason, a former member of the Federal Trade Commission, testifying in support of a companion resolution pending in the Senate, made the frank admission that the aim is to reverse a number of Supreme Court decisions and restore the old Colgate case doctrine in all its vigor, namely, to deprive the retailer of the right to use his own judgment in determining the price to sell to the consumer. To me it is quite strange to find Mr. Mason, on the one hand, supporting these bills in the name of private property rights, and on the other hand, arguing that a person who has paid for an article should have something much less than private property rights.

Mr. Mason speaks of the right to meet a competitor's lower price as the Magna Carta of the free enterprise system, but he would deny the businessman the right to fix the prices of the articles which he sells, or to set a price enabling him to meet a competitor's lower price on the latter's own branded article.

I would point out to retailers subjected to the propaganda barrage of the proponents of these bills that if legislation of this sort is enacted, they will have given to the manufacturer the right to fix their profit margins, and the greater the demand for a fair trade product, the more likely that the margin will be narrow. To quote from the testimony of a representative of the National Oil Jobbers Council, in reply to a question by Chairman MONRONEY of the Special Subcommittee on Quality Stabilization of the Senate Committee on Commerce: "Do you know what happened to us in Pennsylvania when they tried fair trading up there? They cut the jobber's margin, gross margin, in a normal market, one-half cent per gallon. One-half cent doesn't sound much to you gentlemen, but one-half cent a gallon is the difference between a profit and going out of business. That is a specific instance."

Unlike the State fair trade laws, under this proposed law, a single undersell subjects the offender to being denied the right thereafter to sell such goods even at fair trade prices.

As my colleague, Mr. MADDEN, has noted concerning this bill, "There is no provision for contracts; as the bill is wholly predicated on the owner's property rights in his good name there is no dependence on a nonsigner clause as is the case with fair trade." Mr. MADDEN is both right and wrong. Under this bill all the price fixer has to do is attach a price to tradename goods and the reseller is bound. Or, if the price fixer prefers, he can announce a price and if the reseller knows of it, he is bound. On the other hand, in a fair trade State, a single contract would suffice to bring into effect the nonsigner clause to fix yet another straitjacket for the reseller.

There is no definition of "bait merchandising practices." The bill does not say whether knowledge of the required selling price has to be actual or may be constructive. It permits those holding a monopolistic position to price-fix resale items, since unlike prior fair trade acts it protects the price fixer "if there are goods usable for the same general purpose." What that phrase means is anyone's guess but it would seem to be broader than goods of the same general class—the language generally used in State fair trade laws.

Many retail associations, I am sure, will register in support of these resolutions. In almost every instance, I believe, they will have been subjected to a one-sided argument in favor of such bills. I think it highly significant, therefore, that a recent poll by the National Federation of Independent Business, in which arguments both pro and con were summarized, showed a majority, slight as it was, was opposed to these bills.

I am encouraged to note, moreover, that not only have consumer organizations opposed the counterpart of this resolution at hearings before the Senate Commerce Committee, but also retailers, retail associations, and wholesale associations.

To the sponsors of this bill I commend the cogent words of Montaigne: "Men are most apt to believe what they least understand."

There can be no greater erosion of States rights than this bill; there can be no more all-enveloping attempt to sanction nationwide price fixing; there could hardly be a more vaguely worded or more unnecessary bill. If you want to have Federal price control vote for this bill. I earnestly urge that it be rejected.

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### APPENDIX A

### STATEMENTS FROM SEVERAL STATE COURT OPINIONS DECLARING STATE RESALE MAINTENANCE LAWS UNCONSTITUTIONAL

(1) The Supreme Court of Florida declared: "As we have stated before, the real effect of the nonsigner clause is anticompetitive price fixing; not the protecting of the goodwill of trademarked products as other courts have held. Goodwill, it has been said, should be determined by the price which the goods can command in a competitive market, and not by the ability of the manufacturer to sell at a pegged retail price which he himself selects. Corey, 'Fair Trade Pricing: A Reappraisal,' 30 Harvard Business Review 47, 60. Except in times of economic emergency such inflexible price arrangements which the act sanctions are not in line with our traditional concepts of free competition, which have traditionally been the yardstick for protection of the consuming public. The real vice of the nonsigner clause is the absence of that standard, and the decisions of this court stated herein so hold" *Miles Laboratories Inc.* v. *Eckard,* 73 So. 2d 680, 682 (Florida Supreme Court, 1954).

(2) The Supreme Court of Colorado: "The general assembly may validate resale price maintenance contracts between contracting parties within constitutional limits but when the effect of the act * * * is to make such price schedule binding upon noncontracting parties, the act is nothing more or less than price fixing by legislative mandate. An unwilling citizen cannot be thus bound.

"Any act of the general assembly which arbitrarily destroys or impairs the right of the individual to the free use and enjoyment of his property, lawfully acquired, and permits the fixing of prices for the benefit of a special group, is opposed to the constitutional concept of a free people and should not be allowed to stand. Legislation of this kind evidences the ability of organized minorities to induce legislation for their special benefit at the expense of the unorganized purchasing masses * * *. We have not yet arrived at the place in America where the many must yield to the few, so that the latter may make ever-increasing profits at the expense of those who still believe in the principle of free and competitive trade and commerce, untrammeled by legislative fiats," *Olin Mathieson Chemical Corp.* v. *Francis,* 134 Colorado 160, 186, 301 pages, 2d 139, 152 (Colorado Supreme Court, 1956).

(3) The Court of Appeals in Kentucky (highest State court) held: "This statute, we think, is a legislative invasion of the broad constitutional liberty of the people to acquire and protect their property and engage in free trade.

* * * * *

"What is wrong with a man selling his own property for what he pleases? We think the statute is the antithesis of fair trade. It forces price fixing.

* * * * *

"On balance, the overwhelming public interest and welfare is the right of free people to engage freely in competitive trade in commodities that may not be injurious to the general safety and welfare, such as are within special regulation under a proper exercise of the police power. We agree * * * that the overriding purpose of that statute is to sanction price fixing and that the protection of a brand name or symbol of the producer seems to have been incidental * * *." *General Electric Co.* v. *American Buyers Cooperative* (Kentucky Court of Appeals 1958), 316 SW., 2d 354, 361.

(4) The Supreme Court in Minnesota: "The Unfair Practices Act (sec. 325.04), is designed to protect the public from predatory or below cost trade practices. On the other hand, under the apparent purpose of protecting the goodwill of the manufacturer of the brand commodity, the nonsigner provision (sec. 325.12), in reality, eliminates competition in price honestly based on differences in selling costs as between merchants whose costs of business may differ as a result of normal and natural competitive practices.

* * * * *

"In examining the grant of authority to the trademark owner it must be conceded that he is given the privilege to place the law in effect and to amend or alter it at his will. He may do this without regard to the interest or welfare of nonsigners or the consumer who represents the public. The law does not provide for any standard or condition as to the necessity for the act. It gives to the trademark owner carte blanche authority to make that determination alone. He is not required to consult with anyone. There is no one to review his act.

"In considering the justification for reposing this authority in the trademark owner, the real character and purpose of the Fair Trade Act should be examined. Its ostensible justification is to compel adherence to fixed prices so as to protect against debasement the goodwill or trade-name commodities. Although this property right may be constitutionally protected, as witness the Old Dearborn decision, an examination of the great number of authorities and the vast literature by way of reviews and reports dealing with the subject compels the conclusion that the real impact of the law is in the area of price fixing. The protection of the property right in trademarks and good will attendant to them is of interest to a limited number of persons and constitutes legislation for their exclusive benefit.

* * * * *

"The record in this case contains the testimony of a respected economist to the effect that resale price maintenance under the so-called Fair Trade Act is detrimental both to the consumer and to the economy. He was of the view that the producer of the commodity who invokes the act is usually a member of a monopoly or oligopoly, because if there were numerous producers of a competing commodity few would abide by the pricing practices of one or two. His opinion that the policy of the act makes possible a price monopoly inimical to the public welfare is clearly borne out by the record. There is in force a fair trade contract in respect to Remington shells produced by plaintiff. The major competing shells are manufactured by Olin Mathieson Chemical Corp. under the name of 'Winchester.' Olin Mathieson's shells are also fair traded. These two manufacturers control 87 to 90 percent of the production of shells in the United States. It appears from the record that for almost all types of shells produced by each of these manufacturers, in fact for every type which is common to the production of both of them, the price is identical to the penny. This is significant considering that the elaborate pricelists of both manufacturers were printed and published 3 days apart. It is apparent the record here establishes that the act, rather than regulating and controlling monopoly power, creates a climate where monopolies may flourish. These views are in accord with the thought of authorities who have written and reported on the subject of retail price maintenance in the past few years." *Remington Arms Company, Inc.* v. *G.E.M. of St. Louis, Inc.* (Minnesota Supreme Court 1960) Trade Cases 69,673.

(5) The Supreme Court of Arkansas stated: "It is a generalization, but not an overstatement, to say that the effort to 'fix prices' is made by groups who desire to sell something for more than the sponsoring group believes that the purchasing public would pay for that 'something' without an enforced fixed price. It would seem apparent that the principal objective of minimum price maintenance is the protection of profit margins for retailers and distributors unable or unwilling to meet the pressure of competition." Quoted with approval in *Remington Arms Co., Inc.* v. *Skaggs* (Washington Supreme Court 1959) Trade Cases 69,520.

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### APPENDIX B

### COMPARISON OF FAIR TRADE AND NON-FAIR TRADE PRICES

In Miami, Fla., a sick person could buy Achromycin V capsules for $6.40 instead of $7.65; Orinase for $5.25 instead of $6.75; Declomycin for $6.40 instead of $7.65; Unicaps for $1.79 instead of $3.11; Coricidin for 97 cents instead of $1.08; J. & J. baby powder for 54 cents instead of 59 cents; J. & J. cotton for 33 cents instead of 39 cents.

In Indianapolis, Ind., the sick could buy Orinase for $6.25 instead of $6.75; Serpasil for $6.50 instead of $7.50; Diuril for $7.65 instead of $9; Unicaps for $2.83 instead of $3.11; Ben-Gay for 79 cents instead of 89 cents; Anacin for 99 cents instead of $1.19.

The parent could also obtain J. & J. baby oil for 89 cents instead of 98 cents.

In Louisville, Ky., a person could buy Unicaps for $2.39 instead of $3.11, and One-a-Day Multiple for $2.36 instead of $2.94; Coricidin for 79 cents instead of $1.08; Dristan for 63 instead of 98 cents; and Orinase for $6.25 instead of $6.75. Colgate dental cream could be obtained for 53 instead of 69 cents, and J. & J. baby powder for 47 instead of 59 cents.

Additional examples are found in St. Louis, Mo., where one could buy Serpasil for $6.50 instead of a fair trade price of $7.50; Orinase for $6.50 instead of $6.75; Madribon for $4.35 instead of $4.90; Unicaps for $2.19 instead of $3.11; Poly-vi-sol for $2.49 instead of $3.59; Similac for 89 cents instead of 99 cents; Bayer aspirin for 49 cents instead of 69 cents; Colgate dental cream for 55 cents instead of 69 cents.

In Seattle, Wash., a sick person could buy Declomycin for $7.20 instead of $7.65; Ilosone for $10.60 instead of $11.43; Madribon for $4.79 instead of $4.90; Bufferin for 99 cents rather than $1.23. He could also buy Colgate dental cream for 49 cents instead of 69 cents.

In Spokane, Wash., he could buy Unicaps for $2.63 instead of $3.11 and Theragran for $7.99 instead of $9.45.

In Huntington, W. Va., the hard-hit diabetic miner could buy Orinase for $6.25 instead of $6.75. A sick person could buy Serpasil for $6.75 instead of $7.50; Madribon for $4.50 instead of $4.90.

In Minneapolis, Minn., a sick person could buy Achromycin V capsules and Declomycin for $7.20 instead of $7.65; Orinase for $6.25 instead of $6.75; Chlor-Trimeton Maleate for $4.50 instead of $5.58; Coricidin for 76 cents instead of $1.08 and Absorbine, Jr., for $1.25 instead of $1.45. He could also pay 54 cents for Colgate's dental cream instead of 69 cents.

In Cleveland, Ohio, the sick could have the benefit of a price of $5.88 for both Achromycin V capsules and Declomycin instead of a $7.65 price. He could purchase Orinase for $4.99 instead of $6.75; Gantrisin for $3.97 instead of $4.90; Kynex for $2.70 instead of $3.55; Unicaps for $2.51 instead of $3.11; Dristan for 72 cents instead of 98 cents and Ben-Gay for 70 cents instead of 89 cents.

### APPENDIX C

### PRICE QUALITY COMPARISONS

Frozen shrimp: (raw breaded), two brands rated "very good" were less expensive than at least one brand rated as "good," four rated as "fair," and three rated as "poor." Of eight brands of frozen raw peeled shrimp only the cheapest brand received a very good rating.

Upright freezers: The three top-rated brands were comparable in price to most of those tested. Of the four highest priced, none was top rated, one was in the third quality bracket, and one was rated "not acceptable." There was also a considerable price range on identical models.

Kitchen scales: The two best rated were the highest priced.

Twenty-three-inch TV consoles: Two makes were top rated. One was priced at $350, the other at $279.95. There were at least four other lower rated brands selling for $279.95 or higher.

Steam irons: The six top rated models ranged from $10.88 to $19.95. The highest priced model, $27.95, was "acceptable" but not top rated.

Seat belts: The price range of seven top rated models was $10.95 to $14.95. Two models, one at $8.95, the other at $9.95 survived the highest-speed crash test but showed incipient failure. Seven $12.95 and one $14.95 models failed the highest-speed crash test. A number of $12.95 and $10.95 models failed all crash tests.

Tank vacuum cleaners: Of the four rated "very good," three were priced at $89.95 and the fourth at $99.75. Of those rated "good," two were the highest priced, $119.95 and $139.

Nineteen-inch portable TV: The highest rated were priced at $199.95 and $209.95. A number of others not so rated were also priced at $199.95.

Transistorized electronic flash units: Of 10 brands tested the only unacceptable one was the highest priced (along with one which was acceptable).

Dehumidifiers: A number of the higher priced brands were not among the top rated.

Sun tan preparations: The two top rated brands were among the lowest priced. Three of the highest priced were among the lowest rated.

Built-in electric ranges: The three top rated were priced $89.50 to $114.95. Many lower rated were higher priced.

Black and white film: The two brands rated "very good" and the three rated "good" were identically priced.

## Gold and Economics

EXTENSION OF REMARKS

OF

### HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a recent very interesting, comprehensive and timely article by the well-known writer, Mr. Peter B. Greenough, entitled "Gold Drain Critical: Outflow Greatest in 23 Years."

Some of us here have been deeply concerned over a rather long period of time now about the gold drain and the dollar imbalance.

On different occasions I have presented my views in the House and elsewhere on this and related matters.

Since 1946 we have given away or spent, well over a hundred billion dollars oversea. So we should not be surprised: First, that large quantities of gold have been drained out of this country, or otherwise encumbered; second, that the European economy and the economies of other nations are presently showing a higher rate of growth than our own economy; third, that some ingratitude attends our generosity.

If we had been in the very fortunate position to receive over a hundred billion dollars as an outright gift and windfall from some other benevolent nation in the same period of time, no doubt our own economy would now show a marked increase in its rate of growth. As it is our rate of growth is substantial and favorable.

Various limited measures recently pursued here and abroad have provided a temporary reduction in the rate of the gold flow overseas, but for the first quarter of 1962 this rate is increasing, and we lost about $455 million in that period as against $364 million for the corresponding quarter last year.

Mr. Greenough states that this present rate of outflow is genuinely alarming, and there can be little question about the accuracy of that statement.

Various remedies are proposed. Curtailment of direct U.S. investments overseas would undoubtedly be helpful, but it would be hardly consonent with the so-called, bold policy of foreign assistance, for both developed and underdeveloped nations, which our own Nation has been pursuing and contemplates.

Various alternatives are open to us:

First. Massive cutting of military defense spending abroad under present conditions in the world would hardly be an answer, though there may be room for considerable savings in this field without jeopardizing our security.

Second. Slashing foreign aid and assistance abroad is another alternative that would produce real substantial impact upon the gold outflow. However, any reductions in this field would have to be carefully considered and evaluated when cuts are made.

It is acknowledged in many authoritative places that waste, inefficiency, and miscalculations have acompanied many of our foreign aid programs. These luxuries we can ill afford and they should certainly be eliminated. There should be no room for waste, inefficiency, or miscalculations with regard to the spending of the billions of dollars that the Congress appropriates yearly for foreign aid. This program must be carried out on a solid, sensible, economical, businesslike basis. It should and must be improved.

Third. To devalue the dollar at this time would have frightening implications for our American economy and for the soundness of American currency and the confidence of investors and people at home and abroad. Such a move would certainly be justified only if the situation caused by the dollar imbalance should become more critical than it is today.

Fourth. Another one of the alternatives now under consideration and implementation is to increase exports and also increase foreign imports. How the first can be feasibly done is certainly a question. Presently net exports are decreasing, net imports are increasing and this will cause further gold imbalance.

Prof. Robert Triffin of Yale, authoritative economist, views as completely incompatible our aims of stopping dollar outflow by increasing exports. It must be clear to anyone who studies these problems, or even one who reads the papers, that, as Mr. Greenough points out, Great Britain, Canada, and Japan are trying to accomplish precisely what we are. Thus there is bound to be conflict and fierce competition in grabbing world markets. There is only so much world trade anyway and many nations we have financially assisted in building both old and new industries are savagely and succesfully competing with us in home and foreign markets.

Presently some tariff barriers exist which some people hope to lower, all-around, across-the-board, by mutual agreements. This can be done only by allowing huge quantities of cheaply produced foreign goods to come into this country. One does not have to be an economist to know that this will inevitably create depressed conditions in American industry, cause reduced standards of living and widespread unemployment.

It is proposed to cushion these artificially produced, frightening conditions by subsidies to industry and very substantial, long-term, unemployment benefits for displaced workers. But this is hardly an answer to presently worried American investors who expect their investments to be safeguarded, to American businessmen who want to escape devastating, cutthroat competition, and to American workers who want to be assured of continuous employment at high wages under decent conditions, and not be relegated to relief rolls and decreased social and economic standards.

It is hardly an adequate argument to say that these conditions would be transitory, because so much damage could be done in a short time by massive, cutthroat, foreign competition that basic industries, employing millions of people here, could well be permanently displaced.

How the American economy can meet such a situation is certainly a question that should be in everyone's mind, if not on everyone's lips, because the theory that promises long-term international prosperity is rather pointless against a condition that produces long-term industrial disruption, chronic unemployment, and consequent social unrest and dissatisfaction across the American nation.

I do not believe that either technical economic mechanisms, or temporary makeshift panaceas, or altruistic legislation can solve these terribly disturbing problems emerging from the importation of massive quantities of foreign produced goods.

We certainly need a concerted plan, and we need a coordinated plan that will allay fears of other nations, and our own people, concerning our currency, restore popular confidence in its soundness, and the soundness of our economy, and tackle the real deepseated causes of the imbalance rather than seeking peripheral or superficial remedies that would not go to the core of the infection.

The British "Statist," financial paper, describes our policy as the "time-honored but futile pastime of plugging the thermometer in order to cure the fever." That is somewhat facetious, but also a sharp piece of ridicule for American policy. If the fever is to be cured, the patient will have to be treated in this country, and some drastic remedies must be taken before the fever results in further organic impairments of our great economic system.

It is time, I think, for us to consider that, like other nations, we have our own interests to pursue too, and we should offer no apology to anyone for pursuing them.

It would be helpful in that connection if more of our experts would devote themselves to ways and means of buttressing and strengthening our own domestic markets upon which American business, prosperity, and the employment of most of our fellow citizens depend.

It is time to seek a truly integrated plan which recognizes both the national and international requirements for a sound dollar, and the urgent need for preserving and expanding the American economy. Such a plan would be perfectly consistent with our proclaimed willingness and desire to promote world trade and for our continued, wholehearted, international cooperation in areas where that is possible. To seek world trade at the expense of our own development and our own prosperity and the clear interests of our own Nation would be a form of economic suicide.

Certainly one of the first measures we should take now is immediate general tax revision and across-the-board tax reduction. That would likely spur initiative and business prosperity, and work to safeguard our standards of living and the interests of the American people.

Mr. Greenough's article follows:

[From the Boston (Mass.) Globe, May 21, 1962]

### GOLD DRAIN CRITICAL: OUTFLOW GREATEST IN 23 YEARS—CONTROL OF DOLLAR'S FATE NOW RESTS OVERSEAS, BANKERS TOLD

(By Peter B. Greenough)

NEW YORK.—Gold may or may not be where you find it. Here, however, there has been a superabundance of talk about the stuff in the past few days.

And in Rome, too, where European and American bankers have been chewing over the United States gold problem.

During one conference board session Friday a California financier soberly surveyed his audience and said: "We, as Americans, must realize for the first time in the lives of any of us in this room today the initiative with respect to the dollar is now in the hands of others."

The warning came from Tom B. Couglan, executive vice president of the Bank of America.

"Frankly, I face you with uneasiness and uncertainty," Couglan stressed.

He and numerous other speakers underscored the fact that this country no longer exercises complete control over the dollar.

Our currency's well-being hangs on the thin thread of confidence overseas.

Should the faith of our free world friends in America's economy become impaired, then look out, brother.

Obviously the stock market's 2-month sag has hardly helped to increase that confidence. Perhaps the surprising thing is that Europe still does have some faith in our money and basic economy.

The thing that had conference board delegates so agitated was a Treasury report showing that gold outflow is now faster than it was a year ago.

We lost in the first quarter of 1962 $455 million.

For the corresponding period of last year it was a $364 million drain. Over the entire year, though, the loss was $858 million.

So the present rate is genuinely alarming.

Currently our gold reserves stand below $16.5 billion, the lowest ebb since August of 1939.

What do we do about it?

There are many suggestions, a number of them unpalatable. We could:

Curtail direct U.S. investment overseas.

Slash aid and assistance abroad.

Cut military defense spending abroad (and what folly lies here, with the current situation in southeast Asia).

Devalue the dollar.

Rather than move in these directions, the administration has been insisting that we export far more and close off our balance-of-payments deficit in that fashion.

Hence the current trade expansion bill before Congress.

Strange, isn't it, that we hear so much about "bold new policy" rather than "sound old sense" in a balanced budget.

That's what European bankers would like to see more than anything, as a way of bolstering confidence in our dollar.

Do you realize that today there are $18 billion in foreign-held short-term claims against our gold reserve?

That's $1.5 billion more than we've got.

Nor is that all.

Foreign institutions hold $5 billion worth of investments here which might further the pressures on our gold position.

In view of this, what did we get out of the Rome bankers' meeting? Disclosure of more "technical" mechanisms to ease gold losses.

These, Under Secretary of the Treasury Robert V. Roosa acknowledged, would take a year or two to implement. The need is far more fundamental and immediate.

Perhaps what we basically lack is a concerted plan for fighting this problem.

Washington throws out recommendations which amount to what the Statist, a British financial paper, describes as the "time-honored but futile pastime of plugging the thermometer in order to cure the fever."

Yale's redoubtable economist, Prof. Robert Triffin, observed to the conference board how completely incompatible are America's aims of stopping dollar outflow solely by increasing exports.

The problem here is that Great Britain, Canada, and Japan are trying to accomplish precisely what we are.

For restoration of equilibrium, there would have to be a net deterioration of $6 billion in trade by other free nations.

What is happening is that the United States, Great Britain, Japan, and Canada have begun to step on each other's toes in their trade aims. This tends to worsen rather than improve the other's position.

Something else is needed. Our major weakness has been hesitancy in making fundamental reform, as well as in seeking an integrated plan which recognizes both the national and international requirements for a sound dollar.

## Veterans and Fraternal Day of the Bicentennial Celebration at Manheim, Pa., June 9, 1962

EXTENSION OF REMARKS

OF

## HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. VAN ZANDT. Mr. Speaker, terminating a week's observance of the 200th anniversary of the founding of Manheim, Pa., the residents of the Lancaster County community on Saturday, June 9, observed Veterans and Fraternal Day with a 3-hour parade followed by a program at which time it was my privilege to deliver the following address:

### ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE VETERANS AND FRATERNAL DAY OF THE BICENTENNIAL CELEBRATION AT MANHEIM, PA., JUNE 9, 1962

It is a privilege for me to participate in the week-long program relative to the bicentennial celebration of Manheim and to be invited to speak to you on the observance of Veterans and Fraternal Day.

The words "veterans" and "fraternal" are closely alined as they represent a willingness of individuals to band together in an effort to serve their fellow men.

The type of fellowship which prevails on this occasion is not like that described by the fellow who was talking about the relationship between himself and a friend.

"There's nothing in the world I wouldn't do for that guy, and there's nothing he wouldn't do for me—so we spend our lives doing nothing for each other."

In Manheim it is different.

The fellowship here and the community spirit are based on doing things for each other and being helpful to one's community, State, and Nation.

A community is but the lengthened shadow of its inhabitants.

Manheim can be proud of the strong, generous, and enthusiastic group of men, women, and children who make up its citizenry.

We can be proud of the homes that are represented at this gathering.

The fact that the Commonwealth of Pennsylvania is playing a major role in the Nation's efforts to preserve for people everywhere the precious privilege of freedom is not surprising.

It is only natural.

Our Commonwealth's entire history has been a saga of service in behalf of the principles of freedom.

The beautiful county of Lancaster is well endowed with rich farmland, historic memories of early settlement, and celebrated residents.

It has carefully preserved records in numerous fine museums.

Lancaster County's history begins with its foundation in 1710 as an early inland settlement.

On the western periphery of Lancaster we find Wheatland, the sumptuous home of President James Buchanan.

But other than the formal history and museums and numerous places to visit extensive exhibits in this county, one can take pride in the beautiful open farmland along well-kept paved roadways with occasional covered bridges.

Here we see the honest farm homes of the great and fine Amish people.

It was in 1762 that Baron Heinrich Wilhelm Stiegel founded Manheim as the center of his glassmaking activities.

Glassmaking was one of this Nation's earliest enterprises, but to Stiegel belongs the distinction of making the first fine flint glassware.

Four colors predominated—white or clear glass, purple, blue, and green.

The blues were the most common and still show remarkable depth, variety, and clearness of coloring.

Much of the clear glassware was engraved and enameling on glass was first successfully tried after Stiegel had imported skilled artisans.

Specimens of Stiegel glass are to be found in the Philadelphia Museum of Art and in the Metropolitan Museum of Art in New York, among other places.

In 1770 Stiegel owned all of Manheim. But so-called scheming associates had as much to do with his downfall as did his own extravagance.

In 1774 he was thrown into debtor's prison and his valuable Elizabeth Furnace and other properties fell into the hands of Robert Coleman.

The early German settlers of Pennsylvania were generally poor and laid no claim to aristocratic descent.

A special interest, therefore, attaches itself to the varied career of Stiegel, for it makes little difference whether he was of noble birth or not.

In fact, it was not a matter of concern to him during his stirring and eventful life in Pennsylvania.

Stiegel did bring with him from Manheim-Baden, Germany, a considerable sum of money and for a time attempted to maintain the dignity of a nobleman in the wilds of early Pennsylvania. He was popularly known as "Baron" Stiegel.

Before acquiring an interest in the iron business, Stiegel had laid out Manheim and the glass he made here became the most sought after of any made anywhere in infant America.

Stove plates ornamented with Biblical scenes and inscriptions were made at Warwick, Lancaster County, and later at the Elizabeth Furnace at Manheim about 1750. These are also highly prized today.

In 1757 history records that Stiegel purchased the furnace from his father-in-law, John Jacob Huber, and built on the old site a much larger furnace which he named for his wife, Elizabeth.

While operating Elizabeth Furnace, Stiegel had as partners John Barr and Alexander and Charles Stedman.

An unfortunate connection this seems to have been, as in his transactions with the Stedmans, through a number of years, their business shrewdness was greatly superior to his.

Another hindrance to the Baron's permanent success was the buying of too much land. He also owned Charming Forge, on Tulpehocken Creek, near Womelsdorf, Berks County.

Many ridiculous stories are told of Stiegel's extravagance and love of display. There is no doubt that he lived in a style which to his Mennonite neighbors appeared exceedingly imposing.

It is said that when he would return to Manheim from a journey in his coach-and-four a cannon would announce his approach, and on arriving at the house he was greeted by favorite airs played by his workman band gathered in the large balcony on the roof of the mansion.

Then came an end to his carefree days.

The deplorable business conditions in America at the time of the pre-Revolutionary War days were too much for his enterprises. He was unable to meet his obligations and he was thrown into prison for debt in the autumn of 1774.

The general assembly passed a special act, December 24, 1774, by which he was liberated and he struggled manfully against the debt, but it eventually overwhelmed him in disaster.

Stiegel became foreman at Elizabeth Furnace, where he made shot shell for the Continental Army.

In this he was assisted by the labor of Hessian prisoners of war. Stiegel left Elizabeth Furnace in 1778, and his last years were truly tragic. He was a bookkeeper at the Charming Furnace, which he once owned and operated, and then tried to support himself and his family by teaching school. He struggled against poverty until the death of his wife, then he returned to Charming Furnace, where he died in 1783.

His later misfortunes have overshadowed the remembrance of his follies, and, with the latent perfume of the yearly feast of roses in Manheim, his name seems to come safely and pleasantly down to our time.

The industrial history of Manheim began with the establishment of Baron Stiegel's glassware, but the presettlement history of this region indicates that Indian warfare reduced the inhabitants to a small number.

Peter Bazaillon, a French-Canadian, came into the Manheim region in the first decade of the 18th century to trade in furs with the Indians.

Bazaillon established a well-known highway between the Susquehanna and Schuylkill Rivers and the route passed less than 3 miles from the present site of Manheim. It appears in later records as "Old Peter's Great Road."

In 1729, when Lancaster County was established, Old Peter's Great Road was made the northern boundary of the townships of Hempfield, Manheim, and Leacock.

The business interests of Manheim in 1780, as indicated by a list of taxable inhabitants, included shoemakers, carpenters, potters, coopers, weavers, masons, smiths, saddlers, hatters, tailors, doctors, and tavern owners.

Today Manheim continues to have important industries and with the passing of the years in Pennsylvania many people have called this area home.

One historical source advises us that prior to 1868 Manheim seems to have had no fraternal societies.

But it is recorded that the first local lodge established was the Order of the United American Mechanics. A lodge of the Independent Order of Odd Fellows was organized in 1869.

There was also at that time a Manheim Lodge of the Good Templars order and on June 24, 1891, Manheim Masonic Lodge No. 587 was constituted. It is apparent that to make the fraternal associations of Manheim successful it was necessary that the individuals composing them should enter into the cause with their utmost zeal. Also to keep these organizations strong it was necessary that the members thereof should be actuated by high and pure principles.

It had been a doctrine, long before the founding of this Nation, that all the actions of men sprang from selfishness and a desire to promote self-interest.

This hollow and somewhat repulsive doctrine of ethics found complete and thorough refutation, both in theory and fact, in the community of Manheim.

The citizens of this community have gone on adding experience to wisdom during the onward march of civic events. Citizens who choose the principle of voluntary action of their own free will and accord adopt the strongest cohesive power that can bind an association and a country together.

If each individual of a society is actuated by a high degree of zeal and is bent on acting fully and in every respect up to what is expected of him, you will find the result is an organization that has a continuing prosperity from generation to generation.

If the individual is lukewarm in his devotion to a cause and acts niggardly toward his civic duties, doing grudgingly whatever is done, you find a structure built upon dissolving sand. It has been a fortunate thing for Manheim that the spirit of voluntary fraternalism has grown.

This fact accounts for the stability of this area as a part of our great and growing Commonwealth.

Today Manheim in addition to its well-known fraternal organizations is proud of the various civic and service clubs that are a definite asset in promoting the health and welfare of the residents of this area. These organizations are not interested in giving mere lipservice in considering the needs of the community. Instead, they give practical and efficient service in their respective organizations by helping crippled children, aiding the blind and the handicapped, ministering to the needs of underprivileged children, and cooperating in blood-bank programs as well as other humanitarian objectives.

Today we are also concerned with our veterans.

It was Abraham Lincoln who, in speaking of the Nation's obligation to our veteran population, said it was our duty "to care for him who shall have borne the battle and for his widow and his orphan."

The Government of the United States has attempted to carry out this philosophy in behalf of those who have served the United States in order to maintain our American way of life.

Our Veterans' Administration, as an important department of our Federal Government, is dedicated to administering veterans' laws effectively, expeditiously, and with sympathetic understanding. It attempts also to exercise constructive leadership in the field of veterans' affairs. But again I refer to the voluntary efforts of America.

We have not left the entire load of the care of veterans and their families to our Federal Government. Through many organizations together we bear the burden.

In honoring our veterans we also honor the many fine veterans' organizations of our Nation. In this connection, Lancaster County veterans' organizations are noted for their efficient and dedicated service to veterans and their dependents.

Approximately 32 million men and women have served the United States in its Armed Forces during the various wars in which we, as a nation, have been engaged. This dates from the War of the Revolution through the Korean conflict.

On June 30, 1960, 22½ million of these veterans were still alive.

About one in every eight persons in the United States is a veteran. Veterans range in age from 19 to over 100 years. Their average age, almost 42, reflects the fact that most of them are World War II veterans, whose average age is 41 years.

Most veterans are less than 45 years old, but 1.8 million are 65 or more years of age.

The United States operates the largest chain of hospitals in the world for its veterans.

On June 30, 1960, there were 170 VA hospitals with 120,000 beds equipped, staffed, and operating, for the daily care of patients.

Complementing the hospital system are 18 VA domiciliaries, providing care and rehabilitation for disabled veterans who do not require hospital treatment.

With the demobilization of our military forces at the close of World War I, veterans' organizations formed by the disbanding soldiers were active in supporting legislation seeking an enlargement of the scope of the 1865 preference program.

The enactment of the Veterans' Preference Act of 1944 culminated years of work by the major veterans' organizations, the Civil Service Commission, and the Committees on Civil Service of both the Senate and the House of Representatives. These groups had been seeking a common goal, to give genuine veteran preference in Federal employment to our country's war veterans.

Although a number of bills relating to veteran preference have been introduced in the Congress as far back as 1936 and 1937, it was not until 1943 that the major veterans' organizations and the Civil Service Commission came to substantial agreement as to the mechanics of the various bills.

The need of the veterans in this area has been a matter of quiet and careful deliberation by the citizens involved, and the designation of this occasion as "Veterans and Fraternal Day" is indicative of that concern.

Years of success as a community are worth celebrating. Today we are honoring many individuals, many activities. It is my sincere belief that we are honoring the soundest kind of community progress, a progress that results from self-reliant action of individuals and organizations.

Much of our thinking in this atomic age is in terms of national and international development. We need and want a strong nation, spiritually, physically, militarily, and economically.

But we can have a strong nation only with the active cooperation of the people in their relationships within the local community, within the States. This is the way to establish unity and to get people to take informed and aggressive action.

Manheim is able to chalk up years of successful community living because it is a part of Pennsylvania, because it is a part of the United States. It does not exist in spite of our Government, but because of it.

No doubt you have seen the confusion of a jigsaw puzzle of the United States before you, and you or a member of your family have carefully placed each necessary piece in its correct position to make a complete map of our Nation. The final product cannot be put together with clumsy handling or lack of knowledge of what piece goes where. When one piece is lost it is no longer a true picture of the United States. That is why this occasion is important.

That is why Manheim deserves hearty congratulations and best wishes.

Lancaster County would not be complete without Manheim, nor would Pennsylvania or the United States.

We must never forget that.

The American way of life will not automatically continue to function by itself. Real effort of all will be needed constantly to preserve our system.

The progress of Manheim cannot stop with this occasion; we must look forward to more years of success as we celebrate today.

To all of you who have labored so diligently to make this affair a success, I wish to offer my congratulations. Your efforts have been worthwhile and will not soon be forgotten.

May God continue to bless this community in its progress as a part of a great and noble country.

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## The New York Times Once Said the Nation's Capital Was Culturally Behind Tiflis, U.S.S.R.—What Are the Facts?

EXTENSION OF REMARKS

OF

### HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. THOMPSON of New Jersey. Mr. Speaker, the New York Times magazine in December 1959, said that the Nation's Capital was behind Tiflis, U.S.S.R., in the arts. There were pained outcries at the time. What are the facts?

Paul Hume, distinguished music critic of the Washington (D.C.) Post, wrote on June 10, 1962, that "Music is Outcast in District Schools." He said:

> Cross the District line and listen to music programs presented in the public schools in Montgomery, Fairfax, Arlington, Prince Georges, and Alexandria Counties. Our neighbors have bands, orchestras, choruses, choirs, madrigal singers, and musical productions showing mature accomplishment from youngsters in elementary and secondary grades. Their programs are regularly filled with the names of the world's great composers in every area of music.

Mr. Hume goes on to ask, and point out, some of the reasons why the Nation's Capital is behind even its own suburbs:

> Why is this? It's the old story, but with something of a new twist. Money is the old story. The new twist is that today so many people are on the science-math kick. Money for the District of Columbia public schools comes from Congress. When the superintendent of schools goes up on the Hill with his budget in hand, he is still told that he is trying to spend money for frills, when he mentions the arts. The White House lead has not yet begun to percolate among some congressional circles.

A study the Library of Congress made at the request of the gentleman from Delaware [Mr. McDowell] showed that Washington's municipal government spends under $25,000 a year for art; Newark, N.J., spends $525,426; Detroit, $543,081; Baltimore, $447,000; St. Louis, $320,000; San Francisco, $815,000; and Philadelphia, $824,000.

The New York Times magazine article was titled "In Culture, Is Washington a Hick Town," and it declared that "The indictment is often made: Washington is a hick town culturally." The article, written by Howard Taubman, distinguished music and drama critic of the New York Times, included this statement:

> How does Washington compare as a cultural center with other capitals? Let us agree not to judge the city by the criteria of London, Paris, and Moscow. * * * Let us even skip Rome * * * which offers the grandeur of antiquity and the renaissance as well as opera house, ballets, theaters, orchestras, conservatory, and art in abundance.
>
> Compare Washington with a small capital like Brussels, which has opera, ballet, orchestra, theaters, and a highly cultivated population, and the outcome is to our discredit. Compare Washington with a provincial town like Tiflis, more than a thousand miles from Moscow. The Soviet city beyond the Caucasus has an opera house, a ballet, four professional theaters, several children's theaters, and a proud cultural tradition.

I have recently introduced a bill, H.R. 12042, to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide financial aid for the arts in the District of Columbia, including improved programs of the arts in the curriculums of the public schools, similar to the aid provided by other cities of the United States for their local art programs.

Paul Hume has pointed out that one music teacher in the District of Columbia public school system has 213 classes. He said:

> That means that she sees a class early in February and then does not get back to it until mid-May.
>
> Why don't we cut out the pretending and admit that we don't really care about music in Washington? Because until we stop the present hypocrisy about it, we are simply making dishonest double talk.

I include as part of my remarks the article by Mr. Hume, and the text of my bill, H.R.. 12042, which is similar to S. 3127 offered by Senator Wayne Morse on which hearings will begin within a few days.

I hope those of my colleagues who are interested in the cultural development of the Nation's Capital will join with me in introducing this legislation in this House.

The article and bill follow:

[From the Washington Post, June 10, 1962]

### DISGRACEFUL SITUATION—MUSIC IS OUTCAST IN DISTRICT SCHOOLS

(By Paul Hume)

Several weeks ago Senator Hubert Humphrey, Democrat of Minnesota, raised a proper hubbub about the inadequacy of text books used for the teaching of various sciences in the public schools in the District of Columbia.

Would that the music pupils in the schools in the District of Columbia had materials as useful as the ragged, out-of-date science books the Senator from Minnesota held up. Only a few days before Senator HUMPHREY's spotlight was focused on the science book situation, I had the real privilege of talking with the members of the District of Columbia Music Educators Association, who are among the dedicated, unselfish teachers of music in our public schools.

We got along fine. They agree with me that each of us, they in the schools, and I in my work for the Washington Post, are trying to educate people in music. Our aims are generally identical. As we discussed the situation in this city, in contrast to that which exists not merely in other large cities of this country, but even in cities far smaller than Washington, the old story began to emerge again, as it has so often and so discouragingly in the past.

Washington, D.C., is a disgrace, musically, in the caliber of the work produced in its public schools. The problem does not lie in the teachers or the students. Who would dare to suggest that school age children in Milwaukee or Philadelphia, St. Louis or Cincinnati, are smarter and more musical than those in Washington? No one who knows his business.

But you need not go so far afield. Cross the District line and listen to music programs presented in the public schools in Montgomery, Fairfax, Arlington, Prince Georges, and Alexandria Counties. Our neighbors have bands, orchestras, choruses, choirs, madrigal singers and musical productions showing mature accomplishment from youngsters in elementary and secondary grades. Their programs are regularly filled with the names of the world's great composers in every area of music.

The District of Columbia has long had the reputation of being no fit city for a music convention because its public schools are unable to produce the kind of musical programs that dozens of other cities in the country can turn out when a convention of music educators comes around.

Why is this? It's the old story, but with something of a new twist. Money is the old story. The new twist is that today so many people are on the science-math kick. Money for the District of Columbia public schools comes from Congress. When the Superintendent of Schools goes up on the Hill with his budget in hand, he is still told that he is trying to spend money for frills, when he mentions the arts. The White House lead has not yet begun to percolate among some congressional circles.

Back to his budgetmaking table goes the Superintendent and the paring knife moves first of all in the direction of the arts. Books on music, instruments on which youngsters learn to play, proper hours for them to study music, these do not exist in the District of Columbia except in a very few places where a concerned principal knows the value of music and art enough to do something about it.

The teachers are not to blame. Parents take their children out of a chorus because "they need the time to study their science," and principals tell their music teachers, "You can have 8 a.m. on Monday for music, but on Tuesday put it at 9 a.m., and on Wednesday make it 10 a.m., but you will have to skip Thursday, and on Friday it had better be 11 a.m."

Do you think I am making this up? Not for a second. What school youngster can remember a schedule for music like that? Even his teacher can't remember it.

Do you want a clincher? One that I verified before I could believe it? One music teacher told me: "I have 213 classes in music." Two hundred and thirteen classes. That means that she sees a class early in February and then does not get back to it until mid-May.

Why don't we cut out the pretending and admit that we don't really care about music in Washington, D.C.? Because until we stop the present hypocrisy about it, we are simply making dishonest doubletalk.

H.R. 12042

A bill to amend the Act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide financial aid for the arts in the District of Columbia, including improved programs of the arts in the curriculums of the public schools, equal to the aid provided by other cities of the United States for their local art programs

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 4 of the Act entitled "An Act to create a Recreation Board of the District of Columbia, to define its duties, and for other purposes", approved April 29, 1942, as amended (D.C. Code, section 8–211), is amended by inserting "(a)" immediately after "SEC. 4." and by adding at the end thereof the following:

"(b) There shall be deposited in the trust fund authorized by subsection (a) of this section to the credit of the Board 1 mill out of each $1 of tax revenue of the government of the District of Columbia.

"(c) All money deposited in such trust fund pursuant to subsection (b) of this section shall be available to the Board to defray in whole or in part the expense of such programs of arts and crafts, including but not limited to music, drama, speech, dancing (other than social dancing), lectures, forums for informal discussions, and other programs to provide creative opportunities for education and participation in the arts, as the Board of Education of the District of Columbia shall deem advisable to include in the curriculums of the public schools of the District of Columbia and for the expense of programs for leisure time participation in the arts authorized by section 3 of article II of this Act."

SEC. 2. The amendment made by the first section of this Act shall take effect on the tenth day after the date of enactment of this Act.

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## Polish-American Veterans

EXTENSION OF REMARKS

OF

## HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. PHILBIN. Mr. Speaker, under unanimous consent to revise and extend my remarks, I wish to elaborate on the subject matter of my speech on the occasion of the recent State convention of the Polish-American veterans held at Webster, Mass., June 2, 1962.

This inspiring event was conducted this year in my great district and was most impressive in every respect.

It was a great honor and pleasure for me to attend this great convention of the Polish-American veterans and to welcome all of them to our great Third Congressional District.

My heart is filled with gratitude and pride for their fine contributions to the cause of the veteran, which is so dear to all of us, and their stanch, tireless, and effective support of our free way of life.

The Polish veterans are particularly blessed, not only in their unselfish achievements, but in their rich heritage, which combines the best in the greatness and the glory of your noble Polish background, as well as the best of which our own proud Nation can boast.

Many races and many peoples have come to our shores seeking escape from oppression and tyranny, seeking the cherished opportunity to live and develop in this great, free land, but it can be said without question that none could ever excel the Polish veterans and the noble, Polish people in the quality of their loyalty, the depth of their devotion and the immeasurable sweep and importance of their unsurpassed contributions to their communities, State, and Nation.

This Government owes them a great debt of gratitude for what they have done to preserve it, and the proper treatment of our veterans and their dependents, the disabled, the sick, the handicapped, and the weak must always continue to be the highest concern of representatives of the people. Responsive to the public will, and to the dictates of simple justice, we must leave nothing undone to make sure that those who have given their all, those, like the Polish veterans, who have done so much, and their dependents and dear ones, will be at all times generously treated and given their full rights and entitlements under the great, humane programs which Congress has set up for these laudable purposes.

They and their gallant comrades fought and bled for freedom but unfortunately, in many places, men and women are still in shackles, suffering under the heel of cruel tyranny, in some cases worse than death.

The historic Polish nation with its long, glorious history of struggle and sacrifice for liberty, the first to feel the mad wrath of Nazi aggression was unjustly and ill-advisedly delivered into the hands of Communist oppressors.

That crime, my friends, was one of the blackest crimes in human history, and justice will not be done until the time-honored Polish nation shall find the path of liberation and be numbered once again among the free nations of the earth.

Time and time again, and in innumerable ways, our great President has moved to help the Polish people and under his enlightened leadership, and with the solid support and backing of the free world, I hope that the day is not too far distant when the God-fearing, liberty-loving people of Poland, who have suffered, and have been persecuted, by brutal Soviet dictators, will soon regain their independence, self-determination and freedom.

True Americans do not fear the Soviet Union or any other aggressors. We earnestly seek peace and friendly, peaceful relations with all nations. But we do not intend to allow the Soviet Union, or any other power or combination of powers, to threaten, violate, or destroy our liberties, and the liberties and rights of free peoples.

Let it be known to all that we will militantly defend and protect our birthright and that we will never accept the cowardly slogan of "Better to be Red than dead."

With peace in our hearts and on our lips, with the burning desire for peace and our efforts for peace clear to the whole world, let no one construe our demonstrated love of humanity, our pleas and energetic efforts for peace, and loyalty to free institutions as a sign of weakness.

Let it be clear also that we will stand firm and resolved to protect our heritage, come what may, and that we do not intend to live like moles in the ground cowering and trembling before the great Red colossus that is trying to make puppets and slaves out of all mankind.

The good Lord has miraculously and lavishly blessed our country with unparalleled strength and prosperity. Perhaps, at times, we do not seem to appreciate it, but let us never allow complacency and fatty degeneration of our patriotic and social conscience to soften our high national purpose, or permit fear of manmade violence and aggression to dominate the affairs of this Nation.

With calm resolution and a sense of justice and concern for all humanity, notwithstanding disappointments and obstacles, let us continue with unflinching courage to work for a free and peaceful world, hopeful that with God's grace, wholehearted cooperation, brotherhood, good will and good works our Nation and the world may enjoy the peace with freedom we seek.

The above are some of the thoughts I expressed before the Polish-American Veterans of Massachusetts and I was very proud to be with such great Americans.

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## The Community Development Foundation

EXTENSION OF REMARKS

OF

## HON. HERBERT ZELENKO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 13, 1962*

Mr. ZELENKO. Mr. Speaker, under unanimous consent, I take pleasure in informing the Nation of the important work of the Community Development Foundation. At this time that marks the first anniversary of the Peace Corps program, it is fitting that a private organization whose goals and methods have been premised upon the same principles, should be brought to the attention of this Nation.

The foundation was established to advance the understanding and application of community development principles and processes in areas where poverty, underprivilege, and underdevelopment have been the basic factors in retarding progress, inhibiting initiative, and destroying security. The goal of the foundation is to create "higher standards of living, full employment and conditions of economic and social progress and development" not by compulsion or the imposition of ideas and methods that are neither wanted nor understood by the people involved, but by discovering the felt need, encouraging the cooperation of those who will benefit by the fulfillment of that need, and the provision of understanding counsel and reliable guidance through the whole process. Where necessary such counsel and guidance may be supplemented by small grants or loans to be paid back without interest and reused to meet the needs of other projects.

The response of people of all ages in the United States and overseas to the Peace Corps idea, has been evidence of the inherent idealism and the basic urge to be of service to their fellow men which exists in people everywhere. The Community Development Foundation has been aware of this evidence of man's universal kinship. Some of the concepts and methods of the Peace Corps have already been pioneered by the foundation and their effectiveness proved in more than 800 individual projects initiated and carried out in the United States and 10 European, Asian, and African nations.

During the fiscal year ending June 30, 1962, the foundation operated self-help projects in Greece, France, Lebanon, Korea and among the American Indians and in the southern mountain area of the United States. Through a program of associated projects where grants and technical assistance were provided for projects supervised by the personnel of other agencies, either private or governmental, community development projects have been initiated in Egypt, Ethiopia, Morocco, the Cameroons and Tanganyika.

The success of the self-help program as pioneered by the foundation is rooted in the approach of helping people to help themselves. Instead of seeking to impose externally planned programs which ignore both the desires and the basic needs of an underdeveloped area, the foundation begins at the other end of the picture. Its first concern is to awaken the people to the knowledge that they themselves have a vast reservoir of power that can be translated into material value. That power lies in their unemployed time and ideas. When they can be shown how to put these to practical use that will bring a concrete return, it is not difficult to mobilize that power into positive action.

The executive director of the foundation, Glen Leet, in discussing methods of stimulating self-help has stated:

> It has been demonstrated that people can be aroused to act when they are working on their own ideas and are free to make their own decisions as to the order and importance of the work to be done; when they themselves will receive benefit from their work; when their labor results in an investment that they desire to protect; when they are working entirely of their own volition without any compulsion from outside; when there is the incentive of an immediate and certain return plus the expectation of an ultimate greater return in the form of improvement in their individual and collective circumstances; when the amount of the immediate return is directly related to the amount of the effort they invest; when they can invest something they have in abundance—idle manpower—and receive in return something they greatly need—community improvements and increased income; when the factor of communal competition is combined with the increase in the prestige of the group or community involved; when no one is making an unwarranted profit, but all are giving equally of their strength, determination and enthusiasm; when their confidence in leadership has been established and a sense of loyalty and community of interest exists; and when the aid promised, though small, is delivered without fail and nothing has been promised that cannot be delivered.

This matter of inducement, usually in cooperation with local government or other agencies, is a very important factor. It may include technical assistance and preliminary counseling, as well as supervisory service. It may be in the form of material and equipment needed for a project, as well as items not related to a particular project but greatly in demand, such as seed, fertilizer, livestock, and so forth. Community Development Foundation relies sometimes upon the payment of a bonus or small incentive reward in cash or commodities. In each area where a community development program is initiated, a continuing study of the existing conditions is made and methods adapted to meet the individual and psychological conditions existing.

In many programs of community development, too much emphasis is placed upon physical and material considerations, and not enough to the psychological factors that motivate a particular group or community. The foundation takes great care to study the mental and spiritual climate that has produced present conditions in an area. The fundamental character of the people, their basic patterns of thought, all of the elements that will be necessary to stir the imagination, awaken the spirit and arouse the desire to act must be part of the overall planning. For this reason it is of vital importance that the personnel who will be counseling, supervising, and working with a project, have a sense of empathy with the group and be able to understand and translate the often inarticulate but nonetheless powerful desires for improvement that lie within the heart of every man. Major responsibility is placed with indigenous personnel. This requires training programs which, though time consuming, more than pay the cost in results obtained.

Thus the significant element in each self-help or community development program is not that the principal concern has been for the supplying of material things, but for the creation of a vital change in the spirit of men and women. The concern has been to restore vision, to reawaken initiative, to cultivate human dignity and constructive self-evaluation, to replace despair with hope, poverty with greater security and assure to the lonely and the forgotten the knowledge that their fellowmen are aware of their need and eager to help them satisfy it.

Mr. Leet lists 10 steps involved in the community development process used by the foundation:

First. A group of people living under conditions of misery and apathy must be given the concept and the conviction that their situation is not hopeless—that by taking positive action they can overcome the forces that hold them to a life of poverty.

Second. They are told that there are people in America who are interested in them and care enough to be willing to help them help themselves to make a better life for their children.

Third. They are encouraged once more to dream, to make plans, to take stock of their own resources and potentialities.

Fourth. They must be helped to do the hard thinking and constructive planning that is necessary to transform their dreams into practical action.

Fifth. They are helped to secure the technical advice and assistance that will enable them to keep their plans realistic so that they may be carried to a successful completion.

Sixth. If it is necessary to the success of their plan, they are provided with a small grant or loan as capital to meet conditions beyond their power to solve otherwise.

Seventh. They are shown how to keep simple records of income and expenditure and make reports on the progress of their projects.

Eighth. They are encouraged to reinvest part of any gains so that a chain reaction of progress will be established.

Ninth. They are expected to help others in the community by encouraging self-help and by making prompt repayment of loans so that the funds may be used over and over.

Tenth. It must be brought ever closer to them the fact that their friends in America respect them for their courage and industry and follow their progress with faith in their power to succeed.

Through such a program 113 new projects have been approved and initiated by Community Development Foundation during the past year. The spirit of the villages has been awakened. They have accomplished things they have only talked about for generations. Canals have been dug, reservoirs built, trees planted, roads opened, schools built and repaired, playgrounds created and village industries developed. All this was done by the people themselves for the sake of the future of their children. The foundation's help, measured in actual dollars expended was very small—about a quarter of a million dollars for the year ended June 30, 1962—yet the intangible help cannot be measured for it involves the sharing of our faith, the countless hours of counseling, of providing psychological encouragement, the transmitting of technical help by trained personnel, the endless hours spent in research and study of each area and each submitted project, the establishing of confidence, the arousing of enthusiasm, the support given during long months of actual labor on a project—all the infinitesimal skills, work and inspiration that contribute to ultimate success.

In Korea, where hunger is an ever-present threat, there is a preference for projects that will increase food productivity. In Suh Kan Jon Ri, deepening a canal increased rice production. In O Kum Ri, a reservoir and in Tae Chun Ri, a river dam and dike construction also increased rice production. In Il Jik Ri, repairs to a dam led to road improvements, the making of a children's playground, and the development of a livestock program.

On the barren, rocky mountain sides of Lebanon, the planting of fruit, olive and nut trees often represents the best means of increasing village income. Thousands of trees have been planted through such projects in Kfune, Shikhan, Bihdidat, and Bysour.

In Greece, village people improved the conditions of life for their children by providing new schoolhouses for Karytsa and Ellopia; new roads for Pyli and Oropos; clean drinking water for the children of Romano, Phokae, and Kyrasvrysi. An analysis of 12 projects in which the foundation actively participated during the year shows that they benefited 4,523 people.

In France, a dilapidated school in Treogan was renovated; the old tradition of handweaving was revived for the girls of Plouguerneau; on the isle of Molene a handicraft workshop made possible the production of leather goods, book covers, and ash trays, a muddy schoolyard was converted into an attractive courtyard and a recreation room was added. Rieux constructed an athletic field and playground; and an apple orchard project was undertaken by schoolchildren in Langon.

In France the value of the self-help contributed by the people was 4 times Community Development Foundation grants; in Greece, 6 times; in Korea, 17 times; and in Lebanon, 10 times. Here is a result that can be considered with rightful pride.

Far more important even than the actual benefit to the communities involved, was the bond of fellow feeling, the warm sense of friendship and empathy, the proof of America's good will that has been and will continue to be the foundation's greatest contribution to international understanding.

The fact that the foundation's programs are supported predominantly by the voluntary contributions of individual Americans, as well as by groups and organizations who recognize this Nation's responsibility to prove her good intent, is a vivid demonstration of the good will of Americans and their interest in the well-being of people of newly developed nations.

I call attention to the work and methods of the Community Development Foundation because of the conviction that here there has been a demonstration of principles and methods of far-reaching significance to the United States in its relationships with other countries.

I am convinced that the principles and methods of community development can enhance the effectiveness of the foreign aid program of the United States and strengthen the bonds of understanding forged by such programs between people of this country and other nations.

The Community Development Foundation is a nonprofit, nonsectarian and nonpolitical organization incorporated under the laws of the State of Connecticut on September 1, 1959. It is registered with the U.S. State Department Advisory Committee on Voluntary Foreign Aid, and under a Treasury ruling of July 6, 1961, contributions to its program are tax exempt.

Last year I had the privilege of acquainting this honorable body with the work of Save the Children Federation, of which I have the honor to be a member of the board of directors, and its vital contribution to the cause of international child welfare. The Community Development Foundation is a sister organization. In return for substantial support in the way of grants from the federation, the Community Development Foundation has operated demonstration projects in the United States and abroad, and has engaged in research and evaluation activities on programs initiated by the federation.

The Community Development Foundation is now preparing a training course in community development and has technical publications dealing with different aspects of community development. Further information may be obtained from the Community Development Foundation, United Nations Plaza at 46th Street, New York 17, N.Y.

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# HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 14, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 6: 37: *He that cometh to me I will in no wise cast out.*

Eternal God, at the noon hour of this new day, we are again approaching and appearing in humility before the throne of Thy grace, where none has ever been repelled or sent away emptyhanded.

Grant that although the vicissitudes of life often overtake us, causing our feelings and thoughts to ebb and flow, we may find peace of mind and heart in Thy love and refuge from fear in the assurance of Thy divine solicitude and care.

Amid the dark and fluctuating shadows of time may we keep open widely the windows of our souls and receive a more revealing insight of our blessed Lord who is "the Master light of all our seeing."

In His name we offer our prayer of penitence, praise, and petition. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11289. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. HILL, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

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## THE LATE HONORABLE CHARLES P. NELSON

The SPEAKER. The Chair recognizes the gentleman from Maine [Mr. TUPPER].

Mr. TUPPER. Mr. Speaker, it is with extreme regret that I inform the House of the passing of a former Member, Hon. Charles P. Nelson, of Augusta, Maine.

Charles Nelson was born in Waterville, Maine, July 2, 1907, the son of former Congressman and Mrs. John E. Nelson. He resided in Augusta, Maine, most of his life, and practiced law in this city in the firm of Nelson & Nelson.

He served the city of Augusta as its mayor in 1947 and 1948.

During World War II he served in the U.S. Army Air Force, being discharged as a lieutenant colonel. He was awarded the Presidential citation, the Legion of Merit, and the Bronze Star.

He was elected to Congress in 1948 and served until 1956, when ill health forced him to retire.

Charles Nelson was a genial, scholarly man, with a dry wit, and a warm personality. Those of us who were privileged to know him as a friend will miss his helpful counsel and comradeship. Throughout a distinguished public career he always kept the common touch. His death, Friday, June 8, 1962, removes from the Maine scene a man who contributed much to the people of his community and State.

Mrs. Tupper and I extend our heartfelt sympathy to Mrs. Nelson and his daughter, as well as other members of the family.

My colleague, the gentleman from Maine, Congressman CLIFFORD MCINTIRE, is unavoidably absent today on business for the House, and I ask unanimous consent that his remarks be made a part of the RECORD immediately following my own. I also request that remarks of the gentleman from Maine, Congressman PETER GARLAND, be made a part of the RECORD, and that all Members have 5 legislative days in which to make their remarks a part of the legislative RECORD.

The SPEAKER. Is there objection to the requests of the gentleman from Maine?

There was no objection.

Mr. MCINTIRE. Mr. Speaker, it is with considerable sadness that I comment to this House on the passing of Charles P. Nelson, a former Congressman who very ably represented Maine's Second Congressional District in this House of Representatives.

Charley, as he was known to most of us, was but 54 years of age when he left us, and it is sad to ponder that destiny called him in the full flower of his life. There is, however, some semblance of consolation in realizing that it was in the nature of this man to count it better to put life into years rather than years into life.

After graduating from Cony High School in Augusta, Charles Nelson attended and graduated from Colby College in Waterville, Maine. He then went to Harvard and here earned his law degree.

For the period 1931–32 he was a secretary to his father, the Honorable John E. Nelson, a Congressman from Maine. In the years that followed he engaged in general practice of law in Augusta, Maine, and in 1942 he entered the military service, at first serving as an intelligence officer with a heavy bomber group in England and later performing as a legal officer to the military air adviser at the U.S. Embassy in London. In 1946 he was discharged as a lieutenant colonel after 2 years of service in the European theater of operations, and in his later civilian life he served as a member of the National Guard and Reserves.

After serving as mayor of Maine's capital city, Augusta, during 1947 and 1948, Charles Nelson became what his father was before him, a Congressman. He very effectively represented Maine's Second Congressional District in the House of Representatives from 1949 to 1956, serving as an important member of the House Committee on Armed Services. In 1956 he retired from Congress because of ill health.

Following his retirement from public life, Mr. Nelson was a teacher at the University of Florida, he served as a moderator for the town of West Bath, Maine, and he acted as the chief trial attorney for the State of Maine Highway Commission.

All who knew Charles Nelson respected him for his keen mind and warm personality. He was one of those who gave much of himself to others, and so it is that he will be sorely missed.

When I came to Congress in 1951, I had the privilege of associating and working with Charley Nelson, and I deem it my great fortune to have had the benefit of his wise counsel and advice in the early days of my congressional service.

Charles Nelson epitomized that combination of talent and personality that is not too often found in men, and as he will be gravely missed by his family, so will his absence be poignantly felt by those of us who were privileged to call him friend.

To Mr. Nelson's wife and daughter, Mrs. McIntire and I extend our heartfelt sympathy, and it is our sincere hope that bright memories of the past will serve to soften the shadows of sadness that fall upon them in this hour.

Mr. Speaker, I include herewith certain news reports relative to Congressman Nelson:

[From the Bangor (Maine) Daily News, June 9, 1962]

### FORMER U.S. CONGRESSMAN NELSON DIES—AUGUSTA RITES SLATED SUNDAY

AUGUSTA.—Ex-Congressman Charles P. Nelson's funeral will be at 2:30 p.m. Sunday in South Parish Congregational Church.

The 54-year-old Republican, who represented Maine's Second District from 1949 through 1956, died Friday. He had been ill with cancer many months.

#### FORMER AUGUSTA MAYOR

His father, the late John E., also was a Maine Congressman.

Charles was a former mayor of Augusta and the first chairman of the Maine Council of Young Republicans.

A graduate of Colby College and Harvard Law School, he was a World War II veteran.

He leaves his widow, Arlene, and a daughter, Elizabeth, by a former wife who died.

#### WON BRONZE STAR

While in Congress, Nelson sat on the Merchant Marine and Fisheries and Armed Services Committees.

He won the Bronze Star and Legion of Merit in World War II. He served as intelligence officer with a heavy bomber group in England, later as legal officer to the air adviser in the London Embassy.

The Waterville native was a Mason, Elk, Kiwanian, and a member of the American Legion.

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[From the Portland (Maine) Press Herald, June 9, 1962]

### SERVICES SET FOR SUNDAY FOR FORMER CONGRESSMAN

AUGUSTA.—Ex-Congressman Charles P. Nelson's funeral will be at 2:30 p.m. Sunday in South Parish Congregational Church.

The 54-year-old Republican, who represented Maine's Second District from 1949 through 1956, died Friday. He had been ill with cancer many months.

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The Waterville native was a Mason, Elk, Kiwanian and a member of the American Legion.

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### REED IN TRIBUTE TO CHARLES P. NELSON

AUGUSTA.—Governor Reed said Friday he was deeply saddened to learn of the death of former U.S. Representative Charles P. Nelson, of Augusta.

"Mr. Nelson distinguished himself at several levels of Government and was widely respected for the effective representation which he gave, Reed said in a statement.

"Congressman Nelson was a capable attorney and a tireless worker for his party. Great were his contributions to the Young Republican organization and many were his friends throughout Maine and the Nation."

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[From the Portland (Maine) Sunday Telegram, June 10, 1962]

### MCINTIRE PAYS TRIBUTE TO CHARLES NELSON

WASHINGTON.—Representative CLIFFORD G. MCINTIRE, who served in the House with the late Representative Charles P. Nelson, said Saturday of Nelson's death:

"The passing of Maine's distinguished citizen, the former Representative Nelson, brings to a close a career of outstanding service to his locality, State and the Federal Government.

"I shall always treasure the privilege I had of serving in Congress with Charlie. His many kindnesses to me as a freshman Member, the high regard in which he was held by his colleagues, his keen perception of the law, legislation, and the issues, were attributes conspicuous in his long service to his State and Nation, in his military, private, and public life. Mrs. McIntire joins me in expressing deepest sympathy to Mrs. Nelson, Betty Anne, and other members of the Nelson family.

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[From the Portland (Maine) Press Herald, June 11, 1962]

### FUNERAL SERVICES ARE HELD FOR CHARLES NELSON

AUGUSTA.—Gov. John H. Reed, two former Governors, two Maine Congressmen, and a former Senator joined other dignitaries in serving as honorary bearers at funeral services for Charles P. Nelson, former Republican Congressman, Sunday afternoon at South Parish Congregational Church.

The Reverend Martin Sargant of Bath Congregational Church officiated and the Reverend Kenneth E. Brooks assisted him.

Mr. Nelson served as Republican Congressman from Maine's Second District from 1949 to 1955.

Serving as honorary bearers were Governor Reed, Representatives Clifford G. McIntire, and Stanley R. Tupper, former Senator Frederick G. Payne, former Governors Burton M. Cross and Sumner Sewall, Chief Justice Robert Williamson, Judges Randolph Weatherbee, Harold C. Marden, F. Harold Dubord, Dr. Roland L. McKay, Alfred Sweeney, Cyril Joly, Alfred LaCasse, Alfred Toulouse, Fred Lord, Walter M. Sanborn, Harry Philbrick, Willard C. Ellis, George C. West, Henry Thyng, Richard Bell, James Acheson, Dr. Louis Johnson, Gordon Drew, Bernard Regan, Frank Farrington, Max Stoddard, Fred Scribner, Jr., James Reid, Ernest Goodspeed, Sr., Fred Marshall, Mayor Sylvio Gilbert, Roy Hussey, Sr., and Lewis Sheaffer.

Acting bearers were John Diplock, Asa Richardson, Brooks Brown, Jr., Jay Lawrence, Earle Stockman, and Dr. Alonzo Garcelon.

Serving as ushers were Harold Schnurle, Frank Southard, Jr., Arthur Tiffin, Harrison Philbrick, and Arthur Hebert.

The body was taken to Auburn for cremation.

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[From the Kennebec Journal June 9, 1962]

### FORMER CONGRESSMAN CHARLES NELSON DEAD

Charles P. Nelson, former Republican Congressman from Maine's Second District, died Friday at Augusta General Hospital after a long illness. He was aged 54.

He was born July 2, 1907, in Waterville, son of Congressman John E. and Mrs. Margaret (Crosby) Nelson. He was a resident of Augusta during most of his life.

Surviving are his widow, the former Arlene Skillins, of Augusta; one daughter, Miss Elizabeth Ann Nelson, Augusta; two brothers, Dr. John Nelson, New York City, and Attorney Atwood Nelson, Winthrop; four sisters, Miss Margaret Nelson, Winthrop; Mrs. Jeannette Hickey, Augusta; Mrs. Faith Graham, San Diego, Calif., and Mrs. Edith Kahn, Syosset, Long Island, N.Y., and several nieces and nephews.

Mr. Nelson was graduated from Colby College in 1928 and received a bachelor of laws degree from Harvard Law School in 1931. Commissioned a second lieutenant in the Army in 1942, he was discharged in 1946 with the rank of lieutenant colonel. His decorations included the ETO Ribbon with four battle stars, the Presidential Citation, Bronze Star, and Legion of Merit.

He was mayor of Augusta in 1947–48 and served four terms as Second District Representative in Congress, from 1949 to 1955. He was a member of the Elks, Masons, Kiwanis, American Legion, Veterans of Foreign Wars, and Zeta Psi Fraternity.

Governor Reed said he was deeply saddened to learn of Nelson's death.

"Mr. Nelson distinguished himself at several levels of government and was widely respected for the effective representation which he gave * * *," Reed said in a statement.

"Congressman Nelson was a capable attorney and a tireless worker for his party. Great were his contributions to the Young Republican organization and many were his friends throughout Maine and the Nation."

Following his service in Congress he returned to legal practice, in Bath, and was named director of that city's Urban Renewal Authority.

Funeral services will be held at the South Parish Congregational Church at 2:30 p.m. Sunday.

Mr. GARLAND. Mr. Speaker, I join with the members of the Maine delegation and other Members of this body in expressing my sorrow in the passing of Charles P. Nelson.

Charles Nelson served his district, his State, and his country with quiet distinction. All of those who knew him respected him and admired him for his ability and his devotion to public service.

The State of Maine has suffered a great loss in his passing, and I join with my colleagues in expressing my sincere sympathy to his wife, "Skip," and his daughter, Betty Anne.

Mr. NORBLAD. Mr. Speaker, may I join with the gentleman from Maine in expressing my most sincere sorrow because of the death of my former very close friend and colleague, Charles P. Nelson, of Maine.

Charlie Nelson and I developed a very close friendship during the years he was here in Congress and it was my privilege to visit he and his wife in their home in Maine as a guest and I have likewise had the pleasure of having the Nelsons in my home here in the Washington area.

Although we lived on exactly opposite ends of the North American Continent, there seemed to be a parallel in our lifetime activities. We were born within a year of each other and subsequently attended the Harvard Law School within a year of each other. While I was practicing law in Oregon prior to World War II, Charlie was practicing in the State of Maine. At the outbreak of the conflict we both entered the Army Air Corps and served in its combat intelligence division both here in the United States and in the European theater of operations.

Charlie was elected to Congress just 2 years after I came here and we had the pleasure of being together and serving for a number of years thereafter, both as members of the House Armed Services Committee. Charlie was a dedicated worker in the interest of our national defense while at the same time never forgetting the interest of his own State and district. Regret was expressed by many of us when he decided not to seek reelection to Congress as we felt he was a valuable Member, that neither the country, his State, nor his district could afford to lose him.

I want to again express my deep sympathy to his family.

Mr. BETTS. Mr. Speaker, it was distressing news for me to hear of the untimely death of our former colleague, Charles Nelson, of Maine. During the time that he and I served together in Congress, I found him to be a friendly, capable, and thoroughly honorable person. He was a dedicated public servant and one who left his mark in these legislative Halls. On this sad occasion, I extend my sincere sympathy to Mrs. Nelson and his family.

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## THE LATE HONORABLE JOHN C. SCHAFER

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, it is my unpleasant duty to advise the House that my predecessor three times removed, the Honorable John C. Schafer, succumbed to a heart attack last weekend at his home in Pewaukee, Wis.

Mr. Schafer represented the Fourth District of Wisconsin for seven terms. He was elected to the 68th Congress and the four succeeding Congresses—March 1923 to March 1933. He was defeated for reelection in 1932 and lost two succeeding congressional elections. Mr. Schafer returned to the House in 1939 when he was elected to the 76th Congress. He was an unsuccessful candidate for reelection in 1940 and in the three succeeding congressional elections.

Born in Milwaukee in 1893, Mr. Schafer lived for years in a log house his great-grandfather built after coming to this country from Alsace-Lorraine.

He attended schools in Wauwatosa and West Allis, Wis., both cities located in the Fourth District. Mr. Schafer left high school to work as an office boy for the Allis-Chalmers Manufacturing Co. In World War I, he served 22 months in France with the 13th Engineers.

He was with the French 4th Army at Champagne and with the French 2d Army at Verdun, St. Mihiel, and Meuse-Argonne. He was discharged on May 14, 1919.

Mr. Schafer entered politics in 1920 when he was elected to the State Assembly of Wisconsin as a LaFollette Progressive. He rode the progressive wave into Congress in 1923.

In the next 10 years he became a well-known, flamboyant political figure. I am sure that many of the older Members of this body will remember John C. Schafer as a powerful-voiced and determined legislator. It is said that when he spoke on the floor of the House, he could be heard down Pennsylvania Avenue clear to the White House. His was a very colorful career.

Mr. Schafer broke with the LaFollette group in 1926 and became a conservative Republican. He remained so for the rest of his life.

Upon his return to private life in 1941, he engaged in the sale of automotive electrical equipment and insurance as a resident of Oak Park, Ill. After retiring several years ago, Mr. Schafer moved to Pewaukee where he lived with his brother. The former Congressman was 69 years old at the time of his death.

Mr. Speaker, Mrs. Zablocki and I, and I am sure many Members of the Congress, extend to Mrs. Schafer and to John C. Schafer's family, our sincere sympathy.

### GENERAL LEAVE TO EXTEND REMARKS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the passing of our former colleague.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

### CLASS HELPS STRICKEN BOY

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, the members of the senior class of Glen Lake, Mich., Community High School worked and saved for 4 years to collect $700 to make a trip to the Nation's Capital. However, members of the class discovered that one of its members, Duane Richardson, a star on the Glen Lake basketball team, had contracted cancer, and his family could not afford the necessary radiation treatments.

Mr. Speaker, 10 days before graduation the members of the Glen Lake class voted unanimously to give the entire $700 to their classmate and thereby sacrificed their trip to the Nation's Capital.

Mr. Speaker, by their decision to sacrifice, I believe these students have done something which is more important than perhaps they even realize. They have demonstrated their devotion to American ideals which on a small scale is similar to the principles we honor here in the historic shrines of the Nation's Capital. Therefore, I believe they would understand and appreciate even more the significance of a trip to Washington, D.C. I hope many others will join with me in contributing personally toward this trip in order to enable this very worthwhile group of students of the Glen Lake, Mich., Community High School to make their trip to Washington after all.

### SUPPLEMENTAL APPROPRIATIONS, 1962

Mr. THOMAS, from the Committee on Appropriations, reported the resolution (H.J. Res. 745) making supplemental appropriations for the fiscal year 1962 (Rept. No. 1822), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. THOMAS. Mr. Speaker, in accordance with the unanimous-consent agreement of yesterday, I ask for the immediate consideration of the joint resolution (H.J. Res. 745), making supplemental appropriations for the fiscal year 1962; and I ask unanimous consent, Mr. Speaker, that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMAS]?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask the gentleman when permission was granted making consideration of this joint resolution in order?

Mr. THOMAS. It is my understanding, I will say to the gentleman from Iowa, that it was secured yesterday. I was not on the floor at the time, but permission was secured by our distinguished colleague, the gentleman from Missouri [Mr. CANNON], and the gentleman from New York [Mr. TABER]. The gentleman can find that in the RECORD at page 9666, I am advised.

Mr. GROSS. Mr. Speaker, can the gentleman tell me what time on yesterday permission was asked and granted that makes this resolution in order?

Mr. THOMAS. Mr. Speaker, I see the gentleman from New York [Mr. TABER] on the floor. Can he advise the gentleman from Iowa the approximate time that request was made?

Mr. TABER. At 5:45.

Mr. GROSS. Mr. Speaker, I think this ought to be of interest to Members of the House. Yesterday afternoon, after special orders were well underway, I was assured there would be no business of a general nature transacted. I am not opposed to taking up this resolution today. What I am protesting and pointing out to Members of the House is that we have every right to assume that when special orders have started, no further business of the House of a general nature will be undertaken. What I am pointing out is that this can become a dangerous practice for Members, and I am one of them, in all the business that comes to the floor and the procedure by which it gets here.

I think we ought to have an understanding here and now that Members of the House will be put upon notice, except in the event of some grave emergency, that permission will not be granted for the transaction of business of a general nature after the special orders have started in the afternoon, following the disposition of regularly scheduled business.

Mr. THOMAS. I cannot but agree with what my able and genial friend from Iowa has said, but I understand this came up rather suddenly, so it put the gentleman from Missouri and the gentleman from New York in a rather hurried position. I am sure this will not occur again.

Mr. GROSS. I am glad to have that assurance.

Mr. THOMAS. This was rather an emergency situation, and I regret it.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That there are hereby appropriated out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to provide for continuation of certain activities of government for which provision would be made in H.R. 11038, the Second Supplemental Appropriation Act, 1962: *Provided,* That this section shall apply only to those items in H.R. 11038 as to which Congress has received notice from the Director of the Bureau of the Budget of an apportionment on a basis indicating a necessity for a deficiency or supplemental estimate as required by section 3679 of the Revised Statutes, as amended (31 U.S.C. 665): *Provided further,* That in case an item is carried in both versions of H.R. 11038 but at a different amount as passed by the Senate than that as passed by the House, the lower of the two amounts shall prevail.

SEC. 2. There are also hereby appropriated such amounts as may be necessary to provide for items carried in H.R. 11038, as passed by the Senate for payment of (a) claims and judgments, including "acquisition of land and building, Chicago, Illinois"; (b) the judiciary, fees of jurors and commissioners; and (c) Department of Justice, fees and expenses of witnesses.

Mr. THOMAS. Mr. Speaker, this is a continuing resolution for fiscal year 1962. I will say to my distinguished friend from Iowa [Mr. GROSS] that this bill when it left the Senate had about $560 million in it, and this joint resolution calls for only $133 million, so that cuts it down three-fourths.

Does my able friend from Iowa [Mr. JENSEN] desire any time?

Mr. JENSEN. Mr. Speaker, I only want to say that I favor this joint resolution and hope it will have the unanimous support of the Members of this House.

Mr. THOMAS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

### PUBLIC DEBT LIMIT

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11990, with Mr. JENNINGS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Arkansas [Mr. MILLS] had 1 hour and 5 minutes remaining and the gentleman from Wisconsin [Mr. BYRNES] had 40 minutes remaining.

The Chair recognizes the gentleman from Arkansas.

Mr. EVINS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 109]

Abernethy
Addonizio
Alford
Andersen, Minn.
Ashmore
Ayres
Blitch
Bonner
Boykin
Brewster
Celler
Chamberlain
Colmer
Curtis, Mass.
Davis, Tenn.
Dent
Dooley
Downing
Fenton
Flood
Glenn
Gray
Green, Oreg.
Griffin
Hoffman, Mich.
Holifield
Horan
Jensen
Kearns
Keogh
Kilburn
McIntire
McMillan
Macdonald
Miller, George P.
Moulder
Norrell
Powell
Riley
Saund
Scherer
Shelley
Stubblefield
Thompson, N.J.
Tollefson

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. JENNINGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11990, and finding itself without a quorum, he had directed the roll to be called, when 389 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I think it can be said as a matter of fact, that no Member of this body on either side of the aisle likes to have to vote on a bill such as the one now pending before us.

The question that we have to resolve is what course is best for the United States of America. I fully appreciate the fact that this is a matter upon which men of equal dedication, of equal sincerity, can disagree. I do not think, however, that one can disagree with the facts that we have before us, if we will just listen to them.

Yesterday our very able and distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], very aptly defined the situation facing the House. He pointed out that this is, in effect, emergency legislation involving the credit standing of the Federal Government. It is just that, Mr. Chairman. The Congress has not only authorized, but has appropriated money for the expenditures which call for extending the Government's line of credit.

The best analogy I can think of is one we all understand and that is the situation in any American family. In effect, we have secured a charge account for our wife, let her go uptown and make purchases, and now we have received the bill from the department store and we do not have enough cash on hand to pay the bill. No one would argue that this is not a legitimate, bona fide debt.

What would any honest, conscientious American family do in such case. As a matter of fact, if this family wants to retain its credit rating, it really has no choice but to go out and borrow money or to prevail upon the department store to extend the period for payment. The analogy goes ever further. If the department stores does extend the period for payment it costs the family more interest. If too many families do this, it upsets the budgeting and financial problems of the department stores. There are other obvious repercussions that follow.

We are on the floor today faced with a situation in which the Congress has authorized expenditures, appropriated the money and pursuant to this, the executive departments have performed or planned routine and necessary functions of Government. The bills are coming in, and soon we will not have the money on hand to pay them. It was alleged yesterday that since in advance of a vote on this bill many people, including defense contractors, were alerted to what would happen if we are not able to pay our bills as they come in that there has been blackmail.

Mr. Chairman, these warnings have simply set forth the facts of life. As is often the case, many of us do not like the facts of life and all too frequently there are some who can never face them. Exactly this very same problem of deferring, stretching out and terminating our projects occurred in 1957 when our good friends on the other side of the aisle were in control of the executive branch and defense contracts. I have talked to some friends of mine in the last few hours who are in the defense contracting business. I have asked them what happened in the past when the Secretary of Treasury did not have enough money on hand nor enough credit to meet his bills. They told me exactly the same thing happened then that will happen now.

As a matter of fact, Mr. Chairman, our friends on the other side of the aisle who are screaming blackmail themselves admit that something has to give when bills come in and we do not have the money on hand to meet them. They really are not so unrealistic that they claim there is no problem here. They in effect are simply bemoaning the fact that they lost the last presidential election. Just as this is not the time or place for a so-called economy vote, it is also not the time to retroactively vote in the 1960 presidential election.

If my friends have any doubt that there will be all sorts of economic repercussions, not only for the Government, but for businessmen and taxpayers generally, if we do not give the Secretary of the Treasury enough flexibility in the debt ceiling, let them ask these very same defense contractors who are contacting them now what happened in 1957 and thereabouts when the then Secretary of the Treasury did not have the needed and necessary flexibility in the debt ceiling. I can tell them the answer as to exactly what will happen now if we do not give the Secretary the needed flexibility. It has to happen. There is no choice. You know it and I know it.

Let us get back to this charge of blackmail. Mr. Chairman, can you imagine what sort of screaming we would have heard had we not alerted the public and the Members of the House in advance as to what would happen if we do not give the Treasury this $308 billion debt ceiling, but moved in after the vote and then did the only thing possible to do, namely, cut back on contract letting, stretch out program payments, defer payments and so on. We would have really heard some screams of unfairness, politics and you name it.

Incidentally, Mr. Chairman, on the subject of politics, does anyone honestly believe that the straitjacketing of the Treasury will just be limited to districts represented by Republicans? We heard some complaint yesterday about what might happen in the State of Michigan. Certainly Michigan with its vast amount of defense contracts would very likely be affected. Have our friends on the other side of the aisle forgotten that we have Members on this side of the aisle from the State of Michigan?

How can it be politics when Members from districts on both sides of the aisle would be affected and our whole economy would undoubtedly suffer. There is certainly nothing partisan in this unfortunate situation.

I say to my friends who are yelling blackmail that to be forewarned is to be forearmed. They can call it blackmail if they want to, but I tell you what I will call a vote against giving the Secretary this needed flexibility—I will call it the sheerest sort of irresponsibility.

The past proves that this is undoubtedly going to be the situation. The actions in the past that are being so bitterly complained about, insofar as the future is concerned, took place under the administration of the gentlemen on the other side of the aisle.

And talking about responsibility, Mr. Chairman, the record of the Members on this side of the aisle speaks for itself. We hear a lot of comment on a balanced budget, debt reduction, tax cuts, and the like in reference to President Kennedy, but have we forgotten President Eisenhower's comments on these subjects? Have we forgotten that President Eisenhower asked for the very first increase in the debt ceiling since World War II, even including the period of the Korean war? Have we forgotten that his first request was to make the permanent debt ceiling $290 billion compared to our present permanent debt ceiling to $285 billion? Have we forgotten that by and large those of us on this side of the aisle gladly and uncomplainingly voted to give President Eisenhower's administration the type of debt ceiling flexibility which he requested on each and every one of the many occasions when he asked that there be either permanent or temporary increases in the debt ceiling?

Mr. Chairman, I repeat that a vote against giving the Secretary of the Treasury the needed flexibility to responsibly finance the operations of our Government is the sheerest sort of irresponsibility and we all know it. Call it whatever else you may.

Let us talk about the national debt. Certainly we all wish we had no national debt. But those who talk glibly about the debt do not tell the whole story. Let me give you an example of what I mean. The national debt ceiling was $300 billion in 1946. The gross national product in 1946 was $210 billion. Translated into terms of an individual, this meant that we owed in 1946 about one-third more than our total income. That would mean that a man made roughly $200 in 1 year and owed $300. In this year of our Lord 1962, again the national debt is approximately $300 billion. But on the other side of the coin, the gross national product for this fiscal year is estimated at about $570 billion. Translated again in terms of an individual, whereas in 1946 the individual owed one-third more than he earned in that year, in this year he will owe about one-half of what he will earn in the fiscal year 1963. So that the net of the changed situation is a plus of many, many billions of dollars.

So the management of the national debt, which is the business of the Committee on Ways and Means, is a much easier problem now than it was in 1946 because, as I said a moment ago, the only way to understand this debt is to translate it in terms of income, just as the only way to understand the debt of an individual is to translate it in terms of what that individual makes.

Now, is there anything novel about what we are trying to do here, and do we have any further guideposts that might point the way to what happens if we adopt the substitute to be offered by the gentleman from Wisconsin? No. 1, there is nothing novel about it; and No. 2, we have some guideposts that point the way clearly and emphatically.

I will deal first with the initial point. As a matter of fact, President Truman went through his whole administration, including the Korean war, without increasing the national debt ceiling. As a matter of fact he decreased it. But all through the Eisenhower administration we had one increase after another. We had a temporary increase in 1954 of $6 billion. We had an increase in 1955, a continuation of the $6 billion ceiling. In 1956 we continued an increase of $3 billion. In 1957 there was no increase, and I will come back to that in a moment. In 1958 there were the two biggest increases in peacetime history, one for $5 billion in February and another one for $8 billion in September of that year. In 1959 there was another increase—$2 billion in the permanent ceiling and $10 billion in the temporary ceiling—for a total of $295 billion. In 1960 we cut it back to $293 billion. In 1961 we upped it to $298 billion, and in 1962, as you know, we took an action here in March of this year setting it temporarily at $300 billion.

This brings us to the present debate and the vote which will come in a few minutes between the Ways and Means Committee plan and the plan advocated by the gentleman from Wisconsin. All of the experts who know anything about debt management tell us that to adopt the plan of the gentleman from Wisconsin is a dangerous thing to do. In 1957 the question was presented as to whether or not we would increase the debt ceiling. Congress took no action. Throughout the year there was a running controversy, if I may use that expression, between the distinguished chairman of the Appropriations Committee in this body and the executive branch of the Government. As a matter of fact, in April 1957 the President of the United States, in response to House Resolution 190, wherein the Congress requested that the President indicate what expenditures must be cut, wrote back and said that the Congress would have to determine what expenditures would be cut.

Mr. KARSTEN. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Missouri.

Mr. KARSTEN. We have heard a lot of talk about this blackmail operation. The gentleman also referred to it earlier. In that same year, 1957, I might mention, the President did order the closing of a great many installations over the country. I have in my hand a copy of a St. Louis newspaper dated September 13, 1957, with the headline, "Navy To Close Air Station Here—Economy Reasons Cited for Surprise Act." The cutbacks were limited to operating funds, so actually there was not just a blackmail operation by the previous administration, they actually went in and closed them.

Mr. CURTIS of Missouri. If the gentleman will yield on that point, I would say this: that if the gentleman from Missouri had followed through the actual facts instead of just a news article he would have found that that had nothing to do with a cutback.

Mr. KARSTEN. I disagree with the gentleman because we were both present at that time and that was the result of budgetary cuts which were necessary.

Mr. CURTIS of Missouri. The gentleman and I are in complete disagreement. Let us have the record made straight.

Mr. KARSTEN. I have made the record straight by citing the facts.

Mr. BOGGS. I also am trying to outline the record as things actually happened—and of course the record speaks for itself—and it is not my intention to take part in any disagreement that may occur between the two able gentlemen from the great city of St. Louis.

As a matter of fact, we did pass, in April of 1957, a resolution asking the President of the United States to tell us where to cut. The President of the United States wrote back and told us that was our responsibility and that we had to do the cutting. We did not do the cutting and all through the fall months of 1957 we had something that approached a fiscal crisis, if not something much worse. As a matter of fact, as I have indicated, the administration had to resort to all sorts of techniques in order to avoid just what could happen if we adopt the Byrnes amendment now.

Let me outline some of the things they had to do. They had to sell $100 million in gold to meet cash requirements. They sold $1,600 million in Fannie Mae notes. They moved Commodity Credit notes back and forth in a fiscal juggle in order to stay under the limit and they did slow down and postpone defense procurement and cut back on defense installations all over the United States.

I have here the Wall Street Journal which contains a story by John A. Grimes who was then a very distinguished correspondent for the Wall Street Journal and I think he still is, possibly in another assignment.

In October 1957 that headline read: "'Pentagon Will Pay Defense Firms' Bills as They Come Due,' McElroy Says, Answering Claims of Payment Lag."

What happened was that they had defense contractors go out and borrow at excessive rates of interest and they had to hold up paying them for a given period of time.

Then here is another one from the Wall Street Journal for October 28, 1957: "McDonnell Aircraft Lays Off 600 Workers, Cites Revised Schedules."

"Production of Demon Fighters Believed Cut Again; Employee Total Drops to 26,000."

Here is another item: "Cutback Blow Is Relatively Light on Some of Basic Industries."

This is a story which appeared in the Washington Post on October 23, 1957.

Here is another one from the Washington Post of October 22, by Mr. Elton C. Fay: "Impact of New Defense Cutbacks Being Felt in Many Communities."

Here is another item from the same paper of October 20: "Research Funds Cut—Obscure Order Reveals."

Now I do not know whether the use of a word like "blackmail" is right or wrong. The facts are, as we get them, that if the Treasury Department and the Defense Department do not have the proper flexibility in this area, they are going to have to cut somewhere. Now the place to do the cutting is not through this device but right here in the Congress. We have 50 members of our Appropriations Committee in the House of Representatives. We have a distinguished Appropriations Committee in the other body. What we really are saying, what the very people who complain about the delegation of power from the legislative branch to the executive branch are saying, is: "Here we give you this meat-ax approach and it is up to you and you tell us—you tell us, the Representatives of the people, where you are going to cut." This is our responsibility and function—not that of the executive department.

Let us see what some of the other implications of such a thing are. I mentioned to you in 1957 there was nothing done about the debt ceiling. No request was made. But, in 1958, a few months later, we had to raise the debt ceiling not $5 billion, not $6 billion, not $8 billion, but a total $13 billion—to a temporary total of $288 billion. Why was that done? Because we moved into one of the worst recessions we have had since the conclusion of World War II. Our revenues were way off. Why were they off? Not because of what the Congress had appropriated, but because business activity had declined. Anyone who thinks that there is not an intimate connection between good business and the revenues of the Federal Government just does not understand the economics of the era in which we live.

It has been estimated that the effect of the unemployment of a million men makes a difference in Federal revenues of $3½ billion. That means that if a million people who are employed today are not employed tomorrow, in a 12-month period there will be $3½ billion less collected by the Government of the United States for the operation of all of the various establishments and programs maintained by the Government. So the connection is there intimately. Some say that the recession of 1957 did not have such an impact upon the economy by reason of that. Maybe it did not, but let me call your attention to a statement by William McChesney Martin, a distinguished man, incidentally, from St. Louis, I think, and Chairman of the Federal Reserve Board, a man known for his conservative approach to the fiscal policies of our Government. Here is what he said, in 1958, and I quote from his testimony as reproduced in the Federal Reserve Bulletin:

> In this country, the unexpected curtailment in defense payments and changes in procurement policies that were inaugurated during the summer, to avoid breaking through the debt ceiling, had an unsettling effect on business.

And speaking again in 1958 after we were in the middle of this recession he said, and I quote from the May 1958 issue of the Federal Reserve Bulletin:

> This occurred as Government defense orders, which had been expanding in the spring, were cut back in the summer and fall to conform to the budget program and the ceiling on [the] public debt.

The crucial question is, Did we save anything? Did we save $2 billion? Did we save $3 billion? Did we save $5 billion? No, we had to come back in January and again later and raise the debt ceiling during that year by $13 billion because the business impact was so severe that the revenues of this Government fell to such a point that we had to raise the debt ceiling beyond anything that anyone had contemplated.

But some say, "Well, that cannot happen again; it happened then but it will not happen again, and after all, you can have a selective cut." Let us look at that for a moment—and, incidentally, I was pleased to hear my good friend from Wisconsin direct some inquiries to the Secretary of the Treasury as to when he was going to put into effect the accelerated depreciation in order to help business move ahead. I think the Secretary announced that he would put it into effect July 1 of this year. I think the budgetary loss estimated is something over a billion dollars; I believe about $1.5 billion.

It may very well be that that would be one of the items that some would say should be deferred, although I am not saying that it is. The point is that unless those of us whose responsibility it is to legislate tell the Executive where they must cut, they will be forced to cut a little here, there, and elsewhere. The net effect upon the economy could very well be disastrous at this sensitive point in our economy.

Let us take a look at the economy now, and I say this as a Democratic Member of this body, I am not at all pleased with what the economy is doing. I think it shows some evidence of stagnation. I think that it may well need stimulation. I do not see inflationary pressures; as a matter of fact, what is happening in the stock market, which should concern us all, would not indicate that there were inflationary pressures. On the contrary, it now appears that there may be deflationary pressures; it indicates that many of the investors in this country are concerned that there will be no further inflation for some time to come. So this debt ceiling squeeze is not inflationary in our country. It can be just the reverse. If anything, we need something to stimulate business, to move it ahead.

It is going to be said, if we make the wrong move, that at a time when business seems to be uncertain we are suddenly embarking on a different policy of cutback, which will have a most unsettling and unstable effect upon the economy. That is the issue that is involved here. We hear various arguments as to the effect of placing the national debt ceiling at $306 billion rather than $308 billion. Past evidence as to too tight a ceiling should settle the case for us.

I know it is pretty hard to translate and articulate the effects of this upon this vast country of ours of 185 million people. But if ever we had a yardstick which shows the effect of the failure to give flexibility to the Treasury Department in the management of this debt we had it in 1957. And here it is proposed by Mr. BYRNES that we invite it all over again.

Our position generally is pretty good. Certainly we should not knowingly worsen it.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Tennessee.

Mr. EVINS. Did I understand the gentleman to say that in 1958 we raised the national debt ceiling by $13 billion at one time, or was it on two separate occasions in the Congress that we did it?

Mr. BOGGS. On two separate occasions in the year 1958.

Mr. EVINS. The Congress acted twice in raising the debt ceiling that year?

Mr. BOGGS. That is right.

Mr. Chairman, I have an article here which appeared in this week's U.S. News & World Report, which I consider a rather objective journal, the title of which is "United States Versus Russia: Who's Winning?"

I invite some of you to read that article. Among other things it talks about the amount of spending on national defense. The United States is spending 10.1 percent of its yearly national output on national defense. And, incidentally, we are spending $54,700 million, according to these calculations. The Soviet Union is spending $45.3 billion, according to these calculations, but this amounts to 18.9, almost 19 percent of its gross national product.

To go ahead with the analogy, they claim that we are operating at only 80 percent of capacity, which may be true. They are operating at full capacity. They have crises in agriculture, in housing, in defense competition, and in other things.

So I say to you that on the whole we are doing very well in competition with the Soviet countries, according to this.

One of the things that is pointed out in this article is the fact that the Soviets are concerned about the upcoming Common Market in Europe. Again, this concerns us in our efforts, because while in 1957 we had about $19 billion in gold, today I understand it is down closer to $16 billion. So the problem of managing the debt now is more difficult than it was then, so that the impact could be equally as great now as it was in 1957, if not greater.

Mr. Chairman, in closing I say, without belaboring the point, that obviously if $2 billion is to be cut without direction by the Congress, somebody downtown is going to have to make the determination. Where is it to be made? How is it to be made? They will determine that, and not us, if we do not face our constitutional responsibilities.

I say finally and in conclusion that those of us who serve on the Ways and Means Committee do not have the responsibility of appropriating funds, we do not authorize most of these funds, but we do have the responsibility of managing the debt and providing the revenue to operate the Government. It is a much more difficult responsibility, perhaps, than appropriating money. It seems to me that the Committee on Ways and Means, which has discussed this matter, that has looked at it, that has listened to the Federal Reserve Board, the Treasury Department, and the other people charged with debt management, should be given a vote of confidence here. Responsible and economical debt management requires that the program offered by the chairman of the Committee on Ways and Means should be adopted, and the program offered by the distinguished gentleman from Wisconsin should be defeated.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. SCHADEBERG].

Mr. SCHADEBERG. Mr. Chairman, in referring to our national budget and debt limit we speak in terms of billions of dollars, which are not clearly understood or comprehended by the average citizen. Since many persons are deeply interested in what is taking place here today and will read about it in the RECORD, I will attempt to clarify the issue and in so doing I want to tell you about my uncle.

Year 1938 was a year I shall never forget.

It was the year I was graduated from college; it was the year I entered seminary; it was the year I was united in marriage; it was the year in which I had an annual income of $1,050; and it was a year also which closed with my financial books balanced.

My very-well-meaning uncle, on the other hand, began that same year with a $3,643 debt—I will not include the cents after the decimal point. His annual income was $559. His many nephews and nieces—my cousins—had a sort of power-of-attorney and with it had access to his bank account. With what result? He spent that year $117 more than his income, so he closed the year 1938 with a debt of $3,760.

Twelve years later, in 1950, his debt had increased from $3,760 to $25,277. His annual income had increased from $559 to $3,642. In other words, his income in 1950 was equal to the total amount of his debt 12 years earlier. Despite an increase in annual income of 600 percent, he spent in 1950 $312 more than his income, and closed the year with a debt of $25,736.

Another 12 years passed, and by 1962 his debt had climbed from $25,736 to $28,897. His annual income had risen from $3,642 to $8,210. But again, in 1962, $698 was spent in excess of his income, and he will close the year with a debt up to $29,537.

Today, because of the wanton recklessness and fiscal irresponsibility of his large family of nephews and nieces, my uncle has come before his banker and has asked that he be allowed to increase his borrowing by another $800, for a total debt of $30,800, even though he has succeeded in living within his means in only 6 of the past 24 years—indeed in the past 31 years.

Ladies and gentlemen of the House, if you were in charge of the bank responsible for loaning money entrusted to you, would you be willing to allow my uncle, on the basis of his past record of increasing indebtedness, to borrow up to another $800 and become indebted to the tune of $30,800? Do you not think it is about time my uncle learned to insist that his household live within his income? Will he do so if he is provided with further loans?

Mr. Chairman, add seven zeros to the figures in the financial statement as outlined, and you who are entrusted with the tax dollar of your constituents have a picture of the financial status of our Uncle Sam. Cousins, it is up to us. Let us call a halt to this procedure of making it possible for our good uncle to commit fiscal suicide.

**Mr. THOMPSON** of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

**Mr. MAHON.** Mr. Chairman, I did not have the remotest thought of injecting myself into this debate. The fact is I had thought of voting against increasing the debt ceiling, and I would still like to do so if I could reconcile such action with my responsibility as a legislator.

Mr. Chairman, I have been preaching in Washington and in my district for years that we should pay as we go, and if we want benefits and programs, we ought to raise the taxes to pay for them; that if we do not want to pay for them, then we ought not to vote for them.

Mr. Chairman, I have a very homespun philosophy as to fiscal matters of the Government. I, for one, would not be in favor of cutting taxes in order to spur business activity.

I find myself, however, faced with a problem which troubles me. If you share my views, this problem will trouble you. I might say that some of us who have voted against many costly programs in the past have become a little weary with those who seemingly vote for all expenditures, and then establish a resounding record for economy by voting against increasing the debt ceiling.

Mr. Chairman, I would point out that the debt ceiling increase is merely a procedural matter reflecting that which has been brought about by our authorization and appropriation bills. So, we do not save money by reducing debt ceilings, as I see it. I wish we could somehow shock ourselves into the position of not voting for appropriations and authorizations unless we propose to go along with the financial requirements thus entailed. I think we ought to reduce, and reduce rather drastically Government spending in some areas.

Mr. Chairman, the chairman of the Rules Committee, the gentleman from Virginia [Mr. SMITH], yesterday quoted me as having said that since about the period of the end of the Korean war through fiscal year 1963 defense spending will have gone up an estimated 12 percent and nondefense spending will have gone up by 94 percent. It sounds very good to say that we should reduce nondefense spending and not touch defense. Certainly we should cut nondefense spending. Well, the Secretary of Defense called me a couple of days ago and he said:

> Mr. MAHON, in view of your interest in the defense program, I thought I ought to give you certain information.

I must say if there has been an abler Cabinet member in the last 10 years than Secretary McNamara, I do not know his name.

He said: "I must tell you, for whatever it may be worth to you, that if this $2 billion cut in the debt ceiling is made, it will mean a scaling down of our defense programs; it will mean that we cannot spend as we had planned the money which you have made available, and which you propose to make available this year. There will have to be a scaling down and any scaling down planning will have to take place to a very large extent by December 15." My quotes are not word for word but they are substantially correct.

Well, Mr. Chairman, that was his estimate. I checked with Mr. Gilpatric, the Deputy Secretary of Defense today, and he confirms it. I have also checked with others who have confirmed it.

Now, Mr. Chairman, the question arises, "Shall I carry out my original hope and vote against this debt limit increase?" I have not voted against debt ceiling increases in recent years because, as I have pointed out, it is procedural. Then there is the question, "Shall I vote for it?" I am compelled to say that I will have to vote for the Mills bill as proposed. I do not see how, knowing what I know, I could do otherwise.

That is the reason I am sharing these views with you, after conferring with the chairman.

I know very well what a debt limitation ceiling can do to national defense. Mr. Chairman, back in fiscal year 1956 we spent about $36 billion on defense. It was proposed that we would spend that much for fiscal 1957 also. But the Defense Department exceeded this figure. Defense expenditure rates were increasing rapidly in the latter half of fiscal year 1957. It appeared then that expenditures were going up to $42 billion for the next year. What did the Defense Department do? It began to slash and slash in order to live within the debt limit. It was necessary to slash programs planned for fiscal year 1958. The Eisenhower administration made up its mind, for good or bad, that it would not ask for an increase in the debt ceiling and, in planning not to ask for an increase in the debt ceiling, the Eisenhower administration began a series of cutbacks. The sum of $500 million, or a half-billion dollars, was cut out of major procurement, airplane programs were cut out, missile programs were cut out, the delivery of aircraft was delayed, and there was a stretchout which made the program actually cost more. That is what was happening from the period of May to October in 1957.

You do not have to take my word for that. If you go to the Library and get the CONGRESSIONAL RECORD of September 3, 1957, which, incidentally, I now hold in my hand, you will see it all laid out very well. Drastic cuts were made in defense as a result of the debt limit which was to be $275 billion during calendar year 1958. In the CONGRESSIONAL RECORD of September 3, 1957, you will find the result that was brought about discussed in great detail. Under an extension of remarks entitled "The Battle of the Budget in Defense Programs"—volume 103, part 12, page 16805—is a list of these cutbacks. This is only a partial list, but they are significant and important reductions. There were other reductions in program.

Mr. McNamara says that if a $2 billion reduction is made in the bill offered by the gentleman from Arkansas [Mr. MILLS] some reductions will have to be made in defense. I have heard the estimate of about $1 billion.

If the whole cut were all taken out of nondefense items, I would be more or less inclined to be for it. But my study of this matter convinces me that it cannot all be taken out of nondefense. So, having resolved, as I did, to vote against this bill, I find myself unable to do so, as much as I would like to build a record on paper for economy. I first owe a responsibility here to my colleagues and then to my country in this matter.

**Mr. BARRY.** Mr. Chairman, will the gentleman yield?

**Mr. MAHON.** I yield to the gentleman.

**Mr. BARRY.** Mr. Chairman, I think the gentleman knows that I have a great respect for his voting record so far as economy is concerned, but I would like to call attention to the gentleman's opening statement when he said that this is only a procedural matter, so far as increasing the debt limit is concerned. Then he proceeded to read a letter from the Secretary of Defense in which the Secretary said that he would have to cut back on certain items of defense were the debt limit not increased. This is a direct contradiction. Either the Secretary is wrong or the gentleman is wrong. I should like to say further, if I may—

Mr. MAHON. Let me answer that question first, and then we can go to another. No; it is a procedural matter. The basic, substantive action was taken by Congress when Congress authorized the appropriations and appropriated the money for defense. If we did not want this money spent, that was the time when we should have cut the pattern and withheld the money. So I still say that in a larger sense this is a procedural matter. The time to build economy records and show fiscal responsibility in government is when authorization and appropriation bills come up and not when this kind of bill confronts us. It is a little late. We have already provided the executive branch with the money to spend.

Mr. BARRY. Mr. Chairman, if the gentleman will yield further, I would like to say that this is an opportunity, by direct admission of the Secretary of Defense, to cut some of the fat, even off the Department of Defense. I will admit to the gentleman that there are many areas in the Department of Defense where not 1 cent should be cut. But there is also room in the Department of Defense and in all branches of Government, where some of the fat could be cut.

Mr. MAHON. The gentleman has made plain his philosophy. But the Secretary of Defense further tells me that some of these cutbacks would have to be in procurement of important items. He might be confronted, as were Secretary Wilson and President Eisenhower in 1957, with having to cut major procurement programs, slow down aircraft deliveries, eliminate some missile programs, and so forth. We would all like to cut out, of course, any fat and waste.

So this is the kind of box we find ourselves in. We as members of the Subcommittee on Defense Appropriations, including the gentleman from Michigan [Mr. FORD], the ranking minority member, tried to eliminate unnecessary defense programs wherever we could. We were effective, I believe. I think in both the Republican and Democratic administrations there has been considerable improvement in these programs. Let us hope there will be more. If I thought by the remotest stretch of the imagination this would be cutting out the fat, I would gladly vote for reductions. Some defense costs are based on so much per man. Do you want to cut the number of Marines or the size of the Army, Air Force, or Navy? These costs are more or less fixed. If you want to cut the subsistence, okay, but there is not much room to cut. We, in Congress, are not willing to cut the National Guard and the Reserves. So if you are going to cut very deeply you are going to have to cut something vital, some of the real defense.

What I rise for today is to say to my colleagues that if you want to reduce the debt ceiling and later regroup and all get together and all vote for the increase for which we are all in one way or another responsible, that is a different matter. But I warn you that in my judgment, and I think there will be no reasonable doubt about it, if the $2 billion cut goes through, probably half of that would be applied to defense and would slow down programs. That would not be wise.

I do hope that we will resolve today that we will not be faced with this kind of situation come January or March or a year from now. We will not be if we will be more restrained in voting for appropriation bills and authorizations, which are not absolutely necessary. So we face the necessity of doing a very unpleasant thing, and so far as I am concerned, I know of nothing to do except to do it.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. BOGGS. The gentleman has a distinguished record in defense matters, one that is known throughout this Nation. The gentleman heard the statement I read from the U.S. News & World Report relative to the comparable position of the United States vis-a-vis the Soviet Union at this time. Would it not be logical to assume that if we slow down the defense program now this would give the Soviets a breathing spell that we should not give them?

Mr. MAHON. I certainly feel it would be unthinkable at this period in our history to slow down the defense program. I do not think anybody in this House wants to slow down the defense program. I think that we will slow down the defense program if we do not pass this bill. I regret to say that and I had not expected to say it, but I am inevitably led to that conclusion after investigating the facts of the case.

I will say that this history I am referring to here with respect to previous years is available in the RECORD of September 3, 1957. The sputnik went up on October 4, 1957, and everybody was looking for a scapegoat. That year we had cut the appropriations, and some at first thought that the Appropriations Committee and the Congress would be the scapegoat. We went back and found that while we had cut the program $2 billion, the scaledown, the cut in the appropriation, did not hurt. It could have been cut further because certain funds were made unnecessary by the reduction of defense programs by the Defense Department in order to live within the debt ceiling. The Comptroller of the Defense Department, Mr. McNeil, wrote me a letter which appears in the RECORD of September 3, 1957, pointing out that the cut in appropriations by Congress was not responsible for the reduction in defense programs by the Department. Somebody said, "Why didn't you raise the debt limit?" We did not have an official request to raise the debt limit; at least, it was not voted on. It was an honest effort on the part of the Eisenhower administration to save money and that, of course, is a laudable thing to do, when such action can be safely taken.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. WRIGHT. I should simply like to say to my distinguished colleague from Texas that he has made the most persuasive argument I have heard in favor of voting this increase in the debt ceiling. As the gentleman knows, he and I having discussed it privately on numerous occasions, I have shared many of his misgivings about the proposition of continually increasing the debt ceiling.

I do want to say to the gentleman, he has made a very valid point and one which gives those of us who have been voting against debt ceiling increases a lot of opportunity for some serious soul searching. I do not know yet how I am going to be able to resolve that question.

Mr. MAHON. I will say to my friend, if we can sleep well at night and relax with a reduction in our defense program, then we ought to vote for the $2 billion cut.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has been dealing almost exclusively with the Defense Department.

Mr. MAHON. That is right.

Mr. GROSS. Why? Is this the only place where economies, and very substantial economies, can be effected in Government? How about chopping the $3 billion out of the foreign giveaway? Would that not be helpful?

Mr. MAHON. I would say this. To some extent, the foreign aid program has been in the interest of national defense. For example, the great work of the U-2 aircraft was made possible by foreign aid.

A better job could have been done in foreign aid, but I think it has been an integral part of our defense. We are spending about 4 percent of the defense money or the equivalent of that on foreign aid.

If this reduction could be made out of nondefense spending, then you would not see me in the well making these remarks. But I am told that while some of it can be made in nondefense spending, perhaps half of it and I hope more, nevertheless I am absolutely convinced that a considerable cut would have to be made in defense. If we are to carry out that defense program which we originally thought we had to support, I do not think this is a time that we can fail to support the increase in the debt ceiling.

Mr. GROSS. If the gentleman will yield, this House is continuing these huge expenditures for multiple-purpose dams. Only this morning, with this bill on the floor of the House, this demand for an increase in the debt, an administration spokesman was before our committee advocating a billion-dollar increase in pay to Federal employees. This kind of business just does not make sense. If you are going to vote for economy, you should vote for economy.

Mr. MAHON. The time for any of us to go to the mourners' bench and become economy minded is when the spending bills are before the House. I have voted against many large spending measures and shall continue to do so, but as long as the majority supports them, we have to pay the bills when the commitments have been made. This ought to be a day of real soul searching.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, between the 1st and 2d sessions of this 87th Congress, I had occasion to walk into an airport in one of our great Southern States. I noticed on the table in the restaurant in the airport a little card that said, "How to avoid picking up the check." Of course, this ought to be of great interest to most Members of the Congress. I picked up this card and looked inside and it said, "Get a credit card." That is just exactly the way we have been operating our Federal Government for a great period of time. We are continuously spending more than what we are taking in by all forms of taxation. We are operating Government by credit card. We are not facing up to our responsibilities during our generation. We are willing to buy the things today and charge them to the children—to our own children and the children of future generations not yet born.

In answer to the remarks of the respected Member from Texas [Mr. MAHON], I picked up on my desk this morning a report from the Tax Foundation which said this:

> From fiscal year 1954 until fiscal 1963 [which commences in about 2 weeks] our expenditures in defense have increased by $6 billion.

Yet, on the other hand, our expenses in all other Federal spending during the same period from fiscal 1954 to 1963 have been increased $19 billion. So I do not think anybody in this House believes that if there is a failure to increase this national debt ceiling by either $6 or $8 billion today it will all be reflected in the defense area. It seems to me there is a continual emergency in Government and it is always the defense angle that is emphasized when we have such a measure before the Congress.

The chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], for whom I have the greatest respect, was required to take the well here yesterday, as he did 4 months ago, on February 20. I have been in Congress slightly less than 4 years, but I think this is the fourth occasion on which we have been requested by both administrations to increase the national debt ceiling. The same arguments are always given, and the ceiling is increased. Then a few months pass and again we go through this exercise in futility.

Frankly, if there is any question about my position, I intend to vote against the $308 billion and the $306 billion.

The Federal deficit last year was $3.9 billion. Our deficit this fiscal year which will end in 2 weeks is going to be in the neighborhood of $7 to $10 billion, and for fiscal 1963 it is now estimated, based on information at hand today, that it will be between $3 and $5 billion, a total of more than $15 billion in 3 years—credit card Government.

One of the great Senators of the South, Senator Byrd of Virginia, made some very, very outstanding remarks in connection with this overall program which I think would certainly bear scrutiny by the Members of this House. He said:

> We have been lulled into complacency by such words and phrases as: There is no harm in increasing the public debt if we owe it to ourselves; and, it will be all right if we balance the Federal budget over a cycle of years. Such statements are evil fiction, destructive of responsible thought and action by reasonable people.

He further said:

> Government economists who talk about balancing the budget over a cycle of years are now coupling the idea with the contention that Federal fiscal problems will be solved if the Government will only spend enough to raise the gross national product high enough to produce the necessary revenue; in short, spend yourself rich.
>
> At the same time they are diverting attention from the discipline incident to balancing expenditures with revenue, by indulging in academic exercises in a so-called cash budget, a so-called capital budget, so-called national income accounts, so-called Federal sector accounts, etc. Cutting expenditures seems to be a lost art.

If the majority Members of this House would demonstrate some fiscal courage for the benefit of the American taxpayers rather than in their enthusiasm to spend public funds for every hairbrained scheme proposed, we would not be faced with this continuous inflationary rush to bankruptcy.

The President's economic advisers have certainly done nothing to reverse this trend, but to the contrary have compounded it. And we must keep in mind that this Congress, now controlled by the Democrats by substantial majorities, has been in the control of that party for 26 of the last 30 years.

Finger pointing at Presidents or administrations will not necessarily place the responsibility, because it is the Congress that passes the bills which authorize the tremendous expenditures of public tax money.

Let us stop lifting the ceiling and exercise fiscal responsibility by rejecting wild Government spending.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, I want to urge my colleagues, as strongly as I can, to support the bill that has been brought to the floor by the Committee on Ways and Means, and to reject the substitute ceiling of $306 billion.

The committee bill for a debt ceiling of $308 billion, dropping during the year to $300 billion, is a conservative provision to deal with the problem. It provides authority only to manage a budget which is substantially in balance. Before the end of the next fiscal year, the debt ceiling will be no higher than it is now. Those of my colleagues who have said that they do not want to vote for continued deficit financing can vote for the bill presented by the Committee on Ways and Means.

If a debt limit bill can say to Treasury, do not incur a deficit for the fiscal year, this bill says it.

As my colleagues have made clear, the substitute that will be offered by the minority is no different at all from the committee bill so far as the overall fiscal year effect is concerned.

In a desperate effort to find something different than the reasonable position developed in the committee, they came up with nothing better than some tinkering with the provision for seasonal variation in revenue receipts. The tinkering was essentially to cut down on the provision for contingencies.

As any businessman will recognize, one of the cheapest and most irresponsible ways of cutting a financial plan is to cut the margin for contingencies. This way you do not have to come out on the record as being against anything. If you really believe that your financial resources are not adequate to properly cover the business plan, the only sensible thing to do is to cut something out of the plan and not go ahead to undertake the full plan with inadequate resources. The $306 billion substitute does not cut anything out of the Government's financial plan. We still expect the Defense Department to find funds available to continue the RS-70 program, to maintain the level of the National Guard, and to begin work on carriers for the Navy.

When the Congress finally approves appropriation bills, these contemplate carrying out certain objectives of government which have won the majority approval of the Congress. The substitute does not say which of these should be changed. As a matter of fact, the supporters of the substitute are holding up a sign to cut $2 billion with their heads firmly planted in the sand. Not only does this cutting away at the contingency allowance fail to come to grips with what is to be cut, it does not even face the problem of how much. While I have great respect for the gentleman on the other side of the aisle, I am sure that they are no more competent than I am to predict the exact level of budget receipts between now and December 15. Obviously these receipts will depend greatly upon developments in private business. The substitute is really requiring the Treasury and the Budget Bureau to look both ways at once to see how much revenue is coming in and to change the expenditures accordingly. The substitute says that if receipts are pretty good, do not spend less than our appropriations. If the receipts are not so good, spend something less but we will not tell you where to cut.

The great fallacy of all of this is that the substitute will not really have much effect on expenditures. Most of the effect will be through forcing the Treasury to use poor financing. Enough has been said about what happened in 1957 when payments to defense contractors were cut and what happened in 1953 and 1959 when financing was done through Government corporations. Let me give one very timely down-to-earth example. On December 15, a Treasury bond issue will mature in an amount of about $1½ billion. Obviously there will be no budgetary surplus available in the first half of the coming fiscal year so the Treasury cannot simply retire this bond issue. Some new financing must be arranged.

A common way of handling a maturing issue in this situation is to sell some other security for cash to pay off the holders of the maturing bonds. An alternative way to handle the maturity is to offer the holders of the maturing bonds an exchange, their old bond for a new bond.

In sensible financial planning, you would think that the Treasury's choice between whether to sell a new issue for cash so as to pay off the old bonds or to offer the old bondholders an exchange would be decided on the basis of financial market conditions. This is what any business would do. If the prospect was that you could get a good deal by offering an exchange, you would do it. If, in the present circumstances, you could make a better deal by selling a different kind of security for cash to perhaps a different group of investors, you would do that.

From a public debt standpoint, however, these two transactions are very different. The cash exchange means that for a period, perhaps only a few days, both the new and the old bonds would be outstanding at the same time. For this period the Treasury would have more debt but also more cash by the same amount. With a tight debt ceiling, however, the Treasury is precluded from using the simple technique of selling the new issue for cash. There may not be enough debt ceiling available to have two security issues outstanding at the same time. The Treasury would have to use use the technique of offering an exchange and would have to put a high enough interest rate on the new bond offered in the exchange to assure themselves that they would get enough of the bondholders to take the exchange rather than to insist upon cash.

We have had now 2 days of opportunity for speeches about how much some Members of this House would like to see expenditures reduced. This is all to the good. I would like to see expenditures reduced myself. Now that the speeches are out of the way, let us face the fact that the two votes which are immediately before this House have very little to do with reducing expenditures. A vote for an inadequate debt ceiling provision is not a vote to reduce expenditures—it is a vote to require inefficient financing.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, the central issue behind this debate on the debt limit is first—whether Congress is willing to face up to the fiscal reduction which it is responsible for creating and second, whether we are going to meet the challenge before us to keep our domestic economy growing and expanding.

When this Congress convened, the Nation was in its 8th month of economic decline. Gross national product was down to an annual rate of $501 billion from its peak of $506 billion. Unemployment was nearly at 7 percent, and our balance-of-payments situation was serious.

As a result of vigorous efforts the recession was turned around, and by the first quarter of this year the gross national product had risen to $548 billion, the unemployment rate is now under 5½ percent, and a solution is being found to our balance-of-payments difficulties.

The business outlook today is good. Many of the economic indicators are favorable for a continued expansion in economic activity but it is also true that we have a long way to go to reach our economic potential. There is a need to move ahead. There is no excuse for a level of unemployment of nearly 5½ percent. Our gross national product is still more than 5 percent below our potential. Even on the basis of the most optimistic estimates, we will not reach full employment before the end of fiscal 1963. We will not solve our domestic economic problems until we have solved the basic unemployment problem and gotten rid of the pockets of persistent unemployment.

We are moving forward to a solution to these problems through tax reform, through revised Bulletin F depreciable lives, through area redevelopment, and manpower training, and in a multitude of other ways.

The basic philosophy in our consideration of the debt limit should be this:

A determination to meet our paramount domestic economic needs. The request for a $308 billion debt limit was based on the hope and expectation of a balanced budget in fiscal year 1963. The January budget document projected a $500 million surplus. Additional requests, particularly for a capital improvement program for distressed areas, would use the bulk of this surplus but still leave a balance. The achievement of a balance, however, depends on attaining the economic goals projected in the January budget document; namely, a $570 billion gross national product in calendar year 1962. If the upward trend of the economy slackens and this goal is not reached, then a deficit will develop and the $3 billion margin provided by the $308 billion limit will be essential.

The alternatives are these: First, reducing the allowance for flexibility by $2 billion; second, reducing the Treasury operating cash balance to $2 billion from the already unrealistically low figure of $4 billion used in computing the $308 billion ceiling; third, reducing expenditures by $2 billion before December, or fourth, some combination of these actions.

Reducing the allowance of $3 billion for flexibility would make it impossible for the Treasury to take advantage of market conditions which would allow borrowing at the least cost to the Government. In fiscal year 1958 the limitation of the debt ceiling required the use of agency financing and free gold. $1.6 billion of FNMA management and liquidating program notes were sold at a time when the debt ceiling was being approached and cash balances were low and this was estimated by Secretary Anderson to have cost the United States millions of dollars.

The $4 billion allowance for an operating cash balance cannot be reduced. The amount of $4 billion is hardly adequate to meet 2 weeks' expected expenditures.

Public expenditures cannot be reduced without the gravest consequences since the expenditures to be made in the first 5 months of the fiscal year are based on programs already announced. This would mean cancellation of contracts and cutbacks of scheduled programs. An examination of the budget shows, moreover, that unless we are willing to cut back on expenditures for national defense that the whole impact would fall on programs for which total expenditures during the fiscal year 1963 will amount to substantially less than $15 billion. These include the programs for health, labor, and welfare, commerce and transportation, natural resources, education, housing and community development and for general government. Moreover, a $2 billion reduction in expenditures would seriously threaten the current economic recovery.

In 1957 when defense expenditures were cut back to meet budgetary limitations, this cutback was one of the most important reasons for the recession that followed.

Moreover, with many business forecasters claiming that a recession is likely to occur before the end of this year, it would be foolhardy to hamstring the administration's ability to deal with such a situation by denying the flexibility which would be provided by the $308 billion debt limit. If the most pessimistic of these forecasts should be correct it would be necessary to take even more vigorous measures than are now planned.

If we consider the situation that would arise if the economic recovery did not measure up to standard, the resulting deficit would put the Treasury under extreme pressure to adopt expensive devices to avoid the limitation of the debt ceiling, not for just 1 day, or for a short period of 2 weeks, but for a period extending from the beginning of December all the way through the middle of March and perhaps even through the end of the fiscal year.

I am not willing to take the responsibility of putting the country's finances in a straitjacket which you will do if you adopt the substitute. We cannot play a game of Russian roulette with our Nation's fiscal responsibilities.

I urge my colleagues to vote down the substitute and support the committee bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BETTS].

Mr. BETTS. Mr. Chairman, I would like to make a couple of observations on this bill, both of which are quite general in nature. I think we have a tendency to get lost in a world of statistics and figures. We argue endlessly about estimates of income and expenditures, about gross national product and its relation to the debt, about how much deficit financing our economy can stand, and during all the hours of argument we gloss over the plain and simple fact that we are deep in debt and getting deeper.

The last figures I received from the Library of Congress, over a year ago, established the fact that the gross national product of the United States is less than the combined gross national product of the rest of the entire free world. And yet our national debt is greater than that of the rest of the free world. In other words, we are worth less and owe more than all of our friends. I assume that the figures have not changed too much since I received this information.

To me this is frightening. As a matter of fact, it is so frightening that I think we ought to be bending every effort to reduce the debt instead of increasing it, to operate on a balanced budget or a surplus instead of a deficit. This fear is intensified by the warnings from abroad that we keep our financial house in order. At the risk of oversimplifying the issue, to me this is sufficient reason for opposing any further increase in the debt ceiling as at least a gesture toward fiscal responsibility.

I supported measures to increase the debt ceiling under both the Eisenhower and Kennedy administrations as many other Members have done. But to me that does not justify a continuance of the practice forever. There must be a stopping point and as for myself, we have reached it. The Republican views in the committee report amply support my decision to vote against this bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the very outset, permit me to state that we are dealing here with a very sensitive aspect of our fiscal policy. I do not take this question lightly. As I analyze the problem that faces us today, we are confronted with two basic questions.

First. As a government, are we going to be in a position to honor bills coming due on contracts for goods and services already entered into during the next 6 to 12 months, or are we going to have to default. That is one proposition.

Second. The other fact we must face is, Are we going to do something to force some degree of frugality and economy as to future expenditures, or are we going to let the spenders continue at their own merry pace? That is the second question and is also involved in this legislation.

We must face up to these two basic issues as we consider this legislation.

There have been many speeches made during yesterday and today directed to the fact that we have gone hog wild as far as Federal spending is concerned, and that we must put our fiscal house in order and start living within our means.

I wholeheartedly agree with those statements and with that philosophy.

But in spite of this fact let us recognize first that we must be honest with ourselves and the country and face up to facts as they are, not as we would like them to be or as they would be if some of us had had our way as far as authorizations and appropriations are concerned.

I certainly agree that the Congress should confess its "sin," or to make it plural "sins," in overauthorizing and overappropriating money in excess of receipts. So we should as a Congress say "mea culpa," through my fault.

Yes, and the executive department could well confess its sins in this regard and say, "mea maxima culpa," through my most grievous faults. Because, remember that the authorizations and appropriations have for the most part been as the result of urging, yes, even pressure, and we have witnessed extreme pressure since this administration has come into office, pressure by the Executive to make these authorizations and these appropriations in excess of receipts.

But, Mr. Chairman, the basic fact remains that there are bills coming due in the next year, particularly in the next 6 to 7 months, that have been legally incurred and must be paid. Mark this, if something is not done between now and June 30 about the public debt limit we will not be able to honor many of these bills. We will have to default—an intolerable situation, and I am sure no Member of this House would want to be responsible for the situation that would exist if we did nothing about the debt limit, if we just let it go by the board, and let the borrowing authority go to $285 billion on July 1, yet having bonds and notes outstanding to the tune of approximately $300 billion. I do not think there is too much to worry about as to the legality of the $15 billion that is outstanding. I do not think they will be placed in jeopardy. But, as they are cashed in—and they are cashed in every day—when they are presented for payment, no new bonds can be issued to take their place, and within a short time we will have to default on other bonds and notes as well as on bills coming due.

So, frankly, we must do something. We cannot just turn our backs on the facts that exist. We must provide additional borrowing authority to $285 billion that will otherwise be the ceiling on July 1. We have to go above that figure. Frankly, I do not see that there is any room for disagreement on that fact; it is just there.

Then we are faced with this question: How much borrowing authority must we authorize? How much additional over the $285 billion must we authorize. The administration asks for authority to go to $308 billion, and that authority will let them go their merry way, permit them to spend every single cent that they talked about spending. And, as far as going ahead with those plans and that spending, I cannot agree.

We may not be able to do anything about the past that I talked of and that many of us have talked about, that brought us into the current situation. There is not much you can do to retract it, but we can do something about future spending and we can make a start with this bill that is before us today. In fact, we must do something about future spending.

I must deplore at this point what appears to me to be an attempt on the part of this administration to engage in the business of developing and propagandizing new theories to justify its mistakes. Faced with the collapse of his promise for a balanced budget in 1963, the Director of the Bureau of the Budget now tells us that we are not spending enough money and that we ought, for our own good, to spend more. Faced with a know deficit for this fiscal year of $7 billion and the prospects of another in the next year, the President tells us that the idea that deficits are dangerous may be just a myth now, even though it was the considered opinion of his administration only a few months ago that a budget surplus was the wise Government course at this particular time. Faced with a substantial increase in the national debt, because of its propensities to spend beyond income, the President now tells us that we need not worry about the increase in size, because it has not increased as fast as the debts of other segments of the economy; in fact, the President tells us that we should not be too much concerned about the administrative budget because it is actively misleading.

Yet, to those of us who are not as sophisticated as the President, it appears to us that the reason we are debating this bill today is because the "misleading" administrative budget tells us that we have and are going to continue to spend more money than we take in, and that we have to increase our national debt limit in order to be able to borrow the funds to make up the deficit.

Mr. Chairman, I say we ought to beware of discarding the time-tested methods of measuring fiscal responsibility. I say we ought to look twice at arguments designed to persuade us that we can throw all caution to the wind and accede to the multitudinous requests of the administration for more spending.

Mr. Chairman, the spenders have never lacked for new theories as to why this Nation should continue to force future generations to pay for the spending they now propose. In fact, we listened to the distinguished majority whip, the gentleman from Louisiana [Mr. BOGGS], with reference to how we have to keep spending at the extravagant rate we are going; according to him we dare not stop. In fact, I read into it the idea, too, that we are not spending enough even as it is.

Well, Mr. Chairman, may I say to you and the Members of the House that if this theory and philosophy prevails, if the spenders succeed in convincing the American people that profligacy, irresponsibility, and wanton public expenditures are good for us and that those who protest are only spreading myths, then, Mr. Chairman, God help America. Yet, if we approve this bill as it comes from the committee, we will be giving those who espouse this theory every cent they desire, and we will be putting our stamp of approval on their spending plans.

Mr. Chairman, this bill as it comes from the committee approves 100 percent the spending plans for fiscal 1963 as proposed by the administration. That is exactly what it does. I will not be a party to rubberstamping those plans. Therefore, I say to the Members of the House that if this bill is not changed, I am not going to vote for it. I shall vote against it on final passage. If the bill is killed, the result will be to force the Committee on Ways and Means and the House to reconsider what seems to be their adamant position, at least the adamant position of the administration and the Democratic leadership with respect to higher and higher spending. But, rather than force this alternative, I would hope that a majority of this House will take a more reasonable attitude.

Mr. Chairman, I will propose at the proper time that the $308 billion proposed by the committee as a ceiling be reduced by $2 billion.

Now, $2 billion is not an inconsequential amount. As far as I am concerned, $2 billion at this time, with this debt, with the fiscal problem that we have, is significant. I think we should make that savings by this bill, and I think it can be done and it can be done, Mr. Chairman, without affecting essential needs of the Government. Let me point this out to the membership of the House: The expenditure level for fiscal 1963, as presented in the budget—and it is those budget figures that were used by the Committee on Ways and Means in determining the $308 billion—is approximately $3.5 billion in excess of what we have spent in fiscal 1962, the current fiscal year.

I do not think there is any Member of this House who would say that as far as the expenditures are concerned in this fiscal year that we have been particularly frugal. So if we just cut back everything to the level of 1962 we could save $3.5 billion. But I am not even suggesting that, Mr. Chairman. Of the $3.5 billion increase in fiscal 1963, $1.5 billion of it represents increase in expenditures for the Department of Defense. So if we eliminate the Department of Defense completely from consideration as far as savings are concerned you can still save $2 billion purely by reverting to the 1962 basis of expenditure. If we eliminate the Department of Defense, we still have a $2 billion increase in expenditures. I am not suggesting that there is no possibility of making some savings in the Department of Defense. The Department of Defense is no "sacred cow." But eliminating them completely from our consideration we can hold nondefense expenditures to the general level of the current fiscal year; we can require the administration to do it by adopting the Byrnes substitute to the committee bill. If we do so we can get by with $2 billion less in borrowing authority than has been asked for.

Mr. Chairman, just a word about this blackmail that we heard about yesterday and have heard about again today. I was surprised to find gentlemen on the other side stand up and defend what the people in the Department of Defense have been doing within the last day or two because, Mr. Chairman, it is criminal conduct. I refer you to title 18 of the Criminal Code, section 1913.

It says:

> LOBBYING WITH APPROPRIATED MONEYS
>
> No part of any appropriation by any enactment of Congress shall in the absence of express authorization by Congress be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone—

And certainly there were telephone calls going all over this Nation to defense contractors saying, "Get hold of your Congressman"—

> letters, printed or written matter, and other devices intended or designed to influence in any manner a Member of Congress to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether it be before or after the introduction of any bill or resolution proposing such legislation or appropriation.

I think that language is pretty clear. It also says:

> Whoever, being an officer or employee of the United States or any department or agency thereof violates or attempts to violate this section, shall be fined not more than $500 or imprisoned for not more than 1 year, or both.

Mr. Chairman, there is no question in my mind that what was done and is being done by the Department of Defense and which has been described here on the floor is blackmail; but it is also criminal blackmail. And it would seem to me that the Committee on Appropriations or the Subcommittee on Appropriations for the Department of Defense could well call these people before them and get to the bottom of the question of who is doing this and what it is all about. And I think that the House Committee on Government Operations could well look into it; and, yes, the Department of Justice, the agency responsible for enforcing the code, could well do some investigating and enforcing of the law, and get some FBI boys to find out what was done in some of these cases.

They pulled newspapermen out of bed in the middle of the night; let us find out what some of their own Government employees are doing, as far as the violation of the law is concerned.

This thing has gone too far, in my judgment, Mr. Chairman, and I think sooner or later we are going to have to put a stop to executive pressure of that kind and that kind of blackmail. We even put a provision into an appropriation bill last year prohibiting that kind of conduct, so it is not that it is an old statute. Here is what we wrote into Public Law 87–125:

> No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any individual, corporation, or agency, included in this or any other Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

But let me get back, Mr. Chairman, to the pending issue and the merits of this bill. The chairman said yesterday that my substitute would not force any saving. If not, why all the fuss and the fuming by the administration? Why all the lobbying? Why the speech of the distinguished whip of the majority today?

The chairman said all it would do would be to make it difficult for them to manipulate, to manage the debt. Now we find admission that it will have an effect on spending, and that is what it is intended to do. If this reduction can be accommodated by manipulation, as the chairman seems to suggest, then I think what he probably really was saying was that I did not dig deep enough. Maybe I did not. Maybe this is not a big enough cut. Some Members on my side seem to think so. But I am trying, Mr. Chairman, to be reasonable, I am trying to recognize that these savings have to be accomplished within the next 7 months. I have tried not to be unreasonable by asking for the impossible, but anybody who will stand up here and say that you cannot make a 2-percent cut in our expenditure plans for fiscal 1963 I think is being unreasonable.

Let me address a word to Secretary of the Treasury Dillon. He said yesterday that if we do not give them the full $308 billion Congress will have to come back in December. Let me say to the Secretary here in open forum that Congress will have to come back only if he and the administration continue their spending spree. If they apply any frugality, they can live within a $306 billion debt ceiling, and it will be their responsibility, not that of the Congress, if we have to come back in December.

Mr. Chairman, the adoption of the substitute is the responsible answer, it seems to me, to the two basic questions I referred to earlier. No. 1, it will make possible the honoring of bills coming due on contracts for goods and services which have already been incurred and entered into. Second, it will force responsible revision of the spending plans of the administration. We are either going to do that or if we approve the Committee bill we will be rubberstamping current spending plan, and that I refuse to do.

Mr. BOGGS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I would just like to read a sentence from a speech of a couple of years ago. I do this because I was a little surprised at the gentleman from Wisconsin who kept blaming the Executive and the administration for this necessity to raise the debt ceiling. This is the sentence:

> The Executive cannot spend 1 cent that the Congress does not authorize and appropriate.

I think that is a true statement. I do not think anybody can argue with it. It is not original with me. This statement was made by the gentleman from Wisconsin in his speech when he was advocating one of the numerous increases in the debt ceiling that occurred in the Eisenhower administration. There was a time or two during the Eisenhower administration when I was tempted to vote against such an increase.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield since he has mentioned my name.

Mr. HAYS. In just a minute, I will yield.

But always on our side of the aisle, our leadership said—oh, this is something you have got to be responsible about and you cannot demagog on this. Well, gentlemen, you have the proof here that you can demagog about it—I am speaking to my leadership.

**Mr. BOGGS.** Mr. Chairman, will the gentleman yield?

**Mr. HAYS.** I yield to the gentleman from Louisiana.

**Mr. BOGGS.** The gentleman from Wisconsin made reference to my remarks. I might say that I advocate that this body control the purse strings. I pointed out that the biggest peacetime deficit in the history of this country was incurred under the previous administration and that was $13 billion, and that in that period of time we increased the debt ceiling about seven times and I think each time with the support of the gentleman from Wisconsin. So it is perfectly all right for the gentleman from Wisconsin to have his opinion—I respect it—but the record speaks for itself. I think the total deficit under the previous administration which was in office for 8 years was well over $20 billion and they balanced the budget in 1 year out of the 8 years, if I remember correctly.

**Mr. HAYS.** If they did, I do not remember that.

**Mr. BYRNES of Wisconsin.** Mr. Chairman, will the gentleman yield?

**Mr. HAYS.** I yield to the gentleman from Wisconsin.

**Mr. BYRNES of Wisconsin.** First, your quote is entirely right. I certainly agreed then and I agree today that the President cannot spend a cent that Congress does not first authorize and appropriate. I do not, however, say that the President has to spend every cent that Congress authorizes and appropriates because we know that he does not.

No. 2, I would point out and call attention to the fact that we still have half of the appropriation bills to consider for the fiscal year 1963, and the Congress can do some of this saving to bring about a $2 billion reduction in expenditures.

**Mr. HAYS.** That is quite right, but I doubt if they will do much about it. And the gentleman will make a lot of speeches about it.

**Mr. BYRNES of Wisconsin.** Maybe it will help if we adopt my amendment.

**Mr. HAYS.** Maybe it will and maybe not, but you did not help yesterday on the Fryingpan-Arkansas project because there was not a rollcall vote and if you wanted one on your side, you could have had it. But you had a project there that was going to help some farmers in the district of a Member on your side and so you did not make too much of a fuss about spending the money. We defeated that legislation a couple of times here when we got a rollcall vote. But it is pretty easy to blame the majority party for everything, but you do not accept much responsibility yourself.

**Mr. GOODELL.** Mr. Chairman, will the gentleman yield?

**Mr. HAYS.** I yield to the gentleman from New York.

**Mr. GOODELL.** Are you implying with a 3 to 2 majority of Democrats here that you could not have had a rollcall?

**Mr. HAYS.** It was pretty well lobbied on your side. We had some responsibility for it—there is no question about that. But, the point I am making is that you can get up and make all the speeches you want to, but when we asked for a rollcall, you sat tight because the project was in the district of the Republican gentleman from Colorado and you did not want a rollcall. So you can go around and make all the speeches you want to, but you do not fool the people. The fact of the matter is, to show you how wrong you can be, right in this same speech that I quoted from, which was made by the gentleman from Wisconsin, the gentleman from Wisconsin was making a lot of prognostications about what was going to happen to the Democratic Party. He was blaming it all on us back in the Eisenhower administration. But the people did not buy it too much and I do not think they are going to buy it too much this time. But I did think it was significant to note that when they had to manage the debt and they came in here and asked for the necessary authority to do so—even if we were in control of the Congress—in the Eisenhower administration we gave them the flexibility that they needed and we went along with them. I think one thing that you will be doing if you do not go along with this today, you will make the interest cost a little more and you will stretch out the contracts, making them cost a little more so the net result if this were to be defeated would be to make the debt a little higher.

**Mr. BURLESON.** Mr. Chairman, without disparaging my colleagues or the position they take on the measure before us, honestly and candidly, much of it sounds like a broken record.

On each occasion the raising of the debt limit has been before us, the party in the majority has made substantially the same argument in support, and the minority has made practically the same argument in opposition.

I once heard it said that if you had never met an expert on fiscal policy and on our monetary system, that you would do so within the next half hour. I repeat that I do not reflect upon those of you who have been prominent in this debate, but fundamentally, we all know that we are spending money beyond our means and that this matter of the debt limitation will be before us again and again until we make up our minds that we are going to live within our means and that we do something about retiring the public debt at a time when the level of our economy is high, irrespective of the dips and the rises which occur periodically.

Mr. Chairman, it is my understanding that our Republican friends expect to submit a substitute measure, increasing the debt limit by a sum of $2 billion less than the figure which this measure calls for, and to change the time of the temporary extension. It seems to me, Mr. Chairman, that this is an effort to pretend to do something, but to me it suggests a compromise in principle. It is not my intent to go along with any proposal of this sort, but rather to oppose the increase in its entirety. Regardless of either of these figures, we all know that this same issue will eventually be before us again unless we are willing to reduce expenditures of this Government.

I recall on other occasions when it was said by many of you, and with whom I agree, that the time to think of the national debt is at the time we authorize and appropriate money for all the vast programs now in effect and the new ones which are almost constantly before us. This is the time when we should be talking of fiscal responsibility; that is the time to close the door, and not rush to slam it on an empty barn as we propose to do here today. This was the case in the previous administration and now is the case in the present one.

I have not heard the argument in this debate that the public debt means nothing, but we all know that these matters are influenced by those economists and fiscal experts whose theory is that the national debt is meaningless. If it is meaningless then why the controversy? Why not remove it entirely? I must add that these repeated measures are having the same effect and unless rejected at some point or other, a debt ceiling will cease to even have any psychological influence, much less fiscal meaning.

It may be an exercise in futility and an expression of resentment against actions which created the conditions which call for the increase of the debt ceiling, but as one who has not failed in any session of the Congress since a Member of it to vote against from $3½ to over $12 billion annually, I feel justified in casting a "no" vote. Contrarily, I would feel an obligation to vote for this request if my record were otherwise.

**Mr. CASEY.** Mr. Chairman, I wish to commend my distinguished colleague, the gentleman from Texas [Mr. BURLESON], whose remarks immediately preceded mine, on his able analization of this piece of legislation. He has stated with cogency and simplicity not only the cause of this continual request for increase of the debt limit but also has pointed out the very simple cure.

I not only commend him but wish to join with him in voicing concern over the lack of efforts to reduce our mammoth debt.

**Mr. HARVEY of Indiana.** Mr. Chairman, again for the third time within a year the Congress is being called upon to raise the national debt ceiling. The first time it was requested that the ceiling be raised to $298 billion. The second time Congress was asked to approve an increase to $300 billion. This afternoon the House will consider a proposal to raise the limit to a record $308 billion. As a matter of honesty and obligation I must vote "no" on this issue. For nearly 30 years now we have, on one pretext or another, been resorting to borrowing against the future—our own grandchildren in fact. I introduced, last year, a bill, H.R. 7857, which would provide for the orderly retirement of our public debt. Any government, even our mighty Federal Government, cannot indefinitely continue to run deeper into debt. We are already seeing the evils of our past policies with the loss in confidence abroad of our own dollars and even the possibility of a run on our gold stocks at Fort Knox. We must face up to reality and meet this issue, so I must vote "no" on raising the debt ceiling.

**Mr. ANDERSON of Illinois.** Mr. Chairman, I rise in opposition to the proposal now before us to raise the temporary debt ceiling from $300 to

$308 billion. Since the stock market plummeted on May 28, various suggestions have been made with respect to the necessity of rebuilding the confidence of the business community in the economic policies of the Federal Government. I believe that at this particular juncture in the history of our Nation this House has been presented with a signal opportunity to help in the accomplishment of just such a purpose. By the same token I fear that if we indicate our acquiescence in the proposal of the administration, we will in effect be putting our stamp of approval on fiscal irresponsibility. This can serve to compound the present profound uneasiness over the economic prospects of the country which has produced some of the gyrations in the stock market recently.

It is noteworthy that there are recurrent suggestions by some economists that we abolish the debt ceiling altogether. This school of economists, and they are not without representation in highly influential circles, suggests that if we only embrace the heady and intoxicating doctrine of deficit financing as fixed financial policy we cannot only avoid the annual embarrassment of raising the debt limit, but we can partake of vigorous and sustained economic growth.

It is to this latter point that I should like to address myself briefly. It is of peculiar pertinence not only because of our current quandary about the size of the national debt but because of recent instructions issued by the President to his Council of Economic Advisers to study the factors behind the superior economic growth rate of many of the nations of Western Europe. In a not so subtle fashion some writers on economic affairs are seeking to nourish and disseminate the idea that planned deficits are behind the economic success stories that have been written in such countries as France and West Germany. In an article in the New York Times on May 13, 1962, by Edwin L. Dale, Jr., entitled "United States and West Europe Differ on Budget Deficits," this idea is treated at some length.

It is therefore doubly interesting to go back to a report on "Economic Policy in Western Europe" issued in 1959 by the Joint Economic Committee of the Congress. This report was based on a series of conferences on economic policy matters held in seven countries of Western Europe late in 1958. As part of the overall inquiry into postwar price movements and economic growth in general, the committee and its staff conferred with government and private economic financial experts in six different countries of Western Europe. The committee states in its letter of transmittal which accompanied the report that:

> These conferences were informal and covered a wide range of subject matter, with particular emphasis on public economic policies for promoting high rates of economic growth, employment, and output while maintaining stability in the general price level.

With respect to France and Italy it is true that during the postwar period the balance sought to be attained was between total capital expenditures, public and private, and total savings, public and private, rather than between budget receipts and expenditures. However, the reason for this fiscal policy becomes clear when we study the report of the committee. For it is brought out that in France a substantial portion, perhaps as much as 20 percent, of industry is government-owned. For example, the French Government is the largest single employer in the economy. Likewise, in the case of Italy they have a far higher level of government ownership of productive facilities than we do in the United States. Therefore, of necessity, public expenditures were required to expand the productive capacity of the Nation. And it was this ability on the part of these two governments to maintain investment as a high proportion of net national income that loomed as one of the large factors in their high rate of economic growth.

Again to quote from page 4 of the committee report:

> On the whole, fiscal policy appears to carry the major burden of public responsibility for providing the conditions requisite for economic growth. To a considerable extent, this follows from the relatively substantial government participation in areas of economic activity which are regarded in the United States as properly the sphere for private activity. The term "public investment" in much of Western Europe, therefore, embraces a substantially wider range of activity than it does in the United States. Because of relatively large government ownership in public utilities, transportation, and communication facilities, and many basic industries, expenditure policies are much more directly involved in the extension of total productive capacity than is true in the United States.

However, when you get to the case of West Germany we find a somewhat different picture with respect to the attitude of the Government toward budget deficits. The West German budget surplus cumulated from DM1 billion in 1953 to DM7 billion in 1956. In this regard it is interesting to read the comment of Patrick Boarman, associate professor of economics at Bucknell University, as it appeared in the New York Times on May 23, 1962, in reply to the article by Mr. Edwin Dale, Jr., to which I have previously referred:

> German budget surpluses, relatively enormous considering the size of the gross national product, were not accumulated accidentally. For years the German Central Bank struggled with the inflationary additions to the domestic money supply produced by Germany's huge and chronic export surpluses. The inflowing foreign cash was offset primarily by tight money policies.
>
> These policies, however, were given a powerful assist by the budget surpluses of the Government.
>
> The peak cumulative surplus of DM7 billion in 1956 served to offset about 40 percent of the DM17.9 billion of gold and foreign exchange accumulated by the German Central Bank up to the end of that same year. In effect, Germany's imported inflation was partly overcome by channeling a portion of German tax revenues into the Central Bank (the Government's account) and there demonetizing them.
>
> There was never any question in the minds of the directors of the German Central Bank that the Government's cash surpluses had a helpful deflationary effect.
>
> It is difficult to reconcile this historic record with the contention in Mr. Dale's report that "in Europe, governments have almost never aimed at budget surpluses." What is of significance, moreover, is that German industrial output, employment, and balance-of-payments surpluses were all reaching record levels precisely in those years when Germany was employing all the weapons at its command, monetary and fiscal, to restrain the level of domestic demand.

I definitely come to the conclusion in reading the 1959 report of the Joint Economic Committee that it was the postwar West German expansion of fixed capital investment in the private sector encouraged by Government policies on depreciation and price and wage stability that stoked the fires of economic recovery in the Federal Republic. It was not the pursuit of a policy of encouraging deficits in the Federal budget.

In the case of the Netherlands, the Joint Economic Committee says that—

> Tax policy has contributed to favorable conditions for capital accumulation.

This is significant, in my opinion, because the report makes it clear that in the Netherlands there has been no extensive nationalization of industry; and, therefore, again quoting from the report of the Joint Economic Committee—

> Investment outlays by Government are accordingly more closely limited to such objects as are usual in the United States.

In view of this conclusion it is of considerable significance to note this further finding:

> The high investment requirements of the Netherlands economy has led to development of a comprehensive program to increase the rate of saving. Governmental charges, such as utility prices, social insurance contributions, and those for special services are set at levels which leave no gap to be made up from the general budget. Beyond this, the Government seeks to run a current surplus. Government borrowing has been strictly limited to long-term financing of long-term expenditure programs of investment character. Total public debt has been reduced each year since 1949; short-term public debt has been reduced from 54 percent of the total in 1949 to 26 percent in 1957.

In summary on this point, I believe that in those countries of Western Europe where the public sector of the economy does not embrace a substantial portion of the Nation's productive facilities, their superior rate of economic growth is not predicated on a policy of planned deficits. Indeed, I would suggest that the orthodoxy of balanced budgets has commended itself to the Finance Ministers of these countries.

In a country like the United States where we believe that if we are to grow and prosper the private sector of our economy must flourish, it should be obvious that deficit financing by the Central Government on a regular basis is repugnant to that desired growth. For as debt mounts and interest charges soar, taxes must also inevitably rise. Furthermore, decisions by the Government on such matters as depreciation and other tax incentives are delayed and inhibited because of fears concerning a loss of Federal revenues. The cumulative effect of such policies is to curb expansion by business and industry and progressively curb the willingness to employ venture capital in increasing productive capacity and to improve productivity. In short, continued deficit financing by the Central Government in a free economy, free at least in the sense that major productive facilities are employed in the private sector, is incompatible with the goals of this kind of economy. This is so for the reason that it ultimately restricts investment in the private sector and then proceeds to appropriate the savings of individuals and the profits of business organizations in order to finance increased investment in the public sector because of inadequate performance in the private sector. This is the vicious circle of deficit financing in an economy like ours. The downward spiral can continue until the public sector emerges as the all-dominant factor in our production and distribution of goods and services. Then the argument as to whether or not we are living in a socialist or merely welfare state will be purely academic.

The matter of our national solvency and the strength and soundness of our American dollar is, at the very least, as important as any other single issue affecting our national security. With our constantly increasing population and because of the dramatic changes in technology which we call automation, we need to create far more than a million new jobs each year. We want those jobs to be in the private sector of our economy. Therefore, we ought to consider this proposal to once more raise the debt ceiling in the light of its possible impact on this all important national economic goal.

**Mr. DERWINSKI.** Mr. Chairman, responsible individuals throughout the Nation know that Federal fiscal responsibility is today—more than at any other time in the history of our country—of the essence.

If the United States is to successfully maintain and defend the cause of freedom and its way of life, then we must have economic stability in Government spending in order to preserve and make strong a domestic economy on which rests our military posture at home and abroad.

To defend our cherished freedom today from the continuous onslaughts of atheistic communism, which has already deprived many of this earth's peoples from their sacred rights and individuality, we must as a nation—as a people—as individuals—take up those responsibilities and duties becoming the dignity of freedom-blessed people.

One way to help maintain Federal fiscal responsibility is for the Federal Government to encourage the initiative of our people—the necessary ingredient that has made our economy dynamic—by not attempting to overcome those challenges which the people themselves, and the local and State governments, are better able and better equipped to handle. The more the Federal Government injects itself into matters which are the primary responsibility of the State and local governments—the greater the Federal tax burden on all citizens throughout the country with a correspondingly lesser amount of individuality enjoyed by our people. Surely, the Nation's citizens want fiscal responsibility and we have a duty to see to that.

If we are serious about our duties, let us examine and curtail those Federal programs—proposed or otherwise—which lead toward unnecessary Federal deficit spending and controls. There are many such programs. Almost all Members of Congress individually could mention at least one distinct Federal program or proposal at this very moment for which State and local governments could and should be responsible. I will comment on a recent proposal which I am familiar with, having served on the committee considering the matter. Specifically I have in mind the proposal to involve the Federal Government in a massive program of Federal grants to local transportation.

It alarms me to think that the Federal Government will—if this proposal becomes law—initiate a program which will take from the General Treasury and give to certain selected cities a total of $500 million over the next 3 years. With it, of course, will go the regulation and Federal controls that accompany programs of this type. But more important to us today as we consider the matter of debt limitation is the fact that a Federal grant program to local transportation, if carried out and made permanent, will involve billions of dollars over a period of years—crucial years in which we should be strengthening, instead of weakening, our economic base by balancing the Federal budget and lowering our debt obligations. And what makes this proposal to increase the debt to $308 billion all the more alarming is the fact that this is the first time in our Nation's history—including war years—when an administration has requested three debt increases within a 12-month period. It has never been done before.

For my part, I say let the community and State governments take care of those problems which they are better able to handle, such as local transportation; this is one very effective way of overcoming our debt ceiling and deficit financing problems.

Mr. Chairman, if we actually believe in the Jeffersonian principles of States rights, and if the Members of Congress of the majority party representing major metropolitan areas truly believe in the principle of home rule, they will cooperate in a series of legislative proposals to reduce the scope, size, and therefore the cost of Federal Government and return to the States and local communities tax and administration powers now controlled by the Federal bureaucracy. Good government begins at home; practical government begins at home; responsibility to the taxpayer and the general public begins at home.

I cannot think of a more damaging indictment of the fiscal irresponsibility of this administration than in the proposal before us of once again raising the debt limit, coupled with the fantastic wild-eyed statement made recently by Budget Director Bell who ridicules any sound approach to balanced budgets in our Federal Government. With this degree of fiscal irresponsibility in Washington, when even the Secretary of the Treasury and other key officials discontinue even paying lipservice to sound fiscal programs, the future for the American taxpayer has never been so bleak.

**Mr. LINDSAY.** Mr. Chairman, I have listened with great interest to this debate. I wish there had been more economics and less histrionics in this debate. I should like to commend the gentleman from Wisconsin [Mr. BYRNES] on the statesmanlike way he has handled this whole matter and the minority position particularly.

Mr. Chairman, I intend to vote for the motion to recommit which will reduce the temporary debt ceiling of $308 billion provided in the committee bill to $306 billion. The latter figure still will represent an increase of $6 billion over the present temporary ceiling. The present temporary ceiling is $300 billion. Under present circumstances it is inadequate. By voting for the motion to recommit, however, we shall indicate our intention to put the executive branch—the administration—on notice that we expect the fat to be squeezed out of the Executive budget; that we expect a lot less logrolling, and a reduction of political pork. Federal assistance should be pinpointed. And yet too often, both in military and nonmilitary spending, this administration caters to special interests and special pressures, thereby overburdening the Federal Treasury, squeezing the taxpayer, and hurting the average consumer. Economies can be made in many areas, Mr. Chairman. They are needed in the pork-barrel approach to public works programs and defense contracts. Changes are needed in the military reserve system and in what President Eisenhower referred to as the military-defense industry complex. And it is essential that we take a close look at programs that have far more public relations than they do substance, a growing tendency of this administration.

If the motion to recommit fails, Mr. Chairman, I shall vote for the committee bill on final passage. It would be easy to vote no. A no vote, we are told, would be interpreted as a vote for economy. But it is not. Economies come about in Congress by firm action by the standing committees—in authorizations and appropriations. Economies come about by administrations that give more than empty lipservice to the concept of a balanced budget. The debt ceiling in and of itself will not change this. As long as Congress goes along with measures which result in an increase in the public debt, so Congress must conform the artificial ceiling to the fact.

**Mr. ASHBROOK.** Mr. Chairman, it seems to me that once more we are moving in the wrong direction. Instead of endeavoring to assure the future stability of this Nation by getting our house in order, curtailing unnecessary expenditures and making some modest approach at paying the national debt, we are once more about to increase our debt and continue on our merry way.

I have voted against two national debt increases in the past year and a half. Today makes the third. In all of that time, I have consistently opposed large appropriations which have been voted by this Congress which have increased our debt and spending. To give some idea of the magnitude of the spending binge of the Kennedy administration, consider these facts.

On January 16, 1961, President Eisenhower submitted a budget which called for new obligational authority which totaled $80,867 million for fiscal 1962. On January 18, 1962, 1 year and 2 days later than the former document, President Kennedy submitted a document which called for new obligational authority in fiscal 1963 which totals $99,303 million, or an increase of $18,436 million. Is it any wonder that we are finding the administration requesting an increase in the national debt? President Kennedy called for increases of about $4 billion in the 1961 budget which were approved by Congress for the last 6 months of that period, ending June 30, 1961—in other words, the first 6 months of his office. The budget for the first full year of his office—July 1, 1961, to June 30, 1962—will be from $7 billion to $9 billion out of balance. To vote now for this $8 billion debt increase will give all of the latitude to the wild spenders that they need in 1963. This we should not do.

Do you not think it is about time we start living within our means? Is it not time to stop living off of the substance of future generations?

When President Kennedy was in the Congress, he had different views. As a Member of this House he frequently expressed concern over spending policies of the late forties and early fifties which make his policies of today look like penny ante. One nice thing about the Congressional Record is the fact that although the views of the Congressmen may change, their spoken word remains the same. In the Congressional Record, volume 96, part 4, page 5467, there is this interesting colloquy between the then Congressman John F. Kennedy and Representative Rooney, of New York:

> Mr. Kennedy. I would like to ask the gentleman whether or not he feels that it is more dangerous to carry a deficit of $6 billion in a prosperous year like today, or cut some of these appropriations by 10 percent? I do not see how we can go on carrying a deficit every year. I should think it would be much more preferable to cut some of these appropriations by that figure.
>
> Mr. Rooney. I do not believe in further cutting this appropriation, which is for a vital service, in one of our most important departments, the Department of State.
>
> Mr. Kennedy. How are we going to bring that deficit of $6 billion down to a reasonable figure unless we make some of these cuts? * * *
>
> * * * * *
>
> Mr. Kennedy. Does not the gentleman think that a very important item in the cold war is the economic stability of our country so that we will have resources in case of war?

I am today introducing a bill, H.R. 12133, which in my opinion will come closer to pointing this country in the right direction. It calls for systematic reduction of the U.S. debt by 2 percent of our net budget receipts at the inception of the proposal and later increasing through stages to 4, 6, 8, and finally 10 percent until the debt is paid. Wartime is, of course, excluded.

In this way, we will find this generation paying for its own bills and leaving to future generations the ability to cope with their own problems when they assume the duties that we today possess. I urge the Congress to support this bill as a step toward fiscal solvency. Americans everywhere are concerned about the trend of deficit spending here in Washington. By the passage of H.R. 12133 we will then start to live within our means.

H.R. 12133

A bill to provide that a percentage of the net budget receipts of the United States (up to 10 percent thereof) shall be devoted exclusively to the requirement of the public debt

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 201 of the Budget and Accounting Act, 1921 (U.S.C. 11), is amended by adding at the end thereof, the following new subsection:

"(g) Each budget submitted to Congress after the date of enactment of this subsection shall include a request for an item of appropriation equal to the following:

"(1) for each of the first two fiscal years which begin after the date of enactment of this subsection, 2 percent of the estimated net budget receipts of the United States for the preceding fiscal year; for each of the next two fiscal years, 4 percent of the estimated net budget receipts of the United States for the preceding fiscal year; for each of the next two fiscal years, 6 percent of the estimated net budget receipts of the United States for the preceding fiscal year; for each of the next two fiscal years, 8 percent of the estimated net budget receipts of the United States for the preceding fiscal year; and

"(2) for each fiscal year thereafter, 10 percent of the estimated net budget receipts of the United States for the preceding fiscal year.

This subsection shall not apply during any period when the United States does not have a public debt or in time of war. The item of appropriation called for by this subsection shall be used exclusively for the retirement of the public debt. No budget for any fiscal year shall be considered as balanced or as providing for estimated receipts equal to or in excess of estimated expenditures, unless such item is taken into account, and considered as an estimated expenditure for such fiscal year."

Mr. MILLS. Mr. Chairman, I yield the remainder of the time on this side to our distinguished Speaker, the gentleman from Massachusetts [Mr. McCormack].

Mr. McCORMACK. Mr. Chairman, the reason I take the floor today, the second time since I was elected Speaker, is due to the importance I attach to this bill and what it will mean in terms of our position in relation to fiscal responsibility, not only within the United States but also outside the United States, if the bill fails to pass. In the past when bills increasing the debt limit were under consideration they always received bipartisan support. Oh, there were differences of opinion among Members, but the great bulk of both parties supported the passage of such legislation, for they recognized that the ability of our Government to meet its obligations is a matter of primary importance. Legislation of this type has never been viewed from the angle of purely party considerations.

I sincerely hope and urge that the pending will be viewed from the same angle, from the angle of bipartisanship.

Reference has been made by various Members to increase bills of past years. During the 8 years of former President Eisenhower's administration there were several bills increasing the debt ceiling. In support of what I have said about bipartisan support I call attention to the vote on June 27, 1955, on the passage of the bill increasing the debt ceiling: 134 Democrats voted for the bill, 34 against; 133 Republicans voted for the passage, and 13 against.

The bill passed in the 84th Congress, June 21, 1956, was by a voice vote.

On January 23, 1958, a motion was made that would have killed the then pending bill, would have meant its defeat. On that rollcall 41 Democrats voted for the motion that would have resulted in defeat of the bill; 167 Democrats voted against it. On the same motion 74 Republicans voted for the motion that would have defeated the bill, 108 against it, voting to keep the bill alive and to pass it. On the passage of that bill on January 23, 1958, the rollcall shows that 186 Democrats voted for the passage of the bill, 29 against it; 142 Republicans voted for the passage of the bill, 42 Republicans voted against it.

These were under the administration of the then President, Dwight D. Eisenhower.

Again on August 6, 1958, we had a bill before us increasing the debt ceiling. It passed the House by a vote of 286 to 109. The Democratic Members voting for it numbered 156; 44 Democrats voted against it. The Republicans voting for the passage of that particular bill were 120; 65 Republicans voted against it.

Again on June 19, 1959, we had another bill before us that passed by a vote of 256 to 117. What is the breakdown of the rollcall from the party angle? That rollcall shows 168 Democrats voted for passage of the bill and 69 Democrats voted against it. The same rollcall shows 88 Republicans voted for passage of the bill and 48 Republicans voted against it.

I read that simply to support the statement I have previously made that legislation of this kind has always been viewed from a bipartisan angle because we recognize the all-important nature of the legislation and the adverse results that would flow to our country if these several bills in the past had not been passed by this body and the other body.

This is the administration of President John Kennedy. I have referred my friends on both sides, particularly my friends on the Republican side, to what Democratic Members did on the various rollcalls I have referred to. The record speaks for itself. We certainly lifted ourselves above party considerations, and I am not saying that is injected here. But a rollcall speaks for itself. The rollcalls are unanswerable in their interpretation.

I am hoping the rollcall on passage will show that same bipartisan support that we Democrats have given in past years, and that will be decided when the rollcall is taken and the results are known.

The failure to pass this bill, in my opinion, would have disastrous effects both here and abroad. It would mean that our Government in the closing months of this year, and for the remainder of the next fiscal year would be placed in a position where it could not meet its obligations.

We well remember only a few years ago when former Secretary Anderson and the Treasury Department were forced to make deferrals in progress payments on contracts of about 20 percent. We should remember the adverse effect it had on business and on our national economy at that time. It compelled companies to curtail their purchase of material in order to fulfill their contracts, the stretching out of contracts, and in many cases forced a reduction in employment, and also the necessity to borrow money due to the inability of the Government to make payment on time. This also created general fear with consumer purchasing sharply reduced.

Mr. Chairman, unless this bill is passed, the adverse results will be far more serious—the amount involved in this bill is greater—because if it is defeated we go back to $285 billion. I agree with the gentleman from Wisconsin that the Committee on Ways and Means would meet that situation, but we would go back to $285 billion, or we would come back to 303 or 304. We are going to face this situation again in the closing months of this session and the early months of the following year.

These are obligations committed as the result of congressional action. We cannot afford to compromise the credit of our Government. As responsible legislators we must recognize that responsible Government maintaining the good faith and credit of our Government is involved. The argument that defense payments would not be affected is one based on hope and not reason.

When Secretary Anderson was compelled to defer progress payments, practically all of them were in connection with defense contracts. The argument to the extent that will be necessary, that reductions in expenditures or deferral in progress payments can be made in nondefense activity is not supported by the facts. I doubt that many Members of this House believe you can bring about a reduction strictly in nondefense activities.

The result of the failure to pass this bill, I said, would be disastrous.

I rise today, not as a Democrat but as Speaker of the House, to appeal to the Members of this body, this body that I love, that I have served in so many years, that I am presiding over as Speaker, and I hope every Member will concede that I am doing it fairly with regard to the rights of all Members under the rules, respecting all of my colleagues, as I do.

Mr. Chairman, this is an American question, and I hope that on the passage of this bill the same bipartisan support that the Democrats gave during President Eisenhower's administration will be carried out during President Kennedy's administration.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposed to strike out all after the enacting clause and insert in lieu thereof the text of the bill H.R. 12026, but such amendments shall not be subject to amendment.

Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Does the amendment conform to the provisions of the rule?

Mr. BYRNES of Wisconsin. It does, Mr. Chairman.

The CHAIRMAN. The clerk will report the amendment.

The clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: Strike out all after the enacting clause and insert: "That the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended (31 U.S.C. 757b), shall be temporarily increased—

"(1) during the period beginning on July 1, 1962, and ending on March 31, 1963, to $306,000,000,000,

"(2) during the period beginning on April 1, 1963, and ending on June 24, 1963, to $304,000,000,000, and

"(3) during the period beginning on June 25, 1963, and ending on June 30, 1963, to $300,000,000,000."

Mr. BYRNES of Wisconsin. Mr. Chairman, I am not going to use the whole 5 minutes. I just addressed the House on the merits of this proposal, and I attempted to do so in a nonpartisan fashion.

I recognize the need for an increase in the debt ceiling over what will be the law on July 1. I recognize we have got to face up to that issue. I spent the first half of my remarks in support of that proposition, and I believe in affirmation of a great deal of what the chairman of the committee said yesterday and what the Speaker has told us.

Mr. Chairman, the issue at this point is between $306 billion and $308 billion. Now, it has been suggested by some that that is inconsequential. Yet, in the speeches of yesterday and today we find that it is extremely important and vital. Personally I feel that it is important. I think $2 billion is a significant amount. I think we can exert an influence and save that amount of money today by limiting the borrowing authority by $2 billion and thereby force the executive to reconsider some of its spending proposals.

Let me suggest to the gentleman from Ohio who quoted me as saying that the President cannot spend one cent that the Congress does not appropriate, that I agree with the statement, I will stand by it, but I did not say at that time and I do not say today that the President has to spend every cent that Congress authorizes and appropriates.

In fact, he has every right, and I think in some cases the duty, to cut below. Perhaps we can help him or force him to cut below what Congress has authorized and appropriated. This gives the President the latitude to make the cuts where it will interfere least and so as to avoid interfering with the essential services or operations of Government.

Mr. Chairman, eliminating, as I pointed out before, the increases in the Department of Defense, the 1963 spending proposals of the President—the budget proposals—provide for an increase of $2 billion over the spending level of fiscal 1962. These changes can be made. We can live within it. Permit me to point out also that already this Congress as far as the budget is concerned, has reduced appropriations by $500 million. We have more appropriation bills coming up. One of them is the foreign aid bill which last year, if I recall correctly, we cut by some $800 million. There is nothing to prevent this Congress from also participating in these savings to the required $2 billion, and for Congress to participate in them as we consider the appropriation bills that are coming before this Congress. Half of such bills are yet to come.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. HALLECK. Reference has been made to the fact—and of course it is true—that the Congress of the United States appropriates the money. But without undertaking to inject any partisan note, may I just simply say that the Congress of the United States has been under the control of the Democrats in this now the eighth consecutive year.

Mr. BYRNES of Wisconsin. I appreciate that remark of the gentleman.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. FORD. The best recent evidence of the President's ability not to spend obligational authority is the $514.5 million impounding of money that the Congress gave to President Kennedy in this fiscal year for the advancement of the B–70 bomber program.

Mr. BYRNES of Wisconsin. Why, of course, everybody recognizes that the President has the authority to reduce below what Congress authorizes or appropriates.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Indiana.

Mr. HALLECK. When I observed that the Democrats had been in control of this Congress for this now the eighth consecutive year, there was considerable applause on the Democrat side. If they mean by that to indicate that they are the spenders, that they will continually force up the spending of the U.S. Government, then as far as I am concerned they can have it.

**Mr. MILLS.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us take just a brief look at the facts of the situation involving our public debt.

Mr. Chairman, it is projected that on June 30 of this year our debt will approximate 297 billions of dollars. On the basis of a balanced budget for fiscal year 1963, by the time December 15 rolls around, we will have spent, doing nothing more than approving the budget requests, $38 billion. We will have taken in cash under our tax system just under $27 billion. The facts are, Mr. Chairman, that we will have incurred a deficit at that time of $11 billion. That $11 billion, added to $297 billion, comes out at $308 billion.

To do what the gentleman from Wisconsin [Mr. Byrnes] is suggesting is to cut under the budget figure by $2 billion in the first 4 or 5 months of the coming fiscal year. He would have us reduce that rate of $38 billion to $36 billion. That $38 billion is divided between $20 billion for defense and $18 billion for nondefense. $12 billion of that nondefense $18 billion is in firm contracts and commitments, such as interest on the public debt, veterans' pensions, your salaries and the salaries of Supreme Court judges and other members of the judiciary and so on. There is about $6 billion of it that might be reduced. I am told by the Bureau of the Budget that it would be impossible to take from that $6 billion all of the $2 billion, that it would be necessary, as our friend from Texas [Mr. Mahon] pointed out earlier, that a part of that $2 billion be taken out of the defense appropriations which recently passed the House of Representatives by a vote of 388 to zero.

Mr. Chairman, I do not believe that this is the course of action that the House of Representatives wants to take as outlined in the amendment offered by the gentleman from Wisconsin [Mr. Byrnes]. Why? Because, at the end of the fiscal year, he comes back to the same $300 billion that the committee bill comes back to, the very same $300 billion which is now the ceiling on the public debt.

This bill that we have is predicated upon a balanced budget. It is not predicated upon an imbalance or a deficit. I said on yesterday that if there is a deficit, we will have to look at this matter again in the next calendar year. The gentleman from Wisconsin [Mr. Byrnes] is not allowing even for the carrying out of a balanced budget, but a retrenchment in the first 6 months of $2 billion under a balanced budget.

Do not let anybody be kidded. I can assure you, on the basis of the best information I have, that some of that is going to have to come out of the Defense Establishment. Perhaps it can, but the Committee on Appropriations has already acted, the House has acted, and the House did not find a way to do it.

Mr. Chairman, let me ask you this. I hear so much talk these days about the Congress of the United States retaining its responsibility and its authority. The one thing that is left that I know of in the hands of the Congress exclusively is the authority to appropriate money and the authority to make the determination of where cuts will be made within agencies. Do we want to abdicate that authority, or do we want to handle this matter of reducing budgets and expenditures in the way intended by the Constitution, namely: through the process of first the Appropriations Committees and the two Houses screening these matters, looking to find where reductions can be made, and not tell the President of the United States that, "We cannot do it, but we are requiring you to do it."

I am certain that we do not want to follow that course of action. I urge that the substitute be defeated.

**Mr. JUDD.** Mr. Chairman, during my 20 years in the House I have generally voted against initiation of new programs or expansion of existing programs which would require such substantial expenditures of public funds that it seemed to me that the increased burden on the national budget, especially if it involved deficit spending, outweighed the need for or the benefits from the increased expenditures. A lot of programs are desired and desirable that are not as essential to our national welfare and to our people, including the direct beneficiaries, as are our fiscal soundness and stability.

I have believed that next to defeat in war, the worst thing that could happen to our country is weakening of our financial position and of our currency. So, except when failure to appropriate more might endanger our national defense, I have felt the burden of proof is on the advocates of increased spending rather than on those who oppose it. It is so easy to increase the national debt—and so popular with so many; all one has to do is to vote aye. But the debt cannot be reduced by voting; that requires the paying and paying and paying of increased taxes.

Yet when the Congress by majority vote has voted for an increased expenditure, I have felt that the same concern for our fiscal soundness requires that I vote to make available the funds to pay for it, even though it means some increase in the national debt and I personally have voted against the expenditure. To have Uncle Sam's checks bouncing would be even more damaging to the soundness of our currency than increase in the debt.

But there must be a limit somewhere, Mr. Chairman. The President's 1963 budget called for spending of about $11.5 billion over the current year's budget request. Only $3.7 billion of that is for defense expenditures; $8.8 billion is for nondefense expenditures. I cannot believe the latter is justifiable when it would require an increase in our national debt from $300 billion to $308 billion. I have not once voted to reduce spending considered necessary for our national defense—but I have voted and am prepared to vote for reduction of the President's requests for nondefense spending that would require an increase of $8 billion in the national debt.

I know many oppose any increase in the debt limit. But the Congress has already voted some of the increased spending. I think we must, if we are to be responsible, vote to increase the limit to take care of the amounts that have been or must be voted in the remainder of this Congress.

I applaud the reasonableness of the gentleman from Wisconsin [Mr. Byrnes] in proposing a substitute increase of $6 billion in the debt limit. The administration can live within that, either by reducing requests for nondefense items that, however needed or desirable, are not absolutely necessary; or by cutting down existing programs that are less essential to our survival than is fiscal soundness. I hope the Byrnes substitute prevails.

But, Mr. Chairman, I must add that if the majority of the House rejects the substitute, I shall feel compelled in all good conscience to vote for the $308 million limit rather than to kill the bill and have the debt limit drop back, as it would, to $285 billion with dangers that would result to programs that genuinely are essential.

Again, let me say that if the House votes expenditures, I believe we must vote to make the necessary funds available, either by additional revenue measures, or by increased borrowing. To do less would seem to me to be as fiscally irresponsible as it is to vote for nondefense expenditures that we do not have the funds to pay for. I do not like either alternative; but to pay our bills even with borrowed money is less dangerous than not to pay them and grievously damage our Nation's credit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. Byrnes].

The question was taken, and the Chairman announced that the noes appeared to have it.

**Mr. BYRNES of Wisconsin.** Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Byrnes of Wisconsin and Mr. Mills.

The Committee divided, and the tellers reported that there were—ayes 118, noes 201.

So the substitute amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Jennings, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, pursuant to House Resolution 685, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

**Mr. BYRNES of Wisconsin.** Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BYRNES of Wisconsin. The gentleman is opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. BYRNES of Wisconsin moves to recommit the bill, H.R. 11990, to the Committee on Ways and Means with instructions to report the same back to the House forthwith with an amendment striking out all after the enacting clause and inserting in lieu thereof the text of H.R. 12026.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 145, nays 258, answered "present" 1, not voting 33, as follows:

[Roll No. 110]

YEAS—145

Adair
Alger
Andersen, Minn.
Arends
Ashbrook
Auchincloss
Avery
Ayres
Baker
Baldwin
Bass, N.H.
Bates
Battin
Beermann
Belcher
Bell
Bennett, Mich.
Berry
Betts
Bolton
Bow
Bray
Broomfield
Broyhill
Bruce
Byrnes, Wis.
Cahill
Cederberg
Chenoweth
Chiperfield
Church
Collier
Conte
Corbett
Cramer
Cunningham
Curtin
Curtis, Mo.
Dague
Derwinski
Dominick
Durno
Dwyer
Ellsworth
Feighan
Findley
Ford
Frelinghuysen
Fulton
Glenn
Goodell
Griffin
Gubser
Haley
Hall
Halleck
Halpern
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hiestand
Hoeven
Hoffman, Ill.
Hosmer
Jensen
Judd
Kearns
Keith
Knox
Kunkel
Kyl
Laird
Langen
Latta
Lindsay
Lipscomb
McCulloch
McDonough
McVey
MacGregor
Mailliard
Martin, Mass.
Martin, Nebr.
Mason
Mathias
May
Meader
Merrow
Michel
Miller, N.Y.
Milliken
Minshall
Moeller
Moore
Moorehead, Ohio
Morse
Mosher
Nelsen
Norblad
Nygaard
O'Konski
Osmers
Ostertag
Pelly
Pirnie
Poff
Quie
Ray
Reece
Reifel
Rhodes, Ariz.
Riehlman
Robison
Roudebush
Rousselot
St. George
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scranton
Seely-Brown
Short
Shriver
Sibal
Springer
Stafford
Steed
Taber
Teague, Calif.
Thomson, Wis.
Tollefson
Tupper
Van Pelt
Van Zandt
Wallhauser
Weaver
Westland
Whalley
Widnall
Wilson, Calif.
Wilson, Ind.
Younger

NAYS—258

Abbitt
Addabbo
Addonizio
Albert
Alexander
Anderson, Ill.
Andrews
Anfuso
Ashley
Aspinall
Bailey
Baring
Barrett
Barry
Bass, Tenn.
Becker
Beckworth
Bennett, Fla.
Blatnik
Boggs
Boland
Bolling
Bonner
Brademas
Breeding
Brewster
Bromwell
Brooks, Tex.
Brown
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cannon
Carey
Casey
Chelf
Clancy
Clark
Coad
Cohelan
Cook
Cooley
Corman
Daddario
Daniels
Davis, James C.
Davis, John W.
Dawson
Delaney
Denton
Devine
Diggs
Dingell
Dole
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Edmondson
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Finnegan
Fisher
Flynt
Fogarty
Forrester
Fountain
Frazier
Friedel
Gallagher
Garland
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Gonzalez
Goodling
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Hagan, Ga.
Hagen, Calif.
Hansen
Harding
Hardy
Harris
Harrison, Va.
Hays
Healey
Hébert
Hechler
Hemphill
Henderson
Herlong
Holland
Huddleston
Hull
Ichord, Mo.
Inouye
Jarman
Jennings
Joelson
Johansen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Kelly
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Kluczynski
Kornegay
Landrum
Lane
Lankford
Lennon
Lesinski
Libonati
Loser
McDowell
McFall
McSween
Macdonald
Mack
Madden
Magnuson
Mahon
Marshall
Matthews
Miller, Clem
Miller, George P.
Mills
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nix
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Passman
Patman
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pillion
Poage
Price
Pucinski
Purcell
Rains
Randall
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Saylor
Scott
Selden
Shelley
Sheppard
Shipley
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Staggers
Stephens
Stratton
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Udall, Morris K.
Ullman
Utt
Vanik
Vinson
Waggonner
Walter
Watts
Wharton
Whitener
Whitten
Wickersham
Williams
Willis
Winstead
Wright
Yates
Young
Zablocki
Zelenko

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—33

Abernethy
Alford
Ashmore
Blitch
Boykin
Celler
Chamberlain
Colmer
Curtis, Mass.
Davis, Tenn.
Dent
Dooley
Fenton
Fino
Flood
Hoffman, Mich.
Holifield
Horan
Keogh
Kilburn
Kowalski
McIntire
McMillan
Moulder
Norrell
Powell
Riley
Saund
Scherer
Stubblefield
Thompson, La.
Weis

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Derounian for, with Mr. Keogh against.

Mr. Fenton for, with Mr. Holifield against.

Mr. McIntire for, with Mr. Celler against.

Mr. Kilburn for, with Mr. Stubblefield against.

Mr. Chamberlain for, with Mrs. Riley against.

Mr. Horan for, with Mr. Saund against.

Mr. Fino for, with Mr. Abernethy against.

Mr. Dooley for with Mr. Davis of Tennessee against.

Mr. Scherer for, with Mr. Flood against.

Mrs. Weis for, with Mr. Powell against.

Until further notice:

Mrs. Norrell with Mr. Hoffman of Michigan.

Mr. Kowalski with Mr. Curtis of Massachusetts.

Mr. ASHLEY changed his vote from "yea" to "nay."

Mr. VAN ZANDT changed his vote from "nay" to "yea."

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. KEOGH]. Were he present he would have voted "nay." I voted "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 211, nays 192, answered "present" 1, not voting 33, as follows:

[Roll No. 111]

YEAS—211

Abbitt
Addabbo
Addonizio
Albert
Anfuso
Ashley
Aspinall
Avery
Bailey
Barrett
Bass, Tenn.
Bennett, Fla.
Blatnik
Boggs
Boland
Bolling
Bonner
Brademas
Breeding
Brewster
Brooks, Tex.
Buckley
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Cahill
Carey
Chelf
Clark
Coad
Cohelan
Cook
Cooley
Corbett
Corman
Daddario
Daniels
Davis, John W.
Dawson
Delaney
Denton
Diggs
Dingell
Donohue
Downing
Doyle
Dulski
Edmondson
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Finnegan
Flynt
Fogarty
Frazier
Frelinghuysen
Friedel
Gallagher
Garmatz
Giaimo
Gilbert
Gonzalez
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagen, Calif.
Hansen
Harding
Hardy
Harris
Harrison, Va.
Hays
Healey
Hébert
Hechler
Hemphill
Henderson
Herlong
Holland
Huddleston
Hull
Inouye
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kee
Kelly
King, Calif.
King, Utah
Kirwan
Kluczynski
Kornegay
Landrum
Lane
Lankford
Lesinski
Libonati
Lindsay
Loser
McDowell
McFall
McSween
Macdonald
Mack
Madden
Magnuson
Mahon
Marshall
Martin, Mass.
Matthews
Merrow
Miller, Clem
Miller, George P.
Mills
Monagan
Montoya
Moorhead, Pa.
Morgan
Morris
Morrison
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nix
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Patman
Perkins
Peterson
Pfost
Philbin
Pilcher
Poage
Price
Pucinski
Purcell
Rains
Randall
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Tex.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Roush
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Selden
Shelley
Sheppard
Shipley
Sikes
Sisk
Slack
Smith, Iowa
Smith, Miss.
Spence

Staggers
Steed
Stratton
Sullivan
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Udall, Morris K.
Ullman
Vanik
Vinson
Walter
Watts
Wickersham
Willis
Yates
Young
Zablocki
Zelenko

NAYS—192

Adair
Alexander
Alger
Andersen, Minn.
Anderson, Ill.
Andrews
Arends
Ashbrook
Auchincloss
Ayres
Baker
Baldwin
Baring
Barry
Bass, N.H.
Bates
Battin
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Mich.
Berry
Betts
Bolton
Bow
Bray
Bromwell
Broomfield
Brown
Broyhill
Bruce
Burleson
Byrnes, Wis.
Cannon
Casey
Cederberg
Chenoweth
Chiperfield
Church
Clancy
Collier
Conte
Cramer
Cunningham
Curtin
Curtis, Mo.
Dague
Davis, James C.
Derwinski
Devine
Dole
Dominick
Dorn
Dowdy
Durno
Dwyer
Ellsworth
Feighan
Findley
Fisher
Ford
Forrester
Fountain
Fulton
Garland
Gary
Gathings
Gavin
Glenn
Goodell
Goodling
Griffin
Gross
Gubser
Hagan, Ga.
Haley
Hall
Halleck
Halpern
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hiestand
Hoeven
Hoffman, Ill.
Hosmer
Ichord, Mo.
Jensen
Johansen
Jonas
Jones, Mo.
Kearns
Keith
Kilgore
King, N.Y.
Kitchin
Knox
Kunkel
Kyl
Laird
Langen
Latta
Lennon
Lipscomb
McCulloch
McDonough
McVey
MacGregor
Mailliard
Martin, Nebr.
Mason
Mathias
May
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Moeller
Moore
Moorehead, Ohio
Morse
Mosher
Nelsen
Norblad
Nygaard
O'Konski
Ostertag
Passman
Pelly
Pike
Pillion
Pirnie
Poff
Quie
Ray
Reece
Reifel
Rhodes, Ariz.
Riehlman
Robison
Rogers, Fla.
Roudebush
Rousselot
Rutherford
St. George
Saylor
Schadeberg
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Short
Shriver
Sibal
Siler
Smith, Calif.
Smith, Va.
Springer
Stafford
Stephens
Taber
Taylor
Teague, Calif.
Thompson, Wis.
Tollefson
Tuck
Tupper
Utt
Van Pelt
Van Zandt
Waggonner
Wallhauser
Weaver
Westland
Whalley
Wharton
Whitener
Whitten
Widnall
Williams
Wilson, Calif
Wilson, Ind.
Winstead
Wright
Younger

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—33

Abernethy
Alford
Ashmore
Blitch
Boykin
Celler
Chamberlain
Colmer
Davis, Tenn.
Curtis, Mass.
Dent
Dooley
Fenton
Fino
Flood
Hoffman, Mich.
Holifield
Horan
Keogh
Kilburn
Kowalski
McIntire
McMillan
Moulder
Norrell
Powell
Riley
Saund
Scherer
Stubblefield
Thompson, La.
Weis

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Derounian against.

Mr. Celler for, with Mr. Thompson of Louisiana against.

Mr. Saund for, with Mr. Ashmore against.

Mr. Stubblefield for, with Mr. Alford against.

Mr. Davis of Tennessee for, with Mr. Abernethy against.

Mr. Powell for, with Mr. Colmer against.

Mrs. Norrell for, with Mr. Fenton against.

Mr. Kowalski for, with Mr. Kilburn against.

Mr. Holifield for, with Mr. Chamberlain against.

Mrs. Riley for, with Mr. McIntire against.

Mr. Flood for, with Mr. Fino against.

Mr. Dooley for, with Mr. Horan against.

Until further notice:

Mr. McMillan with Mrs. Weis.

Mr. Moulder of Missouri with Mr. Scherer.

Mrs. Blitch with Mr. Curtis of Massachusetts.

Mr. Boykin with Mr. Hoffman of Michigan.

**Mr. DEROUNIAN.** Mr. Speaker, I have a live pair with the gentleman from New York [Mr. Keogh]. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

**Mr. MILLS.** Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

**The SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, AND FOR OTHER PURPOSES

**Mr. O'NEILL,** from the Committee on Rules, reported the following privileged resolution (H. Res. 689, Rept. No. 1823), which was referred to the House Calendar and ordered to be printed:

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, and all points of order against section 253 of said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 11921, it shall be in order in the House to take from the Speaker's table the bill S. 2996 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11921 as passed by the House.

## COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

**Mr. HARRIS.** Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tomorrow to file a report on the bill S. 1658.

**The SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK

**Mr. HALLECK.** Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

**The SPEAKER.** Is there objection to the request of the gentleman from Indiana?

There was no objection.

**Mr. HALLECK.** Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program for the balance of today and the balance of the week, if the gentleman can inform us at this time.

**Mr. ALBERT.** Mr. Speaker, if the gentleman will yield——

**Mr. HALLECK.** I yield to the gentleman.

**Mr. ALBERT.** As previously announced, we plan to begin the consideration immediately of H.R. 11677, the equal pay bill. If this bill is passed today, that will finish the legislative business for the week. But the House will be in session tomorrow.

**Mr. HALLECK.** Could I ask the majority leader as to what the business tomorrow will be?

**Mr. ALBERT.** We have certain legislation that one of the committee chairmen desires to introduce, for one thing.

**Mr. HALLECK.** I see.

**Mr. ALBERT.** If the gentleman will yield further, I will advise the gentleman from Indiana that if this bill is finished there will be no legislative business tomorrow.

**Mr. HALLECK.** Permit me to ask one further question:

If the bill that is now proposed to be called up is not finished today, would it be the majority leader's view that it would continue tomorrow, and the vote would come tomorrow?

**Mr. ALBERT.** That would be my view.

**Mr. BROWN.** Mr. Speaker, will the gentleman yield?

**Mr. HALLECK.** I yield to the gentleman from Ohio.

**Mr. BROWN.** I would like to make inquiry as to whether or not the session is being held tomorrow for the purpose of having the Rules Committee meet to consider the so-called Sugar Act legislation extension?

**Mr. ALBERT.** I am not prepared to advise the gentleman.

**Mr. BROWN.** Well, I understand that the committee will not report that bill before 2 o'clock tomorrow, and there will be no report printed; that it is rather, in my opinion, unfair to ask the Rules Committee to pass judgment on legislation of this importance without having a printed report.

**Mr. ALBERT.** The majority leader is unable to advise the gentleman. If the chairman of the Committee on Agriculture is here, the gentleman from North Carolina [Mr. Cooley], might be able to do so.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Speaker, I would like to say that we have agreed on the sugar bill. We have to go through the formality of approving it. I have been assured that I will have the bill ready by noon tomorrow. The report will also be ready by noon tomorrow. If we have a report filed, we will have it available. Otherwise, we will have a report for the Rules Committee, at least, tomorrow. There is no controversy about the bill. It seems to be in agreement.

Mr. BROWN. Will the gentleman's committee report the bill by noon tomorrow?

Mr. COOLEY. By 12:30, as soon as I can introduce it, at 12:15, and it will be reported by 12:30.

I am calling a meeting at 12:15 for the purpose of reporting the bill. I am sure the gentleman's colleagues on that side of the aisle will tell him that the bill will be reported tomorrow.

Mr. BROWN. While the bill has not yet been approved by the gentleman's committee, the report has been prepared?

Mr. COOLEY. It has been tentatively approved. The report is being prepared. The bill is being prepared and it will all be ready by 12:30 tomorrow. The Committee on Rules could meet at 1:30 or 2 o'clock and have a rule.

Mr. HALLECK. Mr. Speaker, if I may reclaim the floor, I might say to the gentleman that my information is, I am informed by some members of the Committee on Agriculture on our side, that the matter is not in complete agreement in the Committee on Agriculture; and, as a matter of fact, very likely minority views will be offered if there is time to prepare them.

Mr. COOLEY. There was a motion made to recommit the bill. It was considered and rejected.

This bill is important, because we are working against time. The program expires on June 30. If we do not pass this bill by Monday or Tuesday it is obvious that the bill will not go to the White House before June 30. I do not know of any real opposition to the bill. There may be some; I am sure there must be some, but we shall ask only for 1 hour on the rule and 2 hours on the bill. The bill is important; it is urgent that we pass it.

Mr. HALLECK. Mr. Speaker, I might say to the gentleman, he has indicated he is going to have a meeting of his committee tomorrow. The House will meet at 12 o'clock. The committee will report the bill out after 12 o'clock. I do not know whether the gentleman has received permission for his committee to sit during the session of the House tomorrow.

Mr. COOLEY. No; but we assume that nobody will object to it, in view of the importance of the legislation.

Mr. HALLECK. Mr. Speaker, at this time I yield to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, I want to say to the gentleman that I do object to the bill that was tentatively agreed to I assume by a majority of the committee. I offered a substitute today. There was some basic disagreement whether the Congress should set a quota for every country in the world, or whether we should work out a broad policy and let the legislation be handled by the Executive. I feel very strongly on that. I hope to offer minority views in the report; I hope to have the time to do that. I might also add that my colleagues share my views on this matter and intend to join me.

Mr. COOLEY. Mr. Speaker, certainly the gentleman can have his minority views prepared as quickly as we can have our views prepared. My only interest in this bill is this. We want to pass it out of this House and send it over to the Senate in the hope that we can get it to the White House before the deadline, June 30.

Mr. HALLECK. Mr. Speaker, may I say that I have not been too critical of the fact that we have been grinding along here week after week accomplishing very, very little. As a matter of fact, I have expressed the view that possibly if some of these things that have been proposed are not adopted by this Congress the country would be better off for it. All I can say is, without undertaking to be critical of the gentleman or his committee, that I just cannot see why proposals like this are allowed to run right down to this kind of a deadline, because everybody on the gentleman's committee and all of us know that it is something that has to be done. Why it cannot be accomplished in a reasonable time, I do not know. Obviously, if a unanimous-consent request were made to adjourn over tomorrow and it was objected to, we will be in session tomorrow and under the rules of the House whatever is permitted to be done by the gentleman's committee, of course, can be done.

Mr. COOLEY. Mr. Speaker, I am certain the gentleman knows that this bill is not important to my State, but it is important to the sugar industry of America. If the bill is not enacted before June 30 we will have chaos in the sugar markets of America. Many of our friends and his friends will face bankruptcy, as they all have told us. The Judge has indicated his willingness to cooperate with us to expedite the passage of this bill.

Mr. HALLECK. Mr. Speaker, may I say to the gentleman that if they had spent a little more time on the sugar bill on which we have to do something, instead of on the bill that I understand we are going to have next week, which I think is the worst monstrosity I ever saw, we probably would be better off.

Mr. COOLEY. It is not a monstrosity, it is a bill that was very carefully considered. Certainly the sugar bill is not a monstrosity.

Mr. HALLECK. Obviously, I was not referring to the sugar bill. I have taken the trouble to find out something about the general agricultural bill that the gentleman's committee has reported. All I can say is I hope we can defeat it.

Mr. COOLEY. I hope it will not be defeated.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. ROGERS of Texas. I want to call the attention of the House to one thing. That is a procedure that is repeated every year with regard to the sugar bill. I want to ask the chairman of the Committee on Agriculture if it is not his intention to ask for a closed rule.

Mr. COOLEY. Absolutely. We always have had it.

Mr. ROGERS of Texas. That is the point. The Members of the Congress of the United States time and time again have been denied the right to bring the facts about the sugar business to the people of the United States of America. I think it is an imposition on the farmers of this country, and I think it is time the Members of this House took charge of this situation and let it be openly debated on the floor of this House.

## COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, this discussion about when the sugar bill will come to the floor has involved to some extent the Committee on Rules. I want to cooperate with the gentleman from North Carolina because everybody here knows he is in the midst of a lot of trouble and some of us are not doing anything to relieve his troubles.

I would like, as far as I can, consistently with the rules of my committee, to assist him in getting this bill promptly to the floor. It has to be done. But I hope he will not ask me to call a meeting of that committee to consider a bill when the committee will not have the report on the bill ready. I do not think it is good procedure. I do not recall that we have ever done it. I will stay here Saturday night to cooperate with him and get his bill out. I will even call a meeting of the Rules Committee, if I can get a quorum there, but please do not ask me to violate all the rules before there is a report showing why there should be a rule granted.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. COOLEY. Unless we can expedite the sugar bill it will come behind the farm bill, which comes on next Tuesday and probably will end next Thursday. The sugar bill will go over to the following week, and we never will meet the deadline.

Mr. SMITH of Virginia. I am glad and willing to cooperate with the gentleman in every way I possibly can, but do not ask me to violate the rules of the House.

Mr. COOLEY. I would not ask you to violate the rules, I just ask you to expedite the bill.

Mr. SMITH of Virginia. Get the report in and I will call a meeting of the committee.

## COMMITTEE ON AGRICULTURE

**Mr. COOLEY.** Mr. Speaker, I ask unanimous consent that the Committee on Agriculture have until midnight tomorrow night to file a report, including minority views.

The **SPEAKER.** Is there objection to the request of the gentleman from North Carolina?

**Mr. QUIE.** Reserving the right to object, Mr. Speaker, may I ask the gentleman from North Carolina if the majority views will be ready before midnight tomorrow night?

**Mr. COOLEY.** I think this will be ready before midnight tonight. I have everybody working on the bill. We want to file a report. If they stay here long enough, we will do it tonight. We will do it by tomorrow afternoon, I am sure.

**Mr. QUIE.** Will the bill be ready tomorrow?

**Mr. COOLEY.** No. I will introduce the bill, we will have a meeting and report the bill out, and have a meeting of the Rules Committee as soon as we can get it.

**Mr. QUIE.** Mr. Speaker, further reserving the right to object, I would like to be able to present my minority views and my colleagues would also. I do not see how we are going to be able to get that done by midnight tomorrow night to have this ready when the bill has not been written up yet.

**Mr. COOLEY.** The bill has already been prepared. We have had a committee draft and we have been working on it for days.

Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may meet tomorrow during the session of the House in order to expedite the consideration of this bill, that is, while the House is engaged in general debate.

The **SPEAKER.** Is there objection to the request of the gentleman from North Carolina that the Committee on Agriculture may meet during general debate tomorrow?

**Mr. GROSS.** Mr. Speaker, reserving the right to object. What is the gentleman from North Carolina asking unanimous consent to do? He has just thrown in another subject here.

**Mr. COOLEY.** My purpose is to have formal action on the sugar bill immediately after the House convenes tomorrow. Then we can expedite consideration of the bill. If somebody wants to defeat the bill, they can object to this. Then we would have to go over for about 10 days and we would end up on June 30 with no sugar legislation at all.

**Mr. GROSS.** How about asking for an open rule instead of a gag rule?

**Mr. COOLEY.** We cannot do that. We could not possibly do that. We have made allotments in this bill which are quite large in number, and when you start juggling these figures, you get into all sorts of difficulties. I remind my colleague that this is a tax bill.

**Mr. GROSS.** Let me ask the gentleman this. Where has this bill been since last January. You knew you had this to take care of.

**Mr. COOLEY.** Let me tell you what our attitude has been. All through the last session, and my Republican colleagues will agree, I begged the administration to give me some recommendations. I received no recommendations. We went on for months during this session and still there were no recommendations. Finally, in desperation and to avoid the very criticism that we are now being subjected to, I started hearings without any recommendations. When I announced the hearings were going to be held, then we received recommendations. Those recommendations were rejected.

**Mr. GROSS.** And so the responsibility for the present status of this bill and the necessity for a gag rule in part, at least, is due to the administration?

**Mr. COOLEY.** No, no. This bill has always been considered under a closed rule. I do not know why it was referred to my committee, but it has been there for 28 years. This is a tax bill. When it goes to the other body, it goes to the Finance Committee and not to the Committee on Agriculture.

The **SPEAKER.** The gentleman from North Carolina has two unanimous consent requests pending. The Chair will put the second request before the House at this time since the action of the House on the first request would depend upon the action taken on the second request.

Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY] that the Committee on Agriculture might sit during the session of the House tomorrow, and while the House is engaged in general debate.

There was no objection.

The **SPEAKER.** Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY] that the Committee on Agriculture may have until midnight tomorrow night to file a report, including minority views?

**Mr. QUIE.** Mr. Speaker, further reserving the right to object, I plan to object to this request because this does not give me time to prepare my minority views and for the further reason that there is ample time to bring this up before the Committee on Rules on Monday. For that reason, I object.

**Mr. COOLEY.** Mr. Speaker, will the gentleman reserve the right to object for one moment? We will put at your disposal at least half of the members of our staff to help you write your minority report. This is a desperate situation. The gentleman is taking a position that is going to delay action on this for about 10 days. I wish the gentleman would confer with the ranking member on his side to see whether or not the gentleman from Minnesota wants to delay this bill and pass the deadline.

**Mr. QUIE.** Mr. Speaker, I object to the gentleman's request. When the House meets tomorrow, if it is possible with the help of the staff to get the minority views together, then I would not object.

The **SPEAKER.** Is there objection to the request of the gentleman from North Carolina?

**Mr. QUIE.** Mr. Speaker, I object.

The **SPEAKER.** Objection is heard.

**Mr. COOLEY.** Mr. Speaker, then I will renew my request tomorrow at about 12:30 o'clock p.m.

## REGULATION OF IMPORTS OF AGRICULTURAL COMMODITIES AND PRODUCTS

**Mr. GATHINGS.** Mr. Speaker, I call up the conference report on the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

### CONFERENCE REPORT (H. REPT. NO. 1817)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
CHARLES B. HOEVEN,
CLIFFORD G. MCINTIRE.
*Managers on the Part of the House.*

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
HERMAN E. TALMADGE,
B. EVERETT JORDAN,
MILTON R. YOUNG,
KARL E. MUNDT,
*Managers on the Part of the Senate.*

### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788), to amend section 204 of the Agricultural Act of 1956, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate made three amendments to the House bill. The committee of conference has agreed to recommend that the Senate recede from its amendments Nos. 2 and 3 and that the House recede from its disagreement to Senate amendment No. 1.

Amendment No. 1 is purely technical and simply corrects a typographical error that occurred when the bill as reported by the House Committee on Agriculture was printed. The amendment corrects the word "article" to read "articles."

Senate amendment No. 2 would have directed the President to negotiate agreements with foreign nations limiting the export to the United States of beef and beef products, pork and pork products, fresh and frozen lamb, poultry and poultry products, dairy products, and timber and timber products, when in his judgment such imports seriously affect domestic producers. While the only agreement which has been negotiated to date under section 204 of the Agricultural Act of 1956 deals with cotton textiles, section 204 is applicable to all agricultural commodities and products manufactured therefrom. Senate amendment No. 2 gave the President no additional authority with respect to the named commodities, nor did it require him to take any action with respect to those commodities unless, in his judgment, imports of such commodities were seriously affecting domestic producers. Members of both Houses on the committee of conference recognize there are other commodities in addition to cotton textiles that are being seriously affected through excessive imports, and believe the President should in such cases take action under section 204. He has full authority to do so, and the obligation to take whatever action is necessary. While the conferees did not want to interfere in any way with the textile negotiations conducted under section 204, and consequently deleted the language inserted by Senate amendment No. 2, the conferees emphasize the desirability of the steps recommended in that amendment and urge the President to initiate negotiations with foreign countries limiting the export of those agricultural commodities which are suffering serious effects from import competition.

Senate amendment No. 3 provided that action taken under the bill should be consistent with trade agreement acts policy. This would appear to create an indefinite rule and its effects could not be foreseen. The committee of conference therefore recommended that the Senate recede from this amendment.

Harold D. Cooley,
W. R. Poage,
E. C. Gathings,
Charles B. Hoeven,
Clifford G. McIntire,
*Managers on the Part of the House.*

The **SPEAKER.** The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## REGULATION OF IMPORTS AND AGRICULTURAL COMMODITIES AND PRODUCTS

Mr. **GATHINGS.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 493) to correct an error in spelling in the enrollment of the bill (H.R. 10788).

The Clerk read the resolution, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That in the enrollment of the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, the Clerk of the House is authorized and directed to make the following correction: In line 12, on page 1, strike out "agreements" and insert "agreement".

The resolution was agreed to.

A motion to reconsider was laid on the table.

## EQUAL PAY ACT OF 1962

Mr. **SISK.** Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 677 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11677) to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. **SISK.** Mr. Speaker, I yield 30 minutes of my time to the gentlewoman from New York [Mrs. St. George], and in the meantime I yield myself such time as I may consume.

Mr. Speaker, House Resolution 677 provides for the consideration of H.R. 11677, a bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination. The resolution provides for an open rule with 1 hour of general debate.

The objective sought by H.R. 11677 is wage justice for working men and women.

The legislation prohibits an employer having employees engaged in commerce or in the production of goods for commerce from discriminating between his employees by paying lower wages to one sex than he pays to the other sex for substantially the same job. "Work of comparable character on jobs the performance of which requires comparable skill" must be paid for on an equal nondiscriminatory basis. Payment of different rates is permitted, however, pursuant to nondiscriminatory seniority or merit increase systems or, again, where such differential is based upon a bona fide job classification program.

Mr. Speaker, I urge the adoption of House Resolution 677.

Mr. **KEARNS.** Mr Speaker, I make the point of order a quorum is not present.

The **SPEAKER.** Does the gentleman insist on his point of order?

Mr. **KEARNS.** Mr. Speaker, may I ask the distinguished Speaker, should we meet in the morning at 11 o'clock?

The **SPEAKER.** The Chair has no control over that, of course.

Mr. **KEARNS.** Mr. Speaker, I withdraw my point of order.

Mrs. **ST. GEORGE.** Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 677 makes in order the consideration of the bill H.R. 11677 to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce, and to provide for the restitution of wages lost by employees by reason of any such discrimination.

Mr. Speaker, I am reasonably sure—as sure as one can be of anything in this House—that there is no objection to this legislation. I do not see how anyone would dare be against it. It would be like being against motherhood. So I have no qualms about the passage of the legislation.

But I would like to point out one thing to the House. They have heard me speak on this subject very often, and with very little effect, and I have no doubt this will be the same this afternoon. This is merely a bite at the cherry. You are going to go on having bills of this kind on different types of discrimination until you finally decide in your wisdom to allow the States to pass an equal rights amendment to the Constitution.

Now, that could have been done many years ago. It could be done at any time, but there is a committee that happens to stand in the way of this legislation, that is blocking its submission to the House. I bring that up because the Committee on Rules is very often to blame for these things, but there are other committees that do the same, and in this case the Committee on the Judiciary has held up the equal rights amendments for at least 15 or 20 years now.

Now, the reason I bring this point up, Mr. Speaker, is that the people who oppose the amendments say there is no discrimination at all on account of sex, yet here we come today with a bill that points out very clearly that there is. This is not the only discrimination. There are other discriminations throughout the country. However, as I stated at the beginning of my remarks, this is a step in the right direction; this is something that at least we can all go out for and that we can all vote for, and I certainly hope that without too much ado this legislation will be passed.

Mr. **GROSS.** Mr. Speaker, will the gentlewoman yield?

Mrs. **ST. GEORGE.** I am very happy to yield to my friend from Iowa, with pleasure, always.

Mr. **GROSS.** I thank the gentlewoman. Does the gentlewoman know how many amendments there are to this bill and how late it is proposed to go in this session on this bill?

Mrs. **ST. GEORGE.** I will say to the gentleman from Iowa that I know of two amendments. Now, there may be more, but I do know of two or three, and I think there will be a little discussion on those.

Mr. **GROSS.** I understand there are a number of amendments, many more than two amendments, to this bill. Is it proposed to adopt the rule tonight, or what is proposed to be done?

Mrs. **ST. GEORGE.** Oh, the gentleman is attributing a great deal of power to me that I do not have. I have not the faintest idea.

Mr. **ALBERT.** Mr. Speaker, will the gentlewoman yield?

Mrs. **ST. GEORGE.** I yield to the gentleman from Oklahoma.

Mr. **ALBERT.** I would like to advise that it is the hope of the leadership that we will proceed to the adoption of the rule and then discontinue legislative business until tomorrow.

Mrs. **ST. GEORGE.** I thank the gentleman.

Mr. **GROSS.** I thank the gentlewoman.

Mrs. **ST. GEORGE.** Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. Church].

Mrs. **CHURCH.** Mr. Speaker, I rise today in hearty support of H.R. 11677, the Equal Pay Act of 1962. This bill seeks to achieve the meritorious purpose of prohibiting discrimination on account of sex in payment of wages in those companies engaged in interstate commerce and with foreign nations and employing more than 25 employees. I think this legislation, however, is the first step toward the establishment of those equal rights for women for which I have long fought in the Congress and which I believe to have been proved so merited as to justify early action. It is my hope, indeed, that the passage of this bill, as a first step, will help, not hinder favorable consideration of other pending legislation on this important subject.

It may once have been true Mr. Speaker, as is so frequently stated by the masculine segment of our population, that women worked largely to achieve extra money or what in earlier days was known as pin money.

Mr. GROSS. Mr. Speaker, the House is not in order.

Mrs. CHURCH. Even if that fact had once been true, the situation in 1962 has become strikingly different. The 24 million women in the labor force in this country, now by large majority work because it is necessary for them to work to contribute to essential living expenses. To them equal pay for equal work is not a slogan; it is a matter of necessity; it is a matter of justice.

This fact has been recognized in 22 States which already have equal pay laws, although, admittedly, in some instances, such laws are at present ineffective.

Again expressing the hope that this legislation will prove a stimulant rather than a deterrent to consideration and passage of other legislation giving women the equality that they deserve, I would respectfully urge that the rule be passed and that the House pass H.R. 11677 overwhelmingly.

Mr. DOMINICK. Mr. Speaker, will the gentlewoman yield?

Mrs. CHURCH. I would be happy to yield to the gentleman from Colorado.

Mr. DOMINICK. As I understood the statement of the gentlewoman, the gentlewoman indicated that the bill was limited to employers engaged in interstate commerce. But as I read the bill—and this is an amendment here—commerce applies to any person who is doing business within a State. Does not the gentlewoman agree?

Mrs. CHURCH. It is my understanding that the bill applies only to commerce among the several States and with foreign nations, as stated in section 2(b).

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Speaker, certainly, as the distinguished gentlewomen who have preceded me say, none, and certainly I would not, want to support any move that would discriminate against women in employment having equal pay for equal work. I believe, however, that women and some others, perhaps, in their enthusiasm to get this through legislation may be becoming the victims of a bill that is something other than what this bill purports to be. This is a bill disguised in a lot of sweet-scented kimonos, with a lot of tricks and a lot of pitfalls in it that can wreak havoc with women in employment and can work untold harassment on the employers of this country.

Mr. Speaker, I desire to pose a few questions for the membership to think about in considering this bill before it reaches the stage of final passage, in the hope that it may be amended to be a little more directed at the point we have in mind. For example, the bill uses the term "equal pay for comparable work." Now, I want to pose this question: The term "comparable" is not defined in the bill. What would the Secretary of the Department of Labor interpret this to mean? The Secretary of Labor is empowered under this bill to define the term "comparable." Does that mean that one with greater skills than another, although they are doing work that may be comparable, would be paid the same? Is it not better to have this term "comparable" more limited? Let us look at this: The fact is that the hardship under the bill would be fixed upon the blue-collar women where the Department of Labor could hold that all manufacturing jobs in a plant were comparable, although the blue-collar women under industry practice are not able to service their machines or do heavy lifting, but do have certain privileges under State safety codes.

By requiring the same rates for comparable work, the inevitable result would be the discharge of blue-collar women and the hiring of additional men. Is this the intended result of the bill? As long as this word is there without limiting the discretion that is handed on a platter to the Secretary of Labor, it is inevitable that that is likely to be the result. Now, we come down to another section of the bill that bothers me about back wages. The bill requires not only the payment of back wages but I quote from it:

> An additional amount not to exceed the back wages found to be due.

This smacks of punitive damages. Why? Is it necessary that when we find a person not complying with the new law, that we go in and punish him? Is it not enough just to see that he pays interest on the back wages and not double or sometimes treble? Another thing: The provisions of the bill shall be included in Walsh-Healey contracts. Why? The "employer" definition sets out general coverage applicable to all. Why single out Walsh-Healey contractors for special provision? This is another very dangerous and, as it seems to me, punitive provision of the bill which, in my judgment, cannot do any good to women employees.

The bill provides for blacklisting for "any person finally determined to have violated any of the provisions of this Act," so as to prohibit the awarding of any contract by the U.S. Government.

It does not say that it must be willful; it does not say that it must be continuous. It just says:

> Any person finally determined to have violated any of the provisions of this Act.

What do you propose to do with this? Who is it you are after? What is it you are after? If you are seeking equal pay then why go back and dig up all of these technicalities and lay a lot of discretionary power in the hands of the Secretary of Labor?

The bill, by relieving employers of State law—and listen to this, you who are States righters, if there are any among you—the bill, by relieving employers of State law, in effect, nullifies the act of 22 States in this field. Although the Secretary would be empowered to cede to a State agency jurisdiction, experience under Taft-Hartley shows this to be meaningless since no cessions in practice occur.

I repeat that none seek to require women employed in industry and commerce to work for wages less than those paid men. I hope that my daughter will make as much as or more, if her abilities will permit, than her brother. It would suit me fine if my wife made more money than I. But I do not want it to occur and I do not believe any responsible women want it to occur under the provisions of a bill that sets up the Secretary of Labor as a czar to harass all of the employers of this country. Your country banks, your retailing institutions, your manufacturing establishments that employ women in the great majority, are going in the main to be the people who will get so angry with this thing until you ladies—I know they call you gentlewomen here, but I am going to call you ladies—will be the ones who will eventually be victimized by this bill under the terms it now carries.

If some of these terms can be changed to clarify what we intend the Secretary of Labor to do then I think it may not be so dangerous. But under these terms you are not going to get what you are seeking. You are going to become the victims of something that a Secretary of Labor or some organized force wants you to have rather than what you want.

Mrs. ST. GEORGE. Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Speaker, this is indeed a great moment for those of us in the House of Representatives who have been sponsoring bills for many years to require equal pay according to the work performed, with no discrimination because of sex. The fact that this bill comes before us today on a bipartisan basis, on the unanimous recommendation of the members of the House Committee on Education and Labor, proves that while the wheels of Congress often grind slow, the results can be quite dramatic.

As the sponsor of H.R. 571 and of similar bills in preceding Congresses, I wholeheartedly endorse the Zelenko bill on which we are taking action today, H.R. 11677. It is a bill which has teeth in it to require compliance, but it is primarily a bill to lead and guide the way to the most effective kind of compliance, and that, of course, is voluntary compliance.

The States will continue to have basic responsibility in this field—if they will accept it. But the Congress has the obligation to act for the protection in interstate commerce of fair competition, decent labor standards, and plain, ordinary fairplay. This legislation is long overdue.

A worker's skill should determine his or her wage rate, not the sex of the individual employee. Where men and women are doing similar work with similar abilities, their paychecks should be the same. The Federal Government is required to recognize this principle in civil service employment; many unions have succeeded in writing it into their contracts with private employers. But, throughout the country, many women workers are victimized—there is no other word for it—by outmoded concepts and customs which hold that a woman works at a job in order to occupy her time before marriage, or just to get away from home, and therefore can be paid less than a man for the work she does.

Most women work because they must; others work because they have skills which our economy desperately needs. All of these workers are entitled to fair treatment, regardless of their reasons for being in the employment force. This legislation will help assure such fair treatment for most women employed in interstate commerce. I hope it will also stimulate the States to act more effectively in assuring fairness for women employed in purely intrastate commerce, or in firms with less than 25 employees.

As I told the subcommittee at the time hearings were conducted on this legislation last March, my recollections from my own career in the business training field prior to my marriage, reinforce my view of the importance of this legislation.

As training director of Felt & Tarrant, the Comptometer company, in St. Louis, it was my job, not only to direct the training of students in the use of our machines, but also the job placement activities in helping them find employment.

The Comptometer is a good piece of equipment—not a mechanical brain or an electronic robot but a responsive device for using the brains of the operator in reducing complex mathematical computations into quick answers. It is far more than an adding machine. It will perform rapidly and accurately—if properly used.

It was my experience that women had greater dexterity in the use of this equipment—generally speaking—than men did. Most of the students were women. The jobs they later filled were not restricted to women but, like most office positions, were held mostly by women. I stress again the fact that learning to use the equipment required more than routine application and mental capacity. Yet the wage scales generally in effect in private industry for women able to use this equipment were substantially lower than the salaries paid men for doing work requiring similar, or even less highly developed, skills.

The job rates did not reflect the skills of the operators, but rather the sex. And this is true in most fields where women predominate among the employees.

The skill should determine the wage paid, not the sex of the employee. We do not want to see instances of women getting jobs in preference to men because the wage rate for women is lower, but this often happens. Let us stop this undercutting of standards. It is certainly to the advantage of all workingwomen to do so; it is also to the advantage of workingmen. And it is the right thing to do.

Mr. BAKER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BAKER. Mr. Speaker, I believe in equal rights for all American citizens as guaranteed by the Constitution of the United States. For that reason, I am supporting and favor the enactment of H.R. 11677, a bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce, and also to provide for restitution of wages lost by employees by reason of any such discrimination.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

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## BIDS ON NUCLEAR-POWERED FRIGATE

Mr. BURKE of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include two newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to call to the attention of the Members of the House a situation that is both disturbing and one that calls for realistic action by the Department of Defense in the awarding of contracts for shipbuilding construction by the Navy.

During a meeting of the House Ways and Means Committee which had under consideration the extension of the Renegotiation Act of 1951, I requested the Defense Department to look into the bidding proposals submitted last week by three private shipbuilding yards for construction of a second nuclear-powered frigate. The New York Shipbuilding Co. of Camden, N.J., the Engalls Shipbuilding Co. of Pascagoula, Miss., and the Bethlehem Fore River Shipbuilding Co. of Quincy, Mass., are the three yards competing for this contract.

In order to give an accurate report on the matter I am enclosing a news story that appeared in the Quincy Patriot Ledger on June 12, 1962. Following this news story an editorial written on June 13, 1942, which correctly reflects the concern not only on my part but also on the part of the public about this method of awarding contracts for shipbuilding by the Navy Department:

[From the Quincy (Mass.) Patriot Ledger, June 12, 1962]

### Burke Asks Close Check on Bids for Second Frigate

Washington.—Congressman James A. Burke, Democrat, of Milton, Mass., said today he has asked the Pentagon to make a close check of bidding proposals submitted last week by the three yards being considered for the second nuclear frigate.

#### DEEPLY CONCERNED

Burke said he is deeply concerned that the taxpayers' interests be protected.

He said that the New York Shipbuilding Co., of Camden, N.J., was awarded the contract for the carrier *Kitty Hawk* after submitting an extremely low bid and that later the yard had to be bailed out by the Navy to complete its contract. As for the Ingalls Shipbuilding Co., of Mississippi, Burke said the company was recently sold at a time when it was in debt to the Navy for $9 million.

This debt, the Congressman said, had to be paid by the new owners. If Ingalls had gone into bankruptcy, Burke stated, the Government would have been left with the debt.

"Fore River has had experience with the *Bainbridge* and should be in a position to submit a reasonably low bid. If there is a spread of over 10 percent in the bidding, it means one of two things, either the high bidder is extremely high or the low bidder is extremely low," Burke said.

While the Government is protected against high or excessive bids under law, Burke said there is little or no protection "if a financially irresponsible yard bids too low and is unable to complete the contract."

Burke said he served notice on the Navy that if this takes place he will not remain quiet, but will press for a complete and sweeping investigation. Burke contended that the Navy can determine very easily whether a bid is within reason and that the taxpayer should be protected.

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[From the Patriot Ledger, June 13, 1962]

### Check on Bidding

Congressman James A. Burke has a good point in asking the Pentagon to make a close check on bidding proposals submitted last week by three shipyards seeking the contract to build the Navy's second nuclear frigate.

The Milton Democrat has pointed out that the New York Shipbuilding Co. of Camden, N.J., received the contract for the carrier *Kitty Hawk* several years ago after submitting an extremely low bid.

It may be recalled that New York Shipbuilding received the contract for nearly $120 million, after underbidding the nearest competitor by about $6 million. The low figure raised eyebrows in shipbuilding circles at the time. The final settlement for the *Kitty Hawk* was $178 million.

Congressman Burke also mentioned that Ingalls Shipbuilding Co. was recently sold at a time when it was in debt to the Navy for $9 million. This debt had to be paid by the new owners, Burke said. If Ingalls had gone into bankruptcy, the Government would have been left with the debt.

The Congressman is acting responsibly in asking the Pentagon to look carefully at the bids for the nuclear frigate to protect the public interest and the Navy. As Mr. Burke points out, there is little or no protection if a yard bids too low and is unable to complete the contract.

In such a case, the Navy would have to either move the vessel and complete it elsewhere, or leave it at the yard and pay more money to have it completed. Either way, the U.S. taxpayer would have to pay more than necessary for the vessel.

Bethlehem Steel Corp. has been criticized for not being low bidder on some Navy vessels, but at least Bethlehem's bids have been consistent and the company refuses to submit unrealistic bids in order to get Navy work.

And in competition for the second nuclear frigate, Bethlehem should have an advantage since it has had prior experience by building the first nuclear frigate. The Navy should scrutinize carefully any bids substantially lower than the one submitted by Bethlehem.

## POINT OF SARTORIAL ORDER

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, I rise to make a point of sartorial order for as I look about me I note that a number of my colleagues have blossomed forth in some newly begotten finery, specifically some quite handsome neckwear. That this should occur at Father's Day time is of course no accident, as the distinguished Members of this and the other body well know.

For the benefit of the uninitiated, however, the letter that follows should be read by way of explanation. Without further ado, here is that letter:

DEAR FATHER (I hope): For many years as you will recall, my friends Sam and Manny Pulitzer have asked me to distribute Wembley ties on Father's Day to my colleagues in the House and Senate, to attachés of the Congress, and to those newsmen and photographers as well as television and radio folks who cover my congressional hearings and activities.

It came as a surprise last year when the ties, for the first time in so many years, were not forthcoming. But this year it is going to be different.

"We know we made a mistake in not doing this last year" wrote the brothers Pulitzer, "but as is the case in all errors we feel the quicker you correct them the better off everything is, and we would like to start again this year."

I lost no time in sending them word to come home, that all was forgiven, and so here I am again at the same old stand doing business in the same old way. I hope you like the tie which accompanies this message. I hope it melts into your individual personality and matches your eyes whether they are baby blue or deep black, soft brown or hungover red. If your esthetic taste is rudely violated then come around and I will let you make your own pick, if some other guy hasn't been around before you to pick the very one which you wanted.

You know Wembley is the largest tie manufacturer in the world and the ties are manufactured in New Orleans. Where else, or why would I get into the act. The Pulitzers are eager to have you enjoy Father's Day on any basis—whether you have been a father, are now a father, or hope to be a father.

For myself I am gratified that my friends realized they had made a mistake. I just hope my constituents don't make a mistake in the next election because I want to continue sending out these Wembley ties to my colleagues and friends on each Father's Day, and I can't do it if they make the mistake of not reelecting me.

So let me join my old friends, Sam and Manny Pulitzer, in hoping that you get some pleasure out of this Father's Day tie and that you will always remember that Wembley ties come from New Orleans "the city that care forgot and industry remembered."

Sincerely,

F. EDW. HÉBERT.

## MORE ON THE MASSACHUSETTS HEARINGS BEFORE SPECIAL SUBCOMMITTEE ON FEDERAL AID HIGHWAYS

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

### STATEMENT OF FORMER U.S. ATTORNEY RICHARDSON WHICH WAS OMITTED FROM SUBCOMMITTEE RECORDS IS HEREIN PRINTED—TESTIMONY OF COMMISSIONER RICCIARDI OF THE MASSACHUSETTS DEPARTMENT OF PUBLIC WORKS (REVIEWED AND PROOF OF FALSITY OF PORTIONS THEREOF IS SUBMITTED FOR THE RECORD)—RENEWAL OF MY REQUEST FOR AN EXECUTIVE SESSION OF THE SUBCOMMITTEE TO CONSIDER FURTHER MASSACHUSETTS HEARINGS AND OTHER MATTERS

Mr. CRAMER. Mr. Speaker, on March 15, 1962, the House Subcommittee on the Federal-Aid Highway Program, on which I have the privilege of being ranking minority member, as directed by a resolution of this body, concluded 18 days of public hearings which reviewed and examined the practices and procedures of the Massachusetts Department of Public Works with regard to acquisition of Federal rights-of-way in which the Federal Government shares cost to the extent of 90 percent.

These hearings were the result of almost 2 years of investigations by the Federal Bureau of Public Roads; the firm of Beasley & Beasley, expert real estate appraisers employed by the Bureau of Public Roads; the FBI and a Federal grand jury under the direction of former U.S. Attorney Elliot L. Richardson; and our own excellent subcommittee staff. More than 60 witnesses were called, and almost 4,000 pages of sworn testimony and documentary evidence were taken by our subcommittee. The record before us was truly shocking in the scope of how deeply corruption had penetrated and permeated the Massachusetts Department of Public Works.

There was exposed before us a number of criminal conspiracies to defraud the Commonwealth of Massachusetts and therefore the Federal Government out of vast sums of money, perhaps in the millions of dollars, by falsely inflating the cost of right-of-way many times in excess of its fair market value. Thus far 19 people have been either indicted by the Federal grand jury in Boston or named as coconspirators; all have either been convicted or are now awaiting trial. These defendants, many of whom invoked the fifth amendment before our subcommittee, include a judge and lawyers with political connections with the former Governor; an associate commissioner of the Massachusetts Department of Public Works; other such employees as State negotiators, the chief right-of-way officer, and independent fee appraisers employed by the Massachusetts Department of Public Works, and some owners who would rather have a political fix than the fair market value of their property.

The amount of the fraud cannot be reckoned with any preciseness in dollars, but it is substantial. For example, the record shows that in just five takings in the Worcester area alone, the fraud was in the amount of $256,194. These five takings were just a few of the projects under review which caused the Bureau of Public Roads in early 1960 to cut off Federal participation in the amount of almost $12 million. Further, the Massachusetts Department of Public Works, from 1956 to hearing date, had paid more than $1 million in fees to outside independent fee appraisers many of whom were thus subsidized while submitting false appraisals on the land to be taken by the Commonwealth. Most of these takings were Federal aid and eligible for Federal reimbursement to the extent of 90 percent. But this was apparently known to be too hot to pass on to the Bureau of Public Roads which might be led to investigate and discover the wrongdoing. In any event, the Massachusetts Department of Public Works chose to have the Commonwealth alone absorb this bit of larceny.

Mr. Speaker, the events described above occurred in the main under the administration of former Governor Furcolo from 1956 to 1960 and at a time when the commissioner of the Massachusetts Department of Public Works was Mr. Anthony DiNatale, who had been, before his appointment, the Governor's campaign treasurer. Commissioner DiNatale resigned on August 5, 1960, in the middle of a 5-year term. The Massachusetts Department of Public Works was then under active investigation by U.S. Attorney Elliot L. Richardson and the Bureau of Public Roads, and the first waves of corruption were beginning to break over 100 Nashua Street in Boston, which is the home of the Massachusetts Department of Public Works. Mr. DiNatale was called by our subcommittee early in the hearing and double talked his way through an hour or so of testimony before the record was made and before there was really anything concrete to examine him on. Our minority efforts to have him recalled failed.

### FALSE TESTIMONY OF MR. JACK P. RICCIARDI, MASSACHUSETTS DEPARTMENT OF PUBLIC WORKS COMMISSIONER

Commissioner DiNatale was replaced by Mr. Jack P. Ricciardi on August 8, 1960. Prior to that time and from December of 1957, Ricciardi had served as deputy commissioner to Commissioner DiNatale. During the period December 1957 to August 8, 1960, according to the record, Ricciardi was serving on a consultant basis which allowed the Massachusetts Department of Public Works to circumvent the State civil service regulations which makes no provision for the permanent position of a deputy commissioner. Although under the law, an associate commissioner has a salary of $10,000 per annum and cannot be compensated for overtime, Ricciardi as deputy commissioner on a consultant basis was paid by the Massachusetts Department of Public Works from December 1, 1957, to March 31, 1960, the sum of $33,808.29, an average annual salary of more than $14,000 and some $11,997 for 2,115 hours of overtime. So much for the civil service laws of the Commonwealth, and the ignoring of them, at least in the Massachusetts Department of Public Works. Mr. Ricciardi also stated publicly during our hearings that some graft in the $1 billion annual business of the Massachusetts Department of Public Works was to be expected, thus opening the door and issuing an invitation to the grafters.

All of this, Mr. Speaker, caused me to insist that Commissioner Ricciardi be called as a witness, and he did appear on the last day of the hearings, March 15, 1962. I now wish to call to the attention of the House some of Commissioner Ricciardi's testimony and to demonstrate the falsity thereof.

The record shows that I questioned Commissioner Ricciardi as to what standards of personal rectitude and professional qualifications, in his judgment, ought to be observed for officers and employees of the Massachusetts Department of Public Works, which administers a billion-dollar highway program, much of it Federal funds, in the Commonwealth of Massachusettts. In particular, I questioned him about his own qualifications and how he obtained a license to practice as a registered engineer, as he had earlier testified. The following colloquy ensued, as shown by the record—hearings, part 2, dated March 15, 1962, page 1635:

Mr. CRAMER. Is it required, to become a registered engineer, that you have a college degree, for instance?

Mr. RICCIARDI. Yes. No, no. There is no requirement.

Mr. CRAMER. Do you have a college degree?

Mr. RICCIARDI. Yes.

Mr. CRAMER. From where?

Mr. RICCIARDI. From Northeastern and Wentworth.

Mr. CRAMER. What degree?

Mr. RICCIARDI. An associate's.

Mr. CRAMER. An A.B.?

Mr. RICCIARDI. Yes.

Mr. CRAMER. Do you have an engineering degree?

Mr. RICCIARDI. I have a civil associate's degree.

Mr. CRAMER. From where?

Mr. RICCIARDI. I said Northeastern, and I also attended Wentworth.

Mr. CRAMER. And you have an A.B. degree then, you said, from Northeastern University?

Mr. RICCIARDI. Yes.

I was frankly astonished at Commissioner Ricciardi's testimony, quoted above, and disturbed that a man in his position of public trust would so blandly testify under oath to what I believed to be an untruth, before a committee of the House.

I had earlier been in contact with Mr. Elliot L. Richardson in connection with my request, which was denied, that the latter be invited to appear as a witness. Mr. Richardson then advised me that his investigation of Commissioner Ricciardi has disclosed that not only did Ricciardi not have a B.A. or associate's degree from Northeastern University, but that he had also falsified his application for registration No. 10730, which he filed with the Commonwealth on January 2, 1959, upon which he was granted a license as a registered engineer.

Disturbed at the implications of Commissioner Ricciardi's testimony, but thinking it was perhaps due to an error of memory or judgment, I later offered him another opportunity to correct any error. I repeated the same questions and he persisted in giving the same answers, as shown below—hearings dated March 15, 1962, part 2, page 1661:

Mr. CRAMER. Now, Mr. Ricciardi, did I understand you to say that you are a registered engineer?

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. And you say that you are a graduate of the Northeastern University?

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. And you received an A.B. degree there?

Mr. RICCIARDI. Associate's; yes, sir.

Mr. CRAMER. What?

Mr. RICCIARDI. Associate's.

Mr. CRAMER. I did not understand you.

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. An A.B. degree?

Mr. RICCIARDI. Associate's degree in civil engineering.

Mr. CRAMER. Associate's degree? Is that what you said?

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. When was that?

Mr. RICCIARDI. 1949.

Mr. CRAMER. How many years did you attend the university?

Mr. RICCIARDI. Oh, I attended there off and on for about 5 years, before the service.

I went into the service and came back.

Mr. CRAMER. And you are a registered engineer, and when did you become a registered engineer?

Mr. RICCIARDI. 1957.

Mr. Speaker, I now have documentary proof that Commissioner Ricciardi's testimony, quoted above, is false in the following particulars: First, he does not have either an A.B. degree or an associate's degree from Northeastern University; and, second, he attended Northeastern University, the Lincoln Institute for the school year 1947–48, the summer term 1948 and the school year 1948–49, not for about 5 years, as he testified. More than that, he did, as Mr. Richardson had advised me, in fact apply for his license as a registered engineer by making the same false representations to the Commonwealth in his application. The proof follows.

At my request, our minority counsel inquired of Northeastern University in Boston what degree, if any, Commissioner Ricciardi held, and on March 16, 1962, I received the following telegram in reply:

Representative WILLIAM CRAMER,
*New House Office Building,*
*Washington, D.C.:*

In response to your Mr. Manuel's inquiry, Jack P. Ricciardi attended the Lincoln Institute in the school years 1947–48, 1948–49, and the summer term 1948, but did not graduate and holds no degree from Northeastern University.

Dean DONALD H. MACKENZIE,
*Lincoln Institute of Northeastern University.*

The minority counsel's request for a copy of Commissioner Ricciardi's application filed on January 2, 1959, with the Commonwealth of Massachusetts, resulted in the following telegram to me on March 16, 1962, from the custodian of his document:

Congressman WILLIAM C. CRAMER,
*New House Office Building,*
*Washington, D.C.:*

Robert Manuel, counsel for the minority committee, has requested information about procedures of acquiring a photostatic copy of the application filed by Jack Ricciardi January 2, 1959, and in our file his application is No. 10730. The Massachusetts Board of Registration of Professional Engineers and of Land Surveyors has contacted the attorney general's office in the Commonwealth of Massachusetts in regard to the matter of photostatic copies of applications. The attorney general's ruling is that governmental agencies and courts can only obtain photostatic copies by issuing a summons or subpena for these records.

CHARLES O. BAIRD, Jr.,
*Secretary, Board of Registration of Professional Engineers and of Land Surveyors.*

Thereafter, at my written request the chairman of our subcommittee, the gentleman from Minnesota [Mr. BLATNIK] subpenaed a copy of this document from the State custodian. I now hold this copy in my hand and it is, in material part, as follows:

THE COMMONWEALTH OF MASSACHUSETTS
STATE BOARD OF REGISTRATION OF PROFESSIONAL ENGINEERS AND OF LAND SURVEYORS,
STATEHOUSE, BOSTON, MASS.

(Application for registration)

Application No. 10730.
Registration No. 9071.
Date of application: January 2, 1959.

I, Jack P. Ricciardi, hereby apply for a certificate of registration in the State of Massachusetts under an act concerning the registration of professional engineers and of land surveyors, chapter 643, acts of 1941, under the classification in the schedule of minimum requirements as checked below:

* * * * *

F. Sec. 11, Ch. 584.

* * * * *

I desire my application to cover the following branch or branches of professional engineering, as checked:

* * * * *

☒ Civil
☒ Structural

* * * * *

II. EDUCATION

1. School and college: Nature and extent of your education:

| | Name and address of institution | Years attended | Date of graduation | Course completed or degree conferred |
|---|---|---|---|---|
| C. College or university | Northeastern University. | 1941–42 | (Days) | Engineering. |
| | U.S. Air Force | 1942–45 | World War II | |
| | Northeastern University (nights). | 1945–49 | (Nights) | Civil engineering; A.B. |

NOTE.—Worked in construction during days.

* * * * * * *

AFFIDAVIT

(To be made before a notary public or official qualified by law to administer oaths)

The undersigned, being duly sworn, upon his oath deposes and says that the foregoing statements to the best of his knowledge and belief are true and made in good faith.

(Signed) JACK P. RICCIARDI,
(Applicant's signature)

(State of Massachusetts, County of Suffolk).

I, Kathleen R. Adams, a notary public in and for said county, in the State aforesaid, do hereby certify that Jack P. Ricciardi personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed, and delivered the said instruments as his free and voluntary act, for the use and purposes therein set forth.

Given under my hand this 8th day of January 1959.

KATHLEEN R. ADAMS,
*Notary Public.*

My commission expires November 6, 1959.

Now, Mr. Speaker, testifying falsely before a subcommittee authorized by the House to take sworn testimony is a violation of Federal law and cannot be tolerated. As shown above, Commissioner Ricciardi's testimony here in question is so demonstrably false that I believe it could be nothing less than a willful attempt by him to impose upon and deceive us. I, therefore, propose, at the next executive session of our subcommittee, to bring this matter to the attention of the Chair and my colleagues and ask that it be referred to the Department of Justice for possible perjury action.

I am also advised by Mr. Elliot L. Richardson that Commissioner Ricciardi's false representation under oath in his application for registration may not only be a violation of State law but is grounds for revoking his license. I include in the RECORD at this time a copy of a letter from Mr. Richardson to the appropriate State agency setting forth the law and a request that appropriate action be taken:

MARCH 30, 1962.

Prof. CHARLES BAIRD,
*Northeastern University School of Engineering, Boston, Mass.*

DEAR PROFESSOR BAIRD: It is my understanding that in his application for registration as a professional engineer, commissioner of public works, Jack P. Ricciardi, stated that he had received an A.B. from Northeastern University. It is my further understanding that not only has Mr. Ricciardi no degree, but that he completed only one school year at Northeastern School of Engineering, and had no accreditation from that institution.

General laws, chapter 268, section 1, provides: "Whoever, being required by law to take an oath or affirmation, willfully swears or affirms falsely in a matter relative to which such oath or affirmation is required, shall be guilty of perjury," and may be imprisoned up to 20 years. Thus, similar false statements to the Board of Registration in Medicine were prosecuted in *Com.* v. *Weene* (319 Mass. 231).

Your attention is further called to the provision of general laws, chapter 112, section 81P, that a license may be revoked of any registrant who is found guilty of (a) the practice of any fraud or deceit in obtaining a certificate of registration, or (b) any gross negligence, incompetency, or misconduct in the practice of professional engineering.

The law further provides that any person may prefer charges of fraud, deceit, gross negligence, incompetency or misconduct against any registrant. The board, after it makes a finding of guilty, may revoke the registration.

I am told that these facts relative to the false statements as to Ricciardi's education were known to you and the board of registration of professional engineers. Under these circumstances, has the board taken any steps to bring about the revocation of his license? Has the board taken steps to bring these facts to the attention of authorities responsible for law enforcement in the Commonwealth?

I will appreciate hearing from you at your earliest convenience.

Very truly yours,
ELLIOT L. RICHARDSON.

In my judgment, Commissioner Ricciardi has demeaned his office of trust, has forfeited the confidence of the public and ought to resign from this position. I trust the proper State authorities will take such action in this matter as the facts justify. I intend to take the matter up in executive session of our subcommittee if the gentleman from Minnesota [Mr. BLATNIK] ever decides to hold the long-promised session to decide a number of matters relating to past Massachusetts hearings and my motion for additional hearings. I again call upon our chairman to call an executive session to consider these matters.

### COMMITTEE REFUSES TO CALL FORMER U.S. DISTRICT ATTORNEY ELLIOT RICHARDSON

Mr. Speaker, on another subject before our hearings began, we Republican members of the subcommittee requested that Mr. Elliot Richardson be invited to appear as a witness on the first day of the hearing. We believed then and now that this former U.S. attorney who did so much to make our hearings possible ought to have been the leadoff witness so that the subcommittee could have had the benefit of his testimony and experiences, both setting the stage for the evidence to come and focusing attention upon the real issues involved as well as providing us with firsthand knowledge of other areas of wrongdoing in this program which our subcommittee ought to have investigated. Although we minority members repeatedly requested that he be called, our requests were repeatedly denied.

This we have found hard to understand, for Elliot Richardson's credentials are excellent. He is a graduate of Harvard Law School and editor of the Harvard Law Review and a onetime clerk to two of the most eminent jurists in our country, Judge Learned Hand of the U.S. Circuit Court for the Second Circuit and Mr. Justice Felix Frankfurter of the U.S. Supreme Court. Before his appointment as U.S. attorney for the district of Masachusetts, he served with distinction as an Under Secretary of the Health, Education, and Welfare Department and as U.S. attorney he was responsible for directing and coordinating investigations into the land damage takings conducted by the Federal Bureau of Investigation and the Federal Bureau of Public Roads, which laid the groundwork for our later investigations and hearings.

Yet, our record scarcely acknowledges his contribution, although deserving bouquets of praise were thrown to almost everyone else. Inasmuch as he was not called as a witness, I have thought in all fairness to him that we Republicans at least ought to acknowledge his good work in this field. Accordingly, on May 17, 1962, I wrote Mr. Charles S. Woolsey, former assistant to Federal Highway Administrator Tallamy, and who directed the Bureau of Public Roads project review team in Massachusetts and worked very closely with Mr. Richardson, and asked him to comment on this matter. Mr. Woolsey replied by letter dated May 28, 1962. I will insert both letters in the RECORD at this point in my remarks:

*May 17, 1962.*

CHARLES S. WOOLSEY, Esq.,
*Albany, N.Y.*

DEAR MR. WOOLSEY: In February and March of this year, the special Subcommittee of the House of Representatives on the Federal-Aid Highway Program held hearings in reference to land taking damages on Federal aid highway projects in Massachusetts. Testimony given at these hearings indicated that greatly inflated values were assigned by certain fee appraisers to a number of properties in various areas of that State, including Attleboro, Worcester, Peabody, and Lowell. As a result of investigations into the circumstances surrounding the values assigned and, in some cases paid, to property owners, a Federal grand jury has indicted Massachusetts' Department of Public Works officials and employees, certain fee appraisers retained by that State, and a number of attorneys for property owners on charges of conspiracy to defraud the U.S. Government.

Mr. Joseph O'Connor of the Bureau of Public Roads, and Mr. Oscar H. Beasley, Jr., a Washington, D.C., appraiser, indicated during their testimony that the investigation concerning irregularities in connection with highway takings in Massachusetts was initiated by the Bureau of Public Roads at the end of 1959, and was subsequently carried on in cooperation with the Department of Justice. My understanding is, that, as special assistant to the Federal Highway Administrator at the time of the commencement of the investigation, you were familiar with the Bureau of Public Roads inquiry into Massachusetts from its inception until August 1961, when you left the Bureau.

Because the testimony given at the special subcommittee hearings does not appear to be entirely clear in the following respects, it would be helpful if you would advise me: First, as to what aspects in Massachusetts the Bureau was initially concerned with and the general character of the information relating to them which was turned over to the Department of Justice; second, which aspects of the investigation were developed by the Department of Justice as the result of its investigation; and, third, the relationship between the Bureau and the Department in carrying out the various lines of the inquiry. Any other comments you might wish to make in regard thereto would also be appreciated.

Sincerely yours,
WILLIAM C. CRAMER,
*Member of Congress.*

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MAY 28, 1962.

Hon. WILLIAM C. CRAMER,
*House of Representatives, New House Office Building, Washington, D.C.*

DEAR MR. CRAMER: Thank you for your recent letter requesting clarification of certain matters in regard to investigations and inquiries by the Department of Justice and the Bureau of Public Roads in connection with the Federal aid highway matters in Massachusetts.

As testimony during the hearings indicated, the Bureau initiated the inquiry in early January 1960, when it became aware that certain aspects of land takings in Massachusetts demanded an administrative review. Accordingly, an inspection in depth by the Bureau's own forces was undertaken and appraisers, secretarial and other personnel were assigned to a special project in Boston.

After a review of the preliminary findings of this inquiry, the Bureau decided in April of 1960 to retain the Washington firm of Beasley & Beasley, valuation engineers, to make independent appraisals of selected properties in Massachusetts, including those in Federal aid projects in Gardner, Attleboro, and Wakefield.

Also in April of 1960, the Department of Justice was advised of the nature of the Bureau's inquiry in Massachusetts, and, from time to time, pertinent information in regard to it was turned over to Elliot L. Richardson, then the U.S. attorney in Boston. This data included the Beasley & Beasley appraisals on Gardner, Attleboro, and Wakefield, which were completed in the summer of 1960.

After completion of those appraisals, a comparison was made between them and the appraisals relating to the same properties which had been made by the Department of Public Works of Massachusetts and fee appraisers retained by that department. Wide discrepancies were indicated between the Beasley appraisals and the State and fee appraisals in a number of instances.

In the fall of 1960, the U.S. attorney's office in Boston began the presentation to a Federal grand jury of material developed by the Bureau and the Department of Justice up to that time. Subsequently, in late 1960 and early 1961, Mr. Richardson, as a result of the investigation of his office, requested that the Bureau and Beasley & Beasley provide him with certain detailed information and undertake additional inquiries into selected land takings in Massachusetts, including properties in Worcester, Peabody, and Lowell. The information available was compiled and supplied to Mr. Richardson, and those inquiries were carried out subsequently by the Bureau and Beasley & Beasley in close cooperation with the Department of Justice as well as members of the staff of your subcommittee.

Since receipt of your letter, I have checked with both Mr. O'Connor and Mr. Oscar H. Beasley, Jr., and they concur generally with my recollection as to these matters.

I hope that this information is responsive to your inquiries.

Sincerely,

Charles S. Woolsey.

As I mentioned above, although the subcommittee refused to call Mr. Richardson as a witness before our hearings closed, he had expressed to me a willingness to appear and to testify. At my request, he submitted a prepared statement which would have been the basis of his testimony had he been called. He was, of course, not called and his statement arrived too late to include in the record of our subcommittee. This is regrettable because this statement indicates that his testimony would, in my judgment, have been most helpful to us, both in adding to the evidence on our land-damage hearings but also indicating other areas which our subcommittee ought to have investigated. I, therefore, include this statement at this point in the Record, so that my colleagues in the House can have the benefit of reading it:

### STATEMENT OF ELLIOT L. RICHARDSON

Mr. Chairman and members of the subcommittee, my name is Elliot L. Richardson. From September 23, 1959, until April 14, 1961, I was U.S. attorney for the district of Massachusetts. In that capacity, I was responsible for directing an investigation into certain aspects of the Federal aid highway program in Massachusetts. I appreciate this opportunity to appear before you.

The most significant lesson to be drawn from this experience is that where political corruption is concerned, every lead, every tip—every whiff of rottenness, indeed—should be diligently pursued.

As this subcommittee is aware, it was a tip from inside the Right-of-Way Division of the Massachusetts Department of Public Works which led early in 1960 to an examination by the Bureau of Public Roads of the department of public works files on land takings in Attleboro, Gardner, Wakefield, and Seekonk. This phase was followed by Beasley & Beasley's independent appraisals of the properties involved in those landtakings.

By August 1960, a considerable number of cases had been found in which there were wide discrepancies between the Beasley & Beasley appraisals and the land-damage awards paid by the Commonwealth of Massachusetts. There were also other indications of possible fraud. I accordingly requested the FBI to interrogate the landowners, lawyers, fee appraisers, and right-of-way division employees involved.

It soon became apparent that little or no cooperation could be obtained from these potential witnesses. It was essential to have the aid of a grand jury's power to compel testimony under oath and to require the production of documentary evidence. In October 1960, therefore, Assistant U.S. Attorney James C. Heigham and I began the presentation of evidence to a grand jury which continued to serve and to hear evidence until the end of last week when, by law, it had to be discharged. The contributions of this grand jury demonstrated the effectiveness of the grand jury as an investigatory instrument. Its members deserve high appreciation for long, faithful, and intelligent service rendered, in many cases, at great personal sacrifice.

By the late fall of 1960, all the original leads had been checked out and all the relevant evidence thus far obtained had been presented to the grand jury. The only significant evidence of fraud discovered up to that point concerned the O'Connell-Harney-Lawton deal with respect to the Attleboro Lumber Co. taking. It would have been easy to call a halt at that point. But we did possess information which to my mind required further investigation. This information was a composite of a fact, a rumor, and a tip.

The fact was that after the Furcolo administration took office one William M. Jacobs began to receive far more fee appraisal work than any other outside appraiser. The rumor was to the effect that Attorney Theodore A. Glynn, Jr., former campaign manager for Furcolo, began during the same period to handle a rapidly growing volume of land-damage cases. The tip reached me last. It was that Jacobs had done a lot of appraisal work for Glynn clients.

This was enough, I believed, to justify my asking the Bureau of Public Roads investigators working in Massachusetts to pull the department of public works files in all cases in which Glynn or his partner, Harry P. Haveles, was the landowner's attorney and in all cases in which Jacobs was a fee appraiser.

Analysis of these files turned up other leads—the transfer of two able and conscientious State appraisers from Worcester to Greenfield, for example, and the substitution for their appraisals of new and higher appraisals—and these in turn led back to a reanalysis of the files. Similarities between State appraisal reports and supposedly independent fee appraisal reports were noted. Alterations were discovered. The Glynn and Haveles bank records were obtained. The payments by Glynn and Haveles to Jacobs were found. Jacobs' records were then subpenaed and the manner in which these payments were entered came to light.

During the period of this followup, Mr. Chairman, close and cordial working relationships were established with the members of your subcommittee staff. Ways of minimizing duplication and overlap were worked out, and the investigatory experience and resourcefulness of the subcommittee investigators assigned to Massachusetts assisted greatly in tracking down important information. Their work in this and other situations is further proof that in exposing corruption persistence pays off.

By early April 1961, the picture was sufficiently clear, I believed, to justify submitting to the grand jury a single comprehensive indictment naming 6 defendants and 6 coconspirators, covering 26 land takings, and involving more than $2,750,000 in land-damage awards. Two perjury indictments—one against DeSimone and the other against Barca—were in preparation and have since been returned. With the help of an attorney from the Justice Department, Assistant U.S. Attorney Heigham and I drafted the comprehensive indictment and sent it down to Washington for comment. The proposed defendants were Glynn, Haveles, Jacobs, Dole, Dodge, and a sixth individual not thus far named in any indictment actually returned. The proposed coconspirators but not defendants were Alphen, Coomey, Cronin, DeSimone, Stephen, and one other person. The properties involved were in Boston, Gardner, Lowell, Lynnfield, Peabody, Seekonk, and Worcester. One of the Lowell land takings has recently been made the basis of an indictment against Dole, Jacobs, Stephen, DeSimone, Ernest Riess, and two corporations. Four of the Worcester land takings are the basis of a second pending indictment, this one against Jacobs, Dodge, Glynn, Haveles, and Coomey.

I never received from anyone in the Justice Department any comment on the draft indictment. Two days after I sent it down to Washington I was abruptly replaced as U.S. attorney.

The available information tending to indicate fraud in other aspects of the Federal aid highway program in Massachusetts is fully as substantial as that which triggered the investigations resulting in land-taking indictments.

In the case of consulting engineering contracts, the trial in September 1960 of Thomas Worcester for income tax evasion and the subsequent probation hearings laid bare the process by which one Massachusetts consulting engineer who in 1948 had no State business, had by 1951 acquired more State business than any other consulting engineer. During the period 1949–51, Worcester kicked back some $275,000—10 percent of his firm's gross fees—in commissions on contracts with several Massachusetts public agencies, but chiefly the department of public works.

Against this background, current leads cry out for complete and thorough investigation. They include:

(a) A statement by one engineer that he was twice approached by an individual known to be influential in the Furcolo administration with regard to his willingness to pay—out of aftertax income—cash kickbacks of up to 20 percent of his gross fees for consulting engineering contracts with the department of public works on federally aided projects. The engineer had previously done considerable work for the department of public works and blames his failure to receive additional work after these conversations on his refusal to go along.

(b) Information collected by a former engineering staff member of the Bureau of Public Roads through conversations with representatives of many of the leading engineering firms which have at one time or another done work for the department of public works. Many of these spokesmen also believe that they have been denied work because they would not kick back a percentage of their fees.

(c) The circumstance that one engineering firm was able to receive, in 3 years, contracts amounting to nearly $2,500,000 from the department of public works on the basis, many times, of nothing more than a few sheets of paper with penciled notations.

This firm has made payments in large amounts to several rather mysterious partnerships, and its payments of legal fees seem excessive on their face. In fact, according to a source I consider reliable, the head of the firm has admitted that $45,000 paid to one individual in 1 year and charged to "legal services" was in fact paid as "commissions" for procuring public business.

(d) Information received from a respected engineer who has concrete reason to believe that the Commonwealth was charged nine times too much for the so-called interbelt study.

Equally compelling leads exist with respect to the award and execution of highway construction contracts. Here is where the really big money is going, and where land takings and consulting engineering contracts have been exploited it seems hardly conceivable that a richer field would have been neglected.

The State auditor of Massachusetts, in his two most recent reports, has called attention to possible abuses in connection with portions of highway construction contracts covering the excavation of rock, gravel, borrow, and peat. The auditor has reason to be concerned. As your subcommittee is already aware, the Bureau of Public Roads has for some time been investigating one such situation involving overruns in peat and ordinary borrow excavation in connection with the construction of a 3.6-mile section of Route 128 in the Braintree-Quincy-Randolph-Milton area. Test borings made in February and March 1961, appear to show that claims by the contractor for overruns of 241,000 cubic yards of peat and 300,000 cubic yards of ordinary borrow are fraudulent and that the aggregate amount by which the Commonwealth of Massachusetts has been overcharged for these overruns may be as much as $300,000—perhaps more. There is evidence, moreover, that three State employees charged with supervision of this particular job received payments from the contractor. In addition, the resident engineer enjoyed a trip to Europe at a subcontractor's expense.

The State auditor has called attention to other construction contract situations which on their face demand explanation. None, so far as I know, has yet been thoroughly investigated. Take, for example, the lump sum acceleration payments under two contracts with M. DeMatteo Construction Co. discussed by the State auditor in his report for the period April 14, 1958, to April 6, 1959. Giving the contractor the benefit of every doubt, he found that the Commonwealth had been overcharged in the aggregate amount of at least $130,998.02 for "cold weather" work not actually performed in cold weather. If these and other similar payments to DeMatteo did indeed occur as reported by the auditor, it would seem self-evident that some duly constituted authority should find out why and how this happened.

With the subcommittee's permission, Mr. Chairman, I would now like to turn to a few affirmative suggestions with respect particularly to the improvement of administrative controls over the processing of land-damage awards:

1. An element indispensable to carrying out the frauds uncovered in these investigations was the ability to manipulate the selection of at least one outside fee appraiser. Without the opportunity to induce Dole to make the assignments of Jacobs, for example, it would have been impossible to bring to bear on the review board figure the upward pressure of Jacobs' grossly excessive appraisals. The risk of future fraud could be reduced, therefore, by eliminating the possibility that the landowner or his counsel could cause the assignment of a fee appraiser acting in collusion with them.

The best way to preclude this possibility, I believe, would be to require the assignment of independent fee appraisers to be made by lot. The parcels to be appraised would first be grouped into units appropriate for one appraiser to handle. Each group of parcels would then be listed in order. The names of all the appraisers with offices close enough to the project area so that they could reasonably be expected to be familiar with it would then be drawn from the master list of qualified appraisers. These names would be written on slips of paper, put into a box, and drawn out at random. The first name would be assigned to the first group of parcels and so on.

2. Admission to the master list of qualified appraisers should be subject to Federal approval through the Bureau of Public Roads. The Bureau should, in effect, have a veto power over proposed additions to the list who do not measure up to high standards of experience and professional reputation.

3. The Bureau of Public Roads should itself at regular intervals spotcheck the adequacy of appraisal reports, compare State appraisal reports with fee appraisal reports, and, from time to time, make on-the-ground inspections of the subject properties. In 90 percent federally aided projects, the United States has the largest ultimate financial stake in the adequacy of land-damage procedures and it should not wait for postaudit examinations to catch lapses in their administration.

4. Any factual statement affecting the basis or validity of any appraisal or designed to influence the determination of any settlement should be required to be made in writing, and any such statement which is false or misleading should specifically be made punishable. Haveles, in one case, induced the assistant attorney general in charge of land-damage cases to get an appraisal raised from $30,000 to $50,000 on the strength of his (Haveles) oral representation that the land in question had been rezoned for business use before the taking. In fact, the local order rezoning the property had been appealed to the superior court, and the appeal had not been heard. This kind of thing, if not deterred by provisions of the sort suggested, should at least be subject to prosecution thereunder.

These proposals could most effectively be carried out under Federal law by amending 18 U.S.C. 1020, which is at present glaringly deficient in this regard.

Section 1020 makes it an offense for a Federal or State officer, agent or employee to knowingly make a false statement, representation or report as to the character, quality, quantity or cost of the material used or to be used or the quantity or quality of the work performed or costs thereof in connection with the submission of plans, maps, specifications, contracts or costs of construction of any Federal aid highway. This language, while including much of the construction and engineering areas, does not appear to extend to right-of-way acquisition. Moreover, it applies only to an officer, agent, or employee of the United States or of a State. It, therefore, does not apply to landowners or their representatives and it is highly questionable if it reaches persons such as fee appraisers who would not normally be considered State employees. Nor, while specifically mentioning statements, representations, reports, plans, maps, specifications and contracts, does it refer to appraisals. For all these reasons, it was not considered a sufficient basis by myself or the Department of Justice for indictments involving land-damage transactions. We were therefore forced to resort to the elaborate and somewhat clumsy procedure of charging a conspiracy under 18 U.S.C. 371. My successor has not seen fit to change this basic legal approach.

5. The office of the attorney general of Massachusetts should accept responsibility for the adequacy and validity of any appraisal report on which it relies at a pro forma hearing for justification of a negotiated settlement. It is difficult to understand how some of the reports referred to in transcripts of several such hearings could ever have been given serious weight.

In addition to focusing attention on the need for improved administrative and legal machinery, these hearings have also underscored the necessity for better personnel practices. Desirable emphasis has been given to the shockingly high proportion of all employees of the right-of-way division who have been held on year after year in temporary positions. This certainly should be corrected.

Less note has been given to the equally important fact that Associate Commissioner Dole for nearly 3 years was kept in a state of complete uncertainty as to his own tenure. On January 31, 1958, his first 5-year term of office as associate commissioner expired. He was not reappointed until January 4, 1961—the last day on which Governor Furcolo had the power to reappoint him. Was this long holdover period a mere oversight? Was it the result simply of indecision? Or was it part of a concerted plan designed to exert pressure on an elderly man dependent on his salary?

These are key questions, for certainly the schemes to defraud the Commonwealth of Massachusetts and the United States through the inflation of land-damage awards could not have succeeded without the right appointments of outside appraisers, and Dole made those appointments. To my regret, it was not possible for me to pursue these questions, and I regard it as unfortunate that they have not been explored in these hearings.

For 14 months Herbert L. Dodge suffered from an insecurity of tenure almost as acute as Dole's. On November 28, 1958, Lester J. Ellis resigned as right-of-way engineer. On December 1, 1958, Dodge was appointed acting right-of-way engineer, but he was not given the full title together with the tenure and assured salary that went with it until January 18, 1960. Was this 14-month delay also part of a concerted plan? It is noteworthy that no breath of scandal ever attached itself to the names of either Dodge or Dole with respect to any period prior to their dependency on the good will of the Furcolo entourage.

And yet, though reasonable job security is important, ouster for adequate cause should also be reasonably possible. It is shocking that a system could exist under which an employee discovered in a flagrant conflict of interest could say of his superior, "I'm not sure he can fire me."

Patronage, political pressure—these were the keys to employment by the right-of-way division. So powerful was Ed Sheridan, the department patronage boss, that the right-of-way engineer, on a word from Sheridan, transferred his ablest appraiser from Worcester to Greenfield without asking a single question. So little, indeed, were qualifications and experience regarded that fee appraisers were able to get on the eligible list on the basis of outright falsification of their appraisal experience. And yet perhaps that should not be too surprising in a department whose present head procured a civil engineering license on the basis of a false representation in his license application that he held an A.B. in engineering from Northeastern University when in fact the only course he completed was 1 year at the night school.

These destructive personnel practices are matched in the Massachusetts Department of Public Works by the breakdown of management responsibility. The present commissioner shrugs off corruption as inevitable. His predecessor seems to believe that responsibility can be avoided by delegating it. But of course the tone and morale of any organization are established at the top. No matter what other responsibility he may delegate, the head of the organization can never escape that of making sure that delegated responsibility is being properly carried out. Where the boss fails, the subordinate is also likely to fail, and there ensues the very kind of deterioration manifested in the right-of-way division in the years since 1957. The only real cure is new management.

You have been very patient, Mr. Chairman and members of the subcommittee, and I would like to offer just one more thought.

The full burden of maintaining the integrity of the Federal aid highway program should not be made to rest exclusively on the shoulders of Government. Investigation and prosecution are clumsy tools with which to correct wrongdoing that might more speedily and efficiently have been remedied by more effective self-policing on the part of the professional groups concerned. The real estate profession could enforce standards of thoroughness and accuracy in fee appraisals for public agencies. The civil engineering profession could unite in serving notice on public officials that none of its members, on pain of summary expulsion from the profession, will go along with a demand for the kickback of a percentage of fees. The legal profession could be alert to the activities of lawyers whose real stock in trade is the manipulation of political influence.

In every profession, the impulse to be a good fellow and look the other way when shoddy work or shady activities come to ones attention must be subordinated to the general interest of the profession. Such matters should be reported to the appropriate professional committees and, where necessary, to the appropriate law-enforcement authorities. This acceptance of professional responsibility would, in itself, go a long way toward eliminating the kinds of abuses which have been the subject of these hearings.

Thank you, Mr. Chairman and gentlemen, for this opportunity to be heard.

## COMMENCEMENT EXERCISES OF CANISIUS COLLEGE, BUFFALO, N.Y.

**Mr. DULSKI.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

**Mr. DULSKI.** Mr. Speaker, last Sunday, June 10, Canisius College in Buffalo, N.Y., conferred degrees upon 346 graduates at its 96th commencement. The Most Reverend Leo R. Smith, V.G., auxiliary bishop of Buffalo, presided.

The commencement speaker was U.S. Senator Thomas J. Dodd, of Connecticut, who was also the recipient of an honorary degree of doctor of laws.

Others receiving honorary degrees were: Mr. Henry J. Osinski, Buffalo banker, upon whom the Jesuit institution conferred an honorary doctor of humane letters degree. Mr. Osinski is manager of the Broadway-Mills office of the Manufacturers & Traders Trust Co., and his citation commended him for his achievement in "local, national, and international charitable works; in advancing the cause of private education; in promoting the welfare of American youth." Mr. Joseph Wincenc, professor of music at State University College in Buffalo, also received an honorary doctor of humane letters degree. His citation summarized his career as violinist, conductor, teacher, and soldier in the Armies of the United States. He is also founder and director of the Amherst Symphony, and was associate conductor of the Buffalo Philharmonic at one time.

Two Buffalo graduates of Canisius were also honored. Mr. Charles J. McDonough, an attorney, received the President's Medal for 1962, which commended him for devoting his life and talents to defending the rights of the individual. Mr. John P. Propis, insurance executive, was awarded the La Salle Medal for 1962 which is conferred annually for service to a vitally active alumni association. It honors Sieur Rene Robert de la Salle, first alumnus of a Jesuit college ever to come to the Niagara frontier.

Senator Dodd was U.S. executive trial counsel to the International Tribunal at Nuremburg for the prosecution of Nazi war criminals. He is well known for his stand on national and international affairs as a dauntless champion of freedom, of human and civil rights.

From a rostrum under a green canvas canopy in front of Christ the King Chapel, where the gowned guests, faculty, members of the board of regents, and College President Father McGinley were assembled, the Senator in his address urged the graduating class to help keep the Nation strong for the future.

Under leave to extend my remarks, I am happy to include this fine commencement address which follows:

### Remarks of Senator Thomas J. Dodd, of Connecticut, at the Commencement Exercises of Canisius College, Buffalo, N.Y., Sunday, June 10, 1962

The college graduate of today takes his place in a world which presents a strange paradox. On the one hand, he sees the promise of a future of unparalleled human achievements, for we are on the threshold of a scientific mastery and a material abundance which promises to conquer man's ancient enemies, hunger, disease, ignorance, drudgery, insecurity.

On the other hand, he sees each day the evidence of a danger greater than Americans have ever known, the danger of enslavement and even of annihilation.

Why has mankind at last approached the golden threshold only to face a dark abyss, shrouded by the threatening clouds of war and nuclear destruction?

I believe there are two general answers to this question. First, there is the obvious answer that the threat to our freedom, our security, our progress, even our lives, is posed primarily by the Communist drive toward world conquest. A powerful group of perverted fanatics, armed with all the resources of a vast empire and equipped with all the tactics of evil, are dedicated to the destruction of Western civilization.

But this answer is not enough.

Communist dogma and Communist power did not develop in a vacuum, did not suddenly appear upon the scene to threaten an innocent world.

We must look for a second answer to the modern dilemma, and I think we can find it in those weaknesses and corruptions of Western society which gave birth to communism in the first place and which have enabled and permitted it to survive, grow, and become the enslaver of one-third of the globe.

Communism is a product of Western civilization. It began as a protest against the shameful and degraded conditions of life which were the lot of the working masses in capitalist countries a century ago. Its doctrines had their origin in the twisted treatises of Western intellectuals.

In our own century, our failure to live up to our finest traditions has enabled communism to grow in strength to the point where it can now challenge the very survival of the Western World.

In coping with the great challenge of your time, it will be important for you to understand the culpability of Western society for the growth of communism.

We in the West were once blind to dreadful social injustices and the result of this blindness and injustice was a frustration, a hatred, a rebellion which was translated into the dogma of communism.

We in the West have ourselves been pursuing our own form of materialism, placing possessions ahead of principles, and we have thus found it difficult to comprehend the full horror of Communist materialism. We did not instinctively condemn the Communist destruction of the human personality for the sake of achieving material ends because we were ourselves warping and shrinking the human soul in pursuit of pleasure, privilege, and profit. Therefore, inured to materialism, we have been ineffective in combating it.

We in the West were once indifferent to the sufferings and degradations of hundreds of millions of our fellow human beings, all around the globe. Beyond that, the selfishness with which some Western nations exploited these millions has left widespread discontent and despair in the world, which the Communists shrewdly are turning to their own ends.

We in the West have been lacking in moral discrimination. We have refused to treat Communist regimes as moral lepers. We have given them the recognition, the material assistance and the technical aid which have made it easier for them to succeed. We have accorded to them all the trappings of respectability and legitimacy. We have tried even to shower them with affection, which has been dampened only by Communist rejection.

We in the West have been weak in our resolve and thus, despite our unparalleled military and economic power, despite the rightness of our cause, we have, sometimes through circumstance, sometimes through ignorance, sometimes through cowardice, acquiesced in the Communist enslavement of one small nation after another.

And so we find ourselves, not the innocent victims of a tragedy beyond our control, but rather the victims of a situation largely of our own making.

There was a time when the guardians of 3,000 years of Judaic-Christian civilization, as they witnessed the embryonic threat posed in the early years of Lenin and Stalin, could have said:

"You Communists are the antithesis of everything that we believe in. You seek to destroy the civilization which it is our duty to preserve. You seek to abolish concepts which we spent thousands of years developing: the freedom and dignity of the individual, acknowledgment of the divine purpose behind our existence, the sanctity of the family, the necessity of human freedom, the justice and practicality of private property.

"And so we are against you. We will do all that we can to inhibit your experiment in evil, which can be maintained only by tyranny. We will treat you as moral outcasts. We will have no cordial relationships with you of any kind. We will not help you in any way. We will not trade with you. We will not permit your agents to operate in our countries. We will not allow your ambassadors to come here as though they were the legitimate representatives of a free people. We will isolate you and quarantine you from the family of nations."

That is what the spokesmen for Western civilization should have said and done. That is what some of them started to do. But in the end, the Western World did just the opposite and the mortal danger which it now faces is the harvest of its own failure of responsibility.

It will be the task of the young men and women now leaving our colleges to redress this failure. Just as you will enjoy the fruits of past achievements, so must you bear the brunt of past mistakes. You inherit more than the cold war.

You are the heirs of the intellectual heritage of the Greeks and Romans, the religious inheritance of our Judaic-Christian forebearers, the artistic, industrial, and scientific bequests of centuries. And you are the beneficiaries of our own American experiment in free government.

You have the benefits of the best that we can give. You have the example of the worst that we could do. The hope of man's freedom and man's progress is riding on you.

What do we seek? Our goal is peace, peace for ourselves, peace for all men. It seems simple enough. But peace will not come merely because we wish very hard for it to come, as those who ceaselessly picket in front of the White House seem to think. It will not come merely because we disarm ourselves, as urged by those who would have us abandon to the Russians the field of nuclear technology. It will not come merely because we barter away the soil and freedom of other peoples, as some would have us do today in Berlin or in southeast Asia.

True peace can only be founded upon a world wide order of justice, fair play, and decency. That is what makes it so hard to achieve.

The first step, the indispensable step, toward the building of such an order is firm resistance to the spread of communism, which is its antithesis. The next step is one of purposeful striving toward the enlargement within the free world of those concepts of justice, liberty, individual opportunity, peaceful arbitration of disputes, economic cooperation among nations, and reverence for the inalienable rights of man, which have dominated our own history.

Your generation will live through a period of supreme testing for the American people. You will be asked to make ever greater sacrifices of your time, of your treasure, perhaps of your lives for the defense of our country.

You will be asked to take greater and greater risks to deter the aggression which past weakness has encouraged.

You will be asked to assume ever heavier burdens in assisting our friends in the free world.

You will be asked to suffer the dislocations which will inevitably attend the building of free world economic strength through lowering trade barriers.

You will be asked to endure the daily tensions of a mortal conflict which may last for decades; to suffer patiently the ingratitude and even the ridicule of those nations we have strengthened and preserved; to reject the emotional appeal of the narrow zealot; to combat the rosy sophistries of the unquenchable optimist; to support a balanced national effort of resistance and reform, an effort both to resist every manifestation of Communist aggression anywhere in the world and at the same time to reform those weaknesses within Western society which threaten to pull us down.

If this civilization is to survive, it is the American people who must provide most of the leadership, most of the armed strength, most of the courage, most of the determination, most of the creative planning for the future. And it is you, and thousands like you, educated in our best traditions, who must guide our people toward this destiny.

Why do I say all this at an occasion of this kind? I say it because our country and its ancient ideals are more in need of the loyalty, the devotion, the understanding, and the unselfish help of its young men and women than ever before. Never has a nation been so in need of a generation that recognizes its destiny, represents its ideals, and embraces its traditions.

Two thousand years ago Simon of Cyrene stood at a crossroads in Jerusalem and watched Christ pass, carrying His cross to Calvary.

Simon had no real knowledge or special interest in what was going on. He was there by what seemed to him an accident. But because he was there, and because of his apparent strength, he was pulled from the crowd and given the cross to carry.

He shouldered his burden unwillingly and with a resentment that we can all understand. But as he trod in the footsteps of the Master, as he began to recognize the significance of his action, the burden became lighter and the labor sweeter. He was fulfilling his destiny.

In this century the United States has stood at a great crossroads of history, at a time when morality and decency were being persecuted and crucified all over the world. We had just arrived on the world scene as an important power at the turn of this century. We were curious onlookers at the terrible tragedy that was beginning to unfold in Europe. Our people had no desire to become deeply involved in the problems of other nations.

But events drew us irresistibly to the vortex of the world crisis. Because of our strength, because of the logic of events, we took up the cross of preserving decency in the world, without realizing the full significance of our act, without realizing that it was the fulfillment of our national mission.

If the destiny of a nation is to be fulfilled, each generation must renew its understanding of it.

Many of our countrymen today resent our role in the world because they do not understand it. There are mounting signs that our people are growing weary of the burden and wish to lay it down.

But our task is far from completed. Our country needs new strength, new zeal, new idealism. I believe that when the full realization dawns upon our people of the nobility of our role, of the meaning of our labors, then our burden—like that of Simon—will seem to grow light, the labor sweet.

Those who understand now the true nature of things, the duty and the privilege that has fallen to us, have a sacred obligation to lend their strength to the just cause and to help keep America ever young in its ideals, its courage, and its fervor for the right.

That is the full meaning of patriotism in our time.

My visit with the young men of Canisius College has strengthened my confidence in the future. I envy you the journey ahead. Good luck and Godspeed to each of you.

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## A GRASS ROOTS APPROACH TO FOREIGN ASSISTANCE PROGRAMS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. WRIGHT] is recognized for 45 minutes.

Mr. WRIGHT. Mr. Speaker, our country has been engaged for some years in various types of foreign assistance programs. These programs have met with varying degrees of success. In an imperfect world, I suppose that is to be expected. Yet from this experience certain facts have emerged, and if we are to win through to victory in this cold war against worldwide communism, we need to see these facts in clear focus.

The foreign assistance programs, if they are to perform their intended function, should aim at helping friendly countries to build an economic base, rooted in individual freedom and individual ownership, from which those countries can develop a maximum degree of self-reliance and self-sufficiency.

Obviously it is not the intent of these programs to create a vast, worldwide dependency upon the United States. They were not so designed, and if this were their end result they would have failed their purpose.

The most valuable thing we have to export is our own experience in developing a viable political and economic system which recognizes and contributes to the dignity and worth of the individual. If we can export this experience, if we can implant this spirit wherever the feet of our foreign representatives fall upon the soil of friendly lands, then we shall have contributed greatly to the balance of power by which freedom shall be preserved upon the earth.

I have today introduced a resolution which would direct that priority be given in the foreign assistance programs to those activities which actually reach the people, which promote self-help and local individual ownership. Several of our colleagues have joined in its introduction.

The essential sentence in that resolution reads as follows:

> That it is the sense of Congress that * * * the highest practicable priority should be given to programs providing for loans or loan guarantees for use by institutions and organizations in friendly foreign countries in making repayable low-interest rate loans to individuals for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, acquisition of tools or equipment needed for carrying on a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills.

Such an emphasis, it seems to me, would provide a grassroots program. It would come to grips with the basic problem. The key words are "repayable low-interest rate loans." This is a prime need in most of the underdeveloped countries. The fact that credit has simply never been available to the average people is one of the most fundamental reasons why these countries are undeveloped and why they stay undeveloped. An economy will remain forever undeveloped so long as credit, the chance to make a start, is confined to those who already have everything they need. What the people want, and what they must have if they are to make any broad-based contribution to building an economy, is not a handout but a chance.

I have talked with many people both in and out of government about our foreign assistance programs. I have tried to examine these programs on the spot in some instances to see how well they were working. You can hear both praise and criticism. The criticisms most frequently voiced, it seems to me, break down into four general categories.

First. We hear the criticism that too much emphasis has been placed in the past upon grants and too little upon loans.

Second. We hear the criticism that the aid too often does not filter down to the average people in the countries whose economies we are trying to assist.

In the third place, we hear the criticism that the programs have not always actively encouraged free enterprise and individual ownership of farms, homes, and small businesses.

Finally, we hear that emphasis too often has been upon grandiose projects too far removed from the lives of the plain citizenry to have much real grass-roots impact.

Now, let's examine how such an emphasis as this resolution directs would go about the task of strengthening and improving the program.

First and foremost, it would do so by making progress possible through repayable low-interest rate loans. I am thinking basically of loans to individuals rather than to governments. It is our thought that wherever possible these loans should be made available through existing institutions and organizations in the countries themselves. The role of the U.S. assistance program might be that of guarantor rather than that of lender.

The great crying need in many of the underdeveloped countries has long been the need for credit on an individual basis. This is what Farther Daniel B. McLellan, the Maryknoll missionary priest, discovered in Peru.

Several weeks ago, a number of us in the House had the privilege of having a luncheon with Father McLellan. For several years he has worked with the Indians of Peru. The story he told was such a fascinating one that we stayed long past the normal time for such a discussion. For 3 hours, several of us remained to ask questions.

Basically, the missionary explained, the Indians in and around the mountain village of Puno had never been able to achieve anything because they had never had a chance to lift themselves from the poverty in which their ancestors for generations had lived. They could not lift themselves by their bootstraps because they had no bootstraps, in fact, no boots. Nobody had ever had enough faith in them to give them a chance, individually or collectively, to improve their lot. Hence, they contributed nothing of any value to the development of the country or its economy.

What they needed was simple. They needed seed and fertilizer to make the sparse patrimony of their acres yield. They needed farm implements, simple tools of the most rudimentary kind. Yet they could not obtain these simple things because they had no money. They had no money because their fields did not yield more than enough to keep a tenuous hold on existence itself. Their fields did not yield more because they lacked these simple tools and needs of efficient farming. They lacked these things because they could not get credit to buy them. They could not get credit on other than unconscionably usurious terms because they had no money. It was a vicious circle which had kept them mired down, generation after generation, in a hopelessly self-perpetuating futility.

In Father McLellan, many of them saw for the first time a gringo who believed in them. He tried without success to present their cause to the lenders and was scorned. "Forget the Indians," the experts scoffed. "They are beyond help and will never amount to anything."

But the priest's faith was undaunted. He believed in them enough to follow through. Loans, he explains, when available at all, exacted interest as high as 10 and 12 percent a month, more than 100 percent a year. Under such circumstances, progress for the agrarian Indian was impossible.

So he organized a credit union among the Indians. He started with only 23 who together raised a total of a mere $30 to begin. So phenomenally successful was the effort that within a year the credit union had 291 members and a capital of $15,000. So great was their eagerness to make good and to prove that the faith in them was well founded that there was not a single default in the first 95 loans. During the first 2 years, a total of $150,000 had been loaned with a bad debt loss of only $80. So great was the need which this simple device had met that the idea spread like wildfire, and today 207 separate credit unions of this type have been organized throughout Peru. The San Juan credit union has 5,000 members and a capital of $400,000.

The Communists have not liked this at all. Knowing that their appeal depends upon poverty and hopelessness, they have tried to break up the credit unions. They have systematically spread rumors and on one occasion created a run on the funds of the credit unions. The availability of credit to the lowest people on the economic spectrum is replacing hopelessness with hope. It is giving the Indians a chance to help themselves. It is steadying the economy on the broadest possible base. It is proving that plain people can improve their lot and solve their problems within the framework of a free society. It is giving to los descamisados the vision of a better mañana. It is spoiling the Communists' game.

If this can be done with the Indians of Peru, it can be done with anybody. The people in the underdeveloped countries need more than anything else to know that they individually have something to contribute to the economy. They need to feel that their lot is not hopeless and that somebody believes in them. In this way only can they develop the sense of individual responsibility upon which a strong and healthy capitalistic economy can thrive.

This resolution would direct its help to people rather than simply to governments. One of the great urges throughout the underdeveloped world is the urge for land reform. Where it remains unfulfilled, this urge is one of the Communists' greatest weapons. Where the urge begins to be fulfilled, it is one of democracy's greatest weapons. Its fulfillment within the orderly processes of a free society is communism's greatest fear. This is true in much of the world.

This resolution directs that emphasis be placed upon low-interest rate loan programs for individual purchases of small farms and homes. If such a program had been available to the people of Cuba before Castro came on the scene, his appeal would have been greatly diminished. His appeal was to hopelessness. His appeal was to those who had become convinced that they had no chance whatever of ever owning anything in their own right short of revolution. Callously, he played upon this hopelessness and made cruel and irredeemable promises. Crassly he betrayed them. But when they awakened to his duplicity, it was too late.

If we are to head off the enthronement of other Castros in the underdeveloped nations, we must help to provide a vehicle which can show that their legitimate aspirations can be realized, and better realized, through democratic governments and free institutions.

The resolution would direct emphasis to loans for the establishment, equipment, and strengthening of small independent business concerns. I would not say to you that we can hope to make every nation of the world into the image of the United States. But we can indeed help them to develop viable local economies with roots in the capitalistic system. If they are worth helping at all, they are worth helping in this way.

Capitalism today is a dirty word in some parts of the world. It has been made so through their total unfamiliarity with its blessings. How can we expect them to hail capitalism or applaud free enterprise when to them it means something entirely different than to us? How can we expect them to cheer the fact that every young American has the chance to go into business for himself if he wishes when they know from sad experience that this simply has never been true in their own societies?

We have learned from our own experience as a nation that the economy thrives only as its individual members thrive. We have a strong economy and a strong country because our prosperity is widely based. This is the American dream come true. This is the living proof that our system serves the individual better than does the Communist system. But if it is to have relevance and meaning to the peoples of the underdeveloped world in those countries which still are friendly to us, then they must come to see that this dream can come true for them also.

The resolution also would encourage loans to individuals for acquiring the tools and equipment needed to carry on a trade and for obtaining practical education in vocational and occupational skills. These are their needs. This is the way to reach the plain people. If an economy is to be built and strengthened, it must be developed from the ground up, not from the top down.

This is a grassroots approach. If we have enough faith in any country to assist it through our programs and to try to tie it to us as a friend, then we should have enough faith in its people to encourage the government of that country to show faith in its own citizens and thus to give them a chance to prove that they are worthy of that faith. If we lack this basic faith in the native population of a given nation, then any help we give to it is a bad risk.

So long as we are to have these foreign assistance programs, let us make them work. So long as we are in this cold war with Russia, let us go all out to win it. This resolution, I believe, would help us do that.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Speaker, I would like to express my personal appreciation as one of a number of Members of this body who have today joined the gentleman from Texas in the introduction of this resolution, an appreciation to him for his leadership in this matter, an appreciation to him for the very splendid and thoughtful speech which he has delivered this afternoon on this subject.

All of us, I think, are looking for some way to carry on the fight in the cold war with the Communists and to conduct a successful offensive against the Communists wherever the forces of freedom are in conflict with the Red forces. The resolution which the gentleman from Texas and about 11 other Members of the House have today introduced is a genuinely constructive step in that direction. It launches a constructive and understandable offensive on behalf of freedom in the cold war. It carries the fight to the Communists where it hurts them the most, and that is on the streets and on the country roads and in the fence rows of the underdeveloped countries of the world.

I do not think it is any accident that, as Father McLellan in the luncheon which the gentleman from Texas sponsored some weeks ago told us, the credit unions of Peru have become public enemy No. 1 with the Communists in that country because they have given meaning and significance and opportunity to this idea called capitalism for a great many plain citizens who never before had known what the meaning of low-interest-rate credit was. It was interesting to me at the luncheon which the gentleman from Texas hosted to hear from this plain-spoken and yet very eloquent Maryknoll priest, the story of his meeting with some of the big landowners of Peru who came to him to tell him that they would like to place some of their land in the hands of people; that they saw the significance of this fight for land reform, and that they would like to find some constructive way to make transfers of land that would result in a productive use of that land on down the road.

Mr. Speaker, the gentleman will recall that they had this thought: What good does it do to place land in the hands of people who cannot even find the money with which to put a fence around it, and who cannot even find the money to buy the simplest kind of farm equipment, much less fertilizer, in order to make use of the land, and who certainly could see no way under the sun in the existing picture in that area to finance barns and other outbuildings, and make other use of the land which might be turned over to them?

Mr. Speaker, this resolution declares it to be the policy of the Congress of the United States to encourage constructive action along this line in the countries that are participants in our program. It declares it very definitely to be the policy to give the highest practicable priority to loans for five different major purposes. Those five purposes might well be called, in my judgment, five pillars of a successful, free society.

Mr. Speaker, the gentleman from Texas [Mr. WRIGHT], has already recounted those purposes as trying to make it possible to buy small farms, to try to make it possible to purchase homes, to try to make it possible to equip and establish and strengthen small, independent businesses, to make it possible for an individual to obtain the tools or equipment of a trade and, finally, to make possible education.

Now, these are fields where you reach people. These are fields where the experience of every one of our Foreign Service officers who spend any time in the underdeveloped countries has pointed very clearly to a most pressing need in our existing program of assistance.

Mr. Speaker, we have made mention already here this afternoon of Father McLellan's experience. I am sure that the experience of Father McLellan in determining the needs of the people and the need to expand our programs to reach people is an experience which has been duplicated in the activities of Dr. Bill Walsh, who has headed up Project Hope in its efforts in Indonesia, in Vietnam, and now in Peru. Dr. C. S. Lewis, of Tulsa, Okla., a physician, has led a group of physicians in India in trying to give medical attention to the people of India, and has reported similarly upon the tremendous impact of the efforts by Americans to reach people in their basic problems, and to give them help in those basic problems.

Mr. Speaker, I think that the wheels are turning well in the field of health. I think that the wheels are turning much better today in the field of education. But I think that in this field of credit for the people that there is a great vacuum which exists today, a great vacuum which is appreciated, let me say in all fairness, by the members of our own Committee on Foreign Affairs of the House of Representatives, by the members of the administration responsible for this program, and I might say this: I have talked with members of the Committee on Foreign Affairs of the House, and know that on this side of the aisle, everyone with whom I have discussed this problem, has told me these are objectives that we agree with 100 percent. Every one of them has said these are objectives that our committee has been trying to see advanced and implemented in our program. Every one of them has said, "We have tried through the use of committee reports, we have tried through the use of language in the authorization bill and wherever possible to get this emphasis into the program."

Mr. Speaker, I am quite sure that we will have sympathetic voices raised on this subject by members of the Foreign Affairs Committee who know this problem best on both sides of the aisle, when and if—and I hope it will be soon—this matter comes to an opportunity for the House to express its will. I have the feeling that we can do tremendous things not only in the field of accelerating these efforts in the underdeveloped countries of the world, but also in striking effective psychological blows to the advantage of the free world and all over the world where we are in conflict with Red purposes, and that is all over the world.

Mr. Speaker, once again I would like to express my personal appreciation to the gentleman from Texas [Mr. WRIGHT] for his leadership in this matter, and I would like to express my appreciation to the members of the Department of State and to the Committee on Foreign Affairs, who have given of their time to discuss this matter thoroughly in advance of its being brought to the floor.

Mr. WRIGHT. Mr. Speaker, I would like to thank the distinguished gentleman from Oklahoma not only for his timely and well-timed remarks here today, but also for his many hours of devoted effort and the skill which he has dedicated to the ironing out of the language which has gone into this final copy of the resolution. It was, as a matter of fact, originally the idea of the gentleman from Oklahoma, as suggested to me, following the luncheon which we mentioned, that such a resolution could be drafted and, perhaps, offered as an amendment to a foreign aid bill.

Mr. Speaker, I should like to thank also those Members who have worked with us in the drafting of this language, including the gentleman from Florida [Mr. FASCELL], the gentleman from Indiana [Mr. BRADEMAS], and the gentleman from North Carolina [Mr. WHITENER].

I should like to acknowledge the efforts that have gone into this activity by the gentleman from Kentucky [Mr. BURKE], and others who are joining in the introduction of identical or similar resolutions.

It seems to me that the undeveloped countries of the world are churning in one of history's greatest upheavals. Like the awakening of a sleeping giant they are stirring, stretching, and crying out for some form of self-expression. It is not a question of whether change will come in these underdeveloped areas. The question is what form and what direction will the change take?

It was not a question of whether change would come in Cuba before

Castro's revolution. It was a question of what kind of change would come. It was a question of whether we could demonstrate to them that their legitimate aspirations could better be realized through the framework of a free democratic society, or whether, failing in that, they would grasp in desperation at the fleeting temptation of a strawman. They did the latter. We may find it easy to blame them. But when a man has given up hope, when he is mired in the futility of a 20th century feudalism, when he owes his landlord more than he believes he will ever be able to pay, when he never sees any hope of owning anything himself, when his little children look at him with eyes that say, "Our father could move mountains," but with empty cavities in their hungry little stomachs, when he knows that if his children get sick he will not be able to afford the services of a doctor, this man is a desperate man. He will follow any Pied Piper who promises him a better hope for tomorrow. And this is what happened. Into this vacuum strode Castro, pointing with envy-inspired oratory to the huge estates, many of them owned by Americans. To the hopeless ones he said, "Follow me; I will tear them down and give them to you." It was a cruel promise, utterly incapable of fulfillment.

But these were desperate men. And there are in the underdeveloped countries of the world today, particularly in our friendly nations south of us, desperate men, particularly among the young people. There are people who have become vaguely aware that there is a better way than they have found, and they are determined to get it by one means or another.

Portions of this underdeveloped world may hold the balance as to whether the next generation will live in an American century of freedom and of human dignity, or whether they will live in a Soviet century of tyranny and of armed totalitarian brutality. One of the most revealing things about the people who live in these restless lands was written by William D. Patterson some time back in the Saturday Review of Literature, wherein he said that the average person in the world will go to bed hungry tonight. Most of the people in the world have never even seen a doctor. Most of the people in the world have accustomed themselves to a child mortality rate which inevitably snuffs out the life of one out of every three youngsters before he reaches the age of adolescence. Most of the people of the world are convinced that anything would be better than they have, he said, and they are determined to get it. This is the situation with which we deal.

There are in the world today still many nations where a reservoir of good will exists for the United States. It seems to me that, if we are to make these foreign assistance programs meaningful, we have to reach these people, not only governments but people. I think it is not enough to shore up a shaky regime and simply let them use what they are given to dispense themselves as though it were their own patronage, to keep their own government tentatively in power. I think, rather, for the long pull we have to insist that those governments recognize the needs of their own people, and we have to assist in such ways as have been proven effective here in the United States, through the FHA program, for instance, which over its 27- or 28-year history has not lost any money. The people, when given an opportunity, will prove themselves worthy of that opportunity. It is upon that assumption that democracy has historically rested. We need to create a climate in which they have a chance to pull themselves up by their bootstraps; but they need the bootstraps. They do not need a handout, but they need a hand. It seems to me that in the operation of the basic foreign assistance programs, the emphasis and direction proposed in this resolution would go a long way toward achieving those ends.

## COMMITTEE ON BANKING AND CURRENCY

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Saturday to file reports on the following bills: S. 2130, H.R. 10383, and H.R. 11310.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## EMPLOYMENT OF THE PHYSICALLY HANDICAPPED

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks, I include an address delivered by Secretary of Commerce Luther H. Hodges to the President's Committee on Employment of the Physically Handicapped at the Departmental Auditorium, Washington, D.C., May 10, 1962:

I am proud to represent President Kennedy this morning. He extends his greetings.

I know if he possibly could have made it, he would have been here himself. If you've been reading your newspapers or listening to your radio or TV, you know that the cause of equality for the handicapped is close to the President, just as it is close to the entire Kennedy family.

And it is close to me. And close to the Department of Commerce. On the way over here, I took a quick mental inventory—it had to be quick; my office is just across 14th Street—of some of the steps the Department of Commerce has been taking to carry on the work of the President's Committee.

I'm going to list some of these for you—not to thump our chest and brag about how great we are, but simply to demonstrate to you that, through the inspiration of this President's Committee, things are happening for the handicapped.

Over in Commerce, across the street, a great deal is happening. Such as—

The National Inventors Council has been cooperating with the President's Committee in sponsoring a contest for the invention of a self-propelled wheelchair that will climb steps. Impossible? That's what they said about the gas engine, as you old timers will remember.

Edward Gudeman, Under Secretary of Commerce, has had the honor of being named chairman of a special ad hoc committee of the President's Committee to study the effects of automation on jobs for the handicapped.

Mr. Gudeman, by the way, used to be vice president of Sears & Roebuck. He tells of an assembly line of blind persons who worked for Sears out in Illinois. So accurate and quick were they, that the blind actually were given top consideration for assembly jobs.

Our Office of International Trade Fairs has been arranging for President's Committee exhibits to be shown all over the world. Can you imagine any better salesman for democracy than the story of what is being done for the handicapped in America?

There's another new program, just getting underway, of close cooperation between Commerce and the Committee, involving mainly those of our bureaus which reach American businessmen. The reasoning behind this program goes something like this: "We talk to business; you talk to business; let's join forces and talk to business together."

I could go on and on, but I didn't come here for that. I came here to plant a thought in your minds. The seed of an idea.

I want to talk, especially to the businessmen among you about inventories.

Almost every business in this country takes inventory at regular intervals—yearly, sometimes more often. Everything is counted—every widget, every left-handed screwdriver, every nut and bolt, everything not nailed to the floor. Sometimes even things that are.

Inventories are important. They tell you what you have, what you need; where you've been, where you're going.

Inventories are serious affairs. Some businesses even close their doors during inventory time.

But there is another element of business that I believe deserves to be inventoried every bit as much as the nuts and bolts and left-handed screwdrivers. More so, I dare say. It's an element that deserves regular inventories, but doesn't often get them. Or perhaps never gets them.

I'm talking about people. Or, as the management experts prefer to call them, human resources.

If it's important to count neckties, isn't it just as important to count the men who sell neckties?

Now, I am in no way proposing any vast national project of nose counting we do that in Commerce's Census Bureau. What I have in mind would be a great deal more rewarding and would serve a much more vital purpose.

I would like to see businessmen make inventories of the jobs in business and industry that could possibly be filled by qualified handicapped men and women.

This would involve looking over each job afresh. What demands, both physical and mental, does the job make upon workers? Does a worker need two good hands to do the job? Or two good feet? Or two good eyes?

Is there any reason why a pin sorter in a pin factory has to be a perfect physical specimen, with the kind of body that Charles Atlas used to promise sallow-faced, narrow-shouldered teenagers?

Now don't misunderstand me. I am not asking anyone to replace able-bodied workers with the handicapped.

I do say this: Once you have made such a job inventory, and then you do have a vacancy to fill, you probably will be more inclined to give an equal break to handicapped applicants who are able to do the work.

And that's all the handicapped want—an equal break. No special favors, please; just a fair share of opportunity.

I also think it would be most revealing for management every once in a while to take inventory of the handicapped men and women currently employed, to see how they are getting along.

I realize how it is: Once you hire a handicapped person, he sort of loses the "handicapped" tag in your mind, and instead he becomes Bob or Bill or Jones or Smith. You no longer identify him as "handicapped." Very often, your records don't even reveal that he is handicapped. This is fine; this is as it should be.

And yet, I do believe it would be an eye-opening experience if you somehow could inventory the skills and abilities and talents and work records of your handicapped employees. What about their production records? Their safety records? Their general attitudes toward work? The way they get along with others?

Chances are, the answers will come as a most pleasant surprise. National figures show the handicapped to be more productive, have better safety records and lose less time from the job, than the ablebodied, and generally they're more pleasant. If it's true nationally, it ought to be just as true of any typical place of business.

This inventory of the skills of the handicapped is something like married life. Your wife may be a wonderful cook, but after a time you don't even give her cooking a second thought. It takes a trip out of town—an inventory of restaurants and eating houses—to bring you up short and make you appreciate to the fullest the culinary talents of your better half.

Still another kind of inventory I would suggest has to do with the physical layout of the place of business—office, factory, plant, store. What about the handicapped? Has anything been done to look after their needs?

Can the handicapped come in, or do high flights of stairs bar their way?

Can persons in wheelchairs use the rest rooms? The drinking fountains? The elevators? The other facilities?

Physical facilities can serve to bar the handicapped from employment just as effectively as biases and prejudiced attitudes.

And the same physical facilities which bar potential handicapped employees also serve to bar potential handicapped customers.

I strongly recommend that all employers take a look at a new set of standards put out by the American Standards Association, which would do away with architectural barriers for the handicapped.

One more inventory I would like to see applies only to those businessmen who have occasion to let subcontracts.

Do you ever think of sheltered workshops as recipients of subcontracts? They don't want the work as charity; they want it on the same basis you would award it to any other firm—the ability to do the job.

There are sheltered workshops of all kinds, for persons with many types of handicaps, in communities all over this Nation. Inventory the sheltered workshops near you; inventory your subcontract needs.

One thing underlies all the suggestions for inventories I've given this morning. It is a basic interest in the welfare of the handicapped; a basic concern for their right to full equality.

If the interest and concern are not there, we just don't think of the handicapped. It's not that we have anything against them; we just don't think about them. And our thoughtlessness can be as devastating as downright rejection.

And so, in our minds and in our hearts, there must be the constantly burning flame of sincere concern for our handicapped fellow humans.

Only then will we even care enough to inventory our places of business to do what we can to restore equality of opportunity for the handicapped.

Only then can we really help the handicapped to help themselves.

Annual meetings such as this keep the flame burning. So do all of your many, many individual and cooperative efforts in behalf of the handicapped—efforts going on in your hometowns and cities all the time.

On behalf of the President of the United States, I salute you—workers for the handicapped. May you continue to be blessed for your noble work.

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## YOUTH CONSERVATION CORPS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. OLSEN. Mr. Speaker, this month several hundred thousand of our teenagers will be graduated from American high schools. This is a happy time for our young graduates and for us. It is also a serious time, for them, and for us.

For thousands and thousands of these teenagers are joining our civilian labor force at a time when there is little room for them. At this time of the year, when these youngsters are being called by commencement speakers to meet great challenges, we of the Congress have a great challenge to meet, too.

Because, frankly, the graduation of these youngsters will greatly aggravate two of our old, gnawing problems: Unemployment and juvenile delinquency.

I think we can do something about it. And, what's more, we should, as soon as possible.

I am thinking of H.R. 8354, which would establish a Youth Conservation Corps. This bill has been reported favorably by the Committee on Education and Labor and is now in the Rules Committee.

I support this bill—and, indeed, feel we cannot pass it too quickly—for six reasons.

First. This is not a make-work, or rake-work, program, but one of solid investment in conservation with the promise of incalculably great returns. Perhaps we have forgotten the wonderful record the Civilian Conservation Corps made in reforestation, fire prevention, flood control, park development, road and bridge building, and pest control in the thirties in America.

Second. It will reduce unemployment and juvenile delinquency, terrible twin wastes. Mr. Speaker, I simply can never forget the shocking statistic that one out of every four recruits to one of our armed services has some kind of juvenile delinquency record.

Third. The YCC would not be an experiment. It already has a proven history of value and accomplishment. The CCC begun in 1933, was halted for only one reason: World War II. To give you an idea of its worth—the CCC was endorsed by 83 percent of the American people, according to a 1936 poll.

Fourth. The YCC represents a magnificent and healthful way to develop the skills and the character of some of our young men, by taking them off the streets and into the great outdoors for a year and giving them constructive and valuable work, and some savings in their jeans.

Fifth. There is so much to be done in the American outdoors. There is a tremendous backlog of work to be done in our national parks and forests alone.

Sixth. America wants such a program. A Gallup poll in April showed that 79 percent of our people think the YCC is a good idea.

Those are my six reasons. I also have a seventh—and it is a purely selfish one. My State, Montana, has one of the largest areas of national forests in the Nation.

Montanans remember well the work performed by the CCC in the thirties. And I am sure the vast majority would welcome a YCC.

In April 1932, the CCC gave employment to 20,622 young Montanans. In addition, another 20,000 came to Montana from other States.

They developed much of Montana's rich timber areas for commercial use, for recreational advantage and for wildlife care. They planted 5,275,300 trees in Montana. They built 790 bridges of all types. They laid 3,279 miles of truck trails and minor roads. They stocked Montana's streams with 2,619,288 fish.

They put in 251,239 man-days of forest firefighting. They built and manned 115 forest lookout houses and towers. They took part in the building of 452 impounding and large diversion dams. They strung 3,532 miles of telephone lines. They treated 16,802 diseased trees and plants. They controlled rodents and predatory animals on 2,444,721 acres of Montana's land. They revegetated and restored extensive grazing areas. And they helped build a migratory wildlife refuge at Madison Lake.

This was just the brilliant record of accomplishment of the CCC in one State, Montana. Mr. Speaker, I have no doubt that Montana would welcome a YCC with open arms. And so would the Nation.

For foresters tell us that our Nation has 275 million acres of timberland in need of improvement. Another 50 million acres need replanting to become productive again and to prevent flooding and erosion. Some 300 acres of farmland, moreover, need rebuilding.

The YCC would not be a foreign enterprise. It would be a Peace Corps at home, where we need it most. It would not put a drain on our gold, but develop our golden hills, for us and our heirs. And it would more than repay the investment.

In fact, Mr. Speaker, I have only two reservations at all about H.R. 8354.

The first is that the bill would limit the program to 12,000 youths in the first

3 years. The Senate bill, sponsored by Senator HUBERT H. HUMPHREY, would limit a YCC to 150,000 in the first 3 years.

My second reservation is simply that neither one of these bills is yet law.

## THE BALTIC PEOPLES AND THEIR TRAGEDY

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, the three Baltic States—Estonia, Latvia, and Lithuania—constitute a distinct unit in Europe. Their citizens are known for ruggedness and bravery and for their stubborn belief in ideals common to all civilized peoples. Their time-honored national traditions and their spirit of freedom have for centuries been the sinews of their sustenance.

In the days of their brief independent existence, as during long years of subjugation to foreign rule, they clung to their ideals with tenacity and firmness. Under the czarist regime they were the most progressive, the most enlightened, and, of course, the most democratic ethnic elements in that polygot empire. Their sound local economy, their zeal for advancement, and their superior educational institutions were envied not only in Russia, but also in many parts of Europe. These three countries constituted for more than 100 years Russia's show window in the West.

At the end of World War I all three countries regained their independence, and in a relatively short time all three became honored and worthy members of the family of nations. Their loyal and industrious citizens began to rebuild their war-torn countries, and in the course of two decades the three Baltic democratic Republics taken together became a definite force for progress and for peace in European affairs, particularly in northeastern Europe. These countries managed to stave off impending dangers and kept their independent status, even when they were almost completely isolated from the powerful democracies in Western Europe. In the late 1930's, however, it was evident that alone they could not cope with the dangers threatening their independence and their existence as free nations. Neither Communist totalitarianism nor Hitler's nazism would tolerate democratic institutions as enjoyed by citizens of these three small countries.

Early in World War II, in mid-1940, these countries were overrun by the Red army, and then all three were annexed to the Soviet Union. Their once free and proud citizens were brought under Communist totalitarianism. Then Stalin arrested, imprisoned, and then exiled hundreds of thousands of Latvians, Lithuanians, and Estonians to distant parts of the Soviet Union.

The lot of the Baltic peoples has been tragic. Soon after the Soviet invasion Nazi Germany invaded the Baltic countries; the Red army was evicted, and Nazis were to rule in their stead for almost 3 years. Then, as the fortunes of the war took a different turn, the Red army returned once more, and it has been there ever since.

Today the Soviet Union holds these countries by force. There some 5 million innocent and helpless peoples suffer under Communist tyranny. And that tyranny shows no mercy toward those who are suspected of aspiring for political independence. Such people are instantly seized, tried, and found guilty of counterrevolutionary activity, and then shipped off to some Siberian prison camp. In recent years there have been persistent reports that Soviet authorities have been shipping off hundreds of thousands of Baltic peoples to other parts of the Soviet Union.

Mr. Speaker, the Baltic peoples are tenaciously clinging to their ideals and have kept up their hope for freedom. Even though they are not allowed to voice that hope, this is being done by their friends and sympathizers in many parts of the free world. By condemning the forcible seizure of the Baltic countries by the Soviet Union and by publicizing and denouncing the inhuman treatment of these peoples by Soviet authorities, we can and do render a signal service for their cause and for democracy on the 21st anniversary observance of the deportation of their citizens by the Soviet Government.

## OUR TEXTILE EXPORT CHALLENGE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. ALEXANDER] is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, one of the most able leaders of the American textile industry is William E. Reid, a Georgian who rose from the ranks to become president of the Riegel Textile Corp.

Regarded by his colleagues in the business for his practicality and devotion to the industry, he recently was made second vice-president-elect of the American Cotton Manufacturers Institute.

He was chosen as a member of the industry advisory delegation to the International Cotton Textile Trade Conferences held last year in Geneva, Switzerland, and Tokyo. He attended all of the negotiations and won the respect of our Government's official negotiators for his knowledge of the textile trade problem and ability to communicate. He served as chairman of the group when the long-term arrangement was finalized last January.

Earlier this month he delivered to the South Carolina Textile Manufacturers Association an address titled "Our Textile Export Challenge," which represented a great deal of research and study.

I particularly want to call your attention to some of the cold facts with special reference to some of our import-export relationships with other trading nations. For instance, in 1961 textile products imports accounted for a $300 million trade deficit.

There are some 50 nations which have raised virtual embargoes against the U.S. textile products. There are some 20 additional nations which maintain substantial restrictions against U.S. textiles.

We have talked a lot about the problems of textile imports into this country and I think it is time that our people get a real understanding or a good picture of the other side of the coin when we attempt to sell our products abroad.

Let me point out just a few examples of tariffs by other countries which not only strangle trade but depress the living standards of millions trying to rise above a subsistence level. For example, in Paraguay the tariff is 100 percent on cotton fabrics and 150 percent on synthetics. In Ceylon the tariff on nylons is 115 percent. In Israel textiles pay a 100-percent tariff. In Peru the tariff is $5 per kilo on cottons and $20 on synthetics. In Pakistan the tariff is 100 percent on cottons and 250 percent on synthetics. In Argentina the tariff is 250 percent on cottons and 292 percent on synthetics.

I commend to my colleagues this speech which I am inserting in the CONGRESSIONAL RECORD at this point:

### OUR TEXTILE EXPORT CHALLENGE

(Address of William E. Reid, president, Riegel Textile Corp., before the South Carolina Textile Manufacturers Association, at Sea Island, Ga., June 2, 1962)

Over the last several years the American textile industry has taken an active part in more international conferences than in the 180 years since Samuel Slater built the first mill in Pawtucket, R.I., and William Gregg erected the first southern plant in Horse Creek Valley near Augusta, Ga. The reasons for this intense absorption in the problems of world textile trade are apparent to all. The American textile industry is by far the world's largest manufacturer of cotton and manmade fiber fabrics. Supplying it are the world's largest producers of cotton, manmade fibers, machinery, and dyestuffs. Together with its allied apparel industries it is the Nation's greatest employer of labor and represents an investment of billions of dollars.

Anyone who has attended these international gatherings cannot help but bring away with him a firm appreciation of the American industry's position in the world and its enormous achievements in manufacturing techniques, in the science of distribution, and in the styling required to satisfy the constantly changing tastes and needs of an affluent society of more than 180 million persons, plus segments of many markets overseas. Also, I would add that the attitude of most foreign textile producers toward our industry is one of admiration.

Up to now our representatives at these conferences have been concerned for the most part with the disruption of our home markets by imports from countries with wage and living standards far below those which we have here. As the discussions proceeded, especially with those countries which have come to assume that they are entitled to ready access to our markets but which rigidly bar imports from all other sources into their own preserves, our delegates came to realize that our industry too, in view of what it has to offer, is deserving of an even higher place in international trade and that we should not be shy about demanding it. To me, exports and imports are two sides of the same coin. What the industry now faces is not an import or an export problem as such, but a world trade problem.

Over the past few years, the U.S. textile industry has had to concentrate upon the import aspect of the foreign trade problem. We cannot neglect this side of the problem, for no concrete action has yet been taken to deal with the imports of woolen and manmade fiber fabrics and apparel. While we have negotiated short term and long term international cotton textile arrangements, much remains to be done in improving and enforcing their implementation.

As this administration pursues its trade objectives, we must insist that they give recognition to the cold facts of some of our import-export relationships with other trading nations. In 1961 textile product imports accounted for a $300 million trade deficit. Neither our industry nor our Government can permit this to continue. Together, we must intensify our export efforts.

In order to do so, we must seek the elimination or modification of restrictions placed on American goods in the days of the so-called dollar shortages and which have been increased by various pretexts to the point where they constitute virtual embargoes against our products. All over the world there is a demand for certain types of American textiles which cannot be satisfied because of these cleverly contrived trade obstacles.

Since World War II our export trade has undergone a saddening contraction. In 1947 exports of cotton piece goods reached an all-time peak of a billion and a half yards and shipments of synthetics rose to 233 million square yards. This expansion, of course, was due to the then worldwide textile famine and the disruption or destruction of producing facilities in Western Europe and the Far East. The industry at large did not look for a continuance of this abnormal volume but also did not expect the drop to one-third of this yardage in cotton goods and about one-half in synthetics. Even so, exports last year amounted in value to about $200 million.

The resurgence of traditional foreign competition was expected but the industry did not look for the rapid increase of restrictions by countries with mushrooming industries unable to supply their own markets.

In this connection, the time is ripe to take a long, hard look at this desire, by scores of countries with small populations, for textile self-sufficiency. It has long been regarded as an economic fact of life that the first step by an agricultural country toward industrialization should be the manufacture of textiles. This may have been the case in the days of cottage industries and low living standards, but it has long since ceased to be realistic. Textile manufacturing today, as you here well know, requires enormous technical skill and knowledge and is as dependent on the fruits of this electronic age as any other modern industry. Above and beyond this are the artistic inventiveness and merchandising ability needed to develop and distribute thousands of styles and products.

Most of the arguments advanced for building mills in small countries are rather superficial. They remind one of the reasons jokingly given for banana growing in the United States. Bananas, of course, are a tropical product but they could be grown here, at astronomical costs, in greenhouses. It can be argued that construction of these greenhouses would be a boon to the steel, glass, and heating equipment industries, but prices would soon make bananas such a luxury that consumption would fall to a fraction of what it is now.

Textiles are so basic to the standard of living of the masses that increased costs and lack of variety can seriously affect their morale. Hunger and the lack of adequate clothing are equal contributors to unrest and revolutions in many countries. We should not be a party to the support of a few individual speculators who are only interested in protective devices which would assure them of exorbitant profits to the detriment of the country. It is likewise pure folly to build up textile industries in undeveloped areas beyond the capacity of the country thus requiring the necessity to export this excess which only further tends to disrupt the already oversupply situation of textiles in the world. With three-fourths of the earth's population in the underprivileged category, the American textile industry, if given fair and equal access to those markets, could utilize its productive strength and strike a mighty blow for the free world by filling these crying human needs.

In this drive for local textile production capacity, some countries with too small a population to supply a base for mass production methods have gotten into the business. The inevitable result has been uneconomic and unrealistic textile capacity, leading to excessive import protective devices and high-cost consumer products, which in turn depress real standards of living.

Some students of the problem have estimated that successful operation of a minimum size, efficient, integrated textile industry, able to clothe the population in anything other than a uniform, requires a mass market of at least 20 million persons.

The American cotton and manmade fiber textile industries were among the first to endorse and support our Government's drive to expand exports of manufactured goods and thus help to stem the outflow of gold. A year and a half ago, the American Cotton Manufacturers Institute and the Textile Export Association participated, by invitation of Secretary of Commerce Mueller, in a conference with officials of the Departments of State and Commerce, the International Cooperation Administration, and the Export-Import Bank who were charged with improving the U.S. export balance. We were able to identify for them some 50 nations which have raised virtual embargoes against U.S. textile products. In that same conference, we identified some 20 additional nations which maintain substantial restrictions against U.S. textiles.

These reports were widely publicized and won the unstinted praise of Government officials charged with the task of stimulating exports. As a result of these hearings, the industry was asked to undertake a worldwide survey of restrictions responsible in large measure for the contraction of international trade in textiles. Information as to tariff rates or duties is rather easy to obtain, but tariffs in themselves are only one of the many impediments to trade. Since the early thirties, many countries have devised rather tricky methods for protecting what they conceive to be their best interests, and yet pay lipservice to liberal trade policies at international conferences.

Among the concealed harassments that American exporters constantly encounter are inordinate delays in passing samples through customs, high charges for permits to solicit business, currency tinkering, trafficking in licenses, and other corrupt practices that are unknown or overlooked at GATT and similar gatherings. These are the sort of hidden traps that are difficult to discover and uproot and are used by many countries to prohibit entry of American textiles.

Given equal access to oversea markets, we can increase our exports substantially, as the experience of the last year or two in the British market well demonstrates. When the British Government removed import license requirements for textiles, American companies promptly stepped up sales efforts in Britain, with rapid results. In 1959, total U.S. exports of cotton piece goods to the United Kingdom amounted to less than a half million square yards. This was increased to 17 million in 1960 and to 26 million last year. Similarly, our exports of synthetic fabrics increased from about 1 million square yards in 1959 to 15 million in 1961. Import liberalization in France made possible the growth of our cotton piece goods exports to that country from less than a quarter million square yards in 1959 to over 5 million in 1961. If it had not been for the easing of discrimination against U.S. textile imports into these and certain other countries, the loss of our very important Cuban market would have been much more painful.

Unfortunately, however, removal of discriminations against the imports of U.S. textiles is not always of long duration. While Australia some 2 years ago widened our access to her markets, this policy is already being partially reversed. The earlier restrictions had been imposed for balance-of-payments reasons. The new Australian restrictions are an attempt to counteract increasing unemployment in that country.

Looking over the world textile picture, it is difficult at the moment to discern any trend toward liberalization and, if anything, we are headed in the opposite direction. To protect small industries incapable of supplying the basic needs of their home products many countries have lifted duties to unscalable heights. Let's consider just a few examples. In Venezuela synthetics pay a duty of $12 per kilo. In Paraguay the tariff is 100 percent on cotton fabrics and 150 percent on synthetics. In Ceylon the tariff on nylons is 115 percent. In Israel textiles pay a 100-percent tariff. In Peru the tariff is $5 per kilo on cottons and $20 on synthetics. In Pakistan the tariff is 100 percent on cottons and 250 percent on synthetics. In Argentina the tariff is 250 percent on cottons and 292 percent on synthetics.

These are a few but representative samples of tariffs which not only strangle trade, but depress the living standards of millions striving to rise above a subsistence level. Throughout Latin America workers in fields, in factories and in mines have to pay more for dungarees and other work clothing items than automobile workers in Detroit or electrical workers in New York. Field hands in parts of Latin America who used to sleep on canvas—stretched on pegs—are now sleeping on the ground again because of high tariffs on duck. There is no way of determining just how much the high cost of textiles contributes to social unrest and political upheavals, but it may be worthwhile for the Alliance for Progress to explore it. American import tariffs on textiles are, in practically all cases, lower than those prevailing in world markets including the friendly Allied Nations of the world.

The major exporters of cotton textiles to the United States are Japan, Hong Kong, Taiwan, Pakistan, India, Spain, and Portugal. Since we are all primarily spinners and weavers, let's have a look at what these seven countries shipped to our markets in fabric alone, not considering yarn, domestics, and apparel. This would be the most favorable comparison we could give them. In 1961 they shipped approximately 201 million square yards and purchased American textiles to the extent of slightly over 3 million square yards with five of these nations prohibiting any imports of American goods. This is a ratio of 70 to 1 and we ask in all fairness, Is this to be considered reciprocity and are these countries justified in their vicious criticisms of U.S. Government actions limiting the inflow of foreign textiles? All of these countries are potential customers of American textiles but afford us practically no opportunity whatsoever to enter their markets.

The most recent in a series of conferences on this subject was held by American Cotton Manufacturers Institute and Textile Export Association representatives with Commerce Department officials who bear primary responsibility for the export program, in mid-May. We keep working away at the problem but, frankly, there sometimes seems to be more of a sense of urgency about all this in the export fraternity than in the Government. While we are hopeful that, with our Government's help, our textile exports may receive somewhat fairer treatment around the world as time goes on, we know that progress will continue to be slow and that our export sales departments will have to continue to live with various types of uncertainties.

An analysis of world tariff structures covering textiles has brought to light the unfortunate truth that Iron Curtain textiles can be imported on the same preferential tariff basis as American goods. We find it difficult to believe that it is in the national interest and that of our friends abroad to permit the inflow of Communist merchandise, politically priced, on an equal basis with American products, anymore than we can see the reasoning behind permitting Hong Kong to fill her domestic needs and exports to their other trading partners with Red China textiles and ship their domestic production to the United States.

The cold war that we are experiencing is a three-phase one—military, political, and economic. In a very real sense, in the world textile markets, we are fighting for our way of life as well as for our private business interests. Economic warfare between the free and Communist worlds is for keeps, and the marbles are not redistributed at the end of the game.

The American textile industry has been a force in international trade since the days of John Quincy Adams. Its export division is staffed by men of long experience who are familiar with the textile needs of every nation in the free world. All over the world there is a repressed demand for certain types of American textiles not readily obtainable elsewhere. While prices on these are reasonable, our chief appeal lies in style and finish. Realizing this, some foreign competitors have been resorting increasingly to piracy of our styles and fiber combinations.

Time and again we have met with the officials in charge of our foreign aid programs in an effort to induce them to increase allocations for American textiles. As a result of the crisis over the gold outflow, an order was issued barring procurement from countries in Europe and Asia with adequate reserves. This edict was of great benefit to synthetic yarn producers but orders for other textiles were reduced to a trickle to the great disappointment of cloth exporters. Because of our incessant efforts, other foreign aid programs have been modified. For example, the United States contributed millions to the United Nations Fund for the Congo, but stipulated that all textile purchases must be made here. Many of these orders have already been shipped.

Heavy losses in Cuba somewhat damaged our industry's morale and caused many to take a jaundiced view toward foreign trade. As a result we redoubled our efforts to establish credit insurance with Government backing and on a practical, workable basis. After many conferences with officials of the Export-Import Bank, we now favor the form of credit insurance devised by that institution.

Up to this time, all of our discussion of the Geneva textile arrangements has been from the standpoint of what they could do to control cotton product imports. This is just one part of the arrangements, so let's take a moment to focus our attention on its other aspects and advantages.

One of the chief values of the Geneva textile arrangements is that it provides a new and realistic forum to discuss and tackle world textile trade problems. It enables us to lift textiles out of the confusion and chaos of GATT. The past GATT framework for dealing with textiles has been completely unsatisfactory. Some of the governments responsible for disrupting the traditional flow of textiles are not members of GATT and those that are can either refuse to reduce their duties or raise them at will by invoking provisions which give special privileges to so-called undeveloped nations. As a consequence, there are many countries which can arbitrarily jack up tariffs and impose even worse restrictions on textiles without valid justification.

The Geneva arrangements set textiles apart and get them on a negotiable basis. Through these arrangements we are beginning to pull down some of the barriers that have been thrown up by certain countries which have restrictions against other countries. The opening up of the Common Market to textiles from the developing countries will tend to broaden international trade on a more equitable basis.

The elimination of trade barriers throughout the world will give a freer access to countries with improving living standards and rapid economic growth. We must be good enough businessmen to take advantage of this opportunity. You can bet your bottom dollar that the nations exporting to the United States are going to use every means at their disposal to improve their position in our markets.

Textiles present one of the gravest world trade problems and we, as the largest producers of textiles in the world, have a vital part in solving it. It is quite apparent, from the numerous restrictions that exist to hamper world trade in textiles, that this problem cannot be properly handled without joint effort on the part of our Government and our industry.

Over the years our Government, in its policy to help stricken nations to their feet, has granted tariff concessions which were not reciprocated. Since many of these countries have now been restored to fiscal and economic health they are in a position to reappraise their trade barriers. There is no reason why they cannot follow the example of the few nations which have removed their more rigid restrictions on American products.

In unraveling this tangle of obstacles the most effective method would be the country-by-country, bloc-by-bloc bilateral approach so successfully utilized by other nations. Strong negotiating teams composed of government and industry representatives should be used to obtain tariff levels consistent with each country's national interest, and yet permit the inflow of American textiles where they are wanted and needed.

By no means does all of the answer to this problem rest with our Government. We in industry have tremendous responsibilities to increase our textile export sales. We owe it to our country, our employees, and our stockholders. We must do everything in our power to fight as hard for foreign business as we fight for domestic business. Our exporters have demonstrated time and time again that they can sell American textiles in any foreign market if afforded fair and reasonable treatment. In this respect, the industry cannot be accused of lack of drive and imagination. It is up to us to get across to our Government what they must do to give us an equal opportunity in the world textile market.

The more I study these markets and the forces that work in them, the more convinced I become that we can increase our sales abroad as the world market grows if we give it our very best in new product development, objective styling, and aggressive salesmanship.

The real answer to this problem lies in a dynamic effort on the part of both industry and government, always remembering "That which man will not change for the better, time will change for the worse."

## BIPARTISAN STATESMANSHIP IS NEEDED IN WAR ON ECONOMIC FEAR

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, in the time allotted to me I should like to address the House on three different subjects.

Mr. Speaker, the recent behavior of the stock market is not just a matter that affects investors. It should be a vital concern for all of us, since its gyrations have a direct bearing on the maintenance of a sound economy.

A principal factor that causes abnormal drops in stock prices is the psychosis of fear. What we now must prevent is the spread of this fear psychosis and its adverse affect on other elements of our economic life. What is needed is an inoculation of confidence in the body-economic. The best remedy I know is an immediate across-the-board tax reduction for individuals and for businesses. And, Mr. Speaker, this should be a bipartisan effort.

The war against economic ills calls for the closing of ranks. It calls for economic statesmanship. This is indeed a war. There is an emergency of fear that exists. This is an unwarranted fear, but we must wage war on it and the time has come for an all-out bipartisan attack. Just as we are bipartisan against the enemies of the free world, we should be bipartisan on this issue, for it not only affects us but has a direct effect on the free world.

We walk together—Republicans and Democrats—when our Nation is in a state of war or when our security is threatened. We do our utmost to maintain a bipartisan foreign policy, so important to our survival. So should we walk together in the effort to win the economic war.

Business is good, Mr. Speaker. Let us free our people from the fear that should not exist. Let us do this in a true bipartisan manner.

I am glad to see the President recommend a tax cut. This is an important first step. But his proposals, as reported, call for reductions to be effective in 1963. That is a long way off. I would prefer to see them effective immediately, and I hope the administration will realize the importance of the reductions now. There will be disputes, yes. These, I am sure, can be ironed out. But on the principle of tax reduction, I do not like to see members of the President's own party oppose him. And I would like to see members of my own party support him on the issue. In this spirit I urge that the President call an immediate meeting of the congressional leaders of both parties and leaders of the business community to shape plans for this sorely needed bipartisan action. We must close ranks to fight this war on economic fear.

Mr. Speaker, I emphasize my conviction that an across-the-board tax reduction for individuals and businesses is essential. And I strongly feel that if it is to accomplish its most meaningful purpose, it should become effective immediately.

This shot in the arm for the American economy will result in increased spending and more than return any tax lost to the Treasury. If the tax reduction comes now, it will have an immediate effect in not only offsetting the fear psychosis but the resultant spur of the flow of dollars in our economy will improve the business climate and bring in more tax dollars.

A meaningful tax reduction is a sound noninflationary step which will provide a favorable impact that will be felt on all levels of our economy.

## JETS AT LA GUARDIA: PROGRESS OR RETROGRESSION?

Mr. HALPERN. Mr. Speaker, recently the New York Port Authority announced its plans to accommodate short and medium haul jet traffic at La Guardia Airport as part of its vast improvement program at the field. On the surface the announcement of bringing jets to La Guardia would seem to indicate a progressive step for air transportation, especially since it is linked with the commendable modernization of La Guardia's all-too-long obsolete and hazardous facilities. But, Mr. Speaker, when the well-being of millions of people is seriously affected we must question the wisdom of including jet traffic as part of this project.

In this case we must realize that the so-called progress is a mask that only superficially hides a serious threat to the safety, welfare, and health of millions who live in the airport's environs. True progress would be the stepping up of the authority's plans to develop improved jet facilities in more sparsely populated areas away from Metropolitan New York, rather than adding to the already overburdened capacities at La Guardia.

The full magnitude of this danger at La Guardia is frightening and I must confess my serious concern that such a move would even be considered by the port authority, let alone be developed to a point where the bistate agency is now proceeding with plans to execute this program. I have called for a full reevaluation of this foolhardy and fallacious proposal by the port authority. I have also urged that the Federal Aviation Agency immediately veto the plan because of its threat to the safety of residents and passengers caused by the increased burden jet traffic at La Guardia would place on the already perilously overcrowded skies over the area.

The port authority plans were announced in the name of progress. To me, Mr. Speaker, such a statement is ridiculous. It is not progress to jeopardize the health and safety of millions of New Yorkers. It is not progress to subject the residents of Queens, Manhattan, the Bronx, Nassau, and Brooklyn to a mammoth safety hazard and public nuisance. It is not progress to intensify the nerve-shattering noise of high-powered, screaming jet aircraft. Progress? Nonsense. It is pure retrogression. It is reversion to an archaic philosophy too often prevalent in huge governmental agencies which feel any method or means are justifiable in the headlong dash to meet an objective. In this case, in order to gain its goal, the port authority puts minor emphasis on the preservation of safety and welfare.

Mr. Speaker, even the thought of jets at La Guardia is enough to make one shudder. This bustling airport is in the thick of a heavily populated region. It is a split second away by jet from the towering skyscrapers of Manhattan, and only a heart's beat away from millions who live and work in Queens.

I cannot believe that the port authority and the Federal Aviation Agency can be so callous as to permit the fruition of these frightful plans. The safety hazard alone should be sufficient reason to call for immediate cancellation of the program. These reasons are compounded by the implicit dangers and health hazards of the deafening noise of jet engines.

Even apart from the thought of increased danger is the apparent inconsistency between the Government's announced interest in noise abatement and its willingness to go along with a program which would increase noise a thousandfold. I do not believe that this represents reasonable, rational, or even sensible action.

The FAA should immediately veto any and all plans to provide jet runways for La Guardia. They need not search for reasons. They have only to think of the millions of New Yorkers who will be adversely affected and seriously endangered. They need only live up to their responsibility to protect the public from the dangers of aircraft.

The port authority should similarly stop all action on this program. I am calling upon both agencies to exercise sanity and caution, rather than disregard for the health, safety, and welfare of our citizens.

## HATS OFF TO THE LONG ISLAND PRESS, LONG ISLAND STAR-JOURNAL JOBS-FOR-YOUTH CRUSADE

Mr. HALPERN. Mr. Speaker, I would like to bring to the attention of my colleagues in the Congress a truly magnificent public service performed by two newspapers, the Long Island Press and the Long Island Star-Journal, for the benefit of youth on Long Island.

These fine newspapers have recently sponsored a jobs-for-youth crusade which called on the cooperation of the public and the business community to find appropriate job placements for our young men and women. The papers also presented nearly full pages of situations-wanted classified advertisements free of charge for students who are graduating from high school to help them get established in jobs.

This is an inspiring example of what can be done in communities throughout the country. As successful as the campaign is, however, there is a dire need for fullest cooperation on certain levels of our society. Newspapers in themselves can go just so far. What is needed especially to make this type of program a conclusive success, not only on Long Island but throughout America, is the support and active participation of organized labor and business institutions everywhere.

Mr. Speaker, by providing constructive work for youngsters we will be giving them the self-confidence and satisfaction so needed by our preadult population. We will be taking a positive step in stemming juvenile idleness and restlessness while at the same time we will be fostering the development of healthy minds, productive activity and good citizenship. Surely labor and management realize this and want to encourage it. They realize, too, that the increasing scarcity of jobs for young people could create a volatile situation that would, in the long run, cost countless thousands of dollars of the taxpayers' money.

In this regard I have written to Mr. George Meany, president of the AFL-CIO, and Mr. Ladd Plumley, president of the U.S. Chamber of Commerce, urging them to cooperate in a full scale campaign to help make employment available to the Nation's recent high school graduates. If every employer and union would take special pains to help find employment which could be filled by young people they would be performing an outstanding service not only to the youths directly involved, but to the community as well.

Once again, Mr. Speaker, I want to cite the trememdous public service being performed by the Long Island Press and the Long Island Star-Journal. However, this is just a beginning. Through the papers the public is alerted to this problem and the youngsters make known their employment desires. In order to complete the cycle, jobs have to be made available in industry through the joint efforts of labor and management.

Not only are these two distinguished Long Island newspapers highlighting the problem and widely publicizing the vital needs and advantages in providing jobs, but they have performed valuable service by featuring listings of situations wanted by teenagers.

Mr. Speaker, my hat is off to the Long Island Press and the Long Island Star-Journal for taking these positive steps. Let us hope that labor and management, that business large and small, will respond to this call for action.

## THE POTOMAC BELONGS TO THE NATION, NOT TO ZONING BOARDS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, the Potomac River Valley, from Great Falls to Mount Vernon, is a distinctive part of the Nation's Capital. People from all over the world marvel at the beauty of the Potomac, so close to a metropolitan area of more than 2 million souls, yet still so unspoiled.

The Maryland and Virginia counties which abut the Potomac up and down river from the District of Columbia have zoning ordinances— or at least had them as of January 1, 1962—to protect the natural beauty of the Potomac. Typically, these ordinances restricted building heights to 40 feet, with single-family houses on large lots. Tall apartment buildings, which would have destroyed the natural line of the riverside greenery, were forbidden.

### THE MERRYWOOD REZONING

Then, early in 1962, owners of the 46-acre Merrywood property, right next to the District of Columbia line along the Potomac River in Fairfax County, Va., negotiated an option to purchase the property to real estate developers who propose to erect on the property three 17-story apartment buildings, to house 1,000 families. The Fairfax County Board of Supervisors then changed the zoning so as to legalize the 17-story proposal. The matter is now in litigation, but the Fairfax County Board has refused to rescind its rezoning.

The Merrywood rezoning has given ideas to other enemies of the native landscape. A rezoning request for another high-rise apartment just upriver from Merrywood in Fairfax County has been made. Another is pending across the river in Montgomery County, Md.

Downstream, on the Potomac River waterfront in Prince Georges County, a developer proposes a 90-acre luxury apartment project, and will ask for spot zoning to make it possible.

So the monster will feed on itself, with earlier exceptions and spot zoning used to justify each succeeding request, until the Potomac from Great Falls to Mount Vernon becomes one long crenelated calamity, a treeless monument to the pursuers of the fast buck.

### OPPOSITION TO REZONING

The National Capital Planning Commission, the agency set up by Congress to serve as the central planning agency within the District and the regions adjacent to it, is understandably alarmed at this threat to the Potomac River Valley. The Committee of One Hundred on the Federal City says:

> To preserve the Potomac Gorge, one of the most splendid natural areas adjoining any capital in the world, it is essential that the area above Key Bridge be preserved in park land and low-density uses.

Anthony Lewis of the New York Times framed the issue in an article in the June 4, 1962, New Republic:

> The question now is whether the interest of the whole Washington area, and of the country, in preserving the Potomac Palisades can prevail over squalid local politics and real estate interests. The hope for a solution lies with the Federal Government—with the administration and Congress.

Put another way, the question is whether the Congress of the United States is helpless to protect the National Capital's environment. I do not believe that it is. For this reason, I have today introduced H.R. 12137, the text of which follows:

### TEXT OF THE BILL H.R. 12137

> A bill to help preserve the natural beauty of the Potomac River between Great Falls and Mount Vernon; to permit the Secretary of the Interior to accept donations of interests in Potomac riparian land; to assert the national interest against action by local governments which would impair the natural beauty of the Potomac; and for other purposes.
>
> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*
>
> SECTION 1. The Potomac River between Great Falls and Mount Vernon is linked in the Nation's consciousness with the Nation's Capital. The Potomac's historic, scenic, conservation, and recreational values as an adjunct of the Nation's Capital depend upon the preservation of its present largely unspoiled character. The Congress has an interest in the Potomac River between Great Falls and Mount Vernon because it is not only an important interstate river, but because it is a part of the Nation's Capital environment.
>
> SEC. 2. The Secretary of the Interior is authorized to accept donations of air rights and of other interests in land within one-half mile of the water's edge, at high tide, on either side of the Potomac River in the States of Virginia and Maryland between Great Falls and Mount Vernon. Interests so acquired shall be administered in accordance with "An act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat. 535), as amended.
>
> SEC. 3. The National Capital Planning Commission is authorized and directed to review post-January 1, 1962, amendments and changes in, and exceptions and variances from, zoning ordinances of local governments in the States of Virginia and Maryland relating to the area described in section 2; and by written order to declare inoperative any such amendment, change, exception or variance which the National Capital Planning Commission shall find, after a hearing with reasonable notice to interested parties, will materially impair the national historic, scenic, conservation, or recreational interest in the Potomac between Great Falls and Mount Vernon.

### ANALYSIS OF THE BILL

Mr. Speaker, H.R. 12137 indicates the national interest in the historic, scenic, and recreational values of the Potomac River between Great Falls and Mount Vernon. It authorizes the National Capital Planning Commission to review any amendments and changes in, and exceptions and variances from, zoning ordinances of local governments applicable to one-half mile on either side of the Potomac, where they were made after January 1, 1962, and to declare them inoperative where they are found to "materially impair the national historic, scenic, conservation, or recreational interest in the Potomac."

In the Merrywood case, for example, H.R. 12137 would empower the National Capital Planning Commission to declare the 17-story amendment invalid, thus reinstating Fairfax County's preexisting 35-foot height limitation for the area in question. The National Capital Planning Commission is directed to hold necessary hearings before it acts, and to issue its order in writing.

H.R. 12137 also empowers the Secretary of the Interior to accept donations of air rights, and of other interests in land, from landowners along the Potomac from Great Falls to Mount Vernon. This enables public-spirited landowners to protect their land, and the general environment, on a more stringent basis than is afforded by the applicable zoning ordinance, by dedicating air rights to the Secretary of the Interior. For example, a landowner may wish to dedicate to the Secretary of the Interior air rights to his land above a height of 30 feet, even though the applicable and justifiable zoning ordinance permits structures up to, say, 55 feet.

The need for H.R. 12137 is well set forth in a May 5, 1962, Washington Post editorial:

### PEOPLE'S RIVER

> The time has come, in our opinion, to provide a larger measure of protection over the Potomac River, its shores and adjacent landscape. The Potomac is the greatest scenic asset of the National Capital area. All planning for the Capital of the future begins with preservation of the river as the center of the city's recreational and scenic resources. But current events are proving that plans may be readily upset and the beauty of the river may be gravely impaired by decisions in real estate offices—decisions over which the public has no effective control.
>
> Congress decided more than 30 years ago that the shores of the Potomac in this area should be in public ownership and that these natural parklands should be opened to public enjoyment by parkways extending from Great Falls to Mount Vernon on the Virginia side and from Great Falls to Fort Washington on the Maryland side. It is a reproach to Congress and the city that this dream has not yet been fully realized and that funds are still being withheld for the southeastern leg of this project. The first step in any comprehensive plan for preserving the people's river would be to acquire these missing parcels of land for parks and the parkway.
>
> Beyond this is the question of protecting property still in private hands, but close to the river, from unsightly or incongruous developments. This problem has been flaunted in the face of the city by the proposal to clutter the Potomac Palisades with 17-story apartment buildings on the Merrywood estate above Chain Bridge. Under the terrific pressures that all such projects generate, the Fairfax Board of Supervisors caved in and granted a change of zoning which obviously imperils the whole concept of preserving the natural beauty of the river.
>
> No one should suppose that this special privilege of building high-rise apartments on the Potomac Palisades would end at the Auchincloss estate. Already many other properties on or near the Potomac are threatened, including areas at Hatton Point and Indian Head. Historic Mount Vernon has been menaced by efforts to construct a sewage plant across the river. In our opinion, the public has a vital concern in what is built on or near this river.
>
> We suggest, therefore, that Congress give the National Capital Planning Commission authority to review plans and control the building of any structure, other than a single-family residence, within, say, 1 mile of the Potomac for at least 25 miles above and below the District. There is ample precedent for public control over the development of areas deemed necessary to the attainment of esthetic aims in the Nation's Capital. It would also be highly desirable to control the residential development of areas adjacent to the river so as to avoid stripping away the trees or otherwise marring the natural setting. This could be done by requiring low density and

by forbidding any major change in the natural landscape.

What needs to be immediately established is a concept of the Potomac as the people's river. Its shores and adjacent areas should not be open to exploitation that will either contribute to pollution or spoil its natural beauty. The city cannot afford to let a few individuals impair this great asset which belongs to the millions who live in the area and other millions who will live here in the decades ahead. Prompt action seems to be imperative if this heritage of water, vegetation, cliffs, and an uncluttered riverside skyline is to be passed on to future generations.

### REASONS FOR THE ZONING APPROACH

Height limitation—the central issue in Potomac Valley preservation—is best handled by a zoning rather than a land purchase approach. It would be pleasant to have a national park along the Potomac from Great Falls to Mount Vernon. But this is unrealistic in view of the heavily built-up nature of the riverside area. The main Federal interest is in maintaining an attractive skyline, unpunctured by high-rise apartments, rather than in acquiring fee title to the land itself.

Furthermore, Congress has shown itself remarkably reluctant to appropriate funds in recent years for the purchase of lands along the Potomac. Examples of this are the recent opposition to land purchase for the proposed Chesapeake and Ohio National Park; or to purchase of land to protect the scenic area opposite Mount Vernon; or to supply needed funds for land purchase under the Capper-Cramton Act.

Now, what of the constitutionality of H.R. 12137?

The provision empowering the Secretary of the Interior to accept donations of air rights and other interests in land is identical with a provision contained in the Cape Cod National Seashore Act of 1961, 16 U.S.C. 459(b), which authorized the Secretary of the Interior to acquire property in the Cape Cod area by gift as well as by purchase.

### JUSTICES MARSHALL AND TAFT

The provision of H.R. 12137 declaring inoperative local zoning changes which impair the national interest in the natural beauty of the Potomac is upheld by the reasoning of two great Chief Justices of the U.S. Supreme Court, John Marshall and William Howard Taft. Both, incidentally, were deeply interested in the Potomac. Marshall in 1784 was one of the founders of the "Powtomack Company" to improve navigation. Taft as President called for the preservation of the Potomac upstream from Washington.

The case of *Cohens* v. *Virginia* (6 Wheat, 264) was decided by the U.S. Supreme Court in February 1821. The city of Washington in 1817 passed an ordinance authorizing a lottery to raise money to build a city building. A lottery ticket was sold in Virginia, and the seller was prosecuted under a Virginia law forbidding the sale of lottery tickets. He pleaded as a defense the act of Congress authorizing the lottery as superseding the Virginia law. The Court, speaking through Chief Justice Marshall, held that the lottery law by its terms did not authorize the sale of lottery tickets outside the District of Columbia, and that the accused's conviction under the Virginia antilottery law was hence sustained.

### WHAT MARSHALL SAID

Marshall went on, however, to indicate clearly that had Congress wished to have the lottery tickets sold in Virginia, and the Virginia antilottery law thus rendered inoperative, Congress could constitutionally have done so. After pointing out that article 1, section 8, clause 17, of the Constitution vests exclusive jurisdiction in Congress over "the seat of the Government of the United States," Marshall said:

> The power of exercising exclusive legislation draws after it, as an incident, the power of making that legislation effectual, and the incidental power may be exercised throughout the Union, because the principal power is given to that body [Congress] as the Legislature of the Union.
>
> If a felon escapes out of the State in which the act has been committed, the Government cannot pursue him into another State, and apprehend him there, but must demand him from the executive power of that other State. If Congress were to be considered merely as the local legislature for the fort or other place in which the offense might be committed, then this principle would apply to them as to other local legislatures, and the felon who should escape out of the fort, or other place, in which the felony may have been committed, could not be apprehended by the marshal, but must be demanded from the executive of the State. But we know that the principle does not apply; and the reason is, that Congress is not a local legislature, but exercises this particular power, like all its other powers, in its high character, as the Legislature of the Union. The American people thought it a necessary power, and they conferred it for their own benefit. Being so conferred, it carries with it all those incidental powers which are necessary to its complete and effectual execution (6 Wheat. 428–429).
>
> We very readily admit, that the act establishing the seat of government, and the act appointing commissioners to superintend the public buildings, are laws of universal obligation. We admit, too, that the laws of any State to defeat the loan authorized by Congress, would have been void, as would have been any attempt to arrest the progress of the canal, or of any other measure which Congress may adopt. These, and all other laws relative to the District, have the authority which may be claimed by other acts of the National Legislature; but their extent is to be determined by those rules of construction which are applicable to all laws. The act incorporating the city of Washington is, unquestionably, of universal obligation; but the extent of the corporate powers conferred by that act, is to be determined by those considerations which belong to the case (6 Wheat. 447).

### THE CAPITAL OF THE NATION

In July 1896, the U.S. Circuit Court of Appeals for the Sixth Circuit decided *Grether* v. *Wright* (75 Fed. 742). Circuit judge—later Supreme Court Chief Justice—Taft delivered the opinion of the court. An 1874 act of Congress granted the District of Columbia power to borrow money in order to improve and beautify the city of Washington, and provided that bonds issued by the District of Columbia for this purpose should be exempt from State taxation. An attempt of Ohio to tax these bonds was knocked down, and the congressional act upheld as constitutional. Taft, in his opinion, cited the exclusive congressional jurisdiction over the District of Columbia. Judge Taft said:

> By an alleged * * * reasoning, it is urged upon us, that, as Congress cannot give extraterritorial effect to the legislation passed by it in the government of the District of Columbia, it cannot exempt the bonds of the District.

This might be so, he granted, if the District were created purely for a local purpose. But, he asserted:

> The object of the grant of exclusive legislation over the District was * * * national in the highest sense, and the city organized under the grant became the city, not of a State, not of a district, but of a nation.

The sense of both the Cohens and the Grether decisions is that Congress, pursuant to its authority to legislate to protect the National Capital within the District of Columbia, can supersede the laws of a nearby State forbidding lotteries, or taxing municipal bonds, to the extent needed to preserve the Nation's Capital. Can anyone doubt that Marshall or Taft would today uphold an exercise of the congressional power to declare inoperative zoning regulations of outlying communities which likewise threaten to impair the Nation's Capital?

It should be borne in mind, too, that the Potomac is an interstate river, subject to the commerce power of Congress. Surely it is the concern of Congress whether the destruction of the wooded character of the Potomac causes siltation of the river, which may disturb navigation, or whether the scenic character of the river is harmed by improvident zoning.

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## SCIENCE SERVICE, INC.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, a bill, H.R. 11711, introduced May 10, 1962, by my distinguished colleague and friend from the 15th Pennsylvania District, Representative Francis E. Walter, would grant a Federal charter to Science Service, Inc., the organization responsible for fostering a dynamic and living interest in the sciences among American young people. I should like to voice my firm support of this bill, and urge its early enactment.

The accomplishments of this organization are so numerous and so important to the future prosperity and security of these United States, that they merit our recognition. Science Service has, with refreshing self-reliance—without a Federal work force and without aid from tax dollars—organized almost 20,000 high school science clubs in 50 States with a total membership of over 437,000. It created a National Science Fair which, as of this past year, has grown into a competition involving almost 1 million students from 45 States and several foreign countries. It has directed a high school talent search program extending into every State, and providing college scholarships for some of the Nation's most promising science students.

Yet the great achievement of this organization is more than these "statistics of service," impressive as they are. Science Service has instilled in American youth a deep and intimate relation with the sciences, a relation that has set many pupils on the path of a science education. Through the devotion of educators across the country, and in cooperation with local science fairs throughout the Nation, this private, nonprofit corporation has imbued our young people with the exciting, challenging spirit of science. It has taken them away from the sometimes drab routines of the textbook and put them in the living world of experimentation, research, and creation—a stimulus that points the way for the student to reach heights of discovery and self-expression. Here is a product of American ingenuity and capacity for cooperative effort whose strategic importance in these times deserves our greatest possible encouragement.

H.R. 11711 is a recognition of the accomplishments of this corporation, a public realization of the necessity of such an organization, and a mandate to continue in the grand tradition in which it has grown. The purposes and objectives of this corporation speak for themselves as stated in section 3 of the bill:

> (1) to develop an interest in science on the part of the young people of America,
>
> (2) to provide an opportunity for the exchange of scientific information and ideas among members of the clubs,
>
> (3) to encourage the promotion of science fairs at which members of the clubs may display their scientific works and projects, and
>
> (4) to develop an awareness of the satisfaction to be derived through a career devoted to science.

Permit me to cite a timely editorial that appeared in the May 21 issue of the Morning Call, Allentown, Pa., in my district, noting "the expanding hegemony of the Department of Health, Education, and Welfare," the danger of a heavyhanded Federal approach using science as a ruse to "create more Government jobs," as a lever "to ask for larger appropriations of Federal tax funds and dole them out to those who will dance to their tune."

The spirit in which this bill was conceived would not create another Federal tentacle. Indeed, this bill is an unusual opportunity for reaffirmation of our faith and pride in the American system of private enterprise. The aim of this bill is simply to encourage, to praise, and to help further the works of this privately supported Science Service, Inc., which is presently bound as a corporation by the laws of the State of Delaware. H.R. 11711 asks for no taxes, no Federal appropriations, no new jobs nor governmental personnel, no chain of command linked to any Federal department, agency, or bureau. On the contrary, this bill gives the greatest freedom of action to the corporation. The responsibility for the administration of this organization would, as now, rest in the hands of trustees drawn from the American Association for the Advancement of Science, the National Academy of Sciences, the National Research Council, and representatives of other groups or people who have demonstrated interest and leadership in molding future scientists. As the Morning Call editorial summarized it, the bill would recognize the tremendous job private enterprise has been doing in these fields for more than two decades and give it the mandate to continue without Government interference."

During this last week, this bill passed the Judiciary Committee by a unanimous vote. I hope you all share with me the desire to bring this bill to a successful vote as soon as possible. For how better can we demonstrate the Nation's appreciation to this organization which is, without state imposed discipline and regimentation that smothers individuality, constantly giving birth to scientists of tomorrow—scientists conceived in an atmosphere of individual freedom and initiative, nurtured on a diet of truth and close harmony with teachers and professors, and tempered by a flame of healthy competition. This organization draws its raw materials from the vast reservoir of our Nation's young people. Its factories are American schools and classrooms. Its "management" is the teacher. Its products are students with a sense of challenge in the sciences.

It is difficult to imagine anything more critically important to the very survival of our country. Certainly such an organization deserves a charter which assures a much merited official recognition of their status as a truly national corporation, yet one that will remain, as always, a free and independent unit in our system of individual initiative.

There has been growing concern in many circles over the real or apparent decline in the number of graduates necessary to permit the United States to progress in the various scientific fields. Lagging enthusiasm among our student population has been "viewed with alarm" by some observers. The technological race for new high levels of knowledge is a grim one. Our opponent's power derives from iron discipline and state-regulated regimentation. Our own strength, on the other hand, must come from the free enterprise system with its judicious balance of opportunities and its rewards for individual effort. Science Service has proven conclusively that in developing the potential that exists among the youth of America, youth must be inspired. Creative ability cannot be imposed by governmental edict; it can only grow and be brought to full realization in an atmosphere free of rigid conformity and faceless mediocrity.

This bill proposing the granting of a charter to Science Services, Inc., should be accorded nonpartisan support. For here we have an opportunity to maintain and extend technological advances and, perhaps of A-1 importance, to serve notice for all the world to see that as Americans we believe that science belongs to freemen and the ways of freemen.

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## SUPREME COURT DECISION ON MILK MARKETING ORDER

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 20 minutes.

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

### AN URGENT NEED FOR THE DAIRY FARMER—LEGISLATION TO AUTHORIZE CONTINUANCE OF MILK ORDER COMPENSATORY PAYMENTS RECENTLY STRUCK DOWN BY ACTION OF THE U.S. SUPREME COURT

Mr. STRATTON. Mr. Speaker, I have today introduced legislation to provide adequate legal authority for the so-called compensatory payments feature of the Federal milk-marketing order No. 2, which covers the New York-New Jersey milkshed area. I do so because I believe the continuation of this feature is of vital concern to the dairy farmers of upstate New York, and because I know that if the Supreme Court decision is allowed to stand without prompt corrective action being taken, our New York State dairy farmers face serious economic difficulty.

Mr. Speaker, on June 4 last, the U.S. Supreme Court handed down a decision invalidating the compensatory-payment provisions of our milk marketing order in the New York-New Jersey area. These provisions were first promulgated on December 14, 1953, by Mr. John H. Davis, then Assistant Secretary of Agriculture under Secretary Benson. They were reissued on June 10, 1957, by Acting Secretary of Agriculture Earl L. Butz.

The provisions for compensatory payments are a complex part of the New York-New Jersey order, but they are nonetheless a highly essential feature of the system of milk-price control which the order embodies. The invalidation of the compensatory-payment provisions threatens the continuance of the entire structure of milk-price control so carefully built up since 1933 by the Congress and the executive branch.

Dairy farmers in the States of Vermont, Pennsylvania, New Jersey, and New York regularly supply milk for the New York-New Jersey market. For more than 20 years now the milk order has given them some measure of stability in the prices they receive, but it has far from enriched them. With the action of the Supreme Court, these dairy farmers again face the prospect of disorganized and chaotic conditions in the sale of their milk, with lower prices and reduced incomes, unless we pass remedial legislation.

This is not the first time that the Congress has been faced with the need of enacting new laws in the field of milk marketing to safeguard the purposes of prior enactments. Control of milk prices was authorized in the original Agricultural Adjustment Act of 1933. When the Supreme Court decision in 1936, in *United States* v. *Butler*, 297 U.S. 1, cast doubts on the validity of this authority, Congress enacted the Agricultural Marketing Agreement Act of 1937, which reenacted and amended the relevant provisions, giving the Secretary of Agriculture clear authority to control milk prices.

Happily, the Supreme Court decision of June 4, involves no question of constitutionality. Mr. Justice Harlan, speaking for a majority of the Court, merely held that "the compensatory-payment provision of the New York-New Jersey milk marketing order must fall as inconsistent with the policy expressed by Congress" in section 8c(5)(G) of the act. At another point, he stated that the present compensatory payment plan can be sustained as necessary to effectuate the expressly authorized provisions of the order, "only if the Secretary has been authorized by statute."

Mr. Speaker, at this juncture of events, our task is to give the Secretary of Agriculture authority to include compensatory-payment provisions in milk marketing agreements and order issued under the Agricultural Marketing Agreement Act of 1937, as amended.

The compensatory-payment provisions of the New York-New Jersey order require, or have required, in the words of the Supreme Court, "that a handler who brings outside milk into the New York-New Jersey area and sells it for fluid use must pay to the pool's producers, through the producer settlement fund, an amount equal to the difference between the minimum prices for the highest and for the lowest use classifications prevailing in that area." These provisions are also contained in 22 other milk orders. Another 42 orders have somewhat different provisions.

It is to be explained that marketing agreements and orders for milk—the New York-New Jersey area operates only under an order—provide for a system of classifying and pricing milk according to use. Thus, milk utilized for bottling is the highest use, and is designated class I or class I-A. Milk used for cream may also be in class I; in the New York-New Jersey area it is in class II. Manufactured products are in class III in that area.

The highest price is paid by dealers, called handlers in the order, for milk used in class I. A lower price is paid for class II, and a still lower price for class III.

Since not all dealers use the same proportions of milk in each of the use classes, the average value of milk handled by each dealer will be different. To give all farmers in the market the same average price, a clearing fund, known as the producer-settlement fund, is established. If a dealer's average value of milk is above the market average, he pays the difference into the fund. If below the average, he draws money out of the fund. The net effect is that all farmers get the same price for their milk, subject to some adjustments, and all dealers pay the same price for milk used for the same purpose. This equating of prices received by farmers, and prices paid by dealers, goes under the name of marketwide equalization or marketwide pooling, whence come the expressions "pool," "pool handler," and "nonpool handler."

Milk orders are regional in character. They fix the prices of only those dealers who regularly sell milk in the regulated area. To make the system of regulation work, it is essential that there be some mechanism which will deal with the problem of milk sold by "outside" dealers. That mechanism is the compensatory-payment plan. Absent such a mechanism, an "outside" dealer could undersell regulated dealers in the order market. The "outside" dealer may be able to get his milk for an average price, or even for a surplus price, while the regulated dealer must pay the higher class I price. Without some means by which the operations of an "outside" dealer can be controlled, the entire plan of regulation under a milk order would in time break down.

All this must have been in the mind of Assistant Secretary of Agriculture John H. Davis, when he issued his findings in December 1953, which are the basis of the compensatory-payment provisions. He said as follows:

> Marketwide equalization of producer returns is an essential and indispensable provision of an order regulating the handling of milk for the New York market. Orderly marketing of milk in the market is virtually inconceivable in the absence of provisions for a marketwide pool under which the price required to be paid to producers is based on the utilization of milk by all handlers receiving milk from producers. Without marketwide pooling the inevitable scramble of each handler and producer for his share of the fluid market would render the order ineffective. Minimum class prices at a level necessary to insure an adequate supply of pure and wholesome milk for the market could not be maintained.
>
> Factors primarily associated with the size and complexity of the market preclude the uniformity in utilization among individual handlers which in the absence of marketwide pooling would have to prevail in order to obtain a workable degree of uniformity in prices paid to producers.

At another point in his findings, Mr. Davis said:

> The need for a provision in the order under which payments are required on milk and certain milk products from nonpool sources (hereafter referred to as compensation payments) arises directly from the fact that under the pooling structure of the order, as effective since 1945, some milk and milk products not primarily produced for the marketing area and therefore not pooled under the order may be distributed in the marketing area as class I and class II milk (principally fluid milk and cream), without being subject to minimum class prices and pooling at source. In contrast, pooled milk necessarily is subject to minimum class prices and pooling at its source, namely, the pool plants subject to the order. Classified pricing of pool milk requires that in order to secure an adequate supply of milk meeting the requirements of the market, the minimum class prices for fluid uses in the marketing area must be fixed at levels higher than prices for surplus classifications and the average utilization value of all pool milk. Nonpool milk thus has an advantage over pool milk when distributed as class I-A and class II milk, because it has not been subject to such high level classified pricing at its source. This disparity between pool and nonpool milk must, in some manner and by some device, be neutralized or compensated for if the integrity of the classified price structure for pool milk under the order is to be maintained and the declared purposes of the act achieved with respect to the New York marketing area.
>
> Nonpool milk which originates at a plant not subject to a marketwide equalization pooling plan has a substantial advantage over pool milk in addition to the price advantage. The handler who receives pool milk from producers and uses or sells it for class I-A purposes is charged the class I-A price but is not permitted to pay that full price to his own producers. Instead, he must pay a substantial part of it into the equalization fund under the order for distribution through the pool to all pool producers. A nonpool plant operator is not so burdened and limited, for he can pay his own farmers the full class I-A price of any part of it as he believes necessary to retain his supply of milk or outbid pool plant competitors for milk. Unless this condition is dealt with, the nonpool dealer can always outbid a similarly located pool plant competitor for milk supplies without cost to himself. The pool plant competitor obviously cannot afford to pay his own producers the full class I-A price and also pay equalization to the pool on the same milk. This condition results in disorderly marketing in the milkshed by placing otherwise similarly situated handlers in an unequal cost position for milk sold for fluid purposes in the marketing area.

While the bill I am introducing has been occasioned by the Supreme Court decision with respect to the New York-New Jersey order, the 22 other markets operating under similar compensatory provisions, and the 42 markets operating under somewhat different provisions, will be equally affected. Dairy farmers have worked diligently to get these orders issued for their areas. And now they see collapse and ruin. Let no fluid milk producer delude himself that he will escape the consequences of the Supreme Court's decision. Already there are reports of handlers fully regulated under the order refusing to make payments to the clearing fund, thus threatening the entire regulatory structure.

Before this disorder snowballs any further, Mr. Speaker, it is urgent that we act, and act firmly. For the Supreme Court decision, if not corrected, could easily undermine the stability of the whole New York-New Jersey milkshed area, and cause heavy income losses to New York dairy farmers.

The Supreme Court has referred to the compensatory-payment provisions as a "trade barrier." In his dissenting opinion, Mr. Justice Black commented as follows on the use of this expression:

> It is no doubt true that the Secretary's requirement that nonpool handlers make compensatory payments in order to sell fluid milk within the New York-northern New Jersey pool area does limit to some extent the ability of handlers whose major business is outside the pool to dump their surplus milk into the pool at highly profitable fluid milk prices, and if this is a trade barrier the Secretary's regulation can properly be called a trade barrier.

The reference by Mr. Justice Harlan to trade barriers was, of course, obiter dictum. This characterization was irrelevant to the Supreme Court's conclusion that compensatory payments were not authorized by statute, and were inconsistent with the policy expressed by Congress.

Undoubtedly, milk shippers in distant areas may feel that the Supreme Court decision will open the gates of eastern milk markets for them. This, of course, it will do, but only for a time, that is, until the orders are suspended. Then, since supplies of milk in the east exceed requirements, and since eastern farmers have no other outlets, there will be a scramble for markets, and prices will go down. After prices have dropped, shipments from distant points will no longer pay, and will stop. If distant shippers now envision great gains, they are only deluding themselves. So long as local supplies are more than ample—and we unfortunately do have a sizable surplus—the milk that is consumed in the east will come from farms in the east. That much should be plain.

There will, of course, be a very undesirable consequence of this delusion, of this chasing of the will-o'-the-wisp. Distant shippers, thinking they now have outlets in eastern markets, will increase their production, only to be disappointed when the day of reckoning comes. Ultimately, the cost will fall on the Federal Government. The added production will end up in Government storage.

Mr. Speaker, I have one final point to make on this issue. It is clear to me that if the farmers of New York State are to be prevented from serious economic disaster, the law must be amended quickly. Obviously, the easiest way to do this is to include this amendment as a part of the new agricultural bill which we will be considering in this body within the next few days.

Since the Supreme Court decision of June 4 affects not only the New York area order but some 70 other order areas as well, across the country, in which various marketing orders are in operation, there should be widespread support in this body for this effort to return our dairy situation to a condition of stability and dependability.

I might also add, Mr. Speaker, that the inclusion within the basic agricultural bill of a section so urgently needed by upstate New York dairy farmers might also serve to pick up some additional votes for the administration bill at a time when the legislation appears to have only a touch-and-go chance of passage.

Mr. Speaker, I urge the prompt adoption of this important legislation.

## FLAG DAY AND THE U.S. ARMY

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Oklahoma [Mr. ALBERT] is recognized for 15 minutes.

Mr. ALBERT. Mr. Speaker, I would like to call the attention of the House to the fact that today—June 14—is the occasion of two important commemorations. One of these is the 185th anniversary of the American flag, adopted by a resolution of the Continental Congress in 1777 which provided that "the flag of the United States shall be 13 stripes of red and white, with a union of 13 stars in a blue field, representing the new constellation." Although the constellation has grown to 50 stars, the flag still stands for a Nation dedicated to the principles of liberty and unity. It is still the supreme symbol of our American patriotism. And today, we rightfully honor that flag in observances throughout the Nation.

But there is another great American institution that observes its birthday on June 14—an institution that is actually older than the flag or the Nation. That institution is the U.S. Army.

It was June 14, 1775—almost a year before the signing of the Declaration of Independence, and exactly 2 years prior to the adoption of Old Glory, that the second Continental Congress, then convening in Philadelphia, authorized 10 companies of Infantry to serve the yet-to-be-created Nation.

Born amidst the flames of a revolution which had been raging for 2 months, this new-born Army, reinforced by volunteer militia units, soon received its baptism of fire. It was a small, poorly equipped force, composed of men who were courageous and determined, but who knew little of military tactics and discipline. Yet, this Army—led by a stern-faced soldier-planter from Virginia named George Washington—was destined to achieve greatness.

With bold success at Trenton and Princeton, valiant triumph at Saratoga, and conclusive victory at Yorktown, the young Army proved its worth. It was not an easy task—for there were bitter years of frustration, lack of funds and equipment, and suffering and sacrifice—but in the end, our Army prevailed—bringing freedom to a grateful Nation.

Many times since, the Army has been called upon—in major wars and untold numbers of minor conflicts—to provide its essential force for freedom. From the dusty plains of the American frontier to the muddy slopes of Korea, from the jungles of the Philippines to the forests on the Rhine, its deeds have become legend.

Moreover, the Army's essential service has not been limited to the realm of warfare, but has included a wide variety of contributions to the general welfare of each citizen. It was the Army that conquered yellow and typhoid fever, developed the chlorination of water, blood plasma substitutes and flameproof fabrics. It was the Army that built the Panama Canal and the Alaskan Highway, and participated in hundreds of other projects to make the United States and the world a better place in which to live.

It is indeed appropriate that we honor the U.S. Army for its service during the past 187 years. On this occasion, however, it is equally fitting that we view the Army in the light of its present responsibilities and the tasks which lie ahead. For the Army begins its 188th year of service in an environment of international tension that is unprecedented in peacetime history. On all sides, in the far-off jungles of southeast Asia, at the cold, imposing Berlin wall—and even at the nearby coast of Cuba—peace and freedom are being seriously threatened.

Because aggression today involves such a broad spectrum of possibilities, it follows that preparedness calls for strong, versatile, and flexible forces. Toward this end, the Army has developed dual capable forces, trained and equipped to fight with tactical nuclear weapons or with modernized conventional weapons. It has organized defense in depth with forward deployments strategically positioned to meet aggression head on, strategic Reserves to provide immediate backup, and combat-Ready Reserve components to meet the needs of expansion. In short, the Army stands ready to apply swift, selective force to match whatever form aggression may take—whether nuclear, limited, or sublimited.

In nuclear—or general—war, landpower would be a deciding factor in bringing hostilities to a favorable conclusion. Landpower—embodying the trained, skilled combat soldier—is necessary for the control of hostile populations and enemy territory, a requisite for victory. This condition cannot be enforced by a weapon, no matter how powerful. It is a task for the fighting man, who even in this age of vast technological advance remains the ultimate weapon.

General war would also find Army Forces manning air defense missile sites to protect our Nation from aerial attack. Additionally, the Army would have its capable hand in the military support of civil defense, protecting our population, and aiding national recovery.

In the case of limited war, the Army's role again would be of utmost importance—affording a choice of military measures appropriate to the aggression and consistent with national security interests. From a reinforced company to one or more field armies, the Army can employ self-contained units tailored to a specific task. This capability for a measured response to aggression is indeed essential if our Nation is to meet the threat of limited war without resorting to a nuclear answer. It means necessary defense without needless destruction.

Sublimited war—which falls below the level of overt aggression—is another problem to which the Army provides an essential answer. This answer is contained in the Army's special warfare capability, which includes not only the guerrilla warfare experts of Special Forces, but also regular combat units which have received training in special warfare tactics and techniques, along with their more conventional type training. In addition, the training and skills of practically all Army technical service and administrative personnel are adaptable to special warfare situations. Among the skills possessed by these personnel are those found in civil affairs, psychological warfare, engineer, medical, aviation, transportation, signal, and other fields.

It is significant to note that, throughout its history, the Army has engaged in activities of a special warfare nature. For example, in the Revolution it was the Colonial soldier's wily use of terrain, surprise, and other typical guerrilla tactics that caused so much harassment to the redcoat British Regulars. In the Indian wars, the Army learned still more about this type of fighting; and more recently, in the jungle campaigns of World War II, its store of special warfare know-how was expanded still further.

Today, the Army is using its special warfare capability to advise and assist allied nations whose sovereignty is being threatened by irregular forces. For example, members of Special Forces and other Army elements are actively giving the benefit of their fund of knowledge to indigenous forces in south Vietnam, who are engaged in a jungle war of terror with the infiltrating Viet-Cong.

Of course, the Army realizes that attention to military matters alone will not bring internal stability to a country in which insurgency threatens or has already taken place. Nation building—an important phase of counterinsurgency—is, therefore, being encouraged and, where appropriate, talents of U.S. Army personnel are used to show others how to plan and implement projects covering such areas as communications, pest control, and road construction. These projects promote better conditions in the beleaguered nation, and build up the people's will to resist the coercion as well as the aggression of the aggressors.

Mr. Speaker, in mentioning the essential role of the Army across the broad spectrum of warfare, I know that I have not introduced any revelations to my colleagues. As an indication of the cognizance of the Army's essential role by the House, I need only refer to the authorization of additional Army manpower and funds for modernization which received overwhelming support in this Chamber less than a year ago.

I know also that the House has watched with intense interest as the Army used its newly acquired assets to bolster our Nation's defenses. I am confident it joins me in applauding a job well done.

As a result of the buildup, Army Forces in Europe and the Far East have been strengthened. Moreover, our forces here at home have been brought to a new peak of combat readiness and our Strategic Army Forces has increased from three to eight divisions. In addition, the size of Special Forces—the all-volunteer special warfare organization—has been doubled.

Equipment modernization also has proceeded at a rapid pace, with many necessary items purchased in increased quantities. Among these were the M–14 rifle, the M–60 machinegun, the M–113 Armored personnel carriers, and M–60 tanks. Also included on the Army's shopping list were new missiles, such as the Sergeant; and new advances in communications, personnel protection, and a host of other materiel items.

In conjunction with these actions, the Army has also taken steps to improve its organization. Doubtless, you have heard that ROAD, the new concept for Army combat divisions, promises improved firepower, mobility, and command for both conventional and nuclear warfare. At a higher level a major reorganization of the Department of the Army is being implemented which promises to yield new heights of efficiency in management, long-range planning, personnel utilization, and other related functions.

The Army's 187th year has indeed been filled with progress. One cannot close the record on this eventful year, however, without giving credit where credit is due—to the members of the Army National Guard and Army Reserve, many of whom were recalled to active duty during the past year. The men who were called left their jobs, their families, and their homes; in short, their normal lives were disturbed with many personal sacrifices involved. Called to prevent war, their response has been truly magnificent.

While most of the attention has been riveted on the value of these reserves in the face of the Berlin crisis and worldwide tension, it is significant also that these men contributed greatly to the continuity and smoothness of the Army's overall strength increase. They provided the immediate strength for the build-up and have remained on active duty while permanent strength was being developed.

Now that the job of the called-up Reservist is almost completed, and plans have been made to return him to his home, it is fitting that we express our gratitude for a job well done—and for the comforting assurance that today, as in the past, America can count on its citizen-soldiers.

In closing, I call to mind the words of Gen. Douglas MacArthur, that magnificent old soldier, who once said that "a good soldier is expected to look backward as well as forward, but he must think only forward." These words provide a good description of the U.S. Army on the occasion of its 187th birthday. It looks back with justifiable pride upon a heritage of rich traditions and a record of distinguished service to the Nation; but its thinking, planning, and actions are geared toward maximum preparedness for the future. Whatever demands are made upon our Army in the years to come, there is one thing about which we may be certain—that it will be equal to the challenge—that, given the support of the American people, the U.S. Army will continue in its role as an essential force for freedom and an indispensable element of national defense.

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## FLAG DAY AND THE NATIONAL ECONOMY

The SPEAKER pro tempore. Under previous order of the House (the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 15 minutes.

Mr. SAYLOR. Mr. Speaker, after yesterday's spectacle devoted to the residual oil imports issue, I feel that Flag Day would be an appropriate time to remind my colleagues that we are all in this battle against unemployment together and that we had better stop and make a reassessment before sectionalism strikes too hard a blow against the national economy and security.

We have already lost considerable ground on both counts. We have watched unemployment mount higher and higher, and within a short time we are going to be presented with a trade bill that so clearly reflects the impact of more liberalized treatment of imports that it makes wide provision for placating damaged industry and adversely affected employees. Meanwhile, the national military machine, which costs in the neighborhood of $50,000 per year to sustain, is not even certain that—as a consequence of excessive oil imports—it will have fuel for its engines in the event of an emergency.

Flag Day would certainly seem like an appropriate time for this discussion. Yesterday we heard what I assume was an entirely spontaneous attack on the program that was established to restrict imports from foreign producing fields and refineries. I wonder whether my colleagues fully appreciate the significance of their recommendations. I wonder if they are in fact willing—in order that the selfish desires of the purveyors of foreign oil might be surfeited—to expose an increasing number of coal miners and railroad workers in Pennsylvania to unemployment, poverty, and frustration.

I think not, Mr. Speaker. I think these remarks yesterday were made without actual realization of the results of the recommendations that were advanced. In the Federal Government's considered determination of the status of its young men on this Flag Day 20 years ago, there was no distinction as to residence or occupation. Whether a young man had come from the mines of Pennsylvania, the textile mills of New England, the factories of New York, or the agricultural areas of Florida did not enter into his assignment at that time. Whether proper or improper Bostonian, silk stocking or West Side New Yorkers, Northerners, Southerners, Westerners—these men and boys went abroad as Americans to protect that flag that we are honoring today. Twenty years ago our forces were on the offensive in New Guinea; they were preparing to strike in North Africa; and they were training vigorously in army camps and in naval bases here and abroad for what was to be the greatest challenge to our flag in the history of our Nation.

Today there is a dual challenge. It is economic and it is military. Many of the men who were fortunate enough to return from that conflict of two decades ago have found that their sacrifices were not sufficient to satisfy the distorted ambitions of the Nation's own State Department. Thousands of our veterans have been forced to give up their means of livelihood in order that a foreign power might find an outlet for products that it chooses to dispose of in this country. Our war heroes were discharged from active duty only a short time when they began to suffer the effects of this strange policy. Even before I came to Congress in 1949, I found coal mines in my district beginning to curtail operations because foreign residual oil was impinging on their markets. The invasion has grown steadily over the subsequent years, but somehow our good friends on the east coast feel obliged to deliver periodic sermons on the need for more and more and more foreign oil.

The experiences of World War II on the domestic front have time and again been overlooked by those friends of ours. Perhaps our colleagues who have assumed this attitude are too young to remember what happened in those days of long ago. Twenty years ago many factories, schools, hospitals, and office buildings in New England and New York had to close because there was no fuel oil available. Your Governors and the responsible officials in Washington were appealing for conversions to coal-burning equipment before the advent of another cold season.

Mr. Speaker, today I do not intend to offer a detailed report of the economic and security aspects of the residual oil import problem. Every statement made here yesterday berating residual oil import controls can be refuted along these lines. When you distinguished gentlemen from New England stand up here and indicate that your fuel requirements cannot be met with the amount of foreign residual oil under permissible regulations, I urge that you look deeper into what is happening in the oil import arena, for I am confident that you will not approve of the subterfuges to which the shippers have resorted in order to win an ever increasing share of our domestic market. These international oil peddlers bring to you an account of their dealings that is less than factual. They report that the needs of your industries will go begging unless you are able to prevail upon the Government to raise the lid or to take the controls off altogether. Meanwhile, they are ringing doorbells farther and farther inland, signing contracts to deliver alien oil at whatever price is necessary to crowd out coal.

Today foreign residual oil's threat is no longer confined to the Atlantic seaboard. It moves ever closer into our centers of coal production. Foreign residual oil is being trucked into the Harrisburg area, right within the shadows of our preparation plants and breakers. You wonder why we have so much chronic unemployment in our bituminous coal and anthracite fields? You will find an answer to an important part of our problem in the residual oil import figures of the past 15 years.

Mr. Speaker, what I want to do on this Flag Day is to find out whether we cannot reach an area of understanding among those of us from the coal areas and our colleagues who have not heretofore agreed with us on foreign oil. I recall my disappointment when a bill that included a quota restriction on residual oil imports was defeated 8 or 9 years ago. At that time I resolved to listen more closely to remarks on foreign trade by Members of Congress who opposed our position on that issue.

I have observed that there is not a little inconsistency when it comes to foreign commerce. It is a most unfortunate situation in that entirely too much provincialism is demonstrated. It hardly seems fair for you to expect the Federal Government to protect your industries from foreign competition without affording us the same safeguards. Let me cite just a few examples of an attitude which I hope can and will be adjusted to the national rather than to local needs. I did not have time for extensive research. I cite only a few instances which I think are important to this problem of international trade.

Yesterday an impressive number of our colleagues took part in the sudden demand for abolishing the residual oil import control program regardless of impact on our coal miners. Have the advocates of this liberal trade policy always been so sympathetic of foreign protection?

The distinguished gentleman from Massachusetts [Mr. LANE] said less than a year ago that decreasing exports and increasing imports were condemning the textile industry to a slow if lingering death. As long as the Government fails to provide reasonable protection through tariffs or import quotas. The statement was, of course, only in keeping with the type of leadership he has long displayed in dealing with the unfair competition that perennially threatens New England industry. Here are a few remarks that have been made in the past by another distinguished colleague from Massachusetts [Mr. PHILBIN]:

> It should also be obvious, I think, that this Nation with its high wage scales and standards cannot hope, notwithstanding high productivity, to match or successfully compete with the extremely low wage scales and low standards that prevail in some other parts of the world * * *.
>
> I am not opposed to the use of quotas if they be fairly and constructively applied; in fact, I would favor this additional method.

On another occasion, the distinguished gentleman said:

> As I have pointed out many times, cheaply produced foreign goods are undermining American industrial prosperity in many industries and causing widespread unemployment and depressed conditions.

Mr. Speaker, I find that the gentleman from Massachusetts has for many years been a very dedicated protagonist in the interest of protection for some American industry against foreign products. I submit to him that we in Pennsylvania would appreciate his applying his principle to our State's dire economic conditions resulting from unwise foreign-trade policies; we are confident that, in retrospect, he will disassociate himself from the cruel and embittered attacks that took place on the floor of the House on the day immediately preceding Flag Day of 1962.

The gentleman from Maine [Mr. MCINTIRE] opened remarks to the House with this paragraph last March 20:

> Mr. Speaker, imports of low-priced goods made by low-wage foreign labor have already prompted economic dislocations in the State of Maine. Among those severely affected in the international trade program is our State's textile industry.

The gentleman's colleague [Mr. TUPPER] has said:

> The essence of the problem seems to be that excessive imports of textiles throw people out of work and mills out of operation; with the result that purchasing power declines and the Government's tax receipts drop. This has a snowballing effect on the incomes of grocers, car dealers, and all others from whom textile industry employees purchase their necessities. The result is a loss of income to our society, the loss of the potential of the labor forces in this industry, the demoralization of a segment of our society and a consequent increased cost in many social services.

The gentleman from Massachusetts [Mr. MORSE]:

> One of the important forces adversely influencing the textile industry has been the importation of goods from low-wage industries. * * *
>
> The 1960's have been called a decade of decisions for the United States. We must soon decide how we are going to save some of our basic industries—industries vital to our economy and essential to our security—or we must be prepared to accept the responsibility for their demise.
>
> The flow of foreign imports is critical to many of our industries. American business and labor are looking to this administration and Congress for the leadership and direction that is needed. We dare not postpone the hour of decision.

The gentleman from Massachusetts [Mr. MARTIN]:

> But America cannot tolerate a condition where excessive imports of certain goods threaten the dissolution of whole industries and a consequent loss of vitally needed tax dollars, together with a permanent corps of unemployed workers in our textile cities and towns.

Mr. Speaker, on this Flag Day I appeal to my friends on both sides of the aisle to view this matter of foreign competition with greater objectivity. You know and I know that your views on obtaining protection for your industry while at the same time disregarding ours cannot be reconciled. Neither can you disregard the fuel needs that would suddenly arise in your constituency if an emergency developed and foreign oil were cut off. Unless you join with me in precluding such an eventuality, you will in fact have contributed to the malfunction that could very well take place in our defense program.

Please reconsider your position of yesterday, for you have chosen the side of greater economic distress for Pennsylvania and other coal-producing States. None of my friends would deliberately contribute to the decline and fall of our industry. None would willfully destroy the avenues of subsistence for their fellow Americans.

Under a reasonable foreign policy, with proper restrictions against excessive imports, there can be prosperity and security ahead for all of us. Let us join arm in arm in seeking that objective.

## TWENTY-FIRST ANNIVERSARY OF MASS DEPORTATIONS OF BALTIC CITIZENS BY COMMUNISTS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. CUNNINGHAM] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, on this day in 1941 there began the mass deportations of the citizens of the Baltic States by the Communists.

For 21 years the people of Latvia, Lithuania, and Estonia have been subjected to suffering and exile at the hands of the Russians, and in the years since 1941 other nationalities have come to learn firsthand of the terrible plight of these first three nations to fall to the Russian military might.

Today we can only guess at the toll in human lives which these vicious Communists have taken throughout the captive nations. We should also give thanks for our own freedom and pledge again our determination to stand against the forces of international communism until these peoples in the captive nations are once more free of the oppressive rule of the Russian Communists.

Certainly this Congress owes it to the people of these Baltic nations and to the people of all the captive nations to give new consideration to the proposed Committee on Captive Nations. As a cosponsor of this proposal, I fail to see why the administration should object in any way to the establishment of such a committee.

For myself, I am proud that this Nation has been the leader of the free world in war and peace. I would hope and expect that we would continue to be the leader of the free world in the cold war. But we will not be in this position unless we pursue a more vigorous approach to some of our international affairs than we have taken in the past.

Accordingly, I offer as a bare beginning, these suggestions and comments for those millions in this country who want us to continue as the Nation which speaks softly but carries a big stick. I might add that I do not think Teddy Roosevelt meant to apologize or fail to speak up for our rights and the rights of men everywhere when he used the term "speak softly."

First, I have already mentioned the matter of captive nations. I believe this House of Representatives should establish a Captive Nations Committee to serve as a focal point to remind Russia that we do not regard her military occupation of these nations as final authority of Russia over them. Also it would remind the world—especially those uncommitted nations who are so ardently wooed by some in our State Department—that the international Communist conspiracy is not characterized by freedom for the individual or even for nations, but rather by oppression and control and military dictatorship.

In this regard, I view it as most important that our United Nations delegation bring up before that body in every way possible and as often as possible the fact that Russia today holds millions of people captive and has violated the independence of country after country.

Second, I would suggest that the administration announce a complete and immediate embargo of trade with all nations behind the Iron Curtain. Needless to say this would include a stop at once of all training of Communist military personnel and an end to shipments of military goods to the so-called independent Communist Tito, of Yugoslavia.

What possible value there is to this Nation in trade with the international Communist bloc is beyond me. I call on the administration to stop such trade, and further urge my colleagues here in the Congress to press ahead with legislation to absolutely ban such trade.

Third, I would suggest a vigorous and long-range plan of propaganda and persuasion to sell the very excellent points which the free world has on its side. It is ridiculous that we should be so outclassed and outmanned by Communist propaganda efforts around the world. Madison Avenue should be more than willing to use its many talents to aid the free world in this important battle for men's minds. Certainly the work of the U.S. Information Agency should be upgraded within the administration and given more attention by all departments who deal with foreign governments and persons from foreign countries.

Fourth, I believe we should stop pursuing the present policy with Russia. I think we should tell the Communists we intend to win the cold war. Let them know that we are determined to win and that we intend to win not only by drawing a line wherever they plan to infiltrate and expand into the free world, but by announcing that we regard their continued presence in the captive nations as military occupation.

Let us take the offensive by demanding an end to these military occupations, free and open elections, United Nations supervision of said elections and other steps to move the cold war battleground from the free world into the Communist's backyard.

## TRAGIC DAYS FOR LITHUANIA, LATVIA, AND ESTONIA

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, the night of June 14, 1941, and the days to follow were tragic ones for the peoples of Lithuania, Latvia, and Estonia as thousands upon thousands were forcibly driven from their homes and deported under inhuman conditions by the Soviet Communists. The national independence of the Baltic States had already been destroyed by the incorporation of these three countries into the Soviet Union in 1940. But the Communists did not rest content with the destruction of independence. They were bent on destroying the peoples of these countries as well, by denouncing as traitors and sending to slave labor camps in Siberia anyone who dared criticize the totalitarian system that had been forced upon freedom-loving peoples.

Now, many years later, the fate of thousands of these people arbitrarily removed from their homelands is still not known. What is known, however, is that the Baltic countries themselves have become a large Communist prison camp for their inhabitants. They have been nationalized and collectivized in line with Communist ideology. Civil rights are no longer recognized. The activities of individuals are closely watched; movement and assembly are rigidly controlled. Freedom and independence remain but a dream, for it is unthinkable that individual liberties can exist under such a tyranny.

Our sympathies extend to any peoples forced to live under such conditions but especially to the courageous populations of Lithuania, Latvia, and Estonia. For we have seen their achievements during the peaceful and golden decades between the two World Wars when they were independent states. The fine arts, literature, and music flourished. Minorities enjoyed equal political rights and full cultural autonomy. Vast advances were made in industry and trade. Continuing efforts were exerted to expand education. And then in 1940 all was changed. But it is still possible that one day the Communist oppressor will be gone and that the Baltic States will see a new golden age. We express our fervent hope that this will be so. In commemorating the tragic days of June 1941 for Lithuania, Latvia, and Estonia, we extend our ardent support for their liberation and for the restoration of cherished individual freedoms to their peoples.

## THE 21ST ANNIVERSARY OF DEPORTATION OF BALTIC CITIZENS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, the unhappy peoples of the Baltic countries—Estonians, Latvians, and Lithuanians—enjoyed only a short period of independence and freedom during the interwar years. All three had regained their freedom at the end of the First World War, but very early in the last war, they all became victims of the Kremlin's treachery and inhumanity.

While they were independent and masters of their fate for two decades, their giant neighbor to the east, Communist Russia, was jealous and envious of the prosperity and democracy in these countries. The Soviet rulers seemed intent to put an end to these democracies at the first opportune moment. They had that opportunity in mid-1940 and carried out their evil designs.

Early in the year all three countries were invaded and occupied by the Red army; then through a Soviet-style election Communist regimes were installed in all three countries, and subsequently the countries were incorporated into the Soviet Union. In the meantime the newly instituted Communist regimes, with the help of Soviet agents, arrested and imprisoned a large number of Estonian, Latvian, and Lithuanian nationals, several hundred thousands in all, and these were exiled to distant Asiatic parts of the Soviet Union. It is this deportation of innocent peoples that is being observed today, marking the 22d anniversary of their tragic fate.

Mr. Speaker, I would like to refer at this time, in connection with this anniversary of the tragic deportation of Baltic peoples, to the Baltic States resolution I introduced early this Congress. The measure, House Concurrent Resolution 153, calls for Congress to request the President to bring up the Baltic States question in the United Nations and ask the U.N. to request the Soviets to withdraw from Lithuania, Estonia, and Latvia and return Baltic exiles, and that the U.N. conduct free elections in Lithuania, Estonia, and Latvia under its supervision.

The complete text of House Concurrent Resolution 153 follows:

> Whereas the Communist regime did not come to power in Lithuania and the other two Baltic States, Estonia and Latvia, by legal or democratic processes; and
>
> Whereas the Soviet Union took over Lithuania, Estonia, and Latvia by force of arms; and
>
> Whereas the Baltic people, Lithuanians, Estonians, and Latvians, under Communist control were and still are overwhelmingly anti-Communist; and
>
> Whereas Lithuanians, Estonians, and Latvians desire, fight, and die for their national independence; and
>
> Whereas the Government of the United States of America maintains diplomatic relations with the Governments of the Baltic nations of Lithuania, Estonia, and Latvia and consistently has refused to recognize their seizure and forced "incorporation" into the Union of Soviet Socialist Republics: Now, therefore, be it
>
> *Resolved by the House of Representatives (the Senate concurring)*, That the House of Representatives and Senate of the United States of America request the President of the United States to bring up the Baltic States question before the United Nations and ask that the United Nations request the Soviets (a) to withdraw all Soviet troops, agents, colonists, and controls from Lithuania, Estonia, and Latvia, (b) to return all Baltic exiles from Siberia, prisons, and slave-labor camps; and be it further
>
> *Resolved*, That the United Nations conduct free elections in Lithuania, Estonia, and Latvia under its supervision.

Mr. Speaker, I believe it is important not only to the Baltic people but to the free world that everything possible be done to promote and bring about freedom for the Baltic people and I would respectfully urge that this resolution be approved by the Congress.

## FLAG DAY

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. WESTLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WESTLAND. Mr. Speaker, today, which marks the 185th anniversary of the adoption of our Nation's flag, also is the birth date of the U.S. Army. The Army was founded on June 14, 1775, by action of the Continental Congress.

The Army colors bear 145 battle streamers which commemorate the Army's campaigns. These streamers are reminders of heroic sacrifices and battles of the past. From Ticonderoga in 1775 through the Korean campaigns, the men of America answered the calls to arms against our enemies. Today, in the cold war, other men are serving as members of the Army Reserves or the Army National Guard to help preserve our precarious peace. Typical are the officers and men of the 732d Transportation Company from my hometown of Everett, Wash.

Mr. Speaker, in the finest tradition of the Army, the members of the 732d answered their call to active duty last year without fanfare. Not a single soldier in this unit has complained to me as their Representative in the Congress about the service their country asked them to perform. They received their orders and are doing their duty as their fathers and grandfathers did in the past.

I believe that we owe these men and the other men, whether Regulars, Reserves, or guardsmen, a word of thanks as we salute the U.S. Army on its 187th birthday.

## SOVIET DEPORTATIONS FROM THE BALTIC STATES

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FINO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, on this 21st anniversary of the first mass deportations from the three Baltic States—Lithuania, Latvia, and Estonia—we extend our sympathy to the tragic victims of heartless Soviet tyranny and acknowledge our continuing support for their liberation. With the influx of the Soviet Army in 1940 began an erosion of religious and civil liberties that culminated in the mass deportations of thousands among the populations of the Baltic States on June 14 and 15, 1941. There had been no warning. The reasons for the seizures were pure fabrication. Many of the exiles have never been heard from since.

But the history of tragedy began even earlier and continued even longer. It commenced with the Soviet-Nazi conspiracy. It still has not ended. In 1939 the Soviet Government imposed mutual assistance pacts upon the Baltic States as an excuse for stationing troops in Lithuania, Latvia, and Estonia. In 1940 the Kremlin incorporated the Baltic States into the Soviet Union by threat and connivery. In 1941 began the mass deportations to Siberia as part of a cruel plan to enslave the Baltic nations. But the fact that the populations of these countries are still living in slavery two decades later does not mean that their serfdom will last forever. It must not last forever, for man can live just so long in slavery, especially when he has known something better.

In the hiatus between the world wars the Baltic States were flourishing republics. The individual liberties so dear to the hearts of men—freedom of speech, of assembly, and of religion—were constitutionally guaranteed. Vast strides were being made in the areas of land reform, industry, transportation, social legislation, and education, to mention but a few fields of effort. In short, the Baltic countries were respected members of the community of sovereign and independent states. Although their independence came to an abrupt end in 1940, the courageous peoples of these three small countries have never lost hope that they might one day regain their sovereignty and liberty. It is up to us in the free world to give them every encouragement and to assure them that our thoughts are with them in these their hours of darkness.

## FAREWELL MESSAGE OF PRESIDENT EISENHOWER

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MORSE. Mr. Speaker, on January 18, 1961, a great American delivered a farewell message to the American people, 3 days before leaving the Presidency.

A number of Americans were surprised when Dwight Eisenhower warned his countrymen of the dangers to their liberties implicit in the rise of a mammoth Military Establishment and a huge arms industry.

Let me quote President Eisenhower:

> This conjunction of an immense Military Establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every statehouse, every office of the Federal Government.
>
> We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources, and livelihood are all involved; so is the very structure of our society.
>
> In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.
>
> We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense without peaceful methods and goals, so that security and liberty may prosper together.

Many of us who have shared President Eisenhower's deep concern have been alert over the months to evidence that might tend to demonstrate the misuse of the vast power of which the President spoke.

On the floor of this House yesterday, our distinguished colleague, the gentleman from Michigan, Representative FORD, one of the most respected Members of this House, brought to our attention a report which reveals that those in control of our Military Establishment have indeed sought to exert political power through economic leverage on our defense industry.

Gentlemen, I rise today, beseeching every single Member of this body fully to comprehend the implications of the action which the gentleman from Michigan, Congressman FORD, and other Members have reported.

I have today asked the chairman of the Military Operations Subcommittee of the House Committee on Government Operations, the gentleman from California, Representative HOLIFIELD, to initiate an immediate investigation, with open hearings, of the charges made yesterday by the gentleman from Michigan, Congressman Ford.

Every Member of this body who respects our free institutions will, I hope, support my efforts.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Ruess, for 10 minutes, today, and to revise and extend his remarks.

Mr. Curtin, for 10 minutes, today.

Mr. Stratton, for 20 minutes, today, and to revise and extend his remarks.

Mr. Wickersham, for 20 minutes, on Monday, June 18, 1962.

Mr. Morse, for 5 minutes, today.

Mr. Saylor, for 15 minutes, today.

Mr. Albert (at the request of Mr. Edmondson), for 10 minutes, today, and to revise and extend his remarks.

Mr. Dulski (at the request of Mr. Edmondson), for 30 minutes, on Friday, June 15.

Mrs. May (at the request of Mr. Barry), for 1 hour, on June 25, 1962.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Barrett.

Mr. Philbin in two instances, in each to include extraneous matter.

Mr. Wilson of Indiana and to include extraneous matter.

Mr. Mahon to include extraneous matter in the remarks he made in the Committee of the Whole today.

Mr. Dent.

Mr. Daddario.

(The following Members (at the request of Mr. Edmondson) and to include extraneous matter:)

Mr. Celler.

Mr. Anfuso.

Mr. Carey.

Mr. Santangelo.

Mr. Flood.

Mr. Murphy.

Mr. Daniels.

Mr. Rodino.

Mr. Farbstein.

Mr. Gallagher.

Mr. Clark.

Mr. Boland in two instances.

(The following Members (at the request of Mr. Barry) and to include extraneous matter:)

Mr. Alger.

Mr. Broomfield.

Mr. Fino.

Mr. Wallhauser.

Mr. Halpern.

Mr. Widnall.

Mr. Jensen.

Mr. Schadeberg.

## BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 13, 1962, present to the President, for his approval, a bill of the House of the following title:

H.R. 10502. An act for the relief of James B. Troup and Sylvia Mattiat.

## ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p.m.) the the House adjourned until tomorrow, Friday, June 15, 1962, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2184. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend section 107(d) of the Soil Bank Act" (7 U.S.C. 1801); to the Committee on Agriculture.

2185. A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting the semiannual report to the Congress on the strategic and critical materials stockpiling program for the period July 1 to December 31, 1961, pursuant to Public Law 520, 79th Congress; to the Committee on Armed Services.

2186. A letter from the Chairman, Federal Home Loan Bank Board, transmitting the Annual Report of the Federal Home Loan Bank Board for the calendar year 1961, pursuant to section 17(b) of the Federal Home Loan Bank Act; to the Committee on Banking and Currency.

2187. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 172 of the Internal Revenue Code of 1954 to provide a 7-year net operating loss carryover for certain regulated public utilities"; to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMAS: Committee on Appropriations. House Joint Resolution 745. Joint resolution making supplemental appropriations for the fiscal year 1962; without amendment (Rept. No. 1822). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 689. Resolution for consideration of H.R. 11921, a bill to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes; without amendment (Rept. No. 1823). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. S. 2130. An act to repeal certain obsolete provisions of law relating to the mints and assay offices, and for other purposes; without amendment (Rept. No. 1824). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 10383. A bill to amend the Federal Home Loan Bank Act to give Puerto Rico the same treatment as a State in the election of Federal Home Loan Bank Directors; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 11310. A bill to amend section 3515 of the Revised Statutes to eliminate tin in the alloy of the 1-cent piece; with amendment (Rept. No. 1826). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 12133. A bill to provide that a percentage of the net budget receipts of the United States (up to 10 percent thereof) shall be devoted exclusively to the retirement of the public debt; to the Committee on Government Operations.

By Mr. CURTIN:

H.R. 12134. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance and tax credits, and for other purposes; to the Committee on Ways and Means.

By Mr. FALLON:

H.R. 12135. A bill to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. O'BRIEN of New York:

H.R. 12136. A bill to amend Public Law 409, 74th Congress, to authorize the appropriations necessary to carry out authorized improvements in the project for the Great Lakes-Hudson River Waterway; to the Committee on Public Works.

By Mr. REUSS:

H.R. 12137. A bill to help preserve the natural beauty of the Potomac River between Great Falls and Mount Vernon; to permit the Secretary of the Interior to accept donations of interests in Potomac riparian land; to assert the national interest against action by local governments which would impair the natural beauty of the Potomac; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H.R. 12138. A bill to amend the Agricultural Marketing Agreement Act of 1937 to permit certain payments under milk marketing orders; to the Committee on Agriculture.

By Mr. MORRIS K. UDALL:

H.R. 12139. A bill to provide that certain public lands in Yuma and Maricopa Counties, Ariz., may be appropriated or disposed of under the public land laws subject to the right in the United States to flood the lands in connection with the Painted Rock Reservoir project; to the Committee on Interior and Insular Affairs.

By Mrs. GRANAHAN:

H.R. 12140. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 12141. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. HALL:

H.R. 12142. A bill to amend title 10, United States Code, to provide for the identification of a military airlift command as a specified command, to provide for its military mission, and to eliminate unnecessary duplication in airlift; to the Committee on Armed Services.

By Mr. JUDD:

H.R. 12143. A bill to provide for the distribution of the total net income from wildlife refuges administered by the U.S. Fish and Wildlife Service of the Department of the Interior, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. NYGAARD:

H.R. 12144. A bill to amend section 401 of the act of June 15, 1935 (49 Stat. 383; 16 U.S.C. 715s), in order to authorize increased payments to counties in which Federal wildlife refuges are situated, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SHORT:

H.R. 12145. A bill to amend section 401 of the act of June 15, 1935 (49 Stat. 383; 16 U.S.C. 715s), in order to authorize increased payments to counties in which Federal wildlife refuges are situated, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ST. GERMAIN:

H.J. Res. 747. Joint resolution granting the consent of Congress to the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia to negotiate and enter into a compact to establish a multi-State authority to construct and operate a passenger rail transportation system within the area of such States and the District of Columbia; to the Committee on the Judiciary.

By Mr. BURKE of Kentucky:

H. Con. Res. 482. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. CAREY:

H. Con. Res. 483. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. EDMONDSON:

H. Con. Res. 484. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. FARBSTEIN:

H. Con. Res. 485. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. FASCELL:

H. Con. Res. 486. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. HEMPHILL:

H. Con. Res. 487. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. MOSS:

H. Con. Res. 488. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. ST. GERMAIN:

H. Con. Res. 489. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. MORRIS K. UDALL:

H. Con. Res. 490. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. WHITENER:

H. Con. Res. 491. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. WRIGHT:

H. Con. Res. 492. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. ASHLEY:

H. Con. Res. 494. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. BRADEMAS:

H. Con. Res. 495. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Territory of Guam, memorializing the President and the Congress of the United States relative to requesting the enactment of legislation extending the statute of limitations for claims against the Government of the United States only as to landowners whose properties are situated within the old Harmon Field area; which was referred to the Committee on Interior and Insular Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIN:

H.R. 12146. A bill for the relief of David Hiestand; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 12147. A bill for the relief of Orazio Morello; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 12148. A bill for the relief of the DiCuia family; to the Committee on the Judiciary.

By Mr. KLUCZYNSKI:

H.R. 12149. A bill for the relief of Jozefa Trzcinska Biskup; to the Committee on the Judiciary.

By Mr. McVEY:

H.R. 12150. A bill for the relief of Dr. Jose Enrique Garzon; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 12151. A bill for the relief of Wong Fook Cheung; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 12152. A bill for the relief of Jozefa Pietka; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.R. 12153. A bill for the relief of Mrs. Phoebe Thompson Neesham; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 690. Resolution providing for sending the bill (H.R. 7618) authorizing the payment of certain moneys to N. M. Bentley in settlement of claim against the United States, together with accompanying papers, to the Court of Claims; to the Committee on the Judiciary.

# SENATE

### THURSDAY, JUNE 14, 1962

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of our fathers, whose love divine hath led us in the past: Be Thou still our ruler, guardian, guide, and stay. We lift this day our jubilate for the starry flag which in all the world is the sacred emblem of this Nation under God. As we pledge anew allegiance to all that its flowing folds symbolize, make us solemnly conscious that—

> "There's not a thread of it,
> No, nor a shred of it
> In all the spread of it,
> From foot to head,
> But heroes bled for it,
> Faced steel and lead for it,
> Precious blood shed for it,
> Bathing it red."

Holding aloft the flag which is freedom's best hope to defeat slavish tyranny, send us forth, we pray Thee, not just to cheer for it, but to live for it; to be willing gladly to die for it; that government of, by, and for the people may not perish from the earth.

God bless our America in these tempestuous days, as under that banner she mobilizes her might to defend freedom and to oppose thralldom in all the world. And, God, our Father, make us worthy of America at its best. Amen.

## THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 13, 1962, was dispensed with.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the joint resolution (S.J. Res. 198) deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 2206. An act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado; and

H.J. Res. 745. Joint resolution making supplemental appropriations for the fiscal year 1962.

## HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred as indicated:

H.R. 2206. An act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado; to the Committee on Interior and Insular Affairs.

H.J. Res. 745. Joint resolution making supplemental appropriations for the fiscal year 1962; to the Committee on Appropriations.

## LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. Mansfield, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

## COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. Mansfield, and by unanimous consent, the following subcommittees and committees were authorized to meet during the session of the Senate today:

The Committee on Finance;

The Antitrust and Monopoly Subcommittee of the Committee on the Judiciary;

The Permanent Subcommittee on Investigations of the Committee on Government Operations;

The Committee on Aeronautical and Space Sciences; and

The Judiciary Subcommittee of the Committee on the District of Columbia.

## RESOLUTION OF KANSAS JUNIOR CHAMBERS OF COMMERCE

Mr. CARLSON. Mr. President, Kansas has one of the outstanding State junior chambers of commerce, under the able leadership of its president, Jim Wymore, Jr., of Salina, Kans.

At a recent meeting of the State organization a resolution in opposition to the King-Anderson bill was adopted.

I ask unanimous consent that the resolution be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Whereas the Jaycee creed says that we believe that economic justice can best be won by freemen through free enterprises, and since the health insurance benefit payments during 1961 totaled over \$6$\frac{3}{10}$ billion and since 75 percent of the Nation's population had some type of hospital medical care insurance in 1961, and since the health chairman, after checking, believes that private enterprise is working diligently to handle the situation: Now, therefore, be it

*Resolved,* That the Kansas Jaycees in convention assembled, go on record as being opposed to the medical care to the aged under social security.

The 4,000 members of the 80 local chapters of the Kansas Jaycees feel that this resolution clearly states our belief and position on this pending legislation and urge you to vote against the adoption of the King-Anderson bill.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KERR, from the Committee on Finance, with amendments:

H.R. 10606. An act to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes (Rept. No. 1589).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 3508. An act to amend the Tariff Act of 1930, as amended (Rept. No. 1590); and

H.R. 10986. An act to continue for a temporary period the existing suspension of duty on certain amorphous graphite (Rept. No. 1591).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 11743. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended (Rept. No. 1593).

By Mr. JACKSON, from the Committee on Armed Services, with an amendment:

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes (Rept. No. 1594).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H. Con. Res. 473. Concurrent resolution providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile (Rept. No. 1592).

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, without amendment:

S. 2436. A bill to transfer certain land in the District of Columbia to the Secretary of the Interior for administration as a part of the National Capital parks system, and for other purposes (Rept. No. 1595);

S. 2139. A bill to exempt from taxation certain property of the American War Mothers, Inc. (Rept. No. 1597); and

S. 3315. A bill to relieve owners of abutting property from certain assessments in connection with the repair of alleys and sidewalks in the District of Columbia (Rept. No. 1596).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

S. 2977. A bill to amend the Life Insurance Act of the District of Columbia (Rept. No. 1601);

S. 3063. A bill to incorporate the Metropolitan Police Relief Association of the District of Columbia (Rept. No. 1599);

S. 3350. A bill to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center to extend the time during which appropriations may be made for the purposes of that act (Rept. No. 1600); and

S. 3359. A bill to authorize the Commissioners of the District of Columbia to lease certain public space under and in the vicinity of 10th Street SW., for public parking (Rept. No. 1598).

## TESTIMONY OF CERTAIN WITNESSES BEFORE THE COURT OF QUARTER SESSIONS, COUNTY OF PHILADELPHIA, PA.—REPORT OF A COMMITTEE

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, I report an original resolution, and ask unanimous consent for its immediate consideration.

Mr. President, there are presently pending before the Court of Quarter Sessions, County of Philadelphia, Pa., two criminal actions which arose out of an investigation conducted by the former Select Committee on Improper Activities in the Labor or Management Field relating to Local 107, International Brotherhood of Teamsters, Philadelphia.

In that connection, the court has issued subpenas requiring the testimony of former employees of the Senate select committee, and calling for the production of certain documents which now are a part of the files of the Permanent Subcommittee on Investigations of the Committee on Government Operations. As Senators know, under Senate Resolution 255, 86th Congress, the files of the select committee are transferred to the control of the Permanent Subcommittee on Investigations.

The purpose of this resolution is to authorize the former employees of the select committee to testify before the courts in Philadelphia County and to present certain documentary evidence now in the files of the Permanent Subcommittee on Investigations.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. CLARK. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am happy to yield.

Mr. CLARK. I should like to commend the Senator from Arkansas for the cooperation he is giving the law-enforcement agencies in my home city of Philadelphia; and I also wish to commend him for the fine investigation he made of that particular local.

Mr. McCLELLAN. I thank the Senator from Pennsylvania.

Mr. CLARK. It is one which I think was highly in need of investigation.

I express the hope that with the assistance of the chairman of the Permanent Subcommittee on Investigations, of the Committee on Government Operations, justice will be done in this case in the courts of Philadelphia.

Mr. McCLELLAN. I thank the Senator from Pennsylvania. I may say that these records were developed in the course of the investigation; and the court needs them in order to prosecute the case, in order that justice may be done.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 349) authorizing certain former Senate employees to appear and testify before certain courts of Philadelphia County, Pa., and bring certain records, reported by Mr. McCLELLAN, from the Committee on Government Operations, was considered and agreed to, as follows:

Whereas, in the case of the *Commonwealth of Pennsylvania* v. *Abraham Berman, Edward Walker, Joseph Hartsough, Joseph Grace, John Joseph Elco, Raymond Cohen, and Ben Lapensohn*, bill of indictment No. 520 of the September 1959 session of the court of Oyer and Terminer of Philadelphia County of said Commonwealth of Pennsylvania, a subpoena ad testificandum and duces tecum was issued upon the application of the District Attorney of Philadelphia County, and addressed as follows:

To John B. Flanagan, Francis J. Ward, Leo Nulty, George L. Nash, Ralph Mills, Ralph DeCarlo, Alfred Vitarelli, and Robert E. Dunne, all of whom are former employees of the Senate Select Committee on Improper Activities in the Labor or Management Field; and directing them to bring with them all accounting analyses, work papers, statements, affidavits, and supporting documents prepared by them from the records of Local 107 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, or from the records of any of the above-named defendants, which subpoena ad testificandum and duces tecum is returnable on September 4, 1962, at 10 o'clock antemeridian; and

Whereas in the case of the *Commonwealth of Pennsylvania* v. *Ben Lapensohn* on which a preliminary hearing has been set by a judge of the Court of Quarter Sessions of Philadelphia County, Commonwealth of Pennsylvania, sitting as a committing magistrate, which preliminary hearing is scheduled to be held June 15, 1962, a subpoena ad testificandum and duces tecum was issued upon the application of the District Attorney of Philadelphia County, and addressed as follows:

To John B. Flanagan, Francis J. Ward, Leo Nulty, George L. Nash, Ralph Mills, Ralph DeCarlo, Alfred Vitarelli, and Robert E. Dunne, all of whom are former employees of the Senate Select Committee on Improper Activities in the Labor or Management Field; and directing them to bring with them all accounting analyses, work papers, statements, affidavits, and supporting documents prepared by them from the records of Local 107 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, or from the records of any of the above named defendants, which subpoena ad testificandum and duces tecum is returnable on June 15, 1962, at ten o'clock ante meridian; and

Whereas said material is in the possession of an under the control of the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations, by virtue of Section 5 of Senate Resolution 255 of the 86th Congress; and

Whereas by the privileges of the Senate of the United States no document under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession, but by its permission; and

Whereas by the privilege of the Senate and by rule XXX of the Standing Rules of the Senate, no document shall be withdrawn from its files except by the order of the Senate; and

Whereas information secured by staff employees of the Senate pursuant to their official duties as employees may not be revealed without the consent of the Senate: Therefore be it

*Resolved*, That John B. Flanagan, Francis J. Ward, Leo Nulty, George L. Nash, Ralph Mills, Ralph DeCarlo, Alfred Vitarelli, and Robert E. Dunne, former employees of the United States Senate Select Committee on Improper Atcivities in the Labor or Management Field, are authorized to appear and testify at the times and places, and before the courts named in the subpoenas ad testificandum and duces tecum before mentioned, or at any continued and subsequent proceedings thereof, and to take with them such documents and papers called for in said subpoenas for production before said courts where determined by the judges thereof to be material and relevant to the issues before them.

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense; and

Cyrus Roberts Vance, of New York, to be Secretary of the Army.

By Mr. McCLELLAN (for Mr. EASTLAND), from the Committee on the Judiciary:

John D. Butzner, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

## EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mrs. SMITH of Maine. Mr. President, from the Committee on Armed Services, I report favorably 282 nominations in the Regular Air Force, in the grade of major and below. All of these names have already appeared in the CONGRESSIONAL RECORD; so in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk, for the information of any Senator.

The PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Maine.

The nominations are as follows:

Maurice Y. Gibson, Jr., and sundry other persons, for appointment in the Regular Air Force.

## BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3412. A bill for the relief of Kristina M. Prosowicz; to the Committee on the Judiciary.

By Mr. PEARSON (for himself and Mr. MURPHY):

S. 3413. A bill to amend the Internal Revenue Code of 1954 to allow an additional exemption of $600 for a dependent child of the taxpayer who is a full-time student above the secondary level; to the Committee on Finance.

(See the remarks of Mr. PEARSON when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3414. A bill for the relief of Shiegeko Ikeda Rakosi; and

S. 3415. A bill for the relief of J. Ashton Gregg; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 3416. A bill for the relief of Chung K. Won; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 3417. A bill to authorize the addition of certain donated lands to the administrative headquarters site, Isle Royale National Park; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 3418. A bill to amend the charter of the National Union Insurance Co. of Washington; to the Committee on the District of Columbia.

By Mr. PROUTY:

S. 3419. A bill for the relief of Enrico Petrucci; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3420. A bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mrs. SMITH of Maine:

S. 3421. A bill authorizing modification of the harbor project at Kennebunk River, Maine; to the Committee on Public Works.

By Mr. HUMPHREY:

S.J. Res. 200. Joint resolution to establish a Century of Freedom Commission; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. TALMADGE:

S.J. Res. 201. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. Talmadge when he introduced the above joint resolution, which appear under a separate heading.)

### RESOLUTION

## AUTHORIZATION FOR CERTAIN FORMER SENATE EMPLOYEES TO APPEAR AND TESTIFY BEFORE A CERTAIN PENNSYLVANIA COURT

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 349) authorizing certain former Senate employees to appear and testify before a certain court of Philadelphia County, Pa., and bring certain records, which was considered and agreed to.

(See the above resolution printed in full when reported by Mr. McClellan, which appears under the heading "Reports of Committees.")

## AMENDMENT OF INTERNAL REVENUE CODE OF 1954 RELATING TO AN ADDITIONAL EXEMPTION FOR FULL-TIME STUDENTS ABOVE THE SECONDARY LEVEL

Mr. PEARSON. Mr. President, this Nation's acceptance of world leadership and the complicated, perplexing issues of the day continue to emphasize this Nation's need to encourage the maximum intellectual development of our youth. The struggle for survival is more dependent upon the quality of our brainpower than upon our sheer capacity to outproduce our adversary in military hardware.

Increased enrollments and the cost of advanced education continue their rapid increase. The fact that the increased cost of education is a major obstacle for many of our young people has been a motivating force in the many recommendations made for Federal aid to education. Indeed, conditions must be created which will make it possible for more of this valuable reservoir of talent to participate, by virtue of their expanded knowledge, in the molding of our Nation's economic, social, and technical future.

The public has provided for institutions of higher learning, and other such institutions have been sponsored by private or religious organizations; but in this country the higher education of our youth has traditionally been a family responsibility. Together, these have contributed much to the great strides we have made to reach the status of the most educated people in the world.

Yet there is always more to be done.

We must now look to additional means and ways to further encourage individual and family responsibility for securing additional higher educational training. The Congress has under consideration a 10-point Federal program for aid to education. I have often expressed my opposition to Federal aid to education, with the exception of the existing National Education Defense Act, impacted area legislation, the school lunch program, and the legislation providing for loans to higher institutions for the construction of dormitories and classrooms.

The institutions of learning and the students themselves must never lose the complete freedom which is necessary for a valid and full educational program.

I now introduce a bill which will permit the head of a household to claim a double exemption for a dependent attending an institution of higher learning.

I believe this bill will serve to encourage the further acceptance by the family of the responsibility for advanced education, rather than to encourage it to abdicate its responsibility to the Federal Government.

This proposal is a simple and equitable one. It does not require any new Federal bureaucracy. It does not interfere with the family's or the student's choice of institution or course of study. It is a procedure which is easy to understand since it requires only a minor alteration in the income tax reporting form. Its enactment at this session of Congress will satisfy many of the objectives advanced in the programs of Federal aid to education and for tax reductions.

I ask that the bill be received, appropriately referred, printed in the Record, and held at the desk until next Tuesday, June 19, for possible cosponsorship. I may say that I am now joined in the sponsorship of the bill by the junior Senator from New Hampshire [Mr. Murphy].

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record, and held at the desk, as requested by the Senator from Kansas.

The bill (S. 3413) to amend the Internal Revenue Code of 1954 to allow an additional exemption of $600 for a dependent child of the taxpayer who is a full-time student above the secondary level, introduced by Mr. Pearson (for himself and Mr. Murphy), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the Record, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 151 of the Internal Revenue Code of 1954 (relating to deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(g) Additional Exemption for Dependent Children Attending School Above the Secondary Level.

"(1) In general.—An additional exemption of $600 for each dependent (as defined in section 152)—

"(A) who is a child of the taxpayer for whom the taxpayer is entitled to an exemption under subsection (e) (1) for the taxable year, and

"(B) who, during at least 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a full-time student above the secondary level at an educational institution.

"(2) Definitions.—For purposes of paragraph (1)—

"(A) Child.—The term 'child' means an individual who (within the meaning of section 152) is a son, stepson, daughter, or stepdaughter of the taxpayer.

"(B) Educational institution.—The term 'educational institution' has the meaning assigned to it by subsection (e) (4)."

Sec. 2. Section 213(c) of the Internal Revenue Code of 1954 (relating to maximum limitations on deductions for medical, dental, etc., expenses) is amended by striking out "subsection (c) or (d), relating to the additional exemptions for age or blindness" and inserting in lieu thereof "subsection (c), (d), or (f), relating to certain additional exemptions."

Sec. 3. Section 3402 (f) (1) of the Internal Revenue Code of 1954 (relating to withholding exemptions) is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (e) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (E) the following new subparagraph:

"(F) one additional exemption for each individual with respect to whom, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(f) (relating to dependent children attending school above the secondary level) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit."

Sec. 4. The amendments made by this Act, other than the amendments made by section 3, shall apply to taxable years beginning after December 31, 1961. The amendments made by section 3 shall apply with respect to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this Act.

## AMENDMENT OF SECTION 19a OF INTERSTATE COMMERCE ACT TO ELIMINATE CERTAIN VALUATION REQUIREMENTS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes. I ask unanimous consent to have printed in the Record a letter from the chairman of the Interstate Commerce Commission, together with a recommendation and justification of the proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter, recommendation, and justification will be printed in the Record.

The bill (S. 3420) to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes, introduced by Mr. Magnuson, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter, justification, and recommendation presented by Mr. Magnuson, are as follows:

Interstate Commerce Commission,
*Washington, D.C., June 12, 1962.*

Hon. Warren G. Magnuson,
*Chairman, Committee on Commerce,*
*U.S. Senate, Washington, D.C.*

Dear Chairman Magnuson: I am submitting herewith for your consideration 40 copies of a draft bill, together with a statement of justification therefor, which would give effect to legislative recommendation No. 6 in the Commission's 75th annual report.

We would very much appreciate your assistance in having this bill introduced and scheduling a hearing thereon.

Sincerely,

Rupert L. Murphy,
*Chairman.*

### RECOMMENDATION NO. 6

This proposed bill would give effect to legislative recommendation No. 6 of the Interstate Commerce Commission as set forth on page 188 of its 75th annual report as follows:

"We recommend that section 19a be amended in the following respects: '(1) to eliminate the requirement that the Commission determine the present value of land; (2) to eliminate the requirement that the Commission determine the valuation of property held by carriers for purposes other than for use in common carrier service; (3) to eliminate the requirement that the Commission ascertain and report the amount, value, and disposition of aids, gifts, grants, and donations and the amount and value of concessions and allowances made by carriers in consideration thereof; and (4) to make optional the requirement that the Commission keep itself informed of changes in the quantity of the property of carriers, following the completion of the original valuation of such property.'"

### JUSTIFICATION

The purpose of the attached draft bill is to eliminate certain valuation requirements that are no longer considered necessary in carrying out the regulatory functions of the Interstate Commerce Commission.

Determination of the present value of land was appropriate in finding original property valuations under an earlier concept which also gave consideration to the reproduction cost of property other than land. The determination of a rate base, however, is not restricted to this or to any other single method. It is significant, in this connection, that the Commission, in recent years, has seen fit, in establishing a base for measuring rate of return for railroads, to use the original cost of property, except land, less depreciation thereon as shown by the books of account, plus estimated present value of land, plus an allowance for working capital.

There has been considerable latitude for a number of years as to what might properly be considered in arriving at a rate base, and the wide choice available to regulatory agencies in this connection has been recognized by the Supreme Court. In *Federal Power Commission* v. *Natural Gas Pipeline Co.*, 315 U.S. 586 (1942), the Court held that "The Constitution does not bind ratemaking bodies to the service of any single formula or combination of formulas," and in *Federal Power Commission* v. *Hope Natural Gas Co.*, 320 U.S. 602 (1944), the Court amplified its opinion in the Natural Gas Pipeline Co. case by holding that "it is not the theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important."

The magnitude of an undertaking which contemplates field appraisal of land used in carrier operations, even if such work were attempted on a staggered or recurring cycle basis, would require the expenditure of large sums of money if present value determinations are to be kept reasonably current.

The Commission has made adequate provision for the proper accounting and financial reporting of noncarrier property, and the value of such property is not considered for valuation or ratemaking purposes. Therefore, we see no need to value noncarrier property as is presently required by section 19a of the Interstate Commerce Act.

Insofar as aids, gifts, grants, and donations are concerned, practically all property in this category is of record in the original valuations found by the Commission for railroads. The significance of this information has diminished over the years, and carriers have long since discontinued the granting of concessions in the form of land-grant rates in consideration of such gratuities.

It is a current requirement that carriers by railroad and by pipeline report annually, the number of units of property added or retired during the year. This reporting requirement represents an unnecessary burden for railroads since property units are not used in the development of rate bases, as they were when the railroads were originally valued.

The situation with respect to the reporting of units of property changes by pipeline carriers is unlike that of the railroads. The Commission finds property valuations for pipeline carriers each year. In this process, property units are used in the development of the cost of reproduction new, an element which is considered by the Commission in arriving at the rate base.

Enactment of this proposed measure would, in our opinion, result in a considerable saving to the industry, and would eliminate a statutory requirement no longer necessary nor feasible because of the magnitude of the undertaking necessary to keep reasonably current.

## CENTURY OF FREEDOM COMMISSION

Mr. HUMPHREY. Mr. President, I introduce a joint resolution to establish a Century of Freedom Commission to develop plans for commemorating this coming year the 100th anniversary of the singing of one of the most significant documents of human progress in the annals of history.

I refer, of course, to the Emancipation Proclamation which became effective January 1, 1863, and which declared more than 4 million men, women, and children free from the chains of slavery.

The joint resolution itself is self-explanatory and I ask unanimous consent that its text be printed in full in the RECORD at the conclusion of my remarks.

Very briefly, the joint resolution calls for the establishment of a Century of Freedom Commission to be composed of 30 persons, including the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, who shall all 3 serve as ex officio members of the Commission; 3 Members from the House of Representatives appointed by the Speaker of the House; 3 Members of the U.S. Senate appointed by the President of the Senate; 20 members to be appointed by the President of the United States; and 1 member from the Department of the Interior who shall be the Director of the National Park Service or his representative.

The functions of the Commission would be to develop and execute suitable plans for commemorating the 100th anniversary of the Emancipation Proclamation.

One of the darkest chapters in world history was the enslavement and forced deportation of Negro men, women, and children. As our Secretary of State Dean Rusk said only recently at a dinner in honor of the President of the Ivory Coast, Felix Houphouet-Boigny, the United States can take no pride in regard to the manner in which Africans came to this country, but we can be proud of the contributions which Africans and their descendants have made to the United States.

Certainly the Emancipation Proclamation of 1863 was one of the most noble acts of government in the history of mankind. And the faith which Abraham Lincoln had in the Negro people has been confirmed by the contribution which they have made, against great odds, to our country.

I would hope, Mr. President, that this Century of Freedom Commission would, among other things, direct its attention to acquainting the public with the impressive accomplishments that American Negroes have made these past 100 years. It is an impressive record. It is a record in which we can all take pride. It is a record of accomplishment which deserves more attention than has been given. The Commission could perform a most valuable and important public service by focusing public attention on these accomplishments of the Negro people of America.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 200) to establish a Century of Freedom Commission, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the year 1963 will mark the one-hundredth anniversary of the Emancipation Proclamation which gave freedom from slavery to 4 million men, women, and children; and

Whereas the number of Negroes now living in these United States is in excess of 19 million; and

Whereas the Negro race has shaken off the intangible fetters of circumstance and contributed greatly to the growth of America and given prestige to its cultural customs and mores; and

Whereas the Negro has readily and unflinchingly taken up arms to defend American democracy in every war since Cripus Attucks died a martyr for freedom in the Boston Massacre; and

Whereas the Negro has constantly demonstrated his dedication to the American spirit of freedom by serving in key educational, military and governmental posts; and

Whereas it is appropriate that the ideals and accomplishments of the Negro race be reemphasized and given wider public knowledge on the occasion of the one-hundredth anniversary of its freedom; and

Whereas it is incumbent upon us as a nation to provide for the proper observance of this American event which has been and continues to be a vital force in our history: Therefore be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) in order to provide for appropriate and nationwide observances and the coordination of ceremonies, there is hereby established a Commission to be known as the "Century of Freedom Commission" (hereafter in this joint resolution referred to as the "Commission") which shall be composed of thirty members as follows:

(1) The President of the United States, President of the Senate, and Speaker of the House of Representatives, who shall be ex-officio members of the Commission;

(2) Three members who shall be Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(3) Three members who shall be Members of the Senate, to be appointed by the President of the Senate;

(4) Twenty members to be appointed by the President of the United States; and

(5) One member from the Department of the Interior who shall be the Director of the National Park Service or his representative.

(b) The Director of the National Park Service shall call the first meeting for the purpose of electing a chairman. The Commission, at its discretion, may appoint honorary members, and may establish an advisory council to assist in its work.

(c) Appointments provided for in this section, with the exception of honorary members, shall be made within a period of ninety days from the date of enactment of this joint resolution; except that vacancies may be filled after such period. Vacancies shall be filled in the same manner as the original appointments were made.

SEC. 2. The functions of the Commission shall be to develop and execute suitable plans for commemorating the one-hundredth anniversary of the Emancipation Proclamation. In developing such plans, the Commission shall give due consideration to any similar and related plans advanced by State, civic, patriotic, hereditary, and historical bodies, and may designate special committees with representation from the above-mentioned bodies to plan and conduct specific ceremonies. The Commission may give suitable recognition by the award of medals and certificates or by any other appropriate means to persons and organizations for outstanding achievements in preserving the culture and ideals of the Negro, or historical locations connected with his life.

SEC. 3. The President of the United States is authorized and requested to issue a proclamation inviting all the people of the United States to participate in and observe the centennial anniversary of the historical event, the commemoration of which is provided for herein.

SEC. 4. (a) The Commission is authorized to accept donations of money, property, or personal services; to cooperate with State, civic, patriotic, hereditary, and historical groups and with institutions of learning; and to call upon other Federal departments or agencies for their advice.

(b) The Commission, to such extent as it finds to be necessary, may, without regard to the laws and procedures applicable to Federal agencies, procure supplies, services, and property and make contracts, expend in furtherance of this joint resolution funds donated or funds received in pursuance of contracts hereunder, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purpose of this joint resolution.

(c) The National Park Service is designated to provide all general administrative services for the Commission.

SEC. 5. (a) The Commission may employ, without regard to civil service laws or the Classification Act of 1949, an Executive Director and such employees as may be necessary to carry out its functions. The annual rate of compensation of the Executive Director shall not exceed the scheduled rate of basic compensation provided for grade GS–18 in the Classification Act of 1949, as amended.

(b) Expenditures of the Commission shall be paid by the Executive Director of the Commission, who shall keep complete records of such expenditures and who shall account for all funds received by the Commission.

(c) The Commission shall submit to the President, not later than September 1, 1962, a report presenting the preliminary plans developed by it pursuant to this joint resolution. A final report of the activities of the Commission, including an accounting of funds received and expended, shall be made to the Congress and the President by the Commission not later than December 31, 1964, upon which date the Commission shall terminate.

(d) Any property acquired by the Commission remaining upon its termination may be used by the Secretary of the Interior for purposes of the national park system or may be disposed of as surplus property. The net revenues, after payment of Commission expenses, derived from Commission activities, shall be deposited in the Treasury of the United States as miscellaneous receipts.

SEC. 6. The members of the Commission and of the Advisory Council shall receive no compensation for their services, but shall be reimbursed for their actual and necessary traveling and subsistence expenses incurred by them in performing their duties.

SEC. 7. There are hereby authorized to be appropriated such funds as may be necessary to carry out the provisions of this joint resolution, including an appropriation of not to exceed $1,000,000 to prepare the preliminary and final plans and reports of the Commission described in section 5(c) of this joint resolution.

## EXTENSION OF TIME FOR FILING LEASES FOR TOBACCO ACREAGE ALLOTMENTS

Mr. TALMADGE. Mr. President, last year Congress passed a law, Public Law 87–200, which authorized any tobacco farmer to lease any part of his allotment to any other owner or operator in the same county up to 5 acres. In order to be effective, it was required that this lease agreement be filed with the ASC committee office before the date prescribed by the Secretary, and in no event later than the normal planting time in the county.

This law was made necessary by the fact that many tobacco allotments were so small that they did not constitute enough acreage to form an economic unit on which the farmer could make a living. I supported this proposal and think that it will prove very beneficial to our tobacco producers.

Since the adoption of this leasing program, however, hardship cases have arisen which require further legislative action. A number of tobacco farmers have missed the deadline set by the Secretary in filing these leases, and are now faced with a penalty for overplanting unless some relief is granted. The Department concedes that these farmers thought they were in compliance and would like to allow exemptions to the general rule. Unfortunately, there was no authorization for such relief contained in the law as passed last year.

I introduce herewith a joint resolution which would give the Secretary of Agriculture this authority. A similar joint resolution was introduced in the House yesterday. It has the full support of the Department of Agriculture and I hope that it will receive early and favorable consideration by Congress.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 201) to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed, introduced by Mr. TALMADGE, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

## ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BEALL:

Article entitled "Fathers and Sons," written by Senator JENNINGS RANDOLPH, published in Parents' Magazine.

## "EXCELLENCE AND THE NATIONAL SERVICE"—ADDRESS BY SENATOR JACKSON

Mr. MANSFIELD. Mr. President, earlier this week, the Senator from Washington [Mr. JACKSON] delivered a notable address, entitled "Excellence and the National Service," to the Industrial College of the Armed Forces.

Senator JACKSON's speech sets forth certain lines of inquiry planned by the Subcommittee on National Security Staffing and Operations, which he heads.

I ask unanimous consent that the text of his address be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

### EXCELLENCE AND THE NATIONAL SERVICE

(By Senator HENRY M. JACKSON)

Admiral Rose, distinguished guests, faculty, and members of the college, I am highly honored to join in this graduation ceremony. This is a happy day for you—and a fortunate day for our country.

This is a unique college. Nowadays, you know, most colleges don't graduate you—they parole you to the alumni association, which is a gentlemanly way of putting the bite on you for the rest of your life.

I know you will never forget that you stand in the high tradition of this college. You have had a chance to let your minds range over the perplexing problems of national security and to gain fresh insights into the complexity of the issues that face our decisionmakers. An awareness of the interrelationship of political, economic, and military factors is the beginning of wisdom in the field of human affairs to which you are devoting your lives. You should go to your next duties better equipped than before to share in the great tasks of national security—because you better understand the problems of your coworkers in these tasks in the Pentagon, State, the Budget Bureau, Treasury—and the Congress.

It is a commonplace of graduation ceremonies to say that our Nation faces a time of testing as fateful as any in its history.

It also happens to be true—which is a nasty habit of commonplaces.

What is true for us is necessarily true for our adversaries as well. They too face a time of testing. They have mobilized for it. They know what they want. They have their plans for getting it. They will use every trick of the trade, including some we have not heard of yet, and every resource that can be diverted from essential civilian needs to achieve, in Mr. Khrushchev's words, their goal of burying us.

Let us not underestimate the adversary. But, even more important, let us not underestimate ourselves.

The United States is a strong, dynamic, purposeful, but impatient nation. Preoccupied, as we are almost all of the time, with each new day's quota of problems, not to mention its frustrations, pin-pricks, and minor setbacks, we sometimes forget how different today is from, say, 1947. It is, perhaps, wise now and then to look back as well as ahead.

We have come far in the past 15 years. It was just 15 years and 1 week ago—on June 5, 1947—that Secretary of State George Catlett Marshall made what is surely the most important commencement address ever given—leading directly to the Marshall plan for European recovery.

Then we wondered whether communism might not take over in France and Italy. Germany and Japan were prostrate, shattered in defeat, their economies in shambles. Greece was in the throes of civil war. The bulldog British, in a remarkable act of national self-discipline, had imposed austerity on themselves as a means of rebuilding the foundation of their national greatness. The mighty power of the greatest military establishment ever built—the American Armed Forces of World War II—had been demobilized in pellmell haste and was in disarray. We wondered whether we could afford $14 billion for defense.

Today, how different our problems are: From Japan eastward across the United States to Western Europe, the economies are booming—so that our economic problems are the problems of surpluses not shortages. How Mr. Khrushchev would like to trade economic problems with us. Our allies have become so strong that we have a few problems with them now and then—but the differences that beset the Moscow-Peiping axis should help us to see our problems with our allies in a truer perspective. Hundreds of millions of people have won their independence in what is surely the most radical political transformation ever accomplished wtihout enormous bloodshed and violence. We will have our differences and difficulties with the new nations—but their desire for independence, for nationhood is, if we but keep things in perspective, a building block of a decent world order.

Today in short, our problem is to use our strength wisely—whereas only 15 years ago it was to create strength out of weakness.

It is, of course, easier to build strength than to use it wisely. It is the awesome responsibility of the President to carry the main burden of leadership in the new tasks of the new day. He cannot delegate the great decisions on which the course of events will turn to any council or committee. The responsibility is his. In the setting of the sixties it is more difficult to exercise this responsibility than ever before. It is therefore all the more important that the key departments and agencies give the President efficient, steady, large-minded support.

Standards of performance adequate for quieter times will not do. State, Defense, the military services, the economic agencies, and the rest of our Government must meet new tests of excellence. Yes, and Congress, too.

Last month the Senate of the United States established the Subcommittee on National Security Staffing and Operations and asked it to make a study of how well our Government is staffed to conduct national security operations.

The subcommittee's inquiry is based on the simple proposition that the No. 1 task is to get the right men into the right jobs at the right time and to make it possible for them to do a job. Men rise to responsibility, if they are given half a chance. The subcommittee's modest goal is to help them get half a chance.

Robert Lovett said it best in 1960:

"The authority of the individual executive must be restored. * * * Committees cannot effectively replace the decisionmaking power of the individual who takes the oath of office; nor can committees provide the essential quality of leadership."

President Kennedy has made an impressive effort to shape the Government's machinery on this principle. It is the right philosophy of operations and we should push forward with it.

In this connection, I want to mention three problems that need special attention.

First. We should carry on with new vigor the fight against overstaffing in the national security departments and agencies.

Too many cooks spoil the broth—especially if they are all in the soup to begin with.

One must distinguish between operations, like running a military base, where the size of the organization must be tailored to the requirements of the job, and decisionmaking, where, beyond a certain point, there is a negative correlation between quantity of staff and quality of advice.

In policymaking more people make for more layering, more clearances, more concurrences, more warm bodies in air-conditioned committee rooms. A good staff is a small staff. If it always has much more to do than it can possibly do, it will do what is important, and not make difficulties in order to make work.

It is hard, I know, to devise a successful attack on this problem of overstaffing. We must be prepared, I believe, to consider the abolition or sharp curtailment of entire activities when these have become obsolete or of marginal importance. We must find a way to give top officers more freedom to hire, fire, and promote. And by clearer delegations of authority, we must reduce the number of people and agencies that get in on every act—and elbow for recognition at every curtain call.

Second. We need a clearer understanding of the role of the expert in the policy process.

Specialized competence is increasingly required to deal with national affairs. Most of the President's decisions demand expert advice—economic, military, scientific, diplomatic, and so on.

Yet an expert is a difficult man to have around the house.

His advice within his specialty merits closest attention. But expertness demands narrowness. We focus in order to get greater depth perception—but at the sacrifice of the panoramic view. And the expert is often the last man to recognize how little he sees. He is tempted to confuse the microcosm with the macrocosm—and we have seen experts who could not resist the temptation to claim the authority to speak definitively on issues foreign to their areas of competence.

I have seen a good many good scientists. I have the highest regard for their contributions to our national welfare. But I have often been astonished by a political naivete which is almost childlike in its simplicity and would be touching were it not dangerous to themselves and others. In their own fields they may recognize how much they do not know and how tentative their judgments must be—but let them step outside their fields and all too often they see things black and white.

We have a long way to go in mastering the problem of using experts. We must recognize that no one is a specialist in reading the future and that in policymaking the advice of the expert must be filtered through the only policy computer yet devised—the minds of responsible leaders.

Third. The time is overdue for a career development program to discover and train men who have the aptitude for policymaking and administration.

Excellence in the high posts of Government is the key to the success of all our efforts in foreign and defense policy. The President and his chief lieutenants are critically dependent on top career men who have the gift of seeing problems whole, of devising policies to meet them, and of administering complex operations.

In an age identified as it is with the expert—the scientist—we have too often underestimated the contribution of the generalist.

The Government of the United States is one of the most complicated systems ever devised by man for getting things done. The successful functioning of this system depends on the qualities of the men and women who make it up and the efficiency of the relationships which enable it to work at all. Yet among large employers our Government is virtually alone in not having a career development program to discover and train officials for top policy and executive tasks.

In fact, present arrangements almost force men to concentrate in their careers on the particular problems and special concerns of a single bureau or service.

In terms of their own needs, the Armed Forces have done much better. The very term "general officer" is a recognition of the need for men with broad training and experience and a largeness of mind. Attendance at this college or the National War College or their equivalent, together with a tour of duty in a joint or international command, is virtually required for those men who attain general officer rank.

A comparable effort is needed throughout Government, but especially in State, Defense, and the other agencies concerned with national security, to provide civilian officials with wide backgrounds of training and experience and to expose a selected group of military officers to day-to-day tasks in areas usually left to civilians.

We do not have any leadership aptitude tests or leadership achievement tests by which we can select tomorrow's leaders on the basis of their answers to a set of multiple-choice questions. They must be discovered by letting them distinguish themselves in a variety of jobs and trained by requiring them to exercise their abilities in a variety of tasks.

My friends, whatever your next assignment, you have your work cut out for you.

At a recent commencement Bob Hope's advice to the young people going out into the world was: Don't go. But that choice is not available, attractive as it sometimes seems.

The work you undertake—whether civilian or military, in this country or overseas—will be exacting. It will have its full quota of frustration and disappointment. But it will be rewarding, for it serves the cause of freedom.

The tasks ahead will tax our rich resources of talent and determination for the foreseeable future. We must live with the sword but not by it. Our military forces are the great shield behind which we work to build a better world.

We shall do so by strengthening the center of freedom, by building a powerful, prosperous, loyal partnership of the free men who live in the Atlantic and Pacific community. It is here, in this great community of freedom, that the foundations of the future lie—rising from the truly revolutionary idea that men need not choose between material progress and individual liberty.

A false fear of the unknown and obsession with the perils ahead will confuse our judgment and paralyze our efforts. We must know that the future is the history we make day by day—and the page we are working on is bright with promise. So, let's get on with it.

## MEXICO'S ROLE

Mr. MANSFIELD. Mr. President, the Christian Science Monitor published on June 9, 1962, a most interesting article, by Marion Wilhelm, on Mexico and President López Mateos. The article deals with the Mexican postrevolutionary experience in democratic, economic, and social progress and the implications of that experience for the Alliance for Progress.

Mexico and the United States have a great deal to gain from the closest collaboration; and, working together, the two countries have much to give to the rest of the hemisphere.

It is for that reason, as this article notes, that great importance attaches to the impending visit of President Kennedy to Mexico, on the invitation of President López Mateos, the outstanding Mexican and hemispheric leader. This personal visit of Mr. Kennedy will express, above all else, our high esteem and friendly sentiments for the people of Mexico and our great admiration for the extraordinary achievements of that nation during the past few decades.

At the same time, the meeting of the two Presidents will provide an unusual opportunity for a review of the current situation and a free exchange of ideas on the Alliance for Progress and other matters of common concern. I hope that from this meeting will come greater understanding, greater cordiality in every aspect of Mexican-United States relations, and a more effective and more unified approach on both sides of the border to all hemispheric problems. The close collaboration of Mexico and the United States is basic to the security and common progress of the Americas.

Mr. President, I ask unanimous consent that the article previously referred to be included at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, June 9, 1962]

### MEXICO'S ROLE

(By Marion Wilhelm)

MEXICO CITY.—President Kennedy's conversations here late this month with Mexican President López Mateos could be the most significant since Presidents Franklin D. Roosevelt and Manuel Avila Camacho met in Monterrey in 1943.

Mr. Roosevelt crossed the southern border in recognition of Mexico's wartime contributions to his good-neighbor policy.

Mr. Kennedy comes to ask Mexico's peacetime support of his Alliance for Progress.

Mexico's partnership against the Communist peril today is no less important than its alinement against the Axis powers during World War II, and President Kennedy will find a willing adviser when he sits down to talks in Mexico City June 29 to July 1 with the democratic revolutionary leader of Latin America.

### LIBERAL CONFIDANT

Señor López Mateos holds this distinction not only as the chief executive of Latin America's oldest and most successful revolution, but as a confidant of its liberal democratic presidents.

He is expected to press for U.S. comprehension of the economic changes which the liberal governments are making to win the democratic struggle with international communism and its aggressive hemispheric agent, Cuba's Fidel Castro.

Señor López Mateos is more than a match for Señor Castro. He is handing out land to peasants, but without confiscation. He is nationalizing production, but through the "Mexicanization" of investment capital in association with foreign companies.

### REFORM CONSCIOUS

President Kennedy's Alliance for Progress with Latin America is also reform conscious but Mexicans feel it could be sabotaged if U.S. business interests do not support it.

This will be brought out during the Presidential talks probably as follows:

Foreign investors should be willing to mix their capital with Latin American capital to permit national control of basic industries under the free enterprise system, a moderate solution to the otherwise inevitable threat of nationalization.

### PRESIDENT LÓPEZ MATEOS MEETING KENNEDY SOON

In Mexico, foreign capital is being welcomed under this highly profitable "51 percent" control formula, backed up by tax incentives and a free currency exchange. Many American companies are happy with the arrangement. But some are fighting it as socialism if not communism.

International banks should be ready to loan directly to Latin American governments in support of economic development, as well as to private enterprise.

Mexico is encouraged by the World Bank's reported approval of the first long-term loan to its newly nationalized electric power industry, a loan which also sets another precedent because it will finance a complete electrification program rather than a single specific project.

Price stabilization, however, is the only real and lasting contribution to the economic development of the southern half of the hemisphere, since price losses in the world market of Latin American raw materials outweigh all the incoming loans.

Mexican sugar is an immediate case in point as Congress considers the Kennedy administration's plan to discontinue bonus prices under the quota system which has favored friendly Latin American countries.

Lead, zinc, and coffee are other exports in trouble.

## STATISTICS ON OLDER PEOPLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement and chart setting forth current facts about the Nation's older people and submitted by the Senator from Michigan [Mr. MCNAMARA], chairman of the Special Committee on Aging, be inserted in the body of the RECORD.

There being no objection, the statement and chart were ordered to be printed in the RECORD, as follows:

### SOME CURRENT FACTS ABOUT THE NATION'S OLDER PEOPLE

### THEIR NUMBERS ARE GROWING RAPIDLY

The number of people 65 and over approached 17½ million in mid-1962 and continues to increase at the rate of well over 1,000 a day. The number is expected to more than double in the 40 years between 1960 and 2000, reaching 25 million by 1980 and more than 30 million by 2000.

Over the decade 1950 to 1960, the population 65 and older grew by about one-third. In Florida and Arizona, it more than doubled.

In 1900, only 1 person in 25 was 65 or older. Today, the proportion is 1 in every 11 for the Nation and is as high as 1 in 9 in a number of our States. Iowa has the highest proportion (11.9 percent) and Missouri next highest (11.7 percent).

Of our 17½ million older people, more than one-third have passed their 75th birthday. About 1 million people are past 85.

On reaching 65, women now have a life expectancy of 15.5 years; men, a life expectancy of 12.7 years.

### THE MAJORITY ARE WOMEN

More than 9 million of those past 65 are women. There are 12 women over 65 for every 10 men and this disparity increases with age to reach 16 to 10 at age 85 and older.

On farms, however, there are only 84 aged women for every 100 aged men.

States in which the male aged population exceeds the female by a significant number are Alaska, Hawaii, Nevada, the Dakotas, and Wyoming.

### NEARLY ONE-THIRD LIVE IN RURAL AREAS

More than 5 million of our elderly people live on farms or in small towns. In six States—Alaska, Mississippi, North Carolina, North Dakota, South Dakota, and Vermont—as many as 60 percent of the aged live in rural areas, double the proportion nationwide.

In many small towns throughout the Nation, one out of every four or five persons is 65 or older.

### MANY ARE WIDOWED

More than half of all women 65 and over and one in five of the men are widowed. Of women 75 and over, nearly 7 out of every 10 are widows.

Only about half of all aged persons—fewer than four-tenths of the women, but more than seven-tenths of the men—are married and living with the spouse.

### MOST LIVE INDEPENDENTLY

Fewer than 1 in every 25 aged persons lives in an institution. Only one in every four or five lives alone or lodges. The vast majority—more than four-fifths of the men and about two-thirds of the women—live with a related person.

For the men, this related person is usually the wife.

But for the women—because they tend to outlive their husbands—this related person is just as likely to be a son, daughter, or other relative.

### THE VAST MAJORITY RECEIVE SOCIAL SECURITY BENEFITS

Practically all of the men 65 and over (96 percent) and the very great majority (nearly nine-tenths) of the women now have some cash income from a public income-maintenance program or from employment.

Fewer than one-fourth have earnings either as workers or as wives of workers; almost all of those with earnings are also receiving benefits under the social security program.

Nearly 12 million people over 65—more than two-thirds of the total aged population—now draw social security benefits (OASDI). (Benefits under this program are also being paid to many other older persons who are not yet 65: men and women aged 62 to 64, and older disabled workers.)

Persons currently drawing social security benefits, or eligible to do so if they retire, make up three-fourths of the total population over 65 and as much as 95 percent of the population now reaching 65.

Old-age assistance is currently paid to 2.2 million aged persons; about one-third of these cases are on the rolls because their social security benefits do not meet their needs or because advanced age, large medical bills, or other emergencies have exhausted their resources. Of persons now being added to the rolls, about every other one is a social security beneficiary.

### INCOMES ARE LOW

Except for full-time earnings—which very few of the aged have—the sources of income of the aged are not the kind that yield large amounts.

The average monthly old-age benefit paid to retired workers under OASDI, for example, is about $76 for all those on the rolls and $80 for those now coming on the rolls.

Widows' benefits average considerably lower and every study has shown that, as a group, aged widows have an especially hard time making ends meet.

Old-age assistance recipients received an average of $72.08 in March, of which $57.74 was in the form of money payments to recipients and $14.34 in vendor payments for medical care. In a half dozen States, the average of all assistance—for both maintenance and medical care—was $50 or less.

Not surprisingly, then, more than half of all persons 65 and older—27 percent of the men and 74 percent of the women—had less than $1,000 total cash income in 1960; fewer than one in four had as much as $2,000.

Two-person families with a head 65 or older had median money incomes of $2,530 in 1960, less than half that for younger two-person families. The median for aged persons living alone was only $1,055.

Incomes are especially low in rural areas. The median money income in 1960 for the aged living in rural farm areas was only $740, more than $200 below that for all persons 65 and over.

Many older persons have assets accumulated in earlier years to supplement their income. But, in general, those with the smallest incomes are the least likely to have other financial resources. And, for the usual retired person, most of the savings are tied up in their homes or in life insurance, rather than in a form readily convertible to cash.

### BUDGET COSTS EXCEED INCOMES

The cost of a "modest but adequate" level of living for a retired elderly couple renting a home has been estimated by the Bureau of Labor Statistics to range from $2,390 to $3,110 for 20 large cities in the autumn of 1959.

This budget applies to a retired man and wife in reasonably good health for this age who require no unusual medical or other services. (It does not make allowances for any savings that result from home ownership.)

Their budget costs relative to costs for younger adults are about the same for all goods and services combined, but are 50 to 75 percent higher for medical care and 20 to 45 percent higher for housing.

### MANY HAVE HEALTH PROBLEMS

The aged person has a 1 in 6 chance of going to a hospital in a given year.

Persons over 65 spend two to three times as many days in hospitals, on the average, as do younger persons.

Chronic conditions, which occur with much greater frequency at the older ages, limit the activity of more than one-third of all persons aged 65–74 and more than half of those aged 75 or older.

Elderly farm families suffer more disabling illnesses than do urban residents. Nearly half of all aged persons residing in rural areas, in comparison to 39 percent of the urban, have chronic conditions which limit their activity. Bed disability days per person per year average 17 for the rural farm aged in contrast to 11.8 for the urban.

### THEIR MEDICAL COSTS ARE GREATER

Medical costs thus become higher during the period of life when income shrinks and when there is less opportunity to spread the cost burden through health insurance.

Private medical costs for aged persons averaged $177 per capita in a year (1957–58), in contrast to $86 for younger persons. Of all public expenditures for medical care, nearly one-fifth is in behalf of the aged. Close to 30 percent of total public expenditures for patient care in hospitals goes for treatment of the aged, triple their numerical proportion.

Only half of them have any health insurance to help in paying their medical costs. Those who would have the greatest difficulty in meeting medical bills—the retired, those with lowest incomes and the persons with major chronic health problems—are the least likely to have the advantage of any health insurance coverage.

In 24 States, there are now Kerr-Mills programs of medical assistance for the aged. But only 88,000 aged persons—one-half of 1 percent of the aged population—received help under these programs in March.

Five States—New York, Massachusetts, California, Michigan, and West Virginia—accounted for 83 percent of all recipients and for 90 percent of all Medical Assistance Act payments.

*The States and their older population*

| State | Characteristics of the population 65 and over as of Apr. 1, 1960 | | | | | Percent of aged population receiving OASDI and OAA as of June 30, 1961 | | | Average OAA payments March 1962 |
|---|---|---|---|---|---|---|---|---|---|
| | Total number | As percent of all ages | Percent change over 1950 | Males per 100 females | Percent living in rural areas [1] | OASDI benefits | OAA payments | OASDI or OAA or both | |
| Total | 16,559,580 | 9.2 | +34.7 | 82.8 | 30.4 | 65.7 | 13.4 | 74.9 | $72.08 |
| Alabama | 261,147 | 8.0 | +31.5 | 81.2 | 49.5 | 56.2 | 37.4 | 84.2 | 63.42 |
| Alaska | 5,386 | 2.4 | +13.6 | 163.9 | 60.1 | 57.3 | 23.7 | 72.3 | 70.13 |
| Arizona | 90,225 | 6.9 | +103.9 | 98.9 | 21.4 | 59.6 | 14.6 | 69.6 | 59.30 |
| Arkansas | 194,372 | 10.9 | +30.5 | 95.5 | 57.9 | 58.8 | 28.6 | 82.1 | 52.58 |
| California | 1,376,204 | 8.8 | +53.8 | 78.9 | 12.7 | 63.7 | 17.8 | 72.6 | 99.84 |
| Colorado | 158,160 | 9.0 | +36.8 | 84.0 | 24.9 | 58.6 | 29.3 | 75.7 | 97.91 |
| Connecticut | 242,615 | 9.6 | +37.2 | 79.2 | 19.0 | 73.1 | 5.5 | 76.1 | [2] 146.14 |
| Delaware | 35,745 | 8.0 | +35.8 | 80.8 | 34.3 | 68.6 | 3.3 | 71.0 | 48.94 |
| District of Columbia | 69,143 | 9.1 | +22.0 | 65.0 | ---------- | 53.1 | 4.4 | 56.0 | 85.09 |
| Florida | 553,129 | 11.2 | +132.9 | 95.7 | 21.4 | 62.4 | 11.6 | 69.7 | 60.54 |
| Georgia | 290,661 | 7.4 | +32.3 | 73.5 | 46.6 | 53.6 | 32.1 | 79.5 | 48.61 |
| Hawaii | 29,162 | 4.6 | +42.8 | 116.8 | 26.2 | 67.8 | 4.8 | 71.4 | 65.76 |
| Idaho | 58,258 | 8.7 | +33.8 | 101.2 | 47.5 | 69.8 | 12.1 | 77.8 | 70.97 |
| Illinois | 974,923 | 9.7 | +29.2 | 81.9 | 22.1 | 67.3 | 7.0 | 72.3 | 82.41 |
| Indiana | 445,519 | 9.6 | +23.4 | 82.4 | 39.2 | 72.4 | 5.8 | 76.7 | 67.92 |
| Iowa | 327,685 | 11.9 | +20.0 | 83.6 | 46.3 | 66.9 | 10.1 | 73.9 | 86.35 |
| Kansas | 240,269 | 11.0 | +23.7 | 83.2 | 45.4 | 64.4 | 11.3 | 72.7 | 85.39 |
| Kentucky | 292,323 | 9.6 | +24.3 | 87.1 | 54.1 | 63.9 | 18.8 | 78.7 | 53.90 |
| Louisiana | 241,591 | 7.4 | +36.6 | 79.6 | 39.4 | 47.9 | 50.8 | 82.9 | 77.28 |
| Maine | 106,544 | 11.0 | +13.9 | 82.2 | 48.1 | 73.4 | 10.3 | 79.7 | 69.33 |
| Maryland | 226,539 | 7.3 | +38.5 | 75.3 | 29.0 | 62.5 | 4.1 | 65.6 | 68.20 |
| Massachusetts | 571,609 | 11.1 | +22.0 | 71.8 | 13.6 | 69.9 | 10.8 | 75.0 | 83.38 |
| Michigan | 638,184 | 8.2 | +38.2 | 89.2 | 29.3 | 73.9 | 8.6 | 79.5 | 79.82 |
| Minnesota | 354,351 | 10.4 | +31.7 | 90.8 | 38.7 | 65.7 | 12.6 | 74.3 | 99.52 |
| Mississippi | 190,029 | 8.7 | +24.2 | 87.1 | 65.2 | 55.7 | 42.3 | 85.7 | 35.64 |
| Missouri | 503,411 | 11.7 | +23.6 | 81.3 | 37.5 | 62.7 | 22.1 | 77.3 | 61.17 |
| Montana | 65,420 | 9.7 | +28.6 | 105.9 | 48.5 | 67.2 | 9.7 | 73.6 | 65.63 |
| Nebraska | 164,156 | 11.6 | +25.9 | 87.0 | 49.4 | 65.8 | 8.6 | 72.2 | 77.28 |
| Nevada | 18,173 | 6.4 | +65.4 | 117.0 | 28.8 | 60.9 | 13.3 | 67.1 | 83.75 |
| New Hampshire | 67,705 | 11.2 | +17.2 | 78.3 | 43.4 | 74.3 | 7.1 | 78.6 | 91.33 |
| New Jersey | 560,414 | 9.2 | +42.2 | 78.8 | 11.7 | 72.1 | 3.3 | 74.2 | 100.61 |
| New Mexico | 51,270 | 5.4 | +55.1 | 98.6 | 37.4 | 53.6 | 20.5 | 70.3 | 71.68 |
| New York | 1,687,590 | 10.1 | +34.1 | 80.1 | 14.3 | 70.3 | 3.5 | 72.5 | [3] 81.45 |
| North Carolina | 312,167 | 6.9 | +38.6 | 79.8 | 61.0 | 65.5 | 14.9 | 77.7 | 50.42 |
| North Dakota | 58,591 | 9.3 | +21.6 | 104.7 | 66.2 | 67.4 | 12.0 | 76.4 | 84.05 |
| Ohio | 897,124 | 9.2 | +26.5 | 82.2 | 26.0 | 68.0 | 9.8 | 74.5 | 78.46 |
| Oklahoma | 248,831 | 10.7 | +28.3 | 85.1 | 41.7 | 54.4 | 34.8 | 80.0 | 82.35 |
| Oregon | 183,653 | 10.4 | +38.1 | 91.9 | 32.6 | 72.9 | 8.7 | 78.3 | [3] 83.44 |
| Pennsylvania | 1,128,525 | 10.0 | +27.3 | 81.8 | 26.3 | 70.2 | 4.3 | 73.2 | 69.35 |
| Rhode Island | 89,540 | 10.4 | +27.2 | 74.5 | 11.0 | 75.8 | 7.3 | 79.9 | 81.56 |
| South Carolina | 150,599 | 6.3 | +30.9 | 74.3 | 58.1 | 59.3 | 20.2 | 77.9 | 44.51 |
| South Dakota | 71,513 | 10.5 | +29.3 | 99.1 | 62.2 | 66.7 | 11.6 | 75.4 | 76.21 |
| Tennessee | 308,861 | 8.7 | +31.5 | 82.8 | 50.2 | 59.5 | 17.1 | 74.5 | 44.98 |
| Texas | 745,391 | 7.8 | +45.2 | 82.6 | 33.5 | 55.2 | 28.5 | 76.4 | 63.64 |
| Utah | 59,957 | 6.7 | +41.3 | 86.9 | 24.2 | 65.6 | 12.1 | 74.4 | 78.19 |
| Vermont | 43,741 | 11.2 | +10.6 | 76.9 | 60.6 | 70.1 | 12.8 | 78.3 | 75.44 |
| Virginia | 288,970 | 7.3 | +34.7 | 79.1 | 49.3 | 63.3 | 4.9 | 67.6 | 54.83 |
| Washington | 279,045 | 9.8 | +32.0 | 91.2 | 28.8 | 68.9 | 16.5 | 78.6 | 95.25 |
| West Virginia | 172,516 | 9.3 | +24.5 | 94.8 | 58.1 | 69.2 | 10.8 | 78.8 | 42.53 |
| Wisconsin | 402,736 | 10.2 | +29.9 | 88.7 | 38.4 | 72.4 | 8.1 | 77.8 | 92.83 |
| Wyoming | 25,908 | 7.8 | +42.6 | 107.8 | 39.9 | 64.0 | 11.5 | 71.0 | 78.93 |

[1] Places of 1,000 to 2,500 and other rural areas.

[2] Includes retroactive payments to vendors for medical care; February average was $105.29.

[3] Represents data for February; data for March not available.

## ATTITUDE TOWARD U.S. TESTS ENCOURAGING, USIA FINDS

Mr. YOUNG of Ohio. Mr. President, my attention was called today by a constituent to an excellent news article published in the Columbus Dispatch of June 10. The Columbus Dispatch is a leading newspaper in the State of which I am proud to be junior Senator.

This news article was written by Carl DeBloom, chief of the Washington bureau of the Columbus Dispatch. He is to be congratulated upon his factually correct statement and his objective interpretation of the encouraging findings made by USIA officials of the attitude in the free world toward the nuclear atmospheric tests recently reluctantly undertaken by our Nation, following our giving the leaders of the Soviet Union every opportunity to agree to ban such tests, provided adequate safeguards were set.

It is evident that Carl DeBloom in the comparatively short time he has been in the Nation's Capital as chief of the

Washington bureau, has rapidly forged to the front as one of the outstanding reporters commenting on what takes place in the Nation's Capital and throughout the world as a result of activities here in Washington.

I consider his article an important one, worthy of being called to the attention of my colleagues, and I ask unanimous consent that it be printed at this point in the RECORD as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From the Columbus Dispatch, June 10, 1962]
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> ATTITUDE TOWARD U.S. TESTS ENCOURAGING, USIA FINDS
>
> (By Carl DeBloom)
>
> WASHINGTON.—The U.S. Information Agency probably has one of the toughest selling jobs any salesman has ever faced—convincing the world it should "buy" a product that could destroy civilization.
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> When President Kennedy announced that this Nation would resume nuclear testing because of previous testing by the Russians, USIA was handed the task of telling the peoples of foreign nations "it is for your own good."
>
> The task compares with the assignment of convincing a youngster that a big dose of castor oil is good for him. Even those few youngsters who might agree don't really like it.
>
> Now that nuclear testing in the atmosphere is well underway USIA has had an opportunity to check its efforts. Generally the results seem encouraging although there is no way of knowing how many were swayed by USIA's efforts.
>
> Some of the steps taken by the agency to get the United States' story across were these:
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> The President's statement of March 2 announcing the tests and explaining the reasons was sent to 95 USIA posts overseas. It was quickly translated into local languages to be run in full in newspapers.
>
> Additional statements have been handled in a similar manner. Favorable editorials and cartoons from the free-world press have been made available to foreign newspapers.
>
> A one-reel film outlining the necessity for international agreement on nuclear testing, called "Gateway to Peace," has been sent to 106 countries. Distributed in 22 languages the film stresses the Soviet refusal to accept such an agreement.
>
> Another film stressing the same theme followed on April 13. Titled "The Search for a Treaty," it is available in 106 countries and is based on Kennedy's March 2 message.
>
> Supplementing these documentary films are newsreel clips covering the March 2 statement. USIA made the clips available in both 16-and 35-millimeter versions.
>
> The USIA radio service gave wide coverage to the March 2 announcement. Private industry with international affiliation gave a hand and 350 firms distributed copies.
>
> A study of the heavy news coverage after testing resumed leads USIA to characterize press reaction as "tolerant understanding."
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> "Few (newspapers) took a hard position for or against the U.S. action," USIA says. "Most comment included qualifying statements, and the effect was to soften the chosen position."
>
> Beyond the general health factor, the most common overriding fear was the specter of a never-ending nuclear arms race leading to world disaster, the survey showed.
>
> Most critical comment came from Africa, Syria, Iraq, India and the United Arab Republic. Generally, the opposition was against nuclear testing by any nation, including Russia.
>
> The United States received strong support from Western Europe, Latin America, and the CENTO countries. These same countries also were highly critical of the Soviets for breaking the test moratorium.
>
> With Russia threatening to resume testing, it appears USIA will have a continuous job of sugar coating this nasty tasting pill which seems to be the only known cure for those bitten by the war bug.

## FRANCO'S DESPERATE HOURS

Mr. YOUNG of Ohio. Mr. President, it is evident to the world that dictator Franco is in trouble and that these are Franco's desperate hours. Recently in this Chamber I stated, in connection with the renewal of our bases in Spain and our foreign assistance program, that we would do well to stop, look, and listen before proceeding further, and that we should not permit this dictator, who is suppressing freedom in his country, to consider that he has us "over the barrel" and that he can extort money from us.

Furthermore, I took a very dim view of foreign assistance being given by this Nation to dictatorships, such as Franco's in Spain, and Duvalier's in Haiti, where year after year we have given aid and year after year the inhabitants have been held in helplessness, misery, and squalor, without civil liberties.

In the New York Post there is a fine editorial which states:

> Rumblings inside Franco Spain grow steadily louder and full of portent. The Generalissimo shows rising symptoms of panic as the opposition spreads; new measures of oppression are accompanied by desperate efforts to brand as "Communist" every variety of conservative, Catholic, and monarchist disaffection from his decaying despotism.

After all, 23 years of tyranny must have broken many free spirits, and the machinery of modern dictatorship is not easily destroyed. Still enough has already happened to suggest Franco is in his deepest distress since he smashed the Spanish Republic.

For Spaniards who have kept alive the vision of liberation, these are dramatic moments. One yearns to hear more voices in the Congress of the United States speaking out in behalf of their fight for freedom.

In this connection, in John Gunther's recent great work "Inside Europe Today," he said:

> One lesson that may well be drawn from all this is that it is always dangerous for a democracy, like the United States, to become too closely involved with a dictator or semidictator, no matter how convenient this may seem to be. It is the people who count in the long run, and no regime is worth supporting if it keeps citizens down—if only for the simple reason that they will kick it out in time.

Apparently, the liberty-loving people of Spain are on the alert and Dictator Franco will soon be out. A free Spain could become a genuine bulwark of democracy.

## NUCLEAR WARFARE—NOT BY INTENT BUT MISCHANCE

Mr. YOUNG of Ohio. Mr. President, it is significant that Secretary General U Thant of the United Nations in a recent statement announced his view that neither the Soviet Union nor the United States would deliberately launch a nuclear war. Nuclear missiles are not weapons of war but are means of indiscriminate destruction. He stated that "the risk of war by accident is becoming greater and greater. Both the nuclear giants have rockets ready to be triggered in a few minutes, and the risk of a nuclear warhead leaving the launching pad unintentionally is very great." The smaller powers of Europe, such as the Scandinavian countries, Belgium, Holland, Spain, and Portugal, and their neighbor nations—Italy and France—could contribute to removing distrust and bitterness on the part of the leaders of the Soviet Union against this Nation. In this manner they would work toward permanent peace. Unfortunately, these smaller nations, and particularly West Germany, France, and Italy, are seeking to develop nuclear weapons. If they succeed, or any of them succeed, then the chance that a nuclear war would be triggered by accident or mischance instead of by design would be greatly increased. The United States, and its leaders, should stop, look, and consider implications and dangers involved in connection with any expansion of nuclear power and adding to nuclear weaponry and nuclear know-how anywhere else in the world.

## A NOTE OF TRIBUTE TO THE BOY SCOUTS OF AMERICA, ON BOY SCOUT CHARTER DAY, 1962

Mr. LONG of Missouri. Mr. President, Boy Scout Charter Day is a national event in every sense of the word. As a nonmilitary, nonsectarian, and nonpolitical organization, dedicated to the development of healthy and hardy virtues, the Boy Scouts of America have few critics and many friends. Chartered by Congress, 46 years ago today, the Boy Scouts came into existence for the purpose of building leadership. It is the judgment of America that this purpose has been fulfilled, a thousandfold.

Nowhere in America is the Boy Scout movement more deeply revered than in the State of Missouri. Irondale, located in Washington County, Mo., is the site of one of the largest and best equipped Boy Scout camps in the Nation. Founded in 1914 by the St. Louis Council of the Boy Scouts of America, the camp consists of 210 acres, on which there are 165 buildings, including a large amphitheater and auditorium. The people of Irondale, Washington County, and all of Missouri are proud of their association with this camp, and their consequent association with the ideals of the Boy Scout movement.

Camp Lewallen, near Coldwater, in Wayne County, is another Boy Scout recreation center of which Missouri is duly proud. Still another: Camp Maries, located near Jefferson City on a knoll overlooking the Maries River.

The people of Missouri are fully in accord with the practices and purposes of the Boy Scouts of America, and offer their congratulations, on this day: Boy Scout Charter Day, 1962.

## REDUCTION OF FEDERAL TAXES AND SPENDING

Mr. CAPEHART. Mr. President, I recommend and urge the Congress to reduce Federal taxes by $10 billion and Federal spending by $15 billion before this session adjourns.

I urge the President to approve this program and place our Government back on a sound fiscal policy with consequent restoration of confidence of the American public, halt to inflation, and return to a sound economy.

Why? Because it is the only sound way out.

The administration has proposed a tax cut only. But any reduction in income without a corresponding reduction in expenditures is unrealistic. Such a program would not give the relief sought and would not be sound fiscal policy.

Governments, at all levels, are as inflexibility bound by an unbending economic rule as are individuals. That is, if either spends more money than it has, it goes broke.

Three major slumps in the stock market in as many weeks give evidence American investors, large and small, are losing confidence. Individuals are weighted down by taxes, direct and hidden.

Yet Government continues to spend around the world with complete abandon, with no apparent regard for the burden on corporate and individual taxpayers for generations to come.

The time has long passed for retrenchment. There is no better time than now to begin. If we cannot quit spending and provide tax relief now, when can we?

War-ravaged European nations, using American dollars generously given, have recovered economically and industrially to a point where they are a serious threat to the United States in world markets.

Because of the fiscal policies of the Federal Government, American and foreign investors are wary about purchasing stocks and other securities. They are becoming afraid to invest further in America. The consequent outflow of gold is a threat to stable currency.

This condition must not be permitted to continue. The time to act is now.

If a farmer, worker, or businessman is going deeper in debt all the time, his interest payments keep going up, and all experiments he tries, sincere as they may be, fail to increase his income. He cannot borrow any more money because his backers lose confidence in a losing proposition.

So, such a farmer, worker or businessman faces two alternatives:

First. He may go broke, or

Second. He may reduce his expenses below his income, start to pay off his debts, and reduce his interest payments.

Eventually, his backers or shareholders recognize a change from unsound to sound operation and they start to back him again. Eventually he prospers again and rehires the people he had to lay off. Everybody benefits.

So with the Government.

Basically, we all recognize this as the financial dilemma of today.

We are in debt to the point that interest is eating us up.

Our debts continue to increase because we continue to spend more than we take in.

The PRESIDING OFFICER (Mr. Young of Ohio in the chair). The time of the Senator from Indiana has expired.

Mr. CAPEHART. I ask unanimous consent that I may have 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Our backers—the taxpayers who pay the bills—are losing confidence in us. We are in trouble. Investment capital is understandably timid. Markets slump.

In Government, the problem is complicated by the international effect of an unsound dollar. Central banks of foreign nations withdraw their investments and our gold begins the flight abroad. It is happening.

As members of the board of directors, it is our moral responsibility, our solemn duty, to do the only thing anybody can do—cut expenses below income.

We say, in effect: We are going to get along with less money than we take in, and we are going to start paying off our debts.

Thus, we relieve the demand on our backers. We regain their confidence. They are willing to help us. We benefit; everybody benefits.

It is the only sound way out, Mr. President, and I urge that the Congress and this administration give it very serious consideration.

There is no more a substitute for sound economics in government that there is in a family budget, a farm, or a business.

We still have the highest income in history, the highest gross national product, more people at work than ever before despite increasing unemployment, and a potential economy that is reluctantly falling asleep because it is not interested in a losing proposition. Let us wake it up the sound way.

With all these plus factors, if we cannot put our financial house in order now, when can we?

Mr. President, tomorrow I shall submit a concurrent resolution to follow through on the suggestions I have made.

## CONGRESSIONAL TASK OF REINSPIRING CONFIDENCE

Mr. DIRKSEN. Mr. President, apropos of what the distinguished Senator from Indiana has said, and also in line with the statement made yesterday by the distinguished Senator from New York [Mr. Javits] I wish to speak on the same general subject.

The Senator from New York suggested that the controversial portions of the tax bill which is now before the Senate Committee on Finance be junked and that there be added an incentive income tax.

I respectfully suggest to the Congress that, in an objective appraisal of the problem which is before us and for the purpose of reinspiring confidence, the Congress should hold a mirror up to itself also, because it cannot escape its responsibility.

I think, for instance, of the drug bill in its original form, with a feature for compulsory licensing, registration, and that sort of thing.

I think, for instance, of the civil investigations demand bill, which will come to the Senate in the form of a conference report sometime soon.

I think of a bill on which testimony is now being taken to freeze all the merger proposals—some 20 of them—pending at the present time before the Interstate Commerce Commission, a body created by and authorized by the Congress to look into this question.

I think of the constant effort made to amend the Robinson-Patman Act and to destroy the "good faith" defense which, under existing law, can be used.

I think of the standby tax cut proposal.

I think of the withholding tax proposal.

I think of the farm controls that came to us in the original bill.

And I think of Federal spending.

I made a modest effort yesterday and the day before, which did not command very many votes in the Senate. Senators cannot merely stand and talk about reducing spending—there must be some affirmative action.

When a Senator says to me, "I have a project in the bill" I can only reply, "I have projects, too." I come from a huge State with 10½ million people. I am sometimes hurt, and my people are hurt, but there comes a time when it is necessary to put the national interest first. We cannot always be parochial and provincial in respect to our responsibility in that field.

I remind the Senate that it should hold up the looking glass to itself now, when there is talk about restoring confidence in this country, and it should take a good objective look at what we have to do and what is our real duty in order to cut the cloth properly in respect to demands, and the revenues which are available to meet those demands.

## SENATOR NEUBERGER CALLED "SWEETHEART OF U.S. CONSUMERS"

Mr. GRUENING. Mr. President, consumers have no more loyal champion than the Senator from Oregon, Maurine Neuberger. Since coming to the Senate, she has worked arduously for legislation which will protect consumer rights. As a member of the Oregon State Legislature, she had sponsored and helped enact into State law legislation assuring the buying public of an honest purchase.

Senator Neuberger last year fought for truth in lending, for a study of consumer problems through a Select Committee on Consumers, and for air pollution control legislation. In each area great progress has been achieved.

Recently Senator Neuberger was a featured speaker at the Cooperative League's Government Affairs Conference which was held in this area. Because highlights of her remarks as they appear in the June 6, 1962, issue of the Co-op Newsletter concern each consumer, I ask unanimous consent that it be printed in the Record. I applaud the action of co-op officials in calling Oregon's junior

Senator the "Sweetheart of U.S. Consumers."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### SENATOR LIKES LOW-KEY CO-OP TOOTHPASTE AD

WASHINGTON.—Halfway through a talk on the consumer and Congress, Senator MAURINE NEUBERGER, Democrat, of Oregon, paused to read the label on co-op toothpaste and praised its "informative, factual appeal."

It is, she said, "a welcome relief" from other toothpaste ads that "constantly try to hoodwink the customers." Such ads, she said, "constitute the major irritating ingredient built into the toothpaste."

Surprised co-op officials afterward agreed that "the sweetheart of U.S. consumers" had delivered the most effective unsolicited, unpaid commercial announcement in memory.

Speaking at the Cooperative League's Government Affairs Conference here May 25, Mrs. NEUBERGER charged that the marketplace continues to spawn monopoly and abusive, wasteful practices.

"The most insidious evil of all is the continued state of consumer ignorance." This is fostered by deceptive packaging, spurious appeals, and tricky labels, she said. Generally, consumers lack the facts to select and consume wisely.

Fresh from Senate debate on the farm bill, Senator NEUBERGER told how she grew up on a dairy farm and milked nine cows every morning for 10 years. "But this year I'm voting with the city folks, the consumers." She pledged to support administration amendments "that would bring the farm bill back to reality."

The Oregon Senator said it isn't her purpose "to take the homemaker by the hand" and lead her to the "best buys" in the marketplace. "Rather I'm interested in seeing that product makers give her the facts she needs to make an informed choice."

"How does the consumer know the Government alphabet is working to protect his interests?" she asked. "He needs something that has the word consumer in it—a department he can identify with his interests." She urged a truth-in-lending bill and one to require drug makers to give up patent restrictions.

## DR. FREDERICK G. KRAUSS

Mr. FONG. Mr. President, I would like to give final tribute to an adopted son of Hawaii, Dr. Frederick G. Krauss, who has been hailed as the father of diversified agriculture in Hawaii, and who passed on to his eternal reward on June 4.

In 1901, he arrived in Honolulu to teach agriculture courses at Kamehameha schools.

During the ensuing 61 years in the islands, Dr. Krauss served as an agronomist on the University of Hawaii faculty and at the Hawaii Experiment Station, and director of the agricultural extension service.

In addition, he helped organize Hawaii's first 4-H Club chapter.

Dr. Krauss established a model farm at Haiku on the island of Maui, to prove his theory that Hawaii's agricultural future included more than pineapple and sugar.

Despite his advanced years—he was 92 at the time of his death—Dr. Krauss remained active. During the last few years he confined himself to conducting small-scale seed experiments in his backyard.

Through his conviction, foresight, and experimentation, Dr. Krauss has left a legacy to the State of Hawaii—the diversification of our agricultural industry. It is heartening that in his lifetime he witnessed the fruit of his labors.

Mr. President, I ask unanimous consent that the editorial tribute to Dr. Krauss which appeared in the Honolulu Star-Bulletin of June 6, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### HE LOVED THE SOIL

The death of Dr. Frederick G. Krauss at 92 recalls an interesting era in the agricultural development of Hawaii.

He came to Hawaii as a teacher of agriculture, first at Kamehameha, then at the University of Hawaii. When it appeared that his classroom exhortations in support of diversified agriculture were not hitting the mark, he left the classroom and established a model farm on Maui, which he operated successfully for nearly a decade before returning to the university.

Dr. Krauss made his point, and diversified farming today is a well-established fact of agricultural life in Hawaii.

Changing times have brought changing problems to the farmer, and not the least of them is the inefficiency of smallness as a handicap in competition with industrial-scale farming, which makes it possible to land mainland produce on the local market at prices competitive with domestic production.

Nevertheless, Hawaii is still far from being self-sufficient in food production, and the point Dr. Krauss made a half century ago remains valid today. There are new problems to be overcome today, but the basic opportunity remains.

Few men were more devoted to growing things that Dr. Krauss. Up until advancing age incapacitated him, he continued his backyard agricultural experiments.

Dr. Krauss leaves many living memorials. The 4–H clubs came into being under his leadership. So did the university's Haleakala experiment station.

And many a youngster who competed for Star-Bulletin garden prizes will remember him as the kindly but keen-eyed judge who helped to make the decisions.

Dr. Krauss made contributions to the growth of Hawaii that will be felt far into the future. He loved the soil and he helped others to love it and make it produce.

## ILLEGAL OIL DRILLING IN TEXAS OF NATIONAL CONCERN: WIDENING SCANDAL

Mr. YARBOROUGH. Mr. President, the fast developing investigation of illegal oil drilling in the east Texas oilfields involves some of the most complex legal questions that we are likely to encounter for many years to come. The Dallas Times Herald, in an article by Oil Editor Richard Curry, on Sunday, June 10, presents a simplified report of some of the ramifications of the east Texas oil situation. The Times Herald story makes it clear that investigation of this massive oil operation will go on for quite some time and will be an extremely difficult one. I would like to call the attention of the Congress to some of the problems involved and something of the background of the east Texas oilfield. It is clear that the investigation now underway in Texas will be of extreme importance to all of us because of the role of oil in our national economy.

The Dallas Times Herald states that illegal drilling techniques may have resulted in the production of $6 million worth of "hot oil" monthly.

Mr. President, that refers to stolen oil in the private ownership sense and to "hot oil" in the public ownership sense—oil which is produced and transported in violation of Federal law. Over a period of 25 months, this would amount to a monumental fraud of approximately $150 million.

And if this illegally produced oil is marketed across State or National lines, it is in violation of the Federal statute, the Connally Hot Oil Act of 1935, authored by one of my predecessors from Texas, the Honorable Tom Connally.

I ask unanimous consent to have printed in the RECORD an article by Oil Editor Richard Curry in the Dallas Times Herald of Sunday, June 10, under the caption, "Six Million Dollar Oil Swindle Charged—Evidence Mounts—Oil Scandal Indications Stun Etex."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### SIX-MILLION-DOLLAR OIL SWINDLE CHARGED—OIL SCANDAL INDICATIONS STUN ETEX

(By Richard Curry)

KILGORE.—This proud east Texas city is the home of Van Cliburn, the Kilgore College Rangerettes and the largest oilfield in the Nation.

People here hope Kilgore will not become a focal point in an ugly oil-theft scandal.

But there is a growing mass of data pointing to possible wide-scale production of crude oil through illegal, slanted drilling techniques. None of the charges has reached the court verdict stage yet. Both State personnel conducting the investigation and the owners of leases being investigated are reluctant to talk. Despite this, the following facts are known:

At least 8 out of 10 wells surveyed so far were slanted to such a degree that the wells could not be producing oil from their own leases.

Several wells scheduled for investigation were plugged with cement or other clogging materials when it became known those wells would be tested for slant. By plugging a well, it is possible to make testing much harder to conduct, and in some cases, impossible.

The investigation has figured in testimony in a murder trial involving a major oil company investigator who claimed self defense in the shooting of an oilfield roughneck. The investigator was found innocent by a Rusk County jury.

Threats of violence have been made against staff members conducting the investigation.

Two Kilgore employees of the railroad commission, which regulates oil production, were dismissed last month after the investigation began and following the administration of polygraph (lie detector) tests to all commission engineers and field men here. Said Commission Chairman William Murray: "I cannot deny that the two employees were fired."

Several major oil companies have filed multimillion damage suits against operators of leases adjacent to the companies' leases charging the operators with illegal production of oil from beneath the companies' leases.

Attorney General Will Wilson has filed a $3.4 million suit against several operators for deviating well holes and plugging the wells.

Neither this case nor the cases brought by the major oil companies have been heard in court.

The investigation and rumors surrounding it have resulted in charges of "oil piracy." Some observers have already likened the story to the Billie Sol Estes scandals. State officials felt it necessary to call in about 60 armed Rangers and department of public safety personnel to assist in the investigation. The Times Herald learned last week that illegal drilling techniques may have resulted in the production of $6 million worth of hot oil monthly.

For their part, some independent operators in the east Texas field have banded together and branded means used in the investigation by State agencies as "police state methods." A spokesman for the group said "the attorney general and department of public safety in our opinion have overly dramatized the situation." One purpose of the new group was reported to be to gather information which members can use in individual lawsuits and to save on legal fees.

All the charges and counter-charges revolve about deviation, directional or slanted-hole drilling. What is it?

Petroleum technology has reached such an advanced state that it is possible to aim or slant the drilling bit in a well so that the well hole can make an angle of as much as 60 degrees with the true perpendicular beneath the well at the earth's surface. This practice has entirely legitimate purposes and is often used in offshore well completions as a cost- and maintenance-saving device so that many wells drilled directionally can be completed from a single, stationary drilling platform.

The practice can also be illegal. The railroad commission has issued orders that well holes may not slant more than 3 degrees from the true perpendicular without a commission permit. By law, the owner of a lease whose well produces oil through a slanted hole bottomed in an adjacent lease can be fined up to $1,000 per day for each day's violation. In addition, the owner of the adjacent lease can bring suit to recover the value of the oil produced illegally.

Production of oil from an illegally-drilled hole might also be in violation of a Federal statute, the Connally Hot Oil Act. Perry Blanton, director of the Federal Petroleum Board in Kilgore, refers all questioners to Secretary of the Interior Stewart Udall in Washington, but it is known that the Department has moved several field investigators into the Kilgore area recently.

It is possible to determine the slant of a well hole. An inclination survey can determine how many degrees outside the legal 3-degree limit a well was drilled. A directional survey can be taken to determine in what direction the well slants and into which oil pools. A well is in violation of State law if it exceeds the 3 degrees limit, no matter where it bottoms out.

The railroad commission has been conducting inclination surveys from its Kilgore district office for the past 10 days. Atty. Gen. Will Wilson has called results of the tests "startling."

Roy D. Payne, Kilgore district supervisor for the railroad commission, told the Times Herald last week that out of 10 wells surveyed, 8 were so slanted that the wells could not be producing from the leases on which the wells are located. Payne said further that at least 160 such tests on leases on which more than 1,000 wells are located are planned "in this first phase of the investigation."

If illegal, slant-hole drilling has taken place in the east Texas oilfield, the stakes are enormous. The field, largest ever found in the United States, originally contained about 5 billion barrels of oil and was discovered in 1931. Despite the fact that after more than 30 years of production the field still has more than 2 billion barrels of oil, production in some areas of the field is playing out.

Most of the commission tests so far are on the east side of the big field where crude oil production has been drying up for several years. If an operator on the east side of the field were to see his production dwindling, it would be possible for him to drill a slanted hole from the original well shaft to more prolific production west of his well and thereby assure his well of higher production for as long as 2 years.

This possibility and evidence already gathered in the investigation form the basis for the ugly rumors revolving around the field.

A Kilgore resident, who pleaded anonymity, said last week that he had heard stories from oilfield roughnecks of illegal well slanting as long as 5 years ago. Another said illegal drilling techniques in the field had been joked about for years.

Some of the stories being told in Kilgore do indeed have a humorous edge. One involves a well which suddenly began producing oil mixed with drilling mud while a well on an adjacent lease was ostensibly being worked over.

Another story is told of an operator completing a well, receiving commission approval for the straight hole and then drilling a crooked hole on the sly. Another story involves a drilling bit in an illegally slanted hole intercepting the producing shaft of a well drilled 330 feet inside its lease boundary; these wells were not even within seeing distance of each other.

Attorney General Wilson said last week one of the deviated wells already surveyed slanted 56 degrees. He said the well was bottomed at 3,500 feet below ground surface, but held 5,100 feet of pipe. The horizontal distance from the ground opening of this well and its bottom was 3,286 feet.

There is evidence the railroad commission suspected possible illegal drilling in the east Texas field as long as a year ago. A commission order dated May 10, 1961, states "all wells drilled in the east Texas field must be drilled with due precaution to maintain a straight hole." The order said further that "all operators of all wells hereafter drilled will conduct an inclination survey for each 500 feet of hole drilled beginning at a point within 500 feet of the surface."

Last December, the commission persuaded Payne, who served with the agency in Kilgore in 1932–35 when Rangers were first called to the field to enforce the commission's proration orders, to take over as district supervisor.

The investigation reached widespread public notice when the commission in April sent letters to operators ordering them to prepare their wells for inclination surveys. Response to the letters was generally regarded as poor. The commission held a hearing May 15 at which operators were given an opportunity to show why their wells should not be surveyed or their pipeline connections severed. The hearing room was packed with operators and their lawyers, but only one person testified.

When the commission went ahead with plans to test wells for deviation, fieldmen found some of the wells plugged with cement. It was at that point that a big force of Rangers and other law enforcement personnel was called into Kilgore to assist the commission. In addition, the commission on June 1 issued an order prohibiting all plugging of wells in the field for 15 days.

Since that time, inclination tests have been speeded up with testing conducted on a 24-hour-a-day basis at the end of last week.

Meanwhile, the people of Kilgore, Henderson, Longview, Tyler and other east Texas cities have watched the investigation mount with growing interest. Some of those named in suits evolving from the investigation are civic, political and business leaders in east Texas.

Reaction in Kilgore to the investigation varies. One man said last week he resented the presence of 60 armed law-enforcement officers in Kilgore. Another said he feared the impact on the area's economy of the investigation's findings. Another said he hoped it would not ruin the area's reputation. Another said he would not believe the men already named in suits, some of whom he said have been his friends for years, were guilty until they were found so in a court of law.

The sheer size of the investigation, the number of leases, wells and operators involved and the heretofore uncharted legal path of the issues all mean it will be months, perhaps years, before the controversy ends.

## ANNIVERSARY OF RECLAMATION ACT

Mr. ANDERSON. Mr. President, next Sunday, June 17, will mark one of the most significant anniversaries in the social and economic development of our country. I refer to the 60th birthday, so to speak, of the signing of the basic Federal Reclamation Act on June 17, 1902, by President Theodore Roosevelt.

This legislative enactment by the 57th Congress has had a most profound effect upon America and indeed upon the world. It has had a key role, as I shall show, in the development of the American West, which is one of the major factors in our national strength and greatness.

Its part in social and political development has been as far reaching as its economic impact. For the Reclamation Act of 1902, with its acreage limitation and its encouragement of family-size, family-run farms, was a land reform act before there was any need in the United States of such reform—when there still was plenty of land for anyone who cared to go out and live and work on it. The act speaks with the spirit of the American frontier—the old frontier as well as the New Frontier. Both in letter and in spirit, it has fostered courage, hard work, and thrift. It assures the man who has and uses these qualities the rewards thereof—full ownership of his land, the means of livelihood for himself and his family.

This is the goal of the land reforms President Kennedy has been fostering and encouraging in other countries of our New World hemisphere, and, as I pointed out, it was done in the American way before there was any need of land reform, as such, in the United States.

Physical and economic achievements under the reclamation law speak for themselves. This year, on its 60th anniversary, the Department of the Interior, which administers the reclamation law, can point proudly to the construction of dams and reservoirs providing dependable supplies for more than 8 million acres of fertile land producing a variety of high-demand crops valued at more than $1 billion annually; 42 powerplants with installed capacity of 5.2 million kilowatts—sufficient to serve the normal needs of about 7 million persons; municipal and industrial water supplies to 200 communities; and 25 million days per year of recreational use at reservoirs;

plus flood control, river regulation, and other continuing services.

The Bureau of Reclamation, which was created as the Reclamation Service in the 1902 Act, has often been recognized for its technical achievements over the past six decades. Two of its undertakings, Hoover Dam, on the Colorado River between Nevada and Arizona, and the Columbia basin project, which includes Grand Coulee Dam on the Columbia River in Washington State, were chosen by the American Society of Civil Engineers as two of the seven modern engineering wonders. More recently, recognition was extended to the Bureau's Glen Canyon Bridge, over the Colorado River near Glen Canyon Dam in Arizona, as the most beautiful steel-arch bridge of 1959, in competition sponsored by the American Institute of Steel Construction.

Among the Bureau's many major projects are the Central Valley project, California; Colorado-Big Thompson project, Colorado; Colorado River storage project, Arizona-New Mexico-Utah-Colorado-Wyoming; Columbia basin project, Washington; and the 10-State Missouri River basin project.

In addition, the Bureau's experience in reclamation is being made available on a worldwide basis through technical assistance programs of the U.S. Government.

Mr. President, in commemoration of its birthday, the Bureau of Reclamation has published a pamphlet entitled "Reclamation—60 Years of Service," outlining some of the history and concepts of its work, and I commend it to Members of the Senate. I think it is an extremely interesting and informative publication.

## TRIBUTE TO WRUL AND METROMEDIA

Mr. LAUSCHE. Mr. President, it has come to my attention that a company having an influential radio voice in Cleveland, Ohio—namely, WHK—is also the owner of what the New York Herald Tribune calls "possibly the biggest audience of any radio station in the entire world." WRUL, or Worldwide Broadcasting, is a division of Metromedia, Inc.

For a number of years this powerful voice, with handsome new studios in New York City's World Broadcasting Center, and with transmitters in Scituate, Mass., was subsidized by the Federal Government up to $300,000 a year. Since its acquisition by Metromedia, WRUL has been entirely on its own—without that Government aid.

WRUL has been relying on itself and enterprising, internationally minded American companies. In other words, here is a prime example of free enterprise relieving Government of financial burden.

Many foreign governments are either wholly or partly owners of the country's broadcast facilities. This raises some doubts in the minds of world listeners about the impartiality of the reports heard. In other words, all Government radio facilities, even though they may or may not be operated on an impartial basis so far as news reporting is concerned, are suspect to a degree by listeners for the reason mentioned.

The FCC, recognizing WRUL's value, has been most cooperative in providing it with the necessary operating frequencies. WRUL broadcasts to Latin America 76 hours weekly; to Europe 50 hours weekly; and Africa 50 hours weekly. They perform this operation with 5 transmitters and 280,000 watts on 11 different frequencies.

An average of 2,000 listeners' letters a week, from two-thirds of the world, testify to the range of influence of this radio station. In addition, this station has invested $100,000 in research to show both the size and quality of its audience.

WRUL carried live the developments of the recent 16th General Assembly of the United Nations, in Spanish and English. It carried the Eichmann trials to the world; and dramatized the space shots and the election returns. It provides the stock market reports to Latin and South American investors.

Many of these broadcasts are made possible by farsighted American corporations who accept the responsibility of not only selling their wares, but also selling their belief in the free enterprise system. I refer to companies such as RCA, Pepsi-Cola, Merrill Lynch, Time, Life, American Machine & Foundry, American Motors, and Owens Corning Glass. Recently, 11 west coast savings and loan associations bought time to induce foreign investors to deposit savings in this country.

WRUL has lost money for a number of years, but gradually the picture is brightening as more companies are seeing their responsibilities in selling the system, as well as their products and services. They recognize, as we all must, that this is a necessary function of those firms who enjoy the benefit of a free society.

In addition to calling these facts to the attention of Senators, Mr. President, I would also like to compliment and congratulate WRUL and Metromedia for its enterprise and stewardship. A recent recognition of their achievement was the receipt of the George Foster Peabody Award for Promotion of International Understanding. This was the second significant honor gathered by this radio station in recent months, the previous one having been the Honor Medal of the Freedom Foundation of Valley Forge.

In conclusion, I ask unanimous consent to have the Peabody Award citation printed herewith.

I hope that by calling this activity to your attention, WRUL and Metromedia will rededicate their effort along the lines to which they are so obviously dedicated. I also hope to point out to American business that this is the true spirit of the admonition given by President Kennedy in his inaugural address. This is a good example of "what you can do for your country."

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

> Be it known that the George Foster Peabody Broadcasting Award is hereby presented to WRUL (Worldwide Broadcasting) for an outstanding contribution to international understanding, 1961.
>
> With this citation WRUL (Worldwide Broadcasting), a division of Metromedia, Inc., carried into the homes of millions of peoples around the world through the medium of radio the complete daily proceedings of the General Assembly and Security Council of the United Nations in English and Spanish, thereby extending their participation in this international organization's global efforts to build world peace. This unique radio coverage was made possible by the enlightened world consciousness of AMF International of the American Machine & Foundry Co. and its chairman, Mr. Morehead Patterson.
>
> Upon recommendation of the Henry W. Grady School of Journalism, University of Georgia, and the Peabody Advisory Board, by authority of the regents of the University System of Georgia.
>
> ——— ———,
> *Chairman of Peabody Board.*
> JOHN E. DREWRY,
> *Dean of School of Journalism.*

## THE FLAG OF THE UNITED STATES OF AMERICA

Mr. DIRKSEN. Mr. President, 185 years ago today the then Congress met and prescribed the characteristics of a flag to have 13 alternate red and white stripes and 13 white stars on a field of blue. In consonance with the resolution, a committee was designated to call upon Betsy Ross to develop the kind of flag prescribed.

Interestingly enough, on that committee, among others, were George Washington and Robert Morris. They proceeded to Betsy Ross' house in Philadelphia. The house is still known as the Betsy Ross house, and it is located on Arch Street in that city.

In pursuance of the prescription by Congress, Betsy Ross provided the first flag.

Since that time I believe there have been 26 changes in the flag, to attest the growth and expansion of our country. Today that flag flies in all parts of the world as a symbol of unity, hope, loyalty, and freedom. If ever that unity is impaired, if ever that hope is destroyed, if that loyalty is ever sullied, or if that freedom is ever diluted, in my judgment it will not come by forces from without, but rather by forces from within. As we contemplate the fevers extant in the world, the economic threat from abroad, the struggle for power, pressures for advantage, and the strange indifference to the forces which menace our stability, our values and our capacity to live in a state of concord and understanding, truly we can say now, as Thomas Paine said in the Revolutionary War days:

> These are times that try men's souls.

So then, as now, if reason prevails, and if patience marks our tempers, and if understanding colors our judgment, I am confident that in the pursuit of our course we will endure, and endure forever, as a free republic.

So today we salute the flag, a symbol of a great land.

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is concluded.

## AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

**Mr. PASTORE.** Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The **PRESIDING OFFICER.** The bill will be stated by title.

The **LEGISLATIVE CLERK.** A bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

There being no objection, the Senate resumed the consideration of the bill.

The **PRESIDING OFFICER.** The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

**Mr. PASTORE.** Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. PASTORE.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

## MRS. EVA LONDON RITT

**Mr. DIRKSEN.** Mr. President, I ask that the Chair lay before the Senate the message from the House of Representatives announcing its amendment to S. 2143.

The **PRESIDING OFFICER** laid before the Senate the amendment of the House of Representatives to the bill (S. 2143) for the relief of Mrs. Eva London Ritt, which was, to strike out all after the enacting clause and insert:

> That, for the purposes of title III of the Immigration and Nationality Act, section 352(a)(2) of the said Act shall be deemed to have been and to be inapplicable in the case of Mrs. Eva London Ritt, a naturalized citizen of the United States: *Provided*, That the said Mrs. Eva London Ritt establishes residence in the United States, as defined in section 101(a)(33) of the Immigration and Nationality Act, prior to the expiration of thirty-six months following the date of the enactment of this Act.

**Mr. DIRKSEN.** Mr. President, on March 29, 1962, the Senate passed S. 2143, to grant the beneficiary an exemption from loss of her United States citizenship under the Immigration and Nationality Act.

On June 5, 1962, the House of Representatives passed S. 2143, with an amendment to grant such exemption with the proviso that she resume her residence in the United States within 3 years after the date of the enactment of the act.

I move that the Senate concur in the House amendment to S. 2143.

The motion was agreed to.

## MARIA LA BELLA

**Mr. DIRKSEN.** Mr. President, I ask that the Chair lay before the Senate the message from the House of Representatives announcing its amendment to S. 1881.

The **PRESIDING OFFICER** laid before the Senate the amendment of the House of Representatives to the bill (S. 1881) for the relief of Maria La Bella, which was, to strike out all after the enacting clause and insert:

> That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Maria La Bella. From and after the date of the enactment of this act, the said Maria La Bella shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

**Mr. DIRKSEN.** On February 20, 1962, the Senate passed S. 1881, to grant the status of permanent residence in the United States to the beneficiary.

On June 5, 1962, the House of Representatives passed S. 1881, with an amendment to provide only for cancellation of deportation proceedings.

I move that the Senate concur in the House amendment to S. 1881.

The motion was agreed to.

## AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

**Mr. PASTORE.** Mr. President, the bill before the Senate is H.R. 8031, which is an act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

The purpose of this legislation is to amend the Communications Act of 1934 so as to authorize the Federal Communications Commission to require that all television receivers shipped in interstate commerce or imported into the United States shall, at the time of manufacture, be capable of adequately receiving all television channels.

Essentially, the bill would amend the Communication Act in order to give the Federal Communications Commission certain regulatory authority to require that all television receivers shipped in interstate commerce or imported into the United States be equipped at the time of manufacture to receive all television channels. That is, the 70 UHF and 12 VHF channels.

One of the most valuable national resources which this country possesses is the radio spectrum. In carrying out its statutory mandate to provide the people of the United States with a truly nationwide and competitive broadcasting system, the FCC has allocated sufficient spectrum space to accommodate 2,225 television stations, which includes 1,544 UHF stations and 681 VHF stations. But, chiefly because of the nonavailability of television receivers which are capable of picking up UHF signals as well as VHF signals, the bulk of the UHF band is unused today, for at present there are only 103 UHF stations and 500 VHF stations in actual operation. This means that only 7 percent of the potential UHF assignments are in actual use, while the remaining 93 percent remains idle.

This legislation is designed to remedy this situation, for its basic purpose is to permit maximum efficient utilization of the broadcasting spectrum space, especially that portion of the spectrum assigned to UHF television. At the same time, this legislation will benefit the public interest in other substantial and important respects, for in addition to bringing new television service to underserved areas, it will promote the development and growth of educational television.

At present the FCC has reserved 279 television channels for educational purposes, of which only 62 are in use. Of the total reserved for educational purposes, 92 are VHF and 187 are UHF. Only through the establishment of additional educational television broadcasting facilities and the activation of noncommercial educational television broadcasting stations can the goal of creating an educational television system serving the needs of all the people in the United States be accomplished.

Recently the Congress enacted legislation—Public Law 87-477, 87th Congress, 2d session—that provides for grants-in-aid for the acquisition and installation of television transmission apparatus for certain educational television broadcasting stations.

During the consideration of this educational television legislation, it became evident, as a result of a nationwide study, that there was a maximum need for at least 97 VHF and 821 UHF channels which should be added to the presently reserved channels to meet the needs of education in the years ahead. This means, in short, that the minimum needs of education projected from a grassroots level from school to school throughout the country will require at least 1,197 television channels for over-the-air broadcasting, in addition to closed circuit systems which might be used.

Therefore, it becomes obvious that this legislation calling for the manufacture of all-channel television receivers ties in significantly with the recently passed educational television legislation. For even in areas where there is extensive commercial VHF service, the all-channel television receiver legislation would help create the type of circulation which will permit the development of the educational television broadcasting stations that use UHF channels.

This goal would be achieved by eliminating the basic problem which lies at the heart of the UHF-VHF dilemma—the relative scarcity of television receivers in the United States which are capable of receiving the signals of UHF stations. Of the approximately 55 million television receivers presently in the hands of the public, only 9 million—or about 16 percent—can receive UHF signals. This scarcity of all-channel receivers is further aggravated by the fact that the overwhelming bulk of television set production is limited to VHF sets only. Moreover, since 1953, the situation has become progressively worse. In that year, over 20 percent of television receivers were equipped at the time of manufacture to receive UHF; by 1961, that percentage had declined to 6 percent.

The practical effect of this scarcity of all-channel receivers is clear: It prevents effective competition between UHF and VHF stations which operate in the same market, thus relegating UHF to those areas where no VHF stations are in competition. Where the two types of stations operate together, advertisers show a marked preference for placing their programs on VHF outlets, as do also networks, who will affiliate with a VHF station wherever possible. Nor has the viewing public shown any substantial willingness to buy receivers capable of receiving UHF signals, except in those areas where no VHF programs are available.

At the present time the country is divided into 278 so-called television markets: 127 of these markets have only 1 television station, 70 are 2-station markets, 57 are 3-station markets, and 24 are markets with 4 or more stations. Consequently, under the television market term, almost three-fourths of the television markets have a choice of one or two local stations. The significance of these figures illustrates that our present system of competition in the television field is limited by the allocations structure to no more than three national networks. Moreover, even in terms of the present 3 networks, 1 of them is under a limited handicap because of the second figure—70 markets are limited to 2 stations—and this leads to a situation that makes it difficult for a third network to secure primary affiliates in those markets. In addition, the opportunity for local outlets which would be available for local programing and local self-expression is severely restricted in many of the markets because of the limited number of stations that are available and even in those areas where there are some available, the stations are network affiliates.

The committee has fully considered the various arguments which have been advanced against this legislation. It has been argued that it would be a dangerous precedent which might lead to congressional control of all types of manufactured products. It must be remembered that this involves a unique situation which would not in any way constitute a general precedent for such congressional regulation of manufactured products. Thus we are here concerned with an instrumentality of interstate commerce. Television receivers are an essential factor in the use of the spectrum, and, as such, are clearly within the ambit of congressional legislation.

While initially there will be an increased cost, it is expected that this will be substantially reduced once the benefits of mass production are fully realized. In any event, the relatively slight increase in cost will be a small price to pay for the unlocking of the 70 valuable UHF channels.

As originally proposed the language of the legislation would have granted the Commission blanket authority to prescribed "minimum performance standards" for all television receivers shipped in interstate and foreign commerce. This provision was widely criticized during the hearings held by your committee and before the House Interstate and Foreign Commerce Committee on the ground that it was too broad and that it would give the FCC authority to prescribe any and all performance characteristics of television receivers. As an example, it was suggested that this broad authority would permit the Commission to adopt standards covering the manufacture of color television receivers. The Commission agreed that this authority was broader than was necessary. Consequently, the bill was amended to eliminate this broad approach.

The Federal Communications Commission in a letter dated May 11, 1962—appendix C in the committee report—expressed deep concern to your committee that the legislation as amended could be construed as being too limited and would make the Commission powerless to prohibit the shipment in interstate commerce of all-channel television sets having the barest capability of receiving signals which therefore could not permit satisfactory and usable reception of such signals in a great many instances.

According to the FCC it was not clear how far the Commission could proceed in promulgating rules regarding the performance characteristics sufficient to permit satisfactory and usable reception of each of the present 12 VHF and 70 UHF channels. Or to what extent, if any, enforceable rules could be promulgated concerning the performance capabilities for all-channel television sets that would assure the purchasers of these sets that they were in fact getting comparable signals from UHF and VHF stations.

In view of this doubt on the part of the Commission and its assertion that the bill as passed by the House might not accomplish the objective of the legislation; that is, to provide authority necessary to insure that all television sets be capable of effectively receiving all channels, the committee, therefore, adopted a simple amendment that should remove all doubt. I understand that the amendment has been adopted by the Senate. This amendment makes it crystal clear that the Federal Communications Commission has adequate authority to proscribe appropriate criteria and rules to achieve the objectives of this legislation. It should prove to be effective. It should meet the questions raised by the Federal Communications Commission and to do less would be to permit the whole thrust of this legislation to be thwarted.

I hope that without too much opposition the bill will become law.

Mr. CASE of New Jersey. Mr. President, both Senators from New York are vitally interested in the passage of H.R. 8031, the all-channel television receiver bill. In light of their interest, they have asked me to present their statements for the RECORD in support of this bill. I ask unanimous consent that their statements appear in the RECORD during the debate on H.R. 8031.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

### Statement by Senator Javits

I support H.R. 8031 because in my judgment it will benefit the people of New York and the Nation in three very important respects.

First, H.R. 8031 will spur educational television. This is both necessary and desirable. By making sure that the public has television sets able to pick up UHF channels as well as VHF channels, H.R. 8031 goes hand in hand with recent congressional action providing for financial aid to educational television stations, most of which will be on UHF channels.

Second, H.R. 8031 will held develop more commercial television. It will assure the public UHF reception wherever entrepreneurs decide to put UHF stations on the air.

Third, H.R. 8031 will preclude the necessity of the shifting VHF stations to UHF, which has proved so unpopular and controversial in many parts of the country. It is my understanding that the FCC has stated that there will be a moratorium on Commission plans for shifting VHF stations to UHF and that this moratorium would last at least 5 to 7 years, and probably longer, until the effectiveness of all-channel set legislation has had a reasonable chance to prove itself. Thus H.R. 8031 will make sure that VHF television is not now taken away from millions of people. If H.R. 8031 is not enacted, many thousands of people in New York State are threatened with loss of television service because of existing FCC proposals to take VHF stations out of Binghamton, Hartford, Conn., and Erie, Pa.

Against these clear public benefits of H.R. 8031 I can see no substantial public disadvantage. No existing set would be made unusable. The extra cost of an all-channel set compared with a VHF-only set is estimated at $20 to $25 per set, which is not much when measured against the greatly expanded reception capability of these sets. Furthermore, it is reasonable to believe that when all-channel sets become universal, savings can be realized in mass production which will eliminate most or all of the presently anticipated extra cost.

I do not think H.R. 8031 is a dangerous precedent for Government intervention in private enterprise. The UHF–VHF question is unique. A decade of painful experience has made clear that all-channel set legislation is needed if the public is to have the benefit of an 82-channel TV system with its possibilities for expanded commercial and educational service. In any event, as amended and reported by the Senate Commerce Committee, H.R. 8031 would allow the FCC to establish standards for television sets only to the limited extent necessary to assure that all sets are capable of adequately receiving all television channels. The FCC would not be authorized to get into such questions as picture tube size or whether all sets should be equipped for color.

Finally, it is noteworthy that H.R. 8031 has widespread support: from the FCC, virtually all television stations, television networks, educators, at least three major set manufacturers, set dealers, and numerous farm and civic groups.

### Statement by Senator Keating

As a member of the Communications Subcommittee of the Senate Committee on Commerce, I voted in favor of reporting this bill to the Senate. I believe that it is the best available method by which we can provide a greater choice in programing to TV viewers and therby meet the demands of an even larger proportion of the general public.

I was pleased by the effective way in which all of the parties interested in this legislation have worked together to develop a concensus of opinion representing the interests of viewers, the TV industry, our committee, and the Federal Communications Commission. I should like to congratulate the chairman of the subcommittee, Senator PASTORE, for his leadership in the handling of this legislation in committee. I do not anticipate a close division of opinion on this bill; however, I regret that several urgent commitments in New York City prevent my being present to hear and participate in the floor debate.

## NATIONAL DEFENSE AND FOREIGN POLICY

**Mr. HARTKE.** Mr. President, in the past few months there has been a great deal of discussion in the press, on the radio, on television and, in fact, on the floor of this legislative hall, about something called a no-win policy as being a part of the overall American foreign policy. It has even been alleged in certain quarters that the present administration has embraced a no-win policy, whatever that is supposed to mean. This discussion has concerned itself more with slogans than with facts; more with words than with action; and when I have finished this speech I hope, and it is my firm desire, to have Senators say that I have dealt with facts and not with mere slogans and words meaning little or nothing except to confuse and inflame emotions.

In entering a discussion of this nature, I am also reminded of a pertinent observation relating to the nature of democratic government and one that pertains particularly to the conduct of foreign policy and military policy in such a program, was made during the time of George Washington by that famous pessimist—turned optimist for the moment—Fisher Ames, of Massachusetts. He once remarked:

> A monarchy is like a merchant vessel. It sails the seas proudly. If it strikes a rock, it will sink. A republic, however, is like a raft. It will never sink in any sea—but your feet are always wet.

We in a democracy such as the United States always have our feet wet; and if we are to fulfill our international commitments, and deal with the insidious foreign policy practiced by the Kremlin masters, we will in ensuing years indeed have some rather wet and distressing times. Yes, I am sure that at certain intervals those who are responsible for high policy in this great Republic of ours, will be accused of having a no-win policy when we refuse to place this country on the brink of a precipice where some unintentional push could plunge us into a war from which all mankind and society would be reduced to a heaping pile of rubble.

Mr. President, let us consider what this administration has accomplished in the last 18 months and let us analyze some of the new policies that have been instituted to insure the defense of our country, and to prevent an all-engulfing nuclear holocaust.

The present administration has increased the defense budget by almost 25 percent—from $41.3 billion appropriated in fiscal year 1961 to $50.1 billion requested by President Kennedy for fiscal year 1963. Indeed, the 1963 budget request is more than $8 billion higher than the last defense budget requested by the Eisenhower administration for fiscal year 1962.

It is one thing to talk about winning, but it is quite another thing to provide the military forces required to assure our victory in combat. It has long been recognized that the advent of the nuclear-armed ballistic missile has confronted the Nation with a defense problem entirely new to its experience.

But the actions required to prepare the Nation to cope with the threat of a war engaging such weapons had not been taken in a timely fashion. Much too large a proportion of our strategic retaliatory forces were vulnerable to the kind of attack we would have to face in the future. Accordingly, one of the first actions taken by President Kennedy last year was to strengthen our strategic retaliatory forces by moving more rapidly into these weapons systems which have the best chances of riding out any kind of nuclear surprise attack. Because bombers on the ground are soft targets and highly vulnerable to ICBM attack, orders were given to increase by 50 percent the portion of the manned bomber force to be maintained on ground alert so that they can get off the ground within the 15-minute warning time provided by our ballistic missile early warning system. This action alone has significantly increased our power to retaliate against even a surprise nuclear attack.

Prompt action was also taken to expand and accelerate the programs for other weapon systems which have a high degree of survivability against ICBM attack The number of Polaris submarines was increased by 50 percent, from 19 to 29, and the construction schedule accelerated so that the 29th submarine would become available about 2 years earlier than would otherwise have been possible. Six more Polaris submarines are proposed for the coming fiscal year and 6 more for the year thereafter, bringing the total to 41 submarines with 656 Polaris missiles distributed upon the seas of the world. Mr. President, not only is this a very large and potent force, but these submarines can fire their missiles from beneath the surface of the oceans of the world; they are invulnerable to surprise attack by intercontinental ballistic missiles.

The number of land-based Minuteman missiles to be deployed in hardened and dispersed sites was also significantly increased, and the production capacity for these missiles was doubled. Another 200 operational missiles are included in the fiscal year 1963 budget, raising the total to 800, with more to come in future years. I submit a question: Are these the actions of a Government that has a no-win policy? There is more to this picture:

To prolong the useful life of our B–52 bomber force, the development effort on the new Skybolt air-to-ground missile program was substantially increased and accelerated. Additional funds for this missile are included in the 1963 budget. Each B–52 bomber can carry four of these solid fuel ballistic missiles in place of two air-breathing Hound Dog air-to-ground missiles. I point out that the fiscal year 1962 Eisenhower budget did not include any funds for the Skybolt missile, and its future was left in doubt.

Because our opponent may in time develop some kind of defense against a ballistic missile attack, the Kennedy administration has greatly expanded the program to provide penetration aids for our ballistic missiles. These devices will ensure that our missiles can penetrate to their targets against any foreseeable kind of defense.

Finally, the new administration undertook an accelerated program to develop an effective, protected command and control system so that at all times, before, during, and after an enemy attack, the constituted authorities, from the President on down, will have full command of our military forces.

Now I shall sum up our strategic retaliatory power.

The programs proposed by the present administration and reflected in the fiscal year 1963 budget will provide a force of over 1,000 Atlas, Titan, and Minuteman ICBM's, plus 41 Polaris submarines with over 650 missiles, plus more than 700 B–52 and B–58 manned bombers. By 1966–67 the alert portion of this force alone, that is the portion of the total force which can be launched with only 15 minutes warning, will have three times the destructive power of the alert force we had a year ago.

All these measures are required if the Nation is to be in a position to retaliate decisively against a nuclear attack upon the homeland and all of these measures will increase defense cost. In fact, the 1963 budget contains about $1½ billion more for the strategic retaliatory forces than did the last Eisenhower budget for fiscal year 1962. To insure the supremacy of our strategic retaliatory forces in the future, the Kennedy administration has requested funds to start preliminary work on new land-based and sea-based missiles. In addition, work will be continued on the development of the B–70, long-range supersonic bomber. The future of this aircraft is now being restudied in the Pentagon. Secretary McNamara has already indicated that work will be pressed forward on the reconnaissance elements of the newly proposed reconnaissance-strike version of this aircraft, the RS–70. This reconnaissance subsystem, we are told, is the pacing item of the RS–70.

Under the present plan, the B–70 program has been increased to 3 prototypes instead of 2, thus permitting a more complete development and evaluation of the airplane.

In addition to increasing and strengthening our strategic retaliatory forces, the new administration faced up squarely to the problem of air defense in the ballistic missile age.

President Kennedy, therefore, immediately proposed a further dispersal of the air defense interceptor forces and the creation of a manual backup for the automatic SAGE system which, because it is soft and relatively concentrated, is perhaps the most vulnerable element of the entire air defense complex. These manual control facilities will provide an alternative means of controlling our air defense weapons in the event all or most of the SAGE centers are destroyed.

The administration has also proposed additional procurement of Nike-Hercules and associated equipment. Together with the Missile Master acquisition, tracking and control system, the Nike-Hercules missile constitutes a relatively self-contained air defense system.

The administration is also continuing development of a system of orbiting satellites to augment the Ballistic Missile Early Warning System which already is partially operational. In addition, work has been started to improve the bomb alarm system, so that it can provide timely information for damage assessment and the evaluation of the fallout pattern.

Like the former administration, the present administration has decided against production and deployment at this time of the Nike-Zeus missile defense system. However, development, test, and evaluation of this system provide a significant amount of additional data on the many problems of ballistic missile defense. Meanwhile, the administration is exploring other approaches to the problem of ballistic missile defense, the details of which are, of course, classified.

The threat of submarine-launched missiles has also received greatly increased attention. The best defense against this threat still lies in the detection and destruction of the launching submarine before the missile is fired, and for this purpose the administration has nearly doubled the available funds. The 1963 appropriation request includes $2,206 million for antisubmarine warfare, compared to $1,253 million appropriated in 1961. For example, eight nuclear attack submarines are included in the 1963 budget, compared with three in 1962, and only one in 1961. The procurement of ASW aircraft has been nearly doubled from 1961 to 1963, and the research and development effort has been expanded, to insure that all practical approaches to the problem are carefully explored.

Finally, an important innovation has been made to strengthen the Navy's management of the ASW program. The position of Director of Antisubmarine Research and Development has been established, to serve as the focal point of the entire ASW effort. This step will insure that a more comprehensive approach is taken to the ASW problem, as well as to improving overall management.

One of the most significant actions taken by this administration was to make the first real start on a meaningful civil defense program. Certainly if this Nation is to stand fast in defending its vital interests, even to the point of nuclear war, it must make a reasonable effort to provide its citizens with protection at least against the extensive fallout which would result from a nuclear attack on this country. The goal of this expanded program is to provide, by 1967, a shelter space for every American.

The task of locating and stocking existing space which is suitable for fallout shelters is already well underway, using the $256 million requested by the administration and appropriated by the Congress last year. The administration has requested a total of $695 million for the program in the next fiscal year, compared with the few tens of millions of dollars requested and appropriated in past years.

Not only has the present administration greatly strengthened the Nation's posture for general war; it has also greatly strengthened our posture for limited war, the type of armed conflict which is much more likely to occur over the next decade. The Berlin crisis last year, together with Communist covert aggression in southeast Asia, provided convincing evidence, if more evidence was needed, that, in total, our combat-ready limited-war forces were sadly inadequate to the task of coping with the many threats confronting us around the world. Furthermore, the lack of adequate combat-ready, nonnuclear forces in Europe, including both United States and allied forces, severely limited the character and scope of our possible response to the Soviet aggression there.

Mr. President, we must constantly realine and reorganize our military forces, to counter the aggressive forces that confront us in today's world. Yes, military doctrine and strategy must be under constant review and change; this year, this was one of the first great overall military problems tackled by President Kennedy and Secretary McNamara. The administration fully recognized, as Secretary of Defense McNamara repeatedly pointed out to the congressional committees, that tactical nuclear weapons might have to be used, not only in Europe, but elsewhere. And this was emphasized by President Kennedy, who said in a statement to Saturday Evening Post Writer Stewart Alsop:

> Of course in some circumstances we must be prepared to use the nuclear weapon at the start, come what may—a clear attack on Western Europe, for example.

But the administration was particularly concerned that the decision to employ such weapons in limited war situations should not be forced upon us simply because we have no other alternative. Thus, what the administration has proposed is not a reversal of the previously existing policy, but, rather an augmentation of our nonnuclear capabilities, so as to provide to our limited-war forces a greater flexibility of response. Clearly, our position throughout the world would be greatly strengthened if, when confronted with deliberate Communist provocation, we were not forced to choose between doing nothing or deliberately initiating nuclear war.

Accordingly, last year the administration undertook a major strengthening of our limited-war forces. By a series of actions, the number of combat-ready divisions in the Army was increased by 50 percent—from 11 to 16. And in order that we shall continue to have this increased capability, the two Army National Guard divisions which were called to active duty last year are now being replaced by two new regular Army divisions. The active duty strength of the Army has been greatly increased, and will be held to 960,000 men, compared with 860,000 last June.

The strength of the Marine Corps was raised by 15,000 men—from 175,000 to 190,000; the nucleus of a fourth Marine division was created within the active establishment; and the amphibious lift was expanded from less than 1½ divisions to a full 2 divisions. The number of active ships, aircraft, and personnel in the Navy were increased. The ship construction and conversion program recommended by the administration for the fiscal years 1962 and 1963 will be about double that for the 2 previous fiscal years.

The tactical fighter forces of the Air Force were expanded by almost one-third, to provide more air support for the Army ground forces. The number of aircraft to be provided for these forces in 1963 and 1962 is more than double that of the 2 previous years. The airlift program was increased by 50 percent, to provide the means to move the limited-war forces promptly to wherever they might be needed. The number of airlift aircraft to be procured during this fiscal year and the next will be more than 150 percent higher than that for the fiscal years 1961 and 1962. In fact, the program proposed by the present administration will increase our airlift capacity threefold by 1965.

To insure that our limited-war forces are properly equipped and supplied, the procurement of weapons, equipment, and ammunition for these forces has been vastly increased. For example, in 1963 the Army will double its 1961 procurement of small arms and tactical and support vehicles, and will increase its purchases of combat vehicles by about 75 percent. The number of Army aircraft in the 1962 and 1963 programs is more than twice that of the 2 preceding years.

In the Navy, the procurement of fighter and attack aircraft during the current and the coming fiscal years will average more than one-third higher than that of the 1960–61 level. The procurement of missiles such as the Sparrow III, Terrier, and Bullpup for the Navy in 1963 will be more than double that of the 1961 level. Similarly, the procurement funds for the Marine Corps in 1962–63 have been increased by nearly 150 percent over those for 1960–61.

In the Air Force, the procurement of nonnuclear munitions in 1962 and 1963 is more than five times that of the 1961 level. And to insure that all of the general-purpose forces will continue to have the kinds of weapons and equipment needed in order to deter limited aggression in the future, the research and development effort in the limited-warfare area was significantly expanded.

Finally, to deal more adequately with what Mr. Khrushchev calls "wars of national liberation," which we know as subversion and armed aggression, our counterinsurgency forces have been more than doubled. But, even more important, counterinsurgency training has now become general throughout our limited-war forces. Such training is given to personnel at all levels—senior officers, as well as new recruits; to Navy and Air Force personnel as well as Army, and to the Reserves as well as the Regular Forces. And to provide new, specially designed equipment for the forces preparing for the counterinsurgency mission, a large research and development program has been initiated.

This effort to improve counterinsurgency capabilities is not limited solely to our own forces. U.S. training teams have been sent to various parts of the world to help other free nations improve their own capabilities to deal with Communist-inspired and supported insurrection and covert aggression. Our determination to help the nations of southeast Asia maintain their freedom and sovereignty has been fully manifested by the extensive help now being given to the Government of South Vietnam and by the deployment of U.S. forces in Thailand. In contrast to the situation which prevailed in that area in 1955, the United States has now made it clear that it is determined to halt Communist aggression in southeast Asia.

A year ago last January, Mr. Khrushchev laid before the Moscow Conference of Communist Parties a strategy for the 1960's. He said:

> In present day conditions it is necessary to distinguish the following kinds of war: world wars, local wars, and wars of liberation and popular uprising. This is necessary in order to work out correct tactics with regard to these wars. Communists are the most resolute opponents of world wars.

Such wars, Mr. Khrushchev pointed out, would wreak death and destruction upon all mankind. And he concluded that world wars are not needed for the victory of communism. Mr. Khrushchev is also opposed to what he calls local wars, because such wars "might develop into a world thermonuclear rocket war." But there is one kind of war which Mr. Khrushchev favors, and that is the guerrilla war or war of insurrection.

The United States and the free world must not only be prepared to fight and win a thermonuclear war but must also be prepared to win local wars and wars of insurrection. Indeed, the more successful we are in deterring general war, the greater becomes the likelihood of wars of lesser scope.

Until we have found a sure road to a safeguarded disarmament, our best hope—and in fact a very good hope—of avoiding thermonuclear war is to keep our own strategic deterrent strong and secure. And this is a basic tenet of our military policy. We have today, and will continue to have under the programs proposed by this administration, the undisputed capability to strike back with decisive force at any nation which might decide to attack us, even after absorbing the full weight of an all-out surprise nuclear attack. This, I believe, is the real reason why Mr. Khrushchev says that Communists oppose thermonuclear wars.

Similarly, our best hope of avoiding the more limited types of open conflict is to maintain forces of the size and kinds necessary to make such wars unprofitable to the Communists. And this, too, is a basic tenet of this administration's military policy.

Finally, the United States and the free world must develop the capabilities to win Mr. Khrushchev's third kind of war, the wars of insurrection and covert armed aggression, and it is in this area that the administration has undertaken another major expansion.

But all of these measures are still not enough; our struggle against communism cannot be limited solely to military action. The Communist threat extends to every facet of human endeavor—economic, political, technical, and so forth—and the free world must learn how to defeat these other forms of the Communist challenge.

There is every reason to believe that we will win the economic struggle. We have only to observe what is now taking place behind the Iron Curtain, in the Soviet Union as well as in Communist China, to appreciate the vast superiority of our own economic system over that of communism. Even now, without fully using our enormous productive capacity, we have no difficulty in far out-producing the Soviet Union. And while famine rages in Communist China and food shortages plague the Soviet Union, the United States year after year produces all the food that our people desire, with more than enough left over to feed a significant part of the rest of the world.

And there is every reason to feel confident that we will eventually win the struggle for the minds and hearts of men. Freedom has always had an irresistible attraction for people everywhere in the world. The desire to be free cannot long be suppressed. From Murmansk to Hong Kong the Communist bloc has walled itself in to prevent the people from fleeing to freedom. The Communists are plainly afraid of the ideals of freedom and justice.

But meanwhile we must learn to live with the dangers of the thermonuclear age and with the prolonged tensions of the cold war struggle. There are no shortcuts to victory. Victory will come only with patience and resolution—backed by strength. What we seek to win in this historic struggle against communism is not a world reduced to radioactive rubble, but rather a world in which law and order prevail and in which all peoples are able to determine their own destiny. That is the kind of victory which will benefit all mankind. And that is the kind of victory America has always wanted to win.

## ISSUANCE OF PROCLAMATION WITH RESPECT TO NATIONAL WHEAT ACREAGE ALLOTMENT

The PRESIDING OFFICER (Mr. BURDICK in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 198) deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment, which were, to strike out all after "of" in line 9, down through line 11, inclusive, and insert "wheat," and to amend the title so as to read: "Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment."

Mr. ELLENDER. Mr. President, the House yesterday passed Senate Joint Resolution 198 with an amendment striking out the provision for extending the wheat quota referendum to as late as August 25. As amended, the joint resolution provides only for deferring the proclamation of the 1963 wheat marketing quota and national acreage allotment as late as July 15. The Department would like to have the House amendment agreed to so that the resolution can become effective immediately. Otherwise, quotas would have to be proclaimed tomorrow.

I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

## U.S. LABOR AND THE U.N.

Mr. HUMPHREY. Mr. President, the AFL–CIO is justly celebrated for its enlightened attitude toward the human problems of U.S. foreign relations. The American merged labor movement has worked for years within the International Labor Organization and has played an outstanding role in the International Confederation of Free Trade Unions. Its horizon is anything but limited by the domestic problems of unemployment, automation, and wages.

In this spirit of worldwide awareness and human brotherhood, the AFL–CIO executive council and the New York Labor Council have, with little fanfare, established and maintained a new AFL–CIO Committee for the United Nations, Inc. This committee has functioned as a center where members of the labor movement and friends of labor the world over could meet and could participate in a variety of social, cultural, and intellectual activities. In so doing, the AFL–CIO has performed a genuine service for the United States.

Mr. President, I ask unanimous consent to place in the RECORD an account of this undertaking of the American labor movement, as reported by Ed Townsend in the Christian Science Monitor of June 9, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, June 9, 1962]

### PEOPLE AT WORK—LABOR, THE U.N., AND HOSPITALITY

(By Ed Townsend)

NEW YORK.—Some time ago, an American labor official met, by chance, an African delegate to the United Nations while passing through a New York hotel lobby. They had become acquainted years before at an international labor conference abroad.

The two men chatted in French, and the American union official was disturbed to learn that his acquaintance—a man with a deep interest and long experience in labor—was finding life duller and less fruitful than it should be in this country. He was handicapped because he could speak only his native tongue, French. He had few friends outside his own delegation and U.N. official circles. He was anxious to get to know Americans but he had been able to meet and mingle with very few of them.

Instead, he said, he was spending his free time sitting in the hotel lobby, watching passers-by, or in movie houses in the hotel area. He shrugged when he told this, commenting that it was a pleasant way of life, perhaps, but no way to get to know a people.

An idea was born in the chance meeting. The union official saw a gap that labor could fill, and an opportunity to perform a service. Other unionists agreed. So did the AFL–CIO president, George Meany, a former United States delegate to the U.N., and Harry Van Arsdale, president of New York City's Central Labor Council.

The AFL–CIO executive council and the New York labor council agreed to sponsor a new AFL–CIO Committee for the United Nations, Inc., to set up and operate a hospitality center for U.N. delegates. The center opened this spring around the corner from the U.N.'s home on New York's East River, with windows opening on the inspiring tower and buildings of the world organization

President Kennedy greeted it with a send-off message commending "labor's mature view of our responsibilities in a shrinking world." U Thant, Acting Secretary-General of the U.N., added his praise, commenting, "You help to achieve a fundamental purpose of the United Nations, greater understanding and personal contact among peoples of all countries and all walks of life."

There were other official words of praise, all welcomed, but more important to the committee was the response to the center by U.N. delegates and New York unionists. At the opening, doubts of the response had caused nagging worries. Would delegates really come to the center to seek access to the American way of life through unions and the men and women in them? Would they welcome opportunities to attend union affairs? And would they be welcomed there?

The worries proved unnecessary. The delegates are making use of the center, particularly those from younger, undeveloped nations who sometimes need special help in adjusting to New York. They do welcome the informality of union affairs—meetings, dances, lunches, dinners, rallies, and the like. And they are being welcomed everywhere.

Just a few days ago, the African delegate of the chance hotel lobby meeting attended and "very much enjoyed," he said, a dinner given by an office employees' union in New York for its office stewards, those who carry on the union's day-to-day business in offices. The U.N. delegate attended the dinner in the company of a group of French-speaking office unionists employed by the French Line.

That was only one of the union functions he has attended or been invited to attend in recent weeks. New York's big and busy labor movement has something going all the time, occasionally an entertainment or social affair, a theater party, dinner, or rally drafting Broadway stars, but usually something less glamorous and more in line with American everyday living. Actually, the center is more interested in referring delegates, with introductions and, if necessary, escorts, to the more routine gatherings that give a better insight on American life.

Its aims are:

To afford trade unionists connected with the U.N. an opportunity to meet and exchange views with unionists in this country—local members and officials and, at times, visiting labor executives such as Mr. Meany and internationally known Walter P. Reuther, president of the United Automobile Workers. If Mr. Reuther is to speak at a meeting, there is always a demand for admission cards.

To demonstrate the dynamic role of unions in New York and the United States, many U.N. delegates were union guests of a dedication of a labor housing development.

To open to them more social, cultural, and intellectual opportunities.

To help them see American workers—"the real New York and United States," a center spokesman said—at home, in union and political life, and in plants and offices.

The hospitality center has, in fact, been described as a sort of lonely hearts club and servicemen's club combined.

Its staff tries to match personalities and interests. With a million union members in New York's AFL–CIO affiliates, the committee says it can provide almost any language, trade, or special interest. There is something for everyone.

It does not attempt to adhere to diplomatic protocol. It stresses informality—"a real trade union welcome," a spokesman said. Formality, the committee has found, is something most delegates want to escape from, an artificial barrier from the people of this country. In line with that, the center emphasizes contacts with union rank-and-file members as much as with officers.

It has a warm feeling of accomplishment whenever it is told—and it frequently is—that a delegate has been made to feel at home and that he has seen a side of American life he would not have had a chance to see otherwise.

## FOOD FOR PEACE CONFERENCE

Mr. HUMPHREY. Mr. President, on June 9, 1962, the American Food for Peace Council sponsored a regional meeting on the food-for-peace program at the University of Minnesota.

The meeting was well attended. Participants came from several of the Midwestern States. The program was extensive in its scope and intensive in its discussion.

Minnesota was particularly honored by the presence of the Administrator of the Agency for International Development, Mr. Fowler Hamilton, and the special assistant to the President and Director of the food-for-peace program, Mr. George McGovern. We also were privileged to have with us the national chairman of the American Food for Peace Council, Mr. Paul S. Willis.

I wish to pay tribute to one of the great leaders of the Kennedy administration, a dedicated administrator who has given a new dimension to America's foreign aid program. I speak of George McGovern, Director of the food-for-peace program, who will be leaving Washington soon to seek his political fortune in South Dakota. As I watched and listened to George McGovern at this recent conference, I realized evermore what a great contribution he has made to the development of the food-for-peace program and to the improvement and strengthening of our foreign policy.

We shall miss George McGovern, not only as a friend and neighbor, but, more important, as a true humanitarian who has transformed his belief in mankind into a whole series of positive accomplishments that have given new luster and meaning to the words, "food for peace."

Seventeen months ago, when Mr. McGovern was appointed Food for Peace Director, the President said:

> America's agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way. * * * We must make the most vigorous and constructive use possible of this opportunity.

Yes, the food-for-peace program has been greatly accelerated under the direction of George McGovern. The food-for-peace program requires a director with broad interagency responsibilities who reports directly to the President.

I know that the President is fully aware of the importance of this, and I am confident that he will soon name a highly qualified successor to Mr. McGovern, an able administrator who can furnish the affirmative leadership that is so essential if our food-for-peace efforts are to succeed.

I ask unanimous consent that excerpts from my address to the food-for-peace conference be printed at this point in the RECORD. I also ask unanimous consent that the program be printed in the RECORD.

There being no objection, the excerpts and program were ordered to be printed in the RECORD, as follows:

### EXCERPTS OF REMARKS BY SENATOR HUBERT H. HUMPHREY, AT THE FOOD-FOR-PEACE CONFERENCE, MINNEAPOLIS, MINN., JUNE 9, 1962

Seventeen months ago, when Mr. George McGovern was appointed Food for Peace Director, the President said, "America's agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way. We must make the most vigorous and constructive use possible of this opportunity."

Just how has President Kennedy's Executive order been implemented? What has happened to food for peace?

Probably the best answer would come from a Moroccan laborer who owes his very job to food for peace, a schoolboy in Peru who is getting a nourishing meal each day for the first time in his life, or a family of Chinese refugees in Hong Kong who are finding that people do care.

In statistical terms, 45 billion pounds of U.S. commodities were programed for oversea shipment under food-for-peace authority during the 1961 calendar year. This is an alltime record in utilizing our abundance in a coordinated attack on hunger and poverty throughout the world.

Here are only a few of the many other accomplishments of food for peace:

1. The negative concept of "surplus disposal" has been replaced by a positive view of U.S. agricultural abundance as a precious national resource. This change in concept is fundamental to the success of the program. It has given rural America an appreciable stake in American foreign policy. It has resulted in much greater appreciation for U.S. food aid both at home and abroad. Critical food shortages in Asia, Africa, Latin America, and the Sino-Soviet bloc highlight the enormous food assets of the United States. Food is our most valuable material resource, and our clearest advantage in any competition with the Communist world.

2. The Departments of State, and Agriculture, and the Agency for International Development have demonstrated a growing awareness of the importance of food in foreign assistance. Officials in State and AID in cooperation with the Department of Agriculture are taking steps toward a much-improved integration of food with other oversea development resources.

Although progress is being made, there is a need for more consideration by U.S. loan agencies and foreign assistance planners of the possibilities of using food to supplement dollar aid. No U.S. official should give final clearance to a foreign loan until he is convinced that the possibility of using food as a substitute or supplement for aid dollars has been fully evaluated.

3. Food as an instrument of economic development has been sharply increased. Two countries, Tunisia and Afghanistan,

were using U.S.-donated food for the partial payment of wages on public works projects at the beginning of the Kennedy administration. Eleven countries have such programs today, and negotiations are underway with 25 others.

4. Important new school-lunch programs were established in a number of countries in 1961. Ambassador James Loeb of Peru advises that the first Latin American government-to-government school-lunch program, which George McGovern signed with Prime Minister Pedro Beltran a year ago, has had a remarkably good impact. Aside from noticeable nutritional improvements, school attendance has increased by 40 percent. So successful has this program been that it was recently enlarged to feed more than 175,000 Peruvian children during the current school year.

5. Six nations have signed agreements to purchase food for long-term loans with repayment in dollars. These agreements are the first of this kind.

6. In 1960, 54 million persons were fed with U.S. foodstuffs donated to private voluntary agencies. That number was increased by 10 million in 1961, and further increases are in the making. Voluntary agencies established feeding programs in eight additional countries last year.

7. Food for peace moved swiftly to meet famine, flood, and other disaster conditions in the Congo, Vietnam, Kenya, North Africa, and other areas in 1961. Steps have been taken to broaden and add flexibility to our refugee feeding programs.

8. An American Food-for-Peace Council, representing a broad cross-section of the public, has been organized to develop public understanding and support for the program.

9. A U.S. Freedom From Hungar Foundation has been established to support the U.N. Food and Agriculture Organization's 5-year campaign against hunger. Former President Truman was named by the President as honorary chairman.

10. As delegate to the FAO meeting in Rome in April 1961, George McGovern suggested, with the President's approval, that the United States would contribute $40 million in surplus commodities toward an overall U.N. food bank of $100 million in food and cash. That proposal has since been approved by the FAO Conference and the United Nations and is being implemented within the U.N. system.

11. An interagency committee has been established to evaluate new food processes that will increase the effective use of our foodstuffs abroad.

12. The Food for Peace Director has proposed that the Alliance for Progress can be assisted by a formula under which the United States would provide feed grains to Latin American poultry-raising cooperatives. Part of the poultry proceeds could be used to finance social and economic projects. This is another way in which cereal surpluses can be converted to high-protein foods.

These are just a few of the positive accomplishments of the food-for-peace program during the past 17 months. The program has proved to be the most ambitious and imaginative effort in world history to construct a bridge between the abundance of the United States and the undernourished half of the world that cries for food.

It helps the United States find constructive outlets for our surplus food production; it reduces our storage costs; it stimulates our shipping industry and our ports; it bolsters farm income; it develops future dollar markets overseas; it raises purchasing power of other countries, and it strengthens U.S. foreign policy objectives.

On the other side, sharing our food abundance reduces human misery, sickness, and premature death. It gives men the strength to work, students the energy to study, and brings nourishment and hope to millions. In supplementing the resources and the energy of food-deficient countries, the food-for-peace program has become a powerful ingredient in economic and social development throughout the world.

I know that President Kennedy and the American people stand ready to share our resources, so that every child can have food in his stomach, strength in his arms, hope in his heart, and light in his eyes.

For transforming this into deeds, we owe a debt of gratitude to the food-for-peace program, and to its imaginative Director, George McGovern.

What does the future hold for food for peace?

Today, U.S. food-for-peace-assisted school lunch programs are reaching 30 million children in 80 countries of the world. But there are 700 million children around the world who need such a program. Is food for peace equal to that challenge? Will the local governments do their part in establishing a school lunch for every needy child? I hope that some day in the not too distant future we can answer in the affirmative both of those questions.

The food-for-peace program faces other challenges. They are continuing challenges. They are immense challenges.

The three basic challenges to our generation—and perhaps to many generations to come—are represented by three tragic statistics of human need reported to me by the Library of Congress.

First, 83 percent of the world's people are underfed.

Second, 70 percent of the world's people are either sick or ill housed.

Third, 62 percent of the world's people are illiterate.

Is it any wonder that this earth is torn by conflict and scarred by repeated violence?

These conditions of hunger, misery, and ignorance are more than disgraceful reminders that mankind has lacked the wisdom to put his technical know-how to work to banish poverty and misery.

These conditions nourish the needs of discontent, revolution, and violence.

These conditions are the allies of communism and other forms of totalitarianism.

These conditions are the real and the basic enemies of freedom, of peace, of justice.

We in the United States must learn to face these challenges squarely. We need to understand fully and deeply the meaning of the hunger, poverty, and ignorance which stalks two-thirds of the world.

Our response to these conditions of misery must be more than a fleeting or momentary sense of compassion and sadness for the rest of the world.

We must place our understanding of these conditions into the context of the present world struggle and our own struggle for the security and survival of freedom.

We must realize the practical and political effect of hunger, sickness, and ignorance.

The hunger of any man weakens to some degree the chances of freedom for all men.

The sickness or poverty of any human being strengthens the forces of communism.

The ignorance or illiteracy of any citizen of this world cuts into the prospects for peace and contributes to the ingredients for war.

We in this Nation must realize that we are not threatened merely by the ambitious, aggressive personalities of particular leaders in specific nations.

We must realize that the dangers we face are not limited to guns or bombs.

We must realize that this struggle in which we are engaged is deeply meshed with the struggle of all mankind to lift itself out of the chains of poverty and ignorance.

Let me pause for a moment to comment on those who whine that this Nation is being led by a no-win policy.

They wave the banner of victory. I am not critical of that.

But they demand victory now. Or—in their most patient mood—they demand victory by next Tuesday.

I suggest that those who rave about a no-win policy are really guided by a know-nothing approach to today's international struggle.

They would win now, or tomorrow or at the latest next Tuesday with guns and bombs.

And, of course, they would win ultimately nothing but death and desolation and at best a reversal to the Dark Ages.

More and more Americans, fortunately, are coming to realize that the security of the United States and of freedom is not linked merely to military strength.

The people of this Nation realize that this struggle demands military strength, yes—but also economic and technical strength—and the use of them throughout the world.

And there is yet another dimension to our strength which is unique, and which gives us a distinct and powerful advantage in the struggle with totalitarianism.

This fourth strength is our agricultural abundance.

No other nation in the world has the strength and the power of an agricultural abundance to the degree we enjoy, and almost all nations are gripped by tight food shortages and agricultural failures. I need not remind you that the Soviet Union, most of its satellites and Red China are hindered and checked in their aggressive aims by shortages of food.

I can remember the days in the late 1940's when this Nation was confident, proud—and even a bit smug—because we had a monopoly of atomic weapons. We lost that monopoly quickly, and with that loss a bit of our confidence too.

Today, we have a comparable advantage—a superabundance of food and fiber. I would hope that more Americans will realize the power of this advantage, and will gain renewed confidence from it.

Clearly, we must use our agricultural abundance to feed and to lift those millions throughout the world who are chained to hunger and poverty.

We have begun.

Food for peace is no longer a dream. It is no longer a goal. It is no longer a slogan in American political campaigns.

Food for peace is a practical, vital, effective instrument of the foreign policy of the United States, and a compassionate arm of the people of the United States.

Victory will be ours. We will win this struggle for freedom and progress—not today, not tomorrow, not next Tuesday. We will win it with an effort which will take many years and perhaps even several generations.

The victory we seek is a victory over the basic conditions of misery which have chained men through all of recorded history.

With a growing food-for-peace program—fully utilizing the agricultural abundance given to us by God and cultivated by the skills of our people—we cannot and will not fail.

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FOOD FOR PEACE, UNIVERSITY OF MINNESOTA,
JUNE 9, 1962

PROGRAM

Host: Hon. Elmer L. Andersen, Governor of Minnesota.

Guest: Hon. George McGovern, Special Assistant to the President and Director, Food for Peace, the White House.

Chairman: Mr. Paul S. Willis, chairman, American Food-for-Peace Council, and president, Grocery Manufacturers of America, Inc.

Conference coordinators: Mr. Earl W. Madsen, president, Madsen's Super Valu Stores; Mr. Burton M. Joseph, president, I. S. Joseph Co., Inc.

8:15 a.m.: Registration; Coffman Memorial Union.

*Morning session, Mayo Memorial Auditorium, University of Minnesota*

9:15 a.m.: Invocation, Rabbi Max Shapiro, Temple Israel; Flag slaute, Maj. James G. Sieben, Minnesota National Guard; President John F. Kennedy, special recorded message to the Midwest Conference of the Amercan Food-for-Peace Council; welcome, Hon. Arthur Naftalin, mayor of Minneapolis.

9:45 a.m.: Address, Hon. George McGovern, "Agricultural Abundance: Instrument for Peace."

10:15 a.m.: Panel discussion, "Food for Peace as an Instrument of Foreign Aid"; moderator, Prof. Sherwood Berg, head, Agriultural Economics Department, University of Minnesota; panelists, Prof. Raymond Penn, Agricultural Economics Department, University of Wisconsin; Mr. Louis Brewster, manager, operations control, specialty products division, General Mills, Inc.; Mr. Herschel D. Newsom, master, the National Grange; Mr. Aled P. Davies, vice president, American Meat Institute; Hon. JOSEPH E. KARTH, U.S. House of Representatives; Hon. CLARK MACGREGOR, U.S. House of Representatives.

11:15 a.m.: Group discussion period, moderator and panelists.

12:15 p.m.: Adjournment of morning session.

12:30–2:00 p.m.: Luncheon, Coffman Memorial Union, main ballroom.

LUNCHEON PROGRAM

Chairman: Mr. Paul S. Willis, chairman, American Food for Peace Council.

Invocation: Rev. Martin Schirber, O.S.B., St. Johns University, Collegeville, Minn.

Introductory remarks: Hon. George McGovern.

Address: Hon. Fowler Hamilton, Administrator, Agency for International Development.

*Afternoon session, Mayo Memorial Auditorium*

2 p.m.: Mr. James G. Patton, president, American Freedom from Hunger Foundation "Food for Peace and the Freedom from Hunger Campaign."

2:30 p.m.: Panel discussion, "Voluntary Agencies and Food for Peace—A Partnership for Global Food Assistance," moderator, Rev. Clyde N. Rogers, Town and County Department, the Ohio Council of Churches; panelists, Mr. Frank L. Goffio, deputy director, CARE, Inc.; Rev. Reuben Youngdahl, Mt. Olivet Lutheran Church; Dr. Reginald Helfferich, vice chairman, Church World Service, and vice president, Meals for Millions; Rev. Joseph Gremillion, head, socioeconomic division, Catholic Relief Services; Rabbi Hugo Gryn, executive assistant, American Jewish Joint Distribution Committee.

3:30 p.m.: Group discussion period.

4:15 p.m.: Motion picture, "A School Lunch Program in Peru," by NBC.

5 p.m.: Adjournment of afternoon session.

5:15–6:15 p.m.: Leadership meeting for State coordinators, board room, third floor, Coffman Memorial Union.

7 p.m.: Banquet, Coffman Memorial Union, main ballroom.

BANQUET PROGRAM

Chairman: Hon. George McGovern.

Invocation: Rev. Robert L. Anderson, St. Anthony Park Lutheran Church.

Address: Gov. Elmer L. Andersen.

Address: Hon. HUBERT H. HUMPHREY.

"American agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way and to play an important role in helping to provide a more adequate diet for peoples all around the world. We must make the most vigorous and constructive use possible of this opportunity. We must narrow the gap between abundance here at home and near starvation abroad.

"JOHN F. KENNEDY,
*"President of the United States."*

"Midwest America is the heartland, not only of our Nation, but of the world. As such, it must be the vital center of the humanitarian program to move surplus stocks from storage bins and shelves, to the needy peoples of the world. We midwesterners are proud to take the lead in this program—not alone because of its implications for peace, but because of the primary obligation we deem a privilege: to feed the hungry, to clothe the naked.

"ELMER L. ANDERSEN,
*"Governor of Minnesota."*

*American Food for Peace Council, midwest region*

| States: | *Coordinators* |
|---|---|
| Illinois | Richard Waxenberg |
| Indiana | Jacob E. Kiefer |
| Iowa | L. B. Liddy |
| Kentucky | Mancil Vinson |
| Michigan | Sanford A. Brown |
| Minnesota | Earl W. Madsen |
| Missouri | Don Thomason |
| Ohio | James A. Lantz |
| Wisconsin | Robert Clodius |

Mr. Paul S. Willis, chairman, American Food for Peace Council, Washington, D.C.

## MINNESOTA ASSEMBLY ON ARMS CONTROL

Mr. HUMPHREY. Mr. President, as chairman of the Senate Subcommittee on Disarmament I have frequently placed in the RECORD documentary material relating to our disarmament policy, the conduct of international negotiations, and the like. I do this not only to keep the record straight, but also to inform the American public. Without an informed and articulate public opinion, without a large number of thinking Americans able to discuss disarmament on its merits and not on the basis of clichés or stereotypes, the U.S. Arms Control and Disarmament Agency could find itself working in a vacuum.

Happily no such vacuum exists. Although few Americans believe that a workable disarmament agreement is imminent or feasible, very many of our people believe that disarmament is one of the essential goals of our foreign policy. It is no longer true, if it ever was, that a person expressing interest in disarmament is a pacifist or a "bleeding heart." The American people, Mr. President, have a far better idea of the requirements of national security than they are sometimes given credit for.

As proof that Americans can discuss disarmament and arms control in both constructive and levelheaded terms, Mr. President, I ask unanimous consent to have printed in the RECORD the text of conclusions reached at a recent gathering of the Minnesota Assembly on Arms Control, March 28–31. This conference took place shortly before the latest U.S. disarmament proposals were unveiled at Geneva on April 18. It is interesting for this reason to note the extent to which interested citizens—representatives of business, labor, farm groups, the professions, Government, and the academic community—anticipated the conclusions independently reached by agencies of the U.S. Government.

The Minnesota assembly demonstrated what one Government participant called "a fine mixture of realism and a desire to progress steadily toward needed goals." Mr. President, I venture to say that this is the only attitude with which the subject of disarmament can usefully be approached. I know it is the attitude displayed by other similar discussions around the United States. The Minnesota Assembly on Arms Control was not an isolated phenomenon. It has had its counterparts in many different localities, in many widely separated communities. All such activities contribute their share toward the evolution of a U.S. posture on disarmament and arms control.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

### ARMS CONTROL—ISSUES FOR THE PUBLIC

(Final report of the Minnesota Assembly on Arms Control)

At the close of their discussions the participants in the assembly reviewed as a group the following statement. Although there was general agreement on the final report, it is not the practice of the American assembly or the University of Minnesota for participants to affix their signatures, and it should not be assumed that every participant necessarily subscribes to every recommendation included in the statement.

The American assembly is a program of conferences which bring together business, labor, farm groups, the professions, political parties, government, and the academic community. These meetings develop recommendations on issues of national concern. The American assembly is a nonpartisan public service designed to throw light on problems confronting citizens of the United States.

The assembly was established in 1950 by Dwight D. Eisenhower, as president of Columbia University.

#### I. APPROACHES

1. Universal disarmament: It should be our stated goal to achieve general and complete disarmament as soon as this becomes consistent with national security. At present conceptions of national interest and attachments to disparate national institutions and value systems severely limit the growth of international community, so that states will not consistently rely upon pacific methods of settling international disputes. In the absence of acceptable alternatives to war for the settlement of such disputes, general and complete disarmament would be premature, whether by unilateral or multilateral action. It would not assure peaceful solution of international issues, and might encourage intensification of the Communist tactics of infiltration and guerrilla warfare.

2. Control of armament: Our immediate objective should be the control of arms in ways which will be discussed hereafter, in order to minimize danger of resort to war and to encourage growth of institutions of pacific settlement. This is an interest which must be considered paramount to economic considerations. To these ends we should continue to negotiate and to examine every area of possible agreement.

3. Alternatives to force: The United States should continue to use or try to develop such alternative means of settlement as quiet

diplomacy, conference diplomacy, the procedures of the United Nations, international arbitration and adjudication, international police, regional security arrangements. It should seek to develop new areas of common action in education and cultural relations, communications, economic relations, scientific exploration of outer space, and social welfare. Such efforts may contribute to mutual trust among nations and to the growth of international community and consequently diminish the inclination to settle disputes by force.

### II. UNILATERAL ACTION

4. Deterrence: We have no choice at present but to try to provide deterrents which will convince leaders of Communist states that it would not be worth the cost either to attempt a nuclear attack against the United States or aggression against other areas regarded by us as important to American security. This means we are compelled to maintain appropriate strategic forces, nuclear and conventional, for retaliation against either type of attack. Hardening of these systems against destructive attack is necessary to assure the ability to retaliate. Any measures which increase the credibility of our intention to retaliate under such circumstances will help to make deterrence effective. We are under no illusion that such a system of deterrence assures security, or that it can be wholly stabilized, but the effort to stabilise it may create a situation which will encourage realistic investigation and negotiation.

5. Survival: In a period of stabilized deterrence through unilateral action there will be more identity of ends pursued by the Soviet Union and the United States than of means; thus stabilization may be attempted by one through secrecy concerning forces, by the other through overt hardening of them. In this uncertain context there may be substantial risk in not taking measures to assure maximum survival of our people in the event of nuclear attack, but also some risk that such measures would be regarded as evidence of aggressive intent. The essentially defensive program of fallout shelters should in any case be continued. Planning for a system of deep blast shelters ought to go forward, but construction should be deferred until Soviet attitudes with respect to stabilization of deterrence can be more fully examined. Standby machinery of government, capable of functioning after a nuclear attack, should continue to be developed throughout the country.

6. Planning and administration: The Arms Control and Disarmament Agency is in a good position in terms of permanency, independence, and definition of mission to make a creative approach to arms control and disarmament. It may face difficulties in terms of coordination with many interested departments and agencies, access to necessary materials, and budgetary limitations. These need not be serious if the President and the Congress give it the support it should have. To achieve maximum effectiveness it must have the resources for a substantial program of research, and the opportunity to present its data and conclusions to policy agencies.

The research program should not be limited to the technical problems of control or disarmament presented by different weapons systems. It should include such problems as Soviet attitudes toward arms control, social and political implications of inspection, methods of verification without direct inspection, the possibility of limited sanctions for the observance of control systems, the rechanneling of resources from arms production to economic aid and development programs, technological unemployment resulting from arms reduction, methods of pacific settlement of international disputes, international police, regional organizations. The Agency should encourage universities and other organizations to participate in appropriate research and training programs and should cooperate with them and with voluntary associations and educational leaders in developing wide study and discussion of these problems. It is important that the Agency be given sufficient budget to support such research and educational activity and to train personnel competent to direct it.

7. Problems of domestic adjustment: Either regulation of armament or disarmament poses serious problems of domestic adjustment. They might require acceptance of an international regulatory agency with powers of inspection and verification which some would regard as interferences with national freedom of action. Disarmament would require a transfer of industrial capacity from military to civilian production. In terms of impact upon the total economy this appears to be a manageable problem. In certain areas which are disproportionately committed to defense production the impact can be severe, so that careful reallocation of remaining defense contracts is necessary to avoid local dislocations of industry resulting from cuts in military production. The adjustments needed in both attitudes and economy deserve much more systematic study than they have yet received. Accurate information about the economic impact of proposed measures should be made available to labor, industry and the public generally.

### III. BILATERAL ACTION

8. Negotiable areas of armament regulation: Only continuous research and negotiation can make clear whether there are substantial areas of arms control or disarmament with respect to which the Soviet Union and the United States can agree. We venture the following tentative conclusions:

(a) Nuclear test bans: Resumption of Russian nuclear testing has not only impaired confidence in the Soviets' willingness to observe a prohibition, but has also left us in doubt concerning the present balance of nuclear technology. Even if we already possess nuclear capacity sufficient for deterrence, an incompletely observed test ban would put us at a disadvantage in terms of new scientific advances. We support the present U.S. position to seek an agreement for an adequately policed test ban and to postpone resumption of testing while a reasonable prospect of such an agreement exists.

(b) Measures against surprise attack and accident: A stabilized system of nuclear deterrence presupposes timely detection of aggression and nearly automatic retaliation, so that effective measures against surprise attack and accidental war become essential. A basic step is adequate protection of launching bases of the retaliatory force from destruction by a first strike. Other possibilities which ought to be explored with the Russians in order to determine whether there is common ground, are some form of open skies for surveillance, perhaps by joint use of a reconnaissance satellite system, zonal inspection on the ground, disengagement proposals, admission of foreign observers to missile detection bases, or even to hardened retaliatory launching bases, direct communications to minimize the chance of misunderstanding in the event of accident. Something might be learned about methods of inspection and verification by experimenting with control systems in areas where there is not yet a direct nuclear confrontation as in Antarctica, or outer space. Joint conduct of scientific projects in the exploration of outer space might help to develop mutual confidence.

(c) Limitation of materials and production: Because of difficulties in inspection and verification of nuclear production and existing stockpiles, it may be more hopeful to attempt limitation of vehicles, although it is not clear that those to be used for scientific purposes can be separated from those intended to carry warheads. Some reduction of military manpower and armament in all categories may be possible. When the point is reached at which such reduction would affect forces in direct confrontation, this method would present problems of equating armament in different categories, to which no simple answer can be given. All these possibilities require more research and discussion than they have yet received. National security requirements for arms control are not alike for all systems of weapons, so that we are not entitled to conclude that obstacles to the regulation of one type will bar all progress.

### IV. MULTILATERAL ACTION

9. Participants in arms control and disarmament agreements: An agreement between the Soviet Union and the United States for some initial reduction of forces and weapons, or for control of certain categories of weapons, might be feasible without the inclusion of Communist China. For several years this would be true of the control of strategic nuclear weapons, or of activities in outer space. Ultimately participation by the Communist Chinese will become essential to effective control or disarmament. This may mean that the United States will find it necessary to recognize the Peoples Republic of China, although in doing so the independence of Taiwan must be assured. Control of armament or disarmament could not proceed far without affecting the members of the North Atlantic Treaty Organization.

10. North Atlantic Treaty Organization: In order to reduce the danger of nuclear war it may prove necessary to build up conventional forces of the NATO countries in Western Europe. This should be done by increasing contributions of European states more nearly in proportion to their capabilities. Although these forces would be trained in the use of tactical nuclear weapons, the United States should continue its present control of the nuclear warheads. It should not encourage the development of an independent nuclear capability in these countries.

11. Asia: In the absence of effective measures of arms control or disarmament in southeast Asia, areas of the Western Pacific and other areas where there is military confrontation with communism, we should pursue a policy of developing conventional and guerrilla forces to meet Communist aggression.

12. United Nations: It is desirable for the United States to support every practical proposal to substitute effective United Nations arms control and disarmament for other multilateral agreements.

### PROGRAM, THE MINNESOTA ASSEMBLY ON ARMS CONTROL

*Wednesday, March 28*

5:30: Check-in of participants.
6:00: Dinner-------------- Charles Room
7:30: Opening plenary session--- Charles Room
Welcome and introduction, W. C. Rogers, Clifford Nelson.
An introduction to arms control, Betty Goetz.

*Thursday, March 29*

8:00: Breakfast------------ Charles Room
9:00: Group discussions-- Charles Room, Albert Room
12:00: Luncheon------------ Boreas Room
1:30: Group discussions--- Charles Room
4:30: Adjourn for the day.
6:30: Dinner---------------- Boreas Room
7:30: Plenary session; panel discussion---------- Charles Room
Betty Goetz, Donald S. Bussey, Donald Michaels, J. I. Coffey, Barbara Stuhler, Chairman.

*Friday, March 30*

| | | |
|---|---|---|
| 8:00: | Breakfast | Boreas Room |
| 9:00: | Group discussion | Charles Room, Albert Room |
| 12:00: | Luncheon | Boreas Room |
| 1:00: | Group discussion | Charles room, Albert Room |
| 3:30: | Recreation period. | |
| 6:30: | Dinner | Charles Room |

*Saturday, March 31*

| | | |
|---|---|---|
| 7:30: | Breakfast | Boreas Room |
| 9:00: | Final plenary session | Charles Room |
| 11:30: | Adjournment. | |
| 12:00: | Luncheon | Boreas Room |

FACULTY

Fred E. Berger, director, Center of Continuation Study, University of Minnesota.

Lt. Col. Donald S. Bussey, U.S. Army War College, Carlisle, Pa.

J. I. Coffey, Institute for Defense Analyses, Washington, D.C.

Betty Goetz, Special Assistant to the Director, U.S. Arms Control Disarmament Agency, Washington, D.C.

Donald Michaels, Director, Planning and Programs, Peace Research Institute, Washington, D.C.

Clifford Nelson, vice president, American Assembly, Columbia University, New York, N.Y.

William C. Rogers, professor and director, World Affairs Center and State Organization Service, University of Minnesota.

Richard Simons, associate professor, General Extension Division, University of Minnesota.

Barbara J. Stuhler, associate professor and assistant director, World Affairs Center, University of Minnesota.

AGENDA

*First session, Thursday morning, March 29*

1. Should the United States try to achieve general and complete disarmament? If so, on what basis? Unilaterally? By negotiation? With what safeguards or security machinery?

2. If not, what alternative goals can the United States develop and espouse?

3. How do these goals relate to U.S. and allied security, international peace and stability, minimizing the effect of war if it should come, U.S. prestige and influence abroad, and U.S. domestic welfare?

*Second session, Thursday afternoon, March 29*

1. What are the problems and prospects of strengthening the security of the United States by finding common ground with Russia on cessation of nuclear tests, measures against surprise attack, measures to reduce likelihood of accidental war, controls on use of outer space, limitations on further production of missiles, of nuclear materials, other measures to stop spread of nuclear weapons to other nations?

2. Which of these controls might be sought as immediate measures even if no other disarmament should take place?

3. Which of these might be sought as a next stage in comprehensive disarmament?

4. What principles should govern arrangements for inspection and control of disarmament agreements?

5. Are sanctions for violations of arms control agreements possible?

6. Must China be included in control agreements? Other powers?

*Third session, Friday morning, March 30*

1. Is the policy of deterrence an adequate safeguard against war? What unilateral policies by the United States would help stabilize the deterrent? Steps to assure the certainty of retaliation? Steps to increase the probability of survival? Standby government and legislation?

2. Should the United States seek to build up conventional power in NATO, build up conventional power elsewhere, give nuclear weapons to NATO, including the West German Army, help France develop a nuclear arms capability?

*Fourth session, Friday afternoon, March 30*

1. Does the creation of the new Arms Control and Disarmament Agency meet the need to assign responsibility within the executive branch for arms control policy?

2. How could planning and decisionmaking be improved? What increases or changes are called for in personnel, budget programs?

3. What should be priority areas for planning and research? Methods of detection? Methods of administration and organization for an effective control system? Improvements in international police to maintain peace as levels of disarmament advance? Advocating U.S. policy on disarmament? Economic planning for the contingencies of arms control?

4. What policies can be adopted to prepare for possible controls in the future? Reexamination of security and classification policies? Keeping records to make later controls possible?

5. What policies can be adopted to prepare for the possible economic effects of disarmament? What is the nature of this effect likely to be? What Government policies may be required? What needs to be done by labor and industry to anticipate the economic effects of disarmament?

PARTICIPANTS

Adams, Frank E., veterans service officer (Hennepin County) and member of the Minneapolis School Board, Minneapolis, Minn.

Anderson, Mrs. O. H., president, League of Women Voters of Minnesota, Mahtomedi, Minn.

Bassett, Wayne R., Nobles County librarian and member, Minnesota State Legislature, Worthington, Minn.

Beebe, Rev. Lawrence E., First Unitarian Society of Minneapolis, Minneapolis, Minn.

Boe, Yvette, graduate assistant in political science, Ford Hall, University of Minnesota.

Canning, W. Myles, Northwest Bell Telephone Co., Fargo, N. Dak.

Chipman, William, director, Department of Civil Defense of Wisconsin, Madison, Wis.

Deutsch, Harold C., chairman, Department of History, University of Minnesota, Minneapolis, Minn.

Dupre, J. Huntley, professor of history, Macalester College, St. Paul, Minn.

Edie, John, history teacher, Blake School, Minneapolis, Minn.

Fiola, Mrs. Nell, housewife, Minneapolis, Minn.

Flanigan, William H., instructor, Department of Political Science, University of Minnesota, Minneapolis, Minn.

Fugina, Peter X., member, Minnesota State Legislature, Minneapolis, Minn.

Godwin, Paul, graduate student, Department of Political Science, University of Minnesota, Minneapolis, Minn.

Hage, George S., professor, School of Journalism, University of Minnesota, Minneapolis, Minn.

Johnson, Mrs. Walter E., civic leader, Crookston, Minn.

Leach, John V., professor of religion, Dakota Wesleyan University, Mitchell, S. Dak.

Lowe, Mrs. Justus F., church leader, Minneapolis, Minn.

Lund, Mrs. Russell T., Republican national committeewoman, Minneapolis, Minn.

Luther, Mrs. Sally, member, Minnesota State Legislature, Minneapolis, Minn.

Motter, Rev. Alton M., Minnesota Council of Churches, Minneapolis, Minn.

Okie, Richardson B., author and civic leader, St. Paul, Minn.

Otterness, Mrs. William, Women's International League for Peace and Freedom, Minneapolis, Minn.

Palmer, Miss Mary J., American Association of University Women, Minneapolis, Minn.

Pickrel, Luther, extension economist in public affairs, University of Minnesota, Minneapolis, Minn.

Pilch, Mrs. Mary M., Minnesota State Department of Education, St. Paul, Minn.

Pilgrim, Rev. Norman W., Methodist pastor, South Dakota Annual Conference of the Methodist Church, Colman, S. Dak.

Platt, Martha R., member, United World Federalists, Minneapolis, Minn.

Platt, Kenneth, high school senior, Minneapolis, Minn.

Robinson, Morris C., Grace Presbyterian Church, Minneapolis, Minn.

Schon, Hubert A., director, Department of Civil Defense of Minnesota, Minneapolis, Minn.

Simon, Sheldon, graduate assistant in political science, University of Minnesota.

Smith, Robert W., associate editor of the editorial pages, Minneapolis Star and Tribune, Wayzata, Minn.

Spaulding, Marjorie, foreign relations committee, AAUW; and World Affairs Council of Minneapolis, Minneapolis, Minn.

Wolfsberg, Vernie H., Minnesota division, AAUN, St. Paul, Minn.

## ORDER OF BUSINESS

Mr. RANDOLPH obtained the floor.

Mr. COTTON rose.

Mr. RANDOLPH. Mr. President, I should like to accommodate my colleague in some manner. I always wish to do so. I am prepared to wait until he has spoken.

Mr. COTTON. Mr. President, I thank my good friend from West Virginia for his courtesy. I am very happy to have him proceed. However, I was seeking recognition in connection with the debate on the bill before the Senate. A number of Senators have been waiting to discuss this important legislative proposal; and I hope we may have some slight attention from the Chair.

Mr. RANDOLPH. If my colleague will remain in the Chamber, I shall be glad to yield the floor, because I do not wish to break the continuity of the consideration of the pending bill. However, I have heard other Senators speaking on subjects not pertinent to the pending measure, and I desired to speak on an important matter. Nevertheless, I shall be glad to yield.

Mr. COTTON. I thank the Senator; but he is not breaking the continuity. It has been broken for a long time, by a number of Senators. I am very happy to have the Senator proceed.

## SMALL BUSINESS ADMINISTRATION IS STIFLED; APPROPRIATIONS TO MATCH AUTHORIZATIONS URGED; SBA LENDING NEEDED TO HELP STRENGTHEN ECONOMY

Mr. RANDOLPH. Mr. President, the Senate soon will act on S. 2970 as reported by the Committee on Banking and Currency. This measure, to amend the Small Business Act, has been reported with substantial amendments, according to the report filed for the committee by the junior Senator from Wisconsin [Mr. PROXMIRE].

I will support the committee amendments which would increase the overall authorization for the Small Business Administration's revolving fund by $250 million, making the new total $1,450 million; eliminate the separate restrictions in the act on commitments under the regular business loan program and the disaster loan program; and place the two funds in a single pool, available for either of the two programs; increase the amount of authorization for these two pooled programs by $234 million to a total of $1,109 million; and increase the separate authorization for programs under the Small Business Investment Act of 1958 by $16 million to a figure of $341 million.

Believing that the Small Business Act and the Small Business Investment Act are significant and vital elements of our country's statutes for economic stimulation, it will be a privilege for me to support amendments to increase funding authorizations.

But in the light of conditions which have been prevailing during the past 2½ months, and unless there is a dedicated effort to improve the situation in the future, whatever the Senate does about S. 2970 may prove to be a hollow gesture. Authorizations unsupported by appropriations are not of real value to program administration. This is a condition about which I am much concerned. In a letter to the President of the United States on June 6, 1962, I wrote:

> It was most disturbing to learn that, because of insufficient appropriations, SBA was required last December to take administrative action to reduce to $200,000 the amount for which it could permit any single applicant to apply for a loan. There are many qualified small businesses that require more than this administratively imposed ceiling which is so substantially below the $350,000 limit provided in the Small Business Act. The Bureau of the Budget eventually cleared a supplementary appropriations request of only $90 million which, within itself, was not sufficient to enable SBA to meet credit demands.
>
> I feel sure, Mr. President, that you deplore, as I do, the fact that because of controversy between the Appropriations Committees, not even the $90 million request of the Budget Bureau has been made available. Thus, since March of this year, SBA has been without funds for lending purposes, except for the relatively small amounts made available from loan collections accruing to the revolving fund.

This is, indeed, a tragic set of circumstances. At a time when responsible efforts should be made, and are being made, to stimulate the economy and advance the pace of economic growth, one of the agencies of Government most willing and best able to be of assistance—the Small Business Administration—is being retarded in its efforts instead of being encouraged.

The enforced hiatus on SBA lending certainly is not providing any stimulus for forward movement of the economy. It could have been avoided had adequate funds been approved for the 1962 fiscal year. I regret that it has not since been corrected by agreement on a supplemental appropriations measure.

As set forth in my communication to the President, I believe that by comparison with the salutary effects, the additional $100 million which should have been provided for the Small Business Administration this fiscal year would have been a relatively insignificant amount. It would have afforded very real help for many small firms. Moreover, the funds would have been repaid to the Government—and with interest.

In concluding the letter to the President, I wrote:

> I intend to urge in the Senate without delay that there be a cognizance of these conditions, both in the legislative and executive branches. When such a vital element of our Government's economy stimulating agencies as the Small Business Administration is virtually forced by fiscal starvation to ride at anchor we are permitting both the agency and the economy to rust and erode. I am disturbed by this condition and urge that it be corrected. This is a petition both to my colleagues of the Congress and to you as the Chief Executive.
>
> Mr. President, I urge that you direct the Administrator of the Small Business Administration to rescind the $200,000 administrative limitation on loans as of the beginning of fiscal 1963. And I express the belief that it would be helpful, too, if the Budget Bureau would be directed to adopt a more sympathetic attitude toward the needs of the SBA. It is my judgment that the end product of such actions would be improvement in the ability of the Small Business Administration to assist the small business segment of the economy and thus enhance stimulation of the country's total economic growth.

Mr. President, the 100 largest manufacturing corporations in the United States last year had combined total assets of almost $126 billion and provided employment for over 5 million persons. The prosperity of the "glamorous 100" is vitally important to the Nation. But we must likewise be cognizant of the fact that Big Business is only a part of the Nation's economy which altogether employs more than 70 million persons in nearly 5 million enterprises.

So, it is important that we keep in mind the knowledge that there are as many enterprises in this country as there are citizens in the employ of the 100 largest manufacturing corporations. And we must not forget that most of the 5 million enterprises which provide jobs for over 70 million persons are in the smaller business category. In fact, the number of small businesses in the country within the definition used by the Small Business Administration is more than 95 percent of all businesses in the United States—or more than 4¾ million of them.

It is said that there are more owners—more stockholders—of the largest manufacturers than there are persons employed by those same corporations. This is significant and it bears relationship to the fact that the average investment per worker is very high among most of the largest firms.

Just as we must take action to sustain the small family-size farms in America, so we must likewise concentrate substantial effort on creating more economic strength and growth and more job opportunities among the smaller businesses and service instrumentalities of the country. The development of job opportunities is generally at a higher rate among the smaller businesses than seems to be the case with respect to the highly automated larger enterprises.

We must encourage business and industrial growth on a broader base, and certainly more at the level of activity which the statutes intend that the Small Business Administration shall serve.

Mr. President, I have not risen in this forum in any spirit of narrow, carping criticism. I have stated very forthrightly and, I trust, constructively, the facts as they relate to the failure of, yes, the Congress and, yes, the executive establishment to meet this problem. In West Virginia, loans have been approved which, if they were consummated, would result in men and women being employed. However, no money has been forthcoming from the Small Business Administration on those loans because the Agency is lacking in funds. Credit has been made available by the local banking institutions, representing a participation in the amount of approximately 25 cents on every dollar. Yes, the local banks' participating shares have been subscribed by the local lending institutions. The Small Business Administration has approved the Federal loans, but, I repeat, no money has been made available through the Federal Government. As a result, 20 men or 50 men or a hundred men, who would be gainfully employed if the loans were consummated, are without work. This is a serious situation.

I am not pointing a finger directly at any person or any agency or any committee. However, the administration, the Congress and its committees should be more affirmative and more positive, and must make an all out frontal effort in the area concerning which I have addressed these remarks.

Mr. **SPARKMAN**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. **PASTORE**. I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

## AMENDMENT OF FEDERAL COMMUNICATIONS ACT SECTION 315(a)—EQUAL TIME PROVISION

Mr. **CLARK**. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. **PASTORE**. I yield.

Mr. **CLARK**. I am thoroughly in support of the pending bill, and I intend to vote for it. I should like to raise one question, however, if my friend the Senator from Rhode Island will be good enough to answer it.

There is a bill pending in his committee which would either suspend or permanently remove the requirements of section 315 of legislation dealing with equal time in political campaigns. As a candidate for reelection this year, I am deeply interested in that proposed legislation. It has been my view that there was an equal reason for suspending section 315 in congressional and senatorial elections as there was in connection with the presidential election of 1960. If it made sense to suspend the requirement in the presidential election, it seems to me it makes equal sense to suspend it in connection with senatorial and congressional elections. My question is: Does the Senator intend to press this bill, is there a chance that he will soon hold hearings on it, and what are his views as to the desirability of the proposed legislation insofar as the campaign of 1962 is concerned?

Mr. PASTORE. So far as I am concerned, I should like to see that kind of legislation enacted before the elections take place this year. I hope there will be a majority in the Senate and in the House who will be of the same mind. However, there are pending before our committee four bills which touch upon the same point.

The Senator will recall that it was upon the initiative of the Commerce Committee that we were able to suspend the equal time provision insofar as it applied to the offices of President and Vice President in 1960. That led to the famous debates as to the election of 1960. They turned out to be so very successful that the Senator from Rhode Island introduced a bill permitting the exemption to be applied to the offices of Senator and Member of the House of Representatives and Governor of a State. Four such bills are pending. One has to do with the Presidency and the Vice Presidency; another has to do with the Presidency and Vice Presidency and Senators and Representatives and Governors, which I introduced; then there is another bill which I believe was introduced by the Senator from New York; and there is also a fourth bill. We have assigned this subject for hearings to begin on July 10.

Mr. CLARK. I thank the Senator from Rhode Island for his answer.

I observe my colleague, the Senator from Pennsylvania [Mr. Scott], in the Chamber. Ever since he became a Member of the Senate, we have conducted a series of biweekly reports to the people for the benefit of our constituents in Pennsylvania. On occasion, we have expressed differing points of view. We try to make the programs lively. We have had guests. We believe, perhaps egotistically, that that program was a real public service to the people.

Mr. SCOTT. It was the longest nonsustaining program on the air.

Mr. CLARK. The Senator is quite correct. At one time we broadcast over 39 radio and 15 television stations which carried the program in Pennsylvania each week. Today only 9 radio stations and 3 television stations carry the program. We are no longer able to produce a joint program, simply because I am a candidate for reelection, and the radio and television stations tell us—and I have a sheaf of letters from them—that under the equal time provision of the law they cannot continue to broadcast the program. This seems to me to be a great misfortune. My colleague, will be up for reelection in 1964, and I am certain he will feel as I do.

I ask the Senator from Rhode Island if in some way the situation cannot be improved, so as to enable this kind of program to continue.

Mr. PASTORE. There is nothing that can be done until the law is changed. That is one of the questions which perplexes the Committee on Commerce. I am one who believes the law should be relaxed. We must begin to consider the problem in the public interest. Most of the people in the industry are persons of integrity and maturity. They are interested in providing a public service. But so long as the equal time provision exists, it means that anyone who is a candidate or who announced he is to be a candidate for office would be entitled to the same opportunity his opponent enjoys. This raises a problem for the broadcasters, who simply restrict the number of programs involving legally qualified candidates who seek an elective office.

If it is desired to open up the opportunity for debates, as was done in the last campaign for President, it will be necessary to modify the law. It is my fervent hope that that may be done at this session.

Mr. SCOTT. Mr. President, I should like to have my remarks apply generally rather than with reference to Pennsylvania particularly, although I hasten to say that I agree exactly with what my senior colleague has said about the need for equal time to express views and about the utility of such programs. We would be lacking in a due sense of modesty if we were not able so to agree.

Speaking now of the broad scope, as I was formerly a minority member of the subcommittee under the chairmanship of the Senator from Rhode Island, the Subcommittee on Freedom of Information—and I take some pride in the fact that I gave the subcommittee that high-sounding title—I signed a report, together with the two majority members of the subcommittee, which report concluded that perhaps the equal time amendment could be changed as of next year instead of now. We recall the late revered Senator from Arizona, Mr. Ashurst, who is supposed to have said that consistency is, at best, a semiprecious stone.

I have had—as I believe every Senator should have—an opportunity to have time for reflection. I have concluded that perhaps I was wrong in agreeing with the two majority members about the equal time provision, and I here make my pilgrimage, if not to Canossa, at least to the Senate, and say that, after careful consideration of all sides of the question, I am inclined to believe that it would be quite desirable to amend the act so as to apply it to congressional elections—that is, to the election of Members of the Senate and House—and to apply it, perhaps, to the gubernatorial races.

I believe the right of the people to know is of sufficient importance to warrant expediting the measure. After all, the position I took earlier was that perhaps the revision could wait until next year. But now I question my own earlier judgment. I think it would be better if there could be such legislation.

## AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed at this point in the Record certain additional remarks, together with certain sections from the hearings on this subject. I make this request because I am losing my voice, and I know that other Members of the Senate would not want that to happen to a compatriot.

Mr. PASTORE. Inasmuch as the Senator from Pennsylvania is not a candidate this year, I think he is entitled to his voice.

There being no objection, the statement and excerpts from the hearings were ordered to be printed in the Record, as follows:

### Statement by Senator Scott

The all-channel TV bill was reported by our committee with such near unanimity that I thought at first I would have nothing to say about it. However, there are minority views, and I think I owe it to the legislative record to offer some comment on them, particularly because the minority views came from this side of the aisle.

The main argument of the minority views is that this bill, H.R. 8031, would intrude the Federal regulatory power into an area which it has not heretofore entered and would thus establish a bad precedent.

I think I am as loath as the next man—certainly as loath as any of my colleagues on the Commerce Committee—to see any unnecessary extension of Federal regulatory power. On principle, I oppose placing Federal regulation between the purchaser and the manufacturer, but I try most carefully to apply principle in proper cases.

With the mass of legislative proposals clamoring for our attention, it is natural enough that each of us should try to dispose of them initially by measuring them against his basic philosophy. In doing that we look for ways in which the new proposals are similar to those we have dealt with in the past. That approach is a sound one, and it will guide us rightly so long as we remember to look not only for the ways in which things are the same but the ways in which they are different.

Senators who have signed the minority views ask, if we say today that people can buy only all-channel TV sets, "where will we draw the line tomorrow?" They ask, "Why not force automobile manufacturers to make only compact cars, because limousines take up too much room, or only convertibles because sunshine is good for people?"

I submit that the minority views draw a parallel that ignores the way in which regulation of the interstate sale of TV sets differs from Federal regulation of other interstate sales. That difference lies in the fact that the Federal Government, by necessity, regulates use within the United States of the electromagnetic spectrum.

There is only one such spectrum. It exists worldwide and possesses physical characteristics that command regulation and order, if we are to get any benefit from the spectrum at all. One use at a particular point on the globe excludes another, and for this reason the Federal Government, in order to serve the people, long ago took control of the spectrum. The Federal Communications Act itself dates from 1934, so there is no novelty in the thought that there must be regulation as to who uses a frequency, at what time and in what place.

At a date which predates the service of many of us here, the Federal Communications Commission found it wise to work out a nationwide assignment of television frequencies. In the state of the telecasting art then existing, it seemed reasonable to assign VHF and UHF frequencies for ultimate service to the public in the same area. As television grew, heavy public investments grew up around the television stations that began service. Most of these, for sound engineering reasons, were in VHF frequencies, so the public investment in receiving equipment has been predominantly in sets that will receive only VHF frequencies.

Now, however, the public need for more television broadcasting—to serve areas not now competitively served, or to serve the needs of educational telecasting—is demanding more and more television transmitters. They cannot be built unless there are frequencies on which they can operate. There are no longer enough frequencies in the VHF band.

Unfortunately, there are only a minute percentage of receivers in the UHF band—and there is the rub. To give a licensee a UHF frequency today is much like giving a sandlot ball team everything to play with except a ball. There simply isn't money enough in telecasting to permit a new licensee to build his transmitting facilities and his studios, and then go out and offer, free of charge, to equip every TV receiver within his range with a UHF converter. The alternative, in the public interest, is to require that future TV sets offered for sale be able to receive any transmission on an authorized frequency.

The parallels to this action are not to be found in the example given in the minority views, but in such things as requiring that aircraft using the Nation's airways be of an approved type and certified as to airworthiness, or that a household refrigerator shipped in interstate commerce be equipped with a device permitting it to be opened from the inside. Of a similar nature is a bill which has already passed the House and which would prohibit the shipment in interstate commerce of hydraulic brake fluid that fails to meet specifications of the Secretary of Commerce.

Aside from these examples, there are a host of laws in the field of food and drugs and many in the field of weights and measures. By Federal law, it is even prohibited to ship false teeth in interstate commerce unless they have been prescribed by a dentist in the State to which they are shipped.

I am not much impressed by the argument that this legislation will require a high-priced addition to set components and will thus raise the cost to consumers by as much as $150 million per year at the present level of sales. You can go downtown in Washington right today and buy a 19-inch all-channel TV set for under $150. Once this legislation goes into effect, the difference in cost between VHF and all-channel sets will reach the vanishing point. Already, I have been told, the order has gone to the design staff of one manufacturer of electronic components to develop an all-channel tuner that will sell to the assembler at a cost not more than $2 higher than the VHF-only tuner now used.

I cannot conclude without saying that I, too, feel a pang of regret that legislation of this sort is necessary. It would not be if mere mortals had the foreknowledge of gods. Had the FCC known in time of the dissimilar characteristics of UHF and VHF transmissions, we would have had a different allocations plan. Had anybody known in time, we could have had a continuous band of VHF frequencies—or UHF frequencies—set aside for television's use. But that is not the way the world works. Hindsight never anticipates, and we are left to make do with our human limitations. We are left to face the facts as they are—not as we would want them to be.

Those facts tell us that the alternative to this legislation is to choke off—indefinitely into the future—the further expansion of nationwide competitive television, and to stifle in its infancy the development and maturity of educational television.

In this same Congress, just a few weeks ago, we approved a program of Federal matching grants to stimulate educational telecasting. What we are asked to do now is to give a further vigorous lift to the educational TV potential allocated to the UHF band. Of 279 channels reserved for educational TV, 187 are in the UHF band. Of these only 28, or less than 16 percent, have been granted construction permits. The little extra lift this legislation can give could mean more to putting educational TV stations on the air than giving them exclusive rights to telecast college football—and I have heard that wistfully discussed by educational broadcasters.

May I say, in closing, that in my view, this legislation is definitely in the public interest. It will play its part, over the years ahead, in helping us to a better informed citizenry. It will give our Nation voters who have had the opportunity to see and hear all candidates, with none excluded because of unavailability of broadcast time. It will expand opportunities for education and entertainment, and will create no precedent that has not already been carved out in the public interest.

I, for one, shall vote for H.R. 8031, and I urge all Senators to do likewise.

(The following excerpt from the table of assignments shows television channels assigned to Pennsylvania.)

*Table of assignments*

| Pennsylvania: | Channel No. |
|---|---|
| Allentown | 39, 67 |
| Altoona | 10−, 25− |
| Bethlehem | 51− |
| Bradford | 80− |
| Butler | 43− |
| Chambersburg | 46− |
| Du Bois | 31+ |
| Easton | 57− |
| Emporium | 42− |
| Erie | 12, 35+, [1] 41− 66+ |
| Harrisburg | 21+, 27−, 33+ |
| Hazleton | 63 |
| Johnstown | 6, 19+, 56− |
| Lancaster | 8−, 55+ |
| Lebanon | 15+ |
| Lewistown | 75− |
| Lock Haven | 32− |
| Meadville | 62+ |
| New Castle (see Youngstown, Ohio) | |
| Oil City | 64 |
| Philadelphia | 3, 6−, 10, 17−, 23+, 29, [1] 35− |
| Pittsburgh | 2−, 4+, 11, [1] 13−, 16, 22, 53+ |
| Reading | 61− |
| Scranton | 16−, 22−, 44 |
| Shamokin | 65 |
| Sharon | 39+ |
| Shinglehouse | 60+ |
| State College | [1] 69+ |
| Sunbury | 38 |
| Uniontown | 14 |
| Washington | 63+ |
| Wilkes-Barre [2] | 28 |
| Williamsport | 26+ |
| York | 43, 49 |

[1] Reserved for educational TV.

[2] Wilkes-Barre, Pa.: 34 deleted eff. Jan. 22, 1962.

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*Educational television channel reservations*

| Pennsylvania (5): | Channel No. |
|---|---|
| Erie | 41 |
| Philadelphia [1] | 35 |
| Pittsburgh [1] | 13 |
| Pittsburgh [1] | 16 |
| State College | 69 |

[1] Educational stations on the air; does not include noncommercial educational stations operating on nonreserved channels.

Statements or communications from Pennsylvania, as printed in the hearings on S. 2109, were as follows:

### STATEMENT BY MORT FARR, CHAIRMAN OF THE BOARD OF NATIONAL APPLIANCE & RADIO-TV DEALERS ASSOCIATION, IN SUPPORT OF BILL S. 2109, TO ENABLE THE FCC TO REQUIRE TV MANUFACTURERS TO MAKE ALL-CHANNEL TELEVISION RECEIVERS

My name is Mort Farr, an appliance and television retailer from Upper Darby, Pa. I have been associated with the radio and television industry since 1920. I have been a pioneer in the amateur radio field, having been issued amateur call letters 3ME, and an operator's license signed by Mr. Hoover, then a Director of Department of Commerce in 1920.

I appear here today as chairman of the board, and chairman of the legislative committee of NARDA. Through my association with this organization, as a director since 1946, and as president in 1950–51 and chairman of the board continuously since that time, I am in constant contact with retailers throughout the United States. We are here to lend support to the enactment of bill S. 2109 and its principles as proposed by Mr. Newton Minow.

There are many reasons why our organization supports this bill.

(1) A radio, if purchased in 1920 and still operative, would be capable of receiving all frequencies currently in use in the United States. Television is the only mass communication service whereby all frequencies assigned to that service cannot be received on all sets. An individual pays 90 percent of the cost of what would constitute a complete set, and that set is only capable of receiving one-seventh of all available channels.

In color TV for example, the consumer is really paying 95 percent of this cost and for less than 5 percent additional, they could purchase a receiver which cannot become absolete. If it becomes mandatory to include all-channel selectors in the manufacture of all television sets, it would therefore encourage the building of more TV stations to better serve markets that have either no or too few broadcasting stations.

(2) A much wider selection of programs would become available to the viewing public. This would create much keener competition between networks and stations which would tend to improve the quality of the programs. It would also bring network programing to areas not being currently serviced.

(3) The greatest single factor in all-channel television would be in the field of educational TV. This could probably be the greatest single force in furthering education since the invention of the printing press.

It is interesting to note that the Educational TV Association has indicated that as many as 1,000 of the approximately 1,800 additional channels available will be required for educational purposes.

It is true that a small percentage of our current TV programs are devoted to education. However, the scheduling of these shows at inconvenient hours and not available in many areas reduces greatly the benefits that could be gained.

(4) There is no doubt as to the need for all-channel receivers. We have already established the additional cost is insignificant for the extra services possible. Having gone through the early problems incurred when UHF was first introduced after the "freeze" and recognizing the tremendous advances both in transmission and receiving of these channels, there should be no reason why in most locations the quality of the picture should not be as good on channels 14 to 84 as they are now on channels 2 to 13.

(5) I have no doubt that had a ruling such as this bill proposes been enforced in

1952 when there were less than 7 million television receivers on the market, the position of the television industry would be in a more advanced state today.

The bill, as proposed, will not obsolete present sets. The viewer can be sure of getting the channels they now receive and the most they might have to do, if additional stations open up in their area, is to add a converter.

As a representative of an industry which has been paying a 10-percent excise tax on television sets manufactured, I have gone to Washington on many occasions to try to have this unfair tax removed. While it was imposed as a temporary measure, it is renewed each year with a promise that at some further time relief wil be granted. Perhaps this might be a good time to propose that all sets being manufactured that include all-channel tuners will either not be taxed or perhaps taxed at 5 percent.

This will be especially beneficial to stimulate the sale of color television sets as it will make the price of all-channel color sets no higher than the VHF models.

I believe that the stimulation that the sales of color television would receive could conceivably result in little loss to the revenue department, as a color television set sells for at least twice as much as a black and white model.

I want to thank the committee for giving me the opportunity of presenting our views relative to the inclusion of the all-channel selector on all television sets manufactured, and would now like to give the gentlemen on the committee a chance to ask any questions that they might desire.

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PHILADELPHIA DISTRIBUTORS, INC.,
*King of Prussia, Pa., March 8, 1962.*

Hon. JOHN O. PASTORE,
*Chairman, the Communications Subcommittee of the Senate Commerce Committee, U.S. Senate, Washington, D.C.*

DEAR SENATOR PASTORE: As a distributor of Motorola television sets for the Philadelphia area, I am writing to you to express my opposition to S. 2109, a bill which you know is designed to amend the Communications Act of 1934, and thereby give the Federal Communications Commission some regulatory authority over television receiving apparatus. It seems our free enterprise system is being affected by this bill, since it tends to dictate to manufacturers the kind of products they should build.

While this bill has been referred to as a UHF bill, it actually seems to cover a much wider field, since it would place in the hands of the Federal Communications Commission the capability of specifying the performance of all television sets. Not alone would it stop there, but it would place in the hands of this group the authority over picture power, number of tubes and circuits and the amount of wiring in each set.

If this bill were limited to allowing the manufacture of only VHF–UHF sets, which is not the case, it is my opinion that any action taken prior to ascertaining the results from the New York channel 31 tests would be a little previous. It is our opinion any tests run showing the comparison between UHF and VHF will prove the VHF system to be far superior. You probably already know the UHF signal is 30-percent less effective, and very definitely UHF chassis are far more likely to be affected by interference.

Last, but not least, the most important factor is that a television set with UHF tuners will sell for considerably more money than VHF sets, and it seems this is an imposition when every customer would be forced to pay this additional amount even in areas where there is no UHF broadcasting. This situation exists in some of our most populated cities in the country; i.e., Philadelphia, New York, Chicago, Washington, D.C., and Los Angeles.

May I ask this letter be inserted in the transcript of the hearings in the above bill.

Respectfully yours,
A. E. HUGHES, Jr., *President.*

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THE ELECTRONIC SALES CO.,
*West Haven, Conn., March 1, 1962.*

Hon. JOHN O. PASTORE,
*Chairman, Communications Subcommittee of the Senate Commerce Committee, U.S. Senate, Washington, D.C.*

DEAR SENATOR PASTORE: We vigorously oppose bill S. 2109 amending the Communications Act of 1934.

Passage of this bill places an unfair financial burden on large segments of our population.

In southern Connecticut we are served by seven VHF channels from New York, and two channels located within Connecticut. These channels offer the public a wide variety of entertainment and news.

The Government enforcement of UHF transmission and production of only all-channel receivers would not benefit the residents in this area as they are receiving currently a wide variety of programing. However, they would be forced to pay the extra cost of all-channel receivers.

There are other items in the bill to which we object. Notably, the placing in the hands of a Government agency the authority to dictate to private manufacturers the kind of products they can build. Granting the FCC this authority is not consistent with the Government's policy of laissez faire. This broad authority in the hands of FCC will help destroy our system of free enterprise which has been an integral part of our democracy.

We ask that this letter be made part of the record of hearings to be held on S. 2109.

Yours truly,
FRANK J. DECAPRIO,
*Vice President.*

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ERIE, PA., *February 17, 1962.*

Hon. SENATOR PASTORE:

I strongly encourage you to vote for Representative ROBERTS' bill, H.R. 9267.

As a Democratic State committeeman from Erie County, Pa., channel 12 is needed badly. Petitions are circulated and it would be a great disservice to put it on UHF.

I contacted many of your fellow Senators and Representatives and many feel as we do in Erie County. Northwestern Pennsylvania needs channel 12 on the VHF signal.

Sincerely,
STEVE JANCEK,
*Democratic State Member.*

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PENNSYLVANIA LEAGUE OF
ITALIAN VOTERS,
*Erie, Pa., February 17, 1962.*

DEAR SENATOR PASTORE: I strongly encourage the Roberts bill, H.R. 9267, to be passed. As president of Pennsylvania League of Italian Voters I personally recommend channel 12, WICU, Erie, Pa., station to be retained on VHF signal, not a UHF signal. Many of my friends throughout northwestern Pennsylvania will be very disappointed if channel 12 will be eliminated.

Sincerely yours,
ANTHONY SENECI.

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CRAIG CORP.,
*Los Angeles, Calif., February 26, 1962.*

Hon. JOHN O. PASTORE,
*Chairman, Communications Subcommittee of the Senate Communications Committee, U.S. Senate, Washington, D.C.*

DEAR SENATOR PASTORE: It has come to our attention that there is a bill to amend the Communications Act of 1934 to give the Federal Communications Commission certain specified requirements for the manufacture of television receivers. This bill is S. 2109.

We would like to express strong opposition to this bill. First of all, making all-channel VHF–UHF television receivers mandatory by law the Government is forcing millions of people to pay an extra cost for something they may never use. Major metropolitan ares across the country who are not using UHF may never adopt its application. This seems extremely unfair to the millions of consumers located in areas such as Los Angeles, New York, Philadelphia, and Chicago.

It is a known fact that UHF is an inferior system to VHF as it does not offer the same quality to the customer. The range of UHF signal is less and, in addition, is more susceptible to interference caused by buildings, trees, etc.

I also strongly oppose the fact that this bill jeopardizes the American free enterprise system by placing in the hands of a Government agency the authority to dictate the kind of products private manufacturers may build.

Sincerely yours,
ROBERT CRAIG, *President.*

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HOUSE OF REPRESENTATIVES,
*Washington, D.C., March 1, 1962.*

Hon. JOHN O. PASTORE,
*Chairman, Subcommittee on Communications, Senate Committee on Commerce, New Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: The attached statement is to be incorporated into the record of the Communications Subcommittee on S. 2109.

Your assistance in this matter is appreciated.

With all good wishes.

Very truly yours,
JOHN B. ANDERSON,
*Member of Congress.*

## AMENDMENT OF FEDERAL COMMUNICATIONS ACT SECTION 315(a)—EQUAL TIME PROVISION

Mr. CASE of New Jersey. Mr. President, the Senator from Pennsylvania, if only by reason of the authority he has cited, is entitled to change his mind. But I remember that the poet Walt Whitman had a line or two which are apropos:

> Do I contradict myself?
> Very well then I contradict myself,
> (I am large, I contain multitudes.)

Mr. SCOTT. The Senator from New Jersey contained multitudes when he won by so great a majority.

Mr. CASE of New Jersey. We worked this out beforehand. [Laughter.]

On the question more immediately before us, I desire, as a member of the Senator's subcommittee, to express complete satisfaction, and I wholeheartedly endorse his position about the holding of hearings on the bills. I think the objective is a sound one.

The senior Senator from New York [Mr. JAVITS], the sponsor or the author of one of the bills, asked me if I would, on his behalf also, express his appreciation of what he had understood the chairman proposed to do at this time, so in the Senator's absence, and for him, I also thank the chairman.

I thank the Senator from Rhode Island, who is chairman of the subcommittee, for his gracious, sound, and right recognition, with respect to the report of our subcommittee on the pending bill, of the interests of the great State of New Jersey, which I have the honor, together with my colleague [Mr. WILLIAMS], to represent.

## AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. COTTON. Mr. President, I have been seeking recognition because, as one of the signers of the minority views on behalf of the Committee on Commerce, I desire to express the reasons for our opposition.

I should say, before I begin to discuss the legislation itself, that since the bill was taken up on the floor last night, my attention has been called to a situation which I deplore. It will be recalled that just before adjournment last night a colloquy took place concerning the length of time debate on this measure would take. The distinguished Senator from Rhode Island [Mr. PASTORE] implied that he did not anticipate any substantial or important opposition. This was a gentle jibe at me and was received in that spirit. I then stated that there would be some opposition, and that I was one who would oppose the bill.

To my amazement, since the colloquy took place in the Senate last night, I have found myself, I will not say bombarded, but importuned by representatives or persons who are under the supervision of the Federal Communications Commission to please not assert any determined opposition to the bill, because it is their fear that if the bill were held up or defeated, the Federal Communications Commission would be so irritated that those persons might suffer before the Commission. I am positive that those representations were not made because of any instigation by any member of the Commission.

I am a great admirer of the Commission, and an admirer especially of the Chairman of the Commission. I was much impressed by him when he appeared before our committee. I have had reason to congratulate him, with great sincerity, because of the effort he has been making to clean up television and radio entertainment and to make it of a better grade for the American people. I have great confidence in his ability and integrity, and also in those of all his associates. However, Mr. President, as is stated in the report, this bill is admittedly a Federal Communications Commission proposal, and it has been proposed for reasons which to the Commission seemed sound.

Now the bill has been brought to the Senate. The Federal Communications Commission is a creation of the Congress and is a servant of the Congress. Certain duties have been delegated to the Federal Communications Commission; but the Commission is not the master of the Congress, not even in this field. Therefore, I rather resent attemps to muzzle some of us, particularly in view of the fact that the proposed legislation involves a principle which inherently is extremely dangerous.

Mr. President, at this time I wish to present a slight amplification of the views set forth in the committee report.

Despite the complexity of television, and despite the ease with which VHF may be confused with UHF, the basic issue which confronts the Senate on this bill is relatively simple.

The question is whether the benefits of all-channel TV receivers would outweigh the evils of the precedent which the bill would set. My own conclusion, arrived at after long and careful consideration, is that they would not.

By requiring that all TV sets shipped in interstate commerce be capable of receiving 82 channels, instead of only the 12 VHF channels, the bill would set a far-reaching precedent whose dangers are clear and direct.

Make no mistake about it, Mr. President, the bill would substitute Government regulation for the public's freedom to choose among manufactured products. It might be a forerunner of the consumer controls of the future, and it would open whole new vistas of coercion and confusion. In the past Congress has limited the public's right to choose among products, when the public health or safety was a paramount factor. But no such considerations are presented in connection with this bill.

Neither the public health nor the public safety is involved, and the most ardent supporters of this proposed legislation concede this. The regulatory purpose of this bill is purely social. Once we started down this road, could anyone tell where it would end? If, today, we force people to buy TV sets they do not want and cannot use, where shall we draw the line tomorrow, if there is any line left to draw? Why not force automobile manufacturers to make only compact cars, because limousines take up too much room; or only convertibles, because sunshine is good for people? There would be literally no end to the chains of regulation which would bind the American people, if this approach were adopted generally.

There will be those who will say that this bill ought to be enacted because its purpose is good. It seeks the laudable goal of expanding and improving the television services available to the public. But it is no excuse to contend that the purpose of the bill is good. Justice Brandeis scotched that when he said:

> Experience teaches us to be most on our guard to protect liberty when the Government's purposes are beneficent.

Other important disadvantages to this bill should not be obscured by the general desire for more and better TV service.

First, estimates presented to our Committee during its hearings on the bill indicate that it would add about $25 to the cost of each TV set. This would saddle the consumers with an extra burden amounting to $150 million a year, at the current level of sales. All-channel TV service would not come cheap to the American public.

Second, the bill would not correct the fundamental disadvantages of UHF television. Signals broadcast on its channels, numbered from 14 through 83, can be received only at substantially shorter distances than the VHF signals broadcast on chanels 2 through 13; and this disadvantage gets progressively worse as the channel numbers get higher. Furthermore, UHF broadcasts are subject to considerably more difficulty from shadowing and from other forms of troublesome interference than are VHF broadcasts.

The bill would inevitably lend new impetus to the drive to move all television services to the UHF channels, and thus free the present VHF channels for other use. Such a move could far more easily be accomplished after all the Nation's TV receivers were equipped to receive the UHF channels. Regardless of the overall merits of this long-discussed solution to the TV problems, the fact remains that it would result in a loss of TV service in many rural and suburban areas of the Nation.

The bill admittedly proposes a slow-acting, long-range step toward a resolution of the problem of using the 72 UHF channels. It would require at least 6 to 8 years, according to Commerce Department estimates, to substantially replace the sets now in use; and by then this proposed legislation may not be needed at all. All-channel set production so far this year is 100 percent greater than for the same period last year, increasing in apparent response to the rising public interest in UHF broadcasting, especially in educational TV, which is getting an extra and highly beneficial shot in the arm from the new Federal-aid program enacted into law earlier this year. The bill would thus impose on the American people a wholly unprecedented regulatory scheme, in order to accomplish a goal 6 to 8 years into the future, when no one can foresee what might then be the circumstances, the needs, the technology, or the public interest.

In weighing the advantages and disadvantages of the proposed legislation, we ought also to consider its chances of achieving the TV breakthrough which is its main objective. Would the presence of all-channel sets "light up" the 1,400 unused channels in the UHF band? That would undoubtedly help, but it must be borne in mind that such receivers in the hands of the public would not necessarily enable a local UHF station in a small town to compete successfully for the advertiser's dollar, against the efforts of the strongly based VHF station in a big city. Many of the UHF channels allocated by the Federal Communications Commission have been placed in smaller communities which already receive TV service from longer range VHF stations in the same or nearby cities. There can be no doubt that new stations using these UHF channels would have a real economic battle on their hands, no matter how many sets were capable of receiving their signals. And in assessing the chances of success of this proposed legislation, it may be appropriate, also, to note that 25 percent of the existing VHF channels are still unused, despite the fact that 100 percent of the Nation's TV sets can receive signals from these channels.

Passage of the legislation certainly would guarantee a profuse flowering of what has been called the vast wasteland of television.

At best, the bill would be a dubious experiment, and be it a success or a failure, it would set a precedent which will plague us from now on.

I cannot support legislation which asserts the Federal regulatory power for purely social ends, however desirable they may appear. In this I will take my stand by the side of Abraham Lincoln who said, "You will never get me to support a measure which I believe to be wrong, although by doing so I may accomplish that which I believe to be right."

Mr. President, I should like to add a word to my statement. In the first place, the Washington News of May 29, 1962, contained an editorial in which this legislation was discussed. A single sentence in the editorial sums up the legislation in striking fashion. The sentence reads: "In other words, if the law of supply and demand does not work as fast as Washington thinks it should, pass a law and hurry it up."

I ask unanimous consent that the entire editorial be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### MANDATE FOR TV-SET MAKERS

Congress apparently is about to pass a bill to compel TV manufacturers to produce television receivers good for all channels—UHF as well as VHF. Most sets now will take only the VHF channels, of which there are 12.

UHF, or ultra-high-frequency, channels are more numerous—70 now are available.

The Federal Communications Commission is pushing this bill on several grounds: To give viewers a choice of more programs, to provide TV service for communities which lack it because of the shortage of VHF channels, to stimulate more educational stations.

"What this country needs," says FCC Chairman Minow, "is more television, not less."

There are relatively few UHF stations now because so few homes are equipped to receive them, he reasons. The manufacturers won't make all-channel sets because, since there are so few stations, there is small demand—and the cost is $20 to $30 higher.

So the answer, the FCC thinks (and the House already has passed the bill), is to compel the manufacturers, by law, to make all-channel receivers.

In other words, if the law of supply and demand doesn't work as fast as Washington thinks it should, pass a law and hurry it up.

The same argument could be applied to color TV. Set sales have been relatively slow because the cost of the sets was high, and color programing has developed gradually. Programing came along slowly because of cost and the lack of demand resulting from the scarcity of receivers.

If Congress can force the manufacturers to make all-channel sets, cannot it also force them to produce color sets? And then, by law, tell the stations what programs to present? Or decree that all radio sets must be both AM and FM? By this law, if the Senate approves, Congress also in effect is compelling the TV viewer to buy an all-channel set whether he wants it or not.

The processes of a free market may be too slow for the impatients here in Washington—but in our judgment a lot less dangerous.

Mr. COTTON. Mr. President, I commend the distinguished Senator from Rhode Island [Mr. PASTORE], and the staff, for the frankness, clarity, and completeness of the report presented by the committee. We find this statement in the report:

> It must be remembered that this involves a unique situation which would not in any way constitute a general precedent for such congressional regulation of manufactured products.

That statement in the report was referred to in the remarks of the able Senator from Rhode Island, and was brought up by the Senator on the floor with complete sincerity.

I am sure it is the fixed belief, almost the unanimous belief, of the Committee on Commerce. But, Mr. President, the mere fact that the Committee on Commerce, or its majority members, make the statement does not make it so.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. COTTON. In just a moment.

In the history of the enlargement of powers of the Federal Government, I doubt if there have been many chapters that have not had as their preface that very remark, "This is a unique instance. There are peculiar reasons."

This instance is unique in that, so far as I can determine, it is the first time it has been suggested that the Congress of the United States reach out its arms and, by law, deprive the consumers of their right to purchase manufactured commodities, unless there is some element of safety or help involved.

I yield to the Senator from Nebraska.

Mr. HRUSKA. First of all, I would like to compliment the distinguished senior Senator from New Hampshire for the splendid statement he has made, pointing out the inherent dangers in, and dubious precedents for, this legislation. It seems to me that the case of the Senator from New Hampshire is quite sound and well reasoned. I join him in his commendation of the writers of the report by the majority, not only for the clarity in stating the problem, which is notable, but also in the frankness with which they say, "There is no market for UHF stations; we want to legislate one."

That is just about the size of it and frankly and undeniably it is the objective of the bill.

On the point, however, which the Senator from New Hampshire has just raised, namely, that there may have been other instances where, by Federal legislation or by State legislation, there had been prescriptions for or prohibitions against the manufacture for transportation across State lines of various products, my attention was called to the legal opinion rendered by the general counsel of the Federal Communications Commission, Mr. FitzGerald. In writing on that particular point, he drew attention to statutes in that category. Among them is a statute relating to gambling devices which shall not be transported in interstate commerce.

There is a statute relating to the prohibition of the manufacture or sale of highly flammable articles of wearing apparel, and there is a statute relating to the prohibition of the transportation of household refrigerators between States unless they are equipped with adequate door-opening devices. We also have examples such as the statute relating to the prohibition of manufacture of cars unless there is a particular type of safety glass used for the windshield, doors, or other panels through which the occupants of the cars may see.

These statutes have been cited as a precedent for this type of legislation. The Senator from New Hampshire has indicated the distinction between these situations and the provision of this bill.

My question to the Senator is, Would he care to elaborate on that point?

Mr. COTTON. I think in the examples the Senator from Nebraska has brought out, and which indicate his study of this whole matter, in every single instance, so far as I know, they are cases in which we have restricted the sale to the consumer of articles in which the public health, safety, or morals were in some way involved.

I believe there is pending in the Committee on Commerce at the present moment, if I am not mistaken, a measure which has to do with placing a Federal restriction on the kind of brake fluid that shall be provided in automobiles. I do not know whether the bill will receive the approval of the committee or not, but that proposal is different from the one now before the Senate, because it has to do with the public safety.

If there were a Federal law providing that every automobile shipped in interstate commerce be equipped with a nonshatterable windshield—I believe there are State laws on that subject but no Federal law—it would be in a different category than the pending bill.

So far as I have been able to determine from such examinations as I have been able to make, the pending bill is the opening of a new chapter and an entering wedge along a new line. It is a Federal regulation and a Federal restriction on the right of American consumers to purchase articles, and the restriction is for a purely social purpose, no matter how worthy that purpose is, and I admit that the purpose is praiseworthy and the intentions are the very best.

When we take the step across that line and enact that restriction, we are just turning another page, and I think Senators will find it will rise to plague us because we have taken a step that provides Congress can, if it thinks a certain article is good for the buying public and another article is not good, prevent the consumer from exercising his free judgment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. COTTON. I certainly yield to the distinguished chairman of the subcommittee.

Mr. PASTORE. I assure my colleague from New Hampshire, in all honesty and frankness, that the matter he has raised was of very serious and grave concern to the members of the committee, so much so that I called upon the General Counsel's Office of the FCC to render an opinion as to the constitutionality of the proposed law. That opinion is included in the report. Not being satisfied with that, I thought we should request an opinion from the Attorney General's Department. We made that request of the Department of Justice. An opinion was rendered by Mr. White, who is presently a member of the Supreme Court, who decided it was constitutional.

I realize we have an unusual situation here, and I can well appreciate the apprehension of my colleague. The line of demarcation is not so wide that it is black or white. There is a rather gray area. All of us must be rather jealous of safeguarding and making sure that we do not establish a precedent that will disturb our whole system of free enterprise. No one was more disturbed or conscious of the fact than myself. But there is this to be said: There is a distinction to be mentioned here. We are not dealing with an item such as automobile brake fluid, which the Senator mentioned earlier. We are dealing here with a natural resource and a limited resource not available to everyone.

The radio spectrum belongs to all the people of the United States. It is in a public domain area. A serious question arises because there is a vast section of the spectrum, which includes 70 UHF channels, which is not being used for the public benefit.

The argument is made that the basis for this proposal is only social. It is a little more than that. A short while ago we recognized that we must do something about grants-in-aid to communities in order to permit the fuller use of television for educational purposes. It had been testified before our committee that the one chance television had to promote the educational capabilities and facilities of the Nation was to activate the UHF channels reserved for educational purposes.

I realize that a good argument can be made on the other side. I do not pretend to stand here and say that the arguments advanced on the other side are unreasonable or injudicious, or that they do not make sense. Of course they do. I am very happy that they are being made, because it should be clear from this RECORD, that we are not opening the door wide, willy-nilly, to disturb our whole system and concept of free enterprise.

However, we do have a special case, and we must weigh the factors very carefully. The members of the committee did so. There are 17 members of the committee, and the vote stood 14 to 2. That does not mean that 14 are right and 2 are wrong. There was a considered judgment of sensible men who weighed every feature and element of the bill before us. They decided that in the public interest this was the only solution. It is in that spirit that we come here.

I do not in any way criticize my good friend from New Hampshire, because the very things he is saying are the things which were the basis of interrogation conducted by the senior Senator from Rhode Island at the hearings, as the Senator well knows.

I congratulate the Senator for the fine, clear presentation he has made today. My only regret is that I cannot agree with him. I do not like to think what the consequences would be if he should win and we should lose.

Mr. COTTON. Mr. President, I thank my distinguished friend from Rhode Island for his very kindly statement and consideration, and the way in which he has reiterated the position of the vast majority of the committee, and the almost unanimous belief of members of the Commerce Committee.

I would hesitate even to take the time of the Senate to state my position, in the face of a vote of 15 to 2, were it not for the fact that I feel this conviction very deeply. I want it clearly understood that the Senator from New Hampshire is not suggesting that there is anything in the bill which is unconstitutional. I have read the statement of the now Justice White, of the Supreme Court. I do not question it in the least.

In the opinion of the Senator from New Hampshire, who is only a country lawyer, the interstate commerce clause of the Federal Constitution has been stretched so far that there is not much that the Federal Government cannot do, if the Congress chooses to do it, in dealing with all kinds of commerce. That adds to my apprehension every time the Congress takes another step in this direction.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. PASTORE. Even though an operation might be in interstate commerce, and even though the subject matter might come within the jurisdiction of the Federal Government, if the personal rights of individuals were violated or if there were a substantial denial of property rights of individuals, certainly the proposed measure would be unconstitutional; and if it were unconstitutional, the activity could not be regulated under the interstate commerce clause.

Of course, the decision rests upon whether or not the proposed law is constitutional.

The argument made by my friend from New Hampshire rests upon the determination as to whether or not property rights are being denied. If they were, the bill would be unconstitutional. If they were not, it would be constitutional; and if it were constitutional, the particular activity could be regulated.

Mr. COTTON. Mr. President, in view of the remarks of the distinguished Senator from Rhode Island, I prefer to state my own grounds for my opinion. I have just stated that it was not based upon the ground of constitutionality.

Let me be more specific. When the Supreme Court of the United States lays down such a far-reaching decision as that because a man is employed as a janitor washing the windows of a building in which there is an office rented to a concern in interstate commerce, he is engaged in interstate commerce; and when the court decides that if a lighthouse throws its rays across the boundary of a State, the company furnishing power to that lighthouse is engaged in interstate commerce, I say, without fear of too much contradiction, that the court has already stretched the interstate commerce clause of the Constitution so far that it admits all kinds of latitude. The only remaining place where restraint can be exercised is here in the Congress. It may be said that the rights of an individual may not be impinged, but I do not quite swallow that argument, even though I know it is the earnest and sincere belief of the most able Senator from Rhode Island.

I repeat that I do not question the constitutionality of the bill. But because it may be constitutional does not make it right. I do not question the argument that it might bring some good. It might mean the further installation and advancement of educational television. No Member of the Senate has been more enthusiastic and loyal in the matter of advancing educational television than has the Senator from New Hampshire. But this is not my reason for opposing the bill. I do not know that I have received a single letter from a constituent on this subject.

I happen to live in an area where television reception is practically nil. When I sit down in my living room at home and turn on my television, if I were not a subscriber to a community antenna system, I could not get a thing but a snowstorm. That would be doubly true if we should ever have a UHF station in my locality. There are not enough people in the locality to justify a UHF station, even if all of them were compelled to buy the kind of receiver which could receive it.

The bill probably does not impinge upon human rights; but what are we doing in the interest of what we think may bring about some good? We are saying to thousands—perhaps to millions of people throughout the country in various areas where the people may never even be able to afford a UHF station, and where they may not even eventually have UHF stations, that they must purchase receivers which they do not need, which they do not want, and which they cannot use.

That is exactly what we are up against. The present proposal would establish a new process in dealing with the consuming public. One may lead a horse to water, but he cannot make him drink. The mere fact that there might be built into my receiving set the capacity to receive all these stations would not cause me to use such facilities, even if I could do so, so long as a city station a few miles away had the resources and the ability to put on a fine program, and the local station put on a mediocre program. To that extent the bill would not effectuate any good.

Lastly, the testimony before the committee indicates that this system may not be necessary at all. We are progressing in the good American way. The sale of television sets which have the capacity to receive all these channels has increased in the past year by 100 percent. People are being encouraged to buy them. People are buying them in increasing numbers. If that is the case, why is that not the way to do the job, rather than to start down this road?

I have stated the sum and substance of my position. I had not intended to take as long as I have taken. So far as I am concerned, I shall not ask for a yea and nay vote. I merely wish to record my opposition to the bill for the reasons stated.

I thank the distinguished Senator from Rhode Island [Mr. PASTORE] for his very fine consideration throughout the hearings in the committee and on the floor of the Senate. It is characteristic of his unvarying courtesy and fairness. I greatly admire the work he has done on the bill. I hope that if the bill must pass, it will work out well.

## LOSS OF LIBERTY SCOREBOARD

Mr. CURTIS. Mr. President, it seems appropriate that a score should be kept of the attempts that would lead to the loss of liberties of our people. Two of the dominant trends in this regard consist of the concentration of power in the Central Government and in the office of the President and increased spending which leads to inflation, chaos, and a threat of bankruptcy. These are the things that cause free people to lose their liberties.

On May 9, I expressed my grave concern over President Kennedy's demands for more Presidential powers and more moneys to be spent. I placed in the RECORD a tabulation supporting my concern which indicated that as of the end of April, the President had, in 1962, made 62 requests for more spending and 25 requests for more Presidential powers. I regret to report that this reactionary and destructive trend in Government is continuing at a steady pace. The tabulation as of May 31, 1962, shows 68 requests for money and 27 requests for Presidential powers. As previously indicated, I intend from time to time to bring these figures up to date for the information of the Congress and the country.

I ask unanimous consent that there be printed in the RECORD at this point this additional tabulation for consideration in connection with my chart placed in the RECORD May 9, 1962.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

87TH CONG., 2D SESS.

*Loss of liberty scoreboard—Kennedy demands more power and more money*

HIS REQUESTS

| 1962 | More spending | Number requests | Total | 1962 | More power | Number requests | Total |
|---|---|---|---|---|---|---|---|
| Apr. 19 | (Date of last request) | | 62 | Apr. 19 | (Date of last request) | | 25 |
| | Grand total as of last Apr. 30. | | 62 | | Grand total as of last Apr. 30. | | 25 |
| | | | | May 7 | (18 days later) | 1 | |
| May 10 | (21 days later) | 1 | | | | | |
| 15 | (5 days later) | 1 | | | | | |
| | | | | 16 | (9 days later) | 1 | |
| 21 | (6 days later) | 1 | | | | | |
| 23 | (2 days later) | 1 | | | | | |
| 24 | (1 day later) | 2 | | | | | |
| | Grand total as of last May 31. | | 68 | | Grand total as of last May 31. | | 27 |

## SHAMEFUL

Mr. YOUNG of Ohio. Mr. President, a few moments ago I was shocked to read a news bulletin on the teletype outside the Chamber. The bulletin states:

> HYANNIS, MASS.—Four more reverse freedom riders took up life on Cape Cod today and it appeared that the industrial city of Lowell was due for a busload of Negroes.
>
> Richard Cornett, 31, of Little Rock, Ark., an unemployed construction worker, his wife, and their two young boys arrived here yesterday with $20. Mrs. Cornett and the boys were housed at nearby Camp Edwards. Cornett stayed here to look for work.
>
> Meanwhile, the office of Lowell Mayor Joseph M. Downes said last night it had received a telegram from a New Orleans, La., group stating it was prepared to send a busload of Negroes to that northeastern Massachusetts city.
>
> The telegram, sent by a group calling itself citizens group, said:
>
> "Commemorating 100th anniversary of your famous Gen. Benjamin Butler, we are preparing to send first busload of those he liberated. Please advise when accommodations available."

Mr. President, as a student of history, I hold Gen. Ben Butler in very low esteem. He was a mere bush-league political general in the Civil War—and a very mediocre one at that. He owed his appointment as a Union general not to any military skill, experience, or knowledge, but simply because he was an effective—and at times unscrupulous—politician in Massachusetts. For political reasons Butler was given various commands by President Abraham Lincoln, until unfortunate events which afflicted the Union Army brought the facts of life home to those in authority in Washington, and generals were made generals and given commands on their merit and not because of political considerations. For a period of time in 1862 he commanded the Union force which occupied New Orleans. Many of his acts as military governor were so offensive, arbitrary, and notorious that he was removed from this command by President Lincoln in December of that year.

I preface the few remarks I have to make because I want it understood that I do not consider Gen. Benjamin Butler's memory to be greatly revered for his part in the War Between the States more than 100 years ago.

Mr. President, when a citizens group in Little Rock, Ark., or in New Orleans, La., takes action of the sort described in the news bulletin in virtually forcing or persuading destitute Negroes to leave their native States and native cities to be shipped to various cities in the North, whether the city be Hyannis or Lowell, Mass., or Cleveland, Ohio, or any city whatever, it is a shocking and shameful performance.

Negro families are supplied with one-way tickets and $5 for each person. They are, of course, told not to come back. The destitute unemployed person is a destitute and unfortunate individual whether he lives in New Orleans or Cleveland, and whether he is black or white.

In this country unemployment is a great moral wrong. It is unfortunate that in New Orleans and in Little Rock, Ark., and perhaps other places—I hope there are no other places—members of white citizens' councils evidence that they are devoid of character and of any feeling for human suffering. Their action may call attention rather forcibly to the misfortune and the ugly facts that Negroes in some areas of the Deep South are being deprived of their rights as American citizens and as human beings. This is really a sickening spectacle, and public officials of New Orleans demonstrate a shameful lack of judgment, good taste, humanity, and decency in permitting Negroes born and reared in that area to be exploited and mistreated in such a shameful manner.

## AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. WILLIAMS of New Jersey. Mr. President, many arguments have been given on the national need for the bill now under discussion. We have been told by Mr. Newton Minow, Chairman of the Federal Communications Commission, that the bill would open up great new opportunities for local television—particularly local educational television. He has explained that we now have 1,544 ultra-high-frequency stations in the United States, and that only 103 UHF stations are now on the air. In other words, we are using only 7 percent of the potential UHF assignments we have in this Nation.

Why such hesitant use of a great resource? One of the major reasons is simply that our present television receivers are not, for the most part, equipped to receive UHF stations. As a matter of fact only 6 percent of the sets made in 1961 could receive UHF. And yet, as we are assured by Mr. Minow, all sets could receive all channels by the addition of a $25 tuner in each set. Surely this is a modest cost for an improvement that would help us develop local television offerings for local television receiving areas. At last we would no longer depend so largely on the networks for entertainment and service programs; we could hope for truly local service.

As I have said, there is a great national need for a bill that would require all new television receivers in interstate commerce to receive the full spectrum of 82 channels. You have already heard the national arguments. My purpose today is to describe the potential impact of this bill in my own home State. New

Jersey is worthy of such note, I believe, because it stands uniquely in need of such a bill. Its present situation is practically a case study of the need for this bill.

At the moment, New Jersey has not one single channel it can call its own. Fortunately, channel 13 will return to the air this fall under the sponsorship of the Educational Television for the Metropolitan Area, Inc. According to terms of the agreement, New Jersey issues will receive an appropriate share of air time. But important as this single project is, it can serve only some of the needs of a great State.

At present, New Jersey is served only by channels of Philadelphia and New York City. Programers for these channels often have presented public service programs of great interest to New Jersey listeners. But, in serving the needs of two great metropolitan areas, often they must overlook or give limited time to local issues and local educational needs.

This fact has already been clearly realized in the Garden State. The New Jersey Educational Television Corp. has already prepared plans for the establishment of an interconnected network of four high-power UHF educational television stations, plus four translator or satellite stations. Educational television coverage would thus be assured for New Jersey. In addition, the New Jersey Television Broadcasting Corp. has filed an application with the FCC for an UHF station to broadcast from Newark.

Still greater impetus to these and possibly to other such efforts will be given by final State action on legislation to permit the State to take advantage of the $32 million Federal aid bill passed by Congress this year. The State senate is expected to act on the bill in the fall.

With so many plans of action afoot, it is significant that the FCC table of assignments lists 14 UHF sites in New Jersey. I will list them: Andover; Asbury Park; Atlantic City, two; Bridgeton; Camden; Freehold; Hammonton; Montclair; New Brunswick, two; Paterson; Trenton; and Wildwood. Here is a great potential for service of many kinds, but what good will these channels be without television sets that can receive them?

This is not a rhetorical question. It must be answered if States are to make the most of our new Federal aid program and if individual States like New Jersey are to make good use of proposed educational efforts. It is clear that the all-channels bill will hasten the evolution of educational television and good local commercial television. For the first time, viewers would have a real choice. They could decide to spend some time with the networks and national public service or entertainment programs. Or they could decide to give some of their attention to the more local channels. The consumer could thus decide, if only he is given the opportunity.

**Mr. HRUSKA.** Mr. President, it was with great interest that I listened to the discussion of the constitutionality of the measure that is before us, H.R. 8031. I have no illusions about the subject. I am sure that with the very able legal opinions rendered by John L. FitzGerald, as General Counsel of the Federal Communications Commission, and also by Byron R. White, then Deputy Attorney General, the area has been covered quite thoroughly.

I do not know that I quite agree with their conclusions. I do not know that I particularly subscribe to that kind of constitutional interpretation. The fact is, however, that the Supreme Court has spoken many times on this subject. Therefore, I suppose there is ample precedent for what Mr. FitzGerald has stated in his opinion:

> It has been sometimes said that the Congress is free to exclude from interstate commerce articles whose use has been determined to be injurious to the public health, welfare, or morals, but it seems clear that in context these terms encompass injury or hindrance to the effectation of any public policy adopted by the Congress.

When that is said, and when it is buttressed by legal precedent and opinions, I must subscribe to the view suggested by the Senator from New Hampshire that there is scarcely anything that is not impressed by commerce so it can be treated legislatively, as is sought to be done in the bill before us.

Without subscribing to the constitutional philosophy which molds these decisions, I should like to say that the constitutionality of a measure is but one thing. Whether it is good policy to broaden that category to include other goods and equipment is quite another matter.

I have concluded, and I am convinced, that it is not desirable that it be done.

The plain fact is that UHF sets are at the stage where there is no substantial market for them. Some UHF stations have tried to succeed, but they are now dark. The explanation for this condition is set forth in the majority report:

> This goal would be achieved by eliminating the basic problem which lies at the heart of the UHF-VHF dilemma—the relative scarcity of television receivers in the United States which are capable of receiving the signals of UHF stations.

So the majority of the Commerce Committee say, in effect, "Have no market. Want a law."

They want a market and they want a law to give them the market. Those are the real implications and obvious designs.

I have before me an editorial to which the Senator from New Hampshire has referred. He read a part of it, and I should like to read another paragraph. The part he read reads:

> In other words, if the law of supply and demand doesn't work as fast as Washington thinks it should, pass a law and hurry it up.

The editorial continues:

> The same argument could be applied to color TV. Set sales have been relatively slow because the cost of the sets was high, and color programing has developed gradually. Programing came along slowly because of cost and the lack of demand resulting from the scarcity of receivers.
>
> If Congress can force the manufacturers to make all-channel sets, cannot it also force them to produce color sets? And then, by law, tell the stations what programs to present? Or decree that all radio sets must be both AM and FM? By this law, if the Senate approves, Congress also, in effect, is compelling the TV viewer to buy an all-channel set whether he wants it or not.

Mr. President, we are dealing with a natural resource in this case. About a week or 10 days ago we dealt with another kind of natural resource, namely, the products of our great wheatfields. In my part of the country we raise a great deal of wheat. Much of that wheat is placed in storage in Texas and elsewhere. It is wheat that we do not use. It is wheat for which we cannot find a market.

Shall we say, "Have no market. Want a law?"

It is probably true that people prefer a loaf of bread that weighs 16 ounces. In some States there is a law which provides that a loaf of bread must weigh at least 1 full pound. We might propose a law which, in the interest of a great natural resource, however, would provide that a loaf of bread shall not weigh less than 2 pounds, and by that means increase the consumption of bread.

I subscribe to the classic idea that one can lead a horse to water, but one cannot make the horse drink. I also subscribe to the idea that we can offer a customer an all-channel TV set, but we cannot make him buy it.

I suppose we could force the baking of a 2-pound loaf of bread, but of course we would not compel its purchase by the public.

Why not? The language of the legal opinion to which I have referred, only states that Congress has a right to "exclude from interstate commerce articles whose use has been determined to be injurious to the public health, welfare, or morals."

Therefore Congress could recite that it is our policy to induce greater consumption of wheat products; hence bread will hereafter be made in 2-pound loaves. But this still would not necessarily sell more bread.

Perhaps someone will suggest that this is a farfetched or facetious argument.

The fact is that we have a situation which some people think requires expedient treatment. They cannot wait for the Nation to go forward in an orderly fashion. Expediency must be resorted to. Hence the proposal of the kind that is before us now, reflecting as it does the grievous doctrine that governments know better than the consumer does what is good for him and what he ought to have. The dictates of the market are discarded and the traditional methods for fashioning consumer goods are rashly abandoned.

Out in our areas of the Middle West, I know it to be true that, regardless of the number of UHF and VHF stations, there will be literally millions of users who will not be able to enjoy a UHF set. That is the plain fact. It cannot be denied. For those who can use such a set, there will be a choice. For many others there will be no choice. Their decision will be made for them. And they will have to help finance the economic success of the UHF sets. They will have to pay anywhere from $12.95 up to $50 or $60, depending upon the elaborateness of the original set to which the converter is added, or depending upon the set that they bought with the UHF and VHF reception facilities.

That is at the bottom of the proposition. Many thousands of people in Nebraska, which I have the privilege to represent, will find themselves in this situation if and when the bill becomes law.

Inasmuch as a yea-and-nay vote has not been asked for, I should like to say for the record—not only for this time and for the people whom I represent, but also as a future reference—that a danger flag ought to be attached to this legislation as there is a definite possibility that we shall be confronted with another bill, of which it will be said, "Yes, but this relates to a natural resource. This is different. It will confer great benefits; therefore it should be passed."

So we will continue to invade further the realm to which the Senator from New Hampshire has so eloquently referred, and which I have tried to describe in my own remarks.

Mr. COTTON. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. COTTON. I compliment the Senator upon his statement. I should like to ask him a question. I have great respect for the Senator's legal ability and experience.

Is it not true that the decisions of the Supreme Court have now gone so far as to hold, with respect to the interstate commerce clause, that Congress can enact almost anything it desires to enact, as a matter of public policy; and that the only place now where the rights of an individual can be protected is in this Chamber and in the Chamber of the other body? It is no longer true that rights can be protected in the courts, as against congressional action.

Mr. HRUSKA. There is no question that that is so. The only protection a citizen has against ill-considered action of this kind lies in the exercise of self-restraint on the part of Congress.

The Senator may remember, in the consideration of amendments to the Minimum Wage Act, a discussion about a bootblack in a hotel located in my home city, who was held to be engaged, by definition, in interstate commerce. Why? Because the shoe polish which he used was manufactured in Indiana or Ohio. Because the bootblack used that shoe polish, he was engaged in interstate commerce, although the person who wore the shoes might not cross the State line, by any stretch of the imagination, until long after the shoe polish had worn off.

Even if the shoe polish happened to have been made in Nebraska, the bootblack would still have been engaged in interstate commerce because the cloth with which he polished the shoes might have been made in Alabama or South Carolina, or perhaps in the State of my very gracious and congenial friend from Rhode Island [Mr. PASTORE].

So the Senator from New Hampshire is correct. This is the one forum in which such protection can be afforded to citizens who find themselves in such a position.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, apropos of what the distinguished Senator from Nebraska has said, there is on record an interesting case under the Fair Labor Standards Act with respect to a building in Philadelphia in which were employed quite a number of garment workers and garment makers whose products entered interstate commerce. The question was whether the charwomen who worked in that building would also be considered, by virtue of the operations in progress there under the Fair Labor Standards Act, as being a part of the stream of commerce. In my judgment, the reasoning in that case, both in the Federal district court and in the Circuit Court of Appeals, was one of the most tortuous and amazing pieces of circumlocution I have ever read.

I think of one other case. The Wrightwood Dairy, a small dairy in northern Illinois, never bought or sold a pint of milk in interstate commerce and resisted the agricultural marketing order, but the court held that the milk which that dairy bought and sold might possibly enter the stream of commerce and therefore become competitive with other milk which might have, conceivably, come from Indiana or Wisconsin. Therefore, because that milk might enter into the stream of commerce, it was held to be in interstate commerce. Talk about twisted reasoning: that case is in a class by itself.

But I did not rise to make those comments; I rose to offer the amendment which I now submit.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill add the following new section:

SEC. 3. Paragraph (c) of section 303 of the Communications Act of 1934 is amended by inserting immediately before the semicolon at the end thereof the following: ", but nothing in this Act shall authorize the Commission to substitute an assignment outside the frequency band between 54 megacycles and 216 megacycles for one within such band in any community or otherwise to delete an assignment made within such band on or prior to September 1, 1961 to any community if the purpose of such change is to limit such community to assignments of television frequencies outside such band".

Amend the title so as to read: "An Act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus, to place certain limitations on the authority of the Commission to delete previously assigned VHF television channels, and for other purposes."

Mr. DIRKSEN. Mr. President, I should say, in all frankness, that I am never happy about the thesis of the approach in a bill of this kind, but I am familiar with all the circumstances which gave rise finally to the bill. In pursuance of what basis I had, I went before the committee and testified.

As everyone knows, there was a problem in the field of deintermixture. Frankly, it involved two major television stations in Illinois and one immediately across the line in Wisconsin. Obviously, I had an interest in the situation.

In the case of the station at Champaign, Ill., it would appear that if it were deintermixed, probably an estimated 600,000 persons would have been left in a very cloudy area and would not have received the kind of television signal to which they were entitled. So out of those many circumstances finally came a bill which passed the House by a substantial majority.

The amendment I offer would prohibit the Federal Communications Commission from putting into effect any program for the deintermixture of television stations without the express and affirmative consent of Congress. This would be done by prohibiting deintermixture and requiring a future amendment to the law if any deintermixture were to be put into effect. This involves the question of policy. Obviously, Congress has an interest in the situation. If it were not so, then perhaps the creature, namely, the FCC, would become the creature in power, and therefore its creator.

There would be a situation not unlike that which was set up by George Bernard Shaw in his celebrated play "Pygmalion," in which the creature transcended its power and influence, and therefore becomes the creative hand itself.

The basic issue is this: Whether all-channel television legislation would advance the public interest or not depends upon the purpose of the legislation and the use to which it is put.

The bill will be beneficial to the public if its purpose and use is to expand the television service available to the American public by increasing the use of the UHF band without in any way impairing the service rendered by stations using the VHF band.

I should say, in that connection, since we are dealing with the band and the spectrum through which this medium will probably be used, that a Federal interest attaches to the bill and might influence its future.

There is another side to the coin: The proposed legislation would be contrary to the public interest if its purpose or use were to shift VHF television stations to the UHF band.

This puts the question of deintermixture squarely before us, and we cannot properly act on the legislation without considering it. Mr. President, as everyone knows, "deintermixture" is a polysyllabic term referring to the substitution of ultrahigh frequency or UHF channels for very high frequency or VHF channels in selected communities, for the purpose of creating islands of UHF amid the nationwide VHF television service.

If the American people are to get the greatest possible service out of the Nation's television system, they must have both VHF and UHF, side-by-side throughout the country—not deintermixture.

Yet the Federal Communications Commission itself initially injected the deintermixture idea into the all-channel set legislation last summer when, in docket No. 14229, it referred to this legislation as a means of "mitigating" the effect of a shift to all-UHF operations in part or all of the Nation.

Deintermixture is objectionable because it results in a reduction of TV service. For instance, as I indicated before the committee, proposals to delete a VHF channel from Champaign, Ill., and substitute a UHF channel would deprive an estimated 600,000 persons of the television service which they now enjoy.

For these reasons, there is no need to beat around the bush, or to try to evade the issue. My amendment will make the purpose and the intent of the legislation crystal clear. It would prohibit deintermixture and insure the VHF-UHF, side-by-side approach which will assure the greatest amount of television service to the Nation.

Let me clarify what the amendment would not do. It would not stop the FCC from taking a VHF channel away from one licensee and giving it to another in the same community if such a move would be in the public interest. It would not stop the Commission from moving a station from one community to another. It would not stop the Commission from adding a new VHF channel to a community.

So, Mr. President, while the amendment would restrict the power of the FCC, the restriction would be extremely narrow in application. It would neither make the FCC powerless in allocating frequencies nor put the Congress in the business of assigning frequencies.

There is nothing unusual or inappropriate about the amendment. The FCC is the delegate of the Congress in broadcasting matters, and the Congress is free to direct the FCC to do this, or not to do that. And Congress has already done this in a number of instances. It has told the Commission not to license aliens; and by resolution, not by law, it even has told the Commission not to permit radio stations to use more than 50,000 watts of power. Complete instructions from the Congress are especially appropriate in the case of this legislation, because it cannot be adequately considered without facing up to the question of deintermixture.

Therefore, the amendment simply seeks to protect the public against the loss of television service which deintermixture would inevitably bring. I hope the amendment will be adopted.

Mr. President, that is the whole story. This is a case of making the legislative record and setting down in the law itself a restriction, so that this very difficult and baffling problem will not be recurring from time to time; but if it does, then nothing will be done about it until the Congress has affirmatively expressed its views on the subject.

Mr. PASTORE. Mr. President, the problem which has been raised by the distinguished minority leader is one which caused the committee considerable difficulty at the time when it was considering this measure. As a matter of fact, three or four Members of the House of Representatives, as well as the distinguished minority leader of the Senate, appeared before our committee; and, as I recall, at one time I said to the members of the committee that this was one phase of the bill which might imperil the passage of the bill, if we did not do something about it. It gave us a great amount of concern; and we did not want this to be a "foot in the door" to promote a policy of intermixture or deintermixture, whatever the case might be. As a matter of fact, the same problem was raised before the House of Representatives.

Finally, by the action of the Commission, with the exception of one member, I believe, Mr. Lee, the Commission assured us; and this is the Commission's policy in regard to deintermixture. It is set forth in its letter dated March 16, 1962. I shall not read the entire letter, because it is quite long; but it is on the point I am making, and I ask unanimous consent that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
*Washington, D.C., March 16, 1962.*

Hon. JOHN O. PASTORE,
*Chairman, Subcommittee on Communications, Committee on Commerce, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: During the hearings before your committee, you raised the question of the relationship between this legislation and the Commission proceedings proposing to deintermix areas to all UHF. Following our hearings before your committee we testified before the House Commerce Committee. During the House hearings Chairman HARRIS asked us for written responses to four specific questions. It was agreed that the Commission would supply its answers within a week after the House hearings closed. This time ends today and we have sent to Chairman HARRIS our response.

The Commission's judgment (Commissioner Lee dissenting) is that if the all-channel receiver TV legislation is enacted by this Congress, it would be inappropriate, in the light of this important new development, to proceed with the eight deintermixture proceedings initiated on July 27, 1961, and that, on the contrary, a sufficient period of time should be allowed to indicate whether the all-channel receiver authority would in fact achieve the Commission's overall allocations goals. We have reached this judgment on the basis of a number of considerations.

As we made clear in our testimony, we do not conceive of selective deintermixture as a general or long-range solution for the television allocations problem. Rather, we believe that we will need a system using both UHF and VHF channels, and that all-channel receiver legislation is the basic and essential key to that long-range goal. For with this legislation, time would begin to run in favor of UHF development. The UHF operator (both commercial and educational) could look forward to UHF receiver saturation not only in his home city but in the surrounding rural area as well, and could expect improvement in the quality of the UHF portion of the receivers in the hands of the public. With increased use of UHF, and increased incentive for both equipment manufacturers and station operators to exploit its maximum potential, there is reason to believe that several of the problems which presently restrict the coverage of UHF stations would be overcome. In short, as we stated in our notice of proposed rulemaking in docket No. 14229, the all-channel receiver is "critically important" because it is directed squarely to "the root problem of receiver incompatibility." It is our hope and belief that the achievement of set compatibility will make possible a satisfactory system of intermixed assignments, and immeasurably promote educational TV. It will enhance the development of three fully competitive network services and perhaps eventually of still further network service. These, then, are the reasons for our judgment on this important matter.

The Commission has made the further judgment that any agency moratorium on deintermixture to all UHF would not be applicable to the deintermixture proceedings in (1) Springfield, Ill. (docket No. 14267), (2) Peoria, Ill. (docket No. 11749), (3) Bakersfield, Calif. (docket No. 13608), and (4) Evansville, Ind. (docket No. 11757). The reasons for this judgment are set out in the attached appendix.

Finally, the Commission considered the proposal of a statutory prohibition against any Commission deintermixture action (to all UHF) which would continue until ended by action of both Houses of Congress. The Commission does not favor this approach. For, it means, in effect, that if the all-channel legislation proves inadequate, and the Commission feels that some form of deintermixture is desirable in order to achieve the purposes of the Communications Act (e.g., sec. 1, 303(g)), it would have to seek the equivalent of an amendment to the act. In our opinion, such a statutory scheme would render administrative policy inflexible and ineffective. We strongly urge that the Commission not be deprived, in this area, of the broad discretion which Congress gave it to meet changing problems and circumstances. We believe that there is no reason for not following the established policy of over a quarter of a century of permitting Commission action under the public interest standard, subject to congressional and judicial review.

By direction of the Commission.[1]

NEWTON N. MINOW, *Chairman.*

### APPLICABILITY OF ANY DEINTERMIXTURE MORATORIUM TO THE SPRINGFIELD, ILL., PEORIA, BAKERSFIELD, AND EVANSVILLE DEINTERMIXTURE PROCEEDINGS

This appendix deals with the applicability of any moratorium on Commission deintermixture action (to all-UHF operation) to the deintermixture proceedings in (1) Springfield, Ill. (docket No. 14267), (2) Peoria, Ill. (docket No. 11749), (3) Bakersfield, Calif. (docket No. 13608), and (4) Evansville, Ind. (docket No. 11757). For reasons developed within, the Commission believes that any such moratorium should be inapplicable to these proceedings.

1. Springfield, Ill., deintermixture proceeding (docket No. 14267): On March 1, 1957, the Commission issued an order in the rulemaking proceeding in docket No. 11747, which removed channel 2 from Springfield, Ill., and added it at St. Louis, Mo., and Terre Haute, Ind., and further assigned UHF channels 26 and 36 to Springfield (22 F.C.C. 318). The Commission's order also modified the existing authority of Signal Hill Telecasting Corp., the then licensee of channel 36 in St. Louis, to provide for temporary operation on channel 2. This order was affirmed by the court of appeals (*Sangamon Valley Television Corp.* v. *U.S.*, 255 F. 2d 191 (C.A.D.C.)), but the Supreme Court remanded the case to the court of appeals for consideration of certain ex parte activities which had occurred during the rulemaking proceeding before the

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[1] Because of his former connection (prior to nomination as Commissioner) as engineering consultant in regard to the deintermixture of Springfield and Peoria, Ill., Commissioner T. A. M. Craven did not participate in the consideration of the Commission's comments in this letter with respect to those areas. Otherwise, Commissioner Craven concurs with the views of the Commission majority.

Commission (356 U.S. 49). The court of appeals remanded the case to the Commission for a determination of the nature and source of all ex parte pleas (269 F. 2d 221). The Commission, after ascertaining such pleas, proposed to give interested parties an opportunity to respond to them but not to comment on matters occurring subsequent to March 1, 1957.

On appeal, the Department of Justice took issue with this latter ruling, urging that the Commission must consider post-1957 facts "if it is to reach a proper rulemaking decision as to where the VHF channel 2 should be allocated for the future" (brief, p. 8). The Commission, in its brief, pointed out that "consideration of subsequent events might well have to include existing service to the public in St. Louis * * *" (p. 18). The court agreed with the Department and ordered the Commission "to conduct an entirely new proceeding," based on the facts as they now exist; it further stated that the existing service on channel 2 in St. Louis may be continued by the Commission during this new proceeding (294 F. 2d 742). On September 7, 1961, the Commission instituted the new proceeding (docket 14267).

We have set out this lengthy history to show that the Springfield, Ill., deintermixture proceeding does not stand on the same footing as the eight deintermixture proceedings initiated last July. If a general moratorium prevents deintermixture in these proceedings, it rightly or wrongly maintains the status quo in these areas. But a moratorium precluding deintermixture in Springfield would, as a practical matter, upset the status quo. For, as the court recognized, the facts are that since 1957 Springfield has been all UHF and channel 2 has been serving the St. Louis area. Without any consideration of the merits of the matter, the moratorium thus would automatically withdraw channel 2 from service in St. Louis (and from assignment to Terre Haute where, however, it has been the subject of a comparative hearing) and call for VHF operation in Springfield. We think that such an automatic application of a general moratorium is unsound and that the matter rather should be left to the Commission's judgment. And see section 402(h), Communications Act. It may be that in spite of the dislocation we have described, the Commission might conclude in docket 14267 that the public interest would not be served by ordering deintermixture of Springfield. But certainly that decision is one calling for a judgment on the basis of all the public interest factors—and not for automatic application of any general deintermixture moratorium. This conclusion is buttressed by the domino effect of a moratorium precluding deintermixture of Springfield on the Peoria, Ill., deintermixture case, to which we now turn.

2. Peoria, Ill., deintermixture case (docket No. 11749). The Commission in a report and order issued March 1, 1957, deintermixed the Peoria area, substituting a UHF channel for channel 8 which was reassigned to the Davenport-Rock Island-Moline metropolitan area in order to afford "a third VHF outlet in this major market" (docket 11749, 22 F.C.C. 342).[1] On appeal, the court of appeals affirmed the Commission's order (*WIRL Television Co.* v. *U.S.*, 253 F. 2d 863 (C.A.D.C.)); the case was, however, subsequently remanded to the Commission, not because of any error or because of ex parte factors, but because the Commission's decision was geared, to some extent, to the Springfield deintermixture proceeding[2] and accordingly might be affected by a different decision in that proceeding. Since the Commission is to reconsider the Springfield matter, the rulemaking with respect to Peoria also was remanded to the Commission, so that it could be reconsidered, if necessary, in the light of the new Springfield decision. (See *WIRL Television Co.* v. *U.S.*, 274 F. 2d 83 (C.A.D.C.).)

This means that if a general moratorium causes the Commission to reject deintermixture of Springfield, the Peoria deintermixture action would have to be reconsidered in the light of this new factor. But the same moratorium would prevent the Commission from reevaluating and making a new judgment as to whether Peoria should be deintermixed. The actual status quo in Peoria would thus be disturbed without any consideration of the merits of the case. It may be that it should be so disturbed. But it may also be that the Commission would not regard a reversal of the Springfield picture—referred to only in a footnote in the Commission's Peoria decision (see footnote 2, supra)—as requiring a different result. Here again, the matter is obviously one for judgment—not rigidity.

3. Bakersfield, Calif. (docket No. 13608): On March 27, 1961, the Commission issued an order deintermixing Bakersfield by substituting UHF 23 channel for channel 10, effective December 1, 1962, or such earlier date as station KERO–TV may cease operation on channel 10 at Bakersfield (21 Pike & Fischer, R.R. 1549). This is final Commission action, with only "formal codification to be accomplished by subsequent order" (21 Pike & Fischer, R.R. 1573). As such, it is appealable and now pending before the court of appeals (*Transcontinent Television Corp.* v. *U.S.*, Case No. 16,541, C.A.D.C.). Obviously, any moratorium on deintermixture would and should be inapplicable to this final Commission action.

If, however, the case were remanded to the Commission for any reason, the question would arise whether Commission reconsideration should be precluded by a general moratorium. We believe that it should not. For, reconsideration in such circumstances stands on a different ground than a new proposal for deintermixture in some area. (Cf. Sec. 402(h) of the act.) Even more important, a moratorium affecting Bakersfield would leave Commission action in this general area (the San Joaquin Valley) in the state of being half complete, half incomplete, and would have seriously adverse consequences on the development of television in the San Joaquin Valley and particularly in the Fresno area. In Fresno, deintermixture action by the Commission is complete, and Fresno station KFRE–TV has shifted from operation on VHF channel 12 to UHF operation. (See FCC 60–814, 60–279.) One of the important aims in the Bakersfield case was to complement the Fresno action. As the Commission stated (21 Pike & Fischer, R.R. at pp. 1554–1556):

"7. The potential for the growth and development of multiple-effective local outlets and services in the San Joaquin Valley would be much greater if all television assignments at Bakersfield were in the UHF band. With Bakersfield and Fresno, the two largest expanding population centers of the valley located about 105 miles from each other, and with their trading and market areas extending into the valley between them, where also are located a number of smaller cities where the chances for the establishment of local television outlets are promising, it is inevitable, under the favorable terrain and propagation conditions in the valley, that there is and will be an overlapping of services and a sharing of a common audience by all stations operating at Fresno and Bakersfield or in cities between them. It has been demonstrated that the relatively flat valley floor presents unusually favorable conditions for propagation of television signals. Marietta itself pointed out in comments filed in docket No. 11759 that the 'unique character of the extremely flat and quite treeless San Joaquin Valley, which permits signals to be rolled down the corridor from Bakersfield toward Fresno and from Fresno toward Bakersfield in the manner of a bowling ball, exceeding substantially the normal propagation distances in other areas, is a phenomenon which cannot be ignored.' By virtue of these circumstances, it is essential, we believe, that we make conditions conducive throughout the valley for the growth and successful operation of local outlets by providing an equal opportunity for all valley stations to compete effectively with compatible facilities.

* * * * *

"10. With our action removing VHF channel 12 from Fresno and shifting station KFRE–TV on that channel to UHF operation, all television assignments and stations in the valley are now in the UHF band with the exception of station KERO–TV on channel 10 at Bakersfield. At the present time only three stations are operating at Fresno and three at Bakersfield, but there is demand and promise that additional outlets will soon be established at Fresno, and at Tulare, Visalia, and Hanford, which are located in the valley between Fresno and Bakersfield. [Footnote omitted.] The predicted grade B signal of the VHF channel 10 station at Bakersfield (KERO–TV) extends well beyond Tulare, Visalia, and Hanford where local UHF stations are now contemplated, penetrates the service areas of the Fresno UHF stations, and reaches to within 23 miles of Fresno. There can be no doubt, however, that under the excellent propagation conditions in the valley, its signal penetrates even farther north in the valley. The Nielsen coverage survey for the spring of 1958 indicates that station KERO–TV at Bakersfield reaches and is listened to in homes in Madera County, which is north of Fresno County and principally served by Fresno stations. The 1960 American Research Bureau, Inc., television coverage study of California counties and stations indicates that about 96 percent of the television homes in both Tulare and Kings Counties (Tulare and Visalia are in Tulare County and Hanford in Kings County) and about 58 percent of the TV homes in Fresno County are able to receive station KERO–TV and that station KERO–TV's net weekly circulation (number of TV homes viewing station KERO–TV at least once a week) in Tulare County is about 93 percent, in Kings County about 83 percent, and in Fresno County about 30 percent.

"11. Although our removal of the single VHF outlet at Fresno puts all Fresno stations on a comparable competitive footing which we believe will increase the potential for the growth of healthy competitive services in the Fresno area, we cannot agree with Marietta that deintermixture of the Fresno market can be fully effective notwithstanding its VHF station at Bakersfield. With a VHF outlet at Fresno no longer dominating the Fresno market, there is considerable merit, we believe, to the claim of proponents for UHF deintermixture of Bakersfield that station KERO-TV, as the only VHF station in the valley, would be in a position of conspicuous and unjustifiable dominance over all the competing UHF stations in the valley. This factor and the extent to which station KERO-TV's signal now penetrates beyond cities between Bakersfield and Fresno where the establishment of additional local UHF outlets is the most promising and into the service areas of the Fresno stations convincingly indicate that the presence of this VHF station in the adjacent Bakersfield market constitutes a significant deterrent to effective and comparable UHF competition in the Fresno market area and to the establishment of effective and beneficial new services, particularly in the smaller cities of the valley. The deterrent would be compounded if Bakersfield were made principally all VHF by the addition of two more VHF outlets, as Marietta suggests, and three Bakersfield VHF stations were to provide service in this now all-UHF area. Complete deintermixture of the entire San Joaquin Valley to UHF is, in our judgment, required for full development and expansion of effective competitive television service throughout the valley."

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[1] This channel assignment to Davenport-Rock Island-Moline has been the subject of a comparative hearing, which is not yet completed; instructions as to the final decision were announced on June 29, 1961, Community Telecasting Corp., docket No. 12501.

[2] In a footnote in the Peoria report, the Commission stated (22 F.C.C. at 352, n. 15): "Our action herein, moreover, comports with our decision in the Springfield deintermixture proceeding (docket No. 11747). In that case we have concluded that the public interest would be served by deleting channel 2 from Springfield. A station on this frequency in Springfield would have provided VHF service to parts of the service areas of the UHF stations in Peoria; and conversely, a station on channel 8 in Peoria would provide VHF service to portions of the area that will be served by UHF stations in the Springfield-Decatur area, which the Commission believes should be all UHF."

On this ground also, therefore, Bakersfield should not come within any general deintermixture moratorium but rather should be left to Commission judgment, in the event that reconsideration is called for at some future date.

4. The Evansville deintermixture proceeding (docket No. 11757): On March 1, 1957, the Commission issued a report stating its "judgment that amendment of the table of assignments for television broadcast stations (sec. 3.606(b) of the Commission's rules) by shifting channel 7 from Evansville, Ind., to Louisville, Ky.; assigning channel 31 t Evansville; substituting channel 78 for channel 31 in Tell City, Ind.; shifting channel 9 from Hatfield, Ind., to Evansville where the channel is to be reserved for noncommercial educational use; and by unreserving channel 56 and shifting it from Evansville to Owensboro, Ky., would promote the public interest, convenience, and necessity." The Commission effected the changes as to channel 9 but not those involving channel 7. Because there was an outstanding authorization for operation of station WTVW on channel 7 in Evansville, the Commission instituted show-cause proceedings to modify station WTVW's permit to specify operation on channel 31.

The Commission's action shifting channel 9 from Hatfield to Evansville (for noncommercial educational use) was sustained upon review in court (*Owensboro-on-the-Air, Inc.* v. *U.S.*, 262 F. 2d 702 (C.A.D.C.)). As to the show-cause proceeding, the examiner on July 20, 1961, issued an initial decision recommending that channel 7 be deleted from Evansville and reassigned to Louisville and that WVTW's permit be modified to specify operation on UHF channel 31 (FCC 61D-113). Oral argument on the exceptions to the initial decision will be heard by the Commission on March 29.

Again, we think it apparent that no general moratorium should be applicable to the Evansville area situation. Half the Commission's action in this area is final (i.e., shifting channel 9 to noncommercial operation); the other half—whether channel 7 should be shifted to Louisville to complete the deintermixture of the area and provide Louisville with a third VHF facility—is nearing final decision after a lengthy adjudicatory proceeding. Clearly the judgment as to whether the public interest would be served by such action should be made by the Commission upon the basis of the voluminous adjudicatory record compiled—and not by automatic application of a general moratorium.

Significantly, Senator CAPEHART, who opposed deintermixture of Evansville in testimony given before the examiner (par. 95, initial decision, FCC 61D-113), concurs in this conclusion. For, while supporting the provision of H.R. 9267 (the Roberts bill) precluding Commission deintermixture, he further stated:

"So that there can be no misunderstanding. I do not take this position in connection with any case that is under adjudication before the FCC. Specifically, my views do not apply to the situation in Evansville where channel 7 has been earmarked for a move for a very long time. The legislative decision in this case was made some years ago. What concerns me is future legislation, or rulemaking, decisions. I think it is proper for me to express my views on such matters, while I should be reluctant to do so as to cases under adjudication" (statement before Subcommittee on Communications, Senate Commerce Committee).

Mr. PASTORE. Mr. President, the letter was written to me, and it was concurred in by Commissioners Minow, Hyde, Bartley, Craven, Ford, and Cross.

I read now from the committee's report:

> In that letter the Commission represented its judgment that a combined VHF-UHF system is needed; that if all-channel receiver legislation is enacted by this Congress the Commission would not proceed with the eight deintermixture proceedings initiated by it on July 27, 1961; and that a sufficient period of time should be allowed to indicate whether the all-channel television receiver legislation would, in fact, achieve the Commission's overall allocations goal of a satisfactory system of intermixed UHF-VHF assignments.

The following is the important point, and I should like to call it particularly to the attention of all Members of the Senate:

> The FCC also represented that it would make periodic reports to Congress and that before it undertook any further action with respect to deintermixture, it would advise the Congress of its plan and give the committees of Congress an appropriate period of time to consider such plans.

In view of that assurance, the committee wrote this right into the report:

> Your committee considers these representations by the Commission to be of paramount importance and has taken action on this legislation in specific reliance on them.

Mr. President, knowing the Senator from Illinois, the distinguished minority leader, as well as I do, I know that he would ask the question, "If it is all right to put that into the report, why not put it into the law?" That is a logical question, and I put that question up to the Commission. Its answer was that that might be a little too restrictive, that it is difficult to state what isolated situation might arise in the future, and that the Commission should not be too much shackled.

In view of the report, which was made not only to the Senate, but also to the House of Representatives, I believe we have here sufficient assurances upon which we can rely.

I understand the problem confronting the Senator from Illinois. I hope the Commission would never attempt to violate this assurance which it gave us; and I respectfully ask the Senator from Illinois not to press for the adoption of his amendment at this time.

Mr. DIRKSEN. Mr. President, if it were given to me, I certainly would fashion some language, directed to the Commission, couched in terms different from that which came to the Commission from the House of Representatives, because I would not permit the creature to tell the creator of the Commission what it could do, and make it a contingency, so to speak; for, when all is said and done, the affirmative action should be taken on this side—in the National Legislature.

But I say to the distinguished Senator from Rhode Island that, on the basis of these assurances, I shall withdraw the amendment—much as I would prefer to see this nailed down in the law. But I shall do so on a sort of probationary basis: I shall see what will happen, and then shall go back to this day, in the RECORD—which will be easy to remember, because this is June 14, Flag Day; and 185 years ago today the Congress passed a resolution prescribing the general character of the flag which is our national symbol.

So I can easily pick out the CONGRESSIONAL RECORD for June 14, 1962, and can say, "Let us go back and see what the CONGRESSIONAL RECORD says," if the Commission is going to bring up, willy-nilly, this business of deintermixture and make it applicable.

The Senator from Rhode Island knows that when I appeared at the committee hearing, I said that any such legislation should contain a grandfather clause. If a television station invests $1 million or $2 million in providing the best programs, and if then by arbitrary action a commission created by the Congress were permitted to reach into the entire spectrum and to pick out nine channels, and to say, "We are going to convert you from these to those," and thus suddenly wipe out that great investment, surely that would be about as great an amount of confiscation as one could ever see.

So on this assurance I shall withdraw the amendment now but I am going to watch this performance under the rulemaking power. This will not be the last chapter that will be written in the field, unless I miss my guess, and we should get from the Commission some better estimate and better idea of how to handle this problem.

Mr. PASTORE. Mr. President, I assure the Senator from Illinois that he will find the Senator from Rhode Island by his side in watching this development with much jealousness. I shall not only remember this day as Flag Day, but as the Thursday before Father's Day in the year 1962. [Laughter.]

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8031) was read the third time and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## LEAVE OF ABSENCE

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin [Mr. WILEY] be excused from attendance on the Senate on Friday of this week and Monday of next week. He will be unavoidably detained.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AMENDMENT OF THE BRETTON WOODS AGREEMENTS ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1438, H.R. 10162.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10162) to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I rise to explain briefly and to support the provisions of H.R. 10162, an amendment to the Bretton Woods Agreements Act. The bill before us authorizes United States participation in a special 10-nation plan to lend additional resources totaling $6 billion to the International Monetary Fund in the event they are needed. Such need would arise only if the Fund could not otherwise meet an approved withdrawal by one of the following 10 participating members of the Fund: Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, the United Kingdom, and the United States.

Now, I shall not give a long and wearisome description of the complicated international monetary trends and factors which form the background of this legislative proposal.

I personally find it easier to gain such information from the available printed material on the subject than from listening to a speech—and I assume most of my colleagues feel the same way. Members of the Senate will find the committee report a succinct and complete summary. Should they wish highly detailed information, the Committee hearing record before them contains an exhaustive special report by the National Advisory Council on International Monetary and Financial Problems. Therefore, I shall use this occasion to emphasize certain highlights in the pending legislation.

The outstanding fact is that the United States would be the primary—though not the only—beneficiary of the 10-nation proposal which is at stake in acceptance of H.R. 10162. This point is related to the ability of member countries in balance-of-payments difficulties to exert their rights to make withdrawals from the International Monetary Fund; a member does not, of course, draw its own currency, but the convertible currencies of other nations, for the purpose of bolstering reserves and increasing confidence in its monetary position. The Fund at the beginning of this year held roughly $5 billion in U.S. dollars and in pounds sterling, which is certainly adequate to take care of any conceivable drawings by European countries. On the other hand, the Fund then had only about $1.6 billion in the convertible European currencies which this country would need should it wish to draw on the Fund. Against that figure of $1.6 billion, plus a considerably smaller amount of unencumbered Fund gold, must be set almost certain access by the United States to about $2.7 billion in drawing rights, as well as the admittedly distant possibility of a U.S. request for its full quota of $4,125 million.

Acceptance of the 10-nation plan would make available to the Fund, through special borrowing arrangements, an additional $3 billion of the kinds of currencies which the United States would require if it sought to implement its drawing rights. It should be emphasized that this country does not anticipate that it will call on the Fund. However, even if the United States did not seek to exercise those rights, the very availability of such resources would discourage speculation against the dollar of the kind that took place in the winter of 1960–61.

A second and related point that should be stressed is that the European nations in the special scheme, who are also Common Market members, together will be making a larger contribution than either the United States or the United Kingdom. The greatly increased financial strength of the continental European countries has not as yet been adequately reflected in Fund operations. Thus, they will be making available sums almost equal to their current Fund quotas, while the United States and the United Kingdom shares would be about half the size of their quotas.

The next point is that it is highly unlikely that the United States will be called upon to contribute its $2 billion share in the foreseeable future. The Fund now holds about $2.5 billion of the existing U.S. quota, so that there will be adequate amounts of dollars for Fund operations short of a dramatic overall reversal in the current free-world monetary situation. In any case, no participant in the 10-nation scheme would be expected to make resources available under the plan so long as it is experiencing balance-of-payments difficulties. These safeguards against any actual involvement of U.S. funds are likely to prove controlling for at least the initial 4-year life of the agreement.

This issue has been somewhat obscured by the method of financing U.S. participation set forth in H.R. 10162. The bill authorizes an appropriation of $2 billion to remain available until expended. Now the puzzling fact is that the Treasury, when authorized to do so, will seek, not an actual appropriation, but another authorization—to use the public debt transaction route. In other words, this body will be asked to take essentially the same action twice.

Apparently the Appropriations Committee of the House has at last succeeded in making the Treasury Department groggy with its cries of back-door, side-door, financing. For here we have back-door financing through the front door; not of the Treasury, by the way, but of the House—which has always been the real possessor of the entrances it invented for the supposed raiding parties.

Perhaps it will help clarify any confusion to reiterate the following points: First, no gold whatsoever is involved in U.S. adherence to the 10-nation plan; second, the no-year appropriation to be sought will actually be a request for borrowing authority which will not affect the current Federal budget; third, there is no likelihood that the resulting contingent obligation will become a real one so long as the United States is in balance-of-payments difficulties.

Why, then, must the United States take up a $2 billion share in the 10-nation plan if the commitment is so unlikely to involve actual expenditures? The first and most important reason is that the benefits of the plan will be confined to those nations which accept responsibility in terms of the loan schedule. Second, the other nine members would only participate on the basis of strict reciprocity; for we should remember that we are not the only country with a representative body which must justify its actions to the people. Finally, we had to make evident our readiness to assist the other participants should there be a substantial reversal in the international balance-of-payments situation at some time in the future.

The last point I want to raise is the relationship between this proposal and the Kennedy administration's overall campaign to remedy the U.S. payments deficit. The 10-nation plan neither intensifies that problem, on the one hand, nor by itself resolves it, on the other. It is only one ingredient—although an extremely significant one—in the many-faceted general effort to overcome the basic payments deficit. Whether or not that general effort is, or will be, sufficient is not the matter at issue here. The question we must answer is whether we will give the U.S. Government one clear-cut means of implementing its program to defend the dollar. It would not make sense to criticize the administration for having too few arrows in its quiver, and then to deny it the use of one of them.

In this connection, I believe that the issue is seen in proper perspective in the following excerpt from a resolution adopted by the American Bankers Association last October:

> The Treasury and the officials of the IMF are to be commended on their efforts to find more acceptable ways to minimize pressures that result from large movements of short-term funds among world financial markets.
>
> Action along this line would be a very useful precautionary measure. A major contribution of the proposed IMF arrangement is that it would give to a country whose currency is under pressure additional time in which to make necessary adjustments in its balance-of-payments position. However, the proposal would not relieve any country, including the United States, of the need to avoid chronic deficits in its balance of payments.

Perhaps the best quick explanation of the U.S. interest and stake in the 10-nation plan was offered during the hearings by my committee colleague, the distinguished senior Senator from Indiana, in these words:

> The Treasury * * * is doing what I think I learned to do as a businessman.
>
> When I did not need the money, then is when I arranged to borrow it, and arranged for my credit, because I discovered a couple of times that I had waited too late because I really needed it and it was then awfully hard to get.

Mr. President, I will sum up by stating my conviction that this legislative proposal is one from which the United States has a great deal to gain, and one from which it is very difficult to see how this country has anything to lose. I strongly recommend that the Senate approve H.R. 10162.

Mr. President, if there are any questions about the measure which are not covered in the statement, I shall be glad to attempt to answer them.

**Mr. DIRKSEN.** Mr. President, at the outset there was some reservation, I think, on the part of the Senator from Delaware [Mr. WILLIAMS], which I discover, after further consultation with him, has been withdrawn. I have talked to other members of the Committee on Foreign Relations, and the bill does have their concurrence.

**Mr. FULBRIGHT.** The Senator is quite correct. The Senator from Delaware did have some reservations. It is my understanding he has withdrawn those reservations.

**The PRESIDING OFFICER.** The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 10162) was ordered to a third reading, was read the third time, and passed.

**Mr. MANSFIELD.** Mr. President, I move to reconsider the vote by which the bill was passed.

**Mr. FULBRIGHT.** Mr. President, I move to lay that motion on the table.

**The PRESIDING OFFICER.** The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

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## HARVESTING OF HAY ON CONSERVATION RESERVE ACREAGE

**Mr. MANSFIELD.** Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1526, S. 3062.

**The PRESIDING OFFICER.** The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3062) to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions.

**The PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

**Mr. YOUNG of North Dakota.** Mr. President, when the Soil Bank Act was passed, grazing on soil bank land in case of drought or other natural disaster was permitted upon request by a Governor of any State and approval by the Secretary of Agriculture. The pending bill merely would give the same privilege with respect to cutting hay on soil bank land. It would make permanent the program passed by Congress last year, but limited to 1 year.

The bill which was passed last year, sponsored by my colleague [Mr. BURDICK] and I, was very helpful to the State of North Dakota, as well as to other States. It helped keep cattle on the land and provided vitally needed hay for livestock, and, in addition, it resulted in considerable money for the Federal Government. The payments to the Federal Government from hay, from my State alone, amounted to about $2 million.

The bill has the unanimous approval of the Senate Committee on Agriculture and Forestry and of the Secretary of Agriculture.

**Mr. BURDICK.** Mr. President, I rise to urge my colleagues to approve this much needed legislation. As my colleague from North Dakota has said, it would make permanent the legislation which was passed last year, which was so helpful to the drought areas of the Northwest. This year we still are experiencing some of the results and effects of the devastating drought of last year, in that pastures have been killed.

At the present time the Secretary has already designated 13 counties in our State for eligibility under the temporary legislation. I understand 17 more counties are sought to be so designated.

The proposed legislation would be beneficial. We hope it will receive the approval of this body.

**Mr. YOUNG of North Dakota.** Mr. President, I ask unanimous consent to have printed in the RECORD a statement explaining S. 3062 and also an excerpt from the report of the Committee on Agriculture and Forestry.

There being no objection, the statement and excerpt were ordered to be printed in the RECORD, as follows:

### STATEMENT BY SENATOR YOUNG OF NORTH DAKOTA

Last year the Senate passed and the President signed a bill authorizing the Secretary of Agriculture to permit hay to be harvested from conservation reserve acreage where necessary to alleviate hardship caused by drought or other natural disaster. Permission could be granted only after certification of the Governor of the State of the need therefor and upon the independent determination by the Secretary of such need. This authorization was for 1 year only.

This bill, S. 3062, would make permanent the existing provision authorizing the harvesting of hay on conservation reserve acreage.

The Department of Agriculture reports that they favor the passage of this legislation because the program has been highly successful in the past year in alleviating a critical feed situation and in preventing irreparable damage to many farmers whose normal supplies of hay were severely reduced by the drought.

Grazing of conservation reserve lands is now permitted under sections 103(a)(3) and 107(a)(4) of the Soil Bank Act under conditions such as those under which hay harvesting would be permitted by the bill. The Department of Agriculture has advised the committee that downward adjustment in the conservation reserve payments have been made as a condition of granting permission for such grazing or haying in most cases. However, the Department has granted grazing privileges in flood areas for very short periods of time where such deductions are not warranted or made. The committee was advised that the Department would continue this practice under the permanent provisions of law.

This bill would make permanent the existing provision authorizing the Secretary of Agriculture to permit hay harvesting on conservation reserve acreage in certain disaster conditions. The Governor of the State in which the acreage is situated must certify the need for such harvesting, and the Secretary must determine that such harvesting is necessary to alleviate suffering caused by natural disaster, before such harvesting can be permitted.

The bill makes no other change in the existing provision, which is scheduled to expire on June 29, and which the Secretary of Agriculture has described as highly successful.

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### DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., April 18, 1962.*

Hon. ALLEN J. ELLENDER,
*Chairman, Committee on Agriculture and Forestry, U.S. Senate.*

DEAR MR. CHAIRMAN: This is in reply to your request of March 24, 1962, for a report on S. 3062, introduced jointly by Senators YOUNG and BURDICK of North Dakota, to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions. In a report on an identical bill S. 2662 submitted to you on February 21, 1962, we recommended the enactment of the proposed bill in order to make the program permanent.

We would like to reiterate our favorable position on the legislation, and point out that this has been a highly successful program in the past year in alleviating a critical feed situation and in preventing irreparable damage to many farmers whose normal supplies of hay were severely reduced by the drought.

Since the existing authority expires June 29, 1962, the bill should be passed immediately in order that farmers may have the opportunity to harvest hay in the event of a severe drought, while the quality is good.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN,
*Secretary.*

### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

"SOIL BANK ACT

Sec. 107. (a) To effectuate the purposes of this title the Secretary is hereby authorized to enter into contracts for periods of not less than 3 years with producers determined by him to have control for the contract period of the farms covered by the contract wherein the producer shall agree:

(1) To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage).

(2) To devote to conserving crops or uses, or allow to remain idle, throughout the contract period an acreage of the remaining land on the farm which is not less than the acreage normally devoted only to conserving crops or uses or normally allowed to remain idle on such remaining acreage.

(3) Not to harvest any crop from the acreage established in protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals, *and except that the Secretary may, with the approval of the contract signers, permit hay to be removed from such acreage if the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for removal of hay from such acreage, determines that it is necessary to permit removal of hay from such acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster* *and except that the Secretary may, with the approval of the contract signers, permit hay to be removed from such acreage if the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for removal of hay from such acreage, determines that it is necessary to permit removal of hay from such acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster.*

(4) Not to graze any acreage established in protective vegetative cover prior to January 1, 1959, or such later date as may be provided in the contract, except pursuant to the provisions of section 103(a)(3) hereof; and if such acreage is grazed at the end of such period, to graze such acreage during the remainder of the period covered by the contract in accordance with sound pasture management.

[Note.—Matter between asterisks is effective through June 29, 1962.]

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3062) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 107(a)(3) of the Soil Bank Act is amended by changing the period at the end thereof to a comma and adding the following: "and except that the Secretary may, with the approval of the contract signers, permit hay to be removed from such acreage if the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for removal of hay from such acreage, determines that it is necessary to permit removal of hay from such acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster."

Mr. YOUNG of North Dakota. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. BURDICK. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

## ADDITIONAL FUNDS FOR THE COMMITTEE ON ARMED SERVICES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1545, Senate Resolution 345.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The Legislative Clerk. A resolution (S. Res. 345) to provide additional funds for the Committee on Armed Services.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The resolution is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 345) was agreed to, as follows:

*Resolved,* That S. Res. 295, agreed to February 22, 1962, authorizing a study by the Committee on Armed Services on strategic and critical stockpiling, is amended on page 2, line 14, by striking "$30,000," and inserting in lieu thereof "$80,000."

## AMENDMENT OF THE SMALL BUSINESS ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1501, S. 2970.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The Legislative Clerk. A bill (S. 2970) to amend the Small Business Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with an amendment, to strike out all after the enacting clause and insert:

That subsection (c) of section 4 of the Small Business Act is amended to read as follows:

"(c) There is hereby established in the Treasury a revolving fund, referred to in this section as 'the fund', for the Administration's use in financing the functions performed under sections 7(a), 7(b), and 8(a) and under the Small Business Investment Act of 1958, as amended, including the payment of administrative expenses in connection with such functions. All repayments of loans and debentures, payments of interest, and other receipts arising out of transactions financed from the fund shall be paid into the fund. As capital thereof, appropriations not to exceed $1,450,000,000 are hereby authorized to be made to the fund, which appropriations shall remain available until expended. Not to exceed an aggregate of $1,109,000,000 shall be outstanding at any one time for the purposes enumerated in the following sections of this Act: 7(a) (relating to regular business loans), 7(b) (relating to disaster loans), and 8(a) (relating to prime contract authority). Not to exceed an aggregate of $341,000,000 shall be outstanding at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958, as amended. The Administration shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the outstanding cash disbursements from the fund, at rates determined by the Secretary of the Treasury, taking into consideration the current average yields on oustanding interest-bearing marketable public debt obligations of the United States of comparable maturities as calculated for the month of June preceding such fiscal year."

Mr. PROXMIRE. Mr. President, it is my understanding that the pending bill is S. 2970; is that correct?

The PRESIDING OFFICER. The Senator from Wisconsin is correct.

Mr. PROXMIRE. Mr. President, the bill would increase by $250 million the authorization for the Small Business Administration's revolving fund, making a total authorization to the fund of $1.450 billion. The bill would increase by $16 million the funds that SBA can commit for its programs under the Small Business Investment Act of 1958. The bill also would combine the ceilings which SBA can commit under its regular business loan program and its disaster loan program. This proposed increase amounts to $234 million. The combination of these two authorizations should permit more flexibility by SBA in the operations of these two programs.

However, the regular business loan program of SBA should not be permitted to impair the authorization available for its disaster loan program. The committee was assured by Administrator John E. Horne, as set out in the committee's report:

> Because of the impossibility of forecasting the incidence or the financial impact of disasters, a token amount of $14 million customarily has been included in the budget estimate. In accordance with prudent financial management procedures, precautions are taken to assure that at least this amount is retained in the financial plan for disaster loans as long as required.

The committee believes from the Administrator's assurances that there will be adequate funds kept available for the disaster loan program.

The bill also would change the method of computing interest on the funds that SBA receives from Treasury for SBA's various lending programs. The bill would provide that the Secretary of the Treasury, in June of each year, should set the rate, or rates, to be charged the Small Business Administration for all disbursements made by the Small Business Administration during the succeeding fiscal year. These rates would remain applicable to such disbursements, regardless of any subsequent fluctuations in the borrowing costs of the Government, until the money is returned to the Treasury.

The present law provides that the Secretary of the Treasury compute each year a rate applicable to all outstanding cash disbursements made by the Small Business Administration regardless of the year in which the disbursements were made. Since fiscal year 1961, a weighted average interest rate taking into consideration prior yearly rates has been in effect.

I ask unanimous consent to have inserted in the RECORD at this time a computation, requested by the committee from the SBA, which shows the difference in amount of interest payments to the Treasury Department by the Small Business Administration under present law compared with the payments which would have been made if the interest payments had been computed under the provisions of this bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

***Statement of interest payments to the Treasury Department, compared with interest computed per S. 2970, fiscal years 1958–61***

[In thousands]

| Fiscal year | Actual interest cost | Interest computed per S. 2970 |
|---|---|---|
| 1958 | [1] $6,649 | $2,606 |
| 1959 | [1] 6,294 | 7,246 |
| 1960 | [1] 14,875 | 10,606 |
| 1961 | [2] 14,248 | 14,093 |
| Total | 42,066 | 34,551 |

[1] Through the fiscal year 1960, interest was computed each year at the current fiscal year rate on all outstanding disbursements regardless of the year in which such disbursements were made.

[2] Fiscal year 1961 was the 1st year in which the weighted average rate was developed by the Treasury Department.

Mr. PROXMIRE. Mr. President, it should be noted that in fiscal year 1961, the year in which the weighted average rate figure was used, the percentage of difference between the two figures is very small. This change has the support of the Treasury Department. It is a matter of more efficient administration and should benefit both SBA and Treasury.

There are other technical amendments in the bill which would clarify section 4(c) of the Small Business Act.

Mr. President, I happen to be the chairman of the Subcommittee on Small Business of the Committee on Banking and Currency. In that capacity I reported the bill.

I was overruled by a majority of the members of the Committee on Banking and Currency as to the size of the authorization. I feel very strongly about the size of the authorized program. I think the authorization is too large. It exceeds the recommendation of the Bureau of the Budget. Therefore, I shall offer an amendment to the committee substitute, to reduce the authorization to the level recommended by the Bureau of the Budget. At this time I offer the amendment.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Illinois.

Mr. DIRKSEN. Is it the purpose of the amendment to the committee substitute to reduce the authorization from $1,450 million to $1,109 million, with respect to the amount outstanding at any one time?

The PRESIDING OFFICER. The proposed amendment to the committee substitute amendment will be stated for the information of the Senate.

Mr. PROXMIRE. Before the clerk states the amendment, I wish to say that what I would do is merely to reduce the authorization by $24 million. Only $24 million is involved. This would reduce the authorization to the level requested by the Bureau of the Budget for 1 year.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin to the committee substitute amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 1, it is proposed to strike out "$1,450,000,000" and to insert in lieu thereof "$1,426,000,000".

On page 3, line 4, it is proposed to strike out "$1,109,000,000" and to insert in lieu thereof "$1,085,000,000".

Mr. PROXMIRE. Mr. President, I feel strongly that the $24 million increase over the budget request for fiscal year 1963 is not justified.

I should explain that initially the Small Business Administration requested the elimination of the authorization ceiling altogether. This request was supported by the Bureau of the Budget. The committee did not think that action was justified.

The SBA then suggested that the committee might see fit to provide an authorization not for 1 year but for 4 years, to go as high as $2.6 billion. The committee thought this amount was excessive, and that it would prevent the committee from exercising a legislative oversight which, in the judgment of the majority of the members of the committee, should be exercised through a review of the authorizations for the Small Business Administration each year.

The general feeling of the committee was that the authorization should be limited to 1 year, and that the $226 million requested for 1 year should be rounded off, through an increase, to $250 million.

Mr. President, I oppose that action because I think the increase that was requested by the Budget Bureau and by the SBA is very large. It is more than adequate to meet the projected increase in loans for next year. It is even more adequate in view of the fact that what we have done is to pool the regular business loan and disaster funds together. That was not anticipated when SBA's budget was drawn up. This substantially increases the funds available to the SBA for its regular business loan program since the disaster fund has never been fully used, and there is every expectation that a substantial amount of money in the disaster fund will be available for use for regular business loans.

I also point out that the extra $16 million authorization to the SBIC program was a subject of contention in the committee, and a substantial minority felt that that was not justified. It seemed unnecessary in view of the fact that since 1959, when the small business investment company program began, only $142 million has been used. There is still $183 million left in the fund for this program unutilized and is at the disposal of the SBA under previous authorization. I wish to make clear that my amendment would not touch that fund.

I think it is time for the Senate to take a look at the way the SBA is operating and the way it has expanded. The SBA regular loan program has expanded from $290 million at the beginning of 1959 to $735 million at the end of the present month. The full SBA authorization will be $1.450 billion. On the basis of projections, if this bill becomes law, approximately $2.5 billion will be required by the end of 1967 for SBA's regular business loan program and programs under the Small Business Investment Act of 1958. I emphasize that figure.

In view of the rapid expansion of the loan and other programs, it seems to me that we should take a careful look at it and see what it accomplishes. The facts brought out in the committee hearings show that only approximately 25,000 of the 4½ million small businesses in America have ever received a small business loan. That means that only about one small business out of 200 has ever received an SBA loan. In any one year, of course, the percentage of small business taking part in this program is even smaller. I estimate that next year about one small business in 1,000 will receive an SBA loan during this year or next year.

With that point in mind, congressional oversight requires careful review of SBA's lending policies. This oversight is badly needed in view of the great expansion of the agency and in view of the ocean of small businesses in which we are trying to operate.

Which are the one in a thousand firms who will get a small business loan next year? In the first place, many of the loans are going into areas and States in which every analysis indicates that ample banking facilities are available. I have discussed this subject with leading officials in the SBA. They have told me that they can see little justification for providing funds to firms that are located in States like Massachusetts, for example, where ample banking facilities exist and where any legitimate loan will be made by the regular banking system.

In the second place, I invite the attention of Senators to the fact that more than 50 percent of the dollar volume of the loans has gone to only 10 percent of the borrower. Ninety percent of those that borrow from SBA receive only half the money. The remaining 10 percent that get the big loans receive half of the money, or 50 percent.

I think we ought also to recognize that more than 40 percent of the loans that are made are made not for expanding small businesses and to encourage small business to grow. Those receiving 40 percent of the loans do not use the funds to purchase facilities or new working capital they cannot obtain elsewhere.

For what reason are 40 percent of the loans made? For refinancing existing debts.

Next, I wish to call attention to the fact that a very large number of loans are made to motels and bowling alleys, and for the construction of doctors' and lawyers' offices, which may be attractive enterprises but, in my judgment, those enterprises should not be federally subsidized. They contribute little to employment, very little to growth, and in virtually all cases it would be possible to obtain the loans from banks.

I come to the next point I wish to make. Before the SBA loans can be made, it is necessary, of course, for the borrower to be turned down by a bank. I have talked with many bankers, not only in Wisconsin, but in other places around the country. I am told that the turndown procedure is a joke. Turndowns are always given as a matter of courtesy to a customer. A turndown is rarely refused. It is a simple procedure for a man who wishes to obtain money at easier terms. The terms are substantially easier from the Small Business Administration at present interest rates. To obtain a bank turndown, the bank often participates under advantageous terms, and, in effect, has a loan that is substantially guaranteed by the Government.

The principal objection that many people in the country have to the present operations of the SBA is the feeling that in order to obtain an SBA loan, in order to be one of the 1 in 200 firms which have received such loans, the applicant should know a Representative in Congress or a Senator. I think perhaps that is one of the reasons why the SBA program has been so much more popular in the Senate and in the House of Representatives than in the country as a whole. On the basis of the opportunity I have had to talk with people in the SBA, I feel that there has not been substantial interference by Members of Congress in most cases. There are, perhaps, a few cases in which Members of Congress have tried to pressure the SBA, but I think the SBA has been extremely well administered by John E. Horne and his predecessors. There has not been a tendency to yield to congressional pressure. But there is the belief around the country that if one wishes to get an SBA loan, he should see his Senator or Representative. The result is that many people around the country feel that the program is a matter of political influence and not one of merit.

Mr. President, what I have said may be considered a very severe indictment. I do not mean it in that way at all. The SBA has done a good job. John Horne is an outstanding Administrator. But I think it is time, in view of the rapid expansion—the threefold expansion—of the loan program in the past 3 years, and the expansion to $2,600 million in the next 3 or 4 years, it seems to me that it is time to take a look at the program and find out exactly the areas in which the Congress feels that the SBA could operate most effectively, instead of shooting at the enormous ocean of 4½ million firms everywhere, including many areas that are fully banked.

We recognize that in some areas of heavy unemployment, banking facilities are not adequate. In some areas it might be sensible to provide an opportunity for SBA loans; and in other areas the opportunity to get, in effect, a Government-subsidized loan should be eliminated.

I think the basic way to meet the problem of inadequate facilities for small business is to make private banking facilities more readily available.

For example, in the city of Washington some 40 years ago, when the population was far less, and when income and assets were less, there were 50 banks. Today there are 11. The number has dwindled sharply. What is true of Washington is true of Wyoming, Alabama, Wisconsin, Massachusetts, and States all over the country.

I feel that the adoption of a policy on the part of the Comptroller of the Currency, the Committee on Banking and Currency, and other authorities to do all we can to encourage the franchising of additional banks, and to do all we can to encourage additional banking competition, is the way to meet the problem in an effective and efficient way, without providing any kind of taxpayers' subsidy. I believe this type of subsidy is a serious mistake.

Until these fundamental questions are answered, it seems to me that it would be a mistake for Congress to rush along at a more rapid pace than the SBA feels we should, or has requested that we should. I recognize that the SBA asked us to eliminate the authorization altogether, but it is very clear that if we are to have a 1-year authorization, it should be a $226 million additional authorization and not a $250 million authorization.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I have discussed this matter with the Senator from Wisconsin and the Senator from Alabama. I have an amendment at the desk, which I should like to offer.

Mr. PROXMIRE. I understand the parliamentary situation to be that my amendment is now pending.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. I ask unanimous consent that it may be laid aside so that the Senator from Massachusetts, who has a very important committee meeting to attend, may offer his amendment, in order that it may take precedence and be disposed of first. Then my amendment can be called up again.

The PRESIDING OFFICER. Without objection, the Proxmire perfecting amendment will be temporarily laid aside. The Senate will now proceed to the consideration of the amendment offered by the Senator from Massachusetts, which will be stated.

Mr. SALTONSTALL. I thank the Senator for his courtesy.

The legislative clerk read as follows:

On page 3, line 8, before the period insert the following: ": *Provided*, That the Administration shall report promptly to the Committees on Appropriations and the Committees on Banking and Currency of the Senate and House of Representatives whenever (1) the aggregate amount outstanding for the purposes enumerated in sections 7(a) and 8(a) exceeds $1,012,200,000, or (2) the aggregate amount outstanding for the purpose enumerated in section 7(b) exceeds $96,800,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that there be printed in the Record a brief statement explaining the purpose of the amendment.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### STATEMENT OF SENATOR SALTONSTALL

This amendment to S. 2970, a bill to amend the Small Business Act, is being introduced to provide for a report to be rendered by the Small Business Administration to the appropriate committees of the Congress of expenditures in excess of specific amounts from the revolving fund to be established by S. 2970. The figures cited in this amendment are based upon amounts which the Small Business Administration has estimated will be spent in support of the programs under sections 7 (a) and (b) and 8(a) during fiscal year 1963. When the sum of $1,012,200,000 is exceeded in support of programs under sections 7(a) and 8(a), or when the sum of $96,800,000 is exceeded in support of the program under section 7(b), this amendment will require that a report of this fact be filed with the appropriate committees of the Senate and House of Representatives.

While I am in substantial agreement with the concept of a revolving fund to finance those programs provided for in sections 7 (a) and (b) and 8(a) of the Small Business Act, it is my view that provision should be made in S. 2970 for appropriate congressional review of expenditures out of the fund when the possibility may arise that sums expended in support of one program may deplete sums available to support another program. This concern is addressed particularly to a possible depletion of amounts available for disaster loans under section 7(b) of the Small Business Act. It is for such a reason that I have introduced this amendment. It should be observed that this amendment does not have the effect of limiting the Small Business Administration in the proper expenditure of amounts out of the revolving fund established by S. 2970.

Mr. SALTONSTALL. I thank the Senator from Wisconsin for his courtesy.

Mr. PROXMIRE. I thank the Senator from Massachusetts. His amendment is a very excellent contribution. It enables Congress to exercise the oversight which it should exercise over the disaster funds, in view of the fact that they have been pooled in this bill.

The PRESIDING OFFICER. The question now recurs on the Proxmire amendment.

Mr. PROXMIRE. Is the Proxmire amendment now the pending amendment?

The PRESIDING OFFICER. The Senator is correct. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

**Mr. SPARKMAN.** Mr. President, I address myself to the Proxmire amendment, because that is the only issue before us with reference to the pending bill.

The question at issue here is whether the Senate will take a realistic and long-range view of the needs of the Small Business Administration. There is no question here of how much will be appropriated for the lending programs of SBA. This is only an authorization bill. There is no question here of promoting or encouraging expansion of SBA's activities. The expansion and growth of these vital programs has already occurred. The figures available to me show that, whereas the lending activity of SBA increased some 37 percent from fiscal 1961 to fiscal 1962, it is expected that there will be an increase of only about 9 percent in fiscal 1963. What we are attempting to do is bring the revolving fund authorization in line with the realistic needs of small business and provide some cushion against unforeseeable circumstances.

Due to the increase which occurred this year, the agency was, in one vital area, forced to make a drastic curtailment of its activities. Earlier this year, the Administrator found it necessary to cut back loans to small businesses because the revolving fund was depleted to the point where the agency could not fully meet the requests of small firms for financial assistance.

This cutback took two forms. First, last November, to conserve the agency's dwindling loan funds, the Administrator announced that as of December 1, loan applications in excess of $200,000 would not be accepted unless the applicant was in a defense-oriented industry. Of course, the Small Business Act of 1958, as amended, specifies that the agency may lend up to a maximum of $350,000 to any one small business concern. That was the amount that Congress decided the agency should be able to lend to a single company where the facts indicated a small firm required that amount to expand and remain competitive.

Secondly, in March of this year the Administrator virtually discontinued approving business loans except for a small number of cases where it was evident that an applicant's business would be gravely jeopardized by a delay in making the loan.

It is my view, Mr. President, that this forced retrenchment of SBA's business lending program is most unfortunate. It takes money to run a successful business in these times. A small business which lacks access to growth funds is in trouble. A study of a group of manufacturing firms that failed showed that although these firms failed for a variety of reasons, they had one factor in common—lack of growth.

Sometimes we may tend to lose sight of the fact that our small business enterprises provide about 30 million jobs or nearly 50 percent of our national employment. As large corporations speed up their automation programs, I hope that a growing national small business community will be able to absorb many thousands of workers released as a result of automation. This is another reason, it seems to me, why small companies should have access to growth capital. It costs more in terms of capital assets to create one job today than ever before. In 1947, manufacturing corporations had total assets which averaged $7,505 per employee. In 1959, the average amount of total assets per employee had increased to $15,733 or slightly more than double that 1947 amount.

I should like to cite just one case in point. I have seen several letters from small businessmen who have obtained SBA loans at or near the statutory limit. I recall that the president of a small boatbuilding company in Lewisville, Tex., obtained a loan of $350,000 of which SBA's share was 90 percent with a local bank taking 10 percent. This small business owner wrote as follows:

> I would like for you to know that in obtaining this loan we shall be able to put 60 or 75 additional people to work in the very near future and another 25 or 30 within the next 4 or 5 months when we again get underway.

In other words, Mr. President, this 1 loan at the statutory $350,000 limit created about 100 jobs. This is a point I should like to see pondered by those who feel that the SBA should confine itself to making only very small loans in the $1,000 to $50,000 bracket.

A few weeks ago I wrote to the Administrator of the SBA to inquire what additional moneys would be needed if he were to return to making loans close to or at the statutory limit of $350,000. He replied:

> If the legal maximum of $350,000 on individual loans were to be restored, our best estimate is that additional $60 million would be required to finance the 1963 estimated volume of applications.

It is interesting though unfortunate, I believe, that the bill reported by the committee, which includes the $24 million now at issue, will not be sufficient to permit a return to the loan limit set by Congress.

Mr. President, I have the greatest respect for my colleague, the Senator from Wisconsin, and I respect his judgment. However, I am convinced that the amendment he offers constitutes a shortsighted approach to the problem which has plagued the Small Business Administration in recent years.

The SBA has no authority to borrow funds directly from the Treasury. In order to obtain additional funds to finance its small business lending programs, SBA must first get approval of the Banking and Currency Committees for an increase in the dollar limit authorized to be appropriated to the SBA revolving fund. When such an increase is approved by the Banking and Currency Committees, SBA must then justify the need for additional funds before the Appropriations Committees.

As might be expected, this has resulted in an awkward situation on those occasions when, due to a physical disaster or an unexpected increase in the demand for credit by small firms, it has become necessary to obtain additional funds for SBA on rather short notice. Senators will remember that such a situation arose last year. In order to get additional funds needed at that time by SBA—and the need was rather acute—the agency had to present its case for these emergency funds to four separate committees of the Congress. Unnecessary delay which impeded the efficient operation of these vital programs was the inevitable result.

In order to solve this problem, the President recommended—and this bill originally provided—that the dollar limit on the SBA revolving fund be completely eliminated. This would have allowed SBA to obtain additional appropriations without first having to obtain an increase in the revolving fund authorization.

The Banking and Currency Committee considered this question very carefully. However, we decided against a complete elimination of the revolving fund limit and chose instead to provide a $24 million cushion in the authorization. That is exactly what this proposal is—a cushion against emergency demands upon the SBA. The bill is not an appropriation bill. If passed, the SBA would still be required to justify, before the Appropriations Committees, the need for any funds beyond the budgeted amount.

The bill simply provides a little insurance against the possibility that the recommendation of the Budget Bureau is unrealistic—a possibility not entirely remote in view of my past observation of these matters—and it also represents a recognition of the possibility that a physical disaster or some other unfortunate circumstance may cause an unexpected increase in the demand for funds from SBA. If the bill passes in the form reported by the committee, it will greatly enhance SBA's ability to cope with such emergencies. The amendment proposed by the Senator from Wisconsin would remove the cushion provided by the committee, and I am opposed to the amendment. I feel that it represents an unrealistic and—as I say—a somewhat shortsighted approach to a very real and serious problem.

I must take issue with my friend, the distinguished Senator from Wisconsin, when he attempts to equate this bill with an appropriation measure. I must also take issue with the implication that this authorization bill exceeds the recommendations of the administration. The bill does not appropriate funds either equal to, above, or below the amount included in the budget. As a matter of fact, as I have pointed out, this bill is far more conservative than the bill which was recommended by the administration.

I should like to make two or three points in addition to my principal statement. One is to emphasize again something I stated previously, namely, that the amount suggested for the fiscal year by the Bureau of the Budget is based not upon the tremendous growth which SBA had during the past 2 fiscal years, but upon the expected increase for the next fiscal year, which is only 9 percent as compared with 37 percent.

Second, I invite attention to my previous statement with reference to the difficulty in which SBA sometimes finds itself. The Senator from Wisconsin may recall that SBA needed additional funds for the present fiscal year, and funds are provided in the second supplemental appropriation bill which passed the Senate some time ago, but is still pending in conference. If I am mistaken, the Senator from Wisconsin can correct me.

Mr. PROXMIRE. The Senator is correct.

Mr. SPARKMAN. If some unusual disaster had occurred, or if the pace of making loans had been maintained, SBA simply would have run out of money entirely before the end of the fiscal year.

The problem was discussed in the full committee, and the full committee went along on the question of open-end authorization. I believe the Senator from Wisconsin will agree with me that there was no particular argument in either the subcommittee or the full committee on this point. The Senator may remember that I myself said we had always refused to give that kind of authorization to the Federal Housing Administration. It had been asked for repeatedly, but we declined to give it.

Finally, last year we provided an extension of time, and the Senator may remember my suggestion that the SBA be given 2 years. Then the suggestion was made that instead of giving a 2-year authorization, the time be held to a single year. This was suggested in order to assure having a congressional review take place periodically. The $24 million cushion would be provided, simply to even off the amount.

If I remember correctly, the amount was set at $226 million, and we said we would round it off to $250 million, which would provide a cushion. It is in excess of what the Bureau of Budget estimates will be necessary for fiscal year 1963. We recognized that in the committee, but we said that for fear some emergencies might arise, we would provide a cushion of this kind, and we set the amount at $250 million additional, with a 1-year—a single-year—authorization.

I regret very much that the Small Business Administration found it necessary last year, because of a scarcity of funds, to reduce the maximum level of single loans from $350,000 to $200,000. I do not believe that is good. I agree with the Senator from Wisconsin that the fund is for small business. But there are many small businesses. The money is for small business; so, of course, there ought to be a good many small business loans. Nevertheless, there are many small businesses for which a maximum of $350,000 is not unreasonable, and certainly such businesses should not be excluded.

One thing which I believe many people overlook is that of some 4,400,000 corporations or businesses in this country, 95 percent are small businesses. Those small businesses—and this is the important point—employ 50 percent of the people who are engaged in nonfarm employment, are in forms of employment of this kind. They manufacture approximately 40 percent of the products of the country. This shows how important small business is to the economy of the Nation.

This is small help which we have given small businesses through the Small Business Administration. The Senator from Wisconsin points out that there have been only 25,000 small business loans. Instead of holding that up in derogation of the legislation, I think it ought to be held up to show the need for a stepping up of the program.

Now I wish to say a word about the question of political influence in SBA. I share with the Senator from Wisconsin the feeling that there is no such thing as political influence in the SBA. I have been closely associated with the Small Business Administration since its creation. I introduced the bill which created its predecessor, which was simply taken over by SBA. I have been closely associated with all the administrators of SBA from the very beginning. I have been the chairman of the Small Business Committee ever since it was created in 1950, with the exception of one 2-year term when the Republicans controlled the Senate; and during that time I was the ranking Democrat on the committee.

I cite these facts to indicate my interest in small business and my closeness to the operation of the Small Business Administration. Yet my State of Alabama—and I am not boasting of this; I am stating it as a fact—probably has as low a rate of small business loans as any other State in the Union. I have never tried to use political influence with the SBA. I think that is true of the average Senator and also of the average Member of the House. I do not think there is political influence in any sense of the word.

I do not think it is a political organization in any sense of the word. I know John Horne quite well. He came to Washington on February 1, 1947, as my administrative assistant; and he remained with me, in that position, until he was appointed to the Small Business Administration. Incidentally, let me say that I did not request his appointment as Administrator of the Small Business Administration, and neither did he request it. But when he was asked by the administration if he would accept the appointment, he came to me — and I think I am not disclosing any secret when I state this—and asked me about it; he was in great doubt as to whether he wanted to accept the position. He knew something of the hard work and the obstacles confronting that organization. But I urged him to accept the appointment, because I knew, from his work with me and from the interest he had taken prior to that time in small business legislation, that he could do a good job, and that if anyone could do a good job there, it would be John Horne.

So certainly I am convinced that no political influence has been used there. Instead, its work has been done on the basis of merit; and John Horne has proceeded with that work on the basis of merit and on the basis of his love for the work.

So, Mr. President, I earnestly hope the amendment will be rejected, so that we shall give the Small Business Administration a little elbowroom. Even with the inclusion of this cushion, the restrictions I have mentioned must still be observed. I do not believe we should provide additional restrictions.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. The Senator from Alabama has said we shall not be exceeding the budget request. The Senator also said the committee decided to provide a 1-year authorization. As he knows, the budget request—and the request of the administration for fiscal year 1963—was $226 million. We shall be providing $250 million, or $24 million more than asked and we shall also be providing for a cushion, by means of a pooling of the disaster fund, which never has been fully used, with the regular loan fund.

Furthermore, as the Senator from Alabama knows far better than I do, there never has been an instance in which the SBA has been unable to make loans because of failure by the Banking and Currency Committee to provide it with adequate authorization. We stand ready to authorize more funds whenever necessary. Is not that correct?

Mr. SPARKMAN. Yes, the Senator from Wisconsin is correct as to the last part of his statement.

But a few minutes ago I said the supplemental bill provides funds which it was thought the Small Business Administration would need for the first half of this year, and that our committee voted to authorize those funds.

Mr. PROXMIRE. Yes, the Banking and Currency Committee voted to authorize them.

Mr. SPARKMAN. That is correct. But even though we might authorize additional needed funds in time, in the event of an emergency, for instance, perhaps we would authorize them by April 1—they could still be enmeshed in a supplemental appropriation bill which would be delayed. For instance, the present supplemental bill is still in conference; and it is now June 14, and the fiscal year is almost over, but still the supplemental bill is in process.

As regards the budget estimate, I want the Senator from Wisconsin to realize that I used the term "the administration's request." I then referred to the budget estimate, not the budget request, because the request was that we provide the SBA with an open-end authorization, and the budget estimated that in that event there would be spent in the remainder of this fiscal year and the next fiscal year $226 million.

Mr. PROXMIRE. That is correct. But once the committee made the decision to provide a 1-year authorization, then the additional $24 million was in excess of the administration's request, particularly in view of the pooling with the disaster fund.

Mr. SPARKMAN. But I point out that all that was done as a part of one action. The Senator from Wisconsin will remember that in the committee, I proposed a 2-year extension; and then it was suggested that if we would pool the two funds, and would add this cushion, we could proceed with a 1-year authorization. It was not intended that all the $250 million would necessarily be spent in the 1 fiscal year; but it was pointed out that there would be a cushion, so that if it became necessary to appropriate additional funds, they would be within the authorization ceiling.

Mr. PROXMIRE. Well, it is either a 1-year authorization or it is not. I feel very strongly that if the committee is going to perform any function in connection with providing an authorization, it should provide it in a limited amount, so that if the SBA decides to go further, it will have to explain to the committee why its policy is so expansive and why it has increased its loans so much and why such a policy is justified. Otherwise the authorization process serves no purpose.

Mr. SPARKMAN. But I think the Senator from Wisconsin will remember that this was a package agreement, which was agreed to almost unanimously in the committee—although it is true that the Senator from Wisconsin said he might offer an amendment on the floor.

Mr. PROXMIRE. In fact, I was rather vigorous in saying that it was a mistake. But no vote was taken on it in the committee. However, perhaps 5 of the 15 members of the committee came to me and told me they would have supported my amendment if I had pressed for a rollcall vote. So there was substantial opposition.

Mr. SPARKMAN. But it was not stated at the time.

Mr. PROXMIRE. That is correct.

Mr. SPARKMAN. And I feel that we worked out a good solution.

So I earnestly hope the Senate will sustain the decision of the committee.

Mr. PROXMIRE. Mr. President, let me also say to the Senator from Alabama that his argument that we should take a long-range view is a good one, and that is exactly what I recommend. The Senator from Alabama has spoken of the need for small business; and, of course, there is a great need, particularly in view of the many fatalities among small businesses because of the very great impact of chainstores, and so forth. All that is well known and is most serious; and we should do what we can about it.

But to follow a policy of making loans to 1 out of 200 businesses, a policy of providing such assistance to 25,000 out of 4½ million of these firms, which at any time over the past 10 years have had a small-business loan, is not a proper way to give such aid.

The Senator from Alabama says, "Yes; but this is a justification for expanding the program."

But in that event we would have to have a $20 billion or $30 billion or $40 billion or $50 billion authorization. No one supports so great an involvement by the Federal Government in the economy.

It seems to me that we must recognize that we can do only limited things in connection with the SBA operation. We should have a rifle shot at these areas, and should provide criteria insofar as we can; and perhaps we should provide for much more substantial help in cases in which employment may be greatly increased by SBA loans.

But to provide that these funds shall be available to any and all of the 4½ million small businesses—for example, to a doctor's office or to a bowling alley or to a motel, even though in some areas of the Nation the motels and bowling alleys have been greatly overbuilt—and to make this money available to them at such low interest rates, would make conditions very bad for the existing small businessmen who are already in these fields. Furthermore, in such event, inefficient businesses could obtain these funds, whereas they could not obtain them from banks.

Mr. SPARKMAN. Mr. President, I am not advocating such a policy. But the restrictions already placed upon the small business program are hurtful to small busineses in the United States; and certainly I do not believe we should restrict them further.

Mr. PROXMIRE. Let me reply, and I shall be as brief as I can be, as I do not want to detain the Senate. I want to ask the Senator from Alabama if he will, in conference with the House, which I understand has reported a measure far more generous than this, providing an authorization of something like $2½ billion, consider the arguments which were made in committee and which are being made on the floor now, in an effort to keep the authorization as reasonably limited as possible. I make that request not because we want to limit the program, but we want to take a look at it in order to provide some criteria or basis other than political understanding or knowledge that a Senator or Representative has encouraged someone to seek a loan.

Mr. SPARKMAN. I would have preferred the 2-year authorization, as the Senator knows I stated in committee, but the committee arrived at this solution and I am perfectly satisfied with the legislation as the committee has reported it, and I intend to support it. The Senator from Wisconsin will be a member of the conference. If I am a member of the conference, naturally I will consider it my duty to uphold the Senate bill.

Mr. PROXMIRE. Just to clear up a few points of disagreement with the Senator from Alabama, he pointed out that this measure was not posited on another 37-percent increase in applications, but on 9 percent. The fact is that the 9-percent increase in applications is on top of applications for 1960 totaling 8,381. The next year the number increased to 10,880. For 1962 it is estimated the number will be 15,000. For 1963 it is estimated the number will be 16,440. So this request for additional funds is posited on a far larger number of applications, by 1,400, than the SBA has ever had.

The Senator from Alabama indicated that he would agree with me that there has been no congressional pressure and no political pressure. While I think the impression of congressional pressure has been greatly exaggerated around the country, and while there is an unfortunate impression around the country that political influence is an important factor in getting an SBA loan, the fact is there has been some congressional and political pressure. Fortunately, it has not been frequent, but it has been in existence. I have had personnel from the SBA who have resigned tell me that it is one of the most serious problems they have there. They have told me that the loans sometimes do not conform to merit, but are based, on occasion, at least, on very tough, strong, and vigorous pressure from Members of Congress.

As I understand, the reason for a retrenchment of the program was a decision by the administration and a decision by the Appropriations Committee—not a decision by the committee of which the Senator from Alabama and the Senator from Wisconsin are members, not by the Banking and Currency Committee. I think the Senator from Alabama has made that clear. But the fact that the administration went down to $200,000 as the maximum size of loans, except those that are defense oriented, I think was a wise decision and is a criterion we might consider for the future. It does not mean a serious curtailment of small business. They can get loans up to $200,000, and those that are related to meeting our defense needs can borrow up to $350,000.

I agree with the Senator from Alabama that small business does provide great employment, that it is immensely important to the welfare of our Nation, that we should be alert to do all we possibly can to assist it; but I feel we can be far more helpful to small business if we design criteria that do not permit this enormous ocean of 4,400,000 small businesses to come in without any discrimination and then permit only a privileged one-half percent to borrow money, or, in any 1 year, one-tenth of 1 percent to borrow the money, with only a fraction of 1 percent of the employment being affected.

I recognize that the Senator from Alabama was absolutely correct when he said there were wonderful instances of small business being aided, where communities have been resurrected and assisted, where workers have been provided with jobs they otherwise would not have had. I think those are fine instances. I think the committee in the future should consider the possibility of tailoring a program to emphasize among other criteria the amount of employment or assistance in areas where capital is not sufficient.

Obviously, if only one business firm in 200 has received any kind of small business loan in 10 years, it follows that small business has to rely 99 percent on the banking systems. Therefore a real solution should rest on improving the thrust and reach and composition of the banking system, and help the SBA in a far more discriminating way than we have in the past.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from West Virginia.

Mr. RANDOLPH. The Senator from Wisconsin is much more than a student of this subject matter; I think he is an expert in this field. This is said with the full realization that it is a compliment, which I speak with sincerity.

The Senator from Wisconsin will recall that we had some disagreement in reference to the amount of the Small Business Administration's maximum lending authority during debate in this forum last year. At that time, although we differed in the matter of the authorization ceiling, we both expressed the desire to see reasonable and realistic programs devised to help small businesses. I believe we agreed they should have access to both local lending institutions and the Small Business Administration to negotiate participating loans to stimulate the employment of people and the manufacture of products, and thereby help strengthen the economy.

In Clarksburg, W. Va., especially, in recent months, there has been a stepped-up activity in which organizations at the community level have participated in efforts to assist new industry. The banks have participated insofar as possible.

We have in West Virginia a statutory ceiling which circumscribes our banking institutions in the matter of participation in loans.

At the present time there is pending before the Small Business Administration an application from Clarksburg, in which it appears, because of the very considerable participation by the banks in recent loans for industrial development, that the local lending institutions will be hard pressed to participate even on a 25-percent basis.

I say also to my colleague that if this loan is granted to Joyce Teletronics Co., 42 persons will be placed in gainful employment in new job opportunities. The product to be manufactured does not want for customers, but the business must wait for the necessary SBA loan.

In West Virginia we fully appreciate the Small Business Administration. The loans that have been consummated through the Small Business Administration, with the assistance of the financial institutions of our State, have been most helpful.

Mr. PROXMIRE. I say to the Senator from West Virginia that I think he has given an excellent example. The Senator has provided a real service by calling attention to the kinds of things the Small Business Administration can do toward providing employment.

The fact is, as I point out in my individual views, that less than 50 percent of the loans are made to manufacturing firms. Loans are made to motels, to bowling alleys, for doctors' offices and for lawyers' offices, and so forth. While some of these less essential areas provide some employment, they provide almost no employment, or very little.

I have seen loans made for projects costing $350,000, involving employees numbering 1, 2, or 3. The amount of employment involved, except with respect to the construction of the project, which is itself limited, is very small.

The example which the Senator from West Virginia has given so well is one of a firm which would provide substantial employment, permanent employment, and increasing employment. This is employment which directly could be multiplied several times. I think this kind of a loan request should be given a real priority. We should do all we possibly can to provide all of the funds that are necessary which cannot be provided by the banks.

Mr. RANDOLPH. I commend my colleague for his affirmative statement in reference to the desirability of making such a loan. And I recall another SBA loan which was delayed because the Small Business Administration had no moneys on hand, although the loan had received SBA approval. The loan, from the standpoint of the bank participation, had been entered into, yet in this instance the Pocahontas Furniture Co., at Marlinton, W. Va., was faced with failure to bring the loan to fruition. It was a small loan.

The prior loan mentioned was only in the amount of $30,000. This loan had a figure, for the purposes of this discussion, of somewhat less than $50,000.

On this instance, also, productive employment was to be provided people who are now out of work. The product—upholstered medium-priced furniture—had already found a market. The orders could not be filled. This problem exists because the company needs the loan in order to proceed with the manufacture of the product.

Mr. PROXMIRE. The Senator is correct.

I wish to make it very clear to the Senator from West Virginia that in no sense, at no time, under any circumstances, was the authorization for the SBA responsible for this situation. That was a matter of appropriations. We have authorized sufficient funds. The funds are available. Congress has always stood ready to provide additional funds if they were necessary.

Secondly, I would say that even within the limitation set by the Appropriations Committee, if there had been some basis for a criterion—which there was not, since the SBA does not have authority, by Act of Congress, to deny some loans because they are not in essential areas and do not provide significant employment, and to make other loans which do—very little could be done. I think the Small Business Administration should have that kind of authority. I think the Small Business Administration should have those kinds of guidelines.

If those guidelines had been provided, the Senator from West Virginia would not have given such an example of difficulty of a firm wanting to provide employment, a firm which had the product sold, a firm which had an opportunity available but which could not get the money because the money was gone.

The money was gone because it had been given to somebody who was involved in building an amusement park, dance hall, motel, or some other fine establishment which probably we do not need more of at the present time, or very few more of. There are plenty of those now, usually, and they do not provide much employment.

Mr. RANDOLPH. Perhaps the RECORD should not reflect at greater length my discussion of this problem, except for me to say that we owe a very considerable debt in this country to small business, to the approximately 5 million small businesses which, more or less at the local level, employ people who ofttimes cannot find employment in the larger automated plants. I know this is true in the hills of West Virginia. The small business units perform a real service.

In all this bigness which we find surrounding us today, I trust we shall not forget that we do a disservice to the Republic and to our people if we allow small business to be lost in the shuffle of the gigantic economy of which we are a part. I say this especially at this time as we consider the pending measure.

I realize that the Senator from Wisconsin speaks, as he has spoken often, about the need to lay down certain guide lines. I would not wish, however, to see a further reduction of the SBA program ensue because of certain tightenings which the Senator believes should be placed into effect.

I close by indicating that in the State of West Virginia, at least—and I shall not make comparisons with other States—loans are being processed. Loans are being participated in. Loans have been brought to fruition, but there is an unfortunate hiatus at this time.

There is an impact of men and women out of work, men and women who wish gainful employment, men and women who will have employment at least in part when a manufacturing industry or other small business receives a needed loan. Even though it may be small, employing 30 or 40 workers, an industry or business kept in being or brought into being with SBA loan assistance or other SBA service is helpful to the economy.

For that reason I have taken these minutes not so much to oppose the Senator in what he has said, but to bring us back into consonance. We must think in terms of an approach to the problem which is realistic, even though we may differ as to the amendment which has been offered.

I gave very careful attention to a reading of the individual views of the Senator from Wisconsin. I am not a member of the committee which reported the bill to the Senate, but I am a member of the Select Committee on Small Business of the Senate. I attempt, insofar as possible, to be knowledgeable on this subject matter.

Again I commend both the Senator from Alabama and the Senator from Wisconsin for having clarified, even though from differing points of view, the necessity for a program to stimulate and sustain the smaller businesses. We must keep authorizations adequate, but we must also do our best to match authorizations with appropriations for the Small Business Administration. I have spelled that out in an address I delivered earlier this afternoon. I invite my colleagues' attention to that address.

Mr. PROXMIRE. I thank the Senator from West Virginia. He is a firm and effective friend of small business, not only in West Virginia but also throughout the country. He has fine business experience himself. He is a successful businessman. He brings an excellent understanding of business to the Senate, and has made contributions over and over again in respect to the small business program.

While I feel that this particular program needs some criteria and needs very careful oversight, I think there are a number of things we can do for small business which we have not done.

There is a bill pending in the Senate Commerce Committee now, the quality stabilization bill, which I enthusiastically support. I am a cosponsor of the bill. I think the Senator from West Virginia is also a cosponsor.

I feel that the really small businessman—the retail merchant who is the backbone of small business in this country—cannot continue to exist if he continues to be up against the kind of cutthroat discount competition we have seen in the past. This quality-stabilization bill will provide the kind of help which will do something for the small businessmen—not only a few hundred or a few thousand, but literally for hundreds of thousands of them. I refer to the druggists, the hardware merchants, the clothiers and jewelers, and other merchants throughout the Nation.

In the second place, lower interest rates are needed. Whether a small businessman borrows from the Small Business Administration or from a bank, interest rates are excessively high. This is a burden which the small businessman has to pay now, which he has had to pay in the past few years, which is more severe than it should be. I think action in this regard can be taken by our Government. We can and should reduce interest rates.

In the third place—and this is a matter that contradicts the committee's free and easy spending tendencies—over and over again, I think, we find that the small businessman is complaining, and rightly so, about his taxes. His taxes are too high. Although the Small Business Administration program has its merits, I think we must recognize that if we are to spend money, if we are to increase spending, we shall have to increase taxes or else have a big deficit, which may eventually have inflationary influences and drive the costs of the small businessmen up one way or another. I think that a program of economy including discriminating economy in the Small Business Administration itself will help the small businessman.

Finally, I wish to reiterate once again that the fundamental answer, in terms of making capital available to the small businessman, can never be substantially accomplished through the SBA—never in a hundred years. I do not think any Senator would say that we should provide funds for the 4½ million small businesses. I say the way we should do it is to stimulate our private banking industry so that it is more competitive than it is now, and so that instead of having a greatly diminishing number of banks—in many communities only one bank is available—that we have more competition in banking with far greater available private funds for small business.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The committee amendment, as amended, which is in the nature of a substitute for the bill, having been agreed to, the bill is not open to further amendment. The question now is on its engrossment and third reading.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

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## SENATOR PRESCOTT SHELDON BUSH

Mr. SALTONSTALL. Mr. President, Senator BUSH will not run again for the Senate. He is retiring with distinction and honor as a Member of the Senate. He has also brought great honor to his university, Yale University at New Haven, Conn.

I ask unanimous consent to have printed at this point in the RECORD, the statement by President Griswold of Yale University on granting an honorary degree of doctor of laws to Senator BUSH, and many newspaper editorials on the subject of Senator BUSH's retirement from the Senate.

There being no objection, the statement and editorials were ordered to be printed in the RECORD, as follows:

### YALE UNIVERSITY COMMENCEMENT, JUNE 11, 1962

Provost BREWSTER. Mr. President, I have the honor to present for the honorary degree of doctor of laws PRESCOTT SHELDON BUSH of the class of 1917 in Yale College; former fellow of the Yale Corp.; U.S. Senator from Connecticut.

President GRISWOLD. PRESCOTT SHELDON BUSH, to your career as banker, member of the Yale Corp., and U.S. Senator, you have brought the high standards of personal integrity which have guided your own life. Loyal to your friends, faithful to your constituents, true to yourself, you have served your country well. You have personified the best in both political parties. As you retire from public life, secure in the esteem of the citizens of your State, your alma mater proudly confers upon you the degree of doctor of laws.

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[From the Greenwich Time, May 17, 1962]

### BUSH WILL RETIRE

Yesterday's dramatic announcement by U.S. Senator PRESCOTT BUSH that he will not be a candidate for reelection was a stunning blow to Republican State leaders and a source of sorrow for the hundreds of thousands of Connecticut citizens who have come to know him as a warm, dedicated, devoted, and conscientious representative in the hallowed chambers of the U.S. Senate.

Stress has been placed on the political implications—the creation of a vacancy on the ticket to be hammered together by the Republican State convention on June 4 and 5, the problem of the leadership in finding a suitable candidate who can win, and the impact on the 7 Republicans fighting for the gubernatorial nomination. But there is another aspect that is even more important to his family, his friends, and his thousands of admirers and that is the cause for the momentous decision. Surely it did not come without searing soul-searching.

Senator BUSH observed his 67th birthday on Tuesday of this week. The day before, he had consulted his physician and had been told that the years were taking their toll, that the demands of public service were having their effect and that the prospects of several months of intensive campaigning were anything but encouraging. If he valued the state of his health, he should ease up on his activities.

On Tuesday, Senator BUSH again saw his physician and the advice was repeated. He took the long view and contemplated what it would be like, if reelected, to serve 6 more arduous years in the Senate. The state of his health was not the only consideration. Nor, to those who know him well, was it the overriding one.

Senator BUSH felt that under the circumstances, he would not be able to give his best to the tough campaign ahead and, if elected would not be in condition to perform his duties and carry out his responsibilities in accordance with the high standards he had set for himself. Making such a decision takes character and the highest order of integrity and it can be said to Senator BUSH's credit that he has both.

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[From the Greenwich Time, May 17, 1962]

### EIGHT-WORD BOMBSHELL

"I shall not be a candidate for reelection," Senator BUSH told the news conference yesterday morning. A simple sentence of eight fateful words, words which rocked the State GOP leadership because they had no inkling that such a development was in the works.

Occupied with the battle for the gubernatorial nomination, they had taken for granted that Senator BUSH would run for a third term and there was not the slightest sign of any opposition.

The secret, although of only 2 days' duration, was well kept. Only a few individuals close to Senator BUSH knew the day before what he planned to announce.

Within seconds of the 10:30 a.m. disclosure of his plans, the news was greeted with astonishment and disbelief, but, when his reasons were considered, also with understanding and genuine regret.

From the political viewpoint, his withdrawal is a blow to the Republican Party. Although there are several likely prospects, Senator BUSH already has the stature, the respect, and the admiration of hundreds of thousands of the State's citizens who admired him for his devoted service and outstanding representation.

Now completing his second term, he would have been a strong candidate in running for a third term. He has developed into an excellent campaigner and his talents along this line, plus his knowledge and familiarity with the important issues would have made him a formidable opponent for the Democratic candidate.

What could have been or should have been is of no importance now. Senator BUSH, out of consideration for the people of his State, the party he represents, his family and his own health, decided to bring his public career to an end when he completes his term.

The people of the Nation and the State will miss this man. His colleagues in the U.S. Senate will miss him. And we, his friends and neighbors in Greenwich, can only accept his decision with deep regret, and, at the same time, wish him many happy and healthy years ahead.

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[From the New Haven Register, May 17, 1962]

### CONNECTICUT WILL LOSE A FINE SENATOR

To say that U.S. Senator PRESCOTT BUSH's decision not to be a candidate for reelection came as a shock yesterday is to understate the case.

His verdict is one which can only be met with universal expressions of regret.

These obviously will come first of all from his own party.

But it is certain that they will come, too, from his constituents, from his Senate colleagues and from his political opposition on both the Connecticut and national levels.

For these opponents, we are sure, would be among the first to recognize and respect the qualities which made Prescott Bush an outstanding Senator and an eloquent spokesman for those things which could best contribute to the advancement of Connecticut and of the Nation.

His decision will present serious problems for the Republican Party.

Senator Bush, prior to his announcement, gave the GOP a strong candidate, one who would head the State ticket with distinction, giving his running-mates an established votegetter upon whom they could lean.

This prop has now been withdrawn and the obvious rush of potential senatorial candidates to fill the vacancy his decision creates is already underway.

For a party wrestling with the complexities caused by a six-man field of gubernatorial hopefuls, with other potentials hovering even now in the wings, this naturally piles problems atop problems.

From the partisan standpoint Republicans must hope that a bitter and damaging dogfight between contenders can be avoided and a way found to strengthen rather than weaken GOP prospects at the polls next November.

At the moment speculation along these lines appears idle.

But, even at this early date, Senator Bush doubtless will be flooded with expressions of esteem from the citizens he has served so long and so well. One may be sure, too, these will be coupled with the sincere wish that health and happiness may follow him into political retirement.

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[From the Hartford Courant, May 17, 1962]

### Senator Bush Withdraws

As if there were not enough doubt about this year's Republican slate, now comes the explosion of Senator Bush's withdrawal as a candidate for reelection. So today every spot on a ticket that has to be put together in 3 weeks is a question mark. And, while there is sure to be a lot of immediate scrambling the pieces probably won't all come down until the convention itself. With the political future thus obscure, one fact stands out: Connecticut has lost a strong representative on the national stage.

Senator Bush's decision not to try again rests on a plea of age and health that his looks and his actions alike belie. Yet surely one cannot blame him if, just after his 67th birthday, he concludes that he has had enough.

In announcing his decision the man the State knows affectionately as "Pres" Bush says the party has "able younger men available" who will do justice to the duties and opportunities of the now empty Senate seat. One is tempted to ask, "Who are they, and where?" So far there has been no rush to fill the large shoes left empty for a race presumably against Secretary Ribicoff, over whom Senator Bush triumphed the last time they met at the polls in 1952. Yet even though there is no heir apparent to the Senate race—surely no one thought one was needed—in a sense what the Senator says about young replacements is true. An ever fresh renewal is inherent in life, in politics as in all else.

In fact Senator Bush himself, when he first came upon the scene, was a political nobody. He had behind him a distinguished career in finance and in what might be called private public service. But in the world of politics he was an amateur, a sheep for the slaughter. And so it was in his first try in 1950. But 2 years later came another chance, and then this amateur turned into the professional he has been over the 10 years since.

The amateur turned a professional, moreover, before long grew into the high tradition of his party and his country. He was not content to go along with the slogans of the hustings, or to strike poses popular with the political and financial regulars of his party. He became a strong Senator because he faced issues on their merits, with a tough independence of mind and integrity of spirit. It was this approach that gave him, and the State, fresh strength.

So now it must be again. But who is to seek the empty seat is a question for the future. Today men and women of all parties in the State can say to their tall, friendly spokesman in Washington, "Thank you, and well done." Connecticut says farewell to a Senator, but hail to a citizen it will welcome back home. It has been an honor to have him represent us. Both State and party could use more like him.

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[From the Waterbury Republican, May 17, 1962]

### Bush Withdrawal

Could any development in the Connecticut political field be more stunning than the news which Prescott Bush reluctantly gave to reporters yesterday?

The lively race for the GOP gubernatorial candidacy has eloquently bespoken how many party hopefuls have their sights set on political ladder climbing. Now it is not one glittering prize that is up for convention grabs but two. There will be fresh sighttakings, fresh realinements and a radical upturn on the political fever chart.

We shall probably not lack claims on the Democratic side that though poor health is Senator Bush's explanation for his withdrawal, a discouraged assessment of his party's chances influenced his decision. John Bailey won't miss such a cue. But how reconcile that with the sense of political opportunity that has brought so many claimants into the race for Governor? And, more tellingly, how reconcile it with the known character of the statesman who is taking his leave of public life? Prescott Bush has given us many proofs that he is not a man to run away from a formidable test. His years, his physical condition—these are the things that have dictated his decision. However popular it may be to look back of what a public man says for some hidden kernel of what he may mean when he says it, the least that the fairminded can do is to take the Senator at his word concerning the reasons for what must have been a difficult step.

There will be assessments and reassessments of where this leaves Senator Bush's party and his State, there will be a returning to what party and State owe to his distinguished services. Suffice it for this time to say that in this land of steady habits, which is Connecticut, a stabilizing force of conservatism in the best sense of that often misused word was admirably exemplified by Prescott Bush. He was the kind of man that any sensible person would like to have representing him in great affairs. Not only was he keenly attuned to such tremendous issues as war and peace, with a brooding sense of what this troubled Nation has at stake in the world, but he represented Connecticut with a fine devotion to our State's industrial health and what it has to lose from unwise taxing policies, from bureaucratic proliferation and the grosser abuses of the welfare system. How responsive he was to area needs within the State was illustrated in a way which the Naugatuck Valley should never forget when the terrible 1955 flood hit us and when he was day after day here with us and effective in seeking avenues of aid in which Federal authority could help.

His was a sound, constructive voice in dedication to the National, the State and the local interest.

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[From the Waterbury American, May 17, 1962]

### Sad News

To some people of Connecticut, we suppose, the announcement by U.S. Senator Prescott Bush of Greenwich that he will not be a candidate for reelection is not particularly earth shaking.

But to a great many others, especially those who keep a watchful eye on doings political in this State, it must have come as a distinct shock.

Senator Bush has established an enviable reputation while serving the people of Connecticut in the U.S. Senate. He has been conscientious and thorough in matters of national legislation. He has been on the job faithfully. He has forcefully defended those principles for which he stood, and he has honestly and intelligently opposed those principles with which he could not in conscience agree.

Even though he proudly bears the Republican label, he numbers hundreds of friends among those who are nominally of the opposition; people who respect courage, honesty, and integrity in a man even though they may not share all his views.

We think it not biased to say that the hopes of the Republican Party in Connecticut for a victory in the forthcoming State and congressional elections were largely based on the assumption that Senator Bush would be running for reelection.

While there exists much doubt today as to the man who will head the ticket in Connecticut this fall, there had been no doubt—until yesterday—as to the caliber of the man who would be running for the U.S. Senate. Here was a man upon whom all Republicans in Connecticut could depend for leadership, never mind their leanings toward individual candidates for the Governorship of the State.

Now the picture has suddenly and drastically changed. It will take a little time before Connecticut's Republican leaders can adjust themselves to the fact that they have lost Senator Bush.

The big question must be, in the minds of the GOP leaders:

"Who will we find to take his place? Who could possibly have so broad an appeal to the electorate?"

Not that Senator Bush is an indispensable man—not at all. He would, we are sure, be the first to deny that.

But his obviously considered decision not to run again is nevertheless a blow to Republican hopes at this point. It will not be easy to find a replacement for him.

We do not believe for a moment that the Senator arrived at his decision lightly, or that he did not have good reasons for reaching that decision. But we do have a distinct sense of loss of sound and forthright political leadership of the kind which this State—and this Nation—sadly need.

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[From the Bridgeport Post, May 17, 1962]

### Senator Bush Withdraws

Prescott Bush's decision to retire from the U.S. Senate at the end of his present term was as much a surprise to the general public as to the Republican Party leaders.

Mr. Bush fitted singularly well into the image of a U.S. Senator, and so far as anyone knew, had planned to seek a new 6-year term in Washington where he has served 10 years.

Until his sudden announcement of his retirement, Senator Bush had given every indication that he was preparing for a hard campaign and continued service in Washington.

It seems clear that medical advice, the burdens of advancing years as he looks forward to the seventies, and the "rigorous duties" of being a Senator in fact as well as in name, led Senator Bush to his decision.

It was in accord with his nature that, having reached a decision, he took pains to make a clean break without attempting to influence the choice of a successor on the ticket or to intervene with his considerable influence in the sharp gubernatorial battle now raging within the Republican Party.

Of the many tributes paid Senator Bush, that of his Democratic colleague, Senator Thomas J. Dodd, that "he has worked devotedly and effectively for Connecticut and the Nation and his loss will be sorely felt by his party and by the country," well expresses the general public feeling.

Senator Bush served the people of Connecticut industriously, with high integrity and devotion, over a difficult decade. His fellow citizens of all parties will join in wishing him a satisfying retirement.

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[From the Stamford Advocate, May 17, 1962]

### Senator Bush Retires

It was both a shock and a disappointment to his constituents to learn that Senator Bush will not run for office again. His decision emphasizes the heavy demands that public service places on elected officials. It is characteristic of our senior Senator that when he believed he could no longer serve the people of the State as vigorously as they should be served, he removed himself from the political field.

At the same time, his decision means a loss both to the State and to the Nation. Senator Bush was an Eisenhower Republican. He was elected in the Eisenhower years of 1952 and 1956. More than that, his philosophy of social progress and fiscal conservatism was that of the President.

His interest in social progress won him some brickbats from the more conservative in the campaign of 1956. But it was difficult to condemn a Senator for voting for the platform put forward by a President of the same party. Senator Bush was reelected.

In the present Congress, Senator Bush is outstanding because of the careful work he has done on the Kennedy tariff proposals and on our interrelated balance of trade problem. He has made an exhaustive and exhausting study of the situation and its relationship to deficit spending. This study, if taken to heart by the Senate, will radically change the presidential plan. Under any circumstances, it will modify it. We know of no Republican in the Senate with the qualifications to make such a study in the future, nor do any of the prospective candidates for Senator Bush's seat in either party have these particular qualifications.

Since Senator Bush expressed his willingness to run for reelection only a year ago, it is reasonable to assume that his work this past year proved unexpectedly exhausting. Those following his work, while disappointed at his decision, can only be grateful for the work he has done.

The political leaders of both parties expressed sorrow that Senator Bush is leaving active politics. It is hoped that his health will be such that he can serve his State and Nation in some less exhausting position for many years to come.

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[From the New Britain Herald, May 17, 1962]

### The GOP in Ferment

Senator Prescott Bush's announcement that he will retire at the end of this term came as a surprise and shock to the whole State.

On the one hand, there was clear disbelief and certainly, among the Republicans, disappointment. Senator Bush attributed his desire for retirement to reasons of age and health. Yet, this tall, vigorous, aristocratic appearing man, now 67, has always appeared to us to be as alert and vigorous as a man half his age.

On the other hand, his decision has political ramifications of the highest complexity. His absence from the ballot will possibly create more problems than it has solved. Indeed, in the wake of the retirement announcement, the Republican Party finds itself in total ferment. Within minutes after his press conference, at least two new candidates came into the State picture, along with the seven already in the run for the gubernatorial nomination.

The upshot of it all is to suggest that the Republican State convention in 3 weeks is likely to be one of the wildest, most confused such affairs in a long time. State party chairman A. Searle Pinney, who has been at the helm during these months of confusion, should find himself in a more commanding position than he has been.

Meanwhile, a few words seem in order about the man whose decision caused this most open of open races.

We are convinced that Senator Bush must have weighed the factors long and hard before he came to that sober press conference on Wednesday. His renomination had been a foregone conclusion. He had opened a campaign headquarters, and had purchased a vast quantity of campaign buttons, literature and other paraphernalia. He had been making numerous talks and visits around the State, strengthening his position, readying himself for the long fight ahead.

His decision could not have come easily. Back of him was a decade of strong, capable service to the State and Nation. He held a record of dignified, solid achievement, based on independent judgments. He was a party man, but never to the exclusion of independent thought and decision. He made hard decisions, and he made them well. A most recent example of that was his announced support of the medical aid bill, in the fact of considerable GOP opposition.

Senator Bush's absence from the ballot is a loss to Connecticut. His position of eminence in the Senate is widely recognized. Most of all, his genuine warmth and friendship will be sorely missed, both in the Senate and around the State. We wish him well, and extend thanks for the work he has done.

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[From the Torrington Register, May 17, 1962]

### Senator Bush Retiring

Connecticut is losing an able, conscientious, enthusiastic and hard-working legislator as a result of the decision of Senator Prescott Bush not to seek reelection this year.

The Senator has been an extremely capable representative of this State in the Senate, where his actions have won him the respect of his colleagues, regardless of their political affiliation.

Always faithful to the trust placed in him by those who elected him to office, Senator Bush performed his senatorial duties in a manner that will make filling his shoes exceedingly difficult.

Torrington and the Naugatuck Valley were beneficiaries of his abilities on numerous occasions, especially after the 1955 flood, when he spent long hours in this area and when he sponsored and supported legislation that has resulted in protection programs designed to prevent another disaster of that type.

Politicians were shocked by the Senator's announcement that he will withdraw from the senatorial race. His many friends throughout the State and Nation were saddened by the realization that an exceptionally high type of legislator planned to retire.

Senator Bush has earned the respect of all who benefited from his good work. His splendid record is one of which he and Connecticut can be proud, and all wish him well in his post-senatorial days.

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[From the Danbury News-Times, May 18, 1962]

### Senator Bush Withdraws

The withdrawal of U.S. Senator Prescott Bush from renomination by the Republican Party is the biggest political surprise in a year already marked by many unusual political developments in Connecticut.

When Senator Bush decided that his health made it inadvisable for him to seek reelection, he called a conference of party leaders and then a press conference to disclose his unexpected decision.

The confusing situation in the Republican Party, with its seven candidates for the Governor's nomination, became a bit more confusing. However, there is the possibility that before the week is out, a couple of the candidates may get together with mutual promises of support and seek to split the two top offices between themselves. Whether this would clarify the present confusion remains to be seen.

The political developments in the wake of Senator Bush's announcement are intriguing, of course. But they should not obscure one fact which stands out.

That is the candid manner in which Senator Bush acted once he came to the conclusion the nomination ought to go to a younger man. His renomination was a sure thing, as far as politics go. Others might have been tempted to delay until the eve of the convention, or even to accept renomination and then withdraw, handpicking a successor.

But Senator Bush spoke out frankly. In so doing he added to the considerable stature he had already gained through his 10 years' service in the Senate. Democrats and Independents, as well as Republicans, join in good wishes to him as he enters his final months in public office and prepares to return to private life.

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[From the Bristol Press, May 19, 1962]

### A Fine Senator

The decision of the senior Senator from Connecticut, Prescott S. Bush, of Greenwich, to withdraw from the race for reelection this fall causes mixed emotions among friends and acquaintances of the Senator. The first of course is that his health improves to the extent that he will have many more years of useful life. The second reaction is that the absence of Senator Bush will be felt by his party, his State and his Nation.

Prescott Bush, in the 10 eventful years he has served in the U.S. Senate has earned the respect and esteem of his colleagues on both sides of the aisle. Back home in Connecticut the Senator is recognized as a dedicated and conscientious public servant who has worked hard for his State and his Nation since taking office in 1952.

It is mere speculation as to what effect the Senator's decision may have on the fortunes of the Connecticut Republican Party this fall. But there is no question that a man of his stature makes himself felt strongly as a candidate for public office. It would be folly to believe that any party can lose a candidate like Prescott Bush and not suffer for it.

At the moment it seems probable that the Republicans will select former Governor John Lodge to fill the void caused by Senator Bush's decision. However, if Lodge could have secured the gubernatorial nomination and have run with Senator Bush, that would have been the most formidable combination that the State GOP could have presented.

Senator Bush took a keen interest in any number of varied problems which were put before him. He was just as interested in using his good offices to help solve a local problem as he was devoted to the national interest. We can well remember his tireless energy at the time many parts of our State were stricken by the floods of 1955.

Here in Bristol we know of how hard Senator Bush has worked to bring industry to our community to relieve the employment situation and to press for Government contracts for some of our key industries.

Over the years, Connecticut has had some fine representatives in the U.S. Senate. We believe that it can be said without fear of successful contradiction that Prescott S. Bush rates with the very best of them.

We regretfully accept his decision to retire from the Senate and wish him the very best of happiness as he prepares to return to private life. He has richly earned the good wishes of the people of his State and Nation as the highest possible type of public servant.

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[From the Meriden Journal, May 18, 1962]

### A Good Senator Bows Out

Senator Prescott Bush's announcement that he will retire at the end of his present term was apparently a complete surprise to Republican leaders as well as to the rank and file of the party. His renomination at the party's State convention, to open June 4, had been taken for granted.

By next January, when his term expires, Senator Bush will have served in the Senate for 10 years. He has been a faithful, hardworking Senator who has compiled an excellent record of accomplishment. He has never failed to go to bat for legislation which he considered to be in the best interests of the State and the Nation, and he has always opposed measures which he believed inimical to those interests.

It must be gratifying to the Senator that all the regrets expressed because of his approaching retirement did not come from his own side of the aisle, or from Republicans outside Congress. Democratic colleagues praised him warmly. Democratic National and State Chairman Bailey spoke in high terms of his integrity and character. Senator Dodd and Congressman-at-Large Frank Kowalski had good words to say about him. Secretary of Health, Education, and Welfare Ribicoff commented similarly. Republican State Chairman Pinney said that his retirement was "sad news for all the people of Connecticut and the Nation," and Republican leaders in Congress and elsewhere registered sorrow at Senator Bush's approaching departure from the Senate.

The Senator's announcement had additional impact because of the many declared candidates for the Republican nomination for Governor and because of the Senate opening to be created through the Bush retirement. Almost immediately several aspirants to the Senate seat declared their intentions, but it took more than a day for John D. Lodge, former Governor and former Ambassador, to make up his mind that he would rather be a Senator than return to the position of Connecticut's chief executive. He is assuming, of course, that the majority of delegates to the State convention and the majority of voters would like to see him there.

Senator Bush quite wisely refrained from endorsement of any of the Republican aspirants for the Governorship, but promised to campaign vigorously for the party's choice. His reasons for removing himself from the Senate were understandable, and seem entirely valid. He does not believe he is capable physically of standing the strains which he has withstood in the past, both because of his age and the present condition of his health. Moreover, his doctor has advised him against running again. He has earned the opportunity for rest and relaxation, and we hope that his years will be lengthened by his decision. Connecticut owes a great deal to Senator Bush, and wishes him the greatest possible enjoyment of his leisure after his term expires.

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[From the Meriden Record, May 19, 1962]

### We Will Miss Him

It is still with a sense of deep shock that we realize Senator Prescott S. Bush is retiring from active political life in service of the people of the State of Connecticut. It has been 2 days since he dropped the bombshell in our midst. But we haven't accustomed ourselves to the idea even yet. It is not that we believe any one person is indispensable in a given job. The Senator, when he made his startling announcement, most generously pointed out the presence in Republican ranks of much good talent and many younger men, capable of carrying on the senatorial responsibility. But it takes us time to face the facts of a change so important as this one.

Senator Bush has given 10 years of excellent service to Connecticut. He has done a good—a better than good—job straight through. It has been such a thoroughly conspicuous feat of accepting heavy responsibility and executing the work it entails, that all of Connecticut had learned to depend on him implicitly, even if they were not always in agreement with him on certain specific issues. Members of both political camps are joined in a feeling of deep regret for his firm decision to retire. Connecticut's junior Senator Dodd, and Congressman at Large Kowalski, both of the opposition party, were immediately and publicly articulate in expressing their admiration for Senator Bush's devotion to and aptitude for the Senate post.

Had he been able to continue through this campaign ahead of us with the vigor he has shown in the past, no doubt neither of these prominent Democrats would have been able to say so forthrightly that they had found him good to work with, and all the rest implied in their words of praise. The political facts of life are such that once the battle for election is joined, brickbats fly and compliments, even where richly deserved, avoided as the plague.

Stress of a political combat determined Senator Bush to withdraw. The fight will not be an easy one this year. Maybe such a campaign is never too good for the health and peace of mind of any contestants. Good or bad, it is our system and it has worked pretty well on the whole. We can't think of a better substitute to evoke a determination of the public will.

Since Senator Bush, on the best of medical advice, decided he is not well enough to go through the campaign and 6 more years in the Senate if he were elected, without putting a dangerous strain upon his health, we think he shows excellent good sense by his decision. If we can't have him as Senator, we can still call upon him for guidance and leadership and advice. Surely his experienced knowledge will be utilized in many ways in further service to Connecticut and to the Nation.

Political circles are all a-twitter with the reshuffling of candidates for the two top honors, Senator and Governor. But we should all be pausing long enough to properly honor Senator Bush for all he has done for us. Not only in the Senate has he given us reason to be proud of him. His manner of withdrawal from the political field is to be highly commended. His announcement was quick, unequivocal and a masterpiece of proper timing. We wish him happiness, full contentment in realization of a job well done, and long years ahead to enjoy good health. We will miss him in the Senate but expect him to continue as a factor in our State and national affairs. His heart is in Connecticut and Connecticut holds him in the warmest esteem.

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[From the Hartford Courant, May 19, 1962]

### How We Destroy Our Public Servants

The one aspect of the proposed retirement from the Senate of Prescott Bush that should not be overlooked is the manner in which the voting public wears out a public servant by inordinate demands. Senator Bush is a man of more than ordinary stamina and physical condition. Despite his years he could still be described as a trim, well-conditioned man who shows now the effects of years of fine physical conditioning through sports. But Mr. Bush confessed that he no longer felt able to meet the demands, not only of the actual Senate duties but by what might be called the extramural activities that any Senator omits at his peril.

What does that mean? It means in substance that nearly every week he must take to the road and cover as many fish fries, barbecues, bean suppers, strawberry festivals as possible. And in between the actual events, as he explained wryly the other day, he is expected to take one or two little side trips of a hundred miles or so, just to drop in on a small group and say hello.

Then at the end of this wracking weekend, he is supposed to fly back to Washington. There he will be met by a mountain of mail, some of it important, much of it trivia, but all asking for information, guidance, help, and all of it having to be attended to swiftly and efficiently. Of course, there are the regular Senate duties, too. And for a man as conscientious as Mr. Bush, this implies a great deal of homework. For Mr. Bush is the unusual Senator who always likes to know what he is talking about.

When you add all these things together you get the picture of a conscientious man who is being worked to death by well-meaning but importunate constituents. There is, of course, a well-recognized difference between good candidates for office and good officeholders. But under our system we insist that the officeholder continue to be a candidate through his whole term, in preparation for the next election. Mr. Bush is a realist. He knew that while no single individual or group had any intention of destroying him by their invitations, collectively they were nibbling him to pieces. He is a wise man to call it quits. It would be nice if this example of the forced retirement of an eminent public figure through overwork would cause the electorate to be more thoughtful in the future. But it won't.

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[From the New Haven Journal Courier, May 21, 1962]

### Bush Out of Race

The confusion reigning in State GOP circles was turned into consternation by the unexpected withdrawal of Prescott Bush from the U.S. Senate race in this fall's elections.

Connecticut citizens generally were surprised by the sudden development. Rank and file Republicans obviously were stunned at the news. Party leaders, one may assume were temporarily at least in a state of political shock.

Regrets, nevertheless, were expressed and sincerely so on the decision of Senator Bush not to seek reelection; likewise, understanding has been shown of his reasons for doing so. After a distinguished record in Washington the senior Senator from Connecticut feels it necessary at 67 and on the advice of his doctor to retire at the end of his term. Recognition of the fine job he has done in the service of his State and party, and in the national interest where it had devolved upon him is not limited to Republicans alone. Press and popular acclaim of a job well done is being accorded Prescott Bush.

Withdrawal of the candidate counted upon to be a GOP hope and strong contender on the fall ticket at the moment would seem to tilt the board to the advantage of the Democrats. BUSH has been judged a hard man to beat; enough so that the party organization has looked to HEW Secretary Ribicoff to quit President Kennedy's Cabinet, return to Connecticut and seek the Democratic nomination for the Senate seat. That, in itself, has been a measure of BUSH's challenge.

But the daze in which the Republicans found themselves in the first hours of the withdrawal has been short-lived. It has been fast dissipating in GOP moves which give promise of pulling the Republicans together—and out of their muddled disunity over the gubernatorial spot.

Paradoxically, Senator BUSH's action may have been just the shock treatment the GOP needed. With the Republican State convention a little more than 2 weeks away there are signs that intraparty conflicts are about resolved.

[From the Windsor Locks Journal, May 17, 1962]

### A STATE LOSS

The announcement made by Connecticut's senior U.S. Senator, PRESCOTT BUSH, of his retirement from that office with the completion of his present term next January, was a decided shock to his legion of friends not only in this State, but throughout the Nation.

In an unexpected announcement yesterday of the contemplated retirement from political life, of a highly thought of Senator, this State stands to lose a public servant that took his duties of office seriously. He was one of the hardest working Members of this and past sessions of Congress ever since being elected to the high office.

In his statement of retirement, Senator BUSH said that the duties of office were too strenuous for him to further face, and on advice of his doctor, he made the decision to retire from the Senate.

The State of Connecticut has been fortunate in having as one of its congressional Members, a man of the high caliber of Senator PRESCOTT BUSH. He advised his Republican Party that it had many men younger and well qualified to fill the duties which he is relinquishing. It behooves his party therefore to seek out and name a candidate that will measure up to filling the office being relinquished by a beloved Senator.

[From the Westport Town Crier, May 20, 1962]

### PRESCOTT BUSH

It must be disturbing to Senator PRESCOTT BUSH that so many of the comments being made about his retirement sound frighteningly like obituaries. The words of tribute and regret that we say here will be said in the full expectation that the Senator's public service is far from ended, and that he will not only be called upon, but will respond, to further challenges.

It is, indeed, regrettable that he found it necessary to retire at this time. We know that he enjoyed his job, and that his charming wife enjoyed the post of aid and confidant that she filled so well. He worked at it, too, and it apparently left him with too small reserves of energy to undertake what will undoubtedly be a grueling campaign.

There was nothing spectacular about PRESCOTT BUSH in the Senate, just as there is nothing very spectacular about our most competent business executives. He tackled his Senate job much as a businessman would tackle a new assignment. He was exceedingly diligent in looking after the interests of his State, without forgetting for a moment that the interests of the whole people sometimes had to take precedence.

Senator BUSH has been a model exponent of the Eisenhower "middle-of-the-road" philosophy in Government. By habit a fiscal conservative, he brought a businessman's thinking into the legislative discussions. However, he never became one of those flamboyant advocates of economy at any price, and never allowed his natural prudence to blind him to costly needs either on the domestic or the foreign scene.

"PRES" was not a natural politician. He didn't find it easy to learn to mingle with the crowds and to behave with the easy informality that American politics demands of its leaders. But he did learn, and became in the end quite an effective campaigner. It is our considered opinion that his scheduled contest with Mr. Ribicoff would have been a tight one, and not necessarily with the odds favoring our flamboyant ex-Governor.

Before entering the Senate, Senator BUSH was an investment banker. His career in Washington proved once again that a business career is a more than adequate preface to public service, and that businessmen no more go to the Halls of Congress as pleaders for a special group than do lawyers.

The Senate of the United States will miss PRESCOTT BUSH. Perhaps, however, when his health has been recouped, Washington's loss can be Connecticut's gain. There's plenty for a man of the Senator's talent to do right here in his own backyard.

[From the Rockville Leader, May 24, 1962]

### A CANDIDATE WITHDRAWS

The withdrawal from the coming campaign of Senator PRESCOTT BUSH as candidate for reelection came as a great surprise to everyone and has caused regret not only among Republicans but Democrats as well, all of whom have only the greatest respect for Senator BUSH.

We in this part of the State are not acquainted with Senator BUSH personally, but we all know from the record that he has made this State a fine lawmaker. He has belonged on the liberal side and has had the courage of his convictions.

For Senator BUSH to withdraw at this late date must mean that his health is not all it should be, or at least that he does not feel in all fairness to himself or to the State that he can continue. We suppose that there are Members of Congress who are not hard workers and who are not affected by the strenuous pace which a conscientious Congressman must follow. The great majority, including Senator BUSH and the others whom we have known personally, work hard in serving their State, and this hard work takes its toll.

We feel sure that everyone in Connecticut realizes that Senator BUSH decided to withdraw only after the most thoughtful consideration and that the people of Connecticut will wish him well in his retirement from active politics.

The coming campaign is going to be a strenuous one, and there is no question but what strenuous campaigns are only for the most energetic and physically fit. We sometimes wonder how the candidates survive a campaign when we see the pace they set.

We have often felt that campaigns are altogether too long and that nominations should come closer to election day. Certainly this year, the race for the Republican nomination for the governorship has been a lengthy one, and we think, wearing to both candidates and public alike. Candidating has gone on for not far from a year in some cases.

With only about 2 weeks to the State convention, the campaigning for Senator must be short, which is probably just as well. Once intraparty problems are settled, we can settle down for the contest between the two major parties for the top offices.

[From the Washington Post, May 18, 1962]

### STIR IN CONNECTICUT

The chorus of regret elicited by Senator PRESCOTT BUSH's decision to retire from the Senate at the end of his term in January is a tribute to his service and not a challenge to his judgment. A Republican of liberal tendencies, an indefatigable worker and a likable personality, Mr. BUSH has served his country and his State well. But he is not the type of man who must cling to his office until his dying breath. Having felt the strain of his rigorous 7-day workweek in recent months, he wisely concluded that another 6 years in the Senate, which would carry him well into his seventies, would overtax his strength.

"Fortunately," Mr. BUSH commented in announcing that he would not seek reelection, "we have able, younger men available who will do full justice to the duties and opportunities involved." Few men have the capacity for such objective judgment about their own personal careers, and the fact that Senator BUSH is one of them accentuates the sense of loss in his decision to quit public life.

[From the Evening Star, May 22, 1962]

### FINE SENATOR RETIRES

The wholly unexpected announcement by Senator PRESCOTT S. BUSH, Connecticut Republican, that he will not run for another term is bad news. And, as was to have been expected, the political rumors have really taken wing.

Senator BUSH, who is 67, did not quite say that he is retiring because of poor health. Instead, he said he is tired, and that he does not have the "strength and vigor" for another campaign or another term. He added that his doctor's advice reinforced his decision to withdraw.

Mr. BUSH's probable opponent would have been HEW Secretary Ribicoff. They opposed each other for the Senate in 1952, Mr. BUSH winning by about 30,000 votes in a total of more than a million. So, had they been pitted against each other again this year, another hard fight would have been certain. In this respect, Mr. Ribicoff is the beneficiary of Senator BUSH's decision. The loser, and we say this with no thought of disparaging Mr. Ribicoff, is the Senate, and, indirectly, the country. Mr. BUSH has been a fine Senator and we are sorry to see him retire.

[From the Hartford Courant, May 22, 1962]

### PATRICIAN

(By Thomas E. Murphy)

I wonder how many people in Connecticut realize what a really fine public servant they are losing in the retirement of PRESCOTT BUSH from the Senate campaign. I have seen a lot of political figures go and come; I even date back to one classy Governor who wore patent-leather shoes with buttons. But in the collection of individuals in high office there was a rare collection of stuffed shirts, pinheads, and just plain showoffs. Only two or three times in a lifetime do you come on such an authentic character as Senator BUSH. He was shaped, not by political office, but over a long period of years, and with a tremendously wide frame of reference. When he ran for office, he was not the familiar stereotype who has learned all the spread-eagle phrases, and all the hoary little jokes.

Strangely enough in public life the boy who sprang from the log cabin often turns out to be the most insufferable stuffed shirt when he achieves high office. But Senator BUSH was just the opposite. He came from the rarefied atmosphere of high finance and, despite his Whiffenpoof Wall Street background, he is just about as unpretentious a man as you could ever meet.

He is tall, handsome, clear-eyed and with a stomach that is as flat and hard as a tabletop. He is a meticulous but not a foppish dresser and has just about everything: looks, brains, money, social background. As someone once observed about him, when he enters an office all the other men at that conference look shorter, fatter, uglier, older, shabbier, and stupider. He is in short a real patrician.

The decision to withdraw from the race was that of a man who is used to weighing facts and to act logically on them. He could have gained no more honors than he now has, and he could have lost health, perhaps even more. Being a good Senator is a tough job because people are pulling away at you all the time.

I must admit that I called on the Senator once myself for help. My oldest boy was caught in the middle of the revolution in Baghdad a few years back, and we could not get any word about him. But Senator Bush cut through the red tape for me and before I knew it, we had the word and the boy was being flown out by plane. Multiply that incident by a couple of thousand and you have some idea of the stresses and strains that a Senator takes on as his daily task, in addition to the actual lawmaking in the Senate.

I am a hard man to please in politics, and you can take my word for it Senator Bush stands well in foreground of the many able men we have had representing us in the Senate, men like Maloney, Danaher, and the like. He is making a wise decision but the people of Connecticut are losing an eminently able, distinguished Senator. A nice guy, too.

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[From the Willimantic Daily Chronicle, May 17, 1962]

### The State Loses a Good Man

The withdrawal of Republican Senator Prescott Bush as a candidate for reelection not only came as a surprise, it was somewhat of a shock. It was a well-kept secret. Even the political pundits were taken by surprise.

But politicians and citizens were quick to respond to the Bush announcement. Democratic Senator Thomas Dodd responded on the floor of the U.S. Senate with words of praise for Bush. Democratic Congressman Frank Kowalski, who is seeking Bush's seat in the U.S. Senate, also responded with praises for Bush.

During schooldays one reads of the great Senators like Daniel Webster. One man from the South who recently saw Senator Bush speaking said, "Senator Bush looks like I always imagined the great Senator Daniel Webster would look."

But the senior Senator from Connecticut did more than look the part. Bush was not one to sidestep a question. He usually attacked it head on. Eventually he always took a stand. Members of the news media could count on the Senator for a forthright statement. Senator Bush wanted to keep the people of the State and Nation informed.

Citizens can sympathize with a 67-year-old man who says the demands on his time and energies required by the Senate necessitates his retirement. In the case of Senator Bush he went above and beyond the call of duty. He made it a point to listen to all sides of a question. He was a constant speaker around the State. He was a respected speaker on the floor of the U.S. Senate.

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[From the Danbury News-Times, May 18, 1962]

### Senator Bush Withdraws

The withdrawal of U.S. Senator Prescott Bush from renomination by the Republican Party is the biggest political surprise in a year already marked by many unusual political developments in Connecticut.

When Senator Bush decided that his health made it inadvisable for him to seek reelection, he called a conference of party leaders and then a press conference to disclose his unexpected decision.

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That is the candid manner in which Senator Bush acted once he came to the conclusion the nomination ought to go to a younger man. His renomination was a "sure thing," as far as politics go. Others might have been tempted to delay until the eve of the convention, or even to accept renomination and then withdraw, handpicking a successor.

But Senator Bush spoke out frankly. In so doing he added to the considerable stature he had already gained through his 10-years' service in the Senate. Democrats and Independents, as well as Republicans, join in good wishes to him as he enters his final months in public office and prepares to return to private life.

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[From the Manchester Herald, May 20, 1962]

### Senator Prescott Bush

This newspaper found it a rewarding privilege to support Prescott Bush for public office. He fought cleanly and intelligently for a brand of republicanism, for a standard of public service, for the kind of foreign policy which made sense and honor in a turbulent era and an upsetting world.

Others have found an entry into the political arena some kind of requirement toward cheapness, toward the design of some premeditated image, toward the campaign line that would be sure to follow the public opinion polls. But Prescott Bush came to politics as Prescott Bush and he leaves it as Prescott Bush, and, in the interval of his public service, nobody has ever been able to corral or catalog or collar him. He answered only to what he himself believed. And what he himself believed was usually sound, sensible, middle-road Americanism, given neither to wild crusades nor to standpatism, but always confident that there had to be a way forward which made for sense and decency.

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[From the Connecticut State Journal, May 1962]

### Prescott Bush—Every Ounce a Man

(By Jerry Hallas)

Announcement by Republican U.S. Senator Prescott Bush on the day after his 67th birthday that he would not seek reelection caught political friends and foes by surprise. Some people "in the know" had been looking for a different kind of an announcement. They had hoped that Senator Bush would show his preference for one of the several gubernatorial aspirants.

News of a press conference in Hartford, unusual for the Senator, broke on his birthday, but beyond that it was to be an important conference and having something to do with the campaign it was a well-kept secret from news sources even on the day of the press conference.

Senator Bush came to his decision following a visit to his physician just before his birthday. The decision was, as he said, "a prayerful one."

One of his aids was summoned to Washington, and he learned of the stunning turn of events. The latter's attention had been on a campaign for some time.

Any other interpretation of why Senator Bush withdrew could be more elaborate with the "I's" or "t's" crossed, but probably will be untrue and in this day of free-swinging politics even a disrespect to a man who devoted almost 10 years of service to his country, State, and world. He was every inch a man as U.S. Senator. He will be when he is not Senator, after he serves out his term.

Like the gracious lady that she is, Mrs. Dorothy Bush is behind her husband 1,000 percent.

Pres Bush brought to Washington with him many personal attributes, such as integrity, honesty, and qualities which he values above politics. Most of the activities have not made news simply because they were not performed by a publicity conscious individual for notoriety purposes.

When he played first base on the Yale team, people watched a colorful shortstop, but today those same people can't recall that shortstop's name.

Pres Bush can drive a ball on the golf course that would please some professionals. This prowess as a golfer was more than enough to get him invites to play with Ike when he occupied the White House.

One thing Pres Bush is not is a faker. He doesn't have the personal ingredients like dishonesty, lack of intestinal fortitude, moral and physical, etc., etc.

Pres Bush has been, and is, a man of principle. In today's market these are more rare than a nice day in June, and just as refreshing.

In Washington senatorial circles in recent months Bush's abilities and activities have tended to receive recognition by the National Republic Party by casting the toga of the late Senator Robert Taft on his shoulders in matters of extreme economic importance. Bush has greeted this with a knowing smile, but modestly has done little to exploit matters publicitywise. His knowledge of the effects of such complicated things as the peril point and escape clause in the trade bill is shared by few Senators.

In 1956 he was urged to adopt and develop the idea of an incentive income tax plan. He gave it some thought, but after advice from economists he abandoned the idea as being inflationary. Since that time even J.F.K. has proposed in messages to Congress some elements which are not too different from what Bush had under consideration.

Pres Bush, as a Senator, has not been an ultraliberal, nor a reactionary. He has often been described as a moderate Eisenhower Republican, which comes somewhere near the political truth.

He has never disguised his interest in Connecticut's economic climate. His efforts following the 1955 flood disasters serve as proof of his philosophy. On the other hand, he has not been beyond opposing sectional interests, when in his judgment the economic welfare of the Nation was involved. Such a reaction often mystified people who claimed they were good Republicans.

Political friend and foe will agree that Pres Bush has been a devoted and conscientious public servant in his decade in the U.S. Senate.

There are literally thousands of examples where the intervention of Senator Bush benefited persons regardless of political affiliation.

This happens to be only one of the reasons why this writer firmly believes that Senator Bush would be reelected, regardless of who his opponent would be. He happens to be better than just a good Senator, and you can check that with high ranking Democrats as well as Republicans, inside Connecticut as well as in Washington.

Only a few voters have a keen concept of the many things a job of Congressman, or one of U.S. Senator involves.

In his announcement Senator Bush mentioned some of the things such as a 7-day week.

For some strange reason, people, including wardheelers think of any State job as a "soft job," which today is a disservice to Democratic and Republican officeholders on the national level.

A conscientious public servant, be he a Congressman or Senator, cannot cut his workload down to a 40-hour week—even with automation. The problem of being in two places at one time has been solved, but three and four is not easy.

Just the increase in the number of visitors to Washington is enough to drive a receptionist "nuts" when the purpose is to say "hello." And people from Connecticut do visit Washington at other times than cherry blossom time.

In these swift moving days of major changes in key national and international political and economic problems, Connecticut Republicans and Democrats have many reasons to have a U.S. Senator of the stature of Pres Bush to represent them.

Some folks appreciate that his wide and intensive knowledge of international banking and trade matters are a service to Connecticut. These same people often completely disregard him as a human being. Now and then some brave and understanding soul, such as State Senator Florence Finney of Greenwich, tries to explain.

Pres Bush has developed a reputation over the years of being good at anything he sets his mind and heart to.

[From the Farmington Valley Herald, May 24, 1962]

### SENATOR BUSH RETIRES

Many words have been said about Prescott Bush, our senior Connecticut Senator, all highly complimentary as they should be. His integrity has been extolled, his ability, his dedication and his unstinting effort for the common good praised from one end of this State to the other, and from one corner of the country to the next. There are few if any words to add to the accolades already spoken.

We think, though, that to have known one good man—one man who, through the chances and rubs of a long life, has carried his heart in his hand, like a palm branch, waving all discords into peace, helps our faith in God, in ourselves, and in each other more than many sermons. We have known Pres Bush as many in our Farmington Valley have known him, and all of us who have known him have been helped in our faith in God, in ourselves and in each other by his friendship.

Senator Bush's bombshell announcement that he would not seek renomination to the U.S. Senate came with the total honesty, integrity and dignity that is so characteristic of him. He indicated that the pressures of his responsibilities have placed a drain on his physical resources to the point where his sacrifice would have to include his health.

[From the Hartford Times, May 17, 1962]

### IT NEVER RAINS—IT POURS

Regardless of politics, Connecticut has been proud of Prescott Bush.

He has set an example of what a U.S. Senator ought to be—a man of public and personal quality. Devoted to the State and National welfare, he has been a straightshooter, able and sincere in every circumstance and under every demand.

So it is a startling and dismaying thing for the State to learn that he is withdrawing and will not be a candidate for reelection.

We have not always agreed with him and we might not have gone down the line with him had he remained in the running.

That does not in the least alter the esteem in which we, or his fellow citizens generally, hold him.

No less than the State at large, the Republican Party, too, will feel his loss.

[From the Washington Star, May 19, 1962]

### BUSH WITHDRAWAL A REAL LOSS

(By Gould Lincoln)

Senator Prescott Bush's decision not to seek reelection has stirred Connecticut politics with a big spoon. But, more important, it means the retirement of a U.S. Senator worthy of the name. His wide experience in the financial and business worlds was valuable to the Senate Banking and Currency Committee and to the Joint Economic Committee, of which he is a member, and to the Senate Armed Services Committee. A great worker always, Senator Bush has won both the respect and affection of his colleagues.

[From the Lakeville Journal, May 24, 1962]

### SENATOR PRESCOTT BUSH

Senator Bush, in our book, was the near-perfect representative of the whole people—a characteristic which we have always felt should be inherent in all candidates after election, but which far too often is lacking.

Senator Bush may not always have voted as we or others would have liked, but we have never read or heard the accusation that he ever voted strictly for personal or party reasons, or that he did not weigh all the evidence and think of all of his constituents, not to mention the broader constituency which national Senators should think of—the whole people and their welfare.

Not as effective on a platform as many, he was far more effective in direct action and in personal contact, where his sincerity and deep feeling for humanity and the problems of all people became very evident. He will be sorely missed.

[From the Ridgefield Press, May 17, 1962]

### SENATOR BUSH RETIRES

Prescott Bush, the friendly and distinguished gentleman from Greenwich who has visited our town many times in the 10 years he has been a U.S. Senator, has regretfully decided not to seek a new 6-year term in the "greatest deliberative body in the world." At 67 he wants to relax a little instead of working 7 days a week. His decision is entitled to the greatest respect. We wish him and Mrs. Bush many happy and pleasant years away from the official and demanding life in Washington.

Senator Bush has been generally to the left of his fellow Republicans on public issues since he took office, adopting an open mind on questions and ever being prepared to adjust his thinking to changing world and national conditions. His advice and opinion have been highly regarded by his colleagues in both parties, though, of course, he has not always been on the prevailing side.

Mr. Bush's decision not to run again has brought forth a barrage of statements and comments in praise of him and his service to State and Nation. We are happy to join in this widespread tribute.

[From the Brookfield Journal, May 24, 1962]

### BUSH'S BOMB

This new tempest within the Republican Party is, we think, the best tribute which could be said to Prescott Bush. For 10 years he has had the field to himself because of his stature and performance in Washington.

A singular honor was paid by President Eisenhower when he said that Senator Bush was one of six men whom he could accept working alongside him as Vice President.

We wish Senator Bush well as he approaches retirement, hoping that he will find many rewarding years in private life among his grateful fellow citizens.

[From the Bridgeport Herald, May 20, 1962]

### SENATOR BUSH'S SENSATIONAL WITHDRAWAL

Politically sensational, with the GOP June nominating convention so close by, was the news Prescott Bush has decided to retire from the U.S. Senate rather than campaign for a third term.

The health reasons he advanced for his decision serve to dramatize the heavy demands the office places on a national legislator.

Senator Bush's position in the Eisenhower hierarchy enabled him to bring about legislation that benefited his constituents, regardless of political persuasion, including appropriations for highway funds, housing and slum clearance, small business aid and flood rehabilitation, control and prevention.

In 1956, President Eisenhower, in a "Dear Pres" letter, said: "For your consistent advocacy of principles of sound government and of measures essential to the public good, you have my warmest thanks."

Along with Ike, to "Pres" Bush, a man of principle, guided by the highest tradition of the U.S. Senate, Connecticut says: "Warmest thanks."

[From the New Milford Times, May 24, 1962]

### BUSH'S BOMB

If last week's bombshell dropped by Senator Prescott Bush when he announced that he will not seek reelection to the Senate this fall has done nothing else, it effectively reduced the field in the seven-way race for the GOP nomination for Governor when ex-Gov. John Lodge withdrew from his untenable position as unannounced candidate and set his cap for the Senate.

But it did something else. It set up a new contest which will share the headlines with the gubernatorial race during the future weeks before the June convention.

This new tempest within the Republican Party is, we think, the best tribute which could be said to Prescott Bush. For 10 years he has had the field to himself because of his stature and performance in Washington.

A singular honor was paid by President Eisenhower when he said that Senator Bush was one of six men whom he could accept working alongside him as vice president.

We wish Senator Bush well as he approaches retirement, hoping that he will find many rewarding years in private life among his grateful fellow citizens.

[From the Wilton Bulletin, May 23, 1962]

### SENATOR BUSH RETIRES

Prescott Bush, the friendly and distinguished gentleman from Greenwich who has visited our town many times in the 10 years he has been a U.S. Senator, has regretfully decided not to seek a new 6-year term in the "greatest deliberative body in the world." At 67 he wants to relax a little instead of working 7 days a week. His decision is entitled to the greatest respect. We wish him and Mrs. Bush many happy and pleasant years away from the official and demanding life in Washington.

Senator Bush has been generally to the left of his fellow Republicans on public issues since he took office, adopting an open mind on questions and ever being prepared to adjust his thinking to changing world and national conditions. His advice and opinion have been highly regarded by his colleagues in both parties, though, of course, he has not always been on the prevailing side.

Mr. Bush's decision not to run again has brought forth a barrage of statements and comments in praise of him and his service to State and Nation. We are happy to join in this widespread tribute.

[From the Middletown Press, May 17, 1962]

### BUSH BOWS OUT

Senator Bush retires now with many fond memories, the knowledge that he bowed out gracefully while still at the height of his powers, with a record of many friends, and with the realization that his action can play a part in the rejuvenation of the GOP. The Democrats, with their usual skill and farsightedness, have been thinking ahead; it's time for the GOP to do the same.

## MASS DEPORTATION OF BALTIC PEOPLE

Mr. SALTONSTALL. Mr. President, this week we commemorate the anniversary of a most tragic period in the history of three Baltic nations—Lithuania, Estonia, and Latvia. It was on June 15, 1940, that the Soviet Army swept across the Lithuanian borders and forced this peace-loving country under the Communist yoke. By June 17, both Estonia and Latvia were occupied. Mass deportations followed in which more than 50,000 people were sent to prison camps in eastern Russia.

Since then, several waves of deportations and arrests occurred in these countries. The most serious took place in 1949 in an effort to break the resistance of Baltic farmers against forceful collectivization of their land. It was at this time than an estimated 10 percent of Lithuania's population was driven to Siberia.

These captive people today constitute a great symbol of mankind's struggle against the ruthless forces of international communism. We, in turn, must provide them with the moral encouragement to continue their gallant struggle in the face of most difficult odds and hope that our words of encouragement will reach them.

On this sad anniversary, we hope and pray that most of these freedom-loving people now imprisoned in Soviet labor camps are still alive. We also hope that someday they will return to their Baltic homelands and join with their fellow countrymen in helping to regain their cherished democratic ideals of international independence, freedom and human dignity.

## HANDLING OF THE BILLIE SOL ESTES CASE

Mr. TOWER. Mr. President, I shall ask unanimous consent that two newspaper articles be printed in the Record that serve to document and further substantiate my position, earlier expressed, that the Department of Agriculture's cavalier and defensive attitudes toward the Billie Sol Estes case have definitely served to materially lessen public confidence in the entire Federal Department.

The first article, appearing in the Amarillo Sunday News-Globe, on June 10, 1962, relates that Secretary Orville Freeman, resentful of newspaper inquiry and coverage of the Estes matter, is intimating and threatening, through principal assistants within his inner office circle, that he will take legal action against this newspaper, that has been outstanding in its coverage of the Estes case developments since the first days of the public exposures, last March.

Secretary Freeman's particular concern, expressed in a letter from his aid and assistant, Thomas R. Hughes, to Vernon Louviere, distinguished Washington correspondent for the Amarillo News-Globe, is that the article complained of could "subject him to removal from office."

I am sure, Mr. President, that Secretary Freeman's concern about his tenure in office may be well based and well grounded. However, I am likewise sure that the article complained about will have nothing whatever to do with the circumstances of his possible departure.

The article complained about recounts that in the spring of 1961, when Billie Sol Estes was under consideration for appointment to the National Cotton Advisory Committee, that the Department's first investigative report was adverse, and that a second and "clean" report was thereupon ordered as a basis for the appointment.

Whether this report was personally ordered by Secretary Freeman, by Under Secretary Charles Murphy, who has endeavored to assume as much responsibility as possible for Billie Sol Estes matters, or by some still lesser official, is immaterial, as the Cabinet member is the responsible authority, as is well known.

I am likewise convinced that Mr. Louviere's sources are reliable and need to be protected, undoubtedly to insure the tenure of the official who made the disclosure, or permitted it to be made, in the public interest.

Mr. President, the second article I ask unanimous consent to introduce in the Record is from the June 8, 1962, edition of the Dallas News, is written by the distinguished Washington correspondent of the News, John Mashek, and is titled "Freeman Seen Trying To Turn Estes Tide."

The article recounts that while Secretary Freeman is threatening, through principal assistants, to bring suit because of unfavorable or unfriendly newspaper accounts, he is hosting favored Washington newsmen at luncheons and social chats in an effort to win their good will. This exercise and technique speaks for itself, and the article tells the story thoroughly and well.

Mr. President, I ask unanimous consent that these articles be printed in the Record following my remarks.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Dallas Morning News, June 8, 1962]

### Freeman Seen Trying To Turn Estes Tide

(By John Mashek)

Washington.—Secretary of Agriculture Orville Freeman is apparently on a two-pronged attack to turn the tide of the so-called "bad press" in the Billie Sol Estes case.

In one action Freeman has written a letter, through his executive assistant, to the representative of one newspaper threatening libel action over a news story in connection with the case.

In the letter, Freeman's top assistant specifically said that if the secretary is fired because of the case, this news story would become an open-and-shut case of libel.

(There have been whisperings and rumors in the administration that Freeman is on his way out, but President Kennedy has remained loyal to the former Minnesota Governor.)

While tossing out the libel challenge on the one hand, Freeman Thursday invited six news representatives to lunch for an informal chat about agriculture in general. The Estes case, of course, came up during the conversation over lunch.

The Department said that it had not singled out any special reporters for the meeting and had, in fact, invited representatives of newspapers whose editorial policies could be considered unfriendly. Such was the case.

Rodney Leonard, the Department's press chief, said the meeting was one of many called to allow reporters to talk with Freeman informally. He said many subjects were discussed including the Common Market, administration of the Department and the Estes case.

(Leonard said there was nothing new on the Estes case in Thursday's meeting.)

Leonard said this was not the first informal meeting with the press since Freeman became embroiled in the Estes case.

But it apparently was the first large-scale meeting. Other meetings since any of Freeman's words on Estes would have been important have been restricted to one or two individuals in his office.

The press chief said there would be more informal press meetings with Freeman during the next month. He said they would include bureau chiefs who could sit down and discuss many issues with the Secretary.

He insisted that the meetings would not be confined to whether or not the newspaper representative was considered unfriendly to the Department.

At any rate, Freeman's letter on the possible libel suit—written by executive assistant Tom Hughes, indicates the uneasy situation in the Department over the outcome of the Estes case as it involves the Secretary.

The admission that a possibility of dismissal exists is unique for a Secretary who has been defended by the President.

There also is a question of timing on the informal chats with reporters in the light of the controversy on the Estes case.

At Freeman's first press conference on the Estes matter, he described it as a lawyer's quarrel and one blown out of proportion in the press.

He has not had an open news conference since that time.

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[From the Amarillo, Tex., Sunday News-Globe, June 10, 1962]

### Freeman Legal Threat Against Paper Is Seen

Secretary of Agriculture Orville Freeman has intimated that he will take legal action against this newspaper as a result of a story on the Billie Sol Estes case.

The implied threat was contained in a letter written last week by Freeman's executive assistant and directed to a Washington correspondent.

Thomas R. Hughes, author of the letter, stated that counsel for the Secretary had advised Freeman that a statement in the Amarillo Sunday News-Globe of May 6 constitutes libel against him.

Hughes did not say that court action would be taken, but asked Vernon Louviere, reporter of the story in question, for comment in writing "before proceeding any further with this matter."

At issue are three paragraphs included in the story which said Freeman rejected in May 1961 an adverse report on Billie Sol Estes and ordered that a "clean" one be submitted in its stead.

Louviere had attributed the incident to "a highly reliable source." The source has not been divulged.

The three paragraphs at issue are as follows:

"Meanwhile, from a highly reliable source, it was learned that Agriculture Secretary Orville Freeman rejected in May 1961, an adverse report on Estes who was being considered for appointment to the National Cotton Advisory Committee.

"Freeman, according to the source, sent the report back and ordered that a 'clean' one be turned in in its stead. Estes was appointed to the post 2 months later, reappointed last November, and resigned after his arrest by the FBI on multiple fraud charges.

"The adverse report on Estes covered his 1953 activities in connection with farm storage facility loan program as well as other subsequent financial transactions with the Department."

In his letter, Hughes said the information contained in these three paragraphs is "totally and completely false."

Hughes continued: "It would appear from examination of laws of libel in the State of Texas that there are two basic considerations in a libel suit. 1. That a publication about a public officer to be libelous per se must be of such character as, if true, would subject him to removal from office. 2. That a false statement of fact concerning a public officer, even if made in a discussion of matters of public concern, is not privileged as fair comment.

"Both of these points are applicable in this case," he added.

The Globe-News papers initiated their investigation of Estes before the story became of statewide interest. The Amarillo Daily News was the first daily paper to write of Estes and hint that all was not rosy with the Pecos tycoon.

Publisher S. B. Whittenburg said the papers first became interested in Estes when it was rumored that he had an interest in Superior Manufacturing Co. here, and that his anhydrous ammonia tank deals were suspicious.

"From the very start of our investigation it appeared that a lot of people in our circulation territory were going to be hurt," he said. "Since that time we have used all resources at our command to inform our readers."

## EXPANSION OF OUR TRADE WITH THE FREE COUNTRIES OF THE WORLD

**Mr. SPARKMAN.** Mr. President, the interest, not only of the people of Alabama whom it is my privilege to represent, but of all Americans, will be served by expanding our trade with the free countries of the world.

I believe that firmly.

But I also believe we must not lose sight of the fact that trading is an exchange.

If we are going to accept in our markets the goods foreign countries want to export—goods that are competitive with our products—then, in exchange we must insist that they allow our products—on which we can be competitive—to enter their markets.

This is the very essence of trade—a fair exchange, arrived at by bargaining.

I am concerned—and I think we should all be concerned—over what the Common Market countries propose as far as agricultural products are concerned.

What they propose is clearly intended to exclude our poultry, for example, from their markets.

I mention poultry in particular because almost three million farmers produce poultry and eggs. In fact, the largest agricultural source of cash income in my State last year was from the poultry business—broilers, eggs, and chicken products generally. Poultry and eggs are still produced more generally than any other farm product.

Poultry and eggs are the third most important source of cash farm income, exceeded only by red meats and dairy products.

Poultry and eggs provide more farm income than wheat, more than cotton, more than corn, more than tobacco.

Poultry and eggs are being produced with price-supported grain, but without subsidy or support themselves.

And they are being produced so efficiently that our chickens and our turkeys can be processed, packaged, shipped overseas, and sold competitively with poultry produced there.

The Department of Agriculture reports that last year we exported 236 million pounds of poultry. That was 3 percent of our production. I understand we are now exporting at the rate of 5 percent of our production.

This 236 million pounds, which we exported last year, was 5 times as much as we shipped abroad in 1958. That is how fast the demand for our poultry has grown. Three-fourths of this increase went to Western Europe—to the countries that, having gained access to our markets, now propose to close their markets to our poultry.

Are we going to permit our farmers to be denied markets because they have become too efficient to be allowed to compete?

Such a policy contradicts the principle on which the Trade Expansion Act is based. It contradicts the principle on which the Common Market itself is based.

Such a policy would insulate the Common Market countries from competition and put them in a position to develop and expand production that could not otherwise be justified.

This is no way to bring about the best allocation of the free world's resources, to the mutual advantage of all its peoples.

If, by our inaction, we allow such a policy to become effective, we will cause incalculable harm not only to the poultry industry, but to American agriculture and our whole economy.

It is apparent that unless we have a bargaining tool, we have little chance to prevent exclusionary devices, such as variable import levies, being imposed against our products.

The President told us:

> We mean to see to it that all reductions and concessions are reciprocal—and that the access we gain is not limited by the use of quotas or other restrictive devices.

Secretary Freeman said:

> We must make certain that any swap * * * includes assurance that reasonable terms of access will be provided for our agricultural products.

The arrangements so far have not guaranteed that the poultry producers in my State will have reasonable access to the markets they have developed for their products in Western Europe.

However, the way has been kept open for continuing negotiations.

It is imperative that we provide our negotiators with the leverage necessary to bargain effectively on behalf of our farmers and particularly our poultry producers.

In my State of Alabama poultry and eggs account for 25.8 percent of the income from all farm commodities.

I am sure the Senators from my neighboring State of Georgia will be glad to verify that poultry and eggs account for over a third of the farm commodity income in their State.

I may say that Georgia is the largest producer of poultry products in the entire United States. Up in Delaware, the figure is 57 percent.

I would remind the distinguished Senators from New Hampshire that 36 percent of the farm commodity income in their State comes from poultry and eggs, and my fellow Senators from Maine that the figure in their State is 37 percent, and my colleagues from Massachusetts that 25 percent of the income from farm products in their State is from poultry and eggs.

I could go through every State in the Union. Even when the percentage is not so high, the dollar figure is often impressive. In Iowa, for example, where poultry and eggs account for 6.2 percent of the income from farm commodities, that still adds up to $152 million.

Poultry and eggs are one of the major sources of agricultural income in this country.

Despite the importance of the industry, it is not asking favors. And I am not asking favors for it.

But it expects fair treatment.

I think you will agree that poultry and eggs, along with our other agricultural products, are entitled to fair treatment.

It is up to us to make sure they will be allowed to compete on a fair basis without handicap in all the markets of the free world.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which shows the income from poultry and eggs in each State of the Union and their percentage of all commodities for each State.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Figures from Farm Income (a supplement to the Farm Income Situation for July 1961) issued by the Economic Research Service, USDA, August 1961*

| State | Income from poultry and eggs, 1960 (thousands) | Percentage of all commodities |
|---|---|---|
| Maine | $77,580 | 37.1 |
| New Hampshire | 20,475 | 36.5 |
| Vermont | 7,502 | 6.1 |
| Massachusetts | 41,851 | 25.7 |
| Rhode Island | 4,848 | 23.0 |
| Connecticut | 47,327 | 30.0 |
| New York | 85,112 | 9.9 |
| New Jersey | 83,807 | 27.5 |
| Pennsylvania | 162,077 | 20.3 |
| Ohio | 93,572 | 9.3 |
| Indiana | 107,383 | 9.5 |
| Illinois | 67,504 | 3.4 |
| Michigan | 50,222 | 6.9 |
| Wisconsin | 80,592 | 7.3 |
| Minnesota | 149,943 | 10.5 |
| Iowa | 151,854 | 6.2 |
| Missouri | 79,515 | 7.2 |
| North Dakota | 12,174 | 2.4 |
| South Dakota | 35,613 | 5.9 |
| Nebraska | 46,322 | 3.9 |
| Kansas | 33,603 | 2.7 |
| Delaware | 66,624 | 57.5 |
| Maryland | 79,256 | 28.5 |
| Virginia | 79,915 | 17.0 |
| West Virginia | 29,446 | 27.4 |
| North Carolina | 160,029 | 14.8 |
| South Carolina | 41,696 | 11.3 |

*Figures from Farm Income (a supplement to the Farm Income Situation for July 1961) issued by the Economic Research Service, USDA, August 1961*—Continued

| State | Income from poultry and eggs, 1960 (thousands) | Percentage of all commodities |
|---|---|---|
| Georgia | $263, 596 | 34. 2 |
| Florida | 42, 410 | 5. 6 |
| Kentucky | 30, 940 | 5. 6 |
| Tennessee | 44, 208 | 8. 7 |
| Alabama | 137, 577 | 25. 8 |
| Mississippi | 96, 911 | 16. 1 |
| Arkansas | 129, 725 | 19. 1 |
| Louisiana | 27, 636 | 7. 5 |
| Oklahoma | 23, 535 | 3. 3 |
| Texas | 142, 742 | 6. 2 |
| Montana | 5, 706 | 1. 4 |
| Idaho | 8, 377 | 2. 6 |
| Wyoming | 1, 539 | . 9 |
| Colorado | 15, 480 | 2. 5 |
| New Mexico | 5, 344 | 2. 3 |
| Arizona | 6, 927 | 1. 6 |
| Utah | 24, 488 | 15. 4 |
| Nevada | 325 | . 6 |
| Washington | 45, 948 | 8. 0 |
| Oregon | 36, 563 | 8. 8 |
| California | 294, 576 | 9. 3 |

## CORPORATE FOREIGN INVESTMENT

**Mr. GORE.** Mr. President, the Wall Street Journal for June 14 carries an excellent "News Roundup" article on corporate foreign investment. This article should be read by all who are interested in tax equity, in the prevention of the wholesale movement of our industries to Europe, and in the short-run correction of our balance of payments.

Several interesting points are brought out—and bear in mind the comments are those of businessmen who are interested in expanding their oversea operations, particularly manufacturing abroad in allegedly low-cost countries.

It is said in this article:

> A handful of companies have delayed new plant plans until they can see how Congressional tax debates come out. But the great majority are pushing ahead.

It is also stated:

> Almost exactly half the companies surveyed say they probably will cut back, or at least go slow, on foreign capital spending in 1963 and future years if these provisions become law.

This article tells us two things. First, taxation does play a part in foreign investment decisions, and a more equitable method of taxing foreign operations will slow down those who are moving into foreign areas in order to avoid or evade proper U.S. taxation. The bill before the Finance Committee will not materially affect legitimate foreign operations, particularly those which serve our export markets.

It is contended by those quoted in this article that a tightening of our now rather loose taxation of foreign operations will not help our balance of payments problem in the long run. It is contended that "in the long run the dollars their foreign plants return to the United States in dividends far outnumber the dollars sent out of the United States to get them into operation." Now, this may be true. The "long run" period is, according to some Treasury calculations, about 12 to 15 years. This is too long. We need to solve our balance of payments problem in a much shorter period.

The enactment of the foreign tax provisions of the administration will result in greater tax equity as between domestic and foreign operations. This would have a marked effect on certain operations, particularly those which have been drawn overseas by the lure of low taxes in tax haven countries. There will be little effect on those who are operating without resort to tax avoidance schemes.

The wholesale export of jobs overseas will be slowed down. The export of commodities will not.

The short-run balance of payments will be helped by the slowdown in the outflow of capital funds and by the stepped-up inflow of earnings from existing foreign operations. Whether the long-run situation will be materially affected is subject to question.

Mr. President, I hope all my colleagues will read this article and that each one will draw his own conclusions, bearing in mind that any group of taxpayers will generally try to put the best possible face on any situation which will allow them to continue to escape proper taxation.

I ask unanimous consent that the article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### U.S. COMPANIES BOOST OUTLAYS SHARPLY FOR THEIR FOREIGN PLANTS—BUT MANY PLAN TO CUT BACK LATER IF CONGRESS TAXES MORE OF OVERSEAS PROFITS—DOLLAR OUTFLOW ARGUMENT

Spending by U.S. corporations to build or expand foreign plants will shoot up sharply this year—no matter what happens to the Kennedy administration's proposals to tax more of the future profits these plants may earn.

But if the House-passed limited tax revision bill becomes law in its present form—an increasingly chancy proposition—many companies say they will curtail or slow down their foreign spending in 1963 and later years. The result, many businessmen insist, would in the end be to damage further the Nation's balance-of-payments position. Executives unanimously contend that in the long run the dollars their foreign plants return to the United States in dividends far outnumber the dollars sent out of the United States to get them into operation.

Those are the main points made by executives of more than 50 leading corporations, queried by the Wall Street Journal on their companies' foreign spending plans in light of the pending tax bill. With some important exceptions, the bill would make profits of the foreign subsidiaries of U.S. corporations subject to U.S. tax as soon as they are earned. Under current law these foreign earnings are not taxed until they are brought home as dividends to the parent company.

#### BILL'S PROSPECTS

The businessmen's assessments of the bill's likely impact on future foreign investment are necessarily tentative, of course. The tax revision bill is caught in a legislative logjam, and some Washington experts think it stands slightly less than an even chance of becoming law this year. Even if it does, the Senate Finance Committee, which is now studying the bill, is likely to soften its rules for taxation of foreign profits, perhaps making them apply almost solely to nonmanufacturing U.S. subsidiaries established in countries with very low tax rates—so-called tax-haven operations. And even if the bill passes in its present form, it would not take effect until 1963.

There's nothing tentative, however, about business plans for foreign capital spending this year. A handful of companies have delayed new-plant plans until they can see how the congressional tax debates come out. But the great majority are pushing ahead with heavy expenditures to cash in on new market opportunities overseas or to supply the increasing wants of their existing foreign customers.

Among 48 companies that gave some comparison of their 1962 foreign-plant budgets with last year's spending, 25 said they will raise outlays. Another 13 said they will spend at least as much as in 1961. Only 10 planned to reduce foreign capital outlays, and most of these specified the tax bill was no part of the reason; generally they said they simply had completed major projects last year and were not yet ready to start new ones as large.

#### GULF, ALCOA RAISE OUTLAYS

Moreover, 17 companies that gave specific dollar figures plan to spend a total of about $360 million for foreign plants and equipment this year—up more than 43 percent from around $251 million in 1961. Gulf Oil Corp. is raising its foreign plant spending to $91 million this year, against $68 million in 1961, with much of the increase going for new refineries in Denmark and Holland. Aluminum Co. of America will shell out $39 million abroad this year, against only $6 million last year; much of the 1962 money will go to an Australian concern in which Alcoa has a 51 percent interest, to speed construction of an integrated aluminum complex estimated to cost $100 million eventually.

Such rises come on top of a sharp increase in oversea-plant spending last year. While figures are not complete, the U.S. Commerce Department has estimated U.S. companies spent over $4.5 billion for foreign plant and equipment in 1961, up more than 20 percent from 1960. That contrasts with a 3.6 percent decline last year in spending for new plant and equipment in the United States, which totaled $34.4 billion. The Commerce Department originally estimated 1962 foreign-plant spending would hold at the 1961 level, but these estimates were published last September and so do not include the latest plans.

Rising sales of existing foreign plants are powering much of the expansion. Gillette Co. of Boston, for instance, is raising its foreign plant-building budget to $13 million this year from $9 million in 1961, principally for a new plant in Australia and new capacity in Germany. In both areas, a spokesman says, demand has outstripped the capacity of present facilities.

#### CRACKING THE COMMON MARKET

Entirely new ventures are often motivated either by the desire to get behind the tariff wall of the European Common Market or by the lure of untapped sales prospects in underdeveloped areas. Pittsburgh Plate Glass Co. will build a plant in Holland this year and two in Italy. Both are Common Market countries and, says David G. Hill, president, "we can't get into it (the Common Market) from the United States." The Commerce Department's 1961 survey estimated last year's new-plant spending by U.S. companies in the six Common Market countries rose more than 50 percent over 1960.

In less-developed areas, Firestone Tire & Rubber Co. is negotiating to build Thailand's first tire plant, while new detergent plants scheduled for Malaya and Thailand will help push Colgate-Palmolive Co.'s 1962 foreign capital spending to $17 million, from $12 million last year. Latin America is getting considerable attention, too. General Motors Corp is completing a sheet metal stamping plant needed to launch General Motors Argentina, S.A., into production of a new type of Chevrolet this fall.

These projects also continue an established trend. The Commerce Department estimates 1961 Latin-American plant spending by U.S. companies jumped 40 percent over 1960 while outlays in Asia and other underdeveloped areas also rose.

For several companies, heavy overseas spending this year also is dictated by long-range programs launched some time ago and now in full swing. Ford Motor Co. in 1960 began a $225 million program, scheduled for completion in mid-1963, to raise the car and truck producing capacity of its British subsidiary 50 percent. Last year it also kicked off a $125 million program, to end late this year, for a 50 percent increase in capacity of its German subsidiary.

On all these programs, the Kennedy tax program so far is having only a marginal effect. Reed Roller Bit Co., of Houston, has decided to delay construction of a $1.5 million plant in Holland, which had been scheduled to start later this year, until it can "see how things settle out," says John Maher, president. But nearly all other executives queried say 1962 spending plans are far too advanced to be delayed now, whatever Congress does.

WHAT BILL WOULD DO

In future years, however, the impact of the tax bill could be much greater in the event that it passes Congress with its present foreign-tax provisions intact. Basically, the bill provides that earnings of an oversea manufacturing subsidiary of a U.S. company will be subject to U.S. tax in the year earned, unless reinvested in the business or in an underdeveloped country within 3 months of the close of the taxable year. Earnings of a nonmanufacturing subsidiary could escape taxation only if reinvested in an underdeveloped country; they would be taxed if used to finance a new plant in an industrialized nation, such as one of the Common Market countries. Earnings from rents, royalties, copyrights, or patents abroad would be taxed no matter where or how they were reinvested.

Almost exactly half the companies surveyed say they probably will cut back, or at least go slow, on foreign capital spending in 1963 and future years if these provisions become law. They include such names as Coca-Cola Co. and Eastman Kodak Co., both among the most active firms in foreign plant building.

The principal reason foreign outlays might be curbed, executives say, is that most foreign capital expenditures are financed out of retained tax-free profits of existing foreign plants or sales subsidiaries, usually saved over a period of years. So, says Michel Bergerac, director of oversea operations for Cannon Electric Co., if the tax bill is passed in its present form, "we just wouldn't have as much money to spend" on foreign plants in the future. Cannon, a Los Angeles maker of electrical connectors, is spending $3 million this year for additional manufacturing facilities in Japan and England.

WHERE MONEY COMES FROM

Of $5 billion spent by U.S. concerns in 1960 for foreign plants and equipment and other assets, the Commerce Department estimates, some $2.9 billion came from retained profits and depreciation allowances of the foreign plants themselves. Foreign investors and lenders put up another $1.1 billion, while only $1 billion, or 20 percent of the total, was sent abroad from the United States. For some companies, the proportion of foreign-plant-building funds derived from foreign sources goes even higher; Armco Steel Corp. says 90 percent of the money it spends overseas is raised overseas.

Many executives also charge that the tax bill would make their oversea operations less competitive with foreign-owned plants, thereby lessening their incentive to set up shop abroad. If the tax bill passes "we won't be able to compete as well with manufacturers abroad because they'll have a better tax structure than we have," says John Porter, finance manager of Ampex Corp., Redwood City, Calif., electronics concern. Many foreign countries have lower corporate income taxes than the United States. and also more liberal depreciation allowances.

In addition, several companies say the stiffer taxes provided by the new bill would mean their foreign plants would be no more profitable than their U.S. operations. And if foreign plants "were not more profitable than domestic ventures we might as well stay at home," says an official of a major New York chemical company which plans to spend $10 to $14 million on oversea factories this year, against $7 million in 1961.

BLOW TO THE UNDEVELOPED?

In particular, many executives insist, they need some sort of tax inducement to offset the risks of investing in underdeveloped countries. So, they say, passage of the tax bill in its present form would cause them to cut back especially sharply on new plants in these poor lands—even though some of the bill's provisions seem designed to spur such investment.

"The tax program would probably eliminate even consideration of expanding in areas such as India," asserts Albert A. Kornhauser, treasurer of Controls Co. of America, in Chicago. A Midwestern chemical concern which is reconsidering planned future expansion in southeast Asia and Africa because of the tax bill says: "There must be some incentives to expand in those areas where investments can be snuffed out quickly by such burdens as foreign taxation and political disturbance—all complicated enough already by differences in language, customs, currencies, and exchange rates."

This isn't the only way in which the bill might defeat its own purpose, businessmen warn. In part, the bill is designed to ease the U.S. balance-of-payments problem by discouraging businessmen from sending dollars abroad to build new plants. The balance-of-payments problem refers to the persistent excess of total U.S. spending, lending, and investing abroad over foreign spending, lending, and investing in the United States.

P. & G.'S BALANCE OF PAYMENT

But several companies cite detailed figures to prove that their foreign plants over the years return far more dollars to the United States than they take out. Procter & Gamble Co., the big soapmaker, says it sent only $11 million abroad to build plants during the decade of the 1950's, with the rest of the investment coming from foreign sources. During the same period, says Dean Fite, a P. & G. vice president, these plants sent back $47 million in dividends. Also, he says, they bought $247 million worth of raw materials from the United States.

Du Pont Co. says that in the 10 years ended in 1961 its foreign operations returned $1,280 million more to the United States than they took out. Further, it forecasts a surplus of about $800 million in the next 5 years.

Many companies, of course, including some of the Nation's biggest, say tax considerations are only a minor factor in planning foreign plants, and will have little effect on their future investments. International Business Machines Corp., which operates 16 plants in 14 foreign countries, says the tax bill will "affect us only in a minor way." General Electric Co., which has 30 plants in 11 foreign countries, indicates it would not let higher taxes stand in the way if it decided building a plant was the only way to sell GE products in a country with a high tariff wall or other stiff restrictions on imports.

But even these companies grumble bitterly about the tax bill. They charge that the Government for many years encouraged them to build foreign plants to help the economies of friendly nations. Now, complains F. T. Quirk, assistant secretary of Goodyear Tire & Rubber Co., these investments "are suddenly regarded in important Government circles as being highly undesirable, detrimental to the American economy, and based upon selfish motives."

## TENNESSEAN FAVORS KING-ANDERSON BILL

Mr. GORE. Mr. President, I received an interesting letter today, written on tablet paper, and in a form clearly understood. The writer of the letter, a constituent of mine, makes a simple point, but he makes it in a very telling way. I should like to read the letter.

DEAR SENATOR: Long before my recent illness I was for the King-Anderson bill, but since I received a hospital bill for $1,678, I am now strongly for it.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 493) that the Clerk of the House be authorized and directed to make a correction in said resolution, in which it requested the concurrence of the Senate.

## CORRECTION IN ENROLLMENT OF HOUSE BILL 10788

Mr. JORDAN. Mr. President, I submit a concurrent resolution coming over from the House of Representatives and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That in the enrollment of the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, the Clerk of the House is authorized and directed to make the following correction:

In line 12, on page 1, strike out "agreements" and insert "agreement".

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution (H. Con. Res. 493) was considered and agreed to.

## REGULATION OF IMPORTS OF AGRICULTURAL COMMODITIES AND PRODUCTS — CONFERENCE REPORT

Mr. JORDAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JORDAN. Mr. President, the Senate made three amendments to the House bill.

The first Senate amendment was merely technical to correct a typographical error and the House receded from its disagreement to that amendment.

The second Senate amendment directed the President to negotiate agreements under section 204 of the 1956 act restricting the importation into the United States of a number of commodities when in his judgment such imports seriously affect domestic producers. This amendment gave the President no additional authority and it did not require any action; but members of the Conference Committee felt that it might interfere with the textile negotiations currently being conducted under section 204. Under the Conference agreement the Senate would recede from this amendment with the recognition, expressed in the statement of managers on the part of the House, that there are other commodities that are being seriously affected through excessive imports and that the President should, in such cases, take action under section 204.

The third Senate amendment provided that action taken under the bill should be consistent with Trade Agreements Acts policy. The conferees on the part of the House felt that this created an indefinite rule, the effects of which could not be foreseen, and under the Conference Report the Senate would recede from this amendment.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

## AMENDMENT OF RULE XIX

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1481, Senate Resolution 37.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 37) to amend rule XIX relative to the transgression of the rule in debate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the resolution was considered and agreed to, as follows:

> *Resolved,* That paragraph 4 of rule XIX of the Standing Rules of the Senate (relating to debate) is amended to read as follows:
>
> "4. If any Senator, in speaking or otherwise, in the opinion of the Presiding Officer transgress the rules of the Senate the Presiding Officer shall, either on his own motion or at the request of any other Senator, call him to order; and when a Senator shall be called to order he shall take his seat, and may not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate. Any Senator directed by the Presiding Officer to take his seat, and any Senator requesting the Presiding Officer to require a Senator to take his seat, may appeal from the ruling of the chair, which appeal shall be open to debate."

## ADVERSE REPORTS BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. CLARK. Mr. President, I introduced the resolution, which has just been agreed to by the Senate, along with eight other proposed rules changes early in the present Congress.

My purpose in addressing the Senate this afternoon is, first, to express my keen disappointment that the other proposed changes in the rules were not reported favorably to the Senate by the Committee on Rules and Administration, and to comment on the report of the Subcommittee on Standing Rules of the Senate, subsequently approved by the Committee on Rules and Administration, which was adverse to the other proposals. I intend to return to the subject of the need for modernizing the rules of the Senate from time to time as the occasion presents itself during the remainder of this session. My reason for so doing is my strong conviction that the present rules and procedures of the Senate are unsuited to the needs of the country and of the modern world.

I reiterate, for perhaps the 25th time, Woodrow Wilson's famous statement that the Senate is the only legislative body in the entire world which is unable to act when its majority is ready for action. This may well have been a not too serious defect in the procedures of this body in the old, easygoing days of the 19th century. Today, I consider the Senate's procedures a clear and present danger to the proper carrying out of the constitutional purposes of this body. In my judgment, Congress has clung to outmoded customs and prerogatives which should have disappeared before World War I, and that became not only antiquated but dangerous with the advent of the atomic bomb.

Congress is still functioning today pretty much as it did at the turn of the century. Its machinery is cumbersome and its legislative structure old and creaky. The Senate is still thought to be the greatest deliberative body in the world. Yet we spend very little time deliberating and we refuse, even in the face of crises, to change our leisurely pace or to forego luxury the country can no longer afford: talkathons which bore the voters as much as they bore ourselves.

I suggest that there would be very little talk about Presidential grab for power or Supreme Court usurpation of power if Congress were on its toes and exercising its powers as the Founding Fathers expected the legislative branch of the Government to do.

Madam President, these views are shared by others. I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an interesting article entitled "Would Kick in Pants Help? The President and the Supreme Court Aren't Grabbing Power, but Are Filling a Vacuum Left by Congress," written by Inez Robb.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. CLARK. Madam President, with this preliminary statement, I should like to turn to each of the eight proposed changes in the Senate rules which I submitted last year, which were unfavorably reported by the Subcommittee on Standing Rules of the Senate.

The first is Senate Resolution 9, which would amend rule XXIV of the Standing Rules of the Senate by requiring that a majority of the Senate members of a committee of conference should have indicated by their votes their sympathy with the bill as passed, and their concurrence in the prevailing opinion of the Senate on the matters in disagreement with the House of Representatives which occasioned the appointment of the committee.

The majority of the subcommittee reported adversely on this proposed change in the rules. I am happy to note that the able junior Senator from Nevada [Mr. CANNON] dissented from that report and was of the view that the objective of the rule was desirable, although its application should be broadened to cover all conference committee appointments and not limited to cases where rollcall votes had been held.

In the report of the majority of the subcommittee it is stated:

> In the vast majority of instances the appointment of Senate conferees on the basis of their seniority on the committee which reported the bill in conference has proven satisfactory.

Madam President, it is quite true that at any one session there are very few complaints regarding the action of Senate conferees, but this is because a majority of the Senate conferees usually do, in fact, reflect the prevailing view of the Senate. In addition, the majority of the subcommittee is in error when it takes the position that ordinarily the Senate conferees are appointed on the basis of their seniority on the committee. Actually, that is done by very few of the Senate committees. So far as I recall, the Finance Committee is almost the only one from which Members are appointed conferees entirely on the basis of their seniority. In fact, so far as I know, the Finance Committee is the only Senate committee which does not use the device of subcommittees, which is used by all other committees to expedite proposed legislation. On all the committees on which I serve—the Banking and Currency Committee, the Labor and Public Welfare Committee, and the Committee on Post Office and Civil Service—it has been almost the invariable practice to appoint as Senate conferees, not the senior members of the full committee, but the members of the subcommittee which considered the proposed legislation in the first instance and reported the bill to the full committee.

Likewise, in those three committees it has been the custom to have the chairman of the committee, assuming that he favored the proposed legislation, or, if not, the chairman of the subcommittee, if he favored the proposed legislation, act as floor manager of the bill; and when the bill goes to conference, it has been customary to appoint as Senate conferees the members of the subcommittee, in whatever proportion the two parties may be represented on the subcommittee itself.

Therefore, Madam President, I question the factual basis of the subcommittee's adverse report on the proposed rule change which would require a majority of Senate conferees to have evidenced by votes concurrence in the action of the Senate which occasioned the conference.

I may note for the record that, in 1960, when the resolution was first submitted to the committee, it was cosponsored by 20 Senators and in this Congress 8 Senators wrote to the committee urging favorable action on the proposal—which in itself indicates the existence in this body of a substantial opinion that such a change in the rule is required.

Actually, the precedents set forth in the volume on Senate procedure make it very clear indeed that if objection is raised by any Senator to the appointment as conferees of Members, a majority of whom showed by votes opposition to a significant portion of the bill the Senate passed, he can bring about a reconstitution of the conference committee.

In my judgment, the failure to report favorably this proposed rule change will make it necessary for a number of us, who are determined, to the extent of our capacity, to see that President Kennedy's program or the version of his program which the Senate will eventually adopt will be effectively represented in conference, to raise on the floor of the Senate this embarrassing question against a proposed slate of conferees when a majority of that slate has indicated it is not in sympathy with the Senate bill and thus cannot be expected to represent with complete strength the position the Senate itself has taken on such measures.

The last time such an occasion arose was several years ago, when the junior Senator from Louisiana [Mr. LONG], who is recognized by all Senators as one who fights for his beliefs, complained about the composition of a conference committee hostile to the Senate views, and he brought about the appointment of a committee, a majority of whom were in sympathy with the bill the Senate had passed.

If this proposed rule change were adopted, it would be anticipated, as a matter of course, that Senators who in their hearts are loyal to the position taken by the Senate would constitute a majority of those chosen to serve as Senate conferees.

Madam President, I know from experience that when I have opposed a position taken by the Senate, it is difficult for me, if appointed to serve in the conference, to stand up effectively for the position of the Senate.

I merely say that a majority of those chosen to serve as advocates should have at heart the interests of the Senate.

I regret that the subcommittee did not act favorably on the resolution.

Madam President, I ask unanimous consent that the brief report of the subcommittee on the resolution—it appears on page 5 of the report, entitled "Proposed Amendments to Standing Rules of the Senate"—be printed at this point in the RECORD in connection with my remarks.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

> Senate Resolution 9 provides that a majority of the Senate members of a committee of conference shall have indicated their concurrence in the prevailing opinion of the Senate on the matters in disagreement with the House of Representatives.
>
> In the vast majority of instances the appointment of Senate conferees on the basis of their seniority on the committee which reported the bill in conference has proven satisfactory. Time has demonstrated the practical value of the general application of this seniority principle by the Vice President or temporary occupant of the chair in making such appointments. Under the present procedure the Presiding Officer holds and may exercise discretion to depart from the seniority rule, or even go outside the committee itself, in those rare instances when in his judgment conferees so selected would more adequately reflect the prevailing views of the Senate on the bill in conference.
>
> Any conference committee appointment by the Presiding Officer, upon whatever basis, is subject to challenge by any Member, in which event it becomes subject to confirmation or rejection by the Senate itself.
>
> It is worthy of mention that there are numerous instances when Senators have declined to serve on conference committees because, in good conscience, they could not support provisions of a bill as enacted by the Senate.
>
> In the judgment of the subcommittee the present procedure is satisfactory to the great majority of Members of the Senate and no pressing need for abandoning it has been established.
>
> Therefore, the subcommittee reports Senate Resolution 9 unfavorably.[1]

Mr. CLARK. Madam President, I suggest that the arguments advanced by the subcommittee will not stand the test of either logic or experience. At a later date I shall continue my remarks, in the hope that a resolution similar to the one endorsed by the Senator from Nevada [Mr. CANNON] or myself will be brought before the Senate with a favorable report.

Madam President, I turn next to proposed Senate Resolution 10, which would amend the Legislative Reorganization Act so as to permit any standing committee of the Senate to meet while the Senate is in session unless the Senate or the committee itself by majority vote should deny that right.

I have not been here very long, but in my 5½ years as a Senator I have personally witnessed occasion after occasion when unanimous consent was denied to committees considering important legislation to meet while the Senate was in session, thus delaying for weeks, and sometimes months, the reporting to the Senate of legislation which was part of the administration's program or part of the program of the majority leader at that particular time.

I suggest that this right of one Senator to keep all Senate committees from attending to duty while the Senate is in session is a very dangerous thing. It was used last year for weeks on end to keep the higher education bill from coming to the floor from the Committee on Labor and Public Welfare. Thirteen times the Senate committee was prevented from considering that bill while the Senate was in session because of objections lodged by a single Senator.

The very able junior Senator from Oklahoma, my dear friend [Mr. MONRONEY], one of the coauthors of the Legislative Reorganization Act, does not agree with me that this is invidious procedure, and his testimony is quoted in the report of the subcommittee to which I have already referred.

He says that to repeal this prohibition against committee meetings except by unanimous request "would create many additional conflicts, since all committees would be permitted to sit at their pleasure while the Senate was in session. The already delayed Senate proceedings would be further delayed by prolonged and numerous quorum calls due to the absences of Members from the floor while attending committee sessions.

He also stated that a change in the rules would "stretch out committee hearings to full days and would discourage attempts to compress testimony into the morning meeting time."

With all humility, Madam President, I suggest that these arguments of my good friend from Oklahoma, which were adopted by the subcommittee and by the full committee, are quite unrealistic and entirely out of context with what every Member of this body knows to be the fact. Committees would still attempt to complete hearings by noon. No more quorum calls would result.

Senators do not usually come to the floor any more to participate in debate until just before a vote. The idea of a deliberative body sitting here and debating from time to time important matters before the country is a myth. Actually, what happens is that Senators who are not permitted to sit in committee while the Senate is in session do not come to the floor. They do not come near the floor. They go back to their offices. They sign their mail. They see constituents. They even leave Washington to attend to matters in their own States.

I suggest that it is absolute folly to say that by permitting one Senator to prevent a committee from meeting we are going to expedite discussion in the Senate. It just is not so.

I suggest again, with all humility and with all courtesy, that Senators miss the whole point in thinking they are going to expedite the Senate's business by continuing to permit one Senator to prevent all committees from meeting during Senate sessions. Quite the contrary is true. Important legislation becomes bogged down toward the end of the session and never reaches the floor, or reaches the floor so late that it cannot be given adequate consideration before the press for adjournment is on and Senators want to go home to campaign for reelection or mend fences.

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[1] Mr. CANNON dissents from the subcommittee report on S. Res. 9. His individual views on this resolution are presented on p. 29. On all other resolutions discussed in this report the views of the subcommittee are unanimous.

Madam President, I suggest that, before this session is much older, occasions will arise, as they did last year, when needed legislation will not be permitted to be considered in committees because some lone Senator who is opposed to the pending legislation will refuse unanimous consent to permit committees to meet while the Senate is in session. I suspect this may take place in the not too distant future. I think this is a great shame, and I regret the action of the full committee in rejecting this proposed procedure reform.

I now turn to Senate Resolution 12, which, if adopted, would have provided that "unless a motion to read the Journal of the previous day is made and passed by a majority vote, the Journal shall be deemed to have been read and approved."

Only twice in my service here has the reading of the Journal been required, once as a part of a civil rights filibuster, when it took 5 hours, and once last year, when, in an attempt to show how a single Senator could hold up action for an unreasonable length of time, I myself objected to the unanimous consent request that reading of the Journal be dispensed with, and after 45 minutes of very lucid and clear reading by my friend the Journal clerk, I relented, and withdrew my objection to the consent request, dispensing with the reading of the Journal.

The requirement of the reading of the Journal is a bit of old fashioned, outmoded nonsense which favors a Member of the Senate who does not want certain business transacted. The rule dates from the days before we had verbatim records of the prior day's proceeding at our disposal. The reading of the Journal has only one purpose today—to prevent the Senate from proceeding with the expedition and consideration of legislation in the public interest.

I am frankly amazed that the subcommittee and the full committee should have reported unfavorably on this proposed rule change.

I am intrigued by the reason given by the subcommittee for refusing approval to this very limited but obviously desirable change, which would remove a minor roadblock to expeditious action in this body. I quote in full the reason given by the subcommittee reporting adversely on the proposed change:

> The fact, as noted by the Parliamentarian, that the indexes to the Senate Journal for the past 40 years prior to the introduction of Senate Resolution 12, and Senator CLARK's identical resolution of the previous Congress (S. Res. 377), show no similar resolution to dispense with the reading of the Journal has been introduced in the Senate and no motion made to amend the present rule (sec. 1 of Rule III of the Standing Rules of the Senate), clearly suggests that there is no necessity or substantial sentiment for such a change.

In other words, the only reason they do not wish to agree to dispense with the reading of the Journal at the demand of one Member, is that no Senator proposed it before I did. It seems to me that this is about as silly a reason as could be given.

Again I predict, Madam President, that before this session is very much older there again will be objection to dispensing with the reading of the Journal. I suggest to my good friend, the Journal clerk, that he had better get a supply of cough drops and keep his voice in shape, because I suspect that he will be making some pretty long orations before this session concludes sometime this fall.

I now turn to the proposed Senate Resolution 13, which would have provided:

> During the consideration of any measure, motion, or other matter, any Senator may move that all further debate under the order for pending business shall be germane to the subject matter before the Senate. If such motion, which shall be nondebatable, is approved by the Senate, all further debate under the said order shall be germane to the subject matter before the Senate, and all questions of germaneness under this rule, when raised, including appeals, shall be decided by the Senate without debate.

I know that since time immemorial there has been no rule of germaneness in the Senate. I think I am correct in saying that this is the only legislative body of stature, in the free world which has no power to control the diffuse and totally irrelevant oratory of its Members in the interests of expediting consideration of urgent public business.

The rule of germaneness in the House is well known. In all the legislative bodies in Western Europe, and in all the legislative bodies of the 50 States, parliamentary procedures are available by which nongermane discussion can be prevented, and legislators can be required on occasion to stick to the business pending before the body for discussion.

I point out that over a considerable period of time last year, when I kept the records, approximately one-third of the oratory in the Senate as reported in the CONGRESSIONAL RECORD was totally nongermane. My own view is that we could operate a much tighter ship if we were to set aside certain specific hours on certain days of the week for Senators to come to the Senate Chamber and speak for as long as they wished to speak on any subject they wished to discuss, when they would not be interfering with the consideration of important business.

Only 2 or 3 days ago the appropriation bill for the Department of Interior and related agencies was under consideration. The Senate was close to a vote on final passage of the bill. It was late in the afternoon. A large majority of Senators desired to complete action on the bill and to go home for dinner. Yet, for about 45 minutes a totally nongermane discussion occurred relating to the regulation of drugs—a subject in which a handful of Senators were keenly interested, and all other Senators had to sit around until those Senators were ready to stop discussing drugs and to allow the Senate to pass the appropriation bill for the Department of Interior and related agencies.

Obviously Senators who wish to talk about the drug bill should be free to come to the Senate Chamber and talk about the drug bill, whether or not the drug bill is the matter before the Senate, but I suggest that when a nongermane discussion intervenes during the consideration of an important bill when most Senators wish to pursue the pending business without distraction, a majority of the Senate should be able to require that further discussion be germane.

The Senate should have a rule of germaneness which could be invoked by nondebatable voting whenever a majority thinks it is desirable to do so and thereafter all nongermane debate could be objected to for the remainder of the time during which the pending business is under consideration.

If the motion to invoke the rule were turned down, the Senate could continue to discuss miscellaneous subjects for as long as it desired. As I stated, this would be a nondebatable motion, so that there would be no possibility of extended debate as to whether the germaneness rule should be applied.

Again I predict that before this session is very much older we shall see a number of instances in which nongermane and extended remarks will be made by Senators with respect to pending proposed legislation, perhaps not with the purpose but certainly with the result of delaying indefinitely and perhaps permanently the passage of proposed legislation which, under orderly rules of procedure in the Senate, would be voted on.

I suggest that the reasoning of the subcommittee report is, quite frankly, specious. I ask unanimous consent that the reasoning of the subcommittee, as set forth beginning in the middle of page 11 of the report and continuing over to the top of page 12, may be printed in full in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> Senate Resolution 13 would require Senate debate on any pending business to be germane to the subject matter before the Senate, if a rule of germaneness were raised by any Senator on motion, which shall be nondebatable and approved by majority action.
>
> In the years since 1922, 15 resolutions identical or very similar to Senate Resolution 13 failed to obtain consideration by the Senate, which clearly indicates a predominant preference to retain the familiar practice.
>
> The precise relevancy of an argument is not always perceptible. One need only visit a judicial trial in any law court to perceive that experienced lawyers frequently differ on the issue of what is relevant or material to the case at hand. To muzzle Members by restricting the area from which they may draw their arguments and fortify their contentions is repugnant to the very purpose of the Senate as a forum of unrestricted and free discussion.
>
> Carved in stone on the west facade of the new Senate Office Building are the words "The Senate is the Living Symbol of our

> Union of States."[1] These words are highly meaningful, symbolizing as well as unequivocally stating in concise terms the historic role of the Senate. The Senate is more than a National Legislature. Since the foundation of our Government it has been the protector of free speech and human rights. Each Senator is the duly elected representative of his State and his constituency, be they great or small, and stands equal with his colleagues to follow the course he deems best suited to enhance the common welfare. As such, he should be free to speak on any subject.
>
> It is doubtful if a rule of germaneness, however well intended, would work in practice. Concepts of what constitutes germaneness would differ among Members. Senators disposed to voice their views on any topic of public concern will demand the right to be heard.
>
> Therefore, the subcommittee reports Senate Resolution 13 unfavorably.

**Mr. CLARK.** I shall not comment further on the reasoning of this report. All I can say is that to me it does not make any sense. I hope that when this somewhat unsenatorial comment appears in the CONGRESSIONAL RECORD it will catch the eyes of my colleagues and will cause them to read the insertion I have just caused to be printed in the RECORD. I have a pretty firm belief that a majority of my colleagues may agree with me.

The argument stated against the proposal is the old-fashioned, outmoded, obsolete, ante bellum Civil War idea that we, as Senators, contribute to national policy, to the playing of its part in the legislative process by the Senate of the United States, if we stand in the Senate and "sound off" indefinitely about anything which comes into our heads.

Madam President, I suggest that while this may have made Clay, Calhoun, and Webster great, so that their portraits now hang in the antechamber, this is not the way a modern legislative body should conduct its business in a complex world full of the many intricate and difficult problems which confront us in the Senate today.

Madam President, again I apologize to my colleagues for the fact that I am expressing my views perhaps with more heat than light, but this is a subject on which I feel very strongly, indeed.

I now turn to Senate Resolution 14, which would establish a "bill of rights" for Senate standing committees.

I now read from the statement I made before the subcommittee at the time the subcommittee was courteous enough to call me before it, when my resolutions were under consideration:

> The proposal would permit a majority of members of any standing committee of the Senate (1) to convene meetings of the committee; (2) to consider any matter within the jurisdiction of the committee; and (3) to end committee debate on a given measure by moving the previous question.
>
> The 16 Senate standing committees vary enormously in their recognition of democratic procedures. No one could ask for fairer treatment or more expeditious handling of committee business than occurs in some committees. In other committees, however, it is well known that the will of the majority can be and often is thwarted with impunity.
>
> We should have more confidence in democratic procedures than to permit such practices to continue. The enormous backlog of public legislative business should compel us to expedite committee action on important measures when a majority of the members of the committee are ready to act.
>
> My proposal would permit a majority of the members of any standing committee to convene committee meetings, to call up any matter within the jurisdiction of the committee for consideration at any meeting, and to move the previous question when any matter has been under consideration for a total of 5 hours of debate. If the motion were adopted each member of the committee desiring to be heard on any of the issues on which the previous question had been ordered would be allowed to speak for a total of 30 minutes before the amendment or bill was brought to a final vote.

The proposed rule change was supported in statements submitted to the committee by the distinguished present occupant of the chair, the junior Senator from Oregon [Mrs. NEUBERGER], and by Senators DOUGLAS, GRUENING, MOSS, and PELL. It fell on hostile ground. The suggestion was made in the committee report that this is a matter which should be left to each individual committee to decide for itself—in other words, home rule for committees. I was a great advocate of home rule in my days as mayor of Philadelphia. It has much to commend it. However, I think it is no secret that there are several standing committees in the Senate whose chairmen are out of sympathy with the prevailing view of the other members of the committees. Such a chairman is able to exercise his authority, and sometimes does exercise his authority as a committee chairman, operating under rules of his own or rules which may or may not be in print, and of which committee members are not too well aware, to prevent the expeditious consideration or any consideration of legislation believed by a majority of the Members of the Senate to be in the public interest.

I shall shortly move, in all the committees of which I am a member, for a model series of rules for those committees along the lines I have indicated. I am hopeful that in at least one or two of such committees I shall have the support of the present occupant of the chair, and that it may be possible to adopt model rules which can be sent to the other committees in the hope that they may do likewise. I do not have much hope that that will work in the particular committees in which logjams exist and have existed for years. It seems to me this is a matter on which the Senate itself should legislate by means of a change in the Senate rules.

Madam President, I now turn to Senate Resolution 35, which would have permitted a Senator to have his remarks printed in the RECORD in large type, whether or not he droned through a 50-page text, reading every word of it. The subcommittee said, in rejecting the suggestion, with some high ethical sense with which I have sympathy, that this might perpetrate a fraud on the public, because if the address appears in small print the country knows that the Senator did not read it, but merely handed it in, whereas, at present, if the address appears in large print, the country knows that that Senator stood on the floor and delivered the speech. Presumably the impression might get abroad that the speech was made before a packed Senate, with the galleries filled to overflowing.

I suggest that this is a pretty naive approach. I like to think I have as high an ethical sense as have most of my colleagues. Time after time I have come to the floor of the Senate and read the first three lines and the last three lines of a long speech and handed it to the Official Reporters. The next morning it appeared in the CONGRESSIONAL RECORD as though I had delivered the entire speech.

I think this practice is good and sound and salutary. I think it is far more general than many like to admit.

I hold no particular brief for this proposed rules change. I know that the time of the Senate would be almost endlessly wasted if the present rules were relentlessly enforced, and if we did not wink at its violation every day the Senate meets. I, for one, am aware that we wink at its violation, but I would like to make honest men out of myself and my colleagues so that I could get back to my constituents and others what I wanted them to see in the RECORD without having to stand on the floor of the Senate for 2 or 3 hours and read every word of a long speech.

This is not of as great importance as the other rules. The fact is that the way we administer the present rule is a fraud on the public. Either we should stop what we are doing now, or change the rule. I therefore regret that the subcommittee did not see fit to approve Senate Resolution 35.

Madam President, I now turn to Senate Resolution 36, which would have changed rule XIX of the Standing Rules of the Senate so as to provide that when any Senator had held the floor for more than 3 consecutive hours, an objection to his continued recognition would be in order at any time, and that if such objection were made the Senator would yield the floor.

I advance this proposed change with considerable trepidation, in view of present company, who are listening attentively to my address in the Senate. Nevertheless, I have the strong view that this would be a salutary change.

In my experience as a nisi prius lawyer accustomed to trying cases as an appellate lawyer, and who argued in his day—some years ago, to be sure—a good many complicated cases not only before the Supreme Court of the Commonwealth of Pennsylvania, but before other courts of appeal as well as the Supreme Court, I have contended that if one cannot make his argument in 3 hours, he has not an argument worth listening to. The power of analysis and condensation which is a part of the background of every successful and trained lawyer should enable him to say, in far less than 3 hours, everything that needs to be said on a given subject. Anyone who drones on for more than 3 hours has not properly organized his material, or is holding the floor for purposes of delay.

I am reminded of an old apology by Justice Oliver Wendell Holmes, when he was serving many years ago on the Massachusetts Supreme Court. He came in one day with a particularly long opinion in a case in which he had been assigned by his colleagues to write the opinion. Senators will recall that ordinarily Justice Holmes' opinions were short and terse and to the point, and often full of pungent wit, coming to the critical issue involved in short order. When he brought forth this long opinion in the Massachusetts Supreme Court he said:

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[1] Proposed by the then Senator LYNDON B. JOHNSON and adopted by the Senate Office Building Commission on Mar. 20, 1957.

My colleagues, I am sorry for this long opinion, but I did not have time to write a short one.

I suggest that that same rule might well be applied, in terms of our own self-discipline.

I regret that this resolution was not approved by the subcommittee. I invite attention to the reasoning of the subcommittee, which appears on pages 19 and 20 of the report of the subcommittee. I ask unanimous consent that it may appear in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 36 would amend rule XIX to provide that whenever any Senator has held the floor for more than 3 consecutive hours, if objection to his continued recognition is made, the Senator shall yield the floor.

The difficulties attendant upon any attempt to establish germaneness with respect to a Member's remarks on a given subject was pointed out in connection with the subcommittee's report on Senate Resolution 13. A similar difficulty would be encountered in any attempt to establish at what exact point in time freedom of debate would be transformed into filibustering. Senate Resolution 36 would arbitrarily set that point at 3 hours after a Member obtained the floor. While subscribing to the principle that it is the responsibility of Members ultimately to vote on any issue under discussion, the subcommittee also subscribes to the principle that such action should be taken only after full and complete debate. By its cloture provision in rule XXII the Senate has established the procedure under which that determination shall be made.

The terms of the present rule XXII were the same back in 1925 when it was proposed by a Vice President, Charles G. Dawes, to amend the rule to provide for termination of debate by the affirmative vote of the majority of Senators. It was then that Royal S. Copeland, a Senator from New York, made the statement which is still pertinent regardless of the shifts in population that have since occurred:

"I can quite understand why a citizen of Nevada might want to have the rules changed. Nevada has 77,000 population, and yet it sends 2 Members to the U.S. Senate. If New York were represented in the same proportion, it would have 144 Members in the U.S. Senate instead of 2.

"Here is another thing to think about: The States of New York, Pennsylvania, Illinois, and Michigan pay 60 percent of the Federal taxes. The combined representation of these States in the Senate is one-twelfth of the total. Therefore, these States are totally submerged so far as voting power is concerned.

"New York State has as great a population as 18 other States combined. It exceeds the combined population of Arizona, Colorado, Delaware, Florida, Idaho, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Wyoming, Maine, and Nebraska.

"Add to these 18 States 7 other States—Arkansas, Louisiana, West Virginia, Washington, South Carolina, Maryland, and Connecticut—and it will be found that these 25 States, controlling 50 of the 96 votes, have a majority vote in the Senate. These States represent less than 20 percent of the total population of the country and they pay not more than 10 percent of the Federal taxes. Mr. Dawes' cloture rule would give this minority in population and financing standing absolute control of the Senate."

It is not the purpose of this report to reiterate the arguments which have been advanced in favor of extended debate, but rather to recognize the role of the Senate as the protector of the rights of the States and of minorities in our system of government. At no time should a single Senator have the right to compel another Senator to yield the floor.

Therefore, the subcommittee reports Senate Resolution 36 unfavorably.

Mr. CLARK. The reasoning of the subcommittee seems to be that the present rule of unlimited debate is needed to permit delay in order to protect the populous States of the country, such as Pennsylvania, Illinois, New York, and California from the tyranny which would otherwise be imposed upon them by small States such as Montana, Oregon, and perhaps even Minnesota, if the large States did not have such protection.

Actually, the Senators who wish to change the rules are the Senators from the big States, because we want to get things done. Of course, the Presiding Officer, the present majority leader, and majority whip, who are what might be called a captive audience today, also want to get things done. I regret very much that the committee has not seen fit to support what I consider to be a salutary rule change.

The Senate will be happy to know that I am approaching the end of my remarks in turning to Senate Resolution 38, which would have regularized the conduct of morning business. Under present Senate rules, morning business and the morning hour are again conducted by unanimous consent. Every morning the majority leader or the majority whip, as the case may be, after the morning prayer, asks unanimous consent that the reading of the Journal shall be dispensed with. I have already commented on that point. Then he asks unanimous consent that statements during the morning hour shall be limited to 3 minutes. Almost always the Senate agrees. However, every now and then a Senator objects. I suspect that later in the session some Member will object to that unanimous-consent request. Then we make whatever insertion we are prepared to make or wish to call to the attention of our colleagues in the Senate.

It occurred to me that we ought to put in written form as a part of the Senate rules what we do every day by unanimous consent. Of course, this proposal is not too important, but I believe it would expedite the business of the Senate appreciably.

I ask unanimous consent that the report of the subcommittee on this proposed rule change which appears on pages 23 and 24 of the committee report may be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

Senate Resolution 38 would amend rule VII to provide 1 hour, or more if extended upon motion, for morning business, expressly formalizing the customary 3-minute limitation on individual remarks.

Senator CLARK's statement at the hearings in support of Senate Resolution 38 is as follows:

"The rule change I am suggesting—to regulate the transaction of morning business—is intended to speed Senate business. The term "morning hour" is a misnomer under our present practice. It is well known that 2 hours, from noon to 2 p.m., are frequently used for morning business on new legislative days. I suggest that we limit morning business to 1 hour daily, unless a majority of Senators vote to extend the period, and that the 3-minute limit on individual speeches, which is a custom now honored as much in the breach as in the observance, be written into the Senate rules. The morning hour is a valuable and appropriate time for the delivery of remarks by Senators on current events and other miscellaneous business. My proposed rule would make it impossible for one Senator to block the holding of a morning hour daily even if the Senate is meeting in recessed or continuous session, and yet it would curtail the overall time spent on matters nongermane to the pending bill or resolution."

An explanation by the Parliamentarian of the practice of 3-minute speeches during the morning hour is as follows:

"About 1953 the practice of the majority leader of the Senate in asking unanimous consent that during the transaction of routine morning business speeches be limited to a period of minutes, either 2, 3, or 5, began. Daily requests would be made by the majority leader, and no standing order ever was made therefor. Dissatisfaction was expressed by some Senators as to rulings by the Presiding Officer on several occasions, which permitted a Senator who had used his 3 minutes on one subject to proceed for 3 minutes each on different subjects.

"On January 10, 1961, an understanding was arrived at by the majority and minority leaders, which provided that at the end of 3 minutes a Senator who was speaking must relinquish the floor so that other Senators who might desire to offer morning business could be recognized for respective 3-minute periods, and when no other Senator desired to submit morning business, he could again seek recognition. No formal order was ever made by the Senate.

"Under the Senate rules, no debate is permitted during the transaction of morning business, and it has only been by unanimous consent that the 3-minute custom, requested for each particular day, has been permitted.

"During the call of the calendar under rule VIII and also under calls for the consideration of bills to which there is no objection, there is a limitation of 5 minutes on the part of any Senator on any question pending before the Senate. The call of the calendar, however, is not a part of morning business."

Over 2 years ago, the Senator from Utah [Mr. BENNETT], wrote to the chairman of the Subcommittee on the Standing Rules of the Senate and suggested the advisability of reviewing the rules of the Senate wtih respect to the "morning hour." As Senator BENNETT succinctly stated at the time:

"A casual look at rule VII reveals that our current practice is completely out of step with the letter of the rule, and every once in a while we get out of step with our current practice."

Section 3 of rule VII of the Standing Rules of the Senate expressly makes provisions for a morning hour on each legislative day.[1] The majority leader in recent years usually has made arrangements for a morning hour at each day's meeting of the Senate. Since January 10, 1961, after agreement between the majority and minority leaders, and by unanimous consent, speeches of Senators during the transaction of routine morning business have been limited to 3 minutes' duration. Thus, as a practical matter, the objectives of Senator CLARK's proposed amendment and of Senator BENNETT's earlier comments presently prevail.

The subcommittee is aware, however, that on occasion individual Senators have exceeded the 3-minute limitation on speeches in the "morning hour." Also, during these periods set aside for routine business there has been an increasing tendency among Members to initiate premature debate on controversial subjects. The subcommittee recommends that Senators exhibit their cooperation by adhering to strict observance to the 3-minute unanimous-consent agreement so that it will not be necessary for the occupant of the chair to announce that their time has expired.

Therefore, the subcommittee reports Senate Resolution 38 unfavorably.

**Mr. CLARK.** In this particular case the subcommittee outlines my own testimony in support of the rule as well as their reasons for objecting to it. I am content to let the jury of my colleagues in the Senate determine which of us had the better argument.

Madam President, these proposed rule changes are not utterly vital to the conduct of the business of the Senate, but, in my opinion, they are important, and in my judgment, they would help substantially in the effort which I am sure the majority leader and the majority whip are committed to, which is to get the President's program before the Senate for final consideration on its merits, and thus let some of us go home, particularly those of us who have business of great importance to our own careers to transact in our home States.

Of course, the major Senate rule change is that of rule XXII, and I would not like to have these remarks this afternoon considered out of perspective because I did not mention the critical need for a new cloture rule, and how important it is that in the first days of January of next year those of us who believe that the Senate should be permitted to act when a majority of its Members are ready for action may prevail, and that the present outmoded, obsolete, unworkable, undemocratic method of interminable and unlimited debate will be done away with.

I do not intend to address myself extensively to that subject today. I know that the majority whip, who is present, is a strong advocate of a change in the cloture rule, so as to permit a majority to terminate debate after full discussion. I know the majority leader, who is also in the Chamber, is an advocate of at least reducing the number of Senators required to impose cloture from the present two-thirds of the Senators present and voting to three-fifths, which would be a help.

I close my comments this evening with the fervent plea to my colleagues that they get ready for the battle of next January, when I hope a major step forward will be taken in modernizing and updating the present obsolete, archaic, and undemocratic rules of the Senate. When that is done, and while we are at it, I hope we will adopt the other rule changes to which I have addressed myself.

I express my apologies to the occupant of the chair and to the majority leader and the majority whip for detaining them so late in the afternoon.

I yield the floor.

EXHIBIT 1

### WOULD KICK IN PANTS HELP?

(By Inez Robb)

The President and Supreme Court aren't grabbing power, but are filling a vacuum left by Congress.

At the moment the air is filled with charges and countercharges of "a Presidential grab for power" and the "Supreme Court's usurpation of power."

But so far I have heard no discusssion of the congressional abdication of power.

The U.S. Government was designed to have three coequal branches: the Executive, Congress and the Supreme Court.

It is one woman's opinion that if the Congress were strong, efficient, dedicated, intelligent and forceful, there would be no power vacuum into which either the Chief Executive or the Supreme Court could move. Not even nature abhors a vacuum so belligerently as does politics.

#### WASHINGTON A PURGATORY

As the office of the Chief Executive and the functions of the Supreme Court have moved steadily forward in the 20th century to keep attuned to the times in which they function, the Congress has clung to outmoded customs and prerogatives that should have disappeared with World War I and that became not only antiquated but dangerous with the advent of the atomic bomb.

The Congress is functioning today much as it did at the turn on the century. Its machinery is cumbersome and its legislative structure old and creaky.

It seems to me that taxpayers get less and less mileage out of Congress with each passing year. I am weary of the time it wastes by refusing to face up to issues, and more weary still of the last-minute August rush to consider and pass or reject important legislation that was introduced the previous February.

It sometimes appears that no legislation would ever be passed by Congress if (1) it didn't feel impelled to get back home to mend its fences and (2) it weren't fed up with the heat of a Washington summer and eager to get away to the golf courses in a cooler clime.

The selection of Washington, D.C., as the site of the Nation's Capital has often been criticized. But in view of its purgatory-patterned summers and the itch of legislators to be off to less humid pastures, the site was probably a brilliant choice, since it does manage to get a little legislation passed annually.

#### CONGRESS A CHOWDER SOCIETY

The Senate is still the greatest debating society in the world. It refuses, in the face of threatening world crises, to change by a jot or tittle its leisurely pace. Or to forego a luxury the country can no longer afford, a talkathon that bores the voters as much as it is beginning to bore them.

Its committees can bottle up legislation on which the Nation is paying it to act, either pro or con. In its dilatory fashion, it can delay, from year to year, the consideration of bills on which the country has the right to a "yes" or "no" congressional answer.

It is doubtful if there would be any talk of a Presidential grab for power or a Supreme Court usurpation of power if Congress were on its toes and exercising its powers as the Founding Fathers expected the legislative branch of government to do.

But if the Congress is content to be a chowder and debating society for most of the year, it—and the Nation—can expect a strong President and an energetic Supreme Court to move in to fill the vacuum that it deliberately creates by its outdated mores.

**Mr. MANSFIELD.** Madam President, I do not believe that the distinguished Senator from Pennsylvania needs to offer any apology. I certainly found his discourse most interesting and worthwhile. I know that I have not heard the last of it. I am looking forward to the coming January, when I assume the diligent Senator from Pennsylvania will once again undertake his crusade to bring about a reformation of the rules of the Senate. I wish him well.

## ORDER FOR ADJOURNMENT UNTIL TOMORROW

**Mr. MANSFIELD.** Madam President, I move that when the Senate adjourn tonight, it adjourn to meet at 12 o'clock noon tomorrow.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

**Mr. MANSFIELD.** I wish to say to the Senate that there will be no further business considered tonight in the way of legislation.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

**Mr. MANSFIELD.** Madam President, I move that the Senate proceed to the consideration of Calendar No. 1544, H.R. 11040.

The **PRESIDING OFFICER.** The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The **PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, with an amendment, to strike out all after the enacting clause and insert:

### TITLE I—SHORT TITLE, DECLARATION OF POLICY AND DEFINITIONS

#### *Short title*

SEC. 101. This Act may be cited as the "Communications Satellite Act of 1962".

#### *Declaration of policy and purpose*

SEC. 102 (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

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[1] The Senate agreed to a resolution that after today (Aug. 10, 1888), unless otherwise ordered, the morning hour shall terminate at the expiration of 2 hours after the meeting of the Senate (Senate Journal 1266, 50–1).

(b) The new and expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical us of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

(c) In order to facilitate this development and to provide for the widest possible participation by private enterprise, United States participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulation. It is the intent of Congress that all authorized users shall have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; that the corporation created under this Act be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public; and that the activities of the corporation created under this Act and of the persons or companies participating in the ownership of the corporation shall be consistent with the Federal antitrust laws.

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

### *Definitions*

SEC. 103. As used in this Act, and unless the context otherwise requires—

(1) the term "communications satellite system" refers to a system of communications satellites in space whose purpose is to relay telecommunication information between satellite terminal stations, together with such associated equipment and facilities for tracking, guidance, control, and command functions as are not part of the generalized launching, tracking, control, and command facilities for all space purposes;

(2) the term "satellite terminal station" refers to a complex of communication equipment located on the earth's surface, operationally connected with one or more terrestrial communication systems, and capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system.

(3) the term "communications satellite" means an earth satellite which is intentionally used to relay telecommunication information;

(4) the term "associated equipment and facilities" refers to facilities other than satellite terminal stations and communications satellites, to be constructed and operated for the primary purpose of a communications satellite system, whether for administration and management, for research and development, or for direct support of space operations;

(5) the term "research and development" refers to the conception, design, and first creation of experimental or prototype operational devices for the operation of a communications satellite system, including the assembly of separate components into a working whole, as distinguished from the term "production," which relates to the construction of such devices to fixed specifications compatible with repetitive duplication for operational applications; and

(6) the term "telecommunication" means any transmission, emission or reception of signs, signals, writings, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems.

(7) the term "communications common carrier" has the same meaning as the term "common carrier" has when used in the Communications Act of 1934, as amended, and in addition includes, but only for purposes of sections 303 and 304, any individual, partnership, association, joint-stock company, trust, corporation, or other entity which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier; and the term "authorized carrier," except as otherwise provided for purposes of section 304 by section 304(b)(1), means a communications common carrier which has been authorized by the Federal Communications Commission under the Communications Act of 1934, as amended, to provide services by means of communications satellites;

(8) the term "corporation" means the corporation authorized by title III of this Act.

(9) the term "Administration" means the National Aeronautics and Space Administration; and

(10) the term "Commission" means the Federal Communications Commission.

## TITLE II—FEDERAL COORDINATION, PLANNING, AND REGULATION

### *Implementation of policy*

SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—

(a) the President shall—

(1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system;

(2) provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under title III of this Act;

(3) coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, so as to insure that there is full and effective compliance at all times with the policies set forth in this Act;

(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

(5) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system;

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs; and

(7) so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad.

(b) the National Aeronautics and Space Administration shall—

(1) advise the Commission on technical characteristics of the communications satellite system;

(2) cooperate with the corporation in research and development to the extent deemed appropriate by the Administration in the public interest;

(3) assist the corporation in the conduct of its research and development program by furnishing to the corporation, when requested, on a reimbursable basis, such satellite launching and associated services as the Administration deems necessary for the most expeditious and economical development of the communications satellite system;

(4) consult with the corporation with respect to the technical characteristics of the communications satellite system;

(5) furnish to the corporation, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the communications satellite system approved by the Commission; and

(6) to the extent feasible, furnish other services, on a reimbursable basis, to the corporation in connection with the establishment and operation of the system.

(c) the Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

(1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations; and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair.

(2) insure that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations under just and reasonable charges, classifications, practices, regulations, and other terms and conditions and regulate the manner in which available facilities of the system and stations are allocated among such users thereof;

(3) in any case where the Secretary of State, after obtaining the advice of the Administration as to technical feasibility, has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214 (d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the appropriate common carrier or carriers;

(4) insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities;

(5) prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by the communications satellite system are appropriately reflected in rates for public communications services;

(6) approve technical characteristics of the operational communications satellite system to be employed by the corporation and of the satellite terminal stations; and

(7) grant appropriate authorizations for the construction and operation of each satellite terminal station, either to the corporation or to one or more authorized carriers or to the corporation and one or more such carriers jointly, as will best serve the public interest, convenience, and necessity. In determining the public interest, convenience, and necessity the Commission shall authorize the construction and operation of such stations by communications common carriers or the corporation, without preference to either;

(8) authorize the corporation to issue any shares of capital stock, except the initial issue of capital stock referred to in section 304(a), or to borrow any moneys, or to assume any obligation in respect of the securities of any other person, upon a finding that such issuance, borrowing, or assumption is compatible with the public interest, convenience, and necessity and is necessary or appropriate for or consistent with carrying out the purposes and objectives of this Act by the corporation;

(9) insure that no substantial additions are made by the corporation or carriers with respect to facilities of the system or satellite terminal stations unless such additions are required by the public interest, convenience, and necessity;

(10) requires, in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended, that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity; and

(11) make rules and regulations to carry out the provisions of this Act.

### TITLE III—CREATION OF A COMMUNICATIONS SATELLITE CORPORATION

#### *Creation of corporation*

SEC. 301. There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government. The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.

#### *Process of organization*

SEC. 302. The President of the United States shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

#### *Directors and officers*

SEC. 303. (a) The corporation shall have a board of directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the board to serve as chairman. Three members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, effective the date on which the other members are elected, and for terms of three years or until their successors have been appointed and qualified, except that the first three members of the board so appointed shall continue in office for terms of one, two, and three years, respectively, and any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the director whom he succeeds. Six members of the board shall be elected annually by those stockholders who are communications common carriers and six shall be elected annually by the other stockholders of the corporation. No stockholder who is a communications common carrier and no trustee for such a stockholder shall vote, either directly or indirectly, through the votes of subsidiaries or affiliated companies, nominees, or any persons subject to his direction or control, for more than three candidates for membership on the board. Subject to such limitation, the articles of incorporation to be filed by the incorporators designated under section 302 shall provide for cumulative voting under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-911(d)).

(b) The corporation shall have a president, and such other officers as may be named and appointed by the board, at rates of compensation fixed by the board, and serving at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the corporation. No officer of the corporation shall receive any salary from any source other than the corporation during the period of his employment by the corporation.

#### *Financing of the corporation*

SEC. 304. (a) The corporation is authorized to issue and have outstanding, in such amounts as it shall determine, shares of capital stock, without par value, which shall carry voting rights and be eligible for dividends. The shares of such stock initially offered shall be sold at a price not in excess of $100 for each share and in a manner to encourage the widest distribution to the American public. Subject to the provisions of subsections (b) and (d) of this section, shares of stock offered under this subsection may be issued to and held by any person.

(b)(1) For the purposes of this section the term "authorized carrier" shall mean a communications common carrier which is specifically authorized or which is a member of a class of carriers authorized by the Commission to own shares of stock in the corporation upon a finding that such ownership will be consistent with the public interest, convenience, and necessity.

(2) Only those communications common carriers which are authorized carriers shall own shares of stock in the corporation at any time, and no other communications common carrier shall own shares either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control. Fifty per centum of the shares of stock authorized for issuance at any time by the corporation shall be reserved for purchase by authorized carriers and such carriers shall in the aggregate be entitled to make purchases of the reserved shares in a total number not exceeding the total number of the nonreserved shares of any issue purchased by other persons. At no time after the initial issue is completed shall the aggregate of the shares of voting stock of the corporation owned by authorized carriers directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to their direction or control exceed 50 per centum of such shares issued and outstanding.

(3) At no time shall any stockholder who is not an authorized carrier, or any syndicate or affiliated group of such stockholders, own more than 10 per centum of the shares of voting stock of the corporation issued and outstanding.

(c) The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine. Such nonvoting securities, bonds, debentures, or other certificates of indebtedness of the corporation as a communications common carrier may own shall be eligible for inclusion in the rate base of the carrier to the extent allowed by the Commission. The voting stock of the corporation shall not be eligible for inclusion in the rate base of the carrier.

(d) Not more than an aggregate of 20 per centum of the shares of stock of the corporation authorized by subsection (a) of this section which are held by holders other than authorized carriers may be held by persons of the classes described is paragraphs (1), (2), (3, (4), and (5) of section 310(a) of the Communications Act of 1934, as amended (47 U.S.C. 310).

(e) The requirement of section 45(b) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-920(b)) as to the percentage of stock which a stockholder must hold in order to have the rights of inspection and copying set forth in that subsection shall not be applicable in the case of holders of the stock of the corporation, and they may exercise such rights without regard to the percentage of stock they hold.

(f) Upon application to the Commission by any authorized carrier and after notice and hearing, the Commission may compel any other authorized carrier which owns shares of stock in the corporation to transfer to the applicant, for a fair and reasonable consideration, a number of such shares as the Commission determines will advance the public interest and the purposes of this Act. In its determination with respect to ownership of shares of stock in the corporation, the Commission, whenever consistent with the public interest, shall promote the widest possible distribution of stock among the authorized carriers.

#### *Purposes and powers of the corporation*

SEC. 305. (a) In order to achieve the objectives and to carry out the purposes of this Act, the corporation is authorized to—

(1) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or business entities a commercial communications satellite system;

(2) furnish, for hire, channels of communication to United States communications common carriers and to other authorized entities, foreign and domestic; and

(3) own and operate satellite terminal stations when licensed by the Commission under section 201(c)(7).

(b) Included in the activities authorized to the corporation for accomplishment of the purposes indicated in subsection (a) of this section, are, among others not specifically named—

(1) to conduct or contract for research and development related to its mission;

(2) to acquire the physical facilities, equipment and devices necessary to its operations, including communications satellites and associated equipment and facilities, whether by construction, purchase, or gift;

(3) to purchase satellite launching and related services from the United States Government;

(4) to contract with authorized users, including the United States Government, for the services of the communications satellite system; and

(5) to develop plans for the technical specifications of all elements of the communications satellite system.

(c) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the District of Columbia Business Corporation Act.

### TITLE IV—MISCELLANEOUS

#### *Applicability of Communications Act of 1934*

SEC. 401. The corporation shall be deemed to be a common carrier within the meaning of section 3(h) of the Communications Act of 1934, as amended, and as such shall be fully subject to the provisions of title II and title III of that Act. The provision of satellite terminal station facilities by one communication common carrier to one or more other communications common carriers shall be deemed to be a common carrier activity fully subject to the Communications Act. Whenever the application of the provisions of this Act shall be inconsistent with the application of the provisions of the Communications Act, the provisions of this Act shall govern.

#### *Notice of foreign business negotiations*

SEC. 402. Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

*Sanctions*

SEC. 403. (a) If the corporation created pursuant to this Act shall engage in or adhere to any action, practices, or policies inconsistent with the policy and purposes declared in section 102 of this Act, or if the corporation or any other person shall violate any provision of this Act, or shall obstruct or interfere with any activities authorized by this Act, or shall refuse, fail, or neglect to discharge his duties and responsibilities under this Act, or shall threaten any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which such corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

(b) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

(c) It shall be the duty of the corporation and all communications common carriers to comply, insofar as applicable, with all provisions of this Act and all rules and regulations promulgated thereunder.

*Reports to the Congress*

SEC. 404. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in section 201(a)(1), together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act and any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives.

(b) The corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

(c) The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and actions on anticompetitive practices as they apply to the communications satellite programs; (ii) an evaluation of such activities and actions taken by it within the scope of its authority with a view to recommending such additional legislation which the Commission may consider necessary in the public interest; and (iii) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

**Mr. MANSFIELD.** Madam President, if Senators will look at their calendar, they will find that we are fairly well caught up. There are some measures still on the calendar which will not be brought up because of difficulties, either with respect to the sponsors of the measures or the opponents, or for some other reason.

I believe that the Senate did a fairly good day's work today. I anticipate that some little time will be spent on the pending business. I have been requested by Senators to hold up the laying down of this particular measure because of committee meetings and the like next week, but I felt that in all fairness to the Senate, especially to the two committees which held hearings on this proposal, and both of which reported the bill favorably, that it should be laid down once it was reported by the two committees and after it was reported favorably by the policy committee on being placed on the calendar.

I make that explanation because I think it is due to those who would like to see the consideration of the measure delayed.

**Mr. HUMPHREY.** Madam President, I join the majority leader in saying that a good bit of work was done today. I am particularly pleased that action was taken today on the Small Business Administration measure, to increase its lending capacity and authority, which is something that has long been needed. I am also pleased that we passed a measure which will permit some harvesting of hay on soil bank land in areas where there is distress and emergency, such as we are now witnessing in my State of Minnesota. In fact, it may well be necessary for me to bring other legislative proposals to the Senate to alleviate some of the economic hardship which has been inflicted upon us in northern and northwestern Minnesota due to floods and an incredible number of heavy rains.

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## AID TO YUGOSLAVIA AND POLAND

**Mr. HUMPHREY.** Madam President, I wish to call to the attention of the Senate and for the benefit of the RECORD two dispatches which appear in today's news, one from Belgrade, Yugoslavia, and one from Warsaw, Poland. The one from Yugoslavia is from our Ambassador to Yugoslavia, Mr. George Kennan, and the one from Warsaw is from our Ambassador to Poland, Mr. Cabot.

I believe that the pointed language of these messages or the teletype reports indicate the seriousness of the situation in these two countries with respect to their relations with the United States. I should like to read briefly from one of the dispatches.

Under a Washington dateline, the Associated Press dispatch reads:

> George F. Kennan, Ambassador to Yugoslavia, holds that congressional moves to crack down on U.S. aid and trade with that Communist nation are a "windfall" for Russia and a severe blow to U.S. aims in Eastern Europe.
>
> Kennan expressed that view in a private message from Belgrade to Secretary of State Dean Rusk this week.

Further, the dispatch reads:

> Kennan suggested to Rusk that he be brought home to talk with congressional leaders on U.S. policies toward Yugoslavia and the Eastern European Soviet bloc as a whole. Rusk and President Kennedy are considering ordering Kennan home for consultation and conferences with congressional leaders.

The second dispatch reads, in part, as follows:

> Kennan said in his report to Rusk that the actions in Congress were "a signal demonstration of ill will" toward an increasingly friendly people. So far as Yugoslavia is concerned, he added, "The harm has already been accomplished" by the actions taken in Congress.
>
> "If anything further were needed to confirm [Yugoslavia President] Tito on his present course (of closer relations with Russia) and to discourage those who have argued in favor of Western orientation," Kennan wrote, "what has occurred in recent days would already have sufficed to this purpose."

A little later the dispatch reads:

> Kennan said the worst effect of the actions in Congress is the "impression * * * being conveyed to the Yugoslav Government, as it moves into a crucial phase of development of its relations with the East, that there are no possibilities in United States-Yugoslav relations which could offer a favorable alternative to the Hobson's choice of reassociation with the Soviet bloc or acceptance of complete economic and political isolation in Europe.
>
> "To have this so authoritatively documented by none other than the U.S. Congress itself is of course the greatest windfall that could have befallen Soviet diplomacy in this area."

Congress has not acted as yet. One House of Congress has acted, namely, the Senate; and the action in the Senate was modified by the amendment offered by the majority leader and the minority leader, known as the Mansfield-Dirksen amendment, which permitted the President to utilize food and fiber products under the terms of Public Law 480, both for sales and contributions under all the aspects and all the terms, sections, and subsections of Public Law 480.

I believe that was a very fortunate amendment; that it modified the prohibitions which had been adopted the day before in the form of the Lausche amendment. But it is not my intention tonight to discuss the subject in terms of its substance. I merely say that if the President is considering asking Mr. Kennan and Mr. Cabot, our Ambassadors, to return, I urge in this public forum that he do just that. I believe the President should order Ambassador Kennan and Ambassador Cabot home at once and that the two Ambassadors should be called upon to appear before the Committees on Appropriations of Congress to explain or to state their views on the relationships between the respective countries: in the instance of Mr. Kennan, the United States and Yugoslavia; in the instance of Mr. Cabot, the United States and Poland. The two Ambassadors have made strong statements. I do not argue with their statements; I tend to agree with what they have said. But I know that some Senators may feel differently.

It seems to me that it would be wise and prudent on the part of the President to call those Ambassadors home. Not only should they be afforded an opportunity to be heard not only by the State Department officials and the President himself, but also the Committee on Foreign Relations, the Committee on Appropriations, and the Committee on Armed Services. At least those three committees should have the privilege of interrogating the Ambassadors.

I suggest that we might even go further. It might be possible for both the majority leader and the minority leader to arrange informal caucuses of the members of the respective political parties, at which the Ambassadors might appear and answer questions.

I believe Congress started off on a very dubious course of conduct in the field of foreign policy by adopting the amendments which were agreed to last week with respect to aid to Yugoslavia and Poland. It seems to me that if we expect to mitigate or remedy some of the damage that has been done, we ought to consult with men who are in the field and have to deal with those governments every day.

It might be a good idea, also, to call upon the former Ambassador to Poland, Mr. Beam. Mr. Beam is a highly respected Foreign Service officer. He no longer serves as an Ambassador. As I recall, he is now serving as a consultant to or is working with the U.S. Arms Control and Disarmament Agency. Mr. Beam is looked upon as one of the ablest, most competent students of Poland and our relationships with Poland. I believe it would be well, likewise, that he be consulted. It might also be helpful if others who have served in Yugoslavia were called upon to give their views.

My point is that we ought not to fly blind; and that is what we are doing. The minute one lets his emotions control his reason, his passion takes control, and he flies and thinks blind.

I cannot help feeling that it would be in the national interest to have the Ambassadors called home for consultation.

I quote again from the same press report:

> Ambassador Cabot at Warsaw said the result of the measures projected in Congress "would be to lose everything gained" by the $500 million worth of aid already furnished to Poland.
>
> "The hand of those Polish officials at all levels who preach that the Soviet Union is Poland's only reliable friend and only unfailing source of support in raising the material well-being of the Polish people would probably be strengthened," Cabot said.
>
> "Termination might also have an unfortunate effect on Polish liberal agricultural policy at a time when weather conditions threaten the 1962 crop, and on other present liberal trends which we wish to encourage."

It should be noted in the dispatch of Ambassador Cabot that there is a difference of opinion in Poland between leaders in the Government and leaders in the general society. It is well known that there are pro-Stalinist elements in Poland; it is equally well known that there are anti-Stalinist elements in Poland. It is better known that about 98 or 99 percent of the Polish people are anti-Communist. It seems to me that we would be well advised to proceed slowly and cautiously in any change of policy that might be considered.

It is my intention to document more fully tomorrow some of my general observations today. Tomorrow I shall read to the Senate certain documents from other countries, such as Communist China, including speeches by leaders of Communist China, which are every bit as anti-Tito and every bit as anti-Yugoslavia and anti-Poland as the speeches which were delivered in the Senate.

Speeches by leaders in Communist China call Yugoslavia an imperialist lackey of the United States. Speeches of Stalinist leaders in Albania call Gomulka and Tito every name that one can think of as being deviationists, revisionists, and allies of the United States; unreliable and enemies of socialism, as they put it.

It is amazing how we find ourselves in a situation in which the critics of our policy in Yugoslavia come from two very different sources: Critics who come from Communist China and Albania, and critics who come even from among our own fellow countrymen.

I do not draw any particular conclusion except to say that the policy which our Government has been pursuing has been a very carefully designed one in three administrations. It seems to me that we ought to be exceedingly cautious in making any basic change, unless we have undeniable facts which prove the necessity for such a change. I do not discern such undeniable facts in the present situation. Therefore, I hope the other body will act less emotionally than this body did, and I hope that at the conference we shall be able to design legislative language which will permit the President of the United States to have wide latitude in the conduct of our foreign policy, particularly with the countries behind the Iron Curtain which for the first time are beginning to move out on their own, and, to fracture the monolithic structure of communism, and to show some independence of judgment, and to show that the spirit of nationalism is stronger than the doctrine of communism. If our colleague will remember that, I think we shall do better in the conduct of our foreign policy and in our comments about it.

Today, the most powerful political force in the world is nationalism, not communism; and even in the countries where communism and socialism have a grip, the spirit of nationalism is breaking the bonds and the shackles of the Communist doctrine, insofar as it tries to hold together a huge area of the earth in an immovable attitude or mold. The Communist monolithic structure is already being strained by the conflict between the Soviet Union and China, and is being fractured by countries such as Albania, Poland, Yugoslavia, and even others. Only recently Czechoslovakia, for example, refused to go along with Khrushchev's ideas in regard to a Communist-bloc trade program, and so did Hungary, and so did Poland. There are all kinds and sorts of signs which indicate that all is not well within what we so frequently term "the Communist empire." That "empire" is wobbling and shaking, and is showing signs of cracks, schisms, and breakups; and it appears that we should be doing what we can to encourage such developments, rather than to force those nations back into an even more strictly enforced discipline under the domination of the Soviet Union.

## ADJOURNMENT

Mr. HUMPHREY. Madam President, under the order previously entered, I now move that the Senate stand adjourned until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, June 15, 1962, at 12 o'clock meridian.

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# EXTENSIONS OF REMARKS

## Millis Scout Represents New England

EXTENSION OF REMARKS

OF

### HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. PHILBIN. Mr. Speaker, this evening there will be an historic dinner in the Nation's Capital to mark the granting of the Federal charter to the Boy Scouts of America. Several hundred officials of Government, leaders of business and industry and national organizations will also honor two distinguished and outstanding Members of the 87th Congress, who were here in 1916 as Members of the 64th Congress which approved the charter. They are our own beloved Congressman CARL VINSON, great and distinguished chairman of the House Armed Services Committee, on which I am proud to serve, and our valued friend, the able and distinguished Senator CARL HAYDEN, of Arizona.

I am also pleased to make known to my colleagues that an outstanding young leader and active participant in Boy Scout activities from one of the new towns in the Third Massachusetts District is representing the entire New England area Boy Scouts at this noteworthy dinner. He is Eagle Scout Bernard A. Roy, of Millis, a member of Explorer Post 15.

The son of Superintendent of Schools and Mrs. George C. Roy, Bernard is 1 of a select group of 111 Scouts here in Washington to represent all of the Scout regions throughout the country in a special scouting report to the Nation.

I extend my congratulations to Bernard and his family who may well be proud of this outstanding Scout honor in recognition for his work and activities in scouting and give him my very best wishes for a most memorable and enjoyable stay in the Capital. He has a very brilliant future ahead of him.

## The People of Dallas Express Their Opinions

EXTENSION OF REMARKS

OF

### HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. ALGER. Mr. Speaker, more than 28,000 people from the Fifth District of Texas have returned my annual questionnaire, expressing their views on the more pertinent issues of the day. This represents over an 11-percent return on the questionnaire which was sent to every registered voter in the district and clearly indicates once again that the people of Dallas County are alert to the issues and articulate in advising their Representative as to their position on vital legislation. This cooperation between the people and those of us who have the privilege of representing them in Congress makes for good government and is in the best interest of the continued strength of our Republic.

It is difficult, of course, to boil down to six or seven, or even a dozen questions, the great problems we face. Any such questionnaire must necessarily be limited to some extent, but I am convinced that through a careful selection of questions it is possible to determine the overall attitude of the people concerning the proper role of the Federal Government in the areas in which we are responsible as Federal legislators. The people of Dallas County have always been most cooperative in this effort as evidenced by the unusually high percentage of returns this year. Comments by literally hundreds of them demonstrate that they are eager and anxious to participate, in this way, in the determination of how their Government should operate.

As a part of these remarks I would like to include the tabulation of the results of the answers to my questionnaire.

The tabulation follows:

| Issues | Percent | | |
|---|---|---|---|
| | Yes | No | Undecided |
| 1. Do you believe the churches should participate in Federal-State public assistance programs and be paid for their services? | 1.7 | 96.1 | 2.2 |
| 2. Do you favor increasing Federal participation in medical care for the aged as a part of the social security program? | 6.75 | 92 | 1.25 |
| 3. Do you feel that Federal fiscal responsibility now calls for— | | | |
| (a) Cutting nondefense spending? | 86.65 | 8.3 | 5.05 |
| (b) Increasing taxes? | 3.75 | 87.65 | 8.6 |
| (c) Balancing the budget and reducing the debt? | 92.3 | 4.75 | 2.95 |
| (d) Repeal wartime Korean taxes? | 76.3 | 12.4 | 11.3 |
| 4. Do you favor Federal aid to education in— | | | |
| (a) Funds for construction and teachers' salaries? | 7.025 | 91.225 | 1.75 |
| (b) Loans and grants for colleges and universities? | 14.85 | 82.05 | 3.1 |
| (c) Aid to private and parochial schools? | 2.65 | 95.6 | 1.75 |
| (d) Grants for college scholarships? | 15.5 | 81.95 | 2.55 |
| 5. In our relationship with the United Nations do you believe— | | | |
| (a) All members should live up to the charter? | 95.17 | 1.47 | 3.36 |
| (b) All member nations should pay their share of the cost? | 94.7 | 1.3 | 4.0 |
| (c) Unless all member nations accept these responsibilities, the United States should withdraw from the U.N.? | 73.25 | 20.70 | 6.05 |
| 6. Do you favor the present foreign aid program? | 7.2 | 84.7 | 8.1 |
| 7. Do you feel we should protect American lives and property whenever they are threatened anywhere in the world? | 81.45 | 8.3 | 10.25 |

## Baltic Peoples Under Soviet Rule in 1941

EXTENSION OF REMARKS

OF

### HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. SANTANGELO. Mr. Speaker, at the end of the First World War the peoples of Estonia, Latvia, and Lithuania had regained their freedom after years of Russian rule. They instituted their own democratic governments and sought only to live in peace and develop independently. And they were firmly determined to defend their freedom and democratic institutions with all the means at their disposal. Unfortunately, however, their combined strength was insufficient to stave off the Soviet colossus which was preparing to attack them. The Baltic peoples were well aware of their inability to defend themselves alone against the Soviet Union, and so they depended upon the aid which they expected from other democracies in Europe. But when these democracies in the West were involved in the war, Stalin saw his chance; his Red army attacked these countries early in 1940, occupied them, and put an end to their independence. That was the end of democracy in these countries; but Stalin did more than that.

In mid-1940 his henchmen annexed these countries to the Soviet Union, and at the same time he meant to eliminate all opposition elements in these countries by arresting and exiling several hundred thousand Baltic nationals. This was done 22 years ago, and today the kinsmen of these peoples in the free world are observing the anniversary of that sad event. I am glad to join the many American citizens of Baltic origin in the observance of this anniversary, and express the hope that their brethren of the old continent will once again enjoy a life of peace and independence.

## Lithuania, Latvia, and Estonia: Symbolic Victims of Red Tyranny

EXTENSION OF REMARKS

OF

### HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. WIDNALL. Mr. Speaker, the victims of Soviet-controlled, Communist tyranny make newspaper headlines daily, from Cuba to Hong Kong, from the Berlin wall to the Mekong River. So great is their suffering, so appealing their plight, that we may tend to forget at times that this is a continuing story. Today we have the sad and solemn opportunity to mark the 21st anniversary of the first mass deportations from the three Baltic States of Lithuania, Latvia, and Estonia. This tragic event took place during the dark days of June 14, 15, and 16, 1941. While the world's attention was centered on the Battle of Britain, the Soviet Union cynically snuffed out the light of independence and freedom which the Baltic countries had gained at the end of the First World War. In Lithuania alone, an estimated 30,000 people were deported to Siberia, and 5,000 more lost their lives.

Sad, this day must be called, for we all recall the suffering and exile of proud peoples from these independent and flourishing nations, fallen before the hammer and sickle. Sad, too, because the ruthless subjugation of the Baltic States is symbolic of the events in Asia and Eastern Europe over the past two decades. And now we find their likeness on a once-peaceful island only 90 miles from our shores.

Yet, hope is not out of place in our consideration of this fateful anniversary. The peoples of the Baltic States are symbols of man's never-ending quest for freedom, as well. Despite the inhuman efforts of their Communist overlords—which has claimed almost one-tenth of the combined populations for slave labor camps since 1941—Lithuanians, Latvians, and Estonians, whether in exile abroad, or imprisoned behind the Iron Curtain, have held aloft in their hearts the forbidden dream of once again establishing their national identity through freedom and independence.

It is not necessary to reiterate here the present position of the United States in a worldwide struggle with Communist tyranny. To our credit we have refused to recognize the incorporation, or kidnaping, of the Baltic States into the Soviet Empire. But if we are to do more than to produce a stalemate and to fight a draw, then perhaps it is necessary to remind ourselves that we do not battle alone, but in concert with the freedom-loving victims of Communist oppression, whose hearts and minds will never accept their present fate as inevitable. What better opportunity than now to rededicate our own hearts and minds in similar fashion in honor of those victims deported en masse from Lithuania, Latvia, and Estonia 21 years ago, captive nations, yet not forgotten by those who are free.

## Legislation To Reduce Tax on Individual Capital Gains

EXTENSION OF REMARKS

OF

### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. CELLER. Mr. Speaker, our capital gains tax on individuals should be reduced from 25 to 12½ percent. I offered a bill recently for this purpose.

We would thus free vast amounts of "locked in" capital to move to new companies which need capital for development of plants and products. It would make more funds available also to the established company which is experimenting in new products, new processes, and research.

Investors would be encouraged to unlock billions of dollars. A recent survey conducted by Louis Harris & Associates for the New York Stock Exchange presented convincing evidence that reducing the maximum capital gains tax from 25 to 12½ percent would induce shareholders to sell securities and unlock five times as much capital as they would if the tax remained unchanged. Nor would there be any loss of revenue to the Government, since the lower tax rate of 12½ percent would be applied to a much broader base of realized capital gains. Indeed, the survey indicates an increase in Federal revenues.

A greater volume of pent-up stock would be sold and the money received would be available for investment elsewhere.

The estimated price of all stock held by individual shareholders at the beginning of 1960 equaled $250 billion, of which $100 billion represented capital appreciation. If the capital gains tax remains unchanged, investors would free or unlock $15.8 billion and the Government would receive $1.4 billion in tax revenues. However, if my bill should pass and the capital gains tax were cut to 12½ percent, investors would sell $77.7 billion of securities. Thus five times more capital would be freed for reinvestment than under present law and the tax revenues would be hiked from $1.4 billion as at present to $2.9 billion.

Much of this freed capital in the hands of experienced investors would be channeled into venture enterprises.

Many holders of blue chip stocks refuse to take their capital gains. They are loath to pay the large taxes. Their failure to sell holds up prices artificially by making stock less available for purchase.

The rate of stock turnover is restricted with the 25-percent tax and additional artificial pressures are exerted on stock values.

We need to encourage greater flow of venture capital if we are to increase our gross national product. Stagnant capital must become mobile if our Nation is to meet its obligations around the world, and if we are to create more jobs, more plants, more products, more services and greater research.

For all this our tax structure must encourage all possible available capital.

No other country of major industrial importance taxes capital gains on stock as stringently as the United States. Only six countries—Ceylon, Ecuador, Guatemala, India, Philippines, and Sweden—impose a tax on individuals' gains from sale of securities.

Most of these countries, including Great Britain, Canada, and West Germany, rely upon tax incentives to increase the rate of investment. They have made it a point of economic policy not to discourage personal investment in capital securities by taxing capital gains.

Our present policy embodied in the 25-percent capital gains tax restricts investment and hence impacts and stunts growth.

We should reduce the penalty on the investor for shifting his stockholdings, and in that way we would provide for a more efficient use of available capital. Billions of dollars would be released for new and expanding industries. Our economy would receive a much needed boost and the taxes collected would be increased.

## Twenty-first Anniversary of the First Mass Deportations From the Baltic States, Lithuania, Latvia, and Estonia, by Russia, June 1941

EXTENSION OF REMARKS

OF

### HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. CAREY. Mr. Speaker, Estonia, Latvia, and Lithuania constitute the three Baltic countries on the eastern shore of the Baltic, in northeastern Europe. And the peoples of these countries are among the most civilized, most gifted, and most progressive ethnic elements in all Europe. Although subjected to alien rule for centuries, they maintained their national identity, and at the end of the First World War they regained their national independence. Thenceforth for two decades they lived in freedom, which they were able to maintain in the face of a deteriorating international situation. But the outbreak of the last war brought them tragedy.

Soon after, when most of Europe was involved in the war, Stalin imposed his own harsh terms on the governments of these countries, and shortly thereafter they ceased to be independent entities. Early in 1940 the Red Army overran and occupied these countries; then all of their leaders, including several hundred thousand people, were arrested and exiled to other parts of the Soviet Union. In the meantime, these countries became part of the Soviet Union. These tragic events took place 21 years ago, and today the friends of the Baltic peoples observe the anniversary of their deportation by Soviet authorities in 1941. Since that tragedy Baltic peoples changed their masters more than once, but unfortunately all were cruel to them. During the war, for about 3 years they suffered under the Nazis, and toward the end of the war when the Communists returned, they came back with more fury and anger. At once they set out to uproot not only all vestiges of democracy in these countries, but they also did their worst to eliminate all national and ethnic traits among the people. To this day Communist totalitarianism is attempting to attain this goal, but happily Baltic peoples have resisted these steamroller tactics, and their love for freedom and independence remains unimpaired.

## The Deportation of Baltic Peoples by the Soviets

EXTENSION OF REMARKS

OF

### HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. BARRETT. Mr. Speaker, the unfortunate peoples of the Baltic countries enjoyed a short period of independence and freedom during the interwar years. The Latvians, Lithuanians, and Estonians had regained their independence at the end of the First World War, and they were content with their status as small, but prosperous and progressive democracies.

Their giant neighbor to the east, Communist Russia, however, was jealous and envious of the prosperity and democracy enjoyed by these Baltic peoples, and the Soviet rulers in the Kremlin were intent to put an end to these sovereign states. Their evil designs were carried out in June 1940. The Red army overran these three countries, occupied them, and then all three were incorporated into the Soviet Union. With that forced incorporation began the enslavement of the Baltic peoples under the tyrannical Communist totalitarianism.

During the last war these peoples suffered much under both the Nazi and Communist tyranny. Since the end of that war they suffer even more under the terrible Soviet dictatorship. There some 5 million Estonians, Latvians, and Lithuanians are held down by superior forces of the Soviet Union, and they are treated as prisoners in a huge camp.

Of course, they are shut off from the outside world and know little of the free world. But we of the free world in expressing our condemnation of Soviet tyranny and by voicing our indignation against Communist Russian misrule in these countries, echo the genuine sentiments of the unfortunate peoples of the Baltic.

### Soviet Conquest of the Baltic Republics of Estonia, Latvia, and Lithuania

EXTENSION OF REMARKS

OF

## HON. WILLIAM T. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. MURPHY. Mr. Speaker, June 15 marks a tragic anniversary in the history of Eastern Europe. It is the anniversary of the Soviet conquest of the independent Baltic Republics.

The Republics of Estonia, Latvia, and Lithuania struggled painfully for their independence in the chaotic days at the close of World War I. During the two decades which followed they protected their independence carefully and endeavored to raise the standard of living within their national boundaries. None of the three republics was endowed with abundant natural resources. However, agricultural reform initiated by their national governments broke up the large estates and resulted in a period of agricultural prosperity. The people enjoyed a moderately prosperous but not luxurious standard of living.

The Ribbentrop-Molotov pact of August 1939 heralded the close of the period of independence. The terror which was to follow was already being planned by the General Staff of the Soviet Army. On October 11, 1939, Gen. Ivan Serov, Deputy Commissar of State Security, issued an infamous order setting forth the "procedure for carrying out the deportation of anti-Soviet elements from Lithuania, Latvia, and Estonia." The technique which he perfected in the Baltic Republics was later repeated following the Hungarian revolt of 1956.

The magnitude of the Soviet terror is difficult for us to imagine living as we do in the secure confines of the United States. Perhaps some inkling of the immense dislocation and individual suffering can be gleaned from the bare figures of Soviet deportation. In the Republic of Estonia alone, during the period from 1940 to 1941, 5,451 men and 525 women were arrested and taken to the Soviet zone. Another 1,741 men and 209 women were arrested and executed. Still another 5,102 were expelled from Estonia, and 33,304 were drafted into the Soviet Army. It is estimated by the Estonian Information Center in Stockholm that during the 1940–41 period 60,000 Estonians were lost through deportation and execution. The pattern of repression was repeated in Latvia and Lithuania.

In Latvia on the single night of June 14, 1941, 15,000 Latvians—including women and children—were rounded up and deported to labor camps in northeast Russia and Siberia. During the year of Soviet occupation in 1940 some 34,000 Latvians were killed, arrested, or deported.

In Lithuania the beginning of the Soviet occupation was the start of a purge of the enemies of the people. On June 24, 1940, the Lithuanian Communist Party announced that "enemies of the people must get out of the administration and the army." Shortly after this shrill proclamation the Red terror began. During the interim between the first Soviet occupation and the Nazi occupation some 45,000 Lithuanians were killed. An equal number were arrested, deported, or managed to escape.

On this day of June 15 it is well that we pause and remember the great loss and suffering endured by the people of the Baltic Republics, and look forward to the day when Lithuanians, Latvians, and Estonians will once more enjoy individual liberty under just government.

### The Baltic Peoples and Their Deportation by the Soviets

EXTENSION OF REMARKS

OF

## HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. BOLAND. Mr. Speaker, the long and turbulent history of the Baltic peoples is full of misfortunes and misfortunes, but the tragic period of their history began in 1940. Centuries before the First World War they lost their independence and lived under foreign regimes. The end of that war ushered in a new era for them. After the conclusion of that war all three regained their freedom, proclaimed their independence, and established their own democratic governments in Estonia, Latvia, and Lithuania. These governments were duly recognized by other sovereign governments, and all three became members of the world community of nations. During the period of their independence, the interwar years of two decades, they rebuilt their war-ravaged countries, and were perfectly content with their lot. Unfortunately for them, in the larger world of international politics and world diplomacy they were not masters of their fate. With the rise of totalitarian governments first in Russia and then in Germany the Baltic peoples found themselves in a very dangerous situation. They succeeded in maintaining their independence until the outbreak of the last war, then the Soviet Union alone became the arbiter of their fate.

As the friends of these peoples in the West were involved in the war, the Soviet Union felt free to deal with the Baltic peoples as its dictator wished—to occupy and annex these countries and enslave their inhabitants. This was done not only in a highhanded manner by resorting to barbaric methods. In the middle of 1940, these countries were occupied by the Red army, and then made part of the Soviet Union. Within the next year Soviet authorities rounded up all those suspected of opposing communism, by the hundreds of thousands, and exiled them to the distant corners of the Soviet Union. This mass deportation of innocent peoples was the beginning of their tragedy, and today, more than two decades later, we do not know of their fate. It is probable that most of them died in exile and misery, far away from their beloved homelands in the Baltics. In observing the anniversary of their deportation, we condemn this inhuman act of the Soviet Government and pray for the souls of these helpless but brave people.

### Deportations From Lithuania, Latvia, and Estonia

EXTENSION OF REMARKS

OF

## HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. RODINO. Mr. Speaker, once again the time has come for us to pause and in reverent sympathy commemorate the first waves of Soviet deportations from the Baltic States in June 1941. The seemingly never-ending sequel to the drama is still being played, for the Soviet Communists did not stop at one rash act of forcible seizure of persons, even though in this one act alone thousands of citizens of the Baltic nations were removed from their homelands to eastern Russia and Siberia. Excuses for arrest and exile were not hard to find for authorities as adept as the Soviets at weaving justifications out of a void and at molding confessions out of silence. Political criticism was always the basis—the lightly spoken word against an official, gentle resistance to the collectivization of land, the boldness to disagree, however softly, with any aspect of Soviet policy. All Lithuania, Latvia, and Estonia were placed under close surveillance, and any who dared object to the insidious betrayal of his country by the Soviets was forced to leave that homeland forever.

It might be well at this point to review briefly the history of the Baltic nations in the 20th century. Subject to Russian domination since the 18th century and overrun by Germany during the First World War, the Baltic countries regained their long-lost sovereignty after the First World War. According to the German-Russian Peace Treaty of Brest-Litovsk, signed on March 3, 1918, and a supplementary agreement of August 27, Russia renounced her sovereignty over the Baltic States, with an understanding that their future would be determined in accordance with the will of the people. But after Germany's military collapse the Soviet Union declared the treaty null and void, and the Baltic States were forced to fight the Red army for their independence. The bravely fought wars for independence were finally crowned with success, and in the course of the year 1920 peace treaties were signed between the Soviet Union and each of the Baltic States, in which Russia renounced all rights over the Baltic Republics "forever."

Thus, the year 1920 marked the beginning of two decades of peaceful development for Lithuania, Latvia, and Estonia. Civil liberties were constitutionally guaranteed. Local self-governing institutions were elected by the citizens. Social legislation was enacted. Economic reforms were initiated. The educational system was improved. Literature, music and art flourished in an atmosphere which nourished creativity. The Baltic States were responsible and well-beloved members of the world community.

But even in these golden years relations with the Soviet Union caused problems for the three Baltic countries, for it early became clear that the Soviet Union had not abandoned its aggressive aims regarding its smaller neighbors. Numerous frontier incidents were incited by the Soviets and several Communist coups were attempted. Then, in the middle 1930's the Soviet Union began pressing for a protectorate over the Baltic Republics, supposedly to protect them against German aggression. The first step in the annexation of the Baltic countries was taken in 1939 when the Soviet Union imposed mutual defense pacts upon them. In 1940 the Soviet Army marched in and Moscow announced the incorporation of Lithuania, Latvia, and Estonia into the Soviet Union. The Soviet pledge renouncing all right over the Baltic States forever had been kept but 20 years. The independence of the Baltic nations had lasted but two decades when, once again as in the past, the Russian conqueror swept over the land.

We can only express horror at the ruthless suppression of liberties which accompanied the Soviet takeover. The reforms of the epoch between the wars, the advances in every field of endeavor came to naught as the citizens of Lithuania, Latvia, and Estonia were made prisoners of the Soviet dictatorship. Where once democracy had flourished, now a heartless totalitarian society repressed all creative endeavor, for criticism and the incentive to improve became crimes punishable by arrest and deportation.

But let us hope that it will not always be so. In extending our sympathy to the thousands of Baltic citizens brutally forced from their homelands by the Soviets and to the thousands of others who live in terror of the same fate, let us assure them of our support for their cherished cause of liberation. May they once again live in freedom.

## Believe It or Not

EXTENSION OF REMARKS

OF

### HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. JENSEN. Mr. Speaker, I am sure that the facts and figures given below will surprise every American taxpayer, which includes every citizen of the United States. Here they are in a nutshell, as just handed to me by one of the able clerks of the House Appropriations Committee, at my request.

Since the 1st session of the 78th Congress which began in January 1943 up to and including the 1st session of the 87th Congress 19 years later, this House of Congress has during those 19 sessions reduced the President's budgets in round figures $57 billion.

Had the other body accepted the House figures our Federal debt would now be less than $250 billion, and hence the bill now before the House to raise the Federal debt ceiling up to $308 billion would not be worrying the American taxpayers, most of whom are asking, "Where do we go from here?"

## Fathers and Sons

EXTENSION OF REMARKS

OF

### HON. J. GLENN BEALL

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

*Thursday, June 14, 1962*

Mr. BEALL. Mr. President, it is a rare gift to be able to experience true beauty in this world and to describe it so warmly that others can share in the sentiment. My good friend and colleague from West Virginia, Senator Jennings Randolph, the father of two sons, is one of those gifted persons who has this ability, and he exhibited it to the highest degree recently when he wrote an article for Parents' Magazine entitled "Fathers and Sons."

This article should be "must" reading for every parent, but it is particularly appropriate with Father's Day so close at hand. Therefore, I ask unanimous consent that it be printed in the Congressional Record. As the father of three sons, I recommend it wholeheartedly to everyone interested in the important father-son relationship.

There being no objection, the article was ordered to be printed in the Record, as follows:

FATHERS AND SONS

(By Jennings Randolph)

A boy, someone has said, is nature's answer to that false belief that there is no such thing as perpetual motion. A boy can run like a deer, swim like a fish, climb like a squirrel, balk like a mule, bellow like a bull, eat like a pig or act like a monkey according to climatic conditions. He is a piece of skin stretched over an appetite. A noise covered by smudges. He eats only when awake.

All our work is for him, a boy. He is a growing animal of superlative promise which must be fed, watered and kept warm, a joy forever, a periodic nuisance, the problem of our times, the hope of our Nation. Every boy born is evidence that God is not yet discouraged with man.

This is the problem each of us faces as a father: to help our sons become men, without making them lose the spontaneity and independence of a boy. For each of us the problem is unique, and its solution the most important and delicate task that ever confronts us. For the task calls for the right balance of love and wisdom.

In helping a boy become a man, the means we use become the very substance of the person himself. The boy, watching from his corner of the world, is the mirror of our methods. If we rely on authoritarianism and coercion, we create a hidebound and fearful person. The wisest European mind of the 16th century, Montaigne, expressed this when he said, "* * * that which cannot be compassed by reason, wisdom and discretion, can never be attained by force and constraint."

To these qualities I would add companionship, love and compassion. All three are vital. To take the first: What goes into the companionship between father and son? All manner of things—time spent together, working together when a father transmits the skills he has to his boy. Whether these skills include building shortwave radios, sailing a boat, working at a stamp collection, cultivating a garden, repairing the automatic machines around the house so they're put back into working order, building a cabin or a room onto the house, deciphering puzzles or skiing—the time spent together is as valuable, perhaps, as the skill transmitted. For within the time is the father's enthusiasm, his regard and love for what he is doing. And it is this heritage he is passing on to his son. Father and son may talk a lot, or not at all. A true companionship can be as full of silence as of words. And having fun together needs no self-conscious determination to "have fun" together. The father who plays with his young son because he feels he should, who takes a walk with him reluctantly, with his mind on other matters, misses the meaning of true companionship, and both he and his son miss the rewards of true companionship. As a sapling grows from the root of a big tree, and up in the shelter of the big tree until the time when it can be successfully transplanted on its own, so does a father who is a real companion to his son nourish that son's being and share his own life with his offspring.

But there are times in a boy's life, despite companionship, when a father is forced to stand aside and watch him struggle alone—when all a father can give his son is love and compassion. These are, perhaps, a father's most difficult times—but the most necessary. Difficult because they test our own forebearance when we know—or think we know—life's answers in our own terms, but must sit by while our sons find the answers in their own terms. For these times form the very substance of manhood itself.

Each of us, then, must face these countless times of decision when not action but forebearance to act—even in the face of pain to ourselves and our sons—is the greatest act of love and wisdom in our power. For it is only when a boy can look upon life with his own eyes—when he can form judgments and make responses in terms of his own hardwon and consciously arrived at values—that he becomes a man. Thus, the highest measure of our success as fathers is the extent to which our sons outgrow us. A stern truth to face, but a root to the essence of fatherhood.

We need to be clear about what kind of fathers we are, what kind we would like to be, we need to try to understand how we communicate this image of "father" to our sons, so that they in their turn may become fathers.

This understanding can no longer rest only on the assumptions of a previous age—for our functions as fathers are more sensitive to the vicissitudes of social change than the functions of mothers. No longer, for example, is a father the figure of arbitrary and unquestioned authority he was a hundred years ago. Too often, today, a father is mirrored by the comic-strip father, the Dagwood Bumstead, the weak and ineffectual man continually duped by circumstances, by his velvet-gloved, ironfisted wife, and by his children.

Thus, added to all the other obligations of a father is his duty to be a man—to demonstrate his worth as a man in all the varied ways that life charges him with responsibility—in all the varied ways his son perceives him as a man capable of directing his own life and that of his family, with balance and with dignity.

## The Baltic States Mass Deportation Day

EXTENSION OF REMARKS

OF

### HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. FARBSTEIN. Mr. Speaker, on June 14, 1941, a little over two decades ago, the Soviet Communists initiated a series of mass deportations from the Baltic States the cruelty of which has few parallels in history. The exact figures are unknown, but around 15,000 Latvian men, women, and children were forced into exile on that first night of June 14. About 5 percent of the total population of Estonia was deported during a period of 14 months. And, in a later wave of deportations, approximately 10 percent of Lithuania's population was driven to Siberia in a Soviet attempt to break down the resistance of Lithuanian farmers to the forcible collectivization of their land.

But the treachery began earlier when, contrary to every assurance given the Baltic peoples in a vast array of treaties and international agreements with the Soviet Union, their territory was overrun by the Soviet army and they were incorporated into the Soviet Union as constituent republics. "Republics" is truly an ironic misnomer, for with incorporation into the Soviet Union came the end of constitutional government and guaranteed liberties which are to us in the free world inherent characteristics of a republic. "Republic" is a strange epithet for a country whose citizens are arrested without cause and forcibly driven to Siberian prison camps in the middle of the night.

When we compare the Baltic constituent republics of today with the independent Baltic Republics of the decades between the two World Wars, we are stunned by the contrast. In those bright interwar years parliamentary government and legislative reforms were the order of the day. Industrial development and trade were encouraged. The Baltic nations saw a revival of culture as creativity was stimulated in an atmosphere of freedom. But today under the totalitarian system imposed by the Soviets, creativity is frustrated and individual liberties are nonexistent.

Thus, we pause once again on this tragic anniversary to assure the peoples of Lithuania, Latvia, and Estonia of our support for their goal of liberation. Our Government has never recognized the incorporation of the Baltic Republics into the Soviet Union, for that ruthless action was a betrayal of the basic ideals for which we stand. We urge the Baltic peoples to have courage, for with that courage will emerge the faith that one day their cause will be won.

## Tax Reduction Now

EXTENSION OF REMARKS

OF

### HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. PHILBIN. Mr. Speaker, speaking to my friends at the Massachusetts Police Chiefs Association in West Boylston, Mass., May 31 last, I was requested in advance to outline my views on some pending, important issues.

Because of the many pressing issues before us, it is often quite difficult to select and summarize in brief remarks, an analysis of the questions under discussion. But in view of present conditions, I felt it incumbent upon me to suggest the compelling need for tax reform.

Immediate tax reduction across the board for business and the general taxpayers, I said, would unquestionably be an effective spur to business prosperity, high level employment and the general welfare of the American people.

Secondly, I discussed foreign policy and defense and declared that firmness, calmness and overwhelming strength of the kind we have marshaled in our military and economic patterns, as well as the moral and spiritual vitality emanating from the homes and communities of America, constitute not only our great national defense, but the best insurance we can have at this time against the ravages of nuclear war.

Thirdly, I urged that there be no lack of confidence in our superb economy. It is the most productive, economic system in history, and it derives its strength from the fact that it is the freest economy in the world. It is imperative that we keep it free, strong, and vigorous, and that we make sure that a suitable climate is preserved here for incentive, for ambition, and for free enterprise.

Long ago and on numerous occasions, I have urged general tax revision and faster depreciation writeoffs to promote prosperity and eliminate inequities and injustices, and I hope appropriate action will soon be taken because that would do much to stimulate initiative, and improve the distressing trouble spots which currently appear, and to maintain our much-vaunted standards of living. Speedy action is imperative to give tone and more confidence to our economy.

Such measures, accompanied by economy and efficiency in the Government, would also increase Treasury revenues and bring about a better balance between expenditures and income.

I am very proud of the police chiefs and the officers and staffs of my hometown of Clinton, the great congressional district which I represent, and our Commonwealth, and while they are beset by many extremely difficult problems these days, I know that they can be relied upon, in an efficient, effective way to do their full part in law enforcement and related fields, so necessary to social wellbeing and ordered liberty.

I paid special tribute to my friend, Boston Police Commissioner Edmund McNamara, as one of Clinton's great public servants, and hailed his family background, high character, ability, and training, personal integrity, courage, and efficiency as giving assurance of dedicated leadership and accomplishment. Clinton is proud of this young man and I am proud of him; we are all proud of him, and I wish him great success in his important work.

There can be no question but that law enforcement, actual and preventive, is of vital importance and a critical need in maintaining public order and nurturing proper respect for the rights of others. Our able and distinguished police chiefs, their officers and staffs must be congratulated and complimented upon their sterling performance, their fidelity and devotion to duty and the fine work they are doing in their respective communities and for the Nation.

The invitation to attend the Massachusetts police chiefs gathering of such able and distinguished chiefs and their honored guests, coming as it did from my dear friend, Chief Michael J. Kelly, of Clinton, was more or less of a mandatory character, as well as a great honor and pleasure, and I greatly enjoyed the delightful and rewarding occasion.

## Soviet Deportation of Baltic Peoples

EXTENSION OF REMARKS

OF

### HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. DENT. Mr. Speaker, the unfortunate peoples of the three Baltic countries—Estonians, Latvians, and Lithuanians—have had their share of misery and misfortune, but fate was most cruel to them in 1940. In that year these three countries, once the home of rising young and progressive democracies, were attacked by the Soviet Union, overrun, and then annexed to the Soviet Union. Many hundreds of thousands of their inhabitants were uprooted from their homes and deported to other parts of the Soviet Union. Unfortunately many innocent and helpless victims of the Soviet Union's unbridled aggression of 1940 are still suffering in some distant and desolate corner of the Soviet empire.

For the last 22 years the free world has heard practically nothing about these people except what has been learned from those few who have had the extraordinary good luck to escape. And the fate of millions of Estonians, Latvians, and Lithuanians in their homeland is not much better. It is true that they were not deported, but they certainly suffered much privation and hardship during the war, and are still suffering under the unrelenting tyranny of Communist totalitarianism. We have also learned that in recent years the native population of the coastal areas of these countries were moved to the interior in order to make room for Asiatic people brought in to settle there. Outrageous and almost unbelievable as this may sound, yet the deliberate policy of the Soviet Union seems to be to colonize these frontiers exposed to the West with people from other parts of the Soviet Union.

We in the West are fully cognizant of these heartrending facts. We are well aware of the sad fate that befell those deportees and of the unbelievable lot of those who are living in the three Baltic countries today. I wholeheartedly sympathize with their lot, and ardently hope that soon a way will be found to ameliorate their lot and free them from Communist totalitarian tyranny.

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## Soviet Deportation of Lithuanians in 1940

EXTENSION OF REMARKS

OF

### HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. BOLAND. Mr. Speaker, Lithuania is the largest of the three small Baltic countries in northeastern Europe, and the 3 million Lithuanians constitute the largest ethnic element among the three Baltic peoples. These dauntless and daring people have had a long and turbulent history, extending back to the Middle Ages. They had their glorious days in the distant past, but during most of modern times they have been subjected to alien rule, and therefore have suffered under oppressive foreign regimes. For more than a century they endured the autocratic rule of Russia's czars, and during all that time they worked and struggled for their freedom. Toward the end of the First World War when the Russian czarist regime was no more, they felt free, and proclaimed their national independence in 1918.

Thenceforth for more than two decades they worked hard in rebuilding their homes and in strengthening their newly established democratic institutions. And in that relatively short time democracy had taken firm root in the country, and the people were enjoying their freedom to the full. During all that time, however, Lithuanians were afraid of the rise of nazism in Germany as they were also rightly apprehensive of the Soviet regime's intentions toward them. Unfortunately, their worst fears proved to be well founded, when by mid-1940 their freedom and independence were treacherously taken away by Stalin's henchmen.

Early in 1940 Red forces attacked and occupied Lithuania, thereby putting an end to the freedom there. Then under the leadership of Soviet agents a Communist regime was instituted there, and then the country was annexed to the Soviet Union. Thus in a matter of a few months, and without having waged war, Soviet Union became master of Lithuania and its helpless inhabitants. Of course the Soviet Government saw to it that there was no opposition to its treacherous act. To that end, arrests and imprisonments of tens of thousands went on, and eventually these victims of Soviet tyranny were exiled to distant and desolate parts of the Soviet Union. Throughout the war these unhappy souls suffered in exile, and to this day many of them are still suffering in some unknown and forbidding areas in Asiatic Russia. On the observance of the anniversary of this tragic act by Soviet authorities, we can only hope that these unfortunate and helpless Lithuanians will regain their freedom from Soviet prison camps.

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## Mass Deportation of Lithuanians by the Soviets

EXTENSION OF REMARKS

OF

### HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. CLARK. Mr. Speaker, Lithuania is the largest of the three Baltic States in northeastern Europe, and the Lithuanians the most numerous of the ethnic groups there, about 3 million in all. They have played an important role in the history of the Baltic peoples. Highly intelligent, well-educated and devoutly religious, the Lithuanian people have every right to be proud of their attainments.

For more than a full century their country was part of imperial Russia, and they were subjected to czarist Russia's autocratic regime. At the end of World War I they regained their freedom and independence, and reconstituted the Lithuanian Republic. In this democratic state they made remarkable progress in the course of two decades. But the outbreak of the last war and its tragic sequel was disastrous to the Lithuanian people.

Early in that war the Red Army attacked Lithuania, and by mid-1940 Lithuanian independence had vanished. Soon Lithuanians found themselves enslaved by the Communist regime imposed upon them by the Kremlin, and thenceforth authorities arrested and imprisoned all Lithuanians. Subsequently many thousand innocent peoples were also arrested, and in a mass deportation, they were exiled to distant parts of Soviet Russia. Some of these deportees must have died far from their homes and friends, and today on the observance of the anniversary of their deportation, we mourn their death and condemn this inhuman act of Soviet authorities.

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## 1962 Capitol Page School Commencement Address by Representative Harold R. Collier of Illinois

EXTENSION OF REMARKS

OF

### HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. BROOMFIELD. Mr. Speaker, on Monday, June 11, my colleague, Hon. HAROLD R. COLLIER, of Illinois, delivered the commencement address at the graduation ceremonies of the Capitol Page School. Believing that his remarks will be of interest to our fellow Members of the House and Senate who were unable to attend the exercises, I am pleased to place his address in the RECORD.

The address follows:

1962 CAPITOL PAGE SCHOOL ADDRESS BY REPRESENTATIVE HAROLD R. COLLIER, OF ILLINOIS

Distinguished guests, students, and graduates, it is a distinct privilege for me to participate in this commencement exercise this evening. And it is apropos that I use the word "distinct" because few young men have the opportunity which you experienced in your education here in the Capitol Page School.

You who are receiving your diplomas this evening are but 23 of 1,880,000 high school students across the country who are graduating in this year of 1962. Yet no other institution of secondary schooling is as widely known as yours and in no other school do the graduates receive along with their diplomas a Presidential certificate as will each of you. In years to come I am sure you will prize more and more this rare memento, not only of your school but your service to your Government. The 80 young men who serve each year in their capacities as pages in the House of Representatives, the U.S. Senate or the U.S. Supreme Court, are in daily association with the men who conduct the affairs of state and write the history of this great and proud Nation.

And while, perhaps, many of you might be inclined to take the opportunity you are enjoying and have enjoyed, a bit for granted, I am sure you will find in the years ahead a rich reward for your experiences in the Nation's Capitol.

True, it may be more rewarding to some of you than others, depending on your individual application, personal effort, and insight.

On this theme, I humbly express the hope that those of you who are graduating this evening use to every advantage the rich experience of your service and education in your future endeavors. And to those of you who will enjoy the experience of graduation in the years to come, may this occasion be an inspiration to set even higher standards for yourselves and the Page School.

Five years ago Soviet scientists set a little metal ball whizzing around the earth in space. This perhaps had as great an impact upon the reevaluation of our educational system as any other single incident in modern history.

Our national pride was suddenly wounded by the scientific achievement of our adversary. The greater achievement of having been first to split the atom was relegated to temporary oblivion.

"Why were we not first in this scientific endeavor?" was the hue and cry of many educators and top people in Government.

We began to search for the answer, and in doing so called for a new and greater emphasis upon mathematics and the sciences. The following year, in 1958, the Congress passed the National Defense Education Act, designed to encourage participation primarily in these fields, as well as the modern languages.

Many who clamored for greater participation by the Federal Government in the field of education may not have looked far enough for the answer to some of the ills and woes of our educational system. Others exaggerated the inadequacies which existed and which still exist today.

Yet for all of our criticism, which in itself is frequently healthy, we must not lose sight of the fact that American education in its finest sense provides a fredom of choice which is not enjoyed by students in countries with totalitarian governments. While the Soviet Union may direct the curriculum and future of any student, in a nation of free people, such as ours, we cannot and must not dictate the course of study nor the ultimate profession of our scholars. On the other hand, we must provide the tools, incentives and opportunities for making the most of the great intellectual resources of our people.

In the same breath, it must be remembered that the system of education which we enjoy in this great free Republic has provided the highest standards of education for the greatest number of people of any educational system in the history of the world. We accomplished this in the comparatively brief span of less than two centuries, while nations with thousands of years of civilization behind them had a system which provided educational opportunities for only a few of their privileged citizens. Even now, educational opportunities in many nations are limited to small segments of the populace.

Although there is a virtual renaissance in education taking place around the world, a world which is engaged in a great struggle between two divergent ideologies, this international rivalry is having an increasing effect upon all phases of our national life and more and more it dominates our perspectives.

Here at home, we are engaged in an educational race with the Soviet Union as part of the broad intense international competition. Not only have we taken the position that the challenge of our time is to train more engineers than our adversary, but to develop the best ballerinas and ballet dancers, gather the greatest attention at international trade fairs, build the most schoolhouses, or even grow the tallest corn. While some people claim this sort of competition is foolish, we must recognize it, on the other hand, as a way of life in the world in which we live today.

But I hasten to say to you this evening that this approach to educational competition must not dominate our system, for should not the real value of education be reflected in the improvement of creative activity among more and more of our people; for with it will come an improvement in the living standards of our entire population. Education holds the key to the individual and collective progress of our society.

Improving our areas of learning must, of course, be coupled with strengthening the moral standards of all our citizenry. We must not look for the easy way out unless we choose to permit the moral fiber of democracy to degenerate.

The individual's responsibility to himself is as essential to the preservation of these United States as is his obligation to his fellow man. This statement might well be challenged by many who look upon the entire system of education in the mass concept. But may I remind you that great advances in many fields of research were achieved by dedicated individuals, each using the knowledge of another individual upon which to build a final goal.

Hence, the encouragement of every young man and woman to pursue higher education on the basis of providing himself or herself with a more fruitful life in a field of his or her own choosing is the foundation of a free society.

It seems to me that the prime product of education is self-responsibility; for being responsible to oneself is the fundamental ingredient of a strong moral society. There are those who seek a utopian system through greater control of the lives of individuals. But history has repeatedly borne evidence of the fallacy of this philosophy. As a Nation we are becoming insecure with our obsession for a security which places emphasis upon the material rather than the intellectual and spiritual values. Yet the real security and strength of this country depends upon individual initiative, ambition, and ingenuity.

Our society, by its very nature, is complex. Its strength cannot be preserved if we attempt to simplify its problems by mass solutions. And this is where self-reliance through well-proportioned education enters the picture. For as we increase the scope of education, we also expand its influence.

There is no question that we are expanding educational opportunities, and we are witnessing an acceleration of new and better institutions of learning in many areas. Education, of itself, cannot be isolated, for a broadening of self-reliance through preparedness funnels its way down to every level of society.

And so the point of my remarks to you this evening is just this:

Pursue your future education with a positive goal and keep in mind always that the short cuts to success are rare. The detours are many and the pitfalls are not few. To you who are graduating this evening, and I presume most of you will continue your education at various institutions of higher learning, may I suggest that every hour of study should be regarded as an hour of training for your future responsibilities as better-informed and consequently better citizens.

Higher education, while it is so frequently regarded as something that should be the birthright of every citizen, should also be regarded as an opportunity which a student must earn by effort and desire.

The problems of each generation become increasingly more difficult and complex. Therefore each generation must be better equipped and must draw more diligently upon its talents. That is the challenge of our day; and, in fact, the challenge we face if we are to preserve a Nation of free people; a Nation of rich opportunity; and a Nation which must continue to be governed by the consent of the governed.

If you who are graduating this evening and the nearly 2 million others like you, accept this challenge with pride of personal responsibility, there need be no fear of the future. To do anything less would indeed pose a threat to the great heritage of a free Nation.

## The Russian Invasion of the Baltic States

EXTENSION OF REMARKS

OF

**HON. GEORGE M. WALLHAUSER**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. WALLHAUSER. Mr. Speaker, today marks the 21st anniversary of the Russian invasion of the Baltic States of Lithuania, Estonia, and Latvia.

During 3 agonizing days of brutality and terror more than 100,000 proud, defiant, and freedom-loving people were deported to concentration camps in remote regions of Siberia. In these squalid and pestiferous camps, these people were left to die for their crime—the crime of wanting to be free, of opposing enslavement by their sinister Communist neighbors.

Today the fate of those who remain in this enslaved area is largely uncertain, but one fact has been clearly established. Under the yoke of Communist oppression, more than 600,000 people have been murdered or deported. Yet, the Communist rule and domination of these enslaved people has not succeeded in crushing out their hope for freedom. It is our solemn duty as citizens of a free and democratic country to vigorously oppose this sort of tyranny wherever it has occurred, and wherever it will occur in the future.

Thus, Mr. Speaker, may we all reflect on this tragedy of history and rededicate ourselves to the cause of democracy and freedom.

## "Keep Fit" Kit for Young America

EXTENSION OF REMARKS

OF

**HON. VICTOR L. ANFUSO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. ANFUSO. Mr. Speaker, young America is of vital concern to us all, not only in the field of education and development, but in the area of general health as well. The person who will become the President of the United States at the turn of the century is today in the preschool to the 11-yead-old age bracket. That person's philosophy, personal creed, and physical appearance will reflect the America of tomorrow.

That is why I am particularly interested in Paige Palmer, who has been proposed as a member of the President's Committee for Physical Fitness, and her scientifically developed "keep fit" kit for youngsters whose ages fall in the area I have mentioned previously—preschool to 11 years of age.

The "keep fit" kit appeals to youngsters primarily because it turns healthful exercise into play, and play into healthful exercise. Through the use of the contents of the "keep fit" kit, young America can achieve stronger muscles, better posture, balance, agility, rhythm, and grace. For example, the weighted bar included in the "keep fit" kit not only corrects round shoulders, but it strengthens ankles and arches as well. The exercise stretch rope is ideal for straightening back-shoulder muscles which lead to better posture.

In conclusion, I should like to point out that Miss Palmer, developer of the "keep fit" kit has been commended on the floor of Congress for her efforts to help improve the Nation's physical standards and for her organization of the Youth Physical Fitness Council.

All of us, as Miss Palmer, can help build a stronger America by assuring the youth of America that we have their interest at heart and we shall do our utmost to supply them with the tools to keep them physically fit and mentally alert.

## Mass Deportation from the Baltic Countries

EXTENSION OF REMARKS

OF

### HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. DANIELS. Mr. Speaker, today we are reminded of the indignities which humans have suffered and continue to suffer in the hands of Communist domination.

On the night of June 14, 1941, began a series of mass deportations from the Baltic countries that shocked the world into disbelief. In a single night over 30,000 Lithuanians were forcibly driven to the alien and barren lands of northeastern Russia and Siberia by the Soviet Communists. The story of terror is the same for the Latvians and Estonians. The mass deportations continued until the Baltic countries had been deprived of a not inconsequential fraction of their populations. The Soviets planned to replace the exiled Baltic citizens with good Communists from Russia.

This was not the first time that the Baltic peoples had felt the yoke of Russian oppression, for in the 18th century the czarist armies had planted the flag of Russian imperialism on Baltic soil. It was not until the end of the First World War that the Russian flag could be stripped from its mast and replaced by the standards of sovereignty and independence. But Russian repression under the czar, though it existed, was light compared to the tactics of the Soviets. Individual liberties have been crushed, self-governing institutions have been demolished, and the once flourishing culture of the Baltic Republics had been choked by the Soviet tyranny. Everything has been remolded to fit the structure of totalitarianism, everything, that is, but the courageous peoples of these three unfortunate nations.

For the mass deportations of citizens, unspeakably tragic though they be, are a telling account of the failure of the Communists to remake the Baltic peoples in their own image. We commend the populations of Lithuania, Latvia, and Estonia for their resistance to the insidious techniques of the Soviets. Our hearts ache at the tragic choice they have been forced to make—exile from home and family to the slave camps of Siberia or life under totalitarianism. For it is not really a choice at all; in either case it has meant the suppression of that which is dearest to all men—individual liberties. We cannot but admire the fortitude with which the Baltic peoples have borne their tragedy, and we cannot but express thanks that they have been able to keep always before them the hope that someday they will once again be sovereign and free. Thus, it is fitting that on this sad anniversary we commend the Lithuanians, Latvians, and Estonians for their unshakable faith and express our support for their liberation.

## Charter Day, Boy Scouts of America

EXTENSION OF REMARKS

OF

### HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. HALPERN. Mr. Speaker, 52 years ago tomorrow the Congress issued a charter to the Boy Scouts of America. In Scouting this is known as Charter Day. It falls on June 15. President Teddy Roosevelt was one of the men who gave early encouragement to the Scouting idea. Since his time every President we have had has played an active part in the Boy Scouts of America; and President Kennedy himself was in Troop 2, Bronxville, N.Y., between 1929 and 1931. What other organization can name as honorary president the President of the United States and as honorary vice presidents former Presidents Eisenhower, Truman, and Hoover?

The list of men who have played constructive roles in Scouting and who today are honorary members of the Boy Scouts reads like a roster of the Congress and the Government. Take California for example. Former Vice President Nixon and Gov. Pat Brown are both honorary Scouts. Take New York. Former Governor Dewey and Governor Rockefeller are both members. Senator JAVITS is an honorary member. So is former Senator Lehman. In the Senate men like Saltonstall, of Massachusetts; Hickenlooper, of Iowa; Scott, of Pennsylvania; Bush, of Connecticut; the late Senator Bridges, of New Hampshire; Senator Byrd, of Virginia; Senator Kerr, of Oklahoma; former Senator Green, of Rhode Island; and in the House of Representatives Noah Mason, of Illinois; James Van Zandt, of Pennsylvania; Robert Stafford, of Vermont.

Our former representative to the United Nations, Henry Cabot Lodge, is an honorary member of the Boy Scouts; as is the American whom we associate more than any other with that organization, Dr. Ralph Bunche. I also have information that Dean Rusk, the Secretary of State, was a Boy Scout in the early 1920's and was the Atlanta Council's knot-tying champion.

Many members of recent Cabinets have had close associations with the Boy Scouts. The present Secretary of Labor, Arthur Goldberg, and the former Secretary, James P. Mitchell, were Scouts.

What does this mean? Partly it means that Scouting is an excellent launching pad for future careers in public service. Partly it means that Members of the Congress, high officials in Federal agencies, State Governors, and local officials recognize that groups like the Boy Scouts should be encouraged in their programs which turn today's boys into tomorrow's citizens.

As Scouts you learn what a feeling of pride there is in individual achievement. As you progress through the various Scout ranks and acquire skills of increasing difficulty and importance, you educate yourselves—you learn how to be resourceful and how to be self-reliant. You learn how to serve. You build confidence at having conquered several difficult tasks, and find yourselves better equipped to deal with new and unfamiliar situations.

This confidence building, it seems to me, is much the same as the program of education, conditioning, and practice which our seven U.S. astronauts go through. As they become more familiar with the sensations of space travel, more familiar with the equipment they are to use, their confidence builds and they learn to handle new problems with coolness and intelligence.

And Scouting is keeping up with the times. They tell me you Scouts are learning first aid techniques which are far superior to the training your parents ever received. I have read newspaper stories of Boy Scouts administering mouth-to-mouth artificial respiration successfully when other methods by other persons insufficiently trained were failing.

And to prove how up-to-date Scouting has become, two explorer Scouts, one from Kansas and one from Denmark, spent part of last year as junior scientific aids to a research outpost, Camp Century, operated by the Army Corps of Engineers in Greenland, within 800 miles of the North Pole. These boys found out how the Army does most of the routine Scouts tasks by the use of modern technology. To find water—they bored into the ice with steam drills. To blaze trails across the ice—the Army used parallel wires buried in the snow that kept surface vehicles from losing themselves in the Arctic fog and snowstorms. To build fires—the Army substituted a portable atomic reactor, which saved the necessity of transporting huge quantities of diesel fuel. One day, however, going back to their old Scout ways, these boys built themselves a shelter—an igloo cut out of ice slabs. They took in double sleeping bags and spent one night in the shelter, before going back into the Army barrack-type quarters. It turns out that it was 64° below outside that night, and a not-so-cozy 30° above inside.

So it appears that these days you do not know where Scouts will turn up next.

Fifty-six thousand of you and your fellow Scouts managed to turn up in Colorado in 1960 for the National Jamboree. Those who saw it said that the most impressive part of that meeting was an interfaith religious service attended by 45,000 boys of the Protestant, Catholic, Jewish, Moslem, and Buddhist faiths—a demonstration of the brotherhood of men which you Scouts have always symbolized and which we adults sometimes find so hard to learn.

One of the troubles with the Boy Scouts is that their accomplishments over the years make such a long list that I could not possibly cover all the ground.

I would mention, however, the 1954 conservation good turn, a series of activities to improve our natural resources carried out at the invitation of President Eisenhower. Boy Scout participation included: Tree planting and grass planting, improvement of wood lots, work on eroding gullies, fish and bird conservation projects, fighting forest fires, distribution of forest fire prevention posters, and cleaning up roadsides, parks, and recreation areas.

This work, if it were expressed in money terms, would run into the millions of dollars.

The year 1958 was your year for the national safety good turn. This nationwide good turn involved the following Scout activities: Distribution of traffic safety literature; antijaywalking campaigns; projects in recreational safety having to do with firearms, boating, and swimming; and many related projects, using up almost 5 million boy-hours of work.

Without even voting the Boy Scouts of America played an important part in the 1960 national and State elections by distributing over 40 million colorful posters urging us adults to get out the vote. The Boy Scouts have gotten out the vote in prior years, but they can take special pride, along with all Americans, in this last election year which saw more citizens than ever before going to the polls and voting.

Finally, and with special emphasis, let me say that it is the Boys Scouts as individual people, and the good turns they do as individuals, which mean so much to this country. You boys teach us what service means. You demonstrate that there are many good turns that we as individuals can perform in transforming our homes, neighborhoods, and communities into better, more democratic, and pleasanter places to live.

The Boy Scouts may be 52 years old this year. But if the past is any guide, they have left in them many future years of youth, enthusiasm, energy, and usefulness.

## Soviet Deportation of Baltic Peoples

EXTENSION OF REMARKS
OF

### HON. DANIEL J. FLOOD

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
*Thursday, June 14, 1962*

Mr. FLOOD. Mr. Speaker, the peoples of the Baltic countries enjoyed freedom and independence for only a short time in their modern history; that was during the interwar years of 1919–40. The Estonians, Latvians, and Lithuanians, after enduring oppressive rule of foreign regimes for centuries, regained their independence at the end of the First World War, instituted their democratic governments in their countries, and were content with their lot. Their giant neighbor in the east, Communist colossus of Russia, however, was jealous and envious of the prosperity and democracy in these countries, and the Soviet rulers were intent to put an end to these sovereign states in the Baltics. Their evil designs were carried out in mid-1940. The Red army overran those countries, occupied them, their inhabitants were enslaved under the newly instituted Communist regimes there, and the countries were annexed to the Soviet Union. Meanwhile, arrests and imprisonments of Baltic nations took place on an unprecedented scale, in tens of thousands, perhaps in hundreds of thousands. All those thus arrested and imprisoned were shipped, in a huge mass deportation, to distant parts of the Soviet Union.

Today, more than two decades later, we do not know much about the sad fate of these Baltic peoples in exile. In observing the anniversary of those tragic mass deportations, we pray for the liberation of those who still survive in Soviet prison camps.

## Baltic Peoples and Their Deportation in 1940–41

EXTENSION OF REMARKS
OF

### HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
*Thursday, June 14, 1962*

Mr. GALLAGHER. Mr. Speaker, the peoples of the three Baltic countries enjoyed a short period of independence and freedom during the two decades of interwar years. All three—Latvians, Lithuanians, and Estonians—had regained their freedom at the end of the First World War, and they all were content with their status as small, but advanced and progressive democracies. Later in the 1930's, however, their powerful neighbors in the east and in the south were bitterly antagonistic to democracies; both Stalin's Communist Russia and Hitler's Nazi Germany became deadly enemies. Russia, in particular, was unwilling to tolerate freedom and prosperity in these small countries; Stalin had decided to put an end to the independence of these countries at the first opportunity.

Soon after the outbreak of the last war he had that opportunity. Early in 1940 the Red army overran all three of these countries, occupied them, and then these were incorporated into the Soviet Union. Subsequently Lithuanians, Latvians and Estonians by the tens of thousands were arrested, put into freight cars and deported to most distant parts of the Soviet Union. This inhuman and treacherous act of the Soviet Government was a deliberate mass deportation of all national leaders in these countries who were considered opponents of communism, or were suspected of opposing the Soviet Government. Today is the 22d anniversary of that tragedy, and many of the victims of that deportation are still suffering in some distant and desolate part of the Soviet empire. On this day we pay tribute to the courage of those who still suffer for their democratic belief, and pray for the memory of those who died for their faith.

## "Whatsoever Things * * *"

EXTENSION OF REMARKS
OF

### HON. HENRY C. SCHADEBERG

OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
*Thursday, June 14, 1962*

Mr. SCHADEBERG. Mr. Speaker, today is Flag Day, commemorating the adoption by the Continental Congress on June 14, 1777, of the original Stars and Stripes. During the 185 years that have followed, the flag has been symbolic of the noblest and bravest deeds of men and of a priceless heritage that is our American way of life.

This is no attempt at soapbox oratory. Patriotism born of deep gratitude for the privilege of living in a free society has been a part of my life since I became conscious as a youth that I was an individual. I became aware of the privilege of living as a free man through my Dad, who taught me and my brothers and sisters to respect the flag—the symbol of our freedom.

I became uniquely aware of what my country and freedom meant as during World War II I helped dress the wounds of those injured in battle aboard the ship on which I served as a chaplain; or wrote letters of condolence to families and friends of those who were killed in battle; or gave the benediction as the bodies of those who gave their last full measure of devotion slipped beneath the flag under which they served, and were claimed by the sea.

I became more aware of the meaning of freedom when, on the day the Japanese surrendered, our ship pulled up alongside a dock at Pearl Harbor and I gave a prayer of thanksgiving for peace to those who were wearied by battle but were encouraged by the prospect of soon returning to their homes and loved ones. Following the prayer, a Navy band assembled on the dock to play the Star Spangled Banner as we stood at attention and saluted, facing a battle-scarred flag waving majestically in the breeze. It was more than mere bunting of red, white, and blue. It represented sacrifice, heartache, sorrow, struggle, pain, fears—the price we had paid that we might remain a free people.

I became still more aware of the privilege of being a citizen of the United States—the Nation the flag represents—as I took the oath of office as a Member of Congress. My period of service since that time surely has made me even further aware of my privilege. So, too, did the flight into space and back on May 5, 1961, by our first astronaut hero, Comdr. Alan B. Shepard, Jr. And how humble I felt to see how humble he felt when he had completed his pioneering mission—an achivement which at its time in our brief space history paralleled in importance the more heralded feats that were to follow of our orbital-flight heroes, Lt. Col. John H. Glenn, Jr., and Lt. Comdr. Scott Carpenter. And I do not overlook the contribution to the Glenn and Carpenter accomplishments made by Capt. Virgil I. Grissom.

Colonel Glenn has given us much upon which to reflect in the numerous public appearances he has made since his flight. None has had more meaning for me than these few words which, as far as I am concerned, highlighted his address before a joint session of Congress:

> I still get that hard-to-define feeling deep down inside when the flag goes by * * *.

With that declaration, Colonel Glenn brought patriotism back into fashion for many whose preoccupation with material things around them had forced much of their patriotism into mothballs.

Patriotism does not have to follow a pattern, except that it always includes a geninue love for our country and a respect for and adherence to the principles on which it was founded. It can stem from many sources. It is seen in the decision a few years ago—in 1959—of the Cincinnati Reds baseball to readopt its prior name of Reds. Some years earlier—in 1953—the club, under pressure, changed its name to Redlegs to avoid association with a word that had in the arena of international politics become unpopular. Redlegs, it was said, was a suitable name since the club's first name back in the 1860's was Red Stockings. But sportswriters were not enthused and did not adopt it universally. And many persons resented defaulting the word Reds to the Communist variety of Reds. The color red has for Americans so significant a meaning as to make unthinkable the yielding of it to communism. The red in our flag is for hardiness and valor and courage; the white for purity and innocence; and the blue for vigilance and perseverance and justice and truth and trustworthiness.

One does not have to be nationally prominent to be a patriot. Patriotism is seen in the pilgrimage one citizen took some 10 years ago to such shrines of national patriotism as Lexington and Concord. He was deeply disturbed over the trend throughout the country toward socialism. He was worried at how fast was spreading the fallacious doctrine of something for nothing—greater dependence on the Federal Government for more and more assistance in more and more areas of life at a frightening sacrifice of individual initiative and self-reliance.

So he took his two sons—both young men in their late twenties and married—to Lexington and Concord, there to drink deeply of the spirit of those early Americans who on the battlegrounds there had fought to help bring this Nation into being. He related how he stood there and openly wept, unashamed, before his sons—and it was not merely emotionalism but a tremendous feeling of pride in America and praise to God for the unspeakable gift of being able to live, worship, and work in accordance with his own choice, and to know that his children and their children would enjoy the same life of liberty.

And patriotism does not belong exclusively to those of us who were fortunate enough to have been born in the United States. It is expressed as well, sometimes better, in letters which come across my desk, written by newly naturalized citizens whose hearts overflow with gratitude for the newfound joys of freedom in the United States.

One Congressman, who is doing much to restore patriotism to its rightful, and I believe necessary, place in the thoughts and hearts of Americans, finds some of the memorials here in Washington most inspiring in this respect. He once said that periodically he goes to the Lincoln Memorial. He looks up at the massive sculptured figure of that great American and reflects on the qualities of spirit and mind and character that could elevate him from a log cabin to the White House. He then turns to the south wall and reads thoughtfully the Gettysburg Address he knows so well by heart; then to the north wall to read Lincoln's Second Inaugural Address, an inaugural address unsurpassed if ever equaled. This colleague of ours says his purpose in going regularly to the Lincoln Memorial is to get his patriotism battery recharged, and it never fails. If such a patriot as I know this Congressman to be does this, what should those persons do who have tucked their patriotism away in a remote pigeonhole somewhere?

This is Flag Day. Old Glory should today be flying over every home in the land. If it is not flying over your home, as an expression of your patriotism, what say we spend more time in the year ahead thinking on these things? I see the flag of the United States, which is to say, the United States itself, as representing those qualities which St. Paul admonishes the Philippians—and all mankind—to think on:

> Finally, brethren, whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things.

## India's Prize-Bond Program

EXTENSION OF REMARKS

OF

### HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the gambling operation of the Government of India. India does not conduct a national lottery but rather operates a prize-bond scheme.

India's prize-bond program, patterned after the British premium-bond lottery, revolves around the issuance of Government bonds which, instead of bearing interest, offer the opportunity to win prizes.

In 1961, gross receipts from the sale of prize bonds came to $35 million. The benefit of the prize-bond idea was that Government bonds were made more appealing through the presentation of an opportunity to win large prizes. India realizes that a recognition of the gambling urge can be a great help in handling the nation's finances.

Mr. Speaker, we too, in the United States, can help our taxpayers from the heavy tax load. A national lottery in America can easily provide $10 billion a year in additional revenue which can be used to lower taxes and reduce our national debt.

## Baltic Independence

EXTENSION OF REMARKS

OF

### HON. EMILIO Q. DADDARIO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. DADDARIO. Mr. Speaker, I wish to join with the people of this country in paying tribute to the courageous citizens of the three Baltic Republics of Estonia, Latvia, and Lithuania for their refusal to accept Communist domination and their continuing efforts to further the cause of liberty.

Twenty-one years ago today 15,000 Latvian men, women, and children were rounded up by the Soviet secret police and transported in cattle cars to slave labor camps in Siberia. The same tragic fate befell the peoples of Estonia and Lithuania, making a total of over 120,000 persons who lost their liberty to think and act in a free society. They were subjected to this inhuman treatment merely because of their opposition to communism. The day was equally dark for those who were left behind, for with the first influx of Soviet troops in 1940 their fate was to live under the heavy yoke of communism.

Today these three Baltic Republics are still under Communist domination. Civil liberties have been abolished, religious activities repressed, and the standard of living continues to spiral downward. Although the Soviet occupation of the Baltic countries and their "incorporation" into the U.S.S.R. ended the independence which these three countries had enjoyed since the end of the First World War, the vision of reachieving autonomy and of regaining individual liberty has not vanished from the dreams of these valiant people.

The United States has never recognized the Soviet incorporation of any of the three Baltic countries, and on the anniversary of these inhuman crimes against the Baltic peoples we hope and pray that the time will come when the burden of communism will be thrown off and these brave people will become members of the free world once again.

## Pinpointing Responsibility for Procurement Waste

EXTENSION OF REMARKS

OF

### HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 14, 1962*

Mr. WILSON of Indiana. Mr. Speaker, during the past several days, I have referred to the scandalous waste in the procurement branches of our armed services. As a typical example, I have detailed the procurement of a UHF radio which will cost the taxpayers $1.3 million more than necessary if the Navy has its way and sees to it that a favored contractor gets an award of contract.

I have also discussed other cases which parallel the example case and just yesterday I singled out another procurement in another branch of the service that is current.

In the near future, I shall pinpoint the single person in the Navy Department who has been responsible in the case of the procurement of the AN/PRC 41 radio set by Navy, the case in which the taxpayer is going to pay out $1.3 million more than necessary. I shall detail his errors, both of omission and commission, I shall point out examples of gross incompetency if not actual examples of a part in a conspiracy to defraud the Government. When I am finished, I think you will agree with me that here is a man who at the very least should be severely reprimanded before being discharged.

During my presentation on the AN/PRC 41 case, several of my colleagues have asked me how I became interested in military procurement. Others have asked how I presented my case against the AN/PRC 41 procurement. There is a perfect way to answer these and other questions. It is by repeating to you the contents of my letter of May 21, 1962, to the Secretary of the Navy, setting out to him my findings concerning the AN/PRC 41 and other procurements.

Here is the letter as I delivered it to the Secretary of the Navy:

MAY 21, 1962.

Hon. FRED KORTH,
*Secretary of the Navy, Department of the Navy, Washington, D.C.*

DEAR MR. SECRETARY: As a Member of the U.S. House of Representatives now in my 20th year, and as a member of the Appropriations Committee, I have been concerned about the enormous budget requests submitted by the various branches of the military departments that purport to cover equipment required for our national defense. As a taxpayer as well as a Congressman, I fully realize that we must all carry our share of the burden, regardless of how heavy, to fulfill the requirements of the Constitution to provide adequately for the common defense. I am also in agreement with my colleagues in Congress who feel that it is better to be safe than sorry.

There is no denying the fact that Government business today is big business. Entire areas of the country are affected by the award of a single contract for a weapons system. Similarly, still other areas are depressed when this work does not come to them. Since Government business is big business, it is inevitable, as it is in any big business operation, that a certain amount of waste is to be expected. The bigger the business, the bigger the waste, but it is hard for me to realize any private company would tolerate procurement practices such as those revealed in my past 15 months' review of military contracts and awards.

For many years I was simply an interested spectator, observing reports from the General Accounting Office and reviewing records of congressional hearings involving military procurement and waste. I tried to understand and comprehend what was going on and tried to make a sincere effort to have a comprehensive knowledge of the subjects, but this was difficult, if not impossible.

On every hand I would hear other Members complain about abuses of "authority to negotiate" military contracts without really understanding the whole complicated procedure. About 15 months ago, I decided to devote much of my time to a personal education in military procurement practices and to try to undertake a personal study of how the Armed Forces buy materials for use in connection with our national defense. With the help of the Comptroller General I began to ask questions and started receiving answers. I began to see just how contracts are awarded, and I also began to have some concrete realization as to how much of the taxpayer's money is being wasted.

During the ensuing 15 months, my inquiry has been penetrating and exhaustive. I have gone into many specific transactions in detail. The results, documented by General Accounting Office reports, complemented by information obtained from informal inquiry into the electronic industry, have been, to say the least, profoundly shocking to me, not only as a Congressman but as an American citizen.

During this study, I uncovered information that led me to believe the technical know-how of many valuable American industries was being bypassed. To confirm this I contacted officials of many electronic firms. I have been given enough information to conclude that fully qualified, talented, financially competent manufacturing facilities are daily being denied the opportunity to participate in certain procurement transactions covering electronic equipment. The effects of this "closed door" policy are obvious—a virtual elimination of competition, the inevitable inflation of the uncontested selling price, and a loss of vital technical progress which results as a national consequence of open competition. Much of my information points to the Navy Department Bureau of Ships as one of the prime offending agencies.

A review of reports from the General Accounting Office reveals a letter dated April 14, 1959, from the Chief of the Bureau of Ships to the Comptroller General, file L-4 (110Ser 110-1045) which declared a policy to provide that "even though the determinations and findings specifically state only certain companies are believed to be able to meet requirements, other companies shall not be precluded from bidding."

That policy, Mr. Secretary, stated in a letter of April 14, 1959, has been subverted constantly since the very day of its existence and is still being subverted today by civilian employees in the Bureau of Ships.

To prove this to my own satisfaction and to gain documentation for my study, I sent my administrative assistant, Mr. Philip Cole, to the Navy Department, Bureau of Ships, on February 5, 1962, with instructions to ask for an opportunity to participate in the then current procurement for the AN/WRC-32 (unclassified) and the AN/WLR-1 electronic countermeasures (classified confidential). He went through normal procedures, stated that he was a "representative" but declined to specify which firms he "represented" until (he was told by me to say) he could revive specifications to determine just which firms he wanted to participate in the procurement transaction then underway. This was an obvious and clear-cut test of the Chief of Bureau of Ships directive of April 14, 1959.

To put it mildly, Mr. Secretary, he was denied any information whatsoever, and was told by Navy Contract Negotiator Dean Young, if he wanted to do any business in that area, he would have to "level" with the Navy.

Now, I would like to ask a question at this point, Mr. Secretary. How is it possible for the Chief of the Bureau of Ships to declare a policy in a written statement to Congress, as in Admiral Mumma's letter of April 14, 1959, only to have this very policy bluntly ignored and subverted by grade 9 civil servants such as Mr. Young? Another question, and an important one regarding the safety of this Nation: What effect do civil servants of this type have on our national economy, not to mention our national security? To answer my own question, I would like to quote some examples that have arisen out of my 15-month study of Armed Forces procurement. These examples are but a small portion of similar examples which I intend to take up with the Congress, the Navy Department, the Secretary of Defense, and the Department of Justice at a future time.

Example No. 1. In the immediate future, I shall document, with the assistance of the General Accounting Office, the case of the AN/WLR-1 electronic countermeasures receiver. Sole-source negotiations with Collins Radio Co., Cedar Rapids, Iowa, under terms of contract Nobrs-75710, covered a huge program of production which undoubtedly was "justified" by some Navy official, and which cost the American taxpayer in excess of $60,000 as an average per system price. When competition was introduced into subsequent procurement, the cost fell to approximately $15,000 per unit, with Sylvania winning the contract. Later the unit price dropped even lower with additional awards to General Instruments. Without a doubt, your Department could inundate the Congress with material designed to establish that the $60,000 price was both "justified" and "legal." This, however, is beside the point I wish to make, and the AN/WLR-1 is not an isolated illustration of my ultimate conclusion.

Example No. 2. The General Accounting Office has already investigated the procurement methods followed in the case of the AN/SPS-10 radar. It has been established through documentary evidence that the Navy-negotiated, $40,000 per system, prices with Dumont and Sylvania, subsequently fell to less than $12,000 when open competition was introduced. Daystrom, Inc., won the contract when the procurement was placed out in the open for unrestricted bidding. This again proves the efficacy of open competitive practice.

Example No. 3. This case, is, I believe, among the more fantastic reports received from the General Accounting Office. It covers procurement of the TR-152( )/SQS-23 transducer which was completely documented by the Comptroller General. It is not my plan to go into detail on this matter since you have probably already heard of it through my speech on it in Congress. If you have not, I refer you to the CONGRESSIONAL RECORD of September 19, 1961, 1st session of the 87th Congress, which contains a rather detailed summary. The results of Navy action in this instance are obvious, Mr. Secretary. Bureau of Ships civilian employees obtained two bids—one from a favored firm and the other an entirely unwanted proposal from an outside manufacturer. Since the unwanted firm's bid was low, a second bidding was arranged by the Navy Bureau of Ships employees. It is clear to me that someone in the Navy Department then took it upon himself to reveal the competitive price to the favored firm, and on the second bidding, the unwanted firm restated its original quotation only to be underbid by $20,000, which is a very small margin on a $4.5 million procurement. When this procurement was forced into open competition by a totally unwanted bidder, the price per unit on this equipment fell from $100,000 to $70,000, and subsequently even lower, thereby saving the taxpayer almost $1 million on a single contract. Again, the efficaciousness of open competition is demonstrated, but in this instance, the company responsible for saving the taxpayers $1 million was completely shut out in the cold for their patriotic interest.

Mr. Secretary, there are literally dozens of other cases that I could mention. Some of them are not Navy procurement actions, although all Navy transactions under study follow this same pattern.

It appears to me, as a result of a long and arduous study, that some Navy civilian employees and some of the uniformed personnel use their Federal status as a staging area for subsequent lucrative employment outside the Government, if not for immediate gain while still in the Federal service. When the taxpayer has to foot the bill for these efforts for personal advancement of one sort or another, the continued "administrative errors" and "oversights" become noxious and open to critical inquiry if not criminal prosecution. To use Federal employment as a tool to create either an atmosphere which provides for subsequent commercial opportunity or a climate of immediate financial gain, appears to me to be nothing short of a criminal conspiracy. When the Government is thus defrauded, the guilty should be punished.

Since the transactions I have mentioned previously have all been accomplished and completed, it might be concluded that they were, indeed, irregular or improper. It might also be contended that the lessons involved in these procurement actions have all been well taken. It might further be stated that they will not reoccur in any form, and that in the future, the American taxpayer will derive more value for this tax dollar spent for defense, and the American industry will no longer either be shut out or have to use devious methods to gain ingress into profitable Navy Department production contracts.

That would indeed be a laudable accomplishment, but unfortunately for everyone but the favored manufacturers and some Navy employees, such an accomplishment cannot be documented. In fact, and in truth, the same pattern of suspected duplicity and possible deceit is being followed in a current procurement transaction for equipment identified as the "AN/PRC-41 radio set."

This history of this procurement is such that it is almost certain there is a criminal conspiracy to defraud the Government here. The actual sum of money has not yet been calculated and cannot be until after all the facts are reported by the General Accounting Office.

To begin at the beginning, there was a development contract issued for almost $1 million to Collins Radio, sole source, without competition, for a radio that is curiously alined with a similar development of the AN/ARC-51 which was paid for both by the Navy and the U.S. Army Signal Supply Agency. In the brief time allowed for preparation of this presentation, it has not been possible to develop full details on the AN/ARC-51 development and production; however, this will be accomplished soon. Suffice it to say that some serious questions have been posed by even the most superficial of preliminary studies.

The current procurement for the AN/PRC-41 is now identified as a sole-source negotiation under Bureau of Ships request No. 6270-26112(S) and is scheduled now for an award to Collins Radio Co. without any competition of any kind. The General Accounting Office has supplied to me, at my request, a complete report on the previous history of the development contract awarded to Collins, again, I would like to emphasize, without competition. This material reveals an almost unbelievable circumstance. After spending almost a million dollars for development of this radio, there are no manufacturing drawings available to the Navy Department to provide details necessary to obtain open competition for follow-on production.

The reason there are no manufacturing drawings available to Navy (which do exist and are currently in possession of Collins Radio) is even more astounding to me. This is a direct result of an order issued by an individual identified as H. Mullally, BuShips telephone No. 62431, originally justified by S. D. Keim, Extension 64065, and E. C. Aiken, Bureau of Ships Code 675. This order is in the form of a letter, serial 1705.4-73, dated 11 January 1962. It instructed Collins Radio that "the Bureau has reviewed its requirements and it is now requested that the drawings not be delivered."

As you know much better than I, it now follows naturally that in production procurement action, your Department or some employee thereof can state with absolute authority that there are no drawings available to provide the rest of the electronic industry with details covering the manufacture of AN/PRC-41. This fact alone would justify an award to Collins, but for the fact that my study has uncovered other facts which point a finger of criminal suspicion at someone in an ever-decreasing circle in the Navy Department.

Additionally, it has been learned in my study of documentation that the current procurement request (26112) is supported by an interdepartmental procurement request initiated by the Marine Corps. Identified as MIPR, this document stipulates several technical changes for incorporation into the production equipment. On the procurement request (26112), however, these changes do not appear. I repeat, they do not appear.

Based on circumstances and study of past procurement actions, this automatically sets the stage, after an award is made to Collins Radio for production on a sole-source basis, to allow and to "justify" subsequent "engineering changes" which will increase the cost of this unit to the Government even further and provide another opportunity for financial legerdemain similar to that of past cases.

Mr. Secretary, since starting my study of this particular procurement request, I have become increasingly appalled at the furtiveness under which it is being conducted. I determined that it might be very possible for a completely independent manufacturer to complete a study of this equipment and arrive at a price figure that would be competitive to the price per unit of the Collins offer.

A copy of the procurement request (26112), interim and final technical reports, technical manuals, specifications, and microfilms of manufacturing drawings of other allied equipment was submitted by me to Arvin Industries, Columbus, Ind., and they were asked to prepare a quotation. Arvin informed me they had already submitted a request to the Navy Department for an opportunity to participate in this procurement action and said the firm was denied the procurement papers by the Contracting Office of the Bureau of Ships, again in clear violation of stated Navy policy.

Regardless of the Navy Department's seeming determination to award a substantial contract to Collins Radio without even considering other highly qualified sources, I insisted that Arvin go to the expense of preparing an honest cost analysis and quotation.

I then requested the Chief of the Bureau of Ships to withhold any award to Collins Radio until the close of business Monday, May 21, 1962. I also requested the Comptroller General to observe the current quotation submitted by Collins Radio to the Bureau of Ships in response to request No. 26112. My purpose in so doing was to make sure a disinterested third party had full knowledge of the Collins bid and also to deter any overenthusiastic Navy employee from either modifying, altering, or even substituting another proposal for the now current quotation for this equipment.

Attached hereto is the proposal prepared by Arvin Industries for the production of the AN/PRC-41 ( ) radio set. This firm, one of the most reputable in the industry, warrants to me that they cannot only deliver the end product, but can actually improve the current delivery requirements set forth in procurement request No. 26112, which is of critical concern to the Government in view of the statement to my office by Rear Adm. R. E. Jones, Chief of the Bureau of Ships, regarding the urgency of the delivery requirements.

Mr. Secretary, in view of the foregoing, I believe I have a right to expect that the award for production of the AN/PRC-41 production contract be made to Arvin Industries, Inc., Columbia, Ind., providing the price quoted by Arvin is in any degree less than that submitted by Collins Radio for this same production.

In view of the documented record of performance of Navy personnel in handling "negotiated" procurement of the TR-152 ( )/SQS-23, I would strongly urge a great degree of caution in "revising" the current requirements to "justify" second bidding, or third bidding, as in the case of the TR-152. Additionally, since it is the pronounced "policy" of the Navy Bureau of Ships not to "auction" awards, negotiations should only be conducted with the lowest proven responsible bidder.

If the Navy Department intends to conduct negotiations with Arvin Industries for the award of contract for production of the AN/PRC-41, I wish to be notified accordingly before close of business, Tuesday, May 22, 1962.

In conclusion, I wish to inform you that I am today requesting the Comptroller General to supply me with a copy of the Collins Radio Co. quotation under No. 26112 covering the AN/PRC-41, and other data, which will, in the immediate future, make it possible to put an end to "administrative errors" and "inadvertent oversights." It will also make it possible that a single individual in the Navy Department be held responsible for examples of reckless waste of taxpayer dollars in military procurement for electronic equipment. This will be done either by removal from office or by prosecution through the Department of Justice, or both.

With highest personal regards, I remain,

Sincerely yours,

EARL WILSON,
*Member of Congress.*

That is the sum and substance of my letter, to which I added a detailed proposal submitted to me by an Indiana manufacturer covering this radio set. Since delivery of this letter, I have been contacted by the Navy Department on this matter on the phone, by officials ranging downward from Secretary Korth. I have had telephone conversations and personal conferences. The Navy has attempted to get the case in an off-the-written-record state at several points, but with no success.

My case on military procurement has been built on written questions and written answers and that is how I intend to keep it.

I might say here that the Navy has been somewhat less than parallel in this respect. Secret meetings have been set up by the Navy in Washington. There has been a massive campaign to prove that the taxpayers have no hope of saving money on military procurement. This campaign isn't going to work. I have been cognizant of the fact that this matter is being treated by the Navy as though someone is attacking the U.S. Navy, instead of trying to help it and other branches.

Soon, however, I shall detail my case against the Navy personnel to whom I refer in my letter to the Secretary. We shall see at that time who is working for the best interests of the United States and its citizens and who is working for purely personal gain. We shall also see whether the Navy is interested in protecting its own, or in cleaning its own house before someone else picks up the broom and starts sweeping.

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# SENATE

FRIDAY, JUNE 15, 1962

The Senate met at 12 o'clock meridian, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

Rev. Hunter M. Lewis, assistant minister, St. Andrew's Episcopal Church, Fort Worth, Tex., offered the following prayer:

God of our fathers, who of old didst lead them to these shores and open before them a fair land, which, under Thy guidance, has become a nation great among the nations of the world; we beseech Thee to continue Thy loving kindness to us, that our Nation, great first in Thy sight, may be found great in the sight of all men.

Vouchsafe Thine aid, we beseech Thee, to our President and to the members of his Cabinet. Give them the wisdom to know and the courage to do always that which is best for our country.

And now, as these, Thy servants, resume their appointed tasks, give them, we pray Thee, the strength of Thy guiding counsel, that no selfish passion may hide Thy will from them, and that no human frailty may prevent them from doing it. Lift up Thy countenance upon them, O Lord, that in Thy light they may see light, and in Thy straight path may not stumble. We ask it for Thy name's sake. Amen.

## DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., June 15, 1962.*

*To the Senate:*

Being temporarily absent from the Senate, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

CARL HAYDEN,
*President pro tempore.*

Mr. BURDICK thereupon took the chair as Acting President pro tempore.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, in which it requested the concurrence of the Senate.

## ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 1881. An act for the relief of Maria La Bella;

S. 2143. An act for the relief of Mrs. Eva London Ritt; and

S.J. Res. 198. Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment.

## HOUSE BILL REFERRED

The bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, was read twice by its title and referred to the Committee on Finance.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, with some trepidation—although I do not know why—I ask unanimous consent that the reading of the Journal of the proceedings of yesterday be dispensed with.

Mr. CLARK. Mr. President, reserving the right to object, I should like to inquire of the Chair approximately how long it would take to read the Journal.

The ACTING PRESIDENT pro tempore. The approximate time is 10 minutes.

Mr. CLARK. Mr. President, because I do not wish to delay unduly my colleagues, I shall not object at this time, but I reserve my right to do so at a later time, on another day.

Mr. MANSFIELD. Mr. President, I appreciate what the Senator from Pennsylvania has said. When I see him in the front row, I am always worried. I am glad to find that in this case my worries were unfounded.

Mr. CURTIS. Mr. President, reserving the right to object, let me ask whether the Journal is available for inspection by Members prior to the convening of the Senate, if they present themselves at the place where the Journal is kept.

Mr. MANSFIELD. Mr. President, in the interest of accuracy, I should like to raise that question with the Acting President pro tempore of the Senate.

The ACTING PRESIDENT pro tempore. The Chair understands that would depend upon the condition of the Journal at a particular time; and the answer to the question must be made accordingly.

Mr. MANSFIELD. Mr. President, I believe I am correct in stating that at the close of any session the Journal is available, at the desk, for Members to read and to examine, as they may wish.

The ACTING PRESIDENT pro tempore. That is correct. The Chair understood the inquiry of the Senator from Nebraska to refer to a period prior to the convening of the Senate. Is that correct?

Mr. CURTIS. Yes; and by "prior" I would say 5 minutes before the Senate convenes. By "prior" I did not mean to imply before the Journal was prepared.

Mr. CLARK. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. Yes.

Mr. CLARK. I address myself to the Chair, to inquire whether it is the invariable practice to complete the Journal of the preceding day's proceedings well in advance of the convening of the Senate on the following legislative day. In other words, I should think the Journal would be available the night before.

Mr. MANSFIELD. That would depend on the length of the session; and I am sure that those charged with the responsibility of maintaining the Journal work as expeditiously as possible. I am also certain that if a Member wishes to see the Journal before the session on the following day convenes, it is his right to see it, and he can see it.

Mr. CLARK. Let me ask whether the Journal is typewritten or is prepared in longhand.

The ACTING PRESIDENT pro tempore. The Journal is typewritten.

Mr. CLARK. When is it typewritten—the night before, or the next day?

The ACTING PRESIDENT pro tempore. During the day, and the next morning, as well, depending on the length of the Journal. As soon as the Journal is prepared, it is available for examination by Members.

Mr. MANSFIELD. Mr. President, has my unanimous-consent request that the reading of the Journal be dispensed with been agreed to?

The ACTING PRESIDENT pro tempore. Is their objection? The Chair hears none. Without objection, it is so ordered.

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

Mr. CLARK. I object; and I call for the regular order under the rule.

## EXECUTIVE SESSION

**Mr. MANSFIELD.** Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

## EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

## SECRETARY OF THE ARMY

The Chief Clerk read the nomination of Cyrus Roberts Vance, of New York, to be Secretary of the Army.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

## DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

## U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of John D. Butzner, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

## THE AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Air Force which had been placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, these nominations will be considered en bloc; and, without objection, they are confirmed.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

## LEGISLATIVE SESSION

**Mr. MANSFIELD.** Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the reports of various agencies, in connection with the morning hour.

## EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

### Amendment of Section 107(d) of Soil Bank Act

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 107(d) of the Soil Bank Act (with an accompanying paper); to the Committee on Agriculture and Forestry.

### Report on Strategic and Critical Materials Stockpiling Program

A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting, pursuant to law, a report on the strategic and critical materials stockpiling program, for the 6-month period ended December 31, 1961 (with an accompanying report); to the Committee on Armed Services.

### Report of Federal Home Loan Bank Board

A letter from the Chairman and members of the Federal Home Loan Bank Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the calendar year 1961 (with an accompanying report); to the Committee on Banking and Currency.

### Amendment of Section 172 of Internal Revenue Code of 1954 To Provide a 7-Year Net Operating Loss Carryover for Certain Regulated Public Utilities

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 172 of the Internal Revenue Code of 1954 to provide a 7-year net operating loss carryover for certain regulated public utilities (with accompanying papers); to the Committee on Finance.

### Exceptional Children Act

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to assist in providing training of teachers of mentally retarded, hard of hearing or deaf, speech impaired, visually handicapped, emotionally disturbed or socially maladjusted, crippled, or other health impaired children and to authorize grants for research relating to education of such children, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

The ACTING PRESIDENT pro tempore. Petitions and memorials are in order at this time.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Interior and Insular Affairs:

"Senate Concurrent Resolution 13

"Concurrent resolution to Congress regarding water resources legislation

"Whereas the Congress of the United States is currently considering S. 2246 and similar bills relating to comprehensive planning and utilization of the water resources of the Nation, and great opposition to S. 2246 has arisen in Michigan and sister States, and including such organizations as the Interstate Conference on Water Problems and the Great Lakes Commission, by objection to such legislation's lack of provisions for adequate protection and preservation of the sovereign rights and interests of the several States and their citizens in their respective water resources, and by objection that the effects of such proposed legislation would result in the displacement of genuine Federal-State cooperation in water resources planning; and

"Whereas the Michigan Senate, having investigated S. 2246 through consultation with Michigan's attorney general, and duly considered the effects which this and other similar bills would have on the extensive and vital water resources of the State of Michigan, determines to express its opposition to S. 2246 as it is now written: Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the Congress of the United States be and hereby is urged, when enacting any pertinent legislation on water resources, to clearly recognize the primary rights, interests and responsibilities of the State of Michigan in her water resources, and that her appropriate officials be consulted and have authoritative representation in any body or organization established by such Federal legislation for its administration, including formulation of rules and regulations therefor; and be it further

"*Resolved*, That representation on behalf of the Michigan Legislature be made to the appropriate committees of the Congress and to relevant agencies and officials that the provisions of S. 2246 as presently written and pending before the Senate of the United States do not adequately and sufficiently preserve and protect the sovereign rights and interests of the State of Michigan in her waters and water resources; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the Senate and Speaker of the House of Representatives and each Michigan Delegate to the Congress of the United States, and to the Interstate Conference on Water Problems and the Great Lakes Commission.

"Adopted by the senate, February 14, 1962.

"Adopted by the house, June 6, 1962.

"Beryl I. Kenyon,
"*Secretary of the Senate.*
"Norman E. Philleo,
"*Clerk of the House of Representatives.*"

A resolution adopted by the Sixth Guam Legislature; to the Committee on Interior and Insular Affairs:

"Resolution 258

"Resolution relative to respectfully requesting and memorializing the Congress of the United States to enact legislation extending the statute of limitations for claims against the Government of the United States only as to landowners whose properties are situated within the old Harmon Field Area

"Whereas immediately after the reoccupation of Guam by the Armed Forces of the United States, a large tract of land was occupied and shortly thereafter converted into an air base commonly known as Harmon Field, located within the municipality of Dededo, Guam; and

"Whereas the so-called Harmon Field area encompassed and occupied the old prewar Dededo Village, and the entire area of the Harmon Field taken is in excess of 2 million square meters; and

"Whereas the purpose for the taking of such a large tract was for the establishment and operation of an air base, with the consequence that a landing field, runways, parking strips, and other pavements were made on the greater portion of such tract taken for Harmon Field, thereby rendering the majority portion of Harmon Field useless to the former landowners who had occupied the place primarily for ranching; and

"Whereas the United States Government released any and all claims in and to the entire Harmon Field area on or about June 30, 1960, but that because of the tremendous change in the topography of the Harmon Field area, the landowners are at a loss in determining boundaries, and particularly the landowners have no use for such released lands because of the placement thereon of paved runways, strips, and parking facilities for airplanes and other heavy equipment; and

"Whereas the period within which the landowners of the former Harmon Field area are required to file their claims with the United States Government will expire on or before July 1, 1962, and the majority of the landowners not being familiar and in some cases utterly ignorant of their rights and claims for damages done to their lands cannot seek the proper remedy within such a short period of time remaining for them to so prosecute their claims or damages done to their properties; and

"Whereas this item of damage is properly a part of the rehabilitation of areas ravaged and destroyed as a result of World War II: Now, therefore, be it

"*Resolved*, That the Sixth Guam Legislature does hereby, on behalf of the people of Guam, respectfully request and memorialize the Congress of the United States to enact legislation extending the period of time within which the landowners of the former Harmon Field area will be required to file claims for damage done to their lands; and be it further

"*Resolved*, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Unied States, to the Presiding Officer of the Senate, to the Speaker of the House of Representatives, to the chairman, House Committee on Interior and Insular Affairs, to the chairman, Senate Committee on Interior and Insular Affairs, to the Secretary of the Interior, and to the Governor of Guam.

"Duly adopted on the 7th day of June 1962.

"A. B. WON PAT,
"*Speaker*.
"V. B. BAMBA,
"*Legislative Secretary*."

Two resolutions adopted at a statewide session of the Pennsylvania Department of Veteran Affairs, at Harrisburg, Pa., relating to increased rates of disability pensions for veterans, and favoring pensions for World War I veterans; to the Committee on Finance.

A letter in the nature of a memorial from Rafael J. Yrastorza, of Mandaluyong, Rizal, Philippine Islands, remonstrating against a lump-sum payment to the Government of the Philippines in payment of certain war damage claims, instead of to the individual claimants; to the Committee on Foreign Relations.

A resolution adopted at a statewide session of the Pennsylvania Department of Veteran Affairs, at Harrisburg, Pa., relating to the establishment of national cemeteries in the Commonwealth of Pennsylvania; to the Committee on Interior and Insular Affairs.

The ACTING PRESIDENT pro tempore. Reports of committees are in order.

If there be no reports of committees, the introduction of bills and joint resolutions is in order.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARTKE:

S. 3422. A bill for the relief of Haralambos Foufas; to the Committee on the Judiciary.

By Mr. FONG:

S. 3423. A bill for the relief of Dora Thelma Andree; to the Committee on the Judiciary.

The ACTING PRESIDENT pro tempore. The submission of concurrent and other resolutions is in order.

## REDUCTION OF TAXES AND FEDERAL EXPENDITURES FOR FISCAL YEAR 1963

Mr. CAPEHART. Mr. President, I submit a concurrent resolution to reduce taxes by $10 billion this year, and to reduce expenditures by $15 billion; and I ask that the resolution be referred to the appropriate committee, and be printed in the body of the RECORD, as a part of my remarks.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 79) favoring a reduction of taxes and of Federal expenditures for the fiscal year 1963, was referred to the Committee on Finance; and, under the rule, ordered to be printed in the RECORD, as follows:

Whereas the recent drastic decline of the stock market and the continued drain on the gold reserves of this country provide dramatic evidence of the need for a fiscal reappraisal by the Government;

Whereas with sound fiscal policies on the part of the Government there is no reason why this Nation, with its tremendous resources in plant and skills, cannot continue to enjoy the benefits of an ever-expanding economy;

Whereas an immediate reduction in taxes is urgently needed to provide capital for industrial expansion, to stimulate consumption, to restore confidence, and to spur a lagging economy; and

Whereas fiscal responsibility requires that any reduction in taxation must be accompanied by a reduction in governmental expenditures: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress of the United States that the President should recommend and the Congress should approve an immediate overall reduction in Federal taxes amounting in the aggregate to not less than $10,000,000,000, and that the President should initiate such measures as may be required to reduce Government expenditures during the fiscal year commencing on July 1, 1962, by not less than $15,000,000,000.

## LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I desire recognition.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

## LEGISLATION IN 1ST SESSION OF 87TH CONGRESS

Mr. MANSFIELD. Mr. President, the news that a number of business leaders and publicists are "seriously concerned" over the administration's domestic policies is unsettling indeed. It is comparable in novelty to news that former President Truman supports the Democratic, and not the Republican, Party. A close look at the names of some who have expressed their disappointment over the President's program reveals that they were disappointed with Candidate Kennedy's proposals as well; and indeed some of these names are associated with disappointment with Governor Stevenson, President Truman, President Roosevelt, and possibly with Gov. Al Smith. Fundamentally, it appears, they are disappointed that President Kennedy has not embraced a profoundly conservative economic position, but has remained a moderate, a progressive, concerned more with reviving a flagging economy than with doctrinaire posturing.

If these disappointed sources were not already committed to an economic view not shared by the President, nor by the majority of Americans, they would have a difficult time finding anything remotely resembling an antibusiness attitude in the President's domestic program. On the contrary, the record of this Congress, in adopting many of the President's proposals in the economic field, is a balanced, progressive record of assistance to business and industry.

These disappointed people should talk to businessmen in the home construction industry about the Housing Act of 1961. They should talk to businessmen in distressed areas about the hopes they have for a revival of their cities and towns under the Area Redevelopment Act. They should talk to merchants about the increased minimum wages of their customers. They should ask themselves about the wisdom of the Manpower Training Act, which can help many men avoid the worst effects of automation. They should consider the merits of the President's farm bill, particularly since it proposes to reduce the cost of the farm program to the American taxpayers. They should ask themselves whether the investment incentive contained in the current tax bill is antibusiness. They should determine whether we ought to trade with the new Common Market in Europe, as the President proposes we should.

When they have thought about these programs, Mr. President, my judgment is that they will still be disappointed—not because they can honestly say that the present administration is antibusiness, socialistic, or the like; but because it is operated by men whose political persuasion differs from their own. And this, I submit, is not exactly front-page news.

I ask unanimous consent that a list of measures in the domestic field, passed by the Congress last year, be printed at this point in the RECORD, together with a column by Mr. James Reston appearing in today's New York Times. I may add that Mr. Reston, while calling on the President to take his case to the people, points out that the President is being blamed for precisely those economic conditions that the most solidly conservative commentators have felt were inevitable. Mr. Reston says:

> The irony of it is that the very people who voted against him on the ground that he was for inflation are now blaming him for putting an end to inflated prices in the market.

There being no objection, the list and article were ordered to be printed in the RECORD, as follows:

### ECONOMIC AREA

#### *Agriculture*

Omnibus farm bill: Enacted a major farm bill to reduce wheat and feed grain surpluses; authorized Secretary to consult with farmers, farm organizations, and other groups to develop new farm programs; extended the Agricultural Trade and Development Act to December 31, 1964; consolidated and modernized the Farmers Home Administration; extended the Wool Act for 4 years to March 31, 1965; extended Great Plains conservation program to December 31, 1971; authorized a 5-year extension of the school milk program to be paid by direct appropriations; and extended the Veterans' Administration and Armed Services milk program to 1964, with CCC furnishing the funds. Public Law 87–128.

Feed grains: Authorized a 1-year emergency price support for the 1961 crop of corn at $1.20 a bushel with the other feed grains to be supported at fair and reasonable levels in relation to corn, in an effort to raise the incomes of feed-grain producers and to reduce the mounting surpluses of feed grains in Government hands. Public Law 87–5.

Drought relief: Enacted a temporary 1-year program authorizing the sale of Government surplus corn and feed grains to needy farmers and ranchers in drought areas at 75 percent of Government price-support levels and permitting grazing of livestock on grasslands idled by the soil bank and other conservation programs, or moving hay on these lands in or near drought areas. Public Law 87–127.

Farm loans: Increased proportion of appropriated farm loan funds available for individual farms with debt over $10,000 from 10 to 25 percent to help meet the rapid and increased cost of farming. Public Law 87–8.

Mexican farm labor: Extended and revised the Mexican farm labor program for 2 years, to December 31, 1963; prohibited infringement upon the rights of domestic workers. Public Law 87–345.

Cotton farmers' relief: Authorized emergency relief to cotton farmers where floods have made it impossible to plant. Public Law 87–37.

Farm credit: Liberalized farm credit laws to: permit installment payments on Federal land bank loans to be scheduled more frequently than semiannually if desirable to the borrower; permit Federal land bank loans to be made to corporations set up by farming families (now restricted to persons); extend from 5 to 7 years the permissible maturity of intermediate-term loans; require in applying the earnings at the end of each fiscal year that one-half of 1 percent of the loans outstanding be held in reserve up to the accumulation of 3½ percent of the outstanding loans. Public Law 87–343.

#### *General economy*

Federal unemployment compensation: Authorized Federal advances to permit the States to extend unemployment benefits up to an additional 13 weeks for workers who have exhausted their regular benefits during the recession, thus providing an unemployed worker with benefits up to a total of 39 weeks—in an effort to ease the unemployment problem throughout the country. Public Law 87–62.

Aid to dependent children: Authorized a 14-month program, from May 1, 1961, through June 1962 of aid to dependent children, permitting States to aid needy unemployed parents and their children who are not now eligible for aid in which the Federal Government participates; and increased by $3 the minimum amount to which the Federal Government will participate on a matching basis in State programs carrying out the special medical care provision for recipients of old-age assistance. Public Law 87–31.

Railroad unemployment compensation: Approved benefits of a similar nature for unemployed railroad workers under the Railroad Unemployment Insurance Act. Public Law 87–7.

Railroad retirees: To bring the railroad retirees in line with the beneficiaries of social security, this amendment to the Railroad Retirement Act permits men without 30 years service to receive reduced annuities upon reaching age 62; and reduces from 3 to 1 year the required time which must elapse after marriage before a wife or husband, otherwise qualified, may receive the annuity. Public Law 87–285.

Minimum wage: Increased minimum wage to $1.25 (from $1) and extended coverage to 3.6 million additional workers. Public Law 87–30.

Area redevelopment: Established the Area Redevelopment Administration in the Department of Commerce, and authorized a 4-year program of $300 million in loans and $94 million in grants for industrial plants and public facilities in economically distressed areas. Public Law 87–27.

Social security: Increased minimum old-age insurance benefits and benefits to widows under the Social Security Act; provided reduced benefits to men at 62; liberalized disability provisions; increased tax for workers and employers by one-eighth of 1 percent; increased (for 1 year) the amount of public assistance payments for old-age assistance, aid to the blind, and aid to the permanently and totally disabled. Public Law 87–64.

Manpower Training Act of 1961: Authorizes a 4-year, $655 million manpower training program to help alleviate the unemployment problem by enabling workers whose skills are obsolete to receive training which will qualify them to obtain and hold jobs, with priority to unemployed persons including those in farm families with a net income of less than $1,200 a year (S. 1991).

Housing Act of 1961: Enacted a housing program, authorizing $4.9 billion in new funds. The act provides for a new 2-year experimental plan of low-interest rate, 35-year mortgage loans for middle-income housing (except in hardship cases the mortgages may be extended to 40 years); requires a 3-percent downpayment on low-income housing, with a permissive inclusion of settlement costs; authorizes $75 million for mass transportation systems, and $50 million for "open space" grants; and includes a reauthorization of approximately 100,000 public housing units. Public Law 87–70.

FHA: Increased by $1 billion the mortgage insurance authorization of FHA. Public Law 87–38.

Veterans' home loans: Extended direct and guaranteed home loan programs for World War II veterans to July 26, 1967, and for Korean conflict veterans to February 1, 1975; authorized an additional $1.2 billion for direct loan program through fiscal 1967. Public Law 87–84.

Federal Aid Highway Act: Enacted the Federal Aid Highway Act of 1961, revising the original estimated authorization for 41,000-mile, 13-year program of interstate highways by increasing the Federal Government's share from $25 billion to $37 billion; extended for 2 years the incentive bonus for States to enter into agreements for billboard controls. Public Law 87–61.

Federal Airport Act extension: Extended the Federal Airport Act for 3 years to June 30, 1964, and authorized a total appropriation of $225 million, or $75 million annually. Public Law 87–255.

Small business loans: Increased by $20 million the amount that the Small Business Administration may commit for loans under their regular business loan program, which will enable SBA to continue its loan program without interruption for approximately 1 month. Public Law 87–198.

Small business amendments: Increased SBA's revolving fund by $105 million which, in addition to the $20 million approved in Public Law 87–198, increases the total SBA revolving fund to $1,125 million. Public Law 87–305.

Small Business Investment Act: Increased limit on amounts Small Business Administration may lend small business investment corporations and on latter's investments in individual enterprises. Public Law 87–341.

ICC loans: Extended for 27 months (to June 30, 1963) authority of Interstate Commerce Commission to make loans to help ease the credit difficulties of railroads. Public Law 87–16.

Small towns and rural counties: Established a 20-member bipartisan Commission on Problems of Small Towns and Rural Counties to study and investigate Federal policies and programs relating to the economic needs and problems of these areas (S. 1869).

Water pollution control: Authorized an additional $270 million to help communities construct sewage treatment plants to control water pollution, thus raising the annual limit on grants from $50 million yearly to $80 million for fiscal 1962, $90 million for fiscal 1963, $100 million for fiscal 1964, through and including 1967. In addition, this measure increased from $3 to $5 million the annual Federal matching grants to States to administer water pollution control programs and extended the program through June 30, 1968, and authorized $5 million a year for the Secretary to use to develop demonstration program to treat sewage, to measure pollutants, and to evaluate the effects of sewage treatment. Public Law 87–88.

Debt limit: Increased the public debt limit by $13 billion to $298 billion through June 30, 1962. Public Law 87–69.

Lead-zinc subsidy: Aided the domestic lead-zinc industry by authorizing a 4-year program of stabilization payments for small mineowners—75 percent for lead and 55 percent for zinc of the difference between 14½ cents a pound and the market price whenever the market falls below 14½ cents. Public Law 87–347.

Mid-State reclamation project, Nebraska: Authorized construction of the Mid-State reclamation project in Nebraska and provided for its inclusion in the Missouri River basin project. Estimated cost is $31,467,000, repayable within the 40-year contract period (S. 970).

San Juan-Chama: Authorized $221 million in appropriation to construct the Navajo

Indian irrigation project and the San Juan-Chama project, to irrigate land and help stabilize the economy of the water deficient Rio Grande and Canadian basins (S. 107).

Illinois River: Authorized a $58 million project to improve and deepen the channel of the Kaskaskia River in Illinois to enable coal producers to transport coal by barges at reduced rates to permit competitive market pricing (S. 520).

*Trade and communications economy*

Foreign trade: Expands Commerce Department services to importers and exporters and accelerates programs to promote foreign trade (S. 1729).

Ship trade-ins: Liberalized the law regarding obsolete trade-ins by authorizing the Federal Maritime Commission to take trade-ins either when the owner signs the contract for construction or purchase of a new vessel or (at the owner's option) within 5 days of the delivery date of the new vessel. Public Law 87–401.

Dual-rate shipping: Permanently legalized the operation of steamship conferences and dual systems of contracts for shippers and strengthened the antimonopoly provisions. Public Law 87–34.

Steamship operators: Authorized steamship operators under subsidy contracts to use part of their required reserve for research and planning. Public Law 87–271.

Broadcasting: Liberalized antitrust law to validate certain contracts for television broadcasting of professional sports games. Public Law 87–331.

Civil antitrust investigations: Authorized the Attorney General to compel the production of documents required as evidence in civil antitrust investigations. (S. 167.)

Duty-free allowance: Reduced the duty-free exemption from $500 to $100 through June 30, 1963, to counter our unfavorable balance of payments. Public Law 87–132.

AEC sales: Accelerated property sales to stimulate the economic growth of atomic energy communities. Public Law 87–174.

Metal scrap: Extended to June 30, 1962, the existing suspension of import duties on metal scrap. Public Law 87–110.

Corporate excise extension: Extended for an additional year, the existing 52 percent corporate income tax rate, excise tax rates on automobiles, liquor and tobacco, and taxes on local telephone calls and passenger transportation, thus preventing a loss of revenue of some $2.5 billion. Public Law 87–72.

Clay and shale—tax treatment: Permits miners of clay and shale to include as a depletion allowance the process of manufacturing brick and tile. Public Law 87–312.

Income-tax returns: Curbed tax evasion by assigning identifying numbers to all taxpayers. Public Law 87–397.

Unemployment tax credits: Prevented double taxation in the case of Federal and State unemployment taxes arising as a result of a technical deficiency in the Federal tax law. Public Law 87–321.

Federal savings and loan: Strengthened the Federal Home Loan Bank Act and the National Housing Act by increasing the reserves and cutting the overcapitalization of the Federal Savings and Loan Insurance Corporation created as a reserve credit facility for savings and home mortgage credit institutions. Public Law 87–210.

*Veterans' aid*

Disabled veterans' compensation increase: Provided increases in rates of service-connected disability compensation (to reflect cost-of-living increases since last compensation raise in 1957) ranging from 2.6 to 16.7 percent, depending upon degree of disability; restores for 2 years after January 1, 1962, the eligibility of veterans who served between October 8, 1940, and April 24, 1951, to apply for national service life insurance (H.R. 879).

Disability benefit: Increased weekly disability benefits for longshoremen and harbor workers to $70 (from $54); provided comparable increases in death cases from $81 to $105; and increased statutory maximum compensation payable for all injuries other than cases of permanent total disability or death from $17,280 to $24,000. Public Law 87–87.

Veterans' widows: Increased payments to veterans' widows. Public Law 87–268.

WELFARE AND GENERAL GOVERNMENT AREAS

*Education and training*

Aid to education: Enacted a $2,550-million 3-year Federal-aid-to-education program for school construction and increasing teachers salaries. (S. 1021.)

Impacted areas—National Defense Education Act extensions: Enacted bill which extends for 2 years, until June 30, 1963, Federal assistance to help build schools in districts burdened with substantial increases in their school memberships due to Federal activities, and authorizes an additional $20 million for this purpose. Also, extended for 2 years, until June 30, 1964, the provisions of the National Defense Education Act, passed in 1958, to stimulate a nationwide effort to strengthen instruction in science, mathematics, and modern foreign languages. Public Law 87–344.

College housing: Increased the loan authorization by $300 million for each of the 4 years beginning July 1, 1961, through 1964. Public Law 87–70.

Educational TV: Authorized Federal grants up to $1 million for any State to purchase TV transmission equipment for educational purposes, providing the State or sponsoring agency furnish the land, building, and guarantee to operate and maintain the channel (S. 205—H.R. 132).

Educational opportunities for migratory farm families: Authorized a 5-year program to aid in educating children of migratory workers. The Federal Government is to pay 100 percent of the program the first 2 years and the States and Federal Government will match costs for the next 3 years (S. 1124).

Freedmen's Hospital: Transfers Freedmen's Hospital to Howard University as its teaching hospital. Public Law 87–262.

Juvenile delinquency: Authorized a program of Federal grants to communities and nonprofit agencies of $10 million a year for 3 years to aid in financing projects to combat juvenile delinquency. Public Law 87–274.

Geodetic Survey: Improved and expanded the Coast and Geodetic Survey Act of 1948 to induce qualified scientists and mathematicians to join the service. Public Law 87–233.

Nurses scholarships: Extended for 4 years (to June 30, 1965), $5 million a year program for grants and scholarships for training of practical nurses under Vocational Education Act. Public Law 87–22.

Vocational teacher training: Authorized two 1-year programs of Federal grants for training teachers of the deaf, and advanced training of speech pathologists and audiologists. Public Law 87–276.

*Health and social problems*

Migratory health services: Authorized $3 million annually in Federal grants to public or nonprofit agencies and organizations for paying part of the cost of establishing and operating family health clinics and special health projects for domestic migratory farm families (S. 1130).

National Advisory Council on Migratory Labor: Established a 15-member Council to advise the President and Congress on the operation of Federal law, regulations, programs, policies, and all other matters relating to migratory agricultural labor to provide a better understanding of conditions, needs, and long-range solutions of this problem (S. 1132).

Public facility loans: Provided eligibility to Indian tribes for assistance under the public facility loan program, title II of the Housing Amendments of 1955. Under present law, eligibility for loans under the public facility loan program is limited to "municipalities and other political subdivisions and instrumentalities of States." This provision has been interpreted as not including Indian tribes which resulted not only in discrimination but an inconsistency since all tribes are eligible for low-rent public housing, housing for the elderly, and assistance under the Area Redevelopment Act (S. 2454).

Major disasters: Authorized assistance to be given by the Federal Government to Guam, American Samoa, and the Trust Territory of the Pacific Islands in case of a national disaster (S. 1742).

Community health services: Expanded and improved community health services and facilities for the health care of the aged, construction of nursing homes, and training of public health personnel. Public Law 87–395.

Mass transit: Authorized a new $75 million program to help overcome commuting problems in cities; $25 million is authorized for demonstration grants (covering up to two-thirds of project cost) for projects to explore ways of overcoming mass transit problems; $50 million is authorized for low-interest loans to public bodies for acquiring, constructing, and improving transportation facilities and equipment. Public Law 87–70.

*Resource buildup*

Saline water conversion program: Extended the saline water conversion program, enacted in 1952, from 1962 through 1967 and authorized a total appropriation of $75 million, but does not limit the annual appropriation to a pro rata share of the total amount. Public Law 87–295.

Air pollution: Extended air pollution control authorization to June 30, 1966, provided for public hearings, and authorized $5 million a year to finance the studies (S. 455).

Shoreline areas: Authorized the Department of Interior to study means and costs of acquiring and preserving 14 ocean, lake, and river shoreline areas appropriate for recreational parks. Authorized the Department of Agriculture to study appropriate shorelines within the Nation's 186 million acres of national forests. Each department is to report its findings and recommendations within 2 years. Authorized $400,000 for each survey and a grand total of $25 million of matching funds to assist the States in acquiring State shoreline areas (S. 543).

Wilderness bill: Established a National Wilderness Preservation System providing that any time within 10 years, the President may recommend to Congress the permanent inclusion within the wilderness system areas totaling approximately 54 million acres (S. 174).

Point Reyes National Seashore: Authorized an appropriation of $14 million to acquire land to preserve, for public recreational purposes, Point Reyes National Seashore in California (S. 476).

National fuels study: Approved a resolution authorizing the Senate Interior Committee to make an investigation and study of the current and prospective Government policies, to determine changes for an effective national fuels policy. Report of the findings to be submitted by January 31, 1961 (S. Res. 105).

Oceanography: Established a national 10-year program of oceanographic and Great Lakes research to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources and to enhance the public health and general welfare (S. 901).

Wabash River Commission: Established a Wabash Basin Interagency Water Resources Commission to coordinate Federal, State, and local plans for developing the water and land resources in the Wabash River Basin (S. 811).

Cape Cod Park: Established Cape Cod National Seashore Park to preserve for public enjoyment the scenic, scientific, and historic features of the cape. Public Law 87-126.

Migratory waterfowl conservation: Authorized a 7-year migratory waterfowl conservation program permitting advances to States to purchase necessary lands. Public Law 87-383.

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[From the New York Times, June 15, 1962]

### HOW TO BLAME KENNEDY FOR EVERYTHING

(By James Reston)

WASHINGTON, June 14.—All of a sudden, President Kennedy has more troubles than Casey Stengel. At his press conference today he was questioned as if he were personally responsible for the Wall Street slump, the cold war, the population explosion, and all the troubles of Asia, Africa, and Latin America.

Somehow in the last few weeks the whole political dialog has gotten out of focus, partly because the news has been dominated by the developments in the market, partly because every disaster has to have a scapegoat, and partly because the President himself has not been keeping the larger economic picture constantly before the public.

The truth of the matter is that the business community has been living in a dreamworld for the last couple of years and is now sore at Kennedy for waking it up. Admittedly, he shook the boys hard at the time of the steel rise, but the root of the trouble is not personal but economic and historic.

Over 2 years ago, when Kennedy was still running around the country trying to win primary elections, Per Jacobsson, managing director of the International Monetary Fund and probably the most widely acknowledged expert in this field today, was telling the world to wake up to what everybody is now just beginning to sense.

### END OF INFLATION

The era of postwar inflation, Jacobsson told the Economic and Social Council of the United Nations, is coming to an end, and "one of the most important tasks is to learn how to live without inflation."

"Considering that the experience of businessmen and labor leaders over the last 20 years has been gained under conditions of an inflationary rise in prices," he added, "there is need for a readjustment in attitudes and behavior that may not always be easy."

Just how difficult this adjustment has proved to be is now apparent, for neither the speculators on Wall Street, nor the construction workers, nor the flight engineers who are threatening to paralyze the transportation system of the country have adjusted to it yet.

Even before George Humphrey left here as President Eisenhower's Secretary of the Treasury, he was fond of talking about the great awakening that was coming in this country. For many years, he noted, we had been able to sell almost anything anywhere in the world at almost any price.

War and the consequences of war had kept our economy booming. We were for a long time the major, even the sole source of goods desperately needed by most of the devastated and hungry nations. But that, Humphrey insisted was coming to an end, and we could no longer compete if wages and prices kept going up at the expense of the consumer.

To blame Kennedy for all this is like blaming the fireman for the fire. He may or may not be antibusiness, but business is certainly anti-Kennedy, and the irony of it is that the very people who voted against him on the ground that he was for inflation are now blaming him for putting an end to the inflated prices in the market.

Meanwhile, there is so much gloomy talk about Wall Street that the slumping market is getting confused with a fairly healthy economy. The business reports for April showed record rates of industrial activity, retail sales and personal income.

In the first 5 months of this year, dealers sold 2,835,000 new domestic passenger automobiles, 28 percent more than in the same months of 1961, and the prospect for the whole year is 6,600,000 cars, the second best on record.

It is true that there is genuine concern here about some slippage in the economy in the last quarter of this year and the first of next year, and the adjustment to the end of the postwar inflation and the new competition from abroad is just beginning. But this adjustment can gradually and perhaps painfully be made, unless the country insists on talking itself into a recession.

### WALL STREET AND MAIN STREET

Here the President himself has an opportunity to take the lead. He has been preoccupied with foreign affairs. He has talked increasingly abount the economy in the last few weeks, but usually in the wrong forum and at the wrong time.

The press conference and the commencement platform are not adequate to the intricate problems he has to explain. He has been telling the businessmen every hour on the hour that he loves them dearly but they obviously don't believe him.

His only recourse in this, therefore, as in getting support for his legislative program, lies with the people. Wall Street is confusing Main Street. The President is asking some good questions but giving no answers. He is calling for a national debate, but he isn't leading it.

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## MINIMUM WAGES FOR SUGAR WORKERS

Mr. FONG. Mr. President, within the near future the Senate will face the task of amending and extending the Sugar Act, which is due to expire June 30. As a friend of this longstanding program and as one who comes from a State with a vital interest in its continuation, I want to discuss briefly a little-known feature of the present act which deserves critical review before a long-range extension is enacted.

The provision to which I refer is section 301(c)(1), embodied in the Sugar Act since 1937. On its face this provision assures the more than 200,000 field hands employed by the sugar industry "fair and reasonable" wage rates.

If this is so, why is it necessary to examine this provision at a time when the predominant concern of those interested in the Sugar Act runs to such questions as a larger portion of our sugar bowl for domestic producers, or how and where to reallocate the Cuban quota?

These are certainly significant issues, calling for diligent consideration and due deliberation. But certainly the well-being of the sugar workers deserves equal, if not greater, consideration. If their well-being is not being served, then the Sugar Act has failed one of its primary objectives: to protect the interests of the sugar workers.

As the Sugar Act is administered, the term "fair and reasonable" wages has proven exceedingly elastic. It stretches from the 36-cent-an-hour minimum wage in Puerto Rico, to the 50-cent-an-hour minimum in the Virgin Islands, to the 60 cents in Louisiana, to the 95 cents in the western beet area, to the $1.46 an hour paid sugar workers in Hawaii.

Of these, only the Hawaii rate falls in line with what I would term a commonsense understanding of "fair and reasonable." This rate is used by the Department of Agriculture as the minimum for Hawaii because it is the lowest scale in the collective bargaining contract between the International Longshoremen's & Warehousemen's Union, representing the entire labor force and the industry.

The very much lower rates I have cited also carry a Government seal of approval as "fair and reasonable." Indeed, the sugar workers are told that their employers are in good standing with the Department of Agriculture, eligible for compliance payments of from 30 to 80 cents a hundred pounds of sugar produced, so long as these so-called fair and reasonable wages are paid.

It is astonishing, but true, that many Mexican nationals imported to work in U.S. farm fields are better treated than most sugar workers. Braceros used in the lettuce fields of California and Arizona are now guaranteed a minimum of $1 per hour. That tops all sugar wage rates except that for Hawaii.

For hourly wage rates of 36 cents minimum and 50 cents minimum and 60 cents minimum to bear a Government stamp of approval as "fair and reasonable" contradicts U.S. Government policy pertaining to the overwhelming majority of American workers in other industries. Last year Congress declared by law that $1.15 is the legal minimum wage in interstate commerce. Agriculture workers are not covered by the act. But we know they and their families must eat, must have clothing, shelter, schooling, and other necessities of life as all the rest of us must.

Within the context of the Fair Labor Standards Act, the $1.15 rate is related to a "minimum standard of living necessary for health, efficiency, and general well-being."

The existence of the Agriculture Department's substandard wage orders for sugar workers therefore offers a strange spectacle. Here we see an arm of the executive saying to thousands of sugar workers that they must live on a wage less than that declared by Congress as necessary to sustain a person in health, efficiency, and general well-being.

The sugar industry is a unique segment of agriculture. It has enjoyed since 1934—and rightly so—special protection through a quota system and other Government controls. That program is a national one and is designed to guard the welfare of the consumer, the producer, and other elements of the industry.

Except for the fieldworkers, this program has operated well. It has operated so well that consumers find ample supplies in the markets at tolerable prices and growers throughout the country are seeking the opportunity to expand domestic production. Both industry and Government administrators have come to accept the Sugar Act as a national institution and unitedly seek its continuation.

Under the Sugar Act, Department of Agriculture figures reveal an amazing improvement in productivity for all areas. From 1946 to 1960, for example, man-hours per ton of sugar produced have been more than halved. In Louisiana the total dropped from around 117 to some 48. In the beet area the comparable figures are 46 man-hours per ton in 1946 and just under 23 in 1960.

This is outstanding progress for which the industry can be justly proud. But it seems hardly to have figured in the determinations of "fair and reasonable" wage rates. Relatively few sugar workers have shared proportionately in the industry's increased productivity. Thousands of them continue to receive meager pay.

It is plain that something is wrong, grievously wrong, either with the Sugar Act or with its administration by the Department of Agriculture. I am not here concerned with placing the blame. I am raising the issue, which has been largely ignored up to now, so as to alert the Congress to this opportunity to rectify a wrong now that our sugar policy is undergoing its first serious reappraisal since adoption of the Sugar Act in 1934.

For more than a year, discussions have proceeded on a number of fundamental features of our Sugar Act, particularly the readjustment of domestic and foreign quotas. These discussions involved the Administration, industry leaders, and many Members of Congress. To my knowledge, the administration has not proposed to alter the minimum wage program for sugar either by administrative action or by request for legislation. Whether the committees of Congress considering the sugar bill will recommend remedial legislation remains to be seen.

Meanwhile, the deadline for a new Sugar Act—a 5-year extension—rapidly approaches. I am speaking out today to urge the Congress to make the "fair and reasonable" wage provision of the act meaningful and in consonance with the declared policies of Congress regarding nonagricultural workers.

Corrective action is a must in a new long-term act with the purpose of protecting the welfare of the consumer, the grower, the processor, the worker, and our foreign suppliers.

Nor is the hour too late for the U.S. Department of Agriculture to step forward and offer constructive suggestions on how to assure the sugar workers a decent livelihood.

For those who wonder why a Senator from Hawaii should concern himself with sugar wage minimums when workers in his State receive wages higher than the $1.15 nationwide minimum hourly rate set by the Congress in the Fair Labor Standards Act for interstate commerce, I hasten to explain my reasons.

Obviously, Hawaii sugar cannot compete with Louisiana sugar or Puerto Rican sugar in price when the Louisiana minimum wage is 60 cents an hour, when the Virgin Island minimum is 50 cents, when the Puerto Rico minimum is 36 cents. Those are hardly living wage rates.

So we in Hawaii are concerned not only from the standpoint of competition but also from the standpoint of humanitarianism.

Last March the State Legislature of Hawaii adopted a memorial petitioning Congress to amend the Sugar Act so that all persons employed on farms receive wages not less than the minimum set by Congress in the Fair Labor Standards Act. I ask unanimous consent that the memorial be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FONG. Just a few days ago, on June 6, the Board of Supervisors of the County of Hawaii adopted a resolution requesting the Congress to amend the Sugar Act by incorporating provisions assuring fair and reasonable wages to sugar workers in accord with the minimum set under the Fair Labor Standards Act. I ask unanimous consent that the resolution be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. FONG. So this is very much a matter of live concern to us in Hawaii. In the name of justice, of fair play, of humanity, I urge the Congress to raise the minimum wage rates for sugar workers.

### EXHIBIT 1

### RESOLUTION 544 OF COUNTY OF HAWAII, STATE OF HAWAII

Whereas the Sugar Act now being scrutinized by Congress has successfully enabled the domestic sugar industry to prosper through the establishment of a protected market, price control, tariff and quota restrictions and compliance payments; and

Whereas these protective mechanisms administered under the said Sugar Act have resulted in substantial benefits to growers, processors, industrial users and the small consumer; and

Whereas the basic objectives and purposes of the said Sugar Act will have been achieved but for the maladministration or neglect of that provision of said Sugar Act which provides for the establishment of fair and reasonable wages for sugar workers; and

Whereas the failure of the Department of Agriculture to follow the mandates of the Fair Labor Standards Act has led to its establishment and approval of wages as low as 60 cents per hour in Louisiana and 50 cents per hour in the Virgin Islands; and

Whereas the continued payment of these substandard wage rates in the United States is not only in direct conflict with the minimum wage rates set under the Fair Labor Standards Act and detrimental to the welfare of the entire Nation but also unjustly and inequitably enables the growers and processors paying said substandard wages to receive as much, if not more subsidy payments from the U.S. Government as that received by others in the sugar industry complying with the Fair Labor Standards Act: Now, therefore, be it

*Resolved by the Board of Supervisors in and for the county of Hawaii,* That it does hereby request the Congress of the United States of America to consider the equity of amending the Sugar Act to incorporate provisions assuring the payment of fair and reasonable wages to sugar workers in accord with the minimum set under the Fair Labor Standards Act; and be it further

*Resolved,* That the county clerk be and is hereby directed to send copies of this resolution to the Honorable Orville L. Freeman, Secretary, Department of Agriculture; the Honorable HAROLD D. COOLEY, chairman, Committee on Agriculture; the Honorable HIRAM L. FONG and the Honorable OREN E. LONG, U.S. Senators from Hawaii; and to the Honorable DANIEL K. INOUYE, Representative to the Congress of the United States from Hawaii.

Dated at Hilo, Hawaii, this 6th day of June 1962.

THOMAS K. COOK,
*Chairman and Executive Officer, County of Hawaii.*
IKUO HISAOKA,
SHERWOOD R. H. GREENWELL,
HELENE H. HALE,
ELROY OSORIO,
WING KONG CHONG,
*Supervisors, County of Hawaii.*

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### EXHIBIT 2

Whereas the highest wages in domestic sugar production are paid in the State of Hawaii; and

Whereas the high wages were the result of the right of the sugar workers, including fieldworkers, to organize and bargain collectively; and

Whereas the foregoing has enabled the sugar workers to enjoy a standard of living which is compatible with the American way of life; and

Whereas all workers, including agricultural workers, should be paid reasonable wages so that they can enjoy a standard of living which is compatible with the American way of life; and

Whereas the sugar industry in the State of Hawaii must compete with producers and processors of sugar in other areas whose employees labor for wages as low as 60 cents per hour and whose conditions of employment otherwise are, under American standards, substandard; and

Whereas fairness and justice demand that sugar workers in the United States be paid according to wage rates which are not less than the minimum established for nonagricultural workers under the Fair Labor Standards Act of 1938, as amended; and

Whereas fairness and justice to the people and sugar industry of Hawaii require that such a minimum wage be set for sugar workers all over the United States so that competion among the different domestic sugar producing areas shall be on fair and equitable terms; now, therefore, be it

*Resolved by the House of Representatives of the First Legislature, State of Hawaii, budget session of 1962 (the Senate concurring),* That the Congress of the United States be and it is hereby respectfully requested to amend the Sugar Act of 1948, as amended, to provide:

1. That payment to all persons employed on a sugar farm of wages not less than the minimum wage as set by the Fair Labor Standards Act of 1938, as amended, and as it may further be amended from time to time, shall be a condition for receiving a Federal payment by the producers: *Provided, however,* That the Secretary of Agriculture shall be authorized to hold hearings to determine temporary exclusion and amounts of payments to be authorized for producers so excluded temporarily.

2. That there shall be no reduction in the base rate of sugar compliance payments of 80 cents per 100 pounds of sugar for any sugar farm which pays to all persons employed thereon wages at rates not less than the minimum wage established by the Fair Labor Standards Act of 1938, as amended, and as may be further amended from time to time, irrespective of production; and be it further

*Resolved,* That duly authenticated copies of this concurrent resolution be forwarded to the President of the Senate, Speaker of the House of Representatives of the Congress of the United States, to the Secretary of Agriculture, to the Senators from the State of Hawaii, the Honorable Hiram L. Fong, and the Honorable Oren E. Long, and the Honorable Daniel K. Inouye, Representative from the State of Hawaii.

Elmer F. Cravalho,
*Speaker, House of Representatives.*
W. H. Hill,
*Clerk, House of Representatives.*
————,
*President of the Senate.*
————,
*Assistant Clerk of the Senate.*

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## JUNE 14: ARMY DAY AND FLAG DAY

**Mr. CANNON.** Mr. President, I had intended to make these remarks yesterday, but was unable to do so. I therefore take this occasion to make a few observations in regard to the commemoration of two historical events.

It seems fitting and appropriate that we pause in the Senate business at hand and give tribute to two significant historical events which are commemorated annually on the 14th of June.

Yesterday marked the 185th anniversary of the adoption of our Nation's flag. On this day we also celebrate the birthday of the U.S. Army, our senior military service, which is two years older than the flag it so proudly flies and serves at home and in the far reaches of the world.

Two years to the day after the Army was authorized, the Continental Congress adopted the following resolution:

> That the flag of the United States shall be 13 stripes, alternate red and white, with a union of 13 stars of white on a blue field, representing a new constellation.

The design of our flag has altered from time to time, as our Nation expanded. Its status as a symbol of our Nation and the freedom we hold so dear has remained.

Like our flag, the form of our Army has changed many times, but the purpose for which it was created—the defense of our freedom—remains the same.

During the past 187 years wherever a peril or danger challenged America, there you would find the Army—unfaltering. We can reflect on its long chronicle of service with pride.

In mid-June of 1775—187 years ago—the Revolutionary War had been underway for nearly 2 months. Earlier, in April, "the shot heard round the world" had been fired. And, Lexington and Concord were already a part of our splendid heritage.

The men who were part of that colonial militia opposing the British were Americans willing to fight and die for liberty. But regardless of their spirit, courage, and initial successes, they saw the need for a truly national Army to provide the unity of effort needed for the long struggle which lay ahead.

To answer that need, the Second Continental Congress authorized 10 companies of infantry to serve—not under State authority, but under the Congress of the yet-to-be-created Nation.

With that authorization on June 14, 1775, our Army was born. And this newly created Army—reinforced by volunteer militia—was the major source of strength which enabled this Nation to emerge from the War of Independence. The U.S. Army, born to protect the flame of independence and baptized in its own red blood of devotion to America, has demonstrated to every generation that it has but one purpose—to defend the Constitution against all enemies.

In a thousand clashes across the globe, the Army has stood tall for our Nation. We cannot speak a word about our national heritage unless we include the sacrifices made by our Army at Valley Forge, New Orleans, Gettysburg, in the Philippines and China, and in Europe.

Nor can we forget the men of the Army, no matter the day or age. Presidents and farmers, storekeepers and scientists, all made their sacrifices and their contributions, as soldiers, to insure their country's progress.

We should not lose sight of contributions made by the Army to the general welfare of our citizens. Among its notable deeds in the medical field have been the conquering of yellow and typhoid fever, developing of water chlorination, blood plasma substitute, improved leukemia and other cancer treatments, and skin tissue banks. Other significant Army-sponsored developments include new plastics and adhesives, miniaturization, transistors, flameproof fabrics, electronic computers, missile and rocket fuels, new alloys and improved lubricants. The long and varied list clearly establishes that the U.S. Army during its 187 years has not only helped to guarantee freedom for all Americans but has contributed immeasurably to making our American way of life the fullest in the history of men.

The Army has been touched by many events since its last birthday. During the past year it has progressed to a high state of preparedness. Today our Army is prepared for any kind of warfare—general or limited, conventional or unconventional. And I take satisfaction from the knowledge that, as the Army stands ready to fulfill its wartime and cold war missions, it serves also as a powerful deterrent in the face of worldwide Communist threats and challenges.

Mr. President, the Soviets have never ceased to make plain their ultimate objective is victory over us and the entire free world. Although Mr. Khrushchev has apparently ruled out the inevitability of a general nuclear war, it is clear that the Communists will continue—indeed, intensify—the cold war tactics of subversion, insurgency, and guerrilla warfare, to name but a few. We need but look to southeast Asia, today, to witness such aggressive actions.

From the Communist activities in Greece in 1947 to Vietnam and Laos, this moment, we have learned that a tremendous nuclear capability is not the final answer. "Massive retaliation," does not deter everything. Accordingly, we have seen during the past months a reemphasizing of our Nation's conventional forces, with no deemphasizing of our nuclear retaliatory forces. The decision to enhance our conventional power has had its principal impact upon the Army, for the good reason that the Army, because of its versatility is the keystone of our conventional capability.

In this connection, the Army has made great advances in improving and procuring new weapons and equipment—from rifles to long-range missiles. Coupling modern equipment and the new ROAD division with the reorganization of the highest levels of the Department of the Army demonstrates a viable, vigorous ground force which recognizes its key position in the Military Establishment.

We can all be proud of the Army's rapid progress this past year in achieving a strength posture in keeping with its global missions. The number of combat-ready divisions has grown from 11 to 16 and the number of ready to go divisions in strategic reserve from three to eight. Army forces in Europe have been strengthened with reinforcements totaling some 40,000 men. The STRIKE Command which combines elements of the U.S. Air Force Tactical Command with the highly flexible U.S. Army Strategic Army Corps has been formed. In all, approximately 40 percent of the Army is serving overseas in areas vital to the defense of the free world. This includes not only combat units and support elements, but also the military assistance advisory groups and military missions.

In addition to reinforcing our deployments and enlarging our strategic forces, the Army has enlarged its special warfare capability—which includes guerrilla and counterguerrilla operations, counterinsurgency and psychological warfare. Army versatility and know-how which can be applied to special warfare come not only from its magnificently trained special forces groups, but also from its regular units which have received training in special warfare tactics, techniques, and skills, along with their more conventional type training.

As members of an American mission in a host country which has requested assistance in counterinsurgency operations, Army personnel—from special forces, as well as from regular units—can expertly contribute to a many-pronged attack on communism. In addition to furnishing military training, technical, and logistical assistance, their talents can be used in social and economic development projects such as improvements in communication, road construction, and pest control. These measures mean better health and better living standards for the people and build up their will to resist the blandishments as well as the attacks of the Communist forces who seek to spread disorder and destruction.

Today, special forces and other Army elements are actively engaged in the defense of the free world by providing expert training and technical assistance not only to the hard-pressed Vietnamese in the jungle war against infiltrating Viet-Cong forces in South Vietnam but elsewhere in the Far East.

The Army also plays a big part in the air defense of this Nation. More than 200 Nike batteries are deployed at operational sites to safeguard our strategic installations, industrial complexes, and population centers. It is significant that, although more than half of these batteries are manned by Active Army personnel, the remainder—including all Nike Ajax batteries—are manned by Army National Guard units. Moreover, the National Guard is being gradually worked into the Nike-Hercules network, and by 1965 will be manning these batteries in 17 States. This is a fine example of the one-Army concept which recognizes the Active Army, the Army National Guard, and the Army Reserve as indispensable components—thinking, planning, and working together with a singleness of purpose.

Mr. President, at this point I want to say a special word about our Reserve components. Their value to our mobilization base continues to be vital to the country. In short, I want to emphasize the fact that a trained, ready Army National Guard and Army Reserve continue to be essential to our capability to meet large-scale crisis or full mobilization.

This became abundantly clear last July. For they loyally supplied the required strength to meet the Berlin crisis and they are still supplying the required strength while the two new Regular Army divisions are being formed and trained to fill the gap. And the spirit in which the vast majority of our citizen soldiers have served has been superb.

In closing, I remind my distinguished colleagues that, while old in tradition, the Army is as ready as ever to fulfill its essential role in our Nation's defense. As we join in saluting our flag and our Army on their birthday let us do so with the firm conviction that they will continue to provide inspiration and service through the uncertain years ahead.

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## AMERICAN CONSTITUTIONAL LIBERTY—WILLIAM H. WHITE MEMORIAL LECTURE BY JUDGE STERLING HUTCHESON

Mr. ROBERTSON. Mr. President, Judge Sterling Hutcheson, a retired U.S. district judge for the eastern district of Virginia, recently delivered the William H. White Memorial lecture before the Law School of the University of Virginia. In his lecture, Judge Hutcheson talked about the expansion of Federal control over the activities of the individual. He commented particularly upon judicial action in this area.

Mr. President, Judge Hutcheson spoke about an issue of nationwide concern. We have long witnessed an increase of Federal control over the rights of individuals that has been precipitant and even unwarranted in all too many cases. All too frequently our courts have failed to follow the sound reasoning of Mr. Justice Holmes:

> The relations of the United States and the courts of the United States to the States and the courts of the States is a very delicate matter that has occupied the thoughts of statesmen and judges for a hundred years and cannot be disposed of by a summary statement that justice requires me to cut redtape and intervene.

Such precipitant and even unwarranted Federal actions have run directly contrary to the principle of constitutional government established by the Founding Fathers. It was Thomas Jefferson who said:

> I consider the foundation of the Constitution as laid on this ground: That "all powers not delegated to the United States, by the Constitution, nor prohibited by it to the States, are reserved to the States or to the people."

As Judge Hutcheson pointed out in his lecture, the trend away from Jefferson's concept of constitutional government toward Federal control has accelerated over the last generation. Judge Hutcheson indicated, in fact, that recent cases relating to interpretations of the commerce clause "involving control of the individual by the central government are accepted today as commonplace and attract little attention. Until the last 25 or 30 years such jurisdiction in this country was inconceivable except by a handful of people with scant following."

I have, myself, on various occasions, referred to the duties as well as the privileges inherent in constitutional government. I have emphasized the need for toleration, discretion, and self-restraint by the States, the courts, and the individual in exercising their constitutional responsibilities and privileges. I have enumerated some of the consequences which may arise from failing to exercise proper self-restraint or from failing to act at all. Failure to enact State legislation to meet public demands, for example, may give rise to pressures for Federal intervention, however inappropriate that may seem to be.

In these respects, Judge Hutcheson, in his lecture, underlined the following specific issue:

> There is yet another problem which I suggest is of importance at this time if we are to survive as a nation of free people under our Federal Government. That is, whether we are to continue the system under which the Central Government is concerned with matters generally affecting the Nation, and in affairs not affecting the Nation, the activities of the citizen are controlled by the States, or are we to have one all-powerful Central Government supervising all affairs of society.

With regard to judicial action in this matter, Judge Hutcheson discussed at length the trend toward greater Federal intervention in individual activities. This trend, he pointed out, has been accompanied by the following tendency:

> In our system of government by law we have reached the place where members of the judiciary have applied different sets of rules or principles of law to litigants falling into different categories based upon the character, motives, and standing of the litigants as determined by the courts.

The tendency to which Judge Hutcheson referred has become widespread. He noted that in following it "the Federal courts have probably demonstrated their greatest versatility" in the field of race relations. Judge Hutcheson then made reference "to the actions of some of the lower courts in going far beyond anything contained in the opinion in Brown and related cases." Judge Hutcheson said that—

> In case after case the lower courts, both trial and appellate, have not been content with prohibiting discriminatory acts. They have affirmatively directed local authorities to perform specified acts.

He particularly cited the Prince Edward case as an example of how far this practice has gone.

Basically, responsibility for allowing an increase in Federal control over individual matters rests with all Americans. As Judge Hutcheson commented:

> In the last analysis it is the people themselves who have permitted this situation to come about.

The conclusion of Judge Hutcheson's lecture should serve, therefore, as an important reminder to all readers who cherish and seek to preserve individual freedom. He said to the members of the University of Virginia Law School:

> In conclusion you may determine that the Government devised by the young, liberal-minded men of the late 18th century is impracticable. Before you abandon the high hopes of those who would maintain our way of life (with freedom of action of the individual of prime consideration) and conclude that it is wise to follow the present-day reactionary trend to the establishment of one all-powerful Central Government (a more easy conquest of the seeker after special privilege), I hope you will explore all possible alternatives and consider the consequences.

With these considerations in mind, I ask unanimous consent to have printed in the Record at the conclusion of my comments some excerpts from Judge Hutcheson's lecture, which I commend to all my colleagues.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

### Excerpts From "The Expansion of the Federal Government's Control Over the Activities of the Individual—Some Comments Concerning Judicial Action in This Area," William H. White Memorial Lecture Delivered Before the Law School of the University of Virginia on March 23, 1961, by Sterling Hutcheson, U.S. District Judge for the Eastern District of Virginia

You, members of the University of Virginia Law School as you prepare to perform your role in the life of the Nation, come upon the scene at an interesting period in our history. It is not unlikely, I believe, that the historian of the future will record the next decade or so as the time of arrival at one of the most important crossroads in the life of the Nation.

Although the United States of America have been a nation less than 200 years, an almost negligible time in the history of a people, we are acknowledged the greatest and most powerful among our contemporaries; but we are told that we face the most serious threats to our very existence. Of course the more spectacular ones relate to external dangers brought about by quick transportation and the development of instruments of destruction. There are others dealing with our economic situation, both at home and abroad, which are equally in need of attention. The two go hand in hand.

There is yet another problem which I suggest is of importance at this time if we are to survive as a nation of free people under our Federal Government. That is, whether we are to continue the system under which the Central Government is concerned with matters generally affecting the Nation, and in affairs not affecting the Nation the activities of the citizen are controlled by the States, or are we to have one all-powerful Central Government supervising all affairs of society?

I suggest that it can be stated as simply as that. The question is as old as the Nation. The answer is not so simple, but it is one which must be found before it is too late. I fear that too little thought is being given this problem, bemused as we are with more exciting occurrences. It is interesting to speculate as to how the historian of the future will relate them.

It is a truism to say that power once acquired is rarely voluntarily surrendered. That is as true of the head of a bureau in Washington as it is of the head of a foreign state. It is as true as the fact that a tax measure adopted to meet an emergency is almost never repealed.

I need not remind you that the totalitarian form of government cannot exist unless invested with complete authority over the individual. Nor do I need remind you that this fact was uppermost in the minds of those who framed the Constitution of the United States. It was in the minds of those who advocated its adoption and of those who opposed ratification.

The Federalist papers probably throw more light than any other documents upon the considerations surrounding the adoption of the Constitution. As I consider those papers, they were devoted to reassuring the American people that the rights and liberties of the individual were protected against invasion by the Central Government. I do not recall any criticism of a possible weakness on the part of that Government. The American people had been through a long and painful war brought about by their grievances against an all-powerful government albeit as viewed historically in terms of government it was a relatively mild monarchy.

They were determined to establish in its place a system of powers divided under law and controlling upon the men charged with administering the law. Even under a division of powers of the Central Government itself they insisted upon a limitation upon that Government in its control of the ordinary, everyday affairs of the people. Under the Government so constituted the Nation has reached its present position.

Unquestionably we are in a rapidly changing world, and many changes are necessary to meet changing conditions. The question is, Can and will we continue to operate within our present framework? There are those who firmly believe it can be done. Obviously there are those who believe either, that it cannot be done or that it should not be done. I do not presume to offer you a ready-made answer, but I do hope to direct your attention to some developments which I believe merit consideration in determining the path to be followed in the future.

I believe it safe to say that in the last quarter of a century there has been more intrusion by the Federal Government into the affairs of the individual than during the entire past life of the Nation.

Many of these changes in the relations between the Central Government and the individual have been brought about by Congress, much by the Executive and some by the courts.

Having spent a lifetime in the atmosphere of the courts I feel somewhat qualified to discuss the part that branch has played in the extension of this control.

Among the first steps [of the Federal courts] was the modern interpretation of the commerce clause. What has been done in the way of regulating interstate commerce is marvelous to behold. Of course you will understand that Congress has made its contributions.

Under a statute regulating commerce between the States, an individual who steals an automobile in Virginia and transports it to one of the adjoining States has violated a Federal statute. Now, with our system of rapid transportation it is obvious that the States cannot separately deal with law violators who move from one to the other. Consequently, the maintenance of some central agency to participate in the apprehension of these persons is necessary. No one can question the wisdom and propriety of such laws.

However, when he is brought to trial the offender is usually tried in the Federal court, not for the offense of larceny of the automobile, a violation of a law of the State, but for violating a law relating to interstate commerce, which is essentially a matter for the civil courts as contrasted with those having criminal jurisdiction, although of course penal sanctions are not improper. The end result, though, is that the Federal courts are burdened with many cases which should be heard by the State courts.

Furthermore, it would seem more appropriate that an offender should be tried for an offense malum in se rather than an offense malum prohibitum.

This illustration is only one of many which might be cited. The same observations apply to the recent kidnaping trial in Baltimore of a defendant charged additionally with two murders in Virginia and a like number in Maryland.

Under other statutes passed pursuant to the commerce clause a man engaged in cutting pulpwood in an old field pine forest in Virginia or Georgia at a stipulated price per cord is engaged in interstate commerce. If he is assisted by his son or any other person under a specified age he is guilty of violating a criminal statute of the United States.

The workmen who drove the new Chesapeake and Ohio tunnel through the mountain at Afton were engaged in interstate commerce. There is a Federal statute requiring one engaged in participating in a lottery to first purchase a license from the Internal Revenue Service. Such cases as I have mentioned involving control of the individual by the Central Government are accepted today as commonplace and attract little attention. Until the last 25 or 30 years such jurisdiction in this country was inconceivable except by a handful of people with scant following. It is not my purpose to argue the wisdom of this course. My hope is to stimulate your thoughts in appraising it.

Of course we are all familiar with certain decisions of the Supreme Court which have been greatly publicized. I refer to the assumption of jurisdiction in such cases as those involving the qualifications of a teacher employed in a school operated by the State of New York, the determination of the suitability of persons licensed to practice law in courts established and maintained by the several States, such as the California and New Mexico cases, and the case declaring in violation of the 14th amendment to the Constitution Stephen Girard's will which was probated before the amendment was adopted.

Then there is the doctrine of preemption laid down in the Steven Nelson case. You will recall that in that case the principle stated is that when the Federal Congress has legislated in a certain field, the States are precluded from passing legislation in that area of political activity. There the Supreme Court affirmed a decision of the Pennsylvania court. If this doctrine should be applied to the power to tax, the outcome might be far reaching indeed.

Then the Reina case, decided no later than last December, contains an important pronouncement. As I understand that case the Supreme Court held that immunity of an individual to prosecution in the Federal courts for violation of a Federal law carries with it immunity from prosecution in the State court for violation of a State law covering the same set of facts. It is worth noting that again in this case we have the Federal courts exercising jurisdiction in the enforcement of a license requirement assertedly aimed at suppressing a greater evil. It involved traffic in narcotic drugs which is essentially an offense falling within the police power of the States.

My references thus far (including references to the cases of *Stefanelli* v. *Minard*, *Cooper* v. *Aaron*, *Bartkus* v. *People of the State of Illinois*, and *Sacco-Vanzetti*) have been to pronouncements of the Supreme Court, and of course it is there that the responsibility rests for the ultimate and final decision of any question which may reach it. Burdened as it is, that Court can consider only an infinitesimal number of cases which are tried in the Federal courts. Among those so tried are many cases decided by the appellate courts of the various circuits which become the law of the circuit unless reversed by the Supreme Court, and there are many cases decided by the district courts which are not appealed and thus become persuasive in that particular district. Developments in this area seem to have been overlooked or perhaps neglected in the controversy revolving around the decisions of the Supreme Court.

In concert with such pronouncements of the Supreme Court the lower courts have made their contributions. Lord Bacon's observations concerning judicial innovations and the removal of landmarks seem to have lost some standing. Those landmarks have been considered important for a long time and are mentioned in the books of Deuteronomy, Job, and Proverbs.

While writing an opinion a few years ago I had occasion to review decisions in which the lower courts assumed jurisdiction only to be later reversed.

I came up with the somewhat surprising conclusion that some of those courts have been and are more prone to assert an extended jurisdiction than is the Supreme Court. I also concluded that without the restraining influence of the Supreme Court we should now have reached a point in the extension of Federal power beyond anything advocated by the most ardent Federalist despite the fact that more than once the Supreme Court has criticized in somewhat strong language the inferior courts for attempting to anticipate what they considered foreshadowing trends, as aptly expressed in the Spector Motor Co. case.

In *Chance* v. *Lambeth* the appellate court disregarded what some 2 or 3 years earlier in *Day* v. *Atlantic Greyhound* it had declared to be law too well established to be questioned concerning seating arrangements on common carriers engaged in the transportation of passengers. It is true that one case involved a bus and the other a railroad train. The court, faced with its decision in the bus case, turned to the commerce clause and in the "strong light—thrown by the decisions of the Supreme Court, some of recent date" declared a regulation requiring separation of passengers by race on common carriers moving in interstate commerce an unlawful burden upon commerce.

Then we have a line of cases dealing with the burden of proof in criminal cases involving defendants charged with fraud relating to income tax and others who are believed to be what is known as racketeers. These cases arose as a result of what appeared a serious and determined effort on the part of the Justice Department to engraft onto the law a rule of evidence to be applied in cases of a certain type which, in effect, would result in placing upon the defendant the burden of proving his innocence. This is particularly applicable so far as the tax cases are concerned.

There is another case which has intrigued my interest and the course of which I have followed in the press. That is the so-called Apalachin case involving Joe Barbara and a group of men who visited his private home.

According to press dispatches at the time, the case was hailed by the prosecution as one of the greatest victories in law enforcement during many years. It was said that the precedent signed the death knell of organized crime. In due course the appellate court reversed the convictions.

Considering the jealousy of the press where its freedom is concerned, I was somewhat surprised by the reaction of some of the members who deplored the action of the appellate court. Certainly I hold no brief for a group of gangsters, but consider the possibility of placing in the hands of police officers such a weapon.

However, the Apalachin case is a logical sequel to a case involving the rights of police officers to enter a private home under the guise of ascertaining whether there are unsanitary conditions. That was the rat-catching case from Baltimore.

If our homes may be entered without a search warrant duly issued, what is so startling about the right to interrogate individuals as to occurrences in private homes?

In our system of government by law we have reached the place where members of the judiciary have applied different sets of rules or principles of law to litigants falling into different categories based upon the character, motives, and standing of the litigants as determined by the courts.

So far as I am informed the germ of this line of reasoning made its first appearance in a footnote to a majority opinion of the Supreme Court in 1938, where it was intimated that consideration of the constitutional questions in certain types of cases may call for "more searching judicial inquiry" than other litigation.

It is in the field of race relations that the Federal courts have probably demonstrated their greatest versatility. The subject has been of keen concern to me personally since long before the current controversy, but I shall not undertake to discuss it except to point to the actions of some of the lower courts in going far beyond anything contained in the opinion in Brown and related cases. These cases merely prohibit discrimination based upon race and direct that the district courts supervise the actions of local authorities in effecting an orderly transition from what repeatedly has been declared law into compliance with the new doctrine.

In case after case the lower courts, both trial and appellate, have not been content with prohibiting discriminatory acts. They have affirmatively directed local authorities to perform specified acts. Incidentally the last opinion and mandate in the Prince Edward case is interesting. You must remember that that case involved only secondary schools, which are well recognized as high schools as contrasted with elementary schools. There is no litigant in that case affected by the operation of elementary schools and the record does not show that such schools are or ever were operated by the county.

Nonetheless, the appellate court specifically directed certain actions concerning elementary schools as distinguished from high schools. Thus we have a case in which the court granted to nonexistent parties relief which has been sought by no one. Although this was pointed out in a petition to rehear, which was summarily denied, in a brief the Supreme Court declined to review.

Unquestionably a part of the responsibility for these conditions rests upon the States for their willingness to pass on to the Central Government the task of meeting State needs and their acceptance of the inevitable controls which follow. For about a quarter of a century we have seen those charged with conducting the affairs of various States looking to Washington for financial help. With such assistance there is always control. Our own money comes back to us less a costly deduction for administration and subject to conditions as to how we may spend it. Each time there is some extension of authority and quite likely an increase in personnel of some bureau based in Washington.

The same situation prevails between the States and the localities. When we are faced with an extra burden we head for the State capital with outstretched hands. In each instance the result is the same. We seek and obtain free tax money to develop one project and naturally we return for assistance with another. Gradually our condition of mendicity regarding that which is ours becomes more tolerable.

In the last analysis it is the people themselves who have permitted this situation to come about. It may be that it is what the American public wants, or, and I suspect that this is the main reason, it is attributable to indifference or unawareness on the part of a vast majority as to what is going on until they are faced with an accomplished fact having a personal impact.

An examination of the line of cases to which I have referred reveals that the obvious purpose of the writers of the opinions is to deal out what they personally believe to be justice in the particular case before them. No one can quarrel with such humanitarian motives nor indulge in harsh criticism of the possessor, however much we may question the wisdom of the conclusions reached and fear the consequences of the precedent set.

An illustration in point is *Scarborough v. Atlantic Coast Line*. There the Court, to grant relief in a seemingly hard case, announced a new rule of law to relieve from the statutory limitation the right to sue and in the process appears to have revised the rules of evidence theretofore applying to the proof required to sustain a charge of fraud.

Similar observations might be made concerning motives of many of those in other branches of the Government who advocate increased control of the affairs of the individual.

One seeking or granted power to exercise discretion seldom entertains doubt as to his qualifications to do so properly. The trouble is that his opinion as to the proper exercise may not be the wise one. Even if it is wise, benevolent dictators are not always followed by others like them.

Furthermore, I regret that my observations lead to the conclusion that the seeker after power is not always inspired by altruistic motives. Thirst for personal power is a characteristic too well known to need discussion.

No one having even a slight familiarity with current events can fail to be aware of a sharp difference of equally honest opinion concerning such developments of recent years. Many of these are at variance with the often repeated theory of our Government expressed by wise statesmen as set out in the Federalist, by other able students of government, both ancient and modern, and in soundly considered opinions of the Supreme Court.

Many of them have been adopted under the stress of emergencies to be met without mature and deliberate consideration of consequences.

There are few emergencies so urgent as to require immediate solution. Full consideration frequently discloses that many of them are not emergencies after all. The clear light of tomorrow's sun usually dispels the shadows, but when we have acted hastily in imperfect light we often find that we have entered into a contract which bodes us no good.

In conclusion you may determine that the Government devised by the young, liberal-minded men of the late 18th century is impracticable. Before you abandon the high hopes of those who would maintain our way of life (with freedom of action of the individual of prime consideration) and conclude that it is wise to follow the present day reactionary trend to the establishment of one all-powerful Central Government (a more easy conquest of the seeker after special privilege) I hope you will explore all possible alternatives and consider the consequences.

It is probable that the decision will be yours to make. In history it will be a momentous one.

## REEDUCATION BY KENNEDY ADMINISTRATION IN THE FIELD OF ECONOMICS

**Mr. GOLDWATER.** Mr. President, I discovered yesterday by reading an article by the Columnist Walter Lippmann that we are in the process of being reeducated by the Kennedy administration in the field of economics. The process apparently was begun at Yale, where the President appealed for sophisticated answers and accused his critics of clogging the lines of communication with myths and legends and the cliches of our forebears.

Mr. Lippmann apparently subscribes to the President's contention that the complexities of economics in the 1960's are understood only by the White House and its advisors. He seems to be telling us that the American people and even Members of Congress have not reached the level of sophistication where they can understand the administration's more mature view of budgets and deficits and the causes of inflation. He tells us that President Eisenhower and Senator HARRY F. BYRD talk as if they never read a book on economic matters that has been written since the great depression of 1929.

Mr. Lippmann to the contrary, Mr. President, I would like to say that Mr. Eisenhower has come to grips with budgetmaking and government fiscal policy in a much closer way than any newspaper columnist is ever likely to do. And I would be willing to bet that the esteemed chairman of the Senate Finance Committee has read more books on economics than either the President or Mr. Lippmann. He certainly has a greater grasp of where this country is headed under the irresponsible spending policies of the New Frontier than any other Member of the Congress. And it will take a lot more than the belittling efforts of Mr. Lippmann to detract from the great service he has performed over the years through his steadfast devotion to fiscal integrity and a sound economy.

This reeducation that Mr. Lippmann speaks about intrigues me, Mr. President. Are we to understand that the American people and the political leaders of the Nation are to be "brainwashed" into thinking that everything the administration proposes is right? Are we going to be reeducated into thinking that black is white; that balanced budgets are dangerous in these complex times; that deficit financing does not lead to inflation;

that the national debt is not increasing at a dangerous rate?

If this is the purpose of the administration's massive attempt at economic reeducation, Mr. President, I can only say that it is doomed to miserable failure in advance. The trouble with it is that the mere fact that we now find ourselves in the 1960's and that conditions are changing does not destroy the need for fiscal responsibility. Education or reeducation must be based on truth, or it will not "take." In this case it is based on fallacy and political expediency. It assays high in only one ingredient and that is executive arrogance.

Mr. President, it is important for us to remember that the administration which complains so much about old arguments and old cliches has offered absolutely nothing new in the economic field. It is still offering us the same old remedies that were tried in the 1930's and which failed to correct the economic problems of that time. Actually, it took World War II to bring us out of the great depression. The New Deal's answers were unequal to the task.

We do not need reeducating, Mr. President, to know that the policies offered by the New Frontier are not only hoary with age but they also are robbing us of the confidence and optimism needed for a flourishing economy.

**Mr. CLARK.** Mr. President, will the Senator yield for a question?

**Mr. GOLDWATER.** I yield.

**Mr. CLARK.** Is not the Senator going to put Mr. Lippmann's column in the RECORD? I should be happy to do so, if he is not.

**Mr. GOLDWATER.** I thought the Senator from Pennsylvania might object. I am happy to ask unanimous consent to include Mr. Lippmann's column in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

### THE PRESIDENT AT YALE

(By Walter Lippmann)

At Yale on Monday the President made a most important address—for the domestic economy the most significant, it seems to me, since he was inaugurated. In it he described, as he has never before done so explicitly, what it is that is new in the New Frontier.

Unlike Franklin Roosevelt's New Deal, the Kennedy administration is not working for a change in the balance of social forces within the country. Roosevelt used the power of the Federal Government to increase the influence of agriculture and of labor, as compared with the influence of business, and of the underdeveloped South and West as compared with the Northeast.

The battles of the New Deal era were in the classic pattern of social struggle, of the have-nots against the haves.

These battles were won by Roosevelt and a new balance of forces was firmly established. This was proved during the 8 years of President Eisenhower when there was no attempt to repeal and undo the New Deal.

The Kennedy administration begins where Eisenhower left off. It is not seeking another change in the structure of American society but on the contrary, to make more efficient the existing balance of forces.

It is confronted, however, with a cultural gap, that is to say with popular beliefs about the economy that are a generation out of date.

With rare exceptions the leaders of both parties hold to economic doctrines that have long since been abandoned as antiquated by all the progressive and advanced countries of the world.

Governor Rockefeller understands modern economic doctrine, but men like General Eisenhower and Senator BYRD talk as if they had never read a book on economic matters that has been written since the great depression of 1929.

If President Kennedy is to fulfill his promises, if he is to raise the American economy from the creeping stagnation that has come upon it in the second half of the fifties, if he is to recover the industrial preeminence that we once had and have now lost, the administration will have to do a mighty job of public reeducation.

If our leaders do not learn to understand modern economics, we shall not be able to operate successfully the modern economy.

It is this work of reeducation that the President began at Yale. It was a very good beginning. But, of course, one speech will not do what needs to be done—which is to close the cultural gap and put American public opinion and American political debate in touch with the realities of the modern age.

This reeducation is not a fight between good men and bad men, between rich men and poor men, between Republicans and Democrats. It is, like all education, a search for enlightenment in which all who participate bravely will be the winners.

## CHEAP NATIONAL PUBLICITY AT THE EXPENSE OF THE FOREST SERVICE

**Mr. GOLDWATER.** Mr. President, I have one more short order of business which I think will be of interest to the present occupant of the chair [Mr. BURDICK], who comes from a Western State.

Very recently in the press around the country we saw criticism of the Forest Service for allowing two establishments to exist in national forests. I believe one was in the State of Idaho, and the other was in my own State of Arizona.

If this is the kind of misinformation which the New Frontier press agents are going to give to the American people, I think the Senate did a wise thing the other day by disallowing the 16 New Frontiersmen to the Department of the Interior for these purposes.

The criticism directed at my State of Arizona concerned the so-called sporting house located at a place we call Top-of-the-World, near the city of Miami, Ariz., between Phoenix and Globe, Ariz.

The Forest Service knew of the existence of this house. The Forest Service tried to get the Federal authorities to stop it. They tried to get the State and local authorities to stop it, as early as 1955 or 1956. It was not until one of the forest rangers went to the State's largest newspaper, the Arizona Republic, and "tipped them off," that pressure through the newspaper was brought to bear. Then the house was closed in 1957.

Mr. President, that was some 5 or 6 years ago. Recently the General Accounting Office and the Department of the Interior have raised all manner of "ned" with the Forest Service for allowing this place to exist. It did exist. It existed in the forest. The Forest Service tried long ago to close it, and the Forest Service was unable to get cooperation either from the local authorities or from the Federal authorities.

I rise today merely to defend the Forest Service for having done its duty as it saw it, and to criticize those agencies who refused to give the Forest Service cooperation in the middle 1950's.

If the suggestion is that Smokey Bear should now lead a vice raid, the administration need not worry about sending Smokey Bear into Arizona for this purpose, because that house of iniquity has long since been closed and the customers diverted elsewhere. [Laughter.]

## SUCCESSFUL COAL MINING INDUSTRY OF WYOMING

**Mr. McGEE.** Mr. President, in the past decade we have seen in periodicals and on television and have heard on radio many nostalgic tributes to the passing of the steam locomotive from the national scene. While there is much to stir the memory in the recollection of these romantic behemoths, my State and much of the West has marked their passing with more than nostalgia. For this aspect of the continual technological progress of our era has created a depression in one of our vital industries—coal mining.

The extensive coal mines that once provided the fuel for the locomotives, which pulled their long string of cars across the high plains and over the Rockies, now—one by one—have been closing down. As a result, unemployment and the vicious circle of economic distress which it generates have decimated many once prosperous mining towns.

But I am not speaking to ask for pity or to plead for the return to an era that exists no longer. Rather, I would like to point out that the West—which has a history of self-reliance in the face of serious obstacles—is rising to meet this challenge to our economic well-being.

Two recent developments give notice that our mines may once again contribute their full share to the economy and may even surpass their previous production standards.

The first of these is the development by the FMC of a new process of making metallurgical coking coal from low-grade coal deposits. This development, which represents a significant breakthrough in mining technology, was announced last weekend at the Wyoming Mining Association convention at Jackson, Wyo. Josiah Work, manager of the Kemmerer Coke division of FMC said that a pilot plant using the new process now is producing 250 tons of coke a day, using coal mined in Kemmerer.

To realize the significance of this development you must understand that at the present time there are no merchant coke producers between the Mississippi and the west coast and the two existing western coking plants—at Pueblo, Colo., and Provo, Utah—are forced to rely on coal shipped at high cost from the East. Yet, much of the West is underlain with mammoth coal reserves. Wyoming has an estimated 120 billion tons. These reserves represent a potential for economic development which could bring increased prosperity to my State and the West, if satisfactory methods of utilizing this grade of coal can be found.

Mr. Work estimates that the FMC process may be sufficiently developed within 6 to 9 months for release on a royalty basis. In the Interior Department appropriation bill passed by this body Tuesday evening, is an item which I requested, and in which the Senate concurred, for $50,000 for research into coking coal development from western low-grade coal. When this research is underway, it will represent another approach to this problem. I think it extremely important to pursue this matter from every angle, for not only the West but many other areas in the world—now unable to obtain coking coal—would find immediate economic gains from a successful coke development process.

The research contemplated under this grant would investigate which of the many types of western coal are best suited for conversion into coke.

I wish to commend FMC for their success in this field. Their work exemplifies western determination to make progress in the face of adversity.

A second factor which points toward an economic upturn for the State's coal industry is the increasing use of coal for generating electric power. The West, with its many hydroelectric projects, is discovering that coal also is an excellent source of energy and that the two types of generation can be welded into an effective source of vitally needed power.

In the special mining issue of the Riverton Ranger, an excellent newspaper in my State, there is a story on the Kemmerer Coal Co. This company's mines once provided much of the fuel for western railroads. This article points out that the mines' most productive year was 1918 when 834,000 tons were produced. And yet, even with the elimination of the steam locomotive, this company anticipates producing almost a million tons in 1963.

The coal will go to the Utah Power & Light Co.'s new steam generation plant, now under construction near Kemmerer, and to the FMC coke plant mentioned previously. In addition to increase in coal production, Kemmerer Coal plans to almost double its work force to 400 men in 1963.

These two developments are indications that western coal can be utilized for economic gain. But the brightness of the future does not entirely eliminate the gloom of the present. Wyoming's coal mining industry is still in a depressed state, but there is life in that industry—and where life is, there is hope.

Mr. President, I ask unanimous consent to have printed in the Record an article from the special mining edition of the Riverton Ranger, which aptly illustrates present conditions in Wyoming's mining industry and the promise of the future.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Mining Grows at Fastest Rate in Wyoming Economy

Mining is Wyoming's second largest industry surpassed only by production of petroleum.

The gigantic mining industry and the affiliated mills and plants which supplement it employ almost 6,000 people in the State. Supporting the industry are many hundreds of other people in the supply, service, and contractual side of mining and milling.

In mining itself there are 3,202 persons employed and another 2,350 are employed in the milling and plant side of the industry.

The uranium industry is the largest single mining employer. According to Atomic Energy Commission estimates there are over 1,200 persons employed in mining and milling of uranium.

#### CONTINUOUS GROWTH

The industry is enjoying continuous growth. This year, for instance, the taconite iron ore project of United States Steel at Atlantic City will come into full production and will probably employ an additional 400 men over the 150 now on full-time employment at the mine and beneficiating plant.

The coal industry will enjoy increased employment during the next few years. This will be especially true at Kemmerer as the Kemmerer Coal Co. begins supplying coal for the Utah Power & Light steam generating plant. Pacific Power & Light will increase its employment at the Dave Johnston plant and mine near Glenrock as the $25 million expansion there is completed.

Coal production in the Hanna and northeastern Wyoming areas is also showing some increase.

There is possibility for further expansion in the trona industry near Green River. Stauffer Chemical Co. of Wyoming, a new power in this industry, increased its payroll this spring which is not included in the 1961 figures quoted.

So did Petrotomics, Inc., when it started up Wyoming's sixth uranium mill in the Shirley Basin in April 1962.

There are many other developments on the horizon. Vipont Mining Co. continues its efforts to develop gypsum deposits on the Wind River Indian Reservation of Fremont.

#### PHOSPHATE DEVELOPMENT

Susquehanna-Western, Inc., is trying to secure prospecting permits for phosphate deposits known to exist in the Wind River Range near Lander, but which present information indicates are not commercially workable.

Susquehanna-Western is working on the difficult metallurgical problem of separating lime from the phosphate, and if prospecting permits are granted will launch a major exploration program yet this summer.

Titaniferous iron ores near Laramie loom on the horizon for future development. So do the coal deposits near Lake De Smet with Union Carbide continuing interest. Reynolds Metals still holds property near Lake De Smet which some day may lead to an aluminum industry.

One of the most successful "new starts" in Wyoming last year was the Big Horn Gypsum Co. of Cody which began the mining of gypsum and manufacture of plasterboard last year.

There are those optimists who say that if the price of gold goes up, Wyoming gold mining industry would bloom again.

#### TOTAL TONS—7,730,217

Mining in Wyoming produced 7,730,217 tons of a variety of ores and minerals according to the 1961 annual report of the State inspector of mines.

There were more tons of coal mined than any other minable product. In 1961, 20 mines in 9 counties of the State mined 2,520,258 tons of coal, an increase of 516,111 tons over 1960. Most of the increase came from Pacific Power & Light.

But the outlook for coal continues to be good in areas near present or future steam generating powerplants.

Uranium was the second most-mined ore. There were 1,550,849 tons of uranium ores mined in Wyoming last year. Largest single miner of uranium ore was Western Nuclear with 269,775 tons.

Trona production from Intermountain Chemical's big underground mine near Green River was 859,821 tons, which placed trona in third place.

#### MANY OTHER ORES

Amounts of other ores mined were bentonite, 606,283 tons; gypsum, 42,034 tons; iron ore 632,291 tons from Colorado Fuel & Iron (United States Steel will mine over a million tons a year at South Pass when it gets into operation, possibly as high as a million and a half tons a year); limestone, mainly for use in the sugarbeet refining industry, 367,413 tons; magnetite ore, 85,701 tons; phosphate (San Francisco Chemical at Leefe, Wyo.), 97,391 tons; 1,500 tons of sodium sulfate west of Casper; and a few ounces of gold from near Buffalo.

There were 166,697 tons of gravel mined and Gilpatrick Construction Co. of Riverton was the biggest producer with 91,312 tons of gravel.

Stone mining of various types for use as ballast and crushed rock amounted to 401,772 tons.

Wyoming has an unlimited potential in mining. The state is literally loaded with low-grade ores. New metallurgical and chemical processes are making possible the economic development of such ores, and United States Steel's taconite plant is the most pointed example.

And Wyoming's mining people have firmly accepted their responsibility as citizens in the State, many of them holding key positions in local, county, and State affairs.

## BLITZKRIEG IN THE BAY STATE

Mr. WILLIAMS of Delaware. Mr. President, in today's issue of the New York Herald Tribune appears an interesting editorial entitled "Blitzkrieg in the Bay State."

Recognizing that the President no longer has access to this important newspaper, and in the hope that the insertion of this editorial will not result in any cancellations, I ask unanimous consent that the editorial may be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Blitzkrieg in the Bay State

No one will ever say that Edward M. Kennedy was drafted for the Democratic nomination for the Senate in Massachusetts any more than his brother John was elevated to the Presidential nomination by popular acclamation of his party. In each case it was a self-propelled blitzkrieg. In each case the convention prize was sought, fought for, and captured with some of the most coldly powerful weapons known to the politician.

This is not to suggest that power politics is anything new, or that ruthless elbowing in a man-seeks-office effort is any particular monopoly of the Kennedys. We have seen the game of pressure and patronage played before, but where the Kennedys outshine so many of their contemporaries—and predecessors—is in the thoroughness of their organization and the relentlessness of the squeeze put on the delegates.

Something else, unhappily, puts the victory of Ted Kennedy over Massachusetts Attorny General Edward J. McCormack in a class by itself. It is Kennedy's monumental lack of qualifications for senatorial duty. Neither demonstrated performance nor discernible aptitude commends him. Aside from a distinguished name and a king-sized ambition, the credentials of the 30-year-old brother of the President are limited to his role as junior lieutenant in his brother's campaign.

To be sure, the McCormacks are not exactly an obscure family in the Bay State either. If the 38-year-old Edward were not the nephew of the Speaker of the House of Representatives he might not be his State's Attorney General. Here endeth the similarity, however, for McCormack can point to a solid record of achievement in municipal and State government. He has served his apprenticeship. He has the seasoning young Kennedy lacks.

It is good that Mr. McCormack is so outraged by the Kennedy steamroller that flattened him at the convention that he has vowed to take his case to all the Democrats in a September primary. He knows that Kennedy resources will have multiplied by that time, but he is hoping also for a multiplication of the number of people who, unintimidated by convention pressures, will make a sober comparison between his record and talents and those of Ted Kennedy.

Whether the Democrats can go on to win in November is another question. Corruption has been casting dark shadows over the party's leadership, and the Republicans could show some unusual strength with George Lodge as their candidate. When Democrats make private concessions about their chances, Republicans have a right to harbor some hope. But the point in the Kennedy-McCormack squabble is the extent of the Democratic Party's concern with the caliber of talent it asks the people to support.

Anyone who takes the U.S. Senate seriously has a right to raise questions about Ted Kennedy's qualifications for membership therein.

**Mr. GOLDWATER.** Mr. President, will the Senator yield?

**Mr. WILLIAMS of Delaware.** I yield.

**Mr. GOLDWATER.** I did not quite hear what the Senator asked unanimous consent to have printed in the RECORD. Was it an article from the Herald Tribune?

**Mr. WILLIAMS of Delaware.** Yes.

**Mr. GOLDWATER.** The article was from the New York Herald Tribune?

**Mr. WILLIAMS of Delaware.** Yes.

**Mr. GOLDWATER.** Does not the Senator realize that this might mean the cancellation of 22 copies of the CONGRESSIONAL RECORD going to the White House every day?

**Mr. WILLIAMS of Delaware.** I expressed the hope that my request would not result in any cancellation of the CONGRESSIONAL RECORD.

**Mr. GOLDWATER.** I am glad that the Senator thought of that point.

**Mr. WILLIAMS of Delaware.** I believe that even the President would be interested in the editorial.

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## DEDUCTION AS BUSINESS EXPENSE OF SALARIES OF CONSULTANTS TO GOVERNMENT

**Mr. WILLIAMS of Delaware.** Mr. President, the administration's tax revision bill is before the Committee on Finance. As a part of that tax revision bill the administration is asking for a tighter enforcement provision in regard to the deductibility of expenses of officials of corporations when those officials are engaged in any activities which may in any way be interpreted as lobbying.

The administration has questioned the right of corporations to charge off as necessary business expense the salaries and expenses of these officials when they are assigned to the task of lobbying for or against proposed legislation which does not directly involve their industry.

In this connection I called to the attention of the Secretary of the Treasury the fact that the services of three representatives of private industry have been enlisted by the administration and that these men have been assigned offices at the White House for the sole purpose of lobbying for the administration's proposed trade bill.

I may find myself in agreement with the administration's trade bill, but that is not the question. The salaries of the men while they were working for the administration in the promotion of the pending trade bill would be paid by the companies involved, and great emphasis has been placed upon the fact that their services would not cost the Government anything. My question to the Secretary of the Treasury was, Could the companies who are paying the salaries of these officials who were being loaned to the Government for the sole purpose of propagandizing and lobbying for the trade bill deduct their salaries as necessary and normal business expenses? I asked that the Treasury Department furnish a ruling on this particular case.

I have a letter containing this ruling signed by Mr. Stanley S. Surrey, Assistant Secretary, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
*Washington.*

Hon. JOHN J. WILLIAMS,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR WILLIAMS: This is in further reference to the matter of the three White House consultants from private industry now working on the trade expansion bill.

We are advised by one of the principals in the negotiations which led to the appointment of the three consultants that the individuals selected for the positions were not selected because of their connections with firms having interests in the trade expansion bill. We are told that the individuals were picked solely because of their recognized talents and experience in matters of public relations and information. A public relations society in Washington was consulted for suggestions as to qualified individuals. Also, a number of companies were contacted without regard to their views on the administration's proposals on trade expansion.

We are informed that the three organizations from which the consultants were drawn, namely, Schenley Industries, Air Transport Association, and Englehard Industries have mixed interests in the bill; whereas certain aspects of their operations might be benefited from the easing of tariff restrictions others are likely to be adversely affected.

With regard to the duties of the consultants we have been informed that they work directly under Mr. Howard Petersen, special assistant to the President on trade policy. Their duties are strictly informational and do not involve any policy responsibilities. In fact, policy formulations had all been completed prior to the arrival of these consultants. Generally speaking, their duties are the same as those of any Government agency public information officer.

We are advised that these employees are not being compensated for any services currently rendered to their former employers nor for any benefit, direct or indirect, that the latter may be receiving or may expect to receive in connection with the services that the consultants are now performing for the Government. On the basis of the facts as related to us, it would appear that it is proper for the payers of the consultants' salaries to continue to deduct the salaries as ordinary and necessary business expenses under section 162 of the Internal Revenue Code.

I.T. 3417, 1940–2 C.B. 64, which has been cited with approval in a number of court decisions, presents a helpful analogy. This ruling holds that salaries paid by employers during the continuance of World War II to employees absent in the Armed Services or who were serving the Government in other ways at a nominal compensation, but who intended to return at the conclusion of the war, were deductible business expenditures. The justification for allowing the deductions was found in the fact that the compensation was paid to induce the absent employee to return to his employment or for services to be rendered upon returning to work.

Our attention has been called to a letter from the Office of Legal Counsel in the Attorney General's Office concerning the conflict-of-interest problem in connection with these consultants. This letter stated that in the absence of any indication that the leave-with-pay arrangement is intended to constitute payment to the individual for his services to the Government or is in anticipation of benefits to be derived by the organizations making the payments, there would appear to be no objection to the arrangement from the point of view of the conflict-of-interest statutes. In general, this letter supports our own findings and conclusions with regard to the deductibility of the consultants' salaries.

The question whether these consultants in the course of their duties for the United States have come within the provisions of 18 U.S.C. 1913, pertaining to lobbying with appropriated funds, is a matter falling within the jurisdiction of the Department of Justice. We understand, however, that, in the light of prior opinions of that Department, on the facts given to us, no activity contrary to that provision is involved. This question, however, as indicated above would not appear under the facts related to us to be relevant to the deductibility of the salaries.

If you should have any further questions on this matter I shall be glad to hear from you.

Sincerely yours,
STANLEY S. SURREY,
*Assistant Secretary.*

**Mr. WILLIAMS of Delaware.** I invite attention of the Senate to the fact that Mr. Surrey, on behalf of the Department, has ruled that under such circumstances—

> It would appear that it is proper for the payers of the consultants' salaries to continue to deduct the salaries as ordinary and necessary business expenses under section 162 of the Internal Revenue Code.

Thus, based upon this ruling, salaries and expenses of officials of corporations engaged in such activities are ruled to be deductible by the corporations as ordinary and necessary business expenses.

A question in which I am likewise interested is as follows: In cases where companies are opposed to the administration's program and wish to assign some of their top officials to Washington offices for the purpose of lobbying or propagandizing against the administration's legislative programs, would it likewise be ruled that their salaries could be deductible as ordinary and necessary business expenses? Certainly we cannot have dual rulings where they are only deductible when a company supports the administration and not deductible when it opposes.

## CONFORMITY TO SENATE RULES

Mr. CLARK. Mr. President, I should like to note for the RECORD that practically without exception every speaker during the morning hour this morning violated the 3-minute rule. I held a watch on the speakers. I did not object. I thought the Acting President pro tempore was most gracious in not enforcing the rule. It merely calls to public attention the fact that we make unanimous-consent requests with no intention whatever to keep within them. I suggest that it would be far better if we would reform the rules of the Senate and put them in understandable form to conform with our invariable practice.

I hope that my friend will observe the time fuse, because I wish to speak on two or three other subjects, and I may not be able to present them in complete form.

I should like to call to the attention of the Senate the fact that my friend, the distinguished Senator from Arizona [Mr. GOLDWATER], talked for somewhat more than 3 minutes in criticism of an excellent column by Walter Lippmann which appeared in the Washington Post on the 14th of June. I concur in everything that Mr. Lippmann said. I find myself in complete disagreement with the criticism of my friend from Arizona. I urge my colleagues to read the column carefully, because I think it points the way to that new day in that better and finer America toward which America is headed.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, I am happy to yield, though I do not know that I have sufficient time available.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Senator from Pennsylvania may have as much time as he desires.

Mr. PASTORE. Mr. President, reserving the right to object, I suggest that other Senators are waiting to speak.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Senator may have 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GOLDWATER. I am not at all surprised that the Senator from Pennsylvania is opposed to my position, because I find myself in opposition to his position.

Mr. CLARK. We would be very unhappy if we agreed.

Mr. GOLDWATER. I think the country would be very happy if the Senator from Pennsylvania would agree with me.

Mr. CLARK. And vice versa.

Mr. GOLDWATER. I doubt it.

## SOVIET DEPORTATION OF LITHUANIANS, LATVIANS, AND ESTONIANS

Mr. CLARK. Mr. President, there have been dark chapters in human history but none darker than one which began 22 years ago in the Baltic States of Lithuania, Latvia, and Estonia. It was on June 15, 1940, that these countries were forcibly annexed to the Soviet Union and many hundreds of thousands of their inhabitants uprooted from their homes and deported to Siberia. These helpless victims of this unwarranted aggression are still suffering in exile, far away from their homeland.

Since those fateful days, we in the free world have heard practically nothing about them except what we have learned from those few who have had the extraordinary luck to escape. And the fate of millions of Lithuanians, Latvians and Estonians in their homeland under Communist tyranny is probably not much better than those who still suffer in exile.

In recent years, we have learned that the native population of the coastal areas in these countries were moved to other parts of the Soviet Union in order to make room for the Asiatic people who were transported there. This means that years after the deportations of 1940 there were additional deportations by the tens of thousands. All this was done to speed up the communization of these countries, once the home of rising democracies. Fortunately, however, these people are schooled and hardened in adversity, and are not easily swayed even under the most oppressive of tyrannical regimes. They still cling to their ideals of freedom and independence, and let us all hope that they will attain their goals.

## CONSTRUCTION OF THE SAN JUAN-CHAMA RECLAMATION PROJECT AND THE NAVAJO IRRIGATION PROJECT

Mr. ANDERSON. Mr. President, on June 13, the President signed S. 107, a bill which authorizes the Secretary of the Interior to construct the San Juan-Chama reclamation project and the Navajo irrigation project. I am particularly happy because on the same day the House of Representatives passed a bill authorizing the Fryingpan-Arkansas project, which is of great importance to the congressional Members from the State of Colorado and, in my opinion, is one of the finest projects to come before Congress this year.

I ask unanimous consent that the statement of the President on signing S. 107, which it was my honor to sponsor, be printed at this point in the RECORD, and that also the statement of Secretary of the Interior Udall on the passage and signing of the bill be printed at this point in the RECORD.

### REMARKS OF THE PRESIDENT UPON THE SIGNING OF S. 107 IN THE PRESIDENT'S OFFICE

Today I have signed S. 107, a bill to authorize the Secretary of Interior to construct the San Juan-Chama reclamation project, and the Navajo irrigation project. By my natural resources and conservation message, I emphasized the importance of water resources development to the Nation, and expressed this administration's commitment to a sound and orderly program of new projects to meet accumulated needs.

The projects authorized in S. 107 were included among the major western water resource developments recommended in my conservation message as part of this program. These projects will provide major benefits to the West, and to the Nation as well as to the communities directly involved.

The Navajo Indian irrigation project will assist the Navajo people in making full use of their own resources to achieve a higher standard of living by providing employment opportunities in irrigation farming.

The San Juan-Chama reclamation project will provide water supplies needed to permit continued economic growth and development and stabilize an existing agricultural economy in the Rio Grande Basin of New Mexico.

These developments represent investments in the Nation's future that will provide major dividends in the years to come. I am especially pleased to approve this bill because I regard this legislation as the forerunner of additional authorization for western water resources development now pending in the Congress.

We are particularly glad to have the chairman of the Navajo Indian Tribe here representing the Navajo Tribe.

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[Press release from the U.S. Department of the Interior, June 13, 1962]

### CONSTRUCTION OF TWO NEW MEXICO WATER PROJECTS AUTHORIZED IN BILL SIGNED BY THE PRESIDENT

The Navajo Indian irrigation project and the initial stage of the San Juan-Chama reclamation project, authorized in a bill passed by the Congress and signed into law by the President, will provide economic assistance to the Navajo Indians and will enable New Mexico to put to use a major portion of the water of the Upper Colorado River system to which it is entitled under two interstate compacts.

The authorizing legislation (S. 107) provides that the two projects will be constructed, operated and maintained as participating projects of the five-State Colorado River storage project, now under construction in the mountain West.

"I am extremely pleased that the bureaus of the Department of the Interior can now get moving on the construction of these very worthwhile resource development projects," said Secretary of the Interior Stewart L. Udall. "Both projects provide opportunity for a resource program investment today that will return manifold dividends in the future years. The developments not only fit the pattern for wise and beneficial development of natural resources, as laid down by President Kennedy in his conservation messages to the Congress, but they also will provide economic opportunity for depressed areas."

Secretary Udall, a native of the neighboring State of Arizona, indicated that he was especially pleased at the prospects of building facilities to deliver a dependable supply of irrigation water to the Navajo tribal lands in New Mexico.

"For many years the Federal Government has been trying to cope with the problem of bettering the economic conditions of the rapidly increasing Navajo population, now numbering about 85,000," he said. "The Navajo Indian irrigation project will provide a real economic shot in the arm for these people, who have been beset by drought, reduced return from marginal livestock operations, and lack of employment opportunities. Irrigation agriculture and its associated and allied industries can provide an economic livelihood for a large segment of the tribal population."

The Navajo Indian irrigation project contemplates the construction of distribution facilities to deliver water to approximately 110,000 acres of land within and adjacent to the Navajo Indian Reservation. The lands involved are located in two large areas on an elevated plain south of the San Juan River in San Juan County. An average of 508,000 acre-feet of water would be diverted annually from the San Juan River at the Navajo Dam and Reservoir, now nearing completion by the Bureau of Reclamation at a site on the San Juan River and would be conveyed some 150 miles across reservation lands.

The Bureau of Indian Affairs estimated that some 14 years will be required to complete planning on the $135 million project and to complete the canals and laterals, tunnels, siphons, and pumping plants required. Delivery of water to the first of the project lands, however, could be accomplished within 5 years. The project is planned to supply irrigation water but is adaptable to serve municipal and industrial water users if the need arises in the future.

The initial stage development of the Bureau of Reclamation's San Juan-Chama project contemplates an average annual diversion of about 110,000 acre-feet from the upper tributaries of the San Juan River for utilization in the Rio Grande Basin in New Mexico. The $86 million project would provide needed municipal and industrial water for the city of Albuquerque and also would yield a full and supplemental irrigation water supply for about 120,000 acres of farming land in the Rio Grande Basin in New Mexico.

Recreation and the conservation and development of fish and wildlife resources which would be built over a period of about 5 years also would be purposes of the San Juan-Chama project.

## THE FRYINGPAN-ARKANSAS PROJECT IN COLORADO

**Mr. ANDERSON.** Mr. President, the House of Representatives on Wednesday passed authorization for the $170 million Fryingpan-Arkansas project in Colorado. It has been before Congress since 1954, but never previously had reached the House floor.

The bill now comes to the Senate, which has passed similar measures three times in past sessions.

Senator ALLOTT was quoted by the Associated Press on Thursday as saying:

> With a little more luck it should be just a matter of days now before the Fryingpan is through the Senate and in the hands of the President.

Senator CARROLL also praised the House action.

The Fryingpan-Arkansas bill would authorize the Reclamation Bureau to build dams to impound Colorado River tributary waters west of the Rocky Mountains and deliver them through a tunnel under the Continental Divide to farms and towns on the eastern slope. The water would be used for irrigation, power generation, flood control, and municipal purposes by a dozen towns and cities.

It would be one of the biggest reclamation projects authorized by the present Congress.

The Fryingpan project is strongly endorsed by President Kennedy, as it was previously by President Eisenhower.

The Fryingpan River now flows into the Roaring Fork River, which rises above Aspen, Colo. The Roaring Fork, in turn, flows into the Colorado River, which enters the Pacific by way of Mexico and the Gulf of California. The project would dam the Fryingpan above the town of Basalt and divert a large part of its water through a 6-mile tunnel, ultimately into the Arkansas River.

## ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS: A REPORT ON ITS FIRST 2 YEARS

**Mr. MUSKIE.** Mr. President, Members of the Senate will recall that in 1959 the Congress enacted Public Law 86-380 which established an Advisory Commission on Intergovernmental Relations.

The Commission, as constituted by Congress, has seven basic purposes:

First. To bring together representatives of the Federal, State, and local governments for the consideration of common problems.

Second. To provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation.

Third. To give critical attention to the conditions and controls involved in the administration of Federal grant programs.

Fourth. To make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system.

Fifth. To encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation.

Sixth. To recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government.

Seventh. To recommend methods of coordinating and symplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

In carrying out its responsibilities the Commission has been composed of representatives from each level of government and from the legislative and executive branches thereof.

I was honored to be one of the principal sponsors of the legislation establishing the Commission, and it has been my pleasure to serve as a member of the Commission since its establishment. My colleagues, the senior Senator from North Carolina [Mr. ERVIN] and the senior Senator from South Dakota [Mr. MUNDT], have also served on the Commission since its inception. On the House side, Mr. FOUNTAIN, of North Carolina, the chairman of the Intergovernmental Relations Subcommittee of the House Committee on Government Operations and the original sponsor of the bill creating the Commission, has served continuously as has his colleague on the subcommittee, the gentlewoman from New Jersey [Mrs. DWYER]. Mr. KEOGH, of New York, is the other House Member of the Commission.

Two years have now elapsed since the Commission began its work. I think it appropriate to report to the Senate on how the Commission has been progressing, and the extent to which it has been measuring up to the responsibilities placed upon it by the statute. I will give today an overall report on the Commission's work; subsequent reports on particular subjects will be placed in the RECORD by my colleagues from the Congress or myself, depending upon the subject matter involved and our respective interests in it.

At the outset, I should like to pay tribute to the very able Chairman under which the Commission has proceeded—Mr. Frank Bane, of Virginia, a man known to many of you for his lifetime of work and leadership in Federal, State, and local governments. He was appointed as the first Chairman of the Commission by President Eisenhower and this year was reappointed for a second term as Chairman by President Kennedy.

The Commission, in addition to the six Members from the Congress, has three members from the executive branch—the Secretaries of the Treasury, Labor, and Health, Education, and Welfare. Its other membership includes four Governors, three mayors, three State legislative leaders, and three elected county officials. Finally, in addition to the Chairman, the general public is represented on the Commission by two other members.

It has been a privilege and pleasure to me to work with the distinguished people who have served on the Commission and to discuss and debate major questions of Federal-State-local relations with them.

The first meeting of the Commission was held on December 14, 1959. The second meeting on February 10, 1960, saw the appointment by the Commission of an Executive Director. The Executive Director reported for duty on April 1, 1960. We have been very fortunate in the able and dedicated work of Mr. William G. Colman, Executive Director, and his staff in carrying out our assignments.

The third meeting of the Commission was held on May 25, 1960, and concerned itself with considering and finally approving an initial work program. At that time we concluded that the major concerns of the Commission fell into three general areas—taxation and finance; metropolitan areas; and the general structure of State and local governments, their relationships with one another and with the National Government.

At its meeting on January 18 and 19, 1961, the Commission began its consideration of substantive issues of intergovernmental relations, and adopted three Commission reports. Subsequent meetings of the Commission held in April, June, and September, 1961, were concerned with consideration and action on seven additional reports. These reports are as follows:

First. Coordination of Federal and State Inheritance, Estate, and Gift Taxes;

Second. Modification of Federal Grants-in-Aid for Public Health Services;

Third. Investment of Idle Cash Balances by State and Local Governments;

Fourth. Intergovernmental Responsibilities for Mass Transportation Facilities and Services in Metropolitan Areas;

Fifth. Governmental Structure, Organization, and Planning in Metropolitan Areas;

Sixth. State and Local Taxation of Privately Owned Property Located on Federal Areas;

Seventh. Intergovernmental Cooperation in Tax Administration: Some Principles and Possibilities;

Eighth. Periodic Congressional Reassessment of Federal Grants-in-Aid to State and Local Governments;

Ninth. Local Nonproperty Taxes and the Coordinating Role of the State;

Tenth. State Constitutional and Statutory Restrictions on Local Government Debt.

On the whole, the Commission's report has met with favorable response from Federal, State, and local legislative and administrative officials and from the professional, business, and academic communities. Three of the reports have already had to be reprinted to meet the demand.

I am sure Senators will be interested in what is taking place as a result of the Commission's reports. The Commission decided very early in its life that its claim to permanence could not be justified on the mere issuance of reports; rather it had to devote considerable attention to following through in behalf of its recommendations in terms of legislative or administrative action. Allow me to summarize briefly what is happening with regard to its recommendations for legislative action at the Federal and State levels.

Of 11 recommendations for congressional action, 4 coincided with provisions incorporated into the Housing Act of 1961. These are expanded financial support to metropolitan planning agencies, Federal technical assistance to State and local urban planning, congressional consent in advance to interstate compacts for metropolitan area planning, and Federal financial assistance for mass transportation.

The remaining items for congressional action are: First, review of Federal grant-in-aid applications by metropolitan planning agencies; second, continued financial support to such planning agencies; third, revision of the Federal estate tax credit for taxes paid to States; fourth, authorizing transfers of funds among public health categorical grants; fifth, provision of a standard allocation formula for such grants; sixth, provisions for retrocession of exclusive Federal jurisdiction over various Government lands and properties; seventh, authorizing the Internal Revenue Service to perform services for State tax agencies on a reimbursement basis; and, eighth, providing uniform congressional policy and procedure under which all new grants-in-aid would be reexamined periodically.

Bills to carry out the various recommendations have been introduced and referred to the appropriate committees. Considerable support has been developed for the estate tax credit and public health bills and we hope for favorable action in the present session.

Of the 22 recommendations for State legislative action, 7 have been developed into draft bills, all of which were approved by the Council of State Governments for inclusion in the council's 1962 legislative program. These bills cover the following subjects: First, authorization for local governments to invest idle cash balances; second, authorization for interlocal contracting for joint performance of urban services; third, authorization for creation of metropolitan service corporations for mass transportation and for other functions; fourth, authorization for voluntary transfer of functions between cities and counties; fifth, establishment of a State unit for continuing attention and assistance to metropolitan areas; and, sixth, authorization for State and local governments to secure and preserve open land.

Resolutions endorsing all or most of these bills have been passed by the American Municipal Association and the National Association of County Officials. Additionally, the Governors' conference endorsed the principle involved in the draft bill on the investment of idle cash balances.

The Commission has also made several recommendations for broadening the scope of administrative cooperation at Federal and State levels, and consultations are proceeding between the Commission staff and Federal and State officials with regard to these matters.

In summary, I am happy to report that in its first 2 years the Commission has demonstrated its ability to do three things: First, focus its attention on selected issues, avoiding thereby the dissipation of its limited resources into broad or fruitless endeavors; second, to face up to and take definite positions on intergovernmental issues of considerable controversy and to enunciate such positions clearly and forcefully through the medium of printed Commission reports; and, third, to secure interest in and support of its recommendations from important organizations, such as the Governors' conference; American Municipal Association; Association of State Budget Officers; National Association of County Officials; National Association of State Auditors, Treasurers and Comptrollers; National Association of Tax Administrators; and the National Tax Association.

Although dealing with a variety of controversial issues, the Commission has managed to avoid either internal or external repercussions and recriminations. Especially the members of the Commission have avoided splintering into a group of blocs in considering the issues with which it has been confronted. No organized pattern of majority and minority voting associated with the levels of government has emerged.

Although intergovernmental problems are not separable into isolated compartments, the Commission so far has concerned itself somewhat more with State-local relations than with Federal-State relations. This takes account of the fact that several major problems of Federal-State relations are being handled elsewhere—namely, civil rights, by a separate commission; Federal oversight of interstate compact operations by the Federal courts; Federal aid to education and State taxation of income derived from interstate commerce, both under exhaustive consideration by the Congress.

The major theme of the Commission's recommendations so far has been directed toward improving the effectiveness of State and local governments on the assumption that these local units of government must adequately discharge their responsibility if unnecessary future centralization is to be avoided.

I think Senators will agree that the foregoing constitutes a commendable record for the initial work of the Advisory Commission on Intergovernmental Relations. I predict that its effectiveness will continue to grow.

President Kennedy expressed recently his strong interest and support for the work of the Commission. I ask unanimous consent that the letter from the President be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
*Washington, February 26, 1962.*

Hon. FRANK BANE,
*Chairman, Advisory Commission on Intergovernmental Relations, Washington, D.C.*

DEAR MR. CHAIRMAN: On the occasion of the reconstitution of the Advisory Commission on Intergovernmental Relations, I wish to express my appreciation to those members who have served so well during the first 2-year term of the Commission's existence. I should like also to convey to those members, both old and new, who will carry forward the Commission's work my deep personal interest in the problems which will have the attention and collective experience and judgment of the Commission membership.

The relationships existing among the various levels of Government in this country are more complex and more important than at any other time in our Nation's history. It is obvious that the Federal, State, and local governments will be able to discharge their responsibilities more effectively if there is fuller understanding of the proper roles that each can and should perform.

Problems resulting from the rapid growth of our metropolitan areas—including both the central city and the surrounding suburban area—require special attention. Studies already undertaken by the Commission on the subject contain valuable proposals identifying the proper responsibilities of each level of government and recommending the most effective use of the combined resources of our cities, States, and National Government. You have properly called attention to the fact that State and local leadership, as well as national leadership, is essential to meet the needs of our growing urban population.

The rising cost of Government at all levels, coupled with the growing interdependence of national life, has called new attention to the strains placed on traditional governmental taxing practices. We must improve Federal, State, and local coordination of tax and fiscal practices and policies to achieve equitable taxation, increase administrative efficiency, and make it possible for our taxpayers to pay their taxes with a minimum of confusion and administrative burden. Equitable and reasonable intergovernmental tax policies will facilitate the free flow of trade among our States and will contribute to our economic growth.

I am confident the Commission will address itself to these and other important problems of intergovernmental relationships. You have my sincere wishes that your efforts will help strengthen and improve our system of cooperative federalism.

Sincerely,

JOHN F. KENNEDY.

## WHERE COMMUNISM GOES, HUNGER FOLLOWS

**Mr. PROXMIRE.** Mr. President, every day it becomes increasingly apparent that the decisive advantage that the free nations of the world have over the Communist world is in the production of food. Our farmers have accomplished economic marvels. The No. 1 success story of this century is in agriculture. The debate which we had recently on Public Law 480 assistance to Poland and Yugoslavia highlighted this fact.

We should recognize that within the past few months it has become clearly apparent that in Communist China the government has been very much weakened because of a dismal Communist farm failure. Many millions of Chinese are starving. In Russia itself, Premier Khrushchev has found it necessary in the past few weeks to raise the price of butter to $1.80 a pound and the price of meat to $2 a pound, in order to shift people from agriculture into armament production and to cut down on the consumption of agricultural products in the Soviet Union.

Yesterday the New York Times carried two articles related to this subject. The first article was headlined "Food Crisis Stirs German Red Plea." The subhead states: "Residents of Cities Are Told To Raise Chickens and Pigs in Backyards." The article goes on to state:

> An article in the Communist newspaper Neues Deutschland obviously inspired by the Government, did not mention food rationing, which is believed to be imminent. The article said farmers had been called upon to produce more eggs and poultry to make up for shortages of pork and other meat.

I ask unanimous consent that the article may be printed in the RECORD, at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD CRISIS STIRS GERMAN RED PLEA—RESIDENTS OF CITIES ARE TOLD TO RAISE CHICKENS AND PIGS IN BACKYARDS

BERLIN, June 13.—East Germans were told today to raise chickens and pigs in their backyards to help overcome a shortage of food.

An article in the Communist newspaper Neues Deutschland, obviously inspired by the Government, did not mention food rationing, which is believed to be imminent. The article said farmers had been called upon to produce more eggs and poultry to make up for shortages of pork and other meat.

Neues Deutschland acknowledged that meat, sausages, eggs, milk, and milk products had been in short supply since May. East Germany is unable to resume imports of foods, the paper added, because the regime lacks goods to export in payment.

This public acknowledgment of food difficulties coincided with new attacks on the West and renewal of the threat to sign a separate peace treaty by which, it was said, "the Western occupiers" would lose their right to be in Berlin.

"The clock of the peace treaty is running and its hands cannot be stopped," Paul Verner, the head of the local party organization, said at an East Berlin party gathering. Walter Ulbricht, the East German leader was present at the party conference, according to A.D.N., the official East German press agency.

Herr Verner, who is an alternate member of the Politburo, described West Berlin as a "hotbed of crises constantly carrying in itself the dangers of military clashes." He renewed Communist demands for the transformation of West Berlin into a demilitarized free city.

"If the Western Powers stick to their present stand and reject every sensible proposal, then the peace treaty will have to be concluded between the German Democratic Republic and those countries willing to do so. The Western occupiers will then once and for all lose their right to remain at the banks of the Spree River," Herr Verner declared.

Herr Verner was also reported by A.D.N. to have said that anyone who believed East Germany would yield as much as an inch on its demands was the victim of "false speculation."

His statements and the acknowledgment of the food shortages led observers to conclude that the Communist regime has abandoned its plan to seek credits from West Germany and instead was preparing the East Germans for new difficulties.

According to reliable Western reports East Germany has not renewed its bid for credits from West Germany in trade talks here.

Neues Deutschland declared twice last week that East Germany was not willing to let itself be "blackmailed" into paying a political price for economic aid from West Germany.

There were no reports today of new escapes across the Berlin wall. Estimates of the number of refugees who escaped over the weekend ranged from 31 to 45.

A young West Berliner confirmed that he and five friends had dug a tunnel to East Berlin to get his fiance and their 4-month-old baby to the West. The building of the Communist wall last August had separated the young couple, preventing their marriage.

The West Berliner, Peter Scholz, who is 20 years old, said the underground route led from the basement of a restaurant on the border to a secret entrance in an East Berlin house. Six women, two men and three children crept through the tunnel.

"The most difficult part was to get the baby through," Herr Scholz said. She was given a light sleeping pill, placed in a wash basin and pulled through with a rope.

**Mr. PROXMIRE.** Mr. President, the other article in the New York Times states that Cuba is in serious trouble. The article states:

> The food allotments are being met, although it is not unusual for certain foods to arrive late at stores. Most Cubans, however, receive monthly a chicken, five eggs, and 2 ounces of butter.

More and more throughout the world it is becoming apparent that where communism goes, hunger follows.

I ask unanimous consent that this article may be printed in the RECORD, at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAVANA IS EATING, BUT NOT TOO WELL—CUBA MEETS FOOD ALLOTMENTS—LINES AT STORES REMAIN

HAVANA, June 13.—No one starves in Cuba these days, 3 months after Premier Fidel Castro announced food rationing, but the lack of choice makes shopping lists obsolete.

The food allotments are being met, although it is not unusual for certain foods to arrive late at stores. Most Cubans, however, receive monthly a chicken, five eggs, and 2 ounces of butter.

Other rations include, in the Havana area, 2 pounds of lard or oil, 6 pounds of rice, one bar of yellow soap, one bar of bath soap, and one medium-sized box of detergent a month. Beef is rationed at 12 ounces a week.

Although Premier Castro promised that the new rationing system would eliminate food lines, housewives continue to spend considerable time waiting for their share of potatoes, yams, and other vegetables.

A visit to a grocery store showed that the only foods sold without a ration book were tomato extract and puree, brown sugar, honey, bread, crackers, salt and spices, Worcestershire and chili sauces.

Available in other sections were shoe polish, insecticides, wax candles, light bulbs, rum, Russian vodka, papaya wine, hair curlers and minor household goods.

Items that were once common, such as lobster, crab, and pork, were unavailable.

RESTAURANT PRICES HIGH

Still, additional food can be had, at a price. Hungry Havana residents can sit down in selected restaurants and choose their fare from a small but, under the circumstances, tempting menu.

A meal may cost 10 pesos or more. The official rate of exchange puts the peso on a par with the U.S. dollar.

A 4-ounce steak, when available, can be had for 6 pesos. Moro crab, a Havana specialty, is served with mayonnaise and two olives for 5 pesos. Black bean soup is 1 peso.

Despite the shortages, many residents are experiencing waistline problems, a fact some physicians attribute to the high starch diet.

The most generously rationed items are rice and beans. Eaten separately or mixed, these seem to be the only dishes available at all times in cafeterias and lower priced restaurants.

Sweets and pastry, much-loved snacks in Cuba, are not rationed and are available all over Havana. There is also no visible shortage of bread, although its quality has been markedly lower of late.

A drought has cut dairy production. Only infants or families of more than five members receive fresh milk. In other cases each adult is entitled to six cans of condensed milk every month.

REGIME CITES NEW DEMAND

The Government says rationing is necessary because more people are earning higher wages than ever before and production has not met the increase in demand.

Maj. Ernesto Guevera, Minister of Industry, acknowledged this month that there were still 250,000 unemployed persons in Cuba. But many foreign observers believe the lowest classes of the island's population now enjoys a somewhat more comfortable standard of living.

However, at least 250,000 Cubans have left the island. These comprise most of the upper and upper middle classes, which had the highest purchasing power.

Despite stern warnings from the Government, a black market offers the well-endowed Cuban some items his palate misses.

Eggs are available for as much as 15 cents each and pork can be bought for 2.50 pesos a pound. But buyers seeking bootleg food in rural areas run the risk of being checked by highway patrolmen.

When the Havana resident ceases to grumble about shortages, he takes the rationing in stride. In movie theaters scenes depicting actors feasting on mouth-watering meals draw nervous giggles. When the monthly chicken seems scrawny, the housewife smilingly gives it the name of a well-known and properly slim ballet dancer.

## WILL TAX CUTS DO THE JOB?

Mr. PROXMIRE. Mr. President, the Wall Street Journal in a leading front page article published yesterday stated:

> Most consumers say they'd save money, hindering Kennedy aim.

This suggests that a tax reduction might not result in increased and effective demand, or the additional purchasing its proponents argue it would.

I ask unanimous consent that the article may be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Tax Cut Impact: Most Consumers Say They'd Save Money, Hindering Kennedy Aim—Survey Shows Few Plan Big Purchases That Could Give Stimulus to the Economy—More Spending on Travel?

Consumers may throw a monkey wrench into the administration's plans for giving a lift to the economy by cutting income taxes next year.

The idea behind the tax reduction proposal, which President Kennedy last week promised to send to Congress this summer, is to stimulate consumer spending and thereby inject new zip into business. But of several hundred people interviewed by Wall Street Journal reporters in a score of cities around the country, only a handful appear to be in a frame of mind to go on a spending spree with the extra dollars a tax cut might give them.

Most people believe a tax cut would have no significant impact on their buying. Many feel it would be dribbled away on routine living expenses instead of going toward major purchases. Others say a tax windfall would simply help them pay off present debts. And a surprisingly large number of people—at least half those who had definite ideas on where the additional money would go—maintain they would save it.

Says Margaret Hughes, a sales clerk at the Jordan Marsh Co. department store in Boston: "I think I'd put any extra income in the bank. I don't suppose the President would like that very well, would he?"

Of those who say they would spend the additional funds, a large proportion indicate travel, more nights out and other recreational activities are high on their list of wants. Only a smaller number say a tax reduction would prompt them to buy an appliance, auto or other items in the hard goods category.

### WHITE HOUSE PLANNING

Though Congress will not get around to acting on the administration tax cut proposal till next year, President Kennedy said he would ask that the across-the-board reductions in individual and corporate income taxes be retroactive to January 1, 1963. The White House is said to have reached no final decisions on the size of the cuts it will seek. But some officials are talking of net tax reductions of as much as $6 billion a year. There have been suggestions that the highest individual income tax rate be slashed from the present 91 to 65 percent and that the lowest rate be reduced from 20 to 15 percent.

If the final proposal turns out to be roughly in line with these suggestions, which would mean tax cuts of about 25 percent for most people, here's what the measure would do in two hypothetical cases:

A married man with two children earns an annual salary of $10,000 and claims a flat deduction of $1,000 on a return filed jointly with his wife. He now pays $1,372 in Federal income taxes. With a 25 percent tax reduction, he would pay $343 less.

A married man has taxable income of $100,000 a year, after allowing for dependency exemptions and itemized deductions. At present he owes Federal income taxes of $53,640. A 25 percent cut would save him $13,410.

Though the man in the latter example could put a couple of new Cadillacs in the garage with his tax saving, the feeling is widespread among rank-and-file wage earners that tax cuts of the size now being talked about wouldn't be sufficient to cause them to make important purchases they wouldn't have made otherwise.

### A COUPLE OF EXTRA DOLLARS

"It would probably mean we'd have a couple of extra dollars a week that would be swallowed up by food and housekeeping expenses," comments Mrs. Russell White, young housewife in Pasadena, Calif. William P. Cunnane, a Philadelphia office equipment salesman, says if he received all his tax saving for a year in a lump sum, he'd probably spend it for an appliance or some other substantial purchase. But with the money coming in weekly installments, "it will probably be spent on bills I already have."

Some savings-minded consumers are motivated by uncertainty about the course of the economy and a desire to have a cash reserve for bad times. "I'd save any tax reduction for a rainy day," says Ruth Dubuque, a San Francisco secretary. But most appear to be putting money aside to meet burdensome future family expenses.

"I would handle it like I didn't even get it," declares Peter Katsfanas, a Pittsburgh sales engineer. "I'd put anything I get right into the bank toward the education of my two kids."

### SURFEITED CONSUMERS

In still another category are savers who feel no pressing need for such things as appliances and cars. "I have just about everything I need," says Charles Burley, who runs a meat market in Boston. "Chances are that a tax cut would mean I'll put that much more in the bank."

In the fairly sizable group which would spend the money from a tax cut on recreation is Lon Estes, a New Mexico schoolteacher. "I'd probably enjoy a few more recreational activities—golf, boating, and skiing," says Mr. Estes.

A Cleveland social worker says the first thing he would do if he received a few hundred dollars extra would be to treat his wife to a "long overdue vacation."

A number of people who say they would spend their tax savings promptly mention home improvements as a likely use for the funds.

Henry A. Compton, owner of a bill collection agency in Glendale, Calif., is one of the few consumers interviewed who feel a tax reduction would spur them to step up spending on hard goods. "I need a new stove, a new refrigerator, and a new car," reports Mr. Compton. He's reluctant to buy on time, but suggests that a tax cut might enable him to pay cash for at least some of the items, "so I'd probably get them sooner than I would the way things look now."

## ZEIDLER CALLS FOR INTENSIVE STUDY TO HELP PREVENT WAR

Mr. PROXMIRE. Mr. President, the former mayor of Milwaukee, Frank P. Zeidler, delivered an outstanding Memorial Day address, on May 30 in Milwaukee. He urged that a drive be made to establish, as the former mayor said, "a new kind of memorial for these honored dead and for all the veterans of our national effort to survive. He added:

> As a permanent memorial tribute to them, we should establish in our great universities in this city, whether under public or private endowment a new institute for advanced sociological research. The purpose of such an institute would be to study the origins of human conduct and the disorders of human society in order to reduce and lessen the possibility of mortal conflicts between people and nations in the future.

I think this is an excellent suggestion that the former mayor of Milwaukee has made. I call attention to the fact that Dr. Jonas Salk is the head of a foundation which intends to make studies in the same field, from the standpoint of the biological and behavioral sciences.

It is my thought that Congress should give serious consideration to Federal action to encourage and assist this kind of constructive and positive approach toward discovering the basic causes of war. I ask unanimous consent that the former mayor's address be printed in the Record following my remarks.

There being no objection, the address was ordered to be printed in the Record, as follows:

### Remarks by Hon. Frank P. Zeidler, Memorial Day Services, Wood, Wis., May 30, 1962

We are gathered to remember in public services those individuals who have made the sacrifice of their lives to preserve the life of this Nation. We now remember in public recognition the individual persons whom we often think about in our private thoughts and memories. By this annual observance we hope to keep ever fresh the memory of those who lived as we do now, who walked among us, who took counsel with us, and who, in the inexplicable workings of human society, died that our National Government might continue to exist.

Time, however, also takes its toll from among the living. While we have pledged ourselves to remember those who died to preserve this Nation, the mere passage of time has made the record of who they are ever more fragmentary. We endeavor to preserve this history in our communities by edifices and monuments, but in this elementary type of memorial we often fail to achieve something of lasting worth. We even fail to preserve the written record and documents of the lists of those who have given their lives in the Nation's struggles.

As a citizen of this community, I note with satisfaction that there is a commemorative plaque of the dead of the Second World War and the Korean war to be found at the art center, but the principal monument to those who lost their lives in the First World War is a flagpole at North 2d and Wells Streets.

Perhaps more serious than this inadequate commemoration of the dead is the fact that the records of those who have thus lost their lives in Milwaukee County is fragmentary, incomplete, and inadequate for all the wars. In some research done for me by members of the Milwaukee Public Library staff, it was revealed that the information available to this library on war casualties in Milwaukee County residents is inadequate and fragmentary for all the wars, beginning with the Civil War.

I am hopeful that this lack of properly compiled lists and records will be promptly remedied by civic organizations supporting the necessary scholars to make an adequate compilation and to publish an adequate record of this type.

We should note on this occasion too, that the process of lives being claimed for the protection of the nation has not ceased. There are now millions of men and women of this Nation under military discipline, and among these there are daily casualties, which are the price of our national protection. These citizens, too, we should honor on this occasion.

How best then shall we remember the heroic dead? As we think of the individuals that we have known in our lifetime who have made the sacrifice, we know that they would find such public observances as this at Wood well pleasing, for they themselves participated in such ceremonies. But for us, the living, we should not be content merely with commemorative ceremonies once or twice a year. Neither should the further and required effort by us to provide suitable memorial edifices for them where lacking be considered enough. We must have a memorial in the way of a living and continuing activity that will result in the lessened possibility of future conflicts and that will lead to greater knowledge and understanding of human life, human goals, and human aspirations in conformity with the will of our Creator.

On the occasion of this Memorial Day of 1962, I can think of nothing more appropriate than for the citizens of our community to establish a new kind of memorial for these honored dead and for all the veterans of our national effort to survive. As a permanent memorial tribute to them, we should establish in our great universities in this city, whether under public and private endowment a new institute for advanced sociological research. The purpose of such an institute would be to study the origins of human conduct and the disorders of human society in order to reduce and lessen the possibility of mortal conflicts between people and nations in the future.

It is not enough on this occasion to mourn, as we have done in the past, our losses. It should be our resolve here to reduce the chance and prospect of even greater losses of our human resources in the future. We can best achieve this end by systematic, scientific and even prayerful study into the nature of human conduct and human society, so as to be able to remedy the diseases of social origin even as we remedy the diseases of physical origin in our great veterans hospitals as we are getting at every moment on this very ground by the efforts of Mr. D. C. Ferrari.

As scholars look back on the history of our past conflicts which costs the Nation its finest human stock as well as its treasure, they become aware of crucial actions which might have been taken to reduce the possibility of the conflicts. Even today the scientific study of the origins of conduct among our professed enemies can lead to our reducing their threats by the proper application of social, psychological and moral forces on their societies. In fact such action is as necessary for our survival as is military preparation.

Let therefore this day of mourning be not one of vain lament. Let it, instead be a day of resolve. We shall work to preserve the peace. We shall pledge that the best talents and best minds of our society shall study the disorders of human society with a view of prevention of further loss of human life when nations settle their differences.

In this way we shall retain our leadership and constructively serve mankind, even those inside of the nations who have professed their animosity. Our sacrifices in this effort will prove pleasing to our God and Creator.

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## BUREAU OF RECLAMATION OBSERVES 60TH BIRTHDAY—SIXTY YEARS OF PROGRESS IN THE WEST

Mr. YARBOROUGH. Mr. President, one of the things our country needs is a full realization of the magnitude of the water resources development task before it and a dedication to advance planning on projects essential to national progress. On Sunday, June 17, 1962, the U.S. Bureau of Reclamation will observe its 60th anniversary. The Bureau of Reclamation has projects in every Western State and is deserving of highest recognition for its efforts.

I have recently received a letter from Mr. J. E. Sturrock, general manager of water conservation of Texas, in which he said in part:

> In our own State of Texas, energetic efforts will be required to meet the rapidly mounting demands for irrigation, municipal, and industrial water resulting from the phenomenal growth of the State in recent years. Bureau of Reclamation projects now under construction in Texas include the Canadian River project on the High Plains and the San Angelo project. Rehabilitation projects include the La Feria, Mercedes, and El Paso water districts on the Rio Grande. Rehabilitation projects under the Federal Small Projects Act include the Harlingen and Donna water districts in the Lower Rio Grande Valley. The Columbus Bend project on the Colorado River is now before Congress for authorization. The Bureau's comprehensive Texas Basins project for meeting Texas' long-range water needs will soon be before the Congress. Another potential project of major importance to the State is the Valley Gravity project in the Lower Rio Grande Valley. Realization of the multipurpose benefits of these projects will extend far beyond the State of Texas and their implementation will require the united support of our friends throughout the West, both in and out of the Congress.

I ask unanimous consent to have printed in the RECORD an article entitled "Reclamation Celebrates Its 60th Birthday," from Texas Water, the official publication of the Texas Water Conservation Association of Texas.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### RECLAMATION CELEBRATES ITS 60TH BIRTHDAY

On June 17, 1962, the U.S. Bureau of Reclamation celebrates its 60th birthday.

The Bureau was established by the Reclamation Act of June 17, 1902, under the administration of President Theodore Roosevelt and has been a significant force over the past six decades in the development of the 17 Western States. The Reclamation Act originated in the vision and vigor of a President who saw clearly the need to use the waters of these States more effectively to support their settlement and economic growth and who was determined that their need would be met.

Some preliminary effort had been made to assist early western settlement by the Desert Land Acts of 1877 and 1891 and the Carey Act of 1894. None of these, however, provided the means for large-scale Federal investments, which were necessary to bring water to the land and cities in an orderly and organized manner.

Early reclamation projects were primarily for irrigation development. In keeping with the times and the more complicated functions water now serves, reclamation projects become multiple-purpose in concept, embracing not only irrigation but municipal and industrial water supplies, hydro-electrical power, flood control, fish and wildlife conservation, recreation, and other purposes.

The Bureau of Reclamation has projects in every Western State. Throughout the West, the Bureau has developed over 100 major water supply projects that, in many areas, are the bulwark of the economy they serve.

Some notable engineering achievements are represented by reclamation developments including such structures as Hoover, Grand Coulee, Friant, Shasta, Marshall Ford (Mansfield), Elephant Butte, and Hungry Horse Dams. To a considerable extent, the Bureau of Reclamation pioneered the modern-day mass-concrete dam of great size. Hoover Dam in many ways served as a vast reasearch project on problems then unexplored with respect to construction of great dams with mass concrete.

In 1955 Hoover Dam was chosen by the American Society of Civil Engineers as one of the seven modern engineering wonders of the world. Also chosen by the American Society of Civil Engineers as one of the seven modern engineering wonders, was the Columbia Basin project on the Columbia River, of which the key structure is Grand Coulee Dam.

Throughout the Western States, Bureau projects serve 8 million acres of irrigation, whose crop values last year exceeded $1 billion. Last year, 200 cities and major industrial centers were supplied consequent portions of their water needs. Currently, 42 powerplants constructed in connection with reclamation projects have a name-plate capacity of 5.2 million kilowatts. In 1961, 26 million visitors took advantage of the recreational opportunities provided by reclamation reservoirs.

The Bureau has always strongly supported the principle of reimbursability on the conviction that it safeguards the Federal investment in water resource developments and provides a sound and equitable basis for Federal, State, and local cooperation in development of western water resources. In this regard, the reclamation program occurs in the circumstance that 92 percent of its cost is reimbursable. No other Federal program dealing with water conservation and development approaches this level of repayment of the Federal investment. On its 60th birthday, approximately $4 billion will have been invested in western reclamation projects.

The first reclamation project serving Texas—the Rio Grande project—was started in 1905. It is serving New Mexico and Texas today. The project has been an outstanding financial success and is a fundamental factor in the economy of the El Paso area. In the midthirties the Bureau designed and supervised construction of Marshall Ford Dam for the Lower Colorado River Authority and rebuilt portions of the Balmorhea irrigation system near Pecos.

Currently, the Bureau of Reclamation has approximately $152 million of works under construction throughout Texas, including the San Angelo and the Canadian River projects—both multiple purpose—and several irrigation projects in the lower Rio

Grande Valley. The Columbus Bend project, also multiple purpose, designed by the Bureau for the Lower Colorado River Authority, is now before the Congress for authorization for construction.

Projects now in design status and being readied for the Congress include the Cuero project on the Guadalupe River and the Palmetto Bend project on the Lavaca and Navidad Rivers in Jackson County. Both are multiple purpose with the basic aim of providing municipal and industrial water supplies of substantial magnitude. Also in design stage is the Valley Gravity Canal, which will divert the American share of Rio Grande water from the river and make direct water delivery to all valley cities and irrigation districts.

Over the past 7 years, at the request of the Congress, the Austin office of the Bureau has made an exhaustive series of studies of the overall Texas water problem to determine the probable scope of future Federal water programs in the State and their national economic impact. Data gathered by the Bureau in this regard were given to the U.S. Study Commission-Texas and to a considerable extent were incorporated in the report of that Commission. In cooperation with the Texas Water Commission, the Soil Conservation Service, and the Corps of Engineers, the Bureau helped apportion the overall project recommendations of the study commission as between Federal and State agencies. The Bureau will report to the Congress on its portion of the contemplated program in 1964.

Overall activities, operation and maintenance, project construction, and project investigations for Texas come under the jurisdiction of the Bureau's region 5. The regional headquarters are at Amarillo; Leon W. Hill is regional director. Region 5 embraces all of Texas, Oklahoma, and major portions of Kansas, Colorado, and New Mexico. Reclamation project investigations in Texas are under the direction of the area office in Austin.

The Bureau of Reclamation has served the West and the Nation well. It is appropriate that its 60th anniversary be recognized. This will be done by various offices of the Bureau of Reclamation throughout the following year.

The Texas Water Conservation Association congratulates the Bureau of Reclamation on the nature of its effort in Texas. The association extends its congratulations first, because of the full cooperation it has offered every level of government as well as the public in Texas, and secondly, because the Bureau, recognizing that Texas land and water law diverges considerably from that of other Western States, has adopted its policies and programs to the special requirements of the State.

Mr. YARBOROUGH. Mr. President, it was on June 17, 1902, during the administration of President Theodore Roosevelt, that the Bureau of Reclamation was established. One of the first projects undertaken by the Bureau of Reclamation was the Rio Grande project of 1905, under which the Elephant Butte Dam was constructed, which gave the city of El Paso its first water supply. That city has become the fifth largest city in Texas, and the largest city along the United States-Mexican boundary on the United States side. It grew out of what reclamation did. Reclamation has done similar things for towns and cities throughout the Nation. The West really began to grow with the establishment of the Bureau of Reclamation. We have had 60 years of progress under that Bureau.

## INVESTIGATION EXPANDED IN SLANTED OIL DRILLING IN EAST TEXAS OILFIELD—DEVICES FOR OIL THEFT NOTED

Mr. YARBOROUGH. Mr. President, in order to bring to the attention of the Congress the expanding investigation into slanted oil well drilling in the east Texas oilfield, I ask unanimous consent to have printed in the Record an article of the Associated Press from the Abilene, Tex., Reporter-News of Wednesday, June 13, 1962, written by Bob Rooker.

The article points out some of the difficulties of going in and finding out whether a well has been drilled crooked or slanted down under someone else's land in order to steal oil.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I may proceed for an additional minute and a half.

The ACTING PRESIDENT pro tempore. Without objection, the Senator may proceed.

Mr. GORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. GORE. Does the Senator contend or is there evidence to support the conclusion that drilling has been done deliberately at an angle?

Mr. YARBOROUGH. Yes. I pointed out earlier, on 3 separate days this week, that under the Connally Hot Oil Act the Federal Government has jurisdiction. Where the well is deliberately slanted, illegal oil is produced—"hot" oil, in common parlance—and under the Connally Act of 1935, the Federal Government has jurisdiction to step in and stop it, because that oil cannot be shipped across State lines or international boundaries without violating Federal law.

As is pointed out in the article, the lowest estimate of the amount of oil which has been illegally produced is $10 million worth a year. The estimate according to last Sunday's Dallas Times Herald is that $72 million worth of stolen oil has been produced. This is a monumental scandal and fraud.

Mr. GORE. It is hardly comparable, then, to the reprehensible act, prevalent in pioneer days, of milking one's neighbor's cow through a crack in the fence, is it?

Mr. YARBOROUGH. It might be comparable to that, but on a more extensive scale.

Mr. GORE. The stolen oil has more value.

Mr. YARBOROUGH. It has more value. Since the Senator from Tennessee has raised the question, I should like to point out some of the devices used. One of the devices used for producing oil illegally is to hook up several low-producing or nonproductive wells to an illegally slanted well. If there are two or three played-out wells, wells which do not produce oil any more, which can be hooked up with a well having a quota, those wells can be made to appear to produce. Several nonproductive wells are hooked to a producing well to make it appear that oil is coming from all of them. Pumps are connected to wells which are not producing, and the quota for, say, four wells, is filled by taking oil from someone else's well.

Mr. GORE. Four pumps are pumping oil from a well that belongs to a neighbor?

Mr. YARBOROUGH. Yes.

The ACTING PRESIDENT pro tempore. The time of the Senator from Texas has expired.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that my time be extended for 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. YARBOROUGH. On one lease, it was found by an investigator that a maze of buried plastic pipe was connected to a buried electric switch which turned on and started oil flowing from dummy wells when someone kicked a rock on the surface of the ground. Plastic pipe was used because investigators could not find it with mine detectors, as would be the case if metal pipe were used. Those who diverted the oil knew of the use of mine detectors; that was why they used plastic pipe.

A railroad commissioner, in a separate survey, said:

> It's like going into someone else's kitchen to bake a cake. It takes a little longer to find out just where the salt and sugar and flour are.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### PROBE EXTENDED ON SLANTED HOLES

(By Bob Rooker)

Austin, Tex.—The Texas Railroad Commission extended for 30 days Tuesday its order forbidding operators in the East Texas oilfield to plug their wells and thus interfere with the massive oil-stealing probe.

The commission's original 15-day order would have expired this week. It was extended at the request of the attorney general's office which has hired private crews to survey suspected wells.

The action came after Assistant Attorney General Houghton Brownlee told the Associated Press that the first round of surveys to find crooked wells in the rich field might not be completed by the tentative deadline of Saturday.

Attorney General Will Wilson said originally that he hoped the first round of directional surveys in the field would be finished this week.

However, Brownlee said Tuesday, "It's not going as fast as we originally thought. We might finish by the end of the week, but it looks doubtful now."

Railroad Commission Chairman W. J. Murray said recently that the surveys were going slower than planned because of unfamiliarity with some of the well hookups.

"It's like going into someone else's kitchen to bake a cake," he said. "It takes a little longer to find out just where the salt and sugar and flour are."

The private crews hired by the State to do the directional surveys completed number 21 Monday and scheduled 6 more for Tuesday. Wilson said that directional surveys are not being done unless inclination surveys first show that a well has been illegally deviated—slanted or curved—to siphon oil from nearby leases.

The relatively quick and inexpensive inclination surveys by the railroad commission show if a well is illegally deviated. However, the more time-consuming and costly—about $800—directional surveys must then be run to find out exactly how much slant there is.

Brownlee said that investigators are running into elaborate devices to disguise illegal operations in the field.

One of the devices, he said, is to hook up several low-producing or non-productive wells to an illegally slanted well and make it appear that oil is coming from all of them.

On one lease, Brownlee said, an investigator found a maze of buried plastic pipe connected to a buried electric switch which turned on and started oil flowing from dummy wells when someone kicked a rock on the surface of the ground.

The plastic pipe was used instead of metal pipe, he said, so that investigators could not find it with mine detectors.

Along with the attorney general's office and commission, probers from the State Department of Public Safety and Federal Petroleum Board are cooperating in the investigation.

Estimates have ranged from $10 million to $72 million a year on the amount of "hot oil" pumped through illegal wells in the field.

The attorney general's office has obtained court orders prohibiting operators on 28 leases from interfering with the investigation. Also, the commission has issued an order prohibiting the plugging of wells to keep the crews from making their surveys.

About 50 Texas Rangers and highway patrolmen are standing duty in shifts to back up the court and commission orders.

## U.S. ACTIVITIES IN SOUTHEAST ASIA

**Mr. MILLER.** Mr. President, Walter Winchell has written an article entitled "Of Men, Women, and War," which was published in the New York Mirror of Tuesday, May 22, 1962. In the article he refers to the action now being taken by the United States in southeast Asia, and says that the men of the Flying Tigers-14th Air Force might well ask, "Is this action necessary?"

Then he goes on to quote the words of Gen. Claire Chennault, who led American fliers in China in World War II, with respect to the threat of Communist China. General Chennault said, many years ago:

> A complete Communist victory in China will channelize the undercurrents of native unrest already swirling through Burma, India, Malaya, and Indonesia into another rising tide of Communist victories. The ring of Red bases can be stretched from Siberia to Saigon. Then the stage will be set for the explosion of world war III.

Mr. President, I ask unanimous consent that the entire article, which develops General Chennault's thesis, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### OF MEN, WOMEN, AND WAR

(By Walter Winchell)

It was Valley Forge in the steaming Asiatic jungles 20 years ago, and the fighting Americans who survived the deadly malarial mosquitoes, the Jap bullets and the Pentagon bungling are meeting in Washington this week. The Flying Tigers-14th Air Force gathering has the deepest and most painful historic significance. Significant because for all practical purposes another country, Laos, is lost. Significant, because the 7th Fleet is under battle orders in the South China Sea and American troops and marines are landing in Thailand. The men of the Flying Tigers-14th Air Force might well ask, "Is this action necessary?" Because, had the advice of their great leader, Gen. Claire Chennault, been taken, we would not have had to fight the Korean war, China would be free and the Marines wouldn't be at 24-hour battle stations.

General Chennault's warning to Washington (written immediately after the war) is more than fateful prophecy. It was then, and it is now, the handwriting on the wall. General Chennault said: "A complete Communist victory in China will channelize the undercurrents of native unrest already swirling through Burma, India, Malaya, and Indonesia into another rising tide of Communist victories. The ring of Red bases can be stretched from Siberia to Saigon. Then the stage will be set for the explosion of world war III."

General Chennault's advice was not only ignored; he was pilloried as no man since Gen. Billy Mitchell for stating the truth. Today the very chain of Red bases he predicted are operational. Today American forces are in the field, trying to stem the Red tide. Why? Because the eggheads of Washington (7,000 miles from the action) kept insisting that the huge Chinese Red route armies were "agrarian reformers." And did the "agrarian reformers" ask for plows and tractors? No, they wanted the whole captured arsenal of the Japanese. Enough, in fact, to conquer China, and our dunderheads gave it to them. For his public service General Chennault was subjected to one of the most brutal Red propaganda attacks in American history. This reporter remembers it well because it was a tossup whether he or his friend. General Chennault, was target No. 1 of the "Red paper machine." For backing General Chennault's warning, for stating that our country would face 50 Pearl Harbors, for declaring 18 months in advance the exact week the Reds would unveil their atomic bomb, this writer was called irresponsible by an American President, hysterical by two Secretaries of State, and a warmonger by the Red dupes in the United States of America.

As early as November 1941 General Chennault reported to Washington (and this newsman reported to the Nation) that heaviest units of the Japanese fleet were proceeding south under forced draft and in battle formation—just 1 week before Pearl Harbor. And what were we called? Alarmists. In any event, the present world map tells the story and so does a magnificent new book on the stands this week: "A Thousand Springs," by Anna Chennault.

All the world knows that Gen. Claire Chennault, his Flying Tigers, and his 14th Air Force won an epic war in Asia. General Chennault won not only a war, he won the heart and hand of one of the most beautiful women of China. For the general, their romance was a tremendous harmony of the Stars and Stripes Forever, with September Song in counterpoint, but the very real percussion instruments were the snare-drum machineguns, the crackling conflagrations of burning cities, and the bass of enemy blockbusters.

For his young wife it was a snatched melody, a few bars of music in a Chinese garden, a few blissful hours in parenthesis in the chapter of daily war, each all the more precious because both knew each parting might be the last. * * * But love is sacrifice, and every soldier's wife knows she must sacrifice her heart to her husband and his rank. She is first among women but second to his command. In line of duty the men who entrust him with their lives come even before the woman who trusts him with her heart. General Chennault never failed either trust. Mrs. Chennault understood this. To paraphrase, he could not have loved her half as much had he not loved his cause and his command more. She adopted not only his loves but his country. She and her daughters are American citizens. "A Thousand Springs" she calls her book; it is taken from a Chinese love poem. But the title suggests the condition of its readers' eyes after reading it; for a grander, sadder, brighter story has yet to come out of the war.

It's a woman's story, but what gives it a man's punch is that Anna Chennault is a first-class reporter. She captures the tenseness of the command headquarters, the top-level action and underneath the tremendous surging strength of the Chinese people who had to use heart power instead of bulldozers in maintaining the flying fields of the fighter command. General Chennault's dangers from the enemy were great, but the wounds that cut most deeply came from the knives in his back from Washington and London.

And so the Flying Tigers-14th Air Force will go out to Arlington this week to lay five wreaths on General Chennault's grave. He is beyond the power of politicians now—and history has already rendered its verdict. For these men General Chennault is the great American saint because he brought about a military miracle. With his brain and their hearts these Americans drove the Japs out of southeast Asia by cutting their supply lines. Chennault invented the wingman formation. He was the first to discover that militarily two are four times stronger than one. While Washington was wringing its hands because the Jap Zeros could climb quicker and turn sharper, Chennault found American planes could climb higher and powerdive far faster than the Japs. Result: For every American plane shot down, 10 Jap planes fell in flames.

General Chennault's place in history is beyond anyone's power to add or subtract. When the honor roll of place-names is called, as long as a fife and drum beats in this land, schoolchildren will learn that as Washington at Monmouth Field, as Hull on the decks of the *Constitution*, as Crockett at the Alamo, as the Second Division at Belleau Wood, Chennault held the bridge at Salween Gorge. As Wayne charged the slopes at Stony Point, as the Marines cleared the heights of the Meuse and Iwo Jima, as Patton's Third Armored smashed the walls of Fortress Europe, Chennault's Flying Tigers-14th Air Force swept the Burma skies and China's. It is not their past deeds for which the Nation honors these men; it is for their living example that a great American never asks the odds. Indeed, that is Runyon's definition of a champion: "The man who can get up off the canvas and go on to win."

So there will be wreaths on the grave of a champion American general. Five wreaths symbolic of the wreaths he tried to save on the graves of his beloved fellow-Americans. If, somewhere far off, there are tears in General Chennault's eyes, they will be for the 33,000 wreaths of the American men who fell in Korea. Because if his advice had been taken, the Korean war (and the developing war in southeast Asia) would never have had to be fought.

## THE ADMINISTRATION'S FARM BILL

**Mr. MILLER.** Mr. President, the lead editorial of the Cedar Rapids, Iowa, Gazette of June 7, 1962, entitled "Freeman Bill Not the Answer," discusses the controversy over the administration's farm bill. I believe the editorial merits the attention of the readers of the Congressional Record; therefore, I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Freeman Bill Not the Answer

The administration is using all of its considerable political pressure to get its wheat and feed grain programs through Congress. Already the Senate has restored the teeth in the program, which had been extracted by its Agriculture Committee, and has passed the bill. By a one-vote margin, quite patently obtained by political pressure, the House Agriculture Committee has reported the bill for action on the floor.

The avowed purpose of the bill is to bring wheat and feed grain producers under Government control. In a recent news conference, Secretary of Agriculture Orville L. Freeman and his chief economic adviser, Dr. Willard Cochrane, admitted the plan would mean putting farmers under Government franchise.

Even its supporters grant that the primary purpose of the legislation is to reduce the cost of farm programs. Increased income to farmers is a secondary consideration which they say will be achieved once supply and demand are brought into balance.

The commercial feed grain areas stand to lose if the bill is passed and if the program is approved in a referendum. Producers of less than 25 acres of feed grains may elect to stay out of the program. An amendment adopted by the Senate would allow the Secretary of Agriculture to void cutbacks in feed grain acreage in areas he determined were deficient in production. This move was obviously to allay southerners' fears that controls would limit the expansion of their livestock industry.

One-third of the Nation's feed grain production is in these deficit areas. Of the two-thirds that is produced in the commercial areas, less than half of the producers are interested in feed grains as a cash crop. The bulk of the grain is fed on the farm.

#### COMPULSORY

If the bill is passed and approved by two-thirds of the eligible producers voting in a referendum, participation would become compulsory. Each farm would be given a corn allotment, based on a percentage of the 1959-60 acreage. Excess production would be subject to a penalty of 65 percent of the parity price of the grain grown. Farmers who stayed within their allotments to avoid the penalty would be eligible for price supports at 65 percent to 90 percent of parity, as determined by the secretary.

One feature of the bill often overlooked is the declining rate of production payments on idled acres. In 1963, if the program is approved in the referendum, farmers will get 50 percent of the normal production at the support price as rental. This will be cut to 40 percent in 1964 and to 30 percent in 1965.

Farmers will be given the choice between this program, of almost complete regimentation and Government control, and what amounts to no program at all—no acreage limitations, price supports at zero to 50 percent of parity at the secretary's discretion and the threat of having up to 10 million tons of Government-owned feed grains dumped on the market to break prices.

The administration's bill does not offer a long-range solution to the Nation's pressing farm problem. It will freeze American agriculture into its current pattern, it will limit the opportunities of farmers to make best use of their technical skills and business judgment and it will capitalize the right to produce into the price of land.

As one astute farm economist observed recently: "The administration's farm program has neither administrative nor economic feasibility."

#### GREATEST ASSET

This country's efficient agriculture is one of its greatest assets in a troubled world. Its rate of production growth has far exceeded that of the nonfarm economy. Americans eat the best and most varied diets at the lowest real cost in history.

This vast, efficient, dynamic agricultural industry deserves more than the hobbles of bureaucratic Government control. On the other hand, the very abundance of its production, often stimulated by unwise Government policies in the past, makes necessary some kind of Government adjustment aid.

The so-called emergency feed grain programs of 1961 and 1962 have worked fairly well. The increase in farm surpluses during recent years has been largely the result of unusually favorable weather conditions, which are unlikely to continue for long.

Increased demand of a growing population, more normal crop seasons, and other factors show promise of bringing better balance to agriculture and a decrease in surpluses. Why not continue the present voluntary program until this occurs—or, at least, until a better plan than the administration's program can be devised?

Mr. MILLER. Mr. President, on the same subject, the lead editorial in Wallace's Farmer of June 2, 1962, entitled "All-Out Push for Mandatory Grain Plan," warns that we cannot accept the idea that a mandatory control program for feed grains should be rushed into law at this time.

The editorial then proceeds to give the reasons, one of them being that costs really will not be reduced, but will be merely shifted; that although the claim is made that the cost of the program to the taxpayers will be $1 billion less, the increased price for farm commodities, which the program is supposed to achieve, will be passed on to the consumers, who are the taxpayers.

Another reason is that it is expected, if the bill shall be passed, that a two-thirds referendum vote by the farmers will not be achieved. As a result, it is forecast that there will be more corn in the 65- to 70-cent area in the Corn Belt, and that this will result in distress to farmers. There would also be a flood of cheap feed which, in turn, would play havoc with the present market.

It is pointed out that if perchance two-thirds of the farmers should approve the program, the problem of enforcement of the program would be exceedingly difficult, leading to the employment of a large number of additional Federal personnel, and probably, eventually, to the imposition of controls upon the livestock market.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### All-Out Push for Mandatory Grain Plan

Administration forces have intensified their efforts to get a compulsory feed grain control program enacted into law this year. The program was approved by the House Agriculture Committee by a narrow 18-to-17 margin. But the general feeling is that the bill is likely to be passed by the entire House.

The battle is now focused in the Senate. Senator Proxmire, Democrat, of Wisconsin, managed to get the mandatory feed grain provision tossed out in the Agriculture Committee, although other features of the administration program were approved. Proxmire proposed an amendment to continue the present voluntary feed grain program for 1 year. It was adopted by a one-vote margin.

The administration seems to be basing its entire stand for the mandatory program on costs—Treasury costs. A background statement sent to Senators compares Government costs of alternative programs. It puts the cost of the voluntary plan at $556 million more than the mandatory one for 1963. Diversion payments under the voluntary plan would be $495 million more, for a total difference of more than $1 billion a year.

We grant that costs can be reduced when you substitute a "club" for a "carrot." No doubt slavery provides a cheaper source of manpower than our wage-incentive system, too. And we also grant that it may be necessary to put our feed grain-livestock production system under some kind of controls someday.

But we cannot accept the idea that we should rush a mandatory control program for feed grains into law at this time. Here's why.

First, if farm income is maintained or improved, as the administration claims, will costs really be lowered with a mandatory program? No, they will merely be shifted from the taxpayer to the consumer—in many cases the same person. Restricted production will bring higher prices to farmers, and to consumers in their food purchases.

The only real savings that can be had are in reduced costs in acquiring and storing surpluses. This can be accomplished by either program. Our feed grain production last year was cut 15 million tons—more than 9 percent—below 1960, in spite of record yields per acre. An economist figures production this year will be around 23 million tons below 1960, if we have average yields.

Second, feed grain producers are almost certain to reject the mandatory program in a referendum this summer. In the amended bill, this would do away with all voluntary restrictions on planting, and drop supports to 50 percent of parity—80 cents a bushel. This means corn in the 65- to 70-cent area in Iowa.

A flood of cheap corn would soon play havoc with livestock prices, too. Because of the inelastic demand for livestock products, the prices of eggs, hogs, and in time, beef cattle, would soon be pushed below the cost of production—even with cheap corn. Does the Kennedy administration really want to push through a program that will throw Corn Belt farmers into bankruptcy?

Third, things could be in just as big a mess if feed-grain producers approved a mandatory program by the required two-thirds majority. We're afraid those in Washington who are pushing feed-grain controls don't fully recognize the nature of our feed-livestock economy, and of our Corn Belt farmers. About 80 percent of our feed grains don't go through a marketplace. The job of policing reluctant participants who feed all their grain would be tremendous.

Farmers would shift to high-roughage rations to beat the program. They could afford to buy expensive processing and pelleting equipment to stretch their reduced grain supply. A real fiasco could result—a scandal that would bring a sudden end to all farm programs.

So the administration's mandatory feed-grain plan, if passed by Congress, would raise cain with Corn Belt agriculture, as we see it. This would be true whether producers turned down or approved the measure in the referendum. It just isn't practical or feasible to put strict mandatory controls on feed grains in the current situation.

If feed-grain producers don't speak up right now, however, we may be headed for real trouble. President Kennedy seems determined to cut farm-program costs sharply, regardless of the political and economic effects of such a move.

The time is here to write your Representative and Senators urging that the present voluntary feed-grain program be continued. We'd like to see it continued for 3 years, but we may have to settle for a 1-year extension at this time.

## THE WEST POINT BILL

Mr. LONG of Louisiana. Mr. President, the Senate Committee on Armed Services recently favorably reported to the Senate, with amendments, the bill H.R. 7913. This bill was described as a bill to augment the strength of the service academies. The committee's amendments were designed in part to make sure that the bill was really for that purpose, instead of a bill to augment the strength of the football teams at the academies.

During the committee's consideration of the bill, I testified to the effect that there is evidence of a substantial degree of abuse involved in the entire system of appointments to the service academies. My research into this matter has largely been confined to the situation at West Point, the Military Academy. However, I do not mean to confer any mantle of innocence on the other services, for I suspect that they are equally guilty.

The law requires that a Member of Congress nominate for selection by the academies only young men from his district or, in the case of Senators, his State. It seems clear to me that this law is being violated, sometimes very flagrantly.

I informed the committee of this fact. It seems to me that Senators should be made aware of it. This is one of the ways by which the academies obtain their football players.

Here is the way it works: A Member of Congress will be approached by officials associated with the Academy who will submit to him the name of an athlete they are desirous of getting. They will tell the Member, "If you will make him your third alternate, we can get him in." Often the Member will comply, reasoning that he is thereby getting an additional appointment, and that his district is losing nothing. Often the boy so appointed will be from the district or State of the appointing Member. But sometimes he will not be. In some cases, the Member will not know where the boy is from.

When I brought this matter to the attention of the Armed Services Committee, the distinguished chairman told me that he did not see how a Member of Congress could afford to appoint someone from outside his own district or State, for fear of losing votes of his constituents.

The answer to that observation of my good friend is here in my hand. This is a copy of a letter which I wrote to the Adjutant General of the Army. It requests a list of the Academic Board's appointees to the Military Academy for the years 1958 to the present. I asked that this list show the name of the Member of Congress who appointed each of these men.

Here, Mr. President, is the response:

> Certain of the information you desire cannot be provided because of a longstanding policy which precludes revealing to one Member of Congress the name and address of another Member's appointee to the Military Academy. The release of such information is left invariably to the discretion of the congressional nominating authority concerned.

I ask that the complete text of my letter and the Army's response be included in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 31, 1962.

Maj. Gen. J. C. LAMBERT,
*Office of the Adjutant General,*
*Department of the Army,*
*Washington, D.C.*

DEAR GENERAL LAMBERT: On January 31, 1962, you were good enough to send me a list of the Academic Board selections to the U.S. Military Academy for the years 1950 through 1961.

Would you be able to furnish me with some further information? Specifically, I would like to have for the years 1958 to the present a list of the Academic Board selections which shows: (1) the name of the appointing Member of Congress (or other source); (2) whether the boy was a first, second, or third alternate; (3) the hometown of the boy; (4) whether the boy went out for football at the Military Academy.

I would also like to be informed as to how many boys arrive at the Military Academy yearly without having taken a competitive examination in connection with their application for appointment.

With every good wish, I am,
Sincerely yours,

—————— ——————.

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HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE ADJUTANT GENERAL,
*Washington, D.C., May 31, 1962.*

Hon. RUSSELL B. LONG,
*U.S. Senate, Washington, D.C.*

DEAR SENATOR LONG: This is in reply to your letter requesting detailed information concerning qualified alternates admitted to the Military Academy since 1958.

Certain of the information you desire cannot be provided because of a longstanding policy which precludes revealing to one Member of Congress the name and address of another Member's appointee to the Military Academy. The release of such information is left invariably to the discretion of the congressional nominating authority concerned.

Aside from the names of qualified candidates admitted to the Military Academy from 1958 through 1961, which were provided in my letter of January 31, 1962, a breakdown of the nominations is shown below:

*Alternate designation*

| Year | 1st | 2d | 3d | Competitive | Total |
|---|---|---|---|---|---|
| 1958 | 17 | 23 | 30 | ........ | 70 |
| 1959 | 20 | 34 | 32 | 1 | 87 |
| 1960 | 33 | 23 | 41 | 2 | 99 |
| 1961 | 35 | 27 | 40 | 1 | 103 |

Concerning your question regarding whether the qualified alternates in question went out for football, it will interest you to know that all cadets are encouraged to turn out for football. At West Point all cadets are required to participate in sports, either at the corps squad level or in the intramural program. Young men who show promise in a particular sport will more than likely gain a position on the corps squad while all others will be required to participate in intramural competition. Whether the cadet remains on the corps squad depends, of course, on his proficiency in the sport, his success in other fields of training, and his academic standing. There is no record to show which cadets turned out for football or any other sport at West Point.

The Department is unable to provide you with information regarding competitive examinations which may be required for Military Academy applicants. The bulk of the applications flow directly to Members of Congress who may or may not require a competitive examination prior to nomination. However, to gain admission to the Military Academy all candidates are required to show proficiency in the entrance examination, and I assure you, no exception is made for any candidate in this circumstance.

With every good wish, I am,
Sincerely yours,
JULIAN A. WILSON,
*Major General, U.S. Army,*
*Acting the Adjutant General.*

Mr. LONG of Louisiana. Mr. President, this is an outrage. The Army is deliberately suppressing this information, which certainly should be a matter of public record.

The ACTING PRESIDENT pro tempore. The time available to the Senator from Louisiana, under the 3-minute limitation, has expired.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may proceed for an additional 4 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, here, then, is the answer to the chairman's observation. Members of Congress can afford to appoint anyone they please, even in violation of the law, as long as the Army will help them keep the secret.

It is an outrage for the U.S. Army, having recruited a football coach who had 4 years to run on a 5-year contract with another university, to now proceed on a nationwide recruiting drive to get men who have already signed grants-in-aid to break those contracts.

As if this were not outrage enough, they now go to the unpardonable lengths of seeking to withhold the names of the Members of Congress who are appointing those contract breakers.

I have asked the staff of the Armed Services Committee to undertake to help me get this information. If Senators will consult the two letters I have inserted in the RECORD, they will see that the Army has also refused to furnish other information I requested. I asked them for the names of Academic Board appointees who went out for football at the Academy. They tell me there is no record of this. Can any Member of the Senate believe that this is true?

They could have easily enough provided me with the information I requested. I refer Senators to the CONGRESSIONAL RECORD, volume 104, part 11, page 14443, where the late Representative from Louisiana, Overton Brooks, inserted in the RECORD just such information as I have been denied. Where did Representative Brooks get this information, Mr. President, if, as is stated here, there is a "longstanding policy which precludes revealing to one Member of Congress the name and address of another Member's appointee to the Military Academy"?

The deeper I have gotten into this subject, Mr. President, the greater has been my feeling that many matters here would not stand the clear light of day. The response I received to my inquiry bears me out. What are they afraid of? What is it that they are trying to hide?

Mr. President, I demand that these matters be cleared up. I want to know the name, for example, of the Member of Congress who is appointing the young man who has already signed a grant-in-aid contract with Clemson College. This is a boy, Mr. President, who, according to his mother, had no interest at all in the Army until the football recruiters arrived on the scene. Senators should ask themselves if this is the kind of Army officer we need.

I ask that two articles be printed in the Record at this point.

There being no objection, the articles were ordered to be printed in the Record, as follows:

### Dietzel a Salesman With Sense of Humor on Army Football

(By Dave Brady)

These dogwood days in the bosky precincts of West Point are deceptive.

To the unsuspecting tourist sopping up the tradition of the Military Academy, there is a secure feeling although the rest of the world is in flux.

That's because the office of Army's new commander in chief of the football forces is off limits.

There precisely calculated upheaval has been the order of the day since Paul Dietzel was hired last January to give football a nuclear charge.

The rumblings have been felt in Congress, Baton Rouge, and Colorado Springs.

Louisiana State University boosters voiced their indignation to Congress when it became apparent that Dietzel was forsaking them. There were mutterings about the sanctity of a coach's contract.

Now Congress is deliberating on legislation to appoint an additional 50 cadets to the Army and Air Force Academies. There have been charges that it is a "West Point football bill."

It may have been coincidence, but a couple of weeks ago Dietzel was saying in West Point that Tulane never landed a top football prospect in the State of Louisiana after his second year as coach at L.S.U. "That's what wins," he said, "yet they fired the coaches at Tulane."

Asked to compare Dietzel and Red Blaik, former Army coach, an old hand at the Academy said:

"If Blaik heard about a prospect like Glenn Davis or Doc Blanchard, he wouldn't rest until he got him.

"But Dietzel would know about them before anyone told him. Blaik was a two-fisted tough guy. Dietzel is a salesman with a sense of humor."

Dietzel has projected that impression on national TV shows such as "Today." Washington Touchdown Club banquet guests have seen how fast he is on his feet while sparring with witty toastmaster Morrie Frank, of Houston.

Dietzel may have been concerned only with spreading the gospel of the three-platoon system when he conducted the first football clinic in West Point's history for 400 high school coaches.

But rival coaches suspect Dietzel expects schoolboy players will hear it as their patriotic duty to help Army.

Sports Publicity Director Joe Cahill, called coach by Dietzel, says Paul is organizing a 14-man coaching staff, but Syracuse Coach Ben Schwartzwalder said he counted 16 at Army's intrasquad game.

"Join the Army staff and see the country," is Dietzel's slogan. The onetime prospective engineer has drafted a map of the United States, which he has divided by color schemes to indicate the responsibilities of each assistant coach. Dietzel defends the plan as the proper concern of a national school, such as Army.

Another sample of Dietzel's engineering experience is a professional-looking blueprint he drew up to completely make over the austere office where Blaik, and later Dale Hall, used to plot. He even designed the new furniture.

The first nongraduate coach in 50 years said:

"I won't get the athletes here. I did not take over until February so I lost a season of recruiting The varsity and the freshman team are less than great. There is no Bob Kyasky, Gil Stephenson, Bob Mischak, or Pete Vann. And I've inherited 20 seniors.

"If a boy can pass our mental test. Yile (Yale) or Hahvad may get him. Then there's the physical. Many a good football player might not pass it. After that is a stiff medical examination.

"If we find a fine prospect who can pass all three tests, somebody probably has told him in junior high school that he would have a great future as a pro at another college.

"But 22,000 high-type boys tried for 750 openings here last year," Dietzel said with a wink. "And coaching is mostly organizing anyhow. I'll go along with Paul Brown, of Cleveland, on that.

"We'll have a great team here within 4 years, when my freshmen are juniors, or we never will. And I plan to be here 20 years," the World War II bomber pilot declared.

Although he has installed a pro-type slot T formation, Dietzel may be the first coach not to promise to pass more. Someone mentioned that a cadet team looked good in a couple of losing games last season.

"I don't want any players who 'look good losing'," Dietzel interrupted. "There are a lot of coaches selling apples who 'looked good losing.'

"I remember one. The day he was let go an alumnus said, 'So-and-so might not have won but he sure had a spectacular offense.'

"Well, Woody Hayes may have had a 'dull' offense at Ohio State, as they say, but nobody there finds winning so dull that he hesitates to wedge himself in among 80,000 fans.

"Louisiana State University was drawing about 16,000 a game when I went there. When I left, the average was about 55,000; the season ticket sale 35,000."

An old friend noted that Louisiana State University boosters installed a swimming pool in Dietzel's backyard; he received bonuses for attracting bowl bids, and he earned about $10,000 a year from TV appearances.

"So you're wondering why I left Louisiana State University where I had 27 or 33 players back from my first three platoons * * * left halfback Jerry Stovall, the best athlete in the Nation * * * a new half-million-dollar athletic building * * * ten straight victories plus the Orange Bowl triumph * * * a long-term contract?

"Because I had won the national championship there, I had nowhere to go. And I'm too young to retire at 37."

A tall, blond, blue-eyed, sunny personality, Dietzel may be a Bud Wilkinson of Oklahoma starting all over again.

### "Pepsodent" Paul at the Point

(By John Underwood)

"I am not deaf to these things, and I am not naive," said Paul Dietzel. "I know what they are saying, the things they expect and hope for. This does not frighten me. The prospect of losing does not concern me. I've been down that road. I know what it's like. Golly day, I didn't come up here to lose. These people think this will be a new era in Army football. They are right. This is a new era."

It has been 4 months since Paul Franklin Dietzel quit Louisiana State University and came to West Point to be its football coach. A fortnight ago his first team, a hand-me-down on which he had done some effective sculpturing, gave a creditable performance in a scrimmage that ended spring practice at the Academy. There was room for improvement, but no room for more enthusiasm. Of that there was a surfeit. If the practiced eye could see flaws in the new Army team, the eyes of West Point could see only stars. "Paul Dietzel," said one unconstrained second classman, "is the greatest thing that ever happened to this place."

There were 3,000 people at the scrimmage. Gen. Douglas MacArthur was there in a black homburg. Ex-Army Coach "Red" Blaik sat beside him. A few years ago they might have been as big an attraction as the blond Dietzel, the man some people at the Academy were calling a messiah and against whom others had already begun a tacit harassing movement. These latter were an influential few who fought the last great despot of Army football, "Red" Blaik, and see in Dietzel a return to the Blaik tyranny.

But on the surface the interest was sanguine and spectacular. The team that is expected to bring back Army football and to beat Navy slaughtered the scrubs. Dietzel and his staff chortled and cooed, corrected, and chastised. The crowd, predictably, reacted with cheers.

Dietzel, in fact, rides a wave of cheers. From the beginning he has shamelessly wooed support, and it has come lapping at his feet. He stood in the cadet messhall the first night and said that every one of his 33 team positions was wide open. Later he had to send his equipment manager to Jersey City to get enough uniforms to outfit the swarm of 140 candidates, one of whom was a 135-pound swimmer. Practices were attended as never before, and bleachers had to be set up to accommodate the crowds. A West Point officers Bible study group delayed its weekly meeting 40 minutes to speculate on the terrible things Dietzel would do to Navy. A group of telephone company executives was enraptured for an hour as Dietzel charmed them off his conversational cuff at the Bear Mountain Inn. The dewy-eyed secretary in the gymnasium office said you just had to be impressed—"I mean you don't swoon, exactly. But there's something about him. Like Billy Graham. You know, powerful. And clean clear through."

Dietzel's reputation as a winner has had much to do with his acceptance. His Louisiana State University teams went to three major bowls in 4 years and he was 1958 coach of the year. Army, by contrast, hadn't beaten Navy (and a lot of other people) in 3 years under Dale Hall, Blaik's successor.

Hall was fired in December. Dietzel came in January. It was late for a remodeling, but Dietzel is an incredible organizer. The team quickly showed an urgency of mission, a distinctive willingness to hit. From its lungs poured an uncommon sequence of chirps and yells, most of them coming from the Chinese Bandits, a name Dietzel always gives to third, or defensive-specialist, team. The Bandits are incurably loud people. They are his football philosophy, and though they are out of place in the West Point lexicon they are there to stay. "The Bandits were mine from the time I was at Cincinnati," Dietzel told skeptical Army officers before he signed his contract. "They go where I go."

Dietzel, who once had coached at West Point under Blaik, dealt hard with Army brass to get what he wanted. But he also suffered personally under the controversy that surrounded his leaving Louisiana State University. Both sides were severely criticized—Dietzel for abandoning Louisiana State University with 4 years still on his contract, West Point for pirating away another school's head coach.

"My integrity was attacked," says Dietzel, "but the whole story was never told. I was first approached for the job when Colonel Blaik resigned in 1958. My wife and I had long ago decided that West Point was where we would ultimately like to be. It's a wonderful place to raise a family. But I turned the job down. I wasn't about to follow Blaik. Blaik is a legend. It is not healthy to succeed a legend.

"When Dale Hall took the job we kissed it goodby for good—he was young and smart and his future was bright. It was then that I said I'd never leave Louisiana State University. I had to eat those words. I'll never get trapped into a statement like that again.

"The morning Dale was fired Ann and I were at breakfast. Over the orange juice I showed her the headline. We didn't say anything, but we both knew right then what we wanted."

The decisive first contact was made between Dietzel and Joe Cahill, West Point publicity director. Said Cahill: "Unofficially, Paul, you wouldn't be interested in coming up here, would you?" "Joe," said Dietzel, "I just might be." "Is that so?" said Cahill.

When official contact was made, Dietzel was asked to come to the Point for an interview. He is a gracious man rarely given to testiness, but at this he bristled.

"By that do you mean I am a candidate for the Army job?" he asked from Baton Rouge, where he was preparing Louisiana State University for the Orange Bowl game. The answer was yes. "Well I'm not interested in being a candidate," the 37-year-old Dietzel replied. "I'm not a junior high coach out shopping. I don't have to be interviewed to prove I can win."

Dietzel made it clear he wasn't bargaining. No added inducement could keep him at Lousiana State University if the West Point job was close to equal. He took a 5-year contract at $18,000 which, with fringe benefits, Louisiana State University had already beaten. But the issue was not of money, as is customary in coaching moves. Dietzel says he left Louisiana State University without hard feelings. There was, nevertheless, a move (by "two-bit politicians," he says) to hold him to his contract. The school voted to let him go.

Dietzel says it will take 4 years to produce at Army. Hall was out after three, but West Point will wait for Dietzel. "I intend to build a football program," he says. "The best one I know how. Build the program you want and the winning will take care of itself."

The right program or not, Dietzel knows that among the sprawling body of brass at West Point there has been since the early days of Red Blaik a minority element that resents what it considers unhealthy catering to football. Blaik was a monolith and very tough to block, but there were skirmishes even he could not win—attempts, for example, to take two of his fine teams to bowl games (the 1946 team, last of the Blanchard-Davis strain, and the 1958 team, with Pete Dawkins and the original lonely end).

Dietzel apparently has not suffered a major setback yet, and he maintains a discreet silence on things that might be an issue, but he is aware that the Chinese Bandits were hard for some traditionalists to swallow, and that his masterfully precisioned practices have been lampooned for the horn-blowing and the whoop-whooping that characterized them. He knows, too, that his habit of standing in the middle while the practice rotates around him has been sneered at as "a three-ring circus."

But mostly Dietzel is a threat to the dissidents because he represents the Blaikian image of big football; infinitely more approachable than Blaik, perhaps, but a new Blaik nevertheless. This the minority will try to subvert. They will probably have no better success than they had with Blaik, providing Dietzel's football teams win.

To this end, Dietzel already has made grandiose plans for recruiting. A huge map covers one office wall; in a multiplicity of colors, it shows areas to be attacked. No State has been overlooked. "This is a National Academy, not an eastern school," he says; Hall's 1961 roster was stocked with 28 Pennsylvanians.

To those perennially embarrassed by the parade of patsies on the Army schedule, Dietzel says this: "We will, within 5 years, be playing the toughest schedule in West Point history." If they are good enough, the Cadets will also go to bowl games. Dietzel, who for his unfailing smile is known as Pepsodent Paul, will appear on a weekly New York television show in the fall, providing the sponsor does not sell liquor or cigarettes, neither of which are on the Dietzel hit parade of exemplary products.

A first on Dietzel's list upon arrival from Louisiana was a pilgrimmage to the top of the Waldorf Towers in New York where General MacArthur lives. This was more than perfunctory. MacArthur is an abiding friend of Army football; he and Blaik are in frequent company. Dietzel also called on Blaik, with whom he shares a mutual regard. Blaik once called Pepsodent Paul the world's greatest recruiter—"If he so much as gets his feet under the supper table with a boy, the boy is his." Dietzel said Blaik was "one of the three great men" to influence his life. Then they dissected each other's football. Blaik called Dietzel a "gimmick coach" for his Chinese Bandits. Dietzel wondered aloud if the "lonely end" wasn't a gimmick, too.

During Blaik's long term the football office became a sanctuary. Hall could not reduce its austerity and frequently took visitors outside to escape the prevailing aura of the great man. Now from the office walls where MacArthur once stared down are gay cartoons of Oriental types in football uniform, a life-size picture of the 1958 Louisiana State University team, and on the coffee table is a richly bound volume, "What I Know About Football" by Paul Dietzel. The book has 350 empty pages.

In the house that Blaik built at the end of Partridge Place in the area known as Snob Hill, Ann Dietzel, the coach's lovely wife, has refurbished and effected a marvelous new cheer. The recreation room is decorated with colorful reminders of the golden days at Louisiana State University. A cartoon Uncle Sam points his finger at the onlooker: "Uncle Sam Wants You—To Be a Bandit." Neighborhood kids romp freely in the backyard.

"If you knew Blaik you liked him," said one intimate. "But you had to know him. Dietzel you like right away. Takes you about 10 seconds." Part of the Dietzel attraction at West Point is that he is a departure from the soldierly—the first non-Army man ever to hold the job—and is not inclined to be changed. Military protocol dismays him. In the bachelor officers club where he recently lunched he had to interrupt one eager communicant with a kindly advisement: "Please, captain, don't call me sir. I think you're talking to my father."

Nevertheless he is such a compelling personality that what might be a social failing passes notice. He is, in fact, a fashion piece and the brass is eager to show him off. "Dietzel projects, and this is a bonus we didn't count on," said one official. Within 1 hour of a recent afternoon, Dietzel talked with a long line of high school prospects, then charmed the jug ears of General Omar Bradley, who had come to the practice field unannounced with the Board of Visitors.

But the clincher in Dietzel's acceptance was the cadet corps. They are taught to be analytical and are not easily swayed. However, despite his penchant for gee whiz epigrams ("You can learn more character on the 2-yard line than you can anywhere in life"), Dietzel touched the cadets' vanity. The football Dietzel plays, unlike the man, is drab and defensive. ("I would rather have a dull victory than a spectacular defeat.") He likes field position football. He will punt on third down and he will almost never pass. Yet the impressed cadets who play for him submit happily to a rigorous schedule that outregiments West Point itself.

Among the coaches there is a marvelous rapport, as if everyone is thinking how great it is to be one of the gang. Dietzel conducts his meetings in a democratic banter, everyone getting his say, but there is no doubting who is chairman of the board. On the field his mostly southern cadre wheedles and cajoles and chastens, offering both prologue and epilogue to the thudding of pads and the grunting of players.

A bird colonel watching the final scrimmage said wonderingly, "This team doesn't look like it could move the ball a nickel, but it has guts. Somehow I don't think it'll ever be disgraced." A handsome woman late arriving asked a young cadet to point Dietzel out to her.

"That's him over there," said the cadet. "The tall blond fellow whose feet don't quite touch the ground."

Mr. LONG of Louisiana. Mr. President, these articles show the nationwide recruiting scheme of the West Point athletic authorities. It looks as though no grant-in-aid contract in the country will be sacred. Bear in mind, Mr. President, that the Academy authorities have in all probability approved these articles for release. They are proud of their plans to get every potentially great football player in the Nation.

In summary, Mr. President, we have here a scandalous situation of substantial proportion. The law is being violated, and the Army is covering up the facts. It seems to me that a full-scale investigation of the entire matter is indicated.

I am outraged at what I have learned about this matter. I am outraged because of the unashamed admission of the Military Academy athletic authorities that they intend, if possible, to recruit, entice away, or steal every potential all-American in the country. I am infinitely more outraged because young men better qualified to serve in the Armed Forces are being passed over, in an effort to monopolize the Nation's best potential football players. Are these the kind of Armed Forces we want, Mr. President?

My feeling about this matter is that some serious and far-reaching investigation is certainly in order. I would certainly violently object to this bill being brought up for consideration until the Army has provided me with the information I requested.

Mr. YARBOROUGH. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. I should like to ask the distinguished Senator from Louisiana whether he has investigated or made any inquiries in regard to the number of midshipmen at Annapolis or the number of cadets at West Point or at the Air Force Academy that a Senator may appoint in any one year. I am sure the Senator from Louisiana is familiar with the rule that each Senator is entitled to appoint one cadet at the Military Academy or the Air Force Academy and one midshipman at the Naval Academy each year. But if a midshipman at the Naval Academy or a cadet at the Military Academy resigns or "busts out," such Senator can appoint a replacement the next year so as to have four cadets of his appointment at West Point or four midshipmen of his appointment at the Naval Academy at any particular time. Is the Senator from Louisiana familiar with that situation?

Mr. LONG of Louisiana. Yes; ordinarily a Senator or a Member of the House of Representatives can appoint one a year, on the average.

Mr. YARBOROUGH. But if some cadets or midshipmen who have been appointed leave the academies before graduation, a Senator can appoint others, provided not more than four of his appointees are serving at West Point or Annapolis there at any one time.

However, is the Senator from Louisiana familiar with instances in which a Senator is permitted to appoint three midshipmen to the Naval Academy in 1 year, even though there have been no extra vacancies in his appointment list?

Mr. LONG of Louisiana. I am not familiar with that.

Mr. YARBOROUGH. If the Senator from Louisiana is not familiar with it, I suggest that he include that situation in the subjects covered by his inquiry, and determine under what law discretionary power is claimed by the Secretary of the Navy to permit a Senator to appoint more than one midshipman per year. I wish the Senator from Louisiana would add that situation to the subjects about which he makes inquiry, and determine why certain Senators can appoint three midshipmen per year while the usual Senator may appoint only one midshipman per year.

Mr. LONG of Louisiana. Of course, what I am particularly directing my inquiry to is the matter of appointing, in violation of the law, those who are better football players than potential Army officers, and then deliberately withholding that information from the constituents of the Members of Congress who make such appointments. The public is paying for the training of these young men; and if such violations of law are condoned by the Army, the least we can ask is that those responsible for them be exposed.

Mr. YARBOROUGH. I commend the Senator from Louisiana for his interest in this matter and for the inquiry he has undertaken.

Mr. LONG of Louisiana. I thank the Senator from Texas.

Mr. KEATING. Mr. President, will the Senator from Louisiana yield to me on this point?

Mr. LONG of Louisiana. I yield.

Mr. KEATING. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute, in this connection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KEATING. Mr. President, I commend the Senator from Louisiana for bringing this matter into the open and for laying it on the table. All of us know there have been abuses in connection with the appointment of cadets or first-year men to the Academies. They have different names at the various Academies, but I do not draw any distinction between the various services. Certainly there have been abuses. Young men have been appointed, in violation of law, from districts or States in which they did not reside.

This throws into question, it seems to me, the entire process of the congressional appointment of men to the service academies. Certainly our primary interest should be in having the very best Army, Navy, and Air Force officers we can possibly obtain, because in these perilous times we need them.

In the past I have asked—and I shall renew my request, in light of the interest of the Senator from Louisiana in this problem—for an investigation of the entire method of selecting new men for appointment to the service academies. I am not at all sure they are now getting the best men through appointments by the Members of Congress. I do not know how popular such an inquiry would be; but there are many who have suggested to me that the Armed Services Committee investigate the entire problem, and devise a method which would be better than the present one.

So I commend the Senator from Louisiana for bringing up this matter.

Mr. LONG of Louisiana. I thank the Senator from New York; and I am sure he agrees with me that, as a beginning point, both the Congress and the Nation are entitled to know who appoints all those who serve there—whether a Senator, a Member of the House of Representatives, or the President—and which ones.

Mr. KEATING. Undoubtedly. Furthermore, the maintenance of the national security has nothing to do with the disclosure of that information.

So I commend the Senator from Louisiana for his inquiry.

Mr. LONG of Louisiana. I thank the Senator from New York.

## SOVIET DEPORTATION OF BALTIC PEOPLES IN 1941

Mr. KEATING. Mr. President, the modern history of the three Baltic peoples—Estonians, Latvians, and Lithuanians—is compounded with much misery and tragedy. Centuries before the First World War they had lost their independence and lived under foreign regimes. The end of that war ushered in a new era for them. All three regained their freedom and proclaimed their independence in 1919, established their own democratic governments and lived, for two decades, happily in their historic homelands. Their governments were duly recognized by other sovereign governments, and they became members of the world community of nations.

During the period of freedom which they enjoyed in the interwar years, they rebuilt their war-ravaged country. Unfortunately, however, in the larger world of international politics and diplomacy they were not masters of their own fate. With the rise of totalitarian governments in Germany and Russia, the Baltic peoples found themselves in a very precarious position. They succeeded in maintaining their independence until the outbreak of the last war; and then brute force, treacherously used, the Soviet Union, became the arbiter of their fate. Early in 1941, Soviet forces attacked the three states, overran and occupied them, enslaved their inhabitants, and then incorporated the countries into the Soviet Union. Estonians, Latvians, and Lithuanians by the tens of thousands, mostly helpless and innocent victims of Soviet aggression, were summarily arrested, placed in freight cars, and literally carted away to forbidding parts of Asiatic Russia. Such was the deportation of Baltic peoples by the Soviet Government in 1941.

Mr. President, since then, of course, many of the victims of this inhuman act have died in exile; and no one knows how many of them are still alive, suffering under the unrelenting whip of Soviet agents in prison camps. The free world has had no direct information as to the fate or whereabouts of these innocent victims of Soviet totalitarian tyranny; and we are likely to know nothing about them, for the areas in which they were exiled and imprisoned are hermetically sealed off from the free world. Today, on the observance of the 21st anniversary of that tragic event, we pray in memory of those who gave their lives for their love of freedom and independence; and we express our hopes for the ultimate redemption of these heroic peoples.

## CATTLEMEN NOT MISLED

Mr. HRUSKA. Mr. President, we hear often these days from the administration that those who oppose certain of its schemes are misled or misinformed.

The President has said it about those who question the wisdom of his medical care plan and those who oppose the withholding of taxes on dividends and interest. He used his address at Yale University to say in effect that those who hold economic beliefs different than his own subscribe to mythology.

This trait of the President is echoed by some of his subordinates. Secretary of Agriculture Freeman not long ago said that "cattlemen have been so misled" in their opposition to the Kennedy-Freeman farm plan.

Mr. President, let me assure the Senate and Mr. Freeman that the American cattleman is not misled. To support this point, I call the attention of the Senate to a news release from North Platte, Nebr., where the Nebraska Stockgrowers Association is now meeting. The release concerns a statement by Mr. Cushman

S. Radebaugh, president of the American National Cattleman's Association.

I ask unanimous consent that the release be printed in the Record.

There being no objection, the release was ordered to be printed in the Record, as follows:

### Cattlemen Not Misled

North Platte, Nebr., June 15.—The American cattleman is not misled or emotional in his defiance of bold schemes to control livestock and much of agricultural production, the head of the largest national cattlemen's organization declared here today.

Cushman S. Radebaugh, president of the American National Cattlemen's Association, in an address to the Nebraska Stock Growers Association convention, referred to news reports in which Agriculture Secretary Orville Freeman is quoted as saying "cattlemen have been so misled" in opposition to the administration's farm bill's sections restricting feed grain production.

"I don't think millions of stockmen are so naive as to be misled in any analysis of a measure which would severely control basic freedoms under the guise of cutting down on grain surpluses built up over several administrations," the Fort Pierce, Fla., rancher declared.

Radebaugh claimed that the Secretary was not using facts in accusing certain segments of the cattle industry of using concentrated pressure, big money, resources and intimidation to defeat the Kennedy farm bill. "This is intriguing, especially when in the same news story he is quoted as urging visiting wheatgrowers to 'buttonhole House Members' and admitting that he personally had visited with 4 Congressmen that morning, 20 during the past week, with more to come before the House votes on it in coming days," he said.

"Actually the entire budgets of the American National Cattlemen's Association and all of the affiliated cattlemen's groups in the Nation wouldn't equal what the Department of Agriculture probably spends lobbying and in selling through its agencies many programs and philosophies many Americans are not convinced are correct," he said.

Radebaugh, speaking with the knowledge that almost every cattlemen's organization already has opposed the feed grain section of the farm bill as being disruptive to the future of sound beef production, also questioned Secretary Freeman's claim that if the farm bill fails, cattle prices would plunge 38 percent or $8 per hundredweight.

"Cattlemen fervently hope that surpluses can be reduced and the political mistakes of the past can be absorbed realistically as our Nation flexes with technological growth," he said. "But such theoretical solutions do not recognize that necessary production adjustments do continue under the free-choice system if given that opportunity.

"We, as citizens and taxpayers, cannot conceive that reduction of temporary surpluses justifies forfeiture of the basic freedoms we thought existed until the philosophy of Government supply management came along," Radebaugh said.

"We look upon this as a consumers' fight, too, because the administration's solution to raising farm income is to restrict and license abundance with franchises and allotments on production at the expense of the consumer two ways—taxes and food prices," he said.

## AWARD OF APPROPRIATE GRADUATE LEGAL DEGREES AND CREDITS

Mr. LAUSCHE. Mr. President, I have received a letter from Dr. George A. Bowman, president, Kent State University, Kent, Ohio, expressing strong opposition to H.R. 6664, which would authorize the Commandant of the Judge Advocate General's School to award appropriate graduate legal degrees and credits.

The bill has already passed the House and is now pending before the Armed Services Committee of the Senate.

I ask unanimouns consent that Dr. Bowman's entire letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Kent State University,
*Kent, Ohio, June 11, 1962.*

Hon. Frank J. Lausche,
*Senate Office Building,*
*Washington, D.C.*

Dear Senator Lausche: I am quite sure that most publicly and privately supported institutions of higher learning are vigorously opposed to the Federal Government getting into the business of granting graduate degrees. We are aware that Mr. Gustave O. Arlt, president of the Council of Graduate Schools of the United States, has appeared in favor of H.R. 6664 which would give the Judge Advocate General's School at Charlottesville, Va., the right to award "appropriate graduate legal degrees and credits." This bill has been passed by the House.

I should like to point out that the American Council on Education has consistently opposed spreading degree-granting activities among agencies of the Federal Government. My purpose in writing you is to tell you that our opposition is consistent with that taken by the ACE and is in opposition to the Government, under any circumstances, entering into competition with municipal, State, and privately supported institutions of higher learning in this country. It has already gone too far and now under this bill proposes to get into the graduate education field. When this bill comes before the Senate (if it does), I hope you will agree with our position and oppose it.

With cordial regards.

Sincerely,

George A. Bowman,
*President.*

## MODERN ENVIRONMENT AND LAW ENFORCEMENT

Mr. MUNDT. Mr. President, on June 6, 1962, the FBI National Academy held here in our Nation's Capital the graduation exercises of its 69th graduating class.

On the occasion of this commencement exercise the Honorable Sylvester C. Smith, Jr., president-elect of the American Bar Association, delivered a most thought provoking and informative address on new techniques confronting law enforcement created by new creations of modern environment. I ask unanimous consent that the text of Mr. Smith's address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

### Address of Hon. Sylvester C. Smith, Jr., President-Elect, American Bar Association, at the Graduation Exercises, 69th Session, FBI National Academy, Washington, D.C., June 6, 1962

The Federal Bureau of Investigation under the inspiring and devoted leadership of J. Edgar Hoover has served the cause of law enforcement well for more than 38 years. You men, as members of the FBI National Academy, are partners in that cause, and so it is with great pleasure that I come here this morning to offer my personal congratulations as well as the greetings of the American Bar Association to you, the graduates of the National Academy.

Mr. Hoover has said that the National Academy grew out of a dream and a belief—the dream that democratic government can be administered simply and efficiently—the belief that cooperating law enforcement agencies can reduce and repress crime to a greater degree if all have the advantage of the best techniques and the most modern strategy. As a result of that dream and belief, the first session of the National Academy was called to order on July 29, 1935, and since that historic day more than 4,100 law enforcement officers have been graduated and returned to their departments convinced that brains, science and hard work are the most effective weapons against criminals and other enemies of our society.

As members of the 69th session of the FBI National Academy, you men are armed with the very latest of criminal investigative techniques. You are also versed in teaching methods and prepared to organize police schools wherein your brother officers will also be taught the latest methods and trends in crime detection and investigative procedures.

And so, you return to your home communities better equipped than when you left in terms of a public service not only as law enforcement officers but teachers as well. Continual training is a necessity in any field. It is just as imperative that you as law enforcement officers keep abreast of the changes in your profession. This is a responsibility that we both share if we are to adequately satisfy our common purpose as protectors of the weak, defenders of the innocent, and guardians of the civil rights of all citizens.

One of the great needs in our American way of life, as I see it, is a greater appreciation on the part of the public of the services rendered by dedicated and incorruptible law officers who have chosen law enforcement as a career. Can there be a more satisfying or rewarding service? You know, as I do, however, that there are too few law-abiding citizens who realize that it is the police officer who gives them the peace of mind and freedom from fear of violence in the protection of their person and their home.

This is the result, in large measure, of an increasing tendency to popularize the lawless—to make the tough guy the hero. There was a time when newspapers played the principal role in dramatizing the exploits of criminals. But newspapers have long since been eased out of this dubious role by television—the most popular and effective communications medium the world has ever known.

As a lawyer, it seems clear to me that a major problem facing law enforcement today is the establishment of some means whereby you can overcome the hazards and hindrances that the modern environment seems determined to put in your way. Your mission is the prevention of crime and the apprehension of criminals and other enemies of our society. Today, however, it seems that many of the influences which tend to promote disorder and unlawful activities flourish at the same time that your efforts to counter this trend meet one roadblock after another. It is my hope that you as intelligent and dedicated career officers will do your part in helping the people of this country to understand the impact with which the obstacles to effective law enforcement are crashing against law-abiding society. There is certainly nothing you can do to change this situation without the widest possible public support. Public opinion enforces the law. The police take care of the exceptions.

I have no doubt that a good citizen will, if properly approached and informed, actively support a police program aimed at improving the department and its service to the community. This follows, I think, from the fact that most citizens recognize their responsibility to promote the common welfare and realize that one important way to do this is in the support he gives good law enforcement in his community. This support will stem in large part from his understanding of the dangers and risks which the police officer faces today. The citizens of your community must be made to understand that yours is not an easy service but one which may involve your very life. As a result of such understanding, the public will see to it that law enforcement is administered without consideration of politics or political influence; that police educational programs for personnel are implemented; and that salaries and conditions of employment are made attractive enough to gain the consideration of high-quality career applicants for positions as police officers.

Just as the public owes a responsibility to you, however, so do you owe them a corresponding obligation. The respect which the public pays you as a police officer bears a direct relationship to the respect which you pay to their rights. Respect for law and respect for law enforcement officers go together. Where they both exist, one can point to a law-abiding community. Law enforcement should and must be made subject to the will of the people and nobody has stated his theme more effectively than Mr. Hoover who has said on more than one occasion:

"Unlike totalitarian law enforcement, we have no dark corners to hide. Law enforcement—local, State, and National—is constantly subject to the will of the people, exercised through the various executive, legislative, and judicial processes. Moreover, its jurisdiction is specifically defined by statute. Our day-to-day activities are under the review of the free press and the citizens of the community. As American patriots as well as law enforcement officers, we would have it no other way."

For over 17 years I was a prosecuting attorney in a small New Jersey county during which time I learned, as I stated earlier, that most citizens, if properly approached and informed, will actively support a police program aimed at improving service to the community. No group in any community is more conscious of the merit of such a program than the lawyers and court officers of your community.

When you return to your home communities, you will again renew your relationship with lawyers. The lawyer and the law enforcement officer meet frequently. First there is the prosecuting attorney to whom the law enforcement officer reports his investigative findings. A good prosecuting attorney must appreciate the difficulties that sometimes arise in developing all of the available evidence. The prosecutor's duty is not only to see that the case is prosecuted earnestly but also that the defendant is accorded all of his constitutional rights and privileges. This anomalous position was stated by Mr. Justice Sutherland of the U.S. Supreme Court in the famous case of *Berger v. United States* in which he said:

"The U.S. attorney (and this, of course, applies to district attorneys) is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice shall be done. As such, he is in a peculiar and very definite sense the servant of the law, the twofold aim of which is that guilt shall not escape or innocence suffer. He may prosecute with earnestness and vigor—indeed, he should do so. But, while he may strike hard blows, he is not at liberty to strike foul ones. It is as much his duty to refrain from improper methods calculated to produce a wrongful conviction as it is to use every legitimate means to bring about a just one." You men, as law enforcement officers, must appreciate this phase of the prosecuting attorney's responsibility. You can assist the prosecutor in fulfilling this responsibility by providing him the expertise which you have acquired here at the FBI Academy—the greatest criminal investigative training ground in the world.

As law enforcement officers, you will also be dealing with the defendant's lawyer. At times this can be most difficult. The defendant's lawyer may attempt on cross examination to abuse and attack both your motives and your methods. It is, therefore, essential that you, in the performance of your duties, be constantly aware of the constitutional rights and privileges of the accused. As the people's witness in a criminal proceeding, you will be rendering a most effective service when you remain calm and simply relate accurately and honestly what you know about the case, taking with a smile any caustic attacks which defense counsel may make against you. It has been my experience that when the defendant's lawyer attacks the police officer in bitter cross examination which carries innuendo he generally has a poor case and no defense.

There is also the relationship with the general practitioner who may not be in the criminal court. Law enforcement officers, may I suggest, should get to know the lawyers in their community. There should be a liaison between the local bar associations and the law enforcement officers, generally. If this is established, I feel certain there will be a greater respect for the law enforcement officer and better law enforcement in the community.

The law enforcement officer must also work with the judges of the several courts. Some judges take a jaundiced view of the methods employed by some law enforcement officers. They seem to believe that law enforcement officers are prone to engage in tactics such as the "third degree" forbidden under the Bill of Rights and the Constitution. They are inclined to believe the defendant's story of bad treatment at the hands of the police. They do not appreciate the improvement in police methods in recent years, much of which is due to the training courses for police officers such as that provided at the FBI Academy. Fortunately, those judges are in the great minority.

Then there is the judge who becomes impatient with the police officer whose testimony reflects inadequate preparation. There should be no occasion for such criticism on the part of the court where you men are concerned, for you have over the past few months been well trained in the proper development of all the evidence through the use of the latest and most highly developed criminal investigative techniques. You will, in turn, pass on your knowledge to your brother officers and by so doing will help to achieve the Academy's aim of providing the best possible training to the largest number of police officers.

By far the greater number of judges are sympathetic with law enforcement officers. They have an understanding of the problems which they face. Sometimes this sympathetic understanding can result in a manifestation of prejudice which hurts the defendant at trial, but oftentimes is ground for reversal on appeal. It is important that you, as law enforcement officers, understand that the judge must be wholly impartial. The trial judge must not take sides. It is he, in the final analysis, who must see that the accused receives a fair trial and is protected in his constitutional rights. Occasionally a police officer mistakes a judge's actions as being opposed somehow to the efforts of the police, but a clearer understanding of the obligations of both the court and the officer will promote better law enforcement.

The problems of law enforcement today are a far cry from what they were not more than a generation or so ago. You and I would agree, I am sure, that while the frontier marshal may have been the answer to effective law enforcement in his day, he would be somewhat inadequate in this day of the organized and oftentimes sophisticated criminal. Law enforcement today is no longer a one-man job.

While it is true that about 90 percent of the crimes committed are within the investigative jurisdiction of local law enforcement, changes in our modes of transportation and communication pose serious problems of detection and apprehension for the local law-enforcement officer. The automobile, the airplane, the telephone, radio transmission, and other modern inventions have changed our mode of living. These facilities which are used by law-abiding citizens can and often are being used with ingenuity by those whose purpose it is to violate the law.

These developments and refinements in our way of living together with the advantages which they provide the criminal make necessary a cooperative effort not only on the part of the public but on the part of law-enforcement agencies at the National, State, and local levels as well.

Mr. Hoover has spent a lifetime fighting crime—and fighting it effectively. He has found that the most effective weapon against crime is cooperation—a combining of the efforts of all law enforcement agencies with the support and understanding of the American people. In his view, no police agency is so big or so small that it does not need the assistance of another. Cooperation among the various police agencies—the backbone of effective law enforcement—is a working reality as is evidenced by your presence here today as local police officers and as graduates of the FBI National Academy. The FBI, in pursuing its investigative responsibilities, regularly receives invaluable criminal information which is disseminated on a continuous basis to local, State, and Federal agencies. At the same time, these same agencies are providing the FBI with information which will be of assistance to the Bureau in matters within its jurisdiction. This is as it should be and represents the sort of cooperation among law enforcement agencies which makes crime unprofitable. It is through this type of teamwork and mutual cooperation that law enforcement combats the criminal element.

With your help in enlisting the support, assistance, and cooperation of the citizens in your community, even greater progress can and will be made against crime and the assault of the criminal against society.

In conclusion, may I suggest to you that in a society such as ours, the success of law enforcement, no less than the success of our legal system, is directly dependent upon the support and respect it receives from the citizens as a whole. It was Chief Justice Hughes who said: "We have in this country but one security. You may think that the Constitution is your security—it is nothing but a piece of paper. You may think that the statutes are your security—they are nothing but words in a book. You may think that the elaborate mechanisms of Government is your security—it is nothing at all, unless you have an uncorrupted public opinion to give life to your Constitution, to give vitality to your statutes, to make efficient your Government machinery."

## I AM THE UNITED STATES

Mr. MUNDT. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a patriotic script as performed on the Lawrence Welk Show on Armistice Day of 1961. The history of the freedom of our Republic is condensed into this short script and I commend it to the reading of all my colleagues.

There being no objection, the script was ordered to be printed in the RECORD, as follows:

I AM THE UNITED STATES

(As performed by "Aladdin" on the Lawrence Welk Armistice Day show)

I am the United States.

I was born on July 4, 1776, and the Declaration of Independence is my birth certificate. The bloodlines of the world run in my veins, because I offered freedom to the oppressed. I am many things. And many people. I am the United States.

I am 185 million living souls—and the ghost of millions who have lived and died for me. I am Nathan Hale and Paul Revere. I stood at Lexington and fired the shot heard 'round the world. I am Washington, Jefferson, and Patrick Henry. I am John Paul Jones, the Green Mountain boys. And Davy Crockett. I am Independence Hall. The *Monitor*, and the *Merrimac*. I am Lee, Grant, and Abe Lincoln.

I remember the Alamo, the *Maine*, and Pearl Harbor when freedom called. I answered, and stayed until it was over, over there. I left my heroic dead in Flanders Field, on the rock of Corregidor, and on the bleak slopes of Korea.

I am the wheatfields of Kansas, and the granite hills of Vermont, Pennsylvania, the fertile lands of the West, the Golden Gate, and the Grand Canyon.

Yes, I am the Nation and these are the things I am. I was conceived in freedom, and God willing, in freedom I will spend the rest of my days.

I am the United States.

### JOHN H. SIMMS, LEGISLATIVE COUNSEL

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made on June 4, 1962, by the president of Western Maryland College, Dr. Lowell S. Ensor, when he presented the honorary degree of doctor of laws to John H. Simms, the distinguished legislative counsel of the U.S. Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JOHN HAMMETT SIMMS, ATTORNEY, WASHINGTON, D.C., BACHELOR OF ARTS (SUMMA CUM LAUDE), WESTERN MARYLAND COLLEGE; BACHELOR OF LAWS, COLUMBIA UNIVERSITY

Most of your professional life as an attorney has been spent in the service of your country during both war and peace. In World War II you served effectively in the Judge Advocate General's Department advancing in rank to a lieutenant colonel and receiving the Legion of Merit Award. Your most conspicuous contribution, however, has been made in the Office of the Legislative Counsel of the U.S. Senate of which you have become the administrative head. Each of the 100 Members of the Senate depends upon you and your staff of outstanding attorneys for the preparation of legislation initiating from this, the most significant legislative body among the parliaments of the world. Here you have distinguished yourself as a man of complete integrity and a professional leader of genuine ability. Your alma mater takes pride in the high accomplishment and distinguished public service of one of her sons.

Therefore, by the vote and authority of the Board of Trustees of Western Maryland College, I admit you to the degree of doctor of laws, honoris causa, with all the rights, privileges, and distinction thereunto appertaining, in token of which I present to you this diploma and cause you to be invested with the hood of Western Maryland College appropriate to your degree.

### RESPONSE TO ACT OF SACRIFICE BY GRADUATING CLASS OF GLEN LAKE COMMUNITY HIGH SCHOOL, MICHIGAN

Mr. HART. Mr. President, Senators may remember that on Tuesday I reported how the graduating class of Glen Lake Community High School saved for 4 years to make a trip to Washington, D.C., and how—at the last moment—they donated the money instead to a classmate who had developed cancer.

I was personally moved by the story of these Michigan youngsters and intended my remarks as a small tribute to their unselfishness.

The story was retold in the Washington Evening Star the following day and the response on the part of this city has touched me almost as much as the original act of sacrifice.

A major Washington hotel, the Executive House, has offered to house these youngsters if their visit could again be made possible. Similar offers have come from Bolling Air Base and groups of private citizens.

A broadcasting station, WWDC, has forwarded $700 toward transportation costs.

Yesterday Representative HECHLER, of West Virginia, took the floor of the House to urge that the youngsters be given all possible private aid.

President Kennedy invited them—in the event they should be able to come after all—to make a special tour of the White House.

Senators, Representatives, and private citizens have called my office to ask if they could join me in forwarding their checks to the Glen Lake School.

Mr. President, the youngsters at Glen Lake are tremendously grateful for all this, as all can imagine. So am I.

I am hopeful that this spontaneous response will muster the support needed to make the trip a reality after all.

But even now I am thrilled by the way this city has reacted to the selflessness of 33 children in a distant State.

When a man is as emotionally stirred as I am, he is tempted to spin flowery phrases. Phrases, perhaps, about sacrifice and compassion. I am going to refrain from them, however, Mr. President, because the facts alone speak so much more eloquently. And the facts are indeed simple.

A group of American youngsters gave up something to help a classmate.

And immediately, a group of American adults became eager to give up something to help those youngsters.

I submit these remarks as a quiet testimonial to this Nation's sense of humanity.

### TRIBUTE TO ALEXANDER GRANT RUTHVEN

Mr. HART. Mr. President, each of us holds a warm spot in his heart for his alma mater, and too often an unexpressed feeling of appreciation for the many dedicated teachers who directed him on his way to a degree. Today nearly a quarter of a million alumni, including myself, salute the president emeritus of the University of Michigan, our distinguished dean of administrators, Alexander Grant Ruthven. President Ruthven is being honored this evening at an 80th birthday testimonial dinner in Ann Arbor, Mich.

He is a man who was directly responsible for 22 years for the leadership of one of the largest and finest universities in the world. During his term as president, he organized the university's graduate school, planned the institute for human adjustment, steadily advocated a democratic faculty administration and corporate administrative structure, and shared the achievements and failures of thousands of young men and women.

Too often we tend to forget that human element and think of our universities in terms of size, academic standing and prestige. Today I am happy to join with other alumni in paying tribute to our president emeritus—a man behind much of the greatness of our alma mater, the University of Michigan.

Mr. MANSFIELD. Mr. President, it is my intention to call up for consideration a number of measures to which there is no objection. This has been cleared with the leadership on the other side.

Mr. President, has morning business been concluded?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Antitrust and Monopoly Subcommittee of the Judiciary Committee;

The Committee on Public Works;

The Committee on Aeronautical and Space Sciences;

The Finance Committee; and

The Commerce Committee, or subcommittees thereof.

### CONSIDERATION OF BILLS BY UNANIMOUS CONSENT

On the request of Mr. MANSFIELD, and by unanimous consent, the following measures were considered:

### AMENDMENT OF ACT AUTHORIZING AND DIRECTING NATIONAL SURVEY OF FOREST RESOURCES

The Senate proceeded to consider the bill (S. 3064) to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources, which had been reported from the Committee on Agriculture and Forestry, with an amendment in line 5, after the word "amended," to strike out "to read as follows: 'There is additionally authorized to be appropriated annually such funds as may be needed to keep the survey current.' " and insert "by striking out '$1,500,000' and inserting in lieu thereof '$2,500,000',"; so as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the last sentence of section 9 of the Act of May 22, 1928, as amended (45 Stat. 669, 702; 16 U.S.C. 581h), is hereby amended by striking out "$1,500,000" and inserting in lieu thereof "$2,500,000".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1567), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

This bill, with the committee amendment, would increase the amount authorized to be appropriated annually to keep the timber and forest product survey current under section 9 of the McSweeney-McNary Forest Research Act from $1.5 million to $2.5 million.

The bill, as introduced, would have authorized unlimited appropriations; but the committee felt that the authorization should be held down to the amount of foreseeable need. The Department of Agriculture's report shows a foreseeable need of up to $2.5 million, and the committee recommends amendment of the bill accordingly. The Department's report, which explains the need for increased authorization is attached.

DEPARTMENTAL VIEWS

Department of Agriculture,
*Washington, D.C., May 14, 1962.*

Hon. Allen J. Ellender,
*Chairman, Committee on Agriculture and Forestry, U.S. Senate.*

Dear Mr. Chairman: This is in response to your request of March 28, 1962, for a report by this Department on S. 3064, a bill to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources.

This Department recommends enactment of the provisions of the bill.

S. 3064 would remove the limitation of $1,500,000 on the amount now authorized to be appropriated annually for resurveys of the Nation's forest land and timber resources and permit the annual appropriation of such sums as may be necessary to keep the nationwide forest survey current.

Section 9 of the McSweeney-McNary Forest Research Act of May 22, 1928, authorized and directed the Secretary of Agriculture to make and keep current a comprehensive survey of the present and prospective requirements for timber and other forest products in the United States, and of timber supplies, including a determination of the present and potential productivity of forest lands, and of such other facts as may be necessary in the determination of ways and means to balance the timber budget of the United States. The act authorized an initial forest survey with both an annual and total limitation. This initial survey of the Nation's 770 million acres of forest land has now been essentially completed.

Amendments to the McSweeney-McNary Forest Research Act in 1944 and 1949 also authorized continuing resurveys to keep the forest survey current. The amendment of 1949 established a limitation of $1,500,000 on the amount authorized to be appropriated annually for these continuing resurveys. Since 1949 the costs of conducting survey work have risen more than 50 percent. In addition, there is increasing need for more frequent and more intensive forest inventories in all States. Even with substantial assistance from cooperating State agencies, forest industries, and other groups, the rising costs of survey work have made it impossible to provide adequate timber inventories within the authorization established in 1949 when price levels were materially lower. Hence, removal of the present limitation on annual appropriations for the forest survey is needed to permit adequate financing of this important field of research.

The forest survey provides the only comprehensive source of basic information on one of the Nation's most important natural resources. It provides facts on the area, condition, and productivity of forest lands; the volume, kind, quality, and location of standing timber; the present and prospective growth of timber of various species; losses to fire, insects, diseases, and other destructive agents; the present and prospective volumes of timber cut for various forest products; and interpretations of information on timber supplies and timber use to provide factual guides to the conservation and use of the Nation's forest land and timber resources. Since forest resources are constantly changing as a result of timber growth, cutting for industrial products, and losses to fire and other destructive agents, resurveys at regular intervals are necessary to provide up-to-date information.

Federal and State agencies, private forestry groups, landowners and timber operators all need adequate and up-to-date facts about timber resources and needs as sound bases for policy and program decisions. The production, manufacture, and use of timber products currently generates an estimated $20 billion of gross national product annually. Trends in forest conditions and the availability of timber supplies for prospective markets thus are of direct concern to many groups throughout the Nation's economy.

To public agencies, survey facts provide an essential basis for policy decisions on various programs involving the production and use of timber. To forest industries, survey facts on timber supplies are of broad practical value for guiding business decisions relating to location of wood-using plants, plant acquisition, and wood-procurement programs.

The removal of the limitation on approximations for resurveys, as provided for in this bill, would place the financing of this important research activity on the same basis as other fields of research authorized by the other sections of the McSweeney-McNary Forest Research Act. Adequate control over the amounts appropriated annually, as in the case of other forestry research of the Department, can of course be maintained through the usual budgetary processes.

Present estimates indicate that as much as $2.5 million annually may ultimately be needed to maintain the forest survey at an adequate level.

In reporting to you on S. 2403, we recommended the enactment of that bill with the addition of a section to accomplish the same thing as S. 3064. We believe the enactment of this provision either as a part of S. 2403 or as a separate enactment to be highly desirable.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,
Orville L. Freeman, *Secretary.*

## CONVEYANCE OF INTEREST OF UNITED STATES IN CERTAIN LAND IN GEORGIA TO JASPER COUNTY BOARD OF EDUCATION

The bill (H.R. 4939) to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1568), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

This bill directs conveyance to the Board of Education of Jasper County, Ga., for fair market value, of certain reserved rights in 42.65 acres of land conveyed to the board in 1940. An undivided 39.8 percent of the reserved rights belonged to the Georgia Rural Rehabilitation Corp. and have been transferred to the Georgia Development Authority, which has authorized conveyance of its undivided 39.8 percent. The reserved rights consist of (1) a reversionary right if the board fails to maintain the property solely for educational purposes or to afford all children residing in the school district an equal opportunity to avail themselves of the facilities for educational purposes, (2) the right to use the facilities for community activities, and (3) the right to construct, maintain, and operate other structures which would not interfere with school purposes (including the granting of easements for such construction, maintenance, and operation).

The Department of Agriculture recommends enactment. There is no intention to utilize the retained rights, and the county intends to convert the property into a rest home for the aged. The amendments recommended by the Department were adopted by the House.

## AMENDMENTS TO THE POULTRY PRODUCTS INSPECTION ACT

The bill (H.R. 7866) to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1569), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

This bill makes it clear that the Poultry Products Inspection Act extends to Puerto Rico and the Virgin Islands. The Department of Agriculture recommends enactment.

The Poultry Products Inspection Act provides for the compulsory inspection of poultry and poultry products which move in interstate or foreign commerce or in designated major consuming areas.

## CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO FORMER OWNERS

The bill (H.R. 5456) to provide for the conveyance of certain real property of the United States to the former owners thereof was considered, ordered to a third reading, read the third time, and passed.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1571), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill provides for the conveyance of about 35 acres without consideration to the descendants of J. C. Drake for the purpose of correcting an error, as is more fully explained in the attached report of the House Committee on Agriculture.

[H. Rept. 1627, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 5456) to provide for the conveyance of certain real property of the United States to the former owners thereof, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

### PURPOSE OF THE BILL

The purpose of this bill is to direct conveyance to the grantees named in the bill, without consideration, of approximately 35 acres of land to which the United States obtained title by error in acquiring lands for the Apalachicola National Forest in Florida.

Evidence presented to the committee indicates that the 35 acres of land involved in this legislation is now and has been since 1917 a portion of a farm occupied and operated by the grantees and, before them, by their father. The farm is situated on the edge of the Apalachicola National Forest and the 35 acres in question was included by error in a condemnation action involving approximately 25,000 acres of land for the national forest which was instituted by the Government in 1941. The evidence further indicates that the Drake family had no notice or knowledge of the condemnation action (published notice of which was made in another county) nor any knowledge that the Government claimed title to a part of their farm until the Forest Service surveyed the area in 1955 and established boundary markers.

## REVOLVING FUND FOR SUBSCRIPTIONS TO CAPITAL STOCK OF BANKS FOR COOPERATIVES

The bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives was considered, ordered to a third reading, read the third time, and passed.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1572), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill reduces the revolving fund available for subscription to the capital stock of the banks for cooperatives to $150 million from the current level of about $186 million. The difference would be covered into the Treasury as miscellaneous receipts. About $107 million of the fund is currently invested in the banks for cooperatives.

The report of the House Committee on Agriculture is attached.

[H. Rept. 1633, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

### PURPOSE

The purpose of this bill is to reduce by approximately $36 million (to $150 million) the amount of money held in the revolving fund for the possible purchase of stock in the banks for cooperatives and to return this amount to miscellaneous receipts of the Treasury.

The fund was established in 1929 with an authorized amount of $500 million for the purposes of the Federal Farm Board. When the affairs of that Board were wound up in 1933, administration of the fund passed to the Farm Credit Administration to be used, whenever necessary, for the purchase of stock in the banks for cooperatives. As these banks gradually become more largely self-financing, demands on the revolving fund have become smaller, and the Farm Credit Administration now believes that the fund may safely be reduced to $150 million and the balance of approximately $36 million returned to the Treasury.

### JUSTIFICATION

The following statement by the Deputy Governor of the Farm Credit Administration at hearings on H.R. 10374 explains in some detail the justification for the legislation.

### STATEMENT OF GLENN E. HEITZ, DEPUTY GOVERNOR AND DIRECTOR OF COOPERATIVE BANK SERVICE, FARM CREDIT ADMINISTRATION, BEFORE THE SUBCOMMITTEE ON CONSERVATION AND CREDIT OF THE HOUSE COMMITTEE ON AGRICULTURE CONCERNING H.R. 10374

"The purpose of H.R. 10374 is to reduce the amount of the revolving fund in the Treasury which is available for the Governor of the Farm Credit Administration to purchase class A capital stock in the banks for cooperatives. This revolving fund originally was authorized and established at $500 million under section 6 of the Agricultural Marketing Act of 1929 for the purposes of the Federal Farm Board. By 1933 the affairs of that Board were being wound up, and the administration of the fund passed to the Farm Credit Administration. When the banks for cooperatives were established, also in 1933, what remained in the fund was made available for the purchase of capital stock in such banks. The cash available in the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled $185,918,743.10. This is the amount now in the fund and is the maximum amount ever made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, $35,918,743.10 of the cash in the fund would be credited to miscellaneous receipts of the Treasury, which would reduce the revolving fund to $150 million.

"At the present time $106,817,000 of the fund is invested in the capital stock of the banks for cooperatives. Each year since the Farm Credit Act of 1955, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund. These repayments and any other cash in the fund continue to be available for further subscriptions to the capital stock of the banks for cooperatives as the Governor may determine is required for the purpose of meeting the credit needs of eligible borrowers from the banks. The last use of the fund to purchase capital stock in a bank for cooperatives was during World War II to help finance the processing and distributing of food and fiber for the war effort.

"It may be helpful to review how the proposed reduction in the revolving fund may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law, the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures in an amount which, together with such capital and surplus, would give them loanable funds of approximately $3 billion. If the revolving fund is reduced by $35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately $2.7 billion. This amount is about four times the peak loans of $783 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is thought that reducing the revolving fund to $150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

"The Farm Credit Administration has recommended the enactment of H.R. 10374, and we hope that the committee will act favorably on it."

### COST

There would be no cost to the United States as the result of this legislation. On the contrary, some $36 million in the Treasury now tied up for a special purpose would be returned to general receipts.

## VETERANS' ADMINISTRATION REPORTS ON USE OF SURPLUS DAIRY PRODUCTS

The bill (H.R. 4083) to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products was considered, ordered to a third reading, read the third time, and passed.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1573), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill reduces the frequency of reports required from the Veterans' Administration as to the use of dairy products under section 202(a) of the Agricultural Act of 1949 from monthly to semiannually. This reporting requirement would then be uniform with that for reports by the Secretary of the Army contained in section 202(b) of the same act.

### PURPOSE

Under the provisions of section 202 of the Agricultural Act of 1949, the Commodity Credit Corporation is authorized to make surplus dairy products available to the Veterans' Administration and other designated Government departments. The Veterans' Administration is required to report monthly to the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate and to the Secretary of Agriculture the amount of surplus dairy products used. This bill would change the reporting requirement from a monthly period to every 6 months. The committee feels that a report every 6 months would meet its requirements.

### COST

There would be a slight reduction in administrative cost as the result of enactment of this bill.

### SHORT EXPLANATION OF H.R. 4083

Mr. ELLENDER subsequently said: Mr. President, this bill would reduce the frequency of reports required from the Veterans' Administration as to the use of dairy products under section 202(a) of the Agricultural Act of 1949. At present such reports are required to be made monthly. Under the bill they would not have to be more frequent than semiannual.

Section 202(a) of the 1949 act requires the Commodity Credit Corporation, as a means of increasing the utilization of dairy products, to make such products acquired under the price-support program available to the Administrator of Veterans' Affairs for use in Veterans' Administration hospitals. A similar provision in section 202(b) of the same act, providing for transfer of such products to the Department of Defense, provides for semiannual reports so that the bill would make these two subsections uniform.

In the 86th Congress the Senate passed S. 899, which would have completely repealed this reporting requirement. The House Committee on Government Operations recommended that the repeal of this provision be omitted from S. 899, but that consideration be given to reducing the frequency of the reports to a semiannual basis. The bill would complete the carrying out of that recommendation.

The bill was requested by the Veterans' Administration. It should result in some slight savings in cost, and there appears to be no need for such frequent reports as are now required.

## CONVEYANCE OF CERTAIN LAND TO CITY OF MOUNT SHASTA, CALIF.

The bill (H.R. 8434) to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif., was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1574), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill authorizes the sale of approximately 4.5 acres at appraised value to the city of Mount Shasta, Calif. The property is no longer needed by the Forest Service and is currently used by the city under permit for storage of machinery and equipment.

## USE OF CERTAIN PROPERTY FOR STATE FORESTRY WORK

The bill (H.R. 9736) to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1575), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill authorizes the Secretary of Agriculture to permit continued use by the States of property furnished to them under the Soil Bank Act program for the production of tree planting stock. The property would have to be used for State programs furthering related Federal programs.

The report of the House Committee on Agriculture is attached. The amendments recommended by the House Committee on Agriculture were adopted.

### PURPOSE

The purpose of this bill is to permit States which have been cooperating with the Federal Government in the production of forest tree seedlings for planting on conservation reserve land to continue to use the facilities, materials, equipment, and improvements provided cooperatively by the Federal Government for the production of such seedlings, in producing seedlings which will be needed to attain the objectives of other related programs.

### NEED FOR THE LEGISLATION

When the conservation reserve program was inaugurated in 1956, it was immediately realized that there were not adequate nursery facilities for the production of the forest tree seedlings which would be required in the reforestation aspects of the soil bank program. Accordingly, the Federal Government entered into cooperative agreements with the several States (which were already producing forest tree seedlings cooperatively under the Clarke-McNary Act) for the development and operation of additional nurseries for the production of such seedlings. The period for the contracting of acreage under the conservation reserve program has now expired, but there is a continuing need for forest tree seedlings for use in connection with related Federal programs and for reforestation activities generally. This bill would permit the nurseries which have been established to continue to be used for this purpose.

### COST

There would be no additional cost to the Federal Government as the result of the enactment of this bill. The facilities to be transferred to the States are already in existence and have been paid for out of previous appropriations. The total residual value of these facilities has recently been appraised at $4.4 million.

## SONS OF THE AMERICAN LEGION BADGES

The bill (H.R. 11032) granting a renewal of patent No. 92,187 relating to the badges of the Sons of the American Legion was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1580), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

### PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 92,187 relating to the badge of the Sons of the American Legion for a period of 14 years from the date of enactment of this act.

### STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3084, recommends enactment of this legislation.

On May 8, 1934, a design patent No. 92,187 was granted for the protection of the emblem and insignia of the Sons of the American Legion. After the 14-year statutory period, it expired May 8, 1948. Such design patent was renewed by act of Congress on June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

## AMERICAN LEGION AUXILIARY BADGES

The bill (H.R. 11033) granting a renewal of patent No. 55,398 relating to the badges of the American Legion Auxiliary was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1581), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

### PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 55,398 relating to the badge of the American Legion Auxiliary for a period of 14 years from the date of enactment of this act.

### STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3083, recommends enactment of this legislation.

On June 1, 1920, a design patent No. 55,398 was granted for the protection of the emblem and insignia of the American Legion Auxiliary. After the 14-year statutory period, it expired June 1, 1934. Such design patent was renewed by act of Congress on August 2, 1935, and June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

## AMERICAN LEGION BADGE

The bill (H.R. 11034) granting a renewal of patent No. 54,296 relating to the badge of the American Legion was considered, ordered to a third reading, read the third time, and passed.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1582), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

### PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 54,296 relating to the badge of the American Legion for a period of 14 years from the date of enactment of this act.

### STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3082, recommends enactment of this legislation.

On December 9, 1919, a design patent No. 54,296 was granted for the protection of the emblem and insignia of the American Legion. After the 14-year statutory period, it expired December 9, 1933. Such design patent was renewed by act of Congress on August 2, 1935, and June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

## EXTENSION OF AUTOMOBILE INFORMATION DISCLOSURE ACT

The Senate proceeded to consider the bill (S. 678) to extend the Automobile Information Disclosure Act to Guam and the Virgin Islands which had been reported from the Committee on Commerce, with an amendment to strike out all after the enacting clause and insert:

That section 2 of the Automobile Information Disclosure Act (72 Stat. 325) is amended by revising subsection (h) and by adding a new subsection (i) as follows:

"(h) The term 'commerce' means commerce between any State and any point outside thereof, commerce between points within the same State but through any point outside thereof, and commerce within the District of Columbia.

"(i) The term 'State' includes the several States, the Commonwealth of Puerto Rico, the District of Columbia, the Virgin Islands, and Guam."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1583), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The bill, as amended by your committee, would extend the coverage of the act of July 7, 1958 (Public Law 85–506) entitled "the Automobile Information Disclosure Act," so that it would apply to the Virgin Islands, and Guam, and would clarify its application to the Commonwealth of Puerto Rico. It should be clearly understood that the act would apply to commerce with these places, but not to intraterritorial commerce.

### BACKGROUND

On February 5, 1946, the chairman of your committee appointed a special subcommittee to study automobile marketing practices in the United States. Under the chairmanship of Senator Monroney, this subcommittee made an exhaustive study of many facets of the automobile business, including dealer-factory relationships, and automobile insurance. S. 3500 of the 85th Congress was a direct result of this investigation and it became Public Law 85–506.

Under the Automobile Information Disclosure Act, every new automobile distributed in commerce must have affixed to it a label disclosing the following information:

(a) The make, model, and serial or identification number or numbers;

(b) The final assembly point;

(c) The name and the location of the place of business, of the dealer to whom it is to be delivered;

(d) The name of the city or town at which it is to be delivered to such dealer;

(e) The method of transportation used in making delivery of such automobile, if driven or towed from final assembly point to place of delivery; and

(f) The following information:

(1) The retail price of such automobile suggested by the manufacturer;

(2) The retail delivered price suggested by the manufacturer for each accessory or item of optional equipment, physically attached to such automobile at the time of its delivery to such dealer, which is not included within the price of such automobile as stated pursuant to paragraph (1);

(3) The amount charged, if any, to such dealer for the transportation of such automobile to the location at which it is delivered to such dealer;

(4) The total of the amounts specified pursuant to paragraphs (1), (2), and (3).

Failure to do so, or falsely doing so, subjects a manufacturer of automobiles to a fine not to exceed $1,000, and such failure or falsification with respect to each automobile is a separate offense.

Persons who willfully remove, alter, or render illegible such labels prior to the time the new car is delivered to the actual custody and possession of the ultimate purchaser are subject to a fine up to $1,000 or to imprisonment for not more than 1 year, or both.

Your committee believes this statute has proven itself since enactment, and has resulted in protection to the consumer in that he knows what he is purchasing and for how much, and to the dealer since the buying public now has an easy way to compare prices.

### NEED FOR THE BILL

The U.S. Department of the Interior suggested the extension of the 1958 act to Guam and the Virgin Islands, and suggested the act would be just as beneficial to the inhabitants of those places as it has proven to be in the United States. With respect to the Commonwealth of Puerto Rico, the change will make it clear the act applies to commerce with Puerto Rico but not to commerce within the Commonwealth. Your committee is informed the Resident Commissioner from Puerto Rico concurs in the amendment.

## FILLING OF VACANCY IN BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 192) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, be filled by the appointment of William A. M. Burden, a citizen of New York, for the statutory term of six years, to succeed Arthur H. Compton, deceased.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1586), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Title 20, section 42, United States Code, provides in relation to the Institution's Board of Regents that in addition to the Vice President and the Chief Justice of the United States, and Members of Congress, the Board shall be composed of "six other persons, other than Members of Congress, two of whom shall be resident in the city of Washington; and the other four shall be inhabitants of some State, but no two of them of the same State."

Mr. Burden's appointment is within the classification of Citizen Regents who are residents of a State.

A letter in support of Senate Joint Resolution 192 addressed to Senator Mike Mansfield, chairman of the Committee on Rules and Administration, by Dr. Leonard Carmichael, Secretary of the Smithsonian Institution, with accompanying biography of Mr. Burden, is as follows:

Smithsonian Institution,
*Washington, D.C., May 31, 1962.*

Hon. Mike Mansfield,
*Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.*

Dear Senator Mansfield: Thank you very much indeed for your letter of May 29, 1962, and for the appended copy of Senate Joint Resolution 192, which was introduced in the Senate on May 28 (legislative day, May 25), 1962, by Senator Anderson for himself and Senator Saltonstall, providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

At the recent meeting of the Board of Regents of the Smithsonian Institution, held on May 18, 1962, in compliance with long-standing custom, the names of individuals who might be recommended for membership on the Board were considered with great care, and Mr. Burden was unanimously, and I may say enthusiastically, recommended. The following Members of the Senate were present as regents at this meeting: Senator Clinton P. Anderson, of New Mexico, and Senator Leverett Saltonstall, of Massachusetts.

You asked for a brief biography of Mr. Burden, and I am enclosing a copy of his biographical statement from "Who's Who in America."

Please let me know if I can provide you with any further information concerning this matter.

Sincerely yours,
Leonard Carmichael,
*Secretary.*

## REVISION OF LAWS RELATING TO DEPOSITORY LIBRARIES

The Senate proceeded to consider the bill (H.R. 8141) to revise the laws relating to depository libraries which had been reported from the Committee on Rules and Administration, with amendments, on page 1, line 4, after the word "of", to strike out "1961" and insert "1962"; on page 2, line 21, after the word "as", to strike out "may have been designated by each of the Senators from the several States, respectively, and as"; in line 23, after the word "designated", to insert "by each of the Senators from the several States"; in line 25, after, the word "large", to strike out "and", in the same line, after the word "by", to strike out "the Delegate from each Territory, or"; on page 3 line 2, after the name "Puerto Rico", to insert a comma and "by the Board of Commissioners of the District of Columbia, and by the Governors of Guam, American Samoa, and the Virgin Islands, respectively"; in line 8, after the word "that", to strike out "a total of not more than two such libraries, other than those specifically designated by law, which are qualified to fulfill minimum requirements as provided by law for depository libraries, may be designated within each area" and insert "the total number of libraries designated by Representatives or the Resident Commissioner from Puerto Rico, as the case may be, shall not exceed two within each area, and (2) additional libraries within any State may be designated by each of the Senators from such State to the extent that the libraries within such State designated by Senators shall not exceed two designated by a Senator of each class"; in line 19, after the word "a", to insert "State"; in line 22, after the word "his", to insert "Senator"; on page 4, line 9, after the word "the", where it appears the first time, to insert "Senator"; in line 10, after the word "be.", to insert "Nothwithstanding any other provision of this section, the Board of Commissioners of the District of Columbia may designate two depository libraries in the District of Columbia, the Governor of Guam and the Governor of American Samoa may each designate one depository library in Guam and American Samoa, respectively, and the Governor of the Virgin Islands may designate one depository library on the island of Saint Thomas and one on the island of Saint Croix."; on page 5, line 12, after the word "any", to strike out "one of not more than two depository libraries, other than those specifically designated by law, within a congressional district or the Commonwealth of Puerto Rico may be made" and insert "depository library, other than a depository library specifically designated by law, may be made only within the limitations on total numbers specified in section 501 of the Revised Statutes (44 U.S.C. 82), as amended, and"; on page 6, line 11, after the word "shall", to strike out "at no time exceed the number authorized under existing statute" and insert "not be restricted by any existing statutory limitation: Provided further,"; on page 7, line 17, after the word "by", to strike out "Representatives or" and insert "Senators, Representatives,"; in line 18, after the name "Puerto Rico", to insert "the Board of Commissioners of the District of Columbia, or the Governors of Guam, American Samoa, or the Virgin Islands"; on page 8, at the beginning of line 15, to insert "(or (1) in the case of a library designated by a Senator, the Senator who made such designation or any successor of such Senator, (2) in the case of a library in the District of Columbia, the Board of Commissioners of the District of Columbia, and (3) in the case of a library in Guam, American Samoa, or the Virgin Islands, the Governor)"; in line 24, after the word "within", to strike out "each" and insert "the State,"; on page 9, line 1, after the word "district", to insert "territory,"; in line 2, after the name "Puerto Rico", to insert a comma and "as the case may be"; in line 8, after the word "Academy", to strike out "and"; in line 9, after the word "Academy", to insert "of the United States Coast Guard Academy, and of the United States Merchant Marine Academy; in line 11, after the word "Government", to strike out "publication" and insert "publications"; on page 10, line 20, after the word "of", to strike out "1961" and insert "1962"; on page 11, line 9, after the word "depository", to strike out "libraries; and in addition shall be entitled to receive a microfacsimile copy of these Government publications which the Superintendent of Documents determines to be suitable for such form of reproduction and which can be furnished by him within the limit of available appropriations" and insert "libraries"; on page 12, after line 12, to insert a new section, as follows:

Sec. 10. The Joint Committee on Printing shall have the power to adopt and employ such measures as, in its discretion, may be deemed necessary and practical for the implementation of the provisions of this Act.

And, after line 16, to insert a new section, as follows:

Sec. 11. The Act entitled "An Act to make the United States Coast Guard Academy library a public depository for Government publications", approved August 5, 1939 (53 Stat. 1209; 44 U.S.C. 87a), is hereby repealed.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. JORDAN. Mr. President, on June 13, 1962, H.R. 8141, an act to revise the laws relating to depository libraries, was reported favorably with amendments to the Senate by the Committee on Rules and Administration. The bill passed the House of Representatives on August 22, 1961, and was referred to the Committee on Rules and Administration the following day.

On September 6, 1961, the bill was referred by the full committee to its Subcommittee on the Library, consisting of Senator Mike Mansfield, Senator Everett McKinley Dirksen, and myself. At this point may I state that I consider it a high honor and a rare privilege to be the chairman of a subcommittee whose only other members are the distinguished majority leader and the distinguished minority leader.

On March 15 and 16, 1962, the Subcommittee on the Library held hearings on H.R. 8141 and S. 2029, a companion bill introduced by Senator Frank J. Lausche on June 7, 1961. As a result of those hearings, which were extremely beneficial and productive, the subcommittee reported H.R. 8141 favorably with amendments to the full committee. I am pleased to state that the subcommittee report was unanimous, and that the Committee on Rules and Administration without dissenting vote ordered H.R. 8141 reported favorably with amendments to the Senate.

Mr. President I ask unanimous consent to insert in the Record at this point a summary analysis of H.R. 8141 and the amendments proposed thereto.

There being no objection, the summary analysis was ordered to be printed in the Record, as follows:

### Summary Analysis of H.R. 8141

(An act to amend the laws relating to depository libraries)

### THE DEPOSITORY-LIBRARY SYSTEM

The depository-library system is a long-established cooperative program between the Federal Government and designated major libraries throughout the United States under which certain classes of Government publications are supplied free of cost to those libraries for the purpose of making such publications more readily accessible to the American public. The program is administered by the Superintendent of Documents.

### *Number of depository libraries*

There are currently 594 designated depository libraries out of a maximum possible 720, leaving 126 vacancies (104 congressional, 12 senatorial, and the balance State, territorial, and land-grant).

### *Categories of depository libraries*

Depository libraries are either specifically designated by law: All State libraries; all land-grant college libraries; libraries of the executive departments; and service academy libraries, or, as designated by Members of Congress, one library in each congressional district by the Representative from that district, and one library in any part of his State by each Senator.

### *Government publications available to depositories*

Each depository may receive one copy of each Government publication printed by the Government Printing Office which is not confidential or for official use only. The publications of the Government's 352 subsidiary printing plants are not available to depositories.

Depositories may select only those publications they desire, but must retain them permanently. Such libraries receive an average of 12,000 items annually, requiring over 100 feet of shelf space.

### INADEQUACIES OF THE PRESENT SYSTEM

While the present depository library system is a smoothly operating program which fills a vital role in the dissemination of public information to the American citizenry, its functions are circumscribed by obsolete statutory limitations which in recent years have made it difficult if not impossible for the system to keep pace with the development and increased needs of the Nation.

#### *Need for additional depositories*

The most critical problem is the need for additional depositories. One hundred years ago the limitation of one congressional designation for each congressional district was no doubt reasonable and practical. Today, due to general population growth and the increasing shifts of population toward urban areas, such a limitation is unrealistic.

Disparity in population among congressional district: Since congressional districts now range in population from a low of 177,431 (12th Michigan) to a high of 1,014,461 (28th California), the original principle of one depository library for each district has now become inequitable and extremely unrealistic.

Limitation on publications available to depository libraries: Second only to the need for additional depository libraries is the need for expanded availability of Government publications to such depositories. Under present law selection by the depositories may be made only from documents actually printed at the Government Printing Office.

GPO unable to produce all Government printing: The Government Printing Office was originally designed to produce the printed materials needed by Congress. It was later expanded to accommodate the printing requirements of all branches of Government. For several years, however, it has been physically impossible for GPO to meet those requirements. As a practical solution to this very pressing problem the Joint Committee on Printing has authorized certain departments and agencies of the Government to establish subsidiary printing plants to produce certain of their necessary printed materials.

Quantity of non-GPO-printed publications: There are 352 subsidiary Government printing plants in the United States and throughout the world. The best estimate obtainable by the subcommittee indicates that slightly less than half of the Government printing is produced by GPO and slightly more than half is produced in the subsidiary plants.

The arbitrary division of Government publications: For several years librarians throughout the United States have been contending that the necessary division of Government publications into GPO-printed and non-GPO-printed publications has placed an arbitrary limitation on their natural desire to make all valuable and useful Government publications readily available to the public through the depository library system.

Documents expediter: At the instigation of the American Library Association and with the cooperation of the Librarian of Congress, there has been established within the Library of Congress a documents expediter for the express purpose of obtaining for the subscriber libraries copies of non-GPO-printed Government publications which they consider desirable and necessary for their proper functioning, and which are not available to them through the regular depository system. The fact that such libraries expend from $175 to $525 annually for the support of this cooperative endeavor would certainly seem to justify the contention that at least part of the product of the Government's subsidiary printing plants is of the type desired by and which should be made available to depository libraries.

### THE PURPOSES OF H.R. 8141

A summary of the most important changes in the depository-library system contemplated by H.R. 8141 follows:

#### *Availability of Government publications to depository libraries*

Under present law depository libraries may select only from publications physically printed at the Government Printing Office or contracted for by that agency. H.R. 8141 would make available all Government publications (GPO-printed and non-GPO-printed), except those determined by their issuing components as—

1. Required for official use only;
2. Strictly administrative or operational in nature; and
3. Classified for reasons of national security.

#### *Designation of additional depositories*

Existing law permits the designation of one depository library by Senators, Representatives, and the Resident Commissioner from Puerto Rico if none has been so designated within the area served by each. H.R. 8141 would permit Representatives and the Resident Commissioner from Puerto Rico to designate additional depositories within the areas they serve to the extent that a total of not more than two congressional designated libraries could be so designated.

#### *Certification of need for new depositories*

H.R. 8141 contains a provision that the need for additional depositories must be certified by the heads of the existing depository libraries within the congressional district or by the head of the library authority of the State.

#### *Transportation costs of publications sent to depository libraries*

In view of the service they perform to the Government in making its documents and publications available to the public, depository libraries have continuously registered opposition to the requirement that they pay the postage on depository items sent to them by the Superintendent of Documents. H.R. 8141 would provide that the Government assume this cost (estimated for 1962 as $55,879.61).

#### *Cost of non-GPO-printed publications supplied to depository libraries*

The cost of the publications presently supplied to depository libraries is borne by the appropriation of the Superintendent of Documents. The cost of the non-GPO-printed publicatons to be supplied to depositories pursuant to H.R. 8141 would be borne by the issuing components.

#### *Depositories within the Federal Government*

Pursuant to present law the libraries of the 10 executive departments are designated depositories. H.R. 8141 would provide additional depository libraries within the Federal Government as follows: Each independent agency and each major division within an executive department or independent agency may receive depository status upon the certification of need for the designation by the head of such department or agency.

#### *Regional depositories*

An important innovation proposed by H.R. 8141 is the authorization for not to exceed two regional depository libraries in each State to be designated by Senators. This provision would not affect the overall size of the depository-library system since regional depository libraries would be designated from among already existing regular depositories.

Regional depositories would have to accept and retain all Government publications made available to depositories, and would have to agree to provide interlibrary loan, reference service, and assistance to the regular depositories in the disposition of unwanted Government publications.

#### *Microfacsimile provision*

Regional depository libraries would be entitled to receive from the Superintendent of Documents microfacsimile copies of certain classes of documents which he deemed suitable for such reproduction and for which purpose he had obtained sufficient appropriations.

### PURPOSES OF THE SUBCOMMITTEE AMENDMENTS

A summary of the most important subcommittee amendments follows:

#### *Additional senatorial designations*

It is recommended by the Subcommittee on the Library that H.R. 8141 be amended to provide that Members of the Senate may make additional depository library designations "to the extent that the libraries within such State designated by Senators shall not exceed two designated by a Senator of each class." Present law permits one such designation for each Senator. Since 88 senatorial designations have been made, with 12 vacancies, the total available senatorial designations would be 112.

This amendment would give Members of the Senate participation in designating depositories on a basis consistent with the original formula, and would enable various deserving libraries not eligible under the terms of H.R. 8141 to become designated as depositories.

#### *Additional depositories within the District of Columbia and the unincorporated territories*

The subcommittee has adopted amendments which would extend the benefits of the depository library system in the District of Columbia (two designations) and to the unincorporated territories of Guam (one), American Samoa (one), and the Virgin Islands (two).

#### *Service academies as depositories*

All service academies (West Point, Annapolis, etc.), except the Merchant Marine Academy have been designated depositories by prior law. A subcommittee amendment would make the latter also eligible for designation.

#### *Microfacsimile provision*

The subcommittee has deemed it advisable to eliminate from H.R. 8141 the provision that regional depositories receive from the Superintendent of Documents microfacsimile copies of certain classes of publications. This is a function for which GPO does not have the facilities and experience. Moreover, libraries can and do obtain such a service from a private establishment (Readex). Hence, the subcommittee feels that the additional expenditure—approximately $200,000 annually—for this provision is not justified, at least at this time.

#### *Function of the Joint Committee on Printing*

While the subcommittee feels that the agencies of Government would make every effort to cooperate with the Superintendent of Documents in accomplishing the full purposes of the bill within a reasonable time, it has thought it advisable to amend H.R. 8141 to grant to the Joint Committee on Printing standby powers to adopt and employ such measures as, in its discretion, may be deemed necessary and practical for the implementation of the act.

### ESTIMATED COST OF H.R. 8141

#### *Cost of the present depository library system for fiscal year 1962*

During fiscal year 1962 the present 594 depository libraries will require an expenditure of $829,285, or an average of $1,396 per depository. Of that total, $629,000 will be expended for the cost of printing the publications ($1,059 per depository) and $200,285 will be expended for distribution costs ($337 per depository).

### *Estimated additional costs required by H.R. 8141 during first year*

If H.R. 8141 is enacted into law, the first-year cost of the depository-library system will be increased approximately $526,693. The estimated first-year cost is predicated on the assumption, considered reasonable, that no more than 100 new depository libraries would be established during the first year after enactment of H.R. 8141.

### *Additional cost in succeeding years*

The probable increased cost in subsequent years would depend principally on the number of new depositories which would be added to the system at an estimated annual cost of $2,000 per depository.

### *Maximum possible number of depositories*

H.R. 8141 would increase the maximum possible depository designations from 720 to 1,321. In the judgment of the subcommittee it is likely that not more than half (300) of the additonal 601 designations would eventually be utilized. This excess in designations results from the fact that congressional districts vary in population from approximately 200,000 to 1 million.

### *Additional costs to components of the Government*

The above estimates apply to appropriations to the Superintendent of Documents for the direct administration of the depository-library system. H.R. 8141 would also impose an additional cost on the agencies of the Government which would produce and send to the Superintendent of Documents non-GPO-printed materials destined for depository libraries. This additional cost could range from $200,000 to $1 million annually depending upon the amount of the product of the departmental and field printing plants which would be requested by depository libraries.

### *Possible mitigating factors in the cost estimates*

The above estimates, it should be noted, are maximum estimates. Any of the following factors could tend to reduce the overall stated cost of the proposed revision of the depository-library system:

1. A lesser number of new depositories;
2. Requests by depositories for a quantity of non-GPO-printed publications less than the quantity of GPO-printed publications they now receive; and
3. The establishment of regional depositories in a substantial number of States, enabling the regular depositories to select less material.

Also, a substantial portion of the cost to the agencies of the Government supplying additional material for depositories would be offset by the fact that newly created depositories within those agencies could receive all items available to depositories free of cost.

## CONTINUATION OF TEMPORARY SUSPENSION OF DUTY ON AMORPHOUS GRAPHITE

The bill (H.R. 10986) to continue for a temporary period the existing suspension of duty on certain amorphous graphite was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1591), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

#### PURPOSE

The purpose of H.R. 10986 is to continue the present suspension of the duties on amorphous graphite or plumbago (crude or refined) valued at $50 per ton or less, for the period from May 14, 1962, through June 30, 1964.

#### GENERAL STATEMENT

Natural graphite (plumbago) is a soft, black mineral occurring in disseminated flakes or in scaly, granular, compact, or earthy masses. The term "crystalline graphite" or "flake graphite" refers to varieties that occur in crystals large enough to be visible to the unaided eye. The type covered by H.R. 10986 is a very fine granular variety which is actually cryptocrystalline or featuring particles so fine that they are not recognizable individually except under a high-power microscope.

Amorphous graphite or plumbago, crude or refined, and regardless of value, was made dutiable in paragraph 213 of the Tariff Act of 1930, as originally enacted, at the rate of 10 percent ad valorem. The duty was reduced to 5 percent ad valorem pursuant to a bilateral trade agreement with the United Kingdom, effective January 1, 1939, and the reduced rate was bound against increase in a bilateral trade agreement with Mexico effective January 30, 1943. The reduced rate of 5 percent ad valorem was again bound against increase in the General Agreement on Tariffs and Trade, effective January 1, 1948. These concessions extended to both the natural and artificial product, both of which are classified under paragraph 213. Effective September 10, 1955, the duty on the natural product was further reduced to 2½ percent ad valorem, pursuant to a further concession. The duty on the artificial product was not further reduced and remains 5 percent ad valorem.

Amorphous graphite is a mineral which has a wide variety of uses. For example, it is used for foundry facings and in the manufacture of carbon brushes, dry-cell batteries, pencils and paints, lubricants, and brush stock for electric motors.

The United States has long been dependent on imports for nearly all of its requirements of natural amorphous graphite. Domestic production supplies only a negligible part of the domestic consumption, probably about 1 percent of the total, and this consists chiefly of the lower grades. There is a large domestic production of the artificial amorphous graphite which has supplied nearly all of the domestic requirements.

In recent years Mexico has supplied about 80 percent of the total quantity of natural amorphous graphite imported into the United States. Most of the remainder came from Ceylon, Hong Kong, Norway, and West Germany. The imports of the natural products, originating in Ceylon, consist generally of high-grade or high-quality material which is suitable for certain strategic items required by the U.S. Air Force.

Favorable reports on this legislation came from the Departments of State, Treasury, Commerce, and Labor, as well as an informative report from the U.S. Tariff Commission. The Department of Labor reported that, according to the most recent information received, the duty-free importation of amorphous graphite, under the terms of the present suspension of the duties thereon, has not adversely affected domestic employment.

## RELIEF OF OWNERS OF ABUTTING PROPERTY FROM CERTAIN ASSESSMENTS IN THE DISTRICT OF COLUMBIA

The bill (S. 3315) to relieve owners of abutting property from certain assessments in connection with the repair of alleys and sidewalks in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all right, title, interest, and control in and to the land heretofore held by the Government of the District of Columbia for the opening of an avenue along Foundry Branch, now named the Glover-Archbold Parkway and formerly known as Arizona Avenue, shown on the plat recorded by the surveyor, District of Columbia, May 3, 1893, in book county 9, page 48, titled "Avenue Along Foundry Branch From Loughboro Road to Canal Road, District of Columbia, March 1893" which lies between Canal Road and the present Upton Street (not shown on said plat) Northwest Washington, District of Columbia, together with that unimproved portion of P Street Northwest, extending from the westerly edge of said avenue to the westerly boundary of the Archbold Parkway, is hereby transferred to the United States to be a part of the park system of the National Capital and its environs. This land is hereby added to and shall hereafter be known as a part of the Archbold Parkway, the Glover Parkway, and Children's Playground, respectively, and shall be administered, protected, developed, and maintained by the Secretary of the Interior through the National Park Service, in accordance with the provisions of the Act of Congress approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1596), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

The purpose of this bill is to obviate the requirement that assessments, equivalent to one-half the total cost of the work of repairing alleys or sidewalks, be levied against butting property in cases where the damage results from the growth of the roots of trees which are on public space. The bill also provides that property owners shall not be required to pay when the repair to the sidewalks or alleys is occasioned by the widening of streets, broken water mains, and other occurrences beyond the control of the property owners. The District of Columbia has always planted and maintained trees in connection with street development; however, the inevitable result of such planting is the disturbance of adjacent sidewalks and, to a lesser extent, alleys, by the growth of tree roots.

Since this damage is caused by trees planted and/or maintained by the District in public space, the Commissioners do not consider it equitable that the abutting property owners be assessed for repair or replacement caused by such trees. Although the major portion of the cases involved are a direct result of tree growth it is also considered desirable to include a provision in the bill to cover other causes beyond the control of the abutting property owners where it is not considered equitable to assess the individuals involved.

The Commissioners of the District of Columbia strongly recommend enactment of this legislation, and have indicated that the beauty and attractive features of the trees involved far outweigh the sidewalk damage caused by these trees and the cost of repair or replacement is a relatively small price to pay for the beautification of the city. The Nation's Capital ranks very high in this respect with other comparable cities in this country and throughout the world.

## EXEMPTION FROM TAXATION OF CERTAIN PROPERTY OF THE AMERICAN WAR MOTHERS, INC.

The bill (S. 2139) to exempt from taxation certain property of the American War Mothers, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the real estate described as lots numbered 837 and 838 in square numbered 2205, situated at 2615 Woodley Place Northwest, in the city of Washington, District of Columbia, owned by the American War Mothers, Incorporated, is hereby exempt from all taxation so long as the same is owned and occupied by the American War Mothers, Incorporated, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1091; D.C. Code, secs. 47-801b, 47-801c, and 47-801e).

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1597), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to exempt from all taxation lots Nos. 837 and 838 in square No. 2205, situated at 2615 Woodley Place NW., in the city of Washington, D.C., owned by the American War Mothers, Inc., so long as the same is owned and occupied by the aforementioned corporation, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1091; D.C. Code, secs. 47-801b, 47-801c, and 47-801e).

## LEASE OF CERTAIN SPACE IN THE DISTRICT OF COLUMBIA FOR PUBLIC PARKING

The bill (S. 3359) to authorize the Commissioners of the District of Columbia to lease certain public space under and in the vicinity of 10th Street SW., for public parking was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Board of Commissioners of the District of Columbia are hereby authorized and empowered to exercise all powers necessary and convenient to provide for the leasing out of certain public space below the surface, and in line of, Tenth Street Southwest, south of D Street, together with certain public space below the surface lying to the east of Tenth Street, all as more particularly located and described on map S.O. numbered 8673, filed in the office of the surveyor of the District of Columbia, and bearing the date March 29, 1962, for the purpose of constructing in all or part of such public space a public facility for the parking of motor vehicles.

SEC. 2. The Commissioners shall, in leasing out the public space referred to in the first section of this Act, observe each and every term, condition, and provision relating to the leasing of publicly owned property for parking facilities and to the operation of, and regulation of rates charged for such parking facilities, as set forth in paragraph (f) of section 3 of the Motor Vehicle Parking Facility Act of 1942, as amended (sec. 40-804(f), D.C. Code, 1961 edition).

SEC. 3. Appropriations to carry out the purposes of this Act, payable from the special account in the highway fund which special account was created by section 7 of the District of Columbia Motor Vehicle Parking Facility Act of 1942, as amended by section 601 of the Act approved March 2, 1962 (76 Stat. 18), are hereby authorized.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1598), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to authorize the Board of Commissioners of the District of Columbia to lease space under 10th Street SW., south of D Street, together with public space below the surface lying to the east of 10th Street, to a private parking lot operator for the construction of a parking garage at the expense of the lessee.

Preliminary planning indicates that the facility will cost the private operator approximately $5 million and upon completion will accommodate a minimum of 2,000 motor vehicles.

The first section of the bill authorizes the leasing of the space for use as a parking facility to be available to the general public.

Section 2 of the bill incorporates by reference the provisions of paragraph (f) of section 3 of the Motor Vehicle Parking Facility Act of 1942. The effect is to require, among other things, that any lease of the aforementioned public space be awarded on a competitive basis; and be made for a period not exceeding 50 years; stipulate that the lessee shall at his or its expense construct in such space a structure or structures conforming to plans and specifications approved by the Commissioners; that such structure or structures shall upon the termination of the lease become the property of the District of Columbia; and that the rates charged for the use of the parking facility be subject to regulation by the Commissioners, who shall fix such rates so that they will produce a fair return on the investment by the lessee, together with amortization of the investment within the term of the lease.

Section 3 authorizes appropriations to carry out the purposes of the act. The appropriations are payable from the special account in the highway fund created by the amendments of the Motor Vehicle Parking Facility Act of 1942 contained in the act of March 2, 1962. The purpose of this authorization is to make it possible to obtain funds with which to employ expert engineering consultants to advise the Commissioners with respect to the design of the facility to be constructed by the lessee of public space.

The approved urban renewal plan for the Southwest urban renewal area, project C, contemplates that the area described in the bill is to be used for the parking of motor vehicles. The Commissioners of the District of Columbia and the District of Columbia Redevelopment Land Agency feel that it is quite important that a parking facility for the use of the general public such as is contemplated by this legislation be provided for the service of occupants of and visitors to certain buildings which, under the urban renewal plan, Southwest urban renewal area, project C, are to be erected in the vicinity of the land referred to in the bill.

It is contemplated by this legislation, as indicated above, that a lessee of the space below the surface of 10th Street and other public space lying to the east of 10th Street will construct a parking facility of a substantial nature and at considerable cost. Undoubtedly the lessee will require financing for such construction. In view of the language contained in section 3(f) of the Motor Vehicle Parking Act of 1942 (sec. 40-804(f), D.C. Code, 1961 edition), as compared with section 3(b), (sec. 40-804(b), D.C. Code, 1961 edition), doubt exists that the authority contained in section 3(f) encompasses the use of property for public parking facilities to the same extent as is authorized in section 3(b). In the absence of legislation clearly authorizing the use of this space for a public parking facility, it is believed that there is little likelihood that the prospective lessee will be able to obtain the necessary financing.

The Commissioners of the District of Columbia recommend passage of this bill and its enactment will cost the District of Columbia approximately $25,000 for the engineering studies referred to in section 3 of the bill.

## INCORPORATION OF METROPOLITAN POLICE RELIEF ASSOCIATION OF THE DISTRICT OF COLUMBIA

The bill (S. 3063) to incorporate the Metropolitan Police Relief Association of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That Clarence H. Lutz, Francis Conley, Garland B. Waters, William G. Schenck, Lawrence D. Johnson, Anthony A. Cuozzo, Lester W. Hebbard, and Royce L. Givens are hereby created and declared to be a body corporate by the name of "Metropolitan Police Relief Association of the District of Columbia" (hereinafter in this Act referred to as the "corporation"), and by such name shall be known and have perpetual succession and the powers and limitations contained in this Act.

### COMPLETION OF ORGANIZATION

SEC. 2. The persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

### OBJECT AND PURPOSE OF CORPORATION

SEC. 3. The corporation shall not be conducted for profit but shall have as its object and purpose, upon the payment of specified amounts, the payment of death benefits with respect to (1) persons who are or have been officers or members of the Metropolitan Police force of the District of Columbia, (2) wives of persons who are or have been officers or members of the Metropolitan Police force of the District of Columbia, and (3) persons who are or have been employees of the District of Columbia assigned to the Metropolitan Police Department.

### CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to enter into contracts with those persons described in section 3 of this Act to pay death benefits not to exceed $1,500 with respect to such persons;

(2) to issue certificates of membership as evidence of the contracts referred to in paragraph (1);

(3) to collect specified amounts with respect to contracts for the payment of death benefits;

(4) to sue and be sued in any court of competent jurisdiction;

(5) to choose such officers, directors, managers, agents, and employees as the business of the corporation may require;

(6) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the provisions of this Act, the laws of the United States, and the laws in force in the District of Columbia for the management of its property and regulation of its affairs;

(7) to contract and be contracted with;

(8) to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the object and carrying into effect the purpose of the corporation subject to applicable provisions of law in force in the District of Columbia;

(9) to transfer, encumber, and convey real or personal property;

(10) to adopt, alter, and use a corporate seal;

(11) to borrow money for the purposes of the corporation, issue bonds therefor, and secure such bonds, subject to the laws of the United States, and the laws in force in the District of Columbia;

(12) to invest the funds of the corporation only in such securities as the United States District Court for the District of Columbia may approve, from time to time, for the investment of funds by fiduciaries operating under its jurisdiction; and

(13) to do any and all acts and things necessary and proper to carry out the object and purpose of the corporation.

### MEMBERSHIP; VOTING RIGHTS

SEC. 5. (a) Eligibility for membership in the corporation and the rights and privileges of members of the corporation shall, except as provided in this Act, be determined by the constitution and bylaws of the corporation.

(b) Only members of the corporation shall have the right to vote on matters submitted to a vote at meetings of members of the corporation. Each member of the corporation shall have only one vote with respect to matters submitted to a vote at meetings of members of the corporation.

### BOARD OF DIRECTORS; COMPOSITION, RESPONSIBILITIES

SEC. 6. (a) Upon enactment of this Act, the membership of the board of directors of the corporation shall consist of those persons named in the first section of this Act. Such persons shall remain on the board of directors of the corporation for a period of one year from the date of enactment of this Act.

(b) After one year from the date of enactment of this Act, the board of directors of the corporation shall be composed of (1) one officer or member from each precinct, bureau, and division of the Metropolitan Police force of the District of Columbia (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are assigned to the precinct, bureau, or division from which such officer or member is elected; (2) one member of the White House Police force (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are members of the White House Police force; and (3) one member of the Retired Men's Association of the Metropolitan Police Department (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are members of such association.

(c) The board of directors shall be the governing board of the corporation and shall be responsible for the general policies and program of the corporation. The board of directors may appoint from among its membership such committees as it may deem advisable to carry out the affairs of the corporation, including an executive committee and an investment committee.

(d) The board of directors shall make and adopt such bylaws for the conduct of the corporation as it may deem necessary and proper which are consistent with the terms of this Act.

### OFFICERS OF THE CORPORATION

SEC. 7. (a) The officers of the corporation shall be a chairman of the board of directors who shall also be the president of the corporation, a vice president, a secretary-treasurer, and an assistant secretary-treasurer. The duties of the officers of the corporation shall be as prescribed in the constitution and bylaws of the corporation.

(b) Before entering upon his duties as secretary-treasurer or as assistant secretary-treasurer, each such officer shall be required to give a good and sufficient surety bond to the corporation in the amount of $10,000, conditioned upon the faithful performance of his duties. For the purposes of this section the term "faithful performance of his duties" shall include the proper accounting for all funds and property received by reason of the position or employment of the individual so bonded and all duties and responsibilities imposed upon such individual by this Act and by the construction and bylaws of the corporation.

(c) The board of directors shall elect the officers of the corporation in such manner as may be prescribed by the constitution and bylaws of the corporation.

### USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director, except as payment of death benefits or as remuneration for services which remuneration for services must be approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation, and any officer who participates in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(c) No director or officer of the corporation shall receive any money or valuable thing for negotiating, procuring, recommending, or aiding in any purchase by or sale to the corporation of any property, or any loan from the corporation, nor be pecuniarily interested, either as principal, coprincipal, agent, or beneficiary, in any such purchase, sale, or loan, nor shall the financial obligation of any such director or officer be guaranteed by the corporation in any capacity: *Provided,* That nothing herein contained shall prevent any such director or officer from receiving a fee for serving on any committee that passes on the investments of the corporation.

### NONPOLITICAL NATURE OF CORPORATION

SEC. 9. The corporation, and its officers, directors, and duly appointed agents, as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

### LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for for the acts of its officers and agents when acting within the scope of their authority.

### CHARITABLE CORPORATION, NOT SUBJECT TO INSURANCE LAWS OF THE DISTRICT OF COLUMBIA

SEC. 11. The corporation created by this Act is declared to be a benevolent and charitable corporation, and all of the funds and property of such corporation shall be exempt from taxation, other than taxation on the property of the corporation. Such corporation shall not be subject to the laws regulating the business of insurance in the District of Columbia.

### BOOKS AND RECORDS; INSPECTION

SEC. 12. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any of the authority of the board of directors; and it shall also keep a record of the names of its members. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

### FILING WITH THE BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA

SEC. 13. (a) The corporation shall file, with the Board of Commissioners of the District of Columbia or an agent designated by the Board, a copy of its bylaws and copies of the forms of contracts to be offered to eligible persons.

(b) The accounts of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and the full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

(c) A report of such audits shall be made by the corporation to the Board of Commissioners of the District of Columbia or an agent designated by the Board not later than six months following the close of such fiscal year for which the audit is made. The report shall set forth the scope of the audit and shall include verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expenses, and (5) sources and application of funds. Such report shall also include a statement of the operations of the corporation for such fiscal year.

(d) If the Board of Commissioners of the District of Columbia or an agent designated by the Board for such purpose shall have reason to believe that the corporation is not complying with the provisions of this Act, or is being operated for profit, or is being fraudulently conducted, they shall cause to be instituted the necessary proceedings to require compliance with this Act, or to enjoin such improper conduct.

### TRANSFER OF CONTRACTS, OBLIGATIONS, AND ASSETS

SEC. 14. The corporation is authorized and empowered to take over, assume, and carry out all contracts, obligations, and assets of the corporation heretofore organized and now doing business in the District of Columbia under the name of the Metropolitan Police Relief Association of the District of Columbia, upon discharging or satisfactorily providing for the payment and discharge of all liability of such corporation and upon complying with all laws in force in the District of Columbia applicable thereto.

### AGENT IN DISTRICT OF COLUMBIA

SEC. 15. The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 16. The right to alter, amend, or repeal this Act is hereby expressly reserved.

## AMENDMENT OF THE ACT RELATING TO DISTRICT OF COLUMBIA HOSPITAL CENTER

The bill (S. 3350) to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center to extend the time during which appropriations may be made for the purposes of that act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 6 of the Act entitled "An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, to authorize the making of grants for hospital facilities to private agencies in the District of Columbia, to provide a basis for repayment to the Government by the Commissioners of the District of Columbia, and for other purposes", approved August 7, 1946, as amended, is further amended by striking out "1962" and inserting in lieu thereof "1963".

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1600), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to amend the Washington Hospital Center Act (August 7, 1946, as amended), so as to extend the time during which appropriations may be made under such act from June 30, 1962, to June 30, 1963.

The District of Columbia Department of Public Health, in cooperation with the Hospital Advisory Council, recently made a study and noted a demand in the District of Columbia for over 2,100 chronic and nursing home-type beds. As a step toward meeting this need, the Washington Hospital Center recently completed an initial planning study of long-term care hospital facilities. This study clearly establishes that there is need for a pilot project to develop a comprehensive system of care for hospitals specializing in treatement of chronic, convalescent, and rehabilitative patients.

This bill will preserve the Hospital Center Act as a possible vehicle for obtaining Federal aid in connection with the construction of such a convalescent and chronic disease hospital on the grounds of the Washington Hospital Center.

The Hospital Center Act (60 Stat. 896) authorizes appropriations for financing the construction of a hospital center and making of grants to private agencies for designing, constructing, and otherwise providing or improving private hospital facilities in the District of Columbia. Under the formula for grant authorization, the recipient hospital must match the total grant on a dollar-for-dollar basis. Of the total grant, the District of Columbia, under the act, is obligated to pay 30 percent and the Federal Government 70 percent.

Without prejudice to the merits of the proposed pilot project, the Department of Health, Education, and Welfare opposes the bill on the ground that the Washington Hospital Center Act is not the appropriate financial approach to the project. However, the committee is of the opinion that the decision of allowing the Hospital Center Act to expire should await the study and report of the newly formed Metropolitan Washington Health Facilities Planning Council; and, therefore, recommends enactment of this measure.

## AMENDMENT OF THE LIFE INSURANCE ACT OF THE DISTRICT OF COLUMBIA

The bill (S. 2977) to amend the Life Insurance Act of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That clause (a) of the proviso in the first sentence of section 11 of chapter V of the Life Insurance Act, as amended (D.C. Code 35–711), is amended to read as follows:

"(a) That provisions (6) to (10), inclusive, shall not apply to policies issued to a creditor to insure debtors of such creditor, or to policies issued pursuant to section 10(8) of this chapter;".

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1601), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to amend the Life Insurance Act of the District of Columbia so as to exempt policies of group life insurance issued to credit unions from the requirement of the Life Insurance Act that such policies contain certain standard provisions, which require generally that policies have provisions for payment of insurance to a beneficiary designated by the insured; that certificates be issued to each person insured, and that the insurance be convertible into individual policies under certain circumstances.

Credit unions were authorized to provide group life insurance to their members by the 1961 amendments to section 10 of the Life Insurance Act of the District of Columbia (Public Law 87–249). It is felt that policies issued to credit unions should be exempted from these provisions because their inclusion in this type of policy is not necessary and adds to the cost of the insurance. For example, the requirement that the beneficiary be designated in the policy is not necessary since the credit union adds the death benefit to the credit union member's account which is payable to the persons designated by the member. Also, it is not necessary that each member of the credit union receive a certificate of insurance since each member receives all necessary information about the policy upon joining the credit union. Furthermore, it was never intended that group life insurance policies issued by credit unions be convertible to individual policies. Insurance companies in the District of Columbia do not issue individual insurance policies for amounts of less than $1,000. Yet, under present law conversion privileges must be provided even in cases where amounts of less than $1,000 are involved.

The Superintendent of Insurance of the District of Columbia is of the opinion that the bill is desirable legislation.

## TRANSFER OF CERTAIN LAND IN THE DISTRICT OF COLUMBIA TO SECRETARY OF THE INTERIOR FOR ADMINISTRATION

The bill (S. 2436) to transfer certain land in the District of Columbia to the Secretary of the Interior for administration as a part of the National Capital parks system, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all right, title, interest, and control in and to the land heretofore held by the Government of the District of Columbia for the opening of an avenue along Foundry Branch, now named the Glover-Archbold Parkway and formerly known as Arizona Avenue, shown on the plat recorded by the surveyor, District of Columbia, May 3, 1893, in book county 9, page 48, titled "Avenue Along Foundry Branch From Loughboro Road to Canal Road, District of Columbia, March 1893" which lies between Canal Road and the present Upton Street (not shown on said plat) Northwest, Washington, District of Columbia, together with that unimproved portion of P Street Northwest, extending from the westerly edge of said avenue to the westerly boundary of the Archbold Parkway, is hereby transferred to the United States to be a part of the park system of the National Capital and its environs. This land is hereby added to and shall hereafter be known as a part of the Archbold Parkway, the Glover Parkway, and Children's Playground, respectively, and shall be administered, protected, developed, and maintained by the Secretary of the Interior through the National Park Service, in accordance with the provisions of the Act of Congress approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1595), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to transfer to the United States for administration by the Secretary of the Interior as a part of the National Capital parks system, a right-of-way 100 feet wide, held by the District of Columbia for highway purposes through Glover-Archbold Park along with a right-of-way for P Street NW., from the Glover-Archbold Parkway right-of-way to the western boundary of the park.

It is the belief of the committee that the effect of this legislation would be to preserve the natural beauty and wilderness state of the Glover-Archbold Park by having the Federal Park Service assume jurisdiction over an area to which the District government now holds title and which the District, unless divested of title, may at some future date utilize to construct a four-lane divided parkway through the length of the park.

The Glover-Archbold Park and children's playground, consisting of 183 acres, was acquired by private donations, and by purchase by the National Capital Planning Commission under the provisions of the Capper-Cramton Act of 1930. In December 1923, Mr. Charles C. Glover, Sr., donated approximately 78 acres of this wooded portion of the District of Columbia for park and playground purposes. In November 1924, Mrs. Anne Archbold, as a memorial to her father, dedicated to the United States, as part of the park system, approximately 27 acres adjacent to that given by Mr. Glover. No law existed for the acceptance of these gifts, so in each case it was necessary for a special act of Congress to be passed to authorize their acceptance as part of the park system of the District of Columbia.

Within this Glover-Archbold Park area, which was donated by the aforementioned persons, the District of Columbia since 1893 has owned a 100-foot-wide right-of-way (90 feet for a short section) on the valley floor along the entire length of the park, except for a 250-foot section extending south from Reservoir Road. This right-of-way consists of about 28 acres and upon its transfer to the U.S. Government under the terms of this bill such acreage would be added to the existing 183 acres of Glover-Archbold Park, and be administered by the Secretary of the Interior through the National Park Service.

Public hearings were held by the Fiscal Affairs Subcommittee of this committee in connection with this bill on April 2 and 3, 1962. The subcommittee heard testimony from 20 witnesses, representing business, civic, service organizations, and both the Federal and District of Columbia governments. In addition, 13 organizations and individuals filed statements or communications outlining their views, which have been incorporated into the printed hearings.

Mr. Conrad Wirth, Director of the National Park Service, testified that the passage of this legislation would constitute a major step in counteracting the tremendous pressures for the use of park lands throughout the Nation for nonconforming purposes. He further stated that encroachments on park land by highways, parking lots, schools, and other nonconforming uses have become a major problem well known to park and recreation executives throughout the United States. He related that in this National Capital area alone, 250 acres of park land have been diverted to some type of nonconforming use since 1950—a major portion of this land is being used for highways and bridge approaches.

As of this date there has been no physical construction of a highway system through the Glover-Archbold Park. However, from the 1940's to the present time there has been persistent efforts to construct a highway through the park. In the late 1940's the District of Columbia Department of Highways developed a highway plan to construct a major highway through the length of the Glover-Archbold Park utilizing not only existing right-of-way, but also much of the park area under the direct jurisdiction of the National Park Service. It has been reported in testimony received by the subcommittee that such a highway development program and the grading in connection therewith would destroy 49.3 percent of the existing park acreage. The reason for this being that the configuration of Glover-Archbold Park is long and narrow, averaging 275 yards in width and narrowing to 175 yards in several places.

In view of this menace to Glover-Archbold Park, the National Park Service in order to salvage and preserve the major portion of the park prepared an alternative parkway roadway layout which would fit the topography of the valley and do the minimum damage to the park, and would be used primarily for park purposes. A further reason for this parkway concept was that it would ultimately connect with the Potomac Palisades Parkway along the river, thus connecting it in as a part of the overall parkway system for the Nation's Capital.

On this basis, the National Park Service in 1948 entered into a memorandum of agreement with the District of Columbia relative to the development of the Arizona Parkway. However, it was definitely stated at a National Capital Commission meeting in 1948 that the National Park Service was not advocating such a road, but if it were necessary that it be built, it should be of the park road type proposed in a study by the National Park Service, and any freeway project would be vigorously opposed. Even after the agreement was executed in 1948, this roadway which was to have been financed by the District of Columbia was not built.

Following the enactment of the Federal-Aid Highway Act of 1956, which provided for the Interstate Highway System, a major highway plan was developed for this section of the city which involved the Glover-Archbold Park and children's playground as well as other parkway plans, and which, in the view of the National Park Service, completely changed the concept of the parkway as proposed in 1948 by placing it in the freeway category even though landscaped and attention given to the saving of trees. Consequently, the intended use of the dedicated land changed to highway rather than to park purposes.

Mr. Wirth in his testimony before the subcommittee stated that the changeover to a freeway system was evidenced by the proposed connection of the Three Sisters Bridge with the previously planned Glover-Archbold Parkway, making it a major traffic approach to the bridge. Also the witness pointed out that the perfection of an eight-lane, all-purpose trafficway from the southern terminus of the Glover-Archbold Parkway to the proposed inner loop, and the contemplated use of the Glover-Archbold Parkway as a major part of the Wisconsin Avenue corridor traffic connections from the northwest to the central part of the city, most assuredly indicate that the previously planned parkway for park use would not be a parkway but, in fact, a freeway.

In concluding his testimony before the subcommittee, Mr. Wirth made it clear that the National Park Service has given very careful study to the problem and that the Service has come to the conclusion that the presently proposed purpose and use of this roadway are different than envisaged by the 1948 agreement, and if implemented, would cause great destruction to the natural qualities and beauty of the Glover-Archbold Park.

The Honorable Stewart L. Udall, Secretary of the Department of the Interior, also appeared at the hearing and supported enactment of the bill. In his testimony before the subcommittee, Secretary Udall stated that if the District of Columbia retains this 100-foot right-of-way, the next step would be to utilize park land to supplement the existing right-of-way, and clearly this would be a desecration of the trust placed in the Federal Government by the Glover and Archbold families who generously donated the land to the people.

Testimony before the subcommittee also stressed the point that there is an apparent legal obligation involved, as well as a moral commitment, on the part of the Federal Government to prevent any diversion to highway use of Glover-Archbold Park, as such use would be contrary to the restriction on the gift of the land donated for park purposes.

Brig. Gen. Frederick J. Clarke, Engineer Commissioner for the District of Columbia, also appeared at the public hearings as the representative of the District government and opposed enactment of the bill. In his testimony before the subcommittee, General Clarke stated that the District government over the years has formulated several plans to place a parkway system through Glover-Archbold Park. Although questioned directly concerning the actual construction of a four-lane divided parkway through the park, the witness could not provide the subcommittee with any assurance that without the construction of retaining walls, which the witness concluded to be illogical, that the construction could proceed on the 100-foot right-of-way without causing the cut and fill to encroach on the abutting park property and resulting in detriment to the natural beauty of the park.

General Clarke in his tetsimony to the subcommittee rested his opposition to the bill essentially on the ground that in this northwest area of Washington there is no other practical area through which a four-lane divided parkway can be constructed that can handle the flow of traffic from the northwest extremities of the city into downtown Washington.

In contrast to General Clarke's view of the absolute necessity for utilization of this corridor through Glover-Archbold Park, the Administrator of the National Capital Transportation Agency, in a letter to the committee dated May 1, 1962, stated that while its studies are not complete, the Agency has seen nothing to cast doubt on the soundness of Congress' view that no convincing demonstration has been made of the need for a highway through Glover-Archbold Park.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which S. 2436 was passed.

Mr. PASTORE. I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I wish to express my deepest thanks to the senior Senator from Rhode Island for his usual patience, courtesy, and tolerance, and to ask that he still yield to me, with his right to keep the floor, for the purpose of suggesting the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Mr. President, on behalf of myself and Senators NEUBERGER, MORSE, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK, I send to the desk amendments to H.R. 11040 which I ask to have printed and to lie on the table, for consideration by Members of the Senate at an appropriate time.

The principal one of these amendments has been presented to the committees which have considered the bill. It would establish a Communications Satellite Authority to provide for the development of a global communications system, under a Government-owned corporation similar to some of the other Government-owned corporations such as those at Bonneville, the Tennessee Valley Authority, the Panama Canal, and elsewhere. I especially invite the attention of Senators to this proposed substitute amendment.

The ACTING PRESIDENT pro tempore. The amendments will be received and printed, and will lie on the table.

Mr. PASTORE. Mr. President, the bill before the Senate, H.R. 11040, is entitled "An act to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes."

### PURPOSE OF BILL

The purpose of this proposed legislation is to provide for the establishment, ownership, and regulation of a private corporation as soon as practicable which would be the United States participant in a commercial communications satellite system. This system is to be established in cooperation and conjunction with other countries and is to be a part of an improved global communications network. It would be responsive to public needs and national objectives serving the communications needs of the United States and other countries and contribute to world peace and understanding.

This proposed legislation is designed to carry out the national policy as stated by President Kennedy on July 24, 1961, when he stated:

> Private ownership and operation of the U.S. portion of the global system is favored provided that such ownership and operation meet * * * [certain] policy requirements.

The bill as reported would authorize the creation of a communications satellite corporation which would be a corporation for profit and not an agency or establishment of the United States. In working out the various provisions, the committee has endeavored to be as specific as possible in providing guidelines and criteria that would meet the objectives set forth by the President of the United States as it concerns the United States participation in the global communications system.

### LEGISLATIVE HISTORY

On February 7, 1962, the President submitted a proposal to the Congress calling for the establishment of a privately owned communications satellite corporation. The proposal was introduced in the Senate by the Senator from Washington [Mr. MAGNUSON], for himself and the Senator from Oklahoma [Mr. KERR], and the bill, S. 2814, was referred to the Senate Committee on Aeronautical and Space Sciences with an agreement that after being reported out by that committee it would be referred to the Senate Commerce Committee for further consideration before being taken up in the Senate.

The Aeronautical and Space Sciences Committee held hearings on S. 2814 on February 27, 28, March 1, 5, 6, and 7, 1962. Fourteen of the fifteen members of that committee on March 28, 1962, agreed to report favorably S. 2814, with amendments.

The Senate Commerce Committee held hearings on the amended S. 2814 on April 10, 11, 12, 13, 16, 24, and 26, 1962, as well as on a proposed substitute introduced by the Senator from Tennessee [Mr. KEFAUVER], for himself and Senators MORSE, YARBOROUGH, GORE, GRUENING, BURDICK, and NEUBERGER, which would establish a communications satellite authority as an agency of the Government that could acquire, own, and operate the U.S. portion of a communications satellite system, ground stations, and tracking systems, located in the United States, or its possessions.

In the course of the hearings testimony was heard from all Government agencies concerned with this proposed legislation, several Members of the U.S. Senate, several communications carriers, the Communications Workers Union, and other interested persons.

Testimony received during the hearings showed various views on a number of important points covered in the bill. The committee has attempted to resolve these divergent views and as a consequence amended the bill reported by the Senate Aeronautical and Space Sciences Committee in many respects so as to strengthen the regulatory provisions and spell out more specifically the responsibilities and the authority to be granted by this legislation.

The House of Representatives passed H.R. 11040, the bill now before the Senate, on May 3, 1962, and this bill was referred to the Senate Commerce Committee. In acting on H.R. 11040, the bill reported, the committee struck out all after the enacting clause and inserted in lieu thereof the body of S. 2814, as amended.

### GENERAL STATEMENT

Our Nation's research and development program with respect to the peaceful uses of outer space, and communication satellites in particular, has brought us to a point where we can confidently look forward to the establishment within the next few years of an operational capability for space communications. Such communications, which will use the microwave portion of the frequency spectrum, hitherto unusable over large expanses of water, will provide the world with a tremendous new resource to meet the steadily increasing need for worldwide communications facilities. This development will be among the first and foremost practical applications of space technology for the benefit of all mankind. It will enable this Nation, together with other nations of the world, to greatly increase the capacity of existing worldwide communications networks and thereby accommodate the rapidly growing volume of international public correspondence. It will provide the means by which it will be technically and economically practical to institute on an international scale new and expanded telecommunications services, such as transmission of high-speed data and television, which today are provided domestically. An operable system also promises to provide a practical means by which the smaller and newly developing nations of the world may have direct communication with the rest of the world.

Further experimentation in the use of communication satellites remains to be accomplished before an operable communications satellite system can become a reality. Such experimentation is well underway. The A.T. & T.'s Project Telstar and NASA's Projects Relay and Syncom are scheduled for trial in the near future and will resolve a number of the most critical technical and operating problems which must be resolved before an operable system can be realized.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. GORE. The Senator is making an able and exceedingly interesting address. I was struck with its importance.

I was also impressed by the possibility that satellite communication will open up television communication to the small and relatively undeveloped nations, many of which do not now have, nor can it be expected in the foreseeable future they will be likely to have, economic resources sufficient to justify a television network.

In view of that, and in view of the importance of the project to international relations, I wonder if the distinguished Senator from Rhode Island and his committee gave consideration to the reservation of rights and opportunities for our Government to utilize the facility for the communication of information important to the free world internationally.

Mr. PASTORE. My answer is definitely in the affirmative. We gave consideration to that proposition. Within the scope of the proposed legislation, which creates a private corporation, 50 percent of the stock will be owned by the international communication carriers including domestic communication carriers, authorized by the FCC and the other 50 percent being available to the public generally. We are——

Mr. GORE. By the public generally, does the Senator mean to that portion of the public which may wish to buy stock?

Mr. PASTORE. The Senator is correct. Beyond that the structural setup is such that there will be 15 directors, 6 of whom would be elected by those who own the stock that is allocated or assigned to ownership by international or domestic communication carriers, 6 of whom, of course, would be elected by those who have the public ownership of the stock, and 3 of whom would be appointed by the President of the United States with the consent of the Senate.

What I am about to say is not a verbatim quote, but I am now speaking of the tone, the spirit, and the meaning of the measure. We have provided that none of the activities of the corporation covered by the provisions of the law shall in any way interfere with the conduct of our foreign policy. The President of the United States has been given complete authority to intercede in behalf of the promotion of our foreign policy. The Department of State will be consulted at any time any agreements are made with foreign governments particularly where such negotiations may affect our foreign policy. A fuller explanation is set out in the report.

To come specifically to the very dramatic argument that is being made about the reception of television pictures by the people in undeveloped countries, one must take into account the very character and type of operation which we are discussing. I refer to the testimony before the committee. One can no more imagine that we will be able to shoot a picture to a satellite and expect that satellite to shoot the picture back to an individual home than that today we can receive directly in individual homes national programs that emanate from Hollywood, Calif., or New York City. The signal, of course, is transmitted through the use of cables or microwave by the networks to a broadcasting station. Then the broadcasting station broadcasts the signals through transmitters to homes of America.

What I am trying to say is that the whole operation involving communications in the United States of America is a private enterprise. There is no question about it.

We might consider the proposed use of the satellite for telephone purposes. If one now makes a call from New York, Chicago, or Hollywood, let us say, to Paris, Rome, or London, what happens is that the message is transmitted under water through a cable. Then when it reaches its distribution point, it is distributed by the organizations that exist in the receiving countries.

To come down to the point that was raised—and it is a very fine point—which refers to assisting underdeveloped countries to receive television programs that originate in America, one must, of course, take into account that such countries must have distributing services to broadcast such programs. In other words, in those countries there must be ground stations or some terminal stations, such as we have here, which in turn will transmit the signal to broadcasting stations. Those stations will send the signal from a tower through the air and into the homes of people so that the signal can be received by individual television sets.

So any way we look at the proposal, private industry must come into it. The project is not absolutely unusual. The unusual thing about it is that today we are transmitting messages and signals underwater by cable; tomorrow we hope to do it in space through the use of a satellite, as shown by the pictures that have been brought into the Chamber. The satellite will only receive a signal that must originate at some point in the United States of America or some point in our distributing networks. Then it must be shot up into the ether from a ground station and relayed to another point via the satellite. Then it must be received by a ground station in another part of the world, and after it is received by that ground station it must be distributed to the particular people who desire to receive it.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. LONG of Louisiana. The Senator has made reference to the low altitude satellite and the synchronous orbit satellite. I am sure that the Senator knows the relative merits of the two systems. Does the Senator have any doubt that in the next few years our Nation will be able to establish a synchronous orbital satellite?

Mr. PASTORE. I hope it will. The Senator asks, "Do you have any doubt?" I am not a technician or a scientist. I am a Member of Congress who listens to the experts. We have been assured by those who are proficient, conversant, and knowledgeable in this particular field that our objective will be realized by a low-altitude system. In order to accommodate the problems arising from the rotation of the earth, we may go into a higher altitude with fewer satellites. But whether we shall accomplish our objectives in one way or the other has not been determined at this point. That is the reason research and development must continue. It must be done expeditiously in order for us to win the race and triumph in this particular field before our adversaries do.

Whether we do it by low altitude or high altitude, a great deal of money must be spent for research and development, a great deal of time must be consumed, and a great deal of effort and brainpower will have to be involved before we can definitely answer the question put to me by the Senator from Louisiana.

Mr. LONG of Louisiana. I should like to ask the question of the Senator from Rhode Island in the following form: Have the technical advisers who are available to the Senator expressed any doubt whatever that within the next few years we will be able to place the synchronous orbit satellite into orbit in a position as indicated on the charts?

Mr. PASTORE. Not to me.

Mr. LONG of Louisiana. A distance of 22,300 miles from the earth?

Mr. PASTORE. I am not doubtful at all.

Mr. LONG of Louisiana. The reason I ask the question is that those who appeared before the subcommittee of which this Senator had the opportunity to serve as chairman expressed no doubt whatever that while there are technical problems involved, our Nation will be able to accomplish the project probably within the next 2 years.

The point I wish to make is this: Assuming we have tried to establish a low-altitude system, will we not have wasted many billions of dollars on a bunch of junk that will not be particularly useful for any purpose? I am sure that the Senator realizes there are many advantages of a synchronous orbit system satellite over the low-altitude system.

Mr. PASTORE. What the Senator has said may be true. That is precisely the point we are getting into here. I say it should not all be done with the use of taxpayer's money. Should not a part of the cost be paid by those who are interested and will be the ultimate users of the satellite? That is precisely the point we are engaged in discussing here.

Mr. LONG of Louisiana. Let us get to that point. If we should make the American Telephone & Telegraph Co. carry the burden on the satellite, is it not true that that company would be entitled to get back every cent it might put into the project plus a fair return on its investment from users of the telephone communication system in this country?

Mr. PASTORE. The Senator is assuming something that I am not willing to admit. Why does the Senator continue to refer to the A.T. & T? There are many companies interested in the project. RCA, I.T. & T., and many other companies are also interested. I hope that the Senator does not intend to leave the impression that the Senator from Rhode Island is not interested in the interests of consumers, because when it comes to that subject, I tip my hat to no one. There is no one in the Chamber who has worked harder for the consumer than has the Senator from Rhode Island.

Mr. LONG of Louisiana. How much money does the Senator think will be required to establish a low-altitude satellite system?

Mr. PASTORE. I do not know, but I do not want to put my money in it as a taxpayer. How many times am I going to make a call across the water to Rome or Paris or London? I have not made a call there yet. Why should I put my money into something that I will not use?

Mr. LONG of Louisiana. Does it occur to the Senator that he would help pay for it anyway, whether as a taxpayer or as a user?

Mr. PASTORE. No. I pay my telephone bill for the use I make of it, and not for the use that the Senator from Louisiana, for example, makes of his telephone. That is precisely the point I make. We keep talking about a publicly owned private type operation. Why do we not speak in terms of who ultimately will be the beneficiary of all these operations? The ultimate beneficiary will be the person who makes a call across the water. Why should the Senator and I pay for the expense of developing this kind of operation? The argument is made, "Let us perfect it first and then decide whether we will give it to private industry." My argument is we should do it now.

Mr. LONG of Louisiana. Has the Senator seen the big installation that A.T. & T. has built in Maine on a whole valley of land, with about 300 tons of equipment mounted on top of some rails, and tooled to a thousandth of a degree of perfection so that it can be shifted about, and balanced as if it were a ship mounted on a knife edge?

Mr. PASTORE. No; I have not seen it, but I have seen pictures of it. With whose money did they build it?

Mr. LONG of Louisiana. That is the question we have been getting at.

Mr. PASTORE. That is the question I am asking the Senator. They did not build it with my money. They built it with their own money.

Mr. LONG of Louisiana. Where did they get the money?

Mr. PASTORE. They did not get it from me.

Mr. LONG. I suspect they did. Did it occur to the Senator that the money they put into it was extracted from the users of their telephone service, and that at the same time they are getting their money back with interest and a fair return on top of that?

Mr. PASTORE. What is wrong with that? There is not a company in America that does not do that.

We should not cut their arms off, because they are doing that. Every company does it.

Mr. LONG of Louisiana. Other companies are not entitled to pass the loss along on consumer service. Other companies have to compete for business. We are talking about the difference between a so-called regulated monopoly and free enterprise. If it were not a telephone company that is building this thing up in Maine they would have to gamble on losing their money. They could not charge the telephone users. A.T. & T. can do it and charge it to me and to the Senator from Rhode Island as a part of our telephone bill. That is one reason why we do not get more rate reductions.

**Mr. PASTORE.** Is it not much worse to do it for them and pay for it and then let them make a profit on it?

**Mr. LONG** of Louisiana. We are paying for it in either event. If the Government were doing it we probably would have to pay less. We are paying for it through the telephone rate. We ought to get these facts straight before the debate proceeds much longer.

**Mr. PASTORE.** I am trying to get them straight. I believe in liberal government just as much as does the Senator from Louisiana. It is more or less a paradox that we should be arguing this subject on different sides, because we have stood shoulder to shoulder for so long. The fact is that I am a member of the Joint Committee on Atomic Energy, and I remember back in 1954, when we were asked to amend the law to allow participation by private groups.

My friend, the Senator from Tennessee [Mr. GORE], was one of the sponsors along with his colleague from Tennessee, of the amendment that was offered, and he will remember that we were told by scientists that we would have competitive power within 15 or 16 years.

To my knowledge, in the almost 10 years since then, although we have made great improvements, we are still a long distance away from that objective. I do not know whether we can achieve it in that time. When I am told that scientists have said that this will be a perfected instrument in 2 or 3 years, I have the feeling that they are actually optimistic in their emphasis. I do not believe it will come that fast. I believe we have a long, long way to go before the operation is perfected, if at all. These companies have already spent millions of dollars, and the United States has already spent millions of dollars in such communication experiments. There is no question about that. The fact is that a great deal more money will have to be spent, and much more time will have to be devoted to it before we can pick up our telephone and make a call to Paris through one of these satellites.

**Mr. LONG** of Louisiana. Spokesmen for A.T. & T. come to my office, where I can get many more answers from them than they seem willing to give in the committee. They speak quite freely in my office, and they tell me many more things than they would tell in committee. They tell me quite frankly that this thing is no good and it is not going to work very well; that it will cost a lot of money, and that it will cost a great deal more money before showing any profit. Then they all say, "Give it to us." If it is that bad, and if it will not work, why do they want it?

The Hughes Aircraft people tell me that they can have this synchronous orbit system working in 2 years. They say it will have 1,200 channels, and even with only 40 channels in full use, they would be making a profit, even if they were to charge half the rate that A.T. & T. is charging now with its 65 channels to Europe.

Mr. President, there is the bug under the chip. A.T. & T. is not anxious to see this synchronous system go into operation. They want to build this low-orbit system, in which we would invest perhaps billions of dollars for equipment that will soon be junk. Nobody but A.T. & T. would be interested in getting into this kind of operation. That is one reason that causes some of us to oppose this bill. Why go in for a low-altitude system?

**Mr. PASTORE.** Mr. President, we will be on this bill for a long time. I am in the middle of my opening speech. I would like to finish it. I must get away by 3 o'clock today. However, I welcome the opportunity that I will have to come back and debate this matter a little more in detail with the Senator from Louisiana. I want him to understand, before he sits down, that I am not carrying the banner for A.T. & T. When I was the Governor of the State of Rhode Island I was the one who fought them on a rate increase. I have always fought the big corporations for fair rates for consumers. I am going to continue to do that. The Senator from Louisiana is entitled to have one point of view, and I am sure he is willing to concede that I am privileged to have another idea on it.

In fairness to those who may be opposed to the bill, I should like to say that it is a fair bill and that it is in the public interest. I do not know why we should talk about throwing taxpayer's money away on a bunch of junk. Why should we put it into something where we do not know where we are going? The Senator from Louisiana would like to have it done one way. I have the highest respect for his opinion. I would hope that he would have just one-half as much respect for the sincerity of what I say.

**Mr. LONG** of Louisiana. I have the highest respect for my friend from Rhode Island. I am sorry that we do not agree. I am sure he respects my right to disagree with him as fully as I respect his right to disagree with me.

**Mr. PASTORE.** I cannot go along with the Senator in what the Senator says about big corporations. I am not particularly their friend. As the Senator knows, no one has fought them harder than I have. I will continue to fight them, to keep them honest. When the Senator says that they are willing to put a billion dollars into some junk, I do not understand that at all. They are in it for what they get out of it, just as we go campaigning for what we can get out of it.

**Mr. LONG** of Louisiana. The Senator knows as well as I do that some utilities keep on their books a losing operation. Why?

**Mr. PASTORE.** I do not know. I do not believe that they do that. The Senator from Louisiana tells me that they are doing it. That is not the way I heard it. I cannot imagine that they would do it.

**Mr. LONG** of Louisiana. I know from my personal knowledge. I helped them do it.

**Mr. PASTORE.** Then the Senator is wrong, too.

**Mr. LONG** of Louisiana. No; I am not wrong. I can justify it. Why would they do it?

**Mr. PASTORE.** I do not know.

**Mr. LONG** of Louisiana. I will tell the Senator why. It is because if a utility has several operations, and it is making money on one operation and is losing money on another, it is entitled to make a fair return on the rate based on both operations. So they can justify a greater amount of profit, because they have more assets listed on the books and in their rate base if they retain the losing operation along with the one on which they are making money.

**Mr. PASTORE.** All these companies come under the supervision of the Federal agency known as the Federal Communications Commission. If those Commissioners, who are being paid a healthy sum of money each year to protect the public interest, allow the telephone company to get away from them, then every one of those Commissioners ought to be fired.

**Mr. LONG** of Louisiana. Can the Senator from Rhode Island tell me why in 26 years the Federal Communications Commission has not been in a position to state precisely what the long-distance telephone rate ought to be?

**Mr. PASTORE.** Mr. Hyde has told me that the Commission watches it every day.

**Mr. LONG** of Louisiana. Representatives of the Commission who have come before my subcommittee have said that they have never been able to determine what the rate should be.

**Mr. PASTORE.** Then the Senator from Louisiana should have done something about it.

**Mr. LONG** of Louisiana. Why has not the Senator from Rhode Island done something about it?

**Mr. PASTORE.** The Commission has not admitted that to me.

**Mr. LONG** of Louisiana. I can show the Senator records of the Federal Communications Commission in which they have admitted that they are unable to tell what the rate should be.

**Mr. PASTORE.** Does the Senator mean that they have said they have deliberately wasted the money which the Senator pays in taxes?

**Mr. LONG** of Louisiana. They admitted that they have never been able to determine in 26 years what the rate should be.

**Mr. PASTORE.** While the Senator from Louisiana is looking through his papers, may I proceed with my speech?

Does the Senator from Tennessee wish me to yield to him?

**Mr. GORE.** After the Senator from Rhode Island has concluded his colloquy with the junior Senator from Louisiana, I should very much like for him to return to the importance of communications in the cold war.

> An operable system also promises to provide a practical means by which the smaller and newly developing nations of the world may have direct communication with the rest of the world.

I respectfully suggest to the Senator from Rhode Island that unless the right of the U.S. Government to utilize a facility, the technology of which has been developed at public expense, is protected, then the U.S. Government will be hampered in its communications efforts with respect to the developing nations of the world. Indeed, we either subject ourselves, as a government, to the payment of unknown charges to a few large U.S. corporations, or we may subject the developing nations—and this I would hope to avoid—to the jingle-jangle of the type of advertisements we view on our own television programs.

Mr. PASTORE. I do not mean to be impertinent, because I do not believe I have a better friend in the Senate than the distinguished Senator from Tennessee. But permit me to ask the Senator a question in response to his own question.

This is President Kennedy's bill. Does the Senator from Tennessee think for a moment that the President is selling the country short?

Mr. GORE. I think the bill is selling the country short. I do not know that anyone has a personal intention of doing so; but in my view, the effect of the bill certainly would be so.

Mr. PASTORE. I think the man at 1600 Pennsylvania Avenue knows what is in the bill as well as I do.

Mr. GORE. It is not a question of whether the man at 1600 Pennsylvania Avenue knows or does not know what is in the bill; the question is what the bill actually does provide.

The Senator from Rhode Island has asserted that the bill opens up a means of communications to the underdeveloped countries of the world. Does the bill make some reservation of the right of the U.S. Government to utilize this facility for that purpose, or must we pay through the nose to get that use?

Mr. PASTORE. The answer is, unequivocally and absolutely, no. The staff member has just pointed out to me the particular parts of the bill, section 201 and section 402, which relate to that subject. On page 24 of the bill, section 201 provides:

> In order to achieve the objectives and to carry out the purposes of this Act—
>
> (a) the President shall—

Not PASTORE; the President—

> (1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system.

Mr. GORE. Mr. President, will the Senator yield at that point?

Mr. PASTORE. I yield.

Mr. GORE. The language is "a commercial communications satellite system." Does that mean that the President is directed to aid in the establishment of a system of international communication, for which the U.S. Government would have to pay whatever toll the A.T. & T. might set?

Mr. PASTORE. Yes; but there are six parts to the section. Will the Senator let me read the other parts?

Mr. GORE. Yes.

Mr. PASTORE. What the Senator refers to is not in that paragraph.

Mr. GORE. Very well. The Senator from Rhode Island has read one part, which provides that the system shall be a commercial communications satellite system.

Mr. PASTORE. That is correct; it is a commercial system. That is the part in which the A.T. & T. is interested. Now I shall come to the part in which the Senator from Tennessee is interested; but I hope he will give me a chance to reach it.

> (2) provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under Title III of this Act.

Mr. GORE. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I have not come to it yet; I admit it. I shall come to it.

Mr. GORE. All right.

Mr. PASTORE. The next paragraph reads:

> (3) coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, so as to insure that there is full and effective compliance at all times with the policies set forth in this Act.

We are getting warmer; we are not there yet. I will tell the Senator when we get hot.

> (d) exercise such supervision over relationships of the corporation with foreign governments or entities—

We are getting pretty hot now—

> or with international bodies—

We are sizzling—

> as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States.

Does that answer the Senator's question?

Mr. GORE. No.

Mr. PASTORE. Why not? Will the Senator tell me?

Mr. GORE. Who will pay for the system? The U.S. Government will pay a few large American corporations for the privilege of utilizing the facility in international communications which may determine the outcome of the cold war; a facility the technology of which has been developed almost exclusively, to this day, by the taxpayers' money.

Mr. PASTORE. That is true. The exclusiveness we are talking about is the ability which the Government has to shoot the satellite into space.

Mr. GORE. How can it operate unless it gets up into space?

Mr. PASTORE. That function cannot be taken away from the Government. The Government is the only one having the rockets to shoot the satellite into space. The Government cannot give rockets to RCA or A.T. & T.; the Government cannot give them to GORE or to MANSFIELD. The Government has to keep them.

Mr. GORE. If the Government could give them away, I daresay that would be in the bill.

Mr. PASTORE. What will happen will be that the Government will shoot the satellite into space. Of course. But every time the Government shoots a satellite into space for the corporation, the corporation will have to pay for that service. The bill so provides. That is taken care of. But when the satellite gets into space, then there will be a communications satellite. The ball will be up there. The satellite will do nothing more than relay as a wire does when we pick up a telephone receiver in the Capitol and call our offices across the street.

The Senator asks, if the Government is going to make a call or send a message over the satellite system, why does not the Government own the system?

By the same analogy, since the Government uses the telephone system, why does it not own the telephone system? Do we believe in free enterprise or do we not? This will be an activity of free enterprise. The Government will make some use of it. But no matter what use the Government of the United States makes of television, it has to go to NBC, to CBS, to ABC, or some commercial broadcaster. That is private industry. Why will it be so awful to go to A.T. & T.? Everybody here this afternoon seems to hate A.T. & T. When the Government uses the facilities of NBC, of CBS, or of ABC, we do not mind. But when we propose to use the facilities of A.T. & T., everyone gets excited. What is wrong? Are we or are we not for free enterprise?

Mr. LONG of Louisiana. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. LONG of Louisiana. The Senator realizes the distinction of what was discussed a few minutes ago, when I said that someone would pay for this, I meant it would be the telephone users. If this system is to be operated as a regulated monopoly, the monopoly will be permitted to charge the expense back to the consumers of the Nation as a part of their telephone bills. The consumers of the Nation will pay for it; they will be charged for it. Either the Government will pay for the charges or the telephone users will pay for the charges.

Mr. PASTORE. The answer is "No," because the bill provides that in the interest of encouraging the use of the development of the system, the rates to be paid will not be made a part of the cost to the consumer.

Mr. LONG of Louisiana. Would the Senator say that the same thing would be true of the ground stations?

Mr. PASTORE. That is only a facility to receive and send. It is an instrument to take the signal.

Mr. LONG of Louisiana. That will cost money.

Mr. PASTORE. Yes; but it will not make any money. The terminal station will not make any money, as such, as part of the communications system.

Mr. LONG of Louisiana. If it is proposed to use a synchronous system, which is by far the best, the cost of the ground system will be a major portion of the total cost.

Mr. PASTORE. It may be, or it may not be. I repeat that I am not a scientist, and I do not know.

Mr. LONG of Louisiana. But if they use the low-altitude system, the cost of the ground stations will be fantastic. The Senator from Rhode Island knows, does he not?

Mr. PASTORE. I do not know that. I do not think the cost of the ground system will be anywhere near the cost of the satellites. For instance, every time we shoot one of these satellites into the air, the cost is millions and millions of dollars, regardless of whether the shot is a successful one.

Mr. GORE. But that money is public money, not A.T. & T. money.

Mr. PASTORE. But we are not proposing to send up a communications satellite for someone who wishes to make a telephone call to Paris, and I do not want to have the Government pay for a telephone call to Paris, because I have no business calling Paris. [Laughter.] Let those who use that service pay for it.

Mr. LONG of Louisiana. I think it is pretty much the crux of this matter: If we let a new company undertake to send up a satellite, and the cost of the service were about 5 percent of the present cost of such telephone calls, and we assure that it is done on a competitive basis, the rate should be approximately 5 percent of the existing charges. But on the other hand, if some company—for instance, A.T. & T.—with a $19 billion rate base made that a part of its rate structure, it would be entitled to charge a rate which would be based on the $19 billion investment in undersea cables, land microwave stations, buildings, and other equipment.

Mr. PASTORE. For its international calls, but not for calls I might make from Washington to my home in Rhode Island.

This is included in this bill, and it should be part of the cost of a call made to Paris or to Baghdad or to some other place with an exotic name; for instance, to Timbuktu. That should be included in the cost of those calls, but it should not be included in the cost of a call which I make from my office in Washington to my home in Rhode Island. And this bill is clear on that point.

But I wish to say that we have tightened this legislation up so much to protect the public interest that the FCC will have the right to scrutinize every charge that is made. Even if a carrier is permitted to build its own terminal station, under this bill it must be done by competitive bidding, under the supervision of the FCC.

I know the telephone company does not like this provision particularly, but I think it is a good one; and so far as I am concerned, the company will have to live with it.

So we have gone out of our way to protect the public interest in this matter.

Furthermore, all the rates we are talking about have been passed upon by the FCC.

I say to the Senator from Louisiana that if there is any laxity in that respect, I will go along with him 100 percent in curing it. If the Commission is not doing this job in the public interest, it should be fired. But under the law, the Commission has authority to protect the people; and if the Commission does not protect the people, it is not because of any failure of Congress to pass the proper law, but is because of a failure of the Commission to enforce the law—perhaps because the Commission does not know how to enforce it.

Mr. LONG of Louisiana. Mr. President, on that point, I should like to read to the Senator from Rhode Island some of the testimony of Mr. Minow, in response to questions by Mr. Gordon, at the committee hearings:

> Mr. GORDON. May I call to your attention the report of the Antitrust Subcommittee of the Committee on the Judiciary of the House:
>
> "It is significant that the Commission has neglected in the 24 years of its existence to establish fundamental principles or standards by which to judge the reasonableness of Bell System's interstate telephone rates."
>
> Do you take issue with that?
>
> Mr. MINOW. We have never had a formal rate case, a general rate case on interstate rates, that I know of, on the record, in the history of the Commission. The Commission's policy has been to keep the rates under continuous examination and continuous surveillance and to call upon the carrier to justify its rates from time to time.

Mr. PASTORE. Will the Senator from Louisiana please read again the last sentence?

Mr. LONG of Louisiana. Yes.

> We have never had a formal rate case, a general rate case on interstate rates, that I know of, on the record, in the history of the Commission. The Commission's policy has been to keep the rates under continuous examination and continuous surveillance——

Mr. PASTORE. Yes, "The Commission's policy has been to keep the rates under continuous examination and continuous surveillance."

Mr. GORE. But the Commission has not done it.

Mr. PASTORE. If they have not done it, they should be fired.

Mr. GORE. They have said they have not done it.

Mr. PASTORE. But we have fine public servants, like Mr. Hyde, whose responsibility that is; and furthermore, the rates supervised by the FCC have come down about 20 percent, if my memory serves me correctly—although it is a long time since I heard the testimony. However, the rates at the local level have been going up. So it strikes me that perhaps the FCC has been doing a better job than some of the States have been doing.

Mr. LONG of Louisiana. What does that prove?

Mr. PASTORE. It proves that they have been watched. When everything else—including the appropriations for maintaining the Senate—has gone up, those rates have gone down 20 percent. Does the Senator from Louisiana call that a bad job?

Mr. LONG of Louisiana. It could be. My point is that the FCC tells us that in 24 years it has never been able to state what the rate base is—whether it is reasonable—and it has never had a formal hearing to determine what the rate should be. It is just a matter of guesswork as to what the rate should be; and the fact that the company has not tested the rates in court—as has happened in the case of the Louisiana commission—pretty well proves that the company is satisfied with the rate, and that it is a generous rate.

So far as cutting the rate is concerned, what difference does it make whether it is cut even five times? It may still be too high.

Mr. PASTORE. But even if the Government owned the facility and the telephone company rented it, it could still do what the Senator from Louisiana is talking about.

Fundamentally, our point is that they must be properly supervised; and it is our duty to write that into the law. And we have done that. If some public official or some commission does not do the proper job, that is his fault or its fault, and we must see to it that the proper job is done.

Mr. LONG of Louisiana. Does the Senator from Rhode Island doubt that the bill will make it possible for the A.T. & T. to gain control of the satellite system?

Mr. PASTORE. No; that cannot happen.

Mr. LONG of Louisiana. Then why is the A.T. & T. fighting to get this bill through?

Mr. PASTORE. Because it wants a piece of it. But the Senator from Louisiana says the A.T. & T. will control the system. I say that under this bill the A.T. & T. cannot control it; and I shall develop that point as I proceed.

Mr. LONG of Louisiana. Does not the bill let A.T. & T. have 40 percent of it?

Mr. PASTORE. No, the bill does not let A.T. & T. own 40 percent of it. If A.T. & T. buys stock, A.T. & T. can be divested of it, if another carrier wants part of it; and if the FCC says to A.T. & T., "You must sell it," A.T. & T. can be divested of it, under this bill. So how far does the Senator from Louisiana want the bill to go?

Mr. LONG of Louisiana. The Senator from Rhode Island says that under the bill A.T. & T. will not have control?

Mr. PASTORE. Positively. Under the bill a common carrier, including the A.T. & T. can appoint only 3 of 15 directors.

Mr. LONG of Louisiana. Does the Senator from Rhode Island say it would be bad to have the bill permit the A.T. & T. to gain control of the satellite system?

Mr. PASTORE. I say it should not be done. Does the Senator from Louisiana favor doing it?

Mr. LONG of Louisiana. I am glad to hear the Senator from Rhode Island say he would oppose it.

Mr. PASTORE. Of course I would.

Mr. LONG of Louisiana. The Senator from Rhode Island knows who favors the bill. Has he found anyone other than A.T. & T. strongly supporting the bill?

Mr. PASTORE. Of course; at the hearings. Many people who were there were supporting the bill.

Mr. LONG of Louisiana. Who is particularly interested in the bill, aside from the A.T. & T.?

Mr. PASTORE. The President of the United States. Does the Senator from Louisiana want to go further than that? The President of the United States is interested in this bill. Does the Senator from Louisiana want to go further than that? It is the President's bill, not mine; I have said that 10 times this afternoon. It is the bill of President John F. Kennedy that I am sponsoring this afternoon. It has been worked on by members of his agencies—by Mr. Minow and the rest of the people connected with that agency, and by Mr. Katzenbach, of the Department of Justice. It is his handiwork. This bill is not an A.T. & T. bill.

Mr. LONG of Louisiana. Will the Senator from Rhode Island tell me what other commercial interests are particularly interested in the bill? If a particular corporation is especially pleased with it——

Mr. PASTORE. I cannot follow that philosophy—that whenever someone is interested in something, he should be suspected of some wrongdoing.

Mr. LONG of Louisiana. Well, I have been approached by the A.T. & T. about this bill. Has the Senator from Rhode Island?

Mr. PASTORE. Yes. And has the Senator from Louisiana been approached by other people, too, about it?

Mr. LONG of Louisiana. Well, I have not had anyone ask me to oppose the bill. But the A.T. & T. has asked me to support the bill—in a number of different ways.

Mr. PASTORE. That is right.

Mr. LONG of Louisiana. The Senator says he has been, as well. That is what I am saying. This is a bill the A.T. & T. wants. I fear that we are building a $19 billion rate structure on top of a $4 million satellite.

Mr. PASTORE. I realize the Senator's position. I hope I can finish my speech. The Senator is going to have lots of time to expand his theory on that.

I want to say, to bring this discussion to a more or less amicable conclusion, that I have the highest respect for the sincerity of the Senator from Louisiana. I regret I cannot agree with him. I realize there is a certain drama to his side of public ownership. It always sounds so beautiful.

Mr. LONG of Louisiana. Will the Senator yield?

Mr. PASTORE. But this is a country of free enterprise. This is a nation of free enterprise, and do not let us lose all our grip on it. Let us not hate bigness for the sake of hating bigness.

Mr. LONG of Louisiana. I am not particularly interested in maintaining public ownership in this country. I would like to see a situation where there could be a maximum amount of competition, because my definition of free enterprise is that there ought to be competition wherever possible if it can be had as an alternative to monopolistic control. It would be much more interested in seeing a bill that would make it possible for a great number to have the benefit of the provisions of the bill, rather than one giant corporation.

Mr. PASTORE. I hope the Senator will very carefully read the bill reported by the committee. He is absolutely in error in his judgment of it. It does not give control to any one company. As a matter of fact, we have been very careful to make sure that it does not happen. I assure the Senator the A.T. & T. will not be dominant, unless the Federal Communications Commission makes it so, but the bill is drawn properly to protect the public interest. We have gone out of our way to make sure of that.

Now let me continue with my statement——

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator yield?

Mr. PASTORE. I yield to my delightful friend from Tennessee.

Mr. GORE. A few moments ago I asked the Senator if the bill reserves the right of the U.S. Government to use this facility for communicating with the underdeveloped nations of the world, and he told me he was going to show me it did. First he got warm. Then he got hot. Then he said he was sizzling. But he sputtered out.

Mr. PASTORE. But I did not. I am still burning now. I do not sputter out.

Mr. GORE. Watch out. The Senator may blow a fuse.

Mr. PASTORE. I will not blow a fuse. The Senator need not worry about that. There is no short circuit. No fuses will be blown.

Mr. GORE. I have read and reread the passages the Senator quoted. There is not one single word that reserves the right of the U.S. Government to utilize this facility in communication in the cold war without paying a fee to this commercial group.

Mr. PASTORE. Why should not the Government pay, if this is a private corporation? Why should it have that service gratis? Why should people use the telephone without paying? I know the point the Senator from Tennessee is trying to make. Let us say it took $3 or $4 or $5 billion of the taxpayers' money to put the facility up because the Government wanted to use it once in a while. Would not the Government be paying for it? It would be paying for the use of it. We have provided that the FCC has full discretion with regard to building ground stations.

Mr. GORE. The Senator knows perfectly well that the Government of the United States will be the biggest single user of this communication system.

Mr. PASTORE. That may be.

Mr. GORE. The Government has, up to now, provided the funds to develop this technology. I do not know why we should give it away.

Mr. PASTORE. Now, wait a minute. The Senator takes too many jumps at one time. The Senator says the Government has spent the money to develop this technology. They have a long way to go.

Mr. GORE. I said up to now. The Senator referred to the simple operation of putting the satellites into orbit.

Mr. PASTORE. Oh, no; the carriers have been spending a lot of money.

Mr. GORE. I realize that. I said most of the money.

Mr. PASTORE. How much? Tell us how much the Government has spent and how much the carriers have spent.

Mr. GORE. The space program has cost in the neighborhood of $25 billion.

Mr. PASTORE. The Senator is going to charge us for the shot that Carpenter took and the shot that Glenn went up in? Of course, just as in the development of atomic energy, we have spent billions and billions and billions of dollars. We have gone through that, and the Senator from Tennessee is on the same committee with me. The Senator is throwing back arguments to me that are outworn.

Mr. GORE. No.

Mr. PASTORE. The Government has spent money on space developments, but this is only one phase. The Government has still to shoot the facility up there.

Mr. GORE. The arguments are not outworn. The fact is that the representatives of the people simply have not had the vision and the courage to put the arguments into effect.

Mr. PASTORE. That is not so. It is a nice cliche, but it is not true.

Mr. GORE. If they have not lacked vision and courage, what have they lacked?

Mr. PASTORE. All that I say to my good friend, as emphatically as I can, is that there is a man in the United States of America who is more concerned with the plight and welfare of the little fellow than anyone else, and that man is down there at 1600 Pennsylvania Avenue. I do not know why, but the Senator wants to keep saying it. He is trying hard to make this an A.T. & T. bill. All I know is that President Kennedy favors the bill. I know it rubs the Senator the wrong way every time I say it.

Mr. GORE. It is possible that if the man at 1600 Pennsylvania Avenue studies this bill sufficiently he may veto it if the Senate makes the mistake of sending it to him.

Mr. PASTORE. I will buy the Senator a nice hat when that happens. [Laughter.]

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I am going to come back next Monday and be here all week, and I love this. You gentlemen know that I could go on like this forever, but I have to make a plane. [Laughter.] I will be back next week for a continuation of this discussion.

Mr. GORE. I know the Senator has a lovely wife and children, and I am going to cooperate in seeing that he joins them. But do come back.

Mr. PASTORE. I will come back. I am going to address the Parent-Teachers Association of my State, and I am going to tell them what a wonderful bill we have.

Mr. GORE. **Do not mislead them.** [Laughter.]

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. CAPEHART. As the Senator from Rhode Island knows, I do not always agree with President Kennedy, but in reference to this bill I do agree with him.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. If I have any time before 3 o'clock, I will yield. Will Senators give me that indulgence? I really want to put this speech in the RECORD. I will be back.

Mr. LONG of Louisiana. I have no objection to the Senator's putting something in the RECORD.

Mr. PASTORE. With apologies——

Mr. LONG of Louisiana. May I just ask the Senator one question? Can the Senator recall the basing point bill, when we had a letter from the Bureau of the Budget which said the President was for it, and a lot of us thought that the bill would lead to the growth of monopoly and the strangulation of the free enterprise system?

Mr. PASTORE. What bill is the Senator talking about?

Mr. LONG of Louisiana. The basing point bill. Perhaps that was considered before the Senator from Rhode Island came to the Senate. We fought that bill. We had a letter from the Bureau of the Budget which said it was a part of the President's policy. When that bill went to the White House the President vetoed it.

Mr. PASTORE. I am talking about President Kennedy now. Let us not get into the past. I am talking about the Kennedy bill

Mr. LONG of Louisiana. Do not be too greatly surprised, even with a letter from the Bureau of the Budget saying the President is for the bill, to find out that, after the President has heard from both sides the arguments which will be heard on the floor here, the President may veto it.

Mr. PASTORE. All I want to recommend to the Senator from Louisiana—who will have plenty of time over the weekend, is that I do not know how he can better spend his time than by reading the bill and finding out what is in it. Then next Monday we can debate what is provided in it.

However, if the existing and potential competence within the United States with respect to this technology is to be most effectively translated into practical application, it is necessary now to enact legislation which will guide further developments toward this goal. It is important that the roles of private enterprise and the Government be defined at this time and that an appropriate instrumentality be created by which such national policies are to be effected. It is to those ends that the committee recommends enactment of this proposed legislation.

H.R. 11040, as reported, provides for the creation of a private corporation for profit which will not be an agency or instrumentality of the United States but which will be subject to specified governmental regulation. It will be the purpose of the corporation to plan, initiate, construct, own, manage, and operate, in conjunction with foreign governments and business entities, a commercial communications satellite system, including satellite terminal stations when licensed therefor by the Federal Communications Commission. It will also be its purpose to furnish for hire channels of communication to U.S. communication common carriers who, in turn, will use such channels in furnishing their common carrier communications services to the public. Provision is also made whereby the corporation may furnish such channels for hire to other authorized entities, foreign and domestic.

Provision is made in the bill to insure among other things, first, that the corporation will observe such policies and practices as will preserve competition in its procurement of equipment and services; second, that all communications common carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations—whether licensed to the corporation or to individual carriers—under just and reasonable terms and conditions; third, that communications service to foreign points by means of the satellite system and terminal stations will be established whenever the national policy so requires; and, fourth, that the activities of the corporation shall be consistent with relevant foreign policies of the United States.

To prevent—and I say this with emphasis—any single interest or group of interests from dominating the activities of the corporation, and to afford the general public opportunity to participate in the ownership of the corporation, H.R. 11040 contains safeguards and limitations with respect to voting stock ownership of the corporation and the composition of its board of directors. The specific measures in this respect are designed to blend ownership by the public with ownership by communications common carriers, who will be the principal users of the corporation's facilities and so have a vital stake in the success and efficiency of the corporation.

Thus, with respect to the financing of the corporation, it is to be authorized to issue, in such amounts as it shall determine, shares of capital stock without par value which will carry voting rights and be eligible for dividends. The shares of such stock initially issued shall be sold at a price not to exceed $100 per share in a manner to insure the widest possible distribution to the American public. At the same time it should be recognized that purchase of such stock will be speculative, and that purchasers should understand that the corporation is entirely a private corporation for profit, so that such persons must assume the same risk as would be taken by any person purchasing stock in any other private corporation.

The bill further provides that 50 percent of the shares of the voting stock offered at any time by the corporation shall be reserved for purchase by the communication common carriers authorized by the FCC to own shares of stock in the corporation, and that such carriers shall in the aggregate be entitled to make purchase of these reserved shares in a total number not exceeding the total number of nonreserved shares of any issue purchased by other persons. At any time after completion of the initial issue, the aggregate ownership of the voting stock by all authorized carriers, directly or indirectly, shall not exceed 50 percent of all issued and outstanding voting stock.

With respect to the board of directors of the corporation, provision is made for 15 directors, 6 of whom shall be elected by the carriers—with no carrier being permitted, directly or indirectly, to vote for more than 3 candidates—6 to be elected by other stockholders, and 3 to be appointed by the President of the United States with the advice and consent of the Senate.

Recognizing the need for Federal coordination, planning, and regulation in order to carry out the purposes of the legislation, H.R. 11040 enumerates and delineates the powers and responsibilities of the President, NASA, and the FCC with respect to the corporation. In brief, the President shall, among other things, aid in the planning, coordination, and execution of the program for the establishment and operation of a commercial communication satellite system; coordinate the activities of the various Government agencies involved; exercise appropriate supervision over the relationships of the corporation with foreign governments in order to assure consistency of such relationships with our national interests and foreign policies; and insure the making of timely arrangements for foreign participation in the establishment and use of the system.

NASA shall be responsible for advising the FCC and the corporation on technical characteristics of the system, cooperating to the extent appropriate with the corporation in matters of research and development, and furnishing various specified services to the corporation on a reimbursable basis.

The FCC shall be responsible for the regulation of the corporation. In this connection, the corporation will be subject not only to the provisions of the instant legislation, but also to the provisions of the Communications Act of 1934, as amended, applicable to communication common carriers. Common carriers, insofar as they may be authorized by the Commission to construct and operate satellite terminal stations, similarly shall be subject to the instant legislation as well as the Communications Act. Thus, there will be comprehensive regulation of all entities engaged in providing communication satellite facilities.

Specifically, in addition to its existing powers under the Communications Act, the FCC would be empowered to take appropriate measures with respect to effective competition in the procurement of equipment and services required by the system and earth terminals.

A question was raised in the committee, Mr. President, concerning the fact

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that in many instances the telephone company buys much of its equipment from a company in which it has a major interest. In order to obviate that situation, even when equipment is bought for its own terminal stations the equipment will have to be bought under competitive bids under the supervision of the Federal Communications Commission. How far can we go?

I repeat: The FCC would be empowered to take appropriate measures with respect to: effective competition in the procurement of equipment and services required by the system and earth terminals; fair treatment of carriers in their use of the system and terminal stations; the technical competence of the system and terminal stations; the capitalization of the corporation; and additions to facilities of the system and terminal stations.

During the hearings on this proposed legislation the question of whether the operation of satellite terminal stations by the corporation or the common carriers or a combination of both would best serve the public interest was the subject of extensive discussion.

When the bill was reported by the Committee on Aeronautical and Space Sciences it gave a preference to the carriers in building ground stations. We would remove that preference and say that both the carriers and the corporation must be treated alike.

I repeat: During the hearings on this proposed legislation, the question of whether the operation of satellite terminal stations by the corporation or the common carriers or a combination of both would best serve the public interest was the subject of extensive discussion. It was urged by some that the common carriers should establish and maintain the ground stations in the United States as such facilities would be an integral part of the domestic network of a common carrier and that the common carriers were directly responsible for service to the public. To do otherwise, it was contended, would produce divided responsibility in making service available directly to the public.

In addition, it was pointed out, several of the carriers have done extensive research and development work on ground stations for experimental purposes. The majority of the committee—and I say this with emphasis—felt that no preference should be given to either the corporation or the common carriers and has appropriately amended section 201 (c)(7) and has established the public interest, convenience, and necessity as the criteria the Commission should follow in making a determination.

We feel confident that the FCC will take into account all relevant technological, economic, operating, and policy factors, including those mentioned above which are related to the public interest as they have presented in each case in making its determination as to whom it will authorize to operate the ground stations.

The bill also contains sanctions for failure to observe its provisions. It also provides for reports to Congress by the President, the corporation, and the Federal Communications Commission.

A number of questions have been raised concerning the relationship of the corporation herein being created and the U.S. foreign policy. In order to remove any doubt on this point section 201(a)(4) of the bill gives the President full authority to exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationship would be consistent with the national interest and foreign policy of the United States. This section should be read with section 402 which also deals with the role of a corporation in relation to U.S. foreign policy. Together these sections assure that this role will be carried out in a manner which contributes to the success of that policy. Section 201 recognizes the President's authority to take whatever steps he deems appropriate to assure the relationships of the corporation with foreign governments, entities, or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the State Department for conducting foreign policy. Section 402, on the other hand, is concerned with the narrower problem of the corporation's business negotiations with international or foreign entities. With respect to these business negotiations the corporation is to notify the Department of State when entering into negotiations and the Department is to advise the corporation of relevant foreign policy considerations. Moreover, during the negotiations the corporation may request the assistance of the Department and such assistance has customarily been furnished by the Department to to the communications carriers.

I want to state for the record that this approach has the full endorsement of the Department of State.

In conclusion, I say to Senators that the bill is the administration bill. It has the endorsement and approval of the President of the United States.

The bill has the endorsement and approval of the Department of Justice.

The bill has the approval and endorsement of the Bureau of the Budget.

The bill has the approval and endorsement of the Federal Communications Commission.

The bill has, I hope, the approval and the endorsement of the Space Committee. We made some modifications and corrections, in the public interest, which I feel and hope will be recognized.

The bill has already been passed by the House of Representatives.

The bill is an administration measure, and, I am proud to say on the floor of the Senate today, it has the approval and the endorsement and the support of the senior Senator from Rhode Island.

Mr. President, I ask unanimous consent to have printed at this point in the Record a section-by-section analysis of the provisions of the bill for the illumination of Senators.

There being no objection, the section-by-section analysis was ordered to be printed in the Record, as follows:

### Section-by-Section Analysis

Section 101. Short title: Declaration of policy and definitions: As referred to the Commerce Committee, S. 2814 would have amended the National Aeronautics and Space Act of 1958 to include it as new title IV entitled "Space Communications." Since the administration of the provisions of the bill will involve several agencies of government with emphasis on communication activities and, in addition, will necessitate substantial coordination among those agencies in discharging their respective responsibilities, it was felt that the original approach contained in the President's proposal of an independent act is more appropriate and therefore has amended this legislation so that it becomes an independent act known as "The Communications Satellite Act of 1962." Further, this is consistent with the action taken by the House in adopting H.R. 11040.

Section 102. Declaration of policy and purpose: Section 102 deals with the policy and purposes of the legislation.

Subsection (a) declares it to be the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable, a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries and which will contribute to peace and understanding.

Subsection (b) contemplates that the new and expanded services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date where technically feasible; that attention be given to providing such services to economically less developed countries as well as the more highly developed countries; and toward efficient use of the radio spectrum and toward reflection of the benefits of the new technology in the quality of service and the charges therefor.

Subsection (c) provides that in order to facilitate this development and to provide for the widest possible participation by private enterprise, U.S. participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulation. The intent of Congress is expressed that all authorized users have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; and that the corporation created by this act be so organized and operated as to maintain and strengthen competition in the provision of communication services to the public. The committee amended subsection (c) so as to express also the intent of Congress that the activities of the corporation and of the persons or companies participating in its ownership shall be consistent with the Federal antitrust laws. The committee felt that such added declaration of intent was necessary to dispel fears that were expressed that the legislation might be construed as exempting the corporation and the participants therein from the antitrust laws.

Subsection (d) originally read that it is not the intent of Congress to preclude the creation of additional communication satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest. The committee amended this subsection to provide also that nothing in this act shall preclude the use of the system for domestic communication services where consistent with the provisions of the act. This clarification was made to avoid any possible inference that may be drawn from the other provisions of the bill that Congress had made a policy determination that use of the system be limited to international communications. While it is unlikely that the system will be usable initially for domestic services in the United States because of technical and economic limitations, it is conceivable that eventually use of the system for domestic services may become feasible and entirely consistent with the act.

Section 103. Definitions: Paragraph (1) defines the term "communications satellite system." This term refers to communications satellites in space whose purpose is to relay telecommunication information between satellite terminal stations, together with associated equipment and facilities for tracking, guidance, control, and command functions which are not part of the generalized launching, tracking, control, and command facilities for all space purposes.

In paragraph (2) the term "satellite terminal station" is defined. This term refers to the complex of communication equipment on the earth's surface, operationally connected with one or more terrestrial communications systems and capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system. As used in this definition, the term "operationally connected" is intended to include connection by wire or radio between the terrestrial system, on the one hand, and the terminal station on the other hand, whether or not such terminal station is a fixed or mobile station.

Paragraph (3) defines "communications satellite" to mean an earth satellite which is intentionally used to relay telecommunication information.

In paragraph (4) "associated equipment and facilities" is defined to refer to those facilities, other than satellite terminal stations and communication satellites, which are constructed and operated primarily for the purpose of a communication satellite system.

In paragraphs (5) and (6) the terms "research and development" and "telecommunication" are defined.

In paragraph (7), which was added by the committee, the term "communications common carrier" is defined to have the same meaning as the term "common carrier" has when used in the Communications Act of 1934, as amended, and, in addition, includes, for purposes of section 303 of the act (relating to the election by carriers of directors of the corporation) and section 304 (relating to voting stock ownership by carriers) any person or entity which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier. The term "authorized carrier," except as otherwise provided for purposes of section 304, paragraph (b)(1) of that section, is defined to mean a communications common carrier authorized by the Federal Communications Commission under the Communications Act to provide services by means of communications satellites.

Paragraphs (8), (9), and (10) have also been added by the committee and are self-explanatory.

### TITLE II—FEDERAL COORDINATION, PLANNING, AND REGULATION

Section 201. Implementation of policy. This section delineates the functions of the President, the National Aeronautics and Space Administration, and the Federal Communications Commission with respect to implementation of the bill.

Subsection (a) sets out the functions of the President with respect to the communications satellite system.

As the bill came to the committee, in paragraph (1) of this subsection the President would aid in the development and would foster the execution of a national program for the establishment and operation of the system. This has been amended to give recognition to the President's responsibilities with respect to the planning of such a system.

Three other amendments were made in subsection (a).

Paragraph (3) originally would have the President coordinate the activities of governmental agencies with responsibilities in the field of international communications to insure that there is compliance with the policies of the bill. This has been broadened to apply to all governmental agencies with responsibilities in the field of telecommunication rather than only those concerned with international communications, bearing in mind the potential future use of the satellite system for domestic services.

Paragraph (4), as the bill came to your committee, would have the President exercise "general supervision" over the relationships of the corporation with foreign governments or entities and international bodies to assure consistency with the national interest and foreign policy of the United States. The word "general" has been deleted as being suggestively restrictive of the President's powers and responsibilities with respect to the formulation and execution of the foreign policies of the United States.

Paragraph (7) is also amended to have the President exercise his authority so as to help attain coordinated and efficient use of the spectrum and to help attain technical compatibility of the system with existing communications facilities here and abroad. The paragraph originally would have had the President "insure effective and efficient" use of the spectrum and "insure" technical compatibility. The amendment will make clear that no new authority is granted to the President to accomplish these ends, but that he will rely on his present authority.

Other paragraphs relate to Presidential review of the development and operation of the system, insuring that timely arrangements are made under which there can be participation and use in the establishment and use of the system; and the taking of steps to insure that the system is available and appropriately used for general governmental purposes not requiring a separate system to meet unique needs.

Subsection (b) places certain responsibilities on the National Aeronautics and Space Administration. Thus it is to advise the Federal Communications Commission on the technical characteristics of the system; consult with the corporation on such characteristics; and furnish the corporation, on a reimbursable basis, launching and associated services required for the establishment, operation, and maintenance of the system approved by the Federal Communications Commission, and to the extent possible furnish other services on a reimbursable basis to the corporation when requested to do so.

The subsection, as contained in S. 2814 referred to the Senate Commerce Committee, would also require, in paragraph (2), that the administration coordinate its research and development program in space communications with that of the corporation. Believing this to be an unduly onerous requirement, the committee has substituted the requirement that the administration cooperate with the corporation in research and development to the extent the administration deems appropriate in the public interest. The objective of the amendment is to insure cooperation between the corporation and the administration in matters of research and development, but to leave to the administration the determination of the nature and extent of the corporation that may be required in the public interest.

A further requirement, that the administration assist the corporation in its research and development program by furnishing, on a reimbursable basis, such satellite launching and associated services as the administration deems necessary for the most expeditious and economical development of the system, has been amended to indicate that such services are to be furnished only on request of the corporation.

Subsection (c) specifies duties of the Federal Communications Commission with respect to the system and satellite terminal stations. A number of amendments have been made in the various paragraphs of this subsection.

Paragraph (1), as written in S. 2814 when referred to our committee, would require the Commission to insure effective competition in the procurement by the corporation of apparatus, equipment, and services, and to prescribe appropriate rules and regulations to this end.

This paragraph has been amended to state specifically that the Commission may require competitive bidding, where appropriate, to achieve such competition. It also has been amended to make it equally applicable to the procurement by communications common carriers of apparatus, equipment, and services required for satellite terminal stations where such carriers are authorized to construct and operate such stations. As the language read originally those carriers would not be subject to such regulation. The committee saw no reason for any distinction in this respect between satellite terminal stations of the corporation and those of the carriers, and concluded that the rationale for requiring effective competition with respect to the former applies equally to the latter. A provision has also been added to require the Commission to consult with the Small Business Administration and solicit its recommendations on measures and procedures which will assure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation. Finally, the clause empowering the Commission to promulgate rules and regulations in order to implement the policies of the legislation regarding competition, has been made a separate paragraph (11) applicable to the implementation of each of the Commission's responsibilities specified in subsection (c).

Paragraph (2) also has been amended. As it read originally, it would require the Commission to insure that carriers authorized to provide services via communications satellites have nondiscriminatory use of and equitable access to the communications satellite system on just and reasonable terms and conditions, and that the Commission would regulate the manner in which facilities of the system were allocated among such users. Paragraph (7) contained similar language with respect to satellite terminal stations, except that it did not, nor did the bill elsewhere, contain any reference to allocation of terminal station facilities.

To make a more orderly arrangement in the bill, this language in paragraph (7) was transferred to paragraph (2) and combined with the similar requirement originally applying only to the system. In addition, the power of the Commission to allocate facilities would also be made applicable to terminal station facilities, since it is obvious that the exercise of such power could be frustrated if it applied only to satellites and not to terminal stations, which are an essential link in satellite communication. With this amendment, the Commission will be able to

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effectively discharge its responsibilities in this respect.

Several other changes have been made in paragraph (2). The term "authorized carriers" has been substituted for the term "communications common carriers authorized by it to provide services by way of communication satellites" to conform with new subsection 103(7). Also, the words "charges, classifications, practices, regulations and other" have been inserted before the words "terms and conditions" to have conformity with the Communications Act, which will apply to activities under this bill.

Paragraph (3) provides that the Commission shall, on advice by the Secretary of State that "commercial communication to a particular foreign point by means of the communications satellite system should be established in the national interest," institute appropriate proceedings under section 214(d) of the Communications Act to require the establishment of such service by the corporation and appropriate common carriers. The paragraph has been amended to add the words "and satellite terminal stations" after "communications satellite system," since the former are equally important to such communication.

Paragraph (4) originally stated that the Commission is to insure that the facilities of the communications satellite system are technically compatible and interconnected operationally with the satellite terminal stations and with existing communications facilities. Under this language, it could be inferred that there was no parallel requirement that terminal stations be made technically compatible and interconnected operationally with the system and existing communications facilities, so that the only way to insure such compatibility and interconnection would be by modification of the satellite system. The paragraph has been amended to make such requirement clearly apply to such terminal stations, so that compatibility and interconnection can be assured through control over the parameters of either the system or the terminal stations.

No changes have been made in paragraphs (5) and (6). Paragraph (5) requires the Commission to prescribe such accounting regulations and engage in such rule making procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communications services. Paragraph (6) requires that the technical characteristics of the satellite system and the terminal stations be approved by the Commission.

Paragraph (7) has been amended so as to empower the Commission to grant appropriate authorizations for the construction and operation of each satellite terminal station either to the corporation or to one or more authorized carriers or to the corporation and one or more carriers jointly as will best serve the public interest, convenience, and necessity; and it also provides that the Commission shall exercise this authority without preference either to the corporation or the authorized carrier.

This provision was the subject of considerable discussion by the committee. It should be pointed out that during the hearings most of the communications common carriers appearing before our committee urged that they should establish and maintain the ground stations in the United States. In supporting this position the carriers pointed out, among other things, that the ground stations are terrestrial facilities which would become an integral part of the domestic network and should be owned and operated by the carriers who are directly responsible for service to the public.

It was pointed out to your committee, by the carriers, that if the corporation owns the ground stations it could result in divided responsibility in the provision of service to the public and would, therefore, have an adverse effect upon the quality and reliability of such service. In addition, several of the carriers have done extensive research and development work in planning these ground stations and have already constructed such stations for experimental purposes. These are significant factors which are directly related to the public interest, convenience, and necessity and which should be taken fully into account by the Commission, along with all other relevant factors, in the exercise of the Commission's powers to grant authorizations for ground stations.

While the common carriers have urged the desirability of their operation of ground stations, it does not seem appropriate to legislatively limit the Commission in the exercise of its licensing functions. In view of the various statements made throughout the numerous hearings on this proposal, our committee's intention must be made quite clear.

It is for this reason that the second sentence that appears in S. 2814, section 201 (c)(7), as reported by the Senate Aeronautical and Space Committee, which provides that the Commission should "encourage" establishment of ground stations by the carriers has been changed to provide that there shall be no preference shown either to the corporation or the carriers.

The intention of this change in language is to make clear that there is no legislative prejudgment as to who shall establish a ground terminal station. The Commission would be authorized to give full consideration to all relevant technological, economic, and operating factors in determining what meets the public interest, convenience, and necessity.

Paragraph (8) is a new provision which would require Commission authorization for the corporation to issue any shares of capital stock (except the initial issue of voting stock) to borrow moneys, or to assume any obligation in respect of the securities of any other person. Such authorization is to be given upon a finding that such action by the corporation is compatible with the public interest, convenience, and necessity, and is necessary or appropriate for or consistent with carrying out the purposes and objectives of the act by the corporation.

This amendment is considered important in carrying out the stated policy and purposes of the act of insuring that the benefits of this new technology are reflected in both the quality of communication services to be rendered by the corporation and the charges for such services. It is imperative that the corporation's capital structure be carefully regulated and controlled to avoid excessive capitalization or disproportionate amounts of equity or debt capital which could have adverse effects upon the corporation's revenue requirements and the charges for its services and impair its ability to provide efficient and adequate service. The proposed authority is in general similar to the powers vested in the Federal Power Commission under the Federal Power Act as applied to electric utilities and the Interstate Commerce Commission under the Interstate Commerce Act as applied to transportation carriers. However, in adopting this amendment your committee desires to make it clear that it is not exempting from the application of the Federal Securities Act the securities issues covered by this amendment.

Paragraph (9) is a new provision which would give the Commission the responsibility of insuring that no substantial additions are made to the facilities of the system or satellite terminal station unless such additions are found by the Commission to be in the public interest, convenience, and necessity. This paragraph is intended to supplement section 214(a) of the Communications Act which requires common carriers to obtain Commission authorization of certain limited types of additions. By paragraph (9), the Commission's authority would be extended to all substantial additions by the corporation and by the carriers. The proper development of space communications in a manner consistent with national policy requires that the Commission be in a position to closely scrutinize and control proposed additions to facilities if they are of a substantial nature.

Paragraph (10) complements paragraph (9) by empowering the Commission in accordance with the procedural requirements of section 214(d) of the Communications Act of 1934 to require that additions be made to facilities of the system or satellite terminal stations where it finds that such additions would be in the public interest, convenience, and necessity.

Paragraph (11) would give the Commission authority to make rules and regulations to carry out its responsibilities under this act. The Commission must necessarily make both substantive and procedural rules and regulations in order to effectively implement the various provisions of the act. This authority, originally appearing only with respect to paragraph (1), has therefore been extended to other provisions as well.

### TITLE III. CREATION OF COMMUNICATIONS SATELLITE CORPORATION

Section 301. Creation of corporation: Section 301 authorizes the creation of a communications satellite corporation. It specifies that it will be a private corporation for profit and will not be an agency or establishment of the U.S. Government. The corporation would be subject to the act and, to the extent consistent therewith, to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this act is expressly reserved.

Section 302. Process of organization: Section 302 provides that the President shall appoint incorporators, by and with the advice and consent of the Senate. Such incorporators would serve as the initial board of directors until the first annual meeting of shareholders or until their successors are elected and qualified. They shall also arrange for an initial stock offering and take other actions necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

This amendment is consistent with the requirement of section 303(2) that directors named by the President be so appointed. Inasmuch as the incorporators are to serve as the first board of directors, and can do so for a year, their appointment should be subject to the same safeguards as are required of the President's one-fifth membership of succeeding boards. There can be no doubt that the first board, with its power to name the president of the corporation and all other officers, will serve a most important function in charting its course.

Your committee is hopeful that in making his choices, the President will seek fair representation from the major political parties and a good cross section of the professions and industries which will be expected to take part in the U.S. commercial communications satellite effort. For example, there should be incorporators drawn from large and from less large communications common carriers, from persons wise in the problems of finance, from industries supplying rockets, electronic gear, tracking mechanisms, and the like. There should also be incorporators knowledgeable in the area of Federal Communications Commission regulation. In this way the President can call upon persons who have experience in the various fields involved in the work of the corporation.

Section 303. Directors and officers: Subsection (a) relates to the composition of the board of directors of the corporation which shall consist of 15 members all of whom shall be citizens of the United States, and one of whom shall be elected annually by the board to serve as chairman.

Three members of the board shall be appointed by the President, with the advice and consent of the Senate, effective the date on which the other members are elected. In order to insure reasonable continuity on the board of the Presidential appointed directors, the committee, by amendment, increased the terms of such directors from 1 to 3 years with provision for staggering the respective termination dates of the initial appointees over a 3-year period.

Six members of the board shall be elected annually by those stockholders who are communications common carriers and six shall be elected annually by the other stockholders of the corporation. However, no stockholder who is a communications common carrier and no trustee for such a stockholder shall vote, either directly or indirectly, through the votes of subsidiaries or affiliates for more than three candidates for membership on the board.

Provision is also made to require cumulative voting under the District of Columbia Business Corporation Act rather than limiting such voting to the election of directors by common carrier shareholders as was provided for in S. 2814 when it was referred to your committee.

Subsection (b) provides for the appointment of a president of the corporation and such other officers as may be named and appointed by the board of directors at rates of compensation fixed by the board and serving at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the corporation and no officer may receive a salary other than from the corporation during the period of his employment by the corporation.

Section 304. Financing of the corporation: Subsection (a) authorizes the corporation to issue capital stock with voting and dividend rights but without par value. The issuance of this stock except for the initial issue will be subject to the approval of the Federal Communications Commission under paragraph (8) of subsection 201(e). The initial offering is to be sold at a price not to exceed $100 a share and in a manner to assure the widest distribution to the American public, subject to the provision of subsections (b) and (d).

Subsection (b) governs ownership of the voting stock by communications common carriers, which for the purpose of section 304 are defined by subsection 103(7) to include any person, or entity owning or controlling, directly or indirectly, such a carrier, as well as any person or entity under direct or indirect control of such carrier. Paragraph (2) prohibits any carrier, so defined, from directly or indirectly owning voting stock in the corporation unless authorized by the Commission. Fifty percent of the voting stock authorized for issuance at any time is to be reserved for purchase by such authorized carriers; however, these carriers may not purchase in the aggregate more shares from the reserved portion than the public does from the nonreserved portion. Further, at no time after the initial issue is completed shall authorized carriers directly or indirectly own more than 50 percent of the voting stock issued and outstanding.

Paragraph (3) of subsection (b) prohibits any stockholder, other than an authorized carrier, or any syndicate or affiliated group of such stockholders, from owning more than 10 percent of the issued and outstanding voting stock. Another prohibition is contained in subsection (d), relating to alien ownership, which states that no more than 20 percent of the voting stock held by persons other than authorized carriers may be held by persons of the classes described in subsection 310(a) of the Communications Act.

Paragraph (1) defines an authorized carrier, for the purposes of section 304, to be a communications common carrier authorized by the Commission to own stock in the corporation. This paragraph has been amended in two respects by your committee. First, language has been added to specify that the Commission may issue such authorization by classes of carrier as well as by individual carriers, so that a carrier may be authorized as one of a number of carriers authorized at the same time, or it may be authorized by an action of the Commission addressed to it singly. No application is necessary for the Commission to act, so that it may issue such authorization on its own initiative, as well as on application by a carrier or carriers. Second, paragraph (1) has been amended to add a standard governing authorization. Thus, it is required that the Commission find that ownership by the authorized class or carrier "will be consistent with the public interest, convenience, and necessity."

Subsection (f) authorizes the Commission, on application of an authorized carrier and after notice and hearing, to compel any other authorized carrier to transfer for a fair and reasonable consideration to the applicant a number of shares of voting stock owned by such other authorized carrier, as the Commission determines will advance the public interest. The term "authorized carrier" relates, of course, back to the definition of communications common carrier in subsection 103(7) to include persons or entities related to the carrier itself.

When S. 2814 was referred to your committee, this subsection provided that the amount of shares to be transferred was to be a number that would be reasonable "in the light of the estimated proportionate use of the corporation's facilities by the applicant" and other factors. Your committee has deleted the quoted language in view of the concern expressed by some that it could lead to undue importance being placed on the extent of use as a measure for voting stock ownership. It was urged that a carrier using a large portion of the corporation's facilities would by resort to this device be able to increase its stock ownership and thereby possibly gain a dominant position in the corporation. It was, therefore, believed best to remove this specific standard from the bill, and instead insert language stating that the Commission "shall promote the widest possible distribution of stock among the authorized carriers" whenever consistent with the public interest.

In addition, whenever such a transfer is directed by the Commission, such transfer is to be for "a fair and reasonable consideration."

Subsection (c) authorizes the corporation to issue nonvoting securities, bonds, debentures, and other certificates of indebtedness. Any such issuance is subject to the approval of the Commission under paragraph (8) of subsection 201(c). It also provides that such nonvoting securities, etc., are eligible for inclusion in the rate base of an owning carrier to the extent allowed by the Commission, but that voting stock of the corporation owned by such carrier is not eligible for such inclusion. The bill as it came to the committee, was silent with respect to rate base treatment of voting stock, and it was deemed advisable to explicitly state the intent of the bill. In addition, the bill made other securities, etc., eligible only for inclusion in the owning carrier's rate base for international services. This was felt to be too restrictive, and that greater latitude should be given to the Commission. Therefore, the language was changed to delete references as to the specific rate base in which the investment of a carrier in nonvoting securities could or could not be included and full discretion was given to the Commission to permit such securities to be eligible to the extent it found it necessary.

Section 305. Purposes and powers of the corporation: Subsection (a) confers on the corporation certain powers in order to achieve the objectives and carry out the purposes of the act. These powers are (1) to plan, initiate, construct, own, manage, and operate commercial communications satellite systems either by itself or in conjunction with foreign governments or business entities; (2) to furnish channels of communication for hire to U.S. common carriers and to other entities, foreign and domestic; and (3) to construct and operate satellite terminal stations when licensed to do so by the Commission.

Subsection (b) sets forth some of the activities authorized to be carried out by the corporation. Those set forth are (1) to conduct or contract for research and development related to its mission; (2) to acquire physical facilities and hardware necessary to its operation by construction, purchase, or gift; (3) to purchase satellite launching and related services from the U.S. Government; (4) to contract for services of the communications satellite system with users thereof, including the U.S. Government; and (5) to develop plans for technical specifications of all elements of the communications satellite system.

Subsection (c) provides that the corporation shall have the usual powers conferred on a stock corporation by the District of Columbia Business Corporation Act in order to carry out the purposes described above.

### TITLE IV—MISCELLANEOUS

Section 401. Applicability of Communications Act of 1934: This section provides that the corporation shall be deemed to be a common carrier within the meaning of section 3(h) of the Communications Act of 1934, as amended, and as such fully subject to titles II and III of that act. As amended by the committee, this section also provides that the provision of satellite terminal station facilities by one communication common carrier to one or more other such carriers shall be deemed to be a common carrier activity fully subject to the Communications Act. The reason for this amendment is because the provision of facilities by one common carrier to other carriers has not been regarded as a common carrier undertaking. The corporation, by the terms of this legislation, will be subject to both the provisions of this legislation as well as to the Communications Act. However, if common carriers in their operation of any terminal station for which they may be authorized by the Federal Communications Commission are subject only to the provisions of this act but not the Communications Act, as well, there will be a regulatory hiatus between the corporation and the common carriers. Thus, the corporation in providing facilities to communications common carriers will be fully subject to provisions of the Communications Act, while a common carrier engaged in a similar activity will not be subject insofar as that activity is concerned. The committee's amendment will avoid such a hiatus.

Also, the committee amended this section to provide that whenever the application of the provisions of the Satellite Act of 1962 shall be inconsistent with the applications of the provisions of the Communications Act, the provisions of the Satellite Act shall govern.

Section 402. Notice of foreign business negotiations: This section is to insure that the corporation in its business negotiations with international or foreign entities over facilities, operations, or services, will conform to relevant foreign policies of the United States. Section 402 should be read

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with section 201(a)(4) as both are concerned with the role of the corporation in relation to U.S. foreign policy. Together these sections assure that this role will be carried out in a manner which contributes to the success of that policy. Section 402(a)4 recognizes the President's authority to take whatever steps he deems appropriate to assure that the relationships of the corporations with foreign governments, entities or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the Department of State, for conducting foreign policy. Section 402, on the other hand, is concerned with the narrower problem of the corporation's business negotiations with international or foreign entities. With respect to these negotiations, the corporation is to notify the Department of State when entering into negotiations and that Department is to advise the corporation of relevant foreign policy considerations. Moreover, during the negotiations the corporation may request the assistance of the Department; such assistance has customarily been furnished by the Department to communications carriers.

Section 403. Sanctions: Subsection (a) provides that U.S. district courts may, on petition of the Attorney General, grant equitable relief as may be necessary or appropriate to prevent or to terminate (1) conduct by the corporation inconsistent with the policy and purposes of the act; (2) violation by the corporation or any person of any provision of the act; (3) obstruction of or interference with, by the corporation or any person, any activities authorized by the act; (4) refusal, failure, or neglect by the corporation or any person to discharge duties or responsibilities under the act; or (5) any threat by the corporation or any person of such violation, obstruction, etc. During the hearings a question was raised as to whether the sanction provision of this bill might be construed to furnish a legal basis for issuance of an injunction against labor union activities in a labor dispute. Although it was indicated that this sanction did not apply, your committee has adopted an amendment to this subsection that removes all doubt.

Subsection (b) provides that nothing in section 403 shall be construed as relieving any person from punishment, liability, or sanction which may be imposed otherwise under this bill.

Subsection (c) is new. It has been added to make clear that the corporation and communications common carriers have a positive duty to comply with the applicable provisions of the bill and rules and regulations promulgated thereunder. Thus, for example they must independently take action: to foster effective competition under paragraph (1) of subsection 201(c); to provide authorized carriers with nondiscriminatory use of and equitable access to the communications satellite system and satellite terminal station, etc., under paragraph (2) of subsection 201(c); etc., without waiting for rules and regulations to be issued by the Commission. Further, they must comply with such rules and regulations as are issued. Failure to observe these duties will make them liable to the imposition of sanctions.

Section 404. Reports to Congress: Subsection (a) requires the President to submit annual reports to Congress describing and evaluating progress under the national program referred to in paragraph (1) of subsection 201(a), together with recommendations for such action, legislative or otherwise, as he believes desirable.

Subsection (b) requires the corporation to submit annual reports to the President and Congress.

Subsection (c) is new, and requires the Federal Communications Commission to transmit annually to Congress (1) a report on its activities and actions on anticompetitive practices as they apply to the communications satellite programs, (2) an evaluation of such activities and actions with a view to recommending such additional legislation as it may consider necessary, and (3) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. LONG of Louisiana. When the Senator states that the bill has the support of the administration, does he include in his statement the amendments the House added to the bill?

Mr. PASTORE. So far as I know, yes. In fact, representatives of the Department of Justice and the FCC appeared before the committee. We made certain refinements. The Senator will notice that vast improvements have been made in the bill in order to protect the public interest. I shall fight as hard for the retention of those provisions as, I suppose, the Senator from Louisiana will fight to promote the so-called Kefauver amendment.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ALLOTT. I have listened with very great interest to the presentation of the Senator from Rhode Island. I congratulate him and the other members of his committee on the bill. I think it is the only logical approach to take to the question. I do not think the arguments I have heard raised are legitimate arguments. For example, when we talk about charging off all the costs of our missile system against the communications system, it is like selecting a small speck or hole on a mountain, and charging the whole mountain with that hole. The things we expect to get out of our missile system are so great and so vast that this proposal can constitute only a small speck of what we can get out of the program. I wish particularly to congratulate the Senator from Rhode Island for a very excellent and lucid presentation.

Mr. PASTORE. I thank the Senator. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## AUTHORIZATION FOR VICE PRESIDENT OR PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILL H.R. 10788

**Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Vice President or President pro tempore be authorized to sign the enrolled bill H.R. 10788, to amend section 204 of the Agricultural Act of 1956, during the adjournment of the Senate.**

**The PRESIDING OFFICER. Without objection, it is so ordered.**

## MEREDITH WILLSON—THE MUSIC MAN

Mr. MILLER. Mr. President, on Tuesday, June 19, the 24th North Iowa Band Festival and Music Man Marching Band Competition Festival will be held at Mason City, Iowa, birthplace of the famed musician, composer, and author, Meredith Willson. One hundred and twenty-one bands from 34 States will participate in what will be the biggest and most elaborate event of its kind ever presented. The premiere of the motion picture based on the world-famed musical comedy, "Music Man," will be held at Mason City on the same date. Produced by Warner Brothers, Robert Preston stars in the title role as Prof. Harold Hill and Academy Award winner Shirley Jones stars as the prim librarian. Warner Brothers is to be commended for making it possible for millions of Americans to enjoy this splendid and wholesome entertainment.

With so much front-page news being given juvenile crime nowadays, it is heartening to note the creative and cultural activities of so many of our young people throughout the country in symphonic and marching bands. Some 8,500 teenage boys and girls will participate in this great festival.

For many years, Mr. Lester Milligan, executive secretary of the Mason City Chamber of Commerce, has taken a leading part in organizing the North Iowa Band Festival, which has had a memorable impact on the lives of so many boys and girls who have participated.

As one of Iowa's native and favorite sons, Meredith Willson, who will be the principal guest of honor at this year's festival, provides a living symbol of the appreciation of good music which typifies the people from my State of Iowa. His career has been outstanding and inspirational, and I ask unanimous consent that a biographical sketch of Mr. Willson be printed at this point in the RECORD.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

### BIOGRAPHICAL INFORMATION ON MEREDITH WILLSON

Meredith Willson was born in Mason City, Iowa, in 1902. He started his career as a flutist with John Philip Sousa's Band and the New York Philharmonic, turning to conducting and composing in 1929. The next 12 years found him musical director of San Francisco radio station KFRC and of NBC's western division. Then, moving to Hollywood, he became musical director for outstanding network radio programs.

In 1942 he joined the Army, emerging at the end of World War II with the rank of major. During the next 5 years he starred in important network radio programs, innovating his famous "Talking People."

In 1950 he became identified with Tallulah Bankhead's "The Big Show" as musical director and radio personality. He has continued in similar capacities in both television and radio. His wife, Rini, former singer of concert, opera and radio, appears with him on personal appearance lecture tours which they make in the fall and spring.

Mr. Willson's compositions include many symphonic works, plus such popular song hits as "May the Good Lord Bless and Keep You," inspired by his mother's goodbye to her Sunday school class, "I See the Moon," "You and I." He has written five books including a novel, "Who Did What to Fedalia." His best-selling autobiographical works include "And There I Stood With My Piccolo," "Eggs I Have Laid" and his latest volume, "But He Doesn't Know the Territory." The fifth book is "The Music Man."

His largest venture is Broadway's most highly acclaimed musical comedy of the past and current seasons, "The Music Man," for which he wrote book, lyrics and music including the marching song, "76 Trombones."

"The Music Man," now in its third year, has won many of the theater world's highest awards, including the New York Drama Critics Awards for the best musical, best lyrics and best music; the Outer Circle Award; five Tonys in the Antoinette Parry Annual Awards, as well as the best musical award from Variety and Sign magazines.

Mr. Willson has received from the State of Texas and the Texas Music Educators Association the "outstanding figure in American musical life" award given to the person "who has done the most to advance the cause of good music in the form of the widest public acceptance," and the Distinguished Iowan Award—1958.

Willson's newest project for Broadway is the score for "The Unsinkable Molly Brown," which is to be produced by Dore Schary and the Theater Guild.

The Los Angeles County Library recently gave him a lifetime gold library card for his records, books and "Marian the Librarian" in connection with National Library Week.

He was honored recently by the city of Los Angeles as honorary chairman of National Music Week.

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## A FREE PRESS

**Mr. MILLER.** Mr. President, one of the great bulwarks of freedom in our form of government is the free press. Public opinion can make or break the American way of life. Informed and enlightened public opinion is essential to the preservation of our form of government and to the formulation of a national purpose in keeping with the ideals which gave birth to the United States of America.

This being so, it is understandable why so much concern has been expressed recently over what appears to be a calculated effort on the part of this administration to exert undue influence upon the members of the free press. The noted columnist, Mr. James Reston, has indicated alarm over the one-sidedness of some news accounts being fed the American people when the President makes known his views on major issues. This is front page, nationally televised news. It receives top billing almost everywhere. When voices of opposition to the President's views are sounded, they too often receive much less coverage. The result is that public opinion is in danger of being formulated without the benefit of adequate information on both sides of great national issues.

It requires real courage for members of the free press to adhere to their ethical standard of reporting all the news—good or bad—which affects the President and his administration. Stories have been circulated that the writers of news accounts or editorials unfavorable to the President or his administration find themselves in the White House doghouse. At the very least, they no longer receive the same courtesies and luncheons which so-called friendly members of the press receive. White House subscriptions to their papers may even be cancelled.

Accordingly, I want to pay tribute to two of the Nation's great newspapers today, whose news accounts are noted for their coverage in depth, for the presentation of both sides of the issues, and especially for their objective, courageous editorial policy. I refer to the Christian Science Monitor and the Wall Street Journal.

A classic example of the Monitor's fearless editorial policy appears in the lead editorial of June 12, entitled "Mr. Kennedy's 'Myth and Reality'." It points out that the myths, so-called, are not all on the side of those who are opposing the policies of this administration; that there are myths to which President Kennedy and his advisers also cling.

These are that the Federal Government and the Kennedy administration nobly express the national interest; that businessmen are selfish and arrogant; and that the President is the only injured party in the current conflict which has resulted in loss of confidence on the part of American business.

> These—

Declares the Monitor—

> are typical leftist myths. They deserve to be scrutinized and brought up to date just as surely as do those of the right.

As I recently pointed out at the Parsons College Commencement, the Supreme Court of the United States, in the steel-seizure case decision in 1952, made it clear that the President has no inherent power to invoke what he believes to be the national interest. Such inherent power exists in the throne of a king, but it does not exist in the office of the President of the United States. It is entirely proper for the President to declare what he thinks is the national interest or in or contrary to the national interest. And he can invoke it where Congress, by a specific law, has given him the power to do so. He can go to the people and to the Congress to try to persuade them on his views of the national interest. And if both sides of the issue are adequately presented to the American people by the free press, no one can quarrel with this. But he cannot absent a specific act of Congress, invoke what he thinks the national interest is. Apparently the President thinks he can, because he recently said that the administration will not hesitate to invoke the national interest where the best interests of the country—in his opinion—warrant it. I would recommend that he and his advisers in the White House ask the Attorney General to read the Supreme Court's opinion in Myers against United States.

I sincerely trust that this timely, objective, and courageous editorial in the Christian Science Monitor, published in the President's home city of Boston, Mass., will not result in its being excluded from the subscription list of the White House. I ask unanimous consent that the editorial be printed in the RECORD.

In the June 14 issue of the Wall Street Journal, the lead editorial, entitled "Confidence in Question," courageously takes issue with the President's views on business confidence, as expressed by him in his recent speech at the Yale commencement. The question of confidence, says the Journal, "must be viewed in terms of the sum of Government economic policy, the main direction of its thinking and acting." It then proceeds to take the administration to task, as it should, for its deficit spending, inflationary policies which go contrary to the obligation of Government to provide for honest money; for its wasteful and nonessential spending programs; for its failure to establish priorities in spending; and for its inconsistent tax policies. "Such a spectacle is not likely to increase any sensible person's confidence," declares the Journal. To which I say, "Amen," with gratitude to the Journal for striking a real blow for freedom of the press. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 14, 1962]

### CONFIDENCE IN QUESTION

The question of business confidence is a little more complicated, we fear, than President Kennedy made it sound this week. Or perhaps we should say more sophisticated, to use a word currently much in vogue in Washington.

As the President sees it, there is a true issue of confidence and a false issue. The true issue is that if business, labor and Government neglect their obligations to the public, "then confidence might well be weakened." The false issue is the assertion that any and all unfavorable turns of the speculative wheel are the result of a lack of confidence in the national administration.

Now certainly it would be erroneous to put the blame for the stockmarket slide, or for any new recession if it comes to that, wholly and solely on the administration. Yet the power of the Government to encourage or discourage confidence is plainly enormous. So the question of confidence must be viewed in terms of the sum of Government economic policy, the main direction of its thinking and acting.

What, to start with, are some of these obligations of the Government to the public? It would seem that a fundamental one is the provision of honest money. The U.S. Government has failed this test for the better part of 30 years. And it's no use arguing that deficit financing does not always produce immediate price inflation; the fact is that a Government course which has the effect of inflating the money supply is a risky course because it is speculating with the people's purchasing power.

Another basic obligation is to use the people's taxes carefully and judiciously, avoiding waste and nonessential spending. This too is honored in the breach. In Washington's eyes the defense exigencies impose no imperative to cut back unnecessary spending or to establish priorities. Instead the waste and the political handouts accumulate, as the effort is made to create ever more pressure groups.

Such a spectacle is not likely to increase any sensible person's confidence. More specifically, practically every move the administration calls probusiness is countered by another which would have to be described in different terms.

In this election year tax cuts are promised for the year to come, but they are not linked to any thought of retrenchment of Federal expenditures. Government officials speak of

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their attempt to help business with an investment tax credit and liberalized depreciation rules. At the same time they attack investment at home and abroad wih proposed tax changes on foreign subsidiaries and tax withholding on dividend and interest income.

The Government professes to show its regard for business by appointing a committee of businessmen to study the serious and persistent deficit in America's international payments position—an issue involving foreign confidence in the dollar. We hope the businessmen will have something useful to recommend. But it is hard to see how they can do much about it so long as the Government itself insists on this huge spending at home and abroad, which is the main reason for the payments deficit.

Administration officials are also fond of saying that business should welcome vigorous enforcement of the antitrust laws. That is true, so long as such enforcement does in fact help to preserve competition.

What is overlooked here is the need to reexamine some aspects of the antitrust laws themselves—not only because they are vague and confusing but because they may no longer be suitable for the sophisticated corporate conditions of the present day. The economic danger of harassing overregulation is far greater today than any risk of underregulation.

And speaking of regulation as it affects confidence, it would be difficult for anyone to forget the price-setting implications of Mr. Kennedy's moves in the steel dispute.

Perhaps most important in a catalog of questions of confidence is the underlying Government attitude. Big Government, the President assures us, is going to get bigger, and that's all right. Deficits and mounting debt can be viewed with equanimity if not embraced as positive virtues. It is scarcely a secret that some of the administration's advisers and consultants strongly favor a vast enlargement of the "public sector," by which euphemism is meant still greater aggrandizement of Government.

Call the totality of the attitude antibusiness or what you will; in practice it must press against business either through taxation or further weakening of the Nation's financial system or both. And business, let us not forget, is nothing more nor less than the work of the Nation; at stake are the interests of labor, management, and Government and the question of future economic growth.

Business growth, as the President observes, ultimately rests on an economic confidence in the Nation's ability to invest and produce and consume. The Nation's potential growth is enormous. But it is not unreasonable to ask why there should be exuberant confidence in a Government that so far seems bent on curbing the people's incentive and ability to produce, consume, save and invest.

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[From the Christian Science Monitor, June 12, 1962]

### MR. KENNEDY'S MYTH AND REALITY

President Kennedy is guilty of precisely what he criticized the business community for doing. Business, he charged at the Yale commencement, has based its recent wave of nonconfidence in the Federal Government on myth, ancient cliches, illusion and platitude, old records, longplaying, left over from the middle thirties.

But Mr. Kennedy based his counterargument also on myths.

Kennedy myth No. 1: that the Federal Government, and by implication the Kennedy administration, nobly expresses the national interest. There was no room in his argument for that other role of the national administration: a cool, hard-hitting political machine devoted to acquiring, using, and retaining power.

Kennedy myth No. 2: that businessmen are selfish and antisocial. While chiding American business generally for trying to live in the past, the President gave no hint that large and growing sections of the business community have long since discarded the narrow self interest of the days when business was riding high, and are as modern and concerned with valid contemporary problems as himself. A large proportion of businessmen were dismayed when United States Steel first announced its price rise.

Kennedy myth No. 3: that he is the only injured party in the conflict which boiled up with the steel incident. There was no hint that Mr. Kennedy was aware of what happens when the President of the United States mobilizes the vast power of retaliation of which he is capable, and holds it in his hand, aimed and loaded, and leaves it poised for everyone to see, for quite a while, until the sharpness of the threat sinks in, before he lowers his hand and talks about conciliation.

These are typical leftist myths. They deserve to be scrutinized and brought up to date just as surely as do those of the right.

### KENNEDY ARGUMENT STRONGLY PARTISAN

The Yale speech was offered and received as a friendly overture to business. The President seemed to be taking the lofty position of a man interested only in what is objective and good for the Nation. But in fact he delivered a partisan lecture to the American people in which he managed to select for criticism only those myths which business tends to accept.

Then came the cold threat again:

"If a contest in angry argument were forced up it, no administration could shrink from response, and history does not suggest that American Presidents are totally without resources in an engagement forced upon them because of hostility in one section of society." Not until after saying this does the velvet close over the hand again.

There is much that is thoughtful and persuasive in the President's talk about the myths of the past which need to be supplanted with modern fact. This newspaper has often supported the idea of a separate capital budget for the Federal Government and the broader concept of fiscal responsibility which he asks for. We agree with his facts that the Federal Government and bureaucracy have grown less rapidly than the economy as a whole. We wouldn't question his point that the most important ingredient in business confidence should be "the Nation's ability to invest and produce and consume"—and that political confidence in a particular administration is not required. Otherwise we would have bad business every time a reformist administration came to power.

### PRESIDENT HONESTLY WANTS COLLABORATION

These are good points, well worth discussing. So is the President's list of the more "sophisticated" and intricate policy conflicts faced by the United States, where intelligence should be focusing.

It is the partisan component in what masquerades as an objective statement of national interest, that cannot be allowed to pass.

We believe the President honestly wants the best possible degree of national collaboration in meeting modern economic problems. But the way to achieve it is not to attribute all the myths to one's political opponents. It is not to ignore the growing problem of Federal controls, even if the National Government is growing less rapidly in its physical measurements than most people think. Nor is it the path toward national collaboration to threaten a real political fight, if business wants one, and in the same speech to ignore the valid concern in business quarters with that tough-minded, gimlet-eyed Kennedy use of political power.

It is a rational and often proved necessity—not a myth—in the United States that the fine line between effective and damaging use of political power has to be watched.

If Mr. Kennedy would recognize that groups of citizens are not venal or archaic because they do not now fully trust him on this point, if he would see that all the myth is not on one side and talk accordingly, then he could more easily earn that modern national consensus that he wants. And the country could turn from wrangling, as he put it, to the more intricate questions of domestic economic growth and its adjustment to the balance-of-payments problem.

## YUGOSLAVIA, POLAND, AND THE COMMUNIST BLOC

Mr. HUMPHREY. Mr. President, during last week's debate on the foreign aid authorization, a great deal of heat was generated over the question of whether or not Tito's Yugoslavia was inseparably alined with the Communist bloc. I do not mean to suggest that this was a debate between Tito's apologists and Tito's detractors. The fundamental question before us was whether aid to a Communist- or Marxist-dominated country could ever conceivably be in the interests of the United States.

I believe we must completely understand what are the national interests of this country, and then understand the policies we should pursue to forward those national interests. There are times when policies must be changed because they no longer fulfill the purpose of our national interests. There is a tendency in our country, however, to get into a rather fixed or immobile position on policies even after they have ceased to serve the national interest. What we are really talking about, in other words, is what strategy, policy, or tactics we should pursue in any country or in any area of the world to promote our national interest. In other words, we are debating about our tactics in the everpresent and continuing struggle with the Sino-Soviet axis.

As we know, the Senate came within a hairsbreadth of deciding this question of tactics in the negative, that is, of forbidding all U.S. assistance to "any country known to be dominated by communism or Marxism." Only in the nick of time was the force of this amendment blunted by the joint efforts of the majority and minority leaders, whose wise amendment permitted the sale and use of surplus agricultural commodities and the proceeds resulting therefrom to Communist or Marxist governments but under certain conditions. Perhaps the most important effect of this amendment, which had my wholehearted support, was to restore to the President virtually all the discretion he had exercised in past years with regard to the commitment of U.S. aid to Communist Yugoslavia and Poland.

To my mind—and I so stated during the discussion of the Mansfield-Dirksen amendment—broad Presidential discretion in the use of funds is an indispensable ingredient of the foreign aid program. Only the President has the full facts, the full knowledge, on which to decide for or against an aid commitment. What is more, it is the President who is held accountable by the Constitution for the conduct of the Nation's foreign policy. Either we trust the President of the United States, under our system, to administer aid funds in accordance with the sense of Congress, or we put Congress in the role of an administrator, an executor of the laws. This would violate the concept of the separation of powers.

History is replete with examples of the trouble which results when a multimember legislature assumes executive functions. With the passage of the restricting amendment on June 6, the Senate took a somewhat heedless step in this direction—the direction of a multimember legislature assuming executive functions. It did so, of course, under the widespread feeling, spoken or unspoken, that the administration had ignored the wishes of Congress as expressed in past foreign aid authorizations and appropriations. I do not believe the administration is guilty as charged or as indicated, although I concede that congressional desires sometimes seem to carry less weight with the executive branch than do expressions of congressional will. I believe every Senator is aware that on all too many occasions the expressed desire of Congress is not carried out by executive action. But if so, it was perhaps fitting that the Proxmire and Lausche amendments, as they are known, brought these simmering, subterranean sentiments to the surface, where they could be voiced and then disposed of.

Nevertheless, I was disturbed to find many Senators taking what, with all due respect to them, I regard as an excessively narrow view of the cold war and the political function of our foreign aid. I wish to make it quite clear that foreign aid is not merely an economic program; it is a political program. Foreign aid is a part of the national security policy of the United States. Foreign aid helps other countries—at least, we hope so—but its essential purpose is to help the United States. In other words, it is intended to promote our national interests, which surely is a legitimate function.

**Mr. DWORSHAK.** Mr. President, will the Senator from Minnesota yield?

**Mr. HUMPHREY.** Not at the moment.

No Member of the Senate has denied or could deny that Tito is a dictator or that he is a Communist dictator. But no matter how much lip service Tito may pay to such vague concepts as "proletarian internationalism," he is not the man to knuckle under to the direction of Moscow in either his foreign or his domestic policies. Whatever else he may be, Tito is a nationalist. He likes being a leader in his own right; I seriously doubt, on the basis of Tito's past performance, that he would accept the cringing satellite status of a Janos Kadar of Hungary or a Walter Ulbricht of East Germany.

Another point which we are prone to forget is that there has been a constant fluctuation in Soviet Yugoslav relations. Sometimes the pendulum has swung one way, sometimes another. After the death of Stalin, Khrushchev went to "Canossa"—that is, publicly admitted in Belgrade that Stalin had been wrong toward the Yugoslavs—and relations between the two countries markedly improved for a time. Even then, in 1956, strong voices were raised in the Senate against continuing aid to Yugoslavia. I might add, however, that Congress then followed the express desire of President Eisenhower and Secretary of State Dulles and supported the discretionary authority which was included in the foreign aid bill as recently considered in its original form by the Senate.

Thereafter, Soviet-Yugoslav relations cooled once again. The U.S.S.R. reneged on some of its aid commitments, and Tito's ambivalent position during the Hungarian revolt was highly displeasing to Khrushchev. Now the pendulum is swinging back again toward what appears to be improved relations—influenced, in all likelihood, by economic rather than political considerations. But, as I said at the time of the debate on the amendment, the request for improvement in relations comes from Moscow, not from Belgrade. To me, this is additional proof that our policy in the past, with all its limitations and all the risks involved—and there is great risk; I do not deny that—has caused great uncertainty in the Kremlin, has contributed to independence in Belgrade, and has necessitated a reexamination of the Yugoslav-Soviet relations by Mr. Khrushchev and Mr. Gromyko.

Who is to say that this new rapprochement will be either far reaching or permanent? Why should we assume that Tito and Khrushchev are inseparably linked together, or, even if they are, that international communism is necessarily the stronger for it? Some experts even think that an improvement in Soviet-Yugoslav relations could actually speed up the centrifugal tendencies within the Communist bloc. It could make the differences between Khrushchev and his "hard line" Stalinist rivals all the more difficult to bridge, and widen the gap between the Soviet Union and Communist China. Friendship with Tito on the part of Khrushchev, goes this line of thought, could paint Khrushchev with the brush of "revisionism," which is one of the worst fates that can befall a Communist leader. I do not necessarily subscribe to this point of view; I merely cite it as one of the points which have been expressed by some experts in the area of Soviet relations, but it is worth thinking about. Whatever we do, we must not become insensitive to the factional divisions within communism.

I wish Senators in their study of the Soviet or of the China-Soviet bloc would understand that there are fractures or cracks in the so-called monolithic structure, and that some of the cracks are very serious. In fact, there is more actual and potential disunity within the Communist bloc than meets the eye.

I should like to cite some information brought to me yesterday by an official of our Government who has just returned from India. I shall digress from the subject of Yugoslavia for a moment. The information is that at present helicopters made by the Soviet Union—Soviet helicopters—are transporting Indian mortars and heavy and light artillery for the Indian Army to the Communist Chinese border, in order to strengthen the Indian Army forces against Chinese Communist aggression. This is made possible by the aid of Soviet helicopters.

If one has a simple, orderly mind, in which everything is departmentalized, then he will ask, "How can this be? Is it not true that the Chinese are Communists? Are not the Russians Communists? How could the Russians do anything to aggravate relations with their Chinese Communist allies?" The fact is that the Soviet Union acts according to what it believes are its national interests.

I believe it would be well for us to assume that there are fractures in the Sino-Soviet bloc. It seems to me that as one of our foreign policy objectives we should encourage the loosening of the bonds that hold the structure together.

Let me repeat the remarkable passage from the cable sent to Washington by our Ambassador in Belgrade, the Honorable George Kennan—one of our foremost experts on the Soviet Government and Soviet foreign policy. According to the text released yesterday to the press, Ambassador Kennan said that the Congress has conveyed to the Yugoslav Government, "as it moves into a crucial phase of development of its relations with the East, that there are no possibilities in United States-Yugoslav relations which could offer a favorable alternative to the Hobson's choice of reassociation with the Soviet bloc or acceptance of complete economic and political isolation in Europe. To have this so authoritatively documented by none other than the U.S. Congress itself is, of course, the greatest windfall that could have befallen Soviet diplomacy in this area."

Mr. President, I am sorry Ambassador Kennan did not earlier remind us of his views in regard to this matter. I suppose he did so through the official channels of the State Department. But since most thoughtful Americans regard him as an intelligent, able, and competent man in the field of foreign policy and United States-Soviet relationships, so I believe we should give considerable weight to his views, particularly since he is duly accredited at Belgrade, Yugoslavia, and, furthermore, because he is known to be one of the experts who in a very firm manner has conducted our relations with the Yugoslav Government. He keeps in mind our national interest at all times. As Mr. Kennan pointed out, Congress took definitive action to cut off economic aid at the very time when, through diplomacy, and because of the economic situation, our economic aid was being phased out—not by fiat or edict, but by determination of what would be in our national interest.

Mr. President, yesterday I said—and I repeat it now—that Ambassador Kennan and Ambassador Cabot, who is our representative at Warsaw, Poland, should be brought home at once, for consultations, not only with the State Department, but also with the appropriate congressional committees and with the Members of Congress of both parties. I believe we need to talk to these men, and I believe they need to talk to us. When they do return, I hope that the opinions so succinctly stated by Ambassador Kennan will be amplified and documented. After all, he made some rather sharp remarks; and I believe that all Senators should have an opportunity to question him and to request further evidence supporting the conclusions he has reached. I concur, basically, in his conclusions; but I am sure that some Senators take exception to them. So I believe it is all the more important that individual Members of Congress should be given the opportunity of ascertaining the facts as best we can under these difficult circumstances. Only in this way can we dispel some of the myths and fiction that have beclouded our understanding of political realities on the fringes of the Iron Curtain.

Yesterday the President of the United States spoke very bluntly and openly about this matter. I can well imagine that the President feels there has been some expression of lack of faith and trust, in view of the limitations we have placed upon him.

I repeat that if the action which was taken was ever to have been taken, certainly we took it at the wrong time, because at this time there is a greater degree of independence of political action on the part of the two nations which were specifically mentioned—Yugoslavia and Poland—than there has been at almost any other time in their respective postwar histories—at least, since they have been under Communist domination.

The Senator from Alabama [Mr. Sparkman], the Senator from Vermont [Mr. Aiken], and other prominent Members of this body who have long studied these problems of foreign policy have already shown how Yugoslavia has maintained its independence up to the present day. Whether due to American aid or not Yugoslav nationalism accords with the objectives of U.S. policy for more than a decade. In other words, our national interests have been served.

I do not believe the Senate has a right to act unless it feels that the national interest is being served thereby. Everything in our foreign-aid program—particularly in these highly controversial areas involving governments which are not representative governments in our understanding of the term—has been for the express purpose of strengthening our national security. Of course, I would be the last to say that on occasion we may not err in our judgment. Possibly we do. But thus far the evidence does not indicate that we erred with regard to our policy toward Yugoslavia and Poland. Let us not forget that Tito's break with Stalin in 1948 permitted the successful outcome of the postwar Communist revolt in Greece. Certainly without that, the civil war in Greece could have been continued for years. As I said in the Senate at the time of the debate on this amendment, the authorities in the Greek Government have made it quite clear that peace on the Yugoslav-Greek border is essential if there is to be stability and peace within Greece itself. After all, Greece is a part of NATO, and Greece is an important part of the southern flank of NATO. Greece and Turkey are valuable allies of ours; and their stability and safety and security depend in no small way upon reasonably good relations between Yugoslavia and Greece.

Let us not forget that Tito's break with Stalin in 1948 let to the settlement of the Yugoslav-Italian dispute over Trieste, at the head of the Adriatic. Let me say that the Trieste situation was then causing the United States serious concern, and was a threat to the peace. Tito's break with Stalin also permitted the development of a Yugoslav politico-economic system which differs markedy from that of the Soviet Union. But for Tito's action in 1948, southeastern Europe today might be one of the most explosive troublespots of the world.

Likewise, let us remember—as was pointed out by a number of Senators, during the debate—that 70 percent of Yugoslavia's trade is with non-Communist countries, and only 30 percent is with the Soviet bloc. Yugoslavia is dependent on the West for capital, raw materials, training, equipment, spare parts, and even some military supplies.

It appears to me that this dependency on the West is a vital factor in denying the Soviet bloc the kind of disciplined unity that it requires if it is going to exercise complete power in Eastern Europe.

Unless he wants to commit political and economic suicide, Tito will not willingly exchange his trade ties with the West for the bondage of Moscow. In fact, he has made this crystal clear within the last week.

It is interesting to note, as the press reports indicate, that recently other countries, even Hungary and Czechoslovakia, resisted the attempts of the Soviet Union to impose complete control over their foreign trade.

Yugoslavia, unlike any other Communist-ruled country, has forged economic and institutional links with the West. She participates in OECD, GATT, the International Monetary Fund, the World Bank, and a number of United Nations subsidiary organizations. In contrast to the almost uniform Soviet boycott of these organizations, Yugoslavia is enjoying a profitable association with them.

Any government that was completely under the domination of Soviet power would not take part, as Yugoslavia has, in these international economic organizations, in opposition to the Soviet Union. The Soviet Union has never participated in the World Bank, yet the Government of Yugoslavia is a very active participant. Unless Mr. Tito is driven to it, he will hardly forego the advantages of membership in these international organizations for the dubious benefits of subvervience to the U.S.S.R.

Finally, what about Tito's much-criticized espousal of nonalinement in the cold war? Well, Yugoslav nonalinement appears to sit even worse with the rest of the Communist world than it does with us. The fact is that virtually every Communist reference to Yugoslavia includes a contemptuous dig at Tito's claim to be above the blocs. Whereas some of us seem to feel that Tito's nonalinement is a blind for promoting the interests of international communism, the Communists seem to feel that Tito has sold out lock, stock, and barrel to NATO and the imperialists.

I have in my hand a statement from high government officials in Red China, which I am going to have inserted in the Record a little later. The headline of the New York Times for September 18, 1961, reads, "Red China Scores Policies of Tito. Peiping Rejects Assertion Yugoslav Is Above Blocs."

The article goes on to cite some rather derogatory statements from Communist China about Mr. Tito. Here is what they say, for example:

> These arrogant designs of the Tito group are exactly what U.S. imperialism wants.

It continues:

> To the U.S. imperialists, the Tito group, as their instrument, serves yet another specific purpose. In the face of the vigorous development of the national liberation movement in Asia, Africa, and Latin America, U.S. imperialism is seeking to sabotage this movement with the help of the Tito group. Sabotage activities by this group would be facilitated if it could, as much as possible, maintain its position of being "above the blocs."

Listen to this one. This is what the Chinese Reds had to say about Yugoslavia. I do not think even a U.S. Senator went this far:

> On the other hand, the Tito clique is a renegade from the camp of socialism. Behind the "above the blocs" signboard, it is dead set against the Socialist camp, has spared no efforts in trying to break the unity of the people of the world, and has carried out active maneuvers as a lackey of U.S. imperialism, thus playing a reactionary role in the struggle of the people for peace, democracy, national independence, and socialism.

A little later I am going to quote some more from this article. The statements I have just read indicate that Mr. Tito does not stand in such good favor in some parts of the so-called Communist bloc.

I said the facts do not back up either of these extreme views, namely, that Tito's nonalinement is a blind for promoting the interests of international communism. As the Senator from Vermont [Mr. Aiken] so ably pointed out, Yugoslavia has frequently and publicly diverged from the position of the Soviet Union in the United Nations. No other Communist country, not even Castro's Cuba, has been so unresponsive to the leadership of Moscow at the U.N. Rather, Yugoslavia tends to vote with the leading neutrals, that is, with India and the United Arab Republic.

I may add that these votes are not, in the main, or in the majority, pro-Soviet. They may not be altogether to our liking—in fact, many times we do not like them—but it is far better to have such votes than to have complete solidarity with the positions of the Soviet Union.

It seems to me that our first interest in relation to the Soviet bloc is to see that the bloc is not a monolithic structure, but, rather, that it exhibits its cracks and its fissures, each of which subtracts from its total strength.

I remember only a year and a half ago that the No. 1 issue in this body was the "troika" scheme the Soviet Union was trying to foist upon the United Nations. The Soviet Union was determined to wreck the United Nations. We remember when Mr. Khrushchev said that the Secretary General should no longer have the power he exercised, that this power would have to be diluted by a "troika," three relatively independent Secretaries General, supposedly pulling together, but any one of whom could exercise the right of veto over the others' action.

Yugoslavia threw its influence against the "troika." It said "No" and voted against the Soviet Union and for the United States. It threw its influence against the "troika," as did the majority of the neutralist and nonalined nations. That was a basic decision.

It would appear, Mr. President, that Yugoslavia shares our view of what the United Nations should be—at least on these issues.

I mention these matters not because I am happy with everything Yugoslavia does, not because the Yugoslav Government bears any great friendship for the United States, but because I believe the policy we have been pursuing has been in our national interest. I believe the action we took in the Senate, even with the modifications that were subsequently put into the foreign aid bill, were not in our national interest.

Mr. President, I wish to take this opportunity to insert in the Record a number of quotations from Communist sources concerning Yugoslavia's policies, her individual road to socialism, her acceptance of aid from the United States, and her role in the Communist movement. This information is available through our State Department, our libraries, and through our offices at the U.N. General Assembly.

If we were to study some of these remarks by Khrushchev, by the Albanians, and the Communist Chinese, we would detect a picture quite different from the one painted by many Senators on the floor last week in the debate in which so many of us participated. Far from concluding that Yugoslavia is a willing and conscious instrument of Communist policy, we might even conclude from these documents and comments that Yugoslavia is a pillar of NATO. Such a conclusion, of course, would be mistaken. The truth, as usual, lies somewhere in the middle. Yugoslavia is ruled by the Yugoslav Communist League but it is, and probably will continue to be—at least, this is our hope and our policy—a Communist dictatorship independent of Moscow. We should not expect the Tito regime to be our ally—we can rest assured that it is not—but I predict that it will pursue a policy that ultimately serves Tito's own best interests. These best interests appear to be for Mr. Tito to stand on his own two feet and to stay out of the clutches of Soviet power.

If this policy should compel him to seek aid from the United States, why should we write off this chance to further disrupt the Communist monolithic unity? Why should we remove one of the major forces that permits and encourages some degree of independence on the part of Yugoslavia in her relations with Soviet Russia? Why should we neglect the opportunity to show the Yugoslav people, through our food shipments, that we are on their side, that we support their yearning for national independence?

Think how tragic it would be should we close the gate, so to speak, on our contact with these people through some of our great church organizations, which can carry the message of freedom as we know it better than anybody else. I remind the Senate again that much of our food program in Yugoslavia was being conducted by some of the great religious groups in the United States, one of them being the Lutheran World Service program, which has done such a remarkable job. CARE has also done much in this area.

On May 17, only a few weeks ago, Mr. President, the Albanian press said this about Tito:

> The aim pursued by Tito and his imperialist masters is ambitious and very dangerous. In fact it is a case of bringing the Trojan horse into the stronghold, into the camp of socialism, in view of the fact that there are now people who are prepared to destroy its wall and to introduce it inside with due ceremony, even reserving a place of honor for it.

Mr. President, the Albanian press said that Mr. Tito was a Trojan horse in the stronghold of socialism, brought into the camp of socialism. On June 6 in the Senate one of our colleagues spoke approvingly of a book which describes Tito as a "Trojan horse" within our midst, as a Trojan horse with a "potentiality for ruining the very foundation of free nations of the world."

Mr. President, Tito is a better man than I thought if he can simultaneously be a Trojan horse in their camp and in our camp and simultaneously undermine the Communist camp and the free world. If he is a Trojan horse in both places, then our foreign policy has been misdirected for years.

We should have forgotten about Khrushchev and instead should have trained all our guns on the Yugoslav dictator. If so, people should be held accountable for that.

In all our deliberations, only two Communist countries have been considered as possible recipients of U.S. assistance. One of these is Yugoslavia that I have discussed. The other is Poland.

Now, Poland is indeed a special case. There is little question that Poland is tightly trapped within the Soviet bloc. Geography alone could account for this, since Poland is uncomfortably squeezed in between Communist East Germany and the Soviet Union itself. Nevertheless, Poland has demonstrated a good deal of independence, and has not relinquished the limited independence won for herself in 1956. Those of us who have had contacts with Polish nationals know that this is true. She has continued to be an oasis of relative liberalism and relative personal freedom within the Soviet bloc.

It would be a blow to the hopes of the Polish people, who are a devoutly religious people, and a freedom loving people, should their country or they themselves, as citizens, as human beings, as good people, be deprived of their limited trade, cultural, and other ties with the West.

I hope we have not forgotten the demonstration which took place when Vice President Nixon visited Warsaw, without any advance notice. There was an outpouring of people to greet him. There were flowers in the streets. There was great enthusiasm on the part of the people of Poland. There were tears in the eyes of Polish mothers. It was a mighty demonstration of affection for the United States and a demonstration of their love for political freedom.

Mr. President, I fear that the depriving of trade, cultural, and other ties with the West, insofar as Poland is concerned, might well be the result should this country, owing to a little-noticed provision of the President's Trade Expansion Act, as amended, withdraw its most-favored-nation treatment of imports from Poland. I know how important this trade concession is to Polish officials. It enabled Polish exports to the United States in 1961 to rise by 10 percent; that is, $41 million worth. This year the rate is close to $50 million. This is the total. This year we are selling to Poland for cash upward of $15 million worth of industrial goods.

Mr. President, if we are able to conclude certain negotiations with Poland which are now under way, we shall be able to sell more of our goods on good terms.

I wish to have my colleagues take note of the fact that while we in this body take a great deal of pride in the limited trade conducted with the so-called Iron Curtain countries, our desirous, ambitious, prosperous allies are doing business with them left and right. Our good neighbor to the north, Canada, and our good friends West Germany, France, Great Britain, Italy, Denmark, the Netherlands, Belgium—all of those countries are trading with Iron Curtain countries.

In this country there is unemployment. There is grave concern about our economy. Many people are suggesting remedies for the problems which beset us, yet in a way we pat ourselves on the backs and say, "We conduct only a minimum of business with these countries behind the Iron Curtain."

Our friends and allies lecture us frequently because they say we are not sufficiently anti-Communist, even though we station our troops in West Germany and in Berlin, even though we put our troops in southeast Asia, in short, even though we assume the major responsibility for free world defense.

The others do the business and the trade. I am not prepared to say that we should be stepping up the trade. I am prepared to say that we ought to have a meeting with our allies and find out what is going on. The show cannot run in two ways and still serve the national interest.

That is another matter which we shall discuss at a later time.

I merely wish to point out that I do not believe it is in our national interest to break off all our ties and relationships, particularly when they have been productive of some good.

Poland's favorable balance of trade with the United States is an important factor enabling her to cover her trade deficits with other free countries.

Poland's dollar earnings give her a cushion of foreign exchange from which she can fulfill her commitment to compensate U.S. citizens whose property was nationalized after World War II.

Mr. President, recently we entered into negotiations with Poland for the settlement of $40 million worth of defaulted prewar Polish Government bonds. When I visited Warsaw this past October, I mentioned the importance of negotiations and urged that they be undertaken. I was pleased to note, not because of anything that the Senator from Minnesota said, that our Government and the Polish Government took steps looking to a settlement of the $40 million of defaulted prewar Polish Government bonds. All the more discouraging, therefore, that neither the attitude we have displayed recently nor the concrete actions we have taken are going to speed the recovery of our citizens' property and investments.

It is ironic, Mr. President, that our self-defeating actions have come at a time when Eastern European countries may be growing even more restive under the economic dictation of Moscow. During the meeting of the Communist economic organization in Moscow this past 10 days, the Poles, Hungarians, and some Czech economic officials reportedly blocked a Russian plan to insulate the Communist bloc against the European Common Market. The Poles and other argued that expanded trade with the West was vital to their national interests and economies. Whether or not this incident occurred as reported—I am only citing what responsible newspapers in these countries have written—the attitude attributed to the Poles was logical in view of their past performance. The worst thing we could do, therefore, would be shut the door on Poland and pull the rug out from under those Polish officials who had the courage and independence to look westward and not to the east. I know of no better way to improve relationships between peoples and countries than through trade. Economics is a powerful force. I know of no better way to encourage some independence of action on the part of nations that belong to what is known as the Warsaw Pact or the Sino-Soviet bloc than to permit mutually beneficial trade with them.

My statement is not unique, nor is it any great discovery. Practically every responsible economist and diplomat has made that statement repeatedly, and it is a fact of history.

Mr. President, in my judgment I have said enough to show that our well-meant passion for the good of our country sometimes gets in the way of our commonsense. The fighting of the cold war requires cool heads and sharp, detached judgment. We cannot win the cold war with the heat of passion or with emotion. That is why we were wise to leave the President much discretion in the allocation of surplus foodstuffs, the sale of our food and fiber, and the use of the proceeds therefrom. I believe the remedial action that the Senate took a week ago Thursday will be helpful.

Food is rapidly becoming one of the most potent assets in the cold war. I think it is about time for us to recognize that food is another dimension of our power. We have the power of our military, the power of our technology, and the power of our science. We have the power of our capital. In one way or another all of that power is somewhat equated or matched by the power of the Soviet bloc. But there is one area in which we have an unmistakable advantage, an advantage that may be crucial in the long run. That advantage lies in our abundance of food and fiber. So I identify food as a source of power, a power for our national interest, a power for peace.

The Mansfield-Dirksen amendment has given the President wide latitude in the distribution of our agricultural commodities. The long-range interests of the United States certainly will not suffer because of the action of the Senate. On the contrary, our long-range interests will benefit if some of the food can be used wisely, prudently, and on a timely basis to feed the people behind the Iron Curtain as a part of our national security program.

Earlier in my remarks I said that I would ask unanimous consent to have printed in the Record a number of items all of which relate to the question I attempted to discuss today, namely, U.S. aid to Yugoslavia and Poland. I should like to cite some of those items. I was pleased to note the editorial in the Saturday, June 9, issue of the Detroit News. It is the lead editorial in a prominent newspaper that is known, at least in the Middle West, as a conservative journal. I know of no Communist leanings on the part of that newspaper or any of its staff. It is a reputable newspaper. The lead editorial is entitled "Help for Poland, Yugoslavia—Denial a Moscow Gain."

The editorial states:

> The Senate has partly reversed itself on the irresponsible disservice it did to the cause of those who fight communism and to those who, in satellite captivity, have communism thrust upon them.
>
> Having voted 57–24 to bar foreign aid to all nations dominated by communism or Marxism, within 24 hours it backtracked, 56–34, to exempt gifts or sales of surplus food. Before this so-called greatest deliberative body in the world preens itself on doing the right thing (for the wrong and surplus reason), it should give thought to how it has given Khrushchev the tactical opportunity to beat Ed Murrow and our propaganda services over the head.

The editorial continues for some length and discusses the aid program that we have had over the years in that area of the world. The final paragraph is worthy of some note. It states:

> This newspaper does not claim that our policy to Poland and Yugoslavia is bound to be a winner. But its reversal would lose both nations to Moscow's diktat. Then the people of both nations will have been given nothing to look forward to and nothing to oppose Khrushchev with. So, also their leaders. If we won't liberate them, we should not deny them the chance of recalcitrance. If Khrushchev has an Achilles' heel, let's keep it vulnerable.

Still another article is entitled "Why Aid to Tito?" by Russell Barnes, who is the foreign news analyst of the Detroit News. I think it is a very thoughtful article. It does not draw any particularly new conclusions, but it outlines in concise, and, I think, clear terms what has been the effect of our aid and what has been its objective.

The final paragraph of the article reads:

> What the controversy appears to boil down to is whether, since we aren't going to get an all-American Yugoslavia, we would prefer to have a Moscow Yugoslavia, or a Tito Yugoslavia. So far both the Eisenhower and Kennedy administrations have decided we are better off with a Tito Yugoslavia.

The article makes note of the fact that Nikita Khrushchev is back at the old stand trying to woo Yugoslavia back into the Soviet orbit. Mr. Barnes says:

> A fresh effort by the Kremlin to engineer a rapprochement between Moscow and Belgrade was attempted by Khrushchev 6 years ago, but failed because of Yugoslav anger at the Russian invasion of Hungary to put down the freedom revolution.
>
> Nikita is now back at it again. He has invited Tito to spend his summer vacation this year on the Black Sea coast. Belgrade has intimated Tito may accept. But diplomats speculate that if the Yugoslav leader does go, it won't mean he will take his Balkan country back into the Communist bloc.
>
> The tough, capable, independent-minded Tito, they say, could hardly be expected to sacrifice his country's freedom, particularly since Yugoslavia has been doing so well for a decade on its own. Ideologically, Tito opposes blocs and aspires to lead the nonalined nations. Economically, half of Yugoslavia's trade is with the West. The Balkan country would have difficulty getting along without U.S. aid and surplus food.

I ask unanimous consent that both articles may be printed in the Record at this point in my remarks.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Detroit News, June 9, 1962]

### HELP FOR POLAND, YUGOSLAVIA—DENIAL A MOSCOW GAIN

The Senate has partly reversed itself on the irresponsible disservice it did to the cause of those who fight communism and to those who, in satellite captivity, have communism thrust upon them.

Having voted 57–24 to bar foreign aid to all nations dominated by communism or Marxism, within 24 hours it backtracked, 56–34, to exempt gifts or sales of surplus food. Before this so-called greatest deliberative body in the world preens itself on doing the right thing (for the wrong and surplus reason), it should give thought to how it has given Khrushchev the tactical opportunity to beat Ed Murrow and our propaganda services over the head.

Sixteen of the 34 Senators up for reelection next fall got into the original negative act, demonstrating to the folks back home how valiantly they are fighting international communism in Washington. That was courage by remote control. What it did not take into account was the plight of victims of Leninism left in the lurch in Poland and Yugoslavia, for example.

Since 1949, the year after Tito broke with Stalin, we have provided Yugoslavia with $2½ billion of assistance, three-fifths economic, the remainder military (obsolescent warplanes). We didn't do it to win Yugoslavia from communism. We did it so that the Yugoslavs would know that, if not liberated, they were not forgotten. A better tomorrow was not foreclosed for them as long as we could help them.

We did it also to give Tito greater freedom of action in his heterodox and not uncourageous defiance of Moscow overlordship. We did not expect him to trot right over into our fold. We did it to prevent his being thrust into Stalin's as a result of our default.

We knew he didn't practice democracy as we did—we help a lot of nations who don't, and self-righteous Senators don't let out a squeak about that. But we gambled on the chance that Yugoslavia would remain a sort of no-man's land in the Iron Curtain, a gray area, neither black nor white.

That our policy has not been unsuccessful is demonstrated by the fact that Khrushchev is still trying to woo Tito back to utopia and by Tito's leadership, in alliance with Nehru and Nasser, of a neutralist bloc which, while not actively promoting our cause in the cold war, is not indissolubly fitted into Moscow's military and economic planning.

The Senators might have spared a thought for the strange company Tito keeps—Nasser, who outlaws all Egyptian Communists, and Nehru, who has unseated a Red provincial government and has clapped into jail almost as many Communists as Stalin did.

As with Yugoslavia, so with Poland, where Gomulka, though he teeters on his tightrope, is no yes-man of Moscow's. To both nations we send our surplus grain which probably otherwise would stay in a storage bin here until another Billie Sol played his hand.

What would have happened if we cut off all aid? Poles and Yugoslavs would go hungry. Khrushchev couldn't feed them. He can't feed even his own Russians adequately. If desperation sparks revolt behind the curtain, do we sit on our hands? We did nothing in the last decade when Hungarians, East Germans, and Poles arose. We won't do anything next time except suitably to express shock and horror. It would be too late if that happened to recall that, although communism be the main cause of an uprising, our Senators would have been partly to blame for the empty stomachs that drove desperate men to action.

This newspaper does not claim that our policy to Poland and Yugoslavia is bound to be a winner. But its reversal would lose both nations to Moscow's diktat. Then the people of both nations will have been given nothing to look forward to and nothing to oppose Khrushchev with. So, also their leaders. If we won't liberate them, we should not deny them the chance of recalcitrance. If Khrushchev has an Achilles heel, let's keep it vulnerable.

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[From the Detroit News, June 9, 1962]

## FOREIGN AFFAIRS: WHY AID TO TITO?

(By Russell Barnes)

The Senate ventured into foreign policymaking this week and made a mess of it.

After voting to bar U.S. foreign aid to Communist-dominated countries, the Senators woke up to the fact that they would be hurting American farmers. So they reconsidered to exempt farm shipments to Poland and Yugoslavia.

The results were, first, to slap the Polish and Yugoslav peoples by denying U.S. aid and then, second, to rub it in by offering to make them a dumping ground for U.S. farm surpluses.

While the Kennedy administration may be able to get Poland and Yugoslavia back into the $4,662 million foreign aid bill, that couldn't completely cancel the propaganda hay the Communists will be able to make out of the Senate fumbling.

Poland was included under the Senate vote barring all aid to Marxist-Leninist countries, but Yugoslavia was actually the primary target.

Why is the Senate picking on Yugoslavia, a powerful Balkan country east of Italy across the Adriatic Sea?

The battle over the Yugoslav assistance appropriation has been occurring annually since 1948. At that time Tito broke with the Kremlin and appealed for help to the Western countries, although continuing to maintain a Marxist-Leninist type of government in Yugoslavia.

And over the more than a decade since the United States has supplied Tito with more than $2 billion worth of economic and military assistance.

Why, when Yugoslavia is undeniably Communist and powerful American factions object, has the United States continued to help the controversial Balkan country?

### STRATEGIC ADVANTAGE

The answers lie in the broad field of U.S. strategy to prevent the Communist over the long pull from achieving their goal of world domination. The considerations include:

The greatest menace that could possibly confront the United States and the free world would result from a monolithic international Communist movement directed from a central headquarters, probably Moscow.

Tito's break with Moscow, taking powerful Yugoslavia out of the Communist bloc, constituted a split within the former monolithic Communist structure, and was therefore something we should properly encourage for our own national defense.

Tito's defiance of the Kremlin—his insistence he was just as capable as Russian theoreticians of determining what was good Marxism-Leninism—was later copied by the Poles, Hungarians, and Albanians in their declaration of independence from the Soviets, even though they weren't as successful.

While Yugoslavia claims it is Communist, orthodox Reds, notably Communits Chinese, disagree. They charge Tito is a "deviationist" (heretic) because he has struck out on his own line. Yugoslavia is more decentralized than other Communist countries. The land is in the hands of independent farmers. Nationalized businesses are forced to compete and earn profits.

Tito is undeniably a Communist, but he plays with the world neutralists, such as India and the United Arab Republic, rather than with the Communist bloc.

It couldn't be proved, of course, short of the event, but Western leaders have figured that in event of a Russian attack on Western Europe, Yugoslavia would fight with the West. The theory has been that the tough Yugoslav leader would decide that his own safety and the independence of his country would best be served by a Russian defeat.

While the United States and Western support of Tito since 1948 has admittedly been risky, so far the gamble has paid off. The Soviets have made several unsuccessful efforts to lure Yugoslavia back into the Kremlin fold. In 1955, Premier Bulganin and Party Secretary Khrushchev went to Belgrade and apologized to Tito for Stalin's behavior. The quarrel was eased but not ended.

### WOOED BY MOSCOW

A fresh effort by the Kremlin to engineer a rapprochement between Moscow and Belgrade was attempted by Khrushchev 6 years ago, but failed because of Yugoslav anger at the Russian invasion of Hungary to put down the freedom revolution.

Nikita is now back at it again. He has invited Tito to spend his summer vacation this year on the Black Sea coast. Belgrade has intimated Tito may accept. But diplomats speculate that if the Yugoslav leader does go, it won't mean he will take his Balkan country back into the Communist bloc.

The tough, capable, independent-minded Tito, they say, could hardly be expected to sacrifice his country's freedom, particularly since Yugoslavia has been doing so well for a decade on its own. Ideologically, Tito opposes blocs and aspires to lead the nonalined nations. Economically, half of Yugoslavia's trade is with the West. The Balkan country would have difficulty getting along without U.S. aid and surplus food.

What the controversy appears to boil down to is whether, since we aren't going to get an all-American Yugoslavia, we would prefer to have a Moscow Yugoslavia or a Tito Yugoslavia. So far both the Eisenhower and Kennedy administrations have decided we are better off with a Tito Yugoslavia.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that there be printed in the RECORD at this point an article written by C. L. Sulzberger entitled "Imprudent Senate Diplomacy." The article is a careful analysis of our diplomacy with the Yugoslavs in recent years. It contributes to a better understanding of the complexity of the situation and of our diplomatic efforts.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 9, 1962]

## FOREIGN AFFAIRS: IMPRUDENT SENATE DIPLOMACY

(By C. L. Sulzberger)

PARIS, June 8.—The Senate errs even in fixing automatic limits on U.S. aid to countries having a Communist or Marxist form of government. This raises unnecessary issues of political semantics and restricts the freedom of maneuver needed in foreign policy by the Executive.

The essentials governing our overseas assistance program are U.S. national interest and plain charity. The two can usually be harnessed together, although crises may arise—as for example a crushing Chinese famine—in which contradictions are posed.

But the White House and the State Department must be left free to decide on necessary actions. They should not be curtailed in advance by ideological platitudes. We have had alliances or special relationships with a wide variety of political systems—Communist Russia, authoritarian Spain and Portugual; dictatorships in South Vietnam and Thailand; and, for a time and indirectly, National Communist Yugoslavia.

If the Senate tries to interpose dogmatic guidelines it will ultimately handicap the flexibility required in policy formulation. Had such a qualification existed, it would have prevented Washington from saving Yugoslavia in its struggle against Stalin.

And what would its effect be today on aid programs for Ghana or Guinea, whose complex administrative methods might puzzle many Senators? There is also a tinge of Marxism in Indian socialism. Should Albania ever break with China as well as Russia, we would be unable to move usefully if legislation ties our hands.

Washington is keenly aware of the importance of foreign aid, both economic and military. Despite dogmatic labels in broad policy statements we have managed to bolster Yugoslavia and bail out Poland, thus giving momentum to polycentrist tendencies in the Soviet bloc.

The success of this costly program is not always easy to advertise. Thus, although we have given Tito more than $2 billion in economic and arms assistance, he is again flirting with Moscow. But there is an old South Slav proverb: "Only an idiot gets bitten twice by a snake from the same hole." And Tito has almost entirely decollectivized his agriculture—contrary to Khrushchev.

### YUGOSLAVIA MOVES

Yugoslavia has denounced its Balkan alliance with Greece and Turkey, has resumed interest in the Slavic minority in Greek Macedonia, has again imprisoned the anti-Soviet (and anti-Titoist) heretic Djilas, and has received Khrushchev's Foreign Minister. Tito himself will vacation in the Soviet Union. Belgrade's foreign policy expressions are sympathetic to Moscow's line.

However, the reasons are perhaps as much economic as political. Most of Yugoslavia's trade is with members of the European Common Market. Now it is being pressed out of that market while refraining, on its own, from adhering to Russia's economic bloc, the Comecon.

While paying political lipservice to Moscow, the Yugoslavs don't want to join Comecon. Apart from obvious implications in loss of independence, they are aware of unfavorable price discrimination against countries trading with Russia as satellites as compared with advantages when they trade as free equals. Comecon members pay almost twice as much for Soviet crude oil as other European lands and receive barely 60 percent as much for the tobacco they sell Russia.

Tito has tried to balance his position by playing an active role among neutral nations. His chief partner is Nasser, who once told me Tito had showed him how to get help from both sides without belonging to either. Since Nasser has big ambitions in Africa, Tito has tried to make himself almost an honorary African. This enhances his political prestige but doesn't do much for his treasury.

If the United States is forced to limit future aid along strict ideological patterns, it may end up by pushing Yugoslavia, already squeezed by the Common Market, economically into the Russian bloc. This would be a self-negating policy. An unfriendly neutral is surely better than an outright opponent.

The Senate has every right to check on Executive diplomacy. But it is imprudent to try and confine diplomacy in advance.

**Mr. HUMPHREY.** Mr. President, I ask unanimous consent that there be printed in the Record at this point an editorial entitled "Folly in Foreign Aid," published in the New York Times of June 10, 1962. This is another statement by the editor, who has studied this situation, and from his point of view expresses the feeling that it would be an unwise act to cut off our aid program.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Folly in Foreign Aid

The Senate authorized last week a $4,662 million foreign aid program, but with provisions that do great harm in one of the most sensitive areas of American foreign relations. The bill puts foreign aid on a rigidly ideological basis and bars all aid, except in surplus farm commodities, to countries dominated by communism or Marxism.

The prohibition is directly primarily against Communist-ruled Yugoslavia and Poland, which have been recently moving more closely to the Soviet line; but it could also be applied to countries in which Socialist Marxism predominates, including a number of democratic European countries, some of them our allies, and especially many underdeveloped countries in Asia, Africa, and Latin America that need our aid most acutely. The prohibition tends to put all of them beyond our ideological pale and is bound to arouse intense and worldwide resentment.

This was a complete reversal of our traditional aid policy, which attached no ideological strings to the Hoover famine relief in Soviet Russia, to UNRRA, to the Marshall plan. No doubt there are honest misgivings against aiding Communist or proto-Communist regimes. But the risk of not aiding the countries involved is infinitely greater than the risk of aiding them.

Our aid to Communist-ruled countries is designed to help their governments, if not openly hostile to us as are Cuba and Communist China, to maintain as much independence as they can achieve. It is also designed to show their people that they are not forgotten or abandoned, to encourage them to keep the torch of freedom burning. This policy coincides with the realities in even such completely Communist-controlled countries as are Yugoslavia and Poland. The Russians know that in case of conflict their armies would have a hostile population behind their lines in Poland, and that an attempt to make the Yugoslav people fight for Russia would precipitate the same kind of uprising that freed Yugoslavia from its ties to Hitler.

It would be folly to cut off aid to them, to shut the door in their faces and force them into monolithic unity within the Soviet bloc. This would be surely a no-win policy of the type the Goldwaters are so fond of denouncing. The Senate has already done much harm by passing its ban, then modifying it not on grounds of principle but rather to enable easier disposal of surplus commodities. It will take years to recover from the damage already done to American foreign policy.

Congress should now recover its senses and try to restore the status quo ante on this highly delicate question of foreign aid to such Communist countries as Yugoslavia and Poland and—even more so—to the Marxist but nonalined countries of almost all the rest of the world.

**Mr. HUMPHREY.** Mr. President, I now ask unanimous consent to have printed in the Record at this point the editorial entitled "Most of the Loaf," published in the Washington Post of June 9, 1962. It comments upon our efforts to restore some of the authority to the President in dealing with this problem.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Most of the Loaf

The Senate has flawed what has otherwise been a record of responsibility in approving a $4.6 billion authorization for the foreign aid program. On the credit side, the Senate resisted the temptation to carve out the vitals of legislation that is as important as it is politically vulnerable. It would have been an exemplary performance if the Senate had not, on the debit side, succumbed to undeliberative recklessness in order to handcuff the President and prove that nobody in the upper Chamber is soft on Tito.

The worst harm was inflicted on Wednesday. The bill came to the floor with the wholehearted support of the Foreign Relations Committee, which submitted an exceptionally thoughtful report explaining the aims of aid. The report, which is excerpted elsewhere on this page, was all but ignored as first Senator Proxmire and then Senator Lausche stampeded the Senate into affirming that no help would go to noxious Marxists.

Mr. Lausche's amendment would have forbidden all aid to any countries known to be dominated by communism or Marxism. The language is vague, silly, and unworthy, and the vote simply demonstrates that Karl Marx will lose any popularity contest in the Senate. Fortunately, after strenuous protest, the Senate relented to the extent of giving its implied consent to the sales of surplus food to Poland and Yugoslavia. This still would forbid the Executive to conclude any development loans that might be in the national interest, but is nevertheless preferable to the simplistic foolishness of the Lausche amendment.

Concerning the reasons for aid to Communist countries, President Kennedy spoke sensibly in his news conference, pointing out the need for flexibility and the importance of holding out a candle of hope to nations in the Communist camp. He might have quoted his own eloquent statement in the Senate during a comparable debate in August 1957:

"Poland may still be a satellite government—but the Poles * * * are not a satellite people. To deny them help because they have not been able to shake off total Communist control would be a brutal and dangerous policy, either increasing their dependence on Russia, driving them into the slaughter of a fruitless, premature revolt, or causing them to despair of ever regaining their freedom."

Surely the same argument can be repeated today; in dealing with Communist countries aid should be regarded as a carrot intended to encourage increased independence—and not as a stick to punish an entire people for circumstances they cannot control and that we are unwilling to alter by force. This has been the basic rationale of our help to Yugoslavia, and the program has had a large measure of success. Since 1948, three Presidents and every Secretary of State have deemed it in our interest to continue such help, as the Foreign Relations Committee report noted in a section the Senate chose to ignore.

Of course, there are frustrations and few Americans would try to defend such derelictions as the jailing of Djilas. But foreign policy is not a popularity program, and it does not advance national objectives when the Senate, in a visceral mood, singles out those foreign leaders it wishes to thwack on the pate. There is need for more effective White House leadership in restating again the goals of foreign aid. The House and Senate, in conference, ought to expunge the remaining crippling amendments that serve Mr. Khrushchev's purposes better than our own.

**Mr. HUMPHREY.** Mr. President, I must say that the editorial is rather sharp, and I do not agree with all it says. However, I believe it represents the kind of discussion that is needed on this highly emotional and sensitive issue.

I also ask unanimous consent that there be printed in the Record at this point the article which appeared in the New York Times of Monday, May 28, entitled "U.S. Aid to Yugoslavia Is Hailed in Report by 20th Century Fund." It states, "Survey Finds Help Spurred Belgrade's Independence From Soviet—Notes Defiance of Tito by Djilas."

I am sure every Member of the Senate knows that the 20th Century Fund is a reputable foundation and study group and that surely it is not considered to be a particularly liberal or radical institution; to the contrary, it is considered to be a rather conservative and very respectable organization.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### U.S. AID TO YUGOSLAVIA IS HAILED IN REPORT BY 20TH CENTURY FUND—SURVEY FINDS HELP SPURRED BELGRADE'S INDEPENDENCE FROM SOVIET—NOTES DEFIANCE OF TITO BY DJILAS

(By Murray Illson)

A 20th Century Fund report issued yesterday contended that U.S. aid had helped Yugoslavia to become independent of the Soviet Union.

The report also said that the aid had served U.S. foreign policy well and was an example to the uncommitted countries of aid "with no political strings attached." It said that the aid had contributed to a higher standard of living in Yugoslavia.

Yugoslavia, a Communist country, was described as "stanchly independent of Moscow" and frequently friendly to the West.

#### WRITTEN BY EDUCATORS

The report, entitled "Yugoslavia and the New Communism," was written by George W. Hoffman, professor of geography at the University of Texas, and Fred Warner Neal, professor of international relations and government at the Claremont Graduate School, California.

The 20th Century Fund describes itself as a nonprofit, nonpartisan foundation that sponsors studies in the fields of economics, social problems, and international affairs. Its headquarters is at 41 East 70th Street.

The authors observed that "the new Yugoslavia is an enigma to both East and West." They wrote that Yugoslavia "is an Eastern European dictatorship but one with certain elements of democracy and personal freedom."

"Yugoslav communism," they noted, "contains enough features in common with Soviet communism to make it unattractive to capitalist and democratic America."

#### YUGOSLAV VIEW NOTED

Yugoslav Communists, according to the authors, hold the view that "neither pure capitalism nor pure socialism exists" and that the "conflict between the two systems, at the level of states, is not fundamental."

"Therefore," the report said, "the Soviet conception of the inevitability of capitalist hostility is considered invalid, as, indeed, is the Marxist idea that capitalism inevitably breeds war."

The report noted that between 1950 and June 30, 1959, the United States granted Yugoslavia $1,157,600,000 in economic aid and $724 million in military aid.

The authors' reference to a higher standard of living in Yugoslavia was printed before the recent disclosure of that country's economic troubles and President Tito's statement that "onions have now become dearer than gold."

The authors also reviewed the ups and downs in the post-World War II relations between Marshal Tito and the leaders of the Soviet Union. They noted the opposition to communism by Milovan Djilas, a former close associate of President Tito. M. Djilas recently received a 5-year prison sentence on a charge of having divulged state secrets in his new book, "Conversations With Stalin." In addition, he was ordered to serve 3 years and 8 months of an unexpired sentence.

#### EARLIER TROUBLES CITED

In their report, Professors Hoffman and Neal told of M. Djilas' troubles with the Tito government over an earlier book "The New Class." Of that volume, the authors wrote:

"Its central theme is that ruling Communist groups are simply a new class of owners, historically no different from previous owning classes except that since they can subject others to their will completely, their monopoly of ownership is complete."

At a news conference last week preceding the issuance of "Yugoslavia and the New Communism," Professor Neal was asked to comment on recent indications of friendlier relations between the Soviet Union and Yugoslavia.

He suggested that because of the doctrinal differences between the Soviet Union and Communist China "the portents favor Yugoslavia and the Soviet Union moving closer together." He added, however, that he did not think the closer relationship would affect Yugoslavia's "nonbloc independence."

Professor Neal also was asked why the Tito government did not permit M. Djilas to travel abroad. He replied that he thought it was a mistake for that government not to permit such travel. But he added: "Remember, you are dealing with an Eastern European Communist country."

At this point, August Heckscher, director of the fund, who presided at the news conference, interjected a remark to the effect that the United States, too, had been known to refuse some of its citizens permission to travel abroad.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point two articles published in the Washington Post, written by Mr. Robert H. Estabrook. One article was published on May 10, 1962, and the other May 15, 1962.

Each of these articles makes but one point; that the express purpose of our aid has been in part achieved; namely, promoting a degree of independence and the fostering of nationalism in these countries, particularly in Yugoslavia and Poland.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 10, 1962]

### YUGOSLAV DESIRES ECONOMIC FACTS

(By Robert H. Estabrook)

BELGRADE.—When President Josip Broz Tito spoke candidly last Sunday about Yugoslavia's economic difficulties, he in effect appealed to the Communist conscience to lead the people back to the proper path. If this did not work, he warned, there would be other means. How far is Tito prepared to reimpose regimentation on a country that has been unabashedly enjoying a rapidly rising standard of living?

With the help of massive foreign loans Yugoslavia reached an economic growth rate of nearly 12 percent annually after 1955. Much went into industrial expansion, but there also were higher wages and more consumer goods. Per capita income is about $380. But last year a projected 13-percent increase in exports somehow became a 2-percent decline, partly because of drought and the effects of currency reform in desubsidizing uneconomic production. Yugoslavia has a foreign debt of over $800 million. She fears possible discrimination by the Common Market against meat, agricultural commodities and raw materials which produce most of her foreign exchange.

Recently Yugoslavs have been on a spending spree. Worker councils have divided profits instead of reinvesting them. Before the ban on automobile imports took effect some 2,000 new cars caused jams at the border. A sort of amiable anarchy has prevailed, anachronistic in capitalist countries and incongrous in a Communist society. The taste of sweetness has lured a still largely undeveloped and undertrained country to live beyond its means.

So far the crackdown has amounted only to self-criticism, a wage freeze and Western style austerity, but it could become more. Decentralization is the byword in a Federal structure that seeks to weld a nation of 18½ million from 5 major Balkan ethnic groups, and the Government is reluctant to give the appearance of more centralism. Attempts will be made through local Communist Parties to induce worker council decisions more in conformity with national economic objectives.

Marshal Tito remains indubitably popular. He is a public hero who led the resistance whereby Yugoslavia liberated herself from the Nazis. He also is a thoroughgoing Marxist—purer, he thinks than those in Moscow. He is somewhat in the position of Martin Luther hoping in his heart to make up with the people, but on his own terms. Yugoslavia faces East politically but West economically. Experienced observers think it unlikely that any Tito wish to rejoin the Communist bloc as an independent will divert the country from its middle course unless trade opportunities in the West diminish. They also think new terror unlikely.

As with other true believers, Tito cannot tolerate heresy from the inner circle; that is as good an explanation as any of the embarrassing case of Milovan Djilas with which everyone is familiar although not a word has been printed here. Civil liberties in the Western sense are rudimentary. There is no freedom to criticize the regime, and the press reflects governmental wishes. Fear of the secret police remains, but there are no mass abuses as in the past. Western publications and broadcasts are received unhindered. In bustling Belgrade, where the tasteful new airport vies with garish Communist monoliths, life is vigorous without the deadly dullness of the satellites.

There are even private enterprise overtones, especially among cab drivers. Newspapers and Radio Belgrade carry paid advertising from individuals or firms. Each enterprise is expected to make a profit and manage its funds. Those with up to five employees may remain private. Nominally there is no coercion. Although the Government would like to increase the size of agricultural holdings for efficiency, forced collectivization has long since been abandoned.

But the Communist Party remains the directing force. Despite some outmoded theories and a practical showing that the public is more interested in perquisites than ideology, this is a Communist society with innovations. The worker councils, however, hold the seeds of new political institutions with growing public participation in local decisions. It is possible that within this context more liberties may develop.

One great question is whether this system, with its inefficiencies, can bring a Western standard of living or whether the gap will increase. Yugoslavia could do more to specialize and to develop tourism, but much depends upon Western understanding of her delicate position. Her proud, dignified and truly friendly people deserve that.

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[From the Washington Post, May 15, 1962]

### HAS AID TO TITO MET U.S. AIM?

(By Robert H. Estabrook)

LONDON.—Back in a world of concerns about Laos and Britain's Common Market negotiations, economic worries encountered in Yugoslavia seem a bit remote. They are nonetheless important, for they bear upon Yugoslavia's orientation as well as upon whether she will retain some of the economic liberalism that has blossomed within the decentralized structure. Since 1950 the United States has advanced more than $1.5 billion in economic help, much of it recently in development loans. After the Yugoslav break with Stalin substantial military aid was supplied. Has it been worth while?

Not if the United States expected thereby to acquire an ally. Whatever the popular attraction to the fruits of private enterprise, the Yugoslav Communist Party remains the country's directing force. President Tito regards himself as an interpreter of Marx. Although Yugoslavia is not technically part of the Communist bloc, on most big questions Tito sides with or apologizes for the Soviet position. It used to be said that the Western interest was to see the less objectionable brand of communism succeed relatively more than the Soviet variety. It does not follow that the Yugoslav brand is preferable to an alternative to Marxism in the new neutral countries of which the Belgrade Government is so solicitous.

Tito's failure to condemn the Soviet breach of the nuclear test moratorium at the Belgrade conference last September caused a crisis with the West. Tito's rationalization of the Soviet tests was taken by Americans as almost a personal affront, and the ensuing bitterness caused some salutary reexaminations. Now the consensus among Western diplomats is that anything else would have been out of character from an aging prophet.

Still, Tito's Marxism is anti-Stalinist. There is something to the quip about Khrushchev becoming a Titoist. Only because the Soviet hierarchy now appears to accept Yugoslavia's independent position are better relations possible. Recently Soviet Foreign Minister Gromyko paid a visit to Belgrade and professed more understanding of Yugoslav views. Better relations could mean increased philosophical alinement as well as more trade, but no one expects Yugoslavia again to become a satellite. Her relations with Communist neighbors are hardly convivial—particularly with Stalinist Albania.

Yugoslav "impressions" after the Gromyko visit are interesting. One high official contends that the building of the wall represented Khrushchev's acknowledgment that he cannot absorb West Berlin. The Russians want a Berlin settlement, this official feels, but not until forthcoming nuclear tests are out of the way. He also found interest in a test ban after the Soviet series, with some adaptation of the neutral plan whereby eminent scientists would conduct necessary verification. He believes that there will be little substantive movement on disarmament, however, until China has nuclear weapons; this could force Soviet and Western positions closer together.

Apart from ideology, Yugoslavia's economy is linked to the West. Less than 30 percent of her trade is with the Communist bloc. Help from the West succored Yugoslavia in 1950 when she faced near starvation. Since then trade with the West has flourished, and thoughtful officials would like even more ties. One American export, the supermarket, has taken hold in a way to gladden a grocery chain's heart. Introduced at the Zagreb fair in 1957, self-service markets account for two-thirds of the food distribution.

This economic link gives the West a useful lever, although lack of understanding by the Common Market or the United States could compel Yugoslavia to look East. Because of overspending, the economy is in a delicate situation, and there is concern about how Draconian the crackdown will be. Up to now Tito has not employed repressive measures. Yugloslavia's Federal system—there is a sort of domestic aid program to depressed Macedonia and Montenegro—make it unlikely that decentralization will be altogether reversed.

Insofar as it has helped protect Yugoslav independence, develop the economy, and forge trade bonds, American aid has paid off. There are definite limits to how far the ties can go. But the system is certainly less harsh and more elastic than in other Communist countries, and a pragmatic new generation is emerging with less revolutionary fervor. Tito has said that there are differing roads to communism. If and when Yugoslavia arrives, the destination may be something quite different from the original objective.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a letter to the editor of the New York Times written by David L. Larson, assistant dean of the Fletcher School of Law and Diplomacy at Tufts University. The letter is entitled "Aid to Yugoslavia Upheld."

I might add that Dean Larson is considered to be an extremely able man in the field of diplomacy. Of course, as the assistant dean of the School of Diplomacy he is known not only here but also throughout the world as a very competent student in the field of foreign policy.

There being no objection, the letter to the editor was ordered to be printed in the RECORD, as follows:

### AID TO YUGOSLAVIA UPHELD—OUR HELP BELIEVED TO HAVE ENABLED HER TO RESIST SOVIET PRESSURE

To the EDITOR OF THE NEW YORK TIMES:

The recent articles about Yugoslavia in your paper (April 10, 20 and 21) may be indicative of several things: the Sino-Soviet ideological split, the failure of the New Economic System in Yugoslavia, the controversy over U.S. economic and military aid to Yugoslavia, the Albanian quarrel with the U.S.S.R., and the suppression of Milovan Djilas and his new book.

These and many other factors may be involved in the growing rapprochement between Belgrade and Moscow. However, these are probably only related aspects of a more basic problem: the European Economic Community (EEC).

The essence of Tito's ideology seems to be pragmatic materialisms, or economic development by any means. Economic development is and has been the main precept of the Communist Party of Yugoslavia next to the preservation and consolidation of its own power, which of course is dependent on economic and military strength.

Trade and foreign economic assistance are vital to the achievement of economic development in the shortest possible time. This places Yugoslavia in a difficult economic and political dilemma. On the one hand is the resounding success of the EEC with Greece, Spain and Great Britain about to become associate or full members. On the other is Comecon in Eastern Europe with increasing economic consolidation and development.

#### BETWEEN EAST AND WEST

About 50 percent of all Yugoslav trade is with the West, about 25 percent with the East and the balance with Africa, India and the "uncommitted" countries. As a result, Yugoslavia is somewhat isolated and stands somewhere between East and West.

Were Yugoslavia to join the EEC, she would eventually become integrated into the West and lose some of her proud sovereignty and independence of action. If Yugoslavia turns to the East for greater economic support, she can extend some ideological support to Moscow against Peiping as a quid pro quo and hopefully retain a larger degree of sovereignty and independence.

However, it would seem that Tito's political concessions are secondary to the economic considerations of growth and trade. In 1961 Yugoslavia's rate of growth was about 7 percent of gross national product and her balance of payments resulted in a minus 2 percent, or an excess of imports over exports. This represented a drop of about 8 and 15 percent respectively from the proposed norms.

Tito and his economic advisers apparently attributed the reduced rate of growth to decentralization (the Times, April 20) and the unfavorable balance of trade to the exclusive nature of the EEC (the Times, Feb. 12). The net effect of this reasoning is a return to centralized economic responsibility and closer trade relations with the U.S.S.R.

#### BASIS OF POLICY

Neither of these developments is in the national interest of the United States, which has largely based its foreign policy toward Yugoslavia on the liberalization of internal affairs and the development of closer relations with the West.

Recent conversations with representatives of the U.S. Government and the EEC (Common Market) clearly indicate that they are not fully aware of the current position of Yugoslavia and have made no concerted effort to resolve the problem. Yugoslavia may be moving closer to the U.S.S.R. in order to obtain more economic aid and trade concessions from the West, but this does not excuse the lack of a viable policy on the part of the United States or the EEC.

Yugoslavia is presently a Communist country. However, it is also one of the most strategic countries in the world from a political and geographic point of view. The U.S. policy of extending economic and military assistance to Yugoslavia over the past dozen years has been in the mutual interest of both countries. It would be unfortunate if these efforts were lost through lack of understanding or neglect.

DAVID L. LARSON.

Mr. HUMPHREY. I ask unanimous consent that there be printed in the RECORD at this point, also, the statement by Secretary of State Dean Rusk before the Select Committee on Export Control of the House of Representatives on February 5, 1962.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### STATEMENT BY THE HONORABLE DEAN RUSK, SECRETARY OF STATE, BEFORE THE SELECT COMMITTEE ON EXPORT CONTROL, HOUSE OF REPRESENTATIVES, FEBRUARY 5, 1962

Mr. Chairman, members of the committee, I am very pleased to have this opportunity to discuss further with you our policies and problems in the field of export controls. In your letter of January 10, Mr. Chairman, you raised two important general questions. Several additional points were raised by the committee staff. I would like to discuss now those basic questions raised in your letter, and I am prepared at your pleasure to respond to the questions provided by the committee staff.

First, Mr. Chairman, with regard to your question on the status of our relations with Yugoslavia: Last October, before this committee, I indicated that our policy is similar to that toward trade with any friendly European or neutralist country, and that Yugoslav requests for economic and technical assistance are considered on their merits. I also indicated that the developments within that country which are encouraged and facilitated by our policy are definitely in the interests of the United States and the free world. The facts continue to bear out the usefulness of that policy.

The decision, taken more than a decade ago, to provide assistance and support to Yugoslavia, an avowedly Communist country which had broken away from the Soviet bloc, was imaginative and courageous. At that time it was recognized that this decision involved the risk that our assistance would ultimately strengthen the Soviet bloc, in the event Yugoslavia, by desire or necessity, returned to the bloc. It was also apparent, however, that this decision provided an opportunity to determine whether peaceful evolutionary changes could occur in Communist countries; whether a Communist country could break away from Moscow's domination and establish its independence; and whether the West could establish relations with such a country more fruitful than those limited relations we had come to expect with the members of the Soviet bloc. The results of our policy, based on that decision and carried out over a decade, have more than met our expectations.

The independence of Yugoslavia has been firmly established. Yugoslav support was withdrawn from the civil war in Greece. The Trieste question was resolved. Border and minority issues with Austria were shelved. Albania was geographically isolated from the Soviet bloc, thus permitting its ultimate defiance of Moscow. And finally, during the ensuing decade the Yugoslavs developed a politico-economic system which differs markedly from that of the Soviet Union. Yugoslavia remains the outstanding example of successful defiance by a Communist country of Soviet imperialism. It has shown the world that escape from the Soviet system is possible, and that development in close cooperation with the West produces results superior to those possible under the tutelage of the Soviet Union.

These developments have resulted in closer and more constructive relations between Yugoslavia and the West. These developments have also become institutionalized in Yugoslavia and would be difficult to reverse. We can confidently expect continuing benefit to the West from Yugoslavia's position. We can also expect this important area in the Balkans to continue to be denied to the Soviet Union, if our policy continues to acknowledge, support, and respect the independence the Yugoslavs are determined to maintain.

In explaining our policy toward Yugoslavia we are frequently asked questions that reveal a concern about its basic relationship to the United States. We are reminded that Yugoslavia is not an ally despite U.S. aid. We are asked whether Yugoslavia is truly a friendly country. And we are reminded that Yugoslavia is, after all, still a Communist country. To this I would say that we would make a mistake if we were to limit our attention to those things which our policy is not designed to achieve, and which we have never contemplated it would achieve. Our trade and aid policies are not designed to purchase friendship or to purchase allies. The Yugoslav Government remains Communist. It frequently holds positions on international issues with which we cannot agree. Nevertheless our relations are productive and have expanded greatly since 1948 as a result of our policy and Yugoslavia's response to our policy. Trade with Yugoslavia has increased. Cultural and other contacts have increased. Our diplomatic relations with Yugoslavia are friendly and frank.

The Yugoslav Government has cooperated in making our assistance effective. The Yugoslavs have shown good faith in their commitments to us, and have made it possible for us to accord Yugoslavia, in the field of foreign trade, the same treatment accorded Western European countries. We have continued to evaluate carefully and critically all information from whatever source in assessing Yugoslavia's actions since 1948. In this connection, section 143 of the Mutual Security Act of 1954, which was retained in the Foreign Assistance Act of 1961, requires the President in furnishing assistance to Yugoslavia to continuously assure himself, in the words of the act, "that Yugoslavia continues to maintain its independence, and * * * that Yugoslavia is not participating in any policy or program for the Communist conquest of the world."

We have established no information which would in any way cast doubt on Yugoslavia's independence or which would suggest Yugoslav participation in such international Communist programs. On the contrary, we are aware that Yugoslavia not only competes in a real sense with the Soviet bloc in commercial and cultural activity in the underdeveloped areas of the world, but also serves as an example of the dangers that are inherent in close association with, or overdependence on, the Soviet bloc.

We have encouraged a situation in which Yugoslavia has preferred to strengthen its ties with the West and weaken them with the East. Less than 30 percent of its trade is with the Soviet bloc. Its sources of capital, raw materials, training, equipment, spare parts and even military supplies are largely in the West. We know that this is desirable, and that it has produced tangible benefits for this country. The alternative which is sometimes urged is to treat Yugoslavia in our trade and other policies as a member of the Soviet bloc. Such an alternative would be sterile and defensive, without the promise of real gain. We believe the question answers itself as to whether we would prefer that the Yugoslavs fall back into dependence on the Soviet bloc and thus reorient their country toward the East. We are convinced that the present policy, supported by three administrations and fully tested by time and events, is effective and in the interests of this country.

By describing as fully as I have the general considerations underlying our policy toward Yugoslavia, I do not mean to ignore a more specific question which the committee has raised concerning exports to that country. If I may characterize the concern of the committee as I understand it, it is that important equipment or materials shipped from the United States to Yugoslavia may be either diverted to Cuban or Soviet bloc destinations or reexported to such destinations after delivery in Yugoslavia.

The question of possible diversions, transshipments or reexports of U.S. commodities is not limited to Yugoslavia. The Department of Commerce devotes great effort in its operations to minimizing the possibility of such transactions involving any country. While that Department is better able to provide you with information in this complex area than I am, and while it has, I know, already provided the committee with a great deal of information, I believe that it would be appropriate for me to comment on this subject as it relates to trade with Yugoslavia particularly.

I understand the committee has expressed concern at the matter of jet aircraft sales to Yugoslavia, which I discussed briefly at the time of my previous appearance before this committee. We have asked our Embassy to confirm with the Yugoslav Government the arrival of all the jet aircraft purchased in this country by the Yugoslav Government. As I indicated in my previous testimony, these sales, made since 1959, have comprised in all 78 F86–E fighters, 70 TV–2 jet trainers and 130 F86–D all-weather fighters. The Yugoslav Government on January 27 officially confirmed that these aircraft are all within Yugoslavia. While we have obtained this specific assurance from the Yugoslav Government in response to the committee's interest in this case, I should point out that the contractual obligations originally entered into between the Yugoslav and the United States Government provide a guarantee against reexport, as do all such sales contracts arranged by the U.S. Department of Defense.

I think we must recognize frankly that some people have questioned whether the assurances of the Communist government in Yugoslavia can be trusted. We consider that the matter of governmental assurances in undertakings with the Yugoslav Government does not differ essentially from the nature of such problems with other non-Soviet-bloc countries. These agreements cannot be policed at all times, but the extent to which individual agreements are carried out does generally become known. The touchstone in international relations among non-Soviet-bloc nations must be the confidence which one government is able to place in the commitments of another government, and the degree of confidence will depend on the previous record of performance of the country concerned. Our assessment of the record is in every case based on all our information from the many sources available to this Government. I can state frankly that the Yugoslav record with regard to its commitments to this Government has been good.

We have discovered only one irregularity in the handling by Yugoslavia of goods of U.S. origin. This case, involving borax shipped in 1957, was brought promptly to the attention of the Yugoslav Government, which cooperated in stopping the transshipment then in progress. We have the categoric written assurance of the Yugoslav Government that transshipment of U.S. origin goods will not take place, and we have no evidence of any irregularity since the one case of record in 1957. We continue to give these matters the attention demanded by our responsibilities in this field, and to make every effort to ascertain, through our own independent channels, that our interests are safeguarded. We have no evidence of any kind which would indicate that our confidence in the Yugoslav commitments might be misplaced.

Finally, let me say that since I last appeared before you, we have reviewed with the President our policy toward Yugoslavia in the light of all recent developments and information, including that discussed previously with this committee. We have satisfied ourselves, Mr. Chairman, that our policy toward Yugoslavia continues to serve our national interest.

Mr. HUMPHREY. Mr. President, this testimony is very pertinent to the discussion, since it points out what happened in terms of economic aid and trade with the Yugoslav Government and the Yugoslav economy. The Secretary discusses very frankly some of the political and economic problems of this country and Government. He does not try to gloss over the problems. He arrives at a judgment that it is in our national interest to continue this activity.

I also ask unanimous consent that there be printed in the RECORD at this point material prepared by the Office of Public Services, Bureau of Public Affairs of the Department of State, headed "Yugoslavia." This material does not offer much new information, but it is a concise review of our policy with Yugoslavia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### YUGOSLAVIA

Yugoslavia is not a part of the Soviet bloc and has not been since 1948 when it broke with the Soviet Union over its refusal to accept interference in its internal affairs. Since that time it has, with help from the West, including substantial help from the United States, steadfastly resisted efforts of the U.S.S.R. through various blandishments and pressures to reassert its control over Yugoslavia. Yugoslavia's defiance of the U.S.S.R. has had profound effects on the political and ideological unity of the international communism movement. The reverberations of Yugoslavia's assertion of national independence are continuing at the present time.

U.S. policy toward Yugoslavia has sought to offer Yugoslavia an alternative to dependence on the Soviet bloc and to make it possible for Yugoslavia to establish its independence firmly and irrevocably. It has sought to integrate Yugoslavia with the world economy and to reestablish its cultural ties with the West.

The success of this policy is measured by its results. Yugoslavia's independence has been firmly established. Freed from Soviet dogma, the Yugoslav system, while it remains basically Communist, has evolved in the direction of liberalization and decentralization. More importantly, it has developed institutions which are more compatible with Western than Soviet concepts. The result is that Yugoslavia bears little resemblance to the Soviet satellite it was 13 years ago. There have been other benefits of this policy. Tito withdrew his support for the civil war in Greece. The Trieste question was resolved. Albania was geographically isolated from the Soviet bloc, permitting its present defiance of Moscow. Austrian-Yugoslav differences over minorities and border issues have been submerged in the interest of more cordial relations. Finally, Yugoslavia now has good relations and prosperous economic ties with Italy and Greece.

That Yugoslavia is independent of Soviet control is demonstrated by substantial evidence. Yugoslavia does not participate in international Communist organizations or meetings. It did not, for example, attend the meeting of 81 Communist Parties in December 1960; it did not participate in the 22d Party Congress of the CPSU. It is not a member of the Warsaw Pact, nor the Soviet-controlled CEMA. It does, on the other hand, participate in a host of Western-oriented organizations such as the OECD, GATT, IMF, IBRD, and many U.N. subsidiary organizations which have been boycotted by the Soviet bloc.

Evidence sometimes cited to support the allegation that Yugoslavia remains a part of the international Communist movement in Yugoslavia's support of the Soviet Union in international forums. In fact, Yugoslavia's position on international questions more frequently coincides with the positions of a number of nonalined states such as India, Indonesia and the U.A.R. As is attested by the comparative voting record in the U.N., these countries often agree on international issues with the Soviet Union. The record also shows, however, that Yugoslavia does not hesitate to oppose the Soviet Union, and has done so on very important issues, including those issues involving Soviet efforts to vitiate the effectiveness of the United Nations Organization itself. On each of these issues, the Yugoslav position coincided with that of the United States.

Such support in international forums, however, has not been the purpose of U.S. policy. Our policy has been to insure that Yugoslavia would not have to depend on the Soviet Union. Yugoslavia has welcomed this assistance and, significantly, has preferred a policy with implications of a growing relationship with the West. Since the break with the bloc more than 70 percent of Yugoslavia's foreign trade has been with the non-Communist world. The United States has supplied the Yugoslav Air Force with United States equipment, surplus to its military needs but which is useful to the Yugoslavs. This has created a situation in which Yugoslav needs for spares and equipment cannot be met by the Soviet Union, but can be met by the West.

This situation, which is preferred both by the Yugoslavs and this Government, can only work to our advantage since the controlling positions are held by Yugoslavia and the United States—not by the Soviet Union. In this regard, when the Soviets sell Mig fighters to Cuba, for example, or tanks to Egypt, thus creating a situation where logistic support can be easily furnished (or denied) by the Soviet Union, but not by the West, we recognize this as being favorable to the Soviets. But if this is true, how can the Yugoslav shift from dependence on the Soviet Union to close association with the West, encouraged by our policy, be interpreted as other than a beneficial result for the West?

This analogy can be usefully extended. It will be readily agreed that if one of our allies were to withdraw from NATO and adopt a policy of close relations with the Communist world this would be considered a foreign relations disaster. Analogous conclusions cannot be avoided as to the importance to the Soviet bloc of Yugoslavia's break with the bloc in 1948, its close relations with the West, and the fact that it has not participated since that date in any policy or program for the Communist conquest of the world.

The example of Yugoslavia in establishing its independent position and the actions of the West to support that independent position have had a powerful effect on the peoples behind the Iron Curtain. Popular pressures exist within the Soviet bloc toward a more genuine expression of national policies. It is in the national interest of the United States to encourage the development of more genuinely national policies behind the Iron Curtain, in order to improve the chance for eventual self-determination and national independence in each of the Eastern European countries.

The U.S. Government must continue to be alert to manifestations of genuine national policies within the Communist world, and to afford them the treatment they merit. Any other policy would ignore the possibility of peaceful change, and would leave only the negative, defensive, and defeatist concept that what belongs to the Soviet bloc will remain so.

Mr. HUMPHREY. I also ask unanimous consent to have printed in the Record at this point an article published in the New York Times of June 15. The article relates to the matter I discussed at the beginning of my remarks, and deals with the reports of our Ambassadors to Poland and Yugoslavia, warning on cuts in aid to those countries. Again I say that I believe these Ambassadors should be called home for further discussion. I know that many of my colleagues want to ask them some questions, because of the pertinent nature of their remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, June 15, 1962]

### U.S. Envoys Warn on Cuts in Red Aid—Cabot in Poland and Kennan in Yugoslavia Fear Sharp Worsening of Relations

(By Max Frankel)

Washington, June 14.—The U.S. Ambassadors to Yugoslavia and Poland have cabled home bitter warnings of the drastic consequences of moves in Congress to deprive those Communist nations of special aid and trade benefits.

George F. Kennan has written from Belgrade that committee actions on Capitol Hill already amounted to the greatest windfall Soviet diplomacy could encounter in this area.

John Moors Cabot in Warsaw has predicted a drastic worsening in relations with Poland.

The Ambassadors' concern, which was echoed by President Kennedy at his news conference today, stems from related developments in the Senate and House.

The Senate has passed a foreign aid bill that bars all help to Communist countries except the shipment of surplus food. Getting this exception required a last-minute effort by the administration.

And in the House, the Ways and Means Committee has sent to the floor a trade bill that would deprive Poland and Yugoslavia of most-favored-nation status, that is, of the lowest tariffs extended to any trading partner.

Ambassadors Kennan and Cabot both said that the withdrawals of benefits would enable the Soviet Union to pose as the only reliable friend of the Poles and Yugoslavs and impose economic hardships on the peoples of both countries at a difficult time. They also said the moves would jeopardize Western efforts to encourage liberal forces in the two societies and severely handicap U.S. diplomats in future attempts to influence those governments.

Mr. Kennan added that even if Congress reestablished the benefits, the damage already done would not be entirely remedied.

The administration, in a highly unusual step, made available excerpts from the ambassadorial messages of the last week, slightly paraphrasing them to protect cable codes. Copies of the dispatches also are to be circulated on Capitol Hill in the next few days.

Ambassador Kennan virtually pleaded to be called home so that he could try to correct the appalling ignorance in Congress and in the American press about the situation in Yugoslavia and U.S. policy toward President Tito.

Administration sources said both he and Mr. Cabot might be invited to bring their cases to the legislators.

#### MAJOR SETBACK

President Kennedy cited the distress of these long-experienced diplomats at the attitude of Congress.

"Both of them regard this action as a major setback and a great asset to Moscow," he said. "I don't think we should do those favors to them if we can help it."

The President pleaded for the opportunity to be flexible in dealings with Communist nations, the same opportunity that he said he always supported for President Eisenhower in the past.

There have been many changes in the Communist bloc in the past decade, some of which should "encourage friends of freedom," the President said. All he wanted, he added, was to keep the Western World in the continuing race between freedom and totalitarianism "and not to desist in 1962."

One apparent reason for the publication of the ambassadorial messages was to dissociate U.S. diplomats from the congressional action.

Mr. Kennan, in a message yesterday, said Yugoslav officials had "acted incredulous" when he told them he had not been forewarned of the punitive legislation.

#### FINDS MOVE UNNECESSARY

Ambassador Kennan's first long reaction to the congressional moves reached the State Department on Monday. He said they were totally unnecessary if the purpose was to reduce aid to Yugoslavia. Aid was already being reduced considerably for a variety of reasons and at his own recommendation, he wrote.

The chief result, he argued, was that Congress had made "a signal demonstration of ill will to a people who up to now have been generally and increasingly friendly to us."

The Ambassador said he agreed that President Tito's recent statements and actions had been provocative. But he found it little short of tragic that Congress had allowed itself to be provoked.

All this came, he wrote, at a time "when years of untiring effort by the devoted people of this post were beginning to bear fruit, when basic forces had begun to move in our direction, when recent demonstrations of anti-Western tendencies were beginning to create visible strains in Yugoslav officialdom and society, and when continuing restraint, patience, and subtlety of approach might have led to results of significance, not only from the standpoint of the Yugoslav position but also from the standpoint of developments within the Soviet bloc."

Yesterday, Mr. Kennan added that he feared Congress had particularly embarrassed those Yugoslavs involved in arranging last month's visit of Foreign Minister Koca Popovic to the United States.

Citing disastrous weather in Yugoslavia this spring, Mr. Kennan said that "never in recent years have the Yugoslav people needed external support more urgently." He said he expected his Embassy soon to feel in direct ways the offense the episode had given to high Yugoslav officials.

Mr. Cabot's message of June 8 was much less extensive, but he twice predicted an inevitable and drastic turn in relations with Poland.

Congress' action, he said, "will also probably bolster the position of those Polish officials who argue that only the Soviet Union is a reliable friend to Poland and a certain source of economic support."

### INDIA JETS STUDIED

President Kennedy received two other aid questions today. They related to India's desire to purchase Mig jet fighter planes from the Soviet Union and Britain's need of help in coping with Chinese refugees in Hong Kong.

Asked whether the United States had made alternative offers of military supplies to India, the President indicated a desire to keep the problem in quiet diplomatic channels for the time being.

He said his administration was considering the problem and in effect confirmed consultations on it with Britain and other governments. Ambassador J. Kenneth Galbraith will return to New Delhi this weekend and report further, Mr. Kennedy added. [Question 3.]

The concern here is not only about a Soviet military foothold in India but also about further trouble in Congress with aid appropriations for New Delhi.

On helping Britain in Hong Kong, the President said the United States had contributed heavily toward food purchases and would consider any other requests. The British have said that, above all, the British needed help toward hospital and school construction and less tariff discrimination so that Hong Kong could develop the industry needed to support newcomers from Communist China. [Question 13.]

**Mr. HUMPHREY.** Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an article published in the New York Times of June 13, dealing with the tariff bill which is now being processed in the other body, which would deny most-favored-nation treatment to Yugoslavia and Poland.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### TARIFF BILL AIMS BLOW AT POLAND AND YUGOSLAVIA—ASKS PRESIDENT TO PUT END TO MOST-FAVORED-NATION STATUS FOR TWO COUNTRIES

(By Felix Belair, Jr.)

WASHINGTON, June 12.—White House sources acknowledged today that a little-noticed provision of the trade expansion bill "has just about tied the President's hands" in trying to promote Polish and Yugoslav independence from the Soviet Union.

The obscure mandate directed the President, "as soon as practicable," to end the "most-favored-nation" treatment for both Communist countries.

A report on the bill today from the House Ways and Means Committee names the two countries and says they are to be treated under the bill the same as Cuba and other members of the Soviet-Chinese bloc.

### OBJECTION UNAVAILING

Poland and Yugoslavia have enjoyed favored treatment under the existing Reciprocal Trade Agreements Act. The act provides that such preferential tariff treatment must be denied to countries dominated by "international communism."

Over strenuous White House objection the House group struck out a provision by which three successive Presidents, by finding that neither was under Moscow's control, had ruled Poland and Yugoslavia eligible for the lowest tariff rates accorded any trading nation.

A witness before the House Foreign Affairs Committee denounced the Senate's action last week in banning aid to all Communist countries except for surplus farm products. If allowed to stand, he warned, the ban would "hamstring" the President in fighting the "cold war" and trying to bring about changes in Eastern Europe.

Meanwhile, in a special message today, the President asked Congress to approve an American contribution of $2,800,000 for completing a children's hospital in Krakow, Poland.

### TESTIFIES AT HEARING

John Richardson, Jr., head of Radio Free Europe, was the witness at the session of the Foreign Affairs group. He warned that the contribution could not be made if the aid ban was enacted.

The administration hopes to have the ban eliminated when the aid bill goes to Senate-House conference negotiations.

The way the bill now reads, no country with a Communist form of government could qualify for favored treatment.

Some trade authorities contend that the effect of the limitation will be more psychological than real. But the consensus is that in conjunction with the Senate's ban last week on all but surplus commodity aid to the two countries and the pending amendments to the Export Control Act, the result may be to nullify the President's "fragmentation" policy.

The objective of this policy, pursued by Presidents Harry S. Truman, Dwight D. Eisenhower, and Kennedy has been to help Yugoslavia and Poland, through trade and aid, to maintain some freedom of maneuver against the Soviet Union.

How to pursue the policy now while denied the tools for carrying it out is what concerns officials of the State Department and the White House.

It required a major effort by the Republican and Democratic leadership last week to reverse a blanket denial of aid to any countries having a Communist form of government or following Marxist principles.

The upshot of the reversal was to say that Yugoslavia and Poland could receive surplus farm products on a giveaway basis, but could not receive aid for economic development in the form of repayable dollar loans.

### WOULD ENLARGE LAW'S SCOPE

The amendments to the Export Control Act would restrict trade with the two Communist countries even more than a denial of favored tariff treatment. They would enlarge the purpose of the law, with the aim of curbing those countries' economic as well as military expansion.

The present control law is designed to prevent the shipment to Communist-bloc countries of anything that would add to their military potential.

The pending amendments, sponsored by Representative A. PAUL KITCHIN, Democrat of North Carolina, would prevent anything of economic value from being sent, according to many trade experts.

State Department officials expressed apprehension that the combined effect of the aid and trade restrictions might force the kind of economic integration that the Soviet Union could not achieve on its own.

But more immediate results are expected by these officials, and are forecast by Polish diplomatic sources. They include the abrogation of last year's agreement, whereby Poland promised to pay $2 million a year for 20 years in compensation for nationalized property of American citizens.

Also, according to Polish sources, there would be no point in continuing current negotiations looking to a $40 million settlement with American holders of defaulted prewar Polish Government bonds. Lack of dollar exchange would necessitate both steps, the sources said.

**Mr. HUMPHREY.** Mr. President, this denial is commented upon by writers Arthur J. Olsen and Felix Belair, Jr., respected correspondents of the New York Times.

### TRADE BILL BARS AID TO RED LANDS

(By Arthur J. Olsen)

POZNAN, POLAND.—The United States is making a smooth and persuasive bid to increase its sales of consumer goods to Poland at a moment when the trade prospects are threatened.

The Senate voted to cut off aid to Poland and Yugoslavia, then modified the ban to permit the shipment of surplus farm commodities.

The House Ways and Means Committee approved a bill to withdraw favored tariff treatment from Polish goods.

The U.S. show, which neatly balances machine tools and fashion models, sawmills and sailboats, is the most popular display at this 56-nation trade fair. By rough estimate, three visitors enter the smaller U.S. pavilion for every one to view the businesslike West German displays and the propaganda-heavy Soviet show.

### ENVOY GIVES RECEPTION

Guests at the America Day reception given by Ambassador John M. Cabot today enthusiastically applauded the display of commodities and listened politely to the welcoming speech of Jack N. Behrman, Assistant Secretary of Commerce.

Speaking against a background of uncertainty on U.S. trade policy on Poland, Mr. Behrman notably did not commit the United States to foster a general expansion of trade with the Communist country.

"It is our desire to present facets of U.S. industry and agriculture, and their products and services to consumers," he said.

"These items would also directly contribute to the development of the Polish economy and the satisfaction of your own needs," Mr. Behrman went on. "We would be most happy to see an expansion of trade in such items."

The Assistant Secretary is likely to learn in talks with Polish authorities later this week in Warsaw that not much of Poland's limited supply of foreign exchange is available for buying consumer goods.

Polish trade officials here said that a general decline in purchase of industrial goods from the United States would be likely to follow a withdrawal from Poland of most-favored-nation treatment. Under a policy in effect since December, Polish goods are charged import duty no higher than that assessed against commodities of any other nation.

As a result of the favored treatment, Polish exports to the United States rose by 10 percent to $41 million in 1961 and are approaching a $50 million annual rate this year.

U.S. sales of industrial goods, $15 million worth in 1961, also rose. Poland manages her dollar trade with the United States to insure an annual favorable balance of at least $20 million, which is used to cover hard currency deficits with other Western countries.

Also, I have an article by Flora Lewis from Bonn, Germany, relating to the efforts of the Soviet to integrate the Communist-bloc trade group as an effective balance to the Common Market.

The report reads, in part:

> The Poles spoke of a split on bloc trade policy in Moscow. The Russians, with support from East Germany, Bulgaria, and the Czechoslovak party leaders, wanted to tighten the bloc in reaction to the Common Market growing strength.
>
> But the Poles and Hungarians and Czech economic officials were opposed, according to this report, arguing that it was vital to Communist goals as well as to their national economies to keep expanding their own trade with the West as much as possible.

For whatever good those stories may be—and I think there is merit to their study—I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### COMMUNISTS ON MOVE

(By Flora Lewis)

BONN, June 12.—According to a West German press report from Poland, a Soviet attempt to integrate Communist-bloc trade as a counterbalance to the Common Market has been blocked by Poland and Hungary.

The report appeared today in the conservative Deutsche Zeitung by a correspondent who said the information came out during the opening reception of the Poznan Fair from the Polish delegation to last week's Comecon meeting in Moscow.

Comecon, the Communist bloc's economic organization, held a surprisingly brief session on June 6 and 7, which ended with two communiques. One was brief and vague. The other was lengthy and described in detail the fields where integration was desired, but experts here took it as a wordy outline of the goal rather than a review of decisions taken.

#### POLICY SPLIT REPORTED

The Deutsche Zeitung's correspondent in Poznan reported that the Poles said Soviet Premier Nikita S. Khrushchev did not get the agreement he wanted on giving Comecon important new powers now.

The report said that the Poles spoke of a split on bloc trade policy in Moscow. The Russians, with support from East Germany, Bulgaria, and the Czechoslovak party leaders, wanted to tighten and increase trade inside the bloc in reaction to the Common Market's growing strength.

But the Poles and Hungarians and Czechoslovak economic officials were opposed, according to this report, arguing that it was vital to Communist goals as well as to their national economies to keep expanding their own trade with the West as much as possible.

There is no way to check the report in the West, but it fits logically with the known trade ambitions of Poland, Hungary, and Czechoslovakia and with views expressed privately recently by Polish Foreign Minister Adam Rapacki.

#### PREDICTED BY POLES

The Poles, who seem to have realized the implications of the Common Market for the Communist countries much earlier than the Russians, have been predicting for some time that it would lead to efforts to consolidate East bloc trade.

Rapacki indicated that Poland would try to resist such efforts because it would mean to give up the hard-currency earnings and free choice of imports that Western trade brings and accept instead the disadvantages of barter.

One of the major gains that Wladyslaw Gomulka's more independent Communist regime brought to Poland was a trade policy that put the country's economic welfare above the Communist bloc's political advantage. This policy has been a key factor in raising Polish living standards.

While the Czechoslovak and Hungarian regimes have different notions of political orthodoxy at home, both have relied heavily on improved living standards to keep their populations docile. And world trade, rather than just taking what they can get inside the Communist bloc, has been a vital part of the policy.

#### POSSIBILITY OF PLANT

To these three countries, tighter integration of bloc trade would mean switching exports that earn hard currency to their needier political partners. They would then be forced to curtail purchases in the West and replace them with what bloc members have to offer.

There is always the possibility that the reports of a split in bloc trade policy coming out of Poland have been spread deliberately with Moscow's assent. But because of immediate national interests and the technical Polish sources involved, it does not seem likely.

The Moscow communique on last week's Comecon meeting did not mention the Common Market.

The Communist countries have been talking about integrating their economies for years, and they have made some progress in specializing output; for example, directing Hungary to produce trucks for export, Poland railroad equipment, Bulgaria fruit and vegetables, and so on.

#### CENTRAL AGENCY LACKING

But they still trade with each other by bilateral deals, lacking any central clearing agency that could faintly approach the cooperation made possible by the Western system of free currency and liberal trade.

Comecon announced that from 1959 to 1961 trade among its members increased by 14.2 percent a year, against 8.5 percent in the years 1956 to 1958. Compared with the dramatic jumps in Common Market trade, and considering that everybody's trade is rising, the Communist figures are meager.

The report from Poland suggests that Premier Khrushchev was unable to impose his demand for more bloc integration because he no longer controls the satellites as Stalin did.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD the entire article I referred to earlier, entitled "Red China Scores Policies of Tito." The article bears the dateline of Hong Kong, September 17, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 18, 1961]

### RED CHINA SCORES POLICIES OF TITO—PEIPING REJECTS ASSERTION YUGOSLAV IS 'ABOVE BLOCS'

HONG KONG, September 17.—President Tito and Yugoslavia's policies are subjected to violent criticism in the latest issue of the Chinese Communist publication Hung Chi.

The violence of the attack is viewed here as a reaction on the part of Peiping to President Tito's role of host to the recent conference of nonalined countries. The Yugoslav leaders' activities as a leading neutral have been a constant source of pain to Peiping, which has long sought to exert its influence on the uncommitted nations, especially in Asia and Africa.

Hung Chi, published by the Central Committee of the Chinese Communist Party, sets out to demolish Marshal Tito's claim to be above blocs. It charges him with serving "U.S. imperialism."

The article, according to Hsinhua, the official Chinese Communist press agency, which carried excerpts from it today, is headed "Tear Down Tito Group's 'Suprabloc' Mask."

"Since it turned traitor to the socialist camp, the Tito group has persistently tried to present itself as being above blocs and carried out activities detrimental to the unity of all peace-loving forces and countries in effort to serve U.S. imperialism," Hung Chi declared.

"Broad masses of people and farsighted persons in Asia and Africa have come ever more clearly to perceive what tactics the Tito group has employed to serve U.S. imperialism and what kind of nonsense is the group's 'above blocs' stand."

The Yugoslav Government "pretends to be neutral in an attempt to confuse the world public," the article continued. The Yugoslav stand, Hung Chi said, is "completely different from the policy of peace and neutrality followed by many nationally independent countries."

Hung Chi said these countries had opposed colonialism and aggression by imperialism, "particularly by U.S. imperialism, and had been able to establish amicable relations with the Communist bloc."

Mr. HUMPHREY. Mr. President, another article is translated from a publication in Peking, and is entitled "Red Flag Raps Yugoslav Economic System." It is dated June 13, 1961. "Red Flag" is the name of the publication. It is a theoretical biweekly of the Central Committee of the Communist Party of China. In its issue of June 1, 1961, it published an article by Liao Yuan, exposing the truth about the so-called "self management of enterprises" in Yugoslavia. It contains the "truth" from their point of view—a rather jaundiced truth.

Interestingly, at one point the article refers to the law of "supply and demand," which is good, native, down to earth capitalist doctrine.

Mr. President, I ask unanimous consent that the text of the substance of the article be printed at this point in the RECORD.

There being no objection, the substance of the article was ordered to be printed in the RECORD, as follows:

[Translation]

### IV. RED FLAG RAPS YUGOSLAV ECONOMIC SYSTEM

PEKING, June 13.—Red Flag, theoretical biweekly of the CCP Central Committee, in its June 1 issue carried an article by Liao Yuan exposing the truth about the so-called "self-management of enterprises" in Yugoslavia.

The article says that for more than 10 years the Tito clique of Yugoslavia has been carrying out the so-called "self-management of enterprises." They have virtually abolished the Socialist planned economy and handed over the formerly state-owned plants and mines, enterprises of communication and transport, trade, agriculture and forestry, public utilities, and enterprises of other branches of the economy to the so-called "working collectives" to carry out management "independently" (through the

"Workers Council" and the "Administrative Committee"—NCNA). In accordance with the market supply-and-demand situation, all enterprises decide at will on the quantity, variety, and prices of their products, purchase raw materials and sell their products in the domestic and foreign markets by themselves, decide at will on the method of distributing profits and wages, and are responsible for profits and losses.

In essence, the self-management of enterprises of the Tito clique, the article points out, takes the seeking of more profits as the highest standard of the economic activities of the enterprises, and the so-called material stimulus as the only motivating force of the economic activities in the enterprises. It encourages the capitalist manner of management and advocates the capitalist free competition of the big preying upon the small.

The Yugoslav modern revisionists are renegades to Marxism-Leninism and agents of the U.S. imperialists. They subsist on doles of U.S. imperialism. They are engaged in traitorous dealings in opposing the Socialist camp, sabotaging the Communist movement, and undermining the national democratic movements of various countries. Precisely as the statement of the 1960 Moscow meeting of representatives, of the Communist and Workers Parties has pointed out: "The Communist parties have unanimously condemned the Yugoslav variety of international opportunism, a variety of modern revisionist theories in concentrated form."

Since it turned traitor to the Socialist camp, the Tito group has persistently tried to present itself as being above the blocs, has opposed the Socialist camp and the international Communist movement, and carried out activities detrimental to the unity of all peace-loving forces and countries in an effort to serve U.S. imperialism.

Despite the efforts of the Tito group to advertise its position of being above the blocs, it is nevertheless known to all that as early as in 1953 Yugoslavia formed with Greece and Turkey a military-political bloc—the Balkan Alliance. By so doing the Tito group linked itself with the aggressive NATO bloc and CENTO, both of which were rigged up by the United States. At present Yugoslavia is still a member of that alliance. This fact alone is sufficient to show what stuff and nonsense is the Tito group's so-called position of being above the blocs.

These arrogant designs of the Tito group are exactly what U.S. imperialism wants. The U.S. weekly Saturday Evening Post in an article on May 17, 1958, said that Tito is purposely exporting Titoism, and this role could be played by no one else. The writer of the article maintains that the interest of the United States is consistent with that of the Tito group. He further revealed that U.S. imperialism is looking forward to two, three or half a dozen Yugoslavias. It is therefore quite natural that the Tito group should have been so highly praised by U.S. imperialism for its despicable role as an interventionist and instigator during the counterrevolutionary riot in Hungary.

To the U.S. imperialists, the Tito group, as their instrument, serves yet another specific purpose. In the face of the vigorous development of the national liberation movement in Asia, Africa, and Latin America, U.S. imperialism is seeking to sabotage this movement with the help of the Tito group. Sabotage activities by this group would be facilitated if it could, as much as possible, maintain its position of being "above the blocs."

The Tito clique pretends to be neutral in an attempt to confuse the world public, but its "above the blocs" stand is completely different from the policy of peace and neutrality followed by many nationally independent countries. These countries, in pursuing a policy of peace and neutrality, proceed from the stand of safeguarding their national independence, and they have opposed colonialism and aggression by imperialism, particularly U.S. imperialism, fought for winning and safeguarding their national independence, and striven to develop their national economy, and have been able to establish amicable relations with the Socialist countries. These nationally independent countries are playing a positive role in the struggle against imperialism and for the defense of world peace.

On the other hand, the Tito clique is a renegade from the camp of socialism. Behind the "above the blocs" signboard, it is dead set against the Socialist camp, has spared no efforts in trying to break the unity of the people of the world, and carried out active maneuvers as a lackey of U.S. imperialism, thus playing a reactionary role in the struggle of the peoples for peace, democracy, national independence, and socialism.

In the Asian, African, and Latin American peoples' struggle against imperialism headed by the United States, the Tito clique always sides with imperialism.

The Tito group has also done its best to extol the Alliance for Progress, a devilish trick cooked up by the U.S. imperialism to induce the other Latin American countries to join in its intervention against Cuba. It has spread such nonsense as that U.S. imperialism has "begun to realize that times are changing" and that "genuine unity and solidarity (of American—NCNA) can only be established on the basis of mutual equality," and therefore it has "indicated its readiness to make readjustments and correct its mistakes."

On the Lao question the Tito group has also exerted itself to the full to take up the cudgels for U.S. imperialism and whitewash its crimes.

The press of the Tito group has also helped U.S. imperialism to threaten the Soviet Union and China by asserting that the peaceful solution of the Lao question "depends on the Soviet Government," and that the Soviet Union and China should not "take the change of U.S. policy as evidence of weakness."

Yugoslav revisionism is the outcome of the U.S. imperialist policy of bribing with huge sums. It is by no means accidental, therefore, that the Tito group has been so zealous in rendering service to U.S. imperialism in every respect under the signboard of being "above the blocs."

**Mr. MILLER.** Mr. President, will the Senator from Minnesota yield?

**Mr. HUMPHREY.** I shall be more than happy to yield; but before doing so, I desire to refer to a statement of the Moscow Conference of Representatives of Communist and Workers Parties, dated December 6, 1960, together with Khrushchev's speeches in 1957, 1958, and 1959; also an article published in the Albanian publication, Zeri i Popullit, of May 17, 1962. I ask unanimous consent that these statements be printed at this point in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

### Statement of the Moscow Conference of Representatives of Communist and Workers Parties, December 6, 1960

Having betrayed Marxism-Leninism, declaring it obsolete, the leaders of the League of Yugoslav Communists have set up their own anti-Leninist revisionist program in opposition to the 1957 declaration; they have set up the League of Yugoslav Communists in opposition to the entire world Communist movement; they have torn their country away from the Socialist camp, making it dependent on the so-called aid from the United States and other imperialists, and have thereby created a danger that the revolutionary gains achieved by the heroic struggle of the Yugoslav people will be lost.

The Yugoslav revisionists are carrying on subversion against the Socialist camp and the world Communist movement. Under the pretense of the policy of nonadherence to any blocs, they are developing activity which harms the unity of all peaceloving forces and states.

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### Statements of Nikita S. Khrushchev Compiled by the Department of State, Soviet World Outlook: "A Handbook of Communist Statements"

1957 (Hungary): "Now in this fight which broke out on the Hungarian question, what did we get? We got absolute unity and the rallying of the Communist ranks of the whole world. Yugoslavia remained isolated. Who spoke in its favor, in the questions connected with the Hungarian events? Dulles, Eisenhower, Guy Mollet, and so forth—what a lot.

"I am convinced that that company is not to the liking of Comrade Tito—not good company. I used to tell this to Comrade Tito, and he afterward told me: "Listen, do stop repeating." And I did indeed repeat it many times, for good words should be repeated. I was always greatly impressed by the words of August Bebel. He said: 'If you, revolutionary workers, are praised by the bourgeoisie, think—what nonsense have you committed for which it is praising you?' " (Speech in Czechoslovakia, Prague radio broadcast, July 11, 1957.)

In 1958: "I would not wish to offend anyone. But, on the other hand, I cannot refrain from asking the question which deeply concerns all Communists everywhere. Why do the imperialist bosses, while striving to obliterate from the face of the earth the Socialist states and squash the Communist movement, at the same time finance one of the Socialist countries, granting that country credits and free gifts?" (Speech to VII Congress of the Bulgarian Communist Party, June 4, 1958.)

Same speech: "Of course the program of the League of Yugoslav Communists is an internal affair of Yugoslav Communists but, insofar as this draft program contains an insignificant and insulting appraisal of other parties and Socialist countries and a revision of the fundamentals of the Marxist-Leninist theory, our party considers it its direct duty to come out with criticism of the anti-Marxist statements in this document."

Speech in East Germany, July 10, 1958: "August Bebel put it very well in his time: 'If the enemy praises you, think what foolish thing you have done that he praises you. This is correct. Hence, when the enemy abuses you, then you are following the right path and are faithfully serving your working class and your people.' While meeting Comrade Tito I said on several occasions: Why do the American imperialists praise you? Why do they give you wheat? What is this 'Yugoslav socialism,' then this could not please the American imperialists. They scent, as it were, something not quite Socialist in you. This is precisely what they like. This is the law of the class struggle."

Speech at the 21st Congress of the Soviet Communist Party, January 27, 1959: "The Yugoslav leaders allege that they stand outside the blocs, that they stand above the camps, but actually they belong to the Balkan bloc comprising Yugoslavia, Turkey, and Greece. The later two countries, as is known, are members of the aggressive NATO bloc, and Turkey is besides a party to the Baghdad Pact. The leaders of the League of Yugoslav Communists resent it very much when we tell them that they are sitting on two chairs. They give assurances that they are sitting on their own Yugoslav chair. But that Yugoslav chair is for some reason eagerly supported by the American monopolies. And this is why their nonalined position and neutrality, which are advertised so much by the leaders of the League of Yugoslav Communists, smell strongly of the American monopolies which are feeding Yugoslav socialism."

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[From an article in Zeri i Popullit, Albania, May 17, 1962]

### THE FIASCO OF YUGOSLAVIA'S SPECIFIC SOCIALISM AND THE NEW MANEUVERS BY BELGRADE REVISIONISTS

In the course of the past few years, Yugoslavia has had $2 billion worth of economic loans from the United States and other Western countries, not counting military and other aid. Of course these billions of dollars were given to Yugoslavia with definite political aims in mind, such as repayment for the services rendered by the Tito group to imperialism.

The Yugoslav revisionists are reaping what they have sown; they have renounced socialism and they are now paying the consequences.

The Belgrade revisionists and their supporters can babble as much as they like about the building of socialism in Yugoslavia; actual facts show the opposite.

Nothing remains now of the alleged Yugoslav way toward socialism. Practice has shown irrefutably that our party and the other Communist parties were quite right to criticize the anti-Marxist and anti-Leninist character of this way and to denounce the policy of division and undermining pursued by the Yugoslav leaders. They have clearly shown that Tito's specific socialism has nothing to do with socialism. The Yugoslav revisionist leaders have inflicted much damage on the cause of socialism and the struggle of the peoples for liberty and national independence, for democracy and social progress, for peace and socialism.

The Tito gang is linked politically, economically, and militarily to imperialism. The remarks about socialism and neutrality, used according to necessity, are but masks to which the Yugoslav revisionists resort in order to disguise their dependence on imperialism and the services which they render it. In reality there is nothing Socialist or neutral in Yugoslavia. Yugoslavia is linked to NATO through the Balkan Pact. It is not for nothing that the United States has given it billions of dollars and military equipment.

The arming of Yugoslavia by American imperialism is not being done without a definite aim. It is an integral part of the general armament of the imperialist powers and of their allies, and therefore it constitutes a permanent danger and threat to the Socialist countries of the Balkans, especially our country, for its annexationist aims in regard to Albania are well known. Hence, under these circumstances to collaborate with the Tito gang means to play the game of imperialism. Neither the demagogy of Tito nor the sophistry of his partisans can change what is known and what has been proven by the whole world: That Tito is the apprentice, and American imperialism his boss.

At present there is not in Yugoslavia a Marxist-Leninist party capable of achieving the great ideas of scientific communism. The League of Yugoslav Communists and the Yugoslav State machine have long since fallen into the mire of revisionism, of the betrayal of the interests of the Yugoslav peoples and the international Communist and workers movement. To nurture illusions and hopes that it is still possible for the Yugoslav revisionist leaders to correct themselves and to return to the good road in order to build socialism means to have lost entirely all feeling for objectivity, to be in flagrant contradiction with what is shown by the daily practice of present-day life in Yugoslavia, or else to judge not on the basis of a Marxist-Leninist analysis of facts but on the basis of the idealist reasoning of the revisionists.

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Mr. HUMPHREY. Mr. President, it seems to me that this is a documentation which will shed some light upon the policies which have been pursued by this Government, and why they have been pursued, insofar as extending limited economic and food assistance to those two countries is concerned.

I know this is a difficult decision. I know it is filled with risk. I know there are possibilities that it could backfire. I know that a more cautious person would not even take the time to discuss this subject. I know that an unfair critic might say, "Senator HUMPHREY stood up in the Senate for Tito and Gomulka." I have not. I stand up for the United States of America. In this struggle, we need to keep foremost before our eyes and in our minds what is the best course we can pursue in the national interest. One of the interests we ought to pursue is to seek for a degree of independence on the part of countries which are today dominated by the Communist Party. We should seek to magnify the divisions within the Communist bloc. We should seek to shatter and fracture the so-called monolithic structure of the Communist bloc. When we have done that, I believe we shall have served our national interest; and that will have served the interest of people everywhere.

I now yield to the Senator from Iowa.

Mr. MILLER. I have listened with much interest to the excellent presentation by the Senator from Minnesota. I would be the first to recognize that the discussion over the desirability of foreign aid to Yugoslavia and Poland is not a partisan issue.

Mr. HUMPHREY. The Senator is certainly correct.

Mr. MILLER. But I am sure the Senator from Minnesota would be the first to concede that there may be honest differences of opinion among Members of the Senate not only on opposite sides of the aisle, but on the same side of the aisle and among Members of the Senate and members of the administration, over what is the national interest, and particularly what is in the national interest.

Mr. HUMPHREY. I have said so repeatedly. I think the Senator has stated the situation very well. I am making no charges against anyone. I was simply trying to document what I believe were the reasons why our Government has pursued this course thus far. I would be the first to recognize that developments could take place which would require a change of policy. But the national interest will remain the same, even if the policy has to be changed.

Mr. MILLER. I understand. As an example, the Senator from Minnesota quoted from a statement by Mr. Kennan, who has expressed some concern. I believe the Senator has placed in the RECORD some of Mr. Kennan's remarks concerning our position now, following the Senate-passed bill, with respect to assistance to Yugoslavia, the same being limited to Public Law 480 surplus grain disposal at the very most, if indeed that is possible.

On the other hand, the Senator's Democratic colleague, the able Senator from Connecticut [Mr. DODD], is on the other side of the question as to whether this program is or is not in the national interest.

After examining the voting record in the Senate last week, I believe that while the Senate partially reversed itself, a substantial majority of the Senate made its voice heard as to its belief that it is in the national interest not to extend any more aid to Yugoslavia, except possibly Public Law 480 aid.

I believe the Senator from Minnesota has expressed a minority view of the Senate. I believe he probably expresses the attitude of the administration, and I commend him for supporting his administration. But I wish to make it clear that the Senator from Minnesota has been speaking for what I believe is a minority viewpoint of the Senate concerning what is in the national interest in this particular area.

Mr. HUMPHREY. What Ambassador Kennan was saying was that the original action, the all-inclusive action, known as the Lausche amendment, had done, as he put it, injury to our cause in Yugoslavia. I say most respectfully that I was not trying to draw a final judgment. I was quoting Ambassador Kennan's reported words. First, he felt, as I indicated yesterday when I read the dispatch, that the reversal which the Senate made in terms of Public Law 480 assistance had a salutary effect; but the psychological effect of the original action had left its mark and had injured some of our relationships.

I wish to make it quite clear that I have never been very happy about our having to do business, so to speak, with dictators. I believe that the reversal which the Senate made on Thursday of last week was desirable. I actively supported it. I had something to do with obtaining that reversal. I had talked with the President and with State Department officials about it before the Senate acted on it.

In the main, I believe the action which the Senate took will give the President, if the action can be sustained through both bodies, the degree of flexibility which he needs in this instance.

Probably, engaged as we were in the business of passing a law in the field of foreign aid, we have said so many things that injure our diplomacy that it is rather hard to go around and patch everything up. It is sort of like insulting a fellow all day until he is made a loan. When the loan has been made, he expresses gratitude for the moment, but he goes away saying, "I won't forget what that fellow said before I got the money."

I do not consider that I am in the minority; I consider that I am in the majority. I stand with men like Eisenhower, Truman, and Kennedy; with the leaders of the two previous administrations and of this administration. I believe their policies were well conceived in this area and were fairly well conducted. I voted for President Eisenhower's request on the very same item three times; and many Members on both sides of the aisle disagreed on this issue. I remember that the former distinguished Republican leader, Senator Knowland, at one time disagreed on this subject matter, as one of President Eisenhower's lieutenants.

Mr. MILLER. But my point was that here in the Senate the Senator's point is the minority viewpoint.

Mr. HUMPHREY. No, I think not; I think it is the majority viewpoint.

Mr. MILLER. Well, from the entire tenor of the Senator's speech, I detect that he feels that we should have done nothing insofar as concerns adopting an amendment in regard to aid to Yugoslavia and Poland.

Mr. HUMPHREY. I think it would have been better to have left the original language in the bill; I think that is true.

Mr. MILLER. I believe the Senator from Minnesota is among a minority of Senators who take that position, because a substantial majority of Senators do not feel that way. Some may have changed their minds——

Mr. HUMPHREY. I am hopeful of that.

Mr. MILLER. In fact, a year ago they might not have reached that viewpoint. But at least last week it was their viewpoint.

I am not criticizing the viewpoint of the Senator from Minnesota as not being in the national interest. I merely say that a majority of Senators feel that it was in the national interest to do what we did.

The Senator from Minnesota has given several quotations from various Communist newspapers and publications, cutting at Mr. Tito.

Mr. HUMPHREY. Yes.

Mr. MILLER. The Senator did so in a way that would seem to indicate that he takes them at their face value. I point out that we cannot take any Communist publications at their face value. It may be that these are merely tactical articles published for the purpose of trying to convince the West that a fight is going on between Tito and other Communist leaders. Such a fight may be going on; but I believe we should be very careful not to believe that an irreversible struggle is going on between these dictators, even though some articles may seem to indicate that one is going on.

Mr. HUMPHREY. Well, if the Senator from Iowa does not think a struggle is going on between these dictators, at least I can point out that there has been quite something of a skirmish. I was about to tell a little story in that connection; but I think I shall do so later, privately. But at least these people have not been making love to each other. Instead, certainly they have been fighting each other. Anyone who has monitored the broadcasts from these countries knows that for years the relationships between Tito and Moscow have amounted to a first-class tactical fight.

By the way, we have not done anything to put out that fire; we thought it was all right.

Mr. MILLER. The Senator's statement reminds me of what I see among members of the Democratic Party, where fights are going on. But, unfortunately, when a Republican comes along, the various Democratic groups stop fighting each other, get together, and oppose him. So I am afraid that, similarly, Tito, Khrushchev, and Mao Tze-tung would stop fighting each other, and would present a united front—in any serious situation—against the West. In such a case, I am afraid they would stop fighting each other, and would regroup and present a united front against the West.

Mr. HUMPHREY. That could be. But if we wish to carry that argument to an extreme, we could say that all the talk by Khrushchev about the United States was just a ruse, and that he does not mean it. Of course we know that he means it; but if the Senator wishes to carry the argument to its absurdity, he can do so.

I do not think we should labor this point, because I do not think either one of us would look very good in the RECORD if we tried to deny that there has been an ideological struggle between the Stalinists and the Titoists and between Khrushchev and Tito, and between the Chinese Communists and Khrushchev, and between Moscow and Belgrade. If at this moment, however, a major military showdown developed, I suppose we would not expect Tito to be our ally; and I suppose that if the odds were sufficient, he would fall over into the Soviet camp. But it has always been my view that one of the real deterrent factors, over and beyond the nuclear deterrent, has been the fear on the part of the Soviet Union that the people in the satellite countries might rise up in event of war between the Communists and the West.

Mr. MILLER. I am one of the first to recognize that that is a possibility. I like the reference to the Achilles' heel, which was made in one of the articles the Senator inserted in the RECORD.

But I wish to make clear that what the Senate did last week was not so much a matter of not expressing faith in the President or in one of his ambassadors as it was, I believe, an expression of what the Senate believes to be in the national interest, which in this particular case is different from what the President thinks.

Mr. HUMPHREY. I think that is correct. I believe there was no intention on the part of Senators to express any lack of faith in the President. I think for many years a feeling has been developing that perhaps the entire foreign aid program to these countries should be stopped; and we happened to come to a point where some Senators expressed that feeling rather strongly. Furthermore, every time we have a foreign aid bill under consideration, it is likely that some disagreement about it will be expressed, because many persons in our country are tired of foreign aid. So, many think that is a good political course to follow—in other words, that one will not lose too many votes back home if he says he is opposed to U.S. aid to Yugoslavia and Poland. In fact, it might be possible to gain a few votes in that way, because the easiest way for a person to say he is 100 percent in favor of the United States is to say that he is opposed to the Communists. Of course, that may not frighten the Communists; but at least anticommunism has been used by many persons as a springboard for political success.

However, I believe sometime we should begin to determine how we are going to try to weaken the Communist system and to strengthen our own system and to enable our country to have an overwhelming amount of power, so as to be able to survive under any circumstances.

But, certainly, anti-Communist speeches have been used for years by public speakers in our country. However, if we were to give as much consideration to doing something about the Communists, in addition to denouncing them in public statements, Khrushchev would now be only a page in history; he would have faded from the scene.

Mr. MILLER. But certainly the Senator from Minnesota agrees that Senators should have the courage to speak out against communism.

Mr. HUMPHREY. Yes.

Mr. MILLER. I am sure that, in addition, all of us wish we had sufficient know-how to be able to deal with them as effectively as we wish we could. But certainly Senators should have spoken out against communism.

Mr. HUMPHREY. Of course, it takes about as much courage to speak out against communism as it does to speak in favor of Mother's Day. [Laughter.] Certainly one does not have to be very brave to speak against communism. But it does require a little sense in order to know what to do about communism internationally. I wish some of the energy which has been devoted to denouncing Communists and communism had been used to formulate a program devoted to eradication of the Communist movement.

Mr. MILLER. But certainly the Senator from Minnesota knows that there is in vogue a cliche about being an anti-anti-Communist and that nowadays there are some who make speeches against communism, at the risk of being ridiculed.

There are some people who nowadays make speeches against communism at the risk of getting ridiculed. I think this is kind of a warped situation. I agree with the Senator that we ought to be not only articulate and decisive in our expressions against communism, but also effective in our actions against communism. Sometimes there is an unfortunate lack of a nexus between the two.

Mr. HUMPHREY. The Senator is correct. I join him in that statement.

Mr. MILLER. I want the Senator from Minnesota to know that the Senator from Iowa swallowed very hard when it came to the Dirksen-Mansfield amendment last week which restored the discretion in the administration to distribute foodstuffs to Yugoslavia and Poland, if indeed that can be done, because the amendment is pretty tight. I will tell the Senator why I swallowed hard on it. I note from the RECORD that in 1961 the taxpayers of the United States gave Yugoslavia $31½ million in foreign aid and loaned her $116.4 million, while at the same time the Government of Yugoslavia did not have the fiscal integrity to pay $69,341 for 1961 and $169,512 for

1960 as its share of the assessments for the Congo operations to the United Nations.

Mr. HUMPHREY. May I say Yugoslavia has never denied it is going to pay those assessments. In fact, one difference between the Soviet Union and Yugoslavia is the matter of assessments for the Congo and the Gaza Strip.

Mr. MILLER. I find it difficult to understand why, if we have given $31 million for aid and $116 million in loans, Yugoslavia cannot pay $69,000 for 1961 and $169,000 for 1960 in assessments to the United Nations. It is because of such an attitude that the United Nations is in such deep fiscal trouble.

Mr. HUMPHREY. I am sure the Senator wants to be factual. The fact is that Yugoslavia, for whatever reasons one wants to ascribe to that country—and I do not say it was out of benevolence—supported the U.S. attitude and policy on the Congo. It supported the peacekeeping operations. The fact that it may be 1 year behind should not indicate that Yugoslavia will not pay its assessments, because any country may be up to 2 years behind before it is in default.

Mr. MILLER. The Senator from Iowa is thoroughly familiar with that requirement. My point is that when the taxpayers of the United States are giving Yugoslavia $69½ million, it is little enough to expect Yugoslavia to pay its just debts to the United Nations currently.

Mr. HUMPHREY. I think it ought to do so. I agree.

Mr. MILLER. It is obviously failing to do so in concert with the Soviet Union, in an effort to break the United Nations.

Mr. HUMPHREY. I respectfully disagree with that.

Mr. MILLER. I will be happy to eat my words when I see Yugoslavia come before the United Nations and start practicing fiscal integrity.

Mr. HUMPHREY. Will the Senator agree with me that the Soviet Union sought to destroy the United Nations through the "troika"?

Mr. MILLER. That may be, but that does not mean it is the only way in which the United Nations can be destroyed.

Mr. HUMPHREY. Surely, it was one of the key issues.

Mr. MILLER. It was one of the key issues, but it was not greater than the fiscal ability of the United Nations to pay its way.

Mr. HUMPHREY. Yugoslavia is not considered to be in default to the United Nations. While it may be a year behind, that is not——

Mr. MILLER. It is 2 years behind. It is placed in arrears. It is these arrearages which have perpetrated the financial crisis in the United Nations.

Mr. HUMPHREY. If the Senator is trying to make the point that the money we have given to Yugoslavia has not been well spent and that everything there is not quite jolly, I agree.

Mr. MILLER. I am not trying to make that point.

Mr. HUMPHREY. Ambassador Kennan has said that we are not going to expend as much, that we are cutting down our expenditures much below what they were under the previous administration. But the point I was trying to make is that I thought we ought to leave in the law the authority to the President to exercise the policy we have, if it seemed to be desirable. I did not want to handcuff him. That was all. I am glad we gave the President authority in the field of food and fiber, even though there are some limitations.

Mr. MILLER. I know that is the Senator's policy, and I know it is followed in good conscience. My point is that I think a majority in the Senate, myself included, felt that in previous years it might have been better if we had tied some hands. This need not be so if we had plenty of money and if there were not some nations which are practicing fiscal integrity before the United Nations who need this aid, if we are not going to give it to Yugoslavia; and I think it is better to spend that money in the other nations. The Senator knows that if we must make a choice between a nation which is practicing fiscal integrity and another which is not, we should seek to extend our aid to the one that is practicing fiscal integrity, so that the vitality of the United Nations will not be sapped. That is what motivated the statement of the Senator from Iowa.

Mr. HUMPHREY. That is a valid criticism. Of course, the Senator could say the same thing about France. France has not paid the special assessments either, and it is a pretty good ally.

Mr. MILLER. I think that would be true if we were applying the policy across the board. We were applying it to Yugoslavia.

Mr. HUMPHREY. If that is the criterion to be used, we could have included France, and I do not think we would do that.

Mr. MILLER. It is not my understanding that we give aid to France.

Mr. HUMPHREY. It is my understanding that we gave France plenty of aid.

Mr. MILLER. We give France military assistance.

Mr. HUMPHREY. I would not mind having a drawing account in the amount of aid we have given France.

Mr. MILLER. How much are we giving France now?

Mr. HUMPHREY. We gave her billions.

Mr. MILLER. How much are we giving France now?

Mr. HUMPHREY. We are giving her some aid now through NATO.

Mr. MILLER. That is military assistance.

Mr. HUMPHREY. Yes, but it is rather expensive.

Mr. MILLER. Those are not grants or economic loans.

Mr. HUMPHREY. Let me hasten to add that I am for it. What we have done for France is money well spent. It is a great country, made up of great people, but I think the Senator must be careful what examples he uses here.

Mr. MILLER. I am; and I think the difference is that we are giving military assistance to France, and that is in line with our NATO commitments. It is not the same as giving loans or grants to Yugoslavia. That is different.

Mr. HUMPHREY. I think the Senator has a point.

Mr. MILLER. I thank the Senator.

Mr. HUMPHREY. I thank the distinguished Senator for his contribution in this discussion.

## RESEARCH AND DEVELOPMENT IN DEPARTMENT OF DEFENSE

Mr. HUMPHREY. Mr. President, when the Senate was considering the Department of Defense appropriation bill, I had intended to place in the Record a statement relating to the growing influence of efforts in the field of research and development in the Department of Defense.

### A MILESTONE IN GAINING EFFICIENCY IN $12 BILLION WORTH OF FEDERAL RESEARCH AND DEVELOPMENT

I should like to invite attention to the fact that the Senate Committee on Appropriations has taken an historic step forward toward improving the management of scientific information in the U.S. Government.

On the basis of a suggestion, which I was personally happy to submit, the committee incorporated the following language on page 10 of Senate Report No. 1578, 87th Congress, on H.R. 11289:

### COORDINATION OF RESEARCH

> The lack of an integrated system for the dissemination and exchange of scientific and engineering information within the Department of Defense and with the National Aeronautics and Space Administration, the Atomic Energy Commission, and other Federal agencies with defense-related interests results in duplications, useless expenditure of funds, and other shortcomings that impair the efficiency of various Federal research, development, test, and evaluation programs involving billions of dollars. The Department, through the Office of Director, Defense Research and Engineering, has initiated action to overcome this weakness. The Department is requested to prepare, in time for the consideration of appropriations for the next fiscal year, a detailed report on this matter indicating what has been done, and what additional steps will be required to provide for such an integrated system.

### IMPORTANCE OF STATEMENT IN REPORT

This single paragraph is, I believe, a key to America's survival in an age of peril.

It is a key to greater efficiency in conduct of $7.1 billion of federally supported defense research in the 1963 fiscal year and of $12 billion in overall U.S. Government research.

Why?

Because, for the first time, the Defense Department is formally requested—by the Senate Committee on Appropriations—to set up an integrated system of information, involving all the services, the Advance Research Projects Agency, and the Office of the Secretary of Defense.

What is more, for the first time, the Senate Appropriations Committee has notified a major Federal agency that it expects that this system must fit in with other agencies' systems. This means that there must be a unified information network between the Department of Defense, the National Aeronautics and

Space Administration, and the Atomic Energy Commission, among other defense-related agencies.

Thus, we have advanced another step toward a goal which the Senate Committee on Government Operations has been striving for during these past 4½ years.

The Senate report is, I believe, an historic milestone.

But we still have a long way to go.

### THE STATUS QUO—INFORMATION CHAOS

The plain fact is that the information situation in the executive branch and among federally supported contractors and grantees amounts to virtual chaos.

Information can be found—amidst this chaos—but to do so often requires a sizable, expensive, protracted search.

The search may prove so long that, in utter frustration, decisions are often made without adequate information, the quest for prior data is thus abandoned as not being worth the time and expense.

Among industry, the saying is popular:

> If a research and development project costs $100,000, it's easier to do it—if necessary—again, rather than to try to find out if it has been done before.

This is a tragic commentary on information weaknesses.

### ADMINISTRATIONS' AND SCIENTISTS' PROBLEMS

Hundreds of administrators—whether Federal, corporation, university, foundation or others—are unable to quickly or reliably learn who has done what, or who is doing what in federally supported research.

Hundreds of thousands of bench scientists and engineers are similarly unable to identify others'—past or present—work for leads or ideas.

Inquiries may have to be directed to a dozen different agencies, to 3 national libraries, to 1,000 or so specialized information centers, to hundreds of individual facilities, and still it is doubtful that an adequate picture can ever be obtained under present circumstances.

### TOWER OF BABEL

There is not 1 uniform system, nor 2, nor 10; there are hundreds of incompatible systems. They use different vocabulary and methodology.

As a result, to try to inquire or to communicate between agencies, and even within agencies, is like trying to be understood in a Tower of Babel. Everybody talks a different language.

It is the American taxpayer who is paying the price for this information chaos.

### EVEN PRESIDENT KENNEDY WOULD BE UNABLE TO TRACK DOWN INTERAGENCY RESEARCH

Not even the President of the United States could today—within a period of a few hours or even a few days—find out what he would like to know. Even he would not be able to learn exactly how tax money is being used in—inhouse or extramural—research on any one of hundreds of major topics of interagency research.

### WHY WE HAVE FOCUSED ON DEPARTMENT OF DEFENSE

The Senate subcommittee has concentrated on improving information activity in the Defense Department, because the success of Defense's effort spells national and international survival and freedom.

The defense effort is also the largest, costliest effort.

### DEPARTMENT OF DEFENSE SPRAWLS INTO OTHER DOMAINS

But the Defense Department's research and development sprawls over the whole Federal effort. And, in virtually every major area of Federal research today, there are invariably not only Department of Defense, but 3, 4, 5, or as many as 15 other agencies interested in interrelated research.

In meteorological research, for example, no less than 14 Federal agencies are supporting research in weather and related problems.

An information bank, upon which all the agencies could draw, is therefore essential.

### THE SUM OF $491 MILLION FOR RS-70

I cite the example of the interagency need for information on the RS-70, mach 3 supersonic airplane.

The present defense appropriations bill authorizes $491 million for initial research on it. I emphasize "initial" research.

As I pointed out 3 months ago, although billions will, in the final analysis, be spent on the RS-70, there is no interagency information system to help correlate research on it.

I have urged Mr. Najeeb E. Halaby, Administrator of the Federal Aviation Agency, to set up such a system. Thereby, all of the Federal agencies—FAA, DOD, NASA, and others—would have the same system as would the private contractors, universities, and other sources working on the problem.

I have not yet heard from Mr. Halaby as to what he proposes to do.

### SERIOUS WEAKNESSES IN THE DEPARTMENT OF DEFENSE

The situation within the Department of Defense and in each of the services is particularly severe.

The Army, Navy, Air Force, and Advanced Research Projects Agency each has a considerable number of weapons systems under research and development, where cross-fertilization of ideas is still, unfortunately, at minimal levels.

For example, in Navy research on antisubmarine warfare, the lack of a unified, integrated information system remains a serious impediment.

The present bill authorizes $286 million for antisubmarine warfare research.

There is little assurance that this over $¼ billion will yield that much value in usable and unified information. It is not that the research, itself, is inadequate; it is because the management of research information is, according to industry, far from satisfactory.

Few corporations or military officials wish to be regarded as "rocking the boat." Few are willing to commit themselves, in black and white, to protest against present policies. We do, however, have strong reason to believe that the Navy, which has outstandingly pioneered in PERT systems and in other management innovations, has a long way to go to coordinate and disseminate scientific information satisfactorily.

### LACK OF FULL-TIME OFFICIALS

Strange as it may seem, at the highest policy levels of the Office of the Secretary of Defense, and at the highest military staff levels in the armed services there is not a single officer devoting full time to the problem of managing information on research and development.

I ask: "Why?"

### UNANSWERED QUESTIONS

Why is it that a Department which spends well over one-third of a billion dollars a year for computers for administrative activities alone states that it is difficult to find computer time to record $7 billion worth of research and development?

Why have the services been allowed for years to ignore a Department of Defense directive that all service reports be transmitted to ASTIA?

Why is ASTIA still treated like a castoff, as a minor joint service, administered by the Air Force, instead of as, perhaps, a joint agency reporting to the highest level; that is, the Office of the Secretary of Defense?

Why does the Defense Department not have a detailed, indexed breakdown of all current and completed research and development work in its own in-house laboratories?

Why have not resources been assigned for a comprehensive cumulative index of ASTIA's collection?

Why have specialized information centers been loosely set up by the scores—sometimes duplicating ASTIA, often containing less than ASTIA's specialized collections, and often with incompatible systems?

In international information exchange, why does Defense not enforce reciprocity from our allies by securing current information from their research and development effort—often supported with U.S. dollars—comparable to the detailed information which we lavish overseas?

I could ask a dozen other yet-unanswered questions.

### NOTICE SERVED ON THE PENTAGON

And so, I serve notice to the Pentagon that this request on the part of the Appropriations Committee is not made casually.

It is my intention, as one Senator, to follow up on this request, both as a member of that committee and as chairman of the Subcommittee on Reorganization and International Organizations which offered the suggestion.

Fortunately, we are not alone.

The able Director of the new Office of Science and Technology in the Executive Office of the President, Dr. Jerome Wiesner, has demonstrated keen interest.

Dr. Wiesner and his staff have begun significant discussions with Department of Defense officials.

An interagency Task Force Report on Information has been prepared for Dr. Wiesner. The Federal Council on Science and Technology has been reviewing this report.

A report by a panel of the President's Science Advisory Committee, under the chairmanship of Dr. Alvin Weinberg, Director of Oak Ridge National Laboratory, is in the making.

### MANY PAST REPORTS—DEAD LETTERS

But the files of the executive branch, particularly the Pentagon, are full of reports which were never acted upon and directives which were never carried out.

One could probably fill a sizable room with a collection of past reports on the subject of security restrictions, alone.

Nobody has yet succeeded—whether he is in the White House, in the Bureau of the Budget, in the Office of Secretary of Defense, in the Congress, or anywhere else—in bringing durable order into the Pentagon's information situation.

Let me say that I do not doubt the good intentions of Secretary McNamara, nor of Dr. Harold Brown or many other Department of Defense leaders for whom I have the highest respect.

What they confront is a 24-hour day, crowded with scores of other high-priority issues. They also confront massive inertia and massive-vested interests to preserve the disorganized status quo.

### WHAT IS NEEDED

There is, to be sure, no panacea for the information problem.

No supermachine or supersystem will satisfy the varied information needs in billions of dollars of research and development effort.

We need a network of information systems—a system of systems—a clearinghouse capability for current research, for completed research, for meetings, for audiovisuals and for other information phases.

We need to have every responsible source deal aggressively with its own problems and quit passing the buck to others.

Thus—

### AN ACTION PROGRAM

First. Dr. Wiesner's office must have a full-time information unit. It must take charge of overseeing agency progress toward an interagency information system. The snail's pace of past years must give way to reasonable dispatch.

Second. The Bureau of the Budget must cease treating the handling of scientific information as if it were a mere fly speck in a $92 billion budget. It must enforce information improvements on an agency and an interagency basis.

Third. The Secretary of Defense should personally follow up on that one of his 85 current studies which bears upon improved research and development management and communication.

Secretary McNamara has ably come to grips with problems of infinitely greater complexity than this. But, he and Dr. Brown have yet to give this particular issue their intensive attention.

Fourth. Defense research contract officers must be alert to their information responsibilities. They are often among the weakest links in the chain—neither supplying necessary information to contractors, nor enforcing the furnishing of complete, up-to-the-minute information from contractors.

Fifth. Many of the leading private contractors are no more advanced in setting up modern information systems in their own establishments than is the Pentagon. Contractors must put their own information houses in order.

Sixth. Professional societies must, like the alert American Rocket Society and the American Society of Metals, wake up to the information revolution which is upon them. Mere marginal improvements in primary and secondary journals will hardly suffice to meet needs when fundamental systems innovations are necessary.

Seventh. The National Science Foundation must take the bit in its teeth. It must strengthen its evaluation of current Defense- and NSF-supported communications research, instead of merely funding and watching others fund such research and then merely listing the work. It must recommend definitive interagency actions to Dr. Wiesner's office and to the Bureau of the Budget.

Eighth. Here, in Congress, I hope that the expert Senate and House Space Committees, as well as the Joint Committee on Atomic Energy, will give this information issue their able attention.

The Atomic Energy Commission, for example, has one of the best Federal information systems. Yet, even that system falls short of complete coverage. It is particularly deficient insofar as breaking down and indexing inhouse research projects is concerned.

### UNANIMOUS-CONSENT REQUESTS

I ask unanimous consent now that a memorandum, which I have prepared, together with five exhibits documenting the efforts of the subcommittee during 1961 and 1962, with respect to Department of Defense information improvement, be printed in the RECORD at this point.

There being no objection, the memorandum and exhibits were ordered to be printed in the RECORD, as follows:

MEMORANDUM, JUNE 13, 1962

From Senator HUBERT H. HUMPHREY, chairman, Subcommittee on Reorganization and International Organizations.

Re background on Defense Department handling of scientific and engineering information.

The following is a chronological description of some of the recent efforts by this subcommittee to strengthen the management and dissemination of scientific and technical information by the Defense Establishment and related agencies.

This particular chronology is confined to the years 1961 and 1962.

Actually, however, the efforts began as far back as 1957 by the Senate Committee on Government Operations as a whole.

An extensive series of hearings, documents, and reports have been published by both the full committee and the subcommittee on information activities throughout the executive branch.[1] [2]

### YEAR 1961 CHRONOLOGY

(a) On April 17, 1961, the Subcommittee on Reorganization and International Organizations of the Senate Committee on Government Operations released a 278-page report entitled "Coordination of Information on Current Scientific Research and Development Supported by the U.S. Government."

The report pointed out that there was no indexed interagency inventory of an estimated 160,000 research and development projects, aggregating $8.1 billion in cost. The report highlighted (pp. 79–115) weaknesses in Department of Defense inventories of current research.

(This publication, initially issued as a committee print, was subsequently authorized to be issued as S. Rept. No. 263, 87th Cong., 1st sess., May 18, 1961.)

(So enormous was the demand for the report that copies have now been entirely exhausted in supply, unfortunately.)

*Transmittal of report*

(b) I sent copies of the report to Secretary of Defense McNamara and other officials, urging remedial action. In addition, I sent a copy to the House Appropriations Committee, suggesting consideration of the report's contents by the Department of Defense Subcommittee in particular.

*House committee responds*

(c) On June 23, 1961, the House Committee on Appropriations took note of the presentation; it urged close attention by Department of Defense to the information problem. The House Committee stated:[3]

"There has been recent criticism by another committee of the management of scientific information. It was stated that unknowing duplication and 'tragic and intolerable waste of men, money, and material' had resulted from poor management of these programs and it was recommended that a Science Information Exchange for the registration of all current research projects of the Government be established. This committee requests that the Department of Defense give this matter close attention."

(d) As a followup, I submitted through the office of Senator DENNIS CHAVEZ, chairman of the Senate Appropriations Subcommittee for the Department of Defense, a series of questions for transmittal to Secretary of Defense Robert S. McNamara.

(e) Deputy Secretary Gilpatric replied to the questions on July 3, 1961. He indicated the Department's interest in carrying out improvements in the handling of information.

*Reprinting of article*

(f) On July 20 I reprinted[4] the text of an article which I had written as regards tragic, unintentional duplication in federally supported research. I pointed up the service which could be rendered to the executive branch as a whole by the Science Information Exchange provided the latter were given full support by the Department of Defense and other member and nonmember agencies.

*Second report on current research*

(g) On September 20, 1961, the subcommittee released a second related report. This was entitled "Coordination of Information on Current Federal Research and Development Projects in the Field of Electronics."

This report cited serious weaknesses in Department of Defense handling of $2 billion worth of current electronics research and development information.

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[1] See bibliography of committee publications as presented by Hon. JOHN L. MCCLELLAN, chairman, Senate Committee on Government Operations, in connection with address in the Senate, January 31, 1962, urging the establishment of a Commission on Science and Technology, CONGRESSIONAL RECORD, pp. 1315–1317.

[2] For additional background as to the initial origins and development of the efforts of the Senate Committee on Government Operations in the field of documentation, see Reynolds, Walter L., chief clerk-staff director, "The Senate Committee on Government Operations and Documentation," American Documentation, vol. 12, No. 2, April 1961, pp. 93–97.

[3] H. Rept. No. 574, 87th Cong., 1st sess., on H.R. 7851, appropriations for the Department of Defense, 1962 fiscal year, p. 55.

[4] "STWP Review," Journal of the Society of Technical Writers and Publishers, "Unknowing Duplication in Research—A Perennial Tragedy," CONGRESSIONAL RECORD, vol. 107, pt. 10, pp. 12996–12997.

Once again, copies of the report were submitted to, among other sources, the Defense Department and to the Senate and House Committees on Appropriations.

(The total complimentary supply of this report has been unfortunately exhausted, but copies may be purchased for $1 from the Government Printing Office.)

### YEAR 1962 CHRONOLOGY

*Report requested from NASA*

(a) On March 6, 1962, I requested a report from NASA as regards its scientific and technical information system, including the relationship of its system to the Department of Defense system.

*Subcommittee report submitted to House committee*

(b) On March 26, 1962, I submitted to Congressman GEORGE MAHON, chairman, House Subcommittee on Appropriations of the Department of Defense, a detailed 54-page mimeographed report.[5]

The report was based on findings by the staff of the Senate Reorganization Subcommittee.

The staff report pointed out that there are such serious deficiencies in the handling of scientific information within the Defense community that as much as $1 billion may be wasted.

Unlike the two previous reports, the report was devoted to all phases of the information problem—prepublication, as well as postpublication research. It mentioned that while tens of thousands of reports are being generated by the Department of Defense, only one-fifth of the reports have been finding their way to the Armed Services Technical Information Agency.

*Excerpt from House report*

(c) On April 13, 1962, the House Committee on Appropriations filed its report. The following paragraphs appeared in the House Report:[6]

"It was called to the attention of the committee that improvements in the management and dissemination of scientific and technical information could save not only money but the time of scientific and technical personnel.

"The committee once again states its desire for the Department of Defense to give careful, high-level attention to this point.

Thus, for the second year in a row, the House committee had taken cognizance of the Senate subcommittee's presentation.

*Address in Senate*

(d) On April 17, 1962, I spoke on the Senate floor calling attention to the language in the House report. I also pointed out that what is necessary[7] "is nothing less than a peaceful but profound information revolution throughout the executive branch."

*Correspondence with Department of Defense*

(e) On April 18, 1962, I wrote to Secretary of Defense Robert McNamara once again urging his personal attention to the issue of improving the handling of scientific and technical information in the Defense community.

*NASA's reply on NASA-ASTIA realtionships*

(f) On April 27, 1962, NASA forwarded its reply to the request, mentioned earlier. In answering, it indicated considerable progress in reciprocal information services by and for the Department of Defense, NASA, and their respective installations, contractors, and grantees.

Excerpts of that reply follow:

"THE SCIENTIFIC AND TECHNICAL INFORMATION PROGRAM OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, APRIL 1962

"Armed Services Technical Information Agency: Because of the similar nature of the NASA and ASTIA programs, and because of the broad commonality of interests between NASA and the Department of Defense, the closest possible degree of coordination and collaboration is maintained with ASTIA. Completely reciprocal service is maintained. ASTIA services are available to and used by NASA installations, contractors, and grantees. Department of Defense installations, contractors, and grantees can and do receive similar service from the NASA scientific and technical information program. This reciprocal service, of course, supplements the interlocking primary distribution mechanisms of NASA and the three military departments, by which originating agencies contribute technical reports directly to other interested activities regardless of their agency affiliations. The developing NASA documentation program is being geared very closely to the existing ASTIA system at all operational levels—from basic cataloging through specialized dissemination techniques such as microform or microfilm—to insure the greatest degree of compatibility throughout the two programs. NASA is participating directly in the present cooperative revision of the ASTIA Thesaurus, and is using the experience thus gained to assure the highest possible degree of compatibility in the essential area of retrieval vocabulary. Since all NASA reports feed into the ASTIA system, and since many military reports will of necessity feed into both systems, all possible steps are being taken to permit the untilization by either agency of the machined products of the other; with machine output from one being direct machine input to the other, duplicative processing of common materials is minimal."

*Evaluation of NASA comments*

The NASA report is, I believe, an overly optimistic statement.

NASA has developed highly advanced blueprints, so to speak, for information exchange. The blueprints are a long way from realization. This is despite the fact that NASA received an information mandate from the Congress as far back as 1958.

NASA has yet to service the information needs in depth of its own contractors or in-house laboratories, much less for the Department of Defense.

In the field, NASA's information centers are often being established side by side with the Department of Defense. But NASA's and ASTIA's systems inherently differ so considerably that communication between systems in Washington and in the field is more an ideal than an actuality or even an easy likelihood.

NASA's information efforts to date have yet to win the confidence of some of the leading professional societies or contractors. But, let it also be noted that the societies and contractors themselves (with a few notable exceptions, such as the American Rocket Society) do not appear to have given NASA or the Department of Defense information needs the attention which is deserved.

Fortunately, NASA does have a highly modern, unified information structure and plan. It possesses, moreover, in-house personnel and a principal information contractor with a very high degree of professional competence.

*Dr. Brown's reply*

(g) On May 8, 1962, Dr. Harold Brown, Director, Defense Research and Engineering, replied on behalf of Secretary of Defense McNamara. Dr. Brown's helpful reply (see exhibit A) offered some encouragement as to remedial steps being taken in the Department of Defense.

For example, he noted that ASTIA has received more resources.

But, in my judgment, the Department of Defense is still as poorly organized—structurewise and procedurewise—to integrate, store, retrieve, and disseminate information as ever before.

The armed services have yet to develop military or civilian leadership in depth, skilled in interdisciplinary communication science. Only the smallest cadre of such potential leadership exists thus far, and it has received little encouragement for the pains it takes or the competence it has developed.

*Attached exhibits*

Finally, in addition to the aforementioned exhibit, I am including:

Exhibit B, pertinent excerpts from a 1961 report by the House Committee on Science and Astronautics.

Exhibit C, excerpts from the Bureau of the Budget's report to the President on "Government Contracting for Research and Development."

(I am glad to state that the Bureau acted upon my own and the staff's suggestions in including recommendations for an interagency information system.)

Exhibit D, a letter to me from one of the country's leading publishers, B. P. Mast, Jr. His letter discusses another phase of the information issue not referred to above, yet a matter of great significance. I refer to communication through the trade press. I commend Mr. Mast's suggestion for a thoroughgoing exploration of how the trade press can be enabled to better serve the Defense (and, I may add) NASA communities.

Exhibit E, an article from Armed Forces Management magazine citing many weaknesses in ASTIA. The weaknesses persist, although comprehensive improvements are envisioned in ASTIA's bold 19-point program.

Exhibit F, excerpts from a more recent article in the same magazine on industry dissatisfaction with the Navy's information program on antisubmarine warfare.

### EXHIBIT A

DEPARTMENT OF DEFENSE,
DEFENSE RESEARCH AND ENGINEERING,
*Washington, D.C., May 8, 1962.*

Hon. HUBERT HUMPHREY,
*U.S. Senate.*

DEAR SENATOR HUMPHREY: Since the Secretary of Defense has assigned to me the primary responsibility for supervision of scientific and technical information activities within the Department of Defense, I have been asked to make further reply to your letter to him of April 18, 1962.

We certainly share the concern expressed in your statement to the Senate and clearly recognize that the handling of scientific and technical information within the executive branch and the Department of Defense must be greatly improved with all reasonable speed.

During the past year we have taken a number of additional steps for the improvement of our organization, policies, plans, and procedures governing the handling of scientific and technical information generated by the Department of Defense R.D.T. & E. program.

With respect to organization we have established a Deputy Director for Administration and Management within my office. One of his principal duties is to develop the policies, plans, and procedures to assure the optimum Department of Defense program for the collection, storage, dissemination and retrieval of Department of Defense generated scientific and technical information and to assure positive coordination of the Department of Defense effort with other government agencies, educational institutions and industry.

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[5] A reprint of my memorandum will be found in the hearings of the House Committee on Appropriations, Subcommittee for the Department of Defense, for the 1963 fiscal year, pt. 6, pp. 310–324. The mimeographed version is available from the Senate subcommittee; it is identified as S-3-11-62.

[6] H. Rept. No. 1607, 87th Cong., 2d sess., on the defense appropriations bill for the 1963 fiscal year, H.R. 11289, p. 48.

[7] CONGRESSIONAL RECORD, Apr. 17, 1962, p. 6758, reprinted with code number S-4-5-62 and available from Senate Reorganization Subcommittee.

One of our first actions with respect to planning was to review the so-called 19-point program developed by ASTIA. As a result, we have directed ASTIA to develop a comprehensive 5-year plan incorporating the 19-point program together with other proposals; and with the 5-year plan to be updated each year in terms of the work to be done and the resources required. To get started on the short-range objectives of this plan, we authorized additional funding and manpower spaces for the remainder of fiscal year 1962 and have increased the funding for fiscal year 1963 by $800,000 and have provided 102 additional personnel spaces. In this connection, we have considered ASTIA as a line item in the Air Force budget and will continue to do so.

Another significant part of our planning effort has been the initiation of a resurvey of the rather substantial number of specialized information centers that have been established within the Department of Defense over the past 10 years. These centers have made an important and major contribution in the collection, evaluation and dissemination of technical information in a number of critical fields for the benefit of Department of Defense users. The purpose of the current survey is to determine what can be done to achieve greater coordination between these specialized information centers and ASTIA. It appears certain that ASTIA could perform a good many of these functions now carried out by the specialized centers so that we can realize greater efficiency and economy.

The policies governing the operations of ASTIA are being revised and will provide that all technical reports and documents generated by the Department of Defense R.D.T. & E. program by defense laboratories, centers and other inhouse facilities as well as defense contractors and subcontractors will be forwarded to ASTIA without delay including top secret and restricted data reports. This change will provide ASTIA with the authority to pursue an aggressive acquisition policy aimed at securing coverage of at least 90 percent or more of all defense technical reports.

Another significant development during the past year has been our commitment to participate with the National Science Foundation and Department of Commerce Office of Technical Information Services, the AEC and NASA in the establishment of 12 Federal technical report centers throughout the continental United States. Under this agreement, we will supply each of these centers with microfilm copies of all unclassified unlimited reports, technical abstract bulletins, and indexing materials. These will be the same materials currently being provided to the NATO and SEATO countries.

We have completed the mechanization of the DD 613 files through the basic research area of the Defense R.D.T. & E. program. We are currently extending this program through the applied research area which is about 50 percent completed. From applied research we will continue the effort through the development, test, and evaluation projects including weapons and weapons systems. We estimate that the file when completed will have about 40,000 individually identified, coded, and cataloged units of effort. In addition to serving scientists and engineers and providing a better tool for management, this file will permit the Department of Defense to provide the basic information required by the Science Information Exchange without imposing an additional reporting system on Defense agencies.

In January we assigned one member of my staff on a full-time basis to the President's Advisor on Science and Technology to serve on a task group set up to study and recommend solutions to the problem of handling scientific and technical information on a national basis. This task group is completing its work, and it is expected that their recommendations will be considered by the Federal Council for Science and Technology at an early date. You may rest assured that the Department of Defense will be prepared to do its part in the implementation required of any of the recommendations of the task group which are approved by the council and the President.

In summary, we feel that we have made reasonable progress during the fiscal year 1962 to improve the handling of scientific and technical information within the Department of Defense. Moreover, we feel we have established the firm base required for the accomplishment of still greater improvements as rapidly as is reasonably possible.

I greatly appreciate your interest in this problem and will be pleased to furnish additional information at your request.

Sincerely yours,

HAROLD BROWN,
*Director.*

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### EXHIBIT B

### COMMUNICATIONS IN THE DEPARTMENT OF DEFENSE

(Excerpts (pp. 48–49) from H. Rept. No. 243, 87th Cong., 1st sess., "Panel on Science and Technology—Third Meeting," Committee on Science and Astronautics)

Comments by Dr. Richard Joel Russell, Louisiana State University:

"POOR COMMUNICATION IN DEPARTMENT OF DEFENSE

"Dr. RUSSELL. * * * I spent the day * * * over in the Pentagon on the general science panel of the Department of Defense. Much of the discussion during the morning and some of the afternoon was concerned with a matter of coupling—coupling, getting ideas from one level of scientific achievement to the next level, then on through the Defense Department. When we cross the spectrum where you have the pure research scientist at this end, and at the other end of the spectrum the system planners of the Department of Defense, there is almost no communication between them, and this is one of the terrific problems that we have.

"The admirals—two- or three-star admirals or generals sitting here in the planning group have their equivalent of two- or three-star admirals in the science group. But to communicate from one or the other comes down through the captain or the colonel level—perhaps even a lower level. There is a filtering out process, so really the people through whom the information is filtered are incapable of transmitting the ideas across, where they are very badly needed.

"From the standpoint of the Department of Defense, it was pointed out by a number of people from the Department of Defense that this is one of the problems that really is rather acute. It really needs solving. So that there might be, for example, a correction of a lag of from 10 to 15 years in systems planning if the planners there could get in touch with their equivalents on the scientific side of the community."

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### EXHIBIT C

### REPORT TO THE PRESIDENT ON GOVERNMENT CONTRACTING FOR RESEARCH AND DEVELOPMENT—PREPARED BY THE BUREAU OF THE BUDGET AND REFERRED TO THE COMMITTEE ON GOVERNMENT OPERATIONS, U.S. SENATE

(Excerpts from S. Doc. No. 94, 87th Cong., 2d sess.)

Page 16:

* * * * *

"PART 3: PROPOSALS FOR IMPROVING POLICIES AND PRACTICES APPLYING TO RESEARCH AND DEVELOPMENT CONTRACTING

* * * * *

"3. With the tremendous proliferation of research and development operations and associated facilities in recent years, it has become difficult for the Government officials who arrange for such work to be done to be aware of all the facilities and manpower that are available. To maintain a complete and continuous roster of manpower, equipment, and organizations, sensitive to month-by-month changes, would undoubtedly be too costly in terms of its value.

"Nevertheless, we believe that an organized attempt should be made to improve the current inventory of information on the scientific and technical resources of the country. We recommend that the National Science Foundation consider ways and means of improving the availability of such information for use by all concerned in public and private activities.

"4. In addition, the expansion of the Nation's research and development effort has multipled the difficulties of communication among researchers engaged on related projects at separate facilities, both public and private. It is clear that additional steps should be taken to further efforts to improve the system for the exchange of information in the field of science and technology.

"At present a panel on scientific information of the President's Science Advisory Committee is at work on this subject. We expect that its report will be followed by full-scale planning for the establishment of a more effective technical information exchange system, to support the needs of the operating scientist and the engineer."

Page 47:

"ANNEX 5: SALARIES AND RELATED BENEFITS AND TURNOVER OF PERSONNEL

"This annex presents and analyzes certain of the data compiled from the questionnaires sent out by the Bureau of the Budget in connection with the review of contracting for research and development. (Annex 2 cites the organizations involved, describes the nature of the sample and some of the staff characteristics of the organizations.) Included are summary data on the salaries and related benefits provided by the 71 Government laboratories and other types of installations, universities, private businesses, and not-for-profit institutions responding to the questionnaires. The annex also presents summary data on the turnover of personnel experienced by those respondents."

Page 65:

"(B) PUBLICATION IN THE OPEN LITERATURE

*"1. Government establishments*

"Scientists and engineers of 27 establishments reporting on this item are encouraged to submit articles for publication in the open literature. Many of the establishments furnish editing, typing, and other assistance for this purpose. In several cases this is considered a normal part of the employee's work and is a factor in evaluating his performance. In a few cases, small cash awards are given to employees who have had significant articles published. In most cases, proposed articles must be submitted for prior agency approval.

*"2. Contractor establishments*

"An identical number of contractor establishments, 27, reported that they encourage scientists and engineers to submit articles for publication in the open literature, provided no violations of security regulations are involved. In most cases prior approval of the articles is required. In many cases. editorial, typing, and other assistance is provided. One establishment reported that it gave an award of $50 to $100 for each article published.

"Seven other establishments reported that they permit publication of articles by employees, but subject to a number of limitations.

"(3) ATTENDANCE AT PROFESSIONAL MEETINGS

*"1. Government establishments*

"Twenty-eight establishments pay travel expenses for attendance at meetings of professional and scientific societies. The criteria for payment of expenses vary by agency and establishment. Of these, 22 encourage attendance at such meetings and attempt to pay expenses for all trips to meetings directly related to the employee's work or to meetings in which the employee is a direct participant. In addition some of these establishments will pay (within the limits of funds available) the travel expenses of each professional and scientific employee to attend at least one national meeting of his choice each year. A more liberal policy is followed with respect to attendance at local meetings. The major limiting factor is the amount of travel funds available to the establishment for this purpose.

*"2. Contractor establishments*

"Seventeen establishments authorize attendance, with travel expenses paid, at professional meetings usually only when the meeting is directly related to the work of the employee or when the employee is an active participant at the meeting. Four other establishments will pay expenses only when the employee is attending as the official representative of the establishment. Sixteen additional establishments encourage attendance at professional and scientific meetings and pay travel expenses for such meetings usually up to a limit of one meeting per year for each employee even though the employee is not an active participant and the meeting is not directly related to his work."

EXHIBIT D

CONOVER-MAST PUBLICATIONS, INC.,
*New York, N.Y., April 27, 1962.*

Hon. HUBERT HUMPHREY,
*Chairman, Senate Government Operation Subcommittee, Senate Office Building, Washington, D.C.*

DEAR SENATOR: I read with great interest your recent committee findings concerning waste and duplication due to the lack of proper and effective scientific and technical information dissemination. Your discussion was one of the most complete and objective I have seen on this extremely vital subject.

However, I would like to respectfully add an area of thinking to your coverage of this problem. It concerns the role and importance to the national defense effort of the privately operated scientific and technical press.

As president of one of the country's largest specialized business magazine publishing companies, I have been concerned with the same problem you have delved into so deeply. Three of the 10 publications produced by the company are intimately involved with the dissemination of technical and scientific information. The titles are Electro-Technology, Space/Aeronautics, and our newest publication, International Science and Technology. In fact, I noted in your recent memorandum to the Honorable GEORGE H. MAHON that the latter one was quoted (p. 12). Recent copies of the three are enclosed. Possibly you might be interested in reviewing them.

In the memorandum you indicate a concern for the existing need of both prepublication and postpublication information. Possibly the enlarging of reference or abstracting sources such as ASTIA could help this situation, particularly in the prepublication area. But, as you intimate, and I agree, over expanding Government sources, which has a tendency to "establish another bureaucratic layer," is something is be opposed. And, reference and abstracting service is not the only problem area—or even necessarily the biggest.

On the other hand, in the area of postpublication, much closer cooperation with technical press, particularly the privately operated technical press, can immeasurably aid in the task for a rather minimum outlay of taxpayers' money. In fact, to a large extent, the technical press also helps the prepublication problem. Before absolute results are known from various research and development efforts, this press often reviews trends and directions which give men in industry the "idea leads" they need in order to avoid doing a good amount of work already being performed.

The use of the technical press is illustrated by readers' action. For instance, one of our publications generates some 10,000 to 15,000 inquiries a month from engineers and scientists asking for more information on items appearing in the publication.

Letter upon letter comes from the heads of key groups, in both Government and industry to our publications' editors, asking for more information of one kind or another.

In one specific case, an article in one of our magazines served as the basis for an engineering proposal that won a satellite contract for a firm.

Another recent item we published mentioned the fact that unclassified Russian reports were available on ground test of advanced nuclear systems. A scientist at a prime contractor told the editor during a recent visit that it was highly important knowledge for him. He was not aware that they had gotten this far, or that Russian reports on the subject were available.

These are just a few of many examples that could be quoted. Multiply this by the communications links all technical and scientific publications provide the Nation.

As your memorandum indicates, one of the major problems involved in information dissemination is that of separating the really worthwhile information from the "fat." This is the important job of evaluating. In the private technical publishing field, skilled editors have just this ability. They get it through industry experience, which is usually a prerequisite for the job, formal education, constant field travel interviewing engineers and scientists, and by constant reading of literature including Government reports and abstracts. These editors function as a screening process. They focus readers' attention on only the most significant developments, editing and reediting staff and solicited material for greatest clarity and speed of reading. This produces information with an intra- and inter-technological perspective so important to men in industry who need the cross-fertilization of ideas.

This leads me to one last thought. How is the technical press faring? The answer is not in the taxpayers' interest.

There seems to be a general and increasing fear of technical discussion evidenced by current Government information policies. New regulations require men in the defense field to reclear material even when just minor changes are needed. This is not to speak of the restrictions on clearing "fresh" information. In fact, it is disheartening that considering the feelings of many industry and Government leaders against unwarranted Government suppression of information, the present trend is toward an increase in restrictions and secrecy.

As you so wisely noted in your statements, exchange of information is vital, within the limits of security. However, as your survey also indicates, too much security is far more costly in terms of duplication. More important, the effect is to stifle presently undreamed of advances which must, after all, be based on present day research and development.

Advertising, which communicates product and capability information in itself, and makes possible at least the private technical press' editorial communication effort, is being discouraged by Congress through amendments to the appropriations act. Yet, the nonprofit society publications receive Government editorial grants, page fees, and considerably lower postal charges in an effort to encourage technical and scientific communications. I am not opposed to such encouragement. But it does seem inconsistent in view of action Congress has taken on advertising to discourage communications.

To conclude, I would like to commend to your thoughtful consideration that the technical press is a vital national asset which should be given maximum cooperation, within logical security limits. It is essential that we provide needed information to men responsible for the direction, planning, and execution of our defense programs, including our civilian space effort.

I would also like to suggest that the views of competent technical publication editors on how present and possible future information logjams could best be eased might be helpful to congressional committees.

And I would like to recommend that wider use of the inbeing technical press be made by the Government. This could be less costly and far more efficient than the massive addition of personnel to Government agencies and offices.

Finally, I suggest that all types of scientific and technical publications—taxpaying as well as nontaxpaying—be equally encouraged to play an increasingly active role in helping to solve the existing communications problem. This calls for a review of the current congressional defense contractor advertising regulations.

Thank you for any consideration the material in this letter receives.

Sincerely yours,
CONOVER-MAST PUBLICATIONS, INC.,
B. F. MAST, Jr., *President.*

EXHIBIT E

[From the Armed Forces Management, June 1961]

ASTIA KEEPS SCIENCE DATA ON DOLE BASIS

(By Paul Means)

The U.S. Military Establishment is cutting its own throat in the area of technological communication.

The dissemination of technical information to scientists and engineers engaged in military research and development is being bogged down because of interservice rivalry, lack of financial and organizational support, duplication, and ignorance of where to get it on the part of some who have a "need to know."

The situation can be corrected if the President of the United States and the Secretary of Defense recognize the problem, knock a few heads together, and appropriate a minimal amount of money which would be amortized within 10 years because of operating economy.

Department of Defense planners had hoped to solve this problem in 1951 with the establishment of the Armed Services Technical Information Agency, giving it the responsibility of providing "a central service within the Department of Defense for the efficient interchange of scientific and technical information."

But ASTIA doesn't get all of the technical documents needed to maintain a complete file, and must compete with 70 to 100 duplicating reference units within the three armed services.

* * * * *

Evidence amassed in ASTIA's files indicates a great many people eligible to use the Agency's service do not know about it—only a few know how to use it effectively.

Others involved in projects the three services like to keep close to their chests cannot get the type of data they need.

The more advanced the area of research, the less chance a group will be willing to tell scientists in other groups about it, and the less chance ASTIA will be given the document.

One of the weakest areas of the Agency is that of advanced missile development, such as Polaris, Minuteman, and Pershing.

The services withhold this information under a directive which requires them to give ASTIA all technical documents up to "secret" unless they are considered "sensitive."

What the difference between "secret" and "sensitive" is has never been explained, and the latter term is not defined in any Government directive.

The originator of the document also has power to tell ASTIA who will get to see it. Through a necessary requirement this administrative extension of the need-to-know rule also operates to keep many who need to know out in the cold.

Some originators of technical data are of the opinion that "no one can see my document unless he can show to me he needs it."

And, of course, the scientist on a related research project in another service may not be able to determine whether or not he needs the document unless he does see it.

About 10 percent of the documents ASTIA receives have limitations as to who can see them, over and above the customary need-to-know provisions.

Besides documents intentionally withheld by services, there are many others which should be in the ASTIA library that are kept casually, or because of lack of knowledge about the Agency's purpose. A document may not be sent merely because so many have been withheld for political or other reasons that the particular organization has simply forgotten about this requirement.

Many of the technical information activities within the three services duplicating ASTIA provide effective roadblocks to the free flow of literature.

They will receive documents labeled "sensitive" that ASTIA will never see, therefore effectively depriving a majority of Department of Defense research and development people of their value.

These special information centers increase in number each year even though ASTIA has improved to the point where many are unnecessary. (Five new ones have been set up within the last year.)

This is not to say some of these information centers do not perform an important service, but the number indicates how little many organizations rely on the centralized service. The result of this is lack of adequate communication of a Department of Defense-wide basis.

The problem of duplication could be examined at the Department of Defense level and many special information activities eliminated. The problem of interservice rivalry and the subsequent withholding of information to the other services through ASTIA could be solved by a Department of Defense directive defining the term "sensitive," and by strengthening the provisions governing ASTIA.

ASTIA has some difficulty due to its being under Air Force Systems Command for administration. A Department of Defense agency under Air Force Management creates suspicion within the other services and does not give it the stature needed to command an adequate response from the service organizations. This is not the fault of Air Force Systems Command. Many ASTIA officials feel it would be beneficial to place it directly under the Secretary of Defense.

### EXHIBIT F

[From Armed Forces Management, April 1962]

### INDUSTRY ADMITS ASW PROGRESS BUT COMPLAINTS OF THIS YEAR'S ASW INDUSTRY SURVEY CENTER ON NAVY MODERNIZATION, ASW SYSTEMS, AND BLUE SKY IDEA EVALUATING

(By J. H. Wagner)

#### ASW INFO AGENCY

"Security being what it is, too often the questioner does not have the first piece of information which would lead him to seek the second. Instead, this office should function actively and aggressively to advise industry of what is going on and of what is needed. An about-face would be required in the need-to-know philosophy, with a new point of view being adopted which recognizes the fact that an adequately informed defense industry can contribute most valuably to the Nation's defense needs. Specific suggestions for a central information office might be made. A monthly or bimonthly classified publication could be issued as was done in the radar field in World War II. Under a confidential cover, an adequate review of reports and papers in the field could be published regularly. An information retrieval system specifically tailored for ASW and related efforts could be employed, filling the gap left by ASTIA's general, rather than specific, retrieval system. This agency could publish tabulations of technical specialists working in the field, identified as to their specialties, and thereby fill still another need. The possible worthwhile services of such an agency are numerous, and could be of great value."—(From AFM's 1962 ASW Survey.)

Communications between the Navy and industry have improved, says industry. The companies also realize that historically, the Navy by nature has been a very finely departmentalized organization in that ships provide tight-knit groups of people operating as independent units, and with a rather loose connection to the rest of the Navy. This philosophy has been carried over into the land-based bureaus which provide for the procurement, research, and development in weaponry, and research tools for hydrography.

This extreme departmentalization within the Naval Establishment is sought out as the obstacle to successful communication between Navy and contractors. With the complexity of ASW in mind, industry suggests these improvements:

1. A central classified library that provides information on all aspects of ASW. In other fields, such as infrared research, a detailed catalog is issued, and the sources of accurate information are made known. In the ASW field which includes basic sciences, such as hydrography and oceanology, even with a bona fide need-to-know, information retrieval is a tremendous project. An average of 3½ months elapses between receipt of a document, says a recent NSIA ASW committee survey, and then the obtained data is conflicting with other information.

2. A unified approach to disseminate naval information on ASW. Navy has offered substantial support to industry through the ASW Advisory Committee of the National Security Industrial Association (NSIA), but there are so many channels: ARS, AOA, ONR, and the recent first interspace symposium at Washington, D.C., that revealed an undefined Navy line on ASW, and visits by fleet personnel who frequently present views based on experience at sea but which nevertheless, are not identical with departmental doctrine.

## ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that when the business for today has been concluded, the Senate adjourn until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

## CONTRIBUTION BY EMPLOYEES OF NATIONWIDE MUTUAL INSURANCE CO. TO ADVANCEMENT OF THE ALLIANCE FOR PROGRESS

Mr. MORSE. Mr. President, I take pleasure in inviting the attention of Senators to the activities in Central America of a group of employees and agents of the Nationwide Mutual Insurance Co., who in their private capacity are making a signal contribution to the advancement of the Alliance for Progress.

During the last 2 years the Nationwide employees and agency force have conducted a campaign to raise funds for a self-help program in Central America through CARE. As a result of this campaign a total of $200,000 was raised. These funds have been used in four Central American countries—Panama, Costa Rica, Honduras, and Guatemala—to provide educational materials, agricultural tools, medical supplies, mobile health units, pumps for water systems, Cinva-Ram machines for making blocks for building schools and homes, and other urgently needed supplies.

The Nationwide employees have thus undertaken in a spirit of compassion and generosity to help assuage the problems of poverty, malnutrition, disease, and illiteracy that afflict the peoples of Central America. In so doing they are contributing to the success of the Alliance for Progress programs in this area and thereby advancing the foreign policy interests of the United States.

Several groups of Nationwide employees and agents have visited Panama, Costa Rica, Honduras, and Guatemala for purposes of assessing the impact and results of their campaign. They spoke to U.S. Embassy and AID officials, CARE representatives, and the people themselves who were benefiting from the Nationwide-CARE campaign.

The Nationwide report to policyholders for March 1962 contains a "Central America letter" based on the findings of the groups which visited Central America. Because this report is perceptive and informative, and because it may encourage other private companies and organizations to contribute to the Alliance for Progress by undertaking similar people-to-people campaigns, I ask unanimous consent that this "Central America letter," based on firsthand observations in Panama, Costa Rica, Honduras, and Guatemala, be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### CENTRAL AMERICAN LETTER

(EDITOR'S NOTE.—Just concluded is the second year of a CARE drive for Central America conducted by the employees and agents of Nationwide. More than $200,000 has been raised to supply to tools which the people in Panama, Guatemala, Costa Rica,

**and Honduras so desperately need if they are to throw off their staggering burden of poverty, malnutrition, disease, and illiteracy—and to successfully avert the Communist threat to their freedom. The needed tools? Just simple things, like elementary textbooks, pencils, vocational toolkits, agricultural toolkits, sewing machines, medicines. Last fall, two groups of employees and agents went down to see what results the campaign was producing. An advance party of five—Nationwide Board Members R. N. Benjamin and James Lewis, Vice Presidents Howard Hutchinson and Calvin Kytle, and Campaign Chairman Will Hellerman, went along to make a survey of the countries' various self-help efforts. They talked with the Presidents and Cabinet officials of those countries, with the U.S. Ambassadors and Embassy staffs, officials of AID (the U.S. Agency for International Development, which has assumed the functions of the old International Cooperation Administration), CARE representatives, local officials in rural areas, and the people themselves. This report includes some of the things they saw and heard, and reported to the Nationwide board of directors when they came back.)**

### SOME THUMBNAIL OBSERVATIONS

The problems are similar in all four countries, varying only in degree.

All four suffer from an unbalanced economy. Historically, Costa Rica, Honduras, and Guatemala have depended too much on one crop (coffee [1]), and Panama too much on one canal, which is to say the U.S. Government. In each, the contrasts between the very rich and very poor are extreme, this being visibly and most depressingly clear in Tegucigalpa, the capital of Honduras. In Barrio Las Crucitas, for example, a slum area in the heard of the city, 40,000 people share 18 water closets.

None of the countries has a strong democratic tradition; each, as the Chargé d'Affaires at one of the U.S. Embassies told us, is only now beginning to think through the processes of republican government. Costa Rica is the most advanced of the four, perhaps because it has a longer history of public education. Here one does find a middle class beginning to exert itself. We would rank Guatemala next. In fact, the sense of progress is currently even stronger in Guatemala than in Costa Rica, largely because of the spirit with which President Ydigoras is pushing his school construction and land and tax reform programs. Panama we would rank third, Honduras fourth.

The countries are not all universally blessed with natural resources. Honduras particularly is handipped by a comparatively light rainfall and insufficient water reservoirs. Despite repeated explorations, neither oil nor coal is found in any of the countries, a fact which partly explains why there is so little manufacturing and heavy industry there. Disease is prevalent in each, varying almost in exact ratio to the differences in the national sanitation standards. Malnutrition is a common problem, not so much because of lack of food but because of an excessive and unvarying diet of beans and corn. The illiteracy rate ranges from 70 percent in Guatemala, where Indians constitute three-fourths of the population, to 20 percent in Costa Rica.

Incumbent governments are all pro-United States, all democratically aimed.

Election of President Chiari in May of 1960 is said to have eased the fears raised by anti-American riots in Panama City in September 1959. Though Panama remains the country where U.S. relations are most strained, a cordial working bond has been established between our Embassy and the Chiari government. Moreover, the U.S. Army's Operation Friendship seems to have succeeded in minimizing the Communists' efforts to organize sentiment in the opposition parties against us. Thus, for the time being anyway, there seems little doubt that the governments in all four countries lean toward the United States and are anti-Castro on the record.

The staffs in all four U.S. Embassies can be commended for their professional competence and practical idealism.

Some of our party had had previous experience with the U.S. diplomatic corps abroad, and all of us were familiar with the charges against our Embassy staffs—notably that they do not mix with the common people, sometimes not even condescending to learn the language. Consequently, we were happily surprised to find that changes in ambassadorial appointments over the past 2 years have brought shirt sleeve, eyeball-to-eyeball diplomacy into fashion in all four countries. We were especially impressed with Ambassador Farland of Panama and Ambassador Telles of Costa Rica.

Without exception, CARE representatives impressed us as dedicated men and competent administrators.

The CARE projects we saw appear to have been well selected and of proven effectiveness. The mission chiefs have earned the admiration of people at the grassroots. They also enjoy easy access to the official leadership and good working relations with the various U.S. technical staffs. CARE's informal, people-to-people approach is sometimes seen in flattering contrast to that of our State Department. For example, when we said our goodbys to President Echandi of Costa Rica, he told us he'd always had a lot of respect for CARE, and added, "They always answer your letters promptly—which is something I can't always say for your Government."

All four countries are ripe for cooperative development.

Whether under the stimulus of AID advisers or because of their own search for workable political platforms, the leaders of all four countries have now discovered cooperatives. Some examples: In Panama President Chiari has proposed that a separate department be established in the Ministry of Agriculture, to be devoted exclusively to the planning and development of cooperatives. In Costa Rica a bill has been introduced to set up an autonomous Institute for Cooperatives, thus making co-op development an independent arm of the government, no longer subject to politics. In Honduras, President Villeda has plans to organize 15,000 unemployed former United Fruit workers into co-ops—one co-op for each 500 families. In Guatemala, where co-ops got a bad name under the Communist-dominated Arbenz regime, interest in the movement is being revived by the Instituto Agropecuario Nacional, whose leaders think it might be especially useful as a means of providing farmers with low-interest credit. Furthermore, around the Institute for Political Education in Costa Rica there is the nucleus for a cooperative training center serving all Central American countries. One Jesuit priest, Santiago Nunez, has chosen to train himself in cooperative theory and organization and has declared his intention of devoting the rest of his life to the promotion of cooperatives in these countries, convinced that they constitute the little man's best hope.

This interest in co-ops is now segmented. There seems to be little communication among co-op leaders in the different countries. And, as might be expected, the orientation as of now is almost entirely in terms of producer interests. The encouraging thing, however, is that the movement is still so young, and enthusiasm still so fresh, that with proper support it could grow as co-ops have grown in Scandinavia, avoiding the mistakes we have made in the United States and developing a natural diversity, serving producers and consumers alike. What is equally encouraging is that precisely because their problems are so similar, the Central American states present themselves as a natural unit for cooperative organization, in the same way that President Ydigoras of Guatemala and former President Figueres of Costa Rica now see it as a common market. Indeed, the parallel with Scandinavia might realistically be pursued to the point where co-ops in Central America, organized on the basis of need, crossing national borders when appropriate and with centralized services for all, might become the demonstration center for co-ops in the Western Hemisphere.

The most serious obstacle to economic progress in Central America is the lack of adequate credit facilities.

Historically, the well-to-do in Latin America have never invested their wealth in their own countries, fearing confiscation by unsympathetic political regimes. Government instability has similarly discouraged investments of private capital by foreign entrepreneurs. (The conspicuous exception has, of course, been the big fruit companies.) For this reason, the few enlightened businessmen in these countries have enormous difficulty in raising enough money to launch any basic industries. Under such circumstances, the native governments—usually with the loans from the U.S. Government—constitute the only source of large-scale credit, with the result that what money is available for capital improvement either goes into public projects or, circuitously, into the improvement of favored private property under the guise of public projects.

The total effect of this has been to perpetuate a feudal economy, in which the lowest classes practice subsistence farming, and roughly 90 percent of the others make their livings either as small independent farmers or as workers on the big plantations.

Obviously, in these countries reform must begin with agriculture. In this respect, U.S. mutual assistance plans for Central America (as for all the other underdeveloped countries) must differ radically in approach from the famous Marshall plan, which was primarily directed toward reviving European industry after World War II. At this point, reenter the problem of credit. Under the ambitious land reform programs now being inaugurated in each of these countries, cooperative marketing and purchasing facilities are scheduled to play important parts. But the success of this whole can be jeopardized unless accompanying facilities are established for extending long-term credit and crop loans to individual farmers, and unlers money is somehow made available at low interest rates for capital improvement of the co-ops themselves.

Without exception, the governments of Panama, Costa Rica, Honduras, and Guatemala have reacted with enthusiasm to the conditions and proposals of the Alliance for Progress, as enunciated in the pact of Punta del Este.

Perhaps the most significant effect to date of the Alliance for Progress is that, in a part of the world where political programs have traditionally been conceived in expediency and launched by whim, the governments of these countries are now doing comprehensive planning. Trade, health, education, land use, and taxes—for the first time all these are being seen in relation to each other and developed into programs for reform. The plans were being written even as we were talking to the presidents. (To help draft his programs, President Villeda, of Honduras, has borrowed a planning officer from the U.S.

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[1] In Guatemala, for instance, coffee constitutes 85 percent of the agricultural exports. When in 1950 coffee prices began to drop from 90 cents to the current 40 cents a pound, the effect was felt not only in lowered income to the country's coffee producers but in a 50-percent reduction in duties to the Government.

Embassy.) But the most dramatic evidence of the Alliance's impact came the day before we left Guatemala when the third reading of President Ydigoras' personal income tax bill was approved by Congress.

Communism will succeed in Central America only if democracy defaults.

Obviously, no reliable assessment of communism's strength in Central America can be made during a tour of only 2 weeks. Our impression, however, is that, as has so often been true in other countries, communism there often gets confused with authentic protest movements. Undoubtedly, there is a hard core of professional Communists in each country (a member of the Honduran Communist Party, for instance, sits at a desk in the Ministry of Education) and this core is unquestionably being supported by Moscow. In Costa Rica we were told that 45 Soviet-trained Communist "activists" supported by a budget of $15,000 a month in Soviet money are currently operating among farmworkers and young intellectuals. Communists openly operate in most of the universities, and are also active among the workers idled by the big fruit companies. Nevertheless, we do not believe that communism is indigenous to the Central American people. It has caught the imagination of some people there mainly because it has been promoted as the instrument of hope and freedom. It is significant, we think, that the strongest center of Communist influence in Panama, the Province of Santiago, is also the area where there is the highest incidence of illiteracy and poverty. We do not mean to imply that communism's only appeal is to the hungry and dispossessed, for obviously this would not explain the strength of its appeal among students.

Our best explanation is merely that Central America is in ferment. The poor are susceptible to any movement which offers a realistic promise of improvement, and the young intellectuals to any program frankly addressed to their idealism and need for excitement. In our opinion, the answer to communism is nothing more nor less than a properly implemented and popularly dramatized Alliance for Progress.

### SOME THINGS TO DO

After 2 intensely concentrated weeks of looking and talking, one gets the feeling that the act of Punta del Este, signed and announced less than a month before our arrival, has done for Central America what in 1938 Franklin Roosevelt's Economic Report on the South did for the United States. Problems for an entire region apparently have been given a common and acceptable reference frame. More importantly, the basic direction for reform has been stated, and realistic conditions have been fixed under which financial and technical aid will be made available. There is, as a consequence, the same air of expectancy, the same feeling of promise and hope, that swept the United States own underdeveloped areas 25 years ago.

All of which is to say that never before in the history of Central America has there been a time when receptivity to social and economic change was higher. There has always been much to be done in these countries. Now much can be done, and done with real hope for success. What's more, some may be done by Nationwide. Some can be done by organizations like the Cooperative League and the International Cooperative Alliance, in which Nationwide is a leading participant; still more might be done by U.S. Government agencies like AID on whose advisory committee various Nationwide officers or directors are serving. Exactly how much Nationwide can do—and how—can, of course, be decided only after careful study, but some of the possibilities which, as we see them, deserve to be considered are listed below:

### CARE

The good work that CARE is doing in all these countries only emphasizes how much good it could do with more money. The school assistance programs in Costa Rica and Guatemala could be expanded with good effect; additional community water systems in Honduras are urgently needed; in Panama, CARE is in a good position to initiate the organization of several fishing co-ops. In short, every project now going deserves stronger support, while important new self-help projects which CARE is demonstrably best qualified to originate only await the necessary funds.

Suggestion: That Nationwide encourage civic organizations, other businesses, sponsors, and other groups to conduct CARE campaigns, similar to the one conducted by our agents and employees, for the support of self-help programs addressed to specific needs.

### COOPERATIVE DEVELOPMENT

As noted earlier, more and more influential people in Central America are becoming excited about the idea of cooperatives. Most of them, however, as yet have little knowledge of what exactly makes a co-op or of the various purposes co-ops can serve, and even less of the techniques of co-op organization and management. The danger is that, unless supported by more knowledge and experienced counsel, their enthusiasm might lead them into projects doomed to failure. Inevitably, if this happens often enough, disillusionment will set in and what now looks like a promising movement will die a-borning.

The other critical need is for credit. Without production credit and long-term loans, supported by cooperative marketing and purchasing, the various land reform programs now getting started will have enormous trouble succeeding.

Suggestion: That a comprehensive study be initiated as soon as possible which would—

Document the scope of cooperative activity now underway in the four countries—describing the direction that the movement is taking in each country; the qualifications of its leadership; its sources of credit, and so on.

Explore areas of need which future co-op development might appropriately serve.

Report on the extent of help now being given Central American co-ops by such organizations as the Cooperative League of the U.S.A., the U.S. Government, the Co-op League of the Caribbean, the International Cooperative Alliance, etc.

Analyze all laws affecting the financing of co-ops, with a view toward establishing some sort of central credit institution which would serve all legitimate co-ops in Central America.

Suggestion: That on the basis of the above study, a comprehensive plan be developed which would—

Define the organization or organizations through which technical assistance can best be channeled to assist Central American co-ops.

Establish a means for the pooling and sharing of all information to do with Central American co-ops.

Set up adequate training facilities for co-op leaders. The only educational facility in Central America now serving democratic leaders in all countries is the Institute for Political Education, located in Coronado, Costa Rica. Supported by 17 democratic political parties in Latin America, it currently devotes 3 days out of a 10-week session to cooperatives. The director, Father Benjamin Nunez, would like to set up a separate training sequence in cooperatives—say, one that ran for 60 days, was attended by 10 co-op leaders from each of the 5 Central American countries and Panama, and had on its faculty representatives from Antigonish, the Co-op League, and Puerto Rico. Such a sequence would cost about $50,000.

Prescribe the form of institutions which would provide (a) loans for capital improvement for cooperatives, (b) long-term loans for individual farmers, and (c) production credit, all at a reasonable interest rate.

### COMMUNICATIONS

We in the United States need to be generally better informed about Central America.

Suggestion: That Peoples Broadcasting Corp. consider special programs devoted to significant aspects of life in Central America, and that it encourage other stations in the National Broadcasters Association to do likewise.

### EXTENSION OF NATIONWIDE SERVICES

As these countries develop economically, the need for insurance will grow—and the earlier a cooperative insurance program can be introduced the greater contribution it can make to cooperatives as well as to specific consumer needs.

All four countries are aggressively seeking U.S. capital, but only if it is invested in enterprises which use native labor and materials, and in which ownership is shared. Housing is needed badly in all four; we would suggest that both Nationwide Development and Tectum explore possibilities for investment with the planning directors of each Government. More specifically, Guatemala invites participation in its expanding tourist program. The opportunities seem immediate for Peoples Travel Service, or American Travel Association, to sponsor special trips to Guatemala's mountains, lakes, volcanoes, and picturesque Indian villages. Completion of the Pan-American Highway suggests the feasibility of motels. Also worth considering now is the possibility of Nationwide Development's building a resort lodge on Lake Atitlan. This whole area is soon to be opened up by Guatemala's Tourist Division.

### SOME IMMEDIATE PROJECTS

Panama project: To provide two 4-year scholarships to some accredited school of agriculture in the United States to the president and one additional member of the student cooperative at the National School of Agriculture in Divisa.

One of the Nationwide employee-agent projects in Panama has been assistance to the National School of Agriculture at Divisa. Here we've set up a revolving fund of $2,000 (in 2 years it has rotated 4 times), and supplied 10 heifers and a farm tractor. President of the student cooperative since its founding is Jose Blandon, 18, the top-ranking senior, who will be graduated next February. Jose would like to study animal husbandry in the United States, then, on his return to Panama, work for the Ministry of Agriculture until he has money enough to go into farming on his own. If land reform measures are introduced and implemented intelligently in Panama, Jose may be able to buy some acreage, on credit, when he returns. As of now, however, he has no land to farm, and in this respect he is like most students at Divisa. It is hard for North Americans to realize this, but the truth is that agriculture as we know it is a very recent industry in Panama. Traditionally, the good farmlands have been owned and operated by the big fruit companies and the so-called aristocracy. The little people have practiced subsistence farming, or worked either on the big plantations or for the U.S. Government. It was only when U.S. installations were reduced in Panama after World War II, partly as a result of agitation by native political parties, that any organized effort to encourage diversified family-style farming, and to put it on a profitable basis, took shape. Whether or not this movement can grow and eventually make a significant impression on Panama's economy will depend as much on the training of native leaders like Jose as on major reforms by the Government.

Panama project: To help CARE organize a fishing co-op in the village of Farallon by (1) underwriting the expenses of a visit by the CARE mission chief of the Nova Scotia Fishing Cooperative, for the purpose of picking up some practical do's and don'ts; (2) lending capital funds to fishermen for the purchase of needed boats, nets and other equipment; and (3) arranging, possibly through the Puerto Rican co-ops, for a Spanish-speaking cooperative leader to be assigned full time to the Farallon community for the purpose of providing technical assistance through the co-op's beginning phases.

When Outboard Marine announced it was offering free outboard motors through CARE, Bill Salas, CARE mission chief in Panama, went looking for some fishermen who could use them. He had no trouble finding the fishermen. The trouble was, their boats were hand hacked out of trees and simply weren't sturdy enough to accommodate motors. Bill then thought he'd try to get them some new boats, but that raised a question of whether new nets weren't also required. One thing led to another and before long he came to realize that a brandnew fishing economy would have to be built before the motors would do anybody any good. When last seen, he was busy helping organize a co-op in the 92-family village of Farallon.

The people in Farallon fish seasonally, mostly for corbina, which they sell to middlemen for 10 cents a pound and which is later sold in nearby villages for 35 cents a pound. The idea of cutting out the middleman is so appealing that the fishermen already have put $40 of their small savings in the new co-op and now are on the second reading of the 72 articles of cooperative law. As one of them told us: "We want to be sure everybody understands exactly what a co-op is before we ask for a charter."

To get started they need boats (10 boats for 2 villages), a carpenter to build them, and 10 nets (at $1,500 apiece)—after which they'll be pleased to have Outboard Marine's motors. Also, they need some expert advice on a few uncertainties—how best to store the surplus catch, for instance, and whether to set up a buyers' co-op as well, thus reducing the price of salt, hooks, line, and other staples. All told, they need between $20,000 and $30,000. Can Nationwide help? We said we'd try.

Honduras project: To improve the livestock and corn by introducing, through an appropriate agency like CROP, purebred cattle and hybrid seed. The need for improved agricultural methods in Honduras is so basic and so evident that on the one hand almost anything calculated to increase crop production would be helpful, and on the other nothing would seem to be enough. Our interview with President Villeda, however, confirmed the impression that the introduction of some purebred cattle and hybrid seed would produce the most immediate tangible results.

Guatemala project: To provide, directly or indirectly, help in organizing cooperative distribution centers for native handicrafts.

The tour business is now getting major attention from the Guatemalan Government. In the next few years many new incentives—special flight plans, for instance, which will open up lake and mountain country that is now virtually inaccessible; resort hotels with service comparable to the best in America, located strategically for the best possible exploitation of fishing, hunting, and sightseeing—will be offered North Americans, and Yankee dollars can be expected to flow as freely there as they do now in Mexico. Thus there is an opportunity now to do what, except in Scandinavia, the cooperative movement has failed to do elsewhere—that is, organize marketing co-ops for native crafts. In Guatemala, this consists of all sorts of woven fabrics, pottery, jewelry, and art pieces, most of it adapted from unique Mayan designs. This way, the "little people" would benefit from increased tourist trade as well as the big promoters.

These, then, are some of the things that might be done to help our Central American neighbors—and ourselves—through mutual effort. We do not pretend to suggest that the list is complete, or that we speak with exhaustive knowledge of the subject. Our visit was short. It is obvious, however, that much needs to be done and that the time to do it was never more opportune. It also is obvious that the U.S. Government in its official capacity does not have the freedom to step in at every point where help is needed. Private businesses, subject to their own limitations, not only can but must do what their governments cannot. And there are vast areas where only individuals and civic groups have the freedom to undertake the needed self-help and community improvement programs. We hope that Nationwide will find its proper corporate role in the development of Central America, and that other agencies and groups will find theirs.

## A COMMUNITY OF HOPE AND RESPONSIBILITY

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief article from the Saturday Review entitled "A Community of Hope and Responsibility." It is a very inspiring piece, and I wish to have it made a matter of permanent record in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### A COMMUNITY OF HOPE AND RESPONSIBILITY

(EDITOR'S NOTE.—The following editorial is drawn from a commencement talk given at the University of Texas, Austin, Tex., June 2, 1962.)

The other day a friend of mine, like countless thousands of others throughout the country, received a telephone call from his broker. The stock market was in a deep dive. The broker advised my friend to sell, while there was still something left to sell. And, like many others, my friend sold—not because he thought there was anything wrong or unsound about the companies in which he had invested, but because he had been hit by a chain reaction of fear. It didn't occur to him that he might be helping to produce the very crash he dreaded, or that he might be contributing to a state of panic that might crack the economy and do grave damage to the country.

When I spoke to my friend about this, asking whether he didn't feel any sense of responsibility beyond his own profit-and-loss position, he stared at me coldly and said: "Let someone else be responsible. I'm looking out for No. 1."

I thought back to a conversation I had with a Soviet economics professor in Moscow 2 years earlier. The Soviet professor said that Marxist scholars believed that capitalism would collapse ultimately—not solely because of inherent flaws in the structure of capitalism itself but because it wasn't really an ideology He said that it inspired no sense of basic allegiance or willingness to sacrifice—the prime test of a strong ideology.

"Even your capitalists don't really believe in it," he said. "Whenever there is a real test of confidence, they turn and run. And the result is that the structure of capitalism will topple—because it won't have enough support from the people themselves."

He went on to say that the difference between communism and capitalism as economic doctrines was that the first was built to cope with adversity while the second was prone to it.

I told the Soviet economist that I believed he was mistaken about the notion that all Americans reacted the same way and would crumple in any genuine showdown. And his greatest error was the assumption that America lacked an ideology.

As I say, this discussion, with a Soviet economist came to mind when my friend told me the other day that he felt no special responsibility beyond his own financial condition. There was no connection in his own mind between what he did and the gloating that took place in Pravda and in Communist circles throughout the world over the gyrations on Wall Street. In fact, my friend prides himself on being militantly anti-Communist. He would yield second place in the decibel count to no one in his proclamations against communism. But his proclamations are meaningless alongside his actions. He doesn't comprehend that the best way of defending his society against totalitarianism is by doing all the things, small or large, that are required to make freedom work.

I think my friend would probably reply to this by saying that I am exaggerating his importance. After all, he might say, he is only one man. Why should I suppose that his one finger in the dyke could hold back the flood when everyone else was rushing for the dry highlands? More specifically, even if he hadn't told his broker to sell that Blue Monday, would it have made one whit of difference? Or would he have been left holding the big—and an empty one at that?

In a sense, my friend represents the eternal and ultimate problem of a free society. It is the problem of the individual who thinks that one man cannot possibly make a difference in the destiny of that society.

It is the problem of the individual who doesn't really understand the nature of a free society or what is required to make it work.

It is the problem of the individual who has no comprehension of the multiplying power of single but sovereign units.

It is the problem of the individual who regards the act of pulling a single lever in a voting booth in numerical terms rather than historical terms.

It is the problem of the individual who has no real awareness of the millions of bricks that had to be put into place, one by one, over many centuries in order for him to dwell in the penthouse of freedom. Nor does he see any special obligation to those who built the structure or those who will have to live in it after him, for better or worse.

It is the problem of the individual who recognizes no direct relationship between himself and the decisions made by government in his name. Therefore, he feels no special obligation to dig hard for the information necessary to an understanding of the issues leading to those decisions.

In short, freedom's main problem is the problem of the individual who takes himself lightly historically—however well rounded and indeed bloated he may take himself personally.

Having said this, I must admit that there are at least a few contributing factors. The individual is always responsible for the shape or direction a free society may take, but at the same time he is affected or conditioned by the general environment and by the general values he himself has helped to create.

My office is located in the largest city in the world. I look out from my window and see huge slabs of steel, concrete, and glass invading the sky. Many of these are new. A few of them have distinction, grace, spirit, even elegance. They made for expansion of the mind. Most of the others, however, look alike. Their claim on the esthetic imagination is quickly exhausted. Their sides contain row upon row of honeycombed slots, repeating themselves endlessly. It makes for a powerful spectacle, but it places at least some strain on the idea that an individual is a sovereign cause. An environment of compressions, repetition, and massive routine does not quite furnish the ideal conditions for advancing a belief in the creative splendor and dignity of the individual.

When, suddenly, at the lunch hour or at 5 o'clock these monolithic hives disgorge their occupants, the notion of human individuality requires something approaching an act of faith. It would be a mistake to suppose that this has no effect on the human subconscious, pressing down upon it the constant evidence of individual inconsequentiality. Jefferson might have made at least a slight alteration here and there in his definition of human uniqueness if he had had to ride 60 floors in a crowded elevator 4 times a day. John Keats might have found it somewhat difficult to meditate on beauty or even to contemplate a Grecian urn after driving a car through midtown traffic or spending an hour in search of a parking space.

There is no point in extolling the concept of human individuality without recognizing the increasing difficulties such individuality is expected to sustain. The idea that a glass box can light up from the inside and make it possible for the individual to witness events far away is surely one of the most magnificent ideas to come out of the inventive intelligence. Television still has this potential and someday, Mr. Minow willing, it may achieve it. At present, and for the most part, however, it has depressed individuality rather than expanded it. I make note of all the good things it has done, but its total effect has been to cheapen respect for life. The insistence of television on making people clobber one another constantly with fists or clubs, on making them fire bullets at each other—all this is having a debilitating effect on the preciousness and fragility of life, without which there can be no true respect for human individuality.

A casual attitude toward human hurt and pain is the beginning of the end of a free society. Long before a child learns how to read he learns how to turn on a television set. He is quickly introduced to a world of howling drunks, pampered idiots, wild-swinging and trigger-happy bullies, and gyp artists. He learns that sex is just another toy, and that there are always flashier ones for the taking. He learns that the way to express your disagreement with a man or your distaste for him is to clout him in the kisser or pour hot lead into his belly.

Education is not just what takes place in a building marked "school." Education is the sum total of all the experiences and impressions to which a young and plastic mind is exposed. The parent who insists on sending his child to the finest schools, but who sees no problem in allowing that child to spend at least an equal amount of time looking at TV gangster serials or Mickey Spillane, should not be surprised if the mind of his offspring gives back the meanness and the sordidness put into it.

A free society—at least, this free society—has certain propositions that have gone into its making. These propositions aren't all political. One of the main propositions that had a certain vitality at the time this particular society was founded was that the individual man has a natural goodness inside him, that he is capable of responding to truth, that he is endowed with the capacity to recognize beauty and be enlarged by it.

These propositions, I submit, are now under attack—and not just by television. Whether with respect to motion pictures, or writing, or art today, I think we can find disturbing evidence that man is being cheapened—and cut down to a size much smaller than by natural rights he ought to be. The epic theme seems to be in retreat on a wide front. There seems to be a fascination with aberrations, a preoccupation with neuroticism, an obsession with aimlessness. The trend is to the harsh, the brassy, the abrasive. Nobility, sacrifice, idealism, beauty—these are too often dismissed as tall corn.

Not long ago, a friend suggested that I see the film "La Dolce Vita." It was, he said quite remarkable and beautiful. I saw it. It was remarkable, all right; but I didn't see any beauty in it. The photography was striking, and I am even willing that the word "beauty" be used to describe some of the camera work. But I saw nothing beautiful about the people, or the lives they led, or their emotions, or their values, or what they did. The film was lacking in both sequence and consequence. The only point it had to make was that life was pointless. But what troubled me most of all was not the film itself but that our critical standards have themselves become so desensitized that the film could be called beautiful.

To offset this, fortunately, the other day I saw the Japanese film "The Island." It had no frenzy. It had no bashings or thrashings or wailings. It didn't make heroes of degenerates. It was not afraid of honest emotion. All it did was to show real people trying to cope with real problems. It was concerned with fundamentals of human relationships and response. It dealt with the fact of human devotion, even sacrifice. And because of all this there was an essential beauty in it. According to some definitions, perhaps, the film will be regarded as corny or sentimental. If it is corn, then it is high time we relished the kernel.

Incidentally, I was interested in the reaction of a friend who also saw the Japanese film. When I asked him his opinion, he said: "I know you will probably think it stupid of me, but I rather like it." He almost found it necessary to apologize for responding to the simple but beautiful appeal of the film. He was almost afraid to trust his natural responses. He had become so intimidated by the dry-eyed, hard-boiled approach to life that he felt sheepish about acknowledging the existence inside him of that which distinguished him most of all from the ape.

One more instance. Recently, outside an art gallery on 57th Street in New York, I overheard two women discussing an abstract painting in the window. The painting, to my eyes, lacked creative thrust. It seemed to follow along meekly behind the works of better known abstract artists. One of the women said to the other: "It looks like an inferior work to me; but I hate to say it out loud. You know, one feels like an idiot these days if he doesn't lavish the greatest praise on anything that seems incomprehensible."

I see no reason why anyone should allow himself to be intimidated into a feeling of total nullity or grim acquiescence if he sees something he happens not to like. He has the best credentials in the world for reacting; he has his individual taste buds. They may not coincide with those of others; they may run counter to those of experts, but at least they are his own, and the more he uses them the keener they become. No critic of stature—whether in literature or art or music—expects people to blot out their senses whenever he speaks. The critic applies his special training and knowledge to the work before him. He defines his standards. He sees himself as part of the total process by which a culture advances toward excellence. He certainly doesn't resent disagreement. And he doesn't discourage or disparage individual reactions—not if he is worth listening to, that is.

What I have been trying to suggest is that a free society cannot long remain free if man is in full retreat from man. For such a society pays a high price if the individual loses faith in his own centrality or in his ability to respond to creative beauty or in the stark fact of his ultimate responsibility.

This is a great deal of weight for a freeman to carry; but if it is political and cultural weightlessness we are seeking, we don't have to get into outer space to find it. We can find it right here on earth and it goes by the name of totalitarianism.

There is no greater political or philosophical fallacy than the notion that freedom is not really an ideology. The ideology of freedom has the deepest foundation of all. It is fused with the nature of man. It exists in the molecular structure of man's own natural rights.

What is this ideology?

It is based on the proposition that government exists for the purpose of enhancing and protecting the natural and fundamental rights of individual human beings.

These rights do not have to be created or contrived. They exist. They are natural, essential, irrevocable. They come with the gift of life. The good society may recognize these rights but it cannot invent them. It cannot alter them; it cannot expunge them. Its obligation is to create the conditions under which they can grow and be secure.

Highest among these natural rights is the right of man to own himself. He cannot be owned by a nation, a group, or another man.

He owns the right to grow and to meet his potential.

He owns the right to appraise his abilities and to develop them and apply them, consistent with the rights of others.

He owns his thoughts and the right to nourish them and speak them, again consistent with the rights of others.

He owns the right to make mistakes, whether of thought or deed, without unreasonable punishment.

He owns the right to his hopes.

He owns the right to justice, whether his claim is against a person, an aggregation, or his own government.

He owns the right to contemplate human destiny and the mysteries of universal purpose, or the right to detach himself altogether from these pursuits.

He owns the right to hold grievances against his society and to make them known to other men in order to magnify his own voice.

He owns the right to make a better life for his young.

It is in these respects that a free society is not just a nation. It is an idea. It is a national sovereignty committed to the cause of human sovereignty. It seeks to create a proper environment for man's most enduring hopes. It is an instrument through which man may work for a fuller life—whether in terms of his physical needs or his creative and spiritual reach.

Our own free society has not yet fulfilled all these purposes. No one knows how near to or far from such fulfillment the American people may be. But the direction is clear. And the effort, however vast, will continue to be made. The great ideals and ordeals of human history go together.

The unfinished nature of our struggle should not separate or insulate us from an awareness of the needs and the rights of other peoples, nor does it sever this Nation from the community of hope and responsibility in the world. The American people see a reflection of their own early history in those peoples who do not yet own their own nations. They see the cause of freedom from outside rule as a cause that connects all men. They accept that connection and are inspired by it.

The lands and cultures of man today are various, but they are all compressed into a single geographic abode. The question to be determined in our time is whether this abode can be preserved for man or whether it will become the arena of his last great combat. The means are now sufficient to punish nature itself, to put a torch to all of man's works, and to deprive him of the decencies that have given him distinction and pride.

In looking back at their own past, and in assessing their own purposes and ideals, the American people also look to the duty that unites them to all mankind—to create an enduring peace under law for this generation and the generations to come; to make the world safe for its diversity; to advance the cause of independence wherever peoples are not free and to create a pattern of interdependence for the whole; to use the resources of nature and the intelligence of man in the common good; to serve man's capacity to be free, and to justify the fact of life.

This is the ideology. It is real and it is ours.

## DAMASCUS, OREG., BIGGEST LITTLE CITY IN THE U.S.A.

**Mr. MORSE.** Mr. President, I turn now to the matter of supplementing some material I placed in the daily RECORD on May 16 relative to an outstanding project—the Little World's Fair of Damascus, Oreg.

Mr. President, we have in Oregon the biggest little city in the United States, according to its own boast, known as Damascus, Oreg. I hold in my hand a very interesting article about this big little city. The title reads "Damacus, Oreg.: Biggest Little City in the U.S.A."

I wish to make it clear that the 200 inhabitants of Damascus, Oreg., consider Seattle, Wash., to be one of its outlying precincts.

Damascus, Oreg., is conducting for 100 days what the people there modestly call a Little World's Fair. It is remarkable community enterprise. The people hope that all the tourists who visit the World's Fair at Seattle will take note of the fact that a community world's fair is being conducted at Damascus.

It was my privilege to speak at the Little World's Fair at Damascus the day following its grand opening. A visit to this Little World's Fair will refresh anyone's knowledge, gained by reading the glorious history of the West, as to what we mean by the frontier spirit. I think it is particularly apropos to recall that frontier spirit in the light of the fact that we are living in the days of the New Frontier.

So, Mr. President, I shall ask to have printed in the body of the RECORD, as a part of my remarks, an account of the Damascus Little World's Fair, along with certain statistical information dealing with this remarkable community enterprise.

I have attended many community affairs in my years of public service, but I had a very thrilling experience when I went to the Damascus fair and observed the spirit, the community solidarity, and the group enthusiasm which characterized the enthusiasm of the citizens of the little town of Damascus, Oreg., in building up this really novel Little World's Fair. I am particularly appreciative of the fine work of the president of the Little World's Fair, W. Garland Wiley. The results he has achieved are remarkable.

As the senior Senator from Oregon, I extend to all visitors to the Pacific Northwest this summer, as they go to visit the very remarkable, fine, and inspiring World's Fair at Seattle, Wash., for which the Senators from the State of Washington are to be congratulated, a very cordial invitation to go or return by way of Oregon and to visit the little Damascus fair, because if they do so they will never regret it, and they will feel that they were well repaid in doing homage to the spirit of the West, which is so accurately portrayed by this community effort.

When I spoke at this fair a week ago last Sunday, I told of the visit I had with the President of the United States in regard to an invitation which the Little World's Fair of Damascus had extended, through me, to the President. I pointed out that of course, it was understandable that the President of the United States, who receives hundreds of invitations to attend all kinds of functions, could not accept them all, and that his schedule did not permit him to accept this invitation, although he was moved by the pioneering spirit and the community esprit de corps which characterized this wonderful little fair at Damascus, Oreg.

I was pleased to serve as his ambassador on that occasion to extend to that audience the President's best wishes and sincere compliments on the community effort symbolized by this fair.

I ask unanimous consent that the material to which I have referred may be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

### DAMASCUS, OREG.: BIGGEST LITTLE CITY IN THE UNITED STATES

(By Betty L. Mills)

A recent article in the Seattle Post-Intelligencer read as follows:

"Somehow, the feeling persists that not everybody is really with the World's Fair. Bud Donahue reports that the tiny town of Damascus, Oreg., is countering local efforts with a Little World's Fair of its own. No budget, naturally. And instead of looking forward 100 years, they're looking backward. Next big project is their version of the space needle—a 600-foot hole in the ground. Aw, go crawl in it, Damascus."

Garland Wiley, president of the board of directors for the Little World's Fair, read the article, chuckled to himself, and took it along to share with the other board members at their weekly meeting.

As he presented it, all ears listened attentively. When he finished, a split second of silence gave way to jovial triumph.

"Well, what d'you know," someone said. "Seattle, the biggest city in the Pacific Northwest, chiding the efforts of little old Damascus."

Memories came charging back and the men and women cast proud glances at each other. An almost visible surge of "Love thy neighbor" banded them together even closer, and they knew it was good. Their current project was a big one, with problems never before encountered. They needed this spark of fighting spirit which Seattle had ignited.

The meeting was called back to order, but it was hard for the members to really concentrate. Incidents kept popping into the minds of everyone there. They knew Seattle wasn't worried about anything Damascus might do to attract crowds, for after all, how could a handful of people with no money and only 4 or 5 months of time hope to do what it had taken Seattle 7 years and $80 million to accomplish? But still, look what had happened in 1959. It was a little hard to believe, even now.

The occurrence 3 years ago had started out innocently enough. Cities throughout Oregon had programed events to commemorate the State's 100-year anniversary. The biggest of these events was to be held at Portland, the largest city in Oregon and only 16 miles from Damascus. It was billed as the Oregon Centennial Exposition and Trade Fair and had some 400,000 residents behind it.

Aware of the magnitude of such an event, the Damascus villagers, numbering less than 100, announced simply that they had joined together in an effort to reconstruct the frontier appearance of their town and to re-create the atmosphere of the early settlers. They would have a number of pioneer activities, all free, and everyone was welcome.

The plans were laid for "June, in January." Women started sewing and the men happily laid aside their razors.

#### THE BEARDED ISSUE

Men throughout the State were growing whiskers. It was the perfect time to satisfy that inner urge to be the rugged, bearded he-man. Pete Wiley, Damascus grocer, vowed publicly to buy only from salesmen who wore a beard. Other merchants in other areas followed suit. Every kind of beard imaginable cropped up, some rather shocking their owners. It was plain to see, however, that all were being thoroughly enjoyed.

Then trouble knocked on the door of authenticity. Wiley was a first sergeant in the Oregon National Guard and his commanding officer told him that regulations for Federal inspection required all guardsmen to be neat and clean shaven. This statement was backed up by an order to all Oregon National Guardsmen by Maj. Gen. Thomas E. Rilea, State adjutant general. "Shave 'em off."

Wiley was stunned. His efforts toward public good will were threatened. As Mel Staples, chairman for the centennial committee put it: "Raising a beard gives the little people of the State something to do for the centennial."

So Wiley rebelled. He knew he was flirting with possible court-martial, but he had faith that the local government would support his cause. He contacted State Senator Monroe Sweetland who in turn contacted Gov. Mark Hatfield. Hatfield then asked the Pentagon for a special dispensation for the guardsmen. Back home, Wiley and two other committeemen penned a telegram to President Eisenhower, stating in part:

"We respectfully request that you intercede with the Pentagon order in the case of the Oregon National Guard members who are forbidden to grow beards for the Oregon centennial."

Days passed and Wiley walked the tightrope. Then suddenly the word came. Governor Hatfield announced that a liberalized policy had been authorized by the chief of the guard in the Pentagon which would free the guardsmen of being penalized during inspection because of their beards.

The bearded sergeant had won his case. It was a revelation to all who had followed the issue via newspaper. A Portland grocer said, "I wish I lived in a community with as much spirit as Damascus"—closed his store for the day and drove to the little hamlet to join their forces. The controversy had spotlighted Damascus celebration plans and people began watching for further news. It wasn't long in coming.

### A CANDLE LIGHTS THE WAY

Early planning by the Portland fair board called for a candle to be erected on their 64-acre fair site and booked as the biggest candle in the world. It was to be made from real candles and the youth of the area had been asked to provide them. Bluebirds, Brownies, Camp Fire Girls, Girls Scouts, and Boy Scouts responded joyously and old candles poured in by the thousands.

Then a dispute arose between the centennial officials and the designers and the idea was junked as being too costly. A modern, cone-shaped, steel candle went up in its place.

It was disappointing news to the boys and girls who had wanted to help with the birthday party. Damascans knew this and decided to do something about it.

Five dollars were alloted to the project for construction. Since the candles were free for the hauling away, it seemed reasonable to assume that this amount would be sufficient for other expenses.

The wax was acquired and hauled to the home of George Livingston. A few days later he called in the Marines. A single candle was ready to be moved to its permanent home, and he needed some help. It was colored a delicate pink, but it stood 21½ feet tall, measured 35 inches across, and weighed 4 tons.

Again, the Damascans had been told it couldn't be done. Again, they had proven that enthusiasm, faith, and old-fashioned hard work defy all the rules. The waxen giant was erected for a total cost of $1.49—a slightly lower figure than the $10,000 estimate previously given by professional engineers.

Damascus then threw a box social. $90 were raised for a building fund. The two existing buildings on one side of Main Street (the highway) were given false fronts of log slabs. Two new structures were erected opposite these on the other side of Main Street. They were built from hand-notched logs with mud packed between the logs in true pioneer fashion. One was to become a trading post and the other a jail—barred cell and all—to house the clean shaven culprits who wandered astray.

A reporter wrote:

"Damascus may be the only town in the State which has doubled its size as a result of the centennial."

Every weekend now, thousands of sightseers were lining the roads around the little town to see for themselves the things they had been reading about. Damascans started worrying about their coming food problem. They had scheduled a great bear feast as their major event. If all these people kept coming before the celebration even officially opened, how many would show up for the feast?

So, late in May, the bearded men of Damascus went into the mountains for the beginning of a big bear hunt. One by one the black, grizzly creatures fell before the hunters until at last, 40 of them were lockerbound.

The 100-day celebration officially began on June 10. The doors in the village were thrown open; the candle was ignited; and people came in droves to enjoy the free horse rides, stagecoach rides, horseshoe pitching, picnics, square dancing, church services, pioneer atmosphere and always—the boundless hospitality. There were hourly shootouts among the fastest guns in the West, with the losers biting the dust. The saloon (soft drink) offered refreshments with nothing costing more than a nickel. There were rodeos, and contests.

A 14-year-old girl, Janice Benshoot, was chosen to reign as their queen; chosen by her knowledge of horsemanship. A "mayor," Mel Staples, was elected. His office was won "by having the best beard and the biggest mouth."

Accordingly, did the celebration go until the big day, July 11.

On the day before the big day, Homer Taylor, one of the city's oldest citizens, drove a covered wagon to the neighboring town of Milwaukie. There he picked up 1,000 pounds of supplies which had been donated as a good will gift by United Grocers N.W., Inc., to aid in the big feed on the following day.

And then it was the 11th. The big outdoor grills, built with the help of the U.S. Air Force, were the center of activity at 6 a.m. The aroma of pancakes filled the air and thousands were there to enjoy it.

The clock rolled around to 10 a.m. and paraders began gathering at the starting grounds. Governor Hatfield, arriving late, spoke to the crowd, then sent the parade on its way. (The Governor had been detained at the jail for not having a beard.) Ancient automobiles, a steam-driven reaper, an ox-drawn covered wagon, 1,000 horses, and people in full pioneer dress stretched the parade out over 5½ miles.

After the parade was over, an archery contest and a ball-and-cap rifle shoot were held. Then, the big bear feed began.

The heat was almost unbearable for the people who labored over the sputtering grills in the scorching sun. But with fierce determination, they stood their post. Hundreds passed in line with plates to be filled. Then hundreds more—and more. Then finally the bear meat was gone. The day passed, and night fell. Eventually, the last merrymaker was also gone.

When day came again, and morning papers were read, bold headlines shouted: "30,000 Visitors Celebrate Centennial Day at Frontier-Dressed Damascus."

Ironically, the headline was only the beginning of bigger ones to come.

On August 9, another all-out day was held, featuring a 3–B barbecue: Bear, beef, and buffalo. (Leland "Buckskin" Wiley, sharpshooter of the Damascus gunfighters, was tossed out of the Portland Zoo for aiming a shotgun at two "what's going on?" bisons.)

Thirty chefs prepared 4 tons of meat for this feast. People once again started gathering at 6 a.m. and soon almost 45 acres were filled with cars. People lined up five abreast and a mile long to wait for the unusual dinner. Over 100,000 visitors were estimated as the total for this day's attendance. The guest book now held some 250,000 names.

An August 23 celebration, similar in planning, brought another 63,000 people.

And so it went, until the end of the 100-day celebration, when the candle was snuffed out and the weary villagers prepared to rest. When the books were closed, and all became history, the records stated an estimated 1 million people had come to the birthday party; 1 million people had visited the little town not even on a map; the little town with 4 log buildings and 1 giant candle.

And now, here they were, starting all over again and with the same old problems. About 100 people—no money—and precious little time.

This, then, was the reason why Seattle had acknowledged Damascus in the article. The inverted compliment was deep in meaning. No one could know what the record books might say a few months from now, but if enthusiasm could be used as a potential yardstick, the "Little World's Fair" might justify its name. At any rate, the faceted experts were careful not to say to Damascans: "It can't be done." For truly, from the days of old, "Them's fightin' words, Partner."

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### DAMASCUS LITTLE WORLD'S FAIR

(Admission: 75 cents at gate; 50 cents pre-opening; children under 12 free)

There is a 22-acre fairsite; 20-acre parking, all in the heart of Damascus, 17 miles from Portland, Clackamas County.

#### AREAS

Indian Village:

There are 14 tribes (part of 41 tribes associated with the Northwest American Indian Foundation). Each week one tribe will rule; will show revived dances, games, skills, etc.; will elect princess.

Visiting dignitaries of Indian fame will visit and be honored throughout summer. Miss Indian America will visit. An Indian baby of the year will be chosen.

Totem pole will be carved on grounds. Billy Whitewolfe will wrestle. There will be "photographers haven," where tourists may pose in authentic Indian dress to be photographed.

Jimmie James, 75-year-old Indian press agent, Indian scribe, author, and artist helping guide tribes to success.

Frontier Village:

Replica of the old Frontier Village, built and hosted by the Damascus gunfighters; stagecoach rides; gunfights hourly (or daily).

Barn: Will have nightly showing of "The Drunkard," by Showman Mark Allen.

Candle: World peace candle will burn always for those who desire peace; will work in conjunction with peace log—large book holding names of petitioners of peace.

Amphitheater: Sky King booked for first 9 days. Sheriff of Cochise follows. Much potential talent of fame being contracted. This area will provide two shows daily from 2 to 3 p.m. (free); 7:30 to 9 p.m., $1.25 per person.

The free entertainment will each day be dedicated to nations (starting with Sweden on 2d, through United States of America on July 4). From there, 50 days for 50 States; followed by service clubs and armed services—100 days in all.

(Exhibits—concessions—midway.)

(Fair has 3 years potential running.)

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## PAY-AS-YOU-GROW HOSPITAL INSURANCE DOUBLY IMPORTANT FOR AMERICAN FARMERS

**Mr. MORSE.** Mr. President, it is now apparent to most of us that Kerr-Mill medical assistance alone is not a national solution to a national problem. To supplement this tax-supported Federal program, we must provide hospital insurance under social security—as envisioned in the King-Anderson bill. Our need for such protection is especially acute where the aged residents of the Nation's rural and farming communities are concerned.

At present, roughly 9 out of every 10 tax dollars spent for medical assistance under the Kerr-Mills Act are going to four great metropolitan States. Fewer than 15 out of every 100 rural citizens live in these States. Overall, about half of our 5-million-plus older farm people live in States that have been unable to participate in the Kerr-Mills program.

Where do these rural people, the medically dispossessed, look for help? What are the prospects of farmers faced with losing their prized independence because of medical bills in their declining years?

There are those—speaking in the name of the American farmer—who oppose health insurance financed through the social security system. Those who are "medically indigent," they say, must rely on family charity, or—if charity absolutely cannot begin at home—on Federal charity in keeping with the paupers' oath provisions set up by the States under the Kerr-Mills Act.

As a representative of a State with a large rural and farm population and as a member of the Special Committee on Aging, I cannot agree with these sentiments.

I believe that the strength of this Nation lies in the validity of our basic values. These values can have little meaning for older people whose only access to adequate medical care is an abject confession of failure. The closing of all avenues save that of charity is in fact a denial of freedom, an affront to the dignity of the individual, and a testimonial to unequal opportunity.

The means test which is a part of any charity program is difficult for city people to take. It is even more so for farmers and residents of close-knit rural communities. The small farmer is an individualist, justifiably proud of his ability to wrest a living from the soil for himself and his family. He wants to serve no man. He is his own master and master of the land itself. But I must add, the land is often a severe taskmaster. He does not want charity. Nor can he bring himself to ask for it, even when his need for medical care has been made painfully clear to him.

A resident of a great city can take his plea of poverty to an office far from his home. His face is one in a mass appearing before a social worker, a stranger to himself and to his friends. Not so for the resident of the small community, where failure and poverty and need must be confessed before neighbors and friends. Such a confession is indeed a humiliating—and unnecessary—burden for the aged and infirm citizens of our rural communities.

The chairman of the Special Committee on Aging, in a report just recently made available has concluded that passage of the King-Anderson bill will mean even more to farm and rural families than it will to city dwellers. His conclusion is based on hearings held last year in 33 communities across the Nation. A special effort was made to get factual information concerning the health and hospital care needs of rural America. As a member of the committee, I presided over three of those hearings—in Eugene and Portland, Oreg., and in Walla Walla, Wash. Here, in brief, are some of our findings:

First. The percentage of older people is higher in much of rural America than it is the cities. Today, more than five million, or almost one-third, of the Nation's elderly live on farms or in small towns. In many small towns, one out of every four or five persons is over 65. As the young continue to leave the farm for the city, the percentage of elderly increases—and the ability of the local community to support its older citizens is more and more impaired.

Second. Average cash incomes are lower in rural areas, less than half of those urban areas. Moreover, cash assets on which to draw in case of medical or other emergency are relatively low for farm families who have their savings tied up in the land and in equipment.

Third. Elderly farm families have more disabling and longer lasting illnesses than their counterparts in the cities. Thus, these farm families spend even a higher percentage of their low incomes for medical expenses than do city people.

Fourth. Fewer farm families are able to carry private medical insurance. Only 28 percent of the aged in rural farm areas had hospital insurance in 1959, in comparison to 41 percent in rural nonfarm areas and 51 percent in urban areas. The private medical insurance available to farmers costs more—and pays less of the hospital bill.

Fifth. Younger farm families are at a serious disadvantage in paying for health care for their older people, either directly or through taxes. Rural people already are burdened with health costs which claim a large share of the family budget. These costs are not offset by tax-free contributions made by employers which characterize industrial employment.

Sixth. Many rural communities built modern hospitals. Beds in these hospitals go unused, not because there is less need for hospitalization, but because of the financial inability of rural residents to meet the costs.

These findings by our committee are the bare, statistical bones of the problem—the cold, factual reasons why hospital insurance under social security is so important to rural Americans. The mail arriving in my office every day adds another, perhaps a more important dimension to the problem—the flesh and blood concerns of people who do not know where to go for help. I know that most of my colleagues have received equally compelling letters, but I want to read portions of several addressed to me from residents of rural Oregon communities.

A farm widow, who perhaps was not aware that I am a cosponsor of the King-Anderson bill, wrote recently to ask me to work for health insurance under social security. Her letter was dignified—short, simple, and direct. Only her handwriting told me that she was old and infirm.

She was not complaining about her own situation. She wanted only justice not charity, for those who have worked hard but have been unable to set aside enough money for proper medical care. She wrote:

> In my opinion, no self-respecting person cares to be under (the Kerr-Mills law). I know I for one would go without medical care before accepting it as it now is.

The son of an 84-year-old retired farmer wrote:

> I am vitally interested in old-age care as my father has been confined to a local hospital almost 2½ years now. I have watched a small farmer spend all he has earned in a lifetime and probably my mother will be destitute when he has lived out his time.

Another Oregonian living on a rural route wrote:

> I have been to various sources trying to find out where a man goes to get the medicine and additional money to pay various doctor bills that my wife and I have incurred.
>
> We are on social security. * * * If we pay our doctor bills, and pay for our medicine, what we get isn't enough to live on. In the past 60 days I have paid ($89 in doctor and medical bills).
>
> All this and more out of our small checks. We now are 3 years in arrears on our taxes, property that is.

A 75-year-old man, on social security and disabled with a bad heart since 1953, wrote from a rural community:

> My wife is blind and cannot feed or dress herself. She has a tumor on the brain. She is in the hospital quite a bit of the time. Just brought her home from the hospital yesterday and expect to take her back next week.
>
> Was just wondering if President Kennedy's bill is going through.

Mr. President, the feelings expressed in these letters are not unique. Scores of letters containing similar sentiments arrive in my office every day. And, judging from the volume and content of my mail, the people of the State of Oregon are overwhelmingly in favor of this great cause—a Federal program to provide hospital insurance under social security in a dignified and self-respecting manner.

Mr. President, when I say that scores of letters are arriving each day in my office, I mean just that. It is not uncommon to receive as many as 60 letters or more a day dealing with this program at the present time.

Those who are writing to share their views with me are watching, waiting, and wondering. And so am I.

The King-Anderson bill has been under discussion for months, in this Congress and elsewhere. Its provisions have been debated publicly at the highest level. Its benefits are widely known.

As I indicated at the beginning of my remarks here today, the question is no longer whether we need a hospital insurance program. The tragic situation of too many of our elder citizens—diminishing income at a time of increasing medical expense—is generally acknowledged. About 8 million Americans over 65 have incomes of less than $1,000. Two out of every five aged Americans do not have as much as $200 with which to cover emergency medical costs.

The question remains: What is the best way to finance hospital insurance protection for the Nation's elderly?

The conservative approach is the social security financing envisioned in the King-Anderson bill, which is consistent with our traditions of self-help, independence and thrift. Under social security, we save for retirement as we earn. Under the King-Anderson bill, we would save for post-retirement hospitalization as we earn—while we are still capable of earning.

The maximum yearly cost of this protection for the average worker who earns $4,800 or less a year would be $12—matched by his employer. Put another way, this would amount to a weekly payroll deduction of the price of a package of cigarettes.

Funds collected for King-Anderson hospital insurance would go into a special social security account earmarked for payment of claims. The contributors pay their own way. No further tax burden is imposed upon Federal, State, or local governmental units, as is the case with the matching fund provisions of the Kerr-Mills program. No pauper's oath is required to make a claim, as is required by the States under Kerr-Mills assistance in the 24 States where such aid is available.

Eligible now for coverage under the King-Anderson bill are 5 out of every 6 Americans 65 or over—the 14.7 million people entitled to social security and Railroad Retirement Act benefits. In my own State, 9 out of every 10 of the 197,000 residents 65 or over would be covered now. In the future, virtually all Americans would be eligible when they reach age 65.

I would make it clear that I propose to offer again the Morse amendment to this program which would cover all persons over 65. I have no hesitancy in doing it. I do not think that we should limit this program to those who are under social security. It is a moral obligation on our part. I think my amendment is a sound economic amendment too. It is in the moral interest of the Nation. It is in the economic interest of the Nation to see to it that no one is left out of the program as the program is inaugurated.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MORSE. I will yield in a moment. I wish to make it perfectly clear that the senior Senator from Oregon does not purport to speak for the administration. I hope I can persuade and convince the administration that they ought to support the Morse amendment. I hope that I can convince the administration that the Morse amendment should be included, and that the President will sign the bill with it included.

As a member of the Subcommittee on the Aging and as one who has attended many of its sessions dealing with this subject, I am convinced that my amendment should be adopted.

O Mr. President, do not tell me that this means in effect that we are simply going to take out of the Treasury of the United States a lump sum of money which would pay for this cost. My answer is that I know it. We should. What is so wrong? What is so wrong with that kind of action, which in my judgment, in accordance with the principles of equity and fairness, should be our course of action?

When I think of the great contributions that we make elsewhere in the world to help people who are underprivileged. I offer no apology for the Morse amendment to the King-Anderson bill. The fact is that these elderly are underprivileged. We certainly owe it to our own to be willing to do what is right and just if we are going to be so generous with our largesse in regard to the underprivileged elsewhere in the world.

Now, I am privileged to yield to the Senator from Louisiana, with whom I have stood shoulder to shoulder on many occasions in the Senate. He and I have battled for various amendments to various bills over the years seeking to do the kind of justice that I am talking about this afternoon.

Mr. LONG of Louisiana. The Senator knows that I have not voted for the King-Anderson bill. I have indicated that I did not expect to vote for it at this time. I must say that the Senator is putting his finger on one of the weaknesses of the King-Anderson bill when he proposes an amendment which would make such help as is available under the bill also available to all.

It is in my judgment completely inexcusable to pass a bill that provides services to only some of our aged and leaves out of its provisions many people who most need such service. He has certainly touched upon one of the real weaknesses of the King-Anderson bill when he seeks to correct that phase of it which would leave out the neediest and those who are unable to pay their medical bills and unable to get medical attention. It makes no sense to me to have a bill which provides medical assistance for persons who are well able to pay and decline to provide assistance for those who, through no fault of their own, are completely unable to pay the medical bills imposed upon them.

Mr. MORSE. I agree with the Senator from Louisiana. I simply am very frank to say that we must face up to our clear duty to do justice, and that we should be willing to make this direct approach in order to provide coverage for those not now covered by social security when they reach the age of 65.

I also wish to make it clear that I shall vote for the King-Anderson bill in any event, because even in the form in which it has been submitted by the administration it is far preferable to what I consider to be the unsatisfactory Kerr-Mills Act.

Mr. President, I do not want to leave the impression that I am opposed to the Kerr-Mills Act. On the contrary, I voted for this program. Nor do I believe that Social Security financing should—or could—replace private health and hospital insurance. The protection of the King-Anderson bill would not take the place of existing health insurance and medical assistance programs. But it is needed to supplement them.

Specifically, the King-Anderson approach would free aging Americans—and even those in moderately comfortable circumstances who must live with this threat—from the fear that expensive hospitalization will one day wipe out the savings of a lifetime. It is a modest and workable program. The doctor-patient relationship would not be affected one whit; indeed, doctors' bills as such are not included in the medical services to be insured.

I wish to make a comment on that matter. I am very much interested in some of the critics of the King-Anderson bill, including some of the top spokesmen for the American Medical Association, who have been going about the country charging that the King-Anderson bill does not cover doctor bills, and leaving the impression and implication that therefore it ought to be opposed because it does not cover doctor bills. Those same spokesmen for the American Medical Association are among those who have been shouting "creeping socialism" when anyone even suggests that we do take a look at doctor bills. We are talking, in the King-Anderson bill about hospital bills. It has never been represented by the administration or by any spokesman for the Forand bill that doctor bills were included. I was first to introduce a version of the Forand bill in the Senate, which I did in 1958. My bill then, as does the amendment I have talked about this afternoon, went further than the Forand bill went in regard to the coverage for hospitalization. I do not run to political cover because the spokesmen for the American Medical Association are trying to scare the American people into opposing the King-Anderson bill because it does not cover doctor bills.

I am one Senator who is willing to make it perfectly clear to my constituency that, so far as the elderly are concerned, we should, in my judgment, seek to pass legislation which will pay attention to doctor bills which the elderly must pay. I shall welcome having the doctors of my State pick up that sentence today and make it an issue against the senior Senator from Oregon in the 1962 campaign, for the senior Senator from Oregon is ready to take on the medical profession in his State, as he has in the past.

The King-Anderson bill ought to be passed because it deals with hospitalization; but I also say to the people of my State that the senior Senator from Oregon does not propose to stop with the King-Anderson bill, so far as dealing with the health costs of the elderly of the country are concerned. Such legislation as I shall support will not interfere one whit with the doctor-patient relationship; but it will seek to remove from the aged of the country the fear that their life savings will be wiped out by doctors bills and by hospital bills, as well.

To Senators who share my view concerning the need of some legislation of this type, I say: Do not be concerned, because an attack is being made on them on the ground that the King-Anderson bill does not include doctor bills. Rather forthrightly take the position that we will consider that problem in due course of time.

Mr. CARLSON. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Kansas.

Mr. CARLSON. I have appreciated the Senator's remarks concerning the program for medical care for the aged. I well know his position in the Senate. He has always been interested and active in behalf of the aged. However, I am a little surprised that he desires to pass—I assume he does—the King-Anderson bill, which in my opinion falls far short of a program needed for caring for our needy aged people. It does not provide for the payment of medical bills or bills for surgery or drugs. The people who write to me are concerned about doctor bills and bills for surgery and drugs.

It is true that the King-Anderson bill contains a provision for hospitalization, but it requires the patient to pay $10 a

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day for the first 9 days, and many persons do not have $10 with which to enter a hospital.

Second, the bill does not provide medical care for thousands of persons, particularly those who live in the middle western rural areas, who were not eligible for social security until Congress passed legislation which permitted agricultural and self-employed people to come under the act. We have thousands of them in Kansas.

The Senator from Oregon has discussed some of the shortcomings of the proposal. I do not see how he can be so enthusiastic about the King-Anderson bill.

Mr. MORSE. In this speech, I am talking about the rural families. The title of my speech is directed to their cause. I am trying to point out to the Senator from Kansas that it will help them. It will not give them the millennium; still, in my judgment, the Kerr-Mills Act does not help them at all. The record also shows what has happened to the rural families of America under the Kerr-Mills Act.

I am delighted to have the comments of the Senator from Kansas, because I know I shall have a cosponsor for my broader bill, which will deal with doctor bills. I shall be right at his desk to ask for the "John Henry" of the Senator from Kansas. I shall be glad to have the bill known as the Morse-Carlson bill, to follow the King-Anderson bill. Our bill will deal with the subject of doctor bills and bills for drugs and medicines. I shall be glad to work with the Senator from Kansas in the preparation of such a separate bill.

However, I am sure the Senator from Kansas is a political realist. He cannot escape the fact, in view of all the hullabaloo that the American Medical Association has already stirred up concerning the King-Anderson bill, that we must proceed a step at a time, and this is the step we are now facing.

I disagree with the Senator's remarks, if I interpret them correctly. He left the impression that the King-Anderson bill would do very little good. I say that to the extent that it covers the hospital costs, to the extent that it covers them for the elderly who are under social security, it is a remarkable bill.

Mr. CARLSON. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. CARLSON. The Senator from Kansas is ready and willing to see to it that we pass legislation which will provide medical services, including the payment of doctor bills and bills for surgery, drugs, and hospitalization, for people over 65 years of age who need it. I will be at hand to help when that time comes, but I fail to see that program in the King-Anderson bill.

Mr. MORSE. That is why I told the Senator from Kansas that I am delighted I am making my speech while he is in the Chamber. I hope every Senator on his side of the aisle, and Senators on my side of the aisle, who have been voting for medical care plans, will read the Senator's remarks, because I believe he has made an important contribution to the cause this afternoon.

Briefly stated, here is the protection envisioned in the King-Anderson bill. I list these items as the summary of my speech:

First, hospital care in semiprivate rooms for up to 90 days.

However, the patient would pay $10 a day for the first 9 days.

The physician would determine the admission and the length of the hospital stay required.

Second, skilled nursing home care up to 180 days after the patient leaves the hospital.

Third, outpatient diagnostic services, such as X-rays and blood tests. To insure that these services are used only when needed, however, the patient would pay the first $20 of the cost of each study.

Fourth, home health services, including care by visiting nurses, for up to 240 visits a year.

Mr. President, the Senator from Kansas [Mr. Carlson] has pointed out that there are limitations and restrictions to that program, and we get vigorous opposition from the American Medical Association and from many other groups in this country. This is a good indication of the problem which confronts us.

The senior Senator from Oregon desires to have the Record show clearly that he does not believe the King-Anderson bill goes far enough. However, I am satisfied that we should vote for it now. I do not wish anyone who reads my vote in support of the bill to think that that is the end of the program so far as the senior Senator from Oregon believes the need to be. I have already indicated that fact in my speech. I feel that when a doctor believes an elderly patient ought to go to the hospital, the patient ought to be sent to the hospital. The social security fund should cover the cost of the hospitalization without any requirement of a $10-a-day payment for 9 days. I do not believe that when there is a need for outpatient service, such as for X-rays or blood tests, the patient should be required to pay the first $20. But we are confronted with the political realities of this situation. When I think of the great sums of money being used to defeat this bill by the forces in this country which are opposed to any Government program in the field of health, I am not going to be a party to removing any possibility of the passage of the first step necessary to meet this great social problem, by insisting on perfection in the first bill that we pass dealing with this subject matter.

Let me make clear that this is a supplemental program. We are not seeking to do away with the programs already on the statute books or with private insurance. Instead, we seek to encourage private insurance. But we say this should be the minimum start made by the Government in carrying out what I consider to be a social and moral obligation which we owe to the elderly people of the country.

Mr. President, I hope that the House and the Senate soon will be considering the King-Anderson bill. And I hope that before the end of this session of the Congress we shall have an opportunity to vote for this needed program.

The King-Anderson bill is a national solution of a national problem. Social security retirement benefits were extended to our farmers 8 years ago. Today, rural residents are taxed to support Kerr-Mills medical assistance, but they are ill represented among its beneficiaries. Today, some 75 million Americans are contributing each year to social security. About 95 percent of the people now reaching age 65 are eligible for the benefits of this tested method of providing retirement insurance.

Passage of the King-Anderson bill would mean much to the retired city worker. To the elderly and infirm among our farmers and to residents of smaller communities, "pay as you grow" hospital insurance would mean even more.

Mr. President, I ask unanimous consent to have printed in the Record at the conclusion of my remarks a table indicating the breadth of social security coverage and also a more definitive report, prepared by the staff of our Special Committee on Aging, on the points I have made regarding the special needs of rural America for a bill on social security along the lines of the King-Anderson bill.

There being no objection, the memorandum and the table were ordered to be printed in the Record, as follows:

## THE IMPORTANCE OF SOCIAL SECURITY HOSPITAL INSURANCE TO RURAL AMERICA

### OUR RURAL POPULATION IS OLD

Of the total population in rural areas, 9.3 percent were 65 and older at the time of the 1960 census—only a slightly higher proportion than the urban percentage of 9.2. But in rural places of 1,000 to 2,500, the aged made up as much as 12.2 percent of the total population; in many of these small towns, 1 out of 5 persons is past 65.

More than 1⅓ million of the rural aged live on farms. While the farm population of all ages is rapidly declining, there has been an increase in the number of aged classified as living on farms. Estimates for April of 1960 and 1961 show a drastic decline of nearly 1 million in the farm population (from 15.7 million to 14.8 million). Over the same year, the farm population aged 65 and older rose by more than 40,000 (from 1,326,000 to 1,369,000). In a single year, the aged as a percent of the total farm population increased from 8.5 percent to 9.2 percent.

### INCOMES ARE LOWER IN RURAL AREAS

The average money income of farm families is less than half that of urban families.

Among the aged, the rural-urban difference is less great—due in part to increasing importance of social security retirement benefits. But even among those 65 and over, the median money income in 1960 for persons living in rural farm areas was only $740, more than $200 less than that for all persons 65 and over. Among income recipients, the medians were $895 for the rural farm group and $1,150 for all aged.

Senate hearings emphasized that national averages with regard to retirement income can be very misleading as far as the incomes of the rural aged are concerned.

The findings of an intensive study on the resources and income levels of farm and nonfarm households in 10 rural countries in the eastern Ozarks section of Missouri were reported to the committee. In those farm households where the principal breadwinner was 65 years or older, 45 percent had annual family incomes of less than $1,000, and 82 percent had incomes of less than $2,000. For the rural nonfarm households whose heads were 65 years of age or older, 29 percent had incomes of less than $1,800 and 93 percent had less than $2,000. In rural Florida, the situation is even more acute, the committee learned, with about 66 percent of retired families receiving less than $1,000 and 93 percent receiving less than $2,000 a year in income. These retirement income figures contrast sharply with the median income of $2,530 for all two-person families with an aged head.

Rural families can be expected to have more noncash income than urban families. Homeownership is high in rural areas and there is more opportunity to grow food for home consumption. Increasingly, however, even the farmers are producing less of their own food and depending more on purchases than they used to. And it must be remembered that in today's economy these items of nonmoney income are not acceptable in payment of hospital bills.

### ASSETS ARE LOW

Nearly half of all rural families—young and old combined—own less than $5,000 in total assets, including the value of homeownership. Agricultural workers and others living in rural areas have difficulty in accumulating assets over a lifetime characterized by low incomes. On retirement, farm families are likely to have a good part of their assets tied up in the farm and in farm operations.

### MEDICAL EXPENDITURES CLAIM MORE OF THEIR RETIREMENT DOLLARS

Farm families with an aged head spent 13 percent of net family income in 1955 for medical expenses—over and above any costs defrayed by health insurance—for physicians, dentists, surgeons, hospital care and medical insurance premiums. This level of spending makes serious inroads into the resources available for other essentials which families must buy, even when some of their food and housing is farm furnished. The average aged farm family with net cash for the year of less than $1,000 spent as much as 20 percent of its income for the medical items listed (items which on the average account for two-thirds of the total medical care dollar).

Expenditures for medical insurance averaged $76 for older farm families, in comparison to $62 (in 1955 dollars) for older urban families, reflecting the lesser availability to farm families of group or group-conversion insurance, so that they must pay the higher cost of policies issued on an individual enrollment basis.

### THEY HAVE MORE DISABILITY BUT LESS MEDICAL CARE

Nearly half (48 percent) of all aged persons residing in rural areas have chronic conditions which limit their activity. Among the urban aged the proportion is 39 percent.

Bed disability days per person per year average 17.0 for the rural farm aged in contrast to 11.8 for the urban.

Yet the rural group receives less medical attention: an average of 6.4 physicians' visits per person per year as compared to 6.9 for the urban. Use of hospitals by the rural farm group was also lower. The National Health Survey study of discharges from short-term hospitals yields an average of 192 days for every 100 aged in urban areas, some 40 percent above the average of 136 days per hundred for the rural farm aged.

### THEY HAVE LESS PROTECTION THROUGH HEALTH INSURANCE

According to the National Health Survey, only 28 percent of the aged in rural farm areas had hospital insurance in 1959, in comparison to 41 percent in rural nonfarm areas and 51 percent in urban areas.

Among the urban aged, most of the insurance was with the nonprofit Blue Cross and Blue Shield plans. But among those in rural areas, where community and group enrollment is not usually available, the bulk of the insurance was on a commercial basis, indicating that much of it was through individual policies with high costs, poor benefits, or both.

The insurance carried by the rural aged meets a smaller part of the hospital bill than in the case of the urban aged. Based on a National Health Survey study of discharges from short-stay hospitals from July 1958 to June 1960, only 33 percent of the rural farm aged, but as many as 57 percent of the urban had some part of the hospital bill paid by insurance. Of those where insurance paid part of the bill, the fraction paid was less than three-fourths in 40 percent of the urban discharges and in 47 percent of the rural farm discharges.

A recent North Carolina survey of retired farmers found that almost three-fourths of them had no health insurance coverage; of those not covered, close to half said it was because of the high cost.

### THE SIGNIFICANCE FOR YOUNGER FAMILIES AND FOR THE RURAL ECONOMY

That the aged in rural areas have much to gain from the President's proposal is obvious from these basic facts about their health and economic status.

What then would the proposal mean to younger farm families and to the rural economy in general?

The relatively low income position of families in rural areas means that they are at a serious disadvantage in helping to finance the medical costs of the older population, either as children of aged parents or, as taxpayers, for older people living in the community. Rural workers are already heavily burdened with health costs which claim a relatively large proportion of their family expenditures.

These costs, and the costs of any savings put aside for their own old age must usually be borne out of their own pockets without the help of the tax-free employer contributions which characterize industrial employment. Expenditures for the education of their children come high when assessed against the low cash incomes of rural families.

The load which rural families now carry for health costs of the aged, through their taxes and through their expenditures for older members of the family, would be lightened by the administration's proposal. At the same time, the proposal provides a means for farmers and other rural workers to participate—with all other workers in the Nation—in a group hospitalization plan that assures them protection in their own old age. Because their cash incomes are low, their contributions would be relatively small. Yet these contributions would purchase exactly the same benefits available to a worker paying the maximum contribution rate.

Rural localities—and indeed entire States—have been wrestling for many years with the problems of financing health costs for their aged and other needy persons. In some of our most rural counties, as many as 6 or 7 out of every 10 people over 65 are on old-age assistance. In these same areas, there may be virtually no provision for public assistance medical care. Despite the availability of Federal dollars, the State is unable to raise the revenue needed for its share.

Hospital beds go unused in rural areas, not because there is less need for hospitalization, but because of financial inability to pay the costs.

Many rural areas have built modern hospitals that serve as the center for a wide variety of outpatient diagnostic and other health services. An analysis of the Hill-Burton hospitals built in the last 10 years or so, indicates that two-thirds of the general hospital beds are in rural areas, towns or small cities. The President's health insurance proposal provides a means for continued financial support of these facilities.

### KERR-MILLS

The Kerr-Mills program of medical assistance for the aged, important as it is potentially in protecting those who are medically needy, cannot solve the problem of medical care for rural America's aged. About half of the 5 million people over 65 who reside in rural areas are in States which do not have programs of medical assistance for the aged. But more significantly, even where these programs are in effect in the more rural States, they are extremely limited in their benefits and most strict in their eligibility requirements. Eighty-eight percent of the funds being spent on MAA are expended in Massachusetts, New York, California, and in Michigan. But 86 percent of our Nation's rural aged population live outside these four States and gain nothing from their relatively comprehensive programs.

Even if it were not for the fiscal realities that argue against basic reliance on the Kerr-Mills approach in rural areas, the public assistance method has two drawbacks that are especially serious in relation to the rural population.

Public Assistance medical care can never meet the needs of those migratory farm workers who are unable to meet a residence requirement, even though liberally defined in terms of intent rather than duration of residency. This often throws a financial burden on the rural community hospital which must, of course, be picked up by local residents.

The fact that public assistance requires a test of need, it has the effect of excluding some persons from medical care that they need. In rural areas, this will commonly be the farmer, the "backbone" of this community, who—because of the very characteristics of pride and self-reliance implied in this term—would be completely unwilling to admit to his neighbors that he cannot pay for needed medical care. It is often said that the local community is best able to determine. This is true. But it is also true that there is real value in big-city anonymity when one is forced to drop the cloak of self-respect in order to prove indigency.

The rural population will therefore find extra meaning in the guarantees under the administration's proposal that uniform benefits would be available throughout the Nation on predetermined conditions and as a matter of right, rather than through a means test after resources have been exhausted.

### EXTENT OF SOCIAL SECURITY COVERAGE IN RURAL AREAS

It is sometimes thought that social security has not really reached into the rural areas as yet and that there are many in our more agricultural States who would not be eligible under the President's proposal. The following table shows for each State the proportion of the aged population that would be eligible. Of the six States with the highest proportion of rural aged—60 percent or more in contrast to the national average of 30 percent—only two would have significantly fewer eligibles than in the country as a whole (Alaska with 57 percent and Mississippi with 72 percent in contrast to 84 percent of all persons 65 and over in the Nation who would be eligible at the beginning of 1964). Of the aged population of the six States combined, 81 percent would be eligible.

*Estimated number of persons aged 65 and over who would be eligible for benefits under H.R. 4222 and population aged 65 and over, by State, Jan. 1, 1964*

[In thousands]

| State | Number eligible under OASDI[1] | Number eligible under RRA[1] | Total number eligible[2] | Population aged 65 and over | Number eligible per 1,000 population |
|---|---|---|---|---|---|
| Total | 14,448 | 794 | 15,009 | 17,877 | 840 |
| Alabama | 195 | 10 | 203 | 276 | 736 |
| Alaska | 4 | (3) | 4 | 7 | 571 |
| Arizona | 83 | 6 | 87 | 109 | 798 |
| Arkansas | 148 | 9 | 155 | 201 | 771 |
| California | 1,191 | 52 | 1,227 | 1,514 | 810 |
| Colorado | 122 | 10 | 129 | 169 | 763 |
| Connecticut | 233 | 5 | 237 | 262 | 905 |
| Delaware | 33 | 3 | 35 | 38 | 921 |
| District of Columbia | 47 | 2 | 49 | 72 | 681 |
| Florida | 535 | 27 | 554 | 686 | 808 |
| Georgia | 208 | 14 | 218 | 308 | 708 |
| Hawaii | 27 | (3) | 27 | 31 | 871 |
| Idaho | 53 | 3 | 55 | 62 | 887 |
| Illinois | 856 | 60 | 898 | 1,038 | 865 |
| Indiana | 410 | 27 | 429 | 464 | 925 |
| Iowa | 276 | 17 | 288 | 338 | 852 |
| Kansas | 198 | 17 | 210 | 250 | 840 |
| Kentucky | 239 | 19 | 252 | 303 | 832 |
| Louisiana | 156 | 10 | 163 | 260 | 627 |
| Maine | 96 | 5 | 99 | 108 | 917 |
| Maryland | 189 | 13 | 198 | 245 | 808 |
| Massachusetts | 505 | 13 | 514 | 594 | 865 |
| Michigan | 624 | 20 | 638 | 695 | 918 |
| Minnesota | 304 | 23 | 320 | 379 | 844 |
| Mississippi | 137 | 7 | 142 | 196 | 724 |
| Missouri | 404 | 28 | 424 | 526 | 806 |
| Montana | 57 | 6 | 61 | 69 | 884 |
| Nebraska | 137 | 10 | 144 | 171 | 842 |
| Nevada | 15 | 2 | 16 | 20 | 800 |
| New Hampshire | 63 | 2 | 65 | 69 | 942 |
| New Jersey | 541 | 22 | 557 | 613 | 909 |
| New Mexico | 39 | 4 | 42 | 57 | 737 |
| New York | 1,555 | 56 | 1,595 | 1,811 | 881 |
| North Carolina | 271 | 10 | 278 | 334 | 832 |
| North Dakota | 50 | 3 | 52 | 60 | 867 |
| Ohio | 788 | 49 | 823 | 943 | 873 |
| Oklahoma | 176 | 7 | 181 | 260 | 696 |
| Oregon | 175 | 10 | 182 | 197 | 924 |
| Pennsylvania | 1,024 | 78 | 1,079 | 1,190 | 907 |
| Puerto Rico | 83 | 0 | 83 | 135 | 615 |
| Rhode Island | 86 | 1 | 87 | 93 | 935 |
| South Carolina | 117 | 5 | 121 | 158 | 766 |
| South Dakota | 61 | 2 | 63 | 75 | 840 |
| Tennessee | 243 | 18 | 256 | 326 | 785 |
| Texas | 565 | 33 | 588 | 819 | 718 |
| Utah | 53 | 5 | 57 | 66 | 864 |
| Vermont | 38 | 2 | 39 | 44 | 886 |
| Virgin Islands | 1 | 0 | 1 | 2 | 500 |
| Virginia | 239 | 21 | 254 | 306 | 830 |
| Washington | 250 | 13 | 259 | 296 | 875 |
| West Virginia | 149 | 14 | 159 | 174 | 914 |
| Wisconsin | 377 | 16 | 388 | 429 | 904 |
| Wyoming | 22 | 3 | 24 | 29 | 828 |

[1] Numbers eligible under OASDI and under RRA exclude 98,000 persons and 6,000 persons, respectively, residing abroad. (Medical care furnished abroad not included in H.R. 4222.)

[2] Adjusted to count only once 233,000 persons who could qualify on the basis of OASDI coverage, but would also be eligible on the basis of railroad employment.

[3] Less than 500.

**Mr. MORSE.** Mr. President, I yield the floor.

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## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

**Mr. LONG** of Louisiana. Mr. President, it is now 5 minutes after 5 p.m., so I shall not now suggest the absence of a quorum, even though only a few Senators are in the Chamber. I know the futility of trying to get any considerable number of Senators to be on the floor and to hear debate at this time on a Friday afternoon.

I wish to discuss briefly the objections which some of us have to the communications satellite bill which now is before the Senate; and I shall undertake to demonstrate why, in the judgment of some of us, the bill—certainly the bill in its present form—should not be passed, and why we believe the bill should be further studied and drastically changed.

On Monday, I shall undertake to discuss this subject at much greater length, and to explain in much greater detail the various reasons why I believe the bill—certainly not the bill in its present form, at least—should not be passed.

I regret to say that at this point the great majority of the Members of the Senate have no real knowledge of the problems involved in the proposed communications satellite system. In my judgment, this bill constitutes the type of legislation which shapes the future of the country and determines whether our Nation will continue, as it has traditionally, to be one of free enterprise and competition in which every American may have an opportunity to engage in competition to the best of his ability, or whether only a few monopolistic giants will have an opportunity, fully to exercise their capabilities.

Up to now, our country has spent approximately $25 billion in reaching into outer space. If that investment is to be handled in such a way as to be for the benefit of the 180 million people in the United States and their descendants, it is important that the pending bill be drawn in such a way as to be best for the United States, both now and in the future.

With all due deference to those who support the proposed legislation, let me say that my study of it indicates that the pressure in favor of its enactment is premature, and that the bill is drawn on the basis of this premature pressure, which for the most part has emanated from the largest corporation in the world, the American Telephone & Telegraph Co., which owns approximately 90 percent of all the telephone service in the United States, and which is seeking to make this $25 billion investment in space a part of its existing system.

In my judgment, the whole thing started on the wrong basis, because it began with a request from the Federal Communications Commission—which theoretically would have the power to regulate this use of a space satellite system—to only a few American corporations, which were described as international common carriers, to devise a program for the operation of a space communications system.

What was wrong with limiting this matter to only a few so-called international communications carriers which represent more than 90 percent of that economic power? The proposed communications satellite system could very well be a more efficient system than the present communications system, and could be a competing system, so that competition between the existing system and the proposed new system might be tremendously advantageous to the American people.

This point can be illustrated in a number of ways. For instance, when Congress passed legislation regulating the railroads, it provided that no railroad could own a water carrier. As another illustration, I point out that the policy adopted by the Civil Aeronautics Board has been to see it that no railroad or water carrier should own an airline. Likewise, it has been the policy that neither a railroad, a water carrier, nor an airline shall own a busline. That policy was developed in order to provide, in connection with surface transportation, competitive service in the best interests of the public. Therefore, it was provided that a carrier of one type would not be allowed to own a carrier of another type. That policy was followed because in prior years, giants in the Congress had the foresight to recognize that public regulation of transportation would be in the public interest. Therefore, today we have four competing transportation systems, each with its own peculiar advantages; and the public has the benefit of the competition which has been developed between them.

Mr. President, all of us realize that if railroad companies owned the water carriers, the public would never have had the benefit of the definitely lower rates which can be charged for bulk cargo shipments by water. For instance, if a railroad owned a water carrier, or vice versa, the tendency would be for the public to be charged the same rate, regardless of which form of transportation was used. The result would be that the public would be charged the highest rate that the carrier could possibly achieve; and, as a result, the rate for transportation by water would be approximately as high as the rate for transportation by rail.

Of course, there would have been regulatory commissions that would have required that the most efficient means be used, but that corporation could not have been denied the right of a fair return on its overall investment.

If that result had occurred, we would not see the railroads today trying to rid themselves of uneconomical passenger travel, because they would have been able to get back what they were losing on passenger rail service from the high profits they would have been making by hauling cargo by water.

In the law of public utilities, as the distinguished Presiding Officer so well knows, there are many cases in which a utility is able to make as much profit as it cares to make, or as much profit as a regulating commission will permit it to make, on a monopoly service. It is somewhat traditional that private utilities try to maintain on their books as much equipment and investment as they possibly can keep in their rate base.

In some cases they try to continue services that are obsolete or that are losing money, because they are entitled to make a fair return on the rate structure that they can maintain on their books for whatever service they are able to provide.

If a carrier is losing money—as many railroads are doing now—they will want to dispose of as many of these loss operations as they can. That would not be the case if they had sufficient profit operations which could create profits to offset any losses they incurred. We must keep these factors in mind when we seek to assure the public of the best return for its investment in outer space.

It would be well for us to have some understanding of what a communication satellite system would be. There are two proposed systems. I believe one is a workable system. The testimony and debate will establish that only one of these two systems is worth putting into operation. The other would be a waste of time. The good one to which I refer is the so-called synchronous orbit communications satellite system—a mouth-filling phrase, to be sure.

What does it refer to? If we were able to launch a satellite, which I could compare in size to the tiny ball on the end of this structure that looks like a dunce cap, at a distance above the earth of 22,300 miles, and place it in orbit, it would go around the earth at a rate which matches the rate at which the earth turns.

We are told that the ideal place to put that satellite into orbit would be exactly overhead, at 25° west longitude, over the Equator. It would be exactly overhead of a point about midway between South America and Africa, on the Equator.

If a satellite were placed in orbit at that speed and height, it would appear to stand still in the heavens to anyone who saw it. Of course, it would be too small to be seen with the naked eye, but if it could be seen, it would appear to stand still in the heavens. All the stars would appear to move, but the satellite would appear to stand still.

If one were standing at 25° west longitude, on the Equator, it would seem to be exactly overhead 24 hours a day, because the rate at which it would travel around the earth would match the rate at which the earth would turn.

Such a satellite at that distance could receive a signal sent anywhere from almost one-half of the earth's surface and could relay the signal back. The microwave signals must travel in a straight line of sight. We are told that with a strong transmitting signal on earth to a weak transmitter and receiver in outer space, and with a strong receiver on earth, the signal could be relayed in one-half a second from any point on one-half of the earth to any point on that hemisphere.

If the satellite were placed at the point I have described, such a signal could be used for a direct telephone call between any two telephones insofar as 92 percent of all the telephone users on earth are concerned. In other words, at that point the satellite would be in such a position that it would serve 92 percent of all telephone users.

We are told that it would be practical to put such a satellite in orbit in a couple of years. In that position it would have at least 1,200 circuits.

Think what a fantastic thing this would be. A satellite in orbit at 22,300 miles could serve as the relay station to return to earth signals sent from earth, and a single satellite could handle simultaneously 1,200 telephone calls. Compare this to the present capacity, which, I am told, is only 65 voice channels, by cable under the ocean between the United States and Europe. With an orbital satellite 1,200 calls would be available.

I am told by those who have given some study to this subject and those who have contracted to place such a satellite in orbit that the best estimate on cost is that when they are in a position to make full use of 40 of those 1,200 channels of the satellite communications system, the satellite will be making money. That estimate is based on the assumption that such telephone calls will be handled at one-half the present charge between the United States and Europe.

By using only 3 percent of the capacity, use of the communication satellite in outer space would result in a profit.

Engineers tell me there is no doubt the satellite can be placed in orbit. They have made optimistic estimates. They estimate that such a satellite could be placed in orbit within 2 years. They believe it would not require more than two shots to do it. It is felt that it might be done the first time, but the chances are pretty good that with two tries the satellite should be in the position I have described. It is fantastic to believe, but that is what good engineers and good scientists tell me.

Therefore, with a single satellite, it would be possible to communicate with half the world, at a great reduction in cost, with telephone communication charges far below the present rate structure, and profits occurring when only 3 percent of capacity was used. Such a system would be more efficient and superior to that of the undersea cable; it poses a tremendous threat of competition to the present systems provided by the American Telephone & Telegraph Co., and other telephone companies, even domestically.

Furthermore, if a second satellite were placed in orbit, about one-third of the way around the world from the one I first described, and another one were placed in orbit one-third around the world from that point, by use of all three satellites, one could communicate with any place in the entire world. It would be necessary only to send the signal from one point to the satellite, the satellite would send it back, the signal would then be sent to and from the second satellite, and the signal would be received on the far side of the world.

That is the next accomplishment that will be undertaken once we have the first satellite in orbit.

These satellites could do more than merely handle telephone calls. It would be possible to have radio or television signals relayed around the world. The system could make available to the entire world the showing of debates in the United Nations, or a speech of the President of the United States, or a coronation of a King of England. Almost anything that occurred could be communicated to the world by voice, radio, teletype, or television signals.

Almost fantastic possibilities exist with regard to the use of the three satellites which could be placed in orbit.

Mr. President, I have described what is known as a synchronous orbit communications satellite system. That is the system which I am sure the Russians will undertake to place in orbit. That is the system which I am sure the United States will undertake to place in orbit. In my judgment, that is the only system which would be practical.

There are fantastic possibilities for improving communications for all the people of the world. That is what we are talking about with respect to the communications satellite legislation. The important thing is that this program should be used for the benefit of all the people on earth.

The reason why some of us object to the bill which is now before the Senate is that we see in the proposed legislation an effort to turn over control of this great system to the existing communications monopoly, and we feel very strongly that by so doing we shall be mortgaging the future of this Nation, and perhaps the future of the world, with respect to the use of the $25 billion investment in outer space which will soon total $50 billion, and which should be used for the benefit of all 180 million people of this country.

This boils down to a question of deciding whether we shall attempt to speak for the general interests of 180 million people or for the narrow interests of the greatest corporation on earth.

There has been some talk about the need for putting this program in effect immediately. There is no record, no evidence whatsoever, to show that it is necessary to give away this satellite system before we ever have it. All the evidence and all the information we can get indicates that what we should do is to proceed to develop our capacity to place this satellite system in orbit, to operate this satellite system, and to see what we have before we give it away. We can always give it away. We have learned that anything of value can always be given away any time one can get a majority of the Congress to do so.

Some of us feel that the proposed legislation has been pressed and supported by those who are fearful for the future—fearful that this magnificent possibility for better communications among all the peoples of earth might not be controlled by the existing communications monopoly. It seems to some of us very much as though the effort to pass the proposed legislation is prompted by those who wish to secure this facility to their bosoms, and to exclude it from others before the world ever knows what it is. We know very little about this subject at the present time. We know little of the fantastic possibilities involved. Some of us have studied the subject for months on end, yet the possibilities of this new communications system exceed the imagination of any of us now present in the Chamber. The question is how long it will take to do all these things, and how the technical problems are to be solved.

I have described what the system will be in the future.

I have referred to the so-called synchronous satellite communications system. Before that system goes into orbit, there will be an effort to establish what is known as a low-altitude system which, in my judgment, would be an impractical and inefficient system. So far as commercial usage is concerned, I predict that the low altitude system on which this Nation is presently embarked will prove to be a great waste of the taxpayers' money and a great waste of the money of telephone users, because those users will be charged telephone rates by A.T. & T., with respect to participation by A.T. & T. in the low-altitude system, on the basis of expenditures or investments in that system. The taxpayers will pay both as taxpayers and as telephone users for this effort to develop the so-called low-altitude system.

That system should be described briefly, because it has much to do with the proposed legislation. I shall state briefly how that system would work.

A satellite would be placed in orbit between 3,000 and 6,000 miles above the earth. At that distance a satellite would continue to travel around the earth. It would not appear to stand still in the heavens. It could be used between two points, provided that an elaborate and expensive aiming mechanism were devised to track the satellite and follow it around. It would require radar equipment to find it. It could not be seen. It would have to be detected by radar, and it would have to be followed very accurately in order to train the receiving equipment on it as the satellite went by.

Let us assume that a satellite passed between Maine, where the A.T. & T. established a large tracking installation, and West Europe. A satellite would be useful between the two points for only about 10 minutes, before it passed the two points in orbit and no longer was useful. In order to use it at all, it would be necessary to construct an enormous Rube Goldberg type of machine to track it, to train an antenna upon it, and to stay with it as it went between the two points. There would have to be a corresponding machine on the other end.

There is in the rear of the Chamber a diagram I have had prepared of the ground antenna. For the low-altitude system, the system of spheres shown on the chart is the kind of thing which would be necessary. My understanding is that the one constructed in Maine already weighs about 300 tons. The equipment must be mounted on rails, precisioned within one-thousandth of an inch, so that it can turn as necessary to change direction. In order to elevate and depress it, it must be mounted on a structure somewhat similar to the knife edge construction on which a gun is mounted for training up and down, for naval gun firing. It is like mounting a ship on top of a knife edge. This 300-ton structure must be constructed in such a fashion that it can be trained precisely at the point where the satellite would be in the heavens and continue to change position at all times.

On the chart to the left is shown about what we would have if we had the synchronous system. A disk approximately 80 feet wide would be placed in a fixed position, and would be trained on the point where the satellite would be in the heavens. Rather than moving the disk one would simply move the satellite, if the satellite got out of the beam of that disk, so that it could send to and receive from the satellite.

The cost of such an installation would be about **$150,000** for the sphere and perhaps **$600,000** for the whole station, compared to a cost of $15 million for the type of thing shown for the low-altitude tracking antenna.

The low-altitude system could make very little use of one satellite. To make the system effective it would be necessary to have some 40 or 50 satellites orbiting the earth, so that when one satellite went out of vision of the tracking antenna another satellite could be picked up. There would have to be a spare tracking antenna in addition, searching for some new satellite while the other of the two antennas was trained on a satellite. So, to make the system work, it would be necessary to have more than 40 satellites orbiting the earth at approximately the same distance.

This is called the random orbit satellite system. There is doubt that this system could be placed in orbit in less than 2 years, because many satellites would have to be launched. Under existing methods these satellites can be launched only so often. Even if one launched several of them at the same time with the missiles, it would still be necessary to plan on months between launchings. About half of the launchings would fail, with the result that it might be 2 years before all of the satellites could be put into orbit for the low-altitude system. By that time some of the early satellites might be out of order.

Therefore, compared to the high-orbit system this would be an enormously costly operation. It would be an impractical operation. It would be the kind of thing in which small nations would not find it desirable to invest their money, because the costs would be altogether too great. As soon as the high-orbit system were placed into operation—and there is every reason to believe it could be in full operation as soon as the low-orbit system—the low-altitude system would be obsolete and the money invested in it would be wasted. It would be a loss. Why should we undertake to establish such a system as that, knowing that it would be obsolete before it was ever in full operation, and knowing that it would result in a fantastic waste of money?

Why should we do such a thing as that, knowing that by proceeding to the high-altitude system, we would be launching the type of system which would prove to be efficient, economical, and of much greater worldwide use? There are a number of reasons why it would be to the advantage of the American Telephone & Telegraph Co. to do it that way. For one thing, the low-altitude system would be so expensive that there would be no prospect of profit at any time in the near future. Why would it be of great advantage to the American Telephone & Telegraph Co. to sponsor, promote, and push a project that would be unprofitable? The reason is that that great corporation would be able to get back its losses by charges on telephone users, because that corporation is entitled, after taking care of all its losses and paying all taxes, to a fair return on its investment.

I have been undertaking to describe why it might easily be to the advantage of the American Telephone & Telegraph Co. to place into orbit a low-altitude system which would prove to be impracticable and could become obsolete even before it went into full operation. A great corporation like this is entitled to get back its money, no matter how much it loses, at the expense of the users of its telephone service. It is entitled to make its money back plus a fair return on its rate base or on its investment. Of course this corporation has an enormous rate base. The A.T. & T. rate base is approximately $19 billion. This corporation has a book value of around $25 billion. It is larger than Standard Oil, Ford, and General Motors combined. It is an enormous corporation. It is guaranteed a profit so long as a profit can be made from telephone service to the people of this country.

This corporation could easily indulge in this kind of loss activity and get its money back at the expense of those who use the telephone service.

A corporation which is not a public utility, and therefore not in a position to get its money back or guaranteed an opportunity to get it back, could not afford to enter into this kind of operation. This low-orbit system could develop into a system that would be impractical and unprofitable at first and might never work. It is not the logical and sensible way to provide the kind of service that a communications satellite system is able to provide. No one except a regulated monopoly would feel safe in investing large amounts of money in such a thing.

Another reason why A.T. & T. might want to adopt the low-orbit system is that while it would be unprofitable for a great number of years, corporations which are not regulated utilities would find it a poor investment, and therefore A.T. & T. would find it easier to chase other companies out of competition in this field, because such companies would not be able to make the money back at the expense of the public. However, A.T. & T. would. Furthermore, the low-orbit system, involving a tremendous investment in dozens of satellites and complicated tracking antenna, and involving enormous operational costs would be one in which most corporations could not actively participate.

Furthermore, the low-orbit system uses what might be regarded as the gateway concept, which in its use must avoid all disturbances that might exist in the atmosphere anywhere near it. In other words, the antenna could not be located where it would be in conflict with a television tower or a radio sending station or other communications systems nearby. In order to find an appropriate place for the location of such an antenna I understand that the American Telephone Company has purchased practically an entire valley in the State of Maine in order to build such an installation at a place where it might be able to track very nearly from horizon to horizon without running into conflict with the sending set of the local sheriff or various other sending sets that exist today for microwave and other transmissions.

That problem does not exist with regard to the high orbit system. With that system the disk-type antenna could be placed in a fixed position, and with the satellite at a fixed position in the sky, the antenna would at all times be aimed at the satellite. If the satellite should in any respect get away from being directly in front of the antenna, the satellite, with the equipment on it, could be moved so that it would again be immediately in front of the antenna. The antennas around the world could be aimed at the satellite.

By using such a system the cost would be greatly reduced and the interference would be reduced. It would be possible for all sorts of microwave transmissions to be going on in the same general area so long as they were not being directed into the fixed disk, which would be used for sending or receiving, as the case might be. Therefore, it could be used without interference. The possibility of desirable locations would be multiplied a hundredfold in places where the single fixed antenna could be placed. That antenna would cost about 10 percent as much as the multiple tracking antennas would cost. The same would be true of operational costs.

With the latter type of system it is entirely possible to make a profit even in the first year of operation because of the fantastic savings in cost that would be possible.

Furthermore, the single fixed antenna which would be a part of the synchronous orbit satellite system could be tailored to fit the needs of a particular area. It might be that in the United States we would need the benefit of the whole 1,200 channels. A smaller country like Nigeria or Ghana or Panama might need only 15 or 20 channels. At a much smaller investment they would be able to tie into a worldwide communications satellite system.

Once again, if the corporation were operated minus control by A.T. & T. or any other communications common carrier, no one would undertake to become involved in a low-altitude system. It would be recognized that such a system would be extremely costly. It would offer little that existing communications systems on earth do not offer. Such a corporation would go directly to a high-altitude system, which could provide worldwide service at a relatively low cost, a cost that might be less than 10 percent of the existing cost for oversea service, if not much less than the present service from coast to coast within the United States. This service could be potentially competitive even with the domestic service we have at present.

The system should be exploited fully in the public interest. It should be used to lower rates at the earliest possible moment.

How shall we most likely get the benefit of low long-distance rates? Is it more likely to occur if the system is operated in such a way as to guarantee competition between the new satellite system and the existing long-distance lines, or is it likely to result in great reductions more quickly if the system is made a part of the Bell Telephone System?

The history of telephone companies has always been that rate reductions occur because some regulatory body forces rates to be reduced. Either the Federal Communications Commission or local or State commissions file lawsuits or issue orders after hearings to make the telephone companies reduce rates.

The American Telephone & Telegraph Co. is entitled to make a profit of 6½ percent on its rate base, which is about $19 billion. It is entitled to make a profit of 6½ percent multiplied by the $19 billion. I am told that year after year A.T. & T. has succeeded, either by reason of failure of close regulation by the Federal Communications Commission, or, perhaps, even by reason of the deliberate acquiescence of the Federal Communications Commission, in making a profit which exceeds 8 percent on investment. In any event this is a profit that the company is entitled to make after it has paid its taxes. That is a very large amount of money.

According to the bill, the Federal Communications Commission would be required to regulate the satellite system closely to make certain that the public would receive the benefit of the lowest possible rate. The junior Senator from Louisiana conducted hearings before the Subcommittee on Monopoly of the Committee on Small Business, which examined into the whole problem. We found that the FCC has never determined what the rate should be. The FCC maintains that it does not have the personnel to do the work; that it does not have enough experts to conduct the study. But the fact remains that the FCC has not done the work. The testimony on this subject can be found in the hearings on space satellite communications, held by the Subcommittee on Monopoly of the Select Committee on Small Business, on August 2, 3, 4, 9, 10, and 11, 1961. The testimony of the FCC can be found between pages 423 and 485, approximately 60 pages.

There we find the direct admission by the FCC itself that in 26 years it has never held a formal hearing or made a formal determination as to what the rate should be, so far as the long-distance calls of the Bell System are concerned. In other words, the Federal Communications Commission could not say then and cannot say now what the rate should be between Washington and New York, between Washington and New Orleans, between Washington and Chicago, between Washington and San Francisco, or between Washington and Los Angeles. They have not developed any of that information; in 26 years they have never undertaken to determine what the rates should be. Admittedly, that is their function; admittedly they are supposed to perform that function. It has not been done. The reason why it has not been done is subject to much speculation.

Several years ago, a few employees of the General Services Administration undertook to prove that the Government was being overcharged on long-distance rates, and were able to save the Government a fantastic sum of money—roughly $145 million. The Government alone was saved all that money merely because someone in the General Services Administration filed a lawsuit to contest the correctness of the rates which had been charged the Government for long-distance telephone calls.

Because of the great influence of the American Telephone & Telegraph Co., public utility commissioners throughout the country were asked to urge Congress to get the GSA out of that activity. An effort was made on the floor of the Senate to include an amendment in an appropriation bill to prevent the General Services Administration from contesting the correctness of the rates, even though the Government had been saved $145 million. That was an instance in which the Federal Communications Commission did not do its work. Yet the American Telephone & Telegraph Co. used its best influence, wherever it could bring presure to bear, to seek to obtain congressional determination that the Government's interest should not be protected in getting for the Government the proper telephone rates. I regret to say that the Senate voted to adopt such an amendment; I am happy to say that the House stood fast and did not agree to it. But the activities of the General Services Administration appear to have been discontinued, very likely as a result of A.T. & T. influence, so there is no one in the Government who is in a position to say what the telephone rates charged the Federal Government should be.

The admissions, throughout 50 pages of testimony, are that the work has not been done after 26 years. The best that can be said is that a few times during 26 years the Commission called upon the American Telephone & Telegraph Co. or one of its subsidiaries and undertook to negotiate rates; then, usually, the company would agree to reduce rates. No one knows what the rates ought to be. But the company would never have agreed to a rate reduction if it had not been satisfied that the rate should have been lower than it was.

Some persons have undertaken to contend that the rates must be correct because long-distance telephone rates for calls across State boundaries are lower, on the average, than long-distance telephone rates within a State itself. To say for that reason that the long-distance rates across State boundaries are correct is to suppose that the long-distance rates are based on actual cost within a State itself. That is a contention which is difficult to prove. Subsidiaries of A.T. & T. use their best efforts to influence State commissions in every State of the Union. Very few State commissions are in a position to say that they have thoroughly examined into and formally determined the value of the equipment and have fixed interstate rates at the point where they should be fixed.

I recall an instance in my State of Louisiana, in which a commissioner who had twice voted to increase long-distance rates made the rates between two points in Louisiana much higher than the rates across the State boundary for similar distances. He defended himself when he was up for reelection. He contended that he had deliberately made the intrastate rate higher than the interstate rate because by doing so he was able to give the housewife a lower rate for the use of the telephone that was in her home which was not generally used for long-distance calls. In other words, he contended he had made the intrastate long-distance rates very high in order to make the local service charge lower.

There we see the same facts used to support the opposite conclusion. Where one contends, "Yes, I made the rate extremely high for long-distance calls within a State, because by doing that I was able to make the rate lower for the monthly bill the housewife would have to pay for service which did not include long-distance calls."

So if we consider the overall picture, we see that the telephone companies will tell us that within a State the rate for long-distance calls should be much higher, because in that way they can make the rate for local telephone service cheaper. Then when the Federal Communications Commission attempts to excuse itself for not conducting a formal rate determination in 26 years by saying that the interstate rate is lower than the intrastate rate, it overlooks the fact that the telephone companies have made the rates for service within the States unreasonably high, in order to make the local service rates lower than they otherwise would have been.

Therefore, Mr. President, the explanation given by the Federal Communications Commission as to why there have been no formal determinations of the rate structure or of what the rate on interstate calls should be is completely unconvincing.

As chairman of the Subcommittee on Monopoly, I asked for an opportunity to appear before the legislative committee which was holding hearings on this bill, and I did appear there. At that time I pointed out 10 facts of record, which the Federal Communications Commission has conceded to be true, insofar as any effective rate regulation by the Federal Communications Commission is concerned. I have listed those, as follows:

First. The Federal Communications Commission, in its entire history, has never made a formal determination of what is a fair rate of return for interstate or international telephone service.

Second. The Federal Communications Commission has never even determined the basis upon which such return should be computed.

Third. The FCC has never had a formal rate case on interstate or international telephone rates.

Fourth. The FCC has never been able to secure information necessary to set rates.

Fifth. The FCC has never known the costs to A.T. & T. of equipment sold to it by its subsidiary, the Western Electric Co., which produces almost all equipment used by A.T. & T.

Sixth. The FCC has never determined the reasonableness of the service rates charged by A.T. & T. for carrying television programs both black and white, and color.

Seventh. The FCC has never determined the reasonableness of the entire telephone rate structure; that is, the internal relationship of rates.

Eighth. The FCC, even though its staff made definitive recommendations that action be taken toward a possible rate reduction, has not been willing to institute a formal rate investigation to determine whether the system's rates are unreasonably high.

Ninth. The FCC, for over 25 years, was not willing even to authorize the staff to negotiate on an informal basis with the Bell System in order to obtain a voluntary rate reduction.

Tenth. The FCC has never required A.T. & T. and its operating subsidiaries to buy telephone equipment or any equipment under competitive bidding; 85 percent of the market has thus been closed to competition.

Mr President, I made that statement before the subcommittee which conducted the hearings on this bill, and that statement has not been challenged.

Furthermore, each of those 10 points was verified by the Celler committee, which investigated this matter for the House Judiciary Committee; and each of those 10 points was admitted by the Federal Communications Commission, in the hearings held before my subcommittee.

There is no doubt that in these 10 different ways the Federal Communications Commission has failed for 26 long years to do a proper job—and has failed to do it throughout the country, both North, South, East, West, from one side to the other, from the Great Lakes to the gulf, crosswise, and 50 ways from Sunday. The Federal Communications Commission has failed for 26 years to do this job; yet we are now told we should place our reliance upon it, in the interest of protecting the country from abuse in connection with the development of this communications satellite system.

Furthermore, Mr. President, even as between the regulated utilities, the public has certainly benefited from the competition which has been provided. For instance, as between bus service and railroad service, the public has benefited by the competition, and that benefit has been in terms of better service and lower rates. When by law we have required competition between the railroads and the waterway carriers, the result likewise has been lower rates for the public and the provision of better service. That has frequently been done by the carriers themselves, in their attempts to get the public's business, and, therefore, our agencies have frequently not had to make the companies reduce their rates. Instead, the carriers themselves have requested permission to reduce their rates. Wherever there has been competition between the airlines and the railroads, there, too, each system of transportation has worked very hard in its attempts to provide better service to the public.

But when an existing monopoly has been allowed to take to its bosom a new service, the rates have very rarely been reduced voluntarily, if at all; and any reduction has come generally because someone has put pressure upon the monopoly to reduce its rates; and if a reduction finally is made, it is usually made despite the exertion of all the influence which such a great corporation is able to place upon the Government, in the corporation's attempt to prevent reductions in its rates.

Mr. President, the terrific power of the great American Telephone & Telegraph Co. can be demonstrated in a number of ways. For instance, it has more income than the total income of 30 of the States of the United States of America, and its income amounts to half of the income of the entire United Kingdom. The American Telephone & Telegraph Co. has tremendous power and representation in every chamber of commerce in the entire United States and in every organization of businessmen; and it knows how to use all that power and leverage to obtain what it wants. The enormous power—economic and political—of the American Telephone & Telegraph Co. is the sort of power that can be used, and has been used repeatedly throughout history, to retard or prevent reductions of rates demanded in the public interest.

Mr. President, now that this great company is faced with the prospect of effective competition, we now have before us this bill, which would make it possible to vest control of the new communications satellite system—even before many of us know just what it is—in such a way that this great company would be able to gain control of it. It was stated by the sponsor of the bill that that would not be the case and that the bill was carefully drawn to prevent that result. However, during next few days when we shall debate this matter, I believe that those of us who oppose the bill will be able to establish quite clearly that not only will the bill fail to prevent control of this system by the American Telephone & Telegraph Co., but that the American Telephone & Telegraph Co. is pressing for enactment of the bill because it is convinced that the bill will permit exactly that result to come about.

In fact, in the judgment of many of us that is what the bill is all about; and it is because such a result must be prevented, that many of us are determined to prevent the enactment of such legislation.

As I have said, no case whatever has been made to show any urgency about this bill.

Mr. President, at this time let me quote briefly from the testimony of Samuel M. Barr, a vice president of the Western Union Telegraph Co.:

> Senator KEFAUVER. Suppose you had a corporation of $200 million right now. What would it do with the money?

He was speaking of a so-called communications satellite corporation.

Mr. Barr replied:

> Well, for an appreciable period of time it would sit on its hands. Deferral of this legislation until next year will not delay the development of a space satellite communications system in any degree.

About the only thing that can be done by pressing legislation to establish a satellite system immediately would be to try to put the new corporation into a low-altitude communication system which should never be attempted on a commercial basis in the first place, because it would be obsolete, it would render a poor service, it would be extremely costly, and would be replaced in short order, even before it was in worldwide use, by the synchronous satellite system. The synchronous system would be a good business investment for any corporation, whether it was a common carrier in a position to charge its losses off to the public, under conditions where a profit was guaranteed, or whether it was a private corporation that competed with others and took its own losses, as most private corporations do.

I am not opposed to private ownership of a communications satellite. I believe in free enterprise. My definition of free enterprise includes the word "competition." In my judgment, there should be competition, wherever possible, and the law should be such as to guarantee maximum competition in all situations.

Where it is possible to have competition between various services, in my judgment competition should be provided. It should not be snuffed out in its incipiency, before the competition can be created.

As I have said before, we can always give this system away. We can always give to a single big corporation the right to control the future of America in outer space or anything else. The question is, Should we do it?

I shall address myself at much greater length to this question on Monday.

I ask unanimous consent at this time that I may be permitted to continue my speech on this subject on Monday next without its counting as a second speech, but as a continuation of the one I am now making.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

During the delivery of the speech of Mr. LONG of Louisiana,

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. Mr. President, I am happy to yield to the distinguished Senator from Texas with the understanding that I will not lose my right to the floor.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, in connection with the remarks of the distinguished Senator from Louisiana, I desire to call attention to the minority views printed in Report No. 1584, which accompanies the bill (H.R. 11040). The measure was not reported unanimously from the committee. I do not know that all Senators who failed to join in the minority views approve everything contained in the views of the majority. They merely did not join in the minority views that were written by the distinguished Senator from Alaska [Mr. BARTLETT] and myself.

The minority views state:

> As President Kennedy has pointed out, science and technology have progressed to such a degree that communication through the use of space satellites has become possible.

In that connection, the failure to pass a bill at this session of Congress would not delay the development of a space communication satellite system by a single day. The testimony given in the different hearings before the different committees on the subject demonstrates that NASA is proceeding with the exploration and development of the equipment as fast as possible.

Mr. Webb, the Administrator of the National Space Administration, has said that the passage of the proposed legislation would not in any degree lessen the effort that NASA is now making, and that they will not ask for $1 less in their appropriations.

In other words, the giving away of this great boon to humanity by our Government to one private corporation would not cut down on the expenditure of taxpayers' money for the explorations and the research that is going on.

NASA has made great strides in the past year or two. They intend to make more. They have made clear in their testimony that they will be back here asking for as much money from the Congress for the proposed legislation if it passes as they would if it did not pass. They are not going to stop their effort one whit.

There is no reason for the great rush to try to ram the proposed legislation through the Congress at this time. As the distinguished Senator from Louisiana has said, it is easy to give something away quickly. Once given away, we could never get it back. The proposed legislation should not pass at the present session of the Congress. The American people should have time to find out what this great boon of outer space is, and not give it away.

In my opinion, the only opportunity that a great corporation has to obtain the boon given to them by the American people is to ram it through the present session of Congress in its few remaining months. If the American people had time to learn of the greatest proposed giveaway in the history of the American people, the wave of indignation over our country would be such that the bill would not pass.

So we have a great rush, great speed, and a great urge to give the system away before the people find out what stake they have in the project.

The distinguished Senator from Louisiana has pointed out that approximately $25 billion of the taxpayers' money has been spent in the development of launching sites, and in the development of missilery and rocketry, to the extent that it is possible to put space vehicles up. There are many related sciences in which money for research has been spent almost wholly from Government funds. Experimentation in the kind of metals and materials which will continue to function and serve in outer space and all the related sciences of outer space has gone forward, in addition to the science of developing and launching a rocket that will go up the necessary distance and put a space vehicle in orbit at a certain point over the earth, at a certain angle, and at a certain speed so that it will remain relatively stationary over one point of the earth, as has been explained by the distinguished Senator from Louisiana.

As shown on the chart by the distinguished Senator from Louisiana, three of the synchronous orbit communication satellites would cover the entire globe. They would remain at a distance of 22,200 miles above the earth. Over the equator they would remain at relatively the same spot as they orbited around the earth, and as the earth turned on its axis. That would be the most efficient of all systems.

Mr. President, continuing with the minority views, we point out:

> A global satellite communications system is an exciting thing to think about. It truly represents one of the most revolutionary and dramatic developments of this century.

In any century during the existence of the human race—

> Man's ability to utilize space has created a new international resource that can further the cause of world peace and understanding and bring all the people of the

**world a better life. The benefits which mankind will derive from the conquest of space are as vast as this new frontier itself.**

It is rather depressing that on the threshold of the greatest scientific discoveries in the history of the human race we have a little greedy band that reaches out to the Congress and says, "Give it all to us. Let us have it. Let us take this boon given to humanity. Let us take this thing developed by the scientific brains of man, paid for by the taxpayers of America, too big and vast to be developed by any one private individual or company. Now that the American people have taxed themselves to the limit, and have bled themselves white to develop this instrument, give us all the vast increment of it, give us the prospects for the future. Give us the profits for the future in outer space."

Mr. President, so vast a thing has never been sought before in the history of the world from any government by any one group of men as those who in effect have said, "Give us outer space."

In the present generation man has become a space man. For the first time in all the eons of history man has broken the bounds of his environment. He has hurtled himself out beyond the bounds of the atmosphere in which he developed on the earth. He has gone out into a new world. For the first time this generation alone of the human race is out in space.

Now we observe a little group of men sitting safely on earth and declaring, "Give us outer space. Let us make what we can out of it." The attitude is assumed despite the sacrifices of the American people in putting men in orbit, providing a tracking system and the capacity to evolve a communication system. For what? For private telephone communications alone? No. The work was undertaken to advance telephone, telegraph, television, the reporting of weather, to provide reports for navigation of ships at sea and planes in the air, and to control navigation a part of the way of space vehicles into space. All of those vast things are encompassed in the communications satellite system.

The greatest use of a communications satellite in outer space would be by the Government itself, with its farflung military operations around the globe, with its weather reporting system, and with its navigational controls around the globe. The greatest users would be the people, in other words. Why give it away to a private corporation, when the smaller part of the usage of a satellite communications system would be by the private users, for private telephone messages and private telegraph messages?

Man has been on this earth for some time. Some scientists say for a billion years; other says for a million and a half years, while still others maintain he has been on earth 700,000 years. Regardless of how long he has been here, for most of the time that he has spent on earth he has been a hunter. Then, some 10,000 years ago, he became a herdsman, and now an agrarian, or farmer within the last 10,000 or 20,000 years.

Just 200 years ago the industrial revolution came to Europe and from Europe spread out over the world. The scientific age has just come into being. We have not lived so much as one generation in the scientific age. We have not educated a generation of youth in the scientific age or been able to fully orient them in the scientific age.

There is one group of people who say, "Give us the fruits of every human discovery out beyond earth itself. Give us outer space, with its vast potential."

Scientists who have testified have said that they cannot foresee what the usage will be or how vast or great the space communications satellite system will be. Yet these people come and say to us in the Senate, "Give us outer space."

Mr. President, is this the council hall of the States, or has the Senate become the council hall of the corporations? Is this the hall of the American States? If we give away this greatest of all boons that the American people have ever developed, how seriously can we say that this has remained the council hall of the States?

I see that the distinguished Senator from Louisiana, who is so knowledgeable in this subject, has returned to the chamber. I wish to ask him a question. It has been said by some who testified before our committee in favor of the proposed legislation that if we gave away this treasure it would be like cables in space. I ask the Senator if he would not agree with me that it would be better to say that if we gave it away it would be like pie in the sky, rather than cables in space?

Mr. LONG of Louisiana. I feel it might be exactly that.

Mr. YARBOROUGH. I thank the distinguished Senator from Louisiana for yielding to me.

## TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

## REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. BARTLETT, from the Committee on Commerce, with an amendment:

S. 2314. A bill to limit the liability of shipowners, and for other purposes (Rept. No. 1602).

By Mr. BARTLETT, from the Committee on Commerce, with amendments:

S. 2313. A bill to unify apportionment of liability in cases of collision between vessels, and related casualties (Rept. No. 1603).

## ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BIBLE (by request):

S. 3424. A bill to amend the act entitled "An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes";

S. 3425. A bill to promote safe driving, to eliminate the reckless and financially irresponsible driver from the highways, to provide for the indemnification of certain persons suffering injury or loss as a result of the operation of motor vehicles by uninsured motorists, and for other purposes;

S. 3426. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for other purposes; and

S. 3427. A bill to provide for the formation of partnerships in the District of Columbia and to make uniform the law with respect thereto; to the Committee on the District of Columbia.

By Mr. BIBLE (for himself, Mr. Morse, Mr. Hartke, Mr. Smith of Massachusetts, Mr. Beall, Mr. Prouty, and Mr. Miller):

S. 3428. A bill relating to the appointment of judges to the Municipal Court for the District of Columbia, the Municipal Court of Appeals for the District of Columbia, and the Juvenile Court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGNUSON (by request):

S. 3429. A bill to amend section 6(2) of the Interstate Commerce Act to authorize the Interstate Commerce Commission to require the cancellation of any international through route or joint rate under certain circumstances, and for other purposes; to the Committee on Commerce.

By Mr. ELLENDER (by request):

S. 3430. A bill to amend various Agricultural Acts; including section 602 of the Agricultural Act of 1954, relative to agricultural attachés, section 4 of the act of 1956, effecting the exchange of its employees with employees of State political subdivisions or educational institutions, and section 11(a) of the act of August 3, 1956, on the acquisition of land by the Department of Agriculture; to the Committee on Agriculture and Forestry.

## EXTENSION OF EXPORT CONTROL ACT—AMENDMENTS

Mr. KEATING. Mr. President, I submit three amendments I intend to offer to the bill (S. 3161) to extend indefinitely the Export Control Act of 1949. I ask that the amendments be printed and be ordered to lie on the table.

I consider these amendments essential to clarify our policy on exports to the Communist bloc and to cope with the economic aspects of the protracted conflict with international communism.

The first amendment would recognize that national security can be undermined by Communist economic tactics as well as Communist military force. The Soviets use trade as a ruthless weapon, but we have hesitated to go all out in the economic war. For example, Canadian wheat is being diverted from Red China to Albania. Oil pipeline and drilling equipment are purchased from Western nations by the Soviets, then used as an economic club to establish communism in underdeveloped nations of the Far East. Communist East Germans buy machinery, iron, steel, chemicals, and transport equipment from West Germany but sell relatively unimportant food, beverage, and tobacco products on the return trip. The amendment is designed to remove any doubt as to the determination of the United States to use its vast economic power as a positive weapon in the struggle with our Communist adversaries.

We must recognize that economics is one of the vital battlegrounds of the conflict with the Sino-Soviet bloc and be willing to use our economic strength just as we would our military strength to protect and enhance our freedom and security.

The second amendment I am submitting is concerned with the withholding of information on export controls. I propose to substitute for the present subsection (c) of section 6 of the Export Control Act the following language:

> (c) No department, agency, or official exercising any functions under this act shall withhold or refuse to disclose information obtained hereunder, except trade secrets submitted on a confidential basis, unless the head of such department or agency determines that the disclosure of such information will be contrary to the national security. Nothing in this section shall be deemed to prohibit the disclosure of any information obtained in the administration of this act to either House of Congress or to any duly authorized committee thereof, if a request is made for such information by either House of Congress or by a duly authorized committee thereof.

This amendment would reverse the presumption in the present law against disclosure of information relating to trade with the Communists. The act now requires the withholding of all information unless the withholding is considered contrary to the national interest. As a result, many vital facts about export policies have been withheld from the public. No one questions the need to withhold information that may endanger our national security and an exception is made in my amendment for such cases. It should be pointed out, however, that the Communists know what materials they are receiving and from where. In the ordinary case, therefore, the release of such information could not possibly endanger our national security.

The presumption in any area of governmental activity should be in favor of disclosure. I cannot recall any act, except those dealing with the sensitive areas of our military defense, making a presumption against public information, as does this act, and I strongly feel that this situation should be changed.

In addition, this amendment would specifically require that all information obtained under this act be made available to the Houses of Congress, or to duly authorized committees thereof. There have been some disputes in recent months between investigating committees of Congress and the Departments of the Government administering export controls as to the conditions under which this information should be made available. Our committees must have access to all of these records if they are to carry out their assigned tasks. This provision will improve the situation by specifically requiring the disclosure of all such information to our congressional committees or to either House of Congress.

The final amendment I propose would strengthen the penalty provisions of the law, thereby greatly improving the effectiveness of the enforcement activities of the Department of Commerce. At present all violations of the law are misdemeanors, no matter how serious the circumstances. This may be the appropriate penalty in some cases, but it is entirely insufficient for others.

Under my amendment the penalty for serious cases or cases involving repeated violations of the law would be increased to 5 years imprisonment and a fine of up to three times the value of the shipments involved, or $20,000, whichever was greater.

This amendment would permit the Government to deal with blatant violations of the act in a much firmer manner and should serve as a strong deterrent to export violations.

Mr. President, I feel that all three of these amendments are necessary to strengthen our laws in this vital area and will call them up for consideration when S. 3161 is before the Senate.

Mr. President, I ask unanimous consent that the text of the amendments be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

> At the end of the bill insert the following new sections:
>
> "SEC. 3. Section 1 of the Export Control Act of 1949, as amended, is further amended by adding a new subsection (c) as follows:
>
> "'(c) The Communist bloc is engaged in economic warfare against the United States and the free world, and strong economic measures are necessary to preserve our freedom and security.'
>
> "SEC. 4. Section 2 of the Export Control Act of 1949, as amended, is further amended by adding at the end thereof the following new paragraph:
>
> "'The Congress further declares that it is the policy of the United States to use its economic resources and advantages in trade with Communist-dominated nations to further the national security and foreign policy objectives of the United States'."
>
> At the end of the bill insert the following new section:
>
> "SEC. — Section 6 of the Export Control Act of 1949, as amended, is further amended by striking the language of subsection (c) and in lieu thereof substituting the following:
>
> "'(c) No department, agency, or official exercising any functions under this Act shall withhold or refuse to disclose information obtained hereunder, except trade secrets submitted on a confidential basis, unless the head of such department or agency determines that the disclosure of such information will be contrary to the national security. Nothing in this section shall be deemed to prohibit the disclosure of any information obtained hereunder to either House of Congress or to any duly authorized committee thereof, if a request is made for such information by either House of Congress or by a duly authorized committee thereof.'
>
> "SEC. —. Section 5 of the Export Control Act of 1949, as amended, is further amended to read as follows:
>
> "'SEC 5. (a) Except as provided in subsection (b) of this section, in case of any violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. For a second or subsequent offense, the offender shall be punished by a fine of not more than three times the value of the exports involved or $20,000, whichever is greater, or by imprisonment for not more than five years, or both such fine and imprisonment.
>
> "'(b) Whoever willfully exports any material contrary to any provision of this Act or any regulation, order, or license issued hereunder, with knowledge that such exports will be used for the benefit of any Communist-dominated nation, shall be punished by a fine of not more than five times the value of the exports involved or $20,000, which ever is greater, or by imprisonment for not more than five years, or both such fine and imprisonment.'"

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM — AMENDMENTS

Mr. CLARK (for himself and Senators NEUBERGER, MORSE, LONG of Louisiana, YARBOROUGH, KEFAUVER, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MORSE (for himself and Senators NEUBERGER, KEFAUVER, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. KEFAUVER (for himself and Senators NEUBERGER, MORSE, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. KEFAUVER (for himself and Senators NEUBERGER, YARBOROUGH, CLARK, GRUENING, GORE, MORSE, and BURDICK) submitted an amendment in the nature of a substitute, intended to be proposed by them, jointly, to the bill H.R. 11040, supra, which was ordered to lie on the table and to be printed.

Mr. LONG of Louisiana (for himself and Senators NEUBERGER, MORSE, KEFAUVER, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. YARBOROUGH (for himself and Senators NEUBERGER, MORSE, LONG of Louisiana, KEFAUVER, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mrs. NEUBERGER (for herself, and Senator KEFAUVER, MORSE, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mrs. NEUBERGER (for herself and Senators MORSE, LONG of Louisiana, YARBOROUGH, KEFAUVER, and CLARK) submitted an amendment, intended to be proposed by them, jointly, to House bill 11040, supra, which was ordered to lie on the table and to be printed.

Mr. BURDICK (for himself and Senators NEUBERGER, MORSE, LONG of Louisiana, YARBOROUGH, CLARK, and KEFAUVER) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

## PRINTING OF REVIEW OF REPORT ON TACOMA HARBOR, PORT INDUSTRIAL, AND HYLEBOS WATERWAYS, WASH. (S. DOC. NO. 101)

Mr. HUMPHREY. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated May 4, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the report on the Tacoma Harbor, Port Industrial, and Hylebos Waterways, Wash., requested by a resolution of the Committee on Public Works, adopted May 27, 1955. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ESTABLISHMENT OF PROGRAM OF LEASE GUARANTEES FOR SMALL BUSINESS CONCERNS—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of May 24 and May 28, 1962, the names of Senators LONG of Hawaii, CLARK, MCCARTHY, YOUNG of Ohio, MCGEE, MORTON, LONG of Missouri, NEUBERGER, DOUGLAS, MUSKIE, and CANNON were added as additional cosponsors of the bill (S. 3345) to strengthen the competitive enterprise system by assisting qualified small-business concerns to obtain leases of commercial and industrial property, where stringent credit requirements tend to exclude such concerns, by authorizing the Small Business Administration to guarantee, directly or in cooperation with others, the payment of rentals under such leases, introduced by Mr. SPARKMAN (for himself and other Senators) on May 24, 1962.

## NOTICE OF RESCHEDULING OF HEARING ON NOMINATION OF LOUIS ROSENBERG, TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF PENNSYLVANIA

Mr. DIRKSEN. Mr. President, on behalf of the Senator from Mississippi [Mr. EASTLAND] and the Committee on the Judiciary, I desire to give notice that the public hearing scheduled for Wednesday, June 20, 1962, at 10:30 a.m., on the nomination of Louis Rosenberg, of Pennsylvania, to be U.S. district judge, western district of Pennsylvania, has been rescheduled for Friday, June 29, 1962, at 10:30 a.m., in room 2228 New Senate Office Building.

At the indicated time and place, persons interested in the hearing may make such representations as may be pertinent.

## NOTICE OF HEARING ON S. 3291, FEDERAL RESERVE DIRECT PURCHASES

Mr. ROBERTSON. Mr. President, as chairman of the Committee on Banking and Currency, I wish to announce that a hearing will be held on Wednesday, June 20, 1962, on the bill, S. 3291, to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury.

The hearing will begin at 10 a.m., in room 5302, New Senate Office Building.

All persons who wish to appear and testify on this bill are requested to notify Mr. Matthew Hale, chief of staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, telephone Capitol 4-3121, extension 3921, at the earliest possible date.

## ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 15, 1962, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1881. An act for the relief of Maria La Bella;

S. 2143. An act for the relief of Mrs. Eva London Ritt; and

S.J. Res. 198. Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment.

## ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, under the order previously entered, I move that the Senate stand in adjournment until Monday.

The motion was agreed to; and (at 6 o'clock and 13 minutes p.m.), under the previous order, the Senate adjourned until Monday, June 18, 1962, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate June 15, 1962.

### DEPARTMENT OF COMMERCE

Herbert W. Klotz, of Virginia, to be an Assistant Secretary of Commerce vice William Ruder, resigned.

### POSTMASTERS

The following-named persons to be postmasters:

#### ALABAMA

Rayburn Webster, Winfield, Ala., in place of A. A. Burgess, deceased.

#### ARIZONA

Helen S. Slaughter, Alpine, Ariz., in place of C. L. Fite, retired.

#### ARKANSAS

Doris H. Beasley, Cherry Valley, Ark., in place of Laura Clements, retired.

Alice V. Perdue, Louann, Ark., in place of L. D. Perdue, retired.

Genevieve E. Gillham, Royal, Ark., in place of D. F. Gillham, deceased.

Buel R. Tatom, Stamps, Ark., in place of E. E. Cook, retired.

Homer Pace, Wilmar, Ark., in place of E. B. Broyles, retired.

#### CALIFORNIA

Robert J. Hazard, Edwards, Calif., in place of J. A. Gregory, resigned.

Joe L. Roberts, Etna, Calif., in place of H. D. Ashby, retired.

James A. Cummings, La Habra, Calif., in place of M. M. Davis, resigned.

Faye P. Bertagna, Montgomery Creek, Calif., in place of Phoebe Vickroy, retired.

John W. Milam, Oakdale, Calif., in place of H. L. Appling, retired.

#### COLORADO

Thomas R. Miller, De Beque, Colo., in place of E. J. Redmon, retired.

Laurel A. Niemann, Flagler, Colo., in place of A. D. Robb, retired.

William A. Pitman, Seibert, Colo., in place of G. R. Simon, deceased.

#### CONNECTICUT

Matthew J. Monahan, Thomaston, Conn., in place of M. T. Doyle, retired.

#### FLORIDA

Robert D. Young, Avon Park, Fla., in place of D. G. Perry, retired.

Ellis Solomon, Fort Myers, Fla., in place of W. B. Walters, retired.

Hartley A. Graves, Jr., Fruitland Park, Fla., in place of M. K. Clark, retired.

Austin T. Drinkwater, Orange Park, Fla., in place of R. L. Luga, transferred.

Marjorie V. Judy, Polk City, Fla., in place of Lee Rutledge, removed.

Leonard R. Dyer, Tangerine, Fla., in place of W. S. Estey, retired.

#### GEORGIA

Oris W. Wood, Dalton, Ga., in place of J. W. Ray, retired.

Roy C. Knight, Dexter, Ga., in place of D. W. Knight, retired.

Ellis L. Stephens, Millen, Ga., in place of M. L. Burke, transferred.

William G. McRee, Watkinsville, Ga., in place of W. B. Hale, deceased.

Paul W. Vaughn, Jr., Williamson, Ga., in place of J. J. Scott, retired.

#### HAWAII

Kenneth K. Miyahira, Kapaa, Hawaii, in place of E. C. Rapozo, retired.

Chieko I. Shimabukuro, Papaaloa, Hawaii, in place of Alexander Cameron, retired.

#### IDAHO

J. D. Petty, Meridian, Idaho, in place of F. L. Jolley, retired.

#### ILLINOIS

William B. Karstetter, Glasford, Ill., in place of E. R. Lightbody, retired.

William M. Lee, Mount Vernon, Ill., in place of W. R. Grigg, deceased.

John C. Goodman, O'Fallon, Ill., in place of J. L. Anheuser, resigned.

Richard T. Cahill, Ontarioville, Ill., in place of W. G. Hess, removed.

Kenneth B. Lorenson, Sullivan, Ill., in place of G. C. Miller, retired.

#### INDIANA

Elisha H. Layman, Commiskey, Ind., in place of Fred Corbin, Jr., resigned.

Ralph J. Rochner, Ewing, Ind., in place of Harry McOsker, retired.

Samuel T. Swan, Leavenworth, Ind., in place of E. L. Sacksteder, retired.

Lola H. Van Zile, Leo, Ind. (office established April 6, 1957).

James R. Bond, Morgantown, Ind., in place of Dewayne Hamilton, transferred.

#### KANSAS

Lawrence V. Ferrell, Independence, Kans., in place of Benjamin Taylor, retired.

Harry F. Brown, Offerle, Kans., in place of W. E. Berry, deceased.

Claire B. Sparling, Oneida, Kans., in place of J. E. Sparling, retired.

Robert W. Domme, Topeka, Kans., in place of J. G. Logan, retired.

### KENTUCKY

Chester B. Owens, Brodhead, Ky., in place of M. G. Owens, retired.

Charles Cornett, Hazard, Ky., in place of A. M. Moore, retired.

### LOUISIANA

Dwight C. Spates, Sulphur, La., in place of R. W. Human, retired.

### MARYLAND

Olive S. Parsons, Garrett Park, Md., in place of L. W. Penn, retired.

### MASSACHUSETTS

William P. Dorval, Chicopee, Mass., in place of C. T. O'Neil, retired.

William H. Friedrich, Easthampton, Mass., in place of M. W. Supple, retired.

### MICHIGAN

Dorman S. Jurden, Adrian, Mich., in place of P. F. Frownfelder, retired.

J. Milton Dietrich, Conklin, Mich., in place of H. D. Harrison, retired.

John F. Alton, Houghton Lake, Mich., in place of W. K. Peters, resigned.

Lawrence W. Church, Olivet, Mich., in place of M. E. Reeder, transferred.

James A. Gonyea, Ossineke, Mich., in place of H. E. Vredenburg, retired.

Richard A. Herman, Sodus, Mich., in place of J. D. Bowers, retired.

### MINNESOTA

Donald B. Solem, Bingham Lake, Minn., in place of L. L. Matzke, transferred.

Richard H. Wojciechowski, Foley, Minn., in place of F. G. Mushel, retired.

Grace K. Pearson, Grasston, Minn., in place of J. T. Samuelson, retired.

John V. McGree, Hastings, Minn., in place of M. L. Lorentz, retired.

Harold O. Thoen, Lanesboro, Minn., in place of W. E. DeVilliers, retired.

### MISSOURI

Carl H. Bridges, Bolivar, Mo., in place of Ralph Gravely, transferred.

Harvey A. Slentz, Hayti, Mo., in place of L. R. Condit, retired.

Ernest E. Dexter, Hunnewell, Mo., in place of J. E. White, retired.

Jacqueline D. Prenger, Loose Creek, Mo., in place of C. J. Stiefermann, transferred.

Kenneth E. Mauzey, Mendon, Mo., in place of H. A. Bittiker, transferred.

Rolan Gooch, Jr., Purdin, Mo., in place of D. A. Street, retired.

Robert E. Midyett, Ravenwood, Mo., in place of N. T. Crater, transferred.

Russell L. Cunelo, Sullivan, Mo., in place of Michael Mayberry, deceased.

John Ichord, Waynesville, Mo., in place of V. V. Long, retired.

### MONTANA

Felix J. Schoonover, Fort Benton, Mont., in place of R. J. Culbertson, removed.

### NEBRASKA

Walter H. Hoelting, Lawrence, Nebr., in place of E. J. Barrett, retired.

Vincent L. Nelson, Palisade, Nebr., in place of S. A. Troutman, transferred.

### NEVADA

Robert H. Lias, Las Vegas, Nev., in place of C. K. Ryerse, resigned.

Wilberta G. Reid, Searchlight, Nev., in place of W. G. Reid, resigned.

### NEW MEXICO

C. Sue Willhoit, Malaga, N. Mex., in place of M. E. Steele, resigned.

### NEW YORK

Mildred H. Burd, Greenwood, N.Y., in place of Jerry Burd, retired.

R. Waldo Potter, Hartwick, N.Y., in place of J. A. Bush, retired.

Eli Zwick, High Falls, N.Y., in place of E. D. Hart, retired.

Martin J. Harr, Jr., Indian Lake, N.Y., in place of J. F. Farrell, retired.

Karl E. Putnam, Prattsburg, N.Y., in place of G. L. Patch, retired.

Albert G. Evans, Saratoga Springs, N.Y., in place of J. T. Bryant, deceased.

### NORTH CAROLINA

Charlie Y. Patton, Jr., Brevard, N.C., in place of T. C. Galloway, retired.

Thadious W. Hooper, Cullowhee, N.C., in place of B. B. Long, retired.

Mollie A. Dunn, Lumber Bridge, N.C., in place of D. G. Clifton, declined.

Leonard Staley, Sophia, N.C., in place of D. R. Bulla, retired.

### NORTH DAKOTA

Lawrence A. Week, Gwinner, N. Dak., in place of C. V. Larson, deceased.

### OHIO

John E. Lynch, Ashtabula, Ohio, in place of R. J. Goggin, deceased.

David M. Bennett, Baltimore, Ohio, in place of B. G. Culp, transferred.

Paul C. Spitler, Bellbrook, Ohio, in place of O. W. Hook, deceased.

Ernest Ramsey, Bergholz, Ohio, in place of M. M. Morrow, retired.

James F. Reed, Cherry Fork, Ohio, in place of H. B. Stivers, deceased.

Walter M. Pietras, East Orwell, Ohio, in place of Ruth Benton, resigned.

Frances H. Stockham, Friendship, Ohio, in place of D. C. Stockham, retired.

Charles L. Elicker, Marion, Ohio, in place of H. D. Cole, retired.

John J. Ellis, New Paris, Ohio, in place of S. H. Wolf, deceased.

Frank J. Calogero, North Kingsville, Ohio, in place of E. F. Pierce, retired.

### OKLAHOMA

Frankie M. Horn, Sapulpa, Okla., in place of G. B. Grigsby, resigned.

### PENNSYLVANIA

James L. Yingling, Gibsonia, Pa., in place of J. A. Moore, deceased.

John H. Reynolds, Grove City, Pa., in place of G. C. Bower, deceased.

Lewis T. Layton, Jr., Langhorne, Pa., in place of J. A. Zalot, retired.

Martin F. Monaghan, Lost Creek, Pa., in place of Tillie Kuchinsky, retired.

Howard H. Gaine, Penns Park, Pa., in place of H. S. Mathias, retired.

Russell S. Powell, Jr., Riegelsville, Pa., in place of R. S. Powell, Sr., deceased.

Philip Polka, Washington Crossing, Pa., in place of L. W. Burr, deceased.

Howard F. Mitchell, West Middlesex, Pa., in place of C. L. Boal, removed.

### SOUTH DAKOTA

Clayton C. Fillaus, Avon, S. Dak., in place of L. V. Marek, retired.

Francis J. Tibio, Montrose, S. Dak., in place of W. L. Truex, retired.

### TENNESSEE

Glen R. Powers, Ardmore, Tenn., in place of J. C. Hamlett, deceased.

James R. Culp, Clifton, Tenn., in place of J. G. Hughes, retired.

Kenneth H. Jennings, Powell, Tenn., in place of B. M. Cooper, retired.

### TEXAS

Dora G. Gilbreath, Deer Park, Tex., in place of M. M. Sneed, transferred.

Roland A. Johnson, McCamey, Tex., in place of R. A. Johnson, transferred.

Lester O. Hay, Jr., Marlin, Tex., in place of R. R. Eddins, retired.

Forrest T. Moore, Van Alstyne, Tex., in place of C. B. Moore, retired.

### VIRGINIA

M. Vincent Wright, Fries, Va., in place of W. J. Whitaker, removed.

Edwin F. Chapman, Greenbackville, Va., in place of R. E. Selby, retired.

Douglas D. Dickerson, Parksley, Va., in place of R. T. Phillips, deceased.

J. Floyd Bates, Richmond, Va., in place of Fergus McRee, transferred.

### WASHINGTON

George A. Henson, Jr., Du Pont, Wash., in place of H. E. Johnson, retired.

Taft Hergert, Endicott, Wash., in place of J. F. Johnson, retired.

Helen M. Eddy, Kingston, Wash., in place of V. M. Newman, retired.

Lincoln A. Kaiser, Kirkland, Wash., in place of Harvey Lewis, retired.

John B. Walli, Lacrosse, Wash., in place of C. E. Shaver, resigned.

### WEST VIRGINIA

Helen M. Kessler, Benwood, W. Va., in place of T. M. Deegan, deceased.

James A. McGee, Elkins, W. Va., in place of A. C. McGee, deceased.

A. Leo Morgan, Ronceverte, W. Va., in place of C. P. Ott, retired.

### WISCONSIN

Robert J. Gorman, Rio, Wis., in place of W. F. Garvin, retired.

## CONFIRMATIONS

Executive nominations confirmed by the Senate June 15, 1962:

### DEPARTMENT OF THE ARMY

Cyrus Roberts Vance, of New York, to be Secretary of the Army.

### DEPARTMENT OF DEFENSE

John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense.

### U.S. DISTRICT JUDGE

John D. Butzner, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

### IN THE AIR FORCE

The nominations beginning Maurice Y. Gibson, Jr., to be major, and ending Harold J. Zook to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 5, 1962.

* * *

## HOUSE OF REPRESENTATIVES

### FRIDAY, JUNE 15, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Proverbs 28: 20: *A faithful man shall abound with blessings.*

O Thou who art great in Thy goodness and good in Thy greatness, when we try to count and consider the abundance of Thy blessings we humbly acknowledge how small and shallow our minds and hearts are to receive them.

We earnestly beseech Thee to expand our souls with gratitude and enlarge them with a greater appreciation of Thy grace which Thou art continually bestowing upon us through the merits and mediation of our blessed Lord, however unworthy and undeserving we are.

Grant that our President, our Speaker, and the Members of the Congress may face their perplexing problems with wisdom and understanding, and have the courage and strength to carry bravely the burdens which at times weigh so heavily upon them.

Hear us in the Master's name. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 10162. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system, and

H. Con. Res. 493. Concurrent resolution that the Clerk of the House be authorized and directed to make a correction in said resolution.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8031. An act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2970. An act to amend the Small Business Act; and

S. 3062. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions.

The message also announced that the Senate agrees to the amendments of the House to bills and a joint resolution of the Senate of the following titles:

S. 1881. An act for the relief of Maria La Bella;

S. 2143. An act for the relief of Mrs. Eva London Ritt; and

S.J. Res. 198. Joint resolution deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788) entitled "An act to amend section 204 of the Agricultural Act of 1956."

### COMMITTEE ON AGRICULTURE

**Mr. COOLEY.** Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill, H.R. 12154.

**The SPEAKER.** Is there objection to the request of the gentleman from North Carolina?

**Mr. GROSS.** Mr. Speaker, reserving the right to object, has the gentleman removed the objection that was made to this last night?

**Mr. COOLEY.** Yes.

**The SPEAKER.** Is there objection to the request of the gentleman from North Carolina?

There was no objection.

### COMMERCE AND FINANCE SUBCOMMITTEE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

**Mr. ALBERT.** Mr. Speaker, I ask unanimous consent that the Commerce and Finance Subcommittee of the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate today.

**The SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

### MASS DEPORTATION OF THE BALTIC PEOPLES BY THE SOVIETS

**Mr. HOLLAND.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

**The SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

**Mr. HOLLAND.** Mr. Speaker, the peoples in the three Baltic countries—Estonia, Latvia, and Lithuania—have long histories, but their independent existence in modern times has been rather short. At the end of the First World War the Baltic peoples had regained their freedom, had founded their own democratic republics in their respective countries, and they all were living happily in their historic homelands. This state of affairs, however, did not last more than two decades, and at the outbreak of the Second World War they all realized their helplessness against the evil designs of their inveterate foes, the Communist Russians. Unfortunately they were dead right in their apprehensions.

While the friends of these peoples in the West were in the throes of war, early in 1940 the men in the Kremlin began to carry out their designs of treachery and deceit. These small countries were attacked and easily overrun by the Red army. Communist regimes were installed, and then these countries were annexed to the Soviet Union. Thenceforth the peoples of these countries were enslaved by their Communist overlords. Subsequently hundreds of thousands of innocent people were arrested, imprisoned, and then in a mass deportation exiled to distant parts of the Soviet Union. Today, after more than 20 years, some of these unhappy people are still suffering in Soviet prison camps in Asiatic Russia. We observe the anniversary of this sad event in memory of those who lost their lives in the mass deportations committed by the Soviet authorities in 1940–41.

### FORTY-FOURTH ANNIVERSARY OF THE CHARTER OF THE BOY SCOUTS OF AMERICA

**Mr. EDMONDSON.** Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

**The SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

**Mr. EDMONDSON.** Mr. Speaker, last night I am sure several hundred Members of this body and the other body were delighted to be present at a dinner honoring the 44th anniversary of the charter of the Boy Scouts of America, and to see bestowed upon one of our distinguished and beloved colleagues the highest award given by the Boy Scouts of America: The Silver Buffalo.

This great honor was bestowed by the Boy Scouts of America upon the distinguished and able gentleman from Georgia, our beloved colleague, the Honorable Carl Vinson.

On that same occasion we had the opportunity to hear a magnificent address on the subject of the need for scouting today by our beloved Speaker.

The pleasure of the evening was heightened for me by participation of a young Oklahoman, James Rogers, of Bartlesville, selected to represent the Scouts of Oklahoma, Texas, and New Mexico.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert in the Record the remarks of the gentleman from Georgia.

**The SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

**Mr. EDMONDSON.** Mr. Speaker, on June 14, the Boy Scouts of America conferred upon our distinguished colleague, the gentleman from Georgia, Hon. Carl Vinson, the highest honor of Scouting: the Silver Buffalo.

The award was made in recognition of Congressman Vinson's long and distinguished career as a Member of this body, and the many contributions which he has made to the cause of a stronger America.

As part of that constructive and statesmanlike record, the gentleman from Georgia has consistently supported the cause of Scouting, from the day he joined in voting approval of the first congressional charter for the Boy Scouts of America, 44 years ago.

The Boy Scouts could not have conferred their coveted Silver Buffalo upon a more respected and distinguished Member of the Congress, and I am sure all of the Members of this body join in congratulations today to Chairman Vinson.

The statement of the gentleman from Georgia, Congressman Vinson, at last night's banquet, made in conjunction with his distinguished cohonoree, Senator Carl Hayden, of Arizona, paid appropriate tribute to the Scouts for their magnificent accomplishments over the years.

The full text of our colleague's short but eloquent remarks follows:

#### REMARKS OF REPRESENTATIVE CARL VINSON, OF GEORGIA, AT BOY SCOUTS BANQUET

Mr. Augustus, distinguished guests, ladies, and gentlemen, it is a great personal privilege to be here tonight at this charter day dinner and to join with my very distinguished friend and colleague, Senator HAYDEN, in presenting our greetings to the Boy Scouts of America.

This organization, which has helped mold the character of American boys for many years, is truly one of the really great organizations in the world.

But in honoring the Boy Scouts of America, may I also take this opportunity to thank the national officers, and especially your president, Mr. Augustus, on behalf of the parents of American Boy Scouts, for the magnificent leadership they have provided this incomparable group of young Americans.

Now I would like to read to the Boy Scouts of America everywhere the joint message from Senator HAYDEN and myself:

"*To the Boy Scouts of America:*

"Forty-six years ago the 64th Congress of the United States incorporated and chartered the Boy Scouts of America. This bill, H.R. 755, duly signed by the then Speaker of the House, Hon. Champ Clark, and Acting President of the Senate, Hon. John H. Bankhead, became law upon approval of President Woodrow Wilson on June 15, 1916. Section 3 of the act states:

" 'The purpose of this corporation shall be to promote, through organization, and cooperation with other agencies, the ability of boys to do things for themselves and others, to train them in scoutcraft, and to teach them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by Boy Scouts.'

"Today, we, the undersigned Members of the 87th Congress, who were also in the 64th Congress, take pleasure in greeting you, the 5,300,000 members of the Boy Scouts of America and your 84,000 local chartered institutions, on the occasion of National Charter Day, 1962.

"We observe with pride and satisfaction the magnificent accomplishments of the Boy Scouts of America over the years, which under the protection of the Federal charter have fully justified the confidence imposed in the movement by the Congress and the people of the Nation.

"The need for the Boy Scouts of America is as timely today as it was in 1916. We would remind you that the purpose for which the charter was granted continues, and we urge that you pursue diligently your objective to make Scouting available to all boys in every community throughout our beloved America.

"Sincerely yours,

"CARL HAYDEN,
"*Senator of Arizona.*
"CARL VINSON,
"*Congressman of Georgia.*"

JUNE 14, 1962.

## RAILROAD CONSOLIDATIONS AND MERGERS

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, I am today introducing legislation to amend section 7 of the Clayton Act to give full force and effect to the operation of the provisions of that section applicable to certain railroad consolidations and mergers until December 31, 1963, and for other purposes.

The entire Nation has been confronted by transportation problems with respect to mergers by parallel railroad lines, and now two of the major railroads of this country running through the State of New York, the Pennsylvania and New York Central Railroads have filed a petition before the Interstate Commerce Commission to merge. This merger, if consummated, will create a very undesirable situation in most parts of New York State from the standpoint of employment and financial hardships in the various towns, villages, and cities.

According to the reports received in my office, there are approximately 134,000 employees on both systems involved, and from further statistics reported in the files of the Interstate Commerce Commission, the railroads have admitted that approximately 25 percent of the employment of these 2 railroads, or 34,000 jobs, will be erased within 4 years if and when the merger is approved.

My bill would impose a temporary prohibition of railroad merger decisions by the Interstate Commerce Commission for at least 2 years or until such time as the Congress can enact remedial legislation or establish a national transportation policy.

This is a matter of vast importance, because of the financial distress that may be imposed upon the citizens of New York State if such merger of the Pennsylvania and New York Central Railroads is permitted to come into being.

## WAURIKA, OKLA., FLOOD DAMAGE

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, I have the sad duty to announce that again this year the town of Waurika, Okla., the county seat of Jefferson County, has become the victim of nature in that this town has been hit by floodwaters from Beaver Creek.

Year after year, the good people of Waurika are menaced by the floodwaters from either Beaver or Cow Creeks, and at times, both creeks.

When over 400 people must leave their homes to seek shelter and food in the local schoolhouse or fairgrounds year after year because the Congress has failed to act on one noncontroversial piece of legislation, then this is a national disgrace.

Mr. Speaker, there is a bill before the Irrigation and Reclamation Subcommittee of the House Interior and Insular Affairs Committee which would put a stop to these floods, by building a dam on Beaver and Cow Creeks. Under the terms of this bill, the money spent by the Federal Government will be repaid to the Government by the water users.

When you logically evaluate the benefits the American people will receive from the construction of this single dam, the Waurika project, and realize at the same time that all the money spent will be repaid, then I cannot understand why my colleagues in the House of Representatives cannot act on this bill.

I urge the Members of this House to read the newspaper accounts of the most recent flooding, and to remember at all times that the people who are suffering are not neutrals in the cold war, they are not foreign nationals, they are not seeking a handout from us, they are Americans, and the only thing they want is fairness and justice from their Congress.

## WHITE HOUSE TOURS

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, I think all of the Members were somewhat alarmed last night to receive this card which carries the heading "The White House Visit by Limousine," a private company called the Candis O. Ray Agency, which apparently has the sole right now to take tours through the White House. Here is their message:

> Through special arrangements with the White House we make appointments for White House visits and guided tours on hours closed to the general public for our VIG's (very important groups). Sufficient advance notice is required for visits are arranged at the convenience of the White House. After leaving the White House we visit the National Gallery of Art and the beautiful Botanical Gardens.

I am wondering whether viewing the White House is now on the auction block by this private company?

## EQUAL-PAY BILL

Mr. GARLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. GARLAND. Mr. Speaker, I wish to protest violently the action of the leadership in canceling the equal-pay bill today. Having been told yesterday that it would be brought up today, because of the importance of this legislation, I postponed my return to Maine from last night to this evening. This I did, in spite of the fact that I am involved in a primary election on Monday next, because I feel it is my first duty to the people I represent to be on the floor when any important legislation comes up. This cancellation is but a further example of the irresponsible leadership of the majority party in the House.

## PROGRAM FOR TODAY AND NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the majority leader if he will kindly advise us as to any legislative action this afternoon, and also as to what may be on the program for next week.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, certain bills will be brought up under unanimous-consent request, as previously announced by the distinguished chairman of the Committee on Ways and Means, from his committee this afternoon. Upon the disposition of those bills, we will have finished the legislative business for the week.

Mr. ARENDS. The so-called equal pay bill is off this afternoon, and has been withdrawn from the calendar?

Mr. ALBERT. If the gentleman will yield further, the manager of the bill has advised the leadership that he is not prepared to bring up that bill this afternoon.

Mr. ARENDS. Would the gentleman advise us as to when it might come up, if he does know, so we will be amply advised and will have plenty of time to advise the Members on our side of the aisle as to when it will be scheduled?

Mr. ALBERT. We have no plans for bringing the bill up next week, and I am unable to advise the gentleman when it may be brought up.

Mr. ARENDS. I thank the gentleman.

Mr. ZELENKO. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. ZELENKO. Mr. Speaker, I wish to advise the gentleman in regard to that bill that I have discussed the fact of bringing it up this afternoon. After having received a number of vital amendments to the bill at the very last moment, we did decide, jointly, that in the interest of this legislation it might be well not to bring it up now in order that we could have an opportunity to study the amendments which were presented at the very last moment without opportunity to study them, and then perhaps the legislation could progress expeditiously.

Mr. ARENDS. Is this an indication that the gentleman expects the bill to go back to the committee for further study?

Mr. ZELENKO. If the gentleman will yield further, no, not at all. But perhaps after studying the amendments, we may agree to some of them. Some of them affect vital portions of the legislation.

Mr. ARENDS. This was done in consultation with the minority members of the committee?

Mr. ZELENKO. If the gentleman will yield further, yes. I have discussed this with the ranking minority member of the committee, the honorable gentleman from Pennsylvania [Mr. KEARNS].

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, it would seem to me that the proper thing to do in a case of this sort would be to ask unanimous consent to recommit the bill so that the committee can properly go over these proposed amendments, and not waste the time of those of us who have other business.

Mr. ZELENKO. Mr. Speaker, will the gentleman yield further?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. ZELENKO. Mr. Speaker, may I suggest to the gentleman from Pennsylvania [Mr. WALTER] that I do not believe that it is necessary. Having been confronted with these amendments at the very last moment, all they would require would be several hours of study and then we would be prepared any time after today to proceed, of course, depending upon the condition of the calendar.

I think that is the substance of what the gentleman from Pennsylvania has stated.

Mr. ARENDS. I will state to the gentleman from New York [Mr. ZELENKO], that I hope no effort is made to bring this bill up under a suspension of the rules, but that it will come up in the regular order.

Mr. ZELENKO. Yes; that is correct.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. Mr. Speaker, I think there should be a response here by the gentleman from New York [Mr. ZELENKO] to the statement of the gentleman from Pennsylvania [Mr. WALTER], which statement is well taken.

The bill as reported out of the committee, from the standpoint of both sides of the aisle, needs much study, and I think we should follow the suggestion of the gentleman from Pennsylvania [Mr. WALTER].

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. Now, this constitutes some rather unusual procedure. Will this create a precedent for the future consideration of bills when they discover there will be amendments offered? I think most everyone knew there were 10 or 12 amendments on this side of the aisle—I do not know how many on that side. I was informed yesterday afternoon when the consideration of the bill opened that there were 10 or 12 amendments on this side.

That fact must have been known to the gentleman from New York and to Members on that side of the aisle. I say again, is this to be considered a precedent? We have many bills coming in here that are amended on the floor of the House. What are we doing here?

Mr. ZELENKO. May I suggest to the gentleman that it is not within my province to say what is to be considered a precedent and what is not. I am addressing myself solely to this bill and to the special needs of it. The gentleman may have known of or seen amendments that are to be proposed. I assure the gentleman that I did not see any in the form in which they were supposed to be presented or would be presented. I believe that is the case with the ranking minority member of the committee. This is not to establish a precedent. We are ready except that I believe in the interest of this legislation, it would be well not to consider it today. Then we could expedite the matter.

Mr. GROSS. I hope this is not to accommodate the T. & T. Club.

Mr. ARENDS. Mr. Speaker, I wonder if the majority leader would proceed and give us the program for next week.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield further, Monday is Consent Calendar day.

There are four suspensions:

First. H.R. 12061: Extension of Renegotiation Act of 1951.

Second. H.R. 10066: Veterans, statutory award for aphonia.

Third. H.R. 4012: Veterans, paraplegic housing program.

Fourth. H.R. 10265: Postal service, compensation of employees.

Under suspension each bill will have 20 minutes of debate on each side.

Also on Monday, the gentleman from North Carolina [Mr. COOLEY], chairman of the Committee on Agriculture, plans to call up H.R. 12154, extension of the Agriculture Sugar Act.

The chairman of the Committee on Ways and Means advises that he will call up with amendment, by unanimous consent, H.R. 6145.

I plan, after the announcement of the program, to ask unanimous consent that rollcalls on Monday may go over until Tuesday because of the Maine primary.

For Tuesday and the balance of the week:

The Private Calendar will be called on Tuesday.

H.R. 11222: The Food and Agriculture Act of 1962. There will be an open rule with 6 hours of general debate.

H.R. 8845: Obstructions of investigations. That has an open rule with 3 hours of general debate.

This announcement is subject to the usual reservation that conference reports may be brought up at any time and any further program will be announced later.

## POSTPONEMENT OF ROLLCALL VOTES ON MONDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any rollcall votes on Monday, except on rules or procedural matters, may go over until Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS NEXT WEEK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## ADJOURNMENT FROM TODAY UNTIL MONDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## AUTHORITY TO CONDUCT OFFICIAL BUSINESS DURING ADJOURNMENT OVER

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## TEMPORARY SUSPENSION OF DUTIES ON METAL SCRAP

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 10095) to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes, which was unanimously reported favorably by the Committee on Ways and Means, with an amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BYRNES of Wisconsin. Reserving the right to object, Mr. Speaker, I do so only to state that while there were some differences of opinion within the committee with respect to the issue we had before the House yesterday, everything is sweetness and love within the Committee on Ways and Means today, and all of the bills the chairman intends to call up were reported out of the committee unanimously.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first sentence of section 2 of the Act of September 30, 1950 (Public Law 869, Eighty-first Congress), is hereby amended by striking out "June 30, 1962" and inserting in lieu thereof "June 30, 1963": *Provided,* That this Act shall not apply to lead scrap, lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc scrap, or zinc alloy scrap, or to any form of tungsten scrap, tungsten carbide scrap, or tungsten alloy scrap; or to articles of lead, lead alloy, antimonial lead, zinc, or zinc alloy, or to articles of tungsten, tungsten carbide, or tungsten alloy, imported for remanufacture by melting.

SEC. 2. This Act shall not exempt any article provided for in section 4541 of the Internal Revenue Code of 1954 from import taxes imposed thereby.

With the following committee amendment:

Page 2, after the period in line 5, insert: "This Act shall not suspend any duty with respect to an article provided for in such section 4541 which is entered, or withdrawn from warehouse, for consumption on or before June 30, 1962 (or, if later, on or before the date of the enactment of this Act)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] and I may be permitted to extend our remarks immediately following the passage of each of the bills for which I am asking consideration, with an explanation of them.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 10095, as unanimously reported to the House by the Committee on Ways and Means, is to amend section 2 of Public Law 869, 81st Congress, as amended, to continue for 1 year—from the close of June 30, 1962, to the close of June 30, 1963—the suspension of duties on metal scrap. The bill contains the existing proviso that the suspension shall not apply to lead scrap, lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc scrap, or zinc alloy scrap, or to any form of tungsten scrap, tungsten carbide scrap, or tungsten alloy scrap; or to articles of lead, lead alloy, antimonial lead, zinc, or zinc alloy; or to articles of tungsten, tungsten carbide, or tungsten alloy, imported for remanufacture by melting. The bill also provides that the exemption from duty of any article under this bill will not affect the applicability of section 4541 of the Internal Revenue Code of 1954.

The temporary suspension of the duties on imports of metal scrap provided under present law—Public Law 86–606, 86th Congress—to the close of June 30, 1962, makes free of duty imports of metal scrap including such principal types of scrap as iron and steel, aluminum, magnesium, nickel, and nickel alloys. The bill, which was introduced by my colleague on the Committee on Ways and Means, the Honorable MARTHA W. GRIFFITHS, would continue this suspension through June 30, 1963.

Section 2 of the bill, as reported, provides that this suspension shall not affect the applicability of section 4541 of the Internal Revenue Code of 1954 to the articles exempted from duty by the bill. In general, section 4541 of the Internal Revenue Code of 1954 imposes an import tax on certain copper-bearing ores and concentrates, other articles of which copper is the component material of chief value, and other articles containing 4 percent or more of copper by weight. Any article exempted from duty under the bill would be subject to these taxes where the same are applicable.

Scrap of the various nonferrous metals, whether imported or of domestic origin, may be considered for most purposes simply as relatively small components in the total U.S. supplies of the respective metals, although some manufacturers depend wholly on metal scrap as a source of raw material. The relation of iron and steel scrap to the total supplies of iron and steel is somewhat different from that existing with respect to nonferrous metals. This is because the economical production of steel by the open-hearth process requires that part of the iron-bearing materials used consist of heavy melting scrap. Thus, much iron and steel scrap constitutes a material important to the domestic production of steel. Despite the fact that imports of scrap metals have not in the past few years constituted important components of the total supplies of the various metals, the imports in some cases have represented important sources of the metals for limited numbers of consumers of such metals in some sections of the country.

The Department of Commerce has advised the Committee on Ways and Means:

> The quantities of such imports are not large in comparison with domestic consumption and, for certain types of metal scrap, exports exceed imports. For example, on the basis of preliminary data for 1961, domestic consumption of iron and steel scrap was 63,840,000 short tons; exports were 9,458,000 short tons; and imports were 235,350 short tons.

The U.S. Tariff Commission has advised the committee:

> The United States has for some years been a net exporter of scrap metals other than lead scrap.

Imports of lead and zinc scrap are limited by absolute quotas in effect since October 1, 1958.

The Committee on Ways and Means received favorable reports on the bill from the Departments of the Treasury, State, Defense, Commerce, and Labor. An informative report was received from the U.S. Tariff Commission. The committee has received no information which would indicate any opposition to this legislation.

Mr. BYRNES of Wisconsin. Mr. Speaker, although the United States is primarily an exporter of scrap metal, in the case of certain consumers of scrap metals imports represent an important source of supply. The temporary suspension would have no effect on the taxation, under the Internal Revenue Code, of imports of certain copper and copper-bearing scraps. Further, it specifically excludes various leads, zinc, and tungsten as is the present practice. Inasmuch as favorable reports were received from the various Government departments, and as no opposition was registered from industry, I urge the continued suspension of the duties on metal scrap for a period ending June 30, 1963.

## TEMPORARY SUSPENSION OF DUTY ON CERTAIN SHOE LATHES

**Mr. MILLS.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11400) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing, which was unanimously reported favorably by the Committee on Ways and Means without amendment.

The Clerk read the title of the bill.

**The SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

## CALL OF THE HOUSE

**Mr. SAYLOR.** Mr. Speaker, I make the point of order that a quorum is not present.

**The SPEAKER.** Evidently a quorum is not present.

**Mr. ALBERT.** Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 112]

Abbitt
Abernethy
Addabbo
Addonizio
Alexander
Alford
Anfuso
Ashmore
Bailey
Baker
Bass, N.H.
Becker
Belcher
Blitch
Bolton
Bonner
Boykin
Bray
Brewster
Broomfield
Buckley
Carey
Celler
Church
Clancy
Clark
Colmer
Curtis, Mass.
Curtis, Mo.
Davis, James C.
Davis, Tenn.
Dawson
Dent
Derounian
Devine
Dooley
Downing
Elliott
Ellsworth
Evins
Farbstein
Fenton
Findley
Finnegan
Fino
Flood
Frazier
Frelinghuysen
Garmatz
Gilbert
Gonzalez
Gray
Harris
Harrison, Va.
Harsha
Hays
Healey
Hébert
Herlong
Hoffman, Mich.
Holifield
Horan
Hull
Jones, Ala.
Keith
Keogh
Kilburn
Kilgore
King, Utah
Kirwan
Knox
Kornegay
Kowalski
Laird
Loser
McMillan
McVey
Magnuson
Martin, Nebr.
Meader
Michel
Miller, Clem
Miller, George P.
Miller, N.Y.
Minshall
Moeller
Montoya
Moore
Moorhead, Pa.
Morse
Moulder
Multer
Nedzi
Nelsen
Norrell
Nygaard
O'Hara, Mich.
Pilcher
Powell
Purcell
Rains
Ray
Rhodes, Pa.
Riehlman
Riley
Rivers, S.C.
Roberts, Ala.
Rogers, Tex.
Rostenkowski
Roudebush
Ryan, Mich.
Santangelo
Saund
Schenck
Scherer
Schwengel
Scranton
Seely-Brown
Shelley
Sibal
Sikes
Smith, Miss.
Spence
Stafford
Staggers
Steed
Stubblefield
Teague, Tex.
Thompson, La.
Tollefson
Tuck
Tupper
Wallhauser
Weaver
Weis
Westland
Whalley
Whitener
Wilson, Calif.

**The SPEAKER.** On this rollcall, 290 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## TEMPORARY SUSPENSION OF DUTY ON CERTAIN SHOE LATHES

**The SPEAKER.** Is there objection to the request of the gentleman from Arkansas for the present consideration of the bill H.R. 11400?

**Mr. LINDSAY.** Mr. Speaker, reserving the right to object, I note that we have some very important bills scheduled for consideration this afternoon under unanimous-consent requests. Perhaps they should be debated. I am not sure. But, in any event, why are we not debating the equal pay bill?

Mr. Speaker, many Members went back to their districts last night. I returned to mine because of an important engagement. However, I was delighted to come back, at the expenditure of time and expense, in order to complete unfinished legislation. That is our job. The Speaker and the leadership of the House of Representatives have a right to expect us to be on the floor 5 days a week and more if necessary in order to legislate. But here at the last minute there has been a cancellation of the further consideration of this important bill. We came back in order to debate it, and we are prepared to do so now. The cancellation is appalling. I think those of us on the minority side, particularly, have a right to expect that the leadership on the majority side will get its legislative house in order. And I am sure I echo the thought of some of the majority Members, too, if they were free to speak.

Mr. Speaker, I withdraw my reservation of objection.

**The SPEAKER.** Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first sentence of section 2 of Public Law 1012, Eighty-fourth Congress (70 Stat. 1076), approved August 6, 1956 (relating to suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing), as amended, is amended by striking out "August 7, 1962" and inserting in lieu thereof "August 7, 1964".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**Mr. MILLS.** Mr. Speaker, the purpose of H.R. 11400 is to continue for 2 years, until August 7, 1964, the existing suspension of duties on copying lathes used for making rough or finished shoe lasts from models of shoe lasts and capable of producing more than one size shoe from a single size model of a shoe last.

Public Law 1012 of the 84th Congress, approved August 6, 1956, transferred from the dutiable to the free list of the Tariff Act for a period of 2 years, by amendment of paragraph 1643 of the Tariff Act of 1930, "copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last."

The suspension of duties on such copying lathes has been in effect continuously since that time, 2-year extensions having been enacted on May 16, 1958—Public Law 85-416—and on June 30, 1960—Public Law 86-562. The pending bill would continue the suspension for a further 2-year period, until August 7, 1964.

This suspension of duty was made in order to make available to domestic shoe-last manufacturers highly specialized and expensive copying lathes which can only be obtained from foreign sources. In recommending enactment of the pending legislation, which was reported to the House unanimously by the Committee on Ways and Means, the Commerce Department advised the committee as follows:

> The domestic shoe last manufacturing industry is very much interested in these lathes, since they greatly increase the production of shoe lasts per unit of investment and production costs. This type of equipment is available only from foreign sources. The duty is 13¾ percent, and continuance of the suspension will benefit the shoe last manufacturing industry without detriment to domestic equipment producers.

The U.S. Tariff Commission stated:

> It is believed that the lathes being imported are primarily for the use of last manufacturers who find it necessary to replace their older type lathes in order to remain competitive [and that the Commission] has been apprised of no complaints from domestic interests against the suspension of duties.

**Mr. BYRNES of Wisconsin.** Mr. Speaker, shoe lathes, used in making shoe lasts from models of shoe lasts, are not manufactured within the United States and must be imported primarily from Italy. Domestic shoe-last producers find it necessary from time to time to replace their lathes for more modern equipment, not only to keep competitive within the industry but to meet the demands of the market. Inasmuch as there is no domestic industry making these lathes, I urge the temporary suspension of duties for another 2-year period, ending August 7, 1964.

## SUSPENSION OF DUTY ON SPUN SILK YARN

**Mr. MILLS.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 10852) to continue for a temporary period the existing suspension of duties on certain classifications of spun silk yarn, which was unanimously reported favorably by the Committee on Ways and Means, without amendment.

The Clerk read the title of the bill.

**The SPEAKER.** Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act entitled "An Act to suspend for three years the import duties on certain classifications of spun silk yarn", approved September 8, 1959 (Public Law 86-235; 73 Stat. 470), is amended by striking out "during the three-year period beginning on the sixtieth day after the date of the enactment of this Act" and inserting in lieu thereof "during the period beginning on the sixtieth day after

the date of the enactment of this Act and ending with the close of November 7, 1965".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**Mr. MILLS.** Mr. Speaker, the purpose of H.R. 10852, which was introduced by my colleague on the Committee on Ways and Means, the Honorable EUGENE KEOGH, is to continue for 3 years, until the close of November 7, 1965, the existing suspension of duties on certain classifications of spun silk yarn.

Public Law 235 of the 86th Congress, which became law on September 8, 1956, suspended for 3 years the import duties imposed under paragraph 1202 of the Tariff Act of 1930 on certain spun silk or schappe silk yarn. Spun silk yarns are of two principal types: Standard spun-silk—schappe—yarn and silk-noil—bourrette—yarn. Standard or schappe spun-silk yarns for general textile use are manufactured from long parallelized silk fiber stock recovered from waste cocoons and silk filature waste and is used for making sewing thread, decorative stripings for fine worsteds, lacing cord for cartridge bags and, in combination with other fibers, certain types of necktie fabrics, shirtings, dress and suiting fabrics, upholstery and drapery materials.

The silk-noil type of yarn is made from shorter length, and hence cheaper, silk fiber stock than schappe and must be spun on wool-spinning machinery. The material used consists of silk noils discarded as byproducts in preparing silk waste for spinning in standard spun-silk yarns. Such yarns have few civilian uses except in mixture fabrics containing other fibers. Their chief use is in the weaving of silk cartridge cloth for powder bags for large caliber ordnance.

The suspension of duty was made in order to enable domestic producers of fine-yarn fabrics to import fine silk yarns free of duty so as to make it more economical for them to produce fine-yarn fabrics in competition with imported similar fabrics. The Committee on Ways and Means was advised by the Department of Labor that failure to continue the suspension of duties on these commodities would adversely affect domestic employment, since the domestic textile industry depends primarily upon imported spun silk yarn for weaving silk fabrics, and that a reimposition of duties would therefore place the weaving industry at a competitive disadvantage.

The U.S. Tariff Commission advised the committee that it is unaware of any complaints regarding the operation of the suspension of duties.

Favorable reports were received on this legislation, which was reported to the House unanimously by the Committee on Ways and Means, from the Departments of State, Commerce, and Labor, and an informative report from the U.S. Tariff Commission.

**Mr. BYRNES** of Wisconsin. Mr. Speaker, H.R. 10852 would continue the duty-free treatment of fine silk yarns and thus would keep our domestic textile industry competitive with such foreign fine-yarn producers as Japan. These fine silk yarns are used in the production of many commercial products, and for military powder bags. The Department of Labor considers duty-free treatment essential to the industry. Any change in the present suspension would place the domestic industry at a competitive disadvantage and could cause the dislocation of workers. Therefore I urge the passage of this legislation.

## SUSPENSION OF DUTY ON ALUMINA AND BAUXITE

**Mr. MILLS.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9520), to continue for 2 years the suspension of duty on certain alumina and bauxite, which was unanimously reported favorably by the Committee on Ways and Means, without amendment.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2 of the Act entitled "An Act to continue the temporary suspension of duty on certain alumina and bauxite", approved May 16, 1958 (Public Law 85–415; 72 Stat. 119), as amended, is amended by striking out "before July 16, 1962" and inserting in lieu thereof "before July 16, 1964".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**Mr. MILLS.** Mr. Speaker, the purpose of H.R. 9520 is to continue for 2 years, until July 16, 1964, the suspension of duty on first, alumina when imported for use in producing aluminum; second, bauxite, crude, not refined or otherwise advanced in condition in any manner; and third, calcined bauxite.

The duty on crude bauxite and calcined bauxite was suspended by Public Law 83–499, until July 16, 1956. Public Law 84–724 further suspended the duties on crude bauxite and calcined bauxite for a period of 2 years. The duty on alumina, when imported for use in producing aluminum, was suspended for a 2-year period beginning July 17, 1956, by Public Law 725 of the 84th Congress. These provisions have been consolidated and extended to be in effect continuously since that time—Public Laws 85–415 and 86–441. H.R. 9520, which was introduced by my colleague on the Committee on Ways and Means, the gentleman from California, the Honorable CECIL R. KING, would continue for a further 2-year period, until July 16, 1964, the existing suspension of duties on these articles.

Alumina is a product used for the production of aluminum, and the bulk of the alumina consumed in the United States is used for that purpose. Bauxite is a mineral used in the production of alumina—from which aluminum is produced—abrasives, chemicals, refractionary products, and miscellaneous products, and is vital to the domestic industries such as the aluminum, steel, and chemical industries.

The production of aluminum involves two main operations: The production of alumina from the crude ore—almost entirely bauxite—and the production of aluminum metal from alumina. A large part of the domestic production of aluminum in recent years has been derived from imported aluminum-bearing material. The Committee on Ways and Means was advised that domestic reserves of bauxite are quite limited, and that the United States is relying heavily upon foreign bauxite to fulfill the increasing demand for this raw material.

The Department of the Interior advised the committee that roughly 30 percent of the world's bauxite reserves are found in the less developed countries of Africa and Latin America. The report of the Interior Department on the pending bill further states:

> We believe that the continued availability of bauxite and alumina on a duty-free basis will be of assistance to the domestic aluminum producers in (1) holding down the price to domestic consumers, (2) helping in efforts to hold export markets already won, and (3) helping to enlarge export trade in aluminum commodities.

In its report on this legislation, the U.S. Tariff Commission stated:

> The Commission believes that the considerations which led the Congress to suspend the duties in 1960 still exist.

Favorable reports on this bill, which was reported to the House unanimously by the Committee on Ways and Means, were received from the Departments of State, Defense, Treasury, Interior, Commerce, and Labor, and from the Office of Emergency Planning, as well as an informative report from the U.S. Tariff Commission.

**Mr. BYRNES** of Wisconsin. Mr. Speaker, the continued suspension of the duty on alumina used in the production of aluminum and bauxite—crude and calcined—is essential to the economic well-being of such domestic industries as the aluminum, steel, and chemical industries. In recent years domestic industry has come to rely quite heavily on imported alumina and bauxite in the production of aluminum, abrasives, chemicals, and other related products. It was the considered opinion of the Government departments appearing before the Ways and Means Committee that the present duty-free treatment should be continued for another 2 years, until July 16, 1964. For these reasons I urge immediate passage of H.R. 9520.

## TRANSFER OF CASEIN OR LACTARENE TO THE FREE LIST

**Mr. MILLS.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 10928), to transfer casein or lactarene to the free list of the Tariff Act of 1930, which was unanimously reported favorably by the Committee on Ways and Means, with an amendment.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That paragraph 19, section 1, of the Tariff Act of 1930 (19 U.S.C. sec. 1001, par. 19), is amended by striking out "Casein or lactarene and mixtures" and substituting therefor "Mixtures".

SEC. 2. Section 201 of the Tariff Act of 1930 (19 U.S.C. 1201) is amended by adding thereto the following new paragraph:

"1827. Casein or lactarene."

SEC. 3. The amendments made by this Act shall become effective with respect to articles covered thereby which are entered, or withdrawn from warehouse, for consumption on or after July 1, 1963.

With the following committee amendment:

Page 1, line 10, after the quotation mark insert "PAR."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 10928, which was introduced by my colleague on the Committee on Ways and Means, the gentleman from Texas, the Honorable CLARK W. THOMPSON, is to transfer casein or lactarene to the free list of the Tariff Act of 1930.

Paragraph 19 of the Tariff Act of 1930 now provides for casein or lactarene—lactarene being a term now obsolete which has in the past been used synonomously with casein—and also for mixtures of which casein or lactarene is the component material of chief value not specially provided for.

Casein or lactarene, and the mixture, were originally dutiable under the Tariff Act of 1930 at 5½ cents per pound. This rate of duty was reduced to 2¾ cents per pound, effective November 15, 1941, pursuant to a concession granted in the trade agreement with Argentina. The reduced rate has been subsequently bound against increase pursuant to concessions granted in the trade agreement with Uruguay and in the General Agreement on Tariffs and Trade—GATT.

The duty imposed on imports of casein or lactarene and mixtures under the Tariff Act of 1930 was temporarily suspended, effective September 3, 1957—Public Law 85-257—until April 1, 1960. The suspension was continued until July 2, 1960, by Public Law 86-405. Public Law 86-562 further continued the suspension until July 1, 1963, except that the suspension was made inapplicable after July 30, 1962, to "sodium caseinate, sodium phosphocaseinate, or other caseinates of which casein or lactarene is the component material of chief value." The pending bill would transfer casein or lactarene to the free list, leaving the mixtures in paragraph 19.

Casein is a yellowish, medium-hard, granular solid classified chemically as a phosphoprotein. It comprises about 3 percent of cow's milk, and is extracted commercially from skim milk by precipitation. Casein is used principally in the manufacture of coated paper, adhesives, emulsions, plastics, paints, and fibers. It is also used for making sodium caseinate and other edible casein derivatives, which are used in turn in sausages, bakery products, pharmaceuticals, and baby foods. These casein derivatives are classified for tariff purposes under the provision in paragraph 19 of the Tariff Act of 1930 for mixtures of which casein is the component material of chief value, and would remain so classified.

The apparent domestic consumption of casein and casein derivatives increased during the last decade from 65 million pounds in 1951 to 103.3 million pounds in 1961. However, whereas about one-third of the casein and casein derivatives consumed in the United States in 1951 had been produced domestically, less than 5 percent was so produced in 1961. The U.S. Tariff Commission has advised that the decline in domestic production of casein was a direct result of the milk price-support program of the Department of Agriculture, under which the price of nonfat dry milk solids is supported. The report of the Tariff Commission on the pending bill stated:

> Although the price-support program has operated to increase sharply the total production of whole milk, at the same time it has tended to reduce the relative profitability of converting skim milk to casein.

On the basis of the experience gained under the temporary suspension of duties on casein, which has been in effect continuously since September 3, 1957, the Committee on Ways and Means was convinced that the transfer of casein to the free list is warranted.

Favorable reports on this legislation, which was reported to the House unanimously by the Committee on Ways and Means, were received from the Departments of State, Agriculture, Treasury, and Labor, as well as an informative report from the U.S. Tariff Commission.

Mr. BYRNES of Wisconsin. Mr. Speaker, whereas the consumption of casein and casein derivatives has steadily increased in the past 10 years, domestic production has sharply decreased. Presently, we rely almost entirely on imports of these products. This is attributed to the more profitable domestic production on nonfat dry milk under the agricultural milk-price support program. Casein and lactarene are necessary in the manufacture of such articles as coated papers, plastics, and paints. In order to continue to meet the industrial demands for these milk products it is essential that we continue their duty-free treatment. The temporary suspension has been continually renewed since 1957, and it has now become evident that permanent transfer to the free list is warranted. It is doubtful that domestic industry will make any attempt to regain the market which they have voluntarily abandoned. For these reasons, I urge enactment of this legislation.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. THOMPSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, this bill would transfer casein or lactarene to the free list of the Tariff Act of 1930. It would leave mixtures of which casein or lactarene is the component material of chief value not specially provided for on the list of dutiable items in the Tariff Act. This means that sodium caseinate, sodium phosphocaseinate, and other caseinates will still carry a duty as provided in the present law. Only casein or lactarene will be freed of duty.

Casein or lactarene—terms used synonomously—is the dried protein derived from skim milk used in the production of glue, paints, paper coating, gypsum board manufacture, and so forth. Today casein is no longer produced in the United States in quantity for industrial use. The support price of dairy products makes it uneconomic. As a result, all commercial or industrial casein is imported from such countries as France, Argentina, Australia, New Zealand, Canada, West Germany and others.

The first tariff was imposed in 1922 and has varied in amounts at intervals since that time from the original tariff of 5½ cents per pound to 2¾ cents per pound. In 1957 it was suspended completely and has been suspended by temporary suspension bills since that time.

One of the reasons for making the suspensions temporary was to enable domestic soy protein producers to develop a substitute product. To date a satisfactory substitute for casein has not been developed and the interested groups including soy processors who manufacture isolated protein are now combining their research and technical know-how to produce a suitable product and expand the market for products of American agriculture. The soy processors who are producers of isolated soy protein and the Soy Bean Council of America support this bill.

Prohibitively high milk processes have precluded nearly all production of casein in this country for many years. There has been no opposition to this bill from the domestic dairy industry for this reason. The soy bean industry has studied the entire problem for several years and is actively supporting this bill. All interested governmental departments have examined the bill.

There are no objections to it. All casein—or lactarene—consumers, representing such major industries as paper, gypsum products, paint and adhesives support the bill.

In summary, there has been no duty on inedible casein since 1957. This has been of no apparent hindrance to the manufacture of isolated soy protein. The periodic suspension of duty under the present Tariff Act appears to be of only an expensive nuisance value to both the consumers of casein and the manufacturers of isolated soy protein, as well as the Congress and the Government agencies involved.

## TAX EXCEPTION FOR CONSUMER FINANCE COMPANIES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8824) to modify the application of the personal holding company tax in the case of consumer finance companies.

The Clerk read the title of the bill.

**The SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 542(c)(7) of the Internal Revenue Code of 1954 (relating to exceptions to the term "personal holding company") is hereby amended to read as follows:

"(7) a lending company, not otherwise excepted by this subsection, authorized to engage in the consumer finance business under one or more State statutes providing for the direct regulation of such business, 80 percent or more of the gross income of which is lawful personal holding company income as defined in section 543, if at least 60 percent of the gross income is lawful interest, discount, or other authorized charges received from individuals each of whose indebtedness to such company did not at any time during the taxable year exceed in principal amount the limit prescribed for loans by such law, if any (or, if there is no such limit, $1,500), and if the deductions allowed to such company under section 162 (relating to trade or business expenses), other than for compensation for personal services rendered by shareholders (including members of the shareholder's family as described in section 544(a)(2)) constitute 15 percent or more of its gross income, and the loans to a person, who is a shareholder in such company during the taxable year by or for whom 10 percent or more in value of its outstanding stock is owned directly or indirectly (including, in the case of an individual, stock owned by the members of his family as defined in section 544(a)(2)), outstanding at any time during such year do not exceed $5,000 in principal amount;".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1961.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That section 542(c)(7) of the Internal Revenue Code of 1954 (relating to exceptions to the term 'personal holding company') is amended to read as follows:

"'(7) a lending company, not otherwise excepted by this subsection, authorized to engage in and actively and regularly engaged in the small loan business (consumer finance business) under one or more State statutes providing for the direct regulations of such business, 80 percent or more of the gross income of which consists of either or both of the following—

"'(A) lawful interest, discount, or other authorized charges received from loans made to individuals in accordance with the provisions of applicable State law, and

"'(B) lawful income received from domestic subsidiary corporations (of which stock possessing at least 80 percent of the voting power of all classes of stock and of which at least 80 percent of each class of the nonvoting stock is owned directly by such lending company), which are themselves excepted under this paragraph or paragraph (6), (8), or (9) of this subsection,

if at least 60 percent of the gross income is lawful interest, discount, or other authorized charges received from loans made in accordance with the provisions of such small loan (consumer finance) laws to individuals each of whose indebtedness to such company did not at any time during the taxable year exceed in principal amount the limit prescribed for small loans by such law (or, if there is no such limit, $1,500), and if the deductions allowed to such company under section 162 (relating to trade or business expenses), other than for compensation for personal services rendered by shareholders (including members of the shareholder's family as described in section 544(a)(2)), constitute 15 percent or more of its gross income, and the loans to a person, who is a shareholder in such company during the taxable year by or for whom 10 percent or more in value of its outstanding stock is owned directly or indirectly (including, in the case of an individual, stock owned by the members of his family as defined in section 544(a)(2)), outstanding at any time during such year do not exceed $5,000 in principal amount;'.

"SEC. 2. The amendment made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1961."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

**Mr. MILLS.** Mr. Speaker, the bill H.R. 8824 which, with amendments, was reported unanimously by the Committee on Ways and Means deals with the provision of the Internal Revenue Code which excepts certain small loan companies from the operation of the personal holding company provisions of the code. As amended by your committee, the Treasury Department has indicated that it has no objection to the bill.

Mr. Speaker, since 1950 our tax laws have provided that certain companies engaged in the small loan business are to be excepted from the operation of the personal holding company provisions of the Internal Revenue Code and, therefore, not subject to the maximum 85 percent personal holding company tax on their undistributed income. The reason for this provision was the fact that these companies are actively engaged in the lending business and are not so-called incorporate pocketbooks which are merely the recipients of passive investment income such as dividends and interest. However, certain limitations were imposed on the application of the exception which were designed to insure that abuses could not develop in its operation. In general, these limitations coincided with the limitations that were imposed on the operation of these companies under the then applicable laws of the various States.

Since that time, Mr. Speaker, the States have updated their laws governing the operation of these small loan companies to liberalize these limitations and make them more realistic. However, our tax laws have not similarly been modified to take account of the State law changes and, therefore, are presently anachronistic in this regard.

Mr. Speaker, for taxable years beginning after December 31, 1961, the bill H.R. 8824 would amend the provisions which except these small loan companies from the personal holding company tax to reflect the changes that have been made in the State law limitations governing their operation. In addition to the other clarifying changes, the bill would also realistically liberalize the limitation on the amount of dividends that these small loan companies may receive from controlled subsidiaries which themselves are also excepted from the operation of the personal holding company tax.

I strongly urge my colleagues to give favorable consideration to this bill.

**Mr. BYRNES of Wisconsin.** Mr. Speaker, this bill modifies the exception of certain small loan companies from the personal holding company tax under the Internal Revenue Code to conform with laws enacted in many States over recent years for the regulation of consumer finance business. The personal holding company tax is levied to prevent the avoidance of individual income tax rates through the incorporation of passive income such as dividends, interest, and rents. Inasmuch as certain types of companies, small loan companies included, actively derive their income from such sources, it has been usual to except them from this tax on passive income. H.R. 8824 merely alters the requirements which enable the small loan or consumer finance companies to qualify for an exception. The changes suggested by Treasury are incorporated in the bill, and it has the unanimous approval of the committee. I therefore urge its passage.

## SMALL BUSINESS ACT—COMMITTEE ON BANKING AND CURRENCY

**Mr. ALBERT.** Mr. Speaker, on behalf of the gentleman from Kentucky [Mr. SPENCE], I ask unanimous consent that the Committee on Banking and Currency have until midnight Saturday to file a report on the bill H.R. 12121, the Small Business Act.

**The SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## POLES IN THE UNION AND CONFEDERATE FORCES IN THE WAR BETWEEN THE STATES: 1861-65

**Mr. ARENDS.** Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

**The SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

**Mr. DERWINSKI.** Mr. Speaker, the various Civil War centennial events—which have been receiving tremendous support from scholars, students, and avid followers of American history—are commendable for many reasons.

One of the most significant reasons is the energetic manner in which Americans are reviewing the Civil War period without any recriminations or controversy. Certainly, history does not disclose any great nation which has closed ranks so quickly, effectively, and permanently after an intense internal conflict as did the United States after our Civil War.

**Many groups have dedicated themselves to specific research and study of the actual conflict and related events of that period. One of the groups is the American Polish Civil War Centennial Committee, which has devoted itself to compiling the history of the men and women of Polish origin who participated in the Civil War.**

**As part of my remarks this afternoon, I insert into the RECORD a report by the Reverend Ladislas J. Siekaniec, O.F.M., of Cleveland, Ohio, chairman of the advisory board of the American Polish Civil War Centennial Committee, as published in the January 1962 issue of the American Council of Polish Cultural Clubs bulletin:**

### POLES IN THE UNION AND CONFEDERATE FORCES IN THE WAR BETWEEN THE STATES: 1861–65

(By Rev. Ladislas J. Siekaniec, O.F.M.)

Most of the information on Poles in the Civil War must still be based on the research of Mieczyslaw Haiman, the late curator of the Polish Roman Catholic Union Museum and Archives in Chicago, and contained in his Historja Udzialu Polaków w Amerykanskiej Wojnie Domowej. Besides that I have used Dr. Ella Lonn's two books, "Foreigners in the Union Army and Navy" and "Foreigners in the Confederacy." In the sections on Poles she too leans heavily on Haiman. Mr. Kowalczyk also has items. Finally, a few items have turned up in the course of research for my work on Polish educators of the United States. These findings allow a correction here and there and occasional additions to the works just mentioned.

#### GENERAL STATISTICS ON POLES IN THE CIVIL WAR

Haiman estimated that about 5,000 Poles fought in the Civil War—of these, about 4,000 for the North and about 1,000 for the South. He also figured that about 500 Poles died for the Union and 100 for the Confederacy. He was able to collect 269 names of officers and men who died in the war on the Union side. Southern records were still too meager. I presume that the centennial commemoration will produce more and better records for the South.

*Statistics on officers*

| | North | South |
|---|---|---|
| Brigadier generals | 3 | 1 |
| Colonels | 5 | 4 |
| Lieutenant colonels | 2 | 2 |
| Majors | 4 | 0 |
| Captains (by name) | 25 | 4 |
| Captains (no names) | 38 | 0 |
| Lieutenants | 38 | 4 |
| Second lieutenants | 35 | 1 |
| Physicians | 5 | 1 |
| Chaplains | 2 | 1 |
| Unknown ranks | 11 | 0 |
| Total | 168 | 18 |

Haiman conjectures that there were about 40 Polish officers in the Confederate troops.

#### POLISH POPULATION IN THE UNITED STATES AT THE TIME OF THE CIVIL WAR

Haiman estimated that there were at least 30,000 Poles in the United States in 1860. Fr. W. Kruszka estimated 44,900 for 1861 and now Mr. Eugene Kusielewicz wrote in the Polish American World that Poles, at the time of the Civil War, numbered 80,000 according to conservative estimates. The main participants in the military ranks were exiles from the November uprising against Russia of 1830–31, who came here in 1834 and from the failures of the "spring of nations" of 1846–48. Some may have been descendants of the refugee-soldiers from the Napoleonic wars in Europe as well as Haiti.

The census of 1860 gives these cities as having the most Poles, in order: New York (1,568), Cincinnati (199), St. Louis (184), New Orleans (119), Chicago (109).

Perhaps the mention of New Orleans surprises you. It is true that we lack a history of Poles in the South. For example, I suggest that someone take up as a master's or a doctoral thesis a study of Polish plantation owners in the South, who came there after 1831 and 1848. You hear names like these: Chodakowski, Czarnecki, Jurgielewicz, Kaczanoswski, Kaczorowski, Kowalski, Szczepanski, Szymanski (later colonel in Confederate States Army), and probably Oladowski, a lieutenant colonel. Around 1900 Joseph Sokolowski had a sugar plantation near New Orleans.

#### INDIVIDUAL FEATS

Naturally, those Poles who received the highest decoration, the Medal of Honor, deserve first mention. Haiman gives two: Joseph E. Sowa, harness maker of the 1st Cavalry Regiment of New Jersey, and G. Szlachta, a private in the 73d Infantry Regiment, of New York—both so decorated for the capture of Confederate flags in battle in Virginia. Another one has turned up since Haiman wrote: David Ortanski, Company B, 58th Ohio Infantry Regiment, decorated for special service under General Mitches.

#### OUTSTANDING SOLDIERS

Brig. Gen. Joseph Karge, one of the 48ers, repeatedly distinguished himself by his promptness, energy and dashing bravery. He was constantly in command of larger bodies of troops than his rank would have demanded. His appointment as brigadier general expired early in 1863, so he had to revert to the rank of colonel; ultimately he received the rank of brigadier general by brevet, being nominated by Lincoln in March 1865.

Wladimir Krzyzanowski also had to flee Poland in the same "spring of nations" in 1846. Joining as an ordinary soldier, he was taken out of the ranks and made an officer. For his influence in raising the unit he was made captain of the volunteers who were called "Krzyzanowski's company." The Secretary of War asked him to form a foreign regiment of infantry in New York. This he achieved in October 1861. His unit became the 58th Volunteer Infantry Regiment of New York and contained many nationalities, but retained the name of the Polish Legion. When General Schurz was made local division commander, Krzyzanowski lost his regiment because he was put in command of one of the general's brigades. In the Battle of Bull Run, September 1862, Krzyzanowski was wounded. He fought so expertly that his superiors recommended promotion and President Lincoln sent his nomination for brigadier general to the Senate. The Senate refused. He performed heroic deeds at Gettysburg. Toward the end of war, in October 1864, he became military Governor of Alabama and in April 1865 also of Florida, Georgia, and Virginia. He was voted the rank of brigadier general after the Civil War, retroactive to 1865. It is interesting to note here that he was a first cousin of Fryderyk Chopin.

Just as the Union Poles distinguished themselves more on the battlefield, so the Southern Poles were more prominent in staff duty; at least, they ended up there. Lt. Col. Hipolitus Oladowski became Chief of Ordnance to Gen. Braxton Bragg, which position he filled very efficiently. Col. Ignatius Szymanski (exile of the November uprising) commanded the Chalmette Regiment of Louisiana and then became liaison officer for exchange of prisoners and mail between the North and South. Valerian Sulakowski, a 48er from Hungary, became Chief Engineer of the Trans-Mississippi Department, under Maj. Gen. John B. Magruder. Lastly, there was Arthur Grabowski, who rose from private to colonel and ended the war as Chief of Supplies under Gen. Robert E. Lee. After the war he was, for a few years, president of Defiance College, Defiance, Ohio.

#### ITEMS OF INTEREST

My research in this period of American history has uncovered the following interesting bits of information:

1. General Tochman commanded a Polish brigade in the Confederate Army.
2. Eight Polish officers of the North commanded Negro units of the Union Army: one colonel, one major, three captains, three lieutenants, and one physician.
3. Two sisters of the Order of Daughters of Charity in Baltimore appear to have had battlefield experience. Half Irish and half Polish, they were distant relatives of Kosciuszko.
4. Two sisters, half Polish and half German, prepared bandages for the South; they were the daughters of a relative of Kosciuszko's fiance.
5. Joseph Smolinski, Jr., who became a second lieutenant at 18, was the youngest cavalry officer in the Union Army. His father had probably been the commander of this unit originally.
6. Capt. Alexander Bielawski had a land engineering office in Springfield, Ill., where he frequently talked with Lincoln and where Ulysses S. Grant often delivered wood. When Lincoln personally signed his commission, he became aide-de-camp to General McLernand. Bielawski fought his first—and last—battle at Belmont where General Grant led an attack on the Confederate Army. Bielawski was killed when his horse was shot from under him. He left a widow and seven children.

#### OHIO POLES IN THE UNION ARMY

A total of 144 Ohio Poles fought in the Union Army. Among the officers were one major, three captains and two lieutenants. Of the 26 men who gave their lives, 1 was a lieutenant while the remainder were noncommissioned officers and enlisted men.

Under Maj. Maurice Wesolowski the Poles organized their own company, apparently Company I, in the 28th Ohio Infantry Regiment at Cincinnati. There were also some Poles in the 9th Ohio Infantry Regiment, where the captain was James Gluchowski. Other officers from Ohio were: Capt. Anthony Grodzicki, Infantry; Capt. John Wisniewski, Infantry and Artillery; Lt. Henry Blodowski, Infantry and Engineering Corps; Lt. Thomas F. Morski (Morskey), of Cleveland, Infantry; and Lt. Henry Klawish (Klawisz), Infantry.

#### OHIO ITEM OF INTEREST

When General Buell organized the Union Army of Ohio, the Pole, Brig. Gen. Albin F. Schoepf, was appointed commander of the 1st Brigade of the 1st Division. In August 1862, he became commander of the 1st Division in place of General Thomas. Because of battle wounds which impaired his hearing and because of his dislike for military politics, Schoepf resigned from the Union Army. However, he was later made commander of the military prison of Fort Delaware, Pa.

Schoepf was born at Podgórze, near Warsaw, of a Polish mother and an Austrian official (whether he was Polish is not clear). He too had fought in the Spring of Nations as a major with General Bem in Hungary.

#### CONCLUSION

Capt. Louis Zychlinski in his memoirs, "Przygody Wielkopolamina w Azji i Ameryce," gives us a fitting conclusion in describing his sentiments as he went into battle during the Civil War. As Poles and Catholics, we can appreciate his feelings: "It happened to me (not once) off and on that, going under fire during a battle, I took my cap off and made the sign of the cross humbly, beseeching God and the Most Holy Queen for protection and for the reception of my soul at the court of the Most Just; but to no one did this appear ridiculous; in fact, they looked at me with respect and admired that faith and fidelity

> of the Poles to their centuries-old religion. I wore on my chest a medallion of Our Lady of Czestochowa and a scapular. Often in taking a bath publicly or washing before the soldiers, I took from my neck that badge and Polish shield in danger, and kissing it in removal and putting it back on, I did not incur even a smile or voice of an unbeliever from the Americans; moreover they asked why I did that, and when I narrated to them the entire history of the scapular and picture of Our Lady of Czestochowa and why we Poles are so brave in battle, they saw in us a faith which alone can make a lion out of a little rabbit and which overcomes mountains, and makes burdened nations free and not despicable slaves." In this Zychlinski can be a model for us Americans of Polish descent not merely in battle but in our daily life and work as citizens of our community.

## FATHER'S DAY, 1962

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. HORAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HORAN. Mr. Speaker, next Sunday is the big day for the fathers of America, for it is Father's Day, 1962. Last year about this time, I explained that I felt that I had a proprietary interest in Father's Day not only because I have 5 children, and now 10 grandchildren of my own, but also because Father's Day was founded 52 years ago by the Spokane, Wash., Ministerial Association.

In June of 1910, one of my most loved and admired constituents, Mrs. John Bruce Dodd, suggested to the ministerial association that the third Sunday of June of each year be set apart as a special day honoring the fathers of America. From this suggestion, the third Sunday of June has gained nationwide observance as a means of paying tribute to all fathers. However, Father's Day has never been given the recognition of Congress which was granted to Mother's Day 48 years ago. I have sponsored a resolution which would bestow upon Father's Day this official recognition and I sincerely hope that many of you will want to join me in sponsoring this resolution.

This resolution, House Joint Resolution 451, would not declare a new holiday, nor would it extend any holiday privileges to Government or other employees. It would simply give legislative status to the observance of Father's Day by designating the third Sunday of June, each year, as Father's Day. The President is directed to proclaim this day as Father's Day, and the day is to be observed by public display of flags and other appropriate ceremonies.

My resolution is pending before the House Committee on the Judiciary, which, I realize, has an extremely crowded schedule. I am also aware that a large number of proposals providing for the designation of various "days" are pending before this committee, and that it is impossible for the committee to act upon each one of these. However, none of the other days have universal recognition as does Father's Day, nor have they been observed for 52 years without official recognition. Because of this, I invite my colleagues to join me in sponsoring this resolution. In these days of orbital flights and other complex scientific activities, it will be refreshing to take time to grant simple official recognition to our American fathers, individually and collectively, who are the paternal guardians of our Nation's future.

I was pleased to note the following article which appeared in the June 14 edition of the Washington, D.C., Evening Star, concerning Mrs. John Bruce Dodd and her efforts to obtain official recognition for Father's Day.

### FOUNDER SPEAKS WITH PRIDE—DAD'S DAY COMES OF AGE

> SPOKANE, WASH., June 14.—A two-horse carriage bumped along a dirt street in Spokane 52 years ago this Sunday.
>
> Two ladies were riding in the carriage and on its floor was a bundle—containing gifts for shut-in fathers on the Nation's first Father's Day.
>
> "Father's Day has seen progress move from horse-and-buggy times to spacecrafts orbiting around our earth," says Mrs. John Bruce Dodd, founder of Father's Day. "I experience indescribable pride when I think of the courage of our young astronaut fathers who are daring the elements in quest of peace. May our Supreme Father companion them always."
>
> Mrs. Dodd, daughter of a Civil War veteran, was one of the ladies in the carriage more than half a century ago. A friend, Mrs. Eva Cummings Estes, was the other.
>
> "My father, William Jackson Smart, reared six of us children on an eastern Washington wheat farm after our mother's passing," Mrs. Dodd recalls. "He was a strict disciplinarian. But he was very gentle, too."
>
> The idea to honor her father, and all fathers, grew in Mrs. Dodd's mind after she heard a sermon on the trials—and joys—of fatherhood. She encouraged Spokane clergymen to make fathers the theme of their sermons on the third Sunday in June. City and State officials were asked to proclaim the day Father's Day. All agreed and on June 17, 1910, dad got official recognition in Washington State.
>
> It wasn't until 1916 that President Woodrow Wilson recommended that Father's Day be made a national observance.
>
> In 1931 the Spokane Chamber of Commerce dedicated nearby 5,582-foot Mount Spokane to Father's Day. (It's bald on top.)
>
> "I have been getting letters and wires from all parts of the country this week as Sunday's observance of Father's Day draws near," Mrs. Dodd said. "I try to answer them but I have no secretary and days aren't long enough to write all the replies."
>
> Mrs. Dodd, gray-haired but in good health and busy, said she has turned down a hundred offers to endorse liquor, soap—even steaks.
>
> "I would never endorse anything," she said, "but steak would be nice for father on his day, wouldn't it?"

## THE GREAT HERITAGE OF THE NATION'S CAPITOL HAS LONG BEEN ABUSED AND NEGLECTED—REPUBLICAN AND DEMOCRATIC MEMBERS JOIN IN BIPARTISAN EFFORT TO PRESERVE THIS IRREPLACEABLE ASSET

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KEARNS. Mr. Speaker, the great heritage of the Nation's Capitol has long been abused and neglected.

Senator MICHAEL J. MANSFIELD recently introduced a bipartisan measure in the Senate, Senate Joint Resolution 195, for himself and Senate Minority Leader EVERETT M. DIRKSEN, to preserve this irreplaceable asset. He said at the time:

> The distinguished First Lady has set an example in enhancing the historic significance of the White House which is worthy of emulation. The Capitol also houses a collection of art and antiquities of priceless historic value. There are rooms, paintings, statues, furniture, and other objects in this building which bear witness to the dramatic story of the Nation from its earliest days.
>
> This heritage of the Capitol has long been abused and neglected. The collection of art and antiquities has not been adequately safeguarded, maintained, and exhibited. This is not said in any derogatory sense with respect to those who have had responsibilities in connection with the collection. The real problem is that we have paid too little attention to this irreplaceable asset. In consequence, responsibilities with respect to it have been assigned somewhat haphazardly or not at all.

Senator EUGENE J. MCCARTHY recently introduced a bill, S. 3180, to—and I will read:

> (1) provide a suitable environment for the United States Capitol, the Senate and House Office Buildings, the Library of Congress, and the United States Supreme Court, in keeping with the dignity, history, and importance of the seat of government;
>
> (2) protect the physical environs of these Federal buildings and provide for the long-range improvement of such environs—after taking full note of the best European practices where historic buildings of all periods are designated historic monuments and fully protected as national treasures by national governments, as well as of the Act of Congress approved September 22, 1961 (Public Law 87-286), concerning the White House and providing for the care and preservation of its historic and artistic contents—and to prevent the encroachment of highways, expressways, housing, and other local government programs which, whatever their short-range utility may appear to be, would detract from, or work against, or be harmful to the dignity, beauty, and historic character and environs of these great buildings; and
>
> (3) protect the historic houses on the grounds of the Naval Gun Factory and the Marine Barracks; the historic Alva Belmont house; the historic Friendship House at 619 D Street Southeast; the historic Philadelphia row houses on the east side of the 100 block of Eleventh Street Southeast; the historic Naval Hospital at Pennsylvania Avenue and Tenth Street Southeast; the historic Christ Episcopal Church at 620 G Street Southeast; the historic Ebenezer Methodist Episcopal Church at Fourth and D Streets Southeast; the historic John Watterson house at 224 Second Street Southeast; the historic Frederick May house at 324 Virginia Avenue Southeast; the historic and culturally significant John Philip Sousa birthplace on G Street Southeast; historic Lincoln Park on Capitol Hill; and other historic buildings, houses, parks, churches, and sites in the historic Capitol Hill area in the District of Columbia.

I have myself introduced measures similar to those offered by Senators Mansfield, Dirksen, and McCarthy because I am convinced of the importance of their splendid proposals.

The gentleman from Wisconsin [Mr. Reuss], the gentleman from Pennsylvania [Mr. Morgan], and the gentleman from California [Mr. Holifield] have also introduced companion measures to the bill by Senator McCarthy to protect the great heritage of the Nation's Capitol and protect the physical environs of the Federal building complex on Capitol Hill.

Some weeks ago Constantine Brown, writing in the Washington, D.C., Evening Star, pointed out:

> In Rome, any building built before the 19th century becomes a historic monument and as such automatically falls under the supervision of the Commission of Arts. Neither ancient houses nor ancient trees are expendable for the sake of expanding highways or erecting lucrative apartments and office buildings.

Mr. Brown also pointed out:

> While American politicians, contractors, and community planners are busy bulldozing our old architecture and replacing it with "cracker boxes and chicken coops," the governments in Europe are doing the opposite and have been for many years.

Mr. Brown contrasted this with the situation in Washington, saying:

> The once-beautiful Southeast section of Washington * * *. Thousands of colored families lived there peacefully, many of them having well established small businesses in the area. But the buildings fell beneath bulldozers without consideration for where the families were to go and how they were to earn a living. After some 5 years, only a few blocks have been rebuilt with houses and apartments of no architectural distinction.

The publisher of the Titusville, Pa., Herald, Mr. Stevenson, a member of the Pennsylvania Historical Commission, recently supported me editorially in my introduction of the historic preservation legislation which I have described.

I include as part of my remarks Mr. Stevenson's editorial, the article by Constantine Brown, and the text of my companion resolution, as amended, to the resolution offered by Senators Mansfield and Dirksen.

Section 8 of my resolution, House Joint Resolution 733, would make it possible for the Nation's Capitol to be represented in Statuary Hall on an equal basis with the several States.

I hope that those of my colleagues who are interested in the preservation and maintenance of our Nation's history will join with me in offering similar legislation in the House, and that Senators Mansfield, Dirksen, and McCarthy will incorporate their splendid legislation into one measure for consideration by the Congress.

[From the Titusville (Pa.) Herald, June 13, 1962]

### Mr. Kearns' Good Deed

We congratulate Congressman Kearns for his joint sponsorship, with Senator Dirksen, Republican, and Senator Mansfield, Democrat, of a proposed piece of legislation that would preserve and protect the historical and museum aspects of the U.S. Capitol Building. It would set up a commission which would hire a curator of art and antiquities of the Capitol. The curator's duty would be to safeguard, maintain, and bring to greater awareness the magnificent treasure of art, sculpture, antiquity and architecture which is contained in the Capitol.

Our Congressman said:

"I hope the House and Senate will quickly pass this bipartisan measure. Prompt action in adopting this proposal would do much to enhance the significance and inspiration of the Capitol to the Members of the Congress, to the millions of visitors to the Nation's Capitol from this country and from nations around the world."

Jackie Kennedy made the Nation aware that pride in a nation's historical treasures is not a partisan thing. Even Republicans enjoyed her television tour of the White House—everyone did. Senator Mansfield, speaking for himself and Senator Dirksen, emphasized this fact when he said, on introducing the measure:

"The distinguished First Lady has set an example in enhancing the historic significance of the White House which is worthy of emulation. The Capitol also houses a collection of art and antiquities of priceless historic value. There are rooms, paintings, statues, furniture, and other objects in this building which bear witness to the dramatic story of the Nation from its earliest days.

"This heritage of the Capitol has long been abused and neglected. The collection of art and antiquities has not been adequately safeguarded, maintained and exhibited. This is not said in any derogatory sense with respect to those who have had responsibilities in connection with the collection. The real problem is that we have paid too little attention to this irreplaceable asset. In consequence, responsibilities with respect to it have been assigned somewhat haphazardly or not at all."

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[From the Washington (D.C.) Evening Star, Mar. 24, 1962]

### The Changing Character of Cities—Rome's Policy of Preserving Antiquities in Rebuilding Preferred to Washington's

(By Constantine Brown)

Rome.—A recent item in the press quoted former President Harry Truman as exclaiming that Washington has turned into a city "of cracker boxes and chicken coops." But Mr. Truman, like everybody else, takes the destruction of the character and beauty of our cities and towns like the weather—everybody talks but nobody does anything about it.

While American politicians, contractors, and community planners are busy bulldozing our old architecture and replacing it with "cracker boxes and chicken coops," the governments in Europe are doing the opposite and have been for many years.

In Rome, any building built before the 19th century becomes a historic monument and as such automatically falls under the supervision of the Commission of Arts. Neither ancient houses nor ancient trees are expendable for the sake of expanding highways or erecting lucrative apartments and office buildings.

Should you live in a historic monument and desire to add a bathroom or repair a window or fireplace, you must go to the Commission and it will make the plans to carry out your desires, select experienced workmen—and eventually get the work done. All you have to do is pay the bill.

Likewise, trees are spared. Not long ago a small plot of ground which contained an ancient and beautiful tree was used as the site for a two-story building for shops and a restaurant off the fashionable Via Veneto. Today passersby are astonished to see the tree trunk in the center of a store display window and above its spreading branches shade the restaurant's outdoor terrace.

Greatest hazard for building is Rome Vecchia (Old Rome), much of which is buried beneath new Rome. Many a builder has invested a great deal of money in excavating for a new building only to come upon buried homes, relics or streets 2,000 or more years old. When this happens all work must stop and the city takes over the property which it will eventually excavate.

Traffic congestion becomes worse each year in Rome, but no Roman would even contemplate the destruction of some of its ancient walls, which are in the way, in order to solve the problem.

The city of Paris recently announced its intention of restoring two great slum areas to their former grandeur and beauty. They are called Les Marrais (the marshes). These buildings once the palaces of the nobles in the days of Henry IV and Louis XIII are now inhabited by the very poor, and are falling into decay. The Paris city fathers have decided to restore them. But the facades must be kept intact and the interiors are to be modernized, but in keeping with their period.

However, this work is not to begin until places are found for their present tenants to move with as little disruption to their lives as possible. The news pictures and stories published in Paris newspapers reminded this reporter of the once beautiful southeast section of Washington, much of which has become slums, though the architecture of the Federal houses remains beautiful. Thousands of colored families lived there peacefully, many of them having well established, small businesses in the area. But the buildings fell beneath bulldozers without consideration for where the families were to go and how they were to earn a living. After some 5 years, only a few blocks have been rebuilt with houses and apartments of no architectural distinction.

It is a wonder that modern-day architects do not devote more time to studying the ancients, not only for their art but for strong construction. Here in Rome a recent rainstorm overflowed the Tiber and a 30-year-old bridge crumbled. All traffic had to be diverted to a nearby ancient bridge which has stood since Caesar's time.

And, speaking of architecture, your reporter had come to the conclusion he disliked all new trends in buildings until he came to Rome. In the outer edges of the new Rome the modern apartment houses are neither monotonous nor ugly. And since every apartment has a balcony the buildings have many flowerboxes which in summer provide a riot of color.

The only place one sees the ugliness of modern squares is the once slum area which has become Olympic Village. Vast jerry-built apartments were erected quickly to house the Olympic athletes during the 1960 games. These remain, along with the stadium and its parking lots.

The new campaign to attract European tourists to the United States is getting no help from American builders—private or governmental. Tourists want to see the American character as it was when our early history was being made. Once visitors have seen our skyscrapers and our beautiful country from the Atlantic to the Pacific they have seen all. Our cities are becoming lookalikes.

Tourists who travel through Europe (Italy had 19 million last year) find so much to see that many make repeated trips. It is doubtful that this will be so with the European tourist to the United States. For half the price of crossing the Atlantic he can see the ancient cities of this continent, all of which have had special care in preserving their historic architecture.

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### H.J. Res. 733

Joint resolution creating and establishing the Capitol Commission

*Resolved by the Senate and House of Representatives of the United States of America* *in Congress assembled,* That (a) there is hereby created and established a Capitol Commission consisting of the chairman and ranking minority member of the Committee on Rules and Administration of the Senate, the chairman and ranking minority member of the Committee on House Administration of the House of Representatives, and the Architect of the Capitol. The Vice President of the United States and the Speaker of the House of Representatives shall be ex officio members of the Commission.

(b) Three members of the Commission shall constitute a quorum for the transaction of business and the taking of testimony. That part of the Commission on the part of the Senate remaining in office as Senators shall, with the Architect of the Capitol, exercise the powers and discharge all the duties of the Commission during the adjourned periods and recesses of the Congress.

(c) The Commission shall elect a Chairman and a Vice Chairman at the beginning of each Congress. The Commission also shall select a Curator of Art and Antiquities of the Capitol who shall be an employee of the Office of the Architect at a gross salary not to exceed $17,500. The Curator shall serve at the pleasure of the Commission and perform such duties as may be directed by it without additional compensation. The Commission shall also be empowered to draw from the Office of the Architect such additional professional and clerical assistants as, from time to time, it deems necessary.

(d) The Commission shall be empowered to hold hearings, summon witnesses, administer oaths, to employ reporters, request the production of papers and records, and to take such testimony as it deems necessary, and shall adopt such rules for the conduct of its hearings and meetings as may be required consistent with the rules of both Houses of Congress, with the laws governing the Office of the Architect, and with the provisions of this joint resolution.

Sec. 2. The Capitol Commission is hereby authorized and directed to supervise, hold, place, and protect all works of art, historical objects, exhibits, and architectural features within the Capitol, and in all offices and the committee rooms thereof, and in its judgment to accept any works of art, historical objects, or exhibits which may hereafter be given, offered or devised to the Congress, its committees, and its officers for placement and exhibition in the Capitol, its committee rooms and offices thereof.

(b) The Commission shall prescribe such regulations as it deems necessary for the care, protection, and placement of such works of art, exhibits, and historical objects in the Capitol, and for their acceptance on behalf of the Congress, its committees, and officers.

(c) Such regulations shall be published in the Federal Register when formulated or amended, and shall be inserted in the Congressional Record as the Commission may deem necessary for the information of the Members of Congress and the public.

(d) The Committee on Rules and Administration and the Committee on House Administration shall, with the advice of the Architect of the Capitol, have the supervision, protection, and placement of all works of art, historical objects, and exhibits the property of the United States which may be lodged in the Senate and House Office Buildings, respectively, by the Commission: *Provided,* That all such works of art, historical objects, and exhibits shall have first been accepted in the name of Congress by the Capitol Commission, or acknowledged as United States property by inventory of the Commission: *Provided further,* That no work of art or exhibit shall be displayed or offered for sale or gain in any of the rooms, spaces, or corridors of the Senate or House Office Building or the Capitol.

Sec. 3. The Capitol Commission hereafter shall be specifically charged with the oversight and maintenance of the National Statuary Hall and the old Senate Chamber on the principal floor of the Senate wing of the Capitol, insofar as they are to be preserved as patriotic shrines in the Capitol for the benefit of the Congress and the people of the United States.

(b) The Commission, with the advice of the Commission of Fine Arts, is authorized and directed to relocate within the Capitol any of the statues already received and placed in the National Statuary Hall, and to provide for the reception and location of the statues which hereafter may be received from the States pursuant to section 187, title 40, United States Code.

Sec. 4. It shall be unlawful for anyone other than authorized personnel of the Congress or the Architect of the Capitol to remove, relocate, or change any work of art, historical object, exhibit, or architectural feature in the Capitol or in the Senate and House Office Buildings which is the property of the United States, and whoever defaces, injures, removes, or in any other way damages any said work of art, historical object, exhibit, or architectural feature, or violates any of the provisions of the regulations adopted by the Commission for their care and protection shall be fined not more than $100 or imprisoned not more than sixty days, or both, and prosecution for such offense is to be had in the municipal court of the District of Columbia, upon information by the United States attorney or any of his assistants: *Provided,* That in any case where the commission of an offense against said works of art, historial objects, exhibits, or architectural features are damaged in an amount exceeding $100, the amount of the fine for the offense may not be more than $5,000, and the period of imprisonment for the offense may not be more than five years, and the prosecution shall be had in the United States District Court for the District of Columbia by indictment, or if the defendant, after he has been advised of the nature of the charge and his rights, waives in open court prosecution by indictment, by information by the United States attorney or any of his assistants.

(b) Those regulations required by law (R.S. 1820) to be issued by the Sergeants at Arms of the Senate and the House of Representatives for the protection of the Capitol Building, and such duties as are imposed upon the Rules and Administration Committee of the Senate, the House Administration Committee of the House of Representatives, and the Architect of the Capitol for the care, preservation, and protection of the Capitol and the Senate and House Office Buildings shall not be inconsistent with such rules and regulations as the Commission may issue pursuant to this joint resolution.

Sec. 5. The Commission shall, from time time, but at periods no less than once every ten years, publish as a House document a list of all works of art, historical objects, and exhibits and architectural features currently within the Capitol, and the Senate and House Office Buildings, together with their description, location, and with such notes as may be pertinent to their history.

Sec. 6. There is hereby authorized to be appropriated for the expenses of the Commission the sum of $10,000 each fiscal year, to be disbursed by the Senate disbursing officer on vouchers signed by the Chairman or Vice Chairman of the Commission. Payment on such vouchers shall be deemed and are hereby declared to be conclusive upon all departments and officers of the Government: *Provided,* That no payment shall be made from such authorization as salary: *And provided further,* That a report of all expenditures of the Commission shall be made by the Chairman or Vice Chairman to the Secretary of the Senate on December 31, each calendar year, and by the Secretary of the Senate included within his report to the Senate.

Sec. 7. The National Capital Planning Commission shall forthwith develop a plan for the historic Capitol Hill area and vicinity in the District of Columbia which will protect the United States Capitol and the surrounding buildings of the Federal Government and which will meet the immediate and long-range needs of the historic Capitol Hill area. Said plan for the historic Capitol Hill area and vicinity shall embrace that part of the District of Columbia which is bounded on the north by G Street (Northeast and Northwest), on the east and south by the Anacostia River, and on the west by a line running down Third Street (Northwest and Southeast), from G Street to Canal Street, down Canal Street to First Street Southwest, and down First Street to the Anacostia River. Said plan shall be designed to protect the above area from the encroachment of programs which would destroy its historic character and to preserve the historic buildings, houses, parks, churches, and sites within its boundaries for posterity.

Sec. 8. The District of Columbia, acting through the Board of Commissioners, is authorized to provide and furnish two statues, one of which shall be a statue of Doctor Harvey W. Wiley, author and champion of the original pure food and drug law, the other of which shall be a statue of Frederick Douglass, abolitionist, orator, and journalist, to be placed in the Statuary Hall collection in the Capitol in accordance with the provisions of section 1814 of the Revised Statutes (and of H. Con. Res. 47 as agreed to February 24, 1933).

## TO COMMUNISM—VIA MAJORITY VOTE

**Mr. ARENDS.** Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. Rousselot] may extend his remarks at this point in the Record and include extraneous matter.

**The SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

**Mr. ROUSSELOT.** Mr. Speaker, there has come to my attention a speech by Adm. Ben Moreell, CEC, U.S. Navy, retired, entitled "To Communism—Via Majority Vote." I think this excellent speech will be of interest to my colleagues, because it so clearly points to the progress made in the execution of the plan for collectivizing the United States set forth in William Z. Foster's "Toward a Soviet America."

Foster wrote this book in the early 1930's while he was chairman of the Communist Party, U.S.A.

The text of the speech follows:

### To Communism—Via Majority Vote

The American Petroleum Industry, with vital interests dispersed in all parts of the world, must be concerned about current trends in forms and procedures of government everywhere but, most particularly, in our own country. Therefore, I am glad to have this invitation to speak to you today. Because it gives me the opportunity to discuss with you what I consider to be the most vital problem of our times. It is this: "How can you and I best fight communism?"

I believe that communism is an evil thing, every trace of which should be rooted out of American life. Most Americans are of the same mind. In fact, the American people are now aroused against communism as they have seldom been aroused before. They fear the danger to our freedoms. And they want to do something about it.

As one who has spent most of his adult life in our military service, I want to enlist for this battle too. So, over the past few years I have been studying our enemy—communism—in order to prepare myself for the struggle. During the course of those studies I made a shocking discovery, which I am now going to share with you, in the hope that we can help each other solve this problem. But first let me give you the step-by-step account of that discovery.

### TEN POINTS OF COMMUNISM

Like most Americans, I began by hating communism because of its methods. I linked communism with outright lying, subtle deception, treason, allegiance to a foreign state, hatred of religion, and contempt for the God-given rights of individuals. Wherever the Communists achieved power, there followed murder, slave labor, concentration camps, and despotic control of every phase of human life.

But I found that these are only the methods and byproducts of communism. I then asked myself these questions: "What is communism itself, as distinguished from its methods? Are not these cruel methods the inevitable result of autocratic rule? Can any good end ever be achieved by evil means?

If a person intends to fight something, he should know his enemy in order to plan his strategy. Otherwise, he may do more harm than good. I had heard of Karl Marx and Frederick Engels, the founders of communism. And I had been told that their book, "The Communist Manifesto," published in 1848, is the bible of the Communist faith. So I bought the book and read it. And I have been greatly disturbed ever since. You will understand the reason for this when I read to you the 10 steps of the Communist program as set forth by Marx. They appear on pages 32, 33, and 34 of the 100th anniversary edition of "The Communist Manifesto." I shall now read to you from that book and I assure you that I am not reading out of context:

"We have seen that the first step in the revolution by the working class is to raise the proletariat to the position of the ruling class; to win the battle of democracy.

"The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie (i.e., the property owners); to centralize all instruments of production in the hands of the state.

"Of course, in the beginning this cannot be effected except by means of despotic inroads on the rights of property and on the conditions of bourgeois production.

"These measures will, of course, be different in different countries.

"Nevertheless in the most advanced countries the following will be pretty generally applicable:

"1. Abolition of property in land and application of all rents of land to public purposes.

"2. A heavy progressive or graduated income tax.

"3. Abolition of all right of inheritance.

"4. Confiscation of the property of all emigrants and rebels.

"5. Centralization of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly.

"6. Centralization of the means of communication and transport in the hands of the state.

"7. Extension of factories and instruments of production owned by the state; the bringing into cultivation of wastelands, and the improvement of the soil generally in accordance with a common plan.

"8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.

"9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of the population over the country.

"10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production, etc., etc."

Those 10 measures were the battle plan of communism, formulated by Marx and Engels 100 years ago. And the same plan is still pursued by present-day Communists. When this plan was drawn, none of their ideas was popular in America. Now, let us see how they have progressed during the past century.

### BY DEMOCRATIC MEANS

It is important to recall that Marx did not say that these measures should be put into effect by armed revolt, but, using his own words, by "winning the battle of democracy" and by "raising the working class to the position of the ruling class." Once this has been accomplished by legal and democratic elections, the political supremacy was to be used as follows: "to wrest, by degrees (again, not by sudden revolution but by the slower democratic process) all capital from the bourgeoisie"; and "to centralize all instruments of production in the hands of the state."

Because communism came to Russia by violent revolt, most of us have thought that the Communists would try the same method in the United States. The fact is that Marx taught only the slow-decay-from-within method. It was not until about 1903 that Lenin broke with the Fabian Socialists and adopted violence as the means to be used in Russia, where capitalism had not developed to the point where its decay could be significant. But the rest of the Communist-Socialist thinkers continued to follow the strategy of Marx. These included the Fabians and Labor Party of England and the Socialists of Western Europe. Even the Russian Communists have not abandoned the methods and strategy of Marx in most countries other than Russia.

If this century-old strategy of Marx—what today we call creeping socialism—sounds familiar to you in the light of current events in America, you will understand why I am disturbed. You see, I had believed that communism would come by violence. Now I discovered that the goal was to be achieved not by bullets, but by ballots; not by illegal, but by legal, means; not by a few evil persons, but by vote of the majority.

This throws a new light on the problem. It appears that in our struggle against communism, we Americans may well be choosing the wrong battlefield, at the wrong time, and against the wrong enemy. It may be that while we are fighting Communist armies thousands of miles away, communism itself is marching steadily forward under the stimulus of easy triumphs here at home.

### COMMUNISTIC IDEAS

In view of vows of fidelity by Communists throughout the world, we must assume that "The Communist Manifesto" is still authentic Communist doctrine. Let us, then, examine the 10 planks of their platform in some detail.

### OWNERSHIP OF LAND

The first plank is government ownership of land. Now, it is true that our Government has always owned land. But early American policy was to get this land into the hands of private owners as quickly as possible. Sometimes it was sold at very low prices. Sometimes it was given away. But always the idea was to get it into the hands of private owners, whether it be a railroad, a college, an individual homesteader, or others.

That practice is followed no longer. The policy now is for the Government to take land from private owners and, in strict accord with Marxist doctrine, to use it "for public purposes." The public purpose may be an irrigation or flood control district, a Tennessee Valley Authority, a Bonneville power project, forest land, an oil reserve, or any one of a number of others. The Federal Government now owns 24 percent of all the land within the continental limits of the United States, and its holdings are increasing steadily. During the past 30 years 45 million acres of land have been taken from private owners by the Federal Government, which now owns more than 69 percent of the area of Arizona, 71 percent of Utah, and 85 percent of Nevada. Most of the current acquisitions are east of the Mississippi River. There isn't too much left to acquire west of the Mississippi. And the trend is steadily upward. The claim of dominant interest in the tidelands, always until now considered the property of the States, is a striking example of current policy.

As stated, the Federal Government now owns one-fourth of all the land. How long will it be before it owns one-half—and then all of it?

### THE INCOME TAX

The second Communist plank is: "A heavy progressive or graduated income tax." That iniquity was first imposed on Americans in 1913, with the ratification of the 16th amendment to the Constitution. The tax was described by its proponents as a modest levy, with a normal rate of 1 percent on personal income up to $20,000, a surtax up to a maximum of 6 percent at $500,000; and a flat corporate tax rate of 1 percent. The sole purpose, they said, was to produce revenue. When a Senator protested that the normal rate might some day rise to the confiscatory level of 10 percent, he was shouted down in derision. But now the personal tax has progressed to better than 90 percent in the highest brackets and is being used, as originally intended by Marx, as a punitive measure to achieve equalization of status, i.e., to take from the thrifty by force, if necessary, in order to give to the thriftless—and to act as a powerful deterrent to the formation of private capital, thus making it easier for government to step in with public capital.

To the Federal income tax should be added the various State income taxes. This process of progressive confiscation of income is, of course, in complete accord with the Communist plan of "wresting, by degrees, all capital from the (owners of private property)."

Let me give you a specific example of how this works. In 1951, the total of the income-tax payments to the Federal Government by the largest company in each of the 20 largest industries was three times the total amount that was paid by them to the owners of the businesses. That is, for every dollar set aside for Federal taxes and dividends by these companies, 75 cents went to the Federal Government and 25 cents went to the stockholders. After that, an additional generous cut of the dividend payments was taken directly from the stockholders by the Government for personal income taxes. How long will American investors be willing to save and to risk their savings in American industry in the face of such powerful discouragement?

### THE INHERITANCE TAX

Plank 3 of the Communist platform is the inheritance tax, a most effective way of removing capital from private ownership and placing it the hands of government. And to this we have added the gift tax, a device which Marx apparently overlooked. I hold that these taxes are no more American than is the progressive income tax. The three have become as one—and for the same reason—"to wrest, by degrees, all capital from the bourgeoisie." As an example: One of the Du Ponts died recently and left an estate of $75 million. Of this, $56 million, or approximately 75 percent, must be paid out in inheritance taxes. The disruptive effect of the liquidation of such an estate is readily apparent. Surely those who are now responsible for managing this productive capital are better able to handle it to the advantage of our whole economy than are political adventurers. You may condone this action, saying, "Oh well, there is plenty left." But I speak here of a basic moral principle, the right to retain private property, which applies to all of us, regardless of the amount involved.

Those who wish merely to soak the rich should know that the history of the income tax—in our country as elsewhere—shows clearly that once it is established, the tax collector quickly moves into the lower income brackets. His appetite for more revenue is insatiable.

### CONFISCATION OF PROPERTY

Plank 4 of "The Communist Manifesto" provides for the confiscation of the property of all emigrants and rebels. In America, this is usually done only under the emotional stress of war. When the war is over, the property may or may not be returned to its rightful owners. In the last war, American citizens of the Japanese race, who, it was thought, might possibly become rebels, were deprived of their property and placed in concentration camps. The Government compensated these people for the loss of their property by a pitifully small percentage of its real worth. Speculators and political favorites got the rest.

### CONTROL OF CREDIT

Plank 5 is, "centralization of credit in the hands of the state, by means of a national bank." The trends of our Federal Reserve System and Government controls of credit and interest rates would appear to be exactly what Marx had in mind. Recently there have been recurring expressions of a growing desire on the part of New and Fair Dealers to have the executive branch of Government exercise control over the policies and actions of the Federal Reserve Board. They have proposed that the Government buy the stock of the Federal Reserve banks and that all new Government money requirements, including those for retiring outstanding bond issues, be provided by delivering non-interest-bearing bonds to those banks, which would then establish corresponding credits on their books. These proposals, coupled with repeated recommendations for the issuance of printing press money, recall the dictum, attributed to Lenin, that the surest way to destroy the capitalist system is to debauch its currency, which prompted the late Lord Keynes, high priest of the easy money cult, to state: "Lenin was certainly right. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."

### CONTROL OF COMMUNICATION AND TRANSPORT

Plank 6 of Marx's program is, "centralization of the means of communication and transport in the hands of the state." Our Federal Communications Commission and Interstate Commerce Commission seem to have made a good start toward the achievement of that objective. At various periods the Federal Government takes over and operates the railroads. At other times it merely controls them. In any case, our railroads are so strictly controlled and directed by Government that they cannot, with propriety, be pointed to as examples of private ownership and operation. Federal loans and subsidies for highways, bridges, steamship lines, trucklines, airlines, airports, etc., are added evidences of the encroachment of Government on this area of private enterprise. And it is pertinent to recall here the dictum of our Supreme Court in a decision handed down in October 1942 that, "it is hardly lack of due process for the Government to regulate that which it subsidizes."

### GOVERNMENT PLANNING

Plank 7 of the platform is the "extension of factories and instruments of production owned by the State; the bringing into cultivation of wastelands, and the improvement of the soil generally in accordance with a common plan." I believe you are aware of the many factories and other instruments of production now owned by the Government. And I am sure that the examples of Government planning for the improvement of deserts, swamps, and river valleys are known to you.

A noteworthy case is electric power generation. On January 1, 1932, the Federal Government owned 10.7 percent of the total generating capacity in the United States. Construction now in progress or scheduled by both Government and private utilities will result in Federal Government ownership of 15.4 percent of the total capacity by the end of 1955. The corresponding figure for all public ownership (Federal, State, and local) is 23.8 percent. One can easily foresee what will happen when the production of electric power by atomic energy is economically feasible, as atomic energy is now a complete Government monopoly.

In passing, it is worth noting that the Federal Government now owns $750 million worth of synthetic rubber plants. In the first 6 months of 1952 these Government-owned plants produced 62.3 percent of the country's total consumption of new rubber.

### LABOR CORPS FOR AGRICULTURE AND INDUSTRY

Plank 8 of the Communist program is the establishment of labor corps for agriculture and industry. Fortunately, that plan has not yet gained wide acceptance in America, although the Works Progress Administration (WPA) and the Civilian Conservation Corps (CCC) of the early New Deal years made a good beginning on this program. And the recent recommendations by Government agencies for the institution of compulsory unionism certainly contains the nucleus of the idea. In fact, in February 1921, the central executive committee of the American Communist Party published a statement which suggested that the closed shop is essential to give communism the control of industrial power necessary to create a Red America.

Many of us have lost sight of the strenuous effort made by the Federal Government, in 1946, to draft all striking railroad workers into a labor corps, a genuine "slave labor act" which was barely averted.

Because of its importance to our subject, I believe a brief review of that incident is in order. As the result of a special message from the President, a bill entitled "Temporary Industrial Disputes Settlement Act" was introduced in the House on May 26, 1946. The bill provided that if management or labor, including unions, refused to return to work in an essential industry after an emergency had been declared by the President, the President would have the power to draft workers, labor leaders, and management into the Army, on such terms and conditions as he might prescribe following seizure of the struck or locked-out facilities by the Government.

The House of Representatives, acting under the alleged stress of a national emergency, suspended its rules and passed the bill, practically without debate, by a vote of 306 to 13.

In the Senate the bill was amended to eliminate the section providing for the draft powers, referred to above.

The bill was passed by the Senate but died in conference committee.

In the light of current events, it is interesting to note that the removal from the bill of the draft section was the result of a vigorous attack by Senator Taft, who denounced that section as follows: "I object, in peacetime, to giving the President power under which, during an emergency, he could requisition every industry in the United States, put every workman in the United States in the Army, and set up a fascist state within the United States of America. I wish to say that it seems to me that section 7 goes further toward Hitlerism, Stalinism, and totalitarian government than any provision I have ever seen proposed in any measure. What is the purpose of including the drafting of labor union leaders? Does that not make this purely a punitive measure, rather than a measure in good faith intended to obtain workmen to operate the company?"

Senator Taft pointed out that the President's authority to fix the terms under which individuals could be drafted into the Army gave him absolute and sole power to fix compensation and all other terms and conditions of service without regard to the general statutory provisions applicable to the armed services.

Is it not ironical that the man who is now proclaimed by union leaders as the great friend and protector of labor should have proposed such a dictatorial measure, while the man who is being denounced by those same leaders as the enemy and oppressor of labor should have prevented its passage?

It is pertinent, also, to note that we now have Federal laws regulating the wages and hours of labor and other conditions of employment. It is almost inevitable that once the precedent is set for the exercise of Government power in this area, it will eventually be used to oppress labor as it is now used to favor it; political winds shift easily, and sometimes quite rapidly. We appear to overlook the fact that what the Government gives, it can take away; and when it chooses to do so, the taking is usually in increased measure.

### GOVERNMENT PLANNING IN AGRICULTURE AND INDUSTRY

Plank 9 of the Communist program is the listing of other ideas for Government planning in agriculture and industry and population controls. In one form or another we seem to have accepted the fundamentals of all of these.

A series of proposals have recently been made for the decentralization of industry by use of the emergency powers granted under the Defense Production Act.

Certainly no one can deny that the notorious Brannan plan for aid to both farmers and consumers is a vicious scheme to lock a large segment of agricultural production in the vise of bureaucratic controls. And the entire scheme of agricultural subsidies based on "parity," or a percentage thereof, thus linking farm prices to industrial wages, is certainly part and parcel of that "combination of agriculture with manufacturing industries" envisaged by this plank of the Communist platform.

### GOVERNMENT-CONTROLLED SCHOOLS

Plank 10 is government ownership of schools, with compulsory attendance and compulsory support. It is quite clear that Marx intended that government ownership of schools should be exclusive, i.e., its fundamental purpose was clearly government monopoly control of the minds and bodies of our children. We have already taken important steps in that direction. Recently one of our most eminent educators, the president of Harvard University, frankly advocated the abolition of all privately operated grade and secondary schools.

Now the Federal Government is moving into this area by means of its Federal aid to education program. In a study recently published by Columbia University, the author, Dr. James Earl Russell, traced the many ramifications of Federal financing of higher education and reached this important conclusion: "The Federal Government, in a typical postwar year (1947), spent just about $500 million of $1 billion that it cost the colleges to operate—50 cents of every dollar that the colleges took came from the Federal Government. And not all of this came in the form of payment of fees for the veterans under the GI bill. Much of it came from research contracts, direct Federal grants, and for other services." Dr. Benjamin Fine, education editor of the New York Times, who appears to favor participation by the Federal Government in education, seems pleased to report: "The Russell study plainly shows that higher education has become a major concern of the Federal Government."

Let us here again recall the dictum of the Supreme Court that "It is hardly lack of due process for the Government to regulate that which it subsidizes." The history of totalitarian governments indicates clearly that when government moves into education there is great danger to freedom of opinion and true liberal education for our children.

The 10 planks which I have discussed briefly above could, of course, be discussed in greater detail. I have listed only the most familiar and obvious examples. But this startling fact cannot be denied: since Marx enunciated his doctrine slightly more than 100 years ago, we Americans have adopted, in varying degrees, practically his entire program.

### NO NAME CALLING

Please note that I have not called any one of those specific measures communism. Nor do I call any person who believes in them a Communist. I am not interested in name calling. I am interested only in fighting communism. But the fact remains that, according to the father of communism, all of the measures I have listed are communistic ideas. And so long as I support any of them, I am—according to Marx—supporting the Communist program as set forth in his "Manifesto." That is what disturbs me, and that is why I bring this vexing problem to you.

After having studied "The Communist Manifesto," the thought struck me that perhaps the fundamentals of communism have changed over the past 100 years and that this program of Government controls, directions, prohibitions, and coercions—this movement toward the ultimate objective of state capitalism—is no longer communism. So I turned to the present-day writings of Earl Browder, the leader of the Communist movement in America for many years.

### BROWDER AND COMMUNISM

In his 1950 pamphlet entitled "Keynes, Foster & Marx; State Capitalism and Progress," Browder lists 22 specific items of present-day governmental action in the United States. These include Government housing, social security, tariffs, foreign loans, deficit financing, insurance of bank deposits, guaranteed mortgages, credit and price controls, subsidies, RFC loans to business, and others of a similar nature. Then he states: "They have the single feature in common that they are in the main particular aspects of the tendency to concentrate in the hands of the state the guiding reins of the national economy—i.e., they express the growth of state capitalism (which) is an essential feature of the confirmation of the Marxist theory. (This) makes socialism inevitable." And by "socialism" Browder means "communism," because he is well aware that they are the same thing. He then goes on to make this startling statement: "State capitalism, in substance if not in formal aspects, has progressed further in America than in Great Britain under the Labor Government. The actual substantial concentration of the guiding reins of national economy in governmental hands is probably on a higher level in the United States of America."

Thus I find no escape from my dilemma by turning from the "old masters" of communism to the "new." Browder tells us that the ultimate goal of communism has not shifted in any respect since Marx defined it more than a century ago. And, according to Browder, communism has "leaped forward to a new high point in America in the decade 1939–49. It became overwhelmingly predominant in every major phase of economic life and changed the face of politics."

Let me remind you that it is not I—but Browder—who calls these measures communism.

### COMMUNISM DEFINED

Finally, in desperation, I referred to my dictionary. It defines communism as "any theory or system of social organization involving common ownership of the agents of production, and some approach to equal distribution of the products of industry."

This definition serves to confirm what Marx and Browder said. The writings of Lenin, Stalin, and other Communist leaders are in agreement. Thus, nowhere could I find an easy way out. The definition of communism always emerged as government ownership of industry or rigid government controls over industry, the professions and the people in general.

If this is true—and I see no way around it—then we are indeed in serious straits. We have already noted the great proportion of the total land area owned by the Federal Government. Now let us examine the amount of wealth, other than land, which the Government owns. The National Bureau of Economic Research, in its 1950 "Studies in Income and Welfare," puts the figure at 21 percent of the total national wealth in 1946, an increase from only 8 percent in 1929. I have no later figures, but my guess is that it would be even higher today. And it should be noted that the Government has more or less control over much land and other forms of wealth that it does not directly own. In fact, in the report of the U.S. Department of Commerce entitled "Small Business and Government Licenses," for 1950, the Department states: "Practically every business, large or small, is affected by some form of Government licensing control. A license is a permit or authorization (from Government) to engage in some business or activity."

Now, let us look at some other areas in which we find significant indicators of the extent to which Government ownership of capital has encroached on the domain of private enterprise and the rights of the States.

On July 1, 1952, the population of the United States was 1¼ times the population on July 1, 1932, 20 years earlier. But during this same period the total Federal revenue from all sources, excepting trust fund receipts, increased from $1,924 million to $62,129 million, or 32.3 times.

At the same time the nontax revenues of the Federal Government increased from $111 million to $1,814 million, or 16½ times. Of these nontax revenues, approximately 53 percent were derived from what might be termed Government operations of industry, such as sales of electric power, interest on loans, dividends, rentals, sales of minerals and other products, etc.

As a corollary, it is interesting to note that for 1951, Government payments (Federal, State, and local) accounted for 15.3 percent of the total of all income payments throughout the United States. These Government payments were more than double the country's total agricultural income and two-thirds of the total manufacturing payrolls.

Against the increase in population of 1¼ times, the total Federal civilian employment increased from 622,000 in 1932 to 2,600,000 in 1952, or 4.2 times. Of special significance, as indicating the transfer of power from the States to the Federal Government, is the fact that in October 1950, the date of the latest available figures, Federal civilian employees located in the States themselves outnumbered State employees in 36 of the 48 States. The totals for the 48 States were as follows:

| | |
|---|---|
| State civilian employees | 1,077,000 |
| Federal civilian employees | 1,980,000 |

There were almost twice as many Federal employees located in the States as there were State employees. It is important to recall, at this point, that Lenin stated in 1917 that political power must be completely centralized before communism can successfully take over, i.e., power must be transferred from the States to the Federal Government.

A corollary of this is that in 1932, of the total tax take (Federal, State, and local), the Federal Government received only 22 percent. But in 1951 the Federal take had increased to 74 percent of a much larger total.

A statement of the grocery manufacturers of America is to the effect that the taxes we pay are costing us more than the food we eat. They estimate that in the current year the average family will spend about $900 for food, but will pay approximately $1,100 for taxes, both direct and indirect.

In this connection, it is pertinent to note that in recent years there have been major Government interferences with the distribution of the country's food supply. For example, from 1945 to 1951 the Government purchased $478,209,000 worth of Irish potatoes, or 14.4 percent of the total national production. Practically all of these were wasted or given away. There was negligible cash return to the Government. From 1945 through the first half of 1952, the Government purchased $318 million worth of eggs, and from 1949 through 1951, $158 million worth of butter. Almost any businessman will testify to the inflationary effects on living costs of these capricious interferences with the free market economy.

It is said that Jefferson declared, "That government is best that governs least." It appears that the socialists have appropriated this dictum to their own use, in this corrupted form: "That government is best which spends most."

I will not cite the many other examples of the constantly lengthening steps toward complete Government ownership of our capital. But I would like to invite your attention to two outstanding illustrations of how originally well-intentioned schemes for "doing good for the people" rapidly deteriorate into vote-buying or purse-lining activities.

The first is Federal social security. This started out in 1937 purporting to be a well-conceived plan for old age benefits on a sound actuarial basis. With the passage of only 15 years, it has lost its original character. In 1939 the name of the plan was changed from "benefits" to "insurance," although the plan moved far away from ordinary insurance principles. The 1939 amendments, coupled with those of 1950, justify the opinion that the plan is becoming a vast vote-buying scheme, admitted by some recognized experts to be unsound actuarially. For example, at a cost to them of only $54, a couple could receive a pension totaling $12,000, based on their life expectancy. Even Federal actuaries have indicated that, under existing law and current procedures, the fund could be "broke" in 48 years. It is no secret that the revenues are spent for current expenses of Government, so that the payments, when due, will have to be provided by current taxation. The amount which the Government states is held in the reserve fund of this account is $16.6 billion; but $16.3 billion of those moneys have been spent for general expenses of Government and there is nothing in the till to show for it except Government I O U's. If you would like a long vacation—and "total security"—at Government expense, I recommend you adopt that practice in your own business.

Parenthetically, other Government trust funds (unemployment insurance, national service life insurance, civil service retirement, etc.) have been handled in the same manner, so that, at present, there is a total of $39.3 billion of Government I O U's in the treasury as reserves for these funds. This represents more than 15 percent of the entire Federal public debt of the country.

These trust funds are putting into the hands of Government vast financial powers which constitute an open invitation to Government officials to increase the scope of their "squander lust."

The Federal Government is now in the insurance business in a big way. The Tax Foundation reports that as of the end of 1950, the figures for "life insurance in force" were as follows:

| [In billions] | |
|---|---|
| By private companies and organizations | $244 |
| By Government agencies | 252 |

Also, the Tax Foundation estimates that by the end of 1952 the figures will be:

| [In billions] | |
|---|---|
| Private insurance | $296 |
| Government insurance | 325 |

The tremendous financial power concentrated in the hands of Government by this business is far greater than that held by all of the private life insurance companies, fraternal organizations, assessment organizations, and savings bank life insurance departments combined.

The second illustration is the Reconstruction Finance Corporation. The RFC started operations under President Hoover in 1932. Its purpose was to afford temporary relief to distressed businesses and financial institutions in a period of serious national economic emergency. As with all schemes of this kind, the objective was good. But when Government plays with other people's money, the temptation to become careless or dishonest appears to be irresistible. Progression from conservative management in the public interest to carelessness, to political domination, to downright corruption, followed the usual pattern for activities of this kind.

We started with the conservative administration of men like Gen. Charles Dawes and Jesse Jones. But, in later days, we have had the malodorous prefabricated housing case, in which the Government sank about 40 millions in a scheme which many experts predicted could not possibly succeed; an automobile company of dubious antecedents, now defunct; racetracks, barrooms, gambling joints, snake farms, and, recently, offices for chiropractors and dentists, with mink coats, deep freezers, and questionable legal fees providing the general aroma for the entire operation.

As a corollary to be expected, the Government penetrates into the managements of those companies which it aids and in several instances has placed Government agents in strategic executive positions or on the board of directors of the companies concerned. Thus does the government camel get his head into the tent of private enterprise.

That the Government's appetite for control of private business is insatiable is indicated by the recent illegal seizure of the country's entire steel industry, an iniquity which was erased by the narrow margin of two votes in the Supreme Court.

I know it is not necessary for me to tell you gentlemen of the various interferences by the Federal Government in the oil and gas business. A recent tabulation indicates that well over 30 Federal Government agencies intrude into your business in one way or another.

I could cite other examples. The fact is that we are now mobilizing to fight a Communist enemy who is supposedly thousands of miles away. But, in truth, we need not travel so far to find him.

### COMMUNISM IS AN IDEA

This is not so surprising if one but stops to reflect. Communism is not an army, nor even a dictatorship. Communism is an idea. It is a belief that individual freedom, as a way of life, will not work; a belief that certain ordinary mortals like you and me, who, mostly by fortuitous circumstance, happen to occupy the seats of government for a short time, are far more capable of running your life than you are; it is a fear that if we, the people, are left free to manage our own affairs, most of us will go hungry and be cold; it is a repudiation of the free market, where willing buyers and willing sellers voluntarily arrive at a figure agreeable to both; it is a false thesis that employers and employee belong to different classes and are natural enemies; it is a process whereby some people use the power of government to make other people conform to their views and desires; it is a coerced debasement of the intelligence and integrity and dignity of the individual human being, who must bow his head in deference to the views of political masters.

I maintain that, contrary to current beliefs, the destruction of the Russian Army and the Russian State would not stop the growth of these communistic ideas in the United States or anywhere else. We could imprison every card-carrying member of the Communist Party in America, and these communistic measures would continue on their merry way. I fear that we are deeply infected at home with the virus we intend to fight abroad. It appears that we are resolved to prove that our system and our philosophy of life are better than those of the Communist state and that, in order to do so, we are willing to adopt their system for the contest; that we are determined to show them that we can run communism better than they can; that we are willing to carry more weight in the belief that our strength, acquired under freedom, will permit us to win even with this added handicap.

We cannot imprison or shoot an idea. We can only study it and try to understand it. If the ideas we sponsor—knowingly or unknowingly—are Communist ideas, democracy will be of little help. It is just as much a Communist idea if the majority imposes it upon a minority in a democracy as it is if done in the name of a dictatorship.

Many advocates of the various measures which add up to Marx's program justify their actions by pointing with horror to instances of the misuse of human and natural resources under the capitalist system, as it developed in the Western World. I freely admit and decry those abuses, although I am sure that for each such case I can show many other cases of unselfish and generous use of time, energy, and money for the public welfare. Furthermore, in any discussion of abuse of human resources, it is pertinent to mention the cruel and inhuman acts which have occurred, and are still occurring, under the socialist regimes of Hitler, Mussolini, Stalin, and others. But let that pass; I am sure few will deny that, at least in the United States, there has been a steady, substantial and voluntary improvement in our social consciousness and behavior. I hold that our sole hope for continued progress in this area lies in improving the moral stature of men so that they will know what is right and want to do it—not in granting, by votes or otherwise, ever-increasing power and dominion to our Federal Government to regulate and control our morals, our lives and our property.

### A PROGRAM

Now you may ask: What do you propose to do about all this? What is your program?

The first thing I propose to do about it is exactly what I am doing now—to present the problem to you for your thoughtful consideration.

The second thing I propose to do about it is to be for an idea instead of against an idea. I propose to be for freedom—instead of merely against communism. And I define freedom as the right of any person to do as he pleases so long as he does not interfere with the equal right of any other person to do as he pleases. To me, freedom means absolute equality under the law for all persons, i.e., I believe the law should never mention a race, or a color, or a particular religion, or a business organization, or a labor organization, or any other group or person.

The law should state that no person may steal from another person or defame or defraud him; no person may force another person to pay a certain wage or to charge a certain price; each person must fulfill his voluntary contracts, whether they be in business, marriage, or elsewhere; no person is to have access to the power of government to force his will or his opinion upon any other person; government is to serve as the impartial arbiter of justice when any person tries to force his viewpoint about prices, wages, or religion upon any other person; the force of compulsion should not be used except in defense against another person who has initiated the use of force.

These ideas I believe to be sound and progressive. I believe that they would bring peace and prosperity to our Nation and to any other nation that adopts them. In my opinion, the communistic ideas of government ownership and controls are evil and reactionary. I am convinced that their progression will inevitably result in the moral and material degradation of the individual human being.

I intend to continue my studies of freedom and communism. My understanding of the subjects convinces me that I must defend the ideas of freedom and private ownership and reject the ideas of communism and government ownership. This I intend to do. I sincerely hope that you, too, will give your thoughtful consideration to these matters that are of such vital importance to all of us.

I believe the dominant influence in the minds of the founders of our Republic when they prepared the Constitution of the United States and our Bill of Rights was an overwhelming fear of the power of centralized government. I have seen no finer statement of this than that contained in the following resolution proposed by Thomas Jefferson:

"*Resolved,* That * * * it would be a dangerous delusion were a confidence in the men of our choice to silence our fears for the safety of our rights; that confidence is everywhere the parent of despotism—free government is founded in jealousy, and not in confidence; it is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power: that our Constitution has accordingly fixed the limits to which, and no further, our confidence may go; * * * In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

Many years ago a great philosopher asked: "If men use their liberty in such a way as to surrender their liberty, are they thereafter any the less slaves?"

The answer to that question lies in the solution of this Communist threat to our freedom. Let us, then, resolve to revive that heritage which was handed down to us by the Founding Fathers at such great cost in bood and treasure. Let us join with them in their resolve to be free and independent, to which end, we, too, as did they, should "with a firm reliance on the protection of divine providence—mutually pledge to each other our lives, our fortunes, and our sacred honor."

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## FARMER CITY: 125TH ANNIVERSARY CELEBRATION

**Mr. SPRINGER.** Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

**The SPEAKER.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

**Mr. SPRINGER.** Mr. Speaker, on January 27, 1837, Squire Hiram Buck, a surveyor, traced the outline of a new town in east-central Illinois. The town was named "Mount Pleasant."

This year—1962—residents of the entire area are joining residents of the town in celebrating the town's 125th anniversary.

No longer is the town named "Mount Pleasant." In 1839, with the establishment of the town's first post office, it was discovered that there already existed in Illinois a town and post office named "Mount Pleasant." Consequently, the name "Santa Anna" was adopted for the post office.

Thirty years later a meeting was called to decide on a new name to replace Mount Pleasant and Santa Anna. Many names were suggested, but none seemed to gain sufficient approval until someone said: "The majority of the people here tonight are farmers and the room is heated with burning corn fuel which is produced by the farmers. Mr. Chairman, I move that we change the name of 'Mount Pleasant' to 'Farmer City.'" The motion was seconded and carried. In that same year Jacob Swigart, a member of the State legislature, introduced a bill in the assembly approving the change. It passed, and "Farmer City" was official.

Mr. Speaker, I would like today to pay tribute to the residents of Farmer City—past and present. From Dennis Hurley—who is credited with being the first settler in 1830—all down the years to its present residents, Farmer City and its surrounding area has been peopled with strong, stanch, hard-working Americans. The pioneer spirit of its early settlers is still present in its citizens of today.

Dennis Hurley and his family settled on land in a wilderness that had been occupied by the Kickapoo Indians. He was joined in 1830 by Richard Kirby and his family.

On July 16, 1832, a daughter, Catherine, was born to the Hurleys—the first white child born in the township.

Many other settlers soon joined the first two families: the Nathan Clearwaters, the Henry Huddlestuns, the Richard Webbs, the William Y. McCords, the James McCords, the Reuben Clearwaters, the Preston Webbs, the John Donners, the John E. Frenches, and the Epama Coveys. These, then, were the very early settlers and founders of Farmer City—or Mount Pleasant. Many of these surnames are still prominent in Farmer City and the surrounding area.

The growth of Farmer City has never been spectacular, but it has been steady. From the original 19 families of 1837, Farmer City has grown to a population of 1,838 in the 1960 census. It is not a large town, but it is a thriving town, located as it is in the heart of rich Illinois farmlands. It may never be a large town, Mr. Speaker, but I believe and pray that it will always be a thriving town.

As proof that the energy and spirit of the founders still exist today, the formal celebration of Farmer City's 125th anniversary—which it was my privilege to attend—would have done credit to a community many times its size. Great credit must be given to Dr. H. R. Hester, mayor of Farmer City; to the city council, composed of Tom McConkey, C. B. Potts, Roy Ratcliffe, Floyd King, George Stewart, and Gene Buchanan, Clerk John H. Collier and Attorney O. A. Peithman; and to the executive committee composed of Clarence E. Simpson, general chairman; Mrs. Minnie Belle Wells, secretary; Mrs. John Holman, headquarters chairman; and Charles L. Russell, treasurer. Newly appointed Kentucky colonel, Roy R. Roberson, who, with his wife, headed the hospitality committee, proved to one and all that true hospitality is not confined to the South. But great as were their contributions, the success of the Farmer City 125th anniversary celebration was because it was a community affair—with almost every resident, in one way or another, contributing to it.

The entire 4-day formal celebration was charmingly presided over by the event's lovely queen, Miss Clarine Baker. Included were a parade of progress, 2½ miles in length, and a pageant spectacle, "Journey Through Our Years," which depicted Farmer City's history from "A Kickapoo Indian Chief Speaks" through 15 episodes and 53 scenes to "The Younger Generation and the Twist." Four hundred Farmer City area citizens presented this dramatic, thrilling pageant on a 300-foot stage in a 90-minute production.

In addition to the privilege of attending this wonderful celebration, it was also my very great privilege to speak, along with Senator Everett McKinley Dirksen, to these wonderful people. As a Member of Congress for 12 years, I have made many speeches, but seldom have I addressed an audience such as this; an audience that was thoroughly enjoying every moment of its once-in-a-lifetime celebration, but with an underlying current of seriousness, an awareness of the multitude of serious problems facing our country today.

Mr. Speaker, Farmer City is America. It is a town—surrounded by rich, black Illinois farmlands—of good schools, of many churches, of civic-minded citizens.

Farmer City is America—a good place to live.

## STATUS OF FOREMAN UNDER TAFT-HARTLEY ACT

**The SPEAKER.** Under previous order of the House, the gentleman from New York [Mr. Dulski] is recognized for 30 minutes.

**Mr. DULSKI.** Mr. Speaker, this year marks the 15th anniversary of the enactment of the Taft-Hartley law.

One segment of the law specifically placed the foreman in American industry into "no man's land." Under the Taft-Hartley law, the foreman has the right to belong to a union, but the employer is not required by law to recognize him. He may do so on a voluntary basis.

It is like an old nursery rhyme:

Mother, may I go out to swim?
  Oh, yes, my darling daughter.
You may hang your clothes on the hickory limb,
  But don't go near the water.

I have introduced legislation, H.R. 5662, which is designed to once more restore to the foremen class of people the status of first-class citizens, or an equal status, with all the rights and privileges of the rank-and-file workers, with all the protection of the laws of the land, and will be able to take their rightful place at the bargaining table, and have a voice and a vote in affairs affecting their welfare.

It is my belief that these people, the foremen of America, have a natural right of association which should not and cannot be taken away from them by administrative definition and interpretation of legal verbiage. I contend that the foremen of America have a natural right to band together to process grievances, protect their job security, safeguard their working conditions, and be human beings—the same as any other group of workers. At the present time, neither the law nor company policy provides proper protection for the foremen class of people, although a foreman in American industry speaks for and acts for management. At the same time, in his personal capacity, he is an employee subject to terms and conditions of employment imposed upon him from above—a matter over which he has no control or no voice.

I find no basis for the argument that foremen, through enjoyment of the benefits and fruits of the collective bargaining process, would impair the effective performance of their duties in behalf of management.

On the claim of divided loyalties, we cannot assume that self-organization for collective bargaining would prove incompatible with the foreman's faithful performance of his duties. Such an assumption has never been proved.

Many foremen groups throughout the Nation have been organized, but not recognized, without detriment to their loyalty or efficiency to management goals. Management's disciplinary powers are adequate to insure faithful and efficient job performance by all of its employees, regardless of title.

The basic argument of the foremen concerns the denial by their employers of the right to participate in the decisions which affect their welfare as employees.

A foreman does not lose his right to serve himself in matters fixing his own wages, hours, seniority rights, or working conditions.

Mr. Speaker, this group does not ask that we legislate any economic benefits for them. It does not ask that we force any of their conditions of employment upon their employers. It merely asks us to free them from the shackles that now bind them to the extent of preventing them from exercising their natural right of association, and the ensuing ability to bargain on equal terms with their employers.

The working men and women of this country, in the not too distant past, were under this same sort of restraint, this same sort of fear, this same sort of reluctance, to unite, for fear of losing their means of livelihood. This fear was lifted by this body by the adoption of the Wagner Act which opened the doors to their right of association under the protection of the guiding hand of the Federal Government, and the guarantee that they would not suffer in the exercising of this right. In this legislation, the foremen of America were excluded by legal definition and administrative interpretation from the umbrella of protection to the worker provided in these laws.

To attain this equal rights status for the foremen of American industry, I have introduced H.R. 5662 to permit supervisors to be considered as employees under the provisions of the National Labor Relations Act. This bill accomplishes its purpose by the simple expedient of striking out the definition of "supervisor," which in effect deprives them of all of the benefits provided by this law to employees.

This word "employee" is the definition that the foremen group seeks to have applied to its individual members, and upon close examination of the role of supervisors in industry, they are for all intent and purposes, employees of a company.

At one time in American industry the foreman exercised rights bordering on divine rights, encompassing such powers as the right to hire, fire, assign, promote, transfer, discipline, and to make decisions not of a routine or clerical nature on behalf of the company.

The development of the labor movement, and its subsequent collective bargaining agreements, resulted in severe limitations in the exercise of the above powers by management, and in most instances, the remaining powers were delegated to personnel offices, or labor relations personnel operating as a specialized front office function. Today, the foreman in industry is responsible for the immediate, on-the-job direction of the working forces, to maintain the production rate, and to control the quality of the product.

The policies and procedures used in industry today are developed at the upper echelon level of corporate management, and the foreman is placed in the role of carrying out, or putting into effect, these policies and decisions. He has no power to alter or rescind these policies, and any effect that he may have on this area of policy would be purely suggestive or advisory.

Because of these limitations on the scope and activities of the foreman in American industry, there can be no due disruption in the balance of power between management and labor, and only good can come from the act of restoring the foreman to his rightful place in our productive system, rather than his present "no man's land" existence.

Freedom from fear is a definite requirement to the enjoyment of pursuit of happiness as outlined in the Declaration of Independence. One hundred and eighty-five years have passed since the adoption of the best known and noblest of American state papers. It is time for us to make the necessary legislative enactments to provide for the foremen of America these certain inalienable rights to which the laws of nature and God entitle them.

I am urging the chairman of the Labor Committee to schedule a hearing on this legislation so these people can testify and present their case.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WICKERSHAM, for 10 minutes, on Tuesday, Wednesday, Thursday, and Friday, June 19 to 22.

Mr. WIDNALL, for 45 minutes, on June 19.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PIKE.

Mr. ZABLOCKI and to include extraneous matter.

Mr. SCRANTON.

Mr. SHELLEY.

Mr. PUCINSKI.

Mrs. KELLY.

Mr. OSMERS.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. FOGARTY.

Mr. TUCK.

Mr. CELLER in two instances.

Mr. DULSKI.

Mr. ROONEY.

(The following Members (at the request of Mr. ARENDS) and to include extraneous matter:)

Mr. CHENOWETH.

Mr. HALL.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3062. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture.

## SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1881. An act for the relief of Maria La Bella;

S. 2143. An act for the relief of Mrs. Eva London Ritt; and

S.J. Res. 198. Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment.

## ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until Monday, June 18, 1962, at 12 o'clock noon.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 4860. A bill to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes; with amendment (Rept. No. 1827). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 1658. An act to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; with amendment (Rept. No. 1828). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H.R. 12154. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; without amendment (Rept. No. 1829). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOLEY:

H.R. 12154. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. ASHBROOK:

H.R. 12155. A bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. BLATNIK:

H.R. 12156. A bill to amend section 7 of the Clayton Act to give full force and effect to the operation of the provisions of that section applicable to certain railroad consolidations and mergers until December 31, 1963, and for other purposes; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 12157. A bill to amend the Bankruptcy Act in respect to the salaries of retired referees; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 12158. A bill to amend section 7 of the Clayton Act to give full force and effect to the operation of the provisions of that section applicable to certain railroad consolidations and mergers until December 31, 1963, and for other purposes; to the Committee on the Judiciary.

By Mr. GOODELL:

H.R. 12159. A bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. KEARNS:

H.R. 12160. A bill to amend the Act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide financial aid for the arts in the District of Columbia, including improved programs of the arts in the curriculums of the public schools, equal to the aid provided by other cities of the United States for their local art programs; to the Committee on the District of Columbia.

H.R. 12161. A bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. MOSS:

H.R. 12162. A bill to bring U.S. Commissioners within the purview of the Federal Employees Health Benefits Act of 1959 and the Retired Federal Employees Health Benefits Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of Illinois:

H.R. 12163. A bill to permit State officers who are appointed by their Governors, subject to legislative approval, to participate in political activity without loss of Federal funds; to the Committee on House Administration.

By Mr. SIKES:

H.R. 12164. A bill to provide for the establishment of the Fort St. Marks National Historic Site; to the Committee on Interior and Insular Affairs.

By Mr. HIESTAND:

H.R. 12165. A bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUCE:

H.R. 12166. A bill for the relief of Jesse J. Locke; to the Committee on the Judiciary.

By Mr. DOWDY:

H.R. 12167. A bill for the relief of Mrs. Tomasa Martinez-Compian DePina; to the Committee on the Judiciary.

By Mr. MILLIKEN:

H.R. 12168. A bill for the relief of Celeste Vigneau; to the Committee on the Judiciary.

By Mrs. PFOST:

H.R. 12169. A bill for the relief of Eng Ton Ho; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## Soviet Deportation of Lithuanians

EXTENSION OF REMARKS
OF

### HON. JOHN J. ROONEY

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
*Friday, June 15, 1962*

Mr. ROONEY. Mr. Speaker, individual liberties—freedom of speech, of assembly, and of movement—are among the noblest of human goals and the most cherished of human desires. Where they do not exist in actuality they can only be wished for in men's souls. Today, on this anniversary of the ruthless Soviet deportation of thousands of Lithuanian citizens to the barren wastes of Siberia, we who are fortunate enough to live in freedom extend our sincerest sympathy to the Lithuanian people, for whom individual liberties are an ideal and not a reality. We encourage them to hold fast to the hope that the day may soon dawn when they too will once again know what it is like to live without fear of arbitrary arrest and imprisonment, without threat of forced exile to the slave camps of the Communists.

On the night of June 14, 1941, 30,000 Lithuanians were deported to Siberia. But this was only the beginning. Successive mass deportations followed until Lithuania was emptied of a significant proportion of her people. Already she had been robbed of her sovereignty by the occupying Russian Army to satisfy the appetite of Communist expansion. Tens of thousands of her people had been forcibly removed from their homeland. Those who remained still live under a heartless totalitarian system.

In spite of the terrible tragedy which befell them and the repressive techniques of the Soviets, however, the courageous Lithuanian people have never turned their backs on the possibility of liberation. In spite of reprisal and terror they have never succumbed to the Communist tyranny. They have never lost sight of the cherished goals of individual liberties. In 1918 the Lithuanian people overthrew a detested Russian regime under which they had late in the 18th century lost their national sovereignty and their individual freedom. We fervently hope and pray that a new day of deliverance will soon be at hand, and we extend our support for their cherished cause of liberation.

## Twenty-first Anniversary of the First Mass Deportation From the Baltic States

EXTENSION OF REMARKS
OF

### HON. JOHN E. FOGARTY

OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
*Friday, June 15, 1962*

Mr. FOGARTY. Mr. Speaker, once again it is with a feeling of privilege that I join with my colleagues, here on the floor of the House of Representatives on the occasion of the 21st anniversary of the first mass deportations from the Baltic States.

When communistic Russia invaded the Baltic States of Lithuania, Latvia, and Estonia, during the infamous 3 days of terror, they deported more than 100,000 people to concentration camps in the remotest sections of Siberia where many died. Under Soviet occupation in these Baltic States a total of more than 600,000 persons have been killed or deported during the years of enslavement.

The United States has never recognized this forced incorporation by Soviet forces and never will. We have continued, and should continue, to give our support to the cause of the continued fight for liberty going on in these countries. On this 21st anniversary of perhaps the world's cruelest and most tragic event let us hope and pray that the survivors will some day regain their freedom from Communist totalitarian tyranny.

## The Tragedy of the Baltic States

EXTENSION OF REMARKS
OF

### HON. ROMAN C. PUCINSKI

OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
*Friday, June 15, 1962*

Mr. PUCINSKI. Mr. Speaker, it has been 22 years since the Baltic States of Latvia, Estonia, and Lithuania were overrun by the Red army. The fact that the Soviet Union has ruthlessly strangled the free voice of dissension for a generation in no way diminishes the atrocity of the original act.

The Baltic States have endured this generation of tyranny solely because the Soviet Union and its agents have forcibly suppressed the outward resistance to the Red regime.

But the Soviets have failed dismally in their self-appointed program of educating the captive peoples to accept communism. The entire world has been encouraged by the ability of the Latvians, Estonians, and Lithuanians to withstand the interminable din of Marxist doctrine which has droned throughout Eastern Europe for the past 25 years.

Dreams of freedom and self-determination will not be quenched as long as there are men who remember liberty and who can transfer that memory to their children. Hope will never be abandoned for eventual deliverance in the Baltic States. Our great democratic assembly, by commemorating this anniversary of tyranny, reaffirms America's intention to see that freedom is restored to all the captive nations behind the Iron Curtain.

With our long heritage of individual liberty, we are all the more determined to give our friends in these oppressed nations the moral and spiritual support they need to carry on the struggle against Soviet Russia. By calling public attention to the infamous dates commemorating communism's ruthless brutality, we demonstrate to the Kremlin once more that we will never abandon our friends.

## Lithuania's Tragic Days

EXTENSION OF REMARKS

OF

### HON. WILLIAM W. SCRANTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. SCRANTON. Mr. Speaker, June 15 and 16 in the years 1940 and 1941 were tragic days for the freedom-loving people of Lithuania. On June 15, 1940, Soviet demands for the immediate formation of a "friendly" government and Soviet military occupation marked the end of a sovereign democratic Lithuania and the beginning of its tragic enslavement by the Communist tyrants. June 15 and 16, 1941, are equally sad anniversaries for the Lithuanian people, for on those days thousands of the brave people of that country were forcibly deprived of their liberty and exiled to the wastelands of Siberia. On the night of June 14–15 alone some 30,000 members of the Lithuanian intelligentsia were deported under inhuman conditions to slave labor camps, and new waves of mass deportations and arrests followed. In 1948–49 approximately 10 percent of Lithuania's population was driven to Siberia because of the resistance of Lithuanian farmers to the forcible collectivization of land which had belonged to them and which they had farmed for centuries.

Thus, in recalling the tragic fate of those Lithuanians who were driven from their homeland by the Soviet Communists, let us pledge ourselves courageously to oppose the aggression and tyranny of which Lithuania was, and still is, victim and stanchly to defend the right of all peoples to national independence and individual freedom. Lithuania, let us remember, after previous subjection to Russian domination, declared its independence in 1918 and assumed its rightful place in the world community as a member of the League of Nations.

In signing a peace treaty with Lithuania in 1920, the Soviet Union recognized it as an independent state and renounced all rights of sovereignty over it. But nonetheless Lithuania was only to flourish as an independent entity with a government chosen by the people and a constitution which accorded freedom of speech, assembly, religion, and communication for scarcely two decades when, once again, a Russia bent on territorial expansion was to claim it victim.

It is fitting, then, in expressing our sympathy to the Lithuanian people for the tragic exile of so many of their number also to state our fervent hope that the people of Lithuania may someday reestablish a democratic government, free of Soviet control, under which individual liberties will thrive.

Let us never forget these tragic days of June 15 and 16 and dedicate ourselves to working for freedom and independence for Lithuania.

## Music in November

EXTENSION OF REMARKS

OF

### HON. OTIS G. PIKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. PIKE. Mr. Speaker, many requests come before us, and before the President, for all kinds of commemorative days, weeks, and months, not to mention years, particularly in the field of liberal arts. But I doubt whether any request which has reached us in recent days has quite the grassroots appeal of this one, and I rise on behalf of American country music lovers everywhere to ask my colleagues to remember that the week of November 4 through 10, 1962, has been designated by the board of directors of the Country Music Association as "National Country Music Week," in tribute to the native country music of America and to the men and women who devote their lives to its creation and preservation.

The association seeks our encouragement and observance of this special week, with appropriate ceremonies and activities. We will be winding up a few activities of our own then, and we are going to need music. I can think of no better way to celebrate victory or soften defeat than with song.

The Country Music Association, with national headquarters in Nashville, Tenn., was founded on September 16, 1958, as an incorporated nonprofit organization, made up of individuals and groups dedicated to the encouragement, enhancement, and immortality of this significant segment of the Nation's musical heritage.

Its membership includes over 750 of the Nation's top country music authors, composers, performers, publishers, radio and recording executives, among them such personalities as Jimmie Davis, of "You Are My Sunshine" fame; Burl Ives, whose records of "Blue Tail Fly" and "Top of Old Smoky" are perennial favorites; the immensely popular Tennessee Ernie Ford and Connie Francis. These and hundreds of other exponents of country music interpret the vibrancy, rhythm and harmony that blends the pioneer with the present-day American scene.

Ken Nelson, president of the association, with his sure knowledge of its grassroots appeal, points out that country music is popular music "in that it comes from the populace." It springs up everywhere throughout our land, and can be folk, jazz, rhythm, blues, hillbilly, bluegrass, country or western.

Country music is many things to many people—as Mary Erwin, of Louisville, Ky., stated:

> Country music is the dream of a lover; the lament of the weary; the tears of the forsaken; the story of the vagabond; the blessings of marriage; the joy of children; the hymn to the power of prayer; the praise of a divine God.

I know you will agree with me that we should endorse such a week. Country music is not confined to any given area of our great land—folk melodies flow in an ever-widening stream from Tennessee, from Louisiana, from Florida, from California, Illinois, and New York, and sweep triumphantly across the eastern end of Long Island on to the Old World.

I say, let us celebrate National Country Music Week from November 4–10, 1962, with whatever strength is left in our vocal cords.

## A Tribute to the Glacier Priest: Bernard Hubbard, S.J.

EXTENSION OF REMARKS

OF

### HON. JOHN F. SHELLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. SHELLEY. Mr. Speaker, California mourns the death of Father Bernard Hubbard, S.J., the "glacier priest," whose fame has reflected glory upon the University of Santa Clara, whose geology department he had headed since 1926. Father Hubbard spoke of himself as being on a perpetual leave of absence from the university, but his teaching of scientific precision, of stubborn patience in investigating and accuracy in reporting, of matter-of-fact heroism and healthy humor, of simple stalwart virtue, has entered into the formation of generations of men. His was the vast patience that one would expect of a man who made it his business to watch and measure and chart the slow advance and retreat of glaciers. His was the dauntless courage needed by a man who made it his business to watch and explore the craters of active volcanoes. His reports of explorations and studies among Alaskan glaciers and volcanoes are both a sound contribution to scientific knowledge of these phenomena, and a lasting contribution to the literature of adventure.

Scientific studies carried on by him or under his direction has included, besides volcanology and glacier geology, such subjects as meteorology, oceanography, ethnology, anthropology, and paleontology in the Alaskan area and the Arctic Ocean. Father Hubbard was a pioneer in the use of moving picture films as a medium of popular education, and in the use of photographs, both moving and still, as integral parts of scientific records.

Father Hubbard's career and scientific attainments do not stand in isolation, but are an integral part of the great tradition of Santa Clara, and of the society in California and the United States. He was outstanding, in that he represented a fruition of the Jesuit virtues of unflinching courage, and selfless devotion to research and scholarship. The University of Santa Clara is one of the principal stations in the series of seismological observatories that cover the United States, in studying the occurrence, location, and intensity of earthquakes. The study of the relationship of sunspots with long-range changes in the earth's weather, and with the frequency of meteorites is a highly important topic, taking its origin chiefly from the pioneer work done at Santa Clara by Father Richard, S.J.

We of San Francisco remember proudly that Father Bernard Hubbard, splendid representative of the Jesuit tradition in San Francisco that dates from 1851, is also our native son, born in San Francisco in 1888, and a graduate from St. Ignatius High School. He will long be remmebered and honored in his native city.

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## The Baltic Peoples and Their Tragedy in 1940

EXTENSION OF REMARKS

OF

### HON. EDNA F. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mrs. KELLY. Mr. Speaker, during their modern history the peoples of three Baltic countries—Estonians, Latvians, and Lithuanians—have had more than their share of misery and misfortune, and only for a brief period of two decades they enjoyed freedom and happiness. After being subjected to oppressive foreign rule for centuries, these peoples regained their independence at the end of the First World War, and in their historic homelands they were working and living happily. They only wanted to be left alone, and work out their own salvation in peace. But they were not allowed that choice, for their powerful and aggressive neighbor, the Soviet Union, seemed determined to put an end to their freedom and independence. This the bosses in the Kremlin did very early in the last war.

In the spring of 1941 the three countries were attacked and occupied by the Red army; the leaders of these countries were at once put under arrest and exiled, and then these countries made part of the Soviet Union. But the saddest part of this treacherous tragedy was that Stalin's agents carried out the arrest and deportation of several hundred thousand Baltic nationals in a most cruel manner. They herded these innocent and helpless soles into freight cars, and shipped them off to distant Asiatic Russia. There the survivors of this mass deportation still suffer, while their friends and sympathizers in all parts of the free world observe the 21st anniversary of their misfortune. Let us all hope that these unfortunate souls will soon find their way to freedom.

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## Scouting's Highest Award

EXTENSION OF REMARKS

OF

### HON. DURWARD G. HALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. HALL. Mr. Speaker, last night it was my privilege to attend the first annual Charter Day observance of the Boy Scouts of America, held at the Sheraton-Park Hotel in Washington. The entertainment was by the Marine Band and the U.S. Army Chorus. The Congress was invited. The occasion was marked by the presentation of Scouting's highest award for service to youth—in or outside of the B.S.A.—the Silver Buffalo, to the Honorable Carl Vinson, of Georgia, my esteemed chairman on the House Armed Services Committee, and to the Honorable Carl Hayden, U.S. Senator from Arizona. These two distinguished colleagues of ours are the only two Members of Congress who were serving in that capacity when the congressional charter was granted to the Boy Scouts of America during the 64th Congress. The Speaker of the House keynoted the session, the President sent a message, and many cooperative sponsors were present and introduced.

Since the granting of the charter over 33 million young men have taken the Scouting oath and many have held high office of responsibility in the leadership of our country. At the present time, there are over 5,300,000 Boy Scouts and Scouters in America. The country has reaped untold reward from their devotion to moral and physical fitness, service to God and country, and civic or community efforts. Under leave to extend and revise my remarks, the citation to Senator Hayden and Carl Vinson follows along with their stirring response:

CITATION: HON. CARL VINSON

The Honorable Carl Vinson, Member, U.S. House of Representatives, Milledgeville, Ga.; Member of the 64th Congress which granted the Federal charter to the Boy Scouts of America.

Carl Vinson was born in Baldwin County, Ga., and was educated at Georgia Military College and Mercer University Law School. He practiced law, served as solicitor (prosecuting attorney), for Baldwin County and in the General Assembly of Georgia, during which time he was speaker pro tempore for 2 years. He later served as judge of the county court of Baldwin County.

In 1914, he was elected to fill an unexpired term in the House of Representatives and has since served continuously on that body.

Representative Vinson served as chairman of the Naval Affairs Committee for 16 years and as chairman of the Armed Services Committee for 12 years. He has sponsored enabling legislation for Boy Scout jamborees since 1949 and coauthored the national jamboree bill in 1960 and the legislation for the 11th World Jamboree to be held in Greece in 1963.

*To the Boy Scouts of America:*

Forty-six years ago the 64th Congress of the United States incorporated and chartered the Boy Scouts of America. This bill, H.R. 755, duly signed by the then Speaker of the House, Hon. Champ Clark, and Acting President of the Senate, Hon. John H. Bankhead, became law upon approval of President Woodrow Wilson on June 15, 1916. Section 3 of the act states: "The purpose of this corporation shall be to promote, through organization, and cooperation with other agencies, the ability of boys to do things for themselves and others, to train them in scoutcraft, and to teach them patriotism, courage, self-reliance, and kindred virtues, using the methods which are now in common use by Boy Scouts."

Today, we, the undersigned Members of the 86th Congress, who were also in the 64th Congress, take pleasure in greeting you, the 5,300,000 members of the Boy Scouts of America and your 84,000 local chartered institutions, on the occasion of National Charter Day 1962.

We observe with pride and satisfaction the magnificent accomplishments of the Boy Scouts of America over the years, which under the protection of the Federal charter have fully justified the confidence imposed in the movement by the Congress and the people of the Nation.

The need for the Boy Scouts of America is as timely today as it was in 1916. We would remind you that the purpose for which the charter was granted continues, and we urge that you pursue diligently your objective to make scouting available to all boys in every community throughout our beloved America.

Sincerely yours,

Carl Vinson,
*Congressman, of Georgia.*
Carl Hayden,
*Senator, of Arizona.*

June 14, 1962.

CITATION: HON. CARL HAYDEN

The Honorable Carl Hayden, Member, U.S. Senate, Phoenix, Ariz., Member of the 64th Congress which granted the Federal charter to the Boy Scouts of America.

Carl Hayden was born at Hayden's Ferry (now Tempe), Ariz., and was educated in the public schools of Tempe, the Arizona territorial normal school, and Leland Stanford Junior University.

He was a delegate to the Democratic National Convention in 1904, treasurer of Maricopa County in 1904, and sheriff from 1907 to 1912. He was elected to the House of Representatives upon the admission of Arizona to statehood and served as a Member from February 19, 1912 to March 3, 1927. He was elected to the Senate in 1926, where he has served continuously, and, since 1957, has served as President pro tempore. He is chairman of the Senate Committee on Appropriations, joint chairman of the Committee on Printing, and a member of the Committee on Rules and Administration.

Senator Hayden is a member of the National Council, Boy Scouts of America, and has participated consistently in Report to the Nation breakfasts during Boy Scout Weeks. He has vigorously supported enabling jamboree legislation and is coauthor of the legislation related to the 11th World Jamboree in Greece in 1963.

STATEMENT BY SENATOR CARL HAYDEN, CHARTER DAY DINNER, BOY SCOUTS OF AMERICA, JUNE 14, 1962

On an occasion like this, it is natural that our thoughts go back to the days of the 64th Congress when the congressional charter was granted to the Boy Scouts of America. The world was in turmoil and strife. World War I was mounting in fury and the United States was about to become involved in the bloody struggle. In 1916 our people were keenly alert to the need for building national strength so that we would be ready to do our part to "make the world safe for democracy."

It was under these conditions that the Congress saw the value of providing for the boys of America an opportunity to participate in scouting, with its program of physical fitness, character building, and citizenship training. Over the years and through all of the vicissitudes of our national life, scouting has been fulfilling its mission to help the boys of America to live up to the ideals of the Scout oath and law.

Congressman VINSON and I have had the privilege of supporting thousands of bills that have come before the Congress of the United States, and I am sure my colleague will agree with me that the granting of the charter to the Boy Scouts of America was one of the most effective and worthy acts of legislation that we have had a part in enacting into law.

Some people have the idea that by granting this charter we made scouting a Government agency. Exactly the opposite is true. It merely authorized the Boy Scouts of America to make the program available to boys through cooperating agencies. Public funds were not provided and the whole operation of scouting has been generously supported by our free institutions and by free citizens, motivated by a desire to serve the boyhood of America through scouting. This support scouting has richly deserved, and because of it millions of boys have had the benefits of scouting.

To commemorate the granting of the original charter at this festive event, we wish to present to the Boy Scouts of America this illuminated and framed copy of excerpts from the historic document. May this colorful charter be a constant reminder of the purposes for which scouting was created, and an incentive to intensify your efforts to make scouting available to an ever-increasing number of boys.

## The Problem of Concentration in Basic Industries

EXTENSION OF REMARKS

OF

### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. CELLER. Mr. Speaker, during my 40 years as a Member of Congress, one of my chief studies has been the antitrust laws as an essential basis for preserving our free enterprise system. I believe we must now address ourselves to the problem of concentration in our basic industries and consult the collective wisdom of our ablest businessmen, economists, and Government officials. Toward that end I have chosen the widest base of approach. I have offered four bills in the hope that they may be maturely discussed and evaluated to the end that an appropriate solution may be achieved.

Existing law forbids a single mammoth firm to monopolize the better part of any line of commerce, and it likewise forbids a number of companies to act as one by agreement to fix prices, regulate bids, allocate markets, or engage in other practices in restraint of free and open competition.

It seems anomalous, therefore, that there is no established remedy under existing law where several large firms "follow the leader" and act as one, although the result of their parallel conduct may be just as harmful as if they had met in a smoke-filled room, or as if they constituted one giant monopoly. The recent steel price increase is the latest, striking instance of such "follow the leader" conduct.

All agree that competition is the very lifeblood of our free enterprise system, yet concentration in a number of our basic industries has developed to a point where it bids fair to do irreparable harm to our basic free enterprise concepts. I have long sought the answer to this problem through many legislative avenues, but I believe the time has now come when we must face squarely the issue of what constitutes undue concentration and what should be done about it.

Was there a lack in the antitrust laws when United States Steel raised its price and the other major steel firms followed in prompt succession? Is there a gap in the antitrust laws when one dominant firm, holding a tight grip on the market, generally sets the course of action for other firms to follow? Are the effects of monopolistic or oligopolistic concentration mitigated today by growing competition from abroad, particularly the Common Market? To what degree does heavy capital investment limit the number of companies in a given industry, and discourage new entrants, and what is the impact on competition in such industries? Do our tax laws visit undue hardship on companies subject to divestiture decrees and their stockholders?

The three antitrust bills I have introduced present a number of approaches to the problem of concentration. They deal with concentration generally and with specific instances of parallel conduct. They provide solely for civil equitable relief in a suit brought by the Government under section 4 of the Sherman Act. These bills should provide the basis for enlightened discussion.

The first bill would authorize the Government to seek civil equitable relief where, in a concentrated industry, two or more corporations engage in parallel conduct which may substantially lessen competition or tend to create or maintain monopoly. A concentrated industry is defined as a line of commerce wherein four or fewer corporations possess 50 percent of the assets or capacity or make 50 percent or more of the total gross sales throughout the United States.

The second bill would authorize the Government to seek appropriate civil equitable relief in a concentrated industry, similarly defined, where dominant economic power is exercised so as to substantially lessen competition or tend to create or maintain monopoly.

The third bill would authorize the Government to seek appropriate civil equitable relief, where any person or group of persons exercise power to monopolize or to substantially lessen competition in any line of commerce.

I have also introduced a bill providing for uniform, fair tax treatment of a corporation subject to a divestiture decree as well as its stockholders. Such legislation, in my opinion, would fill a longstanding need. There should be no need to resort to Congress for special legislative relief where, as in the Du Pont-General Motors case, millions of stockholders would otherwise have been suddenly confronted with heavy tax liabilities which they had done nothing to create, or where, as in the Hilton Hotels case, a corporation is forced to divest itself of one of its enterprises to comply with the requirements of the antitrust laws. Furthermore, one wonders whether undue tax hardships may have been visited on others less numerous or less vocal as a result of other divestiture decrees. Moreover, I understand that the formidable tax consequences have often proved a major stumbling block to appropriate consent decrees in antitrust cases.

It will be the studied purpose of the Antitrust Subcommittee to hear all reasonable views so that we can gain the benefit of all schools of thought and all shades of opinion. It is my earnest hope that from these hearings the best possible answer will emerge so that we can deal effectively with the evils that flow from monopolistic practices and artifical restraints upon the free play of competition.

There is no animus against big business. Big business can, does, and will continue to exist as an integral, indeed essential, part of our economic system, particularly those segments where heavy capital investment is required. The problem is not that big business exists but rather what big business sometimes does. The issue is the maintenance of competition throughout our economy. The bills I have introduced are addressed to that central issue.

## The Baltic Republics: Victims of Soviet Aggression

EXTENSION OF REMARKS

OF

### HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. DULSKI. Mr. Speaker, 22 years ago the Baltic Republics of Estonia, Latvia, and Lithuania were taken over by Soviet armed forces. They were among the first nations to fall victim to Soviet aggression. With the end of springtime 22 years ago began a reign of terror for the people of the Baltics. It is in sorrow that I commemorate the sacrifice of the citizens of Estonia, Latvia, and Lithuania.

How many lives were lost in the wave of mass arrests, executions, and deportations which took place just before Nazi Germany attacked Russia in 1941 is still unknown. Enough information has been gathered to put the number of victims in the thousands. What those figures represent in terms of individual human suffering is terrible to contemplate.

The brutal treatment of those who survived deportation was apparent following de-Stalinization. Some deportees were returned to their homelands; they were people broken in body and in spirit.

Although the Soviet Union has made its usual pious attempts to justify its past record, the program of repression continues. A special Soviet Repatriation Commission was established in East Berlin for a time in an attempt to lure back the Baltic refugees who sought asylum in the West. However, in fact, the deportation continues under the guise of selecting volunteers for the cultivation of lands and for mining in central Asia.

It is a privilege to pay tribute to the people of the Baltic Republics and to hope that the future will be kinder to those brave people than the past has been.

## Gold Procurement Agency

EXTENSION OF REMARKS

OF

### HON. J. EDGAR CHENOWETH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. CHENOWETH. Mr. Speaker, Mr. Merrill E. Shoup, president of the Golden Cycle Corp. at Colorado Springs, Colo., has been urging the establishment of a gold procurement agency by the Federal Government. Mr. Shoup contends that new gold is needed not only for monetary purposes, but also for use in our national defense.

I have introduced a bill providing for an incentive payment of $35 per ounce on newly mined domestic gold. Mr. Shoup is in full support of this measure, and recommends that the Department of Defense administer the incentive program. He states that the Department of Defense could administer such a program with absolutely no ill effects upon our world monetary position.

Mr. Shoup is critical of the recent statement made by Under Secretary of the Treasury Robert V. Roosa before a Senate subcommittee, in which he opposed the proposed incentive payment program of $35 an ounce for newly mined domestic gold.

In this statement Roosa contended that a subsidy payment would be interpreted as a devaluation of a dollar, and would prejudice our financial position in the world. In commenting on Mr. Roosa's attitude Mr. Shoup, who appeared before the same subcommittee in March in support of the incentive program, stated that "Mr. Roosa's statements do not surprise me in a single detail. This has been the classic response of the Treasury Department for sometime to the Nation's gold problem."

Mr. Shoup added:

> While they worry so heartrendingly about what the rest of the world would think, our domestic gold mining industry has been shut down; our gold reserves at Fort Knox have poured out. As a nation we are now in a position that we simply do not have the gold to meet our outstanding obligations.

Mr. Speaker, I wish to call attention to the fact that all of the gold mining operations in the Cripple Creek and Victor area in Colorado have been suspended. The Golden Cycle Corp. has closed its gold processing mill at Cripple Creek. It is a most unfortunate situation that all of the gold mines in this section came to a complete halt at the end of 1961. There are no prospects for reopening these mines, and the mill resuming operations, unless an incentive payment program can be adopted.

I have personally been very disappointed that we have not been able to convince the Treasury Department that we must pay more for gold if our mines are to reopen. Everyone freely admits that we need more gold, and there is general concern over the depletion of our gold stocks. However, I know of no way to increase these stocks except to produce more gold. I am still hoping that we can get a gold bill passed at this session.

Mr. Shoup has strongly supported the subsidy approach to this problem, and the only way that the gold mining industry can be revived. He feels that such an incentive program, as contained in my bill, would help the gold mines and mills across the country.

I consider Mr. Shoup one of our foremost authorities on gold, and I include his further observations on this most pressing problem:

> Aside from the fact that our gold mining industry has been flattened by the Government monopoly price of $35 an ounce on all newly mined domestic gold—a price which has been held at the same level for almost 30 years, by the way—there is another problem to be considered: gold has become an important defense material.
>
> Gold is being used, for example, in electroplating in numerous components of our space vehicles. It is being used in electronics systems where high performance and reliability are essential. Gold is the most efficient reflector of infrared available. It is being used to gold-plate transistors, connectors, printed circuits, and many other things.
>
> And by Secretary Roosa's own statement, we still have gold linked to our money in this country.
>
> It would seem quite obvious that we have a very important need for gold for defense and monetary reasons. The question is: How do we get it?
>
> There is a very considerable and growing belief that a solution lies in establishing a gold procurement agency that is in no sense connected to the Treasury Department. As a matter of fact, it probably would best be established under the Department of Defense.
>
> This agency would be empowered to establish a sufficient incentive payment on domestically mined gold to reopen our Nation's gold mines and reestablish gold production in the United States.
>
> The gold procurement agency would purchase and sell all domestically mined gold, including sales to the Treasury Department for monetary purposes. Through this means, monetary gold could be held at the present $35 level with absolutely no ill effects upon our world monetary position.
>
> There is ample precedent for such a procurement program. Whenever it has become necessary to the national defense to acquire strategic materials, we have found the ways and means. Our gold problem certainly is critical enough to warrant that action be taken and before it is too late.

Mr. Speaker, I consider Mr. Shoup's suggestions worthy of our most serious consideration. I hope we can find a way to put them into operation.

## Shenandoah National Park: Dedication of the Thornton Gap Interchange, June 9, 1962

EXTENSION OF REMARKS

OF

### HON. WILLIAM M. TUCK

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. TUCK. Mr. Speaker, under leave to extend my remarks in the RECORD, I am privileged to insert an address delivered by our former colleague, Hon. Stewart L. Udall, Secretary of the Interior, at a ceremony dedicating the Thornton Gap Interchange, Shenandoah National Park, on June 9, 1962.

In his able and interesting address, Secretary Udall paid tribute to the public-spirited people who had the foresight to envision a Shenandoah National Park in the Blue Ridge Mountains of Virginia. He referred to the Shenandoah National Park, the Blue Ridge Parkway, and the Great Smoky Mountain National Park as three units of the National Park System which have become a most remarkable recreational resource. He paid tribute particularly to former Secretary of the Interior Hubert Work and Senator HARRY FLOOD BYRD.

The dedication of the Thornton Gap Interchange happened to be on the 75th anniversary of Senator BYRD's birthday. In a most appropriate manner, Secretary Udall related the incident on July 3, 1936, when the late President Franklin D. Roosevelt and Senator BYRD were driving to Big Meadows and Senator BYRD suggested to the late President the building of a parkway along the crest of the Blue Ridge connecting the Shenandoah with the Great Smokies, which is now familiar to all of us as the Blue Ridge Parkway, or Skyline Drive. Secretary Udall reminded his audience that Senator HARRY FLOOD BYRD has since been known as the "father of the Blue Ridge Parkway."

Many friends and admirers were present at the dedication to enjoy the ceremony and extend to Senator BYRD heartfelt greetings and felicitations on his birthday.

The complete text of Secretary Udall's address is as follows:

ADDRESS BY SECRETARY OF THE INTERIOR STEWART L. UDALL AT DEDICATION OF THORNTON GAP INTERCHANGE, SHENANDOAH NATIONAL PARK, JUNE 9, 1962

> I am happy to be here today to join with you in dedicating these new facilities in Shenandoah National Park.
>
> Being here gives me a feeling of appreciation for the accomplishments of those who were responsible for setting aside this area as a national park. We are most fortunate

to be able to drive just a little over a hundred miles from the Nation's Capital and find this expanse of mountains and woodlands that affords an opportunity to retreat for a day or so from the rush and complexities of modern civilization.

Three decades ago, men with unusual foresight, saw the need to set aside this section of the Blue Ridge Mountains as a national park. Because of their concern and a lot of hard work, this park is available for our enjoyment today. Without their foresight, we would not be here today. Not just ourselves, but millions of others over the years could not have enjoyed the grandeur of this Skyline Drive, or the pleasure of spending a few nights in the campgrounds, and hiking on the park trails.

I wonder how many people have climbed Old Rag or Hawksbill who, otherwise, never would have done so. I wonder how many people would have spent their weekends in the city and returned to their offices without knowing the renewed vitality that comes from such an outdoor experience.

It is also a source of some amazement to me that, 35 years ago, Secretary of the Interior Hubert Work saw this need so clearly. In the midtwenties the availability of open spaces near urban centers was by no means as critical as it is today. Yet, in a speech on May 25, 1925, Secretary Work said: "We have gradually established an artifical life dependent upon the indoors * * * the call of the primitive in us [is] rebelling against the hothouse existence to which we have become accustomed."

Mr. Work was speaking to the Southern Appalachian Park Commission, composed of a group of men who had been appointed to find a suitable area in the Southern Appalachians in which to establish a national park. They found two places—both eminently qualified for status as national parks—the Great Smoky Mountains of North Carolina and Tennessee and Shenandoah National Park here in the Blue Ridge Mountains of Virginia.

This area was very carefully chosen. Before making their field trips, members of the Commission set forth what they called "a few simple rules" to guide them in selecting a national park area in the Appalachian Highlands. The site to be selected, they said, must have "accessibility by rail and roads; mountain scenery with inspiring perspectives and delightful details; a substantial part to contain forests, shrubs, and flowers, and mountain streams with picturesque cascades and waterfalls overhung with foliage, all untouched by the hand of man; abundant springs and streams available for camps and fishing; opportunities for protecting the wildlife of the area, and the whole to be a natural museum, preserving outstanding features of the Southern Appalachians as they appeared in the early pioneer days; areas sufficiently extensive and adaptable so that annually millions of visitors might enjoy the benefits of outdoor life and communion with nature without the confusion of overcrowding."

The Congress on May 22, 1926, enacted the legislation which provided for the establishment of Shenandoah National Park.

Just 31 years ago and within 500 yards from where we are standing today, the first shovelful of dirt was turned to start work on the Skyline Drive. Three years later the first section of this high mountain motor road was opened. Within 1 year more than half a million people had driven over it. In the single year following the opening of this now famous drive, more people motored along the crest of these mountains and enjoyed the peaceful vistas and the charm of this rolling Virginia countryside than had done so in the hundred years before the area became a national park.

Obviously the men who planned and worked for the establishment of Shenandoah National Park were right in their belief that Americans have inherited from our pioneer ancestors an "instinctive tendency to return to nature and the outdoors."

There is a new awareness that outdoor activities are requisite to this country's physical, cultural, and spiritual well-being.

The Outdoor Recreation Resources Review Commission in its report early this year declared that the recreational needs of the United States will more than triple by the year 2000. The report noted that the simplest outdoor activities are the most popular. For example, it found that driving and walking for pleasure, swimming, and picnicking lead the list of outdoor activities in which Americans participate.

When detailed study shows that driving for pleasure is the most popular of all outdoor activities, it isn't hard to see why Shenandoah National Park, with its Skyline Drive, is so popular. We also begin to understand why the Blue Ridge Parkway has more visits annually than any other unit of the National Park System.

These three units of the National Park System—Shenandoah National Park, Blue Ridge Parkway, and the Great Smoky Mountains National Park—together offer a most remarkable recreational resource. Climate, scenery, and easy accessibility to millions of people insure their great popularity and continuing use.

You know, by law, all national parks are sanctuaries for birds, and I'm told that an extremely rare one has been seen frequently here in Shenandoah. While the ornithologists have not been able to accurately establish the migratory pattern of this particular HARRY BYRD, they do know he keeps coming back to this park year after year with unfailing consistency. Connie Wirth tells me he has even seen this "bird" in many of our national parks in the West. Without fail he is seen around the Capitol Building in Washington when Congress is in session. And, believe it or not, he is even known to migrate all the way to Switzerland during unusual climatic conditions here in the United States.

But right now we are concerned with his habits in Shenandoah National Park. Instead of building his nest of straw and mud like ordinary birds, he uses native Virginia stone and mortar and huge wooden beams. Incidentally, you are invited to inspect Shenandoah National Park's most recently constructed Byrd's Nest this afternoon at 5 p.m. It's up on Hawksbill Mountain and your program folder tells you how to get there.

Speaking of the senior Senator from Virginia, let me say that he is the one man whose enthusiasm and ardent support contributed most to the establishment of Shendandoah National Park. Back in the late 1920's and 1930's when conservation-minded private citizens and organizations in Virginia voluntarily contributed $1 million toward land acquisition for the park, HARRY BYRD (then Governor of the State) encouraged the Virginia Legislature to appropriate another million and a quarter—giving every Virginian an opportunity to participate in making this park Virginia's gift to the Nation.

Driving with President Roosevelt to Big Meadows on July 3, 1936, for the dedication of Shenandoah National Park, Senator BYRD suggested to the President that a parkway ought to be built along the crest of the Blue Ridge connecting Shenandoah with the Great Smokies. Mr. Roosevelt thought it was a splendid idea. HARRY BYRD has since been known as the "father of the Blue Ridge Parkway." All Americans are in his debt for his leadership in establishing these national parks.

While the Southern Appalachian National Park Commission found the right location for Shenandoah National Park, it might be remembered that the people of Virginia provided $2¼ million to purchase these lands. Only then could the park be established. Once again we acknowledge and express our gratitude to the State of Virginia.

The example which the State of Virginia set in helping the Federal Government establish Shenandoah National Park and the Blue Ridge Parkway, suggests to me that all levels of government must continue to work together if we are to provide outdoor recreation opportunities for all the people. We must hope also that individual initiative and leadership by private citizens will continue to point the way when preservation of our great heritage of natural beauty and history is in danger.

Whenever I am talking about national parks, and particularly here today, I like to point to the part that private enterprise has played and continues to play in helping us provide services to visitors. It is this partnership between government and private enterprise that has produced the fine accommodations here in Shenandoah National Park. The Virginia Sky-Line Co., with the executive leadership of Messrs. Samuel and FitzGerald Bemiss, has provided capital plus imagination, not only for the new Panorama restaurant we are dedicating today, but for all the park's other fine concessionaire facilities.

I have already spoken of the cooperation and assistance by the State of Virginia in creating Shenandoah National Park. It is gratifying to observe that this cooperative spirit is still evident in the joint efforts of the two agencies as exemplified in the park and highway facility we are about to dedicate here today. The Virginia State Highway Department built the four-lane highway through the Thornton Gap Interchange which carries traffic under the Skyline Drive. To carry on construction of these two jobs and handle traffic to the park and over the State highway at the same time has taken much coordination of planning and a great deal of joint effort by the two agencies.

The completion of these additional improvements is a happy occasion for all of us. Their use and enjoyment by the thousands of visitors who will come to visit this park this year and in the years to come must, I am sure, be more than pleasing to those who were responsible for its creation.

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## The 1940 Mass Deportation of Baltic Peoples

EXTENSION OF REMARKS

OF

### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. CELLER. Mr. Speaker, there are many black days in history, but among the blackest of days were the 14th and 15th of June 1940, when the Soviet Union herded hundreds of thousands of Baltic nationals into freight cars and shipped them into Asiatic Russia.

It must be remembered that the peoples of Estonia, Latvia, and Lithuania had suffered many misfortunes and been subjected to foreign rule for long periods in history. The First World War gave them their independence and they were prepared, as three young nations, to work out their national destinies in freedom and peace. This was not to be, for the conquering, ravenous, imperial designs of the Soviet Union seized upon them as their first victims.

Free people everywhere join with the families and the friends of the deported in sympathy and in the common link of knowledge that the future will bring again a world peace where brother lives in harmony with brother and the welfare of the world is a cause shared by all.

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## The F.D.R. Memorial Should Be Appropriate and Beautiful

EXTENSION OF REMARKS

OF

### HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. OSMERS. Mr. Speaker, the proposed slab memorial to our wartime President, Franklin Delano Roosevelt, is one of the most controversial memorials ever developed.

The New York Times, the New York Daily News, the Washington (D.C.) Post, the Washington (D.C.) Evening Star have all opposed the slab memorial, as have many other publications of repute.

The New York Daily News published an article on April 20, 1962, by Paul Healy stating:

> Representative JAMES ROOSEVELT, Democrat, of California, has just informed some fellow members of the F.D.R. Memorial Commission that his family thinks the prize-winning design for a $4,254,366 memorial approved last year by the Commission is offensive.

Our colleagues, the gentleman from New Jersey [Mr. WIDNALL] and the gentleman from Delaware [Mr. McDOWELL], have introduced measures which would provide for a Franklin D. Roosevelt Memorial Park, with seasonal flowers, in place of the slab memorial. Senator PAUL H. DOUGLAS has introduced a bill in the Senate for the same purpose. Clearly, then, opposition to the slab memorial is not a narrow partisan matter. The Commission of Fine Arts opposes the slab memorial on the grounds that it does not meet the requirements of the legislation which authorized the establishment of a memorial to President Roosevelt.

The National Recreation Association, and the District of Columbia Recreation Department oppose the slab memorial on the grounds that it would preempt precious parklands.

Our colleague, the gentleman from New Jersey [Mr. WIDNALL], was an effective witness against the slab memorial at the hearings held on Friday, June 8, 1962, by the Subcommittee on Enrolled Bills and Library of the House Administration Committee.

I include as part of my remarks an editorial from the Washington (D.C.) Evening Star of June 11, 1962, a letter in reply which appeared in the same paper on June 15, and the extraordinarily effective testimony before the subcommittee which I have mentioned:

[From the Washington (D.C.) Evening Star, June 11, 1962]

F.D.R. WOULD CRINGE

We were pleased to hear Francis Biddle declare that the fate of the slab memorial to Franklin Delano Roosevelt rests in the lap of Congress. For this means that the opportunity is at hand to bury this nightmarish proposal.

Surely Congress will not do otherwise. The testimony before a House subcommittee on Friday affirmed once again the controversy which this weird design has engendered. There were expressions of enthusiasm, to be sure, from architects who are intrigued by its originality. As one of them commented, it would make a visitor "catch his breath." The "catch," however, would be a gasp of disbelief—not because the design is contemporary, for there already are numerous instances of contemporary architecture which, properly placed, have become assets to the Capital City. But no one can contest the conclusion of the Fine Arts Commission that the cockeyed agglomeration of concrete tablets, reaching as high as 167 feet in the air, would do violence to the classic setting of West Potomac Park, which is flanked by the Lincoln and Jefferson memorials.

It is surprising that no one at the hearing seemed to remember, or to care, that Mr. Roosevelt himself had expressed to Justice Frankfurter the wish that any monument to his memory in Washington be simple and modest. This report has been further corroborated by Architect Gilmore D. Clarke, who, as Chairman of the Fine Arts Commission during much of the Roosevelt administration, conferred frequently with F.D.R. on architectural questions. Mr. Clarke's words on the subject have a particular timeliness:

"Mr. Roosevelt was essentially a simple man; this writer, who learned to know something of his taste in artistic matters, believes that he would cringe if he should view the loosely arranged, huge, reinforced concrete slabs that a few, possibly misguided, souls wish to erect to his memory. The premiated design, if built, would stand as a memorial to the Commission on the memorial that now places its recommendation before the Congress, to the jury of selection and to the designers, but never, in the writer's opinion, to Franklin D. Roosevelt."

Over the years Washington has been assailed with countless harebrained architectural schemes, not all of which, unfortunately, have proved to be transient. The construction of the slabs, however, would be the ultimate indignity.

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[From the Washington (D.C.) Evening Star, June 15, 1962]

LETTERS TO THE STAR

F.D.R. WOULD CRINGE

May I compliment you on your editorial "F.D.R. Would Cringe," of June 11, in which you say that "the construction of the slabs, however, would be the ultimate indignity."

It is my hope, and I feel quite confident, that the Congress will reject this discredited proposal. At the hearing I called attention to my own bill, H.R. 11804, which would provide for a Franklin D. Roosevelt Memorial Park, with seasonal flowers, at the same site.

No attempt was made at the hearings on Friday, June 8, to contest the conclusion of the Fine Arts Commission that the 167-foot memorial would do violence to the Lincoln and Jefferson Memorials which it is required to harmonize with by the authorizing law.

Your editorial writer erred in saying that "no one at the hearing seemed to remember, or to care, that Mr. Roosevelt himself had expressed to Justice Frankfurter the wish that any monument to his memory in Washington be simple and modest."

In my own testimony to the committee, I pointed out that the District of Columbia Recreation Board had urged all members of Congress to work for a park as a memorial to F.D.R. I went on to say: "The Board urged that this park, which is so strategically located between the Lincoln and Jefferson Memorials, be renamed the "Franklin D. Roosevelt Memorial Park with a simple stone marker in conformity with the request for a simple memorial made by President Roosevelt himself. This request was related to his friend Justice Felix Frankfurter. Certainly, President Roosevelt's wishes should be respected."

The spokesman for the District of Columbia Recreation Board told the committee of the Board's concern for the fast-disappearing park areas of the Nation's Capital, and suggested that the 27-acre site be a rose garden or rose field, which is the English translation of the Dutch ancestral meaning of the name "Roosevelt," and that the park be developed as a center for culture and recreation.

This is the plan which I wholeheartedly recommended to the members of the subcommittee, and which my own bill, H.R. 11804, would provide. I can think of nothing that would be a more lasting and permanent memorial, and at the same time, be a finer contribution to the development of our Capital City.

The National Recreation Association, of which President Franklin D. Roosevelt was a member, told the House committee that the slab memorial, which would preempt 27 acres of park lands in the District of Columbia, was "not in keeping with his philosophy of conservation as we know it, nor with his concern for the well-being of his fellow Americans."

This national recreation group stated, and, I think very much to the point, that "Our country is engaged in a great effort to get and keep open space before it is too late. Certainly, Washington, our Capital City, should be a showcase for this effort."

WILLIAM B. WIDNALL,
*Representative, Seventh District of New Jersey.*

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STATEMENT BY REPRESENTATIVE WILLIAM B. WIDNALL, REPUBLICAN, OF NEW JERSEY, BEFORE THE HOUSE ADMINISTRATION COMMITTEE ON JUNE 8, 1962, ON HOUSE JOINT RESOLUTION 712 AND HOUSE JOINT RESOLUTION 713

Mr. Chairman, it seems to me that very serious questions are raised by the legislation you are considering today which would authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise an estimated $4 million for a concrete slab memorial to President Franklin Delano Roosevelt.

It is my belief that this legislation should not be favorably reported unless changed materially and I have offered H.R. 11804 as a positive approach.

I think I can say without fear of contradiction that no memorial in our Nation's history has so divided the American people as the winning slab design chosen by the Franklin Delano Roosevelt Memorial Commission.

The Commission of Fine Arts, which was established 62 years ago by the Congress for the express purpose of advising the President and committees of Congress on matters of art, has agreed unanimously to withhold their approval of this slab design for the following reasons:

1. The design does not conform with the requirements of Public Law 86–214, approved September 1, 1959, which provides that "the completion for the proposed memorial shall be carried out so as to insure that it will be

harmonious as to location, design and land use, with the Washington Monument, the Jefferson Memorial and the Lincoln Memorial."

2. The slab design, by its great size and height, competes with, rather than supplements, the three memorials with which it is required by law to be harmonious.

3. As to design, it is lacking in the repose which is an essential element in memorial art, as well as the qualities of monumental permanence that are the essence of the three memorials with which it must by law conform.

4. The Commission of Fine Arts also questioned the durability of concrete of which the proposed memorial would be constructed.

It would seem obvious that if the concrete slab memorial is replaced by other materials it would be much more costly, and would undoubtedly have to be redesigned.

Further, if this subcommittee is to favorably report the legislation which it is considering today, laws of the Congress would have to be ignored and overruled, and this in itself imposes a most serious impediment.

First, the law establishing the Commission of Fine Arts would have to be overruled, because that act created the Commission for the express purpose of advising the committees of the Congress on matters of art. And the Commission has advised the Congress that the present concrete slab design is not acceptable.

Second, the design does not conform with Public Law 86-214, which amended the act establishing Franklin Delano Roosevelt Memorial Commission.

Section 2 of Public Law 86-214 reads as follows:

"SEC. 2. The Commission is authorized to hold a competition or competitions for the proposed memorial, and to award a suitable prize or prizes in connection therewith, but may refuse to employ any successful competitor if it deems that his design should not be used. The competition for the proposed memorial shall be carried out so as to insure that it will be harmonious as to location, design, and land use with the Washington Monument, the Jefferson Memorial, and the Lincoln Memorial. In holding the competition the Commission shall avail itself of the assistance and advice of the Commission of Fine Arts, of the National Capital Planning Commission, and of the National Park Service, and such Commissions and Service shall, upon request, render such assistance and advice."

Now, clearly, the Congress provided a number of tests which the winning design must meet, and the Commission of Fine Arts has advised the Congress that the winning design has failed to meet these tests.

The advice of the Commission of Fine Arts has been ignored by the Franklin Delano Roosevelt Commission which is now appealing to us to join it in ignoring their advice.

I should like to point out that in the basic law establishing the Franklin Delano Roosevelt Commission, Public Law 372, 84th Congress, it was provided in section 2(d) that the Franklin Delano Roosevelt Memorial Commission was authorized to avail itself of the assistance and advice of the Commission of Fine Arts.

Frankly, I do not think Members of the House will support the Franklin Delano Roosevelt Memorial Commission in ignoring the advice of the Commission of Fine Arts, nor will the Members of the House approve legislation which would give congressional approval of a fundraising campaign for a concrete slab memorial which would do violence to the Washington, Jefferson, and Lincoln Memorials.

The District of Columbia Recreation Board, which was created by the Congress in 1942, recently advised me that at its May 8, 1962, meeting, its members voted unanimously to oppose the massive slabs which will preempt 27 acres of park and recreation space in the West Potomac Park. The Board urged that this park, which is so strategically located between the Lincoln and Jefferson Memorials be renamed the "Franklin D. Roosevelt Memorial Park" with a simple stone marker in conformity with the request for a simple memorial made by President Roosevelt himself. This request was related by his his friend Justice Felix Frankfurter. Certainly, President Roosevelt's wishes should be respected.

The District of Columbia Recreation Board has suggested that the marker be surrounded by a beautiful rose garden or rose field—which is the English translation of the Dutch ancestral meaning of the name "Roosevelt," and the remainder of the 27 acres be developed as a Center for Culture and Recreation.

This is a plan which I wholeheartedly endorse and recommend to the members of this subcommittee. My own bill, H.R. 11804, pending before this committee, provides for a memorial park with seasonal flowers for the purpose sought by the District of Columbia Recreation Board. I can think of nothing that would be a more lasting and permanent memorial, and at the same time, be a finer contribution to the beautiful development of our Capital City.

The National Recreation Association has also gone on record in support of this plan, saying:

"President Franklin D. Roosevelt, like President Theodore Roosevelt, was actively associated with the National Recreation Association. We believe that the erection of a series of massive slabs, preempting 27 acres of the present park is a plan he would have opposed. It is not in keeping with his philosophy of conservation as we know it, nor with his concern for the well-being of his fellow Americans.

"Our country is engaged in a great effort to get and keep open space before it is too late. Certainly, Washington, our Capital City, should be a showcase for this effort."

I hope the members of this subcommittee will respond to this appeal, and not endorse the concrete slab memorial which has aroused such violent opposition by very concerned citizens.

The Congress should take the matter of memorials seriously, and should recommend one which is fitting, lasting, and worthy in every respect of our Nation.

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## Paradox in Poland

EXTENSION OF REMARKS

OF

### HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 15, 1962*

Mr. **ZABLOCKI**. Mr. Speaker, a few days ago, the other body of the Congress voted to terminate all aid, including sales of our surplus farm commodities, to Poland, Yugoslavia, and other Communist-dominated countries.

A day later, the Membership of that House had some second thoughts and decided to modify its original action. As things stand now, the Senate version of the Foreign Assistance Act of 1962 would permit some types of Public Law 480 assistance to certain Communist-dominated countries. The President would have to determine which ones could qualify for the special waiver approved by the Senate.

It would appear on the surface, therefore, that no harm has been done. On the contrary, the action of the other House has been interpreted in some circles as a sound and constructive reminder to the Communists that we are not going to play around with them.

I must disagree with such an interpretation. I believe that no amount of rationalization will cover up the fact that the action in the other House has done grave harm to our position abroad.

Why do I say this? For two reasons: First, the action in the other House showed that the majority of its membership have little faith in our President; and, secondly, it implied that the same membership is not really concerned about what happens to the people suffering today under Communist bondage—that at least some highly placed officials in the United States may be willing to write off those people to permanent Communist domination.

Let us look at some facts which relate to this issue.

First, we must remember that we have several laws which already—and rather emphatically—declare it to be the policy of our Government not to aid, assist, or support Communist regimes anywhere in the world.

Section 620 of the Foreign Assistance Act, for instance, prohibits assistance to the government of any country which is dominated or controlled by the international Communist movement.

The Export Control Act prohibits exports of strategically important goods to the Soviet Union and all the countries under its domination, and to all other countries which may threaten the security of the United States.

And the Battle Act calls for the termination of our assistance to any nation which ships implements of war and other strategic items to the Soviet Union, its satellites, and all countries which threaten our national security.

We have, therefore, clear and repeated expressions in our present laws on this important subject.

At the same time, in each of the laws I have mentioned, Congress has provided the Chief Executive with certain freedom of action. The President may, when he considers it important to the national interests and security, waive the above prohibitions within certain clearly defined limits.

The President—whether he is a Democrat or a Republican—must have that discretion if he is to fulfill his constitutional responsibility in the field of foreign policy. The Constitution specifically makes the President responsible for the conduct of our foreign affairs. Only he bears that responsibility, and only he has access to information necessary for making certain determinations in the field of foreign policy.

It is not only shortsighted, but also dangerous in terms of our national interest and security, for the Congress to attempt to tie the President's hands, as was attempted in the Senate a few days ago. We have given discretionary authority to our previous Presidents. We have given it to Democrats and Republicans. It can only appear to the world, therefore, that some people in the Senate do not have faith in President Kennedy if they are trying to take away from him those powers in the field of foreign policy which his predecessors have enjoyed.

Similarly, it must appear that some of our legislators want to write off the peoples behind the Iron Curtain to perpetual Communist domination. What other conclusions can they reach when some legislators here vote to close the doors—to terminate U.S. assistance—and to cut off all contacts with those poor, unfortunate people?

We are engaged in a global, unrelenting fight with communism. We are trying to defeat them—and to protect our own security. We cannot fight effectively if we are going to tie one hand behind our back, draw a circle around the Communist-dominated countries, and in effect say to the Soviet Union:

> This is your area. You can keep it. We are writing off these peoples. We are not going to do anything to make it hard for you to communize them. You do what you want with them. We are not going to have anything to do with them.

This, in effect, is what the original Senate amendment did. Instead of helping to fight communism, it proposed to tie the President's hands, to make it impossible for him to maintain any effective contacts with the peoples of the Communist-dominated countries.

Mr. Speaker, unfortunately few people have given sufficient thought to the problem of our relations with the Communist-dominated countries. Those who have considered this problem objectively will not disagree with the statements I have just made. The conclusions which I have drawn are pertinent and logical. They apply especially to countries such as Poland, whose people are living under Communist domination through no fault of their own.

I was in Poland last year, for the first time in my life. I traveled some 1,200 miles in that country by automobile. I spoke to many people on farms, in villages, towns, and cities. I spoke to workers, to shopkeepers, to government employees, and to officials of the regime. And I submitted my findings to the Committee on Foreign Affairs, and the Congress, in House Report No. 712 of the 87th Congress, 1st session. Under permission granted to extend my remarks, I want to place in the RECORD the recommendations which appeared in that report.

They read as follows:

### SPECIAL STUDY MISSION TO POLAND—RECOMMENDATIONS

Traditionally, Poland has been a member of the Western World. Communist domination of Poland since World War II has not changed the traditional leanings of the vast majority of the Polish people. While the Communist regime appears to be in full control in Poland, its policies since October 1956 have favored and achieved wider contacts with the West, particularly the United States.

There is ample evidence that assistance extended to Poland during recent years has benefited the Polish people. It has helped to maintain a bond of friendship and sympathy between the people of Poland and the people of the United States. At the same time, it has tended to lessen Poland's dependence on her Communist neighbors. We believe that these developments are in the interest of the United States and helpful to the attainment of our foreign policy objectives.

Policy changes flowing from Poland's membership in the Communist bloc may at any time seriously affect the outlook for the future and influence the course of United States-Polish relations. Nevertheless, basing our conclusions on our observations in Poland, we recommend that careful consideration be given to the possibility of expanding our economic relations with Poland, including the provision of additional economic assistance, primarily through the utilization of zlotys in the Public Law 480 account and further operations under that program.

In this respect, and in order to strengthen the hand of the Executive in future negotiations with the Polish Government, we are of the opinion that amendment of the Mutual Defense Assistance Control Act along the lines recommended in H.R. 1130 and in similar bills would serve a useful and constructive purpose.

We wish to emphasize recommendations made earlier in this report to the end that any future assistance extended to Poland be given in such a form, and under such conditions, to assure that the aid benefits the people rather than the regime. Aid projects should be selected carefully and on an individual basis, with full consideration of the guides outlined in this report. Emphasis on self-help projects and hard bargaining for reciprocal considerations should provide the framework for future negotiations with the Polish Government.

Mr. Speaker, just a month ago, the Honorable HARRIS B. MCDOWELL, JR., of Delaware, was in Poland on a special study mission. Congressman MCDOWELL is an able, conscientious, patriotic representative of the people of Delaware. He is a stanch fighter against communism. He went to Poland with an open mind, but with some reservations about the justification of our programs in that country. Upon his return, he reported his findings to the Committee on Foreign Affairs. Under leave to extend my remarks, I would like to place them in the RECORD in their entirety, because I believe that they are extremely pertinent to the issue which concerns us. And I want to commend Congressman MCDOWELL for his penetrating and impartial analysis of the situation in Poland, and how it is affected by U.S. programs in that country:

### REPORT OF THE STUDY MISSION TO POLAND—FINDINGS AND RECOMMENDATIONS

Few nations in recent history have suffered as much or as long as the people of Poland. Invaded by the Nazi war machine on Septmeber 1, 1939, and shortly thereafter attacked by the Soviet armies from the east, Poland was subjected to a ruthless occupation. Millions of her people perished during the fighting and the occupation. Some of her cities were almost completely destroyed. In 1945, nearly half of her prewar area was annexed by the U.S.S.R. And since the war, her people have lived under Communist domination, deprived of the right to fashion their future within the framework of free democratic institutions.

Today, Poland is clearly a member of the Soviet bloc. The governing regime has not been freely elected by her people. It was foisted upon them by the Soviet Union. Poland is presently bound to the U.S.S.R. not only through such formal instrumentalities as the Warsaw Pact, but also because of its exposed geographic position and its heavy economic dependence upon the Soviets. Even more important is the fact that Soviet troops are still present in Poland, as well as on her eastern and western borders.

These facts make Poland an integral part of the Soviet bloc. The Polish position on international issues reflects this, and rarely differs from that of the bloc itself. U.S. policies with respect to Poland must take these factors fully into account.

Nevertheless, Poland differs substantially from the other members of the Soviet bloc.

Historically, her people have a basic orientation toward the West. Their antagonism toward Russian domination is of long standing. Their distrust of Germany has deep historical roots. Their nationalist sentiments are very strong. Poland's tradition, and the independent spirit of her people, have been instrumental in enabling her to attain a unique position within the Soviet bloc.

The attainment of that position dates back to Gomulka's rise to power in Poland in 1956. Since that time, the Polish Government has enjoyed a measure of autonomy in internal affairs. Only a small part of Polish agricultural land is collectivized. Freedom of worship exists today in Poland, although its exercise has been made progressively more difficult. The Gomulka regime has permitted a diversity of expression in the arts which is unmatched elsewhere in the Soviet bloc. It has also allowed more extensive contacts with the West than are permitted by other satellite countries. This is true in terms of scientific and cultural contacts, exchanges, tourist travel, and the immigration of large numbers of Poles to various Western countries.

Beginning in 1957, there has been a big change in Poland's relations with the United States. This change was reflected on political and economic levels. Within certain clearly defined limits, we resumed some of our trade relations with Poland. We entered into more extensive exchange programs with Poland than with any other bloc country. On the other hand, U.S. officials in Poland have been permitted to travel, to make and and to develop broader contacts. U.S. voluntary organizations have been able to administer food distribution programs which give credit to the United States as the source of the distributed foods. And Voice of America broadcasts are permitted to enter Poland without being jammed.

The extent of our trade relations with Poland, and of our activities in that country, will be discussed in some detail in the following section of this report. At this point, we should like to summarize our impressions regarding the course of United States-Polish relations since 1957.

We believe that the change has been constructive. It has reflected our recognition of Poland's unique position in the Soviet bloc. It has demonstrated our willingness to take advantage of the opportunity to make U.S. presence felt in Poland. And it has served to sustain and enlarge the substantial reservoir of good will toward the United States among the people of Poland.

The Poles have a big job on their hands. Their cities still show ample evidence of the ravages of war. Their industrial base is small and appears largely obsolete. Their farming methods and implements seem to a large extent outdated. Poland is a relatively poor country. She is economically dependent on the Soviet Union. Her people need help to improve their level of living. Any help from the West which aids them in improving their lot, and in reducing their economic dependence on the Soviet Union, is welcomed and appreciated.

U.S. assistance, extended during the past 5 years primarily through the sales of our surplus agricultural commodities under Public Law 480, appears to have had a favorable impact. It enables us to maintain our presence in Poland. It provides us with nondollar resources with which we have established a number of exchanges and contacts with the Polish people. And, through the direct distribution programs, it has brought aid—and tangible evidence of American friendship—directly to hundreds of thousands of Polish children, hospital patients, and families in need.

We should not underestimate the value of this assistance. Apart from relieving want, it advances science, supports cultural and economic aspirations of the Poles, and sustains their hope in a better tomorrow. It shows them that they have not been forgotten—written off by the West.

We are convinced that the attitudes and the loyalties of the people living today under Communist domination will play an important part in the outcome of the long-range struggle between communism and freedom. This struggle exceeds the bounds of a physical contest. It is, ultimately, a struggle for the minds and hearts of men. For this reason, we must try to sustain the hopes, and strengthen the feeling of friendship for the United States, among the Communist-dominated peoples. We have an opportunity to do this today in Poland. We should use it, and use it prudently. We must be willing to invest in the future, without expecting immediate dividends from our investment.

In shaping our policies with respect to Poland, it would be foolhardy to assume that Poland may be detached from the Communist bloc in the immediate future. Nothing that we saw in Poland would justify such optimism. Poland is firmly under Communist control, and, because of her geographical location, is likely to remain so for some time to come. We must keep this in mind. We must expect, and be ready, to change our policies with respect to that country on short notice. The impermanence of our undertakings in Poland is one of the hazards of dealing with a Communist-run country. The alternative to the continuation of our Public Law 480 surplus food programs in Poland would be to deny this humanitarian type of assistance to the people of that country, thereby turning our backs on the tradition of good will and friendship toward the United States which has historically existed between the people of Poland and the people of the United States.

Mr. Speaker, there is one more article that I would like to place in the Record under the permission granted to extend my remarks. This article appeared in the Newsweek magazine of June 18, 1962. It is entitled "Paradox in Poland." I believe that this article clearly shows why the maintenance of our presence in Poland is important, and why we would be extremely shortsighted and foolish to tie the President's hands by adopting the type of amendment that was approved by the Senate.

### PARADOX IN POLAND

In Warsaw, in the darkened Church of the Holy Cross, a young priest had just finished reading Stefan Cardinal Wyszynski's pastoral letter urging the faithful to fight atheism, materialism, and the corruption of youth.

"And now," the priest intoned, "repeat after me: 'We pledge to thee, Holy Mary, Queen of Poland, that we shall fight the evil forces of atheism and materialism, and that we shall protect our youth. So help us God'."

The congregation, kneeling in the pews, in the aisles, and on virtually every inch of the floor, solemnly repeated the pledge. As they finished, there rose from 3,000 throats the stirring chant of the Polish prayer: "Ancient Queen of Poland, Mary, speak for us, Mary, take our nation unto thy care."

An American visitor watching this scene in the heart of Communist Poland fully expected armed militiamen to enter the church at any moment and halt the service. But nothing of the sort happened. The congregation dispersed peacefully to nearby cafes for afterchurch coffee and cakes. The lonely militiaman on duty outside was busily directing traffic.

That such a paradox can exist—and it is common throughout Poland—is largely due to two men. One is Communist Party Secretary Wladyslaw Gomulka, who presides over the political destiny of his nation from a sparsely furnished, paneled office in the central committee building known as the white house. The other is Cardinal Wyszynski, ruling his flock—some 85 percent of Poland's 30 million—from the baroque episcopal palace at the other end of town.

The rare meetings between the two men have been stormy. But somehow or other the commissar and the cardinal have always come to terms. The reason is simple: Neither can rule Poland without the other, and both know it.

The result of moderation on the part of both church and state is a strained but workable compromise. Staunch Catholics admit a grudging respect for Gomulka's Polishness, his integrity, and restraint. And a high Communist Party official told me with barely concealed admiration: "That Wyszynski, he is at least a realist; not like that Hungarian sleepwalker Mindszenty." Similar compromises appear in virtually every aspect of Polish national life. The most immediately striking are the ubiquitous manifestations of American influence in a Communist society.

In jampacked cellar nightclubs in the stare miasto, the medieval center of Warsaw which has been rebuilt nail by nail, Polish beatniks cram themselves by the hundreds into nightclubs for sessions of Dave Brubeck and other progressive-jazz musicians. The twist is also performed with a vitality and tireless exuberance that makes New York's Peppermint Lounge seem tame by comparison.

Supermarkets: Under U.S. supervision, Polish meatpackers are learning new methods to sell their Polish hams on U.S. markets. In Warsaw, Gdansk (Danzig), and Katowice, U.S.-style supermarkets called "Super Sams" (shortened form of the Polish for super self-service) are springing up to the quietly enthusiastic approval of Poland's long-suffering housewives. A particular ear is kept cocked toward the United States, which has given Poland $425 million in surplus agricultural products and $60 million in mining machinery and medicines. Most Poles know that the United States considers both their country and Yugoslavia "semi-independent" of the Soviet bloc.

U.S. influence is apparent at Nowa Huta, a brandnew steel mill near Cracow that was built by the Russians and equipped almost entirely with Soviet machinery. It now boasts a "galvanizing line" supplied by the United States, as well as British and West German installations. The Soviet part of the plant is bedecked with red and white Socialist banners. The Western side is bare except for standard safety slogans.

This plant, which produces 2.2 million tons of steel a year, also boasts a Soviet-style "board of complaints" where the names of laggards are publicly proclaimed. "Comrade Prazmowski," it read on the day of our visit, "your tinplates in lot 1775 are too narrow. Why?"

I asked what was going to happen to Comrade Prazmowski, now that he had been publicly castigated. "I can take you to him right away," the accompanying engineer offered. "Just saw him drinking beer with his critics at the commissary."

Tact and sclerosis: Like their Russian counterparts, steelworkers are a privileged lot. But intellectuals are not so well off. A professor at Jagiellonian University in Cracow is lucky to make 2,000 zlotys a month (a good deal less than a U.S. secretary). But there is little overt thought control. "You just have to use a little tact," one of the professors explained. "I never mention Marxism or Leninism in my lectures. I don't have to. On the other hand, I don't follow the sclerosis philosophy which makes you think that after you go everything will go Communist. It won't."

Even the Polish commissars show a good deal of flexibility. Take Roman Werfel, for example—a member of the party Central Committee and the Communist propaganda chief for the Wroclaw Voivodeship. A beefy man in his late fifties, Werfel does not worry about semantics in describing his role. He treated my questions indulgently but answered each of them straight.

"How do I control the press?

"There is no advance censorship. But every 2 or 3 weeks we meet for coffee with the editors and discuss what was good and what was bad. If a party editor steps out of line and refuses to mend his ways, I fire him. If he is not a party member, I simply ask him to resign.

"But," he adds quickly, "in the 3 years I have been here I haven't fired anybody—and nobody has resigned."

Asked who it is that tells him what line to take, Werfel says: "My head, generally." Then, sensing the conceit of the remark, he added: "Of course, on big matters like Berlin I call Warsaw."

Werfel pooh-poohs the idea that Moscow hands down the party line. "In 1926 I published a Communist paper in Vienna and wrote a prediction of events after the Pilsudski coup d'etat. Without any consultation with Moscow, the underground Communist paper in Warsaw came to exactly the same conclusions. We were both 100 percent wrong."

Few supporters: In spite of Comrade Werfel's educational efforts, the Communist regime has few supporters. But the reasons for its unpopularity vary enormously. A grizzled taxi driver grumbled: "They are all Jews anyway." When told that few if any of the regime were Jewish the driver threw up his hands: "What's the difference—Jews or Bolsheviks—they are all the same."

A Cracow student complained that "since 1959 the regime has tightened up on freedom." In any case, he added, the 600-zloty-a-month Government stipend is not enough. His other complaints: Hot water is available only twice a week; students get only one good meal a day and—because of overcrowding in the dormitories—there is no place for sex.

Perhaps the most dissatisfied group are the intellectuals. "Poland is not exactly a police state but we are not free either," said one scientist. Another said: "The bureaucrats have become more polite but they still take on superior attitudes." None of this means that Polish intellectuals want to return to prewar days. "After the war," one man told me, "the economy had to be state-controlled, and this will have to continue, whatever happens. As for the old landowners, the peasants certainly do not want to go back to them." And when I put the direct question to Pole after Pole—"Are you in favor of communism?"—most replied: "No, but only friendly relations with Russia can protect us from the Germans."

Fear and hatred of Germany is probably one of the most important reasons why the Poles seem to acquiesce in the Gomulka regime. Mention to any Pole the possibility of returning some of their annexed territories to Germany and you have a first-class row on your hands. In fact, the one criticism I met of the United States is over its lukewarm attitude toward confirming Poland's title to the Oder-Neisse line. "Once you do that," is the common refrain, "you will have knocked the props from under our Communist regime."

Restlessness: Pro-Americanism is a major political factor in the regime's calculations. Thus, a few days before the announced 1959 Nixon visit, Gomulka telephoned Khrushchev and asked whether he should not cancel the visit in view of the restlessness shown by the people immediately after the announcement. Khrushchev counseled patience, but the enthusiastic reception shown to Nixon as well as to other American visitors still forces the Communist Government to prove its Marxist loyalty by making speeches against American imperialism. Simultaneously, of course, Gomulka begs Washington for shipments of farm surpluses.

To the outsider this Polish picture seems illogical and paradoxical. But somehow or other the system works. One reason is that Poland, alone among the Soviet-bloc countries, has enough to eat. Another is that the Poles have learned to mix their communism with dollops of bourgeois democracy. The visible signs of this mixture could be seen at an open-air book fair stretching along Warsaw's tree-lined Ujazdowska Avenue. There were only a handful of Communist bookstands out of the 250 showing everything from jazz lexicons to Chinese scrolls and Yiddish newspapers.

Comrade Werfel of Wroclaw has an explanation. "Polish Communists," he says, "are patient people. We can wait."

But if he is waiting for the Poles to cease being Western, the prospects are for a much longer wait than even Comrade Werfel expects.

Mr. Speaker, I earnestly urge the membership of the House of Representatives to give careful consideration to the materials which I have just placed in the RECORD—and to bear them in mind when we turn to consideration of the Foreign Assistance Act of 1962 and the issue of our relations with the countries which are today living under Communist domination.

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# SENATE

## MONDAY, JUNE 18, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, Father of our spirits, who rulest all things in wisdom and righteousness, our wills are ours to make them Thine. Give us to understand the vanity of so many of the things we hold closest to our eyes in the present, often hiding from us the glory of the eternal.

In all the tangle of human relationships give us the fairness to be as hard and stern with ourselves as we are critical of other people. Save us from missing the highest goals by self-pity or self-indulgence.

In a day of confusion and evasion let our thinking be keen and clear, our speech frank and open, our actions courageous and decisive. May the glaring surface lights in the streets not blur for our eyes the shining principles above them that are steady as the stars.

We ask it in the dear Redeemer's name. Amen.

### THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 15, 1962, was dispensed with.

### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

### EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Philip D. Sprouse, of Tennessee, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Cambodia, which was referred to the Committee on Foreign Relations.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 7532) to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 8824. An act to modify the application of the personal holding company tax in the case of consumer finance companies;

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite;

H.R. 10095. An act to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes;

H.R. 10928. An act to transfer casein or lactarene to the free list of the Tariff Act of 1930; and

H.R. 11400. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Finance:

H.R. 8824. An act to modify the application of the personal holding company tax in the case of consumer finance companies;

H.R. 9520. An act to continue for 2 years the suspension of duty on certain alumina and bauxite;

H.R. 10095. An act to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes;

H.R. 10928. An act to transfer casein or lactarene to the free list of the Tariff Act of 1930; and

H.R. 11400. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

### ORDER DISPENSING WITH CALL OF CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent to dispense with the call of the legislative calendar.

The VICE PRESIDENT. Without objection, it is so ordered.

### LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

### LEGISLATIVE PROGRAM—HOURS FOR SENATE MEETINGS

Mr. MANSFIELD. Mr. President. I remind the Senate at this time that there is a very heavy accumulation of business awaiting conference, on the calendar, or in committee. Much of this is business which, for the good of the Nation, ought not to be delayed. It requires decision one way or the other in order that there may be intelligent planning for the months ahead on the part of the Government and the public.

The leadership does not prejudge the decisions on any of this pending business. But it most certainly judges it to be necessary that the decisions be made in order to dispel some of the uncertainty which has been accumulating in recent months throughout the Nation.

Therefore, Mr. President, it is the intention of the leadership beginning on Wednesday, and most mornings thereafter, to call the Senate into session at about 10 a.m., and to run the daily meetings until 7 or 8 p.m. until the end of the session, as may be necessary. Similarly, as may be necessary, beginning this week, there shall be Saturday meetings until the end of the session. The Senate is also advised, in response to a number of inquiries of Members, that it may count on only 1 day's recess at the 4th of July, that is, the day of the 4th.

I know that some Members have campaign problems and a heavier work schedule will complicate them. I know, too, that there will be much personal inconvenience in longer hours. But the leadership at this point can see only one alternative to longer hours—the neglect of the Senate's business, to the detriment of the Nation. That course, the leadership cannot endorse. If there are other alternatives, any Member is at liberty to suggest them. As for myself, it seems to me most essential that we stay on the job and act on as much of the legislative program as is feasible. The President has a right to expect decisions now one way or the other. The people of the Nation have a right to expect decisions one way or the other.

Insofar as the Senate is concerned, the leadership believes we must adhere to these matters in committee and on the floor until the decisions are made.

Mr. DIRKSEN. Mr. President, I wonder if the distinguished majority leader will yield.

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. It is my understanding that there presently are prepared 33 amendments to the satellite bill.

Mr. MANSFIELD. I had heard there were 40.

Mr. DIRKSEN. I think by count there are 33, but there could be more. I apprehend, under those circumstances, that possibly the major portion of this week will be devoted to this bill. Is that the belief of the majority leader?

Mr. MANSFIELD. I agree with the distinguished minority leader in that analysis.

Mr. DIRKSEN. And what will follow the satellite bill, if the Senator knows now?

Mr. MANSFIELD. As the Senator knows, there are a number of measures which must be completed by June 30. There is the extension of corporate excise taxes, which has passed the House. There is the increase in the debt ceiling, which has passed the House. There is the Sugar Control Act to consider. On those three measures, I anticipate there will be rollcalls.

There is the extension of the Defense Production Act. There is the authority to renegotiate defense contracts. There is the Export Control Act, which is on the calendar and had been held up last week at the request of the two Senators from New York. There is the measure on changes in the public welfare program, which it is anticipated will be brought up shortly.

So far as the Export Control Act and the changes in the public welfare program are concerned, it is anticipated there will be rollcalls on those measures.

There is also on the calendar the military construction authorization bill, which, I am informed, must be considered before the appropriation bill having to do with defense matters is finally passed.

## COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Finance Committee be permitted to sit during the sessions of the Senate for the rest of this session.

Mr. LONG of Louisiana. Mr. President, I must object to that request. As a member of the committee, I should like to attend its meetings insofar as possible. I would not object if the request were for today, or if it were made on that basis.

Mr. MANSFIELD. I appreciate the feeling of the Senator from Louisiana.

Mr. President, I ask unanimous consent that the Finance Committee be permitted to sit during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### REPORT OF U.S. CITIZENS COMMISSION ON NATO

A letter from the chairman and members of the U.S. Citizens Commission on NATO, transmitting, pursuant to law, a report of that Commission, dated June 12, 1962 (with an accompanying report); to the Committee on Foreign Relations.

### CHANGE OF NAME OF THE PERRY'S VICTORY AND INTERNATIONAL PEACE MEMORIAL NATIONAL MONUMENT

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to change the name of the Perry's Victory and International Peace Memorial National Monument, to provide for the acquisition of certain lands, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

## RESOLUTION OF SIXTH GUAM LEGISLATURE

The VICE PRESIDENT laid before the Senate a resolution of the Sixth Guam Legislature, which was referred to the Committee on Interior and Insular Affairs, as follows:

### RESOLUTION 256

Resolution relative to respectfully memorializing the Congress of the United States to enact legislation for the payment of rental claims of landowners in and to parcels of real property known as Route No. 10

Whereas immediately after the reoccupation of Guam by the Armed Forces of the United States, the U.S. Government occupied portions of real property within Guam, including a strip of land from the municipality of Barrigada up to the municipality of Chalan Pago, which has since been occupied by the U.S. Government and designated as Route No. 10; and

Whereas the landowners were compensated for the use of these parcels of land from 1947 up to and including June 30, 1951, but that since July 1, 1951, up to and including January 27, 1958, the landowners were not compensated for the use of their lands; and

Whereas the reason for such absence of compensation to these landowners was the lack of legal and proper representation of such landowners and their lack of knowledge therefor as to their rights and claims for the use of their properties: Now, therefore, be it

*Resolved,* That the Sixth Guam Legislature does hereby respectfully request and memorialize the Congress of the United States to enact legislation for payment of rentals to landowners for the period from July 1, 1951, through January 27, 1958, for use of their properties located within Route No. 10, Guam; and be it further

*Resolved* That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States, to the Presiding Officer of the Senate, to the Speaker of the House, to the Department of the Interior, and to the Governor of Guam.

Duly adopted on the 9th day of June, 1962.

A. B. WON PAT,
*Speaker.*
V. B. BAMBA,
*Legislative Secretary.*

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 11879. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes (Rept. No. 1604).

By Mr. ROBERTSON, from the Committee on Banking and Currency, with an amendment:

S. 3203. A bill to extend the Defense Production Act of 1950, as amended, and for other purposes (Rept. No. 1605).

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARTLETT (for himself, Mr. FONG, Mr. GRUENING, Mr. KUCHEL, Mr. LONG of Hawaii, Mr. MAGNUSON, Mr. MORSE, Mrs. NEUBERGER, and Mr. JACKSON):

S. 3431. A bill to consent to the amendment of the Pacific Marine Fisheries Compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment; to the Committee on Commerce.

(See the remarks of Mr. BARTLETT when he introduced the above bill, which appear under a separate heading.)

By Mr. ENGLE:

S. 3432. A bill to amend the Federal Power Act so as to require Federal Power Commission authority for the construction, extension or operation of certain facilities for the transmission of electric energy in interstate commerce; to the Committee on Commerce.

(See the remarks of Mr. ENGLE when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 3433. A bill to provide for the issuance of a special postage stamp commemorating the centennial of the national cemetery at Fort Scott, Kans.; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CARLSON when he introduced the above bill, which appear under a separate heading.)

By Mr. PASTORE (for Mr. HARTKE):

S. 3434. A bill to amend section 315 of the Communications Act of 1934 so as to eliminate the statutory requirement of affording equal time for use of broadcasting stations by candidates for public office; to the Committee on Commerce.

(See the remarks of Mr. PASTORE when he introduced the above bill, which appear under a separate heading.)

By Mr. JORDAN (by request):

S. 3435. A bill to amend title 39 of the United States Code to permit the private carriage of letters and packets in certain cases; to the Committee on Post Office and Civil Service.

By Mr. ROBERTSON (by request):

S. 3436. A bill to amend the Defense Production Act of 1950; to the Committee on Banking and Currency.

## CHANGE IN THE PACIFIC MARINE FISHERIES COMPACT

**Mr. BARTLETT.** Mr. President, on behalf of myself and Senators FONG, GRUENING, KUCHEL, LONG of Hawaii, MAGNUSON, MORSE, NEUBERGER and JACKSON, I introduce, for appropriate reference, a bill to provide for congressional approval of a change in the Pacific Marine Fisheries Compact, which now exists between the States of Washington, Oregon, and California.

The change consists of an addition to the existing compact of article XII which provides, in part:

> The States of Alaska or Hawaii, or any State having rivers or streams tributary to the Pacific Ocean may become a contracting State by enactment of the Pacific Marine Fisheries Compact.

Upon congressional ratification of the compact, Alaska, Hawaii, and Idaho will be eligible for membership.

California, Oregon, and Washington, the original members of the compact, have agreed to the new article XII, and on May 4 of this year, the Governor of Alaska signed a bill providing for Alaska's membership in the compact. To date, Hawaii and Idaho have taken no action to join but they will be admitted if they so desire. The ratification of the change in the compact, and the admission of Alaska to the compact now await congressional approval.

Mr. President, there exists a great community of interest among Washington, Oregon, California, Alaska, Hawaii, and Idaho—the States which are linked to each other by the waters which produce our rich Pacific fishery harvest. The Pacific Marine Fisheries Commission is an outgrowth of this community of interest. As members of the commission, Washington, Oregon, and California have been cooperating since 1947 to sponsor research, to promote uniformity of regulation and to further the conservation and development of our Pacific fisheries. The time has now come to amend the original compact to make possible the admission of Alaska, Hawaii, and Idaho.

Mr. President, the Pacific Marine Fisheries Commission, created by the compact, was designed to cope with the problems of conserving and regulating, on a sustained yield basis, the fishery resources of our Pacific Coast States. The 1947 reports by the Senate Interstate and Foreign Commerce Committee and by the House Committee on Merchant Marine Fisheries on the original bill to create the Pacific Marine Fisheries Commission summarized the reasons for the creation of the commission. These reasons are still valid and apply with equal force to the bill which I introduce today. The reports—House Report 752, Senate Report 513, 80th Congress, 1st session, 1947—stated:

> Experience with the halibut, salmon, and other fisheries has demonstrated, however, that unless substantial measures are taken to control the utilization of the fishery to prevent its depletion, the future of any fishery can be completely destroyed. The joinder of the interests and activities of the three States concerned with the Pacific fisheries, through the Pacific Coast Marine Fisheries Compact, is a substantial step in the direction of insuring joint and coordinated action, based on adequate action, against unwise utilization of the Pacific coast fisheries and to insure its future development and use.

The compact is similar to the Atlantic Coast Marine Fisheries Compact which was approved by Congress in 1942—56 Stat. 267—5 years before the creation of the Pacific Marine Fisheries Compact. As a result of the activities of the commissions created pursuant to both compacts, substantial cooperation has been achieved in the conservation and management of the fishery resources of both the Atlantic and Pacific coasts.

The activities of the Pacific Marine Fisheries Commission since its creation have included research, recommendations designed to provide uniformity of State laws for conserving our Pacific fisheries, and representation at various conferences concerned with fisheries. Through the efforts of the Pacific Marine Fisheries Commission a degree of uniformity in State fishing laws has been achieved and there has been progress in establishing plans, programs, and research for conservation.

The research activities of the commission have included work on such important resources as shrimp, salmon, albacore, crab, the otter trawl industry, and groundfish.

Members of the commission have attended conferences concerned with such subjects as waste disposal in the marine environment, tuna, the International North Pacific Fisheries Commission, Japanese high seas salmon fisheries, the coordination of fishery regulations with Canada, and the proposal to widen the 3-mile belt of territorial jurisdiction. It has maintained liaison with the Atlantic as well as the Gulf States Fishery Commissions. Among the resolutions of the commission have been those recommending that Alaska, Hawaii, and Idaho be invited to membership in the commission, and that the member States undertake certain joint research projects. In addition, the commission has been a mechanism for the coordination of the fishery regulations among the member States and between the member States and Canada. Moreover, it has served as an informal point of contact where interstate problems have existed.

Mr. President, there are many problems associated with achieving coordinated development and conservation of our Pacific fishery resources. A great part of this resource is migratory. Salmon, for instance, move freely without regard to State or international boundaries. The salmon returns to its stream of origin to spawn after the long journey, hundreds of miles in the ocean. If the spawning area is disrupted or if too few salmon return up the stream to spawn, it may mean the extinction of the salmon run on that particular stream. Such activities as the protection of spawning grounds, and the provision for adequate escapement are therefore crucial if we are ever to conserve and harvest, on a sustained yield basis, this great natural resource.

However, if we are to prevent the depletion of our salmon fishery stocks, we must have wholehearted cooperation and coordination among our Pacific Coast States. The survival of this fishery also depends upon effective and enforced agreements between the United States and other nations—Canada, Japan, Russia—with fishery interests in the Pacific.

Already, Mr. President, we have witnessed the destruction and virtual depletion of a once productive resource, the pilchard fishery. This fishery, once the basis for a thriving industry in the 1930's, now has become practically extinct. Let us hope that it is not too late to devise adequate protective measures for such crucial fisheries as salmon.

Although Alaska is not yet a member of the Commission, it has, as a Territory and later as a State, cooperated informally with the work of the Commission, particularly in salmon research and conservation programs. For example, the Commission has had an employee stationed at Pelican, Alaska, during the troll salmon season to sample the incidence of marked fish in the landings. The admission of Alaska, now awaiting only congressional approval of this bill, will enable Alaska, in cooperation with Washington, Oregon, and California, more effectively to develop and conserve our great Pacific fishery resources for the Nation as a whole.

Since the Pacific Marine Fisheries Commission performs such a crucial function in furthering the conservation and development of the fishery resources of the Pacific coast, and since congressional ratification of the change in the compact will make the work of the Commission more effective, it is my hope that both the Senate and House will give speedy approval to this bill in order that Alaska, Hawaii, and Idaho may play their proper part along with Washington, Oregon, and California in conserving the great, yet not inexhaustible fishery resources of our Pacific coast.

I ask unanimous consent that the bill be printed in the RECORD, and that the bill lie on the table for 7 days, so that other Senators who may wish to join in sponsoring it may have an opportunity to do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD and will lie on the desk, as requested by the Senator from Alaska.

The bill (S. 3431) to consent to the amendment of the Pacific Marine Fisheries Compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment, introduced by Mr. BARTLETT (for himself and other Senators), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the consent of Congress is hereby given to (1) the amendment of the Pacific Marine Fisheries Compact, initially approved by the Act of July 24, 1947 (61 Stat. 419), between the

States of California, Oregon, and Washington, by the addition of a new article XII to such compact as set forth in section 2 of this Act, and (2) to the participation in such compact, in accordance with the terms of such article, of the States of Alaska and Hawaii and any other State having rivers or streams tributary to the Pacific Ocean.

SEC. 2. Article XII of the Pacific Marine Fisheries Compact, as agreed to by the States of California, Oregon, and Washington, reads as follows:

"ARTICLE XII

"The States of Alaska or Hawaii, or any State having rivers or streams tributary to the Pacific Ocean may become a contracting State by enactment of the Pacific Marine Fisheries Compact. Upon admission of any new State to the compact, the purposes of the compact and the duties of the commission shall extend to the development of joint programs for the conservation, protection and prevention of physical waste of fisheries in which the contracting States are mutually concerned and to all waters of the newly admitted State necessary to develop such programs.

"This article shall become effective upon its enactment by the States of California, Oregon and Washington and upon ratification by Congress by virtue of the authority vested in it under Article I, section 10, of the Constitution of the United States."

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

## CONSTRUCTION OF HIGH VOLTAGE INTERREGIONAL POWERLINES

Mr. ENGLE. Mr. President, I am today proposing legislation bearing on the construction of high voltage interregional powerlines. New techniques are being developed for transmitting large quantities of electric power at extra high voltages for much longer distances than heretofore have been possible. Powerlines are being planned that will transmit electricity for 1,000 miles or more. The construction of such lines will have great impact nationally upon our electric industry and upon the widespread utilization of our electric power resources.

The bill I propose would not prevent private utilities from constructing such lines; it would provide only for Federal Power Commission regulation, in order to protect the public interest in major interregional electric interties, so that they can be operated as common carriers.

Recently the FPC, by a divided vote, decided that it does not have legal authority to require certificates of necessity and convenience as a condition to the construction and operation of extra high voltage lines. I believe the Commission should have such authority. I therefore am introducing a bill which would amend the Federal Power Act to grant the Commission such authority with respect to facilities for transmitting electricity in interstate commerce at normal voltages in excess of 230,000 volts.

The bill also provides that persons or companies who, at the time the bill is enacted, already are engaged in operating such extra high voltage lines, will be able to obtain such certificates from the Commission automatically if they apply for them within 90 days. The bill would require the approval of the Commission before any such extra high voltage lines could be abandoned or curtailed. I hereby introduce it for appropriate reference and consideration.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3432) to amend the Federal Power Act so as to require Federal Power Commission authority for the construction, extension, or operation of certain facilities for the transmission of electric energy in interstate commerce, introduced by Mr. ENGLE, was received, read twice by its title, and referred to the Committee on Commerce.

## ISSUANCE OF SPECIAL POSTAGE STAMP COMMEMORATING THE CENTENNIAL OF FORT SCOTT NATIONAL CEMETERY, KANS.

Mr. CARLSON. Mr. President, in 1862 the Fort Scott National Cemetery, Fort Scott, Kans., was authorized by an act of Congress. Fort Scott, Kans., had become an important center for the concentration of Union troops. The authorization by Congress designated the cemetery as National Cemetery No. 1. Fort Scott National Cemetery is the original of the 13 national cemeteries established by the United States.

In November 1962 the centennial of the establishment of this national cemetery will be commemorated in Fort Scott, Kans. I, therefore, introduce a bill, for appropriate reference, to provide for a commemorative stamp honoring the establishment of the U.S. National Cemetery No. 1.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3433) to provide for the issuance of a special postage stamp commemorating the centennial of the national cemetery at Fort Scott, Kans., introduced by Mr. CARLSON, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

## AMENDMENT OF SECTION 315 OF COMMUNICATIONS ACT OF 1934

Mr. PASTORE. Mr. President, on behalf of the Senator from Indiana [Mr. HARTKE] who had to be in Indiana today, I introduce, for appropriate reference, a bill to amend section 315 of the Communications Act of 1934 so as to eliminate the statutory requirement of affording equal time for use of broadcasting stations by candidates for public office.

Senator HARTKE believes it is time to recognize the maturity of the radio and television broadcasting industry by repealing the "equal time" provision of section 315 of the Communications Act of 1934.

This provision requires broadcasters to give equal time on their networks and stations to all candidates for any given office.

The provision was suspended during the 1960 election campaign for presidential and vice presidential races. This made possible the historic, precedent-setting radio and TV debates between President Kennedy and his opponent, then, Vice President Nixon. If the provision had not been set aside temporarily, the networks would have been obliged to make available equal time for any lesser presidential candidates. Networks almost certainly would not have made time available for the classic debates if secondary candidates could have secured equal time. Thus, the radio and television audience—the public, which in effect owns the airwaves—would have been deprived of immeasurable opportunity to see, hear, compare and evaluate presidential candidates.

Within the past few weeks, President Kennedy has urged similar suspension of the equal time provision for the next presidential election—in 1964. A bill to do this has since been introduced in the Senate, and still another that would suspend the provision for this year's election has been introduced, too.

I believe the provision should be repealed, rather than suspended election by election. Repeal would be a well-deserved vote of confidence in the broadcasting industry, which in no way abused the temporary freedom to objectively use its mature sense of fair play in the public interest. Further, repeal of the equal time provision does not diminish or affect the Federal Communication Commission's policy or existing law. This holds that a licensee's statutory obligation to serve the public interest still includes the broad encompassing duty of providing a fair cross section of opinion in the station's coverage of public affairs and matters of public controversy.

I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks, and that the bill be allowed to remain at the desk for additional cosponsors for 7 days.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk as requested by the Senator from Rhode Island.

The bill (S. 3434) to amend section 315 of the Communications Act of 1934 so as to eliminate the statutory requirement of affording equal time for use of broadcasting stations by candidates for public office, introduced by Mr. PASTORE (for Mr. HARTKE), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 315 of the Communications Act of 1934, as amended (47 U.S.C. sec. 315), is amended to read as follows:

"CHARGES FOR USE OF BROADCASTING FACILITIES BY CANDIDATES FOR PUBLIC OFFICE

"SEC. 315. (a) The charges made for the use of any broadcasting station by any person who is a legally qualified candidate for public office shall not exceed the charges made for comparable use of such station for other purposes.

"(b) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of subsection (a)."

SEC. 2. The amendment to section 315 of the Communications Act of 1934, as amended, made by the first section of this Act shall not be construed as relieving any licensee from the obligation imposed upon him under the Communications Act of 1934, as amended, to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM — AMENDMENTS

Mr. LONG of Louisiana (for himself, and Senators NEUBERGER, MORSE, KEFAUVER, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 11040) to provide for the establishment, ownership, operation and regulation of a commercial communications satellite system, and for other purposes, which were ordered to lie on the table and to be printed.

## GOVERNMENT SHOULD NOT COMPETE WITH PRIVATE ENTERPRISE: AMENDMENTS TO THE MILITARY CONSTRUCTION BILL, H.R. 11131

Mr. GRUENING. Mr. President, on behalf of myself and my colleague, the senior Senator from Alaska [Mr. BARTLETT], I submit three amendments to the military construction bill, H.R. 11131, which we intend to call up at the appropriate time.

The effect of these amendments is to provide that the major portion of construction work undertaken by the Navy in Alaska will be done by civilian contractors rather than by the Seabees, as is currently the practice.

My colleague and I have repeatedly complained to the Department of the Navy that it is manifestly unfair to the civilian economy of Alaska to utilize Seabees for the performance of construction work which civilian contractors are perfectly willing and able to do and for which an ample supply of skilled workers is available. We have received little satisfaction from that Department and have thus felt compelled to seek this method of putting an end to this practice.

We have in Alaska well trained carpenters, plumbers, sheet-metal workers, electricians, masons, painters, plasterers, and other skilled construction personnel who could be used by the Navy for its construction work. We also have in Alaska the highest unemployment rate in the Nation. Both for this and every other reason the use of Seabees in Alaska is inexcusable.

We have been given the excuse that Seabees are used on Adak because it constitutes valuable training for them in a subarctic climate. The Seabees are used extensively by the Navy on Adak, which has a climate comparable to that of Seattle, Wash.

That constitutes the comparison, Mr. President. It is as though the Navy decided to construct housing facilties at the Bremerton Navy Yard using Seabees exclusively and resisting the employment of local contractors and local civilian construction workers on the grounds that the Seabees needed the training under subarctic conditions. Such an excuse would permit the use of Seabees by the Navy for construction work anywhere in the United States.

I ask unanimous consent that there be printed at the conclusion of my remarks copies of the amendments and that they be printed. I also ask that correspondence which we have had with the Department of the Navy concerning this matter, as well as copies of correspondence with individuals in my State complaining about the use of Seabees for this purpose, be inserted at this point in my remarks.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and the communications will be printed in the RECORD.

The amendments are as follows:

On page 63, line 11, change the period to a comma and insert the following: "*Provided*, That no substantial part of the construction of such housing shall be performed by Navy personnel."

On page 63, line 19, change the period to a comma and insert the following: "*Provided*, That no substantial part of the construction of such facilities shall be performed by Navy personnel."

On page 66, line 23, change the period to a comma and insert the following: "*Provided*, That no substantial part of the construction of such utilities shall be performed by Navy personnel."

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NOVEMBER 8, 1961.

Hon. ARTHUR J. GOLDBERG,
*Secretary of Labor,*
*Washington, D.C.:*

I have just sent the following telegram to Secretary of the Navy Connally and seek your interest and cooperation in achieving this result.

"Am informed that Navy is programing about $16 million worth of work at Adak, Alaska, next year. Information I have indicates that about $6 million will be contracted out and the balance done by Seabees. Alaska is in a critically depressed condition with very substantial unemployment. In fact all Alaska, with the exception of two small areas in southeastern Alaska, has been designated for area redevelopment as a depressed area. I ask your cooperation that priority in employment be given to qualified Alaskan workers, many of whom are available and now unemployed. A gratifying previous experience, during my first month in the governorship of Alaska 21 years ago when work was beginning on the Naval bases at Kodiak and Sitka, with your distinguished predecessor, Navy Secretary Charles Edison, led to a stipulation in the agreement with the contractors that Alaskans should be given at least equal opportunity in the selection of qualified workers on these Alaskan bases. I hope such a policy will prevail under the New Frontier."

ERNEST GRUENING.

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Hon. ERNEST GRUENING,
*U.S. Senator,*
*Anchorage, Alaska:*

Appreciate your concern and desire to reduce critical unemployment in Alaska. Navy does not contemplate accomplishment entire Adak construction program by Seabees. Total program next year about $6½ million of which Seabees are scheduled to accomplish only about $1.6 million. Continued employment of Seabees in Aleutians considered essential to operational training and readiness of Seabees for any contingency and therefore in best national interest. Re employment of Alaskan workers, specification requirement not contractually feasible but we will make earnest representations to associated general contractors and successful bidders on Alaskan projects requesting their cooperation toward achieving your objectives.

KENNETH E. BELIEU,
*Assistant Secretary of the Navy,*
*Installations and Logistics.*

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ALASKA CHAPTER,
ASSOCIATED GENERAL CONTRACTORS
OF AMERICA,
*Anchorage, Alaska, November 9, 1961.*

Hon. ERNEST GRUENING,
*New Senate Office Building,*
*Washington, D.C.*

DEAR SENATOR GRUENING: We wish to alert you to a situation which has been extremely aggravating to the construction industry for a number of years, and we believe this problem will be of considerable interest to you because of its vital effect on the economy of our State.

For several years, Alaska Chapter of the Associated General Contractors has joined forces with the construction unions in Alaska, in an effort to prevent the Navy from performing unreasonably large amounts of construction work at Adak and Kodiak with the construction battalions, or Seabees. This work has totaled many millions of dollars throughout the years, and although the amount varies each year, the Navy Command appears to be determined to continue the program without cessation or curtailment. As a result of this activity, many Alaska workmen have been deprived of the opportunity to work on construction payrolls during the construction seasons each year.

Last year we were able to obtain some very reliable information which we documented and forwarded to the national office of the AGC, and they in turn discussed this problem at considerable length with a committee of officers from the Bureau of Yards and Docks in Washington. At that time, AGC was assured that there would be a curtailment of this type of program in the future, and this office received further confirmation from the commander of the 17th Naval District at Kodiak. He assured us, through one of his staff officers, that AGC would be kept informed of future Navy construction programs at Kodiak and in the Aleutians. Since that assurance was received last winter, no word has ever been forthcoming from the Navy regarding construction plans for 1962.

Recently one of the construction union officers in Anchorage forwarded certain information to Senator BARTLETT, a copy of which was forwarded to my office. The information received by the Senator caused him to confer with officers of the Navy in Washington, and he was told that there would be no construction at Kodiak in 1962 and that Seabees were being sent to Adak for combat training purposes. This is the same type of story that we have been receiving for several years from the Navy, and in no way indicates any honest intent on their part to cooperate with the people of the State of Alaska in the same fashion they are required to do in other coastal States.

As the result of the letter which was forwarded to Senator BARTLETT, I have made efforts to obtain further information regarding the Navy program for next year. I have just obtained reliable information that the Navy proposes to perform $16 million of construction at Adak in 1962. Approximately $6 million of this work will be performed by contract. The remaining $10 million of the total amount has been designated for work to be performed by the Navy construction battalions, and we have been further informed that these battalions will be sent to the Adak Naval Station during the month of December of this year. Of the very considerable amount of work to be performed by the Seabees in 1962, are the following jobs of which we have knowledge: the rehabilitation of a warehouse and a hangar, and the rehabilitation of approximately 40 housing units. We have additional information that there will be work performed on the air strip, but we have not been able to obtain information as to the extent of this work.

Certainly the work listed above would not indicate but a small portion of the $10 million figure. We must, therefore, presume that some major construction work is planned, of which we have so far received no information.

This procedure seems rather ridiculous, inasmuch as Anchorage and other areas in Alaska have been designated as depressed areas, and departments other than the Navy are making efforts to promote a better economy and to reduce the high unemployment that presently prevails. Due to the cutback in military construction during 1961, there are many workmen in the construction labor pools that have been unable to obtain more than a few days work for the entire season of 1961. In the face of all this idleness and the known record of unemployment, the Navy sees fit to ship several battalions of Seabees to the State of Alaska under the guise of combat training. Everyone who has observed the operations of the construction battalions at both Kodiak and Adak are in complete agreement that the work is construction, and cannot be compared with combat training.

I am also submitting this information to Senator Bartlett, Governor Egan, and Representative Rivers, and thought that you would like to be informed of this situation with the possibility you might wish to lend your influence in an effort to correct this situation, and thereby improve the present poor economic picture in our State.

Respectfully yours,

W. S. Hibberd, *Manager.*

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November 8, 1961.

Hon. Arthur J. Goldberg,
*Secretary of Labor, Washington, D.C.:*

I have just sent the following telegram to Secretary of the Navy Connally and seek your interest and cooperation in achieving this result.

"Am informed that Navy is programing about $16 million worth of work at Adak, Alaska, next year. Information I have indicates that about $6 million will be contracted out and the balance done by Seabees. Alaska is in a critically depressed condition with very substantial unemployment. In fact all Alaska, with the exception of two small areas in southeastern Alaska, has been designated for area redevelopment as a depressed area. I ask your cooperation that priority in employment be given to qualified Alaskan workers, many of whom are available and now unemployed. A gratifying previous experience during my first month in the governorship of Alaska 21 years ago when work was beginning on the naval bases at Kodiak and Sitka, which your distinguished predecessor, Navy Secretary Charles Edison, led to a stipulation in the agreement with the contractors that Alaskans should be given at least equal opportunity in the selection of qualified workers on these Alaskan bases. I hope such a policy will pervail under the New Frontier."

Ernest Gruening.

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November 24, 1961.

Secretary of Labor Arthur J. Goldberg,
*U.S. Department of Labor,*
*Washington, D.C.*

Dear Secretary Goldberg: I am writing to you to enlist your support to obtain a reversal in plans on the part of the U.S. Navy to use Seabee construction battalions on projects programed for 1962 at Adak and Kodiak, Alaska.

This is a matter of deep concern to all segments of the community of the State of Alaska. As you know, this State has been designated for area redevelopment as a depressed area. This designation includes the entire State with the exception of two small areas in southeastern Alaska.

Frankly, Alaska is in a critically depressed condition with very substantial unemployment. During this past summer, which in normal years was a period of high employment, our insured unemployment rate was 2 to 4 percent higher than figures for the same period of 1960.

Our latest figures show that for the week ended November 18 Alaska's insured unemployment rate was 10.8, up from the previous week's 10.2 and higher than the 10.8 for the same week in 1960. The insured unemployment rate for the construction industry is 23.0 with 1,353 men jobless. In addition, many men in the construction labor pool were not able to work more than a few days this year and did not qualify for unemployment benefits.

With the bleak prospect of a steady decline in military construction in Alaska during 1962 and further years, it stretches the imagination to conceive how the Navy can program $1.6 million in projects for Seabee battalions. The State is also led to believe that projects totaling an additional several million dollars also will be constructed by Navy personnel.

Nationally you have been successful in obtaining no-strike pledges from organized labor involved in the defense projects and bases. However, I strongly feel that this area is a two-way street and the Federal Government has the responsibility of allowing civilian contractors and civilian labor the opportunity to build the needed defense projects.

The Navy has cited two reasons for the utilization of Seabees in Alaskan projects. The Navy has said the projects are of a nature that requires absolute security. This is nonsense as civilian workers have constructed supersecurity stations and bases in the DEW Line, White Alice, etc., for the Air Force across the face of the Arctic and in the shadow of Russia. The Navy has also said the Seabees must remain combat ready and construction work in Alaska is apparently excellent training. These Seabees are not going to be hacking an airfield out of the jungle, but rather engaged actively in the building trades.

In summary may I say that Alaska's civilian construction men are able to measure up to any "security check" the Navy might wish to devise and can produce more efficiently by virtue of their many years of experience than any Seabee. In addition, I do not wish to restate that Alaska has just experienced a severe period of economic slowdown and 1962 foretells even more unemployment.

For these reasons I urge that military construction in Alaska be contracted by civilians and the labor performed by civilians.

Kindest personal regards,

Sincerely,

Gil Johnson,
*Commissioner of Labor.*

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November 28, 1961.

Hon. Kenneth E. BeLieu,
*Assistant Secretary of the Navy,*
*Department of the Navy, the Pentagon,*
*Washington, D.C.*

Dear Ken: This is in further reference to your telegram to Senator Gruening dated November 17, 1961, concerning the construction contracts to be let by the Department of the Navy for work at Adak.

In discussing this matter with Senator Gruening (who is in Alaska) by telephone last night, he wanted me to suggest to you that some provision be written into the contracts as finally written along the lines of the statement contained in your telegram that the successful bidders would be asked to cooperate toward the employment of as many Alaskan employees as possible. While Senator Gruening realizes that such a provision would not be an auditable contractual requirement, it would, nevertheless, be of significant importance in keeping before the contractors the objective to be sought.

Senator Gruening would very much appreciate your reactions to this suggestion.

With all best wishes, I am

Sincerely yours,

Herbert W. Beaser.

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December 20, 1961.

Hon. Fred Korth,
*Secretary of the Navy, Department of the Navy, Washington, D.C.:*

Military construction is extremely important to the sadly depressed economy of Alaska. As the Navy Department is opening bids in Seattle on December 21 on a contract for large-scale construction at Adak, Alaska, I take this opportunity to reiterate my appeal of November 8 to your predecessor, Secretary Connally, that priority in employment be given to Alaskans on this and all other Alaska contracts. Nearly all of Alaska is suffering from substantial and persistent unemployment. Hiring for Navy work would give its economy a much-needed boost and would provide the Navy with capable and effective employees. Your consideration of this plea will be greatly appreciated.

Cordially yours,

Ernest Gruening.

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Department of the Navy,
Office of the Secretary,
*Washington, D.C., December 21, 1961.*

Mr. Herbert W. Beaser,
c/o Hon. Ernest Gruening,
*U.S. Senate, Washington, D.C.*

Dear Herb: This is in reply to your letter of November 28 asking for my reaction to Senator Gruening's suggestion that construction contracts for our work in Alaska should contain an expression to the effect that the successful bidder will employ as many Alaskan employees as possible.

We certainly are sympathetic with the Senator's efforts to assure the employment of as many Alaskans as possible, and will make representations to the Associated General Contractors and to successful bidders on Alaskan projects about using Alaskan workers.

However, we are reluctant to include any provision in the contractual document. In the first place, just as you are concerned with the labor surplus situation in Alaska, there are other areas in the United States that have the same problem. This could establish a precedent for inserting expressions about local labor in all contracts.

As a practical matter, since our construction contracts are awarded through the medium of competitive bidding, the successful contractor will look to the Alaskan labor force for his primary labor supply as a matter of economics.

We have given this matter careful thought and consideration, and feel sure that our calling this problem to the attention of the Associated General Contractors and to successful bidders on Alaska projects will result in an improved employment situation.

With kindest regards,

Sincerely yours,

Kenneth E. BeLieu,
*Assistant Secretary of the Navy*
*(Installations and Logistics).*

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Washington, D.C.,
*January 4, 1962.*

Herbert W. Beaser,
Care of Senator Ernest Gruening,
*U.S. Senate, Washington, D.C.*
Action Hon. Ernest Gruening, U.S. Senate,
Anchorage, Alaska:

For your information, reference your wire of December 20 to Secretary Korth. My letter of December 21 to Mr. Beaser, your staff, explains in considerable detail Navy's concern over unemployment problem in Alaska and reasons for our reluctance to include a contract clause requiring preferential hiring of Alaskans. In addition to considerations already mentioned, the Comptroller General has ruled against clauses which would limit the employees who may work on Government contracts. I am hopeful that contract referred to in your wire will provide much relief. That contract, for which bid opening has been postponed till January 10, is a large job which we have every reason to believe will provide employment for a large number of Alaska's workmen based on demand alone. In addition, however, we trust that the informal efforts of Bureau of Yards and Docks with associated general contractors and with the successful bidder will further improve employment situation.

ASSISTANT SECRETARY OF THE NAVY
(*Installations and Logistics*).

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JANUARY 5, 1962.

Hon. KENNETH E. BELIEU,
*Assistant Secretary of the Navy (Installations and Logistics) Department of the Navy, Washington, D.C.*

DEAR MR. BELIEU: In the absence of Mr. Beaser, I wish to acknowledge your telegram following up your letter of December 21 concerning the policy of the Navy Department with respect to employment of native Alaskans for work performed in Alaska. We are grateful for your interest in this matter, and we, too, are hopeful the Adak contract will provide employment for a large number of Alaska workmen. In this connection, it would be very helpful to know how many Alaskans will be employed on this job.

Today a letter was received in this office from the United Brotherhood of Carpenters and Joiners of America, Local Union No. 1281 of Anchorage, Alaska, stating the view that although the Navy intends that most of the work on Adak be contracted and that contractors will be urged to hire Alaskans, the fact is that the greatest part of the work to be performed will actually be done by the Seabees. The business representative of this union states that problem as follows:

"It appears that the Navy is trying to dodge the Seabee issue by urging the contractors to hire Alaskans. The truth is that all the crafts have preferential hiring clauses protecting the Alaskan worker. We have had little or no trouble getting Alaskans on these jobs the past 2 or 3 years. Our real problem is getting the Navy to let these projects to contract. When the contractors do get the work, we do not have to ask for help outside our own organization.

"The Navy still plans to do a large amount of rehabilitation work at Adak with their Seabees. They have doctored their figures and made different quotations, but the fact remains that they still intend to go ahead with the work originally planned.

"The Navy is up to their old trick of double-talking the public again by stating that 'most' of the work will be contracted, and urging the contractors to hire Alaskans. The truth is that there are more man-hours of labor involved in the so-called 1½ that the Seabees are scheduled to accomplish than in the 6½ million they intend to contract. The renovation work always has a far greater percentage of labor, where the new jobs of the type planned usually run a very small percentage in labor; the bulk of the cost being in electronic equipment, and other expensive materials."

In order that we may reply to this union, we shall greatly appreciate your comments on the above quoted remarks.

With kindest personal regards, I am
Sincerely yours,
GEORGE SUNDBORG.

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DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
*Washington, D.C., December 15, 1961.*

Mr. GIL JOHNSON,
*Commissioner of Labor,*
*Juneau, Alaska.*

DEAR MR. JOHNSON: Your recent letter of November 24 to Arthur Goldberg, Secretary of Labor, was referred to my office for information concerning Navy policy regarding the utilization of Naval Construction Forces (Seabees).

The Seabees are deployed to various localities in the world in accordance with existing Secretary of the Navy and Chief of Naval Operations policy, purely to insure their operational readiness to meet possible construction requirements under any contingency. The present day Naval Construction Forces are a naval operating force in being and as such, must be capable of carrying out their assigned mission in the same manner as any other unit of the U.S. Navy, i.e., a Polaris submarine, an underwater demolition team, an aircraft squadron, etc. The active Naval Forces are the ones which will be called upon and must be ready to meet any initial emergency or limited war situation without augmentation of any personnel. In order for all the operating units of the U.S. Navy to be effective they must be adequately trained in all the environments where they may be called upon to operate.

The Aleutians provide one of these environments in which Naval Operating Forces may be required to conduct operations and it is therefore Naval policy to provide training in the Aleutians. This is accomplished not only because it is considered appropriately essential to the national interest, but to insure that the individual may be properly trained to survive, be an effective fighting man and in the case of the Seabee, an effective construction man under subarctic conditions. Security and economy are not primary factors for utilizing Naval Construction Forces in the Aleutians.

During fiscal year 1962 there is a construction program scheduled for Alaska in the amount of $6.5 million, of which one Naval Construction Battalion will accomplish approximately $1.6 million and the balance will be undertaken by civilian construction contract. During fiscal year 1963 the program under consideration totals about $8 million. There has been no determination relative to the amount to be accomplished by the one Naval Construction Battalion to be deployed to the Aleutians during fiscal year 1963, but it should approach an amount of $1.5 million. As can be seen, of the total amount programed for fiscal year 1962 and fiscal year 1963, only one construction battalion annually will accomplish about one-fifth of all the work programed. All the remaining work will be accomplished by civilian construction using civilian labor and not by active-duty naval personnel.

Your concern in these matters is appreciated and I can assure you that Naval Forces are only utilized in such a manner as to effect adequate defense of our country, the free world and freedom.

With best regards,
Sincerely,
KENNETH E. BELIEU,
*Assistant Secretary of the Navy*
*(Installations and Logistics).*

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DEPARTMENT OF THE NAVY,
BUREAU OF YARDS AND DOCKS,
*Washington, D.C., January 16, 1962.*

Hon. E. L. BARTLETT,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR BARTLETT: In response to your letter of January 9, I am providing you with the information you requested, relative to the Seabee Construction Program at Adak, Alaska, for fiscal year 1962.

The major project in the program is the classified Naval facility to be constructed at Adak. This facility will include the construction of three buildings, antennas, and other support features at a cost of $807,100. Seabees have been utilized on similar projects in other parts of the United States.

In addition to the classified facility, the following projects are to be constructed at Adak by Seabees during 1962:

| Project title: | *Cost* |
|---|---|
| Rehabilitate runways, taxiways, aprons, hardstand, and drainage facilities, increment I | $500,000 |
| Necessary storm damage repairs to Yakutat hangar, T–2038 and Birchwood hangar, T–2056 | 5,300 |
| Reshape gravel roads | 15,000 |
| Rehabilitate Marine rifle range | 10,600 |
| Structural, mechanical, and electrical rehabilitation of Birchwood hangar, T–2056 | 96,700 |
| Rehabilitate fire alarm system | 6,100 |
| Locate and mark water distribution system valves | None |
| Repair and rehabilitate Amulet steam distribution system, increment III | 29,000 |
| Structural and foundation repairs to 124 public quarters | 88,500 |

I am having the information you requested on the construction program for the last 5 years collected. As soon as it is complete, I will forward the data to you.

With kindest regards,
Sincerely yours,
E. J. PELTIER,
*Rear Admiral, CEC, USN,*
*Chief of Bureau.*

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DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
*Washington, D.C., January 29, 1962.*

Mr. GEORGE SUNDBORG,
Care of Hon. ERNEST GRUENING,
*U.S. Senate, Washington, D.C.*

DEAR MR. SUNDBORG: This is in reply to your letter of January 5, regarding the proposed deployment of U.S. Naval Construction Forces (Seabees), to Alaska during 1962.

Our statement that we would urge our contractors to hire Alaskans on Alaskan projects, although it was not feasible to include this as a contract requirement, was occasioned solely by the request that we take steps to assure preferential hiring of Alaskans. I am happy to note that the unions believe they have made adequate provisions for such preferential hiring.

As previously stated, it is planned that the Seabees will accomplish a $1.6 million construction program in the Aleutians during 1962. Of this amount, $800,000 will be devoted to the construction of a classified naval facility, and $500,000 to the rehabilitation of runways, taxiways, aprons, and hardstands. The remaining funds will be devoted to repair and improvement projects, the two largest of which are the structural, mechanical, and electrical rehabilitation of Birchwood Hangar in the amount of $96,700 and the structural and foundation repairs to 124 public quarters for $88,500. Approximately 13 officers and 400 men will be assigned to accomplish this work and conduct other essential operational training.

The Navy's Seabees are deployed to various worldwide locations in accordance with long existing Secretary of Navy and Chief of Naval Operation policy to assure their operational readiness to meet any possible contingency. These Seabee units are the ones that would be called upon to meet any initial emergency, sublimited war, or limited war construction requirement. To assure that they are ready, both as a unit and as individuals, to perform effectively, it is considered essential that they be trained in the environments in which they may be called upon to operate. The Aleutians area is the only one currently available in which Seabees may learn to live and work under sub-Arctic conditions. Continuing deployment of Seabee units to that area is therefore considered to be in the best national interest.

Your continued concern in these matters is appreciated. I assure you the naval forces are only utilized in such a manner as to effect adequate defense of your country, freedom, and the free world.

Sincerely yours,

Kenneth E. BeLieu,
*Assistant Secretary of the Navy (Installations and Logistics).*

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Department of the Navy,
Bureau of Yards and Docks,
*Washington, D.C., February 3, 1962.*
Hon. E. L. Bartlett,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Bartlett: This is in further reply to your letter of January 9, regarding the construction work performed by the Seabees in Alaska during the past 5 years.

Work during the period from 1957 to 1961 was as follows:

| Year | Adak | Kodiak | Total |
|---|---|---|---|
| 1957 | $426,500 | $697,490 | $1,123,990 |
| 1958 | 284,267 | 349,850 | 634,117 |
| 1959 | 458,120 | 238,033 | 696,153 |
| 1960 | 345,300 | 368,500 | 713,800 |
| 1961 | 542,800 | 256,100 | 798,900 |

The following item should be added to the list of work programed for Adak, which was furnished in our letter to you of January 16.

| Project title: | *Cost* |
|---|---|
| Complete repairs to RDF site road, NAVCOMMSTA Adak | $8,000 |

With kindest regards,

Sincerely,

P. Corradi,
*Rear Admiral, CEC, USN,*
*Acting Chief of Bureau.*

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Department of the Navy,
Bureau of Yards and Docks,
*Washington, D.C., February 7, 1962.*
Hon. E. L. Bartlett,
*U.S. Senate,*
*Washington, D.C.*

My Dear Senator Bartlett: In accordance with your stated desire to be continuously informed relative to the Seabee construction training program and deployment of naval construction forces in Alaska, the following information is being forwarded in addition to that made available in Admiral Peltier's letter to you of January 16, 1962.

There has been no change in the Adak program and accordingly no additional information is available except to advise that the unit assigned to accomplish the work is Mobile Construction Battalion 9. This battalion will deploy in early April and will have a personnel strength at Adak of about 13 officers and 400 enlisted personnel.

The Seabee training program at Kodiak during 1962 will be accomplished by a detachment of Mobile Construction Battalion 9 with a personnel strength of about 3 officers and 100 enlisted personnel. This detachment will also deploy in early April and will accomplish the following projects:

| Project title: | *Cost* |
|---|---|
| Rehabilitate electrical distribution and telephone communication system | $5,000 |
| Drainage and erosion control for 120 rental housing units | 15,000 |
| Repairs to grounding system of 450-foot vertical radiator | 1,300 |
| Total Kodiak program | 21,300 |

The expected duration of the 1962 deployments to the Aleutians is about 7 months. As the projected program at Kodiak nears completion, personnel of the Kodiak detachment will rejoin the parent body at Adak.

If any additions or deletions occur relative to the construction and repair program at Adak or Kodiak, you will be advised immediately.

With kindest regards,

Sincerely,

P. Corradi,
*Rear Admiral, CEC, USN,*
*Acting Chief of Bureau.*

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Department of the Navy,
Bureau of Yards and Docks,
*Washington, D.C., March 6, 1962.*
Hon. E. L. Bartlett,
*U.S. Senate, Washington, D.C.*

Dear Senator Bartlett: This is to acknowledge your letter of February 21 and to provide the information promised in my letter of February 16.

Seabees are currently being employed in States other than Alaska on the following welfare, recreation and training projects:

| State | Project | Estimated cost |
|---|---|---|
| Rhode Island | Construction of Seabee chapel at the Construction Battalion Center, Davisville. | $15,000 |
| Do | Extension to existing golf course at NAS, Quonset Point. | 50,000 |
| California | Improvement of barracks showers, Construction Battalion Center, Port Hueneme. | 1,500 |
| Do | Construct disaster recovery training area, Construction Battalion Center, Port Hueneme. | 24,800 |
| Do | Improvement to spectator area on training beaches, Coronado. | 500 |
| Virginia | Erect 2 40 by 100 prefab arch rib buildings, Little Creek. | 12,680 |

Concerning your inquiry for the period 1957–61, records that are available indicate the following work was accomplished in other States:

| Year | State | Cost |
|---|---|---|
| 1957 | California | $19,415 |
| 1957 | Hawaii | 998,000 |
| 1958 | California | 34,600 |
| 1958 | Hawaii | 73,000 |
| 1959 | California | 40,350 |
| 1959 | Hawaii | 28,700 |
| 1959 | Washington | 15,750 |
| 1960 | California | 48,160 |
| 1960 | Rhode Island | 20,000 |
| 1960 | Maryland | 100,000 |
| 1961 | California | 37,933 |
| 1961 | Hawaii | 53,000 |
| 1961 | New Jersey | 69,057 |
| 1961 | Florida | 27,008 |
| 1961 | Rhode Island | 36,356 |

We trust this report will provide the information you desire.

Sincerely,

R. D. Thorson,
*Captain, CEC, USN,*
*Executive Assistant to Chief of Bureau.*

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U.S. Senate,
Committee on Armed Services,
*April 9, 1962.*
Hon. Fred Korth,
*Secretary of the Navy, Department of Defense, Washington, D.C.*

Dear Secretary Korth: For a long time discussions have gone on and correspondence has been exchanged between the Department of the Navy and the members of the Alaska congressional delegation in reference to construction work by Seabees in Alaska.

Information supplied by the Department of the Navy discloses that $1,579,600 has been set aside for the Seabee construction program for Alaska for fiscal year 1962. This will involve the largest expenditure during any 1 of the last 6 fiscal years and will be materially higher than any 1 of the last 5 fiscal years. Even though $807,100 of this amount is earmarked for a classified project at Adak which involves comparatively little labor, the total for Alaska remains very high.

The figures supplied me by Captain Thorson in the letter he wrote March 6, 1962, prove absolutely that our contention was founded on solid fact; namely, that the Navy is utilizing Seabees in Alaska solely because it became used to doing so during Alaska's territorial days, and that private contractors and civilian labor are utilized in the other States, and most probably because the authorities in those States will not tolerate the displacement of private enterprise by a Government agency. It is significant, indeed, that only three Seabee projects are scheduled for the same period in the 48 earlier States and these in a total amount of only $104,480.

In my opinion—and this is an opinion concurred in by my colleagues, Senator Ernest Gruening and Representative Ralph J. Rivers—the situation has become intolerable. We have sought almost ever since Alaska became a State to bring about a change in Navy Department policy by making factual presentations informally. Our efforts have gotten us nowhere.

Therefore, I see no alternative, unless a new policy is established to be effective following the end of this construction season, to our taking our case to the public by all appropriate means and methods. These would necessarily include statements on the floor of the Senate and of the House of Representatives.

Sincerely yours,

E. L. Bartlett.

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April 14, 1962.

Hon. Fred Korth,
*Secretary of the Navy,*
*Washington, D.C.*

Dear Mr. Secretary: Having had the pleasure of meeting you at the luncheon on Friday, I want to take this opportunity strongly to endorse the position taken by my colleague, Senator Bartlett, in his letter to you of April 9, protesting against the excessive use of Seabees in Alaska work.

In this case, as in the case of so many others, Alaska continues to be the recipient of special treatment not accorded other States, which can only be summed up as discrimination.

It is indeed a holdover from our colonial days, and I want to request most emphatically that work done for the Navy henceforth be done by the accepted methods of private contract, with the employment of qualified Alaskans to whatever extent they are available. This is particularly necessary in view of Alaska's large unemployment percentage—the largest of any State in the Union.

Cordially yours,

Ernest Gruening.

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Department of the Navy,
Office of the Secretary,
*Washington, D.C., April 19, 1962.*
Hon. E. L. Bartlett,
*U.S. Senate, Washington, D.C.*

My Dear Senator: This is to acknowledge your letter of April 9, 1962, relating to the deployment of the Seabees in the State of Alaska.

The peacetime employment of the Seabees, insofar as accomplishment of construction projects is concerned, is predicated upon the need to develop and maintain an acceptable readiness capability for accomplishment of their wartime missions. In the development and maintenance of this capability, environmental conditions are a major factor. The Aleutian environment, especially that of Adak, provides excellent subarctic conditions. The continued deployment of Seabee units in the Aleutians is therefore necessary to insure a well-balanced operational capability.

Deployment of these units in the Aleutians permits the positioning of a military construction force in the North Pacific area, ready to deploy in the event of any emergency or contingency operation in this region, without delays and problems inherent in transporting such a unit across the Pacific from a distant location.

Such deployments and objectives are wholly in consonance with my own, my predecessors', and the Chiefs of Naval Operations policies for several years.

However, in recognition of the impact of these deployments upon the critical labor problem in Alaska, I have directed that future deployments be critically evaluated to insure the minimum adverse effect upon Alaskan labor employment. Planned deployments are restricted to Adak and to islands in the outer Aleutian chain in consonance with this policy. Exceptions will be limited to classified projects and those which will not adapt to contract accomplishment.

The Seabees are not deployed in the Aleutians either through custom or to compete with private contractors, but instead are so deployed in the national interest as an essential military requirement.

Sincerely,

KENNETH E. BELIEU,
*Assistant Secretary of the Navy*
(*Installations and Logistics*).

## ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared by himself for delivery at homecoming, at Hortonville, Wis., on June 16, 1962.

Program and excerpts from address delivered by himself at dedication of West Bend, Washington County, Wis., courthouse, on June 17, 1962.

By Mr. BEALL:

Report compiled by the Library of Congress, relating to State codes and statutes on the selection of local election officials.

By Mr. KEFAUVER:

Article entitled "Big Business in Space: The Case for Government Ownership," written by Senator KEFAUVER and Representative WILLIAM FITTS RYAN, and published in the New Republic magazine for June 11, 1962.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1742. An act to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters; and

S. 2893. An act to declare that certain land of the United States is held by the United States in trust for the Prairie Band of Potawatomi Indians in Kansas.

The message also announced that the House had passed a bill (H.R. 10852) to continue for a temporary period the existing suspension of duties on certain classifications of spun silk yarn, in which it requested the concurrence of the Senate.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 4083. An act to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products;

H.R. 4939. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5456. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H.R. 7866. An act to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands;

H.R. 8434. An act to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif.;

H.R. 9736. An act to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes;

H.R. 10162. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system;

H.R. 10374. An act to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives;

H.R. 10788. An act to amend section 204 of the Agricultural Act of 1956;

H.R. 10986. An act to continue for a temporary period the existing suspension of duty on certain amorphous graphite;

H.R. 11032. An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion;

H.R. 11033. An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary; and

H.R. 11034. An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion.

## HOUSE BILL REFERRED

The bill (H.R. 10852) to continue for a temporary period the existing suspension of duties on certain classifications of spun silk yarn, was read twice by its title and referred to the Committee on Finance.

## THE IMPORTANCE OF PRESERVING AMERICAN WILDERNESS REGIONS

Mr. LONG of Hawaii. Mr. President, Prof. Wallace Stegner of Stanford University has written a stirring article about the importance of preserving the American wilderness regions. I concur wholeheartedly with Professor Stegner's observations and recommendations. His article, entitled "Oh, Wilderness Were Paradise Enow," appeared in the Washington Post of Sunday, June 17. Particularly in view of the fact that the wilderness bill, S. 174, still is pending in the House, I wish to call the attention of my colleagues to Professor Stegner's article. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### OH, WILDERNESS WERE PARADISE ENOW!

(By Wallace Stegner)

(NOTE.—Stegner is professor of English at Stanford University and the author of many novels, including "A Shooting Star" and "Remembering Laughter," which won a Little Brown novelette prize. Because his father had the pioneering itch, Stegner lived for 5 years in Saskatchewan on almost the last frontier. Living in the country gave him an apparently permanent distaste for cities and city ways.)

With the American land disappearing beneath concrete and asphalt at the rate of a million acres a year, the Nation has recently become sharply aware of the need to preserve our few remaining patches of wilderness as pleasuring grounds, as reserves set aside for our country's recreation.

But I should like to urge some arguments for wilderness preservation that involve recreation, as it is ordinarily conceived, hardly at all. Wilderness, surely, offers us the pleasures of hunting, fishing, hiking, mountain climbing, camping, photography and the enjoyment of natural scenery. So, too, does it provide a genetic reserve, a scientific yardstick by which we may measure the world in its natural balance against the world in its man-made imbalance.

What I want to speak for is not so much the wilderness uses, valuable as those are, but the wilderness idea, which is a resource in itself. Being an intangible and spiritual resource, it will seem mystical to the practical minded—but then anything that cannot be moved by a bulldozer is likely to seem mystical to them. I want to speak for the wilderness idea as something that has helped form our character and that has certainly shaped our history as a people. It has no more to do with recreation than churches have to do with recreation, or than the strenuousness and optimism and expansiveness of what historians call the "American Dream" have to do with recreation.

Something will have gone out of us as a people if we ever let the remaining wilderness be destroyed; if we permit the last virgin forests to be turned into comic books and plastic cigarette cases; if we drive the few remaining members of the wild species into zoos or to extinction; if we pollute the last clear air and dirty the last clean streams and push our paved roads through the last of the silence, so that never again will Americans be free in their own country from the noise, the exhausts, the stinks of human and automotive waste. And so that never again can we have the chance to see ourselves single, separate, vertical, and individual in the world, part of the environment of trees and rocks and soil, brother to the other animals, part of the natural world, and competent to belong in it.

Without any remaining wilderness we are committed wholly, without chance for even momentary reflection and rest, to a headlong drive into our technological termite life, the brave new world of a completely man-controlled environment.

We need wilderness preserved—as much of it as is still left, and as many kinds—because it was the challenge against which our character as a people was formed. The reminder and the reassurance that it is still there is good for our spiritual health even if we never once in 10 years set foot in it. It is good for us when we are young, because of the incomparable sanity it can bring briefly, as vacation and rest, into our insane lives. It is important to us when we are old simply because it is there—important, that is, simply as idea.

We are a wild species, as Darwin pointed out. Nobody ever tamed or domesticated or scientifically bred us. But for at least three millennia we have been engaged in a cumulative and ambitious race to modify and gain control of our environment, and in the process we have come close to domesticating ourselves. Not many people are likely, any more, to look upon what we call progress as an unmixed blessing. Just as surely as it has brought us increased comfort and more material goods, it has brought us spiritual losses, and it threatens now to become the Frankenstein that will destroy us.

One means of sanity is to retain a hold on the natural world, to remain, insofar as we can, good animals. Americans still have that chance, more than many peoples; for while we were demonstrating ourselves the most efficient and ruthless environment-busters in history, and slashing and burning and cutting our way through a wilderness continent, the wilderness was working on us. It remains in us as surely as Indian names remain on the land.

If the abstract dream of human liberty and human dignity became, in America, something more than an abstract dream, mark it down at least partially to the fact that we were in subtle ways subdued by what we conquered.

The Connecticut Yankee, sending likely candidates from King Arthur's unjust kingdom to his Man Factory for rehabilitation, was overoptimistic, as he later admitted. These things cannot be forced, they have to grow.

To make such a man, such a democrat, such a believer in human individual dignity as Mark Twain himself, the frontier was necessary, Hannibal and the Mississippi and Virginia City, and reaching out from those the wilderness; the wilderness as opportunity and as idea, the thing that has helped to make an American different from and, until we forget it in the roar of our industrial cities, more fortunate than other men. For an American, insofar as he is new and different at all, is a civilized man who has renewed himself in the wild.

The American experience has been the confrontation of old peoples and cultures by a world as new as if it had just risen from the sea. That gave us our hope and our excitement, and the hope and excitement can be passed on to newer Americans, Americans who never saw any phase of the frontier. But only so long as we keep the remainder of our wild as a reserve and a promise—a sort of wilderness bank.

As a novelist, I may perhaps be forgiven for taking literature as a reflection, indirect but profoundly true, of our national consciousness. And our literature, as perhaps you are aware, is sick, embittered, losing its mind, losing its faith. Our novelists are the declared enemies of their society. There has hardly been a serious or important novel in this century that did not repudiate in part or in whole American technological culture for its commercialism, its vulgarity, and the way in which it has dirtied a clean continent and a clean dream.

I do not expect that the preservation of our remaining wilderness is going to cure this condition. But the mere example that we can as a nation apply some other criteria than commercial and exploitative considerations would be heartening to many Americans, novelist, or otherwise.

We need to demonstrate our acceptance of the natural world, including ourselves; we need the spiritual refreshment that being natural can produce. And one of the best places for us to get that is in the wilderness where the funhouses, the bulldozers, and the pavements of our civilization are shut out.

Sherwood Anderson, in a letter to Waldo Frank in the 1920's, said it better than I can. "Is it not likely that when the country was new and the men were often alone in the fields and the forest they got a sense of bigness outside themselves that has now in some way been lost. * * * Mystery whispered in the grass, played in the branches of trees overhead, was caught up and blown across the American line in clouds of dust at evening on the prairies. * * * I am old enough to remember tales that strengthen my belief in a deep semireligious influence that was formerly at work among our people. The flavor of it hangs over the best work of Mark Twain. * * * I can remember old fellows in my hometown speaking feelingly of an evening spent on the big empty plains. It had taken the shrillness out of them. They had learned the trick of quiet."

We would learn it too, even yet; even our children and grandchildren could learn it. But only if we save, for just such absolutely nonrecreational, impractical, and mystical uses as this, all the wild that still remains to us.

It seems to me significant that the distinct downturn in our literature from hope to bitterness took place almost at the precise time when the frontier officially came to an end, in 1890, and when the American way of life had begun to turn strongly urban and industrial. The more urban it has become, and the more frantic with technological change, the sicker and more embittered our literature, and I believe our people, have become.

For myself, I grew up on the empty plains of Saskatchewan and Montana and in the mountains of Utah, and I put a very high valuation on what those places gave me. And if I had not been able periodically to renew myself in the mountains and deserts of western America I would be very nearly bughouse.

Even when I can't get to the back country, the thought of the colored deserts of southern Utah, or the reassurance that there are still stretches of prairie where the world can be instantaneously perceived as disk and bowl, and where the little but intensely important human being is exposed to the five directions and the 36 winds, is a positive consolation. The idea progressively exploited or improved, alone can sustain me.

But as the wilderness areas are, as the jeeps and bulldozers of uranium prospectors scar up the deserts and the roads are cut into the alpine timberlands, and as the remnants of the unspoiled and natural world are progressively eroded, every such loss is a little death in me. In us.

Nevertheless, I am not moved by the argument that those wilderness areas which have already been exposed to grazing or mining are already deflowered, and so might as well be harvested. For mining I cannot say much good except that its operations are generally short-lived. The extractable wealth is taken and the shafts, the tailings, and the ruins left, and in a dry country such as the American West the wounds men make in the earth do not quickly heal. Still, they are only wounds; they aren't absolutely mortal. Better a wounded wilderness than none at all.

And as for grazing, if it is strictly controlled so that it does not destroy the ground cover, damage the ecology, or compete with the wildlife it is in itself nothing that need conflict with the wilderness feeling or the validity of the wilderness experience. I have known enough range cattle to recognize them as wild animals; and the people who herd them have, in the wilderness context, the dignity of rareness; they belong on the frontier, moreover, and have a look of rightness.

The invasion they make on the virgin country is a sort of invasion that is as old as Neanderthal man, and they can, in moderation, even emphasize a man's feeling of belonging to the natural world. Under surveillance, they can belong; under control, they need not deface or mar. I do not believe that in wilderness areas where grazing has never been permitted, it should be permitted; but I do not believe either that an otherwise untouched wilderness should be eliminated from the preservation plan because of limited existing uses such as grazing which are in consonance with the frontier condition and image.

Let me say something on the subject of the kinds of wilderness worth preserving. Most of those areas contemplated are in the national forests and in high mountain country. For all the usual recreational purposes, the alpine and forest wildernesses are obviously the most important, both as genetic banks and as beauty spots. But for the spiritual renewal, the recognition of identity, the birth of awe, other kinds will serve every bit as well. Perhaps, because they are less friendly to life, more abstractly nonhuman, they will serve even better.

On our Saskatchewan prairie, the nearest neighbor was 4 miles away, and at night we saw only two lights on all the dark rounding earth. The earth was full of animals—field mice, ground squirrels, weasels, ferrets, badgers, coyotes, burrowing owls, snakes. I knew them as my little brothers, as fellow creatures, and I have never been able to look upon animals in any other way since. The sky in that country came clear down to the ground on every side, and it was full of great weathers, and clouds, and winds, and hawks.

I hope I learned something from knowing intimately the creatures of the earth; I hope I learned something from looking a long way, from looking up, from being much alone. A prairie like that, one big enough to carry the eye clear to the sinking, rounding horizon, can be as lonely and grand and simple in its forms as the sea. It is as good a place as any for the wilderness experience to happen; the vanishing prairie is as worth preserving for the wilderness idea as the alpine forests.

So are great reaches of our western deserts, scarred somewhat by prospectors but otherwise open, beautiful, waiting, close to whatever God you want to see in them. Just as a sample, let me suggest the Robbers' Roost country in Wayne County, Utah, near the Capitol Reef National Monument. In that desert climate the dozer and jeep trucks will not soon melt back into the earth, but the country has a way of making the scars insignificant. It is a lovely and terrible wilderness such a wilderness as Christ and the prophets went out in: harshly and beautifully colored, broken and worn until its bones are exposed, its great sky without a smudge or taint from technocracy, and in hidden corners and pockets under its cliffs the sudden poetry of springs.

Save a piece of country like that intact, and it does not matter in the slightest that only a few people every year will go into it. That is precisely its value. Roads would be a desecration, crowds would ruin it. But those who haven't the strength or youth to go into it and live with it can still drive up onto the shoulder of the Aquarius Plateau and simply sit and look. They can look 200 miles, clear into Colorado; and looking down over the cliffs and canyons of the San Rafael Swell and the Robbers' Roost they can also look as deeply into themselves as anywhere I know.

And if they can't even get to the places on the Aquarius where the present roads will carry them, they can simply contemplate the idea, take pleasure in the fact that such a timeless and uncontrolled part of earth is still there.

These are some of the things wilderness can do for us. That is the reason we need to put into effect, for its preservation, some other principle than the principles of exploitation or usefulness or even recreation. We simply need that wild country available to us, even if we never do more than drive to its edge and look in. For it can be a means of reassuring ourselves of our sanity as creatures, as part of the geography of hope.

**Mr. DIRKSEN.** Mr. President, I suggest the absence of a quorum.

**Mr. MANSFIELD.** Mr. President, I suggest the absence of a quorum.

**The VICE PRESIDENT.** The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**The VICE PRESIDENT.** Without objection, it is so ordered.

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## SOVIET OIL MANEUVERS

**Mr. KEATING.** Mr. President, in South Vietnam, Americans are losing their lives in defense of free world security. In Berlin, allied soldiers face Communist troops and weapons across the grim wall of shame. In all the underdeveloped nations of the world, Soviet technicians and propagandists are working 24 hours a day to undermine the future of the United States.

Mr. President, how much does it take to show that we are in a war and that our economic as well as political policies must be directed toward winning that war? The Soviet Union has never hesitated to use every economic weapon in the arsenal to further its position. Yet, in the free world, there is still a disturbing tendency to think that we can battle the Soviet Union politically but can keep right on dealing with them economically, just as though no struggle existed.

Mr. President, in our struggle we cannot afford to neglect the economic weapon. In fact, it is one of the strongest weapons which the free world possesses, in view of the serious economic crises in which the Communist countries now find themselves.

Mr. President, one of the most effective tools of Russian economic warfare is the export of oil and of oil technicians. In the underdeveloped countries, Russian promises to develop a national oil industry have wide appeal. The result is the expropriation of property belonging to free world enterprises and the influx of Soviet oil, Soviet experts, and Soviet propaganda.

Mr. President, this is what happened in Cuba. It is what is happening in Ceylon right now. Unless the free world comes up with some answers to this Soviet economic strategy, it is going to be harder and harder to achieve economic development and the growth of private enterprise, which are so necessary to economic progress in the poorer nations.

Mr. President, I ask unanimous consent to include in the RECORD, following my remarks, two articles from the Sunday New York Times and the Sunday Herald Tribune, discussing the Soviet oil offensive and its very serious implications.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Herald Tribune, June 17, 1962]

### RUSSIAN DRESSING RECALLED

(By Lewis Brigham)

"The fluctuations in the price of crude oil at wells were confined to between 11 and 13 kopecks per pood (70 to 80 cents per barrel of 42 gallons) for the first half of this year, but advanced gradually until it reached 17 kopecks per pood (about $1.05 a barrel) in November, and has remained practically at that point until the present."

From kopeck and pood in 1900, when the above was written by the U.S. Consul to Russia, James C. Chambers, for Derrick's Hand Book of Petroleum in Oil City, Pa., to the Soviet's 1962 role as a major threat to the profitability of the world's oil industry, is a long reach.

But, in many ways, it represents a logical return as Russia begins once again to become an important factor on the international oil exporting scene.

Today, Russia, in its world oil commerce, deals in currencies as varied as the Japanese yen and Swedish kroner.

Black Sea oil is tankered to points politically and sociologically as varied as Iceland and Cuba, or Sweden and Japan. Until the last few months, however, price—as measured in kopecks, kroners or what have you—made little difference to Russian oil exporting officials. Their role was primarily political; get the oil into the country on a bargain-basement basis, and politically we (meaning the U.S.S.R.) have a foot in that nation's door.

This is beginning to change since last fall, though, as the Soviet international oil salesmen drive harder and harder bargains in some parts of the world at least, Japan being the prime example.

#### PRICE TOO STEEP

Only a week or two ago, for example, a Russian crude oil price boost cost the Soviets the business of at least one Japanese independent oil refiner which discovered it could receive attractive offers from major Middle Eastern oil company sources.

New Asia Oil Co., reportedly, then told the Russians their prices for crude oil were too high in comparison with the Persian Gulf quotes it received.

Reports such as this make the 62-year-old report by the U.S. consul to czarist Russia more meaningful. In 1899, for example, Russia exported some 11 million barrels of oil products throughout the hydrocarbon-dependent world, according to the diary-type account from the diplomat which was uncovered last week when Asiatic Petroleum Co. began moving its library to another floor.

By contrast last year's exports of Russian oil outside the U.S.S.R. amounted to an estimated 615,000 barrels a day. However, the apparent growing concern Soviet officials are placing on price may very well hint at a new economic philosophy, with regard to oil sales, at least.

"There is no doubt whatever that the cost of producing oil at Baku increases steadily; the expense of drilling new wells adds much to this cost, but the greatest increase is due to the increased depth from which the oil must be raised, and the steadily increasing amount of water in the wells," the consul wrote the Oil City man.

This last 1900 commentary by Mr. Chambers would be equally applicable in Tulsa, Houston, or Oklahoma City today. Deep drilling is a highly expensive business and the depths to which modern-day drilling crews go make it to be very costly.

#### WAS MAJOR POWER

Prior to World War II, Russia was a major oil power in the world, although its basic sales efforts were concentrated on the economically builtup areas of Western Europe.

Following World War II, Russia's role in international oil trade was temporarily eclipsed. But it's staging a comeback now to the point it is in effect demanding that the 14-percent share of the Western European market it held in oil sales prior to 1939 should properly be the U.S.S.R.'s once again.

This challenge alarms not only the Western international oil companies, but the Common Market nations and the NATO military alliance as well, mainly because of the tremendous slug of Russian oil which is pouring into Italy through the state oil agency, ENI.

As a consequence, oil men who feel in a retrospective frame of mind, can hardly be blamed for wishing that the conditions our Diplomat Chambers reported about the Russian oil scene in 1900 were not valid today. For example:

"Some of the wells drilled last year (meaning 1899) have been very unfortunate for the operators. The territory was leased by auction to the highest bidder and the high and advancing price of crude oil made the competition for this territory very great. * * * There were probably three or four times as many wells as would have been drilled upon a like area in any of the fields in the United States."

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[From the New York Times, June 17, 1962]

### CEYLON OIL MOVES HELD SOVIET GAIN—SEIZURE TERMED REPETITION OF STRATEGY ELSEWHERE

(By J. H. Carmical)

Ceylon furnishes a good example of how easily and cheaply the Soviet Union may take over an established oil market from the big international petroleum companies.

Recently, Ceylon through a new Government-owned company, the Ceylon Petroleum Corp., expropriated certain oil distributing facilities and installations belonging to one British and two United States companies that had operated on the island for 40 years or more.

This action was the result of legislation previously enacted that empowered the Government to form such a company to carry on business as an importer, supplier and distributor of petroleum products. Also, the Government was given the authority to requisition or compulsorily acquire property and to control and regulate the price of oil products. Provision also was made for the payment of any property acquired.

#### SERVICE STATIONS TAKEN

The taking over of oil installations started at the end of April and is still continuing. So far, some 175 service stations and other terminal facilities have been taken over from the three oil companies, Esso Eastern, Inc., an affiliate of the Standard Oil Co. (New Jersey); Caltex (Ceylon), Ltd., a subsidiary of the California Texas Oil Corp., owned jointly by Texaco, Inc., and Standard Oil Co. of California, and Shell Co. of Ceylon, Ltd., owned jointly by the Royal Dutch-Shell group and the British Petroleum Co., Ltd.

Immediately after the acquisition of these installations, oil products from Soviet sources started to arrive and were distributed through them, despite the fact that no payment for the seized properties had been made.

The Ceylon Government announced last week through its Embassy in Washington that contracts had been concluded for the purchase of petroleum products on a long-term basis from the Soviet Union, Rumania, and the United Arab Republic. It stated that these contracts assured supplies for 5 years and that the prices at which oil was now being obtained were a good deal lower than those at which the oil companies had been importing it.

The Ceylon Embassy further stated that arrangements to pay for the petroleum have been so adjusted that there would be no drain on Ceylon's foreign assets and that the rupee credit accruing to the supplying countries would be used for the purchase of Ceylon's export products.

This is pretty hard competition for any oil company in the non-Communist world to meet. It is simply a barter arrangement between two governments. However, the Embassy said the Ceylon Government was prepared to purchase petroleum products from any country in the world, provided the terms were not less advantageous than those already obtained by its Government-owned property.

Protests by both the United States and British Governments were lodged against Ceylon for its action, but they resulted in no apparent change. In the post war period, Ceylon has been a heavy recipient of foreign aid from the U.S. Government, and it had been thought that a protest by the U.S. Department of State would receive some recognition.

OVERALL TREND NOTED

Those who have been studying the Ceylon development for the last few months are convinced that the sale of oil products to that country is only of secondary importance. They regard it as a clever move to undermine private enterprise methods and to influence political decisions in the country. At stake also is the important port of Colombo, with its bunkering facilities and an all-weather deep-sea harbor.

The Ceylon Embassy referred to the bunkering facilities at Colombo in its statement, but said the oil companies had not been in a position to withhold supplies arbitrarily from certain parties.

"Ceylon is an independent country, pursuing its chosen foreign policy," the embassy said, "and no matter who owned the bunkering facilities * * * the determination as to whether or not these facilities should be denied any country is a sovereign decision resting with the Government and not within the competence of the oil companies."

With the bunkering facilities at Colombo now stocked with Soviet oil, there is little doubt that any Soviet bloc vessel now entering that port will be serviced.

NO SOVIET SHIPS FUELED

As a matter of fact, Soviet bloc vessels have not been refueled at any port east of Suez by U.S. oil companies. This stems from the continued refusal of captains of these ships to disclose the nature of their cargo to U.S. authorities.

Under Ceylon's recent contracts for oil products, it is reasonably certain that only Soviet oil is included. Although one contract with the United Arab Republic is cited, Egypt basically is an oil importing nation, although it has some production and also some refineries. Through its barter arrangements with the Soviet Union, however, it probably has some excess oil for sale in the world market and it is quite possible that some of this oil is involved in the Ceylon deal.

With some surplus cotton to dispose of in the world market, this may be a several-prong barter deal. The Soviet Union will take the cotton in exchange for oil. The oil then will be sold to Ceylon by Egypt. In turn, it is quite possible that some of the cotton received by the Soviet Union will be reoffered in the free world market.

TRADE PATTERN VIEWED

The chief exports of Ceylon are natural rubber, tea, and coconut products. In the past, these have been coming to the United States in fairly large quantities and have amounted to roughly three times what the United States has sold in Ceylon. Under the new Soviet oil contract, the Soviet Union undoubtedly will receive these products in exchange for oil and some may be reoffered for sale, probably at a discount, here and in other countries.

Involved in the relatively simple barter deal between the Soviets and Ceylon are many items that have both political and economic significance. And Ceylon is not an isolated instance, for the Soviet oil offensive is moving ahead at a brisk pace.

The oil companies are at a decided disadvantage in coping with it alone. Dealings are between governments and about the only thing the oil companies can do is to protest and this invariably is ignored.

OILMEN FRUSTRATED

British Shell recently described the situation in Ceylon as "amazing and deplorable," and said the Government-owned company simply says: "We want to buy this or that, which you are using for your business and if you don't sell we will seize it. Also, if you don't agree to sell whatever piece of your property we ask for, you will be publicly accused of being uncooperative."

The petroleum resources of the Soviet Union are enormous. They are being developed rapidly and additional pipelines and other facilities are being built to press these on the world market. With no taxes, dividends, or royalty payments to make this oil is being offered at a price at which the international companies would go bankrupt if they tried to compete.

In some cases if the oil companies don't compete and cut their prices to the low levels charged by Soviets, such as in Ceylon, they end with their properties being seized and then used for the distribution of Soviet oil products. This also happened in Cuba where refineries and marketing facilities were taken over by the Castro government. Outside Western Europe, Cuba probably is the biggest buyer of Soviet oil today.

REFINERIES COSTLY

To build refineries and establish marketing outlets is a costly venture. It is estimated that it costs $3,000 in refinery, transportation, and marketing facilities to market a barrel of oil a day. This is in addition to the cost of producing the crude oil.

Now, the Soviet Union has devised a system through which the so-called capitalistic countries pay for the marketing costs. It is very simple. Offer local governments oil at much cheaper prices than the international companies can sell it, whip up some nationalistic feelings and include some propganda about imperialistic economy and they soon have a situation to their liking.

At present, the Soviets are busy in a dozen or more countries aiding local governments in obtaining oil supplies. When the proper atmosphere has been created, they will take over and another Cuba or Ceylon will emerge, but always by degrees.

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## URBAN AFFAIRS—ADDRESS BY SENATOR CASE OF NEW JERSEY

**Mr. KEATING.** Mr. President, several days ago the distinguished senior Senator from New Jersey [Mr. Case] delivered a most perceptive and important address before the American Society for Public Administration, in New York City. His address focused on the relationship between rural, urban, and suburban areas, and makes very clearly the point that it is the suburban voter who is most seriously under-represented in our Government.

The Senator from New Jersey suggested in his remarks that the failure of the administration to key its proposed Department of Urban Affairs to suburban as well as urban needs was one of the principal reasons for its defeat in the Congress. He urges that the administration press again for action on a Department to coordinate the several activities of Government to meet certain basic needs of our Nation's metropolitan areas.

Mr. President, this address by a serious and able proponent of a Department of Urban Affairs is, I believe, of major significance. Therefore, I ask unanimous consent that the full text of the Senator's remarks be printed at this point in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Text of Remarks of Senator Clifford P. Case, of New Jersey, at the Annual Banquet of American Society for Public Administration, Sheraton-Atlantic, New York City, Tuesday, June 12, 1962

On March 26, the U.S. Supreme Court ruled that the apportionment of the Tennessee State Legislature could be challenged in the Federal courts by the citizens of that State. The decision was precedent-shattering.

Many reached the conclusion that the decision spells the eventual end of rural overrepresentation not only in State legislatures but also in Congress. Congressional Quarterly, generally regarded as the authoritative reference on Congress, has prepared a study of this question.

It confirms the fact that rural areas are, indeed, heavily overrepresented in the U.S. House of Representatives. But it finds that, contrary to the prevailing view, urban areas are not nearly as badly underrepresented in the House as are suburban areas.

The publication's study of the population characteristics of all current House districts fails to support the theory that an ideal reapportionment of congressional seats would bring major changes in the political complexion of the House.

Today, urban areas make up 126 House seats. Congressional Quarterly's ideal reapportionment would mean a gain of only seven urban seats.

The suburbs, on the other hand, are represented by only 60 House seats. The suburbs, ideally, would gain 20 seats by a proper reapportionment.

Rural areas, on the other hand, control 250 House seats. Under an ideal reapportionment, they would lose 27 seats.

These figures seem to indicate that even if the ideal were reached, it would not make an essentially rural House of Representatives into a more urban-minded body, at least not overnight.

Where does this leave us? We are left with a Congress which is likely to remain are not hopeful about its chances for passage for perhaps another 2 years.

In this context, I would like to discuss the creation of a Department of Urban Affairs and Housing—what went wrong with the effort and what might be done to put the issue to Congress on a sounder basis than it was presented this past spring.

Administration leaders with whom I have spoken since the reorganization plan to establish the new Department was defeated are not hopeful about its chances for passage for perhaps another 2 years.

Several things went wrong with the administration's plans. Among the less-publicized ones, in my opinion, the administration placed nearly its entire emphasis on what the new Department would mean for the cities and the cities alone. I believe that insufficient emphasis was placed on the burgeoning problems of our suburbs, underrepresented as they are, beset with growing pains as they are, created by and yet the victims of the surge by millions of inhabitants of the central cities for the greener life.

For some years now, America has been changing from a predominantly rural to an essentially urban Nation. In the transformation, we have witnessed a shocking deterioration of many urban areas.

Over the past three decades, both Republican and Democratic administrations have supported programs of slum clearance and urban renewal, mortgage insurance for homeowners, home improvement loans, low-rent public housing, purchase and sale of mortgages to stabilize the market and provide liquidity for mortgage investments, loans for public facilities, for public works planning, for housing for the elderly, for housing of college students, and a wide range of other activities.

At the same time, the Federal Government has sought, and properly so, to encourage the solution of urban problems through State and local action, including areawide regional and interstate cooperation. It provides, for example, grants to assist small communities as well as regional and metropolitan areas for comprehensive planning.

In this area, the activities of the Federal Government are not sufficiently coordinated. The welter of agencies dealing with city problems often obscures objectives. One arm of the Government finds itself at odds with the goals of another.

Here lies one of the great potential advantages of a new Department. For the Department should be in a position to coordinate the multiplicity of Federal programs which have as their purpose the promotion of orderly community planning and growth.

In areas such as ours, the problem is not only of the central city, but of the younger suburbs struggling to avoid engulfment by the same planning problems which have already brought many older suburbs to the point of decay. It is a problem of urban sprawl, of haphazard suburban growth. Twenty years ago, did we dream that a fine suburban community like Montclair, N.J., would require urban renewal programs to stamp out blight? Or that some of the older towns near the Delaware River would be submitting plans for overhauling their downtown areas?

Perhaps the greatest weakness of the administration plan was its failure to bring all the programs affecting an urban society under one administrative roof. For all the administration plan proposed was to raise the Housing and Home Finance Agency to Cabinet level. Yet HHFA hardly covers the range of problems confronting urban and suburban communities.

Air and water pollution problems, for example, plague many a community and, today, these are under the jurisdiction of the Department of Health, Education, and Welfare.

As urban life becoms more complex, the controversy often grows sharper between highway planners, whose concern is often exclusively with traffic needs, and the local housing authorities, whose objective is to avert new slums while they wrestle to replace existing ones. The Federal Government, in cooperation with the States and localities, provides funds for each.

There are problems, too, with regard to the relative importance of highways and mass transit in the urban scheme of things. Duplication and waste will inevitably follow if elaborate mass transit plans are centered in the new Department while another Federal agency—the Department of Commerce—has exclusive jurisdiction over urban and suburban roads.

Responsibility needs to be centered in one place if we are to make the most efficient use of the taxpayer's dollar for meeting overall community needs. We will continue to have difficulty in getting wise decisions under divided responsibility.

I propose that a commission be appointed by the President to determine which of these presently fragmented functions of Government should be brought under the roof of the new agency.

If we are have a delay in reconsideration of the need for a new department, we should make maximum use of the time available to us by strengthening the reorganization plan.

These aspects have not been sufficiently stressed. There has not been enough political support for the concept from the suburbs.

We need to make it clear that suburbia has a vital stake in this legislation. If the planning problems and fiscal needs of suburbia can be reviewed by one agency, it will not be at the cost of local and State home rule. Centering already available assistance and existing functions in one agency will stimulate local governments to develop comprehensive plans for the solution of areawide problems.

We have time to come up with a better plan. And we have the ability to find one. Above all, the need is there and it is pressing.

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## GOLD PRICE RISE

Mr. BARTLETT. Mr. President, the other day there came to my attention an address made to the stockholders of Dickenson Mines, Ltd., of Canada, by President Arthur W. White. In reporting to his stockholders President White said among other things, "an increase in the price of gold is unavoidable."

I could not agree more. It is inevitable.

And I am convinced that all of the dire consequences which so many would predict for the United States if the price of gold were to be raised simply would not occur.

Mr. President, because he spoke logically on a subject of such great importance to Alaska and to so many other Western States, I ask that pertinent parts of Mr. White's address be printed in the RECORD, so that my colleagues may read them.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD as follows:

### GOLD AND THE FUTURE

So much has happened throughout the world these past few years that we cannot comprehend the tremendous developments and changes that have taken place, even within our own country. The conquest of outer space is now recorded history, merely one more chapter of man's amazing achievements, and but the forerunner of many more scientific breakthroughs yet to come in this new space era.

And in the sphere of economic developments, events are moving swiftly. Today's world is being compacted by instant travel and mass communication, and by the intermixing of international capital, know-how, and culture. There is a new and growing awareness of the need and necessity of living and prospering together as one big family of nations; there is an evident desire to expand the interflow of trade and travel; and there is an awakening realization that the problems of today, and tomorrow, can and must be solved without recourse to war.

The world today is in a tense yet hopeful phase of economic readjustment. The wartime surge in the North American productive structure has overtaken pent-up postwar demands. Other nations have rebuilt and modernized their industrial facilities. The once prostrate nations of Western Europe have joined forces, the European Economic Community is prospering, has substantial and increasing monetary reserves and sound currencies. This great experiment in commonsense economics has set an example which is a real challenge to all nations.

The rapidly changing patterns of trade and political conflict point up the desire and the determination of all countries, big and small—regardless of ideologies—to gain access to the marketplace. The widening channels of world trade will bring greater understanding. Through the opening doors of global enterprise the wants and aspirations of the less fortunate and newly emergent nations can best be fulfilled—and hope advanced for peaceful coexistence in the years ahead.

The most important requirement, the master key to favorable developments in the future overall scheme of things, is a more workable system of international payments. Currencies must be solid, sound, and stable, and beyond the caprice of political wizardry. Good currency is not a matter of mechanics alone, but dependent primarily upon good government and intelligent internal policies. Right now there is nervousness and uncertainty overhanging the world currency picture. The U.S. dollar, sterling, and other currencies, including the Canadian dollar, are under pressure; and the so-called parities (as related to the U.S. dollar) are not in all cases realistic. Gold convertibility, to some degree, is suspended through the stockpiling of dollars and sterling by the more affluent continental nations.

Last June when Finance Minister Fleming announced the Government's intention of devaluing the dollar it was felt by many like myself that the action was long overdue. As I pointed out at our last two annual meetings, Canada's adverse and chronic balance-of-payments position never did warrant the dollar trading at a premium. Not only was our currency the only one quoted at a prewar premium but Canada was perhaps the only country which had not devalued in term of the U.S. dollar.

Devaluation of any currency causes some disturbance generally. So far as Canada is concerned the final results have yet to be determined. This action has not been good news for a lot of people, especially the foreign investor who has a very large stake in this country, and therefore is keenly interested in what goes on here. The heavy inflow of U.S. capital alone, in recent years has been a very big factor in the phenomenal development of both our primary and secondary industries—and no one will question the helpful effect that all this capital has had on our economy.

Whether or not the long-term benefits of the discount dollar will exceed the more immediate tugs and pulls is a matter of wait and see. Mining and other primary industries will gain considerably. This dynamic sector of the economy has always formed the foundation of our national enterprise, and here the immediate benefits will be worth while. For most gold producers the benefits are a real shot in the arm. In the final analysis, it is mandatory that we maintain the respect and confidence of everyone, even if to do so means getting back to fundamentals. We all know that excessive government spending, high taxation, and deficit financing choke and strangle incentive and healthy growth.

Monetary difficulties are not peculiar to Canada alone. The effects of creeping inflation, unbalanced budgets and intensifying balance-of-payments problems are general, except possibly within the European Economic Community. The advocates of managed currency are more and more being faced with the realization that even perfect economic theories clash with political expediency. To say that an increase in money supply is a cause of inflation is true, to say that the only way to avoid inflation is to avoid deficit budgeting is also true—both are true statements. The trouble starts when we try to mix the two, try to mix economics with politics. Managed currency has failed because management has failed. The pleas of necessity have overridden the demands of restraint. The have-it-now, pay later exponents have ignored the simple truths, namely, that spending does not create prosperity, that borrowing does not pay debts.

Another thing we have learned is that no matter what we do at home, we must pay as we go in our foreign dealings. Our dollar is worth only its purchasing power at home, worth only merchandise elsewhere. The coin of international account is the U.S. dollar or gold. That is why today many nations are struggling to meet the deficit in their foreign dealings and having to resort to extreme measures. For example, last June, Britain raised the discount rate to 7 percent in an effort to encourage an inflow of funds and thereby restore depleted gold reserves. Renewed emphasis is being placed on increasing exports in the face of much stiffer competition.

Out of all this turbulence one historic fact emerges, gold is the world's most wanted commodity. There is no substitute for gold. Gold is to finance what ballast is to a ship. Adequate gold reserves are a basic requirement of every nation and maintenance of such reserves will demand more rigid discipline in fiscal policies. For years the economic magicians have been asking "why waste good money to dig gold out of one hole only to bury it in another at Fort Knox?" For years we have been hearing them tell us that gold is a barbarous relic, an outworn dogma. In my opinion, ladies and gentlemen, these false prophets have had their day. Gold has regained its ages-old prestige as the ultimate standard of value, the one true medium of exchange.

In February 1961, when the U.S. dollar was under heavy pressure, President Kennedy in his balance-of-payments message to Congress, listed the resources and measures available for defending the Nation's currency and checking the outflow of gold. These measures, he said, would symbolize a new dimension of the Nation's foreign and domestic policies. Now, 16 months later, the problem has intensified, gold reserves have been further depleted—to the lowest level since 1939. Pressures are building up. Outstanding dollar claims are substantial.

We all know that United States is a strong, resourceful nation, a great international benefactor, our last bastion of defense. But with worldwide investments and financial commitments, and as the key-currency nation, the United States must of necessity maintain abundant stocks of gold. The persistent outflow cannot continue very much longer. At some point, something will have to happen.

An increase in the price of gold is unavoidable. Regardless of all, or any, forms of international support, the United States will ultimately be forced off the $35 gold basis—unless there is a very sudden reversal in the balance-of-payments position. The future is not promising. This whole subject is very serious and complex. It would be unfortunate if by increasing the price, other currencies collapsed. But would that necessarily be the result? To say an increase in the price of gold is in reality devaluation of the dollar is an open question. To say it would bring on severe inflation is debatable. Things did not work out that way the last time the price was increased—in 1934. If increasing the price of gold means more inflation, then by the same reasoning, a decrease in the price would bring deflation.

Gold is a commodity, subject under free competitive conditions to the inexorable laws of supply and demand. The scarcity of a commodity gives it value; gold has become scarcer, there is not enough to go around. Gold has increased in value but not in price—and that is the essence of the whole thing.

Gold is a commodity, an article of value and as such should be available to anyone who can afford to buy it. This is a way of life, a means of storing value. In years gone by people had the choice of gold, or paper currency, or both. But since 1934 most governments have reserved the privilege of holding and dealing in gold as a state monopoly. There are a few exceptions—mostly in Continental Europe. Canada, in 1956, restored the privilige of free markets but there is no gold coinage. Of course, if coins were minted, government gold holdings would be decimated and dispersed. In other words, there just isn't enough gold to permit such a thing, which is just one more way of saying gold is under-priced. Let it not be forgotten that the oldest gold coin is worth more today than when minted, and is still readily acceptable as money anyplace in the world.

Gold is not in oversupply, never has been, and is not apt to be. Official gold holdings, outside Russia and her friends, amount to about $40 billion. Production of new gold in 1961 was only about $1.2 billion, of which South Africa produced two-thirds. Canada accounted for only 13 percent of the total. In the United States growing industrial requirements already exceed double the domestic output. Somewhat less than one-half of newly mined gold is reaching official holdings.

The essential quality of gold is that it constitutes purchasing power—is a demand for goods—at home or anywhere in the world, and is acceptable without compulsion and without limit for all other commodities.

Gold will never be replaced; gold is where it is because of the law of supply and demand. And because costs have gone up, gold must go up. When the price does go up there will be a startling revival of interest in the Canadian gold mining industry. Canada needs gold—and will need more. Gold is one thing we know we can sell—and export, even in times of a depressed economy. What gold has done for Canada, in pushing back the frontiers, in creating new communities and cities, is a well-known and glowing record of resourceful initiative. These living symbols of real wealth-creating enterprise contribute greatly to the well-being of the whole Nation.

I need not repeat the long standing and valid arguments so often put forward these past few years in support of claims for a better price for gold. We have come through some trying times. Now as a result of devaluation the Canadian producer will receive about $38 per ounce for his gold compared with the past 9-year average of about $34. This substantial increase is going to help considerably. However, when the justified increase in the U.S. price of gold finally comes, then the industry will really take off.

## TWENTIETH ANNIVERSARY OF SEABEES

**Mr. PELL.** Mr. President, this year marks the 20th anniversary of one of the Navy's most distinct and honored components. I am referring, of course, to the Seabees who have had their headquarters at the Construction Battalion Training Center in Davisville, R.I., since they were first organized in 1942. Rhode Island has a long history of providing facilities for our Navy, and, therefore, all Rhode Islanders share in the justifiable pride which the Seabees have in themselves.

Mr. President, the June 1962 edition of Construction Craftsman, has an excellent article on the Seabees, written by Adm. Peter Corradi, and I ask unanimous consent that this stimulating article be placed in the body of the Record. As Admiral Corradi points out, the duties of the Seabees have changed somewhat since World War II, but there is no doubt that they continue to personify their fine motto, "can do."

There being no objection, the article was ordered to be printed in the Record, as follows:

### Twentieth Anniversary of Seabees Reminder of Role of Craftsmen—Construction Battalions Still Wage "Can Do" Program Around the World

(By Rear Adm. P. Corradi, CEC, U.S. Navy, Chief of Bureau of Yards and Docks)[1]

Recruited for temporary service during World War II, the Navy's construction battalions—the famous Seabees—this year are celebrating their twentieth anniversary as a permanent, and indispensable, part of the Navy. During the two decades of their existence they have performed astonishing deeds, earned innumerable tributes, and established themselves as one of the most colorful, capable and consistently ingenious branches of America's military force.

The Seabees were born of dire necessity. In the days just before the war began a great deal of construction was underway at naval bases in the Pacific, such as Guam, Midway, and Wake Islands. It became apparent to Adm. Ben Moreell, then Chief of BuDocks, that, should war break out, the contractors' workmen then engaged in this construction work would be completely defenseless. Under the Geneva Convention, as civilians they would either have to surrender to invading forces or take arms and risk the chance of being executed as guerrillas.

With this in mind, Admiral Moreell received permission to begin organizing "Headquarters Construction Companies" to be utilized by officers in charge of construction at advance bases as administrative units in case war interrupted contract operations. One such company had been organized by December 7, 1941.

When the attack in the Pacific occurred, Admiral Moreell obtained permission to recruit and form construction battalions to accomplish wartime buildup of advance bases.

The need was immediate, and grew by leaps and bounds. There was little time to train men. Experienced tradesmen who could jump in and get the job done were required.

Admiral Moreell worked with his friend, Richard J. Gray, president of the Building and Construction Trades Department, American Federation of Labor. It was agreed that such uniformed men would not be employed on projects within the continental United States, except in cases of highly classified or training projects—an agreement that has been kept both in war and in peace. Mr. Gray plunged into the task of recruiting experienced union men for the new organization. The Navy offered them ratings based on their experience.

As fast as the early volunteers enlisted—their average age was 35—they were shipped out to the Pacific and put to work in forward areas.

Immediately stories began to spread over the South Pacific and back to the States of the prodigious accomplishments of these men whose slogan was "Can Do" and whose spirit was one of riotous confidence mixed with ingenuity.

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[1] Rear Adm. Peter Corradi, CEC, USN, became Chief of the Bureau of Yards and Docks of the Navy, February 1, 1962 after more than 21 years of distinguished service in the Navy. He had been identified with a number of spectacular engineering projects in civilian life. He served in the Pacific in World War II and holds numerous decorations. He speaks with authority on the work of the Seabees under fire—he has been under fire with CB units in the South Pacific.

There were times when their methods were a bit unorthodox—as when they employed the technique known as the "moonlight requisition" to get equipment that was not available in the daytime—but they always got the job done, and invariably ahead of time.

What was equally interesting, they always ate as well as or better than anyone else in the service and seemed to enjoy more of the comforts of home than were available to other, less inventive mortals. The 50-gallon oil drum became a washing machine, a culvert, or seemingly anything else the human mind could think of. Showers appeared in unlikely places and Seabee quarters always became the most livable of their kind.

The nickname, "Seabee," was coined by an artist at the construction battalion training center at Davisville, R.I. On March 5, 1942, the construction men were officially given permission to call themselves Seabees and wear the distinctive shoulder patch—the fighting mad bee with tools in his middle and rear feet and a machine gun in the forefeet—that has now become a symbol of American construction ingenuity. This is the date, therefore, that is recognized as the real birthday of the Seabees.

A great deal has been written about the wartime exploits of the Seabees. General MacArthur remarked that, "The only trouble with the Seabees was that there weren't enough of them," and other leaders of the military forces said equally complimentary things about them.

When an emergency did appear, in Korea, the Seabees manned the pontoon causeways that made the landings at Inchon. Later, it was Seabees who landed the Marines at Lebanon.

When the men who saw service in World War II were discharged, the great majority of the Seabees went back to the jobs in the building trades they had worked on before the war. Many of them are still busy at those jobs. And a great number of them, besides being prominent in union activities, also are very active members of Seabee Reserve companies.

Some Seabees chose to remain in the Navy, and served as tutors of the later recruits. Many of these World War II veterans are the chief petty officers who lead the younger men in accomplishing today's outstanding projects. At the same time they have instilled in the new men something of the same spirit that distinguished the original "Bees."

The result is that in many parts of the world, the naval construction battalions are still performing in the same amazing manner as their predecessors, even though they do not command the publicity now that they did in wartime.

In Okinawa, for example, our construction battalions have built a Marine Corps air facility using concrete precasting methods that aroused the admiration of contractors in the Pacific area.

At Holy Loch, Scotland, there were Seabees manning the drydock for the Polaris submarine facility in the news a while ago.

And in far-off Antarctica, a group of Seabees recently earned a round of tributes for the manner in which they installed the first nuclear reactor powerplant at McMurdo Station, despite the weather conditions that are laughingly called "summer" in that forbidding region.

A small detachment of Seabees last year supervised and instructed Ecuadorans in modern American construction methods while building a new Ecuador Naval Academy.

As you can see, the type of work the Seabees are engaged in has changed to some extent in the years since World War II. Certainly, the method of manning the battalions has changed. For today's Seabee is younger and less experienced than his wartime predecessor when he joins the battalions. But the results that he and his fellow Seabees achieve are ample demonstration that the ability of American workmen has not lessened. They are still the world's master builders.

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## HONG KONG REFUGEE SITUATION

Mr. HART. Mr. President, Hong Kong harbors the world's largest single concentration of refugees from a Communist-controlled country. In the past few weeks we have been reading and hearing a great deal about the situation there, and the plight of Chinese refugees causes genuine concern and sympathy in the hearts and minds of all Americans.

Early this year, the Subcommittee on Refugees and Escapees, of which I have the honor to serve as chairman, directed its staff to inquire into the refugee problem in Hong Kong and Macao. Reports indicated that as early as August and September 1961, an increasing number of Chinese refugees was seeking asylum in these areas. Events over the past few weeks, however, have particularly pointed up the urgency of the subcommittee's inquiry. To facilitate this inquiry, to inform more fully the Congress and the American people, and to help define America's responsibility in Hong Kong, the subcommittee opened hearings on May 29. At this time, testimony in open and executive session was received from the Assistant Secretary of State for Far Eastern Affairs, Mr. Averell Harriman, and the State Department's Director of Refugee and Migration Affairs, Mr. Richard Brown. Last week the subcommittee heard representatives of the voluntary agencies working in Hong Kong. Additional testimony will be received later this month.

Our response to the refugee challenge in Hong Kong, Mr. President, must be made within a framework of responsibility. The head as well as the heart must dictate our actions. In this connection, it seems to me that at least several observations are in order. In the first place, even though Hong Kong's refugee problem generates a humanitarian concern among all Americans, we must also bear in mind that we are confronted here with a problem that is under the general jurisdiction of the British Government and the specific jurisdiction of the local Hong Kong authorities. Consequently, America's response to the Hong Kong situation must be calculated, in the final analysis, by determinations of British authorities. It is of interest to note that until last Wednesday, the Hong Kong authorities, who display exemplary actions in dealing with refugees, had not found it necessary to make a direct appeal to free world nations for assistance.

Let me add here, Mr. President, that political relationships are involved in our response to the Hong Kong situation, not only relationships with our trusted ally, Great Britain, but also those with Nationalist China and other countries in Asia and elsewhere. I do not exclude in this context our nonexistent relationships with the Peiping regime on the Chinese mainland. It seems to me that Hong Kong is a kind of West Berlin in Asia. Unquestionably, the situation here is politically complex, requiring much thought, and involving delicate issues and the security of the free world.

A second observation, Mr. President, is that the overt cause of our present concern, the recent heavy influx of refugees into Hong Kong, has merely served to highlight an already serious refugee problem in the crown colony. Hong Kong is really the only exit from the Chinese mainland to freedom and security. For over a decade Hong Kong has thus harbored anti-Communist refugees—at an average rate of some 50,000 persons annually. This year the number has already surpassed the 50,000 mark. So the problem in Hong Kong is not of a temporary nature. It has been there for many years And so long as tyranny rules the Chinese mainland, the influx of refugees into Hong Kong will continue.

The government of the crown colony receives no subsidy from the United Kingdom. But over the years and with the assistance of numerous voluntary agencies, at least 10 of which are American, the government has strained its resources and ingenuity to approach a solution to the refugee problem in Hong Kong. Since 1953, these efforts have been assisted through our Far East refugee program and generous grants of Public Law 480 agricultural commodities. So a great deal has been accomplished for the refugees in Hong Kong, and a solid foundation has been laid for the continued efforts of the free world.

A third observation, Mr. President, is that the recent tide of refugees sweeping into Hong Kong reflects growing unemployment on the mainland, food shortages, a widespread apprehension of famine in the near future, and serious general dislocations in every sector of the Chinese Communist system. In short, the refugees depict the failure of communism and the agony of China.

Now governments have a way of turning these conditions into a national asset. To what extent the Chinese people are being used as a political or psychological weapon is difficult to determine. But the suddenness with which the recent surge of refugees began and ended, shows the official connivance of the Peiping Government. So our action in this situation is not without serious implications for our security in the Far East.

In thinking of an approach to the refugee problem in Hong Kong, and the extent of America's reponsibility, we should do well to project our thoughts beyond today's emergency situation and momentarily expedient relief measures. The challenge in all refugee problems is the task of providing effective asylum to bewildered people, commensurate, of course, with available resources. It is the task of creating the best possible conditions of the refugees to live reasonably normal and productive lives, to be self-reliant and free from the shackles of a tortured past.

On the basis of testimony and other information available to the subcommittee, it would appear that the best approach to the problem in Hong Kong lies in fostering the local rehabilitation and integration of the refugee population. This is, admittedly, a gigantic task, and no one can measure accurately the future dimensions of the problem. But circumstances dictate this course of action—at least for the major portion of the refugee community. The Hong Kong government has made tremendous strides in this direction. But additional energy must be expended to get over the hump of the refugee problem. The following areas of assistance should be fully explored with the British Government:

First. An expanded general program of local resettlement and rehabilitation. I am thinking here of emergency relief programs, English language and vocational training programs, self-support projects, and medical assistance. The experience and resources of the voluntary agencies can be of particular importance in this regard.

Second. Active free world support for Hong Kong's program of capital construction. Just this week, and for the first time in its history, the Hong Kong government has invited other governments interested in the refugee problem to contribute funds to this long-range program. The Hong Kong government indicated a limitless need of assistance, and said contributions could be used especially to provide more water, roads, housing, hospitals, clinics, community centers, and schools. I hope we give serious consideration to this appeal from our friends in the Far East, and suggest, Mr. President, that we make immediate contribution of $1 million to this program of capital construction just as we did during World Refugee Year.

Third. Assurance from the free world of a reasonable access to markets for the limited range of goods Hong Kong produces. Trade is the lifeblood of Hong Kong's economy. It is the key to the colony's ability to provide the refugees a livelihood. Hong Kong will develop and survive only if her trade can be maintained with an adequate scope for growth. This is a complex problem, Mr. President, and the Refugee Subcommittee defers to the appropriate committees of the Senate for further study of this aspect of the problem. But as we study the situation and make our determinations, I hope that we will consider the future as well as the present.

Hong Kong is a strategic outpost of freedom in a sensitive area of the world, and its survival will depend largely upon a viable economy with markets in the free world.

Mr. President, the approach I have suggested to the refugee problem in Hong Kong does not, of course, rule out the resettlement of refugees to other areas of the world. But considering the number of people involved, and other factors inherent in the potential movement of any large group of people, migration offers a very limited potential toward a solution. Nevertheless, whenever feasible, resettlement opportunities must be encouraged and pursued, for this will lessen, somewhat, the burden in Hong Kong. Certainly, President Kennedy's Chinese parolee program is assisting in this direction. So, too, are the offers of other countries. But this action is a temporary and limited expedient. Our Chinese parolee program is only a piecemeal approach to the situation. What we really need in the long run is an intelligent reform of our basic immigration law. Such action on the part of Congress would strike a greater blow for freedom, and would serve as a far more appropriate example for other nations to follow than does a temporary expedient.

As the Members of the Senate know, Mr. President, S. 3043, which I introduced with the cosponsorship of 25 of my colleagues, would accomplish the objective of which I speak. This bill would remove the discriminatory clauses in the Immigration and Nationality Act of 1952, thereby raising the Chinese quota. It would also place on our statute books a permanent provision for the admission to this country of up to 50,000 refugees annually, from all parts of the world. This bill, Mr. President, would bring our present immigration concepts and practices more closely into line with our traditions and ideals, and add substantially to our good will throughout the world.

Mr. President, I have a deep and abiding conviction that America's actions for Chinese refugees will be sufficient and appropriate, and commensurate with the political realities of the international arena. There has been some expression of concern that we have not done enough in Hong Kong, and that our position in the world has been damaged by recent happenings in the crown colony. But let us put some facts into focus. Let us set the record straight—and I emphasize this point, Mr. President. The most badly damaged reputation as a consequence of the events in Hong Kong is that of the Government of Red China. The defeat is one suffered by the Communist leadership of that country. The failure is theirs. The depression and panic displayed by China's refugees is a devastating commentary on the regime of Mao Tse-tung.

Our response to the needs of Chinese refugees is being observed by a waiting world. They want to see if we practice what we preach. But this waiting world must also be made keenly aware of the reasons for the flight of Chinese refugees: An oppressive and intolerable political, economic, and social system. Too often in the past our genuine humanitarian concern for refugees from communism has beclouded this reality, and thus blunted the persuasive ideological force of our compassion.

But today, I trust that our informational facilities at home and abroad are giving maximum attention to the agony of mainland China and the failure of the Communist regime to provide even a tolerable life for its people. This, coupled with positive efforts by the free nations to give effective asylum to Chinese refugees, unquestionably will further the cause of freedom in Asia throughout the world.

The VICE PRESIDENT. Is there further morning business?

Mr. BARTLETT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. GORE. Mr. President, the role of the U.S. Government in the use of the coming communications satellite system will be great. Indeed, in all likelihood the U.S. Government will be the largest user by overwhelming odds. In addition to being the largest user of the satellite communications system, the Government will have a leading role in its operation.

I invite attention to the minority views on page 51 of the committee report:

> Even if a decision were made to place ownership and control of this country's satellite communications system in a private monopoly, the Government would necessarily continue to have its leading role. The Government would be required to:
>
> 1. Furnish launch vehicles.
> 2. Launch the satellites and provide launch crew and associated services.
> 3. Consult with the private corporation regarding technical specifications for satellites and ground stations and in determining the number and location of such facilities.
> 4. Coordinate continuing governmental research and development with the activities of the private corporation.
> 5. Insure that the satellite system established is technically compatible with existing facilities with which it will interconnect.
> 6. Insure that present and future access to the system on an equitable and nondiscriminatory basis is made available to all authorized communications carriers.
> 7. Preserve competition in the field of supplying goods and services to the corporation.

The VICE PRESIDENT. The 3 minutes allotted to the Senator from Tennessee have expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may proceed for an additional 3 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. GORE. I thank the Chair. Continuing to read from the minority views:

> 8. Supervise any change in the internal structure of the private corporation.
> 9. Insure that opportunities are provided for foreign participation in the system.
> 10. Insure that the corporation provides communication services to areas of the world where such services may be uneconomical, if it is determined that providing such services would be in the national interest.
> 11. Last, but by no means least, the Government would have to regulate the ratemaking process.

So, Mr. President, the establishment of a satellite communications system, and the manner in which it is established, is of vital importance to the U.S. Government and to the taxpayers of the United States. The Government will be its largest user. The Government, under the terms of the bill, if passed, would establish not free enterprise but a private monopoly. Since the Government would be the largest user, it would become the largest contributor to the financial rewards of a private monopoly. The Government would still remain an essential cooperator with that private monopoly and continue to contribute vastly, both in technology and in means, to its success.

Mr. KEFAUVER. Mr. President, will my colleague yield?

Mr. GORE. I yield.

Mr. KEFAUVER. I commend my colleague [Mr. Gore], the Senator from Louisiana [Mr. Long], and others who have already expressed their views on this very important subject. I heard my colleague say something about monopoly. Is it not true that the proposed bill would carve out from the antitrust laws an exception and allow companies to join a consortium, a joint enterprise private corporation, which could not be done under the antitrust laws without the proposed immunity being granted?

Mr. GORE. The Senator is correct. Some people call the proposal free enterprise. By what stretch of the imagination could the proposed corporation be called free enterprise? The measure would create a monopoly to which the Government would be the heaviest contributor.

Mr. KEFAUVER. I cannot recall any time in the history of our Nation in which the Government has carved out an exception in the antitrust laws for the purpose of itself creating a monopoly. I had always thought that the purpose of the Government was to foster free and competitive enterprise and to prevent monopolies from growing up. I wish to ask the Senator if in the present case we find the Government itself——

The VICE PRESIDENT. The time of the Senator from Tennessee has expired. Is there further morning business? If not, morning business is closed.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The VICE PRESIDENT. The unfinished business will be stated.

The Legislative Clerk. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Without objection, the Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MANSFIELD. Is it not a fact that before the conclusion of the business of the Senate on Friday last a unanimous-consent agreement was entered into by means of which the Senator from Louisiana [Mr. Long] is now entitled to the floor?

The VICE PRESIDENT. The Senator is correct.

Mr. LONG of Louisiana. If other Senators desire to make speeches, I shall be glad to yield to them for that purpose at this time. I do not wish to monopolize the floor. If there are no other Senators who wish to speak, I will proceed.

Mr. KEFAUVER. I wonder if the Senator will yield so that I may suggest the absence of a quorum. This is a tremendously important subject. It is not well understood by all Members of the Senate or by the public. We have had a very hard time getting the demerits of the proposal understood by the people generally.

Mr. LONG of Louisiana. I ask unanimous consent that I may yield to the Senator for that purpose, without my losing the floor.

Mr. KEFAUVER. With that understanding, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Metcalf in the chair). The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[No. 93 Leg.]

Anderson
Bartlett
Beall
Bennett
Bible
Boggs
Burdick
Bush
Cannon
Carlson
Case, S. Dak.
Chavez
Dirksen
Dworshak
Ellender
Gruening
Hart
Hayden
Holland
Hruska
Jackson
Johnston
Jordan
Keating
Kefauver
Kuchel
Long, La.
Mansfield
McCarthy
Metcalf
Miller
Moss
Mundt
Neuberger
Pastore
Pell
Randolph
Scott
Smathers
Smith, Maine
Sparkman
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, Del.
Yarborough
Young, Ohio

Mr. MANSFIELD. I announce that the Senator from Connecticut [Mr. Dodd], the Senator from Illinois [Mr. Douglas], the Senator from Mississippi [Mr. Eastland], the Senator from Indiana [Mr. Hartke], the Senator from Minnesota [Mr. Humphrey], the Senator from Michigan [Mr. McNamara], the Senator from Wisconsin [Mr. Proxmire], and the Senator from Massachusetts [Mr. Smith] are absent on official business.

I also announce that the Senator from Colorado [Mr. Carroll], and the Senator from Missouri [Mr. Long] are necessarily absent.

Mr. KUCHEL. I announce that the Senators from Vermont [Mr. Aiken and Mr. Prouty], the Senator from Indiana [Mr. Capehart], the Senator from Hawaii [Mr. Fong], the Senator from Arizona [Mr. Goldwater], the Senator from New York [Mr. Javits], the Senator from Kentucky [Mr. Morton], the Senator from New Hampshire [Mr. Murphy], the Senator from Kansas [Mr. Pearson], the Senator from Massachusetts [Mr. Saltonstall], and the Senator from North Dakota [Mr. Young] are necessarily absent.

The PRESIDING OFFICER (Mr. Burdick in the chair). A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to call upon the absent Senators and request their attendance.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. Allott, Mr. Butler, Mr. Byrd of Virginia, Mr Byrd of West Virginia, Mr. Case of New Jersey, Mr. Church, Mr. Clark, Mr. Cooper, Mr. Cotton, Mr. Curtis, Mr. Engle, Mr. Ervin, Mr. Fulbright, Mr. Gore, Mr. Hickenlooper, Mr. Hickey, Mr. Hill, Mr. Kerr, Mr. Lausche, Mr. Long of Hawaii, Mr. Magnuson, Mr. McClellan, Mr. McGee, Mr. Monroney, Mr. Morse, Mr. Muskie, Mr. Robertson, Mr. Russell, Mr. Stennis, and Mr. Williams of New Jersey entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that, without losing my right to the floor, I may yield such time to the Senator from Alaska [Mr. Gruening] as he may need.

The PRESIDING OFFICER. Without objection, it is so ordered.

## WE ARE TRYING TO PROTECT THE GOLDEN EAGLE—WHY NOT PROTECT GOLD ITSELF?

Mr. GRUENING. Mr. President, I was intrigued with the opening sentence on page 41 of the golden learn-about book devoted to Alaska which states:

> When people think of mining in Alaska the first thing that comes to mind is gold.

Golden learn-about books are designed primarily for the younger reader. Their pages contain simple facts of history, past and present. I regret to report that the statement to which I have just referred is fast becoming past history.

Gold mining in Alaska, as elsewhere in the Union, is on the decline. Indeed, it is nearly extinct, and unless Treasury Secretary Dillon and Under Secretary for Monetary Affairs Roosa remove their blinders, I fear that gold mining in Alaska and in all other States will soon be placed in a museum next to the dodo bird, the passenger pigeon, and the great auk. Is the golden eagle, which some of us are trying to protect by legislation now before the Congress, to join them in the ornithological graveyard?

Sometimes it would seem that the Treasury Department is giving the gold mining industry what in some portions of our society is termed "the bird."

We can sometimes learn from children.

The golden book tells its readers that "Gold has been Alaska's most important metal." The golden book, most appropriately, reports that Alaska also is a storehouse of other minerals, including coal, copper, platinum, asbestos, zinc, tungsten, and cobalt.

Today, however, our attention, of necessity, turns to gold and to ways and means by which domestic gold production can be encouraged rather than discouraged.

I was discouraged, Mr. President, by the testimony of Mr. Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, when he appeared before the Senate Interior and Insular

Affairs Subcommittee on Minerals, Materials and Fuels earlier this month. Under Secretary Roosa, speaking for his boss, Secretary of the Treasury Douglas Dillon, authoritatively discussed the matter of balance of payments and described the continuing efforts of our Government to correct the existing imbalance. Such efforts are, of course, necessary and needed. The Under Secretary, the Secretary, and all Americans must work to correct this deficiency.

But meanwhile, back at the gold mine, time is running out. A great national industry needs help. When Mr. Roosa says "The monetary system of the entire free world is hinged to the interconvertibility which we maintain between gold and dollars at that price. Any form of subsidy to American gold production would impair that relationship," he confuses the purpose of Senate Joint Resolution 44 which was introduced by the Senator from California [Mr. ENGLE] and cosponsored by a number of other Senators.

The workable, simple solution proposed in Senate Joint Resolution 44, a subsidy for newly mined domestic gold, can take effect immediately.

I hate to labor this really simple matter but apparently we must if the gold mining industry is to survive and continue to offer a market for labor.

When Mr. Roosa told the committee members that talk of a subsidy created alarm and apprehension in financial circles I suggested that the employees of the Treasury Department were like the leaves of the quaking aspen tree which tremble and quiver even when there is no breeze.

I suggested to the Under Secretary that he did appear to be quaking about an imagined future calamity. He accepted the analogy, and added, "I feel that anything that impairs or raises a question concerning gold is a matter of vital importance. I quake whenever I hear it."

In the world of music a fantasia is described as "a composition in which the author's fancy roves unrestricted by set form." It is further described as "an instrumental composition characterized by freedom of fancy unrestricted by set form" and as "a potpourri of familiar airs." Such seemed the case June 8.

I shall be commenting in more detail about that session. If the Department of the Treasury wishes to replay its "potpourri of familiar airs" let it do so in the privacy of its own musical salon, not before a Senate committee honestly intent on finding a cure for the ills of the gold mining industry.

Meanwhile, unless the Treasury Department comes up with something more than wholly negative responses to every suggestion for keeping our gold mining industry in production it will soon be extinct in the United States though flourishing elsewhere.

## ORDER OF BUSINESS

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from Florida [Mr. SMATHERS] for such time as he requires without prejudice to any of my rights.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

## A RETURN TO FUNDAMENTALS IN OUR LATIN AMERICAN POLICY

Mr. SMATHERS. Mr. President, in 1823 the United States, a fledgling Nation only 36 years old, with a population of 10 million people, faced a major challenge with courage and determination.

It was in that year that our fifth President, in his message to Congress, bluntly told the powers of Europe to keep hands off America—all of it.

Said James Monroe:

> The American continents are not to be considered subjects for future colonization by any European power.
>
> Any attempt of a European power to intervene in the affairs of American states for the purpose of oppressing them, or controlling in any other manner their destiny, would be considered as the manifestation of an unfriendly act toward the United States.

Europe's kings and chancellors were astounded. Prince Metternich of Austria said that President Monroe's action was "a new revolt—no less dangerous than" the American Revolution.

But by and large, the United States made its decision stick. The European powers reluctantly accepted the hemispheric barrier raised against them and Latin America's new nations retained their shaky freedom.

President Monroe's words were directed to Czar Alexander I, who sought to spread Russian territorial claims along the western coast of North America. Monroe feared this might mean Russian colonization of that area.

Almost one and a half centuries later, another Russian — Khrushchev — had words to say about the doctrine.

In July of 1960 Khrushchev spoke as follows:

> We consider that the Monroe Doctrine has outlived its time, has outlived itself, has died, so to say, a natural death. Now the remains of this doctrine should best be buried as every dead body is so that it does not poison the air by its decay.

The lesson was not lost on Khrushchev that the philosophy of the Monroe Doctrine is still the keystone of inter-American mutual security.

The State Department was quick to respond to Khrushchev's challenge. On July 14, 1960, it said:

> The principles of the Monroe Doctrine are as valid today as they were in 1823. * * * Furthermore, the Monroe Doctrine's purpose of preventing any extension to this hemisphere of a despotic political system contrary to the independent status of the American states is supported by the inter-American security system through the Organization of American States.

In April 1961, President Kennedy declared:

> Should it ever appear that the inter-American doctrine of noninterference merely conceals or excuses a policy of nonaction, if the nations of the hemisphere should fail to meet their commitments against outside Communist penetration, then I want it clearly understood that this Government will not hesitate in meeting its primary obligations, which are to the security of our Nation.

The President was simply stating the fact that the United States can exercise the inherent right of self-defense and the implications were that any Communist takeover in any of the Western Hemisphere countries involves, in a matter of degree, this Nation's national security.

In fact, both President Kennedy and his predecessor, President Eisenhower, went even further. Speaking of the Khrushchev "pledge" of support to Castro, and his "figurative" threat to use Soviet rockets to keep Cuba Communist, President Eisenhower said in July 1960:

> I affirm in the most emphatic terms that the United States will not be deterred from its responsibilities by the threat Mr. Khrushchev is making. Nor will the United States, in conformity with its treaty obligations, permit the establishment of a regime dominated by international communism in the Western Hemisphere.

President Kennedy was explicit when he said last April 20:

> Cuba must not be abandoned to the Communists. And we do not intend to abandon it either.

The fact is that the United States through countless resolutions, treaties, and declarations starting with the Monroe Doctrine in 1823 down through the pledges at Punta del Este in 1962 is unequivocally pledged to the maintenance of freedom and the doctrine of independence and self-determination for our neighbors in this hemisphere.

However, in the wake of Lenin's contribution to 20th century political activity—overthrow of legitimate governments by infiltration and subversion—the enlightened inter-American policy of nonintervention and self-determination must be interpreted prudently.

For it is entirely conceivable that a liberal but unrealistic application of this policy could guarantee that a handful of tightly disciplined, well-coordinated Communists—working behind a shield of constitutionality within their own country—would be successful in seizing a legitimate, democratic Latin American government.

By so doing those purists who demanded letter by letter interpretation of nonintervention, without recourse to outside events, would frustrate the very spirit of the policy, which is to allow freedom to flourish.

President Roberto F. Chiari, of Panama, expressed it very succinctly recently on his visit to Washington when he spoke before the Council of the Organization of American States. He cautioned the nations of the hemisphere against "drifting toward a new formula of eyes shut and hands off" in observing the principles of self-determination and nonintervention.

Referring to Cuba, President Chiari said:

> This new formula would seem to be leading, and we have already seen examples of this, toward an almost complete indifference to the fate of brother peoples who, within their own boundaries, are deprived by force

> of all chance for self-determination, and for whom the principle of nonintervention, carried to its most extreme interpretation, becomes a universal condemnation to live forever subject to the oppression that incurably afflicts them.

He added that the old principles should be reviewed so that they would not close the door to possible collective measures intended to assure all the peoples of the Americas, within their own boundaries, of their freedom, their right to control their own destiny, and their right to reestablish, when they have been deprived of it by force, the rule of representative democracy, which is the essence of the American regional system.

Our Nation has now made another fundamental pledge to Latin America through the Alliance for Progress—the most sweeping and practical joint effort ever proposed for the mutual benefit of the people of the Western Hemisphere.

Both pledges, one emphasizing military, the other economics, complement each other and promote the cause of unity and freedom in the Western Hemisphere. The first preserves the integrity of the inter-American system and its pledge to combat Communist intrusion while the second makes it possible for the hemisphere to develop its vast economic and cultural potential.

I believe our plan to push forward with the Alliance for Progress is eminently correct.

The Alianza is revolutionary in concept and is oriented toward people who will no longer be denied a way of life based on decency and respect for the individual.

Under the direction of Ted Moscoso, who, I believe, possesses that balance of pragmatism and vision necessary to make it a success, the Alliance for Progress can prove to be the world's most successful venture in self-help.

But we must always keep in mind that Latin America's problems are enormous and they differ widely from one country to another.

Some problems—the question of land distribution for instance—are ancient. They were old under the native Aztecs and Incas even before the first Spaniards set foot in America, and in some respects they worsened during three centuries of ruthless empire-building by the colorful Spanish conquistadors.

Other problems, for example the great disparity in the distribution of earthly goods among the people and the lack of a stable middle class in Latin American countries, took root centuries ago in the industrial age and still cling on doggedly—to the grief of 200 million people.

These problems are complex, deep-seated, widespread, and defiant of quick or easy solution. Those who see the Alliance for Progress as a patented "ready-to-work-in-30-seconds" headache cure can look elsewhere for a miracle drug. It will not cure the patient in Latin America overnight or in a week—or even in a year. He needs plenty of attention, considerable surgery, a long period of convalescence and, most importantly, the firm will to help himself get better.

This has been my stated view since the Alliance was first announced and I still hold to it.

It is significant that the Alliance for Progress has been recognized by all grades of students of Latin American affairs as the best way yet suggested to bring about the vast changes which Latin America needs.

None have been quicker to see the Alliance's great potential than its most determined enemies—the Communists and their allies of the moment, paradoxically Latin America's extreme right wing.

The Reds call the Alliance "a new form of U.S. imperialism." But they actually see it as an antidote to much of Latin America's poverty, disease, and general chaos, which they do not want corrected.

Meanwhile, those on the extreme right fear that the changes which the Alliance promises will end their selfish and entrenched feudal position, and they fight it bitterly, even to the extent of joining with the Communists in a temporary "marriage of convenience."

At this point, those who lead the Alliance can be certain of only two things: First they have only—and barely—started; the major job still lies ahead; and second, if the Alliance fails, freedom and individual rights in the entire Western Hemisphere will have suffered a tragic setback.

Therefore, the task falls to all of us—those in government, those in business, those who classify themselves as private citizens—to join forces in making it succeed.

Already the Alliance has come in for serious criticism from responsible sources in Latin America. At the recent Conference of the Inter-American Development Bank at Buenos Aires, the Colombian Finance Minister, Jorge Mejia Palacio, said the Alliance is a noble plan but "has not been able to achieve its rhythm."

Palacio contends that this failure has led to continuation of "the impoverishment of the people, deepening the economic differences between classes, precipitation of crises, devaluations, unemployment, as we have been able to see in various nations in these months."

Palacio complained that though Colombia—which is a demonstrated good and true friend of the United States—has received substantial aid and credits from the Alliance, actually the losses suffered in the country because of a drop in coffee prices within the last several months is two or three times greater than Alliance assistance, and the country has become poorer rather than improved despite the Alliance. As Alice discovered in Wonderland, sometimes you have to run twice as fast just to stay even.

The Bolivian Minister of Agricultural Affairs charged at the same Conference that the United States has been dragging its feet with the most needy Latin American nations. He asked whether the Alliance is "fact or fiction."

In fairness, we must remember that the United States has by no means ignored the plight of Bolivia. In the last 3 years we have provided that country with $68.7 million in loans and grants.

But the point of this is that while both Bolivia and Colombia are well disposed toward our Nation, and have already received considerable assistance, the Alliance has not yet demonstrated in those countries or elsewhere the dynamic thrust it needs to catch hold in Latin America.

I believe that the lack of success to date can be ascribed to several reasons:

First, the difficulty of taking a bold new venture and trying to make it work through the operation of an old-fashioned bureaucracy which is just not geared to deal with such things.

Secondly, a lack of realism in the beginning phase of the Alliance by both our administrators as well as the leaders of the Latin nations involved.

In this area, I believe we failed to get across the idea at the outset that this program was not a giant giveaway nor was it intended to prop and bolster the entrenched greed, too often found with the status quo.

It needed to be made unmistakably clear that the Alliance is just what it says—an alliance; an alliance of their people and ours, their governments and ours, and an alliance of these peoples and these governments in a venture to achieve progress—progress toward desirable goals as distinguished from mere activity which could result in upheaval and civil war which are themselves sometimes mistakenly called progress.

Activity is not necessarily synonymous with progress. But action properly channeled and directed is progress within the meaning of the term "Alliance for Progress."

So we needed to make it absolutely certain that we had to have action and progress in the area of land reform, tax reforms, election reforms, among others, all calculated to bring about a betterment of the conditions of the peoples of Latin America.

I think that within the last few months much of the misconception with respect to the real purposes of the Alliance for Progress has been eliminated. I believe that it has now become rather clear to everyone that this is not a program of something for nothing, and it is my impression that the program has now in recent weeks, for the first time, begun to live up to some of its high expectations.

However, there are still a number of basic decisions which have to be made in proceeding with the Alliance for Progress.

They are difficult and delicate in the extreme. The principle decision which in every instance has to be made is exactly who is it we wish to help?

Surely, we do not wish to help a nation that is already committed to goals and systems inimical to our way of life.

Surely, we do not wish to give aid and comfort to peoples, or governments, or nations, who are our enemies in fact if not in form.

If I may, I should like to suggest some factors to be considered on this question of who is to be helped, by saying I do not think it is uttering a commonplace or a disloyalty to say that first of all we should help our friends—those who show they share at least some goals with us;

those who have demonstrated that they are working toward preserving and expanding a free society for their people.

Further, I think we should always be willing to help those who have demonstrated they have some understanding of the mutuality and duality of the terms "allies" and "alliance."

In determining which countries should be helped there will have to be 19 individual judgments made, for in truth each Latin American nation is totally separate and distinct from its neighbors; each one has its individual characteristics and separate and unusual economic and political problems. None of them fits the same exact pattern. Each of them is at a different stage of economic and political development. Some are moving rapidly in the right direction of political development. Others are moving slowly, and some even appear to have moved backward.

In considering what help, if any, we can give to what nations in Latin America, I would like to set out some guidelines which I think could judiciously be followed.

First, it is easy enough to say we should give suitable help to Latin American countries which are openly and effectively democratic. Conversely, of course, we should not help governments which openly disavow the course which leads toward strengthening democracy and individual freedom. But in many Latin American nations we are confronted with a confused middle ground of conflicting forces at work; what do we do then?

In such situations, I think we have to look at which way a nation is moving. Is it moving away from its dark past and into the light of stability and toward the creation of institutions of freedom, which in time mean progress and democracy for its people?

In this nebulous area, I would suggest there are two important factors to always consider in determining whether a country should be helped or not.

The first is the direction in which the country is aimed by its leadership, and the second is its movement.

If a country is generally headed in the right direction, that is, toward democracy, even though possibly not on the exact course which we would prescribe, but nevertheless headed generally toward the target of free institutions, then we can consider they have met the first factor needed for their qualification for assistance.

The second factor is their movement in the direction in which they are headed. One again, the country may not be moving as rapidly nor as strongly as we would like, but if it is moving, even though painfully slow, then I believe this should be the second factor in determining whether or not we should help.

In each instance it is evident that if the country is headed in the right direction and is making some movement in the right direction, with our cooperation, advice, and assistance, the movement can be speeded and the direction can be more specifically defined. This would then qualify the country as making progress in the meaning of the term "Alliance for Progress."

Some additional factors which I believe should serve as guidelines in deciding whom we should help would be: Does there exist in the country under consideration institutions which, when developed to the fullest, will result in a vigorous democracy? Are the leaders of the country under consideration conscientiously directing their nation's energies toward the creation of these institutions?

These institutions include personal liberty for the individual, a stability of government, a broadening access to education, a system of minimum standards of public health and welfare, the opportunity for a laborer to earn a living wage, and for the farmer to gain an investment from the land he tills, and a chance for a businessman to acquire and keep in his own name property and money without fear of confiscation, a developing body of laws, and a growing respect for those laws on the part of officials and the individual citizens of the country.

These minimum standards would be a means of meeting people's needs without driving them to the power elite of the right or the left.

These may seem modest goals to the people of the United States, who now wear their democracy easily and who live under one of the oldest democratic governments in the world.

But, as Columnist Edgar Ansel Mowrer pointed out recently, "Democracy is not an article of export. It cannot be given or imposed. It must be learned."

To many people in Latin America the words "democracy" and "freedom" were what their strong-man ruler harangued them with, as he marched dissenters off to prison or the execution wall.

Because there is such enormous disparity—economic, social and political—among Latin American countries, the judgments of who shall be aided and what we should do above and beyond our aid programs to produce, foster, and encourage the spread of democracy in these countries should be, and has to be, left to the experts.

These experts, those within the State Department, those leaders of the Alliance for Progress, representatives of the other U.S. Government agencies who rightfully have a concern in the problem, and importantly, those men and women who have represented us and their business concerns in Latin America for many years and who have acquired a rich storehouse of knowledge about the country and its people in which they have lived; all these people working together should be prepared to make judgments on a country-by-country basis as to what we should do.

Most Latin American nations are still clambering through different stages of political transition. The tide of democracy, while being buffeted rather severely from time to time, is nevertheless running strong in Latin America, and with the help of a nation like ours, democracy can win. But it would not rise full blown from the ground after a handful of seeds are planted and a few sprinkling cans of water are passed over them. Democracy is a flower, slow to bloom, and a fragile one for a while—and certainly one that needs attention and cultivation to become strong and permanent.

Let us take these general principles and apply them in the case of Argentina, which today is thrashing about in a crisis that puts its peoples and institutions to a severe test and at the same time thrusts the horns of a dilemma toward the administrator of the Alliance for Progress.

Argentina today, while being one of the more advanced nations from the standpoint of education, literacy, economic development, and political responsibility, nevertheless has in recent weeks deposed its President, sent the Congress home, and established, according to our standards at least, a form of military dictatorship. The nation faces a perilous and difficult future.

Under the Alliance for Progress the United States faces the difficult decision of determining to what extent do we now help Argentina.

One distinguished observer of the Latin American scene might help provide some guidance for us.

He is Dr. Alberto Gainza Paz, the respected publisher of La Prensa of Buenos Aires, one of Latin America's great newspapers. His credentials as a stanch friend of the United States, an anti-Communist and a fighter for democracy are well recognized.

During the reign of Juan Peron, Dr. Gainza Paz fought the Argentine dictator to the point where Peron seized his newspaper and turned it into a rabble-rousing mouthpiece for the Peronista party. Two years ago I sat with Dr. Gainza Paz in his office in Buenos Aires. He showed me the door which Peron's storm trooper battered open when they marched in to arrest him and to muzzle La Prensa.

The publisher went into exile, and returned to his beloved land and his newspaper years later, after Peron had been overthrown.

A short time ago, Dr. Gainza Paz, who is visiting in the United States, said that the military of his nation did right in overthrowing President Frondizi recently because his continuance in office would very likely have led to a new Peronista dictatorship for Argentina. "The military," said Gainza Paz, "acted to preserve Argentina's freedom."

On the surface, these are puzzling statements, but let us examine them.

The evils of Peron's dictatorship constantly plagued Frondizi as President. While in Argentina, I talked to many laborers, union leaders, white-collar workers and people from all walks of life, who grumbled openly at what they said were economic hardships which they suffered under Frondizi's democratic government. They openly stated that life for them was better under Peron.

This story was a bitter commentary, for it was clear to those who thought about it that Peron cultivated the workers by twisting the economy of his country topsy-turvy, granting massive pay raises which far outstripped productivity to the point that it was well known the nation was bankrupt long before Peron was overthrown and Dr. Frondizi came in.

It is interesting to remember how Peron was overthrown. It was the military who did it. They overthrew Peron in 1955 and named a military man, General Aramburo, as interim leader. It was he who created conditions of stability and, subsequently, voluntarily stepped aside when free elections were set and made it possible for a freely elected President, Dr. Frondizi, to assume the office of the Presidency in 1958.

Dr. Frondizi was, and is, a brilliant and capable man. He perceived that which needed to be done, and in pursuing that goal he was compelled to establish austerity programs.

No one likes austerity, in Argentina or anywhere else, so far as I have been able to discover, and so Dr. Frondizi's administration became a series of economic and political crises. For awhile it appeared the able doctor would survive them all, but when he removed the ban on the political activities of the Peronistas, they quickly made common cause with the Communists, and in the last election won a majority of the legislative seats.

Everybody's hindsight is 20–20, and in retrospect a mistake was made when Dr. Frondizi allowed Peronista candidates, whose party had long been outlawed, to run for offices in the March 18 congressional and provincial elections.

Despite the fact that they joined up with the Communists and, in effect, voted to destroy their democratic right of franchise by voting for a return to dictatorship, they won surprising victories in 10 provinces and gained 35 percent of the popular vote. Under Argentine law, the party which wins the largest percentage of the popular vote is automatically given 66 percent of the representation in the legislature. To the leaders of the military this seemed a sufficient threat of the possibility of a return to power of Peron or one of his appointees, so they felt compelled to act: First, to order the provincial elections nullified and then ultimately to force out Dr. Frondizi. The former Vice President, Jose Maria Guido, now heads an uneasy and unhappy Argentine Government.

This is a critical time for Argentina, and what the United States does or does not do, in dealings with that country in the immediate future will have great effect. Notwithstanding the intervention of the military, Argentina still retains a framework of constitutional government. On the surface, it is headed by a president, not by a military junta.

However, the Argentine political situation has become kaleidoscopic. Like New England weather, the reports about the situation are outdated seemingly every time the clock strikes. President Guido first issued a decree outlawing Argentine elections for the past year and thus nullified the provincial and congressional elections of early March, which gave the Peronistas victory.

President Guido has suspended political parties and sent the Congress into a long recess for the announced purpose of purging Peronists from the political life of Argentina. For the next year he will rule by decree.

To those who love and support democracy—in Argentina, in Latin America, and here at home—this action of President Guido appears to be very strong medicine. It would be easy to oversimplify the case and write Argentina off on the one hand, or close our eyes to the setback of democracy and proceed as before, on the other.

Frankly, I do not think we can do either. We cannot oversimplify; it is not a simple problem that lends itself to quick and simple solutions.

There are two great forces at work in Argentina: The pro and antidemocratic groups. The antidemocrats are a motley lot. It might raise the eyebrows of some to take a look at them—Peronistas, Communists, Castroites, the strong-arm totalitarian faction of the military—all cynically working together for one purpose, to crush free and representative government in Argentina and to establish their own brand of dictatorship.

On the other side are the proponents of democracy, and there is great dissimilarity even among them. There are some workers, a great many of the middle class, apparently a majority of the military leaders, and the intellectual traditional supporters of democracy.

Not all of them see democracy in the same light. There are the realists and the dreamy theorists, the practical and the ham-handed, the patient ones and those who still want the millennium overnight.

However, most of these understand the significance of the antidemocratic heritage of Peron, the depths to which Peronism has penetrated into the minds of the people and the enormous task which faces those leaders who want to bring the Argentine people back to the hard road of day-to-day democracy.

Argentine politics, like those of any other country, involve a series of conflicting forces. The groups opposing democracy are at the moment united, for their only immediate goal is to destroy democracy. Those who seek democracy, on the other hand, are, by the very nature of the system they espouse, diverse in their interests and proposed methods; and so they often work at cross purposes with one another.

The Argentine Congress is basically democratic and as is usually the case distrustful and fearful of the military. However, overall it is clear that the pressures to continue constitutional government still run strong in Argentina.

A key question in Argentina is how far the military will go in forcing its will on the people. Or, in other words, will the military protect or remove those institutions which strengthen democracy in Argentine political life?

At best, the greatest stress will be put on the democratic system as Argentina tries to throw off a long-festering infection, regain its stability, and once again begin to move in the general direction of democracy and freedom.

The government which emerges may be a transitional one which does not represent fully the democracy we would wish for the Argentine people. But because it is a transitional government that needs help and guidance, I think we should give careful thought to cooperating with it and giving what help must be suitable, all of the time seeking to prod and guide it in the direction of a well-established democracy.

It is very likely that the military will have a strong role in such a transitional government. They now have a strong position in the present government. But the fact that the military may exert influence in such a government should not be automatically taken to mean the government is authoritarian or that Argentina is hopelessly lost.

We should remember that it was a military provisional government of General Aramburo which ousted Peron's dictatorship and gave to Argentina a democratic government headed by Dr. Frondizi.

I do not think we should forget the history of Argentina, or of other Latin American governments.

Argentina is still struggling to overcome its heritage of economic chaos and political instability willed to it by Peron. It has taken, in recent years, many steps forward, although recently some few backward. But over the last decade its overall movement and direction have been toward improving democracy; and of course it still has a long way to go. Breathing time is needed now for stability, for heads to clear, and for the development of programs which will pick up the baton of democracy and will move it forward again.

In this manner, we can be helpful through our programs, through the Alliance for Progress but I repeat that we must always keep on the pressure to move Argentina, or any country in a similar situation, toward the direction of democratic institutions. Direction is the important element of consideration.

The alternative to assisting a struggling, democratic-tending government is to do nothing and, surely, if we should follow that course, we thereby would give aid and comfort to Argentina's other organized forces—the out-and-out antidemocrats, who do not want free representative government at all, but who, on the contrary, want monolithic Communist dictatorship.

If democracy must struggle through the churning currents of present Argentine history, without help and without guidance, how much greater will be her struggle as she seeks to reach solid ground in countries where democracy has at best been dimly known.

The future political course for many Latin American nations will not be a smooth super highway affair. It will of necessity be a zigzag road—sometimes tortuous and bumpy, at other times, free-flowing and inviting rapid progress; but always capable of carrying its people onto some dark detour of repression and dictatorship if ever the will to advance is lost and if the momentum of its direction is lost.

Gov. Carlos Lacerda, of Guanabara State, in Brazil, who as publisher of an influential newspaper fought fiercely against the Brazilian dictatorship of

Getulio Vargas, said recently of his nation:

> Our greatest difficulty, as with Argentina and so many others, lies in the fact that we are in the experimental stage, always difficult at best, of transforming a dictatorship into a democracy without going through a period of adaptation or sound appraisal. It could be said that for some years we have been trying to reclaim a swamp with mud, and build on it a new house from the materials of the old one which collapsed.
>
> Those who are watching from abroad make the mistake of disregarding the will of the people and paying more attention to the words of the demagogs, the adventurers, the cowards and the corrupt who at times speak in the name of the popular masses without the authority to do so.
>
> Those who listen only to these so-called spokesmen gather the impression that the majority of the people are identified with Fidel Castro and are opposed to an alliance with the United States and with the sister nations of the continent.

In a dozen Latin American countries the elected leaders have no more than a fingertip hold on governments supposed to be heading toward democracy. These leaders are under strong pressure from the extreme left—from the Communists—and from the extreme right. One time it is from labor; another time, the military; sometimes, the intellectuals; ofttimes, the press, the church, and other groups. They are forced into a fantastic series of political compromises which stretch out constitutional government like a landlady's beef stew on Saturday night.

But the important thing is that these governments are still working in some rough equation of free and representative leadership and government. It is just because there is still the desire among enough responsible men to keep these governments headed toward democracy that there is reason for us to help and to cooperate with them. Thus, wherever we find governments run by responsible, representative leadership dedicated to the principles we espouse, and headed in the right direction, and moving slowly, although sometimes haltingly, yet aimed the right way, we should extend our help.

Another case where we must proceed realistically is that of the Dominican Republic. There, the overthrow of a longtime dictator has given the people a chance for a free and better life. A democratic government has been formed. It is free, favorable to the United States, and strongly anti-Communist.

The Dominican Republic is passing through an economic crisis at the present time. We have given help; and we must continue to do so, so that conditions of stability and confidence can be firmly established. With stability and with the flourishing of democratic institutions comes confidence; capital then stops its flight; private investment is then encouraged to come in, and private investment, we must remember, is an integral part of the total program.

Ted Moscoso said recently that there is not enough money in government treasuries of the world to sustain the Latin American nations. So it is imperative that private capital be induced to come in and take part in the developing economies, through joint ventures with local citizens, and with confidence that they will be appreciated and will be protected from confiscation.

The Dominican Republic can be, and I am sure will be, a very bright star in the constellation of the Caribbean if we realistically help now, through increased sugar quotas, loans, and stepped-up programs of private capital investment, through guarantees on the part of its government against confiscation.

Colombia and Peru are stanch friends; and they have made remarkable strides in the right direction, and are still moving in the right direction. Indeed they are entitled to our special help and assistance.

Having talked of those who deserve our assistance and cooperation, let us speak of those who did not. In brief, we should refuse help to any country whose leaders persistently deny basic personal liberties to the people or who maintain rule by tyranny or terror.

We must be inflexible in our opposition to communism and to corruption. We cannot in the slightest degree compromise these twin evils.

U.S. foreign-aid funds have no place in a country where they are used by the leaders to hold on to the reins of government for their own personal gains. For such cases, our rulings must be as final as umpire Bill Klem's; there can be no appeal while the conditions remain unchanged.

But in other cases we must be flexible. There are many Latin American countries which by our standards are far from the democratic ideal, but where institutions and conditions exist which can serve as the base for democracy, and the leaders of the government demonstrate a genuine desire to move in a democratic direction.

Earlier, I asked: What is the progress which the Alliance promises?

Certainly, it is to offer Latin Americans an opportunity to help themselves—an opportunity to develop the riches of Latin America's lands, its mines, forests, rivers, and to give its people the chance to live a better life than that which they have known.

But if the goal is material progress alone, then we have helped build a castle of sand, and the tides of history will not leave it standing for long.

The Alliance can, in union with the people of Latin America, foster a hemispheric frame of mind akin to the spirit of those who created a new world in North America.

The Alliance should be dedicated to fostering a sense of dignity and worth of the individual, a desire for personal liberty and freedom, a sense of civic responsibility, a will to cooperate for the common good, and a belief in the omnipotence of the Almighty.

Finally, there is the question of how the Alliance can best be made to work.

May I suggest that the following steps be carried out:

First. The welding together of our economic programs in Latin America with our political goals.

Second. The instituting of a policy of realism in our dealings with Latin America.

Third. The naming of an Under Secretary for Latin American Affairs, reporting directly to the President, who would combine and coordinate the various efforts of our State Department, Agency for International Development, Peace Corps, Defense Department, and the host of other Government agencies now concerned in some fashion or other with activities in Latin America.

Fourth. Recognition of a free Cuban Government in exile by the United States.

Let me group the first and second points together, since in a practical manner they would be treated as one.

In the next fiscal year, the U.S. Government will spend well over $1 billion in Latin America. During the next 10 years that figure might reach $15 billion.

These aid programs, if they are effectively executed will be mutually helpful to the United States and the Latin American Republics receiving our aid.

But it is foolish, Mr. President, to think that we can spend billions of dollars in a practical effort to help Latin Americans help themselves and still keep our economic programs antiseptically quarantined from our political goals.

It is foolish to do it even if we could. For surely, we are motivated to help for two reasons: First, to help them; and second, to help ourselves.

If we strengthen the sagging economy of a depressed coffee-growing province by helping to set up a new industry there, we have also helped to frustrate the Communist appeal to the poverty-stricken workers. To deny the relation between aid money and political aims is to live in a world of illusion.

Which leads to my second point: Using the yardstick of realism in our dealings with the people and governments of Latin America.

The Latin, for all of his mystical qualities, is in fact a hardheaded realist. The millions of impoverished people in northeast Brazil who must go out every morning of the year to hunt or fish or scrape the ground for their food for that day are not idle dreamers building castles in Spain. They are human beings battling nature to keep alive.

The problems of Latin Americans are raw and harsh and tough.

They will not be solved by dreamers and no one knows this more than the Latins themselves.

I think that I am correct in saying that the Alliance for Progress—and, in fact, all of our dealings with Latin America—are caught up in the battle between romance versus realism. I do not think we ever solved any of our problems by asking the romanticists to work out a solution for them. I am sure that in Latin America, of all places, it is economic and political realism which is needed—on the part of those who apply for assistance as well as those who give it.

For instance, we can no longer continue to confuse our friends by granting sweeping aid to our admitted enemies or our near enemies, or those who so mildly approve any of our stands that their voice never rises above a whisper in speaking well of the United States.

We cannot pass out billions of foreign aid dollars to the nations of Latin America, and make no distinction between those countries which support our fight against the extension of communism anywhere in the world, on the one hand, and those who watch from a safe vantage point of indifference from the other.

We surely must put some checkrein on foreign aid to a country where opportunistic politicians seize American property and offer a token payment in return. Again it is a case of applying realism versus romanticism.

Countries which have caused the flight of American private capital have no right to expect the U.S. Government subsidies to fill that vacuum which has resulted. For, in reality, it is such private capital—from both Latin American and foreign nations—which is essential if the Alliance for Progress is to be a success.

We do not seek political intervention in any country. The domestic problems of any country are its own concern.

But we must continue to make it clear to the whole hemisphere that the grave economic problems which plague Latin America—and which the Alliance for Progress is so well fitted to combat—will never be overcome if international communism is allowed to continue its deadly penetration.

If a Latin American nation is not ready to join in effective political, economic, and social defense against Soviet onslaughts, then our economic aid to that country will ultimately be wasted away. Realism tells us that.

Turning to point three, just as we need to fuse the economic and political elements of our Latin American program, we need also to weld together the undertakings which are now being carried out by a proliferation of Government agencies. Just as we must coordinate the substance and implications of the policies themselves, we must coordinate the way in which they are administered.

For the scope of our activities in Latin America is vast, and the administrative system which carries them out is sprawling.

The programs include the Alliance for Progress, which is charged with the task of lifting Latin American economies by their bootstraps. The State Department has the massively complex and frustrating job of maintaining optimum diplomatic relations with 19 Latin American nations, all sharing a generally common heritage but each proudly and jealously guarding its political, social, and economic differences. To the U.S. Information Agency in Latin America is given the mission of projecting a clear and favorable image of our country.

The Defense Department has its military missions. Even the Commerce Department, the Labor Department, and the Agriculture Department have specialized functions given to them for various inter-American programs.

But from the U.S. position, who is coordinating our multibillion dollar projects in Latin America?

Who is defining our overall political goals within the Western Hemisphere and relating them to the day-to-day execution of a bewildering series of Latin American-directed U.S. economic efforts?

The answer, I am afraid, is no one.

Some of our spending plans in Latin America have a completely justifiable political factor which we do wrong to ignore. Others of our projects—the Peace Corps is a good example—are properly outside the policial realm and—I think almost everybody agrees—should remain that way.

But I suggest that we should have some person in centralized authority to make decisions as to when our economic and political efforts in Latin America should be united—and I think that is almost all the time—and when they should be kept far apart, and how to get the maximum benefits in every respect for our multiple efforts there.

For 14 years I have contended that Latin America was too often a second thought in U.S. planning. We took Latin America for granted, relinquished our traditional leadership in the hemisphere, and focused our stupendous efforts in economic assistance and development to other areas of the world. We have paid heavily for this overdraft of faulty thinking and blurred political perception.

U.S. policy, or lack of it, left our neighbors in the south confused, dismayed, and sometimes embittered. Now that such a dramatic turnabout has been made in our dealings with 200 million Latin Americans, let us make sure that we coordinate our efforts to their maximum efficiency—through the appointment of a full-powered director of inter-American activities.

There is one additional recommendation which I would like to make in regard to the Alliance for Progress: the recognition of a free Cuban government in exile.

Mr. President, you may find it strange that I include such a proposal in a discussion of the Alliance. But the relationship between our whole-hearted opposition of Castro's Communist dictatorship and our commitment to the goals of the Alliance is to me quite clear. In order for the Alliance to succeed in Latin America, attacks on its flank by Castro must be ended.

Castro cannot allow the Alliance to flourish. The contrast of a strong and prosperous democratic Latin America alongside a wretched Cuba would be intolerable to him. It was the same sort of contrast between democracy and totalitarianism that forced Khrushchev to wall off the misery of 20 million East Germans from a prosperous Western Europe.

Castro is a rallying point in the Western Hemisphere for the Communists, the extreme left wing, the totalitarians, the malcontents. He will, as he has thus far, fight the Alliance at every step.

In my opinion, the recognition of a free Cuban government in exile would be the most positive action we can take at this time to assure Castro's eventual defeat.

To recognize such a free government in exile would capture the hearts and minds of 6 million Cubans now enslaved by the Cuban dictator. It would unite 250,000 Cuban refugees scattered all over Florida, New York, and other areas of the United States.

And it would serve notice to Latin America and the whole world that the United States has not and will not write off a Communist Cuba in an accepted or negotiable situation in this hemisphere.

At this time Castro is experiencing serious internal troubles—food shortages, intraparty fights, and growing resentment among the Cuban people.

We noted in the newspapers of yesterday that it was necessary for Castro to march tanks and troops into a little town to subdue the people, who were rebelling because of actions of the Communist dictatorship and the lack of food under the Communist system.

Now, at this critical time, we should exert the maximum pressure against Castro and keep it mounting to the breaking point.

What would recognition of a Cuban government in exile mean?

First of all, it would allow us to deal with the exile government openly and legally, as with any other free nation, and permit us to grant any necessary military aid the exiles might seek.

Secondly, the exile government could seek allies among Latin governments and those throughout the rest of the free world. It could be given membership in the Organization of American States.

Mr. President, there are many precedents for such a course of action.

We have always refused to recognize the Red Chinese government as the legitimate government of the Chinese people. We have held that this regime is illegal.

We have recognized the government of Chiang Kai-shek as the free Government of China.

Is not Castro's regime of government by imprisonment, the firing squad, the "stool pigeon," and the police state equally illegal, compared to that of the Red Chinese Communist government?

Castro will never allow the people whom he subjugates to express their will through free elections or even through ordinary freedom of expression.

We have recognized numerous other exile governments. During World War I we recognized the Czechoslovak and Polish Governments in exile. During World War II we recognized seven governments in exile from countries overrun by Hitler's Nazi hordes.

If we are to safeguard the Alliance in order to allow it to work at maximum efficiency and effectiveness, we must continue to take every possible positive step against Castro's Communist dictatorship.

For Castro continues to work at full throttle against the hemisphere's free nations. He has set up in Cuba scores of subversion schools, indoctrination centers, and propaganda classrooms. Their job is to "instruct"—or more simply, to brainwash—thousands of students, teachers, intellectuals, political leaders, Red revolutionaries and others from all over Latin America who attend these schools in Cuba.

Other thousands of Latin Americans learn the more direct tactics of guerilla warfare, street fighting, sabotage, and the like in Castro's classrooms.

The Communist plan is to send these indoctrinated people back to their homelands and set them to work systematically subverting their countries. They have scheduled Red takeovers in a dozen Latin American countries for 5, 10 or 20 years from now. The Reds are willing to wait, for they think at the moment that history is on their side. But in the meantime they are working to use every minute to their best advantage.

Mr. SCOTT. Mr. President, will the Senator yield at that point?

Mr. SMATHERS. I am happy to yield to the able Senator.

Mr. SCOTT. I wish to have the Senator from Florida know that I agree with him on his proposal for recognition of a Cuban Government in exile. I assume the principal difficulty would be with respect to the determination of which group should be recognized. I do not say that in derogation of any group, but merely because I wish there could be such an agreement as would make more simple the recognition of such a government.

I agree with the Senator that the United States often has followed this practice in the past and that we should not continue to recognize this detestable Communist dictator whose hands are covered with the blood of his fellow citizens. It is a shame and a disgrace to the American community, in the broad sense of North and South America.

I wonder whether the Senator has in mind the submission of a concurrent resolution which, of course, would not be binding on the executive, but could express the sense of the Congress that recognition be withdrawn from Red Cuba.

If the Senator has such a thought in mind, I shall be glad to support him. I congratulate the Senator for his speech.

Mr. SMATHERS. I thank the able Senator very much for that which he has had to say, for his commendation and his expressed agreement.

I at this time do not contemplate submitting a resolution for the recognition of the Cuban Government in exile. However, feeling as the able Senator does about the menace of communism in Cuba and the dangers to the remainder of the area, if we do not get on quickly with respect to the problem of bringing more pressure on the government of Castro and ridding Cuba of communism and Castro, I shall adopt the suggestion the Senator has made and submit such a resolution. I thank the Senator very much for his thought.

Mr. SCOTT. I appreciate the Senator's comment. The Senator may be assured of my support at that time.

Mr. SMATHERS. Finally, Mr. President, in our efforts to help Latin America we sometimes lose sight of the different conditions which surround democracy there and in our own country.

Ours is a sophisticated system which has experienced nearly 200 years of testing and refining. We revere our system and would like to extend its benefits to all—if the people actually want it.

But we must remember that we cannot plant the U.S. strain of democracy and have it bear fruit in soil which cannot now nourish it. Before democracy, as we know it, can thrive, the conditions precedent of that democracy—universal education, at least 70 or 80 percent literacy, a free and popular press, an experienced electorate—must be provided. Our Alliance for Progress is helping to establish these social and economic conditions, and certainly we all encourage that effort.

It is those men who are thoughtful, temperate, and far-sighted in their judgment, those who favor patient, responsible action to eliminate existing inequities, who support the Alliance for Progress in Latin America.

Let us remember that there is a great ally at work for freemen in Latin America. It is the fact that communism and human dignity are incompatible.

The Communists say that there is nothing in the world except matter in motion. And if that is so, if man is just matter in motion, man has no more rights and no greater dignity than dust upon a desk or a puff of smoke curling in the sky. We in the United States say "No," and democracy also says "That is not true."

At the very beginning of our Nation we chose to exalt and preserve the human dignity of each citizen.

It is this recognition of that basic dignity which, above all else, motivates our Alliance for Progress.

It is that recognition which can give the Alliance the strength to succeed, to safeguard freedom and justice not only for the Latin American people, but also for our own people as well.

I take this opportunity to thank the able Senator from Louisiana [Mr. LONG], who has yielded this time to me. His customary generosity has made it possible for me to make this speech at this time and to meet some other appointments. I am greatly indebted to the Senator from Louisiana.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from Pennsylvania without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I support the bill (H.R. 11040) as reported from the Commerce Committee.

The bill, the details of which have been hammered out by the Space Committee and the Commerce Committee and which was overwhelmingly endorsed by a vote of 354 to 9 by the other body, offers us a unique opportunity. It represents the first opportunity for us as a Nation to extend our social structure into outer space.

In doing this, how shall we proceed? Shall we adhere to our traditional and successful policies of private ownership? Or shall we cast them aside for Government ownership? I think the answer is clear.

I think the recent hearings have shown beyond peradventures that private ownership, under regulation, as proposed in this bill, is the way to develop the most efficient, most economical, most speedy, and the most well-run communications satellite system.

The idea appears to be held by a few of our colleagues that our privately owned companies are not quite equal to the challenge posed by a communications satellite system. This to me represents a narrow and one-sided view of the matter.

Some months ago the Wall Street Journal, in an editorial appropriately entitled "Socialism in the Sky," approached the question of Government ownership this way:

> If along about the turn of the century some dreamers had come forward with a plan to put one of these new-fangled telephones in every home and hook together every city and hamlet, they might well have concluded that this was beyond the resources of private industry.
>
> Only government itself, so it might have seemed, could take on a job of such magnitude in money and planning. Indeed, in a great many countries the job was taken on by governments and, to this very day, the telephone systems are run by the government, like the postal services.
>
> But fortunately this country lagged the rest of the world in socialistic economics; our telephone system was allowed to grow in free soil. And it would be laboring the obvious to point out that here the dream has not only come true but has been surpassed. The contrast between our phone system and those operated by governments is a dramatic one to anybody who has spent even a few vacation weeks abroad.
>
> If you doubt which system is the better—government or private—pick up the telephone, phone your local postmaster and ask for more mail service. And see how far you get.

The record shows that the contributions of private industry in the satellite communications area have been substantial both in the basic communications arts involved and in testing the satellites in the space environment. One private company alone has spent more than $1 billion on its own research and development program in fields closely pertinent to today's satellite communications system development. The satellites themselves, for example, are essentially microwave repeaters, and microwave has been used by our communications carriers since 1946. And without such additional developments as the transistor, the solar cell, the maser, and the traveling wave tube—all products of our privately owned communications industry—there would be no satellite system.

We need the rockets, too, but let me read what a distinguished member of the

Harvard faculty, John Chamberlain, has recently written on this subject:

> The postwar period brought forth one electronic invention that added a new dimension to the business. This was the tiny transistor, which was produced by Dr. William Shockley and a team of Bell Labs scientists in 1948. The transistor, a three-electrode tube of solid matter that could be substituted for the glass vacuum tube, met all of the requirements for the miniaturization needed to give real impetus to the rocket and missile age. * * * By 1951 any company could obtain any use of the transistor patents by paying $25,000 advance on royalties. * * * The show has been a gorgeous one, making possible the whole vast new enterprise of space exploration. "A History of American Business," Fortune, May 1962, pp. 148 and 254.)

Then too, we cannot overlook the fact that the first prototype of a commercial communications satellite, Telstar, which is scheduled to be launched in a matter of weeks was financed and constructed solely by private industry. To give an idea of the importance of private contributions to the success of the proposed system it is worth noting that Telstar has some 3,600 solar cells and is jammed packed with electronic equipment, including a specially designed and highly reliable traveling wave tube, more than 1,000 transistors and nearly 1,500 diodes. These are all products of privately financed research and development programs.

In the face of the undisputed excellence of our present communications facilities and of the substantial contributions of private industry in the satellite communications area, and of the clear statements in favor of a private enterprise approach to this matter by Presidents Eisenhower and Kennedy and others, what arguments have been advanced to support Government ownership? There have been principally three: First, it is claimed the satellite system has been made possible by Government expenditures and it would be unconscionable to turn the benefit from such expenditures over to a privately owned corporation; second, it alledged that the system will inevitably be dominated by a few private corporations and such domination can only effectively be prevented by Government ownership; and, third, it is a further claim that it would be foolhardy to commit ourselves now to an organizational arrangement while further research, development and experimentation remain to be accomplished. Let us take these one at a time:

First, the contributions by private enterprise to the proposed satellite system have already been mentioned and have been documented in much greater detail elsewhere. Suffice it to say that it is a complete distortion to attempt to depict private enterprise as standing idly by, while the Government conceived the concepts in this area and carried them to fruition with public money. In accordance with the principles first enunciated by President Eisenhower in December 1960 and restated by President Kennedy, both Government and private industry have made their respective contributions.

It is distressing to hear all these assertions that the Government is turning over a satellite system and billions in taxpayer money to the proposed corporation. If billions have been spent on such a facility, where is the evidence of it? The Government has no actual communications satellite or ground station in operation. Our colleagues know this.

I dislike reading extensive excerpts from hearings into this record, but on this occasion I feel compelled to do so. The following is from pages 40–41 of the printed record of the hearings of the Subcommittee on Antitrust and Monopoly:

> Senator KEFAUVER. What is the Government turning over to the corporation?
>
> Mr. WELSH. There is a certain amount of know-how, of course, which is being turned over as a result of experimentation.
>
> Other than that, the bill would provide for every shot, every launching, every rocket used, and so forth, to be paid for by the corporation, so that the corporation would be expected to be self-sustaining in that regard.
>
> Senator KEFAUVER. I know, but I mean what is the value of the property that is going to be turned over to the corporation? Will the satellites belong to the corporation?
>
> Mr. WELSH. There are not any satellites now, sir.

And as to the so-called know-how, Mr. Welsh continued:

> It is know-how, most of which is already available to the general community and to the industry. It is not any know-how that we have a monopoly on in the Government.

Second, let us consider the domination argument. What are the risks of domination by a few companies or any one company?

The legislative proposal before us would prohibit all authorized carriers as a group from owning, directly or indirectly, more than 50 percent of the shares issued by the corporation. Since at least five of the major carriers have indicated a desire to have an ownership interest, any single carrier's stock ownership will perforce be less than 50 percent. Furthermore no communications carrier can vote, directly or indirectly, for more than three of the corporation's 15 directors. Could this possibly permit control of the management of the corporation by any one carrier? Restrictions are also contained on the ownership and voting by noncarriers.

The legislation also requires full nondiscriminatory use of the system by all authorized carriers. Could any single company, in some totally unexplained manner, so control the corporation that it could obtain a preference in the use of the corporation's facilities in the face of such an explicit provision, and in view of the powers granted to the FCC and the Attorney General to enforce this requirement?

The legislation further requires that apparatus, equipment, and services procured by the corporation shall be on a competitive basis. In fact it goes so far as to impose upon the FCC the obligation to consult with the Small Business Administration to insure that small business is given an opportunity to sell to the corporation. Could anyone, again by a totally unexplained process, so control the corporation to favor itself despite the sanctions contained in the bill? Under these circumstances, the possibility of domination—whether in the use of the system's facilities, in the acquisition of its equipment, or in its management—is nothing more than a fiction used to becloud the issue.

Third, that we should delay the organizational decision is perhaps the most transparent of the arguments advanced by the exponents of Government ownership. The need to proceed as rapidly as possible has been stressed by both Presidents Eisenhower and Kennedy, and has been repeated again and again by responsible people both in and out of government. There is not a single fact not now known which should have any bearing of consequence upon the proper organizational structure for the satellite system. They have all been exhaustively set forth in an endless series of committee hearings both here and in the other body. Furthermore our private industry cannot continue to spend its own money for research and development—as in Project Telstar—when their ownership rights in the ultimate system remain obscure. Thus delay can only serve to increase the possibility of Government ownership—and its advocates know this, and hope to take advantage of it. Unimportant to them apparently is the fact that our delay will inevitably increase the possibility that the Russians will succeed before we do.

Let us recognize these arguments for what they are—window dressing. During the recent Commerce Committee hearings Senator CASE asked the Senator from Tennessee (p. 310):

> I take it you are really opposed to this being a private corporation as far as the satellite system is concerned, in any form; is that correct?

The response was as follows:

> My feeling is that—yes, my own personal feeling would be that permanently we would be better off if the main part of the communications system were owned by the Government.

So, it is not simply a question of delay at all. It is whether the Government should "permanently" own this system.

I urge that we pass this bill and get on with the job with all possible speed.

## WALT W. ROSTOW'S DRAFT OF STRATEGY

Mr. DIRKSEN. Mr. President, over the past weekend there appeared in the Sunday and Monday morning editions of the Chicago Tribune two lengthy stories under the byline of Willard Edwards purporting to digest the so-called Rostow draft of a blueprint for future strategy in the struggle against communism.

For many months now we have been told that this document has been in a state of preparation under the guiding hand of Walt W. Rostow, State Department counselor and chairman of its Policy Planning Board.

On several occasions there have appeared in the press other stories discussing this draft of strategy, but none has presented so much in such detail as Mr. Edwards' story and I am impelled to believe that it is probably accurate.

Many of us who are not unfamiliar with Rostow's thinking have awaited the birth of this new master strategy with considerable trepidation. Mr. Rostow has never been a very devoted disciple of the tough policy line toward Russia. It now develops, on the basis of the Chicago Tribune articles, that Mr. Rostow holds some unique ideas about the Soviet Union that are considerably closer to the fuzzy thinking of the late and lamented "Liberal Papers" than even the most liberal Member of this body would be willing to accept.

The core of Mr. Rostow's proposal is an assumption that the Soviet Union and its Communist masters are "mellowing"; that Russia is becoming a mature state; that if we are only nice to the Soviets they will drop all of their suspicions of the free world and peace will finally bloom.

The most amazing Rostow thesis is this: That both the United States and Russia are losing power and authority in their respective worlds and that an area of "overlapping interests" is developing in which meaningful agreements may be concluded between the Communist and non-Communist worlds.

Mr. Rostow sees no victory by the United States over the Soviet Union. Mr. Rostow sees no victory by capitalism over communism. In fact Mr. Rostow is a man of little hope and the last person in my opinion who should have been chosen for the all-important task of directing the continuing review of our foreign policy.

The basic philosophy of successful conflict is always to pursue a winning course and always change a losing game. Every high school coach, every big league manager knows this. But apparently our State Department planners do not.

If Mr. Rostow's assumption that the Soviet Union is softening is correct, then what may I ask caused it to mellow? To me the answer is obvious. The only times we have ever gotten anywhere with the Soviet Union—the only times the Soviet Union has ever mellowed—have been when the United States was tough.

So logic would say that if Mr. Rostow's basic assumption were correct and that the Soviet Union is softening, Mr. Rostow is recommending a course exactly diametric to American interests.

But the disconcerting part of the whole picture is this: Our intelligence agencies say there is little or no evidence to support any such assumption as that made by Mr. Rostow.

How does Mr. Rostow explain the recent Russian course of breaking the moratorium on nuclear testing? How does he explain their recent announcement that they are now going to test a 100-megaton bomb in retaliation for our resumption of testing?

Does the presence of our Armed Forces in Thailand indicate the Communists are mellowing? Does the presence of our Armed Forces in Vietnam indicate the Communists are mellowing?

I think the Senate is entitled to know—perhaps through questioning by the appropriate committee—what intelligence information Mr. Rostow possesses to support his basic assumption. Mr. Edwards' articles indicate that Mr. Rostow has held this opinion for at least 10 years. If it is only opinion, I would suggest that it is not proper ground on which to stake the entire future of the American people.

I ask unanimous consent to include as part of my remarks Mr. Edwards' articles, so that the Senate may examine them in detail.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, June 17, 1962]

### DRAFT FOREIGN POLICY REVISION BOWING TO REDS

(By Willard Edwards)

WASHINGTON, June 16.—A master plan for historic changes in U.S. foreign policy has been readied for President Kennedy's consideration.

It embraces the theme that the Soviet Union's domestic and foreign policies are mellowing and the way is open for meaningful agreement between the Communist and non-Communist worlds.

This proposed guide for future decisions by the President and the National Security Council, the Nation's highest strategy group, advances these theories:

Russia's leaders are beginning to realize that neither the United States nor the Soviet Union can defeat the other in the world of the future.

#### FIND NO BASIS FOR IT

Both the United States and Russia are losing power and authority in their respective areas and an area of overlapping interests is developing in which mutually profitable agreements may be negotiated.

Envisioning, as it does, Communist abandonment of the goal of world conquest, this blueprint for future strategy has aroused heated dispute from military leaders and intelligence agencies who can detect no evidence to support its assumptions.

They quarrel with the contention that conciliation can be as important as a strong defense in future relations with the Kremlin.

Leading sponsor of the plan, which has been more than a year in preparation, is Walt W. Rostow, State Department counselor and Chairman of its Policy Planning Board. He acknowledges that a strong educational campaign will be needed to sell Congress and the public if the proposals are given official sanction.

#### SHAPED CAMPAIGN SPEECHES

Compiled under Rostow's supervision, the strategy plan represents the work of many officials in the White House, State, Treasury, and Defense Departments. It has been steadily revised and edited down, from an original volume of 285 pages to a shorter draft.

Despite a host of contributors, the plans bears the Rostow stamp. A former member of the faculty of Massachusetts Institute of Technology, Rostow, 45, is the President's top foreign policy adviser. He played a major role in shaping Kennedy's foreign policy speeches in the Presidential campaign and was deputy special assistant to the President until he took over his present State Department post last December 6.

Rostow's brand of philosophy, not concealed in books, articles, theses, and speeches in recent years, has always envisioned the "evolution" of Soviet Russia into a "mature" state which will come to realize the outdating of the Marxian theory of the class struggle as the moving force in history.

#### FOR A NEW YOUNG PRESIDENT

As long ago as 1956, he voiced confidence that Communist leaders in the next decade would mend their ways and in 1958 he was depicting Russia as about ready to enter "the age of high mass consumption" reached by the United States a quarter century earlier.

He has now translated this optimistic conviction into a blueprint for basic national security policy, designed to govern future decisions at the highest levels.

It is a conception calculated to stimulate and enthuse a new, young Preseident who could insure a secure place in history as the American leader who brought peace to the world, ending not only the dread potentialities of nuclear conflict, but the harassments of cold war conflicts which drain the economy.

#### NOT A SHRED OF PROOF

It is also a theory which has stirred many in the Government's intelligence agencies to alarm. They report not a scrap of hard data to support the roseate assumptions of the State Department planner.

They note no lessening of Communist intransigence nor of grim determination to "bury" the free world. They see in the Rostow recommendations a total misconception of the nature of the Communist conspiracy; a naive brushing off of its treachery as evidenced in a long history of broken treaties and agreements while steadily pursuing the goal of world conquest.

Rostow believes that Premier Nikita Khrushchev of Russia and his associates do not want a major war. He concedes their desire for a total victory for communism but he glimpses changes beneath the surface of old Communist objectives and a willingness among some in Russia to modify old ideological formula in the light of changing reality.

#### UNITED STATES ON WANE, HE SAYS

Neither Russia nor the United States is going to dominate this century, he contends. To those who speak of a "victory" or "win" policy in the cold war, he retorts that neither of the great leading nations will win over the other. Capitalism will not triumph over socialism. Rather, the victory will be one of "men and nations" voluntarily cooperating under the principles of the United Nations Charter.

"And we deeply believe this victory will come—on both sides of the Iron Curtain," he concludes.

The policy outline pictures the United States and Russia as two aging combatants, both showing signs of waning prestige and power. There is a diffusion of power away from Moscow within the Communist bloc, it asserts, and away from the United States within the free world.

In lesser degree, the "evolution" theory is also applied to Red China and the same conciliatory tactics are advocated. The Chinese Communists can be encouraged to "evolution" into a peaceful state by showing them we have no aggressive intentions.

Possibilities should be explored for expanding contact with Red China, placing it, according to one objector, in the same position as Yugoslavia and Poland.

#### CAN'T PROMOTE A SPLIT

There is no final bar to entrance of Communist China into more normal relations with the United States if they are prepared to modify present policies, the policy paper asserts. In the meantime, unnecessary provocations should be avoided and informal negotiations pursued.

There is little that the United States can do to promote a Sino-Soviet split, the paper contends.

The proposed foreign policy guidebook does not suggest any weakening of national defense and includes recommendations for a greater buildup of the Nation's capacity to wage conventional warfare.

It estimates Soviet policy as designed to avoid any actions which would bring about a nuclear war, ruling out the belief of many military leaders that the Communists will strike whenever they think they can destroy us.

### WE WILL WAIT TO BE HIT

Any idea of the United States contemplating a "first strike" is ruled out. Planning in that direction is not relevant since the United States does not plan to initiate a nuclear attack on Communist nations. Military men assail the section as against all sound principles of war for which planning against all contingencies is essential.

Despite all rebuffs to date, strenuous efforts should be continued to get an agreement on limited arms control, the policy paper recommends. It is suggested that the United States might advance a program not requiring formal negotiations.

Again, objectors to this recommendation argued, the proposal totally disregards the nature of the Communist enemy. Any information furnished to Communists will be used against us and any such action will never change their basic aims.

### REDS GOING PEACEFUL

Since both arms control planning and research and military planning are directed toward national security, the strategy outline asserts, they should be integrated. General and complete disarmament is a goal which must never be obscured.

There was objection from military men to inclusion of this section. They argued that the nature of communism is disregarded in a process of reasoning which contends that the United States will be secure in a disarmed world.

In seeming answer to these contentions, the proposed policy emphasizes the assumption that the Soviet policy will evolve into a peaceful state.

Even if Communist leaders are unwilling to share the U.S. image of the world's future in the degree necessary to negotiate major arms reduction programs, they may come to realize the dangers of accident, miscalculation, and failure of communications and thus be willing to join the United States in limited meaures to reduce those dangers.

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[From the Chicago Tribune, June 18, 1962]

## Soft Red Line Must Be "Sold"—Rostow

(By William Edwards)

Washington, June 17.—A systematic publicity campaign will be necessary to sell Congress and the American people on the merits of a bold new foreign policy advocating conciliation of Russia, a State Department planner has advised.

The problem of this gap between Government and popular thinking is tackled with candor by Walt W. Rostow, chairman of the State Department's policy planning board in his draft of a master plan which awaits President Kennedy's consideration.

The new policy, the work of a number of experts in Government under Rostow's supervision, is based upon the theory that Russian domestic and foreign policies have mellowed during the post-Stalin period. It holds the way has been opened for cooperation between the Communist and non-Communist worlds.

### EDUCATION IS NEEDED

Since the evidence in the form of deeds and words by Soviet leaders, runs directly contrary to this assumption, Congress and the people, the Rostow outline confesses, must be educated to acceptance of a fresh approach.

In typical State Department parlance, this can be accomplished by "systematic exposition in forms appropriate for public presentation." The term "indoctrination" is avoided.

One of the appropriate methods of public enlightenment, favored highly by the Kennedy administration, is the newspaper "leak." This involves funneling of selected information to favored reporters.

### CITE "OUTMODED" POLICIES

Although the Rostow document is presumed to be confidential and described by a State Department spokesman as a "working draft," hints of its contents have been leaked in the last 3 months to three newspapers, a news magazine, and a syndicated column. The resulting articles in the main, feature it as "a premise, balanced, and complete master plan of global objectives and strategies" which would replace "old policies," manufactured under crisis conditions.

These inspired stories lacked detail, in most instances, but stressed the need for replacement of policies "left over" from the Eisenhower administration. The existence of "ambiguities" had permitted dispute between partisans of different concepts and contributed to varying interpretations of policy, they noted.

### HINT ON A-STRATEGY

One "leak" was definite, however, in reporting a provision that the United States would never strike the first nuclear blow unless it were faced with a massive conventional assault, such as a full-scale invasion of Western Europe.

Another revealed proposed new policies for dealing with the problem of the "two Chinas" on the mainland and Formosa.

Speeches and statements by administration spokesmen to condition Congress and the public to the new policy are also suggested in the Rostow document. Rostow has set a good example in this respect. In a number of addresses, he has stated his conviction that neither the United States nor Russia can win the cold war, that capitalism will not triumph over communism, and that the fate of the world will be settled by forces now at work on both sides of the Iron Curtain.

### SEES NEW LINEUP

In a speech June 3 at Minneapolis, Rostow said:

"It is sometimes asked if our policy is a no-win policy. Our answer is this—we do not expect this planet to be forever split between a Communist bloc and a free world. We expect this planet to organize itself in time on the principles of voluntary cooperation among independent nation states dedicate to human freedom. We expect the principle that 'governments derive their just powers from the consent of the governed' to triumph on both sides of the Iron Curtain.

"It will not be a victory of the United States over Russia. It will be a victory of men and nations over the forces that wish to entrap and to exploit their revolutionary aspirations."

In another speech to the special warfare school at Fort Bragg, N.C., he voiced the same sentiments and added: "It will not be a victory of capitalism over socialism."

Two years ago, in a California speech, he outlined Russia's fears that other nations would get the nuclear bomb, calling the prospect of nuclear weapons in Chinese hands "a latent nightmare" for the Kremlin.

### RUSSIA OUR ALLY

He saw in this a possibility that Russia might find "the only logical course is to make a common cause with the United States to establish a minimum framework of order."

Thus, Rostow's policy draft contains few surprises to students of his record. He is aware of the initial lack of popular acceptance which will greet its unfolding. Suggested in the draft is a shifting of emphasis, particularly in the public consciousness, from the problem of opposing Communist aggression to exploiting opportuntities in building and extending "a community of free nations."

These "opportunities" are described in the document as growing from a gathering historical trend toward fragmentation in the Communist bloc and some relaxation of internal controls in the Soviet Union and its satellites.

Thus, Communist regimes and peoples are to be dealt with in terms of "overlapping interest," a phrase which is also popular with Rostow in public statements.

The United States Information Agency must be used abroad to define and dramatize the "limited but real areas of overlapping interests" between the United States and other governments and peoples, the paper asserts.

Students of Communist policy eye this alleged intertwining of interests with strong doubt, noting that Communists have never admitted any interest which lies outside world domination.

One theme is consistent in the proposed strategy plan—continuing communication with Russia, informal and formal, direct and indirect, must be maintained in order to dispel its fears of the United States, and give it a clear understanding of our peaceful intentions.

Rising tensions or the pleas of our allies or of the American public must be ignored in any crisis with Russia. The temptation must be avoided to prolong or expand any crisis in an effort to degrade or embarrass the Soviets in the eyes of the world.

The Soviet Union, the paper advises, must be granted its status as a great power and induced, by word and deed, to fuller participation and influence in the community of free nations if its leaders show a genuine interest and will for such constructive consideration.

### EASY ON SATELLITES

Gentle treatment of the satellite nations is advocated. No official attacks should be made against their regimes, whatever the provocation, and even criticism should be softened. Western Europe, at the same time, must be encouraged to closer relationship with the satellites and urged to furnish aid to them.

East Germany, the policy draft says, cannot be forever insulated from dealings with the United States and business must be transacted with them.

Above all, no encouragement or support must be given to armed uprisings in eastern Europe. This is a continuance of policy in existence for several years.

These proposals, one critic noted, will in effect recognize the satellites, including East Germany, as legitimate regimes, disregard the principle of self-determination, and cause the captive peoples to lose all hope of freeing themselves from Communist rule.

### A POPULAR WORD

The plan is concerned with the promotion of rapid industrial growth and full employment in the United States. Unless there is great prosperity here, it noted, it will be extremely difficult to obtain congressional and popular consent for allocation of resources to international purposes or liberal trade adjustments.

The word "modernization" appears frequently in the plan in relation to the development of nations. The strength of international communism, it states, can best be sapped by strengthening the performance of the free community through "modernization." Opponents of the policy draft have suggested that "modernization" may be a synonym for "Democratic socialization."

The United States must expand its participation in institutions and organizations "which transcend the independent powers of the nation-state," the outline proposes.

It seeks progressive moves toward a legal order which lays down and enforces essential rules of conduct in interstate relations which will "provide sure and equitable means for the settlement of international disputes."

Again, in arguments over this proposal, it was noted that it presupposes Communist submission to the law. One expert recalled the sardonic comment made by the late Andrei Y. Vishinsky, chief delegate to the United Nations. He once told the U.N.:

"What laws? We make our own. We do not abide by bourgeoise laws."

### SEEKS MODERN ALLIES

On balance, the draft asserts, American interests will be better served by leaning toward nations with modern ideas rather than sticking to old allies with outmoded notions. The paper identifies neither the modern states nor the old friends, conceding no general rule can cover this situation.

As a final touch, the policy paper suggests that denial of foreign aid can be as useful as supplying it. In Laos, where aid was withdrawn to force a coalition with Communists, this policy has already been implemented, it was noted.

Mr. DIRKSEN. Mr. President, I might add, as a postscript, that I believe a great deal more will be said about this subject because without doubt it will be one of the most important challenges before the American people and this country as we deal with this comment upon the so-called policy or strategy that we are to employ in the days ahead.

Mr. SCOTT. Mr. President, with the indulgence of the distinguished Senator from Louisiana, may I address an inquiry to the distinguished minority leader?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from Pennsylvania for that purpose, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. Every further adumbration of the views of Mr. Rostow is useful to the security of the country, because if Mr. Rostow and the other mellow-minded persons in the Department of State seriously feel, as apparently they do, that one should expect a change in Russian attitudes tending toward accommodation, which I suppose means accommodation to our views, does the Senator from Illinois receive any consolation from anyone else in the State Department who is upholding the other view, namely, that the Russian Communists cannot be trusted? Has the Senator searched to determine whether anyone has advocated a strong view or a tough view against Russia?

Mr. DIRKSEN. Yes; I think that in the Pentagon a strong view is well supported by a good many persons. But with respect to the belief that the Soviet Union is mellowing, only last week Minister Khrushchev was in southeastern Asia, and there he proclaimed all over again one of his famous phrases, namely, that he still believed he was going to "bury the United States." That does not sound to me like mellow or pacific language.

Mr. SCOTT. The fuzzy mellow mindedness of Mr. Rostow and those who follow his theory reminds me of a story I heard a long time ago concerning a man who was somewhat inebriated, and who walked up to a very long bar and was desirous of engaging in conversation with someone, because he thought he had very sound views. He approached another similarly inebriated gentleman and, tapping him on the shoulder, asked, "Have you heard the rumor?" The gentleman said, "No," he had not, and advised his newly found inebriated pal to go away. So then the drunken man moved to the center of the bar and asked the bartender, "Have you heard the rumor?" The bartender said, "I'm too busy to talk to you."

So the fellow went to the other end of the bar and asked an even more—if possible—inebriated gentleman, "Have you heard the rumor?" as he clasped him firmly by the lapels and looked at him eye to eye, and nose to nose, with the alcoholic friendship that one associates with such an action. This man, unlike the first, removing the hands of the questioner from his lapels, said "Yes, but never with such detail." [Laughter.]

Mr. DIRKSEN. Perhaps inebriety is one of the ways to blind reality; but if it is reality with which we are dealing—all these reports of the strategic blueprint as now examined and as have appeared in other sources—I think it is high time we familiarized ourselves with the implications. To go down that road very far may possibly spell disaster for our country.

Mr. President, I am grateful to the distinguished Senator from Louisiana for yielding the time.

Mr. YOUNG of Ohio. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield such time as he may desire to the Senator from Ohio, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

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## CIVIL DEFENSE APPROPRIATIONS

Mr. YOUNG of Ohio. Mr. President, a few minutes ago I read in the New York Times of today a report from Washington, which reads as follows:

> A House subcommittee has cut the heart out of President Kennedy's proposed $695 million civil defense program. Meeting in closed session Friday, the House Independent Offices Appropriations Subcommittee eliminated the entire $460 million requested by the Department of Defense to start a nationwide fallout shelter program July 1.
>
> The move was seen also as an indication of congressional apathy and of the evaporation of public concern over shelters since the Berlin crisis of last summer. It was noted also that President Kennedy had not publicly urged approval of the program in recent months and had made no plans to do so.
>
> The subcommittee is headed by Representative ALBERT THOMAS, Democrat, of Texas.

Mr. President, as an administration Senator, it is the desire of the junior Senator from Ohio to support the administration's policies and to support President Kennedy whenever I can, in good conscience, do so.

However, it is my opinion that the subcommittee which took this action and its chairman, the distinguished Representative from Texas, ALBERT THOMAS, are to be praised for their forthrightness in saving the taxpayers a huge sum of money—almost $500 million. I compliment them upon their action.

Some years ago I served in the other body with Representative ALBERT THOMAS, and through the years I have held him in the highest admiration. He is one of the ablest, most thoughtful, and most distinguished Members of the House of Representatives. I hope the Senate will follow the fine leadership which has been displayed by the House subcommittee in eliminating the entire $460 million requested for fallout shelters.

Mr. President, billions of dollars of taxpayers' money has already gone down the drain and has been wasted in futile and foolish civil defense projects during the years from 1950 until this good hour. Experts have testified that anywhere from $20 billion to $200 billion would be required for a national shelter program, a program which might possibly—and I say "possibly"—be effective to any extent at all.

Under the leadership of Leo Hoegh and other politicians who operated the Office of Civil Defense Mobilization in the past, more than $1 billion of hard earned taxpayers' money has been utterly wasted. It should be heartening to the American people that the House subcommittee took this action, which the Senate should follow.

Unless we are prepared to embark on a vast gamble of spending from $20 to $200 billion, then I maintain it is an utter waste to spend additional hundreds of millions of dollars of taxpayers' money on schemes which are, in reality, nothing more than expensive doses of psychological pablum for a frightened and bewildered public seeking some way out of the dilemma of our times. It would be far better to spend the money to strengthen our Armed Forces and our retaliatory capability, so that no aggressor would dare to attack us.

We are confronted with a dilemma. I quote Jonathan Swift, who wrote:

> A strong dilemma in a desperate case:
> To act with infamy or quit the place.

It is high time that Congress quit wasting the taxpayers' money on a boondoggle such as civil defense as it has been conducted. For a while, the Nation had an evacuation program. In case of an attack, the citizens of my home city of Cleveland, for example, running away from Cleveland along the road to the west toward Lorain, would meet the citizens of Lorain running east on the same road to Cleveland, to escape the falling bombs. The futility and foolishness of this scheme were apparent to everyone. More recently, a fallout-shelter program has been undertaken.

Mr. President, the administration should immediately drop this program, and follow the decision of the subcommittee of the other body, under the great leadership of Representative ALBERT THOMAS. If the administration does not choose to do so, I hope it will at least proceed to reevaluate the whole problem.

Mass evacuation was offered as the panacea only a few years ago, but it is now seen as an illusion. Fallout shelters are no better. The basic fact about nuclear war is that organized society cannot survive it. No amount of warnings, sermons, or reams of type will change this fact. It would be wiser to face the truth squarely, than to evade it by talking of the survival of some individuals.

Maj. Gen. John Medaris, now retired, one of the outstanding authorities on missilery, and former Chief of the Army Ordnance Missile Command, denounced civil defense as it has been conducted. He said:

> The concept of mass evacuation of high-density population centers and the burial of our citizenry in deep shelters would negate any kind of positive reaction to attack. It would convert our people into a horde of rabbits scurrying for warrens where they would cower helplessly while waiting the coming of a conqueror.

Mr. President, his conclusion is the same as mine—namely, that the "Navy's Polaris system is the best bet for the retaliatory striking power for the near future. It offers the advantage of concealment to a much more realistic degree than the entombment of concrete-protected, land-based missiles," or in holes in the ground.

I should like to support the program proposed by the administration, for I like to support President Kennedy in every particular; but I cannot do so to the extent of voting to use taxpayers' money for any such program, for it is based on a defeatist psychology. Why should Americans, with their great history and their noble tradition, in the event of a sudden attack from the Soviet Union rush for holes in the ground, or into the basements of public buildings, or into shelters in their homes, and cower there and shiver in the darkness, waiting for the conquering paratroopers to come? It does not make sense.

Mr. ERVIN. Mr. President, at this point will the Senator from Ohio yield for a question?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Ohio yield to the Senator from North Carolina?

Mr. YOUNG of Ohio. I am happy to yield to the Senator from North Carolina.

Mr. ERVIN. I have been advised that late researches indicate that a person who constructs a fallout shelter finds himself in the same plight, insofar as taxation is concerned, that an old North Carolina farmer is reputed to have found himself in. It is said that many years ago he had the following misfortunes:

His old horse died and his mule went lame;
  Then he lost six cows in a poker game.
Then a hurricane came on a summer's day,
  And blew the house where he lived away.
An earthquake came, when that was gone,
  And swallowed the land his house stood on.
Then the tax collector came around,
  And assessed him up for a hole in the ground.

I understand that a person who builds a fallout shelter suffers the same fate—in other words, that he winds up being taxed for a hole in the ground. Is that correct?

Mr. YOUNG of Ohio. In many instances that is correct. I am most grateful to the distinguished senior Senator from North Carolina for mentioning this matter. The situation throughout the country is similar to that in the State represented here by the Senator from North Carolina; and his contribution to this presentation of this most serious situation is very welcome, indeed.

Let me also refer to a county assessor in Nevada, who recently stated that fallout shelters increase the value of real property, and are taxable. That statement prompted Richard Armour, of Nevada, to lament in the following language:

Consider the citizen, bent on survival,
Who, fearing the day of the H-bomb's arrival,
Digs deep in his yard, and digs deep in his pocket,
One eye ever upward, alert for a rocket.

And then, while he waits for the siren and whistle
That warn to beware of the onrushing missile,
Comes not the expected, awaited aggressor,
But he, still more fatal, the County Assessor.

And though there's no fallout, he draws his last breath,
Not bombed, the poor fellow, but taxed to death.

Mr. President, during the Second World War, 60,000 residents of Hamburg, Germany, perished in their civil defense shelters within the course of a few hours. They perished from suffocation, as a result of firestorms caused by an intensive bombing raid on July 27, 1943. But that raid—as the distinguished senior Senator from North Carolina knows, and as all the rest of us know—was infinitesimal in its destructive power, compared with the destructive power of one atomic bomb with a 1-megaton yield.

It is estimated that the lethal radioactive fallout from a 10-megaton thermonuclear explosion would cover several thousand square miles. The resulting firestorm would cover an area of 5,000 square miles. Our cities would be blazing pyres and a mass of radioactive debris. Shelters in the target area would be crushed. Any who managed to escape these blazing tombs would be immediately killed by the firestorms and explosions raging for miles around.

The President's desire, as stated some months ago, although I am very happy to say that there has been silence on that subject since then, was to offer Americans some form of survival insurance in event of nuclear attack. That is laudable, and certainly some sensible forms of catastrophe planning are in order.

However, no sound planning will divert substantial resources and effort into a program which offers very little true insurance. What has been offered could well assume the proportions of a continuous, endless boondoggle, and would encourage a cruel illusion of security.

Not one American is one whit safer in event of nuclear war as the result of the expenditures which we appropriated for shelters last year, totaling $207 million. Does anyone believe for 1 minute that the appropriation of millions of dollars—now exceeding $1 billion—for our civil defense program in the past has deterred aggressive intentions and actions of the Communist dictators?

No reasonable person would object to the Federal Government's advising citizens on the type, effectiveness, and cost of various fallout shelters. A modest amount of money could be appropriated for research and dissemination of this information. If the individual citizen wants to build his own shelter and feels that he lives in an area where it could possibly be of some use to him and his family, or if he wants to build a recreation room or bar room in his basement, stock it with food, and call it a shelter, that is his own business, so long as he does not expect the Federal Government to give him a tax advantage for it.

When he does that, an individual is at least helping a building contractor and a grocer to put some money into circulation. If he wants to do so, that is his own business. He can waste his money as he sees fit. However, I object to any multibillion dollar shelter program on the part of the Federal Government at taxpayers' expense.

Although the international situation is no less critical, the hysteria and fear of last summer have somewhat subsided. One of the signs of this change is that it has been a long time since Americans have talked about fallout shelters. The problem should be, and now can be, viewed calmly and sensibly. Representative THOMAS and his subcommittee have done just that. It is my hope that when the Senate considers the independent offices appropriation bill we shall follow the example set by the House of Representatives Independent Offices Appropriation Subcommittee under the leadership of a great Representative, ALBERT THOMAS, of Texas.

It is better for us to face the fact that no modern society can survive all-out nuclear war, rather than to delude ourselves by inadequate efforts to try to assure the survival of some individuals.

Instead, we should concentrate our energies and our skills in doing our utmost to bring about an end to the armaments race between this Nation and the Soviet Union and Red China.

History tells us that since the turn of the century every armaments race has eventually lead to world war. Therefore, let us bend our energies toward bringing about disarmament and arms control with adequate safeguards. Of course, we must insist upon the latter. The Soviet Union has violated agreement after agreement. We must have safeguards that permit international inspection teams to come into this country and to go throughout the Soviet Union and Red China. We must be realistic about this problem. In order to have effective arms control and an effective disarmament agreement, we must have adequate and proper safeguards. That is the goal we should be seeking, instead of proposing to squander the taxpayers' money on a futile civilian defense program.

It is serious business indeed to waste taxpayers' money. Again I desire to laud the fine work of the subcommittee of the other body in denying this administration's request for nearly one-half billion dollars, which would be an utter waste of taxpayers' money. I am glad that the item has been deleted. I hope that when the independent offices appropriation bill is considered in this body Senators will join with me in voting against any appropriation that would cause a waste of our money on fallout shelters which, in the end, would be utterly futile.

I thank the Senator from Louisiana for yielding to me.

**Mr. LONG of Louisiana.** Mr. President, I ask unanimous consent that I may yield first to the Senator from Missouri [Mr. SYMINGTON], and then to the Senator from New York [Mr. KEATING] for such time as they may desire, without prejudice to my right to the floor.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

## THE PROPOSED STRIKE AGAINST TWA

**Mr. SYMINGTON.** Mr. President, it is my understanding that the flight engineers plan to strike the Trans World Airline system tomorrow.

If this occurs, it will throw many thousands of people out of work, thousands of them in my own State of Missouri.

It should be clearly realized that once again the problem is disagreement between two unions; that it has relatively little to do with the three basic aspects of unionism—wages, hours, or conditions of work.

It is inconceivable that this union at this time would go through with this strike, thereby deliberately going against the urgent request of both the President and the Secretary of Labor; namely, to go to arbitration.

If the strike takes place because of this difference between these two unions, it would seem the Congress would have to give speedy attention to how to solve problems of this character in the public interest.

In this connection, Mr. President, I ask unanimous consent that an editorial in the Kansas City Times of Saturday, June 16, "A Pattern To Solve Air Disputes Is at Hand," be inserted at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

> A PATTERN TO SOLVE AIR DISPUTES IS AT HAND
>
> In what could be a devastating airline strike, the pattern for settlement already has been worked out by a White House panel. If they strike, the flight engineers will be ignoring the public interest and national interest which are represented in this high-level panel.
>
> The main issue turns on the problem of how to cut jet cockpit crews from four men to three. Unions and management in the industry have agreed with the Presidential board that only three men are needed. The present arrangement provides for three pilots and a flight engineer.
>
> On this issue of the crew makeup, TWA, Pan American, and Eastern Air Lines face the immediate possibility of a strike. It comes down to a question of whether the flight engineers union or the pilots union would represent the third man in the three-man jet crew. The airlines and the pilots hope for an agreement on a third man qualified as both a pilot and a flight engineer.
>
> If pilot training is required in the combined job, the pilots union is expected to ask the National Mediation Board to declare the cockpit crew a single unit and conduct an election to determine representation for all of the cockpit jobs. The flight engineers, outnumbered 3 to 1, know that they would lose. They fear that a merger with the larger union would cost them their seniority and, eventually, their jobs.
>
> But the White House panel has already proposed a range of job protection measures for the engineers. They would be offered a choice of a ground job, early retirement, sizable severance pay or pilot training to qualify for the three-man crew.
>
> A strike of the three threatened airlines would put 62,000 persons out of work. The economic loss would run into millions of dollars a day. Three of the principal U.S. air carriers would be grounded during one of the busiest seasons of the year. It would cripple air transportation through a large part of the United States and the world.
>
> The flight engineers' fear of arbitration is understandable. Several neutral boards already have recommended the merger of their union with the pilots as the only possible solution.
>
> As President Kennedy pointed out, no one has questioned "either the wisdom or the necessity" of the recommendation by the White House panel last year. A strike would seriously damage the public welfare and the economy. An interruption of air service cannot be justified in the present circumstances, even if the President is forced to go to Congress for emergency seizure powers.
>
> But there is another way out. As the President stated, the flight engineers should either submit their case to arbitration or agree to some other means of settlement. Certainly a crisis of this proportion deserves the benefit of arbitration.

## ALLEGED LOBBYING ON THE DEBT LIMIT

**Mr. KEATING.** Mr. President, first I express my gratitude to the Senator from Louisiana for allowing me to intrude for a few moments on a different subject.

The House has adopted a rather compromise arrangement with relation to extension of the debt limit, and that measure will shortly be before this body for action.

There were disturbing rumors, from more than one source, that the Defense Department was being used—or I should say abused—to lobby for this legislation in the other body.

There were reports that various firms which do business with the Federal Government in the defense field were told to urge their Representatives in Congress to support an increase in the debt ceiling if they wished the firms in their congressional districts to receive prompt and full payment from the Department of Defense for work done.

I trust there will be nothing similar to that when the bill reaches this body. I must say, although I have a very deep interest in the problem of defense contracts, that I have not myself been in any way approached by any firms which do defense work with reference to the pending proposed legislation, now before the Committee on Finance.

I trust that neither I nor any other Senators will be approached in the way it is alleged Representatives have been approached in the other body. That is a clear violation of title 18, section 1913, United States Code, which states:

> No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

Mr. President, this direct and flagrant lobbying by the Department of Defense—if it has, in fact, taken place—is not only illegal but also is bound to call into question the basic integrity of government procurement at all levels. A recent article published in a Florida paper, which was called to my attention, indicates that the threat of withholding defense contracts is being used there to keep political insurgents in line. If these allegations are unfounded, the Defense Department should be the first to request an investigation in order to clear its name.

Furthermore, if the present administration is really concerned over the possibility of not having sufficient funds available to pay for defense contracts, there are plenty of areas in which economies might well be made without cutting into vital defense projects.

Every area of Government spending should be investigated and thoroughly explored for possible economies before money is withheld from defense contractors who have done their jobs.

I sincerely trust that nothing like what has been rumored will happen on this side of the Capitol. I am very sure that this kind of lobbying tactic will win no vote in the Senate for the debt limit or any other measure. I also hope, Mr. President, that our Nation's defense contractors will not let themselves be used in this manner by the Defense Department, if that has happened.

I invite attention to General Eisenhower's last words to the Nation when he left office, which were to warn of the potential political power of our Nation's defense and industrial complex. Any attempt by the Defense Department to abuse this power for short term legislative gain would lend added impact to former President Eisenhower's admonition.

For these reasons, if any such effort is made in the Senate, any defense contractors who may make the effort certainly will have reason to expect it will be made a matter of public record.

Because of the rumors and allegations which have been made in the other body, I believe it would be useful if the Senate Permanent Subcommittee on Investigations were to reopen the hearings which it has been holding with respect to missile contracts and to extend the scope of this investigaiton to the entire field of defense procurement. The American people are entitled to know that the $50 billion we appropriated for defense work will not be used for anything except defense.

Mr. President, we have all been shocked by the revelations in the Billie Sol Estes case and the way in which Agriculture Department funds have found their way into private pockets on a political basis. The Agriculture Department budget is in the nature of $7 billion. The Defense Department budget is at least seven times as big—$50 billion. The American people are entitled to know that the Defense Department is living up to its national responsibility and is serving only the defense of the United States.

For these reasons I suggest and urge an immediate and full investigation by the Permanent Subcommittee on Investigations, headed by our distinguished colleague from Arkansas [Mr. McClellan], of the charges of pressure tactics by the Defense Department.

One of the first steps should be to get from the Defense Department immediately a list of the firms which were contacted with requests to tell their Representatives to vote right on the pending legislation. Reportedly, if we are to accept the rumors, that is a very long list. This information should be made public by the Defense Department immediately. If the allegations are not true, the Defense Department should be the very first to wish to clear its name.

I repeat that I have no personal knowledge because I have not been approached in any way. However, the rumors are very disturbing. For that reason I believe it would be in the national interest for the committee of the Senator from Arkansas [Mr. McClellan] to delve into this question. If the allegations are unfounded, the investigation would be in the interests of the Defense Department itself.

I thank my colleague from Louisiana.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without prejudice to my rights.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Burdick in the chair). Without objection, it is so ordered.

## THE OBLIGATIONS OF A NEWSPAPER OWNER—TRIBUTE TO JOHN S. KNIGHT

Mr. SMATHERS. It is my pleasure to ask that unanimous consent be given to the insertion in the Record of a fine editorial which appeared initially in the Morgan County (Ohio) Herald and was later reprinted in the Miami Herald of January 29.

This editorial is devoted to one of the most outstanding journalistic personalities of our day—John S. Knight.

I think that I could do no better in describing this man than in quoting from the article which terms John Knight as an "idealist and truly American to the core." The article goes on to state that "we do not always agree with his conclusions, but he does fairly and logically and without partisan prejudice, present his viewpoint on great public issues in a way that inspires thought and confidence in the writer."

Mr. President, it is reassuring to know that men of Mr. Knight's caliber hold positions of such responsibility and influence. This article is a well-deserved tribute to a man who is a credit to the newspaper world and to our Nation. I ask unanimous consent that it be placed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### A Newspaper Owner Has Obligations

For the past 12 months, it has been a privilege to read "The Editor's Notebook" in the Detroit Free Press. The "Notebook" is a column written each week by the editor and publisher, John S. Knight. Mr. Knight is one of America's foremost publishers. His vast holdings include the Akron Beacon Journal, the Free Press, Miami Herald, Charlotte Observer, and other important papers in the newspaper world.

As head of this huge newspaper empire, the responsibilities and business burdens of John S. Knight are heavy, indeed. He could easily divest himself of the chore of editorial writing by hiring others and depending upon the columnists. However, as was his father, Charles L. Knight, before him, the son is an idealist and soundly American to the core. It is a cardinal principle with him that not only does the owner of a newspaper have the obligation as such to print the events of the day but to interpret things of importance for his readers; in short to write editorials.

For 25 years, Mr. Knight has conducted his nationally known Notebook. We have read this with profit and pleasure. We do not always agree with his conclusions, but he does fairly and logically and without partisan prejudice, present his viewpoint on great public issues in a way that inspires thought and confidence in the writer.

In the final analysis, a democracy is what the majority of the people want it to be. If governmental affairs are soundly administered, it is because a majority of the people want it that way. Someway, after reading Mr. Knight's column during the past year, we have felt a sense of reassurance as to the function of the fourth estate in molding public opinion during a critical period of world history. There are still left, great editors and publishers, such as John S. Knight, among whom love for America and a deep sense of public duty are paramount and transcend the lure of the cashbox.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. LONG of Louisiana. Mr. President, on Friday the Senate began its consideration of H.R. 11040, a bill to determine who shall own and operate a communications satellite system, which could have a revolutionary impact upon many other aspects of our lives. Since this area of space development is the first major fruit of our vast public expenditures, the decision we make here today and tomorrow will have far-reaching political and economic implications because they will create a precedent for later solutions in other areas of human activity in space.

Before we can make intelligent decisions, there are many questions to which we must find the answers. Among them are:

First. What are the uses and possibilities of a satellite communications system?

Second. Will ownership, control, or participation by existing international common carriers mean an extension of monopoly into a new technology or a new field?

Third. Has past experience shown whether regulation is an effective substitute for competition?

Fourth. To what extent can space, through the Government's more than $25 billion investment in technology, be considered a public resource?

Fifth. Will control or ownership by the present communication carriers inhibit the realization of the maximum potential of this great new technology?

Sixth. Will control by industry provide us with the most efficient, economical, and advanced system available?

Seventh. Will the scale of private investment be adequate or commensurate with the public interest?

Eighth. To what extent will a civilian communications satellite system become an integral part of our defense system?

Ninth. Can private ownership fulfill the needs of our foreign policy?

Tenth. What will be the impact throughout the world if such an international communications system, sponsored and developed by the U.S. Government, is to be owned or controlled by either one large company or a group of a few large companies?

Let me say at the outset that I am not opposed to private ownership, eventually, of a communications satellite system. However, I am opposed to giving a satellite system or the right to establish one to any particular corporation before we know what we are doing, before we have it, and before we are in a position to assure ourselves that maximum competition for the benefit of the public will be available.

It is strongly my feeling that the commercial interests which are pressing the hardest—and I have in mind a single large corporation at this point—to enact the pending bill at this time are seeking to obtain this vast asset, achieved at a $25 billion Government investment, prior to the time that the people know what it is all about, on the theory that it is much easier to get this enormous asset, with its fantastic possibilities for the future, before the public knows what it is, before it has even been established, before we have it in operation, than it would be in a year or in 2 or 3 years, after we had had an opportunity to study the matter and to have answers to some of the questions that I have posed, which should be answered in the event that such legislation is to be passed.

Therefore, I am not speaking for public ownership. I am simply saying that we should not give this asset away before we know what it is, and before we are in a position to assure ourselves that the terms under which it is to be given away are those which are calculated to be best for the overall benefit of the 185 million people in the United States and, indeed, for the billions of the people in the world.

These are but a few of the many difficult problems we must consider. We must analyze all available facts in an objective, unbiased, and dispassionate manner. All the facts and the issues must be known and understood both by the Congress and by the citizenry before constructive legislation can be considered.

Instead, what do we find? Because of an almost complete blackout by newspapers, radio, and television, our citizens are not aware of the great public issues involved. I doubt if my colleagues in the Senate could pass even an elementary examination in the subject matter and its implications.

Instead of objective, unbiased information, we have been bombarded and almost overwhelmed with cliches, slogans, half-truths, and misinformation provided by special interest groups. We have been subjected to lobbying activity the like of which the Congress has not seen recently.

This bill before us today embodies some of the most important policy considerations which the Congress will have considered for a long time to come. Its consequences will be felt for generations. The decisions we make will be difficult to reverse, and I cannot think of a greater violation of the public interest than to try to rush this bill through in this session of the Congress.

I intend to subject this legislation to the closest scrutiny, and I propose to lay the issues—stripped of the cliches and slogans—before the Congress and the American people.

### II. POTENTIALITIES OF A SATELLITE COMMUNICATION SYSTEM

It is essential for the interests of the country that we thoroughly understand what can be done before the decisions are made as to just how we will use this major achievement in space that we have. I do not think there is any question at this time of the fact that we have a major achievement. I think there may be some question as to the extent of what it is. But, certainly, there is no real issue at the moment but that satellite systems provide an opportunity to form new methods or new services in the area of communications; new services to handle weather forecasting, to anticipate disasters and other opportunities of that sort.

Certainly, this provides a new and significantly better way of providing navigational information to all kinds of vessels. It conceivably can provide the opportunity for global broadcasting, the opportunity for mass communciation between peoples of the world, the like of which we had not dreamed of even 5 years ago.

And, finally, it gives us the opportunity now to think in terms of inspection systems that will let us know what the intentions of our neighbor or our neighboring nations are to us, and will, for the first time, perhaps, begin to give us as a practical matter an opportunity to have some information on which we can rely, that will tell us whether or not we are in danger of being clobbered, if I may use the word.

These are possibilities that we see in this scientific achievement. There is, of course, still a substantial amount of engineering and development work to be done, and there is no question about that.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. BARTLETT. Unfortunately I came into the Chamber only a moment or two ago. Therefore perhaps the Senator from Louisiana has already given the answer to the question I should like to address to him. If the pending bill were to become law now and the corporation were to be organized promptly, so as to be established by September 1 of this year, for example, could we then expect immediate communication by satellite?

Mr. LONG of Louisiana. No; it would be in merely an experimental stage for the next 2 years.

Mr. BARTLETT. For the next 2 years?

Mr. LONG of Louisiana. Yes. We would be in a position during some time short of that period to have a certain amount of communication on a test basis; but so far as any reliable basis is concerned, it would be 2 years, according to the best information we have, before it could be expected to have reliable service, even if the bill were to be passed.

Mr. BARTLETT. Do I correctly understand that the distinguished Senator from Louisiana was the chairman of a subcommittee of the Committee on Small Business which held extensive hearings on this subject?

Mr. LONG of Louisiana. Yes, I conducted hearings for the Committee on Small Business. The hearings were conducted over a period of about 8 days, during which the subcommittee examined rather thoroughly into the proposal, considering the time which was available to us. I believe our hearings actually were longer, so far as concerns actual testimony taken, than were the hearings conducted by the legislative committees on the subject.

Mr. BARTLETT. From the testimony which the Senator heard, which of the two systems which he has described would be initiated by the private carriers—the new corporation?

Mr. LONG of Louisiana. I shall come to that a little later in my address. However, there are proposals for a low-altitude system, which would comprise satellites orbiting at about 6,000 miles, and for a synchronous orbiting system, which would have satellites orbiting at a distance of 22,290 miles above the earth.

As I attempted to spell out previously, when I first discussed the proposal, in my judgment if we are really trying to go the free enterprise route and establish effective competition for existing services, so as to inure the maximum benefit and competition, it would not be desirable to have the corporation embark upon the low-altitude system. There is serious doubt in my mind that that system should be used for anything more than experimental purposes, because the synchronous system could be in full operation almost as soon as, and perhaps sooner than, the low-orbit system; and it would cost much less and provide a much superior service.

To try to give some basis of comparison, I should say the probabilities are that a synchronous system would cost 10 percent as much and would provide two or three times better service than if a low-altitude system were to be used. It seems to me that most private enterprise operators would not be interested in the low-altitude system unless they were prepared to go into it on a regulated utility basis, which would enable them to get their money back from someone else.

Mr. BARTLETT. Is it the Senator's conclusion that even if a start were made on a low-altitude system, sooner or later it would be necessary, for a very good reason, to go to the high-altitude system?

Mr. LONG of Louisiana. The Senator is completely correct; because when we get into the details, we see how impractical the low-altitude system is. It is a system which could perhaps be made workable, but it would involve a high operational cost. It would require much more equipment and fantastically greater investment, and would entail greater operational difficulties than would a synchronous system. One could say that it would really serve very little purpose to establish a global communications system, using the low-orbital system, which I understand is what is being proposed and what will be attempted if the bill is passed in its present form. In my judgment, it is a mistake to try to put private enterprise into that type of operation, for it will not be a good system in any event.

Mr. BARTLETT. As the Senator from Louisiana may know, I joined with the senior Senator from Texas in presenting minority views from the Committee on Commerce on the proposal. In connection with what the Senator from Louisiana has said, I should like to quote from the minority views. Senator KEFAUVER had asked a question of a vice president of Western Union Telegraph Co.

> Senator Kefauver. Suppose you had a corporation of $200 million right now. What would it do with the money?
>
> Mr. Barr. Well, for an appreciable period of time, it would sit on its hands. Deferral of this legislation until next year will not delay the development of a space satellite communications system in any degree.

In light of that statement, I renew the question I earlier asked of the Senator: Does he know of any good reason why, in June 1962, Congress should rush this bill to passage?

Mr. LONG of Louisiana. No, I do not know of any good reason why that should be done. Actually, the important thing is that the Nation should proceed as rapidly as it has been proceeding to overcome the technological and engineering problems involved in placing such a system into operation. As I said on Friday, the Government can always give the system away any time it wishes to do so. The easiest thing to do is to give it away. As the Senator from Alaska knows, someone is always willing to take something of value if the Government is in a position to give it away.

As of this time, the Nation cannot afford to entrust to a private corporation matters which are important to the foreign policy and the survival of the country.

So far as being first in space with a communications system is concerned, it is important that the United States be there, whether on a private enterprise basis or on a Government basis. So long as the Government continues to support the project and do the research and development work, it will be in a position to insure that the system will not fail because of a lack of financing, so long as Congress is willing to vote the appropriations. Thus far, I think the Senator from Alaska will agree with me, Congress has been willing to vote whatever money was necessary to catch up with the Russians and get ahead of them in the development and exploration of outer space.

Mr. BARTLETT. There has been no congressional lag in that respect. I do not recall the Senate ever refusing to vote every cent requested; in some cases, I believe it has given more than the amount in the budget items.

With respect to the Senator's statement about the implications in our foreign policy, I am very much concerned about one section of the bill which, as now written, provides that the corporation to be formed under the bill may be comprised partly of private carriers and partly of public representatives, and partly of representatives appointed by the President and confirmed by the Senate. The corporation, in respect of foreign matters, is obliged only to notify the Department of State of the negotiations. The original language was much more demanding and provided:

> All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

I should think, in any case, that the language which provides that the corporation merely has to notify the Department of State is altogether unacceptable, because it places the private corporation in a role where it can make U.S. foreign policy. I feel certain that the Senator from Louisiana will agree with me that that goes much too far.

Mr. LONG of Louisiana. I agree with the Senator from Alaska. So far as I know, it is unprecedented that the U.S. Government would license a private corporation to conduct the foreign affairs of the United States, and to a considerable degree complete that undertaking and put the President, the National Aeronautics and Space Administration, and the State Department to work for the privately owned corporation.

The bill is necessary if the particular communications common carriers are to be able to participate in the effort; otherwise, they would be in direct violation of the antitrust laws, which prohibit monopolistic concerns from pooling together in a joint undertaking, because they further tend to strengthen the combine and the mutual activities among the concerns. This tends to eliminate competition even more between the companies.

Mr. BARTLETT. The Senator from Louisiana has already said that the carriers or the Government or both of them together or anyone else who might be brought in would use the work already done to initiate the satellite communications system, and the Senator from Louisiana has also said that much further experimental work—costing no one knows how much—will be required; and billions of dollars have already been spent on it. If that is the case, does the Senator from Louisiana know whether the corporation which would be formed would put up all the additional money required for the further experimentation, or would the Federal Government be obliged to continue to make these contributions?

Mr. LONG of Louisiana. Mr. Webb, in testifying before the Interstate and Foreign Commerce Committee of the House of Representatives, was asked a similar question—in other words, whether NASA expected to continue its research and development in that field. He replied:

> Yes, sir. It is contemplated that the National Aeronautics and Space Administration will continue to do active research and development on the technology involved in using communications satellites and the tie-in with communications satellite systems.

So it is contemplated that the Government will work for this corporation, in providing further research and development for this purpose, even after the corporation gains control.

And, as shown on page 624, Mr. Webb also said:

> But also we will have a lot of measuring devices on this satellite that will measure the flux, the field, the radiation, and all of the other factors of the environment through which this will fly. Now, all of that information will come back to us, and will be analyzed.
>
> It will then go to the companies who are in the field, so that every company that has a need to know this information will have available all of it which is derived from the relay program.
>
> This is a service to all the industry, and is broader than the research that one company would do and would utilize for its own purposes.

So we see that the Government would continue to do a great portion of this work, although the Government would not have any prospect of sharing in the profits, but would only provide this service to the corporation.

Mr. BARTLETT. The remarks of the Senator from Louisiana are in harmony with the minority views, in which it is stated:

> Even if a decision were made to place ownership and control of this country's satellite communications system in a private monopoly, the Government would necessarily continue to have its leading role. The Government would be required to:
>
> (1) Furnish launch vehicles.
>
> (2) Launch the satellites and provide launch crew and associated services.
>
> (3) Consult with the private corporation regarding technical specifications for satellites and ground stations and in determining the number and location of such facilities.

And to do many other things which would be essential.

If this program is to have the successs we hope and believe it will have, all that must be done.

Likewise, the Assistant Secretary of Defense, Mr. John H. Rubel, told the Senate Space Committee that about 90 percent of the problem involved here has nothing to do with communications as such, but that it is rather a byproduct or an extra dividend, as it were.

Mr. LONG of Louisiana. Let me say that that is the best I can determine from the lobbying activities with which I have become acquainted. I do not criticize anyone for lobbying in favor of the passage of a bill which will benefit his corporation; I believe that to be his privilege under the Constitution. But the best I can determine from the persons who have contacted me—I refer to persons representing commercial interests—is that only one corporation is interested in this matter, and that is the American Telephone & Telegraph Co., which, through its subsidiaries, owns over 90 percent of all the telephone equipment in this country.

There are many possibilities that we can see in connection with this bill, and no doubt many of them would happen if the bill were enacted into law. I believe many such possibilities would be in the direction of tightening the monopolistic grip of this one corporation on the future control and use of the system.

As I pointed out on Friday, it would actually be to the advantage of the company that the system not be profitable for a number of years to come; and I submit that the low altitude system which I have described, and which I shall describe at greater length later on, presents the possibility of losing $400 million or $500 million very easily. So it is not something that a good businessman would want to be a part of. But this bill would make it possible for this company for years to come to have its cake and to eat it, too—as a result of the loans and the Government assistance it would be able to receive. The company could very easily lose a great deal of money in the process, but as a result of the procedure to which I have referred it would be able to tighten its control and would have a greater equity in this matter than it would have if the Government proceeded to experiment and develop the communications system.

Of course, my personal feeling is that the Government should go directly to the central orbit system; and I predict that the Russians will do that if they wish to have a communications satellite system, instead of having these low-orbit satellites. Instead, the Russians would place one at the proper distance in space, so that it would remain at a fixed point in the sky, which, if a telephone microwave system were used, would be 22,500 miles high.

Mr. BARTLETT. As I recall, on Friday the Senator from Louisiana said there might be a situation in which a private carrier, a member of the corporation, would suffer great losses, but would be able to recoup them, while the period of loss persisted, by services performed in connection with more conventional methods. Is that correct?

Mr. LONG of Louisiana. Let me give an illustration: The bill would permit this corporation to borrow money from the Bell Telephone System, and the money it borrowed could be included in the rate base of that system. Suppose that in pursuance of the terms of the bill the corporation borrowed $500 million from the Bell Telephone System, which is one system, regardless of whether it is called Southern Bell or Pacific Bell Telephone or Chesapeake & Potomac Telephone Co. or any of the other 18 names this corporation goes under. If it borrowed that money and if the whole thing proved to be impractical and just a bunch of junk, the bill would still permit Bell to put that investment into its rate base, and thus it would be in a position to make a return of at least 6½ percent—much better than the return on a Government bond. So even if the communications satellite system failed completely, Bell would still be in a position to make 6½-percent return on its other services. In other words, it would be able to make more money than it would otherwise be entitled to make, and to get back everything it lost, plus a 6½-percent return for having loaned the money to the corporation.

That would be a pretty good arrangement of "heads I win, tails you lose," compared to a private investment. These telephone companies would only have to advance their money; and even if the satellite system proved to be commercially impractical and did not actually make money, the telephone users would be charged a rate high enough to enable the Bell System to get back its money, plus a profit of 6½ percent, in addition.

Mr. BARTLETT. So the Senator from Louisiana is suggesting that the housewife would both figuratively and literally have to take up the slack.

Mr. LONG of Louisiana. That is entirely correct. Furthermore, it would actually be to the immediate profit advantage of American Telephone & Telegraph Co., in connection with its great economic power and control over this matter, to see to it that the system did not make money for many years to come.

I do not know whether the Senator has had an opportunity to discuss the matter with representatives of the American Telephone & Telegraph Co. I have. It took me a long time before I decided my position. They have discussed this matter with me. They told me it will probably take a great many years before the company could make money; that if the system went out of order, people could not be sent there to fix it. All of which leads me to ask, if it is so bad, why do they want it? I think the answer is that it might be a future system of communications far superior to the services they are presently providing. If that is so, they want to be sure that they have control of it, so it does not outrace them in the future.

Mr. BARTLETT. I think the Senator will agree that few situations could be found where companies could go into this field with the Government ready, willing, and, we hope, able, to pay a continuing bill for development.

Mr. LONG of Louisiana. There are all sorts of ways in which the bill makes it possible for the American Telephone & Telegraph Co. to gain control of what could be a great potential competitor with its existing services. There is quite a bit of language in the bill which on its face appears to seek to prevent that result. I would not doubt the good intentions of those who put that language in the bill, but when one recognizes what the facts of life are in this field, he will recognize that the suggestions about effective competition can be circumvented by the control the corporation can achieve over the satellite corporation. He will find this still is a bill that he would expect this giant corporation to be pressing and promoting.

So far as the Justice Department and the committee's having spoken in favor of competiiton is concerned, I believe it will be found that the greatest of the world monopolies at this time would still think that it had better take this bill, even with these limitations in it, rather than let Congress study this proposal and put more limitations in the bill and do what should be done to provide that there shall be effective competition between satellite communications and existing communications.

Mr. BARTLETT. The Senator has asked me if I have been lobbied on this bill. My answer is, "No, I have not been." On one occasion, and only one occasion, some months ago, I had an opportunity to have luncheon with a representative of the A.T. & T. He simply sought on that occasion—and it was a long while ago—to explain the company's position, and it did not go further.

If the Senator will allow me to say, I note the minority views——

Mr. LONG of Louisiana. May I interrupt the Senator to ask a question? I believe his answer was clear, but has any other company contacted the Senator about this bill?

Mr. BARTLETT. The answer is in the negative.

Mr. LONG of Louisiana. The point I have in mind is that with all the talk about free enterprise, it is good to keep in mind who it is that wants this arrangement. No other corporation in this country has suggested to me it felt this was a bill we should pass and that it would be in on it and that it thought it would be a fine thing. There is just this one company that is interested. Frankly, I invite any company who believes this is a good bill to express itself on it. It is its privilege under the Constitution.

Mr. BARTLETT. The RCA people and the Western Union people have not come in to see me. No private carrier except A.T. & T. did, and I have explained that was on one occasion only. I certainly would not call that lobbying, if that is the right word to use here.

Of course, I agree wholeheartedly with the Senator from Louisiana that Members of the Senate are better educated if they have the views of interested individuals and concerns on any legislative proposition. We welcome that sort of thing.

As I was going to say, the minority views suggest that the stock price to the public should be placed at not more than $10, instead of the $100 provided in the bill, but assuredly not more than $25.

Upon reflection, I do not know that I would agree with that suggestion, although I signed the report, because, on afterthought, my view is that such a provision might be an indication for the little fellow to get into it, and I do not think he should come into it and gamble with his money, for two reasons: First, it may be a long time, as the Senator has suggested, before this enterprise will be profitable. Second, I cannot, for the life of me, see how the public is going to have any effective control over the destinies of this corporation, private though it may be in name and practice, because the larger stockholders are going to dominate it, and the fellow who has $1,000 invested is going to have very little to say about how the corporation shall be run, any more than he does in regard to General Motors, or Sears, Roebuck, or A.T. & T., or any of the other big companies.

Mr. LONG of Louisiana. Of course, there is much merit in the suggestion of the Senator. So far as control of the corporation is concerned, it has been testified many times than one owning as much as 5 percent of the stock of a publicly held corporation whose stock is widely scattered can control that corporation. In this case, as the Senator knows, under the bill, 50 percent of the stock would be set aside for the so-called communications common carriers. Assuming a large amount of money was necessary to put the company into operation, there is only one company that could put up a great amount of money, and that is American Telephone & Telegraph Co., with the result that the corporation would be in a position to have a vast amount of power.

Three of the directors of the corporation are to be named by the President. That provision causes me to ask some questions, too. When in a private corporation there are public members of the board, for whom are those public members supposed to speak? The United States or the stockholders? Ordinarily, the directors speak out in favor of the best interests of the company. What are the considerations to be when the President appoints three directors to the board?

How do we know, for all intents and purposes, that one or two of these giant corporations might not have enough influence throughout Government to see that one of its men was named?

Furthermore, if it is up to the American Telephone & Telegraph Co., for example, to say who the other directors shall be on the board to constitute a majority, while there is a prohibition, I assume, against any one of their officers being on the board, that prohibition would not apply to stockholders in American Telephone & Telegraph Co., and directors of the satellite corporation who owned stock in American Telephone & Telegraph Co. might vote for interests parallel with those of American Telephone & Telegraph Co. The result might be that control would be achieved, certainly of a majority of the directors. Such an occurrence would be at complete variance with the policy Congress adopted when it provided that a railroad could not own a water carrier. The Civil Aeronautics Board has been reluctant to permit a railroad to own an airline. The policies of the Government have made it impossible for a railroad or water carrier to own a commercial busline or trucking line in this country.

The fact that this policy was pursued has caused the most rapid development, and has resulted in the most effective competition which each of these carriers could provide.

We have observed, in the history of the American Telephone & Telegraph Co., that company has repeatedly attempted, insofar as it could, to prevent the development of new communication services outside this corporation, whether they were telegraph lines, teletype lines, television cables, microwave transmission, or anything else. This corporation has undertaken, insofar as it possibly could, to completely control every phase of communications.

That is what is involved in the pending bill. If this program gets beyond the control of the corporation, there might be actual and effective competition between existing methods of communications and space methods of communications, which could be authorized by use of satellites.

Mr. BARTLETT. What the Senator has said proves conclusively, in my opinion, that we are seeking to chart new skyways not only in respect to communications, but also in respect to corporate structure. It is so novel and so new that we find difficulty in comprehending it. We do not know how it will work out.

I am very grateful to the Senator from Louisiana for yielding to me, as he has. If he will permit me to do so, I wish to say further, before allowing him to resume his formal speech, that I resist and even resent implications which have been made by some uninformed people that my friend the senior Senator from Rhode Island [PASTORE], and those associated with him—who constitute, as we know, a majority in the Committee on Commerce, in which committee there were only two dissenting Senators—are involved in any way in a giveaway program.

The Senator from Rhode Island said on Friday that he is willing to stand on his record in behalf of consumers over his many and effective years in public life. I wish to certify that I have some knowledge in that regard myself. I could not agree more wholeheartedly. Of course he and the other Senators who are advocates of the bill are not involved in any giveaway program. They believe, as all of us do, that the free enterprise system is appropriate for this particular purpose. Some of us have a feeling—at least I do—that while we have absolute dedication and devotion to the free enterprise system, the satellite communications system is so new and so untried, the returns from it are possibly so great, with so much yet remaining to be done—all the work so far, practically, has been done by the Government—that the Government should have control for a period of time, at least until the bugs are worked out, until we can see where we are going, and why.

As the vice president of Western Union Telegraph Co. told the senior Senator from Tennessee, there is no need to hurry now. Nothing will be accomplished by passing the bill this year. As the Senator from Louisiana has explained to me, not once but twice, it will be at least 2 years before the satellite communications system can be put into use and can be effective. If that is the case—and I know it is, from what the Senator said—why do we not wait? Why do we not see which way the program will develop?

Mr. LONG of Louisiana. The point is that we can always give the system away to any particular corporation to which we wish to give it. We should be taking care to see that when it is disposed of or placed in private hands it will be placed in private hands for the best interests of all the people of this Nation.

I should like to give to the Senator a simple reason why this is true.

I am advised by some of the people who work for the Hughes Aircraft Co., which has a contract to build the capsule which would be used for the synchronous orbit communications satellite, that in their best judgment, they should be able to have a synchronous satellite in orbit within 2 years. They feel the system could have 1,200 circuits. With a total of 1,200 circuits, they think with only 40 in full use they ought to be making money; and that is based on the assumption that the rate to be charged for overseas calls would be 50 percent of the rate which is now being charged for telephone calls overseas, with perhaps a lower rate than is presently being charged for many long distance domestic calls, such as calls to Alaska and places like that.

Mr. BARTLETT. Yes. It would be well if the rates went down a bit on those calls.

Mr. LONG of Louisiana. Let us face the problem. A.T. & T. presently has the cables under the sea. As I understand that situation, there are about 64 channels in those cables. Such a corporation would not wish to cut its rate in half. If its competitor should put the rate at one-half, it would be necessary to drop the rate even though the volume were not sufficient to offset expenses, thus possibly causing losses for the corporation. That is how competition works.

As the Senator knows, we do not guarantee the railroads will make a profit on the transportation of persons. We do not guarantee that the airlines will make a profit on the transportation of persons. Some of the smaller airlines are subsidized, but the bigger ones are willing to compete with each other and to compete with the surface carriers. They are regulated as to the amount of the profit which they can make, being limited to a fair return, but they are not guaranteed the profit. That is why they are permitted to make a rate of profit which is substantially more than would be true if one were considering only Government bonds or some sort of very safe security such as corporate bonds.

Now we see the prospect for a great competitive service to the leading existing communications common carrier. The bill before us is designed to prevent that competitive situation from developing.

There are some good features in the bill. However, I am compelled to say, for the reasons I have stated, when we consider what competition can mean for the public good we can see how it could well be to the advantage not merely of A.T. & T. but also of the smaller communications carriers as well to retard the development of this new service, with the lower rates it could bring.

From the public point of view, it would be well to see that the lower rates were available to the public at the earliest possible moment.

Mr. BARTLETT. I should like to ask the Senator if the Hughes Tool Co. people were able to indicate to him how many of these channels could be put into full use in the first year or two after the system is placed in operation?

Mr. LONG of Louisiana. My understanding is that they figure that when the satellite with 1,200 channels is put into orbit, they would be in a position to use the entire 1,200 channels, but even if they had only enough business to make full use of 3 or 4 percent of the capacity in the satellite, at rates half the existing rates, they would be making money.

That compares to the kind of thing A.T. & T. wants to take the Government into in the low-orbit system. I would say that that would appear to be a rathole for the investment of public or private money. It would require untold numbers of satellites. I understand it would require 40 satellites in orbit, for example, to assure enough orbiting around the earth to maintain a constant communication between the United States and Europe. In order to have worldwide coverage, I understand there would be a requirement for about 400 satellites in orbit.

Mr. BARTLETT. May I ask the Senator to repeat his figure? How many satellites would be required for communications between the United States and Europe?

Mr. LONG of Louisiana. About 40.

Mr. BARTLETT. Did not the Senator say on Friday that one of the high-altitude satellites would cover 92 percent of the portion of the world which has effective use of long-distance communications now?

Mr. LONG of Louisiana. A single synchronous satellite placed in orbit directly above the equator at about 22° west longitude, which would be about midway between Africa and South America, would tend to remain in the same position in the sky. It would travel at a speed of roughly 7,000 miles an hour; and with the earth turning at the rate of about 1,000 miles an hour, the satellite would appear to be exactly overhead at all times if one were at that particular point on the earth.

Mr. BARTLETT. Would the satellite be visible to the naked eye?

Mr. LONG of Louisiana. No, because it would be too small. However, the satellite could be seen by radar. If it were visible, it would appear to be exactly overhead. If one were looking at the satellite from our country, it would always appear to be toward the southeast. It would be at exactly the same spot in the heavens at all times, 24 hours in the day.

Having the satellite in such a position would bring about the same result, so far as concerns sending and receiving signals, that we would have with a television or microwave tower 22,290 miles high.

With the globe which I have in my hand representing the earth, I believe I can demonstrate the situation to the Senator. I point out a tiny dot at the top of a cone which I hold in my other hand. If that tiny dot should represent a satellite placed in orbit at a distance of 22,290 miles over the earth, being exactly over the position of 22° west longitude, it would be in the position I am now indicating.

Mr. BARTLETT. Yes.

Mr. LONG of Louisiana. At that point it would be in such a position that a signal could be sent to and received from the satellite so that 92 percent of all the telephone calls of the telephone users in the world could be relayed. With that single satellite those calls could be relayed 24 hours a day, and the satellite would remain in that position for years.

Mr. BARTLETT. Obviously the Senator from Louisiana is much better informed than I am on the technicalities involved. Would much time be consumed in sending a signal to the satellite and having it relayed to wherever it might be destined to go?

Mr. LONG of Louisiana. It would take about one-half second from the time one would speak into an instrument until that person's voice was heard at the other end. That brief period of time is not significant in the average telephone conservation. If the Senator were required to pay only half as much for the service as it presently costs, I believe he would be glad to put up with that slight degree of difference in getting his call through.

Mr. BARTLETT. That is fairly rapid.

Mr. LONG of Louisiana. It would be one-half second from the time the signal was sent at one end until it would be received at the other end.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. The testimony also indicated that the small technical disadvantage about which the Senator has spoken is now being worked upon. It was thought that the difficulties could be ironed out, that there would not be any delay in the sending and receiving of the voice. The testimony indicated that the slight carryback that might come from that three-tenths of a second delay in receiving the voice was a point that could be solved scientifically so that the difficulty would be removed. That was the testimony of the Hughes representatives. They seemed to know what they were talking about.

Mr. LONG of Louisiana. The Senator is correct when he speaks of three-tenths of a second. The president of RCA testified:

> There is a question whether that would be objectionable to the telephone call. This time interval has no significance for television, record, or nonvoice services.

I point out that the satellite could be used to relay radio broadcasts and eventually television broadcasts. The president of RCA said that it would be a matter of opinion whether the delay would be objectionable to a television user. Many telephone engineers consider the delay to be unimportant.

Mr. BARTLETT. I agree with him. I hope that the technical advances suggested by the Senator from Tennessee are not made, because even now, as we know, at times the person being called is at the other end of the line before we want him.

Mr. LONG of Louisiana. I illustrate to the Senator by placing the cone which I hold in my hand in a certain position. As the earth turned, the satellite would move at a more rapid rate, but at a rate which would match the rate at which the earth turns. As a result, the satellite would be in the same position in the heavens relative to any given point on earth at all times, 24 hours a day.

Mr. BARTLETT. Would it really be in the same position or would it only appear to be in the same relative position?

Mr. LONG of Louisiana. The whole thing is relative. The satellite would be in the same relative position at all times. There are advantages to constructing a system in that way. If the system were constructed in that way, those who have advised me on the subject have said there is no reason why the system could not show a profit in the first year.

If the low-altitude orbital system were adopted, by which great numbers of satellites would be put into orbit, it might be 2 years before all the satellites were in position in the heavens, because such satellites could be launched into orbit only at a certain rate.

Mr. BARTLETT. Am I correct in my assumption that a satellite, whether it be a low-altitude or a high-altitude satellite, must be tracked?

Mr. LONG of Louisiana. Under the synchronous system a satellite need not be tracked. I will illustrate by the use of a diagram in the rear of the Chamber. A fixed antenna, aimed at one precise point in the heavens——

Mr. BARTLETT. Is the Senator referring to the chart that is entitled "Single Fixed Antenna"?

Mr. LONG of Louisiana. Yes. For example, to receive a great number of channels, the receiving disc would be about 82 feet wide. It would be aimed at a single point in the heavens, at which point the satellite would be located. The antenna could be constructed in concrete at that point, if need be, because instead of moving the antenna to track the satellite, the satellite itself would be moved if it got out of the beam of the antenna.

In other words, certain equipment would be placed in the satellite to give it a certain amount of mobility, so that it would be slowed down, or moved a little closer or moved farther back in order to keep it in orbit at exactly the point desired. The result is that the satellite could be parked in front of the antenna, and if the satellite drifted away, it could be moved to the point where it would be in front of the beam of the antenna.

Such a receiving system as the one described would cost less than 2 percent of what it would cost to do the same kind of job with the multiple-tracking antenna that A.T. & T. plans to put into operation at the earliest possible moment.

Mr. BARTLETT. Less than 2 percent?

Mr. LONG of Louisiana. Less than 2 percent; yes. The project that A.T. & T. has in mind calls for 40 to 50 satellites, or perhaps 400 satellites, moving around in the heavens. The antennae would weigh a great amount. My understanding is that an antenna system built in Maine weighs more than 300 tons. It is mounted on rails and is built to a precision of one-thousandth of an inch. The whole structure is mounted on a cradle so it can be tilted with great accuracy and remain precisely focused on a satellite as it passes overhead.

Even with all that equipment and with all the technical problems involved, the antenna would be able to switch onto a satellite for only 6 to 10 minutes while it was passing between two points—for example, between the United States and Europe. So it could be in communication with only one other point on earth at the same time.

If a multiple-tracking system were to be used, the technicians would have to switch back and forth from one satellite to another. As one satellite disappeared, another would have to be picked up. As a result, radar antenna would be required to search the skies in order to find another satellite. It could not be seen but would have to be searched for by radar. A second 300-ton antenna would be mounted on the principle of a ship mounted on the top of a knife edge, swinging around endeavoring to find another satellite coming through and trying to track that one. With all the complications involved, a device of intricate precision would be required; and should any of the moving mechanism fail in the slightest degree, the result would be the failure of a very large investment running into many millions of dollars to do a much less satisfactory job than a system that would cost approximately $600,000.

Mr. KEFAUVER. May I ask the Senator a question at this point?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. With the necessity of the low-altitude system antenna tracking one satellite and then another during an 8- or 10-minute period, while the satellite is in the range of a particular ground station, would that not require also, if it is going to be of any use to other nations that those nations have a similar tracking system?

Mr. LONG of Louisiana. That is correct.

Mr. KEFAUVER. So there would be involved a tremendous expense in connection with this elaborate and expensive kind of ground system, because some nations would not be able to afford it. Therefore, how are they going to know when we switch from one satellite to another? Will they not have to switch at the same time in order to have any continuity whatever in the television or the telephone message that is being transmitted? Was that not brought out by the testimony before the committees?

Mr. LONG of Louisiana. The best information I have on the subject is that a single one of these multiple tracking horns of the proposed tracking antenna would cost $3,500,000. There would have to be at least three of them in one place in order to communicate effectively.

Mr. BARTLETT. With what?

Mr. LONG of Louisiana. With some other point. As the satellite is out in space and we wished to communicate between the United States and Western Europe, for example, we could communicate for 10 minutes while that satellite was passing from the North Pole to the South Pole, between those two points. That satellite would be in position for 10 minutes. Then it would pass below the horizon. It would then be necessary to wait for hours before we could continue the conversation through that particular satellite. That being the case, it would be necessary to have 40 of these in orbit, between the United States and Europe, in order to carry on a continuous conversation. It would be possible to switch from one to another to track it across the horizon, and a person on the other side would have to have the same equipment, of course.

One would not be able to switch over from one star to another with that fine accuracy that would be required using only one tracking antenna, so, therefore, it would be necessary to have an antenna training on the second satellite while the other one was still following the first satellite. As I say, so much equipment would be involved, and it would be so complicated, that it would be necessary to have a spare standing by in the event one of them should develop some difficulty.

Mr. KEFAUVER. Mention has been made of the cost which would be involved to our Nation and to underdeveloped nations, where the President wants this to be used also, and where it would have to be used, if it were to be of any use to the world. The Air Force has proposed to lease or rent two portable tracking stations for the A.T. & T. Telstar. The price is mentioned as $475,000 a year. That is not for the purchase of it. That is merely the rental price. I do not know whether this is an additional consideration, plus the consideration that A.T. & T. have a part in the joint control of information coming from the program. So if it is to succeed at all, it will be very expensive, and very few nations of the world will be able to afford a rental cost of that kind.

Mr. LONG of Louisiana. My best understanding is that to use a multiple-tracking antenna a nation should anticipate that it would have to spend $10 million in order to have enough tracking facilities to merely reach one point on the other side; that is, between this Nation and Europe. Therefore, to use the satellite it would mean a $10 million investment here in order to match $10 million on the other side. That is just the tracking antenna. Then it would be necessary to have 40 satellites. That involves a great deal of money. That would be only two points; for example, between the United States and Western Europe. Senators can imagine the problem that would confront a developing nation like Ghana or Nigeria, or any other developing nation, in its attempt to find skilled personnel who would be able to operate one of these multiple tracking stations. I doubt that such a nation could find the skilled personnel, even if it could afford the equipment, or even if we gave the equipment to it under some kind of lend-lease arrangement. On the other hand, the single, fixed antenna, to which I have referred, as a part of the synchronous system, could simply be set up and zeroed in against the right point in the heavens, and could be used at all times.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. BARTLETT. Did the Senator say early in his address that to provide complete coverage with the low-altitude satellites, over 400 would be required?

Mr. LONG of Louisiana. That is my understanding; in order to provide worldwide coverage it would take about 400 satellites.

Mr. BARTLETT. Does that mean that to keep track of these 400-plus satellites, it would be necessary to have an identical number of the multiple-tracking stations?

Mr. LONG of Louisiana. There would have to be a multiple-tracking antenna in each vicinity that wanted to communicate. Of course, one antenna could communicate only with one satellite at a time.

Mr. BARTLETT. One for one. Is that correct?

Mr. LONG of Louisiana. Yes. If we wished to communicate between the United States and Europe, it would be possible to communicate through several channels, perhaps, but that would be only between two points on the earth, such as between the United States and Western Europe. While we were communicating in that area, that same tracking antenna could not be used to communicate between this part of the United States and Alaska. Another satellite would have to be used for that purpose, and another tracking antenna would have to be used.

The Senator can see the fantastic investment that would have to be made in trying to merely establish the low-altitude system. After the whole thing was out there in space, we would probably find that it was already obsolete, because by that time someone probably would have placed the synchronous system into orbit at the right position in space.

Mr. BARTLETT. Did the Senator hear any testimony, assuming that we are ready with this system in 2 years, that any other nation will be ready to receive our transmissions?

Mr. LONG of Louisiana. I should imagine that at the time that we were able to put the synchronous system into orbit we would be able to have the receiving stations in position in other countries. I am now speaking of the synchronous system. As to the low-altitude system, that is rather doubtful. This is what Dr. Trotter had to say on that point:

> A random-orbit system could discredit us before the world as a leader in space communications if Russia establishes a stationary satellite system. If the United States went ahead with a low-random orbit system it would be possible for Russia to hold back until we were deeply committed to this system and had launched perhaps two-thirds of the satellites and then with three satellites the Russians could establish a truly worldwide system before our limited system was even in operation.

Mr. BARTLETT. Whatever the need for improved communications may be at this time, whether they come from satellites or from any other methods, is it not true, in the Senator's judgment, that this will be increased tremendously during the next 50 years, for two basic reasons: First, in the new nations which are now coming into being the people will become educated in these matters and they will want to join in it. Secondly, if the statisticians are correct, the world's population will increase by hundreds of millions in the next 50 years. I will not project it further into the future. Whatever is done now, therefore, will have a bearing upon the pattern for a long time to come. Is that correct?

Mr. LONG of Louisiana. The Senator is correct.

I might point out also, in discussing the relative merits of the systems, that we must keep in mind that even if the low altitude system should prove to be a fantastic money loser, without any prospect of ever showing a profit, it would still be to the advantage of the American Telephone & Telegraph Co. to go into it, because they could do much of this work by lending the money and being guaranteed a return on their investment, even though the entire venture failed—I mean being guaranteed to the extent that they could charge it off to telephone users for intrastate or interstate long-distance telephone calls.

Then, having driven out the little investors, the shoe clerks, they could wait until such time as the synchronous system was instituted to gain full control of this company and have it under whatever kind of operational control they would want to have.

Mr. BARTLETT. So the Senator from Louisiana finds it impossible, for all the reasons he has named, plus many more that he will cite before he ends his speech, to support the bill.

Mr. LONG of Louisiana. It seems to me that before the bill is passed, it should be drastically amended if it is desired to encourage the public to buy stock. We should try to amend the bill in such a way that people will not be the victims of loss operations to the ultimate benefit of such a large corporation; or amend it in such a way that the operation will make money in short order. That could be done by the synchronous system, not by the low-altitude system. Even if the low-orbit operation succeeded at all, the rates would hardly be any cheaper than the present rates. The operation would be experimental, in all probability.

Mr. PASTORE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. Where in the bill is there any indication at all as to what system will be adopted by the corporation? Will the Senator point that out to me?

Mr. LONG of Louisiana. It does not say in the bill.

Mr. PASTORE. Of course it does not.

Mr. LONG of Louisiana. I hope the Senator will develop whether the proposal is to be for a low-orbit system as an initial undertaking in space communications. An effort should be made to go into the synchronous system if there is to be profitable operations. Has the Senator undertaken to determine whether that would be the case?

Mr. PASTORE. That is not the point at all. The Senator from Rhode Island never undertook to do that, because he does not pretend to be an expert scientist or engineer. Actually, at this very moment, I do not believe anybody knows which system will be the final answer. But the implication has been left by the Senator from Louisiana this afternoon that the A.T. & T. is deliberately embarking upon a system which is the "bunk," and will lead to the spending of a large sum of money and which money will go down the drain. That is the point the Senator from Louisiana is making this afternoon. I think that is rather frivolous; actually, it is fantastic. Furthermore, under the bill, before the company can undertake any kind of system, it must go before the FCC.

Mr. LONG of Louisiana. If I were the Senator, and under the bill I were proposing to authorize someone to put a satellite system in orbit, I would like to know which system he was selling. If I were to pay the bill to give somebody a satellite system, I would like to know whether it was to be a synchronous system or a low-orbit system.

Mr. PASTORE. Why so? Suppose it proves that the low-orbit system is the true system. What if a high-orbit system is not successful? What qualification has the Senator from Louisiana to tell the people of the country, scientifically, the kind of system which ought to be in orbit?

Mr. LONG of Louisiana. Does the Senator from Rhode Island want to give the system to the corporation before he knows what it is to be?

Mr. PASTORE. I am not giving anybody anything. I am merely saying that the President of the United States has suggested the proposed legislation, so that we may get on with the job of doing what needs to be done. That is why we are here. We are determining what we should do. If the Senator from Louisiana is telling me that we ought to determine in the first year what ought to be done, I think we would be wasting time.

Mr. LONG of Louisiana. I think it would be a fine idea to determine what to do.

Mr. PASTORE. Does the Senator mean we ought to find out first what the perfect system is before a corporation is created, that we ought to spend the taxpayers' money to develop a system for the benefit of people who want to make a call to Paris, France, and then give the system away? I say we should not throw away the taxpayers' money. Let the companies which are interested in the project put up their own money and determine the kind of system which ought to be used. If the Senate is really interested in the taxpayers, this is the way to proceed.

The President of the United States has suggested that this should be done. Some of these proposals are being made by persons who are not practical, who may not be expert, but are coming before the Senate, saying that we ought to have low-altitude or high-altitude systems. They are pretending to know too much without sufficient experience based on experimentation.

Mr. LONG of Louisiana. I am not seeking to wrap the President in the bill or to wrap the bill around him. I think the bill should stand on its own merits. I know who was pushing for the bill, trying to get a bill, long before the President of the United States ever sent a message to Congress. I know about the organization of the so-called advisory committee, which was composed of and limited to communications common carriers. It is about the same as putting a fox in charge of protecting the henhouse. Here we see those people coming in with a bill which they are seeking to have passed. So we know where the pressure is and who has been trying to have the bill passed. We can analyze what has happened and see what is likely to happen. I am very much interested in knowing what will happen if the bill shall be passed.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. If the Senator will wait for a moment. The Senator says he does not wish to have the taxpayers contribute money which private enterprise can provide. Whom do we think we are kidding? The A.T. & T. can make a loan, and for every nickel they put into the program, they are entitled to get every nickel back plus a 6-percent return on their investment.

Mr. PASTORE. Where does the bill provide that the A.T. & T. can lend money?

Mr. LONG of Louisiana. Hold on just a moment. I will read it to the Senator.

Mr. PASTORE. I invite the Senator from Louisiana to read section 201 to find the answer. Before the corporation can borrow a quarter, it has to go to the FCC and get permission to do so. That is written into the bill. The Senator from Rhode Island made certain that that requirement was placed in the bill.

Mr. LONG of Louisiana. I do not think A.T. & T. would be hurt, based on the way the FCC has acted toward the proposed legislation.

Mr. PASTORE. I do not know about that; I simply ask the Senator from Louisiana to read section 201.

Mr. LONG of Louisiana. I prefer, first, to read section 304, subsection (3)(c), which supports the statement I have made:

> The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine.

Mr. PASTORE. Yes.

Mr. LONG of Louisiana. I continue:

> Such nonvoting securities, bonds, debentures, or other certificates of indebtedness of the corporation as a communications common carrier may own shall be eligible for inclusion in the rate base of the carrier to the extent allowed by the Commission.

Mr. PASTORE. The last few words are important:

> To the extent allowed by the Commission.

In other words, the Commission must act upon the proposal. I refer the Senator to section 201, with respect to the powers of the FCC.

Mr. KEFAUVER. Mr. President, will the Senator from Louisiana yield?

Mr. PASTORE. Mr. President, does the Senator from Tennessee resent my speaking?

Mr. KEFAUVER. I wished to ask the Senator from Louisiana if he would yield to me.

Mr. PASTORE. The Senator from Louisiana has already yielded to me. Is there any objection to my speaking?

Mr. President, does the Senator from Louisiana yield to the Senator from Rhode Island?

Mr. LONG of Louisiana. I suggest that the Senator from Rhode Island read section 201.

Mr. PASTORE. I refer to subsection (8), on page 29. It is necessary to refer back to subsection (c) on page 27:

> The Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

Now I refer to subparagraph (8), on page 29—

> authorize the corporation to issue any shares of capital stock, except the initial issue of capital stock referred to in section 304(a), or to borrow any moneys, or to assume any obligation in respect of the securities of any other person, upon a finding that such issuance, borrowing, or assumption is compatible with the public interest, convenience, and necessity and is necessary or appropriate for or consistent with carrying out the purposes and objectives of this Act by the corporation.

That is the responsibility of a Federal agency. It must approve the borrowing of any money. The idea that there can be a conspiracy or that the A.T. & T. can lend money, whether it is wise to do so or not, in the hope that it will get a return of 6 percent—and I am quoting the Senator from Louisiana—is pure nonsense. The A.T. & T. or the corporation must go to the FCC and prove its case before it can receive permission to take such action.

If a lot of nincompoops who did not know what they were doing would serve there, that would be another story. But the Senator does not want this to be put under Government control. Instead, he favors control by a Government-owned corporation. And if there are now in the employ of the Government some nincompoops, then under the control the Senator proposes we might have nincompoops in charge as well.

Mr. LONG of Louisiana. Well, I do not want to say whether anyone, either in the FCC or out of it, is a nincompoop. But the other day I stated——

Mr. PASTORE. And if the Senator asks me a question, I will give him the answer, because I have studied every part of this bill.

Mr. LONG of Louisiana. But the Senator from Rhode Island has a bill that will put the FCC in a position to decide how to protect the public interest.

Mr. PASTORE. That is right.

Mr. LONG of Louisiana. And I say that we should see what the record of the FCC has been thus far. I say—and, by the way, this statement is in the hearings of the committee headed by the Senator—that the Federal Communications Commission in its entire history has never made a formal determination of what is a fair rate of return for interstate or international telephone service.

In fact, so far as I know, the FCC has never undertaken to hold a hearing in regard to what should be the charge for service from here to Europe.

Mr. PASTORE. We went all through that on Friday; and the Senator from Louisiana will remember that I pointed out that they stated that the rates are under constant surveillance. Furthermore, as a result of the activities of the FCC, the rates have been reduced 20 percent. However, I am not debating all that now.

This afternoon the Senator from Louisiana said that the A.T. & T. will run the corporation and will control everything—so much so that, so the Senator from Louisiana said, it will conspire to lend money to the corporation, and then have the corporation pay it back, but all for the purpose of maliciously being able to make a 6-percent return. The Senator from Louisiana said that, just this afternoon. I said that is not true; and it is not true. Under the bill they cannot borrow a nickel or lend a nickel unless they get approval from the FCC.

Mr. LONG of Louisiana. The Senator from Rhode Island begins by saying he does not know what kind of system will be authorized, but he says he knows what kind of corporation he wants set up.

Mr. PASTORE. That is right.

Mr. LONG of Louisiana. But he does not know what kind of communication system he wants them to have.

Mr. PASTORE. That is right, and no living person knows that; and I am surprised that the Senator from Louisiana, who is not a scientist, would come here this afternoon and would say—when we are trying to find what is the best system, and through research and development—"Do not try to do anything in research until you find what the answer will be." But how can anyone get the answer first? After all, which came first—the chicken or the egg?

Mr. LONG of Louisiana. Well, the egg comes first if you use an incubator. [Laughter.]

Mr. PASTORE. But where does the egg come from?

Mr. LONG of Louisiana. But the Senator from Rhode Island knows that the A.T. & T. has already built some big tracking antennas in Maine; I assume that the Senator from Rhode Island knows that. They are for the low-altitude system. Perhaps that is what will be used. In fact, if this bill is enacted, I suspect that they will proceed to use the low-altitude system. In fact, the testimony is that the Government expects to try for that first, anyway.

And when the low-altitude system is tried, I suspect that what they will find will be just about what the A.T. & T. now says will be found—namely, it will be found to be impractical, and that it would be many years before it could be made to work. So why would the A.T. & T. favor that? It could favor it because, as a result, over a period of years it would keep other companies out; and by the time they obtained one that would work—and it would work for about 10 percent of the cost of the other—most of the potential investors would have dropped out.

I began to make the point that the Senator from Rhode Island cannot tell me now—and I cannot tell him, and the FCC cannot tell any of us—what would be the correct charge for a telephone call from here to New Orleans or from here to Rhode Island. And the FCC cannot tell us that.

Mr. PASTORE. Of course not, and it is impossible to tell that. In other words, if you call from Providence to New York, which is about the same as calling from New York to Washington, the cost is not exactly one-half, because you cannot measure it by miles. There is no basis by which what the Senator from Louisiana is suggesting can be done. We have gone through all of that.

But I wish to say that we are getting from the FCC the same dedication that we would get if we followed the plan suggested in the Kefauver amendment, because the Senator from Tennessee wants to set up a publicly owned agency; and the minute that is done, it is necessary to call on the same kind of men that are called on when the FCC handles the work. If we are to rely on public servants, why does the Senator think one group would be wiser or more honorable than another group?

Last Friday, I said that anyone in the Government service who is incompetent should be fired.

But if we want proper supervision, what do we do? We trust and rely on the agency which has jurisdiction under the law; we rely on it to see that the public interest is protected. Our job is to see that the public agency in charge does its job. If it does not, its members should be fired.

Mr. LONG of Louisiana. And I will offer an amendment to see that they do a proper job.

Mr. PASTORE. And if it is a good amendment, I will accept it.

Mr. LONG of Louisiana. But when the Senator excuses the Federal Communications Commission for not doing its job, in 28 years, by not making a formal determination of the rate for either interstate or international service, he excuses the FCC—not on the basis the FCC says—but on the basis that this surveillance procedure will result in getting the job done. The FCC excuses itself by saying that it never has had sufficient staff and that Congress has not provided it with sufficient funds to enable it to do a proper job. In fact, I thought that was what the fight was all about a year ago, when the General Services Administration undertook to do the job; and it was able to get for the Government rate reductions amounting to about $150 million, merely by contesting some of the long-distance rates the FCC was permitting to stand. I regret that a great many Senators failed to vote to permit the GSA to do that job.

Mr. PASTORE. Not only did I vote for that, but I also fought for it on this floor—in other words, to make sure that the public interest would be protected.

Mr. LONG of Louisiana. Hurrah for the Senator from Rhode Island.

Mr. PASTORE. Just as the Senator from Louisiana also fought for protection of the public interest in connection with offshore oil. I voted that that oil belonged to all the people of the United States, not just to the people of a few of the States. In that case I voted to have the rates controlled for the benefit of all the people; and in this case, too, I am on the side of the people, no matter how much may be the glamour of the Senator's arguments.

Mr. LONG of Louisiana. I am not attempting to criticize the intentions of the Senator. I am sure his intentions are good, and I am sure he is correct many times. I regret that he was wrong in connection with the two examples he gave; but I am sure that he will be right about many things, many times, and I salute him for voting to bring these rates under determination.

But let me read the rest of the record in connection with this matter—and it was not disputed:

> Second. The Federal Communications Commission has never even determined the basis upon which such return should be computed.
>
> Third. The FCC has never had a formal rate case on interstate or international telephone rates.
>
> Fourth. The FCC has never been able to secure information necessary to set rates.
>
> Fifth. The FCC has never known the costs to A.T. & T. of equipment sold to it by its subsidiary, the Western Electric Co., which produces almost all equipment used by A.T. & T.

And until they do, we shall never know what the rate ought to be.

Mr. PASTORE. Yes; but who said that?

Mr. LONG of Louisiana. That is what the Celler committee said.

Mr. PASTORE. But the President never said that.

Mr. LONG of Louisiana. The FCC itself said it, in the hearings before my subcommittee.

Mr. PASTORE. The FCC said what the Senator has said just now?

Mr. LONG of Louisiana. Yes.

Mr. PASTORE. Who is testifying here—the staff member or the Senator from Louisiana?

Mr. LONG of Louisiana. Well, the staff member told that to me, but the Record forbids the appearance of his name. The FCC, they said it to me, and I will provide the statement for the Senator from Rhode Island.

Mr. KEFAUVER. Mr. President, inasmuch as my name has been mentioned in connection with this matter, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. Metcalf in the chair). Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. The Senator from Rhode Island did not want me to enter the colloquy——

Mr. PASTORE. Oh, yes, I did; but the Senator from Tennessee was trying to shut me off.

Mr. KEFAUVER. I have never tried to shut off the Senator from Rhode Island. But since he has mentioned my name, I think I am entitled to be yielded to.

The Senator from Rhode Island said he thought the FCC would do as good a job as that which would be done by a corporation owned by the Government.

The FCC has done a very poor job for 28 years. It has never regulated A.T. & T. in its international rates. It has never had an all-out rate hearing on interstate rates. Notwithstanding the requirement that there be competition in the purchase of equipment, nobody else has ever had a chance to sell A.T. & T. any hardware; it has all been sold by Western Electric.

A.T. & T. has overcharged the Government, as the General Services Administration found. It overcharged the Government, through its subsidiary of Western Electric, $67 million in the way of profits for work it got somebody else to do.

I do not think that is the kind of regulation which should be exercised over the vast communications satellite system which would be turned over to them.

As to other governmental activities, I think our research in NASA has been very good. I defy anyone to say that the development of atomic energy which was done by the Government, under Government contracts and Government direction, was not an outstanding job. I defy anyone to say that our Panama Canal work done by the Government was not done honestly or efficiently, or that the Tennessee Valley project, or other great Government projects, were not.

The difference is that in one case people are working to get a job done, without trying to see what they can get out of it. A.T. & T.'s motive has not been particularly to advance the cause of what the Government wants to do, but to see that its facilities and investment are protected. The FCC has been helpless to regulate it. After this record of 28 years of lack of protection of the public interest, I do not understand how anyone could feel that the situation would be different in the future.

Mr. PASTORE. Mr. President, will the Senator yield so I may answer?

Mr. LONG of Louisiana. First let me put in the Record a statement from page 482 of the hearing before the Subcommittee on Monopoly of the Select Committee on Small Business on space satellite communications:

> Mr. Gordon. Is it not so that A.T. & T. may require its operating companies to buy substantially all their equipment from Western Electric Co.?

Mr. Strassburg, who, as staff assistant for the FCC was testifying, along with his Chairman and ranking member at his side, said:

> Well, there is some argument as to whether it is a requirement on the part of A.T. & T. imposed upon the operating companies of the Bell System. But the fact of the matter is that the Bell System companies do buy all of their equipment from Western or through Western.
>
> Mr. Gordon. Is it not correct that Western Electric cost accounting methods are such that they do not provide an authentic basis for determining the reasonableness of the prices charged by the company?
>
> Mr. Strassburg. I can only answer that by saying that we have not made a sufficient study of the matter to reach a judgment.
>
> Senator Long. Why not?
>
> Mr. Strassburg. I suppose it is along the lines of the reasons I have given before from the standpoint of availability of manpower.
>
> Mr. Minow. I would add there, Mr. Chairman, what I mentioned earlier, that we have within the last week succeeded—Western Electric has acceded to a request that it lower its charges for telephone equipment to A.T. & T. in the amount of $26 million a year. And we would be glad to make an exchange of those letters available for the record if you wish.

That is about the way reductions have been put into effect, so far as the FCC is concerned. Someone would say, "Call them in and see if they would be willing to reduce the rates." The company would have the decision of reducing the rates voluntarily or going to court; and they would do it voluntarily. One thing we can be sure of, Mr. President, and that is that when they reduce their rates voluntarily, they are still too high. The FCC did not know what the rates ought to be, and did not have the facilities to ascertain what they should be. If anybody knew it, it would be the Bell System, but by voluntary agreements, they agree to reduce the rates by a certain amount. So far as appropriate interstate rates are concerned, that question has never been determined. The FCC has no basis on which to make such a determination.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. Once we accept the concept that there should be a private corporation and in order to protect the public interest against the very problem raised by the Senator from Louisiana—and that is precisely what I have been trying to show and prove on the floor—we have gone out of our way, amending H.R. 11040. I know a few of my friends on the other side feel this should be a Government-owned operation, and I have the highest respect for their sincerity. I disagree with them in that regard. But admitting it to be a fact that we cannot have a public-owned corporation—and I do not think we are going to have one—I think we should adopt the suggestion of the President and create a private corporation. Once we have overcome that hurdle, I say to the Senator from Louisiana that we have gone out of our way in the committee, and particularly the Senator from Rhode Island, who attended all the meetings, as did the Senator from Texas, to protect the public interest.

For that reason, on page 27 of the bill is a provision precisely on the point raised by the Senator, in subsection (c)(1):

> The Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

And this is the very first paragraph—

> (1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations—

Then we went a step further:

> and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair.

We put that provision in the bill in our subcommittee in order to protect the public interest, to make sure that there would not be a monopoly, but that there would be competitive bidding in the purchase of the apparatus, not only for the ground stations constructed by the corporation, but even the satellites. How far could we have gone?

Mr. LONG of Louisiana. Let me say to the Senator——

Mr. PASTORE. I am not here this afternoon protecting Bell Telephone or A.T. & T. I have been fighting them all my life. What I am doing is trying to protect the President's bill which was created to protect the public interest. Why? Because the President of the United States says we must do it now. The Senator is saying we can wait 2 years. The President of the United States says that is not so. Whose word do we take? The President's word, or the word of one or two Senators? Who has the responsibility to prove to the Nation and to the world that the job should be done now? The President of the United States. That is the reason why the Senator from Rhode Island is so much concerned.

Mr. LONG of Louisiana. When one undertakes to say that the FCC is going to protect the public and see to it that the public gets the benefit of the lowest rates to which the public is entitled, and compatible with competition, he should recall I have already listed five failures of the FCC to do exactly what the FCC is under the obligation of doing. I now cite other failures of the FCC, which I made a matter of record on last Friday:

> Sixth. The FCC has never determined the reasonableness of the service rates charged by A.T. & T. for carrying television programs both black and white, and color.
>
> Seventh. The FCC has never determined th reasonableness of the entire telephone rate structure; that is, the internal relationship of rates.
>
> Eighth. The FCC, even though its staff made definitive recommendations that action be taken toward a possible rate reduction, has not been willing to institute a formal rate investigation to determine whether the system's rates are unreasonably high.
>
> Ninth. The FCC, for over 25 years, was not willing even to authorize the staff to negotiate on an informal basis with the Bell System in order to obtain a voluntary rate reduction.
>
> Tenth. The FCC has never required A.T. & T. and its operating subsidiaries to buy telephone equipment or any equipment under competitive bidding—

Mr. PASTORE. That has all been changed.

Mr. LONG of Louisiana. I close the quotation:

> 85 percent of the market has thus been closed to competition.

Mr. PASTORE. That has all been changed, under the bill.

Mr. LONG of Louisiana. The Senator is talking about the space satellite part of the problem. If the Federal Communications Commission failed to do all of this, which was its duty to do, it is difficult for me to understand why anyone should expect a better performance in regard to new burdens than has been observed in regard to old burdens.

Mr. PASTORE. Mr. President, will the Senator yield to me on that point? If the Senate should pass the Kefauver substitute amendment and permit the Government to own this operation, who would decide the fairness of the rates? Would it not be the Federal Communications Commission? Under the Kefauver substitute it is provided that the FCC will have to do exactly what we say the FCC will have to do. What difference would it make? You are criticizing the FCC, but the FCC is the responsible agency under the Kefauver substitute.

Mr. LONG of Louisiana. Does the Senator see my name on the Kefauver substitute amendment?

Mr. PASTORE. No; but the Senator says that this facility should be publicly owned.

Mr. LONG of Louisiana. I have not said it should be publicly owned.

Mr. PASTORE. Everybody says that the FCC has to regulate the rates.

Mr. LONG of Louisiana. I have not said it should be publicly owned. I have said I would favor the maximum possible competition for the benefit of the people of this Nation. I believe that any proposed legislation which attempts to put this program in the hands of a private corporation should undertake to provide that it be organized in the best possible fashion to see that there would be competition between the new system and the existing international common carriers, of which A.T. & T. represents about 90 percent.

Congress so provided when it passed the legislation providing that water carriers could not be owned by rail carriers. The policy has been the same with regard to other surface carriers.

To me that seems to be about the best way to guarantee effective competition.

I have studied the problem at some length. I conducted hearings in regard to it myself. I have seen no need for this entire project to be turned over to a private corporation, before we know what kind of satellite system we are to put into orbit. I can see an urgency about developing it, and the Government is going ahead with a sense of urgency.

Mr. PASTORE. Before the Senator concludes, will he yield for another observation?

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. We have tried to tighten up the provisions. I invite the Senator's attention to page 39 of the bill:

> REPORTS TO THE CONGRESS
>
> SEC. 404. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in section 201(a)(1), together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act and any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives.

We did not stop there. We provided further:

> (b) The corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

That is the Federal Communications Commission. We are getting after them, too.

> (c) The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and the actions on anticompetitive practices as they apply to the communications satellite programs; (ii) an evaluation of such activities and actions taken by it within the scope of its authority with a view to recommending such additional legislation which the Commission may consider necessary in the public interest; and (iii) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

We have done about everything it was humanly possible to do. We have done everything it was humanly possible to do.

Mr. LONG of Louisiana. Mr. President, there is some good language in the bill. I do not criticize that part.

I know the Senator is undertaking to see to it that the FCC will perform the job of regulating. I submit that the record shows that the FCC has failed miserably to regulate A.T. & T. It has never even been to court with this company.

As a matter of fact, the influence of A.T. & T. in the Government has been so complete and so impressive that it has usually been able to persuade the Congress to cut down on the money available to the FCC, to be sure that the FCC would not fully do its job.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MAGNUSON. I should like to make a correction, for the record. I am sure the record should show that the FCC as such never goes into court in regard to so-called telephone rates. The General Services Administration, which pays for the telephone charges within the Government, always appears in any rate case, representing the biggest customer of the company.

As a matter of fact, the GSA has appeared so frequently and so enthusiastically that there has been a lot of criticism with respect to the number of people the GSA employs in some of the cases they have gone into. There have been complaints by State agencies that the GSA has done too much of a job in these particular rate cases.

The FCC, as such, does not go into the cases. I think occasionally they are represented, along with the GSA, by counsel. They are not necessarily a party to any suit.

The General Services Administration has gone into court. The Senator from Washington is somewhat responsible for this. At one time, when the Interstate Commerce Commission allowed a general rate increase for transportation all over the United States to the railroads, no one had appeared in behalf of the Government, which was the biggest customer of the transportation system. In a hearing held by the Appropriations subcommittee which deals with the General Services Administration appropriation, I suggested that there be an enlargement of the shop which handles this problem. The money was provided.

The General Services Administration has been quite vigorous in its pursuit of these rate cases all over the United States, to the extent that in the past 2 or 3 years there has been debate on the floor of the Senate with respect to that part of the appropriation bill for the independent offices which deals with this problem. There has been a long discussion as to whether the Federal Government has done too much, because the State regulatory commissions were complaining about this. There were motions made in the Committee on Appropriations to cut down the amount of money for the General Services Administration for this particular purpose.

That is the way it has been operating technically for the past 7 or 8 years, I believe.

Mr. LONG of Louisiana. The Government was saved $145 million.

Mr. MAGNUSON. The Senator, I am sure, remembers those debates.

Mr. LONG of Louisiana. Yes.

Mr. MAGNUSON. I am sure the Senator from Tennessee [Mr. KEFAUVER] remembers them. I was trying to defend the amount. There was a great deal of criticism about the activities of the GSA in the rate cases, in representing the Government.

Mr. LONG of Louisiana. The Government was saved $145 million. If the Government should not have been saved that money, certainly the court would have decided in favor of the telephone company.

Mr. MAGNUSON. I think the Senator from Louisiana and I were on the same side of the issue.

Mr. LONG of Louisiana. I believe we were. I was voting on the same side as the Senator from Washington. However, I fear that GSA's fine activity may have been discontinued or at least weakened.

That was, in the first instance, a job of the FCC, not a job of the GSA. The GSA got into that work because the FCC was not doing the job properly, as I have mentioned before.

Mr. MAGNUSON. So that the RECORD will be clear, the General Services Administration represents the Government in all rate cases, whether they involve telephone rates, transportation rates, power rates, gas rates, or electricity rates. The Government is a customer. The GSA comes in representing the Government as one of the customers, and protests a rate increase if it thinks it should be protested. It has been the main agency involved in such cases.

Some of the State agencies have said the GSA should stay out of the cases. We have had many long discussions of the problem in the Senate. Every time the appropriation bill dealing with the GSA comes before the Senate there is a discussion with respect to the legal department, which handles the work.

Mr. KEFAUVER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield to the Senator from Tennessee.

Mr. KEFAUVER. The Senator from Washington is quite correct. He has been very active in trying to see to it that the GSA has been provided sufficient funds to protect the Government from excessive charges by communications carriers.

Many millions of dollars have been saved the Government by the activities of the GSA. I have forgotten the amount saved the Government in connection with the DEW line, but many millions of dollars were involved.

Mr. MAGNUSON. Yes, many millions of dollars were involved in the DEW line case.

Mr. KEFAUVER. The Senator has proved the point that some of us are trying to make. In spite of the fact that the communication carriers, particularly the A.T. & T., have overcharged the Government, the GSA was doing a good job in trying to save the interest of the Government and save the taxpayers' money. Yet there was activity on the part of the common carriers seeking to deny any appropriation for carrying on that work. That is the kind of situation we get into. When the agency attempted to cut down the profits that were being made, we discovered an attempt to cut out the appropriation. Actually the subcommittee or the full Committee on Appropriations did deny the GSA any funds for that activity. Only upon the urging of the Senator from Washington and several other Senators who joined with him was the money put back into the appropriation.

In that connection I wish also to say that the A.T. & T. has been very active in trying to diminish and reduce the effectiveness of the GSA.

Through some influence they have been able to break up the local unit in the General Services Administration which has been so effective. In fairness, I wish to say that Mr. Boutin thinks that the way the thing is arranged now, they can still continue. But the extent of their activity and the type of activity they have been able to carry on as a unit has been very badly weakened. There has been a great deal of influence on the part of communication carriers in getting that done. I do not think that the record of the GSA shows that they do not want the Government to prevent them from making excess profits, which they were doing in connection with the DEW line and the other activities.

Mr. MAGNUSON. I merely wanted to get the record straight or add to it. In the rate cases, the GSA has been designated to protect the Government as a customer in cases. When the GSA enters a rate case involving communications, electricity, or transportation, it does so on the ground that the Government is a customer and would be subject to unfair rates. They then help the general public in many cases in which the public would have no legal representative.

In effect, appearing for the Government has helped the public. If a rate increase was denied, the intervention has helped the customer, to wit, the Government.

But let us not confuse the SAGE case. That case involved a contract between the communications people and the Government. It involved a contract in the GSA. The Senator is correct. Through action in that case many millions of dollars were saved.

Mr. KEFAUVER. The point I am trying to make is that the people who have been overcharging; namely, the communication carriers, have used their influence both in Congress and in the agency to try to diminish the effectiveness of the regulator for one purpose. They have been taking money back from them for the benefit of the taxpayer.

Mr. MAGNUSON. That question involved construction, operation, and many other things other than a straight rate proposition.

Mr. KEFAUVER. The satellite project involves construction and many other things also.

Mr. MAGNUSON. I point out that the GSA has been active. As a customer, the Government has gone into rate cases in that way. I was somewhat responsible for increasing the appropriation some years ago when the Government had failed to appear in a rate case. It was the biggest customer and was most effective in that particular case.

Mr. LONG of Louisiana. Mr. President, I appreciate the point that the Senator has made. The Senator has been active in seeking rate reductions.

The point I wish to make is that the FCC has the same public responsibility as a public service commission. I know that, as a public service commissioner, my dad used to institute proceedings to reduce rates. He would hold hearings and issue orders. If the parties did not like the decision, they could go to court about it.

That is the sort of function that the FCC has had. The GSA would not be active in that field if the Federal Communications Commission had done its job. The fact is that when the GSA undertook to do those things, it did them because the rate was clearly too high and it was so established.

Mr. President, I wish to discuss this subject at considerable length tomorrow. Therefore, I will conclude my speech for today.

## LYLE WATTS, CHIEF OF THE FOREST SERVICE FROM 1943 TO 1952

Mr. MORSE. Mr. President, I regret to inform the Senate that on Friday last, Oregon and the Nation lost a great and dedicated man, Mr. Lyle Watts, Chief of the Forest Service from 1943 until his retirement in 1952, who passed away in a Portland hospital.

His career of dedicated service to the welfare of all the people in the conservation of our natural resources was exemplary. His contributions to the development of sound forestry practices will remain as a continuing memorial to his memory.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks the obituary material found in this morning's New York Times which summarizes his many valuable contributions.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

LYLE WATTS DIES; EX-FORESTRY AID—U.S. FOREST SERVICE CHIEF, 1943–52; ASSISTED UNITED NATIONS

PORTLAND, OREG., June 16.—Lyle F. Watts, Chief of the U.S. Forest Service from 1943 until his retirement in 1952, died Friday of a heart ailment. He was 72 years old.

Mr. Watts began his career as a forest assistant in Wyoming in 1913. He was a member of the technical committee on forestry and primary forest products of the United Nations Interim Commission on Food and Agriculture in 1944 and 1945. At several sessions from 1945 to 1951 he served as technical adviser to the United Nations Food and Agriculture Organization's U.S. delegate.

Mr. Watts also took part in the United Nations Conference on Conservation and Utilization of Resources at Lake Success, Long Island in 1949.

Among the honors he received were the Department of Agriculture's Distinguished Service Medal and France's Croix de Chevalier de le Merite Agricole. He held honorary degrees from Utah State Agricultural and Iowa State Colleges.

After his retirement, Mr. Watts became active in the Oregon Democratic Party.

Survivors include his widow, Nell; a daughter, June; a son, Gordon, who is with the Forest Service in Washington; a sister, Mrs. Gladys O'Neil Bellingham, and a brother, Cecil.

### SUPERVISED 150 FORESTS

As Chief of the Forest Service, Mr. Watts supervised the administration of more than 150 national forests covering about 180 million acres. He once advocated a six-point program to preserve the Nation's timber lands that included selective logging, reseeding, and intensive forest-fire protection.

Essential to his program was that "the American people must be conservation-conscious and aware of the importance of safeguarding our great natural resources."

He also said that insects and diseases were as damaging to the forests as fire but less was being done to cope with them.

A graduate of Iowa State College in 1913, Mr. Watts received a degree of master of forestry there 15 years later. He then left the Service for a year to organize and to become dean of the School of Forestry at Utah State Agricultural College.

Mr. Watts came out of retirement in 1954 to direct the conservation aspects of the late Richard L. Neuberger's successful Oregon campaign for the U.S. Senate. He later worked for Adlai Stevenson's presidential campaign in Oregon.

Mr. MORSE. Mr. President, we have lost not only a great conservationist dedicated to public service, but I have lost a personal friend. Mr. Lyle Watts advised me on many occasions in regard to conservation matters, and I have never found his advice wanting. I have always found that by following his advice, I have been well served on the issues about which he advised me. His advice was in the public interest of my State and in the whole field of natural resource and conservation development.

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## WORK OF THE SENATE AND THE HOUSE OF REPRESENTATIVES

Mr. MORSE. Mr. President, on Wednesday night of each week there is available to the public one of the most challenging news commentaries of our day. I refer to the presentation made by Howard K. Smith on the American Broadcasting Co.'s network. Last Wednesday, the evening of June 13, Mr. Smith sought an answer to the question "Is Congress Out of Date?"

Mr. President, the answer proved to be a bit rough on the Congress of the United States. It was highly critical; but, then, neither the House nor the Senate is without critics on either floor. If the Congress merits criticism, such comment should be heard. If the criticism is undeserved, no harm will occur in the process. In fact, constructive criticism provides an invaluable margin of safety in our democracy.

Mr. Smith is not aware of many of the problems that face the Congress. For example, he draws public attention to the tremendous workload and the lack of staff personnel to tackle the tide of business that burdens Senators and Congressmen.

Nevertheless, Mr. President, the transcript is worthy of the attention of the people and the Congress, for Mr. Smith believes there are serious weaknesses that we can correct. I request unanimous consent to have the transcript printed in the Record at this point in my remarks.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

### Is Congress Out of Date?

(By Howard K. Smith, on "News and Comment," ABC Television, June 13, 1962)

Good evening. We call your attention tonight to the state of the U.S. Congress, sometimes called the keystone in the arch of American Government. Congress has been in session now for nearly 5 months, which is a respectable length of time. The pressures on it to stop work and go home are strong because this is an election year and five-sixths of the Members of Congress have to run for reelection. But, though in session for a long time and itching now to finish, Congress this year has passed not a single piece of major legislation so far. The President said the other day that he is contemplating listing bills according to urgent priority in order to get at least some of them considered before Congress does go home.

In the past, some sessions of Congress have been called "do nothing" or "do little" Congresses. One of the Members now, Congressman H. R. Gross, of Iowa, labels this one the "goof off" Congress:

Mr. Gross. I would say that it is a "goof-off" Congress. It is the worst Congress, of course, do-nothing Congress, in my 14 years in Washington. We have such a thing as the T & T Club—the out-on-Thursday, back-on-Tuesday club—this is one of the reasons. There may be some hidden reasons that I know nothing about but it seems that for the benefit of certain people we must adjourn Congress on Thursday afternoon and either schedule noncontroversial legislation on Monday, or put the votes over until Tuesday, which gives them the opportunity to operate on the Thursday-to-Tuesday basis. This is to accommodate, I say, principally to accommodate Members on the Eastern Seaboard and contiguous areas who can get home in a short period of time—some of them to carry on business; some of them to carry on their political campaigning.

Mr. Smith. Congress has always been more criticized than the other branches of Government. The famous British student of government, James Bryce, wrote in the last century, "Americans are specially fond of running down their Congressmen." Our pictorial commentators, the cartoonists, have always taken a cynical view of Congress that they do not hold toward other branches.

In 1889, Joseph Keppler, creator of the character "Uncle Sam," sketched this commentary suggesting that the real bosses of the Senate were the big moneyed trusts. In this century, Senator George Norris, of Nebraska, expressed the same thought about our system of checks and balances saying "the politicians get the checks, and the special interests have the balances."

Humor is heavily alloyed with cynicism in modern day cartoons of Senators like Dogpatch's celebrated envoy to Washington, Senator Jack S. Phogbound, in Al Capp's "Li'l Abner."

The same qualities of hypocrisy and opportunism show just below the surface humor in Senator Snort drawn for the Field Enterprises by George Lichty, and in round little Senator Caucus, drawn by Pete Wyma for the General Features Corp.

This rather low view of Congress has become so standard that there is a tendency to shrug off the implied criticisms as unavoidable and unimportant. In fact, I am going to argue tonight that it is very important and this reputation can be avoided. There have been periods when Congress was truly the keystone of our Government, well attuned to the people and creative in legislation. Just one example: In 1910 Congress became the inspiration and the leader of the Nation when the so-called "insurgents" came to Washington determined to take up where Teddy Roosevelt left off:

Robert "Fighting Bob" La Follette, of Wisconsin, who beat the mighty railroads and the political bosses in his home State first.

Jonathan Dolliver, of Iowa, who said of President Taft, "He is an amiable man completely surrounded by men who know what they want," and proceeded to attack the influence of those men.

George Norris, of Nebraska, who broke the near dictatorial powers of Speaker Cannon of the House.

And William E. Borah, of Idaho, who authored or guided through the Senate some of the most needed legislation of the times.

By contrast it is hard to think of many really creative acts of legislation by Congress in recent years. It is hard to think of an occasion on which Congress stirred the hearts of Americans by word or by action as the executive branch often does, and the Supreme Court has done on at least two historic occasions in recent years.

I suggest to you that Congress' reputation today is not good and that, despite a number of exceptional individuals, it deserves its reputation. It is not attuned to the people. It is more and more negative and dilatory rather than creative and responsive. Its ethics are much lower than those of either branch of the Government.

An acute present-day writer on the Congress, George Galloway, has said "Representative government has broken down or disappeared in other countries. Here in the United States it remains on trial. Its survival may well depend upon its ability to cope quickly and adequately with the difficult problems of a dangerous world." Congress is not coping quickly or adequately.

* * * * *

Just before his death a decade ago, Senator Kenneth Wherry of Nebraska said, "Congress still labors under antiquated machinery and processes. The creaking machinery of Congress is so inadequate for modern times that free representative government itself is endangered."

Just one example to support that statement: To help it draft legislation, Congress has a staff of 28 lawyers and a budget of $200,000. By contrast, a single one of the 10 executive departments—the Department of Agriculture—has 207 lawyers and a budget of $2,400,000 to draft legislation. We could cite many many more examples of inadequate facilities causing Congress to lose its creative functions to the Executive.

For one other disability of Congress to fulfill its functions, it is hard to blame Congress. That is, complex modern times has multiplied the workload, especially of Senators.

An outstanding Senator, Prescott Bush, of Connecticut, announced recently he was quitting politics because of the increasing workload:

Senator BUSH. It requires a great deal of simple old-fashioned homework and when my evening is free—that is, I don't have to go to a dinner here in Washington, or some meeting up in Connecticut—I take my briefcase home full of work and I'll spend 2 or 3 hours, frequently, trying to catch up on the reading and the reports of committees, the things that people send me to read that are appropriate to legislation that's pending here. If one didn't do anything else but tend to the homework that goes with his job and tend to the duties of his job as a Senator in Washington, he'd have a very good full-time job, I can assure you. So, that if you add the burdens of the call of the State to this, you'd see that the work of a Senator, for most States I would say, is very strenuous.

Mr. SMITH. HUBERT HUMPHREY, of Minnesota, probably the most articulate of all Senators, tells of the growing duties of the Senate. He describes a typical Tuesday:

Senator HUMPHREY. The congressional leaders meet with the President every Tuesday morning for our legislative breakfast. This means that I arrive at the White House at around 8:30. Our breakfast starts at 8:45. We finsh that breakfast anywhere from 9:30 to 10. Then, following that, of course, is the regular little press conference.

I then return to my office where I have committee meetings. The mornings are used for committee meetings in the Senate. Sometimes I find, and you try to solve this one, three committee meetings going on at the same time in three different buildings in three different parts of the Capitol, on three different subjects, and I am on all three committees. So, you have to be nimble of foot as well as of mind around here sometimes. But you select then, which committee you think is the more important, and you send a staff member, if you possibly can, to one of the others, or drop in on it. Then at noon, generally, one, two, or three luncheon groups, and I generally find little time to eat at noon. I frequently just call on the luncheon groups because many times they are constituents.

Then as the majority whip, I have to be on the Senate floor. So, I do a good deal of my office work right off the Senate floor in the whip's office off the Senate Gallery. I have many visitors that come in during the day that send in their card to the Senate and want to see me. I go out to see them.

During the afternoon, I will frequently have conferences with executive officers relating to problems of my constituents or problems on legislation. It is entirely probable that Senator MANSFIELD, the majority leader, will hold a, what we call, a policy meeting on the same day where the policy committee of the Democratic Party meets. And then later on in the afternoon, I attempt to answer telephone calls and, by the way, I average about 35, 40, 50 long-distance telephone calls every day. And I keep those slips in my pocket, if I haven't been able to answer them at my desk, and catch them as I go along.

I work late in my office on correspondence and have meetings at 5 to 7 o'clock—try to catch as many people as I can at that time. And then, sometimes during the day, there will be a dinner that we go to. I used to think that these dinners were fun, and I guess they can be, and sometimes they are, but really and truly, after a long day, you sometimes wonder if it might not be better if you just went home and didn't go to the dinner.

Mr. SMITH. Well, now, you are a member of three very important committees. Is it possible for a Senator to be an expert on as many things as he's expected to be an expert on? Can you master all of the subject matter?

Senator HUMPHREY. I cannot. And when I used to teach political science, we had an axiom or statement. We said, "Experts should be on tap and not on top." I'm not an expert. I hope to be a legislator and, in a sense, a policymaker, that is, to at least help shape and mold the policy of this country, as one Senator. But my activities are many in the Senate, and I must be interested in all of these activities.

Of course, you have special areas of interest. For example, I have taken a very keen interest in the field of international cooperation in medical research and scientific research. A keen interest in the problems of disarmament and arms control. But I serve and have served on the Committee on Agriculture and Forestry, I have to know about these agriculture problems. The State I represent is deeply involved in agriculture. Agricultural economics is the very life of our society in Minnesota.

I must be interested in the field of foreign policy. I am a chairman of a subcommittee and second ranking member on the full committee. And, of course, foreign policy is one of the most vital areas of our entire governmental activity.

I am a member of the Senate Appropriations Committee. And that puts you across the board in everything. In fact, the Defense budget is one that we work with the Interior, Labor, Public Welfare, and Education.

I serve on the Senate Committee on Government Operations, which is an overall committee relating to the efficiency of the governmental structure, and I serve on a Senate Committee on Small Business. Now, any man that can be an expert in all of those fields is too good to be a U.S. Senator, or anything else I think, on this earth. So what I try to do is to have a good staff that works with me. We schedule our efforts as best we can to be well informed. I have specialists on my staff for each of these activities and others. And then I try to have a good working knowledge of these areas of endeavor. This takes time. I read all the time. When I come to work I read, when I go home I read, and when I travel on the airplane. I don't have a chance to read books any more, Mr. Smith. I just read pamphlets and documents and confidential, secret, restricted documents, until they run out of my ears.

Mr. SMITH. What about the increasing burden you have of nonlegislative activities?

Senator HUMPHREY. I spend at least 50 percent of my time on nonlegislative functions. And this is, I won't say it is a burden, it just takes a lot of time. The volume of mail. Well, it is just unbelievable. The mail pours in—I am not talking about pressure mail—I have had for example, on withholding, dividends and interest, this tax issue—I would say 15,000, 16,000, or more letters, and they all have to be answered and we work out policy statements and enclosures, but we answer every letter. Now, we have to use electric typewriters, robot typists. It is a big job just sorting the mail. I have a person in my office who spends all day long just opening mail—not answering it—just opening it, just sorting it. I run a sort of a junior postoffice. Our mail will average, at the end of a session, over a thousand letters a day. And, in the beginning it will run, 300, 400, 500 letters a day.

I have a dictaphone wherever I go, or one of those soundscribers whatever you call them. I have one in my home in Minnesota, in the hotel room when I travel. I have a portable that I carry with me. I have one at my home here in Chevy Chase. I have one in every office here in the Capitol, and I do not waste very many minutes of my time. I work on that correspondence.

And telephones. When I came here, we used to have two telephone lines and one private. We now have 10 lines and 2, socalled, private lines. And the only way you can get into my office is through the private line. I have to have a line just to call in—there just is not any room on the board. Now, you figure that out for me, will you? I like it, do not misunderstand me. This is the kind of life I enjoy.

Mr. SMITH. That was Senator HUMPHREY, of Minnesota, on the workload a Senator carries. The growing burden is a drag on Congress' achievement. But other factors are a greater drag.

In theory, Congress is representative of all America. But, in fact, it badly distorts the Nation's interests and needs.

The Senate was constructed to be distorted. With two senators from each State regardless of its population—there are eight mountain States containing only 3 percent of the American people—which have equal voting power in the Senate with the eight most populous States containing over 50 percent of the Nation's population. It is very hard for such a body to be interested in the problems of all the people.

The House, however, misrepresents the Nation rather more. The State legislatures, which draw up electoral districts where Representatives run for election, are dominated by rural interests. So, they draw up Congressional districts that will favor those interests. As a result the one-third of our Nation living in rural areas has a much stronger voice in the House than the two-thirds who live in urban areas.

But more serious than the under-representation of the Nation's majority in the House as a whole, is the gross distortion of power in control of the congressional committees.

The growing quantity and increasingly technical nature of legislation has caused committees of Congress to be more important than the whole House itself. In the year 1890, Speaker Thomas Reed said, "This House is no longer a deliberative body," and he was right. Bills are shaped and changed or made or killed in committee before they ever reach the floor of either House.

The chairmen of committees are chosen primarily by seniority. Legislators from one-party States or from conservative rural areas have greater security of tenure than those from populous two-party States. They accumulate seniority more easily and thereby win dominating positions on committees.

For example, there are 16 mighty committees in the Senate. The chairmen of nine of them, a majority of them, are Senators from Southern States of mainly rural interests, who are particularly out of tune with the times on rights. All the other Senate committees are headed by Senators from the Southwest and the West. Not one chairman comes from the populous States of the East, of the Middle West and of California. This, although the populations of two States—California and New York almost equal the total population of all the other States shaded on this map.

This cartoon, drawn for Fortune magazine by Ronald Searle, shows the committee situation in the House of Representatives. President Kennedy is shown at the throttle of the New Frontier express. Leading committee chairmen are at the switches able to halt legislation. The chief ones are Congressman WILBUR MILLS, of Arkansas, head of the mighty Ways and Means Committee, and Congressman HOWARD SMITH, of Virginia, head of the still mightier Rules Committee. Of the nine key committeemen shown here, six are from the South. SMITH, of Virginia, MILLS, of Arkansas, PASSMAN, of Louisiana, MAHON, of Texas, VINSON, of Georgia, and HARRIS, of Arkansas. Only one, POWELL, of New York, is from a populous community.

The U.S. Congress is a captive body, a captive of interests attuned to the needs and concerns of neither a majority of our people nor of our time in history. It is geared to be negative. A legislator who wants to achieve something positive has to run a whole gantlet of obstacles. A legislator who wants to prevent action has a wealth of opportunities.

President Eisenhower's Commission on Goals for Mid-Twentieth Century America said: "If Congress is to be an active partner in an active government, it must sooner or later move to reduce the power of its obstructionists." Congress has not done so. Obstruction rather than creation is now its characteristic.

There is one other serious blot on Congress. That is its ethics. Congress investigates everybody. But nobody investigates Congress. It is not permitted.

Nepotism—putting wives or relatives on the payroll—is common and open. One out of five Congressmen has a relative on the payroll, some at the top salary of $16,000. Some of the relatives do not turn up at the offices where they are supposed to work.

Hasten reapportionment, so the House will be more representative of the majority of the people and no longer tied to a social makeup that no longer exists.

Have Federal grants to pay most election expenses, so that politicians won't be sensitive to special interests who are always at hand to offer campaign contributions for favors done.

It could foster the growth of the two-party system, so every politician will have to fight for his job, and seniority would not accumulate in one small section of the Nation.

You could make chairmanships of committees rotate. The list can still be according to seniority. But rotation would prevent any one man establishing a tyranny.

And, finally, a radical reform: Have one Chamber instead of two, and thereby eliminate the time-costing haggling between the two Houses. There would still be far more than enough means of delaying the legislation. The one Chamber's members could be more numerous so the committee load on each would not be so great. And the terms of their office should be 4 or 6 years so they won't be, as Congressmen now are, always running for office.

If Congress took strong action to improve itself, it would find a receptive public. For politicians' line of work can still capture the public imagination.

The U.S. Senate, for example, can still be very dramatic. One episode that has caught imaginations on a movie screen is the picture "Advise and Consent." In it, Peter Lawford and Charles Laughton as Senators clash in a movie version of a debate on the Senate floor:

Mr. Lawford: "Does the senior Senator from South Carolina think he knows more than the President about what or who is needed, in these perilous times, in the office of the Secretary of State?"

Mr. Laughton: "Yes, Senator. I dare say that even one so young and green as the junior Senator from Rhode Island would have chosen another man. Wouldn't you Senator, truthfully?"

Mr. Lawford: "The Senator assumes an entire ability of knowledge which denotes a closed mind, and an aged crust of prejudice." [Laughter.]

Mr. Laughton: "Really, Mr. President, we have here an example of the commotion this man Leffingwell can arouse. Able, sensitive, young Senators, taught courtesy at their mother's knees, turn upon their elders and offend them, because of their passions, over this disturbing man, Robert A. Leffingwell. I beseech, Senators, to contemplate the spectacle we are making of ourselves. Why? What is causing this bitterness of division in our party? Leffingwell. Who is disrupting the cordial flow of legislative interchange? Leffingwell. Who is turning this Senate into a cockpit of angry emotion? Leffingwell. I abominate this man Leffingwell. He is an evil man. He will pursue a policy of appeasement. He will weaken the moral fiber of our great Nation. He will bring destruction to our traditions and I beg the Senators reject him. Reject him." [Applause.]

Mr. SMITH. Several times on this weekly report we have stressed the urgent need in our time for much better teachers, and for much better scientists. But for whatever may be said in derogation of them, the single most important necessity of the time is—good politicians. They have got to improve their institution. For as President Eisenhower said in an entirely different context—we need them.

Mr. MORSE. Mr. President, early in this session Mr. Smith produced a most dramatic and challenging commentary upon our race with the Russians. Interestingly enough, he pointed out what I have many times stressed: Our greatest weapon for democracy is the type of quality education we provide our boys and girls. In his February 14, 1962 program, Mr. Smith pointed to the danger, that unless we as a Nation pay heed to this factor in our free society, we may not win the race.

Mr. President, I ask unanimous consent that the script of Mr. Howard K. Smith's February 14, 1962, program be printed in the RECORD at this point in my remarks.

There being no objection, the script was ordered to be printed in the RECORD, as follows:

### NEWS AND COMMENT

(By Howard K. Smith, Wednesday, Feb. 14, 1962, ABC Television)

Mr. SMITH. Good evening. My name is Howard K. Smith. And this is going to be an experiment in television journalism. In the golden age of radio—which was only a few years ago—the time around an hour on either side of supper time used to be a kind of an American forum of the air. You could choose among a dozen or more well-informed commentaries on the meaning of the events of the day to listen to. I believe that institution helped us make the quick transition we had to make from being an isolationist Nation indifferent to the outside world to being a responsible world leader learning to think about and act upon some very difficult problems.

This weekly report is going to be an attempt to put that kind of commentary on television. News commentary on television, as distinct from documentary reports, has been tried before. But nobody has ever succeeded at it yet. However, we feel that since then we have learned a little more about how to use television. ABC News wants to try. Our sponsor wants to try, and so do I. So here goes.

Each week we will deal with the events of the week as they happen, right up to the minute this program goes on the air. But today we would like to begin by laying a kind of foundation—state the basic problem of the time, and where our side stands. So our theme for the next half hour is going to be the familiar one—"The World Argument With the Communists." After 16 years nobody has yet found a better name for it than the "cold war". The paradox about it is—our side has everything it takes to win; but the other side over the long run has been gaining. Why?

We are going to use diagrams to establish the basic facts. Here is how the camps break down in absolute numbers of people available to each:

The Western Nations and all our allies have 1,005 million people.

The Communist bloc and all its satellites have 1,055 million people.

Tied to neither side, the neutrals of the world are about 1 billion even.

However, absolute numbers are not a good guide to strength or influence. What matters are the number of skilled, literate people able to organize, be organized, and to compete. And the neutrals have about 180 million of those.

The Communists have, on a generous estimate, about 500 millions.

The Western nations and allies have approximately 800 million skilled, literate, trained people.

Our side thus has far superior human resources.

Another basic measure of the strength and the competence of a group of nations is productive wealth—the gross national product of a nation's mills, mines and fields.

The annual Western output is $900 billion in value.

The Soviet bloc's total annual output is approximately $300 billion—or one-third of our side's.

The basic power potential is thus extremely overbalanced in our favor. But some people say the cold war is not a material contest; it is rather a contest of ideas. Our adversaries have the ideas that win people; and we have not. Well, that is not true.

For example, the Communists are free to broadcast anything they want to our side. But when we broadcast to their side, this sound rises to drown us out (jamming sound). They jam us with that noise, because they fear what we have to say.

Here is Edward R. Murrow, the man in charge of putting our ideas to the world, the head of the U.S. Information Agency:

Mr. MURROW. One thing I think ought to be remembered, Howard, and that is that the Communists have actually taken over in no country through the weight of their ideas or propaganda. They have done it through military force and no other way. It is worth remembering that even in Cuba, Castro never advanced orthodox Communist proposal or doctrine until after he came to power. He didn't mention Yankee imperialism and so forth until he had achieved power and I think in surveying how this great discussion, this savage competition between the United States and the Soviet Union is going, it is worth remembering that while they do have the appeal of simplicity, nevertheless their victories are not there on the grounds. Nothing is lost, not even in Africa. We in this country are too inclined to say, "Guinea is gone, Ghana is gone."

They aren't gone. There are going to be all kinds of new constellations, new confrontations, new leadership come up. This is going to be a long and as I say, a savage and unrelenting kind of competition.

Mr. SMITH. Is it true that your total budget for stating our cause everywhere in the world is approximately equal to what the Communists spend simply jamming our broadcasts in Europe?

Mr. MURROW. The Communists spend about $125 million a year jamming our broadcasts. This is a calculable figure because one can tell how much it costs to build and operate a jamming transmitter. We have in dollars this year, this fiscal year, $111.5 million. So they are spending more on jamming our shortwave broadcasts to the bloc countries alone than we have for our total effort.

Mr. SMITH. Well, doesn't that rather indicate that they think a great deal more of our argument than we think of it?

Mr. MURROW. It certainly indicates that they're willing to nourish their effort to a greater extent than we are. For example, we cannot prove this, but we are convinced that Castro is spending more money in Latin America than we are spending.

Mr. SMITH. Broadcasts?

Mr. Murrow. Yes. Broadcasting and in other forms of propaganda.

Mr. Smith. Ed, I understand that the Federalist Papers, which are history to us, in fact are considered to deal with current questions in most of the new countries and that you have quite a market for copies of the Federalist Papers.

Mr. Murrow. Oh, we do indeed. We had in one small post of Africa more requests for the Federalist Papers in a matter of weeks than the New York Public Library had in the course of an entire year. I was recently in Nigeria, and there I saw in one of our centers, an evening adult education class in which they were studying the Federalist Papers and at great length because they face a problem, as you know, of federating just as we did at one time.

Mr. Smith. That was Ed Murrow on the competition of ideas. Now we want to get right down to the core of what constitutes power—after this word from Nationwide Insurance.

The hard core of a nation's influence and power is its armed force. If your armed force is superior your diplomats tend to act with confidence. If it is weak they tend to behave timidly. In the 1930's, for example, German foreign minister Joachim von Ribbentrop was a poor diplomat, but he was successful because he was backed up by the strongest armed force then in existence. On the other hand, Eduard Benes of Czechoslovakia was a fine diplomat, but he was a failure because he had inferior force. The implied threat of armed force is mainly, in our still very imperfect world, what power and diplomacy are all about.

How do we stand in this respect? Once again we use diagrams:

Today the Western alliance of nations has a total of 8 million men in arms. That is the United States, Western Europe, Japan, and all other nations in Asia and Latin America allied to us.

The Soviet bloc—Russia and her satellites—China and her satellites, plus Cuba—has a total of 9 million men. That is, 1 million more than our side has.

The main place where the two sides confront one another is Europe. There our side has numerical superiority. Our side has 5.8 million men to their side's 5 million men available for use in Europe, the Atlantic, and the Mediterranean.

But many of the West's men-in-arms are in navies, or else must be held in reserve lest trouble break out elsewhere. So for an actual trial of force on the ground in Europe—say over the Berlin question—we have approximately 1 million men available for actual combat.

The Communists too must subtract from their numbers. Many are untrustworthy satellite forces; many have to be held in reserve to police supply lines. So in fact we estimate they have about a million and a quarter men actually available for combat in Western Europe.

The Russians are somewhat superior in numbers. But they face a special danger. To fight us decisively in any ground conflict, they must concentrate their ground forces tightly and, if they do concentrate, they submit themselves to a terrible risk.

That is, small clean tactical nuclear weapons—you see one being loaded here. If we possessed only the big orthodox dirty atomic bombs we would be unwilling to use them in ground war in Europe. For they would spread fallout and radiation, and would wipe out our friends and satellite peoples and our own troops as well. However, we possess these clean nuclear explosives. They can be fired to wipe out a concentrated enemy battalion. But they will leave nearby villages and towns unharmed—no fallout, no radiation will affect them. Some experts believe that the Russians would never concentrate in the face of this very great hazard.

That is relative strength in Europe. In the Far East we are far outnumbered on the ground by Red China. But the troops we have are of superior quality and mobility. Moreover, if we were being overwhelmed by an aggressive horde, experts say that we would probably resort to nuclear weapons as we did not in Korea and that would be militarily decisive.

There is great unwillingness to contemplate nuclear war. But unfortunately nuclear weapons exist in this time we were born into by accident. There is tension between the nations that possess them. So we have no choice but to think about them.

The consensus about nuclear power is that our side has nuclear superiority. But, superiority is not significant. Both we and the Russians have enough nuclear power to do dreadful damage to one another, no matter which side has more.

What does matter is—which side can better deliver the weapons to the opponent's soil? And the answer is, our side can deliver better.

The most spectacular means of delivery is missiles. We used to think the Russians had a big lead. In fact, latest information indicates we are just about even with one another.

But still the main means of delivering nuclear explosives is not missiles but bombers. We have about 1,700 bombers able to reach Russia from the United States. They have only about 200 able to reach us from the Iron Curtain.

In addition we have bases near them from which our short-range bombers can hit them. They have no such bases near us.

So, if the most terrible thing imaginable happened—a nuclear war—we could wreak much worse destruction on them than they could wreak on us.

There is much more to military power than this brief survey can show. For example, one nation can have a more brilliant strategy than the other; or it can have a higher morale. And strategy and morale can cancel out great numbers.

The best conclusion we can reach about defense is—there is probably a military standoff. Either side can do dreadful damage to the other * * * but only at the cost of having dreadful damage done to itself.

If this standoff prevails, the cold war will happily have to be settled in a different field of competition.

Now, in summary of what we have said up until now, our side has almost everything it takes to be superior. In military power we are at least equal and at best superior to our opponent. In almost all other realms that constitute competitive power we are well ahead. Yet the other side gives the impression of gaining. As Arthur Krock once calculated it, the Red bloc in recent years has been expanding its domain at the rate of about 45 square miles per day.

Why?

In part the Communist triumph is illusory. It has been created by their hyperthyroid propaganda and accepted all too readily by others.

They fill the papers with glowing statistics of their great economic progress. But, as President Kennedy said recently, the fact is that under the tsars in the year 1913, Russia produced 45 percent of what America then produced. Last year, after four decades of glowing statistics, Russia produced 47 percent of what we did. In nearly half a century they gained a mere 2 percent on us.

But even when that has been said, much of Soviet progress remains real. In recent years, their side has added to their domain Tibet, a bite of north India about the size of the State of Connecticut, Cuba, much of Laos, and some of Vietnam. They have made propaganda inroads in Africa and in other places and their economic growth rate is at the moment a good deal higher than ours.

Why is it that we do not compete more effectively?

I think the answer is that we have been involved in heavyweight power politics for a very short time after a long national history of isolationism and indifference. We haven't had the time to learn the attitudes we much adhere to if we are going to prevail in this kind of power contest.

One of our wrong attitudes is the all-or-nothing attitude. That is, if the opponent will only declare all-out war on us, we will fight to the death. But if he challenges us in ways short of all-out war, we tend to do nothing. Russia has been very careful to analyze this and to put us before one challenge after another short of all-out war—subversion of people on our side; guerrilla warfare against people on our side; terrifying threats without war to people on our side. And all too often we have had no effective answers.

We need to develop a whole range of actions short of war to answer them or to harrass them. For example, if they harrass our traffic to Berlin, let us not go to war unless we are absolutely forced to. Let us instead harrass and if necessary impound their ships in allied harbors. It will hurt them a great deal more than our stoppage in Berlin will hurt us, or if they push guerrilla war against South Vietnam on our side; let us—as we are now in fact beginning to prepare to do—help our friends to launch guerrilla war against North Vietnam on their side.

There can be a whole range of actions short of war that we can engage in and it will make them much more reasonable when they finally get to the conference table.

Another thing that suggests we have not yet grown up to the challenge is our tendency to break off into extremes.

On one side we have our pacifists with the slogan, that "War in the Nuclear Age is Unthinkable." If the President stands firm for our national interests they accuse him of irresponsible brinkmanship.

On the other extreme, the radical right wants to quit the U.N., break relations with Russia and virtually go to war which would isolate us from our allies and everybody else. If the President tries to negotiate with the Communists they consider him soft on communism.

The truth is, success in foreign policy consists mainly in finding the right mix of softness and readiness to conciliate on one hand * * * and toughness and refusal to yield on the other.

Another difficulty is simply our attitude toward the element of time. We make our budgets in our homes and in our businesses and in our Government each year. Our Congressmen run for reelection every 2 years. We tend to think in those short-run terms.

Since we seek results in the short run, we tend to exaggerate the damage to us of minor setbacks, like Cuba. We tend to be incapable of the long-range planning the Russians engage in, when they seek results over 5 or 10 or 20 years, instead of our 1 or 2 years.

But, for the most important serious self-imposed drawback that we have in the cold war is, I suggest, our reluctance to meet urgent nonmilitary national needs. Congress will appropriate anything for military hardware. But it is very hard to get action from Congress or the people, for example, on the one thing which may be decisive for the outcome of the cold war and that is education.

You know the trend in the education of scientists and technicians. In the year 1950, we graduated 52,000 of them and the Russians graduated only 36,000.

But 10 years later, in the year 1960, we graduated only 38,000, and the Russians graduated 111,000. In an age of technological revolution this defect can be a serious one.

Now there are signs that the Russians are pulling ahead not only in technical education, but in all education.

In 20 or 30 years' time these will be the heirs to Nikita Khrushchev—Russian children in elementary schools today. If present trends continue they are likely to be much better educated to compete than the heirs to John F. Kennedy, who are now in our grammar schools.

This book, "What Ivan Knows That Johnny Doesn't," is a comparative study of Russian and American elementary education. The author is Dr. Arthur Trace of John Carroll University. The main points that he makes in this book are: in regard to vocabulary an American third grader has a vocabulary of 1,000 words. A Russian third grader 8,000 words. Foreign languages—25 percent of Americans study a little of them and 100 percent of Russians study a lot of them. In regard to world history: A American ninth grader has had 1 year of it, a Russian ninth grader has 4 years. We would like you to meet Dr. Trace after this word from Nationwide Insurance.

Dr. Trace. One of the most serious discrepancies, it seems to me, is in the difference in the vocabulary of the readers of the early grades. For example, a first grade Soviet reader has approximately 2,000 words as opposed to an American first grade reader which has approximately 300 and of course this rate increases tremendously in a Soviet reader. A third grade for example has about 8,000 words in a Soviet reader as opposed to approximately 1,000 words in the third grade American reader.

Mr. Smith. That's 8,000 for a Russian kid and 1,000 for an American kid.

Dr. Trace. That's right.

Mr. Smith. In the same school level.

Dr. Trace. That's right. I'm not going to say that all Soviet students master the 8,000 words but after all this, the demands that are made on Soviet children in reading are not excessively great. The European texts do the same. In other words, they're about right. It would appear that the level of instruction is to the dull child in our schools, not even the average child, the dull child.

Mr. Smith. Well, now President Truman once said and Speaker Sam Rayburn told me before he died, American children today simply don't know enough American history. They can't understand today's problems when they don't know what led to today's problems.

Dr. Trace. There is very good reason to believe that our children do not know nearly as much history as they ought to and I think one can explain why when one looks at the curriculum. Let me read to you a passage from the introduction to a 10th grade world history book to suggest the problem. "In writing a textbook for high school students that will cover the whole span of world history, it is necessary to present only the high points—the mountain peaks of men's experience, many of the hills and valleys and waterfalls are pretty uninteresting, and they are likely to clutter up the landscape and confuse rather than enlighten the student. We have therefore tried to exclude everything that does not shed light on our story." Well, you can imagine, then, that if a student happened to have a bad cold, he could miss out on Greek civilization and if he happened to contract pneumonia, he could miss out on the entire classical world even in this age of antibiotics.

Mr. Smith. Well, now could you tell me specifically some things we might do.

Dr. Trace. Well, I would suggest first of all in the basic reader that if children were taught to read at a rate at which they are capable and from readers which would rather challenge their intelligence rather than insult it. I would suggest that this would be a major step in the right direction. And then students could go on and read. I believe that is the most crucial, the weakest of all the areas in our education program right now. It's the reading program in the elementary schools.

Mr. Smith. Now how about curriculum. What would you do to curriculum?

Dr. Trace. Well, the curriculum needs to be improved in the foreign languages and in history and in geography. The foreign languages, I might suggest for a moment, approximately only 25 percent of our students take a foreign language at all and those that do study it for only 2 years. That is 9 out of 10 of those who do study it for only 2 years. That's not enough to even get a student off the ground. In the Soviet Union, Russian students start in the fifth grade and if they continue on through their schools, through the new 11-year schools this would be a total of what—7 years of a single foreign language. The discrepancy is very great indeed.

Mr. Smith. So where 25 percent of American children study a little of a foreign language, 100 percent of Russian children study a lot.

Dr. Trace. As long as they are in school that's true and I might suggest, too, that perhaps 10 million Russians are studying English as against 50,000 Americans who are studying Russian and, of course, the Soviet students, are not studying English because they love America. They all want to be our commissars.

It is our conclusion that if we keep the risk of war too high for our opponents to dare and if our diplomacy is skillful and resourceful to prevent any conflict then the competition with the Soviet Union and with Red China will have to be settled in another more peaceful field. I believe that the central peril of the cold war is that in 20 years time the Russians may have a generation much better trained to cope with the modern world than we have.

This is a typical American first-grade reader. To read it a child needs to have a vocabulary of at most 300 words.

This is a standard first reader in the Soviet Union. To read it, a Russian child has to have a vocabulary of not 300 but of 2,000 words. I would suggest to you that this is where the space race will really be won.

This, not the atomic bomb or the intercontinental missile. This is the ultimate weapon in the cold war.

Good night.

## OREGON'S SHARE IN AGRICULTURAL EXPORTS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the Record an editorial entitled "Oregon's Share in Agricultural Exports," published in the Oregon Grange Bulletin on May 20, 1962.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Oregon's Share in Agricultural Exports

Sixty million acres of American cropland are producing for export. This is more than 18 times the harvested acreage of Oregon.

American agricultural exports are running at a record high rate of $5 billion a year. U.S. farmers need these exports as an outlet for their efficient and abundant production, and as an important source of income. Foreign consumers need these exports as a significant source of food and clothing.

In fiscal year 1960-61 U.S. exports equaled half of the Nation's production of cotton, wheat, rice, and dried peas; two-fifths of the output of soybeans and tallow; a third of the production of tobacco, hops, flaxseed, and nonfat dry milk; a fifth of the dried whole milk output; and a sixth of the feed grains sold off farms. Other important exports were fruits, poultry meat, and variety meats.

Farmers of Oregon have a direct stake in the exports of many of these agricultural commodities. In terms of the fiscal year 1960–61 national agricultural export total, the equivalent share of exports in this State was $50.1 million for field crops excluding vegetables, fruits, and nuts; $8.5 million for fruits and nuts; $6.8 million for livestock and livestock products; and $2.6 million for vegetables.

The export equivalent for specific commodities was $32 million for wheat, $1.4 million for pears, $1.4 million for plums and prunes, $198,000 for apples, and $106,000—81 percent of National exports—for filberts and hazelnuts.

Export equivalents for livestock and livestock products were $1.4 million for dairy products, $900,000 for poultry and poultry products, and $4.5 million for other livestock and livestock products.

Like all ports of America, Oregon also is an importer of agricultural products—but these are largely tropical or semitropical products not grown here, like coffee, tea, spices, bananas, rubber, etc. In addition, there are imports of competing products, often of special grade and higher price. Under section 22 of the Agricultural Adjustment Act as amended, imports of the following commodities are limited: wheat and wheat products, cotton, cotton waste, cotton produced in any stage preceding spinning into yarn (picker lap), certain manufacturer dairy products, peanuts, tung nuts, and tung oil. As a whole, the equivalent share of agricultural exports from Oregon is over twice as large as the equivalent share of competing imports.

The domestic market is unable to absorb the total output of America's highly productive agriculture. Fortunately, there is active need for these products in foreign countries. In the more prosperous countries, incomes are rising and there is excellent opportunity to sell larger amounts of U.S. farm products provided such countries maintain liberal trade policies that permit U.S. agricultural commodities to enter and compete on equal terms with those of other suppliers. In the less prosperous countries, U.S. farm products obtained under programs such as Food for Peace are helping such countries in their economic development and at the same time increasing U.S. prospects for future commercial sales to them.

## ASSESSMENT OF THE U.N.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the Record an editorial entitled "Of Cats—And Bonds," published in the Oregon Grange Bulletin on May 20, 1962.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Of Cats—And Bonds

There is an old saying to the effect that there are more ways to kill a cat than by choking it to death with cream, which we think is particularly apropos to the question of solving the financial difficulties of the United Nations.

As we all know a very considerable number of member nations of the U.N. refused to pay their share of the assessment levied on all member nations to finance the police actions in the Congo and the Middle East. There is precious little the U.N. can do to bludgeon the recalcitrant countries into paying their assessments, but a majority of the U.N. did vote for a bond issue to finance the activities of the U.N.

The bonds will become the general obligation of the U.N. and will be paid from the general fund to which all nations must pay their dues or forfeit their vote in the assembly.

We are glad the Senate has passed (by a vote of 70 to 22) the bill authorizing the President of the United States to buy up the $100 million worth of these bonds—and we hope the House of Representatives takes similar action at an early date.

## WHEN YOU PLANT A TREE

Mr. MORSE. Mr. President, brief remarks entitled "When You Plant a Tree" were delivered at the ninth annual Willamette Tree Planting Festival in Oakridge, Oreg., by Mr. H. R. Glascock, Jr. Mr. Glascock is forest counsel to the Western Forestry and Conservation Association. I ask unanimous consent that his observations on planting of a tree appear in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### WHEN YOU PLANT A TREE

(By H. R. Glascock, Jr.)

When you plant a tree today, you make an investment in tomorrow. You join hands and become a partner with Nature in renewing a perishable but dynamic resource—a crop with expanding usefulness to man. From seeds, so tiny there are 36,000 in a pound, to tall timber trees there is a growth struggle you play a part in winning, when you plant a tree.

When you set a seedling in the ground, you take a hand in shortening the cycle from forest seed to harvest. You become a practical conservationist by doing what others only talk about; by helping to assure accessible resources for future generations.

And you take on responsibility for placing this seedling in soil where it is free to grow, and so that it can best withstand the numerous enemies of young tree growth. Frost-heaving, drought, mice, rabbits, deer, aggressive grass or brush may fell your little tree before it is far along. So set it well, when you set out a seedling tree. And plan to return to check on its establishment. If a tree dies, plant another in its place.

### WHEN YOU PLANT A TREE

You plant jobs when you plant trees. Jobs for future citizens of this great State, for your sons and mine. You plant revenue to run local government and for schools and roads. You also plant an ever-wider spectrum of forest products for service to mankind. And you take a part in that continuing rotation of forest cover which favors wildlife and watersheds. Did you know that you do all of these things when you plant a tree?

When you plant a tree, Nature plants a thousand more. For Nature is the master planter of all. Bountiful and prolific as she is, however, she works in her own good time and ways. A partnership in which Man understands and works with Nature, such as you have here, is most productive of human benefits and inspirational beauty. Man is learning how to work with Nature and sustain himself—when he plants a tree.

"He that planteth a tree is servant of God,
He provideth a kindness for many generations;
And faces that he hath not seen shall bless him."

## SERVING OF ALCOHOLIC BEVERAGES ON THE SENATE SIDE OF THE CAPITOL AND IN THE SENATE OFFICE BUILDINGS

Mr. MORSE. Mr. President, I shall say only a word on this subject, because I must go to a conference in the majority leader's office. I shall discuss the subject at greater length before the week is over. However, so that no one will think that I have forgotten about it, I wish to raise again the question of serving liquor in the public rooms in the Senate section of the Capitol and the Senate Office Buildings, and I ask unanimous consent that there may be printed in the RECORD an editorial from the Portland Journal entitled "No Cocktails in the Capitol."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### NO COCKTAILS IN THE CAPITOL

One does not have to be a prohibitionist to regret that the Senate Rules Committee has pigeonholed Senator WAYNE MORSE's resolution to ban drinking in the public rooms of the U.S. Capitol.

The Capitol is as much a shrine as the Lincoln Memorial. It is dedicated to the serious conduct of the Nation's business, and it houses statues and paintings of the Nation's heroes. Tens of thousands of persons visit it every year, most of them with reverence and a feeling of awe, and among those visitors a very large proportion are children.

A babbling cocktail party in such a setting cannot help but detract from the dignity of its surroundings.

Note that the proposal was to prevent drinking in those rooms of the Capitol which are open to the public. In that amazing marble warren there are many private hideaways where Congressmen, if they feel the need, can ease the bruises of legislative battle with the judicious application of bourbon and branch water. Some persons object to that long-standing practice also, but even they would probably agree that it is less objectionable than drinking in public.

Like the little boy in Lewis Carroll's poem, Senator MORSE is open to the charge that he does some things only "to annoy, because he knows it teases." The members of the Rules Committee apparently felt that this was such an instance. We wish they had taken him more seriously this time.

Mr. MORSE. Mr. President, I wish the RECORD to show that I am awaiting a reply from the Committee on Rules and Administration to a kindly and courteous and proper letter which I sent to the committee some time ago, asking the members of the Rules Committee whether the report which I inserted in the RECORD was correct. That report stated that my resolution had been indefinitely postponed.

If that is true, and if the committee does not see fit to make it possible for me to present to the committee the testimony of responsible leaders of various organizations, I shall start at an early date to conduct my own committee hearings on the floor of the Senate, day by day, and week by week, if necessary, so that all these witnesses may have an opportunity, at least through my lips, to testify as to their position on this question, including one church leader after another. If Senators think the Senate is going to adjourn without this issue being made a matter of full record, so far as responsible people in our country who protest the action of the Senate is concerned, they are very much mistaken.

I care not how long the Senate needs to stay in session in order that I make this record. The right to petition the Government for redress is a very precious constitutional right in this country. What the senior Senator from Oregon is asking the Committee on Rules and Administration to do is to extend the right to people to petition the Rules Committee through a hearing, to present their opposition to a policy which was officially established by the Senate when the new conference room was opened with a considerable amount of fanfare on April 2 of this year.

This is one matter that the Senate is not going to sweep under the rug so far as the senior Senator from Oregon is concerned. I intend to make a record on the issue. The large number of people—and they are increasing week by week—who are concerned have a right to be heard on the subject. The Senate has the duty to give them a hearing, in case the Rules Committee does not wish to reverse the action that it initiated when it not only proceeded officially to provide for the serving of hard liquor at official Senate functions in its public rooms, but apparently also, so I understand, authorized Senators to get permission to use this conference room and other rooms for affairs of their own sponsorship, at which, in effect, these rooms, for the period that they are used, are turned into bars.

Those of us who do not share the point of view of such Senate public policy have a duty to our constituents to make the record. I propose to make that record.

I would much prefer to have this question handled by means of an official hearing of the Rules Committee, preceded, if possible, by a meeting of the Rules Committee in executive session, if it wants such a meeting with the senior Senator from Oregon. So far as I am concerned, this is a matter of procedural policy in regard to which the American people are entitled to have full public disclosure made. We are not going to do that if we deny a great number of our people the right to be heard—people who have the privilege and the right to be heard in protest of a policy of the Senate that they consider to be entirely unjustifiable.

## THE PEOPLE PETITION FOR KING-ANDERSON BILL

Mr. YARBOROUGH. Mr. President, I have recently received a petition bearing about 150 signatures from the area of Beaumont in Jefferson County, Tex., expressing strong support of the King-Anderson bill and urging that it be enacted into law.

I ask unanimous consent that the following statement and all the signatures thereto be printed in the RECORD.

There being no objection, the statement and signatures were ordered to be printed in the RECORD, as follows:

JUNE 5, 1962.

Hon. RALPH W. YARBOROUGH,
*U.S. Senator,*
*Washington, D.C.*

DEAR SENATOR: We, the undersigned, who are residents of Beaumont, and area, Jefferson County, Tex., are strongly in favor of the proposed King-Anderson medical care bill and respectfully urge you, as our representative in the U.S. Senate, to do all in your power to enact the said King-Anderson bill into law.

J. G. Moore, Sr., Pete Sala, Andy Hebert, T. S. Hughes, C. S. Barker, B. L. Green, Johnnie Tatam, J. E. Bowen, Joan Williams, L. L. Bynum, Claude McIntyre, Beaumont, Tex.; Lewis W. Spake, Port Neches, Tex.; Mr. J. G. Moore, Mrs. P. E. LeClaire, Beaumont, Tex.; John C. Shaw, Silsbee, Tex.

J. L. Mott, E. N. Lucas, James Gardiner, Bobby Burton, Steve Cordova, Herman Davis, Daniel Tuquette, W. O. Bostick, A. L. LeBlanc, William V. Harrington, Geo. W. Doitt, Mrs. Louise King, William H. Thornton, S. C. Renfro, Jr., Harold L. Jones, Val Blackburn, Duese Fontenat, Bevis Wilson, Robert J. Becks, Pat L. Killebreu, Geo. J. Corrigan, Robert F. Petlock, S. A. Ferlitta, J. W. De Ramus, Chas. A. Ferlitta, Charlene Ferlitta.

H. J. Marsiglia, Joe Lozarro, H. J. Ozlo, George Powell, Mrs. George Powell, Wallace Jarrell, Helen Jarrell, James Segum, Adam Victor, F. E. Riley, Mrs. F. E. Riley, Beaumont, Tex.; Mrs. E. C. Coody, J. I. P. Gaines, El Paso, Tex.; D. D. Adair; Mrs. G. W. Dorten, Beaumont, Tex.; A. G. Jewett, Jr., Port Neches, Tex.; Mrs. Joseph Beinlacqua, Jr., Ralph C. Lawson, M. F. Lawson, Shannon Wilson, Mrs. Shannon Wilson, Beaumont, Tex.

S. W. Humphrey, Pearl O. Humphrey, Betty Sue Burton, David Lee Humphrey, Olin G. Kirby, Mrs. Olin G. Kirby, J. B. Irving, M. J. Hebert, Earl Barrileux, R C. Spain, Mrs. G. L. Spain, Mrs. Mozella Marie Williams, Mr. Robert Williams, Mrs. Irene Josephine Pirt, Roy Kirby Pirt, Mr. Leon Showers, Mary Lydia Gardiner, Equilla Robinson, Mary Pauline Robinson, Lillian Ann Gardiner, Dianna Marie Goodman, Raymond David Goodman, Edward Gardiner, Mrs. Altha Mae Jackson, Mr. Clarence McKinkley, Mrs. Victoria Lee Gardiner, Beaumont, Tex.

Mr. Rodney J. Gardiner, Beaumont, Tex.; Sidney C. Reed, Louis Reed, Armond Reed, Mrs. Alice Green, Mr. Roy Green, Mrs. Rose Fobe, Houston, Tex.; Mr. Harold Stewart, Linda Fay Gardiner, Dianna Marie Goodman, Loretha Gardiner, Arthur Cluff, Joseph Daugtas, Anthony Gardiner, Alfred Wilson, Idma Mae Bordors, Juanita Lane, Billie Earl Bordors, Johnnie Mae Berrie, Johnnie Ray Berrie, Frances House, Bill Gardiner, Mary Hooper, Bissie Mae Dinnis, Cryell Dinnis, Beaumont, Tex.

Debria Glenda Dennis, Raymond Goodman, Larenza A. Lockett, Betty Little, Viola Looket, Lele Gardiner, Erall Stanley Gordiner, Mildred Delores Goodman, Gary Gordon, John Gordon, Ruby Mae Bassett, Charolette K. Payne, Jessie Belton, Jr., Darrell James Bassett, Rebecca Marie Jackson, Roberta Jackson, David Allen Robinson, Derbra Annette Robinson, Edward Montgomery, Robert Bowers, and Oralitha Johnson, Beaumont, Tex.; Mary Alice Green, David Lee Labuild, Houston, Tex.; Joe Johnson, and Audry Bowser, Beaumont, Tex.

Irma Montgomery, Alice Greene, Shirley Robinson, Ionna Faye Bowser, Dudley Robinson, Jr., James Bowser, Fannie Cutten, Dwight Bowser, John Montgomery, Joseph Bowser, Irene Robinson, Dudley Robinson, Beaumont, Tex.

## ADJOURNMENT

Mr. YARBOROUGH. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 49 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, June 19, 1962, at 12 o'clock meridian.

## NOMINATION

Executive nomination received by the Senate June 18, 1962:

### DIPLOMATIC AND FOREIGN SERVICE

Philip D. Sprouse, of Tennessee, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Cambodia.

# HOUSE OF REPRESENTATIVES

## MONDAY, JUNE 18, 1962

The House met at 12 o'clock noon.

Rabbi Samuel Scolnic, Congregation Beth-El, Bethesda, Md., offered the following prayer:

Our Heavenly Father, we have turned our attention to the vast reaches of outer space, but we know all too well the harrowing problems that continue to plague us here on earth. The mysteries of Thy universe beckon to us, but the hard realities of this planet will not leave us.

If one crisis follows another, it is because our earth has become a tiny, shrunken, little planet. Neither the depths of the seas nor the heights of the mountains separate men from men, or nation from nation. Millions of human beings live, as it were, in one neighborhood, even on a single block. And from out of the dim past comes Thine inspired word "v-ahavta l'reacha kamocha"—"thou shalt love thy neighbor as thyself."

Cause us, O Lord, to know that love and teach us that we may apply it to all men wherever they may be, for the checkered history of man proves beyond all question that hatred only breeds more hatred and war only breeds more war. Only through love can these vicious cycles ever be broken—through our love of Thee, the love of our neighbor, the love of our fellow man.

In the words we render in the synagogue each Sabbath Day we invoke Thy blessing "* * * upon our country, on the Government of this Republic, the President of these United States, and all who exercise just and rightful authority. Do Thou instruct them out of Thy law, that they may administer all affairs of state in justice and equity, that peace and security, happiness and prosperity, right and freedom, may forever abide among us and among all the inhabitants of this earth." Amen.

## THE JOURNAL

The Journal of the proceedings of Friday, June 15, 1962, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 4083. An act to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products;

H.R. 4939. An act to provide for the conveyance of all rights, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5456. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H.R. 7866. An act to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands;

H.R. 8434. An act to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif.;

H.R. 9736. An act to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes;

H.R. 10374. An act to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives;

H.R. 10986. An act to continue for a temporary period the existing suspension of duty on certain amorphous graphite;

H.R. 11032. An act granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion;

H.R. 11033. An act granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary; and

H.R. 11034. An act granting a renewal of patent No. 54,296 relating to the badge of the American Legion.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8141. An act to revise the laws relating to depository libraries.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 678. An act to extend the Automobile Information Disclosure Act to Guam and the Virgin Islands;

S. 2139. An act to exempt from taxation certain property of the American War Mothers, Inc.;

S. 2436. An act to transfer certain land in the District of Columbia to the Secretary of the Interior for administration as a part of the National Capital parks system, and for other purposes;

S. 2977. An act to amend the Life Insurance Act of the District of Columbia;

S. 3063. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia;

S. 3064. An act to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources;

S. 3315. An act to relieve owners of abutting property from certain assessments in connection with the repair of alleys and sidewalks in the District of Columbia;

S. 3350. An act to amend the act of August 7, 1946, relating to the District of Columbia hospital center to extend the time during which appropriations may be made for the purposes of that act;

S. 3359. An act to authorize the Commissioners of the District of Columbia to lease certain public space under and in the vicinity of 10th Street SW, for public parking; and

S.J. Res. 192. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

## AMENDING TITLE 39 OF UNITED STATES CODE

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7532) to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes, with an amendment of the Senate thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, lines 9 and 10, strike out "under contracts with the Department" and insert "of carriers and contractors".

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, H.R. 7532 received favorable consideration by our committee last year and passed the House of Representatives on August 21, 1961.

This bill was introduced as the result of an executive communication and contained the provisions as then recommended by the Post Office Department. Subsequent to passage of the bill by the House, the Post Office Department addressed a letter, dated May 4, 1962, to the Senate committee, asking for an amendment to the bill. This letter is contained on page 4 of the Senate report accompanying H.R. 7532—Senate Report No. 1538.

The Post Office Department letter pointed out that the language contained in paragraph (4) on page 2 of the bill was more restrictive than intended, inasmuch as they had referred to fines, penalties, and refunds resulting from inadequate performance "under contracts with the Department." It was stated that this language would eliminate the possibility of treating collections for similar items from common carriers as appropriation reimbursements. Accordingly, they recommended that the words "under contracts with the Department" in lines 9 and 10 on page 2 of the bill, be eliminated, and the words "of carriers and contractors" inserted in lieu thereof.

The bill, as passed by the Senate, contains this amendment.

## CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

## PRINCE GEORGES COUNTY SCHOOL BOARD, MARYLAND

The Clerk called the bill (H.R. 6759) for the relief of the Prince Georges County School Board, Maryland.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

## PARAPLEGIC HOUSING PROGRAM

The Clerk called the bill (H.R. 4012) to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing for certain blind veterans who have suffered the loss or loss of use of a lower extremity.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That paragraph (2) of section 801 of title 38 United States Code, is amended by striking out ", and such permanent and total disability is such as to preclude locomotion without the aid of a wheelchair," and inserting in lieu thereof a semicolon.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, the purpose of this bill is to expand the paraplegic housing program—the program which provides for a maximum $10,000 grant for severely disabled veterans in acquiring specially equipped homes made necessary because of their peculiar difficulties.

At the present time veterans with service-connected disabilities of all wars and peacetime are eligible if they meet the following criteria: They are permanently and totally disabled due, first, to the loss or loss of use of both lower extremities so as to preclude locomotion without the aid of braces, crutches, canes, or wheelchairs; or second, blind in both eyes, having only light perception, plus loss or loss of use of one lower extremity, and in such condition as to preclude locomotion without the aid of a wheelchair.

The bill deletes the requirement in category two mentioned above so as to permit a blind veteran to obtain this grant even though he is able to move about without the aid of a wheelchair.

The law provides that payment shall not exceed $10,000 in any event and permits payment of 50 percent of the total cost to the veteran of a home for special fixtures or movable facilities.

The Veterans' Administration estimates that there are less than 40 such veterans who would meet this criterion. The total nonrecurring cost would be $400,000, with considerably less than that amount expected the first year.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## STATUTORY AWARD FOR APHONIA

The Clerk called the bill (H.R. 10066) to amend title 38 of the United States Code to provide additional compensation for veterans suffering the loss or loss of use of both vocal cords, with resulting complete aphonia.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 314(k) of title 38, United States Code, is amended by inserting immediately after "having only light perception," each place it appears the following: "or has suffered complete organic aphonia with constant inability to communicate by speech,".

SEC. 2. The amendments made by this Act shall take effect on the first day of the second calendar month which begins after the date of enactment of this Act.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, the current schedule for rating disabilities provides that complete organic aphonia—loss of speech—with constant inability to communicate by speech will be rated as totally disabling with compensation payable in the total amount of $225 a month. This bill provides that the statutory award rate—$47—now applicable for other appropriate disabilities for a specific loss shall be added to the total rate. This $47 a month allowance would mean that the veteran would receive $272 monthly if this bill is enacted into law.

The Veterans' Administration indicates that there are only 20 known cases involving complete organic aphonia meeting the criteria of this bill, which means that the annual cost would be $11,280.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## THE 1202D CIVIL AFFAIRS GROUP

The Clerk called the bill (H.R. 9199) for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf Tng), Fort Hamilton, Brooklyn, N.Y.

Mr. FORD. Mr. Speaker, reserving the right to object, I have discussed this proposed legislation with several Members of the House who are interested in its enactment. It is my understanding that an amendment will be offered if the bill is considered which would strike section 2 from the bill. I think it is important to read section 2. It reads as follows:

> SEC. 2. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States full credit shall be given for all amounts for which liability is relieved by section 1 of this Act.

It is my understanding that the removal of this section would still place a financial burden on the disbursing officer or paymaster for the failure on his part to follow the regulations. It seems to me there is merit to the bill if we limit the relief to those who have received the money not knowing they should not have received it, but I see no reason whatsoever to relieve a disbursing officer or paymaster whose job it is to see to it that these moneys should not have been paid. I would like to ask the gentleman from New York whether or not he does intend to offer an amendment to delete section 2?

Mr. CAREY. I believe the gentleman's point is well taken. The amendment, I understand, will be offered by the gentleman from Massachusetts [Mr. LANE]. The amendment is at the desk.

Mr. FORD. I believe this is a good solution to this problem, and I hope and trust that in the consideration of any subsequent bills of this nature that we will not relieve the paymaster or the disbursing officer where there is an obvious case of error, which was the case in this instance.

Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all officers, warrant officers, and enlisted personnel assigned to the 1202d Civil Affairs Group (Reinf Tng), Fort Hamilton, Brooklyn, New York, during the period commencing December 1, 1959, and ending on November 30, 1960, are relieved of all liability to refund to the United States the amounts, which were otherwise correct, erroneously received by them as pay for participating in inactive duty training assemblies conducted by the 1202d Civil Affairs Group (Reinf Tng) during the period commencing on December 1, 1959, and ending on November 30, 1960.
>
> SEC. 2. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States full credit shall be given for all amounts for which liability is relieved by section 1 of this Act.
>
> SEC. 3. If any member or former member of the 1202d Civil Affairs Group (Reinf Tng) has at any time refunded to the United States all or a part of the erroneous payments with which this Act is concerned, the Secretary of Treasury is authorized to pay, out of appropriations available for the pay and allowances of members of the uniformed services, to that person the amount he or she repaid.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. LANE: Page 2, lines 3 to 6, after the period in line 2, strike out all of section 2.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## BASIC SALARY IN ASSIGNMENTS OF POSTAL EMPLOYEES

The Clerk called the bill (H.R. 10265) to authorize the Postmaster General in his discretion to pay increased basic salary to postal field service employees for services performed before the expiration of 30 days following their assignments to duties and responsibilities of higher salary levels, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## BUGGS ISLAND LAKE

The Clerk called the bill (H.R. 9243) to amend the Civil Functions Appropriation Act, 1952, in order to designate the reservoir created by the John H. Kerr Dam as Buggs Island Lake.

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the last proviso in the paragraph having the subheading "Rivers and Harbors and Flood Control" which follows the center heading "Corps of Engineers" in the Civil Functions Appropriation Act, 1952 (65 Stat. 617), is amended to read as follows: ": *Provided further,* That the dam portion of the project formerly known as the 'Buggs Island Reservoir, Virginia and North Carolina' shall hereafter be designated as the 'John H. Kerr Dam' and the reservoir created by such dam shall hereafter be designated as the 'Buggs Island Lake'."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## SID SIMPSON FLOOD CONTROL PROJECT

The Clerk called the bill (H.R. 11735) authorizing the change in name of the Beardstown, Ill., flood control project to the Sid Simpson flood control project.

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Beardstown flood control project, Illinois River, Illinois, authorized by the Flood Control Act of May 17, 1950, in accordance with the provisions of House Document Numbered 332, Eighty-first Congress, shall hereafter be known and designated as the Sid Simpson flood control project in honor of the late Representative Sid Simpson. Any law, regulation, document, or record of the United States in which such project is designated or referred to under the name of the Beardstown, Illinois, flood control project, shall be held and considered to refer to such project by the name of Sid Simpson flood control project.

Mr. MACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MACK. Mr. Speaker, all of us who served with him in Congress have fond memories of the late Sid Simpson, who represented the 20th Illinois District for 16 years until his death in October 1958.

I am proud to have introduced H.R. 11735, which is before us today and which provides that the floodwall on the Illinois River at Beardstown, Ill., shall be designated the Sid Simpson flood control project in honor of our late colleague .

No man knew or understood the problems of the people of the Illinois and Mississippi River valleys any better than Sid Simpson. No one worked harder for flood control and for conservation of the soil and water resources not only of our great State of Illinois but of the entire country as well.

Sid Simpson was not content just to work for the advancement of flood control projects of interest to the people of his own district. He supported sound projects of natural resource development throughout the United States and served as president of the National Rivers and Harbors Conference.

Our colleague, while a Member of this House, sat on the other side of the aisle from me. Despite our differing party affiliations, however, we were firm friends. In fact, he was the first Member to counsel me when I came to Congress in 1949 at a time when he was beginning his fourth term.

Congressman Simpson and my late father both were pioneer automobile dealers in neighboring counties in Illinois, and they were good friends. It is a sad coincidence that their deaths occurred just 2 weeks apart in the fall of 1958.

Congressman Simpson certainly would have been elected to a ninth term in the House in the election which took place a few weeks after his death. As it was, the people of the 20th District elected in his place his widow, Edna Oakes Simpson, who served with distinction as a Member of the 86th Congress.

It is most fitting that we give Sid Simpson the recognition he so ably merited and pass this bill so that the floodwall he sponsored will bear his name.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## LAKE KAWEAH, CALIF.

The Clerk called the joint resolution (H.J. Res. 417) to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah.

There being no objection, the Clerk read the House joint resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the reservoir formed by Terminus Dam across the Kaweah River in California, authorized by the Flood Control Act of 1944, is hereby designated as Lake Kaweah. Any law, regulation, map, document, record, or other paper of the United States in which such reservoir is referred to shall be held to refer to such reservoir by the name of Lake Kaweah.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## COPYRIGHT PROTECTION IN CERTAIN CASES

The Clerk called the joint resolution (H.J. Res. 627) extending the duration of copyright protection in certain cases.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that House Joint Resolution 627 be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

## FEDERAL ASSISTANCE TO GUAM, AMERICAN SAMOA AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS IN MAJOR DISASTERS

The Clerk called the bill (S. 1742) authorizing Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsections (b) and (c) of section 2 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950 (64 Stat. 1109), as amended, are amended to read as follows:

"(b) 'United States' includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(c) 'State' means any State in the United States, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands."

SEC. 2. Section 3 of said Act is amended by inserting in clause (d), after the words "replacements of public facilities of" the words "States and".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## BACK PAY ACT OF 1962

The Clerk called the bill (H.R. 11753) to provide for the payment of certain amounts and restoration of employment benefits to certain Government officers and employees improperly deprived thereof, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Back Pay Act of 1962".

SEC. 2. For the purposes of this Act—

(1) "agency" means—

(A) each executive department of the Government of the United States;

(B) each agency or independent establishment in the executive branch of such Government;

(C) each corporation wholly owned or controlled by such Government;

(D) the Administrative Office of the United States Courts;

(E) the Library of Congress;

(F) the General Accounting Office;

(G) the Government Printing Office;

(H) the Office of the Architect of the Capitol;

(I) the Botanic Garden; and

(J) the municipal government of the District of Columbia.

SEC. 3. Each civilian officer or employee of an agency who, on the basis of an administrative determination or a timely appeal, is found by appropriate authority under applicable law or regulation to have undergone an unjustified or unwarranted personnel action taken on or after the date of enactment of this Act, which has resulted in the withdrawal or reduction of all or any part of the pay, allowances, or differentials of such officer or employee—

(1) shall be entitled, upon correction of such personnel action, to receive for the period for which such personnel action was in effect an amount commensurate with the amount of all or any part of the pay, allowances, or differentials, as applicable, which such officer or employee normally would have earned during such period if such personnel action had not occurred, less any amounts earned by him through other employment during such period; and

(2) for all purposes, shall be held and considered to have rendered service for such agency during such period, except that such officer or employee shall not be credited, by reason of the enactment of this Act, leave in an amount which would cause any amount of leave to his credit to exceed any maximum amount of such leave authorized for such officer or employee by law or regulation.

SEC. 4. The United States Civil Service Commission shall prescribe regulations to carry out the provisions of this Act. Such regulations shall not be applicable with respect to the Tennessee Valley Authority and its officers and employees.

SEC. 5. (a) There are hereby repealed—

(1) section 6(b) of the Act of August 24, 1912, as amended (5 U.S.C. 652(b)); and

(2) that part of the third proviso of the first section of the Act of August 26, 1950 (5 U.S.C. 22-1), which reads: ", and if so reinstated or restored shall be allowed compensation for all or any part of the period of such suspension or termination in an amount not to exceed the difference between the amount such person would normally have earned during the period of such suspension or termination, at the rate he was receiving on the date of suspension or termination, as appropriate, and the interim net earnings of such person".

(b) Notwithstanding the repeal of certain provisions of law made by subsection (a) of this section, such provisions of law so repealed shall continue to have full force and effect with respect to unjustified or unwarranted personnel actions taken prior to the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## USE OF CERTAIN CONSTRUCTION TOOLS ON THE U.S. CAPITOL GROUNDS

The Clerk called the bill (H.R. 8214) to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 6 of the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (60 Stat. 718; 40 U.S.C. 193f), is amended by adding at the end thereof the following new sentence: "Nothing contained in this Act shall prevent the use, in the construction of any structure or facility on the United States Capitol Grounds, of any construction tool actuated by or employing explosive charges, if (1) that tool is of a kind and design ordinarily used for such construction, and (2) the Architect of the Capitol has authorized its use upon such grounds after determining that its use will not endanger human life or safety."

With the following committee amendments:

Page 2, line 2, strike out "and".

Page 2, strike out line 5 and insert in lieu thereof the following: "safety, and (3) such use is in accordance with rules and regulations prescribed by the Architect of the Capitol."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## INCREASING GRATUITY ON DISCHARGE OR PAROLE OF PRISONERS

The Clerk called the bill (H.R. 11017), to amend section 4281, title 18, of the United States Code, to increase from $30 to $100 the amount of gratuity which may be furnished by the Attorney General to prisoners discharged from imprisonment or released on parole.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## CRIMINAL PENALTIES FOR TRAFFICKING IN PHONOGRAPH RECORDS BEARING COUNTERFEIT LABELS

The Clerk called the bill (H.R. 11793) to provide criminal penalties for trafficking in phonograph records bearing forged or counterfeit labels.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That chapter 113, title 18, United States Code, as amended, is further amended by adding at the end thereof the following new section:

"§ 2318. Transportation, sale, or receipt of phonograph records bearing forged or counterfeit labels

"Whoever knowingly and with fraudulent intent transports, causes to be transported, receives, sells, or offers for sale in interstate or foreign commerce any phonograph record, disk, wire, tape, film, or other article on which sounds are recorded, to which or upon which is stamped, pasted, or affixed any forged or counterfeit label, knowing the label to have been falsely made, forged, or counterfeited, shall be fined not more than $10,000 or imprisoned not more than ten years, or both."

SEC. 2. The chapter analysis of chapter 113, title 18, United States Code, is amended by adding at the end thereof the following:

"SEC. 2318. Transportation, sale, or receipt of phonograph records bearing forged or counterfeit labels."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## WATER CARRIER THROUGH ROUTES AND JOINT RATES

The Clerk called the bill (H.R. 11643) to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates.

Mr. **McFALL.** Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The **SPEAKER.** Is there objection to the request of the gentleman from California?

There was no objection.

## POTAWATOMI INDIANS IN KANSAS

The Clerk called the bill (S. 2893) declaring that certain land of the United States is held by the United States in trust for the Prairie Band of Potawatomi Indians in Kansas.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all right, title, and interest of the United States in and to the following described land, and improvements thereon, are hereby declared to be held by the United States in trust for the Prairie Band of Potawatomi Indians in Kansas: Southeast quarter southeast quarter northeast quarter section 21, township 8 south, range 15 east, sixth principal meridian, Kansas, containing ten acres, more or less.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CONFEDERATED SALISH AND KOOTENAI TRIBES OF THE FLATHEAD RESERVATION, MONT.

The Clerk called the bill (H.R. 4592) to set aside certain lands in Montana for the Indians of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the beneficial title to the real property, and the improvements thereon, consisting of approximately seven hundred and five acres which were heretofore reserved for agency and other purposes under section 12 of the Act of April 23, 1904 (33 Stat. 302), as amended by the Act of March 3, 1905 (33 Stat. 1049), and now surplus to the needs of the Department of the Interior, is hereby conveyed to the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana, and such property is hereby declared to be held by the United States in trust for said tribes in the same manner and to the same extent as other real property held in trust for said tribes.

SEC. 2. Whenever the Secretary of the Interior or his authorized representative determines that other real property, and the improvements thereon, which was heretofore reserved for agency and other purposes under section 12 of the Act of April 23, 1904 (33 Stat. 302), as amended by the Act of March 3, 1905 (33 Stat. 1049), is surplus to the needs of the Department of the Interior, the Secretary is hereby authorized and directed to convey beneficial title to the property to the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana, and the United States shall, from the time of the conveyance, hold the property in trust for said tribes in the same manner and to the same extent as other real property held in trust for said tribes.

SEC. 3. The real property and the improvements thereon declared to be held in trust for the Confederated Salish and Kootenai Tribes by this Act is hereby declared to be a part of the Flathead Reservation for the use and benefit of said tribes.

SEC. 4. This Act shall become operative when accepted by the Tribal Council of the Confederated Salish and Kootenai Tribes. Such acceptance shall constitute a renunciation of any claim now existing against the United States respecting and to the extent of any land conveyed under the authority of this Act. Neither the lands nor improvements thereon herein authorized to be disposed of, nor the cost or value of said lands, shall be considered by way of offset under section 2 of the Act of August 13, 1946 (60 Stat. 1049). Nothing contained in this Act shall be construed as an admission of liability on the part of the United States with respect to these or any other lands.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following language: "That all of the right, title, and interest of the United States in the 526 acres more or less described below are hereby declared to be held in trust for the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana, and to be a part of the Flathead Reservation subject to the right of the United States to use the land hereby conveyed to the extent needed, in the judgment of the Secretary of the Interior, for any water conservation or development project on the Flathead River or its tributaries:

"Dixon—SE¼SW¼, section 9; lot 7 section 8; lot 2 section 17, township 18 north, range 21 west, principal meridian Montana, comprising 106.54 acres.

"Perma—NE¼SW¼, section 31, township 19 north, range 23 west, comprising 40 acres.

"St. Ignatius—Beginning at the east 1/16 corner common to sections 14 and 23, township 18 north, range 20 west, principal meridian Montana, thence north 0 degrees 1 minute west, 660 feet; then east 330 feet; thence north 0 degrees 01 minutes west 1320 feet; thence east 990 feet; thence south 0 degrees 01 minutes east 275.9 feet; thence south 59 degrees 00 minutes west 849.6 feet; thence south 45 degrees 33 minutes east 43.1 feet; thence south 58 degrees 50 minutes west 96 feet; thence south 31 degrees 10 minutes east 130.0 feet; thence south 56 degrees 37 minutes east 298 feet; thence south 0 degrees 22 minutes east 72.7 feet; thence north 56 degrees 37 minutes west 377.6 feet; thence south 0 degrees 22 minutes east 462.8 feet; thence north 89 degrees 35 minutes east 314.3 feet; thence south 0 degrees 22 minutes east 589.5 feet; thence west 858.0 feet; to the point of beginning, containing 28.66 acres more or less.

"Ronan—SE¼SE¼, E½E½E½NE¼SW¼SW¼SE¼, N½SE¼SW¼SE¼, E½E½SW¼SE¼SW¼SE¼, SE¼SE¼SW¼SE¼, section 36, township 21 north, range 20 west, principal meridian Montana and beginning at the corner of sections 1 and 2, township 20 north, range 20 west, principal meridian Montana; thence east along township line 10 chains; thence south 0 degrees 1 minute east 6 chains; thence west 10 chains; thence north 0 degrees 1 minute west 6 chains to the point of beginning, containing 64.4375 acres.

"Camas Hot Springs—SE¼SE¼ section 33, township 22 north, range 24 west, principal meridian Montana, comprising 40.0 acres."

"Pablo—NE¼NW¼, SW¼NW¼, S½NW¼NW¼, NE¼NW¼NW¼, S½NW¼NW¼NW¼, NE¼NW¼NW¼NW¼, section 12, E½SE¼NE¼ section 11, township 21 north, range 20 west, principal meridian Montana, comprising 137.50 acres more or less.

"Joko—W½E½SW¼, NW¼SW¼, and beginning at corner sections 16, 17, 20, and 21, township 16 north, range 19 west, principal meridian Montana; thence north 0 degrees 2 minutes west 20 chains; thence east 19.96 chains; south 0 degrees 2 minutes east 8 chains; thence west 7 chains; thence south 0 degrees 22 minutes east 12 chains; thence west 12.99 chains along section line to point of beginning, and excepting the E½NW¼NE¼SW¼SW¼, W½W½NE¼NE¼SW¼SW¼ of said section 16 containing after the exception 109.725 acres more or less. The acreage of the above tracts totals 526.8625 acres more or less.

"SEC. 2. This Act shall become effective when the Tribal Council of the Confederated Salish and Kootenai Tribes by resolution accepts the donation of the property involved.

"SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## DEVILS LAKE SIOUX TRIBE OF THE FORT TOTTEN INDIAN RESERVATION, N. DAK.

The Clerk called the bill (H.R. 10452) to donate to the Devils Lake Sioux Tribe of the Fort Totten Indian Reservation, N. Dak., approximately 275.74 acres of federally owned land.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of*

*America in Congress assembled,* That all of the right, title, and interest of the United States in the real property described below, and the improvements thereon, located within the Fort Totten Indian Reservation, North Dakota, are hereby declared to be held in trust by the United States for the use and benefit of the members of the Devils Lake Sioux Tribe of the Fort Totten Indian Reservation, North Dakota, subject to existing valid rights-of-way: Lot 1, section 16; lots 6, 7, 8, 9, 10, southwest quarter northeast quarter northeast quarter, southeast quarter northeast quarter, section 17; the west two hundred and twenty feet of the north 1,255.3 feet of lot 2, section 16; the north 38.13 acres of lot 2, section 17, and the north 11.46 acres of lot 3, section 17, these parcels being that portion of the west two hundred and twenty feet of lot 2, section 16, and those portions of lots 2 and 3, section 17, not embraced in Devils Lake Sioux Allotment Numbered 585 of Jesse G. Palmer for which Patent Numbered 412546 was issued to Frank Palmer, heir of Jesse G. Palmer, on June 10, 1914, all of said lands being situated in township 152 north, range 65 west, fifth principal meridian, Benson County, North Dakota, containing 275.74 acres, more or less.

With the following committee amendment:

Page 2, after line 14, add the following new section:

"SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

The committee amendment was agreed to.

The bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## OGLALA SIOUX INDIAN TRIBE OF THE PINE RIDGE RESERVATION

The Clerk called the bill (H.R. 10530) to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the land described herein and heretofore used as a site for the Wakpamni Lake Day School on the Pine Ridge Reservation in South Dakota which has been determined excess to the needs of the Bureau of Indian Affairs, together with the improvements thereon, are hereby declared to be held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation. The land is described as the east half northeast quarter northeast quarter, section 9 and the west half northwest quarter northwest quarter, section 10, township 35 north, range 41 west, sixth principal meridian, South Dakota.

With the following committee amendment:

Page 2, after line 3, add the following new section:

"SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## EASTERN CHEROKEE RESERVATION OF NORTH CAROLINA

The Clerk called the bill (H.R. 11057) to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all of the right, title, and interest of the United States in the following lands and improvements thereon, which are a part of the Long Blanket tracts, situated within the Eastern Cherokee Reservation, formerly acquired for school purposes, is hereby declared to be held by the United States of America in trust for the Eastern Band of Cherokee Indians of North Carolina:

### PARCEL NO. 1

Starting at a concrete monument with brass cap marked school tract corner 5, 1950;

thence north 45 degrees 00 minutes west 542.8 feet to a concrete monument with brass cap marked school tract corner numbered 4, 1950, beside a large mountain oak tree; thence north 26 degrees 20 minutes east 314.1 feet to a point; thence south 77 degrees 51 minutes east 127.4 feet up a ridge to a point;

thence continuing along the ridge south 83 degrees 10 minutes east 67.3 feet to a point; thence continuing along the ridge south 70 degrees 40 minutes east 85.1 feet to a point; thence south 41 degrees 40 minutes east 245.0 feet to a point; thence down the ridge south 19 degrees 40 minutes east 83.3 feet, to a point;

thence south 90 degrees 20 minutes west, 351.4 feet, to south side of gravel road right-of-way to a point; thence continuing along the right-of-way of said gravel road south 77 degrees 32 minutes east, 150.5 feet, to a point;

thence south 86 degrees 36 minutes east 166.7 feet to a point; thence south 71 degrees 07 minutes east 69.4 feet to a point of the intersection of two gravel roads; thence continuing along the right-of-way of said road south 33 degrees 48 minutes east 98.9 feet to a point;

thence leaving said road north 75 degrees 35 minutes west 376.1 feet to a point; thence north 74 degrees 45 minutes west 242.6 feet to the point of beginning, containing 12.11 acres, more or less.

### PARCEL NO. 2

Starting at a one and one half-inch iron pipe beside a concrete monument with brass cap marked township range 6, corner 1, 1950, and running north 17 degrees 00 minutes east 145.1 feet to the point of beginning on the northeast right-of-way of United States Highways 19 and 441;

thence north 75 degrees 00 minutes west 150.5 feet to the east right-of-way at the intersection of United States 19 and 441; thence continuing along the right-of-way north 12 degrees 45 minutes west 70.6 feet to a point;

thence north 3 degrees 31 minutes east 157.6 feet to a point; thence north 10 degrees 43 minutes east 654.8 feet to a point; thence north 19 degrees 22 minutes east 191.2 feet to a point; thence north 28 degrees 18 minutes 40 seconds east 254.7 feet to a point; thence north 35 degrees 05 minutes east 164.3 feet to a point; thence north 46 degrees 39 minutes 10 seconds east 370.3 feet to a point;

thence leaving the right-of-way and running south 17 degrees 00 minutes west, 1,786.7 feet, to the point of beginning, containing 8.50 acres, more or less.

### PARCEL NO. 3

Beginning at a point on the east right-of-way of the agency road, at the end of a culvert that comes under the agency roadway, and running with Small Branch north 75 degrees 22 minutes east 530.4 feet to a point;

thence with said branch south 59 degrees 45 minutes east 81.2 feet to a point on the right-of-way of United States Highway 441; thence along said right-of-way south 12 degrees 50 minutes west 215.4 feet to a point on the intersection of rights-of-way of United States Highways 441 and 19;

thence following the right-of-way of United States Highway 19, north 84 degrees 18 minutes west 529.8 feet to a point at the intersection of the agency road right-of-way; thence following right-of-way of the agency road north 7 degrees 41 minutes west 64.9 feet to the point of beginning; containing 2.1 acres, more or less.

SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

With the following committee amendments:

Page 2, line 16, strike out "90 degrees" and insert in lieu thereof "9 degrees".

Page 3, lines 10 and 11, strike out "township range 6, corner 1, 1950," and insert in lieu thereof "T. R. 6, Cor. 1, 1950",.

Page 3, line 16, after the word "States" insert "Highways".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## READERS FOR BLIND GOVERNMENT EMPLOYEES

The Clerk called the bill (H.R. 11523) to authorize the employment without compensation from the Government of readers for blind Government employees, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the head of each department is authorized, in his discretion, to employ, without regard to the civil service laws and the Classification Act of 1949, as amended, a reading assistant or assistants for any blind employee of such department, to serve without compensation from such department.

(b) Each such reading assistant may be paid and receive compensation for his services as reading assistant by and from such blind employee or any nonprofit organization, without regard to section 1914 of title 18, United States Code.

(c) For the purposes of this Act, the term—

(1) "department" means—

(A) each executive department of the Federal Government;

(B) each agency or independent establishment in the executive branch of such Government;

(C) each corporation wholly owned or controlled by such Government;

(D) the General Accounting Office;

(E) the Library of Congress; and

(F) the municipal government of the District of Columbia;

(2) "head of each department", with respect to the municipal government of the District of Columbia, means the Board of Commissioners of the District of Columbia;

(3) "blind employee" means an employee of a department who establishes, to the satisfaction of the appropriate authority of the department concerned and in accordance with regulations of the head of such department, that he has an impairment of sight, either permanent or temporary, which is so severe or disabling that the employment of a reading assistant or assistants for such employee is necessary or desirable to enable such employee properly to perform his work; and

(4) "nonprofit organization" means an organization determined by the Secretary of the Treasury to be an organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

With the following committee amendment:

Page 3, immediately following line 8, insert the following:

"(d) This Act shall not be held or considered to prevent or limit in any way the assignment to a blind employee by a department of clerical or secretarial assistance, at the expense of such department and in accordance with laws and regulations currently applicable at the time, if such assistance normally is provided, or authorized to be provided, in such manner in accordance with currently applicable laws and regulations."

The committee amendment was agreed to.

**Mr. ADDABBO.** Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER.** Is there objection to the request of the gentleman from New York?

There was no objection.

**Mr. ADDABBO.** Mr. Speaker, the purpose of H.R. 11523 is to remove obstacles that presently restrict employment opportunities for qualified blind persons with the Federal Government. The legislation authorizes departments and agencies of the Government to employ reading assistants who will serve without compensation from the Government for blind employees. It further provides that the reading assistants so employed, if not serving on a volunteer basis, can be paid out of the personal funds of the blind employee or by any nonprofit organization.

For many years, the Federal Government, under the direction of the Civil Service Commission, has had a program directed at encouraging agencies to hire persons with serious physical handicaps where their abilities can be used. These handicapped persons are not given special preference over other applicants. Not only must they be qualified for the particular jobs they seek, but they must also compete with nondisabled applicants. As a result of this program, each year several thousand persons with serious, permanent physical handicaps enter into productive careers in Government service.

Because of reading requirements, the handicap of blindness has presented a particular problem especially in the lower grades of the classified service where clerical or secretarial assistance is not usually provided. The solution generally agreed to be the most practical is to authorize agencies to permit blind employees to secure needed reading assistance without cost to the employing agency by permitting the blind employee himself, or a voluntary agency, to provide such assistance.

However, because of existing laws this solution is not possible. Section 665(b) of title 31 of the United States Code forbids officers and employees of the Government from accepting voluntary services for the Government. Section 1914 of title 18 of the United States Code provides that no Government employee shall receive any salary in connection with his services as such employee from any source other than the Government of the United States. This section also penalizes any individual or private organization which attempts to pay a Federal employee for such work.

The reader, in reading to a blind employee, would be doing part of the work of the office so he would be performing personal services for the Government. The Comptroller General has held that purely personal services must be performed by regular employees of the Government subject to Government control and supervision.

It follows, then, that under existing law the reader would have to be a Government employee but could not be paid either by the blind employee or by some third party. Neither could a department accept the services of a reader who simply presents himself and volunteers to do the reading without compensation.

Therefore, if the Government is to employ readers for blind employees who are to be paid by the blind employee or by a third party, this legislation is necessary.

H.R. 11523 provides the authority for departments and agencies to employ readers for the blind without compensation from the department or agency. By exempting the readers from the provisions of section 1914 of title 18, United States Code, the legislation permits them to receive, and the blind employee or a nonprofit organization to provide, compensation for their services.

H.R. 11523 will, for employment purposes with our Government, in effect, remove the obstacle or handicap of blindness for any person who is otherwise found qualified for a particular position. Fruitful careers in Federal service will become available and attractive to countless blind persons who cannot now qualify because of reading requirements and our Government, always anxious to recruit qualified personnel, will be able to attract talented people comprising almost every conceivable type of professional and technical skill.

At the open hearing which the subcommittee held, of which I was chairman, on H.R. 11523, the measure received the complete endorsement and support of the Chairman of the U.S. Civil Service Commission, the Chairman of the President's Committee on Employment of the Physically Handicapped, and of representatives of six national organizations of the blind. In addition, the subcommittee had received favorable reports on the legislation from the Civil Service Commission, the President's Committee on Employment of the Physically Handicapped, the General Accounting Office, and the Bureau of the Budget.

### AMENDMENT

The amendment was adopted by the subcommittee in order to preserve the rights of those blind employees whose positions now entitle them to secretarial or clerical assistance. There are blind employees currently employed, particularly in the higher grades, who are entitled to clerical or secretarial help because of the particular work they are doing or because the position they occupy in departmental structure entitles them to such assistance. The amendment would preserve their rights by making it clear that it is the intent of the legislation to permit a blind Government employee to obtain sighted help with his work without cost to the Government but only when such help would not rightfully be his otherwise.

### COST

The legislation will entail no cost to the Government except possibly for some minor additional administrative expenses which can easily be absorbed by the agencies.

Mr. Speaker, I move that H.R. 11523 be passed by the House.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## NATIONAL PUBLIC WORKS WEEK

The Clerk called the resolutions (S.J. Res. 68) providing for the designation of the week commencing October 1, 1961, as "National Public Works Week."

The **SPEAKER.** Is there objection to the present consideration of the resolution?

**Mr. GROSS.** Mr. Speaker, reserving the right to object, I would like to ask one question. Is this likely to cost any money?

**Mr. FORRESTER.** No, sir; it will not cost a penny.

**Mr. GROSS.** I thank the gentleman. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. FORD. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

## EMANCIPATION PROCLAMATION DAY

The Clerk called the joint resolution (H.J. Res. 717) designating January 1, 1963, as "Emancipation Proclamation Day."

There being no objection, the Clerk read the joint resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That January 1, 1963, is hereby designated as Emancipation Proclamation Day. The President is requested to issue a proclamation calling upon the American people to observe Emancipation Proclamation Day with appropriate ceremonies to mark the one hundredth anniversary of this major event in the course of freedom.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## INCORPORATING SCIENCE SERVICE

The Clerk called the bill (H.R. 11711) to incorporate Science Service, Inc., for the purposes indicated by Public Law 85-875.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) Wallace R. Brode, District of Columbia; Douglas Whitaker, New York, New York; William W. Rubey, Los Angeles, California; Harlow Shapley, Cambridge, Massachusetts; Philip Bard, Baltimore, Maryland; Henry Allen Moe, New York, New York; Leonard Carmichael, District of Columbia; John R. Dunning, New York, New York; Benjamin H. Willier, Baltimore, Maryland; Michael J. Ogden, Providence, Rhode Island; Ralph B. Curry, Flint, Michigan; O. W. Riegel, Lexington, Virginia; Ludwell Denny, District of Columbia; Charles E. Scripps, Cincinnati, Ohio; and Edward J. Meeman, Memphis, Tennessee, and their successors are created and declared to be a body corporate of the District of Columbia by the name of Science Service, Incorporated (hereinafter referred to as the "corporation"), and by such name shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained. The corporation is hereby declared to be the corporation whose chartering by the Congress was contemplated in the first section of the Act of September 2, 1958, entitled "An Act to require the Commissioner of Education to encourage, foster, and assist in the establishment of clubs for boys and girls especially interested in science".

(b) The tenure of the persons named in subsection (a) of this section, and the election of their successors, shall be in accordance with the bylaws of the corporation.

### COMPLETION OF ORGANIZATION

SEC. 2. The persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

### PURPOSES AND OBJECTS OF CORPORATION

SEC. 3. The purposes of the corporation shall be to—

(1) develop an interest in science on the part of the young people of America,

(2) provide an opportunity for the exchange of scientific information and ideas among members of the clubs,

(3) encourage the promotion of science fairs at which members of the clubs may display their scientific works and projects, and

(4) develop an awareness of the satisfaction to be derived through a career devoted to science.

### POWERS OF CORPORATION

SEC. 4. The corporation shall have power—

(1) to conduct, operate, and furnish press service for the collection, preparation, distribution, and sale of scientific matter and information, current events, and fundamental conceptions or topics of interest to general readers, to newspapers, periodicals, journals, magazines, educational institutions, and government;

(2) to print, publish, and distribute books, documents, journals, newspapers, proofsheets, or parts thereof;

(3) to organize and conduct lectures, symposia, conferences, and meetings for the presentation and discussion of scientific information, discoveries, and theories; and to arrange for the presentation of scientific matters by the use of motion picture films and other forms of photography;

(4) to maintain an information and reference bureau and library and to furnish a science service to libraries, newspapers, journals, periodicals, individuals, educational institutions, and governments;

(5) to receive, hold, and administer personal and real property received by gift or purchase and to acquire such property as may be necessary to carry out the purposes of the corporation;

(6) to receive moneys from time to time by way of income and to authorize and provide for the payment of expenses properly incurred in the management and operation of the corporation;

(7) to acquire, and pay for in cash, obligations of this corporation or otherwise, the goodwill, rights, assets, and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association, or corporation;

(8) to acquire, hold, use, sell, assign, lease, grant license in respect of, mortgage, or otherwise dispose of, letters patent of the United States or any foreign corporation, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business of this corporation;

(9) to guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of shares of the capital stock of, or any bonds, securities, or evidence of indebtedness created by any other corporation or corporations organized under the laws of any State, country, nation, or government, and while the owner thereof, to exercise all the rights, powers, and privileges of ownership;

(10) to issue bonds, debentures, or obligations of this corporation from time to time, for any of the objects or purposes of the corporation and to secure the same by mortgage, pledge, deed of trust, or otherwise;

(11) to have one or more offices; to carry on all or any of its operations and business and to purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class and description in any of the States, districts, territories, or colonies of the United States, and in any and all foreign countries, subject to the laws of such State, district, territory, colony, or country; and

(12) in general, to carry on any other business in connection with the foregoing, whether manufacturing or otherwise, and to do any or all of the things hereinbefore set forth in the same extent as natural persons might or could do.

It is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict the powers of the corporation.

### PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The principal office of the corporation shall be located in Washington, District of Columbia, or in such other place as may later be determined by the board of directors, but the activities of the corporation shall not be confined to that place and may be conducted throughout the various States and possessions of the United States.

(b) The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

### ELECTION OF MEMBERS

SEC. 6. (a) The corporation shall have no capital stock. The number of members of the corporation shall be fifteen, five of whom shall be elected annually by the members for a period of three years and for the five memberships one nomination shall be made annually upon request of the corporation by each of the following:

(1) The American Association for the Advancement of Science.

(2) The National Academy of Sciences.

(3) The National Research Council.

(4) Such body representing the journalistic profession as may be from time to time designated by the board of trustees.

(5) E. W. Scripps or his representatives, administrators, or executors.

(b) The method of application and acceptance, or rejection and expulsion from membership, and the conduct of the members, dues, assessments, and other qualifications, except as above, shall be governed and controlled by the bylaws.

(c) Fees for membership and dues and assessments from members shall be fixed, levied, assessed, and collected as the corporation, by its bylaws, rules, and assessments, together with fine or penalties, imposed upon the members of the corporation, shall be adopted to furthering the purposes for which the corporation is formed.

### BOARD OF TRUSTEES

SEC. 7. (a) In furtherance and not in limitation of the powers conferred by this Act, the governing board of the corporation shall consist of a board of fifteen trustees, each of whom shall be a member of the corporation, which said board of trustees is hereby expressly authorized:

(1) To make and alter the bylaws of the corporation; to authorize and cause to be executed mortgages and liens upon the real and personal property of this corporation.

(2) If the bylaws so provide, to designate two or more of its members to constitute an executive committee, which committee shall for the time being, as provided in a resolution of the board of trustees, or in the bylaws of the corporation, have and exercise all or any of the powers of the board of trustees in the management of the business and affairs of the corporation and have power to authorize the seal of the corporation to be affixed to all papers which may require it.

(b) The corporation may in its bylaws confer powers upon its trustees in addition to the foregoing and in addition to the powers and authorities expressly conferred upon them by statute.

(c) Both members and trustees shall have power, if the bylaws so provide, to hold their meetings and to have one or more offices within or without the District of Columbia and to keep the books of the corporation, subject to the provisions of the statutes, outside of the District of Columbia at such places as may be from time to time designated by the board of trustees.

### DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any of its members, directors, or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director, who votes for or assents to the making of a loan or advance to an officer, director, or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the coropration for the amount of such loan until the repayment thereof.

### NONPOLITICAL NATURE OF CORPORATION

SEC. 9. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for public office.

### LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

### PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 11. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

### BOOKS AND RECORDS; INSPECTION

SEC. 12. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority under the board of directors; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote, or his agent or attorney, for any proper purpose, at any reasonable time.

### AUDIT OF FINANCIAL TRANSACTIONS; REPORT TO CONGRESS

SEC. 13. (a) The financial transactions shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

### USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 14. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction, of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

### ACQUISITION OF ASSETS AND LIABILITIES OF EXISTING CORPORATION

SEC. 15. The corporation may acquire the assets of Science Service, Incorporated, a corporation organized under the laws of the State of Delaware, upon discharge or satisfactorily providing for the payment and discharge of all of the liabilities of such corporation and upon complying with all laws of the State of Delaware applicable thereto.

### RESERVATION OF RIGHT TO AMEND OR REPEAL

SEC. 16. The right to alter, amend, or repeal this Act is expressly reserved.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, H.R. 11711, to grant Science Service, Inc., a Federal charter for the purposes outlined under Public Law 85-875, has received widespread support.

This support comes from educators, parents and their children, business organizations, and science organizations.

Science Service, Inc., is an organization doing work successfully in promoting science studies among our young people. And these science studies are for all of America's youth, those interested primarily in the sciences as well as those interested in the arts. It gives the arts or general course student a better understanding of what the Nation's scientists are doing, and this understanding is carried over to their adult life.

The Science Service programs are open to all students regardless of the careers they anticipate. The youth programs are offered to all public, private, and parochial schools, and at no time are the projects imposed on either the teachers or students.

I am sure that the kind of interest and approval H.R. 11711 gives Science Service, Inc.'s activities will be extended to help reach even more students in the days ahead.

As of May 10, when I introduced the legislation, there were 19,929 affiliated Science Service clubs in 18,781 schools in 50 States. The total membership was pushing a half million students.

One fact that should be stressed is that Science Service, Inc., is not trying to eliminate any existing science programs.

Science Service, Inc., recognizes the distinct contributions of such programs as Future Scientists of America, sponsored by the National Science Teachers Association; the JETS and the Berg Foundation. It welcomes the opportunity to work with them and others of similar caliber in many schools.

Among the many fine organizations endorsing H.R. 11711 is the National Science Teachers Association. This group of teachers pointed out that there is no evidence that instructors desire a highly structured, monolithic organization instigated by and conducted under the aegis of the Federal Government.

The bill does not grant any power to any Federal empire builders who are trying to get in on a good thing. The bill does not ask for any tax funds. It simply recognizes the tremendous job private enterprise has been doing in this particular field for 20 years, and gives Science Service, Inc., a mandate to carry on its good job.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## RELATING TO FORMER NAVAL AIR STATION IN HAWAII

The Clerk called the bill (H.R. 7278) to amend the act of June 5, 1952, so as to remove certain restrictions on the real property conveyed to the Territory of Hawaii by the United States under authority of such act.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That clause (a) of section 2 of the Act entitled "An Act to authorize the Secretary of the Navy to convey to the Territory of Hawaii certain real property at Kahului, Wailuku, Maui, Territory of Hawaii", approved June 5, 1952 (66 Stat. 128), is amended by striking out "That particular structures or parcels not suitable for airport purposes may be leased for other purposes with the consent of the Secretary of the Navy" and by inserting in lieu thereof the following: "That particular structures and parcels of land not required or used for airport purposes may be sold, exchanged, or leased by the State of Hawaii with the consent of the Secretary of the Navy and the Administrator of the Federal Aviation Agency: *Provided further,* That the proceeds from any sale or lease, or the property received in any exchange, authorized by this section, shall be used for airport purposes".

SEC. 2. The Secretary of the Navy shall execute such conveyance or other instrument in writing as may be necessary to carry out the amendment made by the first section of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## RETROCEDE JURISDICTION—EGLIN AIR FORCE BASE, FLA.

The Clerk called the bill (H.R. 10263) to authorize the Secretary of the Air Force to adjust the legislative jurisdiction exercised by the United States over lands within Eglin Air Force Base, Fla.

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding any other provision of law, the Secretary of the Air Force may, at such times as he may deem desirable, relinquish to the State of Florida all, or such portion as he may deem desirable for relinquishment, of the jurisdiction heretofore acquired by the United States over any lands within Eglin Air Force Base, Florida, reserving to the United States such concurrent or partial jurisdiction as he may deem necessary. Relinquishment of jurisdiction under the authority of this Act may be made by filing with the Governor of the State of Florida a notice of such relinquishment, which shall take effect upon acceptance thereof by the State of Florida in such manner as its laws may prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PROPERTY OF CITY OF WARNER ROBINS, GA.

The Clerk called the bill (H.R. 10825) to repeal the act of August 4, 1959 (73 Stat. 280).

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act of August 4, 1959 (73 Stat. 280), which authorized and directed the Secretary of the Air Force to convey to the city of Warner Robins, Georgia, approximately twenty-nine acres of land comprising a part of Robins Air Force Base, including the improvements thereon, is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## FORT HANCOCK MILITARY RESERVATION, N.J.

The Clerk called the bill (H.R. 11251) to authorize the Secretary of the Army to relinquish to the State of New Jersey jurisdiction over any lands within the Fort Hancock Military Reservation.

There being no objection, the Clerk read the bill, as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) notwithstanding any other provision of law, the Secretary of the Army may, at such times as he may deem desirable, relinquish to the State of New Jersey all, or any lesser measure he may deem desirable for relinquishment, of the jurisdiction heretofore acquired by the United States over any lands within the Fort Hancock Military Reservation, New Jersey.
>
> (b) Relinquishment of jurisdiction under the authority of this Act may be made by filing with the Governor of the State of New Jersey a notice of such relinquishment, which shall take effect upon acceptance thereof by the State of New Jersey in such manner as the laws of such State may prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the call of the eligible bills on the Consent Calendar today.

## EXTENSION OF RENEGOTIATION ACT OF 1951

Mr. MILLS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12061) to extend the Renegotiation Act of 1951.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 102(c)(1) of the Renegotiation Act of 1951, as amended (50 U.S.C. App. 1212(c)(1)), is amended by striking out "June 30, 1962" and inserting in lieu thereof "June 30, 1964".

The SPEAKER. Is a second demanded?

Mr. MASON. Mr. Speaker, I demand a second.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the bill, H.R. 12061, to continue the renegotiation law for 2 years without amendment was reported unanimously by the Committee on Ways and Means.

On the basic issue, there is widespread agreement upon the need for a continuation of the renegotiation process. Following the extension of the law in 1959, the conference committee requested several studies of the procurement and renegotiation process. A report by the Special Subcommittee on Procurement Practices of the Department of Defense of the Committee on Armed Services, dated June 22, 1960, urged a continuation of renegotiation. The report stated:

> The high incidence of negotiated contracting which is dependent, exclusively in some instances and heavily in others, on estimating is fraught with endless possibilities of unjust enrichment at public expense.

In addition, a report was made by the staff of the Joint Committee on Internal Revenue Taxation. That staff conducted an extensive study involving receipt of information from both Government departments and other interested parties. The staff also took note of the current efforts of the newly constituted Renegotiation Board to reexamine its own processes and to develop better procedures. In view of that, the staff of the Joint Committee on Internal Revenue Taxation reached the conclusion that it should not suggest any basic changes in the Renegotiation Act while the Renegotiation Board is conducting its reexamination of the renegotiation process. The Joint Committee on Internal Revenue Taxation adopted as its own the staff recommendation that the Renegotiation Act be extended for 2 years without amendments. This would extend the act to June 30, 1964.

Before reporting this bill, the Committee on Ways and Means undertook additionally to obtain recommendations from interested parties about possible amendments to the act. Several days were spent in executive session exploring whether any of these amendments were of a character which could be satisfactorily resolved in the short time available in which to consider this subject. Your committee concluded that there were none.

The present situation with respect to renegotiation can be summarized in two observations. First, your committee is convinced of the need of renegotiation at a time when defense and defense-related procurement is at such a high level and involves, to a large extent, items on which careful cost estimates cannot be prepared at the time that contracts are rendered. On the other hand, your committee is still deeply concerned with the problem that renegotiation is a process which requires, to an unusual extent, the exercise of judgment by men where the basic principles underlying the judgment cannot be clearly and thoroughly set down as a matter of law. In this situation, it is far better to follow the procedure of a short-term extension of renegotiation in order that we may have the advantage of continuing reexamination of the procedures and accomplishments and a continuation of the effort to make the process more consistent with our notions of government by law.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Tennessee.

Mr. EVINS. As I understand the distinguished chairman of the Committee on Ways and Means to state, there have been no additional agencies of Government included under the Renegotiation Board power of survey?

Mr. MILLS. That is right. The bill is reported to the House without any amendment, except we are providing for a 2-year extension of the renegotiation process.

Mr. EVINS. If the gentleman will yield further, of course, the gentleman is aware of the fact that our defense expenditures are up by more than 15 percent. The Federal Aviation Agency is a large agency which has a tremendous budget. The National Aeronautics and Space Agency is a fine program, and there are others which I think the committee might well consider including. I have already mentioned the Federal Aviation Agency and the Space Agency.

As the gentleman recalls, the Tennessee Valley Authority was at one time under the Renegotiation Board.

Mr. MILLS. Yes. The committee had before it legislation which the distinguished gentleman from Tennessee [Mr. EVINS], I believe, has introduced on the subject of extending this authority to some of the other agencies of Government. I believe the gentleman had a bill which would have included the Tennessee Valley Authority?

Mr. EVINS. The Tennessee Valley Authority was at one time included under the operations of the Renegotiation Board. There was, as the gentleman recalls, a question of identical prices submitted in the generator field which caused me to feel that that Agency should be subject to some survey and review.

Mr. MILLS. The committee's action in not extending the renegotiation process to any other agencies was done without prejudice to the issue of whether they should be included or not. However, the committee wanted to look further into this matter before making a specific recommendation. These matters will, of course, be before the committee and studied and reviewed by the committee.

Mr. EVINS. If the gentleman will yield further, I want to say to the chairman of the Committee on Ways and Means——

Mr. MILLS. As the gentleman knows, NASA is already included for renegotiation purposes.

The EVINS. I am glad that the Space Agency has been included.

Before the Subcommittee on Independent Offices appropriations of the Committee on Appropriations we have had testimony to the effect that the total volume of sales of renegotiation contracts constitute more than $27 billion per year, which is a tremendous sum. The Board recovered from excess profits in 1961, $17.2 million. The voluntary refunds for the same period amounted to $31,490,117.

So, it looks as though the voluntary refunds and the other recoveries perfectly justify the extension of the powers of the Renegotiation Board to this Agency.

Mr. MILLS. There is no doubt that the program has to be extended.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, the purpose of this bill is to extend statutory renegotiation under the act of 1951, as recommended by the Committee on Ways and Means.

The President recommended, and the bill as originally introduced, provided for an extension of 4 years. I hoped that the principles and the practices established under the Renegotiation Act of 1951 could become permanent law. This act has had a wholesome effect because 87 percent of defense hardware dollars are used for negotiated purchases. Far too many of these negotiated purchases are made from sole producers.

Since our committee first started to scrutinize negotiated procurement, much of it noncompetitive, the percentage has dropped from 94 to 87 percent. Every disinterested expert who has examined the subject agrees that this large percentage must be reduced. However, in all candor, I can say that there will probably continue to be a substantial number of negotiated purchases because of the kind of military hardware we need. Nevertheless, we can and must strive for a continuing reduction in that amount over the years.

Mr Speaker, the need for and the usefulness of statutory renegotiation has been proven under this act of 1951. Statutory renegotiation will be necessary so long as negotiated purchasing continues; and so long as 75 percent of our defense needs are purchased from about 72 large Government contractors.

Contracts are negotiated on individual basis; and we have many situations where single contractors have up to three-fourths of a billion dollars in contracts. There are all types, including cost-plus-fixed-fee and far too many of the so-called incentive-profit-type contracts. These contractors include practically all who, over the years, have had the use of large amounts of Government investment capital in plant and tools, as well as the benefit of receiving their profits and costs on progress payments, which the Tax Court has just said amount to little more than loans. In other words, a substantial amount of the capital requirements and the financing needed for the business of these companies, is supplied by the Government.

Now, I have no quarrel with paying profits which are earned. But I do believe that when there is such a large volume and such a concentration of contracts, the Government must be protected against excessive and unconscionable profits. This act does just that.

With me, the principle of profit limitation began with the Vinson-Trammell Act in 1934. It has carried all through the years with the War Price Contract Adjustment Acts of World War II up to the Renegotiation Act of 1951.

Notwithstanding all assaults, the act has survived because the conscience of the Congress simply will not tolerate the possibility that any combination of circumstances—including among them heavy Government plant expenditures, large progress payments of earnings and profits, and a heavy concentration of contracts—resulting in excessive and unconscionable profits, which are unjustified by sound standards of productivity and reward for effort and risks.

This Board is one of the few agencies of the Government which has cut its payroll when its needs have permitted.

Since the present act has been in force, recoveries have run from a high of $167 million in a single year, to $17 million last fiscal year. Employment has run from a high of 742 in the year of the greatest recovery, to 271 in fiscal year 1961. In the last 5 years, there has been a consistent reduction in force.

I am told that the report which will be filed before June 30 of this year, will show further economies and a reduction in force by consolidation and efficiency, to less than 200 employees.

There has been recovered, under this act, over $820 million in excessive profits, and $32½ million has been recovered by this Board because of the prior acts of 1948 and 1943.

I think the Board is to be commended for the efficient and economical way in which it discharges its duties, and the careful and honorable way in which it carries out the mandate of Congress.

In my view, the act is salutary as well as preventative in relation to excessive profits: salutary because profits cannot be extracted at unconscionable rates; and preventative because so long as this act exists; so long as the mandate of Congress is contained in the act—that only fair and reasonable profits shall be earned on negotiated contracts—just so long will we have determined efforts made in negotiations to fix contract prices and profits which are reasonable and fair, for the work and services to be performed.

I am pleased that the amount of excessive profits being returned has been gradually diminishing because it means better contracting and better negotiations on the part of Government and contractor.

I especially recommend attention to the directions which Congress has given the Board established in section 103(e) of the act. I can think of no one who, in good conscience, would not subscribe to these principles.

I believe that Congress has established in this act an honorable and an honest rule, which is being effectively and conscientiously carried out by this Board and its small staff.

While I would like to feel that we did not have to come to a vote every few years to extend this act, I am nonetheless willing to do so, if it serves as a reminder of the congressional intent that defense contracts shall not be the source of excessive profits.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Tennessee.

Mr. EVINS. In view of the obvious necessity for this agency and of the tremendous profits that they review and consider, I wonder why they did not extend this agency for a period of 4 years, as the gentleman from Georgia [Mr. VINSON] has recommended.

Mr. MILLS. It was agreed in the committee to extend it for 2 years. The Renegotiation Board itself is in process of reexamining this entire matter and at the end of the 2-year period may well have amendments of their own to suggest.

Mr. EVINS. I thank the gentleman.

Mr. MASON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill—H.R. 12061—extending the Renegotiation Act of 1951 for an additional 2 years to June 30, 1964, is supported by the Republican members of the committee—but not without some reluctance. When the period prescribed in the bill expires, we will have extended for more than a score of years a temporary measure adopted during the Korean war. Renegotiation is another of the emergency measures which has somehow become a permanent part of our procurement procedures.

The magnitude of our military and space budgets may make it essential that the Congress adopt the proper safeguards in order to avoid the realization of unconscionable profits. On the other hand, there is reason to believe that the Renegotiation Act may defeat the purpose for which it was enacted. Renegotiation destroys incentive. The cost of the item to the Government, rather than the profit realized by the contractor, should be the criteria. If the Government saves money on the purchase, the amount of profit earned should not be of major concern so long as the purchase was made competitive and the procurement agency had every opportunity to cost out the prices quoted.

The Ways and Means Committee is concerned with military procurement only because the Renegotiation Act operates to take away so-called excessive profits after they have been earned. It would more properly be the function of another committee of the Congress to enact such legislation as might be necessary in order to avoid the realization of excessive profits in the first instance. And by excessive profits, I mean profits which it would be unconscionable to permit the contractor to keep. I don't mean a case where a contractor happens to do an unusually good job and ends up making a little more money than was originally anticipated. In the latter case, I see no justification for recovering any of the profits.

Nevertheless, since there is no substitute for renegotiation, the Ways and Means Committee must necessarily recommend the extension of the Renegotiation Act. I am hopeful now that before the expiration of this extended period, the Congress will provide the procurement agencies with such authority as may be needed—if they do not already have sufficient authority—to make unnecessary any further extensions. Renegotiation should not be a permanent part of our laws.

The SPEAKER. The question is on the motion of the gentleman from Arkansas that the House suspend the rules and pass the bill H.R. 12061.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## BASIC SALARY IN ASSIGNMENTS OF POSTAL EMPLOYEES

Mr. HENDERSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10265) to authorize the Postmaster General in his discretion to pay increased basic salary to postal field service employees for services performed before the expiration of 30 days following their assignments to duties and responsibilities of higher salary levels, and for other purposes, as amended.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year."

SEC. 2. Each payment of an increase in basic salary which was made prior to the date of enactment of this Act for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment.

SEC. 3. The amendment made by the first section of this Act shall become effective as of February 17, 1962.

SEC. 4. (a) Payments of increases in basic salary shall be made in accordance with section 3335(b) of title 39, United States Code, as amended by the first section of this Act, for services rendered, in the course of an assignment referred to in such section 3335(b), in the period beginning on February 17, 1962, and ending on the date of enactment of this Act, with respect to each individual who, on such date of enactment, is on any employment roll of the Federal Government or of the municipal government of the District of Columbia, as follows—

(1) to such individual for such services so rendered by him, if, on such date of enactment, he (A) is on any such employment roll, (B) is in the service of the Armed Forces of the United States, or (C) is retired under any retirement law or retirement system for civilian officers or employees in or under the Federal Government or the municipal government of the District of Columbia; or

(2) to the survivor or survivors, in accordance with the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f–61k), of any such individual (for such services so rendered by him) who has died prior to such date of enactment if, at the time of his death, such individual was (A) on any such employment roll, (B) in the service of the Armed Forces of the United States, or (C) retired under any such retirement law or retirement system.

(b)(1) Payments of increases described in subsection (a) of this section shall not be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267) in the case of any retired or deceased individual described in subparagraph (1) or (2) of such subsection (a).

(2) Payments of increases validated by section 2 of this Act shall be considered as basic salary for purposes of such Act.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

(d) Increases in basic salary authorized to be paid by subsection (a) of this section shall not be held or considered to be annual compensation for the purposes of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091–2103).

Mr. JOHANSEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HENDERSON. Mr. Speaker, I would like to express my deep appreciation to the gentleman from Tennessee, the Honorable Tom Murray, and to the members of the subcommittee for their efforts in scheduling my bill, H.R. 10265, for early consideration by the committee and for their efforts in obtaining consideration of the bill on the floor of the House today.

During the public hearings on this proposal, favorable testimony was presented by the Post Office Department, the General Accounting Office, and the employee organizations. Also, a favorable report was received from the Bureau of the Budget. I know of no opposition to this legislation.

Mr. Speaker, existing law permits the Postmaster General to assign a postal service employee to a position higher than the position he regularly holds. For example, a distribution clerk on a railway post office may be assigned to the position of clerk in charge when the clerk in charge is absent on leave, or a clerk in a third-class post office may be assigned to fill in for the absent postmaster.

The law now provides that if a postal employee is assigned for more than 30 days in a calendar year to duties and responsibilities of a salary level which is higher than the salary level to which his position is assigned, the Postmaster General shall pay the higher level compensation for the period of his assignment in excess of 30 days. I wish to emphasize the higher level compensation is not paid in those cases where the duties of an assistant require him to assume the duties of an absent supervisor, or where an assistant postmaster fills in for an absent postmaster.

The Post Office Department interpreted and applied the law from its effective date in December 1955, simply as imposing a ceiling on the amount of higher level service that could be required in 1 calendar year without the payment of higher compensation. The Department did not consider the provision as imposing a requirement that the employee must perform a minimum of 30 calendar days higher level service each calendar year before he could be paid the higher level compensation in a particular year. The Department regulations—following the principle that the law prescribed a maximum and not a minimum—for over 6 years, have actually prescribed that the higher level compensation would be paid in certain cases without regard to whether the postal employee had performed a minimum of 30 days higher level service in the then current calendar year. These regulations may be found on pages 12 and 13 of the hearings.

Early in February 1962, the Comptroller General of the United States issued a decision holding that the language of the statute requires that a postal service employee must perform a minimum of 30 days of higher level service each calendar year before he is entitled to higher level compensation for the days in excess of the 30. The Department took immediate steps to comply with that decision and stopped paying higher level compensation for service performed on and after February 17, 1962. Since February 17, the employees have been required to perform the higher level service but have not been paid the higher level compensation, except in those cases where they actually had completed 30 days of higher level service during calendar year 1962.

Mr. Speaker, I have no argument with the decision of the Comptroller General—the fault, if any, lies in the language of the statute. I believe the language of the statute needs to be corrected. I believe we need to correct the unjustified hardship and gross inequity which the Congress has imposed on a group of postal service employees who are asked by the Government to fill in and perform the duties and responsibilities of a higher level position. I think each Member will agree with me that when an employee is asked to perform, in the absence of his supervisor, the higher responsibilities of the supervisory position for any appreciable length of time, that the employee should be paid the compensation for the greater responsibilities.

H.R. 10265 will do two things. Section 1 will give the Postmaster General authority to pay higher level compensation to a postal service employee who is assigned to a higher level position than the position to which he is officially assigned. This authority will permit the Postmaster General to waive the requirement in existing law that postal service employees must perform 30 days higher level service each calendar year before becoming entitled to higher level compensation.

Section 2 of H.R. 10265 will validate the payments made for higher level service performed prior to February 17, 1962, which have been held by the Comptroller General to be improper because of the requirement that 30 calendar days higher level service must be performed each calendar year before being entitled to the higher level compensation.

Section 3 of the bill, as proposed by the committee amendment, will make the legislation effective on February 17, 1962, and thus will fill the gap between that date and the date of enactment during which higher level compensation has been paid only for higher level service in excess of the 30-day minimum.

The provisions of section 4 of the bill, as added by the committee, are the usual housekeeping provisions included in legislation when retroactive compensation payments are authorized by law and will permit the retroactive payments to be made only to employees still on the rolls, or in those cases where the employees have since entered the Armed Forces, or have retired, or to survivors of those employees who have passed away.

The Post Office Department estimated that the annual cost would be approximately $250,000 and that the amount of prior overpayments which will be validated is approximately $1⅓ million. However, I wish to emphasize that the validation of these prior overpayments will not require additional appropriations.

Mr. Speaker, I urge that the House give favorable consideration to H.R. 10265.

Mr. JOHANSEN. Mr. Speaker, I rise in support of H.R. 10265.

Mr. Speaker, I was a member of the subcommittee that held open hearings on H.R. 10265. There was no opposition to the favorable consideration of this measure. I joined my colleagues on the subcommittee, and the committee, in urging favorable action on this proposal.

This is one more case which continues to increase my respect and admiration for the General Accounting Office. I believe the Comptroller General was absolutely right in the interpretation which he placed on the existing provisions of law. However, I agree with my distinguished colleagues that the result is not desirable from an employee-employer relationship.

I know of no logical reason—and no argument has been presented to our committee—for not paying an employee the rate of compensation specified by law for the duties performed and the responsibilities assumed. When a clerk is required to assume the duties and responsibilities of a supervisor, or in some cases, even of a postmaster, he should be paid the rate for the higher level position.

The best way to illustrate the inequity under existing law is to use the case of an employee who is assigned to higher level service for a period extending from November of one year through February of the succeeding year. After performance of 30 days higher level service in November, the employee would be entitled to the higher level compensation during December. However, since the employee would then be required to perform another period of 30 days of higher level during the next calendar year before being entitled to the higher level compensation, he would be paid at his regular rate of compensation during the first 30 days higher level service in January and February and then would become entitled again to higher level compensation for the days in excess of 30.

I would like to emphasize that the authority to pay the higher level compensation applies only when an employee is assigned to perform duties and responsibilities other than those specifically prescribed for his regular position. It does not apply, for example, in the case of an assistant postmaster who performs for the absent postmaster, since the duties and responsibilities of the assistant require him to assume complete responsibility in the postmaster's absence.

Mr. Speaker, as my colleague has indicated, this bill will permit the Postmaster General to waive the 30-day requirement and will permit the payment of compensation for higher level service performed on or after February 17, 1962. It is intended that H.R. 10265, as amended, will permit the Postmaster General to pay higher level compensation in the case of those employees who have qualified under the Department's regulations, but who have not received the higher level compensation by reason of the Post Office Department's order which suspended such payments after the Comptroller General held that the 30-day requirement in each calendar year was a minimum requirement.

Mr. Speaker, we know of no opposition to this legislation. I believe enactment of this proposal will correct a grave inequity on the postal employees who are required to assume responsibilities and perform duties higher than those called for in their particular position. I urge that the Members of the House here today take favorable action on this proposal.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. HENDERSON. Mr. Speaker, I yield to the distinguished gentleman from Tennessee, chairman of the House Committee on Post Office and Civil Service [Mr. MURRAY].

Mr. MURRAY. Mr. Speaker, H.R. 10265 was sponsored by a member of the Post Office and Civil Service Committee, the gentleman from North Carolina [Mr. HENDERSON]. The bill has the unanimous support of the members of our committee and was favorably recommended by the administration and Federal employee organizations.

The first section of this bill will give the Postmaster General authority to waive a statutory requirement relating to the performance by postal service employees of a minimum of 30 days higher level service in each calendar year, which waiver will then permit the Postmaster General to pay the higher level compensation for those first 30 days of a calendar year, if he so desires.

The Post Office Department had applied the 30-day requirement as the maximum number of days which a postal employee could be assigned to higher level responsibilities and duties without being paid the higher level compensation. However, the Comptroller General held this interpretation to be improper and, consequently, payments for higher level service have not been made since February 1962, except in those cases where the postal employee actually has met the minimum 30-day requirement.

Section 2 of the bill validates payments made in the past in those cases in which they would have been authorized had this legislation been in effect when the service was performed.

The committee amended the bill to add sections 3 and 4, which will make the legislation effective on February 17, 1962, and thus will fill the gap between that date and the date of enactment during which higher level compensation has not been paid, except in those cases where the higher level service was in excess of the 30-day minimum for calendar year 1962.

Mr. Speaker, I believe this is a very equitable proposal and urge that favorable consideration be given to the bill, as amended.

The SPEAKER. The question is on suspending the rules and passing the bill, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## ONE-YEAR POSTPONEMENT OF REDUCED CREDITS AGAINST FEDERAL UNEMPLOYMENT TAX

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6145) to provide that certain reduced credits against the Federal unemployment tax shall not apply with respect to taxable years beginning before January 1, 1964, and for other purposes, with a committee amendment which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I do so only to request that the chairman explain the committee amendment.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. MILLS. Mr. Speaker, this bill was reported last year by the Ways and Means Committee. It was not a unanimous report. Subsequent to the bill's being reported, the gentleman from Wisconsin [Mr. Byrnes], and the gentleman from Alaska [Mr. Rivers], conferred at length and succeeded in developing an amendment which is in the form of a substitute for what is in the bill as reported by the Ways and Means Committee. It accomplishes the solution of a problem that exists in Alaska.

As you know, Mr. Speaker, under the method of repayment of advances from the Reed Fund there is machinery in law that would in effect reduce the amount of the credit against the employer's tax and thereby increase the net tax. In 1961 the first step of that method went into effect. If we do not pass legislation then the second step, a further reduction in the credit and a still higher rate of net tax, goes into effect in 1962. The purpose of the amendment that would be offered is to provide in the year 1962 for a continuation of the same increased net tax, for repayment purposes, which was in effect in 1961, and only that.

Mr. BYRNES of Wisconsin. I think the gentleman should point out that it is simply a suspension of the increase for 1 year.

Mr. MILLS. That is what it is, and the actual effect is for the rate in existence in 1961 to continue in 1962.

Mr. BYRNES of Wisconsin. And we do that for Alaska to put her on the same basis with certain other States that have made use of the refund so that their step-up will coincide with the step-up of some of these other States, rather than be a year ahead.

Mr. MILLS. Exactly. The gentleman from Wisconsin is to be congratulated, I think, in offering a major contribution to the development of this amendment.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. BROWN. As I understand the explanation this bill would simply put Alaska on the same basis as a number of other States and would not give them special advantage, although the rumor has been that it does.

Mr. MILLS. The gentleman is correct. Alaska is put on the same basis as some of the other States.

Mr. BYRNES of Wisconsin. It simply puts them on the same basis as some of the other States in the matter of the tax increase.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 104 of the Temporary Unemployment Compensation Act of 1958, as amended (relating to reduction of total credits allowed under section 3302(c) of the Federal Unemployment Tax Act), is amended by striking out "January 1, 1963," and inserting in lieu thereof "January 1, 1964,".

(b) So much of paragraph (2) of section 3302(c) of the Internal Revenue Code of 1954 as precedes subparagraph (B) thereof is amended to read as follows:

"(2) If an advance or advances have been made to the unemployment account of a State under title XII of the Social Security Act before September 13, 1960, and there is a balance of such advances as of the beginning of January 1, 1964, then the total credits (after applying subsections (a) and (b) and paragraph (1) of this subsection) otherwise allowable under this section for the taxable year in the case of a taxpayer subject to the unemployment compensation law of such State shall be reduced—

"(A) in the case of the taxable year beginning with January 1, 1964, by 5 percent of the tax imposed by section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; and".

Sec. 2. The second sentence of section 904(e) of the Social Security Act (relating to crediting of earnings of unemployment trust fund) is amended to read as follows: "For the purpose of this subsection, the average daily balance shall be computed—

"(1) in the case of any State account, by reducing (but not below zero) the amount in the account (A) by the balance of advances made to the State under section 1201 from the Federal unemployment account, and (B) for any period after November 9, 1963, by the balance restorable to the Treasury under section 104 of the Temporary Unemployment Compensation Act of 1958, as amended, as limited by Public Law 85-457, and

"(2) in the case of the Federal unemployment account—

"(A) by adding to the amount in the account the aggregate of the reductions under paragraph (1), and

"(B) by subtracting from the sum so obtained the balance of advances made under section 1203 to the account."

With the following committee amendment:

Strike out all after the enacting clause and insert: "That if, in the case of any State, the fourth consecutive January 1 referred to in subparagraph (A) of section 3302(c)(2) of the Internal Revenue Code of 1954 (relating to reduced credits against the Federal unemployment tax) is January 1, 1961, such section 3302(c)(2) shall be applied by substituting 'fifth consecutive January 1' for 'fourth consecutive January 1' in such subparagaraph (A)."

Mr. MILLS. Mr. Speaker, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Mills: Strike out all after the enacting clause and insert "That if, in the case of any State, the fourth consecutive January 1 referred to in subparagraph (A) of section 3302(c)(2) of the Internal Revenue Code of 1954 (relating to reduced credits against the Federal unemployment tax) is January 1, 1961, such section 3302(c)(2) shall be applied by substituting 'fourth or fifth consecutive January 1' for 'fourth consecutive January 1' in such subparagraph (A)."

Mr. MILLS (interrupting the reading). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the bill, H.R. 6145, as originally reported, would have postponed the application of reduced credit against the Federal unemployment tax for wages in calendar year 1961 applicable to employers in a State which received advances from the Reed Fund. However, since no further action was taken on the bill in the House in 1961, a committee substitute for the amendment continues for 1962 the same reduction that was provided in 1961. Alaska is the only State in which employers would be affected by this bill.

Since 1954 the laws dealing with unemployment insurance have provided for a Federal unemployment account, originally called the Reed Fund. Certain excess collections—amount remaining after payment of administrative expenses—under the Federal unemployment tax were held in the fund available to make advances to the States whose reserves were low relative to their current level of unemployment compensation benefits. It provides that if an advance is outstanding on January 1 of 4 consecutive years after a State secures an advance, the credit allowed to employers in that State against the Federal unemployment tax is to be automatically reduced unless outstanding advances are repaid before November 10 of such fourth consecutive year.

Ordinarily, employers are allowed a credit against the Federal unemployment tax—now 3.5 percent—of 2.7 percent on the first $3,000 of wages. The credit is reduced by 0.15 percent for each year—beginning with the fourth—that the advance remains outstanding. For example, for the first year in which the reduced credit provisions would be in effect, it is provided that the credit against the Federal unemployment tax will be limited to 2.55 percent of the first $3,000 of wages. The additional Federal tax collected by virtue of the reduced credit provisions is offset against the advance—or the remaining balance of the advance—to the State. If some part of the advance is still outstanding by November 10 of the next year, the credit is further reduced to 2.40 percent of the first $3,000 of wages.

I should point out that the advances that are involved in the present bill do not relate to the advances made by the Federal Government to cover the cost of the temporary unemployment compensation program that was in effect in 1958 to 1959. The advances affected here are simply the advances from the Reed Fund which were intended to deal with the emergency needs of State unemployment funds.

The State of Alaska has a highly specialized unemployment compensation problem due to the extremely high seasonal unemployment. In this situation, Alaska has made sincere efforts to carry its part of the unemployment cost. For purposes of the State tax, Alaska has the highest wage base, taxing wages up to $7,200 a year and Alaska, in 1960, had an average employer tax rate of 2.9 percent on this high tax base. In addition, Alaska is one of only three States that imposes an unemployment tax on the employee.

Despite these efforts, Alaska has had in the past a continuing problem with respect to the level of its unemployment fund. During the calendar year 1957 an advance of $2,630,000 was made. If all outstanding advances are not repaid this year, this will require an additional reduction in the credit available to Alaska employers against their Federal unemployment tax. A reduction was effected for 1961.

The bill and the substitute amendment were unanimously agreed to by the Committee on Ways and Means.

Mr. Speaker, I ask unanimous consent that the gentleman from Alaska [Mr. RIVERS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RIVERS of Alaska. Mr. Speaker, I am indebted to the distinguished chairman of the Ways and Means Committee, the gentleman from Arkansas [Mr. MILLS], to the distinguished ranking minority member, the gentleman from Wisconsin [Mr. BYRNES], and to the other members of the committee for the assistance and consideration they have given me in connection with this legislation.

As amended by the Ways and Means Committee, this bill would provide for a 1-year stretchout of the installment schedule required for repayment by Alaska's employers of an $8.5 million debt owed to the Federal unemployment account, commonly referred to as the Reed fund, established by statutory language in title XII of the Social Security Act.

The automatic payment provisions of section 3302(c) of the Internal Revenue Code of 1954 are in the nature of a reduced credit formula. In other words, when the employment security system of a State has been indebted for 4 years to the unemployment trust fund, from which benefits are paid, the credits on money thereafter paid into the fund are reduced below the amounts actually deposited, and the debt diminished accordingly. Concurrently the employers of the State are taxed a proportionately increased amount to maintain the existing level of benefit payments to the unemployed workers under the employment security system.

These reduced credits are on an escalator basis as follows: At the rate of 0.15 percent of the first $3,000 of each employee's annual wage on the first annual installment, followed by an additional 0.15 percent each ensuing year until payment in full.

Alaska's employers paid the first installment on January 1, 1962, on the basis of $4.50 per employee. Without the passage of this bill they will have to pay $9 per employee on January 1, 1963. With passage of this bill they would again pay at the rate of $4.50 per employee instead of $9 per employee. Since this is only a 1-year stretchout the escalator formula would thereafter be resumed unless further legislation along this line is enacted.

The employers of Michigan, whose employment security system is also indebted to the Reed Fund, are also slated to pay $4.50 per employee on January 1, 1963. Pennsylvania will be in a similar position as of January 1, 1964. This legislation, by stopping the escalation of payments for 1 year so far as Alaska is concerned, would put Alaska on an even footing with Michigan in regard to the rate of payment applicable on January 1, 1963. Thereafter the escalation formula would apply to both Alaska and Michigan at the same rate each year.

The difficulty being encountered by Alaska, Michigan, and Pennsylvania in carrying on their respective employment security systems will soon be further aggravated because of the 1961 Temporary Unemployment Compensation Act extending benefits for 13 weeks, and which extended benefits must yet be paid for. In this connection reduced credits of 0.4 percent will commence on January 1, 1963, and go on for 2 years. As to the 1958 extension of temporary unemployment benefits, participated in by 17 States, the reduced credit procedure will commence on January 1, 1964.

It was in the light of all these considerations that I undertook to obtain a 2-year postponement in regard to payments to the Reed Fund. It is apparent that there will soon be too much overlapping of credit reductions as to the three States I have mentioned. I speak of the hardship upon the economies and employers of these States because of the cumulative burden of overlapping reduced credit procedures.

I did not get the 2-year moratorium on the Reed Fund payments, but am nevertheless pleased with the 1-year stretchout compromise contained in this bill as reported by the Ways and Means Committee. It grants a breathing spell of 1 year during which Alaska will be on an equal payment footing with Michigan, and during which year the problem involved can be reviewed on an overall basis.

This bill has merit as evidenced by the report of the Department of Labor, and the unanimous action of the Ways and Means Committee in bringing it to the floor. I trust that it will meet with a favorable vote by the Members of this House.

The SPEAKER. The question is on the substitute amendment.

The substitute amendment was agreed to.

The committee amendment as amended by the substitute was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time and passed.

The title of the bill was amended to read: "A bill to postpone for one year the second reduction in credits under section 3302(c)(2) of the Internal Revenue Code of 1954 (relating to reduced credits against the Federal unemployment tax) in the case of States to which such section applied for 1961."

A motion to reconsider was laid on the table.

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## EXTENDING DURATION OF COPYRIGHT PROTECTION IN CERTAIN CASES

Mr. WILLIS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 731 and for the present consideration of House Joint Resolution 627, extending the duration of copyright protection in certain cases. I make this unanimous-consent request with clearance on both sides of the aisle.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. PELLY. Mr. Speaker, reserving the right to object, I would like to advise the House that I had asked that this bill be passed over on the basis of a ruling in the committee. I have talked to other minority Members, and I understand there is no objection; therefore it is agreeable to me to have this resolution considered at this time.

Mr. ARENDS. Mr. Speaker, reserving the right to object, I know nothing of any agreement made on this side of the aisle.

Mr. WILLIS. I refer to the initial objector, the gentleman from Washington [Mr. PELLY], who objected to consideration of the resolution.

Mr. ARENDS. No one has said a word to me about it.

Mr. WILLIS. I have cleared it with those who had originally objected.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the clerk read the resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That in any case in which the renewal term of copyright subsisting in any work on the date of approval of this resolution would expire prior to December 31, 1967, such term is hereby continued until December 31, 1967.

With the following committee amendments:

On lines 5 and 6 delete "1967" and insert in lieu thereof "1965".

The committee amendments were agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CALL OF THE HOUSE

Mr. O'NEILL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 113]

Adair
Addonizio
Alexander
Alford
Andersen, Minn.
Anfuso
Ashley
Ashmore
Ayres
Baker
Baring
Barrett
Barry
Bass, N.H.
Bennett, Mich.
Blatnik
Blitch
Bonner
Bow
Boykin
Brademas
Bray
Brewster
Bromwell
Broomfield
Bruce
Buckley
Cahill
Casey
Celler
Chiperfield
Clancy
Clark
Cook
Corbett
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Davis James C.
Dawson
Dent
Diggs
Dingell
Donohue
Dooley
Dowdy
Downing
Dulski
Dwyer
Elliott
Ellsworth
Farbstein
Fascell
Finnegan
Fino
Flood
Fogarty
Frazier
Frelinghuysen
Garland
Glenn
Gonzalez
Granahan
Green, Pa.
Hagan, Ga.
Halleck
Halpern
Hardy
Harrison, Va.
Harsha
Harvey, Ind.
Healey
Hoffman, Ill.
Hoffman, Mich.
Horan
Ichord
Jones, Ala.
Kearns
Keith
Keogh
Kilburn
King, Utah
Kitchin
Knox
Kornegay
Kowalski
Laird
Landrum
Loser
McDowell
McMillan
Macdonald
Mailliard
Martin, Nebr.
Mathias
Merrow
Miller, Clem
Miller George Pa.
Monagan
Moorhead, Pa.
Morrison
Moulder
Multer
Nedzi
Nix
Nygaard
Osmers
Passman
Pilcher
Powell
Rains
Reifel
Riley
Rivers, S.C.
Robison
Rooney
Roosevelt
Rosenthal
Roudebush
St. George
Santangelo
Saund
Schenck
Scranton
Selden
Shelley
Sibal
Slack
Smith, Miss.
Stubblefield
Teague, Tex.
Thompson, La.
Thompson, N.J.
Tollefson
Tupper
Vanik
Wallhauser
Whalley
Whitener
Wilson, Ind.
Zablocki
Zelenko
Yates

The SPEAKER. On this rollcall 289 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## SUGAR ACT AMENDMENTS OF 1962

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 691, Rept. No. 1831), which was referred to the House Calendar and ordered to be printed:

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 12154) to amend and extend the provisions of the Sugar Act of 1948, as amended, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by the direction of the Committee on Agriculture; an amendment to page 2, line 17, proposing to insert the following: "Provided, however, that the total amount of sugar needed to meet requirements of consumers in the continental United States shall not be less than the amount required after allowances for normal carryover, to give consumers of the continental United States a per capital consumption of 100 pounds."; and an amendment to page 25, lines 3 to 23, inclusive, to strike out Sec. 18; and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Agriculture may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment; nor shall the two additional amendments permitted under this rule be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 691 and ask for its immediate consideration.

The Clerk read the resolution.

The SPEAKER. For what purpose does the gentleman from Ohio [Mr. BROWN] rise?

Mr. BROWN. Mr. Speaker, to observe the proper parliamentary procedure, I think I should make a point of order against this resolution inasmuch as it has not been reported for 24 hours or longer; and in order to take the rule up at this time, it is my understanding, we must first suspend the regular rules of the House in order to permit taking up this rule that was reported just a few minutes ago.

The SPEAKER. Under the rules of the House, the resolution may be considered on the same day that it is reported, but it requires a two-thirds vote to consider the resolution. If the House votes to consider the resolution by the two-thirds vote required under the rules of the House, then the resolution will be considered under the rule providing for 1 hour of debate on the resolution.

Mr. BROWN. Is not the question before us now the suspension of the rules to take up the resolution?

The SPEAKER. This is the regular order as provided under the rules of the House.

Mr. BROWN. Mr. Speaker, I want to be sure I understand the situation. If you adopt this rule by a two-thirds vote, then you would not debate the rule at all; is that the situation?

The SPEAKER. The question before the House now is whether or not the House will consider the resolution. It requires a two-thirds vote to consider the resolution. If the two-thirds vote is obtained, then the resolution will be considered under the 1-hour rule providing for debate.

Mr. BROWN. Then, in effect, what you are doing is suspending the rules to take up the consideration of the rule.

The SPEAKER. The Chair will state that the question of consideration of the resolution is not the same as the question of suspension of the rules. This is the regular order as provided by the rules of the House, under rule 11.

Mr. BROWN. But it does have the same effect, and it is for the same purpose.

The SPEAKER. That is a matter for the gentleman from Ohio to decide and not for the Chair to decide.

Mr. BROWN. I think the gentleman is fairly familiar with the rules of the House.

The SPEAKER. The question is: Will the House now consider the resolution?

The question was taken, and on a division (demanded by Mr. GROSS) there were—ayes 99, noes 14.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The doorkeeper will close the doors, the sergeant-at-arms will notify absent Members, and the clerk will call the roll.

The question was taken; and there were—yeas 262, nays 32, not voting 143, as follows:

[Roll No. 114]

YEAS—262

Abbitt
Abernethy
Addabbo
Albert
Alexander
Andrews
Arends
Aspinall
Auchincloss
Avery
Bailey
Baldwin
Baring
Bass, Tenn.
Bates
Battin
Becker
Belcher
Bell
Bennett, Fla.
Berry
Blatnik
Boland
Bolling
Bolton
Breeding
Brooks, Tex.
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cannon
Carey
Cederberg
Chamberlain
Chelf
Chenoweth
Church
Clark
Coad
Cohelan
Colmer
Conte
Cooley
Corman
Cramer
Cunningham
Curtin
Dague
Davis, John W.
Davis, Tenn.
Delaney
Denton
Derounian
Dingell
Dole
Dominick
Doyle
Durno
Edmondson
Everett
Evins
Fallon
Feighan
Fenton
Fisher
Flynt
Ford
Forrester
Friedel
Gallagher
Garmatz
Gary
Gathings
Gavin
Giaimo
Goodell
Grant
Gray
Green, Oreg.
Griffin
Griffiths
Gubser
Hagen, Calif.
Haley
Hansen
Harding
Harris
Harrison, Wyo.
Harvey, Mich.
Hays
Hébert
Hechler
Henderson
Herlong
Hoeven
Holifield
Holland
Hosmer
Huddleston
Hull
Inouye
Jarman
Jennings
Jensen
Joelson
Johansen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Mo.
Judd
Karsten
Karth
Kastenmeier
Kee
Kelly
Kilgore
King, Calif.
King, N.Y.
Kirwan
Kluczynski
Kunkel
Lane
Langen
Latta
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
McCulloch
McDonough
McFall
McIntire
McSween
McVey
Macdonald
MacGregor
Mack
Madden
Magnuson
Marshall
Matthews
May
Meader
Michel
Miller, N.Y.
Milliken
Mills
Moeller
Montoya
Moore
Moorehead, Ohio
Morgan
Morris
Morrison
Morse
Moss
Murphy
Murray
Natcher
Nelsen
Norbald
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Konski
Olsen
O'Neill
Ostertag
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pirnie
Poage
Poff
Price
Pucinski
Purcell
Quie
Randall
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Roberts, Ala.
Roberts, Tex.
Rogers, Colo.
Rogers, Fla.
Rostenkowski
Roush
Rousselot
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Schadeberg
Schneebeli
Schweiker
Schwengel
Scott
Seely-Brown
Shelley
Sheppard
Shipley
Short
Shriver
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Springer
Stafford
Steed
Stephens
Stratton
Sullivan
Taylor
Teague, Calif.
Thomas
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tuck
Udall, Morris K.
Ullman
Utt
Van Pelt
Van Zandt
Vinson
Waggonner
Walter
Weaver
Weis
Westland
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Winstead
Wright
Young
Younger

NAYS—32

Alger
Anderson, Ill.
Ashbrook
Beckworth
Beermann
Betts
Brown
Broyhill
Collier
Derwinski
Devine
Dorn
Findley
Fulton
Goodling
Gross
Hall
Hemphill
Hiestand
Kyl
Mahon
Mason
Minshall
Mosher
Pillion
Ray
Reece
Rogers, Tex.
Saylor
Scherer
Taber
Wharton

NOT VOTING—143

Adair
Addonizio
Alford
Andersen, Minn.
Anfuso
Ashley
Ashmore
Ayres
Baker
Barrett
Barry
Bass, N.H.
Bennett, Mich.
Blitch
Boggs
Bonner
Bow
Boykin
Brademas
Bray
Brewster
Bromwell
Broomfield
Bruce
Buckley
Cahill
Casey
Celler
Chiperfield
Clancy
Cook
Corbett
Curtis, Mass.
Curtis, Mo.
Daddario
Daniels
Davis, James C.
Dawson
Dent
Diggs
Donohue
Dooley
Dowdy
Downing
Dulski
Dwyer
Elliott
Ellsworth
Farbstein
Fascell
Finnegan
Fino
Flood
Fogarty
Fountain
Frazier
Frelinghuysen
Garland
Gilbert
Glenn
Gonzalez
Granahan
Green, Pa.
Hagan, Ga.
Halleck
Halpern
Hardy
Harrison, Va.
Harsha
Harvey, Ind.
Healey
Hoffman, Ill.
Hoffman, Mich.
Horan
Ichord, Mo.
Jones, Ala.
Kearns
Keith
Keogh
Kilburn
King, Utah
Kitchin
Knox
Kornegay
Kowalski
Laird
Landrum
Lankford
Loser
McDowell
McMillan
Mailliard
Martin, Mass.
Martin, Nebr.
Mathias
Merrow
Miller, Clem
Miller, George P.
Monagan
Moorehead, Pa.
Moulder
Multer
Nedzi
Nix
Nygaard
O'Hara, Mich.
Osmers
Passman
Powell
Rains
Reifel
Riley
Rivers, S.C.
Robison
Rodino
Rooney
Roosevelt
Rosenthal
Roudebush
St. George
Santangelo
Saund
Schenck
Scranton
Selden
Sibal
Spence
Staggers
Stubblefield
Teague, Tex.
Thompson, La.
Thompson, N.J.
Tupper
Vanik
Wallhauser
Watts
Whalley
Whitener
Wilson, Ind.
Yates
Zablocki
Zelenko

So (two-thirds having voted in favor thereof) the House decided to consider House Resolution 691.

The Clerk announced the following pairs:

On this vote:

Mr. Laird and Mr. Keogh for, with Mr. Hoffman of Illinois against.

Until further notice:

Mr. Nedzi with Mr. Adair.

Mr. Anfuso with Mr. Wilson of Indiana.

Mr. Fogarty with Mr. Reifel.

Mr. Daniels with Mr. Martin of Massachusetts.

Mr. Celler with Mr. Bass of New Hampshire.

Mr. Daddario with Mr. Curtis of Missouri.

Mr. Multer with Mr. Halleck.

Mr. George P. Miller with Mr. Osmers.

Mr. McDowell with Mr. Sibal.

Mr. Rosenthal with Mr. Kilburn.

Mr. Roosevelt with Mr. Glenn.

Mr. Hagan of Georgia with Mr. Ayres.

Mr. Santangelo with Mr. Frelinghuysen.

Mr. Fountain with Mr. Nygaard.

Mr. Lankford with Mr. Corbett.

Mr. Kornegay with Mr. Bray.

Mr. Whitener with Mr. Wallhauser.

Mr. Downing with Mr. Bruce.

Mr. Gilbert with Mr. Ellsworth.

Mr. Donohue with Mrs. Dwyer.

Mr. Farbstein with Mr. Broomfield.

Mr. Green of Pennsylvania with Mr. Andersen of Minnesota.

Mr. Powell with Mr. Dooley.

Mr. Barrett with Mr. Bow.

Mr. Zablocki with Mr. Fino.

Mr. Zelenko with Mr. Garland.

Mr. Clem Miller with Mr. Bennett of Michigan.

Mr. Alford with Mr. Merrow.

Mr. Boggs with Mr. Halpern.

Mr. Dent with Mr. Clancy.

Mr. Finnegan with Mr. Tupper.

Mr. Ashmore with Mr. Keith.

Mr. Buckley with Mr. Bromwell.

Mr. Frazier with Mr. Schenck.

Mr. Brewster with Mr. Horan.

Mr. Dulski with Mr. Cahill.

Mr. Stubblefield with Mrs. St. George.

Mr. Watts with Mr. Harsha.

Mr. Rooney with Mr. Baker.

Mr. Nix with Mr. Robison.

Mr. Rodino with Mr. Curtis of Massachusetts.

Mr. Loser with Mr. Whalley.

Mr. Healey with Mr. Harvey of Indiana.

Mr. Moorhead of Pennsylvania with Mr. Roudebush.

Mr. Rivers of South Carolina with Mr. Knox.

Mr. Yates with Mr. Mailliard.

Mrs. Riley with Mr. Barry.

Mr. Rains with Mr. Chiperfield.

Mr. Scott with Mr. Kearns.

Mr. Ashley with Mr. Hoffman of Michigan.

Mr. Staggers with Mr. Martin of Nebraska.

Mr. Thompson of New Jersey with Mr. Mathias.

The vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Speaker, at the conclusion of my remarks I yield 30 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. Speaker, House Resolution 691 provides for the consideration of H.R. 12154, a bill to amend and extend the provisions of the Sugar Act of 1948. The resolution provides for a closed rule, waiving points of order, with 3 hours of general debate, providing for consideration of amendments offered at the direction of the Committee on Agriculture, an amendment to page 2, line 17, and an amendment on page 25 to strike lines 3 to 23, inclusive.

H.R. 12154 extends the Sugar Act of 1948, with amendments, from June 30, 1962, to December 31, 1966.

Basically, the Sugar Act of 1948, which superseded the Sugar Act of 1937, is intended to do three things: First, make it possible, as a matter of national security, to produce a substantial part of our sugar requirements within the continental United States and to do this without the consumer-penalizing device of a high protective tariff; second, assure U.S. consumers of a plentiful and stable supply of sugar at reasonable prices; and third, permit nearby friendly foreign countries to participate equitably in supplying the U.S. sugar market for the double purpose of expanding international trade and assuring a stable and adequate supply of sugar.

The Sugar Act has been notably successful in attaining all three of these major objectives.

No other basic food has been more stable in supply and price, in wartime and in peacetime, than has sugar. The pressures that have caused great fluctuations in the prices of some foods, particularly the foods that we import, have had little inflationary effect upon sugar.

This bill touches on some very important aspects with regard to the present sugar problem.

Cuba in years past has been our largest supplier of sugar. In response to political upheavals in Cuba, Congress in 1960 authorized the President to reduce that country's quota in our market. Under this authority, the Cuban quota was brought down to zero and, by a special formula provided by the Congress, the sugar formerly supplied by Cuba now is obtained from domestic sources and from friendly nations. H.R. 12154 assigns to our own producers and to producers in friendly nations a portion of the sugar formerly supplied by Cuba, but the legislation holds to a hope that Cuba may soon throw off its Communist yoke and return to the family of free American nations. In this firm expectation, this legislation reserves a substantial portion of Cuba's former quota, for reassignment in the future to a free and independent Cuba.

Another interesting factor of this bill is that in the event that any of these nations who are presently friendly with us should for some reason or other not be as friendly as they are now or should they show acts of unfriendliness, there is a protective clause in the bill. The bill provides that any nation or political subdivision thereof which hereafter unlawfully expropriates American-owned property or otherwise seriously discriminates against such property and fails to take remedial action within a reasonable time will have its quota, proration, or authorization to import sugar suspended if the President finds such action to be in the national interest.

The bill also provides that if the President, in his discretion, finds that any nation discriminates against U.S. citizens in its sugar program, he shall suspend the quota or other authorization of such nation.

Mr. Speaker, there is also a provision in this bill that provides that replacement supplies of sugar authorized for importation in lieu of quotas of countries not in diplomatic relations with the United States, such as Cuba, shall be in raw sugar so long as raw sugar is reasonably available from all authorized sources combined. If the Secretary finds that raw sugar is not so reasonably available, he may authorize the purchase of direct-consumption sugar as required, but it must be only when it is reasonably available.

I want to make this statement on the record. This takes care of the refineries of America. In other words, Cuba cannot send from Cuba or one of the countries not on our quota or unfriendly to us to a country that is friendly, and then have it brought in not in the raw state but in the refined state.

Under its protection, nearly one-third of our total consumption of sugar is produced by beet and cane growers within the continental limits of the United States and total domestic production fills more than one-half of our sugar quota. The Sugar Act has given us this security in supplies, and sugar prices to consumers have been remarkably stable during the lifetime of the act.

H.R. 12154 perpetuates these objectives and strengthens the Sugar Act by assigning a greater portion of the U.S. market to our own domestic beet and cane producers, and by a more equitable and dependable distribution of quotas, for the remainder of our market, among the producers of friendly nations, principally to the good neighbors of the United States in the Western Hemisphere.

Mr. Speaker, I urge the adoption of House Resolution 691.

Mr. AVERY. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, we are under a most unusual procedure today as has been pointed out by various Members who have already addressed the House. In my four terms, I cannot recall ever having been confronted with this particular procedural issue in any other session.

The minority has a number of positions on this particular bill today, and if you have referred to the committee report, you will find that nearly every member of the minority of the Committee on Agriculture have their own separate views. Before the Committee on Rules this morning, the ranking minority member supported the request for a rule with certain reservations. Those reservations were met, and the rule that was granted is before the House this afternoon. I might say to the Members who have been here for more than this 87th Congress, I suppose you feel, perhaps, just a little bit as I do, that you ought to pack your bag, have your car parked out front and get ready to jump on an airplane or drive your car back to your district. Normally we are never permitted even to consider a sugar bill until late on the night of adjournment. Either this procedure today manifests a greater confidence in the Members of the House, that we are able to represent our various districts in enacting sugar legislation; or the leadership was prompted by a very practical situation, of having to move this bill up today to be considered previous to the bill to be brought up tomorrow which we describe as the farm bill for 1962.

I am not opposing the consideration of this rule today. I am not going to oppose the bill—if certain amendments are approved. But, I do ask the question as to why we are confronted with a situation today whereby we were presented a bill—and only a bill, please understand—last Friday afternoon and notified it was to be before the Committee on Rules this morning. We did not have even a committee report until we got to the Committee on Rules. We voted the rule out, I think, about 15 minutes after 12 o'clock, and here we are some time later in the afternoon now considering the legislation. All I can do is to project my mind as to the various possibilities.

One possibility is that the leadership and the majority of the House Committee on Agriculture are so busy working out compromises on the farm bill tomorrow that they had to have something to do today so we have this so-called Sugar Act scheduled for debate today. I am advised by grapevine or rumor or in whatever connotation you might like to place it, that substantial "compromises"—and this is the right word—substantial compromises have been made on the farm bill so that now the chances are much improved for its approval by this particular body some day later this week. I am very curious to know as to what those compromises are because we have been told by the majority now for some 2 weeks that the general farm bill for 1962 was a good bill; that it had been carefully worked out; that it is in the best interest of the taxpayers and the best interest of the Nation's agriculture. If all that were true, I do not know why we had to have any compromises. Maybe it is the practical situation. I noticed our distinguished Speaker had some observations to make on the minority's position on the farm bill over the weekend. I read them with a great deal of interest. If all he said were true and if all we are told by the majority of the committee is true, I cannot understand these compromises. It would seem to me, the majority would have stood firm on the proposition that they presented to the Committee on Rules, and they would be bringing it down here to the floor of the House, as I understand it, tomorrow without change.

I think my colleague on the Rules Committee, the gentleman from Massachusetts [Mr. O'NEILL] clearly enunciated the rather unusual rule you are considering this afternoon. But I would only point up the two amendments that were made in order by the Committee on Rules. I do not know that he designated the amendments by their sponsors, but I shall do so. One amendment is the so-called Abernethy amendment. I assume it will be presented to the House by the gentleman from Mississippi [Mr. ABERNETHY] the same as he presented it to our committee. It provides, as I understand it, that the national annual quota shall be established on the level that will assure at least 100 pounds per capita consumption throughout the ensuing year.

If there are valid objections to that amendment I will say those objections were not spelled out in the Rules Committee this morning. There may be some substantial objections this afternoon, but there was no persuasive objections to the provision this morning, although it was not supported by all witnesses.

The other amendment that is made in order by the Rules Committee, is the Dole amendment. This amendment that is to be offered and sponsored by my colleague, the gentleman from Kansas [Mr. DOLE], would delete from the bill the last section on page 25. This particular section authorizes a payment on a claim to certain interests of the Dominican Republic to the extent of $22,500,000. The position of the minority is that this matter is pending in the Court of Claims and does not lend itself to consideration by a legislative body at this time. It is a matter of jurisdiction and legislative precedent.

In regard to the bill itself I would only make one further observation. I would like to say, from my very limited knowledge of sugar legislation, that this bill is a modest improvement at least on legislation this House has considered on an emergency or a crash basis for the last 3 or 4 years. I can think of two good reasons. No. 1 is that the increase in domestic sugar consumption is preserved to the domestic producer by 63 percent as contrasted with the amount of 55 percent in the present act. Why it should not be 100 percent I do not know. I hope it will be spelled out in the general debate on the bill. It seems to me in view of the displacement of acres we have under our general farm program certainly every consideration should be given to permit domestic sugarbeet producers to take over the increase of our domestic consumption, the increase from year to year in our domestic requirements. I hope the majority will take the responsibility in the debate to explain to the House why we cannot preserve the increase in domestic consumption for domestic producers. That is a very simple question and is entitled to a frank and direct answer.

Other language in the bill I think is reasonably good is the provision, which is clearly spelled out in the bill, how the requirements for our domestic consumption will be met. The countries are listed on page 2 of the committee report and it does not, may I emphasize, does not leave to the discretion of the Secretary of State, the President, or the Secretary of Agriculture how they can use this imported sugar allotment for certain political considerations in the matter of foreign policy or to place with certain countries in which certain domestic operators have substantial interests.

In conclusion I would only say, Mr. Speaker, that perhaps we should consider the rule favorably, but we should look very carefully at the bill as amended.

Mr. O'NEILL. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Speaker, I rise in opposition to the rule, not because I do not want a sugar bill discussed, but because I do not want a sugar bill discussed on this floor under a gag rule.

There are some very good merits to the bill before the House or that will be before the House if the rule is adopted. The only difficulty is that the bill will not be amended except in two instances that have been pinpointed by the Rules Committee, and many of us will be blocked from offering amendments.

This bill does something for several segments of the American economy, but it does nothing for the American farmer who is a producer of sugarbeets. Let me go back just a moment and show you what the situation has been and what we have been fighting for, for a number of years. Forty-five percent of the sugar the American people consume is imported.

In other words, almost one-half of the sugar that went on the cereal of the children of this country and into the coffee, into the cakes, and into the drinks, came from foreign countries. We in this country can be self-sufficient in sugar if we want to. It has been argued that we have to import this in order to sell goods to other countries. True in part, but only in part. Three million tons of that imported sugar came from Cuba, and that three million tons was being imported at a subsidized price to Cuba. Even under those circumstances Cuba went communistic.

What happened to the 3 million tons of sugar that were taken away from Cuba? Did it go to the American farmer? Not 1 pound of it went to the American farmer. When the bill was extended provision was made that this would be purchased from other foreign countries. In that 3 million tons, plus, there was a sum of 375,000 tons of white sugar that came to this country. That is refined sugar.

What has happened in this bill? The refiners in this bill got that 375,000 tons knocked out. I have no objection to that, I think it is fine, I am for the refiners of this country, but I am not for the American farmer being denied the right to produce some of this sugar; 1,500,000 tons of the original Cuban sugar quota has been retained in this bill to go back to Cuba when, as, and if she decides to come back into the free world.

Where is that sugar coming from until the time that Cuba decides to become a free nation again and get out from under the domination of communism? It is coming from other foreign countries. Remember, Mr. Chairman, those other foreign countries heretofore did not have a production of sugar.

They did not have the allocations and they did not have these quotas. They say they are going to provide for the expansion of the sugarbeet industry in this country. This bill does not do it, because it does not bring into production in this country any of the sugar represented by this that formerly went to Cuba.

There has been an increase in the domestic allotments insofar as sugarbeets are concerned, but if you ever go over the record you will find a substantial part of that increase is an increase that the sugarbeet people already had before because they were making up deficits of the offshore domestic producers, such as Hawaii, Puerto Rico, and the Virgin Islands.

The question here is whether we are going to utilize some of this sugar that formerly went to Cuba, and permit the American farmers to shift over from surplus crops in some areas and use this sugar production. If you took only one million tons, one-third of the sugar Cuba was sending in here, and turned it over to the American farmer, you could take 400,000 acres out of the production of surplus crops.

The difficulty about this thing is this: We appreciate in my country the little things that were done for the sugarbeet farmers, a few hundred thousand increase, which we had actually anyway; but we are getting tired of being mendicants at the table of a bunch of international speculators, and that is exactly what has happened.

The situation that we are going to be faced with if this bill passes the House, you are going to have quotas nailed down for 5 years. I want you to remember the fact when you are called upon to take this all the way or take none of it, that Cuba went communistic when it was selling this country one-third of our sugar. How long are we going to continue to discriminate against the American farmer and in favor of the foreigner?

Mr. Speaker, I think it is something that ought to be very carefully weighed. I think it ought to be debated on the floor of this House so all of the Members of the House who were duly elected by the American people could express their will. The American people did not send you to the Congress to let the sugar industry write a bill to be shoved through this House on a moment's notice and under a gag rule. I think it is time that the Members of this House stood up and were counted on this issue.

Mr. AVERY. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I want to join my colleague, the gentleman from Texas [Mr. ROGERS], in protesting this rule. Not only is it unusual but it is an unnecessary rule. If the House Committee on Agriculture, knowing it had a deadline to meet, had brought this legislation to the House in due time we would not now be confronted with this pressure move. Just think of it: this rule was approved by the Rules Committee at 12:15 this afternoon. This is a bad precedent that will be set this afternoon if the pending procedure is approved.

Mr. Speaker, this bill ought to be brought to the House so that it can be amended. Why should it come in under a gag rule? Page 23 of the bill contains a provision by which the President can withhold quotas if a country fails to cooperate, a country that is benefiting. But then it uses these famous words: "The President shall, unless he determines such suspension to be inconsistent with the national interest, suspend any quota, proration of quota," and so forth. You remember the old Battle Act by which the President could withhold foreign aid from any country which sold strategic materials to Communist countries. The Battle Act is a dead letter today or practically a dead letter and has been under Truman, Eisenhower, and under Kennedy. Why? Because Presidents Truman, Eisenhower, and Kennedy found it to be in the national interest not to invoke the Battle Act and stop the trading in strategic materials with Communist countries. To leave to any President—I do not care who he is—the exclusive determination of national interest takes practically all the teeth out of this provision. What is in the national interest? Everything is in the national interest. So I say that you might as well throw the provision out of the window, because it will not be invoked. It was not used under the Battle Act except in very rare instances.

Mr. Speaker, the rule ought to be defeated and the bill brought in so that we can amend it in this and other respects.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

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## SUGAR ACT AMENDMENTS OF 1962

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12154) to amend and extend the provisions of the Sugar Act of 1962 as amended.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12154, with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] is recognized for 1½ hours, and the gentleman from Iowa [Mr. HOEVEN] is recognized for 1½ hours.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I shall be very brief in presenting this legislation. However, I do want to make a few observations: First, I desire to say that the sugar program has worked so well for so long that the average housewife in America has not been aware of the fact that we have had a program in effect for more than 25 years. During all of that time, both in war and in peace, we have had an adequate supply of sugar at reasonable prices.

Mr. Chairman, the program has operated in such a way as to prevent wide fluctuations in prices. It has been accomplished year in and year out. During most of the life of the program, we have had a very reliable source of supply just off our southern coast on the island of Cuba. We acquired in excess of 3 million tons of our sugar from Cuba. However, when Cuba went communistic and we broke diplomatic relations with Cuba, we authorized the President to authorize the Department of Agriculture to issue permits to bring sugar in from other sources.

Mr. Chairman, the basic principles involved in the sugar program, I am quite certain, are familiar to all of the Members of this House. It means life or death to the domestic industry, for the very good reason that our domestic producers cannot compete with foreign sources. So, the program came into effect, first, to protect our domestic producers and our domestic consumers, and to provide an adequate supply at reasonable prices. That has been accomplished as a result of this law.

Mr. Chairman, during all of the last session of Congress, I expected to receive recommendations from the administration. I would like for the gentleman from Iowa [Mr. GROSS] to hear this. We waited the entire session out, and I did not receive recommendations from the administration concerning the sugar program or legislation related thereto. We waited into this session—well into the session—and we still did not receive recommendations from the administration. So, realizing that we were facing a deadline, I announced that notwithstanding a lack of recommendation from the present administration, we would start hearings on a certain date. We did start hearings. The hearings were continued for a great length of time. I announced to begin with that all interested persons desiring to be heard would be given an opportunity to be heard. That was done. All persons desiring to be heard were actually heard. Then, we went into executive session. Day after day after day we considered this bill, paragraph by paragraph. We were faced, then, with this situation: At my suggestion, the domestic industry held conferences during all of the last session of Congress and all of this session of Congress. They worked diligently and carefully in trying to compromise, and compose all of their differences. They collaborated with Members of Congress who were interested in the people in the new growing areas, the people living in areas which now want to get into the sugarbeet business, or sugarcane business.

Mr. Chairman, the industry was able to reconcile and compose differences. They agreed upon the domestic program. Then I suggested that they take it up with the administration in an effort to reach an agreement with the administration regarding the provisions of the bill that they had agreed upon. That was done; and after many conferences with officials of the executive branch of the Government the domestic industry reached an agreement with the Executive. So, when we started our deliberations we had that much of an agreement. We then were faced with the necessity of passing upon very serious recommendations which had been submitted by the administration. The first was a recommendation which proposed to do away with quotas and to go on what they called a global-quota basis, which actually meant no quotas at all. The second was a recommendation to the effect that we recapture these so-called premiums.

We know enough about this program to realize that if we do away with quotas and do away with premiums, the only thing you have left will be payments to the domestic producers, and those payments would stand up like a sore thumb and would be difficult for us to justify. And I, for one, have been interested in this program for the reason that it has worked so well in so many areas and means so much.

So we took a vote on these proposals and the global-quota idea was rejected, I think unanimously. The recapture of premiums was likewise unanimously rejected.

Then we took into consideration the fact that we should deal with our friends, so we expanded this act to include 15 or 16 new countries, mostly in the Western Hemisphere. Bear in mind that our one main objective was to acquire an abundant and adequate supply of sugar for the domestic market, and that I think we have done under this bill.

When the Soviets joined hands with Cuba, the two countries controlled about 75 percent of the free sugar in the world market. If that is true, it is easy to see that those two, working together, might very well manipulate the world markets, drive prices down to starvation levels, or carry prices up 20 or 25 cents per pound.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. Mr. Chairman, I am a housewife. I am just wondering what is the matter with Ohio sugar. It used to be nice and sweet and there used to be a lot of it. I understand that it gets cut down under this proposal, which would make things quite difficult for our sugar industry.

Mr. COOLEY. I do not quite understand the gentlewoman.

Mrs. BOLTON. What is the matter with Ohio sugar? The farmers of Ohio think we did not get a square deal in this. Ohio has quite a little bit of sugarbeet area.

Mr. COOLEY. I am certain that the Ohio farmer has been treated just as fairly as any other farmer in any other section of the country.

Mrs. BOLTON. Then I think it is too bad for the farmers of the country.

Mr. COOLEY. The farmers of the country could not stay in the sugar business and would face bankruptcy if we did not have this program. They will all tell you that.

Mrs. BOLTON. But I believe there will not be as much sugar in the United States when this bill is passed, if it is passed, and I suppose you are quite able to do that; there will not be as much sugar as we have now.

Mr. COOLEY. Oh, yes. Hundreds of thousands of tons more sugar will be produced on the mainland and in the offshore areas. The gentleman from Texas [Mr. ROGERS] left the impression, I think, that the sugar growers had not been treated well under this act. The truth is they got all the deficit from Hawaii, Puerto Rico, and the Virgin Islands, and they have now frozen those deficits into the permanent allocation, and they are perfectly happy.

Mrs. BOLTON. The gentleman does not mention Ohio sugar.

Mr. COOLEY. I did not know there was such a thing as Ohio sugar; I never heard of Ohio sugar.

Mrs. BOLTON. We have heard of it in Ohio. It has been a very fine contribution to the sugar of this country.

Mr. COOLEY. I am sure it is not as sweet as the delightful lady from Ohio.

Mrs. BOLTON. I thank the gentleman; it is very sweet sugar.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not a fact that the producers, the farmers of the United States, could produce every pound of sugar that we consume if they were given that opportunity?

Mr. COOLEY. I think the gentleman is probably right, but only at a higher price to consumers and a higher subsidy than we are now paying.

Mr. GROSS. So that this is in effect a sort of foreign giveaway.

Mr. COOLEY. No; I do not think so.

Mr. GROSS. It is some more foreign aid, is it not?

Mr. COOLEY. It is foreign trade.

Mr. GROSS. It is foreign aid.

Mr. COOLEY. I will go back to this proposition. Why are the people in the domestic industry coming to my office, and every one of them are for this bill? What should I do about it? Vote against it?

Mr. GROSS. That is up to the gentleman.

Mr. COOLEY. I know, but how would the gentleman feel if everybody that came to him was for the bill?

Mr. GROSS. I think this is the first time the gentleman has ever asked how he should vote. I am sure he can make up his mind on that. Is the gentleman doing that because the administration failed to provide reports? Is that the reason we get this bill here under, in effect, a suspension of the rules on the adoption of the rule?

Mr. COOLEY. I do not think my committee is to blame for delaying action on this bill. We have tried to expedite the passage of the bill as much as possible. And I am not blaming the administration.

Mr. GROSS. May I ask why this does not have a report from the administration?

Mr. COOLEY. This is a committee bill.

Mr. GROSS. Do you not get the views of the administration?

Mr. COOLEY. We got the administration views on the administration bill. But this is a different bill—a committee bill.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ROGERS of Texas. In view of the statement made by the gentlewoman from Ohio I think we ought to clear up one point; that is, that the amount of sugar, the 3 million tons, that was taken away from Cuba as a Communist nation did not go to the American farmer, did it?

Mr. COOLEY. No, not all of it; certainly not.

Mr. ROGERS of Texas. The gentleman says, "not all of it." Not any of it went to the American farmer.

Mr. COOLEY. We reserved only a million and a half from Cuba.

Mr. ROGERS of Texas. That is not what I am talking about. The extension before of the Sugar Act dealt with buying sugar from other countries. What Mrs. BOLTON is interested in is the Ohio farmer. I am interested in the Texas farmer. My point is this, that every one of the foreign countries that have participated in the division of the sugar that was taken away from Cuba has fared 100 percent better than the American farmer.

Mr. COOLEY. The gentleman knows that the ratio has changed from 55-45 to 60-40.

Mr. ROGERS of Texas. Almost 60-40.

Mr. COOLEY. That may be right.

Mr. ROGERS of Texas. That increase actually represented what the American producer was getting as deficits from the offshore production, did it not?

Mr. COOLEY. That is right.

Mr. ROGERS of Texas. The gentleman is talking about the domestic and foreign production. The domestic portion of the 60 percent, or 59.4 percent, includes the production of Hawaii, Puerto Rico, and the Virgin Islands. Take that out and that is a considerable percentage of the amount of sugar we use. So the offshore producer is put in an odd situation, in my opinion. He does not get to produce nearly as much as people are led to believe he does.

Mr. COOLEY. If anybody has not been held up on Capitol Hill it is the offshore producer. They are satisfied. They tell me they are happy. Now, why should we be unhappy about it?

Mr. ROGERS of Texas. I should have to differ with the gentleman because I do not think they are all happy. As a matter of fact, they were not allowed in the meetings when the industry was going into this situation. The new producers have been blocked completely out of consideration in this bill.

Mr. COOLEY. Did the gentleman appear before our committee in the interest of his producers?

Mr. ROGERS of Texas. I have on several occasions. I have stated that I wanted to appear, but I was not allowed to appear last year, because the Secretary of State was the only man that was heard.

Mr. COOLEY. We had open hearings this session. I certainly did not deny the gentleman the right to appear.

Mr. ROGERS of Texas. We had representatives there from my area.

Mr. COOLEY. I am sure they were.

Mr. ROGERS of Texas. I am appealing for them.

Mr. COOLEY. Yes; and the gentleman is doing it very well.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. The domestic beet producers have received a gain of 640,000 tons since we took away the Cuban quota. The domestic cane producers have received an increase of 246,000 tons, and when I say domestic, I mean the mainland cane producers in Louisiana and Florida. They have received 246,000 tons. That is a total of 786,000 tons that the mainland growers of the United States of America in the 48 States—now the 50 States—have received since we took the quota away from Cuba. That is approximately 23 or 24 percent of the total Cuban allocation in the very beginning. So to say that they have gained nothing from the reallocation of the Cuban sugar simply is not borne out by the facts. The 786,000 tons have gone to domestic producers.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield to me for a question?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. How much of that was offshore deficit that was translated into continental production?

Mr. COOLEY. What difference does it make?

Mr. ROGERS of Texas. It makes a lot of difference.

Mr. POAGE. There was not a pound of it that was offshore deficit translated into continental production.

Mr. COOLEY. That is right.

Mr. ROGERS of Texas. Of that 740,000 tons that he is talking about?

Mr. POAGE. That is right.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. Am I to understand that of this cane from the Cuban quota, the American farmer got 20 percent of the Cuban quota?

Mr. COOLEY. I cannot understand why you would be up here griping and complaining now. In 1960 and 1961 and 1962, every farmer in America could have planted every acre of his land in sugarbeets or sugarcane.

Mr. ROGERS of Texas. Mr. Chairman, if the gentleman will yield further, I have the right to be heard and I do not propose to stand here and have it said that I am griping. If you want to call it griping—that is all right, but when it involves the people I represent, you are going to see me griping on this floor or anyplace else and you can call it whatever you want to call it.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, first of all, I want to compliment our distinguished chairman for taking the initiative he has in bringing this bill forward because we all know that the sugar legislation expires on June 30. Notwithstanding that fact, as our chairman has indicated, he took the initiative in our committee and presented the bill. We had extensive hearings even though the administration did not take the initiative that they should have taken. I do want to clear up one point which, apparently, has caused some confusion here. The gentleman from Texas [Mr. ROGERS] has raised this point. The gentleman from Texas [Mr. POAGE] has presented some figures which I think need some clarification. The gentlewoman from Ohio has raised some question. I would like to ask our distinguished chairman if it is not a fact that the figures that the gentleman from Texas [Mr. POAGE] presented are the quota figures that are set by law.

Mr. COOLEY. I yield to the gentleman from Texas [Mr. POAGE] to answer the question.

Mr. POAGE. The figures I presented are the difference between what the domestic growers were receiving prior to the Cuban blackout and what they are presently receiving. Now they are getting a substantial portion of the sugar that previously had been otherwise allocated. The gentleman will bear in mind that there had been no farm allocations in the United States, that is the continental United States, during the last 2 years. Everybody had been allowed to grow all that they wanted to grow. Our domestic producers were growing the quantity as shown by these figures, and this bill assures them of continuing the production that they had acquired under the unlimited provision.

So they are now getting 786,000 tons more than they were getting, and, obviously, the biggest part of that comes from the Cuban quota, because the gentleman will bear in mind we have in this bill fixed the Cuban quota at 1,500,000 tons and we have allocated another million tons to other countries. That leaves more than 700,000 tons of the sugar from Cuba that has gone to domestic producers. It cannot be figured in any other way.

Mr. LATTA. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. I yield.

Mr. LATTA. I think the gentleman from Texas has answered the question in the affirmative, that the figures he has quoted are the quota figures set by law.

Mr. COOLEY. That is correct.

Mr. LATTA. It seems very important to bring this matter into perspective after the suspension of quotas. During the last year we have been seeing about 2,800,000 tons of sugar being produced in the United States.

I would like to call the attention of our distinguished chairman to page 8 of the majority report which reads:

> The probability of future acreage reductions for old growers is compounded by the level of the basic beet quota—2,650,000 tons as compared with a 1962 crop now estimated to yield 2,800,000 tons of sugar. The low level of the industry's current carryover, due to last year's below average yields, will probably avoid the need for acreage cuts for old beet growers for 1963. Under these circumstances, as Secretary Freeman has said, acreage restrictions next year appear unlikely.

Is it not a fact, according to your own statement in the majority report, that after 1963 we can reasonably expect a cut in the current beet production, domestic?

Mr. COOLEY. I would not be in a position to say whether there is reason to expect a reduction.

Mr. LATTA. I am not speaking about production, I am speaking about the figures that are outlined in the bill; I am talking about the current beet production in the United States. The Department has fixed the quota at 2,800,000 tons, whereas the figures that you are establishing under this bill apparently give the United States only 2,650,000 tons. So we actually have a reduction in total production of domestic beet sugar of 150,000 tons due to the fact that we have this carryover. We need not expect this reduction for the year 1963, but after that we can expect at least 150,000 tons reduction in domestic beet production as compared to the 2,800,000 that are presently being produced. Is that not a fact?

Mr. COOLEY. That may be a fact, I do not know, but I was definitely under the impression that the allocation is 150,000 tons more than the planted acreage.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. TEAGUE of California. One point I think should be brought out so the Members of the House who have not wrestled with this very difficult and complex problem as the committee has, may have some comprehension, is it not a fact that we authorized through domestic producers, cane and beet, all of the production that we can possibly process?

Mr. COOLEY. That is my understanding.

Mr. TEAGUE of California. I think that is a very important point.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CEDERBERG. I want to pay tribute to the chairman of this committee for bringing this legislation before us at this time. I have read with interest the statement of Frank Kemp before your distinguished committee, where he represented the growers and producers, practically the entire industry, and I was very much impressed by the manner in which this representative presented their case. I think that is a tribute to the industry.

The gentleman has brought this bill before us. Although we never get everything we want, I think we should support the bill. So I hope that we can get ahead with this, because the industry needs the bill very badly. We have had these shortages for so long it has been difficult for them to plan. I would urge that we accept this bill and recognize that we never can get everything we want.

Mr. COOLEY. Our committee holds the gentleman to which the gentleman referred in very high regard. He made a magnificent presentation on behalf of the industry.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. AVERY. The chairman of the Committee on Agriculture will recall when I spoke during consideration of the rule I said I hoped he would explain to the Committee of the Whole why the increases in domestic consumption could not be reserved for our domestic producers. I am talking about our continental producers. I will not debate the allocation of what was Cuba's allotment because we would get into all kinds of ramifications. It is very simple that the anticipated increase in domestic demand could be reserved for domestic producers.

Mr. COOLEY. I need only remind the gentleman that when the first sugar bill was signed by President Roosevelt, he said that this production in the domestic area should not be increased.

Mr. AVERY. That does not mean anything to me.

Mr. COOLEY. It does to me. It is uneconomical to produce it domestically. It has to be on an artificial basis. You talk about artificial price supports, this bill here is important in all areas of this country and in the Virgin Islands, Puerto Rico, and Hawaii. To let it all be grown here and keep this offshore sugar out, we would have to make compensatory payments to domestic farmers to keep them in business.

Mr. AVERY. I was not directing my remarks to any such concept that all offshore sugar should be kept out. All I am talking about is the anticipated increase in our annual consumption, possibly 1 percent. Why cannot that be reserved to domestic producers?

Mr. COOLEY. It has been pointed out by the gentleman from California [Mr. TEAGUE], they are producing up to mill capacity. We made provision in here for an increase of 50,000 tons a year, which is enough to assure the building of a new mill each year. Everybody is happy about that. I do not see why we should not be pleased about it.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I want to commend the committee for this legislation.

Mr. Chairman, the 1962 Sugar Act amendments we are now considering are of great importance to Florida and the Nation. Sugar is a vital commodity, and occupies a prominent position in our national economy. I heartily commend the efforts of the distinguished Agriculture Committee of this House, and feel that its fine judgment reflected here in this sugar bill will long be remembered. The wisdom of this committee, evidenced in the orderly, thorough manner which the sugar legislation before us now was written, and due in no small part to the capable leadership of the gentleman from North Carolina, Chairman HAROLD COOLEY, is bound to stand as a precedent for future sugar legislation. I believe every Member of this Congress should extend congratulations for the excellent bill presented for consideration here.

Mr. Chairman, almost all of the sugar produced in Florida is extracted from sugarcane grown in my district. The fertile mucklands of the Everglades rank among the world's best for growing sugarcane, and these lands will be given new opportunity with passage of the legislation before us now. Florida is ably represented on the Agriculture Committee by our distinguished colleague from the Eighth District of Florida, Congressman Billy Matthews. The producers and consumers of Florida owe Congressman Matthews a vote of thanks for his diligence and interest in representing them on the committee. His efforts in forging this legislation are certainly related to our State receiving an equitable portion of the U.S. sugar market.

I further believe some note should be taken of the unanimity shown by the domestic sugar industry. Months of preparation were involved in the united position taken by the industry on the question of apportioning the sugar market of America. I also feel that the sugar interests of Florida should receive commendation for contributing their fair share to this united position. As a result, the bill before us now includes provisions for the security of all the domestic producers.

In testimony presented to the Agriculture Committee during the time it was hearing sugar legislation, I urged that there be two alterations to the present Sugar Act. Namely, these alterations were, first, that there be an increase in the marketing quota for mainland cane producers; second, that the portion of the foreign quota allocated to Cuba prior to the takeover of that nation by Communist Castro be reduced.

I also introduced legislation to accomplish these purposes, and am pleased to see that the committee adopted these provisions in the legislation which it has presented to the House.

This legislation allows an increase in domestic marketing quotas which equal nearly 60 percent of the total U.S. sugar market. Greater opportunity is provided by the assignment of 63 percent of the future growth in sugar consumption to the domestic industry.

The mainland cane area, which includes Florida and Louisiana, has been allotted an increase of some 35 percent to 895,000 tons for the first year of this new plan, 1962. The entire mainland cane area looks to the future with high hopes of greater production and market stability.

Speaking for Florida, this increase in the mainland cane quota will mean greater job opportunities and markets for many segments of our economy. More than 200,000 tons of sugar were produced in my district by existing mills utilizing the 1960–61 crop. With expansion scheduled, Florida growers and processors are building the capabilities of our State to guarantee that this Nation will always have a reliable source for one of its most vital commodities.

We have learned from the bitter experience of Cuba what it means to depend heavily on a foreign source for this precious product. Not only did the United States allow Cuban sugar to be imported at the loss of marketing opportunities for American farmers, but suffered the ingratitude of expropriation and harassment prior to taking action to end this absurd condition. The bill we have now is a good example of taking care of our own, and I am hopeful we can do more of this kind of legislating in the future.

Mr. Chairman, we must have new sugar legislation as soon as possible. The present Sugar Act is due to expire on June 30 of this year. Farmers and producers all over America must have this new assurance that the U.S. market will be stable, and that they will have their rightful share of that market, in order to plan their plantings and harvesting. The American consumer must have this legislation to attain protection in the marketplace. It is for these reasons that I urge the Congress to give prompt passage to the legislation presented by the House Agriculture Committee.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. WILLIS. I certainly want to associate myself with the remarks of the gentleman from Florida [Mr. Rogers], who preceded me. I represent perhaps the largest sugar district in the United States, and I happen to know that the beet growers and the cane growers in my district, the sugar mills, the raw sugar mill owners, the workers in those mills, the refiners and the workers in the refined sugar industry—in other words, the farmers and workers, everyone as far as I know is essentially satisfied.

I do want to compliment and commend the gentleman, and all of the members of the committee on both sides of the aisle for bringing out this bill.

Mr. Chairman, I think it is a good bill. I understand that the rule makes in order the consideration of an amendment which, in turn, was considered by the full committee and defeated. I hope to stick by this bill as drawn, as it is now before us. And, I know that by and large every segment of the American people connected with or having an interest in the sugar industry is for this bill as presented before the House right now.

Mr. COOLEY. I thank the gentleman.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. COLLIER. There are two questions I would like to ask. First, in order to get this 23-percent figure that the gentleman from Texas [Mr. Poage] mentioned, into proper perspective, can the gentleman tell me what the increase in domestic consumption of sugar has been since we terminated our Sugar Agreement Act with Cuba?

Mr. COOLEY. How much increase in domestic consumption?

Mr. COLLIER. In consumption, yes.

Mr. COOLEY. I do not know. It varies from year to year. It has increased, but I do not know the exact figure.

Mr. COLLIER. Then, it is actually 23 percent based upon the quota that existed a year and a half ago?

Mr. COOLEY. The gentleman from Texas [Mr. Poage], used the figures and related the figures to the Cuban quota before we terminated diplomatic relations with Cuba. He said the domestic producers had 23 percent of that.

Mr. COLLIER. The concept, however, might be somewhat different based upon the increased consumption since that time, might it not?

Mr. COOLEY. Well, our domestic producers participated in the growth right along. They had participation, based upon a growth formula, year after year.

Mr. COLLIER. Still based upon a quota figure, with no bearing at all on the consumption figure.

Mr. COOLEY. Oh, yes. It was increase in consumption. That is growth.

Mr. POAGE. Mr. Chairman, will the gentleman yield at that point?

Mr. COOLEY. I yield.

Mr. POAGE. In 1959 we actually marketed 9,240,000 tons of sugar in the United States; in 1960, 9,522,000; in 1961 we marketed 9,701,000. That was an increase of approximately 200,000 tons a year of actual marketing in the United States.

Mr. COLLIER. At this point might I ask the distinguished chairman of the Committee on Agriculture if as of now there has been any expression of sentiment for or against the legislation before us from the administration?

Mr. COOLEY. No; not since the bill was reported.

Mr. COLLIER. We have no idea now what the views or the stand or the support or opposition to this legislation might be from the administration?

Mr. COOLEY. I do not.

Mr. COLLIER. I thank the gentleman.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I want to join in the statement made by the gentleman from Florida [Mr. Rogers] and the gentleman from Louisiana [Mr. Willis] in support of this legislation and to commend the committee for the studious action that was taken on a tremendous problem that has confronted it since the Cuban fiasco, so to speak, and to point out that there is an increased production given to the domestic producers and that the committee itself has attempted to straighten out any allocations or any disputes that may arise as evidenced by the statement on page 7 of the report where the Secretary of Agriculture has stated his position. And, I am sure that when this legislation is approved it will meet the unanimous approval of all those engaged in the production of sugar in the United States.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. MAHON. It has been said, I believe, that all segments of the sugar industry are well pleased with this legislation. The gentleman from North Carolina [Mr. Cooley], himself makes this statement. I believe the statement is due some amendment. Not every one is pleased. It is true that people in new areas, such as my own, where they have been producing a few sugarbeets during the years, had rather have this bill than nothing but they have not been adequately taken care of.

They feel, as I feel, that the committee could and should have gone further and permitted the domestic producer a greater share of the American market. We had hoped for a portion of the quota previously granted to Cuba. So, the fear of an inadequate allotment now concerns the people in my area. They are concerned lest the bill which is before us today will not give them a mill in the near future. We need 50,000 tons for a new mill in west Texas at this time. Shortly, we will need additional mills in west Texas. The bill is inadequate in the light of our needs.

Mr. COOLEY. Are you growing beets there now?

Mr. MAHON. If the gentleman will yield further, we are growing a few beets in this area, but we have no mill. Without an assured allotment and a mill we can make no progress in beet production. Under the present bill there is no absolute guarantee that we will get a mill in the west Texas area. I appeared before the gentleman's committee with my constituents in connection with this legislation, urging greater U.S. production of beets to supply a larger portion of the domestic market.

Mr. COOLEY. Did we not provide your area 50,000 tons a year?

Mr. MAHON. You have given in the bill, on a nationwide basis, 50,000 tons; I am trying to say that there is a great demand, and a need for a larger production on a nationwide basis and in my area.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. HOEVEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, after weeks of prolonged hearings, a sugar bill has finally been reported out of the Committee on Agriculture. It probably is not going to please everyone. In fact, it may displease everybody in one respect or another. But it is the result of legislative give and take.

Mr. Chairman, we are now faced with a real time deadline, as the present Sugar Act expires on June 30, 1962. However, in all fairness I should say that I do not think anyone should be disillusioned as to what is going to happen. If the House passes the bill today, it goes over to the other body. I assume there will be long and deliberate consideration of the bill over on the other side. Then, the bill goes to conference. I foresee—and I warn the Committee right now—that it can look for an extension of the present Sugar Act for a period of, perhaps, 60 or 90 days, until the legislation now before us can be finally resolved.

Mr. Chairman, I have done my best to facilitate the consideration of this bill. In fact, I think my good chairman, the distinguished gentleman from North Carolina [Mr. Cooley] will admit that on many occasions I suggested to him that the committee give priority to the sugar bill over the omnibus farm bill, which will be considered tomorrow. The omnibus farm bill does not apply to 1962 crops. Therefore, we could well have devoted full time to the sugar bill. We spent all too much time on the omnibus farm bill while the chairman was trying to get that one lonely vote he finally wiggled out of one member so he could report out the bill.

Mr. Chairman, the bill would extend the act for 5 years. It would increase domestic sugar quotas over what they are under present law. It would retain the traditional quota system for obtaining foreign sugar supplies. It would establish a Cuban drawback of 1.5 million tons which would for 1 year be temporarily distributed to foreign nations. It changes deficit allocations. It gives the Secretary of Agriculture some legislative tools to prevent discrimination by foreign governments against American sugar firms. It authorizes the President to pay the Dominican Republic Government and a U.S. sugar company some $22.8 million as a refund for the same amount withheld in 1960 and 1961 from the quota premium on some sugar imported from the Dominican Republic. It cuts down on the importation of white sugar. It provides a small liquid sugar quota. It earmarks some 50,000 tons per year for new sugar producers in the United States, and finally it contains my amendment to prevent the confiscation of American property by foreign countries or any political subdivisions of foreign countries which seek to obtain the valuable right to sell sugar in the U.S. market.

Personally I feel that it is high time that we serve notice on any nation which seeks a sugar quota that as a nation we will not tolerate the confiscation of the property of American citizens. Hence, in committee, I proposed the amendment which you will find beginning on page 22, line 22 to the end of line 2 on page 24 of the bill. My amendment does not, of course, preclude the legitimate exercise of the right of eminent domain by any foreign nation. It just requires adequate compensation, that is all.

Now I recognize that there are provisions in this bill which are objectionable. This bill must still go through the Senate and the conference committee where I hope improvements can be made. Because of the fact that the administration delayed and delayed its submission of sugar legislation this session, we are now faced with the immediate need of an extension of this program.

Let us not forget the main objective of this sugar legislation is to provide an adequate supply of sugar at all times to our growing population at reasonable prices to the consumer. Furthermore, the bill gives American producers a bigger share of the U.S. market. Domestic producers who now supply about 54 percent of the basic U.S. sugar needs would get a new basic quota of nearly 60 percent. The Cuban quota of 1.5 million tons is put on a standby basis until communism is eradicated from the island. Until Cuba is free from Communist rule, the Cuban quota would be reallocated to other foreign suppliers under the provisions of the bill.

I was not much enthused to vote for a closed rule on this bill. However, this, in a sense, is a tax bill and a bill which sets specific sugar quotas for a number of countries and our own domestic producers. The committee spent at least 2 weeks setting the quotas after many arguments and many changes. A majority of the committee finally agreed upon the quota formula set out in the bill. It stands to reason that if an open rule had been granted on the bill it would only result in the greatest confusion if attempts were made to lower or raise quotas or to include countries not now included.

This is not the administration sugar bill. It is a far departure from what the administration wanted. The administration proposed global quotas which would have permitted the State Department to allocate quotas to countries at its sole discretion. This, for all practical purposes, might result in making the sugar bill an instrument for a worldwide welfare program. The committee, therefore, wrote its own version of the legislation and in so doing retained jurisdiction of quota allotments. May I say advisedly that, in my judgment, the Committee on Agriculture with its intimate knowledge of the subject matter of the legislation was in a much better position to allocate quotas than the State Department which would primarily be interested in foreign policy instead of looking after the interests of our domestic growers and seeing to it that the American people always had an ample supply of sugar at reasonable prices to consumers.

I voted against section 18 of the bill in committee as did many members of the committee. In my judgment there is no legal responsibility on the U.S. Government to give a windfall of $22.8 million to the Dominican Republic. Cases involving this controversial item are now pending in the U.S. Court of Claims and I do not think the Congress should interfere with the due process of law in this regard. I therefore urge that section 18 be stricken from the bill when the motion to strike is offered. In considering this bill under a closed rule one may have to take the bitter with the sweet in the hope that some adjustment of the controversial items may be arrived at in conference between the House and Senate. In spite of many misgivings about the legislation now under consideration, it is about the best the Committee on Agriculture can offer under prevailing circumstances. I therefore expect to vote for the bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to my colleague from Iowa.

Mr. GROSS. What is the world price for sugar, does the gentleman know?

Mr. HOEVEN. About 3 cents per pound. In 1961 it averaged 2.91 cents per pound.

Mr. GROSS. It is about $2.60 a hundred, is it not?

Mr. HOEVEN. It is about 3 cents a pound in New York, as I recall.

Mr. GROSS. What is the price of sugar in this country?

Mr. HOEVEN. About 6 cents per pound. In 1961 it averaged 5.36 cents per pound.

Mr. GROSS. It is substantially better; about $6.50, is it not?

Mr. HOEVEN. Whatever it figures out; that is about it.

Mr. GROSS. I have heard a good deal this afternoon about a reasonable price for sugar. I am not surprised that the administration has been reluctant to speak on this subject because I do not see how it can reconcile an endorsement of this bill with the position that it has taken on free trade through the extension of the Trade Agreements Act.

Mr. HOEVEN. May I again emphasize that this is not an administration bill. This is a bill written by the House Committee on Agriculture. The committee repudiated the administration position on global quotas. I felt, as did others in the committee, that the rights and prerogatives of fixing quotas should be reserved to the Congress. In this bill we account for every pound of sugar. I am opposed to having the Department of State to juggle these quotas around and distribute them at their discretion for political purposes in the operation of foreign affairs.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, this would be quite a situation, with sugar on the world market at $2 and some cents and domestically at $6 and some cents, if the New Frontier ever gets its free trade bill through Congress.

Mr. HOEVEN. I think the committee should be given credit for refusing global quotas instead of surrendering all authority to the Department of State.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McIntire].

Mr. McINTIRE. Mr. Chairman, the few remarks I wish to make on this bill are directed to two or three points. The first is that I think the committee and the House are indebted to the very hard work of the sugar industry, the producer and processor elements, that after many, many conferences, got together on a basic accord on provisions of a bill dealing with the domestic side of the sugar industry. This was a very important step toward the processing of legislation, and whether we agree or not on some of the detail of that agreement which was made outside the Congress and by the industry, nevertheless, the fact is that this agreement served as a basis for beginning our legislative work and was an important contribution to the development of this legislation.

I also want to comment on the fact that the bill does for the first time provide for new areas in the United States to come into sugar production. My recollection in working on the act of 1956 is that in that act we did not make provision specifically for new areas of production here in the United States. This bill very definitely provides for that, and I think it is a step forward in the development of the sugar industry here in the United States.

I join with other members of the committee in opposition to the proposition of global quotas because, in my opinion, the pattern we have here of importation of sugar is much better than what would prevail if we were to have approved global quotas.

I want also to express to the committee that I shall support the amendment which will be offered by the gentleman from Kansas [Mr. Dole]. This is not a new position I am taking in connection with the Dominican matter of $22 million, because when this amendment was offered in committee the first time, I voted against it and I also voted against it the second time it was offered. I think this amendment, which is in the last of the bill, is entirely extraneous to the legislation we are now considering, and it is not appropriate because it is before the courts.

By and large I recognize there are details in some areas of this bill which some individuals might wish to modify. However, it is complicated legislation and I feel very sincerely that the bill which the committee has presented, with the exception of the Dominican provision, is a sound bill and one that I can support. I do feel that the bill, after very long consideration on the part of the committee, is deserving of the careful consideration of each and every member of the committee. As far as I am concerned, I shall support the bill on final passage.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Kansas.

Mr. AVERY. Will the gentleman from Maine agree with the gentleman from North Carolina, who made the statement a while ago in response to my question that sugar could not possibly be profitably produced domestically? I do not know quite what he meant by that statement. Are not domestic producers seeking an additional proportion of the national sugar needs?

Mr. McINTIRE. May I respond to the gentleman from Kansas to say, Yes, they are. I would point out however, to the gentleman from Kansas, that during the past 2 years, as far as domestic production is concerned, it has not been under quotas and has been limited only by the refining facilities in this country. So it is necessary to expand these facilities if acreage is to be increased.

One further point in connection with the gentleman's question: I do not think there is any question at all but what we have the productive capability in this country to produce a substantially larger volume of sugar. However, when one considers the balance of prices, then there would be a serious question in my mind as to whether or not this could be done without some increase in prices to consumers in some areas. So there is a question as to how profitable it might be to some particular domestic producers to expand to the proportion the gentleman has in mind.

Mr. KYL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-seven Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 115]

Adair
Alford
Andersen, Minn.
Anfuso
Ashley
Ashmore
Aspinall
Auchincloss
Ayres
Barrett
Barry
Bass, N.H.
Bell
Bennett, Mich.
Blitch
Bolling
Bonner
Bow
Boykin
Brademas
Bray
Brewster
Bromwell
Broyhill
Bruce
Buckley
Cahill
Cannon
Casey
Celler
Chiperfield
Clancy
Conte
Cook
Corbett
Curtis, Mass.
Curtis, Mo.
Daddario
Davis, James C.
Dawson
Dent
Diggs
Donohue
Dooley
Dowdy
Downing
Dulski
Dwyer
Elliott
Farbstein
Fascell
Finnegan
Fino
Flood
Flynt
Fogarty
Frazier
Frelinghuysen
Garland
Gilbert
Glenn
Gonzalez
Granahan
Green, Pa.
Hagan, Ga.
Halleck
Halpern
Harrison, Va.
Harsha
Harvey, Ind.
Healey
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holland
Horan
Ichord, Mo.
Jones, Ala.
Kearns
Kee
Keith
Keogh
Kilburn
King, Utah
Kitchin
Kluczynski
Kornegay
Kowalski
Laird
Landrum
Loser
McDowell
McSween
Martin, Nebr.
Mathias
Merrow
Miller, Clem
Miller, N.Y.
Monagan
Moorhead, Pa.
Morrison
Moulder
Multer
Nedzi
Nix
Nygaard
Osmers
Passman
Peterson
Powell
Rains
Randall
Reifel
Riley
Rivers, S.C.
Roberts, Ala.
Robison
Rooney
Roosevelt
Rosenthal
Roudebush
St. George
Santangelo
Saund
Schenck
Scranton
Selden
Sibal
Smith, Miss.
Spence
Stubblefield
Thompson, La.
Thompson, N.J.
Tollefson
Tupper
Ullman
Vanik
Vinson
Wallhauser
Whalley
Whitener
Wilson, Ind.
Yates
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Davis of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12154, and finding itself without a quorum, he had directed the roll to be called, when 287 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. McINTIRE. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. Short].

Mr. SHORT. Mr. Chairman, while I do not intend to oppose the passage of this bill, H.R. 12154, I must say that there are a good many aspects of this bill with which I am not in complete agreement, and about which I am not very happy.

Mr. Chairman, I think there are many other Members of the House who represent areas where sugarbeets particularly are grown who are not too happy about some of the provisions contained in this bill. Perhaps uppermost among all of those reasons is the rather, shall I say, conservative treatment that has been extended to the domestic producers in this piece of legislation.

Mr. Chairman, I desire to commend my good friend, the distinguished gentleman from Texas, Mr. ROGERS, for pointing up as he spoke during the consideration of the rule, the reality of the situation. I am real pleased to commend the gentleman from Texas for doing this, and I think the Members of the House should recognize the reality of just exactly what, we are not doing for the domestic industry, which is a big one in the United States, but perhaps what we are doing to this industry.

I happen to represent a part of an area in the United States that produces roughly 8 or 9 or 10 percent of the total amount of sugarbeets produced in the United States. My colleague, the gentleman from Minnesota [Mr. LANGEN], represents the Minnesota side of the Red River Valley of the north which is probably one of the better sugarbeet producing areas of the United States. In this area there are some 1,500 farmers who raise sugarbeets. These are small farmers. This is a family type of farming operation, if there is one in America. We have 3 processing plants in this area and while I am talking about the number of farmers who are affected by this bill that produce sugarbeets in the United States, there are some 39,000 farmers in the United States that produce sugarbeets.

Twice since I have been in Congress we have extended temporarily the Sugar Act. The reason has been that the situation in Cuba was such an indefinite one that it was a little bit difficult to know what we should do in the way of permanently revising and extending this sugar legislation. Of course, always into this consideration there came the question of what we should do in the way possibly of revising domestic sugar quotas.

We were also told that and it was a vital requirement—and with this I can certainly agree—that the domestic industry be in agreement on what they wanted in the way of permanent sugar legislation. In other words, how large the domestic quota should be; more specifically, perhaps, how much the domestic quota should be increased. The domestic industry worked long and very hard on this. This was a very difficult agreement to come to. They worked long and hard over the past several months and finally did come to an agreement.

As Mr. Kemp said when appearing before our committee, they sat down around this bargaining table and while everyone did not get what he wanted, this was about the best they could come up with. And with this I have to agree.

I must say that I think, however, the boys holding the cards for the domestic industry perhaps did not hold not only all the aces that they should have held or could have held, but I am not so sure that the other side of the industry, those representing the foreign interests in the overall sugar picture did not hold a few wild cards. I am not particularly happy or enthusiastic about the agreement that was reached so far as our domestic industry was concerned and particularly so far as our domestic beet industry was concerned.

I must say right here that since this agreement was entered into, there have been some provisions incorporated into the bill we are now considering that were not a part of the original agreement. I do not know whether they provide proper grounds for opposing the bill now before us. But certainly it makes it just that much harder for me to support the piece of legislation we are now considering.

Mr. Chairman, may I point out some of my objections to the bill that we now have before us and may I also attempt to clarify some of the figures that have been tossed around here this afternoon since we have been considering this bill. I will try and leave with you the real picture of what is happening to the domestic industry in this bill and particularly what is happening in the domestic beet industry. As I have already stated I am not very happy about the domestic beet quota that is incorporated in this bill.

May I read from the separate views that were placed in the committee report by the distinguished gentlewoman from Washington [Mrs. MAY] and myself in regard to this thing I am trying to clarify for you now:

> The adjusted basic quota for domestic beet sugar in 1962 would be increased from 2,400,000 tons to 2,650,000 tons—an increase of about 10 percent.

That is 250,000 tons increase in our domestic beet quota, and this is a very little bit more than the total allocation we have actually made to one particular foreign country that never had a quota before, namely, the country of Brazil, to which we have given 190,000 tons permanent quota and 150,000 tons temporary allocation. Yet we increase our domestic quota only in the amount of 250,000 tons.

This increase for the domestic beet industry amounts to only 10 percent—a 10-percent increase in the domestic beet quota.

> The adjusted basic quota for mainland cane sugar for 1962 would be increased from 750,000 tons to 895,000 tons—an increase of about 20 percent.

I have no quarrel with increasing the quota of any segment of the domestic industry's quota, but I cannot quite rationalize why the domestic cane industry was increased twice as much as the domestic beet industry. I continue to read:

> While the formula for domestic beet participation in our domestic increase in sugar consumption has been raised a few percentage points, it is apparent that if technological increases in our productive ability continue at the present rate, total increased acreage of sugarbeets during the life of this bill will be very modest. We point this out because we feel many beet growers are anticipating a greater growth in sugarbeet acreage than is actually being provided for.

I think a lot of beet growers in the United States are under the very definite illusion that they are going to get an increase in their sugarbeet acreage. I think they are going to be more than disappointed when they find out that actually as the years go by they could very definitely be producing less than they are now. The technological progress in the production of beet and cane sugar in the United States is going to wipe out to some degree, in fact to a large degree, the increase in domestic quota that is provided for in this bill.

It has been stated here today that the domestic beet and cane industry, the domestic industry, period, if you please, has received some benefit from the 3,100,000-ton quota that was taken away from Cuba. I want to say here and now, and I hope everyone understands it, that not one single pound of the sugar that was taken away from Cuba was given to the domestic industry in the United States. Every pound of increase in the domestic quota came from the increase in domestic consumption plus the participation in the deficits of Hawaii, Puerto Rico, and the Virgin Islands. I see some people who do not agree with that.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. ROGERS of Texas. Is it not a fact that under the law the President of the United States did not have the power to give it to the domestic producers? Under the law it has to be brought in from foreign countries, the law we are operating under right now.

Mr. SHORT. This is very true. All the conversation that we have heard here today that would leave the impression the domestic industry has benefited from the quota taken away from Cuba simply, in my opinion, is not true.

I just think we ought to understand this because there seems to me to be an inference in all of this consideration of this sugar legislation that the domestic industry has received some kind of windfall. This is not borne out by the facts. Last year, for instance, the domestic beet industry actually produced 2,425,000 tons of beet sugar. What is the quota provided for in this bill? It is 2,650,000 tons. Now if that is any great generous increase, I cannot understand it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I am glad to yield to my chairman.

Mr. COOLEY. Where does all this sugar crop come from, if it did not come from the Cuban quota?

**Mr. SHORT.** As I just tried to say, Mr. Chairman, all of the increases and I have never been able to find any arguments to refute this, all of the increase in the domestic quota came about by virtue of the formula for the domestic participation in our domestic increase in the use of sugar and the deficit from Hawaii and Puerto Rico. I wish you would quote to me one place in the law or one provision in law, or one action that was ever taken by the Secretary of Agriculture to give our domestic industry one single additional pound of sugar.

**Mr. COOLEY.** Certainly, the gentleman from North Dakota does not want to leave the House with the wrong impression?

**Mr. SHORT.** Certainly, I do not.

**Mr. COOLEY.** You know where it came from. You did not have any restrictions on it, and you could have planted all you wanted to plant, and you planted all you wanted to plant; did you not?

**Mr. SHORT.** Yes.

**Mr. COOLEY.** Well, that is where it came from.

**Mr. SHORT.** We could plant all that we could plant because it took all we could raise to fill the deficit we were entitled to under the law.

**Mr. COOLEY.** You are leaving the impression here that you could not plant any sugar. Of course, you could not fill the quotas for Cuba or any other foreign country, but you planted all you wanted to plant.

**Mr. SHORT.** Can the gentleman from North Carolina tell me any provision in law or any recommendation that was ever made by the Secretary of Agriculture to allow the domestic industry to furnish one single pound of sugar that was formerly secured from Cuba?

**Mr. COOLEY.** That is just what I am trying to tell you. Of course, there was not any because you did not have any restriction. Certainly, you picked up the deficit from Hawaii, Puerto Rico, and the Virgin Islands.

**Mr. SHORT.** The same thing would have happened had the Cuban quota never been announced.

**Mr. COOLEY.** So what? You have it now.

Let me ask the gentleman this question. Do you want to disrupt this bill by any such argument as you are submitting here now and defeat it?

**Mr. SHORT.** I stated my position when I started to speak.

**Mr. COOLEY.** Why do you not get down to the facts? If you are for the bill, let us leave it that you are for the bill and let us move on.

**Mr. SHORT.** Mr. Chairman, and Mr. Chairman of the Committee on Agriculture, I think the Members of this House are entitled to know the facts about this sugar bill. I am not trying to defeat it. I said when I got up here, I was going to vote for the bill and I will vote for the bill unless we inject too many amendments that I do not agree with.

**Mr. COOLEY.** I will vote for the bill too, if you do not change my mind pretty quick.

**Mr. SHORT.** If what I am saying is apt to change the gentleman's mind about the sugar bill, I am very grateful.

I tried all during the sugar hearings to impress this on the gentleman from North Carolina and I do not think he ever quite understood what I was talking about.

**Mrs. MAY.** Mr. Chairman, will the gentleman yield?

**Mr. SHORT.** I yield to the gentlewoman from Washington.

**Mrs. MAY.** Mr. Chairman, I would like to say to my fellow Members that I wish to associate myself with the remarks of my colleague, the gentleman from North Dakota. In answer to the question just proposed to him by the distinguished chairman of our committee, whom we both join in praising for having gotten this bill to the floor under very difficult circumstances, I just would like to say for the record that the distinguished gentleman from North Dakota and I have been working for several years on the House Committee on Agriculture representing beet areas. My area, as does the area of the gentleman from North Dakota [Mr. SHORT] has established old grower areas and I also have an extensive new grower area. We have been working together to try to get a meaningful extension of this sugar act for some time. The act we have before us with its changes in legislation, does not represent a complete victory or even a partial victory for American beet producing areas, including the gentleman's area and my own. Because we wish to be honest and fair with the people we represent, in the State of Washington on my part, and in the State of North Dakota on the part of the gentleman from North Dakota [Mr. SHORT] we have in our additional views in this report, to which I would like to call your attention on page 73, attempts to keep the record straight as to just what this legislation accomplishes.

Is it not true, I ask the gentleman from North Dakota [Mr. SHORT], that we have not opposed the bill because we have worked many months to get what is practically and politically possible into this act? But today we wish to keep the record straight because so many, let us say, nonfactual statements have been presented that might give an erroneous impression to our beetgrowers as to what this legislation means to them.

**Mr. SHORT.** I thank the gentlewoman from Washington. This is exactly what I was attempting to do. I have no intention, as I said to the chairman of the committee, of voting against the bill unless there are too many amendments that are adopted which would make it impossible for me to support it. We have brought out what the bill does for the sugarbeet producers. This was the best bill we could get and I intend to support it, but I think I have a responsibility to the growers in my area to tell them if I possibly can what we are doing for them but what is going to happen to them when this bill passes.

**Mrs. MAY.** Will not the gentleman agree that our representatives of the beet-growing industry deserve a great deal of credit for having worked and negotiated with other representatives of the sugar industry on trying to improve this legislation? Once the agreement was reached the beet industry kept faith, but changes have been made in the bill which reflect a breach of faith in other sections of the sugar industry. Is not this true?

**Mr. SHORT.** As I say, there have been changes made in the bill from time to time that were not part of the industry agreement, and that makes it difficult for those of us who had some reservations about accepting it, but I am going to support the bill unless they succeed in placing too many amendments in the bill.

**Mrs. MAY.** I would like to comment once more that there is an amendment pending this afternoon that was voted on in the committee and soundly defeated. But it has now been given the right-of-way to be presented as an amendment this afternoon in spite of the closed rule. I would like the gentleman to state his viewpoint on the pending amendment from the industrial consumers, which in effect does not allow flexibility for the Secretary of Agriculture to set consumption quotas as he presently can.

**Mr. SHORT.** The matter to which the gentlewoman refers was not part of the industry agreement and sometimes I question whether I would be able to vote for the bill if the amendment is adopted. It is one of the things that was not in the agreement and should not have been incorporated in the bill. It certainly lays aside a lot of considerations that led the domestic industry to accept what they thought would be the provisions of the bill.

**Mr. COOLEY.** Mr. Chairman, I yield such time as he may desire to the gentleman from Hawaii [Mr. INOUYE].

**Mr. INOUYE.** Mr. Chairman, having worked with the members of the House Agriculture Committee and thereby being familiar with the provisions contained in H.R. 12154, the sugar bill, may I state that I, personally, am of the opinion that it is a good bill and that I, for one, favor its enactment.

I feel, however, that this bill could have been and should have been improved in one aspect, and am compelled, at this time to express my disappointment that a proposed amendment to the Sugar Act as embodied in my bill, H.R. 11706, was not incorporated in H.R. 12154, which is being considered this afternoon.

H.R. 11706, if approved, would have amended title 3 of the Sugar Act of 1948, to provide for the establishment of fair and reasonable wage rates for workers employed on sugar farms. Specifically, my proposed amendment would first, bring the existing minimum wage provision of the Sugar Act into line with the applicable provisions of the Fair Labor Standards Act, while at the same time giving the Department of Agriculture authority to make limited exceptions where hardship can be shown; and second, provide that sugar growers who pay their fieldworkers Fair Labor Standards

Act minimum wage shall be entitled to receive compliance payment based upon the full base rate of 80 cents per hundred pounds of raw sugar as specified in the Sugar Act.

I would like to point out that the quota system as set up by the Sugar Act gives to the sugar industry a very much preferred position in our Nation's economic structure. It is a protected industry and deservedly so. Consequently, it needs to live up to certain standards more so than some other industries, with respect to the wages they pay to their employees. As was stated by the President in 1937, when he called upon Congress to enact the Sugar Act:

> An industry which desires the protection afforded by a quota system, or a tariff should be expected to guarantee that it will be a good employer.

My bill would have amended the Sugar Act to help assure a realistic fair and reasonable wage to our sugar workers throughout the Nation where it could be reasonably afforded. And while testimony was received in committee on my bill, it was the thinking of the committee that it was not prepared to act on it this year.

In respect to the committee and in deference to the closed rule, under which H.R. 12154 is presently under consideration, I will not insist on the inclusion of my amendment to the Sugar Act. It is my hope, however, that the Senate will take it into consideration for possible inclusion. If this should not materialize, I can only hope that the House will do so next year.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. I thank the chairman of the House Agriculture Committee for yielding this time to me, and I want to use part of it to answer some statements that were made a minute ago, to clear up the record. I am sorry the time has come when a man who was sent here by the people of his district is accused of griping when he disagrees with a committee or with the chairman of a committee. I want to say that I am willing to do anything for my people short of dishonesty or criminality and if griping will help them you will see me doing plenty of it.

For the 12 years I have been in Congress we have been trying to get additional acreage for the American farmers.

I presume I could be considered as having been griping all of that time. If that is what I have been doing, I plead guilty.

We are happy that we got just a few more acres to put into production in this country. We are not happy that we did not get what I feel the American farmer is entitled to.

There has been a great deal said about the farmer getting production authorization out of the Cuban quota. The fact of the matter is that the bill as extended and the law under which we are now operating did not give the American farmer 1 pound of sugar out of the Cuban quota. You can argue all you want to, but the law prevails, and you cannot show where the American farmer was given 1 pound of sugar, and no American farmer has been allowed to grow 1 pound of sugar that was under the Cuban quota.

Forty-five percent of the sugar consumed in the United States came from foreign sources, and those foreign sources did not include Hawaii, Puerto Rico, or the Virgin Islands. The argument is made this has come out of the Cuban quota in the past. I know that it has not, and the President did not get the authority in the extension of the law to do it. If you will read the law, you will see that it says he is allowed to get this Cuban quota reduction from other foreign countries. All you have to do is to read the law.

There are new growers in this country, people who want to go into the sugar business. Let me make this point clear right now. We are faced with a problem on feed grain.

It is a very strange thing that a great deal of the land that is usable and can be used for feed grain can also grow sugarbeets. Would it not make sense if we took some of this foreign quota and put it into the acreage that could take the place of the feed grain that is burdening our economy with surpluses at the present time?

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from South Dakota.

Mr. BERRY. I asked the Secretary of Agriculture how many acres were supplanted by the importation of sugar last year and he told me 1.8 million. In other words, 1,800,000 acres were supplanted in this country by the importation of sugar alone.

Mr. ROGERS of Texas. If we could just translate some of those acres into production it would do a great good. Not all of it, of course. We are not asking that all the sugar be produced in this country. We realize there is the foreign trade matter, but we also realize that the American farmer has something in this that he ought to be recognized for.

It has been said that the American farmer is going to be given 50,000 tons of sugar for new growers. Let us clear that up, and all we want are the true facts.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ROGERS of Texas. Mr. Chairman, we hear about 50,000 tons of sugar. Let me show you what that does. That is 20,000 acres at the most, and it is designed to provide for the building of one mill a year over a period of 5 years. The odd thing to me in this whole picture is the fact that we hear so much about the 50,000 tons that went to the American farmer and he ought to be satisfied. How much went to foreign countries. Why, 1,500,000 tons went to Communist Cuba. And how is it going to be filled until they come back into the free world? By the American farmer? No; not by the American farmer. They brag about the 50,000 tons that he gets under this bill. How much does Peru get of the Cuban quota? One hundred and fifty thousand tons. How much does Mexico get? How much does the Dominican Republic get? How much does Brazil get, the British West Indies, Australia? All of them get three times each the amount of acreage or the amount of tonnage that the American farmer gets in this bill. And, I say that it is time we looked at this whole picture and gave the American farmer an equal opportunity to expand in this industry that we are affording foreigners in other countries.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. HARDING].

Mr. HARDING. Mr. Chairman, the sugar bill before us today is a good bill. It is not what any of us would like in its entirety, but it represents a compromise, and I feel, as a Representative from the sugarbeet area, that we have made some gains in this bill. And if you just look at the facts, you cannot help but recognize it.

In the 1961 quota the sugarbeet quota was 2,110,000 tons. Today we have a sugarbeet quota in this bill of 2,650,000 tons. So our sugarbeet people do receive a substantial increase. The bill before us is substantially the same bill that was agreed upon by all five segments of the domestic industry, including the representatives of the sugarbeet industry.

Now, it has been said by some of the speakers who just preceded me that none of the Cuban windfall went to the domestic industry. The facts do not bear this out. There is a minimum of 500,000 tons that have to go to the domestic industry. When the committee started out to allocate the Cuban quota, we had 3.1 million tons of sugar to allocate. The first 500,000 tons or thereabouts was allocated to the domestic industry. That left us 2.6 million tons to reallocate on either a permanent or temporary basis.

Several of us, including the gentlewoman from Washington and the gentleman from North Dakota and others, wanted to retain 2 million tons of this Cuban quota as a reserve for Cuba and just allocate it on a temporary year-to-year basis. We would then reallocate only the 600,000 tons as a permanent quota for other foreign suppliers. However, we lost on a vote in the committee. It was decided that we would allocate the 1.1 million tons as a permanent quota to other foreign suppliers and 500,000 tons to the domestic industry leaving only 1,500,000 tons as a permanent Cuban quota. I would like to ask anybody that says that the domestic industry did not receive any allocation of the Cuban quota where the 500,000 tons went?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HARDING. I will be most happy to yield to the gentleman from North Dakota.

**Mr. SHORT.** What I was saying, though it has been contradicted here, was that up until now the domestic industry had received no benefit from the cancellation of the Cuban quota, and I think that that is a basic fact that nobody can refute. I will agree with the gentleman that it is out of the Cuban quota, if we desire to put it that way, that our domestic quota has been increased under the provisions of this bill some 500,000 tons, but this does not remove the fact that it is not 500,000 tons above what was actually produced a year ago or this year.

**Mr. HARDING.** That is correct. But the gentleman does agree with me that 500,000 tons under the new bill is going to be allocated to the domestic industry which was formerly a part of the permanent Cuban quota?

**Mr. POAGE.** Mr. Chairman, will the gentleman yield?

**Mr. HARDING.** I would be happy to yield to the gentleman from Texas.

**Mr. POAGE.** As a matter of fact, up until now—up until now—the mainland domestic growers are growing 786,000 tons more than they were growing in 1960, are they not?

**Mr. HARDING.** I believe that is correct.

**Mr. POAGE.** And, if the gentleman will yield further, has any other country in the world been reduced in its opportunity to sell into the American market other than Cuba?

**Mr. HARDING.** Not to my knowledge.

**Mr. POAGE.** In other words, the only place where there has been any reduction in the entire world has been out of the Cuban quota, and there has been a 786,000-ton increase in the domestic production. Yet there are those who say that the domestic growers have not gained anything out of the Cuban quota. Can anyone understand that kind of reasoning? Cuba is the only place from whence it could come.

**Mr. SHORT.** Mr. Chairman, will the gentleman yield for one further question?

**Mr. HARDING.** I would be happy to yield to the gentleman from North Dakota.

**Mr. SHORT.** Does the gentleman from Texas [Mr. POAGE] contend that the domestic beet increase would not have been exactly the same had the Cuban quota remained in effect?

**Mr. POAGE.** Yes; I am talking about what they are growing right now. I am not talking about the law. The gentleman from North Dakota said what they were talking about was right up to now. They are growing all they want to grow right now; they grew all they wanted to grow last year, and they are growing all they want to grow this year.

**The CHAIRMAN.** The time of the gentleman from Idaho has expired.

**Mr. POAGE.** Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. Chairman, will the gentleman yield?

**Mr. HARDING.** I yield to the gentleman from Texas.

**Mr. POAGE.** They are growing all they want to grow right now. Yet they are complaining that they are not getting enough. However, they are growing all they want to grow. There is no limitation, and there has not been a thing in the world in the law which kept them from putting all of their land into beet production. I know they could not sell them, but there has not been anything in the law which kept them from putting their entire place in beets. Now they are complaining they do not have enough, although they can plant every acre to sugarbeets which they own.

**Mr. HARDING.** Mr. Chairman, I thank the gentleman from Texas [Mr. POAGE] for finally observing that all the sugarbeet growers in Texas are now growing all the sugarbeets they want to grow.

**Mr. ROGERS of Texas.** Mr. Chairman, will the gentleman yield to me on that statement?

**Mr. HARDING.** I would be happy to yield to the gentleman from Texas.

**Mr. ROGERS of Texas.** The fact of the matter is that they are not growing all the sugarbeets they want to grow, and it should not be left that way in the RECORD. The reason they are not growing them is because there is no market for them because this law gave all of the production to foreign countries. One can grow all of the jimson weeds one wants to grow, but if one cannot sell them, one is not going to grow them. Anyone knows one cannot grow sugar that is allocated to a foreign country. It is just that simple.

**Mr. HARDING.** I would like to call the attention of the gentleman from Texas [Mr. ROGERS] to this fact: In this bill we have provided for 50,000 tons a year, or approximately 20,000 acres, the amount for one processing plant each year, to go to new growers. I am very happy to say that I understand a new processing plant is being constructed in California, and I hope that in the future Texas, Kansas, Missouri, and Maine, as well as other States which want to produce sugar, will have the privilege of producing sugarbeets along with new growers in my home State of Idaho.

Mr. Chairman, I again conclude by saying that this bill is a compromise. It is the best bill which the Committee on Agriculture could come up with after long and hard work. I sincerely hope that the House will vote down the amendments.

**The CHAIRMAN.** The time of the gentleman has again expired.

**Mr. POAGE.** Mr. Chairman, I yield the gentleman 1 additional minute for the purpose of finishing his sentence.

**Mr. HARDING.** Mr. Chairman, I hope that the House will vote down the amendments that have been proposed to this bill, and send it on over to the other body in order that we may have a Sugar Act when the present act expires at the end of this month.

**Mr. POAGE.** Mr. Chairman, will the gentleman yield?

**Mr. HARDING.** I yield to the gentleman from Texas [Mr. POAGE].

**Mr. POAGE.** Will anyone in Texas, Idaho, North Dakota, or anywhere else receive the benefit of any new mill unless we pass this act?

**Mr. HARDING.** Absolutely not.

**Mr. POAGE.** In other words, we have got to pass the act?

**Mr. HARDING.** This bill will benefit sugarbeet growers and potential sugarbeet growers throughout the United States. If there is no bill, there is no hope for potential sugarbeet growers, and the old growers are faced with ruin.

**Mr. ROGERS of Texas.** Mr. Chairman, will the gentleman yield?

**Mr. HARDING.** I would be happy to yield to the gentleman from Texas [Mr. ROGERS].

**Mr. ROGERS of Texas.** And if there were some other provisions in this bill, the people in Texas, Idaho, and Maine would profit more, would they not, and some of the foreigners would profit less?

**Mr. HARDING.** As I said earlier, this bill is a compromise. It is not exactly what any of us wanted, but it is the best we could work out that was agreeable to all.

**The CHAIRMAN.** The time of the gentleman from Idaho has again expired.

**Mr. HOEVEN.** Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

**Mr. QUIE.** Mr. Chairman, since there was no answer to the question asked by the gentleman from Texas [Mr. ROGERS] I will give the answer and it is yes. It is undoubtedly the case that we could increase tremendously the production of beet sugar and cane sugar in this country, if we had a chance to do it. We could fill all our needs in this country if this bill would permit it. If the domestic industry wants to increase, the mills need the assurance that they will be able to stay in operation longer than 1 year before they will invest money in the construction of a mill to process the sugar. As long as the mills are not constructed, it is just like saying to someone, "You can raise all the milk or eggs or anything else you want, but you cannot market it."

My objection to this bill—and I do object to the bill—is not because the domestic growers get too small an increase, or are not getting any more of an increase than is provided. The domestic growers have made an agreement, and if they have made an agreement that this is all they need right now, far be it from me to say that I will oppose the bill and vote against it because of that. But it is for some other reasons that I do object to the bill.

One is that the industry had been given the understanding that the Cuban quota would not be reduced below 2 million tons. Originally, Cuba had 3,100,000 tons; and as has been pointed out, or as they have tried to point out, that is the source of this increase in domestic consumption. At least, it is felt that they have shared in the draw-down within what the administration proposed, 2,586,000 tons. That is, they would share in that. But if the Cuban quota is drawn down to 1,500,000 tons, that represents a tremendous reduction in the permanent quota for Cuba that would be going to foreign growers permanently, and that the domestic producers will not have a chance to get.

Mr. Chairman, what I object to most strenuously, even more than this weakness, is the fact that the 1.5 million tons in the committee bill, or the 2 million tons in what I propose as the right amount, would still be upon a premium basis all over the world. The reason why it is set up on a temporary quota basis is that they do not want to set up a sugar czar in the State Department. Well, we are now assuming to be these sugar czars and saying each year to the people from the different countries of the world that they must come before the Committee on Agriculture for their share of this really highly sugared quota. As the Secretary of Agriculture said, it amounts to $50 a ton above the world price. Why in the world should we pay that amount? Under the permanent quota basis we have been giving it to some countries to which we feel some financial obligation. Why should we distribute this all over the world and pay that tremendous premium?

Someday we hope that Castro will be kicked off the island of Cuba, and at that time we will want to hold out a carrot to them, and say that we will buy sugar from Cuba under their quota. And it should be more of a carrot, 2 million tons instead of 1.5 million. Just imagine giving a permanent quota to India, South Africa, and the Island of Mauritius in the Fiji Islands. If we do that for four or five years and pay that high premium price will they not come before us and say "Now our economy is dependent on that premium price that we received from the United States; and you have got to continue to give us some kind of quota. Give us an increase in the permanent quota so that we can continue to furnish the sugar."

We would be over a barrel, and they would be sending their lobbyists in here to see us, as they have done in regard to this bill.

There is no reason that I can see why anyone can claim that the State Department would be the sugar czar, if the sugar came in on a first-come, first-served basis, at the world price. There would be no more advantage for foreign producers to sell their sugar to us than to anyone else, and we would save $50 a ton for over 2 million tons of sugar. I think the taxpayers of this country are entitled to that. This is a very strong argument, and for that reason I was of an open mind in our committee on the idea of global quotas. When it comes to the amount that would be allocated to Cuba—and, of course, we cannot buy from her because Castro still controls that island—I can see no sense in the Committee on Agriculture meeting every year to try to determine among which countries we are going to divide this amount of sugar, because all we can do is to call people up from the Department and find out what the figures are and try to base our action on the information they provide for us.

Then there is a juggling and balancing and compromising on who gets his ideas across, and we play the numbers game on our committee. One day they have so much and the next day they have something else.

I think it also should be pointed out in connection with the permanent quotas in this bill that we are giving permanent quotas to countries outside the Western Hemisphere for whom we have no financial responsibility. We have no financial responsibility for Australia, the Union of South Africa, and so on. I have proposed that we limit our permanent quotas just to the Western Hemisphere countries, with the exception of the Philippines, with whom we have a treaty arrangement, and the Republic of China, which has had a quota before, and who, we feel, needs financial responsibility to help it in its difficulty.

Also, I think it is wrong to give permanent quotas to countries in the Western Hemisphere that have financial relationships with countries outside the Western Hemisphere, that is, countries like the French West Indies, that can sell at a premium to France, and British Honduras, which can deal with Britain. If we buy sugar from those countries, then England, France, and Canada will not be buying it, and they can go out and buy sugar at the world price. So I think these changes must be made in this legislation before it is acceptable.

We also propose in this legislation that the increase in consumption each year will be divided 63 percent domestic and 37 percent foreign. Here again I think this is too small a consumption, but our domestic growers have made an agreement that they would accept the 63 percent so we will have to live with it. But the 37 percent will be allocated to the countries with permanent quotas, and their permanent quotas would be increased without the Congress making a decision on the permanent quota. I think this is wrong. The increase in consumption ought to be allocated on a global-quota basis where we could go out and purchase anyplace in the world, first come first served, at the world price. Then no one somewhere in the State Department could be selling it to us at this price or that price, which this is what this legislation provides.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. LINDSAY. I would like to compliment our distinguished colleague from Minnesota on his very excellent statement. It seems to me the gentleman has pointed out some very grave weaknesses in the present bill. Do I correctly understand that the proposal the gentleman from Minnesota suggests as an alternative to the committee bill is supported by the administration?

Mr. QUIE. That is right. This comes quite close to what the administration proposes. The administration proposes that after a phaseout there will be no permanent quota countries. Bear in mind that these Western Hemisphere countries, plus the Philippines and Formosa, can still have a permanent quota. I am appealing for them and their financial problems. But the idea of buying at the world price and saving $50 a ton, that is right, that it is also the administration's proposal.

Mr. LINDSAY. In theory, the gentleman's proposal is that there would be, one, a greater flexibility in the quotas, and, two, that the market prices would be able to take over and make the decision, as it were, as to which countries would be the vendors?

Mr. QUIE. The gentleman is absolutely correct, that this would be purchased strictly on the free market out in the world, wherever someone is willing to sell it. It undoubtedly would stimulate the world price and strengthen it for the other countries in the world.

Mr. LINDSAY. I was interested in the gentleman's comment that a great deal of money would be saved if the gentleman's theory were adopted by the committee. Speaking as one who comes from a consuming district and speaking for the consumers, how much tax money would be saved?

Mr. QUIE. When the Secretary of Agriculture was before our committee he stated this would amount to $155 million a year when the program got into operation.

Mr. LINDSAY. In view of what the gentleman has said, which did seem to me a persuasive argument, why is it that the majority of the committee refuses to accept the proposal the gentleman is making here?

Mr. QUIE. It is difficult to know other than the assumption that some members of the committee want to keep within their hands the decision of where every pound of sugar is going to be purchased in the world, and they are willing to pay a high premium price in order to get that power.

Mr. Chairman, in order to give you the full details of my views on H.R. 12154, I want to quote from my opposing statement in the committee report. With the time allotted me, it has not been possible to cover all points. My objections are as follows:

In his testimony before the House Committee on Agriculture on May 16, 1962, the Secretary had this further to say about global quotas:

"At present, this part of our total sugar supply—about 2.5 million tons under the proposed bill—is broken up into a number of small compartments, each reserved for an individual country. A natural disaster in any one of them, a strike or other economic emergency, or a miscalculation as to production interferes with the flow of sugar from that source. This can no more be corrected quickly than it can be foreseen. With a global quota, our refiners have many countries from which to obtain their supplies. If a stoppage occurs in the flow from one source, additional quantities are readily available elsewhere. The situation reverts in essence to what it was when Cuba maintained a large reserve available on short notice when and as needed. I have heard it said that the so-called global quota will adversely affect security of our foreign sugar supplies. In fact, for the reasons I have stated, the reverse is true.

"I have also heard it said that the import fee system might cause a flood of sugar to appear in our ports at the beginning of a year or at some other time during the year. I believe that there need be no such fear. The very nature of the flexible import fee eliminates the danger. If the flow of such supplies increases unduly, it means that the world price of sugar is falling and the fee should and would be increased to compensate. On the other hand, if the flow of supplies wanes, it means that the world price of sugar is rising and the fee should and would be reduced correspondingly.

"Sugar users would gain no price advantage through the use of the system, but they would have much greater assurance of supplies. On the other hand, domestic producers need not fear adverse effect upon their interests. They would continue to receive the income protection which is inherent in the sugar program. Furthermore, for the long pull the sugar program and the income protection imparted to our domestic producers by reason of that program would be on a sounder footing than it has been at any time since Castro came to power in Cuba."

### CONGRESS ASSUMES RESPONSIBILITY OF THE EXECUTIVE

When sugar is purchased from countries outside the United States, a certain amount of flexibility in administration is necessary, since it cannot be determined at the beginning of the year, the adequacy of supplies of any specific country, as was pointed out previously. I think it is undesirable for the Congress to attempt to administer laws, as it is for the Executive to try to write our laws, which is constitutionally the responsibility of the Congress. In this case, I think the Congress is overstepping its bounds in attempting to allocate on a quota basis, either permanent or temporary, the country where every pound of sugar should be purchased. A realization of this is the provision in H.R. 12154 that each year the temporary quota shall be reallocated. Again the Congress will have to sit with the experts in the executive branch of the Government and find out from them where the sugar is available and where it is most desirable to purchase it. Then decisions should be made from the study of experts who have knowledge of the complete foreign sugar situation. Under our system of government, a decision needs to be made by the head of a department when foreign policy is involved and the great details must be considered before determining the country where sugar should be purchased, rather than compromising between the interests of the various Members of the Congress.

### CUBA

As I pointed out earlier, I feel that the domestic quota is too small, that the potential of domestic production is so tremendous that we could produce all of our domestic needs in this country, and that this would be a great benefit to many of our own depressed agricultural counties, but that I am not objecting for this reason. However, in the bill introduced by the chairman for the administration, Cuba would have been allocated a permanent quota of 2,586,000 tons. H.R. 12154 has cut this to 1,500,000 tons. When the domestic sugar growers' organizations made their agreement as to the permanent quota which they will receive, an assumption was made that an agreement had been reached and the permanent quota allocated for Cuba would not be less than 2 million tons. In the event we should resume diplomatic relations with Cuba some time in the future, her quota should not be less than 2 million tons. As the Secretary of Agriculture stated in his testimony, "This change reserves for Cuba a market for a substantial quantity of the sugar crop when we resume diplomatic relations."

I also want to quote from our committee hearings from the statement of Mr. G. Griffith Johnson, Assistant Secretary of State for Economic Affairs, who represented Under Secretary Ball:

"Finally, and I hope that the committee will give special consideration to this factor we must be prepared for the day when Cuba returns to the West. At that time, Cuba must have the opportunity to sell sugar in the U.S. market. If we continue to distribute the Cuban quota with the premium price to other countries, vested interests in the new and larger quotas would become entrenched. It would be extremely difficult to reduce these quotas so as to provide a market for Cuba's major export commodity. It also would provide Castro with a persuasive argument that the West has deserted the Cuban people and that their economic future lies with the Communist bloc. Making the Cuban quota available now to all friendly countries on a nondiscriminatory basis would diminish the buildup of vested interests and still provide Cuba the opportunity to reenter our market."

Cuba, under the expiring legislation, has a permanent quota of 3,100,000 tons, and as the Secretary of Agriculture pointed out in his testimony, "Cuba's proration has been reduced sufficiently to accommodate the increases in domestic quotas." I think the permanent quota of 1,500,000 tons is too small if we are going to hold out an inducement to Cuba. However, it should also be pointed out that in all fairness, if the Congress decides to reduce Cuba's permanent sugar quota below 2 million tons, which was presumed to be the floor by the domestic sugar growers these domestic sugar growers should share in the permanent reallocation of these quotas.

### COUNTRIES OUTSIDE THE WESTERN HEMISPHERE

In the past, the United States has given permanent sugar quotas only to Western Hemisphere nations with the exception of the Republic of the Philippines, with which we have a treaty agreement, and the Republic of China whom we have been assisting ever since the Communists pushed them off the mainland—and for some reason which is hard to determine, a small quota was given to Canada and several Western European countries. Under this proposed bill, it is proposed to give substantial permanent quotas to the Union of South Africa, the island of Mauritius, the Fiji Islands, Australia, India, and the Netherlands. It surely seems unwise to me that the United States should begin allocating permanent quotas to countries for which we feel no financial responsibility. I believe that any permanent quotas, outside the Western Hemisphere, in the future should be limited to the Republic of the Philippines and the Republic of China.

### WESTERN HEMISPHERE

Under the expiring sugar legislation, certain countries in the Western Hemisphere have received permanent sugar quotas. In the past, no permanent quotas have been allocated to countries which have some financial arrangement for premium prices to be paid on sugar purchased by nations outside of the Western Hemisphere. This bill provides that French West Indies, British West Indies, and British Honduras would receive permanent sugar quotas from the United States, even though they already have sugar arrangements with the British Commonwealth or France, who in turn would have a demand which could be filled from sugar purchases from Cuba at the world price. We have had a ban on imports of sugar from Cuba for some time, and have been concerned about the possibility of transshipments through other countries. This surely looks like an indirect transshipment.

### CONSUMPTION INCREASES

H.R. 12154 provides, as did the administration bill, that the increases in consumption in the United States each year will be allocated 63 percent to domestic producers and 37 percent to foreign sources. Although I do not agree that 63 percent is a sufficient amount to allocate to our domestic producers with this great production potential, it is not the reason for my objecion to H.R. 12154. An agreement has been reached by the domestic sugar industry to accept this figure. I disagree with the allocation of 37 percent of the annual increase in sugar consumption to the permanent quota countries whose quotas, if H.R. 12154 is passed, will have been substantially increased. If the Congress is to make the decision from time to time as to what permanent quotas should be allocated to any country for which we feel a financial obligation—as I pointed out—this should be limited to the Western Hemisphere, with the exception of the two countries, the Philippines and the Republic of China. No further increase in permanent quotas should automatically be allocated to them because of increased domestic consumption. I believe that this 37 percent should be secured on a global quota basis, that is, purchased from any country with whom we have diplomatic relations in the world.

I quote from the statement of Mr. G. Griffith Johnson, Assistant Secretary of State for Economic Affairs, who represented Under Secretary Ball:

"This fee would be approximately equal to the amount by which our domestic sugar price exceeds the foreign market price for sugar, except that for countries now having basic quotas, the fee would be imposed in five equal steps over the life of the act. It would eliminate substantially all this subsidy or price incentive which now stimulates foreign countries to struggle so desperately for a sugar quota in the U.S. market. In the absence of this price subsidy, the need for individual country quotas disappears. Within the limitations of an overall global quota, the market can then be opened to all friendly countries on a completely nondiscriminatory basis. The funds collected from the import fee would be deposited in the Treasury of the United States."

When the bill is considered on the floor of the House, I intend to offer a series of amendments which would:

1. Set the Cuban drawback at 2 million tons, rather than at 1.5 million tons as provided under the committee bill.

2. Set smaller quotas for fewer nations than is proposed by the committee bill. Only Western Hemisphere nations not connected with the United Kingdom and France along with the Philippines and the Republic of China should share in permanent quotas.

3. Establish a global quota system for the 2,160,000 tons not allocated to specific countries, rather than tying down every pound of sugar as the committee bill does.

4. Delete the authority in the bill for repaying Dominican Republic sugar interests some $22.8 million withheld by our

Government from certain Dominican sugar imports in 1960 and 1961.

A comparison of present quotas, the committee bill, and my substitute follows:

| Country | Present quota | Committee bill | | Quie substitute, permanent only |
|---|---|---|---|---|
| | | Permanent | Temporary | |
| Domestics | 5,810,000 | 5,810,000 | | 5,810,000 |
| Cuba | 3,100,000 | 1,500,000 | | 2,000,000 (global quota) |
| Philippines | 980,000 | 1,050,000 | 150,000 | 1,000,000 |
| Peru | 122,000 | 200,000 | 150,000 | 150,000 |
| Dominican Republic | 111,000 | 200,000 | 150,000 | 150,000 |
| Mexico | 95,000 | 200,000 | 150,000 | 150,000 |
| Brazil | 0 | 190,000 | 150,000 | 150,000 |
| British West Indies | 0 | 100,000 | 150,000 | 0 |
| Australia | 0 | 50,000 | 150,000 | 0 |
| French West Indies | 0 | 40,000 | | 0 |
| Nicaragua | 17,000 | 30,000 | | 20,000 |
| Costa Rica | 4,000 | 30,000 | | 10,000 |
| Republic of China | 4,000 | 45,000 | 150,000 | 20,000 |
| Ecuador | 0 | 30,000 | | 10,000 |
| Colombia | 0 | 35,000 | | 10,000 |
| Haiti | 8,000 | 25,000 | | 20,000 |
| Guatemala | 0 | 20,000 | | 10,000 |
| Argentina | 0 | 20,000 | | 10,000 |
| India | 0 | 30,000 | 100,000 | 0 |
| South Africa | 0 | 20,000 | 100,000 | 0 |
| Panama | 4,000 | 15,000 | | 10,000 |
| El Salvador | 0 | 10,000 | | 5,000 |
| Paraguay | 0 | 10,000 | | 5,000 |
| British Honduras | 0 | 10,000 | | 0 |
| Fiji Islands | 0 | 10,000 | | 0 |
| Netherlands | 4,000 | 10,000 | | 0 |
| Mauritius | 0 | 10,000 | 100,000 | 0 |
| | | | | 730,000 |
| Unallocated amounts for additional global quota | | | | 160,000 |
| Total | | 9,700,000 | 1,500,000 | 9,700,000 |

Mr. Chairman, it was my hope that my substitute would be the vote to recommit. The decision has been made by the leadership on this side that if the amendment of the gentleman from Kansas [Mr. DOLE] prevails, I will offer my substitute on the motion to recommit. If the Dole amendment does not prevail, it will be the motion to recommit.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, this is a unique piece of legislation. It is a combination of price control to the detriment of the consumer, foreign aid, and trade restriction which is hardly consistent with the avowed objectives of the administration.

But most of all, it is a prize example of supply management. It is appropriate that we are considering this bill the same week we will consider H.R. 11222 which would bring into being the fateful first step of supply management for feed grains.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. ASHBROOK. The gentleman brought up the point of foreign aid. I wonder if the gentleman who is a member of the Committee on Agriculture could explain to me this situation. It seems rather interesting that the two countries in the world who in past years have either committed aggression against us or against the peace of the world now come in for brandnew quotas. I am speaking, of course, of Brazil and India. Brazil expropriates our property and we reward them with a permanent quota. India invades Goa and we likewise reward them. I wonder what the feeling of the Committee on Agriculture is on this point?

Mr. FINDLEY. It was very unfortunate that a quota was assigned to those two countries. It is unfortunate that we get foreign aid mixed up in actions by the Committee on Agriculture. Furthermore, if we are to have foreign aid, I am highly in favor of foreign aid to domestic producers and not to producers such as those the gentleman identified who are in countries that have committed acts at variance with our own principles in foreign affairs.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. ASHBROOK. It seems very consistent with the State Department policy of bending over backward for those who seem to be most aggressive in their conduct toward us. It is a good example of our weak-kneed foreign policy and represents one of many reasons why this bill should not be approved.

Mr. FINDLEY. Speaking of the State Department, on February 21 the Secretary of State said, and I quote:

> Either we believe in capitalism and freedom of individual enterprise or we do not, and we do not if we hold with massive Government intervention to distort and freeze the market. If we look to Government to rig the game, we may as well look to them to play the hand.

Clearly, here is an example of Government intervention to rig the market.

To support my statement that this is a prize example of supply management, I would like to quote no less an authority than Secretary Freeman in response to a question by the gentleman from Virginia [Mr. JENNINGS] as reported on page 65 of the committee hearings. Speaking of the Sugar Act, he said:

> It is an example, I think, of successful supply management and hopefully from it experience will carry over to other commodities which need to also enjoy management.

So here is the pattern. Here is the wave of the future. H.R. 11222 would head us toward endless squabbles over who is going to get how big a piece of the feed grains pie in years to come, just as we are squabbling today over who is to get how big a piece of the sugar pie.

Mr. Chairman, the Sugar Act is an example of supply management, the Government-control approach which has already been established in varying degrees in tobacco, cotton, rice, peanuts, and wheat. It is now being advocated by the administration for other commodities, notably feed grains.

Supply management can take various forms. Of these, our sugar control arrangement should qualify as the prototype for complexity, extent of Government power, and absence of competitive conditions.

Government control is so deeply imbedded in sugar production and marketing that even a gap of 1 month between the expiration of the present Sugar Act and the enactment of a new one is unthinkable.

Supply management in sugar has been successful in stabilizing prices and supplies, but this has been achieved at a tremendous cost:

Prices to consumers are artificially high.

Consumers fork over the difference between low world-market prices and high U.S. prices.

A bureaucracy is established to administer the controls, and this payroll becomes a fixed burden.

An excise tax of one-half cent per pound is paid by the taxpayer. This, plus the tariff on imports, finances the program.

Almost nobody is happy. Only the favored few can share the sugar-quota pie, and these squabble endlessly because each wants a bigger cut. This is true of quota countries abroad and the tightly controlled circle of domestic producers and processors.

Those not cut in on the pie consider themselves unfairly treated. And so they are.

The right to grow and process acquires an artificial value and becomes capitalized into the land and business enterprise. Trade channels become rigid. This makes it difficult—if not impossible—ever to cast off supply management in favor of the competitive marketplace system.

Quotas are such rich prizes they are used as instruments of foreign policy and become tempting plums for influence peddlers.

The $22 million claim against the United States in behalf of the Dominican Republic is a case in point. The claim arises because the United States did not pay the full premium price for some of the sugar it purchased from the Dominican Republic in 1960–61. The price paid was above the world market, but still not sweet enough to satisfy an appetite long accustomed to easy money.

All this may appear to be an unbelievable chamber of horrors to those who believe in a competitive marketplace.

Be assured, it is a reality, and has been since 1934.

Through successive Sugar Acts—such as the one now before us—Congress specifies what countries will share in the sugar pie, how big each piece will be, and also the price of sugar to consumers.

The piece of the pie set aside for U.S. producers is subdivided by means of Federal licenses to sugar mills. Each mill contracts for supplies from individual farmers. Acreage allotments were used until the last few years, and authority for them remains. This bill would reimpose allotments beginning next year.

U.S. sugar production has always been artificially supported, as sugar can be produced more economically in the tropics.

Until 1934, a simple tariff encouraged domestic production. Under this arrangement, all nations had equal access to the U.S. sugar market, by the tariff route, and all U.S. farmers had equal access within the tariff walls.

Under supply management, there is no such thing as equal access inside or outside the tariff walls. The right to market is apportioned arbitrarily by the U.S. Government to certain favored nations and within the United States to certain favored mills.

The supply management approach, whether it be applied to sugar or to corn, is clearly contrary to the goal of free trade. It also clearly breeds ill will among nations and heaps new burdens on U.S. consumers and taxpayers.

Rather than extend this rigid and costly system for another 5 years and thus make it all the more difficult to return to a marketplace system, we should begin to phase out quotas, and establish a means of protecting domestic sugar production more in accord with the competitive private enterprise system.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. Dole].

Mr. DOLE. Mr. Chairman, under the rule an amendment will be in order to strike out section 18 of the bill, which section appears on page 25. This section I will refer to as the Dominican Republic windfall section. By adoption of this amendment in our committee, our committee has sat in judgment as a jury, and has in effect stated that we owe the Dominican Republic Sugar Co., the South Puerto Rican Sugar Co., and another sugar company the approximate sum of $22 million.

First let me say this is not a partisan issue. This feature was not contained in the administration bill we first considered. This is an amendment that was adopted by our committee. It is opposed by the USDA and by the Justice Department.

When this amendment was first adopted I became curious about it. On examination I found there is a case pending right now in the U.S. Court of Claims. I have here the petition filed by the South Puerto Rican Sugar Co. for $7 million. There is another filed by the Dominican Sugar Corp. for approximately $14 million, and another company claims about $2 million. This action was filed September 21, 1961. In February of this year the U.S. Government filed its answer. I have been in communication with the Justice Department, and have talked with John D. Miller, who is Chief Counsel for the Court of Claims, and in a communication dated June 13, 1962, he pointed out to me that he feels they have a valid defense.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield.

Mr. FINDLEY. I believe the gentleman will recall that when the Chief of the Sugar Division was before the committee I asked him if he had any doubt as to whether the merits of this case would be fairly considered in the Court of Claims. He responded by saying that he did not have any doubt but what it would receive fair and impartial consideration in the Court of Claims.

Mr. DOLE. I thank the gentleman from Illinois. I think we all feel bound to meet any moral obligation our country may have to other countries. I do not know of any obligation our country has gone back on. The question, as I see it, is whether we, as Members of Congress, should authorize paying $22 million in settlement of these cases which are pending in the Court of Claims, especially when the Justice Department indicates there is a valid defense to them.

It was most interesting when Mr. Surrey, who appears in the Court of Claims records as an attorney for the plaintiff, appeared before our committee for the South Puerto Rican Sugar Co. and indicated that money is hard to get out of our Treasury. He stated at that time: "We need your help to get it out."

Mr. Short commented: "It is not difficult to get it for some other purposes."

To me the question is whether or not there is any excuse for paying this sum of money to the South Puerto Rican Sugar Co., the Dominican Sugar Corp., and the Porcella Vicini Co. Certainly nobody has any quarrel with any legally just claim, but with these cases pending in the Court of Claims it is not our prerogative to say they are just.

When we stopped taking Cuban sugar it became necessary to find other sources of sugar so we upped total imports some 543,700 tons of nonquota sugar from the Dominican Republic. In other words this amount was imported by the South Puerto Rican Sugar Co., the Dominican Sugar Co., and the Porcella Vicini Co. The total import fee on this sugar at approximately 2¼ cents a pound during the last quarter of 1960 and the first quarter of 1961 amounts to the total sum of $22,755,153.67; and this is the amount in dispute now.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield.

Mr. DOMINICK. I just want to congratulate the gentleman from Kansas for bringing this out and giving us a very excellent explanation of it. It is my understanding that an amendment to knock out this section will be in order.

Mr. DOLE. That is right; the gentleman is correct.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Did you not get the impression during the hearing before the committee that this $22 million will not go to the Government because the State Department has indicated it is going to give $22 million in aid even if this claim is not sustained. Is not that true?

Mr. DOLE. I may say, in all fairness to the gentleman from Missouri, that may be true, but the only session where Mr. Rusk was present was an executive session, and I do not know that I am at liberty to divulge what happened in the executive session.

Mr. JONES of Missouri. The State Department has indicated it is going to give $22 million in aid. Do not leave the impression we are saving $22 million if we strike the amendment out. It is a question of whether we are going to pay it in the usual procedure that has been followed in other cases, or whether we are going to let the State Department pay it through another avenue. At any rate, it is going to be $22 million.

Mr. DOLE. It might be $44 million.

Mr. JONES of Missouri. It probably will be more than that, but I think in any event we are not saving $22 million by accepting the amendment. We would be restoring the $22 million to some of the rightful owners, including some Americans who are involved, and who would not be benefited by the aid money that will be sent down there by the State Department. I think that is a fair statement.

Mr. DOLE. In answer to the gentleman from Missouri, may I say that the question before the committee is not the question of a moral obligation to anybody. We have a case pending in the Court of Claims here. The Justice Department indicates it has a valid defense. The question is whether or not we shall pay a claim pending in court, and in my opinion it is bad for the committee to establish such a precedent.

Mr. JONES of Missouri. There is also politics involved in this, and also it might have some effect on the political situation in the Dominican Republic, which could result in the same thing happening down there that happened in Cuba.

Mr. DOLE. There was a statement made in committee that some information had been leaked, which happens occasionally, and that the people of the Dominican Republic were anticipating receiving this money on the strength of the amendment adopted in our committee. But that is beside the point, the question is whether we owe the money.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Do we place a tax on the sugar coming in from Brazil, on the same type of sugar?

Mr. DOLE. I do not know.

Mr. BELCHER. Did the Dominican Republic expropriate our telephone interest in the Dominican Republic the same as Brazil did?

Mr. DOLE. I do not know what they expropriated.

Mr. BELCHER. The people of Brazil who did confiscate American property get 2½ cents a pound better on their sugar than we gave the Dominican Republic.

Mr. DOLE. In fairness to the gentleman from Oklahoma I should say we are discussing the question of the Dominican Republic right now.

Mr. BELCHER. We are discussing the moral proposition. I grant that probably we do not have a legal standpoint, but claims are paid by the U.S. Government in which there is no legal standpoint. The question that appeals to me is it is the only country I know of on the face of the earth we imposed a tax on. We took the sugar from Cuba and charged an import tax. In the case of the Dominican Republic, of course, it was obviously to get rid of Trujillo, and it did get rid of him. It is a good $22 million well spent. How much money would the gentleman give to get rid of Castro? Would he give $22 million?

Mr. DOLE. I do not have that kind of money, but this sugar imported from the Dominican Republic was sold voluntarily. They were not forced to sell it to us. They were paid the world price. They received as much from us as they could get from anybody else. This was pointed out by Mr. Lawrence Myers, who is Chief of the Sugar Division of the USDA. He indicated the fees were legally imposed and should not be returned.

Mr. BELCHER. There is no question but what Trujillo had the right to sell the sugar, but the American sugar companies down there could not have withheld the sugar.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I suggest to the gentleman that when the money was collected it was my opinion it was illegally taken, but I did not complain about it because it was keeping it out of the hands of a dictator. But, now, since we did take it away and they are now involved in litigation, it seems to me that in good faith we should refund the money, and unless we do this, the net result will be the confiscation and expropriation of the property of the stockholders of the South Puerto Rico Sugar Co., which is an American company.

Mr. DOLE. I appreciate the comment, but I do not conclude as you have. They delivered this sugar voluntarily. They knew there would be a fee imposed. Why should we, as Members of the Congress, sit as judge and jury and pronounce a sentence of guilty when the matter is now before the Court of Claims?

Mr. COOLEY. They had no other choice. There was a man who had a pistol at their backs, and they had to deliver. If they had failed to deliver it is a well known fact that the property of the company would have been expropriated or confiscated, so the company was forced to deliver the sugar.

Mr. DOLE. The South Puerto Rico Sugar Co. was involved in this, and we are not bound by what Trujillo would do.

Mr. COOLEY. But certainly they were bound. Their property was there, it is still there, and it is an American owned company.

Mr. DOLE. I think this is a proper matter for the Court of Claims, and they would be happy to have the information. I say let the Court of Claims decide.

Mr. COOLEY. I think it is more than a legal obligation; I think it is a moral obligation for us to return the money.

Mr. DOLE. I might point out again this is opposed by the USDA and the Justice Department. I want to conclude by saying that I agree with the gentleman from Texas [Mr. ROGERS] that this measure means little to the domestic growers and that it lacks provisions which would require countries who sell us sugar to buy our surplus agricultural commodities.

Mr. COOLEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, since the gentleman from Kansas, Mr. DOLE, has brought this matter up, I want to conclude by saying that this matter was first called to my attention by a representative of the State Department who asked what I thought about the return of this money. I agreed with him and I thought we were morally obligated to return it. I then had a long letter from the South Puerto Rico Sugar Co. which I transmitted to the White House, and I received a reply from the White House indicating that the money should be returned; not in this way, but rather as a part of the AID program. Now we have a government down there of seven men struggling to hold the government together until they can have an election, and when the news went out that our committee had approved this provision by more than a 2 to 1 vote, the headlines in the paper were just tremendous; everybody was delighted and happy. Now we come along and say we are going to hold this money back and we are going to take the sugar bill and make it into a welfare program. I am told by a high-ranking official of the Dominican Republic that it might have such an impact on the government right now that the government now in existence might even fall. In good faith we should return this money and not drag it through the courts here for the next 5 or 6 years. I helped write this law and I know we did not authorize different treatments for different areas. But, President Eisenhower was in a bad situation. He did what he thought was expedient and right, and if he could speak to us right now, I am sure he would say he would be in favor of giving this money back. Are we going to keep it? This is the only proper way to get it out. We use the President as the instrumentality through which the money will be refunded, and he will make the repayment only under the conditions stated in the bill. The companies have entered into an agreement. I have a letter here addressed by the South Puerto Rico Sugar Co., to the Minister of Council or something in the Dominican Republic, members of the council of state, making a proposal, which they in turn accepted.

LA ROMANA, DOMINICAN REPUBLIC,
*February 21, 1962.*

MEMBERS OF THE COUNCIL OF STATE,
*National Palace,*
*Santo Domingo, Dominican Republic.*

SIRS: We understand that the Government of the United States is considering the introduction of a bill which would authorize the return to the Dominican Republic of an amount equal to the dollar sum collected by virtue of the fees established in 1960–61 on the importation of Dominican nonquota sugars.

In the event the law provides for the return of such amount to the Dominican Republic and requires that the suits in the United States be satisfied with no further liability to the United States, South Puerto Rico Sugar Co. Trading Corp. is prepared to receive in Dominican pesos its proper share after payment of Dominican taxes and invest same in the Dominican Republic in accordance with the broad principles of the Alianza para el Progreso program.

Central Romana Corp., South Puerto Rico Sugar Co., and South Puerto Sugar Co. Trading Corp. whom I have the honor to represent as president, have authorized me to advise the Dominican Government their unrestricted acceptance of the above conditions for the return of an amount equivalent to the fee collected by the U.S. Government and have requested me to obtain the corresponding approval of the Dominican Government.

With expressions of high esteem, we remain,

Yours very truly,
SOUTH PUERTO RICO SUGAR CO.,
SOUTH PUERTO RICO SUGAR CO. TRADING CORP., CENTRAL ROMANA CORP.,
G. D. DEBEVOISE, *President.*

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SANTO DOMINGO, DOMINICAN REPUBLIC,
*February 28, 1962.*

G. DOUGLASS DEBEVOISE,
*President, South Puerto Rico Sugar Co.*

DISTINGUISHED GENTLEMEN: In connection with your letter of the 22d of February of this year, I wish to advise you briefly that the Council of State has acted favorably on the proposition of your companies in the sense that the South Puerto Rico Sugar Co. Trading Corp. is disposed to receive in Dominican pesos that portion which corresponds to the return payment after the payment of Dominican taxes and to invest the remaining sums in this country in accordance with the general principles of the Alliance for Progress program, if the Congress of the United States will pass a law authorizing the return to our country of a sum equal in value to the dollars collected by the fees charged in the years 1960 and 1961 on the importation of Dominican sugar outside the quota.

DR. FREDERICO C. ALVAREZ HIJO,
*Secretary of State of the Presidency.*

That means that they agreed that not one dollar of this money would be brought by South Puerto Rico out of the Dominican Republic. They would take the money in pesos and they would pay the taxes, which would amount to more than 50 percent of the money involved, and they would take the remaining pesos and build low-cost housing for the workers in order to build up the economy of the country at a time when they needed help.

If, Mr. Chairman, President Eisenhower had not taken the action then Trujillo would have taken the money himself and absconded with it, or probably sent it to Geneva or some other foreign country. However, by doing what Mr. Eisenhower did he saved this $22 million, and we should now give it back to the people to whom it belongs.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I would like to say at the outset that I am going to have to reluctantly vote "aye" when this bill is called for a record vote, even though, as I set forth in my additional views in the report, there are certain parts of this bill that I do not like. In this respect, it is not unlike other bills. However, in this particular bill, I think we have completely overlooked an opportunity to relieve the taxpayers of some of the burden of paying storage charges on crops which are in surplus while permitting our domestic producers of sugarbeets and sugarcane to produce more of a commodity not in surplus. Mr. Chairman, I do not think this makes legislative sense. How we can go back home after we vote for a bill failing to take advantage of this opportunity and explain such a vote, is more than I can comprehend. We can talk about statistics, as was done earlier, and say we are actually raising the quota of our domestic beet producers to 2.65 million tons. But we lose sight of the fact that this year we will produce in the United States, according to the report of the majority which appears on page 8 of the report, 2.8 million tons of beet sugar. Now it is argued that just because we are raising the legal quota as fixed in this bill to 2,650,000 tons, we are actually doing something for the domestic producers. I do not care what you put down on paper. What matters is what is actually being produced. Since Secretary Benson suspended the quotas on sugarbeets in 1960 for the 1961 crop, we have increased our production. That means something to the farmers, and it means something to the taxpayers of this Nation, as these farmers were not producing a crop which is in surplus.

We have continued to increase production among beet producers in the United States ever since that time. Secretary Freeman followed suit in 1961 and suspended quotas for 1962. It is hoped that he will do likewise for the 1963 crop. However, since this bill covers a period of 5 years, what happens for the other 4 years? We may well see this bill cause a reimposition of quotas on sugarbeet production in the United States for these 4 years. Let us not forget this. Even now, forgetting what we put down on paper, we are seeing a cutback in the bill of our domestic beet production from 2.8 million to 2.65 millions tons. There just is not any way you can talk yourself around this fact. I think that is something we ought to consider before we vote on this bill.

Mr. Chairman, I am sorry that we cannot amend this bill in this respect. I spoke out against this in committee, and I speak out against it now, as I think we should have done more for our own beet producers. Yes, we are giving these new growers the gentleman from Texas [Mr. ROGERS] is so concerned about, something as a result of the growth provisions contained in the bill. According to testimony presented before our committee, we have approximately 150,000 tons of growth needs a year. One-third of that small, infinitesimal amount is given to new producers. Now, here is a real gimmick—a real political gimmick, if you please: The Secretary of Agriculture shall say where that 150,000 tons shall be placed.

Let us assume that he really gets political, as he does sometimes, and says to Texas: "You produce us all Democratic Congressmen and Democratic Senators and get back into the Democratic fold, and we will give it all to you."

Down in North Carolina he may say: "We will give you this plant this year," and "We will give it to you over in North Dakota next year if you produce politically." There is nothing in this bill to prevent him from doing that. We set no standards for him to follow and there is nothing to keep him from rewarding the faithful with a sugar mill.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Texas.

Mr. ROGERS of Texas. There is another fact that I think ought to be pointed out. This does not say that we are guaranteed 50,000 tons. It says that the Secretary of Agriculture may allocate or may hold in reserve not in excess of 50,000 tons. That, to me, means that he may hold not in excess of 5,000 tons or 10,000 tons or 1,000 tons. We do not get anything by it.

Mr. LATTA. Mr. Chairman, I agree with the gentleman and as, perhaps, the Secretary of Agriculture would say on that, this is his "protection."

Nevertheless, that is only one-third of the growth consumption in the United States for 1 year. When we look at the consumption in the United States of 9,700,000 tons of sugar, and then we talk about 50,000 tons, it seems relatively small.

In northwest Ohio we have three beet-producing plants. We also produce all of these crops which are in surplus. Everybody admits it. We have corn that is produced in northwest Ohio; we have wheat, we have barley, and many other crops. There is an area where farmers could readily divert some of the land they are putting into these surplus crops into beet production. But under the provisions of this bill they are just not going to be able to do that. I think from that standpoint this bill is shortsighted.

As I said before, we have to take it or leave it, since we cannot amend it. I think this type rule is bad.

Mr. Chairman, in conclusion I want to say that I support the Dole amendment. Why? Because I know nothing about the merits of this case. Here is a $22-million lawsuit pending in the Court of Claims of the United States. We have testimony from plaintiffs, in our committee, of perhaps a half hour or an hour. Being a lawyer I would like to try such cases before congressional committees. Seriously, when $22 million is involved, don't you think more time should be spent to determine the merits of the case?

Can I stand before the Members of this House and say I cannot support the Dole amendment when I know absolutely nothing about this alleged claim of $22 million? I do not see how we can take things on faith to the extent of $22 million and go back home and face the taxpayers who pick up the tab. Whether you give it to them in foreign aid is up to the foreign-aid experts in this House, not the Agriculture Committee. I am concerned today with the merits of the litigation pending in the court of claims and since that matter is now being adjudicated, I say let the courts decide it and if they decide against the plaintiffs in that case then is the time for them to come before the Foreign Affairs Committee and say, "We need $22 million in taxpayers' funds for foreign aid," and let the Foreign Affairs Committee decide whether or not they should have the money. This should not be decided today.

I support the Dole amendment.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Chairman, when the House Committee on Agriculture started hearings on sugar legislation several weeks ago I intended firmly to support almost any kind of sugar legislation that came out of the committee.

My State raises many sugarbeets and there are several sugar mills in our State. Most of them this year are running to capacity except for the western part of the State.

I should like to name four or five points I think we should take into consideration. When the Secretary of Agriculture came before the committee the following discussion took place in favor of allocating more than 50,000-ton additional annual domestic production. Mr. Chairman, in order to shed a little more light on this subject, let me quote page 61 of the hearings:

> The CHAIRMAN. Mr. BEERMANN.
>
> Mr. BEERMANN. Mr. Secretary, would it be helpful to the Secretary in determining the allocation if this committee would provide that an additional 1 million tons be allocated domestically so that perhaps 20 new mills could be built?
>
> Secretary FREEMAN. I think the domestic allocation which has been determined at this time balances the aspirations and desires of the domestic producers and prevents any need of cutback and at the same time recognizes some of the other interests of this Nation in a fair manner, and I would hope that allocations and percentages as discussed by many, many people over an extended period of time, seeking to balance the interests of

> all concerned, would commend themselves to this committee.
>
> Mr. Beermann. Let us assume that there are two areas that are capable of producing the tonnage and building the plants. Would the Secretary allocate the two areas, or what criteria would he use to allocate one?
>
> Secretary Freeman. Well, if you assume there are two equal situations under the new-grower provision and that they were identical in every respect, I would expect that the criterion would then be as we said, first-come, first-served basis.
>
> Mr. Beermann. That would be the criteria that would be used, first-come, first-served?
>
> Secretary Freeman. Yes, sir.
>
> Mr. Beermann. Then, Mr. Secretary, due to the fact that the sugarbeets could be grown on land that is presently producing crops in surplus, would you consider transfers of production from crops in surplus to sugarbeets, not in surplus, as part of the criteria?
>
> Secretary Freeman. Well, this would be one of the factors that might be taken into consideration under the construction set down in the bill presently and in that event, they would not be equal circumstances and I doubt if you will ever get the two identical circumstances.

I agree with the gentleman from Ohio, but I would like to say that I do not believe we want to shoulder the responsibility from the House or the Congress to any Secretary of Agriculture, so that he will be subject to that kind of pressure that he will be subject to each year for only one new mill, especially in the light of the fact that other crops are grown in surplus.

I think Congress has missed a golden opportunity to trade our surplus commodities for a surplus commodity of other countries; namely, sugar. It would be good for the taxpayers, for agriculture, and I believe for foreign relations. I feel that the 2-million-ton Cuban fallback provision would have been far better, and our domestic producers should have been given a much larger allocation. It would have enhanced farm income continuously. It would have provided for capital investments. Each of these mills costs $15 million or more. It would help our economy and our unemployment situation, and I go back to "Operation Employment," which the gentleman from North Dakota [Mr. Short] and I discussed last session. It would also have permitted a shift from crops in surplus to crops not in surplus.

There is a further example, such as happened last year, when a country comes to us and offers to sell 500,000 tons of sugar for 500,000 tons of wheat. We end up buying 225,000 tons of sugar and sell no wheat. I think this is a rank example of not keeping faith with the taxpayers of the United States. If you or I or anyone else had someone who handled his business in such a way, you would immediately fire him.

I think that, Chairman Jones, of the Subcommittee on Departmental Oversight and Consumer Relations, did a fine job investigating this problem. It is one more reason why we should produce more sugar, as long as the State Department persists in buying sugar and not selling our surplus commodities.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. BEERMANN. I yield to the gentlemen from Kansas.

Mr. BREEDING. We have a piece here on page 9 in one paragraph that says:

> In making the temporary allocations after 1963 to other nations, from the Cuban reserve quota, the Congress will review and take into consideration among other factors, the purchases by the various sugar-producing countries of agricultural commodities in the United States, and will give special consideration also to good-neighbor countries of the Western Hemisphere.

In the testimony before the committee, we had statements from the country of Brazil that has now reaped, we might say, 190,000 tons of quota and 150,000 tons of Cuban reserve. They would spend two-thirds of that money, if they received approximately 300,000 tons to 400,000 tons for wheat in this country. Do you think that the remarks here on page 9 cover the situation well enough so that we can expect these foreign countries to get this sugar money to buy agricultural products?

Mr. BEERMANN. I will say to the gentleman, I feel that the review annually by the Congress is somewhat of a redeeming factor. But then we have given in the legislation or in the statement last year, I believe it was, somewhat on the same basis, special consideration, and then the State Department said they did not feel that language was strong enough to make them decide that they had to make this trade, that this ought to be in the legislation and not just in the report—or in addition to the report.

This is a very light attempt for us to smooth that over, and I am afraid that the State Department will not read this and abide by it.

Mr. BREEDING. In your interpretation, do you not think that on the basis of what we heard in the committee, we need to require these countries to purchase that much of additional commodities from our country?

Mr. BEERMANN. I have said, I wish it had been in the bill or in the legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. Willis].

Mr. WILLIS. Mr. Chairman, I am not a member of the Committee on Agriculture but all my life I have been involved in connection with most of the sugar problems. First, as a farmer—because I am a farmer—and then as a lawyer because I represented farmers and sugar mills, and for the last 14 years as a Member of this body.

My district produces more sugar than any other congressional district in the United States. I would like to say a few words about the so-called world price of sugar. That, to me, is one of the most elusive, misunderstood and confusing subjects that I know of.

One must have had experience with it to have at least a working knowledge of it. What is the world price when we come to sugar? It is this: If you will look at page 23 of the report, you will find that the world consumes about 57 million tons of sugar per year. By and large, sugar is produced where it is consumed. When you talk about the world price, you are talking roughly about 10 million tons of sugar. And by that 10 million tons of sugar I refer to the sugar that has no home; sugar that is not contracted for; sugar that floats around the world. Of that amount 5,000 tons are Cuban sugars, controlled by Communist countries, who are not interested in anything except to try to wreck our sugar industry.

You do not know exactly where this floating world sugar is at any particular time. You cannot really put your finger on it. But that 10 million pounds of sugar is referred to as the world-price sugar. The market price of that sugar is unstable, erratic, untrustworthy, volatile, and explosive. To permit the world price of sugar to control the price generally would be to permit the tail to wag the dog, and I will tell you why. We hear a great deal about why we do not buy our requirements on the basis of the world market but what would happen if overnight we were to say: "We do not want to pay that high price of sugar, we will buy it on the world market"? Immediately the world market would go up. I am telling you that history proves this. For example, during World War I we were on a world-price basis. During and after the World War I years we were operating on world-price basis, grabbing helter-skelter, wherever we could get our requirements—if you will look at page 20 of the report you will see—when we were on that world market—we were paying over 26 cents a pound, back in 1918, 1919, and 1920.

But let me bring our world's price experience more closely to current events. For example, if you will look at page 20 of the report you will see what happened in the last few years. During the disturbed situation brought on by the so-called events in Hungary, 5 years ago, the price of this world market sugar doubled in 60 days just in 1957. There were disturbed conditions and the world price exceeded the domestic price. Any time you want to rely on the world price and make it known that you are going to rely on the competitive world price, that price exceeds the domestic price, and invariably as history proves, the price goes up.

On the other hand we went through World War II on the basis of the Sugar Act. We did not rely on the world price. If you will look at the report you will find that during the war years our market was more stable. We were paying for our sugar requirements from Cuba much less than the world market price. You see, this thing is a two-way street; whereas we give these quotas to certain countries, Cuba included, Cuba was obligated to deliver that sugar during World War II and we were actually paying much less to Cuba for our requirements than the world price, and Cuba was obligated to make the deliveries.

Mr. INOUYE. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. INOUYE. Is it not true that today the world market price which you say is somewhat unstable is less than the productive price and that no nation can produce sugar at less than the world market price?

Mr. WILLIS. The gentleman is absolutely correct. If you want to know our experience with the world market price take the case of coffee. I refer you to page 5 of the report. You will see the difference in stability between the sugar price and the coffee price. We buy coffee on the basis of the so-called world market that is unregulated and we pay through the nose. But the most important thing to me is this: What price is the housewife in the United States paying for sugar compared to elsewhere? If you do not believe me, look at page 21 of the committee report before you. The retail price of refined sugar, white sugar, which your wife and mine sweetens coffee and tea with and makes a cake now and then, is 10 cents a pound right now. What do they pay elsewhere? We are 5 cents below the median price in 121 nations around the globe. Go to Europe, France, Italy, and England, and you pay 15 cents a pound. We are paying 10 cents a pound. You go to Russia today, the last figure I have—I do not know what it is right now, and it was a guess at that time—and you will find the price is something like 60 cents a pound. So you see, when people want our sugar for a good price, they mean a stable price. When you say: "Let us forget the Sugar Act, let us go worldwide, let us buy our sugar on the world market," you had better realize what you are doing, because the 5,000 Cuban tons—controlled by Communists—will be manipulated either up or down to suit their and not our advantage.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Hawaii [Mr. INOUYE].

Mr. INOUYE. Mr. Chairman, I would like to continue the discussion just concluded by the distinguished gentleman from Louisiana, and point out that today approximately 10 million pounds of sugar constitutes what we might call the world market. Approximately one-half of that amount comes from countries controlled by Communist-bloc nations. History has shown that the Communist-bloc nations have no qualms about bringing about instability in sugar prices. It has been shown that the prices can be erratic. If our Nation should depend on the world price in setting up our national economy, as far as sugar is concerned, we would be headed for chaos. Although at the present time the world market price is theoretically less than the American price, it should be pointed out, as the gentleman from Louisiana stated, this is a two-way street. Sometimes the world market price exceeds the American price, and sometimes it is less than the American price.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. INOUYE. I yield to the gentleman from Iowa.

Mr. KYL. Understand, please, I am asking a question rather than arguing. Would this world price fluctuate as much and would it hold as great a potential danger for us if the producers of the United States were permitted to raise a much larger share of what we consume?

Mr. INOUYE. As I pointed out, sir, at the present time over 50 percent of the world market is controlled by the Communists. The Communist nations would be very happy to disrupt our market by manipulating prices. For example, Cuba and Russia have a negotiated price which they consider a world price. If we were to set our price on the Cuban price, we would be headed for trouble.

Mr. KYL. Did I understand someone to say that we could produce all the sugar that is consumed in this country?

Mr. INOUYE. I presume it is not impossible.

Mr. KYL. Would this world price then be as significant a factor as the gentleman indicates if we could do that?

Mr. INOUYE. I would like to point out that the question has been asked, Why do we not produce all the sugar that we need in the United States? If you will look into the history of sugar, you will notice we had certain periods in our history when we were not able to produce sufficient sugar to meet our national needs. In World War II, Cuba was good enough to sell to us at less than the world price because of the negotiated price we entered into with Cuba.

During World War II, many of our sugar farmers answered the call to arms, some others answered the call to work in our defense factories. Therefore many of our sugar farms had to temporarily cease sugar production operations. We therefore had to depend on foreign suppliers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. INOUYE. I yield to the gentleman from Iowa.

Mr. GROSS. I am glad to hear all the arguments for protectionism today. I will look forward with interest to the vote on the extension of the Trade Agreements Act, the free trade bill the administration proposes, when it comes up about a week from now.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. INOUYE. I yield to the gentlewoman from Washington.

Mrs. MAY. I would like to go back to the remarks in the colloquy between the gentleman from Hawaii and the gentleman from Iowa. I would not like the record to leave the impression that during World War II the reason that our domestic sugarbeet producers shifted from sugar production, to other agricultural products, was purely because they could make more money. This would indicate we could not depend on them for a stable supply should war emergencies arise again, and that would be incorrect. Actually the testimony before our committee showed, the record shows, that in World War II our Government in its wisdom, deliberately raised supports on needed food items like beans to bring about this shift from sugarbeets to food that was more needed in World War II, because at that time we could depend on Cuba for a stable sugar supply. I would like the RECORD to show that this would not be the situation in future emergency periods or wartime because supply sources would be far different.

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado [Mr. CHENOWETH] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CHENOWETH. Mr. Chairman, I rise in support of H.R. 12154, a bill amending and extending the Sugar Act. This is a very important bill, and I recognize the necessity for prompt action. I hope that this bill can be passed and signed by the President before the deadline of June 30, when the present act expires.

I have been recommending that we produce more of our sugar requirements in this country. I am happy to note that this measure increases the quotas for domestic producers. I am particularly interested in the increase in the domestic beet sugar quota which is raised from 2,110,627 tons to 2,650,000 tons. I am also happy to see the increase in the domestic cane quota. The total increase in our domestic quotas is 786,000 tons.

The beet sugar industry is one of our most important and valuable industries in Colorado. At one time Colorado produced more sugarbeets than any other State. We are still one of the largest producers of beet sugar and we are tremendously interested in this legislation.

I have two sugar processing plants in my district. The American Crystal Sugar Co. has a plant at Rocky Ford, and the National Sugar Manufacturing Co. has a factory at Sugar City. The economic stability of the Arkansas Valley in Colorado, where both of these plants are located, hinges largely upon the prosperity of the beet sugar industry. The beet pulp is used for large cattle feeding operations in this area.

I wish to state that the Holly Sugar Corp. has its headquarters and main office in Colorado Springs in my district. This company operates a plant at Delta, Colo., and other plants in California, Wyoming, and Montana.

I represent what is considered an old grower area. However, we recognize that farmers in new areas are anxious to grow sugarbeets and are seeking that which is in the national interest. The bill provides for new beet plants, one a year for 5 years.

Mr. Chairman, any sugar legislation is always complicated and this bill is no exception. However, I believe the committee has reported a good bill and one which we can support. It is impossible to pass a sugar bill which will please everyone, but I understand our domestic sugar industry including both cane and beet producers, is supporting this bill.

In my opinion the Sugar Act, originally passed in 1934, has been one of the most successful pieces of legislation ever approved by Congress. This bill will extend the present act and I feel improves the same.

Mr. Chairman, I am happy to give this bill my full support, and I hope it will pass.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, at long last we have a long-range sugar bill before us. However, in the 5 minutes that have been allocated to me, that is probably the only good thing that I am going to be able to say about the bill as it is before us at this time.

Mr. Chairman, I think there are two very disturbing factors that we must be cognizant of regarding the circumstances under which this legislation is before us. First, it is before us under a closed rule. Second, again we have the time element hanging over our heads, and as we have been told this afternoon, if you do not support this bill, you are going to be guilty of no sugar legislation being enacted this year.

I recognize, as does the chairman of the committee, that one of the reasons for this delay has been a lack of a report or a recommendation coming from the Department of Agriculture relative to sugar legislation, thereby delaying the point at which they could start consideration. This has come about in spite of constant requests and proddings on the part of people like myself and others who have participated in the discussion this afternoon. But, there were no recommendations forthcoming.

Now, why do I say the time element is important? I say it because it does not provide us sufficient time in which to discuss the matter thoroughly, and the closed rule does not permit us to do anything about it, even if we could. Now, the experience we have had in sugar legislation under the temporary extensions has not been too good. The bill before us does not improve it any.

Let me cite to you what I mean. I hold in my hand a report from the Department of Agriculture dated October 23, 1961. It is entitled "1961 Sugar Quotas and Authorizations, Nonpurchase Allocations." What does it show? It shows the domestic beet quota at 2,609,170 tons. This identifies the degree of increase that is in the bill before us specifically, just a trifle over 40,000 tons. It identifies each of the other quotas for mainland cane, for Hawaii, Puerto Rico, Virgin Islands; and all of the other quota countries.

But the unique part of it is this: When you get down to the other quota countries, what does it show? I use one country as an example, and I am not picking on this country, Peru. The quota is 121,507 tons. But what did we buy from them last year? We bought 636,377 tons, or four times as much as the quota that was allocated to them. The same is true with every quota country on this list.

Mr. Chairman, what does the bill do under those circumstances? It makes that kind of a situation even worse. But before getting into that, let me identify one thing, because there has been a big discussion here about what happened to the 3 million tons of Cuba's quota. Here on this same document from the Department of Agriculture there is shown that we bought 3,117,000 tons in this manner from foreign countries. There is where the Cuban quota is. This is where it was bought. There can be no question about it.

Mr. Chairman, what about the bill as it is presented to us? It does exactly the same thing. One will find the quota to Peru, the Dominican Republic, Mexico, Brazil, and all the rest of them increase substantially more than domestic beets or domestic cane increases. Were that the actual outcome of this, this would be one thing. But we already know that even though they have gotten these big increases, this is not what we are going to buy from them. We have already identified that in 1963—we are going to purchase anywhere from 100,000 to 150,000 tons more than this from each of these countries. We do not know what it will be in 1964, 1965, and so on. So, what is the meaning of these quotas? They are completely meaningless as far as quotas are concerned.

Looking at the new bill before us, we find the very same conditions to exist, only in a more pronounced and a more obvious manner. The bill provides substantially larger percentage increases for all of the foreign quota countries, and in addition, authorizes the 1½ million tons of the Cuban quota to be purchased from these same countries, at a range of from 100,000 to 150,000 tons during the year of 1963. Again, no consideration is given to the domestic beet producers.

Of just as great significance is the fact that the bill provides for domestic sugar producers to receive only 63 percent of increases in our own Nation's consumption. It is impossible to explain to anyone why 37 percent of our Nation's increased consumption should be allocated to foreign countries. Inasmuch as we as a nation are importing a big percentage of our sugar needs, while in other areas of agriculture we are plagued with surpluses, it seems something less than good commonsense to not provide for American agriculture the opportunity to at least expand their production commensurate with the rate of growth in our own consumption. Such a modest request, while still not providing equity, could not be considered by anyone to be anything but justified.

To aggravate this situation further, only last week this House passed legislation in a reclamation project that will provide for an expansion of 150,000 tons of sugarbeets in this project alone. This bill will not even accommodate that project without asking other areas to make reductions. This kind of disparity seems not only inappropriate but unfair, and is a factual indication of a need for more time in which to consider the matter. The experience of holding the time club over our heads, I suppose, serves the purpose of someone, but it does not serve the cause of the beet producers throughout the Nation. For these and other reasons, adequately identified in the additional views, by members of the Agriculture Committee, it is my opinion that the legislation as it is now before us leaves little or no opportunity of choice under a closed rule, and it is a sad thought, indeed, that the sugar growers throughout America should once again be short-changed in this manner because of delay on the part of the Department of Agriculture in making adequate recommendations in time, and in this manner make the time element and a closed rule the deciding factor of what the House does today.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. Chairman, I have taken this time to speak on this bill even though I am not a member of the committee, because of its importance and because the State of Colorado has been mentioned. My good friend, Mr. Frank Kemp has been mentioned. Of course, the State of Colorado itself probably produces more sugar from sugarbeets than any other State in the United States, except California, and we are tremendously interested in this bill. Great Western Sugar Co. is not only active in the State of Colorado and particularly in my district but in a number of other States. Holly Sugar Co. is very active in Colorado, in California, and other areas. American Crystal Sugar Co. has its home office in Denver, and the only independent single plant company in the whole United States, National Sugar Manufacturing Co. operates in Congressman CHENOWETH's district and in Kansas.

Mr. Chairman, why do I bring this up? We have heard a lot of talk about what the industry has or has not done. I thought, perhaps, it was time to put into the RECORD what "the industry" means. It not only means the processing companies that are processing sugarbeets into sugar. It also means the domestic cane manufacturers of sugar in the Southern States; it means the beet growers of Colorado, California, Minnesota, and all the other places that have been mentioned. It means the cane growers in the Southern States. It also means the refiners on the eastern shores of this country, those people who are bringing in sugar from other areas in the world and processing it in this country, for sale in this country. One man, Mr. Kemp, president of Great Western Sugar Co., represented all branches of this great industry in an agreed statement to the Agriculture Committee. I have been closely in touch with sugar legislation for over 12 years, and I can tell you that there is no more competitive industry anywhere in the world. Every single segment of it has a different viewpoint, different angles, and different interests. Any time anyone can get an industry encompassing that many interests working together for a single position to get over a bill which will give them the stability upon which they can build from year to year means that we have got something good, that true statesmanship in the sugar field has been exercised, a program proposed which should be passed by this Congress.

Having said that, I also want to emphasize that it is obviously necessary to compromise in order to get any agreed program with such diverse competitive interests involved. We in Congress are not satisfied with all provisions. Some in the beet sugar industry are not satisfied. I am sure there are some in the domestic cane industry who are not satisfied with it. I would suspect that the Hawaiian Islands are satisfied with it only because they are growing so fast that they really do not have very much more room to grow any more cane sugar there, anyhow. There are in fact, very few people who are going to be completely satisfied with all provisions. But if you have an industry as a whole that says, "Give us this bill so that we can have a stable program for a period of 5 years on which we can build and not be caught in a simple 9-month extension or 15-month extension, as we have been for the last 5 years," then it seems to me that it is up to this Congress to go ahead and pass it.

There is one provision that I think should have been included. That is the provision which would have given preference to those foreign countries which sell sugar to us where they would agree to use the dollars created by this activity to buy wheat and other surplus commodities from this country. At the very least, this provision could have been included in reallocating deficits in quotas assigned to foreign countries under the act. I think such a provision could help our agricultural surplus situation as well as give an opportunity for us to create more markets in those areas for the sale of agricultural commodities which are presently in surplus.

Mr. Chairman, in conclusion, I want to add this in support of the amendment of the gentleman from Kansas [Mr. DOLE]. I think this is one provision we can truthfully say has not been considered and has not been put in with the consent of the industry. I think it can truthfully be said that we are injecting into the sugar bill, which is beneficial to the entire industry, a provision for a giveaway of $22 million of taxpayer funds which in fact represent a private relief bill for certain indicated companies. It has been said that this is a moral obligation that we should give this money away, but there have been no hearings before the Judiciary Committee which generally considers an "equity" bill of this kind. Only the proponents of the bill were heard by the Agricultural Committee. The other side of the question has not been even presented. And while we in Congress are doing this, the United States is defending a lawsuit in the same amount of money in the Court of Claims. It strikes me that Congress would be making a real mistake legally and judicially to interfere in the middle of a court suit that is now going on, whether the United States is right or wrong in the defense of that suit. If the companies lose their suit and the State Department says that Congress should do something about the claim, then is the time for introduction of a relief bill for full consideration by the proper committee.

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. MCSWEEN].

Mr. McSWEEN. Mr. Chairman, there has been some concern expressed here and disappointment about the production that American farmers would have under this proposal. I am likewise disappointed to some extent. I share the general view that has been expressed in that regard.

I am sympathetic with the problems of those who would like to have additional sugar acreage or new sugar acreage for the first time. However, I think it should be said that this is a complicated piece of legislation that is really a balance between producers and consumers. As you will note when an amendment is offered later in this proceeding, consumers have shown a great deal of concern about the cost of sugar. This is why it has never been possible for the domestic industry to produce all of our sugar needs.

I think it was a remarkable show of statesmanship that the domestic industry became united after months of give-and-take and hard work, and came united to the Congress and to the executive branch with the request for this sugar legislation. There is minimum dissent to the domestic sugar industry's position. I think we are fortunate that this is an industry that can come to the Congress and say: "Here is what we would like to have. We are all in general agreement."

Mr. Chairman, I hope that all will see fit to support this legislation.

Mr. COOLEY. Mr. Chairman, I yield 4 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I rise in support of the Sugar Act Amendments of 1962. Although I do not have in my district commercial production of sugarcane for refining into the final product of sugar, there is a tremendous amount of this production in the southern part of our great State of Florida, and naturally all of Florida is interested in making it possible for our commercial sugarcane industry to expand with the other domestic areas in America. I wish to pay tribute to the agricultural leaders of Florida, and their activities coordinated by our able and energetic commissioner of agriculture, the Honorable Doyle Conner, for the spadework they did in presenting the facts of our sugarcane industry in Florida to the appropriate Government agencies and to the appropriate committees of Congress.

I think it would be of interest to point out the part American agriculture plays in international trade as evidenced by the Sugar Act.

American farmers have the potential of producing all of the sugar that we need for our domestic consumption. However, it is realized that friendly nations, if we expect them to trade with us, must have the capacity to earn dollars to buy our products. So it is, then, Mr. Chairman, that through the years, the domestic producers of sugarbeets and sugarcane have been given a quota, and the remainder of our sugar consumption in America has gone to foreign nations. These countries, in turn, with the money that they have made by selling us sugar have bought hundreds of millions of dollars worth of our industrial products and agricultural products. I was very much impressed as I heard the testimony on this legislation to learn of the tremendous social progress that has been made in the various nations throughout the world as a result of this sugar program. I feel that if Congress and the executive branch of the Government keep a close scrutiny of this sugar program, that especially in the Latin American countries, many of the objectives in President Kennedy's Alianza para Progreso can be achieved through the continuation and strengthening of this sugar program. I think we can say that there is almost a definite pattern, especially in the Latin American countries, of the proceeds from sugar sales in America being used to improve the lot of the workers in all of the various segments of the sugar industry in these various countries.

Mr. Chairman, our Committee on Agriculture felt that the committee should report a bill to the House which would set specific quotas for imports of foreign sugar so that we could better be assured that we were helping friendly nations, and that they, in turn, would recognize that this is a matter of reciprocal opportunity. Ten years ago when I made my first race for Congress, insofar as foreign aid is concerned, I said that I believed in helping friendly nations help themselves, to the extent of our financial ability. I do not believe our sugar program should be used to give comfort to unfriendly nations. And in the Sugar Act amendments, we have provided that any nation or political subdivision thereof which hereafter unlawfully expropriates American-owned property or otherwise seriously discriminates against such property and fails to take remedial action within a reasonable time, will have its quota, proration, or authorization to import sugar suspended if the President finds such action to be in the national interest. I think it is well that Congress continues to keep a close supervision of the sugar quotas to foreign countries to be assured that this great program is helpful to the best interests of America.

Mr. Chairman, in several days we are going to debate in the House the so-called omnibus agricultural bill. There will be many Members of Congress who will gladly vote for this sugar bill when they will oppose the omnibus agricultural bill on the basis that it gives the

Secretary of Agriculture too much authority. As a gentle reminder, let me point out that in the Sugar Act we are now discussing, title II of the act, called "Quota Provisions," requires the Secretary of Agriculture to determine how much sugar will be needed to fill U.S. requirements during each calendar year. The Secretary must make his determination in December for the following year, but he may revise it up or down during the year if the needs change. Now remember that this sugar determination establishes the quantity of sugar in short tons, raw value, that may be marketed in the United States during the year under consideration. In making this initial estimate, the Secretary uses as a starting point, the quantity of sugar distributed during the 12-month period, ended October 31, next preceding the calendar year for which the determination is being made. Then he must make allowances for deficiencies or surpluses in the Nation's sugar inventories and for changes in consumption caused by changes in population and demand conditions. When the Secretary has arrived at a tentative figure, using the standards outlined above, he must then consider the price that this quantity of sugar would likely bring on a wholesale refined basis. If the estimated sugar price will be excessive to consumers, or too low to protect the welfare of the domestic industry, the Secretary is authorized to increase or decrease the determination of the quantity of sugar that may be marketed to achieve a fair and reasonable price. The Secretary must also determine requirements for local consumption in Hawaii and Puerto Rico so that the general price and marketing objectives will be the same in all American markets.

I emphasize the power of the Secretary of Agriculture in the Sugar Act, Mr. Chairman, to suggest that it would seem that many of our colleagues now are delighted to have their farmers placed in a straitjacket as far as regulations of the Sugar Act are concerned, and as far as the power of the Secretary of Agriculture over the individual producer is concerned. About 45,000 domestic farms grow cane or beets. About 220,000 farmworkers are required, mostly on a seasonal basis, to cultivate and harvest the cane and beets. During the early years of this decade, about 300,000 farmworkers were required. In the domestic area, 64 beet-sugar factories, 108 cane-sugar mills, and 33 refineries were in operation in 1958. Thirteen of the latter were operated as part of or in connection with cane-sugar mills. These establishments represent an investment in land, plant, and equipment of approximately two-thirds of a billion dollars. Approximately 63,000 workers are employed in the plants.

I have heard no objections at all about these workers in the factories and on the farms being placed in straitjackets because of the power of the Secretary of Agriculture. The only chief criticism I have heard from the domestic areas is that the program is not extended and made possible for new areas that want to participate, so I would assume the chief complaint is that there are not enough straitjackets to go around.

I want to remind the House that we are going to have up soon the omnibus agriculture bill, H.R. 11222, and you are going to hear a lot about straitjackets in the debate on that bill. I close with this poem, with apologies to the great poets who have preceded me:

The Congressmen are fussing on Capitol Hill,
They are debating the merits of the sugar bill.
Fine men and women, tried and true,
Beg for more sugar 'til their faces are blue.
They'll give Mr. Freeman all the power in the land,
Put their farmers in straitjackets, with a loving hand.
What would be their attitude if we evened up the score
And call this bill 11222 instead of 12154?

I think, Mr. Chairman, the Sugar Act has been successful from the standpoint of its three objectives: To make possible, as a matter of national security, to produce a substantial part of our sugar requirements within the continental United States and to do this without the consumer-penalizing device of a high protective tariff; to assure U.S. consumers of a plentiful and stable supply of sugar at reasonable prices; and to permit nearby friendly foreign countries to participate equitably in supplying the U.S. sugar market for the double purpose of expanding nationl trade and assuring a stable and adequate supply of sugar. The Sugar Act has been successful in obtaining all three of these objectives. I think it also has opened the door for new opportunities for thousands of American farmers and American working men and women. It is, then, because of these successes that I am supporting this important legislation.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, it will be noted that the authority to sell the 1,500,000 tons of sugar which is by this act allocated to Cuba is suspended until such time as Cuba shall come into diplomatic relations with the United States. Of course, this means that we will buy no sugar from Cuba so long as she remains under the control of the present or of any other Communist regime. We do not know how long Cuba will stay outside the fellowship of the Western democracies. She may not return during the term of this act. We hope she will, and we provide in this bill that when she does she will be entitled to a very large allocation of sugar—not so large as she once held but larger than the allocation granted to any other country in the world. This should certainly stand as a continuing inducement to Cuba to return to the ranks of free nations. At the same time, the overall reduction we have made in her quota should be abundant proof that the United States does not intend to ever force Cuba into any one-crop economy, as Mr. Castro has complained. I believe that the committee has dealt both wisely and generously with Cuba.

What arrangements have we made in the bill for foreign countries to sell us the 1,500,000 tons of the Cuban allocation which we are going to need on a temporary basis? You will note that we have authorized the purchase of 150,000 tons each from the Philippines, Peru, Dominican Republic, Mexico, Brazil, the British West Indies, Australia, and the Republic of China, and then authorized the purchase of 100,000 tons each from India, South Africa, and Maritius. These are all large producers of sugar. The committee deliberately and purposely authorized no temporary purchases from the small producers.

Our reasoning was that to give a small country which produces, let us say, no more than 20,000 tons of sugar the right to sell half of that 20,000 tons in the United States for a limited period of time would be a serious mistake. The 10,000 tons would, of course, be an extremely minor matter from the standpoint of supplying our needs, but it could become an extremely important factor in the economy of that small country. When this right of sale was ended, with the restoration of free government in Cuba, the impact on the limited economy of any small country might be so great that it might completely wreck the supplying country. Even if it did not, there would undoubtedly be an adequate supply of Communists available to tell the people how the United States has mistreated them.

The committee had several examples of the very natural tendency of these small countries to feel that any temporary sales should be made permanent. As an illustration, someone completely misrepresented the purport of a news conference given by our Ambassador in Guatemala. While the Ambassador only said that he could not tell what sugar sales might be available to Guatemala in the future, as the matter was pending before the Congress, the Guatemalan press interpreted this to mean that the United States would buy no more sugar from Guatemala and immediately stated that we were deliberately seeking to wreck Guatemalan economy. A delegation from the Guatemalan Congress was here about 2 weeks ago, yet Guatemala had no quota and never has had. She had been allowed to sell the United States 18,000 tons of sugar last year. All of this tonnage came from the Cuban quota. Incidentally, this bill allocates 20,000 tons to Guatemala on a permanent basis. In like manner, it makes an allocation of some 10,000 or more tons to every one of the Latin American countries who asked for a sugar allocation and to every one of our suppliers in the Pacific.

We believe that these permanent allocations can be of tremendous benefit to these smaller countries. It becomes something on which the small nation can depend and on which it can build its economy. But we think there should be a clearcut distinction between permanent allocations and the temporary right to sell sugar. We have, therefore, tried to confine these temporary rights to those nations who produce enough sugar that it is possible for them to supply on a temporary basis a rather large amount of sugar without disrupting their economy or without inducing them to increase their plantings to a level which would be unneeded after we cease to make these temporary purchases.

Finally, I want to comment on the authorization of purchases from these temporary suppliers, and I make these comments specifically for the purpose of the record that all of the world, and particularly the supplying nations involved, may understand that the House Committee on Agriculture, and the House of Representatives, if we pass this bill, intend that these 11 nations which are given authority to make advantageous sales of their sugar in the United States are expected in return to provide a substantial dollar market for the agricultural products of the United States.

Obviously, it would be possible, although not very practical, to produce all of the sugar we need in the United States at home. American farmers could supply the needed 10 million tons, but to do it they would have to receive a great deal higher price than is provided under the terms of this bill, or the Government would have to pay a great deal more subsidy. Certainly, we need to put our land to the production of everything that we can profitably grow at home. Therefore, if we are going to allow foreigners to sell us sugar which we could produce should we not require them to buy other agricultural products from the United States and thus avoid any overall reduction of American agriculture? Should we not encourage the production of the commodities which we can produce efficiently? At the same time should we not enable the American consumer to buy sugar at a lower price than would be available were we growing all of our sugar at home? The committee thinks we should do all of these things, and certainly some of the prospective suppliers agree that we should as several of them have heretofore offered to invest the total proceeds of their sale of sugar into this market in the purchase of surplus agricultural commodities.

Unfortunately, our State Department gives the impression that it wants to keep any foreigner from spending dollars in the United States if it is possible to do so and apparently that Department advised Brazil, at least, last year, that they need not spend the proceeds of her substantial sugar sales in the United States. The committee feels that this was a serious mistake.

At first, we sought to write into the bill specific provisions requiring each country which sold sugar to the United States on a temporary basis to spend the proceeds from the sale of such sugar in the purchase of surplus commodities from the Commodity Credit Corporation of the Department of Agriculture. Of course, we contemplated requiring that such sales be in addition to normal commercial transactions, and that such countries would commit themselves not to tranship or substitute these additional American commodities for homegrown commodities, but we recognize the extreme difficulty in enforcing such regulations and we further recognize that such regulations, when evaded, and they probably would be evaded, would result in a breakdown of the world market of all commodities.

Rather than risk such a breakdown, the committee felt that we should authorize these purchases for a 1-year period only, with a clear understanding that next year the committee will review the actions of the supplying countries and will then extend authorizations only to those nations which have in good faith made substantial purchases of American goods, preferably of surplus agricultural commodities for dollars. In other words, next year the committee is going to determine whether these countries have actually used the extra dollars they have earned to buy additional American agricultural commodities. If they have, we intend to reward such countries with a renewal of the right to sell sugar in this market. If they have not thus used the money, or if they have transshipped the commodities, it is frankly the purpose of our committee to eliminate such supplying countries from this temporary market.

I hope there may be no misunderstanding on this point. I hope that no administrative official, and no representative of any foreign country may contend that they did not understand the intent of Congress.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I am, of course, not a member of the gentleman's effective committee, but I would most respectfully say to him that in voting for the bill today I am not permitting myself to be committed to the terms of the statement just made for the first time at the end of a 3-hour debate.

There is a question not only of foreign policy involved in the dictum which the gentleman has set forth, but also a question of other industries in the United States, for instance, on which the dollars to be acquired through the sale of sugar might be spent most usefully. My point, however, is that this particular matter should most certainly have been brought to our attention before the close of the debate so that every Member might have had a chance to express his opinion.

Some of the dollars to be provided through the purchase of sugar by the United States could indeed be used to lighten the obligations of this country in meeting certain requirements now provided under the foreign aid bill.

Mr. POAGE. I thank the gentlewoman for her statement, but I do want to call attention to the fact that the statement I have here is what the Agriculture Committee intends. This is what we expect you to vote for if you vote for this bill. I would say to the foreign nations that they might rely on this statement, much as I regret the gentlewoman from Illinois will not be with us next year and will not vote on next year's bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. POAGE. Mr. Chairman, if there is anyone in our committee who feels I am misrepresenting this matter, I wish they would make that known now.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. DOLE. Mr. Chairman, I may say to the gentleman from Texas I agree with him. In fact, we discussed this matter and the record should be made on it with reference to speculating in reference to these surpluses. We thought that here is a chance to do something about that. The former distinguished chairman of the committee, Mr. Hope, testified before the committee and suggested that perhaps we should have specific language. We are not clubbing any of the countries into doing anything. Most of these countries have expressed a desire to do so. I feel it is necessary that this be in the RECORD for the State Department and the Department of Agriculture so that there is no chance of misunderstanding.

Mr. POAGE. We are going to look at it next year.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. BREEDING. I, too, want to join in the remarks made by the distinguished gentleman from Texas, and say that we did discuss this in the committee, and I do not know any member of the committee who did not agree with what the gentleman has just stated.

I also want to make the further statement I believe the 11 nations he is referring to have all agreed in their testimony before our committee to do this very thing that he has suggested; that is, to spend this sugar money for agricultural products from our country. I want to compliment the gentleman for his remarks and associate myself with him.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I am opposed to this bill, but on the point that the gentleman from Texas has just expressed himself on, I am in full accord with the thought he has suggested. It is not this that I oppose the bill for, but other reasons. I, too, want those nations to buy our agricultural commodities.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

**Mr. HOEVEN.** I think the gentleman has correctly expressed the intention of the Committee on Agriculture, and I concur in the statement he is making.

**Mr. POAGE.** I thank the gentleman. I hope there is no misunderstanding on this point. I hope no administrative official and no representative of any foreign country may contend that they did not understand the will of Congress in this respect.

**Mr. COOLEY.** Mr. Chairman, I have no further requests for time.

**Mr. ULLMAN.** Mr. Chairman, I wish to commend the House Agriculture Committee for its extensive and careful consideration of the Sugar Act Amendments of 1962 now before us.

This highly complex problem has aroused considerable controversy and I feel the committee generally has done a commendable job. In the case of Brazil, I had hoped that the committee might accept the broad proposal made by the Brazilian Government. I feel that the 340,000-ton quota allotted to that country will at least make a creditable showing in the improvement of our trade relations with this important hemispheric neighbor.

I hope that the other Latin American quotas will be used in a similar way in order that these nations may build their reserves of dollars with which they may purchase American agricultural and other commodities.

Under the Brazil agreement, the 340,000-ton sugar quota will be translated into purchases of wheat and other commodities here. Under the formula, Brazil, in return for this quota, will purchase 13,800,000 bushels of wheat, which amounts to approximately half of the total Oregon production.

This is the kind of forward-looking program that is most effective in cementing relations with our Latin American neighbors, since it goes to the heart of the problem by providing them with hard-to-get dollars which will enable them to purchase U.S. farm commodities.

The bill also provides expanded U.S. acreage, which is most essential to the sugarbeet producers in our Western States. Many of us here feel that the American producers should be allowed to produce a greater share of the U.S. sugar requirement. The present sugarbeet production is 2,110,627 short tons. This bill recommends 2,650,000 short tons, an increase of more than 500,000 tons.

There are obviously many compromises included in this legislation. I would hope that in the future a more detailed study might be given to the world's sugar production problems.

**Mr. ROOSEVELT.** Mr. Chairman, the bill before the Committee deals primarily with the subject of rearranging the quotas to supply our domestic sugar market. This is an important question, but it certainly does not embrace all of the issues that demand attention in acting upon a long-range extension of the Sugar Act.

Our sugar program is concerned with more than the question of who fills our sugar bowl. It is also concerned with the protection of the welfare of the more than 200,000 workers engaged in the domestic industry. That has been one of the essential elements of the sugar program since it was first enacted in 1934. Unfortunately, as the facts demonstrate all too clearly, sugar workers are being treated like forgotten men. This significant breakdown in our sugar program has been overlooked for years; it would be a serious mistake to sweep it under the rug now.

I had hoped that the lengthy discussions concerning amendment of the act during this past year or so would include the issue to which I refer. I had hoped that the Committee on Agriculture would find time to review and thoroughly analyze the problem of decent wages for sugar workers. Not only has the committee failed to include this question in its bill but by the process of a closed rule we are now denied the opportunity to consider the problem.

As one who recognizes the need for a sugar program, I say it is a critical misstep to deprive the House of an opportunity to discuss and correct the miserable conditions forced on the thousands of sugar workers under our existing sugar program. The public will not long tolerate a program that protects, at considerable public expense, the grower, the processor, the industrial users, and others, but fails to protect the workers.

This may sound like a strong statement, but it is amply justified by the facts.

Since 1937 the Sugar Act has contained a provision empowering the Secretary of Agriculture to make determinations of fair and reasonable wage rates for sugar fieldhands. This minimum wage program was included in the Sugar Act as the workers' share of the special protection provided for all those engaged in the domestic industry.

It may be assumed that fair and reasonable wage rates should be above the minimum standard set in the Fair Labor Standards Act. This, however, is not the case, either because the language of the provision is faulty, or because its administration has not been properly implemented.

Here are the current hourly minimum figures established as "fair and reasonable" for the main sections of the sugar industry:

Puerto Rico, 36½ cents; Virgin Islands, 50 cents; Louisiana, 60 cents; western beet, 95 cents; Hawaii, $1.46.

These rates are literally shocking. Only that for Hawaii stacks up as a reasonable wage. And this figure, I am informed, was brought about by collective bargaining by a union representing the entire labor force in Hawaii.

The other rates are, on their face, substandard. What is even worse, these rates bear a Government seal as "fair and reasonable." That means the grower is in an excellent position to compel their acceptance.

Only last year this Congress fixed a minimum which the Fair Labor Standards Act says is the lowest hourly rate necessary to sustain a person in health, efficiency, and general well-being. That figure is $1.15. In the face of this declaration by Congress, it simply defies explanation that the Sugar Act permits wage rates below $1.15 an hour.

It may be argued that the rate set under the Sugar Act reflects prevailing conditions in agriculture generally. This is no answer to the sugarworkers or to the public.

The sugar industry is unique. It is, as a special study group of the U.S. Department of Agriculture recently said, "a thoroughly managed economy." In short, our domestic sugar industry amounts to a Government-protected monopoly. And since it was so established it has had, as the President told Congress in 1937, the obligation "to guarantee that it will be a good employer."

Moreover, our sugar program is a national institution. As such, it is designed on a national scale to guard the welfare of the consumer, the producer, the processor, and the worker. It therefore follows that the long-standing minimum wage program embodied in the act should rest on a national standard such as the Fair Labor Standards Act.

A discussion of this issue, I submit, is vital to the future of our sugar program. Now should have been the time, when we are engaged in a basic overhaul of the quota system, to consider and take action to make the wage provision of the act meaningful and in keeping with the declared policies of Congress.

This House, if it is to enact a sound and secure long-range extension of the Sugar Act, should have an opportunity to debate the Inouye bill, H.R. 11706. This measure is designed to update the wage provision of the act, and if we are to keep faith with the original objectives of the Sugar Act, we must have an opportunity to consider this necessary amendment. The present act calls for an extension for 5 years. This is too long under present conditions. Nevertheless, this does not detract from the committee's responsibility to give this House an opportunity to act on the Inouye bill as a separate amendment to the act at the earliest possible time.

I request permission to extend my remarks to include a summary and discussion of the Inouye bill, H.R. 11706.

### MEMORANDUM IN RE H.R. 11706

H.R. 11706, introduced May 10 by Representative INOUYE, would amend the Sugar Act to provide a national standard for "fair and reasonable" minimum wage rates for fieldworkers. This memorandum briefly explains the amendment and sets out some of the underlying considerations that demand its favorable consideration.

The bill carries out the two recommendations embodied in a memorial adopted by the State Legislature of Hawaii last March. It would:

1. Bring the existing minimum wage provision of the Sugar Act—section 301(c)(1)—into line with the FLSA, while at the same

time giving the Department of Agriculture authority to make limited exceptions where hardship can be shown; and

2. Provide that growers who pay their fieldworkers the FLSA minimum wage shall be entitled to receive compliance payments based upon the full base pay rate of 80 cents per hundred pounds of raw sugar as specified in section 304(a).

The proviso giving the Secretary authority to grant limited exceptions from the FLSA is intended to avoid hardship for growers, particularly in the State of Louisiana, who would find it economically difficult to adjust at once to a $1.15 an hour minimum. Such growers, after an adequate showing, could be granted such lower minimums as the Department of Agriculture may determine on the basis of the record.

The basic defect of the existing minimum wage provision, section 301(c)(1), is that it fails to include a meaningful standard as to what constitutes a "fair and reasonable" minimum wage. A substantial case can be made in arguing that "fair and reasonable" minimums should certainly be above the FLSA minimum, a wage which was defined by Congress as one related to a "minimum standard of living necessary for health, efficiency, and general well-being." The Department of Agriculture, however, obviously has paid no attention to the criteria used by Congress in setting the FLSA minimum, or to any other meaningful standards.

Examples of the current "fair and reasonable" minimum wage rates are as follows: for the Louisiana cane area, minimum wage rates as set by an October 1961 order range from 60 cents an hour to 85 cents an hour; for the Virgin Islands, a February 1962 order sets rates ranging from 50 cents to 75 cents; and a March order fixes a rate of 95 cents an hour for hand labor operations in all beet producing areas; and, meanwhile, the Department accepts the minimum collective bargaining rate of $1.46 an hour in Hawaii as the official minimum rate for that area.

Actual average earnings also show a wide range in the several sugar-producing areas. Figures released by the Department of Agriculture show weighted average dollar earnings per hour for fieldworkers for 1960 as follows: Louisiana, .738; Florida, 1.110; Hawaii, 1.741 plus .565 in fringe benefits; Puerto Rico, .502; beet, 1.185. A copy of the complete table showing average earnings from 1946 through 1960 and comparative productivity figures is attached hereto.

From the foregoing figures a number of significant points can be drawn. Among them are the following:

1. Most of the Department's minimum wage figures bear no relationship to a "minimum standard of living necessary for health, efficiency, and general well-being."

2. The failure of the Department of Agriculture to set a uniform base for "fair and reasonable" minimums means that an agency of Government is itself burdening commerce with substandard and differing wage rates and thus contributing to unfair competition.

3. In terms of average earnings for most of the areas, the application of the FLSA minimums as a uniform minimum wage does not present an unduly serious problem.

Turning to the question of full compliance payments, it may be noted that section 304 of the Sugar Act entitles beet and cane growers to certain benefits in return for their observing the quota requirements and the general labor and wage payment provisions of section 301. The payment varies from 80 cents per hundred pounds of raw sugar on farms producing a small tonnage to 30 cents per hundred on farms producing a large tonnage. The amendment would give full payment to all farms paying the FLSA minimum.

Under existing provisions, the big Hawaiian plantations and larger farms in the continental United States received payments at a reduced or minimum rate, while the small beet farms and small cane growers receive the maximum. This results in a highly anomalous situation; for example, growers in Louisiana who pay the lowest wages receive the highest Sugar Act payments, while the area which pays the highest rate of wages receives the lowest rate of payments.

Sufficient funds are already available to make possible the additional compliance payments. The U.S. Treasury, under terms of the present Sugar Act, presently derives a profit from the act's operation. Receipts from the excise taxes levied on the processors exceed sugar payments to the growers by some $25 million a year; and revenues from duties on sugar imported into this country have been averaging some $37 million in recent years. These funds should certainly be applied to effectuating a policy whereby the FLSA minimum becomes the base wage for all fieldworkers employed by the industry.

**Mr. ANDERSON of Illinois.** Mr. Chairman, I very much regret that the Sugar Act extension measure now before the House which provides for the allocation of sugar quotas to foreign producers did not contain a provision relating these allocations to a disposal program for our surplus farm commodities.

It would have been a relatively easy matter to insert a provision in the law that in exchange for the receipt of a sugar allocation, a foreign producer would agree that dollar credits be used for the purchase of some of our surplus agricultural commodities.

Such a provision could have easily been inserted in committee during its consideration of the measure in view of the fact that former Congressman Clifford R. Hope, a former chairman of the House Agriculture Committee and for many years its ranking Republican member, had broached this very idea in recent testimony before the House Agriculture Committee.

We have heard the present chairman of the House Agriculture Committee, in his opening statement, voice his complaint that the reason for the last minute rush to enact this year's sugar legislation was the failure of the present administration to submit any program to the House committee in the 17 months it has been in office.

It is a great pity that the administration had not used this golden opportunity to develop a program for the disposal of surplus commodities in conjunction with sugar allocations.

**Mr. SIKES.** Mr. Chairman, H.R. 12154 interests me for a number of reasons. First, it reasserts the authority of Congress. This is both significant and important. Through the years, Congress has delegated much of the authority which the Constitution originally conferred on the Congress to the executive branch of Government. Delegation of authority downgrades the Congress and weakens its effectiveness as a coequal branch of the Government. This bill retains for the Congress, power to allocate sugar quotas. The administration sought a blanket grant of authority for distribution of quotas. Premature statements by State Department officials have revealed in advance that some of this Nation's best friends would not be included in the quota list if blanket authority were granted. Good friends should be helped and this bill does help them. Then, the Sugar Act amendments as written by the House Committee on Agriculture, materially improves the opportunity for domestic production of sugar. While we all want to advance the interests of our own country, there is marked difference of opinion on how best to accomplish it. I hold to the fundamental concept that direct benefit to American workers and producers is more material than the secondary benefits which we anticipate our people would receive from the help we give to other people. There is a place for both, particularly in a program like this. But there is definite room for expansion of domestic sugar production, and we should not deny American producers the right to take advantage of it. We in Florida are particularly interested in this feature.

Now I am not sure that there is justification for the continued payment of premium prices for sugar. This is a controversial point and one that is difficult for me to accept as essential. In any event, sugar prices have risen less than most commodity prices. Nor am I pleased at the prospect for award quotas to nations who do not see fit to reciprocate in kind. India and Brazil are examples. But the good features of this bill far outweigh the bad ones and I support it as reported by the committee. Enactment of legislation on sugar is, of course, essential, and we gain nothing by delay.

**Mr. ASHLEY.** Mr. Chairman, I rise in opposition to H.R. 12154 because I do not think it is sound legislation and because I object vigorously to the manner in which the bill has been brought to the House.

Mr. Chairman, anyone who has been in the Congress any length of time knows that it is almost traditional for sugar legislation to be considered during the waning hours before Congress adjourns. It is under these circumstances, when Members are tired and anxious to return to their districts, that the Committee on Agriculture reports its bill. We also know, of course, that the sugar bill always comes to the House with a closed rule, thus precluding any opportunity to amend.

The bill we are now considering comes to the floor under much these same circumstances. We are told that the present act expires on June 30 and that chaos will reign unless the Congress promptly enacts the committee bill before us. Because many Members are confronted with local producers and processors for whom continuity of operation is essential, it is unmistakably clear that pressure is being inexorably exerted to gain approval of legislation which on its merits is subject to very real question.

I think it is time that the House register a sharp protest against this kind of legislating, if it can be called that, and I think the way to do it is to vote no on the proposal before us. I feel confident that the distinguished Committee on Agriculture, which has not been found wanting in alacrity, would manage to respond with a bill which more nearly meets the objectives of the administration.

With respect to the merits of the bill, Mr. Chairman, my chief objection is that it imposes an even tighter system of import quotas instead of working toward a freer foreign market for U.S. sugar purchases. The administration quite rightly has proposed that country-by-country quotas be abolished in favor of a global quota open to all friendly bidders. This is in line with a foreign economic policy which seeks to do away with economic zones of influence in the free world. The bill before us, however, would for the first time grant permanent quotas to 15 countries which hitherto have been given temporary quotas, thus closing the door to other friendly foreign bidders.

I also regard H.R. 12154 as a gargantuan giveaway to the 15 foreign sugar producers who have won committee favor. The U.S. taxpayer pays a premium price of more than $50 a ton for each ton of sugar imported into the country—a total of more than $150 million a year. Although it is claimed that this premium price is necessary to secure adequate foreign supplies and a stable domestic sugar price, I find this explanation implausible. If any nation were to sell to a country other than the United States, with the exception of certain preferential market nations, all the sugar could be secured at the world market price—not the premium price which we pay to one and all, friend and foe alike. I think it would be better for the $150 million a year we now pay in premiums to go into a special Treasury fund to help underdeveloped countries, as the administration proposes, rather than into the pockets of some of our friends and others like Batista, Castro, and Trujillo who have benefited so enormously in the past at the expense of the American taxpayer.

Mr. HOEVEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Adair
Addonizio
Alford
Alger
Andersen, Minn.
Anfuso
Ashley
Ashmore
Auchincloss
Ayres
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Bennett, Mich.
Blitch
Boland
Bolling
Bonner
Bow
Boykin
Brademas
Bray
Brewster
Bromwell
Bruce
Buckley
Cahill
Casey
Celler
Chiperfield
Clancy
Coad
Conte
Cook
Curtis, Mass.
Curtis, Mo.
Daddario
Davis, James C.
Dawson
Dent
Diggs
Donohue
Dooley
Dowdy
Downing
Dwyer
Evins
Fallon
Farbstein
Fascell
Fenton
Finnegan
Fino
Flood
Flynt
Fogarty
Frazier
Frelinghuysen
Friedel
Garland
Gilbert
Glenn
Gonzalez
Granahan
Gray
Green, Pa.
Hagan, Ga.
Halleck
Halpern
Harding
Harrison, Va.
Harsha
Harvey, Ind.
Healey
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holland
Horan
Ichord, Mo.
Jarman
Joelson
Jones, Ala.
Judd
Karth
Kearns
Kee
Kilburn
King, Calif.
King, Utah
Kitchin
Kluczynski
Kowalski
Laird
Landrum
Lankford
Loser
McDonough
McDowell
Marshall
Martin, Nebr.
Mason
Mathias
Merrow
Miller, Clem
Miller, N.Y.
Monagan
Moorhead, Pa.
Moulder
Multer
Nedzi
Nix
Norrell
Nygaard
Osmers
Pilcher
Pillion
Powell
Rains
Reifel
Riley
River, S.C.
Roberts, Ala.
Robison
Rooney
Roosevelt
Rosenthal
Roudebush
St. George
Santangelo
Saund
Schenck
Scherer
Scranton
Selden
Sibal
Siler
Slack
Smith, Miss.
Smith, Va.
Spence
Stubblefield
Taylor
Teague, Tex.
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Tupper
Vanik
Vinson
Wallhauser
Westland
Whalley
Wharton
Whitener
Whitten
Wilson, Calif.
Wilson, Ind.
Yates
Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DAVIS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, H.R. 12154, and finding itself without a quorum, he had directed the roll to be called, when 273 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. Does the gentleman from North Carolina seek to yield additional time?

Mr. COOLEY. No, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Iowa [Mr. HOEVEN] intend to use his remaining 1 minute?

Mr. HOEVEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time has expired.

Under the rule, the bill is considered as having been read for amendment.

(The bill is as follows:)

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Sugar Act Amendments of 1962".

SEC. 2. Section 201 of the Sugar Act of 1948, as amended, is amended as follows: By striking out of the last sentence thereof, all of the language following the phrase "in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power," and by adding after such phrase the following language: "shall take into consideration the relationship between the price for raw sugar that he estimates would result from such determination and the parity index, as compared with the relationship between the average price of raw sugar during the three-year period 1957, 1958, and 1959, and the average of the parity indexes during such three years, with the view to attaining generally stable domestic sugar prices that will carry out over the long term the price objective previously set forth in this section. The term 'parity index' as used herein shall mean such index as determined under section 301 of the Agricultural Adjustment Act of 1938, as amended, and as published monthly by the United States Department of Agriculture. In order that the regulation of commerce provided by this Act shall not result in excessive prices to consumers, the Secretary shall make such additional allowances as he deems necessary in the amount of sugar determined to be needed to meet requirements of consumers."

SEC. 3. Section 202 of such Act is amended to read as follows:

"SEC. 202. Whenever a determination is made, pursuant to section 201, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

"(a)(1) for domestic sugar-producing areas, by apportioning among such areas five million eight hundred and ten thousand short tons, raw value, as follows:

| "Area | *Short tons, raw value* |
|---|---|
| Domestic beet sugar | 2, 650, 000 |
| Mainland cane sugar | 895, 000 |
| Hawaii | 1, 110, 000 |
| Puerto Rico | 1, 140, 000 |
| Virgin Islands | 15, 000 |
| Total | 5, 810. 000 |

"(2) (A) To the above total of five million eight hundred and ten thousand short tons, raw value, there shall be added an amount equal to 63 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States for the calendar year exceeds nine million seven hundred thousand short tons, raw value. Such additional amount shall be apportioned between the domestic beet sugar area and the mainland cane sugar area on the basis of the quotas for such areas established under paragraph (1) of this subsection and the amounts so apportioned shall be added to the quotas for such areas;

"(B) Whenever the production of sugar in Hawaii, Puerto Rico, or in the Virgin Islands in any year subsequent to 1961 results in there being available for marketing in the continental United States in any year sugar in excess of the quota for such area for such year established under paragraph (1) of this subsection, the quota for the immediately following year established for such area under paragraph (1) of this subsection shall be increased to the extent of such excess production: *Provided,* That in no event shall the quota for Hawaii, Puerto Rico, or the Virgin Islands, as so increased, exceed the quota which would have been established for such area at the same level of consumption requirements under the provisions of section 202(a) of the Sugar Act of 1948, as amended, in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1962;

"(b) for the Republic of the Philippines, in the amount of one million and fifty thousand short tons raw value of sugar.

"(c)(1) for the six-month period ending December 31, 1962, for foreign countries other than the Republic of the Philippines an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of (1) the quotas established pursuant to subsections (a) and (b) of this section, (ii) the amount of nonquota purchase sugar authorized for importation between January 1 and June 30, 1962, inclusive, pursuant to Sugar Regulation 820, and (iii) the quotas for foreign countries other than the Republic of the Philippines established by Sugar Regulation 811 for the six-month period ending June 30, 1962;

"(2) for the calendar year 1963 and for each subsequent year, for foreign countries other than the Republic of the Philippines, an amount of sugar, raw value, equal to the amount determined pursuant to section 201 less the sum of the quotas established pursuant to subsections (a) and (b) of this section;

"(3) (A) the quotas for foreign countries other than the Republic of the Philippines determined under paragraphs (1) and (2) of this subsection, less six hundred and sixty-seven short tons, raw value, for 1962 and less thirteen hundred and thirty-two short tons, raw value, for 1963 and each year thereafter, shall be prorated among such countries on the following basis:

| "Country | Per centum |
|---|---|
| Cuba | 52.84 |
| Peru | 7.04 |
| Dominican Republic | 7.04 |
| Mexico | 7.04 |
| Brazil | 6.69 |
| British West Indies | 3.52 |
| Australia | 1.76 |
| Republic of China | 1.58 |
| French West Indies | 1.41 |
| Colombia | 1.23 |
| Nicaragua | 1.06 |
| Costa Rica | 1.06 |
| India | 1.06 |
| Ecuador | 1.06 |
| Haiti | 0.88 |
| Guatemala | 0.70 |
| Argentina | 0.70 |
| South Africa | 0.70 |
| Panama | 0.53 |
| El Salvador | 0.35 |
| Paraguay | 0.35 |
| British Honduras | 0.35 |
| Fiji Islands | 0.35 |
| Netherlands | 0.35 |
| Mauritius | 0.35 |

"(B) for the six-month period ending December 31, 1962, Canada, United Kingdom, Belgium, and Hong Kong shall be permitted to import into the continental United States the amount of sugar allocated to each in Sugar Regulation 811, issued December 11, 1961 (26 F.R. 11963). For the calendar year 1963 and for each subsequent year, Canada, United Kingdom, Belgium, and Hong Kong shall be permitted to import into the continental United States a total of thirteen hundred and thirty-two short tons of sugar, raw value, which amount shall be allocated to such countries in amounts as specified in Sugar Regulation 811, as amended, issued March 31, 1961 (26 F.R. 2774);

"(4) notwithstanding the provisions of paragraph (3) of this subsection, whenever the United States is not in diplomatic relations with any country named in paragraph (3) of this subsection and during such period after resumption of diplomatic relations with such country as the Secretary determines is required to permit an orderly adjustment in the channels of commerce for sugar, the proration or allocation provided for in paragraph (3) of this subsection shall not be made to such country, and a quantity of sugar equal to the proration or allocation which would have been made but for the provisions of this paragraph, shall be authorized for purchase and importation from foreign countries, except that all or any part of such quantity need not be purchased from any country with which the United States is not in diplomatic relations, or from any country designated by the President whenever he finds and proclaims that such action is required in the national interest. For the period ending December 31, 1962, and for the calendar year 1963 any such quantity as is authorized for purchase and importation under this paragraph (4) shall be allocated on the following basis:

"(i)

| "Country | Per centum |
|---|---|
| Republic of the Philippines | 10 |
| Peru | 10 |
| Dominican Republic | 10 |
| Mexico | 10 |
| Brazil | 10 |
| British West Indies | 10 |
| Australia | 10 |
| Republic of China | 10 |
| India | 6.67 |
| South Africa | 6.67 |
| Mauritius | 6.66 |

"(ii) the Secretary shall from time to time determine whether, in view of the current inventories of sugar, the estimated production of sugar, and other pertinent factors, countries with purchase authorizations under subparagraph (i) of this subsection will fill them at such times as will meet the sugar requirements of consumers. If the Secretary determines that any country will not so fill its purchase authorization at such time as will meet the sugar requirements of consumers, he shall cancel it to the extent that he determines it will not be so filled, and he shall authorize for purchase and importation into the United States a quantity of sugar equal to the amount of the purchase authorization so canceled by revising the authorizations for purchase and importation from the other foreign countries named in subparagraph (i) of this subsection by prorating such quantity among them. If the Secretary determines that any such country is unable to fill its revised authorization at such times as will meet the sugar requirements of consumers, he shall authorize the purchase and importation of such unfilled quantity from such foreign countries as he determines will meet the sugar requirements of consumers.

"(5) sugar authorized for purchase pursuant to paragraph (4) of this subsection shall be raw sugar, except that if the Secretary determines that the total quantity is not reasonably available as raw sugar from the countries either named or determined by the Secretary under paragraph (4) of this subsection, he may authorize for purchase for direct consumption from such countries such part of such quantity of sugar as he determines may be required to meet the requirements of consumers in the United States;

"(6) sugar shall not be authorized for purchase pursuant to paragraph (4) of this subsection from any foreign country which imports sugar unless, in the preceding and current calendar year, its aggregate exports of sugar to countries other than the United States equal or exceed its aggregate imports of sugar;

"(d) whenever in any year any foreign country with a quota or proration thereof of more than ten thousand short tons, raw value, fails to fill such quota or proration by more than ten per centum and at any time during such year the world price of sugar exceeds the domestic price, the quota or proration thereof for such country for subsequent years shall be reduced by an amount equal to the amount by which such country failed to fill its quota or proration thereof, unless the Secretary finds that such failure was due to crop disaster or force majeure or finds that such reduction would be contrary to the objectives of this Act. Any reduction hereunder shall be prorated in the same manner as deficits are prorated under section 204.

"(e) if a foreign country imports sugar, it may not export sugar to the United States to fill its quota or proration thereof for any year unless, in both the preceding and current calendar years, its aggregate exports of sugar to countries other than the United States equal or exceed its aggregate imports of sugar. If sugar is exported to the United States from any foreign country in any year in violation of this subsection (e), the quota or proration thereof for such foreign country for subsequent years shall be reduced by an amount equal to three times the lesser of (i) the amount of such country's excess of imports of sugar over its exports of sugar to countries other than the United States during the preceding or current calendar year, in whichever year an excess or the larger excess occurs, or (ii) the amount of sugar exported to the United States by such country to fill its quota or proration thereof during the calendar year in which the violation of this subsection (e) occurred.

"(f) the quota or proration thereof or purchase authorization established for any foreign country may be filled only with sugar produced from sugarbeets or sugarcane grown in such country."

SEC. 4. Section 204 of such Act is amended to read as follows:

"SEC. 204. (a) The Secretary shall from time to time determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugarbeets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area or country will be unable to market the quota or proration for such area or country. If the Secretary determines that any domestic area or foreign country will be unable to market the quota or proration for such area or country, he shall revise the quota for the Republic of the Philippines and the prorations for foreign countries named in section 202(c)(3)(A) by prorating an amount of sugar equal to the deficit so determined to such countries without a deficit on the basis of the quota for the Republic of the Philippines and the prorations for such countries then in effect: *Provided*, That no part of any such deficit shall be prorated to any country not in diplomatic relations with the United States. If the Secretary determines that any foreign country will be unable to fill its share of any deficit determined under this section, he shall apportion such unfilled amount on such basis and to the Republic of the Philippines and such other foreign countries named in section 202(c)(3)(A) as he determined is required to fill any such deficit: *Provided*, That no such apportionment shall be made to any foreign country not in diplomatic relations with the United States. If the Secretary determines that neither the Republic of the Philippines nor the countries named in section 202(c)(3)(A) can fill all of any such deficit whenever the provisions of section 202(c)(4) apply, he shall add such unfilled amount to the quantity of sugar which may be purchased pursuant to section 202(c)(4), and whenever section 202(c)(4) does not apply he shall apportion such unfilled amount on such basis and to such foreign countries in diplomatic relations with the United States as he determines is required to fill such deficit.

"(b) The quota established for any domestic area or the Republic of the Philippines under section 202 shall not be reduced by reason of any determination of a deficit existing in any calendar year under subsection (a) of this section."

Sec. 5. Section 205(a) of such Act is amended by inserting in the second sentence thereof immediately following the words "sugarbeets or sugarcane" the following language ", limited in any year when proportionate shares were in effect to processings".

Sec. 6. Section 206 of such Act is amended to read as follows:

"Sec. 206. The sugar or liquid sugar in any product or mixture, which the Secretary determines is the same or essentially the same in composition and use as a sugar-containing product or mixture which was imported into the United States during any three or more of the five years prior to 1960 without being subject to a quota under this Act, shall not be subject to the quota and other provisions of this Act, unless the Secretary determines that the actual or prospective importation or bringing into the United States or Puerto Rico of such sugar-containing product or mixture will substantially interfere with the attainment of the objectives of this Act: *Provided*, That the sugar and liquid sugar in any other product or mixture imported or brought into the United States or Puerto Rico shall be subject to the quota and other provisions of this Act unless the Secretary determines that the actual or prospective importation or bringing in of the sugar-containing product or mixture will not substantially interfere with the attainment of the objectives of this Act. In determining whether the actual or prospective importation or bringing into the United States or Puerto Rico of any sugar-containing product or mixture will or will not substantially interfere with the attainment of the objectives of this Act, the Secretary shall take into consideration the total sugar content of the product or mixture in relation to other ingredients or to the sugar content of other products or mixtures for similar use, the costs of the mixture in relation to the costs of its ingredients for use in the United States or Puerto Rico, the present or prospective volume of importations relative to past importations, and other pertinent information which will assist him in making such determination. Determinations by the Secretary that do not subject sugar or liquid sugar in a product or mixture to a quota, may be made pursuant to this section without regard to the rulemaking requirements of section 4 of the Administrative Procedure Act, and by addressing such determinations in writing to named persons and serving the same upon them by mail. If the Secretary has reason to believe it likely that the sugar or liquid sugar in any product or mixture will be subject to a quota under the provisions of this section, he shall make any determination provided for in this section with respect to such product or mixture in conformity with the rulemaking requirements of section 4 of the Administrative Procedure Act."

Sec. 7. Section 207 of such Act is amended to read as follows:

"Sec. 207. (a) The quota for Hawaii established under section 202 for any calendar year may be filled by direct-consumption sugar not to exceed an amount equal to 0.342 per centum of the Secretary's determination for such year issued pursuant to section 201.

"(b) The quota for Puerto Rico established under section 202 for any calendar year may be filled by direct-consumption sugar not to exceed an amount equal to 1.5 per centum of the Secretary's determination for such year issued pursuant to section 201: *Provided*, That one hundred and twenty-six thousand and thirty-three short tons, raw value, of such direct-consumption sugar shall be principally of crystalline structure.

"(c) None of the quota for the Virgin Islands for any calendar year may be filled by direct-consumption sugar.

"(d) Not more than fifty-six thousand short tons of sugar of the quota for the Republic of the Philippines for any calendar year may be filled by direct-consumption sugar as provided under section 201 of the Philippine Trade Agreement Revision Act of 1955.

"(e)(1) None of the proration established for Cuba under section 202(c)(3) for any calendar year and none of the deficit prorations and apportionments for Cuba established under section 204(a) may be filled by direct-consumption sugar.

"(2) The proration or allocation established for each foreign country which receives a proration or allocation of twenty thousand short tons, raw value, or less under section 202(c)(3), may be filled by direct-consumption sugar to the extent of the average amount of direct-consumption sugar entered by such country during the years 1957, 1958, and 1959. None of the proration or allocation established for each foreign country which receives a proration or allocation of more than twenty thousand short tons, raw value, under section 202(c)(3), may be filled by direct-consumption sugar. None of the deficit prorations and apportionments for foreign countries established under section 204(a) may be filled by direct-consumption sugar.

"(f) This section shall not apply with respect to the quotas established under section 203 for marketing for local consumption in Hawaii and Puerto Rico.

"(g) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of title II applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this Act unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas."

Sec. 8. Section 208 of such Act is amended to read as follows:

"Sec. 208. A quota for liquid sugar for foreign countries for each calendar year is hereby established as follows: two million gallons of sirup of cane juice of the type of Barbados molasses, limited to liquid sugar containing soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) of more than 5 per centum of the total soluble solids, which is not to be used as a component of any direct-consumption sugar but is to be used as molasses without substantial modification of its characteristics after importation, except that the President is authorized to prohibit the importation of liquid sugar from any foreign country which he shall designate whenever he finds and proclaims that such action is required by the national interest."

Sec. 9. Section 209 of such Act is amended (1) by inserting before the last three words of subsection (a) the words "or proration"; (2) by inserting after the word "proration" in subsection (d) the words "or allocation" and by striking the period at the end of subsection (d) and inserting a semicolon in lieu thereof; and (3) by adding a new subsection (e) to read as follows:

"(e) From bringing or importing into the Virgin Islands for consumption therein, any sugar or liquid sugar produced from sugarcane or sugarbeets grown in any area other than Puerto Rico, Hawaii, or the continental United States."

Sec. 10. (a) Section 211(a) of such Act is amended by striking out the first two sentences thereof.

(b) Section 211(c) is amended to read as follows: "The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugarbeets or sugarcane grown in such area."

Sec. 11. (a) Section 301(b) of such Act is amended by striking out the language "in excess of the proportionate share for the farm, as determined by the Secretary" and inserting in lieu thereof the language "in excess of the proportionate share for the farm, if farm proportionate shares are determined by the Secretary".

(b) Section 302(a) of such Act is amended by striking out the language "for the farm, as determined by the Secretary," and inserting in lieu thereof the language "for the farm, if farm proportionate shares are determined by the Secretary,".

(c) Section 302(b) of such Act is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "Whenever the Secretary determines that the production of sugar from any crop of sugarbeets or sugarcane will be greater than the quantity needed to enable the area to meet the quota, and provide a normal carryover inventory, as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar from such crop normally would be marketed, he shall establish proportionate shares for farms in such area as provided in this subsection. In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of sugarbeets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar (within proportionate shares when in effect) and the ability to produce such sugarbeets or sugarcane. The Secretary may also in lieu of or in addition to the foregoing factors, take into consideration with respect to the domestic beet sugar area the sugarbeet production history of the person who was a farm operator in the base period, in establishing farm proportionate shares in any State or substantial portion thereof in which the Secretary determines that sugarbeet production is organized generally around persons rather than units of land, other than a State or substantial portion thereof wherein personal sugarbeet production history of farm operators was not used generally prior to 1962 in establishing farm proportionate shares. In establishing proportionate shares for farms in the domestic beet sugar area, the Secretary may first allocate to States (except acreage reserved) the total acreage required to enable the area to meet its quota and provide a normal carryover inventory (hereinafter referred to as the 'national sugarbeet acreage requirement') on the basis of the acreage history of sugarbeet production and the ability to produce sugarbeets for extraction of sugar in each State. In order to make available acreage for growth and expansion of the beet sugar industry, the Secretary, in addition to protecting the interest of new and small producers by regulations generally similar to those heretofore promulgated by him pursuant to this Act, shall reserve each year from the national sugarbeet acreage requirement established by him not in excess of the acreage required to yield 50,000 short tons, raw value, of sugar. The acreage so reserved shall be distributed on a fair and reasonable basis to farms without regard to any other acreage allocations to States or areas within States determined by him. The allocation of the national sugarbeet acreage requirement to States for sugarbeet production, as well as the distribution of the sugarbeet acreage reserve, shall be determined by the Secretary after investigation and notice and opportunity for an informal public nearing. In determining farm proportionate shares, the Secretary shall, insofar as practicable, protect the interests of new producers and small producers and the interest of producers who are cash tenants, share tenants, adherent planters, or sharecroppers and of the producers in any local producing area whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions. Whenever the Secretary determines it necessary for the effective administration of this subsection in an area where farm proportionate shares are established in terms of sugarcane acreage, he may consider acreage of sugarcane harvested for seed on the farm in addition to past production of sugarcane for the extraction of sugar in determining proportionate shares as heretofore provided in this subsection; and whenever acreage of sugarcane harvested for seed is considered in determining farm proportionate shares, acreage of sugarcane harvested for seed shall be included in determining compliance with the provisions of section 301(b) of this Act, notwithstanding any other provisions of section 301(b)."

Sec. 12. Section 408 of such Act is amended by striking out all of subsection (b) thereof and inserting the following new subsections (b) and (c):

"(b) In the event the President, in his discretion, determines that any foreign country having a quota or receiving any authorization under this Act to import sugar into the United States, has been or is allocating the distribution of such quota or authorization within that country so as to discriminate against citizens of the United States, he shall suspend the quota or other authorization of that country until such time as he has received assurances, satisfactory to him, that the discrimination will not be continued. Any quantity so suspended shall be authorized for purchase in accordance with the provisions of section 202(c)(4), or apportioned in accordance with section 204(a), whichever procedure is applicable.

"(c) In any case in which the President determines that a nation or a political subdivision thereof has hereafter (1) nationalized, expropriated, or otherwise seized the ownership or control of the property of United States citizens or (2) imposed upon or enforced against such property or the owners thereof discriminatory taxes or other exactions, or restrictive maintenance or operational conditions not imposed or enforced with respect to property of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States, and has failed within six months following the taking of action in either of such categories to take steps determined by the President to be appropriate and adequate to remedy such situation and to discharge its obligations under international law toward such citizens, including the prompt payment to the owner or owners of such property so nationalized, expropriated, or otherwise seized, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which a final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President shall, unless he determines such suspension to be inconsistent with the national interest, suspend any quota, proration of quota, or authorization to purchase and import sugar under this Act of such nation until he is satisfied that appropriate steps are being taken. Any quantity so suspended shall be authorized for purchase in accordance with the provisions of section 202(c)(4), or apportioned in accordance with section 204(a) whichever procedure is applicable."

Sec. 13. Section 412 of such Act (relating to termination of the powers of the Secretary under the Act) is amended by striking out "June 30" and inserting in lieu thereof "December 31" and by striking out "1962" in each place it appears therein and inserting in lieu thereof "1966".

Sec. 14. Section 413 of such Act (relating to the effective date of the Sugar Act of 1948 and the termination of the powers of the Secretary under the Sugar Act of 1937) is repealed.

Sec. 15. (a) Section 4501(c) (relating to termination of taxes on sugar) of the Internal Revenue Code of 1954 is amended by striking out "December 31, 1962" in each place is appears therein and inserting in lieu thereof "June 30, 1967".

(b) Section 6412(d) (relating to refund of taxes on sugar) of the Internal Revenue Code of 1954 is amended by striking out "December 31, 1962" and inserting in lieu thereof "June 30, 1967" and by striking out "March 31, 1963" and inserting in lieu thereof "September 30, 1967".

Sec. 17. Except as otherwise provided, the amendments made hereby shall become effective January 1, 1962, except that section 5 shall become effective upon the date stated in regulations implementing such section and published in the Federal Register, or sixty days after the date of enactment of this Act, whichever is earlier.

Sec. 18. There is hereby authorized to be appropriated to the President an amount equivalent to all sums collected through special fees on nonquota purchase sugar imported from the Dominican Republic between September 26, 1960, and March 31, 1961, and deposited in the United States Treasury, which sums the President shall return to the Government of the Dominican Republic at such time as (1) the President has been notified by the Government of the Dominican Republic that all privately owned sugar companies which paid any such fees have entered into an agreement with the Government of the Dominican Republic to receive in Dominican currency their shares of such fees, after payments of Dominican taxes and amounts due colonos, and to utilize such net amounts in a manner designed to further the economic or social development of the Dominican Republic; and (2) the President has been advised by the Department of Justice that it has received assurance from the persons paying such fees that all present or potential claims against the United States based on the payment of such fees are thereby satisfied with no further liability to the United States.

The CHAIRMAN. No amendments are in order to the bill except amendments offered by direction of the Committee on Agriculture; an amendment to page 2, line 17; and an amendment to page 25, lines 3 to 23, inclusive, to strike out section 18. The said amendments shall not be subject to amendment.

Are there any committee amendments?

Mr. COOLEY. There are no committee amendments, Mr. Chairman.

The CHAIRMAN. For what purpose does the gentleman from Mississippi rise?

Mr. ABERNETHY. I have an amendment at the desk, Mr. Chairman.

The CHAIRMAN. Does it conform to the terms of the rule?

Mr. ABERNETHY. In my interpretation it does, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. Abernethy: On line 17, of page 2, strike the period and insert the following: "*Provided, however,* That the total amount of sugar needed to meet requirements of consumers in the continental United States shall not be less than the amount required after allowances for normal carryover, to give consumers of the continental United States a per capita consumption of 100 pounds."

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes in support of his amendment.

Mr. ABERNETHY. Mr. Chairman, the so-called sugar bill has been before the House on many occasions during my 20 years' service here. I have supported it upon each occasion; I intend to support it today whether this amendment is adopted or not. The Sugar Act has proved to be a profitable and beneficial piece of legislation to the sugarbeet and cane farmers of America as well as to the domestic sugar industry. The only real weakness in the act and this bill is that it does not assure an adequate supply. At least, it is not always administered in such a manner. This is the weakness my amendment seeks to cure.

If there are those here, and I am sure there are, who purchase sugar, who have a constituency which purchases sugar, I think you will be interested in this amendment and my remarks. The report on page 1 states that one of the objectives of the act is to "assure consumers a plentiful supply of sugar." It is my position, Mr. Chairman, that the act as presently written, and certainly as administered, does not at all times throughout each full year of operation assure consumers a plentiful or even an adequate supply.

On many many occasions since 1948 a national quota has been announced which was far below national consumption. True the quotas have been subsequently raised but there has been no positive assurance that such would be forthcoming. Therefore, there have been occasions, many occasions Mr. Chairman, when consumers of sugar found themselves wondering and waiting for enlargement of the quota.

The Sugar Act of 1937 provided that there should always be a quantity of sugar available to consumers equivalent to the per capita consumption times the population. But in 1948 whether inadvertently, intentionally, or otherwise, that language disappeared from the renewal legislation. Therefore, since 1948 the Secretary has had the power to fix the national sugar quota at such level or levels as he determines to be adequate. Since that date the quota has not been fixed at a level determined by the Congress, that is, at a level equivalent to the per capita consumption times the population. Unless it is fixed at such a level then it cannot be said that the act assures either a plentiful or adequate supply.

The only means by which you can assure your constituencies of such is to adopt this amendment.

Mr. BOGGS. What about cotton?

Mr. ABERNETHY. I will answer the gentleman. The gentleman asked about cotton. The Secretary is required to fix a national quota equivalent to the domestic consumption plus a reasonable carryover, plus export, and he does not change it. He fixes it. It has never been changed a number of times during the year as has the national sugar quota. And there has never been a single instance in which a shortage of cotton either appeared or was threatened. But as to the national sugar quota, Mr. Chairman, there has been change after change, every year since 1948. More often the announced quota is fixed at a low figure with each subsequent announcement authorizing a raise over the previous announcement. This practice creates artificial shortages. It leaves the users of sugar in a state of suspense, wondering if there will be another announcement and, if so, what will it be?

Mr. Chairman, the average per capita consumption of sugar in the United States for the past 10 years is 103.6 pounds. If we did what we ought to do, this amendment would read that the per capita quota shall be fixed at not less than 103 pounds, or thereabout. The 10-year history of per capita consumption would justify such.

I only ask you today to fix the minimum at 100 pounds, which is 3.6 pounds less than the national average for the past years. What could be more fair? What could be more reasonable. It is 3½ pounds under the normal consumption, it is 3½ pounds less than each of your constituents use today. I say, just guarantee to the American people that they will have a minimum of 100 pounds—hardly an adequate supply and indeed not a plentiful supply.

In not 1 year during the past 10 has the per capita consumption been below 101 pounds. For 2 of the last 10 it has been as high as 106 pounds, for 1 year as high as 105, for 2 at 104, 1 at 103, and 2 at 102 pounds. All I ask is that you write a floor under the quota so as to guarantee that no announcement will be made at less than 100 pounds per capita.

This amendment appears to be fair to producers, processors, and, in fact, to all segments of the industry as well as consumers. I commend it to your consideration and approval.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi. I am going to make only one statement, then I will yield.

May I say that this amendment was considered in the committee and defeated by a vote of better than 2 to 1. It is opposed by the entire domestic industry as well as by the Director of the Sugar Division, who is charged with the responsibility of administering this program.

Mr. Lawrence Myers, the Director of the Sugar Division, USDA, who has done an excellent job for many years and has proved himself to be a very worthy administrator, believes that he must have flexibility if he is to protect the interests of both producers and consumers.

Mr. Chairman, the committee gave careful consideration to the proposal to require that the Secretary of Agriculture, in determining requirements under section 201 of the act, should provide for at least a minimum specified per capita supply.

Two minimum per capita supplies were considered, the 1957 to 1985 average consumption of 102.9 pounds per capita and the round figure of 100 pounds per capita.

Any such provision tends to reduce the effectiveness of the Sugar Act as a price supporting measure. Obviously, the Secretary of Agriculture must supply consumers the quantity of sugar they demand at fair prices and he has always done so.

In order to support prices the Secretary must have authority to cut supplies at times during the year when demand is temporarily poor or when marketings are temporarily in excess of requirements. In the past marketings have usually been high in the early months of the year when the Caribbean areas were harvesting and before our own existing domestic demand is strengthened by the heavy summer consuming requirements.

Although the average consumption for the years 1957 and 1958 was moderate, it has been necessary for price supporting purposes to reduce supplies below that per capita level at some time during 11 of the past 15 years. To make it clear that this is not a one-way street, it should be observed also that supplies have been established at higher per capita levels at some time during 10 of the past 15 years. This flexibility is necessary to protect the interests of both producers and consumers.

The requirement that supplies could not be less than 100 pounds per capita would have had no effect during the past 6 years from 1957 to date when supply uncertainties have made refiners and others wish to keep adequate supplies on hand. However, it would have limited the ability of the Secretary of Agriculture to support prices in 8 of the 9 years from 1948 to 1956, inclusive. In all of these years except 1951, during the height of the Korean fighting, it was necessary at some time during the year to restrict supplies below the 100-pound per capita level.

If, during the life of this extension, sugar supplies could again be assured to refiners and industrial users, it is possible that demand again might sink temporarily below the 100-pound level at some time during the year even though total consumption for the year would significantly exceed 100 pounds per capita.

Mr. HOEVEN. Mr. Chairman, may I ask whether or not the rights of the minority are going to be recognized. May I ask if the Chairman will yield to the gentlewoman from Washington?

Mr. COOLEY. I do not think I can yield to the gentleman and have him yield to the gentlewoman from Washington and meet the parliamentary requirements of this Chamber. I shall yield to the gentleman, then I will yield to the gentlewoman from Washington.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentlewoman from Washington.

Mrs. MAY. Mr. Chairman, I would like to speak on behalf of the minority members of the committee and verify what our distinguished chairman of the Committee on Agriculture has said. We thoroughly discussed this amendment in committee, and it was resoundingly defeated for a number of excellent reasons. I only wish time would permit me to go into many of the sound reasons why it should be defeated. The record shows we have had stability of the sugar price and the Department's consumption figures have been maintained over the years in a very stable and fair way. I do wish to say that I certainly strenuously oppose this amendment because of the conceivable harm it could do to the American sugar producers, the very ones we are trying to help. I assure you a great many people would have to withdraw their support of this bill if the amendment were adopted. The price of sugar to the housewife consumer would not be lowered if this amendment were adopted, but the fair price to the producer certainly could be lowered under it.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. BOGGS. Mr. Chairman, I was interested in the approach taken by the gentleman from Mississippi about how this would help the consumers. I am convinced that not one single consumer at the retail level, going into a grocery store and buying sugar, would get one iota of benefit out of this amendment. I am convinced that certain so-called industrial users, whose names you all know and it is not necessary for me to repeat, would be benefited by this amendment. But the consumer, the housewife, the kid buying a candy bar, would not have one iota of preference under this amendment. This program has worked very well. It has kept the cost of sugar down more than any other food commodity; and, if the amendment were adopted, it would result in the act being completely and totally unworkable. I happen to come from a sugar-producing area. We, over the years, have had a unified approach. The farmer, the producer, the refiner, all of them have agreed on this bill as it comes out here today. This amendment is not one to help the consumer.

This is an amendment to wreck this bill and make it impossible to stabilize this industry. This is a difficult bill. It is one that has been worked out in collaboration with many people, in collaboration with many foreign governments. I think the committee has done a good job. And I think for us on the floor to upset the work of the committee under the pretense—and I use the word "pretense" advisedly—that this would help the consumer, would be highly unsatisfactory. Let me say this, that the price of sugar has advanced practically not at all since World War II, and this compares with other commodities such as cotton. But it is quite different from the others. I hope that this amendment is defeated.

Mr. COOLEY. I just want to conclude by saying again that the Director of the Sugar Division says that it is absolutely necessary for him to have this degree of flexibility in the program if he is to carry out the purpose of the act and provide for a stable supply of sugar at a reasonable price.

Mr. Chairman, I therefore ask for a defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The amendment was rejected.

The CHAIRMAN. Are there any further amendments under the rule?

Mr. DOLE. I offer an amendment.

The CHAIRMAN. Does the amendment conform to the terms of the rule as announced by the Chair?

Mr. DOLE. It does, as far as I know; yes, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: On page 25, line 3, strike out lines 3 through 23.

Mr. DOLE. Mr. Chairman, I might state very briefly that my amendment adds nothing new to the bill. It simply strikes out section 18. Section 18 has been referred to as the Dominican Republic windfall amendment. We have talked about fall-back and draw-back, but we also have a windfall in this bill to the tune of around $22.5 million.

I might say, first of all, that mine is not a partisan amendment. This windfall amendment adopted by the Agriculture Committee was opposed and is opposed by the USDA and the Justice Department. I want to also point out that at the very time that we are asking Congress to pass a bill containing this provision there are cases pending in the Court of Claims. One case is South Puerto Rico Sugar Co. versus the United States for approximately $7 million. This is a copy of the petition. The suit was filed only last September 1961, less than a year ago.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Iowa.

Mr. HOEVEN. Did I understand the gentleman to say that this amendment was opposed by the Department of Agriculture?

Mr. DOLE. I am talking about the language of the amendment in the bill.

On February 28, 1962, the United States filed its answer, and since that time I have been in contact with the Justice Department and with Mr. Myers of the Sugar Division. They tell me we do not owe the South Puerto Rico Co. $7 million, we do not owe the Dominican Republic Sugar Co. around $14 million, and we do not owe the Porcella Vincini Sugar Co. around $2 million.

Briefly, what happened? When we stopped buying sugar from Cuba we had to find other sources, so we bought a large share from the Dominican Republic at the world price or more. This was in the fall of 1960 and the spring of 1961. At this time Mr. Trujillo was in charge of the Dominican Republic, and at that time, under authorization of the OAS and on relationship with the Dominicans, an import fee of about 2 or 2¼ cents per pound was imposed on all the sugar imported from the Dominican Republic through these various companies. The total amount of fees was about $22 million. These fees were legally imposed, as indicated in the report by the Justice Department. They claim they have a valid defense; why, then, should Congress authorize payment of $22.5 million when it is not legally due?

I might also say that there has been very little testimony on this bill. The only witness who appeared is one of the attorneys who represents the plaintiff in the pending lawsuit in the U.S. Court of Claims.

Mr. Chairman, no one has had an opportunity to appear in opposition. We are simply providing a $22.5 million windfall if my amendment is not adopted.

Mr. Chairman, there will be some talk about a moral obligation. The question is whether or not we legally owe these companies any money. I say we do not; it should not be authorized by this Congress. We will be setting a very poor precedent if we do this, and, therefore, I trust the amendment will be adopted.

The CHAIRMAN. For what purpose does the gentleman from North Carolina rise?

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Is the gentleman opposed to the amendment under the terms of this rule?

Mr. COOLEY. Yes, sir.

The CHAIRMAN. The gentleman is recognized for 5 minutes in opposition to the amendment.

Mr. COOLEY. Mr. Chairman, this amendment was considered carefully in our committee and voted on once informally and once formally. I think that on the first vote there were only about 5 members who voted for it and all the rest of them—30 members—voted against it. The last time it was considered it was defeated by a vote of better than 2 to 1—2 to 1 against the amendment.

Mr. Chairman, I do not understand that the Department of Agriculture is against this provision of the bill, nor do I understand that the Justice Department is against this provision of the bill. The situation is just simply this: that in order to prevent Mr. Trujillo from becoming unduly enriched, President Eisenhower took away from him the premium provided in the sugar program amounting to about $22 million and impounded this money and deposited it into the Treasury. No one complained about the action taken by the President, because everyone knew that otherwise the dictator probably would have taken the money out of the country and enriched his own family.

Now, Mr. Chairman, the money is in the Treasury of the United States. The only way to get it out is to do it in the manner by which we are proposing to do it, and that is to make it available to the President to refund to the people of the Dominican Republic rather than give them charity or aid.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Virginia.

Mr. GARY. Mr. Chairman, is it not true that although we did not pay the Dominican Republic this premium, we did pay them more than the world market price?

Mr. COOLEY. I do not know what we paid them for it. I know this: that they took away the premium and deprived these people of the benefits of it.

Mr. GARY. If the gentleman will yield further, we still paid them more than the world market price, and they have not lost a thing.

Mr. COOLEY. Let me say this: I do not think the President had any legal right to do what he did, but he did it. We did not make any exception, and say that he could take the premium from this country or that country, but he did it. We want to refund this money, the committee wants to refund it, the State Department wants to refund it, and they indicated that the administration wanted to refund it.

Mr. Chairman, these people are proud people. They are trying to hold the government together down there—seven courageous men—and for us to deal this shocking blow to them might cause this government to fall. The administration wanted to give it back in the form of aid. Why not give it back to them in this way, and recognize the moral obligation involved and the dignity of the action taken by President Eisenhower.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Mr. Chairman, the gentleman from Kansas [Mr. DOLE] said that this was not a partisan matter, and I can assure the Members of the House that it is not. Mr. DOLE and I represent districts adjoining each other, and are both on the same side of the aisle. I think this House is entitled to know the reason why I am voting against my good friend's amendment. I have this feeling: Every other country on the face of the earth to which we are allocating the sugar quota from Cuba brought sugar in without paying this tax. This tax was assessed against Trujillo for the purpose of removing him as a dictator in the Dominican Republic. It undoubtedly accomplished that purpose. Now we are asking to refund that money to the Dominican people who are trying to set up a democratic form of government down there.

Mr. Chairman, we spent $2 billion on Tito on the mere chance that he might some day oppose the Communists. We have a government down here that has an opportunity to become a democracy. My feeling is that we have the moral right to treat the Dominican Republic at least as good as we are treating Brazil, when Brazil expropriated our interests down there, while the Dominican Republic has not.

Mr. Chairman, for that reason I say that the money should be returned to the Dominican Republic in the hope of saving that country from the same fate that happened to Cuba. I know that we would give 20 times $22 million in order to get Cuba back as a democracy.

Mr. COOLEY. Mr. Chairman, one of the companies involved is the South Puerto Rico Sugar Co., an American-owned company. They have about $6 or $7 million invested here. The net end result would be, unless we do this, that by Executive order we would be confiscating and expropriating property belonging to American citizens merely because they happened to be located in the Dominican Republic. There is no other way to get the money back to the South Puerto Rico Sugar Co. except in this way. Mr. Chairman, I ask that the amendment be defeated.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JONES of Missouri. Does not the gentleman think that it should be brought out that this amendment is not going to save $22 million, because the Department of State has said that they are going to use $22 million to give them in aid, anyway? In this way, we are going to use the money rightfully, the way it ought to go, instead of in foreign aid.

Mr. COOLEY. The gentleman is correct.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Kansas [Mr. Dole].

The question was taken; and on a division (demanded by Mr. Dole) there were—ayes 74, noes 92.

Mr. DOLE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Dole and Mr. Gathings.

The Committee again divided, and the tellers reported that there were—ayes 77, noes 95.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. Davis of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12154) to amend and extend the provisions of the Sugar Act of 1948, as amended, pursuant to House Resolution 691, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DOLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DOLE. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. Dole moves to recommit the bill H.R. 12154 to the Committee on Agriculture with instructions to report the same back to the House forthwith with the following amendment: Page 25, line 3, strike out lines 3 through 23.

The SPEAKER. The question is on the motion.

Mr. DOLE. Mr. Speaker, on that I ask for the yeas and nays.

The SPEAKER. In accordance with the order of the House, under the unanimous-consent agreement previously entered into, further consideration of the bill is postponed until tomorrow.

## PUERTO RICO'S FESTIVAL CASALS

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, at this time and during the period June 8–20, 1962, in San Juan, P.R., the annual Festival Casals is being presented. This is the sixth year that Puerto Rico's farseeing administration has encouraged a major music festival of notable size and achievement. Today I wish to pay tribute to the imaginative and energetic Puerto Ricans who support this major undertaking and to Pablo Casals, one of the world's most distinguished figures in music who is the active guiding spirit for the festival.

The Festival Casals is a monument to both the maestro and other musicians who founded it and to the Puerto Rican government which supports the festival. Under Operation Bootstrap the economic development of Puerto Rico has made remarkable advances. Under Operation Commonwealth the growth of a free and democratic government has been a laudable example to underdeveloped areas of the world. To help insure that the raising of the standard of living results in a better civilization, the Puerto Rican government initiated still another program—Operation Serenidad or Operation Serenity. A part of this third operation program is the developing of cultural projects such as the annual Casals festival.

The Puerto Rican people, steadfastly devoted to democracy, are creating a good civilization where a community can live peacefully and with dignity—a community where the arts are an integral part of the public life.

The Casals Festival both honors and is guided by Don Pablo Casals who believes that "the right to liberty and dignity is a God-given heritage to mankind." Senor Casals, the 86-year-old world famous cellist has become a living legend. A supreme musician, a courageous and creative man, Pablo Casals is a passionate defender of liberty. A voluntary exile from Spain, his native country, because he would not tolerate the Franco dictatorship, Casals has refused to play his beautiful music in any country where human freedoms are denied. In his 1958 appearance at the United Nations he appealed through music for peace and harmony in the world.

Finding a home in Puerto Rico, his mother's place of birth, Casals was honored by the founding of the Festival Casals. This vigorous octogenarian is the cohesive force in the shaping of the festival. As musical director of the festival, Casals' own enthusiasm and love for music becomes contagious, and the musicians are inspired.

A number of tangible developments have been nurtured by the Festival Casals. The establishment of the conservatory of music is a direct result of response to the festival. Also there is the Symphony Orchestra of Puerto Rico, taking as its nucleus a large part of the festival orchestra, which performs in town squares and civic auditoriums throughout the island. Another outgrowth is the annual selection of 12 scholarship students from the Americas to attend the festival as auditors and to perform in a student capacity.

Mr. Speaker, the festival is a tremendous credit to Puerto Rico which has led the way in supporting a festival of a quality as high as any in the world. The festival is also a tribute to the greatness of one man dedicated to the art of music and firm in his convictions in regard to freedom and human dignity. It is a privilege to honor today the Festival Casals.

## IMPROVING FORMAT OF CONGRESSIONAL RECORD

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, I wish to give some background on the resolution that I have introduced today to have a study made by the responsible Joint Committee on Printing into the feasibility of improving the format of the Congressional Record.

I think that all of us in Congress will agree that the printing of the Congressional Record, the journal of Senate and House proceedings, is a miracle of production. The Government Printing Office, the Public Printer, the editors, the compositors, makeup men, and other production personnel are to be highly commended. Their work reflects craftsmanship and diligence and perseverance against deadline demands that rival and often surpass those encountered in the plants of daily commercial newspapers. In all, it is a remarkable technical achievement compared with the other official journals of national legislatures of other countries.

I do think, however, Mr. Speaker, that a way should be found to make the material in the Congressional Record somewhat more accessible. I would, for example, like to see adopted a table of contents that would call attention to specific major discussions, the pages these discussions cover, and the Members of Congress involved in these discussions.

Sidney Hertzberg, editor of Current magazine, in an editorial in the April issue, has pointed out, quite properly, that—

> Congressional debates are constitutionally the climax of the great national dialog without which the democratic process halts. That dialog should never be restricted—but it certainly can be made easier to follow.

He suggests several improvements, including an effort to change the binding so "that it becomes possible to tear out a page without having to use surgical instruments."

The Joint Committee on Printing has able members to conduct the study. James L. Harrison, the Public Printer, has the skill and experience to draw on. And from soundings that have been taken I feel certain that a public advisory committee could be established whose members would be able to render whatever help the committee might desire in order to carry on this forward-looking and constructive task. The joint committee might want to have such a committee, with the assistance of a small appropriation, assume the task of doing the detailed research work and resultant recommendations while it would exercise general overall supervision.

I would think that the scope of the study include format, typography, organization of material, and other aspects, such as distribution, relevant to such a study. The purpose I want to say does in no way include an attempt either to curtail discussion or to infringe upon the rights of Members to include materials in the Appendix.

I feel, Mr. Speaker, that the proposed study would be a service both to ourselves and to the leadership of our Nation in all walks of life. At this point, I wish, Mr. Speaker, to include a copy of the Current magazine editorial:

### CURRENT'S AFFAIRS

(By Sidney Hertzberg)

Not the least of the services Current performs is the regular scanning of the daily CONGRESSIONAL RECORD to find something new and significant on the frontier problems of the day. Some readers may regard this as the noblest of the services we perform. But we ask for no sympathy. The fact is we enjoy it. We are one of the small band of regular and longtime readers of the CONGRESSIONAL RECORD. It is admittedly a form of addiction, like adult reading of Mad magazine or the fig newton habit. But it occasionally yields results for us. In our first issue, May 1960, we published, from the CONGRESSIONAL RECORD, an excerpt from a study of a projected point 4 youth corps, which became the Peace Corps, made by one of those unsung geniuses of the lawmaking process in the Legislative Reference Service of the Library of Congress.

The CONGRESSIONAL RECORD is, of course, rather an appalling and wonderful mess; but so is the United States of America which it reflects. The proceedings are both intricate and elephantine. The speeches and debates are often rigged under practices which permit even substantive alterations of what is said on the floor. Sometimes it is impossible to differentiate between remarks actually delivered and those inserted so as to appear delivered. The size of type is never larger than 7½ point and sometimes it is 6 point. (Current's type size is 9.) The Appendix is the closest thing we have to a national wastebasket. The quality of the material appearing therein seems to have declined steadily ever since the full text of Henry George's "Progress and Poverty" was inserted 70 years ago. Among true CONGRESSIONAL RECORD addicts each has the inalienable right to make his own selection of the most awful junk in the Appendix. Ours usually runs to poetry.

Nevertheless, congressional debates are constitutionally the climax of the great national dialog without which the democratic process halts. That dialog should never be restricted, even when it's in verse; but it certainly can be made easier to follow.

Many thoughtful suggestions have been made and ignored for reducing the amount of material in the RECORD, clarifying it, and lowering its cost. These should be seriously considered. However, we should not concentrate on reducing cost or contents. Often containing more than 200 pages daily and appearing invariably on the morning of the next day no matter how late the session lasts, the RECORD is a remarkable technical achievement and cheap at $91 a page. More important would be an effort to make the material in the RECORD more accessible. It should be easier to find out what's being talked about and who is doing the talking; the binding could be improved so that it becomes possible to tear out a page without having to use surgical instruments.

The cost of preparing and printing the first 50,000 copies of the RECORD must be met and cannot be reduced substantially. But if the RECORD could find another 50,000 or 150,000 readers, the unit cost would be reduced and the national dialog would improve.

We suggest that the Joint Committee on Printing get together a group of experts to advise on how the CONGRESSIONAL RECORD could be made more useful to the concerned citizen.

## NO FOREIGN AID TO POLAND, YUGOSLAVIA, AND OTHER COMMUNIST COUNTRIES

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, we who serve in the legislative branch of Government have become accustomed to interference from the executive branch in our deliberations and legislative decisions. To a limited degree, this is a natural result of the political relationship which does exist between a President and the legislators who are elected with him under the same party label.

However, certain developments over the weekend represent far more than the ordinary executive activity in a legislative issue. I refer specifically to the issue of aid to Communist countries which has developed into a major controversy as a result of debate and action in the other body, with similar controversy expected here in the House.

Our Ambassadors to Poland and Yugoslavia have, in an amazing coincidence, cabled Washington protesting moves to cut aid to those Communist governments, charging that the anticipated congressional action would be harmful to U.S. interests.

I believe these statements of Ambassador Kennan and Ambassador Cabot represent a deliberate, bold misinterpretation of the issue, and further represents a fierce propaganda assault by the State Department in an attempt to pressure the Congress. The statements of both of these Ambassadors, in my opinion, are based on a tragic misconception and evaluation of conditions behind the Iron Curtain. Both Ambassadors claim that a reduction or elimination of aid to the dictatorial Communist governments of Poland and Yugoslavia would produce ill will among the people of those countries, when the opposite is actually the case.

The Polish people and the peoples of Yugoslavia are suffering under Soviet-imposed regimes, maintained by force of arms, and tragically subsidized by American aid, working against the long-range interests of the citizens of those countries. We have been operating on the fallacy that it is possible to wean individual Communist nations away from the Soviet orbit. These attempts have proven to be complete failures. You cannot change the nature of Communist domination over any nation any more than you can expect a leopard to change its spots.

Aid to Poland and Yugoslavia serves to strengthen the Communist governments imposed upon them. I do not object to U.S. aid in times of famine or natural catastrophes, since there exists in both tremendous good will toward the United States and its citizens. Aid to Red governments, however, perpetuates and expands the strength of the Communist system. Both of these nations are part of the Soviet economic sphere, channeling not only their own surplus products into Soviet-controlled economic programs, but depriving their own people of the necessities of life to meet the quotas imposed by the economic czars of the Red world.

As we supply aid to the Communist governments of Poland and Yugoslavia, some of it trickles down to the people. However, it is represented as coming from the efficiency and generosity of their rulers. Much of our aid, however, is diverted to the Soviet Union or reshipped to leftist or neutralist countries in the world's trouble spots as part of the economic infiltration and activity of the Soviet colonial empire.

The official line of the Yugoslavian and Polish Communist governments has been that by being included as recipients of U.S. foreign aid, they pursue "independent" action in foreign affairs, despite their Communist political philosophy. For years, our State Department has been the victim of this line. The statements of our Ambassadors merely reveal the thoroughness with which those Communist governments have brainwashed our State Department officials.

Aid to the Governments of Yugoslavia and Poland represents an action against the peoples of those countries. American aid is utilized to perpetuate the police states—American aid is utilized to strengthen the Communist economic sphere. Poland, for example, has been a consistent supplier to Castro's Communist government in the last 3 years. Tito's Yugoslavian government has been supporting pro-Communist agitation in many African countries.

When the foreign aid bill reaches the floor of the House, I will join in offering amendments to prohibit aid to the Governments of Poland, Yugoslavia, and any other Communist country. The acceptance of such a prohibition will reflect the legitimate, sound public opinion evident throughout the country, and I believe, reflected by Members of Congress. We must not, at this point, permit ourselves to be diverted or pressured by the State Department from a responsible, legitimate course that is in the best interests of our people and the victims of communism.

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## GENERAL LEAVE TO EXTEND ON SUGAR LEGISLATION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 3 legislative days in which to extend their remarks in the RECORD on the sugar legislation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

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## REPUBLICAN LEADERSHIP OBSTRUCTS FARM LEGISLATION

Mr. BASS of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include some letters.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BASS of Tennessee. Mr. Speaker, several sordid stories have come from the Billie Sol Estes affair, but the most sordid one is a revelation of the outright, unabashed obstructionist policy of the Republican leadership in connection with farm legislation. This astounding information was revealed before the Subcommittee on Intergovernmental Relations, through correspondence between Mr. Martin Sorkin, who is listed as an economic consultant, and Mr. Maynard Wheeler, president of the Commercial Solvents Corp., as well as a business associate and confidant of Billie Sol Estes. Mr. Sorkin is a former assistant and economic adviser to former Secretary of Agriculture, Ezra Taft Benson. I would like to read excerpts from some of the letters that were secured from the files of the Commercial Solvents Corp.:

### EXCERPTS FROM LETTER OF JULY 28, 1961, FROM MR. MARTIN SORKIN TO MR. MAYNARD WHEELER, COMMERCIAL SOLVENTS CORP., REGARDING OMNIBUS FARM BILL

The work that we have done in helping to strip this bill of practically all of its control features has been successful to a major extent. While this has been a major battle, the central controllers are a dedicated group, and we may expect the war to continue in many guises. The grand design includes placing dairy products, meat animals, poultry and eggs under marketing controls. (Farmers derive about 55 percent of their cash receipts from sales of livestock items.) The effort will probably be made again in 1962.

Mr. Speaker, the staff of the Intergovernmental Relations Subcommittee has made every effort to locate Mr. Sorkin, but evidently he is not to be found. Even his employer, while appearing before the subcommittee, stated that he had not seen Mr. Sorkin, nor had he had any contact with him since he had been in Washington. It seems rather strange to me that a $5,000 a year consultant in Washington, D.C., would not be available for consultation while his employer is testifying before a congressional committee. If the Republican National Committee or the Republican congressional campaign committee has this man under wraps or in hiding, I demand that they produce him immediately so that the full story of the obstructionist policy of the Republican committee on farm legislation can be told before we take up the farm bill this week.

Mr. Speaker, with my remarks I will include other letters from Mr. Sorkin, the chief lobbyist of the Commercial Solvents Corp. to the president of that company in which he also has outlined a meeting with Governor Rockefeller dealing with the farm problem. Also a letter in which he has stated his position as "helping to strip this bill of practically all of its features." This points out the fact that this man is not a consultant but he is a lobbyist paid by Commercial Solvents, who was doing business with Billie Sol Estes, to defeat farm legislation which would reduce farm surpluses. Mr. Sorkin should be prosecuted under the Federal Regulation of Lobbying Act.

SEPTEMBER 15, 1961.

Mr. MAYNARD WHEELER,
*President, Commercial Solvents Corp.,*
*New York, N.Y.*

DEAR MR. WHEELER: On Tuesday morning the following people met with Governor Rockefeller at Ithaca, N.Y., for about 2 hours in a private off-the-record meeting: Commissioner Don Wickham; Mr. George Hinman, chairman New York State Republican Committee; Mr. Aled Davies, American Meat Institute; Mr. Martin Sorkin; Dr. William I. Myers, former chairman, National Agricultural Advisory Committee; Mr. James A. McConnell, Dr. Herrell F. DeGraff, Cornell University; Dr. Karl Butler, AVCO Corp. and Mr. Warren Ranney, G.L.F.

The purposes of the meeting were to present to the Governor and his top aids the most up to date facts regarding national agricultural policy, to explore with him the position he should take on agricultural issues, and the means for getting significant information to him.

In my presentation I pointed out to the Governor (1) the tremendous costs and the maladministration of the present special agricultural programs, (2) the administration efforts to strangle the agricultural production and marketing system, (3) the real objectives and implications of the supply management concepts, (4) some of the techniques that were used to defeat the major attempt by the administration to impose controls and supersede the congressional prerogatives, and (5) the vulnerable points in the administration program.

Others in the group pointed out the fact that the agricultural issue should be discussed not only with agricultural groups, but at every opportunity since the fundamentally weak position of this administration in this area had implications not only in terms of reduced employment, but also in the field of international relations.

It was also agreed that this group and others of like mind who could make a contribution would meet from time to time with the Governor's staff and the Governor to be of major assistance to him. Also, the Governor would lend his influence with congressional leaders to obtain their agreement on the position to be taken on agricultural issues.

Governor Rockefeller learns quickly. He is a good listener and is constantly seeking the factual basis for statements.

Very truly yours,

MARTIN SORKIN.

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MAY 11, 1961.

Mr. MAYNARD WHEELER,
*President, Commercial Solvents Corp.,*
*New York, N.Y.*

DEAR MR. WHEELER: The House Agriculture Committee has been meeting on title III, agricultural credit, this week. Yesterday, they went into executive session. As you would expect, I had tipped off several of the committee members and a personal friend on the committee staff on the full implications of section 314 of the proposed Agricultural Act of 1961.

You will recall that this is the section that provides authority for the Secretary to make loans to co-ops for the purchase of farming equipment and facilities to be made available to farmers on terms and conditions approved by the Secretary. The USDA lawyers had told me that such loans could authorize the purchase of storage and processing facilities.

I have been assured that this was discussed in the executive session, and that this particular section will be eliminated. I will strive for similar results in the Senate.

Enclosed you will find today's issue of the Battle Line, which goes to Republican Congressmen, former Cabinet officers, and other high Government officials. In addition, this is circulated widely in the press. This section on *Freeman* v. *Freeman* was prepared in this office.

To the extent that it is feasible for this type of information to be aired publicly through various informational media, we would find added impetus toward the defeat of the control, spend and control philosophy in Government.

Very truly yours,

MARTIN SORKIN.

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APRIL 25, 1961.

Mr. MAYNARD WHEELER,
*President, Commercial Solvents Corp.,*
*New York, N.Y.*

DEAR MR. WHEELER: You will be interested to know that there was a letter prepared to the various farm organizations by the Department of Agriculture which indicated some of the additional things that are contemplated. This letter, still secret, has the following sentence in it:

"Another such proposal relates to a contemplated program to make credit available for the purpose of enhancing and strengthening the abilities of co-ops to market and process and distribute farm produce and their products more efficiently and effectively."

I have just noticed that the Agricultural Act of 1961 has the following paragraph in it:

"SEC. 314. Loans may also be made to nonprofit organizations for the purchase of farming equipment and facilities to be made available to farmers on terms and conditions approved by the Secretary."

I have asked the lawyers in the USDA to interpret this, and they tell me that the word "facilities" can be interpreted to include storage and processing.

I will do everything to keep on top of this, keeping in mind your interests in this matter.

I am enclosing five copies showing the proposed changes in the Agricultural Act of 1961.

Very truly yours,
MARTIN SORKIN.

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SEPTEMBER 11, 1961.

Mr. MAYNARD WHEELER,
*President, Commercial Solvents Corp., New York, N.Y.*

DEAR MR. WHEELER: Recently the Secretary of Agriculture addressed a letter to all Congressmen expressing appreciation for the interest of Congress in farm legislation this year and hailing the omnibus farm bill as "the most constructive and promising farm legislation in many years."

This statement is a complete reversal of position, because the bill, as passed, omitted the original title I, which both the President and the Secretary had earlier indicated to be an indispensable part of the recommended program. This was the title which would have expanded controls to virtually all commodities. Actually, this letter from the Secretary is an attempt to rewrite history.

You will recall that the Secretary, after blandly asserting that the proposed bill would reduce his powers rather than increase them, was confronted by Senator AIKEN, of Vermont with a study finding that there were 23 new grants of authority in the Secretary's proposals for title I.

Several times the Secretary in public statements indicated that title I was "essential."

In a statement in Urbana, Ill., and in testimony, the Secretary used the word "essential" to describe the need for the procedures spelled out in the administration bill.

After having been denied the powers which he requested, the President has also called this bill "a major step toward a sound agricultural economy."

The lesson which Congress is learning from this is very important. They have learned that the statements of dire consequences, if the administration proposals are not embraced, are simply window dressing. They have also learned that they will not surrender their constitutional responsibilities. They are also learning that the administration will attempt to make the public believe it has succeeded, where it has failed.

Against this background, the Republican National Committee and the chairmen of the House and Senate Republican campaign committees held a secret meeting, to which I was invited. The objective of this meeting was to develop the basis for a continuing attack on the administration's efforts on the farm front. It was agreed that it was not the responsibility of the Republicans to propose solutions but to criticize the administration wherever feasible. This included varying the basis for the attack depending upon the area political situation.

I was much impressed with the seriousness of Senator GOLDWATER and Congressman MILLER (chairman of the Republican National Committee) and WILSON. They feel that with a giant effort that the Republicans can gain control of the House of Representatives and win additional seats in the Senate. I will do everything possible to help.

If we are to avoid further domination by Government of every area of economic activity, including agriculture, the effort will be worth it.

I am leaving this afternoon for a meeting with Governor Rockefeller on agricultural problems. I will advise you regarding this meeting.

Very truly yours,
MARTIN SORKIN.

## NEED FOR NATIONAL SOIL TILTH CENTER

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, I take this opportunity to urge the members of the Agriculture Committees of the House and Senate to give serious and favorable consideration to the establishment of a National Soil Tilth Research Center at Ames, Iowa. A few years ago a special committee appointed by the Department of Agriculture strongly urged the expansion of research in soil and water conservation. If our highly productive agricultural farms are to remain in a competitive position and if our Nation is to maintain world leadership in food and fiber production, this facility should be promptly initiated. A soil in good tilth will have favorable water, air, and nutrient relationships. Problems associated with the tillage of our soil are expected to become increasingly more important as the years go by.

A Soil Tilth Center is urgently needed and should be located in the Corn Belt States. I quote the following from a brochure entitled "A Proposal for a Soil Tilth Center":

> Four general areas of research would seem appropriate to a Soil Tilth Center. These are: (1) study of forces which bind soil particles and create good soil structure; (2) chemical constituents and minimal amounts of organic matter required for good soil tilth; (3) amounts and kind of tillage needed to produce good soil tilth; (4) application of basic findings to field situations (p. 3).
>
> The central Corn Belt States have the highest percentage of cropland in any soil region. For example, in 1954, 58 percent of the land was cropland in the Corn Belt, 37 percent in the Lake States, 24 percent in the delta, 20 percent in the Southeast, 27 percent in the Appalachian, and 20 percent in the Northeast. Harvested cropland acres in Iowa comprised 66 percent of the State's total land area (p. 13).

By locating a Soil Tilth Center in Iowa in the central Corn Belt States, basic findings could immediately be applied and tested on farms where most of our national agricultural effort is concentrated. The Corn Belt is the largest and the best agricultural area in the world.

Application of findings from a National Soil Tilth Center will benefit most farmers in many of the almost 3,000 soil and water conservation districts in our Nation. The effects of frequent and heavy tillage on the physical condition of the soil is not well understood.

Findings from a National Soil Tilth Center when widely applied would also be expected to benefit many urban people throughout the Nation. Results would have a direct benefit to large segments of our urban population by keeping water and soil on the land and keeping our river waters clear of sediment. This will insure reduced medical costs in maintaining or improving the health of a vast majority of our people. Also, I have been impressed many times by the poor soil conditions—compactions and poor tilth—created by highway construction and urban and suburban developments. Scientists should give serious consideration to the effect of these construction practices on tilth and on runoff from both city and rural watersheds and on increased costs involved in maintaining and beautifying the sites.

Many soil and water conservation problems associated with tilth are being encountered in developing programs in organized watersheds. In Iowa alone, applications under the Small Watershed Act have been received from 47 watersheds representing more than 1 million acres. The success of watershed practices will depend in a large measure on maintaining a desirable soil tilth. Satisfactory conservation practices such as contouring, strip cropping, terracing, and so forth, cannot be successful on soils which are allowed to deteriorate.

The Iowa Association of Soil Conservation District Commissioners at the national meeting in September 1961, emphasized the importance of the soil tilth problem and by resolution asked this Congress to provide funds for the establishment of the National Soil Tilth Center in Iowa. Since then I have received letters and resolutions regarding this activity. I am impressed with the many benefits which would accrue to the Nation if this center were established. We all recognize the very fine work which the land-grant universities are doing in soil and water conservation research. The Iowa State University, at Ames, has historically been interested in working on problems related to soil tilth; however, our very excellent State experiment stations are unable to give this national problem the concerted attention which it deserves.

Hence, Mr. Speaker, because of the reasons I have stated, the early establishment of a National Soil Tilth Research Center at Ames, Iowa, is a national must.

## FARMERS RECEIVING LOANS ON MORE THAN ONE CROP

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include certain letters.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I have been endeavoring to obtain some information as to how many farmers obtain Commodity Credit loans on more than one crop. I include with my remarks some letters which have been written to me.

I include first a copy of a letter I recently wrote to a number of ASC county people.

Congress of the United States,
House of Representatives,
*Washington, D.C., June 4, 1962.*

Dear Director: For the years 1958, 1959, 1960, and 1961 I desire the following information for your county:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county each year?

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops?

For this information I shall be grateful.

Regards,

Lindley Beckworth.

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Letters From U.S. Department of Agriculture Agricultural Stabilization and Conservation Committees

Uvalde, Tex., *June 12, 1962.*

Mr. Lindley Beckworth,
*Congress of the United States,*
*House of Representatives,*
*Washington, D.C.*

Dear Mr. Beckworth: In reply to your inquiry concerning loans made through CCC in Uvalde County in the past 4 years I submit the following:

| | Number of producers | Total amount loaned |
|---|---|---|
| Corn loans: | | |
| 1958 | 0 | 0 |
| 1959 | 2 | $2,354.57 |
| 1960 | 0 | 0 |
| 1961 | 2 | 15,861.42 |
| Grain sorghum: | | |
| 1958 | 62 | 38,600.00 |
| 1959 | 86 | 200,672.43 |
| 1960 | 21 | 45,916.07 |
| 1961 | 77 | 144,910.10 |
| Oat loans: | | |
| 1958 | 10 | 12,000.00 |
| 1959 | 1 | 2,978.30 |
| 1960 | 2 | 9,646.02 |
| 1961 | 7 | 20,971.56 |

There were no participants in rye, soybean, wheat, peanut, or rice in this county.

Cotton loans were made through the First State Bank. The county office does not have a record of either the number or amount.

An estimated 27 farmers participated in two of these crops. An estimated 11 farmers participated in three of these crops. None participated in four of these crops.

Yours truly,

H. F. Rucker, *Office Manager.*

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Canadian, Tex.,
*June 12, 1962.*

Hon. Lindley Beckworth,
*U.S. House of Representatives,*
*Washington, D.C.*

Dear Sir: The following information has been compiled for Hemphill County, Tex., in accordance with your request in a letter of June 4, 1962:

*Loan program, 1958–60*

| Loan program | Year | Number of producers | Amount |
|---|---|---|---|
| Barley | 1958 | 14 | $8,596.76 |
| | 1959 | 0 | 0 |
| | 1960 | 0 | 0 |
| | 1961 | 0 | 0 |
| Grain sorghum | 1958 | 16 | 16,397.97 |
| | 1959 | 1 | 1,856.51 |
| | 1960 | 1 | 928.11 |
| | 1961 | 8 | 8,663.95 |
| Wheat | 1958 | 175 | 1,054,648.98 |
| | 1959 | 121 | 496,416.35 |
| | 1960 | 112 | 478,272.75 |
| | 1961 | 79 | 389,646.07 |
| Cotton | 1958 | 9 | 0 |
| | 1959 | 37 | 67,752.13 |
| | 1960 | 23 | 41,917.90 |

*Number of producers in 2 programs, number of producers in 3 programs, and number of producers in 4 programs, years 1958–61*

| Year | Number of producers in— | | |
|---|---|---|---|
| | 2 programs | 3 programs | 4 programs |
| 1958 | 13 | 0 | 0 |
| 1959 | 15 | 0 | 0 |
| 1960 | 9 | 0 | 0 |
| 1961 | 3 | 0 | 0 |

No producers participated in the CCC loan program for corn, oats, rye, soybeans, peanuts, or rice.

Yours very truly,

Don Watson,
*County Office Manager, Hemphill County ASCS.*

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Oldham County ASCS,
*Vega, Tex., June 7, 1962.*

Hon. Lindley Beckworth,
*Congressman, House of Representatives,*
*Washington, D.C.*

Dear Mr. Beckworth: Pursuant to your request of June 4, we give you the following information:

| Commodity | 1958 | 1959 | 1960 | 1961 |
|---|---|---|---|---|
| Rye: | | | | |
| Number of participants | 3 | | | |
| Amount loaned | $4,976.83 | | | |
| Barley: | | | | |
| Number of participants | 3 | | | 2 |
| Amount loaned | $2,309.98 | | | $6,487.00 |
| Grain sorghum: | | | | |
| Number of participants | 61 | 22 | 51 | 73 |
| Amount loaned | $249,877.27 | $130,598.72 | $251,989.45 | $304,175.31 |
| Wheat: | | | | |
| Number of participants | 272 | 58 | 131 | 61 |
| Amount loaned | $1,108,560.09 | $229,828.91 | $721,443.20 | $449,037.67 |
| Soybeans: | | | | |
| Number of participants | 1 | | | |
| Amount loaned | $1,912.96 | | | |

Oldham County had no CCC loans on oats, peanuts, rice, or cotton.

Estimated number of farmers participating in programs of two of these crops: 70.

Estimated number of farmers participating in programs of three of these crops: 2.

Estimated number of farmers participating in programs of four of these crops: 3.

Yours very truly,

Shirley D. Chesser,
*Office Manager.*

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Orange, Tex., *June 12, 1962.*

Hon. Lindley Beckworth,
*Congress of the United States,*
*House of Representatives,*
*Washington, D.C.*

Sir: In regard to your letter of June 4, 1962, Orange County does not have producers participating in the Commodity Credit Corporation loan program for barley, corn, grain sorghum, oat, rye, soybean, wheat, peanut, and cotton.

Listed below is the information you desire for rice producers participation in the Commodity Credit Corporation loan program:

| Year | Number of producers | Total amount loaned |
|---|---|---|
| 1958 | 20 | $207,942.15 |
| 1959 | 28 | 216,901.57 |
| 1960 | 11 | 75,264.86 |
| 1961 | 4 | 46,447.24 |

If this office can be of further service, please advise.

Sincerely yours,

George D. Featherston,
*Office Manager.*

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Lamb County, Tex., *June 8, 1962.*

Mr. Lindley Beckworth,
*House of Representatives,*
*Washington, D.C.*

Dear Sir: The following information is being submitted by Lamb County ASCS office, Littlefield, Tex.:

| Commodity | Year | Producers participating | Total loan |
|---|---|---|---|
| Barley | 1958 | 12 | $105,724.71 |
| Corn | 1958 | None | None |
| Grain sorghum | 1958 | 1,999 | 4,949,338.12 |
| Soybean | 1958 | 1 | 562.82 |
| Wheat | 1958 | 38 | 80,350.78 |
| Cotton | 1958 | 2,250 | 31,229,000.00 |
| Barley | 1959 | 1 | 1,816.76 |
| Corn | 1959 | None | None |
| Grain sorghum | 1959 | 620 | 159,846.22 |
| Soybean | 1959 | None | None |
| Wheat | 1959 | 2 | 3,634.06 |
| Cotton | 1959 | 1,967 | 32,398,000.00 |
| Barley | 1960 | 11 | 8,128.56 |
| Corn | 1960 | None | None |
| Grain sorghum | 1960 | 697 | 2,656,539.06 |
| Soybean | 1960 | None | None |
| Wheat | 1960 | 7 | 26,038.38 |
| Cotton | 1960 | 1,652 | 31,062,000.00 |
| Barley | 1961 | 15 | 17,051.64 |
| Corn | 1961 | 33 | 129,247.29 |
| Grain sorghum | 1961 | 2,267 | 5,825,159.56 |
| Soybean | 1961 | 12 | 13,015.97 |
| Wheat | 1961 | 7 | 17,051.64 |
| Cotton | 1961 | 1,171 | 35,404,000.00 |

The producers in Lamb County did not produce or receive price support on the following commodities in 1958, 1959, 1960, and 1961: Oats, rye, peanuts, or rice.

There are 2,296 farmers in Lamb County that participate in four of these crops.

Very truly yours,

LAMAR D. ATEN, Jr.,
*Officer Manager.*

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DENISON, IOWA, *June 12, 1962.*

LINDLEY BECKWORTH,
*Congress of the United States,*
*House of Representatives, Washington, D.C.*

DEAR SIR: Barley producers participating in the Commodity Credit Corporation loan program:

| Year | Number of producers | Total loaned |
|---|---|---|
| 1958 | 5 | $2,361.30 |
| 1959 | 2 | 716.52 |
| 1960 | 1 | 837.30 |
| 1961 | 1 | 1,567.68 |

Corn producers participating in the Commodity Credit Corporation loan program:

| Year | Number of producers | Total loaned |
|---|---|---|
| 1958 | 1,158 | $1,280,557.86 |
| 1959 | 1,741 | 2,000,919.83 |
| 1960 | 1,664 | 2,550,666.86 |
| 1961 | 1,245 | 2,100,949.82 |

Grain sorghum producers participating in the Commodity Credit Corporation loan program:

| Year | Number of producers | Total loaned |
|---|---|---|
| 1958 | 118 | $147,870.09 |
| 1959 | 10 | 11,707.87 |
| 1960 | 2 | 3,709.12 |
| 1961 | 2 | 1,872.61 |

Oat producers participating in the Commodity Credit Corporation loan program:

| Year | Number of producers | Total loaned |
|---|---|---|
| 1958 | 63 | $36,686.74 |
| 1959 | 43 | 20,806.90 |
| 1960 | 34 | 15,931.59 |
| 1961 | 24 | 11,398.80 |

Rye producers participating in the Commodity Credit Corporation loan program:

| Year | Number of producers | Total loaned |
|---|---|---|
| 1958 | 2 | $760.38 |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | None | None |

Soybean producers participating in the Commodity Credit Corp. loan program:

| Year | Number of producers | Total loaned |
|---|---|---|
| 1958 | 202 | $243,423.60 |
| 1959 | 42 | 46,531.29 |
| 1960 | 16 | 21,299.51 |
| 1961 | 216 | 259,686.60 |

Wheat producers participating in the Commodity Credit Corporation loan program:

| Year | Number of producers | Total loaned |
|---|---|---|
| 1958 | 5 | $16,925.11 |
| 1959 | None | None |
| 1960 | 2 | 3,801.93 |
| 1961 | None | None |

Peanuts: None.
Rice: None.
Cotton: None.

The number of farmers participating in 2 of these programs: 1,400.

The number of farmers participating in 3 of these programs: 1,300.

The number of farmers participating in 4 of these programs: 1,250.

ROY J. CEIPER.

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ROBY, TEX., *June 11, 1962.*

Mr. LINDLEY BECKWORTH,
*House of Repesentatives,*
*Washington, D.C.*

DEAR MR. BECKWORTH: With reference to your letter dated June 4, 1962, requesting information on the Commodity Credit Corporation loan programs for the years 1958, 1959, 1960, and 1961, we have compiled the following information for Fisher County:

| Commodity | 1958 | 1959 | 1960 | 1961 |
|---|---|---|---|---|
| Barley: | | | | |
| Producers | 1 | 1 | 0 | 1 |
| Amount loaned | $229 | $225 | | $2,054 |
| Corn | 0 | 0 | 0 | 0 |
| Grain sorghum: | | | | |
| Producers | 14 | 30 | 1 | 52 |
| Amount loaned | $11,500 | $23,000 | $650 | $36,500 |
| Oats: | | | | |
| Producers | 115 | 80 | 0 | 0 |
| Amount loaned | $74,000 | $50,000 | | |
| Rye | 0 | 0 | 0 | 0 |
| Soybeans | 0 | 0 | 0 | 0 |
| Wheat: | | | | |
| Producers | 44 | 40 | 7 | 19 |
| Amount loaned | $155,000 | $160,000 | $121,000 | $86,000 |
| Peanuts | 0 | 0 | 0 | 0 |
| Rice | 0 | 0 | 0 | 0 |
| Cotton: | | | | |
| Producers | 1,200 | 1,200 | 1,200 | 1,200 |
| Amount loaned | $4,500,000 | $7,000,000 | $8,750,000 | |
| Farmers participating: | | | | |
| In 2 of these crops | 1,220 | 1,220 | 1,220 | 1,220 |
| In 3 of these crops | 1,225 | 1,225 | 1,225 | 1,225 |
| In 4 of these crops | 0 | 0 | 0 | 0 |

For the years 1958 and 1959, all commodities, our records have already been transmitted to the Federal Supply Service, Fort Worth, Tex. The entries for those years are estimates, if you need an exact figure, we can secure it for you, but it will possibly take 2 or 3 weeks. Please advise if additional information is needed.

Yours truly,

FRANK K. MITCHELL,
*Office Manager.*

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CHEROKEE COUNTY ASCS OFFICE,
*Cherokee, Iowa.*

| Commodity | Year | Producers | Total loaned |
|---|---|---|---|
| Barley | 1958 | 26 | (1) |
| Corn | 1958 | 493 | (1) |
| Sorghum | 1958 | 78 | (1) |
| Oats | 1958 | 78 | (1) |
| Soybeans | 1958 | 846 | (1) |
| Barley | 1959 | 7 | $3,056.94 |
| Corn | 1959 | 1,513 | 2,037,595.82 |
| Sorghum | 1959 | 2 | 2,369.72 |
| Oats | 1959 | 18 | 9,843.68 |
| Soybeans | 1959 | 387 | 498,867.93 |
| Barley | 1960 | 4 | 1,749.39 |
| Corn | 1960 | 1,564 | 2,130,176.01 |
| Sorghum | 1960 | 4 | 1,352.57 |
| Oats | 1960 | 19 | 9,754.85 |
| Soybeans | 1960 | 180 | 269,783.57 |
| Barley | 1961 | 1 | 1,177.92 |
| Corn | 1961 | 1,348 | 2,757,312.26 |
| Sorghum | 1961 | None | None |
| Oats | 1961 | 8 | 4,176.60 |
| Soybeans | 1961 | 669 | 1,251,801.57 |

[1] Records in Kansas City.

| | Number of farmers participating in— | | |
|---|---|---|---|
| | 2 crops | 3 crops | 4 crops |
| 1958 | 875 | 825 | 775 |
| 1959 | 1,590 | 1,500 | 1,450 |
| 1960 | 1,575 | 1,550 | 1,475 |
| 1961 | 1,410 | 1,400 | 1,410 |

ABILENE, TEX., *June 12, 1962.*

Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. BECKWORTH: Following is the information requested in your recent letter for the years 1958–61 under the Commodity Credit Corporation loan program. We have listed only the crops on which loans were made in the Taylor County ASCS office:

CLIFFORD H. CHAPMAN,
*Office Manager.*

| Commodity | Year | Producers | Amount |
|---|---|---|---|
| Barley | 1958 | 9 | $8,425.55 |
| Oats | 1958 | 94 | 65,547.90 |
| Grain sorghum | 1958 | 17 | 15,781.71 |
| Wheat | 1958 | 89 | 169,314.61 |
| Total | | 209 | 259,069.77 |
| Grain sorghum | 1959 | 1 | 531.15 |
| Wheat | 1959 | 2 | 7,283.33 |
| Total | | 3 | 7,814.48 |
| Oats | 1960 | 1 | 561.44 |
| Grain sorghum | 1960 | 6 | 2,190.41 |
| Wheat | 1960 | 2 | 12,454.59 |
| Total | | 9 | 15,206.44 |
| Barley | 1961 | 4 | 2,218.82 |
| Oats | 1961 | 6 | 2,201.95 |
| Grain sorghum | 1961 | 345 | 255,714.05 |
| Wheat | 1961 | 4 | 15,077.98 |
| Total | | 359 | 27,212.80 |

The cotton loan program is handled by lending agencies located in the county which are approved by the New Orleans commodity office. The county ASCS office does not have a record of the number of cotton loans or the amount of money loaned.

Our records show that 8 producers participated in the loan program on four of the above crops, 49 producers participated in the loan program on three of the above crops, and 77 producers participated in the loan program on two of the above crops. The above participation does not include cotton producers as these records are not available in the county ASCS office.

We hope the above information is what you requested and if we can be of further assistance to you, please call on us at any time.

Very truly yours,

ALVIN H. JEFFERIES,
*Office Manager.*

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COUNCIL BLUFFS, IOWA, *June 13, 1962.*

To: LINDLEY BECKWORTH,
*House of Representatives, United States, Washington, D.C.*

From: West Pottawattamie ASCS office, Council Bluffs, Iowa.

Subject: Information for 1958, 1959, 1960, and 1961.

DEAR SIR: Enclosed is the information that you requested from our office to the best of our ability. The county office records for 1958 and 1959 have been sent to GSA in Kansas City for storage, except for our register that has the number of loans.

| | Year | Loans | Amount loaned |
|---|---|---|---|
| Barley | 1958 | 3 | Unknown |
| | 1959 | None | |
| | 1960 | None | |
| | 1961 | None | |
| Corn | 1958 | 617 | Unknown |
| | 1959 | 892 | Unknown |
| | 1960 | 911 | $2,107,005 |
| | 1961 | 828 | $1,955,343 |
| Grain sorghum | 1958 | 205 | Unknown |
| | 1959 | 25 | Unknown |
| | 1960 | 25 | $27,247 |
| | 1961 | 10 | $19,667 |
| Oats | 1958 | 8 | Unknown |
| | 1959 | 7 | Unknown |
| | 1960 | 6 | 4,302 |
| | 1961 | 6 | 3,634 |
| Rye | 1958 | None | |
| | 1959 | None | |
| | 1960 | None | |
| | 1961 | None | |
| Soybeans | 1958 | 128 | Unknown |
| | 1959 | 48 | Unknown |
| | 1960 | 23 | 45,838 |
| | 1961 | 144 | 269,555 |
| Wheat | 1958 | 164 | Unknown |
| | 1959 | 117 | Unknown |
| | 1960 | 90 | 160,449 |
| | 1961 | 64 | 82,315 |

For peanuts, rice, and cotton there were none in 1958, 1959, 1960, and 1961.

Approximately 250 farmers participated in the programs of 2 of these crops. Approximately 135 farmers participated in the programs of 3 of these crops. Approximately 10 farmers participated in the programs of 4 of these crops.

Sincerely,

DON R. HADDEN,
*Manager.*

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ANSON, TEX., *June 11, 1962.*

Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR SIR: For the years 1958, 1959, 1960, and 1961 we furnish the following information from the records of Jones County:

Question. How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 0; 1959, 0; 1960, 0; 1961, 7.

Question. How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 0; 1959, 17; 1960, 37; 1961, 485.

Question. How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 47; 1959, 2; 1960, 1; 1961, 5.

Question. How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. 1958, 0; 1959, 3; 1960, 20; 1961, 48.

Question. How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How mony rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None.

Question. How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

Answer. None through this office.

Question. How many farmers participated in the programs of two of these crops?

Answer. 32.

Question. How many farmers participated in the programs of three of these crops?

Answer. 2.

Question. How many farmers participated in the programs of four of these crops?

Answer. None.

Very truly yours,

R. B. ROWLAND,
*Office Manager.*

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TO LINDSEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

From: Carlton W. Trant, county office manager, Chambers ASC County Committee.

Subject: Information from county, 1958, 1959, 1960, and 1961.

With reference to your memorandum of June 4, 1962, please be advised that the only program applicable in my county is rice. Our records show the following participation.

| Year | Number of participants | Total amount |
|---|---|---|
| 1958 | 164 | 1,960,975.53 |
| 1959 | 146 | 2,008,292.52 |
| 1960 | 142 | 1,407,113.59 |
| 1961 | 93 | 1,217,079.58 |

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LA CROSSE, KANS., *June 13, 1962.*

Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. BECKWORTH: In reply to your letter of June 4, 1962, requesting the following information from Rush County, Kans.:

| 1958 | Producers participating | Total loaned |
|---|---|---|
| Barley | 32 | $15,144.00 |
| Corn | 0 | 0 |
| Grain | 1,184 | 950,480.00 |
| Oats | 0 | 0 |
| Rye | 0 | 0 |
| Soybean | 1 | 402.00 |
| Wheat | 3,603 | 6,362,188.00 |
| Peanut | 0 | 0 |
| Rice | 0 | 0 |
| Cotton | 0 | 0 |

Number of farmers who participated in 2 of the above crops is 1,000.

Number of farmers who participated in 3 of the above crops is 10.

Number of farmers who participated in 4 of the above crops is 0.

| 1959 | Producers participating | Total loaned |
|---|---|---|
| Barley | 2 | $1,489 |
| Corn | 0 | 0 |
| Grain sorghum | 102 | 106,100 |
| Oats | 0 | 0 |
| Rye | 0 | 0 |
| Soybean | 0 | 0 |
| Wheat | 790 | 1,120,604 |
| Peanut | 0 | 0 |
| Rice | 0 | 0 |
| Cotton | 0 | 0 |

Number of farmers who participated in 2 of the above crops is 100.

Number of farmers who participated in 3 of the above crops is 2.

Number of farmers who participated in 4 of the above crops is 0.

| 1960 | Producers participating | Total loaned |
|---|---|---|
| Barley | 1 | $353.40 |
| Corn | 2 | 3,823.00 |
| Grain sorghum | 680 | 520,502.00 |
| Oats | 0 | 0 |
| Rye | 1 | 290.00 |
| Soybean | 0 | 0 |
| Wheat | 1,815 | 3,752,320.00 |
| Peanut | 0 | 0 |
| Rice | 0 | 0 |
| Cotton | 0 | 0 |

Number of farmers who participated in 2 of the above crops is 660.

Number of farmers who participated in 3 of the above crops is 1.

Number of farmers who participated in 4 of the above crops is 0.

| 1961 | Producers participating | Total loaned |
|---|---|---|
| Barley | 21 | $11,722.00 |
| Corn | 0 | 0 |
| Grain sorghum | 335 | 240,235.00 |
| Oats | 0 | 0 |
| Rye | 0 | 0 |
| Soybeans | 0 | 0 |
| Wheat | 1,207 | 1,911,722.00 |
| Peanuts | 0 | 0 |
| Rice | 0 | 0 |
| Cotton | 0 | 0 |

Number of farmers who participated in 2 of the above crops is 330.

Number of farmers who participated in 3 of the above crops is 18.

Number of farmers who participated in 4 of the above crops is 0.

Sincerely,

FRANK A. JUNO,
*Office Manager.*

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HASKELL, TEX., *June 7, 1962.*

Representative LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR SIR: We hereby endeavor to reply to your request for certain information concerning the commodity loan program in Haskell County, Tex.

Commodity loan records for the year 1958 have been shipped to the Federal record center, 424 West Vickery, Fort Worth, Tex., and are therefore not available in the county ASCS office.

The cotton program in our county is administered by the New Orleans commodity office, with loans being made by financial institutions and records are kept in the New Orleans commodity office. For the years

1959 and 1960 a direct cotton purchase program was in effect.

Commodity loan program participation in Haskell County administered through ASCS extends to oats, barley, wheat, and grain sorghum crops. Following is a table to provide the information requested with respect to these crops.

| Commodity | 1959 | 1960 | 1961 |
|---|---|---|---|
| Barley: | | | |
| Number of participants.. | 0 | 0 | 86 |
| Amount loaned. | 0 | 0 | 55, 802. 93 |
| Grain sorghum: | | | |
| Number of participants.. | 55 | 177 | 489 |
| Amount loaned. | 65, 166. 18 | 265, 736. 07 | 543, 077. 55 |
| Oats: | | | |
| Number of participants.. | 0 | 1 | 57 |
| Amount loaned. | 0 | 358. 68 | 32, 508. 04 |
| Wheat: | | | |
| Number of participants.. | 0 | 2 | 14 |
| Amount loaned. | 0 | 12, 223. 35 | 96, 783. 21 |

In 1959 and 1960 zero farmers participated in more than one crop program. In 1961 approximately 50 farmers participated in programs of 2 of these crops. Approximately 15 farmers participated in programs of 3 of these crops.

Very truly yours,

WILLIAM L. FEEMSTER,
*Office Manager.*

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BALLINGER, TEX., *June 8, 1962.*

Hon. LINDLEY, BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR SIR: In re your inquiry to the Runnels County ASCS office dated June 4, 1962, we herewith submit the following information in the order of request:

Barley producers participating in the CCC loan program:

In 1958: 140 producers; total amount loaned: $972.39.

In 1959: 0 loans.

In 1960: 3 producers; total amount loaned: $5,297.81.

In 1961: 86 producers; total amount loaned: $46,306.88.

No corn loans made in this county.

Grain sorghum producers participating in the CCC loan program:

In 1958: 249 producers; total amount loaned: $3,087.34.

In 1959: 14 producers; total amount loaned: $12,039.25.

In 1960: 3 producers; total amount loaned: $3,482.28.

In 1961: 681 producers; total amount loaned: $820,960.35.

Oat producers participating in the CCC loan program:

In 1958: 546 producers; total amount loaned: $5,083.04.

In 1959: 0 loans.

In 1960: 12 producers; total amount loaned: $12,707.80.

In 1961: 197 producers; total amount loaned: $108,533.74.

No rye loans made in the county.

No soybeans loaned on in this county.

Wheat producers participating in the CCC loan program:

In 1958: 241 producers; total amount loaned: $4,235.72.

In 1959: 1 producer; total amount loaned: $809.84.

In 1960: 5 producers; total amount loaned: $20,213.43.

In 1961: 32 producers; total amount loaned: $65,413.03.

No peanut loans made in the county.

No rice loans made in the county.

The number of cotton producers participating in the CCC loan program and the amount loaned is not available in the county office, since these loans are handled through the New Orleans commodity office.

In 1958, approximately 980 farmers participated in the programs of 2 of these crops; approximately 775 participated in the programs of 3 of these crops; and approximately 558 participated in the programs of 4 of these crops.

In 1959, one producer participated in the programs of two of these crops; none in three; and none in four.

In 1960, three producers participated in the programs of two of these crops; none in three and none in four.

In 1961, approximately 723 of these farmers participated in the programs of 2 of these crops; approximately 700 farmers participated in the programs of 3 of these crops; and approximately 586 farmers participated in the programs of 4 of these crops.

We are glad to be of assistance to you in assembling this information, and if further information is needed, we shall be glad to be of help.

Very truly yours,

TROY A. PULLIN,
*Acting Office Manager.*

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GREENSBURG, KANS.,
*June 13, 1962.*

Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington,D.C.*

DEAR SIR: In answer to your letter of June 4, 1962, we have the information you wish for 1959 through 1961. Our 1958 records have been sent to a record center and are not available at this time.

In 1959: 490 producers received wheat loans in the amount of $1,063,796.31; 2 producers received barley loans in the amount of $1,407.93; 8 producers received milo loans in the amount of $26,518.40; 10 producers participated in 2 programs.

In 1960: 623 producers received wheat loans in the amount of $2,292,164.54; 56 producers received milo loans in the amount of $103,811.35; 56 producers participated in 2 programs.

In 1961: 106 producers received wheat loans in the amount of $2,309,139.55; 1 producer received barley loans in the amount of $1,584.72; 71 producers received milo loans in the amount of $68,882.03; 72 producers participated in 2 programs.

We had no other crops under loan and no producers participating in more than 2 programs in 1 crop year.

Very truly yours,

WARREN E. STANFIELD,
*Office Manager.*

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## THE WAURIKA PROJECT, OKLAHOMA

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 15 minutes.

Mr. WICKERSHAM. Mr. Speaker, may I discuss the Waurika project? Man has harnessed and put to work many elements of nature. But, the elements of the weather have long been beyond his grasp. Man, being the enterprising animal that he is, has managed to devise various means of reducing the more harmful effects of undesirable weather phenomena, and protect himself from them. To defend against the wind, he has dug holes in the ground. To save himself from being baked alive by the heat-bearing rays of the sun, he has constructed shelters. One of man's oldest and most often used defenses is the water dam. It is common knowledge that when an excessive amount of rain falls, flooding occurs in the area surrounding the affected creeks and rivers. A long time ago, some enterprising young genius discovered that if an obstruction was placed across a river, it would prevent the river from overflowing its banks. So simple. This engineering feat has been applied to everything from a rill to a mile-wide river. In today's modern technological society, harnessed water power has more than proven its many benefits.

I, myself, have had occasion to contribute to the use of this ancient and time proven defense. I have worked to secure the authorization of funds for the construction of the water dam in various places in my district in Oklahoma. To a large measure I have been successful, with the invaluable aid of my colleagues and our two great Senators, in securing the authorization and acquiring the funds for these dams. Now, once again I have occasion to enter into a water dam project.

Due to the geographic location of my beloved State, it does not receive much rainfall. Therefore, there is an ever-present need of water. In the State of Oklahoma, especially during the summer, water takes on almost the value of gold. But, in the springtime we usually get too much. I guess nature is seeking to pay us back for the summer shortage. Most of the people in Oklahoma, being normal Americans, firmly adhering to the principle of time payments, wish that nature would honor that principle also. But, nature being unaware of the tradition, does not heed our requests for well-spaced rainfall, and delivers all of our rain at once. This rain causes those once powder-dry creeks and rivers to turn into raging water monsters, capable of causing demonic destruction, covering a considerable area with water. I believe my colleagues of the delegation will bear me out on this. In order to prevent disaster and prevent hardship, several dams have been constructed along the more rampant creeks and rivers. One of these creeks has not yet been placed under the control of a dam, and each spring, rises from its bed, and subjects the people of Waurika, Okla., and surrounding area to a yearly flood. Mr. Speaker, may I submit that the people of Waurika were not born with fins or gills, and find it inconvenient to try and carry on normal business while paddling around in 3 to 8 feet of water. For once again nature has performed its work and Beaver Creek has overflowed its banks flooding the town and surrounding farms. Over half of the town of Waurika has been under water during the last few days.

Since nature has repeated its cycle and Waurika is flooded, the people not only are faced with the burdensome cost of property damage and loss, but they also have the backbreaking task of rebuilding and cleaning up their town. As they go about their work, they know full well that possibly this year and certainly next year they will be faced with the same task.

In January of 1961, Senators KERR and MONRONEY, and I, each introduced a bill requesting that the Beaver Creek Dam be authorized. The bill is now under the consideration of the Interior and Insular Affairs Committee. In April of this year we obtained a hearing before the subcommittee dealing specifically with our project. The Senate committee has already held hearings on the bill introduced by our able Oklahoma Senators. I had to temporarily retire from active participation for this project, in order to go home and face two gentlemen who thought they could do a better job in Congress than I. Therefore 6 valuable weeks were lost in which to keep the ball rolling. Well, Mr. Speaker, it has now stopped. The forward progress of this vital project is now at a standstill. I now ask a question. Why should the people of Waurika, Okla., be submitted to this yearly hazard? Why should they have to fear every rain cloud in the sky? Why, when the damming of Beaver Creek would put an end to these problems? Must they continually be faced with flood in the spring and drought in the summer? I say no, not when it is unnecessary.

I know that disasters of this nature are not unique to my district alone. But, one factor that offsets the town of Waurika is the yearly nature of this event. Because of the frequency that these floods occur, our bill must be expedited. Mr. Speaker, I urge the members of the Interior and Insular Affairs Committee to take pity on the plight of the people of Waurika and help them by quickly authorizing the money for the Beaver Creek Dam and irrigation project. The majority of this loan will be paid back to the Government.

A Government without compassion cannot truly represent the people. Our Government is noted for its compassion on the people. The members of the committee, being part of the Government, share this compassion. Though I am pleased with the progress of the Waurika project, I believe that the present state of the town dramatically presents, far better than I ever could, the pressing need to expedite this bill to final and favorable passage. I have worked steadily behind the scenes with my colleagues and our two Senators toward this goal. Now I come to the floor of the House, to try and impress the importance of this bill on those in whose hands it now rests. I have spoken at length today on this project, Mr. Speaker, because I have firsthand knowledge of what it means to the people of Waurika, as well as several other towns and cities in four counties; members of the committee, do not fail us. Help us. Allow us to have our project, so that we can work in peace, and prosper.

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## APPROACHES AVAILABLE TO US IN CLOSING LOOPHOLES IN FOOD, DRUG, AND COSMETIC ACT

The SPEAKER. Under previous order of the House, the gentlewoman from Missouri [Mrs. SULLIVAN] is recognized for 20 minutes.

Mrs. SULLIVAN. Mr. Speaker, the consumers of the United States—and that, of course, includes all of us—can indeed be gratified that the House committee with appropriate legislative jurisdiction over this extremely important matter is going to begin hearings tomorrow on legislation to close the many glaring loopholes in the basic Federal statute to protect consumers, the Food, Drug, and Cosmetic Act.

Some of these loopholes affect us economically—permitting various forms of fraud and deceit in the marketplace. More importantly, however, some of these loopholes in the law endanger our health and safety. It is the latter we are most concerned about, of course; but there is no reason why we should not also close the loopholes in the act which victimize us economically.

Tomorrow, the House Committee on Interstate and Foreign Commerce opens hearings on three bills: H.R. 1235, which I introduced 17 months ago on the opening day of this Congress as an omnibus measure to improve and strengthen the Food, Drug, and Cosmetic Act in many ways; and also, two measures introduced last month by Chairman HARRIS, of the House committee, as administration bills, H.R. 11581 and H.R. 11582. Taken together, the two Harris bills include most of the major features of H.R. 1235, but there are some important differences.

All three bills are primarily amendments to the Food, Drug, and Cosmetic Act, although the Harris bills incidentally would amend several other statutes. In contrast, there is a bill pending before the Senate Judiciary Committee, the Kefauver drug industry antitrust bill, which has received a great deal of public attention as a result of the extensive hearings conducted by Senator KEFAUVER into drug industry practices. While this bill would amend certain of the drug provisions of the Food, Drug, and Cosmetic Act, it is primarily directed at antitrust aspects of drug industry pricing and patent practices, and its companion measure in the House, H.R. 6245 by Congressman CELLER, is therefore pending before the House Judiciary Committee and not the Interstate Commerce Committee.

In the Interstate Commerce Committee hearings, however, features of all four of these bills will undoubtedly be considered relevant to the testimony and questioning because all four bills—whether relating to drugs, cosmetics, therapeutic devices, or any other provisions of the Food, Drug, and Cosmetic Act share one very important thing in common: They seek to protect the consumer's health and pocketbook, with the main emphasis on health.

In preparation for appearing before the House Committee on Interstate and Foreign Commerce on the day after tomorrow, following the departmental witnesses headed by Secretary Ribicoff who testify tomorrow, I wanted to have a complete and factual analysis of the differences as well as the similarities of the four major bills now pending in this Congress. Consequently, I asked the American Law Division of the Legislative Reference Service in the Library of Congress, which always does such an outstanding job of such objective analyses of complex legislative proposals, to outline for me exactly how the different bills approach similar objectives.

I wanted this information for my own guidance in preparing my testimony. But after receiving this material Friday night, and studying it over the weekend, I was so impressed by the thoroughness of this objective presentation that I felt it would be useful to the committee itself and to all of the witnesses who will be testifying this week if it could be available generally prior to the start of tomorrow's hearings.

It is an outstanding research effort, as we have come to expect from the American Law Division, and was the work of Mr. Raymond J. Celada under the supervision of the Chief of the Division, Mr. Lester S. Jayson.

I have asked for this time this afternoon in order to make this analysis available to the Members and to all who read the CONGRESSIONAL RECORD and are concerned about the need for legislation to improve our basic laws to protect the consumer in purchasing foods, drugs and cosmetics. This proposed legislation, as President Kennedy said so well in his consumer message to Congress on March 15 of this year, affects every American and is vitally important to the health and well-being of the 180 million people of this country.

In speaking today on this issue, and submitting this material for inclusion in the RECORD as part of my remarks, it is not my intention to use this means of pushing or promoting my own bill. I shall do that before the committee on Wednesday. Rather, I want to share today the facts which I was able to obtain on all of the pending bills, so that all who read these tabulations can have a better basis for determining what should be done and how it should be done.

The Kefauver-Celler bill, which is identified in this as H.R. 6245, is undergoing substantial change in the Senate Judiciary Committee, as we all have read. In the material which follows, however, it is the bill as originally introduced, not as it is now being amended in the Senate committee.

### DIFFERENT APPROACHES IN CLOSING LOOPHOLES

Mr. Speaker, there are, as I said, four major bills now pending in the Congress dealing with the Food, Drug, and Cosmetic Act or closely related thereto. Let us consider, first of all, the three which are most closely related and follow a similar course and duplicate some features of each other—the three which are before the House Committee on Interstate and Foreign Commerce and on which hearings are to begin tomorrow:

### 1. H.R. 1235 AND H.R. 11581, H.R. 11582

For purposes of this discussion, H.R. 11581 and H.R. 11582 will be considered as one bill. This single entity approach is predicated upon the fact that these two bills, introduced by the same sponsor, contain substantially all of the major provisions embodied in H.R. 1235. This does not mean to imply absolute similarity between H.R. 1235 on the one hand, and H.R. 11581 and H.R. 11582 on the other. As will be noted later on, these bills differ to some extent in language, approach, and, in a few instances, content. In the main, however, H.R. 1235 and H.R. 11581–11582 contain substantially similar provisions.

The purpose of these bills is to protect the public health by amending the Federal Food, Drug and Cosmetic Act (hereafter FDCA) so as to require adequate controls in drug manufacture; require new drugs to be shown efficacious and new therapeutic devices to be shown safe and efficacious before they are marketed commercially; make other improvements with respect to new drug control; require all antibiotics to be certified; provide adequate controls over the distribution of habit-forming barbiturates and stimulant drugs; require cosmetics to be shown safe before they are marketed commercially; clarify and strengthen existing inspection authority; and for other purposes.

The provisions of the bills are designed to strengthen and make more effective the FDCA. While the act has been of incalculable benefit to American consumers, it contains serious loopholes and is not sufficiently broad in its scope to meet the requirements of consumer protection under modern conditions.

These bills contain substantially all the features of the present law that have proved valuable in protecting the public health and safety. In addition, they amplify and strengthen various provisions of the act designed to safeguard the public health and prevent deception, and extend the scope of the law to areas that now escape regulation.

Section 4 of H.R. 1235 and section 101 of H.R. 11851, relating to the requirement of adequate controls in drug manufacture, are identical. These sections amend section 501 (a)(2) of the FDCA to require that all drugs be manufactured and packaged under adequate controls.

Section 5 of H.R. 1235 and section 102 of H.R. 11581 amend section 201(p) of the FDCA relating to the definition of "new drugs" by adding the element of "efficacy" thereto.

The addition of the element of efficacy or efficiency to others now named in this law by the foregoing as well as subsequent provisions of these bills incorporates into the law of the land a radically new philosophy to govern protection of the physical and mental well-being of the American people. Under the present law, it is sufficient if a drug is safe, which ordinarily is taken to mean not dangerous. Now, under both bills, a drug is required to be efficacious for the uses for which it was intended. Both bills (H.R. 1235, sec. 5(b) and H.R. 11582, sec. 202) make comparable amendments with respect to "new [therapeutic] devices."

Section 5(c) of H.R. 1235 and sections 103 and 104 of H.R. 11581 make a number of amendments to the new drug provisions of the FDCA. The former rewrites the entire section, combining in the one section both new drugs and new devices. The latter is limited to new drugs. Provisions relating to new therapeutic devices are set forth in section 202 of H.R. 11582. The effect of these changes, notwithstanding differences in drafting, and in a few instances, language, is substantially the same. They require new drugs and devices to be adequately tested before they are commercialized.

Under present law—section 505(c) of the FDCA—a new drug application for approval becomes effective on the 60th day after its filing unless the Secretary by notice in writing postpones the effective date to enable him to make further study of the application. Under section 505(c) of the FDCA as amended by these bills (and new section 508(d) (devices) in the case of H.R. 11581), effectiveness (approval) of an application with respect to such articles would depend upon a determination by the Secretary that the new drug or device is safe for use and efficacious in use and has so notified the applicant. Since a new drug or device cannot be introduced in commerce unless an application with respect thereto is effective (approved) such articles could no longer be commercialized because of the mere failure to act on part of the Secretary.

The FDCA as amended by the aforementioned provisions of these bills would make the following significant changes in the law:

"1. Establish statutory authority to require proof of the efficacy, as well as the safety, of all new drugs and devices.

"2. Establish statutory authority to require manufacturers of new drugs and devices to maintain records (which would be subject to reasonable inspection) and submit reports of clinical experience and other relevant data, not only before but after the drug is released for sale."

Section 6 of H.R. 1235 and section 105 of H.R. 11581 make comparable amendments to section 507 of the FDCA relating to antibiotic drugs. The effect of this amendment is to authorize the application of certification procedures to all drugs composed wholly or partly of any antibiotic substances. Under present law certification is limited to those antibiotic preparations which happen to have come on the market prior to 1950. It does not require certification of any other drugs.

Section 106 of H.R. 11581 goes one step further and requires manufacturers of antibiotic preparations to maintain records (which would be subject to reasonable inspection) and submit reports of clinical experience and other relevant data after the drug is released for sale.

Sections 7 and 122 of H.R. 1235 and H.R. 11581, respectively, add identical provisions to the FDCA providing for strict control of barbiturates and stimulant drugs. At the outset of this new section there is a declaration of findings manifesting congressional concern for the danger to the public health implicit in the widespread illicit traffic in such drugs. This measure would limit strictly those persons who are authorized to manufacture, compound, process, or possess such drugs. Provision is made for the maintenance of accurate records relative to all aspects of such drugs—stocks on hand, kind and quantity produced, the kind and quantity sold, delivered or otherwise disposed of, the name and address of the person from whom it was received, sold, delivered, or otherwise disposed of, and the date of such transaction.

Section 9 of H.R. 1235 and section 101 make identical amendments to the FDCA to require that new cosmetics be adequately tested before they are commercialized. The format of this new section is virtually identical to the provisions of the act applicable to new drugs and devices. Thus, new cosmetics, under the authority of these sections, may not be introduced in interstate commerce in absence of an effective (approved) application. Unlike H.R. 1235, H.R. 11582 would give the Secretary statutory authority to require manufacturers of new cosmetics to maintain records (which shall be subject to reasonable inspection) and submit reports of experiences and other relevant data, not only before but after the drug is released for sale.

Sections 12 and 201 of H.R. 1235 and H.R. 11581, respectively, clarify and strengthen the existing inspection authority by extending it to cover consulting laboratories, i.e., a laboratory which performs certain laboratory services for a fee for a manufacturer, processor, or compounder of drugs who has an establishment subject to inspection under the act.

As mentioned at the outset, each of the bills in question has one or more significant provisions which is unique thereto. Some of the more significant of these follow:

"1. Section 2 of H.R. 1235 amends sections 403(f), 502(c), and 602(c) of the FDCA to authorize the Secretary to issue regulations with respect to the labeling of foods, drugs, and devices, and cosmetics, relative to the kind, sizes, and location on the label of statements required by such act.

"2. Section 3 of H.R. 1235 requires that substances used in special dietary foods be of proven usefulness for such purposes.

"3. Section 8 of H.R. 1235 requires drugs and devices intended for the prevention or treatment of cancer to be adequately tested before they are commercialized.

"4. SECTION 10 of H.R. 1235 strengthens the Secretary's enforcement powers by providing for administrative subpenas.

"5. Section 13 of H.R. 1235 prohibits the importation of any food, drug, or device or cosmetic manufactured, processed, packed, or held in any factory, warehouse or establishment that refuses to allow reasonable inspection.

"6. Section 107 of H.R. 11581 amends provisions of the Public Health Service Act and the FDCA relating to biological drugs. This section adds the test of efficacy to the licensing requirements applicable to such drugs. Special safeguards are set up for the manufacture of such drugs.

"7. Section 111 of H.R. 11581 adds a new section to the FDCA to provide a system for standardizing names for drugs.

"8. Section 131 of H.R. 11581 subjects advertisements with respect to prescription drugs to the false advertising provisions of the Federal Trade Commission Act.

"9. Section 201 of H.R. 11582 requires all therapeutic devices to be manufactured and packaged under adequate controls.

"10. Section 301 of H.R. 11582 requires all pushbutton (pressured by gaseous propellent) food dispensers to be labeled with respect to handling, storage and use."

Now, Mr. Speaker, for purposes of comparison and for a better understanding of the basic differences between the bills pending before the House Interstate and Foreign Commerce Committee and the Kefauver-Celler bill pending before the House Judiciary Committee, the facts on H.R. 6245 are, as follows:

### 2. H.R. 6245

This bill is to amend the antitrust law with respect to the manufacture and distribution of drugs, and for other purposes. Although it makes a number of amendments to the Federal Food, Drug, and Cosmetic Act which are comparable in effect with those found in H.R. 1235 and H.R. 11581, H.R. 11582, the primay objective of H.R. 6245 differs substantially from the objective of the other bills.

The principal objective of the bill is the promotion of competition and the lessening of monopoly restrictions in the drug industry. In this respect, it offers a number of drug amendments to the Sherman Act and the patent laws which are not found in the other proposals.

The second objective of the bill is the strengthening of the drug laws so as to insure that every prescription drug on the market is in conformity with proper standards and is made by a qualified manufacturer, regardless of the name under which it is sold.

This proposed legislation, limited in the main to prescription or ethical drugs, seeks to achieve the mentioned objectives in the following ways:

1. The bill would make certain agreements among drug companies unlawful under the antitrust laws.

Section 2 provides that any contract, combination, or conspiracy concerning any drugs violates sections 1 and 3 of the Sherman Act if any party to such arrangement agrees to

(1) withdraw a pending patent application, (2) concede priority of invention in connection with any agreement (a) to split royalties, or (b) to grant more favorable royalties to other applicants than to nonapplicants, or (c) to grant patent licenses only to other patent applicants, or (3) refrain from granting licenses under any patent.

This section would apply only to all drugs. It would not prohibit the sale or assignment of the property right in a patent application.

2. The bill would require the compulsory licensing of drug patents.

Section 3(d) amends the patent law by changing the exclusive patent protection accorded a new drug from the present 17-year right to exclude others to a 3-year right. The patent right would continue to exist for an additional period, not exceeding 14 years, if, and only if, unrestricted licenses are granted to qualified applicants. The 3-year term commences with the effective date of the patent. This date is (a) the date of the new drug application under the FDCA in the case of drugs requiring such application or (b) the filing date of the patent application.

The term "unrestricted license" is defined so as to include a grant of all technical information required for the safe and efficacious manufacture of the particular drug. It excludes all limitations or restrictions on the manufacture, use, or sale of such drug, other than the payment of a royalty not exceeding 8 percent of the gross selling price.

Section 3(h) imposes an additional requirement relative to the patentability of a molecular or other modification of an existing drug or combination of two or more existing drugs. Under this section, the patentability of such drugs is made to depend upon a determination by the Secretary (HEW) that the therapeutic effect of such modification or combination is significantly greater than the therapeutic effect before modification or combination.

3. The bill would authorize the Food and Drug Administration to pass on the efficacy as well as the safety of drugs.

Subsections (8) and (10) of section 4 amend section 505 of the FDCA with respect to application for approval of new drugs by adding efficiency of the drug to the test of strength, quality, and purity now required by law. As a result, a new drug would not be approved unless it is efficacious in use for the purpose which it is intended to serve.

Under present law, a new drug application becomes effective on the 60th day unless the Secretary by notice in writing postpones the effective date to enable him to make further study of the drug application. Subsection 9 of section 4 of the bill would defer the effectiveness of the application until the Secretary has determined that the new drug is safe for use and efficacious in use and has so notified the applicant. In short, the application with respect to a new drug cannot become effective by the mere inaction of the Secretary as is now the case.

Subsection 6 of section 4 extends the provisions of the FCDA relating to antibiotic drugs. It adds to the certification requirements for certain antibiotic drugs now named in the law, the same requirements as to all other antibiotics.

Similar amendments are made by H.R. 1235, H.R. 11581, and H.R. 11582.

4. The bill would insure that physicians are kept informed with respect to all the features of a drug.

Under subsection 7 of section 4, the manufacturer is required to include in information transmitted by mail to doctors a true copy of all printed matter which the Secretary has required to be included in the package in which the drug is sold. The bill also requires all advertisements and other printed materials issued by the producer of the new drug to include the official name of the drug, a warning approved by the Secretary as to

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(From the Library of Congress, Legislative Reference Service, by Raymond J. Celada, legislative attorney, American Law Division, June 15, 1962)

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 1235 | H.R. 11581 |
|---|---|
| TITLE<br>To protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to amend certain labeling provisions of the food, drug, and cosmetic chapters; prohibit worthless ingredients in special dietary foods; require adequate controls in drug manufacture; require new drugs to be shown efficacious and new therapeutic devices to be shown safe and efficacious before they are marketed commercially; make other improvements with respect to new drug control; require all antibiotics to be certified; provide adequate controls over the distribution of habit-forming barbiturates and stimulant drugs; require cosmetics to be shown safe before they are marketed commercially; clarify and strengthen existing inspection authority; make additional provisions of the act applicable to carriers; provide for administrative subpenas; and for other purposes. | To protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety, efficacy, and reliability of drugs, authorize standardization of drug names, establish special controls for barbiturate and stimulant drugs, and clarify and strengthen existing inspection authority with respect to any articles subject to the act; and to amend related laws. |
| SHORT TITLE<br>"Food Drug, and Cosmetic Amendments of 1961." | "Drug and Factory Inspection Amendments of 1962." |
| Section 2: Section 2 of the bill amends certain existing sections of the Federal Food, Drug, and Cosmetic Act (hereafter FDCA) relating to information required on the labels of foods, drugs, and devices, and cosmetics.<br>Subsections (a), (b), and (c) provide that the Secretary (HEW) may issue regulations with respect to the labeling on foods, drugs, and devices, and cosmetics; i.e., the kind, size, and location on the label of statements required under the authority of that act.<br>Subsection (d) is a conforming amendment. | N.C.P. See section 112, infra. |
| Subsection (e) provides that the use of artificial coloring in butter, cheese, and ice cream shall conform to the standard of identity and labeling requirements of that act.<br>N.C.P. | N.C.P. |
| N.C.P. | N.C.P. |

any dangerous or harmful effect, and a full statement of the drug's efficiency. This provision includes all forms of advertising by all methods of dissemination to physicians.

Section 510 requires the Secretary to publish and distribute to physicians a list of drugs which have the potentiality of particularly serious, dangerous or harmful effect. Provision is also made for the publication and distribution to doctors of copies of all printed matter which the Secretary has required to be included in any package in which a drug is sold.

Section 502 of the FDCA prescribes when a drug is misbranded. Paragraph (c) of that section specifies the contents of the label on a packaged drug. Paragragh (b) of subsection 4(h) of the bill adds to those label requirements the manufacturer's license number, if he has a license from the Secretary under section 508 of the bill; a statement of the quantity of the package content; the official name of the drug in type as large and as prominent as that used for any brand name appearing on the label; and, the date, if any, after which the drug cannot be expected to produce its intended specific results.

5. The bill would require more comprehensive inspection of drug manufacturing plants.

Section 4(13)(c) gives the representatives of the Department (HEW), as authorized by the Secretary, the right of inspection of drug manufacturing establishments. The inspection may include, but is not limited to, commercial testing laboratories, plant sanitation, raw materials and analytical reports of such materials, formula cards, actual manufacturing working sheets, batch records, weighing and measuring controls, packaging techniques; sterility controls, potency controls, coding systems, facilities for maintaining separate identity of each drug, cleaning of equipment between batches, quarantine of drugs until after clearance with the control laboratory, qualifications of the technical staffs, and the complaint file of the applicant of licenses. Provision is also made for the inspection of foreign drug establishments.

6. The bill would require the licensing of drug manufacturing firms.

Section 4(13) adds a new section to the FDCA. This relates only to drugs which are required by law to be dispensed on prescription of a qualified physician, i.e., drugs which are habit forming, unsafe to take without a doctor's prescription, or a new drug which is limited by an effective application to use under supervision of a doctor.

This section of the bill prohibits the production or importation of such drugs unless the producer has an unsuspended and unrevoked license. No license may be granted unless the applicant demonstrates that his establishment meets standards calculated to insure chemical structure, strength, quality, purity, safety and efficacy of the drug. Provision is made for suspending or revoking such license in the event the licensee fails to maintain his qualifications to produce such drug or violates any provision of this section.

7. The bill gives the Food and Drug Administration authority to establish the official or generic names for drugs.

Section 509 sets up a system for the designation of the official name of drugs. This section authorizes the Secretary to determine the official names in the interest of usefulness and simplicity. Only those names approved by the Secretary are to be used in the official compendia.

The purpose of this section is to provide an official name for each drug. Section 509 does not prohibit the use of brand or trade names.

TABULAR COMPARISON OF ALL FOUR BILLS

Mr. Speaker, I now submit the detailed analysis in tabular form of the four bills as prepared by Mr. Raymond J. Celada, as follows:

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 11582 | H.R. 6245 |
|---|---|
| To protect the public health by amending the Federal Food, Drug, and Cosmetic Act to require a premarketing showing of the safety of cosmetics, assure the safety, efficacy, and reliability of therapeutic, diagnostic, and prosthetic devices; and amend the act with respect to cautionary labeling; and for other purposes. | To amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes. |
| "Cosmetics and Therapeutic Devices Amendments of 1962." | "Drug Industry Antitrust Act." |
| | N.C.P. See section 4(a)(4), infra. |
| N.C.P. | Section 2: Section 2 of the bill adds a new section to the Sherman Act. It provides that every contract, combination, or conspiracy relating to drugs violates sections 1 and 3 of the Sherman Act if any party to such arrangement undertakes to—<br>(1) withdraw or cause to be withdrawn any pending patent application;<br>(2) concede priority of invention to another patent applicant in connection with any agreement—<br>(a) to split royalties between the applicants to the patent,<br>(b) to grant more favorable royalty rates to applicants for the patent over nonapplicants, or<br>(c) to grant patent licenses only to other applicants for the patent, or<br>(3) refrain or induce another to refrain from granting any patent license for any drug.<br>The term "drug" is defined in conformity with the definition in the FDCA. |
| N.C.P. | Section 3: Section 3 of the bill makes a number of amendments relating to patents for drugs.<br>Subsection (a) adds a definition of the term "drugs" to the definitions section of the patent laws. It conforms to that found in the FDCA, except that it is limited to drugs which may be dispensed only on prescription of a qualified physician, i.e., prescription drugs.<br>Subsection (b) provides that any drug which is a combination of two or more drugs already in existence, whether patented or un- |

COMPARISON OF H.R. 1235, 11581-11582, AND 6245

| H.R. 1235 | H.R. 11581 |
|---|---|
| Section 3: Section 3 of the bill adds new provisions to the FDCA relating to special dietary foods.<br>Subsection (a) provides that a food shall be deemed to be adulterated if it purports to be for a special dietary use and contains any substance whose usefulness for such purpose has not been established. This requirement does not apply to the use of binders, excipients, fillers, carriers, or coatings in such foods.<br>Subsection (b) provides that the label on a dietary food shall bear, in certain cases, its common or usual name, and in case it is fabricated from two or more ingredients, the common or usual name of each such ingredient.<br>Subsection (c) provides that no substance, the usefulness of which for a special dietary purpose has not been established, shall be mentioned on the label. This requirement does not apply to binders, excipients, fillers, carriers, or coatings which may be declared as such. | N.C.P. |
| Section 4: Section 4 provides that a drug shall be deemed to be adulterated if the methods, facilities, personnel, or controls used relative to its manufacture, processing, packing, or holding were inadequate—<br>(a) to insure that its identity, strength, purety and quality are equal to those which it is represented as possessing, or<br>(b) to insure that it will not be injurious to health when used as labeled or prescribed, or<br>(c) to insure that its labeling is not such as to cause it to be adulterated or misbranded.<br>N.C.P. | C.P. SEC. 101(a) |
| Section 5: Section 5 of the bill amends the FDCA so as to require new drugs and new therapeutic devices to be adequately tested before they are commercialized. | C.P. (with respect to new drugs only). Secs 102, 103, and 104. |
| Subsection (a) defines the term "new drug" so as to include the element of "efficacy." | See SEC. 102 (a) and (b). |
| Subsection (b) defines the term "new device" so as to include the element of "efficacy." | N.C.P. |
| N.C.P. | N.C.P. |

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 11582 | H.R. 6245 |
|---|---|
| | patented. or any drug which is merely a molecular or other modification of an existing drug is not patentable unless the Secretary (HEW) has determined that the therapeutic effect of the modified or combined drug is significantly greater than the therapeutic effect of the drug before modification or the drug in modification when taken separately.<br>Subsection (c) amends provisions of the patent laws setting forth the interference procedure in the Patent Office, i.e., when an application for a patent is filed which would interfere, in the opinion of the Commissioner, with any pending application. This section adds the requirement that patents on new drugs shall be issued as of the effective date of the new drug. As to drugs which do not require a new drug application, subsection (c) fixes the date of the filing of the patent application as the effective date of the new patent.<br>Subsection (d) amends the section in the patent laws which gives to a patentee, his heirs or assigns, the right to exclude others from making, using, or selling the invention for a period of 17 years from the issuance of the patent. This section of the bill grants to the holder of a drug patent similar rights for a period of 3 years from the date of filing of the patent application, and for an additional period, not exceeding 14 years, during which the patentee grants to each qualified applicant an unrestricted license to make, sell, and use that drug. If after the first 3 years, and during the additional period, the patentee fails to grant a license to a qualified applicant, within 90 days from the date of the application in writing, the patentee is required to report such failure to the Commissioner of Patents. After receipt of such report or after a determination by the Commissioner that the patent holder has failed to grant a license to any qualified applicant, the Commissioner may terminate the patent. Such termination shall be published in the Federal Register and endorsed on subsequent copies of the patent distributed by the Patent Office.<br>The term "qualified applicant" is defined as one who holds an unsuspended and unrevoked license (under sec. 508 of the bill) for the manufacture, preparation, or propagation of that drug by the Secretary.<br>The term "unrestricted license" includes a grant of all technical information required for the safe and efficacious manufacture, preparation, or propagation of that drug. It excludes all limitations or restrictions on the manufacture, use, or sale of that drug other than the payment of a royalty not exceeding 8 percent of the gross selling price received by the licensee for the sale of that drug. The patent holder is also prohibited from discriminating in royalty rates between licensees based on differences of use or form in which the drug is sold by the licensee. |
| N.C.P. | N.C.P. |
| N.C.P. See, title II, SEC. 201(a), infra. | N.C.P. |
| SEC. 201. Section 201 requires adequate controls in the manufacture of therapeutic, diagnostic, and prosthetic devices.<br>Subsection (a) declares that a new device shall be deemed to be adulterated if the methods, facilities, personnel or controls used relative to its manufacture, processing, packing, or holding were inadequate—<br>(1) to insure that its identity, efficacy, and quality are equal to those which it is represented as possessing, or<br>(2) to insure that it will not be injurious to health when used as directed or prescribed, or<br>(3) to insure that its labeling is not such as to cause it to be adulterated or misbranded.<br>C.P. (with respect to new devices only). SEC. 202. | N.C.P. |
| | C.P. SEC. 4(a) (1), (8), (9), (10), and (11). |
| See SEC. 202(b) 508(a)), infra. | N.C.P. |
| N.C.P. | Section 4: Section 4 of the bill amends certain sections of the FDCA which prohibit the introduction in interstate commerce of any food, drug and device, or cosmetic that is adulterated or misbranded. |

**COMPARISON OF H.R. 1235, 11581–11582, AND 6245**

| H.R. 1235 | H.R. 11581 |
|---|---|
| Subsection (c) rewrites the existing "new drugs" provisions of that act so as to include new therapautic devices and requires both articles to be adequately tested before they are commercialized.<br>Paragraph (a) prohibits the introduction of a new drug or device in interstate commerce unless an application is effective with respect to such drug or device. | C.P. 104(a)(1). This subsection prohibits the introduction of a new drug in interstate commerce unless an application has been filed and there is in effect approval of such application by the Secretary. |
| Paragraph (b) provides that any person may file an application with the Secretary with respect to any new drug or device. In addition to such application, the applicant must submit—<br>(1) full reports of investigations showing whether or not such drug or device is safe and efficacious for use;<br>(2) a full list of the articles used as components of such drug or device;<br>(3) in the case of a drug, a full statement of its composition, or in the case of a device, a full statement of its composition, properties, and construction as well as the principles of its operation;<br>(4) a full description of the methods, facilities, and controls used relative to the manufacture, processing, and packing of such drug or device;<br>(5) such samples as the Secretary may require; and<br>(6) specimens of the proposed labeling. | C.P. SEC. 104(a)(2). |
| Paragraph (c) requires the Secretary, within 90 days after the filing of an application, to either notify the applicant that his application is effective or to give him notice of an opportunity for a hearing on the question whether to permit the application to become effective. The Secretary may extend the time for action on an application, provided the applicant is notified of such extension before the expiration of 90 days from the filing thereof. In no case may such an extension exceed 180 days from the date of the filing of the application. | C.P. SEC. 104(a)(3). |
| Paragraph (d) authorizes the Secretary, after due notice and opportunity for a hearing to the applicant, to refuse to permit the application to become effective if any of the following are found to exist:<br>(1) The information detailing the investigations required under subsection (b) does not include adequate tests by all methods reasonably applicable to show whether or not such drug or device is safe and efficacious for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof;<br>(2) The results of such drug or device is unsafe or not efficacious for use under such conditions or do not show that such drug or device is safe and efficacious for use under such condition;<br>(3) The methods, facilities, and controls used relative to the manufacture, processing, and packing of such drug or device are inadequate to preserve its identity, strength, quality, and purity; or | C.P. section 104(a)(4).<br>This section is virtually the same except that it requires the Secretary, after notice and an opportunity for a hearing to the applicant, to approve the application if the grounds specified in clause 1–4 do not apply. |

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 11582 | H.R. 6245 |
|---|---|
| | Subsection (a)(1), supra.<br>Subsection (a)(3) prohibits the introduction in interstate commerce of any drug which is required to be dispensed only on a doctor's prescription unless that drug was manufactured, propagated, or prepared by a person who at that time held an unsuspended and unrevoked license required under section 508 of this bill.<br>Subsection (a)(4) requires the label of a packaged drug to bear—<br>(1) the name, place of business, and license number of the manufacturer, packer, or distributor;<br>(2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count;<br>(3) the official name approved by the Secretary under section 509 of this bill in type as prominent as that used for any brand name appearing on the label; and<br>(4) the date, if any, after which the drug cannot be expected beyond a reasonable doubt to produce its intended specific result.<br>Subsection (a)(5) declares misbranded any drug which is fabricated from two or more ingredients unless the label carries the official name and quantity of active ingredients.<br>Subsection (a)(6) subjects all antibiotic drugs to the same labeling requirements now specified for certain antibiotic drugs named in the law.<br>Subsection (a)(7) adds two new paragraphs to the misbranding provisions of the FDCA.<br>(1) The manufacturer, packer or distributor of a drug is required to include in information sent by mail to doctors a true copy of all printed matter which the Secretary has required to be included in the package in which the drug is sold. In addition, doctors must be furnished with a statement of facts and determinations made by the Secretary under the authority of section 505 of this bill.<br>(2) All advertisements and other printed matter issued by the manufacturer would have to include—<br>(A) the official name of the drug in a prominent manner;<br>(B) a warning approved by the Secretary as to any danger or harmful effect; and<br>(C) a full and correct statement of its efficacy. |
| C.P. SEC. 202 (a) and (b) (508(a)). This subsection has the effect of prohibiting the introduction of an unsafe therapeutic device in interstate commerce unless an application has been filed and there is in effect approval of such application by the Secretary.<br>The definition of the term "unsafe device" is identical to the definition of "new device" in H.R. 1235. | N.C.P. |
| C.P. SEC. 202(b) (508(b)). | |
| C.P. SEC. 202(b) (508(c)). | **C.P. SEC. 4(a)(10). This section defers effectiveness of the application until the Secretary has determined the new drug is safe and efficacious for use and efficacious in use and has so notified the applicant.** |
| **C.P. section 202(b) (508(d)). In addition, the Secretary is required, after notice and an opportunity for a hearing to the applicant, to approve the application if the grounds specified in clauses 1–4 do not apply.** | N.C.P. |

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| (4) All the information available to the Secretary is insufficient to permit a determination as to whether such drug or device is safe and efficacious for use under such conditions. | |
| Paragraph (e) authorizes the Secretary, after due notice and an opportunity for a hearing to the applicant, to suspend the effectiveness of an application if—<br>(1) there is reasonable doubt as to the safety or efficacy of the drug or device for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof, or<br>(2) the application contains any untrue statement of a material fact, or<br>(3) the applicant has failed to maintain any required records or to make any required reports, or permit inspection of any such record. | C.P. Sec. 104(b). In addition to the reasons specified in H.R. 1235, this section authorizes the Secretary to withdraw approval of an application if—<br>(4) the methods, facilities, and controls used relative to the manufacture, processing, and packing of such drug are inadequate to assure and preserve its identity, strength, quality, purity, safety, and efficacy, or<br>(5) any condition attached to approval of the application has been violated.<br>Provision is also made for immediate suspension of approval in cases of imminent hazard to the public health. |
| Paragraph (f) permits the Secretary to revoke a refusal of effectiveness whenever the facts so require. | C.P. Sec. 104(c). |
| Paragraph (g) provides that the Secretary's order shall be based upon a fair evaluation of the entire record and shall include a statement of the findings and conclusion on which it is based. | N.C.P. |
| Provision is made for appropriate service of the Secretary's orders. | |
| Paragraph (h) provides for judicial review of an order denying or withdrawing approval of an application within 60 days of service of notice of such order. Such appeals shall be entertained by the U.S. court of appeals for the circuit in which such applicant resides or has his principal place of business. Appropriate service is provided and a transcript of the proceedings before the Secretary as well as his findings shall be filed in the court. The court may affirm or set aside the order. The findings of the Secretary as to questions of fact shall be sustained if based upon a fair evaluation of the record at the hearing. Provision is made for the taking of additional evidence in certain cases. The judgment of the court of appeals is final, subject to review by the Supreme Court. Proceedings under this subsection do not operate as a stay of the Secretary's order unless so ordered by the court. | C.P. Sec. 104(d). |
| Paragraph (i) requires the Secretary to exempt (by regulation) from the operation of this section, drugs or devices intended solely for investigational use by experts. The Secretary may condition such exemptions upon the maintenance of such records and the making of such reports as will enable him to evaluate the safety of drugs and devices in the event an application is filed respecting such drugs or devices. | C.P. Secs. 102(b)(5) and 103(b). |
| Paragraph (j)(1) requires every person engaged in manufacturing, compounding, or processing any new drug or device covered by an effective application to maintain such records as are necessary for the Secretary to determine whether such effectiveness shall continue in effect. Retail pharmacies, hospitals, clinics, public health agencies, and licensed practitioners who prepare or compound such drugs or dispense or use such devices in the regular course of their business or profession are exempt from the application of this paragraph. | C.P. Sec. 103(a). |
| Paragraph (j)(2) provides that such records shall be available for reasonable inspection by the Secretary. | C.P. section 103(a). |
| N.C.P. | N.C.P. |
| Subsection (d) declares that a violation of paragraph (j) shall be deemed to be a prohibited act. | C.P. sections 103 (c) and (d). |
| N.C.P. | N.C.P. |
| Subsection (e) provides that a violation of the reporting, recording, and inspection requirements of this section shall be subject to the injunctive proceedings authorized by the FDCA. | N.C.P. |
| Subsection (f) declares that any drug which is found to be habit forming shall be deemed to be misbranded unless its label bears the name and quantity or proportion of the habit-forming substance as well as an appropriate warning. | N.C.P. |
| Section 6: Section 6 of the bill makes a number of amendments to the FDCA relating to antibiotic drugs. | C.P. section 105. |
| Subsection (a) adds to the certification requirements for certain antibiotics now named in the law, the same requirements as to all drugs composed wholly or partly of any antibiotic substance. | C.P. section 105(a). |
| Subsection (b) defines the term "antibiotic substance." | N.C.P. |
| Subsection (c) adds to the improperly certified provisions for certain antibiotics now named in the law, the same requirements as to all drugs composed wholly or partly from any antibiotic substance. | C.P. section 105(b). |
| N.C.P. | Section 106: Section 106 of the bill amends the FDCA so as to assure the Secretary of all available information with respect to antibiotic drugs.<br>Subsection (a) adds two new paragraphs to the existing antibiotic provisions of that Act. The first paragraph requires every person engaged in the manufacture, compounding, or processing of any drug containing an antibiotic substance to maintain such records and make such reports as the Secretary deems necessary to determine whether the certification with respect to such drug should be rescinded. |

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| C.P. SEC. 202(b) (508(e)). In addition to the reasons specified in H.R. 1235, this section authorizes the Secretary to withdraw approval of an application if—<br>(4) the methods, facilities, and controls used relative to the manufacture, processing, and packing of such device are inadequate to assure and preserve its identity, strength, quality, safety, and efficacy, or<br>(5) any condition attached to approval of the application has been violated.<br>Provision is also made for immediate suspension of approval in cases of imminent hazard to the public health. | N.C.P. |
| C.P. SEC. 202(b) (508(f)). | N.C.P. |
| N.C.P. | N.C.P. |
| C.P. SEC. 202(b) (508(g)). | |
| C.P. SEC. 202(b) (508(h)). This section authorizes judicial review of a final order denying or withdrawing approval of an application in conformity with existing provisions of the FDCA. | N.C.P. |
| C.P. SEC. 202(b) (508(i)). | N.C.P. |
| C.P. SEC. 202(b) (508(j)(1)). | N.C.P. |
| C.P. sections 202(b) (508(j)(2)). | N.C.P. |
| Paragraph (j)(3) provides that devices licensed by the Atomic Energy Commission shall be exempt from the operation of this section. | N.C.P. |
| C.P. sections 203 (b) and (c). | N.C.P. |
| Subsection (d) prohibits the representation on the labeling of any device or any advertising relating thereto that such device is covered by an effective approved application or complies with the appropriate provisions of the FDCA as amended by this bill. | N.C.P. |
| N.C.P. | N.C.P. |
| N.C.P. | N.C.P. |
| Section 204: Section 204 of the bill sets forth the effective date of the foregoing section. | |
| N.C.P. | C.P. section 4. |
| N.C.P. | C.P. section 4(a)(12). |
| N.C.P. | N.C.P. |
| N.C.P. | N.C.P. |
| N.C.P. | N.C.P. |

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| | The second paragraph provides for reasonable inspection of such records by the Secretary.<br>Subsection (b) authorizes the Secretary to condition the exemption of drugs intended solely for investigational use upon the maintenance of such records and the making of such reports as will enable him to evaluate the safety and efficiency of such drugs.<br>Subsection (c) declares a violation of this section to be a prohibited act and, therefore, subject to the penalties of the FDCA. |
| N.C.P. | Section 107: Section 107 of the bill amends the existing law relating to biological drugs, i.e., virus, serum, toxin, and antitoxin.<br>Subsection (a) amends the Public Health Service Act by adding the test of efficacy to others now named in the law relating to the licensing of such drugs.<br>Subsection (b) declares a biological drug to be adulterated if—<br>(1) it has not been propagated, manufactured, and prepared in conformity with the provisions of the Public Health Service Act, and in accordance with the terms of the license issued to the manufacturer, or<br>(2) it is not in conformity with such section, the expiration date on the label has passed, or such license has been suspended or revoked.<br>A biological drug is declared to be misbranded if its packaging or labeling is not in conformity with the applicable regulations or standards prescribed under the authority of the Public Health Service Act.<br>Section 108: Section 108 sets forth the effective dates of the foregoing sections. |
| N.C.P. | Section 111: Section 111 of the bill adds a new section to the FDCA which provides for a system of standardizing drug names.<br>Subsection (a) authorizes the Secretary to determine a single standard name for a drug in the following situations:<br>(1) Such action is necessary or desirable in the interest of achieving usefulness or simplicity of drug nomenclature, or<br>(2) The existence of two or more nonproprietary names for the same drug or for two or more drugs which are identical in their active ingredients and substantially identical in their pharmacological action, strength, quality, and purity, or<br>(3) The common or usual name of a drug is misleading, confusing, or not sufficiently informative, or<br>(4) There exists no common or usual name for a drug. |
| N.C.P. | Section 112: Section 112 amends provisions of the FDCA relative to the designation of a drug by a name not in an official compendium.<br>Paragraph (a)(1) is a conforming amendment.<br>Paragraphs (a) (2) and (4) provide that a drug shall be deemed to be misbranded unless—<br>(1) its label bears the established name, and in the case of it is fabricated from two or more ingredients, the established name and quantity of each active ingredient, and<br>(2) the established name of such drug or ingredient on the label is given precedence in prominent type over any proprietary name.<br>Paragraphs (a) (3) and (5) are conforming amendments.<br>Paragraph (a)(16) defines "established name" to include the following:<br>(1) The applicable standard name established pursuant to section 111, or<br>(2) If there is no such name, the official title in the official compendium, or<br>(3) If neither, the common or usual name of such drug or ingredient. |
| N.C.P. | N.C.P. |

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| **H.R. 11582** | **H.R. 6245** |
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| N.C.P. | N.C.P. |
| N.C.P. | C.P. section 509. |
| N.C.P. | See section 509. |
| N.C.P. | Subsection (a) (13) adds a new section to the FDCA relating to prescription drugs.<br>Paragraph (a) requires any person manufacturing, preparing, or propagating such a drug for distribution in interstate commerce or for importation into the country must obtain a license from the Secretary. If the Secretary finds that such licensee is no longer qualified to make such drug or has adulterated or misbranded the drug, he shall suspend or revoke the license. This paragraph prohibits the manufacture, preparation, or propagation of such drugs unless the manufacturer has an unsuspended and unrevoked license. This also applies to imports of foreign drugs.<br>Paragraph (b) provides that no license may be granted unless the applicant demonstrates that the establishment in which the drug is to be produced meets such standards as the Secretary determines necessary to insure the continued chemical structure, strength, quality, purity, safety, and efficacy of the drug. When the Secretary determines that the establishment no longer meets those standards, he shall revoke or suspend the license.<br>Paragraph (c) gives the representatives of the Department the right of inspection of any such establishment. The inspection may include, but is not limited to, commercial testing laboratories, plant sanitation, raw materials and analytical reports on such materials, formula cards, actual manufacturing worksheets, batch records, weighing and measuring controls, packaging techniques, sterility controls, coding systems, facilities for maintaining separate identity of each drug, cleaning of equipment between batches, quarantine of drugs until after clearance with the laboratory, qualifications of the technical staff, and the complaint file of the license or applicant for a license.<br>Paragraph (d) provides that no license may be granted when the drug is manufactured, prepared, or propagated in a plant in a foreign country unless the Secretary has determined that ade- |

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| SEC. 7. Section 7 of bill adds a new section to the FDCA relating to habit-forming stimulant drugs. | C.P. SEC. 122. |
| Subsection (a) sets forth the following Congressional findings with respect to barbiturate and habit-forming stimulant drugs: (1) that there is a widespread illicit traffic in such drugs; (2) that the use of such drugs has become a threat to public health and safety; (3) that adequate protection against the dangers of such drugs requires regulation of intrastate commerce; and (4) that the regulation of such drugs in interstate commerce without similar regulation in intrastate commerce discriminates against and depresses interstate commerce. | C.P. SEC. 121. |
| Paragraph (a) of this new section defines barbiturate and habit-forming drugs. | C.P. SEC. 122 (509(a)). |

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quate and effective means are available to determine from time to time that the plant continues to fulfill the requirements under paragraph (b) with respect to that drug. Whenever the Secretary finds that such means for that determination are no longer available, he shall suspend or revoke the license. A license of a foreign plant shall include compliance with the provisions of the FDCA as amended by this bill and any other condition which the Secretary determines necessary for the protection of public health and safety. His license shall be conditioned on the payment of such fees as are necessary to provide and maintain adequate inspection as prescribed in the bill.

Paragraph (e) provides for a public hearing upon objections by an applicant or licensee for a refusal to license or the suspension or revocation of a license within 30 days after notice by the Secretary of such action by him. Evidence must be received on issues raised by the objections. The Secretary shall promptly enter his final order supported by his findings of fact and conclusions. No final order suspending or revoking a license shall take effect until 90 days after its publication unless the Secretary finds that emergency conditions exist which necessitate an earlier date. In that case such conditions shall be specified in his order. If the Secretary finds that the requirements for a license are being violated he may immediately on notice to the licensee, suspend the license. The balance of the paragraph sets forth the procedure for reinstatement of a suspended license.

Paragraph (f) provides for an appeal from a final order of the Secretary to the U.S. court of appeals for the circuit in which the applicant lives or has his principal place of business. Appropriate service is provided and a transcript of the proceedings before the Secretary and his findings shall be filed in the court. The court may affirm or set aside the order in whole or in part. The findings of the Secretary as to questions of fact shall be sustained if based upon a fair evaluation of the entire record of the Secretary's hearing. The court shall advance on the docket and expedite the disposition of all cases under this section.

The bill provides for the taking of further testimony in certain cases. The judgment of the court as final, subject to review by the Supreme Court.

Paragraph (g) makes any person who knowingly obstructs or interferes with or conspires with any person to do so, the performance by any officer or agent of the Department of any duty under this section subject to fine of $1,000 or imprisonment for not more than 1 year, or both.

Section 509: Section 509 of the bill sets up a system for the designation of official names for drugs.

Paragraph (a) authorizes the Secretary to determine of fiscal names of drugs in the interest of usefulness and simplicity. Only those names approved by the Secretary are to be the official names used in the official compendium. In the case of combinations of drugs, the official name of the component ingredients must be designated.

Paragraph (b) requires the Secretary to review periodically official names by which drugs are identified in official compendia to determine whether revision of any names is necessary or desirable in the interest of usefulness or simplicity.

Paragraph (c) requires the Secretary to designate another official name when he finds that the official name in use is unduly complex or unuseful. When the Secretary determines that there are two or more official names for a single drug or two or more drugs which are identical in chemical structures and pharmacological action and substantially identical in strength, quality, and purity, he shall designate a single official name which is useful. He shall also designate an official name to any drug found not to have such a name.

Paragraph (d) provides that after each review, the Secretary shall publish a list of all revised official names and such other matters as he deems necessary for the effective use of those drug names.

Paragraph (e) requires the official name to be the exclusive official name of the drug.

SEC. 510. Section 510 of the bill provides for giving of full information relating to drugs to doctors.

Paragraph (a) requires the Secretary to publish and distribute to physicians, annually, a list of drugs which have the potentiality of dangerous or harmful effects.

Paragraph (b) requires the Secretary to publish and distribute to doctors, hospitals, medical and nurses' training schools, as well as Federal, State, and local government officers concerned with the handling and utilization of drugs, copies of all printed matter which the Secretary has required to be included in any package in which the drug is sold.

N.C.P.

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| Paragraph (b) specifies those persons who may manufacture, compound, or process barbiturate or habit-forming stimulant drugs—<br>(1) Manufacturers, compounders, and processors who are listed with the Secretary and who are regularly engaged in preparing pharmaceutical chemicals or prescription drugs for distribution through branch outlets, through wholesale druggists, or by direct shipment, (A) to retail pharmacies or to hospitals, clinics, public health agencies, or physicians, for dispensing by registered pharmacists upon prescription, or for use by or under supervision by practitioners licensed by law to administer such drugs in the course of their professional practice, or (B) to laboratories or research or educational institutions for use in research, teaching, or chemical analysis.<br>(2) Branch outlets established by listed manufacturers, compounders, processors, or wholesale druggists who maintain establishments in conformity with local laws and are regularly engaged in supplying prescription drugs to those persons, organizations, and institutions listed above.<br>(3) Retail pharmacies and public health agencies, which maintain establishments in conformity with local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs.<br>(4) Practitioners licensed to prescribe or administer barbiturate or habit-forming stimulant drugs in the course of their professional practice<br>(5) Persons who possess such drugs for use in research, teaching, or chemical analysis and not for sale.<br>(6) Officers and employees of Federal, State, Territorial, or local governments, in the course of their official duties.<br>(7) An employee of any person described above. | C.P. SEC. 122 (509(b)). |
| Paragraph (c) limits the possession of any barbiturate or any habit-forming stimulant drug to (1) a person authorized by the foregoing paragraph, (2) a person to whom such drug has been prescribed by a duly licensed practitioner, or (3) a carrier or warehouseman. | C.P. section 122(509(c)). |
| Paragraph (d) prohibits the sale, delivery, or other disposition of any barbiturate or any habit-forming stimulant drug by persons other than those described in paragraph (c). | C.P. section 122(509(d)). |
| Paragraph (e) requires every person engaged in manufacturing, compounding, processing, selling, delivering, or otherwise disposing of any barbiturate or any habit-forming stimulant drug to maintain appropriate records which shall be available for inspection of the Secretary. Licensed practitioners who are authorized to receive, prepare, administer, or dispense such drugs in the course of their professional practice are exempt from this requirement. | C.P. section 122(509(e)). |
| Paragraph (f) permits the Secretary to exempt such drugs from the requirements of this section when he finds that their regulation is not necessary for the protection of public health. | C.P. Section 122, (509(f)). |
| Subsection (c) declares that a violation of this section shall be deemed to be a prohibited act and subject to the penalties provided therefor under that act. | C.P. Section 123. |
| Subsection (d) provides that a violation of this section subjects such drugs to seizure and condemnation in any United States district court within the jurisdiction of which it is found. | C.P. Section 124. |
| Subsection (e) disclaims any interference with State law. | C.P. Section 125. |
|  | Section 126: Section 126 sets forth the effective date of the foregoing sections. |
| Section 8: Section 8 of the bill adds a new section to the Federal Drug and Cosmetic Act relating to drugs and devices intended for the prevention and treatment of cancer.<br>Subsections (a), (b), and (c) subject violations of this section to the prohibited act and seizure-condemnation provisions of that Act.<br>Paragraph (d) of this new section prohibits the introduction in interstate commerce of any drug or device intended for any use in the prevention, cure, mitigation, or treatment of cancer unless the following requirements have been complied with:<br>(1) A full statement of the composition of the drug or construction and properties of the device, and a full description of the components, methods, facilities, and controls used in its production.<br>(2) Scientific evidence, showing that the article has value for such use or that there is a reasonable possibility that the article has value for such use.<br>(3) Such samples of the article as the Secretary may require, and<br>(4) A valid approval issued by the Secretary.<br>Paragraph (b) sets forth the procedure for approval or disapproval of the article for distribution. The Secretary is required to promptly notify the applicant of his decision.<br>Paragraph (c) provides that approval of the Secretary shall be limited to use of the article solely in a reasonable program of investigation by experts. The Secretary may condition and restrict approval as necessary in order to confine the use of the article to the mentioned limitation. Provision is made for revoking or modifying such approval in light of developments under the program.<br>Paragraph (d) authorizes the Secretary to revoke his approval (1) if he finds such approval was obtained through an untrue statement of a material fact, or<br>(2) clinical experience reveals that the article has no value in the prevention, cure, mitigation, or treatment of cancer.<br>Paragraph (e) exempts from the operation of this section certain articles generally recognized effective in this area, e.g., X-ray equipment, surgical instruments, and radioactive isotopes. | N.C.P. |

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| H.R. 11582 | H.R. 6245 |
|---|---|
| N.C.P. | N.C.P. |

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| H.R. 1235 | H.R. 11581 |
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| N.C.P. | Section 131: Section 131 subjects prescriptive drug advertisements to the false advertising provisions of the Federal Trade Commission Act. An advertisement of a prescriptive drug is deemed to be misleading if it omits a conspicuous, full and truthful disclosure of—<br>(1) the efficacy of the drug, and<br>(2) the quantitative formula of the drug with each active ingredient listed by its common or usual name.<br>(3) the side effects of the drug, and<br>(4) the contra indications of the drug. |
| Section 9: Section 9 of the bill amends provisions of the FDCA to insure that new cosmetics are adequately tested before they are commercialized.<br>Paragraph (a) prohibits, in the absence of an effective application, the introduction or delivery for introduction in interstate commerce of any cosmetic the composition of which is such (1) that it is not recognized as having been adequately shown to be safe for its intended or reasonably anticipated uses, or (2) that while its safety has been recognized in tests conducted for such purpose, it has not been subject to sufficient use.<br>Paragraph (b) provides that any person may file an application with the Secretary with respect to a new cosmetic. In addition to such application, the applicant must submit (1) full information detailing investigations made to show whether or not such cosmetic is safe for use, (2) a full list of articles used as component of such cosmetic (3) a full statement of the composition of such cosmetic, (4) a full description of the methods, facilities, and controls used relative to the manufacture, processing, and packing of such cosmetic, (5) such samples as the Secretary may require, and (6) specimens of the proposed labeling.<br>Paragraph (c) requires the Secretary, within 90 days after the filing of an application, to either notify the applicant that his application is effective or to give him notice of an opportunity for a hearing on the question whether to permit the application to become effective. The Secretary may extend the time for action on an application when necessary, provided that the applicant is notified prior to the expiration of 90 days from the filing of the application. In no case may such extension exceed 180 days from the date of the filing of the application.<br>Paragraph (d) authorizes the Secretary, after due notice and an opportunity for a hearing to the applicant, to refuse to permit the application to become effective if—<br>(1) the information detailing the investigations required under subsection (b) does not include adequate tests by all methods reasonably applicable to show whether or not such cosmetic is safe for its intended or reasonably anticipated uses:<br>(2) the results of such tests do not show that such cosmetic is safe for such uses;<br>(3) the methods, facilities, and controls used relative to the manufacture, processing, and packing of such cosmetic are inadequate to preserve its identity, strength, quality, and purity, and<br>(4) all the information available to the Secretary is insufficient to permit him to determine whether such cosmetic is safe for its intended or reasonably anticipated uses.<br>A cosmetic is deemed unsafe and an application relative thereto ineligible for effectiveness if its intended or anticipated uses would induce cancer in man or animal.<br>An application with respect to any new cosmetic shall not be effective if the intended or reasonably anticipated use of such cosmetic would promote deception of the consumer or result in its being misbranded or adulterated within the meaning of the FDCA.<br>Paragraph (e) authorizes the Secretary, after due notice and opportunity for a hearing to the applicant, to suspend the effectiveness of an application if any of the following are found to exist:<br>(1) Reasonable doubt as to the safety of the cosmetic for its intended or reasonably anticipated uses, or<br>(2) The application contains any untrue statement of fact.<br>Paragraph (f) permits the Secretary to revoke an existing refusal of effectiveness when the facts so require.<br>Paragraph (g) provides that the order of the Secretary shall be based upon a fair evaluation of the entire record and shall include a statement of the findings and conclusion on which it is based.<br>Provision is made for appropriate service of such orders.<br>Paragraph (h) provides that an applicant may appeal from a denial or withdrawal of an approval order (within 60 days of service of such order) to the United States court of appeal for the circuit in which he resides or has his principal place of business. Appropriate service is provided and a transcript of the proceeding before the Secretary and his findings shall be filed in the court. The court may affirm or set aside the Secretary's order. The findings of the Secretary as to questions of fact shall be sustained if based upon a fair evaluation of the record. Provision is made for taking additional evidence in certain cases. The judgment of the court is final, subject to review by the Supreme Court. Any proceeding under this subsection is declared not to operate as a stay of the Secretary's order, unless so ordered by the Court. | |

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| H.R. 11582 | H.R. 6245 |
|---|---|
| | N.C.P. |
| C.P. Section 101. | N.C.P. |
| C.P. Section 101(a) and (b), (605(a)): This section has the effect of prohibiting the introduction in commerce of an "unsafe" cosmetic unless an application has been filed and there is in effect approval of such application by the Secretary.<br>The definition of the term "unsafe" is identical to the definition in section 9(a) (604(a)) of H.R. 1235. | |
| C.P. SEC. 101(b), (605(b)). | |
| C.P. 101b (605(c)). | |
| C.P. 101(b) (605(d)). | |
| C.P. section 101(b) (605(e)).<br>This section of the bill additionally authorizes the Secretary to withdraw approval of an application if—<br>(3) the applicant fails to maintain any required records, or to make any required reports, or permit inspection of any such record, or<br>(4) the methods, facilities, and controls used relative to the manufacture, processing, and packing of such cosmetic are inadequate to assure and preserve its identity, strength, quality, purity, and safety, or<br>(5) any condition attached to approval of the application has been violated.<br>C.P. section 101(b), (605(g)).<br>C.P. section 101(b), (605(g)).<br>C.P. section 101(b), (605(h)).<br>This section authorizes judicial review in conformity with existing provisions of the FDCA. | |

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|---|---|
| Paragraph (i) provides that cosmetics intended solely for investigational use by experts shall be exempt (by regulation) from the operation of this section.<br>N.C.P. | |
| Subsection (b) includes soap, within the definition of the term cosmetic.<br>Subsection (c) declares the following activities to be prohibited acts:<br>(1) Introducing or delivering for introduction in commerce any article in violation of this section,<br>(2) Violating any confidence with respect to any information obtained under the authority of this section, or<br>(3) Labeling, advertising, or suggesting that a cosmetic has an effective application or complies with the provisions of this section.<br>N.C.P. | N.C.P. |
| N.C.P. | N.C.P. |
| N.C.P. | N.C.P. |
| N.C.P. | Section 202: Section 202 of the bill amends the FDCA so as to provide that the violation of any confidence with respect to any information obtained under the authority of that act, as amended by this bill, is deemed to be a prohibited act.<br>Section 203: Section 203 of the bill sets forth the effective date of the foregoing section.<br>N.C.P. |
| Section 13: Section 13 prohibits the importation of any article which is manufactured, processed, packed, or held in any establishment that refuses to submit to reasonable inspection.<br>Section 14: Section 14 authorizes the Secretary to hire additional personnel for the Food and Drug Administration.<br>Section 15: Section 15 sets forth the effective date of the various parts of the bill.<br>N.C.P. | N.C.P. |
| Subsection (d) extends the seizure-condemnation provisions of the FDCA to cover violations of this section.<br>Subsection (e) extend the FDCA as amended by this bill, to hair dyes containing coal tars.<br>A cosmetic is deemed to be adulterated if it contains any unsafe color additives.<br>A cosmetic is deemed to be adulterated in the absence of an effective application.<br>Subsection (f) declares that a cosmetic shall be deemed to be misbranded unless its label bears—<br>(1) the common or usual name of the cosmetic chemicals, and<br>(2) in the case it is fabricated from two or more ingredients, the common or usual name of each such ingredient. The Secretary may lift the second requirement where its enforcement is deemed to be impracticable, etc. | |
| Section 10.<br>Subsection (a) provides that the refusal to comply with a subpena shall be deemed to be a prohibited act.<br>Subsection (b) confers jurisdiction upon the U.S. district courts in cases involving violations under subsection (a).<br>Subsection (c) authorizes the Secretary to issue subpenas and to invoke the aid of U.S. district courts in cases of contumacy. | N.C.P. |
| Section 11: Section 11 extends the FDCA to cover interstate carriers of food, drugs or devices, and cosmetics. | N.C.P. |
| Section 12: Section 12 extends the factory inspection requirements of the FDCA to cover a consulting laboratory, i.e., a laboratory which performs services for a manufacturer whose establishment is subject to such inspection. | C.P. section 201. |

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 11582 | H.R. 6245 |
|---|---|
| C.P. section 101(b), (605(i)). | |
| Paragraph (j) requires every person engaged in manufacturing, compounding, or processing any cosmetic covered by an effective approved application to maintain such records and to make such reports as are necessary for the Secretary to determine whether such approval should continue in effect. Such records are required to be available for reasonable inspection by the Secretary. | |
| Section 102. Subsection (a) declares the violation of paragraph (i) or (j) a prohibited act and subject to the penalties provided therefor in the FDCA. | |
| N.C.P. | |
| See section 101(a), supra. | |
| C.P. section 102(b). | |
| C.P. section 102(c). | |
| Section 302.<br>Subsection (a) exempts from the feed additive requirements of the FDCA certain additives which leave no residue in food for humans.<br>Subsection (b) makes a similar exemption with respect to color additives in feed. | N.C.P. |
| Section 303: Section 303 provides that any food additives which are used in accordance with the sanction or approval granted under the authority of various acts shall not continue to possess exempt status (from the FDCA) if the Secretary finds that there is substantial doubt as to their safety. Except in cases of imminent hazard to public health, the Secretary is required to effect such modification in conformity with the Administrative Procedure Act. | N.C.P. |
| Section 301:<br>Subsection (a) provides that foods contained in certain push-button dispensers (pressured by a gaseous substance) shall be deemed to be misbranded unless it bears cautionary labeling with respect to its handling and storage.<br>Subsection (b) requires the labels on drugs and therapeutic devices to bear adequate warning against a substantial and reasonably foreseeable risk of causing accidental injury as well as first-aid treatment.<br>Subsection (c) requires the label on any cosmetic which involves a substantial risk of causing injury to health to bear sufficient cautionary information as well as appropriate first-aid treatment.<br>Subsection (e) repeals the remaining effective provisions of the Federal Caustic Poison Act. The provision of that act remained effective so as to cover situations wherein the Secretary postpones the operation of the Federal Hazardous Substances Labeling Act. | N.C.P. |
| | N.C.P. |
| | See section 4(a)(13)(d). |
| N.C.P. | N.C.P. |
| Subsection (d) subjects the refusal to permit reasonable inspection to the injunctive proceedings of the existing law. | |
| C.P. section 103. | |
| See section 101(b), supra. | |
| N.C.P. | N.C.P. |
| N.C.P. | N.C.P. |
| | N.C.P. |

### COMPARISON OF ACTUAL LANGUAGE OF FOUR BILLS

Mr. Speaker, I now submit the comparison, in tabular form, of the language of the four bills, showing where they contain identical or similar provisions and where they differ. I believe this information will be of invaluable assistance to everyone interested in the technical details of this legislation:

### COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 1235 | H.R. 11581 |
|---|---|
| To protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to amend certain labeling provisions of the food, drug, and cosmetic chapters; prohibit worthless ingredients in special dietary foods; require adequate controls in drug manufacture; require new drugs to be shown efficacious and new therapeutic devices to be shown safe and efficacious before they are marketed commercially; make other improvements with respect to new drug control; require all antibiotics to be certified; provide adequate controls over the distribution of habit-forming barbiturates and stimulant drugs; require cosmetics to be shown safe before they are marketed commercially; clarify and strengthen existing inspection authority; make additional provisions of the Act applicable to carriers; provide for administrative subpenas; and for other purposes. | To protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety, efficacy, and reliability of drugs, authorize standardization of drug names, establish special controls for barbiturate and stimulant drugs, and clarify and strengthen existing inspection authority with respect to any articles subject to the Act; and to amend related laws. |
| "Food, Drug, and Cosmetic Amendments of 1961". | "Drug and Factory Inspection Amendments of 1962". |
| REQUIRED LABEL STATEMENTS<br>SEC. 2 (a) Subsection (f) of section 403 of such Act is amended by adding at the end thereof the following sentence: "The Secretary may issue regulations which specify the kind, size, and location on the label or labeling of statements required by this section." | See section 112. |
| (b) Subsection (c) of section 502 of such Act is amended by adding at the end thereof the following sentence: "The Secretary may issue regulations which specify the kind, size, and location on the label or labeling of statements required by this section." | |
| (c) Subsection (c) of section 602 of such Act is amended by adding at the end thereof the following sentence: "The Secretary may issue regulations which specify the kind, size, and location on the label or labeling of statements required by this section." | |
| (d) Subsection (e)(1) of section 701 of such Act is amended by changing "403(j)" to read "403 (f) or (j)"; changing "502 (d) or (h)" to read "502 (c), (d), or (h)"; inserting "602(c)," between "504," and "or 604,". | |
| (e) Subsection (k) of section 403 of such Act is amended by deleting the last sentence reading: "The provisions of this paragraph and paragraphs (g) and (i) with respect to artificial coloring shall not apply in the case of butter, cheese, or ice cream." | |

### COMPARISON OF H.R. 1235, 11581-11582, AND 6245

| H.R. 11582 | H.R. 6245 |
|---|---|
| To protect the public health by amending the Federal Food, Drug, and Cosmetic Act to require a premarketing showing of the safety of cosmetics; assure the safety, efficacy, and reliability of therapeutic, diagnostic, and prosthetic devices; and amend the Act with respect to cautionary labeling; and for other purposes. | To amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes. |
| "Cosmetics and Therapeutic Devices Amendments of 1962". | "Drug Industry Antitrust Act". |
| | See section 4(a) (4) infra. |
| | SHERMAN ACT AMENDMENT<br>SEC. 2. The Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (26 Stat. 209, as amended; 15 U.S.C. 1 and the following), is amended by inserting therein, immediately after section 6 thereof, the following new section:<br>"SEC. 7. (a) For the purposes of sections 1 and 3 of this Act, every contract, combination, or conspiracy whereby any party thereto undertakes or has undertaken to (1) withdraw or cause to be withdrawn any pending application for any patent for any drug, (2) concede priority of invention to any other applicant for a patent for any drug in connection with any agreement or understanding to (a) split royalties between the applicants for such patent, (b) grant more favorable royalty rates to any other such applicant than to anyone who was not an applicant for such patent, or (c) to grant licenses only to other applicants for such patent, or (3) refrain from granting or to induce any other person to refrain from granting any license under any patent granted or which may be granted for any drug, shall be an unlawful restraint of trade or commerce.<br>"(b) As used in this section, the term 'drug' has the meaning given thereto by section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).<br>"(c) Nothing contained in this section shall be construed to limit in any way the application of section 1 or section 3 of this Act." |
| | PATENTS FOR DRUGS<br>SEC. 3. (a) Section 100 of part II of title 35 of the United States Code (relating to the patentability of inventions and grant of patents) is amended by adding at the end thereof the following new subsection:<br>"(e) The term 'drug' means any drug (as defined by section 201 of the Federal Food, Drug, and Cosmetic Act) which may be dispensed only in conformity with the requirements of paragraph (1) of section 503(b) of the Federal Food, Drug, and Cosmetic Act."<br>(b) Section 101 of that title is amended by adding at the end thereof the following new paragraphs: |

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 1235 | H.R. 11581 |
|---|---|

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

**H.R. 11582**

**H.R. 6245**

"(1) No patent may be granted for any molecular modification or other modification of any patented or unpatented drug or for a combination of two or more drugs unless (A) the Commissioner has determined that the change from the prior art made by that modification or combination would not have been obvious to a person having ordinary skill in the art and (B) the Secretary of Health, Education, and Welfare has determined that the therapeutic effect of such modification is significantly greater than that of the drug so modified or that the therapeutic effect of such drugs when taken in combination is significantly greater than the therapeutic effect of those drugs when taken separately.

"(2) The specification accompanying any application for a patent for a combination of two or more drugs, or for any drug involving a molecular modification of any drug or combination of drugs, shall contain a full and complete written description of the drugs so combined or the drug or combination of drugs so modified. Upon receipt of any such application, the Commissioner shall transmit to the Secretary of Health, Education, and Welfare a request for his determination upon the question whether the combination or modification so described will have therapeutic effect significantly greater than that of the drugs so combined or the drug so modified. Upon receipt of any such request, the Secretary shall conduct or cause the applicant to conduct or cause to be conducted such research as may be required for the making of that determination. The applicant shall furnish to the Secretary such clinical data and other information as the Secretary may require for his determination.

"(3) Whenever the Secretary shall determine that any combination of drugs or molecularly modified drug does not have the therapeutic effect prescribed in subparagraph (1) hereof, he shall so notify the applicant in writing by registered mail addressed to the applicant at his last known address in the records of the Secretary. Within thirty days after the date of such notice, the applicant may request in writing the Secretary to hold a hearing before transmitting his final determination to the Commissioner. Such request shall specify the grounds on which the request is based and shall be accompanied by any additional information which is material and there were reasonable grounds for failure to adduce such information before the Secretary theretofore. After such hearing the Secretary shall enter his final determination. The Secretary shall cause to be kept a record of all information coming before him and his determination thereon.

"(4) The Secretary shall transmit in writing his final determination to the Commissioner which shall be made a formal part of the file record of the patent application. The determination so made by the Secretary of Health, Education, and Welfare with respect to any such combination or modification shall be accepted as conclusive in any determination made by the Commissioner. The determination of the Secretary shall be sustained in any court if based upon a fair evaluation of the entire record before the Secretary."

(c) Section 135 of title 35, United States Code, is amended by adding at the end thereof the following new paragraph:

"A patent issued after proceedings under this section for any drug which requires a new drug application under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) shall be issued as of the effective date of that new drug application; in case of drugs not requiring such a new drug application, a patent shall be issued effective as of the date upon which the patent application therefor was duly filed by the prevailing party."

(d) Section 154 of title 35, United States Code, is amended by—

(1) striking out the word "Every" in the first sentence thereof, and inserting in lieu thereof the words "Except as otherwise specifically provided by this section, every"; and

(2) adding at the end thereof the following new paragraph:

"Every patent for a drug issued after the effective date of this paragraph shall contain a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, or selling that drug for the term of three years from its effective date, and for any additional period (not exceeding fourteen years) during which the holder thereof grants to each qualified applicant an unrestricted license to make, use, and sell that drug. If, during any such additional period, the holder of any such patent fails to grant any such license to any qualified applicant within ninety days after receipt of a written request therefor made by that applicant, the holder of that patent shall file with the Commissioner a written report of that fact. After receipt of any such report from the holder of any such patent, or after a determination made by the Commissioner on his own motion or upon complaint made by any applicant to the effect that the holder thereof has failed to grant to any qualified applicant any such license under any such patent within ninety days after receipt from that applicant during any such additional period of a written request for such license, the Commissioner shall cause notice of the cancellation of that patent to be published in the Federal Register and endorsed upon all copies of that patent thereafter distributed by the Patent Office. In this paragraph—

"(1) the term 'qualified applicant', when used with regard to any application for license to make, use, and sell any drug, means any person who holds an unsuspended and unrevoked license issued under section 508 of this Act for the manufacture, preparation, or propagation of that drug; and

"(2) the term 'unrestricted license', when used with regard to a patent for any drug, means a license which (A) includes a grant of all technical information required for the sale and efficacious

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

H.R. 1235

WORTHLESS INGREDIENTS IN SPECIAL DIETARY FOODS

SEC. 3. (a) Section 402 of such Act is amended by adding at the end thereof the following new subsection:

"(f) If it purports to be or is represented for special dietary uses and it contains any substance whose usefulness for special dietary purposes has not been established in accordance with section 403(j) of this Act, except that binders, excipients, fillers, carriers, or coatings may be present."

(b) Subsection (i) of section 403 of such Act is amended by changing "paragraph (g)" to read "paragraph (g) or (j)".

(c) Subsection (j) of section 403 of such Act is amended by changing the period at the end to a semicolon and adding: "no substance whose usefulness for special dietary purposes has not been established in accordance with this paragraph shall be mentioned on the label or in the labeling of such a food, except that binders, excipients, fillers, carriers, or coatings may be declared as such."

REQUIREMENT OF ADEQUATE CONTROLS IN DRUG MANUFACTURE

SEC. 4. Clause (2) of paragraph (a) of section 501 of such Act is amended to read as follows:

"(2) (A) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (B) if it is a drug and the methods used in, or the facilities or personnel or controls used for, the manufacture, processing, packing, or holding of such drug were inadequate (as determined in accordance with regulations promulgated by the Secretary) (i) to insure that its identity and strength do not differ from, and that its purity and quality do not fall below, those which such drug purports or is represented to possess, or (ii) to insure that such drug will not be injurious to health when used in accordance with directions for use on its labeling, or when used in accordance with a prescription of a licensed practitioner (which prescription is consistent with the labeling of such drug), or (iii) to insure that its labeling is not such as to cause such drug to be adulterated or misbranded;".

PRETESTING OF NEW DRUGS AND THERAPEUTIC DEVICES FOR SAFETY AND EFFICACY

SEC. 5. (a) Section 201(p) of said Act is amended to read as follows:

(p) The term "new drug" means—

(1) Any drug the composition of which is such that such drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety and efficacy of drugs as safe and efficacious for use under the conditions prescribed, recommended, or suggested in the labeling thereof, except that such a drug not so recognized shall not be deemed to be a "new drug" if at any time prior to the enactment of this Act it was subject to the Food and Drugs Act of June 30, 1906, as amended, and if at such time its labeling contained the same representations concerning the conditions of its use; or

(2) Any drug the composition of which is such that such drug, as a result of investigations to determine its safety and efficacy for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions.

H.R. 11581

TITLE I—DRUGS

*Part A—Amendments to assure safety, efficiency, and reliability*

**Requirement of Adequate Controls in Manufacture**

SEC. 101. (a) Clause (2) of paragraph (a) of section 501 of the Federal Food, Drug, and Cosmetic Act is amended to read as follows: "(2) (A) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (B) if it is a drug and the methods used in, or the facilities or personnel or controls used for, its manufacture, processing, packing, or holding were inadequate (as determined in accordance with regulations promulgated by the Secretary on the basis of good manufacturing practice) (i) to insure that its identity and strength do not differ from, and that its purity, quality, and efficacy do not fall below, those which it purports or is represented to possess, or (ii) to insure that it will not be injurious to health when used in accordance with directions for use on its labeling, or when used in accordance with a prescription of a licensed practitioner (which prescription is consistent with its labeling), or (iii) to insure that its labeling is not such as to cause it to be adulterated or misbranded;".

(b) Section 701(e) of such Act is amended by striking out, in the first sentence, "501(b)" and inserting in lieu thereof "501 (a) or (b)".

PREMARKETING SHOWING OF NEW-DRUG EFFICACY

SEC. 102. (a) Paragraph (p) of section 201 of the Federal Food, Drug, and Cosmetic Act is amended by—

(1) inserting in subparagraphs (1) and (2) thereof the words "and efficacy" after the word "safety" each time such word occurs therein; and

(2) inserting in subparagraph (1) "and efficacious" after "safe".

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

H.R. 11582

See title II, section 201, infra.

TITLE II—SAFETY, EFFICACY, AND RELIABILITY OF DEVICES

*Requirement of adequate controls in manufacture*

SEC. 201. (a) Section 501(a) of the Federal Food, Drug, and Cosmetic Act is amended by inserting before the period at the end thereof a semicolon and the following: "or (5) if it is a device and the methods used in, or the facilities or personnel or controls used for, its manufacture, processing, packing, or holding were inadequate (as determined in accordance with regulations promulgated by the Secretary on the basis of good manufacturing practice) (i) to insure that its identity does not differ from, and that its efficacy and quality do not fall below, those which it purports or is represented to possess, or (ii) to insure that it will not be injurious to health when used in accordance with directions for use on its labeling, or when used in accordance with a prescription of a licensed practitioner (which prescription is consistent with its labeling), or (iii) to insure that its labeling is not such as to cause it to be adulterated or misbranded".

(b) Section 101(e) of such Act is amended by striking out, in the first sentence, "501(b)" and inserting in lieu thereof "501 (a) or (b)".

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manufacture, preparation, or propagation of that drug, and (B) contains no condition, limitation, or restriction upon the manufacture, use, or sale thereof other than the payment by the licensee of a royalty not exceeding 8 per centum of the gross selling price received by the licensee for the sale of that drug, and (C) the royalty rate is not discriminatory between licensees when an identical compound is sold for different uses or in different forms;

"(3) the term 'effective date', when used with regard to a patent for any drug, means (A) in the case of a new drug (as defined by section 201 of the Federal Food, Drug, and Cosmetic Act), the effective date of the application filed with respect thereto under section 505 of that Act, and (B) in the case of any other drug, the date on which application was made for that patent."

FEDERAL FOOD, DRUG, AND COSMETIC ACT AMENDMENTS

SEC. 4. (a) The following amendments are made to the Federal Food, Drug, and Cosmetic Act:

(1) Section 201(p)(1) of that Act (21 U.S.C. 321(p)(1)), defining the term "new drug", is amended by (A) inserting therein, immediately after the words "to evaluate the safety", the words "and efficacy", and (B) inserting therein, immediately after the words "as safe", the words "and efficacious".

### COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 1235 | H.R. 11581 |
|---|---|
| (b) Section 201 of such Act is further amended by adding at the end thereof the following new subsection:<br>"(s) The term 'new device' means:<br>"(1) Any device the composition, construction, or properties of which are such that such device is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and efficacy of devices, as safe and efficacious for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or<br>"(2) Any device the composition, construction, or properties of which are such that such device, as a result of investigations to determine its safety and efficacy for use under such conditions, has become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions." | |

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

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See section 202(b), 508(a), infra.

PREMARKETING CLEARANCE OF NEW DEVICES

SEC. 202. (a) **Section 501(a) of such Act, as amended by section 201 of this Act, is further amended by inserting before the period at the end thereof a semicolon and the following: "or (6) if it is a device which is unsafe within the meaning of section 508".**

**(b) Chapter V of such Act is amended by adding at the end thereof a new section as follows:**

**"SEC. 508. (a) A device shall be deemed unsafe for the purposes of section 501(a)(6) if—**

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(2) Section 201 of that Act (21 U.S.C. 321) is amended by adding at the end thereof the following new subsection:

"(u) The term 'State' means any State or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico."

(3) Section 301(a) of that Act (21 U.S.C. 331(a)), prescribing prohibited acts and penalties, is amended to read as follows:

"(a) The introduction or delivery for introduction into interstate commerce of—

"(1) any food, drug, device, or cosmetic that is adulterated or misbranded;

"(2) any drug subject to the provisions of section 503(b)(1) of this Act unless that drug was manufactured, propagated, or prepared by a person who at the time of its manufacture, propagation, or preparation held an unsuspended and unrevoked license issued under section 508 of this Act."

(4) That portion of section 502(b) of that Act (21 U.S.C. 352(b)), relating to misbranded drugs and devices, which precedes the colon contained therein is amended to read as follows:

"(b) If in packaged form unless it bears a label containing (1) the name, place of business, and license number (if any) of the manufacturer, packer, or distributor; (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count; (3) its official name approved by the Secretary under section 509(a) printed in type at least as large and as prominent as that used for any trade or brand name appearing on such label; and (4) the date, if any, beyond which the contents of such package cannot be expected beyond reasonable doubt to produce their intended specific results".

(5) Section 502(e) of that Act (21 U.S.C. 352(e)) is amended by—

(1) striking out the words "If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2) in case it is fabricated from two or more ingredients, the common or usual name" and inserting in lieu thereof the words "If it is a drug fabricated from two or more ingredients unless its label bears the official name and quantity".

(2) by striking out in the proviso the words "of clause (2)".

(6) Section 502(L) of that Act (21 U.S.C. 352(L)) is amended by inserting in the first sentence thereof, immediately after "bacitracin,", the words "or any other antibiotic drugs,".

(7) Section 502 of that Act (21 U.S.C. 352) is amended by adding at the end thereof the following new subsection:

"(m) In the case of any drug distributed or offered for sale in any State, unless the manufacturer, packer or distributor thereof—

"(1) includes with any information transmitted to any practitioner licensed by law by that State to administer such drug (A) a true and correct copy of all printed matter which the Secretary has required to be included in any package in which that drug is distributed or sold, and (B) in the case of any drug as to which any application has been made effective under section 505 of this Act, a full, true, and correct statement of all findings of fact and determinations made by the Secretary under that section with respect to that drug, as the Secretary may require; or

"(2) includes in all advertisements and other descriptive printed matter issued or caused to be issued by the manufacturer, packer, distributor, or others with respect to that drug (A) the official name thereof printed in type at least as large and as prominent as that used for any trade or brand name thereof, (B) warning prepared with the approval of the Secretary as to any dangerous or harmful property or effect thereof and (C) a full and correct statement of its efficacy: *Provided*, That the term 'advertisements' shall include all forms of advertising, whether transmitted directly to physicians, published in medical journals or other media, and whether in printed or oral form".

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| H.R. 1235 | H.R. 11581 |
|---|---|
| | (b) Section 505 of such Act is amended by—<br>(1) inserting "and efficacious" after the word "safe" each time such word occurs in subsections (b) and (d) thereof;<br>(2) inserting "or inefficacious" after the word "unsafe" in subsection (d) thereof;<br>(3) inserting "or inefficacious" after the word "unsafe" in subsection (e) thereof;<br>(4) striking out "quality, and purity" in clause (3) of subsection (d) and inserting in lieu thereof "quality, purity, safety, and efficacy"; and<br>(5) inserting in subsection (i) "and efficacy" after the word "safety". |
| (c) Subsection (a) of section 505 of such Act (21 U.S.C. 355) is amended to read as follows:<br>"NEW DRUGS AND THERAPEUTIC DEVICES<br>"SEC. 505. (a) No person shall introduce or deliver for introduction into interstate commerce any new drug or new device, unless an application filed pursuant to subsection (b) is effective with respect to such drug or device. | C.P. SEC. 104(a)(1) infra. |
| "(b) Any person may file with the Secretary an application with respect to any drug or device subject to the provisions of subsection (a). Such persons shall submit to the Secretary as a part of the application (1) full reports of investigations which have been made to show whether or not such drug or device is safe and efficacious for use, the submission of full clinical records on each patient on whom the drug or device was tested may be required upon request of the Secretary; (2) a full list of the articles used as components of such drug or device; (3) in the case of a drug, a full statement of the composition of such drug, or, in the case of a device, a full statement of its composition, properties, and construction and the principle or principles of its operation; (4) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug or device; (5) such samples of such drug or device and of the articles used as components thereof as the Secretary may require; and (6) specimens of the labeling proposed to be used for such drug or device. | C.P. section 104(a)(2) infra. |
| "(c) The Secretary, within ninety days after the filing of an application under this subsection, shall notify the applicant that the application is effective or shall give the applicant notice of opportunity for a hearing on the question whether to permit the application to become effective, except that prior to the ninetieth day after such filing the Secretary may notify the applicant in writing that the time for action by him has been extended to such time (not more than one hundred and eighty days after the date of filing the application) as the Secretary deems necessary to enable him to study and investigate the application. | C.P. See section 104(a)(3) infra. |
| "(d) If the Secretary finds, after due notice to the applicant and giving him an opportunity for a hearing, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such drug or device is safe and efficacious for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such drug or device is unsafe or not efficacious for use under such conditions or do not show that such drug or device is safe and efficacious for use under such conditions; (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug or device are inadequate to preserve its identity, strength, quality, and purity; or (A) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such drug or device, he has insufficient information to determine whether such drug or device is safe and efficacious for use under such conditions, he shall, prior to the effective date of the application, issue an order refusing to permit the application to become effective. | C.P. Section 104(a)(4) infra. |

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| "(1) its composition, construction, or properties are such that such device is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety and efficacy of devices, as safe and efficacious for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or<br>"(2) its composition, construction, or properties are such that such device, as a result of investigations to determine its safety and efficacy for use under such conditions, has become so recognized, but such device has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions,<br>unless (A) an application with respect to such device has been filed pursuant to subsection (b) and there is in effect an approval of such application by the Secretary under this section, or (B) such device is for investigational use and conforms to the terms of an exemption which is in effect pursuant to subsection (i), or (C) such device conforms to the terms of an exemption which is in effect with respect thereto under subsection (k). | |
| C.P. section 202 (a) and (b) supra. | |
| "(b) Any person may file with the Secretary an application for determination by the Secretary of the safety and efficacy of any device described in clause (1) or (2) of subsection (a). Such persons shall submit to the Secretary as a part of the application (1) full reports of investigations which have been made to show whether or not such device is safe and efficacious for use; (2) a full list of the articles used as components of such device; (3) a full statement of the composition, properties, and construction, and of the principle or principles of operation, of such device; (4) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such device; (5) such samples of such device and of the articles used as components thereof as the Secretary may require; and (6) specimens of the labeling proposed to be used for such device. | (8) Section 505(b) of that Act (21 U.S.C. 355(b)) is amended by inserting therein, immediately after the words "is safe for use", the words "and whether such drug is efficacious in use". |
| "(c) Within ninety days after the filing of an application under this subsection or within such additional period (not exceeding one hundred and eighty days after such filing) as the Secretary deems necessary to enable him to study and investigate the application and specifies in a written notice to the applicant, the Secretary shall either—<br>"(1) approve the application if he then finds that none of the grounds for denying approval specified in subsection (d) applies, or<br>"(2) give the applicant notice of an opportunity for a hearing before the Secretary to be held under subsection (d) on the question whether such application is approvable. | (9) Section 505(c) of that Act (21 U.S.C. 355(c)) is amended to read as follows:<br>"(c) No application filed under subsection (b) shall become effective until the Secretary has (1) determined, after the conduct of such investigation and tests as he may consider necessary, that the new drug described in that application is safe for use and is efficacious in use, under conditions prescribed, recommended or suggested in the labeling thereof, and (2) transmitted to the applicant in writing notice of his determination." |
| "(d) If the Secretary finds, after due notice to the applicant and opportunity for a hearing to the applicant, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such device is safe and efficacious for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such device is unsafe or inefficacious for such use under such conditions or do not show that such device is safe and efficacious for use under such conditions; (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such device are inadequate to preserve its identity, quality, safety, and efficacy; or (4) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such device, he has insufficient information to determine whether such device is safe and efficacious for use under such conditions, he shall issue an order denying approval of the application. If, after such notice and opportunity for hearing, the Secretary finds that clauses (1) through (4) of this subsection do not apply, he shall issue an order approving the application. | (10) Section 505(d) of that Act (21 U.S.C. 355 (d)) is amended by—<br>(A) inserting in clause (1), immediately after the words "is safe for use", the words "and is efficacious in use";<br>(B) inserting in clause (2), immediately preceding the semicolon at the end thereof, a comma and the following: "or that the results of such tests show that such drug is not efficacious in use or do not show that such drug is efficacious in use";<br>(C) inserting in clause (4), immediately after the words "is safe for use", the words "and efficacious in use"; and<br>(D) striking out in clause (4) the comma following the words "he shall" and all thereafter to and including the comma immediately preceding the words "issue an order". |
| | (11) Section 505(e) of that Act (21 U.S.C. 355(e) is amended by— |

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| "(e) The effectiveness of an application with respect to any drug or device shall, after due notice and opportunity for hearing to the applicant, by order of the Secretary be suspended if the Secretary finds that (1) for reasons set forth by him, there is reasonable doubt as to the safety or efficacy of the drug or device for use under the conditions prescribed, recommended or suggested in the labeling or proposed labeling thereof, or (2) the application contains any untrue statement of a material fact, or (3) that the applicant has failed to establish or maintain any required records, or to make any required report, in accordance with an applicable regulation or order under subsection (j), or that the applicant or any person under his control has refused to permit access to, or copying or verification of, any such record as required by paragraph (2) of such subsection. The order shall state the findings upon which it is based. | C.P. See section 104(b) infra. |
| "(f) An order refusing to permit an application with respect to any drug or device to become effective shall be revoked whenever the Secretary finds that the facts so require.<br>"(g)(1) An order of the Secretary after a hearing under this section shall be based upon a fair evaluation of the entire record at the hearing and shall include a statement setting forth in detail the findings and conclusions on which it is based.<br>"(2) Orders of the Secretary under this section shall be served (A) in person by any officer or employee of the Department designated by the Secretary or (B) by mailing the order by registered mail or certified mail addressed to the applicant or respondent at his last-known address in the records of the Secretary. | C.P. See section 104(c) infra. |
| "(h) In case of denial or withdrawal of approval of an application under this section, the applicant may file in the United States court of appeals for the circuit in which such applicant resides or has his principal place of business, within sixty days after the serving of notice of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose, and thereupon the Secretary shall file in the court a transcript of the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition the court shall have jurisdiction, which upon the filing of the record with it shall be exclusive, to affirm or set aside the order. The finding of the Secretary as to the facts shall be sustained if based upon a fair evaluation of the entire record at the hearing. If any person shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts and order by reason of the additional evidence so taken, and he shall file with the court such modified findings and order. The court, on judicial review, shall not sustain the order of the Secretary if he failed to comply with any requirement imposed on him by subsection (g)(1). The judgment and decree of the court affirming or setting aside any order under this section shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of the Secretary's order. | C.P. See section 104(d) infra. |
| "(i) The Secretary shall promulgate regulations for exempting from the operation of the foregoing subsections of this section drugs or devices intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and efficacy of drugs or devices. Such regulations may provide for conditioning such exemptions upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such drugs or devices, as the Secretary finds will enable him to evaluate the safety of such drugs or devices in the event of the filing of an application pursuant to subsection (b)." | C.P. See section 103(b) infra. |
| "(j)(1) Every person engaged in manufacturing, compounding, or processing any new drug or new device with respect to which an application filed pursuant to this section is effective shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such drug or device as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or to facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section. Regulations under this paragraph shall exempt from | RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS<br>SEC. 103. (a) Section 505 of such Act is amended by adding at the end thereof the following new subsection:<br>"(j)(1) In the case of any drug for which an approval of an application filed pursuant to this section is in effect, the applicant shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such applicant with respect to such drug, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section. |

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"(e) The Secretary shall, after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application under this section if the Secretary finds that (1) for reasons set forth by him, there is substantial doubt as to the safety or efficacy of the device for its intended use or any other reasonably foreseeable use, or (2) the application filed pursuant to subsection (b) contains any untrue statement of a material fact, or (3) the applicant has failed to establish or maintain any required records, or to make any required report, in accordance with an applicable regulation or order under subsection (j), or that the applicant or any person under his control has refused to permit access to, or copying or verification of, any such record as required by paragraph (2) of such subsection, or (4) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such device are then inadequate to assure and preserve its identity, quality, safety, and efficacy, or (5) any condition attached to approval of the application has been violated: *Provided*, That if the Secretary finds that there is an imminent hazard to the public health, he may suspend the approval of such application immediately upon notice, pending the opportunity for hearing required by this subsection.

"(f) Whenever the Secretary finds that the facts so require, he shall revoke any previous order under subsection (d) or (e) denying, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.

"(g) Orders of the Secretary under this section shall be served (1) in person by any officer or employee of the Department designated by the Secretary or (2) by mailing the order by registered mail or certified mail addressed to the applicant at his last-known address in the records of the Secretary.

"(h) The applicant may obtain judicial review of a final order of the Secretary denying or withdrawing approval of an application under this section in accordance with the provisions of subsection (f) (1)–(5) of section 701.

"(i) The Secretary shall promulgate regulations for exempting from the operation of this section devices intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and efficacy of devices. Such regulations may provide for conditioning such exemptions upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such devices as the Secretary finds will enable him to evaluate the safety and efficacy of such devices in the event of the filing of an application pursuant to subsection (b).

"(j) (1) Every person engaged in manufacturing or processing any device with respect to which approval of an application, filed pursuant to this section, is in effect shall establish and maintain such records, and make such reports to the Secretary, of data relating to experience and other data or information, received or otherwise obtained by such person with respect to such device, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or to facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section.

### H.R. 6245

(A) inserting therein, immediately after words "The effectiveness of an", the word "approved"; and

(B) inserting in clause (1) thereof, immediately after the words "is unsafe for use", the words "or is not efficacious in use".

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| the requirement of such recordkeeping or reporting, or both, except to the extent that the Secretary finds such exemption to be inconsistent with the purposes of this paragraph, retail pharmacies, hospitals, clinics, public health agencies, and licensed practitioners who prepare or compound such drugs or dispense or use such devices solely in the regular course of their business, operation, or profession as such. | |
| "(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records." | "(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable time to have access to and copy and verify such records." |
| (d) Paragraph (e) of section 301 of such Act is amended to read as follows:<br>"(e) The refusal to permit access to or copying of any record as required by section 703; or the failure to establish or maintain any record, or make any report, required under section 505(j), or the refusal to permit access to, verification, or copying of any such required record."<br>(e) Subsection (a) of section 302 of such Act, as amended by section 2 of this Act, is further amended by striking out "(e),". | C.P. See section 103 (c) and (d), infra. |
| | (b) Subsection (i) of section 505 of such Act, as amended by section 102(b)(5) of this Act, is further amended (1) by inserting "the foregoing subsections of" after "operation of", and (2) by adding at the end thereof the following new sentence: "Such regulations may provide for conditioning such exemption upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such drugs, as the Secretary finds will enable him to evaluate the safety and efficacy of such drugs in the event of the filing of an application pursuant to subsection (b)."<br>(c) The first sentence of subsection (e) of section 505 of such Act, as amended by section 102(b)(3) of this Act, is further amended by inserting immediately before the period at the end of such sentence a comma and the following: "or (3) that the applicant has failed to establish or maintain any required records, or to make any required report, in accordance with an applicable regulation or order under subsection (j), or that the applicant or any person under his control has refused to permit access to, or copying or verification of, any such record as required by paragraph (2) of such subsection".<br>(d) Paragraph (e) of section 301 of such Act is amended to read as follows:<br>"(e) The refusal to permit access to or copying of any record as required by section 703; or the failure to establish or maintain any record, or make any report, required under section 505 (i) or (j), or the refusal to permit access to or verification or copying of any such required record."<br>(e) Subsection (a) of section 302 of such Act is amended by striking out "(e),".<br>PROCEDURAL CHANGES AS TO NEW DRUGS, AND ADDITIONAL GROUNDS FOR WITHDRAWAL OR SUSPENSION OF APPROVAL OF NEW-DRUG APPLICATIONS<br>SEC. 104. (a)(1) Subsection (a) of section 505 of such Act is amended by striking out the phrase "unless an application filed pursuant to subsection (b) is effective", and inserting in lieu thereof "unless an application has been filed pursuant to subsection (b), and there is in effect an approval of such application by the Secretary under this section,".<br>(2) The first sentence of subsection (b) of section 505 of such Act is amended to read as follows: "Any person may file with the Secretary an application for determination by the Secretary of the safety and efficacy of any drug subject to the provisions of subsection (a)."<br>(3) Subsection (c) of section 505 of such Act is amended to read as follows:<br>"(c) Within ninety days after the filing of an application under this subsection or within such additional period (not exceeding one hundred and eighty days after such filing) as the Secretary |

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"(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

C.P. Section 203 (b) and (3), infra.

"(k) The Secretary shall by regulation exempt from this section, or from one or more of the requirements imposed by or pursuant to this section, devices licensed by the Atomic Energy Commission under the Atomic Energy Act of 1954 to the extent he finds it to be appropriate to avoid duplication of regulatory controls or procedures and to be consistent with the purposes of this Act."

PROHIBITED ACTS, AND SO FORTH

SEC. 203. (a) Paragraph (u) of section 201 of such Act is amended to read as follows:

"(a) The term 'safe', except when used with respect to cosmetics, refers to the health of man or animal."

(b) Paragraph (e) of section 301 of such Act, as amended by section 102 of this Act, is further amended by striking out "605 (i) or (j)" and inserting in lieu thereof "508 (i) or (j) or 605 (i) or (j)".

(c) Paragraph (j) of section 301 of such Act, as amended by section 102 of this Act, is further amended by inserting "508," immediately after "507,".

(d) Paragraph (l) of such section 301, as amended by section 102 of this Act, is further amended (1) by striking out "or cosmetic" each time it appears therein, and inserting in lieu thereof ", device, or cosmetic"; and by striking out "505 or 605" and inserting in lieu thereof "505, 508, or 605".

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(f) Subsection (d) of section 502 of such Act is amended to read as follows:

"(d) If it is for use by man and contains any quantity of the narcotic or hypnotic substance alpha-eucaine, barbituric acid, beta-eucaine, bromal, cannabis, carbromal, chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, or sufomethane; or any chemical derivative of such substance, as well as any new drug. which derivative or new drug has been by the Secretary, after investigation, found to be, and by regulations designated as, habit forming; unless its label bears the name, and quantity or proportion of such substance or derivative and in juxtaposition therewith the statement 'Warning—May be habit forming.' "

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deems necessary to enable him to study and investigate the application and specifies in a written notice to the applicant, the Secretary shall either—

"(1) approve the application if he then finds that none of the grounds for denying approval specified in subsection (d) applies, or

"(2) give the applicant notice of an opportunity for a hearing before the Secretary under subsection (d) on the question whether such application is approvable."

(4) Subsection (d) of section 505 of such Act, as amended by section 102(b) of this Act, is further amended by striking out the phrase ", prior to the effective date of the application, issue an order refusing to permit the application to become effective." and inserting in lieu thereof the following: "issue an order denying approval of the application. If, after such notice and opportunity for hearing, the Secretary finds that clauses (1) through (4) do not apply, he shall issue an order approving the application."

(b) Subsection (e) of section 505 of such Act, as amended by sections 102(b)(3) and 103(c) of this Act, is further amended to read as follows:

"(e) The Secretary shall, after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application with respect to any drug under this section if the Secretary finds (1) that clinical or other experience, tests, or other scientific data show that such drug is unsafe or inefficacious, or show that there is substantial doubt as to the safety or efficacy of such drug, for use under the conditions of use upon the basis of which the application was approved, or (2) that the application contains any untrue statement of a material fact, or (3) that the applicant has failed to establish or maintain any required records, or to make any required report, in accordance with an applicable regulation or order under subsection (j), or that the applicant or any person under his control has refused to permit access to, or copying or verification of, any such record as required by paragraph (2) of such subsection, or (4) that the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are then inadequate to assure and preserve its identity, strength, quality, purity, safety, and efficacy, or (5) that any condition attached to approval of the application has been violated: *Provided*, That if the Secretary finds that there is an imminent hazard to the public health, he may suspend the approval of such application immediately upon notice, pending the opportunity for hearing required by this subsection. The order shall state the findings upon which it is based."

(c) Subsection (f) of such section 505 is amended to read as follows:

"(f) Whenever the Secretary finds that the facts so require, he shall revoke any previous order under subsection (d) or (e) denying, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate."

(d)(1) The first four sentences of subsection (h) of such section 505 are amended to read as follows:

"(h) An appeal may be taken by the applicant from an order of the Secretary denying or withdrawing approval of an application under this section. Such appeal shall be taken by filing in the United States court of appeals for the circuit wherein such applicant resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose, and thereupon the Secretary shall certify and file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition such court shall have exclusive jurisdiction to affirm or set aside such order, except that until the filing of the record the Secretary may modify or set aside his order."

(2) The ninth sentence of such subsection (h) is amended to read as follows: "The judgment of the court affirming or setting aside any such order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code."

(e)(1) Subsection (l) of section 301 of such Act is amended by (1) inserting "approval of" before "an application", and (2) striking out "effective" and inserting in lieu thereof "in effect".

(2) Clause (C) of section 503(b)(1) of such Act is amended by striking out "effective" and inserting in lieu thereof "approved".

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C.P. See section 203(d) supra.

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H.R. 1235

CERTIFICATION OF ALL ANTIBIOTICS

SEC. 6. (a) The first sentence of subsection (a) of section 507 of such Act is amended to read as follows: "The Secretary of Health, Education, and Welfare, pursuant to regulations promulgated by him, shall provide for the certification of batches of drugs composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin or any derivative thereof, or composed wholly or partly of any other kind of antibiotic substance."

(b) Section 507 of such Act is further amended by adding at the end thereof the following new subsection:

"(g) For the purpose of this section and of section 502(l), the term 'antibiotic substance' means a chemical substance produced by a living micro-organism and capable of destroying or inhibiting the growth of another micro-organism in high dilution, or the synthetic equivalent thereof."

(c) Paragraph (l) of section 502 of such Act is amended to read as follows:

"(l) If it is, or purports to be, or is represented as a drug composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin, or any derivative thereof, or a drug composed wholly or partly of any other kind of antibiotic substance (as such term is defined in section 507(g)), unless (1) it is from a batch with respect to which a certificate or release has been issued pursuant to section 507, and (2) such certificate or release is in effect with respect to such drug: *Provided*, That this paragraph shall not apply to any drug or class of drugs exempted by regulations promulgated under section 507(c) or (d)."

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(2) For the purposes of this subsection, the term "closing date" means the first day of the nineteenth calendar month which begins after the month in which this Act is enacted, except that, if in the opinion of the Secretary it would not involve undue risk to the public health, he may on application postpone such closing date with respect to any particular use or uses of a device until such later date (but in no event later than the first day of the thirty-first calendar month following such month of enactment) as he determines is necessary to permit completion, in good faith and as soon as reasonably practicable, of the scientific investigations necessary to establish the safety and efficacy of such use or uses. The Secretary may terminate any such postponement at any time if he finds that such postponement should not have been granted or that, by reason of a change in circumstances, the basis for such postponement no longer exists or that there has been a failure to comply with a requirement of the Secretary for submission of progress reports or with other conditions attached by him to such postponement.

CERTIFICATION OF ALL ANTIBIOTICS

SEC. 105. (a) The heading of section 507, as amended, of such Act is further amended to read "CERTIFICATION OF DRUGS CONTAINING ANTIBIOTICS", and the first sentence of subsection (a) of such section 507 is amended to read as follows: "The Secretary of Health, Education, and Welfare, pursuant to regulations promulgated by him, shall provide for the certification of batches of drugs composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin or any derivative thereof, or composed wholly or partly of any other kind of antibiotic substance (including the chemically synthesized equivalent of any such substance)."

(b) Paragraph (l) of section 502 of such Act is amended to read as follows:

"(l) If it is, or purports to be, or is represented as a drug composed wholly or partly of any kind of penicillin, streptomycin, chlortetracycline, chloramphenicol, or bacitracin, or any derivative thereof, or a drug composed wholly or partly of any other kind of substance within the purview of section 507, unless (1) it is from a batch with respect to which a certificate or release has been issued pursuant to section 507, and (2) such certificate or release is in effect with respect to such drug: *Provided*, That this paragraph shall not apply to any drug or class of drugs exempted by regulations promulgated under section 507 (c) or (d)."

RECORDS AND REPORTS AS TO EXPERIENCE ON ANTIBIOTICS

SEC. 106. (a) Section 507 of such Act, as amended by section 105(a), is further amended by adding at the end thereof the following new subsection:

"(g)(1) Every person engaged in manufacturing, compounding, or processing any drug within the purview of this section with respect to which a certificate or release has been issued pursuant to this section shall establish and maintain such records, and make such reports to the Secretary, of data relating to clinical experience and other data or information, received or otherwise obtained by such person with respect to such drug, as the Secretary may by general regulation, or by order with respect to such certification or release, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to make, or to facilitate, a determination as to whether such certification or release should be rescinded or whether any regulation issued under this section should be amended or repealed.

"(2) Every person required under this section to maintain records, and every person having charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records."

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

H.R. 11582

EFFECTIVE DATE AND TRANSITIONAL PROVISIONS

SEC. 204. (a) Except as provided in subsections (b) and (c) of this section, the foregoing provisions of this title shall take effect on the date of the enactment of this Act.

(b) Except as provided in subsection (c) of this section, clause (6) of paragraph (a) of section 501 of the Federal Food, Drug, and Cosmetic Act, as added to such paragraph by section 202(a) of this Act, shall, with respect to any particular use of a device, take effect (1) on the first day of the seventh calendar month following the month in which this Act is enacted, or (2) if sooner, on the effective date of an order of the Secretary approving or denying approval of such use of the device under section 508 of such Act as added by section 202(b) of this Act.

(c) (1) Where, on the day immediately prior to the date of enactment of this Act, a device was in use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or animal, or for the purpose of affecting the structure of any function of the body of man or animal, such clause (6) of paragraph (a) of section 501 of the Federal Food, Drug, and Cosmetic Act shall become effective with respect to such preexisting use or uses of such device on the closing date (as defined in this subsection) or, if sooner, on the effective date of an order of the Secretary approving or denying approval of such use of the device under such section 508 of such Act.

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(12) Section 507 of that Act (21 U.S.C. 357) is amended by—

(A) amending the section caption to read as follows: "Certification of Antibiotic Drugs";

(B) striking out the word "or" where it appears immediately preceding the word "bacitracin" in the first sentence thereof:

(C) inserting in the first sentence thereof, immediately after "bacitracin,", the words "or any other antibiotic drug,"; and

(D) striking out the first sentence of subsection (c) thereof.

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H.R. 11581

(b) Subsection (d) of section 507 is amended by adding at the end thereof the following new sentence: "Such regulations may provide for conditioning the exemption under clause (3) upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such drugs, as the Secretary finds will enable him to evaluate the safety and efficacy for use of such drugs in the event of an application for certification or release pursuant to subsection (a)."

(c) Paragraph (e) of section 301 of such Act, as amended by section 103(d) of this Act, is further amended by striking out "505 (i) or (j)" and inserting in lieu thereof "505 (i) or (j), or 507 (d) or (g)".

BIOLOGICAL DRUGS

SEC. 107. (a) The first sentence of subsection (d) of section 351 of the Public Health Service Act is amended to read as follows:

"(d) Licenses for the maintenance of establishments for the propagation or manufacture and preparation of products described in subsection (a) of this section may be issued only upon a showing (1) that the establishment and the products for which a license is desired meet standards, designed to insure the continued safety, purity, and potency of such products, prescribed in regulations, and (2) that such products are efficacious under the conditions prescribed, recommended, or suggested by the manufacturer, and licenses for new products may be issued only upon a showing that they meet the foregoing requirements."

(b)(1) Section 501 of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(e) If it is a drug that is a product within the purview of section 351 of the Public Health Service Act and (1) it has not been propagated or manufactured and prepared, in conformity with such section and regulations and standards prescribed thereunder, by a manufacturer holding a license therefor issued by the Secretary, and in accordance with the the terms of such license, or (2) at any time (A) it is not in conformity with such section or regulations or standards, or (B) the expiration date on its labeling has passed, or (C) such license has been suspended or revoked."

(2) Section 502 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(n) If it is a drug that is a product within the purview of section 351 of the Public Health Service Act and its packaging or labeling is not in conformity with such section or with regulations or standards prescribed thereunder."

(c) Subsection (c) of section 902 of such Act is amended by striking out "the Virus, Serum and Toxin Act of July 1, 1902", and inserting in lieu thereof the following: "section 351 of the Public Health Service Act (U.S.C., 1958 ed., title 42, ch. 6A, sec. 262, relating to viruses, serums, toxins, and analogous products for humans); the Animal-Virus-Serum-Toxin Act of March 4, 1913 (U.S.C., 1958 ed., title 21, ch. 5, secs. 151–158)".

EFFECTIVE DATES AND APPLICATION OF PART A

SEC. 108. (a) Except as otherwise provided in this section, the amendments made by the foregoing sections of this part A shall take effect on the date of enactment.

(b) The amendments made by sections 101, 103, 105, and 106 of this part A shall, with respect to any drug, take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

(c) The amendments made by section 102 of this Act, except subsection (b)(3) of such section, shall not apply to any drug with respect to which an application under section 505 of the Federal Food, Drug, and Cosmetic Act was effective on the day immediately preceding the date of enactment of this Act so long as amendment of such application is not proposed and approval of such application has not been suspended or withdrawn under section 505 of such Act, as amended by this Act. An application filed pursuant to section 505(b) of such Act which was effective on the day immediately preceding the date of enactment of this Act shall, upon the date of enactment of this Act, be deemed to be an application approved by the Secretary. If an application filed with respect to a new drug, pursuant to such section 505(b) prior to the date of enactment of this Act, is still pending before the Secretary on such date, the running of the period within which the Secretary must act on such application pursuant to section 505(c) of such Act, as amended by this Act, shall be deemed to have commenced on the day immediately following the date on which such application was in fact filed, and any time extension notified by the Secretary pursuant to such section 505(c) as in force prior to the date of enactment of this Act shall (to the extent the period of extension so notified exceeds ninety days from the date of such filing) be deemed to be an extension of time notified pursuant to such section 505(c) as amended by this Act.

(d) The amendment made by section 107(a) shall not apply to any biological product with respect to which a license issued under section 351(d) of the Public Health Service Act was effective on the day immediately preceding the date of enactment of this Act, so long as the license has not been suspended or revoked and there is no application for amendment of the license, unless the Secretary finds that there is substantial doubt as to whether such product is efficacious under the conditions prescribed, recommended, or suggested by the manufacturer.

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### COMPARISON OF H.R. 1235, 11581–11582, AND 6245

**H.R. 1235**

**H.R. 11581**

PART B—STANDARDIZATION OF DRUG NAMES

*Authority to standardize names*

SEC. 111. (a) The Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding at the end of chapter V the following new section:

"SEC. 508. Whenever in the judgment of the Secretary such action is necessary or desirable in the interest of achieving usefulness or simplicity of drug nomenclature, or because of the existence of two or more nonproprietary names (other than the systematic chemical name) for the same drug (or for two or more drugs which are identical in their active ingredients and substantially identical in their pharmacological action, strength, quality, and purity), or because the common or usual name of a drug is misleading, confusing, or not sufficiently informative, or because there exists no common or usual name for a drug, he may promulgate regulations establishing a single standard name for such drug (or for such identical drugs), together with any related or additional information which in the judgment of the Secretary is desirable to facilitate the correct and effective use of such standard name."

(b) This section shall take effect on the date of its enactment.

*Name to be used on drug label*

SEC. 112. (a) Paragraph (e) of section 502 of such Act is amended by—

(1) inserting the subparagraph designation "(1)" after "(e)";

(2) striking out the words "If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the common or usual name of each active ingredient", and inserting in lieu thereof "If it is a drug, unless (A) its label bears, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the chemical formula), (i) the established name (as defined in subparagraph (2)) of the drug, if such there be, and (ii), in case it is fabricated from two or more ingredients, the established name and quantity of each active ingredient":

(3) striking out the words "the name" and inserting in lieu thereof the words "the established name";

(4) inserting before the colon preceding the proviso the following: ": and (B) the established name of such drug or ingredient, as the case may be, on such label (and on any labeling on which a name for such drug or ingredient is used) is given precedence in position over any proprietary name or designation for such drug or ingredient and is in type at least as large and prominent as that used for such proprietary name or designation";

(5) striking out the words "clause (2) of this paragraph" in the proviso to such paragraph and inserting in lieu thereof "clause (A)(ii) or clause (B) of this subparagraph"; and

(6) adding at the end of such paragraph the following new subparagraph:

"(2) As used in this paragraph (e), the term 'established name', with respect to a drug or ingredient thereof, means (A) the applicable standard name established pursuant to section 508, or (B), if there is no such name and such drug, or such ingredient, is an article recognized in an official compendium, then the official title thereof in such compendium, or (C) if neither clause (A) nor clause (B) of this subparagraph applies, then the common or usual name, if any, of such drug or of such ingredient: *Provided further*, That where clause (B) of this subparagraph applies to an article recognized in the United States Pharmacopoeia and in the Homoeopathic Pharmacopoeia under different official titles, the official title used in the United States Pharmacopoeia shall apply unless it is labeled and offered for sale as a homoeopathic drug, in which case the official title used in the Homoeopathic Pharmacopoeia shall apply."

(b) Section 502(g) of such Act is amended by inserting immediately before the period at the end thereof a colon and the following proviso: "*Provided further*, That, in the event of inconsistency between the requirements of this paragraph and those of paragraph (e) as to the name by which the drug or its ingredients shall be designated, the requirements of paragraph (e) shall prevail".

(c) This section shall take effect on the first day of the seventh calendar month following the month in which this Act is enacted.

**H.R. 11582**

**H.R. 6245**

C.P. See section 509, infra.

*"Licensing of producers of prescription drugs*

"SEC. 508. (a) Under such regulations as the Secretary shall prescribe, he shall issue to any person, upon application and a showing by the applicant of proper qualification, a license for the manufacture, preparation, or propagation, for distribution in interstate or foreign commerce, of one or more drugs which are subject to the provisions of section 503(b)(1) of this Act. Upon a determination by the Secretary that any holder of any such license no longer possesses proper qualification for the manufacture, preparation, or propagation of any such drug, or drugs, or has adulterated or misbranded such drug or drugs, the Secretary shall order the suspension or revocation of the license as to that drug or drugs. No person may engage within any State in the manufacture, preparation, or propagation of any such drug for distribution in interstate or foreign commerce unless such person holds an unsuspended and unrevoked license therefor issued under this section. No person may import any such drug into any State from any foreign country, or distribute within any State any such drug imported

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from any foreign country, unless such drug was manufactured, prepared, or propagated by a person holding an unsuspended and unrevoked license issued under this section.

"(b) No license may be granted under this section to any person for the manufacture, preparation, or propagation of any such drug unless the applicant therefor demonstrates that the establishment in which that drug is to be manufactured, prepared, or propagated fulfills the requirements of such standards as the Secretary shall determine to be necessary to insure the continued chemical structure, strength, quality, purity, safety, and efficacy of such drug. Whenever the Secretary determines that any establishment in which any drug manufactured, prepared, or propagated under any license issued under this section no longer fulfills those requirements, he shall revoke that license, or at his election suspend that license until he has determined that those requirements have been met.

"(c) Any officer, agent, or employee of the Department authorized by the Secretary for that purpose may during all reasonable hours enter and inspect any establishment operated or intended to be operated within any State by any licensee or any applicant for a license under this section for the manufacture, preparation, or propagation of any drug described in subsection (a). Such plant inspection shall include, but is not limited to, the right to inspect commercial testing laboratories, plant sanitation, raw materials, and analytical reports on such materials, formula cards, actual manufacturing working sheets, batch records, weighing and measuring controls, packaging techniques, sterility controls, potency controls, coding systems, facilities for maintaining separate identity for each drug, cleaning of equipment between batches, quarantine of drugs until after clearance with the control laboratory, qualifications of the technical staff, and the complaint file of the licensee or applicant.

"(d) No license may be granted to any person under this section for the manufacture, preparation, or propagation of any drug described in subsection (a) in any establishment within any foreign country unless the Secretary has determined that adequate and effective means are available to determine from time to time whether that establishment continues to fulfill the requirements established under subsection (b) with respect to that drug. If at any time the Secretary determines that such means no longer are available for that determination as to any such establishment, he shall suspend or revoke any license then in effect under this section for the manufacture, preparation, or propagation of that drug in that establishment until such time as he shall have determined that such means are available for that determination. Any license granted under this section for the manufacture, preparation, or propagation of any drug within any foreign country may include such conditions, including compliance with any of the requirements of this chapter and of chapter III of this Act, as the Secretary may determine to be required for the protection of public health and safety and such fees as are necessary to provide and maintain adequate inspection as prescribed in this section.

"(e) Within thirty days after notice to an applicant for a license that his application has been denied, or notice to a licensee that his license has been revoked or suspended, the applicant or licensee may file with the Secretary his objection to such action, specifying with particularity the basis for such objection and requesting a public hearing thereon. As soon as may be practicable after receipt of any such objection, the Secretary shall conduct such hearing to receive evidence with respect to the issues raised by such objection. After completion of that hearing, the Secretary shall promptly enter and make public his final order upon such objection. Each order entered upon any such objection shall include a statement setting forth in detail the findings of fact and the conclusions upon which the order is based. No final order for the revocation or suspension of any such license shall take effect before the ninetieth day after its publication, unless the Secretary finds that emergency conditions exist which necessitate an earlier effective date, in which event the Secretary shall specify in the order his findings as to such conditions: *Provided*, That the Secretary is authorized to suspend immediately upon notice any license issued under authority of this section if it is found that any of the requirements for the granting of such license have been violated. The holder of a suspended license may at any time apply for the reinstatement of such license, and the Secretary shall, after hearing and determination that adequate measures have been taken to comply with and maintain the requirements for the granting of such a license at that time, reinstate such license.

"(f)(1) In a case of actual controversy as to the validity of any such final order issued under this section, the applicant for license or licensee affected by such order may obtain judicial review of that order by filing in the United States court of appeals for the circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of such order, a petition praying that the order be set aside in whole or in part. The filing of any such petition shall not stay the order complained of in the absence of a specific order to that effect entered by the court upon a showing of good cause therefor.

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"(2) A copy of each such petition shall be served forthwith by the petitioner upon the Secretary or upon any officer designated by him for that purpose. The Secretary thereupon shall certify to and file in the court a transcript of the proceedings and the record on which his order was based. Upon such filing the court shall have exclusive jurisdiction to affirm or set aside the order complained of in whole or in part. The findings of the Secretary with respect to questions of fact shall be sustained if based upon a fair evaluation of the entire record at such hearing. The court shall advance on the docket and expedite the disposition of all cases filed therein pursuant to this subsection.

"(3) If in the course of any such judicial review application is made to the court by any party thereto for leave to adduce additional evidence, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearing in such a manner and upon such terms and conditions as the court may deem proper, if such evidence is material and reasonable ground has been shown for failure to adduce such evidence in the proceedings below. The Secretary may modify his findings of fact, conclusions, and order by reason of any additional evidence so taken, and shall file with the court any such modified findings, conclusions, or order. The judgment of the court affirming or setting aside, in whole or in part, any final order under this section, shall be final, subject only to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

"(g) No person shall in any manner obstruct or interfere with, or attempt or conspire with any other person to obstruct or interfere with, the performance by any officer, agent or employee of the Department of any duty imposed upon him by or pursuant to this section. Whoever violates the provisions of this subsection shall be fined not more than $1,000, or imprisoned not more than one year, or both.

"REVIEW OF OFFICIAL NAMES OF DRUGS

"SEC. 509. (a) The Secretary shall have authority to determine the name of any drug as he shall find necessary or desirable in the interest of usefulness and simplicity. The name of any drug so determined shall thereafter be the official name of that drug. Such official name for any drug shall be the only official name of that drug used in any official compendium published after such name has been determined by the Secretary. No official name shall be given to any drug product which is a combination of two or more drugs.

"(b) At least once in each period of            years, the Secretary shall cause a review to be made of the official names by which drugs are identified in the official United States Pharmacopoeia, the official homeopathic pharmacopoeia of the United States, and the official National Formulary, and all supplements thereto, to determine whether revision of any of those names is necessary or desirable in the interest of usefulness and simplicity.

"(c) Whenever he determines after any such review that any such official name is unduly complex or is not useful for any other reason, he shall prescribe for that drug another official name which he has determined to be useful. Whenever he so determines that two or more official names have been applied to a single drug or to two or more drugs which are identical in chemical structure and pharmacological action and are substantially identical in strength, quality, and purity, he shall designate for such drug or drugs a single official name which he has determined to be useful. Whenever he so determines that no official name has been applied to any medically useful drug, he shall designate for such drug an official name which he has determined to be useful.

"(d) After each such review, and at such other times as the Secretary may determine to be necessary or desirable, the Secretary shall cause to be compiled, published, and publicly distributed a list which shall list all revised official names of drugs designated under this section and shall contain such descriptive and explanatory matter as the Secretary may determine to be required for the effective use of those names.

"(e) Whenever the Secretary has designated under this section a revised official name for any drug and that name has been published in any list compiled under this section, such name shall for all purposes of this Act be the exclusive official name of that drug.

"(f) The amendments made by this section shall take effect on the first day of the month beginning after the date of enactment of this Act.

"SEC. 510. (a) The Secretary shall cause to be compiled, published, and publicly distributed annually, and at such other times as the Secretary may determine to be necessary or desirable, a list of drugs having the potentiality of particularly serious dangerous or harmful effects and may include in that list such information relating to those dangerous or harmful effects as the Secretary may consider in the best interest of the public health.

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| BARBITURATES AND HABIT-FORMING STIMULANT DRUGS | *Part C—Special control for barbiturate and stimulant drugs*<br>Findings and Declaration |
| SEC. 7. (a) The Congress hereby finds and declares that there is a widespread illicit traffic in barbiturates and amphetamines and other habit-forming central nervous system stimulant drugs moving in or otherwise affecting interstate commerce; that the use of such drugs, when not under the supervision of a licensed practitioner, often endangers safety on the highway and otherwise has become a threat to the public health and safety, making additional regulation of such drugs necessary regardless of the intrastate or interstate origin of such drugs; that in order to make regulation and protection of interstate commerce in such drugs effective, regulation of intrastate commerce is also necessary because, among other things, such drugs, when held for illicit sale, often do not bear labeling showing their place of origin and because in the form in which they are so held or in which they are consumed a determination of their place of origin is often extremely difficult or impossible; and that the regulation of interstate commerce without the regulation of intrastate commerce in such drugs, as provided in this Act, would discriminate against and depress interstate commerce. | SEC. 121. The Congress hereby finds and declares that there is a widespread illicit traffic in barbiturates and in amphetamines and other habit-forming central nervous system stimulant drugs moving in or otherwise affecting interstate commerce; that the use of such drugs, when not under the supervision of a licensed practitioner, often endangers safety on the highway and otherwise has become a threat to the public health and safety, making additional regulation of such drugs necessary regardless of the intrastate or interstate origin of such drugs; that in order to make regulation and protection of interstate commerce in such drugs effective, regulation of interstate commerce is also necessary because, among other things, such drugs, when held for illicit sale, often do not bear labeling showing their place of origin and because in the form in which they are so held or in which they are consumed a determination of their place of origin is often extremely difficult or impossible; and that the regulation of interstate commerce without the regulation of intrastate commerce in such drugs, as provided in this Act, would discriminate against and depress interstate commerce in such drugs. |
|  | Control of Barbiturate and Stimulant Drugs |
| (b) Chapter V of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof a new section as follows: | SEC. 122. Chapter V of the Federal Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding at the end thereof a new section as follows: |
| "BARBITURATES AND HABIT-FORMING STIMULANT DRUGS | "Barbiturates and Habit-Forming Stimulant Drugs |
| "SEC. 508. (a) As used in this section— | "SEC. 509. (a) As used in this section— |
| "(1) the term 'barbiturate' means any drug which contains any quantity of (A) barbituric acid or any of the salts of barbituric acid; or (B) any derivative of barbituric acid, which derivative has been designated by the Secretary under section 502(d) as habit forming; and | "(1) the term 'barbiturate' means any drug which contains any quantity of (A) barbituric acid or any of the salts of barbituric acid; or (B) any derivative of barbituric acid, which derivative has been designated by the Secretary under section 502(d) as habit forming; and |
| "(2) the term 'habit-forming stimulant drug' means a drug which contains any quantity of (A) amphetamine or any of its optical isomers; or (B) any salt of amphetamine, or any sale of an optical isomer of amphetamine; or (C) any substance which the Secretary, after investigation, has found to be, and by regulation designated as, habit forming because of its stimulant effect on the central nervous system. | "(2) the term 'habit-forming stimulant drug' means a drug which contains any quantity of (A) amphetamine or any of its optical isomers; or (B) any salt of amphetamine, or any salt of an optical isomer of amphetamine; or (C) any substance which the Secretary, after investigation, has found to be, and by regulation designated as, habit forming because of its stimulant effect on the central nervous system. |
| "(b) No person shall manufacture, compound, or process any barbiturate or any habit-forming stimulant drug, except the following persons: | "(b) No person shall manufacture, compound, or process any barbiturate or any habit-forming stimulant drug, except the following persons: |
| "(1) Manufacturers, compounders, and processors who have listed their names and places of business with the Secretary and who are regularly engaged in preparing pharmaceutical chemicals or prescription drugs for distribution through branch outlets, through wholesale druggists, or by direct shipment, (A) to retail pharmacies or to hospitals, clinics, public health agencies, or physicians, for dispensing by registered pharmacists upon prescriptions, or for use by or under the supervision of practitioners licensed by law to administer such drugs in the course of their professional practice, or (B) to laboratories or research or educational institutions for any use described in paragraph (5). | "(1) Manufacturers, compounders, and processors who have listed their names and places of business with the Secretary and who are regularly engaged or seek to be engaged, and are otherwise qualified, in preparing pharmaceutical chemicals or prescription drugs for distribution through branch outlets, through wholesale druggists, or by direct shipment, (A) to pharmacies or to hospitals, clinics, public health agencies, or physicans, for dispensing by registered pharmacists upon prescriptions, or for use by or under the supervision of practitioners licensed by law to administer such drugs in the course of their professional practice, or (B) to laboratories or research or educational institutions for any use described in paragraph (5). |
| "(2) Branch outlets established by listed manufacturers, compounders, or processors described in paragraph (1), and wholesale druggists who maintain establishments in conformance with local laws and are regularly engaged in supplying prescription drugs (A) to retail pharmacies, or to hospitals, clinics, public health agencies, or physicians, for dispensing by registered pharmacists upon prescriptions, or for use by or under the supervision of practitioners licensed by law to administer such drugs in the course of their professional practice, or (B) to laboratories or research or educational institutions for any use described in paragraph (5). | "(2) Wholesale druggists who maintain establishments in conformance with local laws and are regularly engaged in supplying prescription drugs (A) to pharmacies, or to hospitals, clinics, public health agencies, or physicians, for dispensing by registered pharmacists upon prescriptions, or for use by or under the supervision of practitioners licensed by law to administer such drugs in the course of their professional practice, or (B) to laboratories or research or educational institutions for any use described in paragraph (5). |
| "(3) Retail pharmacies, hospitals, clinics, and public health agencies, which maintain establishments, in conformance with local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practitioners licensed to administer such drugs, for patients under the care of such practitioners in the course of their professional practice. | "(3) Pharmacies, hospitals, clinics, and public health agencies, which maintain establishments, in conformance with any applicable local laws regulating the practice of pharmacy and medicine and which are regularly engaged in dispensing prescription drugs, upon prescriptions of practitioners licensed to administer such drugs, for patients under the care of such practitioners in the course of their professional practice. |
| "(4) Practitioners licensed by law to prescribe or administer barbiturates or habit-forming stimulant drugs, who have such drugs in their possession for use in the course of their professional practice. | "(4) Practitioners licensed by law to prescribe or administer barbiturates or habit-forming stimulant drugs, who have such drugs in their possession for use in the course of their professional practice. |
| "(5) Persons who possess barbiturates or habit-forming stimulant drugs for use in research, teaching, or chemical analysis and not for sale. | "(5) Persons who possess barbiturates or habit-forming stimulant drugs for use in research, teaching, or chemical analysis and not for sale. |
| "(6) Officers and employees of Federal, State, territorial, or local governments, whose possession of such drugs is in the course of their official duties. | "(6) Officers and employees of Federal, State, Territorial, or local governments, whose possession of such drugs is in the course of their official duties. |
| "(7) An employee of any person described in paragraph (1) through paragraph (6), and a nurse or other medical technician under the supervision of a practitioner licensed by law to administer such drugs, having possession of such drugs by reason of his employment or occupation and not on his own account. | "(7) An employee of any person described in paragraph (1) through paragraph (6), and a nurse or other medical technician under the supervision of a practitioner licensed by law to administer such drugs, having possession of such drugs by reason of his employment or occupation and not on his own account. |
| "(c) No person shall possess any barbiturate or any habit-forming stimulant drug, except (1) a person described in subsection (b), or (2) a person to whom such drug in his possession has been dispensed, or for whom it has been prescribed in conformance with section 503(b), by a practitioner licensed by law to prescribe and | "(c) No person, other than—<br>"(1) a person described in subsection (b), or<br>"(2) an individual to whom such drug in his possession has been dispensed, or for whom it has been prescribed in conformance with section 503(b), by a practitioner licensed by law to prescribe |

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"(b) The Secretary shall publish in convenient and readable form and shall distribute on a current basis to physicians, hospitals, medical and nurse-training schools, depository libraries, and Federal, State and local government offices concerned with the handling and utilization of drugs, true and correct copies of all printed matter which the Secretary has required to be included in any package in which any drug is distributed or sold."

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| administer such drugs in the course of such practitioner's professional practice, or (3) a carrier or warehouseman whose possession of such drug is in the usual course of his business as such. | and administer such drugs in the course of such practitioner's professional practice, or<br>"(3) a carrier or warehouseman whose possession of such drug is in the usual course of his business as such, shall possess any barbiturate or any habit-forming stimulant drug. |
| "(d) No peron shall sell, deliver, or otherwise dispose of any barbiturate or any habit-forming stimulant drug to a person not authorized by subsection (c) to possess such drugs. | "(d) No person shall sell, deliver, or otherwise dispose of any barbiturate or any habit-forming stimulant drug to a person not authorized by subsection (c) to possess such drugs. |
| "(e)(1) Every person engaged in manufacturing, compounding, processing, selling, delivering, or otherwise disposing of barbiturate or any habit-forming stimulant drug shall, upon the effective date of this section, prepare a complete and accurate record of all stocks of each such drug on hand and shall keep such record for three years. On and after the effective date of this section, every such person manufacturing, compounding, or processing any barbiturate or any habit-forming stimulant drug shall prepare and keep, for not less than three years, a complete and accurate record of the kind and quality of each such drug manufactured, compounded, or processed and the date of such manufacture, compounding, or processing; and every such person selling, delivering, or otherwise disposing of any barbiturate or any habit-forming stimulant drug shall prepare or obtain, and keep for not less than three years, a complete and accurate record of the kind and quantity of each such drug received, sold, delivered, or otherwise disposed of, the name and address of the person from whom it was received and to whom it was sold, delivered, or otherwise disposed of, and the date of such transaction. | "(e)(1) Every person engaged in manufacturing, compounding, processing, selling, delivering, or otherwise disposing of any barbiturate or any habit-forming stimulant drug shall, upon the effective date of this section, prepare a complete and accurate record of all stocks of each such drug on hand and shall keep such record for three years. On and after the effective date of this section, every such person manufacturing, compounding, or processing any barbiturate or any habit-forming stimulant drug shall prepare and keep, for not less than three years, a complete and accurate record of the kind and quantity of each such drug manufactured, compounded, or processed and the date of such manufacture, compounding, or processing; and every such person selling, delivering, or otherwise disposing of any barbiturate or any habit-forming stimulant drug shall prepare or obtain, and keep for not less than three years, a complete and accurate record of the kind and quantity of each such drug received, sold, delivered, or otherwise disposed of, the name and address of the person from whom it was received and to whom it was sold, delivered, or otherwise disposed of, and the date of such transaction. |
| "(2) Every person required by paragraph (1) of this subsection to prepare or obtain, and keep, records, and any carrier maintaining records with respect to any shipment containing barbiturates or habit-forming stimulant drugs, and every person in charge or custody of such records, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at reasonable times to have access to and copy such records. For the purposes of verification of such records and of enforcement of this section, officers or employees designated by the Secretary are authorized, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, to enter, at reasonable times, any factory, warehouse, establishment, or vehicle in which barbiturates or habit-forming stimulant drugs are held, manufactured, compounded, processed, sold, delivered, or otherwise disposed of, and to inspect, within reasonable limits and in a reasonable manner such factory, warehouse, establishment, or vehicle, and all pertinent equipment, finished and unfinished material, containers, and labeling therein, and to inventory any stock of such drugs therein, and obtain samples of such drugs. If a sample is thus obtained, the officer or employee making the inspection shall, upon completion of the inspection and before leaving the premises, give to the owner, operator, or agent in charge a receipt describing the sample obtained. | "(2) Every person required by paragraph (1) of this subsection to prepare or obtain, and keep, records, and any carrier maintaining records with respect to any shipment containing barbiturates or habit-forming stimulant drugs, and every person in charge or custody of such records, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at reasonable times to have access to and copy such records. For the purposes of verification of such records and of enforcement of this section, officers or employees designated by the Secretary are authorized, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, to enter, at reasonable times, any factory, warehouse, establishment, or vehicle in which barbiturates or habit-forming stimulant drugs are held, manufactured, compounded, processed, sold, delivered, or otherwise disposed of, and to inspect, within reasonable limits and in a reasonable manner such factory, warehouse, establishment, or vehicle, and all pertinent equipment, finished and unfinished material, containers, and labeling therein, and to inventory any stock of such drugs therein, and obtain samples of such drugs. If a sample is thus obtained, the officer or employee making the inspection shall, upon completion of the inspection and before leaving the premises, give to the owner, operator, or agent in charge a receipt describing the sample obtained. |
| "(3) The provisions of paragraphs (1) and (2) of this subsection shall not apply to a licensed practitioner described in subsection (b)(4) with respect to drugs received, prepared, possessed, administered, or dispensed by him in the course of his professional practice. | "(3) The provisions of paragraphs (1) and (2) of this subsection shall not apply to a licensed practitioner described in subsection (b)(4) with respect to drugs received, prepared, possessed, administered, or dispensed by him in the course of his professional practice. |
| "(f) The Secretary may by regulation exempt any barbiturate or any habit-forming stimulant drug from the application of all or part of this section when he finds that regulation of its manufacture, compounding, processing, possession, and disposition, as provided in this section or in such part thereof, is not necessary for the protection of the public health." | "(f) The Secretary may by regulation exempt any barbiturate or any habit-forming stimulant drug from the application of all or part of this section when he finds that regulations of its manufacture, compounding processing, possession, and disposition, as provided in this section or in such part thereof, is not necessary for the protection of the public health." |
|  | Prohibited Acts |
| (c) Section 301 of such Act (21 U.S.C. 331) is amended by adding at the end thereof the following:<br>"(o)(1) The manufacture, compounding, or processing of a drug in violation of section 508(b); (2) the possession of a drug in violation of section 508(c); (3) the sale, delivery, or other disposition of a drug in violation of section 508(d); (4)(A) the failure to prepare or obtain, or the failure to keep, a complete and accurate record with respect to any drug as required by section 508(e), or (B) the refusal to permit access to or copying of any record as required by section 508(e); or (5) the refusal to permit entry on inspection as authorized by section 508(e)." | SEC. 123. Section 301 of such Act is amended by adding at the end thereof the following new paragraph:<br>"(o)(1) The manufacture, compounding, or processing of a drug in violation of section 509(b); (2) the possession of a drug in violation of section 509(c); (3) the sale, delivery, or other disposition of a drug in violation of section 509(d); (4)(A) the failure to prepare or obtain, or the failure to keep, a complete and accurate record with respect to any drug as required by section 509(e), or (B) the refusal to permit access to or copying of any record as required by section 509(e); or (5) the refusal to permit entry or inspection as authorized by section 509(e)." |
|  | Grounds and Jurisdiction for Judicial Seizure and Condemnation |
| (d) The first sentence of section 304(a) of such Act (21 U.S.C. 334(a)), is amended by inserting before ": *Provided, however*", the following: ", and any drug which is a barbiturate or a habit-forming stimulant drug within the meaning of section 508 and which has been manufactured, compounded, processed, possessed, sold, delivered, or disposed of in violation of section 508 shall be liable to be proceeded against at any time on libel of information and condemned in any United States district court within the jurisdiction of which the article is found": | SEC. 124. The first sentence of section 304(a) of such Act is amended by inserting before ": *Provided, however*" the following: "; and any drug which is a barbiturate or a habit-forming stimulant drug within the meaning of section 509 and which has been manufactured, compounded, processed, possessed, sold, delivered, or disposed of in violation of section 509 shall be liable to be proceeded against at any time on libel of information and condemned in any district court of the United States within the jurisdiction of which the article is found". |

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

**H.R. 11582**

H.R. 6245

## COMPARISON OF H.R. 1235, 11581–11582, AND 6245

### H.R. 1235

(e) Nothing in this Act shall be construed as authorizing the manufacture, compounding, processing, possession, sale, delivery, or other disposal of any drug in any State or territory in contravention of the laws of such State or territory.

#### FAKE CANCER REMEDIES

SEC. 8. (a) Section 301(d) of the Federal Food, Drug, and Cosmetic Act is amended by striking "404 or 505" at the end of the subsection and substituting therefor "404, 505, or 509".

(b) Section 301(1) of such Act is amended by striking the period at the end thereof and adding the following: ", or that such drug has been approved by the Secretary under section 509."

(c) Section 304(a) of such Act is amended by striking from the first sentence "404 or 505" and substituting therefor "404, 505, or 509".

(d) Chapter V of such Act is amended by adding at the end thereof the following new section:

#### "DRUGS AND DEVICES INTENDED FOR THE PREVENTION OR TREATMENT OF CANCER

"SEC. 509. (a) No person shall introduce or deliver for introduction into interstate commerce any drug or device intended for any use in the prevention, cure, mitigation, or treatment of cancer in men unless (1) he shall have submitted to the Secretary, (A) a full statement of the composition of the drug or construction and properties of the device, and a full description of the components, methods, facilities and controls used in its production, (B) scientific evidence, including the results of all animal studies and clinical tests, showing that the article has value for such use or that there is a reasonable possibility that the article has value for such use, and (C) such samples of the article as the Secretary may require for such scientific study as in his judgment should be made to evaluate the information submitted pursuant to this paragraph; (2) he shall have a valid approval issued by the Secretary under the provisions of subsection (b); and (3) he shall have limited his distribution as required by any conditions and restrictions imposed under the provisions of subsection (c) or (d).

"(b) The Secretary shall study the information obtained pursuant to subsection (a), and may consult in respect thereto experts qualified by scientific training and experience to evaluate such information. The Secretary shall then decide whether the article has value for use in the prevention, cure, mitigation, or treatment of cancer in man, or whether there is a reasonable possibility that the article has value for such use. The Secretary shall promptly notify the person concerned whether or not he approves the article for distribution.

"(c) When the decision of the Secretary is that there is a reasonable possibility that an article has value for such use, his approval shall be limited to use of the article solely in a reasonable program of investigation by experts qualified by scientific training and experience to determine the value of the article in the prevention, cure, mitigation, or treatment of cancer in man. The Secretary shall include in his approval such conditions and restrictions as in his judgment are necessary to confine the use of the article within the limits of such a program. The Secretary shall revoke his approval, or modify such conditions and restrictions, when in his judgment developments under the program require. When such program is completed the person concerned may submit to the Secretary the results thereof, as provided by subsection (a).

"(d) When the decision of the Secretary is that an article has value for use in the prevention, cure, mitigation, or treatment of cancer in man, the Secretary shall include in his approval such conditions and restrictions as in his judgment are necessary for the protection of the public health. The Secretary shall modify or withdraw such conditions and restrictions if, in his judgment, clinical experience justifies such action. The Secretary shall revoke his approval issued under subsection (b) if (1) he finds after reasonable notice and opportunity for hearing to the person concerned, that the approval was obtained through any untrue statement of a material fact; or (2) clinical experience reveals that the article has no value in the prevention, cure, mitigation, or treatment of cancer in man.

"(e) This section shall not apply to X-ray equipment, surgical instruments, radium, and radioactive isotopes in the forms in which they are generally recognized, upon the effective date of this section, to be of value for use in the prevention, cure, mitigation, or treatment of cancer in man."

### H.R. 11581

#### Application of State Law

SEC. 125. Nothing in this part shall be construed as authorizing the manufacture, compounding, processing, possession, sale, delivery, or other disposal of any drug in any State or territory in contravention of the laws of such State or territory.

#### Effective Date

SEC. 126. The foregoing provisions of this part C shall take effect on the first day of the seventh calendar month following the month in which this Act is enacted; except that the Secretary shall permit manufacturers, compounders, and processors referred to in section 509(b)(1) of the Federal Food, Drug, and Cosmetic Act, as enacted by this part, to list their names and places of business with the Secretary prior to such effective date, and except that the definitions of terms and the provisions of section 125 shall take

#### *Part D—Amendments as to advertising*

#### Requirement of Informative Prescription Drug Advertisements

SEC. 131. Subsection (a) of section 15 of the Federal Trade Commission Act is amended (1) by striking out the last sentence of paragraph (1); (2) by redesignating paragraph (2) as paragraph (3); and (3) by inserting immediately after paragraph (1) the following new paragraph:

| H.R. 11582 | H.R. 6245 |
|---|---|
| | See section 4(a) (7) *supra*. |

H.R. 1235

PRETESTING COSMETICS

SEC. 9. (a) The following new section is added at the end of chapter VI of such act:

"PRETESTING COSMETICS

"SEC. 604. (a) No person shall introduce or deliver for introduction into interstate commerce any cosmetic—

"(1) the composition of which is such that such cosmetic is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety of cosmetics, as having been adequately shown to be safe for its intended use and other uses reasonably to be anticipated, or

"(2) the composition of which is such that such cosmetic, as a result of investigations to determine its safety for such a use, has become so recognized, but which has not, otherwise than in such investigations been so used to a material extent or for a material time,

unless an application filed pursuant to subsection (b) is effective with respect to such cosmetic.

"(b) Any person may file with the Secretary an application with respect to any cosmetic subject to the provisions of subsection (a). Such persons shall submit to the Secretary as a part of the application (1) full reports of investigations which have been made to show whether or not such cosmetic is safe for use; (2) a full list of the articles used as components of such cosmetic; (3) a full statement of the composition of such cosmetic; (4) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such cosmetic; (5) such samples of such cosmetic and of the articles used as components thereof as the Secretary may require; and (6) specimens of the labeling proposed to be used for such cosmetic.

"(c) The Secretary, within ninety days after the filing of an application under this subsection, shall notify the applicant that the application is effective or shall give the applicant notice of opportunity for a hearing on the question whether to permit the application to become effective, except that prior to the ninetieth day after such filing the Secretary may notify the applicant in writing that the time for action by him has been extended to such time (not more than one hundred and eighty days after the date of filing the application) as the Secretary deems necessary to enable him to study and investigate the application.

"(d) (1) If the Secretary finds, after due notice to the applicant and giving him an opportunity for a hearing, that (A) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such cosmetic is safe for its intended use and other uses reasonably to be anticipated; (B) the results of such tests show that such cosmetic is unsafe for any such use or do not show that such cosmetic is safe for such uses; (C) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such cosmetic are inadequate to preserve its identity, strength, quality, and purity; or (D) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such cosmetic, he has insufficient information to determine whether such cosmetic is safe for its intended use and other uses reasonably to be anticipated, he shall, prior to the effective date of the application, issue an order refusing to permit the application to become effective.

H.R. 11581

"(2) An advertisement of a prescription drug shall be deemed to be misleading in a material respect if such advertisement fails to contain (A) a conspicuous, full, and accurate statement of the efficacy of the drug, and (B) a conspicuous and truthful disclosure of (i) the quantitative formula of the drug with each active ingredient listed by its common or usual name, (ii) the side effects of the drug, and (iii) the contraindications of the drug. For the purposes of this paragraph a prescription drug is one intended for use of man that Federal law requires to be dispensed only upon the prescription of a practitioner licensed by law to administer such drug. The Commission is authorized and directed to prescribe such rules and regulations as may be necessary for purposes of administration and enforcement of this paragraph."

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

**H.R. 11582**

**H.R. 6245**

TITLE I—PREMARKETING CLEARANCE OF COSMETICS FOR SAFETY

New Cosmetics

SEC. 101. (a) Section 601, as amended, of the Federal Food, Drug, and Cosmetic Act (relating to cosmetics deemed adulterated) is further amended by adding at the end thereof the following new paragraph:

"(f) If it is unsafe within the meaning of section 605(a)."

(b) Chapter VI of such act is amended by adding at the end thereof a new section as follows:

"New Cosmetics

"SEC. 605. (a) A cosmetic shall be deemed unsafe for the purposes of section 601(f) if—

"(1) its composition is such that such cosmetic is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety of cosmetics, as having been adequately shown to be safe for its intended use and other reasonably foreseeable uses, or

"(2) its composition is such that such cosmetic, as a result of investigations to determine its safety for such a use, has become so recognized, but such cosmetic has not, otherwise than in such investigations, been so used to a material extent or for a material time,

unless an application with respect to such cosmetic has been filed pursuant to subsection (b) and there is in effect an approval of such application by the Secretary under this section, or unless such cosmetic is for investigational use and conforms to the terms of an exemption which is in effect pursuant to subsection (i).

"(b) Any person may file with the Secretary an application for determination by the Secretary of the safety of any cosmetic described in clause (1) or (2) of subsection (a). Such persons shall submit to the Secretary as a part of the application (1) full reports of investigations which have been made to show whether or not such cosmetic is safe for use; (2) a full list of the articles used as components of such cosmetic; (3) a full statement of the composition of such cosmetic; (4) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such cosmetic; (5) such samples of such cosmetic and of the articles used as components thereof as the Secretary may require: and (6) specimens of the labeling proposed to be used for such cosmetic.

"(c) Within ninety days after the filing of an application under this subsection or within such additional period (not, exceeding one hundred and eighty days after such filing) as the Secretary deems necessary to enable him to study and investigate the application and specifies in a written notice to the applicant, the Secretary shall either—

"(1) approve the application if he then finds that none of the grounds for denying approval specified in subsection (d) applies, or

"(2) give the applicant notice of an opportunity for a hearing before the Secretary to be held under subsection (d) on the question whether such application is approvable.

"(d) (1) If the Secretary finds, after due notice and opportunity for a hearing to the applicant, that (A) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b). do not include adequate tests by all methods reasonably applicable to show whether or not such cosmetic is safe for its intended use and other reasonably foreseeable uses; (B) the results of such tests show that such cosmetic is unsafe for any such use or do not show that such cosmetic is safe for such use; (C) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such cosmetic are inadequate to preserve its identity, strength, quality, purity, and safety; (D) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such cosmetic, he has insufficient information to determine whether such cosmetic is safe for its intended use and other reasonably foreseeable uses; or (E) approval is precluded by paragraph (2) or (3) of this subsection, he shall issue an order denying approval of the application. If, after such notice and opportunity for hearing, the Secretary finds that clauses (A) through (E) do not apply, he shall issue an order approving the application.

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

H.R. 1235

"(2) A cosmetic shall be deemed unsafe and an application with respect to it may not become effective—

"(A) if its intended use or any use which can reasonably be anticipated will or may result in ingestion of all or part of such cosmetic and (i) the cosmetic is found by the Secretary to induce cancer when ingested by man or animal or (ii) it is found by the Secretary, after tests which are appropriate for the evaluation of safety of cosmetics, to induce cancer in man or animal, or

"(B) if its intended use or any use which can reasonably be anticipated will not result in ingestion of any part of such cosmetic and, after tests which are appropriate for the evaluation of the safety of cosmetic for any such use, or after other revelant exposure of man or animal to such cosmetic, it is found by the Secretary to induce cancer in man or animal.

"(3) An application with respect to a cosmetic may not become effective if the data before the Secretary show that its intended use or any use which can reasonably be anticipated would promote deception of the consumer in violation of this Act or would otherwise result in misbranding or adulteration with the meaning of this Act.

"(e) The effectiveness of an application with respect to any cosmetic shall, after due notice and opportunity for hearing to the applicant, by order of the Secretary be suspended if the Secretary finds that (1) for reasons set forth by him, there is reasonable doubt as to the safety of the cosmetic for its intended use or any other use reasonably to be anticipated, or (2) the application contains any untrue statement of a material fact.

"(f) An order refusing to permit an application with respect to any cosmetic to become effective shall be revoked whenever the Secretary finds that the facts so require.

"(g) (1) An order of the Secretary after a hearing under this section shall be based upon a fair evaluation of the entire record at the hearing and shall include a statement setting forth in detail the findings and conclusions on which it is based.

"(2) Orders of the Secretary under this section shall be served (A) in person by any officer or employee of the Department designated by the Secretary or (B) by mailing the order by registered mail or certified mail addressed to the applicant or respondent at his last-known address in the records of the Secretary.

"(h) In case of denial or withdrawal of approval of an application under this section, the applicant may file in the United States court of appeals for the circuit in which such applicant resides or has his principal place of business, within sixty days after serving of notice of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose, and thereupon the Secretary shall file in the court a transcript of the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition the court shall have jurisdiction, which upon the filing of the record with it shall be exclusive, to affirm or set aside the order. The finding of the Secretary as to the facts shall be sustained if based upon a fair evaluation of the entire record at the hearing. If any person shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts and order by reason of the additional evidence so taken, and he shall file with the court such modified findings and order. The court, on judicial review, shall not sustain the order of the Secretary if he failed to comply with any requirement imposed on him by subsection (g)(1). The judgment and decree of the court affirming or setting aside any order under this section shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of the Secretary's order.

H.R. 11581

**H.R. 11582**

"(2) A cosmetic shall be deemed unsafe for purposes of section 601(f) and an application with respect to such cosmetic pursuant to this section 605 may not be approved—

"(A) if its intended use or any reasonably foreseeable use will or may result in ingestion of all or part of such cosmetic and (i) the cosmetic is found by the Secretary to induce cancer when ingested by man or animal or (ii) it is found by the Secretary, after tests or other experience appropriate for the evaluation of the safety of cosmetic, for any such use, to induce cancer in man or animal, or

"(B) if its intended use or any reasonably foreseeable use will not result in ingestion of any part of such cosmetic and, after tests which are appropriate for the evaluation of the safety of cosmetics for any such use, or after other revelant exposure of man or animal to such cosmetic, it is found by the Secretary to induce cancer in man or animal.

"(3) An application with respect to a cosmetic may not be approved under this section if the data before the Secretary show that its intended use would promote deception of the consumer in violation of this Act or would otherwise result in misbranding or adulteration within the meaning of this Act.

"(e) The Secretary shall, after due notice and opportunity for hearing to the applicant, issue an order withdrawing approval of an application under this section if the Secretary finds that (1) for reasons set forth by him, there is substantial doubt as to the safety of the cosmetic for its intended use or any other reasonably foreseeable use, or (2) the application filed pursuant to subsection (b) contains any untrue statement of a material fact, or (3) the applicant has failed to establish or maintain any required records, or to make any required report, in accordance with an applicable regulation or order under subsection (j), or that the applicant or any person under his control has refused to permit access to, or copying or verification of, any such record as required by paragraph (2) of such subsection, or (4) the methods used in; and the facilities and controls used for, the manufacture, processing, and packing of such cosmetic are then inadequate to assure and preserve its identity, strength, quality, purity, and safety, or (5) any condition attached to approval of the application has been violated: *Provided*, That if the Secretary finds that there is an imminent hazard to the public health, he may suspend the approval of such application immediately upon notice, pending the opportunity for hearing required by this subsection.

"(f) Whenever the Secretary finds that the facts so require, he shall revoke any previous order under subsection (d) or (e) denying, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.

"(g) Orders of the Secretary under this section shall be served (1) in person by any officer or employee of the Department designated by the Secretary or (2) by mailing the order by registered mail or certified mail addressed to the applicant at his last-known address in the records of the Secretary.

"(h) The applicant may obtain judicial review of a final order of the Secretary denying or withdrawing approval of an application under this section in accordance with the provisions of subsection (f) (1)–(5) of section 701.

**H.R. 6245**

COMPARISON OF H.R. 1235, 11581–11582, AND 6245

| H.R. 1235 | H.R. 11581 |
|---|---|
| "(i) The Secretary shall promulgate regulations for exempting from the operation of this section cosmetics intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety of cosmetics." | |

COMPARISON OF H.R. 1235, 11581-11582, AND 6245

H.R. 11582

"(i) The Secretary shall promulgate regulations for exempting from the operation of this section cosmetics intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety of cosmetics. Such regulations may provide for conditioning such exemptions upon the establishment and maintenance of such records, and the making of such reports to the Secretary, of data obtained as the result of such investigational use of such cosmetics as the Secretary finds will enable him to evaluate the safety of such cosmetics in the event of the filing of an application pursuant to subsection (b).

"(j) (1) Every person engaged in manufacturing, compounding, or processing any cosmetic with respect to which approval of an application, filed pursuant to this section, is in effect shall establish and maintain such records, and make such reports to the Secretary, of data relating to experience and other data or information, received or otherwise obtained by such person with respect to such cosmetic, as the Secretary may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or to facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section.

"(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records."

Prohibited Acts, and so Forth

SEC. 102. (a) Paragraph (e) of section 301 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "or the failure to establish or maintain any record, or make any report, required under section 605 (i) or (j), or the refusal to permit access to or verification or copying of any such required record."

(b) Paragraph (j) of section 301 of such Act is amended by inserting "605," after "507,".

(c) Paragraph (l) of such section 301 is amended (1) by inserting "or cosmetic" after the word "drug" each time it appears therein; (2) by inserting "or approval thereof" after "application"; and (3) by striking out "505," and inserting in lieu thereof "505 or 605, as the case may be,".

(d) Subsection (a) of section 302 of such Act is amended by striking out "(e),".

Repeal of Special Exemptions for Hair Dyes

SEC. 103. (a) Paragraph (a) of section 601 of such Act is amended by striking out the colon which precedes *"Provided"* and all that follows down to but not including the period at the end of such subsection.

(b) Paragraph (e) of such section 601 is amended by striking out "it is not a hair dye and".

(c) Paragraph (e) of section 602 of such Act is amended by striking out the second sentence of such paragraph.

(d) Subsection (a) of section 706 of such Act is amended by striking out "other than a hair dye (as defined in the last sentence of section 601(a))".

Effective Date and Transitional Provisions

SEC. 104. (a) Except as provided in subsections (b) and (c) of this section, the foregoing provisions of this title shall take effect on the date of enactment of this Act.

(b) Except as provided in subsection (c) of this section, section 601(f) of the Federal Food, Drug, and Cosmetic Act, as added to such Act by section 101(a) of this Act, shall, with respect to any particular use or uses of a cosmetic, take effect (1) on the first day of the seventh calendar month following the month in which this Act is enacted, or (2) if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use or uses of such cosmetic under section 605 of the Federal Food, Drug, and Cosmetic Act, as added by section 101 of this Act.

(c)(1) In the case of any cosmetic which was commercially used or sold for any particular use or uses on the day immediately prior to the date of the enactment of this Act, such section 601(f) of the Federal Food, Drug, and Cosmetic Act shall, with respect to such use or uses of such cosmetic, become effective on the closing date (as defined in this subsection) or, if sooner, on the effective date of an order of the Secretary approving or denying approval of an application with respect to such use or uses of such cosmetic under section 605 of such Act as added by section 101 of this Act.

(2) For the purposes of this subsection, the term "closing date" means the first day of the thirteenth calendar month which begins after such date of enactment, except that, if in the opinion of the Secretary it would not involve any undue risk to the public health, he may on application postpone such closing date with respect to any such use or uses of such cosmetic until such later date (but in no event subsequent to the first day of the thirty-first calendar month following such month) as he determines is necessary to permit completion, in good faith and as soon as reasonably practicable, of the scientific investigations necessary to establish the safety thereof. The Secretary may terminate any such postponement at any time if he finds that such postponement should not have been granted or that, by reason of a change in circumstances, the basis for such postponement no longer exists or that there has been a failure to comply with a requirement of the Secretary for submission of progress reports or with other conditions attached by him to such postponement.

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### H.R. 1235

(b) Section 201 (i) (2) of such Act is amended by changing the semicolon to a period and deleting the words "except that such term shall not include soap."

(c) Section 301 of such Act is amended—

(1) by striking out in paragraph (d) thereof "404 or 505" and inserting in lieu thereof "404, 505, or 604".

(2) by inserting "604," in paragraph (j) after "507,".

(3) by adding at the end thereof the following new paragraph:

"(p) The using, on the labeling of any cosmetic or in any advertising relating to such cosmetic, of any representation or suggestion that an application with respect to such cosmetic is effective under section 604, or that such cosmetic complies with the provisions of such section."

(d) Section 304 of such Act is amended—

(1) by striking out in subsection (a) thereof "404 or 505" and inserting in lieu thereof "404, 505, or 604".

(2) by striking out in subsection (d) thereof "404 or 505" and inserting in lieu thereof "404, 505, or 604".

(e) Section 601 of such Act is amended—

(1) by changing the semicolon after the word "usual" in subsection (a) to a period, and deleting the remainder of the subsection.

(2) by changing subsection (e) to read as follows:

"(e) If it is, or it bears or contains, a color additive which is unsafe within the meaning of section 706(a)".

(3) by adding at the end thereof the following new subsection:

"(f) If it is a cosmetic to which the provisions of section 604 apply but with respect to which an application is not effective under such section"

(f) Section 602 of such Act is amended by adding the following subsection:

"(e) Unless its labeling bears (1) the common or usual name of the cosmetic chemicals, and (2) in case it is fabricated from two or more ingredients, the common or usual name of each such ingredient: *Provided*, That to the extent that compliance with the requirements of clause (2) of this paragraph is impracticable, or results in deception or unfair competition, or is not in the best interest of the consumer, exemptions shall be established by regulations promulgated by the Secretary".

#### ADMINISTRATIVE SUBPENA POWER

SEC. 10. (a) Section 301 of such Act is further amended by adding a new subsection as follows:

"(q) The refusal to attend and testify or to produce documents in obedience to a subpena authorized by section 701(c) as amended."

(b) Subsection (a) of section 302 of such Act, as amended, is amended by striking "and" before "(j)" at the end of such subsection, changing the period to a comma, and adding "and (q)."

(c) Subsection (c) of section 701 of such Act, as amended, is amended by inserting "(1)" after "(c)" and adding at the end of such subsection the following:

"(2) So far as may be necessary for the purposes of any such hearings, the Secretary or such officer or employee as he may designate for the purpose is empowered to sign and issue subpenas compelling the attendance and testimony of witnesses, and requiring the production of any books, papers, or other documents which he deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such documents may be required from any place in the United States or any territory, District, or possession thereof at any designated place of hearing.

"(3) In case of contumacy by, or refusal to obey a subpena issued to any person, the Secretary may invoke the aid of any district court of the United States within the jurisdiction of which such hearing is carried on, or where such person is found or resides or carries on business, to require the attendance and testimony of witnesses and the production of books, papers, and other documents. Any such court may issue an order requiring such person to appear before the Secretary or officer or employee designated by the Secretary there to produce documents, if so ordered, or to give testimony touching the matter upon which the hearing is being held; and any failure to obey such order of the court may be punished by the court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

SEC. 11. Section 703 of such Act is amended by deleting the second proviso which reads: "*Provided further*, That carriers shall not be subject to the other provisions of this Act by reason of their receipt, carriage, holding, or delivery of food, drugs, devices, or cosmetics in the usual course of business as carriers."

#### FACTORY INSPECTION

SEC. 12. (a) The first sentence of subsection (a) of section 704 of the Federal Food, Drug, and Cosmetic Act is amended to read as follows: "For purposes of enforcement of this Act, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or are held after such introduction, or to enter any consulting laboratory, or

### H.R. 11581

#### TITLE II—CLARIFICATION AND STRENGTHENING OF FACTORY INSPECTION AUTHORITY

#### Factory Inspection

SEC. 201. (a) The first sentence of subsection (a) of section 704 of the Federal Food, Drug, and Cosmetic Act is amended to read as follows: "For purposes of enforcement of this Act, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or after such introduction, or to enter any consulting laboratory, or to enter

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|---|---|
| See section **101**(a), supra. **C**.P., section 102(b). **C**.P., section 102(c). | |

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to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment, consulting laboratory, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein, and all records, files, papers, processes, controls, facilities, and things therein bearing on whether articles which are adulterated or misbranded within the meaning of this Act, or which may not be manufactured, introduced into interstate commerce, or sold or offered for sale by reason of any provision of this Act, have been or are being manufactured, processed, packed, transported, or held in any such place."

(b) Subsection (b) of section 704 of such Act is amended to read as follows:

"(b) Upon completion of any such inspection of a factory, warehouse, consulting laboratory, or other establishment, and prior to leaving the premises, the officer or employee making the inspection shall give to the owner, operator, or agent in charge a report in writing setting forth any conditions or practices observed by him which, in his judgment, indicate that any food, drug, device, or cosmetic in such establishment (1) consists in whole or in part of any filthy, putrid, or decomposed substance, or (2) has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health, or (3), in the case of drugs, has been or is being manufactured, processed, packed, or held under conditions which may cause such drug to be adulterated within the meaning of section 501(a)(2)(B) of this Act."

(c) Section 704 of such Act is further amended by adding at the end thereof the following new subsection:

"(e) As used in this section, the term 'consulting laboratory' means a laboratory which, for a fee or other remuneration, performs assays or other laboratory services for a manufacturer, processor, or compounder of drugs, if such manufacturer, processor, or compounder owns or has under his control an establishment which (other than as a consulting laboratory) is subject to inspection under this section."

(d) Subsection (a) of section 302 of such Act is amended by striking out "(f),".

INSPECTION OF FOREIGN MANUFACTURERS

SEC. 13. The second sentence of subsection (a) of section 801 of such Act is amended to read as follows: "If it appears from the examination of such samples or otherwise that (1) such article has been manufactured, processed, or packed under insanitary conditions, or (2) such article is forbidden or restricted in sale in the country in which it was produced or from which it was exported, (3) such article is adulterated, misbranded, or in violation of section 505, or (4) such article has been manufactured, processed, packed, or held in any factory, warehouse or establishment that refuses to allow reasonable inspection upon request of an officer or employee duly designated by the Secretary of the Department of Health, Education, and Welfare, then such article shall be refused admission, except as provided in subsection (b) of this section."

SEC. 14 (a) The first section of the Act of August 1, 1947, Public Law 313, Eightieth Congress, as amended, is amended as follows:

"The Secretary of the Department of Health, Education, and Welfare is authorized to establish and fix compensation for ten additional scientific or professional positions in the Food and Drug Administration, each such position being established to effectuate those research and development functions of such Agency which require the services of specially qualified personnel."

(b) Section 505 of the Classification Act of 1949, as amended (5 U.S.C 1105), is amended by adding the following new subsection at the end thereof:

"The Secretary of the Department of Health, Education, and Welfare is authorized, subject to the procedures prescribed by this section, to place for the Food and Drug Administration, one additional position in grade GS–18, two additional positions in grade GS–17, and seven additional positions at GS–16, all of which shall be of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

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any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, establishment, consulting laboratory, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein, and all things therein (including records, files, papers, processes, controls, and facilities) bearing on whether articles which are adulterated or misbranded within the meaning of this Act, or which may not be manufactured, introduced into interstate commerce, or sold or offered for sale by reason of any provision of this Act, have been or are being manufactured, processed, packed, transported, or held in any such place, or otherwise bearing on violations or potential violations of this Act."

(b) The first sentence of subsection (b) of section 704 of such Act is amended to read as follows:

"(b) Upon completion of any such inspection of a factory, warehouse, consulting laboratory, or other establishment, and prior to leaving the premises, the officer or employee making the inspection shall give to the owner, operator, or agent in charge a report in writing setting forth any conditions or practices observed by him which, in his judgment, indicate that any food, drug, device, or cosmetic in such establishment (1) consists in whole or in part of any filthy, putrid, or decomposed substance, or (2) has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health, or (3), in the case of a drug, has been or is being manufactured, processed, packed, or held under conditions which may cause it to be adulterated within the meaning of section 501(a)(2)(B) of this Act."

(c) Section 704 of such Act is further amended by adding at the end thereof the following new subsection:

"(e) As used in this section, the term 'consulting laboratory' means a laboratory or other establishment which, for a fee or other remuneration, performs or agrees to perform assays or other laboratory services for a manufacturer, processor, compounder, packer, or distributor of food, drugs, devices, or cosmetics, if such manufacturer, processor, compounder, packer, or distributor owns or has under his control an establishment which (other than as a consulting laboratory) is subject to inspection under this section."

(d) Subsection (a) of section 302 of such Act, as amended by section 103(e) of this Act, is further amended by striking out "(f),".

CONFIDENTIALITY OF INFORMATION OBTAINED BY INSPECTION, AND SO FORTH

SEC. 202. Paragraph (j) of section 301 of such Act is amended by—

(1) inserting "or as authorized by law," after "Act,"; and

(2) striking out the following: "concerning any method or process which as a trade secret is entitled to protection".

EFFECTIVE DATE

SEC. 203. The amendments made by this title shall take effect on the date of enactment of this Act.

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**H.R. 6245**

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|---|---|
| EFFECTIVE DATES<br>SEC. 15. The amendments made by sections 4, 10, 11, 12, 13, and 14 of this Act shall take effect on the date of enactment of this Act; the amendments made by sections 2, 3, 6, 7, and 8 of this Act shall take effect on the one hundred and eightieth day after enactment of this Act; the amendments made by sections 5 and 9 shall take effect on the three hundred and sixtieth day after enactment of this Act. | |

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TITLE III—MISCELLANEOUS

*Cautionary labeling of hazardous substances or containers under Food, Drug, and Cosmetic Act*

SEC. 301. (a) Section 403 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof a new paragraph as follows:

"(n) If it is contained in a dispenser pressurized by a gaseous propellant unless it bears such cautionary labeling with respect to handling, storage, and use of such container as is necessary to prevent the causing of injury to the health of any user or other individual during, or as the result of, reasonably foreseeable handling, storage, or use thereof, intentional or otherwise."

(b) Section 502(f) of such Act is amended to read as follows:

"(f) Unless its labeling bears (1) adequate directions for use; and (2) such adequate warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, or against a substantial and reasonably foreseeable risk of causing accidental injury, in such manner and form, as are necessary for the protection of users, including instructions for first-aid treatment when necessary or appropriate: *Provided,* That where any requirement of clause (1) of this paragraph, as applied to any drug or device, is not necessary for the protection of the public health, the Secretary shall promulgate regulations exempting such drug or device from such requirements."

(c) Section 602 of such Act is amended by adding at the end thereof the following new paragraph:

"(f) If because of its nature, composition, or packaging it involves a substantial risk of causing injury to health during or as the result of any reasonably foreseeable handling, storage, or use by any individuals, whether intentional or otherwise, unless in either case it bears (in addition to any other prescribed labeling) (1) such cautionary labeling as is necessary for the protection of such individuals and (2), where necessary or appropriate, instructions for first-aid treatment. Whenever the Secretary finds that any cosmetic or class of cosmetics is subject to the provisions of this paragraph and in his judgment a declaration to that effect will promote the objectives of this paragraph by avoiding or resolving uncertainty as to its application, he may by regulation declare any such cosmetic or class of cosmetics to be, and it shall during the effectiveness of such regulation be deemed to be, subject to such provisions. Nothing in this paragraph shall be construed to exempt any article otherwise subject to the requirements of this paragraph from such requirements by reason of the absence of such a regulation."

(d) The first sentence of section 701(e) of such Act, as amended by section 201(b) of this Act, is further amended by striking out "or 502 (d) or (h)" and inserting in lieu thereof the following: ", 502 (d) or (h), or 602(f)".

(e) Section 18 of the Federal Hazardous Substances Labeling Act is amended by striking out the following: ", except that the Federal Caustic Poison Act shall remain in full force and effect with respect to any 'dangerous caustic or corrosive substance' (as defined by that Act) which is an article subject to the Federal Food, Drug, and Cosmetic Act, and which is, by virtue of paragraph 2 of section 2(f) of this Act, excluded from the term 'hazardous substance' as defined in this Act".

(f) This section shall take effect on the first day of the seventh calendar month which begins after the month in which this Act is enacted, or, with respect to any particular class of article or container to which this section applies, on such subsequent date (not later than the first day of the nineteenth month following the month of enactment of this Act), as the Secretary may, by order specifying such class of article or container, prescribe on the basis of a finding that conditions exist which necessitate such postponement of the effective date.

FEED ADDITIVES LEAVING NO RESIDUE IN FOOD FOR HUMANS

SEC. 302. (a) The proviso to clause (A) of paragraph (3) of section 409(c) of the Federal Food, Drug, and Cosmetic Act, relating to food additives found to induce cancer, is amended by inserting before the semicolon at the end of such proviso the following: ", except that this proviso shall not apply with respect to the use of a substance as an ingredient of feed for animals which are raised for food production, if the Secretary finds (i) that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and (ii) that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations, which regulations shall not be subject to subsections (f) and (g)) in any edible portion of such animals after slaughter or in any food yielded by or derived from the living animal".

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## SOME FIGURES CONCERNING GRAIN

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. BECKWORTH] is recognized for 20 minutes.

Mr. BECKWORTH. Mr. Speaker, on July 10, 1961, I included in the CONGRESSIONAL RECORD some figures concerning grain. I again include the figures at this point in the RECORD:

*Number of farms reporting harvested acres of specified commodities, by States, 1959*

| State | Harvested for grain | | Harvested | | | | |
|---|---|---|---|---|---|---|---|
| | Corn | Grain sorghum | Oats | Barley | Rye | Soybeans for beans | Winter wheat |
| Alabama | 83, 756 | 1, 173 | 3, 182 | -------- | -------- | 2, 048 | 2, 163 |
| Arizona | 176 | 802 | 67 | 1, 021 | 8 | -------- | 644 |
| Arkansas | 33, 048 | 1, 661 | 3, 362 | 402 | -------- | 21, 479 | 5, 028 |
| California | 2, 286 | 2, 516 | 1, 135 | 7, 638 | -------- | -------- | 2, 883 |
| Colorado | 7, 242 | 3, 886 | 5, 143 | 10, 688 | 1, 234 | -------- | 11, 459 |
| Connecticut | 365 | -------- | 96 | -------- | 84 | -------- | 42 |
| Delaware | 3, 660 | -------- | 522 | 762 | 879 | 2, 959 | 1, 002 |
| Florida | 9, 064 | -------- | 373 | -------- | -------- | 414 | 258 |
| Georgia | 71, 043 | 1, 127 | 9, 461 | 574 | 1, 123 | 1, 552 | 7, 495 |
| Idaho | 1, 761 | -------- | 6, 486 | 9, 171 | 195 | -------- | 5, 350 |
| Illinois | 131, 295 | 1, 200 | 73, 182 | 5, 400 | 4, 323 | 88, 268 | 63, 945 |
| Indiana | 99, 253 | 773 | 48, 685 | 4, 909 | 5, 991 | 60, 526 | 57, 802 |
| Iowa | 155, 167 | 3, 051 | 127, 849 | 1, 325 | 841 | 64, 374 | 7, 854 |
| Kansas | 39, 223 | 59, 661 | 31, 560 | 26, 676 | 5, 251 | 11, 927 | 83, 005 |
| Kentucky | 99, 195 | 2, 311 | 4, 528 | 4, 850 | 1, 214 | 4, 286 | 10, 185 |
| Louisiana | 32, 686 | 232 | 1, 714 | -------- | -------- | 3, 651 | 515 |
| Maine | 57 | -------- | 2, 483 | 46 | 42 | -------- | 36 |
| Maryland | 16, 067 | -------- | 5, 081 | 5, 055 | 1, 835 | 4, 417 | 7, 848 |
| Massachusetts | 378 | -------- | 91 | -------- | 78 | -------- | 37 |
| Michigan | 68, 700 | -------- | 54, 149 | 7, 828 | 5, 218 | 8, 924 | 63, 543 |
| Minnesota | 103, 995 | -------- | 107, 204 | 16, 990 | 2, 854 | 57, 865 | 2, 875 |
| Mississippi | 90, 762 | 585 | 4, 088 | -------- | -------- | 9, 634 | 1, 291 |
| Missouri | 94, 973 | 19, 242 | 32, 832 | 12, 885 | 3, 064 | 42, 757 | 61, 686 |
| Montana | 124 | -------- | 7, 756 | 15, 497 | 332 | -------- | 9, 177 |
| Nebraska | 70, 120 | 31, 338 | 38, 367 | 10, 937 | 5, 004 | 5, 232 | 46, 191 |
| Nevada | 32 | -------- | 101 | 380 | 10 | -------- | 105 |
| New Hampshire | 69 | -------- | 75 | -------- | 14 | -------- | 2 |
| New Jersey | 4, 940 | -------- | 1, 555 | 1, 385 | 699 | 1, 018 | 2, 444 |
| New Mexico | 2, 261 | 1, 697 | 475 | 937 | 112 | -------- | 1, 385 |
| New York | 18, 623 | -------- | 38, 159 | 2, 640 | 1, 178 | 158 | 16, 236 |
| North Carolina | 142, 678 | 6, 074 | 29, 130 | 7, 074 | 2, 680 | 25, 665 | 41, 450 |
| North Dakota | 5, 423 | 25 | 32, 600 | 38, 668 | 3, 648 | 2, 959 | 252 |
| Ohio | 104, 975 | -------- | 68, 619 | 6, 452 | 2, 772 | 42, 489 | 67, 453 |
| Oklahoma | 11, 601 | 17, 074 | 15, 092 | 13, 850 | 2, 372 | 1, 652 | 35, 735 |
| Oregon | 1, 483 | -------- | 5, 782 | 8, 560 | 616 | -------- | 6, 344 |
| Pennsylvania | 64, 127 | -------- | 53, 354 | 15, 335 | 2, 845 | 773 | 43, 827 |
| Rhode Island | 42 | -------- | 9 | 2 | 21 | -------- | 5 |
| South Carolina | 55, 187 | 825 | 17, 228 | 2, 310 | 1, 069 | 7, 745 | 15, 516 |
| South Dakota | 30, 261 | 4, 138 | 33, 006 | 9, 907 | 2, 364 | 3, 913 | 3, 504 |
| Tennessee | 94, 608 | 3, 266 | 9, 840 | 3, 269 | 951 | 7, 056 | 13, 042 |
| Texas | 64, 861 | 59, 349 | 17, 853 | 6, 194 | 462 | -------- | 25, 551 |
| Utah | 401 | -------- | 2, 460 | 7, 579 | 73 | -------- | 2, 353 |
| Vermont | 138 | -------- | 1, 112 | 19 | 15 | -------- | 54 |
| Virginia | 60, 636 | 585 | 11, 543 | 9, 170 | 2, 319 | 9, 809 | 24, 366 |
| Washington | 1, 957 | -------- | 5, 289 | 6, 700 | 772 | -------- | 7, 596 |
| West Virginia | 19, 922 | -------- | 4, 342 | 992 | 127 | 48 | 2, 994 |
| Wisconsin | 90, 101 | -------- | 106, 844 | 3, 216 | 2, 199 | 4, 068 | 3, 383 |
| Wyoming | 694 | 10 | 2, 982 | 2, 800 | 111 | -------- | 1, 484 |

Source: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478.

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(b) Such Act is further amended by inserting before the period at the end of subparagraph (B) of paragraph (5) of section 706(b), relating to color additives found to induce cancer, a colon and the following proviso: "*Provided*, That clause (i) of this subparagraph (B) shall not apply with respect to the use of a color additive as an ingredient of feed for animals which are raised for food production, if the Secretary finds that, under the conditions of use and feeding specified in proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations, which regulations shall not be subject to subsection (d)) in any edible portion of such animals after slaughter or in any food yielded by or derived from the living animal".

(c) The amendments made by this section shall take effect on the date of enactment of this Act.

Modification of Prior-Sanctions Clause of Food Additives Amendment

SEC. 303. Clause (4) of section 201(s) of the Federal Food, Drug, and Cosmetic Act is amended by inserting in such clause, before the period, a colon and the following: "*Provided*, That, with respect to any sanction or approval granted pursuant to this Act, this clause shall be inapplicable, and the provisions of this Act (other than this clause) relating to food additives shall apply, to any such previously sanctioned or approved use of a substance if, on the basis of the information then available, the Secretary finds that, for the reasons set forth by him, there is substantial doubt as to its safety. Except when the Secretary finds that there is an imminent hazard to public health, he shall take such action only in conformity with section 4 of the Administrative Procedure Act if such prior sanction or approval had been made public, and only after sending reasonable notice of his proposed action and the reasons therefor to any person on whose application such prior sanction or approval had been granted and any other person who had been officially advised thereof unless such personal notice is impracticable."

**H.R. 6245**

*Corn crop, 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*

| States | Number of farms reporting acreage harvested | Number of price support loans made[1] | Number of price support loans as a percent of number of farms reporting acreage harvested |
|---|---|---|---|
| Alabama | 83,756 | 181 | 0.22 |
| Arizona | 176 | (2) | |
| Arkansas | 33,048 | 21 | .06 |
| California | 2,286 | 66 | 2.88 |
| Colorado | 7,242 | 350 | 4.69 |
| Connecticut | 365 | (2) | |
| Delaware | 3,660 | 30 | .82 |
| Florida | 9,064 | 11 | .12 |
| Georgia | 71,043 | 296 | .42 |
| Idaho | 1,761 | 22 | 1.24 |
| Illinois | 131,295 | 35,109 | 26.74 |
| Indiana | 99,253 | 12,463 | 12.55 |
| Iowa | 155,167 | 101,556 | 65.44 |
| Kansas | 39,223 | 10,584 | 26.98 |
| Kentucky | 99,195 | 1,893 | 1.90 |
| Louisiana | 32,686 | 1 | .03 |
| Maine | 57 | (2) | 0 |
| Maryland | 16,067 | 104 | .65 |
| Massachusetts | 373 | (2) | |
| Michigan | 68,700 | 4,873 | 7.09 |
| Minnesota | 103,995 | 24,420 | 23.48 |
| Mississippi | 90,762 | 101 | .11 |
| Missouri | 94,973 | 13,122 | 13.81 |
| Montana | 124 | (2) | |
| Nebraska | 70,120 | 47,076 | 67.13 |
| Nevada | 32 | (2) | |
| New Hampshire | 69 | (2) | |
| New Jersey | 4,940 | 45 | 0.91 |
| New Mexico | 2,261 | (2) | |
| New York | 18,623 | 180 | .97 |
| North Carolina | 142,678 | 393 | .28 |
| North Dakota | 5,423 | 738 | 13.60 |
| Ohio | 104,975 | 8,845 | 8.42 |
| Oklahoma | 11,601 | 29 | .25 |
| Oregon | 1,483 | 50 | 3.37 |
| Pennsylvania | 64,127 | 158 | .25 |
| Rhode Island | 42 | (2) | |
| South Carolina | 55,187 | 235 | .43 |
| South Dakota | 30,261 | 5,397 | 17.83 |
| Tennessee | 94,608 | 113 | .12 |
| Texas | 64,861 | 68 | .11 |
| Utah | 401 | 1 | .25 |
| Vermont | 138 | (2) | |
| Virginia | 60,636 | 50 | .08 |
| Washington | 1,957 | 223 | 11.93 |
| West Virginia | 19,922 | 6 | .03 |
| Wisconsin | 90,101 | 2,006 | 2.22 |
| Wyoming | 694 | 7 | 1.00 |
| Total | 1,989,411 | 271,035 | 13.62 |

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

*Grain sorghum crop, 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*

| States | Number of farms reporting acreage harvested | Number of price support loans made [1] | Number of price support loans as a percent of number of farms reporting acreage harvested |
|---|---|---|---|
| Alabama | 1,173 | 1 | 0.08 |
| Arizona | 802 | 42 | 5.20 |
| Arkansas | 1,661 | 7 | .42 |
| California | 2,516 | 9 | .35 |
| Colorado | 3,886 | 104 | 2.67 |
| Georgia | 1,127 | (2) | ------------ |
| Illinois | 1,200 | 1 | .08 |
| Indiana | 773 | 7 | .9 |
| Iowa | 3,051 | 403 | 13.20 |
| Kansas | 59,661 | 16,794 | 28.15 |
| Kentucky | 2,311 | 2 | .08 |
| Louisiana | 232 | (2) | ------------ |
| Minnesota | (2) | 7 | ------------ |
| Mississippi | 585 | 6 | 1.00 |
| Missouri | 19,242 | 1,364 | 7.08 |
| Nebraska | 31,338 | 13,704 | 43.73 |
| New Mexico | 1,697 | 287 | 16.91 |
| North Carolina | 6,074 | 15 | .24 |
| North Dakota | 25 | (2) | ------------ |
| Oklahoma | 17,074 | 219 | 1.28 |
| South Carolina | 825 | (2) | ------------ |
| South Dakota | 4,138 | 85 | 2.05 |
| Tennessee | 3,266 | 1 | .03 |
| Texas | 59,349 | 16,308 | 27.48 |
| Virginia | 585 | (2) | ------------ |
| Washington | (2) | 17 | ------------ |
| Wyoming | 10 | (2) | ------------ |
| Total | 222,601 | 49,383 | 22.18 |

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

*Oat crop, 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*

| States | Number of farms reporting acreage harvested | Number of price support loans made [1] | Number of price support loans as a percent of number of farms reporting acreage harvested |
|---|---|---|---|
| Alabama | 3,182 | 9 | 0.28 |
| Alaska | 54 | 1 | ------------ |
| Arizona | 67 | (2) | ------------ |
| Arkansas | 3,362 | 28 | .83 |
| California | 1,135 | 1 | .08 |
| Colorado | 5,143 | 3 | .05 |
| Connecticut | 96 | (2) | ------------ |
| Delaware | 522 | (2) | ------------ |
| Florida | 373 | (2) | ------------ |
| Georgia | 9,461 | 178 | 1.88 |
| Idaho | 6,486 | 48 | .74 |
| Illinois | 73.182 | 36 | .05 |
| Indiana | 48,685 | 15 | .03 |
| Iowa | 127,849 | 985 | .77 |
| Kansas | 31,560 | 49 | .15 |
| Kentucky | 4,528 | (2) | ------------ |
| Louisiana | 1,714 | 10 | .58 |
| Maine | 2,483 | 212 | 8.53 |
| Maryland | 5,081 | (2) | ------------ |
| Massachusetts | 91 | (2) | ------------ |
| Michigan | 54,149 | 40 | .07 |
| Minnesota | 107,204 | 1,363 | 1.27 |
| Mississippi | 4.088 | 88 | 2.15 |
| Missouri | 32,832 | 24 | .07 |
| Montana | 7,756 | 26 | .33 |
| Nebraska | 38,367 | 95 | .25 |
| Nevada | 101 | (2) | ------------ |
| New Hampshire | 75 | (2) | ------------ |
| New Jersey | 1,555 | (2) | ------------ |
| New Mexico | 475 | (2) | ------------ |
| New York | 38,159 | 26 | 0.07 |
| North Carolina | 29,130 | 61 | .21 |
| North Dakota | 32,600 | 627 | 1.92 |
| Ohio | 68,619 | 48 | .07 |
| Oklahoma | 15,092 | 54 | .36 |
| Oregon | 5,782 | 22 | .38 |
| Pennsylvania | 53,354 | 11 | .02 |
| Rhode Island | 9 | (2) | ------------ |
| South Carolina | 17,228 | 156 | .91 |
| South Dakota | 33,016 | 355 | 1.08 |
| Tennessee | 9,840 | (2) | ------------ |
| Texas | 17,853 | 124 | .69 |
| Utah | 2,460 | 1 | .04 |
| Vermont | 1,112 | (2) | ------------ |
| Virginia | 11,543 | (2) | ------------ |
| Washington | 5,289 | 102 | 1.92 |
| West Virginia | 4,342 | (2) | ------------ |
| Wisconsin | 106,844 | 22 | .02 |
| Wyoming | 2,982 | 13 | .43 |
| Total | 1,026,900 | 4,833 | .47 |

Source: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities by States, 1959."

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

*1959 barley crop: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*

| States | Number of farms reporting acreage harvested | Number of price support loans made [1] | Number of price support loans as percentage of farms reporting acreage harvested |
|---|---|---|---|
| Alabama | (2) | 2 | ------------ |
| Alaska | 67 | 1 | 1.49 |
| Arizona | 1,021 | 21 | 2.05 |
| Arkansas | 402 | 5 | 1.24 |
| California | 7,638 | 113 | 1.47 |
| Colorado | 10,688 | 85 | .79 |
| Delaware | 762 | (2) | ------------ |
| Georgia | 574 | 2 | .35 |
| Idaho | 9,171 | 345 | 3.76 |
| Illinois | 5,400 | 2 | .03 |
| Indiana | 4,909 | 2 | .04 |
| Iowa | 1,325 | 45 | 3.39 |
| Kansas | 26,676 | 886 | 3.32 |
| Kentucky | 4,850 | 3 | .06 |
| Maine | 46 | 1 | 2.00 |
| Maryland | 5,055 | (2) | ------------ |
| Michigan | 7,828 | 19 | .24 |
| Minnesota | 16,990 | 2,946 | 17.34 |
| Missouri | 12,885 | 27 | .21 |
| Montana | 15,497 | 2,234 | 14.42 |
| Nebraska | 10,937 | 402 | 3.68 |
| Nevada | 380 | 1 | .20 |
| New Jersey | 1,385 | 1 | .07 |
| New Mexico | 937 | 4 | 0.40 |
| New York | 2,640 | 3 | .11 |
| North Carolina | 7,074 | 17 | .24 |
| North Dakota | 38,668 | 7,344 | 18.99 |
| Ohio | 6,452 | 5 | .07 |
| Oklahoma | 13,850 | 236 | 1.70 |
| Oregon | 8,560 | 278 | 3.24 |

See footnotes at end of table.

*1959 barley crop: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*—Continued

| States | Number of farms reporting acreage harvested | Number of price support loans made [1] | Number of price support loans as percentage of farms reporting acreage harvested |
|---|---|---|---|
| Pennsylvania | 15,335 | 2 | .13 |
| Rhode Island | 2 | (2) | ---------- |
| South Carolina | 2,310 | 6 | .25 |
| South Dakota | 9,907 | 452 | 4.56 |
| Tennessee | 3,269 | (2) | ---------- |
| Texas | 6,194 | 33 | .53 |
| Utah | 7,579 | 55 | .72 |
| Vermont | 19 | (2) | ---------- |
| Virginia | 9,170 | 2 | .02 |
| Washington | 6,700 | 659 | .83 |
| West Virginia | 992 | (2) | ---------- |
| Wisconsin | 3,216 | 2 | .06 |
| Wyoming | 2,800 | 18 | .64 |
| Total | 290,160 | 16,259 | 5.60 |

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

*1959 rye crop: Number of farms reporting harvested acres, number of price-support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*

| States | Number of farms reporting acreage harvested | Number of price support loans made [1] | Number of price support loans as a percent of number of farms reporting acreage harvested |
|---|---|---|---|
| Arizona | 8 | (2) | ---------- |
| Colorado | 1,234 | 10 | 0.81 |
| Connecticut | 84 | (2) | ---------- |
| Delaware | 879 | (2) | ---------- |
| Georgia | 1,123 | 3 | .26 |
| Idaho | 195 | 8 | 4.10 |
| Illinois | 4,323 | (2) | ---------- |
| Indiana | 5,991 | (2) | ---------- |
| Iowa | 841 | 3 | .3 |
| Kansas | 5,251 | 96 | 1.82 |
| Kentucky | 1,214 | (2) | ---------- |
| Maine | 42 | (2) | ---------- |
| Maryland | 1,835 | (2) | ---------- |
| Massachusetts | 78 | (2) | ---------- |
| Michigan | 5,218 | 1 | .01 |
| Minnesota | 2,854 | 60 | 2.10 |
| Missouri | 3,064 | 6 | .19 |
| Montana | 332 | 26 | 7.80 |
| Nebraska | 5,004 | 76 | 1.51 |
| Nevada | 10 | (2) | ---------- |
| New Hampshire | 14 | (2) | ---------- |
| New Jersey | 699 | (2) | ---------- |
| New Mexico | 112 | (2) | ---------- |
| New York | 1,178 | 2 | 0.16 |
| North Carolina | 2,680 | 3 | .11 |
| North Dakota | 3,648 | 211 | 5.78 |
| Ohio | 2,772 | 1 | .03 |
| Oklahoma | 2,372 | 4 | .16 |
| Oregon | 616 | 16 | 2.50 |
| Pennsylvania | 2,845 | (2) | ---------- |
| Rhode Island | 21 | (2) | ---------- |
| South Carolina | 1,069 | 2 | .18 |
| South Dakota | 2,364 | 85 | 3.59 |
| Tennessee | 951 | (2) | ---------- |
| Texas | 462 | (2) | ---------- |
| Utah | 73 | (2) | ---------- |
| Vermont | 15 | (2) | ---------- |
| Virginia | 2,319 | (2) | ---------- |
| Washington | 772 | 199 | 25.70 |
| West Virginia | 127 | (2) | ---------- |
| Wisconsin | 2,199 | 1 | .04 |
| Wyoming | 111 | 40 | 1.27 |
| Total | 66,999 | 853 | 1.27 |

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

*Soybean crop 1959: Number of farms reporting harvested acres, number of price support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*

| States | Number of farms reporting acreage harvested | Number of price support loans made [1] | Number of price support loans as a percent of number of farms reporting acreage harvested |
|---|---|---|---|
| Alabama | 2,048 | 15 | 0.73 |
| Arkansas | 21,479 | 755 | 3.52 |
| Delaware | 2,959 | 2 | .06 |
| Florida | 414 | (2) | ---------- |
| Georgia | 1,552 | 18 | 1.15 |
| Illinois | 88,268 | 8,170 | 9.26 |
| Indiana | 60,526 | 1,875 | 3.09 |
| Iowa | 64,374 | 23,521 | 36.54 |
| Kansas | 11,927 | 819 | 6.87 |
| Kentucky | 4,286 | 65 | 1.51 |
| Louisiana | 3,651 | 11 | .30 |
| Maryland | 4,417 | (2) | ---------- |
| Michigan | 8,924 | 134 | 1.50 |
| Minnesota | 57,865 | 10,899 | 18.84 |
| Mississippi | 9,634 | 323 | 3.35 |
| Missouri | 42,757 | 3,858 | 9.02 |
| Nebraska | 5,232 | 558 | 10.66 |
| New Jersey | 1,018 | 5 | 0.49 |
| New Mexico | (2) | 3 | ---------- |
| New York | 158 | 1 | .60 |
| North Carolina | 25,665 | 39 | .15 |
| North Dakota | 2,959 | 542 | 18.32 |
| Ohio | 42,489 | 1,547 | 3.64 |
| Oklahoma | 1,652 | 89 | 5.38 |
| Pennsylvania | 773 | 4 | .50 |
| South Carolina | 7,745 | 147 | 1.89 |
| South Dakota | 3,913 | 259 | 6.61 |
| Tennessee | 7,056 | 188 | 2.66 |
| Texas | (2) | 19 | ---------- |
| Virginia | 9,809 | 10 | .10 |
| West Virginia | 48 | (2) | ---------- |
| Wisconsin | 4,068 | 23 | .56 |
| Total | 497,666 | 53,899 | 10.83 |

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

[1] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[2] Not reported.

*Wheat crop, 1959: Number of farms reporting harvested acres, number of price-support loans made, and number of loans as a percent of number of farms reporting acreage harvested by States, through Jan. 31, 1961*

| States | Number of farms reporting acreage harvested[1] | Number of price support loans made[2] | Number of price support loans as a percent of number of farms reporting acreage harvested |
|---|---|---|---|
| Alabama | 2,163 | 81 | 3.74 |
| Arizona | 644 | 9 | 1.40 |
| Arkansas | 5,028 | 161 | 3.20 |
| California | 2,883 | 343 | 11.89 |
| Colorado | 13,075 | 5,796 | 44.33 |
| Connecticut | 42 | (3) | |
| Delaware | 1,002 | 11 | 1.09 |
| Florida | 258 | (3) | |
| Georgia | 7,495 | 434 | 5.79 |
| Idaho | 20,799 | 6,568 | 31.58 |
| Illinois | 63,945 | 3,668 | 5.74 |
| Indiana | 57,802 | 601 | 1.04 |
| Iowa | 7,854 | 1,199 | 15.26 |
| Kansas | 83,005 | 98,581 | 118.00 |
| Kentucky | 10,185 | 965 | 1.04 |
| Louisiana | 515 | (3) | |
| Maine | 36 | (3) | |
| Maryland | 7,848 | 176 | 2.24 |
| Massachusetts | 37 | (3) | |
| Michigan | 63,543 | 1,821 | 2.87 |
| Minnesota | 40,286 | 1,878 | 4.67 |
| Mississippi | 1,291 | 27 | 2.08 |
| Missouri | 61,686 | 11,732 | 19.02 |
| Montana | 22,801 | 7,255 | 31.83 |
| Nebraska | 41,191 | 44,390 | 96.10 |
| Nevada | 333 | (3) | |
| New Hampshire | 2 | (3) | |
| New Jersey | 2,444 | 91 | 3.72 |
| New Mexico | 1,696 | 536 | 31.49 |
| New York | 16,236 | 990 | 6.10 |
| North Carolina | 41,450 | 292 | 0.70 |
| North Dakota | 58,156 | 13,202 | 22.66 |
| Ohio | 67,453 | 2,168 | 3.21 |
| Oklahoma | 35,735 | 14,263 | 39.91 |
| Oregon | 10,109 | 3,457 | 34.21 |
| Pennsylvania | 43,827 | 758 | 1.73 |
| Rhode Island | 5 | (3) | |
| South Carolina | 15,516 | 352 | 2.26 |
| South Dakota | 24,128 | 3,829 | 15.87 |
| Tennessee | 13,042 | 370 | 2.84 |
| Texas | 25,551 | 5,532 | 21.65 |
| Utah | 6,874 | 245 | 3.56 |
| Vermont | 54 | (3) | |
| Virginia | 24,366 | 1,004 | 4.12 |
| Washington | 11,636 | 9,324 | 80.13 |
| West Virginia | 2,994 | 3 | .10 |
| Wisconsin | 6,695 | 20 | .29 |
| Wyoming | 2,485 | 451 | 18.14 |
| Total | 931,197 | 242,583 | 26.05 |

Sources: Daily CONGRESSIONAL RECORD, Apr. 13, 1961, p. A2478, "Number of farms reporting harvested acres of specified commodities, by States, 1959." Statistical tables from the office of Hon. LINDLEY BECKWORTH, Member of Congress, Texas.

[1] All wheat. Includes some overstatement for farms growing more than 1 class of wheat.

[2] It should be noted that the number of loans granted on a commodity does not necessarily indicate the number of farms on which loans were made because of the fact that more than 1 loan may be granted on a commodity on 1 farm.

[3] Not reported.

Mr. Speaker, I also include at this point in the RECORD some letters and statements pertaining to agriculture:

JUNE 18, 1962.

To: Hon. LINDLEY BECKWORTH.
From: Natural Resources Division.
Subject: CCC loans.

Response is made to your request of June 1, 1962, for information concerning the number of CCC borrowers participating in more than one commodity loan program.

Based on the listing of borrowers and related data furnished by your office, 27 parties who borrowed $50,000 or more on cotton or $25,000 or more on other supported commodities participated in 2 commodity loan programs. The data supplied failed to reveal any parties borrowing under more than two commodity loan programs.

The enclosed table lists the 27 borrowers by name, address, commodities, and amount of loan.

WILLIAM F. WOODS.

*CCC borrowers participating in more than 1 commodity loan program, 1960*

| Name and address | Commodity | Amount |
|---|---|---|
| J. F. Twist Plantation, Twist, Ark. | Soybeans | $97,511.17 |
| | Rice | 35,989.72 |
| Total | | 133,500.89 |
| C. P. Gould: | | |
| Tolleson, Ariz. | Barley | 39,529.90 |
| Litchfield, Ariz. | Cotton | 94,322.77 |
| Total | | 133,852.67 |
| Westlake Farms and Westlake Farms, Inc., Stratford, Calif. | Cotton | 733,256.76 |
| | Barley | 838,333.24 |
| Total | | 1,571,590.00 |
| Jack Corn, Friend, Kans. | Grain sorghum | 27,854.88 |
| | Wheat | 30,135.15 |
| Total | | 57,990.03 |
| Max Engler, Jr., Garden City, Kans. | Corn | 26,318.05 |
| | Wheat | 31,036.47 |
| Total | | 57,354.52 |
| Raymond G. Morris, Garden City, Kans. | Corn | $33,979.66 |
| | Wheat | 40,057.60 |
| Total | | 74,037.26 |
| Spike Bros., Hugoton, Kans. | Grain sorghum | 31,135.06 |
| | Wheat | 37,235.01 |
| Total | | 68,370.07 |
| Wilbur J. Ulrich, Holcomb, Kans. | Grain sorghum | 28,200.30 |
| | Wheat | 32,077.76 |
| Total | | 60,278.06 |
| S.L. Reed: | | |
| Belzoni, Miss | Rice | 36,492.84 |
| Belzoni, Miss | do | 30,473.46 |
| | Soybeans | 33,975.51 |
| Total | | 100,941.81 |
| J. C. O'Neal, Cleveland, Miss. | Soybeans | 32,210.14 |
| | Rice | 44,145.35 |
| Total | | 76,355.49 |
| The Albert Painton Co., Inc., Painton, Mo. | Soybeans | 30,538.76 |
| | Corn | 50,000.00 |
| Total | | 80,538.76 |
| Cornhusker Farms (Morrison-Quirk Grain Corp.), Hastings, Nebr. | Corn | 185,350.24 |
| | Wheat | 26,433.51 |
| Total | | 211,783.75 |
| Flo Wal Farms, Inc., Dewitt, Nebr. | Grain sorghum | 39,727.50 |
| | Corn | 35,623.50 |
| Total | | 75,351.00 |
| Wayne Lyon, Merna, Nebr. | Wheat | 29,063.17 |
| | Corn | 29,702.40 |
| Total | | 58,765.57 |
| Angus Myers & Sons, McCook, Nebr. | Corn | 25,858.56 |
| | Wheat | 26,735.44 |
| Total | | 52,594.00 |
| Clarence and W. T. Meeks, Farwell, Tex. | Grain sorghum | 34,682.76 |
| | Wheat | 31,434.64 |
| Total | | 66,117.40 |
| Roy Williams & Sons, Clovis, N. Mex. | Grain sorghum | $46,349.75 |
| | Wheat | 30,713.26 |
| Total | | 77,063.01 |
| Tulana Farms, Klamath Falls, Oreg. | Barley | 33,229.14 |
| | Oats | 50,000.00 |
| Total | | 83,229.14 |
| Robert G. Bafus, Colfax, Oreg. | Barley | 25,000.10 |
| | Wheat | 49,999.04 |
| Total | | 74,999.14 |
| Browder Bros., Sunray, Tex. | Grain sorghum | 27,973.76 |
| | Wheat | 27,868.39 |
| Total | | 55,842.15 |
| Claude Higby, Stinnett, Tex. | Grain sorghum | 25,310.20 |
| | Wheat | 41,448.67 |
| Total | | 66,758.87 |
| Carl H. Kuper, Dalhart, Tex. | Grain sorghum | 47,190.00 |
| | Wheat | 47,367.00 |
| Total | | 94,557.00 |
| G. W. Lee, Silverton, Tex. | Grain sorghum | 37,605.32 |
| | Wheat | 27,440.93 |
| Total | | 65,046.25 |
| Bruce, Parr, Friona, Tex. | Grain sorghum | 38,993.56 |
| | Wheat | 35,587.80 |
| Total | | 74,581.36 |
| W. F. Ponder, Hereford, Tex. | Grain sorghum | 25,151.42 |
| | Wheat | 26,026.92 |
| Total | | 51,178.34 |
| Berkley Stringer, Dumas, Tex. | Grain sorghum | 28,627.23 |
| | Wheat | 47,224.80 |
| Total | | 75,852.03 |
| Texas Tech College (Pan Tech farms, Texas Tech), Panhandle, Tex. | Wheat | 27,48[illegible].00 |
| | Grain sorghum | 39,418.12 |
| Total | | 66,[illegible]04.12 |

WILLIAM F. WOODS,
*Natural Resources Division.*

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
*Washington, D.C., May 23, 1962.*
Hon. LINDLEY BECKWORTH,
*House of Representatives.*

DEAR MR. BECKWORTH: This is in reply to your letter of May 14, requesting the names and addresses of individual farmers who have received price support on more than one agricultural commodity.

There are approximately 3.7 million farmers in the United States and many produce one or more commodity which is eligible for price support. Further, some individual producers obtain more than one loan on a commodity, a separate one for each storage location, for example. There are more than 20 agricultural products which are eligible for price support, and within this number there are distinct grades or classifications which are also eligible for support, such as extra long staple cotton, American Egyptian and so forth. Our records are not maintained to show the number of producers who obtain price support through cooperatives or groups, or who obtain more than one loan on a commodity or who obtain loans on more than one commodity. However, I am sure you recognize that farmers who do not directly participate in a price support program obtain benefits to the extent that the support price influences the market price of the commodity he sells.

We believe that it would be administratively and economically impracticable to maintain records which would show in detail the names and addresses of every individual farmer who received price support on more than one commodity. The cost in terms of money and man-hours would be very high and the utility of the information obtained of doubtful value from an operational standpoint.

Sincerely yours,
KENNETH M. BIRKHEAD,
*Assistant to the Secretary.*

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JUNE 24, 1962.

DEAR MR. BIRKHEAD: I would like this information on all who received loans of $50,000 or more on more than one crop. Please return.

Regards,
LINDLEY BECKWORTH.

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DEPARTMENT OF AGRICULTURE,
*May 29, 1962.*
Hon. LINDLEY BECKWORTH,
*House of Representatives.*

DEAR MR. BECKWORTH: We are enclosing several tables showing 1960 crop price support commodity loans of $25,000 or more, by producer, in accordance with your communication of May 24.

Your communication is being returned as requested.

Sincerely yours,
KENNETH M. BIRKHEAD,
*Assistant to the Secretary.*

## U.S. DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION

*1960-crop price-support commodity loans of $25,000 or more, by producer*

### BARLEY

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| ARIZONA | | | |
| Youngker Farms Co | Buckeye | 273,785 | $234,903.19 |
| Chatham & Chatham | Peoria | 69,466 | 58,705.98 |
| C. P. Gould | Tolleson | 45,965 | 39,529.90 |
| Maryvale Land & Cattle Co | Glendale | 38,736 | 33,312.96 |
| Arlington Cattle Co | Arlington | 34,008 | 29,246.88 |
| CALIFORNIA | | | |
| Salyer Land Co | Corcoran | 1,360,985 | 1,197,666.67 |
| Westlake Farms, Inc | Stratford | 952,651 | 838,333.24 |
| Giffen, Inc | Huron | 446,308 | 397,214.12 |
| Calflax Co | Five Points | 255,853 | 227,709.17 |
| William Dal Porta & Sons | Stockton | 48,500 | 47,578.50 |
| Jackson & Reinhart | Paso Robles | 34,491 | 29,317.35 |
| Basin Farms | Corcoran | 31,538 | 27,753.73 |
| Rancho San Lucas | San Lucas | 30,978 | 27,260.64 |
| OREGON | | | |
| Tulana Farms | Klamath Falls | 41,667 | 33,229.14 |
| Ashbeck & Luciani | Echo | 31,775 | 28,490.54 |
| Robert G. Bafus | Colfax | 28,090 | 25,000.10 |

### BEANS, DRY EDIBLE

[Hundredweight]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| COLORADO | | | |
| Western Bean Growers Association | Denver | 11,000 | $56,500.00 |
| MICHIGAN | | | |
| Michigan Cooperative Bean Marketing Association. | Lansing | 72,661 | 469,386.44 |
| Bean Growers Mutual Cooperative Association. | Owendale | 51,450 | 332,365.71 |
| Great Lakes Farmers Cooperative Association. | Saginaw | 41,445 | 267,738.08 |
| Mabel Graham | Breckenridge | 5,382 | 34,770.30 |
| WASHINGTON | | | |
| Western Farmers Association | West Seattle | 30,000 | 178,200.00 |

### FLAXSEED

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| NORTH DAKOTA | | | |
| Lawson Posey | Edmunds | 11,195 | $25,972.40 |

### GRAIN SORGHUM

[Hundredweight]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| ARIZONA | | | |
| Dink Conner | Willcox | 27,680 | $45,948.18 |
| Herbert Gerhart | do | 19,986 | 33,177.26 |
| G & K Farms | do | 18,615 | 30,900.51 |
| J. C. Dunagan | do | 16,268 | 27,004.88 |
| B. M. Jacob | do | 15,784 | 26,201.44 |
| KANSAS | | | |
| Glenn C. Gaskill | Moscow | 30,417 | 42,887.66 |
| Spike Bros | Hugoton | 22,082 | 31,135.06 |
| Wilbur Ulrich | Holcomb | 21,045 | 28,200.30 |
| Jack Corn | Friend | 20,787 | 27,854.88 |
| Alma Arnold & R. A. Seger | Johnson | 19,040 | 26,275.20 |
| MISSOURI | | | |
| Knipp Bros | Tipton | 20,796 | 38,056.66 |
| Wilbur & Ernest Knipp | do | 19,547 | 36,009.64 |
| NEBRASKA | | | |
| Harvey Mahloch | Dewitt | 29,411 | 44,116.50 |
| Flo Wal Farms, Inc | do | 26,485 | 39,727.50 |
| A. L. Rosener & Sons | Daykin | 24,637 | 36,216.39 |
| Donald Tatro | Geneva | 22,644 | 33,286.68 |
| Hugo Meisinger | Plattsmouth | 19,926 | 30,686.04 |
| John Dondlinger | Shickley | 18,755 | 27,569.85 |
| Woods Bros. & Ells | Fairfield | 18,260 | 26,659.60 |
| NEW MEXICO | | | |
| Roy Williams & Son | Clovis | 31,317 | 46,349.75 |
| E. C. Murrell | do | 23,762 | 35,168.35 |
| Clarence & W. T. Meeks | Farwell, Tex | 23,434 | 34,682.76 |
| B. P. Davis | Clovis, N. Mex | 13,915 | 27,994.72 |
| OKLAHOMA | | | |
| D. H. Laughter | Clayton, N. Mex | 16,991 | 25,146.68 |
| TEXAS | | | |
| O.A. and C.E. Webb and Charles E. Saigling. | Lubbock | 34,518 | 51,087.38 |
| M. N. Smith | Tulia | 33,783 | 49,998.84 |
| Massey & Harper | Robstown | 26,880 | 49,996.80 |
| E. A. Edwards | Hereford | 33,750 | 49,950.00 |
| Clarence Martin | Friona | 33,592 | 49,716.16 |
| Simmonds & Perry | Robstown | 26,034 | 48,423.46 |
| Carl H. Kuper | Dalhart | 33,000 | 47,190.00 |
| C. E. Carter & Sons | Plainview | 33,784 | 46,959.34 |
| Fred S. Fegel | Amarillo | 33,780 | 46,278.60 |
| J. H. Goldwin | Sunray | 31,070 | 43,187.87 |
| John C. Bergner | Stinnett | 29,000 | 42,920.00 |
| A. R. Dillard | Hereford | 28,738 | 42,532.24 |
| Harvey Milner | Tulia | 28,665 | 42,424.17 |
| Iris Touchstone | Dimmitt | 28,442 | 42,094.31 |
| H. N. Smith | Lockney | 29,344 | 41,375.32 |
| Pan Tech Farms, Texas Tech | Panhandle | 28,156 | 39,418.12 |

*1960-crop price-support commodity loans of $25,000 or more, by producer*—Continued

GRAIN SORGHUM—Continued

[Hundredweight]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| TEXAS—continued | | | |
| Ware Farms | Dimmitt | 26,475 | 39,183.15 |
| Bruce Parr | Friona | 26,347 | 38,993.56 |
| A. L. Cone | Lubbock | 25,752 | 38,664.41 |
| G. W. Lee | Silverton | 25,409 | 37,605.32 |
| Knight & Jackson | Robstown | 20,000 | 37,200.00 |
| George E. Bennett | Hart | 24,344 | 36,028.71 |
| Ware & Sons | Bovina | 24,057 | 35,604.36 |
| Victor L. Harmon | Happy | 23,747 | 35,146.15 |
| C. L. Mercer | Friona | 23,574 | 34,889.22 |
| Daniel D. McDaniel | Tulia | 24,344 | 34,811.92 |
| W. H. Gentry | Hereford | 25,000 | 34,750.00 |
| Jim Dean | Tulia | 23,332 | 34,531.36 |
| Leonard Grissom | Farwell | 23,041 | 34,100.68 |
| Tom J. Moore | Navasota | 19,981 | 33,967.70 |
| Leroy Robison | Sunray | 24,173 | 33,600.89 |
| Bill Meeks | Farwell | 22,199 | 32,854.62 |
| N. C. White & Millsap Estate | Friona | 21,683 | 32,090.25 |
| Don Motheral | Kress | 21,679 | 32,084.62 |
| H. H. Rarick | Bushland | 23,139 | 31,931.46 |
| J. D. Mathews | Sunray | 22,811 | 31,707.28 |
| Ralph Shelton | Friona | 21,116 | 31,251.68 |
| R. D. and Billy McClellan | Sunray | 22,309 | 31,010.04 |
| Horace Caldwell | Corpus Christi | 16,602 | 30,880.05 |
| R. Q. Silverthorne | Plainview | 20,655 | 30,568.66 |
| L. D. Griffen | Silverton | 20,638 | 30,544.74 |
| Sam R. Cluck | Gruver | 21,291 | 30,232.65 |
| E. D. Richmond, Jr., Trustee for S. R. and Carroll D. Stone. | Aransas Pass | 16,180 | 30,095.43 |
| L. M. McGee | Amarillo | 21,531 | 29,928.37 |
| S. A. McCathern | Hereford | 21,531 | 29,928.37 |
| H. N. Keisling | Sunray | 21,486 | 29,866.10 |
| G. A. & David Burger | Perryton | 21,199 | 29,465.91 |
| Powell and Craig | Sunray | 21,126 | 29,365.43 |
| R. C. Godwin | Hereford | 19,693 | 29,145.64 |
| John A. Bell | Plainview | 20,721 | 29,008.84 |
| L. W. Ware | Morton | 19,542 | 28,922.46 |
| Howard Hurd | Brownfield | 20,020 | 28,829.08 |
| C. M. & Eva M. Davis | Amarillo | 19,460 | 28,800.80 |
| Ocie Smith | Dimmitt | 19,406 | 28,721.47 |
| C. B. Womble and R. R. Strain | Hereford | 20,602 | 28,637.20 |
| Berkley Stringer | Dumas | 20,303 | 28,627.23 |
| S. A. Bailey | Seagraves | 19,861 | 28,599.94 |
| Elmo Stephens | Obrien | 20,855 | 28,570.94 |
| Hall & Harral | Abernathy | 20,372 | 28,520.10 |
| Everett Wiseman | Vega | 20,350 | 28,489.58 |
| Lucy F. Cooke | Corpus Christi | 15,255 | 28,373.78 |
| J. H. Burkett | Sunray | 20,391 | 28,343.84 |
| Kiker Bawden | Plainview | 19,107 | 28,278.95 |
| George Taylor and Tom Fortenberry | Lockney | 19,091 | 28,254.98 |
| Hollis Browning | Plainview | 19,065 | 28,216.50 |
| Jones Bros | Farwell | 19,040 | 28,179.20 |
| Fulgham | Friona | 19,000 | 28,120.00 |
| Browder Bros | Sunray | 20,125 | 27,973.76 |
| H. G. Ritchie Jr | Taft | 15,015 | 27,928.70 |
| L. W. O'Connor Trust Estate | Victoria | 17,000 | 27,925.44 |
| W. E. Armstrong | Lubbock | 18,797 | 27,818.97 |
| Noble Howard | Dimmitt | 18,691 | 27,662.03 |
| R. L. and R. M. Thomas | Tahoka | 19,026 | 27,397.87 |
| C. M. Phipps and Eugene Boggess | Friona | 18,256 | 27,018.88 |
| Harold Saltzman | Gruver | 19,326 | 26,863.13 |
| Hugh Bowers | Bishop | 14,429 | 26,837.14 |
| Fred A. Smith | Olton | 18,132 | 26,835.66 |
| Baldredge and Autry | Dimmitt | 17,611 | 26,063.69 |
| Joseph F. Green, heirs of | Taft | 13,843 | 25,747.68 |
| Horne Bros | Plainview | 17,841 | 26,690.92 |
| Naylor Bros | Refugio | 14,170 | 25,647.32 |
| Wyle Bullock | Muleshoe | 17,264 | 25,551.12 |
| Claude Higley | Stinnett | 17,951 | 25,310.20 |
| N. E. Mayo | Taft | 13,595 | 25,286.85 |
| W. C. Harper and A. W. Otto | Plainview | 17,069 | 25,262.12 |
| Charles Bartram | Tulia | 17,027 | 25,199.66 |
| W. F. Ponder | Hereford | 16,994 | 25,151.42 |
| A. L. Reznik | Friona | 16,918 | 25,038.64 |

OATS

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| Pantherburn Co | Patherburn, Miss. | 61,627 | $36,359.93 |
| Tulana Farms | Klamath Falls, Oreg. | 87,719 | 50,000.00 |

RICE

[Hundredweight]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| ARKANSAS | | | |
| Arkansas Rice Growers Co-op Association. | Stuttgart | 2,181,690 | $10,553,358.23 |
| Producers Rice Mill, Inc | Stuttgart | 300,371 | 1,820,864.78 |

RICE—Continued

[Hundredweight]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| ARKANSAS—continued | | | |
| W. B. Bynum Cooperage Co | Dermott | 10,093 | 49,188.77 |
| Jim Thomas | Tuckerman | 10,641 | 45,620.25 |
| J. T. Carothers and E. W. Thudium | Lake Village | 8,339 | 41,861.78 |
| Sam Abowitz & Son | Arkansas City | 8,265 | 40,039.71 |
| Harlow Sanders and James Guenther | Pine Bluff and Altheimer | 7,589 | 37,473.81 |
| Pinchback Planting Co | Grady | 7,426 | 36,735.83 |
| Frank Hyneman | Trumann | 6,833 | 36,355.14 |
| J. F. Twist Plantation | Twist | 6,630 | 35,989.72 |
| Lester R. Banfield | McGehee | 7,553 | 35,429.60 |
| R. A. Greer | Weldon | 6,421 | 34,470.75 |
| Alice Sidney Farms | Jerome | 6,650 | 33,649.00 |
| Ryland, Lovett, & Henry Sparks | Grandy | 6,962 | 33,553.80 |
| B. Gore | Palestine | 6,308 | 33,183.48 |
| Wayne Mills | Harrisburg | 6,353 | 32,761.96 |
| Emmett Wampler & Sons., G. L. Morris. | McCrory | 7,129 | 32,427.32 |
| Miller & Gibbs and Thomas G. Lyle | Clarendon | 6,614 | 32,345.96 |
| Carl Powell | Lake Village | 6,340 | 31,750.31 |
| Loyd Rogers | DeWitt | 6,078 | 30,923.77 |
| Paul T. Gaines and G. L. Morris | McCrory | 6,445 | 29,310.71 |
| B. F. Greenwood | Heth | 6,156 | 29,241.00 |
| Guy M. Beene | Wynne | 6,244 | 28,722.40 |
| Harold Bynum | Dermott | 5,901 | 27,929.07 |
| V. H. Breckenridge Jr. and Charles J. Peacock Jr. | McCrory | 5,585 | 27,685.52 |
| Lester L. Schlenker | Cherry Valley | 5,322 | 27,385.99 |
| Clinton Powell | Eudora | 5,334 | 27,306.73 |
| Lovett Farms | Grady | 5,898 | 27,176.01 |
| Ralph Wimpy | Harrisburg | 5,232 | 26,985.62 |
| Leon Garot | Dewitt | 5,708 | 26,976.27 |
| H. J. Harper | McGehee | 5,754 | 26,462.53 |
| Craignead Rice Milling Co | Jonesboro | 5,811 | 26,033.28 |
| Sam L. and John E. Taggart | Augusta | 5,726 | 25,986.83 |
| Edwin B. Conner | do | 5,725 | 25,982.31 |
| Ray Weaver | Gash | 4,923 | 25,415.34 |
| Charles J. Peacock, Jr | Hickory Ridge | 5,276 | 25,272.04 |
| C. E. Newman | Fair Oaks | 5,221 | 25,081.65 |
| Phinn H. Reynolds & Son | Harrisburg | 5,044 | 25,077.86 |
| CALIFORNIA | | | |
| Central Valleys Rice Growers | Woodland | 162,142 | 734,559.39 |
| Kalfsbeek and Voorhees | Arbuckle | 11,037 | 49,997.61 |
| Airway Farms, Inc | Fresno | 11,350 | 49,940.00 |
| Edward Nunes | Princeton | 11,087 | 48,671.93 |
| A. H. Culver | Willows | 11,100 | 48,507.00 |
| Thomas Mezger | Woodland | 10,370 | 48,257.60 |
| L. H. Cummins | Willows | 10,437 | 47,488.35 |
| Woodrow Clasby | Arbuckle | 10,241 | 47,479.46 |
| Herbert C. Myers | do | 10,165 | 46,555.70 |
| Melvin McDermott | Maxwell | 9,831 | 45,910.77 |
| Archie and Jack A. Danisan | Live Oak | 10,194 | 45,249.48 |
| J. R. Wilkins | College City | 8,745 | 40,751.70 |
| Bedart Bros | Arbuckle | 8,339 | 37,775.67 |
| Holmes & Westover Co | Chico | 8,098 | 36,845.90 |
| Oscar Kindsfater | Colusa | 8,450 | 35,576.18 |
| W. E. Jopson & Son | Wheatland | 7,423 | 34,591.18 |
| Ben Garland | Willows | 7,596 | 34,463.76 |
| W. H. Brugmann | Yuba City | 7,679 | 33,906.54 |
| Gray Bros | Rio Linda | 7,076 | 33,823.28 |
| Silva Bros | Yuba City | 7,210 | 33,382.30 |
| F. R. Wilkins | College City | 6,904 | 31,827.44 |
| Charles Schaupp & Son | Esparto | 6,696 | 31,315.08 |
| Conrad and Don Ruff Robert D. Whipple Co. | Marysville | 6,641 | 30,719.70 |
| J & J Ranch | Firebaugh | 6,866 | 30,624.14 |
| Charter Bros | Arbuckle | 6,007 | 28,052.92 |
| LOUISIANA | | | |
| Louisiana Rice Growers Inc | Crowley | 198,928 | 936,500.16 |
| Arthur and Harold Loewer | Branch | 7,782 | 37,202.34 |
| Hammie Guidry | Oberlin | 6,612 | 31,875.72 |
| J. S. Morgan & Sons | Tullulah | 5,592 | 30,837.84 |
| Bayou Meadow Farm J. W. Wilson | Pioneer | 6,652 | 30,698.96 |
| Edwin Krielow | Jennings | 5,874 | 29,729.72 |
| Dominic P. Rizzo | Cleveland | 16,191 | 74,609.46 |
| Baronet & Hegar Bros | Shaw | 11,381 | 57,246.43 |
| C. S. Whittington Plantation Co | Greenwood | 12,517 | 56,414.77 |
| J & V Aguzzi | Cleveland | 9,622 | 46,971.75 |
| J. C. O'Neal | do | 9,341 | 44,145.35 |
| Nott Wheeler | do | 8,784 | 39;561.33 |
| James K. Greer | Hollandale | 8,894 | 39,365.20 |
| Cal Busby | Cleveland | 7,849 | 39,174.29 |
| W & W Planting Co | Greenwood | 8,583 | 37,847.52 |
| S. L. Reed | Belzon | 7,284 | 36,492.84 |
| Tom Bueker | Hollandale | 6,959 | 36,186.80 |
| Vera Cole Laudig | Boyle | 7,428 | 34,298.36 |
| McGarrh & McGarrh | Merigold | 6,666 | 34,055.68 |
| Allen Gray Estate | Benoit | 7,298 | 33,492.39 |
| H. D. & T. A. Tharp | Isola | 6,685 | 30,732.07 |

*1960-crop price-support commodity loans of $25,000 or more, by producer*—Continued

### RICE—Continued

[Hundredweight]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| LOUISIANA—continued | | | |
| S. L. Reed | Belzoni | 6,429 | $30,473.46 |
| J. L. Wilson, Jr | Rosedale | 6,623 | 29,595.93 |
| Nickey Eason Plantations, Inc | Memphis | 6,264 | 28,927.30 |
| A. R. Mann & Son | Skene | 5,782 | 28,430.88 |
| A. & N. Floranelli | Cleveland | 5,593 | 28,156.21 |
| Heinsz & Heinsz | Shelby | 5,287 | 26,214.31 |
| Eifling Farms | Hollandale | 4,961 | 25,522.17 |
| MISSOURI | | | |
| Dirl Bagby | Dexter | 5,910 | 28,013.40 |
| TEXAS | | | |
| Marvin Welde, Roe Littlefield; Koop Bros. | Edna | 24,948 | 118,758.57 |
| Blue Creek Rice Farms | El Campo | 17,677 | 83,794.62 |
| Eddie Blackman | De Kalb | 16,404 | 67,886.20 |
| Texas West Indies Co | El Campo | 14,624 | 66,289.72 |
| Kenneth Henderson and Golden Rod Co. | do | 12,804 | 57,176.71 |
| Seaberg Farms | Dayton | 11,072 | 52,329.76 |
| A. L. Clark, G. A. Jennings and Bobby McCarn. | Port Lavaca | 10,009 | 47,843.02 |
| J. R. Reed | El Campo | 10,038 | 46,437.77 |
| Gene Nelson | Anahauc | 10,294 | 45,499.48 |
| Lazy K Ranch | Garwood | 8,836 | 41,792.15 |
| Walter J. Burrell | Beaumont | 8,341 | 40,620.67 |
| Henderson Farms, Inc | El Campo | 9,571 | 39,879.08 |
| L. W. McBride | Winnie | 7,002 | 38,960.84 |
| P. D. Kinser | Anahauc | 6,535 | 37,311.50 |
| C. A. Kiker | Beaumont | 6,338 | 36,905.30 |
| Carl Fitzgerald | Anahauc | 6,814 | 34,605.72 |
| Link Nolte | do | 7,576 | 34,045.01 |
| Rupert Myzell | do | 7,175 | 33,150.63 |
| W. W. Moore | Alvin | 7,753 | 33,027.78 |
| Donald Wilcox | Anahauc | 7,187 | 32,844.59 |
| J. S. Kole | Winnie | 5,524 | 32,575.85 |
| John Dickerson, T. J. Poole | Bay City | 7,134 | 31,460.94 |
| Harlan Nelson, Norris Raun | El Campo | 6,089 | 30,844.77 |
| Marsalia Bros., P. D. Gertson | Eagle Lake | 6,625 | 30,740.00 |
| Alfred Farrell | Alvin | 6,392 | 30,681.60 |
| J. H. Tigner & Sons | Angleton | 6,980 | 30,642.20 |
| Nick and A. J. George | Houston | 6,537 | 29,612.61 |
| Millard Mallet | Beaumont | 4,864 | 29,084.52 |
| Ben Wheeler, Jr | Blessing | 6,427 | 28,422.83 |
| Elden Gaus | Beaumont | 5,701 | 28,771.89 |
| R. N. Huddleston | Winnie | 5,390 | 28,353.11 |
| B. D. Anderson & Sons | Eagle Lake | 5,759 | 26,721.76 |
| Clark Farms | Edna | 5,267 | 26,711.89 |
| E. B. Kirkham | Anahauc | 5,928 | 26,557.44 |
| Guy Webster and A. N. Nelson | Angleton | 5,645 | 26,305.70 |
| M. E. Peltier | Danbury | 5,930 | 25,617.60 |
| B. D. Anderson & Sons, B. B. and B. F. Jurasek, Anderson Bros. | Lissie | 5,001 | 25,555.11 |
| Ernest Fiedler | Hamshire | 4,264 | 25,497.62 |
| A. N. Nelson & Son | Baytown | 5,324 | 25,395.48 |
| Cook, Cook & New | Speaks | 5,734 | 25,286.94 |
| Peter D. Gertson, Jr | Eagle Lake | 5,482 | 25,272.02 |
| Rodney Christ and Ed Lohmann | Hamshire | 4,214 | 25,205.22 |
| J. S. Winzer | Winnie | 4,420 | 25,000.67 |

### SOYBEANS

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| ARKANSAS | | | |
| J. F. Twist Plantation | Twist | 53,954 | $97,511.17 |
| Lee Wilson & Co | Wilson | 39,960 | 75,123.97 |
| Keiser Supply Co | Keiser | 34,507 | 64,873.31 |
| W. D. Thomas | Harrisburg | 20,439 | 37,198.98 |
| Banone Plantation | Hughes | 20,234 | 36,825.88 |
| H. M. Alexander | Helenas | 18,539 | 34,853.32 |
| Richard C. Twist | Twist | 18,513 | 33,693.66 |
| Adolph Pirani | West Memphis | 18,547 | 33,570.07 |
| Willard C. Wilson | Harrisburg | 16,619 | 30,246.58 |
| James W. Young, Jr | Crawfordsville | 15,320 | 27,863.30 |
| INDIANA | | | |
| Donald E. Kalb | Evansville | 18,558 | 34,289.61 |
| MISSISSIPPI | | | |
| S. L. Reed | Belzoni | 18,771 | 33,975.51 |
| S. C. O'Neal | Cleveland | 17,830 | 32,210.14 |
| MISSOURI | | | |
| E. B. Gee | Blytheville, Ark | 56,515 | 106,248.20 |
| E. B. Gee, Jr | do | 25,000 | 46,870.00 |
| F. S. and W. P. Hunter | Bell City | 16,680 | 31,072.85 |
| The Albert Painton Co., Inc | Painton | 16,710 | 30,538.76 |

### SOY BEANS—Continued

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| SOUTH CAROLINA | | | |
| Kirkland & Best | Ulmers | 18,370 | $32,882.71 |
| Clayton Lowder | Sumter | 15,749 | 28,033.84 |
| TEXAS | | | |
| Thompson & Thompson | Plainview | 14,621 | 25,439.97 |

### WHEAT

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| ARIZONA | | | |
| Rancho Tierra Prieta Co., Black Land Farms and John Nutt Co. | Eloy | 34,112 | $63,448.32 |
| Dixie Ranches | El Centro | 15,172 | 28,522.47 |
| ARKANSAS | | | |
| Clark & Beene | Hughes | 13,935 | 26,197.48 |
| CALIFORNIA | | | |
| Jack Harris, Inc | Five Points | 23,671 | 44,738.19 |
| L. G. Brown & Floto & Kirksey | Madera | 17,155 | 32,766.05 |
| E. L. Wallace & Sons | Woodland | 15,896 | 30,520.80 |
| Peter Cook, Jr | Rio Vista | 15,726 | 30,193.92 |
| COLORADO | | | |
| Earl Weisenberger | Scott City, Kans | 59,516 | 103,225.78 |
| Stewart Bros | Elizabeth | 29,411 | 49,998.84 |
| Dale Mitchek | Cheyenne Falls | 28,377 | 49,375.98 |
| Hastings Sky Ranch | Otis | 28,797 | 49,242.87 |
| Wayne E. Tallman | Brandon | 28,459 | 49,234.07 |
| Andrew Blake | Woodrow | 28,372 | 48,882.96 |
| Iron Mueller, Inc | Bird City, Kans | 28,571 | 47,427.86 |
| Gilbert O'Neil | Anton | 26,797 | 46,359.32 |
| Howard A. Ragsdale | Lamar | 25,944 | 45,531.72 |
| Hodges & Sons | Julesburg | 26,101 | 44,632.71 |
| August Kern & Sons | Cheyenne Falls | 25,370 | 44,397.50 |
| Harold Kuckartz | Arriba | 25,519 | 44,115.30 |
| R. M. and Ruby Lea Hough | Fort Morgan | 25,503 | 43,992.75 |
| Kenneth Kinnie | Julesburg | 24,722 | 42,521.84 |
| R. N. Knudsen | Arapahoe | 24,385 | 42,186.05 |
| Rooney Farms | Garden City, Kans. | 23,862 | 41,839.12 |
| Clayton Farms | Otis | 24,364 | 41,662.44 |
| Wood Land Co | Lincoln, Nebr | 22,736 | 41,463.33 |
| C. E. Willhite | Holly | 25,195 | 41,320.08 |
| Arthur W. Fritton | Cheyenne Wells | 23,674 | 41,192.19 |
| Bernard Neill | Springfield | 23,806 | 41,184.38 |
| Wm. L. Blick | Roggen | 24,137 | 41,177.41 |
| Jay Hickert | Akron | 22,616 | 38,899.52 |
| John E. Harker | Arapahoe | 22,305 | 38,587.65 |
| C. V. Coburn | Walsh | 22,092 | 38,440.08 |
| Westoff Bros. and Ray Pierce | Weldona | 21,550 | 36,958.43 |
| John & Walter Alishouse | Akron | 21,353 | 36,459.81 |
| M. K. White | Arapahoe | 20,832 | 36,456.00 |
| Hildred E. Steinwald | Hudson | 18,703 | 34,093.68 |
| Melvin C. Anderson | Strasburg | 20,582 | 33,548.12 |
| Vratil Bros | Limon | 18,895 | 33,255.20 |
| Millage Bros | Holyoke | 19,100 | 33,142.18 |
| C. H. Suhler | Springfield | 18,688 | 32,890.88 |
| Harry Hall | Vilas | 19,713 | 32,329.32 |
| Paul Woolfolk | Towner | 19,315 | 31,941.80 |
| Jim E. Noonan | Deertrail | 19,481 | 31,823.21 |
| J. W. C. Davis | Bennett | 18,431 | 31,701.32 |
| Chandler Bros | Otis | 18,587 | 31,597.90 |
| Kenneth D. Breneman | Fort Morgan | 18,170 | 31,207.61 |
| Hendrick Bros | Brush | 17,970 | 31,088.10 |
| Rober Bros | Julesburg | 18,990 | 30,953.98 |
| E E Foster & Sons | Nunn | 15,325 | 30,629.95 |
| Dan & Harold Kissler | Watkins | 17,854 | 30,583.50 |
| Henry & Jim Witt | Flagler | 17,153 | 29,846.22 |
| J. T. McEndree | Springfield | 16,897 | 29,231.81 |
| Wm. Strasser | Julesburg | 16,783 | 29,034.59 |
| Murray E. Giffen | Nunn | 16,921 | 28,934.91 |
| Wm. Stretesky | Julesburg | 16,390 | 28,354.70 |
| Ernest Pottorff | Stratton | 16,260 | 28,260.01 |
| H. E. Buchanan | Pierce | 15,150 | 28,149.49 |
| Marvin D. Fuess | Haxton | 17,249 | 28,115.33 |
| Paul W. Struble | Holyoke | 17,158 | 27,966.72 |
| Glen Murphy | Springfield | 17,000 | 27,880.00 |
| Wm. P. & James E. Sievers | Briggsdale | 16,087 | 27,669.64 |
| A. C. Reinert & Sons | Holly | 15,961 | 27,612.53 |
| Sprague Bros | Holyoke | 16,936 | 27,605.14 |
| Richard Bird | Coldwater, Kans | 15,763 | 27,585.25 |
| Fundingsland Bros | Burlington | 16,920 | 27,579.06 |
| Ray A. Seedorf | Yuma | 16,003 | 27,473.83 |
| Leslie Lambert | Hereford | 16,033 | 27,256.10 |
| James J. Donnelly | Flagler | 15,893 | 27,177.03 |
| Vernon Hanna | Springfield | 16,568 | 27,171.52 |
| Lyle V. Cooksey | Roggen | 15,961 | 27,133.70 |

*1960-crop price-support commodity loans of $25,000 or more, by producer*—Continued

**WHEAT—Continued**

**[Bushels]**

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| COLORADO—**continued** | | | |
| Joe B. Northcutt | Springfield | 16, 086 | $26, 542. 44 |
| Douglas D. & R. M. Hough, Jr | Fort Morgan | 15, 338 | 26, 381. 36 |
| George Reynolds | Longmont | 14, 337 | 26, 309. 38 |
| Marie Lundgren Freemeyer | Haxton | 15, 102 | 26, 126. 46 |
| Fred Wagner | Brighton | 15, 293 | 25, 998. 10 |
| Brownell Farms | Fleming | 15, 195 | 25, 983. 45 |
| Milton Vice | Genoa | 15, 186 | 25, 968. 06 |
| Gus Konig | Grover | 15, 062 | 25, 836. 58 |
| IDAHO | | | |
| Stanton Becker | Genesee | 28, 865 | 46, 473. 29 |
| W. T. Wagner & Sons | Lewiston | 28, 380 | 45, 691. 80 |
| Capital Co | Rupert | 28, 667 | 43, 268. 02 |
| Wittman Farms, Inc | Lapwai | 26, 427 | 42, 097. 53 |
| Drechsel Bros | Worley | 25, 795 | 41, 787. 65 |
| Joe Wagner | Craigmont | 25, 204 | 40, 325. 73 |
| A. E. & Demar Bott | Newdale | 23, 020 | 36, 099. 95 |
| Gaffney & Howe | Plummer | 20, 660 | 33, 714. 33 |
| Mary Hoffman or Alwx Schaub | Lewiston | 20, 548 | 32, 912. 95 |
| Charles Gabby | do | 17, 583 | 29, 891. 10 |
| Carter Bros | Tekoa, Wash | 17, 030 | 27, 929. 80 |
| Lowell F. Jenkins | Lewiston | 15, 633 | 26, 360. 11 |
| Grant Glorfield | Rockland | 15, 928 | 25, 644. 08 |
| INDIANA | | | |
| Graham Farms | Washington | 15, 550 | 27, 352. 90 |
| KANSAS | | | |
| Wilbur White | Goodland | 47, 415 | 82, 976. 25 |
| Dorsey Elliott | Sublette | 42, 277 | 73, 090. 16 |
| Carl N. Brollier | Moscow | 37, 356 | 64, 999. 44 |
| W. T. Rooney, Jr | Garden City | 35, 956 | 62, 923. 00 |
| Ronald Frahm | Colby | 34, 356 | 60, 466. 56 |
| J. V. Kuttler | Tribune | 31, 445 | 51, 755. 94 |
| Ellsworth Sherman | Garden City | 28, 409 | 49, 999. 84 |
| B. E. and Catherine D. Miles | Lakin | 28, 571 | 49, 713. 54 |
| George Loewen | Ingalis | 27, 855 | 49, 581. 90 |
| Ernest Schielke | Colby | 27, 806 | 48, 938. 56 |
| Rudolph Loewen | Ingalls | 27, 164 | 48, 351. 92 |
| Wayne Rowland | Garden City | 27, 166 | 47, 812. 16 |
| Iron Mueller | Bird City | 28, 571 | 47, 714. 12 |
| John Kriss Farms | Colby | 27, 000 | 47, 520. 00 |
| Fred Schield | Goodland | 27, 010 | 47, 267. 50 |
| E. A. Niswonger & Son | Wallace | 26, 365 | 46, 171. 32 |
| Alvin L. Kehlbeck | Bird City | 25, 792 | 44, 620. 16 |
| Gunnels Farms | Colby | 26, 332 | 44, 501. 08 |
| Charles Lucas | Johnson | 25, 229 | 43, 898. 46 |
| Melvin L. Barrett | Colby | 24, 516 | 43, 148. 16 |
| Olive W. Garvey | do | 24, 598 | 42, 750. 65 |
| Cecil Obrate | Ingalls | 23, 269 | 41, 293. 42 |
| Raymond G. Morris | Garden City | 22, 760 | 40, 057. 60 |
| Ferguson Bros | Kensington | 22, 114 | 39, 805. 20 |
| E. O. Curry | Levant | 22, 297 | 39, 242. 72 |
| John V. Moler | Garden City | 22, 234 | 39, 131. 84 |
| Goering Bros | Moundridge | 21, 750 | 38, 497. 50 |
| Leroy F. Cooley | Garden City | 21, 609 | 38, 031. 84 |
| Joe Clemence | Abilene | 22, 020 | 37, 874. 97 |
| Lawrence Anstaett & Sons | Garden City | 22, 630 | 37, 791. 26 |
| James McFee | Atwood | 21, 278 | 37, 449. 28 |
| Helen Frahm | Colby | 21, 278 | 37, 449. 28 |
| W. R. Houston | Tribune | 21, 343 | 37, 350. 25 |
| Spikes Bros | Hugoton | 22, 567 | 37, 235. 01 |
| Carl S. Warner | Kalvesta | 20, 542 | 36, 153. 92 |
| J. D. Hewes | Ingalls | 21, 371 | 35, 903. 83 |
| Frank Vacin | Colby | 20, 259 | 35, 655. 84 |
| Nitsch and Nitsch | Oberlin | 20, 138 | 35, 332. 94 |
| Charles S. Drew | Garden City | 19, 777 | 34, 807. 52 |
| Willard and Otis Horchem | Ransom | 20, 000 | 33, 600. 00 |
| Frasier Farms | Sharon Springs | 19, 258 | 33, 508. 92 |
| Harry E. Wright | Sublette | 20, 000 | 33, 400. 00 |
| Clarence Irsik | Ingalls | 20, 000 | 33, 200. 00 |
| Roberson Bros | St. Francis | 19, 153 | 33, 134. 69 |
| Albert Frahm | Colby | 18, 337 | 32, 273. 12 |
| Wilbur J. Ulrich | Holcomb | 18, 226 | 32, 077. 76 |
| Cecil H. Werneke | Caldwell | 18, 785 | 31, 934. 50 |
| Orville Pammenter | Scott City | 18, 774 | 31, 916. 09 |
| Lee O. Lile | Garden City | 18, 128 | 31, 905. 28 |
| Kenneth House | Goodland | 18, 157 | 31, 774. 75 |
| Robert W. Theirolf | Beloit | 17, 391 | 31, 651. 62 |
| Harold Walter | Sublette | 17, 845 | 31, 407. 20 |
| Virgil J. Staab | Catherine | 17, 433 | 31, 378. 50 |
| Ruth G. Fink | Colby | 17, 931 | 31, 257. 09 |
| Max Engler, Jr | Garden City | 18, 697 | 31, 036. 47 |
| Glen Woolfolk & Sons | Protection | 18, 413 | 30, 934. 39 |
| Elmer Wilkin | Garden City | 17, 580 | 30, 765. 00 |
| Edward Hall | Sublette | 17, 192 | 30, 257. 92 |
| Jack Corn | Friend | 18, 045 | 30, 135. 15 |
| R. H. Garvey Estate | Colby | 16, 930 | 30, 010. 99 |
| Milford Zook | Larned | 17, 977 | 29, 662. 05 |
| Bill Bryant | Shields | 16, 551 | 29, 295. 27 |
| Lawrence N. Graham | Deerfield | 16, 531 | 28, 929. 25 |
| Elsie Kisner | Garden City | 17, 097 | 28, 893. 64 |
| F. G. Boles | Liberal | 17, 341 | 28, 613. 22 |
| Gerald L. Schmidt | Rolla | 17, 416 | 28, 562. 24 |
| James B. Edwards | Wichita | 15, 857 | 28, 542. 60 |

**WHEAT—Continued**

**[Bushels]**

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| KANSAS—**continued** | | | |
| United Theological Seminary | Dayton, Ohio | 17, 155 | $28, 477. 30 |
| S. E. Dennis | Scottsbluff, Nebr | 16, 902 | 28, 395. 36 |
| R. T. McCreight | Ness City | 16, 720 | 28, 256. 80 |
| Ethel Burnett Martin | Syracuse | 17, 110 | 28, 230. 96 |
| Victor W. Halich | Garden City | 16, 000 | 28, 160, 00 |
| Harvey Wood, Sr. and Harvey Wood, Jr. | Solomon | 16, 316 | 28, 062. 95 |
| C. E. & Frances Henneberger | Atwood | 15, 752 | 27, 723. 52 |
| Donald Lee Krey | Rolla | 16, 000 | 27, 680. 80 |
| R. W. Tuttle | Ulysses | 16, 661 | 27, 656. 71 |
| Dewey Council | Winona | 16, 525 | 27, 595. 91 |
| Marcus A. Meng | Ingalls | 16, 524 | 27, 595. 63 |
| E. L. Hatcher | Lamar, Colo | 16, 345 | 27, 296. 15 |
| A. L. & L. W. Swart | Oakley | 16, 327 | 27, 265. 82 |
| Wm. H. Vornauf | Harper | 16, 098 | 27, 205. 62 |
| Dwight D. Klinger | Ashland | 16, 146 | 26, 964. 37 |
| Haseltine Bros | Cawker | 15, 000 | 26, 700. 00 |
| Clarence Anderson | Utica | 14, 865 | 26, 608. 35 |
| Gus Rahjes & Sons | Phillipbura | 14, 754 | 26, 557. 20 |
| Dale Blair | Satanta | 14, 972 | 26, 500. 14 |
| Paul Sundgren | Hugoton | 16, 000 | 26, 240. 00 |
| Eugene and Donald Albin | Gove | 14, 786 | 26, 171. 22 |
| Forest C. Brookover | Scott City | 15, 519 | 25, 760. 71 |
| Harold Humburg | Ness City | 15, 251 | 25, 621. 68 |
| Bernard Reinert | Ensign | 15, 209 | 25, 550. 67 |
| W. H. Klein and William H. Klein, Jr. | Tribune | 14, 500 | 25, 375. 00 |
| Clyde Mercer | Garden City | 13, 499 | 25, 358. 76 |
| Darrell Hatcher | Lamar, Colo | 15, 177 | 25, 344, 75 |
| Wesley Ronald and Wayne Lucas | Satanta | 14, 107 | 25, 110. 46 |
| Alphonse Richards | Brewster | 14, 992 | 25, 037. 19 |
| MINNESOTA | | | |
| Victor Younggren | Northcote | 19, 355 | 36, 387. 40 |
| MISSOURI | | | |
| C. O. Donath | Palmyra | 20, 618 | 38, 341. 87 |
| Ed Marshall & Son | Charleston | 15, 316 | 27, 860. 27 |
| MONTANA | | | |
| Campbell Farming Corp | Hardin | 139, 746 | 218, 887. 30 |
| Onstad Grain Co | Carter | 28, 838 | 45, 689. 99 |
| Formanack and Barber | Lodge Grass | 26, 590 | 41, 480. 40 |
| Birkeland & Son | Fort Benton | 24, 650 | 38, 700. 50 |
| H. W. Waker | Floweree | 24, 109 | 37, 918. 82 |
| Juedeman Grain Co., Inc | Geraldine | 23, 815 | 37, 865. 85 |
| George A. Gray & Son | Carter | 24, 091 | 37, 822. 87 |
| Fred and Claire Van Horn | Dutton | 23, 567 | 37, 000. 19 |
| Bill McCarter | Galata | 21, 642 | 36, 007. 29 |
| Joe Hausser | Ledger | 22, 410 | 34, 959. 60 |
| Robert L. Cox | Baker | 19, 603 | 33, 913. 19 |
| Walter Banta & Sons | Conrad | 21, 345 | 33, 298. 20 |
| J. G. Robertson, Inc | Floweree | 20, 289 | 31, 981. 80 |
| Roy Killenbeck | Scobey | 17, 695 | 31, 078. 19 |
| Oliver and Greta Morkrid | Chester | 19, 463 | 30, 996. 99 |
| Lazy KT Ranch | Billings | 19, 479 | 30, 971. 61 |
| King Colony | Lewiston | 18, 749 | 29, 435. 93 |
| Max and R. C. Conover, Jr | Broadview | 17, 613 | 27, 652. 41 |
| Robert S. and L. J. Bradbrook | Rapelje | 17, 359 | 27, 427. 22 |
| S. P. Denson | Shelby | 17, 642 | 26, 992. 26 |
| Clayton and Alma Sweeney | Belt | 17, 024 | 26, 557. 44 |
| Woodrow McCracken | Ledger | 16, 981 | 26, 490. 36 |
| Joe and Lewis Hunt | Great Falls | 16, 542 | 26, 136. 36 |
| R. T. Morrow | Billings | 16, 695 | 26, 085. 63 |
| Vale Creek Ranch, Inc | do | 16, 416 | 25, 937. 28 |
| F. E. Davidson & Sons | Highwood | 15, 918 | 25, 627. 98 |
| Warren L. Hankins | do | 16, 286 | 25, 569. 02 |
| John Kamp | Three Forks | 16, 182 | 25, 405. 74 |
| Lloyd J. Michels | Medicine Lake | 14, 739 | 25, 056. 30 |
| NEBRASKA | | | |
| Alvin Narjes | Sidney | 29, 568 | 50, 561. 28 |
| Louis Knipp | Big Springs | 28, 571 | 49, 999. 25 |
| Martin Jackobson | Alliance | 28, 735 | 49, 998. 90 |
| Eugene Schefcik | do | 28, 477 | 49, 834. 73 |
| H. B. Wellnitz | Rushville | 24, 345 | 42, 360. 30 |
| Wm. Riis | Alliance | 25, 000 | 41, 250. 00 |
| Leo Thompson | Elsie | 22, 994 | 40, 239. 50 |
| Clyde A. Linch | Big Springs | 22, 704 | 39, 732. 00 |
| Mike Manning | Hemingford | 22, 437 | 39, 040. 38 |
| Mark Schekall | do | 21, 732 | 38, 031. 00 |
| Cyril Burney | do | 21, 785 | 37, 905. 90 |
| Dave Ourada | Brandon | 21, 116 | 36, 953. 00 |
| Vance Clark | Chappell | 20, 785 | 35, 958. 05 |
| Gerald Krajewski | Venango | 20, 572 | 35, 795. 28 |
| S. L. O'Brien | Alliance | 20, 563 | 35, 779. 62 |
| Robert L. Elliott | Solvang, Calif | 18, 627 | 32, 783. 52 |
| Lester Rhoades | Big Springs | 18, 506 | 32, 385. 50 |
| Ralph Smith | Palisade | 17, 945 | 31, 583. 20 |
| R. D. Tolstedt | Alliance | 17, 626 | 30, 845. 50 |
| Beulah and Edward Jelinek | do | 17, 525 | 30, 786. 22 |
| Glade Kirkpatrick | do | 17, 044 | 29, 827. 00 |
| H. L. Carlson | Chappell | 17, 623 | 29, 782. 87 |

*1960-crop price-support commodity loans of $25,000 or more, by producer*—Continued

**WHEAT—Continued**

**[Bushels]**

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| NEBRASKA—continued | | | |
| Kieth Sprenger | Sidney | 18,289 | $29,627.65 |
| Wayne Lyon | Merna | 16,057 | 29,063.17 |
| James Van Rossum | Gordon | 16,560 | 28,785.55 |
| Ruth Bohlke | Hastings | 16,287 | 28,177.08 |
| Reed Bros | Venango | 16,486 | 27,201.90 |
| Francis Pandorf | Callaway | 14,848 | 27,023.36 |
| Larry Lintz | Big Springs | 15,389 | 26,882.37 |
| Bernard Lueking | Oxford | 15,076 | 26,835.28 |
| Clifford Bergfield | Hemingford | 15,261 | 26,805.27 |
| Angus Myers & Sons | McCook | 14,936 | 26,735.44 |
| Cornhusker Farms | Hastings | 15,192 | 26,433.51 |
| H. H. Misegadis & Sons | Sunol | 15,422 | 26,371.62 |
| Bernice Linn | Kimball | 15,225 | 26,339.25 |
| Andy Muths | Wauneta | 14,920 | 26,259.20 |
| Milford Krajewski | Ogallala | 14,676 | 25,536.24 |
| Nobert Krajewski | do | 14,493 | 25,362.75 |
| Milford Nodlinski | Brule | 14,488 | 25,354.00 |
| Garrett B. Dudden | Venango | 15,360 | 25,344.00 |
| Robert Laeger | Hemingford | 14,565 | 25,343.10 |
| NEW MEXICO | | | |
| Lovelace and Christian | Farwell, Tex | 20,760 | 36,745.20 |
| W. T. & Clarence Weeks | do | 18,383 | 31,434.64 |
| Virgle Harrison | Texico | 18,440 | 31,299.61 |
| Roy Williams & Son | Clovis | 17,255 | 30,713.26 |
| George and T. M. Borden | Bellview | 17,988 | 30,579.60 |
| Otto Smith | Clovis | 16,000 | 28,640.00 |
| John Spearman | Texico | 16,585 | 28,525.62 |
| S. S. Pipkin | Clovis | 14,592 | 26,119.68 |
| Marvin Hecht | do | 14,980 | 25,765.60 |
| Leslie Pattison | do | 15,000 | 25,350.00 |
| NORTH DAKOTA | | | |
| Floyd Barshel | Pingree | 27,173 | 49,998.32 |
| C. E. Dilse | Scranton | 24,368 | 41,967.10 |
| Roscoe W. Kelly | Niagra | 19,180 | 36,235.77 |
| Arnel Glinz | Eldridge | 18,071 | 32,708.51 |
| Halcrow Bros | Drayton | 15,397 | 27,947.68 |
| Ryan Farms | East Grand Forks, Minn. | 14,447 | 26,006.31 |
| Roy Folck | Portal | 14,749 | 25,958.24 |
| James and R. R. Gibbens | Cando | 13,476 | 25,739.16 |
| Earl, Alan, and Julius Honeyman | Regent | 14,101 | 25,663.82 |
| Elmer and Rose Salscheider | Mott | 13,756 | 25,311.04 |
| Raymond Foerster | Conway | 13,878 | 25,119.18 |
| OHIO | | | |
| The Orleton Farms | London | 25,282 | 46,265.46 |
| Case Farms Co | Richwood | 13,803 | 25,259.11 |
| OKLAHOMA | | | |
| F. W. Zaloudek | Kremlin | 27.932 | 46,925.76 |
| Arthur and Clay Dean Stout | Frederick | 24,809 | 43,911.93 |
| Stephens Bros | Anadarko | 24,531 | 43,504.65 |
| Bill Kurtz | Geary | 22,782 | 38,501.02 |
| Leonard Stout | Frederick | 21,076 | 37,308.77 |
| Homer Sander | Seiling | 16,220 | 31,937.17 |
| Mussman Bros. & Sons | Guymon | 19,516 | 31,810.54 |
| John Kinder | Manitou | 18,682 | 31,385.21 |
| W. C. Williams | Gould | 16,334 | 29,727.26 |
| Dickey Bros | Frederick | 17,542 | 29,645.72 |
| Theodore H. Wayman | Nash | 17,387 | 29,209.90 |
| C. F. Mock & Son | Altus | 16,720 | 28,256.80 |
| Solly Hiatt | Hammon | 14,281 | 28,215.11 |
| E. B. Mitchell & Son | Enid | 16,424 | 27,665.66 |
| Ivan Curby | Billings | 16,421 | 27,586.99 |
| Stafford Bros | Keyes | 16,888 | 27,021.07 |
| L. F. Edens and Herb Reynolds | Hobart | 13,704 | 26,948.04 |
| Merle Ball | Greenfield | 15,832 | 26,597.21 |
| Robert McDaniel | Ponca City | 13,832 | 26,320.40 |
| Louis Zaloudek | Kremlin | 15,000 | 25,050.00 |
| OREGON | | | |
| Ralph S. Crum | Ione | 69,193 | 126,212.35 |
| W. Lowell Steen & Steen Land Co | Milton Freewater | 37,391 | 66,182.07 |
| B. L. Davis Ranch, Inc | Adams | 33,681 | 59,578.85 |
| Robert G. Bafus | Colfax, Wash | 27,472 | 49,999.04 |
| Cross Ranch | Pendleton | 28,089 | 49,998.42 |
| R. N. Olsen and Charles L. Powell | Moro | 25,429 | 46,789.36 |
| Archie Harris | Touchet, Wash | 25,987 | 45,996.99 |
| Earl Meeker | The Dalles | 23,947 | 44,541.42 |
| F. L. Watkins, J. K. Kaseberg, and Helen Korn. | Wasco | 24,157 | 44,207.31 |
| Key Bros., Inc | Milton Freewater | 24,509 | 43,380.93 |
| Walker Whitacre Ranch | Athena | 25,198 | 42,407.80 |
| McCanse, Kaufman & Graham | North Powder | 25,373 | 41,373.70 |
| H. F. and/or Bobbie A. Root | Wasco | 20,120 | 36,779.57 |
| Kosmos & Georgaras | Pendleton | 20,662 | 36,571.74 |
| Lloyd K. McKrae & Schuening Bros. | Helix | 20,221 | 35,833.31 |
| Alberta Dooly | Prescott, Wash | 21,181 | 35,796.18 |
| John P. Adams | Athena | 20,931 | 35,278.84 |
| Wm. F. Lorenzen & Son | Pendleton | 20,525 | 34,687.30 |
| Leonard A. Lorenzen | do | 19,473 | 34,467.21 |
| OREGON—continued | | | |
| Rew & Rew | Pendleton | 18,962 | $33,752.36 |
| Pine City Ranch | Echo | 19,393 | 33,455.88 |
| Harvey Smith | Ione | 17,720 | 32,250.40 |
| Jaeger Hereford Ranch, Ltd | Condon | 17,928 | 32,206.92 |
| Louie E. Barnett | do | 17,704 | 32,192.22 |
| Rietmann Bros | Ione | 17,627 | 32,081.14 |
| Weishaar Bros | La Grande | 18,490 | 31,802.80 |
| Richard R. Reed | Mikkalo | 17,113 | 31,145.66 |
| Coppinger & Son Ranches | Echo | 17,430 | 30,927.69 |
| R. H. L. Kelly | The Dalles | 16,368 | 30,415.09 |
| W. L. Hulse | Dufur | 16,213 | 29,994.05 |
| Fax Bros | The Dalles | 15,843 | 29,309.55 |
| Underhill Ranch | Dufur | 15,632 | 29,075.52 |
| Armanda S. Duvall | Heppner | 15,770 | 28,701.40 |
| Robert H. Rothrock | Adams | 16,049 | 28,406.73 |
| H. R. Schilling | Grass Valley | 16,127 | 27,806.31 |
| James H. Whittaker | Pilot Rock | 16,436 | 27,616.56 |
| Terjeson Bros | Pendleton | 16,356 | 27,506.19 |
| Marvin Kilgore, J. S. Johns estate, and Pearl Johns. | do | 15,348 | 27,165.96 |
| Taylor Bros | La Grande | 16,090 | 26,276.24 |
| Robert K. King | Moro | 14,437 | 26,275.34 |
| McElligott Bros | Ione | 14,515 | 25,981.85 |
| Dyer Farms | Mayville | 14,395 | 25,911.00 |
| Robert T., W. L. and Wm. A. Cresswell. | Pendleton | 14,556 | 25,909.63 |
| G. E. or Nina G. Butler | Condon | 14,709 | 25,593.96 |
| Purchase Ranch | Pendleton | 15,189 | 25,534.79 |
| R. A. Brogoitti | Helix | 14,758 | 25,465.83 |
| J. Z. Weimar & Sons | Condon | 13,987 | 25,456.34 |
| Clemens A. Welk | Wasco | 14,608 | 25,418.09 |
| Kerr Bros. Plateau Farm | Arlington | 13,768 | 25,195.44 |
| Carl G. Helm | La Grande | 14,813 | 25,182.10 |
| SOUTH DAKOTA | | | |
| J. E. Cheek | Pierre | 30,303 | 49,999.95 |
| C. E. Miller | White River | 22,651 | 45,480.15 |
| Dennis L. Anderson | Onida | 24,861 | 44,998.41 |
| Hugo Kinkler | Littlefield, Tex | 19,799 | 40,904.40 |
| Robert Weimer | Martin | 21,662 | 38,013.02 |
| Mike Platt | Pierre | 21,369 | 36,967.50 |
| E. V. Hensley | do | 18,340 | 33,378.80 |
| Bruno Wieczorek | Chamberlain | 18,303 | 32,853.70 |
| Robert L. Pich | Martin | 18,326 | 32,070.50 |
| R. Guy Goddard | Blunt | 17,672 | 31,986.32 |
| Stanley Asmussen | Agar | 16,455 | 29,819.93 |
| M. M. & Theo Kiker | Onida | 16,633 | 29,715.90 |
| Marlin F. Jorgensen & Sons | Ideal | 16,464 | 29,548.86 |
| Paul H. Long | Faulkton | 15,624 | 29,216.88 |
| Louis O. Spaid | Onida | 15,889 | 28,855.84 |
| Hurn Bros | Harrold | 16,287 | 28,824.34 |
| T. M. Osborne & Sons | Pierre | 16,443 | 28,775.25 |
| Lyn Lyman | Murdo | 16,026 | 28,686.54 |
| Gerald Perry | Cresbard | 15,279 | 28,266.15 |
| J. B. Bishop & O. G. Shearer | Quinn | 15,765 | 27,430.72 |
| Bill Goebel | Gettysburg | 15,123 | 27,372.63 |
| Rausch Bros | do | 15,524 | 27,322.24 |
| Bolie & Son | Gordon, Nebr | 15,604 | 27,150.96 |
| Archie Swanson | Winner | 14,805 | 26,867.82 |
| Lottie Weimer & K. G. Clairssen | Martin | 15,275 | 26,731.25 |
| George Nelson | Onida | 14,172 | 26,501.64 |
| Clark J. Robinson | Batesland | 14,375 | 25,396.78 |
| James S. Brown | Chamberlain | 14,142 | 25,350.60 |
| Joe Maulis, Jr | Witten | 14,080 | 25,344.00 |
| Alfred Peterson & Sons | Ipswich | 13,584 | 25,288.53 |
| TEXAS | | | |
| Thomas L. Moran | Dumas | 77,475 | 137,130.02 |
| W. T. Smoot, Jr | Amarillo | 42,748 | 71,728.20 |
| T. Campbell and Percy and Z. Lamar. | Dimmitt | 32,516 | 58,528.80 |
| W & A Farms | do | 27,189 | 48,940.20 |
| Hill Farms | Hart | 27,624 | 47,513.28 |
| Carl H. Kuper | Dalhart | 27,700 | 47,367.00 |
| Berkley Stringer | Dumas | 27,944 | 47,224.80 |
| Ray L. Batman | Grain Valley, Mo | 27,777 | 47,220.90 |
| H. H. Hogue | Dalhart | 27,933 | 47,206.20 |
| Claude Johnson | do | 28,409 | 47,158.94 |
| R. H. Holland | Perryton | 27,500 | 46,750.00 |
| J. D. Ferguson | Hamlin | 26,950 | 46,083.94 |
| Mrs. Jessie Herring Johnson | Vernon | 25,824 | 45,708.48 |
| W. L. Wilson | Quanah | 24,792 | 44,873.83 |
| O. A. Schuster | Perryton | 26,496 | 44,778.53 |
| D. C. Dilley | Borger | 26,523 | 44,559.19 |
| John A. and Raymond Smith | Hereford | 24,595 | 44,516.35 |
| J. R. Hickman | do | 24,904 | 43,052.09 |
| R. M. Buckles | Stratford | 25,000 | 42,000.00 |
| R. C. Buckles | do | 25,000 | 42,000.00 |
| R. C. Womble | Morse | 23,700 | 41,948.11 |
| Claude Higley | Stinnett | 24,672 | 41,448.67 |
| Raymond C. Blodgett | White Deer | 22,908 | 39,630.84 |
| T. C. Harvey, Jr | Gruver | 21,290 | 38,747.80 |
| W. R. Murrell | do | 21,576 | 38,405.28 |
| M. C. Kelly | Elk City | 21,160 | 38,298.98 |
| Eliz. Herring Estate | Amarillo | 21,155 | 38,079.00 |
| Everett W. Carter & Son | Sunray | 22,526 | 38,068.09 |

*1960-crop price-support commodity loans of $25,000 or more, by producer*—Continued

**WHEAT—Continued**

**[Bushels]**

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| TEXAS—continued | | | |
| C. D. Carnaham | Hereford | 22,162 | $37,675.40 |
| Melvin Sacks | Friona | 22,104 | 37,577.36 |
| Robert, Sr. and Robert, Jr., Alexander | Gruver | 20,576 | 36,831.04 |
| H. D. Lewis | Dumas | 21,643 | 36,575.82 |
| W. J. Morris | Panhandle | 20,000 | 36,400.00 |
| Travis Payne | Happy | 19,780 | 36,197.40 |
| M. M. Cattle Co. | Amarillo | 20,636 | 36,113.58 |
| L. J. Schmidt | Dalhart | 21,907 | 35,927.20 |
| Scott & Hodges | Vega | 19,799 | 35,835.88 |
| Lacy Meek | Dumas | 20,955 | 35,623.79 |
| Bruce Parr | Friona | 20,934 | 35,587.80 |
| Reinauer Bros | Hereford | 20,655 | 35,526.60 |
| John L. Hammond | Happy | 17,905 | 35,133.16 |
| George Porter | Amarillo | 20,591 | 35,004.12 |
| Wilbur L. Bryant | Hartley | 20,796 | 34,936.44 |
| Jack Dewees | Vega | 20,094 | 34,762.62 |
| Dean Cluck | Gruver | 20,463 | 34,378.39 |
| Fred Johnson | Stinnett | 20,057 | 33,696.05 |
| Claude W. Sloan | Amarillo | 19,908 | 33,444.60 |
| Rosea Foster | Canyon | 18,065 | 33,058.35 |
| Biggs Horn | Amarillo | 19,172 | 32,783.56 |
| W. C. Matchett | Hamlin | 19,244 | 32,715.36 |
| Measles & O'Daniel | Tulia | 17,634 | 32,269.62 |
| J. E. Mitchell | Dalhart | 14,935 | 31,917.47 |
| Charles M. and E. L. Davis | Amarillo | 17,395 | 31,734.76 |
| Sam Kotara | Groom | 18,498 | 31,631.00 |
| Arthur Stavlo | Sunray | 18,583 | 31,591.10 |
| A. W. Tabor | Kirkland | 17,248 | 31,218,28 |
| Holly Teler | Hamlin | 18,307 | 31,121.90 |
| Jeff D. Thweatt | Wichita Falls | 18,457 | 31,008.05 |
| Brent & Thompson | Amarillo | 18,325 | 30,968.69 |
| Jack G. Foster | Happy | 16,878 | 30,717.96 |
| R. B. Gist & Son | Canyon | 15,995 | 30,655.69 |
| Clark K. Carter | Dumas | 18,000 | 30,420.00 |
| W. E. McGlothlin | do | 17,604 | 29,751.32 |
| C. V. Potts | Friona | 17,550 | 29,639.64 |
| Fay T. Taylor | Quitaque | 17,284 | 29,555.93 |
| Roger Brumley | Hereford | 17,456 | 29,367.98 |
| C. J. Kuper | Dalhart | 13,629 | 29,165.71 |
| Eldon Durrett estate | Amarillo | 16,875 | 29,025.57 |
| Carl E. Kemp | Dimmitt | 16,000 | 28,800.00 |
| Stanton D. Liles, Jr | Throckmorton | 15,612 | 28,719.81 |
| H. C. Brown, Jr | Farnsworth | 16,747 | 28,135.51 |
| W. C. Herndon | Perryton | 16,583 | 28,025.27 |
| Browder Bros | Sunray | 16,393 | 27,868.39 |
| Luther C. Hill | Wellington | 15,604 | 27,775.68 |
| A. M. Daily | Darrouzett | 16,293 | 27,534.32 |
| G. M. Cooper | Perryton | 16,230 | 27,428.41 |
| Texas Tech College | Panhandle | 13,786 | 27,486.00 |
| G. W. Lee | Silverton | 16,047 | 27,440.93 |
| W. T. Smoot, Jr | Amarillo | 15,617 | 27,329.73 |
| W. T. Waggoner estate | Seymour | 15,907 | 27,042.46 |
| George Bros | Perryton | 15,322 | 26,813.50 |
| G. L. Willis, Jr | Dimmitt | 14,857 | 26,742.01 |
| G. E. McFarland | Happy | 14,655 | 26,672.55 |
| Bobby Wood | Lark | 15,364 | 26,580.00 |
| Sloan Osborn | Friona | 15,573 | 26,473.54 |
| J. L. Woodford | Hereford | 15,540 | 26,418.00 |
| T. B. Bailey | Amarillo | 13,361 | 26,347.99 |
| Billy Lynn Conner | Farnsworth | 15,587 | 26,341.18 |
| John Cole | Waka | 15,546 | 26,272.18 |
| Virgil F. Bunger | Borger | 15,449 | 26,262.45 |
| Carl Beauchamp | Dumas | 15,535 | 26,098.80 |
| Vern L. Reynolds | Dalhart | 15,581 | 26,176.08 |
| Moody Farms | Papampa | 14,489 | 26,080.79 |
| Marshall Cator | Sunray | 15,427 | 26,071.63 |
| Jack H. Mills | Dumas | 15,406 | 26,028.55 |
| W. F. Ponder | Hereford | 11,365 | 26,026.92 |
| F. D. Carter | Bovina | 15,299 | 26,008.30 |
| J. W. Tabor | Quanah | 14,309 | 25,898.69 |
| Exum Ranch Co | Dalhart | 14,575 | 25,797.94 |
| Alban Farms | Dimmitt | 15,114 | 25,693.24 |
| Leo Wilkowski | Happy | 13,970 | 25,565.10 |
| Raymond Schueler | Friona | 14,067 | 25,460.65 |
| Higgins & London | Hereford | 15,026 | 25,372.26 |
| Samie West | do | 14,823 | 25,346.56 |
| B. R. Evans | Tulia | 14,156 | 25,338.63 |
| F. L. Adamson | Abilene | 14,863 | 25,267.10 |
| WASHINGTON | | | |
| Charles V. and Henry F. Zuger and Helen M. Howard. | Waitsburg | 28,696 | 50,791.92 |
| L. C. Staley | Pullman | 29,410 | 50,000.00 |
| Russell Sieg | Hartline | 29,487 | 48,981.54 |
| Joe A. Huddle | Washtucna | 28,016 | 48,718.35 |
| Herron Bros | Connell | 27,660 | 46,744.90 |
| Henry J. Franz | Lind | 27,778 | 46,111.11 |
| Robison Land & Livestock Co | Walla Walla | 26,010 | 46,037.70 |
| Ralph Colley | Connell | 26,026 | 45,827.25 |
| Higginbotham Bros | Hartline | 27,159 | 45,626.92 |
| Oliver Dezellem | Bridgeport | 26,060 | 45,261.10 |
| L. Sheffels & Son | Govan | 25,165 | 44,274.76 |
| Elmer Schoesler & Sons | Ritzville | 26,435 | 43,796.45 |
| Harris Bros | Dayton | 26,072 | 43,278.74 |
| Robert and Duane Timm | Harrington | 25,824 | 42,350.54 |
| G. Byron Dague | Walla Walla | 23,526 | 41,405.76 |
| WASHINGTON—continued | | | |
| E. G. Gluck | Touchet | 24,107 | $40,258.84 |
| Wm. R. Sieg | Hartline | 24,129 | 39,863.20 |
| Chris Stueckle & Son | Lacrosse | 23,215 | 39,764.00 |
| John and Harold Buckley and Mabel Buckley Martin. | Walla Walla | 22,158 | 39,046.98 |
| Anderson Bros | Starbuck | 23,334 | 38,967.78 |
| Richard and Kennether Owsley and Harriet Owsley Evans. | Walla Walla | 21,385 | 37,722.79 |
| Carl C. Moore | Kiona | 20,896 | 37,194.88 |
| Klicker Bros. & Sons | Walla Walla | 20,878 | 36,895.40 |
| Kenneth Smith | Waitsburg | 21,600 | 36,288.45 |
| Wm. E. Britton and Joe T. Webster | Touchet | 20,544 | 36,198.27 |
| Joe F. Havlina | Connell | 19,981 | 35,566.18 |
| Chester Anderson | Prosser | 18,668 | 34,853.47 |
| Deffenbaugh Farms | Kennewick | 18,785 | 34,000.85 |
| John I. Kupers | Harrington | 20,683 | 33,919.63 |
| Ferrell & Luvaas | Pomeroy | 20,472 | 33,779.41 |
| S. D. Lyle & Sons | Cunningham | 19,207 | 33,611.79 |
| Gilbert Ferris | Lacrosse | 20,573 | 33,438.06 |
| Henry J. Clausen & Sons | Rosalia | 19,622 | 33,236.42 |
| Harold A. Oliver | Prescott | 19,637 | 32,990.53 |
| Milton R. Loney estate | Walla Walla | 19,704 | 32,924.12 |
| Paul E., Glen D., and Paul S. Hofer and Waneita Heilman. | Prescott | 18,469 | 32,690.13 |
| Eslick Bros | Dayton | 19,457 | 32,492.57 |
| Lafollette Farms | Pullman | 20,000 | 32,400.02 |
| Clark Farms | do | 19,085 | 32,252.89 |
| Fred Zimmer | Lacrosse | 18,660 | 32,110.54 |
| Walter H. Johnson | Mabton | 17.229 | 30,928.68 |
| Richard E. Harrison | Lacrosse | 17,906 | 30,797.60 |
| Thomas J. Byers & Sons | Pomeroy | 18,784 | 30,667.43 |
| Arthur Berg and Frank Lenzie | Paterson | 16,919 | 30,623.39 |
| Cecil Wagner | Lamont | 18,757 | 30,534.22 |
| Virgil Klaveano | Thornton | 18,928 | 30,416.05 |
| Virgil Feezell | Mabton | 17,004 | 30,068.08 |
| Loren Lambert | Dayton | 17,816 | 29,686.51 |
| R. C. Walker | Hartline | 17,716 | 29,658.76 |
| Guy Kent | Walla Walla | 17,600 | 29,392.00 |
| Wm. George Harder | Kahlotus | 16,383 | 29,161.74 |
| Horrigan Investment Co | Phoenix, Ariz | 16,543 | 28,950.60 |
| Zakarison and Sauls | Pullman | 17,076 | 28,858.07 |
| Leon Miller | St. John | 17,345 | 28,099.30 |
| J. J. Stueckle & Son | Waitsburg | 16,810 | 28,073.17 |
| Robert Weir | do | 15,917 | 28,013.92 |
| Gustav Strohmaier | Lind | 16,839 | 27,953.29 |
| Baumann Farm | Washtucna | 15,935 | 27,886.04 |
| Ronald Ferguson | Dayton | 16,804 | 27,813.13 |
| Don Low | Starbuck | 16,694 | 27,711.87 |
| Ed Marcus and Richard Stueckle | Lacrosse | 16,237 | 27,654.19 |
| Richard McKeirnam | Pomeroy | 16,633 | 27,610.03 |
| Vollmer and Baynet Horsehaven Ranches. | Prosser | 15,209 | 27,528.29 |
| Alvin O. Wollweber and Oscar H. Polenske. | Edwall | 13,275 | 27,518.77 |
| T & T Ranch | Pomeroy | 16,670 | 27.506.03 |
| Robert Loney | Walla Walla | 16,360 | 27,411.99 |
| David E. Cox | do | 16,279 | 27,303.93 |
| Paul Mader | Pullman | 16,129 | 27,257.39 |
| Oliver Dilling | Connell | 15,340 | 27,075.06 |
| Fred Hofer & Sons | Prescott | 15,377 | 27,063.52 |
| Lewis A. Wade | Pomeroy | 16,343 | 26,965.94 |
| Joseph W. Mader | Palouse | 15,894 | 26,927.86 |
| Cornwall Ranch | Fairfield | 16,510 | 26,911.55 |
| Johnson Bros | Colfax | 16,672 | 26,715.49 |
| Joe Myers | do | 14,452 | 26,679.04 |
| Hector Farms, Inc., and Isabella N. Gluck and Mildred Transeth. | Eureka | 15,039 | 26,559.63 |
| Don Camp | Lacrosse | 16,340 | 26,558.22 |
| Henry Fisher | Belmont | 15,462 | 26,515.22 |
| Matt J. Lyons | Waitsburg | 15,061 | 26,507.36 |
| Allen M. Sprout | Dayton | 15,967 | 26,504.85 |
| Levi Stradley | Pomeroy | 15,864 | 26,333.81 |
| Virgil Davin | Walla Walla | 15,844 | 26,300.49 |
| Elza Baker | Prescott | 15,603 | 26,212.62 |
| John Kenney | Dayton | 15,575 | 26,165.58 |
| Delbert Howard | Pomeroy | 15,755 | 26,153.07 |
| Ellis Cox | do | 14,929 | 26,077.24 |
| Allen D. Struthers | Eureka | 14,494 | 25,654.38 |
| Senkler Bros | Hartline | 15,197 | 25,531.56 |
| Ralph Camp, Sr | Lacrosse | 15,707 | 25,469.36 |
| James H. and J. Mason Llewellyn | Wilbur | 15,497 | 25,431.57 |
| Frank J. Wolf | Pomeroy | 15,372 | 25,364.34 |
| Carrie Welch Trust | Walla Walla | 15,040 | 25,266.98 |
| Carl Repp | Belmont | 14,775 | 25,264.64 |
| Francis E. Morgan & Sons | Pomeroy | 14,429 | 25,250.08 |
| Robert Seig | Hartline | 15,000 | 25,200.00 |
| E. E. Watkings | Spokane | 15,157 | 25,100.07 |
| Glen L. Lucht | Harrington | 15,340 | 25,157.88 |
| Kenneth Arlt | Wilson Creek | 14,185 | 25,107.45 |
| C. Victor Kroll | Asotin | 15,820 | 25,055.86 |
| O. H. Woodward | Dayton | 15,000 | 25,050.00 |
| Francis Munns | Walla Walla | 14,901 | 25,033.90 |
| Ira Scott | Lacrosse | 15,443 | 25,018.39 |
| WYOMING | | | |
| Raymond Wilson | Slater | 20,106 | 34,381.26 |

*1960-crop price-support corn loans of $25,000 or more, by producer*

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| **CALIFORNIA** | | | |
| A. K. Baker | Madera | 34, 479 | $42, 409. 06 |
| Hamatani Farms, Inc | Courtland | 25, 744 | 30, 892. 80 |
| George H. Jensen | Walnut Grove | 24, 929 | 29, 914. 80 |
| Bettencourt Bros. & Larenson Properties. | do | 21, 208 | 25, 449. 60 |
| **IDAHO** | | | |
| Schumacher & Harris | Glens Ferry | 24, 737 | 28, 694. 92 |
| **ILLINOIS** | | | |
| Bartels Farms, Inc | St. Mary's, Mo | 78, 553 | 85, 622. 29 |
| Martin Implement Co | Roanoke | 45, 000 | 49, 950. 00 |
| Earl Schirer | do | 39, 949 | 44, 343. 62 |
| Barbara R. Martin | Minonk | 35, 549 | 39, 103. 58 |
| Jack L. and Donald R. Young | St. Charles | 32, 543 | 35, 146. 44 |
| Katz Farm Trust No. 1 | DeKalb | 32, 530 | 34, 807. 10 |
| Melvin E. Roth | Morton | 29, 630 | 31, 111. 50 |
| Gerst Bros., Giddens & Romkey, partnership. | Gladstone | 28, 663 | 30, 096. 15 |
| R. Martin, Jurgen Bros., et al., a partnership. | Ashland | 25, 188 | 27, 203. 04 |
| Arthur and Fred Crane | Clifton | 25, 313 | 27, 084. 91 |
| Wayne Martin | Minonk | 23, 856 | 26, 480. 16 |
| Cote Farms, Inc | St. Anne | 24, 010 | 25, 690. 70 |
| Robert Muirhead | Plato Center | 23, 560 | 25, 444. 80 |
| David M. Barr | Morris | 23, 632 | 25, 286. 24 |
| **INDIANA** | | | |
| Overmyer Farms, Inc | Francesville | 106, 495 | 117, 145. 03 |
| Richard Gumz | North Judson | 69, 492 | 74, 356. 44 |
| Willis Wuethrich, et al | Francesville | 51, 030 | 54, 602. 10 |
| Martin Blad | South Bend | 45, 851 | 49, 060. 57 |
| Creighton Bros | Warsaw | 45, 455 | 48, 636. 85 |
| Moore Bros | Rensselaer | 39, 026 | 41, 756. 55 |
| Amos Weaver, et al | Elkhart | 36, 352 | 38, 896. 64 |
| Elmer Gumz, Inc | North Liberty | 34, 626 | 37, 049. 82 |
| Maxwell Farms | Delphi | 33, 892 | 36, 264. 44 |
| Marvin Miller | Morocco | 32, 188 | 34, 441. 16 |
| George Dodd Farm | South Bend | 31, 200 | 33, 384. 00 |
| Herbert and Mark Small | Walton | 29, 336 | 31, 389. 52 |
| Otto Rohwedder | Reynolds | 28, 221 | 30, 196. 47 |
| Robert Wilson and/or Dale Knope | LaCrosse | 26, 835 | 28, 713. 45 |
| Davis Sullivan | Markleville | 26, 152 | 27, 982. 64 |
| Amos Bierly | Walkerton | 26, 059 | 27, 883. 13 |
| Arthur P. Gumz | North Judson | 25, 771 | 27, 574. 97 |
| Charles R. Jones | Yeoman | 25, 132 | 26, 891. 24 |
| Arthington Pat Bell | Kouts | 24, 589 | 26, 310. 23 |
| Piechietti & Gumz, Inc | Union Mills | 24, 198 | 25, 891. 86 |
| Harry and Kenneth Ramsey | Judson | 24, 262 | 25, 717. 72 |
| Leonard Blad | South Bend | 23, 888 | 25, 560. 16 |
| Fred Moore | Rensselaer | 23, 745 | 25, 407. 15 |
| **IOWA** | | | |
| Dale Frazer | Humboldt | 55, 653 | 54, 539. 94 |
| W. P. Adams II land trust | Odebolt | 99, 128 | 98, 136. 72 |
| Lyle Bohnker | Denison | 43, 546 | 43, 546. 00 |
| Everett and William E. McGrew | Emerson | 40, 028 | 41, 228. 84 |
| Augustus Hanson | Little Sioux | 40, 200 | 40, 602. 00 |
| R. P. Ellis & Son | Menlo | 40, 000 | 40, 400. 00 |
| J. A. Risvold | Clear Lake | 40, 123 | 39, 320. 54 |
| Melvin G. Dorr | Marcus | 37, 743 | 37, 365. 57 |
| Gary and Finley Frost | Crescent | 33, 178 | 34, 173. 34 |
| W. B. Hayes | Malvern | 31, 680 | 32, 630. 40 |
| Robt. Stein, et al | Coon Rapids | 30, 998 | 31, 618. 17 |
| John Heline | Pierson | 31, 678 | 31, 361. 22 |
| Hugh Stander, Jr., et al | Council Bluffs | 30, 077 | 30, 979. 31 |
| Leonard Heistand | Dow City | 30, 979 | 30, 979. 00 |
| Frank Wright and Peterson Bros | Modale<br>Council Bluffs | 29, 540 | 30, 130. 80 |
| Ellis and Draman | Stuart | 29, 600 | 29, 896. 00 |
| Earl M. Kading | Menlo | 29, 593 | 29, 888. 93 |
| Loomis Bros and Chas. Lakin | Onawa<br>Emerson | 29, 004 | 29, 294. 04 |
| Dale Irwin and Muriel I. Shepard | Sac City<br>Allison | 27, 998 | 27, 718. 02 |
| Glenn J. Romky and Robert Van Weiss. | Burlington | 26, 334 | 27, 650. 70 |
| Donald L. Carlson | Cherokee | 27, 850 | 27, 571. 50 |
| Joseph Muff | Dow City | 27, 510 | 27, 510. 00 |
| C. E. Lorimor | Thurman | 26, 697 | 27, 497. 91 |
| Roy I. Putnam | Oakland | 26, 501 | 27, 296. 03 |
| Floyd Turner | Red Oaks | 26, 477 | 27, 271. 31 |
| L. O. Pratt | Lawton | 26, 444 | 26, 179. 56 |
| Verle H. Trively, et al | Randolph | 25, 320 | 26, 079. 60 |
| Leonard Anderson, et al | Duncombe | 26, 250 | 25, 987. 50 |
| Jack Stevenson and Chas. Lakin | Onawa<br>Emerson | 25, 274 | 25, 526. 74 |
| Elmer J. Paul | Nevada | 25, 164 | 25, 164. 00 |
| R. B. Gray | Mason City | 25, 600 | 25, 088. 00 |
| **KANSAS** | | | |
| Kenneth Killen | Courtland | 43, 308 | 44, 174. 16 |
| Elmer F. Johnson | do | 36, 864 | 37, 601. 28 |
| Raymond G. Morris | Garden City | 31, 174 | 33, 979. 66 |
| **KANSAS—continued** | | | |
| Egbert Tietjan | Chester | 30, 646 | $31, 258. 92 |
| Raymond J. Crist | Holcomb | 28, 150 | 30, 683. 50 |
| Max Engler, Jr | do | 24, 145 | 26, 318. 05 |
| Otto Guseka | Scott City | 26, 000 | 26, 150. 00 |
| **KENTUCKY** | | | |
| J. C. Bower, trustee, and M. Benner and M. Bradley. | Evansville, Ind<br>Mount Vernon, Ind. | 40, 166 | 44, 182. 60 |
| S. S. Wathen | Owensboro | 31, 813 | 34, 994. 30 |
| Chas. W. Schaber | do | 24, 340 | 26, 775. 10 |
| H. Z. Clark | Clay | 23, 614 | 26, 211. 54 |
| **MARYLAND** | | | |
| Roland H. Mullinix | Woodbine | 30, 717 | 35, 938. 89 |
| Mainbrace Farms, Inc | Queenstown | 30, 364 | 35, 525. 88 |
| **MICHIGAN** | | | |
| Haddix & Sons, Inc | Monroe | 28, 305 | 31, 701. 18 |
| Keith Haddix | do | 26, 959 | 30, 194. 37 |
| **MINNESOTA** | | | |
| Henry and Kenneth Hiniker | Mankato | 39, 039 | 38, 258. 22 |
| Thomas H. Benson | Appleton | 38, 507 | 37, 351. 79 |
| John T. and John E. Tersteeg | Bird Island | 35, 413 | 34, 704. 74 |
| Isabella G. and Parker D. Sanders | Redwood Falls | 34, 650 | 33, 610. 50 |
| Vernon Hoffman | Danube | 29, 184 | 28, 600. 32 |
| M. N. Jacobson and R. C. Starkey | Ceylon | 27, 505 | 26, 404. 80 |
| Tritz Bros | Dumont | 27, 652 | 26, 269. 40 |
| **MISSOURI** | | | |
| The Albert Painton Co., Inc | Painton | 45, 455 | 50, 000. 00 |
| H. and D. Duenne | Charleston | 44, 870 | 49, 357. 00 |
| William Leroy Young | Bigelow | 39, 403 | 41, 373. 15 |
| Emmett Haer | Craig | 39, 401 | 41, 371. 05 |
| Davis Noland Merrill Grain Co | Carrollton | 37, 373 | 40, 362. 84 |
| Fayette Livestock Auction | Fayette | 32, 273 | 35, 823. 03 |
| Cecil Allen Young | Forrest City | 32, 769 | 34, 407. 45 |
| Tracy Bros | LaGrange | 33, 065 | 33, 065. 00 |
| Shelby Farms, Inc | Charleston | 26, 573 | 30, 027. 33 |
| Quinn Farms | Salisbury | 27, 207 | 29, 383. 56 |
| A. V. Goodin | Charleston | 26, 088 | 28, 696. 80 |
| Jack Powell and E. R. Jarvis | Bertrand | 25, 166 | 28, 437. 25 |
| J. Warren Grant | Sikeston | 23, 313 | 25, 644. 30 |
| Louis Boyes | Benton City | 23, 510 | 25, 390. 80 |
| **NEBRASKA** | | | |
| Morrison-Quirk Grain Corp. (Cornhuskers Farms). | Hastings | 178, 221 | 185, 350. 24 |
| Ned Tyson | Herman | 70, 509 | 71, 919. 18 |
| Ernest Hundahl | Tekamah | 67, 832 | 68, 510. 32 |
| Jean R. Brown | Clarks | 60, 255 | 60, 857. 55 |
| Walter Wilcynski | Aurora | 55, 545 | 56, 100. 45 |
| Bob Hawthorne | Giltner | 50, 752 | 51, 259. 52 |
| G. B. Eriksen | Craig | 48, 000 | 48, 480. 00 |
| Ray Phelps | Trumball | 47, 212 | 47, 684. 12 |
| Walter E. Adams | Fremont | 45, 414 | 45, 868. 14 |
| Holliman Bros | Hamburg, Iowa | 44, 528 | 45, 863. 84 |
| Richard Boyd | Stromsberg | 45, 132 | 45, 583. 32 |
| Harland S. Milligan | Hooper | 43, 743 | 45, 492. 86 |
| Chester B. Brown Co | Morrill | 44, 383 | 43, 939. 17 |
| Leo M. Peden | Cozad | 42, 837 | 43, 693. 74 |
| James Dugan | Greeley | 42, 128 | 42, 549. 28 |
| Wolf Bros. and Reich | Albion | 42, 262 | 42, 262. 00 |
| Clarence Schliep | Fairfield | 41, 832 | 42, 250. 32 |
| Biegert Bros | Shickley | 40, 960 | 41, 369. 60 |
| Elmer B. Duerfelot | Fall City | 40, 000 | 41, 200. 00 |
| Roger R. Kreutz | Giltner | 38, 858 | 39, 246. 58 |
| Wallace Lambie | Fairfield | 38, 396 | 38, 779. 96 |
| O. R. Conn | Wood River | 38, 361 | 38, 744. 61 |
| H. C. Bonsack | do | 37, 801 | 38, 179. 01 |
| Dana Gale Schliep | Fairfield | 37, 072 | 37, 442. 72 |
| Thomas W. Harrington | Bradshaw | 36, 940 | 37, 309. 40 |
| Carl Beyersdorf | Grand Island | 35, 956 | 36, 315. 56 |
| Flo Wall Farms, Inc | Dewitt | 34, 925 | 35, 623. 50 |
| Austin Vanderford | Chapman | 34, 560 | 34, 905. 60 |
| Ralph Kissinger, Sr. and Jr | Fairfield | 34, 392 | 34, 735. 92 |
| W. H. Palser | Big Springs | 32, 172 | 34, 102. 32 |
| Chris Sonderup & Sons | Genoa | 33, 715 | 34, 052. 15 |
| F. Lucille Hammond | Nebraska City | 32, 512 | 33, 162. 24 |
| Philip J. Erickson | Holdrege | 32, 118 | 32, 760. 36 |
| Rodney Cathcart | Gresham | 32, 132 | 32, 453. 32 |
| Thomas W. Brown | Hershey | 31, 494 | 32, 438. 82 |
| Melvin R. Todd & Son | Union | 31, 697 | 32, 330. 94 |
| Raymond Lentfer | Strang | 31, 920 | 32, 239. 20 |
| Donald J. Vencil | Atkinson | 32, 434 | 32, 109. 66 |
| T. J. Mullally | Utica | 31, 136 | 31, 447. 36 |
| LeRoy McCann | Kennard | 30, 720 | 31, 334. 40 |
| Mark Randall | Gibbon | 30, 650 | 30, 956. 50 |
| Bruce Scroggin | Oak | 30, 317 | 30, 620. 17 |
| Ben Augustyn | Ord | 30, 109 | 30, 410. 09 |

*1960-crop price-support corn loans of $25,000 or more, by producer*—Continued

[Bushels]

| Producer | Address | Quantity pledged | Amount loaned |
|---|---|---|---|
| NEBRASKA—continued | | | |
| Eugene Nolte | Murray | 29,744 | $30,338.88 |
| Wayne Lyon | Merna | 29,120 | 29,702.40 |
| Don D. Schmidt | Gibbon | 29,168 | 29,459.68 |
| Del Faeh & Sons | Central City | 29,140 | 29,431.40 |
| Robert Olnhausen | Cozad | 28,502 | 29,072.04 |
| W. H. Dobson & Sons | Cedar Rapids | 28.974 | 28,974.00 |
| H. F. Klosterman | David City | 28.490 | 28,774.90 |
| Bernice and Frank Broadwell, administrator for estate of D. H. Broadwell | York | 28,396 | 28,679.96 |
| James Goll & Son | Tekamah | 28,311 | 28,594.11 |
| L. W. Katzberg | Wood River | 28,044 | 28,324.44 |
| Wesley C. Huenfeld | Aurora | 28,000 | 28,280.00 |
| Kenneth Wahlgren | Gothenberg | 27,675 | 28,228.50 |
| Damkroger Farms, Inc | Dewitt | 27,597 | 28,148.94 |
| Clayton Lukow | Holstein | 27,706 | 27,983.06 |
| Herman Goertzen | Bradshaw | 27,376 | 27,649.76 |
| Albert Mohlman | Harvard | 27,091 | 27,361.91 |
| Stanley Schelkopf | Shickley | 27,072 | 27,342.72 |
| Robert Knuth | Oxford | 26,482 | 27,276.46 |
| Roy Kaiser | Bradshaw | 26,902 | 27,171.02 |
| Rolland Conn | Wood River | 26,692 | 26,958.92 |
| M. K. Brinegar | Carleton | 26,368 | 26,631.68 |
| Sam. T. Schrock, Jr | Elm Creek | 26,037 | 26,557.74 |
| Otto J. Gruber & Sons | Cozad | 25,908 | 26,426.16 |
| Wayne Ziebarth | Wilcox | 26,107 | 26,368.07 |
| Charles Johnson | Fairfield | 25,823 | 26,081.23 |
| Angus Myers & Sons | McCook | 24,864 | 25,858.56 |
| Lawrence Gregg | Doniphan | 25,464 | 25,718.64 |
| Henry Prigge | Ulysses | 25,442 | 25,696.42 |
| Arthur Hoffman | Doniphan | 25,344 | 25,597.44 |
| William A. Curry, Jr | Columbus | 25,590 | 25,334.10 |
| Lucking Bros | Oxford | 24,414 | 25,146.42 |
| Dale Lovegrove | Fairmont | 24,864 | $25,112.64 |
| Paige Freburg | Loomis | 24,551 | 25,042.02 |
| OHIO | | | |
| Weldon Worth | Dayton | 36,025 | 39,627.50 |
| Avery Linville | Cable | 34,321 | 38,439.52 |
| Mary E. Johnston | London | 34,128 | 37,540.80 |
| Harold Bordner and Loren Glaser | Weston<br>Swanton | 33,371 | 36,708.10 |
| Neal Basel | Marion | 33,150 | 36,465.00 |
| Arthur and Herbert Walton | Upper Sandusky | 30,142 | 33,156.20 |
| Bruggeman Bros, partnership | Marion | 27,043 | 29,747.30 |
| Dale Walton | Upper Sandusky | 25,866 | 28,711.66 |
| Max Borton | Fayette | 25,316 | 27,594.44 |
| Herbert Sheaffer and John and Lawrence Westhoven Bros. | Upper Sandusky<br>Liberty Center | 23,868 | 26,732.70 |
| Eli Rager | Payne | 23,786 | 25,688.88 |
| Stanley and Leon Isaacs | London | 23,243 | 25,567.30 |
| VIRGINIA | | | |
| Frank Williams | Back Bay | 26,736 | 31,286.13 |
| WASHINGTON | | | |
| Harold Clayton | Toppenish | 32,378 | 37,234.38 |
| WISCONSIN | | | |
| Eugene P. Bier | Janesville | 27,162 | 29,063.54 |
| Blancy Farms, Inc | Madison | 25,610 | 27,420.70 |
| Nelson and Mrs. Nellie Huitema | Plainfield | 25,365 | 27,104.50 |

*1960 crop cotton price-support loans made of $50,000 or more, by producer*

| Name of producer | Address | Bales pledged | Amount loaned |
|---|---|---|---|
| ARIZONA | | | |
| Bruce Church, Inc | Yuma | 3,098 | $398,588.68 |
| J. L. Hodges Farming Co | Buckeye | 2,820 | 363,187.80 |
| Morrison Bros. Ranch | Higley | 2,815 | 362,937.95 |
| River Ranch | Tolleson | 2,285 | 296,090.30 |
| Carl Hughes | Chandler | 2,158 | 271,627.46 |
| C. W. Neely | Gilbert | 1,616 | 214,427.04 |
| H. Wuertz | Coolidge | 1,565 | 202,464.05 |
| Ben Riggs & Son | Chandler | 1,543 | 195,698.69 |
| W. R. Neely | do | 1,538 | 195,264.48 |
| Wilbur H. Wuertz | Casa Grande | 1,478 | 189,568.28 |
| Gilbert Bros | do | 1,253 | 167,889.47 |
| Barney & Mecham | Queen Creek | 1,251 | 162,942.75 |
| Grant and Vaughn Ellsworth | Mesa | 1,176 | 150,445.68 |
| Jack Crain | Casa Grande | 1,100 | 148,093.00 |
| Jackson & Perkins Co | Peoria | 1,053 | 135,099.90 |
| J. D. Johnson | Mesa | 968 | 131,841.60 |
| R. P. Anderson | Coolidge | 1,025 | 128,832.25 |
| J. R. Tucker | Buckeye | 985 | 126,286.85 |
| Westside Ranches | Glendale | 988 | 125,861.32 |
| Carl S. Dobson | Chandler | 909 | 121,860.54 |
| C. P. Peterson | Mesa | 953 | 118,467.43 |
| Clarence Ellsworth | Queen Creek | 961 | 115,310.39 |
| Dan Palmer | Coolidge | 862 | 114,930.46 |
| Dobson & Fuller | Chandler | 847 | 114,531.34 |
| Sossamon Farms | Higley | 850 | 113,492.00 |
| Rex L. Neely | Chandler | 866 | 113,082.28 |
| Hooper & Rugg | Casa Grande | 816 | 107,916.00 |
| L. R. Layton | Chandler | 821 | 107,641.31 |
| Philip C. Hanson | Coolidge | 819 | 104,447.07 |
| Wilson and Wilson | Buckeye | 726 | 94,757.52 |
| C. P. Gould | Litchfield | 713 | 94,322.77 |
| R. H. Layton | Tempe | 735 | 93,616.95 |
| Collier and Evans | do | 704 | 91,921.28 |
| Grant E. Peterson | Coolidge | 669 | 89,786.49 |
| Otto B. Neely | Gilbert | 681 | 89,612.79 |
| Wilker S. Conner | Maricopa | 684 | 89,248.32 |
| Ricks Ranch | Queen Creek | 720 | 87,998.20 |
| R. C. Wood | Mesa | 644 | 87,068.80 |
| Don Wiechens | Glendale | 702 | 86,226.66 |
| Hardesty Bros | Buckeye | 697 | 85,640.39 |
| Snake Ranch | Tolleson | 646 | 85,491.64 |
| M & W Farms, Inc | Coolidge | 636 | 85,147.68 |
| Norris L. Enloe | Chandler | 620 | 83,030.40 |
| Smith and Enke | Casa Grande | 607 | 81,483.68 |
| J. Y. Otondo | Wellton | 624 | 80,776.80 |
| H. and Maude Collier | Tempe | 614 | 80,188.40 |
| D. C. Riggins, Jr | Chandler | 621 | 79,879.23 |
| H. W. Lydick | Peoria | 609 | 78,548.82 |
| Oscar Walls | Wellton | 600 | 78,534.40 |
| Bartlett Heard Co | Phoenix | 634 | 78,337.04 |
| ARIZONA—continued | | | |
| Harlan Russell | Casa Grande | 609 | $75,960.57 |
| J. S. Hoopes | Chandler | 556 | 74,954.36 |
| F. O. Barnes | Coolidge | 545 | 73,406.05 |
| Earl Thod | Casa Grande | 561 | 72,890.73 |
| F. G. Sanders | Higley | 545 | 70,653.80 |
| Gail Dana & Son | Mesa | 497 | 66,816.68 |
| Verslius Ranches | Phoenix | 474 | 61,060.68 |
| Baskett Farms | Glendale | 478 | 60,414.42 |
| H. J. Black & Son | Gilbert | 440 | 59,254.80 |
| Wayne Enloe | Chandler | 477 | 58,618.53 |
| A. A. and J. A. Fearn | Casa Grande | 474 | 58,297.26 |
| Leo S. Accomozzo | Buckeye | 431 | 58,185.06 |
| W. M. Hawes | Mesa | 451 | 57,926.44 |
| Ambrose & Hill | Buckeye | 419 | 57,076.18 |
| John Anderson, Jr | Chandler | 418 | 56,120.68 |
| William Wade | Goodyear | 425 | 54,327.75 |
| McElhaney Farms | Wellton | 406 | 54,148.22 |
| Maricopa Dust & Spray | Maricopa | 389 | 52,312.72 |
| Chas. Hill | Chandler | 379 | 50,668.59 |
| Jared John & Sons | Scottsdale | 417 | 50,006.64 |
| CALIFORNIA | | | |
| Westlake Farms | Stratford | 5,802 | 733,256.76 |
| Reynold M. Mettler | Bakersfield | 3,332 | 437,424.96 |
| Wheeler Farms | do | 3,285 | 424,849.05 |
| Schwartz Farms | Stratford | 2,935 | 368,225.10 |
| Mirasol Co | Buttonwillow | 2,617 | 335,290.04 |
| Roberts Farms, Inc | McFarland | 2,522 | 329,247.10 |
| Weeth Ranches, Inc | Coalinga | 2,189 | 292,625.52 |
| McCarthy and Hildebrand | Bakersfield | 2,108 | 274,085.64 |
| Frank and Jim Garone | do | 2,140 | 268,848.20 |
| Bidart Bros | do | 1,896 | 243,673.92 |
| Jones Farms | Stratford | 1,784 | 240,822.16 |
| M & I Farms | Delano | 1,575 | 204,734.25 |
| Cerro Bros | Bakersfield | 1,547 | 197,227.03 |
| Scott and Knappenberger | Blythe | 1,497 | 191,511.21 |
| Davis and Mabry | Tranquillity | 1,373 | 177,034.62 |
| Meridian Farms, Inc | Arvin | 1,345 | 175,253.50 |
| Chicca Bros | Buttonwillow | 1,319 | 170,058.67 |
| Brock Ranches | El Centro | 1,299 | 166,778.61 |
| John C. Conn | Coalinga | 1,226 | 164,284.00 |
| B. S. Baldwin & Sons | Bakersfield | 1,187 | 160,518.01 |
| Mason and Willis Snow | Buttonwillow | 1,242 | 158,181.12 |
| A. H. Wegis & Son | Bakersfield | 1,219 | 156,422.08 |
| Mitchellinda Ranches, Inc | Alpaugh | 1,140 | 151,084.20 |
| Coelho Farms, Inc | Riverdale | 1,139 | 147,716.91 |
| Porter Land Co | Bakersfield | 1,148 | 146,530.72 |
| E. O. Mitchell, Inc | Arvin | 1,154 | 144,416.22 |
| A. L. Suckert | Shafter | 1,112 | 143,258.96 |

*1960 crop cotton price-support loans made of $50,000 or more, by producer*—Continued

| Name of producer | Address | Bales pledged | Amount loaned |
|---|---|---|---|
| CALIFORNIA—continued | | | |
| Baker Bros | Earlimart | 1,061 | $142,333.15 |
| Hudson Ranches, Inc | Calipatria | 1,139 | 142,238.32 |
| Buller and Newfeld | Bakersfield | 1,040 | 139,630.40 |
| R. S. Barlow | Lemore | 1,016 | 137,162.59 |
| Fanucchi Bros | Bakersfield | 1,035 | 135,460.80 |
| Opal Fry & Sons | do | 1,086 | 134,480.61 |
| Jake Kroeker & Sons | Shafter | 1,040 | 133,151.20 |
| L. A. & R. H. Benson | Tulare | 995 | 130,563.90 |
| Kagler & Roberts | McFarland | 976 | 130,071.52 |
| Coalinga Farms | Coalinga | 932 | 126,863.84 |
| K. Malofy & Son | Shafter | 956 | 125,341.16 |
| William E. Glotz | Tranquillity | 1,024 | 124,364.80 |
| A. & F. Palla | Buttonwillow | 947 | 121,528.51 |
| Kennedy & Stephens | Bakersfield | 951 | 121,166.91 |
| E. I. Baublitz | Buttonwillow | 897 | 119,283.06 |
| Fairless & Pifferini | San Joaquin | 880 | 118,993.60 |
| Archie Swindle | Dos Palos | 952 | 116,991.28 |
| Eastside Farms | Stratford | 942 | 113,021.16 |
| Torrigiani Bros | Buttonwillow | 904 | 112,430.48 |
| Fox & Williams Farms | Shafter | 828 | 110,306.16 |
| A. Shrier & Sons | Beverly Hills | 857 | 109,147.52 |
| J. & R. Enterprises | Blythe | 823 | 107,006.46 |
| Jake Brown | Brawley | 780 | 103,186.20 |
| Charles E. Slaughter | Tipton | 747 | 99,022.32 |
| Stoller Bros | Bakersfield | 729 | 96,162.39 |
| George Delfino & Sons | do | 733 | 95,311.99 |
| F. J. McCarthy & Sons | Tulare | 772 | 95,133.56 |
| John C. Johnston | Bakersfield | 715 | 94,708.90 |
| Franey & Pascoe | do | 717 | 92,959.05 |
| Lakeview Properties | do | 725 | 92,792.75 |
| Burhans & Trew | Wasco | 724 | 92,201.40 |
| Bob Cauzza | Buttonwillow | 713 | 91,927.09 |
| Willis & Kurtz | Bakersfield | 692 | 91.046.44 |
| Wayne Leseley | Earlimart | 680 | 91,045.20 |
| John Guthrie | Porterville | 708 | 90,213.36 |
| Raven Land Co | Selma | 665 | 89,296.20 |
| Blythe Melon Growers | Blythe | 673 | 80,280.18 |
| John L Errecart | Tranquillity | 683 | 88,325.56 |
| Motte Ranches, Inc | San Joaquin | 682 | 88,243.98 |
| Spoorn Singh | Calipatria | 674 | 87,653.70 |
| R. Palazzo & Co | Los Banos | 655 | 87,337.70 |
| Bisignani Bros | do | 662 | 87,311.18 |
| L. E. Hansen | Lemoore | 658 | 87,066.56 |
| Cozzi Bros | Don Palos | 697 | 87,062.27 |
| Piepgrass Bros | Visalia | 678 | 87,034.86 |
| A. M. Falconer & Sons | Porterville | 646 | 85,459.34 |
| C. H. Reisner | Bakersfield | 644 | 84,145.04 |
| Frank Ayerza | Tranquillity | 616 | 83,498.80 |
| R. A. Hildebrand | Bakersfield | 618 | 83,114.82 |
| J. Emanuelli & Sons | Brawley | 617 | 82,807.57 |
| Vista Farms | Buttonwillow | 689 | 82,259.71 |
| Weidenbach Bros | Shafter | 610 | 81,929.10 |
| Bruce Kratka | Ripley | 679 | 81,534.32 |
| Olsen Bros | Buttonwillow | 666 | 81,491.76 |
| Puchen Ranch | Mendota | 643 | 81,268.77 |
| Frick Bros | Arvin | 600 | 80,538.00 |
| Raymond Costales | Tranquillity | 605 | 80,035.45 |
| Cheney Ranch | Tulare | 583 | 80,022.58 |
| Martin Costales | Tranquillity | 496 | 79,935.52 |
| Finni & Janelli | Visalia | 655 | 79,805.20 |
| F. B. Borchard Ranches | Brawley | 636 | 79,571.94 |
| Siemens Bros | Shafter | 594 | 79,144.56 |
| Carlucci Bros | Los Banos | 610 | 78,647.30 |
| Bender Bros | Shafter | 587 | 78,423.20 |
| Ludy Bros | Pond | 587 | 78,258.84 |
| Harold Brockman | Calexico | 623 | 77,850.08 |
| A. J. Borba & Sons | Riverdale | 609 | 77,276.01 |
| Virgil Boyd | Tipton | 572 | 76,991.20 |
| Clarence Ritchie | Visalia | 573 | 76,747.62 |
| Blackboard Cafe | Bakersfield | 589 | 76,487.54 |
| Paul A. Nickel | Dinuba | 582 | 76,422.42 |
| R. M. Bowman & Son | Tipton | 564 | 76,264.08 |
| Sandrini Bros | McFarland | 623 | 76,093.22 |
| Earl Royer | Strathmore | 515 | 75,967.82 |
| Homer C. Ruff | Laton | 577 | 75,967.82 |
| Derby Farms | Arvin | 563 | 74,479.27 |
| Orlando Torigiani | Bakersfield | 575 | 74,042.75 |
| D. C. Crawford | Wasco | 547 | 73,850.47 |
| Manuel L. Rocha | Tulare | 554 | 73,842.66 |
| Martin Farms, Inc | Hanford | 549 | 73,681.29 |
| F. Martinelli | Dos Palos | 545 | 72,812.00 |
| L. C. Kreim | Delano | 553 | 72,155.44 |
| Wiley E. Corn | Calipatria | 559 | 71,361.94 |
| Costa Farms | Bakersfield | 549 | 71,002.17 |
| Robert A. Wills | Tulare | 553 | 70,789.53 |
| Gleichner Bros | McFarland | 545 | 70,501.20 |
| Harris Farms | Bakersfield | 521 | 70,398.16 |
| I. L. Smith | Hanford | 548 | 70,341.28 |
| Clyde Zachary | Shafter | 553 | 69,429.15 |
| J. Frank Martin | Madera | 537 | 68,902.46 |
| Lambert Schott | Tipton | 513 | 68,895.90 |
| W. L. Kiggens | Earlimart | 559 | 68,689.92 |
| L. A. Grant & Sons | Wasco | 519 | 67,490.76 |
| Verburg Bros | Hanford | 540 | 66,911.40 |
| Robinson & Layoye | Calipatria | 565 | 66,873.40 |
| Wayne Martin | Alpaugh | 514 | 66,789.16 |
| Dana B. Slaughter | Tulare | 520 | 66,752.40 |
| Fredlo Farms | Arvin | 556 | 66,592.12 |
| Wright Coulter Co | Bakersfield | 543 | 66,566.37 |
| Dale Hull | Blythe | 493 | 65,524.63 |
| B. M. Beeson & Son | Bakersfield | 499 | 64,999.74 |
| Flying X Ranch | Shafter | 500 | $64,965.00 |
| Wm. Verboon | Hanford | 475 | 64,647.50 |
| Lawrence Chaffin Ranch | Blythe | 500 | 64,165.00 |
| Bell Farms | Shafter | 476 | 64,112.44 |
| Livio Palla Stock Farm | Bakersfield | 524 | 64,100.92 |
| Thomson & Peltier | Buttonwillow | 484 | 63,965.44 |
| David and Betty Moore | Arvin | 474 | 63,643.98 |
| Costa & Quintel | Lemoore | 528 | 63,565.92 |
| Joe G. Machado, Jr | Dos Palos | 494 | 63,345.62 |
| Lawrence Baldwin | Bakersfield | 471 | 63,236.46 |
| Arnold Kirschmann | do | 496 | 62,808.48 |
| W. F. McFarlane | Clovis | 500 | 62,215.06 |
| James C. Simons | Brawley | 484 | 62,087.52 |
| R. and T. Shank | do | 482 | 61,999.66 |
| Ellis Bros | Tulare | 475 | 61,792.75 |
| J. J. Farms | do | 460 | 61,741.20 |
| Anton Simonich | do | 514 | 61,664.58 |
| Allen B. Griffin | Brawley | 479 | 61,522.76 |
| Ted Visser | Wasco | 455 | 61,434.10 |
| Vernon Hutsell | Tulare | 482 | 61,401.98 |
| Nick Della | Porterville | 454 | 61,389.88 |
| C. G. Haycock | Wasco | 493 | 61,309.48 |
| Frantz Farms | Shafter | 468 | 61,200.36 |
| Louise F. Graham | San Diego | 508 | 60,944.76 |
| N. E. Lewis | Buttonwillow | 452 | 60,866.32 |
| W. C. Handel & Sons, Inc | Shafter | 531 | 60,741.09 |
| Linord Cameron | Tipton | 448 | 60,596.48 |
| Markarian Farms | Fresno | 494 | 60,495.24 |
| Manuel S. Simas | Hanford | 463 | 60,231.67 |
| Paul D. Kahl | Merced | 468 | 59,955.48 |
| Phillip P. Crowell | Bakersfield | 499 | 59,845.07 |
| Floyd Wilson | Arvin | 488 | 59,692.16 |
| Alina Farms | McFarland | 433 | 59,537.50 |
| Lee Herring | Arvin | 496 | 59,510.08 |
| S. C. Pinheiro and H. Mock | Hanford | 441 | 58,922.01 |
| Tos Bros | do | 450 | 58,873.50 |
| Newton Farms | Stratford | 437 | 58,785.24 |
| Correll Farms, Inc | Calipatria | 498 | 58,559.82 |
| Geo. H. Meyer | Stratford | 488 | 58,555.12 |
| C. M. Fisher & Sons | Strathmore | 478 | 58,421.16 |
| Roy E. Langston | Porterville | 450 | 58,198.50 |
| Norman Fries | Raisin City | 433 | 58,117.26 |
| V. Martinelli & Son | Dos Palos | 430 | 58,101.60 |
| J. O. Oscar Cooper | Fresno | 461 | 57,615.78 |
| H. H. Voth & Sons | Wasco | 444 | 57,426.98 |
| Jack Hesse | Visalia | 434 | 57,409.52 |
| Albert Swanson, Jr | Delano | 428 | 57,360.56 |
| E. Weeth & Sons | Coalinga | 426 | 57,207.54 |
| Woodrow Wilson | Shafter | 440 | 56,949.20 |
| R. L. & J. E. Squire Farming Co | Hanford | 423 | 56,627.01 |
| Lester Neufeld | Wasco | 425 | 56,223.25 |
| Martin Dairy | Hanford | 415 | 55,950.30 |
| Wm. Hedman & Son | San Joaquin | 472 | 55,870.64 |
| W. I. Clark & Son | Tulare | 413 | 55,721.96 |
| John Nobile | Fresno | 412 | 55,710.64 |
| H & B Farms | Arvin | 432 | 55,296.00 |
| R. E. Shick | McFarland | 416 | 55,165.76 |
| A. Pohanneson & Son | Shafter | 429 | 55,083.60 |
| Clarence Keele | Calipatria | 415 | 54,887.90 |
| Paul Enns | Bakersfield | 424 | 54,679.04 |
| Sagouspe Bros | Madera | 411 | 54,597.24 |
| A. F. Isaac | Shafter | 405 | 54,225.45 |
| Overholt Bros | Porterville | 400 | 53,944.00 |
| Andreotti Bros | Buttonwillow | 437 | 53,445.10 |
| Johnson Bros | Brawley | 415 | 52,937.40 |
| R. D. Bissell | Tulare | 427 | 52,815.63 |
| L. B. Hughes & Son | Merced | 407 | 52,637.31 |
| M. Curti & Sons | Waukena | 390 | 52,560.30 |
| C. M. Ranch | Calexico | 411 | 52,439.49 |
| Wm. P. Kalpakoff | Wasco | 437 | 52,435.63 |
| Shannon & Tolman | Visalia | 387 | 51,962.49 |
| Nunes & Pires | Leemoore | 433 | 51,952.78 |
| Costerisan Farms | Bakersfield | 380 | 51,619.20 |
| H. B. Fries | Raisin City | 408 | 51,273.36 |
| Beene-Dare | Helm | 378 | 51,120.72 |
| Uhl & West, Ltd | Coalinga | 400 | 51,064.00 |
| Hansen & Son | San Joaquin | 380 | 51,003.60 |
| Burnett Bros | Avenal | 402 | 50,973.60 |
| Frank M. Carvaho | Dos Palos | 378 | 50,943.06 |
| Hash Nursery | Visalia | 378 | 50,943.06 |
| M M M Ranch | Coalinga | 399 | 50,848.56 |
| Lenbrooke Farms | Los Angeles | 399 | 50,796.69 |
| Joe C. Ribeiro | Tulare | 382 | 50,653.20 |
| Regan Farms | McFarland | 408 | 50,575.68 |
| Dahm Bros | Brawley | 380 | 50,498.20 |
| E. W. Suorez | Bakersfield | 382 | 50,446.92 |
| Joe Garone | do | 405 | 50,418.45 |
| J. C. Reeves | Brawley | 422 | 50,357.26 |
| B. F. B. Farms | Bakersfield | 373 | 50,355.00 |
| Double L Farms | Arvin | 375 | 50,220.00 |
| W. L. Smith | Bakersfield | 399 | 50,126.67 |
| D. Ghilarducci & Son | Buttonwillow | 371 | 50,040.48 |
| MISSISSIPPI | | | |
| Delta and Pine Land Co | Scott | 10,185 | 1,236,048.08 |
| Dan Seligman | Shaw | 2,627 | 349,631.44 |
| P. H. Thornton III | Tutwiler | 639 | 74,793.79 |
| E. W. Hooker | Lexington | 425 | 61,239.17 |
| John A. Flautt | Shelby | 435 | 51,935.89 |

NOTES REGARDING COTTON.—All of the cotton loans have been repaid, therefore a separate list was not prepared showing repayments.

OSAGE COUNTY, LYNDON, KANS.,
*June 15, 1962.*

Mr. LINDLEY BECKWORTH,
*Washington, D.C.*

DEAR SIR: In answer to your letter dated June 13, 1962, concerning grain crop loans in the past 4 years, we understand this requested information has been furnished by the State office to the Department in Washington, D.C.

Very truly yours,

LEE W. KAFF,
*County Office Manager, Osage Agricultural Stabilization and Conservation Service County Office, Lyndon, Kans.*

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BUTLER ASC COUNTY COMMITTEE,
*El Dorado, Kans., June 15, 1962.*

LINDLEY BECKWORTH,
*Congress of the United States,*
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN: I have received your letter under date of June 4, 1962, requesting certain information in regard to the commodity price support program in this, Butler County, Kans.

It is my understanding that the requested information has been furnished by the State Agricultural Stabilization and Conservation Service office to the Department in Washington, D.C.

Sincerely,

MANUEL B. PENN,
*County Office Manager.*

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AGRICULTURAL STABILIZATION AND CONSERVATION COMMITTEE,
*Sherman County, Goodland, Kans.,*
*June 15, 1962.*

Congressman LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR SIR: A memorandum from the Kansas Agricultural Stabilization Committee State office has been received in this office in regard to your request for information concerning producers participation in the Commodity Credit Corporation loan program.

The understanding we have from their letter is that the requested information has been furnished by them to the Department in Washington, D.C., and may be obtained from there.

Sincerely yours,

LOWELL CHATFIELD,
*County Office Manager.*

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GROESBECK, TEX., *June 15, 1962.*

Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

SIR: The following is the desired information as per your request of June 4, 1962, according to the records of the Limestone County Agricultural Stabilization and Conservation Service, Groesbeck, Tex.:

BARLEY

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | None | None |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | None | None |

CORN

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | None | None |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | 31 | $27,603.90 |

GRAIN SORGHUM

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | 211 | $133,602.82 |
| 1959 | 31 | 22,214.25 |
| 1960 | 19 | 11,191.53 |
| 1961 | 123 | 83,410.44 |

OATS

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | 21 | $8,461.93 |
| 1959 | 3 | 1,341.69 |
| 1960 | None | None |
| 1961 | None | None |

COTTON

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | 375 | $533,859.80 |
| 1959 | 480 | 711,813.07 |
| 1960 | 760 | 1,289,991.00 |
| 1961 | (1) | ------------ |

RYE

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | None | None |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | None | None |

SOYBEANS

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | None | None |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | None | None |

WHEAT

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | None | None |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | None | None |

PEANUTS

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | None | None |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | None | None |

RICE

| Year | Number of producers participating in CCC loan program | Total amount loaned in county |
|---|---|---|
| 1958 | None | None |
| 1959 | None | None |
| 1960 | None | None |
| 1961 | None | None |

[1] Not available at this time.

There were approximately 200 producers who participated in 2 of these crops, 31 producers in 3 of these crops, and 21 in 4 of these crops.

Very truly yours,

JAMES D. MCCREARY,
*County Office Manager, Limestone County Agricultural Stabilization and Conservation Service.*

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HOUSE OF REPRESENTATIVES,
*Washington, D.C., June 4, 1962.*

DEAR DIRECTOR: For the years 1958, 1959, 1960, and 1961 I desire the following information for your county:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county each year? 6 0 0 0

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 0 0 0 0

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 19 5 0 84

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 5 0 0 0

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 2 0 0 0

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 0 0 0 0

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 32 0 0 0

How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 0 0 0 0

How many rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 0 0 0 0

How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? 6,600 6,600 6,600 8,800

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops? 2 crops, 84 3, 32 4, 19

For this information I shall be grateful.

Regards,

LINDLEY BECKWORTH.

NOTE.—To figure the amount of money on all these loans would take considerable computation.

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FARWELL, TEX., *June 15, 1962.*

Hon. LINDLEY BECKWORTH,
*Member of Congress, House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN: Reference is made to your letter of June 4, 1962, requesting certain information relative to price support programs administered through this office in 1958, 1959, 1960, and 1961, and we report as follows:

We have no peanuts or rice in this county.

The cotton loan program is not administered through this office. Cotton data is available from the New Orleans Agricultural Stabilization and Conservation Service commodity office.

See schedule attached for information relative to barley, corn, grain sorghum, oats, rye, soybeans, and wheat.

It is a pleasure to be of service to you. If we may be of further assistance please advise.

Sincerely,

PRENTICE L. MILLS,
*Office Manager, Parmer County Agricultural Stabilization Committee.*

| | Number of producers participating | | | | Total loaned | | | |
|---|---|---|---|---|---|---|---|---|
| | 1958 | 1959 | 1960 | 1961 | 1958 | 1959 | 1960 | 1961 |
| Barley | 27 | 0 | 13 | 80 | $34,071 | 0 | $17,145 | $133,344 |
| Corn | 3 | 1 | 0 | 2 | 16,209 | $6,566 | 0 | 7,854 |
| Grain sorghum | 1,612 | 1,102 | 1,521 | 1,711 | 10,678,243 | 6,380,834 | 9,562,635 | 14,793,689 |
| Oats | 2 | 0 | 0 | 0 | 3,165 | 0 | 0 | 0 |
| Rye | 1 | 0 | 0 | 0 | 283 | 0 | 0 | 0 |
| Soybean | 167 | 2 | 1 | 17 | 222,612 | 4,243 | 2,305 | 17,030 |
| Wheat | 1,175 | 475 | 591 | 290 | 4,261,720 | 1,591,266 | 3,091,112 | 1,836,635 |

NOTE.—1,711 producers participated in 2 crops; 1,428 producers participated in 3 crops; 1,193 producers participated in 4 crops.

St. Francis County Agricultural
Stabilization and Conservation
Committee,
*Forrest City, Ark., June 15, 1962.*

Hon. Lindley Beckworth,
*House of Representatives,*
*Washington, D.C.*

Dear Sir: In reply to your request I am listing below by years the participation in Commodity Credit Corporation loan program:

Barley: No barley loans have been made in this county in either of the years 1958, 1959, 1960, or 1961.

Corn: One corn producer loan in the amount of $3,616.47 in the year 1959. No other loans made.

Grain sorghum: In 1958 seven loans in the amount of $34,192.48; 1959, one loan, $8,194.85; 1960, one loan, $9,344.87; 1961, no loans.

Oats: In 1958, seven loans $12,971; 1959, one loan, $2,017.23; 1960, one loan, $6,847.98; and 1961, two loans, $6,661.20.

Rye: No loans made in either of the years 1958, 1959, 1960, or 1961.

Soybeans: In 1958, 216 loans, $1,140,928.43; 1959, 48 loans, $341,006.53; 1960, 16 loans, $140,065; and 1961, 46 loans, $285,963.37.

Wheat: In 1958, 15 loans, $31,337.52; 1959, 20 loans, $99,683.02; 1960, 24 loans, in the amount of $146,623.04; and 1961, 18 loans, $122,129.99.

Peanuts: No loans made in either of the years 1958, 1959, 1960, or 1961.

Rice: In 1958, 12 loans, $130,016.87; 1959, 20 loans, $198,623.12; 1960, 20 loans in the amount of $193,657.81; and 1961, $98,586.95 for eight loans.

With reference to cotton, this is to advise that cotton loans are made through lending agencies and no records of these loans are maintained in the county office. We think that it is possible that this information may be obtained from the New Orleans Commodity Credit Office. We know of no other source of obtaining this information.

In connection with the number of farmers participating in two or more programs, we are giving the following report:

In 1958 nine farmers participated in two programs and five farmers participated in three programs.

In 1959 four farmers participated in two programs and three farmers participated in three programs.

In 1960 four farmers participated in two programs and one farmer participated in four programs.

In 1961 seven farmers participated in two programs.

We hope this is the information desired.

Very truly yours,

W. P. Fletcher,
*County Office Manager.*

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Floydada, Tex., *June 15, 1962.*

Representative Lindley Beckworth,
*House of Representatives,*
*Washington, D.C.*

Dear Sir: The following chart will give the information requested in your letter of June 4, 1962.

| Commodity | 1958 | | 1959 | | 1960 | | 1961 | |
|---|---|---|---|---|---|---|---|---|
| | Participants | Amount | Participants | Amount | Participants | Amount | Participants | Amount |
| Barley | 213 | $211,313.76 | 376 | $376,413.23 | 1 | $1,777.2[illegible] | 237 | $215,025.86 |
| Corn | 2 | 7,500.00 | 2 | 8,300.00 | 0 | 0 | 0 | 0 |
| Grain sorghum | 1,576 | 7,301,276.21 | 1,683 | 8,321,617.41 | 1,329 | 4,592,531.75 | 1,543 | 5,052,391.75 |
| Oats | 0 | 0 | 1 | 708.50 | 0 | 0 | 0 | 0 |
| Rye | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Soybeans | 0 | 0 | 0 | 0 | 4 | 3,222.56 | 39 | 6,247.40 |
| Wheat | 0 | 0 | 0 | 0 | 401 | 1,647,996.70 | 223 | 1,176,011.23 |
| Peanuts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rice | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cotton | 1,160 | 10,721,743.50 | 1,420 | 12,000,000.00 | 1,160 | 7,483,176.20 | 850 | 3,450,000.00 |
| Number participating: | | | | | | | | |
| Program of 2 crops | 1,160 | | 1,420 | | 1,160 | | 850 | |
| Program of 3 crops | 213 | | 376 | | 400 | | 460 | |
| Program of 4 crops | 2 | | 3 | | 5 | | 39 | |

Very truly yours,

Thomas J. Hutchins,
*Office Manager, Floyd County Agricultural Stabilization and Conservation Service.*

## IODINE 131 CONTAMINATION OF MILK

The SPEAKER pro tempore. Under the previous order of the House the gentleman from New York [Mr. Lindsay] is recognized for 15 minutes.

Mr. LINDSAY. Mr. Speaker, in last Friday's New York Times, there appeared an article by John Finney on the subject of the continued high level iodine 131 content in milk in certain areas of the Midwest. Though the subhead read "United States Discounts Peril," the vagueness of the article made it extremely alarming.

In order to obtain more concrete information on the fallout situation, I had a member of my staff contact the Public Health Service to ascertain the facts and figures behind Mr. Finney's story. The results were astounding. The Public Health Service seemed no better briefed on the potential danger of iodine 131 than Mr. Finney had been. Their every statement was couched in reservations.

The average iodine 131 content of milk is in the vicinity of 20 micromicrocuries per liter, they said. But as of May 24, the level of iodine 131 in some areas had exceeded 600 micromicrocuries per liter. What is the significance of these figures? Nobody seems quite sure. The Federal Radiation Council has established a guideline of 36,500 micromicrocuries as the amount of iodine 131 which a person can safely absorb each year without any fear of thyroid damage. This figure breaks down to 100 micromicrocuries per day. But, now that radiation levels are rising, public health officials are tripping all over themselves to assure us that this guideline was established for industrial exposure. It was not meant to apply to fallout.

As far as the American public knows, we are still faced with what Mr. Finney called "the unresolved question of when countermeasures would be ordered against milk contaminated by fallout." Just try and find someone who will tell you how much fallout is dangerous. You cannot do it. If anybody knows, he is not telling. Two weeks ago the Subcommittee on Research & Development and Radiation of the Joint Committee on Atomic Energy conducted hearings on radiation standards, including fallout. But a long roster of distinguished experts was unable to provide assistance in answering the specific questions which are giving rise to such anxiety all over the country. Mothers are afraid for their children. Men fear for their families. They all want to know—they have a right to know the facts. How much iodine 131 is too much? How can we calmly proceed with atmospheric nuclear tests when we seem to have such a hazy idea of where we are going, of what we are doing? Where public health is concerned, there is no room for unresolved questions. When we are dealing with human lives, we cannot tolerate generalities and evasiveness.

At the Atomic Energy Subcommittee hearings, Dr. Russell H. Morgan, chairman of the Public Health Service's National Advisory Committee on Radiation, said if the Soviet Union resumed testing shortly, the radiation dose to the thyroid would probably exceed radiation protection guides in several cities and this would "immediately raise very serious problems of countermeasures." Dr. Morgan emphasized the importance of carefully defining the responsibility for countermeasures application. But I want to know more than just who is responsible for such action. I also want to know exactly what measures are proposed and under what circumstances they will be taken.

The Joint Committee on Atomic Energy owes it to every Member of Congress to conduct a thorough investigation of the fallout problem and to publish their findings as soon as possible. But of even more crucial importance at this juncture is the duty of the President to provide the American people with a complete statement of the facts, and I call upon him to do so. If the facts are not available, then the President owes it to the people to step up research in this critical area until all statistics are rendered meaningful, all ambiguities are clarified, and all doubts are erased.

## PLANS FOR HIGHER EDUCATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. Schwengel] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, after giving much study and thought to finding some other answers to the problem of higher education, I am offering today suggestions that I believe are worthy of serious consideration, if we are to meet the challenge of the decades ahead.

Mr. Speaker, in the past decade we have seen a greater emphasis placed upon the values of higher education than ever before. As a result, college enrollment figures have shown a greater increase than the growth in our population.

During this period, the population of the United States grew only 18.5 percent, or only about one-third of the rate of growth of our colleges and universities in America.

Between the falls of 1958 and 1959 there was an increase of 143,741, or 4.5 percent, in the enrollment of universities, liberal arts colleges, teachers colleges, technological schools, religious schools, and junior colleges in the United States.

During that period a total enrollment of 3,402,297 full- or part-time students compared with 3,258,556 the previous year.

Between 1957 and 1958 the enrollment increase was an additional 5.5 percent. A more alarming figure, perhaps, is the increasing number of freshmen entering our colleges and universities each year.

The number of freshmen enrolling in the fall of 1959 was 826,969, or 5.6 percent, above the total—freshman enrollment—of 781,075 only 1 year before. The freshman enrollment, in turn, was 6.6 percent above the 1957 figure in 1958.

Recent studies point out that, in all probability, this trend will continue or even accelerate during this decade. In 1940 only 15 percent of all Americans between the ages of 18 and 24 were enrolled in institutions of higher learning.

By 1950 this portion had reached 30 percent, or double the percentage in only 10 years. However, this phenomenal increase can, in some measure, be attributed to the large numbers of ex-servicemen receiving financial aid through the GI bill.

By 1960 this figure had reached 40 percent, and it is expected that fully one-half of the persons in this age group will be attending college by 1970, if the present trends continue.

As could be expected from these figures, more students from lower-income families are attending colleges and universities now than in the past, and an increasing number from these families are expected in future years.

However, there are still a great many potentially excellent students who are unable to obtain educations above the high school level.

A recent study has revealed that approximately 50 percent of the students graduating in the upper one-fourth of their high school classes do not go on to college.

Of that 50 percent, lack of the necessary funds prevents the majority from attending. A survey in the April 1960, issue of Scholastic Teacher pointed out that 63 percent of the high school students taking part in the survey said that they planned to go on to college.

The survey also shows that only 22 percent, of only about one-third of those interested in attending college, have the funds necessary to finance a college education.

Elmo Roper, in a recent survey for the Ford Foundation, found that 69 percent of the parents interviewed say that they expect to send their children to college, but only three-fifths of these families feel that they can afford to do so.

The U.S. Office of Education estimates that by 1970 the cost of obtaining a college education will be double that of today if the present economic spiral continues.

The latest averages of college costs show that tuitions generally range from $300 to $1,200 per year; board and room averages from $400 to $600 for State-supported institutions, and $300 to $900 for private colleges and universities; books and supplies range from $25 to $200, and fees from $15 to $75 per year.

Thus, the cost of obtaining a college education is prohibitive for many and will become so for an increasing number.

A recent survey indicated that 27 percent of the parents of college age children capable of college level work are unable to send their children to college for financial reasons.

For those faced with the prospect of financing a college education for more than one child, especially at the same time, the difficulty is compounded. This is a situation which should be a concern to all of us and I am convinced that it is such a concern.

My concern led me to instruct my research team to study this general area with an air to finding answers to some of the problems facing higher education. My research team, at the time that this work was done, was composed of three students at the State University of Iowa: Robert Downer, of Newton, Iowa; Ivan Ackerman, of Allison, Iowa; and Tom Scheuerman, of Iowa City, Iowa.

The team is under the direction of Profs. Russell M. Ross and Deil S. Wright, of the Political Science Department at the State University of Iowa. Their research and study has led to the evolvement of a comprehensive plan to aid college and/or university students, their parents, and the institutions of higher learning.

I have chosen to call this plan the Iowa plan for growth and progress in higher education. The Iowa plan is composed of three phases.

Phase I would grant a $100 tax credit or tax deduction to the parent of a college student or to the student himself depending upon who incurred the major portion of the expenses of obtaining a higher education.

I have introduced bills which would provide a tax credit and bills which would provide a tax deduction. Either approach would provide very real and much needed assistance.

Last Tuesday I introduced legislation, H.R. 12126, to establish phase II of the Iowa plan. Phase II would work in this manner:

A parent would receive a tax credit of $50 per year per child from the birth of the prospective college student until age 18 or entrance into college, whichever is first, providing that investment certificates in the amount of each year's tax credit are purchased.

The purpose of this investment would be to encourage and assist in advance financial preparation for college or university education.

Any student for whom certificates had been purchased for an 18-year period would have approximately $1,400 to his credit by the time he entered college. In event the parents are unable to purchase this certificate, a grandparent or an uncle or aunt could do so.

These certificates would be negotiable only at approved institutions of higher learning. Disbursal of the amount would be dependent upon passing grades at a recognized institution of higher learning.

In the event that the child did not enter college or complete college the value of the certificates plus interest would revert to the U.S. Treasury.

I am not unaware of the revenue loss which would occur through the adoption of the plan, but this loss can be recouped by closing tax loopholes and making other changes in tax collection procedures.

There are many businesses and occupations, professions and people who receive special benefits from education, and although I am generally opposed to special taxes, it may be that we should consider a tax plan that would obtain revenue from those who receive direct benefits from education to pay for the loss of revenue if this bill is passed. This is a subject which will require much research and study on the part of both the educators and those who benefit directly from education. It should be noted that the loss to the country will be much greater than the revenue loss if we do not make plans now to encourage the maximum use of all available talents.

The cost-benefit ratio for higher education expenditures is most favorable. This is an area where we must concentrate.

Indeed, what business is more import than education? Business depends on education. Our Nation and our society depend upon education. And, I do not think that anyone here would challenge me if I were to say that our survival and the survival of the American way of life depends on education.

The President has proposed a tax credit for business thus recognizing the principle that a tax credit can be used to stimulate and promote.

It is estimated that the tax credit to business will cost $1.4 billion the first year and would reach an aggregate cost of $2,430 million at the end of 10 years.

While it is not possible to estimate the number of business firms which would be assisted by the tax credit, we can be certain that the number would be nowhere near as great as the number of students who would benefit through enactment of phase II, H.R. 12126.

Mr. Speaker, the principle of promoting savings through tax exemptions and other benefits is not new. Many nations use this technique. I think it would be wise to note some of the tax exemption savings techniques employed elsewhere.

TABLE II.—*Savings incentive techniques employed during the 1950's, selected countries*

| Country | Tax exemption or other benefit on— | | | | | | Indexation: Savings funds linked to price level | Lottery on savings or bonds | Special fiscal privileges for savings institutions |
|---|---|---|---|---|---|---|---|---|---|
| | Income saved | Earnings on savings | Savings for home purchases | Retirement funds | Long-term savings | Savings by young persons | | | |
| Austria | X | X | X | | | | X | | |
| Belgium | | | | X | | | | X | X. |
| Canada | | X | | X | | | | | |
| Denmark | X | X | | X | | X | X | | X. |
| Finland | X | X | | | X | | X | | |
| France | X | X | X | X | X | | X | X | |
| Germany | X | X | X | | X | | | X | X. |
| Greece | X | X | | | X | | X | | |
| Israel | X | X | X | | | | X | X | |
| Italy | | | X | | X | | | X | |
| Japan | X | X | | | | | | | X. |
| Netherlands | | X | | X | X | X | | X | X. |
| Norway | | X | | | X | | | X | X. |
| Sweden | X | X | | | X | X | | X | |
| Switzerland | | | | | | X | | | |
| Turkey | | X | | | | | | X | |
| United Kingdom | | X | | X | X | | | X | |

Sources: "Personal Savings and Its Promotion," Bank for International Settlements Basle, Switzerland, April 1958; Bank of Japan, "Role of Savings in Japan's Postwar Growth," Economic Bulletin for Asia and the Far East, September 1960, various reports from savings and central banks of Europe and the Near East.

NOTE.—The indications in this table refer to plans effected during the 1950's. Some savings incentive schemes have been repealed, other revised and still others further supplemented.

Perhaps we should regard the various tax exemption credits and deductions as a savings incentive technique.

Phase II would take care of another very serious problem, and this is the problem of Federal control which has already reached dangerous proportions and which will, unless checked, reach ever greater and ever more ominous proportions.

We are attempting to solve the problems of higher education from Washington. For one thing the emphasis and direction on the present program is wrong. We are in the present form of aid implying that Congress knows more about education's needs than the educators. This is not true for we in Congress lack the necessary time and competence. Further, it must not be allowed to come true.

In all the programs we are tending to ignore the humanities and we know that it was our attention to and concern for the humanities that made us great. One of the primary purposes of education at all levels is to teach us how to govern ourselves, and very little of the present Federal aid programs help in this.

Any person in America who does not understand, to the limit of his capacity, something about the constitutional Republic under which he lives, its obligations and the individual rights therein guaranteed, is not prepared to be a good citizen. Anyone who fails to understand, to the limit of his ability, the economic system of free enterprise under which he lives and its basis of private ownership of property, cannot defend or promote freedom and liberty as we know it. We need to think more often on this question.

Rather, we are putting the emphases on the physical and natural sciences, math and foreign languages—all of which are important.

And it may be both thrilling and comforting to know that 90 percent of all of the scientists who have ever lived are living today. But, if this results in a distortion of our society and its values, this figure will be a plague. Time may prove that we are emulating the Soviet Union too much in this area.

Let us not forget that a republican system of government cannot exist if the population is composed of human robots who provide a service or function but do not think.

The present programs give a large measure of control to the Office of Education which may well be unaware of the local needs and will undoubtedly be dogmatic.

Federally controlled programs will destroy grassroots interest and concern, and it must never be forgotten that education is a local matter and it produces best when not inhibited by Federal control—control from Washington.

Education best fulfills its high purpose when responsibility for education is kept close to the people it serves—when it is rooted in the home, nurtured in the community and sustained by a rich variety of public, private, and individual resources.

Phase II of the Iowa plan for growth and progress in higher education would not introduce Federal control of higher education. It would not become involved in any religious controversy.

But, perhaps most important, this plan would aid the greatest possible number of students. In times such as these, when America badly needs college-educated men and women, it is our duty to see that as many of them as possible have the opportunity to attend college, and thus become more useful citizens of our Nation.

Permit me to outline in very brief fashion the third phase of this plan, the details of which are still being worked out.

Phase III would provide for the utilization of the funds used to purchase investment certificates.

Loans to colleges and universities would be made from these funds. Student loans, also, could be made from this fund.

The fund woud be administered by a representative committee in each State. There are many technical and legal difficulties which have to be overcome before phase III can be introduced. These difficulties result from the diversity of 50 State constitutions and laws. We have done preliminary work on this and are convinced that legislation with applicability to all States can be evolved.

This plan is an answer, a sound answer, to a very serious problem which must be the concern of each of us and which must receive our attention.

Mr. Speaker, as further evidence that the Iowa plan for growth and progress in higher education is a form of Federal aid to education which solves the problem of Federal control and especially the religious issue which has become an overriding aspect in other proposals for this type of assistance, I would like to call attention to an editorial which appeared in the June 8 edition of the Burlington, Iowa, Hawkeye. This editorial is also evidence that there is growing support at the grassroots level for this type of approach. I include the editorial entitled "Federal Help for College," at this point in the RECORD:

### FEDERAL HELP FOR COLLEGE

Representative FRED SCHWENGEL is back in the area with his proposal for a tax credit for college expenses. He has urged some such credit in previous sessions, and now is presenting both the White House and the Treasury Department a concrete proposal for college planning.

This is Federal aid to education. It is a form, however, that removes any straw man of Federal control, and also attacks a school bottleneck to often overlooked—financing for the students.

The Federal Government, during the Eisenhower years, did initiate a system of scholarships to aid the more talented youngsters in securing a college education. The defect with this system is that it is a direct form of Federal control over learning, for Washington in effect dictates what courses the scholarship winners will take. The emphasis to date has been toward science and technology, which is fine, but we need a few scholars, too.

The Schwengel plan would put no such Federal strings on a student's studies.

In addition to a tax credit for college expenses incurred each year, SCHWENGEL suggests a prepayment plan. Parents would be able to purchase investment certificates in advance of a child's entrance to college, and presumably could deduct these costs as the years go along. These savings would be applied to college costs.

It has been a layman's observation that nearly every youngster who wants to go to college and has the talents to survive, manages to get there one way or another. But often this is at a tremendous hardship for parents. And the squeeze is becoming worse annually, so that it is inevitable some good college material will not make it.

If it is acceptable to deduct from the parent's income taxes the medical costs for removal of a student's appendix (which, incidentally, is another form of Federal aid to medicine), it should be even more in order to deduct some of the cost of training his mind. We hope Schwengel makes headway with this effort.

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## WASHINGTON (D.C.) POST AND THE NEW YORK TIMES BOTH SAY THE DISTRICT OF COLUMBIA IS BEHIND OTHER CITIES IN THE ARTS

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. Kearns] may extend his remarks at this point in the Record, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KEARNS. Mr. Speaker, the New York Times has declared that Washington, D.C., is behind Tiflis, U.S.S.R., in the arts. The New York Times ruled out London, Paris, Moscow, and Rome from the comparison, and declared:

> Compare Washington with a small capital like Brussels, which has opera, ballet, orchestra, theaters, and a highly cutivated population, and the outcome is to our discredit. Compare Washington with a provincial town like Tiflis, more than 1,000 miles from Moscow. The Soviet city beyond the Caucasus has an opera house, a ballet, four professional theaters, several children's theaters, and a proud cultural tradition.

Paul Hume, one of our country's outstanding music critics, has said that the schools of the Nation's Capital are behind the schools in the suburbs. His exact words were that there exists a "disgraceful situation—music is outcast in District schools," and further:

> We should, for sake of comparison cross the District line and listen to music programs presented in the public schools in Montgomery, Fairfax, Arlington, Prince George Counties, and Alexandria. Our neighbors have bands, orchestras, choruses, choirs, madrigal singers, and musical productions showing mature accomplishment from youngsters in elementary and secondary grades. Their programs are regularly filled with the names of the world's great composers in every area of music.

A study made by the Library of Congress at the request of the gentleman from Delaware [Mr. McDowell] showed that Washington, as a political entity "does less than any other major U.S. city for the fine arts."

Of the 38 other cities surveyed, most spend considerably more than Washington for civic cultural activities—and the sample ranges from New York, which spends about $2.6 million annually, to Scranton, Pa., which has averaged about $28,740 per year for the past decade. The amount in Washington's budget allotted for civic cultural events is the comparatively anemic sum of $16,000—now up to $25,000.

Nine of the cities surveyed help support the community orchestra whereas the District government contributes nothing to the National Symphony or to the century-old Corcoran Gallery of Art.

The Library of Congress study showed that Newark, N.J., spends $525,000 each year for art; Detroit, $543,081; Baltimore, $447,000; St. Louis, $320,000; San Francisco, $815,000; and Philadelphia $824,000.

The District of Columbia budget for fiscal year 1963 contains $64 million for highways, and $25,000 for art.

Mr. Hume said, in his major article in the Washington Post, June 10, 1962, deploring the state of the arts in the District's schools:

> When the superintendent of schools goes up on the Hill with his budget in hand, he is still told that he is trying to spend money for frills, when he mentions the arts. The White House lead has not yet begun to percolate among some congressional circles.

If the Democratic Members of Congress who support President Kennedy were to take the lead in permitting the fine people of the District of Columbia to spend their own tax money on the arts, then certainly the Republican Members of the Congress would join with them in this nonpartisan matter.

The Members of Congress can't go on denying the right of the people of the District of Columbia to support their own cultural programs while insisting on the right of the cities and counties in their own districts and States to spend money on the arts if they want to.

If the Nation's Capital is a "hick town" behind Tiflis, U.S.S.R., in the arts, as the New York Times says, then the blame must be placed on the doorstep of the Congress.

Senator Wayne Morse has introduced S. 3127 to authorize the Nation's Capital to forge ahead in the arts and will soon hold hearings. I have joined with the gentlemen from New Jersey [Mr. Widnall and Mr. Thompson] in sponsoring similar legislation in this body.

It is my earnest hope that this legislation will be enacted into law before the end of this session, and that those of my colleagues who are interested in seeing to it that the Nation's Capital takes its proper place in cultural matters will join us in sponsoring such legislation in this House.

I include as part of my remarks the following items:

[In the House of Representatives, 87th Cong., 2d sess., June 15, 1962—Mr. Kearns introduced the following bill; which was referred to the Committee on the District of Columbia]

H.R. 12160

A bill to amend the Act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide financial aid for the arts in the District of Columbia, including improved programs of the arts in the curriculums of the public schools, equal to the aid provided by other cities of the United States for their local art programs

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 4 of the Act entitled "An Act to create a Recreation Board of the District of Columbia, to define its duties, and for other purposes", approved April 29, 1942, as amended (D.C. Code, section 8–211), is amended by inserting "(a)" immediately after "Sec. 4." and by adding at the end thereof the following:

"(b) There shall be deposited in the trust fund authorized by subsection (a) of this section to the credit of the Board 1 mill out of each $1 of tax revenue of the government of the District of Columbia. There is authorized to be appropriated to the Board each fiscal year an amount equal to the amount deposited in such special fund during the preceding fiscal year out of such tax revenue.

"(c) All money deposited in such trust fund pursuant to subsection (b) of this section shall be available to the Board to defray in whole or in part the expense of such programs of arts and crafts, including but not limited to music, drama, speech, dancing (other than social dancing), lectures, forums for informal discussions, and other programs, including programs prepared by such nonprofit organizations and institutions as the National Symphony Orchestra, the Corcoran Gallery of Art, the Washington Civic Opera Association, and the Shakespeare Festival of Washington, to provide creative opportunities for education and participation in the arts, as the Board of Education of the District of Columbia shall deem advisable to provide in order to enrich the curriculums of the public schools of the District of Columbia and for the expense of programs for leisure time participation in the arts authorized by section 3 of article II of this Act."

Sec. 2. The amendment made by the first section of this Act shall take effect on the tenth day after the date of enactment of this Act.

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### Why We Must Have the National Symphony Orchestra

(Remarks of Representative Carroll D. Kearns, Republican, of Pennsylvania, to the final report luncheon of the National Symphony Orchestra's 1962 fund-raising campaign, April 4, 1962, 12:30 p.m., Shoreham Hotel Blue Room, Washington, D.C.)

Mr. King, Mr. Heckscher, distinguished guests, ladies and gentlemen, I have been asked to speak on the subject of "Why We Must Have the National Symphony Orchestra."

Washington needs the National Symphony for the very same reason that other cities need symphony orchestras: to give a vital cultural dimension to our lives. There is this further consideration, however, that this is the Nation's Capital and as such it sets standards to which other cities aspire. It must be a worthy example in the cultural realm of what we want for our people, just as it is a worthy example in other areas of life.

Bearing these things in mind, it is clear that we must do everything within our power to assure the continued existence of this great cultural organization, and to provide increased opportunities for employment of its highly skilled musicians in ways which will advance our Nation's Capital culturally.

Over the years ahead, the orchestra will prosper best if the Nation's Capital, and the Nation itself, grow and develop in their awareness of the need for the arts in the everyday life of our people. It is to the long-range advantage of the National Symphony Orchestra that its officers, members, and patrons join forces with others in the community to hasten the day when this great city will be in the forefront of the capital cities of the world in support of the arts.

The people of Metropolitan Washington have been generous to the National Symphony through the years. The orchestra can show its appreciation for this generosity, and at the same time assure its own continued growth and development, by doing its utmost to see to it that all the arts which, in the moving words of former President Eisenhower, "make our civilization endure and flourish," find a warm and friendly climate, and a hospitable soil, in which to grow and flourish in the Nation's Capital.

We must remember too that the National Symphony Orchestra not only consists of a brilliant conductor and highly talented players, but in both orchestra and supporting association, is made up of families. Especially we must not forget the children to whom the future belongs.

### LOCAL DISTRICT ARTS COUNCIL NEEDED

A local arts council would be of very real usefulness in helping the city of Washington solve its complex art problems, and would signally aid in Washington's cultural growth. Many cities in this country and in Europe have such local arts councils.

The National Cultural Center has an advisory committee on art, the members of which are appointed by the President, but the city of Washington doesn't have such an advisory committee on art.

Surely the city of Washington is greater than any of its parts. The Board of Commissioners of the District of Columbia has, through the years, established scores of advisory bodies on everything from urban renewal to keeping the sidewalks clean. A few years ago someone looked into this matter and found that the District's Commissioners had established 190 groups up to that time to advise them on everything but art. Only last week they established three additional citizens' committees this time on public welfare, liquor laws, and mental health.

Congressman WILLIAM B. WIDNALL, Republican, of New Jersey, has shown me a letter from your president, Milton W. King, saying that the bills Congressman WIDNALL and I have introduced to establish a local arts council would, if enacted into law, "be a fine step toward consummation of the cultural development in this great city."

Your superintendent of schools, Carl F. Hansen, has written: "The purposes of the bill deserve the highest commendation. Congressional encouragement of the arts in Washington is certain to supply a needed impetus to the development of culture."

### A HIGH SCHOOL OF THE ARTS, OR GREATLY INCREASED EMPHASIS ON THE ARTS IN EDUCATION, IS NEEDED AT THIS TIME MORE THAN EVER

A high school of the arts, or greatly increased emphasis on the arts in education at all levels, is needed at this time more than ever before. Such a high school of the arts should be of especial interest to the National Symphony Orchestra, because it would provide employment opportunities for many of its fine musicians in an area where they could make a much greater contribution to the cultural life of this city and of this Nation than they do as salesmen of automobiles, clothes, and insurance.

I was intensely interested when Secretary Ribicoff said, in the course of a recent speech at the State Department, that it was time to give education, the arts, and science the importance they deserve in our national life.

He called for the establishment of a Department of Education, Arts, and Sciences, and he said that the cold war will be won either in the schools of America or in the schools of Moscow and Peiping.

So, I think we must begin at the local level by taking definite steps, as proposed by Mrs. Goldberg, wife of the Secretary of Labor, to aid all of the arts taught in the public schools of the Nation's Capital.

Increased attention is being given by educators, by the Congress, and by the President, to the subject of what Ivan and European children know about culture that Johnny doesn't.

Several groups of Congressmen have gone to Russia and to all European countries and have come back to report that the arts are an integral, central, and basic part of the education of students there.

Presidents Washington and Jefferson considered the arts and sciences equally valuable in the education of young people, and this is the approach which European countries and the Soviet Union take toward the education of their young people.

Ivan and European children are exposed from their earliest days to the great classics of the opera, ballet, paintings, books, and sculpture.

Johnny, on the other hand, too often has his education stunted by an overdose of movies, comics, and "vast wasteland" television programs which place an undue emphasis on sex, crime, violence, and assorted horrors.

The National Symphony Orchestra is to be highly commended for its 70 children's concerts last year which were attended by more than 100,000 children.

Milton King has pointed out, speaking of the "Music for Young America" concerts, that: "For most of them, it is their first exposure to a symphony orchestra, and for many, the doors are opened to a whole new world. These concerts are given free through the generosity of one of our board members."

### THE OLD BELASCO THEATER WOULD MAKE AN IDEAL CHILDREN'S ART CENTER

Washington desperately needs a suitable building in which music, theater, opera, ballet, and other art productions for children could be presented under favorable circumstances and surroundings.

All European and Russian cities of any size and importance have children's theaters where children can be exposed to the best of their culture.

A New York Times article of a few years ago, which called Washington a "hick town," pointed out that Tiflis, U.S.S.R., a thousand miles from Moscow, had several children's theaters.

The Belasco Theater on Lafayette Square would make an ideal children's music and arts center. It is, moreover, in a part of town where children could be comparatively safe and secure, and it occupies one of the historic sites of our country.

I have repeatedly urged President Kennedy not to destroy the Belasco Theater. He could save it by a stroke of his pen, since it is already owned by the Federal Government.

It could be dedicated to all of the children of our Nation.

In this connection it is important to recall that he saved the ancient temples of the Nile Valley at a cost of $10 million.

Surely a children's theater merits consideration, especially when the expenditure needed for such a theater could be raised by private subscription. Furthermore, a children's theater would provide employment for the musicians of the National Symphony Orchestra in music, drama, and ballet productions.

I hope the friends of the National Symphony will call on the President to save the Belasco Theater for all children.

### A CHILDREN'S ART GALLERY COULD BE REESTABLISHED AT INTERIOR DEPARTMENT

Another project which should interest the friends of the National Symphony, and which merits their support, is the restoration of at least part of the children's art gallery on the top floor of the Interior Department to its original purpose.

Secretary Ickes built this art gallery, but in recent years it has been used for offices.

Mrs. Goldberg has promised to talk to Secretary of Interior Udall about this, and has said that it is quite possible that some early action will be taken to restore this gallery.

### A GREAT SUMMER MUSIC AND ARTS FESTIVAL SIMILAR TO LEADING EUROPEAN FESTIVALS SHOULD BE ESTABLISHED IMMEDIATELY AT THE CARTER BARRON AMPHITHEATER IN THE NATION'S CAPITAL

A great summer music and arts festival, similar to leading European festivals, should be established immediately at the Carter Barron Amphitheater. It, too, would provide increased employment for the fine musicians of the National Symphony Orchestra.

Secretary of Interior Udall recently wrote me that: "I share with you the feeling that we should make more versatile use of the Carter Barron Amphitheater, and I am still groping for the right solution to this part of the problem."

Attorney General Robert Kennedy recently commended Secretary Udall, at one of his free black-tie cultural evenings at the State Department, for bringing culture to Washington.

Let us hope he can soon find a way to present the National Symphony Orchestra with great American artists at the Carter Barron Amphitheater free, or at very low prices, for all Americans, black tie or not, and especially for all students, and not just some students especially selected by Secretary Udall.

All of us need to be exposed to the best of our culture. We all need to be challenged by the very best. If the Russians want to give special advantages to the children of its leading officials that is their business. But that isn't good enough for us. That isn't democracy in action.

When officials of the Department of the Interior claim that the Department can't afford to present the National Symphony Orchestra at the Carter Barron Amphitheater just remember that the Department spends $30 million a year on fish and wildlife programs.

Secretary Udall could endear himself to present and future generations by showing as much concern for young Americans as he does for preserving whooping cranes and barren ground caribou from extinction.

At least some concern should also be shown by Secretary Udall for the fast-disappearing American musician to make sure that he doesn't become an extinct species.

### THE QUESTION OF THE NATIONAL CULTURAL CENTER SITE

The National Cultural Center is potentionally one of the greatest cultural projects of this century. Everything we can do to advance this great plan must be done.

As you know, several questions have been raised with regard to the site which the Congress set aside for the Center. The 1,300-member Washington Building Congress recently adopted a resolution to the effect that consideration should be given to a new location which would integrate this great project with the stores and restaurants in downtown Washington.

Victor Gruen, the internationally famous architect, reminded the members of the Metropolitan Washington Board of Trade early this year that the Paris Opera is in the middle of a district devoted to retail stores, residences, and government buildings.

The National Symphony Orchestra, as the resident orchestra in the Nation's Capital, will use the National Cultural Center more than any other group in this country.

If the location is wrong, the National Symphony will suffer more than any other group also. I am a member of the board of trustees of the National Cultural Center. I think we should keep an open mind on this matter of the best possible site. Perhaps the leaders of the National Symphony should study this matter of site location and go into this question very thoroughly.

### CONCLUSION

I was asked to speak on the subject of why the city of Washington must have an orchestra. I would say we need the orchestra a great deal more than it needs us.

Let us make sure that it is here a hundred years from now and engaged in its great mission of educating and civilizing us.

## Exhibit A

*Municipal financial support of certain artistic and cultural activities in selected U.S. cities, a compilation of answers to a questionnaire*

| City | Amount of municipal financial support | Source of municipal financial support | Type of activity supported |
|---|---|---|---|
| Akron, Ohio | $36,000 | General fund (indirect support in lieu of tax for facility). | Art museum. |
| | $5,000,000 | Direct tax construction cost | Plans for the construction of a municipal auditorium and "cultural grouping for arts, library and arena." |
| | 1 of 3 parts of a $100,000 recreation program | General fund (part of "recreation program") | Band concerts. |
| Atlanta, Ga | $7,500 | General fund | Atlanta Symphony Guild. |
| | $6,000 | do | Atlanta Pops Concert. |
| | $5,000 | do | Municipal Theater Under-the-Stars. |
| | $10,000 | do | Atlanta Art Association for Benefit High Museum and School of Art. |
| Baltimore, Md | 1959 appropriation: | | |
| | $25,594 | do | Municipal Museum. |
| | $119,994 | do | Bureau of Music. |
| | $288,000 | Endowment funds (estimated income) | Walters Art Gallery. |
| | $15,000 | General funds (pensions) | |
| Birmingham, Ala | $90,000 (this year's appropriation) | General funds | Birmingham Museum of Art. |
| Buffalo, N.Y | Appropriated in 1958-59: | | |
| | $73,430 | Real estate tax and other current revenues | Albright Art Gallery. |
| | $30,000 | do | Buffalo Philharmonic Orchestra Society, Inc. |
| | $27,300 | do | Kleinhans Music Hall. |
| Chicago, Ill | Calendar year 1958: | | |
| | $232,405.87 | Payments from Chicago Park District, an independent municipal corporation in the city of Chicago. | Art Institute of Chicago. |
| | $232,369.11 | do | Museum of Science and Industry. |
| | $232,405.92 | do | Chicago Natural History Museum (field museum). |
| Dallas, Tex | $80,000 | General revenues, "the major part of which is ad valorem tax." | Fine Arts Museum. |
| Detroit, Mich | 1959-60 gross appropriation, $543,081 | Local taxes, grants and gifts, and revenues | Arts Commission. |
| Evansville, Ind | 1959 contribution, $9,200 | Civil City of Evansville | Evansville Museum of Arts and Sciences. |
| | Proposed budget for 1960, $18,400 | | |
| | 1959 contribution, $9,200 | School City of Evansville [1] | Do. |
| | Proposed budget for 1960, $18,400 | | |
| Hagerstown, Md | $12,500 (provided for in annual budget) | General revenues | Washington County Museum of Fine Arts. |
| Houston, Tex | $19,500 | do | Museum of Natural History. |
| | $20,000 | do | Museum of Fine Arts. |
| | $3,000 | do | Civic Theatre. |
| | $25,000 | do | Houston Symphony. |
| Kansas City, Mo | For fiscal year ended Apr. 30, 1959: | | |
| | $21,211 | General fund; park funds | Nelson Art Gallery (buildings and ground maintenance). |
| | $9,925 | General fund | Philharmonic Orchestra (free rent). |
| | $42,830 | General debt and interest fund | Starlight Theater (debt service for facility developed by park department). |
| | $48,231 | General fund | Museum (buildings and ground maintenance). |
| | $33,592 | do | Liberty Memorial (operation and maintenance.) |
| Los Angeles, Calif | Appropriation for fiscal 1959-60: $196,998 | General revenues | Department of municipal art: bureau of music. |
| Newark, N.J | 1959 appropriation: $525,426 | Tax and general revenues | Newark Museum. |
| New Orleans, La | $40,000 annually | Appropriated by city | Delgado Museum of Art. |
| | Appropriated "this year": | | |
| | $5,000 | do | New Orleans Philharmonic Society. |
| | $2,500 | do | New Orleans Opera House Association. |
| | $875 | do | Crescent City Concerts. |
| New York, N.Y | $944,525 (operating budget, July 1, 1959, to June 30, 1960). | Tax levy and general fund revenues | Metropolitan Museum of Art. |
| | $901,989 (capital budget, Jan. 1, 1959, to Dec. 31, 1959). | Capital allocations | Do. |
| | $1,329,559 (operating budget, July 1, 1959, to June 30, 1960). | Tax levy and general fund revenues | American Museum of Natural History. |
| | $1,071,985 (capital budget, Jan. 1, 1959, to Dec. 31, 1959). | Capital allocations | |
| | $125,140 (operating budget, July 1, 1959, to June 30, 1960). | Tax levy and general fund revenues | Brooklyn Institute of Arts and Children's Museum. |
| | $95,866 (operating budget, July 1, 1959, to June 30, 1960). | do | Brooklyn Institute of Brooklyn Academy of Music. |
| | $69,510 (capital budget, Jan. 1, 1959, to Dec. 31, 1959). | Capital allocations | Do. |
| | $127,000 (operating budget, July 1, 1959, to June 30, 1960). | Tax levy and general fund revenues | Museum of the City of New York. |
| | $50,250 (capital budget, Jan. 1, 1959, to Dec. 31, 1959). | Capital allocations | |
| Norfolk, Va | $2,000 | General revenue | Norfolk Symphony Orchestra. |
| | $69,083 | do | Norfolk Museum of Arts and Sciences. |
| Oakland, Calif | 1958-59: | | |
| | Salaries for a professional staff of 6 plus $2,000 allowance for books and $500 for pictures. | Annual appropriations by city council to library department from which library and museums commission adopts an operating budget. | Art and pictures department of main library. |
| | $70,377 | do | Oakland Public Museum. |
| | $57,212 | do | Art Museum. |
| | $31,577 | do | Snow Museum. |
| Philadelphia, Pa | $25,000 | General revenues | Academy of Fine Arts. |
| | $75,000 | do | Robin Hood Dell. |
| | $25,000 | do | Philadelphia Grand Opera. |
| | $624,760 | do | Philadelphia Art Museum and Rodin Museum. |
| | $30,000 | do | Johnson paintings. |
| | $10,000 | do | Philadelphia Art Festival (every 2 years). |
| Pittsburgh, Pa | $35,000 (1959) | General revenues (through specific appropriations each year). | Pittsburgh Symphony. |
| | $20,000 to $30,000 (annually) | do | Free summer band concerts. |
| | $25,000 (approximate cost to city annually) | do | Arts and Crafts Center. |
| Providence, R.I | Current appropriations: | | |
| | $24,877 | General revenue | Museum in Roger William Park. |
| | $1,500 | do | Band concerts. |
| Reading, Pa | $140,000 (approximate expenditures for 1959) | General revenues (budgeted annually according to estimated needs). | Recreation Bureau (sponsors orchestra, Nature Museum, etc.). |
| | $3,028 (1959) | do | Bureau of parks weekly band concerts. |

*Municipal financial support of certain artistic and cultural activities in selected U.S. cities, a compilation of answers to a questionnaire*—Continued

| City | Amount of municipal financial support | Source of municipal financial support | Type of activity supported |
|---|---|---|---|
| Richmond, Va. | $5,000 | Direct appropriation | Valentine Museum. |
| Rochester, N.Y. | 1959–60 expenditures: | | |
| | $10,000 | General revenues or real estate taxes | Civic Music Association. |
| | $20,000 | do | "Opera Under the Stars." |
| | Not indicated | Not indicated | Museum. |
| Sacramento, Calif. | 1959–60 budget amounts: | | |
| | $4,500 | General ad valorem taxes | Philharmonic Orchestra. |
| | $4,000 | do | Park band concerts. |
| | $66,866 | do | Crocker Art Gallery (city owned). |
| | $17,000 | do | Children's art and dancing classes (city recreation department). |
| St. Louis, Mo. | 1958 Revenue: $320,007.53 | Permanent levy of $0.02 per $100 valuation on all real and personal property (established under State law in 1907). | St. Louis Art Museum. |
| St. Paul, Minn. | 1959 city budget appropriations: | | |
| | $13,500 | Appropriations "financed as part of the overall city budget." | St. Paul Gallery and School of Art. |
| | $10,000 | do | St. Paul Civic Opera. |
| San Antonio, Tex. | $81,000 (approximate budget for ensuing year) | Supported primarily by general fund | Witte Museum. |
| | $81,000 | do | 2 municipal auditoriums. |
| | $1,500 | do | San Pedro Playhouse (auditorium devoted primarily to theatrical productions). |
| San Diego, Calif. | 1959–60 city budget: | | |
| | $57,159 | General revenues | Fine Arts Gallery. |
| | $19,289 | do | Serra Museum (local history). |
| | $48,715 | do | Natural History Museum. |
| | $45,949 | do | Museum of Man (anthropology). |
| | $10,000 | do | San Diego Symphony. |
| San Francisco, Calif. | 1958–59 budget: | | |
| | $158,365 (taxes, $120,665; other, $37,700) | Budget of the city and county of San Francisco. | Art commission. |
| | $35,493 (taxes) | do | War Memorial Art Museum. |
| | $255,456 (taxes, $254,856; other, $600) | do | California Palace of the Legion of Honor (art museum). |
| | $367,942 (taxes, $367,692; other, $250) | do | De Young (art) Museum. |
| Scranton, Pa. | An average of about $28,740 per annum over the past 10 years. | General funds | Everhart Museum. |
| Seattle, Wash. | $233.37 | City's annual budget funds without regard to income source. | Art commission. |
| | $34,097.55 | do | Art museum. |
| | $18,000 | do | Public music. |
| | $62,743.57 | do | Art division of the library department. |
| Springfield, Mass.[2] | $33,127.93 | General tax revenues | Museum of Natural History. |
| | $31,092.45 | do | George Walter Vincent Smith Museum. |
| | $18,161.40 | do | William Pychnon Memorial (Connecticut Valley Historical Museum). |
| | $1,267 | do | Springfield Museum of Fine Arts. |
| | Not indicated | do | Fine arts department of library. |
| Syracuse, N.Y. | $25,000 appropriation annually | General tax levy | Syracuse Museum of Fine Arts (privately chartered institution). |

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[1] City budget for 1960 based on 1 cent per $100 valuation of the city. Funds provided by taxes earmarked for this specific purpose.

[2] Included in the library budget is the position of musical adviser, which is the way in which the city contributes to the salary of the conductor of the Springfield Symphony Orchestra.

Compiled by Anne M. Finnegan and Helen A. Miller, Education and Public Welfare Division, Legislative Reference Service, Library of Congress, July 29, 1959.

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## THE U.S. ECONOMY

**Mr. DERWINSKI.** Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HIESTAND] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

**Mr. HIESTAND.** Mr. Speaker, there has been so much discussion about the U.S. economy in recent weeks that it is difficult to see through the mist and weigh the real facts.

The stock market came tumbling down, the administration insisted that business conditions were sound, the President promised a tax cut but there has not been a peep out of the administration about a reduction in spending.

As the Citizens Foreign Aid Committee recently noted, we are economically vulnerable:

Our unfavorable balance of payments and gold losses continue.

Our gold reserve of $24.5 billion when foreign aid started now stands at $16.4 billion; $11.5 billion is required by law to discipline our own currency.

Foreigners hold nearly $23 billion in short-term credits redeemable in gold on demand; less than $5 billion in free gold is available.

A galaxy of strategems has been initiated to stop gold losses, but none is more than an ineffectual temporary expedient.

We extend to foreigners 50-year loans at low interest while we indulge in short-term borrowing at higher interest.

Only six times in the last 31 years has our budget been balanced; fiscal 1962 and fiscal 1963 budgets will be deep in the red.

No debt limit, no gold reserve, printingpress money are ruinous liberal objectives.

Foreign handouts, which total more than $90 billion, have undermined our economic stability. Meantime, Europe eagerly watches our fate. With nearly $23 billion in short-term credits, Europeans hold the American economy at their mercy. If Europeans make a call on our gold—which they most certainly can—the fate of the paper dollar will be sealed.

The Communists can win this game without dropping a bomb. Is it not time we returned to sane fiscal policy?

## THE UNITED STATES AND THE UNITED NATIONS

**Mr. DERWINSKI.** Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROUSSELOT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

**Mr. ROUSSELOT.** Mr. Speaker, on February 6, 1962, in Jackson, Miss., the Honorable James F. Byrnes delivered an address in which he advised that the United States should place less reliance upon the United Nations and more reliance on NATO and other regional organizations. After reviewing the undue amount of Soviet influence in the U.N., he concluded:

> We must put first things first. As long as there exists the threat of the Soviets to dominate the world, we must postpone expenditures for projects that may be desirable but are not urgent, and devote our money, our time, and our talents to increasing our military strength so as to insure our freedom.

It will be recalled that Mr. Byrnes was a key figure in the founding of the U.N. I think his observations concerning this organization are worthy of our most careful consideration. Surely many of my colleagues will want to read his address. The text follows:

### THE UNITED STATES AND THE UNITED NATIONS

(By James F. Byrnes)

Since last December many Americans have asked the question, "Can the United Nations survive?" In recent days an increasing number are asking, "Should the United Nations survive?"

To understand the reasons for the questions one must revert to the situation existing in the closing days of World War II. Many people, weary of war with its sufferings and sorrow, prayed for a cease-fire, and also wanted to establish an organization for the peaceful settlement of future international disputes.

I believed that for at least a half century mankind would be spared a repetition of the cruel war which had engulfed the world. No one of the world leaders was more devoted to this ideal than President Roosevelt. Wisely, he urged even before the outcome of the war was clearly established, that work should be started upon the establishment of such a peace organization. He believed that as the casualty lists were daily published in all the countries participating in that conflict, there would be greater support for such an organization.

As early as February 1945, at Yalta, the President urged the adoption of a resolution providing for a peace conference to be held at San Francisco in the spring of that year.

I was then Director of War Mobilization and accompanied the President to the Yalta Conference. I found that he was more interested in the establishment of the United Nations than in any other item on the agenda. He had the support of Churchill. No enthusiasm was shown by Stalin for the project, though he expressed no opposition. Dedicated as he was to controlling the world, he simply was not interested in a peace organization. As further evidence of his indifference, when the Conference finally was scheduled to meet in San Francisco he advised the President that his Foreign Minister, Mr. Molotov, would be unable to attend as he was greatly overworked.

President Roosevelt promptly sent a message pleading with him to reverse his decision. He told Stalin that if a great power like the Soviet Republic should fail to send its Foreign Minister to the meeting, it would create the impression that the Soviets lacked interest in the organization. Stalin persisted in his refusal.

A few days later in April 1945, President Roosevelt died. Only then did Stalin send a message to President Truman that in view of the unfortunate situation throughout the world created by the sudden death of Mr. Roosevelt, he would reverse his decision and send Molotov to San Francisco.

I recall also that at Yalta when the U.N. resolution originally was considered, Stalin asked that the Ukraine and Byelorussia be invited to become members of the organization. They were not independent states and it simply meant giving Russia three votes, but neither Churchill nor President Roosevelt raised an objection to the request. That evening, after the session, when I expressed to the President the opinion that giving Russia three votes in the Assembly, when we had but one, was a mistake, he told me that he feared if he objected, it might endanger the adoption of the resolution by the Soviets. His theory, too, was that the Security Council would dominate the organization and it would do no great harm if the Soviets did have three votes in the Assembly, which he visualized merely as a forum for debate.

When I continued to protest, the President suggested that I take the matter up with both Churchill and Stalin. When I talked with Churchill, he said as the Soviets would have three votes, he was heartily in favor of the United States having three. I had to return to Washington the following day and the President said he would talk to Stalin about it. A few days later the President sent me a message that Stalin promptly agreed that we should have an equal number of votes in the Assembly.

President Roosevelt died and I left the Government service. At San Francisco our delegates and the representatives of the State Department, for some reason which I never knew, decided not to ask for the three votes.

In urging that we have three votes, I did not anticipate the situation now existing in the Assembly where the free world is outnumbered, but I simply was opposed to the Soviets having three votes to our one. Now with these small African states having a vote, those two additional votes for Alaska, Hawaii, or Puerto Rico would be of value.

Under the charter, a member of the Security Council can veto any action of that body. The Soviets have used the veto 100 times and greatly lessened the influence of the Security Council. Representatives of the free world were forced to make the General Assembly the effective agency of the U.N.

In 1950 Dean Acheson, then Secretary of State, succeeded in having adopted a resolution incorporating the principle that whenever there was a breach of the peace, the Assembly by a two-thirds vote could override a veto of a member of the Security Council. Under this authority, the U.N. has performed a very useful service on several occasions.

The United Nations of today is not the organization we sponsored in 1945. Originally, it was composed of States that had declared war against the Axis Powers. At the time of creation there were only 50 member States. Gradually the number has been increased until today it is more than doubled.

Of the 104 members, 34 are Afro-Asian States. Most of these were established within the last few years, and few of them have had any preparation for participation in the solemn decisions of world affairs. Each new African State, regardless of how small its population, has a vote in the Assembly equal to that of the United States.

The United Nations is changed not only in its membership, but in its purposes. The charter, in the first chapter, declares, "The purpose of the organization is to maintain international peace and security."

Because this is its primary purpose, thoughtful people of the world were shocked last December when Prime Minister Nehru, of India, who for years has posed as the apostle of peace, caused his Government to invade Portugal's Goa, and by force of arms conquered this little province. By his action he earned an award for superlative hypocrisy.

A few weeks before ordering his troops to invade Goa, Nehru visited Khrushchev and about the same time came to Washington to visit President Kennedy. I do not believe that he gave to the President any intimation of his intended aggression. It is despicable that, while preaching peace, Nehru was planning, in violation of India's solemn obligation to the United Nations, to take by force from Portugal territory which had been hers for more than 450 years.

If there was any plausible excuse for his statement that he was merely liberating territory taken from India only a few years after Columbus discovered America, then with equal plausibility, we could expect the American Indians to claim possession of the United States taken from them 400 years ago.

It must be said that Nehru's representative was frank in his defiant statement to the Assembly, that India would have her way, "Charter or no Charter, Council or no Council."

When it was sought to have the U.N. condemn this outrageous aggression by the hypocritical Nehru, the Soviets vetoed the resolution of condemnation in the Security Council. When our Ambassador, Mr. Stevenson, considered submitting the question to the General Assembly to override the veto, he found he could obtain only about 35 votes when he would need twice that number.

The action of the United Nations in failing to even condemn this aggression by India now provokes the question in the minds of Americans, "Has the organization become useless?"

If the U.S. Ambassador could not find encouragement even to submit to the Assembly a request to carry out the primary purpose of the organization, "to maintain international peace and security," then what excuse is there for the U.N.?

The primary purpose of the United Nations is ignored by the Afro-Asian governments now dominating the U.N. They think its primary purpose is to secure the independence of colonials. They accept as gospel the language of a resolution adopted by the General Assembly last December, declaring that "inadequacy of political, economic, social, or educational preparedness should never serve as a pretext for delaying independence."

The independence of an African tribe incapable of maintaing a stable government, ordinarily would not have serious consequences to other governments, but where such a group of people establishing a state, are admitted to the United Nations and its vote offsets the vote of responsible governments, it does affect other peoples.

And we cannot be proud of the role played by the United States under the new conditions. Last year a resolution was introduced in the U.N. by Liberia calling for an inquiry into conditions in Angola. The resolution charged that innocent, helpless Negroes were being exploited by cruel whites. Of course, the Soviets voted for it because Portugal is anti-Communist. But why did the United States vote for it?

Portugal is a member of NATO. It supported the Allies in World War II and has furnished us with airbases. There was no reliable evidence of crimes committed by the white people in Angola. Much of the alleged disorder is attributed to terrorists of the nearby Congo, inspired by Communists.

However, the United States has continued to support the Soviet Union and the Afro-Asian states against our ally, Portugal. Arthur Krock, able columnist of the New York Times, is quoted as calling the resolution supported by us a form of lynch law. It does seem that in this and some other cases we have recently deserted our friends for our foes.

There is also a very dangerous trend in the policy of the organization. The charter specifically provides in article II of chapter I, paragraph 7, "Nothing contained in the present charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any State or shall require the members to submit such matters to settlement under the present charter."

At the time the United States ratified the charter, there were in the U.S. Congress many men who favored it because of this language, but now the new coalition of the Afro-Asians and Soviets seems determined to intervene in the domestic affairs of the governments of the free world.

In South Africa where the white inhabitants have been consistently anti-Communist and pro-American, the Government's position as to segregation aroused the antagonism of the Afro-Asian bloc and they sponsored a resolution which was adopted, denouncing the Government of South Africa for its attitude on the race question. It was supported by the United States.

If the group now in control of the United Nations causes the Organization to intervene in the internal affairs of South Africa, what is there to prevent the same group from causing the United Nations to denounce the State of Mississippi for arresting the freedom riders?

The United Nations has another problem—it faces bankruptcy. Since its establishment, the United States has paid approximately 40 percent of all its expenses. The deficit of approximately $160 million is due to money spent for the purpose of making war in the Congo and the Gaza Strip, and assessments for these expenditures have not been paid by many members. Of this deficit, the Soviets and their satellites owe approximately $50 million.

To pay this deficit and continue the war against Katanga, the United Nations has issued $200 million of bonds and asks that the United States buy one-half of them.

These bonds will pay 2 percent interest. Today the United States is paying 4 percent for money it borrows. President Kennedy recommends the investment and says: "It is sound for the United Nations and its members." It may be sound for the United Nations, but it is not sound for the United States.

France refused to put one cent in the bonds. Britain refused at first but was persuaded by us to make a token purchase. It promised to buy $12 million by the end of the year. No other government will buy these bonds. Britain's postponement until the end of the year probably means the United States will pay the entire cost of the war in the Congo.

The President, after telling the Congress this was a "sound plan," said: "These bonds will be repaid with interest at the rate of approximately $10 million a year, as part of the regular assessment. Every nation—including the Soviet Union—will thus be required to pay its fair share or lose its vote."

The President was misinformed in this. Article 19 of the charter provides:

"A member of the United Nations which is in arrears in its payment of its financial contribution to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding 2 full years. The General Assembly may, nevertheless, permit such a member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the member."

That does not say that a special assessment to conduct a war shall be included in the normal budget.

In December the U.N. submitted to the International Court this question as to whether expenses such as those incurred in the Gaza strip affair and in the Congo war could be charged to the normal budget. That question has not been answered. It is clear that if the special assessment cannot be charged to the normal budget, no state will lose its vote by failure to pay.

Even if the International Court decides that these war expenditures can be charged to the normal budget, the Soviet Union and other governments having refused to contribute to the war in the Congo will refuse to pay any assessment for that war. The Afro-Asian bloc, having no money and being entirely willing to let the United States pay all expenses of the U.N., will not buy any bonds. Practically all states having refused to pay, they certainly will not vote to deny the Soviet Union the right to vote because of nonpayment.

I hope the people will ask the Senator and Congressman who favor purchasing the bonds, whether he would purchase a thousand dollar bond with his personal money. If he would not, certainly he should not vote to spend the tax money of the people to make such an investment.

If Congress should vote against purchasing the bonds, the U.N. officials can then offer the bonds for sale to investment bankers of the world. I doubt they can sell them, but at least an opportunity to purchase will be given to those who favor making war against Katanga, instead of forcing our taxpayers to finance something to which they are opposed.

The problems now confronting the U.N. make it wise for us to take stock of our position. The United Nations is not what it was or what it was intended to be. The increase of membership from 50 to 104 has made it possible for the Afro-Asian bloc, plus the Soviet bloc, to dominate it. From experience, we know that the Soviet bloc is not interested in the maintenance of international peace. It is the greatest threat to peace. Peace is not the primary purpose of the Afro-Asian states. They are inspired by their hatred of the so-called colonial powers, like Britain, France, Portugal, Belgium, and the Netherlands, who are our friends. If to win the support of the various African tribes, now established as states, we constantly antagonize our proven friends, we cannot expect their continued friendship.

We cannot expect all of our allies to conduct their internal affairs as we think they should. The difficulties we experience in successfully handling our own domestic problems should cause us to realize we cannot solve all the problems of all the peoples of the world.

We must realize that the United Nations cannot prevent a war between major powers, that its chief contribution to the cause of peace is as a forum of debate which may clarify international issues.

If the organization is to die, or if we are to withdraw from it, the world will not come to an end. If it is to survive and we are to continue our membership, we must emphasize the provision of the charter that prohibits the United Nations from interfering in domestic affairs of a state.

We must place less reliance upon the United Nations and more reliance upon NATO and other regional organizations of our allies pledged to the preservation of the independence of free peoples.

We must put first things first. As long as there exists the threat of the Soviets to dominate the world, we must postpone expenditures for projects that may be desirable but are not urgent, and devote our money, our time, and our talents to increasing our military strength so as to insure our freedom.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. THOMPSON of New Jersey (at the request of Mrs. SULLIVAN) on account of official business.

Mr. HAGAN of Georgia for Monday, June 18, 1962, on account of official business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. SULLIVAN, for 20 minutes, today, and to revise and extend her remarks and include tables and extraneous matter.

Mr. BECKWORTH, for 20 minutes, today.

Mr. LINDSAY (at the request of Mr. DERWINSKI) for 15 minutes today.

Mr. SCHWENGEL (at the request of Mr. DERWINSKI) for 30 minutes today.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MASON and to include extraneous matter on the subject of a primer on Federal taxes.

Mr. BEERMANN to revise and extend the remarks he made in Committee today and to include extraneous matter.

(The following Members (at the request of Mr. HECHLER) and to include extraneous matter:)

Mr. EVERETT.

Mr. GALLAGHER.

Mr. CORMAN.

(The following Members (at the request of Mr. DERWINSKI) and to include extraneous matter:)

Mr. FINO.

Mr. GUBSER.

Mr. HARVEY of Michigan.

Mr. SCHADEBERG.

Mr. CUNNINGHAM.

Mr. ALGER

## SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 678. An act to extend the Automobile Information Disclosure Act to Guam and the Virgin Islands; to the Committee on Interstate and Foreign Commerce.

S. 2139. An act to exempt from taxation certain property of the American War Mothers, Inc., to the Committee on the District of Columbia;

S. 2436. An act to transfer certain land in the District of Columbia to the Secretary of the Interior for administration as a part of the National Capital parks system, and for other purposes; to the Committee on the District of Columbia;

S. 2977. An act to amend the Life Insurance Act of the District of Columbia; to the Committee on the District of Columbia;

S. 3063. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia; to the Committee on the District of Columbia;

S. 3064. An act to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources; to the Committee on Agriculture.

S. 3315. An act to relieve owners of abutting property from certain assessments in connection with the repair of alleys and sidewalks in the District of Columbia; to the Committee on the District of Columbia;

S. 3350. An act to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center, to extend the time during which appropriations may be made for the purposes of that act; to the Committee on the District of Columbia;

S. 3359. An act to authorize the Commissioners of the District of Columbia to lease certain public space under and in the vicinity of 10th Street SW., for public parking; to the Committee on the District of Columbia;

S.J. Res. 192. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress; to the Committee on House Administration.

## ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4083. An act to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products;

H.R. 4939. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5456. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H.R. 7866. An act to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands;

H.R. 8434. An act to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif.;

H.R. 9736. An act to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes;

H.R. 10162. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system;

H.R. 10374. An act to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives;

H.R. 10788. An act to amend section 204 of the Agricultural Act of 1956;

H.R. 10986. An act to continue for a temporary period the existing suspension of duty on certain amorphous graphite;

H.R. 11032. An act granting a renewal of patent numbered 92,187 relating to the badge of the Sons of the American Legion;

H.R. 11033. An act granting a renewal of patent numbered 55,398 relating to the badge of the American Legion Auxiliary; and

H.R. 11034. An act granting a renewal of patent numbered 54,296 relating to the badge of the American Legion.

## BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 4083. An act to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products;

H.R. 4939. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education;

H.R. 5456. An act to provide for the conveyance of certain real property of the United States to the former owners thereof;

H.R. 7866. An act to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands;

H.R. 8434. An act to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif.;

H.R. 9736. An act to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes;

H.R. 10162. An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system;

H.R. 10374. An act to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives;

H.R. 10788. An act to amend section 204 of the Agricultural Act of 1956;

H.R. 10986. An act to continue for a temporary period the existing suspension of duty on certain amorphous graphite;

H.R. 11032. An act granting a renewal of patent No. 92,187 relating to the badge of the Sons of the American Legion;

H.R. 11033. An act granting a renewal of patent No. 55,398 relating to the badge of the American Legion Auxiliary; and

H.R. 11034. An act granting a renewal of patent No. 54,296 relating to the badge of the American Legion.

## ADJOURNMENT

Mr. HECHLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 42 minutes p.m.) the House adjourned until tomorrow, Tuesday, June 19, 1962, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2188. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to change the name of the Perry's Victory and International Peace Memorial National Mounment, to provide for the acquisition of certain lands, and for other purposes"; to the Committee on Interior and Insular Affairs.

2189. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2190. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2191. A letter from the Cochairmen, U.S. Citizens Commission on NATO, transmitting a report of the activities of the U.S. Citizens Commission on NATO, which includes the Declaration of Paris and resolutions adopted by the Atlantic Convention of NATO nations, which was brought about by the U.S. Commission in accordance with Public Law 86–719 (H. Doc. No. 433); to the Committee on Foreign Affairs and ordered to be printed.

2192. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 2, 1961, submitting a report, together with accompanying papers and an illustration on Oroville project, Feather River, Calif. This investigation was made in response to a resolution adopted September 21, 1956, by the Committee on Public Works of the U.S. Senate, and to items in the Flood Control Act of 1958 which call for studies to determine the allocation of costs to and economic justification for flood control features incorporated in the Oroville project proposed to be constructed by the State of California (H. Doc. No. 434); to the Committee on Public Works and ordered to be printed with one illustration.

2193. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1961, submitting a report, together with accompanying papers and an illustration, on an interim report on the Truckee River and tributaries, California and Nevada, authorized by the Flood Control Act approved June 28, 1938 (H. Doc. No. 435); to the Committee on Public Works and ordered to be printed with one illustration.

2194. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 17, 1962, submitting a report, together with accompanying papers and illustrations on Mokelumne River, Calif., including Camanche Reservoir cost allocation. This investigation was made in response to a resolution adopted July 25, 1946 by the Committee on Flood Control, House of Representatives, and to items in the Flood Control Act of 1960 (H. Doc. No. 436); to the Committee on Public Works and ordered to be printed with illustrations.

2195. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated December 20, 1961, submitting a report, together with accompanying papers and illustrations on an interim report on the Naugatuck River at Ansonia and Derby, Conn., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted on September 14, 1955, June 13, 1956, and July 23, 1956, respectively (H. Doc. No. 437); to the Committee on Public Works and ordered to be printed with illustrations.

2196. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 27, 1962, submitting a report, together with accompanying papers and illustrations on a review of the reports on Indian Creek, Iowa, requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 22, 1947 (H. Doc. No. 438); to the Committee on Public Works and ordered to be printed with illustrations.

2197. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 29, 1962, submitting a report, together with accompanying papers and illustrations on a review of reports on the Mad River Drainage Basin and at and above Huffman Dam, Ohio, requested by a resolution of the Committee on Public Works, House of Representatives, adopted February 17, 1959 (H. Doc. No. 439); to the Committee on Public Works and ordered to be printed with two illustrations.

2198. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 27, 1962, submitting a report, together with accompanying papers and illustrations on a review of the report on Crab Creek, Youngstown, Ohio, requested by a resolution of the Committee on Public Works, House of Representatives, adopted February 17, 1959 (H. Doc. No. 440); to the Committee on Public Works and ordered to be printed with two illustrations.

2199. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 30, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the reports on Vince and Little Vince Bayous, Tex., requested by a resolution on the Committee on Public Works, House of Representatives, adopted July 1, 1958 (H. Doc. No. 441); to the Committee on Public Works and ordered to be printed with three illustrations.

2200. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Housing Administration, Housing and Home Finance Agency, for the fiscal year ended June 30, 1961 (H. Doc. No. 442); to the Committee on Government Operations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of June 15, 1962, the following bill was reported on June 16, 1962:

Mr. SPENCE: Committee on Banking and Currency. H.R. 12121. A bill to amend the Small Business Act; with amendment (Rept. No. 1830). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted June 18, 1962*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'NEILL: Committee on Rules. House Resolution 691. Resolution for consideration of H.R. 12154, a bill to amend and extend the provisions of the Sugar Act of 1948, as amended; without amendment (Rept. No. 1831). Referred to the House Calendar.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S 46. An act to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte and Caballo Reservoir areas, New Mexico, and for other purposes; with amendment (Rept. No. 1832). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 8983. A bill to authorize the Secretary of the Interior to participate in financing the construction of a bridge at Cape Hatteras National Seashore, in the State of North Carolina, and for other purposes; with amendment (Rept. No. 1833). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 10485. A bill to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Indian Tribe of the Pine Ridge Reservation; with amendment (Rept. No. 1834). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 10541. A bill to assist States and communities to carry out intensive vaccination programs designed to protect their populations, especially all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus, and against other diseases which may in the future become susceptible of practical elimination as a public health problem through such programs; with amendment (Rept. No. 1835). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 11309. A bill to provide for continuation of authority for regulation of exports, and for other purposes; with amendment (Rept. No. 1836). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK: Committee on Interstate and Foreign Commerce. H.R. 4753. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits thereunder to certain Guamanians killed or captured by the Japanese at Wake Island; without amendment (Rept. No. 1837). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 12170. A bill to amend the Federal Employees Health Benefits Act of 1959 to extend the benefits of such act to a child who is in the legal custody of an employee or annuitant under such act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COHELAN:

H.R. 12171. A bill to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide financial aid for the arts in the District of Columbia, including improved programs of the arts in the curriculums of the public schools, equal to the aid provided by other cities of the United States for their local art programs; to the Committee on the District of Columbia.

By Mr. FARBSTEIN:

H.R. 12172. A bill to provide for the issuance of special nonquota immigrant visas to certain aliens residing in Hong Kong who are relatives of U.S. citizens or permanent resident aliens; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 12173. A bill to provide Federal assistance for the establishment, expansion, and improvement of programs of technical education at the college level; to the Committee on Education and Labor.

H.R. 12174. A bill to amend the Internal Revenue Code of 1954 to allow a depreciation deduction for the wear and tear of real property used as the taxpayer's principal residence; to the Committee on Ways and Means.

H.R. 12175. A bill to provide for an averaging taxable income; to the Committee on Ways and Means.

H.R. 12176. A bill to amend section 203 of the Social Security Act to provide that the amount of an individual's medical, dental, and related expenses shall be subtracted from his outside earnings before determining under such section the amount of any reduction in his benefits by reason of such earnings; to the Committee on Ways and Means.

H.R. 12177. A bill to amend the Federal Aviation Act of 1958 in order to provide for research to determine criteria and means for abating objectionable aircraft noise; to the Committee on Interstate and Foreign Commerce.

By Mr. KILBURN:

H.R. 12178. A bill to amend Public Law 409, 74th Congress, to authorize the appropriations necessary to carry out authorized improvements in the project for the Great Lakes-Hudson River Waterway; to the Committee on Public Works.

By Mr. LANE:

H.R. 12179. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

By Mr. MILLS:

H.R. 12180. A bill to extend for a temporary period the existing provisions of laws relating to the free importation of personal and household effects brought into the United States under Government orders; to the Committee on Ways and Means.

By Mr. MOSS:

H.R. 12181. A bill to amend the Federal Power Act so as to require Federal Power Commission authority for the construction, extension, or operation of certain facilities for the transmission of electric energy in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. RIEHLMAN:

H.R. 12182. A bill to amend Public Law 409, 74th Congress, to authorize the appropriations necessary to carry out authorized improvements in the project for the Great Lakes-Hudson River Waterway; to the Committee on Public Works.

By Mr. SANTANGELO:

H.R. 12183. A bill to amend the Internal Revenue Code to exempt from the manufacturers' excise tax certain automobiles furnished without charge to schools for use in driver training programs; to the Committee on Ways and Means.

By Mr. SMITH of Virginia (by request):

H.R. 12184. A bill to amend the District of Columbia Redevelopment Act of 1945, as amended, and for other purposes; to the Committee on the District of Columbia.

By Mr. HERLONG:

H.R. 12185. A bill to promote the general welfare, foreign policy, and security of the United States through international trade agreements, and for other purposes; to the Committee on Ways and Means.

By Mr. BYRNES of Wisconsin:

H.R. 12186. A bill to promote the general welfare, foreign policy, and security of the United States through international trade agreements, and for other purposes; to the Committee on Ways and Means.

By Mr. PIRNIE:

H.R. 12187. A bill to amend Public Law 409, 74th Congress, to authorize the appropriations necessary to carry out authorized improvements in the project for the Great Lakes-Hudson River Waterway; to the Committee on Public Works.

By Mr. TABER:

H.R. 12188. A bill to amend Public Law 409, 74th Congress, to authorize the appropriations necessary to carry out authorized improvements in the project for the Great Lakes-Hudson River Waterway; to the Committee on Public Works.

By Mr. STEED:

H.R. 12189. A bill to promote the general welfare, foreign policy, and security of the United States; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 12190. A bill to promote the general welfare, foreign policy, and security of the United States; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.J. Res. 748. Joint resolution to authorize the President to proclaim May 15 of each year as Peace Officers Memorial Day and the calendar week of each year during which such May 15 occurs as Police Week; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H. Con. Res. 496. Concurrent resolution to express the sense of Congress on bringing before the United Nations the issue of denial of self-determination to the peoples of various countries; to the Committee on Foreign Affairs.

By Mrs. GREEN of Oregon:

H. Con. Res. 497. Concurrent resolution authorizing the Joint Committee on Printing to conduct a study of the CONGRESSIONAL RECORD with a view to improving its format, index, typography, etc.; to the Committee on House Administration.

By Mr. BATTIN:

H. Res. 692. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

## MEMORIALS

Under clause 4 of rule XXII,

The Speaker presented a memorial of the Legislature of the Territory of Guam memorializing the President and the Congress of the United States, to enact legislation for the payment of rental claims of landowners in and to parcels of real property known as Route No. 10, which was referred to the Committee on Interior and Insular Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HENDERSON:

H.R. 12191. A bill for the relief of A. T. Leary; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 12192. A bill for the relief of Osmundo Cabigas; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 12193. A bill for the relief of Bahira Sutton, Ovadia Sutton, and Ruth Sutton; to the Committee on the Judiciary.

By Mr. PELLY:

H.R. 12194. A bill for the relief of Zenaida Z. Lazaro; to the Committee on the Judiciary.

By Mr. RUTHERFORD:

H.R. 12195. A bill for the relief of Maj. Frederick F. Freeland; to the Committee on the Judiciary.

By Mr. TABER:

H.R. 12196. A bill for the relief of Nicholas Speno; to the Committee on the Judiciary.

By Mr. WILSON of California:

H.R. 12197. A bill for the relief of Mr. and Mrs. George Stevens; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 12198. A bill for the relief of Mrs. Yvonne Sete Cohen, Danielle Marie Cohen; Jean Marc Cohen, and Josiane Nicole Cohen; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

365. The SPEAKER presented a petition of Barney Hopkins, secretary-treasurer, Michigan State AFL–CIO, Detroit, Mich., relative to a resolution adopted at a convention held at Grand Rapids, Mich., relating to automation, which was referred to the Committee on Education and Labor.

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# EXTENSIONS OF REMARKS

## A Primer on Federal Taxes

EXTENSION OF REMARKS

OF

### HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. MASON. Mr. Speaker, Uncle Sam does not have a dime of his own. No, not even a red cent. It is all our money, yours and mine. We just let Uncle Sam spend it for us. We think he can do a better job of spending it for us than we can do for ourselves, or do we think about it at all?

During 1959 Uncle Sam took $67.9 billion out of our pockets and spent it for us; during 1960 he took $77.8 billion; and during 1961 he took $77.6 billion, a total of $223.3 billion in the last 3 years taken away from us by force. We could have bought a lot of things for our families with that $223.3 billion, could we not? Perhaps if we yelled economy loud enough, Uncle Sam would let us keep a part of that $223.3 billion to spend for our own family needs. But it might accomplish more if our people were voting for economy instead of yelling for economy.

Mr. Speaker, there are some 60 million individuals who file Federal income tax returns. More than 70 percent of them have annual incomes of less than $6,000; yet they pay a large share of our total Federal income tax load. So, in reality, it is the so-called little fellow who supports Uncle Sam in the style to which he became accustomed under the New Deal.

What about corporations? Do they not pay a big share of the tax load? Of course they do. They paid $21 billion into Uncle Sam's Treasury in 1961. But corporation taxes are part of the cost of doing business and are largely reflected in the cost of production. Therefore, corporation taxes become hidden taxes, a part of the price charged for the goods produced. So, the more we soak the corporations for taxes the higher prices go and the more the little people, the consumers of the Nation, have to pay for the goods they need and must have. Indirectly, therefore, the little people pay through higher prices a large part of the tax load upon corporations.

The part of this whole tax headache that bothers me is the fact that no matter how they juggle the tax load around, the little guy is going to have to carry most of the load.

If we took every dollar away from every taxpayer who gets more than $10,000 a year, leaving him without one red cent, we would still have only half enough to operate our spendthrift Government. Most of the tax money is our money, yours and mine, and we are letting Uncle Sam spend it for us. Are we sure we are getting our money's worth? Do you not think we as taxpayers have a squawk coming? Do you not think the Federal Government should be cut down to normal size, that we should stop throwing our money down a rathole?

President Kennedy has been demanding legislation to socialize medicine, to socialize housing, to socialize agriculture, and to socialize electric power. Experts who have examined these proposals as to their possible cost if enacted into law say they would almost double the cost of the Federal Government.

The cost of Government, Federal, State, and local, now takes one-third of our national income. If we double the cost of Government, we will then take one-half the national income and the average worker would be required to work 6 months each year for the Government. Workers would then be unable to provide for their families and would have to look to the Government for support and livelihood. This has happened in Germany, in Italy, and in Russia. It is now happening in England. Are we to be the next country to become socialized through taxation?

Mr. Speaker, we have had 30 years of deficit spending and 20 years of heavy current taxation. Our deficit spending has resulted in extremely high prices. The heavy current taxation takes away $1 out of every $3 the taxpayer earns and leaves him with only $2 to spend. This means that today the average taxpayer works 2 days per week or 4 months per year for the Government.

When a Nation keeps spending beyond its means it is bound to lose its liberty and be taxed into socialism, just as an individual who spends beyond his means always ends up bankrupt and at the mercy of his creditors. Our present fiscal policy is leading this Nation step by step down the road to financial chaos, national bankruptcy, repudiation, and then dictatorship. Is that where we want to go?

## Questionnaire Results

EXTENSION OF REMARKS

OF

### HON. JAMES HARVEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. HARVEY of Michigan. Mr. Speaker, the results of the annual questionnaire conducted recently in Michigan's Eighth Congressional District have been tabulated and I am certain they will be of interest to other Members. Over 6,000 people from the district mailed in ballots, expressing their views on pertinent issues of the day. In particular, the results on questions concerning aid to Communist Yugoslavia, medical care for the elderly, the farm program, and the President's request for greater individual authority should be of keen interest if for no other reason than these are timely subjects.

As a part of these remarks, I would like to include the tabulation of the results and my remarks announcing the findings.

The response to our second annual questionnaire was very gratifying. I am hopeful that it reflects a greater interest on the part of our citizens in the work of our Federal Government. Although a few are still coming in, I thought it best to report to you the result of the questionnaire based on an overwhelming bulk of the returns, some 5,701 ballots. These ballots have been tabulated by the Data Processing Services here in Washington, D.C.

Capturing the greatest voter attention was the question dealing with the future course for our Nation's farm program to follow. Some 5,229 voters, or 91.7 percent, supported a gradual reduction of farm controls and subsidies so that the law of supply and demand will again prevail. Only 324 persons, or 5.7 percent, favored a continuation of the present farm program, while 148 persons, or 2.6 percent, did not answer.

On the question of medical care for the elderly, the voting results pretty well match sentiments expressed to me on our congressional mobile trailer office tour last fall and during numerous trips back to the district. In the questionnaire, there were three choices for voters to select from in determining whether or not the Federal Government should assume an increased role in this type of program. An increase in the social security tax to cover the costs of a program was favored by 1,407 persons, or 24.7 percent, while 1,702, or 29.9 percent, selected a voluntary program, under private concerns, with some Federal assistance. Still another 1,121, or 19.7 percent, were against any Federal participation. Ballots from 1,471 persons could not be counted because more than one answer was made or no selection whatsoever.

I do want to thank those persons who did submit questionnaires. I am particularly indebted to the many district newspapers who cooperated in publishing the questionnaire, too. As I have mentioned before, the final voting decision is my responsibility. However, it is important to me to know the views of those I represent in Congress. I hope you will continue to give me the benefit of your opinions on matters of mutual interest throughout the year.

Here are the results of the 1962 questionnaire:

| | Percentage | | |
|---|---|---|---|
| | Yes | No | No response |
| Do you favor— | | | |
| 1. The United States resuming nuclear testing in the atmosphere? | 73.5 | 20.5 | 6.0 |
| 2. Continuing aid to Communist Yugoslavia? | 8.9 | 83.2 | 8.0 |
| 3. Providing medical care for the elderly: | | | |
| (a) By a compulsory program paid by an increase in the social security tax? | 24.7 | ------- | 25.8 |
| (b) By a voluntary program, under private concerns, with some Federal assistance? | 29.9 | ------- | 25.8 |
| (c) No Federal participation? | 19.7 | ------- | 25.8 |
| 4. Granting the President standby authority to: | | | |
| (a) Lower income taxes? | 42.5 | 48.5 | 9.1 |
| (b) Commence public works programs? | 29.6 | 56.3 | 14.1 |
| 5. A gradual reduction of farm controls and subsidies so that the law of supply and demand will again prevail? | 91.7 | 5.7 | 2.6 |
| 6. Applying the antitrust laws to both big business and big labor? | 87.1 | 5.9 | 6.9 |
| 7. Granting the President broader authority to cut tariffs? | 33.1 | 58.6 | 8.3 |

## Our Words Must Have Meaning

EXTENSION OF REMARKS

OF

### HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. SCHADEBERG. Mr. Speaker, the Soviet Union's duplicity and deceit in international affairs is today widely known. Much appears in print and is aired over radio and television to further expose the unrelenting drive of the Communists to take over and subjugate the world. But we are little better off if we hear these warnings and then fail to act. I ask myself the question: "Is enough being done not only to hold in check the Communist offensive but to reverse it?" My answer is "No." Perhaps the question to ask is: "Have we settled for merely stemming the Communist tide of world conquest, or is it really our intention to roll it back?"

This most urgent matter plays havoc with my conscience, not alone as an American citizen but even more as an elected Representative of hundreds of thousands of other citizens. I feel this most keenly every time attention is focused on the plight of the captive peoples behind the Iron Curtain. Such a time is now. It was on June 15, 22 years ago that the Communists invaded the Baltic States of Latvia, Lithuania, and Estonia. By the end of that year of 1940 the countries were overrun and their proud peoples enslaved, soon to be absorbed into the U.S.S.R.

On orders from the Kremlin, thousands of Lithuanian leaders and men of prominence were summarily arrested, placed in freight cars, and exiled to distant parts of Asiatic Russia, the infamous Siberian treatment. It is estimated that during this terroristic siege that lasted more than a year, upward of 50,000 innocent and helpless Lithuanians were deported to Russia.

Today, 22 years later, we have no knowledge of the fate of the abducted Lithuanians, except that those still alive are suffering in prison camps.

Which brings us back to the question above, and poses another: "What can be done to help these brave souls recapture the freedom we take for granted—the freedom to which they are equally entitled?" I submit, Mr. Speaker, that enactment of legislation such as the resolution I introduced June 1, 1961—House Resolution 324—and implementation of its provisions to establish a Special Committee on the Captive Nations—is a necessary next step.

Mr. Chairman, if we in the Congress are to keep faith with the enslaved peoples of Albania, Armenia, Azerbaijan, Bulgaria, mainland China, Cossackia, Czechoslovakia, East Germany, Estonia, Georgia, Hungary, Idel-Ural, Latvia, Lithuania, North Korea, North Vietnam, Poland, Rumania, Tibet, Turkestan, Ukraine, White Ruthenia, Yugoslavia, and other subjugated nations, and if we are to keep faith with ourselves, we can do no less. I urge the House leadership to place top priority on this legislation. Only if such priority is given and the legislation enacted will observance of this anniversary of the occupation of Estonia, Latvia, and Lithuania have any meaning.

## The National Lottery of Holland

EXTENSION OF REMARKS

OF

### HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Holland. In reality, there is nothing too startling about the Dutch lottery. Holland is a small nation, and the lottery is not a large-scale operation. But it does recognize that people love to gamble and it is better that they be able to do so under government auspices.

In 1961, the gross receipts of the national lottery of Holland came to almost $10 million. The Government's share was close to $1½ million.

Mr. Speaker, Holland realizes that the gambling urge is better recognized and channeled than disregarded. We would do well to come to the same realization with our own national lottery. A U.S.-run lottery could produce over $10 billion a year in new revenue which could be used for tax relief and reduction of our national debt.

## William Bielewicz

EXTENSION OF REMARKS

OF

### HON. ROBERT A. EVERETT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. EVERETT. Mr. Speaker, our colleague, CLIFFORD DAVIS, the dean of the Tennessee delegation, has served faithfully in Congress more than 22 years. The voters in his congressional district have expressed confidence in him by first electing him to the position of judge in Memphis and later four times elected him as commissioner of public safety. During those years in the service of his city, and now in serving the Ninth Congressional District which is one of the largest in the country, and certainly the most populated district in Tennessee, he has never lost sight of the individual.

Throughout his long public career he has enjoyed the respect and deep affection of literally thousands and thousands of people in every walk of life.

The people of my own district remember well his help on the west Tennessee tributaries project. Later, when I came to Congress he continued the support which I had requested him to give in other years, and in addition as one of the senior Members of the House he has never failed to give me the benefit of his long experience. His counsel to me as the freshman of the delegation and its secretary, has been invaluable.

Last week, the Memphis Sertoma Club, one of the sponsors of the Memphis Boy's Town, honored William Bielewicz whom Congressman DAVIS had nominated to West Point. Many feel that this was a highlight in the long public career of our colleague when viewed from a purely human standpoint. This young man came to Memphis a little more than 3 years ago as an orphan. His mother passed away when he was 4 years of age. At her death the boy's father was so broken in spirit that he left Bill and his three sisters and has not been heard from since.

Young Bill delivered newspapers and was taken into the home of an aunt. One sad experience after another followed. From his savings as a newspaper carrier he went to Chicago, purchased a ticket on the Illinois Central Railroad to Memphis because the name Memphis on the timetable in the station impressed him as being a pretty name. On his arrival in Memphis he asked if there was a boy's town. Those in charge of the Memphis organization invited him to come out immediately. They broke the rules contained in their bylaws and took this youngster from out of the State into their care after clearing with legal authorities in Indiana.

The boy went to the Kingsbury High School, one of the fine public schools in Memphis, excelled in his studies, participated in athletics, and was elected president of the student council. He became interested in church and joined the Baptist Church where he has continued in Sunday school and in the worship service.

A few Memphis citizens wrote Congressman DAVIS recommending him for appointment to West Point. The editor of the Memphis afternoon newspaper, one of the South's leading publications, read an account written by one of his reporters and joined with Dr. Cooper in an endorsement of the young man. Joe Hanover, prominent lawyer and long-time benefactor of Boy's Town, expressed his deep concern about the boy's future.

Our colleague nominated Bill. With only his high school education and without additional preparation, he met all of the rigid requirements of West Point, physically and scholastically, and will enter the Military Academy July 2, next.

There was great interest in his appointment, and Congressman DAVIS flew to Memphis to participate in the Sertoma's tribute to Bill Bielewicz. A part of his speech is included as a part of my remarks. Truly it was inspiring.

The address follows:

BILL BIELEWICZ

The U.S. Military Academy was established officially on March 16, 1802, at West Point, N.Y., a key Hudson River military fortress during the Revolution, and was opened on July 4 of that same year.

Two compelling reasons made the formation of an American military academy at that time both logical and necessary. The experience of the Revolutionary War and the ominous international political situation in 1801, moved President Thomas Jefferson to make this decision.

The initial purpose of the Academy was to train military technicians for all branches of the military service, to encourage the study of military art nationally, and thus raise the level of training of the militia, and to encourage the practical study of every science.

The garrison site of West Point, consisting of 1,795 acres purchased from Stephen Moore in 1790, had been occupied by the Army since 1778. Barracks and other buildings, while inadequate, were available for housing and instruction, and Maj. Jonathan Williams, a grandnephew of Benjamin Franklin and Chief of the Corps of Engineers, became the first superintendent. Subsequently, all of our fine engineer officers, with a long record of achievement and integrity, have been trained at the Point. It is interesting to know that the first Academy opened with a total of 10 cadets present.

The military reservation at West Point has grown from the original 1,795 acres to 16,011 acres. The approximately 2,500 cadets of the corps, organized into 24 companies of about 100 men each, follow a brigade organization with 2 regiments. Each regiment is organized into three battalions with four companies in each battalion.

The U.S. Military Academy exists for the specific purpose of developing highly qualified individuals for a lifetime career in the U.S. Army. Its cadets share in a great heritage, a heritage fostered by the achievement, honor, and glory of a never-ending stream of graduates. The roster of the long gray line includes the names of Lee, Grant, Pershing. In addition, I am pleased to have known and know Generals Eisenhower, MacArthur, Bradley, Patton, Spaatz, Arnold, Collins, Clark, McNair, Devers, Wainwright, McNarney, Stilwell, Eichelberger, Vandenberg, and Simpson. All of these men served with distinction and have lead our armies in a long and honored experience.

All of these men, and thousands of others, have dedicated themselves to the service of their country.

Because its graduates are expected to assume responsibilities of vital national importance, the Military Academy seeks the type of individual who possesses a strong determination to follow in the footsteps of his predecessors by accepting the challenge inherent in the rigorous life of a cadet.

When a cadet has completed the course of instruction and meets the required physical standards, he is, upon graduation, promoted and appointed a second lieutenant in the Regular Army.

How well the Academy had succeeded in its purpose for the first 10 years of its existance was summarized by the most authoritative historian of that period of American life, Henry Adams. In his History of the United States, covering the Jefferson and Madison administrations, Adams offered the tribute that American scientific engineering owed its efficiency and almost its existence to the military school established in 1802.

So Bill Bielewicz is now qualified to join a long list of distinguished military men. He has proved his high character, industry, and ability to study. Likewise, he has proved that his mother, who left him so early in life, and even his father, who neglected him and his three sisters upon the passing of his wife and the mother of Bill, unquestionably were made out of good and sound material. He most certainly inherited good qualities.

He participated, while a student in Kingsbury High School, in athletics. He showed traits of leadership when his fellow students elected him to school office.

Tribute must be paid to Boys Town in Memphis and its sponsors, and most certainly its board of directors and those who are training these boys day by day. To Dr. Cooper, to Mr. Hanover and to Mr. Harris and others and their associates, we must give high praise.

Carlos Romulo, soldier, statesman, onetime presiding officer of the United Nations, most recently Ambassador to the United States from the Philippines, in returning to his country after 17 years of living among us, said among other things, "I marvel at your skyscrapers, your industry, but also at the character of your people. In leaving your country, which I have come to love, I leave you with but one thought, may God keep you and may you keep God."

In my office this morning, I had but two little pieces of advice to give Bill. They were: Learn to speak up and distinctly. Hold your head high, your shoulders erectly, and maintain a simple faith in God.

So Bill, in the language of Ambassador Romulo, now to become president of a great university in the Philippines, "May God ever keep you, and may you ever keep God."

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## Dedication of New Courthouse at West Bend, Washington County, Wis.

EXTENSION OF REMARKS

OF

### HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

*Monday, June 18, 1962*

Mr. WILEY. Mr. President, it was my privilege on Sunday, June 17, to participate with the citizens of Washington County, Wis., in the dedication of their new courthouse. All the elective county officers were present. Every member of the county board was present.

I ask unanimous consent to have printed in the RECORD the names of the county officers, members of the building committee, and members of the dedication committee, together with a copy of the program for the ceremonies, and the address delivered by me on that occasion.

Several thousand people were present. The weather was fine, although warm. I am happy, indeed, that I could participate.

There being no objection, the material described was ordered to be printed in the RECORD, as follows:

DEDICATION OF NEW COURTHOUSE AT WEST BEND, WASHINGTON COUNTY, WIS.

Washington County elective officers: Judge Milton L. Meister, circuit judge; Judge L. A. Buckley, county court judge, branch I; Judge Robert J. Stoltz, county court judge, branch II; Anton P. Staral, county clerk; Lawrence P. Berend, clerk of courts; Robert J. Klein, treasurer; William Johnson, sheriff; Mrs. Olga Perrin, register of deeds; Richard T. Becker, district attorney; Ethan Maxon, surveyor; Matt Goeden, Jr., coroner.

Names of building committee: Richard Gauger, architect; Don Smith, general contractor; Arthur G. Esser, Hartford; Guido Schroeder, Fred C. Bammel, West Bend; Chairman E. M. Romaine, Kewaskum; Anton P. Staral, West Bend; Joseph A. Gundrum, Slinger; Joseph A. Schmitz, Ray H. Bast, Germantown; Jens E. Larson, Joseph Knippel, and H. B. Woldt served to April 1961.

Names of dedication committee: Fred A. Sager, Anton P. Staral, West Bend; Chairman Reuben Schmahl, Jackson; Adolph Schmidt, Polk; Norma B. Courtney, Hartford; Alfred B. Liesener, Jackson.

Dedication ceremonies, new Washington County courthouse and jail program: Master of ceremonies, Reuben Schmahl, chairman, dedication committee; music, "America," by West Bend High School band; invocation by Rev Geo. P Jentges, Slinger, St. Peter's Church; flagraising ceremony, massing of colors by all veterans' organizations; flag presentation, VFW, West Bend; flag acceptance, Mrs. Norma Courtney, member of Washington County board; national anthem, by the following high school bands—Germantown, Slinger, Kewaskum, and West Bend; Pledge of Allegiance, Circuit Judge M. L. Meister; introduction of county board members, Anton P Staral, county clerk; introduction of guests and remarks, E. M. Romaine, chairman of the board; act of dedication of courthouse and jail, Architect R. Gauger and V. A. Verhulst; prayer of dedication, Rev. H. Baumer, E. R. Church, West Bend; dedication speaker, Hon. Alexander Wiley, U.S. Senator; benediction, Rev. Ralph A. Keller, First Methodist Church, Hartford; "God Bless America," by all bands in unison; a conducted tour of the new courthouse and jail, by members Washington County homemakers.

Mr. Chairman, ladies and gentlemen, we are gathered here to dedicate, not a field to honor the dead, but a building, a court house, a symbol of a great system of law. The people of this county can be proud of this fine building. But a building, in itself, unless the people who build it and use it, make it a vital thing, the building is just so much stone and mortar.

So, today, we ask ourselves, what is this building? What does it symbolize, in this age where the world has been shrunken by man's ingenuity, this age of intercontinental missiles and H-bombs?

Well, let us see:

It is a symbol of law and order. It is a symbol of what has been called "the American way of life." What do we mean?

Here, justice will find an abiding place. Here, men, as servants of that way of life, will dispense justice. Here will be found the machinery of county government, where men and women, as representatives of the people, administer the affairs of government.

You know, my friends, that dedication ceremonies date way back before the Christian era, and then there followed the years when temples and churches were dedicated.

Dedication implies a setting apart for a particular service, and that's what we are doing today. This courthouse is being dedicated as a place where the citizens can get service and justice.

Recently, we've had a visit to this country of Chairman Khrushchev. We've seen him on television; we've seen him personally. On this occasion, it is well for us to stop, look and listen, and realize the difference between the people who live in Russia and we, who live in this country. Here, this is a government of, by, and for, the people. In Russia, the people are of, by, and for, the government.

In this country, we define our freedom in terms of the Constitution and the Bill of Rights. In Russia, they have none such. There, the people are made to serve the state. Here, the state serves the people.

Once in a while it is a good thing for us, especially when we are dedicating a building, dedicated to law and order, to realize just how this all came about that we have a government that belongs to us, where in Russia, the people belong to the government.

Let us stop a moment and, in retrospect, turn back the pages of history. When we were a part of the British nation, the King had great power. The House of Lords had tremendous power. Then we broke loose, and our founders looked back through the pages of history for something that would guarantee freedom to the individual. And you know, they couldn't find anything in the books or the experience of man.

They couldn't find any form of government that would do that. In other words, there was no government with checks and balances. Kings were tyrants, and, where there was a group in control, the group became a tyrant.

So, our forebears, under the inspiration of the Almighty, created a government of checks and balances, dividing power up, really, into four parts: executive, legislative, judicial—and the residuum back in the States and the people.

Well, this Government because of its checks and balances now is the oldest government in the world today. The British Government has been modified. The King, or now, the Queen, has very little power. The House of Lords has very little power.

We have seen the influence of the American way upon the peoples of Germany and France, and other nations, their forms of government changed.

Yes, we have seen the influence of the American way upon the people of Russia. They were never so well off as they are now, even if their personal freedom, to a large extent, is under the control of the Kremlin.

But our Government has remained firm in its checks and balances. And the freedoms of our people are intact. Law and order obtain.

Elsewhere in the world people are striving for that freedom. Elsewhere they have heard of our high standard of living and seek to imitate it. Your country, and mine, is reaching out to help these people. We want nothing from them. But there is this other nation and its allies that would impose their philosophy and way of life, whereby personal freedom is curtailed.

This presents the issue that we face today. We have decided that freedom must grow among the submarginal races and so we give of our substance and spend our money to create a military deterrent and seek otherwise to bring enlightenment where it is needed.

In a free land, laws reflect the principle, morality, ethics, and sense of justice, of the people.

Without law, there would be chaos.

As citizens, inheriting a hard-fought-for government, "of, by, and for the people"—however, we, though patriotic, often take for granted our judicial system.

Consequently, there is a need for renewed effort to become imbued with a deeper understanding of, respect for, willingness to abide by, and dedication; toward further improving laws; to exercise vigilance in protecting and preserving not only for ourselves, but for posterity, a sound, judicial system; and, by constant reexamination of the statute books, to assure that laws reflect the best standards of ethics, morality, and justice; and that these are abreast of, and adapted to, changing conditions and times.

Even in an enlightened age, laws all too often are considered solely "thou shalt not" commandments.

Now, it is true: Discipline is necessary to maintain order and peace in organized society.

Positively, however, laws in a free society serve: As a shelter, steel-strong, undergirding to give cohesion, form, and purpose to a nation; to preserve and protect the rights and integrity of its citizens as instruments of the people by which to create programs for utilizing human and natural resources of the Nation; as principles upon which to formulate national policies to best serve the interests of all the people at home and abroad in the world.

Laws, then, are not just restrictive, but protective of the rights and integrity of citizens; not just curbs on action, but also guidelines to action; not just static inhibitors of a society, but stimuli to progress.

### LOCAL-STATE RIGHTS AND RESPONSIBILITIES

Under the Constitution, the exercise of certain rights, and the assumption of certain responsibilities, is reserved to the States as well as to the people.

Under article X, the Constitution specifically provides that: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

On principle, then, there is general agreement on this delegation of powers.

Historically, however, there has been difficulty, from time to time, in clearly differentiating among local, State, and Federal responsibilities.

In our time, we are witnessing, for example, even greater extensions of the long arm of Uncle Sam into the jurisdiction of the State and the lives of the people.

In accordance with Lincoln, the Government does have responsibility for doing for the people what they cannot adequately do for themselves.

For those who decry the overextension of Federal authority—and I am one of them—however, there is this realism: Uncle Sam reaches out, for the most part, into more fields most often when the citizens themselves—or the States—fail to fulfill a need in our national life.

Here today, in dedicating this building, we must also rededicate ourselves to constant vigilance and awareness to make certain that justice under law becomes and remains evermore meaningful and triumphant.

On this occasion, I must urge the members of the legal profession, judges, and the citizenry to look for ways and means by which the administration of justice can be improved and inadequacies removed. Some 50 years ago a young Nebraska lawyer by the name of Roscoe Pound, then known to few but now considered the dean of American legal thought, examined the causes of popular dissatisfaction with the administration of justice and ended up by stating the main deficiency in a single word, "delay."

Delay of justice is still a serious problem in State and Federal courts, with people in some States having to wait several years before they can have a case come up for trial. The classic example that "justice delayed is justice denied" is provided by a recent New Jersey case in which it took the claimant 5 years before his suit for a loss of his leg came to trial with the responsible corporation going bankrupt in the interim.

Shortage of judges and faulty procedures are among the main reasons for delay. The growth of population and the increase of litigation must be matched with an increasing judicial machinery. As a member of the Senate Judiciary Committee, I have always urged that vacancies for Federal judgships be promptly filled, that new positions be created wherever necesary, and that the judiciary be kept out of partisan politics. I note too that after many years of study Wisconsin adopted this year a complete court reorganization program, which will go into effect.

One of you here may say: "In these critical days why concern ourselves with the technicalities of the legal machinery?" And indeed one may be inclined to have a feeling of futility by remembering that in each of the totalitarian states the exponents of force came to power by harping upon the failure of justice, judicial, social and economic, in their countries. So, therefore, as long as the people of our Nation know that the machinery of justice continues to function properly in each and every case, we need have no fear that our Government or our way of life will fail from internal weakness or be overcome by external power.

### NEED—LAWS IN A CHAOTIC WORLD

In a world of conflicting ideologies; of transgressions and aggressions by nations; of violations of the rights of humanity, the ultimate goal of peace could most effectively be established by the recognition of, respect for, and willingness to abide by fair and just laws—national and international, that would protect the rights of all people and nations.

We, then, as the symbol and living spirit of freedom in the world, have a special responsibility for preserving and perpetuating these rights and liberties for our people.

As a nation created in the quest of human liberty and within the concept that all men need to be recognized equally under law we need to: (1) continue protecting the fundamental rights and privileges essential to human happiness and national progress; and (2) design policies, not only to preserve these liberties for ourselves, but in the interests of ultimate peace to extend them to all humanity.

The crux of the difference between freedom and communism lies in liberty, under law, that is our most cherished treasure. This is the thing for which we die, if need be, but for which we prefer to fight and live.

We call this building that we are dedicating a county courthouse. Yet, the judge who presides in it applies a philosophy of law that is not only local but is the law of the land, it is indeed universal in its meaning. In this same building the county board sits, and its chairman and the board members administer the affairs of the county. The district attorney or county attorney, as he is called, likewise follows the rules of law of the State and the Nation. Here, also, are found the registrar of deeds, the county clerk, the county judge, the county highway commissioner, and the sheriff, all servants of the people, not masters.

I am happy to have had a part in this dedication ceremony, grateful, indeed, to have been privileged to meet with your distinguished group, and I am happy to compliment the citizens of this fine county, the taxpayers, if you please, who have made possible this handsome structure.

So, in my humble way, I assist in this dedication ceremony, dedicating this building to the future use of the citizenry of this city and county as a center for their administering of justice and the business of the county.

## Coal Pipelines

EXTENSION OF REMARKS
OF
### HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
*Monday, June 18, 1962*

Mr. GALLAGHER. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to reiterate views which I expressed at the time of hearings held by the Senate Commerce Committee on legislation that would grant Federal eminent domain for the construction of a coal pipeline from West Virginia to a point in New Jersey. The pipeline would carry pulverized coal mixed with water from the West Virginia coalfields to the New York Harbor area much the same as oil is carried across the country in pipelines. The coal pipeline is viewed as a means of stimulating employment in the coalfields of West Virginia.

I am opposed to the coal pipeline because it would have a disastrous impact on railroad economy and would result in an estimated 1,500 railroad workers losing their jobs, in addition to dock and coal terminal employees. The trouble is that any increased employment in the coal-producing area unquestionably would be offset by increased unemployment in other areas. Not only would the coal pipelines result in the further deterioration of railroad revenues and a loss of many jobs of railroad workers and dock and terminal employees, but there would also be a further stripping of the advantages of the port facilities in New Jersey. The solution of a regional employment problem at the risk of economic harm to a major industry and increased unemployment in a widespread area is of questionable validity.

It has yet to be demonstrated that the economics of the proposition would justify the creation of employment opportunities in West Virginia at the expense of the loss of employment opportunities in New Jersey and other States. Furthermore, since there is no immediate demonstrable advantage to the consumer, any long-range advantage does not seem in any way to justify support for this proposition. While we should be mindful of the plight of those unemployed in West Virginia, we should not attempt to solve this situation with means whereby we would create unemployment for others.

## Big Business in Space: The Case for Government Ownership

EXTENSION OF REMARKS
OF
### HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
*Monday, June 18, 1962*

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article entitled "Big Business in Space: The Case for Government Ownership," written by myself and the gentleman from New York, Representative WILLIAM FITTS RYAN, and published in the New Republic magazine for June 11, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### BIG BUSINESS IN SPACE: THE CASE FOR GOVERNMENT OWNERSHIP

(By ESTES KEFAUVER and WILLIAM FITTS RYAN)

(NOTE.—Senator KEFAUVER, Democrat, of Tennessee, is one of the six cosponsors of S. 2890, a bill to establish a public communications satellite corporation modeled on TVA instead of the administration's proposed private corporation. Representative RYAN, Democrat, of New York, sponsored a bill similar to S. 2890 in the House.)

One point Asher Brynes overlooks in his article on "Big Business in Space" (Apr. 23, 1962) is that placing our communications satellite system under private ownership would constitute the greatest giveaway by Government in our history. This system has been developed in the Federal Government—primarily the National Aeronautics and Space Administration and the Department of Defense—and thus has been financed by tax dollars. Dr. E. C. Welch, Executive Director of the President's Space Council, stated that in excess of 90 percent of our space communications capability has been taxpayer financed. By the end of fiscal year 1963 the Federal Government, NASA, and Department of Defense will have spent over $470 million on space communications satellite research and development. This does not include any of the billions of dollars which have been spent on space exploration, rocketry, guidance, etc., which also contribute to satellite communications technology. This expensively acquired know-how and the internationally shared natural resources of space and the radio spectrum are the essential and the overwhelmingly important "capital" of any communications satellite organization. James Webb, NASA Administrator, has testified before the House Commerce Committee that basic research and development will continue to be done by the Government, even if a private communications satellite corporation comes into being, and that such development will inure to the benefit of such a corporation.

The taxpayers' equitable property rights in any commercially usable satellite communications system, by virtue of their investment, is widely recognized. Attorney General Robert F. Kennedy testified before the House Commerce Committee: "It is our firm conviction that the general public should be permitted to participate in this proposed corporation. A monopoly created by legislation should not be turned over to a favored few. This is even more true when the probable success of this venture has been assured by governmental research and development at considerable cost to the taxpayers."

The Attorney General was testifying in favor of the administration proposal to reserve half the capital stock of the corporation for purchase by the American public, rather than give ownership entirely to a consortium of existing communications carriers. But the administration proposal merely adds a favored few to the favored few. While substantially all working Americans pay taxes, a recent study found that 1.6 percent of the adult population owns 82 percent of the stock held by individuals. This should be no surprise. Commonly one buys stock only with surplus funds, after the needs and amenities of life are provided and savings and insurance are adequate. It is no answer that the stockholders are going to place additional funds at risk. The opportunity to do so is a privilege which others may envy. Dr. Welch, testifying before the Senate Commerce Committee, said that commercial success is certain. He gave three reasons: (1) expanding demand for the service, (2) improving technology, which will lower costs, and (3) absence of competition. The simple and intelligent way to vindicate the taxpayers' investment is to continue taxpayer ownership, in the manner of the TVA and the Panama Canal Company. In the face of the facts and the equities, giveaway to a private corporation can only be explained by special-interest pressure and doctrinaire devotion to private ownership.

Since the system's revenues will result almost exclusively from taxpayer-financed expenditures, these revenues should likewise accrue to the benefit of all taxpayers. These revenues will undoubtedly be substantial. If not, why is A.T. & T. investing millions of dollars of its own money? Indeed, any attempt to minimize the system's potential is contrary to the administration's position and that of other observers. It is shared only by the carriers, who are nevertheless very eager to limit control of this "unprofitable" enterprise to themselves. If the system will not be profitable for a long time now, why aren't the carriers willing to let the Government retain it during this unprofitable period? And why did A.T. & T.'s vice president demand a Government subsidy for any nonprofit operations if he didn't anticipate there will be other highly profitable operations?

In this article, Mr. Brynes also avoids any discussion of the infinite and unprecedented economic, social, political and diplomatic implications of space satellite communications, as pointed out by the State Department and other authorities. Negotiations with Russia are in the offing; many other problems and ramifications are still unknown. For these reasons, the President originally insisted that the State Department conduct and supervise foreign negotiations. The carriers objected so vigorously, however, that the State Department has been relegated to the job of assisting the corporation where foreign policy considerations are involved, but only if requested by the corporation. It may be noted, as a sign of things to come, that A.T. & T. has already indicated a reluctance to go into underdeveloped areas regardless of our foreign policy objectives without any additional Government subsidy.

PLAY IT OUR WAY, OR ELSE

There is something frightening about the suggestion running throughout Mr. Brynes' article that the carriers themselves might boycott any but a privately owned system. They appear to be telling the Government, "you play our way or not at all." If as Mr. Brynes says, "industry is not likely to work as rapidly on hire to the Government as it would in carrying out this program on its own," may we expect A.T. & T. to argue that its manufacturing subsidiary, Western Electric, performed its Nike contract with the Army less well than it performs services for the Bell System? On the other hand, we will concede that Mr. Brynes could make a case against further hire to the Government by Western Electric in view of its vast profit pyramiding on Nike contracts, as recently brought out by the McClellan committee. Testimony before the committee indicated that Western Electric took $77.3 million of profits on the work of others to whom it had subcontracted Nike production.

Government ownership is the only way of insuring that we speedily adopt the best technology in space satellite communications. Allowing the carriers, with their extensive investment in present facilities, to control this great new facility is not only dangerous to development, but it is contrary to the longstanding policy reflected, for example, in our refusal to allow one form of transport such as railroads to control another form, such as the airlines. The danger is obvious; as Deputy Attorney General Katzenbach observed, there will inevitably be the temptation to retard development of the new and competitive facility to protect and insure a full return on the old.

The problem is particularly acute with respect to adopting the high-orbit system conceded by all but A.T. & T. to be the best. The low system will indeed go up first if A.T. & T. dominates the corporation, for A.T. & T. is investing $50 million in such a low system which it can hardly be expected to abandon. Hughes Aircraft Corp., however, claims to be able to put up a working high system in the very near future if it gets a NASA contract; RCA's David Sarnoff has declared that by the time a global low-orbit system becomes operable, it will be obsoleted by the high system. However, if the carriers put up a low-orbit system, they will have no inducement to hasten the introduction of the high system until they get their investment back on the vastly expensive low system. A Government-owned enterprise will not be held back by such factors.

Private ownership offers nothing indispensable: In the first place, an enterprise's technical competence comes from its staff, not its owners. How many of A.T. & T.'s shareholders know anything about the telephone business? And right now, as it did in 1946, the Government is running the only truly global system of worldwide communications, the Army Signal Corps.

Secondly, interconnection of facilities does not require common ownership. The independent telephone companies, A.T. & T., RCA, and others have been interconnecting with each other for years without common ownership and with equipment not manufactured by any of them. Finally, the communications industry does not have the technical competence to put up a satellite system faster than the Government for without the Government's past, present, and future research and development, private industry can do absolutely nothing.

But the most glaring omission by far in Mr. Brynes' article is the absence of any real discussion of the monopoly aspects of the problem. Government ownership appears to be the only way to avoid the antitrust problems resulting from the creation of a private monopoly by legalizing a joint venture dominated by A.T. & T.

Many people look to a communications satellite system to bring competition into the monopolistic communications industry. A.T. & T. presently has a 100-percent monopoly of international voice communication originating in the United States, and a virtual monopoly of domestic long lines. Users must accept A.T. & T. service and pay A.T. & T. tolls on a take-it-or-leave-it basis. A competitive alternative would be a healthy development, especially to be welcomed by competing international carriers, independent telephone companies, broadcasters and telecasters, news services, and other large users, including our Federal Government. Only the threat of competition from private microwave systems caused A.T. & T. recently to file its Telpak tariff, cutting rates by as much as 80 percent in some instances. The legislative proposals sponsored by the administration and the industry, respectively, would both deliver satellite communications into the hands of the corporations with which it is expected (1) to compete as a long line and an international carrier, and (2) to bargain, as a carrier's carrier. Without independence, a satellite organization cannot be expected to pursue either of these businesses with vigor. Since these communications companies each have manufacturing subsidiaries or divisions, we cannot expect much competition in its procurement of equipment, either.

INEFFECTIVENESS OF REGULATION

Even the proponents of the consortium proposals recognize these difficulties, but they would resolve all by FCC regulation.

Public regulation of private enterprise has certain inherent limitations which are fatal to the fulfillment of the national goals mentioned above. Its power is only inhibitory. It cannot substitute its decisions for the business judgment of the corporation's directors on such important matters as what type of satellite system to adopt. It cannot require a private corporation to operate at a loss, or at less than a reasonable profit.

In addition to these inherent defects, all observers have recognized the failure of the FCC in common carrier regulation. The FCC was established in 1934. During its entire existence it has never completed a full formal rate hearing on telephone rates. It has not developed any criteria for judging what is a reasonable rate of return. Beyond requiring certain uniform accounting practices, it has never thoroughly examined A.T. & T.'s asserted costs, including the reasonableness of the prices A.T. & T. pays its wholly-owned subsidiary and exclusive supplier, Western Electric. A current independent study for the Budget Bureau is only the most recent of a series of reports unanimous in their conclusion that the FCC is ineffective in this area. The Hoover Commission report, the Rand Corp. reports, and the Landis report for President Kennedy are the others. Whether this failure is due to lack of men and money, as the Commission pleads, or whether it is due to absence of will, as such commentators as Prof. Dallas Smythe observe, is immaterial. The failure is a matter of record. Competition is a better regulator than "regulation." In his recent transportation message, for example, the President called for less regulation and more competition.

The American people look to satellite communication as an instrument of their effort to bring about a peaceful and friendly world. Global coverage must be provided, although traffic with much of the world will not be profitable. Furthermore the Government is entitled to use of the satellite system at cost, in bringing America's message to the people of the world. A private corporation with primary responsibility to stockholders cannot undertake such activity.

Our basic job now is to proceed at top speed with development. We should not hasten to give away this revolutionary natural resource, especially since there are so many unresolved questions and problems, both technical and otherwise. The American people, through their Government, are doing all that needs to be done, and no one else can do anything more that is useful.

Let us not be misled by false slogans. Private ownership of the satellites will not be free enterprise, for that presupposes competition and risk capital. Here, there will be no competition, since a private monopoly is what is being created, and the carriers face no risk since their investment will go into the rate base where the telephone and other communications user will foot the bill. Actually, this will be the first instance in our history of a Government-created private monopoly.

Dixon-Yates, the atomic energy patent fight of 1954, and Teapot Dome are too recent for us to ignore. The still unknown potential of the space satellite system is so vast as to make those instances seem trivial.

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## Facts on Communist Propaganda, Part I—Universal Postal Union

EXTENSION OF REMARKS

OF

**HON. GLENN CUNNINGHAM**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. CUNNINGHAM. Mr. Speaker, in answer to many inquiries from Members, interested citizens, news sources, and others, I have prepared material on the various aspects of the Communist propaganda amendment which is now section 12, H.R. 7927, the postal rate bill. With the thought that such material might prove of interest to readers of the RECORD, I am including today a background statement on the Universal Postal Union.

UNIVERSAL POSTAL UNION (UPU)

This is an international mail handling arrangement which has served a very useful purpose. It might be referred to as an unofficial treaty between over 110 countries. It is not a treaty in the official sense. It need not be ratified by the United States Senate.

It facilitates the exchange of mail between countries throughout the world. In nontechnical language it works like this: If you want to send a letter to Sweden, you put the proper amount of United States postage on the letter, we retain the revenue, and the Swedish Government delivers the letter to the addressee without charge to us. In exchange, if someone in Sweden wishes to send you a letter, he purchases a Swedish postage stamp, Sweden retains the revenue from the stamp, and when the letter reaches the United States we deliver it to the addressee without charge.

This arrangement worked well and the participating countries have been satisfied with it for a period of many, many years. However, when the Hitler government was in power in Germany, complications developed because that government began the distribution of quantities of propaganda material to other nations. Then in the years following World War II, the abuse of the Universal Postal Union arrangement really began to take shape, due to the fact that the Communists relied primarily on propaganda materials to spread their doctrine throughout the world. They began to use the Universal Postal Union arrangement for political propaganda, a purpose for which it was never intended. Their volume of propaganda materials has multiplied continuously since that time, and that is the problem we have before us today.

The problem would not have such serious aspects, however, if the Communist-bloc countries would permit the free flow into their countries of our printed material, expressing our doctrine and ideas. But they do not do so. For example, you cannot find a single piece of American printed material on any Russian newsstand except the Worker, Communist newspaper from New York City.

One Communist-bloc nation refused to deliver letters from this country bearing a certain stamp in the "Champions of Liberty" series.

Also consider this: If our material were delivered in the Communist-bloc nations, thus giving people in those areas our ideas on world problems and a true picture of international events, then why would the Communist countries spend millions of dollars to jam our Voice of America broadcasts?

They will not allow the printed word nor the spoken word to reach their people.

## The American Motion-Picture Industry

EXTENSION OF REMARKS

OF

## HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. CORMAN. Mr. Speaker, one of the very important factors in the economy of my congressional district in California is the motion-picture industry. It employs thousands of people throughout southern California, and indeed throughout the Nation and world. Its contribution to the world's understanding of the United States, not to mention the millions of hours of entertainment it provides for Americans every year, cannot be measured by any normal yardstick.

I know that the foibles and indiscretions of members of this industry are frequently and sensationally covered in the Nation's news media, and I am not prepared to say that the American moviegoing public does not have the right to know about these people, whose salaries they pay and whose fame they create. On the other hand, I think that the sensationalism and notoriety sometimes conceal an underlying truth about Hollywood. It is this: In periods of national need, the motion-picture industry has made substantial and selfless contributions to the Nation's strength and understanding.

I might ask how many American soldiers, sailors, and marines have found a few minutes of respite from the tedium and terror of war from members of the great entertainment industry, persons like Bob Hope, Bing Crosby, Jack Benny, or Marilyn Monroe, to name only four of the thousands of entertainers who went to faraway areas of the world to entertain our troops in two conflicts.

One cannot assess in dollars and cents the contribution Hollywood has made to this Nation's war and savings bond effort in World Wars I and II and in the Korean conflict. But the cost of such efforts to Hollywood itself, and to the moviegoing public everywhere, can begin to be measured in the tragic loss of entertainers such as Miss Carole Lombard, who died in a plane crash during a bond drive in 1942, or of Bandleader Glenn Miller, another casualty of the war effort in this great industry.

Let me enumerate for my colleagues some of the facts about Hollywood's contributions along this line:

During World War II, the American motion picture industry supplied the military with 43,306 free prints of all feature films produced, and 33,236 free prints of short subjects. Estimated value: $40 million. Also during that war, the industry aided in seven separate war loan (bond) drives, as well as the final Victory loan campaign. Almost 30,000 film premieres were staged in support of war bond drives. More than 40,000 free movie days were held to promote bonds. Over 7,000 theater owners turned their establishments into bond sales centers.

But the greatest contribution was of time and energy by individual stars. By the end of hostilities and the early days of peace after World War II, 6,810 performers had made 55,286 appearances for American GI's, sailors and marines. Every theater of war was visited by these stars. The Red Cross, March of Dimes, and USO received $37 million in contributions as a direct result of theater collections during World War II.

Does this fine record of patriotism and service end with the Second World War? It does not. In Korea, many stars entertained troops in the frontlines of that war-torn peninsula. Every year, right through 1961, Bob Hope has spent his Christmas season with soldiers and sailors in distant outposts of the cold war. Motion picture personalities still make free public appearances in behalf of bond drives, and the industry provides free prints of many of its feature films for viewing in our embassies around the world. In 1960, the motion picture industry was the first entire industry to conduct a nonpartisan information campaign to get out the vote and raise funds for both political parties. The industry continues to support the Red Cross, American Cancer Society, March of Dimes, Boy Scouts, and other drives with funds and free talent.

Perhaps no man has been a more selfless spokesman for peace and universal brotherhood than Danny Kaye, whose efforts in behalf of UNICEF have been widely heralded. The industry has prepared special films for the United Nations, as well as for our own Government, whenever asked. Finally, through teaching film custodians, the industry has made available special material from feature pictures for the use of educators. Some 500 excerpts from Hollywood films are being shown every day in American classrooms, surely a powerful argument for the contribution these products are making toward the enlightenment of our population.

And, Mr. Speaker, behind the cameras in Hollywood are thousands of cameramen, gaffers and grips, wardrobe and makeup experts whose personal sacrifices for a nation in peril or a community in need have been considerable.

I ask permission at this point to reproduce the remarks of a film star who recently traveled at his own expense to Washington, in order to deliver the keynote address of the annual payroll savings campaign kickoff at the Treasury Department. His name, familiar to all who enjoy motion pictures, is Kirk Douglas.

I present these remarks to demonstrate the sort of dedication and patriotism for which Hollywood is justifiably famous:

### SPEECH BY MR. KIRK DOUGLAS AT BOND DRIVE, DELIVERED IN WASHINGTON, D.C., APRIL 16, 1962

My mother and father came to this country as immigrants from Russia. I remember my mother telling me she literally believed, as many did, that here in America they would find gold bricks lying in the streets. Of course, she found no gold bricks, but she discovered something better: A way of life that enabled her to raise seven children in freedom and see her only son go through college and work in a field that he selected.

We hear so much now about world peace, and getting along together, and the United Nations. This is nothing new to me, or to my friends living in Amsterdam, N.Y., where I grew up. We lived on Eagle Street, and our name then was Danielovich. Next to us lived the Cruscettis. Across the street was a Polish family, the Uskaratis. Above them lived the Schettlebauers and the Browns and the Kellys, the Naples and the Ginsbergs. I played together with Ginga, Tony, Mladin, Abie, and Stash. We fought, we argued, and although some stones were thrown and a few noses bloodied, still, we all grew up with a feeling of deep affection and respect for each other.

I remember when I hitchhiked to St. Lawrence University, on top of a load of fertilizer with $163 in my pocket. There, I got my first dramatic training on the wrestling team. During the summer months I earned money to pay for my education by working with a county fair. I was the "hero" in the audience, ready to accept the challenge of the villain wrestler up on the platform.

You know, I have spent most of my professional life in the making of motion pictures, and each year I have come to respect the medium more than I did the year before. I have tried to express that respect in my work. Sometimes I have failed, and sometimes I like to think I have almost succeeded, but I have always tried, because I am aware that the films we make in Hollywood can project the reality of America's aspirations, not only to the rest of the world, but to the world of tomorrow. For film is real, it can be preserved, and the images it holds will retain the quality of life long after the actors and artists who made it are forgotten.

Hollywood is intensely topical. It seeks to reflect the issues of our time, and, of course, the greatest of these, not only for Americans but for all the peoples of the earth, is the issue of human freedom. Freedom has always been at the heart of our American dream, and we have always fought for it when it was threatened. But today freedom means more to us than ever before, not because we loved it less in the past than we do now, but because today it is in greater jeopardy than ever before.

Human freedom, the need to secure it, the obligation to preserve it, the necessity to defend it, the resolution to die for it, this is the great theme of our time. The Treasury's freedom bond drive is an opportunity and a challenge for all who sincerely wonder, "What can I do for my country?" The bond drive is using two slogans: "Underwrite Your Country's Might" and "Keep Freedom in Your Future."

I know that you here who are serving as volunteers are also bond buyers. "Patriotism" is not just a corny word in the dictionary to all of you. It has meaning and purpose. Just as it had to Col. John Glenn, who said in his speech before Congress:

"I am certainly glad to see that pride in our country and its accomplishments is not a thing of the past. I still get a real hard-to-define feeling whenever the flag goes by."

Colonel Glenn, so do I.

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## Regional Power Preference Will Start a Chain Reaction

EXTENSION OF REMARKS

OF

### HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. GUBSER. Mr. Speaker, recently I testified before subcommittees of the House and Senate Interior Committees in opposition to bills which would create a new concept of regional power preference which perverts the long established preference clause in reclamation law.

If the Northwest is allowed special treatment whereby its private commercial customers are given preference over bona fide preference agencies, then every other area in the United States is entitled to the same treatment.

I am therefore compelled to request that northern California which produces so much power be given the same right of recapture as the Bonneville Power Administration is seeking.

I still believe these regional preference bills should be defeated, but if one is passed, it should give equal treatment to all.

Under leave to extend my remarks, I submit herewith a letter written to Senator ANDERSON proposing an extension of regional preference and enclosing a proposed amendment to H.R. 11264.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, D.C., June 18, 1962.*

The Honorable CLINTON P. ANDERSON,
*Chairman, Irrigation and Reclamation Subcommittee, Senate Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.*

MY DEAR SENATOR ANDERSON: As you know, I appeared at the hearing on May 21, 1962, held by the Irrigation and Reclamation Subcommittee of your Senate Committee on Interior and Insular Affairs, and testified in opposition to S. 3153, the so-called regional preference bill which would give the Pacific Northwest priority call on all Federal electric power produced in the Northwest. I testified similarly at the House hearings on identical bills (H.R. 11264 and 11265) held on June 11 and 12, 1962.

My basic opposition to this proposed legislation is that it would take away California's existing preferential right to Federal Northwest power for project water pumping and Federal defense establishments and would give nothing in return. Similar agencies in other States within economic reach of the Federal plants in the Northwest also would be denied their rights unless they are specifically included in the area the bill describes as the Pacific Northwest.

You are well aware, of course, that this legislation was proposed by the Secretary of the Interior after his task force declared it feasible for the Federal Government to build a 1,000 mile intertie transmission line from Bonneville to southern California. Such a line would bring California into the Bonneville service area under terms of the Bonneville Power Act of 1937. Since "economic transmission distance" is the prescription the act gives for the service area, any public agency in California now has rights to Bonneville power and, under the preference law, has prior call over all nonpreference private customers in the Northwest who now purchase more than half the energy produced by Bonneville.

As you so ably brought out in your questioning of Bonneville Power Administrator Charles F. Luce, this bill would guarantee Federal power to those private customers in the Northwest and deny it to preference public agencies outside the Chinese wall of Northwest protection, even though those public agencies are within economic transmission distance. Mr. Luce said Bonneville's economic reach now extends 2,000 miles, or as far east as Chicago.

As you know, half of all the hydroelectric power installed in Federal plants all over the Nation is in the Northwest. All that power, which belongs to all the people, would be locked up forever in the Northwest—for private as well as public uses—and would be denied to the rest of the Nation.

I strongly reaffirm my opposition to this bill for these and many other reasons, all of which appear in the records of the two hearings.

Since the Senate and House hearings, I have realized that this bill has still another important consequence to California. If it becomes law, it would clear the way for a Federal intertie, as the hearings so clearly disclosed. Any such Federal line built to Los Angeles would run through the center of the area served by the Federal Central Valley project in northern California.

The CVP now has an installed capacity of 629,500 kilowatts. Shortly the Trinity River plants will be completed, adding 384,350 kilowatts to the installed capacity. Bills are now pending for congressional authorization of the new Melones project, which would add another 150,000 kilowatts, and the Auburn project which will bring in an additional 155,000 kilowatts. These will bring the total installed capacity of the Central Valley project to 1,318,850 kilowatts.

There are some big public agencies in southern California which qualify fully for preference such as the Los Angeles Bureau of Water and Power, and the cities of Pasadena, Burbank and Glendale, who have indicated their interest in the intertie. There are also numerous large and important defense establishments in the area. If such agencies are denied preference for Bonneville power by passage of this bill, they could demand CVP power over the same Federal line. Then, Los Angeles, for example, would be in a position to take project power away from northern California, the CVP's region of origin.

Federal installations like the Stanford Linear Accelerator, the Ames Aeronautical Laboratory, and San Luis project pumps, all in the northern California region, could lose out to Los Angeles. The line would also imperil the future power supplies of existing CVP customers such as the Sacramento Municipal Utility District, the Beale Air Force Base, the cities of Redding and Roseville, and irrigation districts up and down the Central Valley.

Moreover, since the proposed bill fences Nevada out of the Northwest power preserve, and since Hoover Dam power is fully allocated, Nevada agencies, who would have no place else to go, also might demand CVP power. You will recall that some years ago Nevada sought 33,000 kilowatts of Central Valley power. Thus, the bill would transfer the protection problem from the Bonneville region to the Central Valley region.

S. 3153 provides for some reciprocal protection in section 4. The reciprocal protection contained in the bill, however, does not protect the CVP area to the extent the bill protects the Northwest. The Northwest is protected on all sides. CVP would only be protected in its dealings with the Northwest. It would still be unprotected in regard to regions such as Los Angeles and Nevada.

Therefore, although I do not consider the principle of regional protection sound and will continue to fight against passage of this legislation, if Congress should approve the principle, northern California should also be protected. To provide this protection, I am offering an amendment to the House bill which would give northern California power consumers the same protection for CVP power which the bill now gives the Northwest for Bonneville power.

I enclose a copy of my amendment to the House bills. By copies of this letter, I am forwarding copies of the amendment to my California colleagues, Senator THOMAS H. KUCHEL, a member of your committee, and Senator CLAIR ENGLE, with the urgent request that they join me in seeking protection for the Central Valley project service area by introducing the same amendment to the Senate bill now before your committee.

Very respectfully yours,
CHARLES S. GUBSER,
*Member of Congress.*

AMENDMENTS TO H.R. 11264

In line 1 of the title to the bill, page 1, insert after "Pacific Northwest" the words "and northern California". Delete the words "that region" in lines 2 and 3, and insert "their respective regions".

Add section 9 at page 8 as follows:

"Sec. 9. Any contracts of the Secretary for the sale or exchange of electric energy generated at, or peaking capacity of, Federal plants in the State of California north of Tehachapi Mountain Range for use within any other area shall be subject to limitations and conditions corresponding to those provided in sections 2, 3, 6, and 7 for any contract for the sale, exchange or transmission of electric energy or peaking capacity generated within the Pacific Northwest for use outside the Pacific Northwest."

## Washington Report

EXTENSION OF REMARKS

OF

## HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 18, 1962*

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following newsletter of June 16, 1962:

### The Pen Is Mightier Than the Sword—Or Is It?

(By Congressman Bruce Alger, Fifth District, Tex.)

The rule of reason, not the rule of force, is the very foundation of a democracy, of a republic within a democracy. Government of, by, and for people requires and expects knowledge and understanding by the people of the issues (the problems and their solutions, legislative or otherwise) confronting them. People individually have problems, banded together as a society, with a Government, they have (common) problems. Some problems can and must be solved individually, some collectively, some privately, some through Government. First then, the role of Government must be determined, then followed. Americans chose a Constitution. A democracy was chosen to give everyone a voice; a republic, that is, Government through elected representatives, was chosen to make the democracy (an unruly mob) work. But always the people must know the problems and decide the proper solution, whether it is a private matter or for their Government to solve and if Government, then how, by what kind of law? So it is that ideas reign supreme in a free society. Theoretically, a legislator confronts, identifies, and explains the problem, then seeks, identifies, and explains the solution or the alternatives, never transgressing the individual's freedom as outlined in the Constitution. Theoretically, the constituent shares the procedure and agrees or disagrees, but always knowledgeably. So that the legislator's job, theoretically, is but to identify the problems, decide the proper solution, inform constituents and be supported or rejected by constituents. Ideas and the pen reign supreme in the land of free and home of the brave—or do they? Is the power of Government and control of public relations completely altering the basic foundation of our freedom and Government? This week's activities, in practice, not theory, provide some interesting clues or answers to the struggle of ideas versus Government force (via carrot-and-stick technique).

Economics of a free society and the lack of understanding of it, continues to plague Congress and the administration. At Yale, the President demonstrated again his belief in the carrot-and-stick technique as a club over business (theoretically, private and free), and simultaneously wondered why business is faltering, uncertain, and wary of Government.

The public debt limit, H.R. 11990, to increase temporarily the national debt from $300 billion to $308 billion became the focal point for the whole economic problem this week. Last February the debt was increased from $298 billion to $300 billion. This bill was labeled temporary because by its terms the debt will drop to $305 billion April 1, 1963, and $300 billion June 24, 1963. Many Members of Congress believe in big spending, and ever-increasing inflation through Government's deficit financing (which increases the money in circulation without a proportionate increase of goods and services). Of course, many Members do not, including me. The basic argument for the bill, considered unanswerable, was this—after you've run up the bills, you must pay for them. And Congress has voted that this money must be spent by the President; it's inconsistent to now deny the money by use of the debt ceiling. The arguments against as I presented them on the floor of the House were: (1) I have not run up these bills. (2) Congress has no limitation to its power to spend except this debt ceiling, so we must limit the supply of money to force the "agonizing reappraisal" by the President and Democrats in Congress as to what is our fiscal policy and what priority do we establish once we admit there is a limit to what we can spend. (3) Nondefense spending is soaring and must be cut back. (4) The administration has $181 billion of unexpended obligational authority which the President to a degree can control, as to its flows. (5) With this increase we have increased the debt $23 billion in 12 months. (6) The budget is badly imbalanced—borrowing to balance the budget is not the answer; rather reduced spending. (7) $150 million of the debt has resulted from "backdoor spending" which Congress has not properly authorized, which, of course, is unconstitutional. (8) President Kennedy has increased spending $20 billion in 18 months. (9) Our gold supply is down to $16.5 billion, and deficit financing and increased debt accelerates the outflow (foreign aid just voted is $4.7 billion—we are borrowing to give it away). Members chuckled to see several Democrats wait to vote, checking the final count, until sure they could vote "no" without defeating the bill (including a Texan).

The Fryingpan-Arkansas project, Colorado, defeated several times before, was passed by the House. This provides, at fantastic cost, a system of canals and tunnels to divert water through the Rocky Mountains from west to east for power development, irrigation, and reclamation. Unhappily, I must report that only 25 Members arose to support the demand for a rollcall (less than 10 percent of those present). So this bill passed with Members (of both parties) refusing to go on record, for one reason only: for fear of repercussions from people back home.

Secretary Ribicoff came before our committee asking a compromise to the President's plan to place medical care under social security, providing any compromise plan would not eliminate the compulsory tax and coverage of social security, of course. This is no compromise, but demanding agreement. The suggestion of compromise indicates, we believe, that the President realizes that he has lost the fight. The agreement was not forthcoming. Once again, to his face, I repeated my charge of actuarial unsoundness. The actuary for the social security program, Bob Myers, agreed that the program was $298 billion in the hole. The amount owed to present beneficiaries and those now contributing is unfunded by $320 billion less than $22 billion in the trust fund (the latter in the form of Government IOU's). The Secretary did not dispute this—indeed, I suspect the program is even further out of balance despite the accelerated taxes that lie ahead.

The Equal Pay Act of 1962 seeks to provide by Federal law equal pay for employees regardless of sex. With the principle of equal pay for equal work I agree, but I fail to see what business this is of Federal Government; also, I am not unmindful of the violation of State law and such present benefits women enjoy in work because of physical difference (rest periods, stools, chairs, maximum hours, etc.).

As a Member of Congress, in this newsletter, I have here once again communicated my ideas in writing as I have done in speeches on the floor of the House and in the Congressional Record. Now I wonder if my ideas are right—will they prevail? Will people know, and then will they agree or disagree? Or will law be imposed on them unknowingly (to them); will they protest and demand changes or will it be too late if they fall behind in knowledge of their Government, which can end up their master. Is the pen mightier than Government force? Will right prevail? Christianity has not been stamped out, but has grown for almost 2,000 years. However, periodically freedom has been lost along the way. Surely right will prevail, but I see no reason to help the liberal-radicals among us propagandize us out of our God-given rights and freedom. Wouldn't it be better for every American if Members of Congress unswervingly followed the facts and the truth, realizing then that individual mistakes, and mistakes there will be, will be correctly canceled out by others who likewise base their decisions on fact and truth? So, what we really want and what we must not lose sight of as I see it is to be sure as individuals, as elected officials, and as government, as a society, that we are on the side of right and not under peril of extinction and loss of salvation by intentionally twisting the facts and truth to serve our purpose. Yes, the right ideas will prevail and the pen is mightier than any government force.

## U.S. Economic Illiteracy

EXTENSION OF REMARKS

OF

## HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

*Monday, June 18, 1962*

Mr. WILEY. Mr. President, the Nation, for progress and security, needs to maintain a strong economy.

Gradually, however, our appreciation of the significance of our economic system to progress and security, is diminishing.

The reason, I believe, is a developing economic illiteracy.

In a weekend speech at Hortonville, Wis., I was privileged to discuss this serious problem as well as make some recommendations for dealing with it.

I ask unanimous consent to have excerpts from my speech printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

### Wiley Cites Dangers of Economic Illiteracy in the United States

(Excerpts from address prepared for delivery by Senator Alexander Wiley at homecoming at Hortonville, Wis., June 16, 1962)

I am happy to be with you, to share in the good spirit of your homecoming.

In a world and times of high tension and crises, "homecoming," here at Hortonville, or elsewhere, has a special meaning, where we meet old friends and make new ones; review our progress; together, look forward to the future; and attempt to strengthen our faith, not only in our people, but also, the competence of our Nation, to meet and surmount the great obstacles and challenges of the times.

For the future, the progress and security of the Nation and its people depends upon a strong, dynamic, forward-moving effort: to insure the well-being of our citizens; to promote economic progress; to assure that individually, and as communities, all of us are sharing proportionately in our national progress.

Success in such endeavors, however, depends upon full utilization of our human and natural resources. To attain these goals then, communities like Hortonville need to demonstrate in day-to-day working and planning the wonderful, friendly, cooperative spirit reflected in the homecoming activities.

### GETTING "OUT OF THE RUT"

Often, we, as citizens, get into a rut, adhering to, and practicing, outworn and outmoded ideas.

For this reason, all of us need, from time to time, to take a new look at ourselves; to reevaluate our progress; to reassess our potential; and to determine whether or not we are best utilizing our citizen and community resources to best serve the well-being of our people and promoting progress.

Now what are some practical steps which, if taken, would help to serve these purposes?

First. Reestablish the town-meeting-type counciling, or appoint a special committee, to undertake the following actions:

Study economic problems and trends; reevaluate the pace, and direction, of progress; consider alternative steps for solving problems; and getting ahead faster; and encourage local citizens to pool efforts, material, and finances to undertake needed projects.

Second. In attempting to speed up progress, obtain guidance and assistance from available outside sources, such as State agencies; educational institutions; bureaus of business research; bureaus of economic research, etc.; the Area Redevelopment Administration of the Department of Commerce; the Small Business Administration; agricultural or conservation programs that may be applicable to local problems; rural development programs, particularly in developing farm village projects for mutual benefit.

Third. After determining the needs of the community and establishing plans to promote progress, there must be action to mobilize the people, in spirit and action, and resources for promoting economic, social, educational, agricultural, or other types of progress.

### ECONOMIC ILLITERACY

Over the years, however, we have unfortunately, gradually diminished our appreciation of the significance of our economic system to our progress and security.

What is the reason? The Nation, in my judgment, is suffering from serious economic illiteracy. According to Secretary of Commerce Hodges:

"No more than 10 to 15 percent of today's high school students, tomorrow's citizens and voters, will ever take a separate course in economics, either in high school or in college.

"Of the 50 States, only 16 require an elementary course in economics to qualify for teaching high school social studies, the area where most students get their economics.

"Surveys by the Opinion Research Corp. among college-caliber high school graduates show that only one-fourth realize that the surest way to raise the standard of living is to produce more goods per man-hour. Many think you can push up standards simply by raising wages or increasing Government spending."

For these reasons, a greater effort is necessary to understand, and strengthen, free enterprise.

How best can this be done? By the following steps:

1. By better educating our citizens, adult and in school, of the significance and working principles of our economic system.

2. By encouraging more people, not only to understand and appreciate, but also confidently invest in, enterprises, small and large, serving as a hub of economic life for a community.

3. By reawakening our citizens' "enterprising spirit," full of faith and confidence, to improve the economic status of existing, and creating new, enterprises for a strong free economy.

### CONCLUSION

In evaluating the national economic picture, we must always remember that free enterprise, not the Government, despite a $93 billion Federal budget, creates the "giant's share" of U.S. jobs and goods and services.

In reality, Government spending is not a "measuring stick" of progress. To the extent that it involves participation in normally nongovernmental economic-human welfare programs, rather, this represents a failure of our system to fulfill such needs of the people and the country.

The Nation, then, must undertake renewed efforts to strengthen our free enterprise system—to maintain a strong, free, healthy economy; to prevent Government from "taking over" more activities that can and should be performed by the economy; to reverse the trend of ever-greater Federal budgets and higher and higher deficits; to provide the productive, fast-progressing economic system necessary for greater needs and challenges of the future.

### NEEDED: CONFIDENCE IN ECONOMY

Progress in our economy, also, depends to a tremendous degree, upon optimism and confidence in our economy by you—Mr. and Mrs. America.

Now, is there a justification for such confidence and optimism? In my judgment, yes—absolutely yes.

In the past, unfortunately, there have been mistaken, and sometimes ridiculous and irresponsible, efforts—both at home and abroad—to categorize our economy as "second rate."

The economic facts of world life, however, demonstrate that this is far from the truth.

Let's cite some examples: First, comparison with Communist progress. Today, the United States has a gross national product rate of $548 billion annually. According to best estimates available, this is way ahead of the combined output of all the Communist countries, valued at $350 billion annually. The Red bloc includes Albania, Bulgaria, Communist China, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania and the U.S.S.R.

Second, what about competition with free-world nations? Again, the United States is way "out front." Annually, our production far exceeds, in fact, about doubles, the combined output of the United Kingdom, Germany, France, Canada, and Italy.

For these reasons, then, the American people should, in my judgment, be absolutely "out of patience," in fact, irritated with the economic pessimists who, for whatever motives, downgrade our economic progress and accomplishment. There is absolutely no justification either for political or economic shortsightedness in underselling our country.

From these comparisons, then, it is obvious that we are not in danger of being immediately overtaken either by the Communists or non-Communist nations, although we cannot disregard such competition. The long-range efforts of the economy, however, should be "zeroed in" on such targets as:

1. Providing ample goods and services to meet the needs of a fast-growing 186 million population, expanding at the rate of 3 million a year;

2. Creating the jobs necessary for our labor force, growing at 25,000 a week;

3. Strengthening the economy's ability to pay national expenditures, particularly skyrocketing costs for defense amounting to over $50 billion annually; and

4. Promoting economic progress, not just in response to competition from abroad; but, rather, to "live up to" the great traditions, and the potential of our free economy, the mightiest production system in the history of the world.

### WORLD PICTURE

As a U.S. Senator—and as a citizen—I, like yourselves, naturally find it necessary to concentrate upon, and make special effort to resolve, the problems which are of major importance to me.

However, we must not lose ourselves in a "neighborhood size," perspectively limited world.

Around the globe, as well as elsewhere in the life of our country, instead, there are the great, broad-scope challenges of significance, not only to our individual interests, but to our national progress and peace, and perhaps our survival.

What are these larger scope challenges? In reviewing the world picture, high priority, in my judgment, needs to be accorded the following:

1. Preventing a third world war; or, more positively, exerting every justified effort toward promoting peace and progress in the world.

2. Maintaining strong, healthy, free world economies: to support the skyrocketing costs of defense; to meet the ever-growing needs of fast-expanding national populations; to provide the "wherewithal" to fulfill the defense-economic needs of the free world.

3. Engaging in a continuous effort to encourage all citizens to dedicate themselves to keeping America free.

May we take a few moments before we conclude to step back into the past?

In 1620, our forefathers "back in the old country" came to this conclusion: "Let's find new homes across the sea," and so it was. First, Plymouth Rock and then the settlers pushing on to build these United States of ours. For home is where the heart is, and their hearts were not in unjust taxes—or taxation without representation—religion without a choice, trial without a jury.

But today, your hearts are here in Hortonville, and that is why you are gathered here, as one heart with one love, your hometown, U.S.A.

Now, your thoughts may wander back to fathers, grandfathers, sons, daughters, or dear friends who have made the supreme sacrifice when our freedom was challenged. But you can find peace in knowing that they did it because our freedoms had been instilled in their very hearts and souls, in the home, in the hometown, in our American way of life.

I, as your senior Senator, along with other duly elected Representatives, represent Hortonville and all the hometowns all over Wisconsin and our United States, to ensure that our Government will maintain the freedoms established by our forefathers. This is not an easy task.

Abraham Lincoln has said: "You can please all of the people some of the time, and some of the people all of the time, but you cannot please all of the people all of the time."

And, indeed, this is true. But I can assure you that you are looking at one man who is proud of his heritage, and who still believes that our Constitution, guaranteeing these freedoms to all people under our flag, still represents the only free way of life, and I shall steadfastly stand to defend it.

Our freedom of religion, freedom of speech, our right to assemble, and our right to petition our freedom from unreasonable searches of our persons, homes, papers and effects, just compensation for private property taken for public use, the right to jury trial and counsel and the right to summon witnesses, all of these and more are guaranteed us through our Bill of Rights attached to our Constitution. Equally important in our free way of life is our right to leave something we do not like—freedom to quit a job, freedom to leave a country if you do not like the way it is being run—example: couple with family from Philadelphia, who recently went to Russia and returned.

This is one of the big differences between the beliefs of a Communist country and a democracy. They say that their people are free because they cannot lose their jobs. We say they are in a kind of slavery because they cannot quit their jobs.

This, then, is our American way of life handed down by our forefathers and I implore each and every one of you to be ever mindful of your individual rights, and to utilize them as our forefathers did to keep America strong at its core, our homes, and our hometowns.

Be thankful today for Hortonville, U.S.A., for a country filled with people who continue to live in peace and security.

So be ever watchful and thankful and pray, teaching your children as you were taught to exercise your freedoms and your love of home, your hometown and your country. Instill in them their heritage as it was instilled in you, and show them by your words and actions and deeds that it is worthwhile and necessary that they live and teach their children to live to this end.

For there is a tie that binds our forefathers, our Constitution, our hometown, and our United States. And you are proof of this today.

Russia has no homecoming, because they are taught in their country to have steel helmets and mortal minds. We wonder how this can be, for we are taught in our homes, our hometowns, our country to have warm hearts, with only love of country and neighbors.

So let us be mindful of this lesson from our great Teacher which has been passed on to us through our forefathers.

Someone has said: "It takes a heap of livin' to make a house a home." And so it is. Our freedoms allow us a "heap of livin'." Russia is filled with houses. America is filled with homes. Russia celebrates May Day in tribute to the state.

We, on July 4, celebrate independence—which is our heritage. I thank God that America still has a homecoming day to remind us of our heritage, such as this, your Hortonville homecoming.

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## Appointment and Selection of State Election Officers

EXTENSION OF REMARKS

OF

### HON. J. GLENN BEALL

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

*Monday, June 18, 1962*

Mr. BEALL. Mr. President, I recently found that there was no compilation of the various State codes and statutes regulating the selection of election officials. As this is a republic, each of the several States has the power to establish its own election procedure and to establish guidelines for the selection of its election officials on the precinct level. It seemed to me to be important to have brief descriptions of the respective codes and statutes assembled in one place for convenient reference. I therefore asked the Library of Congress to prepare such a compilation. This valuable work has just been completed and the research report delivered to me. I would like to share this report with the other Members of this body and with all the American people.

I am informed by the Public Printer that the report will make 6½ pages of the CONGRESSIONAL RECORD, at a cost of $585. Notwithstanding the cost, I ask unanimous consent that this material be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

APPOINTMENT AND SELECTION OF STATE ELECTION OFFICERS

THE LIBRARY OF CONGRESS,
*Washington, D.C., June 14, 1962.*

To: Hon. J. GLENN BEALL,
From: American Law Division.
Subject: State election officers, political representations.

State statutory provisions relating to the appointment and selection of election officers who conduct elections vary widely from State to State. Even within some States the methods of selecting such officers vary in different political subdivisions or localities. Some municipalities have such provisions within their charters while special acts set up procedures for specific districts or localities which vary from the general statutes of the States.

Since such statutes are so diversified any attempt to cover all such provisions in the 50 States in one report would be so comprehensive an undertaking as not to be feasible within present limitations of time and staff.

An attempt is made to give a short statement of State statutory provisions having general application, with particular emphasis upon provisions relating to the political qualifications of such officers.

GROVER S. WILLIAMS,
*Legislative Attorney.*

ALABAMA

*Code of Alabama, title 17, sections 120–126*

Officers of election: Provides that the judge of probate, the sheriff, and the clerk of the circuit court, or a majority of them, acting as an appointing board, must, not more than 20 nor less than 15 days before election, appoint from the qualified electors of the respective voting places three inspectors and two clerks for each place of voting, and a returning officer for each precinct, to act at the place of holding elections in each precinct.

Prohibits any candidate for election from serving on the appointing boards. Permits each political party to furnish the appointing board a list of not less than three names of qualified electors from each voting place, and from each of said lists an inspector and clerk shall be appointed for each voting place. Where there are more than two lists filed, the appointments shall be made from the lists of the two political parties having received the highest number of votes in the State in the next preceding regular election, if each of said parties presents a list.

Permits each political party having candidates to name a watcher who shall be permitted to be present at the voting place from the time the polls are opened until the ballots are counted and certificates signed.

ALASKA

*1960 Election Code, chapter 83, laws 1960, sections 2.11–2.14*

Election Supervisors: Provides that the Secretary of State shall appoint one election supervisor for each of the four major senate districts of the State. Prohibits an election supervisor from holding office in a political party. The supervisor may be an executive department employee but if so, he shall serve without extra compensation.

Provides that the election supervisors shall appoint an election board within their district to be composed of three judges, for each precinct from among the qualified voters of each of the precincts for which they are appointed. No more than two judges may be of the same political party.

Provides that each supervisor appoint two clerks for each precinct not of the same political party.

Permits the chairman of each election board to appoint a maximum of four persons as counters in each precinct with no more than two of the same political party if more than two are appointed.

If only two counters are appointed they may not be of the same political party.

ARIZONA

*Arizona Revised Statutes, sections 16–771, 16–776*

Appointment of election boards: Directs the board of supervisors of each county not less than 20 days prior to an election to appoint for each election precinct one inspector, two judges, and not less than two clerks of election. Requires the inspector, judges and clerks to be qualified voters of the precinct for which appointed, and requires that the judges and clerks be members of the political parties which cast the highest number of votes in the State at the last preceding general election, but if, not less than 1 week prior to the appointment, the chairman of the county central committee of either of the parties designates qualified voters of the precinct as judge and as clerk, they shall be appointed.

In election precincts where there are 350 or more qualified electors the board of supervisors are permitted to appoint in addition to the board of elections a similar board to be known as the tally board to take custody of the ballots from the closing of the polls until the tally of the ballots is completed. The tally board shall consist of the inspector of the board of elections, two judges and not less than two clerks, and shall be appointed with the same qualifications and on the same basis as set forth. A member appointed to serve on the tally board, with the exception of the inspector of the board of elections, shall not be appointed to serve on the board of elections.

ARKANSAS

*Arkansas Statutes, sections 3–601 through 3–612*

State board of elections: Provides that the Governor, Lieutenant Governor, the attorney general, the secretary of state, State auditor, State treasurer, commissioner of State lands, the State chairman of the State central committee of the majority party and the State chairman of the State central committee of the minority party shall comprise the State board of elections.

County board of election commissioners: Provides that the county chairman of the county central committee of the majority party and the county chairman of the county central committee of the minority party shall be members of the county board of election commissioners and together with one additional or third member to be appointed by the State board of election commissioners, shall constitute the entire membership of the county board of election commissioners for each of the several counties in Arkansas. Requires that the State board of election commissioners meet no more than 90 days nor less than 50 days before elections to appoint county election commissioners.

Makes it the duty of the county boards of election commissioners not less than 5 days preceding a general election to select and appoint three judges and two clerks for each voting precinct in their respective counties; provided however, that two judges and one clerk at each precinct shall be chosen and appointed by the two members of the county board of election commissioners representing the majority party and one judge and one clerk at each precinct shall be chosen and appointed by the member of the county board of election commissioners representing the minority party.

Requires all commissioners, election judges and clerks be qualified electors of the State, county, and precinct in which they reside or in which they keep their political residence. They are required to be discreet persons, able to read and write the English language and shall not have been convicted of any infamous crime and not be a candidate for any office to be filled at the election.

Provides that in the event the majority or minority representatives on such county boards of election commissioners do not select and appoint their full quota of judges and clerks for each voting precinct then the county boards of election commissioners by majority vote may fill such vacancies, provided, that in no event shall all of the judges or both of the clerks at any voting precinct be members of the same political party.

### CALIFORNIA

*West's Annotated California Codes Elections, section 1 et seq.*

Election board: Provides that the election board means the board of supervisors of each county, the city council or other governing body of a city, or any board of officers to whom similar powers and duties are given by any charter.

Precinct boards: The election officers appointed for each precinct constitute the precinct board. Provides that each precinct board consist of one inspector, two judges, and three clerks with discretion in the board of supervisors as to number of election officers. Requires that each election officer be able to read and write the English language and prohibits the appointment of permanent employees of the State, county or city except that where enough qualified applicants are not available, one permanent employee may be appointed in each precinct.

Provides that preference for the position of election officer shall so far as possible be given to a qualified person (a) who has passed a civil service examination involving a test for a clerical position, or (b) who has previously rendered satisfactory service as an election officer.

Provides that the election board appoint the election officers and publish the list with the name of the political party, if any, which each officer is affiliated.

### COLORADO

*Colorado Revised Statutes, 49–6–4 to 49–6–8, 49–7–1*

Appointment of judges of elections: Provides that the clerk or recorder of the county appoint three judges of election in each precinct to serve as judges of election at any primary, general or special election, except in cities whose charters provide for an election commission, then such appointments are to be made by such commission. Such appointments are for a period of 2 years and each judge shall be a qualified elector of his precinct.

Provides that no one who is the employer, agent, superintendent, manager or boss of a number of employees, or any company, corporation or person carrying or mining or manufacturing or railroad operations in any precinct; shall be appointed a judge of election.

Permits the county chairman of each of the two political parties in each county having cast the highest number of votes for Governor at the last general election to submit a list of persons to be selected judges of election and directs the appointments be made from such list. Entitles one political party to one member of election in all even numbered precincts and the other in all odd numbered precincts. Provides for determination by lot which political party shall be entitled to the third member in even numbered precincts and which political party shall be entitled to the third member in odd numbered precincts. Directs the clerk to appoint the third number as designated by the county chairman if such a designation is made and if not, he may select any one of the names from the list.

Also permits the appointment by the clerk of three additional counting judges in accordance with the same procedure of judges of elections in all precincts where in the last preceding general presidential election there were cast 200 or more votes.

### CONNECTICUT

*General Statutes of Connecticut section 9–1 et seq.*

Commissioner of elections: Provides that the secretary of state, by virtue of the office, shall be the commissioner of elections of the State.

Registrars: Provides for the election of registrars by the people. Each town is entitled to two registrars and in the election the candidate having the highest number of votes for the office of registrar and the candidate having the next highest number of votes for the office of registrar, who does not belong to the same political party as the candidate having the highest number, shall be declared registrars.

Deputy and assistant registrars: Permits the registrars to appoint deputy registrars and assistant registrars.

Moderators: Permits the appointment of moderators of elections by the registrars. Provides that in case the registrars fail to agree in the choice of a moderator, the choice shall be determined between them by lot.

### DELAWARE

*Delaware Code Annotated, title 15, section 101 et seq.*

Department of elections for New Castle County: Department of elections to be 12 in number for 6-year terms to be appointed by the Governor. Requires that each of the two principal political parties shall at all times be represented by at least three members of the department.

Departments of elections for Kent and Sussex Counties: Department of elections for each of the above counties shall consist of 8 members for a term of 4 years each to be appointed by the Governor. Requires that each of the two principal parties shall at all times be represented by at least one member of each department.

Requires each member to be a citizen of the United States and a resident of the county for which appointed for a period of 5 years next preceding his appointment. Prohibits any member from holding an elective office during his membership.

Provides that the State auditor, in addition to his other duties, perform the powers and duties and act as the State election commissioner.

Provides that the election department appoint three capable persons who are voters and residents in the district appointed to be registration officers of each election district for which appointed. Requires that not more than two of them shall be of the same political party.

Provides that the three officers appointed as registrars in each district act as election officers one whom shall be the inspector and the other two judges of elections.

### FLORIDA

*Florida Statutes, Annotated, sections 102.12 et seq.*

Requires the board of county commissioners in each county at least 11 days prior to holding an election to appoint two election inspection boards for each precinct in the county. Each election board to be composed of three inspectors and a clerk, all of whom must be registered qualified electors of the precinct in which they are appointed and shall not belong to the same political party. One of the boards is to hold the election and the other to count and tabulate the ballots. In precincts of more than 1,000 electors the commissioners may appoint additional election inspection boards and in precincts of less than 300 electors it permits appointment of only 1 board.

Provides for the election in each county for a 4-year term a supervisor of registration who shall be in charge of the registration of electors.

### GEORGIA

*Code of Georgia, annotated, title 34, section 34–1925*

Elections commission: Creates an elections commission to be composed of the Governor, the secretary of state, and the attorney general.

Section 34–103. County registrars: Provides that the judge of the superior court in each county appoint, upon the recommendation of the grand jury of the county, three upright and intelligent citizens of the county as county registrars to serve a term of 4 years. Provides that in counties having a population of over 500,000 the governing authority of the county, in lieu of the judge of the superior court, shall appoint the registrars.

Section 34–1201. Managers of elections for members of the general assembly: The persons qualified to hold elections for members of the general assembly are ordinaries, justice of the peace, and freeholders. There must be three managers, and one must either be an ordinary or a justice of the peace, except that if by 10 a.m. on the day of the election there is no proper officer present to hold the election, or there is one and he refuses, three freeholders may superintend the election, and shall administer the oath required to each other, which shall be of the same effect as if taken by a qualified officer. Persons who cannot read and write shall not be competent to serve as managers of elections.

The laws for the election of other officers generally provide that the procedures shall be the same as those for the election of members of the general assembly. No provisions are found establishing the procedure for the appointment of the managers of elections, however, section 34–3201, which relates to primary elections, provides that managers are selected by the political party, organization, or association holding such primary in the manner prescribed by the rules of the political party, organization, or association.

### HAWAII

*Revised Laws of Hawaii, sections 11–27 et seq.; section 14A–3*

Provides that there shall be a board of election inspectors of not less than three nor more than five members for each precinct. Such election inspectors are to be appointed by the Governor, by and with the advice and consent of the senate. Requires such inspectors be registered electors of the precinct in which they serve and, as far as reasonably practicable, they shall be appointed from opposing political parties. Permits the inspectors necessary clerks.

### IDAHO

*Idaho Code, section 34–504*

Appointment of election judges: Makes it the duty in each county for the county commissioners to appoint three capable and discreet persons, at least one of whom shall represent each political party, to act as judges of election at each precinct in the county. Each judge must possess the qualifications of electors and shall hold office for 2 years, unless sooner removed by the board of county commissioners. One of the judges shall be appointed as senior election judge and it shall be the duty of the judge to designate one of their number to act as distributing clerk.

Appointment of registrars and deputies: Provides that the board of county commissioners appoint the registrars and assistant registrars in each precinct in the county.

Provides that the judges of elections choose two persons having qualifications similar to their own to act as clerks of the election.

### ILLINOIS

*Smith-Hurd Illinois Annotated, T. 46, section 6–21 et seq.*

State electoral board: To consist of the Governor, secretary of state, the attorney general, the state treasurer, and the auditor of public accounts. This board has the duty of certifying candidates and nominees.

In Illinois the appointment of boards of election commissioners varies according to the type of local subdivision involved.

Certain cities, villages, etc.: Creates a board of election commissioners composed of three members to be appointed by the county court in the county in which such city, village, or town is located. Requires that at least two of such commissioners shall always be selected from the two leading political parties, one from each of such parties, and requires all be legal voters and householders residing in such city, etc., and be men of well-known political convictions and of approved integrity and capacity. Provides that whenever it shall come to the knowledge of such judge of the county court that one of the leading political parties of the State is not represented upon such commission by a person of the same political faith, he shall at once remove one of such commissioners and fill the vacancy with a member of the leading political party not so represented.

Counties not under township organization: Provides that the county board of commissioners appoint in each election precinct or district five capable and discreet electors to be judges of election. Provides that no more than three persons of the same political party shall be appointed judges in the same district. Directs that three of the judges be selected from a list furnished by the chairman of the county central committee of the party which cast the greatest number of votes for governor in the last general election in the precinct or district.

Counties under township organization: Provides that the county board appoint the election judges under the same procedures provided for counties not under township organizations.

Boards of election commissioners—certain other municipalities: Provides for the appointment of election judges by a board of election commissioners composed of five electors in each precinct. Requires that at least three judges be selected from the two leading political parties. Provides that the leading political party represented by minority of all the commissioners in the board shall be entitled to two of the judges in each precinct with an even number and three of the judges in each precinct with an odd number.

### INDIANA

*Burns Indiana Statutes, 29–3100 et seq.*

County election board: The county election board in each county shall consist of the clerk of the circuit court, who shall be an ex officio member and two persons appointed by him, one from each of the two political parties that cast the largest number of votes for the secretary of state in said county at the last preceding general election. Permits the county central committee chairman to nominate the member of his party and if he does make a nomination the clerk shall appoint.

Precinct election boards: Provides that each county election board appoint for each voting precinct in its county an inspector and two judges of opposite political faith to comprise the precinct election board. Requires the members to be qualified voters of the township and to have been freeholders and resident householders for at least 1 year or resident householders for 2 years preceding such election.

Clerks and assistants: Provides that the county election board appoint for each precinct two clerks of opposite political faiths and if necessary, two assistant clerks of opposite political faiths.

Watchers: Entitles each of the four political parties having cast the largest vote for secretary of state at the last general election to one watcher at each precinct.

### IOWA

*Iowa Code Annotated, 49.12 et seq.*

Election boards: Provides that election boards shall consist of three judges and two clerks; and that not more than two judges and not more than one clerk shall belong to the same political party. Provides that the supervisors of the county choose members of the election board from lists submitted by the official county chairman of each of the two major parties. All election precincts with voters in excess of 1,000 are entitled to an additional election board and any precinct using more than three voting machines may have an additional judge for each additional machine, with the same bipartisan political balance maintained.

### KANSAS

*General Statutes of Kansas, 25–401 et seq.*

Election boards: Provides that election boards shall be composed of three judges and two clerks and gives the judges charge of ballots in their precincts. Provides that not more than two judges and not more than one clerk shall belong to the same political party. It is the duty of the mayors of each city of the 1st and 2d class to appoint the election boards and in each township, the township trustee shall make such appointments provided that in cases where all the territory of a precinct is located outside the boundaries of a city and in counties with less than 6,000 population, the board of county commissioners shall make such appointments.

### KENTUCKY

*Kentucky Revised Statutes, section 116.010 et seq.*

State board of election commissioners: Provides for a State board of election commissioners to consist of the secretary of state and two commissioners to be appointed by the governor from each of the two political parties that polled the largest vote in the last preceding election for State officials or presidential electors. If names are designated to the governor by the State central committees of the parties, the appointments shall be made from those means.

County board of election commissioners: Provides for a county board of election commissioners consisting of the sheriff of the county and two commissioners appointed by the State board of election commissioners, one each from the two political parties that polled the largest number of votes in the State at the last preceding election for State officers or presidential electors.

Regular election officers: Provides that the county board of election commissioners shall appoint for each election precinct in the county two judges, one clerk, and one sheriff of election to conduct the elections in the precincts. Provides that one judge in each precinct be selected from each of the two leading political parties and the clerk and the sheriff of election are to be from opposite political parties.

### LOUISIANA

*Louisiana Revised Statutes, section 554 et seq.*

Board of supervisors of elections: Provides that in each parish except the parish of Orleans that there be a board of supervisors of election to consist of the registrar of voters of the parish and two other persons appointed by the Governor. If the registrar should be appointed by the Governor then he shall appoint only one other member and the remaining member shall be appointed by the parish authority.

In the parish of Orleans the board shall consist of one person appointed by the Governor, the registrar, and the civil sheriff.

Commissioners and clerks of election: Provides that in every parish the board of supervisors of elections shall appoint three commissioners and one clerk to preside over the election at each polling precinct. Requires such appointees to be voters of the ward of which the polling precinct forms a part and directs that they be appointed from lists to contain not less than six names furnished by each political party and as far as is practicable the commissioners are required to be so apportioned as to represent equally all the political parties authorized to make nominations.

### MAINE

*Revised Statutes of Maine, chapter 5, section 13 et seq.*

Election warden and clerk, municipalities and plantations: Provides that the municipal officers appoint for each voting place a warden or presiding officer and clerk. Also provides that such municipal officers appoint clerks for each voting place as shall be recommended for appointment by the several political party committees of the several cities, towns, etc., representing the two political parties which, at the gubernatorial election next preceding such appointment, cast the greatest numbers of votes. The number of such election clerks varies with different precincts in the several municipalities. Requires that each of the political parties which cast the largest numbers of votes in the State election next preceding their appointment be equally represented in the number of clerks appointed. Provides also for appointment of clerks representing minor parties.

### MARYLAND

*Annotated Code of Maryland, article 33, section 1 et seq.*

Supervisors of elections: Provides that the Governor, by and with the advice and consent of the senate, appoint in each county of the State and in Baltimore, three persons who shall constitute the board of supervisors of the said county or city. Requires the supervisors to be residents and voters in their respective counties or in the city of Baltimore, and two of them shall always be selected from the two leading political parties of the State, one from each of said parties.

Provides that the board of supervisors appoint in each precinct four judges of election and provides that an equal number of such judges shall be selected from each of the two leading political parties of the State.

### MASSACHUSETTS

*Massachusetts General Laws, chapter 54, section 11 et seq.*

Generally the election officers in cities—with some exceptions—are appointed by the mayor. Provides for the appointment of one warden, one deputy warden, one clerk, one deputy clerk, four inspectors and four deputy inspectors with provisions for additional officers if necessary. In towns the selectmen make such appointments broken down as follows: one warden, one deputy warden, one clerk, one deputy clerk, two inspectors and two deputy inspectors with provisions for additional officers if necessary.

Selection of such officers is to be made from lists prepared by the local chairman of the political parties and such officers are to be so appointed as to equally represent the two leading political parties, except that, without disturbing the equal representation of such parties, not more than two of such officers not representing either of them may be appointed. Provides that the warden shall be of a different political party from the clerk, and not more than one half of the inspectors shall be of the same political party. In each case the principal officer and his deputy shall be of the same political party.

Provides, upon a written petition to the Governor for the appointment by the Governor, with the advice and consent of the council, of two voters of the city or town to act as supervisors at such election. Requires one supervisor to be appointed from each of the two leading political parties. Such supervisors shall witness the conduct of the election and the counting of the votes.

### MICHIGAN

*Michigan Statutes Annotated, section 6.1025 et seq.*

Board of city election commissioners: Generally—with certain exceptions—in cities the boards of city election commissioners consist of the city clerk, the city attorney, and the city assessor.

Boards of township election commissioners: Generally—with certain exceptions—the board of township election commissioners shall consist of the supervisor, the clerk and the township treasurer.

Boards of village election commissioners: Generally—with certain exceptions—the boards of village election commissioners consist of the president, clerk and the treasurer.

Board of election inspectors: Provides that the boards of city, township, and village elections commissioners shall appoint for each election precinct at least three election inspectors and such additional number as necessary for conducting an election. Requires that not more than 50 percent, or as close to that figure as possible, of the total number of inspectors appointed in each precinct shall be of the same political party.

### MINNESOTA

*Minnesota Statutes Annotated, section 203.21 et seq.*

Judges of election: Provides that except in cities of the first class, the council of each municipality and the county board in unorganized territory shall appoint qualified voters in each precinct therein to be judges of election. In cities of the first class, the city clerk shall make such appointments from a list of qualified voters who apply in each precinct. Each applicant shall state his party affiliations and the list shall be certified by the civil service commissioner. Provides that there be at least three judges in each precinct but permits one judge for every 150 votes.

Provides that no more than half of the number of judges in any precinct may be members of the same political party, except where the election board consists of an odd number of judges in a precinct, the number of judges belonging to one political party may be one more than the number of judges belonging to the other political party.

Permits the chairman of an authorized committee of each political party to appoint by written certificate—and the judges shall so permit—one voter for each precinct to be in the polling place while the election is being held and to remain with the election board until the votes are canvassed and the results declared, to act as challenger of voters.

### MISSISSIPPI

*Mississippi Code, section 3204 et seq.*

State board of election commissioners: Provides for a State board of election commissioners to consist of the Governor, the secretary of state, and the attorney general.

County board of election commissioners: To consist of three discreet persons who are freeholders and electors in the county in which they are to act, and who shall not all be of the same political party, if such men of different political parties can be conveniently had in the county.

Managers of election: Provides that the county commissioner of election appoint three persons for each district to be managers of the election, who shall not be all of the same political party, if suitable persons of different political parties can be had in the district.

Clerks of election: Provides that the managers of elections shall appoint two clerks of election.

### MISSOURI

*Vernon's Annotated Missouri Stautes, section 111.270 et seq.*

Appointment of election judges: Provides that in all counties in the State, four judges of election shall be appointed by the county court for each election precinct in each county. Provisions are made for additional judges to be appointed in precincts casting 200 or more votes at the last preceding general election.

Permits the two political parties that cast the largest votes for Governor in the last election to present a list of names to the court for judges of election and when such lists are presented, directs the court to select and appoint the judges from the lists if qualified, taking one-half of the judges from each of the said lists. If no lists are presented then the court is directed to select and appoint the requisite number of judges provided by law for the said political party failing to submit the list. Permits the judges to appoint clerks of elections, the number depending upon the number of votes cast in the precinct at the last general election.

### MONTANA

*Revised Code of Montana, section 23-601 et seq.*

Judges of election: Provides that the board of county commissioners shall appoint five judges of election for each precinct in which the voters by the last registration number 200 or more and three judges of election for each precinct in which such registration was less than 200. Makes provisions for the appointment of additional judges if voters exceed 350.

In making the appointments of judges of election, such judges must be chosen from a list of qualified electors to be submitted by the county central committee of the two major political parties in the county and not more than a majority of such judges must be appointed from any one political party for each precinct.

Permits the judges of election to appoint two persons having the same qualifications as themselves to act as clerks of the election.

### NEBRASKA

*Revised Statutes of Nebraska, section 32-201 et seq.*

Election commissioner: The office of election commissioner is created for each county having a population of more than 60,000 inhabitants. Such commissioners shall be appointed by the Governor for a term of 2 years.

Deputy election commissioner: Provides that the election commissioner shall appoint a chief deputy commissioner who shall be a member of a political party other than the one with which the election commissioner affiliates, to hold office during the pleasure of the election commissioner. Directs the election commissioner to appoint such other deputies, inspectors, judges, clerks, supervisors of election, supervisors of registration, peace officers to serve at elections, and such other assistants as may be necessary for the performance of the duties of his office, the registration of voters, and the conduct of elections in such counties. Such employees shall be divided between all political parties as nearly as practicable in proportion to the number of votes cast in such county at the preceding general election for the office of Governor by the parties, respectively.

### NEVADA

*Nevada Revised Statutes, section 296.055 et seq.*

Inspectors of elections: (1) Precincts with less than 200 registration—Provides that the county commissioners shall appoint three qualified persons, not all of whom shall be of the same political party, to act as inspectors of elections and two qualified persons, not of the same political party to act as clerks of elections.

(2) Precincts with more than 200 registration—Provides that the county commissioners appoint six qualified persons, not all of whom shall be of the same political party, to act as inspectors of election, and four qualified persons, not all of whom shall be of the same political party, to act as clerks of election.

Election precinct foremen: Provides that in election precincts where 200 or more voters are registered, two of the appointed inspectors of election, one Republican and one Democrat, may be designated by the board of county commissioners as the election precinct foremen.

### NEW HAMPSHIRE

*New Hampshire Revised Statutes, Annotated, section 55:1 et seq.*

Supervisors of check list: Provides that a board of supervisors of the checklist, consisting of three legal voters in each town, shall be chosen at each biennial election; but no selectman, moderator, clerk or ballot inspector shall be supervisor.

Inspectors of elections: Provides that each town and ward political committee of the two political parties casting the largest number of votes at the last election for Governor appoint two inspectors of election to act with the clerk, moderator and selectmen as election officers. If the number of qualified voters at a polling place exceeds 2,000 the said political committees may appoint for such polling place one additional inspector for each 1,500 voters or fraction thereof in excess of 2,000. If the political committees fail to make such appointments then the appointments may be made by the selectmen of the town or ward concerned.

Requires that such inspectors of elections be qualified voters in the said polling place and shall be appointed from the designated registered voters of the two political parties, one-half of those appointed to be from each of the two leading political parties, provided there are sufficient numbers of such voters on the voting list who are willing and able to serve.

### NEW JERSEY

*New Jersey Statutes Annotated, section 19: 6-7 et seq.*

District boards: Shall be appointed by the county boards of elections. Requires the members of any district board to be equally apportioned between the two political parties which at the last preceding general election held for the election of all the members of the general assembly cast the largest and next largest number of votes, respectively, in this State for members of the general assembly.

County boards: Provides that the county boards of election shall consist of four persons, who shall be legal voters of the counties for which they are respectively appointed. Two members of such county board shall be members of the political party which at the last preceding general election, cast the largest number of votes for members of the general assembly, and the remaining two members of such board shall be members of the political party which at such election cast the next largest number.

Provides that preceding March 1 in each year, the chairman and vice chairlady of each county committee, the State chairman, the State committeeman and State committeewomen of each of such two political parties, respectively meet and jointly, in writing, nominate one person residing in the county of such county committee chairman, duly qualified for member of the county board in and for such county. If nominations be so made, the Governor shall commission such appointees, who shall be members of opposite parties. Such appointees shall serve a period of two years. If such nominations are not made to the Governor then he shall make such appointments of his own selection from the citizens of the county in which such failure occurs.

### NEW MEXICO

*New Mexico Statutes, section 3–3–14 et seq.*

Challengers: Permits the county chairman of any political party to designate for each precinct or election district a challenger and one alternate challenger, either of whom shall be allowed in the room where the voting is conducted to oversee the election.

Election judges, counting judges: Makes it the duty of the board of county commissioners to appoint three judges of election for each precinct and election district in the county and three counting judges for each precinct or election district in which more than 200 votes were cast for Governor at the last preceding election. Permits county chairman of the political parties to submit lists of persons for such offices and requires the appointments to be made from qualified persons on such lists when submitted. Provides that not more than two such judges of election and not more than two such counting judges shall belong to the same political party. Permits the board of county commissioners to designate the judge of election who shall receive the election supplies.

Provides that if the chairman of either of the dominant political parties shall fail or refuse to submit such lists for any precinct, the board of county commissioners shall appoint such judges, etc., from the same political party as such chairman failing to file such lists.

Poll clerks and counting clerks: Makes it the duty of the board of county commissioners to appoint two poll clerks and two counting clerks for each precinct or election district under similar procedures as the judges of election.

### NEW YORK

*McKinney's Consolidated Laws of New York, Elections, section 30 et seq.*

Board of elections: Provides that there shall be a board of elections in the city of New York and in each county of the State. The board of elections of the city of New York shall be deemed to be also the board of elections for each county in the city. In the city of New York the board shall consist of four commissioners, to be appointed by the city council of that city. Elsewhere, in a county having a population of less than 12,000, the board shall consist of the two commissioners of elections, and in any other county of two or four commissioners of elections, as the board of supervisors, by resolution, may determine, to be appointed by the board of supervisors. Provides that not more than two commissioners, if the board consists of four members, and not more than one commissioner, if the board consist of two members, shall belong to the same political party.

Permits the county chairman of the political parties to make recommendations for appointments of commissioners of elections. Permits every board of elections to appoint and at pleasure remove clerks, voting machine custodians and other employees, prescribe their duties and fix their ranks.

Election officers: Provides that there be in every election district of the State four inspectors of election and in each district where two voting machines are used there shall be two clerks in addition to the four inspectors of elections.

In the city of New York in each odd numbered election district a chairman shall be designated from an inspector named by the political party which polled the highest number of votes for Governor in the last election and in each even numbered district a chairman shall be designated by the party polling the second highest number of votes for Governor.

Provides that each class of officers shall be equally divided between the two political parties which cast the highest and the next highest number of votes for Governor in the last preceding gubernatorial election.

Permits each political party to file a list of persons qualified to serve as election officers.

Provides that the appointment of inspectors of elections in towns be made by the town board.

Provides numerous special duties of election officials in various counties and towns, etc.

### NORTH CAROLINA

*General Statutes of North Carolina, paragraph 163–8 et seq.*

State board of elections: Provides for a State board of elections to consist of five members to be appointed by the Governor. Not more than three members shall be of the same political party.

County board of elections: Provides for a county board of elections to consist of three members who shall be appointed by the State board of elections. Not more than two members shall be of the same political party. Permits the State chairman of each political party to recommend three electors in each county as candidates for membership as the county board of elections and when recommended makes it the duty of the State board of elections to appoint from the names recommended.

Precinct elections officers: Provides for the selection by the county board of elections for each precinct one person who shall act as registrar and two persons to act as judges of election. Permits the county chairman of each political party to make recommendations for such officers, and such appointments may be made from such recommendations.

### NORTH DAKOTA

*North Dakota Century Code, 16–10–01 et seq.*

Board of elections: Shall consist of the judges of elections and the inspector of elections.

Inspector of elections in townships: Shall be the chairman of the board of supervisors.

Inspector of elections in council cities: Shall be the senior alderman—under certain conditions may be selected in another manner.

Inspector of elections in villages: Shall be the chairman of the village board of trustees.

Inspector of elections in commission cities: Shall be appointed by the board of city commissioners.

Judges of elections: In each precinct the inspector of elections shall appoint two qualified electors to act as judges of elections. One judge of elections shall be selected from each of the two parties which cast the highest number of votes at the preceding general election. The chairman of the county central committee of a political party may make nominations for such judges and if made the appointments are required.

Poll clerks: Provides that the boards of elections appoint at least two poll clerks for each precinct, one from each of the two parties which cast the largest vote at the last State general election.

### OHIO

*Page's Ohio Revised Code Annotated, section 3501.04 et seq.*

Chief election officer: Makes the secretary of state the chief election officer of the State.

Board of elections: Provides for a board of elections in each county of the State to consist of four electors to be appointed by the secretary of state. Requires two members to be from the political party which cast the highest number of votes for the office of Governor in the last election and the other two from the political party casting the next highest number of votes. Permits the county executive committees of the parties entitled to the appointments to make recommendation for such offices and if qualified the appointment shall be made.

Precinct election officials: Provides that the board of elections appoint for each precinct four judges of election and two clerks of election. Provides that not more than two of the judges and one clerk shall be of the same political parties.

### OKLAHOMA

*Oklahoma Statutes Annotated, section 11 et seq.*

State election board: Creates a State election board to consist of three members, not more than two of whom shall belong to the same political party. Provides that the secretary of the State senate shall be the secretary of the State election board. Provides that the State central committee of the two political parties casting the highest number of votes at the last general election for State officers shall have the privilege of selecting and presenting names of persons for members of the State board. Permits the Governor to select one name from each of such lists. Such appointment shall be made one each from the two dominant political parties by and with the advice and consent of the State senate.

County boards of election: Provides that the county elections board shall consist of three members, one of said members to be chosen by the State election board with the two political parties receiving the highest number of votes at the last general election each naming one member. Provides that not more than two members of any one political party shall serve on such county board.

Precinct boards: Precinct boards shall consist of three electors who are residents of such precinct to act as election officers. Permits the precinct central committee of any political party to file recommendation for precinct officers to the county election board who shall make such appointments. Provides that in no event shall more than two of the three members of a precinct election board be of one political party, unless it is impossible to secure a person qualified to attend to the duties of the office from the ranks of the other party.

### OREGON

*Oregon Revised Statutes; judges and clerks of election, section 246.010 et seq.*

Provides that each precinct have two judges of elections and three clerks to conduct the elections. Directs the county clerk to submit a list of voters from each precinct to the county court which shall make the appointments from such list. Provisions are also made for the appointment of additional judges and clerks where necessary.

Multnomah County: In counties having a population of over 300,000 the board of county supervisors shall appoint a qualified elector to act as supervisor of election who shall prepare a list of qualified electors to act as judges and clerks of election and present it to the board of county supervisors which shall make such appointments to the board of elections. Provides that the members of each of the boards of election—judges and clerks—shall not all be members of the same political party.

### PENNSYLVANIA

*Purdon's Pennsylvania Statutes, Annotated elections, title 25, section 42 et seq.*

Election of judges and inspectors of election in boroughs: Makes it lawful for the borough electors to elect annually one judge and two inspectors of elections.

County boards of elections: Provides that there shall be a county board of election in each county to consist of the county commissioners of such county ex officio, or any officials or board who are performing or may perform the duties of the county commissioners. Permit such board to appoint necessary personnel.

District election boards: Provides that elections be conducted in each election district by a district election board consisting of a judge of election, a majority inspector of elections and a minority inspector of elections assisted by clerks and machine inspectors in certain cases. The judge of elections and the inspectors of elections shall be elected by the electors. Each elector may vote for one person as judge and for one person as inspector, and the person receiving the highest number of votes for judge shall be declared elected judge of elections, the person receiving the highest number of votes for inspector shall be declared majority inspector of elections, and the person receiving the second highest number of votes for inspector shall be declared elected minority inspector of elections. Such officers shall hold office for a period of 4 years.

### RHODE ISLAND

*General Laws of Rhode Island, section 17-7-1 et seq.*

State board of elections: Provides for a board of elections to consist of four qualified electors, two of whom shall be Republicans and two of whom shall be Democrats who shall be appointed by the Governor or elected by the senate if the Governor fails to appoint. The appointments shall be made from lists submitted by the chairman of the State central committee of the two political parties.

Bipartisan canvassing authorities: Provides that the legislative body of each city and town appoint a bipartisan canvassing authority of three electors from a list submitted by the respective chairmen of the city or town committee of the political parties, not more than two shall belong to the same political party.

Moderators and clerks: Provides that the moderators and clerks in some towns and districts shall be elected by the electors, while in others they shall be appointed by the local board. In the districts where appointments are made it is required that one shall be a Democrat and one a Republican and both shall be voters in the district for which appointed.

Also provides for the appointment of wardens and clerks and supervisors for certain election districts and polling places. In all cases it is required that one be a Democrat and one a Republican.

### SOUTH CAROLINA

*Code of Laws of South Carolina, section 23-306 et seq.*

Election commissioners: Provides for the appointment by the Governor of three commissioners of election for each county upon the recommendation of the State senator and at least half of the members of the State house of representatives from the respective counties.

Election managers: Provides that the commissioners of elections shall appoint three managers of election for each polling place at each election precinct of the county for which they shall respectively be appointed and none of such officers shall be removed from office except for incompetence or misconduct. Provides for the appointment of additional managers if necessary.

### SOUTH DAKOTA

*South Dakota Code, section 16.1001 et seq.*

Judges of elections: Provides for the appointment by the board of county commissioners of three judges of election for each of the voting precincts. The judges shall be electors of the precinct for which appointed. If three or more political parties have tickets on the official ballot, one judge shall be appointed from each party having at least 15 percent of the voters as shown by the returns of the last preceding general election. If but two parties have tickets on such ballots, the judges shall be selected therefrom and the party having a majority of the votes in the election precinct at the last preceding general election shall have a majority of such judges.

Clerks of elections: Provides that judges of elections shall choose two persons having similar qualifications as themselves to act as clerks of election, who shall be of the different political parties represented in the primary election, if possible.

### TENNESSEE

*Tennessee Code, section 2-901 et seq.*

State board of elections: Provides for the election by the general assembly for terms of 6 years three persons to comprise the State board of elections. Two of the members of the State board of elections shall be members of the party polling the highest number of votes for Governor in the last preceding election and one member shall be a member of the party polling the second highest number of votes for Governor in the last preceding election. Each member to be elected shall be first nominated by a joint senate-house caucus of the members of the party of which he is a bona fide member.

County election commissioners: Each county is entitled to a board of county election commissioners to consist of three members to be appointed by the State board of election commissioners. Not more than two members of the county election commissioners shall be of the same political party.

Judges of elections: Provides for the appointment by the board of county commissioners of three judges of election for each precinct and not more than two of the judges shall be of the same political party, if persons from different political parties are willing to serve. Each of the commissioners of elections shall have the right and power to designate and appoint one judge of elections without the consent of his associates.

Watchers: Permits the appointment of two watchers for the majority party and two watchers for the minority party at each precinct. One watcher for each party may be appointed by the chairman of each party's county executive committee and one watcher appointed by the majority of the candidates on each party ticket, who are running exclusively within the county in which the watchers are to be appointed.

Clerks of elections: Provides for the appointment of two clerks of elections for each precinct by the members of the board of county election commissioners. If competent persons of different political parties are willing to serve, they shall be appointed from the two political parties most numerously represented at such precinct.

### TEXAS

*Vernon's Civil Statutes, Election Code, section 3.01 et seq.*

Judges of the election; small precincts: Provides for the appointment by the commissioners court in every precinct where there are less than 100 votes of 2 reputable qualified voters to act as judges of election. The judges of election shall be selected from different political parties, if practicable.

Large precincts: In precincts with more than 100 votes there shall be appointed by the commissioner court 4 judges of elections who shall be chosen when practicable from opposing political parties. Permits the appointment by the presiding judge of election four competent and reputable clerks, and as many other clerks as may be authorized by the commissioners court to be of different political parties, when practicable.

Supervisors of elections: Permits the chairman of the county executive committee for each political party that has candidates on the official ballot to nominate one supervisor of election for each precinct to observe the conduct of the election. Provides several other methods for the selection of supervisors when the chairman of the political party fails to act.

### UTAH

*Utah Code, section 20-7-10 et seq.*

Judges of elections: Provides for the appointment by the board of county commissioners for each county three judges of elections in each election district at least two of whom shall be of opposite political parties. Permits the committees of the political parties to submit lists of persons for such appointments and when such lists are submitted the appointments shall be made therefrom. Provides for the appointment of additional judges of elections when necessary but retains the requirement that not over two judges out of three shall be of the same political party.

### VERMONT

*Vermont Statutes Annotated, T-17, section 1001 et seq.*

Election officers: In towns, the election officers shall consist of the presiding officer, the board of civil authority, the assistant, ballot and assisting clerks and as provided, inspectors of elections. In cities and villages, the election officers shall consist of the officers who by law conduct elections therein—varies from jurisdiction to jurisdiction—together with the ballot and assisting clerks.

Presiding officer: In towns the presiding officer shall be the first constable or, in his absence or disqualification, one of the selectmen, or in their absence or disqualification, a justice. In cities and villages, the presiding officer at each polling place shall be the official charged with that duty by the laws relating to such cities and villages.

Ballot clerks: Provides for the appointment of at least four ballot clerks for each polling place by the board of civil authority in each town and the trustees in each village. Provides that one-half of such clerks be appointed from the political party casting the largest number of votes and one-half from the party casting the next highest number of votes at the last general election. Also provides for the appointment of two assisting clerks in each precinct according to the same procedure as ballot clerks.

### VIRGINIA

*Codes of Virginia, sections 24-26 et seq.*

State board of elections: Provides within the office of the secretary of the commonwealth a State board of elections to consist of three members to be appointed by the Governor, subject to confirmation by the general assembly. In the appointment of the board, representation shall be given to the political parties having the highest and next highest number of adherents in this State.

Local electoral boards: Provides that in each county and city in the State there shall be an electoral board, composed of three members who shall be appointed by the circuit court, or the corporation court, or the judge of the court in vacation. Provides that electoral boards as far as practicable represent each of the two political parties which cast the highest and next highest number of votes at the last preceding general election.

Judges of elections: Elections shall be conducted by three judges of elections in each district to be appointed by the electoral boards. In the appointment of such judges, representation as far as possible shall be given to the two political parties which cast the highest and next highest vote in the last preceding election. The appointment of clerks and additional officers by the electoral board shall be made under the same procedures.

### WASHINGTON

*Revised Code of Washington, section 29.45, et seq.*

Judges and inspectors of elections: Provides that the county auditor under the consolidated election laws, the county commissioners in other elections under county auspices, and the city council or other governing body in elections in lesser constituencies, shall appoint one inspector of elections and two judges of elections for each precinct from lists furnished by the chairmen of the county central committee of the political parties entitled to representation thereon to conduct elections. The inspector and one of the judges of elections shall be designated from that political party which polled the highest number of votes in the county for its candidate for President of the United States at the preceding election and one judge from that political party polling the next highest number of votes for President of the United States. Permits the appointment of clerks by the inspector and judges of elections in each precinct.

### WEST VIRGINIA

*West Virginia Code, section 5-1 et seq.*

State election commission: Creates a State election commission to be composed of five members to be appointed by the Governor, by and with the consent of the senate. Requires that one member be selected with special reference to his expert knowledge as a student of the problems of public elections and provides that not more than two of the remaining four members shall be affiliated with the same major political party.

Secretary of State: Makes the Secretary of State the chief registration official of the State.

Registrars: Provides that the county court of each county shall appoint two competent persons for not more than 10 precincts to act as registrars and requires that an equal number of such registrars shall be selected from the two political parties which cast the highest and next highest number of votes in the last preceding election.

Ballot commissioners: In each county the clerk of the circuit court and two persons appointed by him—one each of the two political parties casting the highest number of votes in the last preceding general election—shall constitute the board of ballot commissioners.

Commissioners and clerks of elections: Provides that the county court of each county shall appoint three commissioners of election and two clerks of election in each precinct for the holding and conducting of elections. Such officers are to be selected from members of the two political parties which cast the highest and second highest number of votes in the last preceding election. Permits the chairmen of the two political parties to submit lists of persons recommended for such offices.

### WISCONSIN

*Wisconsin Statutes Annotated, section 6.31 et seq.*

Election inspectors and clerks: Elections are to be conducted by election inspectors and clerks to be appointed by the governing body in which any election district is located. Each election district is entitled to three inspectors of elections and two clerks of election and two ballot clerks. Provides that not more than two of such inspectors of elections, nor one of said clerks of election, nor one of said ballot clerks, shall be members of the same political party, but each one of said officers shall be a member of one of the two political parties which cast the largest vote in the precinct at the last preceding general election, the party which cast the largest vote being entitled to two inspectors, one clerk, and one ballot clerk, and the party receiving the next largest vote being entitled to the remainder of the officers. Makes the basis of such division the vote of each party for its presidential elector receiving the largest vote, or for its candidate for Governor in a nonpresidential election year, at the last preceding general election.

### WYOMING

*Wyoming Statutes, section 22-118.58 et seq.*

Judges and clerks of elections: Provides that in each precinct in the State there shall be three capable and discreet persons appointed as judges of elections and two persons possessing similar qualifications to act as clerks of elections. Provides that if possible, not more than two of the judges in each precinct shall be members of the same political party, and, if possible, the clerks shall be of different political parties.

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# HOUSE OF REPRESENTATIVES

## TUESDAY, JUNE 19, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 58: 11: *The Lord shall guide thee continually.*

O Thou Eternal God, from whom cometh every noble desire and every lofty aspiration, we rejoice that Thy grace is sufficient for all generations with their many needs.

May our attitude toward Thee be that of gratitude for we have the promise and the assurance that in our days of strain and stress Thou art nigh unto us, ready to fortify us with courage and renew our hopes.

Inspire us with a vision to see clearly the realities and hard facts of life in their right proportions and perspectives and the confidence to meet and master them by surrendering ourselves completely and unreservedly to Thy divine wisdom and guidance.

Grant that as Thou art continually with us in our trials and tribulations so we may be of help to needy mankind everywhere, healing their woes, and leading them out of the dark shadows of doubt to a deeper faith in Thee.

Hear us in Christ's name. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### REGULATION OF FARES FOR THE TRANSPORTATION OF SCHOOLCHILDREN IN THE DISTRICT OF COLUMBIA

**Mr. McMILLAN.** Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S. Con. Res. 78) requesting the President to return to the Senate the enrolled bill, S. 1745, relating to District of Columbia schoolchildren's fares, and providing for its reenrollment with a certain change.

**The SPEAKER.** Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the concurrent resolution, as follows:

> *Resolved by the Senate (the House of Representatives concurring)*, That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 1745) entitled "An Act to amend the Act of August 5, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia"; that upon its return, the action of the Speaker of the House of Representatives and the President of the Senate in signing the said bill be deemed to be rescinded; and that in the reenrollment of said bill, the Secretary of the Senate be, and he is hereby, authorized and directed to make the following change, viz: On page 2, line 3, of the engrossed bill, after the word "return", insert the word "established".

The resolution was agreed to.

A motion to reconsider was laid on the table.

### U.S. PARTICIPATION IN ASSISTANCE TO CERTAIN MIGRANTS AND REFUGEES

**Mr. WALTER.** Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8291) to enable the United States to participate in the assistance rendered to certain migrants and refugees, with Senate amendments thereto, disagree to the Senate amendments Nos. 2, 3, 7, 11, 12, 13, 14, 15, 16, 17, 18, and agree to the conference asked by the Senate.

**The SPEAKER.** Is there objection to the request of the gentleman from Pennsylvania?

The Chair hears none, and appoints the following conferees: Messrs. WALTER, FEIGHAN, CHELF, POFF, and MOORE.

### PERSONAL EXPLANATION

**Mr. RANDALL.** Mr. Speaker, on rollcall No. 115 of yesterday afternoon, I ask unanimous consent that the permanent

RECORD reflect that I was at Bethesda Naval Hospital under orders of the House physician, Dr. Calver, for treatment of an infection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

### CATERINA SCALZO (NEE LoSCHIAVO)

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2990) for the relief of Caterina Scalzo (nee LoSchiavo).

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman from Pennsylvania give us a few words of explanation?

Mr. WALTER. Yes; this bill authorizes the admission to the United States of a woman who was formerly married to the man she is going to marry again when she gets here. Although the marriage was annulled in Connecticut it is still recognized in Italy and for that reason he was unable to remarry her there. But it is important that the bill be acted on promptly because I understand there is an addition to the family in the offing; it is important that we act on this bill before the next call of the calendar.

Mr. GROSS. Far be it from me to interfere in the maternal or marital affairs of this family.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in the administration of the Immigration and Nationality Act, Caterina Scalzo (nee LoSchiavo) the financee of Bernard Scalzo, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Caterina Scalzo (nee LoSchiavo) is coming to the United States with a bona fide intention of being married to the said Bernard Scalzo and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Caterina Scalzo (nee LoSchiavo), she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Caterina Scalzo (nee LoSchiavo), the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Caterina Scalzo (nee LoSchiavo) as of the date of the payment by her of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

### MRS. WILLIAM W. JOHNSTON

The Clerk called the bill (H.R. 9942) for the relief of Mrs. William W. Johnston.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### FELIPE O. PAGDILAO

The Clerk called the bill (S. 2147) for the relief of Felipe O. Pagdilao.

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

### MANUEL ARRANZ RODRIGUEZ

The Clerk called the bill (S. 2186) for the relief of Manuel Arranz Rodriguez.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Manuel Arranz Rodriguez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### BYRON WONG

The Clerk called the bill (S. 2300) for the relief of Byron Wong.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

### GEORGE ROSS HUTCHINS

The Clerk called the bill (S. 2339) for the relief of George Ross Hutchins.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provision of section 212(a)(3) of the Immigration and Nationality Act, George Ross Hutchins may be issued a visa and be admitted to the United States for permanent residence if he is otherwise admissible under the provisions of that Act: *Provided,* That the exemption granted herein shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *Provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 231 of the said Act.

With the following committee amendment:

At the end of the bill, change the period to a colon and add the following: "*Provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of said Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### SHUNICHI AIKAWA

The Clerk called the bill (S. 2340) for the relief of Shunichi Aikawa.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Shunichi Aikawa shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### ELAINE ROZIN RECANATI

The Clerk called the bill (S. 2418) for the relief of Elaine Rozin Recanati.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in the administration of the Immigration and Nationality Act, section 352(a)(2) shall not be held to have been or to be applicable to Elaine Rozin Recanati, a citizen of the United States, provided she returns to the United States for permanent residence prior to March 15, 1967.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### KIM CAREY (TIMOTHY MARK ALT)

The Clerk called the bill (S. 2486) for the relief of Kim Carey (Timothy Mark Alt).

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Kim Carey (Timothy Mark Alt) shall be held and considered to be the natural-born alien child of Mr. and Mrs. Raymond L. Alt, citizens of the United States: *Provided,* That the natural parents of Kim Carey (Timothy Mark Alt) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### SALLY ANN BARNETT

The Clerk called the bill (S. 2562) for the relief of Sally Ann Barnett.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Sally Ann Barnett, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Charles W. Barnett, citizens of the United States: *Provided,* That no natural parent of Sally Ann Barnett, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### MICHAEL NAJEEB METRY

The Clerk called the bill (S. 25C5) for the relief of Michael Najeeb Metry.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Michael Najeeb Metry, shall be held and considered to be the natural-born alien child of Doctor and Mrs. John M. Metry, citizens of the United States: *Provided,* That the natural parents of Michael Najeeb Metry shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### ERNST FRAENKEL AND HIS WIFE, HANNA FRAENKEL

The Clerk called the bill (S. 2709) for the relief of Ernst Fraenkel and his wife, Hanna Fraenkel.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

### CONVEYANCE OF CERTAIN PHOSPHATE RIGHTS

The Clerk called the bill (H.R. 9593) to provide for the conveyance of certain phosphate rights to the Dr. P. Phillips Foundation of Orlando, Florida.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is authorized and directed to convey by quitclaim deed, in accordance with the provisions of section 2 of this Act, to the Doctor P. Phillips Foundation of Orlando, Florida, all phosphate rights which are held by the United States in the following described lands situated in Orange County, Florida: The west half of the northwest quarter of section 27 in township 23 south, range 28 east, of the Tallahassee meridian, Florida, containing 80.15 acres, more or less.

SEC. 2. The conveyance authorized to be made by the first section of this Act shall be conditioned upon the payment by the said Doctor P. Phillips Foundation to the Secretary of the Interior of a sum equal to $200 (to reimburse the United States for the administrative costs of the conveyance) plus the fair market value of the phosphate rights conveyed, if prospectively valuable, as determined by the Secretary of the Interior after appraisal.

SEC. 3. Proceeds from the sale made hereunder shall be covered into the Treasury of the United States as miscellaneous receipts.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### CONVEYANCE OF LAND TO SAINTS MARY AND JOSEPH CHURCH, SAWYER, MINN.

The Clerk called the bill (H.R. 10459) to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the Saints Mary and Joseph Church, Sawyer, Minn.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior, with the approval of the Minnesota Chippewa Tribe, is authorized to convey a tract of tribal land located on the Fond du Lac Reservation, Minnesota, described as: Lot 5, section 33, township 49 north, range 18 west, fourth principal meridian, Minnesota, containing 39.0 acres, more or less, subject to prior valid existing rights-of-way, to the Saints Mary and Joseph Church, Sawyer, Minnesota: *Provided,* That the title to the land hereby authorized to be conveyed will revert to the United States in trust for the Minnesota Chippewa Tribe when it is no longer used for religious purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### CONVEYANCE OF LAND TO LITTLE FLOWER MISSION

The Clerk called the bill (S. 2895) to provide for the conveyance of certain lands of the Minnesota Chippewa Tribe of Indians to the Little Flower Mission of the Saint Cloud Diocese.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior, with the consent of the Minnesota Chippewa Tribe, is hereby authorized to convey to the Little Flower Mission of the Saint Cloud Diocese, without the payment of any consideration, all right, title, and interest of the United States of America and the Minnesota Chippewa Tribe in and to the following described land located on the Mille Lacs Indian Reservation: Lot 7, section 28, township 43 north, range 27 west, fourth principal meridian, Minnesota, containing 4.78 acres, more or less, subject to the road right-of-way for Minnesota Trunk Highway Numbered 169, and all other valid existing rights-of-way. The conveyance shall provide that title to the land shall revert to the United States in trust for the Minnesota Chippewa Tribe when it is no longer used for religious purposes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### RICHARD C. COLLINS

The Clerk called the bill (H.R. 3131) for the relief of Richard C. Collins.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, the Court of Claims is hereby directed to grant Richard C. Collins, of Billerica, Massachusetts, a rehearing is case numbered 149-58 entitled Richard C. Collins against the United States, and that court is further authorized to decide that case without regard to any statute of limitations, lapse of time, or any prior court decision involving the same subject matter.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### MRS. ELIZABETH G. MASON

The Clerk called the bill (H.R. 3922) for the relief of Mrs. Elizabeth G. Mason.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the award of death compensation which the Veterans' Administration has held that Mrs. Elizabeth G. Mason, of Houlton, Maine, is entitled to receive as a result of its finding, because of the death of her late husband, Major Theodore P. Mason, who was killed in Combat in Belgium on September 9, 1944, shall be held and considered to be effect as of the date of the said Theodore P. Mason's death on the basis of her original claim for such death compensation which she filed in March 1945, six months after her husband's death; and the Administrator of Veterans' Affairs is hereby authorized and directed to make retroactive payments in accordance with such entitlement.

With the following committee amendment:

Page 1, line 9, strike the words "effect as of the date of" and insert "effective as of the day following".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MAJ. WILLIAM R. COOK

The Clerk called the bill (H.R. 6987) for the relief of Maj. William R. Cook.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Major William R. Cook, AO862571, United States Air Force, the sum of $842.76 in full settlement of his claim against the United States for travel performed by Major Cook and members of his family from his temporary duty station, Travis Air Force Base, California, Offut Air Force Base, Nebraska, during May and June 1960. His claim for such expenses was denied because his permanent change of station orders were amended to show his permanent station as Sunnyvale, California, while he was on leave prior to the time his travel from the temporary duty station was required.

With the following committee amendments:

Page 1, lines 8 and 9, strike "his temporary duty station,".

Page 1, line 10, strike "Offut" and insert "Offutt".

Page 2, lines 3 and 40, strike "from the temporary duty station" and insert "to the new permanent station".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CHARLES WAVERLY WATSON, JR.

The Clerk called the bill (H.R. 7385) for the relief of Charles Waverly Watson, Jr.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $25,000 to Charles Waverly Watson, Junior, of Hampton, Virginia, in full settlement of his claims against the United States based upon the injuries he suffered on April 13, 1958, in the explosion of an aerial bomb on Plumtree Island, York County, Virginia, and the resulting permanent disabilities and medical expenses attributable to that explosion. This claim is not cognizable under the tort claims provisions of title 28 of the United States Code because it is subject to the exception contained in subsection (a) of section 2680 of that title relating to discretionary functions of the Government: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike "$25,000" and insert "$15,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CLARA B. FRY

The Clerk called the bill (H.R. 7615) for the relief of Clara B. Fry.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## LT. (JG.) JAMES B. STEWART

The Clerk called the bill (H.R. 7900) for the relief of Lt. (jg.) James B. Stewart.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Lieutenant (junior grade) James B. Stewart (546527/1105), United States Naval Reserve, the sum of $1,674 in full settlement of all his claims against the United States for per diem for the period from September 26, 1957, to July 2, 1958. Payment of such claim is barred, but for the provisions of this Act, because of administrative error in the preparation of Mr. Stewart's orders to temporary duty during such period. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike "$1,674" and insert "$1,656".

Page 1, line 9, strike "July 2, 1958" and insert "June 29, 1958".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## JUNG HAE

The Clerk called the bill (H.R. 1304) for the relief of Jung Hae.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Jung Hae, shall be held and considered to be the natural-born alien child of Ellen M. Dana, citizen of the United States.

With the following committee amendment:

On page 1, at the end of the bill, change the period to a colon and add the following: "*Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## CLARA G. MAGGIORA

The Clerk called the bill (H.R. 1488) for the relief of Clara G. Maggiora.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provisions of section 212 (a)(3) and section 212(a)(4) of the Immigration and Nationality Act, Clara G. Maggiora may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ALI KHOSROWKHAH

The Clerk called the bill (H.R. 2371) for the relief of Ali Khosrowkhah.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Ali Khosrowkhah shall be held and considered to have been lawfully admitted to the United States for permanent residence as of April 29, 1946.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## PIETRO DATTOLI

The Clerk called the bill (H.R. 2604) for the relief of Pietro Dattoli.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provision of section 212(a) (9) of the Immigration and Nationality Act, Pietro Dattoli may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MRS. IRENA RATAJCZAK

The Clerk called the bill (H.R. 2664) for the relief of Mrs. Irena Ratajczak.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provision of section 212 (a)(9) of the Immigration and Nationality Act, Mrs. Irena Ratajczak may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## LEA MIN WONG

The Clerk called the bill (H.R. 3000) for the relief of Lea Min Wong.

There being no objection, the Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Lea Min Wong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## MRS. HASMIK ARZOO

The Clerk called the bill (H.R. 3501) for the relief of Mrs. Hasmik Arzoo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Mrs. Hasmik Arzoo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Hasmik Arzoo. From and after the date of the enactment of this Act, the said Mrs. Hasmik Arzoo shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## BOGDAN KUSULJA

The Clerk called the bill (H.R. 4718) for the relief of Bogdan Kusulja.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Bogdan Kusulja shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Bogdan Kusulja. From and after the date of the enactment of this Act, the said Bogdan Kusulja shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## ELADIO ARIS (ALSO KNOWN AS ELADIO ARIS CARVALLO)

The Clerk called the bill (H.R. 9186) for the relief of Eladio Aris (also known as Eladio Aris Carvallo).

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, for the purposes of the Immigration and Nationality Act, Eladio Aris (also known as Eladio Aris Carvallo) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

With the following committee amendment:

On page 1, at the end of the bill, change the period to a colon and add the following: "*Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

## SUGAR ACT AMENDMENTS OF 1962

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Kansas [Mr. DOLE] to recommit the bill (H.R. 12154) to amend and extend the provisions of the Sugar Act of 1948, as amended.

Without objection, the Clerk will again report the motion to recommit.

The Clerk read as follows:

Mr. DOLE moves to recommit the bill H.R. 12154 to the Committee on Agriculture with instructions to report the same back to the House forthwith with the following amendment: Page 25, line 3, strike out lines 3 through 23.

The SPEAKER. The gentleman from Kansas [Mr. DOLE] has demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 222, not voting 41, as follows:

[Roll No. 117]

YEAS—174

Addabbo
Alger
Andersen, Minn.
Anderson, Ill.
Arends
Ashbrook
Auchincloss
Avery
Ayres
Baker
Baldwin
Baring
Barry
Bates
Battin
Becker
Beermann
Bell
Berry
Betts
Blatnik
Bolling
Bolton
Bow
Broomfield
Brown
Broyhill
Byrnes, Wis.
Cederberg
Chamberlain
Chenoweth
Church
Clancy
Collier
Colmer
Conte
Corbett
Cramer
Cunningham
Curtis, Mass.
Curtis, Mo.
Denton
Derounian
Derwinski
Devine
Diggs
Dole
Dominick
Dooley
Dorn
Durno
Dwyer
Ellsworth
Feighan
Fenton
Findley
Fino
Fisher
Ford
Gary
Gavin
Goodell
Goodling
Griffin
Gross
Gubser
Hall
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hays
Hechler
Hemphill
Hiestand
Hoeven
Hoffman, Ill.
Hosmer
Jensen
Johansen
Jonas
Judd
Kastenmeier
Kearns
Keith
Kilgore
King, N.Y.
Knox
Kunkel
Kyl
Langen
Latta
Lindsay
Lipscomb
McCulloch
McDonough
McIntire
McVey
Macdonald
MacGregor
Mahon

Mailliard
Marshall
Martin, Mass.
Martin, Nebr.
Mason
Mathias
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Moore
Moorehead, Ohio
Morse
Mosher
Nelsen
Norblad
Nygaard
O'Konski
Osmers
Ostertag
Passman
Pelly
Pillion

Pirnie
Poff
Quie
Ray
Reece
Reuss
Rhodes, Ariz.
Riehlman
Rogers, Tex.
Roush
Rousselot
St. George
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scranton
Seely-Brown
Shriver
Sibal
Siler
Smith, Calif.

Springer
Stafford
Steed
Taber
Teague, Calif.
Thompson, N.J.
Thomson, Wis.
Tollefson
Utt
Van Pelt
Van Zandt
Waggonner
Wallhauser
Weaver
Weis
Westland
Whalley
Wharton
Widnall
Williams
Wilson, Calif.
Winstead
Young
Younger

### NAYS—222

Abbitt
Abernethy
Albert
Alexander
Andrews
Anfuso
Ashley
Ashmore
Aspinall
Bailey
Barrett
Bass, Tenn.
Beckworth
Belcher
Bennett, Fla.
Boggs
Boland
Bonner
Brademas
Breeding
Brooks, Tex.
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cahill
Cannon
Carey
Casey
Celler
Chelf
Clark
Coad
Cohelan
Cook
Cooley
Corman
Curtin
Daddario
Dague
Daniels
Davis, John W.
Dawson
Delaney
Dent
Dingell
Donohue
Downing
Doyle
Dulski
Edmondson
Elliott
Everett
Evins
Fallon
Fascell
Finnegan
Flynt
Fogarty
Forrester
Fountain
Friedel
Fulton
Gallagher
Garmatz
Gathings
Giaimo
Gilbert
Gonzalez
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.

Griffiths
Hagan, Ga.
Hagen, Calif.
Haley
Halpern
Hansen
Harding
Hardy
Harris
Harrison, Va.
Healey
Hébert
Henderson
Herlong
Holifield
Holland
Huddleston
Hull
Inouye
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones Ala.
Jones, Mo.
Karsten
Karth
Kee
Kelly
Keogh
King, Calif.
Kirwan
Kitchin
Kluczynski
Kornegay
Kowalski
Landrum
Lane
Lankford
Lennon
Lesinski
Libonati
McDowell
McFall
McMillan
McSween
Mack
Madden
Magnuson
Matthews
May
Miller, Clem
Miller, George P.
Mills
Moeller
Monagan
Montoya
Moorehead, Pa.
Morgan
Morris
Morrison
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nix
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.

O'Hara, Mich.
Olsen
O'Neill
Patman
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Poage
Powell
Price
Pucinski
Purcell
Rains
Randall
Reifel
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Scott
Selden
Shelley
Sheppard
Shipley
Short
Sikes
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Staggers
Stephens
Stratton
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Udall, Morris K.
Ullman
Vanik
Vinson
Walter
Watts
Whitener
Whitten
Wickersham
Willis
Wright
Zablocki
Zelenko

### NOT VOTING—41

Adair
Addonizio
Alford

Bass, N.H.
Bennett, Mich.
Blitch

Boykin
Bray
Brewster

Bromwell
Bruce
Chiperfield
Davis, James C.
Davis, Tenn.
Dowdy
Farbstein
Flood
Frazier
Frelinghuysen

Garland
Glenn
Halleck
Hoffman, Mich.
Horan
Ichord, Mo.
Kilburn
King, Utah
Laird
Loser
Merrow

Moulder
Riley
Robison
Roudebush
Saund
Stubblefield
Thompson, La.
Tupper
Wilson, Ind.
Yates

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Frelinghuysen for, with Mr. Davis of Tennessee against.

Mr. Bass of New Hampshire for, with Mrs. Riley against.

Mr. Bray for, with Mr. Farbstein against.

Mr. Alford for, with Mr. Saund against.

Mr. Laird for, with Mr. Brewster against.

Mr. Kilburn for, with Mr. Loser against.

Until further notice:

Mr. Addonizio with Mr. Adair.

Mr Ichord of Missouri with Mr. Bennett of Michigan.

Mr. King of Utah with Mr. Tupper.

Mr. Frazier with Mr. Halleck.

Mr. Yates with Mr. Merrow.

Mr. Stubblefield with Mr. Bromwell.

Mr. Thompson of Louisiana with Mr. Bruce.

Mr. Dowdy with Mr. Robison.

Mr. James C. Davis with Mr. Horan.

Mr. Flood with Mr. Glenn.

Mr. Moulder with Mr. Hoffman of Michigan.

Mrs. Blitch with Mr. Wilson of Indiana.

Mr. Boykin with Mr. Chiperfield.

Mr. **SHELLEY** and Mr. **LANE** changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The **SPEAKER**. The question is on the passage of the bill.

Mr. **BALDWIN**. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 319, nays 72, not voting 46, as follows:

[Roll No. 118]

### YEAS—319

Abbitt
Abernethy
Addabbo
Albert
Alexander
Andrews
Anfuso
Arends
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barrett
Barry
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Belcher
Bell
Bennett, Fla.
Berry
Betts
Boggs
Boland
Bolling
Bolton
Bonner
Brademas
Breeding
Brooks, Tex.
Broyhill
Buckley
Burke, Ky.

Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Church
Cohelan
Collier
Colmer
Conte
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mass.
Daddario
Dague
Daniels
Davis, John W.
Dawson
Delaney
Dent
Derounian
Dominick
Donohue
Dooley
Downing
Doyle
Dulski

Durno
Dwyer
Edmondson
Elliott
Everett
Evins
Fallon
Fascell
Fenton
Finnegan
Fino
Fisher
Flynt
Ford
Forrester
Fountain
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Goodling
Granahan
Grant
Gray
Green, Pa.
Griffin
Griffiths
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Hall
Halpern

Hansen
Harding
Hardy
Harris
Harrison, Va.
Harrison, Wyo.
Harvey, Ind.
Harvey, Mich.
Hays
Healey
Hébert
Henderson
Herlong
Hoeven
Holland
Hosmer
Huddleston
Hull
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Judd
Karsten
Karth
Kee
Keith
Kelly
Keogh
King, Calif.
King, N.Y.
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lipscomb
McCulloch
McDonough
McDowell
McFall
McIntire
McMillan
McSween
McVey
Macdonald
Mack
Madden
Magnuson
Mailliard
Martin, Mass.
Martin, Nebr.

Mathias
Matthews
May
Meader
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nedzi
Nelsen
Nix
Norbald
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Pirnie
Poage
Poff
Price
Purcell
Rains
Randall
Reece
Reifel
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rosenthal

Ryan, Mich.
Ryan, N.Y.
St. George
St. Germain
Santangelo
Schenck
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Sullivan
Taylor
Teague, Calif.
Thomas
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Udall, Morris K.
Ullman
Utt
Van Pelt
Van Zandt
Vinson
Waggonner
Wallhauser
Walter
Watts
Weaver
Weis
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Winstead
Wright
Younger
Zablocki
Zelenko

### NAYS—72

Alger
Andersen, Minn.
Anderson, Ill.
Ashbrook
Ashley
Baring
Beermann
Blatnik
Bow
Broomfield
Brown
Casey
Chiperfield
Clancy
Clark
Cook
Curtis, Mo.
Denton
Derwinski
Devine
Diggs
Dingell
Dole
Dorn

Ellsworth
Feighan
Findley
Fogarty
Goodell
Green, Oreg.
Gross
Harsha
Hechler
Hemphill
Hiestand
Hoffman, Ill.
Johansen
Kastenmeier
Kearns
Kilgore
Kyl
Lindsay
MacGregor
Mahon
Marshall
Michel
Minshall
Moeller
Morris

O'Konski
Pillion
Powell
Pucinski
Quie
Ray
Reuss
Rogers, Tex.
Roosevelt
Rostenkowski
Roush
Rousselot
Rutherford
Saylor
Schadeberg
Scherer
Shipley
Taber
Thompson, N.J.
Thomson, Wis.
Tollefson
Vanik
Young

### NOT VOTING—46

Adair
Addonizio
Alford
Bailey
Bass, N.H.
Bennett, Mich.
Blitch
Boykin
Bray

Brewster
Bromwell
Bruce
Coad
Davis, James C.
Davis, Tenn.
Dowdy
Farbstein

Flood
Frazier
Frelinghuysen
Garland
Glenn
Gonzalez
Halleck
Hoffman, Mich.
Holifield

Horan
Ichord, Mo.
Kilburn
King, Utah
Laird
Loser
Mason
Merrow
Moulder
Riley
Robison
Roudebush
Saund
Stubblefield
Teague, Tex.
Thompson, La.
Tupper
Wilson, Ind.
Yates

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Laird for, with Mr. Bray against.

Until further notice:

Mr. Loser with Mr. Adair.
Mr. King of Utah with Mr. Robison.
Mr. Brewster with Mr. Halleck.
Mr. James C. Davis with Mr. Frelinghuysen.
Mrs. Riley with Mr. Bruce.
Mr. Saund with Mr. Wilson of Indiana.
Mr. Holifield with Mr. Kilburn.
Mr. Frazier with Mr. Tupper.
Mr. Farbstein with Mr. Glenn.
Mr. Ichord of Missouri with Mr. Roudebush.
Mr. Alford with Mr. Bennett of Michigan.
Mr. Bailey with Mr. Merrow.
Mr. Davis of Tennessee with Mr. Horan.
Mr. Moulder with Mr. Garland.
Mr. Dowdy with Mr. Bass of New Hampshire.
Mr. Yates with Mr. Hoffman of Michigan.
Mr. Stubblefield with Mr. Bromwell.
Mr. Thompson of Louisiana with Mr. Mason.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERSONAL ANNOUNCEMENTS

Mr. COAD. Mr. Speaker, I was unavoidably detained and was not able to vote on the last rollcall. Had I been present, I would have voted "yea."

Mr. BAILEY. Mr. Speaker, I was absent from the floor on the last rollcall. Had I been present, I would have voted "yea."

## FOOD AND AGRICULTURE ACT OF 1962

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 678, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, and points of order against said bill as they pertain to Public Law 480, Eighty-third Congress, are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed six hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Agriculture now printed in the bill as they pertain to Public Law 480, Eighty-third Congress. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 11222, it shall be in order in the House to take from the Speaker's table the bill S. 3225 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11222 as passed by the House.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and, pending that, I yield myself such time as I may consume.

Mr. Speaker, ordinarily when I have charge of a rule I do not argue the merits of a bill. The rule on this bill is quite clear. Mr. Speaker, this resolution makes in order the consideration of the very controversial farm bill. The rule provides for lengthy general debate, 6 hours. It provides for waiving points of order against the provisions that modify Public Law 480. It is, otherwise, an open rule.

Mr. Speaker, it is customary in the House Chamber when a Member representing a city district has the temerity to discuss agriculture to assume that obviously because he represents a city, he cannot know anything about agriculture. I notice, however, that when we have other matters of legislation—perhaps labor legislation—that we suddenly have a great many farm boys who are experts on labor. I happen to represent a city, the city of Kansas City, Mo. The reason that I have always been interested in agriculture is that I can tell from the Federal Reserve Retail Sales Index how agriculture in our area is doing. As soon as agriculture is more prosperous, that fact shows up in the figures on department store sales. Also, I have had the privilege of serving for a number of years on the Joint Economic Committee. I have served on several occasions as chairman of its Subcommittee on Foreign Economic Policy. On one occasion we spent a number of years dealing with what we call United States-Soviet economic comparisons. We discovered rather earlier than many people in this country that the Soviet Union was capable of doing a great many things quite well, not just in the field of rockets, but in various other fields such as heavy industry.

Mr. Speaker, the one great flaw in the Communist system to date has been its inability to master the production of agricultural commodities. We see famine in China; we see agricultural difficulties still in Russia, more than 40 years after the so-called revolution. We, on the other hand, are embarrassed by our riches. We are made to appear in the eyes of the world as something close to idiots. We have had a greater technological revolution in agriculture than we have had in any field. We in this Congress, we in the U.S. Government, under a whole array of administrations, have been unable to turn this great richness into a positive asset. The reason that we have not turned it into a positive asset is that some people have thought that we could have our cake and eat it too.

We in the cities have pretty consistently supported farm legislation. We have supported legislation which we thought would benefit the farmer because we recognize that the farmer is a market for our manufactured goods. But we can no longer continue supporting both the farmer and the surpluses that the farmer produces.

I choose to speak on this bill because this is the first bill on agriculture in a very long time which attends to both the problems. It attempts to give the farmer an income floor. I do not propose to go into the details of all the titles, but it very clearly is intended to give the farmer a decent floor under his income. But, beyond that, it moves to eliminate the surpluses, the surpluses which are a glut on our market, which are a glut on the world market, and which are an embarrassment to us in foreign affairs. Think what the people around the world think of the United States when they look at our agricultural program; the greatest technological revolution of modern times, the U.S. revolution in agricultural production, turned into a curse because we have not been able to manage it, turned into a curse which overhangs the domestic market, which costs the general taxpayers literally billions of dollars over a period of time and makes us ridiculous in the world, a world in which hundreds of millions of people starve and we allow our surpluses to deteriorate; a world in which they read of speculators manipulating to get illgotten gains.

It seems to me very clear—and this is the reason I must speak on this bill—that this may very well be our last chance to get an effective agricultural program.

If in the debate on this issue it becomes a purely partisan issue, it seems to me that there will be a real revolt of the taxpayers of this country. Farmers are important, but they represent a decreasing segment of the population. A smaller and smaller number of farmers produce more and more. And unless we here in the Congress and in the executive branch are wise enough to provide a solution which will give to the farmer a floor but at the same time prevent these insane surpluses, we will not have an agricultural program for many more years. I would regret to see that day come. But these surpluses, this expense, will soon be too much.

The reason I very strongly support this resolution and this bill is that I feel that this particular bill which this resolution makes in order, for the first time in many years, is a realistic approach to solving a problem which is critical on the domestic front and equally critical in the foreign field.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, my good friend and distinguished colleague on the Rules Committee, the gentleman from Missouri [Mr. BOLLING], has clearly explained this rule. As a Representative who comes from not only a great agricultural district, but also from a great industrial district, and as one who has for many years owned and operated several fairly good Ohio farms, I welcome the gentleman from Missouri as one of those who understands the problems of agriculture. However, I should like to remind him, because I have a warm spot in my heart for Kansas City—that is where I buy my feeder calves, out in the Kansas City market, and I am sure the gentleman is well aware of that great livestock market in his home city—that he is incorrect in his statement that if this legislation is not enacted we will not have any farm program for a long while to come, because, unless this legislation is enacted, I understand, the Agricultural Act of 1958 will remain in effect, and therefore we will continue under the present law now on the statute books.

I have read and studied the report on the bill we have before us, and have listened to the testimony in the Rules Committee, and in my opinion this particular measure is one of the worst legislative monstrosities which has been brought to the floor of this House in many and many a year; in fact, it is such a poorly drawn and such a questionable measure that the Committee on Agriculture, under the dominant leadership of the gentleman from North Carolina—and he is a dominant figure, and certainly anyone who could put over this sugar bill that just went through the House has a great deal of leadership and considerable dominance—that the gentleman's own committee gagged on this bill three times before it was possible to obtain a sufficient number of votes to report the bill out of committee. Even then it was reported by the margin of but one vote, and cloakroom whispers have it that that vote was obtained with the understanding the reluctant gentleman who voted to report the bill would not have to support the measure when it came to the floor.

Some of us have served in the Congress for a considerable number of years have learned to rely more or less on what we call the grapevine telegraph. Up here on Capitol Hill it carries whispers and rumors and stories about what is going to happen in connection with various legislative bills brought up for attention on the floor of this body. The grapevine telegraph has been sounding off rather loud and clear in the last 24 or 48 hours that when we reach the proper place in the consideration of this bill, under the 5-minute rule, some of the leaders of this House, or at least men of great substance and dominating influence, will rise in their places and offer certain amendments to strike out of this measure some of the controversial provisions now contained in it, in the belief and on the theory that after their amendments are accepted it will not be too difficult to get the leadership of the Committee on Agriculture to accept some of these amendments under present conditions. I say this because the whispers have had it that this measure has been in trouble for some time here in the House, which is perhaps the reason the measure was not called up as originally scheduled last week, but instead consideration was put over until this week so certain arrangements could be made, to-wit, for the offering of certain amendments that will be adopted here to sweeten up this rather obnoxious legislation as much as it can be sweetened up, so to get a sufficient number of votes to pass it here on the floor of the House and send it to conference where—and I am sure you can depend upon this—the plan will be to reinstate all of the provisions of the present measure and to give to bureaucratic government here in Washington, and specially to the Secretary of Agriculture, Mr. Freeman, if you wish to name names, the power, the authority and the means to dominate and to control the activities on every farm, almost without exception, through the length and breadth of our beloved America.

That is exactly what will be done. And, of course, in my opinion, any person who believes in liberty and freedom—not for the farmer but for all Americans, should vote against this bill. Remember, if we can take liberty and freedom away from those who till the soil, the next step will be to take liberty and freedom and the right to conduct their own business, away from others who are engaged in other forms of free enterprise here in America. If you vote for this kind of legislation you will be spelling the beginning of the end of that which we have always held precious here in this Republic, from the days of our Founding Fathers, the free enterprise system under which a man might go out on his own, make good, and take his losses or his winnings, as they may come his way, according to his ability, his willingness to work, and to do that which is necessary to make a success in life.

Personally, I do not want a controlled agriculture. Personally, I do not believe any one bureaucrat in Washington should be given the power and the authority contained in this bill, because if you will read this measure carefully, you will find, in paragraph after paragraph, in section after section, there is nothing but grants of power and authority—that "the Secretary may determine"; that "the Secretary may do this or that"; that "the Secretary may decide"; that "in his discretion the Secretary shall have the authority to do so-and-so." Just read the measure and then counsel with your own conscience, and not with this horde of lobbyists running around Capitol Hill in support of this legislation—and decide for yourself just how you should vote.

While I am at it, I would like to say something else that has been on my chest for a good while. In all the years I have been here, I have never seen a session of the Congress in which there have been more lobbyists at work on Capitol Hill than during this particular session. I served on the special House committee that investigated lobbying activities a few years ago, and I would like to add, I am convinced, from my experience and my knowledge, that the greatest lobby we have at work in America today is not private enterprise—it is not some special interest—it is the Government of the United States, and the various agencies and departments thereof, who do their lobbying at the expense of the taxpayer in an effort to control, influence, and direct legislative activity here on Capitol Hill so such public officials may continue to obtain and wield more and more power over the people of America.

The time has come in my opinion, in connection with this particular piece of legislation that we demonstrate our independence and vote it down, just to convince those who seek more and more power that the Congress of the United States will protect the proper interests not only of the American people generally, but of the individual citizen as well, by refusing to grant more and greater dictatorial power to Washington bureaucracy, by refusing to centralize more power in the Government here in Washington and by saying plainly, we will decide for ourselves, and permit others to decide for themselves, what their actions and course of conduct may be in connection with agriculture or any other proper activity.

Mr. Speaker, I reserve the balance of my time.

Mr. **BOLLING**. Mr. Speaker, I yield to the gentleman from Iowa for a unanimous-consent request.

Mr. **SMITH** of Iowa. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous material.

The **SPEAKER**. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. **SMITH** of Iowa. Mr. Speaker, under existing law, the 1958 Feed Grains Act, which was in effect in 1959 and 1960, will spring back into effect unless this Congress passes other legislation. This is the approach under which the Billie Sol Estes type operations grew and grew at Government expense. Every bushel of grain sorghum in those bins was grown under a no-allotment approach. If that law comes back into effect, we can expect to see a Billie Sol type structure at every corner.

Last year we passed the emergency feed grains bill, which suspended the 1958 act and has reduced cost to taxpayers, increased farm income and provided a market for some grain that was in storage. While this kind of a program cannot operate successfully after the carryover is reduced to normal, it could operate successfully for 1 or 2 more years.

While neither the farmers nor the taxpayers should want to go back to the low support-no allotment 1958 act that ran up Government costs and overloaded Government bins, I think the most outstanding producers of food in the world are entitled to another year under a voluntary program before holding a referendum.

I am proposing an amendment which would prevent the use of history as the sole criterion for determining allotments, and allotments must be adjusted in any permanent program. There is not adequate time between now and August 20 to pass this bill, adjust allotments, disseminate full information as to its effect on each farm, and prepare for a referendum. I have also prepared an amendment which would make the program voluntary for next year, and I urge my colleagues to favorably consider these proposals.

I am in favor of amending farm legislation to help make supply balance with demand so that farmers will not be penalized so much for being efficient producers and so as to reduce costs to the taxpayers at the same time. This kind of legislation can be developed but as a basis, we need to have the facts concerning existing legislation on basic commodities. There has been a great deal of talk about the feed grains problem and we do have such a problem, but I think it has been exaggerated in comparison to other crops.

The volume of feed grains produced and needed in this country is great because they provide the basic source of nutrients that are converted in protein products such as meat, poultry, and dairy products; however, the cost in relation to value is not as great as on some other commodities. I have obtained calculations of these costs and urge my colleagues to study them while considering alternate programs. The primary source of these figures is the Library of Congress. They are as follows:

### COST OF PRICE SUPPORTS IN RELATION TO VALUE OF PRODUCTION IN RECENT PERIODS

In the fiscal year 1960–61 realized losses on CCC inventory transactions, including resealing and interest expenses (under accounting procedures adopted June 30, 1961), plus export subsidies and section 32 funds used for price support operations and value of production for feed grains, wheat, and cotton, were as follows:

| | CCC inventory losses and subsidies | Value of production | Price support costs as a percentage of value of production |
|---|---|---|---|
| | *Millions* | *Millions* | |
| Feed grains | $452 | $5,372 | 8.4 |
| Wheat | 239 | 2,253 | 10 6 |
| Cotton | 330 | 2,634 | 12.5 |

Sales of wheat and other products for local currencies under title I of Public Law 480 are not included as a part of Government costs in the above figures. Wheat price support costs especially would have been much higher if the cost of Public Law 480, title I, sales had been included.

In 1961 cash receipts from the sale of feed crops, livestock, and livestock products totaled $22.1 billion. Feed grain price supports (and storage programs) have stabilized and prevented further declines in all feed crop and livestock prices.

Feed grain price support costs in 1961 were only 2 percent of the value of the feed crops, livestock, and livestock products marketed.

In the 3-year period 1959–61, price support costs and value of production for feed grains, wheat, and cotton, were as follows:

| | Average annual price support costs | Average annual value of production | Price support costs as a percentage of value of production |
|---|---|---|---|
| | *Millions* | *Millions* | |
| Feed grains | $439 | $5,623 | 8 |
| Wheat | 250 | 2,112 | 12 |
| Cotton | 315 | 2,512 | 12 |

The above figures are comparable to those for 1960–61 and do not include the cost of Public Law 480, title I, sales.

The cost of feed grain price supports for this 3-year period as a percentage of the value of feed crops, livestock, and livestock marketed is 2 percent.

In the 9-year period 1953–61 price support costs averaged slightly lower for both feed grains and cotton as a percentage of the value of their production than in the most recent years. The 9-year average price support costs and value of production of feed grains, wheat, and cotton, were as follows:

| | Average annual price support costs | Average annual value of production | Price support costs as a percentage of value of production |
|---|---|---|---|
| | *Millions* | *Millions* | |
| Feed grains | $296 | $5,824 | 5 |
| Wheat | 233 | 1,994 | 12 |
| Cotton | 195 | 2,502 | 8 |

The 9-year average cost of feed grain price supports was only about 1 percent of the value of feed crops, livestock, and livestock products marketed.

*Estimated costs of price support programs for 1963 as a percentage of value of production*

| | Percent |
|---|---|
| Cotton | 11 |
| Rice | 17 |
| Tobacco | 1 |
| Peanuts | 13.5 |
| Wheat: | |
| No new legislation, return to 1960 program | 43 |
| President's proposal: | |
| (1) No credit for sales from CCC stocks | 33 |
| (2) After credit for CCC sales from stocks | 15 |
| Feed grains: | |
| No new legislation, return to 1960 program | 13 |
| President's proposal, mandatory program: | |
| (1) No credit for sales from CCC inventory | 9.5 |
| (2) After credit for CCC sales from stocks | 1 |
| Dairy: | |
| No new legislation | 11 |
| President's proposal | 5.6 |

These estimates take into account only the additional costs of continuing price supports for 1963 and omit the carrying and handling charges on stocks acquired in earlier years.

Although not covered in the letter, using a similar approach, cost of continuing the current voluntary feed grain program for 1963, with no credit for sales from CCC stocks would be about 15 percent of the value the feed grains produced, after credit for CCC sales the cost would be about 8 percent of the value of feed grains produced and about 2 percent of the value of feed crops, livestock, and livestock products marketed.

(In estimating the cost of feed grains price support programs for 1963, U.S.D.A. assumed even higher yields than those obtained in 1961 with the most favorable weather in 30 years. Had they used lower yield estimates, price support costs would have been estimated lower for all alternative feed grain programs.)

**Mr. BROWN.** Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. AVERY].

**Mr. AVERY.** Mr. Speaker, yesterday morning when the most amicable chairman of the House Committee on Agriculture was up in the Rules Committee, I said: "Well, good morning, Mr. COOLEY; what have you this morning?"

He said: "I have a good bill here this morning."

I said: "It will be refreshing to have a good bill. This is the first one you have brought us this year."

He said: "I agree with you."

I do not know whether he quite understood the full import of his statement or not, but I could only interpret that to mean that he thought the agriculture bill he brought there was not very good either. He may have some explanation to make in the colloquy which will follow here.

I regret I heard only part of what the gentleman from Missouri had to say. I was called off the floor, and I did not hear all of his remarks. But he commenced his remarks by way of making an explanation as to why, representing a metropolitan area, he took the floor to defend or to explain a piece of farm legislation. That is entirely in conformity with the format of this administration. That is, to have persons without practical experience speaking for an industry or submitting economic advice. Few if any of the economic advisers to the President have ever had the responsibility of meeting a payroll or securing necessary financing. So I think it is entirely consistent that a Member from the city should undertake to explain a farm bill.

I am sure it will be no surprise to Members of the House when I announce my opposition to this bill. It naturally follows that I would be opposed to the rule but I know from a practical standpoint it would be futile to oppose the adoption of the rule.

I deplore the cynical statements that have been made by persons high in the administration and persons close to the administration that all opposition to this discriminatory bill stems from purely partisan politics. On several occasions Members have stood in this well to beg the House not to approve legislation that they described as discriminating against the area that they represent. I submit, Mr. Speaker, there has never been a bill that has been more discriminatory, more arbitrary, and more adverse to the national interest than is this so-called Food and Agricultural Act of 1962.

Historically, why do we have a farm program? There are three basic reasons: First, to stabilize farm income; second, to keep supply and demand in a reasonable balance; and, third, to preserve through a normal granary plan a reasonable amount of food reserve. It appears now there may be a fourth reason for this farm program; that reason being to further extend the big brother policy to agriculture. We have recently seen this administration inject the coercion of the Executive into the price and wage field; we have been warned that it will seek the power to arbitrarily establish tax rates; and so there is every reason to believe that this bill represents a further manifestation of Executive power thrust, now in the management of agriculture.

You may say that this is purely a partisan statement. That is simply not true. I think it is self-evident in the majority report that the usual reasons for an agricultural program are absent in the justification for this bill. Let us take the feed grain section. There are approximately 102 million acres annually planted to feed grain. This bill would provide for a 20-percent mandatory reduction in those acres, which would mean that approximately 23 million acres would be forced out of production. But what will go out of production under the present progam? Under existing contracts, nearly 27 million acres are out of production under the soil bank program, and 25 million acres were voluntarily retired under the feed grain program of 1961, for a total of 45 million acres that have been voluntarily taken out of production. If this bill becomes law, the soil bank contracts commence to retire and the base acreage eligible for planting becomes mandatory instead of voluntary. The only possible conclusion is that there will be actually less acres taken out of production under the bill than was diverted in 1962.

I mentioned discrimination. In order to pass this bill, it is quite evident that the administration was compelled to agree to a so-called deficit-area provision. This is a nebulous authority given to the Secretary to designate certain States as deficit feed grain States, and under this bill they would be exempt from the mandatory feed grain provision. These deficit States total 32, many of which are located in the South and on the eastern seaboard. By setting out this large block of States and retaining the restrictive features of this bill to 18 largely Midwestern States, apparently the administration hoped to be able to obtain the necessary votes to complete their sacking of agriculture. There was a rumor about this Chamber yesterday that even the deficit area provision was not enough to muster the necessary votes, and that the original 25-acre exemption in the bill had been increased to 40 acres. This was supposed to entice enough other votes to secure passage of the bill. There may be other amendments also, just for a cushion on the vote.

An example of how this discrimination will work is very simple. Livestock or dairy farmers in Colorado or Wisconsin or Oklahoma that raise all of their feed can continue to operate as usual. A farmer of similar operations in Kansas, Missouri, and seven other Midwestern States will be compelled to reduce his feed grain production to 20 percent, just because he did not elect to farm in one of the 32 magic States.

Finally, on feed grains. I am one Member that has refrained from the current sport of reciting Billie Sol Estes stories on the floor of the House. Frankly, I must admit that I have enjoyed some of the references that have been delivered from this well, but I did not think these stories reflected any credit on the great American industry of agriculture. Now there has been an effort on the part of various persons in this administration to twist various findings in the Estes case into support for this bill. I submit, Mr. Speaker, that if this bill is passed the stage will be set for many other Billie Sol Estes conspiracies. As long as a feed grain program remains voluntary, there is no incentive nor any motivation for capitalizing on feed grain acreage allotments. If this bill passes, immediately every one of the 100 million acres of feed grain allotments will become attractive prizes and fair game for another Billie Sol Estes. His name may not be Billie Sol Estes, and he may not be from Texas, his exploitation may not cover all the front pages of the daily press, but you may be sure there will be some ingenious operator who will capitalize on the premiums related to these acreage allotments.

In respect to wheat. Wheat has become the favorite whipping boy for all of the adversaries of agriculture. Because of most unusual climatic conditions that have prevailed in the wheat-producing areas for the past 5 or 6 years, plus the trespass of 5,000 new farmers a year into the wheat-producing industry, we have accumulated what has been described, and we recognize to be, a considerable surplus. And these 5,000 new wheat farmers have come from States which historically have not been wheat-producing areas. Last year this administration proposed a 10-percent cut in all wheat allotments. I supported that proposal because I recognized our wheat supply was approaching an unmanageable surplus, but I vehemently object to subjecting wheat producers to an additional 10-percent cut when we have not even harvested one crop from the program we passed last year.

There is every reason to believe we have turned the corner on the years of miracle yields per acre due to ideal weather conditions. It was suggested to the Rules Committee that the Oklahoma crop was down 40 million bushels this year. Some reliable spokesmen from Kansas have estimated that our crop will be from 65 to 100 million bushels less than we harvested in 1961. That would be approximately a 30-percent reduction in Kansas wheat production. I think it is reasonable to assume that this is going to be generally the pattern clear across the Wheat Belt.

If this becomes a reality, and evaluated with reports of our increasing annual exportation of wheat, it is quite possible that instead of having an unmanageable carryover of 1,300 million bushels of wheat, we could very conceivably have a carryover of less than 1 billion bushels. Despite all of the irresponsible accusations that have been made against the wheat supply, our present level of carryover is barely equal to 1 year's requirement for consumption of U.S. wheat.

Because of deteriorating producing conditions around the world, now the United States is the only country that is considered to have a surplus of wheat. Argentina, Canada, and all of the other major wheat-producing countries are considered to have only a bare minimum of what they consider necessary for a stable carryover supply.

There is also discrimination in the wheat provision in this bill. Under the present Wheat Act, a State's share of the national allotment has been based on a 10-year history of production. This bill proposes to reduce those base years to 5. This means that Kansas and other major producing wheat States would not be subjected to 20 percent reduction but to an amount in excess of 20 percent. In Kansas, this would amount to a 100,000-acre penalty below what would occur from a straight 20-percent reduction. Maybe the redistribution of this 100,000 acres to other States may have been another incentive to securing votes for this bill.

In answer to the critics that say the Members of my side of the aisle are merely out to emasculate this bill, let me say this: I took the floor to support the now majority leader in his effort to pass the 1962 wheat program. I also voted for the present voluntary feed grain reduction program. We were told by the Secretary of Agriculture they had been very successful in bringing about the objectives of this administration. If this is true why can we simply not sustain those programs for 1 more year? This was the recommendation of the Committee on Agriculture in the other body, and I am certain that the Committee on Agriculture of this body would have agreed to such a proposal without the 4-week deferment on bringing this bill to the floor because of the lack of support in the committee for the bill as it appears today.

Since such a proposal was the judgment of the Committee on Agriculture in the other body, it was apparently the original judgment of a majority of the members on the House committee. It is certainly the judgment of all the farmers in the Midwest. What other conclusion can be reached other than that the administration is determined to pass this bill to further extend the control of the Federal Government, and more particularly this administration, into the field of economics, in this case agriculture. This bill should be soundly defeated and the committee can resubmit to the House a bill that does not destroy the economic position and the constitutional prerogatives of the American farmer.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Speaker, we hear a lot of talk about equal time, in the debate on the sugar bill our very lovable friend, the gentleman from Florida, BILLY MATTHEWS, recited a little poem that I think was particularly pleasing and amusing. I wish to avail myself of equal time with a reply.

Here is BILLY's great work:

The Congressmen are fussing on Capitol Hill.
They are debating the merits of the sugar bill.
Fine men and women, tried and true,
Beg for more sugar 'til their faces are blue.
They'll give Mr. Freeman all the power in the land.
Put their farmers in straitjackets, with a loving hand.
What would be their attitude if we evened up the score
And call this bill 11222 instead of 12154?

Now, to be effective a feed grain bill or a farm bill should apply to the tillable acres in our country to be an effective instrument. But it ran into trouble;

areas wanted out, votes were needed, so deficit areas were exempted; pretty soon 25 acres exempted, and soon we hear of farmers operating 40 will be next to be favored. So we now find we give up acres in our feed grain areas to other areas. So, here is a new story:

It's true there's been fussing on Capitol Hill.
It's because we have before us a new farm bill.
The first bill up was quite some packet,
It had everything in it—even a straitjacket.
It had jail sentences, fines and penalties galore—
With all those experts they should have thought of more.
When the word got out, it fell like a dud.
The experts said the score is clear as mud.
The boys worked hard day and night
So as not to squeeze their boys too tight.
So now, Billy says, "Your argument sounds silly."
But it's me that would be put in the jacket—not Billy.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Florida.

Mr. MATTHEWS. I want to congratulate my dear friend on his poetry. It is with deep regret that I resign from my prematurely designated title as poet laureate of the House and give him that title.

Mr. NELSEN. I thank the gentleman.

Mr. BROWN. Mr. Speaker, I yield the remaining time on this side to the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Speaker, it is entirely fitting that this bill should follow the sugar-coated-pill sugar bill that was wheeled through the House of Representatives a few minutes ago. This so-called farm bill provides for taking more land out of production while the sugar bill provided, among other things, for giving production to foreign countries. So, in the pending bill we pay farmers to take land out of production when, under a proper sugar bill, we should have used at least some of this land, this productive capacity for American farmers to grow cane and sugarbeets. In other words, we pay twice. We pay a premium on the sugar that we get from foreign countries and we pay for idled land in this country. This is par for the course for the House of Representatives. It is entirely in keeping with the contradictions that have become a way of life in the House and elsewhere in the Federal Government.

Mr. Speaker, the gentleman from Missouri [Mr. Bolling] said something about either foreigners or Americans being embarrassed as a result of our surpluses. Perhaps the gentleman will be kind enough to tell the gentleman from Iowa whether it is the foreigners who are embarrassed, or Americans who are embarrassed. Could the gentleman tell me to which he referred?

Mr. BOLLING. Of course, I would be glad to tell the gentleman from Iowa, if the gentleman will yield to me.

Mr. GROSS. Yes; I am happy to yield to the gentleman from Missouri.

Mr. BOLLING. If the Nation is not embarrassed, I would be very much surprised—the United States of America.

Mr. GROSS. But the foreigners are not embarrassed. The gentleman is not saying that foreigners are embarrassed by our surpluses?

Mr. BOLLING. Well, if the gentleman wishes me to go into details, some certainly are. Our surplus of wheat has an effect in a variety of countries around the world, including our neighbor, Canada, and Australia.

Mr. GROSS. Most foreigners ought to be pleased that we have a surplus in this country, and American citizens ought to be pleased that we have a surplus. I agree that the present surplus is too large and ought to be reduced. But we have been shoveling our surplus out to foreign countries, giving it away through grants-in-aid, and virtually giving it to them under the arrangement of accepting their currencies.

Mr. Speaker, it seems that last year we went through the farce of selling Bolivia 3 million and some odd hundred thousand dollars worth of food products, the agreement being, of course, that the currency remain in Bolivia. Then, I received a release—I have forgotten from what agency of Government—telling how some time ago the Bolivian Government confiscated the British-owned railroad in that country. What do you suppose we are doing now? We are going to use nearly $2 million of the currency generated in Bolivia to buy fuel and equipment for this railroad and we are going to spend $700,000 to establish a management team in Bolivia to tell the Bolivians how to run the railroad that they confiscated from British private investors.

Mr. Speaker, some of these foreign countries had better hope that American farmers continue to produce a surplus. Incidentally, I wonder what would happen if we did not have a food surplus in this country with respect to the school lunch program, and the various relief programs? When we talk of the farm surplus, does anyone ever give consideration to the average $90 billion a year inventory maintained by industry, wholesalers, and retailers in this country? Who do you suppose pays for this $90 billion inventory? I would hope that we would always have more than a few months' supply of automobiles, wearing apparel, appliances and everything else in this inventory pipeline. But who pays for it? It is paid for, as you well know, in the marketplace by the consumer when he purchases the product.

Mr. Speaker, the difference between the farm surplus and the inventory carried by business and industry in this country is the fact that the agricultural surplus is paid for out of the Treasury. But it is fortunate that we have a reasonable surplus. We had better hope that the day never arrives when one travels through the State of Iowa and the other Midwestern States and finds the grain bins empty, and the fields and feed lots empty of cattle and hogs.

Mr. Speaker, I oppose the administration's so-called farm bill because it would make a czar of the Secretary of Agriculture and for many other reasons. I am opposed to the rule that makes the bill in order.

Mr. BOLLING. Mr. Speaker, before I move the previous question, I would like to comment very briefly on one part of the statement of the gentleman from Ohio [Mr. Brown]. He indicated that he had never seen such lobbying going on in Washington. The gentleman from Ohio [Mr. Brown] is one of the most sincere, committed, and honest men of my acquaintance. But he must have a very short memory, because I remember a very few years ago when we actually had Cabinet officers ensconced in places around this Capitol lobbying as hard as I have ever seen anybody lobby. I think there was a postal rate bill in particular and, if my memory serves me correctly, an agriculture bill among others.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Of course, I yield.

Mr. BROWN. I wonder if the gentleman will tell us just what Mr. Freeman—Orville, I think his first name is, and I think he holds the title of Secretary of Agriculture—has been doing around these Halls during the last few days.

Mr. BOLLING. Exactly the same thing.

Mr. BROWN. And I wonder what these other members of the Cabinet have been doing, inviting our employees down to their offices, to explain to them the New Frontier program and what wonderful legislation they are asking for, so that they may subvert the people for whom they work. I am sure the gentleman will agree with me that there has been a little lobbying activity.

Mr. BOLLING. Mr. Speaker, I would like to answer the gentleman's question. They are doing exactly the same thing as a man whose name I think I remember, who comes from a Western State and who was Secretary of Agriculture—the same thing Mr. Benson did.

Mr. BROWN. I suspect that is right; but that does not make it the right thing. Two wrongs do not make a right, as the gentleman knows.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11222, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield myself 10 minutes. I present to the House for its consideration H.R. 11222, the Food and Agriculture Act of 1962.

Mr. Chairman, first I want to commend the majority members of the House Committee on Agriculture on the splendid effort put forth by the committee during the long consideration of this very important measure. At the outset I must say that we did not have the cooperation of the minority in an effort to improve the bill or any provision of the bill to which they objected. Their position was completely negative. They charged us with the responsibility and we have accepted the responsibility, and bring this measure to you and offer you the opportunity to improve it.

The gentleman from Ohio [Mr. BROWN], during the discussion of the rule for consideration of this legislation, said that we had agreed to accept certain amendments. I am certain that this bill is not perfect. I am certain that it can be improved and I hope it will be improved here on the floor of the House. We shall accept amendments. I have heard 14 or 15 amendments being discussed and I am sure that many amendments will be accepted and that the bill will be, thereby, improved.

Mr. Chairman, in its action upon this legislation now before us, the House confronts two alternatives, and our decision may be the most important we shall make in this Congress. Our votes will carry a tremendous impact upon the economic, social, and political order of this Nation, in the years ahead.

These alternatives are:

First. To adopt sensible and sound programs for the major grain crops now, to permit our farmers to balance supply with demand, or

Second. To continue the buildup of farm surpluses, waste billions of dollars, and finally to destroy all farm programs.

For the farmers of America, the legislation, if approved by the Congress, offers the crucial choice between (a) controlling surplus production and thereby enjoying firm price supports and stable incomes, or (b) the complete abandonment of all farm price stabilization programs. In short, the decision offered in H.R. 11222 for the producers of major crops is between self-imposed production restraints and freedom to plunge headlong into bankruptcy.

H.R. 11222 is drawn with not only our farmers in mind, but the well-being of all other Americans, as well.

It will cut down farm surpluses.

It will save taxpayers billions of dollars.

It will offer new stability and prosperity to the farm economy.

It will assure consumers plentiful food, at reasonable prices.

### THE FARM, FREE ENTERPRISE, AND COMMUNISM

Mr. Chairman, the farm problem poses a danger for the free enterprise system in America.

Agriculture is the Nation's largest industry, by far. The nature and productivity of our agriculture underlies the growth and strength of the greatest industrial establishment the world has ever known. Our farmers have made us the best fed Nation on earth, at the lowest cost. Under our family farm free enterprise system, as contrasted to the collectivized agriculture behind the iron and bamboo curtains, we have food to share with other freedom loving peoples.

The productivity of America's agriculture is the greatest stabilizing force today in the economy of the free world. Victory in the cold war may well turn upon the miracle of abundance from our farms that is feeding hungry millions of people the world over.

Food from our fields, pastures, and orchards has defeated or checked communism in its tracks in important areas of the world. Khrushchev rattles his missiles. He talks about Russia's great industrial strides, but you never hear him boasting of overtaking the American farmer. Communism, in huge collectivized farms, has not begun to match the efficiency and productivity of the family farms of America.

Yet, our farmers are the poorest rewarded workers in our capitalistic system.

### UNWISE POLICIES OF THE PAST

The farmer today is the victim of unwise, uneconomic, and otherwise foolish farm policies in the 1950's; he is entangled in the twisted wreckage of the old farm program that worked so well for so long.

Mr. Chairman, we had in this country prior to 1953 a farm program that was based on the sound principle that fair and adequate prices would be assured farmers who were willing to adjust their production to fit their markets. Under this program our agriculture experienced its golden era of all our history. For 11 consecutive years—1942–52 inclusive—farm prices averaged 100 percent of parity or above 100 percent of parity.

And now, listen carefully. During the 20-year history of the farm program, prior to 1953, the Government actually showed a profit of $13 million in supporting the prices of the basic crops—wheat, corn, cotton, rice, tobacco, and peanuts. The Government was able to sell for that much profit in this 20-year period the crop collateral surrendered by farmers for price supporting loans.

Then things changed. In the 1950's our national policies were directed toward an unlimited production, low price farm economy. We heard then a great deal about "regimentation" and "freedom." We heard more then about getting the Government out of agriculture than we did about the responsibility of Government to serve our farmers on equal terms with industry and labor.

The consequence was that the net income of agriculture dropped by $21.5 billion in the 8 years, 1953–60 inclusive, as compared to the previous 8 years; the Department of Agriculture in 1953 through 1960 spent some $37 billion—more than was spent in all the previous 90-year history since the Department of Agriculture was founded in 1862; we entered the 1960's with warehouses virtually bursting with surpluses; and the costs now are staggering. And, it should be noted that, during those 8 years, many thousands of family farmers were forced to give up and go into the cities to look for jobs.

Between January 1, 1953 and December 30, 1960, in the 8 years when the philosophy of all-out, reckless production, with low farm prices prevailing, Government investments in farm commodities increased from $2,452 million to $9,228,604,000.

I submit a table showing Government investments—in inventory and loans—in major crops, comparing January 1, 1953 with January 1, 1961; and another table showing the earnings of farmers in the reckless years 1953–60 as against the previous 8 years when we had sound and sensible farm programs:

*CCC investments in major crops (inventory and loans)*

| Crop | Unit | Amount | Value |
|---|---|---|---|
| Cotton: | | | |
| Jan. 1, 1953 | Bale | 1,097,000 | $166,779,000 |
| Jan. 1, 1961 | do | 5,242,000 | 892,144,000 |
| Wheat: | | | |
| Jan. 1, 1953 | Bushel | 467,847,000 | 1,081,545,000 |
| Jan. 1, 1961 | do | 1,515,715,000 | 3,634,072,000 |
| Corn: | | | |
| Jan. 1, 1953 | do | 368,349,000 | 587,274,000 |
| Jan. 1, 1961 | do | 1,844,093,000 | 2,852,106,000 |
| Rice: | | | |
| Jan. 1, 1953 | Hundredweight. | 168,000 | 878,000 |
| Jan. 1, 1961 | do | 6,553,000 | 38,433,000 |
| Peanuts: | | | |
| Jan. 1, 1953 | Pound | 192,528,000 | 22,644,000 |
| Jan. 1, 1961 | do | 332,560,000 | 35,469,000 |
| Tobacco: | | | |
| Jan. 1, 1953 | do | 544,067,000 | 250,373,000 |
| Jan. 1, 1961 | do | 640,697,000 | 403,694,000 |
| Dairy products: | | | |
| Jan. 1, 1953 | | | 8,445,000 |
| Jan. 1, 1961 | | | 79,124,000 |

Total realized net income of farmers:

| 8 years 1953–60 inclusive: | *In millions* |
|---|---|
| 1953 | $13,899 |
| 1954 | 12,201 |
| 1955 | 11,470 |
| 1956 | 12,032 |
| 1957 | 11,018 |
| 1958 | 12,980 |
| 1959 | 11,308 |
| 1960 | 11,649 |
| Total | 96,557 |

| 8 previous years: | *In millions* |
|---|---|
| 1945 | $12,850 |
| 1946 | 15,223 |
| 1947 | 17,304 |
| 1948 | 16,057 |
| 1949 | 13,789 |
| 1950 | 13,185 |
| 1951 | 15,158 |
| 1952 | 14,416 |
| Total | 117,982 |

Now, Mr. Chairman, where are we today?

Our people are generally and they are rightfully indignant. They will not stand longer for the waste and the squandering of their money, in farm programs that are not working either to the advantage of the farmer or to the taxpayer.

The Nation is demanding that the Congress enact sound and sensible farm legislation, or end farm programs once and for all.

It is in response to this temperament of the people that the House Committee on Agriculture, which it is my honor and privilege to serve as chairman, presents to the House H.R. 11222. It is similar to legislation already passed by the Senate. As I have said, it will cut down farm surpluses, save billions of dollars for taxpayers, strengthen the entire economy by improving the income of farmers, and assure consumers plentiful food and fiber at fair prices.

As I said above also, this bill gives the grain farmers of the Nation the choice between controlling surpluses with assurances of fair prices and, on the other hand, complete freedom with no controls and no price supports, to produce themselves into bankruptcy.

It makes no sense to me for the Government to provide price supports for the unlimited production of anything. I think that in assuring price stability for farmers the Government has the right to expect of farmers that they will cooperate in programs to hold their production within bounds, so that they do not glut and ruin their markets, at the cost of billions of dollars to our taxpayers.

I, for one, am unwilling to provide a nickel of price support to a farmer who will not cooperate, who will not assume the responsibility of controlling his surplus production.

I am asked what would happen if the bill now before us does pass and corn and other grain farmers then reject controls in the referendum provided for in the legislation.

Such a decision by corn and other grain farmers no doubt would signal the ultimate end for all farm production and price stabilization programs. This, in my judgment would convulse agriculture in a way that its spasms would be felt in every nerve of the economic body of this country.

Moreover, it no doubt would mean the end of the family farm in America, in any significant way, as out of the economic wreckage great integrated farming corporations would emerge, replacing independent farmers with a hired-hand agriculture. That, indeed, would be a sad day for America. The family farm was the beginning of free enterprise on this continent. It formed the economic base for the development of the greatest democratic form of government the world has known. The decline and fall of the family farm would not stop at that. There would be a chain reaction. Thousands upon thousands of units of capitalism in industry and business, now serving the family farm system, would vanish, as the family farm gave way to an integrated, corporate, hired-hand agriculture.

This may happen, and sooner than we think.

### SOME DETAILS OF H.R. 11222

This legislation provides specific programs for corn and other feed grains, for wheat, and for the dairy industry. The programs for grain, if approved by farmers, would place controls on surplus production. The bill attempts to head off a gathering surplus situation in dairy production, through a voluntary program.

The long-range feed grains and wheat programs in H.R. 11222 are not new programs; they simply apply the success story of tobacco, cotton, and rice programs to feed grains and wheat. They would permit producers to choose, freely and democratically, between price supports with surplus controls, and unlimited production without effective price support. This is a choice which producers of many major commodities now make nearly every year. When applied to cotton, tobacco, rice, and peanuts, it is a choice to which all major farm organizations subscribe.

The feed grains and wheat programs in H.R. 11222, by the best estimates of the Department of Agriculture, would cost the Government $600 million less for 1963 crops than the voluntary programs now in effect, as follows:

*Government cost of alternative programs for 1963 crops*

[In millions]

| | Feed grains | Wheat | Feed grains and wheat |
|---|---|---|---|
| Long-range program (H.R. 11222) | $644 | $1,188 | $1,832 |
| Extension of 1961-62 emergency programs | 1,200 | 1,217 | 2,417 |
| Return to 1960 programs | 1,372 | 1,465 | 2,837 |

In 4 years of operation, the savings to the public would be $4 billion, including $3 billion saved in Government payments to farmers.

Mr. Chairman, I understand that an effort probably will be made, through an amendment to substitute for the wheat and feed grain sections of this bill language which would continue the current voluntary and temporary programs for these crops. It is true that these voluntary programs, worked out last year in cooperation between the administration and the Congress are improving farm income and reducing Government costs. But these programs are but temporary expedients. They are still too costly. I shall resist all efforts to perpetuate them and I shall insist upon the basic provisions of the bill now before us.

### A WORD WITH MY SOUTHERN COLLEAGUES

Now, Mr. Chairman, I should like to speak briefly to my colleagues from the South, where we have successful surplus control programs working for cotton, tobacco, rice, and peanuts.

Our farmers, by their own decisions, prevent surplus production of these crops. In return, our Government supports our prices. Our farmers vote overwhelmingly year by year for whatever controls are necessary to prevent surplus accumulations which are a burden to our Government.

I think that all of us from the South should be willing and eager to give the farmers of the Great Midwest and elsewhere the same opportunity that we have with crops we produce, to determine in free and democratic referendums whether they want, as we have done, to place controls on surplus production and enjoy stable prices, or to go it on their own, with no check on production and no stability of price.

Moreover, I must admonish my southern colleagues of the alternative, if this bill should fail. Defeat of H.R. 11222 will return the feed grains to unlimited production, with price supports—price support on unlimited production—under the old law enacted in 1958. I think the Nation would revolt against being buried by a new avalanche of surpluses of grains, as likely would occur. I think that this might well mean an end to all farm support programs, and this would spell ruin for the cotton, tobacco, rice, and peanut farmers of the South. All of us from the Southland should think on this, when we cast our votes.

### SMALL FARMS AND DEFICIT AREAS

One-half of the Nation's farms are in the South. We have numerous small farms. This legislation, in its feed grains provisions, comprehends and protects the position of the small farmer. It provides special exemptions from cutbacks in production by small farmers.

The bill also properly takes into account the special problems of farmers in deficit feed grains producing areas, by providing certain exemptions.

We have tried in the Committee on Agriculture to be as fair in all respects as it is possible to be.

### FARM POLICY

Mr. Chairman, I have appeared in the House on many other occasions, in behalf of what I believed to be sound and sensible farm programs. Many of you are aware of my own philosophy and objectives, in the development of national farm policies.

I simply want to make available to farmers the basic tools of free enterprise that have made America the industrial giant among nations. These tools and these essential requirements for success in any productive enterprise in our free economy are first, the ability to adjust supply to demand, through holding production to the measure of effective markets; and second, the power to put a price tag on the products of enterprise that reflects costs plus a reasonable profit to the producers thereof.

This is what I have been fighting for in farm programs all these years, simply to place our many thousands of farmers scattered across the land on an equal footing with industry, by making it possible for farmers to use the supply adjustment and pricing mechanisms of industry so that they, too, may make the law of supply and demand work for them and not against them.

### ORIGIN OF THE LEGISLATION

H.R. 11222 embraces the philosophy of turning the law of supply and demand to the advantage of the farmer, under our free enterprise system, as I have set forth as the sound starting point in the development of farm policy.

The legislation was drawn originally in the Department of Agriculture, under the direction of the Secretary of Agriculture, Hon. Orville Freeman. The Secretary and his staff have cooperated splendidly with our Committee on Agriculture in bringing about extensive improvements and refinements which appear in the legislation as now presented to the House.

Mr. Chairman, I have served in this House for 28 long years and under several Secretaries of Agriculture and many Cabinet officers, but I have never known a more diligent, a more faithful, more loyal worker than Mr. Freeman. Perhaps he has been pounding these corridors, perhaps he has been lobbying for this bill, but he has not lobbied me about it. He has replied whenever I called on him to come either to my office or to the committee room. He will discuss any section of the bill at any time with anybody.

I live within 3 feet of a very prominent Cabinet officer, just across the corridor from me, yet he has not even spoken to me about this bill, the debt limitation, or these other bills we are talking about. If he were going to lobby me about it or anything else would he not have the best opportunity in the world when I live just 3 feet away from him and am a close personal friend and he a former Governor of our Commonwealth?

I do not see anything evil or unholy about a Cabinet officer explaining legislation to Members who want to know and who ought to know the truth about the proposition they are called upon to decide.

### THE NATURE OF THE OPPOSITION

Now, what is the opposition to this legislation?

The principal opponent, so far as I am aware, is the top echelon of the American Farm Bureau Federation.

I must say, and I confess to the House, that the position, and the activities, of the Farm Bureau Federation, particularly in its Washington headquarters has been a mystery to me since the late Edward A. O'Neal, the greatest farm organization statesman of our time, retired as Farm Bureau president some 15 years ago.

Ed O'Neal, of Alabama, as head of the American Farm Bureau Federation was one of the principal architects of the old farm program that worked so well for so long in the direction of bringing farmers into a parity position in our free enterprise economy. With the help of men like Earl Smith, then president of the Illinois Agricultural Association, he welded the farm interest of this country into a united front to lift agriculture out of the great depression and to set agriculture on the road to the era of greatest prosperity farmers have known—an era that ended in the 1950's.

If you ask what happened in the top level of the Farm Bureau, or question the nature of the new influences that have prevailed in that organization, I must confess to this House that I do not know.

It is evident to me, however, that the decline in the agricultural economy, and the heaping up of the farmers' problems, have coincided with the departure of the new dynasty in the Farm Bureau from the precepts of such former leaders as O'Neal of Alabama and Smith of Illinois.

Mr. Chairman, the bill now before this House in effect restores the surplus control provisions of the Agricultural Act of 1938 with respect to corn, and extends these provisions to other feed grains. The authority to control the production of corn through marketing quotas was deleted from farm law in 1954. Corn was one of the basic crops, subject to production controls to prevent surpluses, if producers approved, embraced in the Agricultural Act of 1938.

I had a nostalgic experience in preparation for this debate. I looked back through the House and Senate committee hearings on the Agricultural Act of 1938. This, I emphasize, was the legislation that authorized production controls, on approval of farmers, to prevent surpluses. I saw in the yellowing pages of these old hearings where O'Neal, of Alabama, and Smith, of Illinois, flanked by the Farm Bureau presidents of various States, submitted this legislation as their own, for the long-range solution of the farm problem.

Now, Mr. Chairman, in recent years the Farm Bureau national organization for reasons beyond my explanation, has done an about-face. Its leaders are going about the country saying in effect that for the farmers to try to make the law of supply and demand work for them, and not against them, it is a violation perhaps of even the laws of God.

Some 5 years ago the Bureau top echelon, you will recall, shocked the farm community of this Nation by proposing the repeal of the parity concept. This is the principle on which all of agriculture's aspirations and hopes are founded.

The Farm Bureau, as I have pointed out, is the foremost opponent of the bill before us. It should be recalled, in this connection, that these same top people in the Farm Bureau were the principal advocates of the farm policies of the 1950's which opened the floodgates on farm production, reduced farm prices, built up the surpluses that now overwhelm us, and generally brought about the conditions we seek to cope with in this legislation. It should be stressed also that these top Farm Bureau people propose, as their only alternative to the bill before us, something they call a cropland retirement program, which would, as best I can determine, bring back the old and discredited soil bank of the 1950's.

I must say to this House, Mr. Chairman, that I do not believe the position and the activities of the top people in the national organization of the Farm Bureau in any way whatsoever represent the thinking or the will of the working farmers back in the States and in the county farm bureau organizations. We here in this House are working for the people back there on the farms. I rest my position on this bill on the good judgment of the individual farmer and his wife who are looking to us for positive, effective, and courageous action.

### THE POLITICAL CLIMATE

Mr. Chairman, it is appropriate that I, in presenting this bill to the House, should take note of the political environment which encompasses it. We all are well aware of the events contributing to this environment in the last few days.

I abhor even the thought that political advantage may at any time overshadow the best interests of our farmers, and of our country, in the consideration of this legislation.

I seek the support of Republicans as well as Democrats for this bill.

I shall not introduce politics into this debate.

But I say, here and now, if cheap partisan politics are thrown onto the floor of this House by any opponent of this legislation, I am prepared to go to whatever lengths as are necessary to turn this debate and the votes on this bill to the best advantages of the farm families who feed and clothe the Nation and to all our people who are demanding responsible action of this House in the interest of all our people.

Mr. Chairman, I present now a memorandum prepared for me by the Secretary of Agriculture with certain tables. It is my thought that this material will be helpful to all the Members in analyzing and understanding the legislation before us:

### MEMORANDUM: H.R. 11222, THE FOOD AND AGRICULTURE ACT OF 1962

H.R. 11222, the Food and Agriculture Act of 1962, would benefit farmers, taxpayers, and consumers. It is a farm bill for all the people. It represents another step toward improvement of rural living, toward better resource use, and toward sensible commodity programs. It would modify the feed grain and wheat programs of the 1950's—programs which cost far too much, and which left large carryovers in the hands of the Government. Those programs were largely responsible for increasing budget expenditures for the Department of Agriculture from $2.9 billion in 1954 to $7.1 billion in 1959.

A steady increase in Government costs was certain to occur if the pre-1961 price support programs had been continued for 1961 and 1962 crops. If the old programs were to be effective again for the 1963 crops, as some propose, carryover stocks would increase by the end of the 1966 marketing year to about 4.3 billion bushels of corn and grain sorghums and 2.1 billion bushels of wheat. Annual CCC expenditures for carrying charges on these three grains would exceed $1¼ billion by the fiscal year 1967.

In contrast, the long-range programs in H.R. 11222 would reduce CCC stocks of corn and grain sorghum to about 1.1 billion bushels and wheat stocks to about 655 million bushels, and would begin to use our excess farmland resources effectively. Carrying charges on grains would be nearly $1 billion less than if the old programs were to operate again.

The 1961–62 emergency feed grain program and the 1962 wheat program have raised farm income and reduced Government costs materially, but they are responsible programs only as temporary expedients. They were clearly better—for farmers and for taxpayers—than the programs in effect prior to 1961. But they are costly, and their results are uncertain compared with the long-range programs proposed.

The Committee on Agriculture of the House wisely rejected efforts to continue the existing emergency programs in 1963, and approved the long-range programs in H.R. 11222. Advantages of these programs are given below.

1. The long-range programs are less costly.

(a) The proposed feed grain and wheat programs would cost the Government about $600 million less in 1963 alone (table 1).

(b) In 4 years, the proposed programs would cost $4 billion less than the voluntary programs. Future budget savings would be higher under the long-range programs than under the temporary programs (table 2).

(c) Diversion payments alone would be half a billion dollars less in 1963, and more than $3 billion less in 4 years, than with the voluntary programs (table 3).

(d) All farmers could participate in solving the surplus problem in the long-range programs. With voluntary programs, however, noncooperators offset much of the acreage reduction paid for on farms of cooperators.

2. Consumers are fully protected.

No measurable increase in consumer food prices would result from the program. Farm prices make up only 38 percent of food prices. Food prices rose steadily in the 1950's while farm prices fell. Increases in future food prices would tend to be caused primarily by other factors—not by farm prices.

Farm price supports and farm prices were increased somewhat in 1961, yet food prices have been stable the past year. The range in which price supports for wheat and feed grains are authorized is not changed by H.R. 11222. Nothing in the bill, therefore, should be construed as indicating higher food prices.

3. The long-range feed grain program is fair to farmers.

It would provide producers a choice between good prices and incomes with production restrictions, and neither production limitations nor price supports.

(a) Producers of cotton, tobacco, rice, wheat and peanuts have made a similar choice for many years.

(b) From two-thirds to around 90 percent of the producers in most of the Southeast and the Northeast could be exempt from the program because they would have allotments smaller than 25 acres (table 7).

4. The wheat provisions of H.R. 11222.

H.R. 11222 provides a marketing certificate program in place of the existing price support for wheat. It includes also an acreage allotment geared to the market for wheat in place of the excessive 55 million-acre minimum allotment in existing law.

The central advantages of the marketing certificate program over the price-support program now in effect are greater flexibility for farmers and a limitation on the price-support obligation of the Government. Marketing certificates provide a means of distinguishing between wheat for food and export, to be supported at the higher price, and wheat for feed, or for export, to be supported at a lower price.

The provision permitting wheat to be planted on feed grain allotments is another key feature of the marketing certificate program. It would:

(a) Provide farmers with much needed flexibility.

(b) Provide a larger supply of quality wheats from which millers and exporters could select their supplies.

(c) Not add to feed supplies, since wheat planted on feed grain acreage would displace other grains.

Detailed comparisons of program costs and returns to producers under alternative programs are in the following tables:

TABLE 1.—*Feed grains and wheat—Major elements of CCC costs by crop years*

[Millions of dollars]

| | 1961 | | 1963 | | | |
|---|---|---|---|---|---|---|
| | With 1960 program | Emergency program | With 1960 program | With 1961–62 programs | With long-range program | With cropland retirement program |
| FEED GRAINS | | | | | | |
| Cost of acquisitions | 880 | 865 | 750 | 932 | 123 | 107 |
| Proceeds from dispositions | −379 | −1,069 | −300 | −1,285 | −550 | −429 |
| Export subsidies | 46 | 52 | 45 | 52 | 54 | 23 |
| Carrying charges and interest | 593 | 505 | 710 | 419 | 335 | 335 |
| Public Law 480, excluding export subsidies | 186 | 186 | 167 | 182 | 182 | 167 |
| Subtotal | 1,326 | 539 | 1,372 | 300 | 144 | 203 |
| Payments for land diversion | | 782 | | [1] 900 | [2] 500 | [3] 1,175 |
| Total | 1,326 | 1,321 | 1,372 | 1,200 | 644 | 1,378 |
| WHEAT | | | | *1962 program* | | |
| Cost of acquisitions | | 375 | 592 | 153 | 100 | 138 |
| Proceeds from dispositions | | −417 | −420 | −454 | −425 | −547 |
| Export subsidies | | 410 | 375 | 313 | 430 | 13 |
| Carrying charges and interest | | 300 | 310 | 252 | 225 | 243 |
| Public Law 480, excluding export subsidies | | 580 | 608 | 608 | 608 | 608 |
| Subtotal | | 1,248 | 1,465 | 872 | 938 | 455 |
| Payments for land diversion | | | | [1] 345 | [4] 250 | [3] 705 |
| Total | | 1,248 | 1,465 | 1,217 | 1,188 | 1,160 |

[1] Based upon an assumption that the price support would be $1.20 per bushel for corn and $1.80 per bushel for wheat. The Department of Agriculture has indicated only that the corn price-support level would be between $1.20 and $1.30 if the mandatory feed grain program were in effect in 1963, and that the wheat price support would be about $2 per bushel if the marketing certificate program were in effect.

[2] Diversion payments of $500,000,000 would be associated with $1.20 per bushel price supports for corn; payments of approximately $400,000,000 would be made if the price-support level were at or near $1.30 per bushel.

[3] Estimated total payments of $1,880 are attributed to feed grains and wheat even though some of the acreage is diverted from crops not in surplus supply.

[4] Payments of $225,000,000 in the wheat program have also been indicated in some reports.

TABLE 2.—*Feed grains and wheat—Estimated ultimate net savings from supply management programs compared with returning to 1960 programs*

[Millions of dollars]

| | 1961 emergency program | 1963 | | | |
|---|---|---|---|---|---|
| | | With 1960 program | With 1961–62 programs | With long-range program | With cropland retirement program |
| FEED GRAINS | | | | | |
| Acquisition costs avoided, net | 353 | | 341 | 376 | 376 |
| Carrying costs and interest avoided | 1,054 | | 980 | 1,005 | 1,005 |
| Diversion payments incurred | −782 | | −900 | −500 | [1] −1,175 |
| Additional administrative expense incurred | −42 | | −35 | −37 | −74 |
| Net savings | 583 | | 386 | 844 | 132 |
| WHEAT | | | *1962 program* | | |
| Acquisition costs avoided, net | | | 207 | 267 | 220 |
| Carrying costs and interest avoided | | | 335 | 450 | 374 |
| Diversion payments incurred | | | −345 | −250 | [1] −705 |
| Additional administrative expense incurred | | | −13 | −13 | −42 |
| Net savings | | | 184 | 454 | −153 |

[1] Estimated total payments of $1,880 are attributed to feed grains and wheat even though some of the acreage is diverted from crops not in surplus supply.

TABLE 3.—*Difference in cost to the Government of diversion payments under long-range proposal compared with continuation of 1962 voluntary feed grain and wheat programs*

[Millions of dollars]

| Crop and program | Wheat | Feed grains | Total |
|---|---|---|---|
| 1963 crop: | | | |
| H.R. 11222 | [1] 250 | [2] 500 | 750 |
| Voluntary programs | 345 | 900 | 1, 245 |
| Difference | 95 | 400 | 495 |
| 1964 crop: | | | |
| H.R. 11222 | [1] 200 | [2] 400 | 600 |
| Voluntary programs | 345 | 900 | 1, 245 |
| Difference | 145 | 500 | 645 |
| 1965 crop: | | | |
| H.R. 11222 | [1] 175 | [2] 300 | 475 |
| Voluntary programs | 345 | 900 | 1, 245 |
| Difference | 170 | 600 | 770 |
| 1966 crop: | | | |
| H.R. 11222 | | | |
| Voluntary programs | 345 | 900 | 1, 245 |
| Difference | 345 | 900 | 1, 245 |
| 1963–66 crops: | | | |
| H.R. 11222 | 625 | 1, 200 | 1, 825 |
| Voluntary programs | 1, 380 | 3, 600 | 4, 980 |
| Difference | 755 | 2, 400 | 3, 55 |

[1] Diversion payments at approximately these levels would apply with the price support for certificate wheat at $2 per bushel. The declining schedule of payments indicates a general policy position only, not a determination of the level of payments in future years.

[2] These payment rates would apply if the price support for corn was $1.20 per bushel. If the corn price support were around $1.30 per bushel, payments would range from approximately $400,000,000 to $200,000,000 from 1963 to 1965.

TABLE 4.—*Feed grains—Estimates for various programs, by crop years*

| | 1961 | | 1963 | | | |
|---|---|---|---|---|---|---|
| | With 1960 program | Emergency program | With 1960 program | With 1961–62 programs | Long-range program | Cropland retirement program |
| Acreage (thousand acres): | | | | | | |
| Diverted: | | | | | | |
| Soil bank | 13, 943 | 13, 943 | 12, 029 | 12, 029 | 12, 029 | 12, 029 |
| Special programs | | 25, 215 | | 29, 500 | 33, 000 | 33, 000 |
| Harvested | 124, 100 | 106, 763 | 125, 100 | 105, 800 | 101, 500 | 98, 000 |
| Yield (tons per harvested acre) | | 1. 32 | | 1. 37 | 1. 37 | 1. 42 |
| Supply (million tons): | | | | | | |
| Beginning stocks | 84. 8 | 84. 8 | 70. 4 | 70. 4 | 70. 4 | 70. 4 |
| Production | 163. 0 | 140. 6 | 166. 0 | 144. 6 | 139. 1 | 139. 2 |
| Imports | . 5 | . 5 | 1. 0 | 1. 0 | 1. 0 | 1. 0 |
| Total supply | 248. 3 | 225. 9 | 237. 4 | 216. 0 | 210. 5 | 210. 6 |
| Utilization (million tons): | | | | | | |
| Domestic | 137. 4 | 134. 9 | 141. 5 | 138. 1 | 135. 0 | [1] 135. 0 |
| Export | 13. 3 | 13. 3 | 14. 0 | 14. 0 | 14. 0 | 14. 0 |
| Total use | 150. 7 | 148. 2 | 155. 5 | 152. 0 | 149. 0 | 149. 0 |
| Carryout (million tons) | 97. 6 | 77. 7 | 81. 9 | 64. 0 | 61. 5 | 61. 6 |
| Increase (+) or decrease (−) in carryover during year (million tons) | +12. 8 | −7. 1 | +11. 5 | −6. 4 | −8. 9 | −8. 8 |
| Payments for land diversion (million dollars) | | $782 | | [2] $900 | [3] $500 | [4] $800 |
| Season average price to farmers for corn | $0. 98 | $1. 07 | $0. 98 | [2] $1. 07 | [3] $1. 23 | $1. 13 |

[1] Assumes 3,000,000 more tons of wheat used for feed.

[2] Estimates of diversion payments and average prices received by farmers are based upon an assumption that the price support in 1963 would be $1.20 per bushel if the 1961–62 programs were extended. Since program costs would be more than $500,000,000 higher than under the mandatory program, the level of price support would have to be reviewed with a view to reducing program costs.

[3] Diversion payments and average prices received by farmers are based on an assumption that the support price would be around $1.20 per bushel. The price support for corn in 1963 has not been set, but the Department has indicated that under the mandatory program it would be set between $1.20 and $1.30 per bushel.

[4] Represents only that part of $1,880,000,000 in payments which can be specifically ascribed to feed grain acreage.

TABLE 5.—*Wheat—Estimates for various programs, by crop years*

| | 1961 program | 1963 | | | |
|---|---|---|---|---|---|
| | | With 1961 program | With 1962 program | Long-range program | Cropland retirement program |
| Acreage (thousand acres): | | | | | |
| Diverted: | | | | | |
| Soil bank | 3, 163 | 2, 729 | 2, 729 | 2, 729 | 2, 729 |
| Special programs [1] | | | 14, 000 | 13, 000 | |
| Planted [1] | 55, 648 | 57, 000 | 48, 300 | 45, 800 | 51, 000 |
| Harvested | 51, 620 | 53, 500 | 43, 100 | 40, 600 | 47, 000 |
| Yield (bushels per acre) | 23. 9 | 25. 0 | 25. 5 | 25. 5 | 25. 5 |
| Supply (million bushels): | | | | | |
| Beginning stocks | 1, 412 | 1, 295 | 1, 295 | 1, 295 | 1, 295 |
| Production | 1, 235 | 1, 340 | 1, 100 | 1, 035 | 1, 200 |
| Imports | 8 | 8 | 8 | 5 | 5 |
| Total supply | 2, 655 | 2, 643 | 2, 403 | 2, 335 | 2, 500 |
| Utilization (million bushels): | | | | | |
| Domestic | 590 | 603 | 585 | 585 | 700 |
| Export | 685 | 625 | 625 | 625 | 625 |
| Total use | 1, 275 | 1, 228 | 1, 210 | 1, 210 | 1, 325 |
| Carryout (million bushels) | 1, 380 | 1, 415 | 1, 193 | 1, 125 | 1, 175 |
| Increase (+) or decrease (−) in carryover during year | −32 | +120 | −102 | −170 | −120 |
| Payments for land diversion (million dollars) | | | [2] 345 | [2] 250 | [3] 110 |
| Season average price to farmers [4] | $1. 84 | $1. 75 | [3] $1. 80 | [2] $2. 05 | $1. 35 |

[1] Estimates take into consideration "small farm" base acreages of about 6,000,000 acres under administration proposal but about 11,000,000 acres under the 1962 program.

[2] Diversion payments and average prices received by farmers are based upon an assumption that the 1963 price support for wheat would be $1.80 if the 1962 wheat program were extended to the 1963 crop, but that the price support would be about $2 if the marketing certificate program were in effect.

[3] Represents only that part of $1,880,000,000 in total payments which can be specifically ascribed to wheat acreage. If all payments are prorated to wheat and feed grains, this becomes $705,000,000.

[4] Feed and seed wheat value assumed to be $1.40 per bushel, except upon cropland retirement program.

TABLE 6.—*Estimated value of production of wheat and feed grains under various programs, by crop years*

| | 1961 | | 1963 | | | |
|---|---|---|---|---|---|---|
| | With 1960 program | Programs | With 1960 program | With 1962 program | Long-range program | Cropland retirement program |
| WHEAT | | | | | | |
| Season average price per bushel to farmers [1] | | $1.84 | $1.75 | $1.80 | $2.05 | $1.35 |
| Value of production (million dollars) [1] | | 2,228 | 2,310 | 1,940 | 2,057 | 1,620 |
| Payments for land diversion (million dollars) | | | | 345 | 250 | [2] 110 |
| Total value plus payments | | 2,228 | 2,310 | 2,285 | 3,207 | 1,730 |
| FEED GRAINS | | | | | | |
| Season average price to farmers for corn: | | | | | | |
| Per bushel | $0.98 | $1.07 | $0.98 | $1.07 | $1.23 | $1.13 |
| Per ton | $35.00 | $38.20 | $35.00 | $38.20 | $43.95 | $40.35 |
| Value of production of all feed grains, basis price per ton of corn (million dollars) | 5,705 | 5,372 | 5,810 | 5,525 | 6,127 | 5,609 |
| Payments for land diversion (million dollars) | | 782 | | 900 | 500 | [2] 800 |
| Total value plus payments | 5,705 | 6,154 | 5,810 | 6,425 | 6,627 | 6,409 |

[1] Wheat used for feed and seed is computed at $1.40 per bushel except for the cropland retirement program.

[2] Represents only that part of $1,880,000,000 in total payments which can be ascribed specifically to wheat or feed grain acreage. The remainder would apply to land diverted from other crops.

TABLE 7.—*Feed grains—Estimated applicability of 25-acre exemption under the provisions of the administration feed grain program*[1]

| State | Estimated number of farms with bases of 25 acres or less [2] | Percentage of farms with 25-acre base or less | Feed grain acreage represented by farms with 25 acres or less | Acreage on exempt farms as percent of total acreage |
|---|---|---|---|---|
| | | | *Thousands* | |
| Maine | 1,079 | 96 | 8.5 | 81 |
| New Hampshire | 906 | 93 | 8.1 | 74 |
| Vermont | 3,482 | 90 | 37.1 | 69 |
| Massachusetts | 1,684 | 88 | 17.4 | 61 |
| Rhode Island | 240 | 83 | 3.0 | 54 |
| Connecticut | 1,802 | 85 | 21.9 | 58 |
| New York | 31,045 | 81 | 319.8 | 49 |
| New Jersey | 3,608 | 64 | 44.9 | 26 |
| Pennsylvania | 56,586 | 81 | 857.2 | 69 |
| Ohio | 57,907 | 55 | 649.2 | 17 |
| Indiana | 39,056 | 39 | 476.1 | 9 |
| Illinois | 25,749 | 20 | 296.4 | 3 |
| Michigan | 45,283 | 63 | 545.0 | 26 |
| Wisconsin | 64,528 | 61 | 796.0 | 28 |
| Minnesota | 28,001 | 25 | 357.6 | 5 |
| Iowa | 18,164 | 12 | 236.8 | 2 |
| Missouri | 46,584 | 48 | 512.5 | 12 |
| North Dakota | 2,375 | 6 | 31.7 | 1 |
| South Dakota | 2,872 | 7 | 22.4 | 1 |
| Nebraska | 4,231 | 6 | 52.4 | 1 |
| Kansas | 16,690 | 24 | 173.5 | 4 |
| Delaware | 1,840 | 50 | 22.3 | 14 |
| Maryland | 11,099 | 66 | 113.9 | 23 |
| Virginia | 56,386 | 80 | 463.4 | 50 |
| West Virginia | 20,063 | 96 | 101.3 | 75 |
| North Carolina | 128,926 | 88 | 1,059.6 | 54 |
| South Carolina | 50,241 | 87 | 426.4 | 51 |
| Georgia | 45,508 | 60 | 453.4 | 17 |
| Florida | 6,079 | 51 | 69.0 | 12 |
| Kentucky | 82,526 | 82 | 686.4 | 40 |
| Tennessee | 79,944 | 82 | 661.9 | 43 |
| Alabama | 62,844 | 73 | 642.9 | 31 |
| Mississippi | 82,176 | 89 | 722.1 | 58 |
| Arkansas | 31,121 | 91 | 210.7 | 57 |
| Louisiana | 31,061 | 91 | 259.2 | 56 |
| Oklahoma | 9,131 | 34 | 61.1 | 7 |
| Texas | 28,442 | 36 | 264.1 | 4 |
| Montana | 3,899 | 25 | 59.3 | 3 |
| Idaho | 4,937 | 54 | 58.7 | 10 |
| Wyoming | 1,098 | 39 | 13.2 | 10 |
| Colorado | 390 | 10 | 3.0 | 1 |
| New Mexico | 474 | 26 | 5.8 | 3 |
| Arizona | 301 | 23 | 2.3 | 2 |
| Utah | 5,538 | 70 | 53.6 | 30 |
| Nevada | 216 | 54 | 2.3 | 15 |
| Washington | 2,334 | 35 | 21.9 | 3 |
| Oregon | 4,734 | 53 | 48.7 | 10 |
| California | 1,352 | 18 | 22.6 | 1 |
| United States | 1,204,532 | 54 | 11,976.5 | 12 |

[1] The exemption applies to base acreage in H.R. 11222 and to acreage allotments in the section which was deleted from the Senate bill (S. 2786) before it was reported as S. 3225.

[2] Includes corn, grain sorghums, and barley. If oats is included, as in H.R. 11222, the number and percentage of farms would be smaller in most States.

Mr. Chairman, I think I know about as much about control programs and adjustment programs as any Member of this House, because five of the six basic commodities are grown in my district and on my own farm, and at one time or another all of those commodities have been under some adjustment program.

Everyone knows that the tobacco program has worked successfully and well for many years. The Government has sustained very small losses on the program. The peanut program, under which we have made necessary adjustments, is likewise operating well and satisfactorily, and peanut farmers are not now on subsidy. The program on rice is another adjustment program and that is working well; and the program on cotton is an adjustment program.

We are trying in this legislation to give to other producers of the Nation the same sort of legislative machinery and programs as we have provided for the producers of the four commodities I have just mentioned. I want the farmers who produce corn and feed grains, the farmers who produce wheat, to have the same choice that my farmers have had. In every referendum we have held the farmers have approved the programs by about 90 to 98 percent, and the programs are working well.

We have lost gigantic sums of money in recent years on wheat and on corn and other feed grains. We have accumulated huge surpluses in our warehouses and our warehouses are now bulging with vital food and fiber throughout this vast Republic of ours. They have accumulated about $9 billion worth of surpluses. We have authorized the executive branch of the Government to do just about everything possible with these surpluses which are now burdening our markets.

Our committee and this Congress have given to the Secretary of Agriculture the right to sell these commodities for cash dollars, to sell them on short-term credit for dollars and long-term credit for dollars, to sell them for foreign currencies, to barter the commodities away for strategic materials needed in our own country, yes, even to give the vital food and fiber away around the world wherever need can be shown. Yet notwithstanding that broad authority, our situation has become aggravated with every harvest.

Now we are faced with this situation, that we have no alternative but to offer to the farmers a program providing that if they will make the necessary adjustments we will provide the necessary and desirable price supports, and on the other hand, if they reject the program, they have no price supports.

Mr. Chairman, I know what these adjustment programs now operating for cotton, tobacco and peanuts mean to me. I know what they mean to my constituents. But for these programs that we have, North Carolina farmers would be in bankruptcy before Thanksgiving. We could not possibly survive because we would produce so abundantly that prices would be destroyed and we would have no alternative other than to suffer the burdens of unmanageable overproduction instead of the blessings of the program whereby we have had stability of supplies and stability in prices and at least some degree of prosperity. The difference is prosperity on the one hand and prostration on the other hand.

I remember 1939 when we dropped the tobacco program. I saw able-bodied friends of mine walking out of the warehouses with tears in their eyes—with not money enough even to buy school books. It was a burden upon us for 2 or 3 years.

Now I want to appeal to you to give the grain farmers of the Nation a chance to say yes or no.

Of course, the city gentleman here from Kansas City made an excellent speech; and he knows that there would not be any great city there but for the agriculture of that area. We know that this program is important. In every little city and village in this country, every professional man, men and women in all vocations and avocations of private life are involved in this controversy.

I think those Members from the city district should feel that this bill is a consumer's bill. It is a bill to protect consumers as well as producers. It is a bill in the interest of the taxpayer.

I appeal to the city Members to vote for this because it is in the interest of the taxpayers, it is in the interest of the consumer, and I think we can expect good administration of this bill by Mr. Freeman.

Mr. Chairman, after long hearings, after all who asked to appear were given an opportunity to express their views concerning the provisions of this bill and to present their own solutions for the farm problems, our Committee on Agriculture broke up into subcommittees and I referred all of the sections to appropriate subcommittees. The subcommittees worked diligently and faithfully to improve those sections.

The gentleman from Texas [Mr. Poage] was chairman of one or two of the subcommittees, and he will discuss those particular provisions that were referred to his subcommittee. The gentleman from Wisconsin [Mr. Johnson] was chairman of the Dairy Subcommittee, and he will discuss the dairy section. The gentleman from Kansas [Mr. Breeding] was chairman of the Wheat Committee, and he will present that section. We have a section dealing with Public Law 480, which also will be discussed by the chairman of the subcommittee.

Mr. Chairman, I conclude my remarks by appealing to the reason of this House.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. NELSEN. A matter has been disturbing me now for some time. That is the problem that some of our producers have fallen into where a base has been lost to their farm. I know the gentleman has helped me, the gentleman from Texas [Mr. Poage] has helped me, but in spite of that help we have been unable to establish a base on a farm of 160 acres, 320 acres, or 400 acres.

What would happen to a young man who owns a farm worth $100,000, but he is unable to get the Department of Agriculture to act? Those are the things that frighten me.

Mr. COOLEY. I share the gentleman's views to this extent: I think I am safe in saying we have a provision in this bill which will authorize the establishment of a base on a new farm.

Mr. NELSEN. It is my understanding in the debate on the feed grain bill the Secretary had the power to make adjustments on feed grain bases. I happen to have a boy who runs my farm. There is not a single acre that he can get. He has been denied a single acre. What would he do if this bill passes?

Mr. COOLEY. He could appeal to the local committee, and they could make it available to him.

Mr. NELSEN. We do not know whether they will or will not.

Mr. COOLEY. I am not sure whether they will or not, either. I suggest that the gentleman withhold his question until the gentleman from Texas [Mr. Poage] speaks. I think he will be able to answer the question.

Mr. NELSEN. I am anxious that the record be written so there may be some directive to the Department of Agriculture in any bill we pass.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. MACK. I want to commend the gentleman for the very fine statement that he has made. I intend to be here on the floor and listen to the debate throughout the time that we spend on that subject because I am very much interested in it. I have a substantial agricultural community in my district, and I want to properly evaluate the bill before us before I pass judgment on it.

I have been contacted by representatives of various organizations. One of them was the Farm Bureau that has put on quite a drive to get people to vote against this bill. I asked them, in one of my questions, What alternative do we have? They tell me that alternative is something they call the Federal crop retirement plan.

Mr. COOLEY. Let me interrupt.

You vote down this bill and we go back to the Benson program of 1958 under which we sustained the losses and accumulated the surpluses. That is the choice we have.

Mr. MACK. Just one more question. The Farm Bureau supposedly is submitting this Federal crop retirement program. I can find no support for that bill among the Congressmen in the House of Representatives. I would like to know whether any Congressman has offered this proposal as a substitute for this bill during the executive session.

Mr. COOLEY. I do not think any Congressman thought enough of that bill to offer it as a substitute.

Mr. HOEVEN. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the gentleman from North Carolina expressed the hope that this bill should be considered in a nonpartisan manner. Yet in the same breath he accused the minority on the committee of not cooperating and being completely negative in trying to write this bill.

I just want to set the record straight. In my capacity as ranking minority member of the House Committee on Agriculture I am ex officio, at least, a member of all subcommittees. At the first meeting of the subcommittee on livestock and feed grains to consider the feed grain section of the bill, the question arose whether or not the subcommittee should proceed along the compulsory route or along a voluntary route as far as feed grains are concerned. We were advised by the chairman of the subcommittee that we were going to follow the compulsory route. I then advised the chairman that we would not go along with a compulsory program. So, we were foreclosed right from the start.

Furthermore, in the deliberations in the full committee a substitute for the bill was offered by the gentleman from Minnesota [Mr. Quie], which for all practical purposes would have extended the present feed grains program for 1 year and the present wheat program for 1 year. And, may I advise the membership that I am giving some consideration to offering a substitute to title IV, I may say to the gentleman from Illinois [Mr. Mack], which would extend the present feed grains bill for 1 year and would extend the present wheat program for 1 year with some other features. Whether or not the substitute is offered, remains to be seen.

Mr. Chairman, this is a most controversial and dangerous piece of legislation. It will make the Secretary of Agriculture a czar and for all practical purposes will make it necessary for the American farmer to procure a Federal license in order to operate his own farm. I do hope you will carefully read the minority report which fully sets out the many glaring defects of the bill.

This bill should not be up for consideration in the House today. In fact, the bill should not have been reported out of the House Committee on Agriculture. It is common knowledge that the bill would not have been reported out of committee if it had not been for the terrific political pressure brought to bear on certain of the majority members of the committee, who apparently were completely overwhelmed by political pressure from the White House down. I have seen nothing like it during my long service in the Congress. Constant harassment seems to have been the order of the day. Throughout the critical time when the administration was trying to get the one necessary vote to have the bill reported some high officers in the Department of Agriculture were wandering the corridors near the committee room while others from the office of Commodity Stabilization Service were constantly on guard in quarters adjacent to the committee room, keeping in touch with every move that was made. You can well imagine under what terrific pressure some of my Democratic colleagues were carrying on.

It is indeed a sad commentary on our system of free choice and representative government when representatives of a free people in the Congress of the United States are so badgered and pressured as to make it almost impossible for them to any longer exercise their own free will and judgment in deciding whether or not a certain bill should be reported out of committee. If the American people continue to tolerate this type of pressure, it must essentially follow that eventually our entire system of representative government will be destroyed.

In spite of this unprecedented pressure, the bill, H.R. 11222, had a most difficult time getting out of committee. May I point out that the Committee on Agriculture consists of 21 Democrats and 14 Republicans with a majority of 7 in favor of the majority party. The bill under consideration was so bad and controversial that 3 members of the majority party on the committee absolutely refused to vote for the bill. They stood firm and steadfast in support of their honest convictions and I salute them as great Americans.

God give us men.
A time like this demands strong minds, great
hearts, true faith, and ready hands,
Men whom the lust of office does not kill,
Men whom the spoils of office cannot buy,
Men who possess opinions and a will,
Men who love honor, men who cannot lie.

After three desperate attempts, the bill was finally reported out of committee by a vote of 18 to 17 with one member of the majority party who had voted to report out the bill publicly stating after the vote was had that he expected to vote against the bill if it came to the floor of the House. I am convinced there were others on the majority side who were most unhappy because they had to go along. So, when you boil it all down. pray tell me who is actually advocating this legislation except Secretary Freeman and the Dr. Cochrane crowd who have apparently sold President Kennedy a bill of goods? The American Farm Bureau, the largest farm organization in this country, is drastically opposed to this legislation. The American Grange has been strangely silent since its leaders gave a lukewarm endorsement to the bill several months ago. The Farmers Union, to say the least, is quite passive in its support of the legislation. In fact, the president of the National Farmers Union wrote President Kennedy a rather sharp letter when the original bill was introduced in which he took the President to task for failing to live up to his campaign promises made to the farmers of America.

In fact, there is no appreciable support for this legislation. No clamor or demand for this bill on the part of our farmers whatsoever. My heavy mail from all sections of the country clearly indicates that the overwhelming number of our farmers don't want the kind of regimentation and controls provided for in this bill. I will yield to anyone right now who wishes to stand up and declare publicly that he or she is being begged, implored, or pressured to vote for this legislation. Every farm poll I have seen clearly indicates that farmers want no part of this legislation. I call your special attention to a recent poll taken by the Farm Journal, one of the most reputable of our farm publications. A ballot was submitted to its readers which set out three specific proposals on which farmers were asked their views and opinions. The choices submitted were as follows, and I quote from the ballot:

> 1. Compulsory Government quotas on what I could sell, or how much land I could farm; stiff penalties, support prices at, or above, present levels.
>
> 2. Expanded voluntary land-retirement program to cut crop production; no compulsory quotas or allotments; with supports on crops at a level to stabilize markets but not add to surpluses.
>
> 3. Get the Government clear out—no controls, no price supports.

The final tally of 64,560 ballots showed only 4 percent of the farmers in favor of the compulsory quotas which is the heart and core provision of the feed grain section of this bill; 43 percent of the farmers were in favor of land retirement and 53 percent wanted to get the Government clear out.

Again I ask, who wants this legislation except those who want to regiment and control the American farmer as a part of the overall scheme for a managed economy in this country?

Let us first turn to title I of the bill.

This is a brandnew proposal which establishes broad authority to spend Federal funds on recreational facilities of all sorts. This would permit a farmer to put in a fish pond, build docks on inland ponds and lakes, establish camping areas, picnic areas, ball diamonds, golf putting ranges, set up a merry-go-round or an amusement park on his land with the Federal Government participating on a cost-sharing basis. The theory of all this is to permit the farmer to somewhat augment his income. There is nothing said in the bill, however, about protecting private enterprise from competition from these new Government ventures. Furthermore, no one knows what the actual cost of this new type of operation would be. There is nothing in title I which indicates just who could use these recreational facilities if once established. Would the facilities be available to everyone irrespective of race, color, and previous condition of servitude, or would they be segregated areas? The language of title I is silent on this question and the administration up to now has been ducking the issue. This new boondoggling proposal might well be eliminated from the bill without doing very much harm and, incidentally, so doing would save the taxpayers a lot of money.

Title II of the bill relates to agricultural trade development or Public Law 480. This title proposes an amendment to Public Law 480 which would allow the Secretary of Agriculture to purchase agricultural commodities he deems to be in surplus directly from private stocks and then donate these commodities to needy people overseas.

This proposal is also a new venture which is wholly inconsistent with the original intent and purpose of Public Law 480. This law was enacted to provide for the orderly disposal of surplus agricultural commodities and a very good record has been made in that regard.

Now it is proposed that we embark on a worldwide welfare program coupled with new and additional authority given to the Secretary of Agriculture. If this administration wants to embark on a worldwide welfare program, let it do so through the medium of the State Department or the Department of Health, Education, and Welfare but don't let it set aside the original intent of Public Law 480.

Title III of the bill provides for an amendment to marketing order legislation which would exclude potatoes for dehydrating from the coverage of marketing orders. This proposal is obviously processor oriented. The proposal was never brought up or discussed in the open hearings on the bill and potato farmers were never given an opportunity to present their views on it.

Title V relates to the Farmers Home Administration. It would amend the basic law by providing for the addition of recreational loans to the Farmers Home Administration program. This new authorization and extension of authority would appear to be rather unwise at this time. The many applications for Farmers Home Administration loan funds already creates an overburdening demand. In fact, the Farmers Home Administration now has more applications for regular loans than it can process. Therefore, it seems rather foolish to add new burdens to this agency of Government. This title also includes sewer loans to municipalities. Such a program would be a complete duplication of the legislative authority contained in several other statutes. I doubt very much whether it would be advisable for the Federal Government to now also go into the sewer business.

The most controversial part of H.R. 11222 is title IV which deals with commodity programs involving feed grains, wheat, and dairying.

The wheat farmer will receive a reduction of income under H.R. 11222. His diversion payment will slide down from 50 percent in 1963 to zero by 1966. The producers on about 10,000 farms in the West where weather presents a huge risk are currently able to store excess wheat from a previous year to be applied to a future year's crop. They will no longer be able to have this measure of protection against the elements.

Each step of wheat production, processing, and export would be tightly policed. Farmers, processors, taxpayers, and consumers would all be required to bear the burden of this broad tax program.

This bill is the most harsh and vindictive measure ever aimed at the small wheat farmer, who is discriminated against in voting and in marketing. The so-called small farm exemption is really a small farm deception.

Marketing certificates are denied to those small farmers electing to use the so-called small farm exemption provided for under the bill, meaning that small growers could not even plant up to the farm wheat base without losing the right to receive certificates and the right to sell wheat for food and for export.

The dairy provisions of H.R. 11222 are the ineffective remnants of the original dairy control plan. While the bill now only calls for payments, the administrative machinery and the program data for the control program would be established for subsequent controls. The real foolishness of the proposed dairy plan lies in its complete and obvious ineffectiveness. In fact, the dairy part of the bill is a fine example of life on the New Frontier. It proposes to pay the dairy farmer $2.50 per hundred pounds if he reduces his production this year below 1961. Of course he could sell his cows to his neighbor who would increase the amount of milk he would produce. In the end we would have just as much milk as before and would have spent a few million dollars from the U.S. Treasury. The ultimate objective of course is complete control of the dairy industry in the future.

The most controversial and startling part of the bill relates to the proposed new control program for feed grains. The feed grain farmer is compelled to take certain acres out of production and is required to accept acreage allotments and marketing quotas on feed grains in order to get price supports. This is the first proposal in the proposed referendum which affords the farmer no choice whatsoever. The alternative is no price supports. If the referendum fails, the farmer gets no price supports which means the rug is pulled right out from under him. In 1954 Congress repealed marketing quotas on corn as being absolutely unworkable and House Report No. 1927 of the 83d Congress relating to H.R. 9680 on page 26 of the Committee on Agriculture stated as follows:

> Consistent with the committee's conviction that no single formula will provide stability for all branches of agriculture, but that many of the individual commodities require programs tailored to their particular problems and situations, the committee has devoted a considerable amount of time to the study of a different type of price-support program for corn. Corn has its own particular conditions that are different from any other basic commodities. First, since approximately 80 percent of the corn produced in the United States is fed on the farm and, therefore, never reached commercial channels, marketing quotas and similar marketing control measures on corn would be virtually impossible to enforce. Although the law has provided authority for marketing quotas for many years, they have never been invoked by the Secretary.

On page 27 of the committee print the committee said:

> Marketing quotas have never been applied to corn in the past, and it has been generally felt that the administrative difficulties involved in such a program would be prohibitive. Successful enforcement would amount to rationing not only the corn sales of each producer in the commercial area, but also the amount of corn which he would be allowed to feed his livestock.

In Senate Report No. 1810 on S. 3052 of the 83d Congress, the report reads as follows:

> Sections 303, 304, 307(c), and 308 repeal authority for mandatory marketing quotas for corn. This authority has never been used and it is generally believed that corn quotas could not be made to work on a satisfactory basis in view of the small percentage of the crop which is marketed as corn.

These statements in the reports clearly set out the marketing quotas for corn are unworkable and cannot be enforced. In 1958 Congress repealed acreage allotments on corn. Marketing quotas and allotments were repealed by both Republican controlled and Democratic controlled Congresses for a good reason—they were simply unworkable.

H.R. 11222 would reimpose both acreage allotments and quotas on corn, oats, rye, barley, and grain sorghum. Marketing quotas can be made to appear to work on crops like cotton or tobacco because all of the production of these crops can be put on the market for sale to merchants and processors. This is not true of the feed grains for some 80 to 85 percent never leaves the farm. They are fed to livestock. Thus the marketing quotas are relatively meaningless. In spite of this long required distinction H.R. 11222 would establish a farm marketing quota for every eligible feed grain farmer in America. A violation of this quota would result in a civil penalty based on the whole production of the farm—or the actual production—times 65 percent of the parity price. It would take an army of Government investigators and officers to police this feature of the bill alone. Pray tell me how marketing quotas can be followed into livestock. Of course the ultimate objective of the planners in this regard is the complete control of all livestock, dairy, and poultry products. If you do not believe this is true let me remind you of part 7 of H.R. 6400 considered by the Committee on Agriculture last year, which proposed marketing quotas for all of our 256 agricultural commodities. That bill provides specifically for marketing quotas for hogs, cattle, lambs, chickens, turkeys, whole milk, butterfat, and eggs.

H.R. 11222 is permanent legislation and marketing quotas for feed grains once imposed would never be removed. The next logical step of course would be the complete control of our entire livestock industry. This apparently is the plan of the Freeman-Cochrane thinkers who apparently want to regiment and control our entire agricultural economy.

Let me emphasize again that these feed grain controls would be ineffective since about 85 percent of feed grains are fed to animals on the farm. Harsh civil penalty would result from violation of feed grain quotas even though a farmer fed his own grain to his own animals on his own farm. Income of feed grain farmers would drop since diversion payments would be reduced to zero by 1966 with an increase in price support. Feed grain farmers would be faced with an impossible referendum choice between the restrictive administration program and Government dumping of some one-third billion bushels of feed grain on the open market. This "blackjack" provision makes a complete mockery of the referendum process. This is a punitive provision which in effect says to the farmer if the referendum fails, this is what you get for not voting right. If farmers failed to vote right, there would be chaos in the Farm Belt.

Many thousands of feed grain farmers—most of them smaller growers or farmers in deficit areas—would not be able to vote even in the referendum. This discretion against small growers is another intolerable gimmick in an effort to rig the outcome of the referendum and is not comparable to a referendum under any other commodity program.

It is contended that these feed grain proposals are similar in nature to regulations that have been in effect for many years for such crops as tobacco. The inference is that anyone who supports the present tobacco, rice, cotton, and peanut programs should favor the proposals contained in H.R. 11222 for feed grains, wheat, and dairy products. This is merely an effort to confuse the issue.

There are many special circumstances which differentiate tobacco from feed grains, wheat, and dairy products. Tobacco is heavily taxed. It is not a feed or a raw material used in the production of other farm products. It is not fed to livestock. It is less perishable than most farm commodities and, in fact, must be aged before it is used. It is not yet threatened with serious competition from substitutes and synthetics. The producers' market is dominated by a few large domestic companies and foreign monopolies. The acreage involved is small. In 1960 farmers used only 1.1 million acres for the production of all types of tobacco, but they planted 144.5 million acres to the four major feed grains, an additional 54.9 million acres to wheat, and another 31.2 million acres to soybeans, rye, and flaxseed—crops that compete with other grains for acreage and markets. Thus, feed grains, wheat, and oilseeds involve a total of at least 230 million acres.

The problems involved in attempting to control production on 230 million acres of grain spread all over the United States are vastly different from the problem of controlling production on 1.1 million acres of tobacco located in a few relatively small areas.

Rice and peanuts are also small acreage crops grown in relatively small local areas in contrast to feed grains, wheat, and dairy products which are produced over wide areas and in large amounts.

The inference that the regulations proposed for feed grains, wheat, and dairy products are similar to those now in effect for tobacco, cotton, rice, and peanuts glosses over the problems that have arisen in the cotton and rice programs and the fact that there are some important differences between existing programs and those proposed in the pending legislation.

If producers of cotton, rice, or peanuts were to vote against controls, those who cooperate with acreage allotments would still be entitled to price support at 50 percent of parity and to protection against the sale of CCC stocks for unrestricted domestic use. In the case of cotton, the minimum CCC sale price would be 115 percent of support—57½ percent of parity—plus carrying charges if quotas were disapproved.

Cotton, rice, and peanuts all have statutory minimum allotments; but in the proposals for wheat, feed grains, and milk, there are no provisions for minimum national allotments.

No existing commodity program includes the controls on diverted acres now being proposed for feed grains and wheat. We are certain that the acceptance of control programs on the part of the producers of tobacco, peanuts, rice, and cotton would have been substantially different had there been control of diverted acres on these crops comparable to that proposed for wheat and feed grains under H.R. 11222. No other commodity is subject to a three-price plan such as that currently proposed for wheat. No other commodity program is operated on a basis that would make it as difficult for producers to escape penalties as it would be under the proposed dairy program.

There is no reason to assume that it is either practical or desirable to extend the same regulations to all commodities. However, if it is to be assumed that the existence of any particular commodity program justifies the application of similar programs to other crops, adoption of pending proposals for feed grains, wheat, and dairy products might well set a precedent for the extension of similar provisions for diverted acre control and penalties to tobacco, cotton, rice, and peanuts.

Serious problems did arise under both the cotton and rice programs. Both are heavily dependent on expensive export subsidies as is the case with wheat. In the case of cotton, the export subsidy has created a serious competitive problem for our best customer—the domestic textile industry. Cotton is also faced with increasingly serious competition from synthetics and foreign growths.

As the bill now stands, it appears that farmers could stay out of the feed grain program and plant their entire grain acreage to soybeans and still get price supports on this commodity. This is like jumping from the frying pan into the fire.

Now I want to discuss the phony politically motivated committee amendment which would exempt feed grain farmers in so-called deficit areas from cutting down on their production.

The single most discriminatory and unjust provision in this entire bill is this so-called feed deficit amendment. This politically motivated, hastily drawn gimmick was inserted into the farm bill at the last minute as a committee amendment in an attempt to buy one vote. It is now being proclaimed as manna from heaven for the South, the Northeast, the West, and other normal feed deficit areas. I urge every one of you who represents a feed deficit area to carefully study this amendment. You will see it is not an exemption at all. You will be allowed only to produce up to the amount you produced in 1959 and 1960. You just might not, however, have to cut back as much as we in corn-sorghum belts will have to.

I say might not because the Secretary will have to make four findings before he can excuse a so-called deficit area. He must find a hardship. He must find an undue increase in prices. He must find a disruption of normal farming and he must find that his action will not impair the objective of the act—whatever that is.

As a representative of the greatest corn State in America, I can only express resentment that a supposedly national administration would bow to political opportunism and sectional favoritism to the extent of saddling my feed grain farmers with the overwhelming burden of feed grain controls.

Mr. Chairman, I would like to draw to your attention a map which is based on data supplied by the U.S. Department of Agriculture. It shows for 1959 and 1960 the feed surplus and the feed deficit States. A feed surplus State is one which produces more feed grains than human and animal population consumes. A feed deficit State is just the opposite. Its population consumes more than it produces. By looking at the map you will see that in 1959 there were 13 feed surplus States. These were: Iowa, Montana, North Dakota, Minnesota, Nebraska, Kansas, Texas, New Mexico, Missouri, Illinois, Michigan, Indiana, and Ohio.

In 1960 there were in addition five more States which were feed surplus States. They are: South Dakota, Oklahoma, Kentucky, Maryland, and North Carolina.

In other words some 13 to 18 States are surplus feed grain States and 32 to 37 States are deficit feed grain States.

Now what does this mean in terms of this bill? The Department says that the classification of States as feed surplus or deficit is not a satisfactory guide in determining the so-called deficit areas. That may be true. The bill says areas which might be States, counties, or farms, and I think we all recognize that even though California may be a feed deficit State, certain counties or areas within that State are heavy producers of feed grains.

What this map shows is that the 18 shaded States will in the main most certainly be declared surplus areas and thus subject to the mandatory controls and cuts in production. Farmers in these States will not be excused that is for sure. I do not think anyone will contend that any part of Iowa could possibly be a feed deficit area—nor Illinois—nor Nebraska—nor Kansas—nor Ohio—nor most of these other feed surplus States.

Perhaps for example the Upper Peninsula of Michigan could be classified a deficit area even though the State of Michigan is a surplus State, but this would certainly not be the general rule in these 18 States.

But whatever the classification may be, this much is perfectly clear—some feed grain farmers will have to cut their acreage, some will not.

Whatever the exception may be whereby certain counties in California, Georgia, or New Jersey are classified as surplus and thus not allowed to escape the acreage cuts and controls imposed by the bill, one thing is clear. Every feed grain farmer in the corn-sorghum belts will have to pull in his belt an extra notch for every farmer somewhere else who is excused from cutting back.

Now a word about feed grain penalties. Whenever farm marketing quotas are in effect with respect to feed grains, the farm marketing excess shall be regarded as available for marketing and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 percent of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop, which will mean both the tenant and landlord, is jointly and severally liable for the entire amount of the penalty on the farm marketing excess. Until the producers on any farm pay the penalty on the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

Furthermore, until the penalty is paid, each bushel of feed grains produced on the farm shall be subject to the penalty which penalty shall be on each bushel of feed grains which is sold by the producer to any person within the United States. The bill specifically provides that the buyer of the grain shall be responsible for the penalty which he may deduct from the price paid to the producer. However, if the buyer fails to collect such penalty, the buyer and all persons entitled to share in the feed grains or the proceeds thereof shall be jointly and severally liable for such penalty. The persons liable for the payment or the collection of the penalty are also charged 6 percent interest from the date the penalty becomes due until the date of payment.

I said that this exception was a phony and it is. Over one million small feed grain producers, almost all of whom feed every bushel they produce on the farm will be limited and strictly limited under this bill in their production of corn—even corn for silage—as well as grain sorghums. No feed grain farmers—I repeat no feed grain farmers—will be exempt. It is true that those who produce less than 25 acres of feed may elect not to vote in the referendum—in which case they will be excluded from any cutback—but they will still be limited to their 1959–60 base in what they produce, no matter how small they are.

How in the world can this be construed as an "exemption"? For more than a million small farmers will not be exempt. They will be strictly limited.

Therefore, I appeal to every Member of Congress from Iowa, from Minnesota, from North Dakota, from Montana, from Nebraska, from Kansas, from Texas, from New Mexico, from Missouri, from Illinois, from Michigan, from Indiana, from Ohio, from South Dakota, from Oklahoma, from Kentucky, from Maryland, and from North Carolina, whether you be a Republican or a Democrat. You are doing a grave injustice to the farmers of your district and State if you vote for H.R. 11222 with this deficit area amendment in it. It is unfair and unjust.

Mr. Chairman, let me say that I do not see where H.R. 11222 is going to save one dime. The new and expanded programs in the bill are obviously going to result in increasing expenditures. The wheat and feed grain programs appear to be no less expensive than programs now in existence and the new dairy program would waste millions.

Whatever justification H.R. 11222 might have, it certainly does not rest on its cost features.

There has also been some talk lately about the Billie Sol Estes case and its impact on this legislation. I have seen and heard arguments that the Estes scandal would help H.R. 11222 be enacted. This is ridiculous. What greater folly could there be than to give the very agency that is currently under investigation by Congress and the Justice Department sweeping new authority. The Agricultural Conservation and Stabilization Service is deeply involved in the Estes case. The Assistant Secretary of Agriculture who was in charge of this agency and his chief assistant have both been fired. A Deputy Administrator has resigned. A career employee of the agency has made serious charges against his superiors. A woman secretary was forced to undergo psychiatric examination because of the case. In addition, numerous shifts have occurred, and just recently three South Dakota ASC officials were fired for accepting favors from a Minneapolis seed company.

In spite of the dark clouds of doubt hanging over the ASCS, this bill seeks to place the destiny of the wheat and feed grain farmer in this agency. Farmer confidence and public trust cannot be expected until the Estes investigation is completed.

Remember, Mr. Chairman, Billie Sol Estes built his financial house of cards by acquiring cotton allotments from all over the country and by storing surplus grain. There is nothing in H.R. 11222 which will correct the basic situation which gave the Estes empire an opportunity to prosper. The complex wheat certificate plan alone contains the seeds for sprouting a hundred Billie Sol Estes cases.

At the proper time I propose to offer a substitute for title IV of the bill.

The substitute would strike from title IV of the bill the proposed new programs for feed grains, wheat, and dairy products and replace these proposals with a voluntary feed grain program, an extension of the existing wheat program for 1 year, a new wheat and feed grain disposal program, and authority for the Secretary to extend expiring Conservation Reserve contracts:

Here are the major provisions of the substitute:

A. FEED GRAINS

First. Extends the present voluntary feed grain program for 1 more year, but makes these important changes: (a) Prohibits the dumping of surplus feed grains back into the domestic market for less the 5 percent above the current support price, plus reasonable carrying charges; and (b) make payments in kind to participating feed grain farmers in lieu of price support, thus preventing wholesale shuffling of the CCC inventory.

B. WHEAT

First. Extend the present wheat program for 1 more year, but require the Secretary to appoint a wheat study commission to explore the feasibility, advantages, and disadvantages of a new permanent wheat program which would treat different classes of wheat under different legislative and administrative provisions.

C. FEED GRAIN-WHEAT DISPOSAL—SELLING THE SURPLUS TO FARMERS

The Secretary would make contracts with farmers on a voluntary first-come-first-served basis for the retirement of all the annual production of wheat and feed grains on the farm in return for the opportunity to buy at attractive prices these surplus grains held by the Government.

D. CONSERVATION RESERVE

Authorizes the Secretary to extend expiring Conservation Reserve contracts for periods from 3 to 10 years beyond their scheduled termination dates, thus preventing millions of acres which are now retired from coming back into crop production.

This substitute will afford members of the committee an opportunity to vote for a voluntary program instead of the rigid control program provided for in title IV of H.R. 11222. Although many Members of the House voted against the original feed grain program and the present wheat program last year, they may argue that it would appear inconsistent for them to now vote for my substitute. May I point out, however, that when you voted on the feed grain bill last year you were not confronted with compulsory retirement of acres and the reimposition of acreage allotments and marketing quotas for feed grains. In voting for my substitute you will have to determine whether you want to continue with the voluntary program which has done some good in spite of its many shortcomings in preference to title IV in H.R. 11222 which will place the farmer under the strictest regimentation and control ever sought to be imposed on our feed grain farmers.

In conclusion may I say that there is nothing in this bill to help preserve the small family size farm everyone is talking about. It stands to reason that the small farmer is the one least able to cut down on production while at the same time the cost of his farm operations continues to increase. I believe it was one of Secretary Freeman's advisory committees which reported "we have to face up realistically to an agriculture of fewer and more efficient farms which can provide suppliers with good incomes from food prices around present levels. Migration to the cities would be encouraged." This proposal was set out in the original version of the legislation now before the House but was eliminated. In other words, I interpret the Secretary of Agriculture and his advisers saying to the small farmer "we will move you to the city because there is not enough pie to go around."

I said before that this bill for all practical purposes would require the feed grain farmer to procure a Federal license in order to operate his own farm. I will prove that statement by words from Secretary Freeman himself. This is what Secretary Freeman and Dr. Cochrane told a small group of farm editors at a luncheon at the Department of Agriculture cafeteria during a briefing on the administration's farm plan as reported in the June 1962 issue of Successful Farming, the leading farm publication in the State of Iowa. After a series of questions and answers about transfering another's marketing quota and further pointing out how quotas and allotments would become capitalized into land values, the interview wound up as follows:

> Question. I don't think there is much turnover in tobacco allotments. There are 122,000 allotments in North Carolina. It has been pretty constant.
>
> COCHRANE. People hang on to them. But other people are trying to get them. I know this.
>
> Question. Since you have used this example, the Chevrolet agency tends to issue a franchise for a certain area—at least there is not going to be another Chevrolet agency set up next door. And that is what he pays for. Now, then, are we going to say that you, in essence, are giving a franchise to the farmer to operate?
>
> SECRETARY. In a sense, I suppose that is true.

Mr. Chairman, H.R. 11222 should be defeated. It will not increase the farmer's income. Why place him under strict regimentation and control if he is only to remain status quo as far as income is concerned? There is no bargaining power in this deal. The bill will result in higher prices to the consumers, it will place the American feed grain farmer in a straitjacket from which he will never be released. Do not forget this is a permanent legislation and controls once imposed on the feed grain farmer will never be removed.

No matter how you doctor up this bill it will finally be written in conference. The end result of course will be the Senate version of the bill. Therefore, the only recourse for those of you who do not want to put the feed grain farmer into a straitjacket, is to vote against the bill. Otherwise it may be too late.

The control of feed grains will ultimately and surely result in the complete control of livestock and dairy products with the net result of higher prices to the consumer. This bill will give the Secretary of Agriculture more discretionary authority than any other Secretary of Agriculture in the history of this country. There is no clamor for this legislation, no one wants this bill except the economic planners who want a regimented economy in this country.

I beg of you not to shove this legislation down the throats of our farmers. They do not want this ever-expanding, ever-powerful Federal Government to tell them when to sow and when to reap. Thomas Jefferson once said in his autobiography written in 1787:

> Were we directed from Washington when to sow, and when to reap, we should soon want bread.

Do not let this happen in the United States of America.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. LATTA. The gentleman has very graphically pointed out the situation in the deficit area on this map. I ask the gentleman if it is not always true that we have heard a lot and will hear more about the voting privileges contained in this bill giving the farmers a free choice to decide for or against this program? This bill, speaking specifically of the deficit areas on page 40, lines 16, 17, and 18, provides as follows:

> Such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

All of these deficit area people will not have the right to vote.

Mr. HOEVEN. The gentleman is correct, they will not have the right to vote if this bill becomes law.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. MACK. The gentleman mentioned my name in the course of his statement. I was not able to hear his remarks immediately prior to that time. But I certainly want the record to show the right answer to my question.

I am wondering if the gentleman did agree with Chairman COOLEY that no Member of Congress offered this land retirement program in the course of the proceedings had in executive session.

Mr. HOEVEN. I believe that is correct.

Mr. POAGE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, just a little less than a year ago, on September 11, 1961, a man by the name of Martin Sorkin wrote a letter to another individual named Maynard Wheeler. After discussing at some length how he felt he could prevent the development of the administration's farm program, he stated:

> Against this background, the Republican National Committee and the chairmen of the House and Senate Republican campaign committees held a secret meeting, to which I was invited. The objective of this meeting was to develop the basis for a continuing attack on the administration's efforts on the farm front. It was agreed that it was not the responsibility of the Republicans to propose solutions but to criticize the administration wherever feasible. This included varying the basis for the attack depending upon the area political situation.

Four days later the same gentleman wrote to the same Mr. Wheeler and referred to another meeting. He does not say whether it was secret or not, but he names a number of distinguished gentlemen who met with Governor Rockefeller in Ithaca, N.Y., in about 1961, in a private, off-the-record meeting. This time he said:

> The purposes of the meeting were to present to the Governor and his top aids the most up-to-date facts regarding national agricultural policy, to explore with him the position he should take on agricultural issues, and the means for getting significant information to him.

Then, after saying:

> In my presentation I pointed out to the Governor (1) the tremendous costs and the maladministration of the present special agricultural programs, (2) the administration efforts to strangle the agricultural production and marketing system, (3) the real objectives and implications of the supply management concepts, (4) some of the techniques that were used to defeat the major attempt by the administration to impose controls and supersede the congressional prerogatives, and (5) the vulnerable points in the administration program.

He says:

> Governor Rockefeller learns quickly. He is a good listener and is constantly seeking the factual basis for statements.

Now, I mention this letter by this individual, who was formerly Assistant to the Secretary of Agriculture in the Eisenhower administration, and merely suggest that this will give you a key to much of the proceedings that are going to take place in the next 2 or 3 days. Here is the former Assistant to the Secretary of Agriculture writing of secret meetings which he has attended with the high officials of the Republican Party telling us in so many words that it was decided that there was no responsibility on the part of the Republican Party to offer anything but merely to try to embarrass the administration at every opportunity.

Mr. Chairman, we just listened here a moment ago to an effort to embarrass the administration; not to present something but to embarrass. This is completely in keeping with the agreement as reported by Mr. Sorkin. You are going to listen in the next two or three days to more proposals that have no intention of helping the farmers but merely to embarrass the administration. You are going to have the Powell amendment dug up on the banks of the upper Mississippi. You are going to have every sort of amendment that has nothing in the world to do with agriculture thrown out here in the hope that it may embarrass the administration and may prevent the passage of this legislation.

At the same time you have the word of the former Assistant to the Secretary of Agriculture that the Republican Party met and decided that they had no responsibility to offer anything constructive but merely to embarrass the administration. I believe that these letters clearly explain the purpose behind these blind and pointless attacks.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to ask whether or not the minority members of our committee offered any constructive suggestions during the consideration of the bill.

Mr. POAGE. That was brought out here just a minute ago. The gentleman from Illinois asked the gentleman from Iowa if there was anybody in the committee who offered this proposal which the gentleman from Iowa felt was so meritorious as a substitute for this proposal, and the gentleman from Iowa said he did not believe it happened.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I do not care to yield to the gentleman as yet. I care to make a statement. I did not interfere with my ranking minority leader when he made his statement, and I ask only the same consideration.

Now, Mr. Chairman, let us face it. I know it is rather embarrassing to discuss these closed meetings but let us just sit still a little while. No, Mr. Chairman, I do not care to yield.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

The gentleman from Texas [Mr. POAGE] will proceed.

Mr. POAGE. Mr. Chairman, I regret exceedingly that the gentleman from California was unable to increase my audience but I appreciate his efforts. However, I do feel that all of us should bear in mind the nature of the amendments, and the nature of the discussion that is due to take place. This is not simply my interpretation. I have placed no interpretation on it. I have simply given you the interpretation of the former assistant to the Secretary of Agriculture who says he attended the secret conclave of the Republican Party. I did not attend these secret meetings. That is his interpretation. He was the man who says that there will be nothing constructive coming from the other side. He said it was not their responsibility. He is the man who said they were simply interested in embarrassing the administration, not I, although I think that history indicates the former assistant to the Secretary of Agriculture was well advised, that he knew what he was talking about, and that he was but following a rather long-established policy.

Mr. Chairman, those of us on the majority side of the committee felt that we do have a responsibility. I have been a member of that committee for close to quarter of a century. I have felt that I had a responsibility on that committee at all times and I want to say in order that there may be no misunderstanding that there was a day when a great Republican sat as the chairman of that committee. I felt a responsibility in those days. There was fine cooperation on both sides of the aisle at that time, and it worked to the everlasting benefit not only of the farmers, but of the economy of the United States.

Mr. Chairman, so long as the Honorable Clifford Hope presided over that committee, we never saw this attitude of no responsibility on the part of anyone. Those of us on the majority side still accept that responsibility.

We have a responsibility to farmers, to taxpayers and to consumers. I think that we owe all these groups a responsibility. This bill attempts to meet that responsibility to all of those groups, attempts to meet it to the farmers by applying to feed grains basically the same principle and giving to them the same tools that we previously gave to other segments of agriculture. We have long ago given to cotton producers, to peanut producers, to rice and tobacco producers, the opportunity to balance supplies of their commodities with demand, through a two-thirds vote of those producing the commodities.

A great many years ago tobacco growers turned down quotas. That was in 1938. They have not turned them down since. I do not think that cotton producers, rice, or peanut producers ever turned down quotas although there have not been controls every year because on several years the Secretary did not invoke quotas.

We gave to the wheat growers the opportunity to balance supply and demand, but we put a limit of 55 million acres, below which we could not reduce wheat production.

Agricultural technology has advanced just as rapidly as the technology in any other segment of our economy, even more so. The result has been that whereas 55 million acres was a reasonable figure 15 years ago, it is no longer a reasonable figure. This bill recognizes that fact and allows wheat producers to balance their supply with demand by removing the 55-million-acre floor. It does the same thing for feed grain producers. And I would call your attention to the fact that is exactly what we have done for all other segments of our economy.

Suppose you try to establish a truckline between here and Baltimore. Everyone knows that he cannot do it unless he can convince the Interstate Commerce Commission that there is an unfilled demand for the service. Suppose you try to establish a bank in your hometown, and I am sure you will soon find that you cannot do it unless you can prove that there is a demand in excess of the supply of banking facilities at that point right now. Suppose you try to produce crude oil in this Nation in excess of the proration laws and you will find that the Connally hot oil law prevents you from moving it in interstate commerce.

Everywhere there is an effort to balance supply and demand. Labor has learned the same thing. What do you think the 40-hour week is for? What do you think the call for the 30-hour week is for? To balance the supply of labor with the demand for labor. All other segments of our economy do this. Why should not the farmer have the right to do it?

Oh, the answer is given, and I have heard it repeated at least six times here by the previous speaker, and he repeated it out of the textbook, out of the form arguments because he read it the same way each time; according to them, it puts the farmer in a straitjacket.

How many of you consider compulsory education as placing the children of this Nation in a straitjacket? I believe that today every State in the Union has compulsory education, requires our children to attend school. Does it put them in a straitjacket? Are we going to repeal it because it puts them in a straitjacket? What do you think the oil proration laws do? What do you think the labor laws do? Do you want out of that kind of straitjacket? Do you want to go back to the days of 1931?

I was farming then and that is what finally convinced me I had better sit under an electric fan in town, because it was so much more comfortable than farming in that free economy.

What we are trying to do here is to make the law of supply and demand work in favor of the farmer rather than against him.

I was surprised that the gentleman who preceded me did not mention the law of supply and demand. That is one thing he overlooked in the book. It is in the book. If he will reread his instruction book he will find that it is there. The book says, "Congress is trying to repeal the law of supply and demand."

There may be those who do not understand the law of supply and demand. Maybe I am one of them. But if I understand the law of supply and demand, it goes something like this: If you increase the supply without changing the demand, the price is going to go down; but if you increase the demand without increasing the supply, the price will go up. That is essentially the law of supply and demand; is it not? What we try to do is say that law should work for farmers; that is, balance that supply and that demand and we will maintain a fair, stable price.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. POAGE. We attempt to achieve this balance between supply and demand by giving the farmers an opportunity to vote quotas on themselves if they want to. We give to the grain farmers the same opportunity the cotton farmers have. The Secretary under the terms of this bill will first determine each year what the probable need for feed grains will be. Having made that determination, he then determines how many acres we will need. If he finds that our current acreage is going to produce more than we are going to need he proclaims quotas and the farmers are then given an opportunity to vote. It takes a two-thirds majority of them before you can get quotas.

I know you have heard that this program puts the farmer in a straitjacket; that it confers dictatorial powers on the Secretary. You have heard that. Oh, yes. But it requires a two-thirds vote of all of the producers who are involved to determine that they are going to have such quotas. If they vote these quotas, then they are allowed to produce all the feed grain that is necessary to supply the United States, less about one-seventh. The reason for that is to try to draw down some of the stupendous surplus we now have on hand. We feel we ought to reduce those surplus stocks.

In January 1953 the Commodity Credit Corporation held only 423,400,000 bushels of feed grain. In January 1961 it held 2,100 million bushels. Since the enactment of the voluntary feed grain reduction we have been able to reduce that by approximately 250 million bushels. These figures show only the Government-held grain. There is, of course, in addition a substantial volume of grain in private hands. The Government also holds well over a billion bushels of wheat.

This grain was accumulated under the program of Government support for unlimited production of feed grain. I have repeatedly protested against such a program, but these protests are always met by the argument that if we make support prices low enough that will control production. Low prices do not control production. Faced with low prices, farmers must try to make up in volume what they are about to lose in price. Even if the individual farmer is forced into the relief lines of the city, a better financed operator takes his place on the land and the land continues to produce. The surplus production goes into Government warehouses so long as there is a Government support program.

The President spoke the other night, speaking of all commodities, not simply feed grains, and said that we are presently spending over a billion dollars a year. One of the members of the Appropriations Committee told me last week it was $1,300 million a year to carry those tremendous stocks of surplus commodities.

Is that sound business? Is that fiscal responsibility? Is that dealing fairly with the taxpayers? I do not think so. I think we owe the taxpayers a better break than that. I think we owe them the obligation of cutting down that stupendous cost. Well, you cannot cut it down unless you cut down the production of feed grain because we are producing a quarter of a billion bushels more of feed grain than we feed each year.

How are you going to cut it down? We suggest that we balance supply and demand and that we cut down our supply by 100 million bushels below the demand so that we can feed this out of surplus into the market without doing violence to the producer. Is that not the first real effort you have seen toward fiscal responsibility for the taxpayers? Is that not the sound way of stabilizing the producers' prices? Is not that the effective way of seeing that consumers get all they need at a fair price? Are we not dealing responsibly with consumers, with producers and with taxpayers? I believe the answer must be that we are—we are dealing responsibly with these people.

We are doing the things that we say America should do. I know there are many nitpickers in this House as well as over the Nation who are trying to find fault with this comma or with the crossing of this "t" or to strike out a semicolon somewhere. It is easy enough to nitpick. It is easy enough to find some way to criticize the administration. It is easy enough to say that you should have brought something else before this Congress—that you should have done it in some other way—that you should have crossed this "t" with a slant instead of directly across it. Oh, these things are easy enough, but they do not get results. They do not stop the accumulation of these surpluses. They do not cut down the taxes. They do not stabilize farm prices.

We know this bill is not 100 percent perfect. We know this bill ought to be amended in many places and I am sure it will be amended somewhat on the floor. We know that this bill will be changed from time to time after it is enacted. But had we better not enact some sound fundamental legislation and get it on the books? Is it not about time that we began to work on a sound basis of balancing supply and demand? That is basically all we are asking of this House today, to balance supply and demand so that the law of supply and demand will work for the people of America. That is what we want to see done.

Now I would like to speak on one or two specific items. I know everyone of you have heard the charge made, oh, if you control feed grains, you are going to control livestock. Yes, you have heard it. I do not know if you have read it or not, but everyone of you has received this kind of letter. Now let us analyze that a minute. And I do it as one who was reared on a ranch 30 miles from the nearest railroad and as one who has been in the cow business since I was 10 years old, and fortunately I am still in it. I have enjoyed the last few years just as well as anybody else. I know we have had good prices for livestock—certainly. Do you know why? About half of us who have been in the business have not thought about why we have had good prices.

I will tell you why we have had fair prices for livestock. Because the U.S. Government has removed from the market approximately a quarter of a million bushels of feed grain every year. Now let me ask some of you who are in the livestock business. What do you think your calves would bring in the next 2 years if the price of corn were to drop to 50 cents this fall and stay down there for the next 2 years?

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes, I will be glad to yield.

Mr. JENNINGS. Let me say to the gentleman from Texas that I know exactly what would happen. For the first year we would see heifer calves selling for more than steer calves; we would see all the people—rather than marketing their current and surplus grain buying livestock, and we would see the largest flood of livestock on the market that we have ever seen in the history of this country. Also we would see the lowest prices we have ever seen in the history of the country.

Mr. POAGE. I appreciate the statement of the gentleman from Virginia who I know is in the livestock business himself and is a businessman. Had the grain the Government has been putting in warehouses gone onto the market it could not have gone anywhere except into livestock—oh, with a deferential gesture to my friends from Kentucky I realize some would have gone into whisky, but that would have been inconsequential. Basically all of the feed grain produced goes to the production of meat and livestock products. You simply cannot get away from it. Had this quarter billion bushels gone on the market each year it would have been added to the tonnage of meat that was going onto the market to such an extent that the prophecy of the gentleman from Virginia would unquestionably have been brought about, because the price of livestock must go down if you produce substantially greater quantities than the market can absorb.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield further?

Mr. POAGE. I yield.

Mr. JENNINGS. We might point out also that it would not necessarily follow that the housewife would be given cheaper meat as a result of that, because in the case of wheat we have seen the price of wheat go down and down to the farmer, but the price of bread go up and up to the consumer. So the mere fact that we would have an excess and oversupply of meat would not necessarily mean that the housewife would get it. In all probability she would not get it.

Mr. POAGE. The gentleman is absolutely right.

Mr. JENNINGS. There has never been a time in the history of this country when we have had cheap beef and low priced livestock or vice versa over a long period of time.

Mr. POAGE. The gentleman is absolutely right. When wheat sold at $3 a bushel you got bread for 13 cents a loaf. When wheat sold for $1.80 a bushel you paid 24 cents a loaf for the same bread. In the State of New York today the dairy farmers are drawing less money for their milk than they did 10 years ago yet the housewife in New York City is paying 150 percent of what she was paying then.

No, the fact that we might see the livestock industry go broke would not assure any of our consumers of lower prices. It would simply mean another depression in the United States.

If the livestock people want to prevent regimentation and control of livestock—and I want to prevent it—I think it is clear that the sound way to do it is to maintain a proper balance between supply and demand of feed grains, because when you balance the supply of feed grains you also maintain stability in livestock.

There is one more argument I want to nail. It was barely mentioned by the previous speaker, the suggestion that this bill carries with it some kind of penalty or club to be used against farmers if they vote down the referendum. We suggested that the bill provides that in the event the referendum fails that the Secretary may sell on the open market from the surplus supplies of feed grains not to exceed 10 million tons per year. That is approximately 300 million bushels, approximately one-seventh of what we now have in storage. In other words, it limits the Secretary so that it would take him 7 long years to eliminate the existing surplus. I cannot conceive of going much further in order to protect farmers whether they vote for or against a referendum. We say that the Secretary cannot dump his 2 billion 100 million bushels of feed grain on the market, but that it will take him 7 years to dump it.

How long do you want the taxpayers of America to pay for this support? How long do you want Billie Sol Estes and his kind to be drawing money from the Federal Treasury? How long do you want to give anyone, no matter how honest, and most grainmen are honest, this advantage, I ask you seriously? If you do not eliminate this surplus in some manner, those people are going to continue to draw that billion dollars a year, and there is not any other alternative.

When you vote against this bill you are going to be voting to continue our present wasteful pile up of unneeded feed grains. You are going to be voting to continue a billion dollars a year of utterly useless expenditures. You are going to have a boondoggle such as this country has rarely seen. If you vote against this bill you vote for a return of the act of 1958 with price supports on unlimited production.

I do not believe the membership of this House wants to follow such a policy.

On the other hand, if you vote for this bill you do not confer power on anybody. You simply give the producers of this Nation an opportunity to decide by a two-thirds majority whether or not they want to have the same kind of controls on feed grains that they have repeatedly expressed themselves as wanting on cotton, on wheat, and on other commodities.

I believe this is a fair bill, and I hope the House will adopt it.

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, I am going to discuss this bill later in the debate and give you my views on it, but in view of the fact we were not privileged to ask a former speaker any questions because he refused to yield, my only opportunity to answer some of the questions that he asked is by taking 3 minutes' time from our own side.

This gentleman asked the question, and I think it is a good question. Do you think it is fair to the taxpayers to pile up billions of dollars in surplus commodities and pay rent on them. I do not think so, and I did not think so at the time he advocated those bills. Every single bill since 1953 I know of that has been passed by the House was brought out by the same majority that has brought this bill out. On almost every occasion I heard the gentleman from Texas make just as excited a speech in support of those bills that piled up the $9 billion worth of surpluses as he made in support of this bill today. I did not think that was cricket at that time. Most of these bills I voted against. Most of these bills he supported, and he supported them because they would do the very same thing he says this bill will do. But instead of doing the things he said they would do, they have piled up $9 billion worth of surplus commodities.

He blames that on Secretary Benson because he said it was in 1953 when all those surpluses started. I cannot recall Mr. Benson ever getting the majority side of this House to pass one single bill of his during the 8 years he was Secretary. I do recall the chairman of the Committee on Agriculture saying to the Secretary one day, "Mr. Secretary, we have given you everything in the world except what you want."

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, since coming to Congress it has not been my opportunity to have listened to too many misleading statements on the floor of this House. Certainly, I have not had occasion to listen to one which was or is as misleading as the one we heard just a moment or two ago by my colleague, the gentleman from Texas, Mr. POAGE. And, I respond to those statements because reference was made to some of the activities and some of the evidence that has been submitted to a committee on which I serve and is presently exploring the activities of Mr. Estes.

Now, first, I think it is right that we identify the person about whom he was speaking, and I refer to Mr. Sorkin. And, let us remember that he is an agricultural economist. He was hired for that purpose. That was his assignment. He at one time was with the Department of Agriculture. Yes, he left there in 1956, and if my recollection is correct, he came to the Department prior to the Eisenhower administration.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Minnesota.

Mr. QUIE. Was the gentleman you speak of, Mr. Sorkin, ever Secretary of Agriculture or Assistant Secretary of Agriculture or Under Secretary of Agriculture?

Mr. LANGEN. No; he was not.

Mr. QUIE. The gentleman from Texas who preceded you, Mr. POAGE, called him a former Secretary of Agriculture, at times Assistant Secretary of Agriculture, and I think this does an injustice to any man who served under the Eisenhower administration as Secretary or Assistant Secretary.

Mr. LANGEN. I thank my colleague for his contribution.

Now, in his capacity as an agricultural economist he wrote the letters referred to, and here we find one of the oldest tricks in the books being used in which they read a part of a letter in order to create an impression. However, I am kind of glad the gentleman did, because, very frankly, by his so doing, I think he kind of let the cat out of the bag. Those of us who serve on this committee have been wanting to get into other areas of this investigation, namely, cotton allotments, and, members of the Department of Agriculture who have been very directly involved. On this we have been precluded, and we have suspected for a long time that the reason for so doing was to try to set the stage for the passage of the bill that is before us today. Obviously the wisdom of that thought is clearly evident at this time.

Now, let me resort to exactly the same kind of tactics that were used, and I want to read a part of Mr. Sorkin's letter in which he says this:

> In my presentation I pointed out to the Governor the tremendous costs and the maladministration of the present special agricultural programs, the administration efforts to strangle the agricultural production and marketing system, the real objectives and implications of the supply management concepts, some of the techniques that were used to defeat the major attempt by the administration to impose controls and supersede the congressional prerogatives, and the vulnerable points in the administration program.

Yes, this is also a part of that letter, and maybe there is some real wisdom in there, because when we look at the experience, what do we find? And, this is an area in which our committee ought to certainly be doing its best work. Let us not forget that cotton allotments constitute the biggest violations as far as the Department or Mr. Estes is concerned. The reference of Mr. Sorkin to maladministration is in evidence in numerous other instances which I shall refer to later.

But Mr. Chairman, we have not been able as yet to get into that field. This is where the fines are being levied which they do not know whether they can collect. This is where we have seen the degree of favoritism that was extended to him. But, oh, we have shied away from that, for fear of exposing the many scandals that have come to light in recent weeks involving the Department of Agriculture.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. LANGEN. It is evident here at this point that one of the reasons we have shied away is because they wanted to use this kind of material to promote an agricultural bill today.

Mr. Chairman, perhaps we ought to be cognizant of the facts: There have been other and numerous areas of the same kind of discrepancies dealing with allotments. We had one in Minnesota. The Chairman of the ASC Committee there had to be removed because he was juggling allotments and directing payments to him to which he was not entitled. We have had the same kind of experience in Montana, in South Dakota, in Iowa, California; yes, and in Texas, if you will. All of them involving grain storage, allotments, and quotas. Yes, I recognize that the gentleman is a very honorable and a very dedicated man, and I know that the gentleman wants to do like I do, make sure that we practice honesty in government, that there is not any kind of favoritism displayed in that area. If the gentleman so desires, I would suggest to him that he help us and assist us in exploring and bringing to light the discrepancies that have occurred in this field rather than trying to make a political matter out of only partial evidence, and for the purpose of passing the measure that is now before us. If we want more cases like that of Mr. Estes, the bill before us will surely promote such opportunities.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. Yes; I shall be glad to yield to the gentleman from Minnesota.

Mr. NELSEN. In dealing with the cotton allotments, the obvious illegality of the operation was dealing with quotas and traffic in quotas. Is it not fair to assume, if we get into a quota system all over the Midwest in our feed grain area, we will have an open invitation for a recurrence of that very same traffic in quotas of feed grain?

Mr. LANGEN. Of course, the gentleman is so correct. One of the reasons that they have been hesitant to discuss allotments and quotas is for that very purpose, because the bill that we have before us further emphasizes and further brings on restrictions and penalties that people are going to have to comply with, even to the point where we see that in the areas of new farms or people who want to move into that field, they are going to have to get their allotments from some other source, and obviously it is going to bring about a bargaining in the field of allotments. This is where the big area of controversy is concerned. I repeat once again; if we want to explore these hearings, then I suggest we do it in the manner that I have prescribed, so that we might eliminate further scandals, such as that of Mr. Estes and his relationship to the Department of Agriculture.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, I rise in support of H.R. 11222 and especially in support of the wheat section of this bill. This is good, sound, and progressive legislation.

The Members of this body know of my longstanding interest in bushel controls on wheat. The Members of this body also know that I, in cooperation with many of my colleagues on both sides of the aisle, have introduced bills providing a bushel control for wheat in each session of Congress since I joined this body.

Last summer, I introduced H.R. 9131, which provided a bushel management plan for wheat. The proposed legislation with respect to wheat contained in this pending measure is so similar to the bill which I and my colleagues introduced that I find it difficult to understand why any of the Members who introduced the bushel management plan are not supporting this measure wholeheartedly.

The only significant difference between the bushel management plan as originally introduced and this present proposal is in the price of wheat to consumers. That plan, which I sponsored, called for a wheat price approaching parity, whereas the price of wheat to consumers in the present proposed legislation will be about the same as the effective price of wheat for this year.

Mr. YOUNGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-one Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 119]

Adair
Addonizio
Alford
Aspinall
Auchincloss
Barrett
Bass, N.H.
Bennett, Mich.
Blitch
Boykin
Bray
Brewster
Bruce
Buckley
Celler
Corbett
Curtis, Mass.
Davis, Tenn.
Dowdy
Fallon
Farbstein
Fascell
Flood
Fountain
Frazier
Frelinghuysen
Garland
Garmatz
Gary
Glenn
Green, Oreg.
Halleck
Harrison, Va.
Hébert
Hoffman, Mich.
Holifield
Horan
Ichord, Mo.
Jones, Ala.
Kearns
Kelly
Kilburn
King, Utah
Laird
Lesinski
Lindsay
Loser
Mason
Merrow
Moulder
Multer
Powell
Rains
Randall
Riley
Roudebush
Saund
Smith, Calif.
Smith, Miss.
Spence
Stubblefield
Thompson, La.
Tupper
Wilson, Ind.
Yates

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11222 and finding itself without a quorum, he had directed the roll to be called, when 368 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. BREEDING. Mr. Chairman, I believe that the wheat producers of this country are entitled to full parity for their product; however, I have reluctantly agreed to this lower price in the effort to maintain the stability of the national economy and to prevent any material increase in the cost of living to our consuming public.

The National Association of Wheat Growers, the National Grange, and the National Farmers' Union who, in cooperation, originally developed the bushel management plan, testified before our committee that this pending legislation is so nearly the same as the original bushel management plan that they fully support this pending measure.

This measure which we are considering today applies a market control feature to wheat which is so essential to a stable economy. It limits the amount of wheat which can be sold for food and export to the amount which the trade can absorb, less a reasonable quantity to be purchased by the trade from the huge stocks now in Commodity Credit warehouses. This in effect permits the law of supply and demand to work for the producer instead of against him. It will guarantee a stable supply of wheat to the consumers at a reasonable price and will maintain the purchasing power of farmers so that they in turn can buy the products of our urban areas.

Residual wheat production on the farm which cannot be absorbed by the trade for food and export will find its way into supplemental uses such as seed, feed, and industrial uses. The price of this residual quantity of wheat, however, will be established at a level comparable to the price of feed grains.

Two important facts which we must always keep in mind in dealing with this wheat legislation are:

First. Most wheat producers are also producers of feed grains.

Second. It makes no difference in the total feed grain output whether the farmer who is producing wheat as a primary crop produces corn, barley, oats, rye, or wheat on his feed grain acres.

This was a fundamental concept of the bushel management plan and it is retained in this bill. Even though acreage allotments for wheat are established under the terms of this bill, there is also a provision that wheat produced on feed grain allotment acres can be classified as feed grain, and vice versa, feed grains can be grown on wheat allotment acres if the feed grain producer so desires. This provision in the bill, for the first time, provides the farmer the freedom of choice to plant on his acres, after making the necessary reduction from his total reductive capacity, the crop best adapted to his soil and equipment. This is a great step forward in the concept of production controls, by applying the controls to the total output of the grain producing unit rather than to each individual grain crop.

Secretary Freeman has assured the committee that this substitution will be permitted to the maximum extent possible, and only if he determines that this substitution is detrimental to either the wheat or feed grain programs will he limit the degree of substitution permitted.

There seems to be some question in the Secretary's mind, however, as to whether this substitution should be freely permitted in the unlikely circumstance that the feed grain program is voted down in the referendum. I believe that it should be clearly spelled out that it is the intent of Congress that this substitution is to be permitted even in that unlikely event, provided the producers substituting wheat for feed grain limit the total production of grain on the farm to the extent that would be required had the feed grain program been approved in the referendum.

For many years under the old wheat allotment program, provision was made to permit producers in high-risk areas, such as my own, to plant wheat in excess of the allotment and store it under bond to provide a stable supply of wheat for the farmer to sell in those years in which his crop failed because of drought, hail, or other natural causes. This provision is of the utmost importance, not only to the producers in the high plains area where crop failure is so frequent, but also to the consumers who, year in and year out, require a stable supply of the high quality wheat grown in this area. This provision authorizing the seeding of wheat acres in excess of the allotment and the storage of such excess wheat was not included in H.R. 11222. I had intended offering an amendment to the pending legislation to reinstate this storage provision in the bill. I find, however, that this provision is contained in the bill passed by the Senate, S. 3225, and therefore I will not offer this amendment at this time. But I urge the House to accede to the Senate bill in this respect when the two bills go to conference.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. BREEDING. I yield to the gentleman from New York.

Mr. SANTANGELO. I thank the gentleman for yielding.

We who come from the urban areas are interested not only in the plight of the farmers, but we are also interested in the affairs of the consumer. I would like to ask the gentleman this question: Assuming that this bill fails of passage in the House, and assuming further that there will be no other legislation considered or passed in the House at this session, and we do have reason to believe that there will be no further legislation, because of the fact that the former Assistant to the Secretary of Agriculture, Mr. Sorkin, said there would be no cooperation on the part of the Republicans; what, then, would be the system under which the farmers of this country would operate, and under what law, and further, what would be the effects of the passage of this bill?

Mr. BREEDING. Mr. Chairman, in answer to the gentleman's question, the wheat farmers of our country would revert back to the old 1958 act. This was the program we had prior to this administration, which was administered by Secretary Benson. It had 75 to 90 percent of parity and 55 million acres for wheat allotment.

Mr. SANTANGELO. In other words, there would be a subsidy on wheat within the 55-million-acre allotment throughout the United States?

Mr. BREEDING. That is right.

Mr. SANTANGELO. And assuming this bill passed and was submitted to the farmers of America for their consideration and the farmers rejected this program in their referendum, under what law then would the farmers of America be operating?

Mr. BREEDING. In answer to that question, as I understand it, if the farmers turned down the program in a referendum, they would be practically without a farm program and would revert back from nothing to 50 percent of parity, providing they stayed within the 55-million-acre allotment.

Mr. SANTANGELO. In other words, there would be a small subsidy for the farmer, if the farmers defeated the proposal in a referendum.

Mr. BREEDING. I am not sure I understand the gentleman's question.

Mr. SANTANGELO. Perhaps I can get this clarified by the chairman of the committee. What would the situation be if the farmers rejected the bill in a referendum?

Mr. COOLEY. If the bill is defeated, we would return to the old Benson program under which we accumulated these surpluses and sustained these losses. But if the bill is passed and it is submitted to the grain farmers, this proposition of making adjustments, in a referendum, and rejected, then they have no price supports at all.

Mr. SANTANGELO. If the bill passes and the farmers approve the bill in a national referendum, what would be the situation, what would be the program under which the wheat farmers of America would be operating?

**Mr. COOLEY.** The program which is contained in this bill.

Mr. SANTANGELO. In other words, a planned production that does not have anything to do with the 55-million-acre allotment.

Mr. COOLEY. The 55-million-acre floor is removed.

Mr. SANTANGELO. Under this bill would the taxpayers of America be saved some expenses in the storage of wheat, as well as in the overall cost of the farm program for the farmers?

**Mr. COOLEY.** Very definitely.

Mr. SANTANGELO. How much of a saving would there be for the taxpayers of America if this bill is passed and the farmers approve the program in a referendum?

**Mr. COOLEY.** We estimate about $600 million.

Mr. SANTANGELO. So that we in the cities who are interested in economy for the taxpayer and the consumer would find that it is in our interest to eliminate some of this waste in this program by passing this bill and hope that the farmers see the light of day and approve it in a national referendum?

**Mr. COOLEY.** I think the gentleman is exactly right. My estimate is that we will save around $1 billion a year if these programs are approved.

Mr. SANTANGELO. I thank the gentleman.

**Mr. MICHEL.** Mr. Chairman, will the gentleman yield?

**Mr. BREEDING.** I yield to the gentleman from Illinois.

**Mr. MICHEL.** The gentleman from New York [Mr. SANTANGELO] is a member of our Subcommittee on Agriculture Appropriations. This year, the 1961 feed grain bill cost $782 million with only 24.7 percent of the acreage involved.

Mr. SANTANGELO. Mr. Chairman, if the gentleman will yield, is it not a fact that only 50 percent of the feed grain farmers have come within the program and the other 50 percent have refused to come in and are producing at an unlimited rate, which creates the glut on the market?

**Mr. MICHEL.** That point we are not arguing. We are arguing another point in the legislation before us. That is, you put everybody in the program, so you have a balance over and above only one-fourth of the base acreage allotment, and it is costing $782 million. Under this bill, if you have 100-percent participation, how can the Secretary come back and say that it is only going to cost $500 million?

Mr. BREEDING. Mr. Chairman, I refuse to yield further. If these gentlemen want to discuss the matter further, they will have to do so on their own time.

Mr. SANTANGELO. Mr. Chairman, I would like to get an answer to this question from the chairman, if I can. How can we save this money which runs into the millions of dollars? Will the chairman answer that?

**The CHAIRMAN.** The time of the gentleman from Kansas [Mr. BREEDING] has expired.

**Mr. HAGAN of Georgia.** Mr. Chairman, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include extraneous matter.

**The CHAIRMAN.** Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FOGARTY. Mr. Chairman, as always when farm bills come before this Chamber, I intend to make my position clear. I think most of the Members of the House are well aware of my unbroken record of opposition to farm legislation which calls increasingly for more money from the Federal Treasury and which moves always in the direction of regimentation of farmers.

My position is unchanged now. I am well aware, as we all are, of the claims made by the supporters of this legislation that it will save money for the taxpayers. On the basis of the record, I cannot accept this argument. The record refutes the claim, as any close look at the budget of the Department of Agriculture will verify.

Last year, the Department of Agriculture came before us and said that passage of the emergency feed grains and wheat legislation would save money. This year, we find this same Department is spending $1 billion more than it did the year before to replenish the funds of the Commodity Credit Corporation. One billion dollars more—and yet we are buried with all sorts of figures which seem to try to say, "Oh, that's right, we spent more money, but think of how much more we would have spent if we had not had the emergency legislation."

And now, here we are, faced with H.R. 11222, a bill it is claimed will save money for taxpayers, increase farm income, and cost the consumer nothing. If we think but for one moment I am sure all of us can readily come to the conclusion it is simply impossible to save tax dollars, increase farm income and keep food prices stable—all in one blow.

I have a deep concern for the farmers of my district because they struggle under adverse agricultural conditions. They are farmers in one of the most urban districts in this country. But, they seek no special favors. They seek only that they not be made to pay for special favors given farmers elsewhere.

But, in a much broader sense, my concern is for the consumers, not only of my district, but of the Nation.

It is my firm belief that the wheat provisions of this bill embody a "bread tax"—and anything that even suggests that kind of a tax should be of great concern to those of us who represent the urban areas.

I do not use this expression "bread tax" loosely. I realize it is a serious statement. As I see it, this bill contains provisions that would tax American consumers more than $164 million a year for their daily bread.

As I understand this bill, marketing certificates would be distributed to farmers. These certificates would be issued to wheat farmers on the basis of an estimate of each farmer's share of that wheat which is used for human food in this country, and for export.

I am informed that the probable value of these certificates would be between 60 and 80 cents per bushel of wheat—this is on the basis of a wheat price support of $2 or more a bushel.

I am attempting here to avoid intricacies, but I must admit that is difficult, if not impossible. These certificates would be parceled out to millers on the basis of their use of wheat. In effect, the millers would be forced to buy these certificates at predetermined prices, even though "noncertificate" wheat of comparable or better quality might be freely available at substantially lower prices.

I can understand how a miller might try to mill the cheaper noncertificated wheat—it would be cheaper to him by from 60 to 80 cents a bushel, though it would be illegal for milling purposes.

But—and the intricacies should not be allowed to cloud the main point—the cost of these certificates would constitute a bread tax. It would be a tax—not a premium—paid for high-quality wheat.

And, within this question of quality lies another big reason for my objection to this bill because it contains language that would give a grower of dog biscuit wheat the same pro rata share of the high-priced wheat market as the grower of high-quality wheat used for human consumption. How long since does a man who produces quality shoes have to take a piece of the low-priced sneaker market? I did not realize we had gone so far in this matter of farm legislation that we have started to tell producers of high-quality food they must—by law—take a percentage of the dog biscuit market. How stupid can we get?

To get back to the main point:

The miller would have to include the cost of these certificates in the price of the flour he sells to the baker—and when we talk about bakers that is when the problem gets right home to me and to all of us.

I already have explained that the bread tax would be somewhere between 60 to 80 cents per bushel of wheat.

Assuming that 67 1-pound loaves of bread can be made from 1 bushel of wheat, the bread tax would amount to a direct charge of about 1 cent per 1-pound loaf of bread—or a cent and a quarter on a 20-ounce loaf.

Now, that gets pretty close to my voters, and to all voters.

We must remember that the average daily consumption of bread in the United States is about 45 million 1-pound loaves. At 1 cent per loaf that bread tax would cost consumers $450,000 every day—not counting the cake tax and the doughnut tax, the cookie tax, the spaghetti tax, the cracker tax, the danish pastry tax, and the french pastry tax.

And it gets worse. Not only would our consumers pay a tax on the bread and pastries they buy, they also would pay an extra tax on bread eaten by Danes in Denmark and Frenchmen in France—in cases where wheat products in those countries are made from American wheat.

The reason is this—our export sales of wheat would be subsidized and, of course, that subsidy is paid by our taxpayers. The cost of maintaining our wheat exports under the program would dwarf the domestic bread tax. It would cost our taxpayers nearly a billion dollars a year to subsidize the export of wheat not only for dollar sales but for giveaway programs.

Mr. Chairman, I could go on with the reasons for my opposition to this legislation—or anything like it—but I return to my basic reasoning that it simply is impossible to lower Treasury costs, increase farm income and leave food prices stable—all in one swoop. It just cannot be done.

Mr. Chairman, there appeared in the Wall Street Journal of June 19, 1962, an editorial based on an article published in the New York University magazine, Challenge. This magazine published an article on farm economics, written by Prof. Hendrik S. Houthakker of the Harvard School of Economics. I commend this article to all, urban or country, for the very great truths it pinpoints. Professor Houthakker writes clearly and pointedly.

The article follows:

### ECONOMIC MYTHOLOGY, COUNTRY STYLE

Since President Kennedy is so eager to have fresh and sophisticated thinking on economic problems, we are happy to relay some suggestions on the farm program—from a source which should appeal to Mr. Kennedy.

Harvard Economics Professor Hendrik S. Houthakker, writing in New York University's Challenge magazine, criticizes the Kennedy administration's supply-management approach to agriculture, which he describes as "centralized control of output under Government-sponsored cartels." It is no solution, and, like other past "solutions," it is based on defective analysis of the problems. Agricultural policy rests on an assortment of fallacies.

There is, for one, the farm income fallacy, the notion that aggregate farm income should rise proportionately to nonfarm income. This has no economic substance, and, as Professor Houthakker observes, "to keep up farm income by keeping up farm prices is impossibly expensive in the long run."

Then we have the good old family farm fallacy, the darling of the farm bloc in Congress. The professor deals trenchantly with this belief that at all costs the family farm must be preserved as a way of life: "Whatever moral virtue there is in independent country living will be eroded if it can be achieved only by Government handouts, no matter how disguised." Anyway, a lot of the Federal benefits go, not to family farms, but to big enterprises.

Next comes the acreage fallacy, the belief that production can be controlled by restricting acreage. Farmers have been disproving that for decades, but the Government persists in trying it. For one consequence, Mr. Houthakker notes that the very costly emergency feed grain plan of 1961 had only a very slight effect on feed grain output.

Still another fallacy is the idea that agricultural research will improve the farmer's lot. The greater productivity that comes from research, the professor writes in his commonsense way, will not help farmers so long as all of them stay on the farm.

In addition, there is the free market fallacy—the theory that farmers are too numerous and too weak to bargain effectively. Actually, this has little to do with income distribution, and in the Houthakker view the administration's "supply management" is unlikely to strengthen the farmer's bargaining power. It is, he comments, "on a level with the medieval guilds in terms of economic sophistication: it protects the inefficient at the expense of the efficient."

According to a further fallacy, the farmer's declining share of the consumer's dollar is the fault of some conspiracy of middlemen. "But the simple truth is that farm products are reaching the consumer in ever more highly processed form. Indeed, if the 'middlemen' were powerful enough to deprive the farmer of his just reward, they would be making a much bigger profit than they do."

Last is the fallacious belief that the purpose of agriculture is to provide an income to farmers rather than to supply the world with food and fibers, and the corollary that only the farmers should decide output and prices. Professor Houthakker, who doesn't mince many words, says this is akin to the corporatist societies of Mussolini and Hitler, "even though its American proponents have no conscious affinity to fascism."

His own proposal for an alternative farm policy is along these lines: Let farm prices return to levels at which supply and demand would reach equilibrium without surpluses or tighter controls. To cushion the initial shock, he would have the Government make acreage payments, but only for a limited number of years.

Whether one agrees or disagrees with that particular proposal, the point is that alternatives do exist; the Nation is not immutably doomed to continue farm policies founded in ignorance.

Anyway, we thought President Kennedy would like to know that there is no lack of fresh insight on economic problems in this country. And that the things he objects to—economic mythology and tired slogans—are splendidly exemplified in his own administration's farm program.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DAGUE].

Mr. DAGUE. Mr. Chairman, today we have under consideration H.R. 11222, the so-called Food and Agriculture Act of 1962. I come from one of the rich agricultural areas of this great country and therefore represent an area vitally affected by this legislation.

This bill has many ramifications; however, I would like to discuss briefly four parts of the bill having to do with land use, feed grains, wheat, and dairy.

Much could be said about the land use title of this bill. Everyone is for the proper use of land and I am for any program that does so. However, I am concerned about the provision in the land use adjustment part of this bill and its effect on local people. In my area, and I am sure it is true in other areas, many private individuals and private organizations using their own financial resources have established various kinds of recreational and wildlife areas. This includes such things as the swimming pools, fishing areas, game preserves, and similar recreational facilities.

Now under H.R. 11222 we are going to provide these private individuals with direct competition from the U.S. Government. Under the proposal contained in this bill the Secretary of Agriculture would have broad authority with the use of Federal funds to develop land use programs. Some of the recreational areas that might be developed with Federal money would be in direct competition with those developed by private capital. I am very much concerned about this possibility and hope that Members of the House will give this point serious consideration.

While the land use parts of the bill are important, the really significant parts of the bill, from my standpoint, involve feed grains, wheat, and dairy. My section of Pennsylvania is one of the important dairy and livestock parts of the country. We produce substantial quantities of corn, wheat, oats, and other feed grains. Practically all of these feed grains are produced and consumed right on the farms. You will find many family farms which are in the dairy and livestock business that produce practically all of their own feed. This may take the form of silage, corn, or wheat.

Because this is so important to my district I would like to outline my reasons for being opposed to this legislation. In my opinion the mandatory control programs for feed grains and wheat that are being considered would be the ruination of the family farms of my district. For that reason I am opposed to this bill and urge that it not be adopted in the interest of preserving a free, prosperous agriculture.

The feed grain part of this bill as far as I am concerned is a monstrosity. As I have indicated above, many of the farmers in my district produce the feed for their own livestock. There is no real choice for them in the referendum. Either they accept the administration's control program or take nothing but the threat of the Secretary of Agriculture to dump substantial quantities of feed grain on the market. This is not a fair kind of a choice to offer feed grain producers.

In connection with the referendum, many of the feed grain farmers in my district would be ineligible to vote, yet they would be controlled by the Government. They are small producers. Under the proposal, as I understand it, farms with a feed grain base of 25 acres or less would not be subject to the program unless the producer elected to participate. This means that if, during the base period of 1959–60, a farmer had 18 acres of feed grains this would be his base acreage. He could plant his 18 acres and, therefore, not be eligible for land use payments or price supports or to vote. He could not raise more acres. However, if he were interested in price supports or land use payments, he would have to take his mandatory cut under the program so that the acres he could actually plant would be at least 20 percent less than the 18 acres that are his base.

Some of the proponents have indicated that a feed grain producer could grow up to 25 acres and still be exempt from the program. I wish this were true. However, it is not, if I read the proposal accurately. What it really means is that any producer who has a base acreage less than 25 acres would not be subject to the acreage cuts. If he grew only 20 acres during the base period, he could not grow any more without being subject to penalty. This is a serious matter in my district because of the fact that my farmers produce relatively small feed grain acreages. The penalties for these small producers of under 25 acres if they over-plant their base or acreage allotment is extremely severe. Production on excess acreage of feed grains would be subject to a marketing penalty at the rate of 65 percent of parity price per bushel times double the normal yield or actual yield, whichever is lower.

I also understand that under the proposal feed grains harvested for silage are not exempt from the program. This means that the acreage of silage grown would be considered a part of the feed grain base. Many producers in my area grow corn for silage. This is only another example of why the bill is completely unworkable insofar as my farmers are concerned.

The so-called wheat certificate plan that is provided in the bill is also equally unsound and unworkable in my opinion. It proposes to provide a system of national quotas and certificates. The certificates would vary according to the use that is made of the wheat involved. This is not a new idea and in fact I am a little surprised that the New Frontiersmen have adopted such an old approach.

Under this approach the 15-acre marketing quota exemption and the 30-acre feed grain exemption would be terminated and producers would receive an acreage allotment based on their average crop of wheat in the period 1957–61. The elimination of the 15- and 30-acre exemptions is a serious matter as far as my wheat producers are concerned. They grow much of the wheat for feed purposes. This bill is particularly vicious because of its unfairness to these small wheat growers. They would be eligible to vote only if they signed in writing a promise to comply with the farm acreage allotments.

As far as I am concerned, the wheat provisions of this bill only mean less income and more restrictions to the wheat producers of Pennsylvania. This is another reason why I hope that the bill will be defeated.

While the feed grain and wheat provisions of the bill are unsound, probably the most unsound and most completely ridiculous part of the bill has to do with dairy. The administration in their original bill started out with a grandiose scheme to control the dairy industry through a system of marketing quotas. The dairy farmers quickly responded to this approach and made it clear that they were not interested in any kind of control program.

However, the planners in the Department of Agriculture were dead set on having the dairy industry under their control, but they were willing to take a year or two to get it done. So we have in this bill a provision authorizing the payments to dairy farmers who voluntarily reduce their marketings below 1961 or 1962. Producers would be paid $2.50 per hundredweight for this particular reduction.

The most significant thing that would happen under this program in addition to its ineffectiveness and costliness is the fact that there would be established on each dairy farm a quota. The Department, of course, would have to establish a quota in order to determine whether anybody had actually reduced their production. This is really what the whole exercise is all about. Once these quotas are established, even if only for the so-called voluntary program, they are there and can be readily used as a part of the control program another year.

Having been around and been exposed to some of the agriculture planners one can easily see what the next step would be. When the so-called voluntary program fails this year and turns out to be very expensive, they will come hurrying back to the Congress next January and say, "Look, the voluntary program failed—we must have controls over the dairy industry." With the quotas already established on the farms, they will be partly on their road to success.

This is exactly what happened in the case of feed grains. We had the so-called voluntary feed grain program for 2 years. It failed, as was predicted, so now we must have a control program. This will be the same pattern for dairy if we approve this bill.

However, I am opposed to a marketing quota program for the dairy industry. The provision of this bill is simply a means of getting this kind of marketing quota through the back door. This is one of the reasons I am opposed to this legislation and urge that it be defeated.

I am sure that before this debate is over there will be considerable discussion about the cost of various programs and how one program is more expensive than another. Frankly, the majority of farmers in my district have taken the position for some time that the best thing for agriculture would be to reduce the role of the Federal Government. They are for less government, not more. The bill we have before us today provides for more control. If the Cochranites are able to get control of the feed grain supply situation, this will then lead to their eventual control of our whole dairy, poultry, and livestock economy because if you can control the amount of feed grains that are available for use, you can by this device control the future of livestock, poultry, and dairy.

I am not for this approach. I am for an agriculture based on the rights of individual farmers to make their decisions based on what is in long-time best interest. I still have confidence in the judgment of the individual farmer to determine what is best for him. He still is a better planner of his own farm than any bureaucrat sitting behind his desk in the Department of Agriculture. Mr. Chairman, I urge the defeat of this legislation because I do not believe that it will benefit agriculture and will only provide the means of more Government intervention into an area where we already have more than is necessary.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, the dairy industry today is caught in a tightening squeeze between rising production and declining consumption. Since 1948, America's dairy farmers have produced more milk than can be sold through commercial channels. The excess has been purchased by the Government through price support and related programs. Since 1953, these Government purchases have exceeded $200 million a year and, in some years, have gone well over the $500 million mark.

In 1961, milk production went up 1.5 percent while milk consumption dropped alarmingly by 2.5 percent. The administration, the Department of Agriculture, and the dairy industry are taking positive steps to increase consumption with concrete and well substantiated assurances that our milk supply offers no hazards and continues to be one of the best sources of important nutrients for adults as well as for children. However, it will take time to undo the damage done to the milk market by the unfounded scare talk about radioactive fallout and cholesterol which has made milk its prime target.

Meanwhile, dairy surpluses continue to pile up. During the 1961–62 marketing year, which ended April 1, price support purchases made by the Commodity Credit Corporation removed from the market nearly 9 percent of the butterfat and 13 percent of the nonfat milk solids in the total farm sales of milk and cream. Included were 435 million pounds of butter, 194 million pounds of cheese, and 1,275 million pounds of nonfat dry milk. The estimated cost of dairy price support operations for the past marketing year comes close to $600 million.

Mr. Chairman, the Department of Agriculture is making every effort to utilize its stocks of surplus dairy products through donations for domestic and foreign school and welfare uses and through sales at greatly reduced prices for commercial and noncommercial export. However, the CCC's uncommitted stocks are increasing. On May 23 they totaled 302 million pounds of butter, 89 million pounds of cheese and 338 million pounds of nonfat dry milk. Department of Agriculture officials have told me that, despite their best efforts to find uses for these surplus dairy products, the problem of freezer space for CCC's accumulating stocks of butter may become critical before these stocks can be used.

Even with sizable Government expenditures to support the price of dairy products, the dairy farmer's income remains low. During the 1950's, returns on the farmer's and his family's labor ran as low as 30 cents to 50 cents an hour. In 1960, dairymen in Wisconsin's Ninth Congressional District, which I represent in Congress, received only 41 cents per hour for their labor.

Developments during the past year have emphasized the shortcomings of the present legislation—the Agricultural Act of 1949. It provides that dairy supports be set at such a level between 75 and 90 percent of parity as will "assure an adequate supply." As President Kennedy pointed out in his farm message to Congress, the Secretary of Agriculture had no choice under that law but to lower dairy supports to 75 percent of parity because of the obvious oversupply of dairy products.

Mr. Chairman, the lowering of dairy supports prescribed in existing law has resulted in a 10-percent decline in income for dairymen. With dairy supports at 75 percent of parity, dairy farmers' income will fall about a quarter of a billion dollars this year. In my home State of Wisconsin, dairymen will lose $30 million in the 9-month period following the mandatory lowering of supports on April 1. Minnesota farmers stand to lose $22½ million during the same period. And even with the lower support level, the CCC's dairy purchases this year are expected to approximate last year's record volume, with net expenditures again approaching the half-million-dollar mark.

To say that this is a serious situation would be the understatement of the year. Almost every State in the Union produces milk. It provides twice as much cash income for our farmers as any other basic crop. In addition to the farmers who produce milk, the dairy industry furnishes employment for almost 300,000 persons who process and handle dairy products before they reach the retail level.

Our present dairy problem has reached emergency proportions very similar to the feed grain emergency which we faced last year. Because of a lack of agreement among the various dairy organizations, dairy industry representatives, and Members of Congress, the formulation and enactment of a long-range dairy program is obviously going to be a lengthy process. Meanwhile, I strongly feel that we must deal with the immediate emergency in this vital industry.

Mr. Chairman, the House Dairy Subcommittee, of which I am chairman, put a great deal of thought and work into the formulation of the emergency voluntary dairy program that is part of H.R. 11222, the proposed Food and Agriculture Act of 1962. Under the provisions of the dairy surplus reduction proposal, which is similar to the 1961 emergency feed grain program, dairymen would be given an opportunity to sign a voluntary agreement to reduce their marketings of milk between 10 and 25 percent of their 1961 marketings.

For such reductions they would receive a surplus reduction payment of up to $2.50 per hundredweight from Commodity Credit Corporation funds. The exact rate of payment would be a rate which the Secretary of Agriculture estimated would encourage voluntary reductions in marketings but could not exceed $2.50 per hundredweight. Since the cost to CCC of purchasing products manufactured from 100 pounds of milk, plus storage for a short term, adds up to about $4.20, the Government would save approximately $1.70 for each 100-pound reduction in milk production. The aid offered to cooperating dairymen under this plan would be in addition to the assistance all dairy farmers receive through price supports.

Mr. Chairman, small producers could receive payments for reducing milk production by 7,500 pounds a quarter, even if this amounted to more than the 25 percent limitation provided in the bill. Anyone who, for some reason, has already reduced his marketings since 1961 would receive payment only on a reduction of his current marketings.

A producer who failed to reduce his marketings to the extent required by his agreement would be eligible for payment on the quantity by which he actually reduced his marketings, providing such reduction is as much as 10 percent of his normal marketing level. However, the rate of payment would be reduced by an amount equal to 20 percent of what would have been the payment on the milk that he failed to reduce.

Dairymen could transfer their bases, called "normal marketing levels" in the bill, to other dairy producers. This would make it possible for agreements to be carried out to completion by heirs or other successors in cases of illness or similar emergency situations.

Farmers selling milk under Federal milk marketing orders would be affected the same as other producers. However, they would be permitted to credit all their marketings against surplus class milk. In this way, they would retain their full share of the class I value of the pool just as though their total deliveries had not been reduced.

If a long-range dairy program utilizing milk quotas is put into effect at a later date, dairy farmers who participated in the voluntary program will not be penalized with lower quotas because of production cuts under this program.

Mr. Chairman, enactment into law of this emergency voluntary program would give dairymen and legislators their first chance to see how a supply-adjustment program would operate in the dairy field. Currently milk is the only one of our important agricultural commodities which does not have such a program. In addition to reducing our gigantic surpluses of milk and dairy products, and the subsequent reduction in the cost of purchasing and storing them, this voluntary program could very well point the way in which future dairy programs should go.

When the members of the Dairy Subcommittee formulated this voluntary dairy program in March, we planned it as a 1-year program. At the time, it was expected that the farm bill would be acted upon very shortly in the House, so the cutoff date for the dairy program was set for March 31, 1963. Because of unforeseen delays in action on the bill, I strongly feel that it is necessary to change the closing date for the dairy program to September 30, 1963, as many dairymen would hesitate to sign up for a program which would last only 6 months. Furthermore, this would not be long enough to give the program a fair trial.

Mr. Chairman, I am offering an amendment to the dairy section of H.R. 11222 to extend the voluntary dairy program through September 30, 1963. My distinguished colleagues, Agriculture Committee Chairman HAROLD COOLEY and Vice Chairman ROBERT POAGE, agree with me that this amendment is necessary to insure the success of the dairy program. I urge my colleagues to join us in supporting H.R. 11222, its voluntary dairy program, and my amendment to insure that the program is in operation long enough to be effective.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, after many, many, days, yes, and nights, spent in making a deep study of the farm problem which has been a constant worry for many years to most of our farmers and the people generally, especially in the breadbasket of the United States, Iowa being in the center of that great food and feed producing area, I wrote a farm bill which I introduced on May 31 last.

I have sent copies and a full explanation of my bill, H.R. 11941, to hundreds of farmers in the Seventh Iowa District, and I can truthfully say that my bill has met with almost unanimous approval.

H.R. 11941 is a complete bill, easy to understand and to administer and which, if enacted into law, will quickly reduce the high price-depressing surpluses of feed grains at little cost while at the same time provide great benefits to our farmers nationwide, and do it on a voluntary basis with no penalties imposed on any farmer. Participation will be no problem because of the liberal benefits provided. Here, Mr. Chairman, are the principal provisions in my bill in a nutshell and in understandable language.

H.R. 11941 provides for liberal payment-in-kind to the farmers who reduce by at least 10 percent but not more than 33⅓ percent the number of acres they had in corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed production on an average during the previous 2 years. Such reduction entitles a participating farmer to receive a Government certificate valued at 80 percent of the average previous 2 years' production on the idled acres.

This certificate entitles the owner of same to withdraw grain-in-kind from Commodity storage for his own use, or he can sell his certificate to a neighbor, grain dealer, or to anyone else, except back to Uncle Sam.

For example, if the average yield of corn during the previous 2 years was 70 bushels per acre on the idled acres the farmer would receive 80 percent of 70, or 56 bushels of high feed value corn for each acre so idled, and if lower feed value corn is accepted the participant would receive more bushels in ratio with its feed value, should he elect to take the corn from CCC bins for his own use.

By this method it is estimated that the acreage reduction would be about 20 percent below the 2 previous years' production. Added to that reduction would be the automatic 20-percent reduction in available grain brought about by allowing 80-percent withdrawal instead of the full 100 percent.

As I said at the outset that if my bill is made law it will, as you can readily and clearly see, quickly reduce the price depressing surpluses of all grain, and hence the price of grains will quickly stabilize on a higher level and poultry and all livestock prices would in turn also stabilize on a higher price level, which is a national "must" not only for our farmers but for every American, since all wealth springs from mother earth.

My bill permits grazing on the idled acres for pasture only. Nothing in my bill affects the conservation reserve law now in effect, nor does it affect the present payments for certain soil conservation practices, and so forth.

The Secretary of Agriculture shall provide for sharing of certificates among producers on the farm on a fair and equitable basis.

My bill does amend the Watershed Protection and Flood Prevention Act in a number of respects.

First, it gives the Secretary of Agriculture the authority to assist local organizations in developing and maintaining a limited number of public recreational developments to be established under the small watershed program. It allows Federal cost sharing of not to exceed one-half of the cost of easements, rights-of-way and land for reservoir or other sites within the watershed area. It also limits the number of these recreation facilities which may be established in any one watershed to a maximum of three. If the watershed project contains less than 150,000 acres but more than 75,000 acres, no more than two such recreation facilities could be established. If the watershed project were less than 75,000 acres, no more than one such facility could be established. Under this provision of the bill local organizations or communities must take charge of and operate the new facilities. The Federal Government would not run the facility and the United States would not be allowed to acquire legal title to any land included in the recreation area.

Another provision in my bill allows the Secretary to advance funds to local organizations, upon the condition that these funds will be repaid with interest, to prevent the encroachment of other developments on potential watershed lands. This will, I hope, go a long way toward holding down costs of land which might be acquired by speculators or by legitimate businesses who might construct expensive facilities and buildings.

My bill also makes a change in the law to allow a more flexible criteria for determining Federal participation in the small watershed and brings it more into line with other existing Federal programs.

Another important change that my bill makes in the small watershed program is to change the present flood prevention capacity limitation from 5,000 acre-feet to 12,500 acre-feet. What this means is bigger small dams. This provision will give the Soil Conservation Service a much greater opportunity for servicing low- and moderate-rainfall areas more effectively.

My bill also authorizes the Secretary to help local organizations to develop their water supplies for future use. With many of our small towns, particularly those in Iowa, growing at very rapid rates, it is important to look ahead to the day when the municipal water supply may be far in excess of present needs and thus build the capacity for that storage now when the cost is much cheaper than at a future time. My bill proposes to accomplish this by allowing the local sponsoring organization to defer the repayment of loans for developing future water needs for up to 10 years. Repayment with interest would commence as soon as the local community begins to use the water. The loan would have to be repaid in full within the life of the structure but in no event more than 50 years.

My bill also contains a number of technical amendments to the act which the Soil Conservation Service has requested. The most important one is to make it clear that the Federal Government may provide engineering services for municipal and industrial water supply on a reimbursable basis.

And, finally, my bill specifically makes the Watershed Protection and Flood Prevention Act and the programs under that act which are administered so capably and successfully by the Soil Conservation Service, clearly applicable to the 11 watershed projects authorized under the Flood Control Act of 1944. One of those 11 projects is the Little Sioux River watershed. By tying the small watershed program in with the Little Sioux River project, every citizen and his children and grandchildren in western Iowa will derive many important benefits through the decades to come through the preservation, care, and enjoyment of our priceless soil, truly America's most valuable asset.

Now, in conclusion, I can only say that all who have knowledge of our farm problem and its causes will, I am sure, after studying my bill, come to but one conclusion, which will surely be that, if H.R. 11941 is made law, the farm problem will soon be solved and over a billion dollars annually for our already overburdened taxpayers will be saved.

The taxpayers of the United States now own the huge supply of grains, it is all paid for, so I ask in all sincerity why not use it to solve the farm problems and pay the bill?

A copy of my bill, H.R. 11941, follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of Agriculture is authorized and directed to establish and carry out a voluntary payment-in-kind land retirement program for the producers of wheat, corn, oats, rye, barley, grain sorghum, soybeans, and flaxseed.

(a) Such program shall provide for the payment of the annual rental through the issuance of a negotiable certificate which the Commodity Credit Corporation shall redeem in wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed under such terms and conditions as the Secretary may prescribe. The Secretary shall provide for the sharing of certificates among the producers on the farm on a fair and equitable basis.

(b) Such program shall include provisions for (1) the reduction of tillable corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed acres (and in the case of wheat, the farm wheat allotment) by at least 10 per centum, but not more than 33⅓ per centum, (2) the designation and idling of any acreage for which payments-in-kind are received, (3) the prohibition against producing any crops except grass for grazing only on such designated acreage, (4) the establishment of a protective vegetative cover on such designated acreage, (5) the prevention of any increased farm plantings of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed subsequent to participation in the program, (6) adjustments for abnormal weather, changes in the constitution of the farm, established crop-rotation practices, and participation in the Great Plains or Conservation Reserve programs, and (7) necessary limitations on participation to prevent displacement of farm families and to avoid insofar as possible adverse effects upon the economies of local areas: *Provided,* That nothing in this Act shall be construed to impair the eligibility of a farm for Agricultural Conservation Program payments: *Provided further,* That nothing in this Act shall be construed to prevent the grazing of livestock on acreage diverted from the production of corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed.

(c) Payments-in-kind under such program shall be based upon 80 per centum of the average annual yield of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed in bushels per harvested acre on the farm for the two years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions, as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres.

(d) Notwithstanding any other provision of law participation by the producers of corn, oats, rye, barley, grain sorghum, soybeans, and flaxseed in the payment-in-kind program set forth in this Act shall be required as a condition of eligibility for price support on such commodities.

(e) Such program may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are necessary to effectuate the purposes of this Act and to facilitate the practical administration of the program.

SEC. 2. Section 407 of the Agricultural Act of 1949, as amended, is amended (1) by adding at the end of the third sentence the following: "*Provided further,* That the Corporation shall not sell any wheat, corn, rye, oats, barley, grain sorghum, soybeans, or flaxseed for less than 5 per centum above the parity price for any such commodity, plus reasonable carrying charges." and (2) by changing the semicolon to a colon and adding at the end of clause (D) in the fourth sentence the following: "*Provided,* That the Corporation shall forthwith replenish its stocks by the purchase of a quantity of the commodity equal to the amount of such commodity so sold."

SEC. 3. No provision of this Act shall be applicable to the 1965 or subsequent crops of wheat, corn, oats, rye, barley, grain sorghum, soybeans, or flaxseed.

SEC. 4. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided,* That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational development, the Secretary shall be authorized to bear not to exceed one-half of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further,* That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventhy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further,* That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for

the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements, or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

Sec. 5. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

Sec. 6. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

Sec. 7. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"Sec. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

Sec. 8. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act, 68 Stat. 666, as amended, is amended to read as follows: "*Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

**Mr. HOEVEN.** Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. Short].

**Mr. SHORT.** Mr. Chairman and Members of the Committee, I do not want to leave any illusion with the Members of this House. I rise in opposition to this bill, and every section in it. I do not think there is any illusion on the part of the members of the House Agriculture Committee as to my feelings about this bill. I feel this way because I am a farmer myself. I have been a farmer and a rancher all my life. My son is living on the farm that I have lived on all my life. My grandson is living there, and I think they are intending to continue to live there. I am not sure, however, they are going to be able to enjoy living there and make a living as I have if we pass this bill.

Mr. Chairman, I also represent one of the most predominantly agricultural States in the Union, North Dakota. I do not know how much, percentagewise, it is, but the vast majority of the income of the State which I represent is received from agriculture. Certainly, it seems to me that beyond any question of a doubt, if this bill that we have before us now is passed into law, the agricultural income of the State of North Dakota is going to be reduced.

We have heard a lot of conversation about this bill here this afternoon, and about how it is needed for the protection of the farmer. I do not think anyone has ever mentioned, I do not think anyone has even intimated, certainly no one has ever said with any justification that the provisions of this bill are going to improve the income of the farmer.

It seems to me that the primary consideration for this bill here today is on the basis of "we have to do this to cut down the cost of the agricultural program."

Well, certainly, we are all in agreement with this provision. But let us just think back a little as to how this farm legislation all got started in the first place. What were we trying to do? We were trying to improve the lot of the farmer. After 25 years of experimenting with various kinds of programs to improve the income of the farmer, and certainly as a farmer I would be inclined to be sympathetic and lay aside some of my basic reservations, perhaps, and be sympathetic with this legislation if I thought there was anything in it that actually improved the lot of the American farmer.

Mr. Chairman, North Dakota is also an important livestock State. The feed grains section of this bill to me is probably the most important insofar as my State is concerned. But North Dakota is also the second largest wheat producing State in the Nation. The wheat section would probably, if it is passed in its present form, have the greatest adverse effect on the wheat farmers in North Dakota of any State in the Union.

I would like to go into detail on this, if I had time. I do not, but let me mention in passing, however, this bill has no provision in it for recognition of the varying degrees of use of different classes of wheat which is grown in the United States, such as Durum, Hard Spring, Hard Red Winter, Soft Red Winter, and White wheat. They are all used in different degrees in domestic consumption and export.

Mr. Chairman, there is no recognition in this bill as to this varying degree in the use of wheat. We must recognize this, it seems to me, if we are ever going to have a realistic wheat program.

Mr. BREEDING. Mr. Chairman, will the gentlemen yield?

Mr. SHORT. I would be glad to yield to the gentleman from Kansas.

Mr. BREEDING. The gentleman's remark about the different classes of wheat—was that not contained in any other previous wheat legislation?

Mr. SHORT. It has never been in any wheat legislation with the exception of some special consideration for Durum wheat. This is one of the inequities that has always existed in wheat legislation which we have had in the past. We propose here to perpetuate this thing, because this wheat provision that we have before us, would do nothing to correct these inequities. The gentleman from Kansas was instrumental in introducing a two-price bill to which my wheat farmers would like to subscribe. May I say here and now that the wheat section in this bill is not a two-price system, because it maintains the present pattern of wheat allotments. The present pattern of wheat production in the United States will be frozen where it is today. Sure; there is a provision in here to the effect that one can grow wheat on feed grain lands, and that sort of thing, but everyone today in the United States who has a wheat allotment will continue to have it and to have a quota within that allotment for domestic consumption and export.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I would be glad to yield to the gentleman from Missouri.

Mr. JONES of Missouri. I have had some difficulty in following the statement of the gentleman. Does the gentleman want more Government payments or less Government payments?

Mr. SHORT. The gentleman is asking me a serious question?

Mr. JONES of Missouri. I am serious; really, I am. Does the gentleman want more Government payments going to those farmers, or does the gentleman want less?

Mr. SHORT. I want less.

Mr. JONES of Missouri. You want less Government payments?

Mr. SHORT. I will say that to the gentleman from Missouri.

Mr. JONES of Missouri. That is fine. One other question:

It is the understanding of the gentleman from Missouri that in the Senate bill there is a provision which would permit the Secretary of the Department of Agriculture to increase the acreage allotment for any class of wheat which would otherwise be in short supply. Would the gentleman be for that amendment, or opposed to it?

Mr. SHORT. I would be opposed to it.

Mr. JONES of Missouri. Let me make this clear. I am really serious about this.

Mr. SHORT. I appreciate the gentleman's interest.

Mr. JONES of Missouri. I want this bill to get one Republican vote and I do not know anybody's we would rather have than that of the gentleman from North Dakota. And if we can get this bill in such shape that it will satisfy him, I would like to do it.

Mr. SHORT. I assure the gentleman that it is not going to be my vote. As to this provision in the Senate bill—I think it is in there; I am not sure. If the gentleman says it is, that is proof enough for me. That provision, however, is not in the House bill. Why it is not I am sure I do not know. If the House members of the Committee on Agriculture wanted to be objective in dealing with this situation, then it should have been in the bill and I suggested, in the committee, that we put it in, but my suggestion was not adopted, as the gentleman well knows.

Mr. JONES of Missouri. Mr. Chairman, I thank the gentleman.

Mr. SHORT. Mr. Chairman, I would also like to leave this with the members of the committee. I think almost every member of the House Committee on Agriculture would agree that we could go back into committee and write a wheat bill that most of us could support. This is one of the inequities in this package that is before us now. There is everything in here but the kitchen sink, so to speak. There is something in here that everybody can be opposed to, but there is very little in here that all of us could accept in its entirety.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. QUIE. I want to point out that in the emergency feed grain legislation that was passed last year I offered an amendment to take into consideration classes of wheat and the House turned it down.

Mr. SHORT. That is true as I recall and I thank the gentleman for calling this to my attention. Mr. Chairman, my time is running along, and I would like to get on to the subject of the feed grain section of this bill. Let me remind you of this, as we are dealing with this piece of legislation. This is something different from anything we have had since I have been here. This is permanent legislation. This is not an emergency feed grain program such as we had 2 years ago and last year. This is not an emergency wheat program such as we passed last year. This is permanent legislation that applies permanent acreage allotments to feed grains. It is true that the bill we have before us has a few more feed grains in it than was included in the bill that was passed by the Senate, but we can be assured that there are going to be mandatory acreage allotments for some of the major feed grains if this bill passes.

Now may I get back to this matter of classes of wheat for a moment. I would like to quote just one brief statement from one of the outstanding people in our section of the United States in the field of wheat marketing. He is an individual who I think is very ably qualified to speak his mind on this subject of the need for recognition of different classes of wheat. I would like to quote from an article in the April issue of the Grain Terminal Association Digest written by Mr. William Thatcher—Bill Thatcher to most of us. Let me quote a part of this article. He says:

> As good as it is, our wheat program does have serious inequities.

And with this I certainly agree.

> The Hard Dark Northern Spring wheat that our farmers in these GTA States produce has never been in surplus.

I would disagree to a small extent. There has been some surplus, but it has been nominal.

> But they have been forced to trim back acres along with the producers of surplus wheat. The inevitable result is that last year the spring wheat crop was actually 28 percent less than demand. We are in a serious position.
>
> Millers and bakers want our quality Northern Spring wheat because it is high in protein and makes the kind of bread consumers demand. It brings a premium in the markets. Farmers, and the Government, do have an obligation to grow this quality wheat in abundance and at prices that are fair to farmers and consumers both.

I cannot overemphasize that, Mr. Chairman, and I wish I had more time to develop this important point, but let me get on with this feed grain section. It would certainly have an adverse effect, it seems to me, on the livestock industry. We have got to keep this in mind about feed grains compared with the other basic commodities.

The gentleman from North Carolina in his presentation pointed up how the control programs have worked for rice, cotton, tobacco, peanuts, wheat. These are all cash crops sold off the farm. As to feed grains, as has been said here today, 80 to 85 percent—I do not know the exact figure—is fed on the farm. There should be something in this bill, it seems to me, to allow the individual who feeds all of his grain on his farm, who does not want to sell any grain, who does not want any price support, who does not want any land-retirement payment, simply to stay out of the program.

This is not possible. It is not possible for me on my ranch. I do not want any price support. I do not want to sell any grain. I do not want any land retirement. But I have to reduce my feed grain acreage in spite of the fact that I have a need for all the feed I can produce in good years to carry us through the dry years we sometimes have in North Dakota. There is no exemption for corn raised for silage, in spite of the fact that this is supposed to be a feed grain bill. I have to reduce the corn I put up for silage. I have to reduce the acreage I plant to oats even though I harvest the oats for hay. I have to reduce the acreage of oats I raise to feed to my own calves on my own ranch.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. COOLEY. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota.

Suppose we put in the silage amendment and take oats out of the bill and do some other things, is there anything on earth we could do to this bill to get the gentleman to vote for it?

Mr. SHORT. Yes.

Mr. COOLEY. What?

Mr. SHORT. If you will take this bill back to the committee——

Mr. COOLEY. And do what to it?

Mr. SHORT. I believe you have suggested that we take this bill back to the committee. There we could work out a bill that certainly I would support.

Mr. COOLEY. I do not see how we could possibly do it there. We have been weeks and weeks there, and the gentleman and his colleagues on his side of the aisle have been obstructive.

Mr. SHORT. I am not going to be caught in any trap of accepting an amendment, because we know if we pass this bill and it goes over to the conferees on the Senate side, the conferees are going to substitute the Senate bill for this.

Mr. COOLEY. Trap or no trap, you are not going to be caught. You are not going to vote for this.

Mr. SHORT. I certainly am not; no, sir.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. May].

Mrs. MAY. Mr. Chairman, I rise in opposition to H.R. 11222, because this legislation is not in keeping with the desires and wishes not only of the farm population in my district, and the farmers of the State of Washington, but the farmers everywhere who are opposed to present Government control of the agricultural economy, which I feel is inherent not only in the language of this bill but in the intent of the administration of the legislation.

Earlier in the afternoon the distinguished vice chairman of our committee, the gentleman from Texas [Mr. Poage], indicated that no Members on the minority side of this committee or on the minority side of the House have offered any affirmative farm proposals or alternative farm programs to the bill which is before us. He indicated the minority has, to quote Secretary Freeman in the letter he wrote me today, been "opposing for opposition's sake." I would like the Record to show at this point that this is just not true.

Mr. Chairman, last fall a number of my colleagues in both the House and the Senate on the Republican side introduced legislation spelling out a bushel management plan for wheat. This proposal was the result of months and even years of work on the part of the National Association of Wheat Growers, the National Grange, and the Farmers Union. Because the State of Washington produces nonsurplus Soft White wheat, I believe it is important to point out that the members of the Washington Association of Wheat Growers contributed a great deal of their own time and effort in working out the bushel management plan which met a unique situation in the problem of the growers in our State and other States. It was this bill that I introduced last September along with others of my colleagues in the minority party so that it could be reviewed by the Department of Agriculture and the administration for consideration in formulating a farm program offered to Congress this year.

Mr. Chairman, I wish to point out that after this original legislation was worked over by the Department of Agriculture its similarity to the original bushel management wheat program proposed last fall is very slight. The changes from the original plan agreed to by these major farm organizations and commodity groups are considerable.

Now in this I disagree with my good friend and colleague the gentleman from Kansas [Mr. Breeding]. For many months we worked side by side in support of this original legislation. In his talk before you today, he has said there is only a slight difference between that legislation and the bill before you. Mr. Chairman, earlier this year I prepared for the wheatgrowers of my district and for other States who wanted it, an analysis of the differences as well as the goals between the original bushel management bill and the bill as it appeared in this farm legislation proposed by the administration. The differences were on 15 different points. If you would like to have a copy of this analysis and the changes, I would be very glad it furnish it.

On the surface, Mr. Chairman, and because of statements made in its behalf, it was claimed that the plans were similar and that the Department of Agriculture officials who appeared before our committee indicated they would be willing to make certain changes which would bring the administration's wheat proposals more in line with our original plan. On the strength of these promises, most of the members of the Washington Association of Wheat Growers in my district were enthusiastic and at one point, after holding a number of meetings in various wheat growing counties, actually voted by and large to support the administration's wheat proposal. But then, and I think this next point is very significant to Members who have not been familiar with the work done in developing the wheat section of this bill. Then, as the bill began taking final shape in committee, it became increasingly apparent that the Department of Agriculture officials were not recommending the major changes necessary to bring the administration's plan substantially in line with the bushel management plan as agreed to by three major farm organizations that I have listed. This being the case, I wish to tell this body that the board of directors of the Washington Association of Wheat Growers held a meeting and voted that the association officially oppose the administration's wheat plan, as contained in H.R. 11222.

At this point I would like to commend the farmers of my congressional district and State who obviously recognized the need for some kind of control program on wheat on a nationwide scale. These farmers, although they do not contribute to the national surplus, hope that someday we can return to a free agricultural economy based on supply and demand. They know we cannot do that under the present surplus conditions. Therefore, they have recognized that they are, first of all, American citizens who must carry their share of the burdensome controls that are temporarily necessary to allow us to shift back to sound economic principles without Government interference. Even though the farmers in my State have lost acreage through Government control programs—and remember they do not contribute to the surplus—they have gone along in the past. At this time, however, they have thrown down the gauntlet. They cannot support the administration's program. They feel it deviates basically from the earlier proposal they supported. They feel last year's farm recommendations have not been lived up to by this administration, and they are fearful of the expressed viewpoints of those Department of Agriculture officials who are now in policymaking positions—they are fearful because these viewpoints so often expressed indicate clearly that the administration does not view their proposals as temporary control programs. My farmers are not ready to take what they feel would be a final step toward a completely controlled agricultural economy.

This is also my viewpoint, Mr. Chairman.

There are other areas of this omnibus bill to which I take strong exception. One of these is the mandatory feed grain program contained in this bill. Our State of Washington is a feed deficit area. Even the present temporary and voluntary feed grain program has not worked in my area, because of the manner in which it has been administered by the Department of Agriculture. A mandatory program for my section of the State of Washington as it would be administered by the Department of Agriculture is unthinkable.

Earlier today two of my colleagues from the State of Oregon came to me and asked about some telegrams they were receiving in support of this bill on behalf of poultry and broiler organizations of the area who claimed they should support this bill because it would bring down the price of feed in their area. I would like to put in the Record an answer to their questions to me on this point because I was just as astonished as they were at this statement. In the first place I pointed out to my colleagues from Oregon that we have had feed price studies made by the University of Oregon and the Washington State University. These studies, and by the way, I put them into the Record this year, dealt with the effect of the present temporary and voluntary feed grain program on Northwest feed prices—effect on prices to poultry and livestock raisers in our two States. These studies showed that feed prices have risen and have caused harm to these livestock and poultry producers. I suspect that one reason they are now claiming we should support this bill is because of one feature of the wheat section. The language in this bill would allow—under certain conditions—the raising of wheat for feed in our area which, in a feed deficit area, is highly to be desired. But I would say to my colleagues, this is not necessarily going to be the effect of this bill.

My distinguished colleague, the gentleman from Kansas [Mr. BREEDING], and I worked very hard on the section of the bill that would allow the Secretary to make this interchange of acreage and we did get one little change. But the loophole language still remains on page 33 of the bill. This loophole takes away any guarantee of being allowed to grow wheat for feed on our acres in the Northwest. Unless this could be done—then I do not see how this bill could result in anything but a rise in prices of feed to those in the poultry and broiler business, the livestock industry, and all feeders.

Mr. Chairman, we spent many months attempting to revise and perfect, insofar as possible, the administration's general farm proposals. However, any improvements made in committee were comparatively minor and this bill is not one that the farmers of my area can live with. I particularly regret that on Friday, May 13, the committee by a one-vote majority reported this bill. I regret that this majority of one was only obtainable through the long arm of patronage as a result of "a walk through the rose garden."

Subsequently, Mr. Chairman, the original consideration of this bill by this body a week ago was suddenly withdrawn, obviously because Members of this body recognized that the administration's farm program is an unsatisfactory one. The leadership obviously recognized there were not enough votes to pass the bill.

Apparently, Mr. Chairman, the leadership seems to think that the bill has suddenly and magically improved to the point that it is a good program this week when it was not a good program last week. I submit that such is not the case. This bill has not magically changed overnight. It is just as unsatisfactory today as it was last Wednesday when it was to have been debated. I have not changed my mind about it and I continue to oppose this stringent control measure, and I am hopeful that it will be resoundingly defeated by this body. I am hopeful this body works its will so that a better farm program which the farmers of this Nation can support can be brought to the floor and enacted. Let us defeat this bill before us today and work for a program that will move the wheat and feed grain industry decisively out of the hands of the Government and back into the hands of the farmer. Let us lend maximum effort to preservation of a free society that a healthy, thriving agriculture is so dependent upon. Let us make this adjustment now. Let us invoke only those controls necessary to accomplish the objectivity of decontrol. To do otherwise would be to deny our farmers their final goal of freedom.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia [Mr. HAGAN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HAGAN of Georgia. Mr. Chairman, the House is considering the Agricultural Act of 1962. It is a mighty important piece of legislation. And I, along with all Members of the House, am giving it every consideration.

I am trying to consider the views of all on this bill. In doing so, I have read and found most interesting two speeches made recently—one by the distinguished chairman of my committee, the Honorable HAROLD COOLEY, and the other by my distinguished fellow Georgian, the Honorable John P. Duncan, Jr., Assistant Secretary of Agriculture.

I want my colleagues in the House to have the benefit of their views. Therefore, Mr. Chairman, I include the following excerpts from their speeches at this point in the RECORD:

Here's what two southeastern farm leaders—Congressman HAROLD D. COOLEY and Assistant Secretary of Agriculture John P. Duncan, Jr.—are saying about the present farm crisis.

Congressman COOLEY:

"The farmers of America face a choice of controlling their production and enjoying firm price supports, or the complete abandonment of all farm price stabilization programs.

"In short, the decision for the producers of major crops is between self-imposed control, or bankruptcy. * * *

"The Nation is demanding that the Congress enact sound and sensible farm legislation, or end farm programs once and for all.

"In response to this temperament of the people, the House Committee on Agriculture, which it is my honor and privilege to serve as Chairman, has presented to the House, H.R. 11222. It is similar to legislation already passed by the Senate. It is intended to cut down farm surpluses, to save billions of dollars for taxpayers, to strengthen the entire economy by improving incomes of farmers, and to assure consumers plentiful food and fiber at fair prices. * * *

"In short, the bill—if finally enacted into law—gives the grain farmers of the Nation the choice between controlling their production with an assurance of a fair price or, on the other hand, complete freedom, with no controls and no price supports, to produce themselves into bankruptcy.

"It makes no sense to me for the Government to provide price supports for the unlimited production of anything. I think that in assuring price stability for farmers the Government has the right to expect of farmers that they will cooperate in programs to hold their production within bounds, so that they do not glut and ruin their markets.

"I am unwilling to provide a nickel of price support to farmers who will not cooperate, who will not assume the responsibility of adjusting their production, within reason. * * *

"In conclusion I stress and reemphasize and I admonish that the Congress absolutely must enact sound and sensible farm legislation. General farm legislation is now before the Congress. Every word and every punctuation mark seems to be a matter of bitter controversy. We desperately need a national understanding of the issues and of the dangers involved. We need the help of levelheaded thinking people in industry and business.

"I commend you again for the service you have rendered agriculture. And, in parting, I must admonish and warn you again that the help you have given the farmer, bringing about great abundance, will be his ruin, or the cause of his ruin, unless you, and others like you in industry and business, throw in your lot with the farmer and the Congress in the development of public policies that will cut down farm surpluses, reduce the staggering costs to taxpayers—policies that will rescue the agricultural economy from impending disaster and assure farmers of an equitable partnership with industry, business, and labor in this free enterprise system, while we build a stable and enduring base under the total economy of the Nation and while we lead the battle for freedom throughout the world." (Excerpts from an address by Representative HAROLD D. COOLEY, chairman of the House Committee on Agriculture, before the Plant Food Institute, White Sulphur Springs, W. Va., June 11, 1962.)

Assistant Secretary of Agriculture John P. Duncan, Jr.:

"American agriculture faces a momentous decision within the next few days—in fact, all America faces this decision. In broad scope, it is briefly whether the American farmer is to have new opportunity to earn a decent and fair income; and whether the American public is to be relieved of additional billions of dollars of cost for a farm program which already has proved itself an expensive failure in dealing with the problems of abundance in wheat and feed grains.

"The legislation which now stands before the House of Representatives in the Congress provides a clear-cut choice between saving over a billion dollars or of spending an additional billion dollars a year in the cost of operating farm programs and of storing and handling grain which cannot be effectively and efficiently used. It provides a choice to farmers whether they will manage their farm or their farm will manage them. * * *

"Since many of you also are producers of livestock * * * I would like to point out that, contrary to the impression which the opponents attempt to leave, the feed grain proposal should prevent and remove the need for regulatory programs for livestock.

"Each of you is well aware of the fact that the more feed there is in the market the more cattle and hogs there will be in the market. And an oversupply of livestock will mean prices at which profits are hard to find. Thus if a program is developed to bring feed grain surpluses under control, livestock will be produced at a level in which the market will generate reasonable profits. * * *

"It is obvious that the American public will not long continue to spend tax dollars to remove increasing amounts of feed grains from the market. Yet if the administration's legislation is not enacted, we will be forced to return to the permanent legislation now on the books. This would cost the American public an additional billion dollars a year. We cannot go back to the old program and risk drowning the feed grain producer and the livestock producer in the sea of unlimited production.

"Thus, we have reached the crisis point—the critical decision has to be made. It is not an issue of freedom versus controls, but an issue of whether or not farmers will be provided with an opportunity to choose, freely and democratically, whether they want to limit their production and get fair prices—and save the taxpayers' dollars—or whether they want to produce without limit and take their chances. * * *

"This is a critical period for agriculture. We believe that if farmers do not get a sound program now to assure that farm income will be maintained and strengthened—and that the cost to the American taxpayer will be measurably reduced—their chances of obtaining such farsighted programs will dwindle." (Exerpts from an address by Assistant Secretary of Agriculture John P.

Duncan, Jr., before the 44th annual convention of Southeastern Peanut Association, New Orleans, La., June 11, 1962.)

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I am here in support of the bill H.R. 11222, but several questions come to mind, and I have been trying to find answers to some things that are hard to understand. One is why some of my colleagues on the left who are for economy and who voted the same way I did the other day to not increase the public debt limit, yet I have not found one of them who is interested in trying to improve a farm program that will save approximately a billion dollars a year.

I have asked one or two Members on that side what we could do to try to get this bill in shape so they could vote for it, because I have some good friends over on the Republican side and I think they are going to be embarrassed this fall. To me one of the provisions in this bill will be very helpful to farmers living in their districts, even in the feed-grain section.

The committee has tried to put out a good bill, as has been brought out here. We did not get a whole lot of help from the minority because they went into this thing opposed to the administration bill. But we did not take the administration bill. It was changed in many respects. As we started we tried to satisfy everybody to bring about unanimity of opinion in the committee. We found that was impossible because the line had been adopted, "We are opposed to any farm bill." That is what we have been confronted with. The majority has had to write this bill most all of the way.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from North Dakota.

Mr. SHORT. I would like to get the record straight. There is no one in the House I have a higher regard for than the gentleman from Missouri.

Mr. JONES of Missouri. I want to return the compliment.

Mr. SHORT. I am sure the gentleman is not intentionally misstating the facts. When we started consideration of this bill, if my memory serves me right, and I will stand corrected if I am not right, we were told we were going to take the mandatory approach to all sections of the bill.

Mr. JONES of Missouri. That is right.

Mr. SHORT. I do not think it is quite the true statement, then, to say we were just opposing the bill, period.

Mr. JONES of Missouri. Do I understand the gentleman is opposed to the bill because it is a mandatory bill?

Mr. SHORT. That is right, particularly in the feed grain section.

Mr. JONES of Missouri. I am glad to get the air cleared, because here is where we are. I have reached the conclusion a long time ago that if I accept remuneration I should give something in return for it. I have felt over the years that the taxpayers are not justified and cannot afford to pay the farmer for unlimited production. You are not going to get limited production unless there is some compulsion in the bill. The wheat farmers have taken it, and they have received support. The tobacco farmers have taken it, the rice farmers have taken it, the peanut farmers have taken it. The cotton farmers have accepted it.

The position I am in right now is this: I do not want to see us abandoning all the farm programs when some time in the future—it may be quicker than we think—the taxpayers of the country as represented by their Representatives in this House are going to say, "Why should we continue to appropriate billions of dollars to pile up surpluses that cannot be used?" I think they are on a sound basis when they do that.

Mr. Chairman, unless a person is willing to make some kind of contribution to a production adjustment, I do not think he is entitled to anything. For the first time, in this bill, we have told the dairy people, If you want to reduce, we are going to be able to support you, we are going to appropriate money for that, but if you are not willing to reduce your production and bring your production in line with demand, we are going to reduce your payments. I think the committee went along with that idea generally.

If you are just opposed, and say you will not vote for a mandatory program, you are telling the people that you are opposed to any farm program, because if you say you are in favor of support appropriations for noncompliance, for unlimited production, they will continue to pile up surpluses.

Again I say those people who have been voting to limit the debt ceiling, who say they are for economy yet will not vote for a program that will save a billion dollars a year, are taking an inconsistent position.

Mr. Chairman, I am trying to be fair. There is no agreement. Tomorrow you on that side and you on this side are going to have an opportunity to vote on some amendments. The majority of the members of the committee realize that we have not brought out a perfect bill. Since we have reported this bill there are certain people who say, "If you do this you are going to wreck the bill." We are going to have an election here, so to speak.

Mr. Chairman, I am going to read some of the amendments that I know are going to be offered. I am not endorsing them. I would like to take the bill as it is, because I think some of these amendments at least will weaken the bill and will relax it more than I would like to see done.

These are not amendments which have been agreed upon by anybody. They are amendments that have been assembled from different Members, most of whom are not members of the Committee on Agriculture. But I feel they should have an opportunity to vote on these and I hope you will all participate in the discussion that will follow in an effort to try and improve the bill and get it in shape to where you will vote for it. But I do not believe that every member of the Republican Party is going to campaign this fall and say, "We were opposed to any compulsory program," because when you say you are opposed to it, you mean you are opposed to any farm program, because I do not think there is a man in the world that can stand up and justify a noncompulsory program with supports.

Now, let me read some of these amendments that are going to be presented tomorrow. As I said, I am not recommending all of these amendments. I may not vote for any of them, though I may vote for some of them.

The first amendment has to do with silage acreage, to exempt the acreage harvested as silage from the feed grain program, at the option of the producer. This would not permit unlimited production, but would exempt silage from any reduction.

Here is another amendment, and there is a lot of support of this: Change the small farm exemption from 25 to 40 acres. This would increase the number of farms eligible to plant their historic acreage of feed grains up to 40 acres.

Here is another amendment that several Members have indicated an interest in and said they feel they could go along with this bill if this was adopted, to exclude oats.

Here is another one, and I asked the gentleman from North Dakota [Mr. SHORT] about this a moment ago, and it is in the Senate bill, an amendment to permit the Secretary to increase the acreage allotment for any class of wheat which would otherwise be in short supply.

There will also be a technical amendment offered to insure adjustment of conserving acreage requirements where they are not consistent with allotment acreages.

There is another amendment which I understand will be offered to authorize acreage allotments for any crop to be used for feed grains when it cannot be used to produce the crop for which it was intended. In other words, if there was a crop that was planted and there was a drought or something, they could do that.

As I said before, I am not going to support all of these amendments, but this is the opportunity you will have tomorrow.

Another amendment would amend the bill to require the Secretary to give special consideration to farms which produced feed grains in 1961 and 1962 but not in the base period when new farm allotments are allocated.

Another amendment to permit production of crops for which price support is not provided on the diverted acres.

Another amendment that will be offered will provide that agreements for the establishment of tree cover may not provide payments for more than 5 years.

Another amendment provides that industrial parks or private or industrial enterprises may not be established under section 102.

Another amendment provides that land must have been owned for more than 2 years to be eligible for cost-sharing payments.

Now I do not want to say that these are all of the amendments that are going to be offered, but these are some that we heard about.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman asked a fair question and I think he is entitled to a fair answer. The gentleman says he wondered why it was that some of us on this side voted with him in extending the debt limit, and I am one of those that did vote with him——

Mr. JONES of Missouri. I did not vote for it.

Mr. BELCHER. The fact is I voted with the gentleman on many moves to economize. However, I do not think this will save any money. The very best estimate that Secretary Freeman gave on the wheat section was $29 million. Mr. Freeman has been so inaccurate in some of his statements that if he does not claim more than $29 million, I think it will not save a nickel.

Ever since I have been a Member of this House, I have heard you come before the House time after time with a bill that was going to save money, reduce surplus, and increase the farmer's income. Not any of them so far have ever delivered, and that is the reason I cannot go along with this bill.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. JENNINGS. Mr. Chairman, I yield the gentleman 1 additional minute, if the gentleman will yield.

Mr. JONES of Missouri. I yield to the gentleman from Virginia.

Mr. JENNINGS. I might say that in addition to the amendments which the gentleman from Missouri has just read which are under consideration to be offered tomorrow or at the conclusion of the bill, there is another amendment which, in all probability, will be offered and considered. That amendment is designed to permit grazing on these diverted acres, at the discretion of the producer, in lieu of payments. That will certainly take a lot of heat off as far as the livestock people are concerned. I think it will be a very, very good amendment. I intend to offer the amendment and I intend to support the amendment.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Chairman, it seems to me that there is a basic inconsistency in some of these discussions which I have heard from some of those who are opposing this bill. First, that they will not vote for improving amendments; second, that they would like the bill to go back to the committee and have a more voluntary type bill reported. The first notion seems to be that a rather strict bill has been passed by the Senate. However, you would face the same bill on the Senate side of this bill were entirely a voluntary bill.

Mr. JONES of Missouri. That is absolutely correct. Nothing would be gained by that.

Mr. HOEVEN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, it is rather interesting to have the gentlemen from Missouri announce the majority side will offer some 12 proposed amendments. Some of them may have merit. That, of course, leads me to say that the bill should be sent back to the Committee on Agriculture so that the committee may consider these amendments and hold proper hearings. It is quite evident that the purpose of offering all of these amendments is to sweeten up the bill in order to attract some votes. I think in all fairness we ought to take these proposed amendments back to the Committee on Agriculture in order to consider them fairly and hold hearings on them.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. The gentleman is certainly not criticizing the democratic process of trying to let the House work its will in adopting or rejecting these amendments?

Mr. HOEVEN. Not at all.

Mr. JONES of Missouri. If the gentleman will yield further, I think the committee has done the best it can. Therefore, now, I think the entire body of this House should have the opportunity to vote on these amendments.

Mr. HOEVEN. The purpose of offering these amendments, as I see it, is—and I say this advisedly—to sweeten up the bill in order to get votes.

Mr. JONES of Missouri. If the gentleman will yield further, is there anything wrong when you try to get votes in order to help the farmers of America?

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, in view of the strict limitation on time here, I should like to preface my remarks with a brief résumé and outline of the 1961 feed grain program.

Public Law 87-5, approved March 22, 1961 authorized, first, payment in cash or in kind for diverting 20 percent of acreage planted to corn and grain sorghums in 1959 and 1960; and, second, payments at higher rate in kind only for diverting an additional 20 percent of such acreage.

It provided that payments in kind should be made through issuance of negotiable certificates, which CCC could redeem and sell on behalf of producer.

It required participation as a condition for eligibility for price support.

### OBJECTIVES OF PROGRAM

The objects of the program were first, to increase farm income; second, to reduce production of feed grains; third, to stabilize prices for meat, poultry, and dairy products; and, fourth, to reduce ultimate feed grain costs by about $500 million.

### USDA REGULATIONS

Acres diverted had to be under intensive cultivation during 1958, 1959, 1960.

When producer signed up he received advance payment of half of estimated total. Final payment were made upon actual compliance.

All payments were made in negotiable certificates which were surrendered to CCC for cash. CCC then marketed the equivalent amount of grain to recover the cash payment.

### PARTICIPATION IN PROGRAM

A total of 1,173,733 farms, 42 percent of those eligible, signed agreements. Latest figures show that 1,146,000 farms finally participated, 40.5 percent.

A total of 25.2 million acres were actually diverted from production, 19.1 million acres of corn and 6.1 million acres of grain sorghums.

Diverted acreage equaled 23 percent of total corn acreage and 31 percent of total grain sorghum acreage.

### REDUCTION IN PRODUCTION

The USDA estimates a reduction of 800 million bushels below what production would have been without the program.

The 1961 Annual Crop Summary shows a reduction of corn and grain sorghum of 421 million bushels below 1960. This is a decrease of 9.3 percent in production, with a reduction of 20.1 percent in harvested acreage.

### ESTIMATED SAVINGS

The Secretary announced in November 1961, that there would be a net savings to the Government of around $589 million. This was based on an estimated cost of $1,357 million for acquiring, storing, and handling some 770 million bushels of grain not produced under the program, less estimated payments to producers of $768 million. Storage and handling costs were computed on the basis that the 770 million bushels would be in CCC hands for approximately 10 years. The estimated cost was also based on the assumption that CCC would recover only 50 percent of the original acquisition cost.

The latest USDA figures show an estimated net savings of $583 million, based on an estimated 794 million bushels of grain not produced. The computation is based on acquisition costs of $353 million avoided, storage and handling costs saved for 7 to 9 years of $843 million—$617 million for corn—and interest charges of $211 million not needed, making a total of $1,407 million not required to be expended for the 794 million bushels not produced. This is offset by payments to producers of $782 million and administrative expenses of $42 million.

### COST OF PROGRAM

Total payments to producers through March 31, 1962, were $782.1 million. The 1963 budget includes $333.2 million to reimburse CCC for advance payments made through June 30, 1961. An additional $448.9 million had been paid out through March 31, 1962, of the current fiscal year. This amount, together with any further costs, will be included as a reimbursement to CCC in the 1964 budget.

It should be noted that these expenditures do not include the realized loss on commodities sold by CCC in the open market to recover cash paid to producers. As of March 31, 1962, corn worth $610 million had been sold under certificates worth $425 million. Grain sorghums worth $135 million were sold to meet payments of $114 million. This represents a further program cost of $206 million.

### CONCLUSION

The figure of $583 million, I think, is subject to question. The losses on commodity sales of $206 million as of March 31, which might increase to $250 million or even more, were not taken into account in the amount estimated to be saved.

As on the 1962 program, the loss of 50 percent on acquisition costs seem high.

In testimony before the Senate in February 1961, Secretary Freeman estimated that excess feed grains would be sold for 93 percent of acquisition. On this basis, the loss would be closer to $520 million than the $353 million used by the Secretary.

In view of this, as much as $400 million of the estimated saving might be overstated.

The CCC will have to be reimbursed for this program at a cost of around $824 million; $782 million for payments and $42 million for administrative expenses.

### SOME FACTS THAT SHOULD BE USED IN CLARIFYING THE COST FIGURES UNDER THE FARM BILL

Mr. Chairman, I am sure every Member of the House received, as I did, a letter dated June 8, 1962, signed by Secretary of Agriculture Orville Freeman. Included in this material was a letter to the Honorable Harold D. Cooley, chairman of the House Agriculture Committee, outlining the cost of the various farm proposals. I must say, Mr. Chairman, that these figures leave me completely dumfounded.

As a member of the House Subcommittee on Agricultural Appropriations, I have the honor of serving on this subcommittee under the chairmanship of the Honorable Jamie Whitten. We have to deal with these cost figures constantly in this subcommittee, and I think a few observations are in order with regard to some of the information contained in the letter from the Secretary of Agriculture dated June 8 and the several attachments thereto. For example, in the table No. 1, entitled "Feed Grains and Wheat: Major Elements of CCC Costs by Crop Years—Millions of Dollars," the feed grains part of this table shows "Payments for land diversion" 1961 emergency program costing $782 million. I point out to my colleagues that in 1961, 42 percent of the farmers having feed grain base acres participated in the program, but only 24.7 percent of the feed grain base acreage was affected. Keep in mind that this is less than one-fourth of the feed grain base acre participating. In this same table the Secretary of Agriculture shows that under the long-range program, that is, the passage of H.R. 11222, the cost for the feed grain program under the caption "Payments for land diversion" would be $500 million. This is absolutely the most absurd bit of figure juggling that I have seen in my lifetime.

The emergency feed grain program currently in operation and operating also in 1961 pays a farmer on the basis of 50 percent of the price-support rate for feed grains times his established yield for the farm. In other words, with the price support of corn at $1.20, with a farmer of average established yield of 60 bushels, this would mean that his payment per acre for not growing corn would be $36. Thus, on this basis, with less than one-quarter of the farmers participating, the program cost, according to the Secretary of Agriculture, is $782 million. I point out to my colleagues that in 1961 42 percent of the farmers having feed grain base acres participated in the program, but only 24.7 percent of the feed grain base acreage was affected. Keep in mind that this is less than one-fourth of the feed grain base acres participating.

In this same table the Secretary shows that under the long-range program—that is, if this bill is passed—the cost for the feed grain program, under the caption "Payments for Land Diversion" would be only $500 million. This is absolutely the most absurd bit of figure juggling that I have seen in my lifetime. The emergency feed grain program currently in operation and operating also in 1961 pays the farmer on the basis of 50 percent of the price-support rate for feed grain times his established yield for the farm.

In other words, with the price support for corn at $1.20 a bushel, with the farmer having an average established yield of 60 bushels—in my district it is closer to 80 bushels—per acre, this would mean that this payment per acre for not growing corn would be $36. In my district it is $50 and $54. On this basis, with less than one-fourth of the farmers participating, the program cost, according to the Secretary of Agriculture, is $782 million.

Now, by your own committee report you say that in 1962, with about a 3-percent increase over the 1961 program, it is going to cost $900 million. Now, my question, Mr. Chairman, is if we enact this bill and if the farmers approve the referendum, do you anticipate a greater participation in the program than in 1961 and 1962?

Mr. COOLEY. The participation in 1962 is better than it was in 1961.

Mr. MICHEL. By 3 percent; that is right. Is it going to be any greater next year, in your opinion?

Mr. COOLEY. I have not any idea.

Mr. MICHEL. You would hope that it would.

Mr. COOLEY. Certainly.

Mr. MICHEL. And in 1962 it is going to cost $900 million, by your own committee report. The Secretary of Agriculture tries to tell everybody that it is only going to cost $600 million and the previous speaker said that it was going to save $1 billion. You are completely off base when you say that the legislation is going to save money. It cannot, by the diverted acre payments alone. This does not take into account price supports.

Mr. COOLEY. There is no way on earth that you can accurately estimate the cost of a program in the future.

Mr. MICHEL. But when they come before our committee and ask for the "dough" to ante up for this, we get the figures and I am telling you precisely what they are. They show a decided increase from last year to this year, with only a 3-percent increase and you hope that you are going to get a bigger increase.

Mr. COOLEY. We are proposing to change the whole program and have an entirely new program, which is a mandatory controlled program. But we still cannot estimate accurately the degree of participation.

Mr. MICHEL. If it is a mandatory completely controlled program, then you are going to have more acres involved and more payments to individual farmers and the cost has to be up rather than reduced.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. SMITH of Iowa. The gentleman has referred to these figures and perhaps we ought to try to straighten them out. I know that these are the figures, that 75 percent of the base acreage that was in feed sorghums is subject to contract, and 55 percent of the base acreage of corn is subject to contract. The net reduction in acres is 24.7 million. That is a different thing. The 42-percent figure is the number of farmers. But 75 percent of the sorghum grains and 55 percent of the corn acreage that is in the program is affected by the overall reduction.

Mr. MICHEL. What I am saying is that you have only less than one-fourth of the farmers participating now, 27.6 percent of the base acreage actually committed in the program, and you are wanting more. The cost keeps increasing. The figure is going to keep on increasing and the program cannot do anything else than cost more and more.

Mr. SMITH of Iowa. But if you compare this with what would happen if we did nothing, then the old 1958 law would go into effect, under which you would have unlimited production.

Mr. MICHEL. I realize that there are some other factors in this, but I want to point specifically to what we have on hand in countering the Secretary's figures, because there is no basis for calculating the kind of figures which he shows. Even when he talks about the wheat down here this year, in the 1962 program, $345 million, by his figures he calculates that with the participation and enactment of this bill it is going to cost only $250 million this coming year. It is completely irreconcilable.

Also in his letters I might say that he even says you are going to reduce the cost $100 million. If you increase the cost of corn from $1.20 to $1.60, how can you?

Now, if this bill passes, all feed grain farmers will be eligible to participate—and, mind you, the rates of payment per acre provided for in this bill are the same as currently in operation under the emergency feed grain program—and yet the Secretary of Agriculture tries to tell the Congress that it would cost less. Obviously, it will cost much more. It is reasonable to assume that if only 42 percent of the farmers and 24.7 percent of the base acres are in the program now costing $782 million, that on the basis of the same rates and 100 percent participation it would cost much, much more. I am not prepared to say how much more, but I do challenge with all sincerity, the Secretary of Agriculture's estimate of it costing less.

The same general arithmetic—and I must say that it is a New Frontier type of arithmetic—is used to justify the wheat part of this bill. In the same table under the caption "Payment for Land Diversion," the Secretary of Agriculture shows that the 1961–62 program is costing $345 million. The acreage placed under contract in the wheat program in the current year amounted to 27.1 percent of the total base acreage and 45 percent of the farmers. This is slightly more than one-fourth. But at the same time the Secretary of Agriculture estimates that if we pass H.R. 11222, which provides for 100-percent participation, that the cost will be $250 million. How can anyone arrive at these conclusions?

Another strange set of calculations appear in this communication which I would like some explanation given. On page 2 of the letter address to Chairman Cooley, there is a table inserted, entitled "Government Cost of Alternative Programs for 1963 Crops." In this the Secretary tries to show that extension of the 1961–62 emergency feed grain program would cost $1,200 million. How can such a projection be made? The participation in 1961 was about 25 percent of the feed grain base acreage, and it cost $782 million. It is only about 3 percent more participation in 1962. How can you conclude that the program will cost $1,200 million in 1963? But more puzzling is the figure where Mr. Freeman attempts to show that the long-range program—H.R. 11222—for feed grain will cost only $644 million in 1963. This is real daydreaming.

On wheat, again Mr. Freeman attemps to show that extension of the emergency programs would cost $1,217 million and the wheat part of the bill H.R. 11222, would cost $1,188 million. I cannot tell my colleagues what goes to make up these figures, but I must conclude—having worked for many long hours on the budget of the Department of Agriculture, that these figures are designed to try to persuade Members of this Congress to be for an unsound program, and I warn my colleagues that if we accept these figures unchallenged we will be grossly disappointed if this bill is enacted, because I can assure you that the calculations used can be grossly misleading.

Mr. Chairman, I have previously made my position clear with regard to this legislation. I am opposed to it. I think it is bad for farmers, for consumers, and all taxpayers. I think it is the first step toward complete regimentation of agriculture. I hope that my colleagues will not be misled by seriously considering some of the phony propaganda that is being put out with regard to this bill, but will vote according to your best judgment in interest of farmers, consumers, and taxpayers.

Mr. Chairman, despite my opposition to H.R. 11222, I extend sincere congratulations to the Committee on Agriculture and its distinguished chairman, the gentleman from North Carolina [Mr. Cooley], for that section of the report (H. Rept. 1691) on the pending legislation as it relates to the Rural Electrification Administration. It goes without saying that I do not endorse and will not support the majority position on the so-called omnibus farm bill, but I am completely and wholeheartedly in support of the committee report, particularly as it touches on the question of REA secrecy.

It is my understanding that several attempts have been made by National Rural Electric Cooperative Association, to minimize the importance and significance of the committee report language by claiming that the language directed toward REA represents only the thinking of the distinguished chairman. However, I was particularly gratified to learn that on June 7, the Committee on Agriculture voted unanimously to approve the report as it was written, even though certain members disagreed with some aspects of the language.

Mr. Chairman, let me quote briefly from a portion of the report because, as I see it, the language cogently points up a problem which I have been discussing on the floor of the House for some time. In pertinent part, the report reads, as follows:

> Testimony revealed a growing public concern over the failure of the REA to disclose information on various phases of its operation. The public is entitled to know how public funds are being used, and the REA should approach the consideration of loans for generating facilities in a manner designed to provide as full public information as possible. The ultimate consumer is entitled to the most advantageous source of power, determined by bringing together all pertinent facts in an objective manner. Public hearings appear to be a reasonable means of accomplishing that end. Certainly, interested parties should be notified and their views obtained before such loans are approved. Secrecy tends to kindle doubt, whereas public knowledge of the reasons for and justification of loans would go far toward dispelling criticism which threatens to bring the program into disrepute.

I think it is particularly significant that the Senate Agriculture and Forestry Commitee in its report on the general farm bill (S. Rept. 1365, S. 2786) also recognizes the need to do something about REA secrecy with respect to the consideration of generation loans and as a means of making certain that funds are not so loaned for unnecessary projects. The Senate report stated:

> The REA for its part has a responsibility to see that Government funds are not loaned unnecessarily. In making a loan for generating facilities, it should investigate very carefully the need therefor. Public hearings may not be the way to do this, but interested parties should be notified and their views obtained in a reasonable period of time. The Rural Electrification Administration should approach the consideration of such loans in a manner designed to provide as full public information as possible. Open and aboveboard consideration of loans, bringing together all pertinent facts in an objective manner, would preclude the possibility of charges that such loans were unjustified. Secrecy, on the other hand, might well tend to induce doubt that responsible action was taken. Public knowledge of the reasons for and the justification of loans might well go far in mitigating unjust criticism.

Note that the Senate report also suggests public hearings. It says that public hearings may not be the way to investigate loans for generating facilities, implying on the other hand that public hearings might be the way to do it. The House report, of course, states that public hearings appear to be a reasonable way to handle G. & T. loan applications. Thus, there is a recognition by both of the legislative committees of Congress having jurisdiction over REA that public hearings may be the way to handle REA G. & T. loans.

Mr. Chairman, for many years the Congress has been vitally concerned with the availability of information from Federal departments and agencies. A special subcommittee of the House Committee on Government Operations, under the chairmanship of the gentleman from California [Mr. Moss], has been investigating the problem and has been recommending effective steps that can be taken to eliminate Government secrecy wherever possible consistent with national security interests.

In 1960 this special subcommittee submitted a report to the House in which this most succinct statement appears:

> Secrecy—the first refuge of incompetence—must be at a bare minimum in a democratic society, for a fully informed public is the basis of self-government. Those elected or appointed to positions of executive authority must recognize that government, in a democracy, cannot be wiser than the people. (H. Rept. 2084, 86th Cong., 2d sess., p. 36.)

I know of almost no other agency of the Government that has been so calloused and blatant in its complete disregard for the public's right—as well as the right of Congress—to know the open and honest details of how it operates a Government program under which almost $5 billion have been loaned. It occurs to me that perhaps those responsible for operation of the REA are fearful lest the true facts of their methods of operation be disclosed.

Last fall I discussed this matter with the able chairman of the Special Subcommittee on Availability of Information from Federal Departments and Agencies, the gentleman from California [Mr. Moss]. I am pleased to report that he held a series of meetings with officials of the REA for the purpose of clarifying that agency's policies on secrecy. Apparently as result of increasing criticism from Members and from the committees of the Congress, and from the press and the public, the REA recently issued a so-called administrative bulletin on the release of information and the availability of records relating to loan applications. REA spokesmen and supporters hailed this bulletin as a major departure from its previous policy of secrecy. Actually, it is a joke.

Mr. Chairman, I have studied this REA bulletin very carefully, and I would like to assure my colleagues here in the House that rather than tearing down the iron curtain of secrecy the bulletin, with relatively minor exceptions, merely puts into writing the existing REA secrecy practices, those very same practices, mind you, which have been under increasing criticism from many directions in recent months and years. I had this to say at the time:

> Apparently the REA, in putting out a bulletin like this, must believe that Members of Congress follow the old axiom of P. T. Barnum that "there's a sucker born every minute."

After enumerating the various kinds of statistical and other information which REA already makes available on a monthly, quarterly, or annual basis, the bulletin goes on to state that the agency now will make available, with the applicant's permission, the name and address of each loan applicant, the date and amount of the application, and the general purpose for which the loan funds are being requested. Basically, this procedure represents nothing new at all because the REA previously would reveal such information, and occasionally did, with the applicant's permission in each such case.

The only difference between the past and the present that I have been able to discover in the bulletin is that the REA now may make such information available without the permission of an applicant if the Administrator determines that release of such information is in the public interest. What the REA appears to be saying now is that while mere existence of a loan application in some cases will not be considered secret, the details and contents or the processing of any such application will remain secret.

It is interesting to note that there is absolutely nothing in the Rural Electrification Act of 1936, the Administrative Procedure Act of 1946, or any other relevant Federal law for that matter which requires the Rural Electrification Administration to maintain a veil of secrecy around loan application information. In point of fact, applicable law provides just the opposite, and REA's present policy in respect to secrecy is not consistent with either the law or the general attitude of the Congress concerning public access to Government agency information.

As the Members may recall, section 161 of the Revised Statutes of the United States (5 U.S.C. 22) authorizes the head of each department and agency to issue such regulations as may be required to cover such things as the "custody, use, and preservation of the records" of his department or agency. The attitude of the Congress toward secrecy on the part of departments and agencies is reflected with remarkable clarity in a 1958 amendment to this section in which one most significant sentence was added at the end of the section. As amended on August 12, 1958 (Public Law 85-619; 72 Stat. 547), section 161 of the Revised Statutes now reads, as follows:

> The head of each department is authorized to prescribe regulations, not inconsistent with law, for the Government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it. This section does not authorize withholding information from the public or limiting the availability of records to the public.

Mr. Chairman, it appears to me, as it must to all the Members, that there is absolutely no ambiguity in this last sentence which was added to section 161 of the Revised Statutes in 1958. The meaning of this language is crystal clear.

However, the REA has used this section as one of its justifications for its policy of secrecy on the apparent assumption that the interests of its borrowers are identical with those of the public at large. The REA seems to feel that the Administrator can at all times and in all circumstances unfailingly and effectively represent the public interest. But I would suggest that the general public must be the final judge as to whether these assumptions on the part of the REA are right or wrong.

With these thoughts in mind, I wish to associate myself strongly with the attitude toward the REA which was expressed in the report by the Committee on Agriculture on the farm bill (H. Rept. 1691) to the effect that public hearings appear to be a reasonable means of achieving the goal of informing the public, as well as REA borrowers, as to how public funds are being used by the REA.

I would like also to call to the attention of my colleagues what I consider to be a very outstanding article which was published in the May 28, 1962, issue of Barron's weekly financial newspaper. The article, entitled "Militant Public Power," discusses the current activities of the Rural Electrification Administration. It includes the following observations:

> The wonder is that Congress never has seen fit to make REA obtain specific authorization for each of its generation and transmission projects. Many such developments are more costly than those of the Bureau of Reclamation and Corps of Engineers, yet every project of those two agencies must be specifically approved by Congress, after open hearings.

Mr. Chairman, these two agencies—the Bureau of Reclamation and the Corps of Engineers—must present for approval of the Bureau of the Budget each year a detailed summary of their respective proposed construction programs. Following this, detailed justifications are presented to the Committees on Appropriations of the Congress for consideration.

The REA presents no such annual detailed program, either to the Budget Bureau or to the Appropriations Committees. If REA refuses to hold open hearings on generation and transmission loan applications, it goes without saying that the best alternative is for the Appropriations Committees in the House and Senate to require the REA to present detailed justifications of specific pending generation and transmission loan applications before the respective committees authorize loan funds to be used for such purposes.

In my opinion, it would indeed be unfortunate if the Appropriations Committees were required, by REA's reluctance to act, to assume the burden of making individual case decisions each year, especially when the Administrator has both the staff and the experienced organization to handle these matters openly and expeditiously. However, if the REA persists in operating in secrecy with respect to both the Congress and the public in relation to the loan program and if the agency fails to heed the requests for open hearings on these applications, it is entirely possible that it will be necessary for the Appropriations Committees of the Congress to put the REA on the same footing as the Bureau of Reclamation and the Corps of Engineers as far as annual authorizations and appropriations are concerned. Such a step would require the REA to justify its loan program completely and entirely each year and would permit the Appropriations Committees and the Congress to authorize and appropriate funds only for specific rural electrification projects which have been fully justified. The days of carte blanche for the REA would be over.

I suggest that the Administrator consider carefully the effect of this highly feasible alternative on the operations of his agency before he closes his mind completely and irrevocably to the idea of holding open hearings on generation and transmission loans. In my judgment, the future course of the REA loan program rests in his hands and his alone. Charged as we are with heavy responsibilities in times of domestic and foreign crises, we in this Congress can act, will act, and must act on this matter if the Administrator does not take to heart the advice given to him in this Chamber.

And finally, Mr. Chairman, I made mention in an insertion in the RECORD on June 12 that the chief spokesman for the rural electric cooperatives, Clyde Ellis, in testimony at a recent hearing, agreed that Rural Electrification Administration funds could be loaned, through a cooperative, to finance purchase and installation of electrical equipment for a night club. This is indeed very interesting. But I regret that the Agriculture Committee missed a golden opportunity to carry this particular possibility to its logical extreme.

All of us have read in recent days of an investigation by a committee in the other House with respect to so-called exotic dancers and B-girls. As we have seen from the accounts of these hearings, these girls operate in night clubs, and the arts and talents they display are shocking to even the more broadminded Members.

It seems to me that if, as the self-styled spokesman for the rural electric systems has agreed, REA funds could be used to finance at least part of the cost of a night club in the country, if such a place were a cooperative member-customer, it is not at all unlikely that part of this cost financed by the REA would cover the spotlights and other lighting devices used to illuminate the talents of exotic dancers. If the REA funds could be used to finance such appliances at lower interest rates than regularly available, the REA inadvertently could become a party to development of a center of sin and debauchery.

Mr. Chairman, is this what was intended for the REA? Or is the spokesman for the cooperatives willing to go along with a possibility of this sort, purely for load-building purposes, without any regard at all for the morals of the rural communities his sort of organizations serve?

I don't profess to be a sanctimonious puritan, but I would suggest that this is a far cry from the proper use of public funds. I can only ask whether it would look right for an official of the REA to be testifying before the B-girl investigating committee to defend an REA loan made to purchase equipment for a night club.

Mr. HOEVEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, after reading the committee report, which accompanied H.R. 11222 and listening to several hours of debate on the measure, it is my conviction that the enactment of the bill would not be in the best interests of the farmers of Pennsylvania. Over the years I have been sincerely interested in farmers and their problems. While Pennsylvania has been noted as being one of the major industrial States in this great country, it has made a great and equally important contribution in the field of agriculture.

Our farms have produced milk, livestock, poultry, fruits, vegetables, and many other farm commodities. Our consumers have been provided with abundant food at reasonable costs. I have always been one who has deeply appreciated the contribution farmers have made to our society.

Since the very beginning of this country the backbone of this great Nation has been found in our farm people. Many of the founders of this great Government were farmers. Because they tilled the soil they had a certain deep appreciation and sense of values which they expressed in the great government that they established. They had a sincere belief in the individual and what the individual meant and what his contribution was to his Government. I have been very much concerned that over the years this has been one of the things that has been under serious attack; namely, the rights of individuals and their freedom to do as they choose.

If one were to make a study of the history of Pennsylvania agriculture, he would find that our farmers have been self-reliant and in fact can probably best be described as rugged individualists. Over the years they have strongly opposed any intervention on the part of the Federal Government into the management of their farms. They have strongly felt that they could operate their own farms and make their own decisions better than any bureaucrat in the great city of Washington. This has been their honest conviction and I admire them for it. It is a conviction that I wholeheartedly share.

Most of the farmers of Pennsylvania have felt that the Government could make its contribution to agriculture by providing them with the best research and technology that was possible. They have felt the need for a balanced, expanding agricultural research program. They have one of the outstanding land-grant universities in this country in Pennsylvania State University. They have strongly supported the use of the Extension Service as a means of carrying the latest information and technology to the farm families of our State. If individual farmers are armed with the best research and technology possible they should then be free to make their own individual decisions as to what crops they want to produce and how they should operate their farms.

I have shared this point of view and have consistently supported the role of the Federal Government in the field of agricultural research and education. This is a proper function of the Federal Government and in this role they can and have provided valuable assistance to Pennsylvania farmers.

However, agriculture in Pennsylvania, as in other areas of the country, is today caught in what has been referred to as the cost-price squeeze. Farmers have been plagued with continually rising farm costs. The cost of tractors, the cost of gasoline, the cost of machinery, the cost of farm labor and the cost of other supplies have continued to increase. One of the real costs that has continued to go up is that of taxes, both at the local and Federal levels.

One of the things that has been most serious as far as farmers are concerned is the question of inflation and its control. Farmers, just as any other citizens, recognize that the continued spending by the Federal Government in excess of its income only results in more inflation. Inflation means that their individual dollars have less value. The problem of inflation and the need for balancing our budget are ones that not only agricultural people but all the citizens of the State have a real interest in.

In this connection the record of the Kennedy administration and their various spending proposals leave little comfort that we will balance the budget any time soon.

I have a deep and abiding interest in the agriculture of the State of Pennsylvania. I have consistently supported the philosophy that farmers should have the best technology and research assistance possible. I have felt that the Federal Government should provide, on occasions, emergency assistance to farmers to meet some of their problems when disaster arises. In some cases price supports at a level that will provide them with disaster insurance but not encourage additional production may be a proper role of the Federal Government. However, this is a far cry from the situation as we know it today.

We have pending before us at this time H.R. 11222, the so-called Food and Agriculture Act of 1962. This is the Kennedy administration's proposal for complete Federal management and Federal control of American agriculture. I am opposed to this approach. The specific question is whether we will continue to have a free agriculture or whether we shall have an agriculture managed and controlled by planners in the U.S. Department of Agriculture. This is the issue, not only in the field of agriculture, but in other fields.

In the case of agriculture, the most current problem is found in this bill, H.R. 11222. As already mentioned, I have studied this legislation very seriously and have received numerous letters from farmers in my district and in other parts of the State indicating that it would completely destroy the many small family farms in the State.

Why do I make such a statement? First of all, the bill would set up strict and compulsory limitations on the acreage and marketing of feed grains for the first time in our history. Every grower of feed grains, without exception, would be controlled. While some growers might temporarily avoid a cut in acreage, no grower, regardless of how small he might be, would be permitted to increase his acreage of feed grains above what he produced in 1959–60.

Feed grains which are corn, barley, oats, and grain sorghum, are the main source of feed to dairy cows, hogs, chickens, turkeys, and beef animals. Many of the farms in Pennsylvania produce all of their own feed grains for their livestock, dairy, and poultry. The administration's bill, H.R. 11222, would attempt to control and manage these farms and by limiting the amount of feed grains that any one farmer could produce on his farm. This is the height of Government planning. This is a direct step toward a socialized agriculture.

While the feed grain part of the bill would be disastrous to farmers themselves, it would be equally disastrous to their city cousins. If the production of feed grains were controlled and therefore the price of feed grains increased, this would have a direct effect on the cost of such things as milk, pork chops, eggs, broilers, and steaks. The price consumers pay for these products is directly related to the cost of producing them. The cost of feed grains is an important factor in producing these commodities. A control program would raise these costs and therefore mean higher costs to consumers. These higher food costs would take place at the same time restrictions on production were cutting the income of many farm families.

The bill (H.R. 11222) contains a new control scheme for wheat known as the certificate plan. It is a complicated administrative monstrosity of the first order. The cost to the Government of this program would be $1 billion per year on wheat exports alone. It would raise food costs to the domestic bread consuming public.

While the feed grain and wheat part of the bill are control schemes of the first order, they are pikers compared to the first-class boondoggle in the dairy section.

In recent weeks more newspaper headlines and national magazine space has been devoted to the case of Billie Sol Estes than any one issue. Some of the people in the administration have gone around saying that this farm bill should be passed in order to eliminate further possibilities for Billie Sol Estes to operate. This to me is complete nonsense and completely erroneous.

While Billie Sol Estes was involved in many things, such as grain storage, fertilizer, and cotton acreage allotments, the one apparent illegal thing he did was to become involved in the transfer of cotton acreage allotments. Under the cotton program, as is true in other control programs, individual farmers receive acreage allotments or in effect the number of acres they may produce. These acreage allotments are valuable because they carry with them the right to produce certain crops. Farmland with an acreage allotment on it is worth considerably more than without one. In the case of cotton the market price of an acre of land with an acreage allotment is $200 to $300 per acre or more than without.

Billie Sol Estes recognized this and proceeded to establish a system of acquiring these cotton acreage allotments. Once he had the allotments he could produce cotton—without them he could not. This is the heart of the Billie Sol Estes case.

Now the administration comes along and suggests through the provisions of H.R. 11222 the solution to the corn and feed grain program would be the establishment of a new and elaborate scheme of acreage allotments and marketing quotas. Under the so-called farm bill the number of farm acreage allotments would be approximately doubled. At the present time approximately 3.3 million farm acreage allotments are issued each year. If this bill, H.R. 11222, is passed extending allotments and marketing quotas to corn and feed grains this would add approximately 2.8 million farmers who would have bases and therefore be eligible to have allotments.

The establishment of this new scheme, which involves providing more Government permits to farm, would only invite future activities similar to Billie Sol Estes. As far as I am concerned the administration's farm bill, H.R. 11222, rather than eliminate the Estes type operation, would only encourage more people to get into the illegal transfer of these permits. It would provide the incentive for illegal traffic in these allotments.

These are briefly a few details of the proposals in H.R. 11222. The entire bill involves the concept of so-called supply-management for all of agriculture. Supply-management in effect means that the Federal Government does the planning and managing of our Nation's farms. The history of our agriculture indicates that under our system of freedom of opportunity we have not only successfully fed ourselves but fed the world.

While the Russians are at the moment faced with serious agricultural problems because of the failure of their system of complete government management and control to operate, why should we foolishly attempt to pattern our agriculture after their failure?

There has been considerable concern over costs of the farm program. I have been very much concerned about them. Despite all the comments and statements to the contrary, I see no evidence that costs would be reduced under the administration's bill, H.R. 11222. In fact it looks to me as though they might even be increased, if we have the complete control program applied to the producers of corn and feed grains.

The issue fundamentally in the field of agriculture is the issue faced in many other fields. What is going to be the role and responsibility of the Government? Is the Federal Government going to take over the control and management of our farms and politically determine and regulate farm prices with more and more Federal bureaucracy? Or will we move in the direction of reducing the role of Government in agriculture and letting the market system itself determine the value of commodities and returns to farmers. This is the issue as far as I am concerned. The success of our agriculture has been due to the fact that our farmers as individuals have been free to make the decisions and judgments necessary in order to be successful farmers. The incentive to make either a profit or loss is still one of our fundamental beliefs. I am still confident that the individual farmer can make the decisions necessary for the efficient operation of his farm better than any bureaucrat sitting behind a desk in the Department of Agriculture in Washington.

This is the issue—whether agriculture will be free or whether it will move in the direction of complete domination and eventually to socialism. I am opposed to this approach as provided for by H.R. 11222 and will do everything possible to see that we continue to have a free, prosperous, and independent agriculture in this country.

Mr. Chairman, let me conclude by reading the following letters in opposition to the administration's farm bill, H.R. 11222, which were received from the Pennsylvania Farmers' Association, the American Farm Bureau Federation, and the Pennsylvania Millers' & Feed Dealers' Association:

Pennsylvania Farmers' Association,
*Camp Hill, Pa., June 8, 1962.*
Re H.R. 11222, S. 3225.
Hon. James E. Van Zandt,
*House Office Building, Washington, D.C.*

Dear Congressman: The farmers of the Commonwealth of Pennsylvania are greatly disturbed about the farm legislation now pending before the House.

Several Pennsylvania farmers, Democrats and Republicans, devoted a good farming workday, June 6, to contacting their neighbors on H.R. 11222 and S. 3225 because of the serious effect these bills would have on their farm operations.

The results of the June 6 contacts were as follows: (1) 300 nonfarmers' association members contacted, 260 farmers paid $15 to join the PFA to help fight pending farm control legislation; (2) 1,600 PFA members contacted, 1,550 PFA members said they would ask their Congressmen to oppose bills and would explain how bills affect their farm operations.

Typical comments: "I raised an average of 30 acres of feed grains in 1959-60; I have 50 acres planted this year; I feed all of my grain to my own livestock; this bill would reduce my feed grain acreage by about 20 acres; I would be prohibited from raising enough grain on my own farm to feed my own livestock; I could buy the needed grain but the high price supports would make my grain costs higher; price supports are of no value to me because I feed all of my grain; I just can't believe that this is America; high price supports naturally encourage production—they will never decrease production; I raised 12 acres of feed grain in 1959-60—I could not raise any more because my base is 12 acres under this legislation; the 25 acre exemption does not apply to me or to my neighbors because our base acreage is 15 acres—not 25 acres; all I ask is that I, as an American, be permitted the American privilege of producing enough feed for my own animals."

The vast majority of the farmers in Pennsylvania are opposed to the farm legislation now pending before the House. Consumers should also be opposed; food costs will rise; farm program costs for storage could decrease but these costs would be more than offset by payments to farmers—the net result will be increased farm program costs to all taxpayers.

The above information is for your use and serious consideration. As president of the largest organization in Pennsylvania, having an active membership comprised of people who earn over 50 percent of their income from farming, I urge your opposition to the farm bills now before the House.

Sincerely yours,
G. A. Biggs,
*President.*

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American Farm Bureau Federation,
*Washington, D.C., June 8, 1962.*
The Honorable James E. Van Zandt,
*U.S. House of Representatives,*
*Washington, D.C.*

Dear Congressman Van Zandt: You will shortly be considering H.R. 11222 (the Food and Agriculture Act of 1962) on the House floor. It is our considered judgment that enactment of this bill would be bad for farmers, consumers, and taxpayers. We vigorously oppose this bill and urgently request that you vote against it. There are many reasons for our opposition, the most important of which are:

1. Subtitle A of title IV would set up strict and compulsory limitations on feed grain acreage and marketings for the first time. For all practical purposes every grower of feed grains—without exception—would be controlled. While some might temporarily avoid an acreage cut, no grower—regardless of how small his operation may be—would be permitted to increase his acreage of feed grains above his 1959-60 average. Feed grain production is closely tied to the great livestock industry which accounts for the bulk of our food supply and more than 55 percent of gross farm sales.

2. The wheat section of title IV would establish a complicated, multiple-price system which would prove to be an administrative monstrosity. This program would cost the Government more than $1 billion per year on wheat exports alone. It would also raise food costs to the bread-consuming public.

3. The daily section of title IV would be a first-class boondoggle. From the farmer's point of view, however, the worst feature of this section is that it would constitute an opening wedge for a compulsory supply management program on milk.

4. The entire bill would be a giant step toward strict supply-management for all of agriculture. It means inefficient production and higher consumer prices; politically determined and regulated farm prices; more Federal bureaucracy; high costs to taxpayers. Finally, it means moving one of this country's basic industries—agriculture—in a downhill direction.

H.R. 11222 is not just "another farm bill." It is not temporary legislation. It is a punitive measure designed to regiment and control the production and distribution of food. The number of Government-allocated permits to grow farm products would be approximately doubled. The acreage under quota program would be tripled. Farm program costs would remain excessively high despite claims to the contrary.

Defeat of H.R. 11222 will be a step toward lower farm program costs. For example, costs will be reduced by an automatic reduction in corn supports, and expiration of the costly "emergency" program now in effect.

We respectfully hope you will support our sincere opposition to this legislation by voting against the bill. We make this request in behalf of more than 1,600,000 farm families in 2,700 counties in 49 States and Puerto Rico.

Very truly yours,

Charles B. Shuman,
*President.*

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Pennsylvania Millers' Feed Dealers' Association

*Ephrata, Pa., June 8, 1962.*

The Honorable James E. Van Zandt,
*House Office Building,*
*Washington, D.C.*

My Dear Mr. Van Zandt: Our organization represents feed and flour mills in Pennsylvania—our 1962 directory lists over 1,200 of these businesses. Our membership works closely with farmers and, therefore, is concerned with their continued existence and prosperity.

Quite naturally, since most of our farmer customers do not want controls, we have a natural inclination to follow their reasonings, and hope for an eventual free market. At the same time, we are realists, and know that a complete "all or nothing" farm program would create chaos if the "nothing" philosophy were adopted suddenly.

The administration has adopted a policy of strict controls in its farm legislation.

We ask that you do all in your power to exempt the northeast farmer from these controls. The Northeast has not contributed to the surplus either in wheat or feed grains. Why, then, should it be forced to make reductions? Our farms are basically small acreages, and cannot survive economically on reduced acreages. And yet, with their location near primary markets, they do fill a need. If this farmer does not survive, there can be only one result—higher food costs for the northeast consumer.

Sincerely,

Robert B. Graybill,
*President.*

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. Mahon].

Mr. MAHON. Mr. Chairman, I think when amendments are offered to a bill by members of the committee the chances of success are usually greater than when they are offered by others. I have drafted five amendments to this proposed legislation which I intend to offer tomorrow, unless they are offered by members of the committee. At this point in the Record I shall spell them out clearly and concisely. I believe they have merit, I believe the Committee should accept them, I believe they are sound, and should be approved. I will put in the Record at this point precisely what the amendments would provide and precisely how the language in the pending bill would be changed.

### AMENDMENT TO PERMIT PLANTING OF FEED GRAIN WHEN OTHER CROPS DESTROYED

My first amendment would provide that any farmer or producer who could not plant his allotted commodity, such as cotton, tobacco, rice, peanuts, and wheat, because of adverse weather conditions, or lost his allotted crop because of adverse weather conditions, could plant feed grains on the acreage devoted to such allotted crop. This amendment would, in effect, give the producer a catch crop, something to fall back on in the event of an unforeseen disaster. This would not cause a big increase in national production but would be a lifesaver for individual farmers in distress.

The amendment would read, as follows:

On page 40, between lines 18 and 19, insert the following:

"Sec. 360(l). Notwithstanding any other provisions of law, subject to such additional terms and conditions as the Secretary may prescribe, an acreage equal to that part of a farm acreage allotment for any commodity which is not utilized for the production of such commodity because of adverse weather conditions may be devoted to the production of feed grains under the following conditions: (1) any acreage so devoted to feed grains shall not be considered as feed grain acreage for purposes of determining the farm marketing excess, (2) the land-use provisions of section 360(j) shall be inapplicable to a farm on which any acreage is so devoted to feed grains, and (3) any acreage so devoted to feed grains shall not be considered as feed grain acreage in determining whether the producer exceeded the farm acreage allotment for feed grains for purposes of sections 339, 360(j), 379(c) of this Act and sections 105 and 107 of the Agricultural Act of 1949, as amended."

### BETTER ALTERNATIVE IN EVENT CONTROLS REJECTED IN REFERENDUM

Another amendment which I propose to offer would provide that if quotas are voted down by the feed grain farmers a 50 percent of parity support loan shall be provided in order to give the producers a less drastic alternative to mandatory controls in the event farmers vote down the control program.

Specifically the amendment would provide the following:

On page 46, strike out lines 1 and 2 and all before the semicolon on line 3 and add the following:

"(4) (A) if marketing quotas for feed grain are disapproved by producers, price support for such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines appropriate after consideration of the factors specified in section 401(b).

"(B) price support for feed grain shall be made available only to cooperators";

### SPECIAL ASSISTANCE TO PRODUCERS ON NEW LAND

The next amendment which I propose to offer would direct the Secretary to give special consideration to those people who became new growers on new land during 1961 and 1962. In my district alone, in excess of 150,000 acres of new land has been put into cultivation and devoted to feed grains, a nonallotted crop during 1961 and 1962. By all means, these people should be given preference over new growers who would undertake to enter the program in 1963 should this bill become law and mandatory controls begin.

The amendment would be worded as follows:

On page 24, line 11, change the period to a colon and add the following:

"*Provided*, That in establishing farm acreage allotments under this subdivision (C), the Secretary shall give special consideration to farms on which there were acreages of feed grains during 1961 and 1962."

### ADJUSTMENT FOR CHOICE B COTTON FARMERS

Mr. Chairman, another proposed amendment provides that the feed grain allotment of cotton farmers, who chose the choice B route during the 1959–60 crop years, would not be reduced as a result of such action. My amendment would provide that the farmer, who chose the choice B route during these years and took his chance on the price of cotton or accepted the lower support price, and who would have otherwise devoted such additional cotton acreage to the production of feed grains, would not be penalized by a reduction in base acreage for feed grains as a result of his election. He had no way of knowing that these years would later be used as a basis to establish a feed grain base for a mandatory feed grain program.

The law specified that the farmer would get no credit on his cotton history as a result of the choice B program. Therefore, he should not be penalized on his feed grain history.

Specifically, the amendment is as follows:

On page 25, line 7, change the semicolon to a comma and add the following: "and the Secretary shall make an appropriate adjustment for the amount by which the acreage of feed grains on the farm was reduced during the base period by the production of an increased acreage of cotton by producers who elected choice (B) under section 102 of the Agricultural Act of 1949, as amended;".

With respect to choice B cotton farmers, I have prepared some tables which I should like to submit at this point. They show for the years 1959–60 the number of farms and number of acres involved in the choice B program in the cotton-producing States.

1959

| State | Total number of 1959 allotment farms | Total number of choice (B) farms | Allotment acreage added by choice (B) elections | Total allotment acreage available for all farms |
|---|---|---|---|---|
| Alabama | 119, 760 | 3, 052 | 14, 266 | 1, 002, 791 |
| Arizona | 4, 540 | 1, 085 | 31, 805 | 362, 488 |
| Arkansas | 62, 187 | 4, 970 | 97, 783 | 1, 435, 306 |
| California | 15, 926 | 6, 127 | 180, 024 | 913, 550 |
| Florida | 8, 706 | 149 | 274 | 37, 948 |
| Georgia | 87, 016 | 1, 394 | 4, 751 | 856, 444 |
| Illinois | 492 | 77 | 165 | 3, 298 |
| Kansas | 5 | 4 | 9 | 33 |
| Kentucky | 1, 224 | 310 | 1, 639 | 9, 179 |
| Louisiana | 45, 485 | 2, 912 | 22, 675 | 601, 676 |
| Maryland | 1 | ---------- | ---------- | 14 |
| Mississippi | 111, 997 | 3, 228 | 77, 423 | 1, 649, 062 |
| Missouri | 15, 530 | 3, 648 | 63, 568 | 421, 181 |
| Nevada | 21 | 3 | 73 | 3, 416 |
| New Mexico | 5, 525 | 1, 065 | 19, 691 | 191, 016 |
| North Carolina | 83, 009 | 5, 070 | 12, 045 | 485, 992 |
| Oklahoma | 45, 872 | 2, 945 | 24, 753 | 777, 237 |
| South Carolina | 76, 996 | 5, 167 | 20, 630 | 715, 916 |
| Tennessee | 62, 084 | 5, 552 | 26, 103 | 581, 356 |
| Texas | 202, 168 | 21, 594 | 419, 239 | 7, 262, 797 |
| Virginia | 6, 412 | 786 | 914 | 18, 815 |
| United States | 954, 956 | 69, 138 | 1, 017, 830 | 17, 329, 515 |

1960

| State | Total number of 1959 allotment farms | Total number of choice (B) farms | Allotment acreage added by choice (B) elections | Total allotment acreage available for all farms |
|---|---|---|---|---|
| Alabama | 94, 747 | 993 | 7, 182 | 907, 473 |
| Arizona | 4, 381 | 2, 258 | 85, 223 | 405, 640 |
| Arkansas | 53, 497 | 4, 926 | 105, 987 | 1, 451, 200 |
| California | 14, 747 | 8, 382 | 244, 312 | 972, 463 |
| Florida | 6, 511 | 28 | 95 | 37, 720 |
| Georgia | 70, 870 | 266 | 2, 128 | 853, 720 |
| Illinois | 448 | 58 | 255 | 3, 397 |
| Kansas | 4 | 1 | 3 | 27 |
| Kentucky | 1, 144 | 256 | 1, 617 | 9, 147 |
| Louisiana | 32, 697 | 852 | 10, 218 | 586, 291 |
| Maryland | 1 | ---------- | ---------- | 15 |
| Mississippi | 77, 655 | 1, 863 | 67, 794 | 1, 644, 003 |
| Missouri | 15, 175 | 4, 869 | 78, 416 | 435, 905 |
| Nevada | 23 | 6 | 196 | 3, 539 |
| New Mexico | 5, 408 | 1, 905 | 33, 130 | 202, 133 |
| North Carolina | 70, 983 | 2, 128 | 5, 569 | 480, 061 |
| Oklahoma | 42, 795 | 2, 851 | 27, 916 | 802, 721 |
| South Carolina | 67, 495 | 2, 292 | 10, 536 | 710, 691 |
| Tennessee | 57, 045 | 3, 862 | 22, 298 | 572, 763 |
| Texas | 174, 959 | 23, 567 | 519, 674 | 7, 337, 019 |
| Virginia | 5, 771 | 751 | 853 | 19, 004 |
| United States | 796, 356 | 62, 114 | 1, 223, 402 | 17, 524, 932 |

### PRODUCTION OF NONSURPLUS CROPS ON DIVERTED ACRES

Mr. Chairman, I would also urge the adoption of an amendment which would permit the Secretary to specify other annual field crops in addition to those specifically named in the bill as eligible for production on diverted acreage, provided such crops are not in surplus supply and would not be in surplus supply if permitted to be grown on the diverted acreage. This amendment would read as follows:

> On page 38, line 8, insert immediately after "malting barley" the following: "other annual field crops for which price support is not made available."
>
> On page 38, line 18, change the period to a comma and add the following: "and no price support shall be made available for the production of any such crop on such diverted acreage."

Mr. Chairman, I earnestly hope that these amendments will be approved. They are sound and most important.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, had come to no resolution thereon.

## ADJOURNMENT UNTIL 11 O'CLOCK TOMORROW MORNING

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## ELIMINATION OF UNCONSTITUTIONAL PRACTICES

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, many citizens across the Nation have been engaged in fighting for the elimination of unconstitutional practices. We have seen courageous men and women participate in freedom rides, sit-ins, and other peaceful and legal activities. Unfortunately, some law enforcement officials, with the consent of the local governments, have arrested individuals for daring to uphold the Constitution. Charges of "trespass," "breach of the peace," and recently "criminal anarchy" have been brought against Americans fighting for equal rights. Although recently the Supreme Court has reversed convictions in cases of this nature, the stigma of arrest still remains. In addition, because of the expense involved, not every case can be carried to the Supreme Court.

We all know that a record of arrest or conviction can have grave consequences. It may be difficult for a person with such a record to obtain employment. If a person is employed at the time of arrest, he may lose his job. Certain licenses may be difficult or impossible to obtain and other privileges may not be available.

It is shocking that in 1962 racial discrimination still exists to the extent that dedicated citizens find it necessary to fight actively for the removal of racial barriers. These citizens deserve our highest commendation for their commitment to the Constitution. It would be a national disgrace for individuals lawfully engaged in upholding the Constitution to be penalized. To protect these individuals today I have introduced a bill which provides:

> No person shall be denied any license, right, benefit, or privilege under any law of the United States, or incur any other disability or disqualification under any such law, or be denied the right of employment by the Government of the United States or the government of the District of Columbia or, if so employed, be subject to dismissal, solely because of his participation in any peaceful demonstration or other peaceful activity, the object of which is to achieve equal rights for all persons regardless of race, creed, color or national origin, or to resist discriminatory treatment in any public facility or place of public accommodation.

Mr. Speaker, I urge my colleagues to join with me in support of this measure, and I hope that it will receive favorable consideration by the Congress as soon as possible.

## STRIKE AGAINST TRANS WORLD AIRLINES

Mr. HULL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HULL. Mr. Speaker, a strike against Trans World Airlines by the flight engineers must certainly be viewed as a most serious threat against the economy of this country. Additionally, it poses a most serious question regarding labor negotiations in vital industries.

Trans World Airlines is the only American-flag carrier in Greece, Egypt, and in Madrid, Spain. A strike against TWA will eliminate the American-flag carrier from these areas.

The administration is vitally concerned with obtaining a favorable balance of international exchange. Every effort must be made to stop the outward flow of gold from this country. Inasmuch as this is the peak season of international travel, a strike against TWA by the flight engineers would force a large number of passengers to utilize foreign airlines which would further stimulate an unfavorable balance of trade and a further loss of our gold reserve.

International military travel reaches one of its peaks during the summer months when many soldiers and their dependents are being returned to their homes. A strike against TWA by the flight engineers would interfere to a substantial degree in the orderly movement of this traffic.

International airmail would have to be partially diverted to foreign airlines and the Government would be forced to pay a rate for the carriage of this mail of almost four times the amount paid to TWA.

On the domestic scene, a strike against TWA by the flight engineers would work a hardship on our business community which is attempting at this time to continue to expand its economic growth. Disruption of business travel will tend to upset the present momentum in our economy.

Almost one-third of TWA's 20,000 employees live and work in Kansas City, Mo. A strike against TWA by the flight engineers would have particularly catastrophic results in this city where TWA is one of the largest private employers. The economic hardship of a work stoppage would also be felt in the 54 communities within this country that TWA serves.

In addition, we cannot forget the loss of tax revenues that a strike against TWA by the flight engineers would have on the Federal Government as well as on many of the State governments and on the local communities.

The issues upon which the flight engineers are striking have been considered by two commissions and by one mediation board. The recommendations of these three groups have been adopted by TWA and rejected by the flight engineers. It is inconceivable that the findings of these boards and of the mediation board should be flaunted in the face of the American public. I urge the leadership of the flight engineers to call off their strike against TWA and to submit their grievances to arbitration as suggested by the Secretary of Labor and suggested again by the President.

## PENNSYLVANIA FARMERS' ASSOCIATION ON THE KENNEDY FARM BILL

Mr. FENTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENTON. Mr. Speaker, members of the Pennsylvania Farmers' Association in denouncing the Kennedy administration's farm proposals have stated, "I just can't believe that this is America."

The Kennedy farm plan will be excessive in cost to the taxpayers, will raise feed costs, and deprive American agriculture of freedoms which have existed since the first plows turned the sod of New England in Pilgrim days.

The Pennsylvania Farmers' Association members are greatly disturbed by the Kennedy bill, and rightly so.

The plan will necessitate a horde of new bureaucrats to police the many regulations it incorporates. The more quotas, the more people involved in making the life-or-death economic decisions on farming, the higher the stakes become and the greater the temptation for influence peddling.

This program is a budget buster. The feed grain section would raise costs of corn, barley, oats, and grain sorghum. Higher grain costs would also be reflected in production of dairy items, hogs, chickens, turkeys, and beef, and consequently in higher costs at the market. In addition, taxpayers would pay hundreds of millions—$775 million in 1961—in subsidies for feed grains.

The Kennedy program also is a bread tax. The wheat plan would provide one price for wheat used for livestock feed, another for wheat used for flour. Processors would pay higher taxes to finance the extra flour wheat subsidy. Who gets the tax which is passed on? The consumer. So, up goes the price of bread.

This plan is also a dairy purge. Dairy supports would be rigid, discriminate against the family-sized farms, big factory-type establishments would result, and milk would be under the control of a few producers—and the Federal Government.

Mr. Speaker, all the Pennsylvania farmers ask is "that they as Americans be permitted the American privilege of producing enough feed for our own animals."

I have been advised by the Pennsylvania Farmers' Association, which is comprised of people who earn 50 percent or more of their income from farming, that "many of the farmers raised 12 acres of feed grain in 1959–60, and they could not raise any more because their base is 12 acres under this legislation. The 25-acre exemption would not apply to them because their base acreage is 12 acres—not 25 acres."

Do you realize, my colleagues, these farmers would be prohibited from raising enough grain on their own farms to feed their own livestock?

Members of the Pennsylvania Farmers' Association have also pointed out to me, "consumers should also be opposed to this legislation, for food costs would rise. Farm program costs for storage could decrease but these costs would be more than offset by payments to farms. The net result would be increased farm program costs to all taxpayers."

## JET AIRPORTS AND THE NOISE PROBLEM

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record at this point

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I wish to give a brief report to the Congress on aircraft noise and at the same time sound a warning.

The increasing annoyance caused by noisy airplanes around our Nation's airports is largely a product of the increasing use of jet engines in our commercial and military planes.

For several years now, Members of the House and many others have been acutely aware of the irritations generated by the roaring and whining of these powerful new engines.

We are told that this annoyance and irritation is the price we must pay for technological progress in the jet age. To an extent, and we do not yet know to what extent, I think that statement is true. There is no question but that engines make noise. It is also true that as engines become more powerful, they make more noise. And more powerful engines are being designed, manufactured, and operated every day.

Some people may have the impression that no one is doing anything about this problem of aircraft noise. Nothing could be further from the truth. The aircraft industry has invested over $50 million in recent years to develop noise suppressors for jet engines to reduce the level of noise coming from the engine itself.

The Federal Aviation Agency has worked out with airport operators, carriers, and pilots various noise abatement procedures, such as the use of preferential runways, the purpose of which is to have airplanes land and take off either over water or over sparsely populated areas in the airport neighborhood.

The Air Transport Association, Aerospace Industries Association, and the Air Line Pilots Association have created an organization known as the National Aircraft Noise Abatement Council. NANAC, as this organization is nicknamed, serves as a clearinghouse for information and participates in education programs at airports all over the country. It has assisted in the creation of several local noise abatement groups and is in constant communication with the Federal Aviation Agency officials who are working on this problem.

The Federal Aviation Agency and the National Aeronautics and Space Agency have both entered into contracts with firms of acoustical experts for the purpose of determining how noise levels may be measured and how a scientific understanding of noise levels can meaningfully be applied to the larger problem of the ill effects of noise on people.

In addition, professional societies, such as the American Acoustical Association and the Society of Automotive Engineers, have been working, as individuals and through committees, in the highly technical field of acoustics and acoustical measurement in the hope of arriving at standards which can be used in tackling the many complex and difficult questions raised by aircraft noise.

On August 23, 1961, the House agreed to House Resolution 420, introduced by our distinguished colleague from New York [Mr. Delaney]. You will recall that House Resolution 420 directed the Committee on Interstate and Foreign Commerce, of which I have the honor to be chairman, "acting as a whole or by subcommittee, to conduct a full investigation and study of the problems involved in, and measures to minimize or eliminate, aircraft noise nuisances and hazards to persons and property on the ground." The resolution then directed the committee to pursue seven specific areas of inquiry which pretty well cover the field.

Following the passage of House Resolution 420, I directed the staff of the Special Subcommittee on Regulatory Agencies to undertake the organization and coordination of the work to be done pursuant to the resolution.

A situation that has come to the attention of that subcommittee is one very close at hand and one of enormous concern to all of us. It involves the Dulles International Airport just a few miles from here in Chantilly, Va. That airport is being constructed and will be operated by the Federal Government through the Federal Aviation Agency. As you know, it has not yet opened; its opening is scheduled for October 1, 1962.

The Dulles Airport is located on the boundary of two Virginia counties. The surrounding area has until now been devoted almost entirely to farming and dairying. The airport, which will serve Washington and provide our Nation's Capital with jet transportation to and from destinations all over the world, will unquestionably in some measure change the face and ways of living of that peaceful countryside.

It will undoubtedly attract industry, and that means that it will attract a great many people. Many of these people have never lived near a jet airport. Many of these people cannot possibly imagine the annoyance that proximity to a jet airport can bring.

I am advised there are proposals pending before the planning commissions and zoning authorities of the counties of Fairfax and Loudoun to rezone wide areas surrounding the airport for industrial and smaller-unit residential uses.

It seems to me the county officials before which these rezoning applications are pending have a tremendous responsibility and face a staggering challenge. Clearly, the revenues for their respective counties from increased population and the introduction of industry can be expected to increase dramatically. We may anticipate that the airport will be of great economic benefit to the surrounding countryside.

But as what I have said earlier may suggest, this economic growth may not be an unmixed blessing, for with all changes of the magnitude of those we can expect to come in the wake of the opening of the new airport, new problems emerge. Everyone concerned should use his best efforts to anticipate as many of these new problems as possible. One problem which we can confidently predict will arise if too close encroachment on the airport is permitted is that of noise annoyance from the jet aircraft.

The Dulles International Airport was located as far from Washington as it was, among other reasons, because of the fear of encountering the kinds of noise problems that have so plagued the neighbors of New York International and many other thickly settled airport areas across the country.

Under our constitutional system, land use planning is entrusted to local officials. The authority of the Federal Government over Dulles International Airport stops at the airport border. I think you can see now what I mean when I speak of the immensity of the challenge and responsibility facing the planning officials of these two Virginia counties. They will confront many local pressures. There should be a warning sign, and caution should be exercised at this time in the consideration of applications to rezone the real estate in the neighborhood of Dulles. They should give most careful attention to avoiding the problem of aircraft noise and its effect on prospective airport neighbors.

As I suggested earlier, it is difficult to imagine the extent of the irritation from noise until the planes have actually begun to fly in and out of the airport. Nothing should be done at this time that will occasion regret and misery on the part of the Dulles airport's future neighbors.

Many of our Nation's airports have been located at sites which were fairly thickly settled. Many of our airports became thickly settled after the location of the airport but before the advent of the jet age. In these communities little in the way of land use planning can be done to meet the noise problem. Because of the location of Dulles International Airport in such a sparsely populated area, a unique opportunity is offered for avoiding or at least minimizing a noise problem. As our experience with airports all over the country illustrates, it would seem to make much more sense to avoid the problem before it arises than to try to cope with it after it has become a community headache.

The Fairfax County Board of Supervisors, on Wednesday, June 20, 1962, at 2 p.m., has scheduled a hearing on some zoning variance applications. I hope that citizens interested in and aware of the problems created by aircraft noise can be afforded an opportunity to make their views known to the board in order that the board may be aware of the dangers of hasty action and can seize the opportunity it has for intelligent and creative local government action.

Hasty action without consideration of the full import would be ill advised. There are more problems now around existing airports than we have been able to find answers to.

Mr. Speaker, I make this statement now in an effort to prevent hasty and unwise action in and around this airport.

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## WAURIKA RESERVOIR PROJECT, OKLAHOMA

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 10 minutes.

Mr. WICKERSHAM. Mr. Speaker, last Friday I spoke about the effects on a community resulting from too much water brought about by flood. Today I should like to relate how lack of water in sufficient quantities affects a community.

This is a chronic problem in the area of my district affected by the Beaver Creek drainage system. Lack of water is a constant problem. Starting late in June, and getting progressively worse as summer turns the grass from spring green to drought brown, our water supplies dry up. Where there was once too much, there is now not enough. The wells and lakes all too quickly become so low, that the water is rationed to the people for their personal use. Industries are all but prohibited from using the water so vital to their work. Many, such as the D. X. Sunray Co., of Duncan, Okla., have to beg the sewer water from the town, in order to operate.

I wish to enumerate some factual examples of water shortage: The city of Duncan obtains its water from two sources; the Chisholm Trail Lake, and Lake Humphrey. It is estimated that the combined total, dependable, yield from these two lakes is 5 million gallons daily. Because of the water level descension to such a low point in the beds of the two lakes, in 1953, due to the danger of the lakes drying up, Duncan, and D. X. Sunray, were allowed to use only 1.58 million gallons daily. The official Government estimate is that by 1965 the city of Duncan will need 7.20 million gallons daily. This is over 2 million gallons more than their present sources of water can supply.

Waurika, the town now experiencing an abundant water supply due to flood, usually gets its water from 21 water wells the town has drilled. The water from these wells tastes horrible. It is hard, with a high mineral content. Only unseasonal rains have prevented the wells from declining so low that water had to be rationed. The wells yield about 100,000 gallons daily in the good wet part of the year. Incidentally Mr. Speaker, the town of Waurika financed the drilling of these wells with no outside help. The people of Comanche, Okla., have constructed a reservoir called Comanche Lake. At present it contains enough water to supply the needs of the people, but there is no reserve supply to serve throughout the dry spell. The reservoir is too small. Temple, Okla., is another town that is served by water wells. These wells have been unable to meet the needs of the people; so much so that water has to be taken from Cache Creek. The city of Lawton has constructed a reservoir on this creek, and consequently the water to be gained by the people of Temple, will be greatly reduced. The town of Walters, still another water well community, has experienced considerable difficulty meeting its requirements. Not only do their wells nearly run dry during the summer months, but they are now experiencing trouble with salt water intrusion which pollutes their already overburdened wells.

These people, in these towns, upon which I have briefly commented, have done their best to solve their own problems with what they have. It is not enough. They need help. I am sure that they will get it, but it seems to be a long time in coming. My people are an enterprising people and not a group to be easily defeated by the whims of nature. They believe God gave man a mind to overcome his earthy problems. They have at their own expense taken steps to offset the summer water shortage, by building reservoirs and drilling wells in and around their towns. But, they are not a wealthy people and they do need assistance. Many a voice has been raised on this floor in support of helping those who have tried to help themselves. Now I have shown you just how the people of my district have tried to help themselves.

People who are lucky enough to come from areas blessed by abundant rainfall, do not realize the full value of a plentiful water supply. We are peculiar. We often pay the least attention to, and fail to fully appreciate what we have in abundance. Who gives thanks for, or is constantly aware of the air we breath? But, let this substance, no matter what it is, become in short supply, and we become acutely aware of the lack of it.

It has often been said that we must move forward, or else we will retrench. There is no such thing as a true state of status quo. In my home State, properly controlled and utilized water is paramount to our expansion and growth. If we are to prosper, we must have water all year around. In order to obtain this necessity, we must exploit every means of securing it at our command.

It must be tapped from beneath the ground, and it must be caught from the sky and stored for future use. Mr. Speaker, we have done this to the best of our ability. But, we are not financially able to perform these acts on a large enough scale to meet our needs. We have turned to the Federal Government for assistance. We seek a loan, not a handout. We have tried to help ourselves. All we ask is that we be granted the money for the construction of the Beaver Creek Dam, so that we may be able to keep that which is necessary to our basic and constant need—water.

Mr. Speaker, I desire to read seven newspaper articles relating to the Waurika project, as follows:

[From the Waurika (Okla.) News Democrat, June 14, 1962]

### Beaver and Cow Deal Another Rough Lick—Damage Toll Studied

This is an old, old story.

Waurika had a flood Sunday.

Not a real big one. It was the kind that this town has endured many times during the past half century. As a matter of fact, it was 3 feet shy of the record flood of May 19, 1955, when damage throughout the entire Beaver Creek watershed was estimated by a Government survey team to be almost $2 million.

Nevertheless, Sunday's flood did a lot of damage—several hundred thousand dollars along the flood plains of Beaver and Cow. Nobody knows how much, yet.

This flood so common to Waurika down through the years affected some 400 people in the north, west, and south sections of town in various ways. Approximately 200 left their homes. Others, feeling secure in houses that have been raised 1 to 2 feet to cope with such occasions, simply "holed up" and waited out the flood. Still others had the worry and inconvenience of being surrounded by water, but were able to get to and from their houses by wading or by car or truck.

A survey made Wednesday by Leffie N. Snider of the U.S. Army Engineer District, Tulsa, showed that 136 houses had water on their foundations during the crest. The creek entered 13 homes. Most west-side houses with raised foundations can escape the intrusion of water running at the level it did Sunday.

Approximately 85 blocks were covered completely by flood waters, including the Harmon Park and golf course area equal to about 25 blocks. Other blocks were only partially covered. Forty-seven and one-half blocks of streets and alleys were damaged.

The creek at some points came within less than a block of Main Street on the west, reaching curb-high depth in front of the First Presbyterian Church and post office on West Broadway. The carpenter shop of the T. H. Rogers Lumber Co. was invaded by 6½ inches of water and the Texaco bulk plant north of old city hall on Main took on some of the creek. Two and one-half blocks on South Main were waterlogged.

U.S. Highway No. 70 between the Beaver Creek bridge and South Main was crossed by 14 inches of water at the crest, and State Highway No. 5 in northeast Waurika was under about 2½ feet of creek.

U.S. 70 was open to one lane of traffic during the crest, with highway department employees directing a course through markers along the middle of the road. State Highway No. 5 was closed about Sunday noon and was not reopened until late Monday morning when the creek level dropped enough to permit cars to pass. By 2 p.m. Monday the pavement was clear of water.

All of Harmon Park, the football field and most of the golf course were under water. No. 9 green was completely covered and all topsoil was washed away. Workers who hurriedly tried to barricade greens No. 9, 8, and 7—all of which had been rototilled and prepared for reseeding—had to settle for a halfway job on No. 9 before the rising Beaver chased them out.

City Water Superintendent Dutch Kauerauf was confronted with a serious problem Monday morning when he discovered that only one water well was pumping. All others that had been pumping regularly were knocked out by electrical failures. Two conductors in the electrical system northwest of town burned out and two lightning arresters on a two-transformer bank on North Meridian were destroyed. By Monday afternoon 12 wells were again pumping and all were ready for duty Tuesday.

None of the wells was under water or contaminated in any way.

#### TWO ADDITIONAL RISES MINOR

Rainfall ranging from 0.40 inch to 2.50 inches on Beaver and Cow watersheds late Tuesday afternoon set up two additional crests in Waurika on Wednesday afternoon and again this afternoon, June 14.

Wednesday's rise was minor, however, and merely kept the creek running 2 to 3 feet above bank full stage.

This message was relayed to the News-Democrat from the Tulsa River Forecast Center at 11 this morning:

"Rainfall of 12th over Beaver Creek watershed above Waurika was apparently quite localized. The revised crest forecast is 872.00 to 873.00, cresting flat today and tomorrow morning."

A U.S. Weather Bureau forecast of continuing rainstorms for another week keeps the flood situation critical at Waurika.

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[From the Waurika (Okla.) News Democrat, June 14, 1962]

### Reservoir Approval Anxiously Awaited

Sunday's flood might give some impetus to authorization of the Waurika Reservoir but there is just no certainty of favorable action.

Congressman Victor Wickersham assured the News-Democrat Tuesday that he is doing all he can to push the project forward in the House. He received flood pictures airmailed to him Sunday night, he said, and was arranging conferences to discuss the urgency of authorization. The Polaroid photos mailed to Washington were taken during flood crest by Richard Stone.

The Congressman expressed regret that floodwaters had again swept through Waurika. He contacted American Red Cross headquarters, civil defense, and other Federal agencies.

In a call to the News-Democrat Monday afternoon, Senator Mike Monroney expressed his concern about the flood situation. In a wire received Tuesday afternoon from the Senator, he said:

"I have today written Chairman Clinton Anderson of Senate Interior Committee telling him need for earliest possible start on Waurika project * * * urging quick authorization so can seek $200,000 preconstruction funds for fiscal 1963 * * * glad to hear from you by phone that crest has passed and water receding. Just hope we can get started on project to prevent this happening again."

A news story in Monday's Oklahoma City Times quoted Don McBride, aid to Senator Robert S. Kerr, as saying that the Waurika Reservoir project now pending in Congress would have prevented the flood which hit here Sunday. McBride said it's likely that authorization of the project can be secured this year.

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[From the Waurika (Okla.) News Democrat, June 14, 1962]

### Small Girl Survives Creek Dip

Floodwaters on West Broadway just two blocks from Main Street almost claimed the life Monday of a 20-month-old girl, Gayla Young.

Her trip through a water-filled culvert 105 feet long left her blue in the face but she recovered quickly.

Gayla's mother, Mrs. John S. Young, gave this version of what happened:

About 12 children were wading in floodwaters in the 200 block West Broadway. Mrs. Young, the mother of some of the children, had to go into her house briefly, and instructed her daughter, Sherry, to watch the younger ones.

She had no sooner entered the house when she heard the children screaming that Gayla had fallen into the water.

She had been wading in the shallow water, which had receded about a block from Sunday's crest, and had stepped into the current. The water swept her off her feet, carried her forward and sucked her into a whirlpool which had formed around the culvert pipe entrance.

By the time Mrs. Young reached the street, the child was gone. The rushing water provided quick passage through the 105-foot culvert, 24 inches in diameter, which runs under Broadway.

Eddie Young, 11, saw his little sister when she suddenly appeared in a drainage ditch at the south end of the culvert. She was lying face down in the water and was being swept farther away. He could only see the seat of her blue and white checkered panties and the back of her head.

By the time he had run to catch her and waded waist-deep water to retrieve her, she had been swept a half block down the flooded street. Her face had started to turn blue and the women present used artificial respiration to revive her.

It happened so fast, the women commented afterward, but the child was already limp when they helped Eddie pull her from the swift water.

But 2 hours later Gayla was up and the only mark left to show for her wild water trip was a small bruise under her left eye. She was ready to go play again.

[From the Waurika (Okla.) News Democrat, June 14, 1962]

### Flood Damages Keep Mounting on Beaver, Cow Creeks

What kind of damage did the rampaging Beaver and Cow Creeks inflict on private and public property over the weekend?

Estimates have not been completed, but comparisons with the floods of May 1957 give some idea.

A few days following the flood of May 18, 1957, when the highest reading was elevation 876.70 or 6 inches higher than Sunday's 876.20 crest, these losses were determined by appraisers.

On Beaver and Cow Creeks in Jefferson County alone, agricultural losses were estimated at $104,000—a total which was minimized by a flood just 2 weeks earlier on May 4.

In commissioner district No. 1 road and bridge damage was placed at $25,668.

In Waurika damage to 67½ blocks of streets and alleys was estimated to be in excess of $10,000.

A survey following the May 4, 1957, flood showed agricultural losses to be $81,200 on Beaver and Cow Creeks in Jefferson County alone. Fifty-five farms were affected and 20,000 acres inundated in the county.

In district No. 1 damage to roads and bridges was approximately $10,000.

The heavy rainfall of April and May 1957, caused six damaging rises in a 36-day period.

The granddaddy flood of May 18–19, 1955, was far worse than flooding in 1957 and last Sunday's crest. The flood crest on May 19 was determined to be at elevation 879.25 or about 9¾ feet above bank full. Sunday's crest was 3 feet shy of this mark.

Damages throughout the entire Beaver Creek watershed, including tributary Cow were determined by a Government survey team to be $1,922,000 as a result of May 18-19 storm in 1955.

In Maurika damages were estimated at $272,000. Acres inundated on the watershed totaled 59,620 or 94 percent of the flood plain.

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[From the Waurika (Okla.) News Democrat, June 14, 1962]

### Three Miles of Streets Damaged

Flood damage to 47½ blocks of streets and alleys—a little over 3 miles—was estimated at $3,000 in a preliminary survey made Tuesday.

Fred Verity of the State civil defense office, Oklahoma City, made the survey in cooperation with City Manager Harvey Elliott.

It was estimated that debris clearance would cost $500.

Commissioner G. M. Bryan of District No. 1 said Wednesday that a survey of damage to county roads and bridges will have to await a normal condition on Beaver and Cow Creeks. All gravel was lost from Old Highway 81 south of town, he said, and a road west of Deer Grove was badly washed.

Bryan believes the damage will be about the same as that experienced in the flood of May 18, 1957, when the estimate was $25,668.

Verity told city officials that disaster aid is contingent upon the total of disaster losses throughout Oklahoma. He said the State must have $1 million damage in a year's time to qualify for Federal assistance in restoring public property.

The civil defense representative said Harmon Park and the golf course cannot qualify for Federal aid in any event.

All topsoil on No. 9 green at the golf course was washed away. The extent of damage to greens No. 7 and No. 8 had not been investigated as of Wednesday, due to three sloppy mud-and-water conditions on the course. All three greens were recently plowed and roto-tilled and new dirt added preparatory to reseeding.

Leffie N. Snider of the U.S. Army Engineer District, Tulsa, arrived Wednesday to make a survey of damage to public and private property.

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[From the Waurika (Okla.) News Democrat, June 14, 1962]

### Red Cross Aids Flood Evacuees

American Red Cross once again came to the aid of Waurikans Sunday, Monday, and Tuesday. And again, American Red Cross deserves the warm thanks of the entire community.

Robert L. Templeton, field director for American Red Cross, Sheppard Air Force Base, arrived Saturday afternoon to make the necessary arrangements for shelters and food. By Sunday morning, when the flood crest was about 6 hours away, shelters had been established at the Jefferson County fair building and the gymnasium of Central grade school.

Miss Bonnie Foster, social and Red Cross disaster caseworker from the local county welfare office, recruited help for the kitchen at the fair building. Others assisting in shelter and feeding arrangements were Capt. Don Bryan, Walters, commanding officer of Troop B, 2d Reconnaissance Squadron, 245th Armor, and Sgt. Ronnie Whitehead, also of Walters; Sgt. E–5 Roy Bartling and Pfc.'s Donald Duncan, J. B. Nichols, and Eddie Balunas of Waurika's 2d Platoon, Troop B; and County Commissioner G. M. Bryan and district 1 employees.

Mrs. Mazzie Roper, American Red Cross caseworker, arrived Monday from Sallishaw to take applications for disaster losses, and was joined here Tuesday by Mrs. Ruth Ann Miller, Wichita, Kans., who will be in charge of the assistance program for as long as necessary.

Meals were served to 125 evacuees Sunday night, 125 Monday morning, 85 Monday noon and again Monday night, and 50 Tuesday morning. The two shelters were closed Tuesday morning following breakfast.

Cooks who did a good turn in the fair building kitchen were Daisy Stanford, Clemmie Howard, Bertie Stanford, Margie Howard, and Virginia Black.

Not all evacuees availed themselves of Red Cross services. Many stayed with relatives and friends in town.

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[From the Waurika (Okla.) News Democrat, June 14, 1962]

### Guardsmen Lend a Helping Hand

Waurika had the benefit of assistance from its own National Guard platoon during the flood which hit here between 3 p.m., and 4 p.m. Sunday.

Capt. Don Bryan, commanding officer, and Sgt. Ronnie Whitehead, both of Walters, reported Sunday morning from Troop B, 2d Reconnaisance Squadron, 245th Armor, and Sgt. E–5 Roy Bartling and Pfc.'s Donald Duncan, J. B. Nichols, and Eddie Balunas reported for duty from Waurika's 2d Platoon of Troop B.

Two six-by-six trucks were used in high water for various missions and served as transports to carry evacuees back and forth from town to the Red Cross kitchen in the County Fair Building. A jeep also was put to good use.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I have read accounts of the floods at Waurika and know the damage they have caused. Certainly anyone who knows about this condition will know that the authorization and construction of the Waurika Reservoir project is necessary.

Mr. WICKERSHAM. I appreciate the gentleman's comments. Certainly this project is vitally needed.

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## HOME RULE FOR THE DISTRICT OF COLUMBIA

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. WIDNALL] is recognized for 45 minutes.

Mr. WIDNALL. Mr. Speaker, I have been an advocate of District home rule for many years, and I have participated in or initiated a number of efforts to achieve this goal. Yet, as we all know, the Members of this House have never had an opportunity to vote on this important problem, in contrast to the Senate which has passed a District home rule bill five times in the last years. Home rule legislation has never left the confines of the House District Committee.

This year is no exception. The Senate is again considering proposed legislation in this field and in all probability will pass another home rule bill. An effort by a bipartisan group centering on H.R. 11327 is again met with silence by the District Committee. We feel it absolutely necessary to use the discharge petition as the only means to secure House consideration of a bipartisan House proposal which we feel incorporates the best and most workable features of proposals backed by the Eisenhower and Kennedy administrations.

Home rule is not a startling new idea for the District of Columbia. During the period from 1802 to 1874, Washington had its own city council and elected mayor. For the past 88 years, however, the government has consisted of appointed Commissioners with the Congress of the United States as its legislative branch. We feel that an appointed Governor with a limited veto power is preferable to that of an elected mayor. Certainly the title alone adds to the dignity of the executive office of the Federal District of a great nation.

Nothing in the proposed legislation, however, abdicates the responsibilities of Congress as the final legislative authority for the District. What the elected council does accomplish is to give the people of the District a voice in their local affairs, relieving Congress of the time-consuming task of dealing with such purely local matters. All genuine Federal interests are preserved through the latent congressional check, and a Presidential veto where such an interest is adversely involved.

Last year, the people of the United States indicated through the legislatures of three-fourths of the States in the Union, that they were not adverse to the interests of the residents of the District. An amendment to the Constitution now gives District residents a voice in the selection of the President and Vice President of the United States. How ironic, that District residents can vote for the leader of their Nation, but not for a single representative voice in their own District.

A few years ago, a constituent of mine wrote to me in the following manner:

> With new States as far away as Alaska and Hawaii being admitted to the Union, it becomes doubly absurd to deny the vote to people living within the shadow of the Capitol. Not only is it unfair to our own citizens; it looks to the rest of the world like a denial of the democracy we profess.

Mr. Speaker, the basic provisions of this bipartisan home rule bill are as follows:

Basic provisions: 1. Legislative powers: Vested in nine-member council, one member from each of nine wards.

Comments: Eisenhower bill provides for 15-member council, 3 members from each of 5 wards; Kennedy bill, 7-member council, 1 member from each of 7 wards.

Basic provisions: 2. Salary provisions: Council members, $9,000; Governor, $20,000.

Comments: These are the Kennedy bill figures; they are $1,000 less for each elective official than in the Eisenhower bill.

Basic provisions: 3. Zoning procedure: Council zoning acts may be vetoed by the National Capital Planning Commission.

Comments: Kennedy bill does not contain this provision.

Basic provisions: 4. Executive Office: Governor appointed for a 4-year term by President, subject to confirmation by the Senate.

Comments: This Eisenhower bill provision to be adopted verbatim; the Kennedy bill provided for an elective mayor.

Basic provisions: 5. Presidential veto: Council-passed acts become law when signed by the Governor; Presidential veto provision applies only when (a) the Council overrides the Governor's disapproval; and (b) a Federal interest is involved.

Comments: This provision is taken verbatim from the Eisenhower bill; Kennedy bill gave President an absolute veto power.

Basic provisions: 6. Voter qualifications: 1 year residence; 21 years of age; absentee balloting procedure included.

Comments: Kennedy bill put residency requirement at 6 months, voting age at 18.

Basic provisions: 7. Party primaries and general election: Members of Council will be nominated by party primary and elected at a general election.

Comments: Eisenhower proposal originally provided for a nonpartisan election. Both District party organizations have gone on record as strongly opposing nonpartisan elections and favoring party primaries.

Basic provisions: 8. Federal payments: Enabling clause included; no specific formula for Federal payments to District.

Comments: Kennedy bill contains formula for computing annual payments. This is considered highly desirable by many, but it could be a focus for opposition. It probably should be handled in separate legislation.

Basic provisions: 9. District congressional delegate: A nonvoting congressional delegate will be elected by party primary and general election.

Comments: This provision appears in both the Eisenhower and Kennedy proposals. The delegate would have the same powers and duties now given Puerto Rico's delegate.

Mr. Speaker, I urge this House to consider the matter carefully, and I am sure that if this is done, the discharge petition which our bipartisan group has filed today will gain the necessary signatures to give this body its first chance to consider Home Rule for the District of Columbia.

I now yield such time as he may desire to the gentleman from Arizona [Mr. MORRIS K. UDALL].

Mr. MORRIS K. UDALL. Mr. Speaker, I am happy and pleased to be here today to speak again for home rule for the District of Columbia. At a time when we are preaching democracy all over the world and telling people all over the world that democracy is the best form of government, we find the anomalous situation that here in the Nation's Capital, the capital of the greatest country in the world, there are people 80 years of age who have never seen the inside of an election booth and who have never marked a ballot. To me this is a shocking thing, and I believe it is wrong.

I am proud to be a part of this bipartisan group. I think this is illustrated here today by the fact that the resolution filed by the gentleman from New Jersey [Mr. WIDNALL] is the opening shot in this process of the discharge petition and is a resolution to consider a bill by the gentleman from New York [Mr. MULTER], who sits on my side of the aisle. This is also illustrative of the vigorous support we have from leading members of both parties. To me it is a very stimulating and very encouraging thing, and I am proud to be a part of it.

The procedure that will be followed in this matter is substantially this: A resolution has been filed by the gentleman from New Jersey [Mr. WIDNALL], today. I understand request will be lodged with the Rules Committee to grant a rule for the consideration of the bill.

Sixteen Members have introduced similar bills, about equally divided between the two parties. If the Rules Committee does not act on this resolution within 7 legislative days it is my understanding that the procedure then will be to file a motion to discharge this resolution, and when it is signed by a majority of the Members of the House it will then be in order to debate for the first time in several generations the idea of home rule. I think it is time the House had a chance to debate this important question and to vote it up or to vote it down.

There is no requirement that anyone be perfectly consistent. We are all inconsistent to some degree. It reminds me of the story of the man who took an ax and slew his mother and his father. Two counts of murder were brought against him but he asked for mercy on the ground that he was an orphan. I think the opponents of home rule have been a little more inconsistent than perhaps they ought to be. The philosophy of people who oppose home rule I think can be expressed in five or six statements, certainly very broad generalizations. When they discuss those facts you hear them say they are for home rule, the right of the people to direct their own lives.

The second theme is they are for local government, it is wise to keep the government close to the people.

Next, they tell us we are moving forward to a centralized government, that the Federal Government is moving faster and faster and further and further away from the people, that the Federal Government should not become omnipotent to these local problems and our daily lives.

Next, they talk about the sanctity of the election process, that one great bulwark that remains to the people.

Next, they tell us of the great danger of Federal bureaucracy, that those who exercise bureaucratic power under Federal Government are unapproachable. We must keep elections free from coercion or subversion from a Federal bureaucracy.

Finally, they talk in general terms about freedom for Americans to determine their own future.

Each of these principles would be aided by home rule, yet the opponents deny the same freedom to U.S. citizens in the Nation's Capital, which they claim and defend so vigorously. They deny these basic principles right here in our Nation's Capital. Apparently, what is good in Arizona, Mississippi, South Carolina, and Michigan is not good government and good politics right here in the Capital of the United States.

I will ask anyone to test his consistency by writing down on one side of a piece of paper that he is for democracy, for local government against centralized government, against a Federal Government getting too big in favor of the American people to determine their future, that he is afraid of a democracy and the Federal Government getting too big. Then write down on the other side of the paper that he is against home rule for the District of Columbia. If a man cannot face his own position stated that bluntly, the trouble is he cannot face the truth, because that is the situation.

I think that home rule is inevitable. I am sorry that the committee has not seen fit to hold hearings. These are good men, good friends of mine, and I have no personal quarrel with any members of the committee. But we asked them over 2 months ago courteously for hearings and we have not had the courtesy of a reply to a letter signed by 16 Members of this House. Fortunately, extensive hearings were held 2 years ago by almost the same subcommittee that now has jurisdiction.

All we are asking this bipartisan group is that the Congress of the United States, this great body, should stop wasting its time on dog leash laws and determining whether the mortuary needs a new roof, and let the local people solve their problems. They have serious problems. There is no incentive now, the local people do not have the tools, they do not have the incentive to solve these problems. We can give them the incentive and the tools by giving them home rule and giving them the right to govern themselves.

It is a shame and disgrace when 800,000 people in the Capital of the United States have no right to participate in their own local affairs. All Members of this House to some degree are carpetbaggers. We come here for a part of the year, we control the affairs of the local government. This I think is the time-honored definition of "carpetbaggers." I think carpetbagging is bad, whether they go from the North to the South or South to the North or the West to the East, as I do.

This city of Washington has 537 part-time mayors, 537 part-time school boards, 537 part-time street commissioners, and all the rest.

So, Mr. Speaker, I am happy to be a member of this movement. I hope that history will record that 1962 was the year that we stopped talking about home rule for the District of Columbia, and we did something to correct what I think is a very basic injustice.

Mr. WIDNALL. I thank the gentleman for his remarks.

Mr. Speaker, I now yield to the gentleman from Wisconsin [Mr. Reuss].

Mr. REUSS. Mr. Speaker, I want very briefly to congratulate the gentleman from New Jersey [Mr. Widnall] and the gentleman from Arizona [Mr. Morris K. Udall] for their constructive leadership in taking the parliamentary steps necessary to enable this great body to debate and consider the question of home rule for the District of Columbia. For many, many years now this body has been denied the right to consider this legislation. The gentleman from Arizona [Mr. Morris K. Udall] has referred to citizens of the District of Columbia who are now in their 80th year and have never had an opportunity to cast a ballot in an election. I would fervently hope that as the result of the action initiated here today, before those citizens have another year added to their lives, this House will have had a full opportunity to broadly debate the question of home rule under a set of rules and procedures which will give the widest ability to amend and improve the proposed legislation and that finally the Congress of the United States, having had that opportunity, will conclude that home rule is a basic, natural right owed the people of the District of Columbia by the great mass of the people of the United States and will grant them home rule. If that is so, this will, in retrospect, be a historic day, and I hope that one day the gentleman from New Jersey and the gentleman from Arizona will feel very proud of the leadership role that they played in it.

I thank the gentleman.

Mr. WIDNALL. I thank the gentleman for his remarks.

I now yield to the gentleman from New York [Mr. Ryan].

Mr. RYAN of New York. Mr. Speaker, I am happy to join in this effort to discharge from the committee the home rule bill. I am happy to be a cosponsor of this measure. The arguments this afternoon which we have heard from the gentleman from New Jersey [Mr. Widnall], the gentleman from Arizona [Mr. Morris K. Udall], and the gentleman from Wisconsin [Mr. Reuss] are very telling. They point out the incongruity of a situation where 800,000 residents of the District of Columbia have no right to vote for local offices and for their own legislature. It seems to me we have long past reached the time that not only this bill should be debated on the floor of the House but when Congress should face the people of the District of Columbia and say to them "You can run your own affairs and have the kind of local self-government which any city is entitled to in these United States."

I thank the gentleman for yielding.

Mr. WIDNALL. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members who are interested in this bill may extend their remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

## THE JET AIRCRAFT DISPUTE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOW. Mr. Speaker, in February 1961, the President of the United States appointed a three member Commission headed by Professor Feinsinger to investigate the crew complement dispute on jet aircraft and to make recommendations for its resolution.

On March 24, 1961, the Commission issued its first report recommending that jet aircraft be flown by three-man crews. The report left to the affected unions—ALPA and FEIA—the details as to how the merger of the unions was to be brought about. The airlines accepted this report which entailed expensive obligations recommended by the Commission.

A second report was issued by the Commission on October 17, 1961, which contained recommendations for the solution of the crew complement issue and reiterated the necessity for the merger between ALPA and FEIA.

In his statement accepting and endorsing this report, President Kennedy injected a sense of urgency into the situation.

> One thing is clear—

He said—

> we cannot have further strikes over these disputed issues. There can be no legitimate excuse for interruptions of service now that these Commissions have marked out the areas of fair and reasonable settlement. The public deserves, expects and demands that such settlements be reached.

The FEIA has now declared a strike against one of the three airlines faced with the crew complement problems—TWA. It is to be expected that they will at a later date set a strike date for the other two carriers if the problem cannot be satisfactorily dealt with. There are 54,800 employees working for the 3 carriers and of this group 1,675 are flight engineers. A shutdown of the 3 carriers would decrease domestic service to 174 communities and completely do away with all U.S.-flag passenger service across the north Atlantic. In addition 60,000 travelers a day representing 25 percent of all U.S. travel and 20,000 travelers a day flying overseas would have their travel plans disrupted.

Should all of the employees of the three affected airlines go off the payrolls, as is indicated by the airlines, losses in salaries alone would be approximately $1,300,000 a day. The cost to the airlines a day in lost revenue would amount to $3,600,000. The loss to the U.S. Government in tax revenue would be in excess of $300,000 daily.

We urge the flight engineers to give most earnest consideration to the economic factors before going out on strike. If a strike is started this administration which has been working on the problem for these many months must move expeditiously to solve the problem or else assume much of the responsibility for the economic problems flowing from such a strike.

## ATHOL, MASS., BICENTENNIAL, 1762–1962

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. Conte] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CONTE. Mr. Speaker, it is my pleasure today to call the attention of my colleagues to a birthday of considerable significance that is being celebrated this year, 1962—the 200th anniversary of the founding of the town of Athol, Mass. The celebration of the anniversary of any birthday is a noteworthy event, yet the anniversary of the incorporation of this outstanding Massachusetts community commands special consideration for Athol's record of civic achievement extends back into history to pre-Revolutionary days.

The story of Athol reflects the story of America itself, and the achievements of Athol's citizens now, as in the past 200 years, represent in miniature the achievements of the national population as a whole.

The first settlers arrived in that western Massachusetts area, now comprising Athol, early in our history, in 1732, when a journey into the Massachusetts wilderness was still an adventure into danger. In the backwoods to which these pioneers came, Indian depredations as well as economic want, severe weather conditions, and extreme isolation were a known and constant threat to their very existence.

Why then did they come? For a suitable answer, we may refer to the philosophy of the current national hero and space pioneer, Lt. Col. John H. Glenn. To the Athol settlers of two centuries ago, as to John Glenn today, the unknown represented no more than a challenge. To them, as to him, the word "danger" meant nothing else than a need for courage. Moreover, to them, as to him, there was sufficient courage to offset the threat of failure and provide an incentive to go where none had gone before.

In considering the sweep of events leading to the establishment of the great American Nation, it is no longer customary to emphasize the importance of the Indians as a political force prior to the Indian wars of the 19th century. But to the Athol pioneers of the 1730's, the Indians were indeed a force to be reckoned with. As it turned out, Athol township was mistakenly established smack in the center of an Indian community, blocking a main artery of Indian traffic between tribal residence and tribal hunting ground. The Athol settlers were unaware of this, nor was it the tendency of their angry neighbors to explain the matter to them. All the settlers knew was that from the moment they arrived, they were at war and in danger of total annihilation. This they resisted with the fortitude of their kind; a fortitude for which Americans today are universally respected. In the face of the resistance, the Indians lost their zeal for warfare and departed, whereupon the Athol pioneers were joined by others, in such quantity that by 1760 a thriving backwoods community was firmly established.

In 1762 the town of Athol was incorporated. Col. John Murray, of Rutland, a large landowner in Rutland, Athol, and Lenox, petitioned the general court on January 28, 1762, for an act to incorporate the plantation of Payquage into a town. The act was passed on March 6, 1762. Colonel Murray issued the warrant for he first town meeting from his home in Rutland and presided over the meeting on March 29, 1762.

Legend tells us that Colonel Murray was a relative, possibly the youngest son of the Duke of Blair-Atholl, Perthshire, Scotland. It was said that he was moved to suggest the name of "Athol" for the new town by the nostalgic resemblance of its landscape to that of his ancestral home. The thistle blossom in the bicentennial seal is significant of this origin of the name of "Athol."

Farming and fishing, for a time, provided the main means of sustenance for the people of Athol. The industrial revolution changed all that, however, and with remarkable results. In 1790 the local population was only 848; by 1840 it was almost twice that, and by 1890 it was in excess of 5,000, a number which, in turn, has been doubled today.

In the field of manufacturing, the people of Athol took up the production of many items, notably scythes, cotton, and paper. In time, as commercial demands added the need for new products to cope with the changing American scene, local factories increased rapidly, both in number and industrial diversity.

By the close of the 1930's there were 34 separate industries located in the area, employing over 2,000 people. Today the employment figure has appreciably increased, as has the number of products.

According to recent observation, Athol manufacturers are currently in the process of turning out fine machine tools, drills, cutters, shoes, artificial leather, celluloid goods, and textile machinery, as well as toys, window blinds, wood and metal novelties, and furniture.

As soon as daily lives were sufficiently settled to permit a place for culture, Athol citizens were quick to move in that direction, establishing the first public library in the region. Their first high school was built in 1856 at a cost of $2,575. In the first year of its operation, 44 students attended the white, wooden schoolhouse which stood overlooking the town. But progress has demanded many changes in education since that time, and the contrast with today is striking. Since its construction in 1958 on a 33-acre site, a new and modern high school of 31 rooms accommodates 700 area students.

As for patriotism, Athol showed from the start a capacity to support the American cause with devotion, determination and dispatch. When the British blockaded the port of Boston, the citizens of Athol voted to boycott British goods until the blockade was raised. Minutemen were widely recruited among the townspeople and a committee of correspondence was quickly established. The townsfolk in the communities of this area of Massachusetts played a vital role in all phases of the Revolutionary War. The historian, George Bancroft, comments on the period:

> The existence of the Army was an indication of the benevolence of the New England people, and its sustenance during May, June, and July cannot be accounted for by ordinary rules. There was nothing regularly established, and yet many thousands of men were supplied. Touched by an all-pervading influence each householder esteemed himself a sort of commissary.
>
> There were no public magazines, no large dealers in provisions, but the wants of the Army rung in the ears of the farmers, and from every cellar, barnyard, and field throughout Worcester, Hampshire, and even Berkshire, such articles of food as could be spared were devoted to the camp, and everybody's wagons were used to transport them. But for this, the forces would have been dispersed. How it was done, cannot exactly be told; popular enthusiasm keeps little record of its sacrifices; only it was done, and the troops of Massachusetts and New Hampshire were fed without so much as a barrel of flour from the Continental Congress.

In the war itself, Athol volunteers were engaged in battle at such famous places as Cambridge, Roxbury, York, Ticonderoga, Tarrytown, the Jerseys, Rhode Island, and Saratoga, setting an example their descendants were to follow in the many national crises to come, from the War of 1812 to the Korean war.

Thus it has developed from the beginning. Courage, stamina, hard work, and results on the part of the people—the citizens of Athol—to whom nothing but the utmost in effort is even worthy of consideration.

To everyone familiar with this record, the direct comparison between Athol history and American history is clear. And from every Member of this Congress of the United States, our best wishes for a prosperous future to the town of Athol, Mass.—200 robust and proud years old.

## PERCENTAGE OF FARMERS WHO RECEIVE LOANS

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from Texas [Mr. Beckworth] is recognized for 20 minutes.

Mr. **BECKWORTH**. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. **BECKWORTH**. Mr. Speaker, for a long time I have tried to obtain information as to the percentage of people who actually farm who receive loans. A few days ago in the Congressional Record we find a letter from Nashville, Ark., written May 9, which contains this paragraph:

> It is not reasonable to suppose my ideas on a farm program would vaguely resemble those of a cotton grower, tobacco grower, wheat grower, or rice grower, with their guaranteed existence, needed or not. Yet even though unsupported agriculture represents 82 percent of the industry we hear much more from the 18 percent.

At this point in my remarks, I include a statement by the distinguished Senator from Arkansas, Hon. John L. McClellan, and the above-mentioned letter in its entirety, written by Mr. D. B. Yarbrough:

Statement of Hon. John L. McClellan

Mr. President, a week ago today the Senate passed the omnibus farm bill with amendments. The narrow margin by which this measure was approved by the Senate is illustrative of the fact that there exists a sharp divergence of opinion as to what should constitute this Nation's agricultural policies. This is certainly one field where reasonable men differ, and differ widely, in their convictions as to the course our Government should follow in attempting to solve the very complex farm problem.

I recently received a letter from one of my constituents, Mr. D. B. Yarbrough, of Route 5, Nashville, Ark., very ably presenting his views on this question. While I am sure that Mr. Yarbrough's comments are not in accord with the persuasions of many of my colleagues, I think we can all agree that he very succinctly puts the problem in perspective, and his letter I believe is representative of the thinking of a large segment of our farm population. The letter follows:

Nashville, Ark.,
*May 9, 1962.*

Hon. John L. McClellan,
*U.S. Senate,*
*Washington, D.C.*

Dear Sir: I continue to notice how out of patience President Kennedy and Secretary Freeman are with the lack of agreement among farmers and farm organizations on the direction a farm program should take.

I believe I remember that only 18 percent of the farming people produce the so-called basic crops that cost the farm program so much money. I happen to grow peaches, strawberries and cattle. They are not considered basic, are not supported by subsidies, and if the industry gets overcrowded nature takes care of the surplus or the least efficient producers or both.

It is not reasonable to suppose my ideas on a farm program would vaguely resemble those of a cotton grower, tobacco grower, wheat grower, or rice grower, with their guaranteed existence, needed or not. Yet even though unsupported agriculture represents 82 percent of the industry we hear much more from the 18 percent.

I notice that each county has many employees of the Department of Agriculture. My business pays taxes to help support these people and the subsidies they dispense, yet my business receives much less benefit than my cotton-, wheat-, or rice-growing neighbor.

Those segments of agriculture devoted to the production of products that lend themselves to storage seem to have caused us the most trouble since we began trying to help the situation 30 years ago. We could not store the surplus fruit or vegetables so they rotted. The unfortunate growers quit, went to town, and got a job or otherwise diverted their efforts. We hear quite a lot about the calamity we would cause if we should suspend all supports. There would likely not be any more calamity than has happened in any other segment of agriculture, but it has been artificially delayed a long time and would now all happen at once and we should not provoke that. We could, however, reduce the supports gradually, return to a more realistic position, and remove some of the tax burden from all of us.

I read a lot now that the farmer is adamant. He has about quit writing his Congressman about what he thinks. I think he is confused. Each one wants to feather his own nest, but many of us feel that our ends would best be served by abolishing the farm program altogether since we cannot limit it to such universal agricultural needs as research and extension. A few years ago I reacted to some of the strong feelings I have about our farm program, by writing to Congressman COOLEY of the House Agricultural Committee. In his reply he told me he knew more about what I needed than I did. It may be so, so why write. Before that time I had thought I had some background knowledge, having grown up on a cotton-corn-fruit-livestock farm in east Texas. I worked for and got a B.S. degree in agriculture from Texas A. & M., worked as administrative officer for AAA from 1938 to 1942, served in the Air Force 1942–45, built farm machinery 3 years. From 1948 to 1960 I managed this 1,000-acre peach orchard and strawberry farm, while growing an orchard of my own. Since the owners could not seem to realize a profit, in 1960 they allowed me to enter a purchase agreement with them to buy this place.

It has never made sense to me to pay people to produce something we do not need enough for the market to support the price. It did not make sense in 1933 when I plowed up cotton, in 1939–42, when I handed out checks amounting to half a million dollars to cottongrowers, and it seems highly unfair now.

I have wondered a long time how tobacco could be considered a basic crop while neither fruit nor vegetables enjoy that category in the Department of Agriculture, except when the Department of Agriculture extension dietitian prepares a menu for adult or child. She would register horror at suggesting tobacco as basic for a child's diet and she would invariably include vegetables, fruit, and meat.

Basically, our farm problem could much more easily be solved if we approached it shorn of all but pure motives. Our farm problem cannot have a practical solution until some of the more flagrant blindnesses evidenced by Congressmen, in their selfishness for individual constituents is removed and under our elective system that seems too much to ask. Since there is no logical alternative to our system and since individually we feel helpless to alter the loss of our independence, prosperity, and freedom some of us feel frustrated.

We have been further confused of late. The tractor I bought on credit for $5,200 last fall could have been bought in 1948 for about $1,800. Increases in the price of steel did not cause that. Increases in the price of labor did cause it, yet our peaches sell for the same or less. I did not hear a President be angry, and undignified, and one-sided to control the rise in our labor cost. I heard him and saw him transparently political. I was shocked and saddened. I learned fear for our freedoms.

I once again felt doubt that my struggle to pay for this orchard which provides some work for about 800 people each year is worth it or will result in success or permanent satisfaction.

I have three sons. Shall I encourage one of them to assume my place or should they prepare for Government service or inclusion in a better-cared-for society than we know as fruit farmers?

Yours truly,

D. B. YARBROUGH.

During the 1960 presidential campaign I wrote both presidential candidates letters asking them what plans they had to try to help people who wish to remain on farms to remain on farms and continue to farm.

I include some of my previous remarks about these letters, the copies of the letters I wrote, the replies to my letters, and some other letters and figures:

### SOME FIGURES IN CONNECTION WITH THE FARM PROGRAM

(Statement of Mr. BECKWORTH on the floor of the House, March 8, 1961)

Mr. Speaker, I desire to include in the CONGRESSIONAL RECORD a copy of a letter I wrote Senator Kennedy last fall and a copy of a letter I wrote Vice President Nixon last fall in connection with agricultural problems. Also I include the answers I received from Mr. Kennedy and Mr. Nixon.

I wish to include in the CONGRESSIONAL RECORD a letter which was written to me by a prominent wheat producer, Mr. Tom Campbell, and also some comments by Mr. Marvin McLain of the U.S. Department of Agriculture as of September 2, 1960.

I feel neither platform was specific in connection with plans to find solutions to the farm program.

I desire to include in the RECORD certain data in connection with the feed grains program which were sent to me March 3, 1961, by Mr. Scoville of the U.S. Department of Agriculture.

The matter follows:

OCTOBER 11, 1960.

DEAR SENATOR KENNEDY: I live in an area of Texas where we formerly had many small farmers. They used to be small cotton farmers and also grew some peanuts. When the programs of acreage restriction came into being, these farmers were diversifying already. They then suffered cotton acreage reductions to the point that many of them had to quit farming; they moved to town. Cotton and peanut acreage reduction has resulted in a diminished opportunity to farm in our area and has helped in my opinion to contribute appreciably to the loss of population in our counties. Some seven of the nine counties of the Third Congressional District lost population in the 1960 census, I'm informed.

I would like to know what plans you and your agricultural advisers have, if any, that would give people who wish to grow cotton and peanuts in this area an opportunity to do so. It is my opinion no farm program should knock out free enterprise in agriculture for the man who truly wants to farm as a vocation and as a way of life. I believe in free enterprise in business and also in agriculture.

There is a "1958 Crop Cotton Price-Support Loans of $50,000 or More by Producer" report which shows that one producer received $1,442,595. The value per cotton allotment in some cotton counties is less than $500 per allotment. Do you think with reference to a governmental supported and control program this spread is too great?

I would appreciate your comments.

Kind regards,

LINDLEY BECKWORTH.

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OCTOBER 7, 1960.

DEAR VICE PRESIDENT NIXON: I live in an area of Texas where we formerly had many small farmers. They used to be small cotton farmers and also grew some peanuts. When the programs of acreage restriction came into being, these farmers were diversifying already. They then suffered cotton acreage reductions to the point that many of them had to quit farming; they moved to town. Cotton and peanut acreage reduction has resulted in a diminished opportunity to farm in our area and has helped in my opinion to contribute appreciably to the loss of population in our counties. Some seven of the nine counties of the Third Congressional District lost population in the 1960 census, I'm informed.

I would like to know what plans you and your agricultural advisers have, if any, that would give people who wish to grow cotton and peanuts in this area an opportunity to do so. It is my opinion no farm program should knock out free enterprise in agriculture for the man who truly wants to farm as a vocation and as a way of life. I believe in free enterprise in business and also in agriculture.

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I would appreciate your comments.

Kind regards,

LINDLEY BECKWORTH.

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FARMERS FOR KENNEDY-JOHNSON,
*Washington, D.C., October 29, 1960.*

Hon. LINDLEY BECKWORTH,
*New House Office Building,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: Thank you for your recent letter regarding the farm situation and more specifically the cotton and peanut programs. I believe the enclosed release of my letter to the Farm Bureau presidents in Arkansas, Tennessee, and Mississippi will clarify my position with regard to the present and future cotton programs.

May I assure you that my farm program will not in any way "knock out free enterprise," but will instead, strengthen the bulwark of free enterprise in America—the family farm. It will enable a traditional type of farming enterprise to earn returns on their capital, their labor, and the managerial ability comparable to those received in other important industries.

I'm enclosing a copy of "Agricultural Policy for the New Frontier," which outlines the approach which I believe to be best for American agriculture.

Best personal regards.

Sincerely,

JOHN F. KENNEDY.

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REPUBLICAN NATIONAL COMMITTEE,
*Washington, D.C., October 26, 1960.*

Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: In the Vice President's absence, his office has referred your letter concerning cotton acreage to me for acknowledgement. As you know, cotton acreage for 1961 was recently increased by the Department of Agriculture. I believe you may find informative a recent statement by the Vice President on the cotton program.

Sincerely yours,

**Rollis S. Nelson.**

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**Campbell Farming Corp.,**
*Albuquerque, N. Mex., October 4, 1960.*
Hon. **Lindley Beckworth,**
*House of Representatives,*
*Washington, D.C.*

**Dear Lindley:** My absence from Albuquerque has delayed my answer to your letter with copy of letter of September 2 from Marvin L. McLain, Assistant Secretary of Agriculture, and statement by Secretary Benson of February 18 enclosed.

I have read both with more than ordinary interest and cannot agree with Mr. McLain or any of the recommendations of the platform of either party. They are too general, not specific enough and full of complications. The idea of reimbursing the farmer for more acreage put in the land bank with surplus wheat in lieu of cash is utter nonsense. This wheat has a freight charge against it of approximately 50 cents a bushel and storage charges from 1 to 5 years, which means there would be very little value in the wheat to the farmer even if he sold it at the loan value.

The Government pays an export-support price to millers of 72 cents a bushel on wheat exported and wheat exported in the form of flour. This runs into many millions of dollars a year and is an absurd practice. The farmer is blamed for this expense along with other similar expenses.

It is difficult for me to understand how the Agriculture Department can be so incompetent. We have always taken our full wheat loan and with the exception of 2 years out of 29 have paid the loan in full, with interest, when due. During those years we sold our wheat from 12 to 70 cents over the loan value. We sold our 1959 crop for 12 cents over the loan value. If it were possible for us to be paid 10 cents a bushel instead of 72 cents for exporting wheat, we could do a very prosperous business.

The entire agricultural program is so inconsistent with good business and good judgment that it should be abandoned and an entirely new, drastic one established. I would like to discuss this more with you when I am in Washington later in the fall.

With a great deal of friendly esteem, I am

Sincerely yours,

**Thomas J. Campbell.**

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**September 2, 1960.**
Hon. **Lindley Beckworth,**
*House of Representatives.*

**Dear Congressman Beckworth:** This replies to your request of August 22 for comments on the proposed solution to the wheat problem which was submitted to you by Mr. Thomas D. Campbell, of Albuquerque, N. Mex.

Briefly, Mr. Campbell recommends as a solution, that we dispose of our present surplus by gifts to needy nations and that price support be limited to that quantity needed domestically. Support on such production would be at 100 percent of a new parity formula reflecting modern methods of production. Any production in excess of domestic requirements would be available for export at world prices.

We certainly agree with Mr. Campbell that steps must be taken to improve the wheat program. Our preferred approach is one which will provide greater freedom for individual producers to operate and one which will permit the establishment of a realistic price support level which would result in increased utilization and at the same time, would discourage uneconomic production. It is doubtful whether Mr. Campbell's proposal would accomplish these desirable objectives. While it would give farmers greater freedom to plant than the present program it would require strict regimentation of all marketings for domestic use. This would require the establishment of marketing quotas for each producer, and policing marketings through the entire marketing channel. Unless this is done, it could result in production not eligible for price support flowing into domestic markets at prices below the support level. In this event, the quantity eligible for price support would be placed under price support and acquired by the Government.

It is difficult to determine the support level which would result under the proposed parity formula. It is our opinion that the same purpose in determining the level of support could be accomplished by relating the support level to a specific percentage of the average market price during previous years rather than by attempting to devise a new formula for determining parity.

With respect to donating our surpluses to foreign nations, we wish to make it perfectly clear that we are successfully distributing large quantities of surpluses to needy people throughout the world. Such outlets however, are limited. We shall continue to use all available means, such as Public Law 480 programs, and food for peace programs to expand such markets which are in the best longtime interests of the United States.

We are enclosing a copy of a statement made before the House Committee on Agriculture on February 18 which discusses the Department's recommendations for improving the farm program. We believe the adoption of the approach recommended therein is preferable to the one recommended by Mr. Campbell.

Sincerely yours,

**Marvin L. McLain,**
*Assistant Secretary.*

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**March 1, 1961.**
Hon. **Lindley Beckworth,**
*House of Representatives.*

**Dear Congressman Beckworth:** As requested in your telegram of February 28 to Secretary Freeman, the attached tables give the names and addresses of the 10 feed grain producers receiving the largest CCC loans on feed grains in 1958 and 1959.

The amounts shown represent the loan of funds advanced. In some instances these were redeemed but in other cases the grain was taken over by the Government. Similar information is not available for earlier years. Several previous years are available for the basic commodities but these include only corn among the feed grains.

Sincerely yours,

**Orlin J. Scoville.**

*10 largest price-support commodity loans, 1959 crop*

| Producer | Crop | | Total [1] |
|---|---|---|---|
| | Barley | Grain sorghum | |
| Salyer Land Co., Corcoran, Calif. | $1,136,667 | | $1,136,667 |
| Westlake Farms, Inc., Stratford, Calif. | 1,017,500 | | 1,017,500 |
| Giffen, Inc., Huron, Calif. | 923,991 | | 923,991 |
| Employees Enterprises, Inc., Huron, Calif. | 435,046 | | 435,046 |
| Youngker Farms, Buckeye, Ariz. | 270,836 | | 270,836 |
| Price Giffen Ranch, Firebaugh, Calif. | 263,142 | | 263,142 |
| South Lake Farms, Corcoran, Calif. | 164,817 | | 164,817 |
| Massey & Harper, Robstown, Tex. | | $137,207 | 137,207 |
| Five Points Ranch, Inc., Five Points, Calif. | 107,569 | | 107,569 |
| Jack Harris, Inc., Five Points, Calif. | 97,732 | | 97,732 |

[1] No oat or corn loans above $2,500.

*10 largest price-support commodity loans, 1958 crop* [1]

| Producer | Crop | | Total |
|---|---|---|---|
| | Barley | Oats | |
| Westlake Farms, Inc., Stratford, Calif. | $1,140,431.70 | | $1,140,431.70 |
| Giffen, Inc., Huron, Calif. | 1,115,860.72 | | 1,115,860.72 |
| Salyer Land Co., Corcoran, Calif. | 951,076.70 | | 951,076.70 |
| South Lake Farms, Corcoran, Calif. | 398,666.68 | | 398,666.68 |
| Tulana Farms, Worden, Oreg. | 92,392.34 | $247,954.56 | 340,346.90 |
| Five Points Ranch, Inc., Five Points, Calif. | 314,990.08 | | 314,990.08 |
| Calflax Co., Inc., Fresno, Calif. | 313,681.20 | | 313,681.20 |
| Employee Enterprises, Inc., Huron, Calif. | 267,085.35 | | 267,085.35 |
| Jack Harris, Inc., Five Points, Calif. | 257,553.45 | | 257,553.45 |
| Buena Vista Associates, Inc., San Francisco, Calif. | 193,280.21 | | 193,280.21 |

[1] No grain sorghum or corn loans above $50,000.

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**Department of Agriculture,**
*Washington, March 3, 1961.*
Hon. **Lindley Beckworth,**
*House of Representatives.*

**Dear Congressman Beckworth:** With reference to my letter of March 1, I have been advised that a few corn producers received large price support commodity loans in 1958 and 1959 and should have been included in the tabulation. Would you kindly substitute the enclosed tables for those sent you with my previous letter. Allow me to repeat that the amounts shown represent the total amount of funds loaned to these producers on the 1958 and 1959 crops.

Mr. Gordon Parke has related to me your question concerning the largest loan that could be expected to be made under the proposed 1961 emergency feed grain program. This question cannot be answered with certainty but I would expect the largest loan to be somewhat smaller than the largest loans of the past 2 years. A loan level of $1.20 would be only a little higher than the $1.12 level of 1959 but lower than the $1.36 support of 1958. Eligibility for price support loans would be limited to those who reduced corn and sorghum acreages by 20 percent, therefore, the quantity placed under loan by any one producer should reflect this reduced acreage. We do not know that any of these growers put all of their feed grain crop under the loan but I see no reason for the proportion covered by loans to vary with the new program.

Sincerely yours,

**Orlin J. Scoville.**

U.S. Department of Agriculture, Commodity Credit Corporation

*10 largest 1958-crop price-support commodity loans made on feed grains (corn, barley, grain sorghum, oats, and rye)*

| Producer | Crop | | | | Total |
|---|---|---|---|---|---|
| | Barley | Corn | Grain sorghum | Oats | |
| Westlake Farms, Inc., Stratford, Calif. | $1,140,432 | | | | $1,140,432 |
| Giffen, Inc., Huron, Calif. | 1,115,861 | | | | 1,115,861 |
| Salyer Land Co., Corcoran, Calif. | 951,077 | | | | 951,077 |
| South Lake Farms, Corcoran, Calif. | 398,667 | | | | 308,667 |
| Tulama Farms, Worden, Oreg. | 92,392 | | | $247,955 | 340,347 |
| Five Points Ranch, Inc., Five Points, Calif. | 314,990 | | | | 314,990 |
| Calflax Co., Inc., Fresno, Calif. | $313,681 | | | | $313,681 |
| Employee Enterprises, Inc., Huron, Calif. | 267,085 | | | | 267,085 |
| Jack Harris, Inc., Five Points, Calif. | 257,553 | | | | 257,553 |
| Harrison & Quirk, Hastings, Nebr. | | $136,940 | $71,778 | | 208,718 |

*10 largest 1959-crop price-support commodity loans made on feed grains (corn, barley, grain sorghum, oats, and rye)*

| Producer | Crop | | | Total |
|---|---|---|---|---|
| | Barley | Corn | Grain sorghum | |
| Salyer Land Co., Corcoran, Calif. | $1,136,667 | | | $1,136,667 |
| Westlake Farms, Inc., Stratford, Calif. | 1,017,500 | | | 1,017,500 |
| Giffen, Inc., Huron, Calif. | 923,991 | | | 923,991 |
| Employees Enterprises, Inc., Huron, Calif. | 435,046 | | | 435,046 |
| Youngker Farms, Buckeye, Ariz. | 270,836 | | | 270,836 |
| Price Giffen Ranch, Firebaugh, Calif. | $263,142 | | | $263,142 |
| Cote Farms, Inc., St. Anne, Ill. | | $182,988 | | 182,988 |
| South Lake Farms, Corcoran, Calif. | 164,817 | | | 164,817 |
| Morrison & Quirk, Hastings, Nebr. | | 88,000 | $63,938 | 151,938 |
| Massey & Harper, Robstown, Tex. | | | 137,207 | 137,207 |

Under our present farm program in our area of Texas, many farmers, yes, veterans, who wish to farm have been compelled to leave the farm.

I include some letters about a case on which I recently have been working:

Grand Saline, Tex.,
*November 12, 1961.*

Congressman Lindley Beckworth.

Dear Sir: On September 23, 1960, I made application for a loan from the Farm and Home Administration, Canton, Tex. My credit reference and character reference checked out good. I was turned down on this farm I was going to buy, because they considered a 97½-acre farm is too small to make a living on.

I have been a farmer all my life. That is the only occupation I have. I do truck farming and some cattle raising; I am also a veteran of World War II.

I am unable to rent farming land in this county because of the soil bank. I am in need of a place to live.

Mr. George Yates, manager at the FHA office told me he went and looked at the place and it is worth $10,000 but he wanted me to raise $2,000 to get the appraiser to go look at the place.

Mr. Beckworth, I would appreciate anything you can do for me on this deal.

Yours truly,

H. W. Campbell.

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Grand Saline, Tex.,
*November 29, 1961.*

Congressman Lindley Beckworth.

Dear Sir: The size of the farm I am trying to buy through the Farm and Home Administration is 97½ acres. The size of my working force is my wife, 10-year-old son and myself. I hire very little labor and this 97½ acres is all the land I can possibly work. This is a very suitable farm for the type of farming I do.

There is enough pasture on the farm to take care of about 15 head of mother cows.

I had a 90-day option on the farm and this time will be up December 23, 1960.

Mr. Beckworth, I don't feel like I have been treated fair at the FHA office and I certainly appreciate you looking into this and see what is wrong.

Yours truly,

Hiram W. Campbell.

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Grand Saline, Tex.,
*January 9, 1961.*

Congressman Lindley Beckworth.

Dear Sir: On the farm I am purchasing through the Farm and Home Administration here in Vanzant County, when I first made application for this farm, Mr. George Yates, office manager at this office told me if the appraiser appraised the place anywhere near $10,000 they would carry the full amount; but now they want me to raise $2,000 to pay on the place, and I have tried at several different places to borrow the money; and the ones I have tried to borrow from tell me that the Farm and Home Administration is supposed to carry the full amount, and it seems like that is the only way I can buy this farm and Mr. Yates told me $8,000 was all they would carry and they will not lend me any more. Mr. Beckworth if there is any way to get them to lend me the $10,000 to buy the farm with then I could go ahead and start my operations on this farm and pay the money back, if you can't get them to do this there isn't any way I can borrow the $2,000 and pay for the place.

The Farm and Home Administration office has never recognized me as a GI. Would it be possible to get a loan through the GI bill or maybe a second loan of $2,000 if the FHA will carry the $8,000.

I appreciate all the help you have given me on this.

Thank you very much.

Hiram Campbell.

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U.S. Department of Agriculture,
Farmers Home Administration,
*Washington, D.C., January 24, 1961.*

Hon. Lindley Beckworth,
*House of Representatives.*

Dear Congressman Beckworth: This is with further reference to your letters to the Office of the Secretary, the State office, and this office in behalf of Mr. Hiram W. Campbell, route 2, Grand Saline, Tex.

Mr. Campbell applied to this agency for a loan to purchase a 97½-acre farm. The cost of acquiring the farm and making essential improvements exceeded the amount this agency could advance on the property. He therefore, would have needed to invest $2,000 in the transaction. Mr. Campbell was not in a position to do this and, under the planned operation of the farm, income would not have been available to repay the loan had it been possible for Mr. Campbell to borrow the money to make this cash contribution. An additional $1,000 also would have been needed for fertilizer in order to obtain maximum production from the truck crops.

Mr. Campbell recently lost the farm he has been renting and is urgently in need of a place to continue his farming operations and provide for his family. Our field staff, at the county, area, and State levels, has explored several possibilities of helping Mr. Campbell purchase the farm he selected and develop it into an adequate family-type farm. These efforts have not be successful. This agency is without legal authority to approve a loan to purchase a farm unless it will produce sufficient income to pay living and operating expenses, meet debt obligations, and have a reasonable reserve for emergencies.

We regret that we are unable to give you a more favorable report, but assure you that this agency will endeavor to meet Mr. Campbell's credit needs if he is successful in locating a suitable farm that can be acquired and developed within our authorities and available funds.

As you requested, we are returning your file on Mr. Campbell.

Sincerely yours,

H. C. Smith,
*Administrator.*

I submit for the Record the pertinent part of a letter written to me January 13, 1961, by Mr. J. M. Gloer, of the Atlantic Cotton Association, and also a letter written to me January 27, 1961, by Mr. J. M. Gloer:

Atlantic Cotton Association,
*Atlanta, Ga., January 13, 1961.*

Hon. Lindley Beckworth,
*Member of Congress,*
*House Office Building,*
*Washington, D.C.*

Dear Congressman Beckworth: Thank you very much for your letter of January 10, 1961, enclosing copy of bill introduced by you in the Congress—H.R. 624—January 3, 1961.

Your bill protects the small or family size farmer who has been sadly neglected in the more recent past. I enclose herewith copy of letter written Congressman Colmer, of Mississippi, from which you will note you and I are thinking in the same direction, i.e., protection of the family size farm. It had been my thought the purpose of price-support programs were to guarantee the farmer an income comparable to other lines of endeavor; to give the farms (dirt farmer working his own farm) the same protection as given to labor under the wage and hour law; and industry by tariff. Unfortunately, it has not worked that way as evidenced by your enclosure (which I return herewith in accordance with your request).

Supplemental or compensatory payments to the farmer, with reasonable limitation of payments, is the answer to cotton's problem.

Thanking you, and with best regards, I remain,

Very truly yours,

J. M. GLOER,

*Executive Vice President and Secretary.*

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ATLANTIC COTTON ASSOCIATION,

*Atlanta, Ga., January 27, 1961.*

Hon. LINDLEY BECKWORTH,
*Member of Congress,*
*House Office Building,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: Thanks for sending me recap by CCC of 1958 crop cotton loans made to producers in the amount of $50,000 or more and showing the amount repaid by the producer, which I am returning herewith in accordance with your request. I would certainly like a copy, if you could obtain one from CCC.

The compilation you sent me "knocks into a cocked hat" the general assumption that only the small and family size farm benefits from price supports.

From the CCC compilation you sent me it seems that Arizona large farmers made loans from CCC of $22,035,000 and repaid $7,897,000; California cotton producers made loans of $40,141,000 and repaid $13,911,000. So to say the large farmer is not the greatest beneficiary of our Government's benevolence is absurd.

As I have written you, a compensatory payment program for cotton is the only program that will maintain the farm income and still make cotton competitive in the domestic market to manmade fibers and to foreign growths. I would imagine the large cotton producers would naturally be opposed to compensatory payments, for they have a gravy train under a loan program whether with limitation of payments or not. Even with limitation of payments, the large producer is in an excellent position in that he only has to sell his cotton slightly under the loan and make money. A loan is a protection of great importance to the large producer.

Best regards.

Very truly yours,

J. M. GLOER,

*Executive Vice President and Secretary.*

These tables may have been in the CONGRESSIONAL RECORD before. However, some of them are pertinent I feel in connection with this legislation. As I indicated in connection with a question I asked on the floor of the House Tuesday, I am interested in knowing the extent to which any of the loans might be reduced by the legislation under discussion and the extent to which money has been lost by the Government on any of these loans. Perhaps no money has been lost on any of these loans. The figures were brought to my office Wednesday afternoon. I regret I do not have the 1959 figures too.

*1958 crop price-support commodity loans of $50,000 or more, by producer*

BARLEY

[Bushels]

| Producer | Address | Quantity pledged | Amount | Producer | Address | Quantity pledged | Amount |
|---|---|---|---|---|---|---|---|
| Arlington Cattle Co. et al | Arlington, Ariz | 112, 408 | $112, 408. 00 | Harnish Five Points, Inc | Five Points, Calif | 77, 388 | $80, 952. 69 |
| Westlake Farms, Inc | Stratford, Calif | 1, 086, 125 | 1, 140, 431. 70 | W. H. Davenport et al | Fresno, Calif | 61, 691 | 64, 775. 55 |
| Giffen, Inc | Huron, Calif | 1, 063, 720 | 1, 115, 860. 72 | Gilkey Farms, Inc | Corcoran, Calif | 60, 859 | 61, 865. 28 |
| Salyer Land Co | Corcoran, Calif | 936, 541 | 951, 076. 70 | John Kochergen et al | Fresno, Calif | 55, 771 | 58, 559. 55 |
| South Lake Farms | do | 383, 333 | 398, 666. 68 | Newhall Land & Farming | Firebaugh, Calif | 48, 519 | 51, 430. 14 |
| Five Points Ranch, Inc | Five Points, Calif | 300, 725 | 314, 990. 08 | Anderson, Clayton & Co | Corcoran, Calif | 47, 844 | 50, 235. 72 |
| Calflax Co., Inc | Fresno, Calif | 298, 744 | 313, 681. 20 | Campbell Farming Corp | Hardin, Mont | 73, 867 | 53, 184. 24 |
| Employee Enterprises, Inc | Huron, Calif | 254, 367 | 267, 085. 35 | Stewart Bros | Shelby, Mont | 69, 466 | 52, 099. 50 |
| Jack Harris, Inc | Five Points, Calif | 245, 289 | 257, 553. 45 | Robert F. Reimers et al | Melville, N. Dak | 59, 119 | 54, 389. 48 |
| Buena Vista Association, Inc | San Francisco, Calif | 188, 510 | 193, 280. 21 | C. E. Dilse | Scranton, N. Dak | 61, 673 | 50, 571. 86 |
| Vista del Llano Farms et al | Firebaugh, Calif | 114, 015 | 122, 942. 34 | Tulana Farms | Worden, Oreg | 97, 957 | 92, 392. 34 |
| J. G. Stoneland Co | Stratford, Calif | 99, 543 | 104, 520. 15 | | | | |

BEANS, DRY EDIBLE

[Hundredweight]

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Bean Growers | Sacramento, Calif | 82, 219 | $567, 944. 35 | Western Bean Growers | Denver, Colo | 8, 697 | $50, 919. 89 |
| California Lima Bean Growers Association. | Oxnard, Calif | 57, 096 | 520, 039. 80 | Michigan Cooperative Bean Marketing Association. | Lansing, Mich | 61, 600 | 441, 672. 00 |
| Harold T. Segerstrom et al | Santa Ana, Calif | 11, 200 | 106, 960. 00 | Washington Cooperative Farmer Association. | Seattle, Wash | 48, 000 | 315, 200. 00 |
| Walter Awe | Crows Landing, Calif | 5, 868 | 56, 039. 40 | | | | |

FLAXSEED

[Bushels]

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Moiola Bros | Brawley, Calif | 23, 235 | $78, 766. 38 | | | | |

OATS

[Bushels]

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| KV Ranch | Porthill, Idaho | 112, 102 | $66, 140. 18 | Tulana Farms | Worden, Oreg | 356, 367 | $247, 954. 56 |

RICE

[Hundredweight]

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Arkansas Rice Growers Cooperative Association. | Stuttgart, Ark | 1, 054, 175 | $5, 369, 078. 30 | Lawrence E. LeJeune et al | Elton, La | 11, 988 | $59, 288. 63 |
| | | | | Percy Baronet et al | Shaw, Miss | 17, 327 | 83, 345. 95 |
| Producers Rice Mill, Inc | do | 253, 179 | 1, 331, 723. 65 | James K. Greer et al | Hollandale, Miss | 16, 662 | 77, 466. 21 |
| Craighead Rice Milling Co | Jonesboro, Ark | 32, 289 | 154, 007. 47 | Allen Gray Estate | Benoit, Miss | 13, 777 | 66, 006. 80 |
| W. B. Bynum Cooperative Co | Dermott, Ark | 23, 648 | 106, 561. 17 | W. & W. Planting Co | Greenwood, Miss | 14, 434 | 60, 181. 03 |
| Red Bud Farms, Inc | Wabash, Ark | 14, 537 | 76, 210. 51 | J. C. O'Neal | Cleveland, Miss | 10, 201 | 52, 095. 96 |
| W. F. Hurley | Diaz, Ark | 14, 204 | 75, 325. 23 | Koop Bros | Edna, Tex | 21, 775 | 106, 822. 41 |
| Dawson Farms, Inc | Louisville, Ky.[1] | 13, 466 | 75, 020. 63 | E. J. Stoesser | Dayton, Tex | 16, 697 | 85, 658. 78 |
| Moore Bros | Walnut Ridge, Ark | 14, 035 | 68, 635. 05 | Schlurring Bros. et al | El Campo, Tex | 15, 660 | 74, 147. 26 |
| R. C. Nicholson et al | Brinkley, Ark | 12, 214 | 66, 950. 90 | J. W. Adam & Son et al | Angleton, Tex | 15, 323 | 71, 777. 02 |
| Leon Rutledge et al | Newport, Ark | 13, 345 | 61, 848. 95 | Emil Townsend et al | El Campo, Tex | 14, 989 | 69, 270. 96 |
| Arkansas State Penitentiary | Grady, Ark | 12, 308 | 60, 283. 83 | P. J. Smidt | do | 13, 783 | 66, 509. 46 |
| Elmer Ferguson | DeWitt, Ark | 9, 799 | 51, 824. 43 | B. H. Willis | Beaumont, Tex | 11, 539 | 63, 902. 48 |
| Farmers Rice Growers Cooperative. | West Sacramento, Calif | 155, 754 | 646, 379. 10 | Texas Rice Land Co | do | 10, 452 | 57, 988. 65 |
| | | | | E. B. Anderson | East Bernard, Tex | 11, 051 | 56, 491. 90 |
| Central Valley Rice Growers | Stockton, Calif | 88, 264 | 353, 482. 25 | T. T. Duncan et al | El Campo, Tex | 12, 312 | 55, 773. 36 |
| N. F. Davis | Firebaugh, Calif | 19, 879 | 83, 888. 96 | Peltier Bros | Danbury, Tex | 12, 445 | 51, 899. 74 |
| L. C. Ulrich | Woodland, Calif | 13, 105 | 53, 599. 45 | O. L. Heckaman | Hamshire, Tex | 9, 804 | 50, 694. 89 |
| Louisiana Rice Growers, Inc | Crowley, La | 99, 111 | 500, 772. 78 | L Ranch Co. et al | Ganado, Tex | 11, 333 | 50, 533. 98 |
| W. J. Gayle & Sons | Gueydin, La | 18, 104 | 88, 866. 52 | | | | |

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[1] Loan was made on rice grown in Arkansas.

*1958 crop price-support commodity loans of $50,000 or more, by producer*—Continued

### GRAIN SORGHUM

[Hundredweight]

| Producer | Address | Quantity pledged | Amount | Producer | Address | Quantity pledged | Amount |
|---|---|---|---|---|---|---|---|
| Jack Robinson & Sons | Willcox, Ariz | 40,724 | $89,185.56 | Massey & Harper | Robstown, Tex | 56,754 | $120,885.67 |
| J. L. Kidd, Jr | do | 31,658 | 69,647.16 | Palo Alto Farms | Bishop, Tex | 48,121 | 102,497.47 |
| Farmers Investment Co | Tucson, Ariz | 29,792 | 63,456.96 | Taft McGee | Hereford, Tex | 56,895 | 99,566.25 |
| G & K Farms | Willcox, Ariz | 26,727 | 58,800.22 | Jack W. Miller | Dimmitt, Tex | 45,408 | 79,463.86 |
| Hooper & Rugg | Casa Grande, Ariz | 24,295 | 53,206.02 | Salt Creek Ranch | Refugio, Tex | 36,143 | 74,815.70 |
| Walter C. Owens | McNeal, Ariz | 22,735 | 50,016.34 | Howard Bros | Dimmitt, Tex | 43,665 | 71,611.26 |
| C. M. Wilmarth | Grimes, Calif | 22,947 | 52,090.53 | V. E. Nichols | Friona, Tex | 32,240 | 52,550.55 |
| Burkham & Glenn | Johnson, Kans | 63,994 | 108,149.86 | Rodney Smith | Hart, Tex | 29,610 | 51,818.11 |
| Carl N. Brollier | Moscow, Kans | 42,061 | 71,503.70 | H. H. Moore | East Bernard, Tex | 24,639 | 50,509.13 |
| Morrison & Quirk | Hastings, Nebr | 39,223 | 71,778.24 | J. K. Griffith | Morton, Tex | 30,000 | 50,100.00 |
| Williams & Sons | Clovis, N. Mex | 35,501 | 62,127.03 | | | | |

### SOYBEANS

[Bushels]

| Producer | Address | Quantity pledged | Amount | Producer | Address | Quantity pledged | Amount |
|---|---|---|---|---|---|---|---|
| Wesson Farm, Inc | Victoria, Ark | 98,780 | $203,486.80 | James M. Thomas | Tuckerman, Ark | 26,443 | $55,530.30 |
| Keiser Supply Co | Keiser, Ark | 86,310 | 180,633.68 | Leonard Sitzer | Weiner, Ark | 25,854 | 54,293.73 |
| Armorel Planting Co | Armorel, Ark | 57,363 | 120,462.89 | Middletown Mills, Robert Garrett. | Burlington, Iowa | 24,114 | 50,398.26 |
| R. A. Pickens & Son, Co | Pickens, Ark | 50,727 | 106,526.70 | | | | |
| Craighead Rice Milling Co | Jonesboro, Ark | 50,153 | 105,320.46 | E. B. Gee | Blythville, Ark.[2] | 145,906 | 307,322.61 |
| D. F. Portis | Lepanto, Ark | 49,609 | 103,944.87 | Story Farms, Inc | Wolf, Mo | 33,196 | 69,893.92 |
| Lee Wilson & Co | Wilson, Ark | 45,403 | 95,346.34 | E. E. Jolly | Catron, Mo | 33,295 | 68,920.65 |
| Vance M. Thompson | McCrory, Ark | 36,874 | 77,436.01 | Hunter Land, Inc | Bell City, Mo | 27,984 | 57,926.84 |
| C. G. Morgan | Hughes, Ark | 34,818 | 71,725.08 | J. V. Conran et al | Conran, Mo | 27,251 | 56,409.57 |
| Carlson Bros | Marion, Ark | 32,057 | 66,037.42 | Ed Marshall & Son | Charleston, Mo | 26,864 | 55,608.48 |
| Jack Hale | Armorel, Ark | 27,113 | 55,717.21 | | | | |

### WHEAT

[Bushels]

| Producer | Address | Quantity pledged | Amount | Producer | Address | Quantity pledged | Amount |
|---|---|---|---|---|---|---|---|
| John F. Nutt et al | Elroy, Ariz | 74,221 | $103,909.12 | B. L. Davis Ranch, Inc | Adams, Oreg | 38,472 | $67,242.28 |
| Vista del Llano Farms et al | Firebaugh, Calif | 68,330 | 143,141.19 | Coppinging & Son | Echo, Oreg | 37,566 | 61,608.78 |
| Raymond Castanchoa et al | McFarland, Calif | 43,906 | 91,104.81 | Key Bros | Milton Freewater, Oreg | 35,158 | 61,420.91 |
| Blas Gorrindo, Sr., et al | Lancaster, Calif | 41,540 | 81,833.80 | A. C. Lindsay | Lexington, Oreg | 31,101 | 59,886.27 |
| J. G. Boswell Co | Los Angeles, Calif | 38,341 | 74,360.18 | John Proudfoot and L. Gorger | Ione, Oreg | 32,720 | 59,550.40 |
| Redfern Ranches | Dos Palos, Calif | 30,431 | 64,818.02 | O. W. Cutsforth | Heppner, Oreg | 32,112 | 58,560.30 |
| Giffin, Inc., et al | Huron, Calif | 32,542 | 63,131.48 | Flassenroot & Gilbert | Pendleton, Oreg | 35,005 | 57,312.17 |
| Frank Lamb et al | Meridan, Calif | 27,466 | 58,462.44 | G. S. Glen Thorne | do | 34,254 | 56,176.86 |
| Hammonds Ranch, Inc | Firebaugh, Calif | 27,136 | 57,798.96 | F. L. Watkins et al | Wasco, Oreg | 30,029 | 55,318.09 |
| Employees Enterprise, Inc | Huron, Calif | 31,201 | 56,500.18 | Archie Harris | Touchet, Oreg | 29,884 | 52,595.84 |
| J. R. Hammonds Estates et al | Firebaugh, Calif | 25,610 | 54,548.03 | Roy Howard & Sons | Milton Freewater, Oreg | 31,708 | 51,993.70 |
| J. H. Monaghan | Derby, Colo | 103,253 | 181,066.22 | Cross Ranch | Pendleton, Oreg | 28,946 | 50,655.50 |
| Sprague Bros | Holyoke, Colo | 52,865 | 87,478.40 | McCormmach Bros | do | 30,628 | 50,229.25 |
| Iron Mueller, Inc., of Colorado | Bird City, Kans.[3] | 44,625 | 80,771.25 | V. J. Asmussen | Agar, S. Dak | 48,397 | 88,994.20 |
| C. V. Cogburn | Walsh, Colo | 42,853 | 76,506.70 | Dennis L. Anderson | Onida, S. Dak | 27,433 | 51,299.71 |
| Ben Gay | Brush, Colo | 33,649 | 60,231.71 | J. T. Waggoner trust estate | Vernon, Tex | 182,599 | 321,795.00 |
| Rooney Farms | Garden City, Kans.[3] | 27,388 | 59,458.05 | Perrin, Perrin & Freeman | Hereford, Tex | 95,909 | 165,593.82 |
| Delford L. Bowman | Wray, Colo | 31,157 | 55,147.89 | J. W. Huff | Dumas, Tex | 65,153 | 112,263.73 |
| Tom Bradbury | Littleton, Colo | 31,235 | 54,661.25 | Ware Farms | Dimmitt, Tex | 46,040 | 78,267.44 |
| Bernard Neill et al | Springfield, Colo | 31,047 | 54,642.72 | Pan Tech Farms | Panhandle, Tex | 40,991 | 77,062.76 |
| Iler P. Anderson & Sons | Genoa, Colo | 29,071 | 50,874.25 | T. C. Harvey, Jr | Gruver, Tex | 40,219 | 75,209.53 |
| W. T. Wagner & Sons | Lewiston, Idaho | 49,493 | 77,559.84 | Thomas L. Moran | Dumas, Tex | 41,567 | 70,192.58 |
| Lenard Schritter | Aberdeen, Idaho | 34,044 | 61,901.20 | Price & Price | Stratford, Tex | 37,321 | 62,698.73 |
| Albert Frahm | Colby, Kans | 54,068 | 97,322.40 | H. H. Hogue | Dalhart, Tex | 36,954 | 61,713.18 |
| Ellsworth Sherman | Garden City, Kans | 52,676 | 95,343.56 | Delmar Durrett | Amarillo, Tex | 32,158 | 58,609.82 |
| Wycoff Bros | Russell Springs, Kans | 41,358 | 74,857.98 | W. T. Smoot | do | 32,998 | 58,136.02 |
| Theis Co | Dodge City, Kans | 41,442 | 71,723.20 | R. H. Holland | Perryton, Tex | 31,379 | 53,657.53 |
| Carl N. Brollier | Moscow, Kans | 38,395 | 68,343.10 | J. R. Stump | Waka, Tex | 24,481 | 52,611.48 |
| Jessie Johns et al | Johnson, Kans | 38,000 | 67,712.20 | Conrad Williams | Goodland, Tex | 27,125 | 51,840.45 |
| Burkham & Glenn | do | 35,238 | 62,723.64 | Thomas L. Moran | Dumas, Tex | 30,000 | 51,300.00 |
| Wilber White | Goodland, Kans | 31,360 | 56,243.74 | Jap. Wilson & Sons | Claude, Tex | 26,742 | 50,542.41 |
| Harold W. Frasier | Sharon Springs, Kans | 30,347 | 54,013.50 | Horrigan Farms et al | Prosser, Wash | 92,249 | 161,894.49 |
| Winter Bros | Dodge City, Kans | 28,244 | 51,121.64 | B. Everett Phillips | Lind, Wash | 69,099 | 117,468.15 |
| Campbell Farming Corp | Hardin, Mont | 321,916 | 515,265.20 | Virgil J. Feezell | Mabton, Wash | 66,002 | 115,798.20 |
| Sheffels Farms, Inc | Great Falls, Mont | 64,784 | 104,063.02 | Edgar W. Smith et al | Lancaster, Wash | 63,859 | 107,849.90 |
| E. G. Onstad | Carter, Mont | 55,928 | 89,720.21 | Tompkins & Sons | Walla Walla, Wash | 62,536 | 106,312.37 |
| V. R. Cazier & Sons | Toston, Mont | 55,622 | 86,875.99 | E. C. Staley | Pullman, Wash | 60,610 | 101,754.81 |
| Warren Swenson | Cut Bank, Mont | 51,551 | 82,481.60 | Cecil R. Anderson | Walla Walla, Wash | 53,425 | 87,175.57 |
| Floyd Warren, Inc | Hardin, Mont | 44,915 | 72,635.59 | J. G. Peyton Trust et al | Sprague, Wash | 51,547 | 86,482.71 |
| McNutt Bros | Eugene, Oreg.[4] | 43,087 | 68,951.20 | John R. Rea et al | Touchet, Wash | 47,277 | 82,734.75 |
| LeRoy H. Anderson | Conrad, Mont | 42,831 | 68,608.91 | A. L. Ferrell et al | Pomeroy, Wash | 43,593 | 71,056.31 |
| Walter Banka & Sons | do | 38,380 | 61,490.16 | Don Damon | Spokane, Wash | 41,407 | 69,978.00 |
| Hunsaker Bros | Toston, Mont | 38,128 | 60,785.26 | Adolph Timm et al | Harrington, Wash | 42,792 | 67,610.68 |
| Milford Colony, Inc | Augusta, Mont | 34,942 | 55,907.20 | Redman Lasater | Prescott, Wash | 40,418 | 66,690.41 |
| Sylvia E. Gruel et al | Great Falls, Mont | 32,554 | 52,086.40 | Carl Boyd | Pullman, Wash | 38,725 | 65,283.60 |
| Math. Thieltges | Chester, Mont | 32,292 | 51,732.03 | Higginbotham Bros | Hartline, Wash | 39,083 | 62,141.25 |
| Morrison & Quirk | Harvard, Nebr | 40,000 | 75,800.00 | Dwayne Blankenship | Washtucna, Wash | 36,489 | 61,724.63 |
| H. B. Wellnitz | Rushville, Nebr | 29,332 | 52,210.96 | J. E. Hair | Walla Walla, Wash | 34,005 | 59,508.75 |
| John Garrett, Jr | Clovis, N. Mex | 45,000 | 82,350.00 | Guy Travis | Prosser, Wash | 32,190 | 58,382.30 |
| E. E. Dilse | Scranton, N. Dak | 54,822 | 96,266.72 | S.T.S. Farms | Walla Walla, Wash | 35,527 | 58,096.37 |
| L. E. Tibert et al | Voss, N. Dak | 33,646 | 63,254.48 | Roger Moore | Connell, Wash | 35,730 | 58,017.27 |
| John D. Kirschmann | Lemmon, N. Dak | 32,247 | 58,367.07 | Owes & Belsby | Amber, Wash | 33,622 | 56,148.74 |
| Walter M. Anderson | Turpin, Okla | 35,784 | 67,894.86 | Horrigan Investment Co | Phoenix, Ariz.[5] | 30,952 | 55,404.08 |
| Kasmos & Georgearas | Helix, Oreg | 93,430 | 153,169.41 | Ralph A. Gering et al | Ritzville, Wash | 35,000 | 55,159.08 |
| Ralph Crum | Ione, Oreg | 54,970 | 92,709.63 | Merlin Phillips | Walla Walla, Wash | 30,758 | 53,826.50 |
| Bafus & Sons | Cecil, Oreg | 42,914 | 83,253.47 | Engdahl Ranches | Pendleton, Oreg.[5] | 33,769 | 53,354.75 |
| McCanse, Graham & Kaufman. | North Powder, Oreg | 47,365 | 73,962.53 | T. & T. Ranch | Pomeroy, Wash | 31,281 | 51,300.27 |
| | | | | Philip Hoffman et al | Eureka, Wash | 30,819 | 50,235.33 |
| Charles Carlson | Ione, Oreg | 39,733 | 72,535.42 | | | | |

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[2] Loan was made on soybeans grown in Missouri.
[3] Loan was made on wheat grown in Colorado.
[4] Loan was made on wheat grown in Montana.
[5] Loan was made on wheat grown in Washington.

Source: U.S. Department of Agriculture, Commodity Credit Corporation.

**At this point I include in the Congressional Record some evidence of efforts I have made in the past to obtain certain information about grain:**

STATEMENT OF MR. BECKWORTH

Mr. Speaker, I herewith enclose letters that indicate certain information is not available:

TENNESSEE ASC STATE OFFICE,
*Nashville, Tenn., April 11, 1961.*
Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: We are enclosing herewith tabulations showing participation in the Commodity Credit Corporation loan programs for the years 1958, 1959, and 1960 for barley, corn, grain sorghum, oats, rye, soybeans, and wheat as requested in your letter of March 27, 1961.

We regret that information is not available to us which would show how many of these producers secured loans on more than one commodity. We hope that this information will be satisfactory and will meet your needs.

Very truly yours,
CARL FRY,
*Chairman, ASC State Committee.*

*Tennessee*

PARTICIPATION IN THE 1958 CCC LOAN PROGRAM

| Commodity | Number producers participated | Amount loaned |
|---|---|---|
| Barley | 0 | 0 |
| Corn | 58 | $178,552 |
| Grain sorghum | 4 | 1,692 |
| Oats | 1 | 1,417 |
| Rye | 0 | 0 |
| Soybeans | 1,589 | 2,078,439 |
| Wheat | 166 | 194,001 |

PARTICIPATION IN THE 1959 CCC LOAN PROGRAM

| Commodity | Number producers participated | Amount loaned |
|---|---|---|
| Barley | 0 | 0 |
| Corn | 113 | $38,346 |
| Grain sorghum | 1 | 1,011 |
| Oats | 0 | 0 |
| Rye | 0 | 0 |
| Soybeans | 188 | 410,613 |
| Wheat | 370 | 481,688 |

PARTICIPATION IN THE 1960 CCC LOAN PROGRAM

| Commodity | Number producers participated | Amount loaned |
|---|---|---|
| Barley | 1 | $855 |
| Corn | 60 | 138,280 |
| Grain sorghum | 1 | 1,040 |
| Oats | 0 | 0 |
| Rye | 0 | 0 |
| Soybeans | 32 | 79,282 |
| Wheat | 213 | 336,272 |

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U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION COMMITTEE,
*Syracuse, N.Y., April 14, 1961.*
Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: Enclosed is the information requested concerning Commodity Credit Corporation loans made in New York State for 1958, 1959, and 1960 for barley, corn, grain sorghums, oats, rye, soybeans, and wheat.

You will note that wheat and corn are the important commodities in the State participating in Commodity Credit loan programs.

Without considerable research in county offices we are unable to answer your last question in regard to the number of farmers having two or more of these crops under loan. However, we feel sure the number of these cases would be very small in our State. If further information is needed, please let us know.

BRYAN LEONARD,
*State Administrative Officer for the New York ASC State Committee.*

| Commodity | Year | Producers participating | Total loaned |
|---|---|---|---|
| Barley | 1958 | 21 | $16,711 |
| | 1959 | 3 | 2,174 |
| | 1960 | 1 | 885 |
| Corn | 1958 | 134 | 157,917 |
| | 1959 | 180 | 266,188 |
| | 1960 | 132 | 169,128 |
| Grain sorghums: None. | | | |
| Oats | 1958 | 67 | 44,770 |
| | 1959 | 26 | 23,213 |
| | 1960 | 38 | 41,067 |
| Rye | 1958 | 16 | 10,927 |
| | 1959 | 2 | 1,185 |
| | 1960 | ---------- | ---------- |
| Soybeans | 1958 | ---------- | ---------- |
| | 1959 | 1 | 1,420 |
| | 1960 | ---------- | ---------- |
| Wheat | 1958 | 1,180 | 1,999,051 |
| | 1959 | 989 | 1,564,303 |
| | 1960 | 1,027 | 1,605,188 |

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U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION COMMITTEE,
*Columbia, Mo., April 11, 1961.*
Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: This acknowledges your letter of March 27, 1961, requesting information on the participation in Commodity Credit Corporation loan programs for the years 1958, 1959, and 1960. We regret the delay in our reply which was occasioned by your letter having been inadvertently forwarded to the director of extension at the University of Missouri.

For your information we attach a listing showing the number of loans and the total amount loaned for each of the years and commodities requested. However, we regret that we are unable to furnish specific information regarding the number of farmers who participated in two, three, and four of these programs, respectively. Our accounting records are not maintained on an individual name basis and therefore, it would be virtually impossible for us to assemble this information. Our experience with these programs would, however, enable us to estimate that 30 percent of the producers participated in two programs, 10 percent participated in three programs, and no more than 2 percent participated in four programs in each of the years 1958, 1959, and 1960.

We hope this information is what you desire; if we can be of any further assistance, please do not hesitate to contact us.

Sincerely yours,
CLAUDE BOWLES,
*State Administrative Officer.*

| | 1960 | | 1959 | | 1958 | |
|---|---|---|---|---|---|---|
| | Number of loans | Loan value | Number of loans | Loan value | Number of loans | Loan value |
| Barley | 31 | $26,720 | 27 | $23,193 | 127 | $104,935 |
| Corn | 10,923 | 23,836,996 | 13,122 | 27,935,857 | 5,884 | 13,117,597 |
| Grain sorghums | 1,617 | 1,790,984 | 1,364 | 1,860,116 | 6,881 | 8,410,186 |
| Oats | 24 | 12,422 | 24 | 12,951 | 83 | 58,982 |
| Rye | 7 | 3,456 | 6 | 1,836 | 19 | 15,524 |
| Soybeans | 2,065 | 4,072,977 | 3,858 | 7,497,077 | 9,539 | 20,316,496 |
| Wheat | 8,986 | 12,585,026 | 11,732 | 15,941,334 | 11,175 | 15,822,644 |
| Total | 23,653 | 42,328,581 | 30,133 | 53,272,004 | 33,708 | 57,846,364 |

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U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION COMMITTEE,
*College Station, Tex., April 11, 1961.*
Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: In compliance with the request contained in your letter dated March 27, 1961, listed below are the number of loans disbursed in Texas on 1958-, 1959-, and 1960-crop barley, corn, grain sorghums, oats, rye, soybeans, and wheat. Also listed are the quantities of these commodities placed under loan and the amounts of loans disbursed:

1958 CROP YEAR

| Commodity | Number of loans | Quantity under loans | Amount of loans |
|---|---|---|---|
| Barley | 2,094 | [1] 2,285,544 | $2,156,090 |
| Corn | 26 | [1] 63,331 | 69,279 |
| Grain sorghums | 43,320 | [2] 66,598,679 | 123,656,913 |
| Oats | 5,695 | [1] 8,882,504 | 5,961,075 |
| Rye | 62 | [1] 50,227 | 48,621 |
| Soybeans | 973 | [1] 673,621 | 1,322,033 |
| Wheat | 20,027 | [1] 43,480,461 | 80,676,289 |

1959 CROP YEAR

| Commodity | Number of loans | Quantity under loans | Amount of loans |
|---|---|---|---|
| Barley | 33 | [1] 51,658 | $38,891 |
| Corn | 68 | [1] 136,786 | 163,019 |
| Grain sorghums | 16,308 | [2] 36,222,198 | 214,392 |
| Oats | 124 | [1] 195,967 | 113,217 |
| Soybeans | 19 | [1] 38,724 | 68,997 |
| Wheat | 5,532 | [1] 13,133,890 | 23,345,608 |

1960 CROP YEAR

| Commodity | Number of loans | Quantity under loans | Amount of loans |
|---|---|---|---|
| Barley | 159 | [1] 261,119 | $191,213 |
| Corn | 44 | [1] 76,694 | 87,528 |
| Grain sorghums | 21,969 | [2] 53,717,358 | 83,362,873 |
| Oats | 217 | [1] 464,884 | 269,642 |
| Soybeans | 20 | [1] 33,202 | 58,132 |
| Wheat | 10,185 | [1] 29,764,335 | 53,383,820 |

[1] Bushels.
[2] Hundredweight.

We do not have a record of the number of producers who participated in the price support program, as distinguished from the number of loans disbursed, or the number who obtained loans on more than one commodity. However, it is hoped that the above information will serve your purpose.

If additional information relative to the price support program is desired or if I can be of further service to you, please advise.

Very truly yours.
JACK BRADSHAW,
*Acting State Administrative Officer.*

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Mr. Speaker, I herewith enclose statements that indicate the availability of information:

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION COMMITTEE,
*College Park, Md., April 19, 1691.*
Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: Since furnishing the information pertaining to Maryland participation in price-support programs for transmittal to you by Dr. Nystrom, we have received a letter from our area director on this subject, a copy of which is enclosed, and which we believe will be self-explanatory. However, if the Department in Washington should be unable to furnish the information you desire, please let us know.

We are returning the letter from Dr. Nystrom, together with attachments, as you requested in your note.

Sincerely yours,
DUDLEY C. AIST,
*Administrative Officer, Maryland ASC State Office.*

Cooperative Extension Work in Agriculture and Home Economics, State of Maryland,
*College Park, Md., April 13, 1961.*

Hon. Lindley Beckworth,
*House of Representatives,*
*Washington, D.C.*

Dear Congressman Beckworth: I have your thermafax copy of letter addressed to directors concerning grain producers.

I am attaching a copy of letter with attached data received from Mr. Dudley C. Aist, of the Maryland ASC State office. I hope this gives you the information you need. If it does not, I shall be glad to have you write me further.

Very truly yours,
Paul E. Nystrom, *Director.*

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U.S. Department of Agriculture, Commodity Stabilization Service,
*Washington, D.C., April 12, 1961.*

To: State administrative officers, northeast area.
From: Harris W. Soul, director, northeast area.
Subject: Requests for grain crop loan information.

It has come to our attention that Congressman Beckworth recently asked a number of States for information about grain crop loans in the past 3 years.

The information desired can be furnished by the Department in Washington so it will not be necessary for you to furnish it county by county.

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College Park, Md., *April 11, 1961.*

Dr. Paul E. Nystrom,
*Director of Extension, Agriculture,*
*University of Maryland,*
*College Park, Md.*

Dear Dr. Nystrom: Attached is a tabulation which will give most of the information requested in Representative Beckworth's letter of March 27. The answers to the questions in the final paragraph of Representative Beckworth's letter could be obtained only by conducting a survey in each county in the State in which there was loan activity in any of the past 3 years.

Due to the urgency of the work in counties on the new feed grain program it would be very difficult to conduct such a survey at this time, however, if he should still wish to get these figures we will conduct the survey and furnish the results to him after the feed grain program has gotten underway. This would be in about a month or 6 weeks.

Very truly yours,
Dudley C. Aist,
*Administrative Officer,*
*Maryland ASC State Office.*

*Participation in commodity loan programs in Maryland*

| | 1958 | | 1959 | | 1960 | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| Barley | ---------- | None | ---------- | None | 1 | $7,175 |
| Corn | 53 | $139,547 | 101 | $278,581 | 88 | 316,545 |
| Grain sorghum | ---------- | None | ---------- | None | ---------- | None |
| Oats | ---------- | None | ---------- | None | ---------- | None |
| Rye | ---------- | None | ---------- | None | ---------- | None |
| Soybeans | 4 | 6,826 | ---------- | None | ---------- | None |
| Wheat | 467 | 671,555 | 176 | 315,146 | 216 | 455,104 |

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Cooperative Extension Work in Agriculture and Home Economics, State of South Carolina,
*Clemson, S.C., April 19, 1961.*

Hon. Lindley Beckworth,
*Congress of the United States,*
*Washington, D.C.*

Dear Congressman Beckworth: Your request for information dated March 27, 1961, on participation of farmers in this State in the Commodity Credit Corporation loan program for several commodities, was referred to Mr. A. R. Crawford, acting State administrative officer, U.S. Department of Agriculture, Agricultural Stabilization and Conservation Committee, Columbia, S.C. Mr. Crawford advised me on the subject as follows:

"We have taken no action to obtain the information requested by Congressman Beckworth, since we have just received a letter from our Washington office advising that the information sought by the Congressman covers a number of States and will be furnished at the Washington level."

I trust that you have received through the Washington office of U.S. Department of Agriculture the information you desire.

Sincerely yours,
Geo. B. Nutt, *Director.*

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Congress of the United States,
House of Representatives,
*Washington, D.C., April 20, 1961.*

Mr. Harris W. Soule,
*Commodity Stabilization Service, U.S. Department of Agriculture, Washington, D.C.*

Dear Mr. Soule: Please note the enclosures.

I am sending you a copy of the letter dated March 27, 1961, that I sent each State Director.

Since you state specifically you can furnish the information, I want it immediately and I want all of the information for which I asked in connection with every State. Because you do state you have the information in Washington, I shall expect the information forthwith.

Please return.

Kind regards,
Lindley Beckworth.

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Congress of the United States,
House of Representatives,
*Washington, D.C., March 27, 1961.*

Dear Director: For the years 1958, 1959, and 1960 I desire the following information:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your State in each year?

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops?

For this information I shall be grateful.

Regards,
Lindley Beckworth.

Mr. Speaker, I do hope to have the information soon.

I include some letters indicating an effort on my part to obtain certain figures:

Tennessee ASCS State Office,
*Nashville, Tenn., June 13, 1962.*

Hon. Lindley Beckworth,
*Member of Congress,*
*Washington, D.C.*

Dear Mr. Beckworth: Our files show that we furnished you the information requested in your letter of March 27, 1961, by letter dated April 11, 1961, from Carl Fry, State chairman of our committee.

We now have standing instructions to refer congressional requests for program and/or administrative data to our area director in Washington since many times the information is available in Washington or could be made available in perhaps slightly different form but in a manner acceptable to the inquiring Member. It is our understanding that in such instances the Department liaison representative will contact the Congressman or Senator.

Very truly yours,
Andrew J. Smith,
*Assistant to State Committee.*

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Independence ASC County Committee,
*Batesville, Ark., June 13, 1962.*

Hon. Lindley Beckworth,
*House of Representatives,*
*Washington, D.C.*

Dear Mr. Beckworth: This is with reference to your request of June 4 for certain information regarding the Commodity Credit Corporation loan programs.

We have been advised by the State office that requests of this nature are to be referred to the southeast area director, Washington, for authority to furnish such information. As soon as a determination has been made regarding the furnishing of this information, we will advise you.

Yours very truly,
Andy F. Lacefield,
*County Office Manager.*

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Iola, Kans., *June 12, 1962.*

Lindley Beckworth,
*House of Representatives,*
*Washington, D.C.*

Dear Sir: Reference is made to your letter of June 4, 1962, requesting information on the Commodity Credit Corporation loan program.

It is my understanding that this information can be more easily secured through the Department of Agriculture there in Washington. They have these reports on file with this information already consolidated.

I feel that by your contacting them, they can more quickly provide you with this information.

Sincerely yours,
Gale D. Beck,
*Allen County Office Manager.*

LYNN COUNTY ASCS COMMITTEE,
*Tahoka, Tex., June 11, 1962.*
Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR SIR: In reference to your letter of June 4, we have very limited information relating to your inquiries. The Dallas Commodity Credit Corporation office would be a good source to compile this information as their records are kept on a statewide basis.

There were no producers participating in the CCC loan program for any of the years 1958, 1959, 1960, or 1961, in any of the following commodities: barley, oats, rice, corn, wheat, soybeans, or peanuts.

We have approximately 1,465 producers in Lynn County. It is reasonable to assume that all producers participated in the cotton loan program in each year. We do not have records indicating the total amount loaned.

Assuming that 1,465 producers would be an average number for the 4 years, we estimate that approximately 75 percent of the producers participated in the grain sorghum loan program in each of these years. Again, we do not have records indicating the total amount loaned.

We regret that we are unable to furnish you with more reliable information but, we hope that this will be of some value to you.

Sincerely yours,
CHARLES G. BRAGG,
*Office Manager.*

## THE HONORABLE ABRAHAM J. MULTER HONORED

**Mr. HAGAN of Georgia.** Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CELLER. Mr. Speaker, on May 27, 1962, at the Waldorf Astoria in New York, the Union of American Hebrew Congregations, representing about 650 reform congregations of the United States, honored our distinguished colleague from New York, ABRAHAM J. MULTER, with its American Judaism Award.

Laudatory messages were received from President John F. Kennedy, Vice President Lyndon B. Johnson, Speaker John W. McCormack, and a host of other friends too many to mention. Senator Herbert H. Lehman and Mayor Robert F. Wagner were the honorary chairmen.

In addition to the many distinguished men and women in the audience, the dais was graced by such outstanding personalities as U.S. Attorney for the Southern District of New York Robert Morganthau; Majority Leader of the New York State Senate Walter J. Mahoney; Ranking Minority Member of the State Senate Banking Committee Samuel L. Greenberg; New York State Regional Director of the Small Business Administration Charles H. Kriger; and such prominent members of the New York business community as George Textor, O. Roy Chalk, and Morris A. Schapiro who was cochairman of the function. The chairman and toastmaster was my dear friend and longtime public servant, Aaron L. Jacoby. Judge Emil N. Baar and Dr. Maurice N. Eisendrath, chairman of the board of trustees and president, respectively, of the Union of American Hebrew Congregations, extended greetings. Industrialist Jack Davis presented the plaque, which read as follows:

AMERICAN JUDAISM AWARD

Presented with admiration and esteem to

Hon. ABRAHAM J. MULTER

by the

Combined Campaign for American Reform Judaism and Its Beneficiary Institutions

The Union of American Hebrew Congregations, the Hebrew Union College—Jewish Institute of Religion

In appreciation and recognition of Congressman MULTER's 40 years of consecrated services for the betterment of his city, State, and Nation, the strengthening of the American Jewish community, and the advancement and perpetuation of American Judaism.

Let all men know that out of the work of his hands and from the radiance of his spirit there rose a new light to illuminate the prophet's dictum: "Do justly, love mercy, walk humbly with thy God."

First American Judaism Award dinner, Sunday, May 27, 1962, Waldorf Astoria, New York.

The principal address of the evening was delivered by U.S. Comptroller of the Currency James L. Saxon. His address is of tremendous interest and follows:

Mr. Toastmaster, distinguished guests, and friends, it is a signal honor to join this distinguished gathering on the occasion of the first American Judaism award dinner, and to share in this tribute to the gentleman from New York, Representative MULTER.

The combined campaign of the Union of American Hebrew Congregations and the Hebrew Union College-Jewish Institute of Religion, which is sponsoring this award, reflects the highest traditions of our free society. Its work in sustaining and furthering religious education in our country serves for all our citizens a vital and essential function in a land which is proud of its achievements in religious freedom. Surely no group in American life seeks more selflessly and spiritually to meet and resolve the issues of our times. Nor does any group in our society work more devotedly toward the creation of a better society for all men under God.

Like many of you, I have had the privilege of knowing and working with Mr. MULTER for many years.

The invitation for this function refers to 40 years of community service by our guest. Actually the period is closer to 50 years.

Few people know that when he was still attending high school he was teaching Sunday school classes in a Reform temple in Coney Island.

He was not yet 21 years of age when he was elected a director of his local Democratic club.

When he was elected president of the Young Men's Hebrew Association he took postgraduate courses at Columbia University in order to better prepare him for that kind of community service.

He has not only been a guest speaker all over the United States and Canada, but has occupied platforms and pulpits in as far away places as the Dominican Republic, Japan, and Australia.

The CONGRESSIONAL RECORD reflects his services on behalf of his coreligionists in Spain. As the result of his representations personally made to the Government of Spain, synagogues in that country have written permits to conduct religious services and the Jews are allowed to inter their dead in accordance with their religious traditions.

Those who have read Ambassador McDonald's book know how he was flown out of Israel in 1948 by United Nations plane so that he could personally deliver to President Truman in Oklahoma City messages entrusted to him by Ambassador McDonald, United Nations Delegate Ralph Bunche, and U.S. Marine Corps General Riley. The time he spent with President Truman, from midnight until 2 a.m. one morning on this subject probably did more than anything else to prompt President Truman to ignore the pressures upon him to rescind his recognition of the new State of Israel.

It was his bill that revised and modernized the Federal Credit Union Act 25 years after its first enactment.

Most people interested in the financial institutions of our country know of his work in connection with the enactment of important bank legislation of every type.

Not only is he thoroughly familiar with the work of each of the four congressional committees on which he serves but he probably knows more about pending legislation than even the Rules Committee itself because as the Democratic whip for the New York State delegation he must be thoroughly familiar not only with all bills which go to the floor via the Rules Committee but must be just as familiar with bills emanating from the three House committees which are privileged for floor action without going to the Rules Committee.

A gifted, articulate, industrious, and scholarly man, he has well earned the station of great distinction he occupies in the National Congress. Congressman MULTER has never hesitated to take new ground on the social, economic, and financial horizons, when the betterment of our people, and of our national, economic, and financial institutions justified such a course. Many examples of his forward-looking viewpoint could be cited, a most recent illustration being his part in the legislation authorizing the creation of the now popular Small Business Investment Companies. One of the truly masterful presentations made in recent years on the floor of the House of Representatives was his management of the bill amending the law relating to reserve requirements of member banks of the Federal Reserve System.

His has been a leading role for years in the development of congressional policy relating to national and international governmental financial institutions, such as the World Bank, the International Monetary Fund, the Inter-American Development Bank, the Export-Import Bank, and the International Development Association.

A list of the activities reflecting his leadership in the Congress is lengthy. What I have here stated is sufficient to indicate the breadth and depth of his vision and perception of the national and international role of the United States today. It is indeed a well deserved tribute which we accord here tonight to this great American.

### ETHICS IN BANKING AND BUSINESS

It is appropriate, on the occasion of this tribute to Mr. MULTER by religious leaders, that we should examine a problem which lies at the point at which our lay and religious lives meet—the problem of ethics in banking and business.

The term "ethics," like the word "weather," frequently recurs in daily speech and is understood generally by all who hear it. But like "weather," it is difficult to define to the satisfaction of everyone. In its broadest scope "ethics" refers to a philosophical, rather than to a theological, treatment of moral issues. It will serve our purpose here if we understand ethics to mean the scientific study of right and wrong in human conduct as determined by reference to natural reason.

The meaning of this term as applied to the conduct of bankers and businessmen—and also to labor leaders—in a private enterprise economy such as our own, is today a matter of most urgent concern to us all. What is ethical depends upon what a man ought to do in any situation in which he finds himself; and this in turn depends upon the roles he must play in society as a free willing person, as a citizen of the State, and as a leader in the socioeconomic area.

The problems of ethics which businessmen of today face—and share with leaders in government and labor—are real problems demanding positive solutions. Since the problems of today have emerged from our dynamically changing social order, their solution cannot be found in a philosophy of ethics limited to maintaining the status quo of yesteryear. New problems require new solutions. It is the responsibility of businessmen—as it is for us all—to search for genuine solutions to these problems.

So that we may see the true scope of these modern ethical problems and the responsibility of today's man of affairs in relation to them, may we take a long look backward at the historical developments that brought us to the problems of the present.

At the time our Nation was founded, much of what is now described as the Western World was in the throes of the industrial revolution, and a pervasive upheaval was taking place in the then traditional roles of government and of private enterprise. That was the era in which the power of the state and of the guilds was weakening, and greater scope was developing for the exercise of independent private initiative to take advantage of the many opportunities which were opening up to apply rapidly advancing technology and to serve expanding markets. In our own country these forces were furthered and greatly strengthened by opposition to royal power, and by the presence of the vast unexplored potentials of a pioneering nation.

In the realm of ideas, there was developing at that time a basic economic philosophy which supported the view that the social interest could be served to best advantage if much more extensive reliance was placed upon private initiative based upon private incentives in making use of a nation's productive resources. Thus, in the early critical phases of our Nation's history, the concepts of a private enterprise system as we have known them were coming to their full fruition throughout the world of which we were a part. These concepts saw their most intensive development here because we were less influenced by the traditional past, and were more responsive to the new ideas which were then emerging. The environment in this country, moreover, was highly conducive to the new thought that reliance should be placed more fully upon the genius of the individual and his personal motivations in the sphere of economic activity.

In the nearly two centuries which have passed since that time, deep-seated changes have taken place in the role of the individual in our economy. We stand today at a significant crossroad in the development of new social concepts. While the changes which have taken place in the field of banking differ somewhat from those that have occurred within other segments of our economy, they are basically similar. In the economy as a whole there were at least three distinguishable stages of development which brought us to our present position.

In the first stage—roughly from the founding of our Republic to the end of the Reconstruction period—when new technologies were being placed in use, when capital was flowing in from abroad to develop these opportunities, and when the vast regions of our West were being settled, the scope for the exercise of private initiative was subjected only to the most rudimentary controls by Government. Enterprises were generally small in size, the opportunities for the venturesome were almost unlimited, and there was little concentration of population in urban communities. Those who were dissatisfied with their role in the economic scene could escape and seek a new outlet for their energies at the frontier. A large portion of the population was significantly self-sufficient in the sense that they relied only to a relatively minor extent on their capacity to vend their goods or services as a means of earning a living.

At the second stage—the last two decades of the 19th century and the first two of the 20th—we began to experience the problems which are uppermost today. While there remained a frontier in the sense of opportunity, the Western frontier with its scope for individual initiative was largely gone. Further advances in technology, the growth of capital, improved transportation and communication facilities, and the development of our metal and mineral resources, brought larger scale enterprises. A greater proportion of the population became dependent upon wage-employment as a means of earning a livelihood. Urban communities grew to prominence throughout the country, factory employment became more common, and our industries progressively served not only national but also international markets.

In this environment public attention was increasingly directed to the social-economic problems that flowed from the practice of the prevailing economic philosophy. As individuals grew more dependent upon wages, and in turn upon their employer's capacity to sell and market their services and products, the role of private producers and employees came under increasingly critical scrutiny by all segments of society. Doubts developed that reliance could be placed as extensively as in the past on the private bargains struck between employer and employee and between buyer and seller. There were public outcries against the power being exercised by large business enterprises, and against the treatment of workmen by their employers. There developed during this period a new philosophy of the role of Government in economic affairs. Wages and working conditions came under steady and growing public control. The acquisition of market power by industrial groups was curtailed by the antitrust statutes which were enacted to protect the general welfare of our Nation.

The third stage, in which we now stand, is one of transition. It began in the early thirties with the advent of the New Deal in the midst of a severe depression which produced much suffering not yet erased from our memories. This stage has been characterized by a growing awareness of social problems. We have witnessed legislation imposing more stringent public controls on business enterprise, laws that enhanced the power of labor groups, and statutes that provided new directions for our agricultural economy. During World War II and the Korean war we experienced some of the most intensive public controls ever imposed on business. The matter of maintaining full employment, with all that it entails in the way of public authority, became an accepted task of Government. A new Cabinet post was created for Health, Education, and Welfare. The continuing threat of external aggression, and our efforts abroad to provide military assistance and economic aid, brought new problems for our international economic relations.

In these circumstances of mounting pressures, and a new consciousness of our national needs and international obligations, there has developed in some circles an undefined dissatisfaction with the functioning of private initiative in our economy. An uneasy feeling exists that the philosophy of our past is not equal to the tasks of the present. The responsibilities which should rest upon the individual, and how he should perform them, are being questioned by many.

In the forms in which these problems appear today, they are genuinely novel. During almost all of our past history, while there was increasing public awareness of the conduct of our bankers and businessmen, the thrust of our efforts to impose limitations upon their affairs was through direct public controls. Where abuses developed, limitations were sought through publicly defined standards of conduct. In this context, what was not forbidden was permitted; and, generally speaking, bankers and businessmen were not called upon explicitly to take account of public interest considerations other than those incorporated into law.

This approach was in keeping with the philosophy which, up to that point, was generally accepted for our private enterprise system. In the terms of that philosophy, the social reliance placed upon private entrepreneurs to serve public ends rested, not upon the capacity of the individual to discern and his willingness to follow the public interest, but on the assumption that if rivalry were preserved and fostered, the public good would be served. This view justified the emphasis we placed upon maintaining private competition. Where competition was found to be insupportable or inadequate, as for example in the fields of public utilities and banking, detailed provisions for public control were enacted to safeguard the social interest. Departures from this basic philosophy were chiefly in the field of wage determinations where concerted action was made lawful within certain limits, and in the field of agriculture where only partial and intermittent controls over prices and output were undertaken within the broad context of private initiative. The efforts to maintain full employment have been principally through monetary and fiscal policies, not generally entailing direct intrusion into the decision-making processes of private industry, but relying largely upon external incentives and disincentives.

Over the past three decades, the view has grown increasingly that if our private enterprise system is to function effectively, bankers, businessmen, and labor leaders alike will have to give greater thought to the public consequences of their actions. There is more widespread acceptance of the belief that public aims cannot always be served if private individuals act only in accordance with their own interests, particularly where competition is not maintained, and, some say, even if it is maintained. Coupled with these doubts has been the view that somehow the deficiencies could be remedied without resort to extensive new public controls.

Some observers put the argument very graphically. They say that if our private enterprise system is to be sustained, business and labor will have to conduct themselves in ways which serve public needs, and not merely their own needs. Should they fail to take public considerations into account, the only feasible alternative, according to these views, would be to expand the role of Government. The growing power of large corporate complexes, and of aggregations of labor, have fostered the view that such power brings with it public responsibility. The disturbing burdens our country faces today have greatly heightened the feeling that all must contribute to the satisfaction of these needs.

The problem of accommodating private actions to public interest considerations is essentially one of defining the public interest in terms sufficiently precise to provide a reliable guide for private action. This is a task both for the individual and for Government. We must not look to the law with its sanctions to prescribe the ethics of our daily affairs in all detail. The individual—be he banker, businessman, or labor leader—has a special competence to judge the social implications of his calling and his responsibilities to the community of which he is a part. Government also has a task to perform in developing meaningful guidelines which express the social interest, and measures to insure that those who respond to ethical norms will not be unfairly handicapped in the face of unethical conduct by others.

The standard of living which the people of our country today enjoy—unmatched anywhere else in the world—is dramatic testimony to the effectiveness with which our private enterprise system has performed its tasks over the years. These well-deserved laurels should not be allowed to become a resting place for our future ambitions. Our past achievements have in no small measure been founded upon the adaptability of our private enterprise system—its sensitivity to developing needs. More than ever we shall have to sustain this unique quality. Our success in meeting the challenges we face—our skill in conforming old incentives to new requirements—will determine the future, not only of our private enterprise system, but of our free and independent society.

## FRANKING PRIVILEGE USED IN RAIDS BY ONE STATE UPON THE INDUSTRY OF ANOTHER

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. Fogarty] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I have today introduced a bill to prohibit the use of the franking privilege by Members of Congress in raids by one State upon the industry of another.

In recent weeks business firms in my State of Rhode Island have been solicited to relocate in another State with glowing statements as to the benefits which might then be enjoyed. These solicitations have been made through the medium of the U.S. mails which in itself is not improper. What is definitely a violation of propriety is that they have been mailed under the franking privilege. This means that the very people who are being assaulted, those who work in our Rhode Island industrial plants, are being forced through their taxes to subsidize the assault being made on them. This, Mr. Speaker, is a misuse of the privilege and one which in my opinion violates the spirit and intent of Congress.

It may be that this incident is not the first attempt through the use of the franking privilege to raid industry of another State. It is, however, the first such attempt against the State of Rhode Island which has come to my attention and I have no intention of letting it pass unnoticed. Specious explanations as to the innocent nature of such approaches leave me cold. The purpose and hoped-for end result is plain to see. The intent is to pirate the industrial gains of one State by another and I submit, Mr. Speaker, that this Congress must not permit such circumstances to continue.

It is for this reason that I have decided to introduce legislation preventing such practices from enjoying the economic advantage of the franking privilege. The bill I have proposed is a simple one. It provides that the privilege shall not be held or considered to authorize the sending in the mail, as franked mail, of any matter which directly or indirectly advocates, requests, or otherwise solicits in any manner the transfer from one State to another State of any business enterprise or business operation.

Mr. Speaker, there can be no reasonable objection to this bill. I urge the support of all my colleagues for it. Who knows just which States will next be the subject of a similar attack?

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Frelinghuysen (at the request of Mr. Rhodes of Arizona), through June 23, on account of death in the family.

Mr. Horan (at the request of Mr. Arends), for the balance of this week, on account of hospitalization.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Ellsworth, for 2 hours, on June 28.

Mr. Halpern, for 15 minutes, on June 20.

Mr. Beckworth, for 20 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Lane and to include extraneous matter.

(The following Members (at the request of Mr. Derwinski) and to include extraneous matter:)

Mr. Cunningham.

Mr. Jensen and to include extraneous matter in his remarks made in the Committee of the Whole.

(The following Members (at the request of Mr. Hagan of Georgia) and to include extraneous matter:)

Mr. Buckley.

Mr. Anfuso.

Mr. Celler.

Mr. Green of Pennsylvania.

Mr. Moss.

Mr. Thompson of New Jersey.

## ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes.

## SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1742. An act to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific islands in major disasters; and

S. 2893. An act to declare that certain land of the United States is held by the United States in trust for the Prairie Band of Potawatomi Indians in Kansas.

## ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 20, 1962, at 11 o'clock a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2201. A letter from the Comptroller General of the United States, transmitting a report on the review of grants awarded by the National Institutes of Health (NIH), Public Health Service, Department of Health, Education, and Welfare, to finance equipment purchases by the Roscoe B. Jackson Memorial Laboratory (JML), September 1961; to the Committee on Government Operations.

2202. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 26, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the reports on the Carter Lake, Iowa and Nebr., requested by a resolution of the Committee on Public Works, House of Representatives, adopted June 17, 1958; to the Committee on Public Works.

2203. A communication from the President of the United States, relative to furnishing certain information relating to the budget for 1963, which carried an estimate of receipts in excess of expenditures for the Veterans' Administration, loan guarantee revolving funds, of $156,250,000 (H. Doc. No. 443); to the Committee on Appropriations and ordered to be printed.

2204. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to authorize certain expenses in the government of the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

2205. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives, pursuant to section 1(d) of the act of July 21, 1961 (75 Stat. 216), and submitted to the Speaker of the House of Representatives, pursuant to rule XL of the Rules of the House of Representatives; to the Committee on Science and Astronautics.

2206. A letter from the Attorney General, transmitting a report relative to the awarding of Young American Medals for Bravery and Service for 1960, pursuant to the act of August 3, 1950 (64 Stat. 397–398); to the Committee on the Judiciary.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIS: Committee on the Judiciary. H.R. 11846. A bill to amend the provisions of title 18 of the United States Code relating to offenses committed in Indian country; without amendment (Rept. No. 1838). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. H.R. 11500. A bill to extend the Defense Production Act of 1950, as amended, and for other purposes; with amendment (Rept. No. 1839). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 1264. An act for the relief of Capt. Dale Frazier; with amendment (Rept. No. 1840). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 690. Resolution providing for sending the bill (H.R. 7618) authorizing the payment of certain moneys to N. M. Bentley in settlement of claim against the United States, together with accompanying papers, to the Court of Claims; without amendment (Rept. No. 1841). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 1660. A bill for the relief of Margaret MacPherson, Angus MacPherson, Ruth MacPherson, and Marilyn MacPherson; with amendment (Rept. No 1842). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 3134. A bill for the relief of Alvin Bardin; with amendment (Rept. No. 1843). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 4950. A bill for the relief of Carleton R. McQuown, Thomas A. Pruett, and James E. Rowles; without amendment (Rept. No. 1844). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5312. A bill for the relief of certain additional claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942; with an amendment (Rept. No. 1845). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7469. A bill for the relief of Daniel Walter Miles; with amendment (Rept. No. 1846). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8201. A bill for the relief of Sp. 5C. Curtis Melton, Jr.; with amendment (Rept. No. 1847). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9894. A bill for the relief of Loretta Shea, deceased, in full settlement of the claims of that estate; without amendment (Rept. No. 1848). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11863. A bill for the relief of Vernon J. Wiersma; without amendment (Rept. No. 1849). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOGARTY:

H.R. 12199. A bill to prohibit the sending as franked mail of solicitations for the transfer of one State to another State of business enterprises and operations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HARRIS:

H.R. 12200. A bill to amend section 6(2) of the Interstate Commerce Act to authorize the Interstate Commerce Commission to require the cancellation of any international through route or joint rate under certain circumstances; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12201. A bill to clarify certain provisions of part IV of the Interstate Commerce Act and to place transactions involving unifications or acquisitions of control of freight forwarders under the provisions of section 5 of the act; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN:

H.R. 12202. A bill to increase the jurisdiction of the municipal court for the District of Columbia in civil actions, to change the name of the court, and for other purposes; to the Committee on the District of Columbia.

By Mr. PRICE:

H.R. 12203. A bill to amend title 10, United States Code, to provide for the identification of a military airlift command as a specified command, to provide for its military mission, and to eliminate unnecessary duplication in airlift; to the Committee on Armed Services.

By Mr. RIVERS of Alaska:

H.R. 12204. A bill to amend section 303(c) of the Career Compensation Act of 1949, as amended, to authorize in the case of members of the uniformed services transportation of house trailers and mobile dwellings within Alaska and between Alaska and the 48 contiguous States; to the Committee on Armed Services.

H.R. 12205. A bill to consent to the amendment of the Pacific marine fisheries compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment; to the Committee on Merchant Marine and Fisheries.

By Mr. RYAN of New York:

H.R. 12206. A bill to protect the constitutional rights of individuals irrespective of race, creed, color, or national origin, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHERER:

H.R. 12207. A bill to amend the Internal Security Act of 1950; to the Committee on Un-American Activities.

By Mr. UTT:

H.R. 12208. A bill to amend section 4142 (relating to the definition of radio and television components) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. GREEN of Pennsylvania:

H.R. 12209. A bill to provide for the issuance of a special postage stamp to commemorate the 150th anniversary of the advent of humane treatment for the mentally ill; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 12210. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is physically or mentally incapable of caring for himself; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York (by request):

H.R. 12211. A bill to provide for the transfer to the government of the Virgin Islands of certain property of the Virgin Islands Corporation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SCHNEEBELI:

H.R. 12212. A bill to provide for the temporary suspension of the duty on cork stoppers; to the Committee on Ways and Means.

H.R. 12213. A bill to provide for the temporary suspension of the duty on corkboard insulation; to the Committee on Ways and Means.

By Mr. THOMPSON of Texas:

H.R. 12214. A bill authorizing a survey of Peytons Creek and tributaries, Texas, in the interest of flood control and allied purposes; to the Committee on Public Works.

By Mr. REIFEL:

H.R. 12215. A bill to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture.

By Mr. WIDNALL:

H. Res. 693. Resolution providing for the consideration of the bill (H.R. 11327) to provide for the District of Columbia an appointed Governor and Secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 12216. A bill to provide that Lt. Col. Henry A. Rogan shall be advanced to the grade of colonel, and for other purposes; to the Committee on Armed Services.

By Mr. BOLLING:

H.R. 12217. A bill for the relief of George Edward Leonard; to the Committee on the Judiciary.

By Mr. HALEY:

H.R. 12218. A bill for the relief of Sumiko Saito; to the Committee on the Judiciary.

By Mr. NIX:

H.R. 12219. A bill for the relief of Isolene E. F. Shakespeare; to the Committee on the Judiciary.

By Mr. RYAN of Michigan:

H.R. 12220. A bill for the relief of Miss Maria Meintassi; to the Committee on the Judiciary.

# SENATE

TUESDAY, JUNE 19, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou great companion of our pilgrim way, across all the toiling hours of this day, keep our hearts with Thee, as once more in this Chamber of governance, those who here speak and act for the Nation, face vexing national and global problems which tax them to the utmost to solve.

While they heed the judgments of those who share with them the responsibilities of statecraft, enable them by Thy sustaining grace to test all things by their own conscience and by the teachings and spirit of the one who alone is our Master.

Calm our anxieties; strengthen our every weakness; save us from paralyzing fear and embittered cynicism; and in these times that try men's souls, make us worthy of these demanding days, that cry aloud for wisdom and character.

We ask it in the dear Redeemer's name. Amen.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 18, 1962, was dispensed with.

## MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 15, 1962, the President had approved and signed the following act and joint resolution:

S. 315. An act for the relief of Dr. Ting-Wa Wong; and

S.J. Res. 198. Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment.

## EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 2186. An act for the relief of Manuel Arranz Rodriguez;

S. 2340. An act for the relief of Shunichi Aikawa;

S. 2418. An act for the relief of Elaine Rozin Recanati;

S. 2486. An act for the relief of Kim Carey (Timothy Mark Alt);

S. 2562. An act for the relief of Sally Ann Barnett;

S. 2565. An act for the relief of Michael Najeeb Metry;

S. 2895. An act to provide for the conveyance of certain lands of the Minnesota Chippewa Tribe of Indians to the Little Flower Mission of the St. Cloud Diocese; and

S. 2990. An act for the relief of Caterina Scalzo (nee LoSchiavo).

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 78) requesting the President to return to the Senate the enrolled bill, S. 1745, relating to District of Columbia schoolchildren's fares, and providing for its reenrollment with a certain change.

The message further announced that the House insisted upon its disagreement to the amendments of the Senate numbered 2, 3, 7, 11, 12, 13, 14, 15, 16, 17, and 18 to the bill (H.R. 8291) to enable the United States to participate in the assistance rendered to certain migrants and refugees; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WALTER, Mr. FEIGHAN, Mr. CHELF, Mr. POFF, and Mr. MOORE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 4012. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing for certain blind veterans who have suffered the loss or loss of use of a lower extremity;

H.R. 4592. An act to set aside certain lands in Montana for the Indians of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.;

H.R. 6145. An act to postpone for 1 year the second reduction in credits under section 3302(c)(2) of the Internal Revenue Code of 1954 (relating to reduced credits against the Federal unemployment tax) in the case of States to which such section applied for 1961;

H.R. 7278. An act to amend the act of June 5, 1952, so as to remove certain restrictions on the real property conveyed to the Territory of Hawaii by the United States under authority of such act;

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds;

H.R. 9199. An act for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf. Tng.), Fort Hamilton, Brooklyn, N.Y.;

H.R. 9243. An act to amend the Civil Functions Appropriation Act, 1952, in order to designate the reservoir created by the John H. Kerr Dam as Buggs Island Lake;

H.R. 10066. An act to amend title 38 of the United States Code to provide additional compensation for veterans suffering the loss or loss of use of both vocal cords, with resulting complete aphonia;

H.R. 10263. An act to authorize the Secretary of the Air Force to adjust the legislative jurisdiction exercised by the United States over lands within Eglin Air Force Base, Fla.;

H.R. 10265. An act to authorize the Postmaster General in his discretion to pay increased basic salary to postal field service employees for services performed before the expiration of 30 days following their assignments to duties and responsibilities of higher salary levels, and for other purposes;

H.R. 10452. An act to donate to the Devils Lake Sioux Tribe of the Fort Totten Indian Reservation, N. Dak., approximately 275.74 acres of federally owned land;

H.R. 10530. An act to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Tribe of the Pine Ridge Reservation;

H.R. 10825. An act to repeal the act of August 4, 1959 (73 Stat. 280);

H.R. 11057. An act to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina;

H.R. 11251. An act to authorize the Secretary of the Army to relinquish to the State of New Jersey jurisdiction over any lands within the Fort Hancock Military Reservation;

H.R. 11523. An act to authorize the employment without compensation from the Government of readers for blind Government employees, and for other purposes;

H.R. 11711. An act to incorporate Science Service, Inc., for the purposes indicated by Public Law 85–875;

H.R. 11735. An act authorizing the change in name of Beardstown, Ill., flood control project, to the Sid Simpson flood control project;

H.R. 11753. An act to provide for the payment of certain amounts and restoration of employment benefits to certain Government officers and employees improperly deprived thereof, and for other purposes;

H.R. 11793. An act to provide criminal penalties for trafficking in phonograph records bearing forged or counterfeit labels;

H.R. 12061. An act to extend the Renegotiation Act of 1951;

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah;

H.J. Res. 627. Joint resolution extending the duration of copyright protection in certain cases; and

H.J. Res. 717. Joint resolution designating January 1, 1963, as Emancipation Proclamation Day.

## HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H.R. 4012. An act to amend section 801 of title 38, United States Code, to provide assistance in acquiring specially adapted housing for certain blind veterans who have suffered the loss or loss of use of a lower extremity; to the Committee on Labor and Public Welfare.

H.R. 4592. An act to set aside certain lands in Montana for the Indians of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.;

H.R. 10452. An act to donate to the Devils Lake Sioux Tribe of the Fort Totten Indian Reservation, N. Dak., approximately 275.74 acres of federally owned land;

H.R. 10530. An act to declare that certain land of the United States is held by the United States in trust for the Oglala Sioux Tribe of the Pine Ridge Reservation; and

H.R. 11057. An act to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina; to the Committee on Interior and Insular Affairs.

H.R. 6145. An act to postpone for 1 year the second reduction in credits under section 3302(c)(2) of the Internal Revenue Code of 1954 (relating to reduced credits against the Federal unemployment tax) in the case of States to which such section applied for 1961;

H.R. 10066. An act to amend title 38 of the United States Code to provide additional compensation for veterans suffering the loss or loss of use of both vocal cords, with resulting complete aphonia; and

H.R. 12061. An act to extend the Renegotiation Act of 1951; to the Committee on Finance.

H.R. 7278. An act to amend the act of June 5, 1952, so as to remove certain restrictions on the real property conveyed to the territory of Hawaii by the United States under authority of such act;

H.R. 10263. An act to authorize the Secretary of the Air Force to adjust the legislative jurisdiction exercised by the United States over lands within Eglin Air Force Base, Fla.;

H.R. 10825. An act to repeal the act of August 4, 1959 (73 Stat. 280); and

H.R. 11251. An act to authorize the Secretary of the Army to relinquish to the State of New Jersey jurisdiction over any lands within the Fort Hancock Military Reservation; to the Committee on Armed Services.

H.R. 8214. An act to permit the use of certain construction tools actuated by explosive charges in construction activity on the U.S. Capitol Grounds;

H.R. 9243. An act to amend the Civil Functions Appropriation Act, 1952, in order to designate the reservoir created by the John H. Kerr Dam as Buggs Island Lake;

H.R. 11735. An act authorizing the change in name of Beardstown, Ill., flood control project, to the Sid Simpson flood control project; and

H.J. Res. 417. Joint resolution to designate the lake formed by Terminus Dam on the Kaweah River in California as Lake Kaweah; to the Committee on Public Works.

H.R. 9199. An act for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf. Tng.), Fort Hamilton, Brooklyn, N.Y.;

H.R. 11711. An act to incorporate Science Services, Inc., for the purposes indicated by Public Law 85–875;

H.R. 11793. An act to provide criminal penalties for trafficking in phonograph records bearing forged or counterfeit labels;

H.J. Res. 627. Joint resolution extending the duration of copyright protection in certain cases; and

H.J. Res. 717. Joint resolution designating January 1, 1963, as Emancipation Proclamation Day; to the Committee on the Judiciary.

H.R. 10265. An act to authorize the Postmaster General in his discretion to pay increased basic salary to postal field service employees for services performed before the expiration of 30 days following their assignments to duties and responsibilities of higher salary levels, and for other purposes;

H.R. 11523. An act to authorize the employment without compensation from the Government of readers for blind Government employees, and for other purposes; and

H.R. 11753. An act to provide for the payment of certain amounts and restoration of employment benefits to certain Government officers and employees improperly deprived thereof, and for other purposes; to the Committee on Post Office and Civil Sevice.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1742. An act to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters;

S. 2893. An act to declare that certain land of the United States is held by the United States in trust for the Prairie Band of Potowatomi Indians in Kansas; and

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes.

## LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

## COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent the Stockpiling Subcommittee of the Committee on Armed Services was authorized to meet during the session of the Senate today.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### REPORT ON REVIEW OF CERTAIN GRANTS AWARDED BY NATIONAL INSTITUTES OF HEALTH, PUBLIC HEALTH SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of grants awarded by National Institutes of Health, Public Health Service, Department of Health, Education, and Welfare to finance equipment purchases by Roscoe B. Jackson Memorial Laboratory, September 1961 (with an accompanying report); to the Committee on Government Operations.

### AUDIT REPORT ON FEDERAL HOUSING ADMINISTRATION, HOUSING AND HOME FINANCE AGENCY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Housing Administration, Housing and Home Finance Agency, fiscal year 1961 (with an accompanying report); to the Committee on Government Operations.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the U. E. Local 1111, United Electrical, Radio and Machine Workers of America, Milwaukee, Wis., relating to medical care for the aged; to the Committee on Finance.

## ONE-HUNDRETH ANNIVERSARY OF EMANCIPATION PROCLAMATION—LETTER AND RESOLUTION

Mr. JAVITS. Mr. President, in observance of the 100th anniversary of the promulgation of the Emancipation Proclamation, Governor Rockefeller has submitted to the Resolutions Committee of the Governors' Conference a resolution in which the Governors would pledge themselves to seek to translate into fuller reality the basic values upon which the Emancipation Proclamation is based.

In letters to members of the Governors' Conference, Governor Rockefeller stated:

> I feel the adoption by the Governors' Conference of this resolution * * * will be both timely and constructive.

Governor Rockefeller called attention to the fact that New York State owns the original draft of the Emancipation Proclamation in Abraham Lincoln's handwriting.

> In view of the number of requests for exhibition of this historic document in this centennial year, I am having a facsimile of the original proclamation prepared, and it would be my very great pleasure to send you a copy if you would like to have it—

Governor Rockefeller stated.

The Governors' Conference will meet at Hershey, Pa., July 1 to 4.

I ask unanimous consent that there be printed in the RECORD Governor Rockefeller's letter to members of the Governors' Conference and the draft resolution.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

JUNE 8, 1962.

DEAR GOVERNOR ———: In this year marking the 100th anniversary of the Emancipation Proclamation, the original draft of which in Abraham Lincoln's handwriting is a proud possession of the State of New York, I deem it especially appropriate to submit to the Resolutions Committee of the Governors' Conference a resolution rededicating ourselves to the fundamental American principles on which the Proclamation is based.

In view of the number of requests for exhibition of this historic document in this centennial year, I am having a facsimile of the original Proclamation prepared, and it would be my very great pleasure to send you a copy if you would like to have it.

I feel the adoption by the Governors' Conference of this resolution, a copy of which is enclosed, will be both timely and constructive.

With best wishes.

Sincerely,

NELSON A. ROCKEFELLER.

### THE 1962 GOVERNORS' CONFERENCE—RESOLUTION: CIVIL RIGHTS

Whereas this Nation, under God, was founded on and draws its sustenance from the concept of the worth of the individual and the brotherhood of man; and

Whereas this year of 1962 marks the 100th anniversary of the promulgation by President Abraham Lincoln of the Emancipation Proclamation; and

Whereas at a time when the strength and endurance of fundamental human values are being tested throughout the free world, it is appropriate and desirable to rededicate ourselves to the dignity and rights of the individual; and

Whereas human rights and individual dignity require both adequate protection through law and continuous action at every level of our society, public and private, to make these fundamental rights a living reality for our people; and

Whereas the enjoyment by the States of their full rights as sovereign entities requires the States to assume and discharge with vigor their full responsibilities not alone for the health and welfare of their people but also for the realization of their peoples' aspirations for freedom, dignity, and equal rights and opportunities as individual human beings; and

Whereas the impact of the actions of the States in this crucial area of human values has immediate significance far beyond the borders of our States in the eyes of the world; and

Whereas any discrimination based on race, creed or color, in housing, in education, in transportation, in employment, in public places of assembly or in personal services is alien to these fundamental values: Now, therefore, be it

*Resolved on the 100th anniversary of the Emancipation Proclamation,* That we Governors in conference here assembled pledge ourselves, affirmatively and positively, to seek to translate these cherished American values into fuller reality within our respective States, by executive action, where possible, through laws adopted by the State legislatures, where necessary, and by fully utilizing in the arena of public opinion the leadership responsibility inherent in the office of Governor.

## EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Herbert W. Klotz, of Virginia, to be an Assistant Secretary of Commerce.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ENGLE (for himself and Mr. Kuchel):

S. 3437. A bill to authorize the Secretary of the Army to convey certain land and easement interests at Hunter-Liggett Military Reservation for construction of the San Antonio Dam and Reservoir project in exchange for other property; to the Committee on Armed Services.

By Mr. BARTLETT (for himself and Mr. Gruening):

S. 3438. A bill to amend section 303(c) of the Career Compensation Act of 1949, as amended, to authorize in the case of members of the uniformed services transportation of house trailers and mobile dwellings within Alaska and between Alaska and the 48 contiguous States; to the Committee on Armed Services.

(See the remarks of Mr. Bartlett when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 3439. A bill to authorize the Administrator, General Services Administration, to convey by quitclaim deed a parcel of land to the Lexington Park Volunteer Fire Department, Inc.; to the Committee on Government Operations.

By Mr. JAVITS:

S. 3440. A bill for the relief of Louis Sirota; to the Committee on the Judiciary.

By Mr. HAYDEN (for himself and Mr. Case of South Dakota):

S. 3441. A bill to provide for the acquisition of certain property in Square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building; to the Committee on Public Works.

(See the remarks of Mr. Hayden when he introduced the above bill, which appear under a separate heading.)

## AMENDMENT OF CAREER COMPENSATION ACT OF 1949, RELATING TO TRANSPORTATION OF HOUSE TRAILERS AND MOBILE DWELLINGS FOR CERTAIN MEMBERS OF UNIFORMED SERVICES

Mr. BARTLETT. Mr. President, on behalf of the junior Senator from Alaska [Mr. Gruening] and myself, I introduce, for appropriate reference, a bill "to amend section 303(c) of the Career Compensation Act of 1949, as amended, to authorize in the case of members of the uniformed services transportation of house trailers and mobile dwellings within Alaska and between Alaska and the 48 contiguous States." I ask that at the conclusion of my remarks the text of the bill be printed in the Record.

This bill is introduced to place Alaska in a particular instance on a par with the contiguous 48 States. A member of the armed services may, upon retirement from active duty, select a home and receive certain travel allowances for himself and dependents to the selected home if he "first, is retired for physical disability or placed on the temporary disability retired list; or, second, is retired with pay for any other reason, or, immediately following at least 8 years of continuous active duty—no single break therein of more than 90 days—is discharged with severance pay or involuntarily released to inactive duty with readjustment pay."

The law also states that transportation of baggage and household effects may be provided. Similar allowances for military servicemen are provided upon change of station. These various provisions apply to Alaska as well as to the other States. However, in lieu of transportation of baggage and household effects, a serviceman may elect to have a housetrailer or mobile dwelling transported to the State of his choosing or his new station or be given a mileage allowance for moving such a vehicle.

The applicable provision of law states this "in lieu" selection may be allowed only for transporting the trailer "within the continental United States."

The Career Compensation Act was enacted before Alaska became a State. At the time of its enactment, the term "continental United States" was considered to exclude Alaska unless specific inclusion was provided. The Alaska Omnibus Act—Public Law 86-70, approved June 25, 1959—stated that any laws enacted thereafter would include Alaska when the term "continental United States" was used.

The exclusion of Alaska from the trailer provision means that any serviceman who wants to take a trailer to Alaska for housing purposes receives an allowance to the Canadian border but receives not a cent in allowance for the mileage through Canada and within Alaska. This exclusion also means that a trailer cannot be shipped by the Government to Alaska as it can be between the other States. Therefore, on one hand the serviceman headed for Alaska receives the same travel, baggage, and household effects allowances as a serviceman going to another State to make his home or upon change of station but on the trailer provisions alone he is excluded. He must pay from his own pocket the moving costs for a major part of the transportation.

It has been pointed out that in many cases the cost to the Government of transportation of trailers or a mileage allowance for such purpose is considerably less than the cost of shipping a man's baggage and household effects. This bill, then, could save money.

It is of interest to point out that the Congress is enacting Public Law 85-326, approved February 12, 1958, providing allowances for transportation of housetrailers to civilian employees of the United States who are transferred from one official station to another, amended the bill to include Alaska upon the recommendation of the Bureau of the Budget and the Interior Department in the same fashion as we seek here. This bill, then, has precedence.

Finally, Mr. President, in some areas now being settled in Alaska there is an acute housing shortage. Providing a means by which these men can take their mobile homes with them would go a long way in alleviating their personal housing problems and removing a major hurdle to settlement by them in Alaska.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 3438) to amend section 303(c) of the Career Compensation Act of 1949, as amended, to authorize in the case of members of the uniformed services transportation of house trailers and mobile dwellings within Alaska and between Alaska and the 48 contiguous States, introduced by Mr. Bartlett (for himself and Mr. Gruening), was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the Record, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 303(c) of the Career Compensation Act of 1949, as amended (37 U.S.C. 253(c)), is amended by inserting immediately after the twelfth sentence of such section a new sentence as follows: "As used in the preceding sentence the term 'within the continental United States' means within the continental United States, within Alaska, or between the continental United States and Alaska."

## ACQUISITION OF CERTAIN PROPERTY IN SQUARE 758, DISTRICT OF COLUMBIA, AS AN ADDITION TO THE SUPREME COURT GROUNDS

Mr. HAYDEN. Mr. President, the Senator from South Dakota [Mr. Case] has joined with me in the introduction of a bill to acquire lots 2, 3, 800, 801, and 802 in square 758 in the District of Columbia located at the Northwest corner of Third and A Streets NE., east of the Supreme Court. This property consists of approximately 15,000 square feet of ground, of which approximately 11,300 square feet are now used as a parking lot by the U.S. Supreme Court under a month to month rental agreement. The remainder of the property is occupied by three frame houses.

The Marlow Coal Co., who owns this property, advises that they have consulted an architect and been advised that they can erect a luxury apartment on this site at a cost of $750,000, excluding the value of the land.

It would seem prudent for the Government to acquire this property while it is, for the most part, unimproved land and buy it at a comparatively low price, rather than wait and take it at some time in the future when it may be necessary to condemn it as improved land of a value of nearly a million dollars.

I am advised by the Marlow Coal Co. that they are willing to sell this property to the Government at this time if a price satisfactory to all parties can be agreed upon. They have indicated a selling price in the order of $200,000 as their present thinking.

The Chief Justice of the United States is anxious that the Government purchase this land and that it continue to be used for the parking of automobiles of employees of the Court. After a careful canvass of the situation, the Chief Justice states that it was found that this is the only lot sufficiently close to the Supreme Court Building to afford parking space for the Court's personnel, and further stated that women constitute a large percentage of such personnel and during the winter work until after it is dark, and that it would be dangerous for them to have to park their cars a great distance away from the Court. The Chief Justice further advises that, if deprived of this lot, he knows of no other way that the Court's needs can be met. Upon enactment of legislation authorizing acquisition of these properties and before coming to the Appropriations Committees for funds for their acquisition, the Architect of the Capitol would have these properties appraised by competent appraisers, who would be paid for such services from the appropriation "Contingent expenses" under his charge, which appropriation would be available for such purpose after enactment of this legislation. Any estimate of appropriation submitted to the Appropriations Committees for the acquisition of the properties would be submitted on the basis of such appraisals.

The legislation provides that upon acquisition of the properties, they shall become a part of the grounds of the U.S. Supreme Court Building and shall be subject to the act of May 7, 1934, which would place their maintenance under the Architect of the Capitol; also to the act of August 18, 1949, which would place the grounds under the protection of the Supreme Court Police force.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3441) to provide for the acquisition of certain property in square 758 in the District of Columbia, as an addition to the grounds of the U.S. Supreme Court Building, introduced by Mr. HAYDEN (for himself and Mr. CASE of South Dakota), was received, read twice by its title, and referred to the Committee on Public Works.

### ADDITIONAL CONFEREE ON DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, H.R. 10802

Mr. HAYDEN. Mr. President, I ask unanimous consent that another Senator be added to the list of conferees on the bill, H.R. 10802, the Department of the Interior and related agencies appropriation bill, 1963, and that the Chair be authorized to appoint the conferee.

The VICE PRESIDENT. Is there objection? The Chair hears none, and appoints the Senator from Idaho [Mr. DWORSHAK] as an additional conferee on the part of the Senate.

### AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO ELIMINATION OF TAX DEFERRAL IN DEVELOPED AREAS—AMENDMENT

Mr. GORE. Mr. President, I should like to read into the RECORD a letter addressed to the chairman of the Senate Finance Committee, the distinguished senior Senator from Virginia [Mr. BYRD]. The letter is dated May 29, 1962:

LETTER OF TRANSMITTAL

THE SECRETARY OF THE TREASURY,
*Washington, May 29, 1962.*

Hon. HARRY F. BYRD,
*Chairman, Committee on Finance,*
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: In accordance with your request we submit drafts of statutory language. These drafts amend sections of H.R. 10650 as follows:

1. The draft of an amended section 13 (controlled foreign corporations) embodies an approach to impose tax on tax-haven income. The Treasury recommends in accordance with the President's message of April 20, 1961, and my statement of April 2, 1962, before your committee that deferral of taxation of income of controlled foreign corporations be eliminated. However, we are submitting the enclosed draft of an amended section 13 as an aid to the committee if it prefers the more limited tax-haven approach. The draft embodies those technical improvements in the application and mechanics of the House bill which I recommended in my statement before you on May 10, 1962, which were in response to suggestions of witnesses during your hearings.

2. The draft of section 15 (foreign investment companies) makes minor technical amendments in the House bill which the representatives of foreign investment companies suggested to you during the hearings.

3. The drafts of section 16 (gain from certain sales or exchanges of stock in certain foreign corporations) and section 20 (information with respect to certain foreign entities) make the changes which I recommended to you on the first day of the hearings and certain other improvements in response to the suggestions of witnesses who appeared before you.

Sincerely yours,

DOUGLAS DILLON.

This letter, along with the proposed rewrite of section 13 of House bill 10650, was distributed in committee-print form. The Secretary of the Treasury also presented to the committee a proposed draft of section 13, to eliminate deferral of taxes on income earned in developed areas. This draft proposal was not included in the committee print. This was the original recommendation of the President and the original recommendation of the Secretary of the Treasury, to which he testified at length, and on which much other testimony was heard. The position of the Treasury in this regard has been set forth in detail.

Since it has been drafted and since I propose to offer it in committee as an amendment to H.R. 10650, I ask unanimous consent that it be printed as a proposed amendment to H.R. 10650.

Mr. President, I should like to add that this draft by the Treasury rather closely follows the draft of a bill which the legislative drafting service prepared for me, to accomplish similar goals, and which I introduced last year.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance.

### NOTICE OF HEARINGS ON S. 3261, RELATING TO CONSTITUTIONAL RIGHTS

Mr. ERVIN. Mr. President, as chairman of the Subcommittee on Constitutional Rights, I wish to announce that hearings will be held on June 26, 27, and 28, 1962, on S. 3261, a bill to protect the constitutional rights of certain individuals who are mentally ill.

The hearings will begin at 10 a.m. in room 2228 of the New Senate Office Building. Any person who wishes to appear and testify on this bill is requested to notify the subcommittee by letter.

### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 19, 1962, he presented to the President of the United States the following enrolled bills:

S. 1742. An act to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters; and

S. 2893. An act to declare that certain land of the United States is held by the United States in trust for the prairie of Potawatomi Indians in Kansas.

### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts of address delivered by him over Wisconsin radio stations, relating to the 26th annual Dairy Month.

Excerpts of address delivered by him on Wisconsin radio stations, relating to U.S. national goals.

### RESOLUTION OF LITHUANIAN AMERICAN COUNCIL

Mr. WILEY. Mr. President, today I received a letter from Peter Petrusaitis, Secretary of the Lithuanian American Council, at Racine, Wis. I wish to read the letter to the Senate. It reads:

LITHUANIAN AMERICAN COUNCIL, INC.,
*Racine, Wis., June 17, 1962.*

Hon. ALEXANDER WILEY,
*Senate of the United States,*
*Washington, D.C.*

MY DEAR SENATOR: Enclosed you will find a copy of a resolution unanimously adopted at the mass meeting of the American citizens of the Baltic descent of this community gathered to protest the forceful occupation of Estonia, Latvia, and Lithuania by Soviet Russia on June 15, 1940. Also this mass meeting condemned Soviet Russia for its terror, mass deportation and colonial policies against the Baltic people.

The mentioned meeting was held today under auspices of our organization at the Saint Casimir's Parish Hall, 815 Park Avenue, Racine, Wis.

Very truly yours,

PETER PETRUSAITIS,
*Secretary.*

I ask unanimous consent that the resolution be printed in the RECORD, following my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas Soviet Russia having broken the solemnly signed agreements of nonaggression and on June 15, 1940, having forcibly occupied Estonia, Latvia and Lithuania; and

Whereas since then the people of these nations have become and are victims of Communist menace and Russian colonialism; and

Whereas the biggest colonial power of present times; known to the outside world as Union of the Soviet Socialist Republics, is unceasingly seeking under all ways and means, including threats of nuclear war to overthrow the free nations one after another; and

Whereas the American people are strongly and traditionally opposed to any form of government which comes to power not by the free choice of people; and

Whereas we are forced into mortal struggle by Communists for survival of our Nation and the rest of the free world: Therefore be it

*Resolved*, That this mass meeting wholeheartedly endorses and vigorously supports Senate Concurrent Resolutions 12, 63, 64, and House Concurrent Resolutions 153, 163, 195, 439, 444, 456, and urges the appropriate Committees of Senate and House of Representatives to send them to the respective floors for further consideration; and be it further

*Resolved*, That the Communist challenge must be met by the united free world with great attention and with carefully planned preparedness and with every single nation paying her full share for this common goal; and be it further

*Resolved*, That our major foreign policy shows aspects of paying sometimes too much attention to the neutrals, of being too harsh to our friends and of being too soft to our foes. The writers of this resolution are in fear that practice of such a policy in the long run may bring negative results which may deeply hurt our prestige abroad and safety at home; and be it finally

*Resolved*, That this mass meeting express its gratitude and admiration to the President of the United States, to the Senate and to the House of Representatives for strenuous efforts to better standards of living, for enormous tasks to achieve stable peace and social justice and, especially, for nonrecognition of the incorporation of Estonia, Latvia and Lithuania into Soviet Russia.

STANLEY P. BUDRYS,
*President, Racine Chapter of L.A. Council.*
VALENTIN JAUNKELNIETIS,
*Representative, Racine's American Latvians.*
MRS. OLGA MALBE,
*Representative, Racine's American Estonians.*

RACINE, WIS., *June 17, 1962.*

## ADDRESS BY SENATOR WILEY BEFORE BARBERS AND BEAUTICIANS CONVENTION

Mr. WILEY. Mr. President, recently it was my privilege to speak to the convention of the barbers and beauticians at Green Bay, Wis. The meeting was presided over by Edward W. Jablonski, president, of Stevens Point, Wis. I ask unanimous consent that excerpts from my remarks on that occasion be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

### EXCERPTS OF ADDRESS DELIVERED BY SENATOR ALEXANDER WILEY OF WISCONSIN, BEFORE THE BARBERS AND BEAUTICIANS CONVENTION AT GREEN BAY, WIS., JUNE 16, 1962

I am happy to join you here at the convention.

Mrs. Wiley and I, both, are sorry that our visit will be too brief.

Nevertheless, I shall look forward to learning soon of the constructive work of your convention.

Over the years, I have enjoyed working with you, and your representatives, on problems of mutual and public interest.

In a fast-progressing Nation, with increasingly good economic standards, your profession, once a luxury, now has become, if not a day-to-day, at least a week-to-week part of many of our citizens' lives.

Your increasingly popular and significant contributions to our national life include:

Economically as small and not-so-small, service-giving, job-creating businesses, you contribute significantly to our economic progress: annually, the amount spent in beauty shops is estimated nationally at over $2.3 billion; and expenditures for toilet articles and preparations, almost to $3 billion;

As providers of unique personal services, also, you contribute to higher morale and happy frames of mind—especially among the feminine set, without which, this would, indeed, be a dreary world;

You, together with allied professions, also contribute to lifting the social-cultural standards of U.S. society, magnetically shifting the center of gravity in this field, once in Europe, to America; and

Perhaps less tangibly, but, nevertheless, significantly, barber and beauty shops, too, have become friendly communications centers, both for fact and rumor for the community.

In the past, I have considered it a privilege to be of service, not only in relation to legislative proposals pending before the Congress, but also attempting to obtain the right kind of regulations by the Food and Drug Administration, the Federal Trade Commission, and other agencies administering laws relating to your profession. As this best serves our mutual and public interests, I shall look forward to working with you further in the future.

#### WORLD PICTURE

As a U.S. Senator, and as a citizen, I, like yourselves, naturally find it necessary to concentrate upon, and make special efforts to resolve, the problems which seem of major importance in my realm of interests.

However, we must not lose ourselves in special-interest, perspectively limited worlds.

Around the globe, as well as elsewhere in the life of our country, instead, there are great, broad scope challenges of significance, not only to our individual interests, but to our national progress and peace, and, perhaps, our survival.

What are these larger scope challenges? In reviewing the world picture, high priority, in my judgment, needs to be accorded the following:

1. Preventing a Third World War, or, more positively, exerting every justified effort toward promoting peace and progress in the world.
2. Dedicating ourselves to keeping America free, and this means from the Communist threat internally as well as externally.
3. Maintaining a strong, healthy, free economy: to support the skyrocketing costs of defense; to meet the ever-growing needs of a fast expanding national population; to provide the wherewithal to fulfill the defense economic needs of the country.

Yes, the three big issues are: Can we maintain the peace? Can we deter the Communists from taking over America? Can we maintain a strong, healthy, free economy?

Let us remember that this world of ours has changed a lot since you first sent me to Washington 23 years ago. It was a big world then. Now it is so small that, as someone has said, you can "spit around it." John Glenn circled the globe 3 times in a matter of 3 hours. Now the Russians have the intercontinental missile.

If war should come it would mean that the remnant of the race would probably go back to the caveman's age.

The issue isn't simply one for your legislators. It is for you and every American to see that we don't get into the same position that we were in before Pearl Harbor—asleep.

#### CONCLUSION

As members of a forward-moving profession, you, as all citizens, can best serve:

1. By maintaining high standards for, and making a success of, your profession; and
2. By broader perspective and understanding of larger-scope challenges, you can best contribute to our national progress and security.

Now, until Mrs. Wiley, or myself, either need your service, or we have a chance to shake your hand and enjoy a friendly conversation, we say: Thanks, again, for the opportunity to attend your convention.

## SENATORS McCLELLAN AND MUNDT TO HEAD ESTES INQUIRY

Mr. TOWER. Mr. President, the Senate Permanent Investigations Subcommittee, of the Committee on Government Operations, will begin its inquiry next week, on June 27, into the Billie Sol Estes scandals in the grain storage and warehousing and cotton acreage allotment fields. The Senator from Arkansas [Mr. McCLELLAN], chairman of the committee, and the Senator from South Dakota [Mr. MUNDT], the ranking Republican member, will have major roles in these public hearings. These distinguished colleagues are experienced in the field of investigations, and their combined leadership and direction of the inquiry will assure its thoroughness and competence.

Mr. President, John Mashek, of the Washington bureau of the Dallas (Tex.) Morning News, has recently written a comprehensive account of the circumstances, and also of the background of these committee leaders. Mr. President, I ask unanimous consent that this article, entitled "New Face, New Probe," be printed in the RECORD, following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### NEW FACE, NEW PROBE—McCLELLAN, MUNDT TO HEAD ESTES INQUIRY

(By John Mashek)

WASHINGTON.—Two country boy Senators, of opposite political parties but of similar political persuasion, will be in the driver's seat soon when the Senate investigating subcommittee rides headlong into the Billie Sol Estes scandal.

The Senators, JOHN L. McCLELLAN of Arkansas and KARL E. MUNDT of South Dakota, will have major roles in the public hearings expected to begin late next month. Democrat McCLELLAN is chairman of the subcommittee, MUNDT the ranking Republican member.

The McCLELLAN-MUNDT duet has been through the mill of publicized hearings several times. The 1957–58 investigation of labor union racketeering and union-management collusion is an example. The probe last year of excessive construction costs at Cape Canaveral and other missile bases is another.

The Estes case is a new chapter for the subcommittee, notably because of its more obvious political overtones. With Estes playing in the Democratic ball park during his rise in west Texas, every element in the case has a political bearing.

But the Republicans, especially MUNDT, are careful about ruffling McCLELLAN on downplaying any political ramifications in the hearings. Public statements indicate the GOP has pledged confidence in McCLELLAN, a southern Democrat with deep conservative convictions but equally strong convictions about his party.

McCLELLAN, affirms one of his top investigators, has always "played it straight" in any investigation—meaning he lets the shots call themselves and refrains from playing politics.

Still, the crusty Arkansan is in a sticky position. As Democratic chairman, he will guide hearings that are bound to cause more embarrassment to his party than they will to the Republicans. The resignations or firings to date of four officials in the Kennedy administration over Estes connections is ample evidence of that.

MUNDT is in a tight spot, too. Democrats will be watching him closely and will be quick to pounce on him if he tries to turn the hearings into an altogether political forum for the GOP.

McCLELLAN was obviously a little ruffled when a few eastern newspapers began clamoring for investigations and insinuated that he was moving a little slow a few weeks ago.

"We're not going to rush in and smear a lot of names," he said in an interview before hearings were called. "I don't know if there's a scandal here or not. Some people seem to want one."

MUNDT kept quiet during the early investigation by the subcommittee. He has since thrown some political barbs, but has been steadfast in praise of McCLELLAN.

Conservatives McCLELLAN and MUNDT are opposites personally.

McCLELLAN, 66, is gruff and reserved, but has a wry sense of humor. He has a low boiling point and can be relentless on the attack in his subcommittee hearings. His bristling exchanges with Jimmy Hoffa have left spectators breathless.

MUNDT, 62, is a cheerful politician and more of an extrovert than his investigating partner. He low-keys his questions, rarely loses his temper during hearings. But he can be cunning and shrewd just the same.

McCLELLAN is a former county prosecutor in Arkansas which probably explains his forceful interrogations when witnesses become balky. He believes a Senate panel deserves respect and his anger becomes most apparent when a witness attempts to poke fun at the proceedings.

MUNDT, born on a South Dakota farm, is a former schoolteacher and school superintendent. Counting his time on the House Un-American Activities Committee, he has served 23 years on congressional investigating committees. The GOP counts him as the No. 1 investigator on Capitol Hill in length of service.

McCLELLAN and MUNDT have both served in the House and Senate. McCLELLAN served two terms in the House, from 1938 to 1942, and is now in his 4th term in the Senate. MUNDT was in the House for 10 years, from 1938 to 1948, and is now serving his third 6-year term in the Senate.

McCLELLAN makes few Senate speeches, but those he does make are to the point and forceful. One of the most dramatic speeches in the Senate in recent years was McCLELLAN's bitter attack on the administration when it moved to discharge the urban affairs Cabinet post proposal from his Government Operations Committee.

McCLELLAN charged that the legislative processes were being destroyed and a committee that was working diligently had been gutted.

The vote to discharge McCLELLAN's committee and bring the proposal to the Senate floor for a vote failed by a substantial margin.

MUNDT also has made few Senate speeches. He delivers them in a clipped, methodical fashion. His favorite subjects in recent years have been education and agriculture.

The South Dakota Republican first became a national figure as a member of the House Un-American panel in the late forties. He and former Vice President Nixon were authors of a bill to establish safeguards against internal subversion in the United States.

Many provisions of the bill were later included in the Internal Security Act of 1950.

MUNDT also took an active part in the celebrated and controversial hearings of the old McCarthy committee which plunged pell mell into the Communist-in-Government question.

The highlight of MUNDT's career came when he served as chairman of the televised Army-McCarthy hearings in 1953, proceedings which probably stirred more public attention and comment than any other congressional hearing.

It was a highly emotional, tense atmosphere. Tempers were short. Action was fast.

But through it all, MUNDT and McCLELLAN were probably the calmest people in the room. As chairman, MUNDT had to referee the storm of words, charges, and countercharges.

McCLELLAN did his part by boring in with purposeful questions, with no grandstand play attached. It was during these hearings that the Arkansas Senator first gained his reputation of being the Senate's best interrogator.

In an interview with the News, MUNDT said the Estes case could take on far greater significance than has already been attached to it. He did not elaborate.

He feels the problem goes beyond the manipulations of Estes, extending to the entire field of agriculture programs and their management

The hearings, he said, should clear the confusion regarding both matters.

McCLELLAN expresses himself in much the same manner. He feels existing agriculture laws should be studied thoroughly as they apply to Estes' affairs. He wants to determine if the law is written to invite mismanagement and what can be done to tighten it up.

"This whole thing," he said descriptively, "goes beyond the taking of a pair of pants." (He was referring to gifts of clothes from Estes to U.S. officials.)

When the Estes hearings do open, committee counsel Donald O'Donnell, who has had the gigantic task of tying all the loose ends together, will be doing most of the questioning.

But two political "pros" of the Senate, JOHN McCLELLAN and KARL MUNDT, will be at his side—directing, prompting, and questioning.

McCLELLAN keeps his hearings under firm control, resisting any possibility of a circus atmosphere. Nevertheless, quite a show is shaping up.

## THE CAPITALIST SYSTEM

Mr. TOWER. Mr. President, in this day and age the term "capitalism" seems to have taken on an evil connotation in many parts of the world, and sometimes we Americans are not as quick to defend it as we should be.

In the May–June 1962 issue of Screen Actor appears an article entitled "But What Are You For?" The article was written by Edmund Hartmann, the former national chairman of the Writers' Guild of America. This excellent article is one of the best defenses of the capitalist system I have ever seen; and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### BUT WHAT ARE YOU FOR?

"I know what you are against, but what are you for?"

That question is from "South Pacific," which opened 13 years ago. It was a good question in 1949 and it's a good question now.

What are we for?

In Hollywood we are plainly against communism, fascism, cannibalism, racism, rape, incest, juvenile delinquency, gangsterism, corrupt politicians and tyranny. We're not quite sure where we stand on monarchy. We certainly make clear our anger at injustice and cruelty. And if sometimes we go tilting at windmills like Don Quixote, lance down, full gallop—it's with the best intentions.

But if we are for anything in particular beyond individual and corporate survival, it has escaped me. Of course, we are for freedom in the abstract, even though my freedom may not be your freedom. We are for democracy, with reservations. (It puzzles us that the Communist states keep repeating they are for democracy.)

We know what the Communists are for.

They have something definite and positive to sell. They have demonstrated brutal but effective techniques for pushing primitive agrarian societies into the industrial revolution.

For 40-odd years we've been shouting that Communists are thieves, liars, cheats, and scoundrels. But a hungry, miserable world, looking for some way out of despair, isn't impressed. If a man in a burning building sees a door, it isn't enough to yell at him not to go that way. You'd better tell him where he should go, because he's going somewhere. It comes to the same question. "I know what you are against, but what are you for?"

Personally, I am for capitalism.

The extent to which you flinched when you read that simple statement is the extent that the image of our capitalist economy has been distorted.

What do you think of when you hear the word "capitalist"? Vested interest, special privilege, cartels, price fixers, goon squads, monopolies, trusts?

Why not abundance? Consumer goods? Food?

If we're not selling capitalism, if we don't believe in our own economy, what do we believe in? The antithesis of communism is not freedom; it is not democracy; it is not religion. It is simply capitalism.

And capitalism is the first economic system in the world to produce the problem of abundance. In the rest of the world, all problems stem from some degree of scarcity. China faces famine. Russia struggles to maintain a heavy industry, and still channel a trickle of consumer goods to the people. Throughout South America, Asia, Africa, even much of Western Europe, the problem is scarcity.

Here under capitalism we have so much wheat, we don't know how to store it. We cap our petroleum wells and allow 8 or 10 days of use per month. Steel is somewhere around 70 percent of capacity. We develop soil banks to stop farmers from overproduction. Detroit assembly lines are well below capacity. Unions are now arguing the 30-hour week as a way to balance overproduction. In brief, capitalism, its organization of engineering, industrial and labor genius has given us such fabulous wealth that the problem is what to do with it.

What would any other country in the world give to have such a problem? At its worst, capitalism has been more efficient and productive than any other system the world has so far conceived. But up to now, we've been numbed by the confidence of the Communists, as if they really were the wave of the future. As a matter of fact, barring military moves and some space tricks, communism hasn't done so well.

Marx expected communism to be introduced to the world by highly developed industrial societies such as Germany. He was wrong. Communism has taken hold only in disorganized agrarian societies.

In "Das Capital," Marx listed many examples of labor exploitation by management. He claimed the only way labor could free itself of exploitation was by revolution. He was wrong. One by one, the capitalist exploitations he outlined, such as child labor, slave labor hours, sweat shop conditions, etc. have been solved by labor and management under ethical capitalism.

Marx pointed out flaws in the capitalist system which should have destroyed us long before this, but like the ability of the bee to fly in defiance of all engineering principles, we move onward and upward to a better and better life for all.

It doesn't take much courage to be a capitalist in the United States. It's like chalking a "V" for victory during the last war on a Beverly Hills mailbox. But it's what we are, it's the image we should present, the idea we must communicate.

I would be the last to suggest that we produce the Russian type of simple-minded propaganda picture to sell capitalism. Kansas farmer gets combine. Detroit worker gets two cars and a color TV set. Texas engineer builds bridge for the cause. I don't even want to revolutionize Hollywood or organize it for a conceived propaganda drive.

As a fan, I hope to continue to see Rock Hudson try to maneuver Doris Day into the bedroom. I want to watch Frank and his chums playing the Rover Boys on the loose. I want to look at Liz being beautiful, and Marlon making a girl wilt. I wouldn't change movies or TV programs to compete with the Communists.

I suggest one simple alteration. Pride to replace shame. Pride in capitalism. It doesn't have to be overstated or even stated at all. It could be felt, sensed, absorbed intuitively if we picturemakers were conscious of it. We should continue to welcome criticism of capitalistic flaws, scathing where justified, but in perspective. Let the world know that we are proudly, emphatically, definitely aware of the glories of ethical capitalism.

And if someone like the French planter in "South Pacific" should ask, "I know what you are against, but what are you for?"

We are for capitalism.

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## LAND-GRANT COLLEGES AND UNIVERSITIES

**Mr. ERVIN.** Mr. President, this year marks the 100th anniversary of the signing by President Lincoln of the Morrill Land-Grant Act. As a result of that historic action, the United States now boasts 68 land-grant colleges and universities, all of which are among the finest institutions of higher learning in our country, and many of which might not be in existence but for the Morrill Act.

Two of these great schools are located in North Carolina: the North Carolina State College, in Raleigh, and the North Carolina Agricultural and Technical College, in Greensboro. The amount of important research and the number of distinguished alumni contributed by these two colleges have indeed enriched the heritage of our State and Nation. I am genuinely proud of their stature in the educational world, and am deeply grateful for the Morrill Act, an example of Federal aid to education which I wholeheartedly endorse.

Dr. John T. Caldwell, chancellor of North Carolina State College and president of the Association of State Universities and Land-Grant Colleges, who also is a great scholar and a brilliant educator, recently wrote a thought-provoking article concerning the origin and accomplishments of our land-grant colleges. Mr. President, I ask unanimous consent that Dr. Caldwell's article, entitled "Powerful Thrust of Democracy," which appeared in the Christian Science Monitor of February 1, 1962, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

### The Land-Grant Colleges: Powerful Thrust of Democracy

(By John T. Caldwell)

The land-grant colleges and universities of the United States were born out of a high estimate of education as an instrument of individual and social progress. They were born with a broad concept of the many different kinds of abilities human beings possess and the value of cultivating them all to the utmost. They have been committed from their beginning in 1862 to the wide dissemination and use of knowledge. They were born from faith in the American people and their great destiny.

How magnificent a concept. No wonder newly developing nations of the world and even old nations undergoing self-appraisal now are scrutinizing higher education in the United States for useful hints to themselves.

The centennial year of the land-grant institutions occurs at a moment when the United States is taking a close look, even an anxious look, at the magnitude and urgency of its own educational task.

In 1862 a national population of 32 million boasted 203 colleges and perhaps 25,000 college graduates, three-fourths of 1 percent, such as they were. Today a rapidly increasing population of 180 million is served by more than 2,000 institutions of higher education enrolling 3,891,000 students, and counting millions of alumni. One-fifth of the students are in land-grant colleges and universities. These colleges which were "born to grow" are doing it, dramatically.

#### IMPACT MEASURED

Today—100 years after the act of Congress creating them—there are 68 land-grant universities and colleges. Some are one with the State university (as in Minnesota), some are separate (as in Mississippi), some function as part of a private institution (as Cornel). Although they comprise in number fewer than one-twentieth of all colleges and universities in the United States, their enrollment is one-fifth of the total. They grant 22 percent of all the bachelor's degrees conferred, 25 percent of the masters degrees, and 38 percent of the doctorates.

In engineering, 40 percent of all degrees at the bachelor's level are granted by the land-grant institutions, 42 percent of all masters and 53 percent of the Ph. D.'s. In the vitally important fields of mathematics and the physical sciences 35 percent and 42 percent respectively of the Ph. D.'s are earned in land-grant colleges. As would be expected, the graduates in agriculture are produced heavily by these institutions: 80 percent of the bachelors, 97 percent of the masters, and all of the doctorates. One-fourth of the doctorates in the arts and languages, in business and commerce, and in professional education are conferred by the land-grant institutions.

Twenty-one of the thirty-six living American Nobel Prize winners who studied in this country earned land-grant degrees.

The enormously productive agriculture of the United States rests directly upon the research and educational effectiveness of the land-grant system. Today one American farmworker feeds 23 other people, a marvel in the world and a prerequisite to other advancement. The Agricultural Experiment Stations (dating from the 1887 Hatch Act) and the Cooperative Extension Service in agriculture and home economics (dating from the Smith-Lever Act in 1914) are integral parts of the land-grant enterprise. The "county agent" is a man of distinction in American higher education and in rural life. He has also become a peacemaker in combining technical ability with skill in human relations to helping other developing economies of our world.

#### BASIS PUT TO TEST

Even now, however, the land-grant outlook and philosophy are being tested.

Will these institutions have the resources to grow and to maintain quality at the same time? This is a test of the public will and priority of public purpose.

Do they have the ability to use effectively the resources provided by the people and in a manner which will satisfy an intelligent taxpayer? This is mainly a test of management competence.

Can they provide maximum opportunity for the most brilliant minds while at the same time and often on the same campus provide for the student of lesser but solid ability who has much to gain from higher learning which will be returned in enlarged service to his fellow men? That is a test of educational skill.

Can these institutions meet the insistent demands for applied research and yet have time and money for the constant replenishment of our fundamental knowledge of the why and the wherefore of life and energy and behavior? This is a test of both academic character and public understanding.

Can the tremendous achievements of the land-grant colleges in agriculture be duplicated in facing up to the technological and social problems of an urban population? Will the effective skills typical of our extension philosophy be applied to urban living? This is a test of institutional adaptability and determination to face up to new educational needs and to obtain support for meeting them.

The land-grant colleges face the test of internationalism, meeting the manifold requirements of the Government for forging helpful relationships in depth with the people of the world and their problems—now ours. Not just can they but will they see the needs beyond the immediacy of local enterprise within the respective States and apply their skills and resources to a worldwide campus? This indeed is a test of public vision.

#### CONCEPT PLACED ON SCALES

All these tests are indeed being met—even brilliantly—in places. Another test, however, has not been resolved. It is a test of the whole concept of public higher education. It is a test more of the taxpaying public than of the institutions themselves. The United States is being tested on whether it wants its land-grant and other public institutions to continue to serve generously and deliberately the educational needs of all the people for the benefit of society. No student loan program or a student scholarship program yet proposed substitutes for low-cost public higher education.

Sometimes the public colleges are told to raise their charges to students for tuition to meet their budgetary requirements. The issue is complex. But surely it would be a subversion of the history and purposes and enormous achievements of the public institutions to force them now to remold their open character in imitation of the private and church-related institutions, many of whom desperately need to reduce their charges to students. The availability of low-cost, public higher education in the United States indeed is a measure of contemporary democracy, of political responsibility, and of commonsense.

The powerful thrust of democracy in American higher education so evident today is part and parcel with the forces which produced the land-grant movement.

Education in all ages and places has reflected the controlling notions of what the society itself ought to be or become. The older, stratified societies, aristocratically controlled, or colonially governed, built educational systems accordingly, systems which were restricted in outlook both for the nonprivileged individual and for the society's future.

### OPPORTUNITY UNFOLDED

Education in this new land was sooner or later destined to reflect its generous concept of the place of the individual and its constantly expanding ambitions for economic and cultural growth, locally and nationally. In retrospect, however, the reflection seems to have been slow in coming. For during the colonial period and the immediately ensuing preoccupation with nationmaking, the aristocratic and classical character of education inherited from England and the Continent and which had prevailed for 200 years was dominant.

Then followed a combination of forces operating to open up educational opportunity. Jacksonian democracy, a general intellectual awakening, the step-up of science, industry, and invention, agricultural ferment, and even concern over the dissipation of Federal landholdings, combined to produce dissatisfaction with existing education and pressures for improvement. One of the outcome was the Morrill Act of 1862. Vetoed earlier by President Buchanan, Justin Morrill's bill was signed into law by President Lincoln July 2, 1862.

This Land-Grant College Act brought into possibility, on the pattern of Michigan's new State Agricultural College (1855), a nationwide pattern of colleges, at least one in each State, "where the leading object shall be, without excluding other scientific and classic studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life."

The Government granted each State agreeing to the terms 30,000 acres of Federal land for each Senator and Representative in Congress, which acreage was to be sold to provide a capital fund on the investment of which the State would pay in perpetuity 5 percent annually to support the college.

### DEMOCRATIC IN CHARACTER

Whether measured in student enrollment, off-campus instruction and technical assistance, or research of fundamental value to human welfare, this group of institutions has made the Morrill Act probably the most significant single piece of social legislation in U.S. history. Their characteristics are clear.

These colleges are democratic in character. No one of them has ever assumed that it should limit the opportunities of its campus to a narrowly conceived aristocracy of position, intellect, or money. They have assumed on the other hand that as the Nation grew, as knowledge expanded, as the range of competencies required by the society was extended, it was their job to serve these expanded needs of the people. This view persists.

These colleges reflect the spirit of Francis Bacon, who had urged three centuries earlier, but with little success, that knowledge should be found and used to improve the lot of mankind.

The land-grant colleges have never been "ivory towers." They have never been far removed from the people they serve and the needs which have nurtured their growth.

The land-grant colleges and universities illustrate dramatically that the people, the public, through their constituted organs of government, hold the major responsibility for the advancement of knowledge and the education of citizens. These colleges are public, tax-supported institutions. Though their resources are supplemented in important respects by private grants and support, the basic responsibility for their support and the basic commitment of the colleges belong to the people exercised through public channels.

### EXAMPLES OF FEDERAL AID

These institutions are living examples that Federal aid to education can serve the national interest with enormously valuable results and without sacrifice of local self-government or institutional integrity. Indeed the United States today would be immeasurably poorer but for this imaginative Federal action one century ago and its continued support in partnership with the States.

They have assumed also the task of developing high standards as a necessary corollary to serving responsibly the special needs of our time. Counseled admissions and placement, honors programs, more demanding curriculums, strengthened faculties, and deepened research commitments characterize the contemporary public university.

Finally, they have not neglected to defend the great principles which universities have always had to defend, such as freedom for the mind. They know now, as intelligent men have always known and as free men always must know, that the risks of freedom to think and write and learn and speak are fewer and less dangerous than the risks of suppression.

The centennial year of the land-grant colleges and universities of the United States finds them living more intimately than ever with the busy world they helped to create. Nuclear reactors, radio telescopes, mass spectrometers, experimental swine shelters, greenhouses, nursery schools, art studies, language laboratories, television stations, theaters, computers, filmed documents—the full range of human knowledge, curiosity, and endeavor, mark the contemporary mission of this educational system.

### CONTRIBUTION TO NATION

Without these colleges, which were originally founded especially to teach "agriculture and the mechanic arts," American agriculture would have developed anyway to some extent; industry would have expanded; the defense establishment would have trained a fair number of officers for its reserve and active cadres. No doubt some American pure scientists would have teamed with other innovators and inventors to produce some applied results even useful to the farmer. But let us make no bones about it. The United States would not enjoy the culture nor have the productive capacity that it does today—in farm, forest, skyscraper, or factory—without the contributions of research and the wide dissemination of knowledge to which the resources of the land-grant educational system have been devoted.

The land-grant colleges and universities exist to help unfold the glories of man's possibilities and not to settle for less, to make it possible for all men to look out upon a universe better understood, more kind, more just, more abundant than when when these colleges entered the scene 100 years ago.

To this end they are rededicated and beg the sustaining company of all the Nation in the journey ahead.

## COMMITTEE MEETING DURING SENATE SESSION

**Mr. MANSFIELD.** Mr. President, I ask unanimous consent that the Finance Committee be permitted to sit during the session of the Senate today.

**The VICE PRESIDENT.** Without objection——

**Mr. LONG of Louisiana.** Mr. President, reserving the right to object, I wish to state to the majority leader that I shall not object to this request, although it places some of us, particularly this Senator, at somewhat of a disadvantage, because there are on the Finance Committee certain Senators whom I should like very much to have in the Chamber, to hear the debate, because I think there are prospects that some members of the committee would agree with me if they were to hear the debate.

However, realizing the problems at this time confronting the majority leader, and also realizing that there are important matters which the Finance Committee must hear today, I shall not object.

**The VICE PRESIDENT.** Is there objection?

**Mr. CARLSON.** Mr. President, reserving the right to object, let me say that the only reason I bring up this question is that I understand that tomorrow the Senate will convene at 10 o'clock a.m., and the distinguished chairman of the Finance Committee has announced hearings on sugar legislation.

In view of the June 30 date which is closely approaching, I sincerely hope the committee will be permitted to sit at least in the morning, or the forenoon, of both Wednesday and Thursday, to consider the sugar legislation, in order that we may get it to the Senate next week. This legislation is most important.

I agree with the distinguished Senator from Louisiana; I would object to standing authority for the committee to meet during the sessions of the Senate for the remainder of the session; but I hope that day by day the committee will be allowed to meet long enough to consider the sugar legislation.

**Mr. MANSFIELD.** Mr. President, I appreciate the statement made by the Senator from Kansas. I assure him that so far as the Senator from Louisiana and other Senators are concerned, they have a very sympathetic and understanding attitude; and we hope that at least for all day tomorrow these matters can be worked out satisfactorily at the proper time.

**The VICE PRESIDENT.** Is there objection to the request of the Senator from Montana? The Chair hears none; and it is so ordered.

## HEARINGS ON NOISE ABATEMENT

**Mr. KEATING.** Mr. President, in mid-April, I introduced a measure to amend the Federal Aviation Act which would direct the Federal Aviation Agency to undertake research to determine how to establish methods for measuring and, if possible, cutting down objectionable aircraft noise. Although there is now in the Federal Aviation Agency some activity along these lines, the pressing problem of airport expansion to accommodate jets makes more rapid progress vital.

Recently a number of developments in the field show the great need for more Federal activity and better public understanding of the problems that will be coming up over the next 5 years. At a hearing recently held at Idlewild Airport, the regional FAA Administrator held out little hope of any immediate solution. He frankly admitted that engine development had not progressed to the point where engine noise levels could be rated and regulated.

Mr. President, one of the purposes of my amendment is to speed up research on the internal design of engines, so as to cut down noise at the source as soon as this is technically feasible. The position taken by the FAA Administrator of the eastern region only reinforces the need for more vigorous action.

Another area which has not been thoroughly investigated, and certainly has not been thoroughly publicized, is the need for better and more compatible uses of land directly in the noise path of jets. In such heavily populated areas as Long Island, the principal effort must be on noise abatement, but in other parts of the country, where the population density is not as high, strict and responsible zoning policies can do much to draw the sting from jet operations.

Mr. President, I sincerely believe the whole problem would benefit by a full and adequate hearing. For that reason, I have called on the Chairman of the Aviation Subcommittee of the Senate Committee on Commerce to hold hearings on my bill and any other related proposals, in an effort to put the present efforts in better perspective and to make clear to all concerned, homeowners, real estate developers, town officials, airport operations, and airlines, what can be done at this time. Such a discussion will undoubtedly reveal the need for stepped up Federal effort in noise abatement as well as other areas to assist in the nationwide shift to jet aircraft and to ease the transition to the airage ahead.

Mr. President, in view of the great interest in this problem, I ask unanimous consent to include in the Record following my remarks two articles outlining the recent meeting held in the New York International Airport, and an address by Mr. Harry F. Guggenheim before the foundation and executive committee of the Cornell-Guggenheim Aviation Safety Center.

There being no objection, the articles and address were ordered to be printed in the Record, as follows:

### Protests on Noise of Planes Scored—FAA Aid Cites Possible Loss of Aviation to City—Relief Held Unlikely

(By Edward Hudson)

The regional head of the Federal Aviation Agency declared yesterday that continued community pressures to halt aircraft noise could drive aviation out of New York.

The official, Oscar Bakke, assistant administrator for the eastern region, said at a meeting of community, Government, and aviation leaders at the New York International Airport that community pressures would probably cause few additional technical improvements in noise abatement.

He explained, however, that the Federal Government, which this year will contribute about $17 million of $50 million for airport improvements in this region, was "not insensitive to complaints in an area such as noise."

Community pressures, he said, "will have considerable effect on the formulation of basic policies of the Federal, and probably State governments, with respect to the location of future airports which will be developed."

#### OFFICIALS AT MEETING

The meeting was called by the Aviation Agency to describe progress on the noise problem at Idlewild and other airports in this area in the last year. About 75 persons attended the session in the airport's Federal Building.

Among those present were State Attorney General Louis J. Lefkowitz, Nassau County Executive Eugene H. Nickerson, Representative Seymour Halpern, Republican, of Queens, and Representative P. Joseph Addabbo, Democrat, of Queens.

At times the meeting produced sharp comments from the audience. C. H. Williams, an FAA research official, evoked a protest when he said an aircraft engine could not be developed that would provide a "quiet environment" for communities directly off the ends of runways.

Harold W. Felton, president of the North Queens Homeowners Association, asked: "What are you going to do with these communities? Are we going to have to wait another 25 years for relief."

#### NO ANSWER TO QUESTION

Mr. Williams responded that he could not answer the question. "We've got to sit down and make a long range look-see, and make a choice," he said.

Martin White, regional counsel for the agency, said in a response to a question by Representative Addabbo, that the FAA had authority to prescribe air-traffic rules to abate noise, but did not have authority—nor had it sought it—to regulate engine-noise levels.

He said the state of engine development had not progressed sufficiently to make such a regulation feasible.

Mr. Bakke outlined measures under consideration by the agency to alleviate the noise problem around La Guardia and particularly Idlewild. Beyond those, he declared, "I see very little long-range hope for serious or significant abatement of aircraft noise in the New York area."

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### FAA Ears Burn Over Jets' Noise

(By Ellison Smith)

The Federal Aviation Agency was accused yesterday of being more sensitive about the audiences at Jones Beach theater extravaganzas than concerned about the peace of mind and peace of quite of homeowners in Nassau and Queens.

The FAA policy on noise from incoming and outgoing jets at both Idlewild and LaGuardia Airports was subjected to a series of criticism from citizen groups and legislators at a 4-hour hearing at Idlewild conducted by Oscar Bakke, assistant administrator in the eastern region for the FAA.

The remark about Jones Beach came from Samuel E. Siegel, counsel for the Aircraft Noise Control Committee of Nassau County.

He said that the FAA had yielded to the soft persuasions of the then park commissioner, Robert Moses, in ordering planes away frm Jones Beach while the night shows were being performed.

"This would indicate to me that watching a show is held in higher esteem than the sleep and health of people who elect to stay home," Mr. Siegel said.

Mr. Bakke had no comment on the Jones Beach criticism, but when the hearing was over he conceded that there was little his Agency could do about noise in general. He said the Agency was constantly striving to effect changes in airplane design and the introduction of softer sounding compressors to make life more tolerable near major airports.

"The Government is not unsympathetic to noise complaints but we cannot compromise with maintaining safety standards for airplanes," Mr. Bakke said.

He was joined in this stand by Edward Bechtel, chairman of the Airline Pilots Association, who told the complainers:

"We won't let you regulate us to the point where we can't fly our airplanes in safety."

But aside from Mr. Bakke and Mr. Bechtel, the sentiments sounded all afternoon echoed the feeling that the world might be better off if the Wright brothers had never left the ground.

The FAA came in for some rather uncomplimentary phrases from Representative Seymour Halpern, Republican, Queens, and Attorney General Louis J. Lefkowitz, both of whom accused the Federal agency of ignoring pleas to support antinoise legislation both in Congress and the State legislature.

Harold W. Felton, president of the North Queens Home Owners Association, said the failure to suppress noise at Idlewild was in effect expropriating homeowners' properties.

"We don't want to sell but if the public need is greater than ours then you should buy the properties and homes from us and then be free to build larger airports," Mr. Felton said.

John Wiley, director of aviation for the Port of New York Authority, testified that the bi-State agency is doing its bit to suppress noise by undertaking construction of a $9.7 million runway extending a half mile into Jamaica Bay. He said the runway will be completed by 1964.

Ending on a dubiously happy note, Mr. Bakke told the complainers that after 5 years things won't get any worse.

"By that time we will have reached the saturation point of plane traffic at both Idlewild and LaGuardia and after that the additional planes will have to go elsewhere," Mr. Bakke said. Where, he didn't say.

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### Remarks by Harry F. Guggenheim Before the Foundation and Executive Committees, the Cornell-Guggenheim Aviation Safety Center, Washington, D.C., May 16, 1962

The domestic airlines of the United States are operating without a profit, and its international airlines are nearly in the same condition. A profitless industry is an unhealthy industry. In spite of meticulous regulations, there may be forces acting to the detriment of safety operations in such an unhealthy industry.

The human equation is the most important part of safety in aircraft operation, both in the air and on the ground. Safety is not entirely achieved by cut and dried methods or formulas. Large areas for use of judgment and discretion exist in aircraft operation. In times of economic stress, it is not unreasonable to assume that the exercise of judgment and discretion may be influenced by the need to earn or conserve funds.

In such times, when economic pressure is great, the routine enforcement of specific regulations can hardly preclude such subtle and indeterminate variables as a tendency to cut corners to achieve economy, to make reductions in maintenance or operating personnel, to meet minimum requirements for safety without going beyond this, or to reduce or eliminate research and development projects established to enhance safety or efficiency, or both.

The shortage of funds in the past has created lags in the development of projects and installation of devices which would have improved our airlines, and might well have given us a far better safety record today. I think it is probable that many airline projects are being neglected or delayed even today because of the lack of funds.

Only the President and the Congress of the United States can cure the ill health of the air carriers. The airlines are regulated by acts of Congress. Routes are designated, operations and fares are controlled by the Civil Aeronautics Board, an independent agency of the Government with authority prescribed by the Congress.

There have been innumerable committees of fact-finding experts, boards of inquiries and investigations. Some of these have been of inestimable potential value, but not enough of these findings have been implemented. More important, there has not been an attempt to prescribe for the real malady of the airlines. The treatment has been directed to the symptoms such as inadequate regulations, traffic control, airport development, weather reporting and communication, aid to navigators, pilot efficiency, and other factors. These symptoms must be treated effectively and cured. Safety is dependent upon the removal of these manifest hazards. However, the malady that causes these symptoms is wholly inadequate financial resources for this industry whose growth has been unparalleled.

In 1927, one lonely man, Lindbergh, made a flight from New York to Paris. People asked then: "In our lives will it be possible for us to fly across the ocean?" Today, in a scant 35 years, the miracle of reasonably safe, voluminous and fantastically speedy air transportation is a commonplace of modern life.

This unpredictable and collosal growth of air transportation has created problems that the air transport companies have not had the financial resources to meet. These problems will be accentuated as we enter the supersonic phase.

Air transportation is just beginning to feel new forms of competition that will increase in the future to the jeopardy of the industry. The nature of this competition is two-fold. First, land and sea transportation are employing new means and devices for greater speed, comfort and safety, and new methods of transportation are being developed from pipelines to monorails. Second, new scientific developments in communications in the telephone and television fields are threatening to make the necessity and desire for travel less urgent.

In an earlier epoch, when the free enterprise system was given a very loose rein by Government, the air transport industry would have solved its financial problems in the normal pattern of those days. Inefficient management and wasteful duplication would have been eliminated by ruthless competition, followed by combinations and mergers. Wage and hour demands of labor would have been resolved clumsily after strikes and lockouts, accompanied by violence. All the funds needed for the capital requirements of the expanding industry would have been supplied by an eager speculating public, confident of huge profits from the future growth of the industry. In this age we can do better than that. We have found, and are constantly seeking, new ways to make more equitable our industrial system.

Today the free enterprise system is subject to drastic controls, especially in the public service field of transportation. With these controls the Government must assume responsibilities. The Government of the United States controls the profits of the air carriers through regulations. However, the Government has never determined how money for the present and future huge requirements of the industry will be made available.

The Congress makes very large annual appropriations in support of various immediate needs of the air transport system. But these are palliatives that strike at the symptoms of the ill health of the air carriers. They do not strike at the malady—a profitless air transport system.

The President and the Congress are faced with either permitting the carriers to make a profit, or with the unpleasant necessity of taking over and operating the air transport system after a large part of it has become bankrupt. We have had every manner of investigation of our needs in air transport but the basic financial one. That is how much money is now needed and will be needed in the near and distant future to keep the United States foremost in aviation, and to make the airlines safe for its citizens. And at the same time the underlying reasons why the airlines are operating without a profit should be found and disclosed. With these facts established, the Congress must determine who is to pay for our national objectives in air transport. Adequate fares should be charged to the public that uses the airlines, so that the air transport companies can give adequate service and can make a reasonable profit. The municipalities and States benefit from air transportation and should contribute their fair share for this service.

Only the Federal Government can determine to what extent the public, municipalities, and States, and the Federal Government through general or specific taxation, should contribute to the cost of air transportation.

The President and the Congress should no longer refuse to recognize this problem, and they must assume the duty of solving it. As the States' political policy evolves from "laissez faire" to rigid control, it must devise new means to encourage and stimulate private enterprise or it will wither and perish.

## THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

**Mr. JAVITS.** Mr. President, it is a matter of record that in the civil rights field, the President has placed the great emphasis of his administration on executive department action, rather than legislation. In view of that fact, it is a matter of deep concern to me that one of the results of Executive action—the President's Committee on Equal Employment Opportunity—is reportedly suffering from a conflict of philosophies and a conflict of personalities. As a result of this division, it has been charged that the effectiveness of the Committee is impaired in carrying out its mission to prevent discrimination in employment opportunity among contractors with the Federal Government.

I find especially disturbing the report in the New York Times ascribing to a member of the Committee, Robert B. Troutman, Jr., of Atlanta, the view that segregated plant restrooms and cafeterias are not worth the "fuss" of integration. Moreover, the New York Times report states that there has been "relatively little followup" on Mr. Troutman's so-called plans for progress voluntary program to sign up nondiscriminatory companies, with only 6 of the 52 signatory companies having reported on their Negro employment.

An outside observer is quoted as saying:

> I've talked to many industrial people, and they say, "We're all ready to go but nobody's come around to guide us. Troutman's staff just is not equipped for that type of operation.

This story, as well as charges made in April by Herbert Hill, Jr., labor secretary of the National Association for the Advancement of Colored People, raise grave questions about the workings of this Committee.

It seems to me that the President ought to speak out on these serious charges. Are we to assume that this is yet another effort on the part of the President to appease the southern wing of his party?

I urge the President to reaffirm the policy he set forth in his Executive order of March 1961, which established the Committee. I urge him to clarify the role of his alleged "good friend," Robert Troutman, Jr., in the work of the Committee in contradistinction to the work of its executive director, John G. Feild.

The reports of division in the Committee on Equal Job Opportunity underscores the need for legislative action to establish a statutory base for the Committee. I introduced such a measure on January 17, 1961, with a bipartisan group of 13 other Senators. There is a longstanding history for this proposal, dating back to the two previous administrations, but the present administration, as has been its practice with other urgently needed civil rights legislation, has refused to back such a proposal.

I have today sent letters to the Senate Committee on Labor and Public Welfare and the Senate Subcommittee on Labor urging that hearings be conducted on this bill. In this way, Congress will be able to fully examine the work of the Committee, the need for a statutory base, and the desirability of continual congressional oversight of the Committee's activities.

I ask unanimous consent to append the news story from the New York Times of June 18, 1962.

There being no objection, the article was ordered to be printed in the Record, as follows:

### U.S. Panel Split Over Negro Jobs—Johnson Committee Tries To Reconcile Voluntary and Compulsory Programs

(By Peter Braestrup)

Washington.—The Kennedy administration's year-old drive to open up industrial jobs to Negroes has become entangled in controversy.

The agency concerned is the President's Committee on Equal Employment Opportunity, headed by Vice President Johnson.

The controversy has strong political overtones. It centers on reconciling the "compulsory" program headed by John G. Feild, the Committee's staff director, and a "voluntary" approach being pressed by Robert B. Troutman, Jr., of Atlanta, a member of the panel who is a close friend of President Kennedy.

The outcome is expected to be affected by a report Mr. Troutman is to submit to President Kennedy this Friday and by the findings of Theodore W. Kheel, a New York lawyer, who is completing a study of the Committee's operation for Mr. Johnson.

The Vice President's aids and Secretary of Labor Arthur J. Goldberg, Vice Chairman of the Committee, have insisted that the controversy is not serious. "I like a little healthy diversity," Mr. Goldberg said in an interview. "There is bound to be disagreement in a group as varied as this one."

However, some civil rights groups, notably the National Association for the Advancement of Colored People, have expressed concern. They fear that Mr. Troutman's operation, if uncontrolled, will weaken the "hard line" originally laid down by the President.

Similar worries have been voiced privately by some Committee members, notably John C. Wheeler, president of a Negro bank in Durham, N.C., and Walter P. Reuther, president of the United Automobile Workers.

The hard line was set out in the President's Executive order of March 1961, which created the Johnson panel and its 35-man staff, headed by Mr. Feild, former executive director of Michigan's Fair Employment Practices Commission.

The panel was given the job of ending racial discrimination by Federal agencies and private concerns with Government contracts. Such discrimination was prohibited by the order.

Unlike its counterpart under Vice President Richard M. Nixon, the Johnson committee's mandate had "teeth." The sharpest were a compliance reporting system for industry, active investigation of Negro complaints, and sanctions against recalcitrant employers, including contract cancellation.

### SIXTY-FIVE PERCENT SETTLED

"We mean business," the Vice President has repeatedly told both industry and civil rights groups.

To date, under Mr. Johnson's supervision, Mr. Feild's office has received 870 compliants of discrimination by Government contractors and has settled 65 percent of them, with the aid of other Federal agencies.

With considerable help from industry, the Feild staff has also slowly created an equality control system covering 300,000 manufacturing concerns that do business with the Government. Fifteen million employees are covered.

This data-processing system is designed to show the job status of Negroes in each concern, the progress made and comparisons within specific industries and labor markets. With this data, the Feild staff and contract compliance officers in the Defense Department and other buying agencies will be able to identify laggard employers and unions and concentrate their remedial efforts.

Some 200 cases of racial discrimination have been corrected and breakthroughs have been achieved in Negro employment in the North and South without canceling any contracts, Mr. Feild said recently. But he asserted that "several instances of brinkmanship" had been necessary.

### FINDS VALUE IN THREATS

"I have been impressed," he told a civil rights group last month, "with the educational value of the threat."

All this smacks of bureaucracy and compulsion to Mr. Troutman, who favors a voluntary approach that makes him the prime focus of Negro suspicions.

Mr. Troutman has strong ties to Georgia's congressional delegation, notably Senator Herman E. Talmadge.

He is easily the most energetic member of the President's Committee. He rises daily at 4:30 a.m. to get 2 days out of one and catnaps during the day.

Shunning the ordinary committee member's advisory role, Mr. Troutman began pressing the much-published plans for progress program last May. Starting with the Lockheed Aircraft Corp., 52 major defense contractors have signed White House agreements to open up more jobs to qualified Negroes. By the year's end, Mr. Troutman hopes to have 100 such concerns signed up.

### DECRIES INTEGRATION "FUSS"

"Compulsion is not the thing," he argues. "I'm a lawyer. I can show you how to get around the Executive order. It's got to be voluntary."

He contends that segregated plant restrooms and cafeterias are not worth the "fuss" of integration, as required by the Feild program. "I'm interested in jobs. I'm interested in improving the attitudes of big business," he says.

Late last month, Mr. Troutman sent a report on plans for progress to the Vice President, the White House, and Secretary Goldberg. He did not send it to Mr. Feild. He noted figures showing that in 6 months the first half-dozen concerns to sign the plans, including Lockheed, found 2,000 new jobs for Negroes.

"How many jobs have the 'do-gooders' and 'talk-gooders' produced in 50 years?" he asked.

Along with his report Mr. Troutman submitted a controversial proposal. He suggested that plans for progress be turned over this fall to a council, largely composed of businessmen, that would seek new recruits for a voluntary program. Mr. Troutman would be the new group's executive secretary.

### MAY DISCUSS PROPOSAL

Mr. Troutman would get the council moving with a Washington dinner for executives of 100 leading concerns of all types this fall. The businessmen would be addressed by the President, the Vice President, and Secretary Goldberg.

The Troutman proposals will reportedly be considered by the full committee at its next meeting, possibly later this month.

Mr. Troutman's proposals may please Southern Democrats but they are unlikely to please another major Democratic bloc, the Negro voters.

Whitney M. Young, Jr., the new executive director of the National Urban League, commented last month, with respect to existing plans for progress:

"We've tried the voluntary approach for years, and nothing's happened."

Herbert Hill, Jr., labor secretary of the NAACP, charged in April that the White House agreements "resulted in more publicity than progress." He asserted that Mr. Troutman's efforts had deliberately diverted attention and resources from "the systematic across-the-board effort" needed to insure compliance with the President's Executive order.

### PUBLICITY VALUE STRESSED

However, Secretary Goldberg said, "I have no complaints about Troutman's operation."

He and Vice President Johnson have expressed satisfaction with the 2,000–job gain, and their aids stress the value of publicly enlisting big business against racial discrimination.

The voluntary approach, like Mr. Feild's drive, has not been without its failures. A dozen major concerns, including the United States Steel Corp., Sears, Roebuck & Co., and several oil companies, have refused to sign up.

Mr. Troutman's preoccupation with the spirit rather than the letter of the plans for progress has led to some changes. Last July, the Vice President was presented a plan for progress from the General Electric Co., which was regarded as unspecific and little more than a polite response to the panel's invitation to cooperate.

Mr. Johnson promptly ruled that Hobart Taylor, the committee's counsel, would henceforth review all Mr. Troutman's plans for progress.

Moreover, in contrast to the regular compliance program, there has been relatively little follow-up on plans for progress. Only six of the 52 signatory companies have reported on their Negro employment.

"I've talked to many industrial people," said an outside observer, "and they say, 'We're all ready to go but nobody's come around to guide us.

"Troutman's staff just isn't equipped for that type of operation," he said.

Amid both praise and criticism, Mr. Troutman has pushed ahead. He has created a semiautonomous plans for progress staff. He has opened an office in Atlanta and has put some of his personal staff to work with census data, preparing a presentation for him to take to industry.

"I only see the topman," he said recently, "and I tell him it's going to cost him something."

One of his prime talking points is giving the Negro a stake in the free-enterprise system. An infusion of well-paid Negro white-collar workers, he contends, will have a calming effect on Negro communities, which he believes are often dominated by extremist clergymen.

Mr. Troutman shifted operations to Washington in March.

He did not set up shop next door to Mr. Feild's quarters in the vast General Accounting Office Building in midtown Washington. Instead he obtained a suite at 701 Jackson Place, across Pennsylvania Avenue from the White House, where he drops in occasionally to see the President.

Secretary Goldberg said that he approved the separation of the Troutman and Feild staffs, partly to avoid "friction."

Mr. Troutman spends an average of 2 days a week in Washington, both on plans for progress and on other business.

Last October, with Mr. Goldberg's approval, he put his chief aide, Joseph Kruse, on the Federal payroll. Mr. Kruse gets $10,635 a year. In April, according to Labor Department spokesmen, three more of his Atlanta business employees were added at salaries ranging from $6,435 to $9,000 a year.

According to Stephen Shulman, special assistant to Secretary Goldberg, the entire plans for progress operation is expected to cost about $76,000 by July 1. This cost does not include the services of the Feild staff, which was involved in about half the negotiations. The Troutman operation has thus cost little more than one-sixth the full committee's annual budget of $425,000.

Mr. Troutman says that he is so short on office help that Mr. Kruse has to do his own typing.

Mr. Troutman believes that complaints of racial discrimination against employers that have signed plans for progress constitute unfair harassment. Many such complaints, he notes, have been lodged with the Feild staff by the NAACP on behalf of individual Negro workers.

### ASKS DATA ON COMPLAINTS

Without notifying Secretary Goldberg, Mr. Troutman last month sent to Mr. Feild's office a request for an accounting of all complaints lodged and whence they came. One of his purposes was to discover which were legitimate and which were filed for publicity's sake, as he saw it. His critics contend that similar tactics have been used in the North by organizations hostile to State fair-employment laws.

"If they want to get rid of plans for progress, they can go ahead," Mr. Troutman says. "I'm not getting anything out of this. I've got to earn my living."

Aside from his law practice Mr. Troutman has been in and out of a host of businesses.

One of them is an interest in a $3 million a year food vending company, Koffee-Kup, Inc., now a wholly owned subsidiary of United Servomation, Inc. Koffee-Kup serves plants and offices in the Atlanta area.

Mr. Troutman is the company's secretary. Among his fellow stockholders is Senator TALMADGE. The biggest of Koffee-Kup's industrial customers has been Lockheed's plant at Marietta, Ga., near Atlanta. And ironically, after Lockheed segregated plant cafeterias were closed under the first Troutman-negotiated plan for progress last year, Koffee-Kup increased its business.

It had not been planned that way, Mr. Troutman said that he had not attended a company meeting in 4 years and had played no part in the concern's operations.

To charges that he lobbied for a $1 billion Air Force jet transport contract for Lockheed's Marietta plant, Mr. Troutman cheerfully pleads guilty. "I think the Southeast should do more pushing," he said.

However, he said that his efforts had been confined to preparing a 10-page study for Georgia's congressional delegation supporting Georgia's claims to a greater share of defense spending. The contract was awarded in March, 1961.

It is against this background of politics and conflicting personalities and philosophies that the President's Committee is going into its second year of operation.

Mr. Kheel, after studying the Committee, is understood to believe that it has made a strong start in eliminating racial discrimination in employment.

## CONFIRMING THE NOMINATION OF THURGOOD MARSHALL

Mr. JAVITS. Mr. President, the nomination of Thurgood Marshall to be judge of the U.S. Court of Appeals for the Second Circuit was an excellent appointment which was hailed by civil rights proponents everywhere because of Judge Marshall's brilliant record, particularly of appellate advocacy. Judge Marshall's induction, which I attended, took place on October 23, 1961. Yet confirmation of his nomination has yet to be acted upon by the Senate. He has had to sit on the court for almost an entire term, handling the duties of that office, without Senate confirmation.

A special subcommittee held hearings on the nomination on May 1, 1962. Senator KEATING and I appeared in favor of the nominee, and no one appeared in opposition. The Republican member of the subcommittee, Senator HRUSKA, was the only member of the subcommittee to attend the hearing. Since the hearing, no action has been taken or scheduled, even to report the nomination to the full committee, much less to report it to the Senate. There should be an end to this wholly unjustified delay.

There is some talk of a further hearing. If this is necessary, it should be done at once. If it is just another delaying tactic, it should be exposed as such. Personally, I see no reason whatever why the hearing already held did not offer sufficient opportunity for all interested parties to be heard; but I have such confidence in the nominee that I have no fear about holding further hearings if there is a genuine need for them. The responsibility for this delay is also one the administration must share; the subcommittee and committee chairmen are members of the President's party and should be asked to permit the Senate to deal with this nomination. It is not enough for the President to claim credit for sending a nomination to the Senate. Senate confirmation is also essential. Nor is it enough for the President to say that this is not within his control; the public has a right to know that, too, if that is the case.

Further delay is both unwarranted and intolerable.

## STRIKE OF TWA

Mr. MONRONEY. Mr. President, for almost 2 years the Federal Government has made every effort to help the unions and airlines reach a satisfactory solution to the controversy over the composition of the crews on jet aircraft. During this period, I have carefully refrained from any comment on the issues involved. I felt that the parties to the dispute should be given every opportunity to work out a voluntary and mutually acceptable solution. With the announcement by the flight engineers' union of their intention to strike Trans World Airlines, and the implied threat to strike other airlines affected by the dispute, I feel that the situation has changed. I believe that I now have the responsibility, as chairman of the Aviation Subcommittee of the Senate Commerce Committee, to add my voice to those of other responsible officials of the Government in urging the flight engineers to avoid this action, which can only damage their country, the airline industry, and their union.

I have every sympathy with these men. They have made, and can continue to make, a valuable contribution to the safety of air travel. The situation in which they find themselves is not of their making, but is the result of technological change, specifically the transition to jet aircraft.

However, no group of workers has had the benefit of more patient or sincere efforts in its behalf than has the flight engineers. Secretary Goldberg, the Special Presidential Commission headed by Dr. Feinsinger, and the AFL–CIO have suggested a merger of the pilots' and engineers' unions on a basis which would have provided the members of the flight engineers' union with guarantees as to their continued employment and maintenance of their seniority rights, or, failing this, which would have provided them with liberal severance payments to permit them to find other employment. Every effort will be made by the Congress, by the executive branch, and by the AFL–CIO, to which both these unions belong, to protect the interest of the members of the weaker union in a merger with the stronger. But this is not the issue in this strike.

We should remember that throughout this dispute the Federal Aviation Agency has consistently maintained that the flight engineer's duties on a jet aircraft could be performed as well by a person who qualified as a flight engineer after experience as a pilot as they could be by one who qualified after experience as a mechanic. There has never been any evidence that a four-man crew was required or contributed in any way to the safety of operation of a jet aircraft. The four-man crew requirement came about because the pilots' union insisted that the third crewmember should be a pilot, while the flight engineers insisted that the third crewmember should be a mechanic and a member of their union. Several airlines compromised by adopting the four-man crew—a costly piece of featherbedding that the industry can simply not afford. A number of airlines have operated for years with the entire crew pilot-trained and members of the Air Line Pilots Association, including the pilot performing the duties of flight engineer.

The VICE PRESIDENT. The time of the Senator from Oklahoma has expired. Without objection, the Senator from Oklahoma may proceed for an additional 3 minutes.

Mr. MONRONEY. I thank the Vice President.

Mr. President, following this evasion of the issue, the National Mediation Board determined after protracted hearings that the duties of a flight engineer on a jet aircraft did not differ from the duties of a pilot to such an extent as to entitle them to independent representation as a separate craft; and this determination was sustained by the courts. An industrywide strike threat as a result of this determination was then averted by an agreement for a further investigation by the Presidential Commission headed by Professor Feinsinger. This Commission recommended that it was desirable that the pilots' and flight engineers' unions be merged because there was no longer any justification for separate unions, and also recommended very fair and sensible principles on which such merger should take place.

The leadership of the flight engineers' union has adamantly refused to follow this reasonable and responsible course after every effort has been made to seek a formula which would minimize the individual hardship on the members of the union. After their contentions have been rejected again and again by fair and objective third parties, they again resort to the strike to maintain a status quo which has become an anachronism in the changing world of aviation.

Surely the members of this union are aware that an administration which has taken strong measures to prevent an action by industry which it felt was contrary to the public interest must also take strong measures to prevent an action by labor which is contrary to the public interest. Surely they must recognize that the current conditions in our economy are such that the American people cannot tolerate selfish and irresponsible conduct by a small minority of workers which will affect adversely thousands of their fellow workers, our transportation system, and our balance of payments. It is time for reason to prevail in this dispute. If this union insists on a resort to force, it will leave the Government no choice but to employ the greater force for the greater good.

## SENATOR NEUBERGER URGES RETAINING GENERAL SAFETY DISTRICT OFFICE, FEDERAL AVIATION AGENCY, IN MEDFORD, OREG.

Mrs. NEUBERGER. Mr. President, I am seriously concerned by the proposal of the Federal Aviation Agency to transfer activities of the Medford, Oreg., General Safety District Office. Medford is the second busiest airport in my State, and a real hardship would result if business is required to be transacted in Portland or Sacramento, Calif., 230 and 290 miles away, respectively.

I have written the Administrator of FAA expressing my concern with this matter and the hope FAA will review its decision and continue the General Safety District Office at Medford.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD my letter to the Administrator of the Federal Aviation Agency, Mr. Halaby, together with an editorial of June 13 on this subject from the Medford Mail Tribune, a prominent daily newspaper.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

JUNE 5, 1962.

Hon. NAJEEB E. HALABY,
*Administrator, Federal Aviation Agency,*
*Washington, D.C.*

DEAR MR. HALABY: I am writing to express my personal concern regarding the proposed closing of the General Safety District Office presently located at Medford, Oreg. Such a closure would present serious difficulties to aviation in this area of my State.

The present GSDO office at Medford has both a pilot inspector and an aircraft inspector. Both are vital to the continuous operation of the general aviation fleet. If the office were cloesd, southern Oregon pilots, aircraft owners and mechanics would have a choice of conducting their frequent business with the Sacramento GSDO, 290 miles away, or with the Portland office, 230 miles away. The hardships are obvious.

I understand it is a matter of record that the Portland GSDO office is so swamped with work that pilots have waited more than a year to take an advanced flight check, which the local Medford office presently cannot give.

Because of the great distances involved, a separation of GSDO offices by 520 miles if the proposed closure takes place, it is my hope that your agency might reconsider its action with respect to Medford.

Sincerely,

MAURINE B. NEUBERGER.

### DON'T MOVE GSDO

A small story in this newspaper last week reported that the General Safety District Office of the Federal Aviation Agency would be moved from Medford to Portland this month.

The announcement has drawn strong protests from those associated with the general aviation industry throughout southern Oregon and northern California. It appears to us the protests are fully justified, and that the FAA should rescind the order unless it can be shown to be in the public interest.

Such a change would impose real difficulties, if not hardships, on a large number of individuals. We doubt that it could be shown that moving the office would result in any savings, either.

A letter written to Senator MAURINE NEUBERGER explains why aviation in this area would suffer. In part, it said:

"The GSDO has both a pilot inspector and an aircraft inspector. Both are vital to the safe growth and continued operation of the general aviation fleet. The former conducts flight tests for new pilot certificates, and for higher ratings. The latter personally must examine the work of mechanics making alterations to all aircraft. If the office here were closed, southern Oregon pilots, aircraft owners and mechanics would have a choice of conducting their frequent business with the Sacramento GSDO (290 miles), or the Portland office (230 miles). The hardships are obvious. So is the impossibility of flying a dismantled plane to an inspection location. The alternative is to wait for the inspector to visit here, which could well be a period of months.

"As a matter of record, the Portland GSDO is so swamped with work that one pilot has been waiting more than a year to take an advanced flight check the local office cannot give.

"Airplanes are vital to the everyday existence of a great many Oregonians. Mercy flights is a good example, but crop dusting, borate bombing, and many other activities could also be cited."

The GSDO was once located in Eugene, but was moved to Medford the better to serve the larger area. This made sense, as Medford has the second busiest airport in the State, and is roughly equidistant from the Portland and Sacramento offices. It has been here for 7 years, and its services are in wide demand.

Its movement to Portland would work a costly hardship on the general aviation industry. We do not see how it could be justified under any circumstances, and certainly not unless cost savings would be substantial, which is difficult to believe.

We hope the FAA reverses its decision, and keeps this important service office close to the people it serves.—E. A.

## THE DRUG REFORM BILL

Mrs. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the RECORD three editorials entitled "Confusion on Drug Reform," "Retreat on Drugs," and "The Drug Bill Scandal," which I think are pertinent to the discussion in the Senate regarding the efforts of the Senator from Tennessee [Mr. KEFAUVER] to bring forth a good drug bill.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 15, 1962]

### CONFUSION ON DRUG REFORM

The drug reform bill over which Senator KEFAUVER and his Senate Antitrust Subcommittee toiled for 2½ years has undergone drastic dilution as the result of a coup engineered by Senator EASTLAND, of Mississippi, in collaboration with the bill's Republican foes. Mr. EASTLAND, the Judiciary Committee's Democratic chairman, called a meeting without notice to the Democratic majority of the subcommittee, at which the measure they had approved was changed so fundamentally that Mr. KEFAUVER now disclaims authorship. Perhaps the most surprising aspect of the secret session was the presence of a representative of the Department of Health, Education, and Welfare to give the administration's blessing to the watered-down bill.

In view of the long hearings and staff work that went into the original bill, this is a bizarre method of revision. Senator KEFAUVER notes that President Kennedy sent the Senate a letter April 10 strongly endorsing most provisions of his bill and suggesting certain amendments to make it even more effective in assuring safer, cheaper drugs. The Senator insists that the revised version is a mere shadow of the original and that it will achieve virtually none of the President's goals.

It has always been clear that the Kefauver bill was open to improvement. Some provisions were unduly restrictive—especially those subjecting pharmaceutical manufacturers to discriminatory treatment on patents. But the subcommittee's investigation demonstrated conclusively that existing safeguards were far from adequate. The original bill was realistically geared to overcoming these deficiencies in public protection for the public health. The substitute seems more likely to provide the illusion of additional safeguards than their reality.

The President has plenty of problems to occupy him these days, but this is a matter of sufficient moment to justify a clear statement from the White House as to which version meets the President's tests as outlined in his April letter.

[From the Washington Post, June 18, 1962]

### RETREAT ON DRUGS

Senator KEFAUVER has a right to be angry about the strange way in which his drug legislation was adulterated at a meeting of the Senate Judiciary Committee. Senator EASTLAND, chairman of the committee, was careful to see that Senator KEFAUVER was not invited. His explanation for his oversight represents a novel approach to parliamentary courtesy. "I admit I did not call in my friend from Tennessee for consultation," Mr. EASTLAND blandly explained to the Senate, "because I thought it would be a futile act."

Senator KEFAUVER is more thoroughly versed than any Member of the Senate on the intricacies of the legislation intended to encourage safer and cheaper drugs. For 2½ years, his Senate Antitrust Subcommittee has delved with diligence into the abuses in drug manufacturing. These hearings resulted in a bill that President Kennedy endorsed in a letter of April 10 that suggested only minor emendations.

Now Senator KEFAUVER has disowned the new bill and the administration has retreated from its previous position. Curiously, a representative of the Department of Health, Education, and Welfare participated in Senator EASTLAND's private meeting and went along with the revisions urged by two Republican Senators, DIRKSEN and HRUSKA.

It may be that Senator KEFAUVER's bill needed improvement. But a point-by-point study of the changes made at Mr. EASTLAND's private session show that virtually every change is in the direction of weakening the bill and limiting its scope. Provisions for licensing drug manufacturers have been thrown out to provide for a meaningless registration procedure. Standards for testing the efficacy of a new drug have been diluted.

Enough has come to light in Senate hearings to support the need for new legislation. Whatever bill Congress passes should provide the substance as well as appearance of protection. The White House ought to reconsider whether it will give its approval to a bill that has been plucked and shorn in a cozy little meeting in Senator EASTLAND's office.

[From the New York Post, June 14, 1962]

### THE DRUG BILL SCANDAL

What happened to President Kennedy's state of the Union pledge "to protect our consumers from the careless and unscrupulous?" In the light of that pledge, how could a representative of HEW Secretary Ribicoff participate in the gang-up engineered by Senator EASTLAND and Minority Leader DIRKSEN against Senator KEFAUVER's bill for tightened Federal regulation of the drug industry (as reported by Barbara Yuncker in the Post).

The administration, nominally a supporter of the Kefauver bill, went into an unprecedented "secret meeting" from which KEFAUVER and other supporters of strengthened controls were excluded. The meeting was designed to tailor pending drug legislation to the specifications of the pharmaceutical industry. The result, according to Senator Kefauver, was a "massacre" of a good bill which had been carefully drafted after 2½ years of public hearings.

Defending its willingness to compromise the administration claims that is the only way to get a bill that has any chance of passage. But to pass a bill without teeth could be worse than no bill at all.

Senator Kefauver has vowed to fight it out on the floor of the Senate.

Now is the time for consumers to be heard in his support.

## BOOK BY JACK BELL ENTITLED "MR. CONSERVATIVE: BARRY GOLDWATER"

Mr. DIRKSEN. Mr. President, Chesly Manly of the Chicago Tribune has written a very interesting review of the recently published biography by Jack Bell under the title, "Mr. Conservative: Barry Goldwater."

Mr. Manly sets forth what Mr. Bell's friends have always known, namely, his objectivity, his fairness, and his facility for presenting a character in excellent perspective.

I ask that Mr. Manly's evaluation of this timely and current volume be made a part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Auspicious Combination of Subject and Biographer

("Mr. Conservative: Barry Goldwater," by Jack Bell [Doubleday, 312 pp., $4.50])

(Reviewed by Chesly Manly)

Given such a fascinating political phenomenon as Barry Goldwater as the subject and Jack Bell, one of the best informed political writers in the country, as the biographer, the result is bound to be a first-rate book.

Bell covers the Senate and national politics for the Associated Press. Only a writer who has lived and worked in close proximity to the charismatic Senator and enjoys his confidence could present such an intimate and authoritative account of his beliefs, his activities, and his political prospects as leader of resurgent conservatism in the Republican Party.

Bell compares Goldwater's position on major issues with that of Nelson Rockefeller and Richard Nixon, both potential candidates for the Republican Presidential nomination in 1964. He rejects both Rockefeller and Nixon, at least implicitly, in a chapter concluding, "Who but Barry Goldwater?" He equates Goldwater's position in 1962 with that of Senator Kennedy in 1958 and reminds the "wiseacres of politics" who give Goldwater no chance to win the Republican nomination in 1964 that they gave Kennedy no chance to win the Democratic nomination in 1960.

The author obviously admires Goldwater as a sincere, courageous, and fiercely patriotic politician who fights for his convictions but always fights fairly. He is sympathetic with Goldwater's political philosophy, which is more rugged individualism than traditional conservatism. But the book is no unrelieved panegyric. Bell ascribes numerous inconsistencies, a tendency to "pop off" thoughtlessly, and some untenable positions to the handsome Senator.

Some of Bell's criticism seems unwarranted. It is by no means certain that Goldwater "guessed wrong on the United Nations action to bring secessionist Katanga back into line with the Congo central government." Though Bell acknowledges Goldwater's repudiation of Robert Welch, founder of the John Birch Society, he says that "the Birch adherents had a right to assume that Goldwater embraced many of their viewpoints" because of his votes in the Senate. Such a remark would be considered a smear if it referred to Communist viewpoints and the votes of any leftwinger in Congress.

The last chapter of the book, "A Conservative's Creed," was contributed by Goldwater. It is an eloquent statement of the Senator's conviction that the basic issue of our time, in both domestic and foreign affairs, is freedom versus slavery.

No definitive assessment of Goldwater could be written at this time, but Bell's interim report should be read by those who have any interest in American politics.

## ALASKA AND SEATTLE'S WORLD'S FAIR

Mr. GRUENING. Mr. President, recently the New York Times published an excellent article on the effects of the Seattle World's Fair upon Alaska. It was written by Lawrence E. Davies, the Times' veteran west coast correspondent. It points out that many of the people who have gone to Seattle to see the World's Fair have gone on to enjoy the scenic wonders of Alaska.

Alaska is making preparations for a large influx of tourists. Later this year a regular car ferry service will take tourists who have driven to Prince Rupert in British Columbia up the famed "Inside Passage" to the coastal towns of southeastern Alaska—Ketchikan, Wrangell, Petersburg, Sitka, Juneau, Haines, and Skagway. The first ferry was launched earlier this month. Two more are under construction, and beginning in the summer of 1963 will afford daily service.

The establishment of this "marine highway" is one of the accomplishments of the people of Alaska under statehood. They voted a $23 million bond issue for the purpose.

I ask unanimous consent that Mr. Davies' article entitled "Alaska Gets a Bonus From the Seattle Fair," be printed at this point in the Record, in connection with my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

### Alaska Gets a Bonus From the Seattle Fair

(By Lawrence E. Davies)

Anchorage, Alaska.—The 49th State already is experiencing agreeable economic effects from the Seattle World's Fair. Alaska's tour promoters are convinced that the State has embarked on its biggest travel year, bigger even than 1959, the first year of statehood, and they credit the Century 21 Exposition, which began a 6-month run on April 21.

The Alaska State exhibit at the fair, housed near the Space Needle, has brought many inquiries from exposition visitors, officials noted. In numerous instances, these inquiries have been translated into side trips to the Far North by plane and steamer, even, in some cases, into leisurely motor trips by tourists with time on their hands.

"It is surprising how many persons have checked in here since the Seattle Exposition opened and mentioned that the fair was their impetus for coming to Alaska," said an Anchorage hotelman. And Pacific Northern Airlines reports that advance bookings for this summer to Alaska already are up 15 percent over 1961.

"We feel this is a result of the World's Fair," said Howard Clifford, a Pacific Northern spokesman in Seattle. "Our individual business, not group tours, is up 30 percent; group business is up 50 percent."

#### BUSINESS MAY INCREASE

A Pan American World Airways official said his firm expects a "substantial increase" in its Alaskan business because of the fair. These two companies, as well as Alaska Airlines and Northwest Orient Airlines, operate jet services between the Pacific Northwest and Alaska.

Charles B. West, a former Fairbanks airplane pilot who is the biggest tour operator in the Alaska business, said his 1962 bookings currently are running ahead of those sold at this time in 1959, the heaviest travel year for the 49th State.

"The World's Fair is responsible," he said. "The last 2 years have been static; our business dropped 25 percent in 1960 from 1959 and remained at that level last year. I think we may go up 45 percent this year."

Tourist officials are jubilant about the rise in business, especially since the first boat in a projected fleet of four ferries that is destined to carry motorists and their cars over a marine highway to Alaska will not be ready for operation until at least late in September.

This ferry, the motorship *Malaspina*, named for an Alaska glacier as big as Rhode Island, is under construction at the Puget Sound Bridge & Drydock Co.'s yard in Seattle.

The somewhat controversial ferry system is hopefully scheduled to begin operating with its full fleet of four ships next year. Three of the ferries will serve southeastern Alaska.

These 3, each with a capacity of 100 cars and 500 passengers, will sail between Prince Rupert, British Columbia, and Skagway in Alaska. They are expected to make the run in 36 hours if they take a direct route; in 42 hours if a longer route, by way of Sitka, is followed. Stops will be made at Ketchikan, Wrangell, Petersburg, Sitka, Juneau, Haines, and Skagway.

#### ALASKAN FERRY

The fourth ferry, with a capacity of 60 automobiles and 262 passengers, is to run between Kodiak and Homer in south-central Alaska. The ferry system is designed to provide loops for automobile traffic using the Alaska highway and its connecting links, both rail and highway, and offer travelers the chance to go by land, return by water, or vice versa.

This summer, for World's Fair visitors and other Alaska-bound travelers, four Canadian-flag vessels will be running between Vancouver, British Columbia, and Skagway. Alaska Cruise Lines, Inc., operates two of the vessels, the *Glacier Queen* and *Yukon Star*, with a departure every 4 days between now and October 1.

The Canadian National Steamship Co. has scheduled 13 departures for its vessel, the *Prince George*, between now and early in September, and the Canadian Pacific Steamship Co. has scheduled 12 departures from Vancouver for its *Princess Louise* during June, July, and August.

Two opposing views have marked the new tourist season, with its expected record travel to Alaska. The controversy centers on the question of lodgings in Seattle.

One position is taken by Mr. West, who has asserted:

"We will not sell a tour or offer a tour which does not offer first-class accommodations. We deliberately limit our program to first-class accommodations; we are turning down an average of 20 requests a day, each involving 4 or 5 persons. We are telling people, 'Sorry, but due to the impact of the Seattle World's Fair, we are unable to confirm your reservations.'

"There are more rooms with bath in one big hotel in Seattle—1,000—than there are in the whole State of Alaska. In 1959, a lot of people were miserably unhappy when they came to Alaska. Hotel accommodations are the most important part of the trip."

This attitude is in contrast to that of Ralston A. Derr, former executive director of the Alaska Visitors Bureau and former general manager of the Fairbanks Chamber of Commerce.

Mr. Derr is beating the drum for the Alaska Booster Association, which is sponsoring publicity in Seattle to attract visitors to Alaska.

Mr. Derr has chamber of commerce committees in Anchorage and Fairbanks looking for bedrooms that residents may be willing to rent to tourists for $6 to $8 a night.

"People are dissatisfied with some of the housing conditions they are finding down in Seattle," Mr. Derr said. "I can hear them say, 'This is a poor room. We have a few days left, so why not run up to Alaska?'

### "TAKE YOUR CHANCES

"But we are promising nothing. We are telling them, 'Take your chances on the last frontier. You may have to sit up all night, but it's daylight all night in Alaska and there'll be a lot of people sitting up with you.' "

There is general agreement that the problem of tourist housing has not been solved in the 49th State. Alaska officially so far is leaving the financing of new accommodations to private enterprise.

Here and there, hotels are being expanded and new motels and lodges being built, but the summer demand is greater than the supply. One Anchorage hotel, with a new wing opened 2 years ago, now has 350 rooms; most of the older rooms have been refurbished. A Juneau hotel has been doing some redecorating.

There are at least 100 more first-class rooms in Anchorage than there were in 1959 and 50 more in Fairbanks than there were 3 years ago. A new 36-room hotel with 14 baths has gone up in the Eskimo village of Kotzebue. New accommodations also are in the planning stages at Barrow.

A newly enlarged housing facility on the Alaska-Yukon frontier will have accommodations for 120 persons. Sitka has a new hotel with about 50 rooms.

Several new motels are scattered about the State. One has been built on Wasilla Lake, in the Matanuska Valley. Along the 3-mile lake, building lots are commanding an average price of $100 a front foot.

In a number of areas, civic-minded persons are trying to give the visitor to Alaska something to do besides look at a glacier or a mountain peak and exclaim over the scenery. In Juneau, for example, Mrs. Robert Boochever, wife of an attorney, has set out to tie in history and local color with tourism.

### GOLD MINE TOUR

Mrs. Boochever is leading a nonprofit venture to provide visitors with a gold mine tour for about $6. In Last Chance Basin, just outside Juneau, a bridge is to be built over which buses will carry tourists to a mine entrance. They will be able to penetrate the shaft for about a half mile and, in an old mine building, see a theatrical production titled, "Hoochinoo and Pancakes," based on life in an early Alaskan trading post.

P. D. Hanson, regional forester for Alaska's vast Tongass National Forest, predicted at Juneau that recreation would compete strongly with timber as one of Alaska's chief resources in the future.

The Forest Service has built a new $200,000 observatory with panoramic windows in Tongass from which visitors may look down upon spectacular Mendenhall Glacier, near Juneau. Relief maps and exhibits are to be installed, and the project will be dedicated this summer.

"Think of it," Mr. Hanson said. "We have more than 11,000 miles of shoreline in public ownership up here under supervision of the Forest Service. The recreational possibilities are limitless."

## HEALTH CARE COMPROMISE

Mr. JAVITS. Mr. President, I have steadfastly maintained that health care legislation can become law at this session of the Congress if the administration will reach an accommodation with those who, like myself, will vote for a program that extends coverage to the 3 million individuals who are not under social security, offers some freedom of choice and increases the flexibility of its benefits and administration. It is clear that the administration's proposal is inadequate and should at the least be revised to conform to the recommendations of medical experts, who emphasize the high priority of preventive care; to the insurance experts, who point to the accelerating growth of private and nonprofit programs; and to the public health experts who stress the efficiency and flexibility of State administration.

These are basic principles which I have incorporated in my health care proposal and, as I have demonstrated, they are completely compatible with the social security approach. They make possible a complete health care program, not minimum coverage, based on the right of our senior citizens to proper and satisfactory care.

The point that acceptance of a compromise incorporating proposals such as these would strengthen the expectation for a medicare law is made in an editorial in the Washington Post. I ask unanimous consent to print in the RECORD the editorial entitled "Leading From Strength" which appeared on June 15, and a letter from the New York Times of June 18, entitled "Health Insurance Option," by Roswell B. Perkins.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 15, 1962]

### LEADING FROM STRENGTH

The prognosis for health care legislation in this session of Congress is not very bright. A majority of the legislative doctors in the House Ways and Means Committee are said to be against letting their patient, the King-Anderson bill, journey to the floor of the House for a vote, at least in its present form. There is talk of resorting to that ancient and frequently fatal remedy, bleeding.

Health, Education, and Welfare Secretary Ribicoff has been called in for a consultation. He emerged from a session with the committee enigmatic but was reported to have said that the President, while adamant about having health care for the aged financed through an increase in the social security tax, would not be averse to compromise on other aspects of the legislation.

The King-Anderson bill seems to us anemic enough as it is. It promises a bare minimum of hospital and nursing care benefits for the 16 million Americans over 65 years of age. Against many of the inevitable costs of medical care—physicians and surgeons bills, for example—it affords no protection at all for the elderly. The 90-day limitation it places on any single hospital stay may prove quite inadequate in caring for terminal illnesses. There is ample room, as we see it, for amendments which would strengthen and perfect this proposal, very little room for administration concessions which would weaken it.

The Ways and Means Committee could usefully enlarge the coverage of the King-Anderson bill to include persons not now entitled to social security benefits; an additional 3 million aged persons need protection against the health hazards of old age. It could work out alternative benefits, perhaps, that would improve the protection of the measure or reduce its deduction requirements. Conceivably, it could make allowance for optional private insurance without compromising the social security principle. Such changes would be all to the good.

In addition, it may be that the Ways and Means Committee could apply some poultices to allay the anxieties of those who fear that this program of health care for the aged may lead to governmental control of medicine. This could be accomplished by giving the medical profession larger representation on the bodies which will determine the eligibility of hospitals and nursing homes.

We hope, however, that the administration will stand firm on the essentials of the health care program. It has a much better chance of enacting a strong bill than of enacting a weak bill.

### HEALTH INSURANCE OPTION—ENDORSEMENT OF CONCEPT ADVOCATED TO SPUR BILL'S PASSAGE

NEW YORK, N.Y.,
*June 11, 1962.*

To the EDITOR OF THE NEW YORK TIMES:

A bill to provide health insurance for the aged within the framework of the social security system may well fail this year. If it does, I submit that the fault will be heavily shared by the bill's most vocal proponents—President Kennedy and the spokesmen for the AFL–CIO—by reason of their failure to endorse the voluntary health insurance option contained in the Lindsay and Javits bills.

That option, first proposed by Governor Rockefeller just 2 years ago, is simply this: the right to buy private health insurance coverage with a special monthly cash social security payment, in lieu of accepting the Government health insurance protection.

My respected friend of long standing, Nelson H. Cruikshank, director of the department of social security of the AFL–CIO, wrote to the Times recently (as printed in the June 4 issue) attacking the option.

Mr. Cruikshank complains that the "insurance companies" (he avoids reference to Blue Cross, the Kaiser-type of health plans on the west coast, and other nonprofit plans covering hundreds of thousands of older persons) will get the pick of the crop of insurance risks. He apparently concludes that the problem of possible adverse selection of risks is an insuperable obstacle to adopting the option. He goes on to suggest that, even without the option, private health insurance can build on top of and supplement Government health insurance in the same way that private pension plans supplement social security retirement benefits.

### BASIS OF OPPOSITION

This expressed opposition to the "option," it seems to me, stems from a doctrinal distaste for private insurance and voluntary prepayment mechanisms, rather than an objective appraisal of the facts. More specifically:

The Lindsay bill (H.R. 11253) does not permit switching back and forth from the Government plan to private plans. Once covered by the Government plan after retirement, a beneficiary would be precluded from exercising the voluntary health insurance option. This provision alone eliminates most of the threat of adverse selection of risks.

The Lindsay bill authorizes the Secretary of Health, Education, and Welfare, if actual experience under the law proves there has been adverse selection, to start the monthly cash payments at age 65 (for beneficiaries who have exercised the option) at a level lower than the average cost of the Government plan benefits. There would be a gradual increase in these monthly payments as the beneficiary grows older. This device would reduce or eliminate any possible incentive to an individual for carrying the private plan in the early years after age 65, but then canceling it.

The group of beneficiaries covered under the Government plan will be so vast—well over 10 million persons—that any conceivable adverse selection would be infinitesimal in relation to the overall costs of the Government plan.

The factors inducing an individual to utilize the option will be principally his satisfaction with the private plan he is carrying pre-65 and his financial capacity to pay whatever additional premiums, if any (over and above the cash health insurance benefits provided by the option), may be involved. His state of health on his 65 birthday is not likely to be a significant factor.

#### WEAK ANALOGY

Insofar as supplementation of the Government plan by private insurance is concerned, the private pension analogy is so weak as to be fallacious. In the case of retirement benefits, the more retirement income an individual has from private sources the more comfortable his retirement. But there is an absolute limit to the amount of health insurance that is of benefit to anyone; once a hospital bill is paid it is paid.

The Government health insurance plan would displace at least half of the area in which private and nonprofit plans now operate. The administrative costs of offering protection for the remaining uncovered costs would be too high to enable these private plans to continue to operate.

If these points are given fair consideration, I believe the President and the AFL-CIO would endorse the concept of the "option." In doing so, they would, I submit, break the present roadblock to a social security-financed bill. It is apparent that a substantial segment of older persons want to preserve freedom of choice in selecting their health insurance protection. The Kennedy administration, in failing to support the option, is surely contributing to the possible defeat of the bill.

ROSWELL B. PERKINS,  
*Assistant Secretary of Health, Education, and Welfare, 1954–56.*

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## THE MIGRATORY FARMWORKER

**Mr. WILLIAMS of New Jersey.** Mr. President, the migratory farmworker and his family constitute an essential element in our farm economy. But unlike their counterparts in industry, farmworkers, particularly migratory farmworkers, have been denied many of the rights and protections which have come to be regarded as characteristic of free enterprise and essential to democratic society.

In the area of health, for example, the existence of residence requirements frequently denies migratory farmworkers and their families the benefit of public health programs, which are generally available to other citizens. As a result, serious disease is a continuing menace to the migratory farmworker and his family as well as to the communities through which they travel.

The gross inequity in this situation is all the more apparent when it is realized that the migratory farmworker is, in all but the rarest circumstances, completely dependent upon public health services for such medical care as he receives. A substandard income of slightly more than $1,000 annually necessarily precludes access to private medical attention. Consequently, even the most basic health needs of the migratory farm family remain unmet.

The many complex factors, such as residence requirements, substandard income, and low educational levels, which produce the health problems confronting migratory farm families present formidable obstacles to the establishment of health programs for these citizens. Nevertheless, the endeavors of public and private groups in some States have successfully circumvented these obstacles and have produced practical working examples of programs which can be initiated on State and local levels to improve the health conditions of migratory farm families.

These programs have generally been confined to the establishment of health clinics serving limited geographical areas. In California, however, in addition to health clinics, the State Legislature established a broad, new statewide health program for farmworkers. With the foresight and pioneering leadership which has long distinguished one of our most progressive States, California has become the first and only State in the Nation to extend disability and hospital insurance to farmworkers.

Gov. Edmund G. Brown has pointed out that under the new program—

> Two hundred and fifty thousand agricultural workers * * * become eligible for both disability and hospital benefits.
>
> Workers in business and industry generally have had disability insurance protection since 1946, but farmworkers heretofore have been excluded.

California's new program of disability insurance to farmworkers is of obvious benefit to California's entire farm economy. The precedent it creates for the establishment of a statewide program to aid farmworkers is a manifestation of the most commendable legislative leadership and public service which are achieved only by dedicated legislators sincerely working in the public interest.

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## HOUSING DISCRIMINATION IN THE DISTRICT OF COLUMBIA

**Mr. CHURCH.** Mr. President, as a member of the Subcommittee on African Affairs of the Committee on Foreign Relations, I have become increasingly concerned about the housing problems here in the District of Columbia, which face, not only our own Negro people, but also the growing number of Ambassadors, together with the members of their diplomatic staffs, who have come here to represent the newly emerging sovereign nations of Africa. It is this latter consideration which transforms the problem from a purely human one, to one which could profoundly affect the foreign relations of this country.

Everyone who has lived for any length of time in the Washington metropolitan area knows that discrimination in housing exists here and, furthermore, that it is not limited to the suburban residential areas in Maryland and Virginia, but is to a considerable extent a feature of living arrangements in the District of Columbia as well. That this is the case was made abundantly clear by hearings which the Civil Rights Commission recently held on this subject. Witness after witness testified that racial segregation in housing is a fact of life in the Nation's Capital. The witnesses differed from one another only in the methods they thought could or should be used to ameliorate the situation.

Racial discrimination, wherever it occurs in the United States and in whatever form, is ethically and socially wrong. It is clearly inconsistent with the principles on which we base our claim to moral as well as political leadership of the free world. It can and must be abolished as quickly as is humanly possible consistent with the rule of law.

But it must surely be clear to every thinking American that the Nation's Capital, in this as in most other things, occupies a rather special position. What is undesirable elsewhere is intolerable here. As the seat of the U.S. Government, Washington is, in a very real sense, the showplace of the Nation. It is continually and steadily exposed to the gaze of the world. Most representatives of foreign governments in the United States are assigned to Washington and it is from this city that they draw their strongest and most lasting impressions of our country. Moreover, they know very well that social conditions here are the direct responsibility of the Federal Government in a way which does not hold true for the States. When Negroes, merely because of their race, are severely restricted in their choice of residence within the District of Columbia, the U.S. Government is, at the very least, condoning a state of affairs and a set of practices which cannot by any stretch of the imagination be reconciled with the legal and moral principles that Government is constituted to uphold.

Some may argue that this is only a sin of omission and that it is not our way to attempt to remedy every social ill through governmental intervention. This, however, is so glaring a case of social injustice and one so terribly detrimental to our national stature that there is, I feel, no reasonable alternative to energetic local action to remedy the situation by legal means. If education and time were the only things necessary to do this, some improvement should have become noticeable by now. But there has been no improvement—on the contrary, it has become clear that the causes of housing discrimination in Washington are so deeply imbedded in the social structure and habits of the city that only legal action can effect a change.

There is another aspect of the problem which I should like to mention briefly. Within the last year and a half, a large number of newly established African nations have sent diplomatic representatives to Washington. The prevailing discrimination against Negroes affects them in a number of different ways. In the first place, it places a burden on them which their colleagues in the diplomatic corps do not have to share and thus makes it more difficult for them to do the work they have been sent here to do. Second, it dramatizes for them, in a way which can only be detrimental to the interests of the United States, the plight in which their racial brother, the American Negro, finds himself. Most African diplomats, even before they come to this country, are aware that racial discrimination exists here. Some exaggerate its significance; others fail to appreciate how widely spread the practice still is. But all, without exception, are surprised and dismayed when they discover that discrimination still prevails in the Nation's Capital. Moreover, they make this discovery very soon after their arrival because, after all they have to find a place to live. Third, and perhaps most important of all, these representatives of new, highly self-conscious nations feel the discrimination practiced against them as an insult to their countries as well as to themselves. It is impossible for them to make a neat distinction between the business of diplomacy and the personal quandary in which they find themselves. The difficulties they face as a result of racial discrimination in Washington are inevitably reflected in the formal relations between the United States and the countries they represent.

This is not a time to ask who is at fault. Even if it were possible to find an objective answer and to place the blame squarely, that answer would not solve the problem. In fact, many interests are involved and the blame must be shared by many parties. Our task now is to find a way of abolishing racial discrimination in Washington; and while I recognize that this problem will not be entirely solved until men experience a change of heart, still action is now called for by the District Commissioners. Other cities in this country have already dealt much more forthrightly with the problem of racial barriers as a factor in determining who may live where. No city in this country is more urgently in need of having this problem solved than the Nation's Capital.

The time has come for the Commissioners to move. They should find the legal means to make some headway toward putting an end to the racial segregation in housing that is a blot upon the good name and reputation of the Capital City of the leading Nation of the free world.

Mr. President, I thank the distinguished Senator from Louisiana for yielding to me.

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## ADDRESS BY SENATOR GOLDWATER BEFORE NATIONAL COAL ASSOCIATION

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the text of an address delivered by myself at the 45th anniversary luncheon of the National Coal Association, in Pittsburgh, Pa., on June 18, 1962.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

### TEXT OF AN ADDRESS BY U.S. SENATOR BARRY GOLDWATER, REPUBLICAN OF ARIZONA, TO THE 45TH ANNIVERSARY LUNCHEON OF THE NATIONAL COAL ASSOCIATION, PITTSBURGH-HILTON HOTEL, PITTSBURGH, PA., JUNE 18, 1962

Mr. Chairman and members of the National Coal Association, I am highly honored to be here today to address the 45th anniversary luncheon of your fine organization. And I certainly wish I could bring you happy news from the banks of the Potomac—the kind of news and information which would herald greater economic activity through the creation of a cooperative climate in which American business and industry could flourish and expand. I wish I could tell you that there are increasing signs of a higher degree of fiscal and economic integrity on the part of our Government; that an era of balanced budgets and payments on the national debt is in sight which could pave the way for sound and wise tax reductions. I wish I could tell you that our Government has learned its lesson and has begun to understand that no administration can follow a policy antagonistic to business and serve the best interests of the American people. But I can't do this. The facts aren't there.

One thing I believe we must all understand is this: Regardless of whether or not the Government is actually antibusiness, the fact that the business community and the American people believe it to be antibusiness is a tremendous psychological factor that can cause only trouble for the national economy. If we assume, for the sake of argument that the spokesmen for the New Frontier mean what they say and really believe in the principle of a free, competitive enterprise system, then they are guilty of completely misunderstanding that system. For, if they are sincere, they have committed the crime of appearing antagonistic to the system. They are guilty of sapping the system's basic strength through engendering a lack of confidence based on Government action. They have committed the sin of believing that the enterprise system can function better if the Government replaces the natural law of supply and demand with administrative edicts in the name of the public interest. All this has brought about nationwide fear, uncertainty, and confusion. It has created the worst possible climate for increased business activity. It has aggravated a situation marked by continued unemployment, declining stock prices, a disappearing gold supply, and a high rate of business failures and slow starts.

Consequently, if we accept the administration's arguments that it is not antibusiness, then we are forced to the conclusion that it doesn't understand. And such lack of understanding, to my way of thinking, can be just as dangerous as an admitted antibusiness attitude.

Our national economy is an intricate and sensitive system. It must be understood both mechanically and psychologically by the Government of the United States if we are to remain strong at a time of worldwide challenge. It cannot be subjected to tampering and experimentation at the Government level if it is to supply the employment and materials for an expanding population. This kind of treatment is always accompanied by the high-sounding theories of men who have never had to meet a payroll, struggle with technological changes, fight rising labor costs, and adjust to burdensome tax rates and Government regulations. These theorists have the textbooks, but they lack the insight of practical experience. They have the university degrees, but they lack the personal knowledge of the marketplace. They have the power, but they don't understand when or how it should be used.

This, I suggest, is a highly dangerous situation. We are navigating in explosive economic waters when the vast power and authority of the National Government is being handled by planners who lack fundamental understanding. I say, very candidly, that if this administration doesn't understand the vital necessity for business confidence and what massive Government harassment can do to sap that confidence, then it is ill-equipped to guide us through an era which cries out for economic growth on a huge scale. If this administration doesn't understand that by its actions it has dried up huge blocks of investment capital then it will never solve such questions as unemployment and the adverse balance of international payments. And if this administration believes that the old nostrums of the 1930's are sufficient to the requirements of a sluggish economy today, it will do nothing but insure more and deeper economic recessions.

In short, gentlemen, our Government is on the wrong road. And this is becoming increasingly well known, not only to the American people, but to foreign governments. The lack of confidence which brought about the Kennedy crash was not confined to domestic investors. A lot of selling on the New York Stock Exchange was done by foreign investors, including the Swiss. And I don't have to tell you that the market plunge in this country was accompanied by plunges on almost every other exchange in the world. This lack of confidence on the part of foreign governments is really the answer today to our dangerous gold supply situation. It seems that everyone doesn't have his head in the same sand that Dr. Heller and the other White House economists like to hide in. An increasing number of foreign governments question a fiscal policy based on deficit financing at a time when our international payments are so far out of balance. They know, even if our own Government won't recognize the fact, that a day of fiscal reckoning must follow a calculated policy of inflation and irresponsibility.

It is an amazing fact that foreign governments and foreign investors can question our fiscal policies in word and deed, but if Americans question these policies the administration claims that we don't understand what it is trying to do in the public interest. Well, I suggest that the public interest is far broader than the concept which is being followed along the New Frontier. The true public interest, from every conceivable standpoint, can best be served by putting our Government's financial house in order. The public interest requires a truly balanced budget, an immediate reduction of Government spending, an end to Government's punitive actions aimed at business, a tax policy designed to spur capital investment. These are just a few of the actions which should be taken by our Government if it is to truly serve the public interest in a way that will make for a sound, expanding economy upon which the security system of this Nation and the entire free world can rest.

But none of this is being done. The emphasis is on increased Government spending, for any and all purposes. The administration is now jamming through the Congress a bill for a huge public works program which carries with it increased spending authority in excess of $2 billion. It is asking for all kinds of new Executive power—power over tariffs, taxes, money supply. It is asking for a wide range of items all of which will serve to further restrict the free, untrammelled operation of our economic system.

And, of course, all kinds of experts lend their support to these proposals. Only the other day, Adlai Stevenson dropped his preoccupation with the United Nations to tell a group of graduates at Tufts University in Medford, Mass., that increased public spending for education, urban development and similar projects is "vital if the United States economy is to expand." This, of course, is typical of the complete lack of understanding that prevails in Government concerning the proper methods of encouraging economic growth. Public spending on public works projects may provide temporary employment, but it will not create new jobs in a fashion that will help the economy to expand. But the taxes required to support public works spending will certainly help to draw off money needed for capital investment and the only type of economic activity that will bring about the kind of growth this Nation needs.

Let me describe a country to you.

This country was going in heavily for government spending on welfare projects.

This country was interpreting the public interest in terms of grandiose housing programs and other projects it felt its people must have but which its people did not ask for.

This country had a steady rate of employment but an increasing rate of unemployment. This country's business was caught in a profit squeeze because of unresisted wage demands by labor unions.

This country was plagued with a high and increasing rate of business failures.

This country was suffering from foreign competition and a loss of oversea markets.

This country's stock market prices were declining at a time when its officials were contending that its economy was "basically sound."

Now, despite the similarities you might have noted, let me assure you that I am not describing the United States of America in the year 1962. I am describing the country of Austria in the period between 1925 and 1929, just before it led the entire world into financial panic which brought on the great depression of the 1930's.

Too many of us today haven't taken the trouble to go back and study conditions in Austria which triggered the greatest depression the world has ever experienced. We are too much inclined to compare conditions as they exist today with conditions which existed in the United States in the period prior to 1929. The slide began in Austria, and I believe almost all the economic experts in the world are in general agreement with that premise. So, for the real roots of the great depression we must take a close look at conditions in Austria prior to the collapse of the Kredit Anstadt. And when we do that we come face-to-face with the evil of public spending when it is extended at the expense of the private economic structure.

The whole problem in Austria stemmed from the fact that for a long time prior to the 1929 collapse, that country had been living on its capital funds. Now this isn't just my opinion. It was thoroughly documented in the October, 1932, issue of the Harvard Business Review by Economist Nicholas Kaldor, who I might point out was an associate of John Maynard Keynes. And I commend this article, entitled "The Economic Situation of Austria" to those liberal economists of the New Frontier who adhere so religiously to the Keynesian tenets of economics.

In this connection, too, I would recommend a book written in 1934 by Lionel Charles Robbins, professor of economics at the University of London, entitled "The Great Depression." Mr. Robbins' observations take on great significance, since they were written only a few years after the Austrian collapse and because they contain information pertaining to that collapse which is particularly applicable to the situation we find ourselves in today.

Let me quote some of Mr. Robbins' findings for you verbatim:

"The crisis came. Throughout the years since the war, the inhabitants of the Republic of Austria had been gradually consuming their capital. The trade policies of the secession States had limited Austrian markets. The economic policy of successive Austrian governments and the Viennese municipality accelerated the process which the Paris settlement had begun.

"From 1913 to 1930 the value of the Austrian industrial share capital shrank to a fifth of its former dimensions. The expenditure of the Viennese municipality on its housing program alone since the Armistice exceeded the total value of the capital of all Austrian manufacturing joint-stock companies.

"In the year 1931 it was calculated that if all the undertakings in Austria were to be sold at the value of their stock exchange quotation for the autumn of that year, the proceeds would not cover one-half of the public expenditure for a single year.

"No financial system could stand such a strain as this without collapse. One by one, the financial houses in Vienna put up their shutters. The slump intensified the capital consumption.

"Early in May 1931, the Kredit Anstadt, which had taken over the bad debts of its predecessors, announced that it could not meet its liabilities. The actual smash is sometimes attributed to the political tension aroused by the untimely proposals for an economic anschluss between Germany and Austria. Whether this is so or not, there can be no doubt that the ultimate cause of the difficulty was the capital consumption of the years which preceded it.

"The collapse was the beginning of a worldwide financial crisis."

Now I don't mean to suggest that the United States is right now, at this moment, headed for a depression such as we experienced in the early 1930's. But, I do believe that we must understand the ultimate consequences of enlarging Government expenditures in a time of heavy deficit. I think we must see and see clearly what can happen when a nation's capital structure begins to dry up and stagnate. I think we must avoid the experience of Austria by adopting policies that will greatly accelerate the rate of capital formation and investment in this country. Our present policies are working with the opposite effect.

It is extremely important for us to understand that the more money the Government pumps into noncapital ventures—ventures which cost a lot but do not create economic growth—the more it takes away from the private sector of the economy. And the cost of this is counted always in terms of lower production and fewer jobs.

And this is happening to an ever greater degree in the United States. The figures on our capital growth over the years show a dangerous trend and the movement is downward. I would remind you that in 1957, new capital investment in the United States totaled $36.9 billion. And the second quarter rate for 1962 is pegged at only $36.6 billion. This is not the rate of progress that will insure growth.

Now it stands to reason that without investment in new equipment, industry cannot provide new jobs for our growing population. It takes an investment of approximately $18,500 to provide one new job in our economy and this investment must be made in the private sector—not the Government sector. The Government can provide employment but not new jobs. And the employment provided by Government through its various public works and welfare projects does nothing but take away from the important private sector where our true economic growth must occur. It drains away money that otherwise could find its way into productive and lasting chanels of the economy.

I suggest that the more we go in for these huge Government spending schemes the closer we get to the situation that existed in Austria prior to the great depression. If the trend isn't checked, this Nation eventually will begin to live off its capital and its industry will be forced to operate at a net loss.

This is the direction in which we are headed. It can be changed only if actions are taken to spur the rate of capital growth so that it can keep pace with the increasing demands of our obligations at home and abroad.

One of the essentials in any program to increase the rate of capital growth and thus expand the economy is a realistic proposal for liberalization of depreciation allowances in the tax structure. Now, here I am talking about far greater relief than is proposed by the Administration in its tax credit idea. I am talking about the kind of writeoffs that can get American business to work right now on the replacement of some $90 billion worth of aging and obsolete machinery. This, I suggest, would prove a greater boon to the economy and do more to correct the unemployment situation than any other single course now open to the Government. It also would do a great deal to ease the problem of foreign competition with American industry. We need this new equipment. We need to modernize and do it quickly if we are to compete on a quality basis with the rising nations of Western Europe and Japan.

I am talking about tax relief for business. I am talking about tax relief that is needed right now—not sometime next year. And I am talking about the kind of tax relief that can provide the economic growth we so desperately need. In fact, I am such a great believer in the advantages of proper and adequate depreciation allowances that I am convinced the President could overcome lack of confidence in his administration almost overnight by sending Congress a special message demanding such relief in the public interest.

The whole idea that the way to buck up the economy is through accelerated Government spending on leaf-raking, make-work programs and welfare chemes is completely false. We learned this back in the days of the Great Depression when the New Deal went in for enormous pump-priming efforts which did nothing but reduce the capital structure of the economy and fail to pull us out of our economic slump. As a matter of fact, it took demand created by the outbreak of World War II to end the last depression. Nothing the Government did prior to that time helped in any way. It only served to aggravate and deepen the trouble.

But still the administration persists in these discredited policies. It is, in effect, recreating the atmosphere of the New Deal days. And the outlook is for an extended period of economic drag. This will be marked by continued unemployment, by a contraction of business investment in new plants and equipment, by a downgrading of profits, and by an accelerated demand on the part of labor for more and more Government intervention.

These, I suggest, will be the fruits of business pessimism based on the outlook for increased Government tampering with the natural laws of the marketplace and for a continuation of unsound Government monetary and fiscal policies.

The Government is, of course, issuing all sorts of statements attesting to the basic soundness of our economic system. But the fact that it has to make such statements indicates that something is wrong. The Government can, with complete honesty, point to the fact that personal savings are at a record high. But the fact that these savings aren't being fed into the channels of capital formation shows that something is wrong. Why do people prefer to leave their money on idle deposit rather than invest it in active business? This is worthy of close attention. There has long been a belief in our society that, under capitalism, the man who hoards is punished—punished by the loss of earnings. So, if this is the case and a growing number of American people are voluntarily submitting to economic punishment it can only be because they are not confident of the future for business under present conditions.

This, of course, was the great lesson of the Kennedy crash. Regardless of how you explain away the plunge in stock prices with fancy economic theories, the fact remains that the wave of selling constituted a massive vote of "no-confidence" in the present administration's attitudes toward business and its ability to get the economy of the country really moving.

President Kennedy complains that his critics are using arguments reminiscent of the 1930's to oppose his economic policies. It never seems to occur to him that the measures he has offered for the avowed purpose of "getting America moving" are nothing but retreads of unsuccessful Government programs offered during the New Deal. And the arguments against fiscal irresponsibility don't change merely because an administration decides that the situation has become "sophisticated and complex."

In his widely advertised economic address at Yale, the President wrote off the books everything about the economic situation that disturbs the American people and holds back economic growth. This is all "mythology," if we are to believe the Chief Executive. The budget, he tells us, is "not simply irrelevant; it is actively misleading" and, consequently, it shouldn't be regarded as a measure of soundness. In other words, the President is telling us that he has decided the budget doesn't count so there is no need for anyone to want to balance it.

The President also consigns to mythology the argument that Federal deficits lead to inflation. And, having adopted this comfortable new theory, he goes all out to find justification for more public debt. He tells us that it is only a myth that the national debt is growing at a dangerously rapid rate. Perhaps the administration's request for a higher ceiling on the debt is nothing but a myth and the $9.4 billion we pay every year in interest on the debt is nothing but a mirage.

I suggest that the realities of our fiscal situation are not the kind that can be dismissed through the medium of Presidential rhetoric. Nor do they lend themselves to new theories in the name of sophistication which deny the application of sound fiscal practice. They are grave and they are serious. They require of our national leaders a degree of high responsibility based on the same principles that you and I and every businessman in the country are forced to observe if we are to avoid ruin.

In this situation, I firmly believe that the hope of the Nation and the free enterprise system rests with the Congress of the United States and those people in the House and Senate who see clearly the trouble we are in and the dangers ahead. And it demands of all of us our very best efforts to see that the ranks of those who believe in a sound economy are strengthened in the forthcoming elections.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. LONG of Louisiana obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield to me with the understanding he will not lose his right to the floor?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from Montana without losing my right to the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I wish to suggest the absence of a quorum, with the understanding that the Senator from Louisiana will not lose his right to the floor.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and the clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

[No. 94 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Bennett
Bible
Boggs
Burdick
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case, N.J.
Case, S. Dak.
Chavez
Church
Clark
Cooper
Curtis
Dirksen
Dodd
Douglas
Dworshak
Ellender
Engle
Ervin
Fulbright
Goldwater
Gore
Gruening
Hart
Hayden
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
Metcalf
Monroney
Morse
Morton
Moss
Mundt
Murphy
Muskie
Neuberger
Pastore
Prouty
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Hawaii [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PELL], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I further announce that the Senator from Colorado [Mr. CARROLL], the Senator from Missouri [Mr. LONG], and the Senator from West Virginia [Mr. RANDOLPH] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senators from Iowa [Mr. HICKENLOOPER and Mr. MILLER], the Senator from Kansas [Mr. PEARSON], and the Senator form North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from Hawaii [Mr. FONG] is absent on official business.

The PRESIDING OFFICER (Mr. HICKEY in the chair). A quorum is present.

Mr. YARBOROUGH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG of Louisiana. I yield, provided I do not lose my right to the floor.

## ABILENE REPORTER-NEWS DISCUSSES EAST TEXAS OIL SCANDAL

Mr. YARBOROUGH. Mr. President, the growing investigation into the slanted drilling in east Texas oilfields was discussed in a recent editorial in the Abilene Reporter-News of Abilene, Tex. Because of the national interest in this development in an industry so important to the national economy, I ask unanimous consent to have printed in the RECORD an editorial from the Abilene Reporter-News of June 12, 1962, entitled "Eastex Slanted Oil Well Probe Bares Major Scandal."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### EASTEX SLANTED OIL WELL PROBE BARES MAJOR SCANDAL

A spectacular scandal with far-reaching implications is being unveiled in the east Texas oilfields.

It has been rumbling for months and growing in scope week by week.

Until now it has not made the exciting splash on the Texas scene that it might have because of the fabulous Billie Sol Estes case in west Texas, which has become a scandal of national proportions, and one of the biggest of the century.

Persistent rumors made the grapevine some time ago that many east Texas oil wells didn't go straight down. They slanted in the direction of neighboring leases, with the result that the completed wells bootlegged hot oil from adjoining properties.

Moving methodically and firmly in investigating the scandal are the Texas Railroad Commission, Texas Attorney General's Department, and the department of public safety which includes both the highway patrol and the legendary Texas Rangers.

The Federal Petroleum Board also is involved in the investigation, and ultimately the Internal Revenue Department might also get its oar in if income tax irregularities are suspected.

At week's end, the first criminal charge resulting from the scandal was on the books in Dallas. A Longview operator was charged with theft. The complaint alleges a $6 million swindle of a Dallas oil company through deviation (slant) drilling, and phony oil wells.

Meanwhile, about 50 Texas Rangers and highway patrolmen are standing guard around the clock in the east Texas oilfields to prevent sabotage of suspicious wells before their drilling angles can be investigated.

Checks already have proved 12 wells deviated illegally. Attorney General Will Wilson said one of the deviated wells slanted 56°. Railroad commission rules prohibit a deviation of more than 3°.

This particular well bottomed at 3,500 feet below the surface of the ground, but held 5,100 feet of pipe. The horizontal distance from the ground opening of this well and its bottom was 3,286 feet.

One newspaper has estimated illegal drilling deviations may be pirating hot oil worth $6 million per month. Another published report said 200 to 300 leases were involved, and possibly as many as 1,000 wells.

So far there are no important political implications. Two railroad commission employees have been fired and three others resigned since the investigation began.

It will take some time yet to complete the investigation and define the scope of alleged irregularities. One result is certain: There will be a mass of civil lawsuits filed in east Texas courts by companies and individuals seeking recovery of multiple millions of dollars lost through pirated oil.

Mr. YARBOROUGH. Mr. President, I wish to emphasize some of the paragraphs of that editorial:

> A spectacular scandal with far-reaching implications is being unveiled in the east Texas oilfields.
>
> It has been running for months and growing in scope week by week.
>
> Until now it has not made the exciting splash on the Texas scene that it might have because of the fabulous Billie Sol Estes case in west Texas, which has become a scandal of national proportions, and one of the biggest of the century.
>
> Persistent rumors made the grapevine some time ago that many east Texas oil wells didn't go straight down. They slanted in the direction of neighboring leases, with the result that the completed wells bootlegged hot oil from adjoining properties.
>
> Moving methodically and firmly in investigating the scandal are the Texas Railroad Commission, Texas Attorney General's Department, and the department of public safety which includes both the highway patrol and the legendary Texas Rangers.
>
> The Federal Petroleum Board also is involved in the investigation; and ultimately the Internal Revenue Department might also get its oar in if income tax irregularities are suspected.
>
> At week's end, the first criminal charge resulting from the scandal was on the books in Dallas. A Longview operator was charged with theft. The complaint alleges a $6 million swindle of a Dallas oil company through deviation (slant) drilling, and phony oil wells.

Mr. President, the Dallas Times Herald has estimated that this theft of oil amounts to $6 million worth a month. In the course of 25 months, that would be $150 million worth of stolen oil, which thereby becomes hot oil passing through the pipelines in violation of the Federal Connally "Hot Oil" Act. I continue:

> Meanwhile, about 50 Texas Rangers and highway patrolmen are standing guard around the clock in the east Texas oilfields to prevent sabotage of suspicious wells before their drilling angles can be investigated.

The Railroad Commission Rules, as I have pointed out, permit a well to deviate as much as 3 degrees from the point where it enters the ground to the point where it bottoms; but some wells have bottomed off as much as 56 degrees from the point of entry. I continue:

> This particular well bottomed at 3,500 feet below the surface of the ground, but held 5,100 feet of pipe. The horizontal distance from the ground opening of this well and its bottom was 3,286 feet.
>
> One newspaper has estimated illegal drilling deviations may be pirating hot oil worth $6 million per month. Another published report said 200 to 300 leases were involved, and possibly as many as 1,000 wells.

Mr. President, slanted oil wells are the most monumental fraud and theft scandal for decades in my State, if the estimate of the Dallas Times Herald that $6 million a month of illegal oil is being produced is borne out by subsequent investigations. As has been stated, armed guards have been assigned to prevent the sabotaging of the wells and to prevent their destruction before they can be checked.

## EFFORTS TO SAVE BIRD SPECIES FROM EXTINCTION

Mr. YARBOROUGH. Mr. President, the National Audubon Society will hold its 58th annual convention this year in Texas.

This is the first time Texas has been privileged to be host to the distinguished, dedicated National Audubon Society. The convention will be held between November 10 and 13 at Corpus Christi, Tex., near the site of the proposed Padre Island National Seashore Area.

Thus the National Audubon Society members will have a firsthand opportunity to view the site, which, if made into a national seashore area, will add to the treasured areas of America where birdlife is safe from harm.

Mr. President, in connection with the problem of finding sanctuary for bird species fast becoming extinct, I ask unanimous consent to have printed at this point in the RECORD an article entitled "One Hundred and Twenty Species of Birds Facing Extinction," published in the Washington Post of today, June 19, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### ONE HUNDRED AND TWENTY SPECIES OF BIRDS FACING EXTINCTION

NEW YORK, June 18.—More than 120 different kinds of birds are in danger of extinction in some part of the world today. Hence the strong accent on threatened birds and how to save them at the 13th world conference of the International Council for Bird Preservation, which has been meeting in New York City.

Delegates from 35 countries attended.

At least a dozen species of birds are in danger in the United States, according to a report presented by Dr. John W. Aldrich of the U.S. Fish and Wildlife Service. In this respect America compares badly with Europe, where, since the Great Auk became extinct over a century ago, no birds have been in danger of extermination.

North America has already lost the Passenger pigeon, the Heath hen, the Carolina paroquet, the Great Auk and the Labrador duck in the past 150 years, and now the prospects for several other birds, such as the Everglades kite, the Hawaiian gallinule and Attwater's prairie chicken, a relative of the Heath hen, are considered poor. Only six specimens of the Everglades kite, for instance, still survive, four males and two females, and they did not breed this year. The California condor with 60 survivors is also in trouble.

However, there was better news about some other birds, notably the ivory-billed woodpecker which had not been seen for 10 years before a pair was sighted in Louisiana in March of this year, and the Eskimo curlew, which has been reappearing on migration in Texas in very small numbers after having been believed extinct since 1945.

The trumpeter swan, Eastern turkey, and Hudsonian godwit are now considered to be out of danger.

Vigorous efforts to protect certain rare species were also reported to the conference. The wild population of the Whooping crane, for instance, which now breeds only in Wood Buffalo National Park in Northern Canada and winters only on the Gulf Coast in Texas, has been raised from 14 in 1938 to 38 in 1962. Recenly a threat to route a railway line close to the bird's breeding grounds has been averted.

The reasons why birds become extinct are changing. Direct slaughter, which accounted for the Dodo, the Great Auk and the Passenger pigeon, is now a much less significant factor. Instead, destruction of the habitat is becoming more and more important.

A new and deadly factor is feared to be behind the serious and widespread decrease in the numbers of birds of prey, reported to the conference from many countries, among them Britain, the United States, and Israel. This is secondary poisoning from eating birds or small mammals which have themselves fed on grain, leaves, or insects contaminated by highly poisonous farm chemicals such as DDT and Aldrin. No positive proof of this is yet available, but the general opinion is that this is much the most likely explanation of the sudden decrease of birds of prey since the use of these chemicals became widespread.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

**Mr. PASTORE.** Mr. President, in the absence of the Senator from Louisiana [Mr. LONG], I suggest the absence of a quorum.

**The PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. LONG of Louisiana.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**The PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

**Mr. LONG of Louisiana.** Mr. President, I call up my amendments designated "6-15-62—T," and ask that they be read.

**The PRESIDING OFFICER.** The amendments will be stated.

The legislative clerk read as follows:

> Beginning with line 12 on page 33, it is proposed to strike out everything through line 16 on page 34 and insert in lieu thereof the following:
>
> "(b) No communications common carrier shall own any shares of stock in the corporation either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control."
>
> Beginning with "Such" on page 34, line 20, strike out everything through page 35, line 2.

**The PRESIDING OFFICER.** Does the Senator from Louisiana wish the amendments to be considered en bloc?

**Mr. LONG of Louisiana.** Yes; I ask that the amendments be considered en bloc.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

**Mr. LONG of Louisiana.** Mr. President, it is my view of this communications satellite bill that its principal failure has been that it does not undertake to guarantee maximum competition between the new communications system made possible by our $25 billion investment in outer space and the existing communications systems.

In no way do I intend to harm the Bell Telephone System. The profitable operation of this corporation will be assured as far into the future as any of us can see. If it should ultimately become necessary for American Telephone & Telegraph, the parent of the Bell System, to engage in the communications satellite field in order to remain a profitable operation, that decision can be made in the light of facts as of that time. At the present time, all the allegations are the other way. The propaganda inspired by A.T. & T. has been to the effect that this communications satellite will not work, that the experiment in this area will not prove significant.

For example, in the hearings held before the Committee on Commerce, Mr. Dingman testified, at page 187:

> It is also claimed that a communications satellite system controlled by carriers having heavy investments in existing facilities which the satellite system might obsolete would retard development of such a system. This too is nonsense, and for many reasons. No one has suggested that satellites will provide a better quality of service than modern submarine cables. Nor does any knowledgeable person say that we should abandon all other means of international communications in favor of satellites. This would, of course, be folly in this troubled world. Conceivably, satellites may one day tend to retard the expansion of cables, although this is highly questionable. But satellites certainly will not obsolete cables before their time. Moreover, it must be remembered that certain of the foreign communications agencies which will be expected to participate in the ownership of the satellite system also have large investments in cables and other existing facilities. This nonexistent problem of obsolescence would therefore not be overcome by excluding U.S. carriers from participation in the satellite system.

There we have a typical illustration of the testimony of witnesses for the American Telephone & Telegraph Co., who say that the proposed satellite would not be very good; that it would be a long time before it could be expected to make money from it; nevertheless, they would like to have it, even though it may not be valuable.

I have read articles in magazines such as Life which have undertaken to convey the impression that the American Telephone & Telegraph Co. already has such a satellite and expects to provide a fantastic new service with it. If the proposed service should become so efficient and effective that the great American Telephone & Telegraph Co. and the Bell System, which it possesses, should feel it necessary to own a satellite and have satellite communications in order to be an effective competitor, there is nothing to prevent Congress at that time from providing Government assistance.

What I am saying is that if we are going to undertake to put a satellite and a satellite system into orbit and make it a privately owned system, we should undertake to see to it that there will be maximum competition between the new technology and the old technology. Congress did that sort of thing when it refused to permit the railroads to own the water carriers or the airlines or the buslines; and there is no doubt that if a competitive system is established, the new competitor will find it necessary drastically to reduce rates in order to get the business; and the evidence available to some of us is that when this new system is put into effective operation, it will be possible very greatly to reduce rates.

What some of us object to, in connection with this bill, is that we can see in it ways by means of which this new communications system could be made a mere supplement of the old system, without giving the public the benefit of the very great rate reductions and very great economies and perhaps additional service as early as it could be made available. And as I shall develop during the debate, the record of the American Telephone & Telegraph Co. is not too good in regard to putting new technologies into effective use as rapidly as it possesses them.

It should be noted that, while this bill does make some provision for maximum competition in securing parts and components for the new system, it makes no adequate provision for maximum competition between the new system and existing systems of communication. The only language I am able to discover in the bill which goes to this need appears in section 102, which is the "Declaration of policy and purpose." In subsection (c) of that section, this language appears:

> It is the intent of Congress that the corporation created under this act be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public.

But, Mr. President, this is merely the declaration of the policy of this bill. No further language along these lines appears in the bill, which means that no provision to implement this policy has been included. The FCC is directed, elsewhere in the bill, to assure competition in the procurement of components for the new system; but no language appears directing it or anyone else to carry out the policy which the above-quoted language would appear to set.

Mr. President, here is the crucial issue. It is not a question of public versus private ownership, insofar as this Senator is concerned. The question is whether we are going to favor competitive free enterprise, or at least competition between existing modes of communication, transportation, and other services, or whether we favor welding the entire system—whether it be transportation or communication—into a single monopolistic giant. It is this trend toward monopoly that I am determined to resist. As a chairman of a Subcommittee on Monopoly, it is possible that I feel this duty more strongly and view this matter more clearly than do some other Senators.

I see in this bill both the method by which the largest monopoly on earth could get control of a potentially competitive system, and the means whereby this monopoly could frustrate or prevent the rapid development of the system in the event it could not obtain adequate control to suit its purposes.

In fact, it is clearly within the realm of possibility that the largest single stockholder in the system would see fit to retard the growth of the system, rather than speed it. It is crucial to the growth and development of this Nation that this sort of thing not be permitted.

I would like to give Senators some idea of the size of the A.T. & T. system. While many of us speak over the telephones of the A.T. & T. system every day, we do not know how large it is, with the subsidiary companies it controls.

**I ask unanimous consent to include at this point in the Record a statement of the principal investments in subsidiaries of the American Telephone & Telegraph Co. The source of this table is the A.T. & T. Annual Report for 1960, at page 21.**

**There being no objection, the table was ordered to be printed in the Record, as follows:**

TABLE 1.—*American Telephone & Telegraph Co. investments in subsidiaries and in other companies, Dec. 31, 1960*

[Dollars in thousands]

| | Capital stocks owned by A.T. & T. Co. | | Advances from A.T. & T. Co. |
|---|---|---|---|
| | Percent owned | Cost | |
| Principal telephone subsidiaries: | | | |
| New England Telephone & Telegraph Co | 69.33 | $310,641 | $84,000 |
| New York Telephone Co | 100.00 | 1,424,280 | |
| New Jersey Bell Telephone Co | 100.00 | 523,667 | 18,400 |
| Bell Telephone Co. of Pennsylvania | 100.00 | 666,316 | 15,500 |
| Diamond State Telephone Co | 100.00 | 41,700 | 4,175 |
| Chesapeake & Potomac Telephone Co | 100.00 | 101,000 | 22,200 |
| Chesapeake & Potomac Telephone Co. of Maryland | 100.00 | 226,468 | 28,800 |
| Chesapeake & Potomac Telephone Co. of Virginia | 100.00 | 250,000 | 28,000 |
| Chesapeake & Potomac Telephone Co. of West Virginia | 100.00 | 97,000 | 7,700 |
| Southern Bell Telephone & Telegraph Co | 100.00 | 1,266,817 | 29,000 |
| Ohio Bell Telephone Co | 100.00 | 532,042 | 17,500 |
| Michigan Bell Telephone Co | 99.00 | 409,399 | 18,000 |
| Indiana Bell Telephone Co., Inc | 100.00 | 206,587 | 6,200 |
| Wisconsin Telephone Co | 100.00 | 218,224 | 5,900 |
| Illinois Bell Telephone Co | 99.32 | 671,422 | 39,000 |
| Northwestern Bell Telephone Co | 100.00 | 411,040 | 17,900 |
| Southwestern Bell Telephone Co | 99.99 | 1,243,243 | 25,000 |
| Principal telephone subsidiaries—Continued | | | |
| Mountain States Telephone & Telegraph Co | 86.75 | $439,195 | $18,200 |
| Pacific Telephone & Telegraph Co | 89.62 | 1,402,360 | 134,000 |
| Total | | 10,441,301 | 519,475 |
| Other subsidiaries: | | | |
| Bell Telephone Laboratories, Inc | 50.00 | 27,500 | |
| Western Electric Co., Inc | 99.82 | 739,361 | |
| 195 Broadway Corp | 100.00 | 26,015 | 4,600 |
| Other | | 31,068 | 3,650 |
| Total | | 823,944 | 8,250 |
| Other companies: | | | |
| Southern New England Telephone Co | 19.06 | 36,990 | 4,600 |
| Cincinnati & Suburban Bell Telephone Co | 29.83 | 21,065 | 8,100 |
| Bell Telephone Co. of Canada | 3.51 | 18,855 | |
| Miscellaneous investments | | 28,304 | |
| Total | | 105,214 | 12,700 |

Source: A.T. & T. Annual Report (1960), p. 21.

Mr. LONG of Louisiana. It will be seen that this great corporation pretty well encompasses the Nation from coast to coast and accounts for over 90 percent of all telephone service in the United States.

Furthermore, Mr. President, while it is true that the bill does not state that the American Telephone & Telegraph Co. will own or control the satellite, I must say that articles appearing in magazines and elsewhere certainly give the impression that that would be the case. We have seen articles printed, I believe with the concurrence of the great American Telephone & Telegraph Co., which give the impression it belongs to them already.

Here is a little squib which appeared in the New York Times of yesterday. It reads:

> Go, Go, Go, A.T. & T.
>
> The administration is eyeing Cape Canaveral, Fla., apprehensively these days, fearful that the rocket-launching schedule there may give rise to renewed charges that the New Frontier is "antibusiness."
>
> At present the American Telephone & Telegraph Co. is pressing forward with the launching of its privately financed Telstar communications satellite. The company has been given a deadline of mid-July, after which a test of the Government-financed relay communications satellite is to begin.
>
> Sensitive Kennedy backers are hoping that A.T. & T. will meet the deadline, thus sparing the administration the distasteful and politically prickly task of knocking the Nation's largest corporation off the launching pad.

There again we may get the impression that A.T. & T. owns this facility already. During the course of this debate, I shall present similar information along the same line.

I would point out there is still a great amount to be done before an effective communications system can be placed in orbit. It also seems to me that when this Nation negotiates with other countries—foreign nations—to make agreements, using the sovereign power of this Nation, this Government should speak for itself, rather than authorize some private profit corporation to negotiate in the name of the United States of America.

I suppose there may be a precedent somewhere in which the United States has authorized a company to go to a foreign nation as the spokesman for this Nation in foreign affairs, in pursuance of its own advantage, but I simply know of no such precedent in my own experience.

What is needed at present is, first, the development of this Nation's capacity to put a satellite into outer space and make it useful. In my judgment, that should be done before we undertake to give it away, or to sell it to someone, or to make it available to some other country.

I notice the report of the House committee on the Communications Space Act of 1962, under the heading of "Why Legislation Now?" seems to have a judgment that parallels my judgment, namely, that legislation like the pending bill is not needed in order to get a satellite into outer space, that it is not needed in order to develop the system, that it is not needed in order to proceed as rapidly as possible in order to develop this new facility. The reason why the legislation is needed is to enable a corporation to speak for America, an unprecedented act, instead of letting America speak for America which is—I suppose it has been done previously, but I do not know of it. At one time Pan American Airways sought to designate itself as spokesman for the United States, but that effort failed.

From reading page 8 of the House report, under the heading "Why Legislation Now?" one would gain the impression that the need for legislation is to allow a private corporation, established for profit purposes, to negotiate with foreign countries for the United States of America.

It should be noted that in practically every foreign country the telephone systems are owned by the Government. The telephone service is controlled by the Government. In some nations the system is part private and part Government owned. I believe this Nation is unique in that the telephone companies are privately owned.

We know what fantastic power is available in the hands of any one telephone company if it wanted to use that power. For one thing, it could listen to the conversation of any person, if it thought it necessary. In the hands of Communist nations, the telephone systems are used to "bug" conversations, even if a person is not on the telephone. There is fantastic power available to any group that owns a telephone system. This Nation is the only one that has shown confidence in permitting a private company to furnish telephone service and to leave it without Government control, except insofar as relates to regulating rates.

I do not quarrel with that result. I point out that the argument as to why the legislation is needed now relates not to the need of getting into outer space, or technical development, but to the setting up of a corporation to speak for this Government in foreign policy—a very serious matter—and negotiate with other governments, most of whom own their own telephone systems.

There is still much engineering work to be done. There is no question about it.

Before I get to that subject, I should like to read from the House report to make clear for the record what I am addressing myself to.

The question in the subhead is, "Why Legislation Now?"

I read from the report:

> In view of all of these facts which make the establishment of a global communications satellite system very much a thing of the future, the question might be asked why it is necessary to enact legislation now, and why the establishment of a communications satellite corporation cannot await the conclusion of the international agreements upon which the establishment and operation of such a global system depend. The answer to this question is very clear.
>
> If a national policy of private ownership and operation of the U.S. portion of the international system is to be assured, the instrumentality therefor must be established now. If this instrumentality is not created at the earliest possible date, all planning for U.S. participation in the international system will have to be done by Government agencies. Our private communications carriers, especially in view of the antitrust laws, will be prevented from cooperating effectively with each other and with the Government agencies in preparing effective plans for U.S. participation in the international system. The creation at this time of the needed instrument, in the form of a private corporation, will provide the machinery through which existing carriers and other private individuals and groups which desire to participate financially in this new venture may do so. As a private corporation its securities would, of course, be subject to applicable securities laws, including those administered by the Securities and Exchange Commission.

Mr. President, it makes more sense at this particular stage in the game—since we do not know whether it will work and there is no one with whom to communicate—that the U.S. Government should speak for the U.S. Government. The people with whom we shall be negotiating on the other side of the table will be spokesmen of the governments of the foreign countries. It makes sense to this Senator to go ahead with the negotiations and with the agreement, if it is desired to assign wave lengths and channels, and to permit A.T. & T. to advise the Government if it wishes to advise the Government, or to permit other private corporations to advise the Government, instead of having the Government advise the corporations. We should permit the United States to go ahead, as it has done traditionally, and negotiate agreements.

There is nothing in the antitrust laws which would forbid any of these corporations, provided they have the consent of the Government, from cooperating in any way in which they wish, in talking about negotiating agreements. The Federal Communications Commission, in fact, authorized these communications common carriers to get together and to make their own plans for the ownership and operation of a communications satellite system. They did that, operating as a so-called ad hoc committee. If that can be authorized today, in violation of the antitrust laws, with the acquiescence and support of the Department of Justice, there is no reason these commercial concerns could not act similarly if they undertook merely to give advice, insofar as oversea agreements are concerned, affecting the service that the American common carriers would relay on to users of their service.

The statement has been made that this matter should be turned over to free enterprise. I am in favor of free enterprise. My definition of free enterprise refers to competition, that is, the greatest possible competition that can be achieved whenever it can be accomplished. Only when we cannot achieve it by competition should we turn it over to a monopoly. Let us see what the Communist textbook says about our free enterprise system. I am quoting the Communist textbook. This is not my definition of free enterprise. I read:

> During the period of imperialism there occurs a fusion of the state apparatus and the monopolies. As a matter of fact, the monopolies, which rule the economy, subordinate the state apparatus to themselves, and use it for multiplying their profits and strengthening their domination.
>
> The ruling monopolies capture for themselves and use in their own interest the property of the state. State property in capitalist countries is created as a result of the building of enterprises, railways, arsenals, etc., at the expense of the government budget and by way of nationalization, i.e., the transfer of certain private enterprises to the government for a generous compensation.
>
> Often, state enterprises are given in lease to large firms on very favorable terms. The monopolies receive from the state a number of benefits and privileges, such as reduced rates on electric power, reduced railroad rates, etc. In capitalist countries, there is a widespread practice of reprivatization, i.e., the transfer of state enterprises into private hands, usually at giveaway prices (ibid., p. 249).

I do not want to see our space activity conducted on that basis, to fit the Communist textbook definition. I would like to see the activity conducted in such a way that when it goes into private ownership it goes into an ownership designed to assure maximum competition with existing means of communications, rather than simply being turned over to the greatest monopoly in the history of all mankind. I should like to say, also, that insofar as this effort is concerned, we cannot separate the space satellite itself from the effort to place it into orbit.

In that connection I should like to read from the ad hoc committee report. This committee was made up of the American Cable & Radio Co., the American Telephone & Telegraph Co., the Hawaiian Telephone Co., Press Wireless, Inc., the Radio Corp. of Puerto Rico, RCA Communications, Inc., South Puerto Rico Sugar Corp., Tropical Radio & Telegraph Co., and the Western Union Telegraph Co.

Of that group the American Telephone & Telegraph represents about 85 percent of the economic power. Listen to what they have to say:

> Government and industry research and development activities during the coming year should provide much additional scientific knowledge relating to communications satellites. Technical problems on which facts are needed for the development of an operational system include (a) location, strength, and significance of damaging radiation, including life expectancy of satellites operating in the space environment; (b) how to achieve reliable control and stabilization of attitude; (c) how to achieve reliable positional control in orbit; (d) how to place heavy payloads into high equatorial orbits; and (e) significance of time delay due to long transmission paths, and appropriate corrective measures for echo.

Except for the last one, they are all a part of Aerospace Research.

With respect to the latter I quote from page 130 of the hearing I conducted last year:

> With respect to telephone services, it is a matter of opinion if this time delay is enough to be objectionable. Many telephone engineers consider this delay to be unimportant.

So far as the equities of the Government and the taxpayers are concerned, if we compare this proposal with the construction of a television station, including the gigantic tower which would have to be built—and the proposed satellite would be the equivalent of a television tower 25,000 miles in space—it can be seen that a tremendous portion of the investment necessary would have to come from the Government, and the Government has already contributed an enormous part of it.

Of course, a substantial amount of engineering and development work still remains to be done; there is no question about it. Yet it is by doing these things, by visualizing the systems and going ahead and building them, that the objectives will be attained. For example, the first railroad train really was not much of a train; nevertheless, it was the fact that the first train was built, ran on tracks, and was constantly improved that permitted the eventual development of the transportation system which we now have.

Technically the proposed systems must, of necessity, be global in their coverage and in the service which they provide. If one were up on a satellite, the world would appears as a small place; he would not see national boundaries.

International cooperation in such systems is inherent in the technology. For example, in the communication area, the satellite will act as a repeater of messages originating at one point and received at another, and it makes very little difference whether it is New York and London or Timbuktu, insofar as the satellite is concerned. It will work equally well.

Weather information is just as readily available from Japan as it is from the United States or any other part of the world, and if an intelligent and a really able job of using this information to its maximum advantage is to be done, it will be necessary to have information from the entire globe, not merely some small part of it, and it would not cost much more to do the whole job than it would the small part.

For navigation, the satellite would work just as well for the ships of the Europeans, of the South Americans or anyone else as it would for those of the United States.

From a reconnaissance point of view, it is just as easy to examine the entire globe and to know what is going on all over the world as it is any one particular area.

If we are to realize the full technical potential which I believe this technology offers, there will have to be a substantial international agreement on how the services are to be used and an international acceptance of the belief that these services are going to be valuable for all nations and not just the United States.

We really have to convince the other nations of the world that the new technology holds promise for their safety and well-being. Their active support and cooperation in this new adventure in society will have to be attained.

The United States, as a consequence of the excellent technical achievements of its NASA and DOD programs, has an unusual opportunity to advance its position of prestige and world leadership, as well as to make a major gain toward the objective of preserving the free world, if it will now decide to devote its present and future space achievements to this purpose. In my opinion, this should be the dominant factor in making the decisions on how to develop our technical achievements in space for the service of the Nation and mankind. What is now needed is a thoughtful and conscientious appraisal of the political feasibility and possible consequences of the various courses of action open to the Nation.

In the present world conflict, it is to our advantage to improve the ability of the peoples and nations of the world to communicate with one another. Satellite systems can be used to considerable advantage to accomplish this purpose—whether the nations be large or small—if this is the objective of the system. It is to our advantage to develop services which will be of general usefulness—such as weather reconnaissance and navigational aids—which can be, and are, shared among all nations and can be of benefit to all. It is to our advantage, and the advantage of all sincere, peaceful nations, to develop international satellite inspections systems as a further protection against secret aggression. Satellite technology offers the promise of all these services, but statesmanship of a high order will be necessary for their attainment.

For example, it is one thing for another nation to seize the private property of one of our nationals, as has happened in Cuba; but it would be quite another to destroy property in which all nations had a real and vital interest. It would be one thing to interfere with communications between the United States and, say, England or India; quite another to disrupt an international communications service of all other nations. It would be one thing to interfere with weather observations useful only to the United States; quite another to have to do so by disrupting the same service on an international basis.

At the present time, the United States has accomplished a major technical achievement in space through the able research and development programs of the Department of Defense and the National Aeronautics and Space Administration. Now it is necessary to determine how to utilize these achievements and make their realization politically possible. I urge the Government to establish a grand strategy to utilize these achievements to lessen world conflicts and ease world tensions. This program should be an integral part of, and in my opinion can be an important instrument in, our basic foreign policy.

We have, then, the question: Is it in the best interest of the country for the Government to use its present and future technical opportunities as a means for improving the position of the United States throughout the world? As I read through the hearings, I cannot fail to notice that this problem has not been discussed in even the most cursory manner. It has just been ignored.

The technical achievement we now have in our hands is far greater than just the extension of our communication. Certainly it does that. It is a new kind of service, and we can think of it in those terms; but, to quote Mr. David Smith, vice president of the Philco Corp., that is only 1 percent of what we have accomplished.

Mr. Smith also states:

> If we label that achievement as just being an extension of our present commercial communications service, certainly that is the way the rest of the world will regard it. They are not going to put a higher value on it than we will. We have got to be sure we fully understand all the things that we can do with this before we decide that we are going to put a little label on it.

Mr. President, it is in our hands to see that this Nation realizes the full capabilities of these achievements which our scientists have accomplished. I submit, however, that very few of us are capable at this time of assuming the responsibility of assuring that the great potentialities of this system are realized.

The American Telephone & Telegraph Co. is trying to create the impression that communication by satellite is merely a supplement to communication by undersea cables or land lines. A.T. & T. likes to refer to the satellite as a "cable in the sky." This, of course, is nonsense.

Let me quote what Mr. Ray H. Isaacs, vice president of the Bendix Corp. stated before my Monopoly Subcommittee last August:

> It is difficult at this early stage to visualize what is encompassed in space communications, but I am sure actualities will probably exceed our imagination. Beyond the present areas of telephone, telegraph, radio, and television, we will see aircraft passenger communication both to the ground and other aircraft for the first time, and, of course, similar space vehicle communication out in the future. It will be impossible to separate communication from control as hundreds of vehicles in space may use portions of the same space and ground systems for control as well as communication. Weather data transmission can use the same system as possibly world navigation. Then we must dream of the broad field of data transmission involving photographic, display presentation, business data of all kinds, whole newspapers and magazines with simultaneous printing around the world. We could even see technical assistance between businesses of laboratory operation and manufacturing methods utilizing such a system of space communication.

The chief points of this statement are first, that we do not know at present what the potentialities of a satellite communications system will be; and second, the actualities will probably exceed our imagination.

Gen. David Sarnoff, board chairman of the Radio Corp. of America, appearing before Senator KEFAUVER's subcommittee on April 12, 1962, stated:

> I think I am not overstating the fact when I say to you that I regard the satellite communication as the most significant and the most vital development in the world of communications since I began over a half century ago. But we are only at the beginning. It is far from being a finished product. Certainly it is not a finished system. There is much yet to be learned before one can speak with certainty about a global operating satellite communication system.
>
> I think also that the satellite communications possibilities go beyond the mere extension of existing communications system. It is more than the so-called cable in the air, or a hightower in space. It is a revolutionary possibility of global communication, the limits of which no man, in my judgment, is competent enough to place at the present time.

The threat of this revolutionary new technology to existing methods of communication was attested to even by FCC Commissioner Craven, before the House Space Committee:

> The main thing that I want to emphasize is that if we try to establish a separate system by satellites in competition with existing things, I am quite certain that ultimately the existing means of communications which are going to be necessary are not going to be able to survive economically.

That statement—that this new system holds such fantastic prospects that it is a grave threat to the existing communications system—is completely at variance with the one made by the vice president of the American Telephone & Telegraph Co. As I have said, we should think in terms of taking full advantage of the existing methods; and if eventually this threat to the existing system should materialize, that would be the time to think in terms of permitting the existing system to have similar satellites.

The General Telephone & Electronics Corp., an important communications carrier and manufacturer of electronic equipment, stated that—

> There is no support in the record for the contention that satellites will provide merely a new physical element in rendering existing and future communications services and as such must be viewed as supplements or alternatives to the existing means of cable and radio communications.

In fact, a communications system which will satisfy the objectives of the President's policy statement of July 24, 1961, will provide many services which cannot presently be provided by existing international communication common carriers. These new services include broadband data transmission and television transmission. In addition, a satellite communications system meeting the national objectives must meet the following requirements:

It must provide direct communications between domestic and foreign points which do not presently have such service;

It must provide direct communications between foreign countries;

It must be capable of providing direct communications between points within a single foreign country—as, for instance, within Brazil or African countries; and

It must be capable of providing direct communications between points within the United States—for example, between Alaska and the other States, and between Hawaii and the other States.

In order to discuss intelligently the great issues connected with satellite communications, it is necessary to explain the characteristics and potentialities of the various systems.

THE ROLE OF COMMUNICATIONS SATELLITES

While the principle of satellite communications is a relatively simple one, its practical application is a matter of far greater complexity than might at first appear. For this reason, it is best to start with the technical aspects, including the reasons why satellites are destined to play an important part in communications in the years ahead.

As the demand for communications services continues to grow, we must move to higher and higher radio frequencies to provide us with an increased number of channels and circuits of greater capacity for handling intelligence. When we move up to frequencies of many millions of cycles per second, as with our present overland microwave and television services, the radio waves tend to travel in a straight line in the manner of light. To transmit them over long distances, we must use relay stations built within line of sight from one another to carry the signals around the curvature of the earth. This is the function of the relay towers which now cross the continent and parallel many of our turnpikes and pipelines.

Until now, there has been no economical means for extending such a relay system across the oceans. For international communications services to Europe, Asia, Africa, and Central and South America, we use submarine cables and lower frequency radio transmission, neither of which provides the capacity that could be achieved with an ocean-spanning equivalent of our overland microwave relays.

As a matter of fact, my best information is that, in order to be able to send a signal by microwave from coast to coast in this country, if there were a tower in California at the highest point that could be found, and another one in New York at the highest point that could be found, both towers would have to be 300 miles high. The same result would be achieved by having one satellite at one fixed spot in the heavens, which could be done by the synchronous system, which I shall explain later.

To simplify, I shall avoid reference to the various technical categories of radio frequencies and identify them instead under only two general headings. I shall use the phrase "lower radio frequencies" to identify all of those signals which follow the curvature of the earth or are reflected from the ionosphere back to the earth, as is the case with our present transoceanic radio communications. I shall use the phrase "microwave frequencies" in reference to the signals that follow a straight line-of-sight path, as is the case with our present continental microwave and television services.

Manmade satellites now offer us a solution to the problem of extending microwave frequencies across the oceans. A satellite in orbit several thousand miles above the North Atlantic, for example, would be within direct line of sight simultaneously from both sides of the ocean. Thus, the satellite could be used to relay microwave frequencies in a single hop across the ocean, performing the same function as a chain of many relay stations spaced 20 to 30 miles apart on the earth's surface. Such satellite-relay techniques will multiply by hundreds of times the capacity of our international communications systems and will permit new services, such as intercontinental television, that cannot be provided by our present cable and lower radio frequency circuits.

Three possible satellite techniques have been or are being considered for international relay services.

The first is the passive reflector. This type of satellite, when placed at a desired altitude, acts simply as a reflecting surface from which radio signals may be bounced from one point to another. The Government's recent Project Echo demonstrated this technique with a 100-foot aluminized balloon moving in an orbit about 1,000 miles above the earth. This type of satellite would have the advantage of extreme flexibility in the sense that signals of many different frequencies could be reflected simultaneously from its surface. However, since only a small part of the signal power would be reflected toward the receiver, the passive technique requires very powerful transmitters, using tens of thousands of watts of power, and ultrasensitive receivers, and even then one would wind up with a low-capacity system. For practical commercial communications service, the passive reflector satellite thus is now regarded as less promising than the active relay types which I shall now describe.

The second technique is the low altitude active repeater satellite.

Low altitude refers in this context to satellites in orbits several thousand miles above the earth, generally in the 4,000- to 8,000-mile range in an operational system, as distinguished from the high altitude or synchronous technique which I shall describe later. Here, the satellite will contain equipment to receive, amplify, and retransmit radio signals in both directions in the manner of our present overland relay stations. Project Relay, now in development, will demonstrate this method with satellites moving in orbits from 1,000 to 3,000 miles above the earth. Because this technique involves transmission from ground to satellite and retransmission from satellite to ground, it will require far less power in the ground transmitters than would the passive reflector technique. The equipment in the satellite also will need only a few watts, a power low enough to be supplied by solar cells.

For practical communications service, the low altitude active repeater technique will require a substantial number of satellites. Several dozen will have to be placed in orbit to maintain full-time, or virtually full-time, service between two points, and several score to service a multiplicity of points. This results from the need to insure that, as one satellite disappears over the horizon, another comes within range of the two communicating ground stations.

The low altitude satellites can either be put in an orbit so that they will pass over the poles or they will pass over an orbit that is inclined to the poles.

The first experimental satellite, such as Relay, will be placed in an orbit that will be inclined to the poles, and if the satellite takes 2 or 3 hours to make its circuit around the world, and while this has happened the earth itself has rotated on its axis, so that when it comes by the second time, it does not pass over the same point over the ground. It is more to the east, for example. Because the satellite moves in its orbit and because the earth rotates, the satellite is in view, for example, between New York and London for only a short period of time. Then another satellite is needed, and it must then be picked up. The first one coming around again might at that time be over the continent of Europe and not useful for this particular circuit. This is the reason why a large number are needed.

The need for many satellites is obviated by the third proposed technique. This is the fixed, or synchronous, active repeater satellite, placed in orbit 22,300 miles above the Equator, and moving parallel to the Equator. At this altitude, the speed of the satellite matches the speed of the earth's rotation, so that the satellite remains fixed in relation to the earth's surface in the manner of an enormously high relay tower. Project Advent, being developed by the Department of Defense for military purposes, and Project Syncom being developed by Hughes Aircraft Corp. for NASA will test the synchronous principle.

If, for example, a satellite is placed over the Equator and roughly over the Atlantic between the North American Continent and the European-African Continents, it would move at the same angular rate as the earth turns on its axis, so that as it goes around it is always visible from the same points on the surface of the earth, and, therefore, continuously available for communications.

For almost the entire hemisphere, it is available for communications. And any time of the day, if it was visible to the eye at all, at any time of the day it would be in exactly the same place.

The stars would appear to change their position, but, as far as that satellite was concerned, if a person could see it at all, it would be perhaps exactly dead overhead at all times.

If one set up, for example, a telescope on earth and left it pointed in the same direction toward the sky, and if the satellite had good stationkeeping properties, one could for day after day go and look through that telescope and see the satellite at any hour of the day.

I am using this in loose terms because it would be difficult to see so small a satellite at that distance, but one could see it by radar.

This technique offers a number of unique advantages. Increasing the altitude of a satellite increases the area of the world over which it is directly visible for communications relay purposes. At the 22,290-mile altitude of the synchronous satellite, the area of coverage is so great that only three satellites would be needed to provide effective microwave frequency links among virtually all inhabited areas of the world.

Now, one might think that it would be quite a problem to provide enough transmitting power to get that distance, but this is not true.

Because as one directs a radio signal into space, there is very little to attenuate the signal.

The transmitter power on the ground is very modest; the transmitter on the satellite to return it to ground is only a matter of a few watts; for example, of the order of 10 watts.

This signal travels much more easily through space than it does in the atmosphere because a signal that is near the earth is attenuated by the objects on the surface of the earth.

A further major advantage is in the fixed position of the satellite relative to stations on the ground. With the low altitude technique each ground station will require computing and tracking facilities to determine the position of each moving satellite and to follow it with directional antennas as it moves across the sky. With the synchronous satellite, ground stations will be able to dispense with the computers and employ simple fixed antennas, aimed permanently at one point in space.

When we consider a global communications service via satellite relays, the greater potential advantage of the synchronous satellite technique becomes apparent.

In using a moving satellite relay that passes at low altitude, communication between any two ground points will require duplicate facilities at each end of the circuit in order to assure uninterrupted service. As one pair of antennas tracks the satellite disappearing over the horizon, another pair must be ready and waiting to pick up the next satellite coming into view. In addition, the constantly changing pattern of interstation connections through a moving satellite limits this system in a practical sense to communication between only two areas at a time. For example, the satellite that is simultaneously visible from New York and London will not be simultaneously visible during exactly the same time period from New York and Madrid. If communication is to be carried on at the same time between New York and both oversea points, use will have to be made of another satellite, requiring another duplicate set of ground facilities at the New York end.

With the synchronous satellite technique, on the other hand, a single satellite will remain fixed at all times within the view of many ground points. The pattern of interstation connections will remain stable, and a single set of ground station facilities at each location could be used for communication to all other points through the satellite relay.

For this reason, the synchronous satellite relay technique seems to be unique in offering the flexibility and capacity that are required for truly global satellite communications. Any number of earth stations within the large area of coverage can make simultaneous use of the relay. This permits the use of a method of modulation that provides general direct access to the satellite from all ground points within its range of visibility. Thus, every user can employ his own ground stations, located where most convenient to him, and he can communicate with any other ground station within the range at any time.

The flexibility of this approach is such that each country may have its own terminal facilities in its own territory, avoiding any need for retransmission from a centrally located ground station situated in or beyond other national areas. Furthermore, the simplicity of channel assignments and of ground station equipment is conducive to use by countries having low traffic requirements, as might be the case in the underdeveloped areas of the world.

The degree to which a low altitude system can approach the synchronous satellite in offering this flexibility of operation and multiple ground station locations is a matter of current study and analysis. The synchronous satellite system does eminently meet the technical and performance requirements of a global communications system as outlined in the President's statement of July 24.

These considerations have led scientists and engineers to propose the concept of worldwide commercial satellite communications employing the synchronous satellite technique. This concept envisions versatile, large capacity, synchronous satellites at three locations above the Equator, where they would provide relay links among all of the principal communications centers of the world. These satellites would be open to full and independent access for all international radio, telephone, telegraph data, and television services through their own ground transmitting and receiving stations.

There is a time scale of availability for the apparatus which should be outlined. The low altitude satellites are light in weight and can be boosted into orbit using present launching vehicles. There is a program which contemplates, with larger launching vehicles, the placing of several low altitude satellites in orbit with a single rocket. The synchronous satellite would be heavier in weight and would require an orbit at an exact altitude with accurate position keeping. This would place a larger requirement on the vehicle to boost it into orbit. It also would call for equipment in the satellite to maintain its fixed position with respect to the earth. There are programs in progress which will lead to the solution.

The electronics and communications equipment in space and on the ground for both the low altitude and the synchronous satellites appear to be within the state of the art. In this case, the electronics and communications equipment appear simpler for the synchronous satellite than for the low altitude type, particularly if the low altitude satellite is to have the generality of use by many nations, which now seems necessary for an extensive worldwide communications network.

In selecting the proper system, the following four important criteria should be considered:

First. The system should provide the technical basis for a worldwide capability.

Second. The system should facilitate not only the linking of other countries to the United States, but also the establishment of direct links among other countries.

Third. The system and its operation should be flexible enough to serve the needs of small countries as well as large, and of developing as well as developed areas.

Fourth. The system should make the most efficient use of the already crowded frequency spectrum.

The synchronous system is the only system that meets these requirements.

As I have explained before, by reason of its altitude and speed, this satellite would remain fixed with respect to the earth, enabling stationary ground antennas to be used. In addition, the stationary satellite could be "viewed" from a large number of points on the surface of the earth. For example, a single satellite over the Equator at longitude 22° W. is visible from many important points.

This one satellite would make it possible to interconnect the telephones of Canada, the United States, Mexico, Central and South America, Africa, Europe, and part of Asia. These areas contain approximately 91.3 percent of the telephones of the world. Three such satellites can provide a worldwide system covering all of the earth's surface, except for the polar regions. It can be seen, therefore, that an operational system covering a large part of the earth can be established just by placing one satellite in the right place. This is impossible with the low altitude systems.

### OTHER SYSTEMS PROPOSED TO DATE WILL NOT MEET THE NATIONAL OBJECTIVES

The low altitude random orbit satellite communications system employs a number of low—2,500 to 8,000 miles—altitude satellites in what are termed "random orbits." Each random orbiting satellite passes over both the North and South Polar areas. For each ground station there is a segment of space visible to its antennas which is called a region of communications.

Only satellites in this region can receive signals from and transmit signals to the ground station.

To achieve transmission between a pair of ground stations, it is necessary that the satellite be within the region of communications common to each. This is called the region of mutual communications. When this occurs, each ground station points a large movable antenna at the satellite and communications are initiated. As time passes, the earth rotates and the satellites revolve in their orbital planes. These movements result in the satellites passing through the region of mutual communications. One antenna at each ground station follows the moving satellite across the sky, maintaining communications as long as the satellite remains in the region of mutual communications.

Communications will be interrupted unless a second satellite is available and is being tracked by a second set of antennas before the first satellite passes out of the region of mutual visibility. Communications are maintained by switching from the disappearing satellite to the new satellite. The time which one satellite may be used between two ground stations depends on the satellite orbit and the ground station locations. The maximum time will be of the order of 1 hour and the minimum a matter of a few minutes. Coordination is necessary between ground stations in order that only two ground stations will use the same satellite at the same time.

The random orbit system will not satisfy the national objectives as announced by President Kennedy and the State Department for several reasons:

First. It would not give global coverage.

Second. It does not embody the multiple access feature.

Third. Addition of new routes is limited by the number of satellites.

Fourth. A country that can afford only one ground station can have direct satellite communication with only one other ground station at one time.

Suppose we try to expand the random orbit system into a truly global system. What kind of a situation can we envision? Dr. Trotter of the General Telephone & Electronics Co. made the following estimate before my Monopoly Subcommittee in August.

If each of the 10 points were given the ability to communicate directly with each other through a random orbit satellite, it would require at least 18 big moving antennas at each ground location and 45 satellites in the proper places in space at that instant. While these 10 points would not constitute a worldwide system, still, they would require at least 180 big moving antennas and over 400 satellites in orbit to provide this limited service.

Therefore, although the random orbit system may have some merit as a substitute for cables in providing service over a limited number of fixed routes, it is not an economical worldwide satellite communications system.

It could be out as far as 6,000 miles, but the problem is still the same; since the satellite is coming over and is being tracked, the time that it can be kept in field of view of two antennas will vary from a couple of minutes to as much as an hour. That often a shift must be made.

Once this satellite has been used between these two ground points and while it is being used, it cannot be used between any other points. The reason is that the repeater, due to the Doppler shift in the incoming signals, can receive signals only from one point at a time.

If all we were trying to do is parallel the New York to London cables, it would be a pretty quick system, and it would be adequate, but this is not what we are trying to do. Yet this is the system advocated by the American Telephone & Telegraph Co.

Mr. President, I think it might be well to illustrate the problem involved in the system which is advocated by the A.T. & T.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. I request that the distinguished Senator from Louisiana make the explanation and exhibition with respect to both the proposed high-level synchronous orbital satellite system and the low altitude system, and in addition to describing the globe and the aids he has in front of him, I ask him to relate what he is about to describe to the large charts in the rear of the Chamber.

Mr. LONG of Louisiana. The point I am trying to make is that it is proposed by the American Telephone & Telegraph Co. that we undertake to put into orbit a satellite system that would require as many as 400 satellites. What I am about to say has a great deal to do with the proposed legislation. If a private corporation which would operate with a profit is to be created, someone will have to pay, and those who would pay for the 400 satellites would be the taxpayers of this country.

Mr. YARBOROUGH. Mr. President, will the Senator yield further?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. If it were a private company trying to make as much profit as possible, would it be to the advantage of such company to have a great many expensive satellites, and then charge the expenditure for such satellites to the rate base to be charged the users of the system?

Mr. LONG of Louisiana. If it were a private company that entertained some doubt as to whether the project would make money, unless it had available a fantastic amount of money, beyond that of any company other than the A.T. & T., I do not think it could pay the expense of putting 400 satellites into orbit or even 40 satellites. Such a company would have to have assurance that the system would show a profit.

But if the American Telephone & Telegraph Co. were undertaking the work, that company could have assurance that it could spend as much money as it wished, knowing that it could charge the expenditures into the rate base. A company would hardly spend the money otherwise.

I shall explain how the operation would work. With the system now proposed by A.T. & T., satellites would be placed about 3,000 miles from the earth. They would be at a distance relative to the position of the little red dot at the end of the cone which I have placed over the globe. The satellite would go into orbit around the earth. As it moved between the two points, it would be visible for a 10-minute period between Maine and, let us say, London. During that period of time the multiple-tracking stations shown by the ground antenna in the rear, on the right side—an extremely expensive tracking antenna—would have to track and find the satellite. For that 10-minute period it would be trained on the satellite over both the United States and England.

When it had passed beyond the sight of these two antennas, due to the curvature of the earth, they would have to find another satellite, which would also have to be placed in orbit, and to locate that one and follow it across. In order to do that it would be necessary to have two multiple-tracking antennas, unless it was desired to interrupt the service while a search was being made for the next satellite. For fear that one might break down or that it would be impossible to train the antenna with the precision that would be required, a spare would have to be standing by.

This would represent a very great investment in money. In order to have a satellite available to communicate at all times, even between two points, one would require about 40 satellites orbiting around the earth with multiple-tracking units on both sides across the ocean in order to provide continuous service between the United States and England, using this method.

Now let us look at the method that will subsequently go into orbit. If the satellite, instead of being placed in low orbit, were placed in a relatively high orbit, an orbit, let us say, of 22,290 miles out in space, the satellite would be in this relative place with reference to the earth, as I am now demonstrating on the globe. If it were placed over the Equator at longitude 22° W., it would go around with the earth as the earth turned. The rate at which it would turn would match the rate at which the earth would turn. If it were placed above the Equator at longitude 22° W., and if a man at that point on earth could see the satellite, it would be exactly overhead for 24 hours a day. This would give us about the same relative advantage that we would have if we were to construct a television tower with an antenna 22,290 miles high.

We could send a signal to the satellite, and the satellite could send it back as a very weak signal, which could be received on earth by one of these fixed-type disks, illustrated as a ground antenna on the chart at the rear of the Chamber.

That antenna, instead of costing $15 million, as would a number of these tracking antennas, could be installed for a relatively small cost, perhaps for $1,600,000.

Without tracking and maintaining the antenna in one fixed position, one could communicate with the satellite and receive the signal back almost at any point on half the earth. This service would then be available to 92 percent of all the telephone sets in the world, at the same time. This satellite, which we expect to have in orbit within 2 years, would be able to carry 1,200 conversations simultaneously.

That is quite an achievement to be thinking of when we realize that at the present time there are only 64 channels in the cable across the Atlantic Ocean. This would give many times the capacity that we presently have.

Here we would have a single satellite which could provide far more service than the 40 satellites could. If we placed another satellite a third of the way around the earth, and still another one a third of the way around the earth from there, each of them turning with the earth, one could carry on a telephone conversation with the other side of the earth, from one relay to the other, in this way, as I am demonstrating. Such a system would be feasible, and no doubt it will be the system that we will eventually employ for global communication. It would be far less expensive to place that satellite in position and to operate it than would be the case with the so-called random orbit system. Instead of having 400 satellites in orbit there would be only 3 in orbit.

Another system which should be mentioned is the 10-satellite equatorial system. In this system 10 satellites, each at an altitude of 6,000 miles, rotate about the earth in an equatorial orbit spaced uniformly at 36° intervals.

This system has most of the disadvantages of the low-random-orbit system and has the additional disadvantage that continuous direct communications between important northern points such as New York and London would not be possible.

### THE SYNCHRONOUS SYSTEM CAN BE ACCOMPLISHED AS EARLY AS SYSTEMS WHICH WILL NOT MEET THE NATIONAL OBJECTIVES

Proponents of the random orbit system have urged that this system, with all its disadvantages, can be accomplished earlier than a system using the stationary satellite.

In their argument, however, they failed to take account of the following facts:

First. The United States has made substantial strides in space technology within the last few months, and we are accelerating this progress.

Second. A stationary satellite for use in common carrier communications could be launched with rocket engines which are already developed and tested.

This, I think, is quite important.

Third. The random orbit system will have a minimum of 48 satellites, all of which must be manufactured, tested, and launched with appropriate provisions for failures. It would take 2 years to get this number up.

Fourth. The stationary satellite system will interconnect 91.8 percent of the telephones in the world when one satellite is in position and will give world coverage with only three satellites in position.

Fifth. Schedules prepared by experts in space technology indicate that the launching time advantage for a stationary satellite system by reason of the lesser number of satellites would permit a minimum of 11 more months' research and development time on the stationary orbit satellite than on the random orbit satellite with the same inservice date for either system.

### A SYSTEM WHICH DOES NOT MEET THE NATIONAL OBJECTIVES COULD BRING ABOUT A PROPAGANDA DEFEAT

I do not think this should be underestimated at all.

Satellite communications represent a major opportunity for the peaceful use of space. Since we are in an ideological race with Russia and a propaganda war with communism, we should win the race to establish a satellite communications system, but it is equally important that when the United States establishes a space communications system, that it be a system which will truly satisfy the national objectives.

The Soviets are working on a communications satellite system. Their activities are suggested by the following quotation from page 71 of House Report No. 242 of the Committee on Science and Astronautics:

> There has been a significant lack of official comment by Soviet officials as to their plans for communications satellites, but U.S. scientists who have had private conversations with Soviet space experts report keen interest in this subject and considerable evidence of work area. Soviet scientists indicate that they are centering their attention on synchronous (24-hour) (stationary) satellites in a 22,000-mile-high orbit, which are particularly suited to global coverage.

Let me quote Dr. Herbert Trotter, president of the General Telephone & Electronics Laboratories:

> A random-orbit system could discredit us before the world as a leader in space communications if Russia establishes a stationary satellite system. If the United States went ahead with a low-random-orbit system, it would be possible for Russia to hold back until we were deeply committed to this system and had launched perhaps two-thirds of the satellites, and then with three satellites the Russians could establish a truly worldwide system before our limited system was even in operation.

In other words, we would go ahead and strain and strain away, and after getting about two-thirds of the way through, the system would not be any good when we got it.

Another consideration is the effect of a low orbit system on space travel. If there is to be space travel, care should be taken not to clutter up space with a large amount of junk. If any reasonable period of life can be assumed for the satellites, the rate at which they will die will keep us very busy replacing them. If a satellite had a life of, say, 5 years, and 400 of them were in space, it would be necessary to launch another 80 every year; and 5 years is an extremely long life to expect during the early stages. If the life of a satellite should be only 2 years, it would be necessary to put 200 satellites up each year.

The synchronous satellite relay system appears to have great advantages in resolving the complex problems associated with establishing a satellite communication system. This type of system will permit other nations to continue to employ their own national services. It will also facilitate international agreements. Since all organizations which will be parties to the agreements may have individual access to the satellites from their own ground stations, they may continue to conduct their business as they do today.

As Senators are aware, various studies are now being conducted on technological and economic aspects of space communications. At this point, however, we lack adequate assurance that any projections are accurate. Concrete data can come only from flight-testing of satellites under actual space conditions; we must, therefore, allow for a substantial margin of error in current projections relating to the economics and operation of the satellite technique.

For example, it is possible at the moment only to make assumptions as to the reliability and longevity of satellites in the space environment. Yet the actual operating costs of a communications satellite system are highly variable, depending directly upon the reliability of the system and its ability to perform under the conditions encountered in outer space. It would be risky and premature to make hard and fast decisions, freezing our scientific thinking about satellite plans, until the gaps in our knowledge are more adequately filled.

We are new at this project. We do not really know what we are dealing with. I doubt that most Senators can say what the public policy ought to be on this subject.

The experience of the Philco Corp. in the application of transistors can serve as a very good example for us. The Philco Corp. decided that it would turn loose a group of bright persons to determine how to use transistors and how best they could be developed. The first qualification was that those persons should have had no experience with vacuum tubes. The reason was that if they had had such experience, they would automatically have tried to fit the new invention into the old pattern, which is what happened in practically every other company except Philco.

Taking a broader view enables Philco to build and develop the first transistorized computer. Philco's computers will be found handling many of the calculations in the atomic energy establishments and in the Department of Defense.

Philco was enabled to attain the lead because it did not fit the new scientific knowledge into the existing pattern, and the new scientific knowledge was not left in the hands of persons who were already inbred in a different art.

Up to now the American people have spent $25 billion for research in the exploration and conquest of space. A communications satellite is the first major fruit of these public expenditures. But what do we expect to do with this great achievement?

The U.S. Senate has been asked to hand over its control to a small group of international communications carriers, dominated by the giant American Telephone & Telegraph Co., the biggest private monopoly in the world.

Testimony before our committee confirms the very narrow approach which these communications carriers have taken. To them, a communications satellite merely means a tower in space—a substitute for a cable laid under the ocean—to be integrated into the existing communications system. Yet many of the leading corporations of America have stated as to a communications satellite that 80 to 90 percent is space technology and 10 to 20 percent is communications technology.

Senators no doubt remember the ancient story of Procrustes, the bandit who would try to fit his victims to his bed. If the victim was too short, he would be subjected to a painful, if not fatal, stretching to make him fit. And woe to the victim who was too long. His feet would be cut off to bring about the necessary size adjustment.

In this instance the Government is in the role of Procrustes, trying to fit the new technology, having potentials that can hardly be conceived of, into an existing and controlled system. What that amounts to is this: the people who are trying to decide how the space satellite should be used—both the Federal Communications Commission and the communications industry—by their positions and by the statutory limitations we have put on them, have to take a limited view. This means that only a fraction of the potentialities of a satellite system will be realized.

### ECONOMIC GROWTH VERSUS PROTECTION OF EXISTING INVESTMENT

Mr. President, let us not kid ourselves. The explanation of the mad scramble for control of a space communications satellite can be found in cost comparisons between the old and new systems. The cost per channel-mile for the proposed new transatlantic cable TAT-3 is estimated to lie between $75 to $175. This cost could be compared with $27 to $56 per channel-mile for the proposed satellite system, assuming full utilization of channels. Moreover, the satellite cost can be expected to drop further as satellite life increases and as the launch-success ratio improves. Therefore, whether the estimate be on the high side or on the low side, the estimated cost per channel-mile of the new technology will be about one-third of the traditional method of communication, and the difference will become even greater.

What does all this mean?

It means that the present method of communication can well become obsolete. To protect the investments of A.T. & T. is one of the reasons why FCC Commissioner Craven wants to give away publicly financed technology to the so-called international common carriers. Commissioner Craven fears, and I have already quoted him, that the existing means of communications will not be able to survive economically in competition with this great new technology.

The General Telephone & Electronics Co. explains how present investment can be protected if the common carriers get control of the satellite system:

> The average cost of the satellite communications system and other existing international communications system can be used in establishing rates for all international service, and revenues from the services utilizing all systems can be pooled and divided on the basis of investment and costs. The owners of the cable facilities would be fully protected by this procedure which is used every day in the common carrier communications industry.

A very interesting point of view was presented to our subcommittee by the vice president of I.T. & T. He believed that it is the duty of the U.S. Government to protect the common carriers against any technological and scientific developments which might jeopardize their investments.

The process of growth consists of the rise of new industries, new products, new technologies, new techniques of production, new employment opportunities. This process is also accompanied by the decline of other industries and products and the abandonment of those technologies which have become obsolete. Some elements of our society are hurt, but the net benefits to our society are incalculable.

The industrial revolution in England during the 19th century was necessarily accompanied by the decline of the cottage industries. Can anyone deny that our lives have been made easier, more comfortable, as a result of the industrial revolution?

To try to preserve old techniques of production, to try to protect existing investments against the onslaught of new scientific and technological advances, must slow down our economic growth. The consequences could be disastrous.

Rapid economic growth is essential not only to provide new opportunities for our expanding population and labor force, but also to preserve our very national existence.

The inevitable conflict of interest between competing technologies has been recognized by the Congress, which has also traditionally limited common ownership of competing modes of transportation. For example, the Panama Canal Act of 1912, which is part of the Interstate Commerce Act, prohibited ownership, control, lease, or any interest whatsoever by a railroad in a common carrier by water with which the railroad does or may compete for traffic.

The committee report on the Panama Canal Act stated that—

> The apprehension of railroad-owned vessels driving competition from the canal may or may not be exaggerated, but it is certain that the evil, which is only anticipated there, already exists in the coastwise trade—as well as on our lakes and rivers.

A Commerce Committee report issued in 1961 stated that—

> The Motor Carrier Act of 1935 and the Transportation Act of 1940 were interpreted by the ICC, with the express approval of the Supreme Court of the United States, as giving the Commission the authority to limit to a very large extent rail ownership of motor trucking.

The Civil Aviation Board, which adopted the same interpretation as the Interstate Commerce Commission, reached the following conclusion:

> For the Board would not be justified in closing its eyes to the potential threat which the entry of surface carriers into this field would in many cases offer to independent air carriers or the effect which such participation might have upon the fulfillment of the policies of the act. Surface carriers engaging in air transportation would at times be under a strong incentive to act for the protection of their investment in surface transportation interest. Again, by reason of their superior resources and extensive facilities for solicitation, such carriers would often be the possessors of powerful competitive weapons which would enable them to crush the competition of independent air carriers.

Many more examples can be supplied which make similar prohibitions. The Interstate Commerce Act, in particular, has numerous cautions and prohibitions against joint ownings which would tend to lessen competition in the transportation field.

Now, Mr. President, the communications firms are trying to create the impression that communication by satellite is merely a supplement to communication by undersea cables or landlines. They like to refer to the satellite as a "cable in the sky." This, of course, is nonsense.

Satellite technology can be expected to provide long distance communications links—especially transoceanic links—at substantially lower cost than conventional devices. How will these savings in the supplier's costs be passed on to the consumer of communications services? Let us analyze the relationship between telephone costs and rates under Government regulation for possible clues.

The use of communications satellites holds promise as a means of reducing transoceanic voice channel costs below those existing today, but it is not clear that such cost reductions will bring about commensurate telephone toll rate reductions, or that toll reductions will be unambiguously identifiable with the benefits stemming from satellite technology. Because the telephone industry operates both domestically and abroad as a Government-regulated or owned monopoly, it is not subject to competitive pressures that would ordinarily ensure a close relationship between toll rate and cost. Under present-day domestic regulatory policies and practices, only a tenuous relationship exists between rates charged for particular services, and costs incurred in performing those services. The Federal Communications Commission, primarily concerned with the rate of return on all interstate telephone operations taken together—both domestic and overseas message toll, private wire, teletypewriter, and television and radio program transmission—has devoted relatively little attention to revenue-cost relationships for individual services. In the past, the FCC exerted little effective control over message toll rates between U.S. and oversea points.

As might be expected, given the manner in which the telephone industry has been regulated, there are large variations between rates and costs for individual services. For example, long-haul interstate message toll service appears overpriced relative to short-haul service, and overseas rates between the United States and Europe appear to be substantially higher than the costs incurred in performing these services.

In view of this evidence, it appears uncertain what will be the effect on rates of the satellite-induced cost reduction. Toll rates may be reduced for services whose costs are reduced, but perhaps only after a time lag of years. Rates may be reduced for services whose costs are not affected at all by satellite communication. And a portion of the cost reduction may be absorbed simply by an increase in profits.

A general outcome of this nature would be undesirable in that it would probably contribute to a misallocation of economic resources and would, by concealing the tangible benefits accruing from satellite technology, cloud the favorable public image of the United States that we hope to achieve by Federal support of the satellite development program.

The successful development of commercial satellite communications systems should lead to reduced costs per voice channel for transoceanic communications between major centers around the world. What effect will these possible reductions in cost have on the rates charged to users of communications services? Selecting the telephone industry as an illustration, let us consider the question: If a telephone company is able to reduce its long-distance transmission costs by using a satellite relay system, how will it pass on these savings to users of telephone services? Will it, for example, reduce rates only for those services whose costs are reduced by employment of the satellite system, or will it establish across-the-board rate reductions for both local and long-distance services? Will the firm reduce rates in such a manner that in the aggregate they are commensurate with reductions in cost, or will it pass on only a portion of the cost savings, keeping the remainder for itself? Will rate reductions take place quickly after establishment of satellite services, or will they take place only after a lag of years?

These questions are posed because, given the market structure of the telephone industry, there is no indication that rate reductions will be commensurate with cost reductions, either for particular services or in the aggregate, or that rates will respond quickly to cost changes.

This means that the public, which paid for the development of a satellite communication system, will not receive the full benefits which the system will offer and which the public deserves.

Both in the United States and abroad, telephone companies operate as publicly regulated or publicly owned monopolies in supplying most telephone services. Were rates determined by free market competitive forces, we would expect them to be highly responsive to changes in cost. If free entry were permitted for firms supplying message toll telephone service, say between New York and London, provision of satellite relays between these two points would bring in new entrants who would drive toll rates down to reflect the lower costs made possible by the new technique. Since, however, such competitive pressures do not exist in the telephone industry, pricing policy can be established by the monopoly firm, as tempered in one way or another by public regulatory authority. The rates so established may or may not bear a close relationship to underlying costs. The impact of satellite service on rates will, therefore, depend in part on the nature of ratemaking under public regulation.

The manner in which satellite services affect the rates charged to users is important for both economic and political reasons. Considering efficiency in the allocation of economic resources, it makes a difference whether the firm is able to raise prices above the competitive level by restricting output in order to increase profit, or whether it is forced to set a lower price and expand output at the expense of monopoly profit.

In the political sphere, Federal support of research and development for communications satellites is predicated, in part, on the expectation that our success will contribute to a favorable public image of the United States as the world leader in the exploitation of space technology for peaceful purposes.

President Kennedy recently stated:

> Science and technology have progressed to such a degree that communication through the use of space satellites has become possible.
>
> Through this country's leadership this competence should be developed for global benefit at the earliest practicable time.

In the same statement the President emphasized that one of the objectives of the satellite program is "development of an economical system, the benefits of which will be reflected in oversea communications rates." I might add that a synchronous system can be used for domestic service and the difference in the costs of such service should be reflected in rates, also.

However, the extent to which this is achieved depends, among other things, upon the manner in which the cost-saving benefits of satellite technology are distributed to users of communication services both here and abroad. A favorable impression can be expected if rates respond quickly and fully to reductions in cost and are clearly identified by the consumer as flowing from U.S. technological leadership. The impression will not be as favorable if the rates respond slowly and in a way that conceals or obscures the relationship between the benefits to the consumer and the achievements of U.S. technology. It should be borne in mind that there will probably be no significant difference between the quality of service afforded by satellite relays and that afforded by conventional submarine cables. Benefits to the consumer will appear mainly in the form of reduced rates for existing services. New services such as transoceanic television transmissions will themselves depend directly on a reduction in voice channel charges.

An important question now comes to mind: Given the continuation of present-day regulatory policies and practices, and in the light of our historical experience with them, how is the commercial introduction of satellite communications likely to affect domestic and oversea message toll telephone rates?

To answer this question requires an examination of the Federal Communications Commission and the Bell Telephone System. We should try to find out first, the criteria the FCC has employed in judging the reasonableness of rates and of proposed changes in rates; and second, the kinds of cost and revenue data it has considered relevant in making decisions and judgments; and third, the interaction of FCC regulation and Bell's pursuit of its own self-interest.

In addition, we should also try to establish the degree of responsiveness of changes in rates to changes in costs.

On the basis of this historical record of regulatory policies and practices, we shall be able to ascertain the effects on rates likely to take place with the introduction of satellite communications.

### THE ORGANIZATIONAL STRUCTURE OF THE U.S. TELEPHONE INDUSTRY

As groundwork for discussing the nature of regulation, let us consider the organizational structure of the U.S. telephone industry, particularly as it relates to the provision of long-distance toll service. The dominant corporate entity in the telephone industry is the American Telephone & Telegraph Co. This corporation serves essentially as a holding company for the 19 subsidiary telephone operating companies. In addition, it holds stock in, and has licensing agreements with, several other telephone companies. A.T. & T. holds virtually all the stock of Western Electric, the exclusive supplier of telephone equipment to A.T. & T. and its associated companies; A.T. & T. and Western Electric jointly own Bell Laboratories. This entire complex is known as the Bell Telephone System.

A.T. & T. itself is divided into two departments: the general department and long lines. The general department provides general administrative functions for the associated companies including financial advice and assistance, services involved in obtaining patents and protecting the license companies against infringement claims, and the dissemination of Bell Laboratories' research and development work. For these services A.T. & T. charges the operating companies 1 percent of their total exchange and toll revenues plus interest on cash advances.

The long lines department provides landline and transoceanic facilities connecting the associated companies into a worldwide system of long-distance service. The associated companies themselves supply line facilities for all Bell intrastate toll traffic and for most interstate traffic involving a distance of under 40 miles. Long lines confines itself to participation in interstate traffic in excess of 40 miles.

The Bell System operates about 98 percent of all facilities employed in providing long-distance message toll telephone service in the United States; the associated companies themselves own approximately 85 percent of all facilities used in supplying local telephone service. In addition to message telephone service, the Bell System owns and operates substantially all wire facilities used in radio and television broadcasting; supplies facilities for a large part of press news and telephotograph service; and operates a nationwide teletypewriter service.

The remaining local exchange telephone business is in the hands of about 3,500 independent telephone companies, most of which are very small.

Measured in terms of revenue, the business of the independents amounts to about 10 percent of the total telephone service in the United States. Long-distance service between these independent connecting companies and the rest of the country is supplied by A.T. & T. long lines and Bell associated companies. Independent companies themselves own few toll line facilities. The revenue from toll messages placed through these connecting carriers is ordinarily turned over to Bell, and the independent carriers are subsequently reimbursed for the local service portion of the messages they have provided.

### THE LEVEL AND STRUCTURE OF INTERSTATE MESSAGE TOLL RATES

The nature of present-day interstate toll rates within the United States—excluding Alaska and Hawaii—is relatively easy to describe. The station-to-station rate for a 3-minute initial period is the basic rate against which premiums and discounts are figured to derive person-to-person rates and offpeak service rates. While station rates through the years have remained essentially constant for distances under 60 miles, they have dropped markedly over the longer distances. At 3,000 miles, the rate in 1961 was $2.25, as compared to almost $19 in 1919. Furthermore, the rate mileage steps at longer distances have lengthened through time. While in 1937 the rate increased by a fixed absolute amount for each 100-mile increment in distances above 1,100 miles, the steps were lengthened in 1940, so that, at one extreme, all distances between 2,300 and 3,000 miles take the same rate.

The person-to-person rate is derived by adding about 40–50 percent to the station day rate. The person and station night and Sunday rates are determined by subtracting about 15–20 percent from the respective day rate. Off-peak overtime rates are charged on a per minute basis at about 25–30 percent of the corresponding 3-minute day or offpeak rate.

This structure provides uniformity in interstate rates throughout the country, in the sense that rates, being a function solely of distance, are established without regard either to the particular regions of the country in which the originating and terminating points are located or to the particular routing that the message might take. This has not always been the case. Prior to the mid-1940's there were variations in interstate rates, depending upon the particular territory in which the Bell subsidiaries operated. For example, a 400-mile interstate rate within the territory of Pacific Telephone might then have been different from that for a 400-mile interstate call within the territory of Southern Bell.

### REGULATION OF INTERSTATE MESSAGE TOLL RATES

Telephone service, like gas and water service, has generally been regarded throughout its history as a natural monopoly in the sense that the attempt of separate companies to compete in selling to a single buyer would lead to a duplication of facilities grossly inefficient in the use of resources. The unfortunate historical experience of allowing parallel gas, water, and telephone lines to go into the same residential and business blocks is referred to repeatedly in the literature on regulation. There is today no competition as ordinarily conceived in the message telephone business. While there are many firms in the telephone industry, each has its own exclusive local marketing area. It is true that in the early history of the telephone a few attempts were made to compete in common markets, but by merger, bankruptcy, or Government intervention, these markets inevitably fell into the hands of one firm.

In the absence of the competitive pressure that ordinarily prevails when a large number of firms serve the same market, public recognition was early accorded to the need for external regulation of telephone rates and quality of service. In 1910, under the Mann-Elkins Act, the Interstate Commerce Commission was vested with certain interstate toll regulatory authority. In 1934 this authority was expanded and transferred to the Federal Communications Commission.

The FCC views its responsibility for regulating interstate rates largely as a matter of maintaining rates at a level that provides a "reasonable"—and I put this word in quotes—rate of return on investment employed in interstate and foreign service. The objective, in general terms, is to require the regulated firm to adjust rates in a manner such that its net interstate and foreign revenue—after deduction of operating expenses, depreciation, taxes, and so forth—is just sufficient to cover capital costs of the net plant investment devoted to these operations.

The separation of telephone operations into interstate and intrastate categories for regulatory purposes is complicated by the common cost nature of the facilities used in the telephone industry. For example, the local exchange plant and the telephone instrument itself are employed in supplying local exchange, intrastate toll, and interstate toll services. While toll-line facilities themselves are not used for local service, they are used for both intrastate and interstate service; and, to draw a finer distinction, they are used for messages involving both 100-mile distances, and 3,000-mile distances. Moreover, these facilities are used not only for telephone message service but also for private line service, teletypewriter exchange—TWX—and commercial television and radio program transmission.

For the separation of interstate property costs, revenues, expenses, taxes, and reserves from overall operating data, the FCC relies on separations procedures worked out in 1947—and periodically revised—by a joint committee of the FCC and the National Association of Railroad and Utility Commissioners. The separations into interstate and intrastate categories are used by both the FCC in observing the level of earnings in interstate traffic and by the Bell operating companies in dividing up their respective shares of profits from interstate service.

All revenues collected by Bell associated companies and independent connecting companies from interstate message toll, TWX, private line and program transmission services are pooled on a monthly basis. A.T. & T. long lines and each Bell associated company break out its interstate expenses—operating, depreciation, commissions paid to independent connecting companies, and so forth—and plant investment that, according to the FCC–NARUC separations procedures are attributable to interstate service. After expense items are subtracted from the pool or revenues, the remaining net revenue is returned to A.T. & T. long lines and the associate companies on the following basis: On the net investment it contributes to the pool, each Bell participant gets back a rate of return that is equal to the rate of return that the total net revenue in the pool bears to the total net investment; in other words, each subsidiary enjoys a rate of return on its interstate investment that is equal to the Bell's overall rate of return on Bell's interstate investment.

With some revisions, these figures are used by the FCC to determine the profitability of interstate operations. The revisions arise because of a difference in viewpoint between the FCC and Bell about the measurement of net investment. Bell contends that for purposes of rate regulation a "total net investment" base should be used, while the FCC employs a "net book cost" base in its rate of return computations. The net book cost base includes only net book cost of completed plant. The total net investment base includes, in addition to completed plant, supplies, and materials, cash working capital, plant under construction, investment in affiliated companies, and, under revenue, a capitalized interest charge on these items. The practical effect between the FCC and Bell approach is that the FCC rate of return computation runs to about one-half a percentage point higher than Bell's computation.

The manner in which the FCC uses these figures is best described by discussing the chronology of the events surrounding message toll increases granted by the FCC to Bell in 1953. In 1952–53 the rate of growth of telephone business declined, bringing about a reduction in Bell's rate of return. In August 1953, the Bell companies filed revised tariff schedules increasing interstate toll rates by about 8 percent, to become effective on October 1, 1953.

The revised rates were expected to increase revenues by about $63 million annually. For the year ending June 30, 1953, the system had enjoyed an interstate rate of return of 5.2 percent. However, certain changes in expenses had occurred during the year—higher wage levels and the increased connecting company shares in toll services, and so forth—which, if adjusted on a full-year basis, would have driven the rate of return down to about 4.8 percent. In other words, if the company were to face the same business conditions in 1953–54 that it had in 1952–53, the sole differences being due to the full annual effect of new commitments made during 1952–53, its interstate rate of return would have fallen from 5.2 to 4.8 percent. On the basis of this reasoning, the FCC concluded that without the message toll rate increase, Bell interstate profits would subsequently fall to about 4.8 percent, a rate judged to be unreasonably low.

The effect of the proposed October 1953 rate increase, in addition to the full-year effect of prior commitments, was expected to bring the rate of return up to about 6.5 percent.

The reaction of the FCC toward the anticipated 6.5 percent of return gives rise to several observations. The first concerns the nature of FCC decisions concerning telephone rates. These decisions, unlike those concerning domestic and oversea telegraph rates, have never been based on full evidence presented in a formal hearing. Throughout the FCC memorandum issued at the time Bell's revised tariffs were being appraised, references are made to the fact that there had never been a formal record of evidence sufficiently complete to provide the basis for an adequate determination of a fair rate of return.

In the words of the Commission's staff:

> In the absence of a formal hearing record upon which has been developed full information with respect to the various complex and controversial factors which enter into a determination of a fair rate of return for the interstate operations of the Bell System, it is neither feasible nor appropriate to attempt a definitive determination as to what is the proper level of interstate earnings for the Bell System.
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> However, based upon the staff's routine studies of the Bell System's capital costs and revenue requirements, the staff believes that the above-indicated going level of interstate earnings of 4.5 to 4.8 percent reflects a deficiency in current earnings. In this regard, the staff is satisfied that the earnings indicated by these return ratios are not sufficient to meet the Bell System's minimum capital costs.

It is curious to note that while formal hearings and investigations are commonly undertaken in regulated industries—as, for example, in domestic and international telegraph—the FCC has never completed a formal rate hearing for telephone service rendered by the Bell System. Whatever disagreement between Bell and FCC has occurred in the past, a compromise has always been worked out that sidestepped formal proceedings.

A second observation is that the reasonableness of the rate of return depends upon the cost of capital for the system, and the cost of capital in turn depends upon—among many other things—the kinds of capital and their proper mixture. Specifically, equity capital is more expensive than debt capital, in that stockholders expect a larger rate of return than recipients of interest, if they are to be induced to face the relatively greater risk entailed in holding stock than in holding bonds. The Bell System has a capital structure heavily dependent on equities. About one-third of the structure is in bonds and two-thirds is in stock, in contrast to a split of about 50–50 typical for most large U.S. corporations. For Bell the cost of capital is, therefore, higher than would be the case if the structure contained a larger proportion of debt. In the words of the Commission's staff:

> For example, it may be argued that as much as 50 percent of Bell's total capital could be derived from debt financing without impairing the system's financial soundness and thereby reduce the amount of revenues required for servicing total capital of the Bell System. For example, if a debt ratio of 50 percent is used in computing the total cost of capital for the Bell System, with a 3-percent cost of debt capital and an 8-percent cost of equity capital, the overall cost would be about 5.5 percent (as compared to the present estimate of 6 percent) and in addition there would be a savings in income taxes entering into revenue requirements.

The question arises about the role of the regulatory agency in determining what kinds of structure should be used in appraising the cost of capital. The FCC has never dictated to A.T. & T. the proportion of equity debt that would be prudent. While A.T. & T. has found it advantageous to have a relatively high proportion of equity that contributes to stabilizing the return over time apportionable to stockholders, the question remains whether the cost of capital should be based merely on whatever the capital structure of the enterprise happens to be, or whether the responsibility of Government regulation extends beyond this to the consideration of what constitutes a prudent structure—a structure that could conceivably be at variance with one preferred by the firm.

A third observation is that, in evaluating the returns, it is important to keep in mind that they are taken from the operating results reported by the companies themselves. I quote again the words of the Commission's staff:

> It should be kept in mind that such figures are constructed from operating results data as reported to the Commission by the company. In other words, the operating expense items included by the Bell System and the base to which its earnings are related have not been subjected to any detailed examination by the Commission to determine the propriety of all amounts reported as plant investment and operating expenses. To the extent that any such amounts should be found to be improper for ratemaking purposes, the above return figures would be increased and thereby reduce the amount of revenue required to produce whatever return the Commission will decide is fair and reasonable. As the Commission knows, questions have been raised from time to time by its staff as well as by other telephone regulatory bodies concerning various matters which have an important bearing upon Bell System revenue requirements, but which have never been the subject of a formal determination by this Commission for ratemaking purposes.

To what extent does the regulatory agency have a responsibility to audit and to pass upon the propriety of individual operating items? It is my understanding that the FCC is primarily concerned that the Bell System should follow a uniform accounting system in which expense and investment items are placed in the proper accounts, but whether particular items should or should not be included at all is seldom questioned.

With respect to the specific conditions surrounding the proposed toll rate increase in 1953, the FCC concluded that the 6.5-percent return on capital was somewhat higher than Bell's cost of capital, judged even on the basis of Bell's equity-debt structure. The FCC was therefore faced with three alternatives: First, it could suspend the proposed increase for a period of 3 months, pending a decision after a hearing as to the lawfulness of the rates. The burden of proof in such a hearing would be on the carrier to demonstrate the justice and reasonableness of the revised toll rates; second, it could suspend the rates and designate the matter for a hearing and investigation, after which it could prescribe just and reasonable rates to be observed by the carrier in the future. Again the burden of proof would fall on the carrier; third, it could do nothing, thereby allowing the new rates to go into effect.

The FCC chose the last course; it did nothing. Although the usual procedure in other communications fields has been to suspend major rate changes and designate the matter for a hearing, the FCC decided against formal proceedings.

After the 1953 rate increase was granted, toll traffic volume continued to decline through the first quarter of 1954. With the toll rate increase, however, the interstate rate of return was held in the range of 6 to 6.5 percent; largely because of a substantial increase in traffic in the last quarter of 1954, the rate of return rose to 6.6 percent for the year. In 1955, traffic volume rose about 10 percent above that in 1954 and the rate of return for the year rose to 7.7 percent. The Commission's staff noted at the time that:

> It would appear, however, that at existing rate levels interstate services of the Bell System are producing earnings which are at the least liberally adequate to insure the financial integrity and safety of the capital invested in the plant devoted to the furnishing of these services. It is also pertinent that the indicated going rate of earnings of 7 to 7.5 percent represents a considerable improvement in the level of interstate earnings reported by the Bell System for most of the past several years, and may also be compared with the return of 6.5 percent which it was estimated would derive from the October 1, 1953, increase.

The rate of return continued to rise, reaching a peak of 8.5 percent in the first quarter of 1956. During this period there was discussion within the FCC about the possibility of seeking a toll rate reduction either by (a) informal negotiation with Bell in an effort to get agreement on a rate reduction, or (b) institution of a formal rate proceeding. At the same time, another factor complicated the picture. The criteria for allocating common costs between interstate and other services were reconsidered at the NARUC convention in October 1955, and it was decided that the separations manual I previously referred to should be revised in a way that would throw a larger proportion of total investment and expenses into the interstate accounts. This change in separations procedures under the so-called modified Phoenix plan, by shifting about $150 million of plant investment and $20 million of annual operating expenses from intrastate to interstate operations, was expected to reduce the rate of return in interstate service by about eight-tenths of a percentage point. This change went into effect July 1, 1956, at a time when the rate of return on interstate operations was running at about 8.4 percent. Under the new separations procedures, the rate dropped to 7.3 percent in 1957 and 1958. During this whole period, then, from 1953 to 1957, there was no formal rate proceeding or informal negotiations with Bell about the possibilities of toll rate reductions. Rather, possibly as a substitute for a toll rate decrease, a change in the ground rules of separations brought about a reduction in the rate of return.

Finally, in 1959, with the continuation of Bell's interstate rate of return in excess of 7 percent, a message toll rate reduction amounting to $50 million was negotiated. Despite this reduction, however, the rate of return remained at 7.9 percent in 1959 and 7.8 percent in 1960.

One final observation is in order: The structure of toll rates as opposed to the overall level of rates is apparently subject to no FCC regulation. In the memorandums issued around the time of the October 1953 rate increase, there was little mention as to whether relative differences in rates reflect relative differences in cost in any meaningful way. While there was some discussion, with reference to cost of the appropriate proportion of the 3-minute initial period rate that should be charged for each minute of overtime and of the discount to be allowed for offpeak service, there was no discussion of, say, whether $3 messages entail, on the average, twice the cost of $1.50 messages.

### REGULATION OF OVERSEA SERVICE RATES

A.T. & T. owns and controls all domestic facilities for oversea message toll telephone service. It has radiotelephone ground stations in New York, Oakland, and Miami from which circuits reach nearly every principal country in the world. In addition, it has one submarine cable to England and one to France from Nova Scotia, one to Havana and one to Puerto Rico from Florida, one to Hawaii from San Francisco, and one to Ketchikan from Seattle.

The structure of telephone rates between New York City and oversea points to which direct radiotelephone or cable service is provided by A.T. & T. is extremely interesting For virtually all distance intervals 2,500 to 11,000 miles, the 3-minute day person rate is uniform at $12. To a few areas of the world where service with the United States is provided by routings through third countries, notably to India and to some points in the Far East and Africa, the rate is $15. The rate falls to $9 for relatively close-in points in the West Indies; the few scattered points represent rates to Hawaii, $10.50; Western Alaska, $8.25; and Bermuda, $6. Unlike the case of domestic rates, night and Sunday discounts are not applicable to all points and, except for Hawaii, there is no reduction below the person rate for day station calls. These rates are established by A.T. & T. in direct negotiation with representatives of the individual foreign countries involved.

The rates negotiated by A.T. & T. are filed with the FCC but neither FCC nor any other Government agency participates directly in oversea toll rate determination. There has been literally no FCC regulation of oversea rates themselves in the sense of maintaining rates at an overall level that provides a reasonable rate of return on international business considered separately; since oversea service revenues and expenses have not been separated out from other Bell interstate business, a separate rate of return cannot be computed. Mixed together are the investment, revenue, and expense items that pertain indistinguishably to international message toll business as well as to domestic interstate message toll business and TWX, private line, and program broadcasting service discussed earlier. According to a Rand study it appears that neither A.T. & T. nor the FCC knows what the current rate of return is on international business or to what extent, therefore, the rate levels and structures reflect the costs of performing the services in question.

### REGULATION OF INTRASTATE TOLL AND LOCAL EXCHANGE RATES

State utility commissions, having been given authority to recognize the rate for intrastate toll and local exchange service, generally follow the FCC and adopt the "reasonable" rate of return as the proper criterion for rate control. For our purposes, the most striking feature of State regulation is that, in making decisions in rate cases, only California and Wisconsin routinely require operating data to be separated so that intrastate toll and local exchange operations can be distinguished from each other. Typically a Bell-associated company will present proposed tariff changes to the State commission and the commission will pass judgment not only on the basis of whether rate of return is reasonable on the particular services which are affected by the tariff changes but on whether, given the rate adjustments, the rate of return on total intrastate business would be reasonable.

The intrastate toll structures resemble the interstate structure in that rates are a step function of distance, they are uniform throughout the State, and premiums and discounts are figured on the basis of the station day rate to derive the person day and offpeak rates and the station offpeak rate. A notable dissimilarity to interstate rates is that in nearly all cases intrastate rates are higher than interstate rates for considerable distances.

### RATE-COST RELATIONSHIPS IN THE TELEPHONE INDUSTRY

To predict the impact of satellite technology on toll rates, it is essential to examine present-day relationships between rates and costs. Whether satellite induced cost reductions will be reflected in reduced rates can be inferred, in part, from analysis of the extent to which present-day rates respond to changes in these costs. Here we are thinking of cost in terms of conventional "average" or "unit" cost—the total cost incurred in supplying the telephone service in question—including cost of capital and the allocation of common costs—divided by the number of units of service sold. The more closely do present-day rates correspond to these average costs and the more rapidly do they respond to changes in these costs, the more likely will a reduction in average cost, due to employment of satellite relays, be reflected in commensurate reductions in rates. On the other hand, if rates for various services do not reflect the costs incurred in these services, or if we observe changes in cost while rates remain constant or respond only with a lag, we can infer that the effect of satellite-induced cost reductions on rates will be ambiguous.

Let us examine the rate of return of various services as a measure of the extent to which the prices of services reflect costs. The greater the rate of return for a particular service, the higher is the unit price relative to average cost, that is, the greater is the ratio of a given telephone rate to the cost of the service charged for. We are concerned with the rate of return on interstate business considered as a whole, to support judgments about the level of interstate rates relative to the total cost of interstate operations.

We are also concerned with the rate of return of various more narrowly defined services, to support judgments about the structure of rates and of costs. Three questions will serve as focal points:

First. What is the rationale for employment of the criterion of "reasonable rate of return" in controlling the level of rates charged for telephone services?

Second. What are the major conceptual difficulties faced by regulatory bodies in maintaining telephone revenue at a level that bears a close relationship to total cost? In view of these difficulties, how effective has been FCC regulation of Bell's rate of return on interstate business?

Third. To what extent do differences in rates charged for particular services reflect differences in the costs of performing those services, and how is this relationship affected by regulatory control interacting with the firm's pursuit of its own self-interest?

### THE RATIONALE OF REGULATING THE RATE OF RETURN

Regulation by the FCC and State agencies of the telephone industry is based largely on the notion that telephone companies, protected from the competitive pressures present in most U.S. industries, could raise telephone rates and could enjoy excessive profits if they were not subject to outside control. As an ethical judgment, it is argued by some persons that it is not in the public interest for the firm to reap large profits simply because it has a monopoly position. These profits, being in excess of the firm's costs, constitute a reward, so it is argued, that is over and above the return required to give the firm incentive to provide the services in question.

The reasonable rate of return criterion is, therefore, used as a tool to reduce or eliminate such "excess" profits: after deduction of all proper expenses from gross revenues, the firm is to be left with a net revenue just sufficient to cover its cost of capital, that is, the return required to provide sufficient incentives to investors to supply capital to the firm.

### OVERALL INTERSTATE RATE-COST RELATIONSHIPS

How effective has the FCC been, in fact, in maintaining interstate telephone rates at a level that generates a total revenue just equal to total cost of interstate operations? In other words, to what extent has regulation eliminated "excess" profits in interstate telephone business? Unfortunately, no definitive answer is possible. This is due not only to the fact that the separation of costs into intrastate and interstate accounts is subject to controversy, but also to the fact that, in general, objective standards are lacking by which the "true" costs incurred in the telephone industry—and in many other regulated industries—can be determined. The very fact that the industry is regulated implies that it is not subject to the free-market competition that ordinarily provides guidelines by which the performance of an industry can be evaluated. The conceptual problems of regulatory control, arising out of the absence of a competitive norm for appraising market behavior, are the subject of a voluminous literature. Nevertheless, I would like to mention a few of the basic problems:

First. The difficulty of determining what rate of return is reasonable. Should rate of return be computed on the basis of equity or of debt capitalization or of what mixture of the two? Given the differential risks of various enterprises, general economic conditions, rates of return allowed other utilities, competition in the money market from other industries, and future requirements for additional capital, what rates of return are sufficient to induce replenishment and expansion of a firm's capital, while not being excessive? What return is required, over and above costs in the strict accounting sense, to give the firm incentive to engage in cost reducing innovation? If the firm were always forced down to a return covering only its costs it would have no incentive to explore and employ new cost-saving technology, since it would not be able to capture for itself any increase in profit in so doing. While the costs of the firm could well be interpreted as including a share of additional profit as a reward for innovation, the question as to how much reward is required on incentive grounds admits of no clear-cut answer.

Second. The difficulty of determining the base on which rate of return is to be computed. Should the base be the value of whatever plant investment the firm shows on its balance sheet, or the value of "prudent" investment, or the value of "used and useful" investment? If the base is the value of plant investment, the firm has available a possible loophole in that it can capitalize monopoly profits by inflating its rate base. If the base is the value of "prudent" investment, or the value of "used and useful" investment, the problem arises of determining what is in fact prudent or used and useful investment. And, to open another Pandora's box, should this base be valued in terms of original cost or reproduction cost? The literature on the subject of original versus reproduction costs, together with the records of rate cases fought on this issue, would fill a considerable number of books.

Third. The difficulty of determining what expenses are proper subtractions from gross revenues to derive net revenue used in rate-of-return computations. If the regulatory commission allows whatever expenses the company claims, the company can simply spend its monopoly profits by inflating its expense accounts, as by spending a good deal on advertising, public relations, basic and applied research, as well as granting handsome salaries and nonpecuniary benefits to executives.

An important question is whether the criterion of reasonable rate of return is really meaningful when the regulatory commission assumes little control over investment and expense items that go into the computation of rate of return.

Subsequent to the 1953 rate increase, when Bell's profits were running in excess of 7 percent, the FCC was handicapped in taking action because of the lack of a formal proceeding that would provide appropriate guidelines for Bell's pricing policies:

> The Commission has never made a formal determination defining what is a fair rate of return for interstate service or the basis upon which such return should be computed. Nor has the Commission ever formally determined various other questions which are involved in evaluating interstate revenue requirements for ratemaking purposes. Accordingly, the staff is not in a position to state definitively whether the present indicated level of earnings warrants concern by the Commission as to the justness and reasonableness of existing rates.

A further impediment arises from the fact that in toll-rate negotiations an upper and lower limit of reasonableness exists between which the parties negotiate. If Bell proposes a rate increase, it has in a sense the "burden of proof" in justifying the reasonableness of the proposed increase, that is, the benefit of the doubt is enjoyed by the FCC. If, on the other hand, the FCC negotiates with Bell for a reduction in rates, then A.T. & T. gets the benefit of the doubt. At first glance this procedure would seem fair insofar as it generally gives the benefit of the doubt to the party that does not initiate the negotiations. At the same time, in considering an industry in which technological change has been as rapid as it has been in the telephone industry, one wonders whether this procedure does not introduce a bias resulting in a lag between unit cost reductions and rate reductions. Since the trend of unit costs in the telephone industry for message toll service has been downward, the benefit of doubt in rate negotiations has generally gone to A.T. & T.—a factor which compounds the FCC's task in successfully negotiating rate reductions. The explanation for the comparatively small toll rate reduction negotiated in 1959 may well lie in the fact that the burden of demonstrating the reasonableness of the reductions fell upon the shoulders of the FCC. One can well ask why, fundamentally, it should be the responsibility of the regulator agency to show that a given toll-rate reduction is reasonable rather than that it should be the responsibility of the company to show that the rate reduction is not reasonable.

These factors are at least partially responsible for the fact that a substantial lag occurred in the 1950's between the time of Bell's apparent reduction in cost per unit of service rendered, as measured by the rise in Bell's rate of return, and the time when telephone toll rates were reduced. It should be noted that soon after the rate increase in 1953, the rate of return rose above the predicted 6.5 percent—and even 6.5 percent had been considered by the FCC to be more than Bell's cost of capital—and remained at higher levels for the remainder of the decade. Yet it was not until 6 years after the 1953 increase that the FCC negotiated a rate reduction with Bell, and even the 1959 reduction has not pushed the rate of return below 7 percent. It is true that interstate toll rates have fallen very substantially during the whole course of Bell's history, but the crucial question is, How closely correlated with cost reductions were these toll rate reductions? On the basis of the regulatory record during 1953–59, it appears that FCC practices have resulted in a substantial lag in the adjustment of rates to changes in cost.

### THE STRUCTURE OF RATES AND COSTS

In addition to the relationship between overall rate levels and total cost of interstate operations, measured by the overall rate of return of interstate telephone operations, we must also examine the relationships between rate structure and cost structure. To what extent do differences in rates for various services reflect differences in costs of performing these services? I have already stated that the FCC has been primarily emphasizing the criterion of reasonable rate of return on overall interstate operations, and it has not paid a great deal of attention to relationships between rate structure and cost structure. In the absence of regulatory control over those relationships we might expect cost per unit to constitute a widely varying percentage of the price charged for the various telephone services offered. The regulated firm would still be free to charge relatively high monopoly rates for some services and "use" its monopoly profits to support other services whose revenues do not fully cover their own costs. By "spreading" out its monopoly profit over a wide range of services in this manner, it might still show an overall "reasonable" rate of return on all services taken together. In so doing, however, the rate it sets for any particular service might be either higher or lower than the unit cost it incurs in providing that service.

If message toll service, TV and radio program transmission, private wire service, and TWX service were each costed separately, the total revenues from each service might not equal the total cost of the service—including the cost of capital and allocation of common cost as computed by the FCC—even if the firm offering all these services were to show overall equality between total cost and total revenue for all services taken together. On the basis of evidence from special cost studies, the staff of the FCC has summarized Bell's situation:

> In the absence of special studies to segregate the cost applicable to each service, it is not possible to estimate with any degree of accuracy the level of earnings from each service or to determine whether the partic-

ular service is earning more or less than a fair return. It will be recalled that in 1953 such studies were made for the Bell System's TWX and private line telegraph services and culminated in rate adjustments, effective July 1, 1953, for these services. More recently, cost studies have been made with respect to the television transmission services of the Bell System. It would appear from the studies that at existing rates the services are not fully compensatory, and that Bell is earning only a nominal return if any at all from them. Thus, on the basis of the results indicated by the cost studies, it appears that other interstate operations of the Bell System, principally message toll telephone services, are subsidizing the users of the intercity television transmission services, to the extent that the latter services are producing less than a fair return on the net investment allocated to those services.

Consider now two other kinds of service, again broadly defined—interstate message toll telephone service and intrastate telephone service. Here too there is evidence that ratios of total revenue to total cost in each of the two services are not the same. For one thing, the rate of return on interstate service, at least in certain years for which we have data, is higher than that on intrastate service. And, the payments that Bell makes to independent connecting carriers for their local costs of performing toll services appear to be higher than the cost they incur in performing these services, which suggests that in a sense toll service subsidizes local service.

It is interesting to break down Bell's intrastate and interstate operations for selected years from 1949 to 1960. In each of the first 3 years interstate operations earned about 1.7 percentage points more than intrastate operations, and raised the Bell overall rate of return by about 0.3 of a percentage point. Partly because of the adoption in mid-1956 of the modified Phoenix plan, under which there was a substantial increase in the proportion of investment and expenses allocated to the interstate accounts, the gap between intrastate and interstate rate of return has fallen in recent years to about 0.8 of a percentage point.

That interstate revenues partially support intrastate services is suggested by the amounts paid by Bell to independent connecting carriers providing local service portions of toll operations. When a toll call is originated in the local exchange of an independent carrier, the carrier collects the toll revenue and turns it over to Bell. Periodically the carrier receives a reimbursement based on a schedule negotiated between the carrier and Bell. While these agreements vary, over one-half of the independent carriers are covered by a uniform settlement arrangement promulgated by the Independent Telephone Association. Without going into a detailed discussion of the reasons, the evidence shows that short-haul calls do not cover their total cost while long-haul calls generate revenues in excess of their total cost. The evidence most directly supporting this statement is drawn from the Bell System study of six areas of less-than-40-mile interstate toll traffic for the 9 months ending January 31, 1946. Data from these studies show that substantial losses were suffered in this short-haul traffic in all six areas. Since Bell was earning no less than a reasonable rate of return on interstate business as a whole in 1946, it follows that long-haul business was earning more than a reasonable rate of return in order to compensate for the losses in short-haul traffic.

Additional evidence, drawn from a study made by the Mountain States Telephone Co. for very short-haul traffic—5 cents initial-period rate—reveals that large losses were reported in all areas studied.

The principal physical difference between the interstate service upon which it gets a presumed reasonable rate of return and its intrastate service is that intrastate service involves on the average a much shorter haul; that is, the average intrastate call involves a shorter distance than does the average interstate call. In one sample made in the late 1940's, the average interstate call involved the distance of 204 miles while for 18 States the average length of intrastate calls ranged from 9 to 54 miles.

State regulatory commissions—with the exception of those in California and Wisconsin—do not normally require in rate hearings a separation between local exchange and intrastate toll investment and expenses. Nevertheless, several special studies were undertaken in the late 1940's in which separations were made between local service and intrastate toll. The results of these studies disclose that the companies operated their intrastate toll business at a negative rate of return of −0.62 percent while interstate toll generated a positive 5.27 percent and the local exchange a positive 3.33 percent. These data, broken down for individual States show a positive relationship between the average distance of call in each State and the profitability of intrastate toll business. While as a group they received little if any positive return from intrastate tolls, the ones that individually receive positive returns generally have relatively long intrastate toll hauls; the ones that suffer large losses have relatively short hauls, resulting from the positive character of the relationship between net revenue and distance.

Moreover, not only did intrastate toll business apparently earn less than a reasonable rate of return in the late 1940's, at least as shown by this sample of 18 States, but at the same time intrastate rates were generally higher than interstate rates for comparable distances. In most States the station-to-station day rate runs 15 to 30 percent more than the interstate rate for comparable distance while their person-to-person rates run from 30 to 80 percent more. Only Pennsylvania and Delaware price their entire intrastate business on the basis of the interstate schedules.

In Alabama, for example, the person day rate for intrastate, 50-mile messages is 82 percent higher than that charged for interstate 50-mile messages. The person night rate is 73 percent higher. The ratios of 1.00 for Delaware and Pennsylvania indicate the adherence of these two States to the interstate schedules. While Pennsylvania is on the interstate schedules, neighboring Ohio with much the same population density, per capita income, and history of economic development, shows quite large disparities. Georgia and Florida show small disparities while Alabama and Louisiana show large ones. There are no striking differences between Eastern and Western States or between large ones—either in population or area— and small ones.

An investigation conducted in 1950 disclosed that for all rate classifications the intrastate rates were about 35 percent higher than interstate rates.

The fact that intrastate toll earnings are relatively low and at the same time intrastate rates are higher than interstate, suggests that the primarily short haul intrastate toll business is relatively unprofitable if charged at the interstate levels, which tend to underprice short haul interstate traffic. And even if premiums above interstate levels are charged, they are not sufficient to bring the intrastate rate of return up to that for interstate business.

Another reason why intrastate toll rates are relatively high is that State commissions allow relatively high intrastate toll rates in order to subsidize local exchange service. I understand that commissions are frequently more amenable to the idea of raising tolls than of raising the local exchange rates—that somehow raising additional revenues through tolls is more "politically palatable" than raising it through local exchange rates.

In conclusion, the evidence indicates that short haul interstate traffic does not cover its total cost and that long haul interstate traffic covers more than its total cost. Because intrastate toll business is predominantly short haul in character, it would not earn an adequate rate of return if priced on the interstate schedules. Even though intrastate toll business is priced above interstate rates, intrastate toll business may continue to show a lower rate of return than interstate. There is a correlation between intrastate profitability and length of haul.

While long-haul rates have dropped drastically, short-haul rates at 60 miles and below have hardly changed at all. The explanation for this paradox may lie in the fact that technological advancement in the industry has brought about reductions in long-haul costs—that is, by perfection of high-capacity coaxial and microwave systems—much more rapidly than they have brought about reductions in the local terminal costs.

### OVERSEA MESSAGE TOLL RATES AND COSTS

Let us now examine costs and revenues in oversea traffic. Unfortunately, these are much less abundant than those available for domestic business.

Again we have to ask these questions:

First. Does the structure of oversea rates reflect accurately the differentials in cost incurred in performing the respective services?

Second. Are oversea rates set at a general level that bears a close relationship to overall costs incurred in oversea telephone business?

With respect to the first question, we mentioned before that the basic rate remains uniform at $12 for a wide range of distances and routings of oversea calls. Yet it is inconceivable that cost remains constant for these various kinds of calls. For instance, the cost of the message from Los Angeles to Moscow is certainly greater than the cost of the message from New York to London although the toll rate is the same for both. Furthermore, in examining the division of revenue between countries, we find that the oversea link absorbs a widely varying revenue per message—depending on the location of the originating and terminating points—and this variation is not a function of cost of ocean link operations.

Without going into details, we find that the disparities between rates and costs are almost the same as for two domestic messages of identical distance but different routings. For example, the cost of a message from Los Angeles to New York is certainly far lower than for one from Tillamook, Oreg., to Bar Harbor, Maine, since the former could use directly Bell's transcontinental microwave system, while the latter must take a circuitous routing over relatively high cost line facilities. Yet the rate charged for the two calls is the same, because domestic toll rates, being a function only of airline distance, do not reflect the costs of particular routings. The oversea tariffs are similar in that they do not reflect costs of particular routings either—it is just that they go one step further and dispense with the relationship to distance as well.

Now let us turn to our second question, concerning the relationship between oversea rates and overall costs incurred in providing oversea service. For oversea operations, there are no FCC or company data on expenses or revenues, and we cannot, therefore, make an analysis comparable to that made for domestic services. The Federal Communications Commission has never had the data to regulate oversea phone service. However, let us try a very rough computation of profitability of United States-European telephone traffic on the basis of the little information available.

In 1958 A.T. & T.'s share of gross revenues from European service was approximately $10.1 million. For this service it employed ocean links consisting of radiotelephone facilities on the east coast and one transatlantic telephone cable—TAT–1—in which it holds 50 percent ownership. A.T. & T.'s share of the cable investment was about $23 million and its annual operating and maintenance expenses run to about $200,000. An annual revenue of $2.5 million would cover the cost of the cable and its annual expenses, assuming an 8 percent interest rate and a 20-year life.

While A.T. & T.'s costs for the transatlantic radiotelephone facilities are not available, we do have data about the west coast-Hawaiian radiotelephone service. In 1957 this service was estimated at $1.2 million in investment and $389,000 in annual operating expenses. Since the traffic volume between the United States and Europe is approximately three times the volume between the continental United States and Hawaii we shall assume that radiotelephone costs are also three times as great which would give us $3.6 million investment and $1.2 million annual operating expenses, a cost that would be covered—again assuming 20-year life and 8-percent interest rate—by an annual revenue of $1.6 million.

In addition to these ocean link costs we must also consider land line haul and terminal costs for oversea service. We shall presume that the average point of origin of messages was in zone 2 of the United States, and shall take the 75-cent figure as reflecting the line haul cost per 3 minutes of use. Presuming that A.T. & T.'s revenues of $10.1 million are one-half of the dollar equivalent total revenues for United States-European service—a proportion suggested by the revenue-sharing agreements—and dividing the $20.2 million estimate by the total of 772,000—inbound plus outbound—messages we derive an estimated revenue of $27 per call. This figure gives an average length of call of 7 minutes at the $12 basic rate or a total of 5.4 million messages minutes. Multiplying $0.75/3 by 5.4 million, we get a line haul estimate of $1.3 million. We estimate the local terminal costs by considering the payments that would be made to independent telephone companies for their local costs if their toll operations were confined exclusively to oversea service, that is, if their average revenue per message were $27. The total charge to the local terminal companies is approximately $2. Multiplying this figure by the 420,000 outbound messages gives a total of $840,000.

All these estimated costs together—$2.5 million cable, $1.6 million radiotelephone, $1.3 million line haul, and $0.8 million local terminal—total $6.3 million or only about 60 percent of A.T. & T.'s gross European oversea revenue of $10.1 million for the year 1958. Using the same techniques of estimation for 1959 data and adding to the oversea link the second transatlantic cable—TAT–2—completed in September 1959 we get a cost of about $7.6 million or, again, about 60 percent of A.T. & T.'s gross European oversea revenues of $12 million in 1959. In conclusion, even after we have taken into account a cost of capital of 8 percent of plant investment, total cost appears to be only about 60 percent of A.T. & T.'s revenue for oversea service for the two most recent years for which traffic data are available.

Of course, these estimates are very rough and can by no means be taken literally. At the same time the estimates of costs were deliberately made generous, and the estimates of line haul and terminal costs, a source of considerable uncertainty in these computations, could vary over a wide range without materially affecting the conclusion that revenues from transatlantic operations appear to be substantially higher than costs incurred in performing this service.

### REGULATION OF TELEPHONE TOLL RATES AND EMPLOYMENT OF COMMUNICATIONS SATELLITES

What are the implications of all this for the use of communications satellites? In particular, given the continuation of current regulatory practices and policies, in what manner will introduction of communications satellites affect telephone rates? If telephone companies do achieve voice channel cost reductions by resort to satellite technology, they may reduce rates for the services affected, but not necessarily by the full amount of the cost savings, and they may reduce rates for other services not affected directly by satellite operations. Furthermore, because these reductions may take place over a period of years after satellites are introduced, the cause and effect relationship between cost reduction and rate reduction may be blurred. The longer is this timelag, the greater will be the extent to which the cost reductions made possible by satellite usage will be mixed in with cost reduction arising from technological progress in other areas of the industry, and the more difficult it will be to attribute any particular telephone rate reductions to communications satellites.

Consider a single hypothetical example: Suppose that a few years after satellite service is established between New York and London the basic toll rate drops from $12 to $9. The consumer will probably not be able to determine whether the rate reduction was due to first, lower cost per unit of service resulting from adoption of satellite communication techniques; second, delayed response to the reduction in unit cost resulting from the improved submarine cables laid before the satellite system was introduced; third, reduction in unit costs not connected directly with transatlantic telephone operations; fourth, agreements between A.T. & T. and foreign government establishing a new basic $9 rate which has little relationship to any immediate cost reduction.

In short, while consumers may in general benefit from the use of satellite services, the benefits may not be commensurate with cost reductions deriving from the satellite system; and the benefits are likely to be distributed in a manner that will cloud the cause-effect relationship.

There are several characteristics of the telephone industry I mentioned earlier that would lead us to this conclusion: First, the absence of FCC regulation with respect to the level and structure of oversea toll rates; second, the lack of attention devoted to the structure of domestic rates; third, the oversea and domestic rate structures that provide single rates for wide variations in distance and routing; fourth, the behavior of the firm itself in a manner that makes tenuous the relationship between rates and costs; fifth, and the empirical evidence that the differences between costs and rates vary from one type of service to another.

Given current regulatory policies, what can we expect will happen if the telephone industry is faced with voice channel cost reductions afforded by satellite communications?

### THE EFFECT OF SATELLITE COMMUNICATIONS ON OVERSEA RATES

Under current regulatory policies and practices, the impact of voice channel cost reductions on service between United States and oversea point would, taken by itself, probably be reflected in Bell's interstate operating accounts as an increase in net revenue over that which would have existed if the higher cost transmission techniques had been employed. If oversea rates were maintained at a constant level while satellite communication is substituted for construction of new submarine cable and radiotelephone facilities, oversea gross revenues would not change as a result of satellite employment while operating expenses (as a subtraction from gross revenues) would decline to the extent that satellite communication did lead to lower voice channel unit costs than for conventional transmission techniques.

The major problem, from the standpoint of FCC regulation, is that this change in Bell's revenues would probably not affect to a substantial degree Bell's overall rate of return on interstate—and international—business, to which the FCC pays primary attention, because the contribution of oversea revenues and expenses is a small part of the total. Even if Bell were to make substantial profits from satellite services, the effect on overall rate of return would probably not be sufficient by itself to trigger FCC regulations for toll rate reductions. Bell might, of course, voluntarily reduce oversea toll rates, as it has done in the past, but the point here is that there is little in the regulatory machinery that would require it.

To consider some figures, in 1960 oversea gross revenues amounted to only about 2 percent of total Bell interstate gross revenue. It is true that oversea telephone service is growing somewhat more rapidly than Bell's other interstate services—10 to 15 percent annually compared to about 10 percent for the rest—and that, therefore, the percentage of total revenue contributed by oversea service will rise through time if these rates of growth continue.

However, if both oversea and domestic interstate services continue to grow as they did between 1953 and 1960, by 1967 oversea service will still contribute only about 4 percent of the total interstate gross revenue. To understand better the significance of the oversea contribution, consider this hypothetical example. Assume that, first, oversea revenue is in fact 4 percent of the total in 1967; second, annual costs of the satellite system and all other costs incurred in oversea traffic amount to only 25 percent of total oversea revenue, and the other 75 percent represents profit; third, marginal State and Federal tax rates against Bell's net revenue are the same as they were in 1953; and fourth, the ratio of total net plant to total gross revenue in Bell's interstate accounts is equal to 2—roughly the ratio existing in the late 1950's. Under these assumptions oversea revenue would raise Bell's overall interstate rate of return by about eight-tenths of a percentage point.

But we already mentioned that Bell's rate of return fluctuated from 6.5 percent to about 8 percent between 1954 and 1958 without major toll rate changes being made—a fluctuation considerably larger than eight-tenths of a percentage point. It would appear, then, that under these assumptions a return of 75 percent on oversea revenue would not necessarily trigger negotiations by the FCC for toll rate reductions.

Of course we could make other sets of assumptions under which the effect of Bell's rate of return would vary. If by 1967 oversea revenues were to comprise 8 percent rather than 4 percent of total interstate revenues, other assumptions remaining the same, then overall rate of return would rise by about 1.4 percentage points; if the revenue contribution were 6 percent but oversea message costs comprised 50 percent rather than 25 percent of oversea revenue, then overall rate of return would rise by about 1 percentage point.

The salient feature of all of these examples is that profit on oversea service could be substantial, say 50 to 75 percent of oversea revenue, without causing Bell's overall interstate rate of return to vary by more than it has in the past during times when its toll rates remained constant. Because of the regulatory timelag, combined with the relatively small effect of oversea net revenue on Bell's overall interstate rate of return, it is possible that large profits could be earned on oversea business for a number of years without pressure being exerted for toll rate reductions. In addition, toll rate reductions may be delayed because of time required for traffic to reach sufficient volume to show a reduction in unit cost and because of allowances made for amortization of existing facilities rendered obsolete by the satellite system.

Furthermore, even if toll rate reductions are made, it is not necessarily true that oversea toll rates would be the ones reduced. To the extent that the firm desires to obtain rate structures that are politically "palatable" and to the extent that regulation is lacking in maintaining a close relationship between unit cost and rates for particular services, the "benefits" of satellite cost savings could be spread to other services—such as short haul interstate toll traffic—that are not themselves affected by satellite operation.

Regulation by the FCC of Bell's overall interstate rate of return would not prevent Bell from maximizing profit in the oversea sector. Bell's reaction to a rising overall rate of return due to highly profitable oversea operations may entail expansion into other less profitable markets as a method of reducing overall rate of return to the "allowable" rate of return level, in preference to the alternative of forgoing additional profit in oversea service by lowering toll rates for oversea service.

It should be noted that differences between oversea rates and average costs arising with satellite relays are not different in nature, after all, from the differences that already exist between first, short haul and long haul interstate message toll traffic; second, interstate and intrastate traffic; third, interstate message toll traffic and other kinds of interstate telephone business—that is, TV program transmission—and fourth, present oversea toll revenues and costs. Evidence that such disparities exist today simply strengthens the notion that disparities will exist in the era of communications satellites.

The conclusion we reach, then, is that the cost savings derivable from the new techniques would probably not be distributed in such a way as to achieve some of the political gains that might otherwise accrue to the United States. While the world may be duly impressed at the time we introduce satellite service on a commercial basis, continuation of the favorable image will depend on tangible benefits to the public here and abroad. Of course, by simply cutting costs, the satellite system will benefit someone—the stockholder who receives higher dividends because of higher monopoly profit, the taxpayer whose tax bill goes down because of larger taxes paid by telephone companies on their higher net revenue, and the telephone user to the extent that he pays lower telephone rates. But this may not be the most desirable distribution for exploiting the potential political advantages of a successful communications satellite system. A distribution more closely consistent with this objective would involve telephone rate reductions reflecting the full effect of satellite cost reductions and unambiguously displaying this cause-effect relationship.

At an appropriate time I expect to offer an amendment in the nature of a substitute which I believe would be the best approach to this whole problem. The amendment I have in mind would read as follows:

> Strike out all after the enacting clause, and insert in lieu thereof the following: "That (a) the President is authorized and requested to transmit to the Congress at the earliest practicable time a proposed plan, consistent with the provisions of this Act, for the creation of a corporation to establish and operate, in cooperation with Government agencies, a commercial worldwide communications system using communications satellites in space and related terrestrial installations.
>
> "(b) Such plan shall contain appropriate provisions to insure that—
>
> "(1) the corporation so established shall be privately owned;
>
> "(2) the stock thereof shall be issued in such manner as to encourage the widest distribution to the American public;
>
> "(3) such satellite communications system would be competitive with, and not merely supplemental to, existing systems of terrestrial communications;
>
> "(4) such system could not become subject to direct or indirect ownership or control by one or more existing communications common carriers;
>
> "(5) adequate capitalization is provided for the establishment and operation of the communications satellite system until such time as its revenues will assure the profitable operation thereof without governmental assistance.
>
> "(c) Such plan shall contain such other provisions as the President may deem appropriate to provide for the establishment, as expeditiously as practicable, of a commercial communications satellite system, as part of a global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding."

Mr. President, it seems to me that is the way we should be moving to get the best effect, in the public interest, from a privately owned communications satellite system. The fact that the present plan before us started with the studies and recommendations of an ad hoc committee composed of the so-called communications common carriers seemed to me, from the very beginning, to invite the wrong answer to this problem.

I would be happy to support legislation that carried out the recommendation that the satellite system would not belong to the existing communications common carriers and that no one of them could gain control of it, either directly or indirectly.

By proceeding in this fashion, it seems to me a privately owned corporation could best serve the public interest, and, in my judgment, that is the approach that would best be used.

Mr. President, I ask that the amendment be received at the desk and printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

The following questions and responses occurred during the delivery of Mr. LONG's address;

Mr. KEFAUVER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. Does not this bill completely reverse the historic policy of Congress, developed over the last 100 years, as a result of extensive debate and policy decisions by administrations and by Congress; namely, that in order to have the maximum development of a new mode of transportation, whether it be for the carrying of freight or for the carrying of passengers, or whatnot, the old form of transportation should not have control of the new, competing transportation facilities? Has not that always been the American system and policy, which would be reversed by this bill, at least unless the amendment of the distinguished Senator is adopted?

Mr. LONG of Louisiana. Yes, I believe that statement to be correct.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. The Senator has stated it is unprecedented. The Senator is familiar with the fact, is he not, that at the present time there is a cable that lies underneath the ocean from this country to England? In that particular case, the communications carrier does negotiate with the British Government in connection with that cable. It is doing it now. Many times it calls upon the State Department, as is provided in this bill, to assist them in those negotiations.

Furthermore, in this bill that procedure is even strengthened, to the effect that we recite specifically the traditional powers of the President to negotiate the foreign policy of our country, and that nothing in the bill shall interfere with it.

It is true that the original bill suggested the Secretary of State would do it. Then various amendments were made by committees of the Congress. Members of the State Department were called back. They found the provision that now appears—H.R. 11040—to be absolutely acceptable to them.

I thought the RECORD ought to show that we are presently allowing private companies—the A.T. & T., for example—to negotiate with the British representatives with regard to the cable that lies underneath the ocean, through which calls are made from this continent to the continent of Europe.

Mr. LONG of Louisiana. I shall be pleased to take a look at that matter. I will accept the Senator's word, but I would still question whether the initial agreement between this Nation and England was made by the American Telephone & Telegraph Co., speaking for this Nation, and speaking for the commercial interests of this country.

Mr. PASTORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. PASTORE. The Senator understands, of course, that in the present situation the U.S. Government has a complete monopoly on the rocketry and missile complex needed for any experiment in space communications. In other words, the A.T. & T. desire to carry out its experiment with its own satellite requires the use of Government launching facilities—I think A.T. & T. is the only company in the field, with the exception of possibly RCA, which could afford to conduct such an expensive experiment on its own with the hope that someday, if they could perfect a system, they would own it exclusively.

This is one of the problems which came before the committee and was considered. Unless we make this a corporate effort we will actually make it a monopoly effort, because there are, generally, one of two companies which could engage in such an experiment, which costs millions and millions of dollars.

The fact is that A.T. & T.'s desire to place a satellite in orbit, requires the cooperation of the Government because the Government is the only power in this country which can shoot a satellite into orbit. That is an exclusive field belonging strictly to the U.S. Government.

Even under the terms of the bill, if the arrangement is made with the private corporations, they must reimburse the Government for the expense which is incurred in shooting satellites into space.

The point I make this afternoon is that the A.T. & T. cannot conduct its experiment without the cooperation of the Government because it does not have authority to shoot a rocket or a satellite into space.

Let us assume for a moment—this is a matter which is being absolutely overlooked, and I do not think it should be overlooked—with respect to this rivalry as to who shall get its communications satellites into orbit first, that other nations such as Great Britain are working in this direction. Great Britain has the authority to set up its own "Cape Canaveral," as we have done. Let us assume that the British shoot up a communications satellite, which they could perfect and make commercially operable. There is nothing which would stop the English Government from leasing channels to the A.T. & T. The A.T. & T. could lease it, could pay rent for the use of that particular satellite, which would not belong to the United States of America and would not belong to any American company. It would belong to a foreign country.

There is not a single law under our free enterprise system which would forbid or prohibit A.T. & T. from connecting its facilities to the British communications satellite.

That is a point we have to bear in mind. That is the reason why, I think, the President is so anxious that we get moving on this job, because the big question is, Who will get there first?

If Russia should succeed in getting there first, it would attempt to preempt the channels. There are only so many channels which can be used. A serious question arises, "Will we be frozen out?"

The Senator says, "But we have spent $25 billion."

I have a letter which I think ought to go into the RECORD, with the permission of my good friend.

This letter comes from the National Aeronautics and Space Administration. It relates to the money which has been authorized for NASA.

In 1959 we authorized $126,087,000.

In 1960 we authorized $485,300,000.

In 1961 we authorized $970,000,000.

In 1962 we authorized $1,784,300,000.

The estimate for 1963 is $3,787,276,000.

Those are the amounts which have been authorized for the years I have stated. Next are the figures for the funds appropriated.

In 1959 we appropriated total NASA funds of $338,906,000. Of that amount funds for "Vehicle development and procurement" were $84,876,000. For "Communications, spacecraft and support"—this is the important thing—though we keep talking about billions of dollars, the amount was $3,204,000.

That is the money which was appropriated in 1959 for space communications.

In 1960 we appropriated $3,014,000.

In 1961 we appropriated $16,933,000.

In 1962 we appropriated $25,900,000.

For 1963 the estimated appropriation is $50,538,000.

Next we come to the obligations. That is the money that actually had been obligated of the total appropriated. The figures to follow relate to obligations:

There was obligated in 1959 $3,204,000.

In 1960, $3,014,000 was obligated.

In 1961, $13,620,000 was obligated.

In 1962, $5,718,000 was obligated.

That totals $25,556,000.

The point I wish to make is that Senators keep saying, "If we do not get private industry into this project, we will go full steam ahead." I regret to say—and I do not say this in criticism of anyone—that if the position of my good friend from Louisiana should prevail in this debate, and if, by decision of the Senate, there is not created a private corporation, I would prayerfully hope that we would become a little more spirited and a little more enthusiastic about appropriating money for this particular program, because the fact is that we have not been spending as much as we should for communications experimentation.

They come before our committee and say, "Whether you create a private corporation or not, we will do it anyway." They have been doing a wonderful job, but our job in the expenditure of all that money has not been directed toward perfecting a communications satellite. Our stress has been in putting men into orbit and in trying to reach the moon. We are trying to land a man on the moon. We have been trying to perfect our technology and science with reference to putting heavy payloads into space.

Insofar as actual experimentation on communications is concerned, we have not spent too much money. In fact, in the aggregate, up to now, private industry has spent more than the Government has in the specific area of space communications. So I fear that the idea that the job would be done anyway is a somewhat fallacious point of view. I think we ought to give it very serious thought. I am not saying that my good friend from Louisiana is wrong and that I am right.

The point I am trying to make is this: Let us not go off with the idea that if we do not do something about the proposed corporation this year, we can merely sit back and the project will take care of itself. If—God forbid—any other country succeeds in getting a satellite in space before we do and begins to preempt that area, and as I pointed out, there are only so many frequencies available for use in space, and if a country should preempt those frequencies before we do, we will be in a very unfortunate position. I wish to make the RECORD clear on that point.

Mr. LONG of Louisiana. The Senator from Rhode Island has raised a number of questions to which I should like to respond. In the first place, the Senator quoted the figures of the National Aeronautics and Space Administration. Do the NASA figures include the expenditures of the Department of Defense in the same field?

Mr. PASTORE. Oh, no. I suppose the figures of the Department of Defense would be a little different.

Mr. LONG of Louisiana. Very much so.

Mr. PASTORE. I ask the Senator to state the figures. I am perfectly willing to put those figures in the RECORD. There is nothing mysterious about the figure. I have presented the NASA figure. It is not $25 billion.

Mr. LONG of Louisiana. My best information is that of our $25 billion investment to conquer space, $475 million included the Department of Defense figure of expenditures in the field of communications. I shall be glad to supply the documentation for that figure.

Mr. PASTORE. I think it would be well to have that documentation in the RECORD. My staff member handed to me a statement related to the military communications field. I understand that there has been a shift in one of the programs from one agency of the Defense Department to another because the program was not going along too well. I read from a UPI release dated June 11 as follows:

> Department spokesmen were unable to say how much of the $170 million spent on the Advent satellite communications project represented a total loss.

The AP release of June 11 said:

> The spokesman refrained from criticizing the work of the Army, which has spent about $170 million in the project so far. Another $100 million has been sought for the coming year.

This is the report that has to do with the shakeup of the lagging satellite communication program of the Army.

The point I am attempting to make is that we have been lagging. There is no question about it. Let us not proceed with the idea that the job will be done anyway. Somewhere along the line someone has been a little too relaxed in the field which we are discussing. I am not saying that it was not Congress. I am not saying that it was not the military. I am not saying that it was not private industry. But I fear we must discard the idea that we are proceeding full steam ahead, and that we would be going ahead anyway. If a private corporation is not created—and I hope and have every confidence that it will be—I hope that we will review the Government's participation in the field and get going on the job.

Mr. LONG of Louisiana. Let us cover the subject point by point. We are talking about a $25 billion investment in the effort to conquer space. My best information is that $471 million of that amount has been spent in the field of space communications. I know that A.T. & T. would, if it could, keep the Government out of communications research completely because A.T. & T. can do its research, charge the telephone users for the expenditure, and still make a fair rate of return over and above their expenditures, which they are entitled to do in their operations. For their private advantage, I can understand why that great corporation would want to keep other companies out of the competition. A.T. & T. is the greatest monopoly of all mankind in the history of the earth.

So far as the assignment of channels is concerned, I think the Senator knows—and I certainly know—that we have no channels to assign until foreign nations agree. In other words, the Soviet Union could jam every channel we have. We could jam every channel that the Soviet Union might have in a high orbital satellite.

Only when every nation agrees on how many channels each nation shall have can guarantees be made. It is possible that without any agreement a small nation, provided it could spend a few million dollars for an adequate sending set to transmit to the synchronous satellite, which I believe will be the good and effective satellite, could jam the whole operation by merely sending to such satellite on each transmitting channel on which we could send.

So the subject of assigning channels involves an international agreement. If we are going to communicate with England, we must get the Russians to agree that they will not communicate on the same channel at the same time. That is one of the problems we shall have. That will be a Government function no matter how we wish to try to arrive at the solution of the question. It is something that the Government must agree to. It is also something that A.T. & T. is powerless to do anything about without the consent of the Government.

Mr. PASTORE. The Senator is correct; and under the bill it could not possibly do it. But the Senator will agree that the country that first places such a satellite into orbit will be in a strong position at the conference, because a bird in the hand is worth two in the bush.

Mr. LONG of Louisiana. Only if the other nations will agree.

Mr. PASTORE. We have the satellites. We would have the frequencies. They would have nowhere else to go. If the Russians get the satellite in space first, we may have to do business with Russia on her terms. If we get a satellite in space first, so far as Senators having anything to do with it is concerned, one could bet his bottom dollar that Russia would have to proceed in the way we want the job done. It all depends on which nation first places such a satellite in orbit. That is important.

Mr. LONG of Louisiana. The Senator is as familiar as I am with problems in foreign relations. I serve on the Committee on Foreign Relations, though I do not claim any expertise in the field. But the Senator from Rhode Island knows, as well as I do, the difficulty of obtaining any kind of agreement with the Russians. It is always a subject about which no one can be sure.

The point is that if the Russians put a satellite in orbit first, and we put one in orbit second, both nations will then have the power to broadcast on all the frenquencies at the same time. The only way to produce order out of such chaos would be to agree. But I assure the Senator that if we get our satellite in space first, we can anticipate that the Russians will not treat us as boss man, and if the Russians should get their satellite in space first, we will not treat the Russians as boss man in charge of the destiny of outer space. We will still undertake to put a satellite in space whether we are first or second, and so will the Russians.

Mr. PASTORE. Yes; but the first nation to put a satellite in space would have an edge.

Mr. LONG of Louisiana. Only if the other nations would be willing to agree. We have the same problem now with respect to radio signals. We must agree with foreign nations that they will not broadcast on the same channels that we use, or that they will share channels. The fact that our Nation may put a satellite in space first would not compel another nation to agree. That nation might wish to put its satellite in space before it would be willing to talk business.

Mr. PASTORE. Is the Senator arguing that it would not make any difference whether we put a satellite in space first or not? If that is his argument, I will take my seat.

Mr. LONG of Louisiana. If the Senator wants to make that assumption and take his seat, he is perfectly free to do so.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. I should like to address a question to the distinguished Senator from Rhode Island. I should like to ask my friend why the proposed legislation has any bearing on putting a satellite in space first. We are now putting satellites in space, regardless of whether the proposed legislation is enacted or not. I understood the Senator to make the point that unless we act quickly, we might lose an opportunity to have a satellite and the necessary frequencies.

Mr. PASTORE. Positively. This subject has been discussed by the administration for a long time. I think this is a fair question. I think it ought to be answered. I did not originate the idea. Every time I rise to speak I repeat the statement. We must realize that the pending measure is a subject of great moment to the administration. An ad hoc committee was appointed by the FCC to determine how we should go about conducting experimentation. That ad hoc committee submitted a report.

The Federal Communications Commission made a report to the effect that there should be a private corporation to be owned exclusively by the international communications carriers. That subject came to the attention of the President. The President discarded the idea. The President thought that the better way was to provide a private company. In the present case the President feels that if we could accomplish our object by a system of free enterprise, the effect on all the nations of the world would be cataclysmic. We would like to prove to the world that the project can be done under our system of free enterprise, because in the United States communications systems are operated under the free enterprise system, including the operations of such networks as NBC, CBS, and ABC on television and radio. They are all examples of free enterprise in the United States.

Mr. President, telephone companies, whether we like them or hate them—and I am referring to A.T. & T.—are an example of free enterprise. A great many people invest their money in A.T. & T. The President thought the best way to do it would be to create a private corporation. In order not to give this corporation to the control of a common carrier, it was suggested that there be a body of 15 directors, 6 to be appointed by the communications carriers—and they can only vote for 3 of the 6—6 would be appointed by the public ownership, with 50 percent of the stock, and 3 would be appointed by the President with the advice and consent of the Senate.

That was his idea. He wrote a letter, and he had the Senator from Washington [Mr. MAGNUSON] and the Senator from Oklahoma [Mr. KERR] introduce the bill. He suggested this kind of corporation. When he sent the message he said it was absolutely essential and necessary that America get going on this job. He said it was important that we adopt this legislation at the earliest possible date.

The Senator has asked me, "Well, why do we have to do it now?"

First of all, because I personally think it is a good thing to get going; second, we have the instructions of the President of the United States. I cannot give the Senator a better answer than that.

If we want to say that the President of the United States is being unduly anxious about it, we have the right to say that. I have no stake in this. A.T. & T. means nothing to me. All these carriers mean nothing to me. On the question of whether we do it by public ownership or by private ownership, fundamentally to me, personally, the proposal before us makes good sense to me. This is one time when we can prove to the world that free enterprise is a good thing.

All I have been doing is to serve as chairman of the subcommittee that held hearings day after day and marshaled this bill through the committee and has brought it out of the committee to the floor of the Senate, with certain amendments which we think protect the public interest. That is my part in this whole thing.

I do not want to fight anyone. I am not against anyone. I love everyone. The fact is that this is the President's bill, and I am managing it on the floor of the Senate.

A great many people are saying it is not necessary to have it. In answer to that I say, "Go and tell that to the man in the White House." Many people say, "We can wait until 1962." I say, "Go tell that to the man in the White House." That is not what he is telling me. He is telling us through the leadership that it be important to enact this bill. That is where it stands.

I think it would be a terrible thing to postpone this bill until next year.

Mr. GRUENING. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I should like to make my speech on this subject. I will yield to the Senator very shortly thereafter. With all due deference, I find that some of the things I say seem to evoke violent disagreement on the part of my good friend from Rhode Island and on the part of other Senators also. I would like to make my speech, but I cannot make it if I must continually yield to Senators. I have been accused in the press of conducting a filibuster on the bill.

Mr. PASTORE. I have not accused the Senator of filibustering the bill. He is a very delightful person.

Mr. LONG of Louisiana. I spoke for 2½ hours yesterday, during which time the opposition took most of the time. Yet I am accused of being a filibuster.

Mr. PASTORE. I hope the Senator will never accuse the Senator from Rhode Island of writing that newspaper report.

Mr. LONG of Louisiana. No. I merely feel that I should like to get on a little bit with my speech.

Mr. KUCHEL. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I am glad to yield to my delightful friend from California.

Mr. KUCHEL. As I sit here listening to this intriguing debate I must say it has real overtones of immense possibilities for the future of our country. The thought does occur to me whether there is not something involved in this debate of the majesty of the people and of the Government of the United States, in the prestige of the Government and of the people of the United States, in being No. 1 in establishing a communications satellite. I do not include in my question the type of legislation that will pass. My question is directed simply to the point whether it is not in the interest of America and American freedom that America be the first with a communications satellite.

Mr. LONG of Louisiana. I agree with the Senator 100 percent. I believe that we should proceed as rapidly as possible and get the satellite into orbit. That is all we are trying to do. However, we do not have to give it away before we have it up there in space. We do not have to sell it to anyone under any conditions. A part of the case that I am undertaking to spell out is that in my judgment it makes best sense to go ahead in proceeding as rapidly as we can with the development of this matter and to go ahead with this Nation negotiating with foreign nations for the assignment of wavelengths for experimentation, because in the initial stages we will be experimenting anyway. We should also undertake to see that when the satellite system is in effect we will have maximum competition.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. YARBOROUGH. Is a motion to recommit at this time in order?

The PRESIDING OFFICER. A motion to recommit is in order.

Mr. LONG of Louisiana. I do not yield for that purpose. I wish to proceed with debate on the bill.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a question?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. The Senator from Louisiana is giving us a graphic description of the satellite system. He mentioned one system of satellites at 22,290 miles in space. I should like to ask the distinguished Senator from Louisiana how we are going to get those satellites out there 22,290 miles in space.

Mr. LONG of Louisiana. It sounds fantastic. However, such a satellite could be placed in orbit at that point and could be in orbit out there. Scientists and engineers tell me there is no doubt about the fact that they can do it. As a matter of fact, they predict that they will succeed in doing it the second time they try, and they have hopes of doing it the first time.

**Mr. YARBOROUGH.** My question to the distinguished Senator is, who is going to do that? Who will shoot that out into space, and will it be shot out there with rockets?

**Mr. LONG** of Louisiana. My understanding is that the Atlas-Agena booster can get it up there. The technical work on the satellite, which would do the sending and the receiving, is not quite ready at this time. I am told that a 500-pound satellite can do this and that the Atlas-Agena booster that we have now has the capacity to put it out there in space.

**Mr. YARBOROUGH.** Will that be done by the Government of the United States?

**Mr. LONG** of Louisiana. Yes, that would be done by the Government.

**Mr. YARBCROUGH.** Can anyone else but the Government do that?

**Mr. LONG** of Louisiana. The Soviet Union might be able to do it.

**Mr. YARBOROUGH.** I mean in the United States. Could any private corporation in the United States do it?

**Mr. LONG** of Louisiana. Perhaps a contractor for the Government might be able to do it.

**Mr. YARBOROUGH.** But all of this is under the control of the Government, is it not?

**Mr. LONG** of Louisiana. Yes.

**Mr. YARBOROUGH.** Then it is contemplated that the satellite would be put into space by the Government of the United States.

**Mr. LONG** of Louisiana. It is possible that a private contractor might have the ability to prepare the missile, but all the launching facilities are owned by the U.S. Government. These are enormously expensive facilities and they are all complicated mechanisms.

**Mr. YARBOROUGH.** Would the same be true of the low altitude system; would that be launched by the Government also?

**Mr. LONG** of Louisiana. It is argued by most of those who favor the synchronous system that the synchronous satellite, which would be much less expensive and which would make possible constant communication, and would operate as though a television tower 22,000 miles high had been constructed, could be placed in almost immediate operation, which is not true of the low-orbit system, because a low-orbit system requires so many satellites in orbit. In order to have global coverage it would be necessary to have as many as 400 satellites in orbit simultaneously. These satellites would be orbiting in an area where they would be exposed to a great amount of radiation, far more than would be the case farther out, and therefore many of these satellites would be either destroyed or rendered nonoperational by the radiation in that area in outer space, which would not occur in any like degree farther out in space.

By the time the low-orbit system was in operation many of the earlier satellites could have been damaged by the various cosmic and other rays in space, and therefore many of the satellites would not be in operation by the time the last satellites were placed up there.

**Mr. YARBOROUGH.** Mr. President will the Senator from Louisiana yield for a question?

**Mr. LONG** of Louisiana. I yield.

**Mr. YARBOROUGH.** In connection with the estimates the Senator from Louisiana is giving of the cost of the proposed space communications satellite system and the cost of sending messages, is he taking into consideration the $25 billion the U.S. taxpayers have spent in developing space research and the arts of missilry and rocketry to the point where we can launch these vehicles and get these communication satellites thousands of miles out into space? In addition to the $25 billion which the American taxpayers have spent on that, is the Senator from Louisiana also considering the $470 million spent by the taxpayers of the United States and allocated to be spent, on direct space communication research through NASA and also through the military expenditures? Do the cost figures include merely what this private corporation would spend if the bill as it now stands were enacted—in other words, this giveaway, if the American people were to give it this largess; or do they also include the amount of the taxpayers' funds which has been spent in developing these sciences to the point where space communication is feasible?

**Mr. LONG** of Louisiana. The point is that the investment to which the Senator from Texas has referred—exceeding $25 billion—would be available for this corporation to enjoy, without cost to itself. All it would have to pay would be the cost of the initial launching. The Senator from Texas knows that a tremendously large amount of money is involved in this matter; and a particularly enormous amount of money would be involved in trying to make a workable low-altitude system.

I do not mean to cast any aspersions; but we are told by those who are sponsoring the bill that they do not know whether the corporation would use the low-altitude system or the synchronous system.

It is my understanding that the American Telephone & Telegraph Co. expects to put up its share of the money—and also to put up the other fellow's share, if he will not take it—to start the low-altitude system, and to do so soon. One reason why I object to that is that it seems to me that the commercial approach is made to order for getting the whole new technology into the bosom of the A.T. & T., and excluding others from it.

I say that because the cost of putting 40 or 400 satellites into orbit would be very great, and the cost of tracking antenna for such a program would be enormously expensive. If it were done in that way, the cost would be very much more, but we would receive very much less from it than we would receive if we had a satellite in orbit at a distance of 22,300 miles from the earth. So it seems to me that the low-altitude system would be much less effective, despite the investment of a great amount of money belonging to the taxpayers of the United States. Furthermore, there would be no prospect of getting substantial revenues from it.

On the other hand, for a much lesser investment, there would be a much better system and there would be much more possibility of profit.

**Mr. YARBOROUGH.** Mr. President, will the Senator from Louisiana yield for another question?

**Mr. LONG** of Louisiana. I yield.

**Mr. YARBOROUGH.** In the last several days someone has asked whether there are any alternatives to House bill 11040. Is the Senator from Louisiana familiar with an amendment, identified as "6–15–62—H," which has been proposed by the Senator from Tennessee [Mr. KEFAUVER], on behalf of himself and seven other Senators, of whom I am one. Is he aware that that amendment provides for the establishment, ownership, operation, and regulation of a commercial communication satellite system? Does he realize that the amendment provides for a communication satellite authority to be created by the Government of the United States, and to be run somewhat along the lines of the TVA or the Panama Canal Authority? Does he realize that, as a result, this authority would control the communication satellite system? Does he also realize that the amendment provides for the appointment of directors to the communication satellite system corporation, and provides in full for the operation of the system; and does he realize that the sponsors of the amendment—of whom I am one—think it is in the true spirit of the free-enterprise system, in that it would stimulate competition and would lessen monopoly, and all the telephone and telegraph companies now in existence or others to be formed in the future would have an opportunity to buy the service on the new system, just as today any shipping line or shipping-line operator can buy passage through the Panama Canal? Does the Senator realize that, under the amendment, all would be treated impartially and fairly, and there would be comparable rates for all of them, and there would be full free-enterprise operation, by giving all the manufacturers of telecommunications and electronic equipment an opportunity to manufacture and sell the equipment; and there would not be a monopoly—for instance, not the sort of monopoly that Western Electric now has with the A.T. & T.

Is the Senator from Louisiana thus familiar with the fact that there is now pending to House bill 11040 an amendment which would protect the public interest, would allow for full competition, would allow for full development of each of the great private communication carriers which have been developed in the United States, would give them an opportunity to continue their development, and would give them an opportunity to continue their service to the public? Is he also aware of the fact that under the amendment the U.S. Government would not itself go into the radio or telecommunications business, but, instead, these private companies would take the messages and would rent the use of these satellites in space, would send the messages, would have them delivered, would bill their customers, and would collect, in the same way that they do now?

Is the Senator from Louisiana familiar with the fact that, in short, there is pending to the bill an amendment which would further the free enterprise system, would keep all these carriers in business, would further the development and manufacture of electronic and radio and television communications equipment and all other types of equipment used in this business, and also would maintain the sovereignty and the hegemony of the United States in outer space, and would keep the Government out of private business, and would keep private business out of the Government?

That is the aim of this amendment. Is the distinguished Senator from Louisiana familiar with the fact that such an amendment is pending?

Mr. LONG of Louisiana. I am familiar with the amendment. I have not studied it as much as I should like to do.

My feeling about the matter has been that the administration seems committed to pursuing the concept of private ownership of this satellite, which would be 22,300 miles removed from the earth. As a practical matter, could one really say whether it is possible to own a satellite in that position? For example, let us assume that the satellite burned out or became nonoperative or lost its position in orbit. If that were to happen, it would be cheaper to replace it with another satellite than to try to bring it down and fix it.

So when the satellite is put out there in space, one cannot maintain possession of it in the same way that one could maintain possession of a piece of property on earth or a piece of furniture which one could call his own, and could maintain close control over. But if the administration wants to go through with the concept that the satellite to be in orbit shall belong to a private corporation here in the United States, I have personally felt disposed to go along with it, provided it would be competitive with the means of communication now in existence, and that the existing carriers would not be in a position to charge their old rate base off to the new service.

The Senator's proposal would, of course, undertake to see that the best rates would be available. I assume his suggestion is that the facility would be made available to all companies, who would be assigned channels, including companies of the Bell System. Is that correct?

Mr. YARBOROUGH. I thank the Senator. It is the object of the amendment to keep all communications carriers competitive, and to make this facility available to all of them on a fair and equal basis, and to keep them in the business they are now in; not to put the Government into business, but keep down the rates to the sending public.

Mr. LONG of Louisiana. I must say that any device which would come nearest to assuring the public that it would have the benefits of the new satellite system would seem to me to offer advantages over a system which would simply make the whole facility a part of the existing communications common carrier system.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield for a question.

Mr. BARTLETT. While it is true that the use of space for communication is possible, it is likewise true, is it not, as I believe the Senator has repeatedly stated, that the possibility will not become a certainty for at least 2 years?

Mr. LONG of Louisiana. Yes. It will be at least 2 years, according to the best information I have available, before one could have any hope of having a workable space communications system.

There are some, including the American Telephone & Telegraph Co., who suggest to us that this thing may never work. I differ with that point of view, but we are in the experimental stage now. I am frank to say that it seems to me we ought to develop the system before we try to place it in the hands of any one particular corporation.

Mr. BARTLETT. Mr. President, will the Senator yield for a further question?

Mr. LONG of Louisiana. I yield.

Mr. BARTLETT. The Senator has stated that further experimentation is required. That being the case, it is inevitable, is it not, that the money of the taxpayers—the money which each of us must contribute in varying amounts to the Federal Government for the upkeep of that Government—will be used for experimentation work, to make the possibility become a certainty?

Mr. LONG of Louisiana. Yes. We have precedents for this. There would be no possibility of anyone doing the job unless the United States spends a great amount of money to make it possible.

When we undertake to provide for the service, even if we establish the corporation, the testimony shows it is well agreed that the United States would continue to do much of the research and experimenting in this respect, to make possible the providing of the service. All the corporation would pay for is the launching of the satellites and the capsule they would have in space.

Even a portion of the activity in that regard would be governmental. It is fair to assume that in the early stages most of the work would be done by the U.S. Government.

Mr. BARTLETT. The financial burden on the Government will be a continuing one, even after the system is put into operation?

Mr. LONG of Louisiana. Yes. I wish to read for the Senator what Mr. Webb testified before the Committee on Interstate and Foreign Commerce of the House of Representatives. He was asked whether the Government would continue to do work in the field through NASA, and he said:

> It is contemplated that the National Aeronautics and Space Administration will continue to do active research and development on the technology involved in using communications satellites and the tie-in with communications satellite systems.

The Senator can understand it is planned that the Government will continue to support this effort, even after a corporation is established. Frankly, we must do so.

Mr. BARTLETT. It is a matter of national necessity, is it not?

Mr. LONG of Louisiana. Yes. This Nation cannot afford to let others get far ahead of us in this field. If the private corporation which is established cannot do the job, the Government still will have to make available all the money necessary to provide the service anyway. Since it will be done anyway, the amount that would be saved would be relative and we would pay for it in any event.

Some have suggested that we would save money by allowing a private company to engage in the program. As a practical matter, we will pay for it either as taxpayers or as telephone users. If the telephone company operates the program it will charge its expense as a part of operating expenses and include it as a part of the charge for telephone services.

Mr. BARTLETT. Essentially, so far as the national interest is concerned, the project is not and for many years will not be profitable.

Mr. LONG of Louisiana. No. If the project is established now, it will show a loss for a number of years. That is another reason why the program in its present state should not cost a great amount of money.

I ask Senators to consider the difficulties involved in establishing a lower orbital system. We would pay for sending 40 or more satellites into space. We would have to provide a great number of expensive, multiple-tracking antennas. The program would have to be operated in such a way that only one large corporation on earth would have enough money to enter into the operation. Such action would strengthen an existing monopoly, almost by definition.

If a working satellite system were established, we would then be in a position to place it into any hands we might choose. The project could be made profitable in short order. That is what I was suggesting could be done with the synchronous orbital system if the program were placed in the hands of a corporation. In view of the great expense involved in the early stages, and the great loss that would necessarily be incurred before it would ever become profitable, as I see it, it could be handled in no other way than by placing it in the hands of the American Telephone & Telegraph Co. Many people think it is in the hands of that corporation already. By so doing we would greatly strengthen a powerful existing monopoly, which would tend to deny to the public the early advantages that could be expected when the system became competitive with existing systems of communication.

Mr. BARTLETT. As I understand the Senator's position, in addition to other things; for example, a housewife in Shreveport, La., might fear that she would have to pay more for her home telephone to make up whatever loss may be incurred in the operation of the satellite system.

Mr. LONG of Louisiana. That is my feeling.

**Mr. KERR.** Mr. President, will the Senator yield?

**Mr. LONG of Louisiana.** I yield.

**Mr. KERR.** Is the Senator not aware of the fact that under the bill no expense of the corporation can be included in the domestic rate base of any communications system?

**Mr. LONG of Louisiana.** Without the approval of the FCC.

**Mr. KERR.** Or with the approval of the FCC?

**Mr. LONG of Louisiana.** The bill provides on page 34, line 17, as follows:

> (c) The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine. Such nonvoting securities, bonds, debentures, or other certificates of indebtedness of the corporation as a communications common carrier may own shall be eligible for inclusion in the rate base of the carrier to the extent allowed by the Commission. The voting stock of the corporation shall not be eligible for inclusion in the rate base of the carrier.

**Mr. KERR.** At what page is the Senator reading?

**Mr. LONG of Louisiana.** Page 34 starting at line 17. My understanding is that the A.T. & T. has already built some of the multiple-tracking antennas. It has bought practically a whole valley in the State of Maine in order to make those antennas operate. Of course, the only use for that system would be in the low orbital field. That would be an enormously expensive system. My guess is that a company that would go into that operation could expect great losses for a long period of time before the system started to make a profit, if it ever would do so.

**Mr. KERR.** The bill specifically provides that the amount paid for the stock would not go into the rate base.

**Mr. LONG of Louisiana.** The Senator is correct.

**Mr. KERR.** So far as that is concerned, as reported by the Space Committee, the bill provided that any investment in the bonds of the corporation or any other kinds of stock of the corporation would not be included in the rate base except with reference to the international communication operation of the one furnishing it.

As the bill is now before the Senate, it could not be done unless it was so ordered by the FCC.

**Mr. LONG of Louisiana.** Yes; the permission of the FCC would be required. My understanding is that it was the opinion of representatives of the A.T. & T. that even for the stock operation in the first instance the company would be required to put up most of the money even for the initial stock. Their advice to me and their advice on the record is that in some respects that it would be a long time before the system would be profitable.

**Mr. KERR.** There is no doubt that it will be a long time before it will be profitable; but, in the first place, under the bill, the entire group could not purchase more than half of the stock.

**Mr. LONG of Louisiana.** Yes; but the Senator knows that so far as the economic power of the carriers is concerned, 50 percent of the stock would be set aside for them, and so far as the economic power of the people is concerned, the great bulk of it would be in a single corporation.

**Mr. KERR.** But regardless of how much stock they might buy, the number of directors they could have on the board of directors would be limited. Is that not correct?

**Mr. LONG of Louisiana.** Yes. The number would be limited, but they would be entitled to three directors. That does not mean that the company could not use its influence to determine what other directors should be on the board of the proposed corporation.

**Mr. KERR.** Nor is there any provision that other stockholders could not use their influence.

**Mr. LONG of Louisiana.** The Senator is correct.

**Mr. KERR.** The President would appoint three of the directors.

**Mr. LONG of Louisiana.** Yes; and I assume that wherever the parent corporation could use its influence it would direct its efforts to see that the friends of the corporation would be on the board.

**Mr. KERR.** Is the Senator aware of the fact that other nations are working on communication satellites?

**Mr. LONG of Louisiana.** I am aware of that fact.

**Mr. KERR.** Is the Senator aware that Japan has announced that she expects to have a system in operation by 1964?

**Mr. LONG of Louisiana.** If Japan has a system in operation, I hope that it will be a high altitude system rather than an extremely expensive low altitude system.

**Mr. KERR.** Is the Senator aware of the fact that the Defense Department, in working on a high synchronous satellite, has reoriented its program and has temporarily set aside its effort to put a synchronous orbital satellite into orbit?

**Mr. LONG of Louisiana.** Yes.

**Mr. KERR.** Is the Senator aware of the fact that the reason the Department took that action is that it had neither the rocket power nor the know-how to put the satellite into orbit?

**Mr. LONG of Louisiana.** That is not entirely in line with the advice I have received on the subject.

**Mr. KERR.** That was the testimony of the representative of the Defense Department before the Space Committee last week.

**Mr. LONG of Louisiana.** I do not question that the statement was made.

**Mr. KERR.** A representative of the Research and Development Division of the Defense Department said that the program had been reoriented for two reasons: First, the Department did not have the rocket power to put the satellite in orbit. Second, in order to put the synchronous orbital satellite into orbit, not only would the Department have to put it up to a height of 22,000 miles, but a guiding system would be required that would bring about two shifts in the position of the satellite after it went into orbit before it could be put into the proper orbit, and the Department did not have the know-how to do that. That was the statement before the Space Committee last week.

**Mr. LONG of Louisiana.** The advice I have on the system is that by the time a workable low altitude system, with all the satellites that would be required, could be put into space, some of the satellites might no longer be useful by the time the last ones were put in space.

Also, there would be problems involving the ground stations.

**Mr. KERR.** If that is the case, is there any reason why private industry should not be permitted to use their money to put the satellites up there if they want to do so, especially in view of the fact that Russia, England, and Japan are today trying to put a system up there, too?

**Mr. LONG of Louisiana.** It is my feeling that our Government is at this time in a position to say what the future will be in this field. We are in a position to say what the new use of space is going to be, and to say whether it is going to be competitive, to compete with the existing system, with the benefits that competition can bring; or whether it is going to be more or less an adjunct or a supplement to the existing system.

**Mr. KERR.** How can we avoid competition, with three nations having systems of satellites?

**Mr. LONG of Louisiana.** If these nations have frequencies assigned——

**Mr. KERR.** Does the Senator believe that Russia will recognize that this Nation had any exclusive frequencies?

**Mr. LONG of Louisiana.** The Senator knows that that would have to be by way of agreement.

**Mr. KERR.** Is it not a fact that there is not another nation in the world with international communication facilities that does not own its own ground stations? So that even if our Government had a satellite system in outer space, other governments could say they would not permit the receipt of any communication over the system unless it came over the satellites of other countries.

**Mr. LONG of Louisiana.** It would require agreements between this Nation and other nations. I personally feel it would probably be better for this Nation to negotiate on a government-to-government basis, rather than authorizing a single corporation to negotiate.

**Mr. KERR.** The bill provides that the corporation can call on the State Department, if its services are needed. Is the Senator so impressed with the record of the State Department in negotiating with other nations that he feels they would come nearer to being frugal and thrifty in making agreements than private carriers would be who have agreements with over 100 other countries?

**Mr. LONG of Louisiana.** I believe that this Nation is capable of negotiating for itself.

**Mr. KERR.** Could it negotiate in this situation entirely free from other policy considerations?

**Mr. LONG of Louisiana.** In my judgment the State Department could negotiate for this country.

**Mr. KERR.** Does the record of the State Department persuade the Senator that they would? I heard the Senator from Louisiana cite the Senator from Oklahoma, because he felt that the

State Department in negotiating tariff concessions had done so not on the basis of reciprocal trade but on the basis of other considerations, such as foreign policy.

Mr. LONG of Louisiana. But I have never been willing and have never voted to authorize a single industry, to my knowledge, to negotiate their own tariff arrangements.

Mr. KERR. They are not tariff arrangements. All carriers which are now operating have negotiated agreements with the communications facilities or departments of other governments in nearly 150 situations where we now have international communications.

Mr. LONG of Louisiana. The initial agreements, so far as this country and the other governments are concerned, are made on a government-to-government basis.

Mr. KERR. Would the Senator be surprised to learn that none of them has been made on a government-to-government basis? That is the record before the Space Committee. None of them has been made on a government-to-government basis.

Mr. LONG of Louisiana. The Senator can provide that information if he desires to do so.

Mr. KERR. I am doing so now.

Mr. LONG of Louisiana. Perhaps on a bilateral basis, as between two different nations.

Mr. KERR. I mean between the American telephone carriers and the telephone facilities of other governments. They are all made on the basis of an agreement between I.T. & T. or Western Union or A.T. & T. with the appropriate agencies of other governments.

Mr. LONG of Louisiana. It is my understanding that all the important agreements on frequencies in international agreements——

Mr. KERR. I am not talking about frequencies now. There are no frequencies so far as international microwaves are concerned.

Mr. LONG of Louisiana. There are frequencies in the use of radio, for example. There are radio frequencies. This has to do with the use of radio microwaves.

Mr. KERR. The frequency that is assigned to one nation is one thing. The agreement between the sender and the receiver on the assigned frequency is an entirely different thing. Those are commercial agreements.

Mr. LONG of Louisiana. There will have to be a government-to-government agreement before it would be possible to get to the kind of negotiations that the Senator is talking about. It would be necessary to have an agreement with all the nations, Russia included, that they would not use the same frequencies that we would be using.

Mr. KERR. Would we not have to have that agreement whether the satellite was publicly owned or privately owned?

Mr. LONG of Louisiana. Let me say to the Senator from Oklahoma that what I am talking about here and what I am directing my argument to is not the desirability of public ownership. I am content that this particular satellite would be privately owned, but so far as I am concerned my feeling is that the precedent we should follow is the precedent that Congress followed when it undertook to see that rail carriers would not own water carriers or air carriers or bus carriers, but that competition between the systems would be guaranteed. By doing that, as the Senator knows, there was a close prohibition of those who owned one system from owning control of other systems. In my judgment the stock ownership which is permitted here is enough to permit and make it possible for A.T. & T. to control this kind of system, and my judgment is that when that happens the development of this new facility and this entirely new space satellite communication system, as far as this Nation is concerned, will be developed as an adjunct and as a supplement to the existing Bell Telephone System. I can see in this bill where that result would come about.

Mr. KERR. The Space Committee and the Commerce Committee of the Senate and the Commerce Committee of the House and the Justice Department and the FCC worked for weeks on this subject, and they thought they had provided language in the bill which would prevent any such situation developing. As to the competitive situation or the method of sending communications, the satellite is no more than a microwave relay station, which existing communication companies now use both in domestic and international communication.

Mr. LONG of Louisiana. The Senator says it is no more than that.

Mr. KERR. They have microwave facilities in operation all across the continent. They have them in operation across the Nation. All that the satellite would be, as the Senator knows, would be a microwave station in the sky. It is not a different method of communication.

Mr. LONG of Louisiana. It is a microwave station in the sky that can be jammed by any nation on earth.

Mr. KERR. It could be jammed just as easily if it were Government-owned as if it were privately owned.

Mr. LONG of Louisiana. I would agree that it could be jammed either way.

Mr. KERR. If that is the case, would it not be better for the Government to let a private corporation build it than have the Government build it?

Mr. LONG of Louisiana. No; and the Senator from Oklahoma knows better than that. The Senator knows that this Nation cannot entrust this matter to happenstance. This Nation cannot entrust supremacy in space communication beyond the ability of this Nation to see that it works out so that we are there first and foremost.

Mr. KERR. The Defense Department has specifically reserved under this bill the right to proceed with its own system of communications satellites.

Mr. LONG of Louisiana. Now the Senator is proceeding under the assumption that the American Telephone & Telegraph Co. will not control this matter and will not have effective ownership of it. Let us proceed on that assumption.

Mr. KERR. There are reasons why I proceed on that assumption. First, the bill as written specifically provides that they cannot control it; second, the bill as written provides whoever controls it shall be effectively regulated by the Federal Communications Commission; third, the bill as written provides that anything the corporation buys must be done on the basis of competition.

Mr. LONG of Louisiana. When the Senator from Oklahoma speaks of effective regulation by the Federal Communications Commission, it will be the first time that that will have happened in 28 years. I have twice placed in the RECORD 10 allegations of failure on the part of the FCC to regulate.

Mr. KERR. In what regard? There has been criticism that the FCC has not adequately regulated international communications. The FCC could not do that even if the Government owned the system; and as to all the receiving and transmitting stations which are owned or operated in other countries, the Federal Communications Commission has no jurisdiction over them.

Mr. LONG of Louisiana. Let me cite examples of the failure of the FCC to regulate the American Telephone & Telegraph Co. These are examples which impressed me.

First, in its entire history, the Federal Communications Commission has never determined the basis upon which the rates of A.T. & T. are computed.

Mr. KERR. Is the Senator speaking of domestic rates or foreign rates?

Mr. LONG of Louisiana. Both.

Mr. KERR. The Federal Communications Commission advised the committee that it had maintained effective regulation of the domestic operations of all communications carriers; and the Senator from Louisiana knows that State regulatory bodies regulate communications carriers within the respective States.

Mr. LONG of Louisiana. I shall read the statement to the Senator; I can go into greater detail and document the statement later.

First, the Federal Communications Commission in its entire history has never made a formal determination of what is a fair rate of return for interstate or international telephone service.

Mr. KERR. Will the Senator stop at that point? With reference to international service, would the Senator admit that the regulatory power of this country could not fix rates which would be binding in other countries, in view of the fact that no agreement can go into effect and no communications can be sent or received except with the cooperation of a foreign receiving or sending station which is owned by a foreign entity and which cannot be regulated by the Federal Communications Commission?

Mr. LONG of Louisiana. The Senator from Oklahoma will not lean on such a weak prop as to say that the Government cannot protect its own public with respect to rates between this country and England or France or any other foreign country. I do not think the FCC has ever contended it was beyond its power to do something of that kind.

Mr. KERR. I do not know what the FCC has contended as to its power; the Senator from Oklahoma knows it is beyond the power of the FCC to make such rates. How can the Federal Communications Commission make an order that will determine what a communication-receiving facility or sending facility owned by the British Government should charge?

Mr. LONG of Louisiana. So far as concerns what may be charged on this end, the FCC can act. So far as concerns what is charged in international service, that rate could be subject to agreement. So far as regulating what an American pays for a call from the United States to a country abroad is concerned, this Government has the power to regulate. I do not know of anyone who has contended that this Government does not have such power, unless the Senator from Oklahoma so contends.

Mr. KERR. I so contend.

Mrs. NEUBERGER. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I do not have the floor; the Senator from Louisiana has graciously yielded to me.

Mr. LONG of Louisiana. I yield to the Senator from Oregon.

Mrs. NEUBERGER. I was merely wondering if there is any analogy in the manner in which international postal rates are arranged.

Mr. KERR. I believe they are arranged by agreement and are not within the jurisdiction of any governmental agency to regulate.

Mr. LONG of Louisiana. First, it is my impression that the Federal Communications Commission has such power today. If it does not have the power, it ought to have it, and it ought to get it by means of an international agreement if necessary. My guess is that it has such power now. I have not heard the Federal Communications Commission contend that it does not have such power. But my statement is broader than that.

The Federal Communications Commission in its entire history has never made a formal determination of what is a fair rate of return for interstate or international telephone service. Only a small portion of the service, as the Senator from Oklahoma knows, is international. However, I hope the Senator does not contend that the U.S. Government, through the Federal Communications Commission, should not have the power to protect the telephone users of the country.

Mr. KERR. The Senator from Oklahoma says that the U.S. Government does not have the power to prescribe or regulate what a British-owned or a French-owned or a German-owned facility should charge or may charge either for an originating message to this country or for a message received from this country. I believe the distinguished Senator from Louisiana is enough of a lawyer to know that that position is correct.

Mr. LONG of Louisiana. It is my judgment that if the FCC does not have the power to determine what a rate shall be for a call originating on the American Telephone & Telegraph System, sometimes called the Bell System, to be transmitted to Europe, to Mexico, or to Canada, it ought to have such power. I think it ought to have that power, and I believe it does. If it does not have the power, it ought to have it, and it is within the ability of this Government to provide that power. I feel certain the Senator would concede that the Federal Communications Commission has the power to determine what a fair rate of return for interstate telephone service should be. I assume he would agree to that.

Mr. KERR. Every telephone company that I know about is regulated within the State in which it is located; and the rates within that State are regulated by the State regulatory body.

Mr. LONG of Louisiana. What State can regulate interstate rates?

Mr. KERR. The States come a little nearer to controlling rates, under our laws, than the Federal Communications Commission could regulate unilaterally with reference to messages coming from or received by a foreign entity.

Mr. LONG of Louisiana. It is the Federal Communications Commission which fixes rates for calls transmitted across State boundaries; the State commissions do not fix those rates.

Mr. KERR. The Senator from Oklahoma is of the opinion that the Federal Communications Commission has met its responsibility in connection with the regulation of communications services within the United States.

Mr. LONG of Louisiana. The FCC does not so contend, and has not so contended. The FCC, testifying before the subcommittee over which I had the opportunity to preside, stated that they have not done the job because they have not had sufficient personnel with which to do it. They have said the companies have voluntarily agreed to reduce rates. The only rate reductions have been voluntary rate reductions. The probability is that there would have been more rate reductions if the FCC had had the personnel to enable it to go to court and contest the rates.

Mr. KERR. I feel certain the Senator is aware that the interstate rate has declined from 14 to 16 percent in the last 20 years, while the cost of operation has doubled and trebled. I am sure the Senator is aware of that.

Mr. LONG of Louisiana. I am not impressed by that statement.

Mr. KERR. I am sure he is aware of the fact that that situation exists by reason of orders of the Federal Communications Commission.

Mr. LONG of Louisiana. The companies agreed to reduce the rates. They had been requested to reduce rates. They consented to some requests. But contesting in the courts to determine what is a fair rate has never been done by the FCC. That should be the first thing to be done in order to determine what is a fair rate. The Commission testified before our committee that that would be a burden upon it.

Mr. KERR. Did not the FCC take the position that it had done all it could in the field of its responsibility with the funds made available to it?

Mr. LONG of Louisiana. In effect, with the funds made available, but saying also that they never had sufficient funds with which to do the work.

Mr. KERR. The Commission has brought about, by one means or another, over the last 15 or 20 years, sizable reductions in the rates for interstate communications, and those rates are now in effect by reason of orders of the FCC. Is not that correct?

Mr. LONG of Louisiana. The Senator may believe that the rate has been correct all the time, but I point out to him that some lawyers at the General Services Administration were accorded an opportunity to contest some of the interstate rates, and they obtained reductions amounting to $150 million on the rates which the Government was paying. So the rates must have been high if a reduction of $150 million was accomplished.

Mr. KERR. It must have been the action of the Federal Communications Commission that accomplished that result.

Mr. LONG of Louisiana. It was the General Services Administration which undertook to protect the Government in this instance, to say what the rate base should be.

Mr. KERR. In what court?

Did the courts fix the rate or did the Federal Communications Commission fix the rate? Can the Senator from Louisiana mention a case in which a Federal court has fixed an interstate communication rate?

Mr. LONG of Louisiana. I wish to give the Senator an example of how the $150 million was saved.

Mr. KERR. Does the Senator from Louisiana say it was not done in the forum of the Federal Communications Commission?

Mr. LONG of Louisiana. I believe the matter was taken into the court. I shall be happy to supply that information.

Mr. KERR. Was the rate fixed by the court?

Mr. LONG of Louisiana. I believe the matter did go into the court.

Mr. KERR. I understand; but I am asking where the rate was fixed.

Mr. LONG of Louisiana. It is my understanding that the matter involved taking the question to court.

Mr. KERR. Then the rate was fixed by the court, was it?

Mr. LONG of Louisiana. I shall undertake to provide the Senator from Oklahoma with the exact information.

Mr. KERR. I would be very grateful to the Senator from Louisiana if he would show me an instance in which a Federal court has fixed an interstate communication rate.

Mr. KEFAUVER. Mr. President, if the Senator from Louisiana will yield, let me say that my recollection of the event was that the General Services Administration was in the courts, appealing from the rates which had been fixed, and that perhaps as a result of the appeal, the rates eventually were reduced by the FCC. But it was necessary to go into court and intervene, in order to get the rates reduced.

In any event, the original rate in several cases, particularly in the DEW line case and the SAGE line case, was many millions of dollars above what eventually was decided upon, insofar as the Government was concerned.

Mr. LONG of Louisiana. I thank the Senator from Tennessee.

Mr. KERR. Will the Senator from Louisiana now say whether the rates in effect are those fixed by the FCC or by the courts?

Mr. KEFAUVER. Mr. President, at this point will the Senator from Louisiana yield again to me?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. As I recall, Mr. Minow testified, not only before the Small Business Committee—and the Senator from Louisiana was chairman of the subcommittee—but also certainly he testified before the Antitrust and Monopoly Subcommittee, and perhaps he testified before other committees. He did not question that there were methods by which they would have some control over international rates, but he testified that all of these years they had fallen down on their job, and had done nothing about the rates; and he said they hoped to do better in the future, but said they had not had sufficient manpower or sufficient funds, and so forth.

But I wish to call attention to the fact that in connection with the pending bill, apparently the Commerce Committee feels that the FCC has, at least to some extent, charge of the rates, or has the right to do something about the rates, because we find that, on page 28 of the bill, subsection 5 gives the Federal Communications Commission the power to—

> (5) prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communication services;

So if the Commission did not have authority over at least part of the communication services, it would not be able to do what the mandate of the bill requires it to do. That language is to be found beginning at the bottom of page 28 of the bill.

The committee found that apparently the FCC wants to have the right to engage in ratemaking procedures in connection with the communication satellite system.

Mr. KERR. I say to the distinguished Senator from Tennessee that the FCC has authority to regulate what the American company can make, but does not have authority to fix the rates of charge for the transmission of international communications and the rates at which they shall be paid for. The Senator from Tennessee, able lawyer that he is, knows that an American regulatory body cannot fix a rate which would be binding upon another government, which has just as much to do with the receiving and sending of messages internationally as does a facility under the control of a regulatory agency of the U.S. Government.

Mr. KEFAUVER. Of course they could refuse to operate if an agreement were not reached. But this bill holds out to the public the hope that the FCC will engage "in such ratemaking procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communication services."

Mr. KERR. I think that is entirely correct, to the extent that it is under the control of the sovereignty of this Government.

Mr. KEFAUVER. I think this provision was in the bill which the distinguished Senator from Oklahoma introduced, which thereafter was before the Commerce Committee. If I am not mistaken, this language is taken from the Senator's bill.

Mr. KERR. That is easily ascertainable. If the words in question are printed in italic, they were not in the bill when it was originally introduced.

Mr. KEFAUVER. I think this language was in the Senator's bill.

Mr. KERR. I think the Senator from Tennessee is correct.

Mr. KEFAUVER. At any rate, the Commission, the Senator from Oklahoma, the FCC, and apparently the Space Committee all thought the FCC did have some authority to engage in the ratemaking procedure.

Mr. KERR. It has jurisdiction to determine what charge a U.S. carrier can make, but it does not have jurisdiction to determine what shall be the charges for international communications.

Mr. KEFAUVER. But it has a great deal of control over them. If they cannot adjust the matter between themselves, they can deny the American companies the right to use them.

Mr. KERR. That is correct.

Mr. KEFAUVER. That is all the more reason why the Government must initiate these matters, because if a great many of them have to be negotiated at the same time, insofar as the question of rates is concerned, we encounter a situation similar to the one the Senator from Oregon [Mrs. NEUBERGER] described in her reference to postal rates, which do become subject to Government procedures.

If the FCC is not to have something to do with these rates, we are talking about something very different from what the American people understand.

Mr. KERR. The Senator knows that the Senator from Oklahoma is willing to vote on and to meet the issue of private ownership versus public ownership whenever the Senator from Tennessee is willing to have the vote taken.

Mr. KEFAUVER. We shall discuss that a little later.

Mr. KERR. I understand. But if the Senator from Tennessee is serious about it, I am perfectly willing to request the entering of a unanimous-consent agreement to limit debate on this question, and to do so to whatever extent the Senator wishes, and then have the Senate proceed to vote.

Mr. KEFAUVER. The Senator from Oklahoma is evidently ready to proceed to vote on any matter, particularly one in connection with a subject on which he has great knowledge, even though not all the rest of us do.

Mr. KERR. The Senator looks very scared, to me. I wish to ask him—and to ask him in the forum in which he now stands—about the need to be afraid of anyone—which is the exact state of mind at the moment.

Mr. KEFAUVER. I wish to say that when we reach the stage the Senator is discussing, I hope he will be here.

Mr. KERR. I expect to be.

Mr. KEFAUVER. I hope the Senator will then be here a good part of the time—but not too much of it.

Mr. LONG of Louisiana. Mr. President, insofar as the Communications Act of 1934 is concerned, I can see no difference between giving the Commission the power to regulate interstate commerce and giving it the power to regulate foreign traffic.

I see that section 1 of the 1934 act begins as follows:

> SECTION 1. For the purpose of regulating interstate and foreign commerce in communication by wire and radio—

And so forth. And in section 201 it is provided:

> TITLE II—COMMON CARRIERS
>
> SERVICE AND CHARGES
>
> SEC. 201. (a) It shall be the duty of every common carrier engaged in interstate or foreign communication by wire or radio to furnish such communication service upon reasonable request therefor; and, in accordance with the orders of the Commission, in cases where the Commission, after opportunity for hearing, finds such action necessary or desirable in the public interest, to establish physical connections with other carriers, to establish through routes and charges applicable thereto and the divisions of such charges, and to establish and provide facilities and regulations for operating such through routes.
>
> (b) All charges, practices, classifications, and regulations for and in connection with such communication service, shall be just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is hereby declared to be unlawful:

That is only the opening section of that subsection, but I shall be glad to make it available to the Senator. In my judgment, it gives the Federal Communications Commission power to regulate oversea rates.

I have discussed this subject previously, but I should like again to list for the RECORD instances in which the Federal Communications Commission failed to regulate rates.

Second. The Federal Communications Commission has never even determined the basis upon which such return should be computed.

Third. The FCC has never had a formal rate case involving interstate or international telephone rates.

Fourth. The FCC has never known the costs to A.T. & T. of equipment sold to it by its subsidiary, the Western Electric Co., which produces almost all equipment used by A.T. & T., which equipment is sold without competitive bidding.

Anyone familiar with rate regulation knows that the FCC does not know what the fair rate of return is when it does not know what the fair cost is, because a fair rate of return is based on the total investment, and on that basis a rate structure is established which is fair to all users. If the Federal Communications Commission has never determined the value of the equipment American Telephone & Telegraph Co. is buying from its wholly owned subsidiary, Western Electric, it could not possibly know what a fair rate would be.

**Mr. KEFAUVER.** Madam President, will the Senator yield on that point?

**The PRESIDING OFFICER** (Mrs. NEUBERGER in the chair). Does the Senator from Louisiana yield?

**Mr. LONG of Louisiana.** I yield.

**Mr. KEFAUVER.** Several representatives of telephone cooperatives appeared before the Antitrust and Monopoly Subcommittee, and, as I recall, several appeared before the Senator's Small Business Committee. They testified they were able to buy good equipment, of high quality, which fitted in with the general communications system, and interchanged, of course, with the Bell System, from others companies at very much lower prices than Western Electric charged for equipment. As a matter of fact, they bought the equipment under competitive bidding, but Western Electric usually does not see fit to bid competitively, because the prices of its equipment are higher.

The prices at which Western Electric sells equipment to the Bell System have been substantially unregulated. Perhaps the Bell System argued occasionally about getting prices of Western Electric down. But those prices have been charged to the users of the telephones. There has never been a cost study of whether or not the Bell System is paying reasonable prices for the equipment.

Western Electric Co. has been making very substantial profits. If it can make 10 or 12 percent on net worth, after taxes—which is the range within which it has been making profits—that fact accrues to the benefit of A.T. & T. So it is to the benefit of the Bell System to pay higher prices for what it buys from Western Electric.

**Mr. LONG of Louisiana.** In other words, it is to the advantage of the purchaser and the seller. Inasmuch as American Telephone & Telegraph Co. owns Western Electric, it is to the advantage of both Western Electric and American Telephone & Telegraph Co. that the seller should sell for a higher price, and the buyer should buy for a higher price.

**Mr. KEFAUVER.** That is correct. I am sure the Western Electric people are fine people, but I know the Senator from Louisiana is familiar with the fact that the Senator from Arkansas [Mr. MCCLELLAN] and his committee have brought out the fact that on three or four Government contracts—the Nike-Zeus project—on which Western Electric did nothing except sublet them to someone else, it made a profit of $67 million. Western Electric did substantially nothing of its own in connection with the contracts except to relet the contracts to somebody else.

The bill provides that the FCC may order competitive bidding. Of course, the FCC could have ordered competitive bidding all these years, if it had wanted to, and could have required the Bell System to buy competitively. Merely giving the FCC permission to require competitive bidding is meaningless, because it has had that right all along, and has never so required, to my knowledge.

**Mr. LONG of Louisiana.** If I may give a simple illustration so far as rates are concerned, the telephone I have in my home or that the Senator from Tennessee has in his home is not owned by me or by him. It is owned by the Bell System. We pay for the use of that telephone. If that telephone were to be valued at $100, Bell would be entitled to make a 6½-percent return on that telephone on its rate structure, which would be $6.50 a year for the telephone being in my home or the Senator's home. If that telephone were worth $50, Bell would be entitled to make $3.25 a year, based on a 6½-percent return. That is a matter which the Federal Communications Commission has the authority to go into, but which it has never done in 28 years.

I would like to finish the statement of the areas in which FCC has failed to regulate American Telephone & Telegraph Co. for a period of 28 years, ever since the Commission was established.

Sixth. The FCC has never determined the reasonableness of the service rates charged by A.T. & T. for carrying television programs, both black and white and color.

Seventh. The FCC has never determined the reasonableness of the entire telephone rate structure; that is, the internal relationship of rates.

Eighth. The FCC, even though its staff made definitive recommendations that action be taken toward a possible rate reduction, has not been willing to institute a formal rate investigation to determine whether the system's rates are unreasonably high.

Ninth. The FCC, for over 25 years, was not willing even to authorize the staff to negotiate on an informal basis with the Bell System in order to obtain a voluntary rate reduction.

Tenth. The FCC has never required A.T. & T. and its operating subsidiaries to buy telephone equipment or any equipment under competitive bidding; 85 percent of the market has thus been closed to competition.

**Mr. KERR.** Madam President, will the Senator yield?

**Mr. LONG of Louisiana.** I yield.

**Mr. KERR.** Is the Senator aware of the provision of the pending bill which states:

> The Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this act, shall (1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations.

Is the Senator aware of the fact that the bill is mandatory in that effective competition shall prevail in the procurement by this corporation?

**Mr. LONG of Louisiana.** I would hope it would be more effective than the present burden on the FCC to do that sort of thing, because, in my judgment, the FCC has the duty to require that the equipment purchases from Western Electric will cost no more than it would cost if it were purchased on a competitive basis.

**Mr. KERR.** The Senator from Oklahoma is not talking about the present situation; the Senator from Oklahoma is talking about the provisions of this bill.

**Mr. LONG of Louisiana.** I agree with the Senator that this provision undertakes to place a mandate upon FCC to do exactly what the Senator contends. I can only say that it might be well that we should consider striking the words "where appropriate" if this section is to remain in the bill. The words "where appropriate" are used.

**Mr. KERR.** That is not the extent of the provision. It states that the FCC "shall insure effective competition, including the use of competitive bidding where appropriate." It does not provide that there shall be "competition where appropriate," but that the Commission "shall insure effective competition, including the use of competitive bidding where appropriate."

**Mr. LONG of Louisiana.** I believe the colloquy makes it clear that this language does not mean that the Federal Communications Commission would be required in all cases to insist upon competitive bidding.

The point I make is that the ineffectual record of the Federal Communications Commission, insofar as regulating this great company is concerned, is well known, and causes this Senator—and I am sure a great many other Senators—to doubt very much that the Federal Communications Commission would be able to give the same results which would be achieved if there were one system vigorously competing with another.

**Mr. KERR and Mr. KEFAUVER** addressed the Chair.

**Mr. LONG of Louisiana.** I yield to the Senator from Oklahoma.

**Mr. KERR.** The Senator from Louisiana is aware of the language in the hearings, from page 391 through page 398, in which the history of the regulation of the communications companies by the Federal Communications Commission is set forth.

**Mr. LONG of Louisiana.** I shall be glad to study that portion of the hearings. I refer the Senator to the 62 pages in our committee hearings, in which the Federal Communications Commission conceded that the statements I have made are correct.

**Mr. KERR.** That the Commission had inadequate resources to do what it would like to do?

**Mr. LONG of Louisiana.** That the work had not been done. It was not merely that the Commission did not have the resources, but also that it had not done the needed work.

**Mr. KERR.** I invite the Senator's attention to this language:

> Message toll telephone rates: Since 1934 there have been a substantial number of

> rate reductions. Practically all of the reductions resulted from action initiated by the Commission. Generally, the action was informal, involving discussion and negotiation. On three occasions, the commission instituted formal investigation and hearings which were terminated by Bell agreeing to settle without going to hearing.

The Commission sets forth this language also:

> We think this record indicates that informality in procedure cannot be equated with ineffectiveness in achieving results. Nor are informal procedures necessarily less effective than the more time-consuming formal procedures.

That is the unanimous statement by the Federal Communications Commission.

**Mr. LONG** of Louisiana. They can attempt to excuse themselves on that basis if they wish. Before the Subcommittee on Monopoly of the Select Committee on Small Business the excuse was that the Commission did not have a sufficient number of employees to do the job. They did not attempt to contend that there never should have been a formal determination of what the rates should be.

**Mr. KEFAUVER.** Madam President, will the Senator yield?

**Mr. LONG** of Louisiana. I yield to the Senator from Tennessee.

**Mr. KEFAUVER.** A few minutes ago in the colloquy with the distinguished Senator from Texas and the distinguished Senator from Oklahoma, reference was made to the abandonment of the Advent program. The Senator's statement was to the effect that the Defense Department decided to replace the Advent satellite.

**Mr. KERR.** Madam President, will the Senator yield? The Senator from Oklahoma did not say it had been abandoned. The Senator from Oklahoma said that the witnesses testified there had been a reorientation of the program.

**Mr. KEFAUVER.** I did not have the privilege of hearing Dr. Brown's testimony.

**Mr. KERR.** The Senator said that at this time the Defense Department was in the posture of seeking to put communications satellites in orbit a medium distance from the earth, not because they had abandoned their effort for the synchronous satellite at 22,000-plus miles, but because as of this moment they do not have either the rocket power or the know-how to put the satellite out and in orbit at 22,000-plus miles. They did not take the position that the effort was abandoned, nor did the Senator from Oklahoma say they had abandoned it.

**Mr. KEFAUVER.** Of course, the Advent program is the Army program. The Army is very unhappy about the fact that the program proper has been taken away from the Army, so far as the satellite is concerned, and the Army has been left with only the ground stations.

I have had an opportunity to talk with several persons about this subject although I did not hear Dr. Brown's testimony.

I believe the facts are well set out in an article by John W. Finney, published in the New York Times, datelined June 11. The article states that the satellite proper was taken from the Army and placed with the Air Force. It would be interesting to find out why it was done and what it was all about. It was claimed that the Defense Department did not have the rocket power to put the 1,300 pound Advent satellite into orbit at 22,300 miles, but that the new high altitude satellite would weigh about 500 pounds and could be launched by the well-tested Atlas-Agena B rocket.

It is my understanding that, in the reorientation of the Syncom system or the Advent program in the Defense Department, the size of what it is now expected to put into orbit has been reduced from 1,300 pounds to 500 pounds. This in no way suggests that the high altitude satellite is not a better means of communication or a less expensive or less complicated one than the low orbit satellite system.

Mr. Finney's article is fairly short. With the permission of the Senator from Louisiana, I ask unanimous consent to have it printed in the Record.

**Mr. LONG** of Louisiana. Mr. President, I ask unanimous consent that that may be done without prejudice to my rights to the floor.

The **PRESIDING OFFICER** (Mr. Hickey in the chair). Is there objection to the request of the Senator from Louisiana?

There being no objection, the article was ordered to be printed in the Record, as follows:

### Pentagon Suspends Army Space Work on Radio Satellite

(By John W. Finney)

Washington, June 11.—The Defense Department ordered a major reorganization of the military communications satellite program today. It canceled an Army project that had fallen far behind schedule and replaced it with two less ambitious satellite projects.

As part of the technical redirection of the communications satellite program, the Defense Department also ordered a management reorganization that consolidated the Air Force's primary jurisdiction in space and, in effect, grounded the Army, which opened the U.S. space effort more than 3 years ago.

Project Advent, a communications satellite program on which the Army has spent about $170 million in the last 2 years, was canceled.

Its objective was to develop a "synchronous orbit" satellite that at an altitude of 22,300 miles would move at the same rate as the earth's rotation, and thus remain over the same spot on the Equator. In principle, three such satellites would be able to handle much of the global communications of the military.

#### SMALLER SATELLITE SLATED

In the last year, however, Project Advent has been beset by technical difficulties in the satellite and Centaur launching rocket, by delays in its schedule and by rising costs. The Advent system originally was scheduled to go into limited operational use by 1964, but the latest estimates were that this target date could not be reached before 1966.

As a result, the Defense Department decided to replace the 1,300-pound Advent satellite with a smaller satellite with somewhat smaller communications capacity. The new high-altitude satellite will weigh about 500 pounds and will be launched by the well-tested Atlas-Agena B rocket.

In addition, partly as technical insurance, the Defense Department ordered development of a medium altitude communications satellite, similar to the 150-pound Relay satellite already under development by the National Aeronautics and Space Administration for a global commercial system.

Both the synchronous and medium altitude satellites are designed to serve as relay stations in space, much like microwave towers on earth, for receiving and transmitting radio signals between distant points.

The Army, which since September 1960 has had the management responsibility for the communications satellite program, will in the future be restricted to developing and operating the ground stations.

According to Defense officials, one of the principal difficulties in the Advent program was interservice friction between the Army, responsible for the satellite payload, and the Air Force responsible to developing the launching system and satellite vehicle.

The management and technical difficulties came to a head when the Centaur rocket, under development by the civilian space agency, began slipping a year and more behind schedule.

Faced with a 2- or 3-year delay in the Advent-Centaur combination, the Defense Department finally decided to save time by turning to a smaller satellite and launching rocket. Both the high altitude and medium altitude systems are expected to be in limited operational use by 1964.

Defense Department spokesmen were unable to say how much of the $170 million spent on Advent would be lost, except to point out that some of the technology would be incorporated into the new satellite.

The effect of the Defense Department decision will be to eliminate 1,100 jobs at the General Electric Corp. plant in Philadelphia, where the Advent satellites were to be built. A company spokesman said other jobs would be found for 500 to 600 persons involved. Also affected was the Bendix Co. plant at Ann Arbor, Mich., where the communications package was being developed.

Both companies, Defense spokesmen pointed out, will be eligible to bid on the new satellite projects.

**Mr. LONG** of Louisiana. Mr. President, in line with the statements made about placing the high altitude satellite in orbit, I noticed an article in today's New York Times, dated June 18, which reads as follows:

> The space agency took steps today toward development of a second generation of "synchronous orbit" communication satellites capable of relaying television signals and telephone calls between continents from an altitude of 22,300 miles.
>
> The National Aeronautics and Space Administration said it was negotiating a $2,500,000 contract with the Hughes Aircraft Co. for a study of problems involved in perfecting such a satellite.
>
> The modernized satellite would go into an equatorial orbit and, because its speed would match that of the earth's rotation, would seem to be stationary in the sky.

My advice, on an informal basis, from the Hughes Aircraft Co. people, is that they believe the present Atlas-Agena missile is all that is necessary to put the satellite in orbit. I believe that corresponds with the statement by the Senator from Tennessee that it should be possible to put a 500-pound satellite into orbit when the satellite is ready to be launched.

**Mr. KEFAUVER.** The Hughes Aircraft Co. representatives testified before our committee. They had their model about finished. I believe they stated that within a little more than a month they would have the Mark II model ready and that the present rocket power was sufficient to place into orbit the larger synchronous satellite which they are making. As I recall, this is also the satellite which they said would have 1,200 channels; and they said that even with the use of only 40 channels it should be a profitable operation.

Their testimony was that the better system could be put into orbit and made operational as quickly as or more quickly than could the low orbit Telstar system.

Mr. KERR. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. KERR. There is nothing in the bill that provides that the corporation shall use a synchronous satellite system, an intermediate satellite system or a low orbital satellite system that I know of.

Mr. LONG of Louisiana. When Congress passes a bill to establish a program of the kind proposed, it seems to me that Congress should anticipate what would happen if the bill were passed. If a Senator believes that passage of the bill would be in the best interests of the country, he will vote for it. If he believes that the results would not be desirable, he will vote against it.

Mr. KERR. I say to the Senator that neither the Defense Department nor NASA nor the private enterprise group that has been before our committee has attempted to establish which system ultimately will be the one that will be used.

Mr. KEFAUVER. Mr. President, will the Senator yield to me on that point?

Mr. KERR. Certainly, an effort is being made by the Hughes people. It is not something that has been recently negotiated. As the Senator from Tennessee has said, the company has been engaged in the development of the synchronous satellite for a number of years. The only difference between that and the Telstar satellite which is being developed by the American Telephone & Telegraph Co. is that the Government is paying for the Hughes synchronous satellite, and the American Telephone & Telegraph Co. is paying its own bill on the Telstar or the intermediate-range satellite system.

Mr. LONG of Louisiana. Yes; they are paying their own bill, but they certainly have in mind getting back their expenses, as from bread cast upon the waters.

Mr. KERR. I do not presume that the Senator would be opposed to that.

Mr. LONG of Louisiana. Within reasonable limits I am not opposed to any company making a good profit. I am in favor of their making a fair profit. But I am also in favor of competition between an existing system and any future system that may be developed, because I believe that is the way the best interests of our country will be served.

Mr. KERR. There must be competition not only between American companies and those who want a synchronous orbital system and those who want an intermediate-range system, but also there is critical competition with reference to delay caused by retarding the passage of the proposed legislation. There will be the most critical competition between this country and Russia to see which nation will first have a workable system of communication satellites in operation, whether it be a synchronous satellite system or an intermediate-range system.

Mr. LONG of Louisiana. I hope the Senator does not have the impression that only A.T. & T. is able to do it.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. KEFAUVER. Of course, we want every company to work on its own. A.T. & T. has been doing some work with the Telstar, but the Government plans to help out in part of that project also, as I am sure the Senator from Oklahoma knows.

Mr. KERR. The Senator from Oklahoma knows that the Government has no plans to pay for any part of the Telstar satellite. It has not paid for any part of it, it has not been asked to pay for any part of it, and it will not pay for any part of it.

Mr. KEFAUVER. I am talking about supporting ground stations in connection with the Telstar, which undoubtedly will come out before the debate has concluded.

Mr. KERR. A.T. & T. is building its own ground stations.

Mr. KEFAUVER. Not all of them. The Air Force is planning to lease stations.

Mr. KERR. Certainly; the Air Force is retaining a reservation in the pending bill and in existing law.

Mr. LONG of Louisiana. Not in the present bill.

Mr. KERR. They have their own system of communication satellites; and no committee that considered the bill sought to take that right away from the Defense Department, because that is a part of the defense program of our country. I am sure that the Senator from Tennessee, under the authority of Congress, would not want to prevent the Defense Department from proceeding to do what it feels is required for the defense of the country in the matter of building its own communication satellites. But it specifically states that it does not want to build them for commercial use.

Mr. KEFAUVER. Of course, everyone wants the Defense Department to do what it should. I was talking about the Defense Department participating in the ground stations of the Telstar. I ask the Senator if it is true that 52 percent of the cost of the operation would be charged off as a result of what the company would have to pay in taxes? The other part of it would go into the operating base upon which it charges its customers.

But the reason I agree with the Senator that the proposed corporation would have in mind a low satellite system is that all the testimony has indicated that that is what they are interested in. Witnesses have testified before the FCC in favor of the Telstar system. Officials or former officials of A.T. & T. have disparaged the high synchronous system, the Advent system.

In the departments of Government—and even in Congress, I am sure—there are some very fine former employees of A.T. & T. who are using all the influence that they can to run down and to disparage the Syncom system, and to sell all the agencies with which they are doing business on the Telstar system, which, as General Sarnoff has said, will be outmoded before it ever gets into use. Taking the record as a whole, there can be no doubt, that that is what they are experimenting with. That is what they are urging the Government, inside and out, to do. By the time that they get it done, the Soviet Union, as well as perhaps the Japanese and others, will undoubtedly have a high Syncom system. We shall be left out in the dark.

Mr. LONG of Louisiana. As a practical matter, there is nothing in the bill, to my knowledge, that provides that the stockholders of A.T. & T. cannot buy all the stock they wish in the proposed corporation, even though it would not permit those who are under the direct control, such as the employees or the officers, to own stock, other than that which is reserved for the communications common carrier. Fifty percent of all the stock would be set aside for the communications common carriers, as provided in the bill. Half the stock would be blocked off in the beginning. If the corporation goes as I predict it will go, if it is organized under the bill as a low altitude system, it will then proceed into an enormous money-losing operation. It could be expected to lose great amounts of money. Then the FCC, in trying to raise additional money, and the corporation in seeking to raise additional money, with the directors of the communications common carriers voting for it, would be expected to call upon the communications common carriers, of which 90 percent of the economic power would be in American Telephone & Telegraph, and they would then proceed to put up money for bonds and indentures, which could be a part of their rate base, on which they could earn a 6½ percent return or perhaps a greater return than that.

That would mean that the corporation would be dependent upon A.T. & T. for both the money that was loaned and much of the capital structure of the company. If the company could not make money, what would the corporation do with regard to its holdings of bonds? The equity would be wiped out if it did not come up with more money. That is an unanswered question. Surely the company would be placed in a position in which it would be completely dependent upon the American Telephone & Telegraph Co.

By contrast, if the corporation were organized to provide for the use of the sychronous orbital satellite, it is possible that it would be making money in the first year of its operation.

Mr. KEFAUVER. Even Mr. Katzenbach, Deputy Attorney General, who testified before the Committee on Commerce, the Space Committee, and the Antitrust and Monopoly Subcommittee, said that in his opinion A.T. & T. could dominate the corporation, whether it controlled the election of any director or not.

If they controlled a large majority of the financing they would dominate it, regardless of whether they had the right to elect even one director. That is his testimony throughout.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mrs. NEUBERGER. The Senator has touched on a point in respect to rate structure that has always interested me. I have cited it quite frequently to indicate to the consumer that he is better protected under the FCC than under his local utilities commissioner.

I pointed out that in my State telephone users look at the rates in the telephone book and observe the rates from Portland to Boise, Idaho. The telephone wires, in a beeline, would appear to go from the town of Baker, which is about 300 miles east of Portland, and about 200 miles west of Boise.

However it is much cheaper for me to telephone to Boise, Idaho, than it is to Baker, Oreg., which is en route. The same thing happens when I call Seattle. It is cheaper to call Seattle from Portland than it is to call a town in the valley.

Perhaps the Senator could explain to me why it is that where the FCC controls rates, such as interstate rates, the rates are cheaper than when the rate fixing is left up to the State utility commission, which perhaps is under political pressure?

Mr. LONG of Louisiana. I believe that the Senator from Oregon will find that in some cases that situation can be justified so far as the local commission is concerned. In other words, it can be contended by the local public utility commissioner that he is seeking to make the local service charge low for the housewife by fixing a higher intrastate rate for long distance telephone service. Inasmuch as he does not have authority to regulate the rate beyond the State boundary, he can contend that if he had the power to do so he would make the distance rate even higher than it is in order to make the rate still lower for the housewife for her local calls. That is one argument.

In addition, I believe there is another factor, and that is, while in some cases the rate may be higher when a call is made beyond the State line, sometimes it is, on the average, lower on a per mile basis. In other words, sometimes to call a thousand miles might cost only two or three times as much as it does to call a hundred miles. Of course that can be justified on the basis that there is an efficiency involved by placing a long call similar to the efficiency that exists when one buys a ticket on an airplane, in that the overhead is taken care of in getting the passenger on and off the plane for a short trip just as it is for a long trip.

There are greater efficiencies involved in making a long call than there are in making a short call.

When the Senator speaks about it actually costing more to call beyond a State boundary, even though the call goes through the very town which has a higher rate, that situation, too, can often be justified on the basis that the State commission is required to permit an overall fair return for the investment. In doing this it might have undertaken to load the intrastate rate with heavy charges for long distance calls within the State in order to make the local service charge low.

However, it might not follow at all to say that that means that the interstate rate is more reasonable than the intrastate rate. As a practical matter, it is my understanding that long distance rates, both intrastate and interstate, are required to carry much of the cost of the local service for the use of the telephone. The commissions generally have recognized that fact in fixing their rates.

Mrs. NEUBERGER. The able Senator has been presenting this afternoon a very compelling case for opposing the bill as presented to the Senate. I have listened intently because I am not a member of the committee, and I am one who has been slowly dragged into the space age. It took me a long time to realize that we were going to reach the point that we have reached today, where we would be considering such a practical use of outer space. I am a little bit concerned and confused as to why we are spending this time today discussing the FCC to such a great extent. Is it because the bill charges the FCC with regulating rates in case Congress should give to the corporation this use of the satellites?

Mr. LONG of Louisiana. That is one of the principal reasons. I should also like to establish, insofar as I can, that regulation has not proved a completely acceptable substitute for competition in industry. Where competition is available it is more desirable than regulation. It does seem to me it is necessary to understand how these rates are fixed in order to understand the regulating process and to see what the problems have been in trying to fix proper rates for the Bell System.

Mrs. NEUBERGER. I was interested in the discussion of the regulatory agency, because in speaking to consumer groups I always contend that the Government has set up protection for the consumer in the regulatory agencies. I look to the FCC as one of these regulatory agencies. However, when we look back over the history of the regulatory agencies, do we not find that they vary a great deal according to the administration which is in power and seem to reflect the situation that what one Federal Communications Commission might do another might not do? Therefore it seems to me there is a variation in that respect.

Mr. LONG of Louisiana. Yes; that is true. I might say that from boyhood I have had some impression as to what a commission could do or could not do with regard to rates. My father was a public service commissioner during my boyhood. He represented the State in public utility cases thereafter. On occasions he went to court with a telephone company about the rate. One thing that has impressed me is that the Federal Communications Commission has never gone to court with the companies. I recall a conversation that my father had one time when he was negotiating with a telephone company representative. He said to the representative, "You will have to reduce the rate by a certain amount."

The answer was unfavorable.

My father said, "Now, you have until noon tomorrow to set it at that rate, because after that I am going to sue for twice that reduction."

As a result of the lawsuit the rate was reduced by the amount that my father thought it should be reduced.

I can only say that interstate rates have been only what the telephone company would agree to. Had the FCC instituted a formal hearing to determine what the proper rate base should be and to determine what the proper rate of return should be, and had fixed the rate based on those factors, the rate would have been lower than it has been. At the same time, I would not propose to dispute the fact that some of the increases granted back to 1953 might be justified. Unless one has gone into the facts, he would not know.

If the Senator from Oregon were sitting on the Federal Communications Commission and never had assessed the value of the properties involved and never had made a formal determination of the fair rate of return, or what the base rate should be, she would not know what the charge should be. If one did not know what the figure of the multiplier or the multiplicand was, how would she know what the product would be? That is the situation in the FCC. They never have gone into this matter that deeply. They have contended that they have not had sufficient staff to go into it deeply enough to make a definitive determination of what that rate base should be.

Mrs. NEUBERGER. I thank the Senator.

Mr. LONG of Louisiana. I thank the Senator. That is one reason, it seems to me, why competition might provide us with a more effective means of getting a rate reduction than merely to rely upon regulation by the Federal Communications Commission.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. BARTLETT. In my opinion, the Senator from Louisiana is making a simply magnificent speech, one which needs to be made. The Senator is possessed of much technical information concerning the whole plan and program. I am not, so my question may appear to be rather amateurish. Nevertheless, I shall ask it.

If the bill were to become law, as it relates to private corporations, who would own the satellite or satellites?

Mr. LONG of Louisiana. According to the bill, the Space Communications Corporation would own the satellites put up by this Nation. It appears to me that this would afford an opportunity for control by the existing network, dominated by A.T. & T.

Mr. BARTLETT. The network would control the satellite or satellites. Would the network likewise control the ground stations?

Mr. LONG of Louisiana. According to the bill, the ground stations could be owned either by the communications companies or by the corporation which owned the satellite. The bill provides that either entity would be authorized to own the satellite, without preference, insofar as they wished to do so.

It seems to me that under the bill the satellite corporation could be left completely at the mercy of A.T .& T., because A.T. & T., if it wished to do so, would have the privilege of either erecting or not erecting its own sending set and of communicating its messages by either its own microwave or submarine cables or by putting them against the satellite. I should imagine that it would decide to use, for the most part, its own facilities insofar as it could use them.

I am sure the Senator from Alaska knows that A.T. & T. now purchases practically all of its equipment from Western Electric, one of its own subsidiaries. Eighty-five percent of its equipment is purchased from Western Electric.

Mr. BARTLETT. But the public would not own either the ground station or the satellites?

Mr. LONG of Louisiana. No; but I predict that the public will have the opportunity to pay for them either as taxpayers or as users of the facilities.

Mrs. NEUBERGER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield to the Senator from Oregon, provided I do not lose my right to the floor.

Mrs. NEUBERGER. The Senator from Alaska has reminded me of an interesting situation, as we talk about the telephone company and its willingness to develop facilities on its own responsibility. In other words, the telephone company is a corporation that operates for profit. I recall the time when the telephone company evidently did not think it would be profitable to operate its own telephone system in Alaska. Did not the inhabitants of that north country depend for a long time upon the Signal Corps for communications?

Mr. BARTLETT. Yes; for military and civilian communications, the people of Alaska depended very largely and for considerable periods of time in the early days of the century exclusively on the Signal Corps of the U.S. Army. Quite obviously, that was public ownership. At the same time, I am glad to pay a testimonial to the Signal Corps—the Alaska Communication System, as we call that branch of the Signal Corps—for their highly efficient service to the public. The Alaska Communication System became a part of the Alaska community. This is most interesting to me, as we have talked about this proposal in a more specific way in the last few days.

Bills have been introduced in the last several Congresses to dispose of the Alaska Communication System to private interests. For whatever reasons, those bills have never come before the Committee on Armed Services of either the House or the Senate for a hearing. There has been a fear in Alaska, one with which I am familiar, that if a sale of the system were to be consummated, and the system disposed of to a private communications company, the result might be that the private company might be willing to serve the main centers of population, but the little places, which have been taken care of by the Alaska Communication System, would no longer be included in the communications network.

Before those who would have a voice in such a transaction, as representatives of Alaska, would be willing to agree to any such proposition, it would have to be sealed in the bond that the little places as well as the big places would continue to receive communications service. We would not want the private operator to take the cream of the business, as it were. I think there is at least a rough parallel between that situation and the one we are discussing today, and I thank the Senator from Oregon for having brought it up.

Now I wish to ask the Senator from Louisiana if he knows how much a satellite would cost.

Mr. LONG of Louisiana. The cost would be considerable; it would run into millions of dollars.

My impression is that the cost would be about $10 million for three satellites, for the synchronous system.

Mr. BARTLETT. For the high-altitude system?

Mr. LONG of Louisiana. Yes.

Mr. BARTLETT. How would they be launched?

Mr. LONG of Louisiana. By the missiles provided for that purpose. I understand that for the synchronous system the missiles we now have would be adequate.

Mr. BARTLETT. Would the private corporation to be formed under the provisions of this bill build the launching site and the launching equipment to send the satellites into space?

Mr. LONG of Louisiana. No. They would be launched by using the facilities the United States possesses at Cape Canaveral, as I understand.

Mr. BARTLETT. Would the private company pay for that?

Mr. LONG of Louisiana. It would pay for the launching.

Mr. BARTLETT. Does the Senator from Louisiana have any idea—I confess that I do not—about how the proper cost would be assessed, and about what allocation of the expenses would be used in providing this assessment against the company?

Mr. LONG of Louisiana. I regret to say that I do not have all those details.

Mr. BARTLETT. I doubt that anyone has them as yet—although I do not know, because I am not skilled technically in this matter.

In any case, this would pose a very real problem, would it not?

Mr. LONG of Louisiana. Yes.

I believe there have been some negotiations in an effort to arrive at what would be the cost for the initial launching which the A.T. & T. wants to pay for. I do not have the figures before me at the moment; but I understand that it is estimated that medium-altitude satellites would cost $450,000 to $600,000 each and high-altitude satellites from $1 million to $2 million each. Rockets for launching satellites will probably range from $9.5 million for the Atlas-Agena B to $10.5 million for the Atlas-Centaur or modified Atlas-Agena. These costs include $1 million for use of a launching pads, launch tracking, and associated costs. It has been assumed that the Atlas-Agena B would have an 80-percent probability of success in launching 3 medium-altitude satellites, and the Atlas-Centaur would have a 66⅔-percent probability of success in launching 10 medium-altitude satellites. It is estimated that a modified Atlas-Agena B would have a 50-percent probability of success in launching high-altitude satellites. The cost per satellite in space would also depend upon the number of satellites that could be launched with a single rocket. This could vary from 1 to 2 satellites per launch for the high-altitude system and 3 to 10 satellites per launch for the medium-altitude system.

Mr. BARTLETT. The Senator from Louisiana knows that not very long ago the notion of having a satellite go around the globe would have been in the nature of a Jules Verne dream, but today goodness knows how many of them are now hurtling in space. Does the Senator from Louisiana know whether any privately owned satellites are now moving in space?

Mr. LONG of Louisiana. No. In fact, it is hard to own one, once it is orbiting in space—that is to say, it is hard to own one in the traditional sense—because there is no provision for recovering them. They are thousands of miles away; and when a communication satellite is put up, I understand that rather than bring it down when it needs repairs, it makes better sense to send up another one. In short, I understand that when one of them needs to be repaired, it becomes really useless.

Mr. BARTLETT. It would be difficult to get a mortgage loan on one, would it not?

Mr. LONG of Louisiana. Yes; and if one is damaged, it is difficult and perhaps impossible to repair it.

Mr. BARTLETT. Such a satellite can be jammed, can it not?

Mr. LONG of Louisiana. Oh, yes; particularly the high-altitude synchronous satellites; and also, if one of them is in range, the low-altitude satellites could be jammed.

Mr. BARTLETT. Mr. President, I am very grateful to the Senator from Louisiana for adding to my education in regard to these matters.

Mr. LONG of Louisiana. The Senator from Alaska is very welcome. I thank him for his questions.

Mr. YARBOROUGH. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. Yes, with the understanding that in yielding to the Senator from Texas, I shall not lose my right to the floor; and also with the understanding that the remarks of the Senator from Texas will be printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, I merely desire to say that having heard the distinguished Senator from Louisiana speak for some hours today, I have been greatly impressed with all of the questioning—some friendly and some hostile—and I have also been very greatly impressed with the vast knowledge of the Senator from Louisiana on this subject.

He is making a contribution which is most enlightening to the Senate and to the country. Of course it will be published in the CONGRESSIONAL RECORD, which is widely distributed throughout the Nation.

I feel that the distinguished Senator from Louisiana is making one of the greatest contributions to our Government and to the American people that he has made during his long and distinguished service in the Senate. I congratulate him on the fine service he is rendering the American people, in pointing out the danger involved in giving away their vast stake in space in this communication satellite system.

I personally appreciate very much, indeed, what the distinguished Senator from Louisiana is doing on the floor of the Senate.

Mr. LONG of Louisiana. Mr. President, I thank the Senator from Texas very much. I hope that at least in some ways I have helped Senators realize that a vast amount is involved—both a vast sum of money and a very great impact on the future of the United States—insofar as this bill is concerned. It is one of the bills which in very substantial ways tend to shape the future of our Nation.

That is why it is most important to me that Senators understand this subject, and that we try to handle this potentially great resource in a way which will be in the best interests of the 180 million American people and their descendants, because this program involves, in one way or another, more than $100 billion of the funds of the American people. That amount will be involved in determining how the space satellite system is to be used; and even that figure might be small if we project over a number of years in the future the impact on the world of this science.

Mr. YARBOROUGH. Did not Dr. Berkner, now in Dallas, Tex., and formerly with the Space Administration, estimate that the time would come within the lives of persons now living when the communications industry would be a $100 billion business, annually, worldwide, for all communications—not merely space communications?

Mr. LONG of Louisiana. My impression was that the doctor to whom the Senator has referred, who is regarded as a very reputable authority, estimated that global communications would be a $100-billion-a-year business.

Mr. YARBOROUGH. Of course, that was all communications—ground as well as space satellites. By 1970 or 1980 he estimated it would be a $100 billion business.

Mr. LONG of Louisiana. Some of us hope to live that long—to the time when global communications will be a $100-billion-a-year business.

Once again, this figure is discounted privately by those associated with the A.T. & T., but they have discounted the whole satellite program. Their whole approach to this subject is that they do not think it will be very good or that it will work very well, but they want it.

Mr. YARBOROUGH. I ask the distinguished Senator from Louisiana if he thinks A.T. & T. is working hard for it because they do not think it will be good.

Mr. LONG of Louisiana. No; I think they want it because it is good and has great possibilities for the future. Secondly, they are fearful that this system would for the first time present them with effective competition with their existing system. While they say they do not think it will happen in the foreseeable future, Commissioner Craven, who seems to be favorable to them, stated that one of the reasons why we should pass this bill is that the new system might be used to put A.T. & T. out of business.

I would not want to see A.T. & T. put out of business. I would want to see the system managed in such a way that they would get a fair rate of return on their investment; but making this new service a mere supplement to A.T. & T.'s existing system has the prospect of denying the public the great benefits it could have from competition between the existing system and the space satellite system.

Mr. YARBOROUGH. I agree thoroughly with the Senator from Louisiana. I do not want to see any communications carrier, or any other company, put out of business. I want to see them operate and make a profit. But we are not dealing with that question. I assume A.T. & T. will continue to make a profit, based on past history. We are dealing with the future.

I appreciate the thought expressed by the distinguished Senator from Louisiana, and the great contribution he has made. It was to the effect that this issue was important not so much because $25 billion of the taxpayers' money had been spent on research; it was not so much because $470 million of the taxpayers' money had been spent on space communications alone; but it was because of the future and for future generations of Americans that he was making a fight to preserve this great heritage for the American people. I congratulate him for his vision and what he is doing for future generations of Americans and for the notable speech he is making now.

Mr. LONG of Louisiana. I thank the Senator. Some persons have made much of the importance of the United States being first in space with a satellite, but somebody ought to think in terms of the importance of being sure, whether we are first or second with a satellite system, that we do it in the right way and in a way that is calculated to be of benefit for the next thousand years in the ultimate interests of the people of this country and of the world.

Mr. YARBOROUGH. What is more important—that we do something very quickly, in 6 months, for A.T. & T., or that we do something effective for the next 60 generations of American people?

Mr. LONG of Louisiana. I think the important thing is that we handle the problem in such a way as to assure the greatest possible benefit for the people of this Nation. Before we do anything to give this resource away, we ought to be sure of what it covers. If we should let the private companies handle it in the way provided in this bill, A.T. & T. would dominate the company. If they did not own it, they would own enough of it or have enough control over it that, to all intents and purposes, they would have complete control over the satellite corporation. Comments in the press indicate that many people regard that as a fact, so far as this bill is concerned.

It seems to me that history will judge this debate as one between those of us who wanted to foster effective competition and tried to see to it that the facility would be used in such a way as to be of maximum benefit to the American people, and those of us who were looking at the more narrow interest of private investment and who wanted to make the new system a part of an ever-growing, existing monopoly.

Incidentally, this company has extremely great power. I am happy to say that A.T. & T. has not abused the power to the extent that it could have, if it had cared to do so. This corporation controls more than 85 percent of the telephones in this country. It is represented in every chamber of commerce by a number of members, and in almost every business club. The dues are paid by the company out of what telephone users pay for the service. It has fantastic power. I believe, as a matter of discretion, the company has seen fit not to use all of that power—certainly not to a great degree—but this tremendous and fantastic power which is represented by the corporation cannot be completely overlooked. The importance of assuring competition, even as among regulated monopolies, is important to the future of this Nation.

Mr. YARBOROUGH. Before the Senator from Louisiana gives A.T. & T. too clean a bill of health about not abusing its power, I wish he would investigate a few elections in Texas and see how they used their power in elections in Texas.

Mr. LONG of Louisiana. The Senator from Louisiana does not pose as an expert in Texas affairs. I hope I do not have the same experience in Louisiana.

## FEDERAL AID TO EDUCATION—THE COLD WAR BILL

During the delivery of the speech of Mr. LONG of Louisiana,

Mr. YARBOROUGH. Mr. President, will the Senator from Louisiana yield for a brief statement on another subject, with the understanding that it will be printed in the RECORD at the end of his remarks?

Mr. LONG of Louisiana. I ask unanimous consent that I may do so with that understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, the conferees of the House and Senate began consideration today of the higher education bill. That reminds me of the testimony given before the Subcommittee on Education of the Committee on Labor and Public Welfare of the Senate on April 12 by the distinguished Secretary of Health, Education, and Welfare, Abraham Ribicoff, in support of Senate bill 2826, a bill which was introduced by the senior Senator from Oregon [Mr. MORSE], as chairman of the Education Subcommittee. The bill was called the Improvement of Educational Quality Act of 1962. If enacted it would carry out the recommendations of the President of the United States in his message on education, of February 6, 1962.

In his statement the Secretary of Health, Education, and Welfare ably said:

> The greatest resource of this Nation is its young people, who represent the leadership of the future. Fundamental to the assumption of leadership by these young people is the opportunity for an education of sufficient rigor and quality to enable them to meet the tremendous responsibilities to be placed on their shoulders. The creation of a high standard of excellence in education is essential to national survival. The day is past when even one of our classrooms should be staffed by an underpaid or undertrained teacher.

Before completing my quotation from the statement of the Secretary of Health, Education, and Welfare, I point out that one of the unfinished pieces of business of the Senate is a bill which is high on the calendar. It is called the cold war bill, S. 349. It has been on the calendar since August 10, 1961. It was unanimously reported by the Democratic policy committee earlier this year. The bill would provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, the cutoff date for the Korean conflict, and July 1, 1963, the termination date of the present draft law.

That bill would offer educational opportunities to 5 million young Americans serving during that period. Past experience shows that approximately 50 percent of them would attend school under that bill if it were enacted into law.

Of the more than 15½ million veterans of World War II, 7,800,000 went to school under the GI bill. That was the greatest movement into school in the history of this Nation. That bill put more people actually in school than any other single measure in the history of this country. Of the 7,800,000 who went to school under the GI bill of World War II, 29 percent attended college; the other 71 percent went to high school, vocation school, or business college, or took on-the-job training, or took advantage of various other types of educational facilities.

The result has been monumental, especially to the people of the United States. We have acquired out of that experience a pool of more than 200,000 schoolteachers. We obtained over 460,000 engineers, scientists, and scientific personnel. We obtained more than 100,000 medical personnel, including doctors, nurses, X-ray technicians, and technicians of other types. We obtained many hundreds of thousands of people in other highly trained categories. But for the trained pool coming out of the GI bill, we would be in much shorter supply of doctors and dentists and schoolteachers and other highly trained personnel than we are today.

As the result of the Korean conflict there were about 4½ million veterans. Again 50 percent went to school, just as 50 percent of the World War II veterans went to school. This time the distribution was different. Instead of 29 percent going to college, 51 percent went to college.

It is estimated, based upon the 50 percent of the World War experience, that if the cold war bill were passed and became law—and 31 Members of the Senate have joined in cosponsorship, and it ought to be passed now, this week, this month, because we are pulling down the educational level of the people—50 percent of those persons would attend school. This time more than 50 percent would go to college, because now those being inducted into the armed services are younger than the average of those taken into the service in World War II. The need for the bill is exemplified in this statement by the Secretary of Health, Education, and Welfare, who was speaking on another subject before our committee on April 12, when he said:

> Last year, 120,000 teachers left teaching for various reasons. Only 102,000 college graduates entered the profession. We were unable to replace with college graduates all the teachers who left. In addition, we need 35,000 teachers this year to accommodate the growth in student enrollment. We need an additional 30,000 to relieve overcrowded classrooms.

This message continues. Secretary Ribicoff points out again:

> In 1950, our school-age population was 30.5 million; in 1960, 44 million, an increase of 13.5 million. By 1980, there will be 67.5 million school-age children, or an increase of 37 million during the 30-year period—an average of more than a million each year. These children are entitled to the best education we can give them. Because of the increasing complexity of our world, this education must be better than we had and better than we are now giving. We cannot afford less.

Mr. President, the Secretary's message contains so much of interest, so much that the country should consider, that I plan to place the entire message in the RECORD at the conclusion of my remarks. The bill is not a substitute for other proposed legislation, as was sometimes thought at the time of the bill's introduction. Again I quote Secretary Ribicoff:

> Let me emphasize that this bill is not a substitute for any other education proposal of this administration. We have made a number of proposals, all of which are of great importance. We earnestly support a broad program of funds for school construction and teachers' salaries. We want support for our colleges and college students. We need aid to the medical schools and their students. We must do something about the shocking facts of adult illiteracy. And in this bill I present to you today, we are seeking a fifth part of the President's education program—a measure to improve the quality of education in this country in partnership with the States, local school districts, and teacher preparation institutions.

Mr. President, there have been five prongs; the GI bill is the sixth. Each one is separate. None of them conflicts with any of the others. None of the educational bills overlaps any other field. If we really wish to give the boys and girls of America the opportunity they are entitled to in this democracy, we must provide them with an opportunity for education. None of these measures by itself will furnish that full opportunity. The GI bill by itself will not afford it. But each of them is a step in the right direction. It is time we moved forward with the educational program.

I shall read one more paragraph of Secretary Ribicoff's able message to the Subcommittee on Education:

> Mr. Chairman, millions of the children in our Nation have only a theoretical chance to acquire an education commensurate with their potential ability and to lead useful and happy lives. Many come to our schools from a social and cultural environment in which the desire for knowledge was never kindled. Many others of high ability and motivation do not find intellectual challenge in the school and become bored, dispirited, and even delinquent.
>
> To help correct these conditions in the schools—to create a desire for knowledge where it never existed and to engage the best ability of every student—requires extraordinary effort by skilled administrators, teachers, and counselors. All too often, our schools are unable to accomplish these objectives.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the full text of the statement by Secretary Ribicoff.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### STATEMENT BY ABRAHAM RIBICOFF, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

I am pleased to appear today in support of S. 2826, introduced by Senator MORSE, the chairman of your subcommittee. The bill, entitled "The Improvement of Educational Quality Act of 1962," carries out the recommendation of the President in his education message of February 6, 1962.

The greatest resource of this Nation is its young people who represent the leadership of the future. Fundamental to the assumption of leadership by these young people is the opportunity for an education of sufficient rigor and quality to enable them to meet the tremendous responsibilities to be placed on their shoulders. The creation of a high standard of excellence in education is essential to national survival. The day is past when even one of our classrooms should be staffed by an underpaid or undertrained teacher.

The teacher in the classroom is the basic element in the educational process, and we owe to our children as well as to our teachers the obligation of supplying every possible resource to enable the teacher to conduct a class in a professional, competent, and well-informed manner. This goal is attainable within this decade if we make the best use of all our knowledge and resources.

The bill before you is intended to bring about an improvement in the quality of education at the elementary and secondary level under the traditional structure of State and local school agencies. As President Kennedy said in his February message on education, "This tradition assures our educational system of the freedom, diversity, and the vitality necessary to serve our free society fully."

The profession of teaching is a high calling—one which should attract the finest minds and the firmest purpose. It is challenging and demanding, exciting, and rewarding; yet we find many of our most promising people turning to other professions—or leaving the teaching profession in a few short years. Those who remain—and there are tens of thousands of dedicated, able teachers who have remained—do so at the expense of financial security, professional status, and real opportunity for growth and learning.

Last year, 120,000 teachers left teaching for various reasons. Only 102,000 college graduates entered the profession. We were unable to replace with college graduates all the teachers who left. In addition, we need 35,000 teachers this year to accommodate the growth in student enrollment. We need an additional 30,000 to relieve overcrowded classrooms.

We have presently teaching 90,000 teachers who do not meet the State certification requirements. Many teachers today are caught between incomes which do not permit them to improve their professional qualifications on the one hand and increasing demands for better knowledge and preparation in subject areas on the other. Teachers should be able to afford to improve their knowledge as information changes and new discoveries are made.

The teacher should have recognized professional status as one of the most valuable members of the community. This is not true today. A student who graduated last year, after 4 years of college in a scientific curriculum, could start work with an average salary of $6,240 a year. If he spent the same 4 years learning to be a teacher, his starting salary would average $4,100. The average salary for all teachers with a bachelor's degree last year was $5,215; for all scientists with a bachelor's degree, $9,000.

The increasing demands for education make it essential that we attract many more people into the teaching profession, that we do everything we can to retain our present teachers, and that we help the State and local systems improve the quality of their instruction.

In 1950, our school-age population was 30.5 million; in 1960, 44 million, an increase of 13.5 million. By 1980, there will be 67.5 million school-age children, or an increase of 37 million during the 30-year period—an average of more than a million each year. These children are entitled to the best education we can give them. Because of the increasing complexity of our world, this education must be better than we had and better than we are now giving. We cannot afford less.

### DISCUSSION OF BILL

### *Title I*

Title I of S. 2826 is designed to help the States and school systems to improve the quality of instruction in our elementary and secondary schools. There are great variations in professional preparation, knowledge of subjects taught, experience, and opportunity for professional improvement and advancement among our 1.5 million teachers. The knowledge, competence, enthusiasm, and wisdom of the classroom teacher determine the success or failure of everything attempted by our schools. Title I would authorize three practical 5-year programs appropriate to a modest Federal role in education—institutes, awards, and project grants—to strengthen the initial preparation of teachers and to help our teachers prepare themselves to do a better job in the classroom.

### Institutes for Advanced Study for Teachers

Section 101 of the bill would authorize the Commissioner of Education to arrange with colleges and universities for subject-matter institutes for teachers and supervisors of subjects in which he finds that there is a general need for improved quality of instruction. These institutes would be concentrated upon the subjects generally accepted as meeting college-entrance requirements. Participants would receive a stipend of $75 per week, plus $15 per week for each dependent, during the period of attendance.

These institutes will provide in other basic curriculum areas the same kind of opportunity for improvement that has been so successfully provided in mathematics, science, and foreign languages through institutes arranged by the National Science Foundation and the Office of Education. These programs have improved instruction to such an extent that the relative neglect of these subjects has been dramatically reversed in a few short years. But mathematics, science, and foreign language do not encompass a complete education program. Instruction in English, in history, and social sciences is essential to the attainment of the skills and knowledge required by today's youth. The requirements for subject-area competence are as important to teachers of these subjects as they are to the teachers of science and mathematics, and the intellectual disciplines and learning effort are no less.

### Awards for Outstanding Teachers

The second program under title I offers great potential for improving the quality of instruction and recognizing the great contribution to society of the many outstanding teachers now in our schools.

Section 102 of the bill would permit the Commissioner to make awards to 2,500 teachers each year to permit them to undertake a year of full-time study in the subjects they teach. The recipients would be selected by State commissions designated by the Governors. Each recipient would receive a stipend equal to his salary but not to exceed $5,000. The college or university attended would receive a $500 cost-of-education grant. Awards would be allotted among the States on the basis of the relative numbers of certified teachers, with no State receiving less than 10.

These awards would provide valuable recognition for outstanding teachers. As stated by President Kennedy: "Many elementary and secondary school teachers would profit from a full year of full-time study in their subject-matter fields. Very few can afford to do so. Yet the benefits of such a year could be shared by outstanding teachers with others in their schools and school systems as well as with countless students. We should begin to make such opportunities available to the elementary and secondary school teachers of this country and thereby accord to this profession the support, prestige, and recognition it deserves." We believe that the awards provided in this bill would stimulate additional private, State, and local grants for this purpose. The 12,500 teachers receiving awards under the bill during the next 5 years would, during their teaching careers, share the benefits of their study with several million students in thousands of schools across the Nation and thus help to raise the quality of education.

### Project Grants To Strengthen Teacher Preparation Programs

The first two programs, which I have just described, are designed to improve the quality of instruction by giving opportunities for professional improvement to teachers already in the profession. The third program would attack the problem of assuring a continuous entry into the profession of qualified, well-prepared teachers and would make it possible for our colleges to attract into teacher-preparation programs students showing promise and intellectual capacity.

Section 103 of the bill authorizes the Commissioner to make grants to colleges and universities for projects to strengthen their programs of teacher education. With today's emphasis on excellence in education and subject-area competence, many institutions that prepare teachers find themselves unprepared to meet the challenge. Institutions which traditionally emphasized teaching now find it necessary to provide facilities and instruction in subject areas which require additional faculty and library facilities and new curriculums to prepare teacher candidates properly.

As these institutions seek out new faculty and new programs, most of them need to strengthen their library programs. More than half of the 4-year academic institutions in the Nation today have library collections of less than 50,000 volumes. The Federal grant would cover part of the cost of improving course content and curriculum (including related improvements in library resources), better student teaching activities, and improved standards for selection of teaching candidates and for their continuation in teacher-education programs. Without financial help, most colleges will not have the resources available to make necessary improvements.

We believe that there is a direct relationship between the quality and intellectual content of teacher education and the quality of students attracted to a career in teaching. There is evidence that teaching as a profession is not attracting a proportionate share of our most able college students and that many able and dedicated teachers suffer from inadequate academic preparation. While we recognize that inadequate salaries for teachers are a major factor in this situation, we believe that improvements in teacher education can significantly improve the status of the profession. This proposal would encourage and help colleges and universities to make desired improvements.

### *Title II*

Title II is concerned with the broad application of improved instructional practices in elementary and secondary schools. American industry spends billions of dollars each year in research and development and in the application of new knowledge to technology. Although the needs of education and industry differ substantially, it is alarming that less than one-half of 1 percent of educational expenditures are for research and development. Moreover, the widespread application in actual classroom situations of the findings of educational research has been painfully slow.

### *Grants to States*

Title II would authorize the appropriation of $50 million for each of 5 years for grants to State education agencies to help finance pilot, demonstration, or experimental projects designed by local school districts. These projects would help greatly to improve the quality and effectiveness of instruction in public elementary and secondary schools—a concern not of the States alone, but of every American citizen as well.

The bill suggests as examples seven broad types of programs suitable for projects; such as, improved course content and curriculum, special attention for gifted or deprived or disadvantaged students, and the development of new types of instruction or programing, and the most effective use of modern equipment and materials. Each project could include the acquisition of related library and other materials and equipment.

The appropriated funds would be allotted to the States on the basis of their relative populations. Ten percent of a State's allotment could be used to expand and improve the State educational agency's supervisory, research, and development services so necessary to the improvement of local school programs.

Let me cite some possible applications of this title which local educational agencies might develop as they saw fit in terms of local needs and conditions:

1. Projects for pupils having special problems.
2. Development of improved materials and methods of teaching English to non-English-speaking pupils.

3. Experimental programs for highly gifted pupils, making use of seminars, adaptations of the tutorial system, and organized acceleration in courses or subjects.

4. Improvement of school library programs. Only 20,000 of our 60,000 elementary schools have libraries, and many of these are inadequate. In 1958–59, more than half of our public elementary school children—10 million boys and girls—attended schools without library facilities of any kind. If we are really to improve the quality of education in America, we must improve school libraries.

5. Development of an intensified English language program in elementary and secondary schools, with increasing emphasis on English composition from grade 7 through grade 12. Full command of the English language is essential to the successful pursuit of all academic disciplines.

6. Development of plans for maximum use of school facilities; designing new school structures for maximum efficiency and pupil and teacher usage; and planning for new and more efficient scheduling of school curriculums for the school year.

7. For the development and coordination of programs to prevent school dropouts; the development of new kinds of cooperative school and work programs so that secondary education will prepare youth for work at the termination of the senior year.

### Amendments to Cooperative Research Act

Title II also amends the Cooperative Research Act to give a new and vital dimension to educational research and development. The amended act would authorize grants to colleges, universities, and other nonprofit organizations to pay part of the costs of centers for research, development evaluation, and demonstration of improved instructional practices and materials in the schools, where appropriate centers would be conducted in cooperation with State and local educational agencies. We believe that this expanded research and development activity, together with the special project grants described above, would be a most effective means of bringing about widespread application of better practices in education.

### CONCLUSION

We estimate that appropriations for this bill would be $120 million for the first year, ranging up to $165 million in the fifth year. This is a modest cost in terms of the far-reaching objectives of the bill.

Each provision of S. 2826 complements the others and is also related to existing public and private programs in education. The bill pinpoints the basic requirements for improving the quality of education and proposes an effective means of meeting these requirements.

Let me emphasize that this bill is not a substitute for any other education proposal of this administration. We have made a number of proposals, all of which are of great importance. We earnestly support a broad program of funds for school construction and teachers' salaries. We want support for our colleges and college students. We need aid to the medical schools and their students. We must do something about the shocking facts of adult illiteracy.

And in this bill I present to you today, we are seeking a fifth part of the President's education program—a measure to improve the quality of education in this country in partnership with the States, local school districts, and teacher preparation institutions.

All parts of this program are important. The measure before you today is among the least expensive of the proposals, but I deeply believe that its ultimate impact can be as significant as anything we have proposed. It represents a new and needed approach: An effort to do something for our teachers and for the quality of teaching in our schools.

Mr. Chairman, millions of the children in our Nation have only a theoretical chance to acquire an education commensurate with their potential ability and to lead useful and happy lives. Many come to our schools from a social and cultural environment in which the desire for knowledge was never kindled. Many others of high ability and motivation do not find intellectual challenge in the school and become bored, dispirited, and even delinquent.

To help correct these conditions in the schools—to create a desire for knowledge where it never existed and to engage the best ability of every student—requires extraordinary effort by skilled administrators, teachers, and counselors. All too often, our schools are unable to accomplish these objectives.

Recently I had the opportunity to visit a school in New York City in which these problems are being overcome through a special program called higher horizons. The children are given special remedial instruction to overcome language and academic deficiencies. They are introduced to the world of art and culture. They have the benefit of skilled teachers and counselors. Academic standards are high. These students are above average in their neat appearance, behavior, and desire for intellectual achievement. Yet, these youngsters come from an environment characterized by unemployment, broken homes, delinquency, illiteracy, violent crime, and cultural poverty. In a very real sense, their school is saving their lives.

This contribution to our society is beyond measure. It can be duplicated in thousands of schools, serving every kind of area with respect to the whole range of educational needs.

The purpose of this bill is to launch a concerted national effort to assure that our schools offer a real opportunity for a first-class education for all our children. Federal action can be decisive in stimulating State and local leadership and accelerating progress in education.

While we cannot command intellectual excellence, we can and must encourage it in every appropriate way. S. 2826 provides an appropriate way to do this, and I strongly urge that it be enacted.

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## ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW—ORDER FOR COMMITTEE ON FINANCE TO MEET TOMORROW—LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, will the distinguished Senator from Louisiana yield, without losing his right to the floor?

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Montana, provided I do not lose the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate tomorrow.

Mr. LONG of Louisiana. Mr. President, reserving the right to object, the Senator's request places me in such a position that I feel that I shall have to object. I should regret very much having to prevent the Committee on Finance from meeting; however, if the Senator could arrange to have the Senate meet at 12 o'clock, I would withhold objection to authorizing the Committee on Finance to meet, because I should like to participate in the meeting of that committee tomorrow. I hope the Senator from Montana will modify his earlier request, so that he might agree to the latter request, even if it meant keeping the Senate in session longer tomorrow.

Mr. MANSFIELD. As usual, the Senator from Louisiana is reasonable. This possibility was discussed yesterday with some Senators who are vitally interested in the proposed legislation. The Senate will recall that the leadership announced yesterday that beginning on Wednesday the Senate would convene at 10 o'clock and remain in session until about 8 o'clock. However, in view of the situation as it affects the Committee on Finance, and considering the understanding shown by the Senator from Louisiana, I now ask unanimous consent that when the business for today has been concluded, the Senate adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, since the Senate will convene tomorrow 2 hours later than had originally been planned, we should anticipate remaining in session 2 hours longer in the evening.

Mr. YARBOROUGH. Mr. President, will the Senator from Louisiana yield, so that I may address the majority leader?

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Texas, provided I do not lose the floor.

Mr. YARBOROUGH. I express thanks to the distinguished majority leader for changing the hour of convening tomorrow until 12 o'clock. Today the Senate conferees held their first meeting with the House conferees on the higher education bill. The chairman of the conference has called a meeting of the Senate conferees for 10 o'clock tomorrow morning. There are three members of the conference—the senior Senator from Oregon [Mr. MORSE], the senior Senator from Pennsylvania [Mr. CLARK], and I—who plan to take some part in the debate on the bill under consideration. The Senate conferees will hold their next meeting with the House conferees at 10 o'clock on Friday morning. No meeting is planned for Thursday. I wished to inform the distinguished majority leader of that program and to say that the deferred hour for convening the Senate tomorrow will make it possible for us to continue our work on the higher education bill, which is vital to the Senate and the administration.

Mr. MANSFIELD. I am happy that it has been possible to bring about this accommodation.

Mr. KEFAUVER. Mr. President, will the distinguished Senator from Louisiana yield, so that I may address the majority leader?

Mr. LONG of Louisiana. Mr. President, I yield to the Senator from Tennessee, provided I do not lose the floor.

Mr. KEFAUVER. Does the distinguished majority leader have in mind asking permission for any other committees to meet while the Senate is in session?

Mr. MANSFIELD. Not at the moment. I have taken this action on my own responsibility. I hope the acting minority leader will agree to the request I have made. The reason I have done so is that the chairman of the Committee on Finance has informed me that beginning tomorrow and continuing for the next day hearings will be held on the extension of the Sugar Act which, as the Senator from Tennessee knows, will expire on June 30.

Mr. KEFAUVER. If a request is to be made for any other committees to meet, I should like the opportunity to object to their meeting, unless some emergency situation exists.

Mr. MANSFIELD. That is a reasonable request. The Senator from Tennessee will be notified if any other requests are to be made. I hope the acting minority leader will concur in my request that the Committee on Finance be permitted to meet tomorrow.

Mr. HRUSKA. That is agreeable, as I understand. However, inasmuch as the hour of convening will be at noon, no other requests for committee meetings have been made.

Mr. MANSFIELD. No; this request was made for an all-day meeting of the Committee on Finance only.

I think I should call the attention of the Senate to the very good possibility that during the latter part of this week the Senate will be asked to set aside the pending business, when a motion will be made to proceed to the consideration of Calendar No. 1553, H.R. 11131, to authorize certain construction at military installations, and for other purposes. That bill, I understand, is tied in quite closely with the appropriation bill.

Also, the Senate will be asked to consider Calendar No. 1565, S. 3203, to extend the Defense Production Act of 1950, as amended, and for other purposes, about which, I understand, there is little controversy; also, Calendar No. 1536, S. 3161, to provide for continuation of authority for regulation of exports, and for other purposes.

It is tentatively hoped that on Monday next it may be possible to have the Senate consider Calendar No. 1564, H.R. 11879, to provide a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates, and for other purposes.

Mr. KEFAUVER. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. KEFAUVER. Can the Senator give us any idea of the approximate time these other measures will consume?

Mr. MANSFIELD. I understand that consideration of the bill to provide for continuation of authority for the regulation of exports may require several hours. It is my understanding that the Senator from New York [Mr. Keating] desires to offer some amendments.

I do not believe that the bill to authorize construction of certain military installations will take more than an hour. Of course, this is guesswork. So far as I can ascertain, the bill to extend the Defense Production Act of 1950, as amended, is not controversial.

I understand that consideration of Calendar 1564, House bill 11879, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes, may take a little longer. That is why its consideration is being put off until next week.

Mr. KEFAUVER. I thank the Senator from Montana.

Mr. MANSFIELD. If I may make a further statement, let me call attention to the fact that Calendar No. 1549, House bill 10606, to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, will be taken up either the latter part of this week or next week. I understand there is very little, if any, controversy about this measure, which also faces a June 30 deadline.

Mr. HRUSKA. Mr. President, will the Senator from Louisiana yield, so that I may make an inquiry of the distinguished majority leader?

Mr. LONG of Louisiana. I yield on the same basis, Mr. President.

The PRESIDING OFFICER (Mr. Hickey in the chair). Without objection, it is so ordered.

Mr. HRUSKA. The majority leader indicated that later in the week Calendar No. 1553, Calendar No. 1565, Calendar No. 1536, and Calendar No. 1564 will be taken up. What does "later in the week" mean?

Mr. MANSFIELD. I should say anywhere between Thursday and Saturday, inclusive.

Mr. HRUSKA. I thank the distinguished majority leader.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield further, if it is understood that in doing so he will not lose his right to the floor?

Mr. LONG of Louisiana. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

## FOREIGN TOUR BY THE SECRETARY OF STATE

Mr. MANSFIELD. Mr. President, today Secretary of State Dean Rusk has set out on a tour of five major cities of the world—Paris, Bonn, Berlin, Rome, and London. His journey comes at a time when world affairs are in great flux. Our positions are being closely analyzed; and it is vital to our national interest that not only a clear understanding prevail, but also that together with allied nations we arrive at a clearer understanding and agreement as to the directions in which we are headed.

The Secretary carries the confidence of the country in this delicate task. He is a statesman's statesman, vigorous and discreet, expert, and gentlemanly.

He is fully equipped to provide the United States with the kind of diplomacy we must have in order to adjust to contemporary requirements the policies we have been following for more than a decade with respect to Europe. He can provide the kind of leadership which is essential for a continuance of the cooperation with Western Europe that will insure our common security and a sharing of the common responsibilities in support of international peace.

Debate in this body sometimes obscures our basic agreement and our general reliance on principles held through many administrations. We are striving for a decent world in which human freedom can flourish. That is our basic objective. The Secretary of State is its personification; and I know that as he flies over the Atlantic today, he carries the good wishes and the hopes of the Senate.

Mr. President, I thank the Senator from Louisiana for his customary courtesy.

Mr. LONG of Louisiana. Mr. President, the distinguished majority leader is most welcome.

## THE PRESIDENT AND THE ECONOMY

Mr. CURTIS. Mr. President, I call attention to an editorial entitled "Leftward Ho," published in the Omaha World-Herald of June 12, 1962. The editorial refers to the address made recently at Yale University by President Kennedy. It is my earnest hope that my colleagues on both sides of the aisle will take a few minutes to study this statement.

The President has, appropriately, been honored by many degrees. I assume, without ascertaining the fact, that Yale conferred upon him an honorary doctoral degree in economics. In his remarks at Yale the President, in effect, rewrote the principles of economics. The law of supply and demand which has heretofore generated initiative, investment, income, and taxes, is relegated to the past.

The new law, by Presidential edict, will determine fiscal responsibility, the effect of deficit spending, and whether debts, public or private, are either good or bad.

The President stated:

> Each sector of activity must be approached on its own merits and in terms of specific national needs.

It necessarily follows that the President assumes the obligation of determining both the "merits" and the "specific national needs."

As the editorial concludes, the President's speech at Yale was "a historic speech." What was passed to us there is truly prolog. We know where the Captain intends to take his ship.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Leftward Ho

There's joy on the left today because of what John F. Kennedy said at Yale.

And we wouldn't be surprised if the further left one searches, the more joy he will find.

For after 17 months of seeming indecision, contradictory actions and cautious words, President Kennedy yesterday declared himself.

He is for bigger Government, bigger spending, more intervention in the lives of the people, and more of what used to be known as fiscal irresponsibility.

And he is for these things not because he regards them as necessary evils, but as positive virtues. In fact, any American so benighted as to believe in balanced budgets, restraint in public spending or in getting Government off the backs of the people is guilty of perpetuating "myths."

Each administration has spent more than its predecessor, said Mr. Kennedy and "this trend may continue." Speaking of medical research he said that "this expansion of Government has brought strength to our whole society."

Whereas he said this medical research "has taken place without undue enlargement of Government control," the President hastened to add:

"I am not suggesting that Federal expenditures cannot bring on some measure of control. The whole thrust of Federal expenditures in agriculture has been related by purpose and by design to control as a means of dealing with the problems created by our farmers and growing productivity."

That should be plain enough. Some Americans may escape control but not you, Mr. Farmer. "The whole thrust" of farm policy is aimed at controlling you and your obnoxious habit of making crops grow in abundance.

As for controlling others, "each sector of activity must be approached on its own merits and in terms of specific national needs." Not your will, Mr. Citizen, but the Government's will, is to prevail. And that goes for "science, urban renewal, education, agriculture, natural resources" and anything else in which public and private interests may conflict.

What will happen to individual liberty?

Apparently that concept is a part of the old mythology and is to be shoved aside whenever it conflicts with the presidentially determined "public interest."

Turning to the annual Federal budget, Mr. Kennedy damned it as "not simply irrelevant: it is actively misleading" because "mythology measures all our soundness on the single simple basis of this same annual administrative budget."

On deficits the President said: "The myth persists that Federal deficits create inflation. * * * Honest assessment plainly requires a more sophisticated view * * *."

On public debt: "It is widely supposed that this debt is growing at a dangerously rapid rate. * * * Debts, public and private, are neither good nor bad. * * * Borrowing can lead to overextension and collapse—but it can also lead to expansion and strength."

On national confidence: It depends on "the necessary partnership of government with all other sectors of our society." "Lack of confidence in the national administration" is not a cause of stock market declines and is "a false issue."

So much for myths, old and new, as discussed at Yale. It was, we think, a historic speech.

For it established beyond reasonable doubt that Mr. Kennedy is taking the country as far left as he can as fast as he can. And that fact presents a challenge to all moderates and conservatives who believe in fiscal prudence and effective restraints on the crushing hand of government.

During the delivery of the speech of Mr. LONG of Louisiana:

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may yield to the Senator from Oregon [Mr. MORSE] for a statement, and that his statement may be printed at another point in the RECORD, without prejudicing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, I appreciate the Senator's yielding to me with that understanding, because I wish to introduce tonight a revision of my heretofore proposed legislation on emergency disputes, and I should like to have the statement and the bill made a part of today's RECORD.

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## SETTLEMENT OF LABOR DISPUTES

Mr. MORSE. Mr. President, the failure of the many Presidential Emergency Boards and Commissions named by the President over the past 17 months to settle the airlines dispute underscores once again the ineffectiveness of the emergency disputes procedures specified in the Railway Labor Act and in the Taft-Hartley Act. I am now introducing legislation which should provide a fairer, more workable and more effective system to be substituted for these systems which have worked so poorly in so many of the major disputes over the past decade.

The bill which I introduce follows in general outlines those which I have offered before in similar periods of breakdown. This bill is the result of a further reexamination of the provisions in earlier bills which I have introduced from time to time in the past. It has been redrafted in some essential respects but follows in general outline S. 1177 and S. 1160, which I offered in the 85th and 86th Congresses.

The RECORD will show that when I opposed the Taft-Hartley bill in 1947, one of the major contentions that I made against the Taft-Hartley bill was what I considered to be the ineffectiveness and and unacceptability of the emergency dispute section of that bill. The RECORD will show that at that time I emphasized that, in my judgment, the emergency dispute section of the Taft-Hartley bill would not be the effective instrument that it was claimed to be by the authors of the bill. Since that Congress, as a member of the Senate Committee on Labor and Public Welfare, I have discussed the subject on the floor of the Senate a number of times, and as I have just stated, I have introduced in the past S. 1177 and S. 1160.

Two years of negotiations between the Flight Engineers' International Association and a number of the airlines broke down last week following months of strenuous activity by the administration to bring the parties together. The dispute is one which has plagued the airline industry for the last 4 years, and although there is general agreement today that only three men are needed in the cockpit of jet aircraft, the question of qualifications for the occupant of the third seat is the one which continues to plague the industry.

Mediation by the National Mediation Board under the Railway Labor Act has failed to provide any basis for the resolution of this stubborn and unyielding issue. Upon exhaustion of the mediatory procedures of the National Mediation Board, the President appointed a number of emergency boards under the Railway Labor Act and a special presidential commission headed by Prof. Nathan Feisinger to review the general problem. In addition the identical issue was involved in proceedings before two presidential emergency boards appointed to consider the related issue in the dispute between two of the airlines and the Airline Pilots Association. Finally, a board of arbitration consisting of George Taylor, George Meany, and Edgar Kaiser, named by the President to arbitrate the third seat issue in the negotiations between Pan American and the Airline Pilots, handed down its award just a few weeks ago.

Thus we have had five Presidential Emergency Boards, a Special Presidential Commission under Professor Feinsinger, and a Board of Arbitration under George Taylor assigned to develop some reasonable basis for the settlement of this issue. The recommendations made by these Boards and Commissions have followed the same general pattern, but none of them have produced a formula acceptable to the flight engineers.

Last Thursday the President told the flight engineers that a strike against the three airlines involved in its current negotiation, Trans World Airlines, Eastern, and Pan American, would seriously endanger the welfare and economy of the country and urged them to accept arbitration or some other means as a basis for ending their dispute. Despite this entreaty, the engineers remained steadfast in their determination not to arbitrate the issue of the third seat qualifications but offered instead to arbitrate the balance of the issues. The limited arbitration offered by the flight engineers would not have settled the dispute.

Thus we are once again impressed with the failure of our procedures in the handling of disputes threatening the welfare of the country.

I am therefore now offering to the Congress a bill which will provide a more flexible system for the discharge of the responsibilities of the President and of Congress in safeguarding the health and security of the national economy and at the same time will afford labor and management ample opportunity to work out their differences in collective bargaining. I propose to give the President discretion as to when and how to intervene in disputes of this nature in any industry with a reasonable choice of courses to follow in the particular circumstances of the specific dispute. The courses which are made available to the President will not be entirely pleasing to either side, but they are fair and evenhanded and should provide some further techniques in developing settlements in these stubborn and difficult cases.

My proposal was first made in 1950, when I introduced S. 3169 to cope with the crises in the coal industry. It appeared at that time that seizure by the Government might be used as a last resort. My bill recognized the incapacity of Taft-Hartley to deal effectively with emergency disputes that endanger the national welfare. In 1952, I offered the bill again. It was introduced at the time of the crisis in the steel industry when Taft-Hartley's emergency disputes procedures again proved inadequate. At the time of the New York longshoremen's dispute in 1957 and again in 1959, I offered substantially similar bills.

The bill I am offering today, like those which I offered in these other periods, is based upon broad experience with the subject, including, among other things, material developed in extensive hearings a number of years ago by the Senate Labor Committee. It provides for a continuing procedure under which the President and Congress keep constant surveillance of emergency disputes. Both executive operation of the facilities, through existing management wherever possible, and injunctions are permissible, with a congressional veto of such action. The bill emphasizes keeping the disputing parties guessing to provide real incentives for bargaining now lacking in the law.

I stress the point that when we are dealing with a national dispute which is characterized by economic dangers that cause one to say that the dispute threatens national welfare, we must have a procedure, in my opinion, that will leave doubt on the part of parties on both sides of the dispute, as to what the final outcome will be. I cannot stress that point too much. I think it is important that we recognize that neither side must be in a position in which it would know for a certainty the result of the adoption or application of a procedure. Otherwise, we would discourage collective bargaining by putting one side in a position to say, "We are perfectly willing to let the law run its course, because the final result will be in our favor."

The point I am making may not be easily recognized by those lacking experience in the problems of labor arbitration, mediation, negotiation, and collective bargaining. I stress the fact that the bill, which is similar to bills I have introduced in the past, would not give to either side any certainty as to what the result of the application would be.

In introducing this bill, I must emphasize that I am not wedded to it. I do not in any sense regard it as the final and last word on the subject. The problem of developing workable and effective emergency disputes procedures is one of the most complicated legislative subjects facing the Congress. And just as there have been inadequacies in past efforts, I realize that there must be "bugs" of one sort or another in this proposal.

But, as I said in 1959 in offering S. 1160, there must be a start if we are ever to get effective and useful legislation in this area. With this new major transportation tieup threatening us, it is of the utmost urgency that we make a new effort to develop reasonable solutions, and that we begin now with the help of labor and management in drafting a bill that will safeguard the rights of each and, at the same time, protect the rights of the Nation from severe and avoidable damage to our economy.

My bill, in my judgment, offers the proper vehicle for hearings on the part of the committee. It offers the proper vehicle for labor and management to come in to offer criticisms and suggestions for improvements. However, as one who has worked in the field of labor relations for a good many years during my professional life prior to coming to the Senate, I think it must be made crystal clear to both labor and management that they have a primary obligation to settle any dispute which creates a national emergency.

I imagine there will be some political partisans who will seek to criticize the senior Senator from Oregon for the position he is taking in this matter. However, I wish to say to the economic partisans that with regard to a lockout or a strike, whenever there is a case in which the facts show that the national welfare is being threatened and an irreparable damage is being done by a national emergency dispute, it becomes the duty of all of the parties, private and public, and the clear responsibility of the Congress and the President to see to it that all possible steps are taken toward a fair resolution of the issues in dispute.

The issue is just as simple as that. We can have reams and reams of discussion on this subject matter, but no language can hide the salient point. I repeat it. I say to labor and to management, "Give me a set of facts which show clearly that a strike or lockout long continued on the basis of those facts threatens the welfare of this country as encompassed in our meaning of a national emergency dispute, then the senior Senator from Oregon takes the position that the interests of labor and management alike must be adjusted in the public interest as a whole."

We cannot maintain government by law if we do not support that principle.

I know the delicate issue I am talking about. I have gone through this experience before. There will be those who will say that the senior Senator from Oregon seeks to take away from labor a precious right, namely, the freedom to strike. Not at all. If the exercise of economic action on the part of labor through a strike or the exercise of economic action on the part of the employer through a lockout endangers the welfare of this country to the degree that it can be said an irreparable damage is being done to the public welfare, in such a dispute I have always taken the position as an arbitrator and as a member of the War Labor Board and as a Member of the Senate, that only one conclusion, in my judgment, can properly be reached, and that is that the economic partisans must subordinate their economic interests to the welfare of the Nation as a whole.

No one has ever fought harder than I have fought to protect the right of labor to strike. Nor has anyone been more hesitant to use the full and drastic remedies of plant seizure as a solution to these problems of national emergency disputes.

Of course, in every case, we always have the threshhold question of whether or not the operative facts of a given dispute constitute a national emergency threatening the welfare of the country.

During the war I was the compliance and enforcement officer of the War Labor Board as well as a public member of the Board. I have said it before, but I emphasize it again, that we never seized a plant during the war in relation to which President Roosevelt did not reluctantly sign the seizure papers and then only after he became satisfied, on the basis of the representation of the Board, that there was no other course of action that he could follow in the interest of protecting the public welfare and aiding the successful prosecution of the war.

My bill includes a choice of seizure on the part of the President if the facts warrant it in any given case. The senior Senator from Oregon is talking about token seizure, such as occurred during the war when the railroads and shipyards were seized. In such instances the American flag went up over the plants but management was asked to remain behind its desk and continue to operate the business under the American flag for the Federal Government.

There comes a time in a major dispute when there is no other course of action for a government to follow if it is to protect the public interest and maintain a system of government by law and public order.

But no one has recognized more keenly the need for some reasonable procedure to absorb the shock of these disastrous deadlocks in collective bargaining which shake the structure of the economy.

We cannot continue to move from emergency to emergency, relying upon unworkable procedures acceptable to none of us.

We no longer can afford to shirk our responsibility as a Congress to begin our long overdue overhaul of these systems.

Respect for the rights of labor, of management and of the public requires that we begin our work now in the face of this new emergency to develop this much needed legislation.

I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

### S. 3442

A bill to amend title II of the Labor Management Relations Act, 1947, with respect to the settlement of labor disputes resulting in national emergencies

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That title II of the Labor Management Relations Act, 1947, is amended by striking out sections 206 to 210, inclusive, and inserting in lieu thereof the following:

"NATIONAL EMERGENCIES

"SEC. 206. (a) Whenever the President is of the opinion that a national emergency is threatened or exists because a stoppage of work or operations has resulted or threatens to result from a labor dispute (including the expiration of a collective-bargaining agreement) in a vital industry or plant which seriously affects the national health, safety, or security, and the Director of the Federal Mediation and Conciliation Service in the case of a dispute which is subject to the provisions of section 203 of this Act, or the National Mediation Board in the case of a dispute which is subject to the Railway Labor Act, advises the President that the parties to the dispute have failed to establish effective procedures for the settlement of the dispute or that procedures so established have been ineffective in resolving the dispute, and that all possibilities of mediation and conciliation have been exhausted without success, the President shall issue a proclamation appointing an emergency board to determine the facts concerning the dispute, and, if the President so directs, to make recommendations for the settlement of the issue or issues in dispute, and calling upon the parties to the dispute to refrain from a stoppage of work or operations, or, if such stoppage has occurred, to resume work and operations in the public interest.

"(b) Upon the issuance of a proclamation under subsection (a)—

"(1) It shall be the duty of any labor organization of which any employees who have been employed in the industry or plant referred to in subsection (a) are members, and of the officers of such labor organization, to seek in good faith to induce such employees to refrain from engaging in or continuing any strike, slowdown or other concerted refusal to work or stoppage of work, and

"(2) It shall be the duty of any employer of such employees to refrain from engaging in or continuing any lockout, and of the officers of such employer and of any individuals or organization representing such employer in labor relations to seek in good faith to induce such employer from engaging in or continuing any lockout.

until the dispute has been settled and the period specified in any order issued under section 209(a), or the period of possession by the United States under section 210(c), as the case may be, shall have expired.

"SEC. 207. (a) An emergency board appointed under this section shall be composed of a chairman and such other members as the President shall determine. Members of an emergency board shall receive compensation at the rate of $75 for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses. The Director of the Federal Mediation and Conciliation Service (or the National Mediation Board, in the case of a dispute subject to the provisions of the Railway Labor Act) shall provide for the board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions. When a board appointed under this section has been dissolved, its records shall be transferred to the Director of the Federal Mediation and Conciliation Service or the National Mediation Board, as the case may be.

"(b) An emergency board shall have power to sit and act at any place within the United States and to conduct such hearings as it may deem necessary or proper to ascertain the facts with respect to the causes and circumstances of the dispute or otherwise to carry out its duties under sections 208 and 209. For the purpose of any hearing or inquiry conducted by any such board, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 45, 50), are hereby made applicable to the powers and duties of such board.

"(c) A separate emergency board shall be appointed for each dispute. No member of an emergency board shall be pecuniarily or otherwise interested in any organization of employees or in any employer involved in the dispute.

"SEC. 208. (a) An emergency board appointed under section 206 shall promptly hold hearings at which the parties to the dispute shall have an opportunity to be present, both personally and by counsel, and to present such oral and documentary evidence as the emergency board shall deem relevant to the issue or issues in controversy. Within thirty days following the date of its appointment, the emergency board shall submit a report to the President containing written findings of fact based on the evidence submitted on the record in such hearings, and, if so directed, including recommendations for the settlement of the issue or issues in dispute.

"(b) At any time within thirty days following the filing by the emergency board of its report, the President may transmit to the Congress a complete report with respect to the dispute together with a proposal—

"(1) to reconvene the board with directions to resolve the issue or issues in dispute and to issue an appropriate order with respect thereto, or

"(2) To operate, through existing management where possible, and with this purpose, to take possession of the business enterprise or enterprises involved in the dispute.

The President is authorized to carry out any proposal submitted to the Congress under this subsection but only if, within ten days following such submission neither House of Congress shall have adopted a resolution stating in effect that such House disapproves the proposal. If the Congress or either House thereof shall have adjourned sine die or for a period longer than three days the President shall convene the Congress or such House forthwith for the purpose of considering such proposal.

"SEC. 209. (a) In any case in which the President reconvenes an emergency board for the purpose of adjudicating the issue or issues in dispute and a valid contract is in effect defining the rights, duties, and liabilities of the parties with respect to any matter in dispute, the emergency board shall have power only to determine the proper interpretation and application of the contract provisions which are involved. Where wage rates and other conditions of employment under a proposed new or proposed amended contract are in dispute, the emergency board shall establish rates of pay and conditions of employment which are fair and equitable to the parties. The emergency board shall issue an order resolving the issue or issues in dispute within thirty days following the direction of the President reconvening it. No order of the emergency board relating to wages or rates of pay shall be retroactive to a date before the date of the termination of any contract which may have existed between the parties. For the purpose of its order, an emergency board shall consider only, and be bound only, by the evidence submitted on the record. Unless, prior to the expiration of ten days following promulgation of the order of an emergency board, the parties shall have agreed to a settlement of the issue or issues in dispute, the order of an emergency board shall become binding upon and shall control the relationship between the parties for such period, not to exceed one year from such date, as may be specified in the order of the emergency board.

"(b) The district courts of the United States shall have power, upon petition of the Attorney General (but not otherwise), to issue injunctions, restraining orders, and other appropriate process, to compel compliance with the provisions of any order of an emergency board issued under this section, or to enjoin violations or threatened violations thereof. In granting such relief, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled 'An Act to amend the Judicial Code, to define and limit the jurisdiction of courts sitting in equity, and for other purposes', approved March 23, 1932 (29 U.S.C. 101–115).

"SEC. 210. (a) In the event that the Government takes possession of and operates any business enterprise or enterprises involved in a dispute, the President shall designate the agency or department of Government which shall take possession of the business enterprise or enterprises including the properties thereof involved in the dispute and all other assets of the enterprise or enterprises necessary to such continued operation thereof as will protect the national health, safety, and security. In any such case, the operation of such enterprise or enterprises shall be carried out to the fullest extent practicable through the existing management thereof.

"(b) During the period in which possession of any enterprise has been taken by the United States under this section, the employer or employers or their duty designated representatives and the representatives of the employees in such enterprise shall be obligated to continue collective bargaining in a good faith effort to settle the issues in the dispute between them. During the period in which the United States shall have taken possession of any business enterprise or enterprises, the Federal Mediation and Conciliation Service or the National Mediation Board, as the case may be, shall continue to encourage the settlement of the dispute by the parties concerned, and the agency or department of the United States designated to operate such enterprise or enterprises shall have no authority to enter into negotiations with the employer or with the labor organization for a collective-bargaining contract or to alter the wages, hours, or the conditions of employment existing in such industry or plant prior to the dispute, except as may be consistent with the recommendations of the emergency board or as may be authorized by the President.

"(c) Any enterprise or properties of which possession has been taken under this section shall be returned to the owners thereof as soon as (1) such owners have reached an agreement with the representatives of the employees in such enterprise settling the issues in dispute between them, or (2) the President finds that the continued possession and operation of such enterprise by the United States is no longer necessary: *Provided*, That possession by the United States shall be terminated not later than ninety days after the issuance of an order under section 208(b)(2) unless the period of possession is extended by Act of Congress.

"(d) Beginning not later than thirty days after issuance of an order taking possession of a business enterprise, the United States shall impound and hold all income received from the operation thereof in trust for the payment of general operating expenses, just compensation to the owners as hereinafter provided in this subsection, and reimbursement to the United States for expenses incurred by the United States in the operation of the enterprise. Any income remaining shall be covered into the Treasury of the United States as miscellaneous receipts. In determining just compensation to the owners of the enterprise, due consideration shall be given to the fact that the United States took or continued possession of such enterprise when its operation had been interrupted by a stoppage of work or operations or that a stoppage of work or operations was imminent; to the fact that the United States would have returned such enterprise to its owners at any time when an agreement was reached settling the issues involved in such stoppage of work or operations; and to the value the use of such enterprise would have had to its owners in the light of the labor dispute prevailing, had they remained in possession during the period of Government operation: *Provided*, That any increase in wages or other compensation or any increase resulting from a change in the method of computing wages or other compensation which is agreed to retroactively for the period of Government operation or any portion of that period shall be deemed costs or expenses for such period.

"(e)(1) The President may appoint a compensation board to determine the amount to be paid as just compensation under this section to the owner of any enterprise of which possession is taken. For the purpose of any hearing or inquiry conducted by any such board the provisions relating to the conduct of hearings or inquiries by emergency boards as provided in section 207 are hereby made applicable to any such hearing or inquiry. The members of compensation boards shall be appointed and compensated in accordance with the provisions of section 207.

"(2) Upon appointing such compensation board the President shall make provision as may be necessary for stenographic, clerical, and other assistance and such facilities, services, and supplies as may be necessary to enable the compensation board to perform its functions.

"(3) The award of the compensation board shall be final and binding, unless within thirty days after the issuance of said award, a party moves to have the said award set aside or modified in the United States Court of Claims in accordance with the rules of said court.

"Sec. 211. Upon the issuance of a proclamation under section 206 with respect to any stoppage of work or operations, or any time thereafter, the President may direct the Attorney General to petition any district court, having jurisdiction of the parties, to enjoin such stoppage of work or operations, and if the court finds that the President has reasonable cause to believe that a national emergency is threatened or exists because a threatened or actual stoppage of work or operations may result or has resulted from a labor dispute (including the expiration of a collective bargaining agreement) in a vital industry or plant which seriously affects the security of the Nation, it shall have jurisdiction to enjoin such stoppage of work or operations, or the continuing thereof, and to make such other orders as may be appropriate. In granting such injunction or relief, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled 'An Act to amend the Judicial Code, to define and limit the jurisdiction of courts sitting in equity, and for other purposes,' approved March 23, 1932 (29 U.S.C. 101–115). Such injunction or order shall be dissolved (1) upon settlement of the dispute, (2) thirty days after the making of the report of an emergency board in any case where the procedures referred to in section 208(b) are not invoked, (3) upon issuance of an order of an emergency board in any case in which the provisions of section 208(b)(1) are invoked, (4) upon the relinquishment by the United States of possession of the property in any case in which the provisions of section 208(b)(2) are invoked, or (5) upon adoption of either House of Congress of a resolution referred to in section 208(b).

"Sec. 212. When a dispute arising under this title has been finally settled, the President shall submit to the Congress a full and comprehensive report of all the proceedings, together with such recommendations as he may see fit to make."

Sec. 2. (a) Section 10 of the Railway Labor Act, as amended, is repealed.

(b) Sections 211 and 212 of the Labor Management Relations Act, 1947, are renumbered as 213 and 214, respectively, and such renumbered section 214 is amended to read as follows:

"Sec. 214. The provisions of sections 201 through 205 of this title shall not be applicable with respect to any matter which is subject to the provisions of the Railway Labor Act, as amended from time to time."

Sec. 3. This Act shall become effective upon its enactment.

**Mr. MORSE.** Mr. President, I have a few more remarks to make, with the indulgence of the Senator from Louisiana.

I have withheld introducing the bill until this hour because I did not want the introduction of my bill to be used by anyone as a possible excuse in connection with a position he might take in the airline case. I introduce it now because the press reports are clear that the strike has been started. How extensive the strike will become, only time can tell. However, I read an AP dispatch which has just come over the wires:

> WASHINGTON.—A strike started and stopped on Trans World Airlines today as the Government submitted a new proposal aimed at settling a long controversy over jet plane cockpit jobs.
>
> Secretary of Labor Arthur J. Goldberg gave the proposal to TWA management and the Flight Engineers International Association at exactly the time (2 p.m. e.d.t.) the engineers had set to strike TWA's far-flung transcontinental and oversea operations.
>
> The offer came too late to stop some picketing at New York's Idlewild Airport and at TWA terminals at Kansas City and San Francisco. The pickets withdrew gradually, after 2 hours of parading at Idlewild. Some few flights were delayed.
>
> At Chicago, one engineer left a Boston-Los Angeles flight just before the strike postponement. The plane was delayed for 45 minutes before the engineer was located and returned to his job.
>
> The union pledged to Goldberg to withhold the strike temporarily pending consideration of the Government settlement plan. Its terms were not made public immediately, but it was believed to contain new job and union security pledges for the engineers.
>
> The small but strategic engineers union, with fewer than 2,000 members, has been feuding with the Air Line Pilots Association, with some 14,000 members, for several years for job rights aboard jet airliners. Both unions are affiliated with the AFL–CIO.
>
> Government boards recommended a cut in present four-man crews, consisting of three pilots and an engineer, to three-man crews, with two pilots and a combined pilot-engineer. This involved proposals that pilots train as engineers and engineers train as pilots.
>
> The argument has been over which union's members would bear the job-loss brunt. The engineers were reported ready to abandon a demand that the third man on the reduced crews continue to be a licensed mechanic. In exchange, the engineers were said to be insisting on greater job priority over pilots for the third-position posts.
>
> The engineers also were fighting to preserve their union as a labor organization, fearing that pilot training might lump them into the pilots union. The Government was reported ready, as President Kennedy has indicated, to guarantee the engineers their separate union bargaining status for the time being.

A later dispatch, timed 5:46 p.m., reads:

> At 5:30 p.m. e.d.t., Labor Secretary Goldberg told waiting newsmen he still had not received a reply from either TWA or the flight engineers on the settlement proposals.
>
> He said both sides had asked questions about the recommendations and received explanations.
>
> We are still awaiting replies, he said.

Mr. President, I have waited until this hour to introduce the bill, because I had been hopeful that the dispute would be settled by today. However, I believe the American people are entitled to have the bill introduced and hearings started on it, because it would be applicable not only to this dispute, if and when the bill is passed, but also to any disputes which might develop into a national emergency dispute.

I wish to make this comment concerning the procedure provided by the bill. I have already indicated that it provides for token seizure if the President, in his judgment, believes that such Government intervention is necessary. It provides for an injunction if the President, in his judgment, decides that such action is necessary. It provides for conciliation, and for arbitration if the President, in his judgment, decides that this procedure should be followed. But either the arbitration or takeover procedures, if proposed by the President, is subject to a veto by either House of Congress within 10 days after the proposal has been made. So there is a check upon the President. The bill places the responsibility clearly upon Congress as well as upon the President to see to it that there is carried out what I have heretofore described as the paramount obligation of the Government of this country to make certain that the public interest is protected in case of a national emergency dispute.

The terms of the settlement directed by the emergency board under the bill would remain effective for a period of time specified in the order of the board not to exceed 1 year. It could be less depending upon changes during the year through negotiations between the parties.

Some may say, as they have said in the past when a procedure of this kind has been suggested, that the bill provides for compulsory arbitration but, it really provides for maximum voluntarism. Provides for all the voluntary steps now provided for under Taft-Hartley and the Railway Labor Act, with some modifications in the bill concerning elapsed-time periods. It reduces the time period in some cases, but it keeps the door of voluntarism open continuously until either or both parties follow a course of action in which it will be necessary to reach an affirmative answer to the question of fact: Does the course of conduct of the parties involved in the dispute now so acutely jeopardize the national welfare that the ultimate steps in the bill must be taken?

Quite frankly, I say to labor and to management: "Give me that set of facts, and you lose, in my judgment, any right to place the economic interests of the partisans in the dispute above the welfare of the Nation as a whole. We will still keep the door of voluntarism open, but we will have to say to you, in the national interest, that for a limited period of time you, as law-abiding citizens, will have to conform to a resolution of the issues in dispute, offered in the public interest on the merits, by order of an impartial Presidentially appointed board. You can negotiate on a voluntary basis during the period of time the decree or settlement is in operation; but you must face up to the fact that the Government will not be stopped by a label in protecting the public interest."

Let me make it perfectly clear to labor and management that now, as in the past, I will not be prevented from protecting the public interest by any scarecrow argument labeled "compulsory arbitration." Labor and management can make the negotiations just as compulsory as their walkout on voluntarism dictates.

I have kept the bill in my own name, not because I would not welcome cosponsors but because of the heat of the issues, I do not propose to involve other Senators.

If compulsory resolution of the issues under the limited procedures of the bill is warranted, and the President decides the question should be so resolved, it will be made so only by an adamant, uncooperative attitude on the part of the parties to the dispute.

It may be said that the senior Senator from Oregon seeks to return labor to government by injunction. I do not have to defend my record in the field of labor relations in opposition to government by injunction. I yield to no one in my support of the principles of the Norris-LaGuardia Act. But sometimes it has been necessary to use injunctions to protect the public interest in national emergency disputes, both in time of war and in time of peace. Again I say to labor and management that if there is a finding of fact that the national welfare is jeopardized by an economic course of action on the part of any economic group in this country, be it a union or a management, then the public welfare must come first, and for a limited period of time, while a period of negotiation and relaxation passes—and I emphasize "relaxation" because it is very important in the whole field of labor controversies—the government, under a system of government by law, has a duty to use the procedures available to it to insure that we can avoid irreparable damage.

It will be cried by some who will seek to distort the bill that the Senator from Oregon proposes that the Government take over industry. They will ask, "What will happen to the private enterprise system if Congress vests in the Government the power to seize industry?" But, there is nothing new in the seizure proposal. It has been found necessary from time to time, in order to protect the public interest, to engage in token seizures. I suggest to those who ask such questions that they read the Morse bill. The bill makes it perfectly clear that the seizures are to be token seizures. It makes clear that the flag is raised above the industry struck. The bill makes it clear that for a period of 90 days or longer if Congress so directs, the workers will in fact be working for the flag, not for management per se, during which time the parties are enjoined to return to the principles of voluntarism which characterize our system of collective bargaining, mediation, conciliation, and voluntary arbitration.

In my judgment, I would be untrue to my trust, likewise I would be walking out on my knowledge and experience in the field of labor relations, if I were not willing at this hour to make this proposal. I make it in the best interests of labor and management. In my judgment, I make it in the best interests of the welfare of my country, because, considering the difficult times ahead, I think the time is long overdue for us to put on the statute books an emergency dispute law which we know will work. If we do so, we will not be confronted, as we have been confronted time and time again, since 1947, when Congress passed the Taft-Hartley law, with an inadequate national emergency dispute statute; we will not be confronted with a dispute in which we discover, after the periods of time provided for in the Taft-Hartley emergency disputes section or under the Railroad Labor Act of 1926, that we have no effective procedures left.

The President of the United States is living in that hour tonight.

The fact is that at this hour we do not have on the statute books any procedure under law which would be applicable to the flight engineers' case if they carry out strike plans and the effect of the strike is bound to endanger the economy and the welfare of this country. I believe we owe it to the President and to the people of the United States to proceed impartially and impersonally to enact legislation that will meet the need.

I introduce the bill in that spirit; and I wish to say that the dispute of the flight engineers only happened to be the issue which made clear to me that the time had come for me once again to take the floor of the Senate to urge the Congress to enact an effective emergency-dispute bill.

As I close, I repeat that I am not wedded to the bill. I welcome improvements of the bill; and I welcome suggestions by labor and by management, if they are constructive and if the purpose is to seek to improve the bill.

I also wish to say to labor and to management that I shall oppose any attempt by the spokesmen for either side to scuttle the objectives of the bill, for the objectives of the bill are called for under a system of government by law.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3443) to amend title II of the Labor Management Relations Act, 1947, with respect to the settlement of labor disputes resulting in national emergencies, introduced by Mr. Morse, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

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## REVISION OF FORMULA FOR APPORTIONING CASH ASSISTANCE FUNDS UNDER NATIONAL SCHOOL LUNCH ACT—STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, this morning the Senate Committee on Agriculture and Forestry, in open hearings, gave consideration to H.R. 11665 and S. 2442, bills to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. Because of the great interest in this legislation of Oregonians, particularly those who are concerned with administering this popular school lunch program, I presented to the committee a statement in support of the legislation.

Under the recommendations of the Department of Agriculture, if they are adopted through enactment of this legislation, Oregon's share from the cash assistance funds, which are currently $98.6 million, would rise from $893,000 to $916,000 in the first year of the transitional period.

Of course, together with many other Senators, I very much hope that the appropriated amounts for the national cash assistance fund can be materially increased in the years ahead.

Mr. President, I ask unanimous consent that my brief statement for the committee be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### Statement by Senator Morse on H.R. 11665 and S. 2442, Bills To Revise the Formula for Apportioning Cash Assistance Funds Among the States Under the National School Lunch Act, Presented to the Senate Committee on Agriculture and Forestry

Mr. Chairman and members of the committee, I come before you to urge that favorable consideration be given H.R. 11665 and S. 2442. I have received word from school authorities all over my State, including the Ashland Public Schools, the Portland Public Schools, the Parkrose Public Schools, the Bandon Public Schools, my own hometown of Eugene, Oreg., the Milton-Freewater Public School System, the Redmond (Oreg.) Public School System and the Crook County School District, all of which support the funds reallocation provided for in the legislation.

Nor has this support from my State been confined to public school officials. Many citizens from all parts of my State, as individuals and as members of farm organizations have likewise strongly urged passage of this legislation.

Senator Dwight Hopkins of the Oregon State Legislature from Imbler, Oreg., for example, has urged that favorable consideration be given to this important change in our school lunch program.

No opposition to the bills had been received by my office. In view of this unanimity of support, it is my hope that the committee will report a measure favorably.

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## USE OF ELECTRICITY IN MAINTENANCE OF ASTORIA, OREG., RESERVE FLEET

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the Congressional Record an article from the June issue of the Northwest Ruralite. It describes the important part electricity plays in the maintenance of the Astoria Reserve Fleet near Astoria, Oreg.

There being no objection, the article was ordered to be printed in the Record, as follows:

### At Ready—West Oregon Electric Helps Keep One of Uncle Sam's Noncombat Reserve Fleets Prepared for Emergencies

Some 165 merchant vessels and naval auxiliaries lie quietly at anchor in Cathlamet Bay on the Columbia River, 3 miles east of Astoria, Oreg.

This is the Astoria Reserve Fleet, one of seven strategically located noncombatant ship pools held in readiness by the U.S. Department of Commerce Maritime Administration. These are the vessels available on short notice to carry the boys, the bullets, the bacon if our Nation's safety should require.

West Oregon Electric Cooperative of Vernonia, Oreg., provides electric service to the Astoria Reserve Fleet basin. And electric power is an important factor in maintaining these big ships in good order. In past emergencies, Uncle Sam has paid heavily in lack of preparation for the grim business of war and defense, including cargo bottoms to haul men and material. But after World War II a policy of readiness was adopted for the merchant fleet, and in 1946, the first vessels of the Astoria Reserve dropped anchor in the Columbia.

Actually, the fleet is not static. As E. T. Joste of the Portland office of the Maritime Administration expresses it, "The Reserve Fleet is like a grain terminal, which receives raw grain and sorts it out for bread flour and stock feed and all the other uses. The Reserve Fleet receives ships and sorts them out for scrap, for preservation, for reconditioning—it's sort of a sifting-down process."

Under an exchange program, private companies can turn in old vessels to the fleet and receive credit on the construction of new ships at private shipyards. The Reserve Fleet even has "thirdhand" ships traded in on "secondhand" models, said Mr. Joste.

And one of the most interesting—and practical—uses of those big boats riding quietly on the Columbia is for grain storage. The even temperature of the water provides for better storage than a conventional grain silo we were told—28 of the ships had wheat in their holds, from the Government wheat program, the day of Ruralite's visit, with 7 others waiting. At the height of the program in 1955, 110 of these ships served as floating grain bins.

"The Maritime Administration Reserve Fleet is not a graveyard fleet," explains a mimeographed leaflet given visitors at the Administration office. "Far from it. The ships you see here have been decommissioned and preserved but not neglected. Most of the ships you see here were built at a cost of between $1½ to $10 million each. They are being maintained at an annual cost of only $1,900 each and are scrapped when they become obsolete in purpose."

When a ship is nosed into line at the fleet basin for reconditioning, it gets a thorough going over. Rust is knocked off with a high-pressure water jet blast. A special nondrying grey-pigment preservative paint is applied. The original red oxide paint was abandoned because too many visitors thought it was rust. The ship's mechanism is conditioned for its standby status, but the machinery is turned over on a regular schedule to avoid its setting from lack of use.

There is little problem of marine growth to worry about, but below-water hulls are protected from ordinary electrolytic action by what fleet technicians call cathodic-electric treatment. Electric current passes through large carbon anodes suspended under each vessel, to counteract the rusting or decomposing action which would ordinarily pit the ship below waterline.

Already the Maritime Administration's standby Navy has been called upon to rush to the breach. "During the Korean war," Mr. Joste told Ruralite, "the 8 fleets then in reserve furnished 560 ships on short notice. The Astoria Fleet provided its share of these. To my memory, these fleets, located on all three seaboards, have answered the call to six different national emergencies since the end of World War II."

In fact, the motto of the Astoria Reserve Fleet and its six sister standby flotillas might well be just that—"Stand by for emergencies."

## ADDITIONAL BILL INTRODUCED

Mr. MORSE, by unanimous consent, introduced a bill (S. 3442) to amend title II of the Labor Management Relations Act, 1947, with respect to the settlement of labor disputes resulting in national emergencies, which was read twice by its title, and referred to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

## ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, if no other Senator wishes to speak, I move that, under the previous order, the Senate adjourn until tomorrow.

The motion was agreed to; and (at 7 o'clock and 18 minutes p.m.), under the previous order, the Senate adjourned until tomorrow, Wednesday, June 20, 1962, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate June 19, 1962:

### FEDERAL POWER COMMISSION

Harold C. Woodward, of Illinois, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1967. (Reappointment.)

### COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

*To be ensigns*

Ned Colden Austin
Richard James DeRycke

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

*To be lieutenant (junior grade)*

Daniel F. Leary

*To be ensigns*

Stephen Z. Bezuk
David G. Hickerson
Gerald W. Hohmann
Richard H. Albritton
Frank H. Branca
Richard A. Rader
Stanley J. Ruden
William L. Newton III
Edward R. Dohrman
Christopher E. Krusa
Kenneth B. Young
Richard P. Williamson
Allan Jenks
Alfred W. Cecil
James J. Lium
Bruce L. McCartney
Larry L. Lewis
James F. Reeve
Michael J. Pazuchanics

### PUBLIC HEALTH SERVICE

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

*To be senior assistant surgeons*

James Christensen
Robert E. Anderson
William L. Kissick
Bernard L. Albert
Fritz R. Dixon
Theodor S. Kaufman
Theodor Kolobow
John L. Buckingham

*To be assistant surgeon*

Richard E. Mansfield

# EXTENSIONS OF REMARKS

## Needed: Greater Consumption of Dairy Foods

EXTENSION OF REMARKS
OF
## HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
*Tuesday, June 19, 1962*

Mr. WILEY. Mr. President, currently, the Nation is observing its 26th annual June Dairy Month.

The purpose is to increase the consumption of nutritional health-giving dairy food.

This, I believe, is necessary, not only for the economic health of the dairy industry—a vitally important segment of agriculture—but also for the health of the American people.

In a weekend address over Wisconsin radio stations, I was privileged to outline some suggestions for increasing consumption of dairy foods.

I ask unanimous consent to have excerpts of the address printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

This marks the 26th anniversary of nationwide efforts during June Dairy Month to salute—and improve the economic outlook for—the dairy industry.

Throughout the ages, milk has been a symbol of the good life. In the book of Exodus, for example, there is reference to Moses' role in leading the people to a "land flowing with milk and honey."

Today, farming is the biggest business in the United States. If all milk produced within the continental United States were gathered together, it would make a river 40 feet wide, 3 feet deep and 3,500 miles long. Agriculture—and related industries called agri-business—provide jobs for more than one-third of all the workers in the country, including 6 million workers on farms; 7 million producing for, or serving, farmers, and 11 million processing or distributing farm products.

The farmer, too, is a significant consumer of other products, buying: 5 percent of all U.S. electricity; 9 percent of the rubber; 10 percent of the steel; 13 percent of the petroleum; and using more tractors and trucks than any other industry.

Wisconsin—as the No. 1 milk-producing State in the Nation—with an output of about 18 billion pounds annually, has a special interest in telling the dairy story.

Why? To find consumers and to create markets for our milk, cheese, butter, ice cream, and other high-quality dairy foods at home, and elsewhere in the world.

According to a consumers' survey, milk and milk products provide 28 percent of our food nutrients for only 19 percent of each food dollar. From dairy foods, the American family obtains 23 to 26 percent of their calories; 40 to 45 percent of their protein; 75 to 84 percent of their calcium; 35 to 39 percent of their vitamin A.

Dairy foods, healthwise, and economically, then, are a good investment for the American family.

Now, what can we, as citizens, do to promote consumption of dairy foods? Constructive actions, I believe, could well include: (1) undertaking a more effective campaign to sell the dairy food message to more people; (2) expanding milk consumption in schools, youth centers, milk bars and as a nutritional pickup—in more public places; (3) promoting milk breaks for working people; (4) discouraging policies that undermine public confidence in dairy foods—such as: too-exclusive utilization of milk as a measuring stick for strontium-90; overstating the cholesterol case; or attempts to exclude dairy foods from the daily fare of diet-conscious America; and (5) better educating the American family to the nutritional value of dairy foods for snacks and mealtimes, as essential to our health.

Although dairy promotional activities are highlighted during June Dairy Month, the theme "Every Day Is Dairy Day" should be emphasized all year round.

## The Deportation of the People of the Baltic States

EXTENSION OF REMARKS

OF

## HON. CHARLES A. BUCKLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 19, 1962*

Mr. BUCKLEY. Mr. Speaker, one of the great tragedies of our age has been the loss of freedom that has ensued throughout the world as the insidious forces of Red communism have moved forward in their attempt to dominate our civilization as we know it today. This is underlined most clearly when we turn our attention to the once free states of the Balkan area—Latvia, Lithuania, and Estonia. The people of these three liberty-loving nations enjoyed but a short period of the rights of self-determination before they were engulfed in 1940 by the Soviet Union. During the two decades between the First and Second World Wars their independence, spirit, and their example of democracy stood out like a sore thumb in comparison to the reign of terror and dictatorship that existed in their giant neighbor to the East. The Soviets were determined to extinguish this flame on their border and moved in 1940 to occupy these nations. Not content with mere occupation, they began on June 14, 1941, to move by mass deportations the citizens of these three Baltic States—Latvia, Lithuania, and Estonia. The deportation of thousands of these innocent people is not only a blot on the civilized history of our time but it is an indictment of the communistic system as it exists today. Nowhere or in no manner can communism compete with freedom as such. When the Communists found that they could not sell their vicious system to the people of these three nations they determined to move out any and all that stood in their path. This is what happened on June 14, 1941. These people were submitted to unspeakable horrors in Siberia, prisons and slave labor camps. Thousands of them have perished, no doubt, and those that do live on exist in the twilight world of the Communist horror. On this 21st anniversary of the deportation our hearts go out in sympathy to the people of these nations. It is our fervent wish that one day when freedom once again lives within Latvia, Lithuania, and Estonia these people will find the way to return to the democracy they so long have sought.

## Facts on Communist Propaganda, II—Volume of Communist Propaganda

EXTENSION OF REMARKS

OF

## HON. GLENN CUNNINGHAM

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 19, 1962*

Mr. CUNNINGHAM. Mr. Speaker, part I of this series explained the Universal Postal Union and Communist use of this agreement. Part II gives some basic information on the volume of Communist propaganda:

VOLUME OF COMMUNIST PROPAGANDA

No one in this country, in or out of Government, knows how huge the inflow of Communist propaganda material is.

Some attempt has been made to estimate known shipments of such material through the international mails. There are some 50 ports of entry in this country plus about 100 subports where international mail is received.

Of these 150 locations, there is a check made of incoming Communist political propaganda by the Customs Bureau in only three ports—New York, New Orleans, and San Francisco. Information received by the House Postal Operations Subcommittee clearly indicates that these three checkpoint control units do not have sufficient personnel to do a thorough inspection.

Virtually no inspection is made at the other 147 ports and subports.

In testimony before the House Un-American Activities Committee, Customs Bureau officials have given the figures below as their estimates of the volume of Communist propaganda entering the country through the three ports where Bureau personnel are assigned to inspect incoming mail shipments from Communist bloc countries only: 1958, 4,897,000 packages; 1959, 6 million packages, 10 million items; 1960, 14 million packages, 21 million items.

These figures reflect only the amount received at three ports from Communist countries. Not included:

1. Material coming through the mail at the other 147 ports.

2. Material shipped into this country by freight or air freight, such as that which came from Cuba.

3. Material from Communist Party organizations and Communist-front groups in the free world. This equals the amount of material from Communist countries, according to Customs Bureau estimates.

Additional testimony from Mr. Irving Fishman, Deputy Director of Customs assigned to the port of New York, when he appeared before the Un-American Activities Committee on May 12, 1960, is pertinent. In citing figures used above he said:

"These figures do not include redefection material which is received via first-class mail. It has been estimated that * * * the port of New York alone (receives) * * * approximately 1,500,000 (pieces) a year of this latter type of material. This material is printed in Russian, Byelorussian, Georgian, Ukrainian, Estonian, Latvian, Lithuanian, and Rumanian."

Subsequently he also made these comments: "* * * first-class mail is not subject to examination. * * * We do not have access to diplomatic mail."

When asked if the Customs Bureau has "access to Communist propaganda which comes in bulk shipments for redistribution to dissemination points which, in turn, distribute the material outside the United States," Fishman replied: "No; we have no control over that either."

He also said: "* * * agents who are registered with the Department of Justice * * * may, of course, bring in tons of it without any control by any Government agency."

Fishman also spoke of the "issue of how to control Communist propaganda materials coming from friendly countries." He was asked: "We have virtually no surveillance over that?"

"No."

This is sufficient to show that even Customs Bureau figures are woefully inadequate to reflect the total amount of Communist propaganda entering this country from behind the Iron Curtain and from Communist Party organizations and Communist-front groups in the free world.

Fishman also said at these hearings: "We have some general idea of how the material is directed. It is directed, of course, primarily and principally to people who have their heritage in the countries now under Communist domination and control. It is directed to colleges, universities, and secondary schools, to every organization associated with these schools. * * * For the most part, this material is unsolicited."

Could there be 10 million, 25 million, 50 million items coming in, in a month, every 3 months, during a 12-month period? Nobody knows and there is no way of finding out.

## Salute to RKO

EXTENSION OF REMARKS

OF

## HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 19, 1962*

Mr. THOMPSON of New Jersey. Mr. Speaker, the RKO theaters, one of the leading coast-to-coast circuits in the country, is this year celebrating its 75th anniversary.

Seventy-five years in history is a moment, in business a goodly span, but in theaters it is a tradition. From the time the first B. F. Keith theater opened in Boston and the first Orpheum theater opened in San Francisco, the tradition has burgeoned, and through the years has grown, embracing in its growth every forward step in the development of American entertainment. First, there was the famous B. F. Keith vaudeville, "The Big Time." This was joined with the Orpheum circuit, and the day came when a vaudeville act could be assured of 2 years of solid bookings, playing the entire circuit and affiliated theaters. Eventually, to this was added the newfangled "flicker." Edison's novelty grew to be a giant and the RKO circuit was in the forefront of bringing film entertainment to the millions.

During the two World Wars, RKO was among the leaders in the sale of liberty bonds, war bonds, recruiting drives, and other war activities.

Despite the inroads of other entertainment mediums, from the first radio broadcast to TV, RKO has constantly maintained their theaters as bright showcases for Hollywood's and the world's film studios' finest productions and have always been made available as centers of community activities.

I salute this leading theater circuit for its splendid tradition of "bringing the best available entertainment to the public, in comfortable surroundings"—a credo set down by its founders 75 years ago.

## Increased Pay for Postal Employees While Assigned to Higher Salary Level Duties

EXTENSION OF REMARKS

OF

### HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 19, 1962*

Mr. LANE. Mr. Speaker, H.R. 10265 will clarify a misinterpretation of the law governing payments at an increased basic salary rate, to those postal employees assigned to duties and responsibilities of higher salary levels. It also will validate payments made for higher level service prior to February 17, 1962, caused by this misunderstanding. Otherwise, employees paid under the Post Office Department's regulation would have to pay back these amounts, causing considerable hardship for them.

What caused the situation that now requires correction through enactment of H.R. 10265? The provisions of the Postal Field Service Compensation Act of 1955 (39 U.S.C. 3335b), permits the Postmaster General to assign a postal service employee to higher level service and provides that, if such employee is assigned for more than 30 days in a calendar year to such higher level service, the Postmaster General shall pay the higher level compensation for the period of the assignment in excess of 30 days.

The Post Office Department interpreted and applied the latter provision through a postal regulation—Postal Manual, sec. 756.542, 4b, as amended, and effective on October 7, 1960—in the following language:

> An employee who has once established eligibility for higher level compensation is not required to requalify year after year. So long as he received compensation in the preceding calendar year for service in a level above the current level of his position, he shall be paid for all higher level service performed in the then current calendar year.

However, the Comptroller General of the United States declares that:

> We are of the opinion that the clear language of the statute requires that a postal employee must perform 30 days of higher level service each calendar year before he is entitled to higher level pay for the days in excess thereof.

Stating that the postal regulation was invalid, the Comptroller General advised that:

> Prompt steps should be taken to revise that section to conform herewith.

This letter to the Postmaster General was dated February 1, 1962.

The Post Office Department complied with that decision and issued an order on March 8, 1962, suspending payment of compensation for performance of higher level service performed on and after February 17, 1962, except in cases where the employees have completed 30 days of higher level service during calendar year 1962.

This bill will give the Postmaster General authority to waive the requirement relating to a minimum of 30 days higher level service in each calendar year and will permit him to pay the higher level compensation for those first 30 days of a calendar year if he so desires. The bill also validates the payments already made and which would have been authorized had this bill been in effect when the service was performed.

As amended by the committee, the legislation will become effective on February 17, 1962, and thus fill the gap between that date and the date of enactment during which higher level compensation was paid only for higher level service in excess of the 30-day minimum. The remaining provisions of the amendment relate to payments for higher level service performed during the period February 17, 1962, to the date of enactment, by employees who are on the rolls on the date of enactment, or who have entered the Armed Forces, or retired, or to survivors of such employees.

This bill corrects a misunderstanding, and in a way that will hurt no one. It recognizes the right of postal employees who are temporarily assigned to positions of higher responsibility, to be paid accordingly.

## A Postage Stamp To Commemorate the Beginning of Humane Treatment of the Mentally Ill in the United States

EXTENSION OF REMARKS

OF

### HON. WILLIAM J. GREEN, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 19, 1962*

Mr. GREEN of Pennsylvania. Mr. Speaker, I rise for the purpose of introducing a bill authorizing and directing the Postmaster General to issue a special postage stamp commemorating the beginning of humane treatment for the mentally ill in the United States.

This came about in the founding and establishment of the first mental institution dedicated to this noble purpose—the Friends Hospital in Philadelphia, Pa. founded in 1813—and which celebrates its 150th anniversary next year, 1963.

Mental and emotional illness, together with related psychiatric disorders, are strange, frightening and bewildering, not only to the patient but to the loved ones who are responsible for providing him with the necessary care and treatment. In 1813 the Religious Society of Friends, the tolerant and compassionate Quakers of Philadelphia, were the first organized group in America to realize that one who suffered the loss of mental reasoning was not a person to be feared, despised, and treated as a social outcast, to be hidden away from all further contact with normal everyday life. They decided to do something about it.

It is stated in the first paragraph of the Friends' founding constitution, in part:

> Desirous to provide for the suitable accommodation of that afflicted class of those with us who are, or may be deprived of the use of their reason, as well as for the relief of their families and friends, have associated for the purpose of establishing an asylum for their reception which is intended to furnish, beside the requisite medical aid, such tender, sympathetic attention and religious oversight as may soothe their agitated minds and thereby, under the divine blessing, facilitate their restoration to the enjoyment of this inestimable gift.

Thus, under these guiding principles, which have remained in effect and in practice over the many years, the Friends Hospital was founded almost 150 years ago. While originally founded for the Friends, it was only a few years until mentally ill of all denominations were admitted. It would be difficult to estimate just how many have walked from within those portals over the many years, restored to normalcy and reunited with loved ones, to search for the lost threads in their life.

Friends Hospital is a nonprofit institution located off the south drives of bustling Roosevelt Boulevard which carries heavy traffic to the cities of New York and nearby New Jersey.

By comparison, within the boundaries of the hospital grounds is laid a peaceful scene which gives one the feeling of suddenly being transplanted from a busy city to the serenity and beauty of the country.

In passing between the large stone columns, minus the usual institutional iron gates, you emerge upon a long winding shady drive lined with stately leafy trees towering above, and beckoning as if a welcoming committee.

The spacious and well-kept grounds abound with expansive green lawn, trim shrubbery, the blooming greenhouses, and the restful shady covering of the many fine trees. These surroundings could do no other than make a distinct contribution to the peace and welfare of the mental patient residing temporarily therein. It is assuredly one of the principal factors responsible for the recovery percentage which makes Friends Hospital outstanding in its field of endeavor.

We could do well to recognize the benevolence and foresight of medical pioneering by the Quakers of 1813, and the significant contributions of those who followed the dedicated cause of alleviating the problems of mental illness.

For this, we owe a debt of gratitude, and I, therefore, urge that the entrusted committee and the membership of this

House support the legislative measure for the issuance of a commemorative stamp to honor the Friends Hospital in the 150th anniversary year of its founding.

## Amending Federal Power Act

EXTENSION OF REMARKS

OF

### HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 19, 1962*

Mr. MOSS. Mr. Speaker, yesterday I introduced a bill, H.R. 12181, which would amend the Federal Power Act to require obtaining a certificate of public convenience and necessity from the Federal Power Commission as a condition to constructing, extending, operating, or maintaining any facilities for transmitting electric energy in interstate commerce at normal voltages in excess of 230,000 volts.

In recent years there have been great developments in the techniques of transmitting electric power. Until recently, the largest economic transmission distance was from 200 to 400 miles at maximum voltages of 230,000 volts. For several years there have been lines operating in Europe and in Russia at greater distances and higher voltages. The Interior Department's task force which recently studied the possibility of an intertie between the Pacific Northwest and the Pacific Southwest has pointed out that electricity can now be economically transmitted for more than 1,000 miles at 750,000 volts.

The construction of such lines would have a tremendous impact upon the power utilization and economic growth of our country. Experiments on extra-high voltage transmission are already being conducted in the United States, and it has recently been announced that such a line will be built in northern California and southern Oregon to interconnect the systems of the Pacific Power & Light Co. and the Pacific Gas & Electric Co. Recently, the Federal Power Commission, by a split vote, ruled that the present terms of the Federal Power Act do not authorize the Commission to determine whether such extra-high voltage lines are compatible with the public interest, convenience, and necessity.

The tremendous economic impact resulting from operation of such extra-high voltage lines demand regulation by the Federal Power Commission. My bill, therefore, provides that a certificate of public convenience and necessity must be obtained from the Federal Power Commission before any person may construct, extend, operate, or maintain any facilities for transmitting electric energy at normal voltages in excess of 230,000 volts. Anyone who, at the time this bill is enacted, is already then engaged in the transmission of electric energy at a normal voltage in excess of 230,000 volts will automatically receive such a certificate if he files an application for it within 90 days. My proposal will authorize the Commission to require all applicants, except those who already have existing extra-high voltage lines in operation at the time the bill is enacted, to show that their operations are required by present or future public convenience and necessity, and to observe such reasonable terms and conditions as the Federal Power Commission requires for the public convenience and necessity. In addition, no public utility would be permitted to abandon or curtail such extra-high voltage transmission operation unless the Commission finds that such abandonment or curtailment would be consistent with the public interest and then grants permission for such abandonment or curtailment. The abandonment provision in my bill is identical with the provision in S. 1607 which was approved by the Senate on August 14, 1961, and which is also included in section 5 of H.R. 10865 and its companion bill S. 2882, both of which are now pending in this Congress.

I also want to point out that the word "person" in the bill would, in view of sections 3(3), 3(4), 3(7), 201(e), and 201(f) of the Federal Power Act, apply only to "public utilities" as defined in the Federal Power Act and would not include Federal and State agencies.

## Education on U.S. National Goals

EXTENSION OF REMARKS

OF

### HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

*Tuesday, June 19, 1962*

Mr. WILEY. Mr. President, in recent years, special efforts have been made to redefine and crystallize our national purpose.

Former President Eisenhower, for example, appointed a Special Commission on National Goals. In 1960, the Commission completed its study, containing highly significant observations and evaluations of our national life.

Unfortunately, the study—until now—has served mostly for armchair conversation.

Personally, I feel there is a great need for an effort to imbue in our people a greater sensitivity and understanding of our national purpose.

In a weekend broadcast over Wisconsin radio stations, I was privileged to make some suggestions on how this could be accomplished.

I ask unanimous consent to have excerpts of my talk printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Our country to attain its highest destiny must imbue in its citizens a greater realization of, and dedication to attaining, essential national goals for the future.

Unless this is done, we, as a people, may fail to: (1) Fully utilize, benefit from, and preserve for posterity this great blessed land of freedom; and (2) compete less successfully than would otherwise be possible against communism (dedicated to burying us).

In 1776 our forefathers created a new nation—"conceived in liberty"—dedicated to establishing and preserving maximum freedom for all the people. Upon such a heritage, we have grown, and progressed, to become the greatest country in the world.

In national crises including two world wars we have defended the ramparts of freedom.

Today, however, our system is challenged by a more powerful enemy than ever before in history: communism.

As a free people possessing a superior system, resources, and ideals I am confident that we can win over communism.

Victory can, however, ultimately and more rapidly be attained if we, as citizens, become imbued with a clearer concept of national objectives.

Recognizing the need, former President Eisenhower appointed a Special Commission on National Goals. Completed in 1960, the Commission's study provides invaluable observations and evaluations of major features of our national life.

Unfortunately, however, the study—until now—has served mostly for armchair conversations. As yet, there has been too little effort to translate the recommendations into the daily life of our people and Nation.

In view of: (1) The challenge to our citizens, individually, resulting from the fast-changing, rapidly paced times; and (2) the challenge to our system posed by communism; there is, I believe, an urgent need for greater public education on national goals.

How can this be done? By the following steps:

1. Our school system can, and should, provide required studies on national goals, to instill in youth—the leaders of tomorrow—a clearer sense of direction and purpose.
2. For adult education, in and out of school, greater effort also is needed to promote public understanding of national objectives; and
3. U.S. information media, including publications, radio, and television, too, have a responsibility for furthering understanding of, and ideas for attaining, goals essential for progress and security.

Overall, the Nation, I believe, could benefit tremendously from a renewed national effort to define, establish and dedicate itself to attaining those goals (in agriculture, education, economic progress, human well-being and security) essential for achieving our highest destiny.

## Aid to Israel

EXTENSION OF REMARKS

OF

### HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 19, 1962*

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address I made before the Mizrachi Women's Organization of America at their annual donor luncheon, held at the Waldorf Astoria Hotel, New York City, Thursday, June 14, 1962.

The text of my statement follows:

AID TO ISRAEL

I have drawn upon 40 years of experience in the service of my country to learn that the key to understanding lies in two words, "historical perspective". And what is "historical perspective"? It is the unbroken conversation among the past, the present, and the future. What pleases me about talking to you today is how you, the Mizrachi Women of America, understand this too.

When you say, "It takes faith to build a land; it takes faith to build a person," you are in effect putting into practice the "historical perspective". You draw upon the heritage of the past and the opportunities of the present to assure the future.

Another word for it is "vision." Thirty-five years ago, you dreamed a dream of a homeland for the Jews, and it came to pass and, today, drawing upon the strength of our ancient faith, you give dignity to those who once were outcasts, confidence to those who once despaired, provide schools, community and religious centers, libraries, vocational training for the young girls and women of Israel.

I know that in the beginning of the year of 1961, ground was broken, to cite one example, in Beersheba, for a vocational school. In your wisdom, you chose the very gateway to the Negev, that arid, neglected and scorned land for thousands of years upon which today the future of Israel depends if it is to grow and prosper and absorb its growing populations and their needs. You have taken young girls from Iraq and Iran and Morocco and worked to integrate them into a new culture so that with others they will have the capabilities to build the nation. This is "historical perspective." That is why I know you will understand when I use this term in connection with the political, economic and social development of the State of Israel itself.

On May 9, 1962, just a little over a month ago, I had the honor to present to the House of Representatives a statement on Israel. This significant statement so met with approval that 232 Members of the House of Representatives joined with me, more than a majority, in endorsing the statement. I want you to hear it because it is of the utmost significance in the pursuit of our U.S. foreign policy that you and the members of our administration, responsible for the conduct of foreign affairs, understand it and absorb it:

"Israel's 14th anniversary will be hailed by the American people who favored the reestablishment of an independent Jewish Commonwealth and who have rejoiced at the progress the people of Israel have made to utilize their independence for human advancement; to rehabilitate their land; to provide sanctuary for more than a million refugees and immigrants; to develop their economy; to cultivate their arts and sciences; to revive their civilization and culture; to cooperate constructively in the international community.

"The interest and support which America has extended in these inspiring developments will continue, even as America extends its help to the independence and freedom of all countries in the Middle East and elsewhere.

"On this occasion, however, we are mindful that the people of Israel are still denied the blessings of peace and that they must continue to adjust themselves to a state of belligerence on the part of their neighbors. This Arab war against Israel is unique. The United Nations Charter outlaws war. Yet here in the Middle East, in unprecedented defiance of the charter, belligerence is carried on without challenge, intervention or rebuke by the international community.

"The continuation of this hostile policy, resulting in heavy armaments, boycott, blockade, threat of destruction and border incidents, is a costly burden for all the people of the Middle East and an obstruction to their economic progress and development and to regional cooperation.

"And it spells danger, not only to the Arabs and Israelis, but to world peace, because in our world today any local conflict may spread into general and widespread hostility.

"We believe that the issues which divide Israel and the Arab States must be resolved in the spirit and the service of peace. This can only be done if the leaders of Israel and the Arab nations agree to meet honorably in recognition of their mutual right to free existence in peace. There is no effective alternative.

"Progress on border disputes, on economic development, on refugee resettlement, on disarmament, can best be promoted within the broad context of mutual acceptance of peace as an overriding duty and purpose.

"An Arab-Israel peace has too long been delayed and denied. As the leader of the free world, the United States should be in the vanguard of world opinion in pressing for an Arab-Israel peace. We have a duty to protest against the maintenance of belligerence, hostility, and threat as national policies and attitudes.

"We trust that the administration will pursue a policy, both within and without the United Nations, which firmly rejects all forms of aggression and which will make it clear to all governments in the Middle East that we do not condone war and that we persist in the search for peace as the major goal of American policy in the region."

You will note that this statement is in low key. There is solid reason for that because I have found that more often the quiet, unadvertised diplomacy and negotiations produce greater results than the overreaching screech of an ill-tuned saxophone. Much political capital has been sought by extravagant charges against the administration. If the problems of Israel anent the Arab world are to be solved, they never will be resolved in the cross-political arena. Mistakes have been made by this administration as well as those of the past since Israel was proclaimed a state in 1948. Yet, I have also found that each administration, when new, needs to be educated to the facts of life in the Middle East and that it invariably readjusts its perspective as it learns more and more of the complexities in that area of the world.

Certainly it was a mistake for the United States to support the censure of Israel over Syria. It was conceived and born in fear, fear of losing the support of the Arab nations for the West. Now we find that this is an illusion as other administrations have found that Arab unity and Arab constancy are illusions.

The bill of particulars:

Item: Only last week Iraq withdrew its Ambassador to the United States because we recognized Kuwait which Iraq claims as its own, even though Iraq was the first of the Arab nations to accept our arms, $50 million worth of it.

Item: The United States invested great hopes and millions of dollars in Saudi Arabia. Now the agreement which permitted us to use the base at Dhaharan for the use of the U.S. Air Force was terminated on April 2, 1962, this despite the fact that the size of our aid to Saudi Arabia amounted to more than $100 million. We even permitted Saudi Arabia to bar American soldiers from an American base if they were of Jewish faith.

Item: The Arab leaders are unwilling to consider the moderate proposals put forward by Dr. Joseph E. Johnson of the Palestine Conciliation Commission. The proposals are not very demanding. They call for a unsupervised plebiscite among the refugees to determine the number who prefer repatriation and those who prefer compensation, repatriation to Israel of approximately 20,000 refugees on a trial basis, payment of compensation to landlords and to individual refugees whether or not they own property. But the Johnson proposals were rejected because the suggestion to repatriate 20,000 refugees to Israel implied recognition of Israel.

Item: The ex-Mufti of Jerusalem, one of the worst of war criminals, unwhipped of justice, now lives in Beirut, lavishly financed by King Saud of Saudi Arabia and Premier Kassem of Iraq. He is one of the greatest influences among the Arab nations and through his constant propaganda and touring of Arab nations, consolidates hatred against Israel and permits of no compromise of that hatred. Neither he nor the Arab countries will permit any solution of the Arab refugee problem which has served them so well politically. The Arab refugees are their showcase against Israel and has been used to impress the uninformed with the enormity of their expatriation.

Item: Our aid to Nasser. Such economic aid as we give to Egypt is being siphoned off by Egypt herself for a military arsenal from Moscow. Egypt put approximately $68 million into Soviet military equipment in 1961. The figure will go to $85 million in 1962. A total of $145 million will be spent for modern, complicated Soviet weapons to be delivered during the next 2 years. All of this is in addition to Soviet arms delivered to Egypt before 1960, including 60 or more IL–14's now used as transport planes, a large number of the now obsolescent Mig–15's and a huge amount of Soviet medium and small tanks, heavy artillery, recoilless guns, small-arms ammunition, and electronic equipment. As a result of these Soviet deliveries, Nasser has announced he is doubling the number of army divisions from three to six, two of which will apparently be armored divisions.

Lest there be misunderstanding, let me make it clear at once that the United States was the first to recognize the future of Israel and, since 1951, has given aid to Israel in grants, loans and surplus foods totaling some $850 million which is, on a per capita basis, more money than any other country has received. But there are reasons for this. Foremost, is Israel's ability to absorb aid, to put it to the best of possible uses, so successfully that, today, Israel no longer needs the point 4 program. No other country in that area has used the grants and the loans to develop its resources as has Israel and returned value for value for every cent given. The rate of progress has been tremendous. These are the words of William S. Gaud, AID's Assistant Administrator for the Near East:

"If the citizens of other countries in that part of the world would show the same enthusiasm and pull their breeches up and do as much to develop their countries as the Israelis have done, we would be prepared to help them. Now we talk a lot about self-help. If there was ever a classic example of self-help, it is what Israel has done in that area."

He also added that the rate of progress in Israel had been "extremely high, by far the best in the region, and among the best anywhere."

Let me emphasize, that in many ways—ways that would please you—ways overt and covert—the Kennedy administration has immeasurably aided Israel. Do not take my word for it, ask the Israeli authorities. They will tell you that they never had a better friend than the Kennedy administration, and I say this despite the criticisms I offer and others offer.

But let us look at the balance. Israel, with that help and the help of individuals and organizations such as yours, has helped to resettle more than a million immigrants and refugees. Israel does not get arms from the United States but her Arab neighbors get Soviet arms as well as some from the United States. Aid to Israel is mostly in the form of loans and surplus foods. Grants have been aid. The Arab States have received massive economic aid from the Soviet bloc as well as from the United States. Israel is dependent only on the West. Arab States have received billions of dollars from our European allies for oil. Of none of these aids can Israel boast. So perhaps it is a mistake to say that per capita United States aid to Israel is higher.

These things are hard to weigh, but we do know that the progress in trade, in self-sufficiency, in education, and in science have been greater in Israel despite its handicap, its paucity of raw materials, the enmity of its surrounding neighbors, than in any other country in that area.

What Israel needs more than dollars is peace, and it must be the aim and the U.S. policy to encourage peace between Israel and its neighbors by insisting that the leaders of these countries sit down together to talk. Just so long as the West acts out of fear of the Arab nations, it cannot pursue that aim. More than arms, the Arab nations need an increase in the standard of living of its people and trade between Israel and its neighbors will invariably bring it nearer. What the Arab nations need more than war and hatred and conspiracy is the education of its people, and peace with Israel can help to bring that to pass. What the Arab nations need is an increased program of health giving and health restoring activities, and peace with Israel will help in that direction. Peace between the Arab nations and Israel means the growth and development of that whole region, and the growth and development in that region is what is sorely needed to bring stability to that area and with that stability, the gainer will be the West as well as Israel and the Arab nations.

But I for one do not despair because in the "historical perspective"—and I return once again to that theme—peace will come to the Middle East because self-interest of the Middle East countries and the self-interest of the West demand it. Just as the American experiment in the beginnings of our own development inevitably moved forward, so inevitably will Israel, together with her neighbors, move forward. We have seen in the past how ancient enmities have dissolved themselves, and we shall see it again.

If the values of freedom are to prevail, if civilization is to flower in the development of each individual's greatest potential, if learning and the arts and science are to take precedence over rancor and emotionalism, then surely the ties of the United States with Israel must be unbreakable and its sympathies so clearly defined that no nation can mistake its meaning. If what we in the West are fighting for—a way of life—and that we have seen that way of life take root in one of the most backward areas—then surely we can ill afford to impoverish ourselves by impoverishing those values in Israel which we proclaim our own. Israel is unmistakably of the West, let no nation forget that.

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## A Look at the Communist World

### EXTENSION OF REMARKS
OF
### HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
*Tuesday, June 19, 1962*

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the text of an address which I delivered last Saturday, June 16, 1962, at the 32d annual convention of the New York Department of Jewish War Veterans of the U.S.A. at the Concord Hotel, Kiamesha, N.Y. The title of my address was "A Look at the Communist World," and it was as follows:

### A LOOK AT THE COMMUNIST WORLD

Mr. Chairman, ladies, and gentlemen, I am indeed very pleased to be here with you today and to participate in your convention. First of all, I wish to commend the Jewish War Veterans of the United States for their demonstrated loyalty to the principles of freedom and democracy, in times of peace and in war.

What concerns all Americans today is the rivalry between international communism and the forces of freedom, and it is of this rivalry that I wish to talk to you now.

We, in the West, have become so accustomed to constant tension, so inured to daily reminders that we live in an age of peril, that we often try to ignore the crucial issues of our time and complacently hope for the best. This complacency is dangerous. It could defeat us. We must never forget for a single instant that the Communists are playing for keeps.

Dedicated to their goal of world domination, they are conducting the cold war in deadly earnest. Khrushchev has said that, for Communist purposes, a cold war can be as effective as a hot war—and in many cases more preferable. He believes that world revolution can be brought about just as surely by insidious but bloodless means, as by holocaust. We must guard against this, for freedom is our dearest possession.

Today, I want to take a look with you at the Communist world. Let us together make a brief visit to the lands where freedom has been quenched by Communist domination. Some of you here may have relatives in these countries. My purpose is not only to demonstrate their tragic plight, but also to focus public attention on the fate of these half-forgotten people.

In Germany, we have a striking contrast between Soviet oppression and Western liberty: Berlin. Here is a tiny island battered on all sides by a sea of hostile forces. The Russians are furious that, despite their threats and their wall, Berlin has not fallen into their hands. When I was there in 1959, the difference between East and West Berlin was marked, but there was still communication between the two sectors. In West Berlin shops were full, prices were reasonable, jobs were available, and the people looked contented. Crossing into East Berlin was a gloomy experience: drabness everywhere, the people seemed ill-fed, silent, and unhappy.

I visited Berlin again in 1961, just after the wall went up. It was heartrending to see people in the Western sector gazing across the barrier where their loved ones were stranded—and all escape routes closed. There was a fearful tension in the air, an atmosphere of sorrow and of dynamite. Fortunately, there was no explosion. Submachineguns guarded the border, and a large sign over the barbed wire fence made a mockery of the banner above it: "German Democratic Republic." This is the name East Germany insists on being called, even though the government controls all votes in so-called "free" elections. Last September, for instance, it polled 99.9 percent.

Next, let us look at the ring of satellites around Russia. Moscow's plan here is for regional specialization, where each country concentrates on the production of certain commodities to supply the Soviet bloc. For 17 years now the Communist system has been hammering away at this, driving the workers to longer hours in the factories, pushing the peasants with ever-increasing quotas on the farms, instilling their doctrines in the minds of the children, and constantly assuring the people of the glories of communism.

Take a look at Rumania. What is she today? Merely a source for oil, for steel, for agricultural products—and hardly any benefits received in return. The farmers fought desperately to hold on to their farms, but they finally lost. Now Rumania's 3 million peasant families are gathered into about 7,000 farms. Many students of eastern European affairs feel that if the Hungarians had succeeded in their revolt of 1956, Rumania would have been the next to revolt, for feeling there has always run high.

The atmosphere in Hungary and Bulgaria is much the same. The standard of living in all three countries is much below that of the Soviet Union. Their governments function at Moscow's direction, and they are, in effect, colonial regimes. An enormous network of police suppresses any hint of opposition, and the people have become accustomed to constant surveillance. Foreign radio broadcasts are jammed, and even the movements of Western diplomats are curtailed—some are virtually prisoners in their legations. I saw this in Russia.

Permit me at this time to tell you one of the newest stories about the Iron Curtain countries. After his meeting with President Kennedy in Vienna last year, Khrushchev was returning to Russia with his wife by train. It was night, outside it was pitch black. At one point, Mrs. Khrushchev asked her husband, "Would you know where we are now?"

Khrushchev opened the window, stuck out his hand, and said, "We are now in Hungary."

A couple of hours later she asked again, "And where are we now?"

Again he opened the window, stuck out his hand, and said, "Now we are in Poland."

Finally, way past midnight, she roused him from sleep and asked, "Can you tell me where we are now?"

Again he opened the window, stuck out his hand, and said, "At last we are in the Soviet Union."

The next day at home Mrs. Khrushchev said to her husband, "I am curious to know how you did it. It was pitch black outside, and all you did was stick out your hand and you knew in which country we were."

"Very simple, my dear," Khrushchev replied. "When I stuck my hand out the first time, I felt someone was kissing it. I knew this could happen only in Hungary where I saved the Communist regime during the Hungarian revolt, and the Communists were kissing my hand. The second time I put my hand out, I felt they were spitting at it. I knew we were in Poland, because I know how much the Polish people love me. The third time I put my hand out, I knew immediately we were back home in Russia."

"How so?" asked Mrs. Khrushchev.

"Because the moment I stuck my hand out," Khrushchev replied, "my wristwatch disappeared."

In Czechoslovakia, since communism has taken over, the people seem deadened and hopeless. Soviet propaganda warns incessantly of West German designs on their territory, while at the same time the Russians try to foment animosity between Czechs and Slovaks. Workers in the big industrial centers obey orders, so production is high. Yet, the standard of living is poor, for their economy has been forced to support a large military force. Her agriculture is run on the collective system, with the usual discontent among farmers and shortages of meat. Because of her seeming acquiescence and her industrial output, however, Czechoslovakia has become the showpiece of satellite communism.

In Albania, Russia has temporarily lost her hold there to the Chinese Communists. But it is hard to see how the crumbling Chinese economy can be an effective substitute for the millions of rubles from Russia to exploit Albanian oil and other resources.

Poland is another satellite where the fight for freedom continues. Some concessions have been granted the Poles, such as freedom of worship and private landownership. The people have a profound attachment to Western culture and their dreams of democracy are still bright. Perhaps we in America can claim some credit, for our efforts to help the Poles have been constant.

In my case, for example, I have often condemned the persecution of religion by the Russians, the suppression of human rights, and the destruction of the culture of the Poles and other nations. As a member of the House Agriculture Committee several years ago, I supported aid to the people of Poland by providing food to them under our Public Law 480. Some of this food was distributed by the Catholic relief services and other welfare agencies, and the packages were clearly marked "Donated By the People of the United States of America," so that the Polish people knew it came from us. Some Americans are opposed to this kind of aid, saying that we are supporting a Communist regime. My answer has always been that we are helping a people which still aspires to be free, and that it is in our interests to keep that spark burning in them.

For these reasons, I was disturbed over the recent Senate action to bar aid to peoples behind the Iron Curtain, because their governments are Communist-dominated. This is wrong. This is a shortsighted approach. The only thing these people have left is hope. Hope that some day they can succeed in throwing off the Communist yoke and live as freemen. Destroy this hope, tell them that the West has given up all attempts to assist them in their underground struggle to attain freedom—and you drive them into the arms of the Communists, thereby strengthening the Kremlin.

History has proven that our friends today can be our enemies tomorrow. The reverse of this is also true. Therefore, we should not make the mistake of isolating ourselves and driving friendly nations to join our adversaries. Especially is this policy of isolation foolhardy, when all we are giving up to retain our friends and to strengthen nations resisting communism is a part of our huge food surplus, which is rotting in warehouses and costing the American taxpayers millions of dollars per day in storage fees. I am glad to see the Senate has had a change of heart in restoring some of this aid, and I shall fight that it be fully restored when it comes before the House.

While restless satellites are bothersome to Russia, they are as flies buzzing around her head compared with her big problem: The Chinese menace. China's 680 million people are governed by a fanatic, Mao Tse-tung, whose ambition is to make China the greatest power in the world. He wants to rule it at gunpoint, according to his version of a Communist utopia. To this end, he is forcing a mammoth industrial revolution.

Mao cares nothing for the Chinese people, except in regard to how fast they can help achieve his aim. As a matter of fact, since China's population increases by 17 million persons a year, a reduction in the number of mouths to feed would ease his position. He is the only ruler in the world who denies that a nuclear war endangers all mankind.

Mao's version of communism has become odious to the Chinese masses, for it has resulted in the loss of their tiny farms, their homes, their families, their privacy and their hope. His slogan is "Everything belongs to the state, except the toothbrush." An admirer of the savage methods of Stalinism, he has called Khrushchev's methods soft. There is not much the Chinese people can do about their misery. Their riots in 1957 were quickly put to a stop by no less than 3 million soldiers. The Hong Kong escape route is closed. Mao's grip on the people is too painful to permit further struggle. Passive resistance remains their only weapon, although this means starvation and possible execution.

All of this leads me to point out a very interesting phenomenon—that international communism has become a body with two heads, Russia and China. In Russia, economic achievements have forced political theory to take a back seat. Khrushchev is anxious to consolidate his gains, enlarge industry, improve agriculture, and build up capital reserves. Since he believes that world revolution can be brought about by peaceful means, as well as by war, coexistence is his current policy.

China, however, has not attained any degree of economic stability; consequently, she has no fear of the destructions of war. From her viewpoint, a war of expansion, into India or Indonesia, might even be of military advantage, as well as easing the food shortage. China's war-oriented ruler is making some gains in southeast Asia, notably in Laos and South Vietnam.

Certainly Khrushchev does not want a war begun by Chinese hotheads. He is interested in gains for Russia, not for China. To gain his ends, he is willing to coexist peacefully for a while. Should he decide upon war, it will be a calculated war, strategically planned, make no mistake. His big worry is that he cannot control his fanatic Chinese neighbor, who has no fear of total destruction and who seeks expansion, regardless of risk, into areas where Russia herself might one day like to move.

And, finally, let's take a look at the Red Bear's victims at home.

In Russia today all is not well. There are signs of unrest, and of growing problems. It is poetic justice that she has only herself to blame, if she remains true to Marxist doctrine, for Marx says that any society is the result of its economic condition. Since the Soviet economic condition now is distinctly unhealthy, is explains why her people are unsettled, poor and malcontent.

Capital, or rather the lack of it, is the vulture tearing at her vitals. Her space efforts, which have been fantastically expensive, have been a major reason for this. Khrushchev has made the daring move of canceling his 1967 world's fair which was to have celebrated the 50th anniversary of the Bolshevik Revolution. Money must be tight indeed, if this much-ballyhooed event has been scratched.

The Russian people are going to feel this lack of capital more and more as time goes on. Prices are already high, and have just been again increased for meat and butter, while wages remain miserably low. After 34 years of 5-year plans, most Russians today have less buying power than in 1928. Did you know that in the "worker's paradise" it takes a man 275 hours of work to buy a medium-priced suit? Here, it takes about 23 hours. To buy a cotton shirt, Ivan must work 15 hours; Tom, Dick or Harry only 56 minutes. In Moscow, a woman's dress represents 73½ hours of manual labor, but in New York—well, there's so much choice, I would hate to hazard a comparison.

The state of agriculture is another sign of dissatisfaction. There is much apathy on the part of the peasants, who derive little gain from their drudgery on the collective farms. This has resulted in many failures, which brought on sweeping changes in the Ministry of Agriculture in April. Khrushchev shifted the blame by grimly charging, "We are now paying for Stalin's mistakes in agriculture."

To compound Russia's troubles, totalitarian rule has generated moral corruption, while a shortage of consumer goods has engendered dishonesty. Soviet officials are lashing out wildly in an effort to blot out these signs of weakness. The death penalty is imposed for many offenses, including counterfeiting, embezzlement, terrorization of prisoners, and even for speculation in currency or securities. The relaxation of terror, which followed Stalin's death, may soon be at an end.

Khrushchev knows, as Hitler knew, that to get away with further curtailment of liberty, there must be a whippingboy on whom to place the blame. The accusations heaped upon this whippingboy must be such as to frighten the whole population, and yet not cause widespread resentment. This explains why Khrushchev, in an effort to tighten his control, has been convicting mostly Jews for currency violations, and imposing the death penalty upon them. Of some 30 to 40 persons already convicted, about 25 have been sentenced to death, and nearly all of them have been Jews. This fact is well-publicized in the Soviet press. There you have the whippingboy and the warning to frighten the population. The fact has even more significance when one realizes that Jews make up only 1.1 percent of the total Russian population.

For many months now the press in this country and elsewhere has been reporting a revival of Jewish persecution in the Soviet Union. Not only is there discrimination of the Jewish minority, but downright anti-Semitic persecution to an extent even worse than under the old czarist regime. Since 1948 there has been a total uprooting of the Jewish religion, Jewish culture, the press, the schools, the synagogues, in fact, everything that had to do with Jewish life. The official policy of the Soviet Government seems to be complete shutdown of Jewish religious and cultural life, and no contact of its 3 million Jews with Jewish communities in other parts of the world. You will recall that Jews in the Soviet Union were even forbidden to bake matzohs for Passover this year.

It is a well-known fact that the Soviet leaders are highly sensitive to charges of anti-Semitism. If so, then I ask, why don't we take advantage of this situation? Why not bring to worldwide attention the deliberate anti-Jewish acts of the Soviet Government? Why not let the people of America, the people of the newly established nations in Africa and Asia, know how the Soviet Union really treats its minorities? Why not tell them the full truth about the oppression of the Jews, so that the whole world may see and learn how the Soviet Union, which claims to be the defender of the downtrodden, is in reality dealing with the small and weak peoples under its subjugation?

Why don't we bring this matter before the United Nations and ask for an investigation? Why don't we stir up world opinion to protest against Soviet mistreatment of the Jews and to demand an account of these acts of persecution? Are we afraid it might disturb or embarrass the leaders in the Kremlin? I say to you that we are passing up a golden opportunity not only to speak up in defense of the Jews in Russia, but also to strike a hard blow against communism where it will hurt them badly. I should certainly like to see some action in this respect, with the United States taking the lead.

Summing up my look at the Communist world, I will admit that it is a pretty depressing picture. But I have never been known as a pessimist. I have confidence in what the Kennedy administration is doing to help these people behind the Iron Curtain, and it is doing a lot. Progress must necessarily be slow and cautious, because headlong measures may have a contrary effect and may even result in a swift shutdown of diplomatic and cultural exchanges.

We must at all times operate with shrewdness and wisdom. As long as we do so, we will not endanger the tiny shreds of liberty already possessed by some of the peoples behind the Iron Curtain; as long as we act wisely, we will provide an increasingly brighter spark of hope for more freedom to the downtrodden millions who know no freedom. They look to us for encouragement, for support, and most of all for the assurance that we have not forgotten them. Let us give them that assurance.

# SENATE

WEDNESDAY, JUNE 20, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, still omnipotent when the world seems falling to pieces all around us, help us in the midst of the whelming flood to stay our minds in the strength of the everlasting values which nothing can destroy.

Amid all the distraction of the complicated modern life in which our lot is cast, keep our hearts childlike and trustful, free from corroding pessimism, so that the gates of the realm of wonder, closed to the merely clever and conceited, may be opened unto us as we turn to Thee, our God, in the simplicity as it is in Christ, our Lord. In His spirit and in His passion for others, strengthen us to dedicate all we have and are to help heal the open sores of the stricken earth.

In His name we ask it. Amen.

## THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 19, 1962, was dispensed with.

## MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 19, 1962, the President had approved and signed the act (S. 2865) for the relief of Ferdinand A. Hermens.

## LEAVE OF ABSENCE

Mr. RUSSELL. Mr. President, I ask unanimous consent that I may be excused from attendance on the sessions of the Senate commencing at 3 o'clock tomorrow afternoon and on Friday and Saturday following.

The VICE PRESIDENT. Without objection, it is so ordered.

## LIMITATION OF DEBATE DURING MORNING HOUR

Mr. HUMPHREY. Mr. President, I ask unanimous consent that statements during the morning hour shall be limited to 3 minutes.

The VICE PRESIDENT. Without objection——

Mr. LONG of Louisiana. Mr. President, reserving the right to object to that request, let me say that I have in mind making a statement which will take perhaps 15 or 20 minutes. If the Senator from Minnesota would modify his request, so as to provide that statements in the morning hour shall be limited to 3 minutes until such time as all Senators who wish to make 3-minute statements in the morning hour have been heard, I shall be willing to agree to the request.

Mr. HUMPHREY. Let me say that such an accommodation is made regularly, and we would be agreeable to that arrangement.

The VICE PRESIDENT. Does the Senator from Louisiana withdraw his objection?

Mr. LONG of Louisiana. Yes, on the basis stated. In other words, I understand that if I wish to proceed for 15 minutes, that much time will be granted me.

Mr. HUMPHREY. Yes.

The VICE PRESIDENT. Without objection, the request is agreed to.

## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### REPORT ON DEVELOPMENT OF ADVANCED SATURN LAUNCH VEHICLE

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the development of and research on the second stage of the Advanced Saturn launch vehicle (S-II); to the Committee on Aeronautical and Space Sciences.

### REPORT ON TITLE I AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on agreements concluded during May 1962 under title I of the Agricultural Trade Development and Assistance Act of 1954 (with accompanying papers); to the Committee on Agriculture and Forestry.

### AUTHORIZATION OF CERTAIN EXPENSES IN GOVERNMENT OF THE DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize certain expenses in the government of the District of Columbia, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

### REPORT ON FOREIGN CURRENCIES IN THE CUSTODY OF THE UNITED STATES

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on foreign currencies in the custody of the United States, as of December 31, 1961 (with an accompanying report); to the Committee on Foreign Relations.

## RESOLUTION ON INTERNATIONAL SOCIAL WELFARE BY NATIONAL JEWISH WELFARE BOARD

Mr. HUMPHREY. Mr. President, I invite the attention of my colleagues to a resolution adopted by the National Jewish Welfare Board in support of the provision of welfare attachés to our American embassies abroad to advise in the social welfare problems of the host countries.

This resolution was adopted at the National Jewish Welfare Board's convention this past April in Miami Beach, Fla.

This is a subject in which I have had a great interest and I have on various occasions spoken in the Senate on the need for a social welfare attaché program by the State Department. I am pleased indeed to learn of this resolution by the National Jewish Welfare Board and I do hope that our State Department will give serious attention to implementing such a program.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

### RESOLUTION ON INTERNATIONAL SOCIAL WELFARE

Through its active participation in the work of the World Federation of YMHA's and Jewish Community Centers, the National Jewish Welfare Board has experienced the need for adequate technical assistance programs in the field of international social welfare.

Whereas the National Jewish Welfare Board has seen the value of such assistance, available from the American Specialists Branch and the Foreign Specialists Branch of the Bureau of Education and Cultural Affairs of the Department of State, whereby center field specialists have been sent abroad and Jewish youth workers in foreign countries assisted in coming to the United States for center orientation and training; and

Whereas the National Jewish Welfare Board recognizes the fact that governmental and private financial resources available for such work in the international social welfare field are limited and that steps should be taken to expand programs that will further the Nation's international goals: Now, therefore, be it

*Resolved*, That the National Jewish Welfare Board urge the expansion of the programs of the American Specialists Branch and the Foreign Specialists Branch of the Bureau of Educational and Cultural Affairs of the Department of State; and be it further

*Resolved*, That the National Jewish Welfare Board support the provision of social welfare attachés to American embassies abroad to advise in the social welfare problems of the host countries.

Adopted by JWB Biennial Convention, Miami Beach, Fla., April 1962.

## REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 3291. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury (Rept. No. 1606).

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPARKMAN (by request):

S. 3443. A bill to authorize the chartering of organizations to insure conventional mortgage loans, to authorize the creation of secondary market organizations for conventional and other mortgage loans, to authorize the issuance of debentures upon the security of insured or guaranteed mortgages, and to create a joint supervisory board to charter and examine such organizations, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 3444. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus personal property to State agencies for use by volunteer firefighting organizations; to the Committee on Government Operations.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 3445. A bill to declare Leech Lake, Cass Lake, and Winnibigoshish Lake in the State of Minnesota to be nonnavigable waters for certain purposes; to the Committee on Commerce.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (by request):

S. 3446. A bill relating to soil bank contract violations; to the Committee on Agriculture and Forestry.

By Mr. BEALL:

S. 3447. A bill for the relief of the Prince Georges County School Board, Maryland; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 3448. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of Massachusetts:

S. 3449. A bill for the relief of Pangiotis Liberopoulos; to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 3450. A bill to provide for adjustments in the annuities under the Foreign Service retirement and disability system; to the Committee on Foreign Relations.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. CHURCH:

S. 3451. A bill to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON:

S. 3452. A bill for the relief of Dr. Hassen M. Nouri; and

S. 3453. A bill for the relief of Dr. Felix Nabor Sabates.

## MORTGAGE MARKET FACILITIES ACT OF 1962

Mr. SPARKMAN. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize first, the chartering of corporations to insure conventional mortgages; second, the chartering of corporations to buy and sell such mortgages in the secondary market; and, third, the establishment of a joint board to supervise the activities of such corporations.

The proposal to establish these new corporations and the supervisory joint board is made as the result of a study recently completed by a national mortgage market committee, a group of outstanding experts representing a cross section of all segments in the homebuilding, real estate, and mortgage lending fields, brought together largely through the efforts of the American Bankers Association. The national committee intends that the new facilities would be industrywide and would serve the needs of all lenders engaged in mortgage financing.

The purpose of establishing these new corporations and the joint board is to improve the facilities of the conventional mortgage market and to make it operate more effectively, so that the general public will have the benefit of efficient home mortgage financing at the lowest possible cost. Since the conventional mortgage market makes up close to two-thirds of the total mortgage market, this appears to be a well worthwhile objective.

In brief, the bill is designed to do for the conventional mortgage what the Federal Housing Administration and Federal National Mortgage Association have done for the Government-insured mortgage.

The insuring corporations proposed by the bill would make insurance available to lenders who enter into conventional mortgage loans—that is, mortgage loans other than FHA-insured and VA-guaranteed loans. Conventionally insured mortgages would then be available for marketing through the secondary market corporations, much in the same way that FHA and VA mortgages can be marketed through the FNMA. The insurance and secondary market corporations would be privately owned and financed, but would be subject to supervision by a joint board which would be appointed by the President. Members of the board would be made up of persons from the mortgage financing industry, as well as from Federal Government agencies.

The main problem of the conventional mortgage market has been the personal character of the conventional mortgage, and its consequent lack of national marketability. This becomes especially significant during times when the demand for housing is at a peak and when potential mortgage funds do not flow into the mortgage market.

The expected increase in the housing demand during the latter part of this decade and during the 1970's makes it highly desirable for the mortgage lending industry to put its house in order at this time.

I have felt for a long time that improvements need to be made in the mortgage market if we are to meet the needs to provide home financing for the 16 to 20 million households that will be formed in the next 10 years. The war babies of the late forties will represent that bulk of this new demand for homes in the late sixties. Thus, it is not too early to gear up our financing resources, so as to be ready to meet the demands these new family formations will cause.

The bill, by providing for insurance of conventional mortgages fully on the basis of adequate standards and adequate reserves, would generalize the currently personal nature of the mortgage. This would make the conventional mortgage eligible for national trading. In addition, the bill provides for corporations designed to facilitate such trading. Since some investors prefer debentures backed by mortgages to actual mortgage investments, the marketing corporations also would be empowered to issue debentures against insured mortgage collateral.

I am introducing this bill for study; and I hope that those in the mortgage lending and banking fields will give it close scrutiny, and will come forward with any new ideas or proposals which will carry out the purposes of the bill. Although I do not expect action on the bill this year, I am hopeful that early in the next session of Congress we can hold hearings on the bill and on any other proposals which may have been made, and that we may thereafter send to the Senate legislation that will achieve the objectives for which this bill is designed.

I ask unanimous consent that a summary of the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the summary will be printed in the RECORD.

The bill (S. 3443) to authorize the chartering of organizations to insure conventional mortgage loans, to authorize the creation of secondary market organizations for conventional and other mortgage loans, to authorize the issuance of debentures upon the security of insured or guaranteed mortgages, and to create a joint supervisory board to charter and examine such organizations, and for other purposes, introduced by Mr. SPARKMAN, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The summary presented by Mr. SPARKMAN is as follows:

### SECTION-BY-SECTION SUMMARY OF MORTGAGE MARKET FACILITIES ACT OF 1962

### TITLE I—SHORT TITLE, STATEMENT OF PURPOSE; AND DEFINITIONS

Section 101. Short title: Contains a table of contents and provides that the act may be cited as the "Mortgage Market Facilities Act of 1962."

Section 102. Statement of policy: Provides that "the Congress desires to make additional facilities available to increase the market for conventional and insured mortgages as a means of improving the housing conditions of the American pepole."

Section 103. Definitions: Provides definitions of the following terms used throughout the act: "Joint Board," "Chairman," "mortgage," "first mortgage," "mortgage insurance corporation," "mortgage marketing corporation," "person," and "United States."

### TITLE II—JOINT SUPERVISORY BOARD FOR MORTGAGE INSURANCE AND MARKETING CORPORATIONS

Section 201. Establishment: Provides for the creation of a Joint Supervisory Board for Mortgage Insurance and Marketing Corporations (Joint Board) to consist of five members, with its principal office in the District of Columbia.

Section 202. Chairman and directors: Subsection (a) provides for the appointment of the chairman of the Joint Board by the President, by and with the advice and consent of the Senate. The chairman is to serve a 6-year term at a salary of $——— per annum. Subsection (b) provides that in addition to the chairman, the directors of the Joint Board shall be the Comptroller of the Currency, the Chairman of the Federal Home Loan Bank Board, and the Chairman of the Federal Deposit Insurance Corporation, all ex officio; and a person appointed by the President from among persons recommended by the supervisors of banking in the various States who shall serve for a term of 6 years at a stated salary. All decisions of the board to be effective shall require the affirmative vote of at least three directors, at least one of whom shall be other than an ex officio director.

Section 203. General powers: Subsection (a) provides the Joint Board with power to charter, audit, inspect, and examine corporations organized under the act, to require such corporations to prepare and file reports, to subpena witnesses, to hold hearings, and to issue rules and regulations. The Joint Board is to send an annual report to Congress. Subsection (b) pertains to employees of the Joint Board. Subsection (c) allows the Joint Board to avail itself of the use of information, services, and so forth, of other Government agencies.

Section 204. Taxation provisions: Provides that corporations organized under this act shall be subject to taxation to the same extent as State-chartered corporations.

Section 205. Expenses: Authorizes appropriations as may be necessary for salaries and other necessary expenses of the Joint Board.

Section 206. Forfeiture of charter: Establishes a procedure for involuntary forfeiture of the charter of a corporation established under this act and liquidation of same.

Section 207. Injunction: Provides that the Joint Board may bring an action to enjoin a violation of the act and to enforce compliance with the act.

Section 208. Removal of director, officer, or other personnel: Provides for a procedure whereby the Joint Board may cause a director, officer, attorney, employee, or agent of a corporation organized under the act to be removed for cause.

TITLE III—MORTGAGE INSURANCE CORPORATIONS

Section 301. Establishment: Provides for the chartering by the Joint Board of mortgage insurance corporations upon the approval of an application submitted by not less than five natural persons of good repute.

Section 302. Insurance authorization: Subsection (a) authorizes a mortgage insurance corporation organized under this act to: (1) insure not less than 100 percent of the unpaid principal and interest on loans in the form of obligations secured by mortgages on one- to four-family residential properties; and (2) establish, through action by the Board of Directors, an adequate insurance premium for such insurance which shall be set, and the initial capital be allocated, so that there shall be maintained at all times unimpaired capital, surplus, and undivided profits in an aggregate amount, upon the basis of market value, of not less than 5 percent of the unpaid principal amounts of all outstanding contracts of mortgage insurance. At least 50 percent of the capital shall be invested in obligations of or guaranteed by the United States and the remainder in other obligations or securities approved by the Joint Board. All other funds shall be safely invested with due regard to the purpose of the corporation. Subsection (b) provides that a loan insured by a mortgage insurance corporation shall have a maximum term not exceeding 30 years; shall be secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which payments shall be made in equal amounts from month to month and are sufficient to: (1) amortize the entire principal of the loan within the period ending on the date of its maturity; (2) cover interest applicable to each payment period; and (3) cover the premium applicable to each payment period; shall have a loan-to-value ratio not exceeding 90 percent of appraised value as approved by the corporation or sales price, whichever is less; shall be in an amount not exceeding $30,000; shall be on a one- to four-family residential property which is or will be occupied in whole or in part by the mortgagor; and shall be originated and serviced by an organization approved by the mortgage insurance corporation.

Section 303. Payment: Provides that: A mortgage insurance corporation organized under this title shall pay in cash without delay the insurance claims of any applicant submitting appropriate evidence of ownership of a defaulted loan insured under authority conferred by this act, but such payment shall not be made until: (1) there is a default in any payment of principal or interest on the loan or the insurance premium and such default is not cured by subsequent payment in not less than 91 days; and (2) the mortgagee conveys to the mortgage insurance corporation clear title to the property; and (3) the mortgagee assigns to the mortgage insurance corporation all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction, except such claims as may have been released with the consent of the Joint Board. Such payment shall include interest and allowances (including foreclosure costs) from time of default as approved under regulations of the Joint Board in effect at the time the mortgage was insured.

Section 304. Succession: Provides that: "Each mortgage insurance corporation organized under this title shall have succession from the date of its organization unless it is dissolved by act of its shareholders or its franchise becomes forfeited by order of the Joint Board."

Section 305. General powers: Empowers mortgage insurance corporations to adopt and use a corporate seal, to adopt bylaws, to make contracts, etc.

Section 306. Citizenship: Provides that a mortgage insurance corporation shall be deemed a citizen of the State in which its principal office is located.

Section 307. Capital requirements: Provides that the minimum subscribed initial capital shall be $25 million and shall be represented by shares of stock each with a par value of $100. No authorization to commence business shall be granted by the Joint Board to any mortgage insurance corporation until the Joint Board is satisfied that initial capital in the amount of not less than $5 million par value has been subscribed for at not less than par and paid in full in cash.

Section 308. Directors and officers: Provides for a board of directors of at least nine, to be elected by the shareholders. The board of directors is to elect the officers.

TITLE IV—MORTGAGE MARKETING CORPORATIONS

Section 401. Establishment: Provides for establishment of mortgage marketing corporations in the same manner as is provided for mortgage insurance corporations in section 301 above.

Section 402. Trading and debenture-issuing authorization: Authorizes mortgage marketing corporations to: (1) purchase, sell, and service mortgages on one- to four-family residential property and which are insured by a mortgage insurance corporation or insured or guaranteed by an agency of the United States; (2) publish data with respect to mortgages; (3) issue, with the approval of the Joint Board, and to have outstanding bonds, notes, or other obligations up to a maximum of 20 times the sum of its capital, surplus, reserves, and undistributed earnings; (4) set underwriting fees, maturities, interest rates, etc., within the limits of standards prescribed by Joint Board regulations; and (5) purchase its outstanding obligations in the open market.

Section 403. Succession: Section 404. General powers; Section 405. Citizenship: Provisions identical to those pertaining to mortgage insurance corporations in sections 304, 305, and 306 above.

Section 406. Capital requirements: Provides that "A mortgage marketing corporation shall have a minimum initial subscribed capital of $5 million, which shall be represented by shares of stock each with a par value of $100."

Section 407. Directors and officers. This provision is identical to section 308 above, which pertains to mortgage insurance corporations.

TITLE V—CHANGES IN RELATED STATUTES

Section 501. National Bank Act: Subsection (a) amends paragraph 7 of section 5136, U.S. Revised Statutes (12 U.S.C. 24) so as to permit a national bank to purchase for its own account shares in mortgage insurance corporations and/or mortgage marketing corporations in an amount not exceeding 5 percent of the capital and surplus of the bank in either type of corporation.

Subsection (b) amends the same statute so as to permit a national bank to deal in, underwrite and purchase for its own account, obligations of mortgage marketing corporations.

Section 502. Federal Reserve Act: Amends section 24 of the Federal Reserve Act (12 U.S.C. 371) so as to exempt corporations organized under the act from the maturity and loan-value percentage limitations of that section.

Section 503. Federal Home Loan Bank Act: Amends section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1464(c)) so as to permit a Federal home loan bank to invest assets in obligations of mortgage marketing corporations to the same extent as it may invest in obligations of the United States, in obligations of the FNMA, and in other securities under present law.

Section 504. Home Owners Loan Act: Amends section 5(c) of the Home Owners Loan Act so as to permit a Federal savings and loan association, within certain limits, to invest in stock of mortgage insurance corporations and mortgage marketing corporations, and in obligations of the latter.

Section 505. Securities Act of 1933: Exempts securities issued by mortgage insurance corporations and by mortgage marketing corporations from the requirements of the Securities Act of 1933.

Section 506. Investment Company Act of 1940: Exempts mortgage insurance corporations and mortgage marketing corporations from the Investment Company Act of 1940.

## SURPLUS PROPERTY FOR VOLUNTEER FIREFIGHTERS

**Mr. KEATING.** Mr. President, one of the strongest traditions of American life, with its roots deep in colonial history, is that of volunteer community service—service, without recompense, for the general welfare of the whole community. Among the most important and most effective of the groups which have rendered this kind of service are the volunteer firefighters. I am sure that many of my colleagues can join me in recalling in the distant days of childhood the excitement of a fire, the hectic bucket brigade, and all the other vivid memories of volunteer firefighting which have lasted down to the present, undiminished in colorful detail.

As America has grown, of course, the volunteers have in many instances had to step aside for the stationhouse regulars. In our big cities, only full-time professionals can do the job. But volunteers have certainly not disappeared. In many communities they are still the only firefighters; and in many other areas they constitute an important supplemental force.

The volunteer firefighters are a vital element of town life today; but their plight is not always a happy one. In many communities, equipment is old, outmoded, and virtually unusable. In most of these towns and villages, funds for replacements are scarce. Tax rates are already high, for educational and public health improvements. But there is a simple way in which we can help the public-spirited volunteer firefighters.

The firefighters are not asking for, and do not need, an application of the "Washington reflex"; we do not have to pour huge sums of money on their problem. But there is an easy way in which the Congress and the Government of the United States can help.

The Federal Property and Administrative Services Act of 1949, as amended, provides for the donation of certain classes of surplus Government property to the States, for the purposes of education, public health, and civil defense. Included among these classes of donable property are materials and equipment—particularly truck chassis and water tanks—which would be invaluable to the volunteer firefighting associations. I have received from such organizations many letters telling of their attempts to secure such equipment for use in their communities. The Federal Government's answer is always the same, and always discouraging: fighting fires does not, under the existing law, qualify as a civil defense activity.

Mr. President, this legal loophole should be closed. If firefighting cannot now be construed legally as civil defense, it certainly ought to be. Today, I am introducing a bill which would correct this unfortunate situation, and would make volunteer firefighting companies eligible for the surplus property donations program, by specifically including volunteer firefighters within the scope of civil defense. The costs involved could hardly be more minimal; the benefits of modern, workable firefighting equipment to countless communities throughout the Nation could hardly be greater.

In our Nation's folklore, the marvelous stories about fires and bucket brigades involve nothing more complicated than a pile of wooden buckets. Today, somewhat regrettably, life has become more complicated, and the buckets have turned into trucks. In introducing this bill, Mr. President, I respectfully urge my colleagues in the Senate to consider it carefully; I urge them to consider what it means. It is the Congress' responsibility to "promote the general welfare." The bill which I now introduce would be, in my opinion, a fine way to implement that responsibility.

Mr. President, I introduce this bill, and ask that it be printed and referred to the appropriate committee.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3444) to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus personal property to State agencies for use by volunteer firefighting organizations, introduced by Mr. KEATING, was received, read twice by its title, and referred to the Committee on Government Operations.

## PROPOSED DECLARATION OF LEECH LAKE, CASS LAKE, AND WINNIBIGOSHISH LAKE TO BE NONNAVIGABLE WATERS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to declare Leech Lake, Cass Lake, and Winnibigoshish Lake to be nonnavigable waters of the United States.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3445) to declare Leech Lake, Cass Lake, and Winnibigoshish Lake in the State of Minnesota to be nonnavigable waters for certain purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Commerce.

Mr. HUMPHREY. Mr. President, I offer this proposed legislation to correct a situation which has arisen in the Leech Lake area of Minnesota in recent months which has caused great concern and apprehension to the members of that community.

By way of background, late last year the Coast Guard announced that it would enforce on the lakes that I have mentioned the Federal navigation and vessel inspection laws, such as the Motorboat Act of 1940 which regulates equipment on certain vessels and the safe operation of all vessels; the Small Passenger-Carrying Vessel Inspection Act, which established inspection standards for small passenger-carrying vessels; and the Federal Boating Act of 1958, which requires that certain undocumented motorboats be numbered.

Although these laws have been on the statute books for some time, it was not until late last year that the Coast Guard decided to enforce this safety program in the Leech Lake area. The reason which it gives for not having done so prior to this time is limitations of personnel and equipment which made enforcement impossible.

As I have said, the people from the Leech Lake area have been most disturbed by the Coast Guard's announcement and they find it quite difficult to understand why all of a sudden the Federal Government should enter into this area—especially when there is no evidence that the State of Minnesota is not adequately inspecting and regulating crafts on Leech Lake, Cass Lake, and Winnibigoshish Lake. As a matter of fact, in 1959 the Minnesota State Legislature enacted a boat and water safety act which called for the inspection and enforcement of regulations with regard to the craft operated upon the waters of the State of Minnesota. As a result of this act of the Minnesota Legislature, there is a full-time paid deputy sheriff in Cass County who does nothing but supervise the administration of the law, inspection of boats and the enforcement thereof in the Leech Lake area. This is the first time that they ever had this needed service in the Leech Lake area, and everyone concerned was most pleased with it and it worked out quite satisfactorily. But the Coast Guard's own admission, the Minnesota law "incorporates all the requirements of the Federal boating laws."

Not only is there quite adequate inspection of boats in the Leech Lake area at the present time by way of the action of the State legislature, but also I find it difficult to believe that the Congress in enacting the statutes to which I have referred ever contemplated that they would be used to cover the Leech Lake area. The Coast Guard has determined that Leech Lake is part of the navigable waters of the United States. From a strictly technical point of view this might be the case, but I can tell my colleagues that as a practical matter Leech Lake can certainly not be considered navigable. The Coast Guard argues that Leech Lake in its original condition was part of the network of waters used in that area to transport goods in commerce. This, however, was before the construction of a Federal dam which was erected to control the water level of the lake. I can state without fear of successful contradiction that while Leech Lake in the dim distant past might have been part of a navigable chain of lakes, such is not the case today. Anyone who knows the Leech Lake area would laugh at any suggestion that it would be so considered.

Therefore, I believe that the Federal legislation in this regard was never intended to cover the Leech Lake area.

To put it plainly, this as an area where the Coast Guard does not need to use its personnel. I suggest, if the Coast Guard has extra personnel, they be used on the coast in operations where they are required.

In view of the fact that there is adequate boat regulation in the area now by way of the action of the State of Minnesota, I ask that this bill be promptly considered, reported, and enacted into law to correct a situation which has been a matter of great concern to the people of that area.

## CONVEYANCE OF CERTAIN PUBLIC LANDS TO LINCOLN COUNTY, NEV.

Mr. BIBLE. Mr. President, on behalf of my colleague, the junior Senator from Nevada [Mr. CANNON] and myself, I introduce, for appropriate reference, a bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada.

At the present time, the Federal Government owns about 87 percent of the 110,000 square miles that make up the land area of Nevada. Most of its communities are landlocked as a result of these tremendous Federal holdings. In addition, Lincoln County has been adversely affected by the closing of its lead-zinc mines. Local people have been unable to interest industry to move into the county because of the lack of land for such purposes. By making this land available to the community, it is hoped that those citizens who have been distressed through the closing of the mines will have an opportunity to rehabilitate themselves in some other type of industry. The bill provides that the 2,900 acres of land will be sold to the county after appraisal for its fair market value.

This legislation is vitally needed, and I trust it will receive prompt attention by the Congress.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3448) to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada, introduced by Mr. BIBLE (for himself and Mr. CANNON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

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## ADJUSTMENTS IN FOREIGN SERVICE ANNUITIES

Mr. SPARKMAN. Mr. President, by request, I introduce, for appropriate reference, a bill to provide for adjustments in the annuities under the Foreign Service retirement and disability system.

The proposed legislation has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right of course, to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the Assistant Secretary of State, Mr. Dutton, dated March 3, 1962, and an explanation of the bill prepared by the Department of State.

The VICE PRESIDENT. The bill will be received and appropriately referred; and without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 3450) to provide for adjustments in the annuities under the Foreign Service retirement and disability system, introduced by Mr. SPARKMAN, by request, was received, read twice by its title, referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and Houe of Representatives of the United States of America in Congress assembled,* That the first section of the Act of July 12, 1960 (74 Stat. 371), is amended by adding at the end thereof the following new subsection:

"(e) The benefits provided in subsection (a) of this section are hereby extended to not to exceed ten (10) participants who retire and become entitled to receive an annuity from the Foreign Service Retirement and Disability Fund subsequent to June 30, 1962, and prior to June 30, 1963, whenever the Secretary of State determines it to be in the public interest to extend said benefits to any such participant."

The letter and explanation presented by Mr. SPARKMAN are as follows:

DEPARTMENT OF STATE,
*Washington, D.C., May 3, 1962.*

The VICE PRESIDENT,
*U.S. Senate.*

DEAR MR. VICE PRESIDENT: There is enclosed draft legislation that will authorize an extension from June 30, 1962, to June 30, 1963, of one of the provisions of Public Law 86-612 for a 10-percent increase in Foreign Service annuities.

A number of participants in the Foreign Service retirement and disability system who are eligible for voluntary retirement, subject to the Secretary's approval, have been able to take advantage of this substantial annuity increase by planning retirement prior to June 30, 1962.

There are in the Service, however, a few high ranking career officers eligible for voluntary retirement and the benefit of this annuity increase whose services are needed beyond June 30, 1962.

The Secretary is reluctant to disapprove their applications for retirement in view of the financial hardship this would impose upon them by denying them the benefits of Public Law 86-612.

This proposed legislation will enable the Secretary to extend for periods up to 12 months the benefits of Public Law 86-612 to the few officers who must be kept on duty beyond its expiration date. This extension of benefits will apply to not more than 10 officers of the Foreign Service.

Favorable action on this proposal will greatly assist the Secretary in the administration of the Foreign Service.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this draft legislation to the Congress.

Sincerely yours,
FREDERICK G. DUTTON,
*Assistant Secretary*
(For the Secretary of State).

(Enclosures: tab A, draft bill; tab B, explanation of bill; tab C, cost estimate.)

DEPARTMENT OF STATE EXPLANATION OF BILL

The proposed bill provides authority for the Secretary of State to extend the benefits provided in subsection (a) of section 1 of Public Law 86-612, approved July 12, 1960, to June 30, 1963, to not to exceed 10 officers of the Foreign Service, when he determines it to be in the public interest to do so. Public Law 86-612 provides that the annuity of any participant in the Foreign Service retirement and disability system entitled to receive an annuity on or before June 30, 1962, shall be increased by 10 percent.

Section 636 of the Foreign Service Act of 1946, as amended, provides that any participant in the Foreign Service retirement and disability system who is at least 50 years of age and has rendered 20 years of service may, on his own application with the consent of the Secretary of State, be retired from the Service and receive an immediate annuity. A number of participants in the Foreign Service retirement and disability system have taken advantage of this benefit which provides them with a substantial increase in annuity if their annuity begins before June 30, 1962. The voluntary retirement of these participants is dependent upon the approval of the Secretary. In most instances such approval is granted. There are, however, in the Service a few high ranking career officers who nearing mandatory retirement age, have elected to apply for voluntary retirement because of the benefits accruing to them under the provisions of Public Law 86-612 whose services are needed beyond June 30, 1962. The Secretary is reluctant to disapprove their applications for voluntary retirement in view of the financial hardship this would impose upon them by denying them the annuity benefits of Public Law 86-612. On the other hand, their continued service in the key positions to which they are assigned (most of them are serving as Chiefs of Mission or are assigned to other high level positions) is in the public interest. This proposed amendment would enable the Secretary to extend, in his discretion, for additional periods up to 12 months the benefits of Public Law 86-612 to not to exceed 10 officers.

DEPARTMENT OF STATE ESTIMATE OF COST

The estimated cost of this proposed legislation, spread over a period of years, is: $360,000.

This cost estimate is based on the assumption that the provision of the bill will be applicable to 10 officers whose average annuity increase will be $1,800 per year and that their life expectancy is 20 years (10 × $1,800 × 20 years = $360,000). This will be financed from the Foreign Service retirement and disability system and will not require an appropriation.

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## RELIEF FOR RESIDENTIAL OCCUPANTS OF CERTAIN UNPATENTED MINING CLAIMS

Mr. CHURCH. Mr. President, I introduce, for appropriate reference, a bill to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes. I wish to state briefly the circumstances which, in my judgment, indicate a need for the passage of this bill, and explain how it would work to relieve situations where strong and persuasive equities cannot now be recognized under existing law.

In the mountain West, there is a long tradition supporting the right of a private citizen to go upon the public lands, to stake a mining claim, and thereafter to have and retain a possessory interest immune to interference from anyone. The power of the Government to challenge the validity of a mining claim has been recognized, but the Government traditionally has interfered little, and locators and their successors in interest have felt secure in their right to possession.

Nothing in the mining laws requires a locator to proceed to patent. He may never do so, yet his estate is fully maintained in its integrity so long as the law, which is a muniment of his claim, is complied with. Thus, although some miners obtain patent to their claims, many others, content to enjoy their right of possession to the exclusion of third parties, have not undertaken the expensive and protracted procedures necessary to obtain a patent.

Often in the past, the mining locator established his home upon his claim and worked his claim from his home. These homes have become, in many instances, permanent residences for the prospector's heirs. By long-established custom, mining claims embracing residential improvements have been sold for the value of the improvements, the seller giving a quitclaim deed.

Thus there can be found, throughout the West, hundreds of unpatented mining claims, valuable chiefly for the fact that they have been used, sometimes for generations, as actual homesites, on a year-round or seasonable basis, by families which have inherited them from the original locators, or paid value for the improvements, in reliance upon the customs prevailing in the area that effective title could be obtained by gift, inheritance, or quitclaim deed.

But, for one of a variety of reasons, many of the claims may not, in fact, be patentable at the present time. In some cases, the mineral veins which justified the original location have been worked out. In others, mineral deposits which would have sustained a patent application some years ago will no longer suffice, because rising costs and artificially fixed prices for the minerals have rendered actual mining operations uneconomic. In still other cases, due to the absence of surveys, or to inaccuracies in them, such claims have been located upon land which was, in fact, withdrawn from mineral entry, or has since been withdrawn, so that patent applications will not lie.

In all such cases the claims are subject to invalidation at the initiative of the Government. The situation was further aggravated by the passage of Public Law 167 of the 84th Congress. This statute, enacted in 1955—more than 2 years before the beginning of my service in the Senate—prohibits all uses not reasonably incident to prospecting, mining, or processing operations on unpatented claims located after July 23, 1955. Moreover, it authorizes procedures under which prior locators, or their successors in interest, may be required to prove the validity of their claims or be subject to the same prohibitions. This law has resulted in an intensified campaign to drive out people who are using their claims primarily for residential purposes. As to those who have purchased claims and given value in the expectation that they would be allowed to live on the claims, it means that the rules of the game have been changed while play was in progress, and the results, in many cases, have been grossly unfair.

Although the residential uses which I have described present an anomaly to the law, it is clear that there are, in many cases, substantial equities based on custom, need, and value given, in favor of the users. It is to the problem of resolving the anomaly, while recognizing the equities, that this bill I am introducing is directed.

It would authorize the Secretary of the Interior to convey the fee or any lesser interest in tracts of 5 acres or less to any person occupying a mining claim for residential purposes on January 10, 1962, provided the claim is declared invalid or relinquished. Any conveyance under the bill would be made at fair market value—exclusive of any improvements placed on the land by the applicant or his predecesors in interest—as of the date of enactment of the bill, less any equities possessed by the claimant and his predecessors in interest. In any case, however, the purchase price would not be less than 50 percent of the fair market value of the land. Applications would have to be filed within 5 years, and the right to apply would not be assignable.

In cases where the Secretary finds that the public interest would not be served by such a conveyance, or where the land is withdrawn for a purpose which does not admit of a waiver by the responsible head of the administering agency, the Secretary would have authority to grant, under appropriate regulations, a preference right to purchase another tract of land, 5 acres or less in size, upon payment of a fair price to the Government.

Mr. President, it is not the way of a just Government to disturb arrangements, sanctioned by time and custom, which can be regularized without injury to the public interest. This the bill seeks to do.

Senators will be interested to know that a similar measure, limited originally to apply only to his home State of California, was introduced in the House by Mr. JOHNSON, on March 15. With amendments suggested by the Interior Department and the Forest Service, the bill has been reported from the House Subcommittee on Public Lands to the full Interior Committee. Testimony favorable to its objectives was received from administration spokesmen. I am hopeful that both Houses of the Congress can move speedily to agreement on a measure which will permit humane and equitable solutions to the problems now faced by this large group of residents on the public lands.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3451) to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes, introduced by Mr. CHURCH, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior may convey to any occupant of an unpatented mining claim which is determined by the Secretary, after due process, to be invalid an area within the claim of not more than (a) five acres or (b) the acreage actually occupied by him, whichever is less. The Secretary may make a like conveyance to any occupant of an unpatented mining claim who, after notice from a qualified officer of the United States that the claim is believed to be invalid, relinquishes to the United States all right in and to such claim which he may have under the mining laws or who within two years prior to the date of this Act, relinquished such rights to the United States or had his unpatented mining claim invalidated after due process. Any conveyance authorized by this section, however, shall be made only to a qualified applicant, as that term is defined in section 2 of this Act, who applies therefor within five years from the date of this Act and upon payment of the amount established pursuant to section 5 of this Act.

As used in this section, the term "qualified officer of the United States" means the Secretary of the Interior or an employee of the Department of the Interior so designated by him: *Provided,* That the Secretary of the Interior may delegate his authority to designate qualified officers to the head of any other department or agency of the United States with respect to lands within the administrative jurisdiction of that department or agency.

SEC. 2. For the purposes of this Act a qualified applicant is a seasonal or year-round residential occupant-owner, as of January 10, 1962, of land now or formerly in an unpatented mining claim upon which valuable improvements had been placed.

SEC. 3. Where the lands have been withdrawn in aid of a function of a Federal department or agency other than the Department of the Interior, or of a State, county, municipality, water district, or other local governmental subdivision or agency, the Secretary of the Interior may make conveyances under section 1 of this Act, only with the consent of the head of that governmental unit and under such terms and conditions as that unit may deem necessary.

SEC. 4. Where the Secretary of the Interior determines that a disposition under section 1 of this Act is not in the public interest or the consent required by section 3 of this Act is not given, the applicant after arrangements satisfactory to the Secretary of the Interior are made for the termination of his occupancy and for settlement of any liability for unauthorized use, will be granted by the Secretary, under such rules and regulations for procedure as the Secretary may prescribe, a preference right to purchase any other tract of land, five acres or less in area, from those tracts made available for sale under this Act by the Secretary of the Interior, from the unappropriated and unreserved lands and those lands subject to classification under section 7 of the Taylor Grazing Act, upon the payment of the amount determined under section 5 of this Act. Said preference right must be exercised within two years from and after the date of its grant.

SEC. 5. The Secretary of the Interior prior to any conveyance under this Act shall determine the fair market value of the lands involved (exclusive of any improvements placed thereon by the applicant or by his predecessors in interest) or interests in lands as of the date of this Act. In establishing the purchase price to be paid by the claimant to the Government for land, or interests therein, the Secretary shall take into consideration any equities of the claimant and his predecessors in interest, including conditions of prior use and occupancy. In any event the purchase price to be paid to the Government shall not exceed the fair market value of the land or interest therein to be conveyed as of the effective date of this Act nor be less than 50 per centum of such value.

SEC. 6. The execution of a conveyance authorized by section 1 of this Act shall not relieve any occupant of the land conveyed of any liability, existing on the date of said conveyance, to the United States for unauthorized use of the conveyed lands or interests in lands, except to the extent that the Secretary of the Interior deems equitable in the circumstances. Relief under this section shall be limited to those persons who have filed applications for conveyances pursuant to this Act within five years from the enactment of this Act. Except where a mining claim has been or may be located at a time when the land included therein is withdrawn from or otherwise not subject to such location, or where a mining claim was located after July 23, 1955, no trespass charges shall be sought or collected by the United States based upon occupancy of such mining claim, whether residential or otherwise, for any period preceding the final administrative determination of the invalidity of the mining claim by the Secretary of the Interior or the voluntary relinquishment of the mining claim, whichever occurs earlier. Nothing in this Act shall be construed as creating any liability for trespass to the United States.

SEC 7. (a) In any conveyance under this Act there shall be reserved to the United States (1) all minerals and (2) the right of the United States, its lessees, permittees, and licensees to enter upon the land and to prospect for, drill for, mine, treat, store, transport, and remove leasable minerals and mineral materials and to use so much of the surface and subsurface of such lands as may be necessary for such purposes, and whenever reasonably necessary, for the purpose of prospecting for, drilling for, mining, treating, storing, transporting, and removing such minerals on or from other lands.

(b) The leasable minerals and mineral materials so reserved shall be subject to disposal by the United States in accordance with the provisions of the applicable laws in force at the time of such disposal.

(c) Subject to valid existing rights, upon issuance of a patent or other instrument of conveyance under this Act, the locatable minerals reserved by this section shall be withdrawn from all forms of appropriation under the mining laws.

(d) Nothing in this section shall be construed to preclude a grantee, holding any lands conveyed under this Act, from granting to any person or firm the right to prospect or explore for any class of minerals for which mining locations may be made under the United States mining laws on such terms and conditions as may be agreed upon by said grantee and the prospector, but no mining location shall be made thereon so long as the withdrawal directed by this Act is in effect.

(e) A fee owner of the surface of any lands conveyed under this Act may at any time make application to purchase, and the Secretary of the Interior shall sell to such owner, the interests of the United States in any and all locatable minerals within the boundaries of the lands owned by such owner, which lands were patented or otherwise conveyed under this Act with a reservation of such minerals to the United States. All sales of such interests shall be made expressly subject to valid existing rights. Before any such sale is consummated, the surface owner shall pay to the Secretary of the Interior the sum of the fair market value of the interests sold, and the cost of appraisal thereof, but in no event less than the sum of $50 per sale and the cost of appraisal of the locatable mineral interests. The Secretary of the Interior shall issue thereupon such instruments of conveyance as he deems appropriate.

Sec. 8. Rights and privileges under this Act shall not be assignable, but may pass through devise or descent.

## AMENDMENT OF PUBLIC WELFARE AMENDMENTS OF 1962

Mr. LONG of Louisiana. Mr. President, I am today submitting an amendment to the public welfare amendments of 1962, H.R. 10606, which I intend to call up at the appropriate time.

The social security amendments of 1954, which made old-age and survivors insurance coverage available to most employees under State or local retirement systems, continued the exclusion of policemen and firemen. Since 1954 the Social Security Act has been amended at various times to permit specified States to extend social security coverage to policemen and firemen who are under State or local retirement systems, until at present 17 States may provide such coverage. The amendment which I introduce would permit Louisiana to cover policemen on the same basis permitted in the 17 States now named in the law. This amendment would not apply to firemen in Louisiana; they would continue to be excluded under the Federal law.

Under the proposed amendment the State of Louisiana could modify its coverage agreement with the Secretary of the Department of Health, Education, and Welfare to extend social security coverage, under the established referendum procedure, to policemen employed by the State, or to other local political subdivisions—cities, parishes, and so forth—of the State. Under this referendum procedure, coverage may be extended to the retirement system group involved only if a majority of those eligible to vote indicate in a secret referendum that they desire coverage. Upon a favorable vote, all members of the group in positions covered by the State or local system could be covered under social security, including persons who are ineligible to become participating members of the retirement system. Where policemen are in a retirement system with other classes of employees, they may, at the option of the State, hold a separate referendum and be covered as a separate group.

I ask that the amendment be received and appropriately referred.

The VICE PRESIDENT. The amendment will be received, printed, and appropriately referred.

The amendment was ordered to lie on the table and to be printed.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM — AMENDMENTS

Mr. MILLER submitted amendments, intended to be proposed by him, to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which were ordered to lie on the table and to be printed.

## HOSPITAL MODERNIZATION ACT OF 1962—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of June 13, 1962, the name of Mr. Long of Hawaii was added as an additional cosponsor of the bill (S. 3407) to provide for Federal assistance on a combination grant and loan basis in order to improve patient care in public and other nonprofit hospitals and nursing homes through the modernization or replacement of those institutions which are structurally or functionally obsolete, and for other purposes, introduced by Mr. Clark (for himself and other Senators) on June 13, 1962.

## EXTENSION OF THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM — ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 13, 1962, the names of Senators Case of New Jersey, Humphrey, Metcalf, Young of Ohio, McGee, Douglas, Clark, Gruening, Neuberger, Javits, and Williams of New Jersey, were added as additional cosponsors of the bill (S. 3411) to extend the temporary extended unemployment compensation program, to increase the rate of the Federal unemployment tax for taxable year 1964, and for other purposes, introduced by Mr. McCarthy (for himself and Mr. Hart) on June 13, 1962.

## NOTICE OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate has received the nominations of Philip D. Sprouse, of Tennessee, to be Ambassador to the Kingdom of Cambodia; William H. Orrick, Jr., of California, to be Deputy Under Secretary of State; and the following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Samuel D. Berger, of New York;
Edmund A. Gullion, of Kentucky;
Martin J. Hillenbrand, of Illinois;
John D. Jernegan, of California;
Thomas C. Mann, of Texas;
Robert McClintock, of California;
Frederick E. Nolting, Jr., of Virginia;
Joseph Palmer 2d, of California;
G. Frederick Reinhardt, of California;
William M. Rountree, of Maryland;
Roy Richard Rubottom, Jr., of Texas;
John W. Tuthill, of Illinois; and
William R. Tyler, of the District of Columbia.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

## THE ROSTOW PAPER ON AMERICAN STRATEGY

Mr. GOLDWATER. Mr. President, I am sorry that I was not in attendance Monday when our distinguished minority leader, Senator Dirksen, called attention to published reports concerning the so-called Rostow paper on American strategy. But I should like to add my voice now to his request for an examination by an appropriate committee of the Senate into the strange thesis that the Soviet Union is "mellowing," and that both the United States and Russia are losing power and authority in their respective worlds.

Mr. President, we have long heard unofficial reports about this new strategy paper being prepared by the chairman of the policy planning board of the State Department. As I understand, the document was prepared as a guide for future decisions by the President and the National Security Council. If this is the case, it undoubtedly must be regarded as an extremely important policy device, and worthy of the closest attention by the Senate of the United States. And, if it presages historic changes in American foreign policy, I believe we should be told about it at the earliest possible time.

From what we know of the Rostow paper, based on the unofficial, but seemingly authoritative, accounts appearing in the Chicago Tribune on June 17 and 18, it is based on a ridiculously false assumption that Russia is maturing in a fashion that would lend itself to honorable dealing with the United States. Apparently, Mr. President, through the medium of one paper, based largely on Mr. Rostow's hopes, rather than the hard realities of the situation, the State Department would have the President and the National Security Council adopt a new, hazardous, and patently futile course in the cold war.

As a policy device, the Rostow paper sounds to me like the most dangerous document in America.

The line of reasoning that shows through in these first accounts of the contents of the Rostow paper is not new. We had a preview of this kind of fuzzy-minded reasoning in a publication called "The Liberal Papers." The idea seems to be that changes have taken place in the capital of world communism since Mr. Khrushchev took over, and that we can make use of these changes through a calculated policy of appeasement and soft speaking. This dangerous concept rests on the assumption that now—all of a sudden—the Communists are interested in reducing world tensions, and may be willing to follow us in a series of unilateral acts designed to this end.

Mr. President, this is the worst kind of liberal wishful thinking; and it is so alien to the thinking of Congress and of the American people that apparently even Mr. Rostow concedes that it will require a high-powered selling campaign. I understand that the new strategy paper admits with great candor that the thinking of the American people will have to be adjusted to this bold, new approach. In this, we have another example of the administration's constant preoccupation with the idea that Congress and the American people do not know what is best for them or the country. It is part and parcel of the idea that the American people must be "brainwashed" into changing their views for their own good.

Well, Mr. President, I should like to say that the American people have always known what was best for them. They may not have the same level of "sophistication" that the New Frontier insists upon, but they do know that Russia is not mellowing. They do know that the Communists cannot be trusted. And they do know that appeasement in the present world crisis is of one piece with a policy of surrender.

Mr. President, I ask unanimous consent to have printed at this point in the Record, in connection with my remarks, two articles from U.S.A., an American bulletin of fact and opinion, published in 1956 and 1957. The articles are entitled "The Brothers Rostow" and "The Millikan-Rostow Report," and were written by Alice Widener.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From U.S.A., Aug. 16, 1957]

### The Brothers Rostow

(By Alice Widener)

"If a man has one head, it's good, but if another clever man comes to visit him, it would be better still, for then there will be two heads and not only one."

"One head is good but two are better," the prosecuter put in impatiently. (Feodor Dostoevski, "The Brothers Karamazov," Book XII, III, "A Judicial Error.")

Relatively unknown to the American public, but extraordinarily influential in the fields of economics, law, and international affairs, are the brothers Rostow—Eugene V. and W. W.

Eugene V. Rostow is Dean of the Law School at Yale University.

W. W. (Walt Whitman) Rostow is a professor at the Massachusetts Institute of Technology Center for International Studies.

Each of the Rostow brothers has won high honors and holds a high post in the academic world. Each has occupied positions of heavy responsibility in the U.S. Government and in the United Nations.

Prolific writers, they are busily engaged in telling Americans what they should do and how to do it. Yet close study of the Rostow brothers' views—as expressed in their own writings—has lead this writer to form the opinion that W. W. Rostow is bent on persuading Americans to squander a large part of their wealth, and Eugene V. Rostow is bent on hindering their ability to acquire it.

#### A PAIR, EVEN AND EQUAL

The 1956–57 edition of "Who's Who in America" shows that the Rostow brothers were born in Brooklyn, N.Y., Eugene V. in 1913, W. W. in 1916. Both hold degrees from Yale University; both studied at universities in England, Eugene at Cambridge, W. W. as a Rhodes scholar at Oxford.

During World War II, Eugene served as special assistant to Assistant Secretary of State Dean Acheson, and W. W. served in the OSS.

Two years ago, each of the Rostow brothers received a very large amount of tax-exempt support for the furtherance of his economic and social ideas.

In December 1955, the Ford Foundation gave $1,600,000 to Yale Law School in order that it might finance a revision of the curriculum under the direction of Dean Eugene V. Rostow. He promptly announced to the press that the new curriculum would become "unique in the world" and its principal purpose would be "to improve Yale's methods of relating the study of law to history, philosophy and the social sciences." [1]

In October 1955, the Carnegie Foundation gave a 3-year grant to the Massachusetts Institute Center for International Studies in order that Professor W. W. Rostow might direct the drawing of "a new national portrait of the United States in a world setting." [2]

A most significant fact in the Rostow brothers' careers is that each served in Geneva, Switzerland, as Assistant Executive Secretary to Gunnar Myrdal, Executive Secretary of the United Nations Economic Commission for Europe. W. W. Rostow held the post during 1947–49, and was succeeded by his brother, Eugene, who held it during 1949–50.[3]

Gunnar Myrdal (Swedish economist and social scientist who severely hurt the economy of his native land by engineering its disastrous pro-Communist trade agreement with the Soviet Union after World War II) is the author of "An American Dilemma" and the recently published "An International Economy," books that are among the most radically leftist documents of the 20th century.

#### MEASURE FOR MEASURE

It is not surprising that Myrdal picked the brothers Rostow as his special executive assistants; the three men are intellectually compatible, strong supporters of concepts originally embodied in the proposed U.N. Havana Charter of 1948. Wholly rejected by the U.S. Congress, this Charter called for socialization of the world, including the United States.

Today the dauntless brothers Rostow continually seek to implement the Havana Charter's aim of creating a single world Socialist economy, and each strives unceasingly for adoption of a measure essential to success.

Prof. W. W. Rostow advocates adoption of SUNFED (a multibillion-dollar Special United Nations Fund for Economic Development of the so-called "underdeveloped" nations), and if not SUNFED itself, then what Senator Hubert Humphrey approvingly calls "the SUNFED philosophy."

Dean Eugene V. Rostow advocates adoption of the U.N. Restrictive Business Practices Proposal which would set up U.N. control over all American business.

Let us examine each of these Rostow-revived proposals:

In sponsoring the SUNFED philosophy (as expressed in the Millikan-Rostow Report submitted to the U.S. National Security Council in 1956, a report which has greatly influenced the U.S. International Development Loan Fund proposed now before Congress [4]), Prof. W. W. Rostow wants the United States to make a lump sum appropriation of $10,000,000,000 to $12,000,000,000 to be spent "without any sort of military or political strings attached" during a five-year period on grants-in-aid and on long term, low cost, unprofitable loans to "underdeveloped" nations. Professor Rostow doesn't expect this squandering of U.S. taxpayers' money "to win friends" for the United States or to "foster free enterprise." He appears to be wholly unworried by the prospect that his plan would mortgage a large part of our country's future wealth and would make international captives out of our hardworking taxpayers.[5]

To insure the "success" of the SUNFED plan under its alias "The Millikan-Rostow Report," Prof. W. W. Rostow envisages adoption of all the international economic controls that are standard operating procedure for Socialist schemes: international price stabilization, food and fiber banks, currency control, elimination of U.S. tariffs, control over production, consumption and distribution of agricultural products and manufactured goods.

Like all Socialist 5-year plans, Professor Rostow's is just a starter. On page 59 of the Millikan-Rostow Report, he and coauthor Max Millikan of MIT declare: "Although an initial 5-year allocation is recommended, the plan would look ahead for a longer period, at least a decade."

#### PROFITLESS PLAN

Also according to Socialist dogma, the profit motive is banned from such U.S.-financed, Rostow-devised dealings with foreign lands. On page 79 of the Millikan-Rostow report there is the flat assertion:

"The narrow criterion of whether a development project can repay from its own revenues is at best irrelevant and at worst may be seriously misleading."

Thus it is perfectly clear that W. W. Rostow wants the United States to put up at least $20 to $24 billion for a scheme in which profits are at best "irrelevant" and at worst "misleading."

This explains why this writer is of the opinion that one of the brothers Rostow—namely, W. W.—wants to squander a large part of the Nation's wealth.

#### NO COUNSEL, JUDGE, OR JURY

And now how about the congressionally rejected U.N. proposal sponsored by Dean Eugene V. Rostow, a scheme called the U.N. Restrictive Business Practices Proposal?

Quite simply, this proposal would set up iron control over all American business by establishing a U.N. Commission (administered by international bureaucrats including Communists) empowered to bring legal charges of "monopolistic practices" and "restrictive business practices" against American corporations which would be deprived—among other dire results—of the right to be represented by counsel of their own choosing, and of the right to trial by judge and jury.[6]

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[1] New York Herald Tribune, Dec. 5, 1955.

[2] New York Times, Oct. 2, 1955.

[3] New York Times, Sept. 14, 1949.

[4] "The Proposed Development Loan Fund," June 1957, International Cooperation Administration, Washington, D.C.

[5] "The Millikan-Rostow Report," U.S.A., vol. III, No. 19, Sept. 28, 1956.

In 1954, a former Assistant Secretary of State told this writer that the sponsors of the U.N. Restrictive Business Practices Proposal "operate on the theory that the best way to atomize the institution of capitalism is to destroy the institution of the corporation in its U.S. setting which is the last stronghold of free enterprise capitalism."

### HIGH ON THE DEAN'S LIST

Is Dean Eugene V. Rostow of the Yale Law School trying to wreak such destruction?

To answer this question, it is necessary to read his writings and to study his record.

A major part of the answer lies in the "Report of the Attorney General's National Committee To Study the Antitrust Laws" of March 31, 1955. This U.S. Government document explains on page IV:

"On June 26, 1953, Attorney General Herbert Brownell announced his intention to establish a National Committee to Study the Antitrust Laws. At the same time, the President of the United States expressed the hope that this group would 'provide an important instrument to prepare the way for modernizing and strengthening our laws to preserve American free enterprise against monopoly and unfair competition.' "

Dean Eugene V. Rostow of Yale Law School was among the 63 lawyers, economists and professors appointed in 1953 to serve on this committee. Two years later, when its official report was issued, the fact became apparent that there had been severe dissension among the committee members, and that the principal dissenter from the majority view was Dean Rostow.

Pages 98, 99, and 100 of the report show that Eugene V. Rostow strongly condemned the Committee's refusal to support the U.N. Restrictive Business Practices Proposal. Dean Rostow's own words (p. 100) show that this U.N. proposal is indeed based on the congressionally abhorred Havana Charter, even though in 1954 the State Department officially denied the proposal's relationship to that charter in a statement made to the U.N. correspondent of the New York Daily News.

Dean Rostow wrote in the 1955 report:

The International Trade Organization Charter of Havana, of 1948, contained an important chapter of restrictive business practices.

With the failure of the Havana Charter the Government [actually a small, determined group of officials of the State Department] made earnest attempts through several international bodies to revive the idea. Finally, by resolution of the Economic and Social Council of the United Nations, an international committee was appointed to study the problem and to make recommendations for action. That committee * * * has proposed draft articles of agreement through which machinery of international cooperation could be established for dealing directly with restrictive business practices. These draft articles are largely based on the corresponding substantive provisions of the Havana Charter.

Even though the Eisenhower administration has withdrawn former State Department support of the U.N restrictive business practices proposal, and even though David C. Murchison, legal adviser to the Chairman of the Federal Trade Commission, in 1955 testified before the Senate Subcommittee on Antitrust and Monopoly that the U.N. proposal has "no basic procedural safeguards which we are used to in this country." Dean Rostow branded the national committee's failure to endorse the U.N. scheme as "the most serious defect in our report."

### THE DEAN'S ADVICE

This 1955 report of Attorney General Brownell's national committee shows even greater evidence of Eugene V. Rostow's desire to change the structural organization of the corporation in its U.S. setting, and to reorganize this structure according to the Socialist concept of competition and of free enterprise.

Like Socialists' concepts of democracy, Rostow's concept of these terms appears to be wholly different from traditional American definitions. All Socialists believe that true competition and real free enterprise can take place only under socialism, i.e., under a system of governmental controls preventing any kind of private management of business, frowning on any kind of bigness except that of Big Government, and regarding businessmen as a class of would-be monopolists addicted by nature to restrictive practices.

On page 385, 386, and 387 of the national committee's report on their study of our antitrust laws, there is the following text of Dean Rostow's minority views as expressed in his own words:

"Except by implication, our report does not answer the key question the Attorney General put to us: the adequacy of the antitrust laws in relation to the competitive process the law is intended to maintain.

"Thus we have not commented even on the conspicuous failure of the Department of Justice and the Federal Trade Commission to undertake seriously the enforcement of section 7 of the Clayton Act [a section dealing with corporate acquisitions of stock and assets]. In the midst of a merger movement raising obvious antitrust questions in almost every day's newspaper, it is, in my view, a defect of the report that we have not urged prompt action in an appropriate case to obtain an authoritative classification of section 7.

"I shall go further, and recommend that the Department of Justice and the Federal Trade Commission establish regular procedures for drawing on the resources of economic analysis and knowledge in selecting cases of the greatest possible public importance for prosecution. * * * the potential contribution of the antitrust laws to our economic and social development cannot be realized without well planned enforcement programs.

"I deplore the absence in the report of the following recommendation:

" 'We also believe that the antitrust laws should be enforced not only to prevent recourse to restrictive practices * * * but, where appropriate, to accomplish structural changes in these industries.' "

In a final dissent from the national committee's findings that American business has suffered from too much antitrust enforcement, Dean Rostow declared there has been "too little."

It is obvious through study of the foregoing that what Dean Eugene Rostow of Yale Law School advocates in his minority opinion is for the Justice Department to select for antitrust prosecution those cases which can attract the widest publicity. It is also obvious that he hopes to accomplish through such arbitrary prosecution a structural change in American industry, a change arising from presumption of guilt in mergers which he believes will be restrictive of competition in the future.

This explains why this writer is of the opinion that one of the brothers Rostow—namely, Eugene V.—wants to limit Americans' ability to acquire wealth.

### THE FREE RIGHT OF ACQUISITION

Now what really is our modern situation concerning antitrust laws, and what is or should be legal and illegal in modern times of great industrial development?

A few weeks ago, Donald Rogers, business and financial editor of the New York Herald Tribune, pointed out that "there is no legal roadmap" to guide the Justice Department and Federal Trade Commission in administering antitrust laws, and he said "the antitrust jungle is still uncharted."

Mr. Rogers declared that section 7 of the Clayton Act as amended under the Truman administration in 1950 to include what is known as the Antimerger Act is "dangerous stuff" which limits the national ability to acquire wealth by limiting corporations' right to acquire assets of other corporations.[7] Yet the Antimerger Act is heavily endorsed by Dean Rostow.

Mr. Rogers accused the Antitrust Division of the Justice Department of recently adopting an antibusiness strategy which is using section 7 of the Clayton Act in a "rash of new cases" to persecute American businessmen. Yet this is the strategy urged by Dean Rostow in his minority opinion.

Stripped of legal double talk, section 7 of the Clayton Act—as originally drawn in 1914 and especially as amended in 1950—robs Americans of their free right of acquisition.

The 1950 Antimerger Act, so much admired by Dean Rostow, prevents corporations from acquiring assets of other corporations whenever such acquisition "may be" harmful in the future, even though no past or present action by the acquiring corporation shows evil intent or result.

Under leftist interpretation of the words "may be," American businessmen and stockholders can be stripped of their basic rights under the Constitution of the United States: their free right to acquire and hold private property, and their right to be regarded as innocent until proved guilty.

Yet apparently this leftist interpretation is strongly favored by the influential Dean Eugene V. Rostow of Yale Law School.

### MINORITY PREVAILS

Dean Rostow is so very influential, it seems, that his minority view of how antitrust laws should be enforced has evidently become the present policy of the Justice Department Antitrust Division and has heavily swayed a majority of Supreme Court Justices.

In the historical American matter of minority-majority disputes, there is a very interesting case which occurred nearly 30 years ago. Then the Communist Party of the U.S.A. held an election in which leader Jay Lovestone defeated candidate William Foster by a huge majority, but Stalin summoned both men to Moscow, made Foster the victor, and declared: "In this case the minority is the majority."[8]

That was that.

As has been shown, Dean Rostow in 1953–54 reproached the majority of the Attorney General's own committee for not insisting that section 7 of the Clayton Act be used in prosecutions of business corporations.

Strange to relate, the Supreme Court, in its decision of June 3, 1957, found E. I. du Pont de Nemours guilty of having violated the antitrust laws, not on traditional Sherman Act grounds but on those of section 7 of the Clayton Act covering Du Pont's acquisition of 23 percent of General Motors stock during 1917–19.

Reliable sources say that until the Supreme Court decision was handed down in the Du Pont case, the defendants—who pleaded their case mainly according to traditional Sherman Act issues—had no idea that "the setup of the Clayton Act would have any importance at all."

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[6] "U.N. Czar to Rule U.S. Business?" U.S.A., vol. I, No. 20, Dec. 17, 1954.

[7] "The Antibusiness Strategy," U.S.A., vol. IV, No. 14, July 19, 1957.

[8] "Stalin's Speeches to the American Communist Party," published by Central Committee, Communist Party, U.S.A., New York, 1929.

This is confirmed by Supreme Court Justice Burton's minority opinion which declared: "This Court, ignoring the Sherman Act issues which have been the focal point of 8 years of litigation, now holds that Du Pont's acquisition [made nearly 40 years ago] * * * violates section 7 of the Clayton Act."

Events of the past 3 years have made it crystal clear that Dean Rostow's antitrust strategy is now being followed by the Antitrust Division of the Justice Department, both as to "selecting cases of the greatest possible public importance [publicity]" and in newly and rigidly enforcing the vaguely written Clayton Act.

### THE DEFENDANTS

Almost inexplicably, and most unfortunately for the good reputation of private enterprise in the free world, two of the most important recent antitrust prosecutions involve defendants under constant attack by the Soviet Union as "monopolists."

In July 1954, the Justice Department chose a crucial moment immediately following the heroic overthrow of the pro-Communist Arbenz government by the people of Guatemala to announce its antitrust suit against United Fruit Co., a major American investor in that country and a great contributor to its welfare. The name "United Fruit Co." is viciously used by the Communists as an anti-American, anticapitalist slogan. In fact, Soviet Delegate Arkady Sobolev has time and again attacked United Fruit Co. by name in the United Nations General Assembly, spewing forth a stream of Red lies about the company.

And now another prime Soviet target of today, E. I. du Pont de Nemours (whose executives were smeared as "merchants of death" by Communists and leftwingers prior to Pearl Harbor, but who are now gratefully praised by our country for their great share in winning World War II) is gravely hurt by unjustified use of the Clayton Act as a sneak, anticapitalist weapon.

In the July 19, 1957, issue of U.S.A., Herbert A. Philbrick, an outstanding analyst of Communist activities, pointed out that, in February of this year, the National Committee of the Communist Party, U.S.A., called for creation of a powerful "antimonopoly coalition" against "the giant corporations" as the main strategy of the Communists' "path ahead."

### THE EMOTIONAL DEAN

It is exceedingly strange that the present Republican administration's path ahead should be so heavily influenced by Dean Eugene V. Rostow's views, for it is almost impossible to find a person who has publicly attacked the good name of Gen. Dwight D. Eisenhower so disgracefully as Dean Rostow.

On October 20, 1952, when Dean Rostow was almost 40 years old and should have reached a degree of intellectual and emotional restraint, he wrote a letter to the editor of the New York Herald Tribune in which he accused presidential candidate General Eisenhower of entering into an election campaign "popular front with totalitarians," and tried to smear General Eisenhower by comparing his methods with those of Hindenburg, Von Papen, and Pétain.

In a wholly wrong and highly emotional assumption, Rostow claimed that if General Eisenhower had urged the people of Wisconsin "to vote for Mr. Schmitt" for U.S. Senator in the primaries, and if "the followers of Colonel McCormick had been driven into the wilderness," then the Republican Party "would really have become capable of winning elections and governing the Republic."[9]

The quality of Rostow's economic views may be judged by the fact that after his book "A National Policy for the Oil Industry" was published in 1948 the leading executives of that industry protested against his exaggerations and extremely prejudiced writing. In an article for the Yale Law Journal, J. Howard Marshall, then president of the Ashland Oil & Refining Co., described Rostow's book as "100 pages of fallacious assumptions and emotional arguments."[10]

### TWO HEADS, ONE THOUGHT

In view of the evidence that apparently one of the Rostows wants to squander American wealth and the other wants to limit our Nation's ability to acquire it, this writer would like to know the final answer to the question: "What are the brothers Rostow—Eugene V. and W. W.—aiming at?"

The evidence to be found in their own writings and record of activities seems to show unmistakably that they are leaders among those who "operate on the theory that the best way to atomize the institution of capitalism is to destroy the institution of the corporation in its U.S. setting."

If Eugene V. Rostow's views should prevail in our country, then American business won't be big or profitable, and will be rigidly controlled by the United Nations with the Soviet Union, her satellites, and possibly Red China among the controllers.

If W. W. Rostow's views should prevail in our country, then the U.S. Government will subsidize the economic "development" of more than a billion undeveloped peoples with the result that many American stockholders of corporations making private investments abroad will be financially wiped out and American taxpayers might be pauperized.

Two heads are indeed better than one, as the prosecutor said in Dostoevsky's "The Brothers Karamazov."

The American businessman, absorbed with his own company problems, had better learn about what goes on in the two heads of the brothers Rostow.

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[From U.S.A., Sept. 28, 1956]

## THE MILLIKAN-ROSTOW REPORT

(By Alice Widener)

On May 10, 1956, two economists of the Massachusetts Institute of Technology and of its affiliated center for international studies—Profs. Max Millikan and W. W. Rostow—urged the U.S. Government to adopt their proposal for a new foreign economic policy of aid to underdeveloped nations.

In a front page story, the New York Times reported, May 29, that "Officials at the highest levels of the Government are giving serious study" to the "privately prepared" Millikan-Rostow report, and that "it is known to have reached the National Security Council."

This writer earnestly hopes that not only U.S. Government officials but also publishers, business executives, and the American public will give most serious study to the Millikan-Rostow report. For, in my opinion, it is a slick, tricky document urging adoption of a proposal that can result in national disaster due to currency inflation, to destruction of the American middle class, and to imposition of a state-controlled economy integrated into a single international economy.

Basically, in my opinion, the Millikan-Rostow report is intellectually dishonest, for it claims to be "new" and it is not new.

Despite its title—"Proposal for a New Foreign Economic Policy"—and despite the New York Times' statement that the report "advocates a completely new approach of how to use U.S. foreign aid to prevent the world's underdeveloped countries from succumbing to communism," Professors Millikan and Rostow propose nothing more nor less than the creation of SUNFED, the Special United Nation Fund for Economic Development.

Anyone familiar with the economic ideas of top Socialist and Communist officials in the U.N. Secretariat can easily recognize that what the Millikan-Rostow report really advocates is SUNFED. And though Professors Millikan and Rostow do not use its name (evidently believing that a rose by any other name would smell as sweet), they have embodied in their report all the thinking and figuring which underlie the arguments for SUNFED, arguments long ago proffered by such notorious Marxists as:

Gunnar Myrdal, head of the U.N. Economic Commission for Europe.

David Owen, Executive Chairman of the U.N. Technical Assistance Board.

Dr. Hans W. Singer, Special Adviser to the U.N. Bureau of Economic Affairs, and Representative of the U.N. Secretary-General on SUNFED.

### FOUR POINT PROGRAM

What does the Millikan-Rostow report actually propose? The answer is:

1. A lump sum U.S. Government appropriation of $10 billion to $12 billion to be spent "without any sort of military or political strings" during 5 years on grants-in-aid and long term, low cost government loans to "underdeveloped" nations.

2. Creation of "an international body" to evaluate and coordinate the spending of this sum "with quasi-legislative" powers.

3. A permanent administrative Secretariat.

4. A "Council" of "perhaps 10 members" who are to act "not as representatives of their countries"[1] but as "individuals" to establish "a code of criteria and practices" and "to pass judgment" on how programs meet "the agreed criteria."

It is enlightening to compare the foregoing so-called new proposal with the recommendations made in an official U.N. document published in 1954 entitled "International Aid in Search for Development Funds." This U.N. document reports on the work of a committee of nine (whose secretary was Dr. Hans W. Singer) and advocates creation of SUNFED with a General Council to decide policy directives and review progress, an Executive Board of 8 to 12 directors, and a Director General and his staff (who are to be governed by United Nations staff regulations)."[2]

In many U.N. studies and reports (by anonymous groups of "experts") the sum of $3,500 million per year for a period of 10 years has been advocated "for economic development of the underdeveloped nations." These experts admit that the expenditure of $10 billion per year for such a purpose could be expected to increase the per capita income of underdeveloped peoples only "2 percent a year." On page 123 of Gunnar Myrdal's book "An International Economy"[3] there is the statement that "United Nations experts * * * urged most strongly that some mechanism be created for transferring to the underdeveloped countries * * * $3 billion a year."

What is the annual budget for the so-called new proposal in the Millikan-Rostow report? Following are the exact figures as set forth on page 72:

| | *In millions* |
|---|---|
| Grants: | |
| U.S. contribution | $360 |
| Other country contribution | 240 |
| Direct private investment | 500 |
| Additional international bank loans | 400 |
| Public loans: | |
| U.S. contribution | 1,700 |
| Other country contribution | 300 |
| Total | 3,500 |

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[9] New York Herald Tribune, Oct. 22, 1952.

[10] Journal of Commerce, June 1, 1952.

[1] [2] U.N. staff regulations bar all members of the Secretariat from acting as representatives of their respective countries; they are international civil servants, enjoying diplomatic privileges and immunities regardless of "political belief" and owing loyalty to the United Nations.

[3] For a review of this book, see U.S.A. vol. III, No. 12, June 15, 1956.

IT'S ONLY MONEY

As anyone can see, the Millikan-Rostow budget proposes that American taxpayers put up $2,060 million a year, while the taxpayers in all other countries put up only $540 million. Thus the Millikan-Rostow concept of fair international sharing of the burden is for us to bear about 74 percent of it.

Like the U.N. experts cited by Gunnar Myrdal, the authors of the Millikan-Rostow report admit on page 59 that the spending of this vast sum of money cannot possibly result in more than "a 1-percent annual increase in real income per capita for all the underdeveloped countries of the free world."

American taxpayers should know also on page 59 of this report, the professors declare:

a. "The United States should launch at the earliest possible moment a long-term program for sustained economic growth in the free world. This program would make available to the underdeveloped areas sufficient additional capital and technical assistance to satisfy all likely demands for such assistance which meet fairly high standards of eligibility.

b. "As part of this program the U.S. Government should offer to provide a new long-term capital fund of from $10 to $12 billion to be available for loans and grants over a 5-year period. * * * Although an initial 5-year allocation is recommended, the plan would look ahead for a longer period, at least a decade."

Actually, then, Professors Millikan and Rostow are happily looking forward to an American expenditure of at least $20 to $24 billion within 10 years. Furthermore, their annual budget does not show what share of the $900 million scheduled for private investment and for international bank loans will be drawn from U.S. capital resources. To judge by their notion of a fair share, we'll have to put up $666 million. Thus the U.S. annual grand total would be increased to $2,726 million.

In their arguments for this scheme, Professors Millikan and Rostow are not very original. Almost word for word, whole paragraphs of their new proposal can be found in the writings of Gunnar Myrdal and Hans W. Singer. As a matter of fact, Messrs. Myrdal, Singer, Millikan and Rostow seem to be engaged in a roundrobin discussion, each quoting and praising the others. A serious researcher runs into a chicken-or-egg problem in trying to determine who among these gentlemen first said what.

Among them, Gunnar Myrdal seems to be the most conscientious in giving credit where it is due. In "An International Economy". he cites Dr. Singer's and W. W. Rostow's writings as source material, and paraphrases them with credit lines.

But the Millikan-Rostow report contains no footnotes and no credit lines. Nevertheless, a painstaking student can track down the origins of their self-styled "new" proposal.

For example, in 1950, Dr. Hans W. Singer declared in a lecture on "Development Projects as Part of National Development Programs": [4]

Whether you can manage to cover the capital cost from the prices of the things that you produce in your project has no direct relation to the quality of the project.

On page 79 of their report, Professors Millikan and Rostow declare:

"The narrow criterion of whether a project can repay from its own revenues is at best irrelevant and at worst may be seriously misleading."

The Millikan-Rostow report calls for all the international economic controls that are standard operating procedure for Socialist schemes: international price stabilization, an international food and fiber bank, international currency control, increased international trade through elimination of U.S. tariffs, and so on.

It was alarming to read in the New York Herald Tribune, August 8, 1956, that the Senate Foreign Relations Committee had appointed Profs. Max Millikan and W. W. Rostow as members of a special subcommittee to study: "Is a continuing foreign aid program in the national interest and, if so, what form should it take?" Americans know in advance that Millikan's and Rostow's answer is "Yes, and again yes. And more and more of it."

Fortunately, American taxpayers will find it heartening that the distinguished chairman of the Scripps-Howard newspapers' executive committee, Mr. Roy W. Howard, is to be a member of the Senate's special subcommittee. He is fearless, independent, and the kind of man to hand in a strong minority report if he believes it to be justified.

This writer hopes that Mr. Howard will scrutinize the Millikan-Rostow report in relation to the writings of U.N. Socialists Gunner Myrdal and Hans W. Singer, and also in relation to Lenin's and Stalin's pronouncements on the need for equalizing the economies of the backward and advanced countries.

I hope too that Mr. Howard will read the cogent arguments against SUNFED put forth by the Honorable Spruille Braden in a Saturday Evening Post editorial of August 11, 1956, by Herbert A. Philbrick in his syndicated column of July 29, by Mr. H. W. Balgooyen in a speech at the world trade dinner held last May, by the National Foreign Trade Council in its official resolutions for the past three years, and by the National Association of Manufacturers in its August 1956 resolution against SUNFED.

The New York Times reported May 29 that Professors Millikan and Rostow do not expect adoption of their multibillion-dollar aid program to "win friends" for the United States or to "foster free enterprise." All the MIT professors expect is that this "aid" will give hundreds of millions of "underdeveloped" people a "new sense of direction."

The Millikan-Rostow report does not say what new sense of direction will be given to Americans on their adoption of such a proposal. Yet it is obvious that unless there were a taxpayers' rebellion, the United States would march on toward economic chaos or totalitarian dictatorship.

## THE 99TH ANNIVERSARY OF STATEHOOD OF WEST VIRGINIA—LEAVE OF ABSENCE

Mr. HUMPHREY. Mr. President, today marks the 99th anniversary of the statehood of West Virginia. In recognition of this auspicious event, ceremonies are being held in the State capitol at Charleston, W. Va. This evening former President Harry S. Truman will be the honored guest and speaker. He will be introduced by the senior Senator from West Virginia [Mr. RANDOLPH].

Because of the importance of this occasion, I ask unanimous consent that Mr. RANDOLPH may be excused from attendance of the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

## COMMITTEE MEETINGS DURING SENATE SESSIONS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Government Operations be permitted to sit during the session of the Senate today.

Mr. LONG of Louisiana. Mr. President, I object. May I say, with regard to that objection, that some of us have been discussing the bill presently pending to a Chamber of empty seats for the last day or so. I am willing to agree that the Senate Committee on Finance, which is the committee where there is a legislative logjam, may meet during this day. Even though I am a member of the committee and would like to be present, I am going to agree to its meeting; but with regard to other committees where there is no urgency, I shall be disposed to object to their meeting while the Senate is in session. I will not object to the Finance Committee's meeting, because I realize that is where the logjam exists at the present time.

The VICE PRESIDENT. Does the Senator from Louisiana register an objection?

Mr. LONG of Louisiana. Yes.

The VICE PRESIDENT. Objection is heard.

## EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I ask that the Senate proceed as in executive session to consider the Executive Calendar.

The VICE PRESIDENT. Is there objection?

Mr. LONG of Louisiana. Mr. President, I must object unless it be understood that we will go back into the morning hour.

Mr. HUMPHREY. The Senator has that assurance. I assure the Senator that there will be no parliamentary trickery.

The VICE PRESIDENT. The Chair wishes to inform the Senator that he can make that motion, without requiring unanimous consent.

Mr. LONG of Louisiana. Mr. President, is that motion debatable?

The VICE PRESIDENT. No.

Mr. LONG of Louisiana. Mr. President, I do not care to object if we go back into the morning hour.

Mr. HUMPHREY. The Senator has that assurance.

Mr. President, I so move.

The VICE PRESIDENT. The question is on the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider executive business.

## EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

## EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. MAGNUSON, from the Committee on Commerce:

Harold C. Woodward, of Illinois, to be a member of the Federal Power Commission.

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[4] U.N. Publication: 1951, 11.8.4. Vol. I.

The VICE PRESIDENT. If there be no further reports of committees, the nomination on the Executive Calendar will be stated.

### DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of Herbert W. Klotz, of Virginia, to be an Assistant Secretary of Commerce.

The VICE PRESIDENT. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith of the confirmation.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nomination of Mr. Harold C. Woodward to be a member of the Federal Power Commission, as reported by the Committee on Commerce today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to the consideration of executive business.

### FEDERAL POWER COMMISSION

The PRESIDING OFFICER. The clerk will state the nomination reported today.

The legislative clerk read the nomination of Harold C. Woodward, of Illinois, to be a member of the Federal Power Commission.

Mr. DIRKSEN. Mr. President, this nomination first came before the Committee on Commerce of the Senate about 8 weeks ago. It was unanimously approved. It was considered by the Senate. At that time the distinguished Senator from Wisconsin went into the question thoroughly and registered his objection. I think my colleague from Illinois [Mr. Douglas] indicated at the time that, while he was not discussing the nomination, he did oppose it. The nomination then had unanimous approval by the Committee on Commerce.

My understanding is that the nomination was approved this morning, with two abstentions. I trust, therefore, that the Senate will confirm the nomination at this time.

Mr. PROXMIRE. Mr. President, at the time the nominee was considered for interim appointment, I opposed the nomination, as the Senator from Illinois has correctly stated. I am still opposed to this nomination, for the reasons which I listed in some detail. I wish to be sure I am recorded as being opposed to the nomination.

The PRESIDING OFFICER. The question is, will the Senate advise and consent to this nomination?

The nomination was confirmed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

### LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

### ASSISTANCE UNDER KERR-MILLS ACT IN ILLINOIS

Mr. DIRKSEN. Mr. President, nothing speaks so eloquently and forcefully as a fact. I present for inclusion in the Record from the Friday, June 15, 1962, edition of the Illinois State Journal, published at Springfield, Ill., an article by Kenneth Watson showing the record of assistance under the Kerr-Mills Act in the State of Illinois on the basis of the publication of the Illinois Aid Commission for the month of May.

The figures contained in the report would extend through the month of March 1962 and indicate the number of recipients of budgets under the Kerr-Mills Act, the aggregate payment, the average payment per person, and other interesting items.

I ask unanimous consent that the article to which I have referred be printed in the Record as a part of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

#### Total of 1,144 Qualify in State for Aged Care Help

(By Kenneth Watson)

A total of 1,144 aged persons in Illinois have qualified for medical assistance since the Federal Kerr-Mills Act became effective in this State last August, according to the May publication of the Illinois Public Aid Commission.

Through March, payments totaling $351,935 had been made to 604 recipients, all of whom must be aged 65 or over and in financial need.

The average payment per person was $582.67. This figure includes $67.35 for doctor services.

"These high average payments appear to indicate that the program is meeting its essential purpose, that of providing for catastrophic illness," the IPAC stated.

Since August the IPAC has received 2,983 applications for assistance but 1,062 have either been denied or withdrawn. A total of 477 are pending.

The largest number of applications denied were from persons who have incomes too high for them to qualify under the Kerr-Mills Act.

The limit is $1,800 for someone living alone and $2,400 for someone with a spouse or other dependent.

Rejections because of too high incomes totaled 172. Other reasons for rejection included application for services not provided, 154; responsible relative able to meet cost, 151; failed appointment or could not be located, 94; death of applicant, 70.

Illinois is 1 of only 19 States participating in the Kerr-Mills program, but operates with only the required 2 minimum services. These are hospital care and 30 days of physician's care after leaving the hospital.

New York and Massachusetts, for instance, provide comprehensive medical care. In January, New York had 29,915 applicants under the program and Massachusetts 18,637, while the Illinois total was only 202.

However, in New York the average payment per recipient was only $297.80 and in Massachusetts $176.16, compared to $524.55 in Illinois.

The IPAC said the lower per person cost for the two Eastern States is because both of them have transferred large numbers of their old-age assistance cases to the Kerr-Mills program.

Fourteen of the participating States include nursing home care; 20, physicians' services; 12, drugs; and 10, dental care.

The Kerr-Mills Act was passed by Congress in 1960. It provides that the Federal Government will match State expenditures and pay more than half in States with low per capita incomes.

The King-Anderson bill now being pushed in Congress by President Kennedy would replace the Kerr-Mills program with one tied in with the social security program and financed by additional deductions from wage earners.

### ADDRESS BY HON. OREN HARRIS, CHAIRMAN OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE OF THE HOUSE OF REPRESENTATIVES

Mr. DIRKSEN. Mr. President, the National Community Television Association is holding its 11th annual convention at the Shoreham Hotel. Representative Oren Harris, the chairman of the House Interstate and Foreign Commerce Committee, addressed this group at a luncheon yesterday at which members of the Commission, representatives of the National Association of Broadcasters, and officials of the broadcast industry and of the electronics industry were present in great numbers. Chairman Harris made a timely address on the matter of broadcaster-CATV relations. I ask unanimous consent that his speech be printed in the Record at this point.

There being no objection, the address was ordered to be printed in the Record, as follows:

#### Television to the Hinterland

(Address by the Honorable Oren Harris, chairman, Interstate and Foreign Commerce Committee of the House of Representatives of the United States, at the Shoreham Hotel, Washington, D.C., on June 19, 1962, to the National Community Television Association, VIP luncheon, 11th annual convention)

Mr. President, chairman of the board, distinguished guests. Needless to say, it gives me great pleasure to welcome such an enterprising group to our National Capital. It is my understanding that almost every State in the Union is represented here, as well as some of your Canadian members. Although as an industry, you are but 12 years old, no one will deny that you have reached an imposing stature and, like another who reached his 12th year, you have grown in wisdom and in grace.

#### GROWING RECOGNITION OF THE BENEFITS OF CATV

Twelve years ago, there were only a few community antenna systems in this country. Today, there are about 1,000 of them in 46 States and the Virgin Islands. You serve about 1½ million homes or over 3½ million people. You are spreading into new areas from year to year. While most systems are small business enterprises in the true sense of the word, serving 1,000 subscribers or less, you are drawing the interest of large enterprises such as the theatrical and broadcasting interests who are getting into the CATV business. The securities of some of your companies are listed on the stock exchange and bankers, investment houses and brokers no longer look at you as an unknown quantity. CATV is a thriving business today and you present here were the pioneers who made it so.

Your contributions to educational television and other types of public service are well known. There are many grade schools and institutions of higher learning in many sections of the country which could not receive educational channels without your facilities. In many cases your channels are furnished gratuitously to the school systems of this Nation. I congratulate you.

Just about 1 month ago on May 17, 1962, a bill, H.R. 10708, had been reported to the House by the Committee on Agriculture to amend a section of the Rural Electrification Act. Several Members of Congress were apprehensive that this bill might interfere with the development of community antenna cable systems. I was not surprised when the vice chairman of the committee, Mr. POAGE; came up with an amendment which the NCTA had drafted. In answer to an inquiry whether this bill would injure CATV operators, Mr. POAGE stated:

"We were requested by the association and not by the REA to use this language. It is the language of the people whom the gentleman fears are going to be injured—it is the language of the very people—and it is word for word and has not been changed, not even by a comma."

Then Congressman POAGE paid your association a high tribute. He stated:

"I believe these gentlemen are not only fair to their opponents, but I believe they are fair to themselves. I believe they have come in and asked for a reasonable limitation. As long as it seems to be a reasonable limitation, I for one—and I believe the House Committee on Agriculture—is disposed to try to grant any reasonable limitation."

I believe that as an industry you have been "fair to yourselves," "fair to your opponents," and you have been "reasonable" in your demands. This, more than anything else, has won you an accolade from the Congress, the public and the courts.

You will forgive me if I define a community antenna television system, otherwise called a master antenna cable system, for the benefit of guests or reporters who are sometimes confused by the great variety of technical terms in the television industry.

### DEFINITION OF CATV

According to the general understanding in the Congress, a community antenna is, as the term seems to imply, a master television receiving antenna erected and designed to serve a community, or such part thereof as is practical to serve, or as may have a requirement for service. It is technically and functionally analogous to the master antenna systems installed in apartment houses to permit service to part or all of the apartments, rooms or suites by means of a single antenna system.

Generally, community antennas are found in areas where because of the interaction of topographic or geographic conditions, and technological and economic factors, reception of television signals by conventional antennas is either (1) nonexistent, (2) of unsatisfactory quality, or (3) possible only with the aid of costly tall rooftop antennas placed on high elevations or other suitable locations.

Community antennas are capable of receiving the signals of more than one station simultaneously, they are designed and oriented, when installed, to receive the desired signals and to reject, as much as possible, the undesired channels. That is essentially the same function as is performed when a homeowner who erects a rooftop antenna purchases an antenna which has been designed and manufactured to give optimum reception on the channels he desires to receive and to reject signals of stations which might duplicate or interfere with those he prefers. Community antenna people do not alter, delete, or in any manner change the broadcast intelligence on the channels which they receive.

As the Federal Communications Commission and the courts have repeatedly decided, they do not broadcast, and they are not common carriers, such as telephone companies or telegraph companies. They are in the signal-receiving business. But enough of these technicalities. Let us look at the origins of this CATV industry, as it is popularly called. That is where the real romance of your industry is to be found. It matches the wonderful tales of the first Curtis-Wright flight and earlier planes bound together with bailing wire and glue.

### EARLY BEGINNINGS

The history of the community antenna industry reveals the development of an entirely new industry in the best American tradition. In the very early days of television only very limited service was available in metropolitan areas and virtually no service in rural areas and small cities and towns more than 50 miles from the few major metropolitan areas. The Federal Communications Commission had imposed a so-called "freeze" on the licensing of television stations because of technical problems. This freeze lasted for several years and would have restricted the benefits of this dramatic new medium of mass communications to a few privileged urban areas were it not for the ingenuity of the small American businessman and the insistent demand by the public for the pleasure and educational benefits of television throughout the hinterland.

There were no precedents for this industry. However, since a single antenna could serve a hotel or an apartment house, then why could it not be made to serve an entire community?

The idea did not generate with the large and powerful electronics corporations such as the RCA's, the General Electrics, and the Philcos. It developed with local radio and television dealers in small towns who sought some way of providing television signals to the public clamoring to purchase receivers. The first systems were indeed amateurish. They consisted of an antenna mounted on a pipe on the top of a hill; twin lead wire, such as connects any antenna to the television receiving set, extended from the antenna down the hillside and throughout the area serviced. It was supported by trees, fenceposts, corners of buildings, and passed over alleys, backyards, etc. Inexpensive amplifiers, such as used in office intercommunications systems and available at most radio supply houses, were spaced at required intervals along the line. At times they worked surprisingly well and, at other times, because of inexperienced operators and the fact that the equipment was not designed to meet the demands of an extensive antenna system, they were very poor.

The industry was born almost simultaneously on both coasts in 1949 and 1950. Recognizing the public need and demand in rural and fringe reception areas for television reception and for equipment designed to meet the rigors of outdoor operation, suppliers of electronic equipment began to experiment with a designed CATV amplifier and specialized equipment. The American public brought their demands to these people and insisted that they be met in the small cities and towns across the country. Many men and women with little or no training and with the limited advice available began to build and rebuild, making known their wants and frustrations to the equipment suppliers. The demands of this new industry resulted in the formation of new companies whose primary objective was to solve the problems of multichannel master antenna reception for these small cities and towns. Established manufacturers were too busy with other problems to devote the time and resources necessary to start from scratch. As a result, the dominating equipment suppliers in the CATV field today, 12 years from when the industry was first established, are still the companies which were organized to meet this demand. The industry has never been able to stand still. Development has been constant until today more than $450 million has been invested in community antenna reception and the industry has caught the imagination of, and challenged, some of the country's largest entertainment and financial organizations.

Essentially, however, the industry was born in small town America. It can take credit for its development and it still retains much of this original flavor. It is a real example of grassroots demand and development.

### PROBLEMS OF CATV

As the CATV industry advanced in age, it encountered many problems. Cable operators found it difficult, at first, to obtain permission of telephone companies to string its cable along its poles. Power and other utilities cooperated, but telephone companies hesitated. Finally, they allowed CATV operators to use their poles, but many companies inserted all types of restrictive clauses in their contracts which tended to restrict the growth of the CATV industry. The contracts were terminable upon 30 days notice or 1 year, at most. I am informed that in the past year, most telephone companies have removed these restrictions and now grant contracts of 3 to 5 years duration. Some have even made the term 15 years.

CATV operators incurred the wrath of a handful of local television broadcasters in a few single broadcast station communities. In fact, this led to demands from some of these small broadcasters for legislation to curb CATV systems or to place them within the control of the FCC. The Federal Government controls the whole field of radio and television as provided in the Communications Act of 1934. The exclusive Federal control was upheld by the Supreme Court in 1940 in the case of *Federal Communications Commission* v. *Pottsville Broadcasting Co.* However, while CATV is an adjunct of television, the Congress has granted jurisdiction to the FCC over CATV systems only with respect to the use of radio waves. The FCC cannot regulate CATV as a common carrier.

The public interest issue in the controversy between a local television broadcast station and a CATV system in the same community has received much attention by the FCC and by the Congress.

As you know the issues were debated before a subcommittee of the Senate Interstate and Foreign Commerce Committee in 1959 and several bills to regulate CATV were introduced in the 86th Congress. No action was taken in the House and one bill got as far as the Senate but failed to pass and was recommitted to the Senate Commerce Committee. In this Congress, a bill (S. 1044) was introduced in the Senate, to control CATV, but no action has been taken on it thus far. I introduced a similar bill, H.R. 6840, at the request of the FCC, but no action has been taken by the House Commerce Committee or the subcommittee on it and none is contemplated at present.

In contrast to the unduly widespread scope of some of the earlier bills, the latest FCC proposal is designed to vest in the Commission authority to act only in those situations where local television stations are claimed to be in competition with community antenna television systems.

Of course, there has been a great improvement in CATV-broadcaster relations since these bills were introduced. I read in the trade press that at a recent meeting of your industry with FCC Commissioners and staff, it was pointed out that the communities where the CATV system did not carry the local television station could perhaps today be counted on the fingers of one hand. In view of the fact that there are well over 67 communities where a local station and a CATV system coexist, the problem can no longer be regarded as acute. By the same token, the old charge that the removal of rooftop or other antennas at the request of the subscriber, made it more difficult for the television station in the same community to be received, disappears as the cable carries this local station. The problem of attenuation of signals has almost disappeared as the improved state of the technology makes reception on the cable better than ever. Obviously, no community antenna operator would deliberately degrade a signal and make his service less attractive to his own subscriber. He would be working against his own pecuniary interests.

I am informed that an increasing number of CATV operators and broadcasters are working closely with each other to resolve their conflicts and establish a harmonious basis for each to render its respective service to their community in the public interest. Obviously, these agreements hold out some excellent promise that the overall relationships between local broadcasters and CATV systems will improve still further.

Some cities or counties seem to be attempting to regulate television through insistence upon nonduplication agreements involving broad areas, such as grade A contours, et cetera. I thought this danger had been averted by a decision on June 4, 1959 by the U.S. District Court, District of Minnesota, First Division, enjoining a city in Minnesota from attempting to impose a nonduplication agreement upon a CATV system. I would expect that CATV operators will not permit a host of divergent and conflicting local regulations to spring up. The pertinent court decisions in these matters should be brought to the attention of the local authorities and their jurisdiction should be challenged in the courts, if necessary.

The temptation is great, of course, when vying with each other to obtain a local franchise, to accept such stipulation in order to win the coveted franchise. However, such restriction may plague you as an industry in the future.

Finally, there is one real threat which you presently face and this threat is that without the benefit of CATV legislation, the FCC may proceed to regulate CATV through their jurisdiction over microwave common carrier operations. The threat flows from the FCC's decision in the Carter Mountain case. That is the case that denied a common carrier microwave company a license unless the CATV system which it intended to serve would agree to carry the local television programs and avoid duplication of its programs.

It is in this case that the FCC's Common Carrier Bureau filed a brief in which it characterized that decision of the FCC as "arbitrary and discriminatory."

The Common Carrier Bureau pointed out that while the Commission had ruled consistently that it did not have jurisdiction over CATV, the approach taken in the Carter Mountain case was a method of indirectly controlling the industry. The Common Carrier Bureau warned that the Commission's restrictions would have to "be applied to all common carriers, alike, across the board."

The brief then stated:

"Under the doctrine of this case, the FCC would be required to examine every telephone company application for extension of its facilities—to determine whether a grant of such application might afford undesirable service to a CATV system vis-a-vis a TV broadcaster. An interesting and logical extension of this philosophy would give the Commission the power to affect control of broadcast networks by the expedient of refusing to authorize use of common carrier facilities for the networks until some desirable conditions have first been satisfied."

If the Common Carrier Bureau is right in its warning and conclusion, then this decision contains frightful implications which should give concern not only to your industry but also to telephone companies, broadcasters, and other businesses, too.

Since this case has been appealed to the courts, I will not comment on the merits of the Commission's decision. However, if upheld, the decision in this case will change the FCC's and the courts' previous holdings on the duties and obligations of common carriers. If the Commission's new interpretation is sustained, the Congress is likely to be asked to hold hearings and reexamine what should be the scope of the Commission's powers over the common carriers. In the meantime, I would think the Commission is likely to adhere to its previously announced policies, until clear determination of its authority in this field is obtained from the courts.

### CONCLUSION

Except for some of the legal problems confronting your industry, I believe that the CATV industry is facing a rosy future of fresh opportunities to continue to serve the public. Neither local broadcasters nor CATV operators stand much to gain from discord or from appeals for greater regulation or legislation. Controls are two-edged swords. They cut both ways. Legislation or regulation is seldom obtained in the form sought. That is why I commend broadcasters and CATV operators who have resolved their differences through amicable agreements. In fact, these agreements are a fine demonstration of operation in the public interest—and again I want to congratulate you for it.

## TRIBUTE TO SENIOR CLASS OF GLEN LAKE COMMUNITY HIGH SCHOOL, MICHIGAN

Mr. HART. Mr. President, the senior class of Glen Lake Community High School—33 happy, fresh-faced youngsters—arrived in Washington this morning.

These are the Michigan youngsters who three weeks ago decided not to make the trip, electing instead to pay the medical expenses of a classmate stricken with cancer.

Dozens of people, here and in Michigan and elsewhere, responded to this act of selflessness with a determination to see that the youngsters made their class trip after all.

I met the Glen Lake seniors at Union Station this morning.

I wish, Mr. President, that there was some graphic way of putting smiles and laughter and excitement into this RECORD. I wish there was a way to fill this page with warm, grateful handshakes. It was a memorable moment.

Everything these young graduates said and did this morning boils down to two words, and I am happy to pass them along—even though they seem sterile and inadequate without the smiles and handshakes and excitment.

The words are "Thank you."

But I think the people who helped bring this class to Washington have gained something, too. By their simple act of charity, these youngsters have given us all an experience that we can warm ourselves by for years to come.

So, perhaps, if we were to give these youngsters an answer, we should use the same two words: "Thank you."

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. HUMPHREY. I wish to join the Senator from Michigan in commending this class of high school students, the members of which have shown, first of all, initiative of their own in saving money to make this trip to Washington, and then the act of compassion and kindliness in the giving over of their funds and resources to one of their classmates who was very ill. I think it was a marvelous example of the highest qualities of character of our young people. It is the kind of good act by young Americans that every one of us should applaud. I am sure the Senator from Michigan had one of the most enjoyable and happy experiences of his life when he was privileged to meet this high school class.

I may add that the words of the Senator from Michigan will ring throughout the RECORD with the spirit of joy, laughter, good humor, and good feeling that he said he hoped he could indicate by his expression. He has done so. He should not have any worry about it.

Mr. HART. I appreciate very much, as I know these students will, this expression from the distinguished majority whip, and Michigan's good friend from Minnesota, Senator HUMPHREY.

## NAVY PURCHASES OF FOREIGN STEEL

Mr. WILLIAMS of Delaware. Mr. President, it has been generally recognized in financial and government circles throughout the world for the past few years that increasing pressure on the dollar and the constantly growing outflow of gold from the United States represented perhaps the most serious immediate problem that this country had to face.

Last year, at the request of President Kennedy, the Congress agreed to cut the duty-free import allowance that was granted to returning tourists in an effort to cut down on the outflow of dollars. We have been told that American businesses must step up their efforts to increase export sales in order to bring more American dollars back home, and Americans are urged to buy American-made goods to help our own economy as well as to keep our dollars here.

With this as a background, I was astounded to read in the Evening Star of June 18 an article which carried the headline "Navy Triples Its Buying of Foreign Steel."

The story—an Associated Press dispatch from Cleveland—states that the Navy in fiscal year 1961 purchased 3.3 percent of its steel from foreign sources but that in the first ten months of the current fiscal year that figure had jumped to 7.4 percent. The dollar figure, at the same time, jumped from $629,124 in fiscal year 1961 to $1,739,151 in the first 10 months of this fiscal year.

While this does not represent a great deal of money when compared with our overall trade deficit, nevertheless it is these isolated cases which make up the total. When one considers the difficulties the steel industry has been facing recently—both pricing and production problems—it does not seem to make sense for the Federal Government to buy its steel from foreign sources.

During the 1960 presidential campaign President Kennedy had a great deal to say about the fact that the steel industry was operating at only 50 or 55 percent of capacity and indicated that if he were elected all this would be changed. Yet the Wall Street Journal reported yesterday that last week the industry's operating rate was only 52.7 percent of estimated capacity and that most steel men look for the rate to drop below 50 percent next month.

Mr. President, it hardly makes sense for the administration to concern itself so much with the balance-of-payments deficit, with the unemployment problem—especially in the steel industry—and with the rate of production of American steel mills when the Government itself is buying its steel from foreign concerns.

If this is what the President had in mind when he promised to "get this country moving again" one must certainly wonder what direction he had in mind.

I ask unanimous consent to have printed in the RECORD at this point the article from the Washington Evening Star of June 18, 1962, entitled "Navy Triples Its Buying of Foreign Steel" and the article from the Wall Street Journal of June 19, 1962, entitled "Steel Output Rose a Bit Last Week After Long Drop."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Star, June 18, 1962]

### NAVY TRIPLES ITS BUYING OF FOREIGN STEEL

CLEVELAND, June 18.—The Navy will spend nearly three times as much on foreign steel in the fiscal year ending with this month as it spent last fiscal year, Steel magazine said today.

"U.S. firms are disturbed because the Navy is placing orders for all the steel needed to build a ship at one time," the weekly journal of metalworking said.

"Last month, the Navy purchased 3,500 tons of steel from West Germany for three missile frigates. Another order for more than 1,000 tons of plates, to be awarded shortly, will go to a Japanese firm."

Steel said that in fiscal 1961 the Navy bought $629,124 worth of foreign steel, but in the first 10 months of fiscal 1962 purchases of foreign steel total $1,739,151.

Looking at it another way, the magazine said, the Navy bought 3.3 percent of its steel from foreign sources last fiscal year and in the first 10 months of fiscal 1962 has purchased 7.4 of its steel needs abroad.

Steel production, dropping steadily since April 1, was less than 1.54 million tons last week. It will continue to slide to a bottom of about 1.3 million tons in the July 4 holiday week, Steel said.

The scrap market continued unchanged from the previous week at an 8-year low figure of $24.83 a gross ton for steel's price composite on No. 1 heavy melting grade.

### STEEL OUTPUT ROSE A BIT LAST WEEK AFTER LONG DROP—BUT NEW DECLINE IS EXPECTED DURING USUAL SUMMER LAG; JULY ORDERS CALLED POOR—DOWNTREND MAY BE NEAR END

Steel production edged upward last week after declining for 10 consecutive weeks. But most steel men view the improvement as only temporary, and say slack business should carry output further downward into July.

The Nation's steel mills melted 1,587,000 tons of raw steel in the week ended last Saturday, up four-tenths of 1 percent from the 1,580,000 tons produced in the previous week, the American Iron and Steel Institute said.

Last week's slight pickup arrested a production plunge that has carried output down nearly 35 percent since the end of March. The slump came as steel users began to liquidate large stocks built as a strike hedge prior to the industry's early labor agreement with the United Steelworkers of America in late March.

Steel men say customers are slowly coming to the end of inventory reduction, but this is occurring at a time when the industry is moving into its traditional summer slowdown. Demand generally slackens during July as steel users close some plants for vacations and automakers slow down buying to begin model changeover. This year is expected to be no exception, and most steel men look for output to slip below 50 percent of capacity, at least during the July 4 holiday week.

#### NO UPTURN BEFORE MID-AUGUST

"We don't think there's going to be any upturn in production before mid-August," comments an official of one of the Nation's largest steel companies. An executive of a Midwestern mill, who says incoming orders for July are among the worst in the past 10 to 15 years, figures the industry may operate below 45 percent of capacity in the July 4 holiday week.

Although last week's improvement was slight, it followed a decline of only 0.4 percent in output the week before and indicates that the production downtrend is nearing bottom. Output had been plunging several points at a time during late April and early May.

Last week's pickup increased the industry's unofficial operating rate to 52.7 percent of estimated capacity from 52.5 percent the previous week. The industry's official production index rose to 82.5 percent of the 1957–59 weekly average from 84.8 percent the previous week.

The precise production outlook this week is unclear, with major mills in the large Youngstown district scheduled to hold operations steady at about 47 percent of capacity and key mills in the Alabama-Georgia region due to continue operating at 66 percent of capacity. One Pittsburgh area mill is due to step up output this week, but United States Steel Corp. plans a cutback this weekend that no doubt will depress the area's output later this month. In the Buffalo district, major mills are operating at 31.8 percent of capacity, down from 34.5 percent a week ago.

While last week's production increase was small, it came as a surprise because most steelmakers have been forecasting a continued drop. There was no readily apparent reason for the improvement, but from the way most steel men have been talking it didn't reflect any order surge.

#### NO CHANGE IN DEMAND

In the Cleveland area, for instance, one mill said production was improving from a depressed level of the prior week, but that there was no basic change in demand. And Granite City Steel Co., in St. Louis, said its production surged ahead last week because it received some orders for quick delivery.

Last week's increase resulted from a 2-point improvement in the Pittsburgh district, which is the Nation's largest, and increases in the smaller western, southern, Cleveland, and St. Louis districts. Output declined in four districts and held steady in two.

The American Iron and Steel Institute reported:

| | Net tons produced | Index of production |
|---|---|---|
| Week, June 16 | 1, 587, 000 | 85. 2 |
| Week, June 9 | 1, 580, 000 | 84. 8 |
| Year to date | 51, 348, 000 | 114. 8 |
| Year ago to date | 41, 168, 000 | 92. 1 |

The index of production is based on average weekly output for 1957–59 of 1,862,933 tons.

The index of production by districts:

| | Week, June 16 | Week, June 9 |
|---|---|---|
| Northeast coast | 83. 0 | 84. 0 |
| Buffalo | 61. 0 | 66. 0 |
| Pittsburgh | 84. 0 | 82. 0 |
| Youngstown | 64. 0 | 69. 0 |
| Cleveland | 82. 0 | 76. 0 |
| Detroit | 109. 0 | 109. 0 |
| Chicago | 86. 0 | 87. 0 |
| Cincinnati | 86. 0 | 86. 0 |
| St. Louis | 99. 0 | 89. 0 |
| Southern | 103. 0 | 101. 0 |
| Western | 100. 0 | 97. 0 |
| Total industry | 85. 2 | 84. 8 |

## PLEA FOR URGENCY

Mr. HUMPHREY. Mr. President, I would like to invite my colleagues' attention to a striking example of courageous leadership in the labor movement. In the first issue of a new magazine published by the building and construction trades department, AFL–CIO, there is a fine article by the department president, C. J. Haggerty, a labor statesman of long standing. I can think of no clearer voice to speak for and to labor than that of Mr. Haggerty.

In this statement, he speaks of the absolute necessity for our missile base construction program to proceed without interruption, without regard to local disputes or petty annoyances. I commend Mr. Haggerty's forthright stand on this issue of national importance, and I ask that the text of his article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### AN URGENT APPEAL TO ALL BUILDING TRADESMEN

(By C. J. Haggerty)

For the better part of my life I have worked with and for the building trades craftsmen of this country. Experience has taught me to admire and respect not only their skill, but their sound commonsense and deep patriotism. That is why I am directing this urgent appeal to the members of our building trades unions.

We have a tremendous job to do—a job not for any private employer, but for our country. The missile base construction program is the key to our national defense. All our hopes to preserve world peace, to safeguard the free way of life, to deter further Communist aggression and to promote the future well-being of ourselves and our families depend upon the speed and the excellence with which the missile bases are completed.

During the last 8 months of 1961, our men did a wonderful job. Time lost due to shutdowns on missile bases was reduced to the vanishing point.

As a result, the missile base program is now on schedule—in some instances ahead of schedule.

But things have deteriorated in the first quarter of this year. In fact, there is serious, official concern about the increasing number of work stoppages. Again we hear threats from those in Congress who are out to smear labor and enact further antiunion legislation.

We cannot afford to ignore the danger signs. The trend of the last few months must be halted and reversed. I am confident of the full cooperation of American building tradesmen once they know all the facts.

The causes of the stoppages fall into two main categories. First come disputes resulting from unsatisfactory working conditions. Second are those developing from jurisdictional disputes.

I have traveled back and forth across the country repeatedly in the last 2 years to learn from direct inspection just what the problems are at the various missile bases. No one knows better than I the terrible conditions under which our men have been forced to work and live at certain far-flung sites. The human factors involved in some of these disputes cannot be overlooked.

But in spite of the irritations and the provocations and the redtape that cause tempers to flare up, I say to you as strongly as I can that there is absolutely no justification or valid excuse for a work stoppage at any missile base at any time.

That is a sweeping statement. I would be the last one to make such a statement unless there was overwhelming evidence to prove it.

In the first place the presidents of each of the international unions affiliated with this department adopted a clear-cut policy with regard to the missile base program on February 15, 1961. Recognizing the urgency of that program, the internationals notified each of their local unions that they were under obligation to give notice to international headquarters and secure approval before engaging in any work stoppage.

Not a single international union has since that date given its sanction to a local work stoppage.

On the contrary, the officers of the international unions have expended much time and effort to prevent local walkouts, to end them promptly when they do occur and to halt wildcat action of all kinds.

Secondly, in behalf of the entire trade union movement, AFL–CIO President George Meany gave President Kennedy a solemn pledge a year ago—a pledge not to halt work at any missile base. That pledge is binding not only on this department and its affiliated international unions, but on every one of their local unions. It places an obligation upon every individual member of the building trades unions.

On the strength of labor's pledge, President Kennedy created the Missile Sites Labor Commission with machinery both at the local level and the national level to remedy injustices, inequities or valid grievances. It doesn't take a work stoppage to make this machinery move. The whole purpose of the Commission is to convince everyone concerned that justice can be obtained promptly without resorting to extreme action.

In the case of jurisdictional disputes, this department and its affiliated unions have established, together with cooperating contractors, the joint board for the settlement of jurisdictional disputes. In creating this board, our unions agreed to submit disputes for adjudication on the merits without work stoppages. Surely that agreement, applicable to private construction, is far more binding in the case of missile sites.

The present situation is critical. Each building trades worker, each local union official, must understand his responsibility and carry it out faithfully. I appeal to you to do so. We have a big job to do. It cannot wait.

In the days and months ahead, it is up to us to strengthen America's main line of defense—its missile system. We've got to take into consideration the whole picture, not merely what's happening right under our noses. Our grievances on the job are minor compared to our main grievance against the Communist leaders who are threatening us and all freemen so boldly. Unfortunately, we can't get that problem settled by an impartial commission, as we can with our job problems.

Remember, if the Kremlin prevails we won't have to worry any more about antilabor legislation. The penalty for work stoppages will be death at dawn before a firing squad.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 2339) for the relief of George Ross Hutchins, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1304. An act for the relief of Jung Hae;

H.R. 1488. An act for the relief of Clara G. Maggiora;

H.R. 2371. An act for the relief of Ali Khosrowkhah;

H.R. 2604. An act for the relief of Pietro Dattoli;

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak;

H.R. 3000. An act for the relief of Lea Min Wong;

H.R. 3131. An act for the relief of Richard C. Collins;

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo;

H.R. 3922. An act for the relief of Mrs. Elizabeth G. Mason;

H.R. 4718. An act for the relief of Bogdan Kusulja;

H.R. 6987. An act for the relief of Maj. William R. Cook;

H.R. 7385. An act for the relief of Charles Waverly Watson, Jr.;

H.R. 7900. An act for the relief of Lt. (jg.) James B. Stewart;

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo);

H.R. 9593. An act to provide for the conveyance of certain phosphate rights to the Dr. P. Phillips Foundation of Orlando, Fla.;

H.R. 10459. An act to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn.; and

H.R. 12154. An act to amend and extend the provisions of the Sugar Act of 1948, as amended.

## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2186. An act for the relief of Manuel Arranz Rodriguez;

S. 2340. An act for the relief of Shunichi Aikawa;

S. 2418. An act for the relief of Elaine Rozin Recanati;

S. 2486. An act for the relief of Kim Carey (Timothy Mark Alt);

S. 2562. An act for the relief of Sally Ann Barnett;

S. 2565. An act for the relief of Michael Najeeb Metry;

S. 2895. An act to provide for the conveyance of certain lands of the Minnesota Chippewa Tribe of Indians to the Little Flower Mission of the St. Cloud Diocese; and

S. 2990. An act for the relief of Caterina Scalzo (nee Loschiavo).

## HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 1304. An act for the relief of Jung Hae;

H.R. 1488. An act for the relief of Clara G. Maggiora;

H.R. 2371. An act for the relief of Ali Khosrowkhah;

H.R. 2604. An act for the relief of Pietro Dattoli;

H.R. 2664. An act for the relief of Mrs. Irena Ratajczak;

H.R. 3000. An act for the relief of Lea Min Wong;

H.R. 3131. An act for the relief of Richard C. Collins;

H.R. 3501. An act for the relief of Mrs. Hasmik Arzoo;

H.R. 3922. An act for the relief of Mrs. Elizabeth G. Mason;

H.R. 4718. An act for the relief of Bogdan Kusulja;

H.R. 6987. An act for the relief of Maj. William R. Cook;

H.R. 7385. An act for the relief of Charles Waverly Watson, Jr.;

H.R. 7900. An act for the relief of Lt. (jg.) James B. Stewart; and

H.R. 9186. An act for the relief of Eladio Aris (also known as Eladio Aris Carvallo); to the Committee on the Judiciary.

H.R. 9593. An act to provide for the conveyance of certain phosphate rights to the Dr. P. Phillips Foundation, of Orlando, Fla.; and

H.R. 10459. An act to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn.; to the Committee on Interior and Insular Affairs.

H.R. 12154. An act to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Finance.

## AMENDMENT TO THE SUGAR ACT OF 1948, AS AMENDED

Mr. LONG of Louisiana. Mr. President, in view of the fact that the message from the House has reached the Senate concerning the amendment of the Sugar Act, I wish to state that it is the judgment of a number of Senators who serve on the Committee on Finance that the bill proposed by the Kennedy administration for the amendment to the Sugar Act is far superior to the bill which was passed by the House of Representatives.

The statement by the Under Secretary of Agriculture before the Committee on Finance today I believe very thoroughly and convincingly spells out the vast superiority of the Senate bill over the House bill.

It is my judgment that the Committee on Finance will report a proposed amendment to the Sugar Act pretty much in line with what the administration has recommended.

As one who serves not only on the Committee on Finance but also on the Committee on Foreign Relations, I must say that the bill the House has sent to the Senate, in my judgment, represents the action desired by one or two people on a House committee which does not have jurisdiction over international relations, who wish to set their own foreign policy by attempting to parcel out quotas to various nations as they believe the sugar quotas should be divided. There are great bonuses available under the old Sugar Act concept.

It is my hope that the Senate will see fit to adopt the approach advocated by the Kennedy administration. I am pleased to be a cosponsor of that bill.

Mr. President, I ask unanimous consent that the statement presented by Under Secretary of Agriculture Charles S. Murphy to the Committee on Finance today—not the interrogatories, but the prepared statement—may be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### SUGAR ACT AMENDMENTS OF 1962

(By Charles S. Murphy, Under Secretary of Agriculture, before the Senate Committee on Finance, July 20, 1962)

Mr. Chairman and members of the committee, I am glad to have this opportunity to appear before this committee to testify on H.R. 12154, the bill passed by the House to extend and amend the Sugar Act. I would also like to refer to S. 3290, a bill which was introduced by 36 Members of the Senate for a similar purpose.

On May 16, the Secretary of Agriculture appeared before the House Committee on Agriculture and testified on behalf of the administration's recommendations for extension and amendment of the Sugar Act. The bill, as passed by the House, on June 19, is substantially the same as the administration's recommendations, with respect to participation by American farmers in our sugar market. Accordingly, I will not dwell at any length upon these provisions—particularly since they are in accord, I understand, with the thinking of all segments of the domestic industry.

In essence, the offshore domestic areas, Hawaii, Puerto Rico, and the Virgin Islands, would be enabled to market all of the sugar they are likely to produce between now and the end of 1966 when the extension would expire. Mainland sugarcane production in Louisiana and particularly in Florida has expanded tremendously during the 3 most recent years when production was unrestricted. Because of the many new mills in Florida and the vastly expanded acreage it probably will be necessary to control mainland sugarcane production beginning in 1963. However, the more than 35 percent increase in the quota for mainland cane suggests that it will not be necessary during the life of the extension to curtail production below 445,000 acres. This is 85,000 acres more than 1961 production.

The bill provides that 63 percent of market growth or a little more than 100,000 tons a year would be available to the two mainland producing areas in ratio to their basic quotas, that is, about three-fourths to the beet sugar area and one-fourth to the mainland cane area. The approximate 25,000 tons a year expansion for cane will ease the annual acreage restrictions in Louisiana and Florida.

As to sugarbeets, the approximately 75,000 tons annual increase in quota on top of the 25-percent enlargement of that area's basic quota to 2,650,000 tons, plus the need to replenish inventories which have fallen below desirable working levels would be sufficient to provide for all the sugarbeets that reasonably may be expected to be processed in the existing sugarbeet factories and to provide for the entry of some additional production in new localities.

The bill provides that acreage not in excess of that needed to yield 50,000 short tons of sugar shall be reserved for growth and expansion of the beet sugar industry. In response to a question at the House committee hearing, the Secretary of Agriculture stated that it was his understanding that each year in which proportionate shares are effective the acreage required to produce 50,000 tons of sugar, or about enough for one new factory, would be reserved primarily for new localities of production. In the committee report on pages 6, 7, and 8, his statement is repeated and a system of priorities and selection is suggested at somewhat greater length.

Your committee may wish to provide additional legislative history or statutory language with respect to his administration of the new locality provision and you may be sure he will welcome all of the guidance you may care to give him in what, I know, will be a difficult administrative decision—making procedure.

I would like to direct my remarks now to that part of H.R. 12154 which is in substantial disagreement with the administration's recommendations, that is, the part that concerns the acquisition of foreign supplies.

The administration has recommended and S. 3290 provides that the quotas for foreign countries other than Cuba under the present act be continued and that the balance of our foreign requirements of 2,585,000 tons at the present level of sugar requirements be prorated to Cuba to become available to that country when we resume diplomatic relations. Importations of such sugar would be subject to an import fee of the amount needed to effect a domestic price which would fulfill the objectives of the act. It was further recommended that the quotas for foreign countries other than the Republic of the Philippines be subject to payment of a fee graduated on a rising scale. No change was recommended with respect to the quota of the Republic of the Philippines or the terms of importation from the Philippines.

The principal reason why the administration recommended the recapture of the quota premiums through the import fee and the so-called global quota are as follows:

1. It will increase Treasury receipts by about $130 million a year to begin with and by more as the years pass.
2. It will improve the U.S. balance-of-payments position by an equal amount.
3. It will provide better assurance of sugar supplies when and as we need them.
4. It will avoid discrimination by the United States among various nations with which it has friendly relations.

The Sugar Act was written 28 years ago to deal with the economic emergency then existing. It was tailored to meet the situation when the Philippines were part of the United States and Cuba was our only substantial foreign supplier of sugar.

The Sugar Act worked well during the prewar period and during the early postwar years. It benefited producers in the United States and the Philippines and lifted Cuba out of the depression. Moreover, while we had a cooperative government in Cuba that was able to supply this country with virtually unlimited quantities of sugar at any time, the system gave protection to domestic consumers as well as to producers.

With the advent of the Castro government and communism in Cuba we lost the very basis upon which the previous system of country quotas was established. Since late 1960 this country has tried to maintain the form of the old system by distributing Cuba's quotas among other foreign suppliers. Through good luck we have been able to obtain supplies for domestic consumers without disruption or serious price increases. The fact remains, however, that this has been more the result of good fortune than of good management. Reserve supplies in the individual foreign supplying countries have not been adequate to give American consumers real supply protection.

The sugar quota system has become a foreign aid measure in which we determine the amount of aid we give to a foreign country by its ability to gain access to our sugar market rather than by its demonstrated need for foreign assistance. In 1961 we imported sugar from more than 20 foreign supplying countries and paid them a total of over $200 million in excess of the world average price of sugar.

Let me say why the administration supports a price well above the competitive level for domestic producers and does not support the same high premium price for foreign suppliers, other than the Republic of the Philippines with which we have a trade agreement.

The degree of support afforded domestic producers is possible only because the act provides for production management. Without production adjustment, the demand to produce sugar crops would expand rapidly in this country. The act does not provide and it is obviously impossible to control production in foreign countries. Right now, production is being expanded in many countries of the world in the hope of obtaining a larger quota in the U.S. premium market. If this situation is permitted or encouraged to continue, the United States may soon be accused of promoting overproduction and of breaking international markets. Even now, it is impossible to satisfy the demands of foreign producers for a place in this market. In a few years the disappointment of those countries which do not receive the marketing opportunities they hope for will be further aggravated.

I would like now to comment on arguments that have been made against the so-called global quota.

1. It has been said the protection provided domestic producers for more than 25 years under the Sugar Act would be impaired unless the benefits to domestic producers (other than direct Government payments and tariff protection) be made available to foreign countries—29 of them as provided in H.R. 12154. I do not really understand this contention. The price and income protection for domestic sugar producers stems from section 201 of the act which requires the Secretary of Agriculture to make available a supply of sugar that will be consumed at prices that will not be excessive to consumers and that will protect the welfare of the sugar industry. That section provides further detailed guidance to assure the attainment of the general objective of fair and stable prices. The administration subscribes without reservation to the philosophy that American farmers should be enabled to participate with all other segments of our population in the abundance this country has to offer. The administration in drafting its recommendation provided assurance that when foreign sugar enters the flow of commerce in this country it would be priced at a level consistent with the terms of section 201 of the Sugar Act. The mechanism provided is simple and it is sure. All foreign sugar coming into this country must pass through a customs port of entry. Right now under the present Sugar Act, no quantity of sugar in excess of 100 pounds may be entered without the Collector of Customs having in

his possession a quota clearance certificate issued by the Department of Agriculture. The administration proposes that such clearance certificates for foreign sugar other than from the Republic of the Philippines be issued only upon payment or binding agreement to pay an import levy approximately equal to the difference (after adjusting for freight and most-favored-nation tariff) between the world market price of sugar and a domestic price consistent with price objectives of section 201. The fee would be varied from time to time whenever necessary. Thus, after this sugar is cleared through customs, it is priced in conformity with the price of domestic sugar similarly situated.

2. A number of persons have expressed fears that permitting all friendly countries to compete on the basis proposed would not provide the security of foreign sugar supply obtainable under a system of individual country quotas. The validity that this argument may have had disappeared when Castro took over Cuba and reoriented the entire life of that country.

It is true enough that Cuba once maintained ample supplies of sugar throughout every month of the year to serve whatever surges might occur in the demand for sugar in the United States. But this is the past. No country today produces and has available supplies of sugar for export in the quantities that Cuba once had. In July 1960, when we discontinued sugar importations from Cuba, a number of our other supplying countries had recently accumulated surpluses, in some cases to embarrassing proportions. The two events happened to occur at about the same time. But in the last 2 years we have drained those surpluses away and current exportable supplies from those countries as well. For more than a year, our foreign supplies available under a strict allocation basis have been shipped hot from the mills. A natural disaster in any one of the countries, a strike or other economic emergency, or a miscalculation as to production potential interferes with the flow of sugar from that source. This can no more be corrected quickly than it can be foreseen. It disturbs the marketing of domestically produced sugar which becomes available in quantities in the closing quarters of the year. It disturbs the price stability that is so desirable under this type of legislation. Summertime foreign supplies, when demand is heavy, are distressingly meager and last-quarter supplies are embarrassingly large when the mainland areas are in the midst of their heavy production.

The fact is that the insecurity and instability of our foreign supplies would be corrected under the administration's recommendation and consumers would have the security of supplies that they have not known in the last 2 years. In the global quota of more than 2,585,000 tons, all of the friendly countries could compete for a share of our market, and our refiners would have all of these sources from which to obtain their supplies as needed. If a stoppage occurs in the flow from one source, additional quantities are readily available elsewhere. The situation reverts in essence to what it was when Cuba maintained a large reserve and made it available when and as needed.

3. It is said that the economies of a number of our quota supplying countries are geared to the premium price of the American market and will suffer in making the adjustment to the world market price level, even if that market rises somewhat following the merger of our foreign requirements into the world market. It is true that the adjustment could better have been made 2 years ago than now. On the other hand, many of these countries had burdensome supplies of sugar at that time which were beginning to create severe economic problems. As a result of the Cuban windfall, those countries supplied many times the quantities of sugar they had previously been permitted to market in the United States. Aside from the Republic of the Philippines whose premium price status is unchanged under the proposed amendment, all foreign countries other than Cuba collectively supplied less than 300,000 tons of sugar annually to the United States prior to July 1960. Under S. 3290 which embodies the administration's recommendations, they would retain quotas somewhat larger than they had 2 years ago and the premium on this sugar would be reduced gradually until eliminated at the end of 1965. It is certainly better to begin eliminating the quota premium now than at any time in the future when if not eliminated, the sugar economies of those countries would be even more firmly geared to our premium price. If this occurs and the Communist regime in Cuba falls, either there will then be little opportunity in our market for Cuba or an even more difficult adjustment will have to be made in the sugar economies of the other countries.

4. It has been said that the determination and imposition of a variable import levy by an executive department places too much power in that department. I am sure the members of this committee know that the Sugar Act for many years has authorized the Secretary of Agriculture to establish the total supply of sugar that can be marketed in this country. His direct actions with respect to sugar supply under this authority have had an indirect but very sure effect on prices—in fact, exactly the same effect as the determination of the amount of the variable import levy would have. S. 3290 provides adequate guidance to the Department, both as to the amount of the import fee to be established and the supply of sugar made possible by the total quotas including the so-called global quota.

5. It is said that the imposition of the variable import levy will be regarded as an unfriendly act by many of the countries that have supplied our sugar. This is inescapable but in time will be relegated to the past. On the other hand the experience of the last 2 years makes it very clear that our present sugar import policy wins us no friends. Regardless of the terminology used, such as "quota" and "nonquota" sugar, when a country receives an allocation for one period, it expects one of greater or equal size in each succeeding period. Misunderstandings have arisen because of the irregular nature of the allocations. Countries that have not received allocations have felt even more strongly that they have been subjected to discrimination. Failure to receive allocations and the receipt of allocations, alike, in the past 2 years have produced misunderstandings and in some cases ill will.

6. It has been said that buying our foreign requirements at the going price is contrary to our national policy of trying to improve the market for basic commodities, particularly those produced in Latin America. It is difficult to understand how the practice of buying sugar from selected countries at very high premium prices without ability to tailor production to market needs could contribute to sound and orderly markets for basic commodities. Conversely the opening of our market to all friendly cane sugar exporting countries would certainly improve the international marketing climate for sugar and because of the enlarged marketing opportunities support the price of sugar eligible for entry here that moves in world trade.

7. It has been said that current production costs are higher than the world price for sugar. This may be but, if so, a substantial contributing factor has been the hope of disposing of exports in the U.S. premium priced market. Furthermore, these hopes undoubtedly have given rise to production plans in high-cost producing areas. The most obvious solution for bringing prices up to a profitable level is to remove a device which can only in the long run bring about overproduction, disorderly markets, and unprofitable enterprises.

With respect to the importation of direct-consumption (refined) sugar, S. 3290 retains without substantial change the direct-consumption limitations of the present act except that the 375,000-ton limitation within the proration for Cuba would be reduced to 250,000 tons when we are in diplomatic relations with that country and eliminated completely at other times. This change is recommended to compensate the cane sugar refining industry for its percentage loss of the total sugar market stemming from the fact that refined beet sugar marketings have been increasing at a faster rate than total market growth.

S. 3290 which embodies the administration's recommendations with respect to the Sugar Act provides needed changes to bring the sugar program into conformity with the situation that now exists and to make it viable for the changes which may occur before the end of 1966.

Mr. Chairman, as you know, the House bill departs very substantially from the administration's recommendations with respect to imported sugar. H.R. 12154 increases the basic quota for foreign countries other than Cuba by about 1,085,000 tons, reduces the quotas reserved for Cuba when it returns to the Hemispheric Community of Nations to 1,500,000 tons and allocates that quota for the balance of this year and next year to 11 of the 29 countries which are granted basic quotas. The report on the bill indicates that Congress will review the temporary allocations of the Cuban quota after 1963.

The House bill further provides that the quota premium will continue to be paid on all foreign sugars.

There is one additional special provision of the House bill, not recommended by the administration, to which I wish to call attention. Section 18 of H.R. 12154 provides for the refund of more than $22 million collected as an entry fee on the nonquota purchase sugar which the act provided for the Dominican Republic during the last half of 1960 and the first quarter of 1961, a period within the Trujillo regime. In March of 1961, the act was amended to relieve the President of the requirement that he purchase nonquota sugar from any country with which we are not in diplomatic relations. No further nonquota purchase sugar was purchased from the Dominican Republic until this year by which time diplomatic relations had been resumed with the present Government of the Dominican Republic. No fee was collected at any time on the sugar which came into this country within the statutory quota for the Dominican Republic. Two of the companies, or their successors, who paid the entry fee on nonquota sugar in order to market it have brought actions in the court of claims to recover the fees that each paid. It is the opinion of the responsible legal authorities of the Government that the fees were properly and legally imposed and it is our feeling that the litigation should be permitted to proceed without legislative interposition.

For the above reasons the Department of Agriculture feels strongly that the program recommended by the Secretary of Agriculture in his letter of May 14, 1962, to the Vice President and the Speaker of the House constitutes a sound and desirable basis for amending and extending the Sugar Act. We would now like to renew those recommendations and urge that this committee amend H.R. 12154 accordingly.

## FEDERAL COMMUNICATIONS COMMISSION JURISDICTION OVER INTERNATIONAL RATES

Mr. LONG of Louisiana. Mr. President, one of the great things about the U.S. Senate is that there is the right of debate, the right to be wrong, the right to be proved wrong, and the right to set the record straight.

In the debate concerning the bill which is now the unfinished business of the Senate as a legislative matter, I am sure those of us who oppose the bill will make some misstatements from time to time. We shall be glad to correct them, insofar as that is the case. We seek to present the full facts to the Senate of the United States. Likewise, those who favor the proposed legislation will tend to make some incorrect statements from time to time.

On yesterday, in the course of my speech, I made the statement that the Federal Communications Commission has never undertaken to determine what the rates should be for oversea calls, for calls outside the boundaries of the United States, in the history of that Commission. For 28 years the Commission has never even attempted to do that job.

The Senator from Oklahoma [Mr. KERR] raised the question of FCC jurisdiction over international rates. It seemed to be his contention that the FCC has no jurisdiction to set rates for international communications services offered by U.S. international communications carriers. He was apparently willing to concede that the FCC might have the power to set a limit on the overall earnings of a U.S. international communications carrier but wanted to stop there.

The Senator from Oklahoma seemed to reason that the United States could not have such jurisdiction over international rates because of the fact that the messages involved terminated or were received in foreign countries and the communications activities within foreign countries were subject only to the jurisdiction of the foreign country involved.

**With reference to the colloquy on this point, the following sections of the Communications Act of 1934 as amended are relevant:**

> SEC. 201(a) It shall be the duty of every common carrier engaged in interstate or foreign communication by wire or radio to furnish such communication service upon reasonable request therefor.
>
> SEC. 201(b) All charges, practices, classifications, and regulations for and in connection with such communication service, shall be just and reasonable, and any charge, practice, classification, or regulation that is unjust or unreasonable is hereby declared to be unlawful.

**These sections seem to indicate clearly that the FCC has jurisdiction over the rates charged by a common carrier engaged in foreign communications. A check with the Common Carrier Bureau of the Federal Communications Commission indicated that the FCC itself has never had any doubt as to its own jurisdiction over international rates.**

> SEC. 203. (a) Every common carrier, except connecting carriers, shall, within such reasonable time as the Commission shall designate, file with the Commission and print and keep open for public inspection schedules showing all charges for itself and its connecting carriers for interstate and foreign wire or radio communication between the different points on its own system, and between points on its own system and points on the system of its connecting carriers or points on the system of any other carrier subject to this Act when a through route has been established whether such charges are joint or separate, and showing the classifications, practices, and regulations affecting such charges.

Under this section the FCC requires a filing by all international carriers of their through routes. This is required even though a connecting carrier may be an entity owned and operated by a foreign government.

Apparently, the only reason why the FCC has not attempted more comprehensive regulation or, in fact, any regulation of international telephone rates, has been that it was lacking in financial and personnel resources and there may be a contributing factor; namely, that there has not been much interest in the regulation of these rates on the part of the Commission.

In the mind of the Commission, and based on the wording of the statute, it appears clear that the jurisdiction of the FCC which was questioned on the floor does in fact exist.

In other words, the FCC clearly has jurisdiction to regulate foreign and oversea rates, even though it has not done so. As chairman of the Subcommittee on Monopoly, I raised the question when the representative of the FCC was before the subcommittee. The answer given by the staff assistant, Mr. Strassburg, may be found on page 433 of the hearings, as follows:

> Mr. STRASSBURG. I am Bernard Strassburg, Assistant Chief of the Common Carrier Bureau of the Commission.
>
> What we did by this letter, Senator, we could have done at any other time in our history. We have the power to inquire into the oversea rates of the telephone company, unquestionably. We certainly have fixed rates time and time again for the international telegraph carriers in great detail.
>
> Now, the reason that we have not in the past gone into a rate investigation, particularly with respect to the oversea rate classifications are several, and one, I think, is that the rates which were established back in 1945, the present rates were established back in 1945, since that time the traffic has grown but it has been a very small part of the overall operations subject to our jurisdiction. And the Commission, with its limited time and personnel, has to pick and choose where it is going to focus its rate attention.
>
> Now, we do, as Commissioner Craven and Chairman Minow indicated, keep a surveillance over the overall earnings, in services subject to our jurisdiction, of the Bell System. We do from time to time get into specific classifications of service.
>
> We have just completed a 5-year investigation, a very comprehensive investigation, of the domestic private-line services of both A.T. & T. and Western Union. There, we were dealing with an important segment of service on which there were substantial reasons to look into it.
>
> But as far as the oversea rates were concerned, it was a growing service. The service seemed to be developing under its existing rate structure and rate levels without being inhibited by those rate levels, and the time has come now, in light of developments as we stated in this letter to A.T. & T. that we are going to get into this thing and look precisely at their oversea costs.
>
> So it is a matter of the choice and decision of the Commission as it goes along in light of a number of circumstances.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Federal Communications Commission Chairman Newton N. Minow to Mr. F. R. Kappel, president, American Telephone & Telegraph Co.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> JUNE 30, 1961.
>
> Mr. F. R. KAPPEL,
> *President, American Telephone & Telegraph Co., New York, N.Y.*
>
> DEAR SIR: The Commission by letter dated July 26, 1960, requested that you undertake a cost study of your oversea communication services to develop for these services the investment, expenses, and revenues associated therewith. In your reply of August 8, 1960, you recalled previous discussions with the Commission relative to your views of a worldwide cable system and stated that since there had been a number of developments in that field you would like to present to the Commission the current status of your cable plans before undertaking the requested cost study. Shortly thereafter you did make such a presentation to the Commission. You further stated in your reply that meanwhile you proposed to consider methods and procedures which might be appropriate for a study of your oversea operations.
>
> The Commission has further considered this matter in the light of current developments and desires that you proceed at once to make a cost study that will reflect the current level of earnings on your oversea communication services. In this connection, arrangements should be made with our staff immediately for the purpose of working out some of the details of the cost study. As indicated in your letter of August 8, it is presumed that you have done considerable preliminary work in this connection since that time. Without in any way delaying the completion of this study, the Commission requests that, during the course of the study, the company give attention to the matter of formulating procedures that will readily provide this type of information whenever required.
>
> In previous discussions of proposed cost studies your position, as we understood it, was that such studies would be of little value because of the rapidly changing complexion of oversea business occasioned by new cable projects and the advent of satellite communications. As you are aware, the Commission has never had before it data on which to properly evaluate the level of earnings on your oversea communication services. Such an evaluation can no longer be delayed. As we are sure you appreciate, postponement of further Commission consideration of this matter until the character of your oversea business stabilizes is out of the question since the point of time at which this is likely to occur cannot possibly be foreseen at this time. We have noted, for instance, the substantial amounts that Bell Laboratories is billing your company for satellite research and development and your applications for construction of new cable in the Pacific area.
>
> We will appreciate your cooperation in promptly complying with this request.
>
> By direction of the Commission:
>
> NEWTON N. MINOW, *Chairman.*

Mr. LONG of Louisiana. Mr. President, I should like to read a portion of the letter which has to do with the controversy and question of fact involved as to whether the FCC has the power to regulate the rates of A.T. & T., insofar as those rates involve calls from this Nation to a foreign nation:

> As you are aware, the Commission has never had before it data on which to properly evaluate the level of earnings on your oversea communication services. Such an evaluation can no longer be delayed. As we are sure you appreciate, postponement of further Commission consideration of this matter until the character of your oversea business stabilizes is out of the question since the point of time at which this is likely to occur cannot possibly be foreseen at this time. We have noted, for instance, the substantial amounts that Bell Laboratories is billing your company for satellite research and development and your applications for construction of new cable in the Pacific area.

Mr. President, I submit that there is no basis whatever for the contention that jurisdiction does not exist on the part of the Federal Communications Commission to regulate oversea rates.

The fact is that there has been a failure on the part of the Commission to exercise its function ever since the Commission was established. The failure is a 28-year failure—which is a long time to fail to do a job assigned to a commission by the Congress.

Mr. Johnson of the Rand Corp. estimated that the American Telephone & Telegraph Co. has made a 66-percent profit on its oversea operations. If a 6½-percent return on investment would be regarded as fair for a regulated public utility, a 66-percent profit works out to 10 times the rate of profit that could be justified for that oversea service alone. That is the kind of thing that has caused some of us to say, "If you are going to rely upon the FCC to see that oversea telephone rates are reasonable, and that the space satellite program would be properly regulated if we let it go under the control of the American Telephone & Telegraph Co., you are leaning on a weak reed indeed."

Mr. President, if there is no further morning business——

The VICE PRESIDENT. Is there further morning business?

## COMMITTEE MEETINGS DURING SESSION OF THE SENATE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Stockpiling Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Is there objection?

Mr. LONG of Louisiana. I object.

The VICE PRESIDENT. Objection is heard.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Irrigation Subcommittee of the Committee on Interior and Insular Affairs be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Is there objection?

Mr. LONG of Louisiana. I object.

The VICE PRESIDENT. Objection is heard.

## EUROPEAN STEEL PRODUCTION

Mr. HUMPHREY. Mr. President, a most interesting article appeared in the Wall Street Journal of May 28, written by Mr. Ray Vicker, reporting from Luxembourg, entitled "Steel Freedom—European Mills Grow Mightily as Market Shackles are Removed."

This article, which discusses the phenomenal increase in steel production in the Common Market, points out that steel prices since 1952 in the Common Market have risen about 3 percent as against the U.S. price rise of 43 percent. During this same period the Common Market has reached a production output of 80.6 million tons last year as against U.S. production of 98 million tons.

The article discusses the interesting formula of the European Coal and Steel Community—"limited planning"—which has encouraged low prices, more efficient production, and has taken what seems to be a realistic position on mergers of steel companies.

This article, which contains a wealth of detail on wages and prices and the organization of the steel industry in Europe, should be studied by anyone interested in the competitive position of the American steel industry in the world.

I wish to call particular attention to one paragraph in the article, as follows:

> And the extent to which Western European steel mills have modernized their facilities often has drawn the openly expressed envy of American steel men. In France, SOLLAC, a leading steelmaker, recently had to turn down a request from a French travel agency to route busloads of tourists through its Lorraine Rolling Mills at Seremange. Its reason: The mill is so crowded with visiting steel executives, who come to study the installation, that no guides can be spared.

The article goes on to point out that about 25 percent of steel production by 1965 is expected to come from high-speed oxygen furnaces, against 2.5 percent in 1960.

The text of the article is one of the most illuminating discussions that I have ever read of the problem of our competition in the Common Market in a basic industry such as steel.

I call the article to the attention of the Senate because it has a direct relationship to certain economic developments in the State of Minnesota, where the iron industry is such a vital part of our economy.

I wish to encourage in every way I can, in a helpful manner, the modernization of our steel plant wherever it is required, so that the United States can be competitive in the world market.

I wish to do all I can to stimulate the mining of iron ore and the conversion of certain types of low-grade ore, such as taconite, and the expansion of what we call taconite facilities, which make taconite pellets.

I ask unanimous consent, therefore, to have the article by Mr. Ray Vicker, appearing in the Wall Street Journal, May 28, 1962, printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### STEEL FREEDOM—EUROPEAN MILLS GROW MIGHTILY AS MARKET SHACKLES ARE REMOVED—COMMON MARKET ARM ENDS TARIFFS, CURBS ON OUTPUT; PRICES STABLE AS PAY RISES—SOME LESSONS FOR THE UNITED STATES?

(By Ray Vicker)

LUXEMBOURG.—Americans on both sides of last month's spectacular steel price battle might be surprised to chat with European steel experts.

Supporters of United States Steel Corp.'s position would hear mill executives report they have raised wages rapidly while prices held nearly steady, and yet still earned enough profit to finance most of a giant increase in spending to expand and modernize their plants.

And supporters of President Kennedy's stand would hear regulatory authorities boast they had helped write this record by allowing the mills almost complete freedom to sell their metal at any price they please.

This happy situation doesn't quite mean the millenium has arrived in European steel. But it does tell something about the accomplishments of the European Coal and Steel Community—the oldest of the international agencies working to tie the economies of France, West Germany, Italy, Belgium, Holland, and Luxembourg into a common market.

#### PRODUCTION BOOM

In 1952, ECSC set up shop amid the medieval fortifications of this ravine-cut city. Since then it has exercised regulatory authority over Western European mills roughly analogous to the authority of the U.S. Interstate Commerce Commission over American railroads. And in that period it has guided European mills through a boom that makes a striking comparison with the record of American steel by practically any yardstick chosen.

Some figures perhaps best tell the story. Between 1952 and 1961, ECSC mills raised production almost 75 percent against a U.S. gain of about 5 percent. In the last 9 years Common Market steel prices have risen about 3 percent, U.S. prices 43 percent. In 1952, ECSC-regulated mills turned out less than half as much metal as their bigger American rivals; last year Common Market steel output of 80.6 million tons trailed U.S. production of 98 million tons by less than 22 percent.

In the last 7 years European steel unions have raised wages by amounts ranging from 50 percent in Italy to 100 percent in Germany, against a U.S. rise of about 43 percent, though European wages still are far below U.S. steel pay. In the same period, ECSC-regulated mills have almost tripled their spending on new plant and equipment, to about $1.2 billion last year. And they have drawn up to two-thirds of the investment funds from retained profit—precisely the sort of thing American mills say they can't do without price boosts of the sort President Kennedy recently forced them to rescind.

#### HOW AGENCY WORKS

How does ECSC do it? Its methods, of course, have been tailored to conditions vastly different from those confronting American steel. But at a time when steel prices and profits are still the subject of intense, U.S. debate—and when President Kennedy has been calling on American business and labor to study how European countries have achieved their high economic growth rates and "see if there is something that we can learn"—the agency's policies may nevertheless be worth some study. Its formula: Limited planning, combined with injection of more freedom into steel marketing than Europe has ever known.

The story begins with the condition of European steel when ECSC was formed. In common with many other European industries, it was hobbled by both national and corporate shackles. Tariffs often barred a mill from using cheap raw materials a few miles away across a national border. Discriminatory freight rates often forced buyers to deal only with mills in their own country. Cartels limited output and otherwise restrained competition. A steel user often couldn't discover what his competitors paid for their metal, since prices frequently were set in individual, secret negotiations between mill and buyer.

ECSC began by tearing away most of these restrictions. It eliminated tariffs, leaving mills free to shop anywhere in Europe for the cheapest materials they could get. It helped remove many nationalistic restrictions on commerce. It banned agreements curbing output and fixing prices. It told mills they could set any price they chose. But at the same time it forced them to publish official price lists applying to all buyers—encouraging steel users to shop around for the lowest priced metal.

### MERGER POLICIES

Simultaneously, ECSC instituted a dual-purpose merger policy. It encourages, or at least did not oppose, mergers it thought would promote efficiency, since it feels European mills in general have not reached their maximum efficient size. But it frowned on mergers it felt would allow any company to dominate its market, and held to this policy despite some grumbling from German producers who would like to reconstitute the giant combines that controlled German steel before World War II.

As a result, claims E. P. Wellenstein, ECSC's gray-mustached general secretary, "there is more competition in steel here than in the United States, despite your antitrust activities." The biggest Common Market steel enterprise, Italy's Finsider group, controls only 10 percent of the area's production; at last report United States Steel owned about 28 percent of American steel-melting capacity. ECSC officials indicate they might let a company take 15 percent of the market, but would consider 20 percent "getting pretty big."

Finally ECSC acts as a sort of central industry planning agency—though one with limited authority. The agency has the taxing power of a sovereign nation, and collects its own funds out of a levy on the sales of the mills it regulates. It has used its funds to encourage expansion and modernization, lending money at low interest rates to mills, building new facilities; at the end of 1961 it had granted credits totaling $313.2 million. The agency also is conducting centralized research into automation practices and procedures, channeling the information to all Common Market mills.

ECSC loans provide only a minor portion of the money Common Market mills spend on new facilities; most comes from their own resources or outside borrowing. The agency however, insists that mills file all investment proposals with it for clearance, and advises what investments it thinks are worthwhile and which ones would only build excess capacity. It can't stop a mill from making an investment anyway, if the mill can raise the money. But it can make such fundraising difficult; Common Market banks and lending agencies respect ECSC decisions, and often raise interest rates when lending money for an expansion the agency disapproves.

On labor, ECSC's policy is simplicity itself; There is no policy. The agency has no authority to take any part in wage negotiations, and it has not tried to obtain any, preferring to leave mills and unions to bargain freely. European mills bargain separately with about 18 unions, instead of with one giant union as in the United States, and though wages are rising rapidly on a percentage basis, they are still far below American pay. German steel workers, among the best paid in Europe, draw 97 cents an hour; U.S. millhands recently have averaged about $3.23.

ECSC, and the mills it regulates, have some problems too, of course. Like American steel men, some European mill executives fear excess capacity is developing. Common Market steel capacity is scheduled to grow to 110 million tons by 1965, against 88 million tons last December 31; the ECSC recently urged mills not to expand capacity for flat-rolled products any further.

### PRICE WORRIES WITH A DIFFERENCE

Other worries may have a strange ring to American ears. Unlike President Kennedy, ECSC authorities are a bit concerned that hot competition may drive some steel prices too low. Recently, some producers cut concrete reinforcing bars to $92.40 a ton, from the former $104.50, to compete against imports from Czechoslovakia.

And unlike United States Steel's Chairman Roger Blough, some European mill executives wish they were not left so rigorously alone in price and production decisions. A few would like to bring back production-limiting cartel agreements now that capacity may be growing faster than demand.

But both ECSC and European mills generally are pleased with the agency's progress. Whether or not capacity is too large now, sales are still growing. Agency officials estimate coal and steel volume in the Common Market will top $10 billion this year, against $9.5 billion in 1961 and less than $5 billion in 1953.

### NO TIME FOR TOURISTS

And the extent to which Western European steel mills have modernized their facilities often has drawn the openly expressed envy of American steel men. In France, SOLLAC, a leading steelmaker, recently had to turn down a request from a French travel agency to route busloads of tourists through its Lorraine Rolling Mills at Seremange. Its reason: The mill is so crowded with visiting steel executives, who come to study the installation, that no guides can be spared.

More innovation is on the way, too. In the Saar region of Western Germany, Dillinger Huttenwerke shows visitors molten steel flowing continuously through a furnace to rolling mills, instead of being made in batches which must then cool, solidify and be reheated to be rolled; several other mills also are experimenting with this "continuous casting" process. Throughout the Common Market, about 25 percent of steel production by 1965 is expected to come from high-speed oxygen furnaces, against 2.5 percent in 1960.

ECSC stemmed from proposals made by Robert Schumann, French Foreign Minister in the early 1950's. European statesmen, disillusioned by war, visualized an economically integrated Europe as a start toward political cooperation, and thought the basic coal and steel industries were a good place to start. The agency's creation was the first major step toward European economic unity, and there is little doubt its success helped spur some of the later moves.

### PART OF COMMON MARKET

Today, ECSC is largely integrated into the Common Market structure. It is subject to the authority of the Common Market Council of Ministers, a group of top government officials of the six member nations who act as a sort of board of directors for all international European economic agencies. It receives advice from the European Parliament, a group of legislators from the national parliaments of the six countries. Disputes arising from its operations are heard by the European Court of Justice, which performs the same function for other Common Market agencies; recently the court told Italian steel companies they had to let ECSC investigators examine their books.

In its internal operations, ECSC is governed by a High Authority of nine men selected by the member states. They act somewhat like a cabinet, with each member specializing in certain aspects of the agency's work, and elect their own president and vice president. All six states must be represented, but no more than two of the men may come from any one country.

The Authority supervises a staff of about 950, which works in a dozen offices scattered around Luxembourg. A Consultative Committee of 51 business, labor and consumer leaders offers advice on policy, but the ECSC does not have to take it.

### TAX, BUDGET CUTS

ECSC's internal administration has been efficient enough so that, with steel prospering, it has been lowering taxes and trimming its budget. It can impose a tax of up to 1 percent of steel mill and coal mine sales, but has lowered this in several stages to 0.3 percent as expanding sales brought in all the money it needed at lower rates.

The money finances a variety of social projects as well as modernization loans and research. ECSC provides supplementary unemployment compensation for idle steelworkers and miners, trains them for new jobs, and gives them money to transfer to employment in other areas. It also has assisted in financing 56,000 new homes for steel and coal workers, and has granted easy credits to areas where antiquated coal mines are closing to help them attract new industry.

ECSC's budget totaled $48 million in the 1960–61 fiscal year, but has been cut to $40 million for the year ending June 30. Main reason: European prosperity has made it easier for idle coal miners to find jobs, and eased the burden on the agency's social funds.

The ECSC has been nowhere near as successful with coal as with steel, though most authorities blame this on tough competition from oil and the fact that many high-cost mines work seams where automatic machinery can't be used. Coal production has dropped from 262.9 million tons in 1952 to 252.6 million tons last year, and since 1958 some 136,000 Common Market miners, or 22 percent of the work force have lost their jobs.

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## THE PROPOSED REDUCTION IN THE AIR TRANSPORTATION TAX

Mr. MONRONEY. Mr. President, since some public attention has been given to the fact that I am drafting an amendment to the House passed corporate and excise rate extension bill to make the 5-percent reduction in the air transportation tax effective July 1, 1962, rather than January 1, 1963, I want to state that what I am proposing is a very simple change.

A Washington Post editorial this morning describes my amendment as restoring the original provisions of the transport tax bill. By that, the writer means that it will restore the original relationship of this House-passed bill by providing for simultaneous reduction of both the rail-bus and the air carrier taxes. Since a Senate Finance Committee amendment moves up the effective date of the repeal of the 10-percent transportation tax on all carriers other than air from next January 1 to July 1 of this year, I want to make the reduction from 10 to 5 percent in the air transportation tax effective at the same time, July 1, of this year. To do otherwise would be discriminatory and not fairplay for the air traveler.

This is a critical time for the airlines. They have doubled their seat-mile capacity as they have adjusted to the impact of the jet age. The net operating profits of all domestic airlines were a minus $34 million in 1961. My amendment will not change the equities determined by the House, after committee study, but will give the airlines the same break on the time of tax reduction as other modes of transportation. I hope the Senate will approve it at the proper time.

I am glad both the Washington Star and the Washington Post have urged this action editorially and I ask unanimous consent to include their editorials in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Washington Star, June 19, 1962]

### Uneven Tax Relief

The Nation's commercial airlines, which have their full share of financial troubles currently burdening all segments of the transport industry, have a reasonable complaint about the travel tax provisions contained in the excise tax extension bill now pending in the Senate. As reported by the Finance Committee, the measure would repeal, effective July 1, the 10 percent excise on rail and bus tickets, but would leave untouched the same tax on air travel until January 1, when it would drop to 5 percent. Legislation already passed by the House continued the 10 percent levy in all cases until January 1, when it provided outright repeal of the rail-bus tax and reduction of the air tax rate to 5 percent.

The air transport industry raised no objection to the House formula, accepting the proposed 5 percent tax as a fair charge for use of federally supported airways facilities. In effect, the objection to the Senate provision is a double one, namely, that giving full relief to the rail and bus carriers 6 months in advance of any relief to the airlines is discriminatory and that the 10-percent rate is approximately twice that justified as a charge against use of the airway system.

It seems logical that adjustment of the travel taxes as they bear upon all three of the principal commercial carriers should be effective on the same date. And perhaps in view of their common financial troubles, the July 1 date should apply to all—for repeal of the rail-bus excise and reduction of the airline rate.

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[From the Washington Post, June 20, 1962]

### Fair Play for Airlines

There is general agreement that the public interest would be better served if the taxes levied on air, bus and train travel during the Second World War were repealed.

Recently the House of Representatives passed a measure eliminating the 10-percent tax on bus and train travel as of July 1 and reducing the airline levy from 10 to 5 percent on the same date. Since the airlines requires extensive Federal facilities, the 5-percent levy was retained to defray their fair share of the user costs. But when the measure came before the Senate Finance Committee it was altered by an amendment which defers the tax reduction until January 1963, while granting early relief to the bus and train lines.

While we doubt that a 10-percent tax differential will cause substantial losses of air traffic, the weak financial position of the industry will hardly be strengthened by this discriminatory tax measure. On economic grounds as well as in the interests of equity in taxation, the Senate should promptly adopt Senator Monroney's amendment which restores the original provisions of the transport tax bill.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LONG of Louisiana. I wish to commend the distinguished junior Senator from Oklahoma for submitting the amendment. As a member of the committee I know that that point was not discussed. I personally voted for the reduction of the tax on the other carriers. If the argument which the Senator makes today had been presented to the committee, I would have voted in the committee the same way as the Senator is suggesting today. I am pleased that he will raise this issue when the excise tax bill is before the Senate.

Mr. MONRONEY. I am grateful to the distinguished Senator from Louisiana. I do not believe the subject was studied adequately. If we are to remove the 10-percent tax from the railroads and bus lines, we should not leave the full tax of 10 percent on the airlines from July 1 until January 1, when it was agreed to be set at 5 percent after that period. I believe they should all be treated with the same degree of equity.

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## THE SOVIET OIL OFFENSIVE

Mr. MONRONEY. Mr. President, I have used every possible opportunity to call attention to the Soviet oil offensive, so I am glad to see any support for a U.S. counteroffensive whether it comes from colleagues, Government, press, or business. I ask unanimous consent to have printed in the Record a letter published this May by the Empire Trust Co. of New York on this subject, and a news story from the Washington Star of May 28, describing developments which could bring West Germany into partial dependence on Russian oil bought in Italy.

There being no objection, the letter and the article were ordered to be printed in the Record, as follows:

### The Challenge of Soviet Oil

The cold war has taken a new turn. Russia is seeking a much bigger share of international trade. She is seeking more trade to obtain a hold on the trade lines linking the free nations. To gain more trade, she is using a powerful new weapon.

That weapon is oil.

Why is Russia using oil as its offensive weapon? Chiefly because oil represents the Soviet Union's most marketable export—and the Russians have a surplus of it.

The free world's oil companies can be counted on to hold their own in any struggle for the world's oil markets. They are strong and healthy. They are supplying a demand that is growing steadily.

The petroleum companies also operate a vast distribution and marketing network which guarantees delivery of petroleum products where and when they are needed. With their present and potential resources and facilities to meet the promise of increasing demand, the oil companies continue as a sound investment.

There are, however, the political and cold war sides to the Russian threat. To meet these challenges the free world's oil companies will be helped by the fullest understanding of the situation on the part of the public and the Federal Government.

#### RUSSIA'S ECONOMIC WEAPON

In the last 6 years, Russia has climbed rapidly to prominence among the oil-producing nations. Today, with a production of about 3.3 million barrels daily, she is second only to the United States (over 7 million barrels daily).

In 1953 Russia exported 35,000 barrels a day to the free world. In 1961 Russian oil exports to free world markets averaged 600,000 barrels daily—by far the largest item in Soviet trade with the free world. In 1965, it is estimated, the Russians could export around 1 million barrels a day to the free world.

With increased exploration and increased production the U.S.S.R. finds herself with an abundance of crude oil. Old centers of Russian oil production such as Baku, are maintaining their production through discovery of new horizons. Rich newer fields in the Urals-Volga region are setting production records. Additional fields have been discovered north of the Caucasus and in Siberia. Wells are tapping promising deposits beneath the Caspian Sea, and along its shores.

Despite her expanding oil production, Russia's internal oil demand has not kept pace. For example, the consumption of gasoline within Russia has been kept down by the small number of automobiles. There are about 4 million motor vehicles in Russia, contrasted with almost 76 million in the United States.

But the booming economies of other nations have proven a tempting market. Free world demand for oil in 1960 (excluding the United States) was 12 percent higher than in 1959. New nations such as Ghana and Pakistan, and older more industrialized nations such as Japan, Italy, and Germany are ideal customers. They need oil for their developing industries and growing economies.

#### CUTRATE COMPETITION

The needs of these nations can be met by the oil produced within the free world—in North America, South America and the Middle East. Heavy investments have been made by private industry to supply the energy fuel which will spur economic development of these nations. But when Soviet oil enters the picture it involves more than the mere problem of competition, which comes under the heading of a normal business risk. Russia can disregard the economic considerations which must be respected by its free-world competition and there are certain other abnormal underlying factors:

Item: Russian oil is state controlled. The Russians offer it as a full-scale government-to-government deal—not independent business-to-independent business. This strengthens the concept of government agencies carrying out business—a system in contrast to the traditional Western practice of private enterprise.

Item: With prices set by the state, Russia can sell oil at uneconomic rates, undercutting the prices of Western producers. Russian sales have been made at prices which are actually lower than the total of the lifting costs plus governmental taxes and royalty charges incurred by typical Middle East producers.

Item: Russian losses can be offset by charging higher rates to satellite nations. In 1960 the free world price of Russian crude oil was about 52 percent of the price satellite countries paid for the same oil.

Item: The Russians try to avoid paying for transportation, manufacturing, and marketing facilities in an importing country by gaining the use of facilities previously paid for by private companies.

Item: Russia is often willing to accept local money, whether or not it is readily convertible into reliable currencies, in payment for her crude oil. She extends tempting long-range credit terms.

Item: Russia has been willing to make barter arrangements. She will trade Russian crude oil for staples produced by other nations: sugar, coffee, rubber, tea, cotton, wool. With industrial nations she trades crude oil for equipment she needs badly within her own borders: pipeline, ships, and complete factories, for example.

The Western oil-producing company thus stands faced with a massive competitor who can cut her prices at will and can accept payment in terms that would be ruinous for private industry.

The worldwide Soviet trade war against us has been well described by U.S. Senator **Hubert Humphrey**. He calls it economic banditry.

### THE THREAT CAN GROW

The Soviet economic offensive threatens to get worse. Russia is expanding her merchant fleet. Operating in a time when many tankers are idle around the world, she is actively buying tankers. In Japan, Russia contracted for 200,000 tons of tanker shipping. In Italy, a NATO country committed to defend the West against communism, Russia is having six tankers built.

The Russians are constructing two huge petroleum pipelines. One will be almost 2,500 miles long, and will carry crude oil from the Urals-Volga oilfields in Russia to refineries in Hungary, Poland, Czechoslovakia and East Germany. Its capacity is expected to be 750,000 barrels of oil a day.

Another pipeline is under construction in Siberia. It will run from the same region to Irkutsk, Siberia, and may be extended later to the Sea of Japan.

These expanded transportation facilities—new tankers and pipelines—will make Soviet oil even more of an economic threat. In addition, both ships and pipelines are then in strategic readiness to supply the Soviets in an international emergency.

### SOVIET ECONOMIC GAINS

This year more than half the total exported Soviet oil will be bought by Western nations. Communist successes in the trade war are impressive.

In 1961 Italy imported over 100,000 barrels a day of Russian crude oil and products. This represented over 20 percent of her local demand. Offered at a low price deliberately designed to undercut Persian Gulf crude oil sales, the Russian oil is being traded for tankers, large-diameter pipe, synthetic rubber, synthetic fibers, citrus fruit—plus such things as entire chemical plants, paper plants, and metal-cutting machines.

Russia recently got a foothold in Spain, one of the most anti-Communist of nations, by trading oil for textile fibers. Since Spain has no diplomatic relations with Russia, a Belgian intermediary was used.

In 1961, Cuba received about 25 million barrels of crude oil (her entire supply) from Russia.

Sweden imports about 20 percent of her oil from Russia.

Finland gets about 80 percent of her oil from Russia. Though next door to Russia, she pays 25 percent more for it than does Sweden.

Iceland receives all of her oil from Russia in return for fish.

Japan bought about 20 million barrels of Soviet oil in 1961, ordered more for 1962. Much of the Soviet oil will be paid for by Japanese exports of machinery. Japan's deal with Russia also lays the groundwork for future imports of Siberian timber, iron ore, and coal. From Japan, Russia also gets large-diameter pipe and tankers which will be used to deliver still more Communist oil to the world.

By buying tankers abroad Russia frees her shipyards to build freighters. These can be used in a competitive drive against the free world's merchant marine, with Russia undercutting prices for freight hauling and thereby gaining a foothold in free-world shipping.

By buying large-diameter pipe and machinery abroad, Russia gets an additional advantage; she frees her metal forming industry to produce missiles, sputniks, or anything else she chooses.

In India, the Russians recently forced free-world oil companies to lower prices by offering India Soviet oil at 10 to 20 percent below prevailing world prices. Thus the Soviets delivered a blow at the free world's oil industry merely by cutting prices in a bid; they did not even have to use up any of their own oil to win a trade-war victory.

This is an example of what Mr. Khrushchev meant when he said to Walter Lippmann: "We—the Communists—will make more trouble for you—the Americans—with every passing year."

In Europe Russian crude oil is being imported into the European Common Market area (a trade confederation composed of France, Italy, Belgium, West Germany, Holland, and Luxembourg) principally by Italy. This cutrate crude may be made into low-priced oil products and, in turn, can be reexported to other member nations with limited or no restriction under the Common Market trade agreement. This may disrupt the free world's normal European trade, and such disruption again results in benefits to Russia.

### PLAN FOR ECONOMIC CONQUEST

At the Second Arab Congress in 1960, the Soviets announced their intention of regaining the oil export standing which they held prior to World War II. During 1930–33, according to E. P. Gurov, Director of the Soviet Oil Export Organization, the Soviet share was 19 percent of total Western European countries oil imports. Russia now is selling to Europe 8 percent of the oil Europe needs.

Thus Russia strikes directly at the economy of the petroleum-producing Arab countries at the same time she woos them with Communist propaganda.

The stepping up of Soviet oil exports is part of a calculated 7-year plan spanning 1959–65. The program calls for continued emphasis on all phases of oil development in Russia from exploration to distribution. Oil production is scheduled to climb from the 3 million barrels daily output of 1960 to 5 million barrels daily by 1965. Ambitious as these goals seem, Premier Khrushchev recently announced an even more optimistic goal: production of 7.8 million barrels of oil daily by 1970 and 14.2 million barrels of oil daily by 1980.

### PAYING THE PIPER

What could happen to those nations which come to rely on the supply of Russian oil? A nation which accepts Russian oil may soon find that it is importing Russian ideas and Communist political influence. Similarly, a nation that ties itself too closely to the Soviets by exporting too many goods to Russia, is more vulnerable to Communist pressure accompanied by threatened loss of market for such goods. The Soviet have often demonstrated how they use economic dependence as a political tool. Khrushchev has said it: "We value trade least for economic reasons and most for political reasons."

There may come a day when the Russians no longer need to offer their oil so freely. The Communists' own industrial and consumer demand may climb. Or they may decide to take advantage of the dependence of other nations on their supply. Then the Soviets could raise their prices at will. They could even refuse to supply petroleum. The dependent nations would have two choices: to agree to Russian terms or turn again to the West for their oil. The former choice could mean further expansion of Communist domination. The latter choice would mean a sudden increased demand for free world oil. A nation dependent on Russia for its oil supply may find it difficult to switch to free world sources at a later date. Refineries, pipeline and other transportation facilities could become so oriented to Russian supply that the transition could not be accomplished without delay.

And in the event of an international emergency, how secure would Western nations be who had relied on Russia for their supply of oil, essential as that fuel is to modern warfare?

It is evident that the United States has a very strong stake in the battle against the Soviet oil challenge. As the leader of the free Western nations, the United States has a duty to make others aware of the dangers which lie in Soviet trade. The inroads made by Soviet oil upon world trade relationships reinforce world tension. The continuing cold war means emphasis on defense spending and foreign aid as we try to offset the influence of Soviet trade with new and underdeveloped nations. All of these things can mean continued and increasing tax burdens for the American people, and other free world nations.

### THE WESTERN DEFENSE

Bearing the burden of any successes gained by the Soviet oil offensive are the Western companies which have labored long and hard to develop a reliable flow of petroleum to feed the world's energy needs.

The companies—unlike the Communist government—are subject to economic discipline. They have to pay fair wages. They have to pay royalties to many governments such as those in the Middle East and Venezuela. They have to pay taxes. They have to pay dividends to their stockholders. They have to earn money for new equipment and expanding facilities. They have, in effect, to pay their share of maintaining and increasing the free world's standard of living.

### WHAT CAN BE DONE

What can be done to stem the Soviet oil offensive before it becomes a really serious threat to world economic and political balance?

There is no easy solution in sight.

Some ideas are being proposed by various sources:

1. Use such free world organizations as NATO to impress the danger of dependence on Soviet oil on such nations as Italy. To date, some pressure has been brought to bear through American embassies abroad but efforts to stimulate all consumer countries with a greater understanding of the true nature of the Russian oil threat should increase.
2. More emphasis might be placed on the use of oil as a tool in the foreign-aid programs of the United States. Section 647 of Public Law 87–195 should be carried out. It directs U.S. Government agencies to work with other countries in developing plans for using free world supplies in their development programs.
3. Encourage free-world nations to set restrictive quotas on the amount of oil imported from the Soviet bloc.
4. Suggest to other countries that, in the event of their trading with Russia, only consumer goods be sent—rather than strategic materials or finished factories that increase the Communist potential for war.
5. Warn all countries against the dangers of the reexport trade in Soviet oil. For instance, a country that refuses to buy directly from the Communists could defeat its own ends by buying, instead, reexported Russian oil from some country that did deal with the Russians.

6. Impress upon the free world's oil-producing countries—particularly Venezuela and those in the Middle East and in Africa—the threat that Russia is to them. Continue the orderly development of the free world's oil reserves in these nations.

7. The U.S. Government should see to it that it has intimate knowledge of the oil industry in every country so that it can meet Soviet intrusions early. Cooperative efforts by a fully informed U.S. Government and the various oil companies can often provide alternatives to the purchase of Soviet oil. Always watch developments closely. There is no telling what moves Russia will make next, and the free world must be prepared to take defensive action no matter what they are.

The Federal Government and the National Petroleum Council are studying the aspects of the situation at the present time. There is real concern over the Soviet oil export policy. Although they can be counted on to hold their own, the free-world companies will be helped through a clearer understanding by the American people of the subtleties of the problem.

### THE GROWING AWARENESS

A number of persons recently have commented on the Russian oil situation. They summarize admirably what it means.

Said U.S. Senator EVERETT DIRKSEN, of Illinois: "Soviet political leaders, engineers, and strategists have discovered the importance of oil as a political and trade weapon, and are now earnestly intent on using oil to the fullest in their conquest of the free world."

Said U.S. Senator HUBERT HUMPHREY, of Minnesota: "We must always, it seems to me, keep under close scrutiny the shifting trade tactics of the Soviet bloc, to see what kind of defensive measures need be taken against them."

U.S. Senator A. MIKE MONRONEY, of Oklahoma, in a recent speech, called the Nation's attention to the Communist economic threat. A shooting war with Russia, he said, "will probably never come" because we are prepared, and the Russians know it. "But," he said, "one war already has been declared * * * an economic war which we do not yet fully understand * * * I believe this very lack of understanding is our greatest actual danger."

An informed U.S. public—and only an informed public—is the best reply to the Soviet's declared economic war. It is with that purpose in mind that this Empire Trust Letter is published. An informed public will make it easier to adopt the right policies and legislation; it will act in the national interest; it will have a broader understanding of the trade war as Russia is waging it against the entire free world.

The Communist goals are unchanging: economic penetration—and resulting disunity—of the free world, and the use of this disunity as a beachhead for political influence.

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[From the Washington Evening Star, May 28, 1962]

### HITLER "WIZARD"—RED OIL DEALS WORRY BONN

BONN, May 28.—Hjalmar Horace Greeley Schacht, once Adolf Hitler's financial "wizard," is turning to the East to negotiate a series of big oil deals involving Enrico Mattei and Soviet petroleum.

Mr. Schacht, a spry 85, is allied with Mr. Mattei, the controversial chief of the Italian state petroleum monopoly (ENI), in plans to establish Munich as a bridgehead for ENI penetration of the West German petroleum market.

Mr. Mattei, in turn, is under heavy fire in West Germany for large-scale buying of Russian oil, which—it is feared—he intends to dump on the West German market.

Mr. Schacht's private bank, Bankhaus Schacht & Co., is a member of a consortium of German banks helping Mr. Mattei finance construction of a big oil refinery at Munich, and the construction of a pipeline from Genoa to Munich.

### CHAIRMAN OF BOARD

Mr. Schacht is a member of the board of directors for the Munich project, Suedpetrol Ag Fuer Erdoelwirtschaft, and is chairman of the board of directors for Mr. Mattei's German distribution organization, Agip Ag.

Agip Ag is not only establishing a gasoline station network in West Germany, but is also negotiating with the West German Government for purchase of the Government-owned Autobahn Corp., controlling gasoline-station franchises along the autobahn expressway system.

Mr. Schacht's link-up with Mr. Mattei is characteristic of the shrewdness making the tall, thin, white-maned old man in the high stiff collar still a major force in continental private banking.

When Mr. Mattei first approached Mr. Schacht, Munich and southern Germany were treated by the German oil industry as a frontier area. None of the German companies would build a refinery in Bavaria or southern Germany, and gasoline prices were 5 percent higher than in the rest of Germany.

### SEES GOLDEN CHANCE

Mr. Schacht sensed a golden opportunity in ending southern Germany's oil orphanage by bringing the aggressive Mattei organization to Germany. As usual, Mr. Schacht was right.

Since Mr. Schacht became a partner of Mr. Mattei, there has been a scramble of German oil companies to enter the south German market. At least two domestic companies plan to build refineries in competition with the Schacht-Mattei consortium, and gasoline prices have dropped throughout the area.

However, the Schacht-Mattei interests seem able to stay well ahead of their competition with grandiose planning based on the colossal resources of the ENI empire.

Mr. Schacht and Mr. Mattei are constructing a pipeline from Genoa to Munich and also plan to build another, linking Munich and Karlsruhe.

### CONCERNS RED OIL

The biggest controversy, of course, concerns the refining of Soviet oil at Munich. ENI is the largest western purchaser of Russian oil, and while Mr. Mattei disclaims any intention of piping Russian crude oil to Munich, independent experts believe his current intake of Soviet oil is too large to be absorbed solely in his Italian refining capacity.

Mr. Schacht has given no hints of undertakings concerning Soviet crude, and the Bonn government has no legislation, either on the books or pending, which would prevent refining Russian oil at Munich.

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## COMMUNICATIONS SATELLITE ACT OF 1962

Mr. LONG of Louisiana. Mr. President, I should like to say to the majority leader and to the majority whip that I regret very much the necessity of objecting to certain committees meeting while the Senate is in session. However, those of us who are speaking in opposition to the communications satellite bill feel very strongly that the bill should not be passed in its present form.

We know what we are up against. We are up against the strongest and greatest monopoly that ever existed in the history of mankind. We know that Senators are being importuned and requested by all the executives of the great American Telephone & Telegraph Co., on a nationwide basis, to vote for the bill without amendments and in its present form. We know if we are to succeed in drastically amending the bill, or if we are to succeed in defeating it, we will have to have the attention of Senators.

The speech I made yesterday was one of the greatest oratorical efforts I have made in this session of Congress, and perhaps in the last session as well. I regret very much that most of the speech was made to an average of about four or five Senators, and the four or five Senators who were present had their minds made up. The Senators who were uncommitted were not in the Chamber.

I hope the Senate will be tolerant and understanding of those of us who feel that we must do our best to have this case heard. We know that one of these days we will be asked to enter into a unanimous-consent agreement to limit debate. We hope we will have a chance to talk to some Senators before that event occurs.

Therefore, Mr. President, I would suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President, would the Senator withhold that suggestion for a moment?

Mr. LONG of Louisiana. I withhold it.

Mr. HUMPHREY. I merely wish to say to the Senator from Louisiana that I feel his urging that Senators be present to participate in the discussion or at least to listen to the presentation of those who are participating in it is well taken.

We are considering important legislation. There are differences of opinion.

As the Senator knows, the majority leader has made it quite clear that there will be no intention on the part of the majority leader or the leadership to attempt to deny adequate expression and discussion of the measure.

As I have indicated to the Senator from Louisiana, there are certain matters which he has expressed in his arguments which I believe are meritorious. The Senator can be assured that every effort will be made to cooperate in getting Senators to the Chamber to participate and to listen and to share in the deliberations on the bill.

We hope that the committee meetings, particularly the meetings of the Committee on Finance, may be able to proceed, because, as the Senator so well knows, vital legislation is being considered by that committee and because of the unusual amount of work that that committee had to take on this year.

The Senator has been very cooperative. The Committee on Finance met this morning. As the majority leader has indicated, the Senate can meet at noon, rather than earlier in the day, so that these committee meetings may take place.

Mr. LONG of Louisiana. The Committee on Finance is still meeting; and that was agreed to by those of us who are speaking in opposition to the proposed legislation now before the Senate.

Mr. DIRKSEN. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

**Mr. DIRKSEN.** It ought to be said in behalf of the leadership that when we object to committees meeting, it is not a question of personal bias with the leaders. The requests for committees to meet come from the chairmen of the subcommittees who have summoned witnesses from afar, and their requests are proffered on the Senate floor. On important subjects, at least, when Senators ought to be here, I sometimes feel constrained to object. But the requests for the holding of committee meetings while the Senate is in session certainly do not come from the leadership.

**Mr. LONG of Louisiana.** The Senator understands the difficulty of those of us who are debating the measure on the Senate floor in finding Senators to at least hear and consider the debate.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER** (Mr. BURDICK in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. LONG of Louisiana.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

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## THE FINANCIAL SITUATION OF THE UNITED NATIONS

**Mr. AIKEN.** Mr. President, I desire to make a statement relative to the financing of the United Nations. My statement will take more than 3 minutes. I ask unanimous consent that I may have as much time as may be required for that purpose.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

**Mr. AIKEN.** Mr. President, it has been some weeks now since I discussed the financial situation of the United Nations and since the Senate authorized the President to loan $100 million to the United Nations.

I return to the subject at this time because the United Nations bond issue will come before the House of Representatives in the months ahead, and the International Court of Justice may be expected before its summer recess to render an advisory opinion on whether assessments for the peace and security functions of the United Nations are binding assessments under the terms of the United Nations Charter.

There are other reasons why the financial status of the United Nations may again be newsworthy. For one thing, it is possible that the July 1 independence date for Ruanda-Urundi may lead to situations there which would require a United Nations presence—perhaps with military forces—if a semblance of peace and security is to be maintained.

A second reason for concern at this time is that purchases of bonds have been lagging.

When the Senate considered S. 2768 in late March, we were supplied with lists of states that had pledged to purchase United Nations bonds. As of March 26, 3 nations had actually purchased bonds, aggregating $5,780,000 in face amount—Denmark, Finland, and Norway; 19 nations had made "specific pledges to buy"—aggregate amount of pledges, $43,285,000; 11 nations had informed the State Department "confidentially" that they would buy bonds in the aggregate of $3,669,354; 19 nations were in favor of buying bonds, but had made no pledges; and 19 nations had the question "under active consideration," as they say.

In the light of this rather optimistic report I would have expected that some of the pledges to buy would have been fulfilled; but as of April 30, Denmark, Finland, and Norway were still the only states that had put up the money. As of May 28, 8 states had purchased $20,870,000 worth of bonds; 26 states had pledged $44,576,175; 26 nations had stated they were in favor of buying bonds, but had not announced their purchases; and an additional 28 nations have the subject "under consideration."

I ask unanimous consent that the May 28 statement be inserted in the CONGRESSIONAL RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.N. BOND PURCHASES BY OTHER NATIONS

As of May 28, 1962, other nations have indicated these plans to purchase United Nations bonds:

| | |
|---|---|
| Actual purchases: | |
| Denmark | $2,500,000 |
| Finland | 1,480,000 |
| Iceland | 80,000 |
| Israel | 200,000 |
| Italy | 8,960,000 |
| Norway | 1,800,000 |
| Sudan | 50,000 |
| Sweden | 5,800,000 |
| Total for 8 nations | 20,870,000 |
| Publicly announced pledges: | |
| Australia | 4,000,000 |
| Austria | 900,000 |
| Burma | 100,000 |
| Cambodia | 5,000 |
| Canada | $6,240,000 |
| Ceylon | 25,000 |
| China | 500,000 |
| Cyprus | 26,175 |
| Ethiopia | 200,000 |
| Germany | 10,000,000 |
| India | 2,000,000 |
| Iran | 500,000 |
| Ireland | 300,000 |
| Jordan | 25,000 |
| Liberia | 200,000 |
| Malaya | 340,000 |
| Netherlands | 2,020,000 |
| New Zealand | 1,000,000 |
| Nigeria | 1,000,000 |
| Pakistan | 500,000 |
| Sierra Leone | 10,000 |
| Switzerland | 1,900,000 |
| Tunisia | 475,000 |
| United Kingdom | 12,000,000 |
| Venezuela | 300,000 |
| Vietnam | 10,000 |
| Total for 26 nations | 44,576,175 |
| Total of announced purchases and pledges for 34 nations | 65,446,175 |
| In favor, but amounts not announced, 26 nations | ---------- |
| Under consideration, 28 nations | ---------- |
| Do not plan to subscribe at present, 9 nations | ---------- |

**Mr. AIKEN.** I have no doubt, Mr. President, that the position which I took during Senate consideration of the United Nations bond issue earned some disfavor for me in certain United Nations circles. But I think my colleagues here and my friends in the executive branch realized that my objections to the bond proposal boiled down to two principal criticisms: First, that the proposal was a shorttime inadequate remedy for a longtime serious problem; and, second, that the solution of the United Nations financial difficulties can be found only when nations which vote for peace and security measures are willing to back their votes with their contributions—token as those may be.

Be that as it may, I am seriously concerned that means be found whereby the United Nations, without becoming unduly obligated to one member state, may develop a method of financing activities such as those taking place now in the Congo and the Middle East, and perhaps in the near future in Ruanda-Urundi. As certain as death and taxes will be the continuing need for the United Nations from time to time to support actions similar to those in the Congo and the Middle East.

It may be that the solution is as simple as an increase in annual assessments for United Nations operations—thus recognizing that peacekeeping functions are the responsibility of members exercising their franchise when they vote in the United Nations. It may be that the solution is to be found in some rearrangement of assessments, imposing special burdens on larger states. But I would support that type of solution only if it were associated with some system of weighted voting.

Political responsibility is not completely divorceable from financial responsibility. I suppose the ideal method for acquiring a reliable source of revenue for the United Nations would be to tap some unexpected or unusual international source, such as an export tax on minerals found in the Antarctic, should that day ever come, or some equally exotic revenue source. Waiting for a miracle, however, would be a rather hazardous solution.

Whatever the ultimate source of revenue enabling the United Nations to meet peace and security expenses, I am reasonably confident that the purchase of United Nations bonds by member states does not give much hope, at this time, of a reasonable, short-term solution to the problem, and it is completely impossible as a long-term method of meeting recurrent expenses.

In an effort to spur the administration to action which might provide both a short-term and a long-term solution to its financial problem, I wrote Secretary of the Treasury Douglas Dillon on May 10; and I ask unanimous consent that the letter appear at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 10, 1962.

Hon. DOUGLAS DILLON,
*Secretary of the Treasury,*
*Washington D.C.*

DEAR MR. SECRETARY: You will recall during hearings on the IMF bill I asked you whether consideration had been given to utilization of World Bank reserves to assist the United Nations meet its financial difficulties. At that time you stated "the United Nations has not approached the World Bank on this." You also stated, in reference to the some $600 million of World Bank reserves—which you characterized as "a rather large reserve"—that the executive board of the Bank is "beginning to give some thought as to just what to do about it."

There is little doubt but that the U.N. is in serious financial straits. As of April 30 only three states had actually purchased bonds. It is unlikely that any final action on the President's proposal will be taken by the Congress until late summer, and I personally have some doubt that such action will be favorable.

Under these circumstances, I urge that the executive branch give serious consideration to the feasibility of urging the World Bank to utilize some of its admittedly large reserves for the purpose of financially assisting the United Nations. I urge also that the executive explore the possibility of a declaration of dividends by some technique which might make those dividends available to the United Nations for its peace and security functions.

I realize that a short answer to the feasibility of these suggestions may be that the Bank charter does not authorize action of this kind. My point is, however, that appropriate changes in the basic authority of the Bank might be sought.

The World Bank is the one international institution which has shown a very substantial profit on its operations. Continuation of its profitable development lending activities depends upon the maintenance of relatively peaceful conditions throughout the world. In short, if the U.N. peace effort fails, the Bank will fail. I believe the members of the Bank realize this. I can see no valid reason why the members of the Bank should not be willing at least to invest in the U.N., but perhaps to go even further and dedicate the excess profits of the Bank to the maintenance of international peacekeeping machinery.

I urge that you have this concept seriously studied to determine its feasibility.

I am taking the liberty of sending a copy of this letter to the Secretary of State.

Sincerely yours,

George D. Aiken.

Mr. AIKEN. The most relevant paragraph from my letter to Secretary Dillon reads as follows:

> The World Bank is the one international institution which has shown a very substantial profit on its operations. Continuation of its profitable development lending activities depends upon the maintenance of relatively peaceful conditions throughout the world. In short, if the U.N. peace effort fails, the Bank will fail. I believe the members of the Bank realize this. I can see no valid reason why the members of the Bank should not be willing at least to invest in the U.N., but perhaps to go even further and dedicate the excess profits of the Bank to the maintenance of international peacekeeping machinery.

I urged the Secretary of the Treasury to give serious study to the possibility of utilizing Bank resources to assist the United Nations.

I have now received from Secretary Dillon a reply dated May 31, 1962; and, as I suspected would be the case, it fails to meet the basic issue. I ask that Secretary Dillon's letter be inserted at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The Secretary of
the Treasury,
*Washington, May 31, 1962.*

The Honorable George D. Aiken,
*U.S. Senate,*
*Washington, D.C.*

Dear Senator Aiken: I am responding to your letter of May 10, 1962, concerning World Bank purchases of United Nations bonds, a subject we touched on in the course of hearings before the Foreign Relations Committee on March 30, 1962.

I would like to begin by observing that the most effective action in relations to United Nations bonds that could be taken at this point would be prompt passage of appropriate legislation by the Congress. The full support of the United States is essential to the overall success of this financial program for the United Nations.

As you are aware, like most financial institutions, the reserves of the World Bank are held in relatively liquid form. Apart from its loan portfolio, most of the Bank's investible assets are invested at short term (1 year or less), pending disbursement to borrowers on loans already granted. The average yield on the Bank's invested assets is in excess of 3 percent. On the other hand, the investments which the Bank has made in loans have been for the purpose of reconstruction of Western Europe after the war and then for the purpose of development of less developed countries. An investment in U.N. bonds would fit into neither of these categories, and I believe that the World Bank should continue to concentrate all of its resources in lending for development. It has been one of the real pioneers in this field and I do not think its resources should be diverted to other uses, even though those uses may be very important.

Furthermore, any amendment of the Bank's articles would be a major, time-consuming negotiation with the full membership and would require legislative action by the Congress before the United States could accept the change. It is doubtful that, even if desirable, such a change could be effected in time to meet the pressing needs the U.N. now faces.

I appreciate your concern with the problem of financing the United Nations. In my view, it is a problem that must be faced squarely by the member nations themselves and, as I have said, our own national response is of critical importance.

Sincerely yours,

Douglas Dillon.

Mr. AIKEN. Before commenting on the Secretary's letter, however, I should like briefly to review some of the Bank's history.

We should recall, in the first place, that the International Bank for Reconstruction and Development, which came into being in December of 1945, was created to assist member states in reconstruction and development, by facilitating the investment of capital for productive purposes. While at the time of its creation the Bank was primarily concerned with the restoration of economies disrupted or destroyed by the war, it was contemplated that the Bank should encourage the development of productive facilities in less developed countries.

The Bank, with an authorized capital stock of $10 billion, has been singularly successful in its operations. With the capital stock serving investors as a guaranty against loss, the Bank has raised funds for reloaning by issuing its own bonds to private investors.

It has been able over a good many years to sell its own bonds at 4 to 4.5 percent; and, with the funds realized by such sales, the Bank has, in turn, loaned to governments and private borrowers at rates ranging from 5 percent upward. And since these loans have been guaranteed by governments, the Bank's losses have been minimal.

As a consequence of careful and prudent management and as a consequence of relative peace and stability over the past 17 years, the World Bank has turned out to be a pretty good, profit-making institution. In fact, the Bank now has reserves of well over $600 million—reserves which Secretary Dillon described as "a rather large reserve." In fact, I think that at this time the reserve is about $700 million.

When the Secretary was asked during recent hearings whether the $600 million would be used to pay dividends to member states, he said that such was not their intention "so far", but that "they might". He added that "there is pressure from borrowing countries for them—the Bank—to reduce the rate of interest they charge."

What can the Bank do with this special reserve of nearly $700 million? Under the terms of section 6 of article IV of the Articles of Agreement, "the special reserve shall be held in such liquid form, permitted under this agreement, as the executive directors may decide."

And what may the directors decide? According to section 8, the directors by a three-fourths majority of the total voting power may buy and sell such securities as they "may deem proper for the investment of all or part of the special reserve under section 6."

The directors of the Bank have been very astute in handling the more than $600 million reserve which is getting pretty large to manage.

They have not salted this sum away in cash in a sock. Rather, in the words of Secretary Dillon, these reserves "are essentially all invested in U.S. Government obligations."

And of course holding these reserves in the form of U.S. Government bonds means that they draw interest at a rate in the neighborhood of 3 percent. If my arithmetic is correct, that means that the United States is paying over $18 million in interest each year to the World Bank.

I return now to Mr. Dillon's letter in which he makes three points:

First, he writes that "the most effective action in relation to United Nations bonds that could be taken at this point would be prompt passage of appropriate legislation by the Congress."

With this I agree. It would be the easiest way to sidestep our responsibilities. What the Secretary fails to observe, however, is that such action is not likely to be "prompt," and it is by no means certain.

I suggest that what is needed now is a little planning ahead.

The second point made by Secretary Dillon, as I understand it, is that the

Bank's "investible assets" are invested at short term and that it makes in "excess of 3 percent" on these short-term investments "pending disbursement to borrowers on loans already granted."

I must say in all candor that this statement is misleading as it implies that whatever reserves the Bank holds are held—quoting Mr. Dillon—"pending disbursement to borrowers."

It is my understanding that the "special reserve" about which I wrote Mr. Dillon and which exceeds $600 million in amount is held solely for the purpose of meeting the liabilities of the Bank which might arise in the case of defaults.

Whoever drafted the Dillon letter should go back to the Articles of Agreement and read sections 6 and 7 of article IV.

I suspect that the Secretary's main concern is that the Bank can get over 3 percent if left free to put its "investible assets" in practically anything except United Nations bonds, which would bring only 2 percent.

The final point in Mr. Dillon's letter is valid, but I believe shortsighted.

He suggests that either the purchase of U.N. bonds or a declaration of dividends, dedicated to contribution to peace and security functions, would require amendment of the Bank's articles and this would be a "major, time-consuming negotiation" which could not "be effected in time to meet the pressing needs the U.N. now faces."

I suggest, Mr. President, that this conclusion follows only if we view the articles of the Bank and the U.N. bond resolutions as straitjackets within which rational men and nations must live.

There is no reason why the General Assembly cannot alter its approach to obtaining financial relief by authorizing short-term borrowings from the Bank, thus providing the degree of "liquidity" required by the Bank.

After all, the General Assembly has had no problem in the past in authorizing the Secretary General to tap other U.N. funds—including the Children's Fund—for necessary expenses.

Furthermore, there is no reason now why members of the Bank should not try to look ahead and determine anew whether some of its liquid special reserve resources might not be diverted to a purpose at least as basic as "lending for development."

It is conceivable to me that, even though Secretary Dillon writes that the Bank has "been one of the real pioneers" in the field of lending for development, member states might feel that resources now being generated by the Bank ought in limited amount to be put to uses that seek to maintain the very conditions essential to continued lending for development.

Mr. President, I believe the facts I have presented suggest that the U.S. Government should explore most carefully the feasibility of urging the World Bank to give the United Nations financial assistance by the purchase of United Nations bonds.

Furthermore, I believe the earning capacity of the Bank is such that consideration should be given to dedication of a portion of the Bank's earnings to support of the peace and security functions of the United Nations, insofar as those functions are a financial cost to members of the Bank.

It seems incontestable to me that the earnings of the Bank are directly related to stability—to the relative freedom of war which we have enjoyed over the past decade and one-half.

If the Middle East, or the Congo, had burst into flames, the World Bank would have fallen along with the rest of our postwar international structure.

It is for this basic reason, Mr. President, that I believe states members of the Bank—and the Bank itself insofar as it can be said to have a personality separate from its members—should give serious consideration to the direct stake which the Bank has in maintaining peace in such areas as the Congo and the Middle East.

The Bank is an instrument created by some 70 states for the purpose of reconstruction and development; but reconstruction and development are directly related to the maintenance of conditions of peace in which such activities can take place.

The Bank exists to serve the international community of states which are members of the Bank.

And that international community of states comprises about three-fourths of the total membership of the United Nations, and by no stretch of my imagination can the Bank and its earnings be divorced from the interests of the rest of the international community.

If states members of the Bank see the peace and security of the international community threatened by war, and if they see the major peacekeeping instrument—the United Nations—unable to act because of financial difficulties, I see no reason why limited resources of the Bank not in demand for other purposes should not be utilized for U.N. purposes.

There are some who will say that the Bank's special reserve should not be impaired, and I agree that it should not be impaired in any degree that might upset confidence in the Bank.

But I do not believe that is the case at present.

Others will argue that states members of the Bank could resolve the financial crisis of the United Nations by payment of their arrangements to the United Nations funds.

That may be true, but the fact is they have not done so, and the financial crisis remains.

Finally, I suppose the argument will be made that the Bank should not be asked to invest money or assume burdens for the United Nations whose membership is much broader than the Bank, because the few would be paying the expenses of the many.

Certainly I would not advocate utilizing Bank resources to pay the debts of nonmembers.

At the same time, if the Bank is able to help ameliorate the financial problems of the United Nations, either by the purchase of bonds or by declaration of dividends to member states who in turn would utilize those dividends for their payments to the peace and security accounts, I should think the demands for membership in the Bank might go up.

Nothing would please me more than to see the Soviet bloc begin to show an interest in a profitmaking institution like the Bank.

In conclusion, Mr. President, let me express the hope that the administration, despite the difficulties always associated with putting a national or international bureaucracy on a new course, will carefully explore the ideas I have set forth today.

I do not want a banker's answer to these suggestions, I want an answer couched in the framework of the total national interest.

Mr. President, when it is said that an international organization cannot maintain financial stability, those making the statement overlook the fact that some of the affiliated organizations of the United Nations have a remarkable record of financial stability and collection of assessments.

I wish to include in the RECORD at this point the report of the World Health Organization which was issued under date of May 10, 1962. If the United Nations itself would only take a leaf from the financial operations of the World Health Organization, it would be found that it could keep its own financial house in order.

I ask unanimous consent that this very excellent and complete report of the World Health Organization, showing that about 96 or 98 percent of the assessments were paid at the time the report was made, be printed at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

### REVIEW OF THE FINANCIAL POSITION OF THE WORLD HEALTH ORGANIZATION

(Statement by Mr. Milton P. Siegel, Assistant Director-General, May 10, 1962)

Mr. Chairman, each year this committee reviews the financial position of the Organization including the financial report which is a supplement to the annual report of the Director-General. This year, because the Assembly met too early in 1961 to consider the report for 1960, the committee has before it that report in addition to the one for last year. These reports—the annual report of the Director-General on his stewardship of the financial affairs and resources of the Organization—record in financial terms events of the past years; on the basis of this history, we are able annually to review, examine and interpret the development of the work of the Organization.

As in many past years, I am pleased to be able to report to you on behalf of the Director-General that the financial position of the Organization is sound. The collection of contributions as at December 31, 1961, was 93.90 percent of the total assessments on active members. While this was slightly less than the corresponding percentages for 1959 and 1960—which were 95.59 and 96.08 percent, respectively—it resulted from a delay in making payment, caused by parliamentary procedures, encountered by one of the larger contributors; the payment in question was received early in January 1962. Since January 1, further contributions have been received and details will be reported to the committee when it deals with agenda item 3.9.3 "Status of collection of annual contributions and of advances to the working capital fund."

Briefly, payments amounting to $752,736 relating to arrears of 1961 and prior years were received during the period January 1 to April 30, 1962. Payments of contributions relating to the 1962 budget received during the same period were 23.92 percent of the total contributions. The corresponding percentage for 1961 was 20.40. It is noteworthy that, at April 30, 1962, only one member was in arrears for an amount which equaled or exceeded the contributions for the preceding full 2 years, and this member has made proposals for settlement of its arrears which the executive board is recommending the Assembly accept.

When the committee deals with agenda item 3.9.2, "Financial report on accounts for 1961—Report of the external auditor," and the comments thereon of the ad hoc committee of the executive board, it will be interested in the information on budget performance for 1961. In summary, $19,201,885 or 97.08 percent of the effective working budget was utilized, leaving an unused budget balance of $578,563. As only 93.90 percent of the contributions for 1961 was collected, there was a cash deficit of $468,294 which has been more than covered by contributions received since January 1.

Obligations in 1961 from other sources of funds available were: From the expanded program of technical assistance, $5,596,331; from the malaria eradication special account, $3,777,891; from the subaccounts of the voluntary fund for health promotion, $859,576. There was $65,569 obligated for a project financed from the U.N. special fund, and $35,406 from the revolving sales fund; $2,778,398 was obligated for the emergency health program in the Congo, against reimbursement by the United Nations.

In total, therefore, the World Health Organization in 1961 carried out activities for which it obligated $31,815,056 from the various sources of funds not including the building fund. It may be of interest to mention that administrative services costs in that year were $1,892,333 or 5.94 percent of the total.

The Director-General is reporting under the relevant agenda items on the casual income for 1961, including the status of the Assembly suspense account as of April 30, 1962. The committee will note that after taking account of the amount of $500,000 proposed by the Director-General and recommended by the executive board to be used to help finance the 1963 budget estimates, there is a sufficient amount available to finance the supplementary estimates proposed for 1962 by the Director-General. These estimates, recommended by the executive board for approval by this Assembly, were subject to adjustments to be reported by the Director-General to the ad hoc committee of the executive board which met immediately prior to the opening of the 15th World Health Assembly. As will be seen from its report, the ad hoc committee has recommended that this Assembly approve the supplementary estimates, as adjusted, and that they be financed entirely from casual income available for the purpose. I am sure that the delegates will be pleased that this will avoid the necessity of making additional assessments on members for the financing of the supplementary estimates for 1962.

To turn from the financial to the human resources of the Organization, the recruitment of sufficient trained staff, particularly for field assignments, still continues to be a great task as increasing demands are being received from newly independent or emerging countries for assistance in developing their health services. However, through the improvement of recruitment methods and selection techniques, there are indications that more candidates are becoming available in some fields, although in some specialities there continues to be a dearth of candidates available. Efforts have also been made to meet the short supply of some categories by internal training arrangements within WHO itself which have met with a large measure of success. The secondment of staff from national services to WHO still remains an important need and the increasing demand for staff should be partially met through the help of member governments who are able to make some of their trained staff available to WHO.

The supply services of the Organization are used from time to time by a number of member states to make reimbursable purchases on their behalf of a wide variety of medical supplies and equipment, particularly in periods of health emergencies such as epidemics, etc. This service was recently extended to the League of Red Cross Societies at its request to help in the serious flood disaster in Somalia late in 1961. Within a few days of the request, vaccine, drugs, and medicaments purchased by WHO on behalf of the league were being delivered by air to Somalia, thereby aiding the work of staff provided by WHO and the Red Cross to assist in meeting the emergency needs.

Since the last Assembly, progress can be reported with regard to construction of the headquarters building. The committee will have the details of these developments when it considers the report on headquarters accommodation under agenda item 3.11. Despite the untimely death of the architect, Mr. J. Tschumi, last January, the work has proceeded; on March 3 the standing committee on headquarters accommodation approved the Director-General's appointment of Mr. Pierre Bonnard to succeed Mr. Tschumi.

An important aspect of the orderly growth of our Organization relates to regional office accommodation. As members of the committee know, the western Pacific regional office has for some 4 years occupied its own beautiful and modern building which continues to be adequate. In Alexandria, an additional floor has recently been added, at WHO expense, to the existing regional office building and for the time being accommodation is adequate. In Washington, construction will start soon on a new building to house the PASB which serves as the regional office for the Americas. The Government of Denmark is now considering plans for an addition to the premises occupied by the regional office for Europe in order to provide adequate space for the needs of that office. On April 10, 1962, the Government of France transferred to WHO title to the present Africa regional office building and grounds and plans are going forward for the extension of the buildings to meet the greatly expanded needs of that office. The committee will be dealing with the budgetary aspects of this extension. In New Delhi, the new office building which members of the committee saw under construction last year is nearly completed. Its occupancy, however, is presently delayed by a lack of authorization of sufficient electrical power to operate the lighting and mechanical equipment installed in the building. This matter is causing us some concern and is now under negotiation with the representatives of the Government of India.

As in previous years, management surveys have continued to be a useful tool for the improvement of the administration of the Organization. The work of the management staff has been divided between assignments in headquarters and in the regions. There have been a number of brief management surveys of area offices in various parts of the world; these surveys had the dual purpose of improving the administration of the individual offices, and of providing material for the consideration of the role and function of area representation in general.

The rapid increase in the membership of the Organization—between 20 and 25 percent since this Assembly last met in Geneva—brings to the Organization new opportunities as well as new responsibilities. As we have welcomed these new members, many of them newly independent, we should reflect soberly on the tasks ahead of the Organization; as we go about our work in this committee and in the other parts of the Health Assembly, we must bear constantly in mind the significance of our work for the future health and well-being of the world.

The emergence of the newly independent states has added new dimensions to the need for health to lead the way in international action for economic and social development. Their joining the international community is sometimes accompanied by emergency situations in health which have to be met without delay. There are also cases when they need a new type of assistance, and when relatively modest additional help provided by the Organization can give considerable impetus to their efforts in the field of health. As all members of the committee are only too well aware, the health needs of the world are very large, and they are particularly great in the newly independent states, so many of them in Africa.

In February last year, I mentioned to this committee the developments which might be foreseen for the decade of the 1960's, calling attention to the fact that the international organizations that make up the United Nations family were being assigned increasing responsibilities for providing assistance to the developing countries and suggesting that this recognition of the role of the organizations would continue to increase. Events since that time bear out the prediction.

The United Nations Development Decade with its objective of adopting "measures to accelerate the elimination of illiteracy, hunger and disease which seriously affect the productivity of the people of the less-developed countries," is an expression of the necessity for the world community to support the aspirations of the newly independent and other developing countries. This committee can but appreciate, as did the executive board, the decision of the United Nations General Assembly on the decade, reflecting as it does the direct relationship between economic, social and health factors in the development of the economically less-developed countries. The decisions of earlier Assemblies and of the board on this interrelationship reflect a clear understanding on the part of the legislative and executive bodies of the Organization that economic growth is generated not only by money, materials and machinery but by human beings. Solid and lasting results can be obtained only from the interaction resulting from bringing together healthy people and material resources.

Fortunately, the World Health Organization faces its increasing responsibilities girded with the experience gained during the nearly 14 years since it came into being. What was in 1948 a blueprint, wisely enunciated by the founders of the Organization, has become a living entity. The World Health Assembly has, over the years, taken wise decisions which have strengthened the technical cooperation provided by the Organization. As these decisions have been translated into action, the Organization has gradually extended its coordinating activities to cover the entire health field. For today, at the country level, WHO assists countries to coordinate all external resources made available to them for the development of their health services. At the regional level, an effective regional partnership of nations fights diseases as a common enemy which displays no respect for their political boundaries. At the world level, WHO increasingly brings a significant contribution to the international coordination of medical research in cancer, cardiovascular and other important health problems while, at the same time, promoting an international collaborative effort in biological standardization, health statistics and epidemiological intelligence.

And these decisions and the debates which preceded them have been remarkably free of extraneous political considerations, as they should be, since the experience of time has demonstrated that the proper forum for political debates is the General Assembly of the United Nations. Indeed, we recognize the importance to WHO that the United Nations continue to serve and to gain strength as the political organization in the United Nations family, for its existence makes it possible for WHO, unhampered by political problems, to get on with its own job—the attainment of all peoples of the highest possible level of health.

Organizations reflect the characteristics and qualities of their functions and their memberships; some present their current concepts of truth dogmatically and without qualification. But those devoted to furthering science and its application present, as they must, a public image that is the prototype of the scientist whose statements are weighed and qualified, who speaks with modesty and, above all, within the boundaries of his competence. We all know the dangers of the fallacy that experts in one area are necessarily experts in another.

Recently, indications have emerged or suggestions have been put forward that it might be desirable to substitute direction for coordination in the relationships between the United Nations and the specialized agencies, for fear of imbalance or fragmentation of programs. We in WHO have in the past, as now, developed our forward thinking and planning as an organization which is truly international and not supranational. We have always kept in mind that we are an international organization established by governments as the contracting parties which agreed to the WHO constitution, which includes in its preamble a set of principles followed by this statement: "Accepting these principles and for the purpose of cooperation among themselves and with others to promote and protect the health of all peoples."

The executive board, in its organizational study on coordination which is being submitted to this health assembly, in respect of the word "fragmentation" used early in the report of the ECOSOC committee on program appraisals, commented: "If the word is intended to suggest that there was once, even as an idea, a whole, which was broken up by a loose organization of the United Nations family, it could be misleading and would not reflect the historical development. There are separate agencies because there are and have been separate sciences, separate disciplines, and separate—sometimes incompatible—needs of man. Scientific method does not begin with a central fundamental principle: it works upward from observed detail through widening hypothesis, testing at each stage."

The World Health Organization has from its early days dwelt on the importance to each country of a balanced and integrated health plan; and these health plans must, of course, be brought into the appropriate relationship with the governments' plans in other social and economic sectors, to build up a total plan for development. But sound plans must be made step by step and sector by sector to form the adequate whole—to do otherwise would be like trying to build an edifice from the roof down—an engineering impossibility. I believe that we must go forward into the future undeterred by any fear of potential imbalance among the parts making up the whole. We must not allow fear to prevent progress. The only way we have to judge the future is by the past, and judging by the past, this Organization should continue to grow in strength and capacity to promote the health and well-being of mankind. We must keep our course firmly set towards that far horizon on which is the promise that the principles enunciated in the constitution will all be realized.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. HUMPHREY. First of all, I commend the Senator from Vermont, and also, if he will permit me, I associate myself with his general thought and theme that we make an intensive study and research as to how the peacekeeping operations of the U.N. can be financed. His suggestions relating to the International Bank are worthy of more than a banker's evaluation, as the Senator has put it, which would be strictly that of a financial point of view; they are also worthy of a policy determination by the Government of the United States and other governments.

It was my privilege some 2 or 3 weeks ago to visit briefly with the present Acting Secretary General of the United Nations, U Thant. I was accompanied by our Ambassador, Mr. Stevenson.

During that visit I emphasized the importance which the Senate of the United States placed upon a more orderly and established procedure for the financing of United Nations activities than we have observed to date. I pointed out that the debate and discussion in the Senate, in the Committee on Foreign Relations, and by the public generally did not represent merely an outburst of momentary concern over the United Nations and its policies but, more importantly, was directed toward trying to systematize, to institutionalize, and to formalize the financial procedures and arrangements of the United Nations.

I tried to point out that we in the Senate in particular did not wish to see the United Nations weakened. I pointed out we wished to see the United Nations do its job, but not on the basis of a constant emergency or crisis financial arrangement.

I urged upon the Secretary General that, if there were a desire for continuing cooperative and constructive relationships with the Congress of the United States, it would be highly desirable to establish some sort of finance minister or ministry for the United Nations to get at the problem of financing, particularly of the peacekeeping operations.

I, for one, wish to say I believe the Senator from Vermont during all the weeks and months of discussion we have had of the U.N. bond issue really has been attempting to get at the problem not so much of the bond issue as such but the problem as to how to best finance United Nations operations on a regularized, formalized, equitable basis.

It seems to me than any constructive suggestion made is worthy of intensive study and objective analysis and, I hope, some action. Therefore, I wish to associate myself in general with what the Senator from Vermont is attempting to do.

Mr. AIKEN. Mr. President, I appreciate very sincerely the remarks of the Senator from Minnesota.

I have contended ever since the beginning of the year that it is possible for the United Nations to continue for an indefinite period into the future as a peacekeeping organization. Unless the members of United Nations realize there are responsibilities connected with its authority and seek to maintain fiscal responsibilty as well as the responsibility of ethics, it will be impossible for the United Nations to continue as the principal peacekeeping organization of the world.

I should like to see the United Nations succeed. I believe it has to be strengthened.

An international organization, as I have tried to point out, does not have to be fiscally irresponsible. If Senators will read the report of the World Health Organization, an organization which I believe antedates the United Nations, they will see that this organization, at least, is maintaining fiscal responsibility.

The World Bank not only has maintained fiscal responsibility but also has accumulated a surplus of $700 million. The World Bank, as I have pointed out, could not continue if general war should break out throughout the world. It seems to me perfectly proper that the World Bank directors and members should consider the contribution of at least a part of their excess earnings toward maintaining the peacekeeping machinery of the United Nations. That is the purpose of the talk I have given today.

## AUTHORITY FOR PERMANENT SUBCOMMITTEE ON INVESTIGATIONS TO MEET DURING SENATE SESSION UNTIL 4 P.M.

Mr. HUMPHREY. Mr. President, I believe the Senator from Arkansas [Mr. McCLELLAN] has a request he wishes to renew.

Mr. McCLELLAN. I thank the distinguished acting majority leader.

Mr. President, the Permanent Subcommittee on Investigations of the Committee on Government Operations of the Senate is in the process of conducting a series of public hearings. Of course, it is necessary to prepare for the hearings in advance. In this instance, as is true in many other instances, some of the witnesses come from great distances and at Government expense.

I understand a unanimous-consent request was made earlier for the subcommittee to meet this afternoon, and there was objection to the request.

I have conferred with Senators who interposed objection at that time and explained to them the situation. They have graciously consented to interpose no objection if I ask unanimous consent that the Permanent Subcommittee on Investigations be permitted to meet during the session of the Senate today until 4 o'clock this afternoon. I make that unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

## HIGHER EDUCATION FOR YOUNG VETERANS ESSENTIAL—GI BILL IS THE ANSWER

Mr. YARBOROUGH. Mr. President, no single field of legislation is more important to the future of this country than that of education. Despite the fact that this is generally recognized, a vast segment of our youth is faced with the prospect of inability to acquire a higher education, because of the growing cost of college training. This neglected segment of our population is made up of the cold war veterans.

The GI bills of World War II and the Korean conflict have provided our country with young leaders in virtually every vocational field. It is absolutely essential that we continue to provide the GI bill for the education of those who served in our military forces since the Korean conflict ended. A recent statement by a Veterans' Administration official shows that up to the end of the calendar year 1961, more than 1,200,000 Korean conflict veterans have gone to college under the GI bill. Some 45,000 of these veterans studied science; 53,000 were trained in medical and related professions; 163,000 studied some kind of engineering; and 139,000 were trained to teach.

At a time when national survival depends on technical skills, when the importance of medical research is clearer to us than ever before, when school enrollments are faced with tremendous increases, and when the need for teachers increases in direct proportion, this nation must act to fill the need for leaders in these fields.

As author of a GI bill, cosponsored by 36 other Senators, to help young cold war veterans break through the financial and draft-law barricades of high cost and delay in education, I urge support for passage of Senate bill 349, so that our veterans of today may get back into school and may make themselves more valuable to their families and to their country.

Mr. President, there are 5 million of these veterans of the cold war, but they constitute only 45 percent of our young men. The other 55 percent have not served at all. But this 45 percent served more than 2 years apiece; and the action of the Government in calling them to service has put them more than 2 years behind in obtaining the education which they must have. It is only just that the 45 percent who perform military service today shall be able to get the education they need.

I ask unanimous consent to have printed in the RECORD an article from the Bonham, Tex., Daily Favorite of Thursday, June 14, 1962. Bonham is the hometown of the late beloved Speaker of the House of Representatives, Sam Rayburn.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### KOREAN VETERANS CHOOSE BUSINESS COURSE IN SCHOOLS

Korean conflict veterans who have thus far taken advantage of the college education benefits under the GI bill have made business administration, engineering and teaching their top classroom choices.

Up to the end of calendar year 1961, more than 1,200,000 Korean conflict veterans have gone to college under the GI program, Edward P. Onstot, manager of the Veterans' Administration regional office in Dallas, said.

Almost an equal number, 1,172,000, have taken other types of training in schools below college level or on-the-job training classes or on-the-farm courses.

Of those students who went to college, 201,000 chose business administration, 163,000 selected engineering and 139,000 picked teaching as their course of study.

First choice of the GI engineering students was electrical engineering, followed by mechanical and then civil engineering.

The majority of those who prepared for teaching careers entered general education but several thousand have picked specialized fields such as industrial arts and physical education, Onstot said.

Other vocational goals attracting large numbers of Korean conflict veterans turned college students have been medicine and related professions with 53,000; science with 45,000; law with 44,000; business courses such as accounting and advertising with 42,000; social sciences with 40,000 and the ministry with 13,000.

In reality, Onstot added, these veterans have been studying for almost every conceivable type of career at college. On the rolls have been agronomists and zoologists; architects and dietitians; newspaper reporters and mathematicians; librarians and law enforcement officials and many others.

However, all veterans whether in college or still to begin their classes have less than 3 years to take advantage of the Korean GI bill.

The law requires that all education and training of nondisabled Korean veterans must be completed by January 31, 1965.

Veterans planning to enter classrooms should not delay and those already in class should prepare to accelerate their courses if need be to avoid being cut off by the deadline date before they have reached their intended goals, Onstot emphasized.

## THE STRASBOURG CONFERENCE AND THE FUTURE

Mr. CASE of South Dakota. Mr. President, the Washington Evening Star of yesterday, June 19, published an interesting article entitled "Strasbourg Looks to Great Future," written by Constantine Brown. The article relates to the emerging of a united Western Europe and the parliament which is developing at Strasbourg. I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### STRASBOURG LOOKS TO GREAT FUTURE—PARLIAMENT OF EUROPE'S STATESMEN CONFIDENT UNITY IS DRAWING NEAR

(By Constantine Brown)

STRASBOURG, FRANCE.—This ancient capital of Alsace, which changed hands during the wars between France and Germany, is looking forward to a great future. It expects to become the capital of a United Western Europe.

Far-seeing real estate operators already are engaged in purchasing acres of farmlands within miles of the center of Strasbourg. They speculate that when this sleepy medieval city of less than 400,000 becomes the "Washington of Europe" its population will increase fourfold.

The Inter-European Parliament—a token assembly of members from some 15 countries—has been functioning here for more than a decade. It has been ineffectual, because the resolutions it passes with great ceremony after long and learned debate are platonic. All the same, important figures in European politics attend the sessions.

Strasbourg has become indeed the meeting place of Europe's statesmen. As an indication of its importance, many consuls general are of ambassadorial rank. In the lounges and dining rooms of the near-modernistic building which houses this unique, and for the time being powerless, parliament, one can meet Europe's great and "will be great" personages. They will tell you that while the assemblage is now powerless, the debates and exchanges of views make more sense than those in the United Nations.

The representatives of both large and small countries have no doubt that the unity of Europe is a matter of months, despite the recent apparent difficulties. When asked what gives them this cocksureness, the answer is always the same: "Germany and France, which have been at drawn daggers since the French Revolution, have buried the hatchet."

It is strange to find political personalities here who regard NATO as a mere military coalition. As such it has not much substance, since all coalitions are the result of expediency in the face of a military threat. "The unity of Europe, however," says these men who at the NATO meeting use a different language, "is something different. It is dictated by common economic and political reasons rather than by military necessity."

"This has become very obvious," said one of the will-be-great Europeans, "from the grave frictions which have developed within the NATO between the United States and Germany and France and some of the lesser allies." And then he added, "I am not speaking of the quarrel between Washington and Paris over the nuclear monopoly which you insist must remain in the hands of the Russians, British, and yourselves. I am speaking about the change of attitude and the efforts you are making to placate the Russians—provided they want to be placated by you. I am speaking about the feeling which exists in most European chancellories, which is seldom expressed publicly, that Washington in its anxiety to purchase Russia's good will is willing to overlook the interests of other members of the coalition.

"That is, of course, inevitable in any coalition with a wide range of varied interests. Western Europe has become more 'solid' than it was before the last war. It has also become ideologically more conservative than America and does not endorse your frantic efforts to offer terms to the Soviet Union."

When I contradicted this charge of appeasement, the answer was, "Your President himself stated recently in a public rebuke to Bonn that America, which bears the main burden of NATO, must decide what her best interests are. Your efforts are also evidenced by the negotiations which are taking place between your official and unofficial emissaries and those of the Kremlin. The Russians are shrewd. They are informing the Germans, as they did in the summer of 1939, about everything that is said to them in the utmost secrecy by your and the British negotiators.

"In all fairness, American diplomacy should not be blamed for having adopted the tactics used for hundreds of years by the Europeans; the tactics of doing what is best for your temporary interests. If this is so, our conviction is that you have learned much, and this is one of the reasons why the creation of the United States of Europe—in either a confederation or federation—must become an accomplished fact in the near future."

## SENATOR STENNIS A CREDIT TO THE SENATE

Mr. ENGLE. Mr. President, in recent weeks Senator JOHN E. STENNIS and his Preparedness Investigating Subcommittee have been involved in a highly touchy subject: the censorship of speeches by military personnel and the role of the military in cold war education. Under a lesser man such an investigation might have deteriorated into a jungle of nerves and name calling. But throughout the hearings, under circircumstances that would try most men, Senator STENNIS maintained a gentle and kindly spirit and a fair and reasonable hand.

An article in the June 25 issue of Newsweek does a fine job of describing the skill and art that Senator STENNIS used in handling the contentious issue before his committee. I ask unanimous consent to append the following excerpts from the article, which I commend to the attention of my colleagues.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Excerpts from Newsweek, June 25, 1962]

TRIUMPH OF MODERATION

A senatorial investigation had died peacefully in its sleep. In sharp contrast to the bold headlines that celebrated its birth last January, the inquiry into the disconcerting charges of muzzling members of the military passed away all but unmourned in the presence of a handful of reporters in a small chamber adjoining the offices of the Senate Armed Services Committee.

The cause of death, all agreed, was kindness—the unfailing, judicial, courtly kindness of JOHN CORNELIUS STENNIS, the junior Senator from Mississippi and the chairman of the investigating subcommittee. "Just use your imagination," said a committee staff member, contemplating the inquiry's limitless possibilities for sensationalism. "This could have produced name calling, character assassination, and probably full-scale investigation of both the Departments of Defense and State."

That it produced nothing of the sort represents a triumph of moderation.

STENNIS, who began his public career on the bench, started by briefing himself completely on the issues. With a committee colleague, GOP Senator LEVERETT SALTONSTALL, of Massachusetts, he traveled to Gettysburg to get the views of former President Eisenhower. He talked at great length with such respected military leaders as Adm. Arleigh Burke and Gen. Thomas D. White. Then, with all cameras—television and still—barred from the Senate caucus room, the parade of witnesses began. STENNIS and his fellow committee members heard them at inordinate length.

At General Walker's long-awaited appearance, the galleries packed with his right-wing admirers, STENNIS could not have been more courteous, more generous with the committee's time and patience.

And so, at this jurisprudential pace, the hearings moved out of the public consciousness and dragged on to the final dreary session.

It is not of such stuff that bold black newspaper headlines are fashioned, and nobody knows that better than Senator STENNIS. But it serves to illustrate forcefully the Stennis method: "to hear all the points involved and let the witness make any point, be they facts or just arguments." Out of such cool and careful strategy, the Senator from Mississippi induced judicial calm in an atmosphere of passion.

"The committee," STENNIS explained last week, "was an arm of the Senate, and I believe in the Senate."

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. HUMPHREY. Mr. President, I ask the Presiding Officer to lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

Without objection, the Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Louisiana [Mr. LONG].

## REPLY TO CRITICS OF SUSPENDING AID TO YUGOSLAVIA

Mr. PROXMIRE. Mr. President, a short time ago the Senate took action on the foreign aid authorization bill. In that connection the Senate adopted an amendment to prohibit aid, including the providing of surplus food assistance, to Communist nations or Marxist nations. Then the amendment was modified, so that its net effect was to prevent economic assistance to Yugoslavia.

The position taken by Senators who supported my amendment, which would have prohibited aid to Yugoslavia in the first place, has been vigorously attacked by a number of outstanding people and institutions. Perhaps the most effective, eloquent, and comprehensive statement of the position of those who oppose the position of the Senator from Wisconsin was stated by the distinguished assistant majority leader [Mr. HUMPHREY].

In addition, however, there have been some very emphatic statements by Mr. Kennan, our Ambassador to Yugoslavia, who called the attitude of Senators who had taken positions of opposition "appalling ignorance." In an editorial the New York Times stated that the Senate was guilty of "folly" for what it did. A great newspaper in my own State stated that Senators were merely showing how anti-Communist they were. Under Secretary of State Ball, in describing the action of Senators who opposed aid to those countries, called it a "no win policy."

Mr. President, I believe the very thorough and persuasive statement of the distinguished assistant majority leader should be answered. The statement went into considerable detail, and I expect to answer it point by point, seriatim. Before I do so, however, I wish to make clear that I have favored foreign aid in the past and I expect to do so in the future. Our foreign aid program as a whole has been successful. There is no question that the Marshall plan was one of the most brilliant foreign policy successes this country has ever had. The Greek-Turkish aid program probably saved a very important section of Europe from Communist domination. In more recent years, our foreign aid program has had its successes, too. I feel very strongly that any foreign aid proposal should, in the first place, require clear justification.

After all, we are spending the money of American taxpayers. We are spending American taxpayers' money, by and large, to support and develop the economies of foreign countries, not the economy of the United States. It seems to me, therefore, that at this time particularly foreign aid spending should be scrutinized carefully because we are incurring a big deficit in the present fiscal year. We shall have a big deficit next year, on the basis of all predictions. In particular, we have a very serious balance-of-payments problem. The President is concerned about it. Economists and others are very deeply concerned about it. There is no question that few actions of the Congress contribute more directly to our balance-of-payments difficulty than does foreign aid, particularly when it involves loans or grants of American dollars.

One of the soundest principles that has been adopted by the present administration, a principle which I think was welcome on the part of those of us who have been concerned about foreign aid in the past, was the principle embodied in the Alliance for Progress proposals. That is the principle that, if we give aid to a country in South America or in Latin America, that aid should be designed to help all the people of that country, not merely a few people at the top. The principle we have adopted in the Alliance for Progress program is most encouraging, not only because it is based upon a solid and sound principle, not only because it means that our aid will be far more productive, but also because the basis, the kernel, the fundamental aspect of such aid is that it will advance freedom in South America and Latin America.

As to the kind of strings that should be attached to our Alliance for Progress aid, and how it shall be administered, we have said that we shall insist, in countries where a very small group of people own most of the land, and where tax systems are unfair and regressive, there must be tax reforms and land reforms, and such reforms must be undertaken in an effective way before we give our hard-earned taxpayers' dollars to those countries.

That principle makes a great deal of sense. I hope the program will be administered as strictly as possible on this principle, and that those criteria will be insisted upon.

But if we insist on that kind of principle in dealing with our good friends from South America, does it not make sense also to insist that when we give aid to any country, to the extent that we can persuade the government of such a country to do so, their people should be given as much freedom and as much opportunity as possible to develop? Of course, we cannot insist that they conform to the Constitution of the United States. We must give aid to Turkey, Pakistan, Franco's Spain, South Korea, and many other areas in which governments are dictatorial.

But certainly if we are to give aid to a Communist dictatorship, if we are to give aid to a country which, as I shall show with full documentation in the Record, has alined itself over and over again with the Soviet bloc, we should insist that that country do its best to provide greater freedom for the people within the country, and that it also support us once in a while.

I cannot see anything wrong with attaching conditions of that kind. When the Congress states, as the Proxmire amendment provided, that aid to Yugoslavia should be suspended, it seems to me that in view of the clear legislative history that was made at the time the amendment was pressed the position of the Congress was that we should not give Yugoslavia aid because Yugoslavia has not supported our position in our contest with the Soviet Union. Rather it has gone down the line to support the Soviet Union, over and over again.

Finally, I feel very strongly that foreign aid must serve the interests of the United States, the interests of our foreign policy, the interests of our security, and our overriding interest to achieve peace in the world.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Minnesota.

Mr. HUMPHREY. I appreciate the Senator's courtesy in informing me that he was about to make his speech. I know it will be a well-documented and well-thought-out presentation. One of the things that troubled me about the amendment was that I have no doubt that Mr. Tito is a Communist and that his regime is a Communist regime. But I had the feeling that for the past years Tito's regime was less closely affiliated with or under the heel of the Kremlin than was the regime of Poland. The Senator's amendment applied to Yugoslavia, for which I hold no particular brief, but excluded Poland. Poland is in the Warsaw Pact. Poland has at least 12 divisions of troops. I inquired as to those troops. Some of them are very good. I think the Polish people are non-Communist. They are one of the most delightful of all peoples in Europe. But Poland has a Communist government.

Mr. PROXMIRE. The reason why the Senator from Wisconsin was very specific in seeking to strike from the bill aid to Yugoslavia was that there was no aid for Poland in the bill, consequently there was no point in excluding Poland. The bill excluded her. I specifically asked the staff and the Senator handling the bill whether any aid for Poland was provided in the bill. I was told that it was not. When the Senator from Ohio [Mr. Lausche] offered his amendment, which went further than did the amendment of the Senator from Wisconsin, and also struck out Public Law 480 assistance, which, as the Senator from Minnesota well knows was not in the bill, the Senator from Wisconsin enthusiastically supported it, but did so with the feeling that it was doomed to defeat. It was passed and wiped out foreign aid to those countries. But it was a 24-hour triumph.

Mr. HUMPHREY. There was nothing in the foreign aid authorization bill prescribing aid to Yugoslavia.

Mr. PROXMIRE. There was $10 million.

Mr. HUMPHREY. Not in the bill. There was a proposal before the AID administration for a loan of $10 million, but there was no provision in the bill that would have prevented consideration of a proposal from Poland for a loan.

I sat through all the hearings of the Foreign Relations Committee. The Senator from Wisconsin and I well know that proposals made by our Government are contained in what we call secret documents. We do not care to have everything spread out to public view country by country, because otherwise one country might be played off against another, and there would be all kinds of pressure upon every Senator. Many people have favorites among the countries to be assisted, and they would like to see some benefited more than others. So about 9 years ago we stopped inserting in the bills descriptions of areas, regions, and country-by-country aid. The provisions were designated by functions. We inserted provisions for technical assistance, economic assistance, military assistance, and the President's emergency fund. But the recipient countries were not identified.

I believe a proposal was made, or was being considered, involving a $10 million loan to Yugoslavia. Ambassador Kennan was right when he said that the aid had begun to taper off, so far as economic aid to Yugoslavia was concerned. I believe the Senator's point about the economic aid is a point that can be well documented. I believe that what was involved in this instance was methodology. The Ambassador felt that we had been doing quite well with our policy toward Yugoslavia under the difficult circumstances that existed. I would not want the Record to indicate that there was any language in the bill which prohibited a loan to Poland, as distinct from a loan to Yugoslavia.

Mr. PROXMIRE. Let me answer the Senator on that point. First there was before AID a program for economic development of $10 million in Yugoslavia. My amendment killed that. Of course there was nothing in the bill that would have prevented aid to Poland or prevented such aid to Russia, East Germany, or China.

Mr. HUMPHREY. Oh, yes. I have to disagree with my distinguished friend.

Mr. PROXMIRE. Aid to East Germany?

Mr. HUMPHREY. Oh, yes.

Mr. PROXMIRE. Or aid to Bulgaria?

Mr. HUMPHREY. Oh, yes.

Mr. PROXMIRE. Or North Korea?

Mr. HUMPHREY. There is a provision that spells it out.

Mr. PROXMIRE. But those provisions have been very loosely applied in the past. There was a provision which in my judgment would have prevented Public Law 480 aid to Poland. In my judgment, the proposal urged by the Senator from Illinois [Mr. Dirksen] and the Senator from Montana [Mr. Mansfield] would prevent effective Public Law 480 aid either to Yugoslavia or Poland, especially Poland, because the language states, in effect, that no aid may be given to any country which is a part of the international Communist conspiracy.

Mr. HUMPHREY. Communist or Marxist controlled.

Mr. PROXMIRE. The amendment as finally adopted established the criteria the President would have to meet. Under those circumstances, I was convinced that Poland could not meet those criteria. On the other hand, I was convinced, on the basis of the action of the last three Presidents, that Public Law 480 aid could be given to Poland in spite of restriction we wrote into the law. To say that the bill would have prevented aid to East Germany means that we expect the President to conform to the language. I am sure he will do so in the case of East Germany. There are no plans for economic development aid to Poland. I feel quite convinced that there will not be any economic development aid to Poland. However, there was a definite plan and program which the State Department and the President had every intention of putting into effect, involving a $10 million economic development loan to Yugoslavia.

Mr. HUMPHREY. The Senator is correct; there was a proposal for what used to be called a development loan for Yugoslavia.

However, there was no prohibition against economic aid for Poland. The Polish people themselves had been hoping that they could get some economic aid. Their Economic Minister was in this country hoping to negotiate an economic loan from the Development Loan Fund. While there was a prohibition against economic aid for Yugoslavia, against which a case can be made—and the Senator has done well in presenting his case—it is my view that if there is to be a prohibition with respect to Yugoslavia, it should be extended, as the Senator and several other Senators feel, to other countries as well.

If there is any question about authorizing economic aid to East Germany that situation should be cleared up. The only reason that the previous administration considered any aid to Poland was a result of the Poznan riots in 1956, the coming to power of the Gomulko regime, the anti-Stalinist attitude of the Polish government, and also the feeling on the part of our high State Department officials and policy planners that aid to Poland might help insure Poland a degree of independence.

This program involves an element of risk. It is based upon the human equation of calculation. The Senator's argument can be made very persuasively that aid to Communist countries is a bad risk. The Senator feels that it was a bad risk.

Now, I do not put all authoritarian governments on the same plane. For instance, I do not equate a regime such as Franco's with a Communist regime. I do not want any misunderstanding about that on the basis of the aid we give to Spain. I support such aid, because we have military need for bases in Spain, and because we have a security need in Spain. I also believe that some of our aid to Spain has been very helpful to the Spanish people, even though it has gone to them through the Franco government, with the exception of surplus food, which has been distributed ably and fairly by the Catholic welfare group. Our aid to Generalissimo Franco is a painful exigency of the cold war. I regret it, but it cannot be helped.

Mr. PROXMIRE. Let me say to the Senator from Minnesota that while I support aid to any country which can provide the United States with important bases, as Franco's Spain does, nevertheless I have mixed feelings about it. I recognize, as I am sure the Senator recognizes, that Franco is a ruthless tyrant. There is no real freedom in Spain under Franco. Our aid enables him to remain in power. I would not say that he could not stay in power without our aid, but it is conceivable that the aid is one of the ways by which this tyrant stays in power.

I have real misgivings about this kind of aid being given to any country, when I realize that the aid must be given through the Government and used by the Government, not to aid people who oppose the Government, but as one of the tools which enables the tyrant to stay in power.

That is why it is particularly bad to give aid to a Communist country, which has consistently, especially in recent years, supported the Soviet Union.

Mr. HUMPHREY. I am of the opinion that the aid which we have extended to Franco in Spain, while it may very well have given some degree of stability to Franco's regime, has also tended to some degree to liberalize his economy. When I visited that country I was shocked by the backwardness of the economy. I came to the conclusion, after having much different feelings, some years ago, that the Western European countries which had isolated Spain because of the Franco regime were making a mistake, that a flow of trade and cultural contacts with the Spanish people and Spanish officialdom would have a tendency to liberalize the social, political, and economic pattern of Spain.

This was my view. I still hold it. I believe that recent developments in Spain have shown that to be the case. It is true that Franco has imposed the rule of force upon his people. However, Franco will not always be there. One of these days there will be a more liberal regime in Spain. I believe that regime will fall within the pattern of what we call the Western European liberalism, rather than that of leftism or Marxism, or communism, which might have been the fate of Europe if we had not tried to help their peoples, even though we had to help them through their governments.

Mr. PROXMIRE. What the Senator says does not square with our experience elsewhere. Let us consider the situation in 1958, when I introduced an amendment to eliminate aid to Batista's regime in Cuba, because he was a reactionary dictator. I was convinced that our aid to Cuba was helping Batista stay in power. Futhermore, it was identifying the United States with his kind of tyranny. I am convinced that one of the reasons Castro has gone so completely against us is that the Cuban people and the followers of Castro, and probably Castro himself, got the idea that we were helping to keep Batista in power, and that we were opposed to a so-called people's revolution. Therefore we must be very careful about this kind of situation and recognize that, merely because we give aid to a country, we are not necessarily fostering democratic development.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. I agree with the Senator from Wisconsin. The point I was trying to make is that when we give aid, we do not give it merely to help a country; we do it on the basis of what we believe is our national interest. In the instance of Spain, I voted against aid for Spain at one time in my period of service in the Senate. I finally came around to voting for aid for Spain because I thought that to do so was in our national interest. As a byproduct of that aid, I think there has been some improvement in the standard of living of the Spanish people, in whom I have my interest. I am confident that in the days to come, because of our continuing involvement with the Spanish people, Franco will be followed by a more liberal regime.

In the instance of Yugoslavia, I have never deluded myself about its merits, and I have been involved in these discussions and debates for years. My own argument—and it is one Senator's argument—is, first, that the President of the United States, the present President, ought not to be tied down any more specifically than were his predecessors. Actually, our economic aid to Yugoslavia was being reduced sharply, and the present administration did not show any great desire to expand the program; in fact, as many Senators pointed out, it has begun to taper it off.

Second, I believe we extended aid to Yugoslavia for only one reason, namely, that Tito had broken with Stalin, and also that Yugoslavia gave assistance to Greece and Turkey. Yugoslavia's willingness to assist the guerillas in the civil war in Greece brought about peace in Greece, and thereby Greece became a needed ally. It was a calculated political, strategic decision on the part of the United States that aid to Tito was better than leaving Tito to be destroyed by the Soviet Union or brought solidly within the Soviet bloc.

This is not the kind of issue which we can take out to the public and make any great progress with, because it gets down to coldblooded, almost Machiavellian calculations in the field of foreign policy and national security.

I know we who have defended the authority of the President to take these actions in the field of diplomacy without restriction and restraint, which the amendment would have imposed, have a hard case to prove to the public; but by the same token I do not believe we can ask the President of the United States to be responsible for the security of the country in the field of diplomacy, and then tie his hands at a time when he seems to need a little more flexibility, or as much as his predecessors had.

Mr. PROXMIRE. I agree wholeheartedly that we should not tie the hands of the President of the United States if we can help it. I think we ought to give as much flexibility as possible. But I do believe, and I think I can develop this area of the argument, that this question is clearly within congressional discretion, constitutionally and on the basis of precedent. So it is not a question of tying the President's hands. Actually, he has a $4,600 million foreign aid bill, which has had knocked out of it only a tiny portion of 1 percent, if we eliminate the $10 million aid program to Yugoslavia.

In my judgment, there was justification in the past for aiding Tito, because from 1948 to 1952 Tito was helpful to us and was very much and very effectively opposed to Stalin. Undoubtedly, one of the main reasons why we succeeded in Greece and Turkey was due to the program of aid to Tito. But we have given $2 billion worth of aid since then, and he has lined up, as I think I can show, in the last several years consistently against us.

He has worked hard to undermine us, and in some areas he has been successful.

The first question raised by the Senator from Minnesota is whether aid to a Communist- or a Marxist-dominated country could ever conceivably be in the interest of the United States. As I view the situation, and as I think most Senators view it, this is a question of a 1-year authorization bill. The two countries involved are Yugoslavia and Poland. I shall not talk about a number of other countries which some people say have been Marxist influenced or dominated. A leading Wisconsin newspaperman asked me if the denial of such aid would affect Scandinavian countries, because they have been somewhat Marxist influenced. As a practical matter of course, they would not be affected. The legislative history is very clear on this.

I suppose it has even been said by some that our own country is Marxist dominated. But in terms of the actual, practical matter of what happened on the floor of the Senate, we were talking about the fiscal year 1963, and we were speaking about Yugoslavia and Poland.

Then it was said by the Senator from Minnesota that there has been a tendency in our country to get into fixed or immobilized positions on national policies. Even after they no longer serve the national interest, we seem to get into a fixed, immobilized position. So said the Senator from Minnesota.

Now, as a matter of fact, this is what has happened in continuing aid to Yugoslavia, in view of her conduct.

In spite of the solid and sensible leadership of Secretary of State Rusk—and he has rendered an outstanding performance—the fact is that the State Department is a bureaucracy, and a big bureaucracy. As a bureaucracy, it has a vested interest, as do its leaders and ambassadors, in its record, and especially the record of urging support for Tito in good season and bad, whether Tito is in or out of bed with the U.S.S.R.

All of us as humans have a vested interest in the course we have argued. It is very, very hard to reverse ourselves and recognize our errors. It is especially difficult when the reversal has to be achieved by a huge bureaucracy.

Under these circumstances, Congress serves a useful purpose when it challenges the State Department, especially when the challenge is wrapped into an authorization bill which compels the Department to justify its position; and when Congress stands ready to force a reversal of policy if the position is not justified.

Recently, the President of the United States spoke at Yale University on economic myths, mistaken, outdated notions that develop out of the human difficulty of adjusting to changing conditions. Whether myths or truths, these ideas need to be challenged. I welcomed the President's speech; I thought the framework was excellent and useful. But I submit that the myth that our national interest is served by economic support for a Communist dictator who is working night and day to undermine the U.S. position throughout the world should be challenged.

Prof. Zbigniew Brzezinski, director of the Research Institute on Communist Affairs of Columbia University, recently wrote:

> From the standpoint of Western policy, it is dangerous to assume that the internal conflicts of the Communist world will necessarily lead to a relaxation in international tensions. If an open split takes place, it will presumably involve mutual accusations, and the Soviets will be charged by the Chinese with excessive moderations, and the Soviet leadership may find it necessary to demonstrate its revolutionary primacy by adopting a more rigid and insolent policy toward the West.

It would be hazardous to make concessions to Khrushchev on the assumption that he is to be preferred to other, possibly more militant Communist leaders. The paradox of the present situation is that concessions to Khrushchev weaken his argument with Mao by seemingly proving Mao's proposition that the West will yield if pushed hard enough.

> If the West had not been fair with Khrushchev in the past, it would have weakened his arguments and would have provided him with no impetus for making an open break with the more militant Communists.
>
> So long as we remain credibly committed to fighting the Soviet Union whenever the Soviet Union attacks our vital interests, we give the Soviet leaders the survival inducement to take chances even with Communist unity and peaceful victories. The Soviet leadership would prefer to have both Communist unity and peaceful victories. Our policy of firmness forces it to choose between the two and, indeed, it may result in denying both objectives to it.

Of course, exactly the same is true of Tito. So long as he can be both a militant international Communist leader building his economy, and maintain his dictatorship with U.S. aid, he will do both. Only if we make it clear that our support is conditional upon his stopping this international Communist game will he cooperate.

Over and over again it has been said that we should applaud Tito because 70 percent of his trade is with the Western nations. That is exactly why we should insist that there should be some political support for our position. He is dependent upon us economically. He is dependent upon us for 70 percent of his trade. Most of his effective aid comes from this country. Under those circumstances, it makes sense to expect that Yugoslavia will refrain from supporting the Soviet Union again and again and again, in matters directly affecting our foreign policy interests.

Mr. President, with 70 percent of Tito's trade with the West; with his country—according to Ambassador Kennan's statement of only a few days ago—more urgently in need of support than ever before; and with our food shipments under Public Law 480 crucial to the people of Yugoslavia, certainly we have power; and we should be willing to use it to insist on certain conditions. And we should be willing to cut off our aid if Tito does not "come across." Everyone who is familiar with Tito testifies to what a realist and a hard bargainer he is. Under the circumstances, certainly we should use the power and the advantage we have, and we should use them effectively.

In his speech, the distinguished Senator from Minnesota [Mr. HUMPHREY] also said:

> Either we trust the President of the United States, under our system, to administer aid funds in accordance with the sense of Congress, or we put Congress in the role of an administrator, an executor of the laws. This would violate the concept of the separation of powers. History is replete with examples of the trouble which results when a multimember legislature assumes executive functions.

Mr. President, this is a very, very difficult point for me to accept, because Congress clearly has the duty, as well as the right, to determine whether money should be spent, how much money, and for what purposes. Certainly this power includes the power to determine whether a specific country or a group of countries should receive our aid. The amendment which provided for cutting off aid to Yugoslavia was not an administrative action in any sense. It was simply a provision of the law which explicitly stated where Congress felt this country's foreign aid funds should be spent or should not be spent. So it is very difficult for me to understand how that is interference with a presidential prerogative.

Then the Senator from Minnesota stated:

> Foreign aid is not merely an economic program; it is a political program. Foreign aid helps other countries, but its essential purpose is to help the United States.

Mr. President, I believe this, and this is precisely why both the politics of Tito and, especially, his attacks on the United States and his constant efforts to proselytize other countries to communism, and against the United States, mean that we should use our foreign aid wisely, and should be prepared to withdraw it or suspend it or condition it, depending on Tito's actions; and I think I can say that his actions have been right down the line with Khrushchev, just as if he were formally behind the Iron Curtain, although he is not.

Then in his speech the Senator from Minnesota said:

> No matter how much lipservice Tito may pay to such vague concepts as "proletarian internationalism," he is not the man to knuckle under to the direction of Moscow in either his foreign or domestic policies. Whatever he may be, Tito is a nationalist.

Mr. President, here is the real crux and the nexus of our disagreement. Tito is more than a nationalist; he is an internationalist, and he has said so, and he has demonstrated it. The Belgrade conference of neutrals, which was called in Yugoslavia, with Tito as the host, was for the purpose of pressing for adoption of the Khrushchev party line—which Tito did very effectively and very emphatically in his speech there. Tito's constant visits in Asia and Africa, which in recent years have been stepped up, are not for the purpose of promoting national communism, communism in Yugoslavia, but are for the purpose of promoting a militant international communism; and in some areas his visits and his efforts have been very effective.

The next point the Senator from Minnesota made in his speech was:

> Another point we are prone to forget is that there has been a constant fluctuation in Soviet-Yugoslav relations. Now the pendulum is swinging back again toward what appears to be improved relations—influenced, in all likelihood, by economic rather than political considerations.

Of course Tito has sided with the West in part because of economic considerations. Tito has swung to the West because, as I have said, 70 percent of Yugoslavia's trade is with the West, and because Tito has to rely on and count on our aid. Under those circumstances, he has far, far too rarely swung over—as he should consistently—to the position of supporting the West.

Despite his economic dependence on us, his political swing has been in precisely the opposite direction, all-out Soviet Union support. And it is this political conduct which is unforgivable.

Then the Senator from Minnesota said, in his speech:

> Who is to say that Tito and Khrushchev are inseparably linked together, or, even if they are, that international communism is necessarily the stronger for it. It could make the differences between Khrushchev and his "hard line" Stalinist rivals all the more difficult to bridge, and widen the gap between the Soviet Union and Communist China.

Mr. President, the point which this argument boils down to is that no matter what Tito does in his relationships with Khrushchev and with the Soviet Union, he merits the generosity of the United States taxpayers. If Tito opposes Khrushchev, then the bloc is splitting up, and Khrushchev has a bone in his throat, and our policy is working nobly. But if Tito cozies up to Khrushchev and supports him all the way, as he has been doing, this is great, too, because it means that Tito is softening up Khrushchev, and that together they are splitting off from Mao or from Hoxha, in Albania.

However, Mr. President, it seems to me that it is rather apparent that we should keep our eye on the fact that Tito, in season or out, regardless of whether he is supporting or is opposing the Soviet Union, is actively engaged—not only in Yugoslavia, but also in Africa and Asia and throughout the world, and even in South America—in getting as much support for international communism as he possibly can. So we should keep our eyes on that situation, rather than on Tito's acquiescence with or his quarrels with Khrushchev.

Does the fact that Russia differs with China mean that we should give our support to China, when China is engaged in a struggle against us? Of course not.

Furthermore, the big split is between Russia and China—with Russia being the big and dominant power and China being the more militant but far weaker power. But both China and Russia are working against us. In this situation the obvious position occupied by Tito is that of supporting Khrushchev and Russia in their methods and techniques aimed at attaining world Communist domination.

Next, Mr. President, Russia's military assistance to India was cited by the Senator from Minnesota as an example of the split in the Communist bloc, because, so we were told, it assists India to oppose Red China. But far more significant, it seems to me, in India's accepting aid from Russia, is the fact that it tends to bring India under Russian influence and control. This is especially true of Mig Soviet plane sales, gifts, or aid to India.

As a matter of fact, our President and the administration generally are deeply concerned about Russian aid to India, and certainly not heartened about it, and should not be. I think we must recognize that Khrushchev happens to be following a temporary policy of relative peacefulness in Russia's warlike policy. Russia is the dominant Communist country—not China. There is no effective nuclear power in China, and there will not be for many years. It was reported the other day by Joseph Alsop that China is genuinely concerned about invasion from Formosa, and that hunger has really weakened, seriously and conspicuously, the strength and the popularity of the Communist government.

In supporting the position of the administration, and in opposing those in Congress who opposed aid to Yugoslavia, Ambassador Kennan said this: Congress conveyed to the Yugoslav Government "as it moves into a crucial phase of development of its relations with the East that there are no possibilities in United States-Yugoslav relations which could offer a favorable alternative to the Hobson's choice of reassociation in the Soviet bloc or acceptance of complete economic and political isolation in Europe."

It seems to me this statement of the Ambassador insults our intelligence. Yugoslav aid has come overwhelmingly from us. Her trade is more than 70 percent with the West. Suspending aid for 1 year, as I proposed, would not mean complete economic and political isolation. The fact is that Yugoslavia will continue to trade, not only with us, but with Western Europe. Even cutting out Public Law 480 aid for most-favored-nation treatment does not destroy Yugoslav economic ties with the West. It puts effective pressure on Tito, and I think we should put tough, hard pressure on him. After all, if our foreign aid is to have any direction at all, it is to promote freedom in the world and to stop communism. When we have given him these many concessions, and Tito continues, as he did at Belgrade, to undercut us, why should we not use this power?

The political isolation, opposed to us and in support of Khruschev, has not been our choice; it has been Tito's; and it has been made in spite of the fact that Yugoslavia's overwhelming trade is with the West, and the fact that we export three times as much into Yugoslavia as Yugoslavia sends to us.

Ambassador Kennan's statement that this isolation of Yugoslavia from the West caused by aid suspension would be "the greatest windfall that could have befallen Soviet diplomacy in this area" seems to me to make no sense at all. Khrushchev should be happy that he had as good a supporter as Tito—and he has been a good supporter, as I shall show in a moment—who has been recruiting nations for communism and has been supporting Khruschev all out. Why should Khrushchev feel that he has received a windfall because we have reduced, or cut off, or suspended our aid to Tito?

It is perfectly obvious that Tito does not trade with the West because he prefers freedom to communism. Exactly the opposite is the fact. I defy anyone to show where Tito has relented one bit from his Communist position. The fact is that he has said he is a Communist, and he has backed that statement with action over and over again. He trades with the West because he needs what the West can sell or give him. It strengthens his ability to sell international communism and the Khrushchev party line.

Under these circumstances, there is every reason why Khrushchev should be concerned and displeased with the action of the U.S. Congress in limiting the assistance that has been building up a Communist economy in Yugoslavia, presided over by a Communist dictator, who has been faithful to Khrushchev consistently in the past few years.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Does it not actually tend to benefit the Communist movement in many respects that this movement can take advantage of the nationalistic yearnings of the people? It seems to this Senator that one of the strongest improvements Khrushchev has made in advancing world communism, compared to the Stalin line, has been that Khrushchev has shown flexibility and has taken advantage of the patriotic desires of people in support of their nationalistic feelings. He has learned to take advantage of the nationalistic feelings of the people in order to make their countries Communist nations. Of course, as we know, once they have become Communist nations, we can be fairly certain that, in the event of a life and death struggle, they are going to be against us.

Mr. PROXMIRE. I agree wholeheartedly with that statement. As the Senator from Louisiana has said so well, Khrushchev has a wisdom that Stalin did not have. He has taken advantage of nationalistic aspirations. It has not only helped Khrushchev to establish stronger world communism, but has meant a more effective unity. The fact is that while we could say that when we help build a stronger Communist Yugoslavia we tend to split the Communists apart; at the same time it could also be said that when we build up the separate entities of the Communist world, in the aggregate they are stronger. As Tito said at Belgrade in 1956, in event of war as well as peace he would fight shoulder to shoulder with the Soviet Union against the enemies of socialism, as he put it, or us.

What can we conclude but that we are helping communism when we build up Yugoslavia's economy? Of course we are.

I think the Senator from Louisiana is correct and that the flexibility Khrushchev has followed makes sense. He has demonstrated this not only with Yugoslavia, but with other Communist bloc nations.

I have been to Poland, and I have talked to the Polish people. It seems to me clear that Gomulka is Khrushchev's man in Warsaw. Gomulka has made it clear to the Polish people over and over again, by pictures and demonstrations, that the enormous armed might of the Soviet Union can roll and sweep into Poland at any time, and that therefore Poland is subject to the Soviet Union. Under those circumstances, for us to build up Poland is just to deceive ourselves. It is merely to build up the Communist bloc, by building one of its parts.

Mr. LONG of Louisiana. Mr. President, I would like to make this clear. I believe the Senator from Wisconsin feels as I do. I have high respect and a great admiration for the President of the United States. I have a very warm feeling for him as a former colleague. I must say that my agreement with the Senator from Wisconsin about this matter in nowise diminishes my respect for the sincere and patriotic desires of the President to best serve the interests of this Nation. My desire is somewhat similar to the President's desire. Our feeling now is the same as a difference we had with John F. Kennedy at the time he was a Member of this body. He felt that aid to the countries involved should be given, and this Senator and the Senator from Wisconsin have always felt that was not the better part of wisdom. I am sure the Senator, in taking his position, is not taking the view that the President of the United States is not sincere about this matter; we just do not agree with him. I assume the Senator from Wisconsin is making the record to show why we disagree about this matter.

Mr. PROXMIRE. I agree wholeheartedly with that. I have the greatest respect and admiration for the distinguished former Senator from Massachusetts, now the President of the United States. I think he is a real expert in foreign affairs. Undoubtedly he has a far broader grasp of foreign affairs and far more experience than the Senator from Wisconsin has.

At the same time, I think it is the duty of U.S. Senators to make up their own minds, based on the merits of proposals, and based on their best judgments of what the conditions are.

Mr. LONG of Louisiana. I thank the Senator. I believe the Senator has rendered a real service in bringing us the evidence he has presented to this body, which strongly tends to show that we shall have nothing to gain by playing the Tito game. Any day we may expect that Tito will be back in Moscow, with roses strewn in his path by the Communist organizers who have prepared a great welcome for him. We shall hear a repetition of what the Senator has stated, that Tito proposes never to separate himself from his Communist brethren.

I fear that aid in any respect which we give to these Communist nations tends to promote a respectability in a form of government of which we disapprove.

Mr. PROXMIRE. I thank the Senator from Louisiana.

Furthermore, the statement was made, by the Senator from Minnesota:

> The action that was taken—

That is, the action in prohibiting aid to Communist countries—

> The action that was taken was at the wrong time, because of a greater degree of independence of political action on the part of Yugoslavia and Poland than there had been at almost any other time in postwar history.

Mr. President, that is not true. The facts are these: At Belgrade, on September 3, 1961, Tito made as emphatic a declaration of support for Khrushchev and of specific opposition to the United States as he has ever made. It was far different from the talk we heard in 1949, 1950, 1951, and 1952.

There are no substantive points of difference between Khrushchev and Tito at the present time. Tito is right with Khrushchev, all the way.

Any argument that there is a greater degree of independence ignores these facts. It ignores Tito's projected visit to Moscow. It ignores Tito's "Commy" pitch to the neutrals to line up with him. It ignores Tito's alliance with Khrushchev against Mao at a time Mao was very weak.

I suppose, in terms at least of strategy, it might be better for us to hope that the other Communists would line up on the side of the weaker adversary, Communist China. Instead, Tito is supporting Khrushchev and supporting him all out.

It also ignores Tito's support of Castro. Tito has supported Castro over and over again.

It ignores the fact that Gomulka has shown few signs of independence from Khrushchev. People talk about how the people of Poland welcomed Vice President Nixon when he visited Poland. That is absolutely true. When I was in Poland I talked with the Polish people, and they expressed nothing but hatred and deep hatred for Russia, for the Soviet Union, for the Communist bloc, and warm affection for the United States.

Mr. President, this does not mean that Gomulka feels that way. As a matter of fact, Gomulka is a dictator who would not stay in power for 10 minutes if the Polish people could have a free election. Every correspondent in Poland with whom I have talked agrees that Gomulka could not stay in power if he did not have the support of Russia, of the Soviet Union.

The whole thrust of the attack on those of us who would stop the aid to Communist countries, and particularly to Yugoslavia, is, Let us not forget the usefulness of the 1948 split between Tito and Stalin.

The answer, of course, as I said a few moments ago, is that it is necessary for us to go back to 1948 to find any significant action by Tito supporting us and opposing Soviet Russia. Even this action was wholly in the interest of Tito's personal survival and aggrandizement. It was the only way he could exist, to take the position he did and to ask for our support. It is in sharp contrast with Tito's present solid support of Khrushchev.

Then the statement was made:

> Let us remember that 70 percent of Yugoslavia's trade is with non-Communist countries and only 30 perecnt is with the Soviet bloc. Yugoslavia is dependent on the West for capital, raw materials, training, equipment, spare parts, and some nonmilitary supplies. Unless he wants to commit political and economic suicide—

These are not my words—

> Tito will not exchange his trade ties with the West for the bondage of Moscow.

(At this point, Mrs. NEUBERGER assumed the chair as Presiding Officer.)

Mr. PROXMIRE. Madam President, this is exactly the point. In spite of his overwhelming economic dependence on the West, Tito is almost solidly supporting the U.S.S.R. and is doing his best to persuade other neutrals to do likewise. It is time we used this economic bargaining power in our national interest to end the immense help Tito now is to the U.S.S.R. and the serious damage he is doing to us with the emerging countries of the world.

Then there was a quotation from the Chinese Reds, arguing that, after all, the Communists—especially the Chinese Communists—do not regard Tito as one of them. The quotation was as follows:

> Tito's clique is a renegade from socialism—a lackey of the United States—playing a reactionary role.

This is the usual kind of Communist intramural conflict. It is as old as the battle between Lenin and Trotsky, or Marx and some of his detractors.

But what do the facts show? The facts show that Tito is now, and he has been, lined up as a solid, dedicated Communist, working with all his might and main for international communism and specifically for the powerful, dominant Khrushchev and against the weaker Mao and Hoxha.

It is true that Tito has differed with the Soviet Union in respect to a few United Nations votes, but it has been a very few.

Between 1948 and 1954 Tito followed a policy of opposition to the Kremlin. Roughly since the death of Stalin, Yugoslavia has been an all-out Communist country.

The statement was made:

> No other Communist country, not even Castro's Cuba, has been so unresponsive to the leadership of Moscow at the United Nations.

Madam President, let us take a look at the record of the votes in the United Nations. I have in front of me a report from the Library of Congress which shows the voting pattern for the 16th regular session of the United Nations General Assembly. It reports on a number of vital issues on which there were rollcall votes involving Yugoslavia, the Soviet Union, and the United States.

In the principal cases involving the split between the Western and Communist positions, Yugoslavia voted with the Soviet Union. For example, on the consideration of the inscription of Tibet, Yugoslavia voted with the U.S.S.R. and voted against the United States of America.

On the inscription of the item of Hungary, Yugoslavia voted with the U.S.S.R. and against the United States of America.

On the Mongolian resolution on seating two Koreas, Yugoslavia voted with the Soviet Union, with Khrushchev, with the Soviet bloc and against the United States of America.

On the U.S. resolution not to seat North Korea, Yugoslavia voted with the Soviet Union and against the United States of America.

On the resolution deploring the lack of cooperation by the U.S.S.R. and Hungary with U.N. special representatives in Hungary, Yugoslavia voted with the U.S.S.R. and against the United States of America.

On the Soviet resolution to seat the Chinese Communists, Yugoslavia voted with the Soviet Union and the Communist bloc and against the United States.

It is true that on one or two resolutions Yugoslavia voted with the United States. Specifically, on the resolution to approve a $200 million U.N. bond issue for peace keeping operations, Yugoslavia was recorded as voting with the United States and against the U.S.S.R.

But how did Yugoslavia vote on the overall record, taking all the U.N. votes? Yugoslavia coincided with the United States 5 times and with the U.S.S.R. 21 times. Yugoslavia voted with the U.S.S.R. 21 times.

In the resumed General Assembly there was a vital vote in regard to Cuban charges versus the United States, on a Mongolian resolution stressing principles of nonintervention. Yugoslavia voted with the U.S.S.R. and against the United States of America.

Madam President, I invite attention to the preceding U.N. meeting, the 15th session of the United Nations General Assembly. At that session Yugoslavia voted with the United States once. It voted with the United Soviet Socialist Republics 14 times. It coincided with neither five times.

At the resumed session of the 15th United Nations General Asembly, Yugoslavia voted with the United States not at all, and with the U.S.S.R. seven times.

I submit that on the basis of the documented evidence it is clear that the statement that no other Communist country has been so unresponsive to the leadership of Moscow at the U.N. may be true, but it means nothing, because while Yugoslavia has been a little less responsive than the absolute and total stooges of the Soviet Union, the fact is that Yugoslavia and Tito have gone along with Khrushchev over and over again, with very few exceptions, and the exceptions have not been nearly as significant as the support.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a memorandum in regard to the voting pattern for the 16th regular session of the United Nations General Assembly, and also a memorandum on the same subject, in regard to the 15th session.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

*Voting pattern for 16th regular session, United Nations General Assembly*

[Key: Y=yes; N=no; A=abstain; a=absent; NP=not participating]

| | India | Indonesia | Yugoslavia | U.S.S.R. | United States | UNGA[1] total | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Yes | No | Abstain |
| DISARMAMENT/NUCLEAR TESTING RADIATION ITEMS | | | | | | | | |
| 25-State resolution on Atomic Radiation Committee report: Implicit criticism of U.S.S.R. testing, Oct. 20, 1961. | A | A | Y | A | Y | 75 | 0 | 17 |
| Czech resolution merely noting Atomic Radiation Committee report, Oct. 20, 1962, Committee I. | Y | Y | Y | Y | | 33 | 22 | 37 |
| Resolution appealing to U.S.S.R. not to explode 50-megaton bomb, Oct. 27, 1961, Resolution 1632. | Y | Y | Y | N | Y | 87 | 11 | 1 |
| Indian resolution calling for urgent, uncontrolled moratorium on nuclear testing, Nov. 6, 1961, Resolution 1648. | Y | Y | Y | N | Y | 71 | 20 | 8 |
| United States-United Kingdom resolution calling for nuclear test ban treaty with effective international control, Nov. 8, 1961, Resolution 1649. | Y | A | A | N | Y | 71 | 11 | 15 |
| African resolution on creation of African denuclearized zone, Nov. 24, 1961, Resolution 1652. | Y | Y | Y | Y | | 55 | 0 | 44 |
| Afro-Asian resolution on banning use of nuclear weapons, Nov. 24, 1961, Resolution 1653. | Y | A | A | Y | A | 55 | 20 | 26 |
| Swedish resolution on agreement by nonnuclear powers not to acquire nuclear weapons or allow them to be stationed on their territory, Nov. 30, 1961, Committee I, Resolution 1665. | Y | A | Y | Y | | 57 | 12 | 32 |
| COLONIALISM/AFRICAN ITEMS | | | | | | | | |
| Censure of South African Foreign Minister Louw for general debate speech, Oct. 11, 1961, resolution. | Y | Y | Y | Y | | 67 | 1 | 20 |
| Resolution asking France to recognize imprisoned Algerians as political prisoners, Nov. 15, 1961, resolution. | Y | Y | Y | Y | | 62 | 0 | 31 |
| Indian resolution on West New Guinea calling for direct negotiations between Dutch and Indonesians, Nov. 27, 1961. | Y | Y | Y | Y | | 41 | 40 | 21 |
| French-African resolution on West New Guinea stressing self-determination and establishing U.N. Commission, Nov. 27, 1961. | N | N | N | N | | 53 | 41 | 9 |
| 38-state resolution on colonialism establishing U.N. Special Committee To Make Recommendations on Granting Independence, Nov. 28, 1961. | Y | Y | Y | Y | | 97 | 0 | 4 |
| Soviet amendment to 38-state resolution on colonialism, setting 1962 as year of elimination of colonialism, Nov. 27, 1961. | A | A | Y | Y | A | 19 | 46 | 36 |
| Sanctions and expulsion paragraphs of African resolution on apartheid in South Africa, Nov. 28, 1961. | A | Y | Y | Y | | 48 | 31 | 22 |
| Indian resolution on apartheid, condemning South Africa but without call for sanctions or expulsion, Nov. 28, 1961, resolution. | Y | Y | a | Y | | 97 | 2 | 1 |
| Resolution on South West Africa proclaiming right of people to independence, Nov. 13, 1961, Committee IV, resolution. | Y | Y | Y | Y | | 86 | 1 | 4 |
| Noncompliance of Portugal with General Assembly resolution 1542 (XV) re reporting to U.N. on its oversea territories, Nov. 14, 1961, resolution. | Y | Y | Y | Y | | 90 | 3 | 2 |
| Algeria: Resolution calling for renewal of negotiations with specific reference to PGAR, Dec. 20, 1961, resolution. | Y | Y | Y | Y | | 62 | 0 | 38 |
| EAST-WEST ITEMS | | | | | | | | |
| Inscription of item on Tibet, Sept. 25, 1961 | A | N | N | N | Y | 48 | 14 | 35 |
| Inscription of item on Hungary, Sept. 25, 1961 | A | N | N | N | Y | 51 | 15 | 30 |
| Mongolian resolution on seating 2 Koreans, as amended, Dec. 13, 1961, Committee I, resolution. | A | N | N | N | Y | 63 | 18 | 19 |
| United States resolution not to seat North Korea, Dec. 19, 1961, Committee I, resolution. | A | N | N | N | Y | 54 | 17 | 22 |
| Korea: Report of U.N. Information Committee, Dec. 20, 1961 | A | A | A | N | Y | 60 | 11 | 27 |
| Recognition of right of self-determination for Tibet, Dec. 20, 1961 | A | A | A | N | Y | 56 | 11 | 29 |
| Resolution deploring U.S.S.R. and Hungarian lack of cooperation with U.N. Special Representative on Hungary, Dec. 20, 1961, resolution. | A | N | N | N | Y | 49 | 17 | 32 |
| Chinese representation: Important question resolution, Dec. 15, 1961, resolution. | N | N | N | N | | 61 | 34 | 7 |
| Chinese representation: Soviet resolution to seat Chinese Communists, Dec. 15, 1961. | Y | Y | Y | Y | N | 37 | 48 | 19 |
| MISCELLANEOUS ITEMS | | | | | | | | |
| Admission of Mauritania, Oct. 27, 1961 | A | A | A | A | | 68 | 13 | 20 |
| U.S. resolution on UNRWA endorsing PCC efforts without Arab amendments, Dec. 20, 1961, resolution. | Y | A | A | A | | 62 | 0 | 37 |
| UNRWA: Arab amendment re property rights, Dec. 20, 1961 | Y | Y | Y | Y | | 40 | 37 | 21 |
| 16-power resolution urging direct Arab-Israel negotiations, Dec. 19, 1961 | N | N | N | N | | 34 | 44 | 20 |
| Arab League resolution calling for self-determination in Oman and withdrawal of U.K. troops, Dec. 14, 1961. | Y | Y | Y | Y | | 33 | 21 | 37 |
| Resolution authorizing ONUC financing from Nov. 1, 1961, to July 1, 1962, Dec. 20, 1961, resolution. | Y | Y | Y | N | Y | 67 | 13 | 15 |
| Resolution authorizing UNEF financing from Nov. 1, 1961, to July 1, 1962, Dec. 20, 1961, resolution. | A | Y | Y | N | | 61 | 11 | 24 |
| Resolution requesting ICJ opinion re legal obligations of ONUC and UNEF payments, Dec. 20, 1961, resolution. | A | A | A | N | | 52 | 11 | 32 |
| Resolution approving $200,000,000 U.N. bond issue for peacekeeping operations, Dec. 20, 1961, resolution. | Y | Y | Y | N | Y | 58 | 13 | 24 |
| Coincide with United States | 4 | 4 | 5 | | | | | |
| Coincide with U.S.S.R. | 16 | 19 | 21 | | | | | |
| Coincide with neither | 12 | 9 | 7 | | | | | |
| Coincide with both | 5 | 5 | 4 | | | | | |

Source: Reproduced by Library of Congress, Legislative Reference Service, from Department of State report.

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[1] United Nations General Assembly.

*Voting pattern for 16th regular session, United Nations General Assembly*—Continued

[Key: Y=yes; N=no; A=abstain; a=absent; NP=not participating]

RESUMED GENERAL ASSEMBLY

| | Yugoslavia | U.S.S.R. | United States | UNGA[1] total | | |
|---|---|---|---|---|---|---|
| | | | | Yes | No | Abstain |
| COLONIALISM/AFRICAN ITEMS | | | | | | |
| Angola: | | | | | | |
| Bulgaria-Poland resolution calling for sanctions against Portugal, Jan. 30, 1962 | Y | Y | N | 26 | 43 | 32 |
| Afro-Asian resolution calling for self-determination of Angola, Jan. 30, 1962 (Resolution 1742). | Y | Y | | 99 | 2 | 1 |
| Resolution calling on U.N. Committee of 17 to consider whether Southern Rhodesia is fully self-governing, Feb. 23, 1962 (Resolution 1745). | Y | Y | | 57 | 21 | 24 |
| Resolution on Ruanda-Urundi envisaging termination of U.N. trusteeship on July 1, 1962, and allowing for possible continued Belgian presence after independence, Feb. 23, 1962 (Resolution 1743), Committee IV. | Y | A | | 87 | 0 | 11 |
| EAST-WEST ITEMS | | | | | | |
| Cuban charges versus United States: | | | | | | |
| Czech-Rumanian resolution, operative paragraph urging United States to stop interference in Cuba's internal affairs, Feb. 15, 1962, Committee I. | A | Y | N | 11 | 50 | 39 |
| Mongolian resolution stressing principle of nonintervention, Feb. 20, 1962 | Y | Y | N | 37 | 45 | 18 |
| Coincide with U.S.S.R. 2 | | | | | | |
| Coincide with neither 4 | | | | | | |
| Coincide with United States 0 | | | | | | |

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[1] United Nations General Assembly.

WEST EUROPE AND OLD COMMONWEALTH

*Voting pattern for 1st portion of 15th session of United Nations General Assembly*

[Key: Y=Yes; N=No; A=Abstain; a=Absent]

| | Australia | Austria | Belgium | Canada | Denmark | Finland | France | Iceland | Ireland | Italy | Luxembourg | Netherlands | New Zealand | Norway | Portugal | Spain | Sweden | Union of South Africa | United Kingdom | Yugoslavia | United States | Soviet bloc | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | | | | | | Yes | No | Abstention |
| Australian amendment to 5-power resolution re summit Oct. 5, 1960 | Y | A | A | Y | A | N | Y | A | A | A | A | A | A | A | A | A | A | A | Y | N | Y | A | 5 | 45 | 42 |
| Chinese representation, U.S. moratorium resolution, Oct. 8, 1960 | Y | A | Y | Y | N | N | Y | A | N | Y | Y | Y | Y | N | A | Y | N | Y | Y | N | Y | N | 42 | 34 | 22 |
| Tibet, inclusion, Oct. 10, 1960 | Y | Y | Y | Y | Y | A | A | Y | Y | Y | Y | Y | Y | Y | A | A | Y | A | Y | N | Y | N | 49 | 13 | 35 |
| Hungary, inclusion, Oct. 10, 1960 | Y | Y | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | N | Y | N | 54 | 12 | 31 |
| Soviet disarmament item proposal allocate to plenary, Oct. 11, 1960 | N | A | N | N | N | A | N | N | N | N | N | N | N | N | N | N | N | N | N | A | N | Y | 13 | 54 | 31 |
| Soviet item on U.S. aggression proposal allocate to plenary, Oct. 13, 1960 | N | A | N | N | N | A | N | N | N | N | N | N | N | N | N | N | N | N | N | A | N | Y | 10 | 54 | 33 |
| Cuban item on U.S. aggression proposal allocate to plenary, Nov. 1, 1960 | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | Y | N | Y | 29 | 45 | 18 |
| Resolution requesting Spain and Portugal transmit information on territories, Nov. 11, 1960 (Committee IV) | A | A | N | A | Y | Y | N | a | Y | A | a | A | A | Y | N | N | Y | N | A | Y | A | A | 45 | 6 | 24 |
| Ghana motion adjourn debate Congo credentials, Nov. 18, 1960 | N | N | N | A | N | Y | N | N | Y | N | N | N | N | N | N | N | Y | N | N | Y | N | Y | 36 | 51 | 11 |
| Report endorsing Kasavubu credentials, Nov. 22, 1960 | Y | Y | Y | A | Y | A | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | A | Y | Y | N | Y | N | 53 | 24 | 19 |
| Iraq proposal re Mauritania, Nov. 26, 1960 (Committee I) (pro-Moroccan) | N | Y | N | N | N | N | N | N | Y | N | N | A | N | N | N | N | N | N | N | Y | N | Y | 31 | 39 | 25 |
| Resolution calling for steps redistribute security council seats at this session, Dec. 6, 1960 (SPC) | N | A | N | N | A | A | A | A | A | N | N | N | N | A | N | N | A | N | N | N | N | N | 36 | 42 | 17 |
| Soviet amendment to colonialism resolution calling for full independence by end 1961, Dec. 14, 1960 | N | N | N | N | N | A | N | N | N | N | N | N | N | N | N | N | N | N | N | Y | N | Y | 29 | 47 | 22 |
| Afro-Asian colonialism resolution, Dec. 14, 1960 | A | Y | A | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | A | A | Y | A | A | Y | A | Y | 89 | 0 | 9 |
| Pakistan, Senegal, and Tunisian resolution on "Binding Legal Obligations" re payment Congo costs (Committee V), Dec. 15, 1960 | Y | Y | A | Y | Y | Y | A | a | Y | Y | Y | Y | Y | Y | N | A | Y | A | Y | A | Y | N | 45 | 15 | 25 |
| Cyprus amendment to resolution on Algeria calling for referendum under U.N. "auspices", Dec. 19, 1960 | N | Y | N | N | Y | Y | a | Y | Y | N | N | N | N | Y | N | N | Y | a | N | Y | N | Y | 53 | 27 | 16 |
| Resolution on Algeria without paragraph re U.N. auspices but recognizing U.N. responsibility contribute independence and self-determination, Dec. 19, 1960 | A | Y | A | Y | Y | Y | a | Y | Y | A | A | A | A | Y | N | A | Y | N | A | Y | A | Y | 63 | 8 | 27 |
| United States/United Kingdom resolution on Congo supporting SYG, Dec. 20, 1960 | Y | Y | Y | Y | Y | A | A | Y | Y | Y | Y | Y | Y | Y | A | Y | Y | A | Y | N | Y | N | 43 | 22 | 32 |
| Ghana, India, Yugoslavia resolution on Congo critical of SYG, Dec. 20, 1960 | N | N | N | N | N | A | N | N | N | N | N | N | N | N | N | N | N | N | N | Y | N | Y | 28 | 42 | 27 |
| Total: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coincide United States (254) | [1]19 | [2]10 | [2]16 | [1]15 | 12 | 3 | 12 | 11 | 9 | [1]17 | [2]16 | [1]16 | [1]17 | 12 | [2]12 | [2]15 | 10 | [2]12 | [1]19 | [2]1 | ---- | ---- | ---- | ---- | ---- |
| Coincide U.S.S.R. (84) | 2 | 6 | 2 | 4 | 5 | 5 | 0 | 4 | 7 | 4 | 3 | 4 | 4 | 5 | 3 | 2 | 6 | 2 | 2 | 14 | ---- | ---- | ---- | ---- | ---- |
| Coincide neither (56) | 0 | 5 | 2 | 2 | 2 | 11 | 5 | 2 | 3 | 0 | 0 | 1 | 0 | 2 | 5 | 3 | 3 | 5 | 0 | 5 | ---- | ---- | ---- | ---- | ---- |

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[1] 2 votes coincide with both United States and Soviet bloc.
[2] 1 vote coincides with both United States and Soviet bloc.

NOTES

(1) All votes are roll-call votes and were held in Plenary Session unless otherwise indicated. (2) Soviet bloc consists of 9 members: Albania, Bulgaria, Byelorussian S.S.R., Czechoslovakia, Hungary, Poland, Rumania, Ukrainian S.S.R., and U.S.S.R.

*Voting pattern for resumed session of 15th United Nations General Assembly*

[Key: Y=Yes; N=No; A=Abstention; a=Absent]

| | Australia | Austria | Belgium | Canada | Denmark | Finland | France | Iceland | Ireland | Italy | Luxembourg | Netherlands | New Zealand | Norway | Portugal | Spain | Sweden | Union of South Africa | United Kingdom | Yugoslavia | United States | Soviet bloc | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | | | | | | Yes | No | Abstention |
| Resolution reaffirming mandate of Committee on South West Africa and bringing matter to attention Security Council, Apr. 7, 1961 (Res. 1596) | A | Y | A | Y | Y | Y | A | Y | Y | Y | A | A | Y | Y | A | A | Y | a | A | Y | Y | Y | 84 | 0 | 8 |
| U.S. motion invite representatives Republic of Korea and North Korea participate Korean debate (latter must accept U.N. jurisdiction) (Committee I), Apr. 12, 1961 | Y | A | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | A | A | Y | N | Y | N | 59 | 14 | 23 |
| African resolution on apartheid: Operative paragraph re sanctions, Apr. 13, 1961 | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | N | a | N | Y | N | Y | 42 | 34 | 21 |
| Asian resolution deploring apartheid (without sanctions), Apr. 13, 1961 (Res. 1598) | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | N | a | Y | a | Y | Y | Y | Y | 95 | 1 | 0 |
| Japanese motion to seat Republic of Korea representatives without awaiting North Korean reply (Committee I), Apr. 14, 1961 | Y | Y | Y | Y | Y | A | Y | Y | Y | Y | a | Y | Y | Y | a | Y | Y | Y | Y | A | Y | N | 44 | 15 | 18 |
| Resolution on Congo (Belgian withdrawal) operative paragraph threatening sanctions against Belgium, Apr. 15, 1961 | N | A | N | N | N | A | N | N | A | N | N | N | N | N | N | N | N | N | N | Y | N | Y | 49 | 26 | 24 |
| Afro-Asian resolution on Congo: Operative paragraph requesting SYG take action re arms control, Apr. 15, 1961 | Y | Y | Y | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | A | Y | Y | Y | Y | A | Y | N | 83 | 11 | 5 |
| Afro-Asian resolutions on Congo: Resolution as a whole advocating peaceful settlement, including paragraph re SYG, Apr. 15, 1961 (Res. 1600) | Y | Y | A | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | A | A | Y | A | Y | A | Y | N | 60 | 16 | 2 |
| Soviet draft resolution on Congo: Re convene Congo Parliament within 21 days, Apr. 15, 1961 | N | N | N | N | N | A | N | N | N | N | N | N | N | N | N | N | N | N | N | Y | N | Y | 29 | 53 | 17 |
| Resolution on Angola: Calling on Portugal to "consider urgently * * * reforms in Angola," Apr. 20, 1961 (Res. 1603) | A | Y | A | Y | Y | Y | A | Y | Y | Y | a | A | Y | Y | a | N | Y | N | A | Y | Y | Y | 73 | 2 | 9 |
| Resolution endorsing result of plebiscite in U.N. Trust Territory of British Cameroons, Apr. 21,1961 (Res. 1608) | Y | Y | N | Y | Y | Y | N | Y | Y | A | N | Y | Y | Y | A | A | Y | Y | Y | Y | Y | Y | 64 | 23 | 10 |
| Arab resolution Palestine Refugees: Paragraph recognizing need of safeguarding property rights, Apr. 21, 1961 | N | N | N | N | N | N | N | N | N | A | N | N | N | N | A | Y | N | N | N | Y | N | Y | 44 | 38 | 12 |
| Arab resolution Palestine Refugees: as a whole without paragraph re property rights, Apr. 21, 1961 (Res. 1604) | Y | Y | A | A | Y | Y | A | A | Y | A | N | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | 37 | 17 | 38 |
| Resolution on U.N. Trust Territory Ruanda-Urundi: Instructing Belgium and U.N. Commissioner on Future Actions, Apr. 21, 1961 (Res. 1605) | Y | Y | N | Y | Y | Y | A | Y | Y | Y | a | Y | Y | Y | A | A | Y | A | Y | Y | Y | Y | 86 | 1 | 4 |
| Pakistan and Tunisian resolution on Congo financing: Apportioning cost among all U.N. Members, Apr. 22, 1961 (Res. 1619) | Y | Y | N | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | a | a | Y | A | Y | A | Y | N | 54 | 15 | 23 |
| Mexican draft resolution on Cuban charges U.S. aggression: Implicit criticism United States, Apr. 22, 1961 | N | A | N | N | A | A | N | A | Y | N | N | N | N | A | A | A | A | A | N | Y | N | Y | 41 | 35 | 20 |
| 7-power Latin American resolution on Cuba: Operative paragraph OAS responsibility, Apr. 22, 1961 | Y | Y | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | Y | Y | N | Y | N | 56 | 32 | 8 |
| 7-power Latin American resolution on Cuba: As whole without operative paragraph re OAS, Apr. 22, 1961 (Res. 1616) | Y | Y | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | Y | Y | A | Y | N | 59 | 13 | 24 |
| Total: | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coincide United States (185) | 12 | 9 | 10 | 12 | 11 | 5 | 9 | 11 | 10 | 11 | 11 | 12 | 12 | 11 | 5 | 7 | 8 | 7 | 12 | 0 | ---- | ---- | ---- | ---- | ---- |
| Coincide U.S.S.R. (10) | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 7 | ---- | ---- | ---- | ---- | ---- |
| Coincide neither (74) | 2 | 3 | 6 | 1 | 1 | 7 | 8 | 3 | 1 | 3 | 3 | 2 | 0 | 1 | 9 | 7 | 4 | 6 | 2 | 5 | ---- | ---- | ---- | ---- | ---- |
| Coincide both (80) | 4 | 6 | 1 | 5 | 6 | 6 | 1 | 4 | 6 | 4 | 1 | 4 | 6 | 6 | 1 | 1 | 6 | 2 | 4 | 6 | ---- | ---- | ---- | ---- | ---- |

NOTES

(1) All votes are rollcall votes and were held in plenary session (⅔ majority required) unless otherwise indicated. Committee votes require only simple majority.

(2) Resolution numbers are indicated for those resolutions formally adopted by General Assembly. No numbers are indicated for procedural motions or where resolutions failed of passage.

(3) Soviet bloc consists of 9 members: Albania, Bulgaria, Byelorussian S.S.R., Czechoslovakia, Hungary, Poland, Rumania, Ukranian S.S.R., U.S.S.R. Bloc voted together on all issues with exception Arab resolution on Palestine refugees where confused situation re final vote produced unintentional difference among bloc members (U.S.S.R. and 2 others voted "Yes" at end of rollcall, 6 bloc members voting before U.S.S.R. abstained.)

**Mr. PROXMIRE.** Madam President, the following statement was made:

> It would appear Yugoslavia shares our view of what the United Nations should be. Yugoslavia, through its influence against the troika, said "No," and voted against the Soviet Union and for the United States.

Of course, that statement was true on that vote, but that vote was not even close. Now Yugoslavia is following the position of the Soviet Union—Khrushchev's position—on the troika. The Belgrade speech was the clearest evidence of that attitude, for, on September 3, 1961, in speaking about modifying the rule of the Secretary-General of the U.N., Tito suggested that the Secretary-General of the U.N. be downgraded to a simple administrative functionary of the United Nations without independent political competency.

In other words, the position of Tito is not that the U.N. should carry on as we envision the U.N. should carry on, and as Hammarskjold and U Thant have carried on, as a vigorous and effective force seeking to put out the fires of war wherever the U.N. can do so. On the contrary, the U.N.'s only administrative and top executive official, the only man who could make the U.N. a really effective instrument to act promptly and effectively, according to Tito, should do nothing of the kind. Tito would have him merely be a functionary of the U.N. without independent political competency.

It seems to me that the Belgrade utterance of Tito lines him up solidly on the side of Khrushchev and in favor of gutting the U.N. as an effective organization.

The following question is asked:

> Why should we remove one of the major forces that permits and encourages some degree of independence on the part of Yugoslavia in her relations with Soviet Russia?

The answer is that the present effective independence of Yugoslavia from Khrushchev is minimal. There is no basis for contending that our aid encourages even that. The sharpest and most significant display of independence of Russia that was demonstrated by Yugoslavia was before we started the massive aid program. At that time Yugoslavia supported and helped us in the struggle in Greece and Turkey. But since that time Yugoslavia has moved away. On the basis of experience, it is clear that since we have not tied strings to our aid, since Congress has not insisted that if we are to give aid to Yugoslavia, she must show some support for us, and since past administrations have not done so, Tito has not felt that he had reason or incentive to support our position.

If our aid is designed to encourage such independence, we should shut it off when Tito is not independent and grant it only when he is.

What is the value of Tito's independence? It seems to me that at the present time it is virtually nil, especially when it includes, as so-called independence, support of Khrushchev, support of Castro, support of Ulbricht, and opposition to us.

Madam President, I supported not only my own amendment, but also the Lausche amendment. The amendment of the Senator from Ohio would have prohibited assistance, including the sale of surplus food under Public Law 480, to Poland as well as to Yugoslavia. It would have had a broader potential effect.

I supported the amendment reluctantly because I feel, as I know the great Senator from Minnesota has said so eloquently over and over again all over the country, that we should be compassionate in our relations with foreign countries, and do all we can to encourage and build up all countries in any way possible. I am much persuaded by his arguments that we can go much further with the use of compassion, love, and cooperation with respect to the people of those countries than we can ever go with stern opposition. But that is with regard to their people. Their hardheaded Communist bosses are a different proposition. Here toughness and hard bargaining makes sense.

The record should show that the effect of the Lausche amendment would have been to prohibit Public Law 480 aid to Poland and to Yugoslavia. So far as Poland is concerned, that is exactly the kind of aid which is least helpful to the people of Poland. Poland exports a great deal of its food to the Soviet Union. The Soviet Union relies on Poland as a source of agricultural produce. There is no question in my mind that when we send hundreds of millions of dollars worth of surplus food and fiber to Poland, hundreds of millions of dollars of food and fiber go to the Soviet Union. It is apparent to us, and has been made especially apparent, underlined and emphasized in recent weeks, that the Soviet Union needs additional food. The Soviet Union needs food so that it can release more men from agriculture and bring them into the factories, into armament production, and into industrialization. That has always been the primary economic problem of Communist countries.

Most recently that point has been emphasized because Khrushchev announced an increase in the price of butter to $1.80 a pound, and of meat to $2 a pound. Certainly this has the effect of reducing comsumption of food in the Soviet Union. This makes it possible to devote more resources to industrial production. Khrushchev would not have taken this step if he could have avoided it, because he recognizes the importance of popular support. Such drastic action as increasing the cost of food is always unpopular, even in a Communist country. But he did it because the military machine of the Soviets needed more manpower and the Soviet economy needed more food. Under those circumstances, what sense does it make for us to send food to Poland? The Polish people produce food that goes to Russia. If we send food to Poland, then directly or indirectly, that food will go from Poland to the Soviet Union. This makes no sense to me. So, like the Senator from Minnesota, I am very reluctant to use food as a weapon, but I think we must use it as a weapon, because of the kind of grim and terrible struggle in which we are engaged with the Communists. They intend to dominate the world. They will do so if they can.

The Government of Red China is in very serious trouble. It is conceivable that the Government of China might fall. Why? Because there is a shortage of food, and the people might be willing and ready to revolt.

Madam President, to summarize, once again I want to say at the end, as I did at the beginning, that any foreign aid our Government gives to another country should require a clear justification. Our foreign-aid programs in the past have been very successful under some circumstances. The State Department under past administrations and certainly under the present administration has done a fine job many times in administering foreign aid.

However, we should certainly require a clear justification for our aid at a time when it contributes directly to aggravating our balance-of-payments problem. We should certainly insist, as a minimum, with a country like Yugoslavia, as we insist with Brazil and Venezuela and Argentina, and our other South American friends, that strings be attached to any aid we give.

In the Alliance for Progress we have said that if we are going to give aid to a Latin American country, it must engage in reforms, in economic reforms, so that the people will get the benefit of the aid; that the country must engage in land reforms and in tax reforms and in educational reforms. I support that principle. It is a wonderful principle. It is one of the great contributions that has been made to foreign aid.

At the same time we should insist on political reforms in Yugoslavia. We should insist that in Yugoslavia they should be moving in the direction of greater freedom for the Yugoslavian people.

We hear of the jailing of Djilas, a former Vice President and former close aid of Tito, a man whose only crime was to have written a book "Conversations With Stalin," in which the most significant new element is its criticism of Khrushchev. Khrushchev undoubtedly considers that book an insult. That is the cause of Djilas being jailed by Tito.

To many experts on Yugoslavia the second imprisonment of Djilas was an almost incomprehensible action, unless one reads the book carefully to see the reason for it. This once again clearly shows the dependence of Yugoslavia on the Soviet Union and the support by Tito of Khrushchev. It also indicates the lack of freedom in Yugoslavia at the present time. We should attach political strings, even political ropes, if possible, to aid to Yugoslavia, and insist, as a condition of aid to Yugoslavia, that, at the very least, they cease their constant and effective proselytizing of underdeveloped countries to the cause of communism and against the United States of America.

Mr. KEATING. Madam President, will the Senator yield on that point?

Mr. PROXMIRE. I yield.

Mr. KEATING. Efforts were made by Yugoslavian sources to prevent the publication of Djilas' book in the United States.

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. KEATING. Heavy pressure was brought to bear to prevent its publication. Why? It was done because it showed the hookup and close ties between Yugoslavia and the U.S.S.R. Testimony has been taken in executive session—which I hesitate to discuss further—which, when it is published, will be very revealing. I hope it will be done soon. It bears upon the very subjects which the distinguished Senator is discussing this afternoon.

Mr. PROXMIRE. I thank the Senator from New York. He is completely correct. Of course the fact is that there was a very sincere effort, a very human effort, on the part of the publishers of "Conversations With Stalin," not to publish the book if this would keep Djilas out of the terror and horror of the Yugoslavia jail. Although the publishers were willing to withdraw the book, the fact is that Djilas was jailed nevertheless. Of course, the book is now well known, and we know what is in the book.

Madam President, before I take my seat, I wish to indicate the support for the position that I am taking by some distinguished scholars who understand the situation. A very revealing article was published in the Reporter magazine of September 28, 1961, written by Mr. George Bailey. The title of the article is "They Call Themselves Neutrals."

In the course of the article, Mr. Bailey writes as follows:

> But in a larger sense the conference—

That is, the Belgrade Conference—

> was the result of the direction taken by the Yugoslav Government 10 years ago to find a way out of its ideological isolation after the break with Stalin and its refusal to join forces with Social Democratic countries and parties of the West. A "campaign to the south" was undertaken, as one observer put it, as a way of demonstrating Marxist respectability without joining the Soviet Union and its bloc. It was more than this. It was an attempt to demonstrate Marxist legitimacy. In this connection Yugoslavia has seen its role as that of front runner, trail blazer for the sort of communism it hoped would evolve in the Soviet Union as a result of the succession of the "liberal" Khrushchev. "Yugoslav policy," said a Belgrade official several years ago "is what Soviet policy ought to be."

It is pointed out in this article that that hope has not succeeded completely. Nevertheless, the article continues:

> Their optimism has survived even the experience of being singled out for condemnation by Khrushchev in his draft program of the Soviet Communist Party released on July 30. Indeed, the more truculent Soviet policy became, the more desperately and energetically Yugoslavs defended Khrushchev as a victim of Stalinists at home and Chinese Communists abroad.

Mr. Bailey writes further that there was one piece missing in the compromise. He writes:

> But there was one piece missing: relations on the government level could not be fully regularized within the Soviet bloc until Yugoslavia had also established diplomatic relations with the German Democratic Republic. And here was a situation in which it seemed that Yugoslavia could render great service to the Soviet Union and the bloc. For by using the international prestige it had acquired in its fight against Stalin, Yugoslavia's act of recognizing East Germany could be expected to work as a catalyst, inducing other countries to follow its example and consolidate the Soviet military gains in Eastern Europe. But the Yugoslavs were woefully mistaken: not one country followed when they recognized East Germany in October 1957.

Then, according to Mr. Bailey:

> The failure of the conference to generate more than token indignation at the Soviet announcement of the decision to resume nuclear testing on the eve of its opening was a signal Soviet triumph and Western defeat at Belgrade.

Then Mr. Bailey goes on to say:

> The fitting of the Marxist formula onto the natural anticolonial reaction is the greatest service the Yugoslav regime has made to the Communist cause. It renders the original sins of armament and even armed intervention "defensive." This is why the conference's reaction to the Soviet decision to resume nuclear testing was so weak and why if the United States instead of the Soviet Union had violated the moratorium on testing, the reaction would have been incomparably more violent. "Why, they'd have torn down the American Embassy," said one observer.

That was one great defeat for us, that 48 hours after Khrushchev had resumed nuclear testing, something that should have appalled the consciences of neutral nations, the so-called peace-loving nations, whom Tito was able to lead at that conference to an understanding of what Khrushchev had done.

As Mr. Bailey says, if America had done it, they would have torn down the American Embassy.

Then he says:

> Yugoslavia, the United Arab Republic, and Indonesia managed to bring together 25 nations, all of which could subscribe with more or less enthusiasm to certain general principles. Indeed, with the single major exception of the German question, the issues tabled for discussion were cut and dried, the resolutions ultimately drafted being largely predetermined by the very composition of the conference. Insistence on admission of Communist China to the United Nations as sole representative of the Chinese people, condemnation of all foreign bases—

And so forth. Bailey then writes:

> If the convocation of the conference was generally a triumph of Yugoslav foreign policy, the single and most costly defeat came with Tito's failure to gain nonalined support for the Soviet position on Germany.
>
> In his speech, Tito called for recognition of two German states, and in closed sessions of the drafting committee, Yugoslavia, in concert with Cuba, sponsored a motion for a de jure recognition of East Germany. The motion was defeated by an overwhelming majority of the delegates, led by Nasser and the Arab bloc and strongly seconded by Nehru.

In other words, Tito fought a losing battle for the Soviet Union, doing his very best to line up those countries against the United States, against the free world, against West Germany, but for East Germany, a "stooge" state; but he was opposed and defeated because Nasser and Nehru declined to be stooges of the Soviet Union. Mr. Bailey concludes as follows:

> With the exception of the "troika" proposal, the host of the nonaligned nations meeting in Belgrade alined himself and his government faithfully with the foreign policy of the Soviet Union. "It is time," said a Western observer when the conference was over, "for Western nations that support Yugoslavia economically, and particularly the United States, to decide whether Yugoslav foreign policy is what Yugoslavs claim it to be or what this disgraceful performance indicates it to be—a useful refinement of Soviet foreign policy."

It is "a useful refinement of Soviet foreign policy" in that it can blunt the reaction of neutralist countries, which normally would be on our side, when the Soviet Union does the kind of despicable thing it did in breaking the moratorium on nuclear testing.

On November 26, 1961, Paul Underwood, who is a reporter for the New York Times, and who had been stationed in Belgrade for 3½ years, wrote an article entitled "Tito's Neutral Road—Toward Moscow," which was published in the New York Times magazine. In the course of his article, Mr. Underwood wrote:

> Marshal Tito has characteristically made no effort to calm the storm.

Mr. Underwood was referring to the criticism of U.S. aid to Yugoslavia, by our sending 132 fighter planes to him. Mr. Underwood wrote:

> On the contrary, he has hit back, accusing the United States of attempting to use economic pressure to force him to change his foreign policy.

That is certainly a laugh. We have done anything but that. We should have used pressure to force Tito to change his foreign policy. We certainly did not.

> And, if anything, he has moved even closer to Soviet positions on world issues.
>
> In large measure—although Washington insists its review had been started beforehand—the uproar represents a not surprising reaction to President Tito's almost blanket endorsement of Soviet positions at the recent conference in Belgrade of leaders of 25 unalined nations. It is obvious that by this stand the Yugoslav President lost heavily in his relations with the West while apparently gaining nothing from the other side.

He was willing to do that because he is a dedicated, no-holds-barred Communist, and has said so repeatedly.

Mr. Underwood, who has just returned after 3½ years in Yugoslavia, continues:

> Their ability to maintain both an independent posture in the world and a rate of economic growth surpassing that of the Soviet bloc countries, is undeniably attractive to thousands of Communists in Moscow's Eastern European satellites.
>
> To criticism from the bloc that they have become "agents of American imperialism," the Yugoslavs reply that it was simply good Marxist strategy to obtain from the West the means for transforming their country into a Communist society.

It certainly was. It was good Marxist strategy to obtain from the West—the United States—the means for transforming their country into a Communist society.

> Tito and his associates can rightfully boast that in accepting aid from the West, they have never subscribed to any commitment that could curb their freedom of action.
>
> While at home they have maintained a pragmatic approach to domestic problems, refusing to be bound by ideological positions demonstrably impractical, they have in no way diluted the Communist essence of their system. Tito has repeatedly declared: "I am a Communist and nothing but a Communist."
>
> This statement deserves more attention than it is often given in studies of Yugoslav foreign—as well as domestic—policies. Among other things, it inescapably means that the Yugoslav chief subscribes to the Marxist theory of the inevitable decline of capitalism and the triumph of communism.

A little further in his article, Mr. Underwood writes:

> But he—

Tito—

> could never tolerate any course he considered counter to the eventual communization of Yugoslavia, even if desired by his people.
>
> As a dedicated Communist, he must pursue a path that he feels will lead him to the same goal the Soviet leaders have in mind. As a disciple of Marx and Lenin, he still must see in the Soviet Union a comradely nation, mistaken perhaps, but traveling in his direction. A quarrel with the West is a quarrel with a philosophy alien to him. A quarrel with Moscow is a family fight.

Mr. Underwood, who has carefully studied the Yugoslav Government, concludes:

> Tito's basic aim in his association with the nonalined nations seems to be to form a group of Socialist-minded, essentially anti-Western supporters in preparation for Moscow's expected triumph. Such a backing might enable him to maintain a certain independence and give him continued influence even in a Soviet-dominated world.
>
> An independent role has been, and will continue to be, the sine qua non of Belgrade's foreign policy. Geography, ideology and convictions as to the course of development in the world lead Tito to look to the East first in considering his moves. Whenever there are signs of increasing tension between Moscow and Peiping, Belgrade's interest in better relations with the Soviet leadership grows. At such moments, Khrushchev is inclined to include Yugoslavia in the play of Communist power politics inside the bloc.
>
> Nevertheless, it is impossible for Tito to consider actually rejoining the bloc under Moscow's terms. To do so would mean not only the loss of maneuverability but of all he has built up in the past 13 years. Yugoslavia would become only another satellite like Czechoslovakia or Hungary. For this reason, Belgrade's aim must always be to maintain a certain distance from the bloc, while supporting the general aims of its foreign policy. How far the Yugoslav leaders find themselves from the West is to them a matter of secondary importance.

Madam President, that is a study or report by an authoritative expert; and certainly Mr. Underwood, a New York Times correspondent who spent 3½ years in Belgrade, is an expert. It is clear from his article that our weakness is that until we pull the strings, until we use our great economic power, which involves the 70 percent of Yugoslavia's trade which is with the West and the aid coming from the West, Tito will constantly use this tactic over and over again in the United Nations, throughout the world, among the neutralist nations, and among the newly emerging nations, to bring them into the Communist orbit. That is why it seems to me we ought to use all the power we have to crack down, and not be afraid to use it.

Madam President, when my amendment was being debated in the Senate, I placed in the RECORD a considerable number of quotations from an excellent article entitled "The Emerging Pattern of Yugoslav-Soviet Relations," written by Milorad M. Drachkovitch, published in Orbis, a quarterly journal of world affairs of the Foreign Policy Research Institute, University of Pennsylvania. The article is one which should be read carefully by Members of Congress and I hope it will be read by responsible people in the State Department. It is an expert, thorough, well-balanced, scholarly study. There is nothing polemic about it. It is not intended to destroy Tito, but is simply a presentation of the facts in as objective a way as possible. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### THE EMERGING PATTERN OF YUGOSLAV-SOVIET RELATIONS

(By Milorad M. Drachkovitch)

Marshal Tito's crassly unneutral behavior at last September's conclave of nonalined nations in Belgrade revived briefly the great debate in this country over the propriety and wisdom of U.S. policies vis-a-vis Yugoslavia. According to all outward signs, the disappointment expressed in official U.S. circles over Tito's actions has not been translated into any official policy changes. Nonetheless, the Belgrade Conference offers a timely opportunity for a general evaluation of the strange phenomenon of Titoist foreign policy, particularly Yugoslavia's relations with Moscow.

To compress into a necessarily brief analysis all the relevant facts concerning the various distinct phases of Communist Yugoslavia's foreign affairs is, of course, impossible. Instead, it might be appropriate to filtrate at least the fundamental facts through the net of three conditioning factors. The first one affects the power considerations of the present rulers of Yugoslavia; the second touches upon their ideological vistas; the third bears upon the personality of Tito himself. These three factors are interwoven. And, in both internal and external policies of today's Yugoslavia, they reflect the interests and ideas of probably one of the most unique and tightly knit parties in the history of the world Communist movement.

During the initial postwar period (1945–48), the above-mentioned trinity of factors which has been shaping Yugoslavia's foreign policy represented a harmonious whole. Intoxicated by the extraordinary good fortune which within a span of 3 years had promoted a small group of professional revolutionaries to total masters of the country, it was but logical that the Communist Party of Yugoslavia should look beyond the borders of the small country. It came to regard itself as an advanced part of the emerging Communist bloc, duty-bound to encourage Communist dynamism everywhere. The behavior of the CPY was in complete accord with the prevailing ideology of undiluted Marxist-Leninist internationalism in Stalinist acceptance. And there was Tito, symbol of victory, who openly aspired to identify his name and that of his party with wider plans of a Balkan and southeast European federalization.

It is generally conceded that it was mainly this early dynamism of Tito's Yugoslavia which triggered Stalin's suspicion and ire. He decided to temper the zeal of his ambitious satrap and to leash him tightly to Moscow's policies. If during the euphoria of victory Stalin was willing to forget Tito's leftist disobedience of the years 1942–43, he was not ready after to war to tolerate again Tito's proclivity to "outdo the Pope in his Catholicism." Yugoslav intransigence over Trieste, the shooting down of American airplanes followed by an arrogant speech by Tito, the sermonizing of French and Italian Communist leaders on the occasion of the establishment of the Cominform that they should have done the moment the war ended what the Yugoslav Communists did in Yugoslavia, the undissimulated support given to Greek Communist guerrillas combined with scornful attacks against the "monarcho-Fascist" regime in Athens, and finally, the intensive diplomatic activity in Belgrade addressed to the creation of a Yugoslav-Bulgarian federation as the first step toward further integration in that part of Europe—all these initiatives must have greatly disturbed the aging dictator in the Kremlin. As Ernst Halperin has observed: "Stalin was not willing to go in for an adventure to the advantage of another country, even a Communist ally such as Yugoslavia."

### TITO'S 1950 SHIFT

After the spectacular excommunication of the CPY from the Cominform, Tito's foreign policy for about 2 years wavered in a state of painful schizophrenia. Although their resistance to Moscow was motivated by the strictly unideological desires to remain alive and maintain their positions of power, the Yugoslav leaders certainly were at loss, at least initially, to find ideological justification for their unprecedented act of disobedience. Tito himself, either sincerely or in a gesture of showmanship, told his closest friends in the Politbureau that he was ready to step down if they deemed this in their collective interest. They asked him to remain adamant and continue to lead the party. It should be stressed, however, that Tito's position during the break was strengthened considerably by the incredibly arrogant, preposterous, and humiliating arguments used in the Cominform's act of supreme indictment. And immediately afterward (most conspicuously on the occasion of Rajk's trial in Budapest), Stalin's clumsy inclusion among the irredeemable sinners of practically all Yugoslav Communist cadremen—the former volunteers in the Spanish civil war and subsequent partisan leaders in Yugoslavia—helped Tito tremendously to enlist their support by appealing to their instinct of self-preservation and injured partisan cult and solidarity.

The exclusion from the Communist family was not followed immediately by a change of Yugoslavia's foreign political orientation. For over a year, the CPY sought vainly to work out some form of reconciliation with Stalin on the premise that he would recognize the excommunication as a "monstrous misunderstanding." During this time, Tito's foreign policy continued to be as sharply anti-Western and pro-Soviet as it had been prior to June 1948. Yet a need for reorientation was urgently felt.

The real political shift in Tito's line came in 1950. The reasons for it were twofold and in both instances imperative. On the one hand, the economic situation in Yugoslavia, closed to the West and now practically strangulated by the East through abrogation of all trade agreements, approached catastrophe. On the other hand, Communist aggression in Korea served as a warning to Yugoslav leaders that their increasingly hostile Eastern neighbors could one day receive similar orders for a proxy thrust. There was only one shield against both dangers: the United States. As it had done through UNRRA after the war, the United States could pour new millions into a moribund socialist economy to save it from ruin; and by repeating the determination which it had displayed in Korea, it could deter Stalin from engaging in a military vendetta in the Balkans.

When Tito and his retinue realized, no doubt to their amazement, that America was not only willing to help, but that the aid would come without political strings attached, they were ready to switch their foreign policy onto an entirely new track. This move was hardly surprising; given the tenacity with which Tito's group clung to their positions of power, a rapprochement with the United States was the only alternative open to them. Moreover, the first measures of economic 'destalinization," introduced in 1950, served as the ideological screen for the adopted shift. Eleven years, before Stalin's embalmed remains were evicted from Red Square, Tito laid claim to a genuine Marxist-Leninist escutcheon, unsullied by Stalin's "revisionism."

### THE THREE PILLARS OF YUGOSLAV RESISTANCE

The climax of anti-Sovietism came on the occasion of the Sixth Congress of the CPY, held in November 1952. It was as if all the participants in the Congress vied with each other to see who could denounce most violently not only Stalin himself, but the entire system which he had erected in the U.S.S.R. In his general report, Tito attacked every aspect of Soviet policies, both foreign and domestic. He accused the Soviet Union of having transformed the "once independent eastern states into mere colonies in the heart of Europe"; he placed full responsibility upon the U.S.S.R. for having "pushed northern Korea into an aggressive war"; he advocated the "revision of the imperialist partition of Polish and German territories in favor of the U.S.S.R."; and he bewailed the fact that some of the non-Russian nations were "erased from the earth's surface, through the most cruel methods of which Hitler himself would have been envious."

Even more significant were similar outbursts in Edvard Kardelj's report on foreign political problems. Two points merit special mention. First, Kardelj urged that "Germany should be reunified on the basis of genuine free elections in both zones." This would lead to an "independent and equal Germany, including Germany's right to rearm within the limits of necessity to defend her independence." Secondly, Kardelj's denunciation of Soviet imperialism contained a hint that Yugoslavia might adhere to an anti-Soviet defense pact: "Through capitulation or empty pacifist phraseology one cannot secure peace. We desire to avoid, as long as it is possible, a direct engagement in the existing regional pacts. It is clear, however, that such an attitude of ours could not be maintained if the world's situation would continue further to deteriorate and if the danger for our independence would become acute." A sentence in the Congress' final resolution emphasized dramatically the fact that all bridges to Moscow had been burned: "Characteristic of today's international situation is the role of the Soviet Union as a new aggressive imperialist power which aspires to achieve world hegemony."

These virulent anti-Soviet pronouncements mirrored clearly the extent to which the Yugoslav rulers felt themselves threatened by their eastern neighbors. At the same time, however, their indictment of Stalin was paired with attacks on Western reaction and protestations of Marxist-Leninist orthodoxy. Mika Tripalo, head of the "People's Youth," boasted that in Yugoslavia "for the first time in human history the genial ideas of the teachers of scientific socialism, Marx, Engels, and Lenin, were realized." Similarly, Tito explained that in defending Yugoslav socialism "our Party made possible further development of the revolutionary thought in the world." The emotional highlight of the Congress came during Milovan Djilas' inflammatory speech celebrating the anniversary of the October Revolution. Amid wild applause, Djilas exclaimed: "If the spirit of the October Revolution, if the genial thoughts of Marx, Engels, and Lenin are strangulated in the Soviet Union by the bureaucratic counterrevolution and by falsifiers of Marxism, socialism and the October Revolution, that spirit and that thought have emerged, under different conditions and different forms, in a new life-giving radiance in our country. The spirit of October, the thought of Marx, Engels, and Lenin live and create in the intrepid, revolutionary, proletarian, plebeian personality of Comrade Tito."

At that moment—as during the entire period from 1948 to 1953 in general—Stalin's threat produced the same cohesive effect on a large majority of Yugoslav Communists as did their earlier Stalinist fervor. Preservation at any cost of their power in Yugoslavia, psychological intoxication with the self-made myth that they were the only genuine Marxist-Leninists and, finally, Tito's "cult of personality" as a central rallying point of Yugoslav "protestantism"—these were the three pillars of CPY's resistance to Moscow.

### THE SPIRIT OF BELGRADE

As long as Stalin lived, Tito's foreign policy was essentially defensive: he undertook nothing that might give the master of the Kremlin a pretext for armed intervention. At the same time, parallel with Tito's estrangement from Moscow and the loosening of economic controls, the regime in Yugoslavia relaxed its totalitarian pressure.

Stalin's death, the liquidation of Beria and the "new course" inaugurated under Malenkov and Khrushchev heralded a change in the Kremlin's attitude toward Belgrade. Tito's signing, on August 4, 1954, of a treaty of alliance, political cooperation and mutual assistance with Greece and Turkey, with its clear security commitment, apparently precipitated a major decision in Moscow to seek a rapprochement with the regime which Stalin failed to destroy. New and politically more sober Kremlin heads wanted to correct Stalin's blunder. Moreover, they recognized the validity of Tito's claim that, despite all that had passed, he did not betray the Communist cause. They were even prepared to don sackcloth to persuade the "heretic" to return to the fold. Tito, delighted by the turn of events in Russia, thought that the moment of "rehabilitation" was approaching. He set out to dictate the terms of a reconciliation with Moscow which would not jeopardize the vitally needed Western aid and military protection.

Khrushchev's trip to Belgrade in May 1955 and the joint Soviet-Yugoslav declaration of June 2 indeed gave every reason for Tito's satisfaction. A paragraph in the resolution sounded like a triumph of a basic Titoist conception of the relationship between socialist states: "Compliance with the principle of mutual respect for, and noninterference in, internal affairs for any reason whatsoever, whether of an economic, political, or ideological nature, because questions of internal organization, or difference in social systems and of different forms of socialist development, are solely the concern of the individual countries." Moreover, Tito either was not asked or else had succeeded in skirting the thorny question of his formal reentry into the Communist bloc. In any event, after the meeting with Khrushchev he became a convinced, and to many listeners around the world a convincing, proponent of the thesis that the Soviet system was undergoing fundamental change and that Nikita Khrushchev was the champion of the liberal wing of the CPSU. His enthusiasm waxed with Khrushchev's anti-Stalin blasts at the 20th congress of the CPSU. The dissolution of the Cominform in April 1956 seemed additional proof of Khrushchev's willingness to dismantle a major barrier on the road to Belgrade. The Tito-Khrushchev embrace became crushing in June 1956 when a triumphant Tito toured the Soviet Union. The man who only recently had been branded in the Soviet Union as the most infamous traitor of socialism was now given a hero's welcome. The country and its regime which in November 1952 had been barraged by Tito's maledictions was once again treated as a faithful ally. "Yugoslavia," Tito exclaimed in a speech made in Stalingrad on June 11, 1956, "in time of war as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—victory of socialism."

In that summer of 1956, Tito seemed to have reached the pinnacle of his career: no power, either in the West or in the East, wanted his overthrow; his basic domestic and foreign political conceptions—decentralization at home and Communist pluriformity abroad—were either practiced or recognized by Moscow itself; his was again an illustrious name on the Communist roster, cleansed by communism's "high priests" themselves of the stigma of treason. Titoism, indeed, seemed to have become a "pattern for international communism."

### TITO'S AMBITIONS AND THE HUNGARIAN REVOLT

It seemed obvious during the 1955–56 honeymoon between Belgrade and Moscow that Tito's ambition was to offer Yugoslavia's experience as a blue print for the destalinization of the satellites.

This ambition was not unrealistic. The Yugoslav example appealed strongly to many Communist leaders within the bloc: Yugoslavia did not suffer under the physical presence of the Red army; its Communist Party still enjoyed a full monopoly of power but was free to experiment and thus improve the country's economy; and it received huge sums in Western aid with no political concession requested in return. The allure was strengthened by the uncertainties and vacillations of the post-Stalin leadership in Moscow.

The explosions of 1956 proved dramatically, however, that Titoism was not exportable. Tito had no desire to dismantle the Communist regimes; he wanted only to reform them in order to render them more popular and efficient. In spite of this and to his avowed dismay, the Hungarian revolution spiralled dangerously beyond the safety level. The revolt, if successful, would have engulfed not only the satellite empire, but quite conceivably the regime in Yugoslavia as well. And beyond Hungary and Poland, the majority of other satellite governments were in the hands of unrepentant Stalinists, clearly unwilling to fall in step with the bête noire of yesterday.

The Hungarian earthquake inevitably tore fissures in the incipient Moscow-Belgrade axis, if for no other reason than Khrushchev's need of a scapegoat for his own failures. The revolt also brought into bold relief a basic consideration in Tito's attitude toward Moscow. In his Pula speech of November 11, 1956, Tito criticized the first but justified the second Soviet military intervention in Hungary. He was against Soviet interference so long as a Communist regime was master of the local situation. He favored Soviet military involvement when the local party's power threatened to crumble.

A series of important concessions to Khrushchev during the summer and fall of 1957 (acknowledged by Tito himself in his article in the October 1957 issue of Foreign Affairs) was aimed at procuring for Tito a place of equality at the roundtable of the polycentric Communist system championed by him. His plans, however, were thwarted by Mao Tse-tung's intransigence in Moscow: the Chinese Communist leadership was resolutely opposed to any further sharing of the reins over the bloc. Finding himself thus barred from the inner sanctum of Communist leadership, Tito decided not to submit unconditionally to the binding rigors of a centralized Communist discipline. For this reason, he did not personally attend the conclave of Communist parties in Moscow in November 1957; nor did the CPY sign the Declaration of 12 Communist parties in power. But Tito did instruct his representatives, Kardelj and Rankovic, to affix their signatures to the manifesto of the 64 Communist parties of the entire world which, in the words of the New York Times, "endorsed every major foreign policy proposal of the Soviet Union." As before, domestic power considerations dictated to Tito not to rejoin the Communist bloc. Ideological and personal reasons, however, prompted him to insist, as always, that Yugoslavia belonged to the Communist "world."

### KHRUSHCHEV'S FLEXIBLE APPROACH

The second Soviet-Yugoslav dispute flared on the occasion of the Seventh Congress of the League of the Communists of Yugoslavia (LCY), held in April 1958. Its main detonator was the program adopted by the Congress.

The new dispute, however, evolved quite differently from the quarrel of 1948. While the Chinese and Albanian attacks on LCY's out-and-out revisionist program sounded like Stalin at his vitriolic best, the Soviet attitude was markedly reserved. In three of his important speeches of 1958—at the Seventh Congress of the Bulgarian Communist Party on June 3, at the Fifth Congress of the Socialist Unity Party of Germany on July 11, and while sharing the rostrum in Lenin's Central Stadium in Moscow with Wladyslaw Gomulka on November 10—Khrushchev outlined several guidelines in his own approach to Tito's Yugoslavia. Contrary to Stalin's all-out attack and severance of all ties with Belgrade, Khrushchev advocated the development of normal, even intensive, relations with Yugoslavia on the level of intergovernmental dealings. He expressed also a belief that "as Communists we would like to reach mutual understanding and cooperation on the party level." He conceded, significantly, that the Yugoslav Communists displayed "great merits in the struggle against our common class enemies," and he hoped that "despite the present circumstances we shall continue to wage a joint struggle against these enemies in the future as well, and shall defend peace and socialism together." At the same time, however, he declared that the "clearly schismatic and revisionist line" of Yugoslav Communists will call for a continuous "irreconcilable ideological struggle," but tempered this battle call with the advice that "we should not devote greater attention to the Yugoslav revisionists than they actually deserve."

These ambiguities underscored once again Khrushchev's resilient policy toward his obstreperous Yugoslav comrades. He wanted to be able, simultaneously or alternately, to collaborate with them, to criticize them, to compliment them, and to ignore them, retaining always the initiative in using any one of these stick-and-carrot tactics. This manifold and flexible treatment of Titoism, characteristic in general of Khrushchev's political gamesmanship, implied a "maximum" and "minimum" target. At best Tito or his successors should be lured, again and again, to reenter the bloc and renounce their claim to ideological and operational independence. In this connection leaders and members of the League of the Communists of Yugoslavia should be constantly reminded (as purposively stressed in the draft-program of the CPSU submitted to its 22d Congress) that it is theoretically untenable, economically harmful and politically dangerous to attempt to build socialism in isolation from the world Socialist system.

At the same time these pressures and attacks should be treated as "family quarrels," to be terminated if and when the prodigal sons returned to the fold. But should these tactics fail, one should keep Tito isolated while ignoring the achievements of his regime. Such quarantine tactics should, furthermore, turn Titoism from a liability into an asset. By blocking the impact of Titoism on Communist Eastern Europe, its irrepressible dynamism would inevitably be turned on the non-Communist world of underdeveloped nations, thus indirectly advancing Moscow's aim of rolling back the West's political and economic stakes and strategic deployment.

Most important perhaps in this Machiavellian program, laid down in 1958 but projected well into the future, was the change in the role of the chief actor, Khrushchev himself. He was in 1958, and has been increasingly since, quite a different man from the rather ridiculous solicitor of Tito who, in May of 1955, made that absurd and abject speech at the Belgrade airport. The new Khrushchev was a post-Hungary, postantiparty purge, postsputnik man, brimming with self-confidence and convinced that he had found not only the way to deal with Tito, but with the whole range of problems confronting the expansion of communism.

### YUGOSLAVIA'S MEASURED DEFENSE

Frustrated in his efforts to have the principle of the Belgrade declaration of June 1955 accepted as a pattern for interstate as well as interparty Communist relations, Tito braced himself for a new wave of attacks and a new phase of isolation. His hopes that the liberal Khrushchev and "hundred-flowers" Mao would recognize him as equal partner in shaping the destinies of a polycentric Communist system were stillborn. Bombarded with similar accusations as in 1948, the Yugoslav Communists adopted a similar defense and counterattack. On the one hand, they refuted the charges hurled against them, branding them as an "unprincipled campaign against Socialist Yugoslavia." On the other hand, they offered to the world their own program, boasting proudly that this, in Tito's words, "document of historical importance" was destined to be a major contribution to original and creative Marxist-Leninist thought.

The same claim to genuine Marxism which Djilas had articulated in November 1952 was now pressed by Tito. In his Labin speech, on June 15, 1958, he remarked bitterly: "It appears to us that history bestowed on us this hard road to preserve the development of socialism from degeneration."

From that time on until the publication of the draft program of the CPSU, which contained several passages of direct or veiled criticism of Yugoslav revisionism, the ideological quarrel flared sporadically, with varying degrees of intensity. In the unfolding of the three-cornered—Soviet, Chinese, and Yugoslav—dispute over Communist orthodoxy, the Yugoslav Communists invariably attuned their answers to the pitch of the attacks made upon them. To the violent Chinese or Albanian diatribes they retorted without sparing venom. When replying to criticism from Moscow or other satellites, they usually avoided abusive words and couched their arguments with extreme care. The common theme in all of these was that their unwillingness to yield to the censors was due only to their own ideological unimpeachability. This was succinctly stated by Edvard Kardelj in his book on "Socialism and War," published in 1960. The distinctive features of this book were the indictment of Chinese "Stalinism," a considerable degree of acceptance of Soviet views, and a self-righteous insistence on being the closest to an authentic Marxist interpretation of world problems.

Other moves by Yugoslavia indicate Tito's responsive reactions to Khrushchev's initiatives. Particularly since the second half of 1959, Yugoslavia has strengthened political, economic and cultural ties with other Communist countries, except China and Albania. This—in the Communist jargon—"normalization of relations" on the state level is manifested by intensive exchanges of delegations of practically every kind, by an increase in trade with countries of the Warsaw bloc (representing in mid-1961 about 27 percent of Yuglioslavia's foreign trade), and by long-term economic agreements with the majority of the East European countries.

Finally, the pattern of Yugoslav-Soviet relations emerges most clearly in Tito's actions and rationalizations in foreign affairs—a topic which calls for more lingering scrutiny.

### THE SUBTLE GAME WITH KHRUSHCHEV

Despite the deterioration of the interparty ties with the CPSU following the November 1957 Moscow meeting, the orientation of Yugoslavia's foreign policy continued to hew significantly to the Soviet Union's foreign political course. To be sure, Tito's report to the Seventh Congress of the LCY, held in April 1958, scored the division of the world into two military blocs, both of which he claimed Yugoslavia would refuse to join. Beyond this declaration of formal neutrality, however, the speech brimmed with indictments of NATO and U.S. policies and approvals of Soviet actions. Indeed, the report constituted a complete retraction of Tito's statements at the sixth congress of his party 5½ years earlier.

Once again the West was the villain. According to Tito, its powerful reactionary circles were toying with the idea of a crusade against communism. He charged that Western powers forged NATO not only to resist Stalin's rigid and needlessly aggressive foreign policy, but also as an instrument for world domination, thus provoking the formation of the "defensive" Warsaw Pact. Tensions in the cold war, claimed Tito, were sharpened by the Western trade embargo against Socialist countries. He accused the West of drawing a strategic noose around the U.S.S.R. and other Eastern countries, and of heavy-footed interference in the internal affairs of the people's democracies engaged in building a new Socialist order. Tito rejected emphatically any thought of joining the Atlantic Pact or any other European agreement of a "bloc" nature, and stressed that the "military side of the Balkan Pact has gotten a secondary character."

The key remark in Tito's report was that, since June 1955, "Yugoslavia was not threatened any more by an aggression" and that the relations with the U.S.S.R. and other countries of people's democracy (they were never again called Soviet "satellites") were continuously improving. In other words, unlike Stalin, Khrushchev was not challenging the position of Yugoslavia's rulers; therefore, the latter were willing, despite all ideological disagreements with the CPSU, to endorse the main tenets of Soviet foreign policy. In the subtle games they were playing with Khrushchev, this was a concession to temper any annoyance by Moscow at their refusal to rejoin the bloc.

The same motive, to be undisturbed at home while retaining full freedom of action, emerged starkly in the new LCY's program of 1958. The two concepts stressed in the program's chapters on "Foreign Policy of Socialist Yugoslavia" and on the "Struggle for Socialism Under New Conditions" were active coexistence and proletarian internationalism. The program stipulated that "the policy of active coexistence should rest on respect of independence, sovereignty, equality, territorial integrity and noninterference in the internal affairs of other countries." This enumeration, an echo of the 1955 Belgrade declaration, was obviously intended as a reminder to the Soviet leaders that they themselves had approved Yugoslavia's right to develop her own form of socialism. The idea of "proletarian internationalism" was opposed to any notion of "national communism" (twice explicitly rejected in the program) and served to indicate that Yugoslav Communists were faithful believers of the Marxist-Leninist credo that "humanity was moving deep into the era of socialism," as stated in the program. They were ready to lend a militant hand to encourage this process.

These basic tenets—pleading innocence to the Kremlin's charges of ideological deviation, but echoing substantially Moscow's foreign political line—have characterized Yugoslavia's attitude toward Moscow in the past 3 years. Practically every Tito speech on foreign affairs during this period (in particular his address before the General Assembly of the United Nations in New York on September 22, 1960, and again before the Yugoslav Parliament on December 26) contained homilies on the virtues of peaceful coexistence and the evils of the division of the world into two military camps, while leaning heavily toward Moscow when discussing the issues of the day. His embrace of the Soviet position was never warmer than in his speech before the Belgrade Conference of nonaligned nations on September 3, 1961.

He endorsed Khrushchev's proposal on general disarmament and derided the U.S. fetish of controls and inspections. He expressed understanding of the reasons invoked by the Soviet Government in resuming atomic tests in the atmosphere (chiding the Soviets only for timing the tests with the start of the conference). He endorsed the thesis of two German states, one of which was acquiring a "more and more outspokenly new social character" while the other featured "a typical capitalist social system pregnant with interwoven remnants of Fascist and revenge conceptions and tendencies." He explained that some people in the West were opposed to the principle of peaceful coexistence for they were afraid that in peaceful competition with the Socialist system, capitalism would not fare well. He asked finally for the modification of the role of the Secretary General of the United Nations, suggesting that he be downgraded to a simple "administrative functionary of the U.N. without independent political competency."

The remainder of the speech was devoted to strictures on neocolonialism, including sharp criticism of U.S. policies in Latin America and praise for the unanimous resistance of the Cuban people against the aggressive intervention of the preceding April. Since anticolonialism represents one of the cornerstones of Tito's foreign policy, it calls for closer examination.

### TITO'S BLOC BUILDING

In December of 1954, Tito started on a month's visit to two Asian countries, Burma and India. Exactly 4 years later he repeated this journey, broadening it this time, however, to include in addition to the above two countries Ceylon, Ethiopia, Sudan and the United Arab Republic. His most recent trip, early in 1961, was to eight African countries (Ghana, Togo, Liberia, Guinea, Mali, Morocco, Tunisia, and again the United Arab Republic).

Ever since his first journey, Tito has been busily engaged in building an informal but active bloc of nonalined countries. In his official pronouncements he has suggested that these nonalined countries should refuse stalwartly to join any of the existing military blocs and decline to take any part in the global cold war. Thus, although militarily and economically weak, they would be in a position to exert strong pressure on the leaders of the two antagonistic blocs, urging them to preserve peace by disarming and to convert their huge military budgets to peaceful means of economic development throughout the world. These are, on the surface, noble goals. However, they assume a different hue when examined against the background of Titoist ideology as well as Yugoslavia's stand on world issues.

As regards ideology, the 1958 program of the LCY had clearly stated that "in the underdeveloped countries just liberated from colonial oppression, tendencies and possibilities exist for bypassing certain phases of capitalist development and immediately passing onto the construction of the economic foundations of the development of socialism." By the same token, the principle of active coexistence, as applied to these countries, had only one precise meaning: to broaden the basis of the struggle against imperialism and colonialism.

These passages are important because they identify anticolonialism with the ultimate victory of socialism, i.e. communism, and because they clearly reflect the belief that Titoism represents for these countries a most suitable blueprint for achieving socialism. A host of actions by Belgrade corroborates these points: the publication of the LCY program in 26 foreign editions, including a Spanish one in Chile, an Indonesian in Djakarta, a Burmese in Rangoon and an Indian in New Delhi; Tito's speech at Bandung University on December 26, 1958; another speech in Belgrade on April 27, 1961, after his return from Africa; tireless efforts to achieve closest connections of every kind with the underdeveloped countries (this being one of the most important tasks of the Socialist Alliance of the Working People of Yugoslavia, alias Popular Front); unconditional support given to any anticolonial movement in the world; the investment of over $5 million to organize the Belgrade conference. All this speaks for Tito's ambition to offer his doctrine, system and leadership to the emerging third world.

These feverish activities by a small country in vast and remote regions of the world do not suggest that Tito works in a planned and concerted partnership with the Soviet Union to promote the spread of communism. As Zbigniew Brzezinski has correctly pointed out: "The conflict between the traditional Soviet dichotomic image of the world and the Yugoslav version of an interrelated, worldwide, and largely organic development toward socialism was not resolved." Quite likely, moreover, the Soviet leaders watch with mixed feelings Tito's close friendship with countries on which they themselves would prefer to have a more direct influence.

### YUGOSLAV-SOVIET RELATIONS

Nonetheless, despite the heretic label affixed upon it by the Communist bloc, Titoism promotes Soviet interests in the third world—if not directly then at least indirectly—by inspiring and supporting attitudes in these countries detrimental to the basic interests of the West. First of all, as George Bailey has described it in the Reporter: "The fitting of the Marxist formula onto the natural anticolonial reaction is the greatest service the Yugoslav regime has made to the Communist cause." Secondly, Tito's public statements and behind-the-scene politicking at the Belgrade conference confirmed once more that he is doing his utmost to aline the nonalined behind Soviet foreign policy objectives. Even should he not succeed in this endeavor, however, his anti-imperialist harangues and the support he tenders to radical revolutionary movements in the developing areas helps to undermine Western positions and creates effective roadblocks to the kind of cooperative ventures envisaged in the U.S. Alliance for Progress program. One of the ironic paradoxes of our time is that at least part of the generous economic assistance given by the United States to Yugoslavia as a calculated gamble to weaken the Communist bloc is used by Tito to undermine Western power and influence in the grey zones of southeast Asia, Africa, and, less directly, Latin America.

If we go a step further and try to adduce the reasons for Tito's insistence on the closest ties with the nonalined, we come again face to face with the aforementioned trinity of factors shaping Yugoslav foreign policy. In the first place, intimacy with the world's neutrals—whom the Soviet Union also woos actively—offers to the Communist rulers of Yugoslavia a supplementary guarantee that the U.S.S.R. will refrain from any openly aggressive act against them. Secondly, the spread of Titoism in the underdeveloped countries compensates for the lack of access to the Communist bloc and provides the LCY with the psychological palliative of participating actively in the irrepressible march toward communism. Finally, for Tito's inflated ego, even an informal coleadership of the shapeless third bloc compensates to some extent for the grandiose dreams thwarted by Stalin, Mao, and Khrushchev. Barred from the Moscow inner sanctum, Tito can look to impressionable audiences between Djakarta and Accra to applaud his actions and provide fulfillment for his self-arrogated mission: the struggle for communism as he himself has shaped it since 1950 and now offers it magnanimously to the world.

### THE FUTURE WITH OR WITHOUT TITO

It might be appropriate to conclude this analysis with a few remarks about the probable future course of Titoist foreign policy. As long as Tito lives and continues to wield undisputed leadership over his party, it is unlikely that Yugoslavia will openly and officially reenter the Soviet bloc: if nothing else, the twin fears of falling into a new Soviet trap and of forfeiting American aid will continue to guide the actions of Yugoslavia's present rulers. At the same time, they will most certainly maintain their support of Moscow's foreign policy, waxing even more benevolent as Khrushchev acts tougher but does not threaten them directly. They will also tend to draw closer to the Kremlin to the extent that relations between Moscow and Peking continue to deteriorate. The support of Moscow's policies will not, however, be total—if for no other reason than Tito's need to preserve token credentials of independence when asking for American assistance.

The entire bent of Tito's policy, however, will be put to the test when Yugoslavia's master leaves the scene. Already today Yugoslavia is feeling the pinch of isolation between the two European blocs which, under their respective auspices, are moving ever more rapidly toward closer integration. Moreover, the experiments of economic decentralization will probably come under fire from powerful elements, not only within the LCY rank-and-file but also in its central committee, who favor a much tighter control over the economy along with much closer ties with the U.S.S.R. It is possible that Tito's gestures at the Belgrade conference were intended as a sop to these "neo-cominformist" elements. In any event, once Tito's unifying leadership has been removed, these forces would certainly make a concerted bid for power, but in so doing would meet with resistance both inside the LCY and in the country at large.

Conceivably, Tito's individual or collective heirs might succeed in continuing his line. But it is by no means fantastic to assume that a grave crisis might follow the dictator's death, affording to both the U.S.S.R. and the U.S. multiple opportunities to exert a decisive influence upon the future of Yugoslavia and, through it, upon broader areas of the globe.

Mr. PROXMIRE. Madam President, I ask unanimous consent to have printed at this point in the RECORD the article written by Paul Underwood, to which I have previously referred, entitled "Tito's Neutral Road—Toward Moscow," and also the article entitled "They Call Themselves Neutrals," written by George Bailey, and published in Reporter magazine.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times magazine, Nov. 26, 1961]

### TITO'S NEUTRAL ROAD—TOWARD MOSCOW

(By Paul Underwood)

BELGRADE.—Thirteen years and $2 billion worth of American aid after Yugoslavia broke away from the Soviet bloc, the role of President Tito and his unique Communist regime is under fire throughout the Western World.

Critics accuse him of deliberately helping the Soviet Union. The projected sale of 130 jet fighter planes to him has roused a storm of objections in the United States. The State Department is weighing decisions on Yugoslav aid applications pending a review of Yugoslav-United States relations.

In Western Europe, similar studies are underway that could radically change the complexion of Yugoslav relations with that part of the world.

Marshal Tito characteristically has made no effort to calm the storm. On the contrary, he has hit back, accusing the United States of attempting to use economic pressure to force him to change his foreign policy. And, if anything he has moved even closer to Soviet positions on world issues.

In large measure—although Washington insists its review had been started beforehand—the uproar represents a not surprising reaction to President Tito's almost blanket endorsement of Soviet positions at the recent conference in Belgrade of leaders of 25 unalined nations. It is obvious that by this stand the Yugoslav president lost heavily in his relations with the West while apparently gaining nothing from the other side. At the subsequent congress of the Soviet Communist Party—the results of which Tito described as of great signifiance for "the further movement toward a truly democratic and progressive development" throughout the world as well as in the Soviet Union—Premier Khrushchev repaid him by once again branding Yugoslav revisionism as the greatest single danger within the international Communist movement.

What factors led the Yugoslav chief to take up this position? The answer undoubtedly lies in the character of Marshal Tito, in his conception of the world and of Yugoslavia's place in it, and in the development of the unusual system known as Titoism.

There is little in the man that fits the ordinary conception of a Communist dictator. He is a dignified, charming person who wins over visitors whatever their political leanings. He has an easy laugh, a clear, ruddy complexion usually bronzed from the sun and wind. Although 69 years old, he could easily pass for 10 years younger.

He can be frighteningly angry—at such times, his face freezes into a stony mask and his aids, uncommonly hushed, step a pace or two back. But usually in public he is the dignified, smiling father of his people.

Tito's dominance of the Yugoslav scene is unchallenged. No one who has spent more than a few days in the country can doubt that he is the absolute boss. Smiling portraits, frowning portraits, tight-lipped and determined portraits stare down from the walls of every public building, store, restaurant, bar, and coffee house.

His army of 30 divisions—the largest single land force in Europe except for the Soviet Union's—is garrisoned in every corner of the country. The highly efficient Ministry of the Interior has thousands of UDBA (Bureau of State Security) agents monitoring telephone calls, listening in coffee houses, and checking suspicious movements. Only one political force exists in the country, the Communist Party, and the men who sit on its politburo are the men who run the show. Any hint of organized opposition is stepped on immediately.

These are familiar features of any Communist dictatorship. More interesting are the things about Tito's Yugoslavia that set it apart from other Communist countries. Both official and social relations with foreigners are permitted. Thousands of nonofficial Yugoslavs travel abroad, the vast majority to the West, and return. Newspapers from Western Europe and the United States are on sale in the major cities. There is no jamming of foreign broadcasts.

Forcible collectivization of farmland was stopped in 1953, and more than 90 percent of the nation's agricultural surface is privately owned. Although the official goal is still a completely socialized agriculture, regime spokesmen insist the only pressure toward that end will be the economic force of the market, driving the least efficient to the wall. The fact that the legal limitation of individual landholdings to 25 acres or less and that the high cost to the individual farmer of fertilizer and equipment are speeding that process only slightly tarnishes the gleam on Belgrade's unorthodoxy.

There is no insistence on Socialist realism. Modern artists and writers whose names are anathema in Moscow are honored in Belgrade, and all of the "isms" that proliferate in the art world have their followers in Yugoslavia.

Probably the most significant of the Titoist innovations has been the series of changes in the economic sphere that have given the Yugoslavs an impressive degree of genuine economic democracy—decentralization of planning and authority, the establishment of workers' councils to run the nation's enterprises, acknowledgment of the law of supply and demand and the desirability of competition.

Along with these have come ever increasing economic ties with the West. In recent years, the Yugoslavs have enjoyed one of the highest rates of economic growth in the world and a rise in living standards surpassing any of their Communist-ruled neighbors.

All of these novelties have contributed toward the establishment of an atmosphere so different from other Communist capitals that an elderly Bulgarian, permitted to leave his homeland last year for the first time since 1945, burst into tears on a Belgrade square, exclaiming: "How wonderful again to see people who are free."

None of this could be without the blessing of Tito, who was born Josip Broz, of Croatian Catholic parents in the village of Kumrovac, near Zagreb, on May 25, 1892. The name Tito, a common one in his locality, he adopted afterward as a cover during his colorful career in Communist conspiracy and revolution. Eight of his 14 brothers and sisters died in infancy. The other members of the poor peasant family had a hard life.

The future Yugoslav chief was trained as a locksmith and became a metalworker. At the outbreak of World War I, he was drafted into a Croatian regiment in the Austrian Army. Sent to the Russian front, he was wounded and catured by czarist forces. Imprisoned for organizing protests against the treatment of war captives, he was sent to Siberia, only to be released by the Bolsheviks during the 1917 revolution. He remained in Russia long enough to see the triumph of the revolution and to marry a Russian girl, the first of his three wives.

The young revolutionary returned to Yugoslavia and promptly joined the then-illegal Communist Party. His rise was steady, despite several years in prison for illegal activity. In 1934, he was elected to the party Politburo and sent to Moscow, where he worked in the Balkan section of the Comintern, the old headquarters of the international Communist movement. On his return to Yugoslavia 2 years later, he reorganized his own party, and 1938 took over its leadership.

The story of the bloody fight waged by partisan forces against both the Axis invaders and internal enemies during World War II is known the world around. In the immediate postwar years, Tito and his aids were Moscow's most loyal supporters, self-willed prisoners of the Soviet conception of a Marxist state.

The development of Yugoslavia's individual approach came only after Belgrade's quarrel with Stalin and the 1948 expulsion of Yugoslavia from the Cominform. The central issue beyond doubt was the continuance in power of Tito and the men around him, who owed Stalin nothing, having fought and won both their own civil war as well as the battle against the Axis.

Although shaken by the clash, Tito in no way lost his faith in Marxism, and he and his aids came slowly to the belief that the internal difficulties they were experiencing were due not to Marxism itself but to what they came to view as the anti-Marxist policies of Stalin's Soviet Union.

With the dawn of this conception, and buoyed up by Western support, Belgrade's leaders began their search for a satisfactory blueprint for the Marxist state they envisioned. The system they developed has borrowed ideas and methods from capitalism, but it is a mistake to think, as many people in the West seem to, that the Yugoslavs are moving away from communism.

Belgrade sees these borrowed ideas and methods simply as tools equally adaptable to any social or economic system, and requiring the sacrifice of none of the basic tenets of Marxism.

Nevertheless, the Yugoslavs have been and continue to be a disturbing element in international communism. Their ability to maintain both an independent posture in the world and a rate of economic growth surpassing that of the Soviet bloc countries is undeniably attractive to thousands of Communists in Moscow's Eastern European satellites.

To criticism from the bloc that they have become "agents of American imperialism," the Yugoslavs reply that it was simply good Marxist strategy to obtain from the West the means for transforming their country into a Communist society. Tito and his associates can rightfully boast that in accepting aid from the West they have never subscribed to any commitment that could curb their freedom of action.

While at home they have maintained a pragmatic approach to domestic problems, refusing to be bound by ideological positions demonstrably impractical, they have in no way diluted the Communist essence of their system. Tito has repeatedly declared: "I am a Communist and nothing but a Communist."

This statement deserves more attention than it is often given in studies of Yugoslav foreign—as well as domestic—policies. Among other things, it inescapably means that the Yugoslav chief subscribes to the Marxist theory of the inevitable decline of capitalism and the triumph of communism.

He argues with the Kremlin on several important points; for instance, he contends that Socialist forms are now evolving within capitalist societies and can gain victory there without violence—a contradiction of the orthodox view. Nevertheless, he told a recent interviewer that although the Soviet Union and Yugoslavia differed as to methods their basic aims were identical.

This is in reality an oversimplification of his position. Tito has consistently maintained there could be no single pattern for socialism; that, as a result of differing internal conditions, nations must take different paths to the common goal.

In the difficult years after the break with the Cominform the Yugoslav leaders awoke to the fact that their continued rule was dependent on the feeling of their own people, on the popularity of the regime they constructed. They had to build what was, in effect, a purely Yugoslav approach to socialism that would appeal to the people, non-Communists as well as Communists, and to their national spirit.

This fact explains in part the comparatively liberal course of Yugoslav communism during the past 13 years—a more rigid rule would court the danger of internal revolt. But a complete explanation also entails a recognition of the role Tito's own philosophy played in that development.

The Yugoslav President is not a great theorist. He is primarily a man of action, concerned with practical ways to achieve his aims. His conversion to communism was probably more an emotional experience than an intellectual process. Speaking once of his years in Russia during the revolution, he said the scene "created in my mind a really immense enthusiasm that I can never forget."

His lack of concern for rigid doctrine has enabled him to maintain a more human approach to his people than perhaps any other Communist leader. He insists that a "Socialist society must be built for the welfare of man and not for something abstract. Humanism in the true sense of the word is essential to socialism."

Tito once told an interviewer who asked him about great men that a man was "great for his surroundings if he is able to understand well the aspirations of his people and to direct his activity so as to satisfy the desires of his people."

Up to a point, he would fit his own definition of "greatness"; to the majority of Yugoslavs he is the embodiment of their nation. But he could never tolerate any course he considered counter to the eventual communization of Yugoslavia, even if desired by his people.

As a dedicated Communist, he must pursue a path that he feels will lead him to the same goal the Soviet leaders have in mind. As a disciple of Marx and Lenin, he still must see in the Soviet Union a comradely nation, mistaken perhaps, but traveling in his direction. A quarrel with the West is a quarrel with a philosophy alien to him. A quarrel with Moscow is a family fight.

Since 1948, Tito's main foreign policy concern has been to broaden its base and prevent the possible isolation of Yugoslavia. His efforts can be divided into three distinct periods.

The first, the years immediately following 1948, saw a close association with the West, because of the need for defense against the threats and military maneuvers of neighboring Communist states. This was the period of the Balkan Pact with Greece and Turkey, an alliance that associated Yugoslavia, at least loosely, with the North Atlantic Treaty Organization.

The second period followed the death of Stalin and the 1955 visit of Mr. Khrushchev to Belgrade to make a public avowal of Yugoslavia's right to differ from the bloc. Tito then shifted the weight of his attention and sought to create a base of support within the bloc. This effort collapsed in the wake of the 1956 upheavals in Eastern Europe and the Yugoslav refusal to sign the 1957 Moscow declaration of common policy with the bloc.

Sometime during this period, Tito apparently came to two conclusions that still influence his assessment of the world situation. The first was that the West was rapidly losing the cold war and that the expected collapse of capitalism was much more immediate than it had appeared a few years before.

The second was that the Soviet Union under Mr. Khrushchev was an entirely different thing from what it had been under Stalin, and that he might be able to reach an accommodation even with a triumphant Kremlin, provided Yugoslavia could muster proper support in the world.

These conclusions set the stage for the third phase of Tito's post-1948 policy. Rebuffed by the East and unwilling to turn to the alien—and doomed—West, he began his search for friends among the new countries of Asia and Africa. In doing so, however, he did not renounce all hope of influence within Eastern Europe, the area of his abiding concern.

Belgrade's drive for influence and support among the Asians and Africans has been successful, on the whole; whether it represents a setback or an advance in the Communist penetration of these countries is moot. The Chinese Communists ridicule association with such bourgeois nationalists as Nasser and Sukarno but Moscow shows signs of being impressed with Belgrade's success.

In conversations with westerners, Yugoslavs assert that their activities in the underdeveloped countries actually help the West because they keep the Africans and Asians out of the Soviet camp. Inherent in this argument is the assumption that there is no other choice—that all the emerging nations must of necessity turn to the left.

The Yugoslavs deny any desire to export their own system but they obviously are doing their best to encourage Socialist tendencies among their underdeveloped friends. The exact degree of their influence on these countries is difficult to assess. Certainly the larger ones, like Egypt and India, determine their policies on the basis of their own needs, without regard to Belgrade. But some of the smaller and less experienced ones may actually be swayed by Yugoslav arguments.

Tito's basic aim in his association with the nonalined nations seems to be to form a group of Socialist-minded, essentially anti-Western supporters in preparation for Moscow's expected triumph. Such a backing might enable him to maintain a certain independence and give him continued influence even in a Soviet-dominated world.

An independent role has been, and will continue to be, the sine qua non of Belgrade's foreign policy. Geography, ideology, and convictions as to the course of development in the world lead Tito to look to the East first in considering his moves. Whenever there are signs of increasing tension between Moscow and Peking, Belgrade's interest in better relations with the Soviet leadership grows. At such moments, Khrushchev is inclined to include Yugoslavia in the play of Communist power politics inside the bloc.

Nevertheless, it is impossible for Tito to consider actually rejoining the bloc under Moscow's terms. To do so would mean not only the loss of maneuverability but of all he has built up in the past 13 years. Yugoslavia would become only another satellite like Czechoslovakia or Hungary. For this reason, Belgrade's aim must always be to maintain a certain distance from the bloc, while supporting the general aims of its foreign policy. How far the Yugoslav leaders find themselves from the West is to them a matter of secondary importance.

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[From the Reporter, Sept. 28, 1961]

## THEY CALL THEMSELVES NEUTRALS

(By George Bailey)

BELGRADE.—In what has been wryly described as the first free discussion the Yugoslav Parliament had seen since 1928, President Marshal Josip Broz Tito, addressing the "neutralist summit conference" here, praised East Germany as a state of "pronounced social character in all spheres of social life" and damned West Germany as a "restored * * * typically capitalist social system, fraught and interwoven with remnants of fascist and revanchist conceptions and tendencies, which give cause for grave concern." He also said that since the time Nikita Khrushchev submitted his proposal on general disarmament to the United Nations the question had not moved one step further. And he accused the West of blocking "real" disarmament by making "a fetish" out of the question of controls.

The effect of the speech was immediate and electric. It appalled many of the delegates, surprised even Tito's friends, and prompted one of his Asian guests to characterize it as the "outpouring of an oaf." As one observer put it: "Tito has had the gall to damn out of hand the only legitimate and duly elected government in Germany and praise the most stinking political phenomenon that exists in the world today.

But the West received one important consolation prize, the Yugoslav performance at the Belgrade Conference provided answers to some longstanding questions about Yugoslav foreign policy in the last 8 years.

### TITO'S HIGH HOPES

The Conference of Nonalined States that ran from September 1 into the small hours of September 6 in Belgrade was the culmination of several years of spadework by the Yugoslav Government and the fruition of pilgrimages to Africa and southeast Asia by Marshal Tito. The idea of the Conference was conceived as a result of the plenary session of the United Nations in New York last September, when Communist leaders assembled to present a united front against the West and the neutral countries found themselves unprepared and in confusion. The idea was developed and given form by Marshal Tito during his tour of Africa last winter.

But in a larger sense the Conference was the result of the direction taken by the Yugoslav Government 10 years ago to find a way out of its ideological isolation after the break with Stalin and its refusal to join forces with social democratic countries and parties of the West. A "campaign to the south" was undertaken, as one observer put it, as a way of demonstrating Marxist respectability without joining the Soviet Union and its bloc. It was more than this. It was an attempt to demonstrate Marxist legitimacy. In this connection Yugoslavia has seen its role as that of front runner, trailblazer for the sort of communism it hoped would evolve in the Soviet Union as a result of the sucesssion of the "liberal" Khrushchev. "Yugoslav policy," said a Belgrade official several years ago, "is what Soviet policy ought to be."

Indeed, Khrushchev has been the great hope of the Yugoslav regime ever since he emerged victorious from the post-Stalin power struggle and went to Canossa. When Nikita Sergeyevich stood at the Zemun Airport near Belgrade in 1955 and forthrightly admitted "We made a mistake," it was the moment Yugoslav Communists had longed for. They had asserted themselves and their course, and brought the mighty Soviet Union around. Despite all the setbacks they have suffered since then; the Yugoslavs have never lost hope. Their optimism has survived even the experience of being singled out for condemnation by Khrushchev in his draft program of the Soviet Communist Party released on July 30. Indeed, the more truculent Soviet policy became, the more desperately and energetically Yugoslavs defended Khrushchev as a victim of Stalinists at home and Chinese Communists abroad. This tendency was reduced to absurdity at the Belgrade Conference. They took the Soviet decision to resume nuclear testing as proof that Khrushchev was in the clutches of Stalinists and proclaimed that only the West could save the enlightened Khrushchev, by acceding to Soviet demands.

However, the Yugoslavs hopes in Khrushchev were not all illusory. They gained a compromise victory when the Soviet Union agreed to restore normal diplomatic relations. But there was one piece missing: relations on the government level could not be fully regularized within the Soviet bloc until Yugoslavia had also established diplomatic relations with the German Democratic Republic. And here was a situation in which it seemed that Yugoslavia could render great service to the Soviet Union and the bloc. For by using the international prestige it had acquired in its fight against Stalin, Yugoslavia's act of recognizing East Germany could be expected to work as a catalyst, inducing other countries to follow its example and consolidate the Soviet military gains in eastern Europe. But the Yugoslavs were woefully mistaken: not one country followed when they recognized East Germany in October 1957. They were also terribly disappointed: West Germany countered by invoking its Hallstein Act—relations from countries that recognize East Germany.

From the first, Yugoslavia's association with East Germany has brought it almost nothing but trouble. The highly Stalinist regime of Walter Ulbricht has always been deeply suspicious of Titoism. Yugoslav diplomats, trade officials, and correspondents assigned to East Germany have been consistently isolated, badgered, and even manhandled. Few if any have tried to conceal their distaste for the small clique of slow-witted fanatics who run the country. Worst of all, as a political entity, East Germany has been the object of the greatest demonstration of popular revulsion in European history; the flight of four and a half million East German refugees over a 16-year period that ended only when the regime declared martial law and sealed the borders tight. More than all other Communists, Yugoslavs have been aware of the unviability of Ulbricht's regime. This has led Yugoslav officialdom to a striking discrepancy between government policy and private political views. "It is true," said a Yugoslav official in Belgrade to me, "that our government is still in the hands of the high command of the partisan movement that fought against the Germans in the Second World War. Naturally they all have a violent hatred of Germany. Official Yugoslav policy toward Germany will not change until the partisan commanders have died out."

Recently, however, the discrepancy between official and private views has been stretched to the breaking point—especially since the Communists have sealed off East Berlin and a full-blown world crisis over Berlin and Germany has developed. Moreover, Yugoslavs attribute the Soviet decision to resume nuclear testing primarily to the German problem. Tito's dogged support of the pistol-whipping policy of the Soviet Union on Germany has thrown his own party into disarray. For the first time in my experience Yugoslav officials are taking explicit exception to the marshal's actions. "I have always been against the recognition of East Germany," said one during the conference. "The East German regime is impossible and has catered to the worst elements of the population for support. It is rotten to the core."

### A DOUBLE STANDARD

The failure of the conference to generate more than token indignation at the Soviet announcement of the decision to resume nuclear testing on the eve of its opening was a signal Soviet triumph and Western defeat at Belgrade. True, Lebanese and Yemenite delegates were "pained" at the event; a Moroccan expressed his "serious concern." Nasser, Makarios, and Nkrumah were "shocked." The most outspoken delegate was Nehru, who stated that the world situation had become "much more dangerous" as a result of the Soviet action. But it was Tito who made the most revealing statement. He could fully understand the reasons, he said, that had led Moscow to take the step. What did surprise him was the announcement of the Soviet decision on the eve of the conference. (Significantly, this statement was omitted from published texts of Tito's speech.)

"Apart from a certain element of pique," commented one Yugoslav official, "Tito's statement merely expresses an objective Marxist point of view." This is true. The marshal's specific reference to the Soviet announcement is complemented by a later passage in which he stated, "Some [people] * * * in the West are aware of the fact that should the principle of peaceful and active coexistence be adopted in international relations, then—in peaceful competition with the socialist system—the capitalist system would not fare well." This generally Marxist and specifically Soviet tenet blurs conveniently with the anticolonialist conviction expressed over and over again by various delegates that colonial powers will defend their interests and investments in current or former colonies by force of arms if necessary. The fitting of the Marxist formula onto the natural anticolonial reaction is the greatest service the Yugoslav regime has made to the Communist cause. It renders the original sins of armament and even armed intervention defensive. This is why the Conference's reaction to the Soviet decision to resume nuclear testing was so weak and why if the United States instead of the Soviet Union had violated the moratorium on testing, the reaction would have been incomparably more violent. "Why, they'd have torn down the American Embassy," said one observer.

Another result of the same cause was the condemnation of the European Economic Community as an economic arm of Western imperialism. This was specifically stated by delegates from Sudan and Guinea and hinted at by Tito, although the marshal included the Organization for Economic Cooperation and Development and the Soviet Council of Economic Mutual Assistance in the same bag. The final resolution on this head, however, was watered down to a mere mention of "politics of pressure in the economic sphere, as well as harmful results which may be created by economic blocs of industrial countries."

### A BLOC THAT'S NOT A BLOC

In trying to form a bloc inherently not a bloc—a grouping of neutralist, nonalined, anticolonial, and underdeveloped nations—Yugoslavia was obliged to deal with a welter of particularist tendencies and interests. This became evident in the involved struggle over the choice of participants in the conference. Each area group (Arabic, African, Asian, Latin American) objected to most, if not all, of the candidates proposed for attendance by others. A number of nations (particularly in Latin America and Europe) excluded themselves, not wishing to lend substance to the tirades of Cuba's radicals by their presence. Thus, by what amounted to a selection by a process of elimination, Yugoslavia, the United Arab Republic, and Indonesia managed to bring together 25 nations, all of which could subscribe with more or less enthusiasm to certain general principles. Indeed, with the single major exception of the German question, the issues tabled for discussion were cut and dried, the resolutions ultimately drafted being largely predetermined by the very composition of the conference. Insistence on admission of Communist China to the United Nations as sole representative of the Chinese people, condemnation of all foreign bases, support of the Algerian provisional government, the demand for immediate termination of all colonial occupation, and condemnation of racism were hardly surprises.

If the convocation of the conference was generally a triumph of Yugoslav foreign policy, the single and most costly defeat came with Tito's failure to gain nonalined support for the Soviet position on Germany. This was the issue that revealed the widest discrepancy. The resolution meagerly states that the German question is not merely a regional problem but is liable to exercise decisive influence on the course of future developments in international relations, and it calls upon all parties concerned not to resort to or threaten the use of force. In his speech, Tito called for recognition of two German states, and in closed sessions of the drafting committee, Yugoslavia, in concert with Cuba, sponsored a motion for de jure recognition of East Germany. The motion was defeated by an overwhelming majority of delegates, led by Nasser and the Arab bloc and strongly seconded by Nehru. Not even a mention of de facto recognition of East Germany made its way into the resolution.

Nasser's reasons for opposing the motion so sharply were various. The United Arab Republic had just received a grant in aid from West Germany of 1 billion marks. On the other hand, of 23 factories constructed in Egypt by East Germany, 17 have proved to be of inferior quality, plagued by equipment breakdowns, with little or no hope of receiving spare parts. But it was not primarily the shadow of the Hallstein Act that prompted Nasser to oppose East German recognition. The Arabs' refusal to recognize the partition of Palestine and the State of Israel was also an important factor. This consideration found its expression in the 10th resolution, declaring support for full restoration of all rights of the Arab people in Palestine. Nasser's motion to have Israel expressly condemned as a "bridgehead of imperialism and capitalism" was opposed by Nehru and Tito and defeated.

Generally, opposition to the recognition of East Germany sprang from the allegiance to the principle of self-determination which was one of the main themes of the conference. Its application to the German question was studiously avoided by the Yugoslavs, but it was mentioned specifically by Cyrille Adoula, the Congolese premier, in his dramatic appearance on the last day of the conference.

It was Adoula, too, who most effectively stated the grounds for opposition to the Soviet troika proposal for the United Nations Secretariat. Adducing the Congolese experience as proof, he added: "In fact, the veto of one member of the triumvirate would have blocked any practical decision and rendered the executive of the organization totally ineffective."

With the exception of the troika proposal, the host of the nonalined nations meeting in Belgrade alined himself and his government faithfully with the foreign policy of the Soviet Union. "It is time," said a western observer when the conference was over, "for western nations that support Yugoslavia economically, and particularly the United States, to decide whether Yugoslav foreign policy is what Yugoslavs claim it to be or what this disgraceful performance indicates it to be—a useful refinement of Soviet foreign policy."

Mr. PROXMIRE. Mr. President, on June 1 of this year Life magazine published an editorial which reads in part as follows:

> Well, Djilas is fighting in his own way; let's help him. We not only helped Tito but saved him from political and personal extinction when Stalin threw him out of the Communist camp in 1948. Life has supported aid to Yugoslavia in the past on grounds that any such ruckus was good for our side. Sound as this rationale may have been in 1948, it is no longer valid, although aid proponents argue that, despite Tito's new coziness with Moscow, he has achieved a degree of independence worth cultivating.
>
> U.S. aid to Tito now has passed the $2 billion mark, including 50,000 bales of surplus cotton agreed upon since Djilas was jailed. All of our aid has not caused Tito to side with the United States against Khrushchev on any recent foreign policy question; it did not make him denounce Soviet nuclear testing; it has been used by Tito to aggrandize his personal prestige as "king of the neutrals"; and in the past year $80 million of it has been audiaciously earmarked in credits to other countries.
>
> Despite Washington's past reluctance to use foreign aid as a political weapon, it should be so used—especially in cases like Tito's. Under the circumstances, the United States should stop aiding and abetting the Tito regime. This would clarify our position as the protagonist of political freedom throughout the world. It would also help the people of Yugoslavia to clarify their minds on fundamental issues.

Mr. President, I ask unanimous consent that the full Life editorial entitled "It Is High Time To Blow the Whistle on Tito" be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

### IT IS HIGH TIME TO BLOW THE WHISTLE ON TITO

The question of what the United States should do about aid to Yugoslavia, which rolls along at $100 million a year, comes up again this week with the visit of Foreign Secretary Popovic to Washington. It should be reviewed in the light of what Tito has just done to Milovan Djilas, once a chief aid and now a voice too honest for Tito's nerves to stand. What Tito does to Djilas is usually a barometer of which way Tito is looking, and since he is clearly looking eastward right now, Djilas has gone back to jail for the crime of having written another frank book.

Let's take a look at the chronology of Djilas' ups and downs. He fought with Tito against the Nazis. He turned in his Communist card in 1954. He was jailed by Tito for denouncing the Soviet outrage in Hungary in 1956. In prison he finished his famous "The New Class," a devastating indictment of communism's self-perpetuating oligarchy, and his sentence was increased from 3 to 9 years.

His release on parole in January 1961 followed an extension of $300 million in United States aid and coincided with the experimental liberalization of Yugoslavia toward a westernized market economy. The experiment flopped because of inept management, overspending, and a bad drought. On April 7 of this year it was announced that the experiment was over and economic controls by old-style apparatchiks were back in fashion.

That same day Djilas was rearrested. He had used his brief freedom to write a slight but remarkable memoir, "Conversations With Stalin," published last week in the United States. When the Belgrade authorities learned of the book they charged him with betraying state secrets and give him another

8 years and 9 months. The charge was absurd, since much of the book's substance appears in Tito's own memoirs. There is no state secret in Djilas' characterization of Stalin as a man who joined "the criminal senselessness of a Caligula with the refinement of a Borgia and the brutality of a Czar Ivan the Terrible." (Tito and Khrushchev have both said as much.) Djilas does exhume, in gossipy but vivid language, the grotesque atmosphere of Stalin's court, a neoczarist spectacle of fawning servitors, conscienceless cruelty and pure bacchanalia—no state secret here either.

Tito is now anxious to be friendly with Moscow. Khrushchev sent Gromyko to Yugoslavia and then he and Gromyko both visited Bulgaria, where Khrushchev went out of his way to praise Yugoslavia as one of the Communist "democratic countries."

The explanation for Tito's atrocious treatment of Djilas, and Khrushchev's apparent satisfaction about it, lies in Djilas' argument that Stalin's death didn't change anything. He says the essence of communism's problem is not whether one group of leaders is better than another but "whether, at least as a beginning, the ideological and political monopoly of a single group in the U.S.S.R. shall be ended." Should it be ended in Yugoslavia too? Djilas' implied answer is clearly yes, since he concludes, in a memorable sentence: "Those who wish to live and survive in a world different from the one Stalin created, and which in essence and in full force still exists, must fight."

Well, Djilas is fighting in his own way; let's help him. We not only helped Tito but saved him from political and personal extinction when Stalin threw him out of the Communist camp in 1948. Life has supported aid to Yugoslavia in the past on grounds that any such ruckus was good for our side. Sound as this rationale may have been in 1948, it is no longer valid, although aid proponents argue that, despite Tito's new coziness with Moscow, he has achieved a degree of independence worth cultivating.

U.S. aid to Tito now has passed the $2 billion mark, including 50,000 bales of surplus cotton agreed upon since Djilas was jailed. All of our aid has not caused Tito to side with the United States against Khrushchev on any recent foreign policy question; it did not make him denounce Soviet nuclear testing; it has been used by Tito to aggrandize his personal prestige as "king of the neutrals"; and in the past year $80 million of it has been audaciously earmarked in credits to other countries.

Despite Washington's past reluctance to use foreign aid as a political weapon, it should be so used—especially in cases like Tito's. Under the circumstances, the United States should stop aiding and abetting the Tito regime. This would clarify our position as the protagonist of political freedom throughout the world. It would also help the people of Yugoslavia to clarify their minds on fundamental issues.

Mr. PROXMIRE. Mr. President, many persons have interpreted this fight as perhaps one between liberalism and conservatism. I would welcome a fight on the ground of liberalism, because I think the liberal position is always in favor of extending freedom in the world. But I think all of us recognize Tito as one who has ruthlessly suppressed freedom in Yugoslavia; and just as it was a serious mistake for the United States to give aid to Batista, it is an equally great mistake for the United States to give aid to Tito. After all, our aid to Batista was one of the main reasons behind the bitter feelings of the Cuban people toward the United States and the success of Castro. Anyone who has read the fervent pleas by outstanding Cuban statesmen against our giving aid to the Government of Cuba at that time will recognize that that is so. However, today the same plea is made in favor of aid from the United States to Tito. But such aid does not really help the people of Yugoslavia. Instead, it hurts them. Yugoslavia has common boundaries with Italy, Greece, and Austria, which are free countries. There is no reason why Yugoslavia should not be free, except that Tito is a Communist, and insists on keeping Yugoslavia Communist and alining it over and over and over again with communism.

Under the circumstances, it seems softheaded for us to continue to give aid to Tito—whether it be aid under Public Law 480, which we are still giving, or aid, which we have suspended. Under the circumstances, I believe we should consider favorably the proposal to terminate our most-favored-nation position toward Yugoslavia, because our action in terminating aid is the only kind of muscle which will persuade Tito, realist that he is, to give us assistance, instead of making trouble in the world.

Finally, Mr. President, I point out that an article published in Newsweek magazine refers to the jailing by Tito of Milovan Djilas, and the article quotes from the concluding part of Djilas' book, as follows:

> "From the point of view of humanity and freedom," Djilas concludes, "history knows no more total, more brutal, more cynical despot * * *. [But] in the history of communism, Stalin, together with Lenin, is its most grandiose figure." And such critics as Nikita S. Khrushchev, Djilas indicates in a judgment that may have caused his arrest, cannot condemn Stalinism without condemning communism. "In many ways they are continuing his work and carry the same qualities within themselves."

Mr. President, it is difficult for me to express my position, because I have respect and admiration for the State Department, which has a very difficult job, and also is a constant target for brickbats. Everyone in the country regards himself as an expert on foreign policy, and thinks he can find reasons for disagreeing with our Secretary of State. He carries a very heavy burden; and I wish to make clear that in no way should anything I have said be construed as a reflection on his integrity or his ability, or as a reflection on the splendid job he has been doing in many areas of the world. But I have a very deep and very profound and very emphatic difference in regard to this particular policy; and this statement by me constitutes a plea to the State Department that in considering the whole policy of aid to Communist countries, it does its best to forget the past, and not feel that it has a vested interest in the past and that it must defend what has been done in the past, but instead, that it look at this situation de novo, and recognize that Tito has changed, and that the best way for us to support freedom in the world, including freedom for all those behind the Iron Curtain who want our help, is to be tough minded and hardheaded and realistic and be willing to bargain effectively.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PELL in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, before my good friend, the Senator from Wisconsin [Mr. PROXMIRE], leaves the Chamber, I shall mention one or two things.

There is no particular argument about the nature of the Yugoslav and Polish regimes to which we are, our country, giving aid, because I believe it fair to say that all of us recognize that those countries are Communist countries. My point is that Poland, although she has a Communist government and is within the Warsaw Pact, and therefore is even more strictly under the control of the Kremlin than Yugoslavia is, and although Yugoslavia, which has a Communist government, is out of the Warsaw Pact, yet, despite those differences, both of them are Communist countries.

The Senator from Wisconsin said that I pointed out that whatever Tito may be, he is a nationalist. But if the Senator will examine my statement carefully, I believe he will find that prior to saying that, I said Tito is a Communist, and is head of the Yugoslav Communist League, and keeps Yugoslavia there, and has control of Yugoslavia; and then I said that whatever else Tito may be, he is a nationalist. And that is true. After all, Tito has some notions of his own, and the Serbs, Croatians, Slovenes, and Montenegrine—all peoples inhabiting Yugoslavia—are some of the most fiercely nationalistic elements in the fiercely nationalistic Balkans.

Tito would like to have a sort of international Communist force of which he would be the leader. That is one of the differences between Mr. Tito and Mr. Khrushchev. I believe it is fair to say that Mr. Khrushchev has been wooing Mr. Tito primarily because Tito has shown an independence due to his ability to rely upon the West for trade and aid.

The Senator from Minnesota had one point to make; namely, that he thought this President, and this administration, dealing with the very difficult and complex problems of our relations with other countries, even with our NATO allies, as well as countries behind the Iron Curtain, should have at least as much discretion as was permitted his predecessors.

Our relations with Yugoslavia and Poland are not much different than they were 2 or 3 years ago. When I examine the record of the few past years, as the Senator has pointed out, I find that over $2 billion worth of aid was given to Yugoslavia. About $690 million was for military aid, which ceased in 1957. A large block of the aid was for food. I think there was at least $500 or $600 million in economic aid. All of the $2 billion was under previous authority and was supported by the Senator from Wisconsin, as it was by the Senator from Minnesota.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. In the first place, the first full year I was in the Senate, 1958, I offered an amendment to eliminate aid to Yugoslavia. It is true that I supported the foreign aid bill, and that included legislation that enabled the President by technical construction of language to give aid to Yugoslavia. But at every opportunity I have moved to eliminate aid to Yugoslavia—and I have had two such opportunities in the past.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. Let me complete this thought. This time I also supported the Lausche amendment because my views had changed with regard to aid to Communist countries. They have changed sharply. They have changed particularly in view of the very drastic developments in the world of the past few months, particularly with the great Communist food shortage. We must recognize that fact. That is the reason why I felt we should give no aid to Yugoslavia, including aid under Public Law 480, even if the President wished to do so.

Mr. HUMPHREY. On June 6, 1958, the late Senator from New Hampshire, Mr. Bridges, offered an amendment specifically to bar aid to Yugoslavia and Poland, to be effective 60 days after the enactment of the measure.

That amendment was defeated by a vote of 54 to 22. Among the 54 Senators voting to defeat the amendment, which would have specifically barred aid to Poland and Yugoslavia, was Senator HUMPHREY. I look down the line and I see the name of Senator PROXMIRE. This was a clear-cut vote——

Mr. PROXMIRE. That amendment included Poland as well as Yugoslavia.

Mr. HUMPHREY. That is correct.

Mr. PROXMIRE. I offered an amendment on Yugoslavia.

Mr. HUMPHREY. I thought the Senator was interested in barring aid to Communist countries.

Mr. PROXMIRE. No; the position of the Senator from Wisconsin is that we should condition aid to Tito on his not opposing us and on his supporting us once in a while, and that we should tie such considerations to aid.

Mr. HUMPHREY. Why not as to Gomulka?

Mr. PROXMIRE. In the particular circumstances I was convinced, having been to Poland in 1957, the year before, that aid under Public Law 480, or food aid, which we were giving at that time, was getting into the hands of the Polish people; that the Polish people had been assisted by it, and that it was necessary and desirable.

However, I have changed my mind with respect to the particular situation in Poland, because I am now convinced, on the basis of everything I have seen, that Poland is exporting food to the Soviet Union, to a very considerable extent, that the food shortages in Russia are worse than they were before, and that the buildup of Soviet armaments required the drastic food price increase put into effect a few weeks ago. Our food export to Poland now will relieve this Soviet problem.

Mr. HUMPHREY. I respect the right of anyone to change his mind. I have done it. There may be circumstances which cause one to change his mind. I merely point out that in 1958 there was an amendment to bar aid to those two countries, one of them, namely, Poland, being in the Warsaw pact, and the other, namely, Yugoslavia, being outside the Warsaw pact. In 1958 this amendment was giving Mr. Khrushchev cold sweats. I do not think there was any doubt about it.

We talk about $2 billion worth of aid to Yugoslavia. That aid has not been in the year 1962. It was spread over many previous years, and only minimal aid is scheduled for Yugoslavia in the coming year.

I see present in the Chamber now the Senator from Tennessee [Mr. GORE], who pointed out to the Senate, in a telling and devastating argument, the degree of independence which the Yugoslav representatives have on occasion displayed in the United Nations and elsewhere.

Mr. GORE. On important occasions.

Mr. HUMPHREY. Yes; on important occasions.

I do not want to make it appear that Yugoslavia is our ally. She is not. Yugoslavia is Communist. She is not an ally of the West. She has developed her own brand of national communism. Mr. Tito has caused us all kinds of trouble.

Our purpose in aiding Yugoslavia in the past, if there was any justification for it—and President Eisenhower thought there was; John Foster Dulles thought there was; President Truman thought there was; Dean Acheson thought there was; Christian Herter thought there was a reason to aid these countries in the past—was on the basis that the monolithic structure of the Communist system had been fractured; that Yugoslavia, at least, had been broken off, and that it was in our national interest to keep her out of the Soviet bloc.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I repeat that there were no ands, ifs, or buts about the vote on June 6, 1958. That was a clear-cut vote on an amendment in which Senator Bridges said there would be no more aid to Yugoslavia and/or Poland 60 days after the enactment of the measure. That amendment was defeated. The Senator from Minnesota voted against it. The now Vice President, at that time majority leader, LYNDON JOHNSON, voted against the amendment. The Senator from Wisconsin showed his good judgment and voted against the amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. The fact is that the Lausche amendment carried overwhelmingly, with a small minority voting against it. So the Senator from Wisconsin is not alone. I am sure the Senator from Minnesota will find that many Senators have changed their minds.

Mr. HUMPHREY. I do not deny that they changed their minds.

Mr. PROXMIRE. This is one of the great weaknesses the Congress has shown in the past. The whole thrust of my argument is that people should be willing to change their minds when the facts change, and they have changed. They have changed drastically with regard to Poland as well as Yugoslavia. The Senator from Wisconsin has made that clear. The Senator from Wisconsin voted against the amendment served years ago when it was coupled with Poland. Now the situation is changed, so I have changed my mind. I wish the Senator from Minnesota would change his mind. I think we must recognize that any aid we give to Poland goes to Russia now at a time when this kind of aid is needed in Russia.

Mr. HUMPHREY. The Senator must have changed his mind within 12 hours, because it was only 12 hours between the time of the vote on the Lausche amendment and the time the Senate reversed its position.

Mr. PROXMIRE. I say to the Senator from Minnesota that I did not change my mind in that regard within 12 hours or 12 days. The Senator is completely wrong on that point. I voted consistently with the Senator from Ohio [Mr. LAUSCHE]. I did not change my position on that. Other Senators did, but I did not.

Incidentally Life magazine announced on June 1 that it was changing its mind on aid to Tito. That change took place June 1, 1962, this year.

I have changed my position particularly since the Belgrade conference last September, not with regard to aid to Yugoslavia. I always opposed that, but with regard to Presidential discretion, I previously thought he should have it. This year in light of developments, I do not. I did not change my mind, however, with respect to the Lausche amendment at all from one day to the next, though I recognize a great many Senators did.

Mr. HUMPHREY. Mr. Tito is a Communist. He has not been as closely alined with the Soviet Union in the past 12 or 14 years as some of the other Iron Curtain countries have been.

Mr. Gomulka is a Communist. He is a friend of Mr. Khrushchev.

What interested me was that the Senate would bar any kind of aid to Yugoslavia, yet, in some way or other, it would not find Mr. Gomulka to be a Communist to whom aid should be barred. I submit, if we are to draw this line we should draw it for all of them. We have rejected that proposition time after time. In this respect, at least, the Senate has been consistent.

I should like to make some remarks concerning the Bush amendment of 1961. That was agreed to in 1961, on August 17. That was not long ago. At that time Mr. Khrushchev was saying about the same things he is now saying. So was Mr. Tito. So was Mr. Gomulka.

The distinguished Senator from Connecticut [Mr. DODD] offered an amendment which would have barred aid to members of the Sino-Soviet bloc, and listed the countries by name: Albania, Bulgaria, Communist China, Cuba, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist Republics.

That was the Dodd amendment. The Senator from Connecticut [Mr. BUSH] modified that amendment with a substitute to bar aid to the government of any country under the terms of the act unless the President determined that the country was not dominated or controlled by the international Communist movement. That has been the traditional amendment used in the Mutual Security Acts since 1952, or perhaps even before then.

On that kind of proposal, the President is given some leeway. The President is given some flexibility.

The vote for the Bush amendment was 61 in favor and 34 against. The Bush amendment struck out the specific reference to the countries and gave to the President the leeway which some of us thought he ought to have.

On that vote I am happy to say that the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Wisconsin [Mr. PROXMIRE] both supported the Bush amendment. That was August 17, 1961.

That, I add, was at the very same time Mr. Tito and others were "kicking up their heels," as they do regularly, about the U.S. policy.

Mr. PROXMIRE. What was the date, again?

Mr. HUMPHREY. August 17, 1961.

Mr. PROXMIRE. That was 2 weeks before the Belgrade conference.

Mr. HUMPHREY. Mr. Tito did not change at the Belgrade conference. He is pretty much the same Mr. Tito. He never kidded anybody about the fact that he was a Socialist, a Marxist, a Communist, and that the Communist League is in charge of Yugoslavia.

We do not aid Mr. Tito because we like socialism, Marxism, or communism. We have provided aid for Mr. Tito because we have felt that if we could help free Yugoslavia from the complete domination of the Soviet Union it would be in our national interest, in the interest of the NATO alliance.

The NATO countries believe that. The Supreme Command of NATO believes that. Our Greek allies believe that. Our Turkish allies believe that.

Three Presidents have believed that. I happen to feel that they have had perhaps as much good judgment as I have had. I have deferred to their judgment.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Tennessee.

Mr. GORE. The Senator has not called the roll of the dictatorships to which the United States has given aid. I have expressed my reluctance in regard to aid dictators several times; nevertheless, I have supported the program to give aid to Formosa. I know of no more repressive regime than the Chiang Kai-shek regime.

What could we say about Syngman Rhee? What could we say about President Diem in South Vietnam? I could name others. Indeed, some of the aid which is going to Latin American countries is not going to what I would call truly democratic regimes. The United States cannot be too discriminating in respect to extending aid. We extend aid for the purpose of fostering the security of the United States and the freedom of the world, and we must choose as best we can. Our choices are not always the most pleasant to make.

Mr. HUMPHREY. The Senator is quite correct. I read in the morning press an item which stated that the President had suspended the "buy American" provisions of our mutual aid act in the interest of Vietnam merely because the Government of Vietnam said, "The amount of money we are getting limits the amount of actual goods, materials, and equipment we can purchase." So, on the basis of what apparently is a need for the defense of that country, for getting the most out of the dollars, the full impact of the "buy American" provision has been suspended.

I am sorry about that, but I have determined that in many critical areas facts are not simply black and white. There are shades of gray, so to speak, as to what we should or should not do. Decisions may have to be reversed. People may be right or may be wrong, but something must be done. In those areas we must rely in large measure upon the collective judgment of the men who serve in key positions; in the Central Intelligence Agency, in the State Department, in the Defense Department, in the Executive Office, in the National Security Council, and in the Foreign Service. All of those are headed up by the President. They are integral elements of the executive branch.

I think it is fair to say that many of us at times disagree with actions taken by the President. I remember that the Senate rallied to support President Eisenhower during the Middle East crisis, in 1956 and 1957. The President asked Congress for $300 million in funds, and though many of us had doubts about it we said, we will reconcile those doubts in favor of the Executive. Thus was born the so-called Eisenhower doctrine.

Let me say, in respect to the amendment which I have mentioned, the Bush amendment, that the discussion is shown in the RECORD. Remarks were made by the Senator from Connecticut [Mr. BUSH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Vermont [Mr. AIKEN], the Senator from Oklahoma [Mr. KERR], and the Senator from Colorado [Mr. CARROLL]. Remarks are listed on the analysis of that vote.

For example, the Senator from Colorado [Mr. CARROLL] said that the Bush amendment "provides for adequate Presidential leeway in order to acheive what all of us want done."

None of us wants aid extended to Communist countries. We do not want to provide aid to Communist countries. We wish to have a policy, if aid is extended, that it will be in our national interest. That is why we have given aid in many parts of the world when, as we look at the individual countries, it is very difficult to understand the aid. It is often very difficult to understand it.

Many people think we have extended aid to countries which did not deserve it. I heard people ask, after World War II, "What do you mean by rebuilding Japan?"

We extended large amounts of aid to Japan. By the way, yesterday it took 2,000 police to keep 1,000 students from damaging our Embassy in Japan. One thousand students were marching on the Embassy. I do not think this incident means that we ought to disassociate ourselves from present-day Japan. I believe that Japan is friendly to the United States. I think the aid we have given has been well placed. We need Japan, and Japan—despite the snake-dancing—knows that she needs us.

International diplomacy is not a matter of lovemaking or of mutual affection. It is a matter of mutual security. It is on that basis that I believe the President was correct in asking and in urging that his hands not be tied, any more than the hands of his predecessors were tied.

Mr. GORE and Mr. PROXMIRE addressed the Chair.

Mr. HUMPHREY. I yield to the Senator from Tennessee.

Mr. PROXMIRE. Mr. President, will the Senator yield? The Senator has attacked the voting record of the Senator from Wisconsin.

Mr. HUMPHREY. I have yielded to the Senator from Tennessee.

Mr. GORE. The aid to be given to Latin American countries under the Alliance for Progress program has as a condition not that the governments to which aid is extended be democratic, economically and politically, but rather that those governments make sincere beginnings toward those goals.

The danger which America faces in the cold war is not from a repressive regime in some country in Latin America. The danger stems from the monolithic character of international communism; one-third of the world dictated to by one Communist master from the Kremlin.

The purpose of our aid throughout the years, as I understand it, under three successive administrations, has been to bring about a fracturing, a schism, a revision in this monolithic character of communism.

I hope that we succeed. I think we have succeeded modestly in the case of both Yugoslavia and Poland. May the success grow, not only there but in other places.

Mr. HUMPHREY. Now I yield to the Senator from Wisconsin.

Mr. PROXMIRE. The Senator from Minnesota has attacked the voting record of the Senator from Wisconsin.

Mr. HUMPHREY. I did not attack it; I cited it.

Mr. PROXMIRE. The Senator said that it was inconsistent. I do not know why he mentioned it unless he intended to attack it.

Mr. HUMPHREY. I did not attack the record.

**Mr. PROXMIRE.** It is obvious why the Senator from Minnesota has attacked my voting record. The Senator apparently brought up the record of the Senator from Wisconsin to attack it by saying it has been inconsistent. It is legitimate to do so. I am not complaining. In this sense every time anyone ever changes his mind he is inconsistent. The Senator is advocating iron changeless rigidity. I wish to answer the statement of the Senator. I want to show why the position of the Senator from Wisconsin makes sense.

In the first place, the amendment offered by the Senator from Wisconsin was an entirely different kind of amendment than any to which the Senator from Minnesota has referred, as the Senator from Minnesota will concede, I am sure. The amendments to which the Senator from Minnesota refers would provide for Presidential discretion with reference to certain specifically designated countries, including Yugoslavia. The amendment of the Senator from Wisconsin, which I have been defending today, was an amendment which would prohibit aid specifically to Yugoslavia, period.

Furthermore my amendment would prohibit economic development aid specifically to Yugoslavia. Furthermore, the Bush amendment, which the Senator has quoted, was voted upon on August 17, almost 2 weeks before the Belgrade conference.

**Mr. HUMPHREY.** Yes.

**Mr. PROXMIRE.** At that Belgrade conference Tito's position with regard to the West became demonstrably a great deal worse on issue after issue. That was 2 days after the Soviet Union resumed nuclear testing, and Tito supported the Soviet Union on that point. He denounced the disarmament proposal of the United States as being a fetish of concern with inspection and control. Tito also took a very emphatic and strong position against West Germany. He denounced West Germany as a Fascistic regime and as a regime that was typical of corrupt capitalistic states.

**Mr. HUMPHREY.** If the Senator is going to talk about Yugoslavia and Tito, he knows that Tito has mouthed that propaganda about West Germany ever since the end of the war.

**Mr. PROXMIRE.** That may be, but what was new was that Tito was trying hard to line up the neutralist states against the United States of America and the free world for the Soviet Union on the German question. He was trying hard to do so. He tried to get a resolution passed, and he was overwhelmingly defeated by the other neutralists. Tito took a position at the conference which was emphatically in favor of Castro and against us, and that was relatively new. Of course, the Castro developments were moving very fast in the direction of communism at that time.

On this exact point—that we should halt our aid to Tito in the light of what happened at the Belgrade conference—my position is fully supported by the editorial in Life magazine that I referred to. Life had previously endorsed aid to Tito. On June 1, 1962, Life magazine changed its position on this crucial issue.

**Mr. HUMPHREY.** With all due respect to the Senator from Wisconsin—and to the influential editors of Life—I may say that Tito has always supported Castro. He supported Castro when the Senator voted for aid to Tito. He has not changed. He was anti-Adenauer.

**Mr. PROXMIRE.** The Senator could not be more wrong.

**Mr. HUMPHREY.** The Senator is right.

**Mr. PROXMIRE.** The Senator is wrong when the Senator says that the Senator from Wisconsin voted for aid to Tito at a time when Tito was supporting Castro.

The first amendment referred to by the Senator from Minnesota was considered in 1958, I believe, when Castro was obviously not in power. Batista was in power. The Senator from Wisconsin at that time was against aid to Batista for the same kind of reason that he is against aid to this other dictator.

So far as the position of the Senator from Wisconsin on the second issue, in August 1961, I point out that the Bush amendment affected not only aid to Yugoslavia but also aid to Poland and to a number of other countries. It was not merely one country that was involved. And as Life magazine pointed out, the situation has change drastically in the past year.

I should like to answer the Senator from Tennessee [Mr. GORE], if the Senator from Minnesota will permit me to do so.

**Mr. HUMPHREY.** I will in just a moment.

Mr. President, I do not believe that the question was whether or not we would give the President authority to aid Tito. The whole question revolved around Communist-controlled and Communist-dominated states, whether the man's name was Tito or Schmaltz. So what? The important question is, What is the nature of the government?

I say that the issue, and the only issue, is whether or not we should specifically forbid the President of the United States, under the authority of the law, to extend aid to a given country if he deems it in our national interest to do so. That is the issue. We had granted that power to the previous administration. We may have been wrong, but I point out that we granted the power.

I do not deny the right of any Senator to change his mind. But I also say that the abuses, if there were any abuses, of the program to give aid to Mr. Tito, to Mr. Gomulka or anyone else did not take place in 1961 or in 1962 any more than they took place in 1956, 1957, 1958, 1959, and 1960.

After all, the large bulk of aid to Mr. Tito was not given in the past year. He got very little in the past year, and he was going to get much less next year, if any. The bulk of the aid was given in previous years. Military aid, which was severely criticized in this body, was not renewed after 1957. It was in those years that the two Senators who are arguing here today, the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Minnesota, both voted against an amendment that would have restricted the President's authority. Both Senators voted to give the President authority to bypass or to set aside provisions of the Battle Act and other provisions of the law, which would, if fully applied, have denied aid to those Communist-dominated countries if to do so the President deemed it in the national interest. That is the issue. It is not a question of how much aid. It is a question of what kind. The question is whether or not we will circumscribe the Presidential authority now more than we did before.

We have taken such action in the Senate. We are sort of warming up old biscuits. But I wish to make quite clear that those of us who opposed the extreme—and I think it is fair to term them extreme—amendments that were offered, did not oppose them because we believed in aid to communism. We opposed them because we believed that the best way to permit a field general to operate is to let him use every means at his command to win the battle. One of the ways that has been deemed desirable, or at least useful, has been to give the President wide latitude and authority. I have said from the past voting record of my colleagues we have repeatedly turned down efforts made on the floor of the Senate by other Senators year in and year out to deny the President that flexibility.

I have mentioned the Bridges amendment, which we rejected. In 1958 that amendment was designed specifically to prevent economic aid in any form to Yugoslavia and Poland.

I mentioned the Dodd amendment, which was rejected by the substitute known as the Bush amendment. The Dodd amendment spelled out the countries that were supposed to be denied aid under the Mutual Security Act. The Senator from Wisconsin and the Senator from Minnesota voted amiably together in favor of the Bush amendment, which passed. I can state other amendments. For example, in 1961 an amendment was proposed to modify the Battle Act. The modification provided that where the President determines that economic or financial aid is important to U.S. security, the other provisions of the act will not bar assistance to any nation, except the Soviet Union and Communist-held areas in the Far East.

On that particular item I should add that the Senator from Maryland [Mr. BUTLER] made it quite clear what the issue was about. He said that if the pending bill is passed—referring to the proposed modification of the Battle Act—the President would be able to increase American aid to Poland which in turn would be able to pass along more assistance to Castro, who would in turn be able to tighten his grip on a once-free Caribbean island.

The Senator from Arkansas [Mr. FULBRIGHT] took a different point of view and supported the modification, as did the Senator from Tennessee [Mr. GORE].

I recall the visit of the former Vice President of the United States to Poland. On that occasion, without official notice, but only by word of mouth that an American Vice President was visiting Poland, there was an enormous outpouring of people which showed there was some hope for the Polish people. The Senator from Tennessee [Mr. GORE] said:

> For that reason in the past I have voted for such bills. For that reason I expect to vote for this bill.

Then the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], made a very strong statement in support of the modification, which would provide the President authority to extend economic and financial aid, if it is important to U.S. security, regardless of the provisions of the Battle Act or any other act.

How did the vote come on that issue? I am happy to say that the two Senators here today who are engaged in the debate, the Senator from Wisconsin and the Senator from Minnesota, both voted for that Presidential authority and that Presidential flexibility. I point to the vote dated May 11, 1961. I submit that was a wise decision that we made. I do not believe that President Kennedy and Vice President Johnson, both of whom are on the National Security Council with Secretary of Defense McNamara, Secretary of State Rusk, and Central Intelligence Agency Director McCone, would ask for aid to be extended to a country merely because the country may be in difficulty and the country is Communist.

They are going to ask that the aid be extended, if at all, because it serves our national purpose, our national security interest. I do not deny the right of the Senate or of Congress to put limitations on that aid. The argument is whether the limitations are wise. We put limitations in many laws. We have a limitation in the aid bill, to the effect that the President can give aid only if he finds it to be in the national interest to do so.

The point is not whether Mr. Tito is deserving of condemnation—there is no question of that—because Mr. Tito is not doing what he has done because of any love for the United States; rather, he has done what he has done in the past because of his bitter argument with Mr. Stalin, the former dictator of the Soviet Union, and because of his argument with Khrushchev, which is a continuing argument, and as a result of which he has been trying to play off one force against the other. There is no doubt about it.

We have felt in the past, and we still feel, that the policy we have pursued is best for peace and for the security of mankind and for our national security. That has been the feeling of our Government and of our State Department. Until I am presented with evidence to the contrary, I will maintain that position, because I think it is right.

Many of us have been deeply concerned of late with the possibility of India, for example, purchasing Soviet Mig's. The Senator from Wisconsin is correct: Soviet Mig's mean Soviet training. Soviet Mig's mean Soviet control over the Indian military establishment, from the standpoint of parts and replacements, and services from ground crews, if India has highly developed aircraft. I have expressed my deep concern about this matter to our Government and to the Ambassador from India. I feel it would be a great mistake on the part of India to go through with this deal. I would look upon it with considerable concern, and, indeed, I would strongly oppose it.

We have provided the military equipment for Mr. Tito. Mr. Tito cannot get spare parts from Mr. Khrushchev, because General Motors is in the United States, not in Russia. Because of this military equipment in the Yugoslav Army, there is placed upon the United States reliances for replacements and repairs. I must say that one of the beneficial byproducts of our military assistance program has been the ties which automatically follow for repair and renovation and spare parts and technical services and also the reliance that it places upon the receiving country to go to the furnishing country for equipment, services, and replacement.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GRUENING. Can the Senator give us any reason why we should have given any arms to Tito in the first place?

Mr. HUMPHREY. I believe that at the time we gave them, there was a fear that the Soviet Union would move militarily against Yugoslavia.

Mr. GRUENING. But that fear no longer exists. Why must we give Yugoslavia spare parts?

Mr. HUMPHREY. We do not give them equipment. We do provide spare parts, but those spare parts are purchased from us. It is to our advantage to do so. Since the equipment was originally purchased from the United States, our giving them spare parts prevents their falling into the economic pattern of the Soviet Union.

I am concerned about the possibilities of this happening in India. I want to make it clear that I feel this would be an unfriendly act, after our generous aid to India. I will speak even more strongly and say that Indian behavior in this matter resembles a form of international blackmail. I do not like it, nor should our Government tolerate it.

Mr. PROXMIRE. In 1958 the Senator from Wisconsin supported Eisenhower discretion with regard to administering foreign aid in such a way that it could be made available to Communist countries. In 1961 on two occasions the Senator from Wisconsin supported Kennedy discretion. Obviously this is not a matter of favoring one President as opposed to another. The Senator from Wisconsin did the same thing, most recently, on August 17, 1961. On the other hand, the Senator from Minnesota seems to feel that, since the Senator from Wisconsin supported Presidential discretion 9 months ago, and now wants to modify his position—and I deny it is anything like the same proposition—that the position of the Senator from Wisconsin is inconsistent, immoral, improper, or something entirely wrong.

Mr. HUMPHREY. Just inconsistent, not immoral. Just inconsistent.

Mr. PROXMIRE. Very well. Inconsistent.

Mr. HUMPHREY. I do not want to take the Senator down the path of his mistakes any farther than he has gone already.

Mr. PROXMIRE. Far from this being a mistaken course of action, the fact is that the most dramatic and the most conspicuous and the most obvious changes have taken place in Yugoslavian policies since that time. They are changes which I believe justify the policy shift contained in my amendment. The same changes caused Life magazine to shift its position on aid to Tito. What changes are they?

First of all, there is the Belgrade speech, which certainly startled scholars all over the world. Secondly, there is the jailing of Djilas. That was significant.

Mr. HUMPHREY. That was the second time he was jailed.

Mr. PROXMIRE. But what is most significant is that this time Djilas was jailed because he criticized Khrushchev. That is why he was put in jail. Djilas is the former comrade in arms of Tito. He was former Vice President of Yugoslavia. Now he has been jailed a second time. That appalled many people.

Mr. HUMPHREY. I was appalled the first time.

Mr. PROXMIRE. I was appalled both times.

Mr. HUMPHREY. I was appalled the second time also.

Mr. PROXMIRE. That is fine. I am glad the Senator was.

The position of the Senator from Wisconsin is that the greatest mistake Senators can make is to feel that if they are going to change their mind on the basis of what is happening in the world, the assistant majority leader or the majority leader or the minority leader will say, "Wait a minute. You voted for it in the past. You are inconsistent. You had better be careful." That is a serious mistake to make, Mr. President.

I believe that Senators should read the record and change their minds whenever they think the facts have changed sufficiently to warrant their changing their minds.

I have always been opposed to aid to Tito. I have voted at times to give the President discretion in that regard. I have voted to give that discretion to President Eisenhower and to President Kennedy. Now I feel that the President should no longer be given that discretion.

Mr. HUMPHREY. How about Gomulka?

Mr. PROXMIRE. In the case of Poland the only matter involved is the shipment of American surplus food to Poland. I did not oppose it before. I do now because of the present Soviet food crisis.

Now I should like to reply to the Senator from Tennessee [Mr. GORE]. There is a world of difference between giving aid to a Communist dictator and giving aid to a Fascist dictator, such as Franco, who is on our side. I feel the same way about giving aid to Turkey. Turkey is not democratic, as we view democracy. The same is true with Pakistan and South Korea. As a matter of fact, in these cases we are giving aid to countries that are on the front lines of the battlefield against communism. By giving this aid we are saving American lives and American treasure. We are encouraging them to oppose communism. We are doing it, for example, in Turkey, because we can recruit Turkish soldiers at about 10 percent of the cost in the United States. That makes sense.

On the other hand, to give aid to Tito, when he said he will fight shoulder to shoulder against us with Khrushchev, when in his most recent pronouncement he has said that he is against us all the way, does not make any kind of sense at all. There is certainly a clear and distinct and obvious difference under those circumstances.

Mr. HUMPHREY. Mr. President, we will certainly have a very difficult job in the Senate legislating on the basis of the ideological gyrations and deviations of Mr. Tito, if we are going to legislate one day on the basis that Tito is a good fellow, and therefore let us be kind to him; then the next day, when we find out that he denounces us, as he will most likely do, we say that we must close the door on him. As a result, nothing will be done by Congress except to wait to see what his most recent action will be.

That is why I said we will lay down the criterion that we do not want to aid Communist countries. That is where we start, in the first place. That applies not only to Yugoslavia or to Poland, but to all of them. We do not want to give aid to these countries. Then we write down the second premise, that if the President, as was set forth in the several amendments that we had before us, thinks it would be in our national security interest to give aid, we should give financial and other aid to such countries. Then he may extend financial aid and other aid to such countries. That is because it is deemed to be for our security, and not for the security of others.

Therefore, we leave a loophole, a flexiblity, in the law for the Chief of Staff, for the Chairman of the Joint Chiefs of Staff, for the Secretary of State, for the Secretary of Defense, for the President of the United States, for the National Security Council—who, by the way, have a little more information than we have. They may sometimes have even more information than does Life magazine. In fact, one feels handcuffed as he debates this subject. If the Senator from Wisconsin would like to exercise his prerogative as a United States Senator, he has available to him for examination intelligence papers which show beyond a shadow of a doubt the fallacy of the action which the Senate took. That is why the Ambassador made the statement he did.

We are not permitted to come into the Chamber and read such documents in public. The public galleries are filled with our fellow citizens. The press gallery does not exclude representatives from unfriendly countries. Therefore, we are under a sort of proscription, so to speak, with respect to the kind of information we can divulge. I appeal to the Senator from Wisconsin to ask for those papers. As a U.S. Senator, he has a right to them. He has all the clearance anybody needs or could ever hope to have. He is as loyal a man as ever lived in this country. He is entitled to examine important secret documents.

The Senator from Minnesota could not agree more with the Senator from Wisconsin about the basic undesirability of strengthening Communist countries by means of economic aid. However, I say that if the President finds that certain situations developed, then, indeed, it might be to our advantage to do something about it. For example, I stated in the Senate the other day that India is today using Soviet helicopters with crews trained by Soviet technicians. India is using Soviet equipment to transport light and heavy arillery, including mortars, up to the Communist China border, to inaccessible areas. So far as India is concerned, that is normal transport. Should we denounce our aid program to India at this time and say to her, "You have received aid from Russia. You are obviously friendly to the Soviet Union"?

Those helicopters are doing a good job against a country that is the most aggressive country on the face of the earth today—Communist China. Furthermore, those helicopters are hardly contributing to the solidarity of the Communist bloc. If there were any way in which to strengthen other countries bordering on Communist China, so that they could more adequately resist the aggressive pattern of China, it would be to their advantage and to the advantage of the peace of the world, and I think it would ultimately be to our advantage, because if the Communist Chinese system engulfs all of Asia, at least in the lifetime of our children, our Nation will be imperiled, because that mass of population and resources pitted against us would be a very serious threat.

Mr. PROXMIRE. Mr. President, once again, I underline the fact that the opposition by the Senator from Wisconsin, like that of the Senator from Minnesota, has always been against aid to Communist countries. I have changed my mind only within the last year or so concerning the granting to the President of any discretion with respect to any aid to Yugoslavia. I am vehemently against such aid. I have been against it all along. Now I am against any freedom of discretion in that respect, because I am opposed to that kind of discretion.

So far as the threat from China is concerned, of course China is a threat. Communist China is the most militant country in the world; but it is a weak country. It is beginning to lose strength and beginning to lose support. The Government of Communist China is in trouble. It was reported only the other day that Communist China is really concerned about an invasion from Formosa, she is that weak.

Under those circumstances, it seems to me that we should recognize that the real power in the Communist world today is the Soviet Union. I cannot get any more comfort from the Soviet Union providing helicopters for India than I can from the Soviet Union providing Mig's for India.

Mr. HUMPHREY. There is a difference.

Mr. PROXMIRE. There is a very important technical difference. At the same time, it is a matter of the Soviet Union assisting India in a military way and in making India dependent on the Soviet Union. I think the action in both cases is wrong.

Mr. HUMPHREY. One of the points raised is that there has been a change in the attitude of Tito, and that that has necessitated a change in policy. I think that is a debatable question. My point is that Tito is about as changeable as the weather has been in the Midwest of late—hot, cold, dry, wet, windy, flat, and calm.

However, I noticed that in the debate on June 5, the Senator from Wisconsin said:

> In 1955, Tito claimed that despite all that had passed vis-a-vis Stalin, he, Tito, had never betrayed the Communist cause. In fact, Tito has always pictured himself as a Communist, and as a true Communist.
>
> In 1956, Tito triumphantly toured the Soviet Union.
>
> On June 11, 1956 at Stalingrad, Tito said: "Yugoslavia, in time of war as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—victory of socialism."
>
> Tito's speech on November 11, 1956, opposed Soviet interference so long as a Communist regime was master of the local situation. He opposed interference under those circumstances, but he favored Soviet military involvement when the local party's power was threatened.
>
> This is not a man with whom we should do business, let alone a man to whom we should give assistance and aid.

The Senator from Wisconsin quoted the Tito of 1956 and 1957. Yet in 1958, 1959, and 1961 the Senator from Wisconsin voted exactly as the Senator from Minnesota did. In fact, in 1958, on the specific Bridges amendment, which would have outlawed any more aid of any kind to Yugoslavia—would have made absolutely mandatory no more aid to Yugoslavia or Poland—after the speech by Tito in 1956, after his triumphant tour of the Soviet Union, and after Tito had said he would side with the Soviet Union in war or peace, the Senator from Wisconsin voted against the Bridges amendment.

Mr. PROXMIRE. To the same bill, the Senator from Wisconsin offered an amendment—and I beleive it received 30 votes or so—to knock out aid to Yugoslavia. But when it came to the question of eliminating aid across the board, under those circumstances, without any discretion across the board, the Senator from Wisconsin exercised discrimination.

Mr. HUMPHREY. That is what I have asked the Senator from Wisconsin to do now. If the Senator would only do that now, we would have no argument at all.

Mr. PROXMIRE. But now the Senator from Wisconsin is convinced that for 1 year there should be a suspension of aid to Tito, without discretion, following which we should take another look at the situation. Why is that inconsistent?

**Mr. HUMPHREY.** A man could not make any more anti-American statement than Tito made in 1956, when he said:

> Yugoslavia, in time of war as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—victory of socialism.

Yet in 1958 and 1959, when the roll was called and the Senator from Wisconsin voted, an overwhelming majority of the Senate agreed with the Senator from Wisconsin. We voted not to exclude all aid to Yugoslavia, not to exclude all aid, as would have been required under the Dodd amendment, from country to country behind the Iron Curtain; but we voted to give the President the authority, if he found it to be in the national interest, despite the provisions of other law prohibiting aid, to supply such aid. That was what the Senator from Wisconsin believed to be the best policy.

**Mr. PROXMIRE.** I have taken the position that Congress should use discretion in granting aid to Yugoslavia, for the reason that I favored some Presidential discretion. But I did everything I could, at the first opportunity I had on the very first foreign aid authorization bill that came before this body after I was elected to the Senate, to knock out aid to Yugoslavia.

This time, the Senator from Wisconsin believes, on the basis of experience, that if one does not believe in aid to Yugoslavia, he should not only vote against it, but vote against Presidential discretion to provide it.

**Mr. HUMPHREY.** The Senator may have done all that; but if he had been looking for any changes of votes, he should have insisted on a stronger amendment in 1961 and in 1962 than in 1959 and 1960 because Tito has not been any worse in 1962 than he was in 1956, 1957, 1958, 1959, and 1960. He has always been a rather difficult individual. He has never kidded anybody about communism. What he said was that he did not believe Khrushchev ought to run it all, but that Tito would like to take a hunk off for himself.

We have said, in effect, "As soon as you are willing to break off a certain amount of business with Russia, we will be willing to give you some degree of assistance." That was not an act of charity toward Tito; it was an act of national charity to ourselves.

**Mr. GRUENING.** Has not the Senator from Minnesota finally reached the conclusion that we have been mistaken all along in providing aid to Tito both under the preceding administration and now under the present administration?

**Mr. HUMPHREY.** Not at all. I do not, because I think that if we had not given aid to Tito, following his break with the Soviet Union, today Yugoslavia would be fully in the hands of the Soviet Union, and our ally, Greece, would be in a continuous civil war if she existed at all. I have talked with the military and the political leaders of Greece, and they say categorically that if there had not been that break by Tito with the Soviet Union, and if the Yugoslav Government had not signed its treaty with Greece, Greece never would have been able to survive, despite the aid given her by the United States. Although we gave a great deal of aid to Greece, our generals who were there were among the first to admit that the closing of the border between Yugoslavia and Greece to further military shipments from the Soviet Union was the beginning of the end of the civil war in Greece.

So it is that today our allies, Greece and Turkey, would be imperiled if we were not able to keep some degree of independence in the parts of Europe in which Yugoslavia and Albania lie. In fact, the fact that today Albania is anti-Soviet is an asset for our NATO alliance; and these developments should be encouraged. So certainly we should not take any action which would solidify Soviet control over these people.

Mr. President, I yield the floor.

## COLLEGE STUDENTS WORKING IN THE GOVERNMENT THIS SUMMER

**Mr. GRUENING.** Mr. President, today marked the beginning of the New Frontier in training and education for the future leaders of this country. This morning at Constitution Hall the President of the United States welcomed college students who are working in Government positions in Washington this summer.

My two research interns, Miss Judith Arnold, of Wellesley College, and Mr. Ira Plotkin, of Rochester University, returned from their session with the President thrilled and encouraged to continue the work they have begun in the legislative department of my office, realizing all the more the importance this summer can have for their future lives.

Constitution Hall was filled to the last seat, due to the efficiency and planning of Mike Manatos and others of the President's staff. Yesterday, upon my request, Mike immediately provided me with tickets for my two interns.

I am informed that when the President walked in at 10 a.m., the entire group rose and applauded thunderously. The purpose of the President's speech was to introduce the new series of seminars to be held this summer to instruct the interns on all aspects of governmental policy and problems. President Kennedy stated that each student probably gets to know well only the branch of the Government in which he is working; but, through these seminars, the students will have the opportunity to hear experts from each field of Government. Mr. Bell, from the Bureau of the Budget, will speak on the executive branch; Chief Justice Warren will speak on the judiciary branch, and so forth.

The President assured these young people that they would find a career with their Government certainly the most exciting, the most stimulating, and the least compensating financiallly of any career they might choose. He quoted a statement made by Germany's great Chancellor, Von Bismarck, that one-third of the students in German universities collapsed from overwork, one-third collapsed from dissipation, and the other third were in the Government service. The President felt certain that the students in Washington this summer are among the last third. And due to a program such as this, the students of today are learning best how they may serve their country tomorrow.

**Mr. HUMPHREY.** Mr. President, I suggest the absence of a quorum.

**The PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 95 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Bennett
Bible
Burdick
Bush
Byrd, Va.
Byrd, W.Va.
Cannon
Carlson
Carroll
Case, N.J.
Case, S. Dak.
Church
Clark
Cooper
Curtis
Dirksen
Dodd
Douglas
Dworshak
Ellender
Engle
Ervin
Fulbright
Goldwater
Gore
Gruening
Hart
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
Metcalf
Miller
Monroney
Morse
Morton
Moss
Mundt
Murphy
Muskie
Neuberger
Pell
Prouty
Proxmire
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, Ohio

**Mr. HUMPHREY.** I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Hawaii [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PASTORE], and the Senator from West Virginia [Mr. RANDOLPH] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Missouri [Mr. LONG] are necessarily absent.

**Mr. KUCHEL.** I announce that the Senator from Delaware [Mr. BOGGS], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from New York [Mr. JAVITS], the Senator from Kansas [Mr. PEARSON], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

The Senator from Hawaii [Mr. FONG] is absent on official business.

**The PRESIDING OFFICER** (Mr. BURDICK in the chair). A quorum is present.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

**Mr. HUMPHREY.** Mr. President, what is the pending question?

**The PRESIDING OFFICER.** The question is on agreeing to the amendments offered by the Senator from Louisiana [Mr. LONG] to the commercial communications satellite system bill.

**Mr. HUMPHREY.** Mr. President, I yield to the Senator from South Carolina [Mr. JOHNSTON].

## TRIBUTE TO H. W. (BILL) BRAWLEY

Mr. JOHNSTON. Mr. President, H. W. (Bill) Brawley is known to many of us for his many years of outstanding work on the Senate Post Office and Civil Service Committee.

Having just this week left the demanding post of Deputy Postmaster General to accept a challenging role in the critical election campaign of this summer and fall, Bill Brawley will have a major role in organizing, directing and coordinating this effort which will see an incumbent administration for the first time in almost 30 years increase its congressional majority in an off-year election.

To devote his full efforts to this task, Mr. Brawley has resigned the post of Deputy Postmaster General. These were the words of Postmaster General J. Edward Day:

> Mr. Brawley's accomplishments in the reorganization of the Department's management, the preparation of rate legislation and the development of the Department's personnel program cannot be overemphasized.

In resigning to accept a special assignment with the Democratic National Committee, Mr. Brawley wrote the President:

> I feel that my experience during the past several years can be a valuable asset to the important task of increasing the Democratic majorities in both Houses of Congress. The dedication and loyalty I feel for you and your tremendous program dictates that I should offer my services in this important area at this time.

Mr. Brawley's experience will indeed be invaluable to all Democratic candidates this fall. He served the Senate for 13 years on my committee staff, contributed his considerable talents in organization to three national presidential campaigns, and has for 1½ years directed the reorganization and modernization of our largest civilian agency.

In announcing Mr. Brawley's appointment to the national committee staff, Democratic National Chairman John Bailey said:

> Mr. Brawley's unique background in the legislative branch, as a member of the Kennedy administration and as a nationally respected campaign organizer, will be an invaluable asset to Democratic candidates throughout the country during this crucial election year.

Mr. Bailey's sentiments and confidence in Mr. Brawley are reflected in his statement that—

> The increase in the Democratic majorities in both Houses of Congress will require able and dedicated people to tell the impressive story of the Kennedy administration and to bring home to the public the accomplishments which lie ahead under the Kennedy program pending before Congress. Mr. Brawley is unusually well qualified to coordinate these efforts.

Mr. President, I have here two press releases—one from the Post Office Department and one from the Democratic National Committee—concerning the resignation of Mr. Brawley which I would like to read at this time.

The Post Office press release of June 18 states:

> Deputy Postmaster General H. W. Brawley has resigned from the Post Office Department to take a post with the Democratic National Committee, Postmaster General J. Edward Day announced today.
>
> Mr. Brawley's accomplishments in the reorganization of the Department's management, the preparation of rate legislation we are confident will soon be enacted by the Congress, and in the development of the Department's personnel program cannot be overemphasized.
>
> We regret losing the valuable services of Mr. Brawley at this time while recognizing that many of the major tasks set for the Deputy Postmaster General's staff when we initially took office have been achieved.
>
> I am confident Mr. Brawley will perform a major service to the Kennedy administration in his new post.
>
> Frederick C. Belen, Assistant Postmaster General, Bureau of Operations, and Michael Monroney, Executive Assistant to the Postmaster General, will share the duties of the Deputy Postmaster General.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. KEFAUVER. I join my distinguished colleague from South Carolina in paying high tribute to the work of Bill Brawley, whom I have known well during many years. He has been head of the staff of the committee of which the Senator is chairman. In that capacity he was one of the finest public servants in the Congress. He has made a great contribution to the postal service since he has been Deputy Postmaster General.

Mr. Brawley is able and always helpful. I am sure that in his new position with the Democratic National Committee he will be of great assistance to the party and to the Nation.

In that connection, Mr. Brawley has had a very good tutor. If any evidence is needed as to the expertness of his tutor, I point to the record of the Senator from South Carolina [Mr. JOHNSTON], who has just come from a great victory in the primary in the Senator's State, for which I congratulate him.

Mr. JOHNSTON. Mr. President, I appreciate those remarks of the senior Senator from Tennessee. I know that they come from his heart.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the Senator from Texas.

Mr. YARBOROUGH. I commend the distinguished Senator from South Carolina for his remarks about Mr. Brawley.

When I came to the Senate 5 years ago this spring, I was assigned to the Committee on Post Office and Civil Service, of which the distinguished Senator from South Carolina is chairman. Mr. Brawley was chief counsel for the committee. I served with him there until he left the committee in the first part of 1961 to become Deputy Postmaster General. I found Mr. Brawley to be a most helpful and efficient staff member. We miss him greatly in the committee. I know that he will be missed in the office of Deputy Postmaster General.

Mr. Brawley will go to a broad field of service. He has been most efficient when he has served the committee; he has been most efficient when he served in the executive department of the Government. He has shown great capability in his service in the executive branch, in the legislative branch, and in a political organization.

I thank the distinguished Senator from South Carolina for yielding to me. I understand that the Senator brought Mr. Brawley to Washington, and was his mentor. The quality of training given is shown by the thoroughness with which the Senator was renominated for another 6-year term in the Senate. I congratulate the distinguished Senator from South Carolina.

Mr. JOHNSTON. Mr. President, I thank the senior Senator from Texas for his remarks. The Senator has rendered very attentive service as a member of the Committee on Post Office and Civil Service.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the Senator from California.

Mr. ENGLE. Mr. President, I join in the tributes being paid by my distinguished friends and colleagues to Mr. Brawley. I have had occasion to work with Mr. Brawley in his position in the Post Office Department. Everything he has done has been excellent. He has been an outstanding public servant in that Department, as he was prior thereto in the Senate Committee on Post Office and Civil Service. I join my colleagues in wishing him great success in his new position.

Mr. JOHNSTON. I thank the Senator from California for his remarks.

The June 18 news release from the Democratic National Committee reads as follows:

> Democratic National Chairman John M. Bailey announced today that Deputy Postmaster General H. W. (Bill) Brawley has resigned his post to take a temporary assignment as executive assistant to the chairman of the Democratic National Committee.
>
> Mr. Brawley, working directly under the chairman, will coordinate election year activities of the national committee in the congressional, senatorial, and State campaigns.
>
> He brings to his new assignment vast experience gained in the 1952, 1956 and 1960 presidential campaigns. Prior to his appointment to the No. 2 position in the Post Office Department by President Kennedy, he was staff director for 13 years of the Senate Post Office and Civil Service Committee.
>
> Mr. Brawley's unique background in the legislative branch, as a member of the Kennedy administration, and as a nationally respected campaigner in three presidential campaigns will be a valuable asset to the chairman of the national committee and to Democratic candidates throughout the country in this crucial election year.
>
> The increase in the Democratic majorities in both Houses of Congress this year and the election of Democratic Governors and State administrators is of the highest importance to the future progress of our people and the Nation, and I feel Mr. Brawley is unusually well qualified to coordinate efforts toward this end.
>
> It is a well known fact that only once in this century has the political party in power in the White House increased its majority in the Congress. This year, with the tremendous popularity of President Kennedy and his programs across the country, and the hard work all down the line, we want to break that barrier again.

## COMMENCEMENT ADDRESS BY SENATOR KEATING AT IONA COLLEGE

**Mr. KUCHEL.** Mr. President, I have just finished reading a very able and excellent commencement address delivered by the distinguished Senator from New York [Mr. Keating] at Iona College. The subject of the address, which he delivered to the graduating class of that fine educational institution, is "The Role of the Individual in a Free Society." It presents a timely challenge to young Americans, indeed, to all of us. I commend a reading of the address to my colleagues in the Senate, and I therefore ask unanimous consent that it may be printed in full in the body of the Record at this point in my remarks.

There being no objection, the address was ordered to be printed in the Record, as follows:

### The Role of the Individual in a Free Society

Cardinal Spellman, Brother Power, members of the graduating class, distinguished members of the faculty, honored guests, ladies and gentlemen, one may well say that the days of our life are like coins—coins of differing value—some golden, priceless, unforgettable—some dull, soon-spent, and buying little. Today will remain, I know, for each of you who leave Iona, as the coin of time you cherish above others, because it is minted of the gold of many memories—memories of friendships, of loyalties, of the deep attachments and affections that are the heart's adventure—and which the heart cannot forget.

You leave Iona today, but it is only a token departure, for this splendid and revered alma mater will walk with you every step of your journey through life because you are a part of it, because it is a part of you.

Now I appreciate that the world renowned Christian Brothers of Ireland did not make life easy for you these past 4 years, and that is precisely why they are respected throughout the world of learning. Each of you, I am sure, still bears the scars of your final examinations. But let me assure you, as one who has had many academic wound stripes, that these marks—which many of you must have accepted as penitential—are amazingly quick-healing.

I think that there is operative what I might call a law of diminishing pain, and you will find, as I did, that as the years go by, those courses that seemed the most soul-searing when you passed through their fire gradually simmer down to the soft and pleasant glow of an experience which, in misty retrospect, seems wholly bearable, and even gives you the satisfaction of the warrior who has stormed an unassailable castle and lived to tell about it.

But today, fresh from the academic wars, you stand on the broader field of honor that is life. It is of your involvement in that larger struggle—wherein the campus becomes the cosmos—where the examinations are not written but lived—that I would speak to you today.

Like Balboa first gazing upon the vast Pacific, you stand at a point in time which opens new, tremendous and inspiring vistas. The world into which you were born has disappeared. History—sometimes a dawdler but now a sprinter—is today rushing toward the future at a speed unparalleled in all the centuries.

Shakespeare has told us that all the world's a stage.

Your cue has come and now you walk upon that stage, a stage where the play is truly epic, representing as it does a conflict between two massive opposing forces—on the one hand a force representing the concept that man is a creature of God; on the other, a force that proclaims man to be a vassal of the state, a soulless being whose only fulfillment is in terms of productivity, whose only god is materialism.

In the face of this confrontation of two power masses, the dimension of man as a prime mover, historically as a shaper of events, tends to become diminished in man's own eyes. He feels he has been pushed from the wheel that guides his destiny, that he has become a puppet in a cosmic contest of puppetry, a creature of response rather than a creature of action.

This sense of himself as a mere unit of power rather than power itself is accentuated when man contemplated his own Frankenstein: science. For the thing he has conceived has learned the trick of destroying its conceiver. The ultimate ingenuity has produced the ultimate weapon. The Frankenstein, to be sure, is only as malevolent as man's heart is malevolent, but this does not shorten the shadow that terror casts across the world.

And when man is not frightened by his own magic, he is likely to be mesmerized by it, to be induced to believe that his importance grows increasingly less, his voice less heard, less heeded. For he sees himself edged away from his job by a machine whose productivity makes him appear a sluggard, he sees his brain skills replaced by those modern delphic oracles, the computers, he sees automation making a mockery of his speed, his strength, his expectations, his endurance.

But this attitude is invalid, untenable, because it forgets who man is and whence he came.

It forgets what history has ever taught—that individual man in a free society holds in his spirit, in his heart, in his head the greatest forces ever released on earth, for the simple eternal reason that those forces came from God; that challenge is not their death but their opportunity; that a tyrant may chain them, but not master them; that they bear the sublime and sacred birthmark of their Maker.

When Scott Carpenter made his recent orbital flight, science gave him almost everything that went with him in his capsule to assure his success, his safe return—almost everything. It did not give him the things he alone could bring—courage, faith, resolve, dedication—for these come out of no laboratory. They are the God-given attributes of the individual man; they are his insulation against fear; his incalculable power; the arms and the armor in the battle each man must fight by himself whether in the immensity of space, in the challenge of a crisis, or in the silence of his own conscience.

Too often, in this age of slogans and catchwords, we think of freedom as a word rather than as a meaning. Like a coin in constant circulation, its image is rubbed off beyond recognition. Freedom, let us remember, did not begin with victorious armies. That was the consummation, not the origin. Freedom began in the hearts of individual men, who found it where God had put it, as a yearning to assert the dignity that stirred within them, the sense that they were born to be free, the resolve that this birthright would not be denied them.

Thus, the freeman in a free society is the core and heart of that society. Only when he doubts his power is that power diminished. Only when he consents to be shaped by events will he cease to be the shaper of events. Only when he forgets that he is a creature of God can he become a toy of destiny, unable or unwilling to play the high and sublime role written for him when he entered this world.

And so, none of you can remain uninvolved in the tremendous task that confronts every freeman, the task of asserting the primacy of the man over the mass, of making human dignity a living not a dying thing, of accepting freedom not as a fortuitous legacy but as a sacred trust.

Man must live what he believes, else his beliefs have no life. He must translate the concept of brotherhood into the act of brotherhood. There is only one way to fight godlessness, and that is with godliness in its true, its deepest, its fullest meaning. It is one of the supreme ironies of history that communism owes its power to the success it has achieved—not in fighting Christianity but in counterfeiting it.

The Communists have taken the Christian concept of love of neighbor and made it a brotherhood in slavery rather than a brotherhood in freedom. They have minted the currency of tyranny and circulated it throughout the world as the currency of love.

In its true essence, therefore, communism stands before us as a spiritual challenge. Only secondarily is it a military challenge. The way to meet it, to vanquish it, was revealed to us 2,000 years ago. It is not a passive way, unless men make it passive and so foreswear it. It is a militant way, with a marshaling of the soul's strength, the heart's resolve, the body's energy.

And man is no more distant from the battlefield than the nearest affront to human dignity, the nearest defiance of human rights, the nearest contention that the human soul has a sliding scale of values, depending on color, race, creed, or social status. For communism finds its allies unwitting, perhaps but no less damaging, in whatever hearts and minds belittle the right of any man to claim the dignity God gave him to claim respect for that dignity.

Communism builds its walls, its curtains of iron, to seal out freedom and to make its vast prison escape proof. Let us not piously condemn such walls, so long as walls remain in freedom's house, so long as any man is sealed off from his God-given rights, his law-given rights, because his skin, his accent, his beliefs, are judged to entitle him only to a percentage of equality, not to the full measure reserved to the elect.

Wherever the freedom of the individual dies in this world, whether in a foreign land or in our own, let us not ask for whom the bell tolls.

It tolls for each of us. The killer may be communism, it may be bigotry, or intolerance or discrimination, but it has bereaved us because freedom is a brotherhood or it is nothing. Who degrades any child of God degrades the children of God.

This truth you must burn into your hearts. This truth must light your way, this truth is the wisdom of the soul; and who ignores it turns his back upon both God and man.

You enter today upon a world of challenge, of opportunity. It is an imperfect world, but each of you has it in your power to make it more perfect. It is a big world, but you will not be submerged in its mass unless you consent to your own drowning.

Treasure then above all that rarest of opportunities that awaits you, the opportunity to make your community, your nation, your world a richer, finer dwelling place for the spirit of man, a dwelling place as free from walls as the hand of God, as full of love and compassion as the heart of God. Only in this way will life be a stirring adventure of the soul instead of a long, dull journey of the body. Only in this way will you be true to yourself, to those you love, to those who love you.

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## DELAY IN ENACTING LEGISLATION

**Mr. SCOTT.** Mr. President, while the filibuster continues, what is the state of the Union? The great engine of Government has enormous power when it is connected to the transmission of the legislative branch of the Government. If, however, the wheels are not on the ground, the vehicle does not move; and if the engine, however great and however accompanied by impressive sound, does not operate the transmission, and if the wheels remain off the ground, forward progress is, to say the least, somewhat limited.

We who live in the trailer—and I refer to the minority party in the legislature—are not able to speed legislative processes, nor have we contributed to the present inability of the Senate of the United States to get America moving. At this stage, it seems to me that what we have is a lot of show and no go.

What concerns me is that no appropriation bills, a few days before the end of the fiscal year, have gone to the President, unless one accepts the supplemental 1962 act for the Veterans' Administration, which is perhaps not a true appropriation bill.

I should say that never in the history of the Republic have so many men talked so much, here and in other places in Washington, and got so little accomplished. Not only do we stand helpless in the matter of appropriating needed funds with which to pay our employees and with which to operate the Government; we have not paid our last assessment to the United Nations; and, whether for good or ill, we are about $25 million in debt on the U.S. contribution for the Congo operation. If the United Nations falters for a lack of funds and for a lack of similar support, the blame certainly will be directed toward us as a country, and then inevitably toward the majority party, in most sessions of the legislature, which to date has accomplished virtually nothing.

Aside from the defense bill and perhaps the foreign aid bill, I believe the only major bills on which action has been taken are the worker-training bill. Some 21 major pieces of legislation for which the President has called again and again have not been enacted. This, again, is hardly the fault of the one-third of Congress which the minority party represents, and it is hardly the fault of those who have no control over committee action or the prosecution of legislation, and therefore over the fate of the country.

Obviously, not all will agree on any specific legislation; but I think the country would be interested in seeing Congress get something done. I do not believe this is a request which is too onerous, in view of the fact that an honest day's work for an honest dollar is expected on the part of Americans who work for a living. I submit that the answer is not to remain here indefinitely, and thereby tell the people of our own incapacity to legislate. We are a leisurely body, and we all respect the right of one another to talk ad infinitum. The country may classify it as ad nauseam, but I surely would not, because I enjoy the lengthy comments of my colleagues when I am unable to be present by reason of official duty.

Nevertheless, one would like to see some action taken for those whose welfare is at stake. One would like to see some action taken for those who long for some enlightenment on whether the promises of tax reductions are for political consumption before the November election, or whether they have any merit through intent to perform. One would like to know, for example, whether the tax reform bill is to be enacted and the trade expansion bill is to be enacted, or whether, perhaps, one is to be enacted at the expense of the other.

I think one would like to know whether there is any intention to enact appropriation bills in time, or whether the unfortunate delay which now exists is largely geographical, or perhaps pertains to the footage which can be measured by linear measurement between the two bodies.

Is it not important that the people shall know whether there is to be passed a tax reform bill, a tax reduction bill, a trade bill, whether there are to be passed, indeed, those bills for which glowing promises were scattered upon the four winds of political campaigns with such earnest abandon only a short while ago?

One hopes, indeed, when one speaks for one's constituents, that the Senate of the United States may find some way to unshackle itself from the bonds of custom and accommodation, and from the sheer apathy with which our sessions are presently regarded, if not by us, at least, I suspect, by the public.

I am one who believes that Congress should get America moving. I should like to see America on the go, go, go. I should like to see some traffic lights that show green once in a while, instead of so many that show nothing but red. In fact, we do not even get an amber light, so that we may get ourselves started on the legislative program.

All these things disturb me because they disturb my constituents. When I go home, they ask me: "What's going on?" There is not much I can tell them. They ask me if things are going up or down. I tell them most things are going down. I believe the only things going up are subscriptions to the New York Herald Tribune.

I think perhaps we should move from a field in which we seem to be sliding helplessly into a continued period of inaction, and should substitute for it what the majority leader has recommended—and I fully concur in his recommendation—namely, that Congress get down to work, get the wheels of the vehicle on the ground, and hook our transmission to the engine and to the wheels; and I suggest that we in the trailer will happily follow along, cheering the evidence that America is on the march.

But until that happy day comes, Mr. President, I can only deplore and look sadly upon the record of Congress, which, if it went down into history today, would be recorded as a do-little or do-nothing or dawdle-plenty Congress.

However, I am sure that all things work together for good, as the Scriptures tell us; and even the National Legislature may some day find itself in accord with the Holy Book. But until that happens, I think at least I should state that I am ready to have America get moving, and I am ready to have Congress—two-thirds of which is controlled by the other party—do something.

I hope the sunrise of accomplishment will succeed the darkness of our present dawdling, and that perhaps something will happen to adumbrate the present darkened situation, so that we shall happily march together down the road of American progress in the American interest, led by an American President and an American Congress devoted to getting something done for the country.

Mr. President, I yield the floor.

Mr. MILLER. Mr. President, I commend the distinguished Senator from Pennsylvania [Mr. SCOTT] for his statement. He has brought to the attention of the Senate a very important problem.

I think I should add that it appears to a number of us that there is perhaps a calculated effort to build up a head of steam in the Congress, and, along about the middle of August, when all Members of Congress wish to go out on the campaign trail, to try to stampede some of the proposed legislation through Congress. I point out that that is an old legislative trick.

I sincerely trust that my colleagues in the Senate and our brethren in the other body at the other end of the Capitol, will not be fooled by that tactic, but will be patient and deliberative, and not be stampeded into reckless action.

Mr. President, the Senator from Pennsylvania pointed out that we should get going. I subscribe to that view; but I also wish to caution that, based upon visits I have had with the people of my State, I detect that a great many of the American people would perhaps be a little happier if Congress would adjourn and go home, because they have a fear that the longer Congress remains in session the greater will be the damage which will be done, and that it will be almost irrevocable damage, because of future spending commitments.

I wish to have Congress get going; but I wish to have Congress get going on the right road. However, when I see legislative proposals to withhold income taxes on interest and dividends, to delegate to the executive branch of the Government the power to lower taxes, and to extend so-called medical-care benefits to all our people over 65 years of age, regardless of whether they have nothing in the bank or have $1 million in the bank; when I see the Senate pass a bill to spend $750 million for an immediate-action public works program which is not even included in the President's budget; and when I see in the House of Representatives, ready for action by it, a farm bill which gives the farmers a choice between the loss of their freedom or the loss of their farms, I must say that I can understand the attitudes of some of the people of my State in wishing that Congress would adjourn and go home, and would stop doing damage, until another election is held, so that we can determine the sentiment of the people in regard to some of the spending proposals.

## ANOTHER PROOF THAT GOVERNMENTS CANNOT FARM

**Mr. HRUSKA.** Mr. President, recent dispatches from Communist China tell of food riots in Canton, the latest episode in a tragic story of failure of the Peiping regime to provide food for its millions of people.

From the time when the red rulers took over mainland China, there have been periodic pledges of a new era in this pitiful nation's agriculture. We heard slogans such as "Battle of Crops," "Greap Leap Forward," and "Green Up China."

But what is the truth? The truth is that these programs have been incredibly bungled. Recently, I called the attention of the Senate to an analysis of the weaknesses of Russian agriculture under the Communist system of controls. Today, I cite a similar situation in Communist China. The author, Valentin Chu, was born and educated in China, and is a former Time and Life correspondent in Hong Kong.

In his account, Mr. Chu writes that about one-tenth of China's total area—that is, some 264 million acres—is arable. To maintain a subsistence level, four-fifths of that country's population must toil on this one-tenth of its land. In Soviet Russia, half of the population works on one-eleventh of its land to provide a meager standard of living. In the United States, one-eighth of the farm population farms one-fifth of the land to create a national overweight problem and pile up great surpluses, writes the author.

In China, many natural causes are working against the furnishing of ample food. Their eroded mountains, capricious rivers, and dust storms born of serious droughts, their denuded forests, their arid regions, and the typhoon areas—all of these result in calamities difficult to deal with.

Centuries of exploitation have given rise to some of these hazards. But all of these have been aggravated to an astounding degree by grave errors of a bureaucracy highly efficient in control, but childishly lacking in commonsense, and totally incapable of doing the job of farming which they undertook back in 1949.

Mr. Chu writes that what China is now facing is no common natural disturbance affecting a few provinces for a short time, but, rather, a nationwide exhaustion of land and the people, the cumulative result of 12 years of abusing nature and human nature. Since 1949, when it took over, the Peiping Communist search for a breakthrough in agriculture has resulted in a breakdown.

There are many illustrations of the party bureaucratic ineptness and blundering.

### FARM MECHANIZATION FIASCO

They attempted a titanic program of farm mechanization. They started with tractors, and reached the total of 33,500 tractors, which is less than 4 percent of the number required, as estimated by the regime. In the United States, we have 5 million tractors. In 1957, the People's Daily, Peking's official organ, admitted:

> It is too early to talk about general mechanization. We have no oil, too few animals. Steel is expensive. The cost of machinery is prohibitive.

They next undertook to turn out some 3.5 million double-wheel, double-share plows, to be pulled by animals. They were a flop, being too heavy for Chinese wet paddies and terraced fields. They were badly made, with many brandnew plows missing parts. They were discontinued.

Lately, the use of small, handmade instruments has been encouraged. But the People's Daily recently recalled wistfully the days of the pre-Communist peasant, when "a hoe would last three generations * * * the property of the man who used it, repaired it and cared for it." Today, a hoe often does not last one season, nor does the peasant own it, repair it, or care for it. Instead, the small implements are "lost, wasted or destroyed—left scattered in the open air in the fields where rains and winds ruined them."

Communist China produces less than 3 million tons of chemical fertilizer per year. It needs at least 10 times that amount.

The 1959 locust disaster was an enlightening example of the party bureaucracy's knack for making natural calamities even worse. In April, peasants in Honan discovered young locusts, and reported their find to the commune's head man, who scolded the peasants and said:

> The corn and soybean have just sprouted and the wheat will ripen soon. We don't even have enough people for weeding and fertilizing. How can we divert labor for insect pests? We must take care of urgent business first.

The peasants then appealed to the county party commissar. They were again pushed aside, Mr. Chu writes. They were told:

> Little ghost and big fright. You saw an insect and you bring us a heap of blind words. We shall have an insect-destroying campaign someday anyway. Why make the fuss now?

Two months later the crops in two counties were eaten up by locusts in one night. During 3 days in mid-June, 1.3 million peasants were hurled into a sea of locusts, for an epic extermination battle. By then, however, it was too late. Before the locust invasion was over, a million acres in 48 counties in Honan were stripped clean. Neighboring provinces suffered damage to nearly 5 million acres. Airplanes were used to spray insecticide. But the spraying, done with frenzy and inexperience, killed 100,000 farm animals. By Peiping's own estimate, the insect pests damage 10 percent of the country's grain, 20 percent of the cotton, and 40 percent of the fruits every year.

### WATER CONSERVATION

In the field of water conservation, Chinese Communist efforts have done more harm than good. This has been demonstrated in many situations.

Despite well-publicized official figures as to dams built, billions of man-days used, billions of cubic yards of earth moved, dikes constructed, and wells dug, the results are disappointing and, in many instances, harmful.

The giant Sanmen Gorge Dam was announced as the key to control of the Yellow River system. In 1956, half of the 59 high dams constructed above it were completed, but in the same year floods destroyed or silted up almost all of them.

In 1958 there was another flood, but this time 70 percent of the swollen water came from below the Sanmen Gorge Dam site, bringing official journal admission that even after the completion of the entire project, major floods could not be prevented.

In 1954, with Russian aid the Futseling Reservoir, in Anhwei, was completed. Soon after that, the Huai River flooded the entire plain the reservoir was supposed to protect. Five years later, the reservoir was still not functioning. A similar fate befell the Yungting Reservoir Tunnel, near Peiping, which was opened with a loud blast of propaganda. Then came the flood, ravaging 7 million acres and washing away 2,670,000 houses.

In June 1959 the People's Daily summed up the results of many large-scale projects as follows:

> There are reservoirs without water, reservoirs with water but without aqueducts. A great number of flood-prevention works which have to be renewed yearly were not renewed, or, if they were started, were not finished.

The Party Central Committee announced in August 1958, a stupendous network of canals which would crisscross the Great China Plain. The construction, revision, and reconstruction of this system constitutes an amazing story. It created many new problems undreamed of in the Communist philosophy, because of poor planning and total lack of understanding of the complicated science of water conservation and use. The canals took away much valuable farmland; they leaked badly—in many cases 60 percent of the water escaped. Harmful salts and alkali were brought up from the subsoil, and formed a crust, after evaporation, thus spoiling much formerly dry, but good, farmland; natural water table levels were harmfully interfered with.

### GRAIN STORAGE DISASTERS

Even in China, and not in Texas alone, this area of agriculture activity has been one of many woes. Many granaries were haphazardly built. Others were created from decrepit temples or ancestral shrines; many were without windows and doors. It is reported, however, that all have fences or walls to prevent theft.

In Kwangsi, of 740,000 tons of grain inspected, 83 percent was spoiled by worms. In a granary in Shensi, 30 percent of the contents were mildewed, and 40 percent were sprouting. When the famine became acute, late in 1960, a People's Daily editorial showed that the total amount of grain stored in Communist China was unknown. Since 1961, Peiping has imported grain. The real situation apparently is now known. The peasants have nicknamed the food supply system as based on "the five don't-knows." They do not know how much grain is harvested, do not know how much is eaten, do not know how much is in the commune kitchen, do not know how much is stored in the granaries, and do not know how long the store will last.

The article written by Mr. Chu is a detailed account of many of these and similar stupidities in planning and execution—many of the tragedies visited upon a country which had done better by far without the Communist bureaucracy and tyranny.

Experience in Communist China, as well as in Russia, proves conclusively that governments cannot farm. It is hoped America will realize this before it is too late.

By means of his article, Mr. Chu has rendered a splendid service in connection with putting into proper focus the picture of present-day Communist China.

Mr. President, I ask unanimous consent to have printed in the RECORD Mr. Chu's article, entitled "The Famine Makers, a Report on Why China Is Starving." The article was published in the June 11, 1962, issue of the New Leader.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### THE FAMINE MAKERS—A REPORT ON WHY CHINA IS STARVING

(By Valentin Chu)

In the third century, B.C., the ruler of a Chinese kingdom suffering from a severe famine sought advice from the sage Mencius. The king had been energetically shifting his people and his resources about the country in an all-out effort to alleviate the starvation and to govern effectively. Yet the nation failed to prosper. He wondered why.

Mencius told the king: "If the seasons of cultivation are not interfered with, the grain will be more than you can eat. If close-knit nets are not cast in the pools and ponds, the fish and turtles will be more than you can eat. If axes enter the hills and forests only at the proper time, the wood will be more than you can use. But your dogs and swine eat the food of men, and you curb them not. People are starving by the wayside, and you open not your granaries. When people die, you say: 'I am not responsible; it is the year.' What difference is this from stabbing a man to death and saying: 'I am not responsible; it is the weapon'?"

Twenty-two centuries later Mao Tse-tung, the ruler of another Chinese empire suffering from famine, is energetically moving his people and his resources all over the country in a similar effort to govern effectively. He, too, must wonder why hunger remains the plague of his people. And it is something to wonder about. For during the decade 1949–59 Communist China's food increase was seven times its population increase. Even under the severest natural conditions, there should have been enough reserve to forestall a famine. The answer to this riddle can only be understood after a long look at both China's traditional agricultural economy and the program of the present regime since its takeover in 1949.

The land of China, slightly larger in area than the United States, is hardly ideal for agriculture. China is more mountainous than the United States, the U.S.S.R., or India. Almost 70 percent of its land is over 3,000 feet above sea level, and only 15 percent is under 1,600 feet. Its climate varies from subtropic summer to Siberian winter. Arable land on the mainland amounts to 264 million acres, or only one-tenth the total area. Of this, 30 percent is good soil, 40 percent medium quality, and the rest inferior. To maintain a subsistence level four-fifths of China's population has to toil on one-tenth of its land. In Soviet Russia, half of the population works on one-eleventh of the land to provide a meager standard of living. In the United States, one-eighth of the population farms one-fifth of the land to create a national overweight problem and pile up great surpluses.

The trouble with the Chinese is that the fecundity of their soil can never match the fecundity of their loins; in their land it is easier to breed than to feed. But too little arable land and too large a population are not the only problems. In China a year without natural calamities is indeed a year for thanksgiving. The country's peasants have always been at the mercy of their eroded mountains and capricious rivers.

China's history records 1,397 serious droughts since Christ was born. Floods have also been disastrous. The Huai River, draining an area 6 times the size of the Netherlands but without a mouth of its own, flooded its valley 979 times in 2,200 years. The mighty Yangtze River, the world's third longest, in whose valley nearly half the population lives, had 242 floods and droughts in 265 years. From mythical times there have been attempts to tame the Yellow River, known as "China's Sorrow." This 2,900-mile river, with a basin equal in area to Italy, Switzerland, and Norway combined, devastated its plain 1,500 times in 3,000 years, and made nine major changes of its course, swinging its mouth in wild arcs up to 500 miles long.

Add to all this, frequent duststorms in the arid northwest, typhoons along the coast, insect pests everywhere, rare but severe earthquakes, and it can be seen that the lot of the Chinese peasant has been tied to natural calamities. Because the peasants obtain three-quarters of their food directly from their own land, when famine strikes it always means hunger and often means starvation. One million people were killed in the 1887 flood alone. Some 800,000 lost their lives in the great earthquake of 1556, and another 246,000 perished in a similar disaster in 1920.

Moreover, after many centuries of exploitation by a vast farming population, China has very little natural vegetation left. Forests make up only one-tenth of its total area (about 80th down the list among the world's countries on a percentage area basis). The water-holding capacity of the soil is therefore extremely poor, and excessive runoff is a major cause of floods. Another major cause is the breaching of dikes. The Yellow River, the world's siltiest, deposits enough sediment on its delta to fill up one and a half Empire State Buildings daily. For hundreds of miles it flows between dikes on a riverbed high above the surrounding countryside, with the silt raising the bottom continuously. A single breach can empty the entire river onto the flat, densely populated Yellow Plain for as far as the eye can see, sometimes inundating the region for as long as a year. Many other rivers in north China have similar skyway riverbeds between precarious dikes, and floods in this area are the most destructive. When too much water goes to one place, there is bound to be too little elsewhere. And in China drought occurs oftener than floods, is even more destructive and more extensive in area, and lasts longer.

Since historically China is a land of catastrophies, it is tempting to conclude that the current famine is just one of those things. This is not so. True, Peiping has publicized the natural causes and played down other factors. But the present famine is due not so much to sudden dramatic blows from nature as to the grave errors of a bureaucracy highly efficient in control but childishly lacking in commonsense. A sizable portion of the floods and droughts which China has suffered during the past few years have been aggravated, and at times directly caused, by a decade of pseudoscientific methods in farming, irrigation, and soil treatment. Each year since the Communists came to power in 1949, the total area of farmland affected by natural calamities has risen steadily: It was only 13 million acres in 1950; 29 million in 1954; 38 million in 1956, 78 million in 1958; 107 million in 1959; and 148 million in 1960. It is safe to assume that the 1961 total, although never officially announced, was probably at least as large as 1960's.

What China is now facing is no common natural disturbance, affecting a few provinces for a short time. It is a nationwide exhaustion of the land and the people, the cumulative result of 12 years of abusing nature and human nature. Peiping's search for a breakthrough in agriculture has resulted in a breakdown.

In the beginning, the Chinese Communists attempted to implement a titantic program of farm mechanization on the Russian or American scale. But unlike either the Soviet Union or the United States, both of which have vast plains that are thinly settled, China's huge population is extremely dense wherever the land is arable. Most of the farmland consists of cut up wet paddies or terraced hillside plots where modern tractors are of no use. The United States has 5 million tractors, the U.S.S.R. 1.7 million. China has fewer than 33,500 tractors, with some 6,700 in disrepair, but despite their limited usefulness this is less than 4 percent of the number required as estimated by the regime. In October 1957 the People's Daily, Peiping's official organ, finally had to admit: "It is too early to talk about general mechanization. We have no oil, too few animals. Steel is expensive. The cost of machinery is prohibitive."

Attention was then turned to "semimechanization," which meant improved animal-powered farming implements. The glamour star of "semimechanization" was the double-wheel double-share plow, an ordinary all-metal plow pulled by animals. With great fanfare, Peiping turned out 3.5 million double plows in 1956 and 6 million in 1957. But they were a flop. Not only were they too heavy for China's wet paddies and terraced fields; they were also badly manufactured, with many brandnew plows missing parts. Soon peasants all over the country refused to use what they called the "sleeping plow." Peiping accused the peasants of "hostility toward innovations" and "backward conservatism." But 6 months later the production of a new, lighter model was announced.

Lately, the regime has been encouraging the use of small, handmade instruments. The quality of the newly made small implements, however, leaves much to be desired. A recent People's Daily editorial recalled wistfully the days of the pre-Communist peasant, when "a hoe would last three generations, the property of the man who used it, repaired it, and cared for it." Today a hoe often does not last one season, especially when it is made of the "steel" from the backyard furnaces. Nor does the peasant own it, repair it, or care for it. Instead, the small implements are "lost, wasted, or destroyed * * * left scattered in the open air in the fields where rains and winds ruin them."

Mechanization having failed as a panacea, Peiping has been trying its luck with fertilizer. Each winter since 1957 tens of millions of peasants and city residents have been taking part in fertilizer marches. With gongs clanging, drums beating, and red pennants fluttering in the scented breezes, these brigades, singing and moving in military formation, transport their precious commodity to the fields. In wooden buckets, bamboo baskets, tin cans, and earthern pots slung from bamboo poles, or in makeshift carts pulled by children, the brigades carry the excrement of China's 700 million human beings and 265 million farm animals, plus sewage silt, garbage, river mud, peat, green meal, fumigated earth, chimney ashes, brackish water, and industrial waste.

For all its bizarreness, the fertilizer drive is intended to make up for a real agricultural deficiency. Communist China produces less than 3 million tons of chemical fertilizer a year; it needs at least 10 times that amount. Peiping cannot afford to build enough modern fertilizer plants or to import fertilizer from abroad, and China must still depend largely on compost. The population daily returns to the earth, in the form of manure, more than 700 tons of phosphorus, 1,200 tons of potassium and a large amount of nitrogen. Yet human and animal excrement, green compost, and river mud have been used by Chinese farmers for 40 centuries. Thus, the fertilizer drive has not really increased fertilizing strength, even though mixing compost with adulterating ingredients has increased the total tonnage.

In the summer of 1958, after it took over direct control of agriculture, the party ordered nearly half of the cropland deep plowed and close sown. But such practices demand discretion and careful coordination with fertilization. The regime acted indiscriminately, with the result that many plants either weakened or died, and much soil was debilitated. By the fall of 1959 Peking conceded: "What we gained was not up to what we lost."

Further damage was caused by the so-called Battle of Crops. In its early stages, this involved an ambitious simultaneous assault on agriculture, fishing, animal husbandry, and forestry. The result was a reduction in the food crop. The regime then reversed its policy: Concentrate on food crops; ignore subsidiary activities. So the party kanpu (cadre) had hundreds of thousands of acres of cotton, hemp, tea, mulberry, peaches, oranges, lychees, and bamboo razed and turned into unstable, unfit, ill-conditioned fields for wet rice, wheat, and potatoes.

In agricultural China each valley and plain has its own special combination of soil, climate and economic requirements. Over the centuries, the peasants have learned which crops are the best and the most profitable. In a silk-producing area near Canton, for example, the peasants engage in fish culture as a sideline. They use the waste from the silkworms to feed the fish, then dig up the fertile mud from the fish ponds to fertilize mulberry trees, the leaves of which are fed to the silkworms. Everything is used, nothing wasted. When the mulberry trees in a village near Canton were razed by zealous party robots to plant rice, the entire cycle of agricultural economy was upset. Similar disruption was caused by plowing too deeply, sowing too closely, planting too early, using the wrong crops or wrong seeds, employing too much or too little or inadequate fertilizer, and not fallowing fields that should have been fallowed. All these mistakes dealt the harvests a severe blow.

The 1959 locust disaster is another enlightening example of the party bureaucrats' knack for worsening natural calamities. In early April of that year, peasants in Honan discovered some young locusts and reported their find to the commune's kanpu. But the kanpu scolded the peasants: "The corn and soybean have just sprouted and the wheat will ripen soon. We don't even have enough people for weeding and fertilizing. How can we divert labor for insect pests? We must take care of urgent business first." The peasants then appealed to the county party commissar. They were again pushed aside: "Little ghost and big fright! You saw an insect and you bring us a heap of blind words. We shall have an insect-destroying campaign someday anyway. Why make the fuss now?"

Two months later the crops in two counties were eaten up by locusts in 1 night. Immediately the provincial party secretary pushed the panic button and issued a set of "Regulations Pertaining to the Swift Extermination of Locusts." During 3 days in mid-June, 1.3 million peasants were hurled into a sea of locusts for an epic extermination battle. By then, however, it was too late. Crops, grass, and tree leaves on a million acres in 48 counties in Honan were stripped clean. The locusts next invaded the neighboring provinces of Anhwei, Kiangsu, and Shantung, damaging nearly 5 million acres of farmland in 179 counties. Peasants from 6 to 80 were pressed into the fight. Airplanes were used to spray insecticide. But the spraying, done with frenzy and inexperience, killed 100,000 farm animals. By Peking's own estimate, insect pests damage 10 percent of the country's grain, 20 percent of the cotton, and 40 percent of the fruits every year.

Given China's limited means, water conservation seems the only practical means of improving the country's agriculture. In sheer quantity, China has plenty of water, but its distribution is lopsided. Every year 668 cubic miles of water flow over the mainland's 3.6 million square miles of land, averaging 12 tons of water for each person daily. Three-quarters of this water, however, is in the Yangtze Valley and south of it; North China has less than 5 percent.

The regime claims that during the first 10 years of its rule the nation's irrigated area increased from 40 million to 180 million acres. Official figures speak of 40 billion man-days used to dig 105 billion cubic yards of earth (equivalent to 450 Panama Canals, or a wall 3.3 feet high and wide girdling the earth 2,000 times). The work, according to Peking, consisted of building or repairing some 60 large reservoirs, 1,000 medium ones, 4 million small reservoirs and canals, 74,600 miles of dykes, 15 million farm weirs, and 10 million wells.

The official statistics are impressive. One imagines millions of Chinese peasants, antlike and faceless, digging and hauling all over the land, disciplining the savage rivers and salving the fields with gentle moisture. With this image in mind, it is even possible to rationalize that the misery of millions forced to labor today might bring some good to additional millions who will inherit the land tomorrow. But the fact is that China's water conservation efforts have done more harm than good. Indeed, they are an important factor in the current famine.

Until 1957, Peiping concentrated its energies on big, hydroelectrically oriented dams. Many of these expensive projects were either ill planned or badly executed. The largest and most important project was a TVA-like system to regulate the Yellow River and its tributaries; by the time the river passed the vicinity of Kaifeng and reached the flat Yellow Plain, its flow was to be controlled. When the project was initiated Peiping proudly announced that the Yellow River, perhaps the world's most unmanageable body of water, would not only be tamed forever but that by 1961 its lower reaches would be crystal clear.

The key to the Yellow River system was to be the mammoth Sanmen Gorge Dam, at a point just before the river leaves the mountains. To protect it, 59 high dams were to be constructed in the upper river. By 1956 half of the high dams were completed. The same year, floods destroyed or silted up almost all of them. Despite a Chinese specialist's warning to reexamine the whole plan, the Sanmen Gorge Dam, with a 1-million-kilowatt powerplant, was started in 1957. The dam was planned, model tested, and supervised by Russian technicians. Because of structural defects, its design and construction had to be altered time and again. In 1958 there was another flood, and this time 70 percent of the swollen water came from below the Sanmen Gorge. An official technical journal, Water Conservation and Power, then admitted this proved that even after the completion of the project, major floods could not be prevented.

Another big pride of Communist China's hydraulic engineering is the much-ballyhooed Futseling Reservoir and powerplant in Anhwei. This project was completed with Russian aid in 1954. Soon after the Huai River overflowed its banks and inundated the entire plain the reservoir was supposed to protect. Five years later the reservoir was still not functioning: The sluice gates had turned out to be heavier than designed, and it was feared that they would not open when the reservoir was filled with water. A similar fate befell the Yungting Reservoir tunnel near Peking, which was also opened with a loud blast of propaganda. After the hosannas came the flood, inundating 7 million acres and washing away 2.6 million houses. Then there is the incident of the Tahuofang Dam, the country's second biggest reservoir, near Fushun in Manchuria. After a year's work on it, construction had to be halted in 1954 because it was discovered that the structure had the consistency of rubber.

Some of the mistakes are almost unbelievable. During the dry season, fields in many areas could not get a single drop of water even though the reservoirs were full. It was discovered that no one had been ordered to build water conveyance systems for the reservoirs—no sluice gates, no canals, no ditches. In June 1959, the People's Daily summed up the results of many of the large-scale projects: There are reservoirs without water, reservoirs with water but without aqueducts. A great number of flood-prevention works which have to be renewed yearly were not renewed, or, if they were started, were not finished. And Water Conservation and Power reported that a number of hydroelectric dams were leaking badly, that many reservoirs look all right as long as water is not let in, and that on some projects equipment was installed but no power could be produced. Medium and small works, by Peking's own admission, have fared even worse.

Water conservation is a complicated science. It requires detailed study, careful surveys and coordinated planning. The planners must have intimate knowledge of river flow, flood history, silt content, topography, soil characteristics, water tables, weather patterns and the needs of surrounding areas. But Peiping has never had any overall water conservation plan. Technical direction often has not matched actual working conditions. Quality has always been less important than quantity and speed. For large projects, there has never been enough steel and cement available. For smaller ones, only earth and stone have been used because of shortages. Everywhere substitute materials and shortcuts in construction have been favored—and praised as "technical innovations." Is it any wonder that China has registered such spectacular water conservation failures?

The dam fiascoes touched off an orgy of canal digging in 1958-59. Peiping finally realized that the much-vaunted huge projects, which had so impressed foreign visitors, often turned out to be mere monuments to stupidity. In 1958, the year of the great leap forward, it turned its attention from big dams to regional irrigation projects of medium and small dams, wells and, especially, canals.

In August of that year, the Party Central Committee announced a stupendous project: a network of canals which would crisscross the entire area of the China Plains and link the three great rivers—the Yellow, the Yangtze, and the Huai. The canals were to be of five sizes, ranging from small irrigation ditches to large ones accommodating 3,000-ton ships. They would serve as inland waterways, as a gigantic reservoir, and as a water-regulating system to bring water from south to north China. When the plan was announced, millions of peasants had already been digging for months. By early 1960 half of the canals in some provinces were completed.

But after months of confused experience, the small canals proved inadequate. They were too numerous, creating problems for future farm mechanization. They were also too small, providing little protection in times of flood or drought. To further complicate matters, the village kanpu in charge of digging were unclear about the various canal measurements, and they varied greatly. In the winter of 1958 the plan was revised: Small canals already dug were abandoned or filled up; medium and large canals were dug at relocated sites.

The frenzied canal digging created problems undreamed of in the Communist philosophy: The canals took away much valuable farmland. They leaked badly (in many cases 60 percent of the water escaped). In some areas where the water table was near the surface, excessively deep canals drained the land, creating an artificial drought where none had existed. In other areas, mainly in dry north China, where the water table was low and the soil unleached, water leaking from the canals raised the water table, thus accentuating capillary action through the lime-rich earth. This brought up harmful salts and alkali from the subsoil and formed a crust on the surface after evaporation, spoiling formerly dry but good farmland. By 1959, the People's Daily sensed something was wrong: "During the past 1 or 2 years, the alkalization of much soil in many irrigated areas in the North has spread." But the canal digging went on. In 1960, the same paper again reported that saltpeter, which normally appears only in serious drought, had affected millions of acres of farmland. And in April 1961 the Kuang Ming Daily noted that "arable land is continuously shrinking and alkalized soil spreading."

In a country like China, where the water balance has already been upset by centuries of intensive cultivation and population weight, the best place to store water is not behind big dams or in sloppy canals, but underground near where it falls. Not surprisingly, Peiping has also had insanely grandiose forestation plans. The original great vision program—no longer mentioned today—consisted of a number of bold forestation projects, which included two "green great walls." One was to be a 1,000-mile protective windbreaker, starting from the Chinese-Korean border, winding along the China coast, and ending at the mouth of the Yangtze. The other, equally long, was to be a forest shield against the sand from Outer Mongolia. It was to start from the vicinity of the Old Silk Road in Kansu, cut across the sand dunes of the Alashan Desert and the Ordos Desert in Inner Mongolia, and end at the great bend of the Yellow River.

In early 1956, a campaign to "green up China in 12 years" was begun. The job would be easy: "If every one of the country's 500 million peasants plants 2 trees each year, we shall have 1 billion trees in a single year." Peiping believed that in 12 years it could change China's arid land, barren hills, and deserts into 160 million acres of sylvan delight. So millions of school children were ordered to plant trees all over the country. In most cases the entire program consisted of digging holes, inserting cuttings or saplings, and watering them for a few days. Then the human sea surged in other directions, for other campaigns, and the trees were left to die of thirst.

While forestation surged up and died off, deforestation seemed to progress systematically. Forest fires and the incidence of tree diseases have increased. Artificial deforestation has also been on the increase, especially since 1958. Farm cooperatives and communes have set their cattle to graze on saplings, and have chopped down roadside trees and whole forests for timber or to "open virgin land." During the 1958 steelmaking campaign many mountains were stripped bare for fuel. A commune in Kwangtung close shaved 13 forest-covered hills in one swoop. Timber industries in forest areas, led by quota-conscious kanpu, competed with each other in cutting down big and small trees without replanting. Even saplings were not left to protect the soil, which soon became barren. Since the 1958 Great Leap, the Chinese have been too busy making steel, digging canals, and fighting calamities to worry about reforestation. But deforestation is continuing at an even faster pace, reducing the already poor moisture-capturing capacity of the soil, extending the erosion area, heightening excessive runoff of rainwater, and insuring severer damage from floods and droughts for generations to come.

The foolish squandering of resources and manpower on big, haphazard projects before 1958, and the wanton canal digging since then, has deteriorated the water and soil in China's richest farming regions. It is no coincidence that the worst droughts of the past 4 years have taken place in the very provinces where millions dug canals from 1957–59. The entire hydrologic cycle in China is now upset by faulty water conservation and deforestation. Communist China has unwittingly changed nature.

While food coming out of the earth is decreasing, crops already harvested are increasingly spoiled or wasted. For centuries wasting food was considered a sin in China. Under the Communists a good deal of food is unnecessarily spoiled. Many granaries are haphazardly built; others are created from decrepit temples or ancestral shrines; still others are without doors and windows—though all have fences or walls to prevent theft. One year an investigation revealed serious conditions in grain storage in seven provinces. In Kwangsi, for example, of the 740,000 tons of grain inspected, 83 percent was spoiled by worms. One granary reported 10 percent of its grain mildewed. Another, in Shensi, had 30 percent mildewed and 40 percent sprouting. The party kanpu in charge of food supply in the communes are nicknamed by the peasants: "The Five Don't Knows": They don't know how much grain is harvested; don't know how much is eaten; don't know how much is in the commune kitchen; don't know how much is stored in the granaries; and don't know how long the store will last. When famine became acute late in 1960, a People's Daily editorial revealed that the total amount of grain stored in Communist China was unknown. It launched a national campaign to weigh the stored grain, explaining: "We shall only know the real situation if we weigh and clearly account for the food grain collected." Since 1961, Peiping has imported grain. The real situation, apparently, is now known.

The efficiency of China's farm labor, low in the old days because of inadequate equipment, has been lowered even further by Peiping's administrative epilepsy. The peasants always worked hard; each knew what to do and how to do it with the limited means available. Today, they are told how to plow, when to sow, and what to plant. They are pressed into a robot army and maneuvered with human-sea strategy and commando tactics.

In the winter of 1955, many millions were "volunteered" into constructing dams and dikes. The following summer, when it was found that subsidiary farmwork had slumped to half its normal amount, they were shunted back to the fields. In some provinces the party ordered up to 40 percent of the peasants to stick to subsidiary farmwork, although drought was spreading. Left unharvested, much rice and sweet potatoes were damaged by the drought. When this was discovered, the peasants were hurried back to plant more food crops. Meanwhile, the half-finished dams and dikes they had left were damaged by floods.

In 1958 some 60 million people, most of them peasants, were told to make village steel, creating a labor shortage on the farms. In many areas fertilizer was not put into the fields and rice was not harvested in time. Forty percent of the land in Hopei Province that needed sowing was left untended. In north China cotton and potato picking were not done on time. Elsewhere 650,000 tons of tobacco leaves were plucked but unsorted, and the damp leaves began to spoil. For three consecutive winters, up to 70 million peasants were commandeered to dig canals. More recently, the peasants have been recruited to fight flood and drought. The number of calamity fighters now exceeds 10 million in each seriously affected province. When the fertilizer drive was on, 80 million had to forage for manure. When there was a coal shortage, 20 million were sent to the hills to dig for dubious fuel.

The madcap use of farm labor is responsible for at least one unnatural disaster, the "weed calamity." This term was coined by the Communists to denote fields left unplanted or unattended which subsequently were found covered with weeds. The weed calamity first came to light in 1959. By the fall of 1960 weeds were reported in at least 13 provinces, from northern Manchuria to Kiangsu, and covered 20 percent of China's farmland. In many areas the weeds were taller than the crops. In Shantung one-third of the farmland was covered by weeds, which at places grew so thick that a "man was unable to walk into the fields." Soon the Ministry of Agriculture sounded another alarm, this time to fight weeds. Peasants, city people, students, civil servants, and even soldiers were ordered to forsake whatever they were doing and handpluck weeds from the fields. In Hopei, 6 million were mobilized; in Shantung, more than 7 million. In Liaoning, two-thirds of the students and civil servants from the cities were diverted to the countryside. In Shansi, half of the total farm labor was used.

The more the peasants work under the party's blundering policy, of course, the less they produce. And the less they produce, the more they have to work. The end result is debilitating famine.

At present, an ordinary resident in show cities like Peiping and Shanghai receives a small ration of inferior rice or flour, plus a monthly allotment of about half a pound of pork, 3 ounces of sugar, and 3 ounces of edible oil. For a small quantity of vegetables, he has to line up as early as 3 a.m. Eggs, poultry, and fish have virtually disappeared. The peasant in the commune receives much less—usually two bowls of semiliquid gruel or paste, made from bad cereals, gritty flour, or sweet potatoes, for each meal.

Since 1959, Communist China has officially ordered the eating of rice husks, bean waste, potato leaves, pumpkin flowers, wild plants and algea. During the past two winters, each province sent from a half a million to 3 million peasants and city dwellers to forage for wild plants in the hills. Newspapers praised the high nutritive value of wild plants and recommended recipes for these and other novel foods. Rice straw, soaked in lime solution, dried, ground into powder and mixed with flour, is made into cakes and served in restaurants upon surrender of ration coupons.

China's streets and villages, formerly cluttered with friendly dogs and cats, are now empty of domestic animals. Common birds such as sparrows, pigeons, crows and cuckoos are also gone. Some 2.2 billion sparrows were systematically exterminated as predatory birds in a nationwide campaign. The campaign ended when a sizable increase in predatory insects was noted.

The appearance of a wild rabbit or a crow in China today is an occasion for a mass hunt for extra food. Sweetpotatoes, turnips and other vegetables grown in city suburbs must be guarded throughout the night, or they will be stolen by city people who raid the fields and sometimes eat the loot on the spot. Beggars openly wait by restaurant tables for leftover food, often grabbing food from the patrons. Policemen merely shrug at such petty crimes. The blackmarket is growing, supplied by corrupt Communists controlling food supply centers. Blackmarket rings sometimes have their own sampans and armed escorts.

Until late 1960, Communist China limited food parcels from Hong Kong and Macao. Immediately after the restrictions were lifted, the tiny Hong Kong post office was buried under a daily avalanche of 50,000 food parcels from frantic relatives; at present, more than 200,000 parcels are sent daily. The little British colony now has more than 1,000 firms specializing in sending food parcels to China. Not long ago, Hong Kong Communist newspapers eagerly quoted a Japanese visitor to China who said, "I did not see any hunger in Peking." On the same pages where this story appeared were advertisements of firms offering to deliver food parcels to China with such screaming titles as "Fast, Fast, Fast" and "Rocket Speed."

A normal man in the Far East, according to the United Nations' Food and Agriculture Organization, requires a minimum of 2,300 calories of food daily. In food-short India, according to a United Nations survey, the daily average intake is 2,000 calories. In prewar China it was 2,234 calories. At present, a great number of Chinese peasants, who must put in 14 to 18 hours of hard labor a day, receive less than 1,000 calories.

Like most Asian countries, China has always had major public health problems. Modern doctors number only 1 to every 10,000 people. Except for those in the big cities, people have to depend on the traditional herb doctors, who are good at common ailments but have little knowledge of contagious diseases and surgery. In certain rural areas diseases like schistosomiasis (a chronic intestinal malady involving enlargement of the liver and spleen), hookworm and beriberi have always been common. But the bulk of the population has fared well perhaps because of strong immunities and wise eating habits. Except for fresh fruits, the Chinese have never eaten uncooked food or unboiled water. And most Chinese food is eaten piping hot.

During the first few years of Communist rule, a real attempt was made to improve health. Notable were the campaigns of fly swatting, rat exterminating, and street sweeping, all amply reported by foreign visitors. But since the mid-1950's, and particularly since the "great leap," conditions have changed drastically. Drinking water in the communes is no longer boiled, because of fuel shortage, although in many villages water is often taken from polluted creeks and ponds. Manure, green compost, and garbage are handled with bare hands during the fertilizer drives. Newspapers often praise fertilizer heroes who, after handling manure, refuse to wash their hands as a patriotic gesture. And collective working and living without adequate sanitary precautions has resulted in widespread food poisoning and epidemics.

According to recent refugee information, one out of three or four peasants have dropsy. It is not uncommon for laborers working in the fields to collapse and drop dead suddenly. A former Government technician from Nanchang has reported that in his bureau 20 percent of the civil servants had liver inflammation or infectious hepatitis. A nurse from Peking said 10 percent of her colleagues were hospitalized. Hospitals in all cities are full of patients suffering from hepatitis and other diseases, but only serious cases are admitted. Tuberculosis is also spreading widely, but sufferers are not even treated, because TB is less alarming than other prevalent diseases. Many babies are born dead. Families of people who die have to make reservations at the busy crematoriums; those who supply firewood get priority.

These grisly firsthand accounts are supported by the official press in its guarded but still revealing stories. In July 1959 the Honan Peasant's Daily, a provincial paper not even allowed outside Honan, divulged that many peasants were dying from malnutrition and overwork. During 2 summer weeks in 1959, 367,000 peasants collapsed and 29,000 died in the fields of Honan. In the same summer 60,000 peasants collapsed after 6 days and nights of floodfighting with little sleep or rest. Other press reports reveal that during similar periods 7,000 peasants died in the fields in Kiangsi, 8,000 in Kiangsu and 13,000 in Chekiang.

Epidemics have been developing in China for 4 years, though their full extent is not known. At first the press was able to cover up the situation, but during the past 2 years there have been partial admissions and reports of "seasonal contagious diseases." Moreover, the Minister of Health, Li Te-ch'uan, recently admitted that in 1959 a total of 70 million cases of schistosomiasis, filariasis (parasitic worms in the blood), hookworm and malaria were treated. She has also admitted that influenza, measles, diphtheria and spinal meningitis are spreading at water conservation sites, in commune nurseries and primary schools. In April 1960, too, the People's Congress revealed that kalaazar (infection of the liver, spleen and bone marrow, especially prevalent among children) was spreading; that ke-shan (a disease caused by infected water) had erupted in Inner Mongolia; and that there was large-scale chemical poisoning in industrial cities. Six months later, an emergency public health committee warned that careless handling of manure, garbage and dirty water had spread all kinds of diseases: schistosomiasis, tapeworm, hookworm, diphtheria, typhus, liver inflammation and animal diseases.

Actual epidemic conditions have never been publicly reported. They can only be gathered from press reports about large numbers of public health teams rushing madly from cities to unnamed rural areas at short notice. In the spring of 1960, some 500,000 city people from 8 provinces were sent to the countryside to enforce emergency public health measures. In the summer of that year, 110,000 were sent to villages in Szechwan, 60,000 to Hunan, and 2,000 to Fukien. According to refugees, cholera killed 30,000 to 50,000 in Kwangtung last year alone. After the plague spread to Hong Kong, Macao, Indonesia, and North Borneo, Peiping finally admitted the outbreak of cholera to the Geneva Red Cross.

The regime is worried not so much about the people's suffering, however, as it is about the loss of manpower. The basic rule was sternly laid down by the People's Daily in late 1959: "The point of departure is production. It must be our unwavering determination in fighting pests and extinguishing diseases that this work shall be subservient to production. Public health as a purpose in itself—a bourgeois way of thinking—should not be permitted."

When a government fails to fill its people's stomachs, it finds it even harder to wash their brains. Escapees report that food riots occurred throughout south China in 1960 and 1961, with many killed. Tens of thousands of peasants have deserted famine-stricken northern Kiangsu and converged on once-prosperous Shanghai, searching for food. Other groups are moving from Chekiang into Fukien. Of course, only last month 70,000 from Kwangtung sought refuge across the border in Hong Kong.

In December 1960, workers at the Anshan steel mills and the Fushun coal mines, China's biggest steel and coal centers, staged a strike demanding food and cotton as wages. Later, in Sian, students of 38 colleges and high schools turned a memorial meeting into an antihunger demonstration. Similar demonstrations broke out in Szechwan cities. In Hunan, soldiers sent to pursue granary robbers deliberately let the thieving peasants escape. In any army barrack in Kiangsu, soldiers refused to get out of their beds for morning drills, protesting against short rations, which have now affected all the armed forces. And a strong, well-organized underground movement is making its presence felt repeatedly in Shanghai, where most of modern China's revolutions have begun.

All this could be a mere straw in the wind. Impulsive demonstrations and spontaneous food riots are no match against a monolithic regime with a powerful secret police and armed forces. But if overt resistance is not effective at the moment, the conditions breeding it are likely to persist and will probably get worse. Thus the monolithic picture could be deceptive. No one realizes this more than the Chinese Communists themselves. Peiping recently resuscitated the regional political bureaus to tighten its control over the provinces. It has replaced militiamen in strategic areas with regular troops, and steadily moved stored grain from the communes to bigger granaries near cities, which are easier to guard.

Communist China is estimated to have 2.5 million regular troops and 20 million militiamen. The militia is no longer trusted because it is part of the local peasantry. Nearly 90 percent of the regular troops are recruited from the peasantry. Their families, who formerly received special privileges, are now living the same hard life as other peasants. The morale of the regular troops will become an increasingly significant factor if peasant livelihood is not improved. Furthermore, among the peasants and water conservation workers there are 10 million demobilized soldiers. These veterans are the bitterest and the most articulate complainers. Since 1958, a vast number of low-level kanpu, who have been sent to the countryside to live, work and eat with the peasants, have been infected. They have been repeatedly blamed by Peiping for being afraid of the peasants and for their misguided sentimentality.

It would be highly unrealistic to ignore the significant realinement of forces which has taken place in China during the past few years. Many westerners tend to appraise the Communist regime by simply gawking at its production statistics, or weighing its military equipment, or guessing what is up its diplomatic sleeves. They seldom try to probe into the crosscurrents of China's complex economy, or the subtle psychological undertow of its silent millions. This is food for thought for the free world.

## POSSIBILITY OF FEDERAL ACTION CITED IN EAST TEXAS OILFIELD DRILLING PROBE

Mr. YARBOROUGH. Mr. President, I wish to bring to the attention of Congress information concerning the latest developments in the massive east Texas oilfield drilling scandal. On several days in the past 2 weeks, editorials in the Dallas Times Herald, one of the five largest newspapers in Texas, have stated that this mammoth theft of oil is approaching $6 million in value a month, and that over the course of 25 months, at the rate of theft, $150 million worth of oil will have been stolen in violation of Federal law.

I wish particularly to call attention to an article published by the Associated Press, which states that there is the possibility of Federal prosecution in the oil-drilling scandal under the Connally Hot Oil Act.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "Order Prohibiting Oil Well Plugging Extended," published in the Houston Post of June 13, 1962, and also an article entitled "Court Action Viewed in Etex Oil Scandal," published in the Dallas Times Herald of June 15, 1962.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Houston Post, June 13, 1962]

### ORDER PROHIBITING OIL WELL PLUGGING EXTENDED

AUSTIN.—The Texas Railroad Commission Tuesday extended for 30 days its order forbidding operators in the east Texas oilfield to plug their wells and thus interfere with the massive oil-stealing probe.

The commission's original 15-day order was due to run out at the end of this week, but was extended at the request of the attorney general's office which has hired private crews to survey suspected wells.

The action came after Assistant Attorney General Houghton Brownlee told the Associated Press that the first round of surveys to find crooked wells in the rich field might not be completed by the tentative deadline of Saturday.

Attorney General Will Wilson said originally that he hoped the first round of directional surveys in the field would be completed by this week.

However, Brownlee said Tuesday, "It's not going as fast as we originally thought. We might finish by the end of the week, but it looks doubtful now."

Railroad Commission Chairman W. J. Murray said recently that the surveys were not being completed as fast as planned because of unfamiliarity with some of the well hookups.

"It's like going into someone else's kitchen to bake a cake," he said. "It takes a little longer to find out just where the salt and sugar and flour are."

The private crews hired by the State to do the directional surveys completed No. 21 Monday and scheduled six more for Tuesday. Wilson said that directional surveys are not being done unless inclination surveys first show that a well has been illegally deviated—slanted or curved—to take oil from nearby leases.

The relatively quick and inexpensive inclination surveys done by the railroad commission can show whether a well is illegally deviated. However, the more time-consuming and costly—about $800—directional surveys must then be run to find out exactly how much slant there is.

Brownlee said that investigators are running into elaborate devices to disguise illegal operations in the field.

One of the devices, he said, is to hook up several low-producing or nonproductive wells to an illegally slanted well and make it appear that oil is coming from all of them.

On one lease, Brownlee said, an investigator found a maze of buried plastic pipe connected to a buried electric switch which turned on and started oil flowing from dummy wells when someone kicked a rock on the surface of the ground.

The plastic pipe was used instead of metal pipe, he said, so that investigators could not find it with mine detectors.

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[From the Dallas Times Herald, Friday, June 15, 1962]

### COURT ACTION VIEWED IN ETEX OIL SCANDAL

AUSTIN.—State court action against operators who drilled slanted holes in the east Texas oilfield may come in a month or 6 weeks, Attorney General Will Wilson said yesterday.

Wilson said the facts of the crooked hole drilling become more startling as he goes further into the case.

Wilson, the Texas Railroad Commission, and the State department of public safety are investigating the wells which allegedly are slanted in order to siphon oil from nearby leases. Federal authorities are looking into the case also.

"I think we have just touched one corner of the situation," Wilson said.

The suits, which Wilson's office is contemplating, could seek up to $1,000 a day for each day an illegally deviated well was in operation.

Along with State action, there is the possibility of Federal prosecution under the Connally "Hot Oil Act" and civil damage suits being filed by lease owners who lost oil to deviated wells.

Directional surveys have been made on 23 wells in the last 2 weeks. The surveys are not conducted unless earlier inclination surveys by the Railroad Commission show that the well hole is slanted more than 3° from straight down.

Wilson won restraining orders on four more leases yesterday prohibiting operators from interfering with the commission's surveys. Similar orders now cover 32 leases.

One commission employee has estimated that before the tests are completed, 160 wells will be surveyed. Wilson estimates this at several hundred.

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## AGREEMENT BETWEEN UNITED STATES AND BELGIUM FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

Mr. GORE. Mr. President, on May 29, 1962, President Kennedy transmitted to the Congress a proposed agreement between the Government of the United States of America and the Government of Belgium for cooperation in the uses of atomic energy for mutual defense purposes. This agreement has been referred to the Joint Committee on Atomic Energy and to its Subcommittee on Agreements for Cooperation, of which I am the chairman.

The purpose of this proposed agreement is to permit the exchange of restricted data and certain nonnuclear materials to enable improved cooperation in developing plans and training Belgian personnel assigned to NATO forces. Similar agreements have been signed with some of the other NATO countries, and the President has made the determination that the performance of this agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

The Atomic Energy Act requires that any such proposed agreement for cooperation relating to the military uses of atomic energy must be submitted to the Congress and the Joint Committee for a 60-day period prior to execution of the agreement. It has been the practice of the Joint Committee to hold a hearing on each proposed agreement and to submit a report to the Members of the Senate and the House in order that they may be fully informed of the provisions and implications of any such proposed agreement.

Accordingly, I have scheduled a public hearing of the Subcommittee on Agreements for Cooperation on Monday, June 25, 1962, at 2 p.m., to consider this proposed agreement with Belgium as well as certain other proposed agreements relating to the peaceful uses of atomic energy which may then be pending before the Joint Committee for its review.

Mr. President, I ask unanimous consent that a copy of the proposed agreement with Belgium, and certain supporting documents, be printed in the RECORD following my remarks.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

*To the Congress of the United States:*

This Government has recently signed with the Government of Belgium an atomic cooperation agreement for mutual defense purposes. This agreement, which has been concluded pursuant to sections 91–c and 144–b of the Atomic Energy Act, is essentially the same as agreements we have concluded since 1959 with a number of other NATO countries. By providing for the exchange of information and nonnuclear materials the agreement with Belgium will enable us to cooperate in developing plans and training personnel so that Belgian NATO forces can effectively contribute with other NATO countries to the collective defense effort. The members of NATO have made clear that it is necessary for their common defense to maintain the most modern NATO forces, and that these forces must be capable of using nuclear weapons if necessary. Since it is well known that measures to build NATO military strength are designed solely for defense purposes, these measures should not be a cause of concern to other countries.

In general, NATO countries are proceeding simultaneously along two lines to provide for their necessary military strength: conventional forces are being strengthened, and an effective nuclear capability is being maintained. The conclusion of this agreement is consistent with these current policies and with the continuing alliance purposes of collective defense.

I am forwarding a copy of the atomic cooperation agreement with Belgium to each House of the Congress, in accordance with the Atomic Energy Act of 1954, as amended. I am also forwarding a letter from the Secretary of State transmitting an authoritative text of the agreement, a copy of the joint communication by the Secretary of Defense and the Chairman of the Atomic Energy Commission recommending my approval of the agreement and a copy of the memorandum recording my affirmative response to their recommendation.

JOHN F. KENNEDY.

THE WHITE HOUSE, *May 29, 1962.*

The following is the text of the letter to the President from the Secretary of State:

MAY 18, 1962.

The PRESIDENT,
*The White House.*

DEAR MR. PRESIDENT: I have the honor to lay before you with a view to its submission to the Congress, pursuant to the Atomic

Energy Act of 1954, as amended, an authoritative copy of an Agreement Between the Government of the United States of America and the Government of Belgium for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes, which was signed at Brussels on May 17, 1962.

This agreement was signed on behalf of the United States pursuant to the authorization granted in your memorandum of March 23, 1962, to the Secretary of Defense and the Chairman of the Atomic Energy Commission, a copy of which was transmitted to the Department of State.

Faithfully yours,

DEAN RUSK.

The following is the text of the letter to the President from the Chairman of the Atomic Energy Commission and the Deputy Secretary of Defense:

MARCH 22, 1962.

THE PRESIDENT,
*The White House.*

DEAR MR. PRESIDENT: There is hereby submitted for your consideration and approval a proposed Agreement between the Government of the United States of America and the Government of Belgium for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

The proposed Agreement will permit, under the authority of Sections 91c and 144b of the Atomic Energy Act of 1954, as amended, the transfer of classified information and certain equipment necessary for the purpose of improving the state of training and operational readiness of the armed forces of Belgium. The December 1957 NATO Heads of Government meeting established the concept of a stockpile of arms for the strengthening of NATO's defenses, and this present Agreement is an important part of the implementation of this concept. The carrying out of this Agreement should do much to advance our mutual defense interest, including the vital cause of strengthening the NATO defensive alliance, and will thereby aid materially in the defense of the United States.

Article II of the Agreement provides for the transfer of classified information, including "Restricted Data" and "Formerly Restricted Data," necessary to the development of defense plans; the training of personnel in the employment of and the defense against atomic weapons and other military applications of atomic energy; the evaluation of the capability of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and the development of delivery systems capable of carrying atomic weapons.

Article III of the Agreement provides that the United States will transfer non-nuclear parts of atomic weapons systems involving Restricted Data (other than non-nuclear parts of atomic weapons) for the purpose of improving the state of training and operational readiness of the armed forces of Belgium. However, in view of Section 91c of the Atomic Energy Act, the applicability of which is reflected in Article IV of the Agreement, no transfer can be made if it would contribute significantly to the recipient nation's atomic weapon design, development or fabrication capability. It is not possible to determine at this time the types, quantities and conditions of transfer, whether by sale, lease or loan, of those parts which it will become necessary to transfer for our mutual defense during the period of the Agreement. Accordingly, under the terms and conditions of the Agreement, it will be necessary to determine from time to time the types, quantities and conditions of transfer and such determination shall be submitted for your approval.

The Agreement would remain in force until terminated by agreement of both parties, thus assuring continued protection for the information and equipment transferred in accordance with the provision of the Agreement. However, cooperation for the transfer of information and equipment under Articles II and III of the Agreement may be discontinued by either party in the event of the termination of the North Atlantic Treaty.

In accordance with the provisions of Sections 91c and 144b of the Atomic Energy Act of 1954, the Agreement specifically provides in Article I that all cooperation under the Agreement will be undertaken only when the communicating or transferring party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security. Article I of the Agreement also provides, in accordance with the Act, that all cooperation under the Agreement will be undertaken only while the United States and Belgium are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto. Cooperation under Articles II and III of the Agreement would be undertaken only when these conditions prevail.

Article IV of the Agreement stipulates that the cooperation under the Agreement will be carried out by each of the parties in accordance with its applicable laws. Article IV also makes clear that there will be no transfer under the Agreement of atomic weapons, non-nuclear parts of atomic weapons or special nuclear material.

In addition to the foregoing provisions on the terms, conditions, duration, nature and scope of cooperation, the Agreement provides that the parties will maintain agreed security safeguards and standards. The Agreement also contains particular commitments that the recipient of any equipment or information that is obtained pursuant to the Agreement will not transfer it to unauthorized persons and will not transfer it beyond the jurisdiction of the recipient party, except in limited circumstances specifically provided in the Agreement.

Belgium is now participating with the United States in an international arrangement pursuant to which Belgium is making substantial and material contributions to the mutual defense and security. It is the view of the Department of Defense and the Atomic Energy Commission that this Agreement is entirely in accord with the provisions of the Atomic Energy Act of 1954, as amended. It is the considered opinion of the Department of Defense and the Atomic Energy Commission that the performance of the proposed Agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

Accordingly, it is recommended that you (a) approve the program for the transfer of non-nuclear parts of atomic weapon systems involving Restricted Data under the terms and conditions provided in this letter and the proposed Agreement; however, types, quantities and conditions of transfer of such parts are subject to your later approval; (b) determine that the performance of this Agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (c) approve the proposed Agreement and authorize its execution for the Government of the United States in a manner specified by the Secretary of State.

The Secretary of State concurs in the foregoing recommendations.

Sincerely,

ROSWELL L. GILPATRIC,
*Deputy Secretary of Defense.*
GLENN T. SEABORG,
*Chairman, Atomic Energy Commission.*

MEMORANDUM FOR THE SECRETARY OF DEFENSE AND THE CHAIRMAN, ATOMIC ENERGY COMMISSION

MARCH 23, 1962.

In your joint letter to me of March 22, 1962, you recommended that I approve a proposed Agreement between the Government of the United States of America and the Government of Belgium for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

Belgium is participating with the United States in an international arrangement pursuant to which it is making substantial and material contributions to the mutual defense and security. The proposed Agreement will permit cooperation necessary to improve the state of training operational readiness of the armed forces of Belgium, subject to provisions, conditions, guarantees, terms and special determinations, which are most appropriate in this important area of mutual assistance, in accordance with the agreement in principle reached in December 1957.

Having considered your joint recommendations and the cooperation provided for in the Agreement, including security safeguards and other terms and conditions of the agreement, I hereby (1) approve the program for the transfer of non-nuclear parts of atomic weapon systems involving Restricted Data under the terms and conditions provided in your joint letter and the proposed Agreement; however, types, quantities and conditions of transfer of such parts are subject to my further approval; (2) determine that the performance of this Agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and (3) approve the proposed Agreement and authorize its execution for the Government of the United States in a manner designated by the Secretary of State.

JOHN F. KENNEDY.

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## AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF BELGIUM FOR COOPERATION ON THE USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES

The Government of the United States of America and the Government of Belgium,

Considering that they have concluded a Mutual Defense Assistance Agreement, pursuant to which each Government will make available to the other equipment, materials, services, or other military assistance in accordance with such terms and conditions as may be agreed;

Considering that their mutual security and defense require that they be prepared to meet the contingencies of atomic warfare;

Considering that they are participating together in an international arrangement pursuant to which they are making substantial and material contributions to their mutual defense and security;

Recognizing that their common defense and security will be advanced by the exchange of information concerning atomic energy and by the transfer of certain types of equipment;

Believing that such exchange and transfer can be undertaken without risk to the defense and security of either country; and

Taking into consideration the United States Atomic Energy Act of 1954, as amended, and all applicable statutes of Belgium, which were enacted or prepared with these purposes in mind;

Have agreed as follows:

### ARTICLE I

General provisions: While the United States and Belgium are participating in an international arrangement for their mutual defense and security and making substantial and material contributions thereto, each

Party will communicate to and exchange with the other Party information and transfer non-nuclear parts of atomic weapons systems involving Restricted Data to the other Party in accordance with the provisions of this Agreement, provided that the communicating or transferring Party determines that such cooperation will promote and will not constitute an unreasonable risk to its defense and security.

ARTICLE II

Exchange of information: Each Party will communicate to or exchange with the other Party such classified information as is jointly determined to be necessary to: (a) the development of defense plans; (b) the training of personnel in the employment of and defense against atomic weapons and other military applications of atomic energy; (c) the evaluation of the capabilities of potential enemies in the employment of atomic weapons and other military applications of atomic energy; and (d) the development of delivery systems compatible with the atomic weapons which they carry.

ARTICLE III

Transfer of non-nuclear parts of atomic weapons systems: The Government of the United States will transfer to the Government of Belgium, subject to terms and conditions to be agreed, non-nuclear parts of atomic weapons systems involving Restricted Data as such parts are jointly determined to be necessary for the purpose of improving Belgium's state of training and operational readiness.

ARTICLE IV

Conditions:

A. Cooperation under this Agreement will be carried out by each of the parties in accordance with its applicable laws.

B. Under this Agreement there will be no transfer by either Party of atomic weapons, non-nuclear parts of atomic weapons, or special nuclear materials.

C. The information communicated or exchanged, or non-nuclear parts of atomic weapons systems transferred, by either Party pursuant to this Agreement shall be used by the recipient Party exclusively for the preparation or implementation of defense plans in the mutual interests of the two countries.

D. Nothing in this Agreement shall preclude the communication or exchange of classified information which is transmissible under other arrangements between the Parties.

ARTICLE V

Guarantees:

A. Classified information and non-nuclear parts of atomic weapons systems communicated or transferred pursuant to this Agreement shall be accorded full security protection under applicable security arrangements between the Parties and applicable national legislation and regulations of the Parties. In no case shall either Party maintain security standards for safeguarding classified information, and non-nuclear parts of atomic weapons systems, made available pursuant to this Agreement less restrictive than those set forth in the applicable security arrangements in effect on the date this Agreement comes into force.

B. Classified information communicated or exchanged pursuant to this Agreement will be made available through channels existing or hereafter agreed for the communication or exchange of such information between the Parties.

C. Classified information, communicated or exchanged, and any non-nuclear parts of atomic weapons systems transferred pursuant to this Agreement shall not be communicated, exchanged or transferred by the recipient Party or persons under its jurisdiction to any unauthorized persons or, except as provided in Article VI of this Agreement, beyond the jurisdiction of that Party. Each Party may stipulate the degree to which any of the information and non-nuclear parts of atomic weapons systems communicated, exchanged or transferred by it or persons under its jurisdiction pursuant to this Agreement may be disseminated or distributed; may specify the categories of persons who may have access to such information or non-nuclear parts of atomic weapons systems; and may impose such other restrictions on the dissemination or distribution of such information or non-nuclear parts of atomic weapons systems as it deems necessary.

ARTICLE VI

Dissemination: Nothing in this Agreement shall be interpreted or operate as a bar or restriction to consultation or cooperation in any field of defense by either Party with other nations or international organizations. Neither Party, however, shall so communicate classified information or transfer or permit access to or use of non-nuclear parts of atomic weapons systems made available by the other Party pursuant to this Agreement unless:

A. It is notified by the originating Party that all appropriate provisions and requirements of the originating Party's applicable laws, including authorization by competent bodies of the originating Party, have been complied with which would be necessary to authorize the originating Party directly so to communicate to, transfer to, permit access to or use by such other nation or international organization; and further that the originating Party authorizes the recipient Party so to communicate to, transfer to, permit access to or use by such other nation or international organization; or

B. The originating Party has informed the recipient Party that the originating Party has so communicated to, transferred to, permitted access to or use by such other nation or international organization.

ARTICLE VII

Classification policies: Agreed classification policies shall be maintained with respect to all classified information and non-nuclear parts of atomic weapons systems communicated, exchanged, or transferred under this Agreement.

ARTICLE VIII

Responsibility for use of information and non-nuclear parts of atomic weapons systems: The application or use of any information (including design drawings and specifications) or non-nuclear parts of atomic weapons systems communicated, exchanged or transferred under this Agreement shall be the responsibility of the Party receiving it, and the other Party does not provide any indemnity or warranty with respect to such application or use.

ARTICLE IX

Patents: The recipient Party shall use the classified information communicated, or revealed by equipment transferred hereunder, for the purposes specified herein only. Any inventions or discoveries resulting from possession of such information on the part of the recipient Party or persons under its jurisdiction shall be made available to the other Party for all purposes without charge in accordance with such arrangements as may be agreed and shall be safeguarded in accordance with the provisions of Article V of this Agreement.

ARTICLE X

Definitions: For the purposes of this agreement:

A. "Atomic weapon" means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use as, or for development of, a weapon, a weapon prototype, or a weapon test device.

B. "Classified information" means information, data, materials, services, or any other matter with the security designation of "Confidential" or higher applied under the legislation or regulations of either the United States or Belgium, including that designated by the Government of the United States as "Restricted Data" or "Formerly Restricted Data" and that designated by the Government of Belgium as "Atomic".

C. "Non-nuclear parts of atomic weapons" means parts of atomic weapons which are specially designed for them and are not in general use in other end products and which are not made of, in whole or in part, special nuclear material; and "non-nuclear parts of atomic weapons systems involving Restricted Data" means parts of atomic weapons systems, other than non-nuclear parts of atomic weapons, which contain or reveal atomic information and which are not made of, in whole or in part, special nuclear material.

D. As used in this agreement, the term "atomic information" means:

1. So far as concerns information provided by the Government of the United States, information which is designated "Restricted Data" and "Formerly Restricted Data."

2. So far as concerns information provided by the Government of Belgium, information which is designated "Atomic."

ARTICLE XI

Duration: This Agreement shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all legal requirements for the entry into force of this Agreement, and shall remain in force until terminated by agreement of both Parties except that either Party may terminate its cooperation under Articles II or III upon the expiration of the North Atlantic Treaty.

In witness whereof, the undersigned, duly authorized, have signed this Agreement.

Done at Brussels, in duplicate, in the English and French languages, both texts being equally authentic, this 17th day of May, 1962.

For the Government of the United States of America:

DOUGLAS MACARTHUR II.

For the Government of Belgium:

P. H. SPAAK.

## HIGH INTEREST RATES

**Mr. LONG of Louisiana.** Mr. President, in connection with the current furor over the alleged antibusiness bias of the Kennedy administration, inquiry into the present situation with regard to interest rates is pertinent.

There is nothing quite so complicated as the money and credit system of this, the greatest capitalistic nation on earth. It was planned to be that way. Otherwise, the workingman who pays throughout his lifetime for services in which he is not the least bit interested would demand a better break. With his vote, he would get it.

If the public ever comes to understand the monetary and fiscal system of this country, there will be an effort to make it more complicated in order to perpetrate the built-in injustices in the system.

In the past, when I have criticized high interest rates, I have found persons who would attempt to justify them.

But if an individual attempted to loan out at interest money which he did not possess, he would wind up in jail. Yet this Nation has made it legal for the Federal Reserve System to do just that.

Furthermore, under the Constitution of the United States, the power of issuing currency is vested in the Congress. But this power has been turned over through legislation to the Federal Reserve Board. This Board actually has the power to make money. Mr. President, look at your $5, $10, $20 bills. As you know, they are not backed by gold. They are not backed by silver. They are supported only by the imagination. Naturally, the Government promises to pay so many dollars. But what is a dollar? It does not represent any given amount of anything.

Furthermore, when we get into the realm of loaning dollars which do not exist, the whole problem becomes so complicated and nebulous that fewer than one man in a thousand can be expected to understand it.

This, then, is what the national banks are permitted to do. They loan money which they do not possess merely by writing down a column of figures on a ledger sheet. Many of them operate with practically no cash whatever when they open their doors. They simply take the money from the receiving windows and hand it back out the paying windows.

And the banker is permitted to loan a dollar out five times over. Here is how it works: For every dollar deposited, the bank can loan out 80 cents. When Smith deposits a dollar, 80 cents are loaned to Jones. Jones deposits the 80 cents; and 64 cents are loaned to Brown. Brown buys from Green, and Green deposits the 64 cents; whereupon the bank loans out 51 cents. And so on.

On demand deposits the banks pay no interest whatever; yet every dollar they loan is out at interest averaging about 6 percent. These are concerns licensed to do business with the credit of the Government, which represents all the people of the United States. Under the Eisenhower administration, the banks were permitted to double the charge for the services they were rendering in some cases, and greatly increase that charge in all other cases. The charge in this case is called interest.

This was the field in which it was easiest for the administration to reward wealthy friends for campaign contributions. It was so complicated that a poor man could not possibly figure it all out. Any time some one did complain about it, nothing more was required than for some Wall Street banker to state that complaining endangered the economy.

The entire matter could thus be covered up through the use of slogans like "honest money," "hard money," and so on.

Naturally, it is necessary that there be credit and interest on borrowed money. Experience has shown, however, that the country cannot remain prosperous with high interest rates. It seems that Republicans are unable to keep interest rates down when they are in power. But there is no reason why Democrats should not be able to do a better job.

During the 20 years that President Roosevelt and President Truman occupied the White House, the average rate of interest on new Federal issues was 1.7 percent. This contrasts with a figure of almost 5 percent on new issues for the Republican year 1960.

I regret to state that since President Kennedy assumed office, overall interest rates have continued to rise. Three-month Treasury bills were up from a yield of 2.3 percent in January 1961 to 2.8 percent in the week ending with March 17 of this year.

Taxable bonds rose from 3.9 percent to 4.03 percent.

High-grade municipal bonds fell from 3.46 percent to 3.18 percent.

Corporate AAA bonds remained about the same, rising from 4.32 percent in January 1961 to 4.39 percent.

Corporate BAA bonds moved from 5.08 percent to 5.04 percent.

Prime commercial paper rose from 2.98 percent to 3.25 percent.

Mr. President, figures of this kind are pertinent to the question of whether the Kennedy administration is antibusiness. I am one of those who feel that, whatever fault there may be lies in the other direction. I would like to see this Democratic administration continue in the tradition of its predecessors with regard to interest rates and fiscal policy.

## REVIEW OF U.S. POLICY ON SOUTHEAST ASIA URGED BY SENATE MAJORITY LEADER

Mr. YARBOROUGH. Mr. President, in connection with the U.S. policy in southeast Asia, the able and distinguished majority leader of the U.S. Senate made a thought-provoking and searching speech to the Nation a few days ago. The speech by the distinguished majority leader of the Senate is by a Senator who brings to the subject knowledge gained by many years of service in the Senate Foreign Relations Committee and personal visits to southeast Asia.

His speech has stimulated an editorial in the San Antonio Light, one of the important newspapers in one of the largest cities in Texas.

I ask unanimous consent to have printed in the RECORD the editorial from the Light, of San Antonio, Tex., for Thursday, June 14, 1962, captioned "Blowing the Whistle," which is most laudatory of the distinguished majority leader.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### BLOWING THE WHISTLE

When the Democratic majority leader of the Senate takes a positive stand on a phase of the foreign policy of the country, attention should be paid to it.

The State Department is accustomed to going its own way but it cannot ignore Senator MIKE MANSFIELD because he is a real power in the Senate and because he is a learned man, a former university professor.

MANSFIELD wants our policy in southeast Asia reviewed. We have poured $3 billion into that area with small results.

Our allies do not choose to fight even for their own security. Aid seems to disappear among government officials, very little coming down to the people.

The amount that some recipients of our aid spend for Parisian dresses and furs would shock this country.

Senator MIKE MANSFIELD says:

"After years of enormous expenditures of aid in South Vietnam, that country is more, rather than less, dependent on aid from the United States."

This does require explanation.

## PROPOSED AMENDMENTS TO AGREEMENTS FOR COOPERATION IN THE FIELD OF PEACEFUL USES OF ATOMIC ENERGY—NOTICE OF HEARING

Mr. GORE. Mr. President, as chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy, I would like to advise all Members of the Senate of four proposed amendments to agreements for cooperation with other nations in the field of peaceful uses of atomic energy, recently submitted to the Joint Committee by the executive branch.

These are amendments to agreements for cooperation with Brazil, the Republic of China, Portugal, and Thailand. In each case the agreement is extended for 2 years and contains a provision which would facilitate assumption of safeguards by the International Atomic Energy Agency if mutually agreed upon by the parties to the present agreements.

Mr. President, I request unanimous consent to have printed in the RECORD at the conclusion of my remarks the text of the proposed amendment with Brazil, together with a letter from the Commission to the President recommending approval, a letter from the President containing the appropriate determinations and authorizing execution of the amendment, and a letter from the Chairman of the Atomic Energy Commission to the chairman of the Joint Committee on Atomic Energy. The amendments and the correspondence concerning the amendments with China, Portugal, and Thailand are similar in all respects.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GORE. Mr. President, the Joint Committee has also received amendments to two agreements for cooperation with Euratom, relating to the peaceful uses of atomic energy, and also an amendment to the agreement for cooperation with Belgium relating to the military uses of atomic energy.

The Joint Committee has been informed that amendments to the agreements for cooperation with the following nations and governmental entities are now in final stages of negotiation, and may soon be submitted to the Joint Committee for review: Argentina, city of West Berlin, France, Israel, Greece, South Africa, Sweden, and West Germany.

Mr. President, I have scheduled a public hearing by the subcommittee on Monday, June 25, 1962, at 2 p.m. to consider the various proposed amendments which may then be pending before the Joint Committee on Atomic Energy.

EXHIBIT 1

U.S. ATOMIC ENERGY COMMISSION,
*Washington, D.C., June 6, 1962.*
Hon. CHET HOLIFIELD,
*Chairman, Joint Committee on Atomic Energy, Congress of the United States.*

DEAR MR. HOLIFIELD: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there are submitted with this letter:

(a) An executed amendment to the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of the United States of Brazil;

(b) A letter from the Commission to the President recommending approval of the amendment; and

(c) A letter from the President to the Commission approving the amendment, containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security and authorizing its execution.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would extend for 2 years the Agreement for Cooperation signed by the Government of the United States of America and the Government of the United States of Brazil on August 3, 1955, as amended by amendments signed on July 9, 1958, and June 11, 1960. The amendment also includes, in article I, provisions contained in other similar agreements which would permit the transfer to Brazil of materials, including limited quantities of special nuclear material, for use in defined research projects when such materials are not available commercially. In order to facilitate assumption of safeguards administration by the International Atomic Energy Agency (IAEA), the amendment further modifies the Agreement for Cooperation, as amended, by providing, in article II, that the parties may at any time enter into arrangements for application of IAEA safeguards to materials and equipment transferred to Brazil under the agreement, without modifying the agreement, and that such arrangements may include provisions for suspension of safeguards rights accorded the Commission under the agreement during the time and to the extent that IAEA safeguards apply to the materials and facilities.

The amendment will enter into force when the two Governments have exchanged notifications that their respective statutory and constitutional requiremens have been fulfilled.

Sincerely yours,
GLENN E. SEABORG,
*Chairman.*

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U.S. ATOMIC ENERGY COMMISSION,
*Washington, D.C., May 16, 1962.*
THE PRESIDENT,
*The White House.*

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "Amendment to Agreement for Cooperation Between the Government of the United States of America and the Government of the United States of Brazil Concerning Civil Uses of Atomic Energy," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, will extend for 2 years the Agreement for Cooperation signed by the Government of the United States of America and the Government of the United States of Brazil on August 3, 1955, as amended by amendments signed on July 9, 1958, and June 11, 1960. The amendment also includes, in article I, provisions contained in other similar agreements which would permit the transfer to Brazil of materials, including limited quantities of special nuclear material, for use in defined research projects when such materials are not available commercially.

In order to facilitate assumption of safeguards administration by the International Atomic Energy Agency (IAEA), the amendment further modifies the Agreement for Cooperation, as amended, by providing, in article II, that the parties may at any time enter into arrangements for application of IAEA safeguards to materials and equipment transferred to Brazil under the agreement, without modifying the agreement, and that such arrangements may include provisions for suspension of safeguards rights accorded the Commission under the agreement during the time and to the extent that IAEA safeguards apply to the materials and facilities.

Although the Government of the United States of Brazil was encouraged to let its agreement expire this coming summer with the view that its future requirements would be satisfied through the IAEA, and the materials and equipment transferred would be placed under safeguards administered by the IAEA, the Government of the United States of Brazil advised that it would prefer to have its Agreement for Cooperation extended at this time. Discussions will be continued with the Brazilian Government, however, with the objective of further encouraging that Government to place its reactor and associated fuel under safeguards arrangements administered by the IAEA, and to draw increasingly upon the resources of the IAEA to satisfy its future requirements.

Following your determination, approval and authorization, the amendment will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of the United States of Brazil. In compliance with section 123c of the Atomic Energy Act, as amended, the amendment will then be placed before the Joint Committee on Atomic Energy.

Respectfully yours,
GLENN T. SEABORG,
*Chairman.*

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THE WHITE HOUSE,
*Washington, D.C., May 24, 1962.*
Hon. GLENN T. SEABORG,
*Atomic Energy Commission,*
*Washington, D.C.*

DEAR MR. SEABORG: In accordance with section 123 of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has submitted to me a proposed "Amendment to Agreement for Cooperation Between the Government of the United States of America and the Government of the United States of Brazil Concerning Civil Uses of Atomic Energy," as amended, and recommended that I approve the proposed amendment, determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would extend for 2 years the term of the present Agreement for Cooperation signed by the Government of the United States of America and the Government of the United States of Brazil on August 3, 1955, as amended by amendments signed on July 9, 1958, and June 11, 1960. The amendment also includes language to facilitate assumption of safeguards administration by the International Atomic Energy Agency during the term of the agreement without further modifying the agreement, and provisions which would permit the transfer to Brazil of materials, including limited quantities of special nuclear material, for use in defined research projects when such materials are not available commercially.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

(a) Determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States.

(b) Approve the proposed amendment between the Government of the United States of America and the Government of the United States of Brazil enclosed with your letter submitting the proposed amendment.

(c) Authorize the execution of the proposed amendment for the Government of the United States of America by appropriate authorities of the United States Atomic Energy Commission and the Department of State.

Sincerely,
JOHN F. KENNEDY.

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### AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED STATES OF BRAZIL CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of the United States of Brazil,

Desiring to amend the Agreement for Cooperation Between the Government of the United States of America and the Government of the United States of Brazil Concerning Civil Uses of Atomic Energy signed at Rio de Janeiro on August 3, 1955 (hereinafter referred to as the "Agreement for Cooperation"), as amended by the Agreements signed at Washington on July 9, 1958 and June 11, 1960,

Agree as follows:

#### ARTICLE I

The following new Article is added directly after Article III of the Agreement for Cooperation, as amended:

#### "ARTICLE III(A)

"Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy undertaken by the Government of the United States of Brazil, or persons under its jurisdiction, including source materials, special nuclear materials, by-product material, other radioisotopes, and stable isotopes, will be sold or otherwise transferred to the Government of the United States of Brazil by the Commission for research purposes in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially. In no case, however, shall the quantity of special nuclear materials under the jurisdiction of the Government of the United States of Brazil, by reason of transfer under this Article, be, at any one time, in excess of 100 grams of contained U-235, 10 grams of U-233, 250 grams of plutonium in the form of fabricated foils and sources, and 10 grams of plutonium in other forms."

#### ARTICLE II

The following sentences are added at the end of Article VII(A) of the Agreement for Cooperation, as amended: "* * * It is understood that, without modifying this Agreement, the Parties may at any time enter into arrangements to provide for application of International Atomic Energy Agency safeguards to materials and facilities transferred to the Government of the United States of Brazil under this Agreement. It is contemplated that such arrangements may include provisions for suspension of the safeguards rights accorded the Commission by Article VI, paragraph C, of this Agreement during the time and to the extent that the Agency's safeguards apply to such materials and facilities."

### ARTICLE III

Article VIII of the Agreement for Cooperation, as amended, is further amended by deleting the date "August 2, 1962" and substituting in lieu thereof the date "August 2, 1964."

### ARTICLE IV

This Amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation, as hereby amended.

In witness whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington, in duplicate, this twenty-eighth day of May 1962.

For the Government of the United States of America:

RICHARD N. GOODWIN.
GLENN T. SEABORG.

For the Government of the United States of Brazil:

MIGUEL A. OZ DE ALMEIDA.

Certified to be a true copy:

ALLAN T. DALTON,
*Division of International Affairs, U.S. Atomic Energy Commission.*

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## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

**The PRESIDING OFFICER** (Mr. MUSKIE in the chair). The question is on agreeing to the amendment lettered "T," submitted by the Senator from Louisiana [Mr. LONG], on behalf of himself and certain other Senators.

**Mr. SMATHERS.** Mr. President, I suggest the absence of a quorum.

**The PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. SMATHERS.** Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

**Mr. KEFAUVER.** Mr. President, many of us feel very deeply and sincerely about the subject we are discussing. I am sure that none of us who are opposed to the bill have questioned the motives or the integrity or the good will of any Member of the Senate or of the Congress; and certainly I do not.

In asking for live quorums and in objecting to committees meeting while the Senate is in session, it has not been done for the purpose of inconveniencing any Senator or any committee; but it is very difficult, and not very useful, to talk about an important subject of this kind when almost no Senators are present to listen.

This is a very important matter, one which can and will greatly affect the foreign relations of the United States. The proposal gives us an opportunity to get into closer communication with people all over the world. It will bring into operation a remarkable new kind of communication, in which the peoples of the world can be closer to one another, in which there can be an understanding on the part of the people of one nation of the problems of the people of another nation. All this is important in the interest of peace. It is important in the interest of freedom.

So what we do in connection with this bill will have a very great impact upon that which all of us who are peace-loving want—understanding, communication, knowledge of one another, in the interest of that which we all pray for and dream of—peace and good will.

This issue is of great importance domestically, as I shall point out in this and other speeches I shall make on the subject, and as will be pointed out in speeches which other Members of the Senate will make.

The bill before the Senate does not follow the guidelines or purposes set forth by the President of the United States when he asked for consideration of the problem. The bill would create a private monopoly and would carve out from the antitrust laws an exception to the antitrust laws—the first time I know of in the history of our Nation that a monopoly has been carved out of the antitrust laws, at a time when we are trying to provide better enforcement and more protection by virtue of our antitrust laws.

The public interest would not be protected by the pending bill. The suppliers of the hardware needed are not protected. It violates the historic principles laid down in connection with communications since the beginning of this Nation, namely, that one form of communication shall not be entitled to own, control, or operate a competing form of communication.

That principle has been established as a result of debates over a period of many years in the Congress of the United States. It is the American principle that has encouraged the development of competing forms of transportation. We do not allow the railroads to own the airlines, in view of what the railroads, with all their good intentions, would do about airlines. Of course, they would not develop them. We do not allow the railroads or the airlines to own shipping on the rivers and canals of the Nation. And so on down the line.

I do not want to hurt the feelings of anyone, but this proposal is the most extraordinary giveaway of a great asset of the Nation that I have ever known in the history of our country. The Government of the United States—the taxpayers, if you please—has spent many hundreds of millions of dollars in research on space satellite communications in which at least 90 percent of the research and development has been done by the Government, to say nothing of the billions of dollars we have spent in research and development in building missiles, rockets, and carriers which are necessary to place a space communications satellite in orbit. It is proposed to give the benefits of this research away completely to a private corporation for profit, which will be dominated by the American Telephone & Telegraph Co., as I shall develop in my speech.

The taxpayers get nothing in return The people who have made this research and development possible are the taxpayers of the entire Nation. They will get nothing in return for the investment they have made.

The pending proposal does not give us the best chance of having the best satellite communications system in the shortest length of time.

It is my opinion—and it will be developed in various speeches—that in pursuing the course we are pursuing, or are planning to pursue, if this bill is passed, we shall be far behind other nations in the development of a communications satellite system. We shall not have the kind of organization that can negotiate. We shall have an obsolete one that will not give us, as a Nation, leadership in this field, in which we have spent so much time, money, and energy.

The whole purport of the bill involves a gift to the corporation, without the corporation's giving anything back to the Government. The President is required to advise, to give this or to give that; but there is no reciprocation, no giving back.

NASA is required to do certain things for the corporation; but the corporation is required to do nothing for NASA.

The State Department is required, if it is called upon by the corporation, to negotiate and to arrange international agreements; but there is no reciprocation on the part of the corporation to do anything for the State Department.

To my knowledge, this is the first time that this great American Republic has delegated its sovereignty to a private corporation for the purpose of making treaties and executive agreements which of necessity must arise as a result of any successful international communications satellite system.

Furthermore, the bill is an affront, and will plague us the rest of our days in the United Nations and other forums of public opinion which are so important in the interest of peace and understanding.

I know it is not easy to oppose the bill. I know the lobbying which has been and is being carried on for its passage. I know the high standing of the representatives of the communications carriers, particularly of A.T. & T., in the various States and sections throughout the country. These people are interested. They are good people. I do not blame them for being interested. But they are effective in getting over their point of view.

Furthermore, in the Government of the United States they have been effective in presenting the viewpoint of private monopoly communications carriers and of derogating even the Syncom system, which of course will be the ultimate successful satellite communications system. They are even derogatory of the Advent system, on which the Signal Corps of the Army was working. That program has had to be reappraised. A.T. & T. played a part in the success of getting a substantial part of the Advent program taken from the Army and given to the Air Force. If any Senator wishes to ask questions on that subject, I am in a position to substantiate the statement, although we might need an executive session in order to see some secret documents with which I am familiar.

On July 24, 1961, President Kennedy issued a statement on communication satellite policy. Recognizing that science and technology had progressed to such a degree that communications through the use of space satellites had become possible, he expressed the belief that the United States should exercise leadership in developing a system for the benefit of the entire world.

For the information of the Senate, I refer to the place where this documentation can be found. It is, of course, in the CONGRESSIONAL RECORD. It is also to be found in the very excellent hearings conducted by the Subcommittee on Monopoly of the Select Committee on Small Business, under the chairmanship of the Senator from Louisiana [Mr. LONG], beginning on page 16 of the hearings.

Mr. President, I do not know where all the copies of the printed hearings on the bill are. Hearings have been held before the Committee on Aeronautical and Space Sciences, before the Committee on Commerce, before the Subcommittee on Monopoly of the Select Committee on Small Business under the chairmanship of the Senator from Louisiana [Mr. LONG], and before the Antitrust and Monopoly Subcommittee; but copies of all those hearings do not seem to be on the desks of Senators. I had hoped that they might be made available for reference by Senators.

On page 16 of the hearings before the Subcommittee on Monopoly the guidelines sent to the Congress by the President begin.

I hope that Members of the Senate, the interested public, the excellent reporters and ladies and gentlemen of the press, radio, and television will read the speech made by the Senator from Louisiana [Mr. LONG]. It is a most thorough discussion of the entire problem, based upon wide knowledge, research, and study, logically and courageously presented. If any Senator wishes to learn of the public interest in this issue, to learn what ought to be done in the interest of the Nation, I recommend that he read the speech by the Senator from Louisiana [Mr. LONG], which began last Friday and continued on Monday, yesterday, and part of today.

Incidentally, I do not know whether the control of the lines has something to do with the problem, or exactly what is the situation, but one trouble we have experienced is that it has been almost impossible to obtain any diagnosis and information as to the ill effects of the proposed giveaway—the derogation of our position as a nation—into the news media of the country, with some very fine exceptions, I am happy to say.

This question is complicated. It is involved. It is important. It needs to be thoroughly restudied and understood by the people of our Nation. I have not the slightest doubt that, if the people of the Nation can obtain the full facts about what the proposal means, almost with unanimity they will rise in protest against the monstrous bill before the Senate at the present time.

Hearings were held before the Subcommittee on Antitrust and Monopoly. Many important facts were brought out, particularly in the antitrust and monopoly field, with respect to how little manufacturers would have difficulty getting business, with respect to how an exception to the antitrust laws would be carved out, and with respect to the violation of many important principles of government which have been established over the years; yet in many newspapers not one word appeared about what many of us thought to be very important hearings.

Somehow or other, when Mr. Dingman or someone else from A.T. & T. testified, usually there was a great deal of coverage, and a great deal of news in various media about what he had to say.

Mr. President, we need time. This will be a difficult job. I am thoroughly convinced, however, that by debating this question fully we shall be helping the public interest and doing something for the good of the people.

The President, in his message to the Congress, pointed out that additional resources would have to be devoted to the task and that a coordinated national policy should guide the use of these resources in the public interest.

All the nations of the world were invited to participate in the development and establishment of an operational satellite communications system in the interest of world peace and closer brotherhood among the peoples throughout the world.

This was President Kennedy's message. It has met with a favorable response among the people of many nations of the world.

Having stated these principles, the President said that private ownership and operation of the U.S. portion of the system was favored, provided certain policy requirements could be met. Those requirements were as follows:

First. New and expanded international communications services be made available at the earliest practicable date;

Second. Make the system global in coverage so as to provide efficient communication service throughout the whole world as soon as technically feasible, including service where individual portions of the coverage are not profitable;

Third. Provide opportunities for foreign participation through ownership or otherwise, in the communications satellite system;

Fourth. Nondiscriminatory use of and equitable access to the system by present and future authorized communications carriers;

Fifth. Effective competition, such as competitive bidding, in the acquisition of equipment used in the system;

Sixth. Structure of ownership or control which will assure maximum possible competition;

Seventh. Full compliance with antitrust legislation and with the regulatory controls of the Government;

Eighth. Development of an economical system, the benefits of which will be reflected in oversea communication rates.

The bill which has been reported out by the Commerce Committee, H.R. 11040, provides for private ownership of the U.S. portion of the global satellite communications system, but fails in many ways to meet the policy requirements established by the President for such private ownership. The bill provides for the creation of a private corporation which would not be an agency of the U.S. Government to own and operate our portion of the satellite communications system. This corporation would be a governmentally created private monopoly. In the field of communications via satellites, both domestic and international, this corporation would be without competitors, for economic and technical factors indicate that only one or a limited number of satellite systems can be established within the foreseeable future.

### NO TRULY GLOBAL SYSTEM

An analysis of the bill before us would show that it cannot insure that the new and expanded communications services for domestic and international use will be made available at the earliest possible date. The plan of private ownership as set out in this bill cannot insure that an operational satellite system providing truly global coverage will be put into operation as soon as technically feasible. Without this assurance we cannot depend on having efficient communications service throughout the world, especially in areas where coverage will not be profitable.

The provisions of the bill which are intended to insure nondiscriminatory use of, and equitable access to, the satellite communications system by present and future authorized carriers are inadequate. Also weak and inadequate are the provisions dealing with the problem of maintaining effective competition in the acquisition of equipment to be used by the satellite corporation.

### NONEXISTENT COMPETITION

One of the most important policy requirements of the President was that the structure of ownership or control of any private organization formed to operate our satellite communications system should be one that would insure maximum possible competition. The importance of such a requirement is obvious, particularly when we look at the existing high degree of concentration and the absence of any significant element of competition in the communications industry today. The revolutionary development of satellite communications affords us the opportunity to bring new competitive factors into play in the communications industry. The advent of space satellite communications has given us a chance to strengthen the market forces which are the basis of our competitive system of free enterprise.

We have at this time the opportunity to prevent further growth of private monopoly power which is so inimical to our capitalistic system. But H.R. 11040, the bill we are now considering will not create a structure of ownership or control that will assure the maximum possible competition. In fact, instead of bringing about the maximum amount of competition, this bill would go to the other extreme and create a private monopoly, and turn over the ownership of that private monopoly in large measure to companies that should be expected to compete with each other. In addition, some of the owners, the communications common carriers, are in the communications business already and have many millions of dollars, hundreds of millions, in fact, invested in facilities, such as cables under the ocean or radio transmitters and receivers that send transoceanic messages, which would be made obsolete through the early development and full utilization of a satellite communications system.

ANOTHER EXEMPTION FROM ANTITRUST LAWS

Full compliance with the antitrust laws was a further requirement stated by the President.

The President has always been in favor of the antitrust laws. He wanted the antitrust laws to be applicable to the proposed satellite and space communication system. The bill would create an exception to the antitrust laws.

As I pointed out a little while ago, the bill would definitely allow communication carriers to do things which they otherwise could not do because of the antitrust laws. If they did them without the authorization of such a bill, they would be violating the Sherman Act. They would be violating other antitrust laws. There is no doubt in my mind that they would be convicted. Our laws simply do not allow a consortium such as the one the bill proposes. The companies would work together not only for the purpose of doing a specific act, but they would be in the position of being forced together. They would be in a position to talk things over, and thus violate the antitrust laws and even other laws.

It is unthinkable to me that the Congress and our Government generally, which takes such pride in the antitrust laws, and which we know are the guardians of our free competitive enterprises system, would by its own action make possible the doing of something which in and of itself would be a violation of the antitrust laws. It would carve itself out an exception. How can we expect a great deal of respect for the antitrust laws, and compliance with them, if we take the lead in writing exceptions such as the one proposed?

Only if Congress creates this exemption will it be possible for the competing firms to join together in this proposed joint venture to own the private satellite corporation. It would require a peculiar kind of logic to be able to argue that something which requires exemption from the antitrust laws for its very existence can nonetheless represent full compliance with the same antitrust laws. It is inconsistent with the principles of our antitrust laws to allow competitors and suppliers to own the company with which they must compete and which they must supply.

I am sorry that none of the spokesmen who support the bill are here. I would think that the chairman of the subcommittee and others who are interested in the bill would wish to hear the arguments against it and be present to support the bill, but apparently they feel so sure of their position that they do not care to come to the Chamber. Perhaps they may be present later.

It has been argued by spokesmen who support this bill that it is necessary to allow the communications carriers to participate in ownership of the satellite corporation. Our common objective, agreed on by everyone, is the earliest possible establishment of a workable satellite communications system. The common carriers have technical knowledge which will be valuable in reaching this objective, but from these two separate facts it does not follow that the only way to enlist the technical skills and knowhow for use in development of an operational system is by allowing the owners of those skills to own the private corporation. Any argument that a failure to allow such participation in ownership by the carriers will retard the development of the system is a serious accusation against the carriers, the manufacturing and supplying corporations, and the individuals who possess the technical knowledge. I would not make such an argument nor would I support such an accusation. By the same token, I cannot believe that those who favor this bill actually have so little faith in our Nation that they can take their own argument seriously. The necessary skills and technology currently in possession of the communications industry could readily be made available to any agency organized, created, or designated by the Congress to be responsible for the establishment of a satellite communications system.

Mr. President, it is really not the companies who are making the argument that their skills will not be available unless they have a private monopoly. They do not do this themselves. They are doing themselves very proud, I am glad to say, and they have a better record than that. We did a good job in developing atomic energy by our Government. It was a remarkable achievement. The way we did it was that contracts for different specific operations were given to private corporations, such as Union Carbide, Eastman Kodak, and many others. Their technicians did a magnificent job under contract with the Atomic Energy Commission. The only thing that the Manhattan project did, which was the Atomic Energy Commission, was in the main, at least, to coordinate the efforts of the various contractors.

A great many corporations, including the Hughes Aircraft, RCA, Bendix, Philco, and many others have been doing a fine job under contract with the Government in connection with the communications satellite. There are small companies also, like Sjeldahl. A.T. & T. bid on the so-called Relay project to do the job as a contractor. I am sure, had it been the successful bidder it would have put its best scientists and technicians on the work. It would have done a good job. The Government decided to give that particular contract to RCA. RCA has been doing a very good job on it.

It is not fair to the companies—and the people of the United States know better—to fall for the argument that because a company cannot have a monopoly in doing something and reap profits out of it, it will not put its best skilled men to work on it, and put forth its best energy and skill in doing the job for the Government of the United States.

There is nothing to prevent the appropriately selected organization from contracting with the carriers, the equipment manufacturers, or the individuals who are needed to make the program a success.

The U.S. communication satellite program got off to a bad start. When the possibility of a space communication satellite occurred, the Government, in January 1961, decided that the best way to organize plans for the control and ownership and development of the satellite communications system was to have the communication carriers themselves decide on the plan and the program. This is exactly like having the foxes take care of the henhouse, as the Senator from Louisiana pointed out the other day.

Mr. LONG of Louisiana. Madam President, will the Senator yield?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator yield to the Senator from Louisiana?

Mr. KEFAUVER. I am happy to yield to the distinguished Senator from Louisiana. I wish he could have been present earlier to hear me commend his outstanding speech.

Mr. LONG of Louisiana. I thank the Senator. I will read the speech of the Senator in the RECORD. I know that the Senator from Tennessee, who is chairman of the Antimonopoly Subcommittee of the Committee on the Judiciary, is very much concerned about this subject as a monopoly problem. It is somewhat amusing, when the Federal Government undertook to determine what should be done with this fantastic new development, which will have a million-dollar impact annually upon the economy of the United States, that it should ask the so-called international communications carriers to present a plan as to how the program should be carried out. It would be in violation of the antitrust laws for the various interests to even get together in a room to talk about anything of mutual interest among them unless they first asked the consent of the Justice Department. So the consent of the Justice Department was obtained. Otherwise it would have been in violation of the law for them even to get together in a room. They did get together. They got together to see what should be done. When they were all through, to whom did they say it should be given? They said, "Give it to us."

As the Senator from Tennessee has said, it is like putting the foxes in charge of the henhouse. Their recommendation was, "Give it to us; to nobody else."

Mr. KEFAUVER. That is where we got off to a bad start. It is like saying to the railroads, when the airplanes first came into being: "What should we do about airplane development? We will appoint an ad hoc committee, and we will let you, the railroads, decide who is going to own and operate the airplanes."

In other words, we would let the railroads decide what limits should be established in connection with the airplane industry.

Mr. LONG of Louisiana. The same thing could have been done with reference to bus transportation. We could have let the railroads appoint an ad hoc committee to decide who should own the buses. They would have gotten together and then come forth with the answer: "We will own the buses. That is our recommendation. We will own the buses, and no one else."

The same thing could have been true with respect to the trucking lines, as to who should own the trucking lines. The railroads could have said: "Give them to us, and nobody else. We will own the trucking lines."

They would have recommended what has been the recommendation in this case. They would have recommended that they join in a consortium.

Mr. KEFAUVER. In the same way the development of our intercoastal canal could have been decided. An ad hoc committee could have been appointed, consisting of the railroads and airlines and buses, to decide how the canal should be operated.

Mr. LONG of Louisiana. The same system could have been followed in connection with the building of the St. Lawrence Seaway. The ad hoc committee no doubt would have said: "Do not build it in international waters, because Canada will have some voice in it. Let us build it up the Hudson River and give us ownership of the locks and everything else. Give it to us."

The Senator from Tennessee certainly can recognize a conflict of interest here, can he not?

Mr. KEFAUVER. It started out with a conflict of interest. The parties started by doing what otherwise would have been in direct violation of the law. They could not even have gotten together in the first place if they had not obtained an exemption or waiver from the Department of Justice.

It is the most outrageous, ridiculous approach to a great problem that I have ever heard of. I know of no parallel in American history in which people were picked by the Government to protect their own property, people who want to have this great asset themselves and decide who shall own it and operate it.

The Federal Communications Commission could have answered the question without appointing a committee to do so. Their candid answer would have been, "Give it to us." That is what the bill would do. Anyway, that is how the program got off to a bad start. Undoubtedly, with the ad hoc report by the people who wanted to benefit from the program, saying, "Give it to us," they talked with officials in NASA and other agencies. In the other agencies there were persons who had been with or were on loan from the very beneficiaries, the companies who were joining in urging, "Give it to us."

Mr. LONG of Louisiana. Does not the Senator know that after the proposed plan was made, the representatives of the Bell Telephone System, which is, of course, American Telephone & Telegraph Co., then proceeded to look up the people who might have some influence, and tried to persuade them to accept the plan proposed by the ad hoc committee, and that the Federal Communications Commission actually did its best to try to have that plan adopted?

Mr. KEFAUVER. Yes; that is so. They did not get away with their plan. The ad hoc committee wanted the whole thing. They did not want the public to have a share of stock. They persuaded the Federal Communications Commission—and it was not hard to persuade the Commission, because the carriers have always had great influence with the Commission—to take that position, and that was the position of the FCC.

They said, in effect, "Give it all to us, even though we do not think it is really revolutionary."

They tried to belittle the effectiveness of and the great good which could come from the proposal. That is how the administration got off on the wrong foot. That is the reason why the bill ought to be sent back to committee and put over until the next Congress. The people will then be able to know what is happening.

Mr. LONG of Louisiana. Is not this situation comparable with the analogy which a former Democratic standard bearer, Adlai Stevenson, made concerning the Taft-Hartley Act? He said that act had been amended a number of times. Its own sponsor has recommended 25 amendments. Mr. Stevenson said that if a person had a tire which had had 50 punctures in it, rather than to repair the tire again, the owner would probably get another tire.

Mr. KEFAUVER. I agree. In my opinion, there is no way to put the bill in such shape as to assure the protection of the public interest.

Mr. LONG of Louisiana. Many of those who support the bill insisted upon amendments which tended to go in the right direction, but the amendments were not supported by the American Telephone & Telegraph Co. On that basis, they point out their great independence in acting on the bill. But is it not really true that the amendments to the bill, while they might tend to mitigate somewhat the faulty nature of the proposal, failed to remove its basic defects?

Mr. KEFAUVER. The Senator is entirely correct. In that connection, the Senator from Rhode Island [Mr. PASTORE], the chairman of the subcommittee, was most generous in allowing the Senator from Louisiana and me to testify at length before the Committee on Commerce. He afforded us an opportunity to present several suggested amendments which we desired to propose. Some of them have been accepted, but they do not remove the great basic difficulty in the bill.

Also, while the bill has been improved in some respects, it has also been made worse in committee in other respects. A.T. & T. is now in a position to own 50 percent of the stock, or up to 100 percent of the stock set aside, for the carriers. In a previous bill, they were limited, as I recall, to 25 percent. So while there has been some improvement, there has also been some derogation in favor of greater dominance by the big carriers, especially A.T. & T.

Mr. LONG of Louisiana. I thank the Senator from Tennessee for yielding.

Mr. KEFAUVER. I appreciate the observations of the Senator from Louisiana.

Mr. YARBOROUGH. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Texas.

Mr. YARBOROUGH. I commend the distinguished Senator from Tennessee for the notable work he has been doing to inform the Senate and the country of the great detriment to the country which would result from enactment of the bill in its present form. As chairman of the Subcommittee on Antitrust and Monopoly, the Senator from Tennessee held informative hearings. Then he testified day after day before the Committee on Commerce, which held hearings on the communications satellite bill. The Senator from Tennessee has made a notable contribution in the Senate and before the committees. I express my commendation of his vigor.

Mr. KEFAUVER. I appreciate the statement of the Senator from Texas. It has been a great encouragement to all of us to observe the great amount of attention which the Senator from Texas has given to this important problem. In this matter, as he does in so many others which I could enumerate, he works courageously and ever diligently for the public interest. He attended the meetings of the Committee on Commerce at all times and was instrumental in making certain that the committee held full and complete hearings. He presented many amendments, some of which were adopted, which improved the bill.

The distinguished Senator from Texas and the distinguished Senator from Alaska [Mr. BARTLETT] wrote pertinent minority views, urging rejection of the bill. Their views are contained in the report of the committee. I congratulate the Senators upon them.

Mr. YARBOROUGH. I thank the distinguished Senator from Tennessee. I further commend him for the affirmative proposal which he has introduced in the Senate. His has not been merely a negative view, seeking to oppose a bill which is pending. He himself has pending affirmative proposed legislation, and he is the principal sponsor of an amendment to the pending bill, that being the amendment designated "6-15-62-H," to call upon the Satellite Communications Authority to act to create a Government-owned corporation and to keep the rates at a level which will be in the public interest. So the Senator from Tennessee has not merely followed a course of negation; he has followed an affirmative course, a course which seeks to do something for the benefit of the country; something which will be workable and practicable and will result in great benefit to all the people of the Nation. I congratulate him upon the positive, affirmative approach he has taken.

Mr. KEFAUVER. The feeling of the Senator from Texas is greatly appreciated. I know it will be given careful attention in the Senate and throughout the country.

Mr. YARBOROUGH. I thank the distinguished Senator from Tennessee.

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## AWARD OF PROJECT MOHOLE CONTRACT

Mr. KUCHEL. Madam President, on March 30, 1962, I requested the Comptroller General of the United States to investigate the procedures followed by the National Science Foundation in its award of a contract for phase II of Project Mohole to the firm of Brown & Root, Inc., of Houston, Tex. On June 18, 1962, the Comptroller General submitted to me an 8-page report on this matter.

In this report the Comptroller General summarized the procedures followed by the National Science Foundation in making this procurement. He noted that the NSF has tentatively agreed to award Brown & Root a fixed fee contract of $1.8 million, based on a project duration of about 5 years and ultimate project costs of $43.6 million.

The Comptroller General expressed doubt that "meaningful estimates of costs could have been developed for a research project such as Mohole." He did note, however, that the final competing groups were asked in January 1962, by the NSF, "to estimate the cost and time required to carry the project through the initial penetration of the mantle beneath the earth's crust."

I found it revealing that Global-Aerojet-Shell Marine Co., a joint venture, estimated a cost of $23 million and a time requirement of 33–45 months. Brown & Root estimated $35 million and 5 years, while Socony Mobil estimated $44 million and about 5 years. As I noted earlier, the apparent award cost and time will be that proposed by Socony Mobil, although the award will go to Brown & Root.

In the Comptroller General's report, I found especially interesting the description of the contractor selection procedures which were used by the NSF in making this award. Generally, five broad categories of criteria for the evaluation of the various proposals were approved by the Director of the NSF. These criteria and their subfactors had various weights and points. The least weight, 8 percent, was given to the "financial capability" of the firm; another 8 percent was assigned to "comprehension and soundness of approach"; then 14 percent to "support facilities available or readily obtainable"; 31 percent was assigned to "technical and scientific experience and capability." However, the greatest emphasis, 39 percent, was given to "management and policy considerations."

Despite this emphasis on "policy" considerations, a preliminary evaluation panel consisting of six program and administrative staff members of the Foundation ranked Brown & Root fifth out of 11 responsive proposals. This panel stated that the proposal of Socony Mobil was "in a class by itself—outstanding as to every important aspect." The panel noted that the Global-Aerojet-Shell proposal was in a strong second position; but, according to the Comptroller General, the panel "found no apparent clear-cut order" below these two proposals.

The NSF Director next appointed a review panel of four senior NSF officials "to make a further evaluation and review the work of the preliminary evaluation panel." The Socony Mobil proposal was again found to be the best of those received. According to the Comptroller General, the two panels in a joint report "unanimously selected the proposal of Socony Mobil as their first choice and agreed that the proposals of Brown & Root, General Electric, Global-Aerojet-Shell, and Zapata—Off-Shore Co.—stood out over the others."

In December 1961, these five organizations had individual conferences with NSF officials. A reevaluation took place; and Global-Aerojet-Shell now scored first, with 968; Socony Mobil was second, with 964. Much further down the list was Brown & Root, with 899; followed by Zapata Off-Shore Co., with 890; and the General Electric Co., with 846. Although only 9 points separated Zapata from Brown & Root, the latter remained in the competition, while Zapata and GE were dropped.

The preliminary evaluation panel recommended that the three remaining organizations be visited in order "to obtain additional information for making a final evaluation." Following these visits, the two panels, in another joint report, stated that all three organizations were competent to complete effectively the Mohole project. According to the Comptroller General, these panels "made no recommendation as to the one which should be selected, because of the panels' inability to reconcile completely the varying views of the individual panel members."

Both "competence" and "policy" factors were among the criteria. But it was noted that the panel was "equally divided between the selection of Brown & Root and one of the oil companies, with Global-Aerojet-Shell favored if an oil company was to be selected."

The Director of the National Science Foundation, under the authority delegated to him by the NSF Board, awarded the contract to Brown & Root, Inc. The Comptroller General states that the NSF was "within its statutory authority in awarding the contract by negotiation rather than by competitive bidding under formal advertising procedures."

While noting that the "criteria and weights are basically sound and proper for application in a procurement of this nature," the Comptroller General makes it clear that "because of the scientific, technical, and engineering judgments necessarily involved in such application—he was—unable to state whether the criteria were adequately applied in evaluating the proposals."

Referring specifically to various "policy" factors "which were not included in the point evaluation but were considered in the final evaluation," the Comptroller General noted that while they were proper, "the records are not as clear as might be desired on this point." He added that "it would appear that any advantage Global-Aerojet-Shell and Socony Mobil may have held over Brown & Root in the factors previously considered in the point evaluation was offset by policy determinations favoring Brown & Root."

The Comptroller General stated that both the panels and the Director considered policy factors in considerable detail, but that "in the absence of evidence that such determinations were arbitrary or capricious, this Office—of Comptroller General of the United States—will not attempt to substitute its judgment for that of the contracting agency."

I do not quarrel with that, Madam President.

So far as the Comptroller General is concerned, this case, which began when the NSF arbitrarily denied the press access to the records of the Mohole award, is closed. I am grateful for the scrutiny the Comptroller General gave this matter. I am disappointed, however, that he did not see fit to recommend legislation which would clarify the requirements which should be followed in open-end awards of this type. I do believe that the executive branch, the responsible congressional committees, and all of us who are charged with the care of the taxpayers' dollar, have a solemn obligation to further examine similar situations.

I do not know whether the public interest is served in the award of this contract. I hope it is. I do know that the Comptroller General portrays a history of this transaction that is difficult for me to understand.

My concern in this governmental contract, as in every governmental transaction, is the protection of the interest of the American people. In an award, the lowest responsible bidder should prevail. Of course, there is the important element of judgment by the public servant involved in the award. But when so-called "policy considerations" overturn what appear to be unassailable facts on who can do the job the cheapest, those "policy considerations" ought to be fully and completely disclosed. And except where the national security is a factor, the public's business ought always to be performed in full public view.

I am not prepared to accept the Comptroller General's conclusion that in the field of the National Science Foundation's procurement policy, no legislative changes are indicated. This problem, in my view, requires considerable careful study by the Congress, and particularly by the Senate Committees on Government Operations and Labor and Public Welfare, which have jurisdiction over the work of the National Science Foundation. We seek to serve the public interest, not the interests of the selfish few, no matter how politically powerful they may appear to be.

Madam President, I ask unanimous consent to have printed at this point in the RECORD the text of the June 18 letter from the Comptroller General to me; the text of my letter in regard to this matter, dated March 20, and addressed to the Director of the National Science Foundation; the text of my March 30 letter to the Comptroller General; as well as newspaper articles on this matter from the March 18, March 22, April 1, April 3, May 11, and May 18 issues of the Los Angeles Times.

There being no objection, the letters and the articles were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE
UNITED STATES,
*Washington, June 18, 1962.*

Hon. THOMAS H. KUCHEL,
*U.S. Senate.*

DEAR SENATOR KUCHEL: Pursuant to your request dated March 30, 1962, we have reviewed the award of letter contract NSF-C260 to Brown & Root, Inc., by the National Science Foundation for phase II of the deep crustal studies of the earth—commonly referred to as the Mohole project. You requested our opinion as to what Federal statutes governed the award of the contract; whether the statutes were followed; and since there was no competitive bidding, what recommendations, if any, we could suggest for improvements to the law which would serve the public interest more efficiently. You also requested our views relating to the administrative procedures followed by the National Science Foundation in the award of the contract, including the soundness of the qualitative standards used and whether such standards were adhered to in light of the award.

Our comments and conclusions relating to these matters follow:

Letter contract: The letter contract between the National Science Foundation and Brown & Root, Inc., dated March 16, 1962, is an agreement to negotiate a definitive cost-plus-a-fixed-fee contract for the furnishing of the services, material, facilities, and all work necessary for the drilling, sampling, and logging of a hole through the crust of the earth. The contract provides for Brown & Root to proceed immediately with the preparation of an engineering plan, detailed cost estimates, and recommendations relating to the various scientific and engineering aspects of the project. The contract further provides for the execution of a definitive contract by June 20, 1962, at which time the letter contract will terminate, unless extended by the foundation. Expenditures or obligations of Brown & Root under the letter contract are limited to $1.2 million, except that the limitation may be increased by the foundation upon request by the contractor.

We were informed by contract officials of the foundation that negotiations with Brown & Root were proceeding toward the award of a definitive contract and that the negotiations have resulted in a tentative understanding for a fixed fee of $1.8 million based on a project duration of about 5 years and ultimate project costs of about $43.6 million.

Contracting authority: The letter contract was made pursuant to authority contained in the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1881). Section 3 of the act authorizes and directs the Foundation, among other things, "to initiate and support basic scientific research and programs to strengthen scientific research potential in the mathematical, physical, medical, biological, engineering, and other sciences, by making contracts * * * to support such scientific activities * * *." Section 11 of the act further authorizes the Foundation, within the limitations of available appropriations, to do all things necessary to carry out the provisions of the act, including specifically the authority, when deemed appropriate, to enter into contracts for carrying on basic research activities without legal consideration, performance or other bonds, and formal advertising.

Contractor selection procedures: The selection of the contractor began on July 27, 1961, when the Foundation issued an "Invitation To Submit Proposal for Phase II of Mohole Project." The invitation requested that prospective contractors submit proposals for the management of the entire project including the providing of necessary services, facilities, material, and equipment. The invitation further stated that:

"Proposals will be evaluated on the basis of engineering approach, skills, experience, and your independent appraisals as to how you would manage the entire program. * * * Your submission showing your comprehension of and response to the problem, the feasibility of your approach and your demonstrated capabilities will be among the key factors in selection of the prime contractor."

In addition to the management proposal, prospective contractors were requested to submit supplemental information relating, among other things, to their experience in the field of experimental projects, the qualifications of staff members that would be assigned to the project, the organization's experience in marine operations, the availability of facilities required for the project, and the rate of fixed and overhead fees that would be charged to the contract. Prospective contractors were specifically advised, however, that "cost estimates are not required to be submitted in response to this invitation." We were informed by officials of the Foundation that a research engineering and development undertaking of the nature of the Mohole project involves many engineering and scientific problems for which the solutions are yet unknown and that decisions relating to such things as the location of the drilling site, type of drilling ship or platform required, and design of drilling equipment were not to be made until the contractor had analyzed all research, development, and scientific data related to the project, prepared an engineering plan, and made related cost studies. For these reasons, the Foundation believed that cost estimates with the initial proposals would not be meaningful as a factor for evaluation of the proposals.

Five broad categories of criteria for the evaluation of proposals were approved by the Director of the National Science Foundation with weights and points assigned to each as follows:

| | Weight | Points |
|---|---|---|
| | *Percent* | |
| 1. Financial capability | 8 | 80 |
| 2. Comprehension and soundness of approach | 8 | 80 |
| 3. Management and policy considerations | 39 | 390 |
| 4. Support facilities available or readily obtainable | 14 | 140 |
| 5. Technical and scientific experience and capability | 31 | 310 |
| Total | 100 | 1,000 |

Each of the five categories comprised two or more subfactors which in the case of categories 3, 4, and 5, were assigned individual weights and points. The weighing of the criteria by the foundation placed primary emphasis on management and policy considerations and on the technical and scientific experience and capability of the organizations submitting proposals. The management and policy considerations factor included as subfactors (1) the general standing and reputation of top-level management within the industry, (2) the priority to be given the project within the organization, (3) the demonstrated use of sophisticated management techniques, and (4) the grasp of organizational problems. The technical and scientific experience and capability factor covered fields such as ship construction and operations, geophysical instrumentation and exploration, design of drilling equipment, and hardrock and offshore drilling.

A preliminary evaluation panel, consisting of 6 programs and administrative staff members of the foundation, was appointed by the director to review and evaluate the 12 proposals received in response to the foundation's invitation of July 27, 1961. The panel, on the basis of its review and evaluation of the 12 proposals using the above criteria, rated the proposals in the following order:

| | *Score* |
|---|---|
| 1. Socony Mobil Oil Co | 936 |
| 2. Global-Aerojet-Shell Marine Co. (a joint venture) | 902 |
| 3. Zapata Off-Shore Co | 812 |
| 4. General Electric Co | 811 |
| 5. Brown & Root, Inc | 801 |
| 6. University of California | 787 |
| 7. Melpar, Inc | 780 |
| 8. Litten Systems, Inc | 780 |
| 9. System Development Corp | 756 |
| 10. Battelle Memorial Institute | 753 |
| 11. National Engineering Science Co | 729 |
| 12. John W. Mecom Co. and Levinson Steel Co. (proposal not responsive) | ---- |

In its evaluation report, the panel stated that the proposal of Socony Mobil was in a class by itself—outstanding as to every important aspect, and that the proposal of Global-Aerojet-Shell was in a strong second position. Below these two proposals, the panel found no apparent clearcut order and recommended that preliminary negotiations toward award of a contract be started first with Socony Mobil and, if unsuccessful, then with Global-Aerojet-Shell. The panel also recommended that, if one of the first two organizations was not selected, the remaining nine be further considered.

Following the preliminary evaluation, the Director appointed a review panel of four senior officials of the Foundation to make a further evaluation and review the work of the preliminary evaluation panel. The review panel also found the Socony Mobil proposal to be the best of the 12 proposals received. In a joint report, the two panels stated that they unanimously selected the proposal of Socony Mobil as their first choice and agreed that the proposals of Brown & Root, General Electric, Global-Aerojet-Shell, and Zapata stood out over the others. The two panels recommended that further discussions be held with these five top-rated organizations and that declination letters be sent to the remaining seven.

In December 1961, the five top-rated organizations were requested to meet individually with the Foundation during the month of January 1962 to discuss more fully their proposals. The remaining seven organizations were notified that they were eliminated from further consideration as a prime contractor for the Mohole project. Following the conferences with the five organizations, the preliminary evaluation panel reevaluated the proposals and gave them numerical scores as follows:

| | *Score* |
|---|---|
| 1. Global-Aerojet-Shell Marine Co. (a joint venture) | 968 |
| 2. Socony Mobil Oil Co | 964 |
| 3. Brown & Root, Inc | 890 |
| 4. Zapata Off-Shore Co | 890 |
| 5. General Electric Co | 846 |

The preliminary evaluation panel noted that the Global-Aerojet-Shell and Socony Mobil organizations, rating substantially higher than the other three, appeared about equal in their general capability to undertake the project and that the Brown & Root organization, while not possessing as much in-house capability in the necessary skills for the project as the two top-rated organizations, had an impressive record of major engineering undertakings, particularly marine engineering. The panel recommended that Zapata and General Electric be eliminated from further consideration and that arrangements be made to visit the remaining three organizations to obtain additional information for making a final evaluation. The review panel, having participated in the discussions with the five organizations and having reviewed the preliminary evaluation panel's report, concurred in the recommendations of the preliminary evaluation panel.

After visits by three members of the two panels to the offices of the three organizations remaining under consideration—Brown & Root, Inc., Shell Oil Co., and Socony Mobil Oil Co.—the panels met and made a final evaluation. The panels, in a joint report, stated that all three organizations were "competent to effectively complete the Mohole project" but made no recommendation as to the one which should be selected because of the panels' inability to reconcile completely the varying views of the individual panel members. The final evaluation comprised an analysis of the information considered pertinent to the selection of a contractor as obtained from (1) the preliminary evaluation of the organizations' original proposals, (2) the meetings with the organizations at the National Science Foundation, (3) the visits to the offices of the organizations, and (4) discussions among responsible personnel of the Foundation, using the following criteria:

Competence factors:

1. Ability to bring project to a successful conclusion.
2. Overall management ability.
3. Engineering and operations know-how.
4. Marine design and engineering, and offshore drilling experience.
5. Research capability and attitude.
6. Comparative starting abilities.
7. Facility of dealing with the contractor and monitoring contractor operations.
8. Cost considerations.

Policy factors:

1. Patent and data disclosure considerations.
2. Size and economic impact of team.
3. International considerations.
4. Make or buy.
5. Petroleum producer versus engineer-construction company.
6. Consequences of selection considerations.

The report further stated that members of the panels, weighing the competence and policy factors in accordance with each member's own views, were equally divided between the selection of Brown & Root and one of the oil companies, with Global-Aerojet-Shell favored if an oil company was to be selected.

The record indicates that the Director of the National Science Foundation, under the authority delegated to him by the National Science Board, awarded the contract to Brown & Root, Inc., "as the best qualified, based on (1) Brown & Root's strong management capabilities, (2) demonstrated capability in successfully completing complex projects, (3) their experience in dealing with the oil industry and other industries with capabilities that could be used in Mohole, (4) and the conclusion that the plan it has presented for going ahead with the work will give the Government the best approach to achieve the scientific and engineering goals."

Cost considerations: As requested by the Foundation in the proposal invitation, prospective contractors limited the cost information submitted with their original proposals to a general statement of policy relating to the management fee and overhead rates that would apply to the project. The proposal of Brown & Root provided for overhead costs of between 3 and 5 percent and a management fee on both prime and subcontract costs. The proposals of Global-Aerojet-Shell and Socony Mobil differed from that of Brown & Root in that no overhead surcharge would be added to subcontract costs and no fee would be charged for management of the project.

During the course of discussions with the organizations in January 1962, the Foundation requested additional information relating to their costing methods and types of overhead which would be added to direct costs. Also, the organizations were requested to estimate the cost and time required to carry the project through the initial penetration of the mantle beneath the earth's crust. Global-Aerojet-Shell estimated a cost of $23 million and a time requirement of 33–45 months, Brown & Root estimated $35 million and 5 years, and Socony Mobil estimated $44 million and about 5 years. The estimates were based on each organization's own concept of the project and on assumptions relating to such matters as site selection, type of vessel or platform to be utilized in the drilling operation, and drilling techniques.

The cost information—fees, overhead, and costing methods—was not a major factor in the Foundation's evaluation of the proposals. The record indicates that the evaluation panels weighed the relative advantages of the no fee, no surcharge on subcontract costs proposals of Global-Aerojet-Shell and Socony Mobil against the fee, surcharge proposal of Brown & Root but that they did not indicate any preference between the three proposals.

Conclusions: Since it is doubtful that meaningful estimates of costs could have been developed for a research project such as Mohole, we do not believe that it would have been practicable for the Foundation to have followed competitive bidding procedures, with award based upon consideration of price as the major factor. The Foundation therefore was clearly within its statutory authority in awarding the contract by negotiations rather than by competitive bidding under formal advertising procedures.

Our review of the evaluation criteria, reports, and related analyses of the proposals by the two evaluation panels in their first and second evaluations of the proposals disclosed that the criteria and weights used by the Foundation in determining the qualifications of bidders were comparable to those used by other Government agencies (e.g., Army Ordinance Corps and the Atomic Energy Commission) in selecting contractors for research and development projects when the primary emphasis is on the managerial and technical qualifications of prospective contractors. We believe that such criteria and weights are basically sound and proper for application in a procurement of this nature. However, because of the scientific, technical, and engineering judgments necessarily involved in such application, we are unable to state whether the criteria were adequately applied in evaluating the proposals.

With respect to those policy factors set forth on page 6, which were not included in the point evaluation but were considered in the final evaluation, it would appear that the questions presented by these factors represent matters properly for consideration under the circumstances involved in this procurement. While the records are not as clear as might be desired on this point, it would appear that any advantage Global-Aerojet-Shell and Socony Mobil may have held over Brown & Root in the factors previously considered in the point evaluation was offset by policy determinations favoring Brown & Root. Policy determinations necessarily involve questions of judgment within the sound discretion of the contracting agency, and in the absence of evidence that such determinations were arbitrary or capricious, this office will not attempt to substitute its judgment for that of the contracting agency. Our review indicates that the policy factors were considered in considerable detail by the panels in their final evaluation, and that these factors were also considered by the Director prior to his determination to award the contract to Brown & Root.

In view of the foregoing, we are unable to conclude that the award to Brown & Root was not in the public interest. Further, we do not believe that our review has disclosed evidence of abuse or misuse of the Foundation's contracting authority which would require or justify recommendations for legislation placing additional requirements or restrictions on the procurement functions of the Foundation.

Sincerely yours,

JOSEPH CAMPBELL,
*Comptroller General of the United States.*

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U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
*March 20, 1962.*

Dr. ALAN T. WATERMAN,
*Director, National Science Foundation, Washington, D.C.*

DEAR DR. WATERMAN: I have read with interest the story which appeared in the Los Angeles Times on March 18, 1962, regarding the announcement by the National Science Foundation that a preliminary contract has been signed for the second phase of Project Mohole.

Project Mohole, which seeks to provide us with vital new information about the structure of our planet, has held a particular fascination for me. This project, which began off the coast of California and whose first phase was successfully completed by a Los Angeles firm almost a year ago, will certainly be of great value in providing our earth scientists with many new insights into the nature of the earth. I shall watch the development of the second phase for which you have now announced the award of a preliminary contract to Brown & Root, Inc., of Houston, Tex., with great interest.

I am deeply disturbed, however, by the Foundation's refusal to divulge the cost estimates supplied by the three finalists for this contract. I am fully aware, as reported by the Times, that other considerations besides those of cost were paramount in your final decision. However, since this is a nonmilitary project which I assume does not involve our national security, I respectfully request that you supply me with the actual cost estimates furnished to you by the three final competitors for the second phase of Project Mohole. I would also be grateful to know on what grounds this information has been denied to the public through the press.

With kindest regards.

Sincerely yours,

THOMAS H. KUCHEL,
*U.S. Senator.*

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U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
*March 30, 1962.*

Hon. JOSEPH CAMPBELL,
*Comptroller General of the United States, General Accounting Office, Washington, D.C.*

DEAR MR. CAMPBELL: I am most grateful that you have arranged to have members of your able staff inquire into the recent award by the National Science Foundation for the second phase of Project Mohole.

After your scrutiny of this matter, I would be pleased to have your opinion as to what Federal statutes apply to the award of this contract by the National Science Foundation, and whether those statutes were followed. Since there was no competitive bidding and since this contract will apparently amount to somewhere between $35 and $50 million, your recommendations will be welcome as to what, if any, improvements in the law might be enacted to serve the public interest more efficiently.

In addition, I should like to know your views on whether the administrative procedure used by the National Science Foundation in the award of this contract were adequate to protect the public interest. For example, were the qualitative standards designed to pass judgment on the diverse proposals submitted sound? Were these standards followed in light of the final award made by the Foundation?

As I noted in a letter of March 20 to Dr. Waterman, I was disturbed at the Foundation's refusal to divulge the cost estimates and relevant information supplied by the three finalists for this contract. The intelligent inquiry of the public press is essential in a democracy. To deny pertinent data, especially on a nonmilitary project where national security is not involved, violates our deepest American traditions. The people are entitled to know how public business is transacted.

With kindest regards.

Sincerely yours,

Thomas H. Kuchel,
*U.S. Senator.*

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[From the Los Angeles Times, Mar. 18, 1962]

## Another Big Scientific Job Goes to Texas Firm—California-Based Combine Fails To Keep Project Mohole; Some Eyebrows Raised

(By John H. Averill)

Washington.—The National Science Foundation announced Saturday the signing of a preliminary contract with Brown & Root, Inc., of Houston for the second phase of Project Mohole which began off the coast of California.

One of the two losers in the decision was an industrial-scientific team headed by the Global Marine Drilling Co. of Los Angeles, which pioneered in the preliminary borings through the ocean floor and, according to NSF, successfully completed them last April.

The contract signed with Brown & Root, a fabulous and far-flung Texas engineering and contracting firm which has undertaken numerous big government projects since the early days of World War II mobilization, was for $1.2 million, but the formal contract, to be signed in 90 days will amount to something between $35 and $50 million, according to the foundation.

### PLAN TO PIERCE CRUST

The aim of the Mohole project is to drill a hole through the earth's crust and into a layer beneath called the mantle. This would give scientists information about the age and structure of the earth.

It was the second time in recent months that eyebrows in the Capital have been raised by the Texas firm snagging a spectacular Government project from another State where it had been apparently proceeding satisfactory. Brown & Root was named by the National Aeronautics and Space Administration as the contractor for the new Project Mercury space headquarters in Houston.

### JOHNSON'S STATE

Virginia and Florida, where the man-in-space activities have been concentrated in the past, were the only two Southern States to desert the Democratic fold last election. It is not lost on political observers that Vice President Johnson, whose task was to hold the once "solid South" for the ticket, has overall responsibility in the Kennedy administration for space activities as Chairman of the National Space Council and longstanding loyalties to his native Texas.

The funds for both NASA and NSF are voted by the independent offices subcommittee of the House Appropriations Committee, headed by Representative Albert Thomas, Democrat, of Texas, who has represented Houston in Congress since 1937. This was also the year Lyndon Johnson was first elected to Congress from Austin in a special election.

Because of the unprecedented nature of Project Mohole, conventional bids were not required from the three competing combines, NSF officials explained. However, a high NSF official indignantly refused to supply the Times with the "rough cost estimates" submitted by the finalists, or to discuss the considerations governing the award in any detail.

Paul A. Scherer, NSF's Associate Director for administration, accused the Times reporter of "attacking the foundation" when asked how, in light of President Kennedy's repeated pledges of open information in nonsensitive areas, he could put a "secret" tag on a nonmilitary project involving millions in public funds.

### DIRECTOR UNAVAILABLE

Dr. Alan T. Waterman, Director of the NSF, was unavailable for comment Saturday.

Other NSF officials and knowledgeable Government scientists, while nervously asking anonymity for their comments and also declining to divulge the monetary amounts involved, expressed some surprise at the decision but explained that cost was not the governing factor in this case.

They said the winning firm was chosen by a five-man NSF screening committee which made final recommendations to Dr. Waterman on the basis of know-how and each applicant's proposed attack on the problem.

Global Marine, the Los Angeles firm which has extensive experience in deep-sea drilling operations for oil and conducted the initial phase of Project Mohole, involving probes to record depths of 11,000 feet off Guadalupe Island off Baja California, after earlier tests off La Jolla, was allied in its bid to continue with Aerojet-General Corp. of Azusa and the Shell Oil Co.

### REFUSE COMMENT

The other loser was another combine headed by Socony Mobil Oil Co. and including Standard Oil Co. of California, General Motors, Texas Instruments, and Humble Oil Co. Spokesmen for both combines refused any comment on the award.

It was hardly a surprise in Houston, however, that Brown & Root had the inside track in Washington.

The Houston Post carried a local story on February 11, more than 2 weeks before the NSF's first disclosure of their decision to "negotiate" Saturday's contract with the Houston firm, saying that Rice University had been asked to furnish the scientific consulting services for Project Mohole if "in addition to manned exploration of outer space, there shall be assigned to Houston industry and to Rice the responsibility for the principal engineering and scientific planning and execution of Project Mohole."

The source of the story was the Rice University Engineering Quarterly, and Rice President Kenneth Pitzer was quoted as reluctant to elaborate on a situation he considered "premature."

### HEADS RICE BOARD

Chairman of the board of trustees of Rice is George R. Brown, executive vice president of Brown & Root, which is headed by his brother Herman as president. The firm was started as a partnership in 1919 with a brother-in-law of the Browns, Dan Root, who died in 1929. Brown & Root has grown rapidly since 1936 when it won its first Federal Government job, the Marshall Ford Dam north of Austin, in 1936.

In May 1957, the business publication, Business Week, profiled Brown & Root in an article entitled "Roadbuilders With a Flair for Other Jobs." The story told how the Brown brothers had built up their construction concern from scratch to a multimillion-dollar operation—much of it through Government contracts.

Business Week also described President Herman Brown as a close friend and associate of the then Senate majority leader, Senator Johnson, and Representative Thomas. It made no mention of either Brown brothers' political affiliation nor do their authorized biographies in "Who's Who in America" but the liberal magazine the Nation, in its November 10, 1951, issue, described Herman Brown as a Texas political powerhouse seemingly "able to secure the passage in the Texas Senate of practically any bill he chooses to have introduced."

Diligent inquiry by the Times has failed to produce any evidence of political influence in the Mohole contract award either by Brown & Root or any of the elected Texans in official positions here. This makes even more inexplicable NSF's official refusal to discuss candidly for the record the basis for the award or the comparative cost estimates submitted.

It was learned, however, that NSF began pointing toward phase two last summer after completion of the preliminary experimental probing in Pacific waters. The foundation canvassed numerous firms that indicated an interest in the second and far more important phase. Out of this grew a meeting last autumn attended by representatives of 84 firms, including some of the Nation's biggest and best known concerns. The meeting resulted in the foundation's receiving 12 separate proposals from individual firms or combinations of firms on how best to tackle the big project, which were finally reduced to three and then one.

Brown & Root's background in offshore drilling, competent scientific sources said, was in relatively shallow waters of the Gulf of Mexico, while Global Marine and the third combine had done similar oil drilling in the Pacific and other waters. The final location of the phase 2 Mohole probe has not been selected by the National Science Foundation, but it must be under the ocean floor because the earth's crust is believed to be thinner there than on dry land.

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[From the Los Angeles Times, Mar. 22, 1962]

## Kuchel Demands Details on Award of Mohole Job to Texas Concern

(By John Averill, Times Washington bureau)

Washington.—Senator Kuchel, Republican, of California, called Wednesday for replies to some unanswered questions involving the National Science Foundation's award of the Project Mohole contract to a Texas firm.

Kuchel asked Dr. Alan T. Waterman, the NSF director, for cost estimates furnished by the three final competitors for the spectacular project which involves drilling a hole through the ocean floor in an attempt to unlock secrets of the earth's birth.

The first phase of the project was carried out off the California coast by a Los Angeles firm.

In a letter to Waterman, the Senator said he was "deeply disturbed" by the Foundation's refusal to divulge cost estimates from the competing organizations.

"I would also be grateful to know on what grounds this information has been denied to the public through the press," Kuchel wrote.

As reported by the Times last Sunday, the NSF signed a preliminary contract for the second and final phase of the Mohole project with Brown & Root, Inc., a huge engineering and contracting firm in Houston. The preliminary award was for $1.2 million but a formal contract expected to total between $35 million and $50 million will be signed in approximately 90 days, the NSF said.

One of the two losers in the decision to give the contract to Brown & Root was an industrial scientific team headed by the Global Marine Drilling Co. of Los Angeles. NSF said this team "successfully completed" pioneer work in Pacific waters last April.

It was the second time in recent months that Brown & Root had plucked a major Government project from another State where it apparently had been proceeding satisfactorily.

When queried by the Times about its decision in awarding the contract, NSF officials flatly refused to disclose cost estimates from the competing organizations. They said cost was not a determining factor since the Mohole project involves so many unknowns it would be almost impossible to estimate expenses accurately.

The deciding factor, they said, was the NSF's evaluation of which contestant could do the best job. While describing the decision as "very difficult," foundation officers said they felt Brown & Root was best equipped.

Kuchel, in his letter to Waterman, said:

"Project Mohole, which seeks to provide us with vital new information about the structure of our planet, has held a particular fascination for me.

"This project, which began off the coast of California and whose first phase was successfully completed by a Los Angeles firm almost a year ago, will certainly be of great value in providing our earth scientists with many new insights into the nature of the earth.

"I shall watch the development of the second phase for which you have now announced the award of a preliminary contract to Brown & Root, Inc., of Houston, Tex., with great interest.

"I am deeply disturbed, however, by the foundation's refusal to divulge the cost estimates supplied by the three finalists for this contract.

"I am fully aware, as reported by the Times, that other considerations besides those of cost were paramount in your final decisions. However, since this is a non-military project which I assume does not involve our national security, I respectfully request that you supply me with the actual cost estimates furnished to you by the three final competitors for the second phase of Project Mohole. I would also be grateful to know on what grounds this information has been denied to the public through the press."

Meanwhile, the House Government Information Subcommittee also moved to obtain the same information. The subcommittee, which has long campaigned for a freer public access to governmental information, said it will ask the NSF to supply it with details of Mohole project award.

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[From the Los Angeles Times, Apr. 1, 1962]

### U.S. Investigates Mohole Contract—Accounting Office Eyes Award of Drill Job to Texas Company

(By John H. Averill)

Washington.—Senator Kuchel, Republican, of California, disclosed Saturday that Government auditors are investigating the award of the Project Mohole contract to a big Texas engineering and construction firm.

Kuchel disclosed this in making public a letter to Joseph Campbell, U.S. Comptroller General and head of the General Accounting Office. The GAO, the auditing agency of Congress, is conducting the investigation. Kuchel's letter was to thank Campbell for agreeing to undertake the inquiry.

The investigation is an outgrowth of a demand by Kuchel on March 20 that the National Science Foundation provide information on the awarding of the contract for the second phase of Project Mohole to Brown & Root, Inc., of Houston, Tex.

#### IN EARTH'S CRUST

The project, which NSF estimates will cost the Government $35 million to $50 million before it is finished, calls for drilling a hole through the ocean floor at a deep sea site and penetrating the earth's crust in an effort to find clues to the earth's origin.

The first phase of the project was carried out off the California coast by a Los Angeles firm which lost to Brown & Root in competing for the second phase contract award.

In response to Kuchel's request, NSF officials submitted some documents to him during the past week. Kuchel had GAO investigators examine the papers. He said later that "in the opinion of the Comptroller General the documents were inadequate and insufficient" to explain the basis on which the NSF awarded the contract to Brown & Root.

#### DISCLOSURE REFUSED

Kuchel entered the case after the Times reported on March 18 that the NSF had refused to disclose the cost estimates submitted by Brown & Root and the competitors seeking the second phase contract.

Denouncing this refusal, Kuchel said in his letter to Campbell:

"The intelligent inquiry of the public press is essential in a democracy. To deny pertinent data, especially on a nonmilitary project where national security is not involved, violates our deepest American traditions. The people are entitled to know how public business is transacted."

Kuchel thanked the Comptroller General for agreeing to look into the case and asked him to determine whether Federal laws that might apply to the contract award were observed.

#### OPINION ASKED

"After your scrutiny of this matter," Kuchel wrote Campbell, "I would be pleased to have your opinion as to what Federal statutes apply to the award of this contract by the National Science Foundation and whether those statutes were followed."

Kuchel told the Times that Campbell had informed him GAO investigators intend to make a thorough examination of NSF files dealing with the Mohole contract.

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[From the Los Angeles Times, Apr. 3, 1962]

### Mohole Contract Details Asked of Foundation—Moss Asks National Science Organization To Cite Authority for Secrecy About Costs

Washington.—Representative John Moss, Democrat, of Sacramento, demanded Saturday that the National Science Foundation explain how and why it has withheld information about the huge Project Mohole contract, which has been awarded to a big Texas engineering and construction company.

Moss, chairman of the House Special Government Information Subcommittee, sent a letter to Dr. Alan T. Waterman, director of the foundation, asking him to cite the statutory authority under which the foundation has refused to divulge cost estimates submitted for phase two of Project Mohole.

At a cost of between $35 and $50 million, Project Mohole is to drill a hole through the ocean's floor to penetrate the earth's crust and learn previously unknown facts about the origin of the earth.

#### KUCHEL HEARD FROM

The contract for phase two of the project was awarded to Brown & Root, Inc., of Houston, Tex., instead of to the Los Angeles firm that conducted phase one of the project off the California coast.

Senator Kuchel, Republican, of California, asked the foundation on March 20 to provide him with information about the contract. Last week Kuchel disclosed that the General Accounting Office is investigating the matter.

Moss noted in his letter to Waterman that his subcommittee had been informed "that tentative cost estimates submitted by firms involved in negotiation of contracts for phase two of the Mohole project are not available to the public." He said that he had been informed that the figures might be "susceptible to gross misinterpretation should they be taken out of context and made public."

#### MOSS LETTER QUOTED

Moss wrote: "Certainly the difficulty of producing clear explanations of the cost of scientific thrusts into the unknown areas of space and the sea is clearly understood.

"At the same time it remains the responsibility of those entrusted with Government business to make every possible effort to lay the facts before the people who are called upon, time and again, to pay the bills for our scientific ventures."

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[From the Los Angeles Times, May 11, 1962]

### Congress Probers Press for Mohole Cost Data—Renew Their Demand That Foundation Reveal Figures Used for Contract

Washington.—Congressional investigators renewed demands Thursday that the National Science Foundation make public the cost estimates involved in the award of a contract to dig a hole in the ocean floor.

Chairman John E. Moss, Democrat, of California, of the House Government Information Subcommittee made the demand after the Foundation rejected his request for cost information used in awarding the contract for the second phase of Project Mohole to Brown & Root, Inc., of Houston.

Moss first demanded the information after the Times reported on March 18 that the NSF had refused to disclose cost estimates submitted by Brown & Root and two other competitors, including a California combine, seeking the Mohole contract. The foundation said the project involves so many unknowns that cost estimates were no more than rough guesses.

#### SEEK EARTH'S ORIGIN

The project, which the NSF roughly estimates will cost the Government anywhere from $35 to $50 million, calls for drilling a hole in the ocean floor at a deep site in an effort to find clues to the earth's origin.

Replying to Moss earlier this month, NSF Director Alan T. Waterman said, "In only two or three instances were any figures given in writing and these were not in any way part of the proposals submitted."

In light of this, Waterman said "it does not appear appropriate to publicly disclose" the cost estimates.

Moss emphatically disagreed. In a reply to Waterman, made public Thursday, the Sacramento Congressman said:

"I am fully aware of the difficulty of estimating costs for scientific thrusts into the unknown. I also am aware that the National Science Foundation, as a responsible Government agency, must have a general idea of how many millions of tax dollars will be spent drilling a hole in the ocean floor."

#### TAXPAYERS' RIGHT

Moss added that the foundation "would be derelict in its responsibility if a general idea of the cost of the project were not developed." And he said the taxpayers "who will finance the project have a need and a right to know what the responsible bidders thought the Mohole project might cost."

To back up his demand, Moss asked the foundation to cite the statutory authority under which it might justify its withholding the information. He had made such a request in his first letter but Waterman didn't supply it.

[From the Los Angeles Times, May 18, 1962]

### MANHOLE CONTRACT FIRM GETS AIDS FROM RIVALS—NEW COMPANY RETAINED AS CONSULTANT IN SECOND PHASE OF UNDERSEA PROJECT

WASHINGTON.—The big Texas engineering firm that overcame two competitors in snagging a prestigious Government contract for the second phase of Project Mohole is rounding up technical talent from its vanquished competition.

This new development in the continuing controversy over the Mohole contract came to light Thursday with formation of a new Washington corporation to engage in deep-sea engineering.

The new concern, known as Ocean Science and Engineering, Inc., reported it has been retained by Brown & Root, Inc., of Houston to serve as consultants on the Mohole project.

President of the new firm is Willard Bascom, who was director of the first phase of Project Mohole. That phase was completed last year, much of it in the waters off Southern California.

#### REVOLUTIONARY PROJECT

Project Mohole is a revolutionary scientific program being carried out by the National Science Foundation to dig a hole through the floor of the ocean in an effort to penetrate the earth's outer crust. The aim is to unlock some of the secrets of the earth's origin and scientists believe this can be best accomplished from some deep sea site where the crust is thinner than on land.

As director of phase one of the project, Bascom worked with the Global Marine Drilling Co. of Los Angeles, which has been hired by the National Science Foundation to carry out the first phase. After successfully completing its pioneer borings through the ocean floor, Global Marine organized an industrial scientific team to compete for the phase two contract. According to reliable reports Bascom again would have directed the work for Global Marine.

#### CONTRACT AWARDED

However, NSF awarded the contract to Brown & Root, most of whose marine drilling experience has been in the relatively shallow waters of the Gulf of Mexico.

Questioned about his arrangement with Brown & Root, Bascom said he personally is not involved but that "five of our people are down at Brown & Root headquarters in Houston." He said they are serving on a day-to-day basis as consultants and advisers.

Although NSF officials have contended they regarded Brown & Root as the best qualified concern to carry out phase two, Bascom said:

"They need all the help they can get, believe me."

He said that he is hopeful of obtaining a subcontract from Brown & Root to participate in the second phase of the project.

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## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Madam President, we were discussing the way this program got off to a bad start and the way, apparently, the administration was influenced in the direction of the bill, although the bill does not meet many of the guidelines laid down by the President in his original message. We were discussing the fact that the Federal Communications Commission would delegate to the communications carriers themselves the use of the new satellite communications system, which naturally they wish to have.

Mr. BURDICK. Madam President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to my good friend from North Dakota.

Mr. BURDICK. I have listened with interest to the contribution the Senator has been making today. I am sure all Senators appreciate it.

I was interested in what the Senator had to say about the constitution of the corporation. I understand that one-half of the stock would be owned by the carriers and one-half of the stock would be owned by the public. Do I correctly understand further that the Senator said one carrier could own 50 percent of the stock?

Mr. KEFAUVER. That is roughly correct. The bill originally provided that 50 percent of the stock would be set aside for the international communications carriers and 50 percent of the stock would be set aside for the public, and that foreign companies or individuals could buy up to 20 percent of the 50 percent. Corporations or individuals might own up to not more than 20 percent of the 50 percent.

But there is a "gimmick." The "gimmick" is that the communications carriers do not have to buy all the stock which is to be set aside for them in order to elect six directors. This is really a "sleeper" in the bill. In other words, if we assume that the corporation authorizes $50 million worth of stock, half of the stock would be available to be sold to the public, as we have stated. Half of the stock would be available for the communications carriers to buy.

The communications carriers theoretically could buy only $500,000 worth of stock, or any amount of stock, and still would be able to elect 6 of the 15 directors who would operate the company. There would be no compulsion on the carriers to buy the half of the stock which is to be set aside for them. They could put all their investment in bonds and other securities, which would pay interest. This also would enable them to include that kind of securities in their rate base, so that from the very beginning they would have a double payment or double benefit. They could put the amount of money they wished in bonds or other securities, and put that in the rate base, and they would receive the interest or the dividends which might come from the investment they might make in the bonds or securities of the corporation.

Mr. BURDICK. I notice that in the report on page 21 it is stated, in reference to the 50 percent of stock the public is to buy—

> The initial offering is to be sold at a price not to exceed $100 a share and in a manner to encourage the widest distribution to the American public—

And so forth. There are 180 million people in this country. Would the Senator care to venture a guess as to what percentage of the 180 million people would own some of the stock?

Mr. KEFAUVER. Even Dr. Welsh and all the witnesses for the administration testified that that is only window dressing. That does not represent to any degree whatsoever the contribution made by the taxpayers of this Nation.

The idea is to enable people to buy a share of stock, possibly, if they can ever get one, but that is in no way representative of the contribution by the people who pay taxes in this country.

Statistics show that 1.8 percent of the people of the United States own 82 percent of the value of all the stocks in the United States. We know that many people do not "play the stock market". Many people do not have $100 to put into a share of stock. Many people would not know how to buy a share of stock if they had $100.

No method is set out for enabling people to buy stock. I presume the stock would be put on the market through the big brokerage houses. They would allocate the stock to banks, trust companies, and corporations which are normally their customers, and the people would not have a look-in.

The supposed opportunity for an individual to buy stock is a "flimflam." It is in no way commensurate with the investment the American taxpayer will have, through the payment of taxes.

Mr. BURDICK. Would it be a fair statement to say that the so-called public ownership would be limited to an infinitesimal part of 1 percent of the population of the country?

Mr. KEFAUVER. I think it would be a very small part of 1 percent of the population of the country. It would be a very small part of 1 percent of the taxpayers of this country.

Mr. BURDICK. The theory in the present bill is that such a percentage would represent the American public; is that correct?

Mr. KEFAUVER. The theory of the bill is that that is the way the American public will receive some benefit from the great giveaway which is proposed in the bill.

Mr. BURDICK. I thank the Senator from Tennessee.

Mr. KEFAUVER. Also, $100 is a very high price for a share of stock. When one looks at the stocks on the New York Stock Exchange, one finds that only about ten out of about a thousand common stocks listed on the New York Stock Exchange are valued at over $100, and that is based upon values some time ago, before the recent drop in the values of stock.

Mr. GORE. Madam President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to my distinguished colleague.

Mr. GORE. I have listened with interest to the detailed analysis which my senior colleague from Tennessee has so ably made thus far. I am concerned with the foreign policy aspects of the pending bill. Is it not proposed that the system be an international satellite communications system?

Mr. KEFAUVER. I know that the Senator is concerned about the foreign policy aspects of the bill, as I am, and as all Senators should be. It has far-reaching foreign policy aspects. The bill envisions an international communications satellite system. The Senator is correct.

Mr. GORE. In its wisdom or lack thereof the Congress could enact a bill which would confer upon an existing corporation, or a corporation to be created, power to establish a communication system within the United States. However, is it within the power of the Congress to give to the proposed private monopoly an international communication setup?

Mr. KEFAUVER. This is the first time that I know of that Congress has seriously considered a bill which would transfer and convey the sovereignty of the United States, and which would transfer from Congress to a private corporation the power of making treaties and agreements which are ordinarily ratified by the Senate.

Mr. GORE. The bill undertakes to make the proposed private corporate monopoly an agent of the United States.

Mr. KEFAUVER. Yes, indeed; and it would assume the full responsibility. The State Department would have no authority. It is really ironic that if the private corporation asks the State Department to help, the poor little State Department must come along and help out, but it would have no initiative of its own.

Mr. GORE. To spell it out in more detail, in order for the proposed system to become an international satellite communications system, it would be necessary to enter into agreements or treaties with a large number of nations. Indeed, unless such agreements were entered into, there could be no international satellite communication system.

Mr. KEFAUVER. The Senator is correct. The proponents of the bill would point out that an international carrier has entered into a bilateral agreement with a government-owned and operated telephone company in England, involving two, or perhaps three companies.

But what we are talking about is something entirely different, as the Senator has so well said. The measure envisions an international agreement of great importance among many, many nations, which would involve treaties that would require ratification by the Senate.

Mr. GORE. I ask the Senator if it is not a fact that the bill submitted to the Congress by the administration contained a provision under which the State Department would conduct such negotiations?

Mr. KEFAUVER. Yes. In the original bill submitted to Congress the President included a provision which would require the State Department to conduct the negotiations.

Mr. GORE. The bill as submitted by the President followed the traditional pattern that the executive branch of the U.S. Government would conduct international negotiations to bring about agreements.

Mr. KEFAUVER. The Senator is correct.

On page 17 of the hearings of the Small Business Committee, the following excerpt from the President's July 24, 1961, statement of principles appears:

> The U.S. Government will conduct or maintain supervision of international agreements and negotiations—

And so forth. Section 402 of the bill as originally proposed would require the State Department to negotiate the agreements.

Mr. GORE. The Senator means that the bill submitted by the administration would require the Government of the United States to conduct negotiations with other countries.

Mr. KEFAUVER. Yes. It would provide:

> The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, Government, or entity shall be subject to the approval of the Department of State.

I have read section 402 of the bill that was sent to the Congress by the administration. That provision was stricken out entirely. Now the only part it is proposed the State Department would play is that it would be notified about what would take place, and if the corporation felt that it needed the help of the State Department, it could call on the State Department. The corporation would not be required to do so. There is no requirement that it call on the State Department. Only if called upon, would the State Department enter into the picture at all.

Mr. GORE. Is it not true that under the terms of the pending bill, if an international satellite communications system is to be achieved, it can be achieved only through the negotiation of agreements between the corporation proposed by the bill and various foreign nations?

Mr. KEFAUVER. The Senator is entirely correct. Various other nations operate communication systems. This is a sovereign matter. Therefore we would delegate to a private corporation our sovereignty for the first time in the history of our Nation.

Mr. GORE. This subject is involved in international and foreign policy complications, even beyond those I have mentioned in these brief questions. It seems to me that the Committee on Foreign Relations should give consideration to the bill.

Mr. KEFAUVER. There is no doubt whatever about that.

Mr. GORE. At the appropriate time I shall suggest that the bill be referred to the Foreign Relations Committee for study and report. It was considered by the Space Committee. I dare say it is as much within the jurisdiction of foreign policy as it is within space activities.

Mr. KEFAUVER. If the Senator were to ask my opinion, I would say that it is, because the very essence of the whole idea, if it is to work at all, and if anything is to be done, shows that it must be accomplished by agreements between the governments of the world.

Mr. GORE. There could be no trial to see whether it would work until an international agreement was reached; and if it is really to become a global system, it must be a multination system of treaties and agreements.

Mr. KEFAUVER. The Senator is correct. I think there is every reason why this great, important matter which affects foreign nations and which affects the United Nations and our position in the United Nations, should be thoroughly studied by the Committee on Foreign Relations. Along the line that my distinguished colleague from Tennessee has discussed, I should like to call attention to the presentation made by our Ambassador to the United Nations, Adlai Stevenson. He made this presentation at the United Nations on December 4 last. I will not ask that the entire address be printed in the RECORD. However, beginning at page 156 of the hearings before the Commerce Committee to the "B" at the top of page 158 is of particular interest, and I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

GLOBAL SYSTEM OF COMMUNICATION SATELLITES

Now the fourth part of the space program looks toward the establishment of a global system of communication satellites.

Space technology has opened enormous possibilities for international communications. Within a few years satellites will make possible a vast increase in the control and quality of international radio, telephone, and telegraph traffic. In addition, something new will be added—the possibility of relaying television broadcasts around the globe.

This fundamental breakthrough in communication could affect the lives of people everywhere.

It could forge new bonds of mutual knowledge and understanding between nations.

It could offer a powerful tool to improve literacy and education in developing areas.

It could support world weather services by speedy transmittal of data.

It could enable leaders of nations to talk face to face on a convenient and reliable basis.

The United States wishes to see this facility made available to all states on a global and nondiscriminatory basis. We conceive of this as an international service. We would like to see United Nations members not only use this service but also participate in its ownership and operation if they so desire.

The United Nations Organization itself stands to benefit directly from the use of satellites both in communicating with its representatives around the world and in disseminating programs of information and education.

As an example of the potentialities of such use, we hope to have before long an experimental satellite which will transmit across the Atlantic, for brief periods, live television excerpts of debates in the General Assembly of the United Nations.

In preparation for these developments the United States proposes that the International Telecommunication Union consider the various aspects of space communication in which international cooperation will be required. This will assure all members of the United Nations a fair opportunity to express their views. It is particularly important that the necessary arrangements be made for the allocation of radiofrequencies for space communications.

In order to enable less developed countries to participate in effective use of satellite communications, the expanded technical assistance program and the United Nations Special

Fund should give sympathetic consideration to requests for assistance from less developed countries to improve the state of their domestic communications.

The principles I have mentioned are embodied in part D of the draft resolution now before you. If implemented with dispatch they could help to clear the way for cooperative use of a worldwide system of satellite communications.

### REVITALIZING THE OUTER SPACE COMMITTEE

The fifth part of our program seeks to put new life and new responsibilities in the Committee on the Peaceful Uses of Outer Space.

As we all know, this Committee was established 2 years ago for an indefinite period by Resolution 1472 (XIV) with a continuing mandate to study programs on peaceful uses of outer space which might be undertaken under United Nations auspices, to study the legal problems which might arise from the exploration of outer space, and to plan an international conference for the exchange of experience in the exploration of outer space.

We propose that, in addition to the responsibilities laid down in this original mandate, the Committee should review the activities provided for in this resolution and make such reports as it may consider appropriate. In the four previous parts of the resolution we have specifically noted the role the Committee could play in studying the legal problems of outer space, in reviewing the service arrangements undertaken by the Secretary General, and in examining the proposals for international cooperation in weather and communications.

As my colleagues are aware, Resolution 1472 provided for 24 members of the Outer Space Committee elected for a period of 2 years. We propose to continue the same membership, augmented by the addition of Nigeria and Chad in recognition of the increase in the membership of African states in the United Nations during the past 2 years.

Let the Committee make a fresh beginning. Let the Committee meet early in 1962 to undertake its original tasks and its new responsibilities in connection with these cooperative programs.

We recognize that outer space activities are unique in many respects and that international cooperation is a prerequisite to progress. Although we cannot of course accept the veto in the work of the Committee, we expect that this work can be carried out in a spirit of mutual understanding. We do not anticipate that the nature of the Committee's work would give rise to differences that could not be resolved by discussion. We hope that, proceeding in this spirit, we can finally put life into the Committee created 2 years ago.

I ask the distinguished delegates here to bear in mind that in weather and communications the resolution embodies no commitments to any specific program. It merely calls upon the Secretary General in cooperation with the specialized agencies, and with other organizations, to submit proposals for action. These proposals will be presented to the Economic and Social Council at its 34th session, to the 17th General Assembly, and to the Outer Space Committee.

In short, the resolution in these fields merely clears the way for deliberate consideration of programs by government representatives. Such basic studies ought not be further delayed.

Now we have sought in good faith and so far as is possible to present a program which is above the clash of partisan politics or the cold war. The principles and programs embodied here bestow no special advantage on any state—they are in the interest of all states.

The resolution deals exclusively with the peaceful uses of outer space. The military questions of space are closely entangled with the military questions of earth. We believe that they require urgent study as part of comprehensive negotiations for general and complete disarmament.

This does not mean, however, that the program of peaceful cooperation now before us has no bearing on the issues of peace and war. It does. If put into operation without delay, it can help lay the basis for a relaxation of tensions and facilitate progress elsewhere toward general and complete disarmament.

### WE CANNOT AFFORD TO DELAY

Mr. Chairman, I must close with the same theme on which I commenced this presentation: We cannot afford to delay.

The space programs of the great powers are well advanced. Our own Nation is proceeding with the development of satellite systems for weather forecasting and communications. In the months ahead important decisions will have to be made. If the opportunity for United Nations action is missed, it will be increasingly difficult to fit national space programs into a rational pattern of United Nations cooperation.

Our first choice is a program making maximum use of the United Nations for at least three reasons:

Because it could bring new vitality to the United Nations and its family of agencies;

Because it would help to assure that all members of the United Nations, developed and less developed, could have a share in the adventure of space cooperation; and

Because a program of such magnitude should be carried out as far as possible through the organizations of the world community.

As I say, this is our first choice. But the march of science is irreversible. The United States has a responsibility to make the fullest possible use of new developments in space technology—in weather forecasting, in communications, and in other areas. These developments are inevitable in the near future. We hope they can take place through cooperative efforts in the United Nations.

I suppose that the great climaxes in the drama of history are seldom evident to those who are on the stage at the time. But there can be little question that man's conquest of outer space is such a moment, that we—all of us—are on stage, and that how we behave in the immediate future will have a profound impact upon the course of human affairs in the decades ahead.

There is a right and a wrong way to get on with the business of space exploration. In our judgment the wrong way is to allow the march of science to become a runaway race into the unknown. The right way is to make it an ordered, peaceful, cooperative, and constructive forward march under the aegis of the United Nations.

I most earnestly recommend your serious attention to the proposals my Government is making to this end.

### TEXT OF RESOLUTION

A

The General Assembly,

Recognizing the common interest of mankind in furthering the peaceful uses of outer space and the urgent need to strengthen international cooperation in this important field,

Believing that the exploration and use of outer space should be only for the betterment of mankind and to the benefit of States irrespective of the stage of their economic or scientific development,

1. Commends to States for their guidance in the exploration and use of outer space the following principles:

(a) International law, including the Charter of the United Nations, applies to outer space and celestial bodies;

(b) Outer space and celestial bodies are free for exploration and use by all States in conformity with international law and are not subject to national appropriation;

2. Invites the Committee on the Peaceful Uses of Outer Space to study and report on the legal problems which may arise from the exploration and use of outer space.

**Mr. KEFAUVER.** I should also like to call attention to the testimony of the vice president of the Philco Corp., Mr. David Smith, who testified before the Committee on Small Business, and specifically the Subcommittee on Monopoly, presided over so ably by the distinguished Senator from Louisiana [Mr. LONG]. Mr. Smith testified:

> At the present time, the United States has accomplished a major technical achievement in space through the able R. & D. programs of the Department of Defense and the National Aeronautics and Space Administration. Now it is necessary to determine how to utilize these achievements and make their realization politically possible. We would urge that the Government establish a grand strategy to utilize these achievements to lessen world conflicts and ease world tensions. This program should be an integral part of, and in our opinion can be an important instrument in, our basic foreign policy.

The entire statement deals with the foreign policy problem. I suggest that Senators read it very carefully.

## LEGISLATIVE PROGRAM

**Mr. SMATHERS.** Madam President, on behalf of the majority leader I announce that tomorrow it is the intention of the majority leader to move to temporarily lay aside the pending business and proceed to the consideration of Calendar No. 1554, House Concurrent Resolution 473, providing the express approval of the Congress pursuant to section 3(e) of the Strategic and Critical Materials Stockpiling Act—50 U.S.C. 98b(e)—for the disposition of certain materials from the national stockpile; thereafter, to consider Calendar No. 1565, S. 3203, to extend the Defense Production Act of 1950, as amended, and for other purposes; and, third, to take up the consideration of Senate bill 3291, to extend the Federal Reserve authority to purchase Treasury notes. These measures must be acted upon before the deadline, which is shortly to occur.

**Mr. KEFAUVER.** Madam President, I do not know whether I shall object. This is a rather strange procedure which is suggested. Two days after it was reported by the policy committee the pending business was taken under consideration on the floor of the Senate. Everyone knew it would be discussed at great length. It is not a very healthy kind of procedure to have it discussed for several days and then laid aside for something else, and then taken up again. I know the problems of the majority leader. However, does it not require a motion to set aside the pending business?

**Mr. SMATHERS.** It does require a motion. I am certain that the majority leader would be glad to act upon these measures at the conclusion of the pending business if he thought there would be a conclusion to it at any time in the very near future. If the able Senator from Tennessee will permit such action, I am certain the majority leader will be perfectly willing to postpone consideration of the measures I have mentioned until after the disposition of the pending bill.

**Mr. KEFAUVER.** I think that the majority leader would be safe in fixing the time at about October 1 for the consideration of those measures.

**Mr. SMATHERS.** In other words, what the Senator is saying is that so far as he is concerned he is staying here until October 1 to debate the pending bill.

**Mr. KEFAUVER.** It would be worthy of debate for that length of time. I am not saying that, but I think we ought to debate this bill pretty thoroughly. I am sure the majority leader knew, when the bill was on the calendar last week, that its consideration would not be completed by July 1.

**Mr. SMATHERS.** If the majority leader thought he could have sufficient time to act upon the proposals which must be acted upon before the deadline, he would be glad to do so. However, the indications are that the discussion which is now in progress will be in depth; consequently, he is merely making the proper move to have these laws continued so that the other operations of the Government may go forward in an orderly fashion.

**Mr. KEFAUVER.** I am in favor of the Government's operations going forward in an orderly way.

**Mr. GORE.** Madam President, will the Senator yield?

**Mr. KEFAUVER.** I yield to my colleague.

**Mr. GORE.** I point out that my colleague from Tennessee, to my certain knowledge, has been in the Chamber all day, waiting for the privilege of addressing the Senate. It is now nearly 7 o'clock p.m., and he has been able only to get started on his speech. On the first day of the debate on the pending bill the Senator from Louisiana [Mr. LONG] was not able to obtain recognition until 4:30 o'clock in the afternoon. Yet the distinguished Senator from Florida is already inclined to brand this debate as a filibuster. I have a speech to deliver, and I have not had an opportunity to speak.

My colleague from Tennessee has barely started.

**Mr. SMATHERS.** Madam President, it was not I who said the debate might continue until October. I am sure the junior Senator from Tennessee does not think that if the debate were to continue until October, it would even then be called a filibuster. I merely say that the majority leader desired to have this announcement made, so that every Senator would be forewarned. It might well be that Senators would object to having this particular measure temporarily set aside in order that other measures might be taken up. I feel certain that Senators who wish to object to the proposal will have ample opportunity to be heard. The majority leader asked me to make the announcement so that Senators who might be interested might be forewarned.

**Mr. HUMPHREY.** Madam President, so far as any Senator being denied the opportunity to speak on the bill is concerned, the Senator from Minnesota was in the Chamber from noon until after 4 o'clock. Any time any Senator wished to obtain the floor, he surely had that opportunity. The Senator from Minnesota spent a good deal of time attempting to locate Senators in order to have the debate continue. I say this with all respect to Senators who are present; I did not want to be that sharp.

**Mr. KEFAUVER.** The Senator from Minnesota is mistaken. The Chair recognized the Senator from Wisconsin [Mr. PROXMIRE], who spoke for about 2 hours. The Senator from Wisconsin would have finished in 2 hours had not the Senator from Minnesota engaged in a colloquy with him for about an hour and a half more. I was in my seat all the time, waiting to obtain the floor, so that I might speak.

**Mr. HUMPHREY.** I have fairly good vision, and I have great confidence in the Senator from Tennessee; but I looked around the Chamber a number of times and did not see any Senator champing at the bit to get the attention of the Presiding Officer, so that he might speak. I had calls made on several occasions to have a Senator come to the Chamber to speak.

The Senator is entitled to his own view. I wished only to have the RECORD clear.

**Mr. KEFAUVER.** I did not object to the Senator's speaking; I thought his speech was very interesting.

**Mr. HUMPHREY.** I thank the Senator from Tennessee.

**Mr. KEFAUVER.** I agreed with what the Senator said. I thought it should have been said.

**Mr. HUMPHREY.** I thank the Senator again. I want the Senator to know that we were attempting to accommodate distinguished Senators who apparently were hoping to have called up for consideration some bills which would not consume much time. The Senator from Tennessee is a wise, dearly beloved colleague; he is extremely able in conducting parliamentary tactics.

**Mr. KEFAUVER.** I observe that the Senator from Minnesota is about to ask me for something.

**Mr. HUMPHREY.** No; the Senator from Minnesota is about to suggest something; namely, that when he saw his good friend from Tennessee put on a dramatic performance of surprise that the majority leader may have indicated that the Senate should set aside the pending business to take up certain other measures, he knew it was about as much a surprise as to say that Christmas comes on December 25.

There has been a forewarning of this suggestion. The majority leader spoke with certain Senators about his intentions. Also, he spoke publicly in the Chamber about it, and his statement appears in the RECORD. It is his intention to move to set aside the pending business and to take up the urgent business of Congress, because certain legislation is about to expire and will have to be renewed.

The Senate will return to a consideration of the communications satellite bill. The Senator from Tennessee says he expects to be here until October. I think that is a marvelous idea. Frankly, I do not have anything to do in the fall except to stay here. I would like nothing better than to talk in October about outer space. But there is no reason not to set aside the pending business, and the pending bill will be set aside to take up urgent matters affecting the Government.

**Mr. KEFAUVER.** Madam President, will the Senator yield for an inquiry?

**Mr. HUMPHREY.** I yield.

**Mr. KEFAUVER.** The Senator says, "The pending business will be set aside."

**Mr. HUMPHREY.** The majority leader will attend to that.

**Mr. KEFAUVER.** It is the Senate itself that decides what will be the pending business.

**Mr. HUMPHREY.** That is correct.

**Mr. KEFAUVER.** I know of no power of an individual Senator to set aside the pending business.

**Mr. HUMPHREY.** A motion can always be made to set aside the pending business.

**Mr. KEFAUVER.** Very well. However, the point is that if I am to speak tomorrow, and it is proposed to take up some other bill, by the time I can return to my speech, everyone will have forgotten what I said before. That would be most unfortunate. I see no reason for talking to a few good Senators on this side of the aisle who seem to have their minds pretty well made up already, and to only one Senator on the minority side—and he is a very fine Senator. If it is proposed to set aside the consideration of the satellite bill, Senators will have forgotten a week later what I have said tonight. If that is the plan for tomorrow, we might as well recess now.

**Mr. SMATHERS.** We do not want to disturb the continuity of the Senator's speech tonight. The intention is to let him finish his speech tonight, so that Senators who are present will not have their thought processes interrupted.

It was only to apprise Senators of what the calendar for tomorrow would be that the majority leader asked that this announcement be made. I thank the Senator from Tennessee for yielding.

## ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

**Mr. SMATHERS.** Madam President, I ask unanimous consent that when the business for today has been concluded, the Senate adjourn until 12 o'clock noon tomorrow.

**Mr. KEFAUVER.** Madam President, what has the Senator to say about my observation about my continuing to talk this evening if it is proposed to have the Senate take up some other bill tomorrow?

**Mr. SMATHERS.** It has not been suggested that what the Senator from Tennessee is saying is a waste of time. Much edification and instruction are being given to us this evening. The Senator should not characterize what he is saying as a waste of time. The Senator has said he did not want to be interrupted, so it is our desire to let him finish his speech this evening, in order that there may not be an interruption of the continuity of his remarks.

Mr. KEFAUVER. My remarks will not be finished this evening; so it seems to me, in fairness to other Senators who might wish to discuss the subject, that if it is planned to take up other bills tomorrow, it would be more meaningful to let the major part of this discussion follow the action on the other bills which it is proposed to take up.

Mr. SMATHERS. I thank the Senator from Tennessee for yielding. I renew my request.

Madam President, I ask that when the business for today has been concluded, the Senate adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMATHERS. I thank the Senator from Tennessee.

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## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Madam President, we have talked about the Federal Communications Commission and about how the Commission has decided that those who will receive the greatest benefit should determine who should own or operate and receive the profits from the communications satellite. The Commission did not need to ask them to obtain a special dispensation under the antitrust laws for the purpose of having a meeting. They knew the answer to that question, because it referred to them.

But when it is proposed to offer someone a great bonanza, something of great value, and he is asked whether he is going to own it or if someone else will own it, the natural answer will be, "I want to own it"; and that was the answer.

I believe Mr. Minow would like to see some other solution of this problem. He told me—and there is some inference to this effect from his testimony—that he could see the advantages of ownership, at least at present, by the Government, because, as junior the Senator from Tennessee has pointed out, the operation cannot be a success unless the Government conducts the negotiations with other governments. But Mr. Minow's statements to me—and there is an inference to that effect in some parts of his testimony—is that he believed there would be some difficulty in having the Government retain ownership or in securing adequate, competent personnel to operate the satellite. The mistake he makes in his argument is that he assumes that everyone who will have anything to do with the operation of the facility will have to be a Government employee; that is, that the scientists and technicians who will operate the ground stations, the scientists who will build the satellites, and the thousands of other persons who might be connected with the project, would have to be Federal employees.

I concede that there is need for salary raises for top-echelon persons, particularly scientists and engineers, in order to attract them to the Government service, although a very great many—and many are serving in NASA, in the Defense Department, in the Atomic Energy Commission, in the Tennessee Valley Authority, and in many other Government agencies—who could earn more in private employment are now in the Government employ, because they wish to dedicate their lives to the public service; and thus they are willing to make that sacrifice.

But the point is that if the work were retained by the Government, most of it would be done by contract with private corporations, as is now the case; and, as a result, the higher paid technicians and engineers of the private concerns would continue to do the work.

So there is no reason why the research and development should not be done by contract with RCA, A.T. & T., I.T. & T., Hughes, and other good companies which now are doing work for the Government. There is no reason why, by means of contract, the ground stations should not be built by private concerns; and there is no reason why they should not be leased for operation, in the public good, by private concerns. We now have a great many Government installations and arsenals for which there are operational contracts with private concerns. For instance, Harvey Aluminum operates an arsenal at Milam, in my State; and Procter & Gamble has an operational contract by means of which it provides the know-how for the operation of an arsenal; and so do the Hercules Powder Co., the Du Pont Co., and many other private concerns. A great many private concerns have contracts to operate specific programs and projects for the Government, and they do that work most successfully.

So, Madam President, it is obvious that such an arrangement could easily be made by the Government for the ground stations and almost everything else in connection with the satellite program.

In that event, the only thing the Government would have to do would be to provide the persons to make the policy decisions at the top level and the persons to review the engineering science and research, as is done now. But that work would require the services of only a comparatively small number of persons.

If Mr. Minow, the Chairman of the Federal Communications Commission, were to consider this problem in that way, I believe his position regarding how this program should be operated might very well be different. In fact, Madam President, statements that the Government cannot successfully operate anything are a part of the propaganda efforts being made in an attempt to have this body pass this bill. However, Madam President, it is not true that the Government cannot operate anything successfully. The Government has done a phenomenally fine job, through contracts with industries and private enterprises, in every field into which it has gone; and the Government has retained unto itself only the policy decisions and the coordination at the top level. The Government has done a very fine job in connection with atomic energy, and at NASA, and in many, many other ways. For example, the Corps of Engineers has charge of the construction of many great dams and hydroelectric plants, and so does the Department of the Interior. Those projects have been developed throughout the country. However, the Corps of Engineers and the Department of the Interior do not, themselves, build those dams and hydroelectric plants. Instead, they contract with private concerns to build them; and the Government agencies retain only supervision of the construction projects.

So it is obvious that the Government is competent to develop and operate and to make negotiations for the best satellite system, and to get it into operation in the shortest possible time; and in that event the Government would not have the liability of trying to protect some other kind of investment, and would not be forced into a situation of not having the best system because that might outmode the transatlantic cables, and the Government would not then be in the position of refusing to use a better system because it might outmode some radio communications system between our country and other countries.

So there is nothing to prevent an appropriately selected private concern from contracting with the carriers, the equipment manufacturers, or the individuals needed to make the program a success.

Madam President, this procedure has been followed in many other areas vital to the national interest. No one has made the argument that the National Aeronautics and Space Administration should be transformed from a govern-metal agency into a private corporation because the technical knowledge of the private companies in the aerospace field would not be made available to NASA and to the American people unless these suppliers were allowed to own NASA.

The argument that it would not be possible to get A.T. & T. or RCA or other private companies to cooperate in connection with the construction and operation of the ground stations unless they owned them, is clearly not borne out by history, and is a reflection on them, because not only have they been willing to take such contracts, but they have vied for and have competed for all the large contracts on which they are engaged at the present time. Of course, they receive a good profit for the work they do.

Quite the contrary, private industry has found it very profitable to work with NASA under contract. A.T. & T., RCA, Hughes Aircraft, General Electric—in fact, a great many of our large corporations compete vigorously for the NASA contracts, and consider them very desirable from a business and financial standpoint.

A look at the communications carriers themselves will show the fallacy of the argument that it is necessary to allow them to own the corporation if we are to have the use of their scientific skills. Neither the shareholders of the communications corporations nor the equipment manufacturers are the ones who bring the knowledge and skills to the companies. The great majority of shareholders in all these corporations are investors who have absolutely no knowledge of the technical aspects of the operation of the corporation in which they own shares of stock. The individuals who own stock in A.T. & T. are not the ones who bring to that corporation the technical knowledge of the communications industry that has facilitated the growth and prosperity of that company. Neither have the mutual funds or the pension trusts that hold A.T. & T. stock provided skills or know-how in the communications field.

Satellite communications have been made possible through research and development paid for by the U.S. Government. There is an overriding public interest in the establishment of a satellite communications system. If the skills necessary for an operational system are in existence in the United States, it is inconceivable that they will not be made available to whatever agency is finally selected as the one to be responsible for an operational system. What a mistake it would be to allow specious reasoning to serve as a base for the abandonment of policies considered by the President to be essential in regard to satellite communications.

There is, as all are aware, in this bill a provision that—

> The activities of the corporation created by this act and of the persons or companies participating in the ownership of the corporation shall be consistent with the Federal antitrust laws.

At best, this amounts to locking the barn door after the horse has gone. The very creation of the private corporation would be a violation of the spirit and philosophy that led to the enactment of the antitrust laws. This philosophy has been a bulwark of our free economy for many years, and is a cherished part of our economic tradition. Beyond this, however, the difficulties which this exemption from the antitrust laws would create are manifold; and it must be remembered that this exemption is absolutely necessary if the corporation, as protected in this bill, is to come into existence.

Mr. YARBOROUGH. Madam President, I suggest the absence of a quorum. Will the Senator from Tennessee yield for that purpose?

The PRESIDING OFFICER. Does the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Texas for that purpose.

Mr. KERR. Madam President, I object to the Senator's yielding for that purpose.

Mr. KEFAUVER. Madam President, I suggest the absence of a quorum.

Mr. SMATHERS. Madam President, I make the point of order that no business has been transacted since the last quorum call.

Mr. GORE. Madam President, I appeal from the ruling of the Chair.

Mr. KEFAUVER. The Chair has not ruled.

The PRESIDING OFFICER. The Senator from Florida is correct. No business has been transacted.

Mr. GORE. Madam President, I appeal from the ruling of the Chair.

The PRESIDING OFFICER. The question is: Shall the decision of the Chair stand as the judgment of the Senate? [Putting the question.]

The ruling of the Chair is sustained.

Mr. KEFAUVER. Madam President, I make the point that a quorum is not present. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEFAUVER. Madam President, I ask unanimous consent that further proceedings under the rollcall be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

### ENCOURAGE ILLEGAL ACTIVITIES

Mr. KEFAUVER. Madam President, this legislation would make it possible for representatives of competing firms to work together in the day-to-day conduct of the business of the satellite corporation while at the same time enjoying immunity from the antitrust laws. What more attractive opportunity could these competitors imagine to facilitate their efforts to evade the antitrust laws in other areas. Certainly the recent cases involving price fixing in the electrical industry demonstrate that some competitors will conspire when given half a chance.

Mr. YARBOROUGH. Madam President, will the Senator yield for a question?

Mr. KEFAUVER. I am very happy to yield to the Senator from Texas.

Mr. YARBOROUGH. My question to the distinguished Senator from Tennessee is this: Suppose this legislation should not pass. Would NASA have power to enter into a contract with the communications carriers, anyway, without this legislation?

Mr. KEFAUVER. It is my understanding that NASA has very broad powers to contract in connection with space and satellites, so I would answer the question in the affirmative. It would have the power.

Mr. YARBOROUGH. But without this legislation, if a group of communications carriers entered into a contract with NASA, would they be exempt from the antitrust laws?

Mr. KEFAUVER. They would not be exempt from the antitrust laws.

Mr. YARBOROUGH. So if they tried to carry on operations such as proposed without the passage of the pending bill they would run squarely into the antitrust laws.

Mr. KEFAUVER. If they tried to get together in a joint venture or a consortium, which is what it really would be, to operate a communications system of this kind, they would violate the antitrust laws without question, in my opinion.

Mr. YARBOROUGH. One of the things the proposed legislation would do would be to grant to them immunity from the antitrust laws of the United States, within the scope of the operations described in the bill.

Mr. KEFAUVER. Yes. This would be a permission to do something proposed to be made possible by the Government, which otherwise would be a violation of the antitrust laws. I have pointed out that not only would that be true, but also it would give to them an opportunity to meet in connection with the operations of the satellite communications system. It would provide an opportunity for getting together for the purpose of talking about other matters. The Department of Justice, in enforcing the antitrust laws, has been very strict about that.

For example, the Subcommittee on Antitrust and Monopoly has made requests for certain information from the steel companies. The steel companies would like to be able to agree about what certain definitions mean, in connection with cost data. The Department of Justice would not permit the steel companies to have their auditors get together, let alone their executives, to agree on definitions.

In this case the presidents or general managers of large communication carriers would be getting together for all kinds of purposes relating to the satellite communications system. They would not be able to do that without violating the antitrust laws, unless the bill were passed.

Mr. YARBOROUGH. The holders of the second class of stock—not the communications carriers themselves, but the holders of the second category of stock; that is, the manufacturers of electronic equipment—by virtue of this joint ownership, could likewise hold conferences as joint stockholders in the corporation, and could plan what they wished to do about manufacturing equipment. Would there not also be an exemption from the antitrust laws for the manufacturers of electronic equipment?

Mr. KEFAUVER. The Senator is correct. This would not be true with respect to some of the smaller carriers, but nearly all of the large communication carriers have their own subsidiaries for the manufacture of their hardware.

A.T. & T. has Western Electric, about which we have heard a great deal before the McClellan committee. A.T. & T. buys practically all of its equipment from Western Electric. RCA has its own manufacturing concern. General Electric has its manufacturing concern. All the large carriers have their own manufacturing concerns.

Of course, those representatives would be able to get together, and would be given a golden opportunity to arrive at arrangements which might be contrary to the antitrust laws.

I point out that the recent price-fixing cases in the electrical industry, which resulted in convictions and jail sentences in the Philadelphia trials, show that some of the large companies—certainly some in the electrical industry—will get together and conspire if they are given half a chance to do so.

**Mr. KERR.** Madam President, will the Senator yield?

**Mr. KEFAUVER.** I am happy to yield.

**Mr. KERR.** Was the A.T. & T. connected with that case?

**Mr. KEFAUVER.** I said the electrical manufacturing companies.

**Mr. KERR.** Are they included in the bill?

**Mr. KEFAUVER.** No. I am giving that as an example of how, in many fields, large companies will get together to conspire if they are given half a chance to do so.

**Mr. KERR.** But the Senator is not taking the position—nor is he making the accusation—that what he has described is applicable to A.T. & T., I.T. & T., or RCA, or other carriers who are interested in having a part in this program of international communications satellites?

**Mr. KEFAUVER.** General Electric——

**Mr. KERR.** I was not talking about General Electric. I asked the Senator if he is accusing those who are contemplated as stockholders in the corporation of that to which he has referred.

**Mr. KEFAUVER.** No, I made it clear I was talking about the electrical manufacturers in the Philadelphia case.

**Mr. KERR.** Very well.

**Mr. KEFAUVER.** I also point out that General Electric has indicated it would like to get in. At one time General Electric had in mind forming a corporation for the purpose of participating in this program.

**Mr. KERR.** Madam President, will the Senator yield?

**Mr. KEFAUVER.** I am happy to yield.

**Mr. KERR.** Is the Senator accusing them of wanting to do so in an unlawful manner?

**Mr. KEFAUVER.** I am not accusing them at all, but General Electric happens to be the firm which had more people involved in the conspiracy in Philadelphia than any other manufacturer.

**Mr. KERR.** That subject is covered by the litigation to which the Senator referred, is it not?

**Mr. KEFAUVER.** Yes. Is the Senator contending that the A.T. & T. or RCA or other large communication carriers have no desire to violate the antitrust laws and no record of having done so? I do not think the Senator is contending that.

**Mr. KERR.** If the Senator does not think the Senator is contending that, the Senator suggests that he not intimate it; and if he does think it, the Senator suggests that he so state.

**Mr. KEFAUVER.** In any event, these companies have had antitrust cases. They were accused of violating the antitrust laws; some have been convicted and others have entered into consent decrees.

**Mr. KERR.** The Senator from Oklahoma asks the Senator from Tennessee to document that statement in the RECORD.

**Mr. KEFAUVER.** Very well; it will be documented. I shall be glad to do so.

**Mr. YARBOROUGH.** Madam President, will the Senator yield for a question?

**Mr. KEFAUVER.** I am happy to yield.

**Mr. YARBOROUGH.** Is it not possible, under the second category of stockholders, for the manufacturers of electrical equipment to buy stock in the corporation which would be created under the terms of the proposed bill if it should become law?

**Mr. KEFAUVER.** Will the Senator please repeat the first part of his question?

**Mr. YARBOROUGH.** Part of the proposal under the bill is that stock would be sold to authorized communications carriers.

**Mr. KEFAUVER.** One-half of the stock would be set aside for them.

**Mr. YARBOROUGH.** One-half of the stock would be sold to what is called the general public. There is a provision that:

> At no time shall any stockholder who is not an authorized carrier, or any syndicate or affiliated group of such stockholders, own more than 10 per centum of the shares of voting stock of the corporation issued and outstanding.

In the second category of general stockholders the proposed law would permit a person or corporation to own 10 percent of the stock. That would permit five corporations to own 50 percent of the stock.

In that second category, which does not include authorized communications carriers, would it not be possible under the terms of the pending bill for a manufacturer of electrical equipment to own 10 percent of the stock in the corporation?

**Mr. KEFAUVER.** Yes, it would be possible for a manufacturer of electrical equipment to own a part of the stock set aside for the public, provided it was not a subsidiary of or connected with a communications carrier. That is, it would be possible for General Electric, Westinghouse, or Allis-Chalmers to own up to 10 percent of the stock.

**Mr. YARBOROUGH.** Really, the provision was designed for that purpose, was it not? As common stockholders, would not the provision permit these people to get together legally—not to conspire, but to get together legally—to talk and plan about prices they would charge for the electrical equipment they would furnish?

**Mr. KEFAUVER.** Of course they would discuss prices.

There is a provision which is supposed to promote competitive bidding, which I shall discuss later, but there would be discussions.

**Mr. YARBOROUGH.** An amendment was put in.

**Mr. KEFAUVER.** The Senator from Oklahoma asked me to document the facts about Western Electric and others.

**Mr. KERR.** I did not ask the Senator to document that. I asked the Senator specifically about A.T. & T. and I.T. & T.

**Mr. KEFAUVER.** Yes. I shall document the cases.

**Mr. KERR.** Very well. That is what I asked for.

**Mr. KEFAUVER.** This hardly comes as a surprise because Adam Smith, an economist of considerable reputation among advocates of a free enterprise economy, pointed out nearly 200 years ago:

> People of the same trade seldom meet together even for merriment and diversion, but the conversation ends in a conspiracy against the public, or on some contrivance to raise prices.

Smith doubted that the Government could prevent "people of the same trade from assembling together," but he did feel strongly that Government "ought to do nothing to facilitate such assemblies; much less to render them necessary."

### WHY MAKE IT EASIER?

Think of the ease with which the representatives of the firms in the communications industry or in the equipment manufacturing industry could arrange their discussion of price fixing, the allocation of markets and other such activities that enjoy great popularity in certain business circles. The number of complaints filed by the Justice Department in antitrust cases indicates that there is considerable activity in these fields even under the most adverse conditions.

Under the proposal we have before us, such violations of the antitrust laws would be almost impossible to detect. The only protection for the public interest might be that violating the antitrust laws would become so easy that it would cease to be a challenge for the imaginative and creative individuals involved and therefore might decline in popularity.

Because of the great public interest in satellite communications, it has been necessary to provide for extensive Federal regulation, coordination, and planning. The provisions of title 2 of the Satellite Communications Act are intended to implement the policies spelled out in the preceding sections of the bill. The provisions of title 2, however, are inadequate in many ways and do not afford the protection which the public must have.

### COMPETITION VERSUS REGULATION

In areas where it has seemed necessary to approve of legalized private monopoly, primarily in the transportation and public utility fields, there has been a significant departure from traditional antimonopoly policy. The original departure from our traditional faith in competitive principles was neither final nor complete.

In the early stages of the development of the concept of regulated industries the break was partial, tentative, and very carefully circumscribed. The popular attachment to competitive principles and our deep-seated hostility toward monopoly were reflected in the many safeguards and limitations which were imposed on the early grants of privilege to public utility type corporations. When we felt compelled by institutional pressures and necessities to legalize private monopoly, we did so only with reluctance and serious misgivings. This was considered a dangerous venture which required unusual precautions against miscarriage.

The theory of natural monopoly, though having a certain element of plausibility, has never been an entirely convincing argument in our economy. When a limited degree of monopoly has seemed necessary or desirable in particular situations, our attitude has been that it was socially tolerable only when rigorously circumscribed. Early legislation in the public utility field, though authorizing monopoly, sought to preserve as much of the competitive structure in the economy as possible. This effort to retain competition was a demonstration of our faith in the freely operating market forces and reflected the prevailing mood of the late 19th and early 20th centuries.

### GROWTH OF MONOPOLY

The concept of the public interest as originally conceived in the development of the public utility idea was sound in theory. Unfortunately, the concept fell upon bad days and as the years have passed it has been distorted into an instrument for the promotion of monoply, primarily because of failure of the human element under powerful economic and political pressures.

Public regulation has gradually shifted its objective from protecting the public interest to protecting the monopolies created under its aegis.

Public regulation was originally intended as a substitute for competition in the limited sectors of our economy where for technical reasons competition was considered to be either impossible or undesirable.

At this point I would like to quote briefly from a book entitled "Monopoly and America" by Walter Adams and Horace Gray, both economists of excellent reputation and both established scholars in the field of monopoly problems.

In discussing the problem of regulated monopolies, they state:

> The significant feature of this conception was the retention of the competitive ideal of service at cost (including a fair return on the capital employed) as the goal of public policy. Society might for practical reasons institute monopoly in special situations, but it would invoke its sovereign police power to compel such monopolies to conform to the competitive model with respect to end results. Thus, on this reckoning it was possible to have monopoly without suffering its normal consequences; to abandon competition but still enjoy its benefits; to force monopoly to behave competitively. All this, it was then believed, could be accomplished by rigorous application of the police power in the public interest.

### ADAMS AND GRAY

> Subsequent events, however, revealed basic errors in this assumption. The men of that period (the late 19th and 20th centuries) seriously misjudged the efficacy of the police power. They failed to comprehend that negative, restrictive control of individual behavior can never be a substitute for positive decisionmaking in the productive process. They underestimated the difficulties and frustrations incident to application of the police power within our constitutional, administrative, and political system. More particularly, however, they completely misapprehended the nature of legalized private monopoly—its intransigence, its resourcefulness, its ruthlessness, its economic and political power, its capacity to evade or subvert public regulation. They failed to forsee that increasing social dependence on the services of such monopolies would progressively strengthen their strategic position vis-a-vis the community, further diminish the limited effectiveness of public regulation, and eventually create a situation where the sovereign powers of Government would be invoked to protect and subsidize rather than to regulate.

This, Mr. President, is an accurate analysis of the breakdown of the process of public regulation. Public regulation has, as we are all too keenly aware, failed to provide a substitute for competition. In far too many instances regulation has become the servant of private rather than public interests. It is against this historical background that we must evaluate the language in title 2 of this bill in our efforts to determine whether there is therein provided adequate protection of the public interest.

### ROLE OF PRESIDENT

Subsection (a) of section 201 deals with the role of the President. When S. 2814, the original administration bill, was first introduced, it contained a provision that the President "plan, develop, and supervise the execution of a national program for the establishment as expeditiously as possible of a communications satellite system." This was in full recognition of the need for far-reaching influences beyond the normal regulatory pattern.

The communications carriers, who have sought from the beginning to gain exclusive control of the private satellite corporation which has been proposed, fought this language bitterly. It was their contention that such language would lead to Presidential interference with the normal business operations of the private corporation, and that such interference not only was unnecessary but would make their life in terms of managing the corporation intolerable.

As a result of the arguments made by the communications carriers, the President's power was severely restricted. His role was limited to that of aiding in the development of, and fostering the execution of a national program for the establishment of an operational communications system. The Commerce Committee has improved upon the language of the bill somewhat, but the present language which assigns the President the responsibility to "aid in the planning and development and foster the execution of a national program" is still considerably weaker than the original language thought necessary by the President, and this present language is clearly inadequate in terms of protecting the public interest. The argument of the carriers seems to have been that they should be free from supervision in the operation of a satellite system, once it had passed out of the planning and development stages. Their contention that the normal regulatory forces, essentially regulation of the satellite corporation by the Federal Communications Commission, would prove adequate, ignores the fact that the FCC has never in its entire history provided the public sufficient protection through its attempts at regulation of the communications common carriers.

Mr. YARBOROUGH. Madam President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to the Senator from Texas.

Mr. YARBOROUGH. In connection with the statement of the distinguished Senator from Tennessee in regard to the FCC and the fact that it has never furnished adequate protection to the public in the matter of rates charged by the communications common carriers, I should like to inquire of the distinguished Senator from Tennessee whether the FCC has ever audited the books of A.T. & T. or attempted to determine what the real value of their property was as a basis for making and setting a rate that would allow a reasonable return.

Mr. KEFAUVER. The undisputed testimony of Mr. Minow and others of the FCC shows that in the whole history of the Federal Communications Commission there has never been a rate case carried through to conclusion on an A.T. & T. rate. There have been some negotiations, but there has never been an investigation of what we call their assets, their investments, and everything else, which is so necessary in order to carry through to a conclusion a rate case. In connection with their oversea rates, there has never been any effort made to regulate their oversea rates until an effort was started recently, and that has been on a negotiation basis.

The FCC says that it does not have the manpower. I believe that in many instances it has not had the willpower to do so either.

Mr. YARBOROUGH. Has it ever attempted a formal rate hearing with the A.T. & T. to determine the basis for interstate charges?

Mr. KEFAUVER. It may have thought about one, and it may have started one—and I am not certain about that—but it has never carried one through.

There has never been a cost study made to see whether A.T. & T. is paying a reasonable price to its subsidiary, Western Electric, which furnishes all of its equipment. There has never been a cost study made to see whether A.T. & T. is paying reasonable prices for what it purchases.

A.T. & T. did get by negotiation some reductions in what it was to pay Western Electric, but I believe it should be pointed out that the more Western Electric charges A.T. & T. for hardware—the telephones and transformers and lines, and so forth—the better off A.T. & T. is, because that means that Western Electric is making more profit, and A.T. & T. merely passes on the charge to the rate base and to the consumer; therefore the more profit is made by Western Electric the more A.T. & T. makes. That is true of other carriers which have subsidiaries that supply them.

Mr. YARBOROUGH. Is there any reason to believe that it would be easier for the FCC to determine a rate base and to have a hearing on this whole matter of international satellite communications than it would be to have a hearing on the interstate rate base here in the United States?

Mr. KEFAUVER. There is no reason to believe that there would be. The FCC, by its record, whether because of lack of personnel or whatever it is, has not shown itself competent or able to regulate A.T. & T., nationally or internationally, in the past. There is absolutely no showing that it would be able to protect the public interest in connection with the joint ownership and operation of the space communications satellite. The public interest would not be protected, judging by the record. As the Senator has shown, it would be much more difficult to have adequate regulation of a great jointly owned space communications satellite than it would be with respect to one domestic company. Not having regulated the domestic company, I can seen no hope that the public interest would be protected by the FCC in the larger venture.

Mr. YARBOROUGH. I know that the Senator, in his capacity as chairman of the Antimonopoly Subcommittee, has familiarity with the survey which the firm of Booz-Allen & Hamilton made of the Federal Communications Commission in March of 1962. It made a survey of its organization.

Mr. KEFAUVER. I am not as familiar with it as is the Senator from Texas. I know that he has asked many questions about it. It is a management survey which was paid for by the Government itself, to find out if regulation of A.T. & T. had been adequate. It found that the Commission was not able adequately to regulate them in the public interest. I would be glad to have the Senator explain it in more detail.

Mr. YARBOROUGH. I do not want to take too much time from the very illuminating address the distinguished Senator from Tennessee is making to the Senate. I wish to refer, however, to one or two sentences in the report, because they are in keeping with what the distinguished Senator has said.

Mr. KEFAUVER. I believe we should make it clear that this survey was secured and paid for by the Bureau of the Budget.

Mr. YARBOROUGH. Yes. The Bureau of the Budget paid for this survey, to determine whether the FCC was doing its job. In other words, the Bureau of the Budget, as a part of its duty, wanted to find out whether the Government's money was being efficiently spent and whether this Government agency was doing its job. I read from page 283 of the survey, as follows:

> THE COMMON CARRIER BUREAU IS NOT WELL EQUIPPED TO MEET ITS RESPONSIBILITIES IN THE FACE OF A RISING WORKLOAD
>
> This outline of Common Carrier Bureau duties has sketched areas of responsibility of an order of magnitude and significance which exceeds the Bureau's resources. Neither the physical facilities, the staff, nor the budget provided the Bureau properly reflects a recognition of the Bureau's statutory obligations. Handicapped by inadequate provision of the means of insuring a satisfactory level of regulatory activity, Bureau management has never been tested by measuring performance against feasible program objectives. Further, there is evidence that much of the Bureau staff believes that the Commission has far less interest in the Bureau's activities than is warranted. Under these circumstances, Bureau management has been adequate but uninspired.

That was an extract from the report that I have just read. I call particular attention to this portion:

> Bureau management has never been tested by measuring performance against feasible program objectives.

Does that not mean that they did not get the job done with what they had? In other words, they did not try within the limits of what they had.

Mr. KEFAUVER. The Federal Communications Commission has some very good employees and good technicians. Mr. Minow is a good man. However, the record of the FCC is not one to justify any confidence in its being able to regulate this space communications satellite in the public interest.

Mr. YARBOROUGH. I do not believe that the Common Carrier Bureau has been challenged on that score, so far as the integrity or honor is concerned. Everyone agrees that they are fine, honorable gentlemen, but they just do not measure up to having the necessary drive and energy to get the job done with what they have available. We have had some experience in the Senate with getting something done with a limited budget.

They have a limited budget. I shall read another paragraph from this report and ask the distinguished Senator from Tennessee what he has found in that connection from his study and in the hearings held by the Subcommittee on Antitrust and Monopoly. I read now from the Booz, Allen & Hamilton report:

> The list of Bureau functions which are explicit or implicit in the Communications Act is in fact a lengthy one. A tabulation of those which, for lack of staff and budget, are performed in a superficial manner, or are performed for a small fraction of the total area of responsibility, also would prove lengthy.

Does not that indicate that to add further the vast duties in space activities to those which are performed now only in a superficial manner or are performed for a small fraction of the total area of responsibility would only complicate the duties which the Commission now has?

Mr. KEFAUVER. It indicates that it would be a much harder assignment than the Commission has had in the past. It has not done that in the past, so there is no real promise that it could be done in the future.

Mr. YARBOROUGH. The Booz, Allen & Hamilton report to the Bureau of the Budget in March 1962, includes a list of items which, the report says, the FCC has performed in a superficial manner, or in which they have had only a small fraction of the total responsibility. The report states:

> Since January 1, 1956, accounting compliance reviews have been accomplished for only 14 of 24 Bell System companies and 9 of 40 independent telephone companies. Appendix J illustrates this by listing the dates on which accounting compliance reviews were last conducted for fully subject independent telephone companies.
>
> In 1960, Bell System purchases from the Western Electric Co., a Bell subsidiary, amounted to $1.8 billion, which amount becomes part of the rate base on which the Bell companies expect a return. Apart from occasional review of periodic reports, no examination of the books of Western Electric or other leading telephone equipment manufacturers has been undertaken to determine the reasonableness of charges to the Bell System.
>
> Under the Communications Act, depreciation rates—a major factor in an industry with an increasingly faster rate of obsolescence for much of its equipment—must be prescribed by the FCC. Rates of Bell System companies can be reviewed every 3 or 4 years, at best. Although depreciation rates in general use are scanned for unusual factors, in fact no depletion rates have been prescribed for the independent companies subject to the FCC.
>
> The method of timing and billing long-distance telephone calls never has been adequately examined.

I have quoted from the management consultant report, paid for by the Bureau of the Budget. It discusses how A.T. & T.—the Bell System—times and bills its long-distance telephone calls. The report states that that operation has never been adequately examined. I continue to read:

> Tariffs for the relatively new broad band and private line services require study of level and structure which has not been possible to date on a scale in keeping with the rapid development of significant new services.
>
> Disparities which exist between inter- and intrastate telephone rates for comparable distances are blamed by State authorities for inequities in revenue distribution and consequent adverse effects on local tax yields. Additional accounting studies are needed to establish acceptable separations and division of revenue.

The report then continues:

> This list is susceptible to considerable extension. The point is that the Bureau is in no position to establish the reasonableness of charges in most areas of common carrier service.

In the light of this report to the Bureau of the Budget by the firm of management consultants that the Common Carrier Bureau is in no position to establish the reasonableness of charges in most areas, my question is whether the Common Carrier Bureau would be in a position to establish the reasonableness of rates in a space communications satellite system, if such a system were authorized under the law and were awarded to the A.T. & T.

Mr. KEFAUVER. I feel quite certain that the Bureau today cannot adequately do such regulating. This should be kept in mind. The report was made by an outstanding organization. It was made objectively and was paid for, as the Senator has said, by the Bureau of the Budget. In light of that report, how anyone could ever think the public would have the protection it is entitled to receive through regulation by the FCC of a space communications satellite, I cannot understand. The Commission has not been able to regulate adequately what has come within its jurisdiction; it has admitted this itself. The report is conclusive that the Commission has not made a showing that it has been able to perform this function satisfactorily in the past or will be able to do so in the future.

The assets of A.T. & T. in 1951 were approximately $11 billion. In 1962, the assets of A.T. & T. were nearly $27 billion. Notice the growth in 10 years from $11 billion to $27 billion.

But the FCC Common Carrier Bureau, which is supposed to do the regulating, and has had a bigger business to regulate as time has passed, has been reduced from approximately 170 employees to 130. That number includes clerks and secretaries, as well as technicians. So the Commission's manpower has not been increased.

Furthermore, I have not seen any real evidence of a will on the part of the FCC to regulate A.T. & T. or some of the other carriers. I believe Mr. Minow hopes that he can improve the situation. But after all, this is experience over a period of 27 years. If a communications satellite is established, this is the manner in which it will be regulated. I think we must judge what will happen in the future by what is happening now and what has happened in the past.

Mr. YARBOROUGH. That is the way Patrick Henry said it should be done.

Mr. KEFAUVER. I believe that is a part of his great speech. But the proponents of the bill seem to assume that the FCC can adequately regulate and protect the public, while they ignore the poor record of the Commission in the past.

I feel very strongly that the powers which the President of the United States thought to be necessary in order that he might be capable of providing adequate supervision over the activities of the private satellite corporation are certainly a minimum in terms of what should now be included in this bill.

There has been enough significant change in the section relating to the role which the President shall play with regard to the private satellite corporation. The original version of S. 2814 provided that the President would determine the most constructive role for the United Nations in connection with the development of the United States portion of a global satellite system. This provision as it appeared in that bill was in no way an effort to preempt any decisions or determinations which might appropriately be made by the United Nations itself. Instead, this represented a recognition of the fact that a satellite communications system is by its inherent nature an international undertaking, that our operational system which will bring the full potential benefits to all the peoples of the world must of necessity be established through the cooperative efforts of many nations.

## OTHERS CONCERNED WITH ARMY FOOTBALL RECRUITING METHODS

Mr. LONG of Louisiana. Madam President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I am very happy to yield to the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. Madam President, on Friday, June 15, I made a statement criticizing the Army for its methods of recruiting football players, and for withholding vital information on this subject.

On that date, I made reference to a situation which had developed in the State of South Carolina. A young man who had signed a grant-in-aid contract with Clemson College was recruited by Army, and was encouraged to break his contract.

Madam President, although I have not seen the announcement, there has been read to me over the telephone an announcement that the commandants of the three service academies—the Military Academy, the Naval Academy, and the Air Force Academy—have ageed that in the future those academies will not undertake to recruit and entice to the service academies football players who have signed contracts to attend private schools and colleges. The agreement between the commandants is, as I understand, on the basis that no service academy will recruit, for football purposes, young men who have signed contracts to receive grants-in-aid from private or State colleges, on the basis that if they are not accepted by the service academies, they will go to the private State colleges concerned.

This is some improvement, and it tends to be somewhat in accord with the motto of the Military Academy, at West Point—"Honor, Duty and Country."

However, the other day I pointed out how completely in conflict with that motto it was for the Military Academy to send its representatives around the country, seeking to persuade young men to break the contracts they had made with private colleges, in order to go to the Military Academy.

Senators know that when I raised this question, I also raised the issue that Members of Congress violate the law by designating a young man as an alternate—usually a third alternate—to attend a service academy, merely so he would be available for selection by the academy board, although the young man did not come from the district of the Member of Congress who made the designation. However, it appears that thus far the academies are still holding out against "coming clean" on that portion of the program.

If the bill to increase the number of appointments to be available to the academic boards at the service academies is to be brought up at this session, I believe I shall have to make it a matter of record that Members of the Senate and Members of the House of Representatives are violating that law. It makes no sense, to me, for Congress to write a law providing that it shall be against the law for a Member of the Senate or a Member of the House of Representatives to engage in a certain kind of conduct, but not to provide for any criminal sanctions, and then proceed to cover up for those who violate the law.

I am pleased to find that the other day the distinguished junior Senator from South Carolina [Mr. THURMOND] made a very statesmanlike presentation which indicated that he agrees with me, and that the incident which developed in regard to the recruiting of a young man who already had agreed to attend Clemson College was a breach of faith and was immoral conduct. The Senator from South Carolina made a very fine statement along that line; and I ask unanimous consent to have printed in the RECORD an article written in that connection, and published on June 8 in the New Orleans Times-Picayune. The article is entitled "Blast Dietzel Tactics—Protest by South Carolina Senator—THURMOND Hits Practice of Army Staff."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Orleans Times-Picayune, June 8, 1962]

BLAST DIETZEL "TACTICS"—PROTEST BY SOUTH CAROLINA SENATOR; THURMOND HITS PRACTICE OF ARMY STAFF

WASHINGTON.—Senator STROM THURMOND, Democrat, South Carolina, said Thursday he has protested to Army officials against recruiting of South Carolina football prospects by West Point Coach Paul Dietzel.

THURMOND, in a statement said he had received complaints that Dietzel representatives enticed two South Carolina football players to attend West Point after they had signed to enter the University of South Carolina and Clemson.

THURMOND said he wrote Stephen Ailes, Under Secretary of the Army, Tuesday, asking if the Army considers recruiting of this type as ethical and if it has the Department's approval.

"Obviously, West Point must go all over the country seeking football prospects, as it is an independent school," THURMOND said. "Further, I have always held that some of the finest young men and prospective football players in the Nation are born in South Carolina; but the practice of urging an impressionable young man to break one contract to sign another does not seem to be the type of standard which our great Military Academy should be setting for the young men of America."

## TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

## ADDITIONAL EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency:

John P. Botti, of New York, to be superintendent of the U.S. Assay Office at New York, N.Y.

## EXTENSION AND IMPROVEMENT OF PUBLIC ASSISTANCE AND CHILD WELFARE SERVICES PROGRAMS OF THE SOCIAL SECURITY ACT—AMENDMENTS

Mr. DOUGLAS. Mr. President, for myself and the senior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Texas [Mr. YARBOROUGH], the junior Senator from Connecticut [Mr. DODD], the junior Senator from Arkansas [Mr. FULBRIGHT], the junior

Senator from Alaska [Mr. GRUENING], the senior Senator from Florida [Mr. HOLLAND], the junior Senator from Washington [Mr. JACKSON], the junior Senator from Missouri [Mr. LONG], the junior Senator from Minnesota [Mr. MCCARTHY], the junior Senator from Montana [Mr. METCALF], the junior Senator from Utah [Mr. MOSS], the junior Senator from Rhode Island [Mr. PELL], and the senior Senator from West Virginia [Mr. RANDOLPH], I send to the desk and ask to have printed a proposed amendment to the bill H.R. 10606.

Mr. President, if adopted, this amendment would permit recipients of old-age assistance to earn up to $25 a month without having the amount so earned subtracted from their old-age assistance grant.

As you know, the present law provides that in determining need under old age assistance the entire income and resources of an individual are taken into account. Thus, any amount an individual earns is subtracted from the grant which has been determined to represent his need. I believe it would be desirable and proper to permit old-age assistance recipients to contribute, themselves, to both their self-respect and their needs by allowing them a small amount of earnings without penalty. They should be allowed to earn a few dollars by babysitting, gardening, or other casual employment without having to break the law by not reporting it or being penalized for doing so. Moreover, the present provision discourages the recipients of old-age assistance from seeking such casual and part-time employment because if they later lose these jobs a great deal of effort and time is required to obtain restoration of their full assistance grant.

This is the same proposal which I submitted in 1956 as an amendment to the Social Security Amendments Act of that year and which the Senate adopted by a vote of 56 yeas to 34 nays. The amendment, however, was lost in conference and subsequent attempts to revive it were put off by the previous administration.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 20, 1962, he presented to the President of the United States the following enrolled bills:

S. 2186. An act for the relief of Manuel Arranz Rodriquez;

S. 2340. An act for the relief of Shunichi Aikawa;

S. 2418. An act for the relief of Elaine Rozin Recannati;

S. 2486. An act for the relief of Kim Carey (Timothy Mark Alt.);

S. 2562. An act for the relief of Sally Ann Barnett;

S. 2565. An act for the relief of Michael Najeeb Metry;

S. 2895. An act to provide for the conveyance of certain lands of the Minnesota Chippewa Tribe of Indians to the Little Flower Mission of the Saint Cloud Diocese; and

S. 2990. An act for the relief of Caterina Scalzo (nee Loschiavo).

## ADJOURNMENT

Mr. SMATHERS. Madam President, I move that the Senate now adjourn, in accordance with the order previously entered.

The motion was agreed to; and (at 8 o'clock and 3 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, June 21, 1962, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate June 20, 1962:

### DEPARTMENT OF STATE

William H. Orrick, Jr., of California, to be Deputy Under Secretary of State.

### DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Samuel D. Berger, of New York.
Edmund A. Gullion, of Kentucky.
Martin J. Hillenbrand, of Illinois.
John D. Jernegan, of California.
Thomas C. Mann, of Texas.
Robert McClintock, of California.
Frederick E. Nolting, Jr., of Virginia.
Joseph Palmer 2d, of California.
G. Frederick Reinhardt, of California.
William M. Rountree, of Maryland.
Roy Richard Rubottom, Jr., of Texas.
John W. Tuthill, of Illinois.
William R. Tyler, of the District of Columbia.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Sverre M. Backe, of California.
Stanley S. Carpenter, of Massachusetts.
Alton L. Gillikin, of North Carolina.
William L. Hamilton, Jr., of Maryland.
Thomas H. Lintchicum, of California.

William H. Taft III, of Connecticut, for appointment as a Foreign Service officer of class 2, a consul general and a secretary in the diplomatic service of the United States of America.

Robert Louis Kinney, of Maryland, for appointment as a Foreign Service officer of class 2, a consul and a secretary in the diplomatic service of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Eric M. Hughes, of Virginia.
John H. Morris, of Arizona.
Thomas H. Murfin, of Washington.
George W. Skora, of Arizona.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Raymond J. Alvarez, of California.
William Bodde, Jr., of Maryland.
John W. Campbell, of California.
Donald I. Colin, of California.
Mrs. Joyce F. Garrett, of Michigan.
Francis M. Kinnelly, of Maine.
Clint A. Lauderdale, of California.
James L. Meyer, of California.
James P. Murphy, of Oklahoma.
Preston L. Niemi, of Washington.
Martin Prochnik, of Colorado.
John E. Reinertson, of Wisconsin.
G. Henry M. Schuler, of Pennsylvania.
Eugene R. Vikingson, of Minnesota.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Morris J. Amitay, of New York.
Daniel A. Britz, of Ohio.
James N. Bumpus, of California.
Donald D. Casteel, of Wyoming.
Harvey T. Clew, of Connecticut.
Patrick J. Flood, of Ohio.
William B. Harris, of California.
F. Stephen Hoffman, of New York.
Richard H. Imus, of California.
Peter J. Lydon, of Massachusetts.
John C. McClurg, of Missouri.
Miss Leona M. Nelles, of South Dakota.
Robert M. Ruenitz, of California.
David Segal, of Connecticut.
Reynold A. Riemer, of New York.
Maurice M. Tanner, of Arizona.
Frederick W. Tingley, of Maine.
Miss Mary M. Tracy, of New Jersey.
J. William Wenrich, of Michigan.
Milton J. Wilkinson, of Connecticut.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Norman C. Barnes, of Virginia.
Hugh W. Burrows, of Michigan.
Douglas A. Elleby, of Minnesota.
John G. Heyn, of Connecticut.
W. Allan Jackson, of California.
Norman P. Scott, of Colorado.
Edward H. Splain, of New York.
Donald K. Taylor, of Maryland.
Richard E. Undeland, of Nebraska.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

James E. Anderson, of Virginia.
James M. Ascher, of Illinois.
Stewart D. Burton, of Utah.
James B. Fletcher, Jr., of Florida.
William P. Roessner, of Virginia.
Kenneth D. Sexson, of Illinois.
Walter Trenta, of New York.
G. Claude Villarreal, of Texas.

Thomas R. Byrne, of Maryland, a Foreign Service Reserve officer, to be a consul and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Daniel C. Arnold, of Virginia.
Robert J. Baker, of Virginia.
Charles I. Cooper, of Massachusetts.
William M. Decker, of Virginia.
Willard B. Devlin, of Pennsylvania.
William F. Donnelly, of Ohio.
William C. Grimsley, Jr., of Florida.
Edward J. Nickel, of Connecticut.
Joseph P. Sherman, of Michigan.
Eugene F. Sillari, of New York.
John H. Tobler, of Virginia.

Sterlyn B. Steele, of California, a Foreign Service staff officer, to be a consul of the United States of America.

### COMMODITY CREDIT CORPORATION

John A. Baker, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation.

### U.S. PATENT OFFICE

Manuel C. Rossa, of Virginia, to be an Examiner in Chief, U.S. Patent Office, vice Arthur W. Crocker, resigned.

### U.S. COAST GUARD

Rear Adm. Donald McG. Morrison, U.S. Coast Guard, to be Assistant Commandant of the U.S. Coast Guard with the rank of vice admiral.

### POSTMASTERS

The following-named persons to be postmasters:

#### ARIZONA

Cassenia E. Crowder, Morristown, Ariz., in place of J. P. Hamilton, retired.

Frances L. Roberts, Winkelman, Ariz., in place of I. W. Hedworth, retired.

### CALIFORNIA

Byron H. Alexander, Jr., Culver City, Calif., in place of P. H. Jarrett, retired.

Noel F. Ricauda, Fontana, Calif., in place of D. H. Axtell, transferred.

Jimmy L. Pierce, Lamont, Calif., in place of Margaret Campbell, resigned.

Luke A. Brazo, Pico Rivera, Calif., in place of R. C. Parker, retired.

Ted Ballew, Pollock Pines, Calif., in place of D. A. Willey, resigned.

Hector G. Godinez, Santa Ana, Calif., in place of F. R. Harwood, deceased.

### COLORADO

Claude T. Cecil, Gill, Colo., in place of Clarence Townley, retired.

John A. Miller, Julesburg, Colo., in place of J. V. Twomey, retired.

Laurence Montano, Leadville, Colo., in place of C. A. Fitzsimmons, removed.

### FLORIDA

William A. Holland, Fort Lauderdale, Fla., in place of W. D. Dunifon, resigned.

J. Douglas Arnall, Venice, Fla., in place of R. E. Shallberg, retired.

### GEORGIA

James L. Sparks, Morris, Ga., in place of S. A. Teel, retired.

Amos S. Roberts, Pinehurst, Ga., in place of H. C. Brantley, retired.

### HAWAII

Edward Y. Shimabukuro, Kaunakakai, Hawaii, in place of J. D. Lewis, Jr., retired.

### ILLINOIS

Melvin A. Nourie, Aroma Park, Ill., in place of V. E. Brown, retired.

Stephen B. Evans, Ellsworth, Ill., in place of W. W. Van Gundy, deceased.

Clifford L. Lehman, Eureka, Ill., in place of C. B. O'Marah, retired.

Carl L. Karlson, Nachusa, Ill., in place of C. H. Strong, retired.

Gerald A. Melvin, Tamaroa, Ill., in place of J. E. Lee, removed.

### INDIANA

David M. Stanley, Boone Grove, Ind., in place of C. E. Baker, retired.

Eugene Hampton, Darlington, Ind., in place of M. E. Maxwell, transferred.

R. John Boch, Decatur, Ind., in place of L. W. Kirsch, deceased.

### IOWA

Kingsley M. Schaudt, Slater, Iowa, in place of M. B. Chader, deceased.

### KANSAS

John D. Beighley, Smolan, Kans., in place of A. V. Nelson, deceased.

### KENTUCKY

Eldon W. Bradley, Sebree, Ky., in place of Milton Ashby, retired.

### MAINE

Eleanor V. Cushing, Cliff Island, Maine, in place of H. E. Cushing, deceased.

Carroll H. Moulton, East Lebanon, Maine, in place of F. W. Pierce, retired.

John P. Mahar, Rumford, Maine, in place of M. B. Manson, deceased.

### MICHIGAN

Louis A. Haight, Holland, Mich., in place of Harry Kramer, retired.

Paul L. Beyett, Keego Harbor, Mich., in place of B. O. Hobolth, transferred.

Raymond C. Donaldson, Lapeer, Mich., in place of R. L. Taylor, retired.

Lawrence G. Chappel, Marlette, Mich., in place of N. F. Smith, resigned.

### MINNESOTA

Frank J. Petric, Babbitt, Minn., in place of E. J. Shega, resigned.

Gerhardt F. Proehl, Otisco, Minn., in place of K. E. Johnson, removed.

William A. Silliman, Windom, Minn., in place of W. A. Lienke, deceased.

### MISSOURI

Robert M. Blackwell, Bonne Terre, Mo., in place of V. L. Evans, resigned.

Lewis B. Papin, Chaffee, Mo., in place of O. T. Pfefferkorn, retired.

Archie M. Neff, Goodman, Mo., in place of G. L. Chancellor, deceased.

Theodoric C. Bland, Kansas City, Mo., in place of A. F. Sachs, retired.

C. Eldridge Griswold, Salisbury, Mo., in place of J. F. Vermillion, retired.

H. Edith Sims, Trimble, Mo., in place of R. L. Miller, retired.

### NEBRASKA

Ellsworth C. McKay, Atkinson, Nebr., in place of A. G. Miller, retired.

Ruby M. Pump, Bennet, Nebr., in place of G. H. Smith, resigned.

### NEW HAMPSHIRE

Erwin W. Cushing, Marlow, N.H., in place of J. F. Perkins, deceased.

### NEW JERSEY

William F. Martin, Elmer, N.J., in place of L. L. Bignell, retired.

Frank A. Maressa, Stratford, N.J., in place of E. B. Carr, retired.

### NEW MEXICO

Jack S. Feerer, Logan, N. Mex., in place of A. R. Bigelow, retired.

### NEW YORK

Arthur J. Walsh, Fishers Island, N.Y., in place of A. J. Walsh, deceased.

Michael J. Vickio, Montour Falls, N.Y., in place of E. M. Galley, retired.

### NORTH CAROLINA

J. Preston Andrews, Jr., Bahama, N.C., in place of M. W. Harris, retired.

Ophelia F. Roberts, Coats, N.C., in place of Lucy Kelly, retired.

Mildred S. Bartlett, Kure Beach, N.C., in place of M. O. Saunders, retired.

Evans L. Caudle, Midland, N.C., in place of R. A. Brooks, retired.

Allen L. Olive, New Hill, N.C., in place of O. T. Gardner, transferred.

### NORTH DAKOTA

Elaine G. Majkrzak, Thompson, N. Dak., in place of Alice Russell, retired.

### OHIO

Robert E. Glick, Ashville, Ohio, in place of S. L. Smith, deceased.

Clarence K. Basinger, Columbus Grove, Ohio, in place of C. A. McCrate, deceased.

John A. Schadle, Higginsport, Ohio, in place of L. L. Seyler, retired.

John F. Clark, Millersport, Ohio, in place of H. D. Bowers, retired.

Marvin W. Sprague, Williamsburg, Ohio, in place of H. L. Hines, retired.

### OKLAHOMA

Dwight L. Crawford, Ames, Okla., in place of L. E. Lentz, transferred.

Don A. Neumeyer, Council Hill, Okla., in place of H.H. Swadley, retired.

### PENNSYLVANIA

Arthur B. Everden, East Springfield, Pa., in place of M. G. Spencer, retired.

Robert M. Lewandoski, Harborcreek, Pa., in place of A. A. Schutte, retired.

Blair I. Showalter, Huntington, Pa., in place of S. E. Resley, retired.

Francis C. Bordner, Kutztown, Pa., in place of G. R. Frey, retired.

A. Thomas Carty, Lafayette Hill, Pa., in place of H. G. Mack, retired.

John P. McLaughlin, Levittown, Pa., in place of F. B. Davenport, resigned.

David W. Mabry, Mertztown, Pa., in place of E. F. Fox, retired.

Walter B. Hastings, Polk, Pa., in place of J. H. Nix, retired.

Edgar F. Rader, Jr., Stockertown, Pa., in place of Edith Schaffer, retired.

### SOUTH CAROLINA

George C. Summers, Cameron, S.C., in place of G. W. Hungerpiller, retired.

### TEXAS

Mary B. Lee, Charlotte, Tex., in place of Edna Martin, retired.

James E. Carpenter, Comanche, Tex., in place of R. L. Eaton, retired.

Johnie C. Watson, Goree, Tex., in place of E. L. O'Neal, resigned.

### VIRGIN ISLANDS

Aubrey C. Ottley, Charlotte Amalie, V.I., in place of Alvaro de Lugo, deceased.

### WASHINGTON

Clinton E. Walcher, Conway, Wash., in place of O. C. Noste, retired.

Arthur T. Koski, Deep River, Wash., in place of C. A. Appelo, retired.

### WISCONSIN

Gordon H. Mollers, Glenwood City, Wis., in place of H. E. Lauber, resigned.

### WYOMING

James P. Berry, Big Horn, Wyo., in place of K. V. Skinner, retired.

Jefferson A. Kaul, Pinedale, Wyo., in place of D. C. Carson, retired.

### IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

*To be major*

Laird, Wheeler E., O581530.

*To be captains*

Abell, Julian L., O73588.
Abraham, Albert, 3d, O73016.
Abramowitz, Benjamin L., O73236.
Abrams, Walter G., O73280.
Ackiss, Ernest L., Jr., O72433.
Acre, Lawrence D., O78201.
Adamkewicz, Edward S., Jr., O94734.
Adams, Richard E., O73589.
Adams, Robert B., O72565.
Adams, Tom, Jr., O72669.
Adsit, Charles C., O81569.
Adsit, John M., O81570.
Agnew, Jack S., O74041.
Akin, Havis D., O72808.
Albrecht, Nelson O., O72566.
Albright, John E., Jr., O72567.
Aldrup, Earl W., Jr., O73542.
Allaire, Christopher, Jr., O73590.
Allen, James B., Jr., O78204.
Ameel, Joseph B., O72810.
Ament, Richard G., O82260.
Amlicke, John G., O84937.
Anderson, Harry E., O73120.
Anderson, James J., O72435.
Anderson, James L., O73593.
Anderson, Karl R., Jr., O72811.
Anderson, Lee E., O77252.
Andre, Peter C., O72436.
Andree, Robert G., O73594.
Antkowiak, Robert S., O88554.
Archibald, Robert J., Jr., O71438.
Arnecke, Charles O., Jr., O74055.
Ashby, Mason K., O83109.
Ashe, Oliver R., O72815.
Ashey, Clarence D., Jr., O73017.
Ayers, Bradley E., O78210.
Ayotte, Ronald J., O73122.
Backus, Richard J., O87999.
Bacon, Robert C., O73595.
Bagnal, Charles W., O73596.
Bahnsen, John C., Jr., O73597.
Bailey, George A., O77260.
Baker, A. J., O74060.
Bannister, Barry B., O94271.
Bannister, Edwin J., O74064.
Barber, Harry K., O84071.
Barge, Beverly L., O77265.
Barlow, Keith A., O73599.
Barney, Charles D., Jr., O78217.

Barnum, James E., O78218.
Barrentine, Robert T., O87470.
Barrett, Gilbert J., O72816.
Barrett, Reid A., O73600.
Barrow, Carrell M., Jr., O85480.
Barry, Raymond D., O72573.
Bartell, Harold T., O73087.
Basten, Lawrence E., O72438.
Bates, Donald E., O73124.
Baty, Roy S., Jr., O72574.
Bauchspies, James S., O73601.
Bauer, Frank, O78222.
Baxter, Arthur S., Jr., O74067.
Baxter, William P., O73602.
Bayless, Robert E., O78223.
Beach, Edmund J., O72818.
Bean, Loring B., O78225.
Bear, Ben H., 2d, O73543.
Bearden, Thomas E., O91551.
Beauchamp, Irving A., Jr., O73604.
Beck, Edmund S., O74069.
Beckhoff, Otto F., O81581.
Beebe, Steven G., O73605.
Bell, Charles H., O72677.
Bell, Charles S., O84072.
Bell, James C., Jr., O90096.
Bell, Lawrence A., O74071.
Bell, Leroy C., O78227.
Bell, Walter C., O73286.
Benacquista, John J., O72575.
Bender, Richard C., O82309.
Bening, Robert G., O89318.
Benish, Anthony A., Jr., O73606.
Bennett, Donald G., O81584.
Bennett, Donald P., O74964.
Benoski, Joseph Jr., O72440.
Benson, Theodore DeW., O85723.
Berrey, Thomas G., O82262.
Berry, David T., O73607.
Berry, Fred C., Jr., O72323.
Bessler, Lawrence H., O85887.
Bihler, John O., Jr., O72820.
Birkenholz, Richard M., O74079.
Bissell, Keith, Jr., O75095.
Blackham, Daryl K., O73128.
Blackwell, Jesse E., O73609.
Blagg, Thomas E., O74080.
Blanton, Philip T., O71985.
Blewster, James C., O73610.
Bligh, Thomas F., Jr., O90382.
Bliss, Laurence T., O73492.
Blunt, Roger R., O73611.
Boerner, Dennis H., O74084.
Bolin, James P., O73612.
Bond, Robert E., O73129.
Bonnarens, Frank O., O73613.
Bonnett, William B., O74089.
Bonoan, Raymond, O73292.
Boozer, Harold E., O84473.
Born, Edward G., O94274.
Bortolutti, Angelo, O73614.
Boswell, John R., O84952.
Botts, Robert H., O74091.
Boudreau, Arthur F., O73615.
Bowers, Ronald C., O82145.
Bowes, Thomas M., O73616.
Boyd, William A., Jr., O81588.
Boyer, Henry, Jr., O73022.
Boylan, Steven V., O73617.
Boyle, Richard P., Jr., O72579.
Bradby, Harold N., Jr., O73989.
Bradford, Zeb B., Jr., O73618.
Bradshaw, Harold D., O85488.
Bramlet, James W., O78573.
Bramlett, Mead R., O74096.
Branch, John H., Jr., O89754.
Brandel, George P., O73619.
Brashears, Bobby F., O74097.
Brassert, Charles A., Jr., O81590.
Bray, John R., Jr., O73620.
Brice, Larry McD., O85928.
Brickwell, Wilbur D., O88590.
Brier, James R., O87481.
Brink, Donald W., O78241.
Brinkley, Charles B., Jr., O73621.
Brinkpeter, Charles H., O73133.
Britten, Samuel L., O72680.
Broadway, Thomas F., O73493.
Brodt, James H., O85490.
Bronson, Russell A., O74101.
Brooks, George W., O72681.
Brooks, William C., Jr. O78243.
Brown, Bernard B., O85130.
Brown, Don E., O85732.
Brown, Frederic J., 3d, O73622.
Brown, Joseph G., O72580.
Brown, Loy D., O73549.
Brown, Marion L., O87483.
Brown, William W., O87485.
Broyles, Alvin K., Jr., O74105.
Bruce, William A., O84073.
Bryant, Lloyd D., O81597.
Bryant, Richard L., O90479.
Buchanan, Paul J., O77289.
Bullock, Victor T., O73623.
Bunevich, Peter C., O85493.
Burcham, Jerry J., O73624.
Burckes, Melvin S., O77291.
Burgoon, Kenneth L., O83641.
Burke, Roderick L., O72445.
Burkett, Seth W., O72685.
Burnette, Charles D., O72832.
Burns, Thornton A., Jr., O73625.
Bush, Robert C., O72447.
Butler, Frank C., Jr., O72834.
Bynell, Harlan B., O73626.
Byrne, John M., O73136.
Byrnes, Graham F., O72451.
Cabral, Walter K., O72835.
Cahill, William J., O78254.
Calderwood, Earl H., O74115.
Caldwell, Everette G., O73627.
Caldwell, Richard D., O89429.
Callahan, James J., O78255.
Callaway, Charles P., O77299.
Calvert, Jack F., O74117.
Cambell, Chester F., O85406.
Cameron, Frank N., O77301.
Campbell, Frank D., O89432.
Campbell, Robert J., O77303.
Canby, Steven L., O73628.
Carey, Calvin C., O81598.
Carlisle, Alan R., O72686.
Carnes, Julian H., Jr., O72687.
Caron, Robert P., O73629.
Carr, Eldon D., O73630.
Carraway, Joseph R., O73631.
Carrington, Hugh C., O72582.
Carroll, George F., Jr., O77309.
Carter, Robert H., O74124.
Carter, Thomas D., Jr., O85978.
Carver, Charley A., O87700.
Cashman, James D., O88610.
Cashwell, James E., Jr., O73137.
Casipit, Felix L., O91788.
Casto, Philip C., O72690.
Celeste, Raymond, Jr., O73633.
Chamberlain, Charles M., O72583.
Champlin, William A., O84074.
Chapman, Donald G., O84075.
Chapman, Joseph M., O88615.
Chase, Charles R., O84076.
Chick, Robert L., O77314.
Chillcott, Dewey A., Jr., O77315.
Chisolm, Patrick D., Jr., O77316.
Christensen, George F., O88620.
Christopher, Harry G., O73638.
Clark, Alastair, S., O87707.
Clark, John J., O73639.
Clark, Richard DeW., O72692.
Clayberg, Richard P., O88630.
Clements, Philip J., 2d, O72584.
Cloutier, Harold J., O73139.
Cluxton, Donald E., Jr., O72453.
Coast, Albert F., O77326.
Coats, Whit L., O73640.
Cocke, Eugene R., O73495.
Cockrell, Elroy M., O95004.
Cody, William F., O73641.
Coffman, Ronald L., O74131.
Coker, Walter R., O77327.
Coleman, Jerry L., O87492.
Coleman, Willie A., O85137.
Collier, Gary D., O72847.
Collins, Billy C., O77329.
Collison, John M., O81606.
Colquhoun, Edward W., O86004.
Colson, John T., O74133.
Comer, Winston L., O77331.
Comeskey, Harry A., O73642.
Condon, Russell W., O94918.
Conneely, Martin F. X., O84077.
Connolly, John J., Jr., O94919.
Conrad, Michael J., O73644.
Conway, Burton J., O85140.
Cook, John H., O81607.
Cook, Richard A., O74135.
Cook, Walter C., O94451.
Cooksey, David O., O72585.
Cooley, Andrew L., Jr., O75166.
Corbett, Richard L., O73992.
Corderman, David M., O73645.
Corless, Robert L., O84968.
Cosby, Lloyd N., O77337.
Costello, Charles J., O72848.
Coulter, Carleton, 3d, O73646.
Council, Cicero, Jr., O73647.
Counihan, Jeremiah M., O81610.
Count, Elmer E., O72849.
Cowles, Richard W., O78268.
Cox, Elbredge R., O78269.
Coyne, Robert A., O91421.
Crain, Wallace S., O73648.
Cralle, Maury S., Jr., O73649.
Crandall, Harry W., O73650.
Craver, Douglas M., O74139.
Crawford, Theodore A., O72694.
Cremer, Robert D., Jr., O73651.
Crews, Roy A., O85741.
Crews, William F., O73652.
Crites, William R., O73653.
Croft, Carl L., O73654.
Crompton, William B., Jr., O94283.
Crosby, James C., O74143.
Cross, Ernest E., O73655.
Crouch, Curtis S., Jr., O80222.
Crouter, Edgerton T., O73656.
Crowder, Thomas M., O85149.
Crowley, Leonard G., O91200.
Cullen, James F., O78273.
Cunningham, Clarence, O74147.
Curl, Richard L., O73657.
Curran, Gordon A., O86032.
Custard, Norman L., O74148.
Cuthbertson, Robert J., O73091.
Dahl, Hans E., O73028.
Dail, Robert B., O77346.
Daly, Edward F., Jr., O73658.
Dambrauskas, Vincent, O72459.
Damron, Herbert C., O73551.
Daniel, Bartow D., O78275.
Daniels, John M., Jr., O89454.
Dantos, Evangelos, O73660.
Dareos, Pete J., O77349.
Daub, Alfred V., Jr., O92315.
Daves, Phillip E., O72852.
Davies, Richard A., O92179.
Davis, Dale E., O94852.
Davis, Sidney, O85153.
Davis, Thomas C., O88044.
Day, Edward A., Jr., O72461.
Day, Frank L., O73661.
Day, Raymond, O85313.
Day, Thomas E., O78277.
Dayharsh, Theodore J., Jr., O73662.
deCamp, William S., O74155.
DeFrance, Rudolph B., O73663.
DeLeuil, Wood R., O73664.
DeThorne, Raymond J., O74160.
Del Camp, Adrian L., O81619.
Del Colliano, John F., O78279.
Delahunty, Thomas C., O72853.
Demers, Gerald Z., O73665.
Demick, Harold B., Jr., O72586.
Denny, Davis McC., Jr., O73997.
Dettmar, Richard P., O87502.
Devers, John P., O77357.
Dewey, Arthur E., O73667.
DiRuzza, Santi, O83649.
Diez, Everett S., O73669.
DiGennaro, William L., O73668.
Dilday, Colbert L., O88658.
Dismukes, James R., O77362.
Dister, Arthur C., Jr., O73092.
Divis, Ernest W., O86067.
Dixon, Bryan D., O73142.
Dobbs, Herbert H., O77365.
Dodd, Calvin G., O72856.
Dodd, William H., O87503.
Doiron, Nicholas H., O81624.
Donner, William O., Jr., O73998.
Dorand, Edwin J., O78282.
Dorough, Philip E., O72700.

Dottle, James C., O86079.
Downey, Robert H., Jr., O81626.
Dozier, James L., O73670.
Draper, Edwin L., O72858.
Dreybus, George N., Jr., O78284.
Drury, Dan La. Y., O74174.
Dubois, Ronald W., O78286.
Dugan, John E., O82267.
Duggan, Daniel E., O72704.
Dull, Harry L., Jr., O77372.
Duncan, Robert M., O73671.
Dunn, Jack A., O73672.
Dunn, James T., O78288.
Durant, John J., O78289.
Durkin, Michael J., O72467.
Eastburn, Charles E., O73673.
Easterling, Harry R., O89468.
Easton, Robert H., O73674.
Ebbole, Robert, O79573.
Ebert, Vernon E., O73675.
Eckert, William N., O74183.
Eddy, Burton A., O84080.
Edmiston, Charles H., Jr., O81629.
Edwards, Charles A., O85158.
Edwards, Donald M., O77374.
Ege, Conrad C., O73676.
Einseln, Aleksander, O74681.
Eitel, James W., O78291.
Eliot, Phillips G. P., O73677.
Elliott, Harlen O., O78292.
Ellis, James N., O73678.
Ely, Arch H. Jr., O85160.
Enloe, James A., O74187.
Eshelman, John E., O91936.
Esposito, Vincent J., Jr., O73679.
Etzler, Roy T., O85530.
Fambrough, John A., 2d, O89204.
Farmer, William P., O73680.
Farris, Robert I., O72706.
Featherstone, Stephen E., Jr., O95019.
Feeley, Robert F., O72867.
Ferguson, Charles H., O77384.
Fern, James R., O81635.
Finkle, Rodney T., O72591.
Fisch, Donald A., O73682.
Fitzgerald, John M., 2d, O82269.
Fitzgerald, Thomas E., O78303.
Fitzmorris, Lawrence B., O74198.
Fleming, Lynne B., O87742.
Fletcher, Edward N., O78304.
Flitcraft, Anthony D., O82324.
Flood, John J., O77390.
Florence, David L., O74199.
Flory, Robert A., O73684.
Floyd, Ralph H., Jr., O73685.
Flynn, James J., O89207.
Fogh, Frederic J., O73686.
Foradori, Harry L., O88682.
Forrell, William J., O87517.
Forsyth, Robert F., O86152.
Foss, John W., 2d, O73687.
Foster, Robert G., Jr., O82270.
Fox, Eugene, O73688.
Fox, Eugene A., O73689.
Fox, Frederick W., O72870.
Fraley, Harold J., O74203.
Fraley, Robert R., O82271.
Frank, Winfield C., O73690.
Franklin, John R., O78307.
Fratzke, Walter E., Jr., O94297.
Frazer, Rex L., O77395.
Frazier, Kenneth M., O72708.
Frederick, William R., 3d, O73692.
Freeman, Clinton A., O94926.
Freeman, Donald J., O72709.
French, Forrest J., Jr., O73693.
Frye, Ray E., Jr., O81637.
Fucella, Edward D., O72874.
Furney, Robert M., O88690.
Gafner, Richard L., O73331.
Gallier, Gary L., O72473.
Gange, William B., O72875.
Gannon, Edwin W., O84082.
Garcia, Heriberto A., O78314.
Garner, James E., O77399.
Garner, James G., O94750.
Garrison, Edgar C., O94460.
Garvey, Charles J., O73694.
Gates, Clayton S., O73695.
Gates, Norman B., O73554.
Geddes, Garth L., O80223.
Gibbons, Gerald G., O81639.
Gibbons, James H., O74212.
Gibson, Mack L., O91246.
Gilbertson, James S., O89985.
Gilliam, John J., O77405.
Gillie, Gerald R., O74214.
Gingrass, Robert J., O73336.
Glasson, Robert P., O73033.
Gleason, Joseph E., O73696.
Gleave, Paul R., O73149.
Glenn, Charles A., O73697.
Glock, Howard G., O73698.
Goad, Robert E., O82273.
Gochnaur, Thomas LeR., O91842.
Godding, Donald R., O74220.
Goldberg, Gerald D., O73699.
Gomes, Lloyd E., O72713.
Gonsalves, Robert F., O90089.
Goodman, Roland A., O78320.
Goodwyn, Robert T., 3d, O73701.
Goodyear, Clyde E., O81642.
Gordon, John V., O74224.
Gorlinski, Charles C., O73702.
Gorman, Jay R., O81643.
Gould, Frank O., O72717.
Gourley, William H., O78322.
Grace, Paul M., O78323.
Graesser, Donald C., O73703.
Graham, Robert L., O77413.
Graney, Donald C., O90046.
Grann, Richard A., O84083.
Grant, Gordon E., O77414.
Grant, Theodore, O73704.
Gray, Donald A., O77416.
Green, Charles F., O71196.
Gregg, Dale P., O88709.
Grey, Harold M., 2d, O78324.
Grier, William C., O74994.
Griffin, Thomas N., Jr., O73705.
Griminger, Charles O., O74230.
Grinstead, John B., Jr., O73706.
Griscom, Ralph M., O73707.
Grossheim, Paul W., O78326.
Grover, Dwight L., O82330.
Groves, Billie R., O74233.
Gudger, Robert M., O72885.
Gugel, Donald N., O77419.
Gundaker, Frank J., O88083.
Gunn, Ernest R., O87769.
Gunning, Edward G., O72721.
Gunsell, Richard M., O77420.
Gunter, Gurnie C., O72477.
Gwaltney, Robert L., O73956.
Haas, Donald A., O78329.
Haley, John P., O73708.
Hall, Claude V., Jr., O94860.
Hall, Gary C., O73709.
Hall, Harry T., O72887.
Hallmark, Robert C., O89066.
Halsey, Milton B., Jr., O72722.
Hamlin, Donald A., O79580.
Hammel, Donald A., O73710.
Hammill, William C., O73227.
Hanmer, Stephen R., Jr., O77427.
Hansen, Charles M., O73154.
Hanson, Thomas W., O73712.
Haponski, William C., O73713.
Harbor, Frank B., O73341.
Harding, Thomas C., Jr., O73714.
Hardy, Eugene A., Jr., O87528.
Hargett, Paul D., O78338.
Harmon, Marsden A., O74238.
Harms, Norman D., O77429.
Harnish, Albert G., Jr., O81652.
Harper, Henry H., O78339.
Harrell, Wilford R., Jr., O77858.
Harris, Arthur M., O73715.
Harris, James A., O73716.
Harris, James W., O73035.
Harris, Loston, O73071.
Hart, Rufus R., O73717.
Hartsock, Frank E., Sr., O90043.
Harvey, Richard W., O72599.
Hatcher, Walter L., O81653.
Hatchett, Monte J., O78344.
Hattersley, James G., O91509.
Hawkins, Laurence R., Jr., O71357.
Hay, James R., O78345.
Haydon, Joseph J., O73719.
Hayne, Paul, 3d, O73720.
Haynes, Jesse L., Jr., O74243.
Hazelip, Albert C., Jr., O72726.
Hearn, Jerry L., O74244.
Hedges, Oliver W., Jr., O85763.
Hehle, Joseph P., O85560.
Heikkinen, Kenneth L., O88729.
Hein, Paul L., O84486.
Hendricks, Thomas E., O89221.
Hensley, William R., O74007.
Herb, Charles D., O81657.
Herlik, Querin E., O84084.
Hermes, George A., O90061.
Herrman, Larry J., O78349.
Herrmann, Carl G., O73721.
Herzog, David E., O72482.
Hess, John P., O72898.
Hesse, Richard P., O77442.
Heverly, Charles I., Jr., O89714.
Hewitt, Robert A., Jr., O73722.
Higgins, George R., O85568.
Hightower, Loyal G., Jr., O89741.
Hill, Donald L., O75064.
Hill, James R., O72483.
Hill, Vernon B., Jr., O72731.
Hodges, Harold E., O74255.
Hodgson, William E., Jr., O72484.
Hoffman, Glenn F., O72899.
Hoffman, John F., O82276.
Hogan, Charles E., O87793.
Hoglan, Curtis F., O77453.
Hogue, Gale W., O71365.
Hoke, Richard V., O84085.
Holder, Floyd D., Jr., O73346.
Holland, Billy C., O78352.
Holland, Harold B., O74259.
Holleder, Donald W., O73723.
Hollowell, Emmett P., Jr., O72735.
Holmes, Frederick S., Jr., O73725.
Holmes, Justin A., O78353.
Holt, Charles M., Jr., O73504.
Holt, Robert B., O78354.
Holt, Roscoe L., O77456.
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Martin, Richard C., O81698.
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Sieminski, Edmund J., O72787.
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Simmons, Bobby B., O73192.
Simoni, Richard J., O72989.
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Snodgrass, John C., O73881.
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Spence, John D., O90510.
Spires, James W., O73885.
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Stevens, Edward A., Jr., O72655.
Stevens, Floyd M., O94895.
Stevens, Philip J., O74528.
Stevenson, Harry K., O81746.
Stewart, Charles A., O73409.
Stewart, Frank S., Jr., O77706.
Stewart, Roger A., O87935.
Stillions, Eugene L., Jr., O74532.
Stokes, Theodore K., O74534.
Stokes, William M., O74535.
Stone, Joseph L., Jr., O73201.
Stout, Anthony N., O72993.
Straub, James O., O73890.
Straughan, Robert M., O87631.
Stricklin, Roger B., Jr., O81747.
Stroup, Glenn A., O77714.
Strozier, James K., O73891.
Stubbs, Harold E., O73585.
Studebaker, Robert L., O92262.
Sturgeon, James M., O74547.
Stynes, Philip A., O73892.
Suddath, Leroy N., Jr., O73893.
Sullivan, Robert P., O73894.
Sullivan, William M., O73202.
Summers, Richard A., O88312.
Sumner, Brice S., O77718.
Sutton, James L., O72996.
Svirsky, William R., O72997.
Swartz, Calvin, O91400.
Sweetwood, Dale R., O77720.
Swezey, Charles F., O73895.
Swoboda, Edward A., O89298.
Sylvester, Richard D., O73896.
Talley, Robert E. L., O73521.
Tallman, Richard LaV., O92022.
Tapp, Richard L., O74553.
Taylor, Emmett K., Jr., O77721.
Taylor, Francis C., O77722.
Taylor, Joseph J., Jr., O81749.
Taylor, Joseph W., O77724.
Taylor, Terry A., O77725.
Taylor, Wesley L., O84533.
Teague, Gwynn A., O85091.
Teed, John F., O78523.
Thacker, Goebel R., O74561.
Thaxton, Billy J., O89153.
Thomas, Charles R., O77729.
Thomas, David L., O84534.
Thomas, Hiram J., O85678.
Thompson, Albert G., O77731.
Thompson, Jackson D., O74032.
Thompson, Richard P., O73899.
Thompson, Robert S., O77733.
Thorpe, Marvin, Jr., O72797.
Tobiasen, Richard D., O88978.
Tokarz, Walter P., O87949.
Toler, William K., O83667.
Tolfa, Edward, Jr., O84536.
Tollefson, Robert G., O85681.
Tomes, Paul J., O92136.
Tomlin, James R., O89155.
Tomlinson, Walter C., Jr., O82371.
Toner, Richard B., O74568.
Torno, Harry C., O73057.
Torres, Marco, Jr., O74569.
Treadwell, John J., 3d, O92586.
Tremper, Edwin O., O87954.
Tripp, Richard L., O73902.
Trouve, Raymond J., O94966.
Turain, George A., O84110.
Turley, James R., O74575.
Turner, Hiram B., Jr., O73904.
Tuszynski, Andrew J., O86879.
Tutwiler, James D., O85685.
Twichell, Heath, Jr., O73905.
Twilley, Leroy G., O73225.
Tyler, Charles S., O81754.
Tyler, Thomas H., O77745.
Urbach, Walter, Jr., O73908.
Utz, John S., O73909.
Vaaler, John G., O87648.
Vail, Nathan C., O94352.
Valence, Edward, Jr., O73910.
Valerius, Millard R., O79626.
Van Dervort, Edmund LeR., O73911.
Van Giesen, Robert E., O72557.
Van Horn, Jonathan S., O72799.
VanBebber, Herman J., O74577.
Vandenberghe, Henry E., O77752.
Vaughan, Frederick C., O94900.
Vergot, William D., O72559.
Vogentanz, Peter G., O85382.
Vydra, Anthony L., O78533.
Vye, George D., O84111.
Wade, Herman L., O92033.
Wadsworth, Frederick J., O88516.
Wagenheim, Herbert M., O73913.
Wages, Jerry S., O84537.
Wagner, John F., O73914.
Wagner, Keith A., O85276.
Waldeck, James J., Jr., O73915.
Waldo, Rondel L., O73206.
Walker, James R., O78536.
Walker, Kenneth S., O73119.
Walker, William C., O74034.
Wall, John F., Jr., O73916.
Wallace, Edwin L., O78537.
Wallace, George C., O85690.
Wallace, James W., O73003.
Wallace, John W., O87654.
Wallington, Edward H., O77758.
Walsh, Gordon P., O81758.
Walter, John S., O77761.
Walton, John C., Jr., O77762.
Wangenheim, Richard M., O85277.
Wappes, George R., O87656.
Ward, George W., Jr., O73918.
Ward, Thomas J., O73005.
Washburn, Richard B., O73919.
Wasko, Frank J., Jr., O77764.
Waterman, Stephen, 3d, O73006.
Waters, George D., O85461.
Weathers, John T., O94903.
Weden, Gilbert J., O72278.
Wegley, Frederick L., Jr., O73008.
Weihl, William L., O73920.
Weiler, Harold E., O87660.
Weinstein, Leslie H., O73921.
Weinstein, Sidney T., O73922.
Wells, Norman S., O87662.
Wemmering, Fred A., O72804.
Werner, Gary LeR., O85698.
Wesson, Robert E., O78543.
West, Arvid E., Jr., O73923.
Westcott, William C., 3d, O73925.
Wheeler, Lester McF., O84113.
Whipple, Winthrop, Jr., O77772.
White, Jack A., O74593.
White, William T., Jr., O81760.
Wickware, Argle W., O81762.
Wien, George E., O73926.
Wiles, James M., O77777.
Wilkerson, Arlie J., O74597.
Wilkins, Aaron E., 2d, O92271.
Willcox, Lester A., O81763.
Willette, William P., O87667.
Williams, Bruce H., O72561.
Williams, Donald G., O74598.
Williams, Gary C., O73928.
Williams, Nelson E., O85283.
Williams, Richard L., O74599.
Williams, W. Douglas, O73929.
Williamson, Jerry G., O87669.
Williamson, Marvin M., O73930.
Williford, Donald E., O74600.
Willis, Raymond E., O94356.
Wilson, Carl A., Jr., O75093.
Wilson, Ernest B., O73931.
Wilson, Gary L., O78553.
Wilson, John W., O85704.
Wing, Thomas, O91727.
Winkel, Paul P., Jr., O73932.
Winkelman, Barry A., O77782.
Winnicki, Philip W., O81766.
Winship, Edwin C., O77783.
Winter, Thomas C., Jr., O73933.
Withers, George K., Jr., O73934.
Wittekind, Wilfred H., O74602.
Wolfgang, Albert E., O92274.
Woliver, Clarence H., Jr., O77789.
Wolterstorff, Jerrold D., O77791.
Womack, Kenneth S., O92275.
Woodard, James O., O89016.
Woodmansee, John W., Jr., O73936.
Woods, George J., Jr., O73937.
Woods, Stephen R., Jr., O73938.
Woolworth, Wesley B., O73013.
Works, Bobby, O81769.
Worthen, Freddie J., O78559.
Wright, Edward S., O88235.
Wright, Lloyd R., O84929.
Wuest, Melvin L., O73939.
Wurman, James W., O80232.
Wynn, Gerard M., O73940.
Yawberg, Harold D., O73208.
Yon, Everett M., O73941.
Young, David C., 2d, O92276.
Young, George E. W., Jr., O73942.
Young, Gregor T., 3d, O78561.
Yuhas, Robert J., O73014.
Zamora, Emilio B., O87674.
Zane, Thomas L., O77798.
Zeigler, Michael G., O73943.
Zimmerman, Martin B., O73944.
Zittrain, Lawrence O., O72806.
Zoghby, Guy A., O73251.
Zook, Kenneth A., O85104.
Zwahlen, Robert J., O72807.

*To be captains, Chaplain*

Beal, Donald B., O91751.
Collard, Robert W., O90612.
Fung, Edmond, O94456.
Gremmels, Delbert W., O89808.
Jernigan, Dule R., O91884.
Mills, Charlie S., O92097.
Murphy, James J., O89565.
O'Shea, Edward L., O89122.
Ouzts, Paul D., O91967.
Phillips, Major H., Jr., O92114.
Tolbert, Carl E., O92135.
Van Verth, Leroy E., O94657.
Weathers, Clifford T., O92143.
Wetherell, Sterling A., O92146.

*To be captains, Women's Army Corps*

Bizzelle, Joanalys A., L496.
Eslick, Joyce E., L568.
Pleasants, Katherine, L552.
Pons, Mildred E., L553.
Smith, Carol L., L566.

*To be captains, Medical Corps*

Aguilo, Juan M., O92151.
Aldrich, Robert C., O94036.
Alexander, Jack L., O94037.
Allen, Ray F., O94565.
Anderson, Kirby V., O94039.
Andrews, Frank B., Jr., O94270.
Belknap, Harold R., Jr., O93356.
Bethlenfalvay, Nicholas C., O93025.
Boyd, Charles M., O94443.
Burdick, Richard E., O94051.
Butkus, Donald E., O94054.
Campbell, James A., O93370.
Campbell, Selma R., O93371.
Cordes, Charles K., O92175.
Cranston, John P., 3d, O94064.
Daus, Arthur T., Jr., O93382.
Doolittle, William H., O93391.
Duncan, Malcolm P., O92183.
Dyke, Charles J., O94745.
Edwards, Adrian L., O93395.
Edwards, John B., O94073.
Eisenstein, Elliot M., O94074.
Enloe, Leslie J., O93398.
Epling, John P., Jr., O94293.

Ewald, Roger A., O94296.
Facer, James C., O93399.
Feldman, Edgar A., O94580.
Feroli, Edward J., O93037.
Franklin, Gerald S., O94583.
German, Norton I., O93039.
Goiser, John L., O92195.
Goler, David, O94462.
Gottlieb, Lawrence H., O93042.
Grames, George M., O94585.
Gross, Joseph O., O92197.
Guilfoyle, Francis M., O94586.
Hamaker, William R., O93422.
Hannegan, Michael W., O93044.
Herrington, Jack K., O94306.
Holmes, Keith D., O94761.
Holmes, Robert A., O92203.
Jensen, Nelson R., O93047.
Jones, Graham P., O93441.
Kehoe, John E., O93049.
Krank, Daniel F., O93452.
LaNoue, Alcide M., O93453.
Larson, Alvin L., O93454.
Levine, Seymour, O92214.
Linder, William R., O92215.
Lodmell, John G., O94104.
Loeser, Louis I., O93459.
Lyon, Charles M., O93460.
McClure, Hubert L., O94108.
McNamara, James V., O93057.
Mears, William W., O93058.
Meril, Allen J., O93059.
Milo, Anton P., O93473.
Mitchell, David P., O93474.
Montgomery, Robert C., O94115.
Morgan, Donald W., O93478.
Morgan, Loren R., O93060.
Muir, Robert W., O93062.
Neely, Ernest R., O93064.
Olsen, Earl R., O93483.
Osborn, James R., O95077.
Parker, Jerry M., O92235.
Raffety, John E., O94334.
Ramer, Barry S., O94783.
Rapoport, Morton I., O94336.
Readling, Thomas A., O94638.
Rich, Norman M., O93075.
Rogers, John T., Jr., O93495.
Ross, Stewart D., 2d, O93077.
Sanders, Daniel T., O93501.
Stevens, James C., O94651.
Stevenson, Robert S., O94139.
Stockwood, Robert C., Jr., O93084.
Taylor, David M., O93520.
Taylor, Thomas R., O93088.
Thering, Harlan R., O93523.
Thompson, Gale E., O93090.
Thompson, Leonard R., O93091.
Thorpe, George J., O93092.
Toth, William N., O93093.
Townsley, James T., 3d, O94146.
Villella, Ronald L., O93095.
Warrender, Charles L., O93538.
Watanabe, Henry K., O94154.
Watson, Ralph J., O94799.
Werth, Jude N., O93098.
Wiitala, Walter W., O94905.
Wissel, August G., O93099.
Young, Frank C., Jr., O93545.
Zalis, Edwin G., O92277.

*To be captains, Dental Corps*

Bullard, Jesse T., O93030.
Gary, Ralph R., O95025.
King, Billie C., O94095.
Sinton, Thomas S., O91687.
Uotinen, Kyosti G., O94798.

*To be captains, Veterinary Corps*

Davidson, David E., Jr., O93383.
Hildebrandt, Paul K., O95039.
Kinnamon, Kenneth E., O92080.
McNellis, John O., O91643.
Pulliam, James D., O92239.
Watsabaugh, Charles J., O93097.

*To be captains, Medical Service Corps*

Allen, Turman E., Jr., O76818.
Bass, Bobbie R., O73019.
Beach, Douglas J., O76819.
Bourland, Gene M., O88577.
Bradford, Charles E., O73131.
Brannock, Joseph E., Jr., O88244.
Causey, James A., O84136.
Chiel, Dante A., O76822.
Cuzick, William T., O84760.
Dean, John W., O84152.
Decker, Walter J., O85519.
Demaree, Gale E., O85743.
Dettor, Charles M., O72697.
Donato, Joseph J., O85744.
Dorsett, Herbert F., O73067.
Dowery, Gordon K., O72701.
Early, Ralph T., O72468.
Erickson, Duane G., O75352.
Green, Bruce E., O76824.
Heinz, Robert F., Jr., O72481.
Hughes, Joe C., O85772.
Jackson, Raymond A., O73240.
Jacobs, Claude G., Jr., O88402.
Johnson, David E., O85422.
Joyce, Brendan E., O85011.
Kays, John M., O88408.
McFarland, Joseph H., O85435.
Mikkelsen, Richard C., O73171.
Muzzio, Robert J., O74409.
Neugebauer, Donald L., O80350.
Paris, Henry J., Jr., O91663.
Paul, Hinton G., Jr., O76829.
Pfeiffer, William G., O78166.
Potin, James B., O83560.
Salmon, Ray W., Jr., O78168.
Sisk, Leonard C., O72789.
Timmons, John A., Jr., O73204.
Ungar, Ralph F., O88315.
Van Meer, James E., O84290.
Weinert, Charles M., O86919.
White, John J., O87988.
Williams, Edwin H., O87970.
Yim, Herbert K., O91434.
Ziebell, Earl L., O86975.

*To be captains, Army Nurse Corps*

Barkley, Velma J., N2879.
Capper, Edna L., N2778.
Carlson, Vivienne C., N2947.
Clark, Anna M., N3045.
Condit, Mary M., N2864.
Donnelly, Gwendolyn N., N3047.
Dubatowski, Doris T., N2786.
Fitzroy, Barbara M., N2899.
Freidhoff, Erla J., N2872.
Galloway, Katherine F., N3032.
Gann, Ellen J., N2978.
Gately, Miriam A., N3052.
Hovind, Virginia D., N2911.
Jagiello, Helen D., N3020.
Johnson, Nevaida T., N3026.
Joyner, Mary E., N2979.
LaRock, Ethel B., N2884.
Learned, Grace, N2972.
McLeod, Alva J., N2991.
Nellis, Virginia M., N2973.
Reed, Della K., N2980.
Schadl, Hilda T. A., N2907.
Yoder, Dolores E., N3040.

*To be captains, Army Medical Specialist Corps*

Davis, Barbara A., M10178.
McGown, Helyn L., M10177.
Pfeiffer, Violet R., M10179.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3283, 3284, 3286, 3287, and 3288:

*To be majors*

Riley, Francis J., Jr., O1307467.
Wetherill, Jerry G., O1342137.

*To be captains*

Hobby, Thomas K., O1931299.
Johnson, James P., O1877290.
Knox, Owen H., O4030918.
Mills, Robert W., O2266273.

*To be first lieutenants*

Alton, Gary O., O4061018.
Blank, Lyle E., O4074662.
McKay, Michael J., O4061216.
Pallo, Carl A., O2304720.
Silvey, Bruce D., O5402538.

*To be second lieutenants*

Benca, John P., O5006744.
Blaz, Donald J., O5215713.
Clark, David E.
Herholz, Paul R., Jr., O5214753.
Jeffords, James P., O5211989.
Jobe, Kenneth D., O5512170.
Johnston, William D., O5007136.
Lamb, John C., O5307362.
McDaniel, Gary D.
Mulvanity, Thomas W., O5311716.
Raley, Michael D., O5307919.
Sodano, Guy R., O5002879.
Spitzer, Joel S., O5401793.
Washington, Raleigh B., O5309700.
Zimmers, Joe L., O5312084.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, and 3294:

*To be major, Medical Corps*

Cabezas, Miguel E., O4077958.

*To be captains, Army Nurse Corps*

Johnson, Martha E., N768634.
Tirado-Gonzales, Crisonia, N900806.

*To be captains, Dental Corps*

Genova, James J., O5500579.
Morrow, Raymond K., O5408442.
Simmons, Donald E., O5312612.
Zingale, Joseph A., O5202617.

*To be captains, Medical Corps*

Gaskill, Harold V., Jr., O973970.
Hammond, Charles, O5501283.
Jiamachello, Nicholas, O5208322.
Keuls, Hans A., O5209647.
Littell, Delvin E., O2295469.
Mahoney, William D., O2295417
Major, John E., O4012792.
Moore, Marcus M., O2295623.
Pruitt, Basil A., Jr., O5003936.
Robinson, Henry A., Jr., O4071080.
Schwartz, Marvin N., O2297978.

*To be captain, Medical Service Corps*

MacEntee, John L., Jr., O1891294.

*To be first lieutenant, Army Nurse Corps*

Heitsman, Lois J., N5200300.

*To be first lieutenant, Dental Corps*

Clancy, James M., O5004803.

*To be first lieutenants, Judge Advocate General's Corps*

Mowry, Richard E., O2304749.
Tips, Robert H., O2303657.

*To be first lieutenants, Medical Corps*

Arthur, James D., O2300764.
Becker, Arthur A., O2305104.
Bolick, Larry E., O5703680.
Cohen, Richard J., O5004579.
Gates, Francis K., Jr., O5209939.
Harrell, Jerry D., Jr., O5203257.
Hurwitz, Richard A., O4065176.
Miller, Donald F., O5004198.
Monzingo, George F., O2303735.
O'Rourke, George W., O2300846.
Rainville, Thomas J., O2305040.
Shown, Thomas E., O2305169.

*To be first lieutenant, Medical Service Corps*

Grodt, Robert G., O5703448.

*To be first lieutenants, Veterinary Corps*

DelFavero, John E., O2300662.
Pakes, Steven P., O4069732.

*To be second lieutenants, Army Nurse Corps*

Kisella, Mary A., N5411424.
Phelps, Carol L., N5407360.

*To be second lieutenants, Medical Service Corps*

Anderson, Ralph L., O5213297.
Barnes, Perry A., O2300376.
Kistler, Thomas E., Jr., O5201733.
Milne, Richard B., O4083522.
Waters, George A., Jr., O5309538.

The following named distinguished military students for appointment in the Regular Army of the United States, in the grade and corps specified, under the provisions of of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288 and 3290:

*To be second lieutenants, Medical Service Corps*

Ake, Robert M.
Bigelow, Robert T.
Helin, Donald D.
Hostetter, Donald L.
Moreland, William F.
Piercey, Charles K.
Thompson, Dale L., Jr.
Van Broekhoven, Rollin A.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, Sections 3283, 3284, 3285, 3286, 3287, and 3288:

Adorian, Stephen J., Jr.
Anderson, Francis E.
Bailey, Joseph N., Jr.
Barnett, Joseph T.
Bartlett, LeRoy, III
Becker, Robert A.
Beckner, Donald W.
Belcher, Billie
Black, James W.
Branch, Boyd R.
Brick, Charles S.
Brown, Kenneth N.
Brown, Martin A., III
Burns, Thomas B., Jr.
Callahan, James E.
Caram, Meredith H.
Coleman, John L.
Dalziel, Dean A.
DeGroot, Michael H.
DeRossett, William J.
Dick, William H.
Dillard, James H.
Doleschal, Walter
Feeley, Thomas M.
Feldman, Henry J.
Finnell, Woolsey, III
Fischer, William F.
Glosson, Clyde W.
Gurnee, Ronald W.
Halsey, Franklin M.
Hand, David E.
Harris, Donald W.
Hasbrouck, Joseph F.
Helvey, Robert L.
Henry, Joseph R.
Hill, Ralph L.
Hohmann, Errol G.
Hon, Hollie T., Jr.
Howe, Edward G.
Hower, Robert G.
Irby, Dewitt T., Jr.
Izzard, William A.
Johnson, Charlton G., Jr., O5314904.
Johnson, Walter deF.
Jorgensen, James P.
Karlseng, Robert C.
Kennedy, Howard, IV
Kovach, James E.
LaBoa, Guy A. J.
Larson, James W.
Loftus, James S., Jr.
Magenis, Richard S.
Massey, George M.
McLane, Earl L.
Montgomery, James R.
Moore, Larry D.
Mueller, Thomas O.
Mueller, Tommy R.
Neisess, James A.
Nichols, Brent H.
Norberg, Edward J., Jr.
Norvell, Benjamin R.
O'Connor, Dennis L.
O'Donnell, Thomas J., Jr.
Overcash, Johnny B.
Paris, James R.
Pasley, John R.
Pedone, Peter J.
Poehler, Bruce B.
Powers, William S.
Quirk, Gerald L.
Reynolds, Marcel F.
Richardson, Thomas C.
Rockswold, Ellis G.
Root, David K.
Rutherford, Jerry R.
Salas, Andres E.
Sellers, Kervin R.
Snyder, Bradley J.
Solis, Emilio R.
Spears, Lacy L.
Spencer, Thomas A.
Spivey, David A.
Stephens, Robert L., Jr.
Swant, Billy J.
Tallman, Harold S.
Tellier, John A.
Trigg, Thomas R., Jr.
Tryon, Michael A.
Wamre, Dennis M.
Ward, Robert E., III
Weeks, Robert S.
Wells, Wade G., II
Westberg, William J.
Wilkinson, James E., Jr.
Wright, Carleton C., Jr.
Wright, Rodney L.
Yearout, Robert D.

### CONFIRMATIONS

Executive nominations confirmed by the Senate June 20, 1962:

#### DEPARTMENT OF COMMERCE

Herbert W. Klotz, of Virginia, to be an Assistant Secretary of Commerce.

#### FEDERAL POWER COMMISSION

Harold C. Woodward, of Illinois, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1967. (Reappointment.)

# HOUSE OF REPRESENTATIVES

## WEDNESDAY, JUNE 20, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Matthew 9: 36: *When He saw the multitudes, He was moved with compassion on them.*

Almighty God, as we think of the vast multitudes who inhabit this world, we shamefully acknowledge that for many life is a difficult struggle, full of peril and fraught with despair.

When we look at them we also are moved with compassion, for it seems as if their whole earth is a place of griefs and graves, and each day a veritable combat against odds and handicaps which often cause their hearts to ache and break.

We are not asking Thee to bless us with a sheltered life, secluded from all hardships and hazards, for human experience teaches us that these are the things men live by and attain with fullness of maturity.

Grant that we may incarnate the spirit of our Lord whose faith was strong and radiant, enabling Him to transmute loss into gain and defeat into victory.

Hear us in His name. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced the appointment of the Senator from Idaho, Mr. DWORSHAK, as an additional conferee on the bill (H.R. 10802) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes."

### WEST VIRGINIA'S CENTENNIAL

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, 99 years ago today, June 20, 1863, while Abraham Lincoln was President of the United States, the State of West Virginia was admitted to the Union. Several years ago there came into my possession an American flag with 35 stars which was the flag used when West Virginia was admitted to the Union, West Virginia being the 35th State.

With the permission of the Speaker and the House, I should like to display this flag this morning, as a means of calling attention to the centennial of the great State of West Virginia, which will occur next year.

I hope that all those who see this 35-star American flag, and who hear or read these remarks, may come to the West Virginia Centennial celebration. On behalf of the State of West Virginia, I especially want to invite all of my colleagues to visit West Virginia in 1963.

### CALL OF THE HOUSE

Mr. MACK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 120]

Adair
Addonizio
Alford
Bass, N.H.
Bennett, Mich.
Blatnik
Blitch
Boykin
Brademas
Brewster
Celler
Curtis, Mass.
Davis, Tenn.
Dawson
Denton
Diggs
Farbstein
Fisher
Flood
Frazier
Frelinghuysen
Garland
Glenn
Gray
Griffin
Harrison, Va.
Hoffman, Mich.
Horan
Jarman
Kearns
Lennon
Loser
McDonough
May
Merrow
Moulder
Powell
Rains
Riley
Saund
Scranton
Slack
Smith, Miss.
Spence
Stubblefield
Thompson, La.
Thompson, Tex.
Tupper
Van Zandt
Yates

The SPEAKER. On this rollcall, 385 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### PERSONAL EXPLANATION

Mr. KING of Utah. Mr. Speaker, on yesterday, June 19, I was absent from the city on account of official business. I should like the RECORD to show that had I been present I would have voted against the motion to recommit on H.R. 12154, a bill to amend the Sugar Act, and I would have voted in favor of the bill on final passage.

### FOOD AND AGRICULTURE ACT OF 1962

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11222, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from North Carolina [Mr. COOLEY] had 1 hour and 28 minutes remaining, and the gentleman from Iowa [Mr. HOEVEN] had 1 hour and 34 minutes remaining.

The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I yield 3 minutes to the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I had not expected to take part in this debate, certainly not at this time, until just a moment ago when a letter was brought to my attention, written by the Secretary of Agriculture to what apparently is a select list on the Republican side. The letter I have here is addressed to my colleague the gentleman from Missouri [Mr. CURTIS]. This amazing statement is included in the second paragraph:

> It is a well-known fact that the Republican leadership is opposing these goals just for opposition's sake, and I know you are under great pressure to follow this course.

I just want all of the membership to know, and particularly the Members on my side, that I resent that kind of statement even if it comes from the Secretary of Agriculture. As the minority leader, it challenges my integrity and my good faith.

I have been in the Congress now going on 28 years. When I first came to the Congress we were in the depths of a depression. Farm bills were offered by a Democratic President in a Democratic Congress. I supported them. Through the years I have supported farm legislation that I thought was good for the farmer and good for the country. But, on occasion I have opposed legislation because I thought it was bad.

Having this letter from Mr. Freeman in mind, I want to say that so far as I know no one in the leadership on the Republican side is twisting anybody's arm here. The measure before us has been considered in the Committee on Agriculture. On our side we are represented by able, conscientious people who know something of the farmer's problem.

Certainly, there is opposition to this bill. I want the Secretary to know, and I will put my reputation for integrity up against his, and leave it to any one of you to decide, that I have looked at this bill and have talked with our members on the committee as well as other interested people, yes, even with people on the Democratic side, and as a result of those conversations I am against this bill because it is a bad bill. It offers the farmer the choice of regimentation or ruin. What sort of choice is that?

The claim that it is going to save money is as phony as it can be. No one really knows what the impact of this bill, if it is passed here as it is before us, will be not only on the farm economy of our country but on our whole economy.

I represent a district in Indiana where we have a lot of good farmers. I know them. They, too, have talked to me about this bill. They do not want this legislation.

Let me just point out that if I were looking at the politics of the situation I might say, "All right, my Democrat friends, pass this bill. We will give you plenty of rope and you can hang yourselves." But I have never operated on that basis during my service in the House of Representatives, and I have been here too long to change now.

I say again that this is a bad bill. I am convinced that anyone who has studied it and really knows about it realizes it is a bad bill. All of the farmers who have talked to me in Indiana, and they cannot all be mistaken about it, do not want this legislation. If I voted for this bill, I would be voting against the overwhelming majority of the people in my district, who are vitally interested in it.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I had not intended to speak on this bill at this time, but I think in view of the remarks of the distinguished minority leader, a few remarks by me would be in order. In the first place, I want it known I do not question the integrity or the character or the sincerity or the good faith of the distinguished minority leader. He knows the regard in which I hold him. But I think it should be pointed out here that if the Republican minority on the Committee on Agriculture has a substitute for this bill, nobody has seen it.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Iowa.

Mr. HOEVEN. I wish to advise the majority leader and the Committee that during the committee's deliberations on the bill, the gentleman from Minnesota [Mr. QUIE] offered a substitute to the entire bill and it was voted down by a vote of 19 to 14, as I recall. There were other amendments proposed by the minority and they did not prevail in the committee. So when the gentleman alleges that the minority did not propose any amendments, he is entirely mistaken.

Mr. ALBERT. I will say to the gentleman that I have not seen the proposal. The distinguished gentleman from Iowa is the ranking member of the committee, and if there is a Republican position, that position should be stated by him.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman.

Mr. HOEVEN. I think that the gentleman from Iowa on yesterday made it perfectly clear that we on the minority side are opposed to regimentation and control of the American farmer and creating a czar out of the Secretary of Agriculture. That is our position.

Mr. ALBERT. My answer to that is that I am opposed to regimentation and control also, but there is no regimentation or control in this bill. You cannot put into effect a single provision in either the feed grains or wheat sections of this bill unless two-thirds of the farmers support it.

That is the first thing. Now I might say that the disclosures—and I had not intended to mention this—made before the Fountain subcommittee indicates there is or there might be a Republican position of opposition and negativism with respect to this proposal.

Now does anybody deny that Mr. Martin Sorkin was a member of the staff of Secretary Benson?

Does anybody deny that Mr. Sorkin attended a meeting at which important officials of the Republican party were present?

Does anybody deny that Mr. Sorkin has been on a retainer for an organization that has financially supported Billie Sol Estes?

Does anybody deny that Mr. Sorkin has said that it was the consensus of the meeting of Republican leaders to which he was invited, that they were not going to offer constructive proposals but were going to oppose Democratic proposals in the farm bill?

Now, Mr. Chairman, I am glad that the distinguished gentleman from Indiana and the distinguished gentleman from Iowa have said that they will approach this subject in a constructive manner; that they will offer constructive proposals; that they will try to improve this bill—and I am sure it can be improved. I have never seen a bill that could not be improved.

Yes, you can jeer and you can cheer—you have jeered and you have cheered for 30 years but you have only controlled two Congresses in all that time.

Mr. Chairman, I hope my friends on the Republican side know, as I know the distinguished gentleman from Indiana knows, that I have never tried to play politics on the farm issue on the Committee on Agriculture. But the time has come when we need to get away from the 1958 Feed Grain Act and when we need to get away from the Wheat Act that is piling surplus upon surplus at a cost to the taxpayers which this country can ill afford to continue.

Mr. HOEVEN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I am sure this bill will be fully debated before we finally vote on the measure. I want to call the attention of the Members to page 10971 of yesterday's RECORD in which the distinguished gentleman from Rhode Island [Mr. FOGARTY] points out very clearly why he is opposed to this bill. Among other things he said:

> It is my firm belief that the wheat provisions of this bill embody a "bread tax"—and anything that even suggests that kind of a tax should be of great concern to those of us who represent the urban areas.
>
> I do not use this expression "bread tax" loosely. I realize it is a serious statement. As I see it, this bill contains provisions that would tax American consumers more

than $164 million a year for their daily bread.

I hope that Members from the urban districts will take heed.

Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, before I speak what is on my mind I want to refer to what our distinguished majority leader has just said relative to no bill having ever been on the floor of the House that could not be improved. I am amazed that the chairman of the Committee on Agriculture would bring out such a poorly constructed bill that already there have been proposed at least 13 amendments which apparently are going to be accepted in toto by the chairman of the committee in order to get his bill through. In fact I feel he is going to accept any and all amendments in order to draw additional support for the bill. This is an amazing procedure to say the least. One would suppose the chairman would want to protect his bill, but such is not the case.

Mr. Chairman, I have the honor to represent one of the finest agricultural districts in the Midwest. My district is richly endowed with black, fertile soil and a God-fearing people who enrich it with their labors, asking no more from the land than they give it and asking no more from their Government than they are willing to give it.

It is for these people that I speak. But no words of mine can adequately express how deeply disturbed our farmers are that we should have before us a bill of this character. I hope his voice can be heard above the political drum beatings of Secretary Freeman.

By propaganda, by pressure, by political promises, by patronage, and by projects, Secretary of Agriculture Freeman has been clubbing the bill through Congress that he will be able by its terms to club the farmer to his bidding. And that is no exaggeration.

Are we so blind that we do not see, so deaf that we do not hear, so dumb that we do not understand that it is the preconceived plan of the Secretary of Agriculture to make himself virtually czar of agriculture? His objective was set forth last year when he recommended to the Congress a comprehensive farm bill that would have vested in the Secretary of Agriculture unprecedented legislative as well as executive powers. If enacted, it would have made our farmers economic peasants and political pawns.

While Secretary Freeman's proposal was summarily rejected by the Committee on Agriculture last session, his plan for agriculture has not changed. This bill is a part of that preconceived plan. He is now attempting to accomplish piecemeal what he failed to accomplish last year. The governmental philosophy of Federal control and dictation embodied in the measure we rejected last year is embodied in the measure now before us. This bill is less comprehensive than last year's proposal in order to make it more palatable, but the principle of compulsion is the same.

Surely we need no more than the bill proposed by the Secretary of Agriculture last year and the dairy farming provision proposed this year to appreciate what Secretary Freeman's philosophy is. We are grateful to the Committee on Agriculture for discarding the Secretary's dairy recommendation. But we cannot be unmindful that he believes that our dairy farmers should be under a licensing system and that he would fix a fine of $2,000 or 1 year in the penitentiary, or both, for any farmer that failed to keep proper books and record as determined by the Secretary.

Can we not see, and cannot we understand what the Secretary of Agriculture plans for our farmers? This bill is only a part of what will ultimately mean the complete regimentation not solely of the feed grain farmers but of all farmers.

Can we not see, and seeing, can we not understand, that Secretary Freeman's legislative strategy is to divide and conquer? By limiting the scope of the bill to only some of our agriculture commodities, he anticipates that there will be little or no opposition to his proposal from those sections of agriculture not affected by the measure. But I cannot believe that he can divide the farmers of the country, whether they raise wheat and corn, or tobacco and cotton, on such a fundamental principle as is involved in this legislation.

If we adopt this principle of compulsory Government controls for agriculture, by what logic can it be said not to be a sound principle to be adopted not only to all of agriculture but to every segment of our economy? If it is good policy to give a few people in Washington the power to decide how much you shall raise, how much you can sell, and at what price you can sell it, by what logic can you say that this power in Washington to decide upon production and prices and wages should not be applicable to every phase of our national economy?

As a part of this divide and conquer strategy, the Secretary repeatedly points to the fact that tobacco and cotton are presently under more rigid controls than wheat and corn. That argument fails to take into account a number of differences between the commodities. Time precludes any detailed discussion. But there is one major difference that must be mentioned. In the instance of such commodities as wheat and corn, we are dealing with food. We are dealing with a necessity of life. Today it is in abundant supply. In our zeal to solve the problem of overabundance we may, in our zeal, ultimately create the more distressing problem of a scarcity.

The administration argues that this legislation would accomplish three highly desirable objectives:

First. That it would increase farm income.

Second. That it would result in savings of $1 billion a year over the next 4 years.

Third. That is would get the Government out of much of its grain storage activities and thereby prevent future scandals of the kind involving Billie Sol Estes.

The truth is that the bill before us would achieve none of these goals. It would, however, submit farmers to the harshest production controls in American history. It would sharply restrict the farmer's right to make his own management decisions. It would make him more dependent upon Government and less dependent upon the marketplace for his income. It would, over a period of time, boost consumer food costs, first by reducing feed grain supplies which would, in turn, mean less and more expensive meat, eggs, poultry, and dairy supplies.

It is impossible to square the administration's claims that the proposed Farm Act would raise farmer income and reduce Government costs by a billion dollars a year at the same time. First, let us remember that the bill would force an arbitrary acreage reduction of 20 percent. To offset at least in part the income farmers would lose as a result of the one-fifth cut in wheat and feed-grain acreage, the Government would make land diversion payments. Thus, the sponsors of this legislation admit that additional Government payments would be required just to maintain farm income near present levels.

These payments will come, of course, from the U.S. Treasury. This raises an obvious question: How can the Government reduce the costs of its farm programs by $1 billion a year while increasing its cash outlays for such programs?

Perhaps the same administration economists who have been making erroneous budget forecasts for the last 18 months have been called in to show the Department of Agriculture how to save more by spending more.

During the TV debates of 1960, Mr. Kennedy said his farm program would cost $1½ billion to $2 billion less than the plan then in effect. Actually, the Kennedy program cost $1 billion more during the first year and the costs have continued to mount during the second year.

Now, if the administration program will not cut costs and will not boost farm income—and quite obviously it will do neither—what of the argument that it will prevent future scandals of the Billie Sol Estes kind? If the program should reduce surpluses over a period of years, as its supporters contend it would, there would be a wild scramble by grain storage operators to keep their warehouses at least partially filled with Government-owned grain. Competition for grain storage would become fierce and the opportunities for special favoritism would be multiplied. Acreage allotments would also become more valuable by becoming more scarce. Again, the temptation to engage in fraudulent allotment exchanges would be greater, not less. The argument that the proposed bill is needed to prevent future scandals is preposterous.

What disturbs me most about this legislation is the mischief it will work in the Midwest—in the corn-hog-cattle operations of hundreds of thousands of family farm people who, up to now, have been relatively free of Government controls and have enjoyed a reasonable measure of prosperity as a result of their own efforts and decisions. For the first time, they will be told how much feed grain they can produce. For many of our farmers, this is the equivalent of being told how many cattle and hogs they can feed. And this, in turn, is the equivalent of putting a ceiling upon the amount of money they can earn, and placing a limit upon their right to expand and prosper.

This is not in the tradition of freedom that American farmers have enjoyed throughout the Nation's history. If the Government can intervene in the private operations of the individual farmer to the extent that is proposed in the present bill, then it can similarly intervene in the lives and the business operations of all Americans. And this is exactly what some of the professional planners have always wanted to do.

The demands for approval of the administration farm bill are not coming from the farms. As I stated earlier, I have the honor to represent one of the Nation's most productive farm districts and the only interest farmers of that area have in the pending bill is an interest in seeing it defeated.

This measure is not needed. It is not wanted by the farmers who would be most directly affected. It is not in the best interest of the country as a whole. It should be defeated.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, lengthy hearings were held on the long-range farm bill which we now have under consideration. In addition to the time taken for the actual testimony presented to the House Committee on Agriculture, many days were required in executive sessions. The subcommittees also worked on various phases of the legislation and made recommendations to the full committee. During the course of the hearings almost 1 week's time was devoted to the cropland retirement program. Many bills on this subject, a number of which were identical in phraseology, were before the committee. This program was an alternative to the bill which was approved by the House Committee on Agriculture, H.R. 11222. Since so much time was given to the cropland retirement program. I think that it might be well to discuss this legislation at this time.

The declaration of policy contained in the bill is as follows:

> DECLARATION OF POLICY
>
> SEC. 2. The Congress finds that the production of excessive supplies of wheat and other grains depresses prices and the income of farm families, constitutes improper land use, and is wasteful of our natural resources. It is hereby declared to be the policy of the Congress and the purpose of this Cropland Retirement Act of 1962 to bring the supplies of wheat and other grains into line with current demand so that (a) farm prices and per family farm income can be increased; (b) the surplus of these commodities can be reduced; and (c) the public cost of farm programs can be decreased. To effectuate the policy of Congress and the purpose of this Act, programs are herein established to assist farmers to divert a portion of their cropland from the production of excessive supplies of wheat and other grains, and to carry out a voluntary program of soil, forest, and wildlife conservation.

Those principles are laudable. Could they be accomplished under legislation of that kind?

The legislation provided for the renewal of expiring conservation reserve contracts. It was estimated that at the end of 1960 at the time when the authority to sign contracts ended, there were 306,000 conservation reserve contracts covering 28.7 million acres in 47 States. The next step in the proposal was for the Secretary to negotiate long-term contracts to retire additional acreage on the basis of competitive bids. It was suggested that emphasis should be made on bringing in whole farms under the program. The rates of payment to retire land would be fixed by the Secretary of Agriculture in keeping with the provisions of the legislation. The actual rate itself was to be set at such a level that cropland acreage on a voluntary basis may be brought into the program by the Government agreeing to pay attractive land rental payments. The system was presented as being a voluntary one and the amount of the payment to be determined by competitive bid. Cash or in-kind payments were to be made. The in-kind payments were to equal 115 percent of the support level. According to the testimony of those who favored the bill, 65 to 80 million acres would be required to be retired in order to meet the objectives of the program. Under these bills, the Secretary was to announce not later than February 1 of each year a determination of:

First. The total estimated cropland available for production of crops in the country.

Second. The total acreage of wheat, corn, grain sorghum, oats, barley, rye, soybeans, and flax seed that would be required to bring the estimated annual production plus the anticipated release from the Commodity Credit Corporation stocks into balance with the estimated annual disappearance of such commodities.

Third. The required number of acres of cropland that would be retired and used for soil conserving purposes.

The opponents to the crop retirement plan argued that the program would involve about 76 million acres, of which 36 million would not now be producing any crop whatever in surplus supply.

The cropland retirement bill would fall short in bringing farm income to farm people and farm communities. The plan would not eliminate the mammoth and burdensome farm surpluses, and instead of reducing costs, the costs would be considerably higher than the costs of H.R. 11222. By retiring whole farms and the loss of income of farmers in not being able to put the land to productive use, would bring back the destructive soil bank to rural America and further drive the people from the land.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Virginia.

Mr. JENNINGS. I desire to compliment the distinguished gentleman from Arkansas [Mr. GATHINGS] for pointing up some of the drawbacks to this land retirement program about which we have heard so much during the debate on this bill. There is no doubt that it will, as the gentleman has pointed out, dry up some of our rural communities. It will work to the detriment of the small country merchant, country fertilizer and machinery dealers, and many others. But I also want to point out that involved in the consideration of this land retirement program which the gentleman has discussed is the cost involved in that program.

How much does the gentleman think it would cost for a farmer to retire his productive acres?

Mr. GATHINGS. I will say to the gentleman that I shall get to that point, and at that time I will gladly yield to the gentleman just a little further on. I am going to discuss that point in just a moment, if the gentleman will permit me.

Mr. JENNINGS. If the gentleman will yield further, I wish the gentleman would do that.

Mr. GATHINGS. I shall yield to the gentleman in just a moment.

Such results would be far-reaching in the farm areas; businesses would close up, or those that remained would be forced to operate on a mighty thin edge to stay in business at all. The bill that is now being debated would cut back on surplus products, maintain a reasonably high rate of farm income, and appreciably reduce overall costs of programs for feed grains and wheat.

Let us estimate the approximate cost of the cropland retirement proposal. From the hearings it is found that the national average receipts for corn to a farmer amount to $40 per acre; wheat, $21; oats, $15, each rounded to the nearest dollar. In arriving at rates of payment to farmers, the estimate should approximate the gross receipts less the actual operating costs. The payment rates per acre with the calculated gross income minus costs for each crop would show as a national average a payment of approximately $20 an acre. To get actual productive land out of cultivation the owner would place quite a premium on its value under the system of voluntary competitive bidding. With the emphasis upon taking out full, whole farms as the sponsors contended, the purpose was to pay for this idleness of land use over a period of years. The taxpayers would pick up quite a heavy cost. The communities would suffer even worse. An estimated 76.2 million acres would be required to make the program effective, making the total cost for 1 year's operation $1,520 million. If a farmer had the privilege of contracting his cropland, that is, any cropland that he has available, for a particular rate of payment, what cropland would he reduce? He would reduce the low-value crops and work tirelessly to increase the yield on the remaining land he tilled.

Now I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Chairman, what I wanted to ask the gentleman is this. How much does he think it would cost on an average to take productive land out of production, 1 acre of good, productive land?

Mr. GATHINGS. It would take an average of $20 an acre, according to the hearings.

Mr. JENNINGS. That is right. It would cost at least an average of $20 an acre and in many cases it would cost more. It was estimated that in this land retirement program it would be necessary to withhold land for a period of from 5 to 15 years. If you paid $20 to $25 an acre for the land over a period of 5 to 15 years, you would have bought the land many times over and the land would still be there as a threat of surplus production when you turned it back. So, at the end of the 5 years or the 15 years, you would have to renew contracts for another period of years. So you would have the land and paid for it several times over, but you would not have title to the land and it would still represent a threat of production of surplus commodities; is that not correct?

Mr. GATHINGS. That is correct; I thank the gentleman very much for his splendid observations. It would lead to land speculation as well. This type of program has been tried before. It failed to aid agriculture—it drove farmers from the land.

Comparison of costs for 1963 of the cropland retirement program with the food and agriculture bill, H.R. 11222, reflects the following: To retire 75 million acres, the net cost to the taxpaying citizen would be $1,490 million. Under H.R. 11222, with corn supports estimated at $1.20 per bushel, the costs would amount to $692 million. If we figure the corn supports at $1.30 per bushel, the cost to the taxpaying citizen would be $589 million. By taking the higher figure of $692 million cost, the cropland retirement program for the 1 year, 1963, would amount to an outlay of $798 million more than the legislation we are now considering.

There were many sponsors of this legislation. Eight bills which were similar or identical were introduced by well-meaning, dedicated men. March 13, 14, and 16, 1962, were given over to the hearings on the cropland retirement and extension of expiring conservation reserve contracts. Painstaking, honest, and wholehearted consideration was given this legislation by the committee. What was the result of these 4 days of hearings and full discussions? The plan was never mentioned again so far as I know. This was the alternative offered our committee.

I trust, Mr. Chairman, that the legislation we are now considering will be approved.

Mr. BELCHER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, it has been mentioned in this debate that the Republicans oppose this legislation only for opposition's sake; that they are interested in no legislation which will benefit the farmer. This is absolutely untrue. During the taking of testimony the President of the Farm Bureau, Charles Schuman, came before us and the question was asked him as to what amendments he wanted to this bill to make it work. He used this analogy. There are two planes, exactly the same kind, with comparable crews, everything similar. But one of them is going to New York and the other is going to San Francisco. If you are going to San Francisco, you do not want to make any changes to the one that is going to New York, because you do not want to go in that direction.

Those of us who opposed this bill in the Committee on Agriculture—and all the Republicans did—did not want to take the road of regimentation and control. We wanted a voluntary program.

I am the ranking Republican on the Livestock and Feed Grain Subcommittee. As soon as we began working on the feed grain section of this bill I made the proposal to the chairman, "Let us decide now whether we are going the route of mandatory controls or the voluntary route." The decision was made in the subcommittee we would go the mandatory route, and it was stated that there was no use for any of us who were favoring the voluntary route to offer amendments to the mandatory feed grain provisions.

When we reported the feed grain section to the full committee, again I asked the full committee to decide which direction this airplane would go. Again the majority decided to take the mandatory route but not the voluntary route. So that is the direction we took all the way through.

It has been stated here that the Republicans made no proposal of merit. After the committee had completed its work on this mandatory program it was impossible to report it from the committee. There were not the votes necessary to report it. So I decided I would prepare a substitute that embodied as much of the administration bill as I could accept but change those portions which I could not accept in such a way that I could support the bill. I offered that substitute, and even though it got 14 votes it was not enough to carry it. So you can see the Republicans have been trying and trying hard to get the committee to consider legislation which we believe would be of merit. The majority would not even seriously consider our proposals. I ask, Who was being partisan?

Let us look at the legislation itself and find out why we oppose this legislation. In the past never have feed grain farmers been subjected to marketing quotas. Never has it been the case that every feed grain farmer was forced to take a cut in production against his will. It was never put into effect when it was law, and this was repealed in 1954. No Secretary of Agriculture would invoke marketing quotas on feed grains while it was on the books for many years, because they knew it would not work.

We have had control programs, as has been pointed out, on cotton, tobacco, rice, peanuts, and wheat, but every time those farmers cut back their production of that commodity they did not cut total production, they put those acres into feed grains, so they were still raising crops from fence row to fence row. Never in the past has a man been refused the right to raise as much of the feed grains as he needed to feed his livestock. He will be denied that under this bill.

If there were no other way to balance feed grain production with demand, I would sit down right now and say, "Let us vote for this legislation," but we have proven some successes in the emergency feed grain program that was in effect in 1961 and is in effect right now, which we can build on for a successful voluntary program. A voluntary feed grain program permits each farmer to manage his own farm. Under the present voluntary feed grain program better than 24 percent of the feed grain acres, that is, grain sorghums and corn, have been idled. That means that the farmers who found that feed grain acreage reduction fitted within the management and operation of their own farms. They could idle between 20 and 40 percent of their acres and they went ahead and did it. The remainder of the farmers to whom it would not fit into their operation, in fact it might have even thrown them into bankruptcy if they were prohibited from raising crops on all their acres, did not comply. They did not receive price supports, of course, so it did not cost the taxpayers a cent. Their production could not go into Government storage so no storage money was paid out for their grain.

May I ask you why should we require, as this bill requires, for each farmer to take the same kind of cut, such as 25 percent of their production, no matter what their farm operation is like? If one farmer is overmechanized and says, "I cannot take the cut," and the other is undermechanized and can cut 40 percent, let the one voluntarily cut 40 percent and the other one produce what he wants without receiving price supports. You get the same kind of reduction in production as the mandatory program, but the farmer would be managing his own farm the best he knew how. This is the kind of agriculture we have had to date. This is what the Republicans want. At this point I would like to read from the May issue of the Farmer Union Grain Terminal Association Digest:

> Farm Secretary Freeman's supply-management program is given only 50–50 chance.
>
> Is there an alternative? Yes. It is a continuation of the 1961 and 1962 feed grain programs, and 1962 wheat program. They were designed to be temporary emergency programs, to bridge time gap until permanent legislation could be passed. But they have been so successful that many say, "let's keep 'em going for a while."

> It makes good sense. Farmers, commodity groups, business interests need time to adjust to supply management. Farmers have proved willingness to curb production, but need time to unify, get strong leadership into the field. Congress needs time to mull over the whole program. Maybe a continuation of present emergency program would please everybody.

The Secretary of Agriculture said in his testimony in the Senate one of the reasons why he did not want to continue the voluntary feed grain program was, and I quote:

> It does interfere with the orderly functioning of the market, resulting in a number of localized situations that are difficult to handle and cause disruptions.

This is what I tried to tell you people on the majority side last year.

This is the reason why the Republicans opposed the bill last year. Section 3 of the original feed grain bill gave the Secretary of Agriculture unlimited power over the commercial by permitting to sell all of our surpluses at the market price. This would have permitted him to market twice as much as is marketed by the farmers of this country in one marketing year. When the conference committee limited the Secretary's authority which he now says is causing difficulty, I voted for the bill because the basic features of the voluntary feed grain program would be permitted to work and we want it to continue to work now, but it is uncalled for to require every farmer to take the regimentation of this bill.

Some people say that the cotton, tobacco, peanut, rice, and wheat farmers have already accepted regimentation and controls; I say this is not true. When the cotton farmer reduced production he planted feed grains and as much as he wanted too, and in no past feed grain program was he forced to comply. The same has been true of the tobacco, peanut, rice, and wheat farmers. If we invoke mandatory controls on feed grains there is no place to turn. Farmers must idle a substantial portion of their acres even if it would bankrupt them. A dairy farmer may need all of the grain he raises to feed his cattle, but this law would prohibit him from doing it. The bill has an inducement for farmers to vote for the program by paying the farmers for idling his acres.

In the first year they would get 50 percent of what they normally raised, in the second year it is cut to 40 percent and in the third year it is cut to 30 percent. Afterward they would get no payment for idling acres. You know what this is going to do to the farmers' income—it is going to drastically reduce the farmers' income. This bill is going to hurt the farmers. It is the reason why I refuse to vote for it.

Many of my colleagues think that under mandatory controls all feed grain farmers in the country would have to share in the reduction in production, but this is not true. As it was pointed out by my colleague, the gentleman from Iowa [Mr. HOEVEN], 37 States in the Union do not produce sufficient feed grains to fulfill the needs of their livestock industry. This means that the 13 remaining Midwest States would suffer the entire cutback in production in order to balance supply with demand. The Department estimated that it would take a 20- to 25-percent reduction in acres when the whole country was covered. Will this mean that the commercial areas of the country now will suffer a 35-percent mandatory reduction in acres. If a dairy farmer in Tennessee produced enough feed for his herd he would not be required to cut back. However, a dairy farmer in my district under like circumstances would be forced to cut his feed production and go out on the commercial market to purchase perhaps a third of his feed grain during a year. How could a more unfair bill be proposed?

This is not the end, however; the bill also provides that any farmer who produces 25 acres or less would be exempted. It is true he would be exempted from the cutback in production; however, he would be limited to his average production of 1959 and 1960, he would be subject to marketing penalties and would be denied the right to vote. Take for example the farmer whose son was in the service during those years and he reduced corn production to an acreage less than 25 while his farm had normally been producing 100 acres; he would be severely penalized without the right to vote in the referendum. In the other body, Senator PROXMIRE very effectively pointed out that small farmers are not really exempt in comments entitled "American Press Pathetically Inadequate on Farm Bill." You will find his complete discussion on page 9433, but in this regard I read:

> One of the most controversial aspects of the bill is that over 1 million small feed grain producers, almost all of whom feed every bushel they produce on the farm, will be limited and strictly limited under this bill in their production of corn—even corn for silage—as well as grain sorghums. No feed grain farmers—I repeat no feed grain farmers—will be exempt. It is true that those who produce less than 25 acres of feed may elect not to vote in the referendum—in which case they will be excluded from any cutback—but they will still be limited to their 1959–60 base in what they produce, no matter how small they are.
>
> How in the world can this be construed as an "exemption"? For more than a million small farmers will not be exempt. They will be strictly limited. If they rely on their newspaper, this report will be a cruel deception.

The Department of Agriculture is now saying that it has no intention to further control American agriculture. I have here a copy of a letter from Under Secretary of Agriculture Murphy to the gentleman from Texas, Congressman POAGE, and I read:

> Charges have been made that the Secretary of Agriculture and his aids are "hell bent" on controlling the livestock industry and that the feed grain program is the first step in this direction.
>
> This is absolutely not true.

I ask you, is the dairy industry considered a livestock industry? Before we knocked it out of the bill, Secretary Freeman proposed to control the dairy industry more than any other industry and put them under tight controls and then permit the purchase and sale of quotas. That is what Billie Sol Estes did, and relied on that portion of the cotton law, when he bought cotton allotments. This would legalize the purchase and sale of dairy quotas. That is the direction in which we are going because when the farmer cuts back on dairy production and has excess feed, he undoubtedly would feed it to some other kind of livestock which would increase the production of beef and hogs. Controls would then be necessary for cattle and hogs. This bill is the first step. But I want to point out what would be ahead of us in the dairy industry.

The administration seems bound and determined to cut the price support floor for dairy products. The original provisions sent to us by Secretary Freeman would have provided a cut from 75 percent of parity to 65 percent if the farmers accepted controls, but no floor on supports if the farmers turned down mandatory controls. This is a far cry from our present basic protection and a severe injustice to the dairy farmers, for the present law has effected changes in dairy production as the following table shows:

*Price support announcements as percents of parity and milk productions in the 12 months following the announcement*

| Year | Price support announcement as percent of parity [1] | Milk production in the following 12 months [2] | Milk production change from previous year |
|---|---|---|---|
| | | *Million pounds* | *Million pounds* |
| 1950 | 79 | 116,164 | −680 |
| 1951 | 87 | 114,313 | −1,851 |
| 1952 | 90 | 116,480 | 2,167 |
| 1953 | 90 | 121,761 | 5,281 |
| 1954 | 75 | 121,668 | −93 |
| 1955 | 80 | 124,447 | 2,779 |
| 1956 | 84 | 124,734 | 287 |
| 1957 | 82 | 124,309 | −425 |
| 1958 | 75 | 123,245 | −1,064 |
| 1959 | 77 | 122,532 | −713 |
| 1960 | 80 | 122,930 | 398 |
| 1961 | 83 | 125,978 | 3,048 |
| 1962 | 75 | | |

[1] In years when more than 1 parity announcement was made, parity prices were averaged.

[2] 12 months beginning Apr. 1.

Do not think, however, that the administration has given up. Next year they will undoubtedly claim that there is a dairy fiasco, or at least a butter fiasco. I think that the administration is permitting the surpluses to expand in order to gain support for their dairy control proposals.

Let us look at what happened in the past when we had surpluses like we do this year.

In 1954 the Commodity Credit Corporation purchases amounted to 324.8 million pounds of butter. In 1961, 327 million pounds of butter were purchased.

But, in 1954 the Department of Agriculture under a Republican administration disposed of 317.9 million pounds of that butter. But in 1961 it disposed of only 195.5 million pounds.

**I enclose the following table to show what the Eisenhower administration did with its excess butter supply in order to prevent the storage problem this administration is getting itself into:**

*Purchases and utilization of butter by CCC, calendar years 1953 to 1961, inclusive*

[In millions of pounds]

| | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 | 1961 |
|---|---|---|---|---|---|---|---|---|---|
| Purchases | 358.9 | 324.8 | 162.3 | 164.7 | 178.5 | 183.8 | 123.7 | 145.3 | 329.5 |
| Utilization: | | | | | | | | | |
| Commercial domestic sales | 3.7 | 19.7 | .3 | .2 | 1.0 | .1 | ---- | ---- | ---- |
| Donation: | | | | | | | | | |
| Domestic | 71.0 | 113.0 | 108.7 | 94.6 | 99.0 | 143.8 | 79.6 | 105.0 | 170.7 |
| Foreign | 28.1 | 130.5 | 178.9 | 51.6 | ---- | ---- | ---- | ---- | ---- |
| Export sales | ---- | 1.4 | 13.8 | 18.3 | 8.7 | 29.4 | 18.4 | .9 | 1.8 |
| Noncommercial export | ---- | 11.4 | 26.6 | 2.8 | ---- | ---- | ---- | ---- | ---- |
| ICA (AID) transfers | ---- | 9.1 | 3.6 | 18.3 | 2.2 | ---- | ---- | ---- | ---- |
| U.S. Army transfers | 15.1 | 29.8 | 41.4 | 29.4 | 25.5 | 27.1 | 27.2 | 20.0 | 18.9 |
| Other [1] | .3 | 3.0 | 5.9 | 9.7 | 6.0 | 7.7 | 5.2 | 3.5 | 4.1 |
| Total | 118.2 | 317.9 | 379.2 | 224.9 | 142.4 | 208.1 | 130.4 | 129.4 | 195.5 |

[1] Includes cocoa butter sales, transfers to Veterans' Administration, Bureau of Prisons, and Public Health Service, research donations and inventory reduction.

**As this chart points out, the utilization for commercial domestic sales in 1954 was 19.7 million pounds.**

**In foreign donations for 1954, there were 130.5 million pounds moved and none in 1961.**

**For noncommercial export in 1954 there was 11.4 million pounds moved and none in 1961.**

**ICA transfers—9.1 million pounds in 1954 and none in 1961.**

**I charge the Department of Agriculture is not disposing of this surplus of butter so that they can build up a butter fiasco and force the Congress and the farmers to accept a dairy control program.**

Mr. Chairman, as we look at this legislation, we find a most unacceptable feature. In the referendum the choice the farmers have to make is regimentation or ruin, as has been pointed out. I say it is like asking an innocent man whether he wants life imprisonment or the death sentence. If the farmer accepts the jail sentence you say the first year you will give him half enough to eat, the second year 40 percent, the third year 30 percent, and after that you do not need anything. It reminds me of the farmer who did not want to feed his horse so he decided to wean him. When asked by his neighbor of his progress, he said that he had weaned his horse of eating and if he lived another week he would have weaned him of drinking as well. And you are asking the Republicans to come to you and say "We do not like your bill which triggers the gun with the index finger." You want us to offer an amendment so we will pull it with a different finger.

This is really the choice—whether we are going to ruin the farmers by this bill under either alternative which they are offered or refuse to pass the bill.

Mr. Chairman, these farmers are brothers, and you are asking for legislation to be passed that will actually either ruin the farmers on the one hand or rule the farmers on the other. Since our choice is to kill our brother or kill this bill, I choose to kill this bill.

Mr. JONES of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I am against this bill.

This is a new experience for me. I have served in the House for 20 years. For 18 of those years I have been on this good committee that means so much to the rural people of America as well as to the tens of millions who live in our urban cities. Not one time during these 18 years have I come to this floor in opposition to a bill which had been approved by a majority of the Members on my side of the aisle. So I say, Mr. Chairman, indeed this is a new experience.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. HOEVEN. I just want to say that the gentleman now addressing the House, my very good friend, the gentleman from Mississippi, is one of the outstanding members of the House Committee on Agriculture. His advice is sought after. He is sound in his thinking. I want the membership to know that he is one of the most valuable members of the House Committee on Agriculture.

Mr. ABERNETHY. I, of course, appreciate the gentleman's remarks.

Mr. Chairman, I have a very high regard for the distinguished chairman of my committee and my Democratic colleagues. I would like to say again that I deeply regret that my views are not in keeping with theirs on the bill.

Mention was made yesterday afternoon and again this morning about politics. No doubt there is some politics in the debate today, as there was yesterday and as there will be tomorrow; and there will be some next year, and in the years ahead.

Maybe this is not the best system, but it is the existing best in the world and indeed it is the best that we have found up to now. I am very happy we Americans under our political system are able to settle our differences with ballots and not with bullets, even if politics does sometimes enter into our considerations. However, may I assure the Members of this body that my position on this bill is not prompted by politics. The same applies to the remarks that I shall make.

I would like also to say, Mr. Chairman, that I have nothing but the highest praise for Mr. Freeman, our Secretary of Agriculture. I think the farm people of this country owe him a debt of gratitude. In his travels through the length and breadth of this land he has had nothing to say about the farmers except that which was good. He has not inculcated into the hearts of the American people the view that the farmers of this country are leeches or parasites upon the American economy and the Federal Treasury, as some have done. He has consistently and properly in every speech told the American people that the efforts of agriculture and the American farmers have been always in the best interest of the country, and he is absolutely correct.

He has repeated time and again that the story of American agriculture is one of the great success stories of all time. The American people are the best fed people on earth. They wear the best clothes produced from the world's finest fibers, all grown and made right here in America. These are products from our farms.

While Russia, Cuba, and other Communist nations live under food rationing, for the American he has nothing short of the most and the best.

Secretary Freeman has brought this home to our consumers, whereas others have talked of nothing but farm surpluses and endeavored to prejudice consumers against farmers and farm programs.

Now, why do I oppose the bill? I presume you are interested. I hope you are. There are titles of this bill to which I have no objection. I am going to support them. I really think we would be in better position today had we not brought the bill to the House in the form of an omnibus bill. Each title is entitled to consideration on its own merits. Each is sufficiently important to be and in my judgment should have been considered in separate bills. In recent years we have endeavored to legislate on farm matters in one big bill, an omnibus bill, including many unrelated titles. I do not think this is the best method. It denies us a clear-cut vote on each important issue. In any event, the majority of the committee feel the omnibus route is the best. At least they thought so in this instance. So here it is in omnibus form.

My objection is directed primarily, and I might say almost entirely, to the feed grain section.

I do not shudder when anyone speaks of controls. I do not run out, get scared and frightened when they make reckless use of the word "regimentation." I agree with what my leader said this morning when he stated there is no regimentation, and there is not because the farmers under present control programs do have the right to vote on the measure. Unless they approve by a two-thirds vote, it does not become effective. If there is regimentation in these programs, they regiment themselves, and certainly they should have that privilege, if they want it. It is, however, already evident that they do not want a program of controls for feed grains. And, if they do not want it, then indeed it should not be shoved upon them.

We do have what we call control programs dealing with cotton, rice, peanuts, tobacco, and wheat. They fit into these categories of farming. But each of those commodities is an industrial commodity. They are produced on the farm, and sold in the market. Cotton is not produced on the farm to be consumed on the farm. Cotton is produced on the farm to be moved into and sold in the market. The same is true of tobacco, the same is true of wheat, the same is true of peanuts, and of rice.

But feed grain, Mr. Chairman, is in an entirely different category. Feed grain is an element to the end result of the production of cattle, of milk, of poultry, and pork. Grain is as important in a cattle, beef, pork, or poultry operation as is a tractor. It is as important as the fence that surrounds the pasture. Even the fencepost is an important element in my area in the production of the steer. These things, all of which go into and are necessary elements in the production of a steer, are just as important as the feed. All are required to produce the steer, or the milk, or pork.

If you control feed, you control an important element of the production of the end result of that farm—beef.

Why not control the fence posts? Why not limit the amount of fencing, reduce the size of the pasture? The tractor is an important element in a beef, dairy, and poultry operation because it is with the tractor that the farmer produces feed for the end result of the farm.

So, why not control the number of tractors on a livestock farm? To do so would be just as disastrous to many livestock operations as would control of the livestock farmer's feed grain acreage. And may I remind you that 85 percent of the feed grain is used in livestock farming operations in the areas where it is produced, and 75 percent of all feed grain is actually used and fed on the farm. It never reaches the market. It is not grown for market. It is grown by farmers in most instances to feed their own cattle, dairy cows, hogs, and chickens.

Now, these are the reasons that farmers oppose the feed grain section. These are the reasons I oppose it. The feed grain section is an attempt to control the end result of a livestock and poultry farming operation. Somebody says, "Well, don't you have that for cotton and these others?" Yes, but the control program fits into that type of a farming operation. It does not fit into beef, dairy, and poultry operations. Cotton, tobacco, rice, peanuts, and wheat are grown for market. They are in their entirety, except a small amount of wheat for feed, industrial crops.

So my opposition is to the application of a control program to feed grain, which is nothing more than an element of livestock and poultry farming operations.

Now, the proposal to control feed grains is not anything new. This is not a new proposal; this is not a new idea; this is not an innovation in agriculture or in agricultural legislation.

Twenty-four years ago this Congress approved what was known as the Agricultural Act of 1938. At that time the Congress approved a bill which did include and incorporate corn into a controlled program. Now, listen to this: Not once did any Secretary of Agriculture ever invoke controls upon the production of corn; not once.

Mr. Wallace was Secretary of Agriculture through the 5th day of September 1940. He had the authority to invoke controls upon the production of corn, and not once did he do so. He was succeeded by Mr. Claude Wickard, another Democratic Secretary of Agricuture. He went into office on the 5th day of September 1940 and retired on June 2, 1945. For 5 long years he never invoked the authority to submit corn and feed grains to a controlled program. He was succeeded by another Democratic Secretary, the Honorable CLINTON ANDERSON, who used to be a Member of this body and is now a Member of the other body. This is very significant. He served from the 30th day of June 1945 until the 29th day of May 1948 during all of which time he had the authority, if he saw fit, to submit corn to a controlled referendum, and not once did he submit it. That Secretary was succeeded by another Democratic Secretary, Mr. Brannan, a very much maligned and abused man of his day but a man of conscience and conviction. I differed with him on many occasions, but I respected and admired him. He served from the 2d day of June 1948 until the 20th day of January 1953. During his entire service he had the authority and the power to submit this identical issue to farmers in a referendum—a means whereby they could invoke controls upon corn and not once did he invoke it. The same was true of Mr. Benson.

Now, when did farmers get into this feed grain trouble? They got into it in the middle fifties. Under the old Agricutural Act of 1938 the Secretary did have the authority to invoke simple acreage allotments, but such was not compulsory. Farmers had a choice of compliance or not to comply. Each was his own judge. Year after year such a program was in effect before the midfifties. It worked quite well and often corn was supported as high as 90 percent of parity. We never once built up an unmanageable surplus of feed grain under that program until the Department initiated a program in 1955 of supporting noncompliance corn. It had such authority but its use was unwise and a grave mistake. Through this means they supported the price of corn for farmers who had not complied with their acreage allotments. So, what happened? This encouraged more and more farmers to plant more and more corn. Why should they not? The sky was the limit. Price support at high level, much higher than now, was assured on unlimited production. This, plus the act of 1958 which assured a handsome level of price support on unlimited production, encouraged and skyrocketed grain production. No wonder we are in the soup. But let us not burn down the house in an effort to get out.

We came into 1953 with only slightly more than a normal supply of feed grain in Government stocks. For years we were doing fine under a simple voluntary acreage allotment program. Then we started this foolishness of supporting corn which had been produced on farms out of compliance with their acreage allotments. Government stocks soared from 16.6 million tons in 1953 to 22.6 million tons in 1954, to 29.7 million tons in 1955, to 34.7 million in 1956, to 40.8 million in 1957 and to 49.2 million tons in 1958. Then came the act of 1958 which made it compulsory that unlimited production of corn and feed grain be handsomely supported. The country fairly turned to grain and the stocks, under this program recommended and demanded by Secretary Benson, soared to 67.4 million tons.

Mr. Chairman, it is my judgment that the best means of handling this situation is to return to the old program, enacted in 1938. It worked very well. With some refinements we can make it even more effective.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. ABERNETHY. Mr. Chairman, would the gentleman from Iowa yield me additional time?

Mr. HOEVEN. Mr. Chairman, I am sorry, but I can only give the gentleman 2 minutes.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes, if the gentleman will answer two or three questions.

Mr. ABERNETHY. I shall be happy to attempt to answer the gentleman's questions.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman an additional 2 minutes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to my distinguished chairman.

Mr. COOLEY. I want to ask the gentleman one or two simple questions.

On January 1, 1953, we only had invested in feed grains $617 million. On January 1, 1960, we had invested in feed grains $3,984 million, not taking into consideration the storage costs.

Mr. ABERNETHY. That is right.

Mr. COOLEY. What does the gentleman propose to do?

Mr. ABERNETHY. All right; I shall try to tell the gentleman what I propose.

Mr. COOLEY. If the gentleman will yield further, please tell me what you are going to do with it.

Mr. ABERNETHY. All right; I will tell the gentleman. We did get into trouble, as the gentleman said, by supporting feed grain during the 1950's when farmers were not in compliance on their acreage allotments. We encouraged them—every one of them—to get into the corn, sorghum grain and other production by supporting unlimited production. Such was not mandatory law then. In 1958 we brought to this floor of the House and passed a bill which was wrong, and which the gentleman knows was wrong. The gentleman was against the bill, but we were in a squeeze and we had to swallow it. Time does not permit a detail of the circumstances. We do know however that the squeeze play existed and we had to swallow the proposal.

Mr. COOLEY. If the gentleman will yield further, when the gentleman uses the expression "we," I was not responsible, and you were not responsible.

Mr. ABERNETHY. The gentleman is exactly right.

Mr. COOLEY. It came out of the Department of Agriculture.

Mr. ABERNETHY. That is right. I was just as much against it as the gentleman was. Indeed I was then, and I am against it now.

Mr. Chairman, we adopted the act in 1958 which provided that the Secretary of Agriculture must support every bushel of corn and grain that was grown in this country. It has doubled and trebled our surplus.

Mr. Chairman, permit me to complete my point and then I will yield to the gentleman from Virginia [Mr. JENNINGS], who is seeking recognition.

Mr. Chairman, we ought to do two things: If we are going to have price support programs for corn, we ought to go back and put it at a low enough level so as not to encourage surplus production. This should be tied to a program comparable to the old 1938 program providing for simple acreage allotments. Each farmer will be given an allotment in keeping with his history. If he complies he gets price support; if he does not he gets nothing. That worked well before. It should work well now. If they comply, they receive price supports. If they do not comply, they will not and ought not get anything. That is what we ought to do. I am for it, and I will vote for it. But coming from where I do, down in the little hill cotton country, and a deficit producer of feed grain, I am not the person to sponsor a feed grain program for the commercial grain grower of Iowa, Illinois, and other highly commercial grain-growing areas. I am not the man to do it. Such would be most presumptuous of me. I will vote for it, and I think that is what the Congress ought to do.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Chairman, I agree with a great deal of what the gentleman has to say, especially about the 1958 feed grain bill which we will revert to if this bill which we are considering today is not passed.

Mr. ABERNETHY. We can repeal it.

Mr. JENNINGS. That is the decision that we have to make. If the gentleman will only recognize the decision today, we have one of two votes. We either vote for the proposed bill which will rectify the Benson program, and we go back. In effect, a vote against this bill is a vote for the program which the gentleman is condemning.

Mr. ABERNETHY. We can repeal it right now. I will support an amendment to repeal it, and that is what we ought to do. I cannot agree with the gentleman that a vote for this feed grain bill is a vote for the old 1958 act. We would not dare adjourn this Congress leaving it in full force and effect. Also, I think it would be an even worse mistake to invoke controls of feed grain on a livestock farmer who produces his own grain.

Mr. JENNINGS. If the gentleman will yield further, that amendment is not under consideration. It was not offered before the committee, and it is not the bill that we are considering today.

Mr. Chairman, there are many things that many people would like to support rather than the provisions in this bill, or rather than some of the provisions in the 1958 law. But that is not the question. We either vote today on one of two bills—either this bill or the 1958 bill.

Mr. ABERNETHY. I agree with the gentleman, but that does not prevent us from defeating this bill, which I think is bad, and then attend to our chores on the 1958 act. There is time. We will be around until frost falls.

Mr. Chairman, at the appropriate time I propose to offer an amendment which I think is sound. I propose to offer an amendment which will permit every cattle farmer in this country and every dairyman and every poultryman, if he has adequate land with which to do it, to raise the required quantities of grain that he needs to raise on his own farm to feed his own livestock, his chickens and his billy goats, if he has such. To deny a farmer the privilege of raising his own feed on his own farm for his own animals is fundamentally wrong. I will discuss the amendment further under the 5-minute rule.

Agriculture is by far the largest industry in our economy. There are a great many misconceptions about agriculture. Unfortunately, many people think that the average farmer goes around with hat-in-hand looking for some dole or Government subsidy. Let me assure my colleagues that this is not the case. Oftentimes we forget that a great part of agriculture is free from control. I recognize that the cost of the present feed grain program is excessive. I also recognize that costs could be decreased under the present law.

This is no time to become panicky about this situation. This is not the last chance for farm legislation. To my knowledge, there is not a so-called revolt against agriculture. We do have some permanent legislation on the books; and let me assure my city friends that your food supply will not be in jeopardy if no legislation is passed in 1962. My point is that we should be very careful that we do not worsen the situation as we proceed to consider this most important measure—not only to farmers but to taxpayers and to consumers as well.

I come from a great agricultural State. In 1960–61 the cash receipts from farm marketings were $657,832,000; $269,170,000 of this total came from livestock and livestock products. The cash farm receipts from livestock and livestock products in Mississippi, as well many of the Southern States, has increased at a very rapid rate during the last 10 years. This trend has been good for Mississippi. It has been good for the whole southeastern area. It means more diversified farming, less dependence on row crops, sound soil conservation practices—and, all in all, a more healthy agriculture.

I am opposed to any legislation that will stop this progress. I believe that title IV, particularly the feed grain provision, will have this effect.

Agriculture in the First Congressional District of Mississippi which I am honored to represent is the No. 1 industry. I was pleased to find that based on the latest census report that in my district the value of farm products sold in 1959—the latest year for which complete figures are available—was $78,157,720. There are some 31,700 farms in my district.

Even though cotton is still the leading agricultural commodity in the First District of Mississippi, corn, feed grains, and livestock are playing an increasing role. For example, based on the latest statistics, about 17½ percent of the farm sales came from milk and dairy products, and 24½ percent came from the sales of cattle, calves, hogs, and other meat animals. Poultry continues to play a leading role in improving farm income in my district; 10.7 percent of the farm sales were from poultry.

I take the time of my colleagues to point out these statistics in order to indicate to you my great concern over the feed grain section of this bill.

There are parts of this legislation that I can support; however, when I look at this bill on balance as it will affect a great percentage of the farmers throughout my area and throughout the United States, I believe the House will be wise in voting against this legislation, unless it can be drastically amended.

For many years the farmers in areas that were once one-crop areas have realized that they must diversify the operations in order to more adequately utilize the land and labor resources available to them. By so doing, many of the smaller farmers have been able to maintain well-balanced, efficient farming operations. In moving from a row-crop type of agriculture the logical area of development was dairy and livestock production. Thus, we have seen in many areas of the Nation tremendous changes taking place in the type of agriculture. We have seen, for example, in the southeastern part of the United States red hills that were eroding away changed into deep green, where the soil is being held in place. We have seen net farm income rise on many of these efficient diversified farms.

In my opinion, the feed grain provisions of this legislation will stop the progress that has been made in this changing agriculture.

As our population has increased and our living standards improved, the demand for more milk and dairy products, beef, pork, and poultry has become greater. The production of feed grains is absolutely essential if farmers are to continue to supply to all areas of the country this very wholesome, high protein food.

There is one point that we must not overlook as we consider this matter—it is that feed grain is grown to be fed to livestock and poultry. It is different from wheat or other direct consumption food. The production of feed grain is a means to an end. I wish to repeat and emphasize that according to the latest figures available, it is estimated that about 85 percent of the feed grains produced are fed in the area in which they were produced. Further investigation of this point indicates that approximately three-fourths of the feed grain produced is fed on the farm on which it is produced.

Thus, when we deny a farmer the right to produce feed grains to feed his own livestock on his own farming operation, then we think you have taken away a basic right. If a farmer is producing cash grain, certainly he should reduce his production in time of surplus if he wants the Government to guarantee him a price. On the other hand, if a farmer is simply growing grain for his own home consumption, I think it is wrong to deny him the right to produce sufficient grain to feed his livestock.

I recognize the fact that in subtitle A of title IV there is a so-called deficit feed area provision and a so-called 25-acre exemption. These two provisions were put into the bill in order to try to convince certain Members of the Congress that their area would be exempt.

This is not so. The truth of the matter is that under both of these provisions, a farmer would be severely penalized if he exceeded his base acreage, that is, the acreage established for his farm based on the plantings in 1959 and 1960. Then also, the deficit area provision is not mandatory. It is discretionary with the Secretary. We have no assurance it will be invoked. And it is very worthy of note that the term "deficit area" is not defined.

The penalty referred to would be severe. This, mind you, is applicable to a farmer who does not want price supports on feed grains, who is denied the right to vote in the referendum, but who will be subject to the cross-compliance provisions of the feed grain section, and could be denied price supports on his cotton, tobacco, peanuts, or rice if he should come under the penalty provision of the feed grain section. In other words, this simply means when all the gloss is removed that farmers in those sections of the country that are continuing to diversify and expand their livestock production will be stopped cold by the intervention of the Federal Government.

In all sincerity, before you vote for a bill that would embark on a program of controlled production of feed grain—a program which four previous Democratic Secretaries of Agriculture never once invoked—I urge you to weigh and consider the result most carefully. In my considered judgment, and with all deference to those who differ, such a vote would be a serious mistake.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, at the outset, if there is any question in anybody's mind as to my position on this bill I am totally, completely, and unalterably opposed to it. I do not think that comes as a surprise to many of my associates on the Committee on Agriculture because I am opposed to the basic theory that is deeply embedded and ingrained in this bill. If the Secretary of Agriculture chooses to call this theory supply-management, that is up to him. I choose to call it planned economy for agriculture, as that is exactly what it is. I want to record to reveal here and now that I oppose a planned economy for any segment of America, be it agriculture, labor, industry, business, or what have you. I shall oppose it wherever and whenever it raises its ugly head. It has raised its ugly head in this bill, and I am unalterably opposed to it.

Mr. Chairman, we have had a lot of discussion here during the last day and a half about the family-type farmer and what this bill proposes to do for him—perhaps I should say to do to him. I have read this bill, H.R. 11222, several times. I have studied it in and out of committee and I fail to find the family-type farmer even mentioned. What has happened to him? We, in Ohio, represent family-type farmers. I have consistently upheld the rights of these small family-type farmers in the Committee on Agriculture and in this House. Now I find the majority does not even refer to him in this piece of legislation. I am for maintaining the family-type farmer in American agriculture. This bill will demolish him.

I agree completely with our honorable chairman in this, that this does give the family-type farmer a floor. It would knock him to the floor for the 10 count if it is passed. And I might predict that it will not pass in its present form as I know the Members of this House will not approve this type legislation.

Let me say, when we are talking about a planned economy, that Mr. Freeman and Mr. Cochrane have come up with another novel idea. They call it a franchise for farmers. I have here in my hand a release out of the Daily Sentinel Tribune of my hometown of Bowling Green of Wednesday, June 6, 1962, which I shall insert in the RECORD. The headline says: "Freeman Says Farmers May Need Franchise To Operate in Future."

### FREEMAN SAYS FARMERS MAY NEED FRANCHISE TO OPERATE IN FUTURE

Secretary of Agriculture Orville L. Freeman, briefing farm magazine editors on the administration's farm plans recently, indicated that under the proposed program of mandatory controls and production quotas, farmers would need a "franchise" to farm.

One of the editors, Wayne E. Swegle, managing editor of Successful Farming magazine, reports on the results of the briefing session in the June issue of Successful Farming.

Secretary Freeman first emphasized that "we've got to face certain facts," among them a $9 billion inventory of commodities that "costs us $1 billion a year to handle."

Further, he said, "I don't think that the taxpayers are going to let us go on with support prices at anything approximating a reasonable level and keep on piling up food and fiber that at this time we can't use effectively."

"I don't think there's any alternative except that between price supports and supply management," Mr. Freeman said, "or no price supports and unlimited production."

Among the controversial controls on farmers proposed under the administration's approach to supply management is the dairy "quota" proposal. With the quotas fixed, no new producer could enter the market unless he got a quota from someone else.

"We would seek to avoid the concentration of [quotas] in a few hands," Mr. Freeman said.

In spite of the resulting higher capitalization of the land involved and unchanged net income to the farmer, Mr. Freeman said he saw no alternative policy.

The secretary's economic adviser, Willard Cochrane, told the farm editors that the program would "get returns up initially, and then future producers would be buying assets in which they can produce and sell in a stable market."

Mr. Cochrane likened the situation to the franchise of an automobile dealership in a small town. "The value of that franchise gets capitalized into the business," he said. "The next man who buys the business has to pay for the profitability of the past. And, hence, the windfall of higher prices gets capitalized into farming, and in a [car dealership]."

"There will be a great deal of certainty introduced in agriculture that's not there now," Mr. Cochrane said.

Secretary Freeman then was asked if he was, "in essence, giving a franchise to the farmer to operate?"

"In a sense, I suppose that's true," he said.

This shows how far they have gone down the road toward complete regimentation of agriculture. Let me say that I am not going to vote for any bill which provides a franchise for the American farmer to operate his own farm, a farm that his own sweat and blood has earned for him. I am against that type legislation. I do not think we as Members of Congress should see it pass.

All that this bill provides from cover to cover is control—control—control, for the American farmer; and power—power—power, for the bureaucrats in Washington. No one can deny that.

Let us look at the matter of price supports. In this bill we do not even say what the price supports shall be. We say the Secretary of Agriculture, as far as wheat is concerned, has the discretion, has the power, to set that price support between 75 and 90 percent of parity. As far as feed grains are concerned, we say he has the power, the discretion, to set it between 65 and 90 percent of parity.

This afternoon and probably during the next day of debate on this bill we will have Benson's ghost dragged through this chamber a good many times, but I say to the Members of the House that Ezra Taft Benson never asked for that kind of power.

Let me discuss another part of this bill while we are talking about Benson. He always proposed to give the American farmer some sort of choice. In this bill Mr. Freeman and his friends down in the Department of Agriculture ask to take away all price supports for agriculture if the farmers do not vote for his program. Ezra Taft Benson never proposed to take all price supports away from the farmer.

Let me say now, as I take up certain sections of this bill, that I cannot help but recall the last presidential campaign and the promises that were made to agriculture. During this campaign we heard a lot about parity of income for the American farmer. Can anyone on the majority side truthfully look the American farmer in the eye and say this bill will give him parity of income? Where is this 100 percent of parity we used to hear so much talk about? The proponents are not asking for 100 percent of parity in this bill. As I pointed out, they are asking 75 to 90 percent for wheat and 65 to 90 percent of parity for feed grains. These are facts you cannot dispute.

We have heard a lot of talk about the elections provided for in this bill. "Let us just turn over to the farmer the right to decide for himself what kind of program he wants," so the proponents say. Two-thirds of the farmers voting, and I emphasize the word "voting," shall make that decision.

Let us examine that two-thirds just a little bit. Who is going to be voting? I say this proposed election is a sham; it is deception. Let us look at those doing the voting in this bill. Seventy-three percent of the total of 1,825,222 farmers producing wheat in 1960 had less than 15 acres. Under this bill, if they take advantage of the small-farm exemption provided for them, they shall be ruled ineligible to vote. Now, who are we talking about? Two-thirds of what? Two-thirds of what is left, approximately 28 percent of the wheat producers.

In Ohio, of our 154,000 wheat producers, how many actually voted in the last referendum? Approximately 3,000. Is that the type election we are talking about? Yes; that is the type election we are talking about. I am opposed to such elections.

Let us turn to feed grains for a moment; 1,183,310 of the 2,239,850—more than half, if you please—of these feed-grain producers have less than 25 acres. If they took advantage of the exemption provided for them in this bill, they would be ineligible to vote.

Now let us turn to this deficit-area gimmick that is in the bill. We heard yesterday from the ranking Republican Member, the gentleman from Iowa [Mr. HOEVEN], that some 37 States could be ruled to be deficit areas under the provisions plainly outlined on page 40 of the bill. Those 37 States would not have a vote in feed-grain referendums. Let me read this language to you. It appears on lines 16, 17, and 18.

It reads as follows:

> The producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

So we automatically take 37 States out of this so-called referendum to start with. Yes, and they have another club constantly hanging over the heads of the farmers if they do not vote right either in the wheat or the feed grain referendums. Mr. Freeman would be eligible to dump 10 million tons of feed grains on the market in any one year and 200 million bushels of wheat on the market in any one year to keep the prices down. Mr. Freeman calls this protection. We know what Mr. Freeman did to the corn prices with less dumping protection for the corn farmers last year than he is requesting in this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOEVEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LATTA. I would have liked to have had more time but, apparently, we do not have it. But the small farmer in this bill certainly gets it on the chin. Talking about voting, he must sign in writing before he is eligible to vote, even if he elects not to take advantage of this small farm deception that is outlined in the bill. The large producer need not do that. So the proponents of this bill want to shut him out when he comes in on election day. They will say, "Oh, no, Mr. Farmer, you did not sign in writing beforehand so you cannot vote." That is more small farmer deception. Incidentally, when we talk about 15 acres in exemption for these wheat producers that is deception on its face because you cannot possibly have a 15-acre exemption. It is mathematically impossible as last year the majority cut the 15-acre exemption down to 13.5. I mean, you take the average of the last 5 years and you cannot possibly get 15 acres.

It is also unfair to these small wheat producers in that it does not give any consideration to those farmers who have been rotating their crops during the last 5 years and for this reason, perhaps did not sow wheat in every one of these years. The result is, their average is less and their exemption is less. This should not be.

One of the most inhuman provisions in this bill is that it discriminates pricewise between the large and the small, family-type farmers producing wheat. The small wheat producers electing to take advantage of the so-called small farm exemptions given them in the bill will be denied certificates worth 60 cents per bushel. This means that they will get approximately $1.40 per bushel for their wheat while the one bending to Mr. Freeman's wishes will get $2 per bushel as he will be given the 60 cents certificates. This is unfair, Mr. Chairman. Yes, Mr. Chairman, this is un-American as we are not supposed to discriminate in any field in America.

I hope the Members will use their good judgment and defeat this bill. The Committee on Agriculture can then return to its committee room and draft a bill which can be supported.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Chairman, I rise in total opposition to this proposal which, in my opinion, has properly been labeled as a "monstrosity" and "one of the worst pieces of legislation to ever originate in the House of Representatives." If there is anything of which I am sure, it is that the great majority of farmers in the 17th Ohio Congressional District are very concerned about this bill and opposed to its enactment.

This administration is committed to the principle of increased centralization of power here in Washington and fostering the "dependency" theory. By it, everyone looks to the Federal Government for their answer to their problems whether simple or complex. We see it in other areas but in none so pronounced as in the field of agriculture. The truth of the matter, I am certain, is that the great majority of farmers are looking not to Government for the answer but, quite the opposite, rather are hopeful that the Government will not compound their problems and, indeed, not be the major cause of their grief.

To the credit of the House Committee on Agriculture and to the majority party I must state that the bill we are considering today is not nearly as extreme as the one proposed last year by Secretary of Agriculture Freeman. Yet, it is far too radical to be seriously considered as any meaningful compromise.

H.R. 11222 is not merely one more agricultural proposal which will effect some minor changes. It is a completely new—and unfortunate—concept which, if enacted, would regiment and control the production and distribution of food in America. It is punitive. I agree wholeheartedly with Farm Bureau President Charles Shuman who stated in a recent letter:

> The entire bill would be a giant step toward strict supply-management for all of agriculture. It means inefficient production and higher consumer prices; politically determined and regulated farm prices; more Federal bureaucracy; high costs to taxpayers. Finally, it means moving one of this country's basic industries—agriculture—in a downhill direction.

I agree that it would do all of this and a lot more. This morning I received a telegram from Cliff Baker, legislative agent of the Ohio State Grange, in which he stated:

> Ohio Grangers object strenuously to mandatory features in H.R. 11222 [the administration farm bill] especially feed grains and dairy control sections. We respectfully urge you to oppose this bill in its present form.

These two responsible farm organizations are against this bill. Who is for it? Certainly not the consumer and the taxpayer. Those favoring this approach tend to be found in two groups—bureaucrats who will get the life-or-death power over the farmer and those who are already committed to socializing our country and destroying anything approaching a free market. The American farmer has never come to the Congress looking for a handout. The present farm mess is not of his doing but rather the result of Government interference in the affairs of the agricultural community. The sooner we move away from a system of rigging markets, controls, allotments, and punitive action, the better off the farmer and the whole country will be.

The feed grain section of the bill is probably the worst as it is especially vindictive against the midwestern farmer. Farmers in Ohio will find it difficult to understand why the Freeman forces would seriously propose a measure which would punish them for raising feed grain crops on their own farm to be fed to their own livestock and never go on the market. Marketing quotas have not yet been applied to any feed grain.

Feed grains are basically different from cotton, tobacco, and other commodities which must go to market to be processed. Feed grains can remain and be used on the farm where they are produced. Legislation authorizing marketing quotas for corn was on the books from 1938 to 1954 but never put into effect. The reason was the simple one that farmers did not want this type of control. In 1956, 61.2 percent of the corn producers voting in a referendum cast their ballot for a program which contemplated a gradual reduction in price support levels. In 1958, 71.2 percent voted for a proposal to reduce price supports and eliminate acreage allotments.

Everything points to the fact that farmers do not want these controls. This is probably why the administration puts a blackjack at their heads and threatens them with dire consequences. Under the provisions of H.R. 11222, the Secretary of Agriculture would be given the power to deny producers any type of price support and dump up to 10 million tons of feed grains on the domestic market if producers vote against quotas. This is a take-it-or-leave-it approach which gives the farmer no meaningful choice.

The bill is full of gimmicks. In title I, the "pitch and putt golf course" section of the bill, the Government would be enabled to compete with nonsubsidized recreational enterprises through a so-called land use promotion. In title II, the original concept of Public Law 480 would be changed into a worldwide welfare program.

I am in accord with my colleagues on this side of the aisle who have given strong arguments against this bill. These arguments are not based on partisan bickering but rather on the fundamental principle of preserving the freedom of those who are tilling the soil. The farmer deserves something better than a system of payments, permits, and peasantry—about all that he would get from H.R. 11222.

As our policy committee so aptly put it, the basic objection to H.R. 11222 lies in its high costs—not only the increased costs to consumers in the form of higher food prices brought about by bread taxes, Federal control of marketing and promotion of an inefficient agriculture—not only the increased tax revenues which will be needed to finance broad new ventures into public recreation and land use as well as in reestablishing the same artificial price-fixing schemes which have been proven costly failures in past—but the real cost of H.R. 11222 lies in the slaughter of the freedom, opportunity and initiative of the American farmer. The basic objection to this bill is simply to the exercise of compulsion and control by the Federal Government to destroy the rights of farmers to use and enjoy their farms under a free enterprise system which has made America the best fed, best clothed nation in the history of mankind.

Here are some of our major objections to each of the five titles of H.R. 11222:

### TITLE I: LAND USE

First. An expensive and unlimited Government-sponsored recreation activity could well injure the privately owned and operated recreation industry.

Second. The civil rights of American citizens using recreational facilities could be impaired by allowing Federal funds to be expended for racially segregated facilities.

Third. Nongovernmental bodies could share in the Federal recreation bounty.

### TITLE II: AMENDMENTS TO PUBLIC LAW 480

First. The commitment to a worldwide school lunch program further changes the basic character of Public Law 480 from surplus disposal to world welfare.

### TITLE III: MARKETING ORDERS

First. Potato farmers were never given an opportunity to present their views on the provision excluding potatoes for dehydrating from the coverage of marketing orders.

### TITLE IV: FEED GRAINS, WHEAT, DAIRY

#### SUBTITLE A: FEED GRAINS

First. This bill would reimpose unworkable acreage allotments and marketing quotas on corn, oats, rye, barley, and grain sorghum. These feed grain controls would be ineffective since 80 to 85 percent of feed grains are fed to animals on the farm. Harsh civil penalties would result from violations of feed grain quotas even though a farmer fed his own grain to his own animals on his own farm.

Second. Income of feed grain farmers would drop, since diversion payments would be reduced to zero by 1966 with an increase in price support.

Third. Feed-grain farmers would be faced with an impossible referendum choice between the restrictive administration program and Government dumping of some one-third billion bushels of feed grains on the market. This "blackjack" provision makes a complete mockery of the referendum process. If farmers failed to "vote right," farm income would be devastated.

Fourth. Many thousands of feed-grain farmers—most of them smaller growers or farmers in deficit areas—would not be able to even vote in the referendum. This discrimination against small growers is another intolerable gimmick in an effort to "rig" the outcome of the referendum, and is not comparable to a referendum under any other commodity program.

Fifth. A politically motivated committee amendment would excuse feed-grain farmers in so-called deficit areas from cutting their production. This attempt at regional favoritism and political maneuvering represents pure partisan opportunism for the Southern pork barrel experts.

Sixth. However, the feed-deficit-area growers would not be exempt from the program and would be subject to marketing quota penalties without being eligible to vote or being eligible for price support or diversion of payments. They would be at the whim of arbitrary rulings by the Secretary of Agriculture as to what constitutes hardship, unduly increase prices, feed-deficit areas. These terms are nebulous and are subject to whatever interpretation the Secretary chooses to make.

#### SUBTITLE B: WHEAT

First. The wheat farmer will receive a reduction of income under H.R. 11222. His diversion payment will slide down from 50 percent in 1963 to zero by 1966. The producers on about 10,000 farms in the West where weather presents a huge risk are currently able to store excess wheat from a previous year to be applied to a future year's crop. They will no longer be able to have this measure of protection against the elements.

Second. Each step of wheat production, processing, and export would be tightly policed. Farmers, processors, taxpayers, and consumers would all be required to bear the burden of this bread tax program.

Third. This bill is the most harsh and vindictive measure ever aimed at the small wheat farmer, who is discriminated against in voting and in marketing. The so-called small farm exemption is really a small farm deception.

Fourth. Marketing certificates are denied to those small farmers electing to use the so-called small farm exemption provided for under the bill, meaning that small growers could not even plant up to the farm wheat base without losing the right to receive certificates and the right to sell wheat for food and for export.

#### SUBTITLE C: DAIRY

First. While this legislation earmarks wheat and feed grain farmers for new and stringent controls, livestock producers and other farmers now free of controls should recognize that they are next in line. For example, dairy farmers are offered a lucrative payment plan while the administrative machinery is being established for next year's imminent dairy control plan.

### TITLE V: MISCELLANEOUS

First. The Farmers Home Administration which already has a much greater demand for farm loans than it can handle would now go into the recreation loan business—with pitch and putt courses according to Secretary Freeman.

Second. The Farmers Home Administration would also go into the municipal sewer business by duplicating the loan activity of other Government agencies.

It is obviously impossible to make a good and workable piece of legislation out of H.R. 11222. A totally new concept is needed—a proposal which will move in the direction of more freedom rather than more control. As a start, we need to continue the conservation reserve program which will expire. Contracts should be extended beyond their termination dates for 3 to 10 years, thus preventing 28.5 million acres which are now retired from coming back into crop production. The Government has built up huge surpluses through unworkable programs in the past and it cannot be now contended that we drop everything and let the farmer find his own way. Rather, it is important that we phase out the restrictive provisions of the current law through a cropland adjustment program. The conservation reserve will help do this, coupled with a voluntary program of limited, short-duration nature.

In stressing my opposition to this bill, I want to make one point clear. I do not do this from a provincial or narrow point of view based merely on the likes and dislikes of my district's farmers. The reasons go much deeper. It would be bad for the country if this legislative monstrosity passes. As one of my colleagues of the opposite party, the gentleman from Rhode Island [Mr. Fogarty], stated yesterday, this would be bad for urban areas since the wheat proposals would constitute a virtual "bread tax" to be paid by consumers. Based on the Ohio point of view, it is well to add that the basic inconsistency is well demonstrated, however, by looking at the past programs from our own interest. Our Soft Red Winter wheat has never been in surplus and yet it is treated in the same manner as the variety which is in great surplus. This is unfair to the farmers and to the consumers.

We are at the crossroads. Pass this bill and we will, in my judgment, steer a course toward not only a regimented, socialized agriculture but that type of economy. Defeat this bill and we may yet be able to tip the scales toward freedom.

Mr. PIRNIE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PIRNIE. Mr. Chairman, I must oppose H.R. 11222.

The enactment of this bill is assuredly not in the best interests of farmers, consumers or taxpayers.

Essentially, this legislation would extend to feed grains and wheat a more rigid version of the existing costly and cumbersome controls that have contributed to the present farm problem. It is based upon the discredited philosophy that further regimentation from Washington will result in a solution. History proves otherwise. Only last session, the administration told us that their emergency feed grain bill was needed to save the taxpayers $500 million. However, after a year's operation that legislation has actually added over $1 billion to the cost of the farm program.

It is more apparent than ever before that we need a new direction in agriculture, which H.R. 11222 fails to provide. Overlooked is the alternative of increased land retirement coupled with more flexible price supports which would allow greater freedom for market forces to bring supply in line with demand.

Of special concern to me are the dairy provisions of the bill which constitute another variation on the oft repeated theme that Government should pay a man for not producing a useful product. Furthermore, proponents of such incentive payments for milk have admitted that this plan is but a prelude to a subsequent compulsory program of production controls for the entire dairy industry. Thus, another important segment of agriculture would be brought behind the "iron curtain" of control from Washington.

The recent revelations of sordid scandals involving manipulation of cotton allotments and grain storage payment should be clear enough warning of the dangers of granting a few Federal bureaucrats the power to control the right to make money. In essence, this power constitutes a fundamental precept of socialism; in fact, it is economic dictatorship. The legislation before us represents but another step down the road toward a police state. I urge its decisive rejection.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. Harding].

Mr. ANDERSEN of Minnesota. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present, a quorum.

The gentleman from Idaho [Mr. Harding] is recognized.

Mr. HARDING. Mr. Chairman, the problem that faces the House of Representatives today is a serious problem and the vote we will be called upon to cast is not an easy vote. When I first came to the Congress, coming from a district that is largely dependent upon agriculture, I labored diligently for an assignment to the Committee on Agriculture. Now when I look at the magnitude of the farm problem, sometimes I think I was stricken with a case of temporary insanity to want to ask for assignment to this committee. This hardworking committee is faced with a most difficult problem. It is this problem that we are attempting to solve here today.

I would like to say that your committee started out this year by hearing the Secretary of Agriculture testify on the farm bill. He was followed by the leaders of all of the major farm organizations in America—the Farm Bureau, the Farmers Union, the National Grange and other farm organizations. We later allowed individual farmers to come in from all over America to testify as to how they thought we could best solve the farm problem. The committee then began to write up the bill and to meet in executive session. We considered the contributions and suggestions of all the members of the committee. The bill we have before the House of Representatives today is the final product of all the hearings and debate that was considered by your committee.

I think the magnitude of the problem we face is best illustrated by the fact that in 1952 we had 250 million bushels of wheat in surplus at an estimated value of some $450 million. Today we have 1,380 million bushels of wheat in surplus at an estimated value of $2,500 million. And this notwithstanding the fact that we have given away to foreign countries under the food-for-peace program approximately $2 billion worth of wheat. Unless we take action this surplus is going to continue to mount.

Last year the gentleman from Iowa, the beloved minority leader of the House Committee on Agriculture [Mr. Hoeven], invited a group of us to attend a Sioux City steak dinner. And I want to say that this annual dinner is one of the pleasant experiences that we enjoy as members of this committee. I will never forget what the president of the Chamber of Commerce of Sioux City said. He said:

> We want you to know that we do not expect a Santa Claus in Washington. We do not want our Uncle Sam to be a sugar daddy.

I want to tell you that if we do not adopt legislation of this kind we are expecting Uncle Sam to be a sugar daddy. We cannot continue to allow the farmers of America to have the right of unlimited production and at the same time have the taxpayers of America fork up and pay them for this unlimited production at the same we are paying over $1 billion annually to maintain surpluses valued at over $9 billion. It is not fair to the taxpayers, it is not fair to the consumers, and it is not even fair to the farmers themselves.

I feel that the bill we have before us today is a necessary step toward the solution of this problem. As I said at the commencement of my remarks, this is not an easy decision to make, it is a tough vote to cast. I feel it is only fair to state that there has been every bit as much lobbying against this bill as there has been for it. Farm legislation seems to provoke a great deal of controversy. Unquestionably there has been a good deal of emotion in opposing the feed-grain section of this bill. Bear in mind the fact that in the year 1952 there were 27 million tons of feed grain in surplus costing $600 million. Today we have 67 million tons of feed grain in surplus costing about $3 billion. Something has got to be done, and I sincerely believe that Orville Freeman is attempting to do the right thing. He has suggested to the Congress a solution that he thinks is workable, and that a majority of the Committee on Agriculture think is workable. When we consider the $9 billion of agricultural surpluses that we are currently paying over $1 billion annually to store and maintain, it is evident that we must act.

The bill before us is the most reasonable plan of action on which your Committee on Agriculture could agree. I urge those Members who want to solve this problem to join us in passing this bill.

The CHAIRMAN (Mr. Price). The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 121]

Addonizio
Alford
Anderson, Ill.
Anfuso
Auchincloss
Bailey
Bennett, Mich.
Boykin
Brademas
Celler
Chiperfield
Curtis, Mass.
Davis, Tenn.
Diggs
Flood
Fogarty
Frelinghuysen
Garland
Glenn
Gray
Harrison, Va.
Hoffman, Mich.
Horan
Jarman

Kearns
Kilburn
Loser
Martin, Mass.
Merrow
Moulder
Powell
Riley
Saund
Scranton
Shelley
Smith, Va.
Spence
Stubblefield
Tupper
Van Zandt
Whitten
Yates

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11222, and finding itself without a quorum, he had directed the roll to be called, when 392 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. HOEVEN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, with the exception of some officials in the U.S. Department of Agriculture and others who have an interest in grain storage facilities, this bill we are considering today is not really wanted by anyone.

The potential consequences are of such a serious nature that on June 6 many members of the Pennsylvania Farmer's Association—of which I am a member—sacrificed a workday on the farm to alert friends and neighbors to the inherent dangers, should this bill become law. Of 300 nonmembers contacted, 260 paid $15 dues each to help fight this farm control legislation. Of the 1,600 members contacted, practically all said they would contact their Congressman explaining how this proposal would affect their own operation. The letters I have received indicate a large percentage in my congressional district kept their promise.

The following is one typical comment:

> I raised an average of 30 acres of feed grains in 1959-60; I have 50 acres planted this year; I feed all of my grain to my own livestock; this bill would reduce my feed grain acreage by about 20 acres; I would be prohibited from raising enough grain on my own farm to feed my own livestock; I could buy the needed grain but the high price supports would make grain costs higher; price supports are of no value to me because I feed all my grain; I just can't believe that this is America; high price supports naturally encourage production—they will never decrease production.

Another comment—

> I raised 12 acres of feed grain in 1959-60—I could not raise any more because my base is 12 acres under this legislation; the 25-acre exemption does not apply to me or to my neighbors because our base acreage is 15 acres—not 25 acres; all I ask is that I, as an American, be permitted the American privilege of producing enough feed for my own animals.

H.R. 11222 is not just another farm bill. It is not temporary legislation but a punitive measure designed to regiment and control the production and distribution of a great deal of our food.

Under it permits to grow farm products would be approximately doubled. Quota program acreage would be tripled. Claims to the contrary notwithstanding, farm program costs would remain excessively high. No farmer, regardless of size, would be permitted to exceed his feed grain acreage above his 1959-60 average.

Unfortunately, the entire truth is not being told in connection with this bill. Proponents say one is exempt if he grows 25 acres or less of corn. This is not correct. The bill states:

> No marketing quota shall be applicable to any farm with a base acreage of 25 acres or less if the acreage does not exceed the farm base acreage. (P. 25.)

It states further:

> Principal grains used for livestock feed are corn, barley, grain sorghums and oats.

The marketing program provides for a single quota applicable to all feed grains. It also says:

> Acreage of wheat for farm use shall be considered as an acreage of feed grains in determining average acreage of feed grains. (P. 24.) [The] farm base shall be average of feed grain acreage for the years 1959-60. (P. 23.)

Here is a typical example:

(a) In 1959-60 a farmer grew an average of—

| | Acres |
|---|---|
| Oats for feed | 5 |
| Barley for feed | 5 |
| Grain corn for feed | 5 |
| Corn for silage (not exempt in bill) | 5 |
| Total feed grain acres | 20 |

This farmer's base is 20 acres; not 25 acres. The 25-acre small farm exemption does not apply because his base is less than 25 acres. He would, thus, have one of two choices:

First. Because his base is less than 25 acres, he may stay out of the program, but he cannot grow more than 20 acres.

Second. He may choose to enter the program and accept a 20-percent acreage cut in return for price supports. Of course, this farmer feeds this grain and therefore he would not have enough production from 16 acres—20 percent cut—to feed his present livestock.

If a farmer desires to increase his feed grain acreage above his base, he would be prohibited. For example, if the above farmer put on 10 more cows he would not be able to increase his base acreage to feed his cows. The only way this farmer could obtain grain to feed his cows would be to buy it and most likely at prices higher than he could raise the grain.

This bill, with all of the proponent's sugar coating removed, denies farmers who produce less than 25 acres of feed grains, for their own use, the right to vote unless they are in the program, and places stiff penalties on them if they try to raise enough feed for their own livestock.

An example:

*Average acres farmer grew in 1959-60* [1]

| | |
|---|---|
| Corn for feed | 20 |
| Wheat for feed | 5 |
| Oats for feed | 12 |
| Barley for feed | 5 |
| Rye for feed | 1 |
| Corn for silage | 15 |
| Total feed grain | 58 |

[1] Figures from 200 Pennsylvania farms.

Farmer's base is 58 acres.

Farmer's choice: Because his base is greater than 25 acres he has no choice. He would have to be in the program and would come under marketing quotas with a cut in acreage.

This farmer, as do most Pennsylvania farmers, uses most of his home-produced grain to feed to his own animals. This farmer, because of quotas, would be forced to reduce his feed grain production, and in turn, the size of his farm operation. This leads to farm inefficiencies and to higher food prices.

The wheat section would establish a complicated, multiple-price system which would prove to be an administrative monstrosity. This program would cost the Government more than $1 billion per year on wheat exports alone. It would also raise food costs to the bread-consuming public.

The dairy section would be a first-class boondoggle. From the farmers' point of view, however, the worst feature of this section is that it would constitute an opening wedge for a compulsory supply-management program on milk.

The entire bill would be a giant step toward strict supply-management for all of agriculture. It means inefficient production and higher consumer prices; politically determined and regulated farm prices; more Federal bureaucracy; high costs to taxpayers. Finally, it means moving one of this country's basic industries—agriculture—in a downhill direction.

Pennsylvania farmers have never favored price supports on feed grains. Our grain is pretty largely fed to our own animals. As a grain buying rather than selling State, we do not want to pay higher prices which price supports could inevitably bring.

I represent both farmers and consumers. As a farmer with 40 years' experience, I am unalterably opposed to more Government in farming. Since its inception, the farm program has been a colossal "flop." This proposal will magnify the "flop" and place farmers in a tighter straitjacket. Knowing the independence of farmers as I do, they want nothing as much as to be let alone. I have sufficient confidence in them to think they can operate their own business far better than a swivel chair operator in Washington.

As a consumer I object because this bill will automatically raise the price of foods. Under H.R. 11222, wheat support price could be raised from the present $2 per bushel to $2.20 or higher. That can mean but one thing—higher bread prices. Corn could be raised from $1.20 to $1.44 per bushel. This in turn would raise the price of Pennsylvania Dutch "Johnny Cakes." Oat and barley support prices could also be raised. It is academic to say feed grains are the limiting factor in producing beef, pork, lamb, and poultry. Pass this bill and you automatically raise the price of meat and eggs because of increased grain prices.

During debate on the feed-grain bill of 1960 we were told in no uncertain terms how it would reduce surpluses and reduce them it did, but at what cost? Three dollars per bushel is a conservative estimate.

Since the beginning of time farmers have been independent thinkers. The great majority of farmers I represent want nothing as much as independence. In 1858 Stephen A. Douglas said:

> Leave the people free to do as they please.

In 1787 Alexander Hamilton said:

> The States can never lose their powers until the whole people of the United States are robbed of their liberties.

This bill, if enacted into law, will definitely and unalterably rob one very large and important segment of our population of its liberties which will not be regained in our time.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from New York.

Mr. OSTERTAG. Mr. Chairman, I rise in opposition to this legislation as it has been presented to us and ask unanimous consent to revise and extend my remarks. I am opposed to these coercive and restrictive measures because they are certainly not in the best interests of our people; they will hurt, rather than help, our farmers; they will restrict and reduce freedom, rather than strengthen and support it. In short, these proposals are completely opposite to the traditional American concepts of individual liberty and enterprise. May I add, that no party leadership has twisted my arm or pressured me into opposing this bill.

This legislation would make the Secretary of Agriculture an absolute czar over the large part of American farming. It would set us on a course of farming by Government license in this country. Every farmer would be required to obtain a franchise to run his own farm. The Department of Agriculture would be empowered to order reductions in the amount of land that each farmer could plant in wheat, corn, oats, and other grains; it would be empowered to do away with any exceptions which permit farmers to grow strictly for their own use, and it would be able to bar others from raising these crops in the future. Government allotments to grow grain in the future would have to be received or purchased with the land.

Under the terms of this bill, if farmers refused to approve the terms of the referendum offered, the administration would hold the authority to sell the surplus stocks on the open market anyway, and thereby depress the prices that farmers could expect to realize from their crops. In other words, the choice offered would be to accept Government production controls, or to have income severely slashed by falling prices. This set of choices—if that is the right word—has prompted farm spokesmen to declare that any such referendum would be as meaningless as a Russian election.

The original administration proposals for dairy farming were just as severe, including prison sentences for failure to keep proper books and records. These proposals have been watered down by the committee, but, nevertheless, the framework for a control system is still there. Now, the bill provides only that the Federal Government pay dairy farmers to reduce their production of dairy products in addition to continuing price supports for the amounts that are produced. But, there would be nothing to prevent the farmer who agrees to reduce production from selling his cows to another farmer who wishes to expand. The result would be Federal payments to some farmers for reducing production and increased support payments to those who increased their output. Even the casual observer will recognize the cynicism of this program; for its result would be higher government costs and greater production. The next step would surely be a clamoring from the administration's farm experts for mandatory production controls to deal with problems created by their own program. This very clearly is their real objective, which would only be postponed by the present legislation.

It is interesting to take note that both this country and the Soviet Union have farm problems today, but the important thing is that the problems are exactly the opposite. Our chief problems stem from production of more agricultural products than we can use; yet these problems are minor compared to the Communists' troubles resulting from their inability to produce enough to feed their people. Under the Communists, there is complete planning, supervision and control of agriculture by the government. By comparison, our farms are operated with great individual freedom. But, what are we having proposed to us today by the administration? We are being urged to approve greater government controls over agriculture in our country and reduce the freedom of American farmers. It certainly seems to me to be the wrong way to move ahead.

I have received a great outpouring of expression from the people of my area in western New York concerning this legislation, and all these people, are farmers overwhelmingly opposed to this kind of solution for our farm problems. Their letters reflect a clear and realistic understanding of the difficult problems and alternatives. One wrote:

> The threat of Government control in farming scares us to the marrow. If it comes to pass, it will destroy initiative and pride in our economy.

Another said:

> We need to go forward as J.F.K. says, but with some consideration for individual rights instead of complete control by the Government.

A third farmer wrote me:

> Most farmers farm because they like it. They want to make their own decisions as to how many acres of grain to grow or how many cows they should milk to support their family. They would rather be able to feed and clothe their family on their income, than from the lower income plus a Government subsidy. If the Government program is put into effect, we can expect even more Billie Sol Estes cases.

And a fourth couple said:

> We feel so strongly that the farmers can do a good job if the Government will not try and control everything the farmers are trying to do.

Through all these letters runs an overwhelming agreement on one central point—our farm people want the choices and decisions for their own enterprises to remain in their own hands, not in a centralized all-powerful Government authority.

The American Farm Bureau Federation, our largest agricultural organization, strongly condemns this measure. A poll conducted by the Farm Journal revealed only 4 percent of farmers in favor of the compulsory quota system put forth in this legislation. Ten times that many favored voluntary programs, and more than half of the thousands who responded to this poll wanted the Government to withdraw completely from these farm crop subsidy programs. Let me say that a similar poll which I conducted in the 39th Congressional District of New York revealed 82.8 percent of our citizens opposed to the compulsory marketing quotas on dairy farms.

We have all been disturbed by the revelations of recent weeks concerning the manner in which Billie Sol Estes has been able to manipulate the Government's farm control programs. This legislation would expand tremendously the temptations and opportunities for more schemes of this type to the detriment of all the American taxpayers.

Mr. Chairman, we have heard many times this year that this legislation is a turning point for American agriculture. It certainly is that, because the freedom of this large segment of the American economy is at stake in this legislation. I call upon my colleagues to reject the unsound and unwise solutions included in this legislation. Let us instead turn to a sensible program which will return the control of American agriculture to the farms and marketplaces where it belongs. I intend to vote against this proposal and sincerely hope that it will not prevail. This, I believe, would be for the best interests of our American economy, principles, and objectives.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Chairman, I doubt if there is any American schoolchild who at one time or another was not given as a subject for student debate or for a classroom essay "Does the End Justify the Means?"

Here in Congress that same issue is included in the debate on provisions of the Kennedy-Freeman farm bill. Does the objective of reducing production of surplus crops justify giving power to the Department of Agriculture to compel participation by farmers in Government-managed control programs? Does this end justify forcing farmers to decide by referendum between two choices; between compulsory Government controls or, as an alternative, be confronted with possibly ruinous prices, which the Secretary of Agriculture, not the free market, would be empowered to set as a punitive blackjack? Does this end justify giving authority to a Government bureaucrat so that if farmers voted down the Government's program, the Government could deny supports to those who do not wish to accept restrictions and proffer supports to those who accede? Such power which would be given to the Secretary of Agriculture is something that one might expect in the U.S.S.R. but not in the United States of America.

Does the objective of reducing surplus crops justify giving a Secretary—Democrat or Republican—so much power, including the authority to punish or dispense favors, power to decide who profits and who does not, and how much?

As the Farm Journal remarked editorially about this legislation, when people have to seek favors in order to prosper or even survive, all manner of skullduggery is absolutely inevitable. Then it asked the question as to whether we want to go further down that road. Mr. Chairman, I do not.

As it is we have had a Secretary putting Billie Sol Estes on the Cotton Advisory Committee after his Department had fined Estes for illegal acts.

As it is we have had a Department of the Government leaving the Estes warehouse bond at a mere fraction of his storage responsibility.

As it is we have had a Department of the Government failing to act on its own investigation until the scandal received publicity.

The Congress should establish a system to remove favoritism—not to open the door wider for it.

Here we have 100,000 Federal employees mostly engaged in handing out $7 billion of tax money and most of which is for not growing farm commodities. The farmers are told what they must or must not grow. Here we have a situation where only 20 percent of the farmers grow 80 percent of the crops, and yet the 80 percent that grow 20 percent of the crops are penalized so that the 20 percent who grow 80 percent of the crops can be guaranteed a profit. If there is a profit they get it and if there is a loss the taxpayers pay it.

This Kennedy-Freeman bill would set up strict and compulsory limitations on feed grain acreage and marketing for the first time. Every grower would be controlled by the Government.

As for wheat regulation, this bill, according to the American Farm Bureau Federation, would be an administrative monstrosity. It would establish a complicated multiple-price system costing more than $1 billion per year on exports alone. Also food costs to the bread-consuming public would be increased.

The dairy program in this bill, according to the Farm Bureau, would be a boondoggle and opening wedge for a compulsory milk program. The Bureau describes the entire bill as a giant step toward strict Government controls for all of agriculture.

I ask again, Does the end justify the means?

The Farm Bureau says this bill means inefficient production and higher consumer prices. How will the American housewife like that?

This organization representing 1,600,000 farm families opposes the bill and says it will result in politically determined and regulated farm prices, more Federal bureaucracy and higher cost to the taxpayers.

The bill calls for supply-management with a system of committees of farmers, under control of the Secretary of Agriculture. The compulsory features of the bill have been described in an editorial of the Washington Post as lending farmers the power of the Federal Government in order to control production. Those are innocent-sounding words but I wonder if Government can lend its power over production and prices in this one field why cannot Government power be loaned in others? Can Government lend such power to the automobile or steel in-industries? In a depression when farm machinery is in surplus, will Government offer supply-management to this business—under a yes or no referendum—for a planned economy? How about coal and oil? How about metal mining? How about zinc and lead?

I ask, Does the end justify the means? Where is this legislation leading us?

If I may answer myself, I would assert the supply-management principle would lead America away from free enterprise, away from competitive enterprise, away from freedom itself.

Does the short term end justify such long time means and eventual loss of individualism? This is welfare statism. It is Government paternalism. It is wrong.

The Washington State Farm Bureau held meetings in all agricultural areas of my State and found our farmers almost unanimous in their opposition to the degree of control proposed in the Kennedy-Freeman bill.

Washington State farmers want to move in the direction of less Government intervention and toward an uncontrolled market price system. They oppose being offered two impossible choices including the threat of surplus dumping on the market and other coercive devices.

Mr. Chairman, I have been deeply concerned at the trend away from representative government and toward undue power in the executive branch. The objectives of the administration on this bill I sympathize with, but the end does not justify the means.

In the language and provisions of this bill lie the greatest danger to our form of government.

I hope the Members of the House will stand firm and reject this Fascist type of proposal that will solve nothing but instead would violate basic and inherent rights of citizens against compulsion and Government intervention.

Mr. Chairman, I submit that no end justifies the means proposed in H.R. 11222. I urge its decisive defeat.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from New Jersey.

Mr. JOELSON. Mr. Chairman, I intend to support the Food and Agriculture Act of 1962 only because the failure of Congress to enact it would result in the automatic return to much of the subsidy program of former Secretary of Agriculture Ezra Taft Benson which has proved to be a costly failure.

I would like to see the day when the entire farm subsidy price support and acreage control program will be discontinued. I regret that this is unlikely, however, because both political parties have such programs in their platforms.

I consider the bill under consideration to represent an improvement in a bad situation since it is designed to reduce staggering surpluses and save the Government hundreds of millions of dollars in storage costs.

We have heard in this debate outraged cries against Government controls raised in behalf of the farmers. However, since our farmers have been the beneficiaries of Government subsidies for years, what right do they have to resist attempts by the Government to require their cooperation in reducing costly surpluses? They should no longer be allowed to accept rights without assuming corresponding obligations.

It is important to note that the bill will not come into operation for wheat farmers unless two-thirds of the farmers affected vote to approve it. The choice in the referendum would be between a crop management program with price supports or no production management program and no price support. The time has come for our farmers to realize that they cannot have Government price supports and subsidies without Government controls. The decision is now theirs.

Mr. HARVEY of Indiana. Mr. Chairman, there has been so much emotional as well as statistical evidence presented to this committee concerning this bill on a question which has been so frequently before us, that I am inclined to think that most of the Members who are not directly interested in the problems of agriculture become a bit unhappy and possibly even a few may become a little confused by the claims and the counter claims and the charges and the counter charges that you hear from the well of this House.

Most of you folks know I am a farmer from the Midwest, a grain and livestock farmer, a man who lives on a family farm, and who has given most of his life to agriculture and the problems thereof. I would like to think as I talk to you for a little while here this afternoon that I am talking to you rather as a farmer than as a Member of the Congress—as a farmer from my district would talk to you if he had this very great privilege and opportunity that I have of addressing you.

Mr. Chairman, I want to say first of all, I am in no fashion casting any disparaging remarks on those who may disagree with me. The fundamental question that is at stake here today is whether compulsion is going to be imposed upon the grain and livestock segment of our agricultural economy or not. That is the question—and all the rest of these things are more or less adjunct to that. I hope, certainly with all my heart, that compulsion will not be imposed upon the feed grain and livestock segment of our economy.

You have listened, I am sure, intently to a great many interesting reasons why we should or we should not be in favor of this. But I am going to touch upon this question in a way that I believe it has not been touched upon during the course of this debate. I listened with interest as my colleague, the gentleman from Mississippi [Mr. ABERNETHY] explained his vote, as he did in great detail and in good conscience. He said:

> This will not be good for my district and therefore I cannot support.

Well, I want to say to those of you who are from districts similar to Mr. ABERNETHY'S, where you have small farms, and where the farmers are dependent upon the grain they raise for their livestock as their chief source of living, that you ought to be opposed to this mandatory provision also. One of the members of our committee said to a wavering Member the other day, and I heard him say so, "This has not been too good, but we have some amendments we are going to offer that will take part of the sting out of it." But I say to you, this is a principle that is deeply involved.

Whatever form it may take at this stage in our plans, if you once embark upon a compulsory program, the burden eventually will fall the heaviest upon your small grain and livestock farmers. They are the ones who are going to be hurt eventually.

As one who has spent his entire lifetime in a rural community I say to you that the great stabilizing influence in this country of ours has been the small family-sized farm. In any program as far reaching as this the big farmers can adjust and they will take care of themselves all right, however we may operate here in the Congress.

It was my privilege just a week ago now to sit in on a symposium at the University of Nebraska as a Representative of the House. At this symposium, we listened to two professors, one from Oberlin College and one from Cornell University who gave us a history of the land policy of this country since its beginning. The chief criticism I heard throughout their discussion—and it was not a particularly impassioned discussion, it was more or less a matter-of-fact relation of what had happened—the theme that I detected throughout this whole thing was that the congressional policies throughout the years with regard to land use had been: "While this may not be the best way to do it, it is the easy way, it is expedient."

Throughout the years we have hobbled along with this philosophy not of providing basic solutions but because it is the easy way to do it.

To be sure, the solution that is offered in this bill came as a result of frustration. I am sure you detected that in the debate here today. The proponents are frustrated with the complexities of the problems, and they want the easy answer.

Let me say to those of you who live in consumer districts that the standard of living in this country rests upon and is based upon the amount of meat that the people can afford to have in their daily diet. In that respect this country of ours has exceeded all other countries in the world in ability to provide not only good food but a high standard of living. This is indicated by the consumption of meat, not one type of meat alone but various types of meat. All of these meat products, of course, are the net result of the food produced in this country. You could not have meat in the diet of your people if you did not have feed grains.

In an effort to do away with the feed grain surplus they are imposing a program that I think, in my humble judgment, will ultimately make for higher priced meats. It is not something that is going to happen today or tomorrow, but eventually it will happen. Livestock growing that stretches from one coast to the other provides two-thirds of the total agricultural income of this country of ours and has through the years provided us an efficient and very well organized productive effort. It has made available for the people of this country meat in great quantities, selective meat of the finest quality to be found anywhere in the world. This is the type of standard of living that we like to talk about to our consumers.

But I say to you in this instance you are tampering with a very fine efficient system, and I believe with all the sincerity I possess that if we were to embark upon a compulsory program of the type indicated and recommended here we are eventually going to destroy the great livestock industry of this country. These to me are very substantial reasons. I have tried to be fair and equitable in the matter. I hope the Congress in its wisdom will not impose a compulsory program upon the grain and livestock farmers of this country.

Mr. JONES of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. ROUSH].

Mr. ROUSH. Mr. Chairman, the farm bill which is now before us contains features which are, on the whole, not in the best interests of the Indiana farmers that I represent, and which are unacceptable to the farmers of my district.

Provisions of the commodity programs proposed in the bill could, and in my judgment will, have a harmful affect on the farm community and on the long-range farm income of my constituents. What are the provisions which bother me? First, the provisions pertaining to wheat. My farmers are primarily small acreage wheatgrowers. These farmers of my district grow Soft Winter wheat, a commodity not in surplus; yet this bill would impose upon them the same controls, the same programs as are imposed on those responsible for the farm problem. They should not be penalized to account for the excessive crops of western growers of other types of wheat.

And then the provisions pertaining to feed grain bother me. If the bill passes in its present form, the cattle feeders and poultry farmers who grow the grain they feed would be seriously affected. Try to tell this farmer that he has to cut his acreage and you have a very hostile and belligerent man to contend with. The fact of the matter is that he is right. He should be allowed to grow whatever quantities of grain that he can normally use in his own farm operation. I strongly object to any provision which would prevent him from doing this.

I am confident that, if the bill passes in its present form, the farmers of my district would reject the commodity programs by a large vote, but the referendums would probably be passed by the national vote. If the farmers of the country should pass on only one of the two commodity referendums, the effect on the small acreage farmers of my district would be serious. The supply of the unregulated commodity would compete destructively with the regulated commodity and the farmers of my district would be among the losers.

I support the goal of the proposals to cut the costs of the farm program. I believe the voluntary emergency commodity programs developed last year by the Kennedy administration and Secretary Freeman have been extremely effective in this regard. I feel that these programs should be extended for another year and that a long-range program to provide eventual withdrawal from the support programs should be prepared and presented to the next Congress. My survey of farm opinion in the district confirms my thinking on the farm programs. I feel very strongly that the interests of my farm constituents must be protected.

Replies from a farm questionnaire mailed to nearly 14,000 Fifth District farmers indicate that, if faced with the referendum choices offered by the proposal on wheat and feed grains programs, farmers in the district would vote "no" by a margin of nearly 8 to 1. The poll also indicated that only a small percentage of the dairy farmers would like to participate in a voluntary dairy control program. This opposition comes in spite of the fact that a majority of the respondents believe the proposed programs would offer them a better or similar personal farm income, at least in the first years of the program's operations.

Most farmers would prefer a continuation of the present commodity programs in wheat and feed grains to the new plan. Many voiced a preference that the Government withdraw completely from commodity programs immediately. Nearly all of the respondents indicated that they believed a planned and gradual withdrawal from the programs over a period of years should be a goal of any agriculture planning.

Mr. Chairman, I hope that this legislation as now proposed might be amended. I would support amendments which would raise exempted acreage from 25 to 40 acres. Another amendment which I think is a must, is one which would permit the Secretary to increase the acreage allotment for any class of wheat which would be in short supply. I am also of the opinion that the bill should be amended so as to exempt a farmer from feed grain allotments who intends to feed in his own operation the grain he is growing.

I should advise the membership that although these amendments will improve the bill, I cannot support the bill on final passage as long as the presently proposed mandatory controls are imposed on Indiana farmers to take care of a problem which is not of their own making. I want a farm bill which will solve the farm problem which confronts this Nation. But, Mr. Chairman, I want a bill which will protect the rights and interests of the free enterprise system which the farmers of my district are so very much a part of.

Mr. JONES of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, first I want to commend the members of the committee because in the 8 years I have been here I do not know of a time when we have spent more hours of deliberation and discussion on a bill than we have on the one that is before us today. I feel that all Members here are sincere in the views that they have taken. But, we are now reaching the point of decision.

I have heard a great deal of talk about each individual Member's position. I have heard talk about freedom for the American farmer. I have heard talk about that fact that certain Members are against controls.

We are now about to make a decision and vote.

I have seen a great deal of inconsistency here. Just day before yesterday we considered a bill that was a supply-management bill of the purest and simplest type I have ever seen. It gives the Secretary of Agriculture more power of control than any we have voted on in this Congress. With the exception of the gentleman from Illinois [Mr. FINDLEY], and perhaps one or two more who took a consistent view in the committee, those who are opposed to this bill voted for a controlled production, for supply-management and to give the Secretary authority, which is not contained in this bill.

So here we are at the hour of decision.

Which way are you going? There are two ways we can go in an agricultural program. One is the control and support route, in which case we can control production and in return the farmer can receive a fair return on his investment. The other is, we can go the freedom route, in which case I do not believe, and I think the majority of the Members of this House do not agree, that the farmer or anyone else who does not make a contribution to the management of the things which he is supplying should have supports. That is the decision we are going to make today. That is what this bill does.

You will have to vote for a farm bill today or tomorrow. If you vote, you are either going to vote for the bill that is presented here by the Committee on Agriculture or you are going to vote for a bill that is now law, passed in 1958, known as the Benson bill. That bill provides for unlimited production, with a guaranteed support price. That support price is so high that it has amassed great surpluses. It has filled our bins.

It is costing about a million dollars a day to store the surpluses, and by 1966 if you vote against this bill and we revert to the 1958 law, you will then be paying for storage alone about $1¼ billion, more than a million dollars a day. That is the choice you have. Which one of these programs are you going to vote for?

There are now a lot of bleeding hearts for the farmer. We have heard that the emergency feed grain program is a good one, and that it should be permitted to act for another 2 years.

What happened when we had that bill up for consideration in 1961. Today's proponents of that program said it was no good, that it was going to regiment the farmers, and they voted against it. They voted no. They voted to recommit the bill, and they voted against final passage.

It reminds me of the "Johnnie-come-lately" on social security. All those people who voted against it now say it is a great program, and they try to take credit for it.

The distinguished minority member of the Committee on Agriculture said he asked the Secretary, Will this voluntary program work? It is doing a good job.

He voted for a motion to recommit. He voted against the bill when it was in the House. But, the present emergency program is self-defeating. As the farmers take their production off the market, the price increases, and it has a built-in self-defeating gadget, and it was never intended except as a temporary program.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Iowa.

Mr. HOEVEN. Of course, I am quite sure that the distinguished gentleman from Virginia has no intention of embarassing the gentleman from Iowa.

May I point out to the gentleman that if he had carefully read the RECORD, he would have found that I did vote against the bill on account of some of its bad features, especially section 3, which would have given the Secretary of Agriculture complete control of the feed grain program.

It was proposed that he be authorized to dump wheat on the open market at 17 percent below price supports, and I opposed that. I voted for the conference report on the bill. I was a member of the committee of conference, and I voted for the conference report because the conferees completely eliminated section 3, to which I was opposed. If the gentleman will check the RECORD, he will find that I made a 10-minute speech to the House urging them to approve the conference report, and I voted for the same.

Mr. JENNINGS. I thank the gentleman.

You know, there are a number of people here today that would like to get on both sides of this issue, but you are going to have to vote for the bill before you which gives the farmers the right to select their program through referendum. Two-thirds of them have to approve it. How many of you would be here today if a two-thirds majority were required? This is what we are telling the farmers: Two-thirds of you must vote in favor of this program, or it does not go into effect.

What is the alternative? We are telling them, if you vote for it, we will put this controlled management program into effect and give you a reasonable return on your investment, but you make your choice. You go the way you want. You either vote for it and you get supports, or you vote against it and the Government gets out.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not a fact that the House Committee on Agriculture worked for weeks on this legislation?

Mr. JENNINGS. I think months would be more in order.

Mr. COOLEY. I want to ask the gentleman, did anybody on that committee offer an amendment to carry forward the voluntary feed grains program which is now in operation and which we now hear so much praise for here on the floor of the House?

Mr. JENNINGS. To my knowledge, before the full committee, no one offered that amendment. I will say in behalf of the ranking minority member that before the Feed Grains Subcommittee he asked the question, whether we were going to go the control route or whether we were going the voluntary route. A vote was taken, and the majority of the subcommittee members agreed that we would give the farmer the choice of going the control route or the freedom route.

Mr. COOLEY. What I am talking about is the full committee.

Mr. JENNINGS. To my knowledge, it was not introduced. It is just something that I heard of since we started the debate.

Now, I would like to ask the ranking minority member if he now intends to offer that type of a substitute to this bill.

Mr. HOEVEN. It is my intention to propose a substitute to title 4 of the bill at the proper time.

Mr. JENNINGS. I would like to ask the gentleman if he would respectfully give the majority a copy of what he intends to offer so that we can consider it. As the chairman pointed out, we sat in committee day after day, week after week, hour after hour, and it was not offered. It is true that the gentleman from Minnesota [Mr. QUIE] offered a substitute in his own right, but that did not include this particular feature.

Mr. COOLEY. And he offered that only just before the rollcall.

Mr. JENNINGS. I was going to add, that was offered just before the rollcall.

Mr. COOLEY. Did the gentleman from Virginia ever see a copy of it?

Mr. JENNINGS. I did not, and to my knowledge nobody else did.

Mr. COOLEY. Have you seen a copy of the proposed amendment now?

Mr. JENNINGS. I have not, and that is why I asked if the amendment was going to be offered at this late date. Certainly the majority should have the opportunity of seeing the type of amendment that is going to be proposed.

Permit me, please, to proceed, and I shall yield at the conclusion of my statement.

Would the gentleman from North Carolina [Mr. Cooley] yield to me some additional time? If the gentleman cannot, I cannot yield at this time. Could I have 5 additional minutes, Mr. Chairman? I am just getting started.

Mr. COOLEY. I yield the gentleman 2 additional minutes.

Mr. JENNINGS. Mr. Chairman, a great deal has been said about the family farmer, and they say the family farmer is not taken care of in this bill. You know, one of the reasons I think we did not mention the family farmer in this bill is because last year a number of people on the committee voted to strike out the words "family farmer" in the title of the bill then under consideration. Can anyone imagine such a thing? Then, those bleeding hearts come here and start crying for the family farmer. I want to maintain the family farmer as a way of life, as an institution of America, and as an institution of its economy. I plan to introduce some amendments and I want to tell you about them. If you need a copy of them I shall be glad to submit a copy to you. Permit me to briefly explain the amendments which I propose to offer. First is the growing of ensilage. If he grew ensilage on his farm in 1959 and 1960, he may now grow it under the bill without considering it in his feed base, the same amount as he grew earlier.

We have heard a lot about the shortage of certain types of wheat. We heard a lot about it last year, but it did not materialize.

Mr. Chairman, I have another amendment that I shall offer to this effect: If the Secretary of Agriculture finds there is a shortage of any type or variety of wheat, he may increase allotment for that type in order to insure the baker, candy manufacturers, and other users of an adequate supply of such wheat, and thereby give to the growers of that type of wheat this additional acreage.

Mr. Chairman, I also have another amendment which is the 40-acre provision. In other words, anyone who raises up to a 40-acre base is given the freedom of choice. He may either go into the program or he may stay out. If he goes into the program voluntarily he takes the cuts and he gets the support price. If he stays out of the program, he goes ahead and raises up to his base acres without any penalty provision.

Then, Mr. Chairman, I will propose another family farm amendment. This is the last amendment that I intend to offer, which I think is a good one.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. JENNINGS. Mr. Chairman, could I have 1 additional minute in order to explain the grazing allotment amendment?

Mr. COOLEY. I yield the gentleman an additional minute.

Mr. JENNINGS. Mr. Chairman, here is the grazing amendment, which is a family farm amendment. Mr. Chairman, we have heard these bleeding hearts talk about the fact that you cannot feed grain, which you raise on the farm, to your livestock. However, through this amendment we propose to give the farmers more freedom of choice. What are we going to do? We are going to let him decide in his own right. The payment provided for in this bill is 50 percent the first year, then 40 percent, and then 30 percent. We are going to say that he has the choice of accepting this or grazing the land, at his own discretion.

I ask you, how much fairer could you be to the family farmer?

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Alabama.

Mr. ANDREWS. Mr. Chairman, I would like to ask the gentleman this question:

We have had a good program for the growers of peanuts and cotton. In the opinion of the gentleman from Virginia, what effect would the failure to pass this bill have on our cotton and peanut production?

Mr. JENNINGS. I am glad the gentleman from Alabama asked that question. You cannot continue a successful program for peanuts, cotton, rice, and tobacco, with an agriculture that is divided, and with a surplus that is mounting in feed grains, wheat, dairy products, and so forth. You will bring the house of agriculture down on yourself, and its present successful programs will fail also. A house cannot continue divided against itself.

Mr. HOEVEN. Mr. Chairman, I yield 7 minutes to the gentleman from Oklahoma [Mr. Belcher].

Mr. BELCHER. Mr. Chairman, we are again hearing the same old record without the benefit of even a new needle. It is just like the Chinaman said about the foghorn. He said, "The foghorn blow and blow and blow, but the fog comes just the same."

Mr. Chairman, I have listened to that same type of speech on this floor during the 12 years that I have been here. I heard the same impassioned plea 2 years ago to pass the present feed grain bill that now they want to junk. It was a brand-new bill. What I cannot understand is that during all of these 12 years, every year they have come before this House with a bill that would reduce the surpluses but which would increase the farmers' income, and would cost the taxpayers less money.

That would have been a very fine trick for Houdini to perform, if it were possible. If we are going to spend not as much money to buy more wheat from the farmer for more money, who is going to pick up the difference? The gentlemen from the city districts and the consumer areas can answer that one.

There seems to be a lot of confusion here as to just what the minority has tried to do during all these weeks. It was said that no substitute was offered. For the minority side on the Committee on Agriculture to offer a substitute for a majority bill would be just as ineffective as whistling the "Star-Spangled Banner" on the courthouse square in Moscow. They have 21 members and we have 14. Why on earth are the 21 members of the committee so concerned about getting the support and cooperation of the 14? They do not want cooperation. What they want is acquiescence and some of us did not feel that we could possibly acquiesce, as much as we love the majority.

It is just like the old farmer who owned 51 percent of the stock in a bank. This old Dutchman would have a stockholders meeting every year and he would let everybody connected with the bank make reports, make suggestions and make speeches. And when they got all through, he would say, "Well, ladies and gentlemen, I own 51 percent of the stock. I vote 51 percent of the stock for Mr. Jones for president. And Mr. Jones is elected president." And he went all the way down through the other offices in exactly the same way, and he said, "51 percent of the stock votes for adjournment."

Now they have 51 percent of the stock and we are like the people who were permitted to make all the speeches in the world, but in the end they have 51 percent of the stock.

They have talked about the bleeding hearts, and so forth; my heart really does bleed for a man on this side of the aisle who represents a consumer area. He is going to get into trouble one way or the other. Either he is going to make the Secretary of Agriculture and the President of the United States very unhappy or he is going to make a great many constituents back home very unhappy.

Some stupid taxpayer this fall may say: "Why is it that you voted for all those bills for the past 10 years that created $9 billion worth of surplus, and that cost $1 billion a year to store?" And I will tell you what you can say. You can say:

"The gentleman from Texas and the gentleman from North Carolina and the speaker who just preceded me told me that it would save money and that it did save money." And the stupid guy is liable to say: "Well, how many billion dollars would we have had to invest if we had not had all those good bills?"

You people from the consumer areas, I think, are going to be smart enough to figure out how you can pay a farmer more money for less wheat and do it with less expense to the taxpayers.

Mr. Chairman, we have heard a lot of discussion here about former Assistant Secretaries of Agriculture, and about blocking movements, and so forth. Now, I have never been partisan on this floor. I have never opposed a bill just because it was presented by the majority. I have never supported a bill just because it was presented by my own Secretary of Agriculture. But the discussion this morning was that a former assistant to the Assistant Secretary of Agriculture on the Republican side, under Mr. Benson, had made some particular kind of a statement. I do not know what his statement was and I do not know to whom he made it, but so far as I am concerned, I accept no more responsibility for what the assistant to the Assistant Secretary of Agriculture under Mr. Benson said than I ask you gentlemen on this side to assume the responsibility for what an Assistant Secretary of Agriculture under Mr. Freeman did in a certain clothing store in Dallas, Tex. I think both are completely immaterial as far as this bill is concerned.

This bill will not save money any more than the bills during the past 10 years saved money. The farmers do not want it. It was suggested a minute ago that most of us are just bleeding hearts for the farmers. I say to the gentleman who has just preceded me that he cannot find any farmers out in my district who will think his heart is bleeding for them if he is going to try to use this bill to hog-tie and hobble them.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. Stratton].

Mr. STRATTON. Mr. Chairman, I appear this morning as a representative of one of the great agricultural sections in the Nation, in New York State. I may say with some modesty that I have represented this agricultural area so successfully that note was taken of this fact recently by the Republican legislature in my State in their reapportionment session when they decided to give me six more agricultural counties and take away one of my industrial counties.

Actually, most of the provisions of this bill will have little effect on the agricultural area of New York State, but there is in this bill an opportunity, it seems to me, for those of us who are concerned with the dairy industry in New York State and with the dairy industry in the entire Northeast to do something that will be of great benefit to the dairy farmers of our State and our area and to correct the very serious threat to their income and to their market stability that was created by the recent decision of the Supreme Court throwing out the so-called compensatory payments provision of milk marketing order No. 2. This is simply a provision that those who benefit from the order shall assume their fair share of its responsibilities.

I have an amendment, which I plan to offer under the 5-minute rule, to restore the legislative authority for this arrangement which the Supreme Court found to be presently lacking. Members who are interested in this amendment will find it included in H.R. 12138, with a discussion appearing in the Congressional Record on page 10521 of the Record of June 14. This bill would be added as an amendment to the farm bill on page 88, line 3, thus restoring an essential provision of our New York-New Jersey milk marketing order and other milk marketing orders that must be done if our farmers are to survive.

So here is an opportunity for those of us in New York, New Jersey, and the entire Northeast to do something constructive in this farm bill to help our own dairy farmers. We do not need to wait for some committee to turn in a report. We in Congress have the responsibility to act. So let us exercise that responsibility, and exercise it now when we have the opportunity.

Mention has been made on the floor, and the previous speaker mentioned it again, of the disclosures in the Fountain committee of a kind of plan by our Republican friends to offer only blind opposition to all farm legislation. I was not surprised to learn that one of the gentlemen of the Republican Party who participated in this plan was the present Republican candidate for Governor in my State of New York, one Nelson A. Rockefeller. I was not surprised he attended this meeting because he has done absolutely nothing to help the dairy farmers of New York State except to attack Mr. Kennedy and to try to take credit for the defeat of the National Milk Sanitation bill which some of us down here actually succeeded in killing in committee last year.

Although on the 15th of June I announced I was introducing this amendment of mine to help the dairy farmers in New York, I have heard nothing from the Governor of New York nor from the State department of agriculture, which should be interested in the welfare of our dairy farmers. Here is a golden opportunity for the Governor of New York to show that he really is interested in New York State dairy farmers.

I have today wired Governor Rockefeller and challenged him to line up the Republican Members of the New York congressional delegation in support of the Stratton amendment, and to come out before noon tomorrow personally in support of my amendment to use this present farm bill as a means of lending support to the dairy farmers of New York State. I look forward to his reply. When I offer my amendment on tomorrow I hope to be able to tell you what that reply has been. I do hope that Mr. Rockefeller will go along with us so that we can get the full support of the Republican Members for this important amendment. In this way the Republican candidate can prove what he has not yet demonstrated, that he is after all willing to help the dairy farmers of New York State.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. Findley].

Mr. FINDLEY. Mr. Chairman, continuing the rhetorical questioning that occurred a little earlier today, does anyone deny that the land of cotton is under acreage allotments? Does anyone deny that this bill would establish acreage allotments for the Corn Belt? Does anyone deny that Billie Sol Estes got in trouble because he was trying to buy up the right to grow, which is embodied in acreage allotments for cotton? Does anyone deny that this bill would establish in Illinois and elsewhere in the Corn Belt the same type of bureaucratic briar patch in which Billie Sol Estes operated in the land of cotton?

A lot of attention has been devoted in this debate to the cost of the proposed programs. I was particularly impressed with the statements by the gentleman from Illinois [Mr. Michel], which show clearly that the feed grains section would heap new burdens on taxpayers rather than less—and by the gentleman from Oklahoma [Mr. Belcher], who reminded us that even the Secretary of Agriculture, Mr. Freeman, who cannot be expected to give an overly conservative estimate of savings, estimates that the wheat section will save a modest $29 million.

In view of the fact that the same Mr. Freeman once claimed the 1961 feed grains program would save a half-billion dollars a year and now says the feed grains program is too expensive to continue, we would indeed be optimistic if we concluded that the wheat section will save a single dime.

The dairy section will surely prove to be a boondoggle of first magnitude. The proposal would pay dairy farmers for cutting back in production, but provides no effective restraint against moving the same cows across the fence, to continue in production just the same for another farmer.

If Mr. Freeman had trouble chasing down elusive "phantom acres" in administering the feed grains program—and trouble he had to the extent of $150 million—think of the handicap he will face in chasing phantom cows.

The bill provides payments for dairy farmers who reduce milk production, but it fails to provide a means of communication with the cows themselves. Just how the cows will be taken out of milk production, short of the slaughterhouse, is not clear. Will the New Frontier install faucets on the cows? If so, I predict massive discomfort in the land of lakes.

Let us face it. This bill confronts the taxpayer with a heavier load, not a lighter load.

The cost angle is important of course, but it is not the most important aspect of this legislation.

It would be tragic if we were to become so absorbed in dollars and cents and neglect the fundamental changes this bill would cause in American agriculture.

This bill is but a skirmish. It is a skirmish in a long-range assault on the private enterprise marketplace system. It is a product of economic planners who have little or no faith in the marketplace system or in the ability of the individual farmer to run his own affairs. I say it is just a skirmish. This Congress has taken part in many skirmishes and so have previous Congresses over the period of 30 years. Almost without exception in those skirmishes those who believe in private enterprise have been the losers. If H.R. 11222 passes, it will further weaken private enterprise and heap new authority in the hands of the economic planners. This will strengthen the planners for the next skirmish and those who fight for freedom will be that much weaker.

In effect, the bill says, "Look at the farm mess. We have got to put the farmer in chains in order to keep him out of trouble." That is the same doleful tune of every would-be dictator through the ages. In the guise of helping the farmer, the Federal Government has messed around with one program after the other for 30 years. True, the farmer is in trouble, but not from his own lack of ability. He is unquestionably the most efficient farmer in the world and given the opportunity can win expanding world markets through the private enterprise marketplace system. But the farmer is in trouble today because of the unwise action of the Federal Government in past years. Is it proper then to get him into still worse trouble through more unwise action on the part of the Federal Government? The surplus stocks exist because of unwise Federal programs of the past. The farmer is in a cost-price squeeze because of unwise Federal fiscal policies, policies which have doubled the price the farmer has to pay while other Federal policies have created surplus stocks which depress the prices that the farmer gets for his produce. The farmer is losing markets because of unwise policies of the Federal Government. Because of Government policies the American tobacco farmers are not getting their share of rising world markets. Because of Government policies, the land of cotton is in trouble. The cotton contraption got so bogged down this year that the President demanded and got authority to rig world cotton textile markets in an effort to keep the contraption clanking along.

The problems of the farmer can be laid at the door of the Federal Government. The Government is to blame, not the farmer. And what is our answer? More of the same nonsense, more of the same interference with the private enterprise system, more socialistic schemes from the economic planners, more burdens for the taxpayers.

What is needed is not more Government, but less.

The Republicans did not attempt to sweeten up the bill, because there is no way to make the police state palatable to the American farmer.

Last year's feed grain program was a heavy blow to the private enterprise system. How anyone can agree to the administration's feed grain program I do not know. The administration of this program has weakened the private enterprise merchandising of grain. The leader of the AFL–CIO in Chicago, commenting on the administration of the 1961 feed grains program used these words:

> One can only judge that there is a certain group within the Department of Agriculture that is bent on destroying American free enterprise.

This was a leader of the AFL–CIO speaking.

Last year the Secretary of Agriculture unwisely raised supports for dairy products, helping to cause a new glut in dairy products. Early this year he asked the Committee on Agriculture to dignify this error and compound it by ordering an extension of supports at this artificial and unwise level. The committee refused to do so. Most of us realized that this was the same old story.

We pass bad laws and get commodities into trouble. Then the economic planners have a stronger argument to demand still more power.

We could see this familiar pattern with unusual clarity because we had had a look at H.R. 10010, the original farm bill of the administration, which included the tightest straitjacket ever designed for dairy farmers, a control program that even provided up to 1 year in the penitentiary for dairy farmers who failed to make reports and keep records the Secretary of Agriculture might prescribe.

This is but one skirmish in the long-range attack on the private enterprise system. Whether it is by accident or design, either way the pattern is clear: It provides for the takeover by the Government of American agriculture.

H.R. 11222 is but one step in the process. We saw in H.R. 10010 what the administration really wants: Prison terms for farmers and the power to take over farms through eminent domain.

This bill will make it easier for the administration to come back and get what it really wants, dictatorial control of American farms.

In this New Frontier of agriculture the incentive of the marketplace is to be replaced by the compulsion of fear.

Mr. McSWEEN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. McSWEEN. I know the gentleman is sincere in his argument and I respect his views. I noted that the gentleman had something to say with regard to cotton allotments and the allotment system. Would he care to make further comment regarding the cotton program?

Mr. FINDLEY. Yes. We would be very wise indeed to get away from the artificial controls that have been placed on cotton. We have seen this world cotton control program force us to the point where now we have to protect the New England textile industry from imports from Japanese factories. It is brought about simply because the Japanese factories can buy American cotton so much cheaper than American processors can. The American processors are thus placed at a distinct disadvantage.

Mr. McSWEEN. And particularly with reference to the allotment system, the gentleman thinks that is an unsound system?

Mr. FINDLEY. Indeed I do. It is fundamental in America that every man in America should be able to use his property, his talents, his resources, and his ambition to the best possible advantage.

Mr. McSWEEN. If the gentleman will yield further, I would like to compliment the gentleman for the frank sincerity of his statement and for his consistency, because he based his attitude in opposing the sugar bill on the same reasoning. I thank the gentleman very much.

Mr. JONES of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I rise to support this bill, H.R. 11222, a bill to protect farm income, to reduce the cost of farm programs, and to reduce the Federal Government excessive stocks of agricultural commodities. As a member of the Appropriations Subcommittee on Agriculture, I have learned to appreciate the tremendous contribution which the farmers of America, who comprise only 10 percent of the entire population, make to feed 183 million people in the United States and the people throughout the world. But I cannot sit back and remain silent when I see a group of big selfish farmers aided and abetted by the Republican Party trying to fleece the American taxpayer and the American consumer. If you defeat this bill, you will permit the farmers to continue to feed at the public trough and amass further feed and wheat grains which cost more than $600 million a year in storage alone. If you defeat this measure, you will preach economy, but apparently do not practice it, will continue the wasteful practices in the farm program, you will continue our increasing farm surpluses. If this bill is defeated the American wheat farmer will be operating under the 1958 law which provides low price support and unlimited production within the 55 million acres allotted. When you realize that by reason of the scientific improvements in agriculture, by reason of the technological advances and the intensified fertilizers, and when you realize that a new type of seed permits a farmer to grow 100 bushels of wheat per acre instead of the average 24 bushels of wheat per acre, you are opening up a tremendous increase in the cost which will exceed more than four times the present cost. You will more than double the storage costs in wheat which has exceeded $600 million per year, and notwithstanding the fact that 2 years ago we reduced the storage costs by 3 cents a bushel. The storage costs and reallocations are burdening the overwhelmed taxpayer in America today. Since 1950, feed grain production has increased by 40 percent or 1,250 million bushels on approximately the same acreage. Wheat production has increased by 263 million bushels on 12 million less acres. We are the victims of our efficiency and greed by big farmers.

If this bill is defeated, we know what the policy of the Republican Party will be. Martin Sorkin, former Assistant to the Secretary of Agriculture, in a letter to the Commercial Solvents Corp., which is involved in the Billie Sol Estes case disclosed the fact that the Republican policymakers had gathered together and agreed not to cooperate or give any assistance in the solution of our farm program. The bill which we have under consideration will benefit the farmers, the taxpayers, and the consumer. It is a farm bill for all the people.

If this bill passes, then the farmers will have to decide by a referendum to accept or reject this program. If two-thirds of the American farmers approve this program of supply management, then all farmers must cooperate to have our supply of wheat and feed grains meet our domestic and foreign requirements, which the Secretary of Agriculture will determine. Mr. Freeman's testimony before the Subcommittee on Agriculture indicated that we will need about 107 million acres of harvested feed grains to fulfill our demands, domestic and foreign, and at the same time, draw upon our surplus corn stocks. The real issue is whether or not farmers will be provided with an opportunity to choose freely and democratically, whether they want to limit their production so that they can bring surpluses under control and get fair prices, or whether they want to produce without limit and to take their chances in the marketplace. By planned management, we can reduce our surplus supplies, guarantee a price support to our farmers, and protect our consumers and taxpayers. I know that if the farmers fail, the urban dweller will suffer. And I do not want to see this happen for the sake of America.

The interests of the farmer and the city resident dovetail. If one is injured, the other suffers. If this measure passes, and the wheat or feed grain referendum is defeated, the farmers will be relegated to the law of the jungle. Every man for himself without price supports, without protection, and every farmer will produce whatever he can and dump the supply on the market. Farmers may well be ruined, and if our farm economy is ruined, urban industries and appliances, industrial products and textiles, will also suffer. We never forget those days when the farmers left their farms in droves and their farm mortgages were foreclosed.

If we pass this bill, H.R. 11222, we can save the taxpayer over $1 billion in the wheat and feed grain program in 1 year and $4 billion in 4 years, including $3 billion saved in Government payments to farmers. One billion dollars in savings will provide adequate funds to take care of a possible reduction in taxes, will provide a large portion of the revenue for our public works programs, will provide sufficient funds to take care of the needs of the National Institutes of Health, hospital construction activities, and grants for construction of waste treatment facilities. These savings will enable us if we so desire to provide the funds to give our postal workers a pay raise which they are clamoring for today.

It is time that the farmers of this Nation recognize that we must have a supply management program so that price supports can be maintained or to face an early end to effective price supports for many farm commodities. A planned supply management program has proven effective in tobacco and other basic food commodities. We should learn from experience. We cannot and must not continue to support prices while at the same time permit virtually unlimited production as has been done with feed grains for several years.

You Representatives from south Illinois, or Iowa or Minnesota know that your corn is bulging in your bins, in your warehouses, in your cribs, and coming out of your ears. The States of Illinois and Iowa produce sufficient corn alone to feed these people of the United States and the world. The real issue, as Secretary of Agriculture Orville Freeman has said, is whether or not you want price supports with limited production or no price supports and unlimited production. If the big, selfish farmers of America and you Republicans continue these obstructionist tactics, the American people will, in my opinion, paraphrase what Jimmy Durante used to say when the bumblebee nipped his schnozzola and will shout, "Everybody off—no farmer gets a free ride any more." Pass this bill.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McIntire].

Mr. McINTIRE. Mr. Chairman and members of the committee, we have been spending a very large part of the discussion of this bill in relation to the commodities involved. I am sure that I am not stating a fact which is not known by the members of the committee, that I have, as long as I have served on this committee, opposed the approach of legislation through the omnibus type of farm bill. I realize why it is done. It is done to try to get some things into a bill which somebody feels he must support and then to shove in some material which is bad and then put each and every member into a position where he has got to sort the good from the bad. This is not new in the legislative process.

However, some of us on the committee have spent long hours and sincere effort in connection with other agricultural legislation, in addition to commodity interests, and every time we come in with an omnibus farm bill we find amendments to other legislation in the omnibus bill. This bill is set up in the same manner, and while we removed from the department recommendations many of the very, very serious and bad features, nevertheless there are in this bill amendments to the Farmers Home Administration Act, Public Laws 566 and 480, and other provisions. These are areas which ought to have been dealt with separately. While we struck out a lot that the Department asked for, nevertheless within the language contained in this bill there are amendments that are not clearly defined and the committee is not completely conversant with every aspect of what these amendments will do.

Frankly, I am very disturbed about what some of the authorities extended to the Department in connection with these amendments might lead us into as far as the area of markets and so forth are concerned which might be made by these agencies. I think it is extremely unfortunate that we use this logrolling device.

Mr. Chairman, there have been honest differences of opinions and views on the commodity programs. These other measures that we have tacked into this bill ought not to be involved in this kind of a situation.

Mr. Chairman, I might also mention that one of the disturbing aspects of the feed grains bill of last year, and what continues to be authority in this bill this year, is the authority extended to the Secretary of Agriculture to sell grain into the open market. He may have sincerely tried to keep prices in balance. However, the Secretary has, in the use of section 22 of the ICC Act, given preferential rates and treatment to the southeastern section of this country, which is to the very detriment of the producers of poultry and dairy products in the northeast. I do not agree with the Secretary of Agriculture who in my opinion is arbitrary and so completely prejudiced against the northeast, in order to provide favorable treatment on transportation rates to farmers in the southeast and the southern part of the country. This is the kind of authority which he ought not to exercise in this very unfair and unjustifiable manner. This is a matter which has been brought to the attention of the Secretary. He has made a gesture, perhaps, in asking the Eastern Conference Railroads to accept a rate which could not be accepted. The fact is he ought not to have made the decision that he did under section 22.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Smith].

Mr. SMITH of Iowa. Mr. Chairman, I first want to congratulate and compliment the committee for the hard work it has performed on this bill. It is obvious from looking at, reading, and studying the bill that it does incorporate within it a great many more of the agricultural economic principles than we have had in almost any bill which has been before the House for consideration.

Mr. Chariman, I also specifically want, in deference to my good friend, the gentleman from Maine [Mr. McIntire], to compliment the committee on having an omnibus bill. One of the problems which we have had with commodity programs for the last 20 or 25 years has been caused by dealing with one commodity at a time without regard for the effect upon some other commodities. In other words, the lack of cross compliance has caused a great many of the problems which we have had.

Mr. Chairman, when cotton producers reduced their acreage in cotton, they could put the diverted acres into feed grains; and when they replaced some of the wheat acres, they could put them into feed grains. That is one of the reasons for having an omnibus bill.

There has been great effort expended to develop a good bill; however, I think any legislation can be improved upon. I have two amendments which I would like to briefly discuss at this time, because I know there will not be enough time to do so under the 5-minute rule.

Mr. Chairman, one of the basic defects, I think, with the feed grains bill last year was, as it was originally proposed, was that there was not enough latitude to adjust the inequities in allotments. As a result of this, I proposed an amendment here on the floor of the House, and it was accepted by the minority leader on the minority side, the gentleman from Iowa [Mr. Hoeven], as well as the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. Cooley]. The gentleman from Illinois [Mr. Arends], I think, was also in favor of it. I intend to introduce an amendment directed to the same objective in this bill. The proposed amendment would permit the county committee to make more adjustments in these allotments where there are inequities. In other words, we have some people who in 1959 and 1960 put their whole farm into feed grains, and they now have a 100-percent base. Others either did not increase acreage in those 2 years or reduced acreage. It is just not right for them to have that kind of a permanent base. I shall offer that kind of amendment.

Another thing I would like to mention is that we from the feed gain area are really in a sort of a dilemma. It is true, as has been said here, that if we go back to the 1958 law, you may expect to see more and more of the Billie Sol Estes type of structure throughout the country. If that program springs back into effect, every time one pulls up to a farm-to-market stop sign, one can look over your right shoulder, and there will be a great big storage structure. If one would roll down the window a little bit, you will hear a Billie Sol Estes laughing at how foolish Congress was to let the storage interests take over the farmers' interest in legislation for agriculture.

We cannot have that program instituted either on a temporary or on a permanent basis.

On the other hand, we do know that the feed grains program, as well as it has worked for 2 years, is only a temporary program. We must have a permanent program and sooner or later we have got to come to the idea of either accepting some controls or of not expecting supports. On the other hand I think it is unreasonable to expect such a choice to be made in 45 days after this legislation is passed. I do not think it is possible to pass this legislation, get it over to the Senate, send it to conference, get back a conference committee report, adopt it and get it to the President; adjust these allotments, get the explanations out to the farmers, prepare for a referendum and have it on August 20 of this year. I do not think it is possible to do that and have a proper referendum. It is said that the wheat people and the cotton people have been doing such things on their programs. But let me remind you that they have never voted on a program like the feed grains proposal in this bill, for this reason—they have always voted whether or not they wanted to replace some of the cotton acreage with feed grain acreage, or to reduce the wheat acreage and increase the feed grains acreage. But that is a different proposal. What farmers would be voting on in this legislation is cross-compliance. We would not replace these feed grain acres with some other basic crop. I think it would be reasonable to have a voluntary program during the first year rather than have the first referendum on August 20 of this year. I shall offer such an amendment and I hope it will receive favorable consideration.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. BEERMANN].

Mr. LANGEN. Mr. Chairman, will the gentleman yield?

Mr. BEERMANN. I am happy to yield.

Mr. LANGEN. Mr. Chairman, I thank the gentleman for yielding. I previously expressed my opposition to this legislation and wish to elaborate further on this point.

Mr. Chairman, I would be completely remiss in not only my duties, but in sustaining my previous position, were I not to rise in opposition to the bill that is now before us. It is only a matter of a few days ago since we had before this House legislation which was designed to increase the production of agricultural products. At that time, I called to the attention of this House the fact that we would soon be considering legislation which would, by further restrictions, controls, and penalties, plus large expenditures of money, be designed to curtail the production of many of these same products.

The wisdom of that statement is most evident here today. Time will not permit me to cover completely all of the implications nor all of the provisions which, in my humble opinion, would be detrimental to the agricultural economy of this Nation. As a farmer myself, I have a most sincere concern that the problem with which we are dealing, namely that of an inadequate farm income, and burdensome surpluses, be improved so that the farmer may realize an equitable share of our Nation's economy, and the taxpayer and consumer may find some relief from the burden of surpluses.

I shall confine my remarks to two main objections: First, the bill actually reduces farm income. Second, it contains provisions that would destroy the market for American-produced products in many instances in favor of foreign-produced products coming to this country as imports.

The most pertinent of these items to the farmer, of course, is that of his income, which will be reduced by virtue of mandatory reductions in acres, to begin with, and then downward escalating payments for the diverted acres, so that by 1965, there would be no further diversion payments available. Obviously, these provisions mean that the farmers, first of all, will have less bushels to sell, and there is no indication that existing price supports will improve. In fact, in the wheat section, because of a two-price system, there is every indication that the average price received will be substantially less. The same is most certainly true in the feed grains provisions.

I have previously stated that the American farmer's market would be in jeopardy. This I think is best emphasized by a few figures that are readily available to us, and have come about by a continued effort to reduce production in this country without giving any thought to what is happening in the import scene. Let me just cite a few figures as examples.

From 1960 to 1961, imports of beef increased by over 150 million pounds. They increased by over a million pounds in the first 2 months of this year, as compared to last year. Imports of dairy products by over 1 million pounds in 1961 as compared to 1960. With the enactment last year of a feed grain bill imports of barley increased by over 2 million bushels. Yes; this is an example of what has happened to our market in the last year. We could save hundreds of millions of dollars in this area alone—come a long way in eliminating the need for quotas and allotments.

These figures, I think, substantially point out the danger of establishing marketing quotas and mandatory restrictions on American farm people without giving equal attention or imposing equal restrictions on imports—and I should call to your attention the real danger in this area as it is expressed in the bill itself, in which the Secretary is authorized to proclaim national marketing quotas for corn, oats, grain sorghum, barley, and so forth, to be based on our domestic needs, industrial uses and exports, less estimated imports. Here is a clear and concise indication that we are heading in the same direction as was so clearly identified to this House earlier this week, when we had before us the consideration of the Sugar Act, in which it has become necessary to actually establish import quotas for foreign countries, and then limit our own production accordingly.

Of equal significance is legislation that has recently been enacted by this House which would place into new and expanded production land through reclamation projects. We have just concluded the approval of two projects which would add over half a million acres, a large percentage of which is in direct competition with products that in this bill are being limited, and while it has been said that irrigation projects do not produce surplus commodities, let me call to your attention the figures by the Bureau of Reclamation on projects now in existence and in operation. Almost 80 percent, or over 6 million acres, are devoted to the production of cereals, forage and miscellaneous field crops. These same figures indicate that there is a production of over 30 million bushels of barley, 30 million bushels of corn, 17 million bushels of wheat, and so on, producing a total income of over $660 million. I ask the Members of this House to recognize the cost of making comparable reductions of over 6 million acres in other areas of the country.

Such inconsistency and inequity it is hard to believe can indicate the best judgment or prudent concern for the taxpayer's dollar.

For these reasons, together with all of the others that have been raised by other Members of the House, it is my opinion that it would be a sad day indeed for the American farmer were this bill to become the law of the land. Not only would his income be reduced, but his rights and privileges as a citizens would be further restricted, and possibly more important is the fact that he stands to lose a substantial part of a market that ought to be his.

A substitute measure will be proposed, which I think will much better serve the economic and consumer interest of our country. I am today wondering when the farmer is going to get the consideration he so justly deserves.

Mr. BEERMANN. Mr. Chairman, it is interesting we have heard so much from the farmers from Brooklyn and the other cities of the United States. Now I would like a little attention so you may hear from a farmer from Nebraska. I happen to be a farmer who farmed with horses, farmed with the first tractor that came into Dakota County, Nebr.; and presently my brothers and I are farming with the most up-to-date machinery we are able to find and use under the benefits of the cost-price squeeze. I would like to give you just a little bit of history.

Mr. Chairman, about 100 years ago on May 15, 1862, President Lincoln signed a bill to create a Department of Agriculture. The President appointed Isaac Newton to head up this new agency, and Mr. Newton, after looking around Washington, borrowed a couple of rooms from the Patent Office and hired 30 employees. Mr. Newton's job was simple. He was to "acquire and diffuse" information that would promote agriculture.

Now in the Department's centennial year, we are considering the most far-reaching step in the history of that Department. And although the same basic function of the Department is still needed today as was needed in Mr. Newton's time, we are asked to make the Department a full business partner of every farmer in the Nation.

This step, if made, will increase the grip of the Department on the Nation's farms, institute unreasonably complex laws that will be even worse than those that have led to recent troubles in Texas, both at an increased cost to the taxpayer.

Let me point out here that the Department of Agriculture in 100 years has enjoyed a growth that is fantastic. It has sprawled into every corner of the globe. Its budget next year has been projected at better than $6 billion. It has more than 90,000 employees. Within the last year it added 3,700 employees while administering a feed grains program that we were told was going to cure agriculture's ailments.

I have not made full use of the Department's facilities but they tell me that it acquires and diffuses information on everything from infant care to what to do about a problem that I am well acquainted with, the corn rootworm. The Department also carries on an immense research program through its 600 field stations. But apparently these are merely sidelines. Its prime purpose is to fix prices, control acreage, tell farmers what and how much to plant. It owns millions of tons of surplus crops. It is constantly in the market buying and selling and sometimes giving away great volumes of foodstuffs. The Agriculture Department is one of our biggest. It certainly occupies more space than others and it has the largest payroll of any agency other than the Department of Defense and the Post Office Department.

Here is a strange fact I want to insert here: while the number of farms and farmers in the United States has been declining steadily, the Agriculture Department has been growing larger. Last year alone as I have mentioned earlier, it gained 3,700 employees.

The Department, in addition to the growth I have cited, wants power. And so we have the consideration of H.R. 11222, legislation that will substantially increase the power of the Secretary of Agriculture.

Essentially, H.R. 11222 provides for a permanent program of compulsory Federal regulation of agriculture. Under the bill there are provisions calling for permanent and mandatory acreage allotments and marketing quotas for feed grains and wheat.

If this bill is adopted it will substantially increase the number of farm acreage allotments. I am told we are now issuing 3.3 million of them. With H.R. 11222, with its quotas for five or six other crops, on-the-books allotments will swell to twice that, and of course, we will have a corresponding increase in the number of Federal employees to process them.

I have frequently said that agricultural programs are ineffectual and expensive. None has erased farm surplus. All tend to be less effective each year they are in operation. For example, we have the word of the Secretary himself before committee this year, that the 1961 and 1962 feed grains program needed replacing because they simply would not work. This statement was made despite earlier assurances that the feed grains law would work and would solve the surplus problem.

Strange things that nullify the law's attempt to help farmers develop immediately. Without going into the famous Billie Sol Estes case, a case that can be directly attributable to a law on cotton, I want to bring to your attention some strange things that have happened under the feed grains law:

First. Although the intent of the feed grains law was to raise farm income, frequently the law dropped it and dropped it in the nearby town. For instance, a farmer testified before my committee that when his 1958 farm-stored milo was called up the only place it could go was into commercial town storage. And there it would be piled right on top of his 1957 milo. This indicated that the USDA was not so concerned with raising the farmer's income through the payment of on-the-farm storage charges, as it was in raising the income of the elevator in town. Strangely enough neither happened to be exactly true because when the farmer came to Washington and brought his complaint with him to the USDA, it replied by moving the grain from both the farmer's bin and the commercial town storage.

Second. In attempting to determine a fair production quota for his farm a farmer went to the local ASCS committee and asked to see the records for his farm and those of the farms near it. To his astonishment, he was told that the records were private and could not be examined. It was only after considerable telephoning to the Department that I was able to get access to what are regarded as, and should be, public records.

Third. I just want to mention the case of a Montana county ASC committee which was fired by the State ASC committee, although the county committee reportedly was elected legally. Later, in its attempt to fulfill the obligation for which it was elected, the county committee was told that it could appeal its case. Who was it told it could appeal to? The State committee that fired it in the first place.

Fourth. Farmers admitted that the best products farms had to sell, due to Government supports, were dairy products. In plain words, and this is what one farmer said: "Dairy products have been supported so high that many farmers who never milked a cow before supports, find themselves actively engaged in dairying today." I need not point to the problem these supports have caused.

Fifth. The 1961–62 feed grains law based quotas on previous production in 1959–60. In Nebraska, we had instances of newly irrigated farms that had relatively low production records in those years only to enjoy the advent of irrigation in 1960. These farms were charged for irrigation water, assessed at higher local tax rates, and yet were tied to production figures as unrealistic as 15–20 bushels per acre.

Sixth. A notice sent by a local ASC committee to a constituent within my district reads: "According to the records in the local ASCS county office your farm No. A–2, is operated by John Doe, a tenant. He also operates land owned by other landlords. These separate ownership tracts are being considered for combination into one farm. A land owner may file a written objection if he does not want his land combined with other ownerships. If we do not receive a written objection from you within 30 days from the date of this letter, further consideration will be given to this combination and you will be notified when the combination is made. Such combination will be effective for the 1963 wheat program and all subsequent farm programs."

These arbitrary notices, part of farm program administration, are being sent to many landowners in my district and are causing consternation with their abrupt and arrogant tone.

Seventh. Last year, farmers participating in the feed grains program received one-half their storage payment for farm stored grains in March, which was a good time because it underwrote the cost of machinery repairs, fuel, feed and fertilizers. A second payment was made later. This year, I understand the rate of payment was changed; of course, many farmers who depended on this cash income were hard put to meet current expenses, because they received part of this year's income last year.

Eighth. Some southern areas early this year suffered a grain shortage because of the heavy signup for the feed grains program. Of course, private grain producers saw the shortage developing and endeavored to meet it by importing grains and selling them on the local market for a price that was not excessive when one considered freight rates. The Department of Agriculture seeing this situation, immediately invoked a clause referred to as section 22 of an ICC ruling under which it could ask for and get special freight rates. Then the USDA took this same grain, and with the difference caused by the low freight rates, began competing with privately imported grain. Private grain, of course, had no access to the section 22 rate.

The point, I believe, is obvious.

Mr. Chairman, passage of H.R. 11222 will magnify the unhealthy practices apparent under the present emergency program. I do not intend to be a party to it.

There is an excellent editorial in the current issue of Life magazine, entitled "Freeman Bill Is No Help Even to Farmers."

It is as follows:

> You've got to hand it to the Democrats: they are actually using the Billie Sol Estes stink as an argument in favor of Orville

Freeman's farm bill. Their reasoning, outlined by the President, helped push the bill through the Senate last month and will now be heard in the House. It goes like this: (1) Billie Sol was a big man in the surplus grain storage business, getting $7 million in Government checks in 3 years; (2) the Freeman program aims to reduce the surplus, hence lessen the need for storage; (3) ergo, says Kennedy, his farm bill "represents our best chance to do something about the kind of situation which resulted in Mr. Estes' manipulations."

This argument is nonsense. If the Freeman program becomes law, the opportunities of a Billie Sol Estes will not be less; they could spread from the cotton belt all over the country.

Here is the reason. Surplus grain storage is a costly business, but it was not the real key to Billie Sol's manipulations. Cotton allotments—quite a different dodge—were the beginning and end of his career. A cotton allotment is in effect a Government guarantee to buy all the cotton you can raise on a stated number of acres, the number depending on how many acres you farmed in certain previous years. An allotment is worth cash in the bank. Billie Sol became locally successful with one 600-acre allotment near Pecos. He increased its yield by intensive irrigating and fertilizing, and branched into businesses (ditch-lining, pumps, ammonia) that enabled his allotment-owning neighbors to profit in the same way. He then rented his neighbors' allotment-born credit to float his phony mortgages. Finally he went into the wholesale acquiring and juggling of cotton allotments, switching them from lower-yield States like Georgia to west Texas, where they were worth two or three times as much.

Billie Sol could have got almost as far as he did by staying within the law. His allotment juggling, for example, led to what Secretary Freeman dismissed as merely "a lawyers' quarrel" and while the Department soaked him a $600,000 impost for selling bootleg cotton, he may still have made a profit on it.

Turn now from Estes to Freeman. He sees his problem as surpluses, pure and simple: "If we didn't have heavy stocks on hand," he told the Senate committee, "we would not have to have any program of supply management." The surpluses, of course, are in part the result of the magnificent revolution in U.S. agricultural productivity since the war; but they were also stimulated by Government-guaranteed markets and too-high price supports. By "supply management" Freeman means more allotments (Billie Sol's launch pad); his bill would extend them from cotton, rice, tobacco, peanuts, and wheat to corn and other feed grains--crops whose prices have hitherto been supported without rigorous production controls. From about 78 million acres (mainly cotton and wheat) the allotment makers will have 150 million new acres to play with, some in every State.

Farmers who have hitherto merely read about allotments would learn the system at first hand. A few of them, like Billie Sol Estes, might become wheeler-dealers, or victims or conspirators of same. Others, like the tobacco growers, would settle into their little Sabine farms, with guaranteed incomes, smaller markets, less work and a quiet amount of allotment-juggling through the use of kinfolk's names. Wheat farmers, under Freeman's more rigorous system, would find themselves in a new three-price market: one for U.S. mills, one for export and one for feed grains (all prices set by the Secretary of Agriculture).

As for the corn growers, their lot would be puzzling indeed, since most corn is fed to hogs on the farm where it is raised. Corn quotas have been authorized before but repealed because enforcement proved impossible. The one sure result will be a vast expansion in the 100,000 present employees of the Department of Agriculture and a degree of policing and bureaucracy never known before in the Corn Belt.

It is true that the worst surplus problem is in feed grains and that compulsory allotments may bring it under control. But tobacco and cotton are a warning that the whole American agricultural scene can become a gray sea of well-paid serfs and bureaucrats, enlivened by a few free-enterprising crooks. It is not the farmer who is in trouble, it is the Government; yet Freeman would solve (or more likely compound) the Government's troubles at the farmer's expense. Better no new farm law than Freeman's; we would then revert to the 1958 law, which is capable of better administration than it has got yet.

Here are the main steps Life recommends to lead us out of the farm mess. First, we have more farms and farmers than we need; hence that part of Freeman's program that would permanently switch cropland into woodland or park land is on the right track. (Similarly, a few million dollars more to train marginal farmers for other jobs would be well spent.)

Second, present Government incentives to excess production should be reduced and then eliminated; free fertilizer; the built-in incentive in allotments, which invites uneconomic inputs of capital and fertilizer; and, most important, high support prices.

Third, the mixed motives and results of our food-for-peace program, which is often mere surplus dumping, must be straightened out. Last week the Greek Government threatened to cut back its own wheat production because, if it produced less, it would qualify for more free U.S. wheat.

Fourth, Congress should lower the dollar ceiling on what the Department can spend. Its $6 billion budget is nearly half the net of all farmers. (In Ohio, reports the Cleveland Plain Dealer, Government checks are 10 percent of the farmers' gross.)

Above all, the influence of market prices should be reintroduced into subsidized farming. The farmers who earn the greater part of farm income—in cattle, poultry, fruit, vegetables, etc.—get along in a free market and control their own surpluses. Until the subsidized segment is returned to this discipline, the farm problem will not be solved.

Freeman's aim of reducing surpluses is laudable. They cannot be magicked away overnight and neither can price supports. But instead of extending the allotment system Congress should write a law that will extend the free-market system a little more each year until all farming is once more free.

Mr. JONES of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK]

Mr. FINDLEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty-two Members are present, a quorum.

Mr. SISK. Mr. Chairman, we approach the end of the regular debate on this bill, and it would seem to me after listening for the last 2 days, anyone would come to the conclusion there were some very serious things wrong with the present program with reference to feed grains, corn, and other similar commodities. I would like at this time to commend the chairman of the House Committee on Agriculture and the other members of the committee for the long and arduous task of putting together the bill we have under consideration today. It seems as though agricultural legislation is about the most controversial legislation that ever comes to the floor of this House and it is amazing to me how many farmers we have in this House when we talk about agricultural legislation. Let me say, Mr. Chairman, I am supporting this bill and I am supporting it on only one premise and that is the fact that the agricultural royalists in this country have for a great many years been the corn farmers. They want an open end program. They want price supports. They want a guaranteed income but they do not want to do anything at all about regulating their supply with reference to the demand. So it is just as simple as this—we either provide an opportunity for the farmers themselves to make a choice in the corn and feed grain area: Do you want to continue to receive the assistance of the American taxpayers, and if you do, you can bring your supply into line with demand. If you no longer—and I am speaking from the standpoint of the farmer—if the farmer no longer wants supports, then he will have an opportunity under this bill, as I understand it, to vote against any program and that will get the Government out of the business, and he can go his merry way which, apparently, is what some of the leadership of the American Farm Bureau say they want—fine and dandy. We are for the first time in 8 years that I have been in the Congress giving him an opportunity to get the Government out and let him go his merry way. And I want to give him that opportunity. But I want to say this. If I am going to continue to call upon my taxpayers, some nearly 600,000 of them in my district, to help support these agricultural royalists, so to speak, then they must do something on their own, and that is: get their production in line with demand and stop the so-called Bille Sol Estes incidents which will continue to haunt us as long as we have to live with the present program.

Mr. Chairman, I would like briefly to comment on the dairy situation. I was most disappointed that this bill did not contain the administration's provision with reference to dairy farmers. I had originally proposed to offer an amendment to this bill to include in the bill the so-called administration or Humphrey bill. I have introduced this bill in the House, but in conversation with the distinguished chairman of the Committee on Agriculture he has assured me that hearings will be held on the dairy legislation.

I desire to do exactly the same thing for the dairy farmers of America that we are attempting to do in this bill with reference to the grain producers in America, give them an opportunity either to get their production in line with demand or else stop this open-end support by the American taxpayers.

The bill which I introduced in the House and which was offered in the other body by Senator HUMPHREY, proposes to do this, to give them an opportunity to vote as to whether or not they want to control their production, and if they do they could go to the polls next March and vote for it. This program, if enacted by Congress, would do the following:

First. Authorize the Secretary to restore milk price supports immediately to the national average of $3.40 which was in effect last year;

Second. Authorize price supports beginning next April 1 and each year thereafter at a level as near to 90 percent of parity as marketing conditions make feasible;

Third. Permit any milk producer to maintain his marketings of milk at his full normal marketing level of his actual marketings during the 1961–62 marketing year. It is believed that normal increase in demand, together with adjustments in supply through purchase and retirement of normal marketing levels during the transitional stages of the program, will make it unnecessary for any producer to reduce his milk marketings below the 1961–62 level at any time in the future under this program;

Fourth. Provide surplus reduction payments of up to $2.50 per hundredweight to farmers who agree voluntarily to reduce their sales of milk below their 1961–62 normal marketing level;

Fifth. Guarantee that the minimum milk price support floor will not be reduced more than 5 percent of parity in any year even if producers do not approve of provisions for keeping supply in balance with demand.

This program would give dairy farmers the opportunity to protect their net income at the full 1961 level, and to make progressive improvements in their incomes in future years.

Following is a brief account of what is provided under this program for the next several marketing years:

### REMAINDER OF CURRENT YEAR—EFFECTIVE DATE IN 1962 TO MARCH 31, 1963

First. Price supports restored to $3.40 level.

Second. Payments up to $2.50 hundredweight for voluntary reduction below 1961–62 normal marketing level.

Third. No penalties on marketings above normal marketing level—but fact that mandatory program will be provided in law to begin next April 1 will keep control on expansion and inhibit slippage.

Fourth. Net dairy farm income would be restored to full 1961–62 level if program approved by producers.

Fifth. No referendum—program effective immediately after enactment.

### MARKETING YEAR 1963–64

If producers accept program in referendum:

First. Price supports as close to 90 percent of parity as feasible, but not below 75 percent of parity.

Second. Payments up to $2.50 hundredweight for voluntary reduction.

Third. Surplus marketing fees of up to $2.75 per hundredweight assessed on milk marketed in excess of producers' normal marketing level.

Fourth. Net dairy farm income would be maintained at, or increased above, full 1961–62 level if program approved by producers.

Fifth. If producers reject program in referendum, minimum price support floor would be 70 percent of parity.

### MARKETING YEAR 1964–65

First. As in 1963–64.

Second. As in 1963–64, if voluntary reductions are still needed to balance supply and demand.

Third. As in 1963–64.

Fourth. As in 1963–64.

Fifth. If producers reject program in referendum, price support floor would be 5 percent of parity below 1963–64—65 percent of parity.

### MARKETING YEAR 1965–66 AND THEREAFTER

First. As in 1963–64 and 1964–65.

Second. No payments for voluntary reduction.

Third. Surplus marketing fee assessed on milk marketed in excess of producer's proportionate share of total demand, including foreign and domestic public donations, expected to be equal to or greater than his normal marketing level.

Fourth. Maintain or increase net dairy farm income.

Fifth. If producers reject program in referendum, minimum price support floor would be 5 percent of parity lower each year to 50 percent of parity in 1967 and each year thereafter, or such level as the Secretary estimates will not result in the acquisition of more dairy products than can be used in the national interest, at a cost up to $300 million per year.

### COSTS OF CCC PRICE SUPPORT OPERATIONS UNDER TRANSITIONAL DAIRY PROGRAM

Current marketing year, 1962–63:

Assuming present program law remains in force: $550 million.

Assuming program takes effect October 1, 1962: $538 million.

Marketing year, 1963–64:

Assuming producers accept program: $355 million.

Assuming producers reject program: $480 million.

Marketing year, 1964–65:

Assuming producers accept program: $335 million.

Assuming producers reject program: $395 million.

Marketing year, 1965–66:

Assuming producers accept program: $325 million.

Assuming producers reject program: $280 million.

(By unanimous consent, Mr. FENTON was given permission to extend his remarks at this point in the RECORD.)

Mr. FENTON. Mr. Chairman, this bill H.R. 11222 is not just "another farm bill." It is a punitive measure designed to regiment and control the entire production and distribution of food.

Pennsylvania farmers are not asking for high support prices on feed grain; they are not asking for any feed grain supports. Why should they?

Nearly 95 percent of Pennsylvania's farmers feed all of the grain they produce. What value are price supports on grain you grow on your own farm to feed your own livestock?

Then there are many Pennsylvania farmers who do not raise enough grain to feed their livestock. They must purchase additional grain. Why would these Pennsylvania farmers favor high price supports to increase the price they must pay for grain? Farmers' costs are already too high.

A majority of the farmers in my district, and in checking with other Congressmen I find it is true, that the vast number of farmers in Pennsylvania and elsewhere are opposed to this measure.

No farmer, regardless of how small his operation, would be permitted to increase his feed grain acreage above his 1959–60 acreage.

The original small farm exemption was set at 25 acres. Proponents have said, "If you grow 25 acres or less of corn you are exempt." This is a gross untruth.

The bill says, "Principal grains used for livestock feed are corn, barley, grain sorghum, and oats." The bill also includes in a farmer's base acreage wheat fed on the farms. Corn silage has also been included as a part of the feed grain base. So you can see this bill is not restricted to corn for grain but to all corn and all grains that can be fed.

Now, as I understand this farm bill, an amendment would raise the 25-acre small farm exemption to 40 acres.

How are my Pennsylvania farmers affected? Let us take two examples.

The bill says, "Farm base shall be average feed grain acreage for the years 1959 and 1960." The bill further says, "No marketing quota shall be applicable to any farm with a base acreage of 40 acres or less if the acreage does not exceed the farm base acreage."

Example 1: Farm in Berks, Schuylkill, or Northumberland County.

In 1959–60 the farmer grew an average of 10 acres of oats for feed, 5 acres of barley for feed, 10 acres of grain corn for feed, 5 acres of corn for silage, or 30 total feed grain acres.

This farmer's base is 30 acres, not 40 acres. The 40-acre small farm exemption does not really apply because the farmer's base is less than 40 acres.

This farmer has two choices:

First, because his base acreage is less than 40 acres he may stay out of the program, but this farmer cannot grow more than 30 acres even if he expanded his livestock operation. In other words, the farmer has been frozen; he cannot get any bigger; he would not be permitted to grow additional grain on his own farm to feed his own animals.

This farmer's second choice is to enter the program and accept a 20-percent acreage cut in return for price supports. Most farmers in my area feed all of the grain they raise so why would they want price supports or a 20-percent acreage reduction. They would not.

In short, this bill with any exemption, 25 acres, 40 acres, or otherwise, denies farmers who produce less than the stipulated exemption, for their own use, the right to vote unless they are in the program, and places stiff penalties on them if they try to raise enough feed for their own livestock.

Example 2: In 1959–60, another farmer in my district grew an average of 50 acres of feed grain, which is about average.

Because this farmer's base is greater than the exemption, this farmer has no choice. He would have to comply with marketing quotas even though he fed all of the grain he raised.

This farmer would, as would most Pennsylvania farmers, be forced to reduce his feed grain production.

Today this farmer is growing 60 acres, or 10 more acres than he grew in 1959–60. Under this bill the farmer would be cut 10 acres to begin with, plus whatever the quota reduction was.

So, Mr. Chairman, you can see that under this legislation all Pennsylvania farmers would be seriously affected.

Pennsylvania farmers do not want feed grain price supports; they do not want to bring oats and barley and other feed grains under Government regulation; they are not filling bins with surplus corn or oats or other feed grains; they are feeding their grain to their own animals and ask only that they be guaranteed this American liberty.

Now, one final thought. The majority of my constituents are urban, not farmers. I cannot vote for a bill that will raise the price of food to the people in my district.

This bill incorporates higher price supports. Wheat is now supported at $2 per bushel. This bill would permit the price to go to $2.20 per bushel on a commodity of which we already have too much. Higher support price on wheat means a higher price the miller must pay, and in turn higher bread prices.

This bill would permit corn to be raised from $1.20 to $1.44 per bushel, plus supports on oats, barley, and grain sorghum. As you all know, feed grains constitute the major input that makes the beef, pork, lamb, and poultry we all eat. It therefore follows that if you increase the price of the major input we consumers are going to pay higher meat prices.

In summing up, this bill is a bad bill. It is not good for the farmer, it is not good for the consumer, and certainly when considering all factors, it is not good for the taxpayer.

(By unanimous consent, Mr. Dominick was given permission to extend his remarks at this point in the Record.)

Mr. DOMINICK. Mr. Chairman, Colorado is a great agricultural State. Coloradans, too, are seriously concerned over the restriction, regimentation and coercive punitive measures which this bill would impose upon American farmers if it becomes law. This concern is being voiced from virtually every area of my State.

The cattle industry in Colorado is a thriving, healthy industry, and it is perhaps significant that the cattle industry has consistently rejected Government price supports and Government controls. In a letter to me dated June 18, 1962, Mr. J. T. Wadlow, president of the Colorado Cattlemen's Association, writes:

Dear Congressman: It is my understanding that the farm bill will be considered this week by the House of Representatives. Therefore, I am enclosing the resolution pertaining to this measure which was passed by our association on June 9, 1962. A rollcall vote was taken on this resolution with the following results: 39 in favor of farm legislation and 3,176 opposed.

I had an opportunity to visit with many of the local associations' delegates, and as the vote indicated, they were to a man very much opposed to this bill. It was their strong feeling that as the bill is being proposed, it will be very detrimental to the cow business because of the way it controls feed grains, diverts crop acres to grass, and so forth.

Therefore, anything you can do to help oppose this measure would certainly be appreciated by us in the cow business. Thanks a lot.

Sincerely yours,
J. T. Wadlow,
*President.*

Mr. Chairman, the resolution which was enclosed was even more specific in stating the many reasons that the cattlemen oppose this bill. I shall read that resolution for the Record:

Resolution on Administration's Proposed Farm Program Adopted at the 95th Annual Convention of the Colorado Cattlemen's Association, Sterling, Colo., June 9, 1962

Whereas the administration's proposed farm program as contained in S. 3225 which passed the Senate on May 24, 1962, put agriculture squarely in the political arena for dependence on its income; and

Whereas it places the Federal Government in the position of fixing prices by fixing supply, regulating conditions of production and limiting the amount that can be sold from farm or ranch; and

Whereas it further causes Congress to abdicate its functions; and

Whereas it would level farmers and ranchers down to a governmentally determined level; and

Whereas the whole proposal is contrary to our American system of free competitive enterprise and freedom of choice; and

Whereas this bill provides for mandatory feed grain provision with strict acreage control on grain, corn, sorghums, barley, and silage and recognizing that to control feed grain production is to control the beef cattle production: Therefore be it

*Resolved*, That the Colorado Cattlemen's Association vigorously opposes the passage by Congress of Senate bill 3225 or the passage of the House of Representatives version of the administration's proposed farm program as contained in H.R. 11222 which also permits grazing on diverted acreage; be it further

*Resolved*, that we reaffirm our position adopted during the special convention on November 7, 1953, at Craig, Colo., where by secret ballot the Colorado Cattlemen's Association opposed price supports and controls for the livestock industry by 202 for and 1,164 against; and be it further

*Resolved*, That we strenuously oppose any farm legislation or any other legislation that would in any manner cause the livestock industry to be subject to supports and controls; and, therefore, be it further

*Resolved*, That the Colorado Cattlemen's Association is and has been traditionally opposed to any Government handouts that would place an additional tax burden of many millions of dollars on the taxpaying citizens of the United States, which livestock supports would do as well as materially increasing the cost of beef for the consumer.

Mr. Chairman, as we have seen by the debate here today, the major discussion and greatest emphasis has been placed on title IV. But title I, which provides new authorities for the Secretary of Agriculture in determining and regulating land use and development of recreational areas for the urban dweller and for wildlife protection, has received little attention by many of my colleagues. Title I is being subjected to some sharp criticism, not only from our farmers, but from many other people who will be affected by its provisions. I should like to read for the record a letter I have received from the Colorado Municipal League:

Colorado Municipal League,
*Boulder, Colo., June 11, 1962.*

Hon. Peter H. Dominick,
*House of Representatives,*
*House Office Building,*
*Washington, D.C.*

Dear Peter: Unless the Food and Agriculture Act of 1962 is amended, there is a risk of establishing a program which competes and overlaps several major Federal programs of significant benefit to local government—including, the area redevelopment program, urban renewal, community facilities loans, and small business loans. It is also possible that unless amended, this bill would encourage urban sprawl by enabling substandard sewer lines to be constructed outside of municipal limits and that industrial parks could also be constructed without regard to the interests of nearby municipalities.

We certainly do not think that any of these developments would be in the best interest of municipal citizens or, for that matter, rural dwellers.

We are advised that amendments to this legislation will be introduced on the floor of the House. We understand that the amendments will take the form of amendments to section 102 of title I and section 501 of title V of H.R. 11222.

We hope that you will wish to support these amendments.

Sincerely yours,
Colorado Municipal League,
Jay T. Bell,
*Executive Director.*

Mr. Chairman, I share the concern which is voiced by the Colorado Municipal League in that letter. Such objections add weight to the principal objection which is raised to legislation which seeks to deal with a vast number of complex problems under a single omnibus bill. Especially is this a dangerous practice when we incorporate urban renewal, parkland, and recreational development problems in an agricultural bill.

A considerable number of amendments are needed, in my opinion, before this bill should be accepted by the House. It is my intention to offer three such amendments to title IV. The first of my amendments would simply perfect the language of both the feed grains section and the wheat section to specify that certain oil seed crops may be grown on both diverted acreage and on summer fallow acreage.

My second amendment would prohibit the Secretary from "dumping" vast quantities of wheat and feed grains on the market in competition with the farmer should the farmer vote not to accept the rigidly controlled program which is proclaimed by the Secretary.

My amendment would not restrict the Commodity Credit Corporation completely from disposing of its current stocks. Most of the existing programs to dispose of surplus wheat and feed grains would still be available. But my amendment would make it possible that the farmer could exercise his right to vote in a referendum without the coercive threat of financial ruin through Government competition.

It is extremely important that the farmer have a true choice to make in the referendums which will be conducted. He should be able to make that choice without governmental pressure.

It is important to note that every farmer will not be permitted to vote in these referendums, although the outcome of the referendum will affect every farmer. This is especially true under the feed grains section. Since States which the Secretary classifies as deficit feed areas will neither receive price supports nor participate in the referendums under the bill's present provisions, a portion of the farmers in only 17 States will determine the feed grains referendum. In the Rocky Mountain area, only in 2 States—Arizona and Montana—will farmers be permitted to vote in these referendums. At the present time 33 States are classified as deficit feed areas, and therefore, as the bill provides, the farmers in those 33 States will not be permitted to vote either for or against the Secretary's feed grains proposals. But, farmers in all 50 States will be subject to the penalties prescribed by the Secretary should the farmers in 17 States reject his proposal.

My third amendment would allow some flexibility to the wheat farmer to enable him to partially protect himself against crop failure due to the uncertainties of weather from year to year. The right to store excess wheat without cost to the Government is a part of the present law, but has been omitted from this bill. Such wheat is stored under bond and may not be sold without heavy penalty. It does not affect any marketing quota. It does provide the farmer a small measure of insurance against being wiped out the following year by drought, hail, or other weather phenomena. My amendment would restore this provision to this bill. It is urgently needed. I hope it will be accepted.

**Mr. HOEVEN.** Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. DOLE].

**Mr. DOLE.** Mr. Chairman, I happen to be a Member of Congress from western Kansas who is vitally interested in a farm bill for several reasons. I am certain President Kennedy in his recent use of the word "sophisticated" desired we approach all problems in a sophisticated manner, but I can assure him that the farmers are less interested in sophistication and more interested in what his program might do for them incomewise. It was on that basis I asked Mr. Freeman, our Secretary of Agriculture, on three different occasions what the farmer's income might be under the bill; in other words, how the farmer might fare. The farmer has an interest in maintaining his income, of course, and the question arises whether or not it would be lowered under this legislation.

On February 19 when the Secretary was before our committee I asked Mr. Freeman how the income would compare under his proposal with the 1961 program. I read his response:

> This becomes a matter of estimate and calculation that is very difficult to pin down and depends on what figure he wants to use.

On March 2, when we had a wide audience on a television program called The Nation's Future, I asked Mr. Freeman the same question. At that time, before this vast audience across the country, I asked him about the income of the wheat producers. He told me then it would be in excess of the 1961 program by about $300 million. That was strange, because he did not know on February 19. He came back to our committee on March 15 of this year, about two weeks after the TV program, and I then asked Mr. Freeman the same question. I asked him why he told me on "The Nation's Future" that the income would be in excess of $300 million more for the wheat producer. This is his answer:

> I said earlier on that program it would be an increase of $200 to $300 million over the 1961 program. We have since been refining these figures.

I submit he has refined the figures to practically zero, because I cannot determine how the wheat producer will maintain his income or anything else under this provision except more control and more regimentation by bureaucracy in Washington.

They talk about how much this will save the consumers. Yesterday we voted to give away nearly $23 million to sugar companies. In the majority report on this bill Mr. Freeman set forth how much will be saved on the wheat program. According to the administration's own estimate, we will save only $29 million over this year's program; so it seems rather strange to me when only yesterday we voted to throw around nearly 23 millions of dollars in the sugar cases pending in court, and took away the right of the court to decide, that today we tell our wheat producers they cannot continue to have a fairly successful program because we want to save $29 million.

The Kansas wheat farmer is like most farmers; he likes to make a living. He also likes freedom and I think this is the crux of the entire matter. There has been a lot of talk on the other side that this is a good bill, "but." There are a lot of "buts" in the bill and I want to point out a few things. The farmers in Kansas farm 29 percent, or less, of their cropland. Let some of the people in the consumer areas go to their drugstores, their grocery stores and factories and tell the owners to board up 71 percent of their drugstores, grocery stores, or 71 percent of their factories, and try to make a living. This is what the administration is asking the wheat farmer of Western Kansas to do. We are to be happy; we are to accept another 10 percent cut, plus an additional cut of 1.3 percent which will be allocated to other States because of a change in the base period. We took a 10 percent cut last year.

Kansas is the largest wheat-producing State in this country. We did plant around 11 million acres of wheat. There are 39 wheat-producing States in the United States. It has been very interesting to me to find out that since 1958 in the State of North Carolina, as one example, the wheat farms have been increased from 75,000 to 78,500. At a time we have been taking wheat acreage cuts in Kansas, raising wheat everywhere else in the country has expanded. Why ask the western wheat producer to cut his acreage and then give these acres to someone else.

In addition, I live in a feed grain area and in a cattle area where farmers like to raise cattle and feed grains to feed their cattle. They are being asked also to take a 20-percent reduction in this commodity. It does not take any mental giant or an economist to figure who takes the brunt of the farm bill here. It is the midwestern farmer. They are going to cut his feed grain and wheat acreage, and still raise his income, so they say. The farmers are told this should make them happy.

With reference to the payments for diverted acres, they are fixed on a declining scale downward. The first year the farmer will receive no more than 50 percent support, the second year no more than 40 percent, the third year no more than 30 percent, and thereafter zero.

This is what you are asking midwestern farmers to do, cut acres, take a declining scale diversion payment, lower our income each year for 3 years, and by that time, if not discouraged enough to give up, something else will happen.

With reference to the "family farmer," we have heard a lot about him.

I am a member of the "family farm" subcommittee and, as far as I know, that subcommittee has never met. It is controlled by the majority side. If anybody wants to help the family-size farmer, a meeting of that committee should be called.

Here is another thing that has not been pointed out. This is not temporary legislation; this is permanent legislation. This could go on for as long as the farmer could stand it, whether it be 1 year, 2 years, or 10 years.

Now, I think the Republicans have made a great contribution to this bill; at least, my farmers think so. When this bill first came in it was filled with criminal penalties. It told the farmers. "Unless you follow orders, unless you keep proper records, you can be fined up to $5,000." It also told the farmer, "If you dare violate the regulations, you can be fined $5,000." I am talking about the wheat farmer. If he failed to keep records, he could be fined up to $5,000. The dairy farmer could be fined $2,000 and put in jail for 1 year. I point this out to mention the original intent of the planners of this bill: Either you knuckle down and follow the dictates of the Secretary and Mr. Cochrane, or whoever had anything to do with this bill, or off you go to jail. Anybody who says it was not in the original bill should read the original bill carefully and then check it with the amended version. The Republican members were instrumental in knocking those provisions out. This was a great contribution; for, if we cannot defeat the bill, at least we can prevent the farmer from going to jail.

**Mr. FINDLEY.** Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Has the gentleman had any indication from his farmers whether they want this bill or not?

Mr. DOLE. Well, I have not heard from all of them. A few have indicated they would like the bill, but very few. I had some letters from Texas, but they do not pertain to the bill.

Mr. FINDLEY. There is a man of considerable influence, Billie Sol Estes. I wonder whether he indicated whether he supports this bill or not.

Mr. DOLE. I do not know anything about Mr. Estes personally, but I imagine he probably would support it as he would benefit by it. This will not help the small farmer. He is the one who is going to be hurt. The family sized—the small farmer that operates 80 or 160 or 300 acres of land will suffer. The man who farms 7,000 or 8,000 or 9,000 acres will not suffer. It will mean a little loss in income to him but not much. The little farmer is the one who will be hurt.

Mr. JONES of Missouri. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, on June 11, 1962, about 5:30 o'clock, three well-dressed gentlemen walked into my office while I was signing the mail. I had never seen them. They said they were farmers in their own right from the State of Nebraska and that they concluded that their paid Representatives did not represent their thoughts, so they paid their own expenses to come to the District of Columbia. They handed me a statement which was unsigned and asked me if I would read it to the Congress. I said, "I will, if you sign it, and identify yourselves as farmers." Here it is. I have not heard these opinions stated in this debate heretofore. I think this House is entitled to it. I read the memorandum they signed. It is good to receive grassroots opinions when it comes from citizens vitally affected by pending legislation.

> Reasons why I am in favor of the administration's farm bill:
>
> 1. It protects and improves the farmer's income.
>
> 2. Will reduce the surplus.
>
> 3. Reduces the cost of the farm program by about $1 billion each year by reducing the surplus and by eliminating additional takeover.
>
> 4. Allows freedom of operation for the farmers due to the substitution of wheat acreage for feed grain acreage and vice versa.
>
> 5. Diverts the low quality wheat into feed grain channels, therefore furnishing high quality wheat for domestic and export use.
>
> 6. Will stabilize the wheat farmer's income by allowing him to apply overproduction of any one year to underproduction of other years.
>
> 7. No alternative, constructive program is available.
>
> WAYNE B. ALLEN,
> *Route 4, McCook, Nebr.; Vice President, Nebraska Wheat Growers.*
> EARL T. MOORE,
> *Arapahoe, Nebr.; Vice President, Furnas County Wheat Growers; Master, Local Grange.*
> GILBERT GEGAS,
> *Hayes Center, Nebr.; County Wheat Growers Association.*

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. Mr. Chairman, I would like to say to the gentleman from California [Mr. DOYLE] that I know all of these gentlemen whom he mentioned. They stopped to see me. We had breakfast with them at the Nebraska breakfast delegation on Tuesday morning, which we have every week while Congress is in session. These fellows came here to sell the entire Congress on this bill. I am glad that they did, because they understand my position firmly. I am against complete compulsion and putting the farmers of the United States under complete bondage, as this bill will, if passed. On that basis, they wanted to visit with every Member of Congress in order to sell the bill, and I would say to the gentleman from California that I am very happy we still have the right to do this.

Mr. DOYLE. And I am very happy they called on the gentleman from California.

Mr. JONES of Missouri. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana [Mr. McSWEEN].

Mr. McSWEEN. Mr. Chairman, there has been a great deal of concern expressed about the feed grain section of this bill, and what would happen if the program were not adopted in the referendum. Statements have been made to the effect that if the referendum did not carry, the farmers would be faced with a hammer over their heads in the sense that the Secretary of Agriculture, under the terms of this bill, or, rather, the Commodity Credit Corporation, would be authorized under the terms of this bill to release for unrestricted use 10 million tons of surplus feed grains.

Mr. Chairman, this is a misleading criticism, in my opinion. But, nevertheless, I have an amendment which I think will clarify this point. Under the basic legislation of the Commodity Credit Corporation, that corporation has the authority at all times to release for unrestricted use surplus stocks at 105 percent of the support price, plus reasonable carrying charges. Now, in view of the fact that the feed grains section provides that in the event the program is not adopted in the referendum there would be no support price then under those circumstances, the Commodity Credit Corporation would have the authority to release, if it wanted to, all of the surplus stocks of feed grains. So the provision in the bill restricting the release to 10 million tons is, in effect, a restriction because there are on hand at the present time some 67 million tons of surplus stocks of feed grains.

Mr. Chairman, my amendment, which I propose to offer at the proper time, would provide a change in the situation in the event the referendum did not carry. It would provide that the Secretary would have the authority to set price supports for feed grains at such level, not to exceed 50 percent of parity price therefor, as the Secretary determines appropriate, after the consideration of the factors specified in section 401(b), and will not result in a material increase in CCC stocks of feed grains. It provides further that the CCC may sell for unrestricted use from its stocks during the marketing year not to exceed 200 million bushels of wheat, at not less than 2 percent above the current support price for such commodity, plus reasonable carrying charges. This, then, will be an insulation to some extent of the surplus stocks from the markets so that there would not be this threat hanging over the farmers in the event that they did not adopt the program in the referendum. This, I think, would give the feed grain farmer a fair and reasonable and an equitable choice in the referendum.

Mr. Chairman, if I could obtain the attention of the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], I would like to comment with regard to the issue raised about cross-compliance. There have been some criticisms about this bill with regard to cross-compliance.

On page 46 of H.R. 11222 we find:

> (5) a "cooperator" with respect to any crop of feed grains produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe.

This means, to get the price support for feed grains a producer may not exceed his allotment. However, a producer may exceed his feed grains or wheat allotment without losing the price support for other allotted crops.

I think this will clarify any question anyone has with regard to what cross-compliance is as it is affected by this bill. In other words, if he does violate his allotments with regard to other support crops he would not get feed grains or wheat supports, but it does not work the other way around.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. ANDERSEN].

Mr. ANDERSEN of Minnesota. Mr. Chairman, last February 14 the Secretary of Agriculture appeared before our Subcommittee on Appropriations for the Department of Agriculture. On page 111 the record shows I asked him these questions:

> Mr. ANDERSEN. Now, last week, Mr. Secretary, you rightfully—I say "rightfully" because I believe the present feed grain program has made quite a stride—you brought to the attention of the subcommittee the accomplishments of the feed grain program now in affect.
>
> Secretary FREEMAN. Yes, sir.
>
> Mr. ANDERSEN. And you really feel it has done a good job, do you not?
>
> Secretary FREEMAN. Yes; I think the feed grain program has met each of the targets we set when it was presented to the Congress a year ago.
>
> Mr. ANDERSEN. I am very much inclined to agree with your statement that the feed grain program as presently operated meets with the approval of the average farmer and has done considerable good. But if that is the case, why should we upset the applecart for the next crop year and change the program to any extent? In other words, try to convince me if you can. Here, we have a fairly good program working, and I think in

> the long run it will do what we are aiming to do, and that is to get rid of some of this surplus and at the same time cut down the cost to the taxpayers.
>
> I think it has met both criteria so far or will meet it in the foreseeable future, but why change?

Mr. Chairman, I think we should support the Hoeven substitute tomorrow as a good solution to this problem.

**Mr. HOEVEN.** Mr. Chairman, I yield 2½ minutes to the gentleman from Vermont [Mr. STAFFORD].

**Mr. STAFFORD.** Mr. Chairman, a funny thing happened when I got back to the office last night. I found a letter on my desk from the Secretary of Agriculture. Now the Secretary and I used to be colleagues in the Governors' conference, and as such we met quite often. But I have been down here 18 months now and this is the first time the Secretary has personally remembered me.

Moreover, he wrote me that he thought only a few Republican leaders were opposing making him czar of America's agriculture and they were acting just for opposition's sake. This surprised me because all of the mail I have received from home and all of the people I have talked to in Vermont have voiced strenuous objections to H.R. 11222.

Mr. Chairman, if this bill passes we will have surrendered the business freedom of the American farmer. We will be living in an agricultural dictatorship subject to regulation and regimentation at the discretion of the Secretary of Agriculture.

Vermont is a major producer of dairy products. We have been especially proud of the fact that the dairy farmers of our State prefer to work out their own problems. They have voluntarily subscribed to funds for advertising their products in the northeast milk markets. They have worked diligently to produce extremely high quality fluid milk.

They can continue to expand their markets and increase the efficiency of their production if the Government will stay out of further invasion of their business freedom.

They do not want this legislation to establish quotas based on 1961 production as a basis for paying them up to $2.50 per hundredweight for voluntarily reducing marketings from 10 to 25 percent. They recognize this for what it is, a lacteal Mickey Finn. They know that if they are foolish enough to partake of this program, the administration hopes these knockout drops will waft them to sleep long enough to take the next step—the imposition of controls over milk production and the exaction of penalties for production in excess of the 1961 base quota.

Mr. Chairman, Vermont farmers prefer to work out their own destiny. They do not want a bribe of taxpayers' money to produce less milk. They want to be sure of the opportunity of selling more milk in the future—if they can develop an expanded market.

They want to be able to raise silage corn on their own farms for their own cattle without dictation from Washington.

Why penalize the family size farm? Let us not put the dairy farmer in a straitjacket. I hope this bill is defeated.

**Mr. CLANCY.** Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

**Mr. CLANCY.** Mr. Chairman, we have under consideration today H.R. 11222, and I rise at this time in opposition to this proposed legislation. This legislation moves further in the direction of more and more control of American agriculture. The bill is restrictive and impractical, and will result in drastic regimentation of the farmers of this Nation.

This measure is the administration's plan for expanding the power of the Federal bureaucracy over American agriculture and further destroys the rights of farmers to use and enjoy their farms in a manner consistent with American principles.

I am of the firm opinion that the administration's plan to completely dominate and control agriculture is unwise and will eventually result in hardships to the farmers and consumers of this country.

The program as set forth in this bill will call for additional sums of money from the Federal Treasury and thus add to the burden already carried by the taxpayer.

This program by its very nature adds a considerable amount of money to the cost of wheat that is produced on our farms and ultimately paid for by the housewives and consumers throughout the Nation.

The bill contains several provisions for mandatory bureaucratic control over the production of corn, wheat, oats and other commodities, and provides for the first phase of controlling dairy production.

The objections to H.R. 11222 are many. Price supports are continued in this bill and more stringent controls are provided as to what can be grown and who may grow the various products of our agriculture.

I share the view that our system should recognize the individual farmer and his right to enjoy the fruits of his labor under the free enterprise system, and that our policy should move more and more away from control and regimentation of agriculture.

**Mr. HOEVEN.** Mr. Chairman, I yield the balance of my time to the gentleman from Iowa [Mr. KYL].

**Mr. KYL.** Mr. Chairman, we have the unusual legislative situation in which we find ourselves working on a bill which meets almost universal disapproval—an idea born of frustration and yet being sold with great zeal. This is what happens when a man's fancy gets astride on his reason; when imagination is at cuffs with the census; and common understanding, as well as commonsense, is kicked out of doors.

This legislation offers feed grain farmers of the Nation a chance to vote. If two-thirds of the farmers did not accept the franchise system of agriculture, there would be no Government program whatsoever. The chairman of the committee has said that this would cause a chain reaction which would veritably destroy the farm economy and the economy of the entire Nation. There is good evidence that this program would not be adopted and that there would be an immediate cutoff of Federal programs. Assuming that the chairman of the committee is correct—that this cutoff would mean a depression for the entire Nation—are you then willing to vote for a bill which could, and probably would, have this effect? Now there has been an intimation that if farmers voted against this program, they would be selfish. If this is selfishness, then I thank God for it. I am thankful that there are still people in the United States who prize freedom and the American way of life enough to resist the siren call of governmental largess.

All of us would prefer a free, unsubsidized agriculture, and we would work for establishing a healthy economy in agriculture in any way possible, but we have been warned here that the taxpayers will no longer subsidize the farmer in spite of the fact that this farmer has been the bright and shining example of the superiority of our governmental and economic system as contrasted with that of the Soviet and other Communist nations. I believe Mr. Khrushchev would gladly trade many missiles and many military secrets for a few of these farmers who have been called selfish by some proponents of this legislation.

Yes, we have been warned that the American people will no longer contribute to the welfare of agriculture. I would assume then that in the interest of fairness that we would also bring to the floor legislation which would remove Government assistance to all other segments of the American economy which now receive subsidies—the shipping industry, the railroad industry, the printing industry, and all the rest who receive helpful subsidies from the Government.

The American farmer is being warned that we are no longer going to tolerate this payment to him. Yet, we will continue through legislative action next week to subsidize, without any controls, and in many instances without even guidelines, farmers and businessmen and governments on foreign soil. The other body recently tried to remove a subsidy—if you want to call it that—to Communist nations of the world, only to march back downhill at the insistence of our leaders, recalling their previous action and saying no, we cannot cut aid to these Communist nations; we must take a chance. And shortly after we get this foreign aid legislation, we will have a bill before the House to provide freer trade; and the bill includes many, many pages designed to give relief to industries and to employees of industries which are injured by the impact of imports and, so far as I know, the bill does not even set a maximum limit on the funds which will be taken directly from the Treasury to subsidize the injured industry and the injured employee. And this is significant for two reasons: First, one can make a very valid case supporting the thesis that if it were not for imports of meat products, there would be no surplus of feed grains.

In the case of oats, barley, and rye, the United States has consumed more than it has produced, but the surplus grows because of imports. What I am saying is that the farmers have been injured by imports and the subsidy that they have received can logically be charged to that impact.

I said the farmer has received a subsidy.

Actually, through the control of prices, it is the consumer who has received the subsidy; and I submit that the consumer has saved more in groceries than he has paid in taxes to support the program. But I said there was a second factor in this import situation. Even the most ardent supporters of that trade bill readily agree that midwest agriculture will have to carry the burden of the freer trade because of Common Market agriculture policies.

This is only one thing we heard on this floor yesterday about the unreasonableness of farmers. The chairman of the subcommittee stated that farmers should expect the same kind of controls which interstate carriers must face. Thus, he told the American farmer: you are a public utility. Ignoring economic facts of life, ignoring the differences between public utilities and other phases of our economy, he said you must expect stringent controls. Now this kind of talk by responsible committee leaders in the House can do little to inspire confidence in independent businessmen throughout the Nation, whether they be farmer or merchant or manufacturer. What does this administration intend to do with business? To the farmer we say you are a utility and must be regulated as such. No consolation here for the workingman because if the Government is going to make the stringent regulations, there is no purpose in a union for there can be no collective bargaining. No, this is not simply a farm problem.

Let us look at some of the other things we were told yesterday. The gentleman from North Carolina tells us of the glories of the control program on cotton and tobacco. And about how well these things had worked in his own State, and this is worth a second look. I spoke this week with a North Carolinian who said that his cotton allotment had been cut again and again and again until he could no longer make a living on the farm. He pointed out that where they had had more than a dozen cotton gins in his little area a few years ago, there was now only one, and it was in trouble. And when these gins closed, there were people who were left without work. But there is another factor he forgot to tell you. While they were taking cotton and tobacco out of production in North Carolina, they increased their production of feed grain by 682,000 tons in the 1959 and 1960 crop years alone—682,000 tons. Now when we took an acre of corn out in Iowa, we could not plant cotton and tobacco. These acres are idle. The plain truth of the matter is that the southern farmer has been able to supplement his cotton and tobacco income through production of feed grains and livestock at the same time the original feed-grain producer had his hands tied.

Cotton controls—they were a very fine thing for a while, at least for the boy wonder of the Pecos. They are a wonderful thing for the Mexican cotton farmer. I spoke to one of these fine gentlemen in Matamoris, Mexico, a few weeks ago. I can quote him almost verbatim. He said you are very foolish, but you have been good to us. You have quotas on cotton; we now produce what you do not produce. Our labor is cheap; we make money. We have made your port the biggest cotton-exporting port in the world with Mexican cotton.

Oh, they have said some interesting things here on the floor. I heard the chairman say we cannot have high price supports. You have heard testimony to the effect that there are too many farmers—too many to share the pie—so some must move. This is what the majority calls saving the family farm.

But you have not heard anyone tell you what kind of a quota a farmer will have on feed grains. There was some testimony by experts that the average farmer would be forced to take a 20-percent cut in production. They say the price will be guaranteed, but they will not tell you what that price will be because they cannot tell you. And yet they say a farmer is selfish if he turns down a proposal which will cut his production 20 percent with absolutely no guarantee that his price will be one penny more. Oh, yes, they say there is machinery for appeals. But anyone who has had any experience with this procedure is extremely dubious. Under the law, if you have mined your land from fence to fence, you get a decent acreage allotment. If you have farmed wisely, rotated your crops, tried to prevent surplus production, you are penalized. If a farm boy put his farm in grass, went away to service, or because he was ill, and he comes back, he has no guarantee of any base acreage. Oh, yes, there is an appeal.

What do we offer the farmer who has a normal production of 100 bushels per acre on his 40-acre allotment, but because he has severe weather conditions produces nothing, or half a crop? We have appeals, and these people have told us we have a Secretary of Agriculture who will do a wonderful job of administering the program. But I wish to remark that this is a long-range program to be administered for a long time by many secretaries. So I ask these proponents who have been castigating the previous Secretary of Agriculture, Would you favor this program if that Secretary were now in charge?

How do you know what the next Secretary will like or dislike, or how he will operate? And here again you see, we emphasize government by man rather than government by law. This, too, is frightening. And, finally, we find that the proponents with so little logic to support their views resort to the old political technique of saying if you do not go along with us, if you cannot compromise with us, then you are obstructionists. They assume all change is progress. They assume—as it is so often assumed in these days—that their idea is the one infallible idea. Just as it was last year, and the year before, and the year before, and they choose to forget that they made the same arguments then even though they admit that they were wrong. They want no cooperation; they want no compromise. They want us to play follow the leader and blind man's bluff. They remind us of the man who said he wanted a new car and his wife wanted a new fur coat, so they compromised. She got the new fur coat and they kept it in the garage.

Jonathan Swift, whom I have quoted before, perhaps offered the wisest summary of the situation today, though he said it two centuries ago:

> And he gave it for his opinion, that whoever could make two ears of corn, or two blades of grass, to grow upon a spot of ground where only one grew before, would deserve better of mankind, and do more essential service to his country, than the whole race of politicians put together.

Mr. COOLEY. Mr. Chairman, I yield the remaining time on this side to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I would again call the attention of the House to the fact that the question involved is: How do we deal with the surplus production which the United States is now facing? It is not a question of how we deal with national defense or something else. The question is, How do we deal with the problem which is now before us?

The problem before us involves something more than a quarter of a billion bushels of feed grains for which there is no market which, if placed on the market, would be converted into livestock or livestock products. It is just that simple.

Basically feed grain is always converted into livestock or livestock products when it goes on the market. What are you going to do with the more than a quarter of a billion bushels—actually it is more than a quarter of a billion bushels, it is around 400 million bushels of feed grains every year—for which you have no market? The U.S. Government has been taking it and putting it in warehouses, paying storage on it, and it is still paying storage on it. Are you going to increase the amount which is going into the warehouses each year? Are you going to continue to keep that which is presently in the warehouses?

If you vote against this bill that is what you vote for, because if you kill this bill you are not simply voting that we not pass this measure but you are voting to bring back into operation the discredited Benson program of 1958. I want everybody to understand that—that if you vote this bill down the act of 1958 automatically becomes effective again, and it provides for supports on feed grains to be from 65 to 90 percent of parity on unlimited production.

That means, of course, that the Secretary will probably cut supports down to 65 percent of parity. That is not enough to make agriculture prosperous but it is enough to keep people in the business, keeping them on the starvation level, lowering the level of the U.S. economy, and at the same time building up surpluses at the rate of 400 million to half a billion bushels a year of feed grains on which you have to pay storage.

I understand that our Republican friends over here are going to be able to explain why they voted to continue this unnecessary expense—but I am not, and I am not going to try—I understand they are going to be able to explain because, they say, they have no responsibility, that there is no responsibility on their part except to hold secret meetings to be leaked by some former assistant to the Secretary of Agriculture, in which they agree that there is no responsibility on the Republican Party except to try to embarrass the administration.

This attitude of irresponsibility is in the record. It is in the reports. It is in the findings of the investigating committee. It is in the letter written by Mr. Martin Sorkin. No one has denied it and the record of yesterday and today certainly confirms it.

**Mr. COOLEY.** Mr. Chairman, will the gentleman yield?

**Mr. POAGE.** I yield to the gentleman from North Carolina.

**Mr. COOLEY.** Is that not exactly the position the minority took in our committee, and after the vote was over, and I said so, they had been negative and irresponsible?

**Mr. POAGE.** You did, Mr. Chairman, you pointed that out. We did not at that time know that they had entered into a secret agreement; that they would not offer anything constructive. But we know today and this debate today has proven it beyond any question. You have not heard one word of constructive suggestion. You have heard nothing but criticism. You have heard carping criticisms and you are going to hear more, but you have not heard our Republican friends explain how they were going to stop the buildup of unneeded surpluses.

**Mr. HOEVEN.** Mr. Chairman, will the gentleman yield?

**Mr. POAGE.** I am sorry, I cannot yield, Mr. Chairman.

**Mr. HOEVEN.** Mr. Chairman, a point of order.

The **CHAIRMAN.** The gentleman will state it.

**Mr. HOEVEN.** Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN.** The Chair will count. [After counting.] One hundred and fifty-one Members are present, a quorum.

The gentleman from Texas is recognized.

**Mr. POAGE.** Thank you, Mr. Chairman. This is the third time in 2 days that the minority has done me the compliment of trying to get a quorum to hear what I have to say, and I am delighted that they so appreciate my comments.

Mr. Chairman, we are going to have a substitute offered. We have not seen that substitute. We do not know what is going to be in it except we are promised it will be an extension of the existing temporary law, the law that the leader of the minority voted against just last year—the law they then said was bad.

I just want to point out the utter irresponsibility—now they come up here and talk about responsibility—the utter irresponsibility of a group of Congressmen who will come in here and talk about how they are trying to protect the taxpayer, and then vote against the only program which has been offered to reduce the accumulation of a very substantial and unneeded surplus.

I want to call your attention to one more thing and then I will conclude. It has been charged that these surpluses somehow are needed by the livestock industry. The livestock industry has a greater stake in stabilizing feed grain supplies than any other segment of American agriculture because the minute you produce excessive surpluses of feed grains, you know that sooner or later you are going to have those surpluses converted into surpluses of livestock, and the price of livestock is bound to be reduced just as your feed grain prices are reduced.

I leave you with this thought. Every one of you farmers and livestock producers answer for yourselves. If we can assure you, as the minority program of a return to the Benson Act of 1958 would assure you, that for the next 2 years the price of corn will be down to 50 cents a bushel, then we can assure you that the price of calves will be down to 15 cents a pound. Cheap corn makes cheap hogs, and in just a little longer time, cheap feed makes cheap livestock of all kinds.

The **CHAIRMAN.** The time of the gentleman has expired.

**Mr. HOEVEN.** Mr. Chairman, how does the time stand?

The **CHAIRMAN.** The gentleman from Iowa has 40 seconds remaining.

**Mr. HOEVEN.** Mr. Chairman, it is rather amusing to me to have the gentleman from Texas [Mr. POAGE] make the statement about my vote on the feed-grain bill last year. In my colloquy with the gentleman from Tennessee [Mr. BASS] I stated that I did vote for the conference report on the feed grain bill after section 3 had been eliminated. Therefore, it is incorrect and unfair to charge that I voted against the bill.

I was opposed to section 3 of the bill because it gave the Secretary of Agriculture the authority to dump surplus grain at 17 percent below the support level for corn. The conference committee struck section 3 and thereafter I voted for the conference report. So let us keep the record straight.

I am also interested in an item I just read on the ticker tape as follows:

> The Kennedy administration today set up lobbying headquarters a few feet from the House floor in an attempt to line up votes needed to enact the toughest Government controls ever imposed on grain farmers.
>
> Installed in the headquarters—behind closed doors—were Agriculture Secretary Freeman and President Kennedy's top legislative troubleshooter, Larry O'Brien.

Apparently the White House has moved the rose garden to the Halls of Congress. I understand that majority Members are being called into the "holy of holies" to receive their instructions.

**Mr. WEAVER.** Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Nebraska?

There was no objection.

**Mr. WEAVER.** Mr. Chairman, the House has before it today a bill which is both controversial and essential to the welfare of the country. Much of the controversy has been removed from the bill through amendments. It still, however, contains areas where sincere men can find room for honest disagreement. Before we are through, the House will be asked to cast one of the most crucial votes of the session. I sincerely hope that H.R. 11222 in its present form passes.

H.R. 11222 is by no means a perfect piece of legislation. I don't think we could write a bill which pleases everybody, every farmer, every rancher, every farm organization, or every taxpayer. The man who can devise that piece of legislation can retire and take his place with Solomon and Moses and the great lawgivers of history.

However, in H.R. 11222, we do have a program. We are offering something. We are attempting to fill a void and a vacuum which have existed for far too long in the field of farm economics.

The farmers of today in the great midwestern breadbasket are hurting. They are hurting hard. They have seen their once-prosperous position vanish. They see in their own willingness to work and labor their undoing. Every extra hour spent in the fields means the farmer is drawing just 1 hour closer to destruction. They have the feeling that every extra effort is pushing them closer to doom. In short, they feel that they have embarked on a long fool's errand to extinction.

Americans take great pride in our abundance. One of our great patriotic songs, "America, the Beautiful," makes note of the "amber waves of grain."

And yet this very abundance has come to haunt us. And those who have made this abundance possible are the ones who have been forced to suffer the most for their efforts.

Costs of farming have risen sharply as our production rate has risen. In the years since World War II all of us have suffered from the eroding influence of inflation. But none has suffered as badly as has the American farmer. Industrial workers, officeworkers, Government employees—and Members of Congress—have all been able to meet the rising costs of living through wage and salary increases and adjustments.

While these costs have gone up, and other segments of the economy have been able to cope with them, the farmer has not. His prices received have remained steady or have declined during the postwar years.

Industrial profits have risen. The profits of service companies have gone up. All segments of the economy have shown marked gains, with the sole exception of commercial agriculture.

This is a strange phenomenon since the welfare of the Nation as a whole depends directly on farming. We cannot grow and prosper unless we have a vital, competent and active farm base. New York cannot continue to prosper unless the farmers of Richardson County, Nebr., prosper. Our industrial economy still must have its roots in agriculture or it will collapse.

Additionally, American agriculture is the largest single customer of American industry. Farmers use more petroleum products than do truckers, for instance.

These basic facts must be understood if we are to come to a realistic understanding of the problems of farming—and what those problems mean to a dynamic and growing American economy.

Much has been made by some economists of the fact that our national economic growth rate has slowed down. Could this not be traced, one wonders, to the fact that the very basis for all economic growth—agriculture—has fallen on hard times during the past 15 years and faces such a bleak future.

Our problem in the Midwest is not like that of some other sections of the country. In cotton, for instance, one of the basic problems is that there are substitute fibers developed by chemists which have taken away much of the market. The chemists have not yet found a substitute for bread and meat.

Our product is in demand. The Nation needs food. But where we have run into trouble is in the fact that we can easily, using few people, produce more than enough food for our entire population. Agriculture has become so economic and the return on time and labor in the way of crop production has become so large that we have developed, despite everything, an overabundance of food.

The current situation is by no means new. We have been doing it right along since the end of the war. And during these years many schemes have been proposed and quite a few tried to solve the problem of keeping production in line with demand and income at a reasonably high and stable level.

None of these schemes has worked. We can recall with regret the Benson years when, we were told, a sliding price support—which always seemed to slide down—and acreage reserve or soil bank programs were the solution. The result has been fantastic growth of grain storage elevators throughout the Midwest—and an equally fantastic growth of weeds in the retired acreages.

It has also resulted in rapid growth of the fertilizer industry.

Also these programs have made it possible for the growth of such evil practices as those of one Billie Sol Estes down in Pecos, Tex.

Although the Estes scandal is not in Mr. Benson's lap, the programs he espoused and pushed made Estes possible.

The unpleasant activities of this young man in defrauding his neighbors and mulcting businessmen with whom he had dealings are in themselves bad enough. The fact that he was able to pull off this gigantic fraud and hoax through the use of tax dollars is even worse. It is shocking to know that money which the general public assumed was going to the farmers of the country was actually lining the pockets of a scoundrel like the man from Pecos.

The general public by now is aware of another unpleasant fact. There are literally thousands of nonfarmers who are also benefiting from these Government-sponsored farm programs. They are doing business honestly and do not give in to the gnawing greed as did Estes but they are still making money through these farm programs while the farmers are not.

A great proportion of the money appropriated each year to the Department of Agriculture does not go to the farmers. It goes to the storage people, the elevator operators, and the handlers of grain.

To me, this was the biggest mistake of all past programs, this decision to build up our storage capacity and to pay such high storage rates on grain.

It is my firm conviction that if we are to spend good tax dollars on a farm program, then by rights that money should go to the farmers.

In this bill we have a program which attempts honestly to do just that—to put the money where it belongs, in the farmer's pocket, not that of the storage men and the handlers of grain.

We in the Midwest are particularly interested in two commodities—wheat and feed grains; that is, corn, barley, rye, oats, and grain sorghums. These two categories of commercial grain are treated in this bill in a way in which the farm organizations that serve only these two segments of agriculture themselves want to be treated.

Now, we have heard much during the course of this discussion about this being a shackles placed on the American farmer. We have heard much about it being a bill to steal away his freedom. We have heard about compulsion, and blackmail, and worse.

I would like to point out that the commercial grain farmers involved are under no compulsion in this. There must be a referendum. Two-thirds of the farmers voting must support the program before it can go into effect. This is important. It takes more than a mere majority—a two-thirds majority must approve.

The farms in this way can decide their own fate.

Mr. Chairman, it may surprise some Members of this body to know that the two organizations in Nebraska which represent only wheat and feed grain farmers are both solidly in support of this bill.

I have received not one or two, but a dozen delegations of wheatgrowers in my office. And they have pleaded with me to support this program as being their only hope. I have visited with the wheatgrowers in previous years and have worked with them—and each time it is this program which they have advocated in one form or another.

I have visited with representatives of the Feed Grain Growers Association of Nebraska and they, too, have pleaded with me to support this bill.

I grant you, Mr. Chairman, that I have received mail from the district urging me to oppose this legislation. But the bulk of that mail bears a city street address—not a rural route number.

And none of that mail, and none of those telegrams is as simple and to the point—and as sincere—as one I received last week from a constituent in western Nebraska. The telegram said:

> Vote yes administration farm bill. I am weary of being cussed for overproducing.

Last year when the emergency feed grain program was before the House I heard dire predictions from many that this would be the ruination of the American farmer, that it would not work, and that it would not be supported by the farmers.

I listened to those predictions; but I also listened to farmers themselves and they told a different story. Since this involved farmers, I took their advice and supported that program.

We now find that many of those who in 1961 were extremely opposed to the feed-grain program now advocate that program instead of the present administration bill. They have found that the program does—at least to a limited extent—work. They have found to their surprise a great deal of support for the program. I believe that it will be offered as a substitute for H.R. 11222, and if it is the will of the House that it be written into law instead of the committee bill, I shall, of course, support it.

However, I would like to point out that the emergency program is just that—an emergency program. It is not by any means the solution and it has not worked 100 percent perfectly.

The reason it has not been 100 percent successful in cutting the surpluses and increasing farm income is simply because it is not 100 percent adhered to by farmers. Although the signup under that program has been amazingly large throughout the feed-grain area, there are still many farmers who have chosen not to come under the program.

While the farmers who have cooperated have been cutting back their acreages and cutting their production, those who chose not to comply have planted to the fences and have increased their production. While none of this excess production is supported, in itself, by tax dollars, it is sold on the market.

Now every bushel of corn sold by a noncompliance farmer on the open market diminishes that market by a bushel of corn, and it means that the Government will have to buy, with tax dollars, a bushel of corn from a compliance farmer.

Everyone agrees that if we are to have a price support program of any kind, there must be some control. The argument here is over the degree of control, not the question of control itself.

The farmers who have been growing tobacco, peanuts, rice, and other products for quite some time supported a tighter degree of supply management than the grain farmers have had available to them. They have been able to live and prosper with these programs and some of the groups and individuals who most bitterly attack the present bill would just as strongly support the tobacco and peanut provisions of existing law and would violently oppose any changes.

It would seem to me, Mr. Chairman, that this legislation involves the old cliche about having cake and eating it too. We cannot have price supports and permit at the same time reckless and irresponsible production of crops already in surplus. We have tried that and it has resulted only in a drain on the Treasury, a burden to the taxpayers and potential disaster to the farmers of the American breadbasket.

If we are to have any form of price support at all, we must control production through a supply-management system. The two go hand in hand.

The question, in essence, before the House today is not a question of controls versus no controls; it involves the question of survival of American grain farmers and the industries which depend upon those farmers. The alternatives are not complete freedom versus regimentation—although that is the emotional rallying cry of those opposed to this bill. The alternatives are a healthy, vigorous and growing farm economy versus complete chaos.

The warning has been issued and it ought to be repeated, chaos in agriculture will create a completely bankrupt American economy. If we permit our farmers to go under, our great industries will follow, and with them, our urban population.

Our choice this week is between a sound supply-management program—and disaster.

Mr. COOLEY. Mr. Chairman, when hearings were being held by the House Committee on Agriculture on the bill now under consideration, many presidents and other executives of private power companies, across the country all the way from Colorado to Alabama, appeared before the committee and testified and complained that REA had approved many ill-advised and unwise loans which resulted in unfair competition to privately owned power companies.

These officials further complained that applications for REA loans by electric cooperatives were shrouded in secrecy, and they further testified that privately owned power companies, in many instances, were prepared to provide and furnish electric power in the areas affected at a much lower cost than such power could be provided by REA-operated generating plants. At the time these officials of privately owned power companies appeared there were provisions in the bill dealing with REA.

In executive session all provisions of the bill then under consideration relating to REA were stricken out. Since much time had been consumed and many complaints had been submitted and considered and especially so much had been said about secrecy in star-chamber sessions, I felt that something should be said in our committee report concerning the matter.

Frankly, Mr. Chairman, I do not believe in star-chamber sessions and secret meetings when public funds and functions are being considered. So, I prepared an amendment which if adopted would have provided for open hearings on all applications for REA loans—hearings which would have required REA to make full disclosure of all pertinent information in each application for an REA loan.

Upon further consideration, and after a discussion of the amendment with the Administrator of REA, Mr. Norman Clapp, and after submitting the proposed amendment to Mr. Clyde Ellis, general manager of National Rural Electric Cooperative Association, and after a discussion of the matter with REA officials in my own home State, and after obtaining their views, I decided not to propose the amendment.

After I had drafted the amendment, I first submitted it to Mr. Ellis and asked him to consider it and give me the benefit of his views. I then delivered it to Mr. Clapp in the committee room and requested him to consider it and to give me the benefit of his views. As I have said, after these discussions and after I had received the views of Mr. Ellis and Mr. Clapp and others, I decided not to offer the amendment.

I concluded that it would not be wise and it would not be well for us to force REA to disclose to private power companies technical and engineering information, studies, research and conclusions which REA had, at its own cost, obtained. This would give the power companies a decided advantage and would enable the private power companies to underbid REA and thereby handicap the operations of the Rural Electrification Administration.

After the committee report was filed, officials of REA seemed to be very greatly disturbed. All of this occurred because these officials did not understand fully just what had happened in the committee. On June 15, 1962, I wrote a letter to a very close personal friend of mine, Mr. Walter E. Fuller, executive manager, Tarheel Electric Membership Association, of Raleigh, N.C., and here I submit a copy of that letter:

JUNE 15, 1962.

MR. WALTER E. FULLER,
*Executive Manager, Tarheel Electric Membership Association, Raleigh, N.C.*

DEAR WALTER: I regret that apparently there has been some misunderstanding concerning my views on requiring REA to conduct public hearings and to make a full disclosure of information contained in the application for loans. You will, of course, recall our meeting in my office in Nashville, at which time the matter was discussed at great length. I thought that I made my position perfectly clear at that time. The amendment, copy of which I gave to you was completely abandoned by me and was not offered in the committee nor indeed was any other amendment relating to public hearings considered by the committee. One amendment was offered but I ruled it out on a point of order.

Since our meeting in my office this morning and since we have further discussed the matter, I concluded that I should write to you and restate my views concerning the important subject of public hearings by REA.

On the question of public hearings by REA on applications for loans for electric generating plants, I have said and I repeat that I do not think REA should be required to hold public hearings which would require REA to make available to private power companies information which REA has, at its own expense acquired, concerning engineering studies and research and reports.

Before asking a loan to a rural electric cooperative for an electric generating plant, I think the REA Administrator should be convinced that private power companies have had an opportunity to offer to provide the power to the rural electric cooperative under a wholesale contract and if the REA does not make a generating loan it should require and determine first, that the loan is necessary in order to assure a rural electric cooperative of adequate and dependable low-cost source of power; second, that engineering studies indicate that the rural electric cooperative can generate its own power cheaper than it can be purchased on a wholesale contract from a private power company; and third, the Rural Electrification Administration should determine that generation and/or transmission facilities are necessary to protect the security and effectiveness of a REA-financed system and assure the rural electric cooperative of a continuing and dependable source of wholesale power sufficient to serve all the needs, loans and requirements of its members.

It is, of course, entirely appropriate and proper for rural electric cooperatives to make loans to its members for the purchase of electric wiring, appliances, water systems, milk equipment, electric crop drying and processing equipment, since those items are part of the normal electric appliances and equipment of its members and contribute to a better rural living for its members, add to the use of electricity, strengthen the rural electric cooperative financially and help assure funds with which to repay REA loans provided by Congress.

As the need for electric power increases in rural areas in which REA cooperatives are operating, it is, of course, appropriate for REA to make loans for economic and community development in such areas.

With kind personal regards and cordial good wishes, I am,

Sincerely yours,
HAROLD D. COOLEY,
*Chairman.*

After some controversy arose over statements contained in the report on the farm bill, I submitted the language of the report to the House Committee on Agriculture and the language in the report was unanimously approved.

Mr. Chairman, I am not aware that any committee report has ever been amended, altered, modified, or changed.

Mr. Chairman, I do believe that when an application for a REA loan is submitted, officials of REA should notify private power companies operating in the area of the application for the loan, of the place and the purpose for which the loan will be used and private power companies an opportunity to present views, conclusions, and proposals concerning service and rates in the area. I have been assured by officials of REA that power companies are given such notice and have always been provided an opportunity to submit their own proposals. I am also assured by officials of REA that applications for loans are not enshrouded in secrecy and that power companies always have been given an opportunity to present their views and contentions.

The CHAIRMAN. The Clerk will read the bill for amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the bill be read by titles.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Food and Agriculture Act of 1962".

Mr. CHELF. Mr. Chairman, I move to strike out the last word and ask unanimous consent to address the House for an additional 5 minutes.

Mr. HOEVEN. I shall not object, but I hope this is not a precedent.

Mr. CHELF. I am sure it is not.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COOLEY. Mr. Chairman, I thought the bill was to be read by title.

The CHAIRMAN. The Clerk read the first sentence. We have not got down to the first title yet. The gentleman from Kentucky has moved to strike out the last word of the first section.

The gentleman from Kentucky is recognized for 10 minutes.

Mr. CHELF. Mr. Chairman, I am intensely interested in this legislation and for good reasons. My old congressional district comprised 17 counties. All 17 were rural, agricultural, and the salt of the earth, good people. In the new redistricting of Kentucky I have a portion of my old rural section plus an additional group of fine counties. Out of the present 19 counties in my new district, 16 are rural and 3 are urban. Just across the river from Cincinnati are the counties of Kenton, Campbell, and Boone, so that approximately one-half of all the nearly one-half million people in the new district live in these three counties. Therefore, I am interested in how this bill will affect both my farmers and my housewives' budgets. I would like at this particular time to address some questions to the chairman of the committee, the gentleman from North Carolina, that I may be able to give absolute, positive, and unequivocal answers for the guidance of all my fine people, both on the farm and in the cities. For the purpose of the record I want to know, is it true that if we do not enact this legislation, we will automatically revert to the old Benson farm program that ran our surpluses from about $2 billion in 1953 to almost $9 billion in 1960, when the present administration took over?

Mr. COOLEY. Yes, we are so assured.

Mr. CHELF. I would like to ask, secondly, this question: Will this program save the taxpayers of America $1 billion a year?

Mr. COOLEY. We are assured that it will.

Mr. CHELF. Is it the purpose of this legislation to apply to grain, wheat, and feed grains the same program that has worked so successfully in the case of tobacco, rice, cotton, and peanuts?

Mr. COOLEY. Exactly so.

Mr. CHELF. The Secretary of Agriculture yesterday—and I sent for him, he did not send for me—he came to my office at my request, and told me that this program on feed grains and wheat would cost the public $600 million less for 1963 crops than the voluntary program now in effect. Is that substantially correct?

Mr. COOLEY. That is the estimate given to our committee by the Secretary of Agriculture. It is somewhere near accurate.

Mr. CHELF. Mr. Secretary Freeman also informed me that if we did not enact a new farm program—and soon—that we would eventually undermine our entire farm program, including our splendid tobacco allotment program that has been such a wonderful success and often used as a model of what can be done for the farmer.

I would like to ask the gentleman from Texas [Mr. POAGE] of the Committee on Agriculture, this question: In response to an inquiry made by me of Secretary Freeman on yesterday, I was informed by him first, that under this bill the 4-year operation savings to the public would amount to $4 billion. Is this true?

Mr. POAGE. It seems to me that is bound to be true. We are reducing the intake of surplus commodities. We have been taking these in at the rate of 400 million bushels of feed grains and approximately a quarter of a billion bushels of wheat every year. If we can reduce that, we can make that saving.

Mr. CHELF. What effect will this bill have on my dairy farmers? We are the milkshed of Louisville. We have Oldham County, Bullitt County, Shelby, Spencer, Hardin, Nelson, and in fact all counties surrounding Louisville, Ky. Again I ask, what effect will it have on my dairy people?

Mr. POAGE. It will give your dairy people the opportunity to reduce their milk production, instead of putting all of it into Government warehouses. At the present time the U.S. Government guarantees your milk producers about $3.10 a hundred for the milk and guarantees it by purchasing the products of the milk; that is, cheese, butter, skim milk, and so forth. It costs the Government about $4.80 a hundred to do that.

Instead of spending that $4.80 a hundred, this bill provides that if your dairymen want to reduce their production by 100 pounds, the Government will pay $2.50, which is a saving to the Government of about $2.30, rather than letting him produce it, then the Government buy the surplus. He will get $2.50 in cash rather than spending $3 to $3.10.

Mr. CHELF. Is it true an amendment will be offered to takes oats out of this bill?

Mr. POAGE. It will.

Mr. CHELF. Is it true an amendment is planned to increase the present exemptions from 25 acres to 40 acres on feed grains in order to take care of the small farmers?

Mr. POAGE. I understand such an amendment will be offered.

Mr. CHELF. I would like to read a letter from one of my fine little dairy and tobacco farmers who resides in Shelby County. The gentleman from Texas has been most helpful and I would appreciate his further cooperation. I read as follows:

> My husband and I operate a 206-acre dairy and tobacco farm. * * * With the high cost of labor and farm equipment, the margin of profit is extremely slim. We raise sufficient corn, oats, and so forth to feed our dairy stock. We raise none to sell. We only meet our own needs. If the agriculture bill on feed grains passes the House, according to law we would be required to cut our corn acreage even though we do not market said corn. Such laws may be desired by many, but for us would be almost fatal.
>
> I ask you to consider such farmers as us when you cast your vote for this proposed Freeman-Cochrane bill.

Mr. POAGE. The lady did not tell us how much corn acreage she has been growing. It may be if she has a 200-acre dairy farm she probably has not exceeded 40 acres of corn, a substantial amount. Certainly 80 acres would be more than you would expect on a dairy farm of that size. If the oat amendment is adopted, and I trust it will be, the probabilities are strong that even with the 25-acre limitation against it, which is in the bill, which will not be cut, certainly 40 acres, which is to be proposed, would not affect her one way or the other. It simply would give her a better price for her milk.

Mr. CHELF. Is it true that an amendment will be offered to exempt silage on its present allocated basis?

Mr. POAGE. Yes.

Mr. CHELF. If we can reduce our present surpluses in an orderly disposition on the market, can we weed out the Billie Sol Esteses that have given our farm program a bad name and created such a stench in the nostrils of the taxpayers?

Mr. POAGE. Of course nobody can tell for certain that we will get rid of other Billie Esteses. The thing that enabled him to do business at such a profit was the storage matter. If we had not produced the huge surpluses he would not have had the opportunity to go ahead as he did. If it were not for the storage program there would not be any opportunity to build these magnificent warehouses that Mr. Estes built. When we stop the accumulation of that surplus grain, there will not be an opportunity for anybody else to get into that field, and under those circumstances you will stop a repetition of that sort of thing.

Mr. CHELF. What effect will this legislation have on the housewife's pocketbook?

Mr. POAGE. I think that this legislation will have about the same effect that legislation of this type always has, and that is to stabilize prices and to keep them as near where they are as we can expect. If we, on the other hand, allow unlimited production, obviously we are going to have great fluctuation in prices. Those things always hurt the housewife; they never help the housewife, because the housewife never gains when the farm price goes down, as we have seen with our experience in wheat. When wheat sold for $3 a bushel, bread sold for 11 and 12 cents a loaf. When wheat sold at $1.18 a bushel, bread sold for 24 cents a loaf. So, we can anticipate with stabilized prices the housewife will not be faced with additional charges that she would have been faced with if we do not pass the bill.

**Mr. CHELF.** Is there any question or doubt in your mind that this bill will not greatly cut down our vast surpluses?

**Mr. POAGE.** There is no question about that.

**Mr. CHELF.** Will it save billions of dollars for the taxpayers?

**Mr. POAGE.** It will, unquestionably.

**Mr. CHELF.** Strengthen the economy of the Nation?

**Mr. POAGE.** Yes.

**Mr. CHELF.** Improve the economy of our farmers?

**Mr. POAGE.** Yes.

**Mr. CHELF.** Help the housewife's budget and give a better break to the little farmer?

**Mr. POAGE.** Yes.

**Mr. CHELF.** Last but not least, does this legislation give our farmers the right in a referendum in August to vote to adopt or to completely reject this entire plan?

**Mr. POAGE.** It does, indeed, and it requires two-thirds of the farmers voting to vote in favor of it before you can have any controls under this bill. Anybody who believes sincerely that the farmers are opposed to this kind of regulation certainly would want to give them a chance, because it will take two-thirds before you can impose any kind of regulations.

**Mr. CHELF.** I know this type of program has worked very well indeed with our tobacco farmers. It took a lot of courage on their part to ask the Congress to cut their acreage and their tobacco bases, but all of us who have the honor to represent our tobacco farmers knew that it had to be done in order to save the entire tobacco program, no matter how distasteful and how difficult it was at the time. Thank Heaven we came in and voluntarily asked this House and the other body that our allotments be cut because we have about whipped the dreaded nightmare of our surpluses. As a result, our tobacco farmers today are producing less and receiving far more than ever before in cash at the tobacco auctions each year. I sincerely trust that we have the courage to give the farmer and the complete farm program an opportunity to at least vote it up or down. If certain amendments are adopted to this legislation, I believe that I can support it. Again let me thank my friends from North Carolina and Texas for their most intelligent and honest views.

**Mr. GROSS.** Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Gross moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

**Mr. GROSS.** Mr. Chairman, I would like to get into this question-and-answer act for just a minute, and I would like to address a question to the gentleman from Texas [Mr. Poage]. Incidentally, I do not have a long list of prepared questions such as we have just heard. I would like to ask the gentleman: Do I understand that you are a farmer?

**Mr. POAGE.** You understand that I am a windshield farmer, Mr. Gross.

**Mr. GROSS.** And there are other farmers, as I understand, who have spoken on this bill, who are engaged in operating farms. There have been several, have there not?

**Mr. POAGE.** Those who are engaged in producing feed grains will have the opportunity to vote on the feed grain referendum and those who are producing wheat will have the opportunity to vote on the wheat referendum.

**Mr. GROSS.** And it is your contention that this bill will increase the income of farmers; is that correct?

**Mr. POAGE.** I think the bill clearly increases the income to farmers, because if you do not have this bill, you are going to have the Benson bill, and you know what that means.

**Mr. GROSS.** I would like to call the attention of the gentleman from Texas [Mr. Poage] and other farmers who have spoken on this bill, to rule VIII of the House of Representatives:

> Every Member shall be present within the Hall of the House during its sittings, unless excused or necessarily prevented; and shall vote on each question put, unless he has a direct personal or pecuniary interest in the event of such question.

Mr. Chairman, I yield back the balance of my time.

**The CHAIRMAN.** The question is on the preferential motion offered by the gentleman from Iowa [Mr. Gross].

The motion was rejected.

**Mr. BASS of Tennessee.** Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

**The CHAIRMAN.** Is there objection to the request of the gentleman from Tennessee?

**Mr. HOEVEN.** Mr. Chairman, I served notice that I would object, and I am compelled to object.

**The CHAIRMAN.** Objection is heard.

The Clerk will read.

**Mr. FINDLEY.** Mr. Chairman, a parliamentary inquiry.

**The CHAIRMAN.** The gentleman will state it.

**Mr. FINDLEY.** Mr. Chairman, would it be in order to offer an amendment at this time to title I?

**The CHAIRMAN.** The Chair will state to the gentleman from Illinois that such an amendment would not be in order until title I has been read. I might remind the gentleman from Illinois that the bill will be read by title.

The Clerk read as follows:

### TITLE I—LAND-USE ADJUSTMENT

Sec. 101. The Soil Conservation and Domestic Allotment Act (49 Stat. 163), as amended, is further amended as follows:

(1) by repealing subsections (b), (c), (d), (e), (f), and (g) of section 7;

(2) by repealing subsection (a) of section 8;

(3) by amending the first sentence of subsection (b) of section 8 of said Act, as amended, by striking out the language "Subject to the limitations provided in subsection (a) of this section, the" and inserting in lieu thereof the word "The"; and

(4) by adding a new subsection at the end of section 16 of said Act to read as follows:

"(e)(1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed fifteen years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out on any lands owned or operated by them for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance, in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary.

"(2) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

"(3) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

"(4) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

"(5) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection."

Sec. 102. Section 31 and subsection (e) of section 32 of title III of the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, are amended to read as follows:

"Sec. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the more economic use of lands and the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, providing public recreation, preserving natural resources, protecting fish and wildlife, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

"Sec. 32. To effectuate the program provided for in section 31 of this title, the Secretary is authorized—

"(e) to cooperate with, enter into agreements with, or to furnish financial or other aid to, any Federal, State, territorial, or any other agency, governmental or otherwise, in developing and carrying out plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

Sec. 103. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(1) Paragraph (1) of section 4 of said Act is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That when a local organization agrees to operate and maintain any reservoir or other area included in a plan for public fish and wildlife or recreational

development, the Secretary shall be authorized to bear not to exceed two-thirds of the costs of (a) the land, easements, or rights-of-way acquired or to be acquired by the local organization for such reservoir or other area, and (b) minimum basic facilities needed for public health and safety, access to, and use of such reservoir or other area for such purposes: *Provided further,* That the Secretary shall be authorized to participate in not more than one recreational development in a watershed project containing less than seventy-five thousand acres, or two such developments in a project containing between seventy-five thousand and one hundred and fifty thousand acres, or three such developments in projects exceeding one hundred and fifty thousand acres: *Provided further,* That when the Secretary and a local organization have agreed that the immediate acquisition by the local organization of land, easements, or rights-of-way is advisable for the preservation of sites for works of improvement included in a plan from encroachment by residential, commercial, industrial, or other development, the Secretary shall be authorized to advance to the local organization from funds appropriated for construction of works of improvement the amounts required for the acquisition of such land, easements or rights-of-way; and, except where such costs are to be borne by the Secretary, such advance shall be repaid by the local organization, without interest, prior to construction of the works of improvement, for credit to such construction funds."

(2) Clause (A) of paragraph 2 of section 4 of said Act is amended to read as follows: "(A) such proportionate share, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs, of the costs of installing any works of improvement, involving Federal assistance (excluding engineering costs), which is applicable to the agricultural phases of the conservation, development, utilization, and disposal of water or for fish and wildlife or recreational development, and".

Sec. 104. Section 2 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended by striking out "more than five thousand acre-feet of floodwater detention capacity" and inserting in lieu thereof "more than twelve thousand five hundred acre-feet of floodwater detention capacity".

Sec. 105. Clause (B) of paragraph 2 of section 4 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"(B) all of the cost of installing any portion of such works applicable to other purposes except that any part of the construction cost (including engineering costs) applicable to flood prevention and features relating thereto shall be borne by the Federal Government and paid for by the Secretary out of funds appropriated for the purposes of this Act: *Provided,* That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8, the Secretary may pay for any storage of water for anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act not to exceed 30 per centum of the total estimated cost of such reservoir structure where the local organization gives reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further,* That the local organization shall agree prior to initiation of construction or modification of any reservoir structure including such water supply storage to repay the cost of such water supply storage for anticipated future demands: *And provided further,* That the entire amount of the cost paid by the Secretary for such water supply storage for anticipated future demands shall be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for water supply purposes, except that (1) no repayment of the cost of such water supply storage for anticipated future demands need be made until such supply is first used, and (2) no interest shall be charged on the cost of such water supply storage for anticipated future demands until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

Sec. 106. Section 5 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows:

"Sec. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided,* That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further,* That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure.

"(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed $250,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

"(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of $250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes reclamation or irrigation works or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

"(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army."

Sec. 107. The last proviso of section 7 of the Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended to read as follows: "*Provided further,* That in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented, the Secretary of Agriculture is authorized to prosecute additional works of improvement for the conservation, development, utilization, and disposal of water in accordance with the provisions of section 4 of this Act or any amendments hereafter made thereto".

Mr. COOLEY (interrupting reading of title I). Mr. Chairman, I ask unanimous consent that title I be considered as having been read and open for amendment at all points.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McSWEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. McSween: On page 2, line 24, insert after the word "them" and before the word "for" the following: "and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act)".

Mr. McSWEEN. Mr. Chairman, this is actually a minor perfecting amendment. Its only purpose is to restrict the purpose of section 101 of title I to the promoting of conservation and economic use of land with regard to land that is regularly used in the production of crops. This is in keeping with the theory of the legislation to reduce the surplus production.

Mr. Chairman, I ask that the amendment be accepted.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Arkansas.

Mr. HARRIS. Do I understand that under the gentleman's amendment the authority of the Secretary will be applicable only to those lands that are in cultivation of these particular crops insofar as the agreements are concerned for land use purposes?

Mr. McSWEEN. The gentleman is correct.

Mr. HARRIS. If the gentleman will yield further, in other words, if the land has not been cultivated in these particular crops; that is, wheat or feed grains, corn, barley, and so forth, then the Secretary cannot agree to pay them for a different use; is that true?

Mr. McSWEEN. As the amendment says, this will include crops; also tame hay, alfalfa, and clovers which do not require tillage, and include lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act.

Mr. HARRIS. If the land has been laying out, he cannot enter into an agreement with him?

Mr. McSWEEN. That is right.

Mr. COOLEY. Mr. Chairman, I cannot speak for the committee, but personally I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. McSWEEN].

The amendment was agreed to.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Chairman, once again, we are weighing the important question of what long-range legislative changes are needed in 1962 to keep our American system of agriculture the best in all the world.

I have been alarmed over the past decade at the inability of some people to understand the urgency of bringing about a reasonably effective management of our ever-increasing farm productivity. I say to you, if we do not act now to solve this problem, we are endangering the whole structure of family farming in America.

It is to me a sad fact that there are those among us who seem to attach no particular importance to the question of whether the family farm survives or not. They are so lacking in their sense of history that they are willing to give up this basic pattern of farm life which has contributed so much to the true free enterprise character of our American economy, and so much to the building of a rugged, self-reliant, free people.

They seem to have no insight or appreciation of what is happening to agriculture or its meaning to the millions of people whose way of life is family farming, or its implication for the stability and the destiny of our Nation.

Mr. Chairman, unless we act now to pass this long-range legislation, we will wake up some morning and find that the family farm has been replaced by a vertically integrated corporate system of agriculture in which the man who once tilled his own soil will have become a landless, seasonal migrant worker.

To continue patchwork and temporary programs only prolongs the problem and discriminates against the thousands upon thousands of farmers who are conscientiously attempting to work with the Government in achieving a realistic balance between supply and demand.

We made some progress in 1961, but it is far from being enough. There are still millions of farm people in serious economic condition, and they cannot hang on forever. It has been well said that for several years the family farmer was fed a daily diet of hopelessness. His demonstrated ability to protect our Nation from hunger was rewarded with misunderstanding and economic distress. Greater success often brought greater distress.

Mr. Chairman, to make matters worse, the family farmer was then told if he could not make a decent living under those circumstances, he could get out. He should become efficient, he was warned, or uproot his family and head for the city.

Efficient he should become. And the more efficient he became, the more he fell behind in relation to the economic position of other groups.

Farmers have tripled their output per man-hour since 1940—yet this increase in efficiency has been accompanied by a steadily declining income.

Output per man-hour on farms has been rising almost three times as fast as it has in industry. The farmer's buying power, however, has declined to the point where 1 hour's work will earn only a third as much as most other Americans. Yet he has to pay the same price for the same food, clothing, and other necessities for his family.

The farmer has raised his productivity to the point where he was able in 1961 to feed himself and 27 others, compared with himself and about 10 others in 1940, and himself and about 14 others in 1950. Yet his economic position has kept slipping, and in 1960 he was working for an average of 82 cents an hour, compared with $2.29 in industry.

Mr. Chairman, the farmer, instead of benefiting from rising efficiency with improved income and living standards, has been driven off the land in ever-increasing numbers. The movement of farm people to urban areas has been one of the major trends in our Nation's history. Net migration from the farm to the nonfarm population totaled 6 million in the 1920's, over 3.5 million in the 1930's, and over 9 million in the 1940's. It averaged more than 800,000 per year in the 1950's.

The primary beneficiary of the rapid increase in production efficiency has not been the farmer; rather the benefits have gone largely to others who are not farmers. So it is apparent that efficiency alone is not the answer; increased efficiency must be tied with a reasonable means of adjusting production and price.

Finally, on top of all this the farmer has been subjected to a great deal of unjustified criticism. He has been scolded unfairly as a burden to the taxpayer, and blamed unfairly for the high cost of living. This latter accusation has a special irony in a land that has never known famine and where food is really a bigger bargain than ever in history.

Mr. Chairman, I appeal to my colleagues to give American farmers the tools by which they can manage their abundance; tools which will bring to rural America the prosperity that it has so long deserved.

Let us pass this legislation. Let us give the farmer the chance to look to the future with renewed hope and confidence that his good, free way of life may yet survive.

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 3, line 1, immediately before the word "recreation" insert the word "nonsegregated"

And page 3, line 9, after the word "Secretary" change the period to a colon and insert the following: "*Provided*, That the Secretary shall neither make payments, nor furnish materials and services, nor provide any other assistance to any farm or ranch owner or operator for the development of recreation resources unless (1) he finds that any recreation facilities established under this Act will be available for the use and enjoyment of all persons, regardless of race, creed, or color on a nonsegregated basis, and (2) such farm or ranch owners and operators agree to maintain and operate such recreation facilities on a nonsegregated basis."

Mr. FINDLEY. Mr. Chairman, so much attention has been directed to the feed grains and wheat sections of this bill, that many people are unaware of the broad scope of Federal spending this bill would launch for recreational facilities, both publicly and privately owned. It would authorize spending for recreation under four existing acts of Congress. When I first read the language of this title I, I was curious as to who would be entitled to use these federally aided facilities. I directed a question in the Committee on Agriculture to Mr. Gladwin E. Young, the Deputy Administrator of the Soil Conservation Service. I asked him whether the recreational facilities would be established under policies which would prohibit segregation. He said:

> I think that we have not worked it out specifically in that respect.

Then later on before the Committee on Agriculture I directed the same question to Secretary Freeman and got a similar, very evasive answer. Still later I directed a question to the White House, thinking that surely the man who was so outspoken in behalf of civil rights in the campaign for the presidency would not hesitate to clarify the fundamental right of every taxpayer regardless of his color to equal access to federally aided facilities. The response I got from one of his assistants was that the matter was before congressional committees and before the Congress, and I would be hearing from the Department of Agriculture later on. Well, I had already heard from the Department of Agriculture and the answer was evasion. It seems incredible to me that it should be necessary to spell out in the language of the bill this fundamental right of equal access to federally aided facilities. But so it is.

That is my reason for presenting this amendment to clarify the right of all Americans, regardless of race, to have equal access to federally aided facilities. This will give each of us who really believes in civil rights the opportunity to stand up and be counted.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to call the attention of the House to this splendid example of responsibility and of leadership, this splendid example of how the minority recognizes its responsibility to work out an agricultural act. Here is an amendment that has fully as much relation to agriculture as the Einstein theory has to the practice of law. It is so closely related to agriculture that I am sure you will all understand from a reading of the amendment that the gentleman from Illinois must be deeply concerned for the welfare of his farmers and that he is making a fearless fight to protect their income. He could hardly think of an amendment which would have a closer relationship to farm income or a more effective way to stop the buildup of surplus stocks.

It has no effect on this legislation one way or the other. The Supreme Court has already passed on these matters. This amendment has not a thing in the world to do with anything except the pure politics of the matter. The hope of course is that somehow or other he will sow the seeds of dissension over here on our side. He heard the fire alarm, so he comes running with a can of gasoline in each hand. Surely nothing could be more helpful—especially to Illinois farmers.

I just ask you, who has been playing fair with you? Several times I have told you that our friends on the minority have held a secret meeting in which they agreed that they had no responsibility for working out a farm program but that their only purpose would be to try to embarrass the administration. Are they now trying to work out a farm program or are they trying to embarrass the administration? You guess.

I submit that this amendment has nothing whatsoever to do with a farm program, but I believe it does fit very clearly into the pattern which Mr. Sorkin described of trying to embarrass the administration on every occasion.

**Mr. GROSS.** Mr. Chairman, will the gentleman yield?

**Mr. POAGE.** No, I would not think of yielding, because I might somehow or another disrupt this well laid plan that the gentleman has devised for trying to create dissension.

I want to call my friend's attention to the fact that this has not a thing in the world to do with this bill, not a thing in the world to do with agriculture. The decision has already been made that this does not change or add to or subtract from anybody's rights, but there is a faint hope that this might in some way be disruptive of the Democrats. I do not believe my colleagues are going to fall for this kind of bait.

**Mr. GROSS.** Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from Texas, Mr. POAGE, asked what this amendment has to do with this farm bill. It has as much to do with the farm bill as do golf courses, swimming pools, ski rides and what have you. If you are going to put a so-called recreation provision in a farm bill, then you ought to be ready, willing, and able to accept a perfecting amendment.

**Mr. FINDLEY.** Mr. Chairman, will the gentleman yield?

**Mr. GROSS.** I yield to the gentleman from Illinois.

**Mr. FINDLEY.** I think the gentleman might also be interested in knowing that this so-called farm bill even provides for sewer systems. I realize it is rather strange that we are bringing up civil rights in a farm bill, but this is a bill that has civil rights brought into it by the nature of the language itself. Title I provides for recreational facilities. As I have just enumerated, the administration itself is obviously unwilling to face up to the question as to whether these facilities will be available to all Americans.

**Mr. GROSS.** Is the gentleman suggesting that the bill as introduced properly belongs in the sewer system?

**Mr. BRUCE.** Mr. Chairman, will the gentleman yield?

**Mr. GROSS.** I yield to the gentleman from Indiana.

**Mr. BRUCE.** I would simply like to comment that in the time I have been in the House of Representatives I have never been so offended by a roundabout attack on a colleague as I have at the moment. The gentleman from Illinois is, as was pointed out earlier by a gentleman on the other side, dedicated in his consistency. We happen to believe in civil rights on this side. Federal funds for recreational facilities are included in this bill and the gentleman from Illinois has offered a valid amendment.

**Mr. LATTA.** Mr. Chairman, I move to strike out the last word and rise in support of the Findley amendment.

Mr. Chairman, I would like to say I have always supported civil rights both in my talk and by my vote. I expect to support the Findley amendment. I think it is high time, if this embarrasses the administration, to say for the record that it is opposing civil rights in this regard. It is time for Members of this House to stand and be counted for or against civil rights regardless of the administration's position.

**Mr. LINDSAY.** Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to take the floor to speak in behalf of this amendment, but I cannot help doing so in view of the attack that has been made by the gentleman from Texas [Mr. POAGE] upon the gentleman from Illinois [Mr. FINDLEY]. The gentleman from Illinois [Mr. FINDLEY] is one of the most conscientious Members of the House of Representatives. He is a man who has never said a word that he did not mean and that he did not feel in his heart. The gentleman from Texas, with a big smile on his face, got up and attacked him. Well, the gentleman from Texas is very willing to make the taxpayers' money available for the acquisition of Federal land or for the support of land for public purposes provided it is available to one limited group only. Well, this is using taxpayers' money for special interest purposes, not public purposes. And that is the reason the gentleman talks the way he does. He would exclude one-half the public. This is the oldest story in the world. It is the story of bigotry. And every time the question of doing something about it, of giving U.S. taxpayers equal opportunity in the enjoyment and use of Federal land or federally supported institutions, the gentleman and his friends get up and say, "You are trying to rock the boat." What boat? How can you rock a boat that is already sunk in a muddy sea of bigotry and petty bureaucracy? I think, Mr. Chairman, that the gentleman from Texas [Mr. POAGE] owes an apology to our colleague from Illinois [Mr. FINDLEY].

**Mr. COOLEY.** Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to point out the fact that the gentleman from Illinois [Mr. FINDLEY] has announced to the House that he is against this bill and I think it is clear that this is an effort to sabotage the bill. I hope the amendment will be defeated.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY), there were—ayes 101, noes 145.

**Mr. FINDLEY.** Mr. Chairman, I demand tellers.

Tellers were ordered and the Chair appointed as tellers Mr. FINDLEY and Mr. MCSWEEN.

The Committee again divided and the tellers reported that there were—ayes 106, noes 142.

So the amendment was rejected.

**Mr. GATHINGS.** Mr. Chairman, I offer an amendment to title I.

The Clerk read as follows:

Amendment offered by Mr. GATHINGS: On page 3, line 9, change the period to a colon and add the following: "*Provided*, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years."

**Mr. GATHINGS.** Mr. Chairman, this amendment deals with agreements for the establishment of tree-cover crops. The bill provides for a 15-year period of time that a farmer may obtain payments. My amendment would cut that 15-year period down to a maximum of 5 years.

A little time would be required by these farmers to make the transition from row crop or pasture farming over to trees. He would be paid during this changeover up to 5 years, but not to exceed 5 years.

I hope that the chairman of the Committee on Agriculture will agree to this amendment.

**Mr. COOLEY.** Mr. Chairman, will the gentleman yield?

**Mr. GATHINGS.** I yield to the gentleman from North Carolina.

**Mr. COOLEY.** May I say that I have discussed this matter. I see no objection to the amendment, and I am perfectly willing to accept it.

**Mr. GATHINGS.** I hope the amendment will be agreed to. I hope the gentleman from Iowa will also accept this amendment. It has for its purpose cutting down the time from 15 to 5 years, and makes the program much less costly.

**Mr. HOEVEN.** Mr. Chairman, will the gentleman yield?

**Mr. GATHINGS.** I yield to the gentleman from Iowa.

**Mr. HOEVEN.** I find no objection to the amendment offered by the gentleman from Arkansas.

Mr. GATHINGS. Thanks very much. I trust that the amendment will be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. Gathings].

The amendment was agreed to.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Bass of Tennessee: On page 4, beginning on line 5, strike out all of lines 5 and 6 and through "cultivation," on line 7 and on line 14 strike out the period and add "but not to build industrial parks or establish private industrial or commercial enterprises."

Mr. BASS of Tennessee. Mr. Chairman, I think the wording of the amendment very well speaks for itself.

This amendment strikes out lines 5, 6, and 7 on page 4 through the word "cultivation" and adds the following at the end of line 14: "but not to build industrial parks or establish private industrial or commercial enterprises."

This amendment will insure that the Department of Agriculture will not acquire or enforce Federal management on already existing private commercial plantings of forests and privately owned commercial income-producing outdoor recreation enterprises in the conduct of land use improvement and adjustment projects undertaken under section 102.

The revision of the Bankhead-Jones Act provided in section 102 would authorize the Department of Agriculture to undertake a program of technical service and financial and other aid to various types of local agencies and organizations to establish and carry out a series of projects for rural renewal and land use improvement and adjustment. The proposed amendments will insure that the operation of these projects shall not interfere with existing privately owned industrial, commercial, and recreational enterprises.

The purpose of this amendment is also to make certain that the industrial aspects of rural renewal projects undertaken under this authorization initiated by local public authorities under this legislation will work in harmony with the rural industrialization program established under the Area Redevelopment Act—Public Law 87-27—and the Small Business Administration.

The effect of the amendment would be to require local rural renewal authorities to obtain financial resources for rural industrial parks and rural industries and commercial enterprises from private, commercial, and cooperative sources or from Small Business Administration or Area Redevelopment Administration.

With the rapid advances of automation and the great variation of wage scales and local tax rates, fear was expressed that local rural renewal authorities set up to benefit from the provisions of section 102 might become so enthusiastic in attempting to attract industry and commercial enterprises to their areas that the strict guidelines Congress wrote into the Area Redevelopment Act would be difficult to enforce if such activities were not subjected to the provisions of that act.

It is not the purpose of the amendment to prevent or limit bona fide new growth of rural industry and commercial enterprise. Quite the contrary, it is expected that the rural renewal projects will explore and utilize the full potentialities of new industry and business growth. The amendment merely restricts the available Federal funds to those available from Small Business Administration and those authorized under the Area Redevelopment Act to make certain they are utilized in accordance with the so-called antipiracy provisions of that act.

Mr. Chairman, the amendment is not complicated, and I shall make my other remarks on the general subjects of this bill.

Mr. Chairman, I attempted a few moments ago to acquire the necessary time that I thought it would take to discuss and pinpoint some of the attitudes that have been expressed on the floor of the House with relation to the Billie Sol Estes scandal and his involvement in the agricultural program. I do not think there is any doubt in anyone's mind here but what bad legislation will encourage bad business and bad morals in the conduct of business. Now, if we fail to act in this instance, we are voting to return to the programs which Estes and those associated with him have found so much to their liking. These are the programs which spawned the involved and unusual relationships between Estes and the Commercial Solvents Corp., the supplier of credit and fertilizer for Estes, and also the former officials of the Department of Agriculture under the prior administration that were involved in this unholy act of collusion.

This unique combine found that earning grain storage fees was much more profitable than growing the grain to put in his elevators and that selling fertilizer, even at below cost, was a way to increase the potential amount of grain in those storage facilities. It is clear that Estes obviously had good instructions on how to do business with the Government. He may have added a few ideas of his own, but he learned that Commercial Solvents could hire a former assistant to the Secretary of Agriculture under the Republican administration to act as their eyes and his ears. This corporation, Estes could see, found the information it wanted from a consultant who not only was a consultant to the Republican policymakers in the Department, but who actually was the consultant and who was a paid lobbyist calling on the staff of the Committee on Agriculture, by their own admission and by his own admission, trying to influence the outcome of legislation on Capitol Hill.

Yes, members of the committee, this man, Martin Sorkin, was a paid lobbyist. And, what does this man say as a paid lobbyist? He said that he had attended secret meetings with the chairman of the Republican National Committee and the chairman of the Republican Campaign Committee in which it was decided by these distinguished gentlemen that the course to be followed was not one of offering a solution, not one forming a program to assist the farmers and to relieve the taxpayers of this burden created by the surplus, but one of obstructionism and one of opposition, to do nothing more than to embarrass this administration. It is unlikely that we can legislate here to reform human nature, but we can legislate programs which will eliminate the temptation that produces the kind of people that have been exposed in the Estes affair.

As surely as I stand before you today, I am sincerely convinced that if we continue these programs which have built up huge surpluses will make it possible for people to make billions and billions of dollars by storing the commodities, without the farmer having a chance to get the profit for himself, that we are encouraging the type of operation that has been exposed in the Billie Sol Estes case. Day after day I have sat on the committee and listened to the testimony of how this unholy alliance built up this unique program and received huge windfall profits under the agricultural program that has never helped the farmer, nor the housewife, nor the taxpayer. On every occasion I asked the gentlemen who testified: "Do you believe that the agricultural bill that is being proposed by this administration would eliminate the possibility of future Billie Sol Esteses?"

All but one said it would certainly decrease the possibility of future Billie Sol Esteses. The one man who said he did not think the program would work was a Mr. Jackson, the sales manager for Commercial Solvents.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BASS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

Mr. HOEVEN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. LANGEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the "umpteenth" time we have been reminded, and there has been discussed in connection with this bill, a letter and some evidence that is before a committee on which I serve which has absolutely no connection with the bill that is before us.

Mr. Chairman, it is a rather sad and pathetic thing that they cannot find any kind of argument or support for a bill that is any more substantial than those that have been presented on the previous occasions and at this moment recently reemphasized by my colleague, the gentleman from Tennessee [Mr. Bass], who is a member of the committee.

Mr. Chairman, may I remind him that I also sit on this committee, and that I have been listening to every word of testimony that has come before that committee, as he has.

May I also remind him that there are a good many other areas, as I did yesterday, that have been called to our attention, both by witnesses and by others, who have asked that these areas be exposed. I am going to say to the gentleman from Tennessee [Mr. Bass], now, that if we want to encourage the activities of men such as Billie Sol Estes, then I say the enactment of the present bill is the way to do it. Actually, the biggest violations which we have are in the area of cotton allotments. Oh, the precautions that have been taken by the committee to see that we do not get into that area, that we do not discuss the matter of allotments, that we do not expose them. Here was an area where it was necessary to levy a fine of more than one-half million dollars which no one knows whether or not they are going to collect. May I remind the Members of the House also that the reason that this is brought up in this manner in order to encourage the passage of this bill is to completely whitewash and to cover up the fact that it has become necessary to fire both—yes; an Assistant Secretary and two other members of the Department of Agriculture, and to transfer some others. This is the item that they are so desirous of covering up.

Mr. Chairman, if we are going to extend the compulsory system to the degree that is advocated here, it will open the door wide for other people to do exactly the same thing as Mr. Estes has done with cotton allotments having been transferred to him because of the great advantage that goes with them.

Mr. Chairman, I should recall for the Members of the House in this connection that here is where the real folly lies in this entire system, and I want to warn the Members of this House that unless we have intentions of encouraging that kind of practice, we had better be a little careful in enacting this kind of legislation.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. Has the gentleman been able to get some of the records in the Department dealing with these quotas, and the problems involved around them?

Mr. LANGEN. As a matter of fact, we have not been able to get those witnesses before the committee yet. We are going to continue to insist and to demand that they be brought before the committee so that this area can be exposed to the fullest extent, and that this House of Representatives be reminded of the dangers that are prevalent in this field as well.

Mr. Chairman, I want to say again that the cat was let out of the bag yesterday by the gentleman from Texas when he first brought this matter into the point of discussion, that obviously these actions were taken in order that they should not be exposed prior to the consideration of this bill.

Now if the gentleman is sincere in his statement he will assist us in exposing the discrepancies that now exist in the Department of Agriculture, return honesty to Government, and put a stop to scandalous affairs like that of Mr. Estes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BASS].

The question was taken; and on a division (demanded by Mr. BASS of Tennessee) there were—ayes 197, noes 9.

So the amendment was agreed to.

Mr. McSWEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSWEEN: Beginning on page 6, line 23, strike out all of sections 104, 105, 106, and 107.

Mr. McSWEEN. Mr. Chairman, there is a great deal of interest in these proposed amendments to the Watershed Protection and Flood Prevention Act. There is at the same time a great deal of concern that they are being considered in this farm bill at this time. It is only for this purpose that I have offered the amendment that they be stricken from the bill. It is my understanding—and I should appreciate the chairman of the Committee on Agriculture verifying what I am about to say—it is my understanding that the chairman of the Committee on Agriculture will at a very early date bring this matter to the attention of the committee in separate legislation so that the committee can give consideration to these amendments to the Watershed Protection and Flood Prevention Act.

Mr. Chairman, I yield to the chairman of the committee at this time.

Mr. COOLEY. Mr. Chairman, I would like to say to the gentleman that while I am not authorized to speak on behalf of the committee, I have discussed these sections with many members of the committee. I personally see no objection to the gentleman's amendment. I can assure the House that I shall, perhaps tomorrow, introduce a separate bill containing in substance these provisions which his amendment will eliminate from this bill. I do not anticipate any difficulty in having it reported by our committee.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, as chairman of the subcommittee that handled this matter, may I say that while I think these provisions are good, and I want it understood that I think this is a sound provision of law, as the gentleman has explained, it is something rather extraneous to the question of control of agricultural production or of price support. For that reason, as an individual, I feel it is advisable to approve the amendment offered by the gentleman from Louisiana, and then at the earliest possible date to pass these identical sections through the House as separate legislation. In that event I shall support the existing provisions of this bill.

Mr. McSWEEN. I thank the gentleman.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Maine.

Mr. McINTIRE. May I say to the gentleman that in view of the fact that I too hold membership on this subcommittee of the Committee on Agriculture, I am very happy to concur with the gentleman on these provisions of the bill. However, I am doing this in the context of the previous statement I made, that I think it most appropriate to consider these amendments as separate pieces of agricultural legislation, separately and not in an omnibus farm bill, and concurrence in removing this section from the bill proves this point. I only wish there were other sections of the bill that would be handled the same way.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Minnesota.

Mr. QUIE. I agree with the comments of the gentleman from Maine that we ought to take care of these ideas separately rather than in an omnibus proposal. This is one of the few parts of the bill with which I agreed. I think it should be in. I was hoping that if the bill passed we would have something good that would work.

Mr. McSWEEN. If I withdrew my amendment would the gentleman support the bill?

Mr. QUIE. No, I did not say I would support the bill. I did not try to. I did not even give the impression of it. I just said this is one of the few good portions of the bill. If the gentleman will recall, I left this section in the substitute I offered in the committee.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman from Texas says this section you are striking is extraneous to a price-support bill. Is not all of title I extraneous to a price-support bill?

Mr. McSWEEN. I do not think so.

Mr. Chairman, I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was agreed to.

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 4, line 9, after the words "public recreation," insert the phrase "available for the use and enjoyment of all persons, regardless of race, creed, or color, on a nonsegregated basis,".

Mr. FINDLEY. Mr. Chairman, this is an amendment which would have the same effect for the Bankhead-Jones Farm Tenant Act in assuring that recreational facilities developed under it would be accessible to all taxpayers regardless of race as was the case with my first amendment earlier rejected. The same arguments would hold here. This gives each Member of the House who believes in civil rights the opportunity to stand up and be counted.

I might add that as one of the tellers counting those who passed down the center of the aisle I failed to observe any Member on the Democratic side of the House who passed down the aisle in support of this amendment, an amendment which would have assured equal access for all races to recreational facilities developed under this provision. I would be glad to yield to any Member who wishes to correct the RECORD on that point.

Mr. COOLEY. If the gentleman's amendment was adopted, he still would not vote for this bill; would he?

Mr. FINDLEY. That is correct.

Mr. COOLEY. All right.

Mr. FINDLEY. That is correct, but I might say that if the conclusion to be drawn from that fact is that mine is a crippling amendment, I want to assure the gentleman that the only thing that would be crippled by this amendment would be the actions of those who would deny equal rights to all people regardless of race.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment and ask for the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The amendment was rejected.

Mr. SMITH of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Mississippi: Page 5, after line 2, insert the following:

"(1) Paragraph (5) of section 3 of such Act is amended by striking out the period at the end thereof, and inserting in lieu thereof a colon and the following: '*Provided*, That, in preparing a watershed plan which provides for works of improvement which, alone or together with other works of improvement developed or contemplated under this Act in the same river basin or sub-basin, will significantly affect water resources development activities in areas downstream from the watershed for which such plan is being prepared, the Secretary shall undertake joint planning with the heads of other appropriate Federal agencies concerned with such water resources development activities to assure coordinated and integrated plans and programs.' "

Page 5, line 3, strike out "(1)" the first place it appears and insert in lieu thereof "(2)".

Page 6, line 12, strike out "(2)" and insert in lieu thereof "(3)".

Mr. SMITH of Mississippi. Mr. Chairman, this amendment is designed to bring the overall amendments to the Watershed Act that are still remaining in the bill in line with the provisions of the bill which the House passed unanimously last summer in regard to the overall planning of watershed development. I believe this will contribute to the benefits provided in the watershed section remaining in the bill. I hope the committee will adopt it.

Mr. COOLEY. Mr. Chairman, I personally have no objection to the gentleman's amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Iowa.

Mr. JENSEN. May I ask the gentleman if he is attempting to revise the amendments which are provided in this bill in the Watershed Act which were recommended by the Chief of the Soil Conservation Service? Is your amendment to amend those amendments?

Mr. SMITH of Mississippi. It is to provide for an amendment to the remaining amendment that is left in the bill, section 103, which provides that there shall be coordination in the watershed plans with the other Federal agencies concerned with water development.

Mr. JENSEN. In the committee bill, does it now contain all of the amendments to the Watershed Act which were recommended by the Chief of the Soil Conservation Service?

Mr. SMITH of Mississippi. A large number of them have been eliminated by the action of the committee a few minutes ago on the McSween amendment.

Mr. JENSEN. And you are simply trying to reinsert that portion?

Mr. SMITH of Mississippi. No, I am merely trying to bring out the necessity of coordinating any type of watershed development with all types of Federal watershed developments with the Federal agencies in this field and in the planning of the watershed developments.

Mr. JENSEN. Mr. Chairman, I might tell the gentleman and the members of this Committee that I had something to do with formulating the amendments which the Chief of the Soil Conservation Service has recommended and which are in the bill as it came from the other body, the farm bill, and also the committee bill.

Mr. SMITH of Mississippi. My amendment does not change their basic purpose in any way.

Mr. JENSEN. If I may direct this inquiry to the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY]—Do I understand that part of these amendments or all of these amendments have been stricken from the bill?

Mr. COOLEY. All amendments after section 103 have been stricken from the bill and I said that tomorrow I will introduce a separate bill and bring it to the attention of the Committee and I do not anticipate any difficulty in having it reported. It will be back before the House.

Mr. JENSEN. You will introduce an amendment to reinsert those amendments?

Mr. COOLEY. I will introduce a separate bill touching these watershed items which have been stricken.

Mr. JENSEN. Why strike these amendments out of this bill? In my judgment these amendments are more important to the American farmer and to America than the rest of your bill.

Mr. COOLEY. I am just trying to tell my friend that I propose to introduce a bill containing these amendments which have already been stricken out.

Mr. JENSEN. Were you in favor of the amendments being stricken out of the bill?

Mr. COOLEY. I am in favor of their being stricken out of the bill with the assurance to the House that I will bring them back in a separate bill at an early date. Action has already been taken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS: Page 2, line 13, after line 12, strike out lines 13, 14, and 15 and insert the following:

"(4) by adding the following new subsections at the end of section 16 of said Act:

" '(e) The Secretary of Agriculture shall not enter into an agreement in the States of North Dakota, South Dakota, and Minnesota to provide financial or technical assistance for wetland drainage on a farm under authority of this Act, if the Secretary of the Interior has made a finding that wildlife preservation will be materially harmed on that farm by such drainage and such finding, identifying specifically the farm and the land on that farm with respect to which the finding was made, has been filed with the Secretary of Agriculture within 90 days after the filing of the application for drainage assistance: *Provided*, That the limitation against offering such financial and technical assistance shall terminate one year after the date on which the adverse finding of the Secretary of the Interior was filed unless during that time an offer has been made by the Secretary of the Interior or a State government agency to lease or to purchase the wetland area from the owner thereof as a waterfowl resource. The provisions of this subsection shall become effective July 1, 1962.

" '(f) (1) For the purpose of promoting the conserva-' ".

Mr. ANDERSEN of Minnesota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. May I ask the gentleman from Wisconsin if this is not the same amendment that has already been passed on by the House and is now lying over in the Senate in the form of a separate bill?

Mr. REUSS. The language of this amendment is identical.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I make the point of order that this particular amendment has already cleared the House and is awaiting action in the other body which does not care to act upon the matter. It has no place in the bill.

Mr. REUSS. A point of order against the amendment on July 23, 1961, was overruled.

The CHAIRMAN. The Chair is prepared to rule.

The question raised by the gentleman from Minnesota was raised when the same question came up last year. The Chairman at that time overruled the point of order holding that it was germane.

The point of order is overruled.

Mr. REUSS. Mr. Chairman, this amendment will stop the further use of taxpayers' money to subsidize the drainage of farm wetlands where the Department of the Interior finds that the proposed drainage will materially harm wildlife. One of the objectives of the bill, H.R. 11222, is to conserve natural resources. Our North American population of wild ducks and geese is in serious danger, and this amendment will help to conserve this natural resource.

My amendment is in the exact language of H.R. 8520, which was unanimously passed by the House on September 12, 1961, but has unfortunately not been acted upon by the Senate. H.R. 8520 was strongly supported by the Departments of Agriculture and the Interior, and was unanimously reported out by the House Committee on Agriculture.

There never was a time when it was as vital as it is today to protect the wetlands in the Dakotas and Minnesota, where 90 percent of our United States waterfowl are bred. In a report of June 13, 1962, by C. R. Gutermuth, vice president of the Wildlife Management Institute, to the distinguished Senator from Virginia [Mr. ROBERTSON], the essential facts are set forth:

> Nationally, the wintering ground counts indicated that the overall waterfowl population had reached its lowest point of the past 11 years. Ducks were down 13 percent from last year and 10 percent below the average of the past 13 years. Geese declined 8 percent from last year, but remained slightly above the long-range average. Scaup and Canada geese showed some increase over last year, but mallards and pintails were at a 9-year low. The fewest black ducks were observed since 1950, and canvasbacks continued at a critically low level. This gloomy picture is not improved by reports from the principal breeding grounds where water still remains in short supply.
>
> Our information shows that nearly half of the prairie pothole areas, originally amounting to 1,350,000 acres of wet lands in Minnesota, North Dakota, and South Dakota, have been drained in the past 10 years. The tristate region is the principal waterfowl breeding ground in the continental United States. Most of that drainage undoubtedly was accomplished with Federal subsidy.
>
> It is virtually impossible to get a reliable figure on the Federal cost per acre of land drained. The reason for this is that the Agriculture Department agencies speak in terms of acres benefited, which include the pothole area plus all surrounding land that might be improved in some way by the drainage project. This practice makes the drainage-per-acre cost a lesser figure than it would be if based, perhaps more accurately, on the ratio of the actual area drained and the cost of doing it.
>
> The continued destruction of wet lands in the Dakotas and Minnesota and in the prairie provinces of Canada is a serious threat to the future of waterfowling.
>
> We are making increasing use of our waterfowl while, at the same time, destroying the specialized kinds of wetland habitat that ducks must have to survive. I cannot help but think that if this trend is not checked, waterfowl hunting ultimately will become even more restrictive than it is today."

I recently put into the CONGRESSIONAL RECORD evidence which shows that in the last 2 years, out of more than 1,000 cases in the Minnesota-Dakota area where the Department of the Interior has asked the Department of Agriculture to refrain from subsidizing a proposed farm drainage, on the ground that the drainage would materially harm wildlife, the Department of Agriculture has gone right ahead and subsidized the drainage with the taxpayers' money in more than 80 percent of the cases—see CONGRESSIONAL RECORD for May 22, 1962, pages 8963–8964.

Under my amendment, the Department of the Interior is directed to make a prompt survey of any application for subsidized farm drainage in the "prairie pothole" area. If the Department of the Interior makes a finding that wildlife preservation will be materially harmed by the proposed drainage, and makes an offer to lease or to purchase the wetland area from the owner thereof as a waterfowl resource within 1 year, no drainage subsidy can be given by the Department of Agriculture.

The provision of my amendment requiring the Secretary of the Interior to make an offer for the land within 1 year, if the drainage subsidy is to be denied, is a fair one. The Department of the Interior has been endowed by Congress with the power and the financial means to lease or purchase wet lands for waterfowl preservation. Under Public Law 87–383, of October 4, 1961, the Secretary of the Interior has been told to step up his program of acquiring wet lands, with the proviso that wet lands shall not be acquired "unless the acquisition thereof has been approved by the Governor of the State." It should be noted that the Governor of the State, by withholding his consent, can stop the acquisition of wet lands in his State by the Secretary of the Interior; but, of course, this does not prevent the Secretary of the Interior from making an offer to lease or purchase the land, and thus stop the granting of a drainage subsidy, as provided in my amendment.

I ask for a vote on this amendment, because I am confident that this House will overwhelmingly support it, and that the strength of that support will insure that the amendment is retained in conference between the two bodies.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield.

Mr. COOLEY. Is not this proposition exactly like your proposition that we accepted last year unanimously in the House?

Mr. REUSS. That is correct. It becomes necessary to attach it to this farm bill in order that the conference may proceed on it and in hopes that it may be passed and sent on to the President's desk for signature.

Mr. COOLEY. Speaking for myself, as far as I am concerned I would be glad to accept the amendment without discussion. The subject was thoroughly discussed when it was considered last year.

Mr. REUSS. I thank the gentleman, and I shall certainly take the hint and not unduly delay matters. I would, however, like to yield to my distinguished colleague, the gentleman from Wisconsin [Mr. JOHNSON] who has put a great deal of work into this effort to protect our wildlife in this country.

Mr. JOHNSON of Wisconsin. May I say that complete hearings were held on a bill that I introduced similar to this amendment. It passed the House by unanimous consent on September 12, 1961. As the gentleman from Minnesota said, it has laid over in the Senate ever since. I do not know what the reason is, but that is another matter.

Mr. REUSS. I thank the gentleman. I hope Members on both sides of the aisle will vote in favor of the amendment so that our view may be clear to our colleagues in the other body, and the amendment may indeed become law.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I rise in opposition to the pending amendment. I thought this bill was going to be a bill for the farmers of the Dakotas and Minnesota, but here we are cluttering it up with something else. We are going to take away from the farmers the right to drain these fields under the ACP programs. Why should this amendment be tacked onto this bill? I will say there was a possibility of my voting for this bill up to this point. It is entirely up to you whether you want to pass legislation shooting directly at western Minnesota, which I represent, and the Dakotas. I think the amendment has no place in the bill. It ought to go out. It has had its day in court and is now over in the Senate.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I am surprised the gentleman said he would vote for this bill when earlier in the day he said to the gentleman from Iowa [Mr. HOEVEN] he would vote against it.

Mr. ANDERSEN of Minnesota. I said I would support the Hoeven substitute.

Mr. JONES of Misssouri. That kills the bill.

Mr. ANDERSEN of Minnesota. It would if passed, and I hope it does, but if the Hoeven amendment does not pass it was my intention to vote for the bill. There is no contradiction whatsoever in what I said.

Mr. JOHNSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Wisconsin.

Mr. JOHNSON of Wisconsin. I would like to call the gentleman's attention to House Agriculture Committee report, as follows:

> At the hearings, the Department of Agriculture, the Department of the Interior, numerous organizations interested in wildlife and conservation, and several Members of Congress appeared in favor of the bills. No witnesses appeared in opposition to the bills although several, including Mr. ANDERSEN of Minnesota, suggested safeguards in the legislation to prevent the indiscriminate blocking of Federal aid to farm drainage programs generally. The committee believes that it has substantially provided in its amendments the safeguards suggested.

Mr. ANDERSEN of Minnesota. I cannot subscribe to this idea of offering legislation that a Member of a particular area offers. That is what this amendment does. I do not think my position on the other bill was fully taken care of, and I see no reason to clutter up this bill at the present time with this amendment.

Mr. Chairman, I have lost account of the number of times I have had to rise on the floor of this House of Representatives and attempt to defend the farmers of North and South Dakota and Minnesota against the duckhunters.

In the last session of Congress, during the argument on this same wetlands drainage provision, I believe I stated that if this is such a good provision why not apply it to all the States, why limit it to the farmers of the Dakotas and Minnesota? If the farmers in all States were to be prohibited from draining potholes under the ACP program, as this amendment provides in the Dakotas and Minnesota, perhaps I would have more help in my fight against this provision.

I hope this amendment is voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The amendment was agreed to.

Mr. AVERY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it is quite evident by now that a number of, shall we say arrangements, have been made in respect to the bill that is now before us, the printed bill before us, and the bill on which a rule was granted. This assumption is made upon the colloquy between the gentleman from Kentucky [Mr. CHELF] and the gentleman from Texas [Mr. POAGE], who responded, that all of the questions put to the gentleman from Texas by the gentleman from Kentucky had been previously examined by the gentleman from Texas [Mr. POAGE]. As I recall it, he assured the gentleman from Kentucky [Mr. CHELF], amendments would be offered to conform to all questions in the letter from Mr. CHELF's constituent, and also the objections that Mr. CHELF raised to the bill.

Now I come to this. If these amendments have already been agreed upon, if enough so-called "deals" have been made to pass this bill, I wonder if it would not be fair to the minority for the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], tonight to introduce a clean bill, carrying all these amendments with it, or, if that is not acceptable, could he not submit for printing in the CONGRESSIONAL RECORD tonight all of the amendments that he has agreed to so that at least we, the minority, have an opportunity to examine them in detail previous to their formal introduction on Thursday?

**Mr. COOLEY.** Mr. Chairman, if the gentleman will yield, I just provided the gentleman from Iowa [Mr. HOEVEN] with a copy of the amendments referred to. I do not know whether we can put them in the bill, but we can put them in the RECORD so that the Members will know what we are voting on tomorrow.

**Mr. AVERY.** I certainly think that should be their entitlement.

**Mr. COOLEY.** All the amendments that are not voted on tonight will be put in the RECORD.

**Mr. AVERY.** I am told that we cannot write a bill on the floor of the House, but apparently that is what we are going to do on this particular piece of legislation.

**Mr. HOEVEN.** Mr. Chairman, will the gentleman yield?

**Mr. AVERY.** I yield to the gentleman from Iowa.

**Mr. HOEVEN.** I do not want anyone to get the impression that these 15 or 20 amendments have been agreed to on this side of the aisle.

**Mr. AVERY.** Will the gentleman state how many there were?

**Mr. HOEVEN.** I do not know; there must be 15 or 20 that we knew nothing about until today, which, I think, lends some credence to my suggestion that this bill ought to go back to the Committee on Agriculture so that all of these amendments could be properly considered.

**Mr. HALLECK.** Mr. Chairman, will the gentleman yield?

**Mr. AVERY.** I yield to the gentleman from Indiana.

**Mr. HALLECK.** It is obvious that we are witnessing a rather cynical procedure as far as this bill is concerned. It is apparent that the majority is determined to bring it to passage at whatever cost. In my opinion this bill is so bad that one day the majority will rue the action that is here being taken today. Earlier we had a lot of conversation around here about nonpartisanship in connection with this bill. It now appears that a whole series of amendments have been agreed upon by the majority obviously to work here and there to get a vote or two on their side, and that has all been done without any consultation at all with the minority members of the committee. So, it seems to me that it is pretty hollow talk coming from downtown, as we have heard it, that there should be no partisanship in connection with this bill, when here we see probably as obvious a display of partisanship as I have ever seen in my time here.

**Mr. AVERY.** I would only observe that this supports the statements made by myself and other members of the minority on yesterday, and that was that this was a bad bill. So, by virtue of all these amendments, it appears to me the majority recognizes it is a bad bill and will hope to improve it.

The Clerk read as follows:

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

"(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through the extension of credit for the purchase of such commodities, by agreements either with foreign nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

"(2) Section 402 is amended—

"(a) by inserting the words 'including financial institutions acting in behalf of such nations' after the words 'friendly nations'; and

"(b) by adding at the end thereof the following new sentence: 'In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title.'

"(3) Section 403 is amended—

"(a) by deleting the words 'approximately equal' from the last sentence thereof and substituting therefor the word 'reasonable'; and

"(b) by inserting after the word 'agreement' in the last sentence thereof the following: 'except that the date for beginning such annual payments may be deferred for a period not later than two years after such date of last delivery;'

"(4) Section 405 is amended to read as follows: 'In entering into such agreements, the Secretary may enter into agreements with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.'

"(5) Section 406 is amended by inserting after the word 'Sections' the following: '101 (b) and (c)'."

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school-lunch programs."

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school-lunch programs".

SEC. 205. Commodities may be made available for school-lunch programs outside the United States only if the Secretary receives assurance satisfactory to him that there will be student participation in the financing of such programs on the basis of ability to pay comparable to that required in school-lunch programs in the United States.

**The CHAIRMAN.** The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, following line 2, insert a new section 201 to read:

"SEC. 201. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

" 'Section 201 is amended by striking out the words "out of its stocks".

" 'Section 202 is amended by striking out "from Commodity Credit Corporation stock" and substituting "(as defined in section 106 of title I) made available by Commodity Credit Corporation".' "

**The CHAIRMAN.** The question is on the committee amendment.

The committee amendment was agreed to.

**The CHAIRMAN.** The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On pages 12, 13, and 14 renumber following sections in title II to conform.

**The CHAIRMAN.** The question is on the committee amendment.

The committee amendment was agreed to.

**The CHAIRMAN.** The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 18, after "may be" strike out "made available" and insert "donated".

**The CHAIRMAN.** The question is on the committee amendment.

The committee amendment was agreed to.

**Mr. COOLEY.** Mr. Chairman, I ask unanimous consent to return to title I for consideration of an amendment which is at the desk.

**Mr. HOEVEN.** Mr. Chairman, reserving the right to object, may we have the amendment read?

**The CHAIRMAN.** Without objection, the amendment will be reported.

**Mr. HOEVEN.** Mr. Chairman, I reserve the right to so object that the proposed amendment may be read for the information of the Members of the House.

**The CHAIRMAN.** Does the gentleman ask unanimous consent that the amendment be read for information?

**Mr. HOEVEN.** I reserve the right to object and ask that the proposed amendment be read for the information of the Committee.

**The CHAIRMAN.** The Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. Cooley: On page 3, between lines 9 and 10, add the following:

"(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two-year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided*, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection."

Renumber paragraphs (2), (3), (4), and (5) as (3), (4), (5), and (6), respectively.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. GROSS. Mr. Chairman, further reserving the right to object, is this establishing a precedent that you can come back to sections previously passed?

Mr. COOLEY. If the gentleman will yield——

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. The author of the amendment was temporarily absent from the Chamber when we concluded the reading of the title. For that reason, this amendment was not called up. Mr. Hagan of Georgia was the author of the amendment and intended to offer it. I do not think it is controversial. I supplied the gentleman from Iowa [Mr. Hoeven] with a copy of it. It is designed to prevent speculation in the program.

Mr. GROSS. The gentleman would not be constrained to object if someone else wanted to go back to another previously passed section or title of the bill?

Mr. COOLEY. If the gentleman will yield, it depends upon the circumstances involved.

Mr. GROSS. That is what I thought.

Mr. COOLEY. I am just explaining the circumstances of this amendment.

Mr. GROSS. Yes, I understand; but the same circumstances might apply to any one of the other 436 Members.

Mr. COOLEY. If the same situation prevailed, certainly, I would not object.

Mr. GROSS. Suppose we have a brief explanation of this before unanimous consent is obtained.

Mr. COOLEY. The brief explanation is this. The purpose is to prevent speculation, to prevent some lawyer or professional man going out and acquiring land in order to get into the program as has happened in past programs. This provides that he must have had the land for at least 2 years in his own ownership, before he can participate.

Mr. GROSS. It is designed to stop promoters and speculators?

Mr. COOLEY. That is right.

Mr. GROSS. Mr. Chairman, I withdraw my reservation of objection.

Mr. HOEVEN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mrs. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. May: Page 14, line 23, insert the following:

"Sec. 207. It is hereby declared to be the sense of Congress that the President, pursuant to the provisions of titles II and III of Public Law 480, Eighty-third Congress, as amended, should take immediate and effective steps to make surplus agricultural commodities available to those Chinese refugees who have fled from Communist oppression on the mainland of China to the Crown Colony of Hong Kong."

Mrs. MAY. Mr. Chairman, I think the intent of this amendment is quite clear. I should like to say in the beginning, to make it very clear to my friends on the other side of the aisle, that even if the amendment should prevail, at this point I have no intention of voting for the bill. However, I believe it is a precedent, in this body, that even though a Member objects to overall provisions of a bill, there is nothing improper in trying to perfect it in certain areas by voting for desirable amendments, or in trying to add something that seems proper to any section of the bill, as I have tried to do in this amendment.

Our President has already announced that he intends to make our agricultural surplus food products available to needy Chinese refugees in Hong Kong. Here is our chance to express the intent of the Congress on this question.

I ask for the adoption of the amendment.

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the chairman of the committee.

Mr. COOLEY. Am I to understand there is no way we can sweeten this bill up to prevail upon the gentlewoman to vote for it?

Mrs. MAY. My words were, when I offered this amendment, that at this point in the bill, I would not vote for it. Of course, we have many more amendments pending.

Mr. COOLEY. The lady would not object to my accepting her amendment?

Mrs. MAY. I should like very much to have the gentleman accept my amendment.

Mr. COOLEY. Mr. Chairman, I accept it.

Mr. HOSMER. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield.

Mr. HOSMER. Does this amendment apply just to the Crown Colony of Hong Kong?

Mrs. MAY. Yes, sir.

Mr. HOSMER. I thank the gentlelady.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Washington [Mrs. May].

The amendment was agreed to.

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Derwinski:

"Sec. 201. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the colon at the end of subsection (s) and inserting in lieu thereof a semicolon and by inserting immediately after such subsection (s) the following new subsection:

"'(t) For farm improvement loans on reasonable terms and conditions to individuals who own and operate farms in countries having a Communist government where surplus agricultural commodities are sold under this Act; except that foreign currencies shall be avilable for the purposes of this subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation Acts:'"

Redesignate the following sections of the bill accordingly.

Mr. DERWINSKI. Mr. Chairman, this could more effectively be described as an amendment to export the free enterprise system to Communist countries, and could test the sincerity of so-called independent Communist governments in their claim to provide practical assistance to their citizens through the generosity of the American Government and its taxpayers.

The purpose of this amendment is to provide, from accumulated American funds under Public Law 480, a loan program to farmers who own and operate individual free enterprise farms in countries having Communist governments.

From statistics at our disposal, we find that 86 percent of the farmland in Poland is in private hands and that 90 percent in Yugoslavia is in private hands. We could, therefore, provide practical assistance to free enterprise operators in these countries, at least to the percentages reflected by individual farm ownership.

Therefore, the counterpart funds accumulated through the disposal of our surplus agricultural commodities could be used to advance free enterprise in the farm economy of those Communist countries.

We know from history, as well as from current reports, that the rural regions in Communist countries are the hard core of opposition to the atheistic ideology of communism. Love for the soil, the spirit of freedom, the virtue of perseverance, that are found in farmers of all lands, are found in farmers behind the Iron Curtain.

By accepting this amendment, we will provide practical assistance from the U.S. Government to the farmer who still maintains his individual property in the face of Communist pressures to collectivize the farm economy. It would represent a practical and typically American use of funds, and would be a dramatic demonstration of American interest in the oppressed people behind the Iron Curtain.

May I repeat, Mr. Chairman, this is another nonpartisan amendment. The purpose of this amendment is to provide specifically that the funds that have been accumulated from oversea sales to Communist countries be made available on a loan basis to the owners of privately operated farms in those countries. The background for the amendment I repeat is this.

In Yugoslavia and Poland, which are the two Communist countries now benefiting from Public Law 480, substantial funds have been accumulated. In Yugoslavia 90 percent of the farmlands are in private hands. In Poland 86 percent of the farmlands are in private hands. The governments of these countries are trying to collectivise these farms. In each of these countries the peasants are the background of the resistance against communism. My purpose is to help private enterprise in the Communist areas of the world, and make the surplus funds available under Public Law 480 available to sustain private enterprise in Communist countries. I have no illusion about the fact that the Communist governments of Yugoslavia and Poland might accept the provisions, but I do think it would be a dramatic gesture of American interest in private enterprise behind the Iron Curtain.

I believe this is a practical amendment. I feel it would be an effective extension of our Public Law 480 program. I think it is worthy of Committee consideration.

**Mr. COOLEY.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the amendment is too far reaching and too important to be considered under these circumstances. It is unfortunate that the gentleman did not submit it to our committee during the long time this matter was under consideration. If he will submit an amendment to us, I assure him we shall take it into consideration. At the moment, however, I think it would be very unfortunate and very dangerous for us to accept an amendment of this importance. After all, it involves the expenditure of money in Communist countries. So I ask the Committee to vote down the amendment.

**Mr. DERWINSKI.** Mr. Chairman, will the gentleman yield?

**Mr. COOLEY.** I yield to the gentleman from Illinois.

**Mr. DERWINSKI.** Can the gentleman advise me if any plan at the moment is in the Committee on Agriculture to present a bill revising Public Law 480? This is the only chance I have to approach the issue.

**Mr. COOLEY.** No; but I understand there is a possibility that an amendment to the Battle Act will be considered by some committee in the House, so this amendment might be germane to that. But if the gentleman will send me a copy of the amendment, I assure him the committee will take a look at it and consider it.

**The CHAIRMAN.** The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The Clerk read as follows:

### TITLE III—MARKETING ORDERS

**SEC. 301.** The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

Section 8c(2) is amended by—

(1) striking out in (A) thereof "not including vegetables, other than asparagus, for canning or freezing)" and inserting in lieu thereof "(not including vegetables, other than asparagus, for canning or freezing, or potatoes for dehydrating)"; and

(2) inserting in (B) thereof after "fruits and vegetables for canning or freezing" the following ", potatoes for dehydrating".

**Mr. McINTIRE.** Mr. Chairman, I offer an amendment

**The CHAIRMAN.** The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McINTIRE: Page 15, line 1, strike out all of title III including lines 1 through 14 and renumber the subsequent sections accordingly.

**Mr. McINTIRE.** Mr. Chairman and members of the Committee, I realize that the marketing agreement provisions of agricultural legislation are very complicated. However, I am moving to strike this provision because this amendment was not given consideration except in executive session of the committee. There are in the potato industry the so-called late States, a tier of northern States from the Atlantic to the Pacific. Seventy percent of the production and marketing of the potato crops come under the marketing agreement regulations.

These are agreements under which growers have participated and which were established through exhaustive hearings. To amend this legislation at this point without giving the growers an opportunity to be heard is, I think, improper legislative procedure. I am familiar with the background of this amendment. I am not quarreling with the sincerity of those who are proposing the amendment, but I do object to the procedure. I think the growers ought to be heard. They have a very deep interest in these marketing agreements and, in my opinion, this type of procedure is not the constructive way to amend such complicated legislation.

I would point out to the members of this Committee that the marketing orders used by the potato industry in the Lake States, from California to Maine, are not price orders in any sense of the word. They are grade and size orders which are used to help market the best portion of the crop and reserve for other uses, particularly nonfood uses, those portions of the crop which are not of high marketability. What the processors have in mind, and this is a legitimate request, of course, is to have access to those off grades and sizes, particularly to those potatoes which are not required to be in their original form or are mashed or dehydrated. This is a matter in which both the processors and the growers have an interest.

I do not think this legislative procedure in this context is constructive; nor is it in the growers' interest. If you are interested in the growers and processors having an equal opportunity to present their views before amendments of this type are made, I sincerely urge the committee to approve the amendment and to strike this provision in order that this subject matter can be presented in a sound, legislative way, giving all parties concerned an opportunity to express their views.

**Mr. HOEVEN.** Mr. Chairman, will the gentleman yield?

**Mr. McINTIRE.** I yield to the gentleman from Iowa.

**Mr. HOEVEN.** Mr. Chairman, I am heartily in accord with the gentleman's amendment. I certainly agree with him. The growers have had no proper opportunity to be heard and no hearings were held before our committee. This is a matter that could well be postponed until a later date.

**Mr. CHENOWETH.** Mr. Chairman, will the gentleman yield?

**Mr. McINTIRE.** I yield.

**Mr. CHENOWETH.** I want to join with the gentleman in support of the amendment. I have had a call from our potato producers in Colorado, of which we have many. They are very concerned over the implications of this proposal.

**Mr. McINTIRE.** I thank the gentleman.

**Mr. ULLMAN.** Mr. Chairman, will the gentleman yield?

**Mr. McINTIRE.** I yield.

**Mr. ULLMAN.** I want to join in support of the position of the gentleman from Maine. We seek to help the farmers in this legislation. I am sure the overwhelming number of potato growers would oppose this amendment. As a matter of fact the gentleman from California [Mr. JOHNSON] has introduced a bill which would go exactly in the opposite direction to the language in this bill. I think at least until after there have been hearings on the Johnson bill this language should be stricken from the bill.

I want to concur in the position of the gentleman from Maine. Potato processors are very much worried.

**Mr. MATTHEWS.** Mr. Chairman, will the gentleman yield?

**Mr. McINTIRE.** I yield.

**Mr. MATTHEWS.** Mr. Chairman, I likewise support the gentleman's position. The potato growers certainly should be consulted before this policy is enacted.

**Mr. McINTIRE.** I thank the gentleman.

**Mr. HARDING.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Committee on Agriculture adopted this amendment after thoroughly debating it in committee. It was pointed out that as the situation presently exists, we have part of our processors covered by marketing orders and part exempt. Packers who can or freeze potatoes are exempt from marketing orders. Dehydrators are subject to marketing orders. This could promote unfair competition between a processor who cans and freezes potatoes and is not subject to marketing orders and one who dehydrates potatoes and is subject to marketing orders. This section of the bill clarifies this situation. It is not right for a processor who is a canner and freezer and dehydrator to have half of his line subject to the marketing orders and half exempt. Think of the confusion and unworkability. This section merely puts dehydrators in exactly the same exempt position as canners and freezers.

I concur in what has been said about the Johnson bill and would like to see the report come to the committee for hearings. Certainly the treatment of the potato processors should be uniform and there should be no inequalities.

I hope that the amendment offered by the gentleman from Maine will be voted down.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. HARDING. I yield.

Mr. McINTIRE. Would the gentleman agree that while this was discussed for the usual length of time accorded such things during consideration in executive session, would the gentleman not agree that the potato processors have a very great interest in the marketing legislation, that their views ought to be heard before we pass legislation of this type?

Mr. HARDING. I most certainly would agree that the growers have a real stake in marketing order legislation. We should give them a chance to come in and testify before we decide whether all processors or no processors should be covered. However, as it is at the present time we are in a situation where we are half covered and half exempt.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARDING. I yield.

Mr. COOLEY. Do I understand that the gentleman opposes striking this language out? Or is the gentleman perfectly willing to strike it out if he can be assured of hearings on the subject?

Mr. HARDING. There again, Mr. Chairman, we are going to face the same situation if we do not get hearings and we do not get passage of other legislation; we will continue to go on half subject and half exempt. Until I see action taken on the Johnson bill, I would like to see this provision clarified.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

I did not know that the provision in the bill, which this amendment proposes to strike out, was in the least controversial. It was adopted by the committee. I hope the House will defeat the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. McIntire].

The question was taken; and on a division (demanded by Mr. McIntire) there were—ayes 127, noes 84.

So the amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that title IV be considered as having been read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

**Title IV of the bill follows:**

## TITLE IV—COMMODITY PROGRAMS

### *Subtitle A—Feed grains*

**Sec. 401. Subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting after part VI a new part VII as follows:**

### "PART VII—MARKETING QUOTAS—FEED GRAINS

### "Legislative Findings

"Sec. 360a. The production of feed grains is a vital part of the agricultural economy of the United States. Feed grains move almost wholly in interstate and foreign commerce in the form of grains, livestock, and livestock products.

"Abnormally excessive and abnormally deficient supplies of feed grains on the national market acutely and directly burden, obstruct, and affect interstate and foreign commerce. When the available supply of feed grains is excessive, the prices of feed grains are unreasonably low and farmers overexpand livestock production to find outlets for feed grains. Excessive supplies of feed grains cause the marketing of excessive supplies of livestock in interstate and foreign commerce at sacrificial prices, endanger the financial stability of producers, and overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in feed grains, livestock, and livestock products is directed. Deficient supplies of feed grains result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers and loss of markets for products.

"The principal grains used for livestock feed are corn, barley, grain sorghums, and oats. Although certain feed grains are better suited for production in some areas than other feed grains, in general, one of several feed grains can be grown on the same land. A marketing program which provides for a single quota applicable to feed grains and which permits producers to determine, within the quota, which feed grains they shall produce will tend to effectuate the policy of the Act and will permit producers the maximum amount of freedom of choice consistent with the attainment of the policy of the Act.

"The conditions affecting the production and marketing of feed grains are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively provide for a balanced supply of feed grains and the orderly marketing of feed grains in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers.

"The national public interest and general welfare require that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. Feed grains which do not move in the form of feed grains outside of the State where they are produced are so closely and substantially related to feed grains which move in the form of feed grains outside of the State where they are produced, and have such a close and substantial relation to the volume and price of livestock and livestock products in interstate and foreign commerce, that it is necessary to regulate feed grains which do not move outside of the State where they are produced to the extent set forth in this Act.

"The diversion of substantial acreages from feed grains to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more accute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in one year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of feed grains to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

### "National Marketing Quota

"Sec. 360b. (a) Whenever prior to June 20 in any calendar year the Secretary determines that the total supply of feed grains in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for feed grains shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than June 20 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (i) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements, (ii) will be utilized for human consumption in the United States as food, food products, and beverages, composed wholly or partly of feed grains, (iii) will be utilized in the United States for seed and industrial uses, and (iv) will be exported either in the form of feed grains or products thereof; less (A) an amount of feed grains equal to the estimated imports of feed grains into the United States during such marketing year and, (B) if the stocks of feed grains owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of feed grains not to exceed 7 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of feed grains in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

"(c) If, after the proclamation of a national marketing quota for feed grains for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for feed grains, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for feed grains. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

"National Acreage Allotment

"SEC. 360c. Whenever the amount of the national marketing quota for feed grains is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of feed grains planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with the expected production on increased acreages resulting from the small-farm exemption pursuant to section 360f, make available a supply of feed grains equal to the national marketing quota for feed grains for such marketing year.

"Apportionment of National Acreage Allotment

"SEC. 360d. (a) The national acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 1 per centum thereof for use as provided in subsection (b)(2) of this section, shall be apportioned by the Secretary among the several States on the basis of the base acreage of feed grains for each State. The State base acreage of feed grains shall be the average acreage of feed grains in the State during the base period, adjusted pursuant to subsection (d) of this section.

"(b)(1) The State acreage allotment for any crop of feed grains, less a reserve acreage of not to exceed 3 per centum thereof for use as provided in subsection (c)(2) of this section, shall be apportioned by the Secretary among the counties in the State on the basis of the base acreage of feed grains for each county. The county base acreage of feed grains shall be the average acreage of feed grains in the county during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subjection (a) of this section shall be used by the Secretary to make increases in county acreage allotments on the basis of the relative needs of counties for an additional share of the national acreage allotment because of new areas coming into the production of feed grains.

"(c)(1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm. The farm base acreage of feed grains shall be the average acreage of feed grains on the farm during the base period, adjusted pursuant to subsection (d) of this section.

"(2) The reserve acreage established pursuant to subsection (b)(1) of this section shall be available:

"(A) For apportionment to farms which were eligible to receive farm acreage allotments under this part, but which through error did not receive such allotments;

"(B) For making increases in farm acreage allotments on the basis of any one or more of the following factors: tillable acres, type of soil, topography, established crop-rotation practices on the farm, hardship, inequities in allotments, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments; and

"(C) For apportionment to farms for which farm acreage allotments were not determined because there were no acreages of feed grains on such farm during the base period on the basis of the following factors: the suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable farm acreage allotments.

"(d) In determining the State, county, and farm base acreages—

"(1) the base period shall be the calendar years 1959 and 1960 for the purpose of determining acreage allotments for the 1963, 1964, and 1965 crops of feed grains; and for the purpose of determining acreage allotments for subsequent crops of feed grains, the base period shall be the two most recent calendar years during which a marketing quota program was in effect for which statistics of the Federal Government are available;

"(2) the Secretary shall make such upward adjustments as he determines are necessary for abnormal conditions affecting the acreage of feed grains planted for harvest, land which is regarded as devoted to the production of feed grains under the conservation reserve and other Federal farm programs, established crop-rotation practices on the farm, hardships, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable base acreages;

"(3) the acreage of feed grains on the farm in excess of the farm acreage allotment shall be excluded in determining the average acreage of feed grains for the State, county, or farm.

"(4) the acreage of wheat produced on the farm pursuant to the exemption provided in section 335(f), in effect prior to the enactment of this part VII, shall be considered as an acreage of feed grains in determining the average acreage of feed grains for the State, county, or farm.

"(e) Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the production of feed grains. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State reserve acreage under subsection (b) of this section. Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having feed grains planted thereon during the base period.

"Acreage released under this subsection shall be credited to the State in determining future allotments. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to the provisions of this subsection, or on a farm whose allotment for feed grains is increased due to reapportionment to such farm of allotments released by other farms under this subsection, shall not be eligible for payments under subsection (b) of section 360j. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to this subsection shall be required to divert from the production of crops, an acreage of cropland equal to the acreage allotment released, and shall be subject to a penalty on any crop produced on such acreage unless the crop is designated by the Secretary as one which is not in surplus supply if permitted to be grown on the diverted acreage. Such penalty shall be in the amount provided in section 360j and shall be subject to the provisions of such section.

"Geographical Applicability

"SEC. 360e. This part VII shall be applicable to the continental United States excluding Alaska.

"Small Farm Exemption

"SEC. 360f. Notwithstanding any other provision of this part, no farm marketing quota for any crop of feed grains shall be applicable to any farm with a farm base acreage of twenty-five acres or less if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm, unless the owner or operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment. If the owner or operator of any such farm fails to make such election with respect to any crop of feed grains, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage if the acreage of such crop of feed grains exceeded the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, and (iii) such crop of feed grains shall not be eligible for price support.

"Referendum

"SEC. 360g. If a national marketing quota for feed grains for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a feed grain base shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a farm feed grain base of twenty-five acres or less and who does not elect, pursuant to section 360f, to be subject to the farm acreage allotment. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of feed grains produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period.

### "Compliance

"Sec. 360h. (a)(1) The farm marketing quota for any crop of feed grains shall be the actual production of the acreage of feed grains on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal production of the acreage of feed grains on the farm in excess of the farm acreage allotment for such crop: *Provided,* That the farm marketing excess shall be an amount equal to the actual production of the number of acres of feed grains on the farm in excess of the farm acreage allotment for such crop, if the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of feed grains on the farm: *Provided further,* That if there is an acreage of more than one feed grain on the farm, in determining which acreage is in excess of the farm acreage allotment, the acreage of the feed grain or grains which has the highest value, based on the normal yield of the feed grain on the farm multiplied by the basic county support rate for the feed grain, shall be considered as the acreage in excess of the farm acreage allotment.

"(2) For the purposes of this section, (i) 'actual production' of any number of acres of a feed grain on a farm means the actual average yield of such feed grain on the farm multiplied by the number of acres of such feed grain, and (ii) 'normal production' of any number of acres of a feed grain on a farm means the normal yield of such feed grain on the farm multiplied by the number of acres of such feed grain. The normal yield of any feed grain for a farm shall be the average yield of such feed grain determined by the Secretary for the farm during the base period (as defined in subsection (d)(1) of section 360d) adjusted to the extent the Secretary determines necessary for abnormal factors affecting production.

"(3) In determining the farm marketing quota and farm marketing excess, (i) any acreage of a feed grain remaining after the date prescribed by the Secretary for the disposal of excess acres of such feed grain shall be included as an acreage of feed grains on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, (ii) any acreage of any feed grain classified as wheat acreage pursuant to section 337 shall not be considered feed grain acreage, and (iii) any acreage of feed grains disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Marketing quotas for any marketing year shall be in effect with respect to feed grains harvested in the calendar year in which such marketing year begins notwithstanding that the feed grains are marketed prior to the beginning of such marketing year.

"(b) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the farm marketing excess of any feed grain shall be regarded as available for marketing, and the producers on a farm shall be subject to a penalty on the farm marketing excess of feed grains at a rate per bushel on the amount of feed grains in the farm marketing excess equal to 65 per centum of the parity price of the particular feed grain involved as of May 1 of the calendar year in which the crop is harvested. Each producer having an interest in the crop of feed grains on any farm for which a farm marketing excess of feed grains is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess.

"(c) If the farm marketing excess is adjusted downward on the basis of actual production as heretofore provided, the difference between the amount of the penalty computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

"(d) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of feed grains, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty.

"(e) Until the penalty on the farm marketing excess of feed grains is paid, each bushel of feed grains produced on the farm shall be subject to the penalty specified in subsection (b) of this section, and such penalty on each bushel of feed grains which is sold by the producer to any person within the United States shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer. If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the feed grains marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty.

"(f) The persons liable for the payment or collection of the penalty on any amount of feed grains shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

### "Substitution of Wheat for Feed Grains

"Sec. 360i. Notwithstanding any other provision of law, the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of this subtitle B.

### "Land Use

"Sec. 360j. (a)(1) During any year in which marketing quotas for feed grains are in effect, the producers on any farm (except a farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C)) on which any crop is produced on acreage required to be diverted from the production of feed grains shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crop, as provided in this subsection, unless (i) the crop is designated by the Secretary pursuant to subsection (e) hereof or (ii) no feed grains are produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of feed grains on the farm shall be an acreage of cropland equal to the amount by which the base acreage of feed grains for the farm exceeds the farm acreage allotment for feed grains. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel, as of May 1, of the calendar year in which the crop is harvested, of the feed grain determined by the Secretary to be the principal feed grain produced in the county, multiplied by the normal yield for such feed grain as defined in section 360h(a). Until the producers on any farm pay the penalty on such crop, the entire crop of feed grains produced on the farm and any subsequent crop of feed grains subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of feed grains shall be jointly and severally liable for the entire amount of the penalty. The Secretary may require the penalty on the production of crops on the diverted acreage to be collected by the purchaser of feed grains produced on the farm. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of feed grains be land which was diverted from the production of feed grains in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of feed grains under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section. Payments shall be in an amount not to exceed the estimated normal production of feed grains for the acreage diverted, multiplied by 50 per centum of the estimated basic county support rates for feed grains in the case of the 1963 crop, 40 per centum of the estimated basic county support rate for feed grains in the case of the 1964 crop, and 30 per centum of the estimated basic county support rate for feed grains in the case of the 1965 crop. The Secretary may permit the producers on the farm to divert from the production of feed grains an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for feed grains: *Provided,* That the producers on any farm may, at their election, divert such acreage, in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to twenty-five acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above and acreage diverted under the land-use provisions for wheat pursuant to section 339, shall not be less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during the base period used in determining the farm acreage allotment adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in the Conservation Reserve and other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producers shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulation prescribe, the farm acreage allotments on any other farm for any crop in which the producer has a share. The producer on any farm for which a farm acreage allotment is established pursuant to section 360d(c)(2)(C) shall not be eligible for payments hereunder. Payments may be made in cash or in feed grains. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

"(1) The basis on which producers would have shared in the production of feed grains had feed grains been produced on the diverted acreage;

"(2) The savings or benefits accruing to each producer on the diverted acreage;

"(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

"(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

"(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, malting barley, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses.

"(f) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

"(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(j) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of subsections (c) and (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, any payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

"Sec. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provision of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop."

Sec. 402. Section 2 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out "and" immediately following the last semicolon, by changing the period at the end thereof to a semicolon, and by adding immediaely following such new semicolon the following: "and to reduce the annual carryover of feed grains, to stabilize the supply of feed grains, and to provide for an adequate and balance flow of feed grains so that the prices of feed grains are fair to producers and consumers and the total supply of feed grains available for utilization for livestock feed is maintained at a level which is consistent with the production of the quantities of livestock and the products thereof that will be consumed and exported at prices which are fair to producers and consumers.

Sec. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by adding at the end thereof the following new items:

"(10) The term 'feed grains' means corn, oats, grain sorghums, and barley. The term 'feed grains' shall also include rye if the Secretary designates such commodity.

"(11) The term 'acreage of feed grains' means acreage of feed grains planted for harvest (including self-seeded feed grains).

"(12) the term 'crop' as applied to 'feed grains' means all of the crops of the agricultural commodities which comprise feed grains and which are produced for harvest in the same calendar year."

(2) Subsection (b)(6)(A) is amended to read as follows:

"(6)(A) 'Market,' in the case of cotton, rice, tobacco, wheat, and feed grains, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos, and, in the case of wheat and feed grains, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered or exchanged or to be so disposed of."

(3) Subsection (b)(7) is amended to read as follows:

"(7) 'Marketing year' means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

"Barley, July 1–June 30;
"Corn, October 1–September 30;
"Cotton, August 1–July 31;
"Oats, July 1–June 30;
"Grain sorghums, July 1–June 30;
"Peanuts, August 1–July 31;
"Rice, August 1–July 31;
"Rye, July 1–June 30;
"Tobacco (flue-cured), July 1–June 30;
"Tobacco (other than flue-cured), October 1–September 30;
"Wheat, July 1–June 30;

" 'Marketing year' means, in the case of 'feed grains', the marketing years for the agricultural commodities comprising the feed grains."

Sec. 404. Sections 361, 362, and 363 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended as follows:

(1) Section 361 is amended by adding "feed grains," after "wheat,", and by changing the period at the end of the section to a comma and adding the following: "and to the review of land-use penalties assessed pursuant to sections 339 and 360j."

(2) Section 362 is amended by adding at the end thereof the following: "Notice of the land-use penalty assessed pursuant to section 339 or 360j shall be mailed to the farmer."

(3) Section 363 is amended by adding "or land-use penalty" after the word "quota" wherever it appears in such section.

Sec. 405. Section 372 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding "feed grains," after "wheat," in subsection (a) thereof.

Sec. 406. Sections 373, 374, and 375 of the Agricultural Adjustment Act of 1938, as amended, are hereby amended by deleting "corn" wherever it appears and by substituting in lieu thereof "feed grains"; and subsection (b) of section 375 of the Agricultural Adjustment Act of 1938, as amended, is further amended by striking out the period at the end of the sentence and inserting at the end thereof the following: "or to effectuate the provisions thereof."

Sec. 407. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "Soil Conservation Act payment," the following: "payment under section 360j,".

Sec. 408. The amendments to the Agricultural Adjustment Act of 1938, as amended, made by sections 401 through 407 of this Act shall be in effect only with respect to programs applicable to crops planted for harvest in the calendar year 1963 or any subsequent year and to the marketing years beginning in the calendar year 1963 or any subsequent year.

Sec. 409. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By amending section 105 by deleting subsections (a) and (b) and substituting the following:

"(a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for each crop of corn shall be made available at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate after consideration of (i) the factors specified in section 401(b) of this Act, (ii) the supplies of feed grains that would be available during the marketing year at prices approximating the support prices of feed grains, and (iii) consumption goals during the marketing year for livestock and livestock products, taking into consideration consumption under special governmental programs, and imports and exports of livestock and livestock products;

"(2) price support for each crop of barley, grain sorghums, oats, and rye, respectively, shall be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such feed grain in relation to corn, location, and buyer preference;

"(3) if marketing quotas are in effect for the crop of any feed grain, price support for such crop shall be made available only to cooperators;

"(4) no price support shall be made available for any crop of a feed grain for which a marketing quota is not in effect because of disapproval by producers; and

"(5) a 'cooperator' with respect to any crop of feed grains produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for feed grains or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 360j of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary."

(2) By amending section 105 by redesignating subsection (c) thereof as subsection (b).

(3) By amending section 401(b) by inserting after the comma before "(2)" the following: "(2) the income needed to provide a farm operator and his family with a return for his labor and investment equal to the return earned by comparable resources in other occupations", and by renumbering (2), (3), (4), (5), (6), (7), and (8) as (3), (4), (5), (6), (7), (8), and (9), respectively.

(4) By adding at the end of section 407 the following: "Notwithstanding any other provision hereof, if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains."

### *Subtitle B—Wheat*

SEC. 410. Section 331 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the last paragraph thereof and inserting in lieu thereof the following paragraphs:

"Wheat which is planted and not disposed of prior to the date prescribed by the Secretary for the disposal of excess acres of wheat is an addition to the total supply of wheat and has a direct effect on the price of wheat in interstate and foreign commerce and may also affect the supply and price of livestock and livestock products. In the circumstances, wheat not disposed of prior to such date must be considered in the same manner as mechanically harvested wheat in order to achieve the policy of the Act.

"The diversion of substantial acreages from wheat to the production of commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage would burden, obstruct, and adversely affect interstate and foreign commerce in such commodities, and would adversely affect the prices of such commodities in interstate and foreign commerce. Small changes in the supply of a commodity could create a sufficient surplus to affect seriously the price of such commodity in interstate and foreign commerce. Large changes in the supply of such commodity could have a more acute effect on the price of the commodity in interstate and foreign commerce and, also, could overtax the handling, processing, and transportation facilities through which the flow of interstate and foreign commerce in such commodity is directed. Such adverse effects caused by overproduction in 1 year could further result in a deficient supply of the commodity in the succeeding year, causing excessive increases in the price of the commodity in interstate and foreign commerce in such year. It is, therefore, necessary to prevent acreage diverted from the production of wheat to be used to produce commodities which are in surplus supply or which will be in surplus supply if they are permitted to be grown on the diverted acreage.

"The provisions of this part affording a cooperative plant to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, to provide for an adequate and orderly flow of wheat and its products in interstate and foreign commerce at prices which are fair and reasonable to farmers and consumers, and to prevent acreage diverted from the production of wheat from adversely affecting other commodities in interstate and foreign commerce."

SEC. 411. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by striking out the provisions of such section and by inserting in lieu thereof the following:

### "National Marketing Quota

"SEC. 332. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat in the marketing year beginning in the next succeeding calendar year will, in the absence of a marketing quota program, likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat shall be in effect for such marketing year and for either the following marketing year or the following two marketing years, if the Secretary determines and declares in such proclamation that a two- or three-year marketing quota program is necessary to effectuate the policy of the Act.

"(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960; less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat, not to exceed 16 per centum of items (i), (ii), (iii), and (iv) above, determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided,* That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover.

"(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage."

SEC. 412. Section 333 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

### "National Acreage Allotment

"SEC. 333. Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production of wheat on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year."

SEC. 413. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is further amended as follows:

(1) By striking out "ten" wherever it appears in subsections (a) and (b) thereof and by inserting in lieu thereof "five".

(2) By amending subsection (e) thereof by inserting the following sentence immediately following the eighth sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection, and the producers on such farm shall not be required to comply with such provisions as a condition of eligibility for price support."

(3) By repealing subsection (g) thereof and by redesignating subsections (h) and (i) thereof as (g) and (h) respectively.

(4) By amending subsection (i) thereof, redesignated by this section as subsection (h), by inserting the following sentence immediately following the seventh sentence thereof: "The land-use provisions of section 339 shall not be applicable to any farm receiving an additional allotment under this subsection."

(5) By striking out of the last sentence of subsection (i) thereof (added by Public Law 87–357, 87th Congress, 1st session), redesignated by this section as subsection (h), "or 1963".

### Geographical Applicability

SEC. 414. Part III of subtitle B of title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding at the end of section 334 thereof the following new subsection: "(i) This part III shall be applicable to the continental United States excluding Alaska."

SEC. 415. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

### "Small Farm Exemption

"SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a base of fifteen acres or less (hereinafter called 'small-farm base acreage') if the acreage of such crop of wheat on the farm does not exceed the small-farm base acreage determined for the farm, unless the owner or operator of the farm elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. For the purposes of this section, the small-farm base acreage for a farm shall be the average acreage of the crops of wheat planted for harvest in the calendar years 1957, 1958, 1959, 1960, and 1961, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage. If the owner or operator elects to be subject to the farm acreage allotment and marketing quota the acreage allotment for the farm shall be the larger of (i) the allotment otherwise determined for the farm, or (ii) the small-farm base acreage for the farm established on the basis of the crops for the calendar years 1957, 1958, 1959, 1960, and 1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres. If the owner or operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of the acreage allotment or the small-farm base acreage determined for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments."

SEC. 416. Section 336 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended to read as follows:

"Referendum

"SEC. 336. If a national marketing quota for wheat for one, two, or three marketing years is proclaimed, the Secretary shall, not later than sixty days after such proclamation is published in the Federal Register, conduct a referendum, by secret ballot, of farmers to determine whether they favor or oppose marketing quotas for the marketing year or years for which proclaimed. Any producer who has a farm acreage allotment shall be eligible to vote in any referendum held pursuant to this section, except a producer who has a small-farm base acreage for such crop of wheat and who does not elect, pursuant to section 335, to be subject to the farm marketing quota. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum, and if the Secretary determines that more than one-third of the farmers voting in the referendum voted against marketing quotas, the Secretary shall proclaim that marketing quotas will not be in effect with respect to the crop of wheat produced for harvest in the calendar year following the calendar year in which the referendum is held. If the Secretary determines that two-thirds or more of the farmers voting in a referendum approve marketing quotas for a period of two or three marketing years, no referendum shall be held for the subsequent year or years of such period."

SEC. 417. Section 337 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by deleting the provisions thereof and substituting the following:

"Substitution of feed grains for wheat

"SEC. 337. Notwithstanding any other provision of law, the Secretary shall permit producers of feed grains to have acreage devoted to the production of feed grains considered as devoted to the production of wheat and the Secretary shall permit producers of wheat to have acreage devoted to the production of wheat considered as devoted to the production of feed grains, as the Secretary determines will not adversely affect the operation of this program."

SEC. 418. The Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding after section 338 a new section as follows:

"Land use

"SEC. 339. (a) (1) During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (i) the crop is designated by the Secretary under the provisions of subsection (f) of this section, or (ii) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(2) The Secretary may require that the acreage on any farm diverted from the production of wheat be land which was diverted from the production of wheat in the previous year, to the extent he determines that such requirement is necessary to effectuate the purposes of this subtitle.

"(3) The Secretary may permit the diverted acreage to be grazed in accordance with regulations prescribed by the Secretary.

"(b) The Secretary is authorized to formulate and carry out a program with respect to the 1963, 1964, and 1965 crops of wheat under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments shall be made in amounts determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Payments shall be in an amount not to exceed the estimated normal production of wheat for the acreage diverted, multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support rates. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to 20 per centum of the farm acreage allotment for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to fifteen acres. Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, and acreage diverted under the land-use provisions for feed grains pursuant to section 360j, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors adversely affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share. The producers on a new farm shall not be eligible for payments hereunder. Payments may be made in cash or in wheat. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. The following factors shall be given consideration in arriving at the division of payment:

"(1) The basis on which producers would have shared in the production of wheat had wheat been produced on the diverted acreage;

"(2) The savings or benefits accruing to each producer on the diverted acreage;

"(3) The respective contribution of each producer to the establishment and maintenance of the conservation use on the acreage designated as diverted from production; and

"(4) The respective relationship of the diverted acreage and increased conservation acreage to the various ownership tracts comprising a farm.

"(c) Where a producer is not entitled to receive full payment under the program formulated under subsection (b) of this section because of unintentional failure to comply with the terms and conditions of the program, the Secretary is authorized to make partial payment to the producer proportionate to the performance rendered.

"(d) Not to exceed 50 per centum of any payment to producers under subsection (b) of this section may be made in advance of determination of performance.

"(e) If the Secretary permits the diverted acreage to be grazed before October 1 or after April 1, no payment shall be made for the acreage which is grazed.

"(f) The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans and flax when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided,* That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses.

"(g) The program formulated pursuant to subsection (b) of this section may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

"(h) The Secretary is authorized to promulgate such regulations as may be desirable to carry out the provisions of this section.

"(i) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this section during the period ending June 30, 1963. There is authorized to be appropriated such amounts as may be necessary thereafter to pay such administrative expenses.

"(j) Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section, or of section 124 of the Agricultural Act of 1961 (75 Stat. 297–298), and payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment."

SEC. 419. Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, is hereby amended as follows:

(1) By amending paragraph (1) to read as follows:

"(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary, the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, (1) any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production, and (2) any acreage of any crop of wheat classified as feed grain acreage pursuant to section 360i of the Agricultural Adjustment Act of 1938, as amended, shall not be considered to be acreage planted to wheat. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year."

(2) By amending paragraph (2) to read as follows:

"(2) Whenever farm marketing quotas are in effect with respect to any crop of wheat, the producers on a farm shall be subject to a penalty on the farm marketing excess of wheat at a rate per bushel equal to 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the corp is harvested. Each producer having an interest in the crop of wheat on any farm for which a farm marketing excess of wheat is determined shall be jointly and severally liable for the entire amount of the penalty on the farm marketing excess."

(3) By amending paragraph (3) to read as follows:

"(3) The farm marketing excess for wheat shall be considered as available for marketing, and the penalty shall be computed upon twice the normal production of the excess acreage. Whereupon the application of the producer for an adjustment of penalty, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than twice the normal production thereof, the difference between the amount of the penalty as computed upon the basis of twice the normal production and as computed upon the basis of actual production shall be returned to or allowed the producer."

(4) By amending paragraph (4) to read as follows:

"(4) Until the producers on any farm pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

(5) By striking out "corn or" from paragraph (5).

(6) By striking out "corn or" from paragraph (6).

(7) By repealing paragraph (7), and by renumbering paragraphs (8) through (11) as (7) through (10), respectively.

(8) By amending the first sentence of paragraph (8) redesignated by this section as paragraph (7) to read as follows: "Until the penalty is paid on the marketing excess of wheat each bushel of wheat produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution."; and by adding at the end of such paragraph the following sentence:

"If the buyer fails to collect such penalty, such buyer and all persons entitled to share in the wheat marketed from the farm or the proceeds thereof shall be jointly and severally liable for such penalty."

(9) By repealing paragraph (12), and by adding the following new paragraphs to follow paragraph (11), redesignated by this section as paragraph (10):

"(11) The persons liable for the payment or collection of the penalty on any amount of wheat shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

"(12) If marketing quotas for wheat are not in effect for any marketing year, all previous marketing quotas applicable to wheat shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him."

SEC. 420. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended as follows:

(1) Subsection (a) is amended by deleting "corn, wheat," in the first sentence thereof.

(2) The first sentence of subsection (b) is amended by striking out "any national acreage allotment for corn or", "wheat," and "in order to effect the declared policy of this Act or".

SEC. 421. Section 385 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by inserting in the first sentence after "parity payment," the following: "payment under section 339,".

SEC. 422. The amendments to the Agricultural Adjustment Act of 1938, as amended, and to Public Law 74, Seventy-seventh Congress, as amended, made by sections 410 through 421 of this Act shall be in effect only with respect to programs applicable to the crops planted for harvest in the calendar year 1963 or any subsequent year and the marketing years beginning in the calendar year 1963 or any subsequent year.

### Wheat Marketing Allocation Program

SEC. 423. Title III of the Agricultural Adjustment Act of 1938, as amended, is hereby amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D as follows:

### *"Subtitle D—Wheat marketing allocation*

### "Legislative Findings

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is necessary to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. Unreasonably low prices of wheat to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of wheat are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for wheat. It is necessary, in order to assist wheat producers in obtaining fair prices, to regulate the price of wheat used for domestic food and for exports in the manner provided in this subtitle.

### "Wheat Marketing Allocation

"SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1963 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation, which shall be the amount of wheat used during the marketing year for human consumption in the United States and exports on which marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota of wheat during the calendar year in which such marketing year begins. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the estimated yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage.

### "Marketing Certificates

"SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the estimated yield of wheat for the farm, plus (ii) the amount of wheat stored to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer.

"(c) Whenever a wheat marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per bushel of marketing certificates. The face value per bushel of marketing certificates shall be equal to the amount by which the level of price support for wheat accompanied by certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

### "Marketing Restrictions

"SEC. 379d. (a) All persons are prohibited from acquiring marketing certificates from the producer to whom such certificates are issued, unless such certificates are acquired in connection with the acquisition from such producer of a number of bushels of wheat equivalent to the marketing certificates. Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates held by persons other than the producer to whom such certificates are issued shall be purchased by Commodity Credit Corporation. Notwithstanding the foregoing provisions of this section, Commodity Credit Corporation is authorized to purchase from producers certificates not accompanied by wheat in cases where the Secretary determines that it would constitute an undue hardship to require the producer to transfer his certificates only in connection with the disposition of wheat.

"(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such product, and (ii) all persons exporting wheat or food products composed wholly or partly of wheat shall prior to such export acquire marketing certificates equivalent to the number of bushels so exported. Marketing certificates shall be valid to cover only sales or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary.

"(c) Upon the giving of a bond or other undertaking satisfactory to the Secretary, and subject to such regulations as he may prescribe, to secure the purchase of and payment for such marketing certificates as may be required, any person required to have marketing certificates in order to market or export a commodity may market any such commodity without having first acquired marketing certificates.

"(d) As used in this subtitle, the term 'food products' means any product to be used for human consumption, including beverage.

### "Assistance in Purchase and Sale of Marketing Certificates

"SEC. 379e. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases and in the purchase and sale of marketing certificates to make such discounts and charge such premiums not exceeding 5 per centum of the face value of the certificate as the Secretary shall determine necessary to encourage the purchase and sale of such certificates through commercial channels.

### "Conversion Factors

"SEC. 379f. The Secretary shall establish conversion factors which shall be used to determine the amount of wheat contained in any food product. The conversion factor for any such food product shall be determined upon the basis of the weight of wheat used in the manufacture of such product.

### "Authority To Facilitate Transition

"SEC. 379g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

### "Reports and Records

"SEC. 379h. This section shall apply to warehousemen, processors, and exporters of wheat and food products containing wheat, and all persons purchasing, selling, or otherwise dealing in wheat marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

### "Penalties

"SEC. 379i. (a) Any person who violates or attempts to violate or who participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

"(b) Any person, except a producer who is subject to subsection (c) of this section, who violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $5,000 for each violation.

"(c) Any person who, in his capacity as a producer, knowingly violates or attempts to violate or who participates or aids in the violation of any provision of this subtitle, or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or fails to make any report or keep any record as required by section 379h shall, (i) forfeit any right to receive marketing certificates, in whole or in part as the Secretary may determine, with respect to the farm or farms and for the marketing year with respect to which any such act or default is committed, or (ii), if such marketing certificates have already been issued, pay to the Secretary, upon demand, the amount of the face value of such certificates, or such part thereof as the Secretary may determine. Such determination by the Secretary with respect to the amount of such marketing certificates to be forefeited or the amount to be paid by such producer shall take into consideration the circumstances relating to the act or default committed and the seriousness of such act or default.

"(d) Any person who falsely makes, issues, alters, forges, or counterfeits any marketing certificate, or with fraudulent intent possesses, transfers, or uses any such falsely made, issued, altered, forged, or counterfeited marketing certificate, shall be deemed guilty of a felony and upon conviction thereof shall be subject to a fine of not more than $10,000 or imprisonment of not more than ten years, or both.

### "Regulations

"SEC. 379j. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates."

SEC. 424. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 106 the following new section:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1963 crop—

"(1) price support for wheat accompanied by marketing certificates shall be at such level not less than 75 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate taking into consideration the factors specified in section 401(b);

"(2) price support for wheat not accompanied by marketing certificates shall be at such level as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains;

"(3) if marketing quotas are in effect for the crop of wheat, price support shall be made available only to cooperators;

"(4) no price support shall be made available for any crop of wheat for which marketing quotas are not in effect because of disapproval of quotas by producers;

"(5) the level of price support for any crop of wheat for which a national marketing quota is not proclaimed shall be as provided in section 101; and

"(6) a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat or any other commodity on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "*Provided*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by a certificate and wheat sold shall be accompanied by a certificate."

(3) By adding at the end of section 407 the following new sentence: "Notwithstanding any other provision hereof, if a marketing quota for wheat for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks at market prices during the marketing year not to exceed two hundred million bushels of wheat."

### *Subtitle C—Dairy*

SEC. 430. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the marketing year ending March 31, 1963.

In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the marketing year ending March 31, 1963, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the marketing year ending March 31, 1963, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

SEC. 431. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing year ending March 31, 1963, their marketings to a level not (i) less than 10 per centum or (ii) more than the larger of 25 per centum or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 434 of this Act for each such quarterly marketing period: *Provided*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect adjustments in any dairy district in excess of 10 per centum of the estimated total marketings by all producers in such district during the preceding marketing year. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

SEC. 432. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 433 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketings during the calendar year 1961 or (ii) the Secretary's estimate of what would be marketed in a calendar year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961 marketings as he deems necessary for food, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after January 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

SEC. 433. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

SEC. 434. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such normal marketing level for the disposition in commercial channels of milk, butterfat, or dairy products produced in the same State as that in which the transferor engaged in production or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

SEC. 435. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

SEC. 436. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing levels. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

SEC. 437. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point the amendments referred to during the debate, copies of which have been filed with the minority members of the Committee on Agriculture.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The matter referred to follows:

Amendment offered by Mr. JENNINGS: On page 41, line 19, change the period to a comma and add the following: "but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361–367 shall apply to the determination of the acreage of silage exempt under this subsection."

Amendment proposed by Mr. MATTHEWS: On page 36, beginning on line 4, and page 60, beginning on line 21, strike out item (1) and insert:

"(1) that the diverted acres shall be devoted to conservation uses that will maintain the land free from erosion, weeds, insects, and rodents as approved by the Secretary: *Provided,* That summer fallow and idle land will not be considered a conservation use of farms that did not follow such conservation uses during 1959 and 1960;".

Amendment offered by Mr. Matthews: On page 16, beginning with line 21, strike out down through the period in line 22.

On page 41, line 13, strike out "oats."

Amendment offered by Mr. Jennings: On page 27, line 16, and on page 28, line 14, strike out "twenty-five" and substitute "forty."

Amendment offered by Mr. McSween: On page 47, line 1, beginning after the comma, strike out down through line 6 and substitute the following: "if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges."

On page 81, line 16, beginning after the comma, strike out down through line 21 and substitute the following: "the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 2 per centum above the current support price for such commodity, plus reasonable carrying charges."

Amendment offered by Mr. Poage: On page 40, between lines 18 and 19, insert the following:

"Sec. 360l. Notwithstanding any other provisions of law, subject to such additional terms and conditions as the Secretary may prescribe, an acreage equal to that part of a farm acreage allotment for any commodity which is not utilized for the production of such commodity because of adverse weather conditions may be devoted to the production of feed grains under the following conditions: (1) any acreage so devoted to feed grains shall not be considered as feed grain acreage for purposes of determining the farm marketing excess, (2) price support shall be restricted to that percentage of the total production of feed grains on the farm equal to the percentage that the farm acreage allotment for feed grains bears to the total acreage of feed grains on the farm, (3) the land-use provisions of section 360j shall be inapplicable to a farm on which any acreage is so devoted to feed grains, and (4) any acreage so devoted to feed grains shall not be considered as feed grain acreage in determining whether the producer exceeded the farm acreage allotment for feed grains for purposes of sections 339, 360j, 379c of this Act and sections 105 and 107 of the Agricultural Act of 1949, as amended."

Amendment offered by Mr. Poage: On page 38, line 8, insert immediately after "malting barley," the following: "other annual field crops for which price support is not made available,".

On page 38, line 18, change the period to a comma and add the following: "and no price support shall be made available for the production of any such crop on such diverted acreage."

Amendment offered by Mr. Breeding: On page 36, line 22, after "farm" insert a colon and the following: "*Provided,* That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".

On page 61, line 14, after "farm" insert a colon and the following: "*Provided,* That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".

Amendments offered by Mr. Jennings:

On page 53, beginning with line 1, strike out down through line 8 and substitute the following:

"(2) By amending subsection (e) thereof by striking out in the first sentence thereof 'any of the 1962, 1963, and 1964 crops' and inserting in lieu thereof 'the 1962 crop'."

On page 53, between lines 21 and 22, add the following:

"(6) By adding at the end thereof the following new subsection:

" '(i) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support.' "

Amendment offered by Mr. Bass of Tennessee: On page 88, line 15, strike out "or sewer" and insert "or outside metropolitan areas, municipalities and adjacent areas within 50 miles sewer".

Amendments offered by Mr. McSween:

On page 45, line 3, strike out "price support for each crop of corn" and substitute "if marketing quotas for any crop of feed grains are not disapproved by producers, price support for corn of such crop".

On page 45, between lines 15 and 16, insert the following new paragraph:

"(2) if marketing quotas for any crop of feed grains are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as will not result in a net increase in stock of the Commodity Credit Corporation and as the Secretary determines appropriate after consideration of the factors specified in section 401(b)."

On page 45, line 16, renumber paragraph (2) as paragraph (3).

On page 45, beginning with line 23 strike out down through line 25, and substitute the following:

"(4) price support for feed grains shall be made available only to cooperators."

On page 46, beginning with line 1, strike out down through line 3.

On page 46, line 4, insert at the beginning of paragraph (5) the following: "if marketing quotas are in effect for the crop of feed grains".

On page 46, line 13, after the period insert the following: "if marketing quotas are not in effect for the crop of feed grains, a 'cooperator' with respect to any crop of feed grains produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains."

On page 46, between lines 13 and 14, insert the following:

"(6) the term 'feed grains', as used in this section, means feed grains as defined in section 301 of the Agricultural Adjustment Act of 1938, as amended."

On page 80, line 6, immediately preceding "price support" insert "if marketing quotas are in effect for wheat".

On page 80, lines 12–13, strike out "if marketing quotas are in effect for the crop of wheat".

On page 80, beginning with line 15, strike out down through line 17 and substitute the following:

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as will not result in a net increase in stocks of the Commodity Credit Corporation and as the Secretary determines appropriate after consideration of the factors specified in section 401(b),".

On page 80, line 21, at the beginning of paragraph (6) insert the following: "if marketing quotas are in effect for the crop of wheat,".

On page 81, line 6, after the period insert the following:

"If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat."

Amendments offered by Mr. Jennings:

On page 38, line 19, strike out subsection (f) and substitute the following:

"(f) During the crop years 1963, 1964, and 1965 the diverted acreage may be grazed at the producer's option, but no payment shall be made for acreage which is grazed."

On page 35, line 5, strike out paragraph (3) and substitute the following:

"(3) Beginning with the crop year 1966, the Secretary may, pursuant to regulations prescribed by him, permit the diverted acreage to be grazed in order to alleviate hardship arising from drought, flood, or other emergency conditions."

Mr. VANIK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Chairman, although there is not one farm in my district, I feel impelled to state my position on the farm legislation which we are now considering.

In my community, there is general disgust with the high cost and the great waste of our annual agricultural surpluses. I suppose most people would like to eliminate the entire program, including what remains in the law from the Brannan program, the Benson program, and what is promised under the Freeman program. The general feeling is that enough is enough.

Personally, I am not so discouraged. While the agricultural programs of this country have been wasteful and extravagant, they have nevertheless provided bountiful reserves of food which are the envy of the entire world. In this century, the development of modern agriculture in the United States ranks perhaps foremost in the achievements of mankind—outranking our progress in mass production, the development of air travel, and the probes of space. The scientific development of agriculture in the United States and the conquest of hunger in the world may well prove to be the giant step of this century.

These plans—all of them—have in one way or another contributed to the development of agricultural science. There has been waste, there has been extravagance; but there also has been a stimulus for higher productivity on less land. The farmer as a businessman is second to no one for ingenuity. Whatever the plan or program, he has always managed to find a path to farm profits.

Immoderate surpluses are wrong. If the land is used to create waste, it is being abused. On the other hand, there are some advantages to moderate surplus accumulations. A moderate surplus serves to depress and reduce consumer prices. The risk of shortage is avoided. The risk of high prices and shortage speculation is eliminated. Meat and poultry prices have been moderate. If the entire termination of surplus programs were to be brought about, it could result in substantial increases in the price of beef, pork, veal, lamb, and poultry, which would be far more costly to the individual consumer than his pro rata contribution to the farm program. With sirloin steak at 79 cents a pound and dressed chicken at 29 cents a pound, the consumer is reaping a daily benefit from the farm program, which must not be overlooked and which should not be eliminated.

Frankly, there are many serious objections to the farm program beyond the problems of costly surplus accumulation and Government subsidies. For too long a time and in too many ways, the farm program has been administered as the private domain of "big business" farm operators. If the price support program were limited to the smaller farmers with a loan limitation of $25,000 or even $50,000, the program would become less costly. Neither side seems to want that kind of an approach.

Nor do I believe that a farm program should be adopted by a vote of certain farmers participating in a farmer's plebiscite to determine what kind of a program should be adopted. That decision ought to be made by Congress on the basis of what is good for America rather than what is good for the farmer. Congress should not be permitted to divest itself of the ultimate responsibility. If we believe in the cutback of acreage or the reduction of surplus-producing parity, we ought simply to cut back the levels of parity payments.

Under our agricultural programs, the farmer with acute business acumen has devised many things he can sell besides agricultural products. When the cotton farmer cut back cotton production for higher prices, he converted his unused farmland to feed grains. When his feed grain land is cut back, he will try to convert the land to sugar and take advantage of the sugar bill we just passed. When the farmer has run out of all other uses for his land, he will simply apply to the Area Redevelopment Administration and seek to redevelop it as an industrial site. In the meanwhile, he may have sold his crop allotment to someone else and earned money on a franchise or license on land which is not even available.

The law and regulations relating to the transfer of crop allotments have created rights in land never fully anticipated by Congress. Thus, in addition to the commodity markets, we have created markets in crop allotments and parity credits which have created private rights unrelated to farm productivity or any other discernible public purpose.

In spite of all of my grave concerns, I expect to vote for the Freeman program. I believe it deserves a trial—at least the same kind of trial we gave predecessor programs. My hope is that it will work—that it can perform the "miracle" of reduced surplus, reduced public costs, higher farm income, and low consumer prices. If it fails to move the farm program in the right direction, we can abandon the approach next year and search for another alternative. Although I do not expect a panacea, I do hope for a solution to the problem which the farmer can live with and which the people of America can accept.

It is also my hope that the Secretary of Agriculture and his entire Department will come to the realization that the farm program involves every American—that the Department of Agriculture can no longer remain as the farmers' private domain. Time is running out on popular support for farm programs. In order to watch over consumer interests, it would be extremely helpful to establish an office for an Assistant Secretary of Agriculture for Consumer Interests to be headed by a responsible leader in urban affairs to "watchdog" activities in the Department of Agriculture which may prove prejudicial or harmful to the vital interests of the urban resident who pays the bill.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11222) had come to no resolution thereon.

## HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, can the gentleman tell us what is proposed to be done on Friday of this week?

Mr. ALBERT. At this time I am not able to advise the gentleman.

Mr. GROSS. Will there be a session on Friday?

Mr. ALBERT. I am not able to advise the gentleman of that at this time.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Speaker, reserving the right to object——

The SPEAKER. The Chair is sorry, but the gentleman did not exercise his rights under the rule. His reservation comes too late.

## SUBCOMMITTEE NO. 5 AND SPECIAL SUBCOMMITTEE ON STATE TAXATION OF INTERSTATE COMMERCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5, and the Special Subcommittee on State Taxation of Interstate Commerce of the Committee on the Judiciary may be permitted to sit during general debate for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. ANDERSEN of Minnesota. I object, Mr. Speaker.

Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ANDERSEN of Minnesota. Could the House revert to the position just before the last objection I made to give me an opportunity to say what I wanted to say?

The SPEAKER. The Chair will recognize the gentleman. Does the gentleman reserve his right to object to this request?

Mr. ANDERSEN of Minnesota. I was reserving the right to object to the previous request.

The SPEAKER. The Chair put the question, and the gentleman did not reserve the right to object.

Mr. ANDERSEN of Minnesota. Mr. Speaker, then all I can do is to insist on objecting to all other requests.

The SPEAKER. If the gentleman will withdraw his objection and reserve the right to object, then the Chair will recognize the gentleman.

Mr. ANDERSEN of Minnesota. Well, I wanted to reserve the right to object to the preceding request, Mr. Speaker.

The SPEAKER. Unfortunately, the gentleman did not manifest that intention, and the unanimous-consent request was agreed to.

Mr. ANDERSEN of Minnesota. Well, I will reserve the right to object at this time, then, Mr. Speaker. I do not want to be obstinate.

The SPEAKER. In other words, the gentleman reserves the right to object to the unanimous-consent request made by the gentleman from Oklahoma?

Mr. ANDERSEN of Minnesota. It was my intention, Mr. Speaker, to ask, relative to the 11 o'clock situation, as to what was going to be the attitude of the conferees on this so-called duck hunters' amendment which the gentleman from Wisconsin [Mr. REUSS] put in the bill and cluttered it up with, but I did not have the opportunity. At least, Mr. Speaker, I will now withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## THE 99TH BIRTHDAY OF THE STATE OF WEST VIRGINIA

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, a tribute to the State of West Virginia is appropriate on any date. However, the 99th anniversary of West Virginia's statehood is a highly significant occasion.

On June 20, 1863, West Virginia entered the Union with a constitution which provided for gradual emancipation of slaves. It has been said time and time again that West Virginia was born out of the struggles of the Civil War. But actually this birth was not a sudden thing. For decades the rugged individuals, who occupied the mountain and valley regions of what was the western portion of the Commonwealth of Virginia, had diligently searched for that independence of mind, body, and soul which was found in the hardy and fearless pioneer. The pioneers of West Virginia were indeed fearless in their endeavors to make for themselves and their families a way of life dedicated to the principles which were firmly written into the Declaration of Independence and the Constitution of the United States.

George Washington wrote one of the most famous of West Virginia's early journals. This was done in 1748 after his surveying trip through the mountains and he expressed pleasure and wonderment when he witnessed the vast beauty and contrast of the region.

The early population of the Mountain State came from the eastern sea coast of the Nation and from Great Britain, Germany, Hungary, Ireland, Italy, Poland, and Austria. But a recent census revealed that almost 93 of every 100 West Virginians were at that time American born.

The cities of West Virginia are most numerous on the Appalachian Plateau. The broad rivers and rich natural resources of this region have provided the necessary transportation facilities and raw materials for industrial development.

The country life of West Virginia is an important and predominating factor in any discussion of our State, as there are approximately 650 towns and villages with populations of less than 5,000.

The people of West Virginia are hard working and freedom loving. They are employed in the coal mines, in manufacturing and processing, and in farming. Chemicals, iron and steel, glass and pottery, metal products, textile plants and forest products—all are a part of the growing industrialization of West Virginia. The development of West Virginia from a backward frontier State to one of the most highly industrialized areas in the Nation is a great and good story.

West Virginia produces striking contrasts, not only among the individuals who live there and in their way of living, but also in its widely varying topography. The scenery, too, is unusual and interesting in its diversity. High mountains are broken by broad level valleys, narrow gorges, or swiftly falling rivulets that form shining miniature falls and cascades. Sloping foothills and rolling valleys are ribboned by broad rivers. Broad peaks rise above forested hills and field-dotted plateaus. Forests and parks, which are becoming increasingly popular as vacation spots, reveal the beauty and grandeur of the wilderness, but are short distances from modern cities complete with all the conveniences of the industrial age.

West Virginia has been called "a darn good State for the shape it's in." West Virginians like that description. It typifies the State's individuality and emphasizes the geography and topography that have affected its destiny from the time of its birth in 1863.

There is a sentiment expressed by Justice William Douglas of our Supreme Court, which is appropriate to a tribute to West Virginia. He is a man who has lived among the mountains just as we West Virginians. Justice Douglas has said, and I quote:

> Mountains have a decent influence on men. I have never met along the trails of the high mountains a mean man, a man who would cheat and steal. Certainly most men who are raised there or who work there are as wholesome as the mountains themselves.

West Virginia and its people are delightful subjects on any day, but on this special date—June 20, 1962—which commemorates the 99th anniversary of statehood of our Mountain State, I am especially proud and honored to speak these words:

In conclusion four lines of a poem come to mind:

> Her hills are as high as heaven,
>   Her valleys as deep as hell;
> Her people are as rough as the Devil,
>   But they sure do treat you swell.

## WAURIKA PROJECT, OKLAHOMA

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 10 minutes.

Mr. WICKERSHAM. Mr. Speaker, during the course of the past week, I have continued to plead for a Bureau of Reclamation project in my district of Oklahoma. This project is known as the Waurika project. It will be placed on Beaver and Cow Creeks in Jefferson County, Okla.

It has been my experience that Congress has never failed to act in a situation that was one of real need. Waurika is not just another project. As I have tried to make it known, Waurika has been underwater from a flood within the past 2 weeks. As the record shows, the area annually suffers from drought by the late summer months.

My colleagues, this is an American tragedy. When an area can continually flood and then have drought within the same year, nature is badly out of balance.

We all know that agricultural practices are such that they sometimes compound these problems. But this area is so situated geographically that it would be subject to such inconsistencies under normal circumstances.

When nature is out of balance, something can be done about it. Man has devised means by which he can partially harness and make use of nature's mixed blessings.

In the 1930's we learned the hard way that every drop of water can be more precious than a drop of gold. We learned that misuse of God's land and His resources is a dreadful crime. We learned that better agricultural practices could mean the salvaging of our soil. This is closely connected with our improved means of managing that liquefied resource—rain.

Now you gentlemen who live in the Far West and in the North know what rain is—but it is almost inconceivable to the man who has not witnessed an old-fashioned gully-washer, what our problem is.

In the area of Waurika, 4 inches of hard rain may fall in one evening. Also, a period of 4 months can go by when there is not as much as an inch per month of precipitation.

This poses a climatical problem. Coupled with the utilization of the land, the type of soils in the area, the size of the streambeds, the great number of small contributaries, the problem at Waurika is a great one.

If the heavy spring rains can be held in Beaver and Cow Creeks, the annual flooding at Waurika will be eliminated. Engineers tell us this can be done with the construction of the proposed Waurika project. Water for irrigation can be made available with the construction of this project. Thus, the drought conditions can be alleviated. But, all of this is only too obvious.

There is a small group of citizens who are opposing this project. They are the ones whose homes will be bought by the Government and whose land will be beneath the reservoir. To those people, we can guarantee that we will demand that they get reasonable consideration for their property. But we cannot throw away a project of this nature because a few do not wish to relinquish title to land. When the Government asks citizens to give up their homes, it is a serious problem. One which requires considerable study and much discussion. I have talked with some of these people. They do not wish to leave their homes. They are my constituents and I have compassion for them and understand their feelings. But, I feel that the Waurika project is absolutely essential to the area.

In terms of flood control, drought prevention, recreation, water supplies, this project is a necessity.

My colleagues, I cannot impress on you enough that my constituents do not want a giveaway. They are not looking for a pie in the sky. They want the Waurika project as a loan.

As a Congressman, I naturally am concerned over the welfare of my people back home, just as are all of you distinguished Members of Congress. In the interests of our Nation and of humanity, I have supported certain portions of our foreign aid program designed to help non-Americans help themselves. I also expect us to help Americans to help themselves.

In the preamble to our great Constitution, it is written that we will "promote the general welfare" and that we will "secure the blessings of liberty for ourselves and our posterity." My colleagues, I interpret the concept of freedom of "life, liberty, and the pursuit of happiness" to mean that we must search for the best means to serve all of the people and endeavor to see that justice be done.

Mr. Speaker, I commend you and the Members of this House for your courage and your cooperation. Many of you have come to me to express your concern on this matter. For this I am most grateful, and for my people, I express heartfelt appreciation. When we as Members of Congress fail to stop to hear the cries of anguish, the sorrow, the disappointment, and the disillusion of our fellow Americans, then we had better get out of Congress. For we are the representatives of the people and are their combined eyes, ears, and mouth.

## PAY SCALES OF POSTAL EMPLOYEES

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, I would like once again to call the attention of this House to an issue which I hope will soon come to the floor. For some time now the Post Office and Civil Service Committee has been conducting hearings on the subject of the pay scales of postal employees. That committee heard overwhelming testimony in support of H.R. 9531 of which I am proud to be cosponsor, my bill being H.R. 9539.

The committee has heard expert testimony stressing the urgency for prompt action. Yet the bill is delayed and the hearings continue. It is my hope that the committee will soon reach a favorable decision and report the bill by an overwhelming vote. Then we, the Members of this House, can have the opportunity to voice what I am sure is the overwhelming view of the American people, by approving this sorely needed, most justifiable pay raise for the postal workers.

Mr. Speaker, I will not deal in technicalities today; rather at this time I would like to talk in terms of how the present pay structure in the post office affects the postal employees whom I know—the men who work and live and try to raise their families in New York City.

As you know so well, New York City represents approximately one-tenth of the entire postal system of the United States, both in volume and in the number of people employed. The New York City Post Office is larger than the entire postal system of many nations in the free world, including our friendly neighbor to the north, Canada. If the New York City Post Office were to break down—if the service were to collapse—the entire postal system of the country would suffer irreparable harm, and the damage not only to our social life but to our economic life as well would be incalculable.

Mr. Speaker, unless the postal pay structure is greatly improved and unless the postal career is made a great deal more attractive, we shall have a breakdown of service in the New York City Post Office.

The postal employees in New York City—including those who work and live in my own constituency in the Borough of Queens—are greatly underpaid. An annual salary of from $4,345 to $5,305 is simply not enough to raise a family in the New York area. I am certain that this is also true in every other metropolitan area in the Nation, but I am confining myself to my own geographical area at the moment.

The average yearly salary of the average letter carrier or clerk today is $5,005. After all the Federal deductions are made, this amounts to an average take-home pay of only $78.18 a week, before State and local taxes. In New York City $78.18 a week is a pitifully small wage. For a family man it means abject poverty. There is hardly a job on the New York City payroll—including such positions as janitor, streetsweeper, and garbage collector—which does not provide a substantially greater salary than does the position of letter carrier or postal clerk in the New York City Post Office.

The results of our parsimony are already making their appearance. In the New York City area, postal and Civil Service officials have modified the entrance examination for the postal service. It is hoped that this step will attract the bright, able and ambitious young men so urgently needed for these positions. But, modification of the standards will not attract these men. Let us face it—a wage to meet today's living costs is the only thing that will turn the trick.

I am sure my colleagues in this House are fully aware that postal work is difficult work. It requires skill, diligence, intelligence, an excellent and accurate memory, and a high standard of honesty and integrity. It is not work that just anyone can learn and do.

Many positions in the supervisory force of the post office require an immense amount of ability, experience and leadership. These supervisory positions are filled by men who came up from the ranks, who showed special talent and ambition on the way up. We have been particularly fortunate in that there has been a constantly replenished pool of talent in our post offices from which these essential supervisors could be chosen. But, where are the supervisors of tomorrow coming from?

Postal management talks about mechanization in the future. This is badly needed. It must come. But, mechanization is never going to replace human beings. It will, instead, demand a higher degree of intelligence on the part of those who handle the machines and the electronic devices. It will also demand a far higher degree of intelligence and talent among the men who supervise the mechanized operations. The demand for talent and intelligence is going to be even greater than it is today. How are we going to meet that demand? We can meet it only by making the postal career economically competitive with comparable jobs in private industry.

Mr. Speaker, as commendable as the administration's act in coming forward voluntarily with a recommendation for an increase in postal and Federal pay is, it falls far short of the answer. The pay proposal which the administration suggests offers far too little to those who need a raise the most—and it offers it far too late for those who need a raise right now.

I shall not belabor the point. Postal employees need a substantial pay raise, and they need it today. The postal system—with its fantastically growing volume—cannot escape collapse unless we make the pay raise substantial and immediate.

The bill which the distinguished gentleman from Louisiana has introduced—H.R. 9531—and which I am privileged to cosponsor, will accomplish those things that must be done for the good of the country and for the good of those who serve the country with such dedication and loyalty.

I sincerely urge early and favorable committee and congressional approval of this measure.

## THE BROTHERS ROSTOW

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROUSSELOT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, the name of Walter W. Rostow has assumed critical importance to the United States with his drafting of a report proposing a softer U.S. foreign policy toward Communist countries—see remarks of Senator EVERETT DIRKSEN in the CONGRESSIONAL RECORD of June 18, 1962, pages 10758–10760, and the Department of State publication No. 7277 entitled "Freedom From War." Since Rostow is the State Department's chief foreign policy adviser, I think we should look into the background of this man.

An article by Alice Widener entitled "The Brothers Rostow," which appeared in the August 16, 1957, issue of U.S.A., an American magazine of fact and opinion, brings to light little known facts concerning Rostow which I believe will be of interest to my colleagues. These facts clearly show that his aim is the formation of a worldwide socialist government.

The text of the article follows:

### The Brothers Rostow

(By Alice Widener)

Relatively unknown to the American public, but extraordinarily influential in the fields of economics, law, and international affairs, are the brothers Rostow—Eugene V. and W. W.

Eugene V. Rostow, is dean of the Law School at Yale University.

W. W. (Walt Whitman) Rostow is a professor at the Massachusetts Institute of Technology Center for International Studies.

Each of the Rostow brothers has won high honors and holds a high post in the academic world. Each has occupied positions of heavy responsibility in the U.S. Government and in the United Nations.

Prolific writers, they are busily engaged in telling Americans what they should do and how to do it. Yet close study of the Rostow brothers' views—as expressed in their own writings—has led this writer to form the opinion that W. W. Rostow is bent on persuading Americans to squander a large part of their wealth, and Eugene V. Rostow is bent on hindering their ability to acquire it.

#### A PAIR, EVEN AND EQUAL

The 1956–57 edition of "Who's Who in America" shows that the Rostow brothers were born in Brooklyn, N.Y., Eugene V. in 1913, W. W. in 1916. Both hold degrees from Yale University; both studied at universities in England, Eugene at Cambridge, W. W. as a Rhodes scholar at Oxford.

During World War II, Eugene served as special assistant to Assistant Secretary of State Dean Acheson, and W. W. served in the OSS.

Two years ago, each of the Rostow brothers received a very large amount of tax-exempt support for the furtherance of his economic and social ideas.

In December 1955, the Ford Foundation gave $1,600,000 to Yale Law School in order that it might finance a revision of the curriculum under the direction of Dean Eugene V. Rostow. He promptly announced to the press that the new curriculum would become unique in the world and its principal purpose would be "to improve Yale's methods of relating the study of law to history, philosophy and social sciences."[1]

In October 1955, the Carnegie Foundation gave a 3-year grant to the Massachusetts Institute Center for International Studies in order that Prof. W. W. Rostow might direct the drawing of "a new national portrait of the United States in a world setting."[2]

A most significant fact in the Rostow brothers' careers is that each served in Geneva, Switzerland, as Assistant Executive Secretary to Gunnar Myrdal, Executive Secretary of the United Nations Economic Commission for Europe. W. W. Rostow held the post during 1947–49, and was succeeded by his brother, Eugene, who held it during 1949–1950.[3]

Gunnar Myrdal (Swedish economist and social scientist who severely hurt the economy of his native land by engineering its disastrous pro-Communist trade agreement with the Soviet Union after World War II) is the author of "An American Dilemma" and the recently published "An International Economy," books that are among the most radically leftist documents of the 20th century.

#### MEASURE FOR MEASURE

It is not surprising that Myrdal picked the brothers Rostow as his special executive assistants; the three men are intellectually compatible, strong supporters of concepts originally embodied in the proposed U.N. Havana Charter of 1948. Wholly rejected by the U.S. Congress, this charter called for socialization of the world, including the United States.

Today the dauntless brothers Rostow continually seek to implement the Havana charter's aim of creating a single world Socialist economy, and each strives unceasingly for adoption of a measure essential to success.

Prof. W. W. Rostow advocates adoption of SUNFED (a multibillion-dollar Special United Nations Fund for Economic Development of the so-called underdeveloped nations), and if not SUNFED itself, then what Senator HUBERT HUMPHREY approvingly calls SUNFED philosophy.

Dean Eugene V. Rostow advocates adoption of the U.N. restrictive business practices proposal which would set up U.N. control over all American business.

Let us examine each of these Rostow-revived proposals:

In sponsoring the SUNFED philosophy (as expressed in the Millikan-Rostow report submitted to the U.S. National Security Council in 1956, a report which has greatly influenced the U.S. International Development Loan Fund proposal now before Congress),[4] Prof. W. W. Rostow wants the United States to make a lump-sum appropriation of $10 to $12 billion to be spent "without any sort of military or political strings attached" during a 5-year period on grants-in-aid and on long-term, low-cost, unprofitable loans to underdeveloped nations. Professor Rostow doesn't expect this squandering of U.S. taxpayers' money to win friends for the United States or to foster free enterprise. He appears to be wholly unworried by the prospect that his plan would mortgage a large part of our country's future wealth and would make international captives out of our hardworking taxpayers.[5]

To insure the success of his SUNFED plan under its alias "The Millikan-Rostow Report," Prof. W. W. Rostow envisages adoption of all the international economic controls that are standard operating procedure for Socialist schemes: International price stabilization, food and fiber banks, currency control, elimination of U.S. tariffs, control over production, consumption and distribution of agricultural products and manufactured goods.

Like all Socialist 5-year plans, Professor Rostow's is just a starter. On page 59 of the Millikan-Rostow report, he and coauthor Max Millikan of MIT declare: "Although an initial 5-year allocation is recommended, the plan would look ahead for a longer period, at least a decade."

#### PROFITLESS PLAN

Also according to Socialist dogma, the profit motive is banned from such U.S.-financed, Rostow-devised dealings with foreign lands. On page 79 of the Millikan-Rostow report there is the flat assertion:

"The narrow criterion of whether a (development) project can repay from its own revenues is at best irrelevant and at worst may be seriously misleading."

Thus it is perfectly clear that W. W. Rostow wants the United States to put up at least $20 to $24 billion for a scheme in which profits are at best irrelevant and at worst misleading.

This explains why this writer is of the opinion that one of the brothers Rostow—namely, W. W.—wants to squander a large part of the Nation's wealth.

#### NO COUNSEL, JUDGE OR JURY

And now how about the congressionally rejected U.N. proposal sponsored by Dean Eugene V. Rostow, a scheme called the U.N. restrictive business practices proposal?

Quite simply, this proposal would set up iron control over all American business by establishing a U.N. Commission (administered by international bureaucrats including Communists) empowered to bring legal charges of monopolistic practices and restrictive business practices against American corporations which would be deprived—among other dire results—of the right to be represented by counsel of their own choosing, and of the right to trial by judge and jury.[6]

In 1954, a former Assistant Secretary of State told this writer that the sponsors of the U.N. restrictive business practices proposal "operate on the theory that the best way to atomize the institution of capitalism is to destroy the institution of the corporation in its U.S. setting which is the last stronghold of free enterprise capitalism."

#### HIGH ON THE DEAN'S LIST

Is Dean Eugene V. Rostow of the Yale Law School trying to wreak such destruction?

To answer this question, it is necessary to read his writings and to study his record.

A major part of the answer lies in the "Report of the Attorney General's National Committee to Study the Antitrust Laws" of March 31, 1955. This U.S. Government document explains on page iv:

"On June 26, 1953, Attorney General Herbert Brownell announced his intention to establish a National Committee to Study the Antitrust Laws. At the same time, the President of the United States expressed the hope that this group would provide an important instrument to prepare the way for modernizing and strengthening our laws to preserve American free enterprise against monopoly and unfair competition.

Dean Eugene V. Rostow of Yale Law School was among the 63 lawyers, economists, and professors appointed in 1953 to serve on this committee. Two years later, when its official report was issued, the fact became apparent that there had been severe dissension among the committee members, and that the principal dissenter from the majority view was Dean Rostow.

Pages 98, 99 and 100 of the report show that Eugene V. Rostow strongly condemned the committee's refusal to support the U.N. restrictive business practices proposal. Dean Rostow's own words (page 100) show that this U.N. proposal is indeed based on the congressionally abhorred Havana Charter, even though in 1954 the State Department officially denied the proposal's relationship to that charter in a statement made to the U.N. correspondent of the New York Daily News.

Dean Rostow wrote in the 1955 report:

"The International Trade Organization Charter of Havana, of 1948, contained an important chapter of Restrictive Business Practices.

"With the failure of the Havana Charter the Government (actually a small, determined group of officials in the State Department) made earnest attempts through several international bodies to revive the idea. Finally, by Resolution of the Economic and Social Council of the United Nations, an international committee was appointed to study the problem, and to make recommendations for action. That committee has proposed Draft Articles of Agreement through which machinery of international cooperation could be established for dealing directly with restrictive business practices.

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[1] New York Herald Tribune, Dec. 5, 1955.

[2] New York Times, Oct. 2, 1955.

[3] New York Times, Sept. 14, 1949.

[4] "The Proposed Development Loan Fund," June 1957, International Cooperation Administration, Washington, D.C., p. 18.

[5] "The Millikan-Rostow Report," U.S.A., vol. III, No. 19, Sept. 28, 1956.

[6] "U.N. Czar To Rule U.S. Business?" U.S.A., vol. I, No. 20, Dec. 17, 1954.

These Draft Articles are largely based on the corresponding substantive provisions of the Havana Charter."

Even though the Eisenhower administration has withdrawn former State Department support of the U.N. Restrictive Business Practices Proposal, and even though David C. Murchison, Legal Adviser to the Chairman of the Federal Trade Commission in 1955 testified before the Senate Subcommittee on Antitrust and Monopoly that the U.N. proposal has no basic procedural safeguards which we are used to in this country, Dean Rostow branded the National Committee's failure to endorse the U.N. scheme as the most serious defect in our report.

### THE DEAN'S ADVICE

This 1955 report of Attorney General Brownell's National Committee shows even greater evidence of Eugene V. Rostow's desire to change the structural organization of the corporation in its U.S. setting, and to reorganize this structure according to the Socialist concept of competition and of free enterprise.

Like Socialists' concept of democracy, Rostow's concept of these terms appears to be wholly different from traditional American definitions. All Socialists believe that true competition and real free enterprise can take place only under socialism, i.e., under a system of governmental controls preventing any kind of private management of business, frowning on any kind of bigness except that of big government, and regarding business men as a class of would-be monopolists addicted by nature to restrictive practices.

On pages 385, 386, and 387 of the National Committee's report on their study of our antitrust laws, there is the following text of Dean Rostow's minority views as expressed in his own words:

"Except by implication, our report does not answer the key question the Attorney General put to us: the adequacy of the antitrust laws in relation to the competitive process the law is intended to maintain * * *.

"Thus we have not commented even on the conspicuous failure of the Department of Justice and the Federal Trade Commission to undertake seriously the enforcement of section 7 of the Clayton Act (a section dealing with corporate acquisitions of stock and assets). In the midst of a merger movement raising obvious antitrust questions in almost every day's newspaper, it is, in my view, a defect of the report that we have not urged prompt action in a appropriate case to obtain an authoritative classification of section 7.

"I should go further, and recommend that the Department of Justice and the Federal Trade Commission establish regular procedures for drawing on the resources of economic analysis and knowledge in selecting cases of the greatest possible public importance for prosecution. The potential contribution of the antitrust laws to our economic and social development cannot be realized without well planned enforcement programs.

"I deplore the absence in the report of the following recommendation: 'We also believe that the antitrust laws should be enforced not only to prevent recourse to restrictive practices but, where appropriate, to accomplish stuctural changes in these industries.'"

In a final dissent from the National Committee's findings that American business has suffered from too much antitrust enforcement, Dean Rostow declared there has been "too little."

It is obvious through study of the foregoing that what Dean Eugene Rostow of Yale Law School advocates in his minority opinion is for the Justice Department to select for antitrust prosecution those cases which can attract the widest publicity. It is also obvious that he hopes to accomplish through such arbitrary prosecution a structural change in American industry, a change arising from presumption of guilt in mergers which he believes will be restrictive of competition in the future.

This explains why this writer is of the opinion that one of the brothers Rostow—namely, Eugene V.—wants to limit Americans' ability to acquire wealth.

### THE FREE RIGHT OF ACQUISITION

Now what really is our modern situation concerning antitrust laws, and what is or should be legal and illegal in modern times of great industrial development?

A few weeks ago, Donald Rogers, business and financial editor of the New York Herald Tribune, pointed out that "there is no legal road map" to guide the Justice Department and Federal Trade Commission in administering antitrust laws, and he said "the antitrust jungle is still uncharted."

Mr. Rogers declared that section 7 of the Clayton Act as amended under the Truman administration in 1950 to include what is known as the Anti-Merger Act is "dangerous stuff" which limits the national ability to acquire wealth by limiting corporations' right to acquire assets of other corporations.[7] Yet the Anti-Merger Act is heavily endorsed by Dean Rostow.

Mr. Rogers accused the Antitrust Division of the Justice Department of recently adopting an "antibusiness strategy" which is using section 7 of the Clayton Act in a "rash of new cases" to persecute American business men. Yet this is the strategy urged by Dean Rostow in his minority opinion.

Stripped of legal doubletalk, section 7 of the Clayton Act—as originally drawn in 1914 and especially as amended in 1950—robs Americans of their free right of acquisition.

The 1950 Anti-Merger Act, so much admired by Dean Rostow, prevents corporations from acquiring assets of other corporations whenever such acquisition "may be" harmful in the future, even though no past or present action by the acquiring corporation shows evil intent or result.

Under leftist interpretation of the words "may be," American businessmen and stockholders can be stripped of their basic rights under the Constitution of the United States: their free right to acquire and hold private property, and their right to be regarded as innocent until proved guilty.

Yet apparently this leftist interpretation is strongly favored by the influential Dean Eugene V. Rostow of Yale Law School.

### MINORITY PREVAILS

Dean Rostow is so very influential, it seems, that his minority view of how antitrust laws should be enforced has evidently become the present policy of the Justice Department Antitrust Division and has heavily swayed a majority of Supreme Court Justices.

In the historical American matter of minority-majority disputes, there is a very interesting case which occurred nearly 30 years ago. Then the Communist Party of the U.S.A. held an election in which Leader Jay Lovestone defeated Candidate William Foster by a huge majority, but Stalin summoned both men to Moscow, made Foster the victor, and declared: "In this case the minority is the majority."[8]

That was that.

As has been shown, Dean Rostow in 1953–54 reproached the majority of the Attorney General's own committee for not insisting that section 7 of the Clayton Act be used in prosecutions of business corporations.

Strange to relate, the Supreme Court, in its decision of June 3, 1957, found E. I. du Pont de Nemours guilty of having violated the antitrust laws, not on traditional Sherman Act grounds but on those of section 7 of the Clayton Act covering Du Pont's acquisition of 23 percent of General Motors stock during 1917–19.

Reliable sources say that until the Supreme Court decision was handed down in the Du Pont case, the defendants—who pleaded their case mainly according to traditional Sherman Act issues—had no idea that "the setup of the Clayton Act would have any importance at all."

This is confirmed by Supreme Court Justice Burton's minority opinion which declared: "This Court, ignoring the Sherman Act issues which have been the focal point of 8 years of litigation, now holds that Du Pont's acquisition (made nearly 40 years ago) violates section 7 of the Clayton Act."

Events of the past 3 years have made it crystal clear that Dean Rostow's antitrust strategy is now being followed by the antitrust division of the Justice Department, both as to "selecting cases of the greatest possible public importance (publicity)" and in newly and rigidly enforcing the vaguely written Clayton Act.

### THE DEFENDANTS

Almost inexplicably, and most unfortunately for the good reputation of private enterprise in the free world, two of the most important recent antitrust prosecutions involve defendants under constant attack by the Soviet Union as "monopolists."

In July 1954, the Justice Department chose a crucial moment immediately following the heroic overthrow of the pro-Communist Arbenz government by the people of Guatemala to announce its antitrust suit against United Fruit Co., a major American investor in that country and a great contributor to its welfare. The name "United Fruit Co." is viciously used by the Communists as an anti-American, anticapitalist slogan. In fact, Soviet Delegate Arkady Sobolev has time and again attacked United Fruit Co. by name in the United Nations General Assembly, spewing forth a stream of Red lies about the company.

And now another prime Soviet target of today, E. I. du Pont de Nemours (whose executives were smeared as "merchants of death" by Communists and leftwingers prior to Pearl Harbor, but who are now gratefully praised by our country for their great share in winning World War II) is gravely hurt by unjustified use of the Clayton Act as a sneak, anticapitalist weapon.

In the July 19, 1957, issue of U.S.A., Herbert A. Philbrick, an outstanding analyst of Communist activities, pointed out that, in February of this year, the national committee of the Communist Party, U.S.A., called for creation of a powerful "antimonopoly coalition" against "the giant corporations" as the main strategy of the Communists' "path ahead."

### THE EMOTIONAL DEAN

It is exceedingly strange that the present Republican administration's path ahead should be so heavily influenced by Dean Eugene V. Rostow's views, for it is almost impossible to find a person who has publicly attacked the good name of Gen. Dwight D. Eisenhower so disgracefully as Dean Rostow.

On October 20, 1952, when Dean Rostow was almost 40 years old and should have reached a degree of intellectual and emotional restraint, he wrote a letter to the editor of the New York Herald Tribune in which he accused presidential candidate General Eisenhower of entering into an election campaign "popular front with totalitarians," and tried to smear General Eisenhower by comparing his methods with those of Hindenburg, Von Papen, and Pétain.

In a wholly wrong and highly emotional assumption, Rostow claimed that if General Eisenhower had urged the people of Wisconsin "to vote for Mr. Schmitt" for U.S.

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[7] "The Anti-Business Strategy," U.S.A., vol. IV, No. 14, July 19, 1957.

[8] "Stalin's Speeches to the American Communist Party," published by Central Committee, Communist Party, U.S.A., New York, 1929.

Senator in the primaries, and if "the followers of Colonel McCormick had been driven into the wilderness," then the Republican Party "would really have become capable of winning elections and governing the Republic."[9]

The quality of Rostow's economic views may be judged by the fact that after his book "A National Policy for the Oil Industry" was published in 1948 the leading executives of that industry protested against his exaggerations and extremely prejudiced writing. In an article for the Yale Law Journal, J. Howard Marshall, then president of the Ashland Oil & Refining Co., described Rostow's book as "100 pages of fallacious assumptions and emotional argument."[10]

### TWO HEADS, ONE THOUGHT

In view of the evidence that apparently one of the Rostows wants to squander American wealth and the other wants to limit our Nation's ability to acquire it, this writer would like to know the final answer to the question: "What are the brothers Rostow—Eugene V. and W. W.—aiming at?"

The evidence to be found in their own writings and record of activities seems to show unmistakably that they are leaders among those who "operate on the theory that the best way to atomize the institution of capitalism is to destroy the institution of the corporation in its U.S. setting."

If Eugene V. Rostow's view should prevail in our country, then American business won't be big or profitable, and will be rigidly controlled by the United Nations with the Soviet Union, her satellites and possibly Red China among the controllers.

If W. W. Rostow's views should pervail in our country, then the U.S. Government will subsidize the economic development of more than a billion undeveloped peoples with the result that many American stockholders of corporations making private investments abroad will be financially wiped out and American taxpayers might be pauperized.

Two heads are indeed better than one, as the prosecutor said in Dostoevsky's "The Brothers Karamazov."

The American business man, absorbed with his own company problems, had better learn about what goes on in the two heads of the brothers Rostow.

## WORLD HEALTH ORGANIZATION

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. Hall] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HALL. Mr. Speaker, per your nomination, as recommended by the minority leader, the President of the United States through a Department of State press release, No. 292, May 4, 1962, appointed the undersigned as congressional adviser to the U.S. delegation of the 15th World Health Assembly of the World Health Organization—WHO, held in Geneva, Switzerland, May 8–25, 1962. The Honorable John E. Fogarty, of Rhode Island, was the other congressional adviser, and the chief of our delegation was Dr. Luther L. Terry, the Surgeon General, U.S. Public Health Service. Mr. Richard N. Gardner, of the Department of State, and Mr. Boisfeuillet Jones, of the Department of Health, Education, and Welfare, were the other two delegates to the assembly.

A fine group of doctors from civilian life including Dr. Malcolm H. Merrill, director of California State Department of Public Health; and civilian advisers such as Mrs. Elizabeth P. Chevalier, of California, and Vice President Storm Whaley, of the University of Arkansas, also served. Then there were the excellently trained U.S. Public Health Service doctors specialized in quarantine, contagion, and other medical problems which know no national boundaries such as our Drs. James Watt and Charles L. Williams, Jr., and Clifford A. Pease of AID. Mrs. Virginia Westfall, of the U.S. Mission in Geneva, and Howard B. Calderwood, of the Department of State served as well. Ambassador Roger W. Tubby and his staff, of the U.S. Mission recently created in Geneva, individually assisted the delegation.

There were additional fine staff and secretarial work. Also the delegation was most ably assisted by doctors and employees of the WHO permanent and regional staffs who were present for the assembly. Separate from our delegation was Dr. Henry Van Zile Hyde, retired from the U.S. Public Health Service, and now representing the WHO executive board, who also serves as director of the Division of International Medical Education of the Association of American Medical Colleges, in Evanston, Ill.

### IMPRESSIONS

As a physician in Congress and a long time elected member of the policy making body of the American Medical Association from the State of Missouri, plus a previous participant in the World Medical Association—not to be confused with the WHO—I would be less than honest if I stated that I arrived on the scene in full and enthusiastic accord with all WHO intent, methods and expectation. The purpose of this report is to allay any undeserved impression by myself and others, as well as to report to the House of Representatives on my stewardship.

In the beginning, I learned that the WHO is associated with the United Nations and that the constitution of the now 15-year-old Organization states in its preamble that:

> The health of all peoples is fundamental to the attainment of peace and security and is dependent upon the fullest cooperation of individuals and states (sovereign nations).

Of course, the Organization attempts to eliminate or at least to attenuate the causes of disease and distress, and has as its mission the improvement of world health. As I now understand it, the WHO works within the United Nations on a parallel with FAO, UNESCO, ILO, ECO'SOC, and others.

### OPERATION

The Assembly works much like our House—or any parliamentary body—and generally has two large reference committees when in annual session, each chaired by elective officials, as is the Assembly. They are, first, the Committee on Administration, Finance and Legal matters, and, second, the Committee on Program and Budget. Each has subcommittees. There is also a committee on credentials and one on nominations. All committee meetings and plenary sessions of the Assembly are held in four basic languages with earphone adapters for proper interpretation, and the efficient staff handles the paper work in the original plus three other languages involving English, French, Spanish, and Russian.

The President of this year's Assembly was the Minister of Health of the U.S.S.R., Dr. S. V. Kurashov. Naturally there is competition for position, as in any organization of this size—375 delegates—but I noted routine expediency prevailed, and attempts were made at rewarding technical performance and geographical distribution as well as rotation. Certainly representation by the "professional" representative of member nations is evident and possible.

True, on occasion in committee the "Doctors" got bogged down in parliamentary procedure and snarl, but on becoming acquainted with the various delegates one cannot help but recognize their technical abilities and dynamic forward thinking and worldwide attitude. I was surprised to learn that the total budget is only $29.9 million for the next year, of which the United States supplies less than 33⅓ percent—except for its voluntary contributions for specific projects—even though the combined United States, British, and U.S.S.R. assessments total over 51 percent. In the early days of the organization the United States contributed approximately 50 percent of the total funds. This is worked out by the Committee on Administration, Finance, and Legal Matters, and approved by the Assembly in plenary session each year, on a formula based on capability, recognizing that no nation can contribute more than one-third or less than four-hundreths of 1 percent of the total.

Credits are given in this formula for participation in the technical programs, and basic living standards are considered. Interim control between assemblies is through the executive board with representation from the six regions so that 24 sovereign nations name the members.

For example, the newly emerging African nations contested with strength for "equal balance" on the Board this year, depending upon population, geographic location, and other operations. Although the opening session following the Director General's report was given over to speechmaking by many nations, and later on during the question of "the role of the doctor in world peace," some nations let politics and the opportunity of using the WHO as a sounding board for their phony prattle of propaganda overcome their judgment as to professional and technical matters at hand—I would say that generally the Director General, Dr. Candau, of Brazil, a brilliant man, and his staff, along with the good will and demonstrated intent of the majority—had the meeting well under control and democracy and the principles of representation prevailed.

### PROGRAM

The technical program on professional subjects—which obviously could not be limited to national borders—pleasantly surprised me. First of all, the United Nations is heading up a "decade of development." The WHO by both invitation and its own insistence is correlating and supporting this with a decade of health. This involves such problems as the international—

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[9] New York Herald Tribune, Oct. 22, 1952.

[10] Journal of Commerce, June 1, 1952.

Malaria eradication program.

Worldwide infant and maternal care.

Smallpox eradication program.

Control of tuberculosis, leprosy, yaws, venereal diseases, cholera in all forms and areas, sleeping sickness, and others.

Worldwide nutritional surveys involving its effect on children, childbearing, and diseases, plus the "world food program" with FAO and international conferences planned in 1963.

Sanitation, potable water supply, and antipollution measures (furthered by the United States per special resolution this Assembly).

Establishment of national health plans, as a baseline of departure and for future comparison of the current health status, and an international and effective new drug control—as differentiated from the United Nations Council on opium control.

Medical education and auxiliary technician training to regain levels equal to or beyond those of colonial days, in newly independent nations.

Special aid from a medical standpoint, knowledge and points of view to newly emerging and newly independent nations in addition to concept of No. 8.

Increase of natural and national resources with which to control endemic and worldwide epidemic diseases, and improve health.

Research and development applicable only to WHO and all nations, wherein no trouble is experienced in penetration, research, and collaboration behind the various "curtains."

A seafarer's welfare program involving almost 800,000 peoples of all nations in the ports of the world.

All the above involved in WHO's continuing program, with emphasis on numbers 5 through 8 in the "Decade of Health." Many of the above are well underway or are practically completed.

Any physician could not help but be impressed with the fact that we are getting a great return for moneys invested in prevention of worldwide diseases such as malaria, parasitic diseases, and others; rather than fighting them as they are brought to our Nation in this day of rapid travel and universal movement of peoples. In a few years malaria has been over one-third eliminated around the world and its complete eradication is the objective within the next 5 years under the present programs. This has opened up entirely new areas for habitation in Ceylon, India, Italy, Latin America and Africa areas. Prevention is much more important than therapy and there is no doubt that we are getting much for what we spend in technical areas besides the humaneness of making people more comfortable and protecting our own boundaries from wind driven or otherwise transportable diseases. Prevention at the source eliminates quarantine at our borders, always a questionable procedure.

Therefore, the consideration and assistance to the newly independent nations is imperative.

Besides, with the exception of those occasions when the doctor delegates let politics and international intrigue invade their technical judgment, there is an audible aura of good will which pervades and wells up in this professional group of dedicated public servants. This was evidenced by the resolution submitted by Saudi Arabia, and added to the agenda in plenary session; urging all doctors to recognize their individual and national importance (and that of the WHO), regardless of international barriers, in promoting peace.

Finally, one had but to listen to Dr. Martin M. Kaplan, D.V.M. speak on comparative animal pathology and its development with important discoveries of biogenetic significance to human diseases and new growths, or Dr. Niels Jerne of Denmark—to be at the University of Pittsburgh soon—speak on the various and exciting expectations of immunobiology, immunopathology, and the possibility of whole-part transplantation, including hearts, kidneys, and extremities; or William Cockburn of the United Kingdom speak on virology and its potentials with malignancies; or Dr. Vinayak Patwardhan of India speak in his own working office about nutrition and special studies around the world in vitamin aid to deficiencies in blindness, infant feeding, or the anemias of childbearing age and problems in reabsorption (all under the guidance of Dr. Erwin Kohn, the WHO Director of Research Planning and Coordination); to realize that these people are not stopped by the Iron, Bamboo, or Cactus Curtains, including the correlation of their scientific achievements, and that they are outstanding among the world's most dedicated and brilliant doctors.

### NEW WHO BUILDING

At a nice ceremony on Thursday, May 23, 1962, near the Jura Mountain Range foothills the President, Director General and Swiss, plus Genevan officials, backed by the Board and chief delegates, laid the cornerstone of a new building carefully conceived and planned. It is to be dedicated at the 16th W.H.A. in 1963. Its design is in keeping with, and indeed it is a part of the complex of the Palais des Nationes.

### COSTS

As stated above the general cost is just under $30 million per year budgeted by a committee (see above), and approved in plenary session. The various nations pay the WHO directly. In addition, there is a special fund granted by the United Nations for specific projects such as "aid to the Congo," based on assessments, and the absorption of the malaria eradication program which was instigated by a U.S. voluntary contribution, and now taken over by the WHO. There are voluntary contributions in addition to the working budget and the special funds from member nations, provided by worldwide foundations such as the Rockefeller Institute, Ford Foundations, United States, AID, and others.

The budget is critically eyed by representatives of all nations and finally submitted by the Program and Budget Committee to the Administration, Finance and Legal Committee, which considers assessments, and thence to plenary session of the WHA for approval. The individual nations defray the expenses of all members of their delegations, except the chief delegate, whose expenses are defrayed by the WHO.

### U.S. DELEGATION

As stated in the preamble of this report, the U.S. delegation was well chosen, constituted and presented, albeit late. The Surgeon General of the U.S. Public Health Service—Luther L. Terry, M.D.—was properly the chief delegate and speaks for the three delegates from our Nation, but only after well conceived and arranged regular 8 a.m. conferences, and with the views of his many technical assistants and other advisers. The State Department representatives and the people from the U.S. Mission in Geneva advise on protocol and have "position papers," based on past experience and from the U.S. State Department in Washington.

There is free contact with the Office of International Organizations, our State Department in Washington. It would appear to me that "skull sessions" of the entire delegation before arriving in Geneva by various routes would be conducive to more cohesion and greater effectiveness. This would require prior and earlier planning, and appointment, in time for stateside organization; which has not been done in the past with the changing of Surgeons General and new appointees from the Departments of State and HEW. Those with prior attendance and long experience had a definite advantage and made greater contributions. There were also times in committee meetings when our policy presented "the ugly American attitude" of being the biggest contributor and therefore demanding bigger accessions.

This might well be proper. On the other hand, our stock is definitely being watered by the admission and demands of many emerging nations that, according to any world standards, have not yet proved and demonstrated responsibility or capability. In the committees, it is my belief that physicians should sit as the U.S. representatives, because world-recognized and great medical statesmen of other nations customarily do so, while recognizing that they should at all times be "sided" by representatives of the executive branch of our Government on matters of international policy, foreign relations, etc.

This observation is based on the fact that a great majority of other delegates were doctors and spoke as such in this world forum of professional and humanitarian objectives. Many other nongovernmental organizations have the prerogative of representation—at least on an observer status—but this is seldom exercised. This is a distinct loss and a disadvantage to our delegation as well as the Nation.

Our lay and civilian organizations should be members of the National Citizens Committee for the WHO. I saw no representation there from the AMA, WMA, or similar bodies. The vacuum and void should be constructively filled here and on the WHO lay advisory council of which Dr. Leonard Larson is vice president on an individual membership basis, while paradoxically serving as president of the American Medical Association. The absence of the American Medical Association and World Medical Association at the 15th assembly was obvious and noted.

It should be remembered that the WHO has communication ability and regular networks behind the Iron, Bamboo and Cactus Curtains and our delegates and WHO employees exercise them well, on technical matters.

### CONCLUSIONS

The WHO is extremely worthwhile and is accomplishing a worthy mission around the world that the several nations cannot do alone, even with optimum enlightenment. It is relatively inexpensive and even those nations participating to only a minimum degree are well repaid, tangibly and ideally.

There is no other place where spending little amounts now will return as much protection from disease and misery in the future, at great savings. The staff are hard-working, dedicated and devoted professional people who are breaking the language barriers and furthering diplomatic relations around the world in the interest of technical sciences and educating and aiding all peoples. They are hard-working people and advancing diplomacy all over the world—much is done after usual working hours, and while at so-called play, by individual contacts with one another. The organization itself rises up and rejects those who would inject political intrigue into the professional and technical forum. Personally, I would have appreciated more reverence, and prayers on occasion to our Supreme Being, while recognizing "scope" and the rights of "each in his own way." There is now no such time provided at any occasion.

### RECOMMENDATIONS

First. By all means the United States should continue to participate in the WHO, and with the support of all who represent medicine.

Second. Financial support should be maintained as a pure economy, to say nothing of humane and diplomatic benefits derived.

Third. The delegation should be confirmed at an earlier date and rehearsed because of its importance in the world scheme.

Fourth. Generally, spokesmen for the United States at this technical meeting should be professional medical and public health experts. They should be strongly "sided" by appropriate personnel of the Department of State or of other executive departments.

Fifth. The National Citizens Committee for the WHO should be supported by nongovernmental organizations around the world.

Sixth. The dedication and devotion of the professional workers on the WHO staff should be recognized, and often, and with more enthusiasm for their attainments in all fields, including those of diplomacy.

Finally, it was a privilege to participate and meet these people and see their accomplishments. There is hope and health abroad in the world today—because of this vision and its effectiveness.

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## KENNEDY TRADE: STATE CONTROLLED—NOT FREE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, wearing the mantle of free trade, the Kennedy administration spokesmen are hard at work to substitute political bureaucratic decision for the decision of the marketplace. Replacing the tariff as a method of regulating foreign trade with Government-determined quotas and subsidies does not free up and increase trade. It merely substitutes Government control of a more regressive and illiberal sort for the most liberal type of all—the tariff.

The opposing views of Hon. PAUL FINDLEY on the recently passed sugar bill point this up forcefully.

### OPPOSING VIEW OF PAUL FINDLEY

The Sugar Act is an example of supply management, the Government-control approach which has already been established in varying degrees in tobacco, cotton, rice, peanuts, and wheat. It is now being advocated by the administration for other commodities, notably feed grains.

Supply management can take various forms. Of these, our sugar control arrangement should qualify as the prototype for complexity, extent of Government power, and absence of competitive conditions.

Government control is so deeply imbedded in sugar production and marketing that even a gap of 1 month between the expiration of the present Sugar Act and the enactment of a new one is unthinkable.

Supply management in sugar has been successful in stabilizing prices and supplies, but this has been achieved at a tremendous cost:

Prices to consumers are artificially high.

Consumers fork over the difference between low world-market prices and high U.S. prices.

A bureaucracy is established to administer the controls, and this payroll becomes a fixed burden.

An excise tax of one-half cent per pound is paid by the taxpayer. This, plus the tariff on imports, finances the program.

Almost nobody is happy. Only the favored few can share the sugar-quota pie, and these squabble endlessly because each wants a bigger cut. This is true of quota countries abroad and the tightly controlled circle of domestic producers and processors.

Those not cut in on the pie consider themselves unfairly treated. And so they are.

The right to grow and process acquires an artificial value and becomes capitalized into the land and business enterprise. Trade channels become rigid. This makes it difficult—if not impossible—ever to cast off supply management in favor of the competitive market-place system.

Quotas are such rich prizes they are used as instruments of foreign policy and become tempting plums for influence peddlers.

The $22 million claim against the United States in behalf of the Dominican Republic is a case in point. The claim arises because the United States did not pay the full premium price for some of the sugar it purchased from the Dominican Republic in 1960–61. The price paid was above the world market, but still not sweet enough to satisfy an appetite long accustomed to easy money.

All this may appear to be an unbelievable chamber of horrors to those who believe in a competitive marketplace.

Be assured, it's a reality, and has been since 1934.

Through successive Sugar Acts (such as the one now before us), Congress specifies what countries will share in the sugar pie, how big each piece will be, and also the price of sugar to consumers.

The piece of the pie set aside for U.S. producers is subdivided by means of Federal licenses to sugar mills. Each mill contracts for supplies from individual farmers. Acreage allotments were used until the last few years, and authority for them remains. This bill would reimpose allotments beginning next year.

U.S. sugar production has always been artifically supported, as sugar can be produced more economically in the tropics.

Until 1934, a simple tariff encouraged domestic production. Under this arrangement, all nations had equal access to the U.S. sugar market, by the tariff route, and all U.S. farmers had equal access within the tariff walls.

Under supply management, there is no such thing as equal access inside or outside the tariff walls. The right to market is apportioned arbitrarily by the U.S. Government to certain favored nations and within the United States to certain favored mills.

The supply management approach, whether it be applied to sugar or to corn, is clearly contrary to the goal of free trade. It also clearly breeds ill will among nations and heaps new burdens on U.S. consumers and taxpayers.

Rather than extend this rigid and costly system for another 5 years and thus make it all the more difficult to return to a marketplace system, we should begin to phase out quotas, and establish a means of protecting domestic sugar production more in accord with the competitive private enterprise system.

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## NAVY LEAGUE HITS STATE DEPARTMENT'S "NO VICTORY" POLICY

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRUCE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRUCE. Mr. Speaker, on May 29 I criticized the Department of State for its rejection of victory in the cold war and its substitution of a defeatist policy of "accommodation" with the forces of the world Communist movement that aim to destroy our Nation and all that we hold dear.

At that time I urged President Kennedy to clean house at once in a department that is so lacking in understanding and resourcefulness and the will to win that it offers no leadership in this, our hour of peril.

Because of the disastrous results of our deadly foreign policy that is now termed "accommodation," over a year ago I introduced House Joint Resolution 444, "the victory resolution," which would establish victory over the forces of the world Communist movement as the unswerving purpose of American foreign policy during this particular period of peril in our Nation's history.

To this date, however, that resolution has languished without action before the Foreign Affairs Committee. The need for the victory resolution has now been highlighted by the clearly indicated "no victory" policy of the State Department.

Mr. Speaker, despite the fear and trembling evidenced by those who shape our foreign policy in the State Department, I have no concern about the commonsense and good judgment of the American people as to whether our national goal should be victory over our enemies or surrender to them on the "accommodation" plan. As a proof of the soundness of our people in this matter I want to call the attention of my colleagues to the following pungent editorial in Navy, the official publication of the Navy League of the United States.

The editorial appears in the current issue of Navy for June 1962 and inquires whether "victory" has become a naughty word. I commend it to the attention of my colleagues, and, I might add, to those in the State Department who might not know that the glorious traditions of our country have not been repudiated by Americans outside that agency:

> Everyone, we are certain, will agree that this world we live in often seems wacky. In fact, at times things seem to make little sense at all. Black is white and white is black and words have lost their old meanings.
>
> Most Americans have understood that we have been since the mid-1940's hip-deep in a cold war, launched and ceaselessly waged by a nation which has vowed to bury us. Because of this, presumably, we keep 2.7 million men under arms and spend $50 billion of our treasure every year for defense.
>
> A recent State Department disclosure, however, makes one wonder. While readily acknowledging the existence of the cold war, the Department objected to military officers using the word "victory" when speaking of it. Explaining why it was deleted, on its insistence, from a general's speech, the Department said:
>
> "The word 'victory' has a militaristic and aggressive ring. It also implies an 'all-or-nothing' approach leaving no room for accommodation."
>
> One is inclined to say, "This is arrant nonsense—they've got to be kidding." Unhappily, they were not.
>
> If the State Department has been wondering what has provoked charges that it is promoting a "no-win" policy, it might reread the remarkable quotation above and do some rethinking.

## TARIFF COMMISSION SHOULD ACT NOW ON SECTION 22 CASE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. Jonas] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JONAS. Mr. Speaker, in a speech in the House on June 12, 1962, I urged the Tariff Commission to announce its decision on the section 22 case. This case has been pending before the Commission since November 21, 1961, and final briefs were filed on March 26, 1962.

It is now June 20 and almost 90 days have passed since final briefs were filed in this case. This should have been ample time for the Commission to render a decision on a matter so vital to the domestic textile industry and to the hundreds of thousands of U.S. citizens who rely upon that industry for a livelihood. Further delay by the Commission in announcing its decision simply compounds the injury and damage being done to the domestic textile industry and workers engaged therein by the two-price cotton system which permits foreign textile producers to buy U.S.-grown cotton at 8½ cents per pound cheaper than domestic mills have to pay for the same kind of cotton.

It is unconscionable for our Government to continue a policy which provides a subsidy to foreign textile producers who are competing with our own textile products not only in the world markets but in the market here at home.

I again call upon the Tariff Commission to render an immediate decision in this case. It is inconceivable that the decision will not be favorable for those who have applied for relief from this unfair competition. The continued delay in rendering a decision is puzzling to all who are aware of the facts. It has been charged publicly that the delay is deliberate and that a decision will not be made until the administration is assured of sufficient votes to put over its trade bill in the House. I hope this is not the case but continued delay in rendering this decision is causing many people to believe that it is the case. It is up to the Tariff Commission to demonstrate that it is not being used to pressure Congressmen to vote for administration-sponsored legislation. The Tariff Commission should be independent of administration control and should render its decisions on the basis of the facts presented. And it should render those decisions promptly—before the damage becomes irreparable.

As a part of my remarks on this case, I include the following editorial which appeared in the June 18 issue of the Charlotte News. The editors of that fine paper are also deploring the continued delay by the Tariff Commission in discharging its responsibilities:

> ### Tariffs, Textiles, and the Slows
>
> On a major decision affecting the textile industry, and thus the economy of the Carolinas, the U.S. Tariff Commission has developed a puzzling case of the slows. Two months after final briefs were filed, the Commission remains silent on an industry plea for mitigation of the two-price cotton system which combines with cheap labor overseas to afflict the industry with hurtful competition.
>
> The issue is not competition but the patent unfairness of competition in which the U.S. Government, in effect, directly subsidizes purchase of cotton by foreign producers using, in many cases, modern plants built with American aid and recovery funds.
>
> Because of a U.S. subsidy paid to make raw cotton competitive in the world market, a foreign producer can buy a bale of American cotton for $129. An American mill would have to pay $171.50 for the same bale of cotton. Recognizing the inequity of two-price cotton, and its source in Federal law, President Kennedy more than a year ago directed the Department of Agriculture to recommend action to eliminate or offset the cotton price advantage afforded foreign manufacturers. The Secretary of Agriculture recommended an import fee on the cotton content of imported textiles equal to the export subsidy on raw cotton.
>
> The Tariff Commission's delay in deciding the offset case is inconsistent with the manner in which it has handled past cases. Naturally, the domestic industry begins to wonder what's up—other than the price of cotton which in 1961 forced the industry to pay $386.6 million more for raw cotton than the same cotton would have cost oversea competitors. To North Carolina mills that year, according to industry calculations, the added cost was $113,914,407—to South Carolina mills, $113,312,200. While the United States makes its cotton cheaper for the foreign buyer, incidentally, it prohibits by quota the domestic industry from buying foreign cotton.
>
> The two-price system is unjust. The differential ought to be eliminated. More to the immediate point, however, is the paralysis of planning caused by the Tariff Commission's delay. The capacity of the domestic industry to survive hangs ultimately on its ingenuity in creating new processes and styles which in turn, is tied to the time-consuming business of planning and creating new installations and plants.
>
> Bureaucratic delay on a matter of fundamental importance is an enemy of the domestic industry in the same but larger sense that two-price cotton is an enemy given unfair advantage.

## TIME FOR A WOODSHED CHAT

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. Wilson] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, it is too bad that we have so much automatic heating equipment in the Nation today because many people have forgotten or have not even heard about the old-fashioned woodshed, where so much character has been built in the past. Many fathers have used "woodshed chats" to good advantage. It is too bad we do not have one here in Washington because that is what needs to be done with the Navy Department Procurement Section.

It needs to be taken to the woodshed for what amounts to a summit-meeting type of "woodshed chat." In short, the Navy Department Procurement Section and procurement sections of other parts of the Armed Forces has been misbehaving long enough. As my father used to say to me when we met in the woodshed, "Earl, this will hurt, but it will make a better man of you," and I can give the same advice to the Navy.

It is time the paddle was applied. It is time that Navy personnel who autocratically conduct procurement actions on a sole-source basis and waste one-third of the taxpayers' dollar be held up to public scrutiny, exposed for what they have done, and punished for their misdeeds.

Last week, in speaking of my 15-month military procurement study, I again pointed out that I started my disclosure of cases with the AN/PRC-41 radio set, a sole-source action which is going to cost the taxpayers $1.3 million more than necessary. I said that in the near future I would detail what had been done in this case and show where stated Navy policy had been defied, where incorrect statements had been made one after another, and where the Navy had denied the taxpayers relief to which they are entitled from the crushing burden of defense expenditures.

For background information on this subject, I refer you to the CONGRESSIONAL RECORD for the following dates: June 14, page 10606; June 13, page 10421; June 12, page 10184; June 11, page 10041; June 7, page 9974; June 6, page 9888, and volume 107, part 15, page 20348.

Throughout this case of the AN/PRC-41, I have found several "common denominators" and I have found what amounts to a plan that adds up to defrauding the taxpayers of the United States. These "common denominators" are four people employed by the Navy Department. Through their joint actions they have set the stage in a single procurement action where the taxpayer will have to pay through the nose for a portable radio set that the Navy claims is urgently needed to replace equipment identified as the Raytheon MAY. For 18 years the Navy has used the MAY radio while attempts have been made to develop a superior UHF radio. Now, all of a sudden, they have developed the radio and they need it tomorrow on an emergency or urgency basis. It took them 18 years to get to a point where delivery of the AN/PRC-41 is critical. What is the emergency? What is the urgency? Why must World War II procurement policies be used in peacetime? Even if the radio is needed, why must the taxpayer be penalized by an overcharge of 34 percent for its purchase?

These are questions which we have a right to ask. The answers involve four "common denominators" who are Under Secretary of the Navy Kenneth M. BeLieu, Bureau of Ships Chief Contract Negotiator Dan Weatherley, and two BuShips engineers known as S. D. Keim and W. M. Shaup. Their actions brought about the sole-source procurement of the AN/PRC-41 and in almost every case I am going to prove justification false on its face.

I might pause at this point to report that I have information from inside the Navy Department that a task force of approximately a gross of men is now working on the AN/PRC-41 and other cases I have mentioned. Their task is not to get at the truth, but rather to compile documentation to support the Navy's position, right or wrong, in all the cases I have mentioned. They can put on another 150 men or maybe a company or a regiment, and they still cannot explain away this mess. I know this will be denied by the Navy, but it is true, and I have the word of honest employees in the Navy Department for it.

Now, just what is this task force trying to justify? What is it trying to establish as truth? I suppose, for one thing, it is trying to justify the sole-source award of the AN/PRC-41, but that is going to be taken care of here and now. I am going to take up these men and their actions one by one.

Let us first take up Mr. S. D. Keim and Mr. W. M. Shaup, who are identified by the code No. 675 in the Bureau of Ships. In summarizing their justification for sole-source negotiation, these men make the following statements, and I shall add the actual facts as my study has disclosed them, all based on reports and documentation by the General Accounting Office.

Statement A by Keim and Shaup:

> Adequate technical information such as manufacturing drawings and complete bill of materials are not available for bidding purposes.

The truth: The Navy, after awarding a $1 million development contract for this radio to Collins Radio Co., ordered on January 11, 1962, that manufacturing drawings of the AN/PRC-41 not be delivered. The prime reason for this action, it said, was that it would save the taxpayers $14,000—after costing them a million dollars—thereby setting the stage to pick the public's pockets for an extra $1.3 million on this procurement alone. Further refuting this claim, in aiding the company I selected to prepare a proposal on the AN/PRC-41, I obtained interim and final technical reports, microfilms of related equipment, and a technical manual containing a complete bill of materials which enabled the bid to be prepared. The fact that it is a valid bid, an excellent one, refutes statement A even further.

Statement B by Keim and Shaup:

> The Bureau of Ships is not in a position to make available sufficient complete and accurate technical information for an invitation for bid prior to completion of the equipment improvement program.

The truth: The fact that material mentioned in Statement A was obtained by me is a direct refutation of the contention of Statement B. Also, it might be mentioned that the BuShips not being in a position to make information available was due to manipulation of this information for the benefit of Collins Radio.

Statement C by Keim and Shaup:

> Collins is the only company capable of completing the manufacturing drawings incorporating all of the Marine Corps Equipment Board recommendations necessary for service approval of the production of AN/PRC-41 equipments, also, establishing a complete bill of materials based on their background and experience with the developmental and service test model equipments. No approved preproduction model AN/PRC-41 is available for bidders.

The truth: There is presently available a service test model which can serve for bid preparation. It is available and was inspected at Quantico Marine Base by representatives of the firm I asked to prepare the bid. Actual documentation in the same Navy justification statement establishes that any company with a proven capability in the UHF field can manufacture the radio and submit complete drawings. The job is an assembly job, and no more.

Statement D by Keim and Shaup:

> Collins is the only company capable of establishing accurate production costs based on Navy audited known development costs of both parts and labor involved in the manufacture of six service test models.

The truth: The statement is false on its face and is proven so by the fact that a bid was submitted which included a completely priced bill of materials which differed from Collins proposal for the identical equipment by less than one-tenth of 1 percent. The company I asked to bid was even more detailed in its presentation in accordance with statement D than was Collins since the Collins proposal in no way included a completely priced bill of materials. This bid, incidentally, was submitted by me and not by the company. This does not alter the fact that its original bid was excellent and would have saved the taxpayers $1.3 million.

Statement E by Keim and Shaup:

> Collins designed and developed the AN/ARC-51 and is currently in limited production. Maximum development cost savings and technical advantages have been realized in the AN/PRC-41 from the applicable identical and modified design of the ARC-51. Cost reductions of such portions of the ARC-51 used would be possible only from a Collins production contract for the PRC-41.

The truth: Collins was paid to design and develop the ARC-51. There can be no correlation between cost factors for the two equipments since the ARC-51 costs in the neighborhood of $24,000 per system and the cost of the PRC-41 is four times less. Additionally, Collins—with all its leadtime, special tooling, development knowledge, and technical competence the Navy speaks of—still wants to charge 34 percent more for putting the radio together than the firm I asked to bid. This additionally refutes statement E.

Statement F by Keim and Shaup:

> The 1750 channel frequency synthesizer, used in the AN/PRC-41 was developed and perfected by Collins for the ARC-51. This "heart of the set" assembly is extremely difficult to produce, requiring far above average technical know-how and manufacturing experience to achieve the electrical and mechanical perfection necessary to provide the 100-kilocycle channel spacing and 12-kilocycle frequency stability.

The truth: The accompanying documentation in the same statement of justification makes this contention totally false. A statement that "it is considered that any company that has a proven capability for performance in producing UHF radio pack sets could manufacture the AN/PRC-41" was made on page 4 of this same justification for negotiation, only to be totally denied in the summary statement F. Any qualified manufacturer could assemble this set and the statements of Messrs. Keim and Shaup cannot offset this conclusion.

Statement G by Keim and Shaup:

> Collins is the only company with a proved capability and performance in the UHF portable radio set field of the AN/PRC-41 type that is tooled and geared to produce and deliver the PRC-41 with least delay. Collins has successfully produced PRC-41 service test models which have been tested and evaluated by the Marine Corps Equipment Board and approved for Marine Corps use.

The truth: Again, the statement is false on its face because my proposal set up a projection for delivery of a completely finished and tested product that was superior to the delivery schedule of Collins. Alsc in statement G, Messrs. Keim and Shaup make the statement that a service test model does exist, thereby refuting their own statements about models in statement C of the same justification document.

That deals with Mr. Keim and Mr. Shaup. They made seven statements of justification. All are false, highly questionable, or open to intelligent inquiry. On this basis alone, these two men should be severely reprimanded and removed from their positions of trust because this is not the first time this has happened, as my future statements on procurement will bear out. In the instance of code 675, Mr. Keim and Mr. Shaup, this sort of thing has been "justified" for years.

Now, let us turn to Mr. Weatherley, the chief contract negotiator. What has been his role? Simply stated, it has been this: While Keim and Shaup apparently arranged the justification so that the contract would go to Collins, Mr. Weatherley worked at the turnstiles, keeping anyone but Collins from getting into the ballpark. His role was simple. He turned down any company that wanted to bid. He did this to the firm I asked to bid. On April 5, 1962, he refused Arvin Industries, Columbus, Ind., an invitation to bid on this equipment. In so doing, he acted in direct violation of the policy of the Bureau of Ships as stated in April 1959. In that policy statement to the General Accounting Office, the chief of the Bureau of Ships stated that even though a procurement action was to be of a negotiated variety, this was not to preclude participation by any other firm. That was and continues to be policy. It has never been canceled, but Mr. Weatherley acted in violation of that policy to keep other companies out to protect Collins from all competition. For this violation, he should be reprimanded and discharged, and the Justice Department should be asked to determine which section of the United States Code has been violated.

Let us now turn to the next level of the bureaucracy that is costing this Nation one-third of its defense dollar in waste. Let us elevate this statement to the upper echelons.

After Mr. Keim and Mr. Shaup set the stage for the award to Collins, after Mr. Weatherley kept out any other competition, it fell to Mr. BeLieu to make the final determination. Acting on what he had been told by his staff, he certified in his determination and findings of sole source that the property to be procured is technical and specialized, in effect ignoring evidence supplied in the justification for negotiation which said that any company that had the proven capability in the field could make the radio.

Mr. BeLieu also certified that the property required an extended period of preparation for manufacture. This applies to any company in any case and is a simple statement that it is necessary to adjust machinery and plant facilities, secure materials and component parts before starting manufacture.

In conclusion, Mr. BeLieu certified that procurement by competitive bidding will undoubtedly delay procurement and thereby set up a case of urgency of delivery of this equipment. This is a key portion of the justification and is proven false by the facts that: first, it was proven that the industry I asked to bid could exceed the Collins delivery schedule; second, the climate of urgency has been proven false and has been further dissipated by the fact that the procurement has been delayed a month since I started proving how phony the whole thing is; and third, a new determination and finding have been issued in this space of 1 month attempting to rejustify a sole-source award to Collins, when a period of 4 months was consumed in first preparation of a similar document.

Mr. BeLieu, therefore, is guilty of certifying falsehoods as truths, and he has failed to check on the veracity of statements by his staff. He has proven his incompetence in this and in other matters which will be brought to light in the future.

There you have the ingredients of what is at the least a teamwork effort to see that one and only one company gets a Government contract that will cost the taxpayers $1.3 million more than necessary. There you have the ingredients of a frantic effort to get new equipment that will replace equipment used for 18 years. You also have the ingredients of an 18-year waste of money on this one development that I will trace in a future report on this matter.

If we 437 Members of this House were costockholders in a business, and if it were found that our purchasing agent was wasting substantial amounts of our invested capital in buying material and equipment needed by our company, there would be a minute examination of the situation. If it were found that this person had been wasting money at a much larger scale than originally thought, he would be removed from his job, regardless of his excuses or motivations. We all will agree to that. What I have just outlined is what would happen in the business world—the stockholders would insist on a sensible spending program.

We are, in fact, stockholders in another, much larger corporation. As a matter of fact, we are the board of directors of this giant enterprise known as the United States of America. For 20 years I have listened to complaints about waste, Federal debt, inflation, and squandering of the tax moneys. Many times, I, too, have complained.

We have had hearings and investigations of various branches of Government. We have proven waste and with the assistance of the General Accounting Office we are daily proving that more of the tax dollar is thrown away. Can anyone tell me of a single instance in which this waste of the tax dollar has been penalized?

Government contracting officers, engineers, admirals, generals, Secretaries, Assistant Secretaries, all come before Congress and the Appropriations Committee to explain and to justify their expenditures. All have been on the record as to wasteful practices—and all have continued to exercise the same policies after appearing in this Capitol before various committees.

In explaining the financial operation of their departments, these people are always proper and correct. Their words roll unctuously off their tongues and they have high sounding justifications or explanations for the most outlandish of practices. Once the spotlight of national attention is off, however, the tide of wasteful practices continues to sweep the beach and continues to bury the taxpayer in an ever-increasing debt and higher taxes.

My study of military procurement, covering the last 15 months, has been detailed and exhaustive. I have attempted to pinpoint the individuals responsible for waste and I think it is time that punishment be attached to acts of official stupidity or cupidity.

The case I have detailed today is just one, the first one—if you please—of many I have on file. I think I have proven that an investigation is mandatory, and I think I can prove that Mr. BeLieu, Mr. Weatherly, Mr. Keim and Mr. Shaup, should be discharged at the very least. I can also produce evidence in other cases of varying nature, and I intend to do just that.

All this waste of the taxpayers' money is not accidental. All of the wasted money does not stay in industry. Obviously, much of it comes back to some civilian personnel in the form of kickbacks, payoffs, and other types of largesse. There are facts that are going to come to light soon that will even prove some of this, and then we will be prying the lid off this rotten scandal of military procurement.

In future days and weeks I am going to continue to state my case, and I only hope the Navy keeps its people working hard to try to explain away what I bring to light. By doing this it will simply prove what I am contending—that there is a scandal in military procurement that the Navy and others are terrified will come out into the open. By working overtime to justify its incompetence and inefficiency, the Navy is adding weight to my case. If it simply stated that it recognized there are inefficiencies, it would be one thing. But its "close ranks against the enemies" approach proves what I am saying—that the Navy blindly protects its own with the result that the welfare of the taxpayers is extremely secondary. That is why I say to you today that EARL WILSON is only interested in seeing that the taxpayers' money is no longer wasted. That is his sole objective, and he feels that his is a right cause.

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## EDUCATIONAL STRUCTURE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NIX. Mr. Speaker, I take this opportunity to bring to the attention of the House membership a series of issues touching upon the educational structure which demand our most careful consideration of every aspect of the Nation's educational system and public education's significance to national interest and international relations. As a member of the House Foreign Affairs Committee I am constrained to make several observations which appear to me to be relevant to the whole range of problems with which this Congress is concerned, the outcome of which will be determined by the extent to which the total population is prepared to implement and cooperate with our legislation.

The House will soon be presented for debate a package of education bills by the Committee on Education and Labor. Our colleagues on that committee under the able leadership of its distinguished chairman, the gentleman from New York [Mr. Powell], have worked hard during this session and are deserving of the highest commendation for the many hours they have devoted often, I suspect, to the sacrifice of other demanding assignments, because they were convinced that progress and expansion of education is just that vital to the national interest.

On February 6, the President referred his message on education to the Committee on Education and Labor setting forth the urgent need for greater Federal support of school services and facilities and for a more intense program if education is to meet the challenge of the changing times. In this historic document the President, emphasizing the Government's responsibility for guaranteeing enlarged educational opportunities for all, makes clear this obligation not as a matter of charity but as a matter of economic and political necessity. In it he stressed the following:

First. The time is upon us when the fulfillment of the democratic ideal that every American deserves the opportunity to attain the highest level of education of which he is capable.

Second. No task before our Nation is more important than expanding and improving the educational opportunities of all our people.

Third. Education is both the foundation and the unifying force of our democratic way of life. It is the mainspring of our economic and social progress. It is at the same time the most profitable investment society can make and the richest reward it can confer.

But, the President expressed serious anxiety over the following conditions:

First. Our educational system has failed to keep pace with the problems and needs of our complex technological society.

Second. Too many are illiterate or untrained and thus either unemployed or underemployed.

Third. Too many—an estimated 1 million a year—leave school before completing high school, the bare minimum for a fair start in modern day life.

Fourth. An educational system which is inadequate today will be worse tomorrow unless we act now to improve it.

Fifth. Too many receive an education diminished in quality in thousands of districts.

Sixth. Elementary and secondary schools are the foundation of our educational system. There is little value in our efforts to broaden and improve our higher education, or increase our supply of such skills as science and engineering, without a greater effort for excellence at this basic level of education.

Seventh. With our deficiencies growing more critical, we cannot afford to lose another year in mounting a national effort to eleminate the shortage of classrooms, to make teachers' salaries competitive and to lift the quality of instruction.

Eighth. With our mobile population and demanding needs, this is not a matter of local or State action alone, this is a national concern.

Several of the bills subsequently introduced intended for implementing the President's call for action concentrate on problems of mass education and adult illiteracy. Paraphrasing the President's message shortly after he took office last-year: If a free society cannot extend free education to its poor or if a society cannot make education "take" among its common people, it cannot serve the long-term needs nor guarantee security for the few who are rich or educated or both. Lacking a system of public school education which genuinely educates, international fame which has traditionally been ours and made us the idol of other nations and peoples who believed that under our system it was possible to pass from "rags to riches" or to move from a log-cabin to the Presidency, may be forfeited.

Finally, quoting from Thomas Jefferson in 1816, the President added:

> If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be.

And, as the President concluded, that statement is even truer today than it was 146 years ago. The thought was expanded some 50 years later when Lincoln declared that the world could not remain half slave and half free. Technology and communication and the shrinking of the globe force acceptance of the fact that no nation can survive and thrive in this era of automation and nuclear weapons and rising expectations half educated and half illiterate.

It has been well stated that "a government resting upon the will of the people has no anchorage except in the people's intelligence." Or stated by another, "Education is the essence of the state, and the state depends upon education." Who can argue or even question the fact that the human personality and the political foundation of his community together with educational preparation reflect each other? The end of the state is not only life—mere life may be such as to be intolerable. But the end of the state must increasingly become "the good life," the meaningful life for tomorrow as much as or more so than for today. In this age when political interrelationships and economic interdependence dominate all else and thus is a directing force, the good life is possible for those who are genuinely literate and sufficiently well educated to join the universal current which now sweeps mankind forward toward higher goals.

Consequently, from our vantaged position Congressmen have the responsibility as a national aim of promoting among the American people, especially the educators, the idea that education can no longer be considered as end for the individual, but of vital significance to the general welfare and our ultimate survival. And this must become the end in education toward which we strive. Education for the totality, at least functional literacy, is the foundation on which this society must ultimately rest if we are to experience stability and national dignity on the new world front which is now taking shape.

Philip Morrison, a professor of physics, in his pamphlet "The Growth of Knowledge: The New Threat to Education" makes the point, I am told, that the practice of today is not the practice of tomorrow and the barrier between the once educated man and reality grows higher each day.

The immediate problem before us all, educators, administrators, legislators, community leaders, parents, is twofold: First, how to provide facilities to meet the educational requirements of a spiraling pupil enrollment and urgent needs of an illiterate adult population; second, how to assist educators, administrators, and parents desirous of promoting reforms in educational methods and guidance to prepare and develop youth for greater citizen responsibility, to arm the young with facts and practical fundamentals and traditional human values transferable to actual employment situations and of real service in life situations and dilemmas.

## PLEA TO SAVE AMERICAN SHIPBUILDING INDUSTRY

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. Daniels] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DANIELS. Mr. Speaker, may I take this opportunity to call to the attention of the Members of the House of Representatives a letter addressed to the Washington Evening Star and published by that paper on Wednesday, June 20, 1962. The letter was written to the Evening Star by John J. Grogan, president of the Industrial Union of Marine & Shipbuilding Workers of America, AFL–CIO. I am well acquainted with John Grogan, an outstanding leader of the American labor movement and a longtime mayor of Hoboken, N.J., a city in my congressional district.

The shipyards in this country, both new construction and repair, are in a very depressed condition. Now we are informed by an article by Allen M. Smythe that the Department of the Navy is buying steel from Germany to be used in the construction of naval ships in U.S. navy yards.

The U.S. merchant marine is of vital importance to our commerce and our defense. It is of great importance to us to have modern ships and modern shipyards.

I commend the reading of the abovementioned news item to all of the Members of the House:

### PLEA TO SAVE AMERICAN SHIPBUILDING INDUSTRY

On June 4, you printed an article by Allen M. Smythe, on the use of foreign steel in U.S. naval vessels. Vice Adm. George F. Beardsley, Chief of the Office of Naval Materiel, stated the Navy saved $153,000 over domestic prices. This article merely illustrates the problems today being faced by shipyard workers and by the entire American shipbuilding and repair industry, because of the obsolescence of our yards and the lack of work in them.

The article states that the Navy has recently ordered Adm. Ralph K. James, Chief of the Bureau of Ships, to visit the modern shipyards and steel mills of Europe to discover how their methods and equipment are better than ours, and what can be done to raise our industry from the morass of antiquity into which it has fallen.

Certainly, Admiral James and Vice Admiral Beardsley, who are most conscientious and dedicated officers carrying out the will of the Congress, are faced with an almost intolerable situation when they are asked to operate with outmoded and antique plants and material.

We seem today in the shipbuilding and repair industry, to have worked ourselves into a vicious circle. Construction of vessels is expensive because our yards are antique and obsolescent, and because so few vessels are being built; and on the other hand, so few vessels are being built because construction of vessels is expensive.

Our shipyards were mostly built for construction during World Wars I and II, whereas European yards have been constructed after World War II. They are modernized and up to date. Facilities have not been modernized in the United States to the same extent because there is insufficient work to pay for the amortization of modernization.

We must end this vicious circle. Certainly, given the modern equipment of foreign yards, the U.S. shipyard workers could outproduce the foreign shipyard workers at any time. We saw this during World War II, when, because of production line methods and the expansion of the industry, we were able to build ships that cost less per ton than vessels built abroad, despite our higher wages and better working conditions. With design research and the planned replacement of our obsolete fleet, this could still be effective.

Prof. Edward B. Shills, associate chairman of the geography and industry department of the Wharton School of Finance and Commerce, pointed up the situation when he stated: "Expenditures for payroll for foreign seamen, capital expenditures for the construction of vessels in foreign yards, repair in foreign ports and the cost of shipping American goods in the vessels of other nations, all contribute to a flow of American dollars abroad in huge amounts."

It is time that the national welfare of the United States be reviewed, because we are now going to see our merchant marine and shipbuilding industry going the way of the railroads which are bankrupt, and our airlines which are in precarious financial position. Can we afford to have the entire transportation complex of the United States rendered completely obsolescent? This is the path that we are now going. Certainly, even an increase in present operating and construction subsidies would be a very cheap price to pay for the augmented defense of the United States.

If we encourage the replacement of our obsolete fleet, we could plan on the same type of production-line economy which has served us well in other industries and made us more than competitive with other nations. Despite our higher wages we can compete, and preserve for this country that part of our gold outflow which is directly traceable to the obsolescence of our transportation complex. We must decide to use our fleet and not to let it die in the moorings of our reserve fleet; we must upgrade our maritime industry, not downgrade it. Certainly, if we can increase the efficiency and productivity of the American merchant marine, our port facilities, and longshoring, there will be less interest on the part of labor in restricting productivity because there will be jobs.

JOHN J. GROGAN,
*President, Industrial Union of Marine and Shipbuilding Workers of America.*

## SEGREGATION DECISION OF THE SUPREME COURT

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. WAGGONNER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, there is, as every reasonable man will agree, two sides to every question. Since the Supreme Court decision on segregation handed down in 1954, the Northern States have supposedly been on one side of the question and the Southern States on the other.

I have never been convinced that all northerners advocated racemixing. Nor have I been of the opinion that the only persons who realize that a problem exists in the South were southerners.

The television networks and the liberal newspapers of many of the northern cities would have us believe that Negroes are welcome into every home north of the Mason-Dixon line; that discrimination exists only in the South; that no prejudice exists in the North; that Negroes are as freely received and as equally treated as any man of any race once they are out of the "dreadful, hated" South.

This fantasy just does not come off when the truth is known. I am happy to see that at least one of the leading northern papers is quite willing to print what everyone has always known: That these are not the facts.

On June 16, the Shreveport Journal reprinted a news story from the Wall Street Journal containing quotations that are as candid as has ever been printed. It concerns the reverse-freedom rides and under unanimous consent, I include it in the CONGRESSIONAL RECORD for all my colleagues to study. George W. Shannon, editor of the Journal, is to be commended for bringing this editorial to the attention of the South, and I am happy to assist the Journal in bringing it to everyone's attention.

### A VISIT TO HYANNIS

(NOTE.—The following excerpts from a news story by Cal Brumley in the Friday, June 15, issue of the Wall Street Journal serve admirably as a commentary on results of reverse-freedom rides sponsored by citizen's councils of the South.)

HYANNIS, MASS.—Major national or world problems sometimes come into sharper focus when they are suddenly thrust upon an ordinarily placid small town.

Racial relations which have come front and center in this little summer resort town on Cape Cod are an example. The Negro problem and the Negroes' problem have been lively topics here since the so-called reverse freedom rides began.

If nothing else the arrival of more than 60 penniless southern Negroes points up that social attitudes such as racial prejudice and discrimination are difficult to legislate out of existence on either the Federal or local level. Massachusetts has had antidiscrimination laws on the books since the mid-1800's. Yet Cape Codders are bothered and bewildered by the influx of southern Negroes.

The situation here in this village of 7,000 permanent residents is packed with dramatic elements: Hunger, unemployment, foreign visitors in a strange place, pathos, righteous indignation, self-embarrassing realization of personal prejudices, hypocrisy, national and local politics, and a threat to public and private purses. And not to be overlooked: President Kennedy and others of the Kennedy family spend their summers in adjacent Hyannis Port.

Local people would like to counter the plot of the citizens' councils, ardent southern segregation groups which financed the trips north for the Negroes, with a gesture of wholehearted welcome to the new arrivals. But it doesn't quite come off because of worries that the publicity will keep summer visitors away and that the new Negroes will be a more or less permanent welfare expense which may raise the local property tax.

"The southerners are trying to get our goat and we are trying not to let them," says a town official.

Hyannis businessmen, with an admittedly narrow perspective, however, are worried about the monetary aspects of the influx.

"I just hope all this publicity about the influx of Negroes doesn't kill our summer business," says the owner of the two motels on Main Street. Adds Abraham Penn, president of Puritan Clothing Co., a men's and boys' furnishing store, "the publicity will hurt business because everyone thinks we are flooded with these people."

There is even some sympathy and admiration for the southern strategy. A Main Street store owner who describes himself as a deep thinker, says, "the southerners have as much right to send Negroes up here as northerners had to go down there last year on freedom rides.'"

## WILL COEXISTENCE LEAD TO UNITY IN FREEDOM?

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANE. Mr. Speaker, the difficulty in formulating and implementing a coherent and effective foreign policy on a global scale, can be traced in part, to our habit of concentrating on a local crisis, and failing to consider its relationship to the whole problem.

There is also a dual or split character that separates nations and even cities, in the struggle between the open society of freedom, and the closed society of communism.

We have Free China and Communist China; North Korea and South Korea; North Vietnam and South Vietnam; East Germany and West Germany; East Berlin and West Berlin.

This points up the question: "Can two nations coexist within one another with different ideologies?"

Is there a solution for these unnatural divisions?

Two university professors, Dr. Paul K. T. Sih and Dr. Zoltan Michael Szaz come to grips with the problem in a discussion of "Peaceful Coexistence—East and West."

Director of the Asian institute, Dr. Sih is the author of "Decision for China" and a frequent contributor to national magazines. Dr. Szaz, assistant professor of history in the graduate school, is the author of "Germany's Eastern Frontiers" and editor of the bimonthly journal on foreign affairs, Free World Forum.

These experts bring us the fruits of their thorough research, analysis, and interpretation in the following article that was published in the spring 1962 issue of Redman, the alumni magazine of St. John's University, New York:

## PEACEFUL COEXISTENCE—EAST AND WEST

### EAST

(By Paul K. T. Sih)

Can two Chinas coexist in the present world order? In a sense they are now—Free China in Taiwan (Formosa) and Communist China on the mainland. Free China is supported by most nations of the free world led by the United States, and Communist China by the Soviet bloc of nations. Whether we like it or not, these are two distinct political entities coexisting, even if not too peacefully in the straits of Formosa. Barring a military showdown, this situation could remain for years to come. However, if we seek to put Free China and Communist China on some permanent basis and give to them international juridical status as abiding and separate entities, then we are faced with serious difficulties. Free China and Communist China coexist at present simply because neither can effectively alter the situation. Each is backed by a power bloc that recognizes the legal existence of only one of these Chinese political regimes. The United States does not recognize Peiping, even though it has conducted meetings on the ambassadorial level with the regime for several years. In a corresponding way, the Soviet bloc of nations refuse to recognize Nationalist China.

One thing is clear: given the intense feeling of nationalism of the Chinese people, there will be no release of this tension until China is again unified as a single political entity. The present division of China presents only a transitory phenomenon. There are already indications that Communist China is losing ground on the international level as evidenced by the recent developments in the United Nations.

On December 15, 1961, the 16th session of the General Assembly rejected a Soviet-sponsored resolution calling for the immediate removal of representatives of Nationalist China, and the seating of the Chinese Communists. Forty-eight delegations voted against the proposal; 37 for it—19 abstained.

The margin against admitting the Red regime in 1961 was larger than it was in 1960, representing a severe blow to Peiping's prestige. The Chinese Communists have attributed their past defeats to "U.S. manipulation of the United Nations voting machine" and its insistence on postponing all discussion of the question. This year it did come to the floor of the Assembly and although the issue was thoroughly discussed, Peiping was still denied admission. This time Peiping stated, before the voting, that the vote would indicate who were its friends. Accordingly, by Peiping's own admission, the United Nations' decision demonstrates that it has fewer "friends" than in previous years. Even further, Peiping had to accept the stigma of aggression when on December 21, 1961, the General Assembly called on her to restore liberty to the Tibetan people. The vote in this instance was 56 to 11, with 29 abstentions. The 11 negative votes included the 10-member Soviet bloc and Cuba.

The refusal to seat Red China at this session clarifies another important point. In the past, nations such as Ireland, Brazil and Malaya disagreed with the moratorium resolution. These nations insisted that the issue be put on the agenda and debated. This attitude led some to suspect that there existed a wide split among the Western nations. However, this time when the issue was debated, all three nations (Ireland, Brazil, and Malaya) opposed Red China's membership in the world organization.

The United Nations vote also constitutes a special rebuff to Peipings' efforts to develop closer relations with Latin America and the African nations. The Latin American bloc, with the sole exception of Cuba, remained solidly on the side of the United States in the ballot concerning Red China. Neither has Red China succeeded in Africa. Peiping has recognized Tanganyika, and developed friendly relations with Nigeria and Tunisia. Yet Tanganyika voted against Peiping's admission and Nigeria and Tunisia abstained from voting on the issue. It remains to be seen how Peiping will react to this rebuff.

These were the major setbacks experienced by Red China in the United Nations in 1961. However, this action only shelves the issue of Red China's U.N. membership until this fall's General Assembly meeting. Circumstances will not always be the same as in the year 1961. We cannot be complacent. In fact, several nations that voted against the Soviet resolution of seating the Peiping regime also made it clear during the general debate that they were not opposed to the entry of Communist China. What they could not accept was the unseating of Nationalist China. It is thought by some that Communist China could more easily gain admission to the United Nations if it moderated its stand demanding the expulsion of Nationalist China and resigned itself to a separate seat. This leads to the consideration of a two-China formula—to seat both free China and Communist China in the United Nations.

There are three alternatives:

The one vote of China in the United Nations could be divided between the two Governments, that on the mainland and that on Formosa. Free China would remain in the General Assembly and in the Security Council. Communist China would be seated in the General Assembly. Thus the seat designated for China would be represented by two Chinese Governments—the Nationalist and the Communist. However, this proposal is unworkable for two specific reasons. First, both Free China and Communist China oppose representation on a split level. Secondly, according to the United Nations Charter a member state is represented by one sole and legal government. China, as a member state, cannot be granted two seats occupied by two different and contesting governments.

As the split formula is unpracticable, there is this suggestion: To admit Red China as an independent state. This might be acceptable to other governments but it is totally unacceptable to the governments involved. Even if Red China willed to accept, her admission would be vetoed by the Republic of China in the Security Council.

Another alternative would be to seat Peiping in the General Assembly and in the Security Council as a representative of China and to eliminate Free China, replacing her with a Republic of Formosa. This is precisely what the Conlon report, a study of the U.S. foreign policy in Asia, proposed for an eventual solution of the two-China problem. The report also suggested that the embargo now in force against Red China should be lifted and the Chinese Communist regime should be accorded U.S. de facto recognition. A similar view was expressed by Chester Bowles in his article in the April 1960 edition of Foreign Affairs.

This Two-China plan, as proposed by the Conlon report to accord Formosa an independent status, is not based upon facts. Formosa cannot be separated from the mainland because it is a province of China and an integral part of that country. It was turned over to China by Japan in accordance with the Declaration at Potsdam and with the conditions of the Japanese surrender. The National Government is the legal representative of the Republic of China. To say that the Formosans have known only Japanese rule is incorrect. For over 50 years a fierce struggle was raged against Japanese rule. However, when the Chinese National Government recovered the island in 1945, the takeover was effected peacefully. Although it took Japan 50 years to popularize the Japanese language in Formosa, the Chinese government needed but 3 years to popularize the Chinese mandarin. This is approximately the amount of time needed to replace local dialects with the standardized national language of modern China. Again this is clear evidence of Formosa's closeness to China.

Between the Formosans and the "mainland Chinese" there are no serious racial or cultural differences even though they both come from different localities. There is however, one group on Formosa, the aborigines, who are really different. Numbering approximately 150,000, they live in the remote mountain regions, similar to the American Indians, who dwell on their reservations. There have been social and economic differences between the Formosans (who are originally of Chinese descent) and the mainlanders. Yet these are the logical expressions of a free society. More important, they both enjoy the same political and civil rights living under the same laws.

Another argument in favor of an "independent Formosa," is based on the presumption that Formosa is now a troubled area. To make it a separate state would remove the trouble and thus stabilize the situation in the Far East. This is absolutely untrue.

The free-China Government is physically in control of the territory of Formosa and its present source of political order. To alter this without first consulting the Government and the people is highhanded imperialism not only in Chinese eyes but also to the entire Asian world. The United States can hardly favor such action. Free China is our ally, not our satellite. So long as free China opposes the creation of a "Sino-Formosan State" no one may impose such a plan on her.

Furthermore, Communist China insists on "liberating" Formosa by force. Even if a Republic of Formosa were established, Red China would never recognize it. Instead, the Communists would intensify their propaganda campaign against it and the United States and thereby increase tensions in this already dangerous region.

Other arguments are that free China rules only Formosa and that Formosa is not China; the existence of Communist China on the mainland is a political reality; the United States has recognized other Communist countries, why not Communist China?

The truth is that the Republic of China is still recognized by the majority nations of the world as the sole legal representative of China. Among the 104 member states of the United Nations one-half recognize the Republic of China. Outside the world organization, three countries (South Korea, the Holy See, South Vietnam) recognize Free China. Only one non-U.N. member state (Switzerland) recognizes Peiping. Among the 29 African nations, 14 recognize Free China, 7 recognize Communist China, while 8 recognize neither of the two. Although Peiping has maintained its rule on the mainland for 12 years, its political existence is very precarious. In 1949, Chinese communism seemed to be the only decisive component in the China problem. Not so now. The last decade saw a brutal intensification of Communist purposes, leading to great internal stress and increasing opposition to the government. For 3 consecutive years the people on the mainland have suffered severe food shortage. The entire population is demanding relief. The inhuman social program of the communes has caused nationwide resistance. The Sino-Soviet rift has deepened the economic crisis. The crisis is real. Tensions are rising. In such a situation support of tyrannical government is treason to the people who may even now be capable of asserting themselves as masters of their own country.

It is true that the United States has given recognition to other Communist countries. However, it is still a question as to what we have gained by this policy. There is strong reason to believe that recognition of North Korea, North Vietnam, Cuba, and Communist China would be a disastrous policy today. We have not only broken diplomatic relations with Cuba, but we also hope that other Latin Republics will do likewise. Certainly recognition implies a certain approval and enhances the prestige of the government recognized.

In conclusion, I observe that from Havana to Berlin to Vietnam to Formosa and Korea the struggle is global. The China problem is only a part of this global struggle. It cannot be solved independently. The solution of the problem by a twofold recognition is neither realistic nor workable.

We should especially remember that there are five different groups of Chinese who must be considered and that they cover the entire area of east and southeast Asia. They are the mainland China of the Communists, the mainland China of the anti-Communists, free China in Formosa, the oversea Chinese, and Hong Kong. The last four are all against the Communists. This extensive area of Chinese anti-Communist alinement should be recognized. It supports our present policy of not recognizing Red China and of denying her the U.N. membership.

Our general policy of containment is a sound policy. We must patiently, persistently, and effectively execute it. To surrender it now would certainly produce enormous and far-reaching consequences. The uproar around the world, particularly in free Asia, would be tremendous. The prestige accorded to Mao Tse-tung and his regime, which is characterized by its hate-America policy, would give a new surge of life to Communist forces throughout the entire world.

There is a legitimate sense in the phrase "peaceful coexistence." We are at present executing this policy of coexistence by sustaining the rights of those free peoples who are presently surviving amid the hazards of the border regions of the Communist world. However, we must continue our policy of nonacceptance of the divided national existence of these peoples. We must work for their national unification in freedom, not under the despotic power that has brought about these divisions. We work for this unification by means as forceful yet as peaceful as possible, lest further cataclysmic conflict be imposed on us all. This type of coexistence is not static, but dynamic. It does not recede before the enemy, but advances. It grants nothing to despotism, but demands a real change that will extend and not reduce the area of freedom throughout the world.

### WEST

(By Zolton M. Szaz)

The immediate consequences of the Third Reich's capitulation were ruins and hunger for the German people and an intricate political-economic imbroglio for the victors. This bleak situation was further complicated by an uneasy division of the country among the victors. Ever since, peace and unity became the most urgent quest for the people caught defenseless because of their leaders' folly and defeat between the two emerging world powers, the Soviet Union and the Anglo-American bloc of nations.

Peace and even prosperity have long returned to that part of Germany which was occupied by the Western Powers. There, a sovereign state based on free elections has emerged; its interpretation of national interest is moderate; it is governed by people devoted to Christian and democratic values. This new Federal Republic of Germany has, since its foundation in 1949, unflinchingly sided with the Western Powers. In 1955, it became a full-fledged member of NATO. Its' army, now a pillar in the Western defensive sytsem, accounts for over 40 percent of all NATO forces between the Baltic Sea and Austria. It also contributes some $750 million a year to help develop the newly emerging nations.

As for the other two zones Germany, the part that lies beyond the Oder-Neisse line, the situation is deplorable. Power political and revenge-seeking considerations caused the Soviet Union to turn over the territories to the Poles, who in turn had to cede 48 percent of their territories to the Soviet Union. There, the population was subjected to a rule of terror and later, expulsion. Practically no Germans except 1 million bilingual Upper Silesians, remained in this region which became promptly and forcibly settled by the Poles. Indeed, a unilateral Russian action engrossed by a reluctant acquiescence of the Western Powers at the Potsdam Conference, transferred these territories to a Poland already governed by a Communist-dominated coalition. In what remained of this other Germany, the process of communization was immediately set into motion. Though historically the area had a socialist majority, the occupiers did not permit the functioning of a free social democracy. They forced the socialists by threats and cajoling to join the minute Communist Party in a front, dominated from the start by Messrs. Ulbricht and Pieck. These comrades had returned from Moscow to deliver this part of Germany to their Red masters. Lack of civil rights, police terror, expropriation of land and real estate, religious persecutions, low living standards and high work norms have characterized the zone even after the emergence of the sovereign German Democratic Republic. This state of affairs led to the spontaneous uprising of June 17, 1953, put down only by the intervention of the Red Army, and to the flight of 3 million Germans to date.

Since 1949, Germany has been divided into three parts:

(a) The Federal Republic of Germany comprises about 50 percent of the territory of the former Reich; there 54 out of the 71 million Germans live. A veto of the Western allies prevented the admission of West Berlin as the 10th state of the Federal Republic. However, economically, culturally, politically and legally, Western Berlin constitutes a living segment of Western Germany. Except for a few isolated individuals, the population of the Federal Republic is unanimously determined to reject the partition of Germany. The Federal Goverment, the lower and upper houses of Parliament have all proclaimed the inadmissibility of the present situation. Moreover, the basic law of the Federal Republic states that it is the duty of the Federal Government to bring about German unity in peace and freedom.

(b) The so-called German Democratic Republic, created as a Communist answer to the Federal Republic is destined to form the nucleus of a future, all-German Communist state. Though in the early phases of its existence it conducted a noisy propaganda of unification, seeking the help of nationalist circles in the West, it has become of late, quite willing to live as a separate entity. Indeed it would lose its powers and probably its political regime in any genuine German unification. This Germany is not powerful enough to impose its ideology and political system upon Western Germany. Therefore, it maintains that there exist two independent German states and that any unification of Germany must be preceded by an agreement between itself and the Federal Republic. It nurses, however, the hope that in the event of an economic depression in West Germany or in case of the success of Russian policy regarding Berlin, it would be able to transform the whole of Germany into a vanguard of the Communist bloc of nations.

The present weakness of the German Democratic Republic is rooted in the lack of popular support. Even the SED leaders concede that the majority of the population is not Communist. The flight of almost 17 percent of the population—despite the sealing of all frontiers except the subway in Berlin—is a squalling indictment of the regime. Part of the resentment there is due to the lack of economic progress, a consequence of Communist state planning. Until recently, the "German Democratic Republic" had the highest living standard of the Russian satellites in Europe. In a free, multiparty election hardly more than five to ten per cent of the people would vote for the SED. The population of the zone is also deeply disturbed about the partition of Germany and criticizes Ulbricht and Moscow for it, though Bonn is hardly considered blameless. But, while ardently in favor of German unity, the people do not wish a complete political and economic assimilation with the Federal Republic.

(c) In the territories east of the Oder and Western Neisse Rivers, there exist no large group of Germans because the greatest majority of them were expelled. There, over 7 million people, some ninety percent Polish, live. But, the de jure sovereignty remains German for only the zonal Ulbricht regime had agreed to cede it to Poland. In the Federal Republic approximately 6 million German expellees live; to this amount must be added about 2 million more expellees and refugees in the Russian zone. In the "German Democrat Republic" it is a criminal offense of the expellees to speak in favor of the return of these areas to Germany; in the Republic, however, the expellees are both well organized and represented on a supraparty and parliamentary level. They refuse to recognize both the fact of annexation and the juridical validity of their expulsion. They nurture a resolute hope of returning to their homes at some future date. They realize, however, that no solution is presently in sight and that any future solution must be worked out in agreement with a Poland that is no longer under Russian suzerainty. They are trying to establish contact with the Poles by underemphasizing the border question for the time being. As for the Federal Government of Germany, it maintains the position that the territories east of the Oder and the Western Neisse Rivers are juridically German lands and that their future status may only be determined at a peace conference. It is also aware that even in the best circumstances, Germany cannot hope for more than a compromise solution between the present delineation and the 1937 frontiers.

All Germans are aware that the partition of their country is not a result of national, regional, or domestic political dissentions. In this respect the partition is not comparable to those of China and Vietnam but is more akin to that of Korea. If the Four Powers, especially the U.S.S.R., would withdraw from Germany and abolish the existing military alliances allowing the two Germanies to work out a solution to their partition, there would be no military hostilities. German unity would become a fact, for the German Democratic Republic would collapse rapidly. The only guarantor of German partition is the Soviet Union. Therefore, German disunity is part of a much more comprehensive rift, a conflict between the Anglo-American powers and the Soviet Union.

Is German partition to be regarded permanent?

At the present the answer is in the affirmative. The Soviet Union has not abandoned its policy of subversion and conquest in Europe. Indeed, recent events in Italy, France, and Berlin are not an index of Russia's desire for peaceful coexistence. As long as the U.S.S.R. wants to expand, the value of the East German pawn remains considerable both in a positive and negative way. In a positive manner the German Democratic Republic is a wedge that can be inserted with varying success between the Western Powers and the Federal Republic both as a threat and as an enticement. This represents a sore on the body of the German public that is inclined to follow pro-Western policies. It also increases to some extent the military manpower of the East and its industrial resources in the satellite region. In a negative manner, the existence of the German Democratic Republic prevents the West from using all German resources—military, economic and technical—against the Communist bloc. It also secures Poland and Czechoslovakia to the Communist bloc, rendering a proneutralist or pro-Western orientation geographically and politically impossible. German partition also renders the Oder-Neisse problem dormant, for its activation may be fraught with unpleasant consequences for the Soviet Union as well. An abandonment of the Ulbricht regime would also have far-reaching repercussions for the Communist leaders and their non-Communist peoples over and beyond the two neighbor states of Germany. It would also add to the Western strength against the Soviet Union and would have a magnetic effect on the satellite nations in Europe.

On the Western side, the Federal Republic is becoming increasingly enmeshed in European integration projects. Since 1953, coal and steel production in Germany is subject to the control and planning of the European Coal and Steel Community. Since the Rome Treaty of 1957, the integrating process of the European Economic Community has made such rapid progress that removing the Federal Republic from it would be almost impossible. A similar situation exists for the military forces of the Federal Republic which are completely integrated into the NATO system. To believe that the Western Germans would abandon the work of 12 years of patient progress toward European unity, is naive at best.

Thus the present situation augurs against any early German unity. It would be, however, hard to believe that the situation will remain unchanged for more than 5 to 7 years. Within this period one or two contradictory trends will prevail which will change the equation of forces and intentions on either side of the Iron Curtain. Let us look at these two opposing trends.

The first trend would be set in motion by a Russian success regarding the Berlin question with corresponding psychological and political repercussions in the Federal Republic. Should the Communist view of the Berlin situation prevail and the Western Powers be driven out of the city, the major Russian objective of preventing the consolidation of Western Germany within the European community, would have been achieved. As France is already showing some second thoughts about the desirability of a political-military integration and as President DeGaulle still prefers a "Europe of the Fatherlands," any weakening in the German support of a European integration would be fatal. The Federal Republic, though primarily dependent on our nuclear umbrella for its ultimate security, is aiming at the establishment of a Western European union.

A Western failure at Berlin would doom this policy, decreasing the value of the Anglo-American nuclear umbrella and bring about a reevaluation of the Federal Republic's policy toward the West. This reevaluation would not result in any immediate abandonment of NATO but would create a gradual yet continuous and irreversible process based on the following premises: The United States can no longer be relied upon in case of indirect attacks, subversion, or political pressure. Moreover, its reliability in case of an open attack would be questionable. Therefore, German foreign policy, while for the time being accepting the partial protection the umbrella affords, would not be based solely on the assumption that the United States will sacrifice New York and Chicago for the defense of Bonn and Hamburg.

European integration would not offer a real substitute because for the next 10 years it will lack the military power necessary to resist the Soviet Union without immediate American action. Only the absolute belief in American reliability can form the protection under which a buildup of Western European nuclear power and integration can be implemented. Therefore, Germany would have to come to terms with the Soviet Union, using as a bargaining power its technical, economic, and military resources.

Yet, the disparity of Russian and German power, the fine apparatus of the international Communist conspiracy and the SED network in central Germany would ultimately doom any new Rapallo. It would lead to a subversion of a neutralist German state abetted by external pressure and threats on the part of a friendly Soviet Union.

The second trend which might also be realized is diametrically opposed to the first. The question is, which of the two will prevail? This second trend assumes that the Western Powers and the Federal Republic of Germany will be successful in parrying the Russian diplomatic attack on their position in Berlin; and that any solution of the problem will be based upon the presence of the Western troops in Berlin and their free access to the city; that the political, economic, and legal ties between the Federal Republic of Germany and West Berlin and free German access to the city will be continued. It also assumes that the West will finally overcome its divisions on the question and will constantly press for unification by new proposals. Such a course of events will again not lead to an immediate reunification of Germany, but will permit Western European integration to progress to the stage where Western Europe rather than Germany or France can have supranational authorities in the fields of military and foreign policy. It also assumes that this federation will be vitally interested (more so than Washington or London) in bringing about the detachment of the Central German state from the Communist orbit.

Under these circumstances it is entirely possible that in view of its global commitments and the incipient conflict with the People's Republic of China, the Russian Communist leadership might, in the late 1960's decide that Mr. Ulbricht and his apparatus has become more of a liability than an asset to the Communist empire. Such an insight into the workings of central European politics might then render a solution of the German question possible from a German as well as Russian viewpoint. It also may lead to a limited revision of the Oder-Neisse line in return for concessions of an economic nature on the part of a European federation.

Some people will say that this second trend assumes many things which seem illusory at this time. Of course, there is a third alternative too horrible to be considered. That is a nuclear war for German unification. Yet, no matter how horrible the thought may be, it will remain a possibility. The absence of a solution within the next decade will only render it more probable for an artificial status quo cannot be indefinitely maintained.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BEERMANN and to include extraneous matter in his remarks in the Committee of the Whole on H.R. 11222 today.

Mr. GEORGE P. MILLER in two instances and to include extraneous matter.

Mr. COHELAN in two instances and to include extraneous matter.

(The following Member (at the request of Mr. DERWINSKI) and to include extraneous matter:)

Mr. CUNNINGHAM.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ALBERT.

Mrs. SULLIVAN.

Mr. MURPHY.

## SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2186. An act for the relief of Manuel Arranz Rodriguez;

S. 2340. An act for the relief of Shunichi Aikawa;

S. 2418. An act for the relief of Elaine Rozin Recanati;

S. 2486. An act for the relief of Kim Carey (Timothy Mark Alt);

S. 2562. An act for the relief of Sally Ann Barnett;

S. 2565. An act for the relief of Michael Najeeb Metry;

S. 2895. An act to provide for the conveyance of certain lands of the Minnesota Chippewa Tribe of Indians to the Little Flower Mission of the St. Cloud Diocese; and

S. 2990. An act for the relief of Caterina Scalzo (Nee Loschiavo).

## ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 21, 1962, at 11 o'clock a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2207. A letter from the Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report on title I, Public Law 480 agreements concluded during May 1962, pursuant to Public Law 85-128; to the Committee on Agriculture.

2208. A letter from the Secretary of the Treasury, transmitting the second semiannual consolidated report of balances of foreign currencies acquired without payment of dollars, as of December 31, 1961, pursuant to Public Law 87-195; to the Committee on Foreign Affairs.

2209. A letter from the Assistant Secretary of State, transmitting a draft of a proposed bill entitled "A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes"; to the Committee on Foreign Affairs.

2210. A letter from the Comptroller General of the United States, transmitting a report on the audit of the general supply fund, General Services Administration (GSA), for the fiscal year ended June 30, 1961; to the Committee on Government Operations.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIS: Committee on the Judiciary. H.R. 10966. A bill to fix the fees payable to the Patent Office and for other purposes; without amendment (Rept. No. 1850). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Seventeenth report on illegal actions in the construction of the airfield at Fort Lee, Va.; without amendment (Rept. No. 1858). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEORGE P. MILLER: Committee on Science and Astronautics. H.R. 4055. A bill to amend the act of August 25, 1959, to authorize the payment of a monetary award to recipients of the National Medal of Science; without amendment (Rept. No. 1859). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEORGE P. MILLER: Committee on Science and Astronautics. H.R. 9485. A bill to amend the National Aeronautics and Space Act of 1958 to promote public knowledge of progress and achievement in astronautics and related sciences through the designation of a special day in honor of Dr. Robert Hutchings Goddard, the father of modern rockets, missiles, and astronautics; without amendment (Rept. No. 1860). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 2611. A bill for the relief of Charles F. Ward and Billy W. Crane; with amendment (Rept. No. 1851). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 3624. A bill for the relief of Mrs. Mary E. O'Rourke; with amendment (Rept. No. 1852). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6709. A bill for the relief of Dr. and Mrs. Abel Gorfain; without amendment (Rept. No. 1853). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on the Judiciary. H.R. 7328. A bill for the relief of Louis J. Simpson; with amendment (Rept. No. 1854). Referred to the Committee of the Whole House.

Mr. GILBERT: Committee on the Judiciary. H.R. 8550. A bill for the relief of Theodore Zissu; without amendment (Rept. No. 1855). Referred to the Committee of the Whole House.

Mr. GILBERT: Committee on the Judiciary. H.R. 9828. A bill for the relief of Patti Jean Fulton; without amendment (Rept. No. 1856). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11031. A bill for the relief of George Wm. Rueff, Inc.; with amendment (Rept. No. 1857). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLIOTT:

H.R. 12221. A bill to change the name of the Memphis lock and dam on the Tom Bigbee River near Aliceville, Ala.; to the Committee on Public Works.

By Mr. GIAIMO:

H.R. 12222. A bill to amend the Federal Water Pollution Control Act by creating a Federal Water Pollution Control Administration and for other purposes; to the Committee on Public Works.

By Mr. KING of New York:

H.R. 12223. A bill to amend Public Law 409, 74th Congress, to authorize the appropriations necessary to carry out authorized improvements in the project for the Great Lakes-Hudson River Waterway; to the Committee on Public Works.

By Mr. CLEM MILLER:

H.R. 12224. A bill to add table eggs to the Marketing Agreement Act of 1937; to the Committee on Agriculture.

By Mr. MULTER:

H.R. 12225. A bill to provide for the establishment of a municipal arts council representative of local nonprofit organizations and institutions, including educational organizations and institutions, in the District of Columbia with active programs in the arts, to set aside for such local cultural activities 1 mill out of each $1 of tax revenue of the government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. RAINS (by request):

H.R. 12226. A bill to authorize the chartering of organizations to insure conventional mortgage loans, to authorize the creation of secondary market organizations for conventional and other mortgage loans, to authorize the issuance of debentures upon the security of insured or guaranteed mortgages, and to create a joint supervisory board to charter and examine such organizations, and for other purposes; to the Committee on Banking and Currency.

By Mrs. ST. GEORGE:

H.R. 12227. A bill to amend the Internal Revenue Code to exempt from the manufacturers' excise tax certain automobiles furnished without charge to schools for use in driver training programs; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 12228. A bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. JONAS:

H.R. 12229. A bill to amend the Internal Revenue Code of 1954 to allow an individual a deduction from gross income for tuition paid by him for his own education or for the education of other individuals at institutions of higher education; to the Committee on Ways and Means.

By Mr. KARSTEN:

H.R. 12230. A bill to amend the Migratory Bird Conservation Act in order to provide that the Under Secretaries of the Departments of the Interior, Commerce, and Agriculture shall be members of the Migratory Bird Conservation Commission; to the Committee on Merchant Marine and Fisheries.

By Mr. KEOGH:

H.R. 12231. A bill to amend title II of the Social Security Act to permit payment of benefits thereunder in addition to any compensation or pension payable by the Veterans' Administration on the basis of the death of a World War II veteran; to the Committee on Ways and Means.

By Mr. LANGEN:

H.R. 12232. A bill to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture.

By Mr. THOMSON of Wisconsin:

H.R. 12233. A bill to require disclosure of the effectiveness of filters on cigarettes distributed in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GALLAGHER:

H.J. Res. 749. Joint resolution to authorize the President to proclaim July 9, 1962, as General Krzyzanowski Memorial Day; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.J. Res. 750. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. HALPERN:

H. Con. Res. 498. Concurrent resolution expressing sense of Congress on project Hope; to the Committee on Foreign Affairs.

By Mr. FRIEDEL:

H. Res. 694. Resolution authorizing the transfer of certain funds within the contingent fund of the House; to the Committee on House Administration.

By Mr. HALEY:

H. Res. 695. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

By Mr. SIKES:

H. Res. 696. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON:

H.R. 12234. A bill for the relief of Ken Shen Wei, his wife Daisy Wei, and their son William Wei; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 12235. A bill for the relief of Maria Petrozza; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 12236. A bill for the relief of Nermin Demirbag Lavapies; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 12237. A bill for the relief of Rahmi Sengul; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 12238. A bill for the relief of Lucia Salvucci; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 12239. A bill for the relief of Vincenzo Mazzurco; to the Committee on the Judiciary.

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# EXTENSIONS OF REMARKS

## Facts on Communist Propaganda, III—American Publications in Russia

EXTENSION OF REMARKS

OF

### HON. GLENN CUNNINGHAM

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mr. CUNNINGHAM. Mr. Speaker, the issue when considering Communist propaganda is reciprocity. Does our material flow freely into Russia and other Iron Curtain countries? Does the average Russian citizen have free access to the American position and the free world position on current international issues? In this context, I now submit part III of this series.

Part I was about the Universal Postal Union. Part II concerned volume of propaganda:

AMERICAN PUBLICATIONS IN RUSSIA

Although one official has said there is "no record of any censorship, delay, or destruction of our mail" by the Communist governments, few Americans can accept such a statement.

Postmaster General J. Edward Day testified before the Senate Appropriations Committee March 8, 1962: "The indications are that the mail to Iron Curtain countries is screened and sometimes censored, that if there are items in the mail which violate their rules, particularly sending cash in, that mail will often be intercepted."

Hearings before the House Un-American Activities Committee, May 12, 1960: "Mr. Arens (Richard Arens, staff director). Does the international Communist apparatus let down its bars and let American material, material propagandizing other people respecting the cause of freedom, enter the Iron Curtain countries freely without restrictions, without labeling?

"Mr. Fishman (deputy director of customs assigned to New York). Not to my knowledge.

"My experience has been this: Of all Catholic literature I have sent none has arrived at its destination (Sunday Visitors; Life of St. Benedict; Mission magazines; Vudce, a Catholic Czechoslovak language magazine; and others." J.B.H. (Unsolicited letter on file.)

There are also tight restrictions on publications, even the Russian-language magazine Amerika which the Russian Government has promised to distribute in return for our distribution of their magazine U.S.S.R.

Washington Daily News, January 30, 1962: "U.S. Information Agency officials concede American publications—except official ones covered in cultural exchange agreements—cannot be sold or distributed in the Soviet Union."

New York Times, February 9, 1962: "Non-Communist Western publications seldom circulate in the Soviet Union, but sometimes copies of Time, Life, or Vogue are obtained from tourists."

Mr. John N. Hutchison, Director, Press and Publications Service, U.S. Information Agency, testified before the House Appropriations Committee on April 11, 1961: "There seems to be, although we cannot be sure of it, a correlation between the number of returns (of Amerika) which the Russians turn back, and the success or failure of their sales of their magazine (U.S.S.R.) in this country."

This Week magazine, January 21, 1962: Article by Dr. Mikhail A. Klochko, recent refugee from Russia: "Today, however, Amerika is available only to senior Russian officials, and copies are passed from hand to hand many times."

There is further evidence that our printed matter and ideas are not distributed or made available to the people of the Soviet bloc countries. If printed matter were flowing freely throughout Russia and its satellites, why would Communist governments spend more millions of dollars jamming the Voice of America than we spend broadcasting the truth? Commonsense alone indicates that a nation which spends millions of dollars jamming news broadcasts and controlling its domestic press will not allow free distribution of printed matter from another country.

## Meritorious Service Award to Vice Adm. Murrey Royar

EXTENSION OF REMARKS

OF

### HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mr. GEORGE P. MILLER. Mr. Speaker, recently the 16th annual convention of the Armed Forces Communications and Electronics Association was held in Washington, D.C. This unique association on the national scene is one devoted to an effective liaison between our military and governmental organizations responsible for national defense and the industry which produces the equipment in the fields of communication, electronics and photography so essential to our security.

At this particular meeting, a special honor was bestowed on Vice Adm. Murrey Royar, USN, retired. Admiral Royar has had a distinguished naval career in representing the city of Oakland, Calif., the Oakland Chamber of Commerce, and the port of Oakland in their manifold interests at the national level. In addition to these duties, Admiral Royar unselfishly gives of his time to many activities related to fostering the best interests of our national defense effort. One of these includes serving enthusiastically in the activities of the Armed Forces Communications and Electronics Association.

The aforementioned honor was the association's meritorious service award whose citation I am pleased to insert in the Record. The citation reads as follows:

For meritorious service in recognition of his executive leadership, outstanding dedication and professional guidance in a position of great responsibility in Association Affairs.

## Television to the Hinterland

EXTENSION OF REMARKS

OF

### HON. CARL ALBERT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mr. ALBERT. Mr. Speaker, the National Community Television Association is meeting at the Shoreham Hotel here in Washington upon the occasion of its 11th annual convention. At a luncheon yesterday, the Honorable Oren Harris, of Arkansas, chairman of the House Interstate and Foreign Commerce Committee, made the following address upon the matter of the improvement of the relations between broadcasters and community antenna television operators. I ask unanimous consent that his speech be printed in the Record at this point.

The speech follows:

TELEVISION TO THE HINTERLAND

(Address by the Honorable Oren Harris, of Arkansas, chairman, Interstate and Foreign Commerce Committee of the House of Representatives of the United States, at the Shoreham Hotel, Washington, D.C., on June 19, 1962, to the National Community Television Association, VIP luncheon, 11th annual convention)

Mr. President, chairman of the board, distinguished guests. Needless to say, it gives me great pleasure to welcome such an enterprising group to our National Capital. It is my understanding that almost every State in the Union is represented here, as well as some of your Canadian members. Although as an industry, you are but 12 years old, no one will deny that you have reached an imposing stature and, like another who reached his 12th year, you have grown in wisdom and in grace.

### GROWING RECOGNITION OF THE BENEFITS OF CATV

Twelve years ago, there were only a few community antenna systems in this country. Today, there are about 1,000 of them in 46 States and the Virgin Islands. You serve about a million and one-half homes, or over 3½ million people. You are spreading into new areas from year to year. While most systems are small business enterprises in the true sense of the word, serving 1,000 subscribers or less, you are drawing the interest of large enterprises, such as the theatrical and broadcasting interests who are getting into the CATV business. The securities of some of your companies are listed on the stock exchange and bankers, investment houses and brokers no longer look at you as an unknown quantity. CATV is a thriving business today and you present here were the pioneers who made it so.

Your contributions to educational television and other types of public service are well known. There are many grade schools and institutions of higher learning in many sections of the country which could not receive educational channels without your facilities. In many cases your channels are furnished gratuitously to the school systems of this Nation. I congratulate you.

Just about 1 month ago, on May 17, 1962, a bill, H.R. 10708, had been reported to the House by the Committee on Agriculture to amend a section of the Rural Electrification Act. Several Members of Congress were apprehensive that this bill might interfere with the development of community antenna cable systems. I was not surprised when the vice chairman of the committee, Mr. Poage, came up with an amendment which the NCTA had drafted. In answer to an inquiry whether this bill would injure CATV operators, Mr. Poage stated: "We were requested by the association and not by the REA to use this language. It is the language of the people whom the gentleman fears are going to be injured—it is the language of the very people—and it is word for word and has not been changed, not even by a comma * * *."

Then Congressman Poage paid your association a high tribute. He stated: "I believe these gentlemen are not only fair to their opponents, but I believe they are fair to themselves. I believe they have come in and asked for a reasonable limitation. As long as it seems to be a reasonable limitation, I for one—and I believe the House Committee on Agriculture—is disposed to try to grant any reasonable limitation."

I believe that as an industry you have been "fair to yourselves," "fair to your opponents," and you have been "reasonable" in your demands. This, more than anything else, has won you an accolade from the Congress, the public, and the courts.

You will forgive me if I define a community antenna television system, otherwise called a master antenna cable system, for the benefit of guests or reporters who are sometimes confused by the great variety of technical terms in the television industry.

### DEFINITION OF CATV

According to the general understanding in the Congress, a community antenna is, as the term seems to imply, a master television receiving antenna erected and designed to serve a community, or such part thereof as is practical to serve, or as may have a requirement for service. It is technically and functionally analogous to the master antenna systems installed in apartment houses to permit service to part or all of the apartments, rooms or suites by means of a single antenna system.

Generally, community antennas are found in areas where because of the interaction of topographic or geographic conditions, and technological and economic factors, reception of television signals by conventional antennas is either (1) nonexistent, (2) of unsatisfactory quality, or (3) possible only with the aid of costly tall rooftop antennas placed on high elevators or other suitable locations.

Community antennas are capable of receiving the signals of more than one station simultaneously, they are designed and oriented, when installed, to receive the desired signals and to reject, as much as possible, the undesired channels. That is essentially the same function as is performed when a homeowner who erects a rooftop antenna purchases an antenna which has been designed and manufactured to give optimum reception on the channels he desires to receive and to reject signals of stations which might duplicate or interfere with those he prefers. Community antenna people do not alter, delete, or in any manner change the broadcast intelligence on the channels which they receive.

As the Federal Communications Commission and the courts have repeatedly decided, they do not broadcast, and they are not common carriers, such as telephone companies or telegraph companies. They are in the signal-receiving business. But enough of these technicalities. Let us look at the origins of this CATV industry, as it is popularly called. That is where the real romance of your industry is to be found. It matches the wonderful tales of the first Curtiss-Wright flight and earlier planes bound together with baling wire and glue.

### EARLY BEGINNINGS

The history of the community antenna industry reveals the development of an entirely new industry in the best American tradition. In the very early days of television only very limited service was available in metropolitan areas and virtually no service in rural areas and small cities and towns more than 50 miles from the few major metropolitan areas. The Federal Communications Commission had imposed a so-called freeze on the licensing of television stations because of technical problems. This freeze lasted for several years and would have restricted the benefits of this dramatic new medium of mass communications to a few privileged urban areas were it not for the ingenuity of the small American businessman and the insistent demand by the public for the pleasure and educational benefits of television throughout the hinterland.

There were no precedents for this industry. However, since a single antenna could serve a hotel or an apartment house, then why could it not be made to serve an entire community?

The idea did not generate with the large and powerful electronics corporations, such as the RCA's, the General Electrics, and the Philcos. It developed with local radio and television dealers in small towns, who sought some way of providing television signals to the public clamoring to purchase receivers. The first systems were indeed amateurish. They consisted of an antenna mounted on a pipe on the top of a hill; twin lead wire, such as connects any antenna to the television receiving set, extended from the antenna, down the hillside and throughout the area serviced. It was supported by trees, fenceposts, corners of buildings, and passed over alleys, backyards, etc. Inexpensive amplifiers, such as used in office intercommunications systems and available at most radio supply houses, were spaced at required intervals along the line. At times they worked surprisingly well, and at other times, because of inexperienced operators and the fact that the equipment was not designed to meet the demands of an extensive antenna system, they were very poor.

The industry was born almost simultaneously on both coasts in 1949 and 1950. Recognizing the public need and demand in rural and fringe reception areas for television reception and for equipment designed to meet the rigors of outdoor operation, suppliers of electronic equipment began to experiment with a designed CATV amplifier and specialized equipment.

The American public brought their demands to these people and insisted that they be met in the small cities and towns across the country. Many men and women with little or no training and with the limited advice available began to build and rebuild, making known their wants and frustrations to the equipment suppliers. The demands of this new industry resulted in the formation of new companies whose primary objective was to solve the problems of multichannel master antenna reception for these small cities and towns. Established manufacturers were too busy with other problems to devote the time and resources necessary to start from scratch. As a result the dominating equipment suppliers in the CATV field today, 12 years from when the industry was first established, are still the companies which were organized to meet this demand. The industry has never been able to stand still. Development has been constant until today more than $450 million has been invested in community antenna reception and the industry has caught the imagination of, and challenged some of the country's largest entertainment and financial organizations.

Essentially, however, the industry was born in smalltown America. It can take credit for its development and it still retains much of this original flavor. It is a real example of grassroots demand and development.

### PROBLEMS OF CATV

As the CATV industry advanced in age, it encountered many problems. Cable operators found it difficult, at first, to obtain permission of telephone companies to string its cable along its poles. Power and other utilities cooperated, but telephone companies hesitated. Finally, they allowed CATV operators to use their poles, but many companies inserted all types of restrictive clauses in their contracts which tended to restrict the growth of the CATV industry. The contracts were terminable upon 30 days' notice or 1 year, at most. I am informed that in the past year, most telephone companies have removed these restrictions and now grant contracts of 3- to 5-year duration. Some have even made the term 15 years.

CATV operators incurred the wrath of a handful of local television broadcasters in a few single broadcast station communities. In fact, this led to demands from some of these small broadcasters for legislation to curb CATV systems or to place them within the control of the FCC. The Federal Government controls the whole field of radio and television as provided in the Communications Act of 1934. This exclusive Federal control was upheld by the Supreme Court in 1940 in the case of *Federal Communications Commission* v. *Pottsville Broadcasting Co*. However, while CATV is an adjunct of television, the Congress has granted jurisdiction to the FCC over CATV systems only with respect to the use of radio waves. The FCC cannot regulate CATV as a common carrier.

The public interest issue in the controversy between a local television broadcast station and a CATV system in the same community has received much attention by the FCC and by the Congress.

As you know, the issues were debated before a subcommittee of the Senate Interstate and Foreign Commerce Committee in 1959 and several bills to regulate CATV were introduced in the 86th Congress. No action was taken in the House and one bill got as far as the Senate but failed to pass and was recommitted to the Senate Commerce Committee. In this Congress, a bill (S. 1044) was introduced in the Senate, to control CATV, but no action has been taken on it thus far. I introduced a similar bill, H.R.

6840, at the request of the FCC, but no action has been taken by the House Interstate and Foreign Commerce Committee or the subcommittee on it and none is contemplated at present.

In contrast to the unduly widespread scope of some of the earlier bills, the latest FCC proposal is designed to vest in the Commission authority to act only in those situations where local television stations are claimed to be in competition with community antenna television systems.

Of course, there has been a great improvement in CATV-broadcaster relations since these bills were introduced. I read in the trade press that at a recent meeting of your industry with FCC Commissioners and staff, it was pointed out that the communities where the CATV system did not carry the local television station could perhaps today be counted on the fingers of one hand. In view of the fact that there are well over 67 communities where a local station and a CATV system coexist, the problem can no longer be regarded as acute. By the same token, the old charge that the removal of rooftop or other antennas at the request of the subscriber, made it more difficult for the television station in the same community to be received, disappears as the cable carries this local station. The problem of attenuation of signals has almost disappeared as the improved state of the technology makes reception on the cable better than ever. Obviously, no community antenna operator would deliberately degrade a signal and make his service less attractive to his own subscriber. He would be working against his own pecuniary interests.

I am informed that an increasing number of CATV operators and broadcasters are working closely with each other to resolve their conflicts and establish a harmonious basis for each to render its respective service to their community in the public interest. Obviously, these agreements hold out some excellent promise that the overall relationships between local broadcasters and CATV systems will improve still further.

Some cities or counties seem to be attempting to regulate television through insistence upon nonduplication agreements involving broad areas, such as grade A contours, etc. I thought this danger had been averted by a decision on June 4, 1959, by the U.S. District Court, District of Minnesota, First Division, enjoining a city in Minnesota from attempting to impose a nonduplication agreement upon a CATV system. I would expect that CATV operators will not permit a host of divergent and conflicting local regulations to spring up. The pertinent court decisions in these matters should be brought to the attention of the local authorities and their jurisdiction should be challenged in the courts, if necessary.

The temptation is great, of course, when vying with each other to obtain a local franchise, to accept such stipulation in order to win the coveted franchise. However, such restriction may plague you as an industry in the future.

Finally, there is one real threat which you presently face and this threat is that without the benefit of CATV legislation, the FCC may proceed to regulate CATV through their jurisdiction over microwave common carrier operations. The threat flows from the FCC's decision in the Carter Mountain case. That is the case that denied a common carrier microwave company a license unless the CATV system which it intended to serve would agree to carry the local television programs and avoid duplication of its programs.

It is in this case that the FCC's Common Carrier Bureau filed a brief in which it characterized that decision of the FCC as "arbitrary and discriminatory."

The Common Carrier Bureau pointed out that while the Commission had ruled consistently that it did not have jurisdiction over CATV, the approach taken in the Carter Mountain case was a method of indirectly controlling the industry. The Common Carrier Bureau warned that the Commission's restrictions would have to "be applied to all common carriers, alike, across the board."

The brief then stated: "Under the doctrine of this case, the FCC would be required to examine every telephone company application for extension of its facilities—to determine whether a grant of such application might afford undesirable service to a CATV system vis-a-vis a TV broadcaster. An interesting and logical extension of this philosophy would give the Commission the power to affect control of broadcast networks by the expedient of refusing to authorize use of common carrier facilities for the networks until some 'desirable' conditions have first been satisfied."

If the Common Carrier Bureau is right in its warning and conclusion, then this decision contains frightful implications which should give concern not only to your industry but also to telephone companies, broadcasters and other businesses, too.

Since this case has been appealed to the courts, I will not comment on the merits of the Commission's decision. However, if upheld, the decision in this case will change the FCC's and the courts' previous holdings on the duties and obligations of common carriers. If the Commission's new interpretation is sustained, the Congress is likely to be asked to hold hearings and reexamine what should be the scope of the Commission's powers over common carriers. In the meantime, I would think the Commission is likely to adhere to its previously announced policies, until clear determination of its authority in this field is obtained from the courts.

### CONCLUSION

Except for some of the legal problems confronting your industry, I believe that the CATV industry is facing a rosy future of fresh opportunities to continue to serve the public. Neither local broadcasters nor CATV operators stand much to gain from discord or from appeals for greater regulation or legislation. Controls are two-edged swords. They cut both ways. Legislation or regulation is seldom obtained in the form sought. That is why I commend broadcasters and CATV operators who have resolved their differences through amicable agreements. In fact, these agreements are a fine demonstration of operation in the public interest—and again I want to congratulate you for it.

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## Address by the Honorable John S. Monagan, of Connecticut, at the Baltic Freedom Rally, New York City, June 17

EXTENSION OF REMARKS

OF

## HON. WILLIAM T. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mr. MURPHY. Mr. Speaker, our distinguished colleague from Connecticut, Representative JOHN S. MONAGAN, on Sunday, June 17, delivered an address in New York City at the Baltic Freedom Rally, which deserves to have a wide audience.

In marking the anniversary of the great Russian deportation of Baltic peoples, Representative MONAGAN eloquently and forcefully set forth the need to keep this pressing problem of the enslavement of these States before the world and the need to offer continued support and encouragement to these tragic nations behind the Iron Curtain.

The address follows:

### ADDRESS BY THE HONORABLE JOHN S. MONAGAN, OF CONNECTICUT

We meet today on a mournful anniversary. In the midst of safety and ease and plenty, we call to mind one of the most cruel and most tragic crimes in the history of the world.

Just 22 years ago, there took place in the Baltic States of Lithuania, Latvia, and Estonia the notorious and inhuman deportation by the Soviet Union of tens of thousands of citizens of these proud and historic nations. In the space of 3 short days, more than 100,000 people of these hitherto free countries were snatched from their homes and their native soil by the Communist invaders without any color of legal right, and in defiance of all cannons of humanity and justice, and herded off to concentration camps in the wilds of Siberia. In these remote regions of this savage land, death was the lot of many of these hapless and innocent people.

This act of national brigandage, at whose scope the imagination boggles, followed by only a year the Russian invasion of these countries which had long been free and independent and which had compiled an extended history of sophisticated national culture and broad social achievement.

Sad though the memory of those fateful days may be, we do well to pause in the midst of our busy and peaceful lives to mark those days of infamy when the light of freedom was so suddenly and so brutally extinguished in these three great nations of the Baltic Sea. Immediately after their occupation in June of 1940, the work of repression and terrorism began and its culmination came in the June of 1941 when the great mass uprooting of the populace was effected.

There are many reasons why we, as free men and women, must not allow the fate of these countries and their citizens to sink into the ocean of historic oblivion.

First of all, they are our brothers. The acts of brutality to them are acts of brutality to us, their brothers in the human race. Their brutalization is our brutalization. When they are deprived of freedom and denied basic human rights, something of our own freedom is chipped away. They love freedom as much as we and they are sons of God as we are and, therefore, the shame and obloquy which attach to the act which deprives them of these fundamental rights and which debase their dignity as human beings, must not escape the condemnation of freemen.

Another reason for keeping this anniversary is to mark indelibly in the book of history the Soviet aggression by which these noble countries were enslaved. It was not because of provocation; it was not because of the threat of force; it was not because of hostile or antisocial activity that the Soviet troops moved in. It was simply the action of the totalitarian bully who enters the sacred precincts and snuffs out the pure and shining light of freedom which contrasts so sharply with his own fitfully burning flame.

This action leads us to a third reason for recalling this time of sorrow. That is the light which this brutal and unwarranted assault upon national and individual freedom shines upon the essential character of communism itself.

In this treatment of individuals as chattels, in this unjustified invasion of sovereign nations, in this sundering of the ties of family and of friendship which all freemen hold dear as the very essence of freedom, the Russians revealed more clearly than could a thousand learned volumes, the cruelty and license which lie at the base of the doctrines of Stalin and Khrushchev.

Without religion, without nobility, with utter reliance upon the material; following the expedient and abandoning the way of principle and of compassion which were ingrained through the centuries in the very marrow of the Christian peoples whom they sought to overthrow, the Communists in this desperate and dastardly act, revealed the emptiness and the poverty of the cheerless gospel of Karl Marx and of its extension and interpretation by Joseph Stalin. Surely this applied terrorism is only a natural consequence of a government not bound by law.

Another reason for us to gather publicly and formally on this date is the capacity of gatherings such as this to assert the links of brotherhood which bind us to our friends of the Baltic States who languish in captivity today.

While it is true that we in our great country are faced with complex problems of national and international importance, we never can afford to be so engrossed in such difficulties that we neglect to give ear to the small, but persistent, plaint of those who suffer wrong.

Thus, while we struggle to hold back tyranny in southeast Asia, while we work manfully to sustain democracy in Latin America, and in the midst of our own pressing national economic and social problems, we must never forget our brave fellowmen in Lithuania, Latvia, and Estonia.

Mr. Khrushchev would have us forget the past. He would lull us into a dream in which the drab and hopeless present was obscured by his loutish protestations of peaceful intentions, but we know that it is to the Soviet deeds rather than to their words that we must turn in order to judge truly.

The plan of the Communist leaders at the beginning of World War II was to extend and dominate to such an extent that the sun would shine on no land beyond their boundaries. This extension of Communist power forcibly incorporated within the Soviet Union millions of people of different blood, religion, and traditions. Although a larger country like Poland, which lies closer to the West, has been able, through concerted opposition, to modify and soften the Soviet pressure toward communization, the fate of the smaller States has been dark and somber, indeed. In these States where effective resistance on a large scale is impossible, the unfortunate people have borne the full brunt of the Communist tyranny with suppression of freedom of opinion, secret police, terrorism, miscarriage of justice, deportation, and forced labor camps.

Even the consolations of religion have been limited and reduced through a systematic campaign against the church to which the vast majority of the people of these lands belong. Nor has this campaign been limited to philosophical opposition. The Soviet leaders have moved to crush and eliminate religion itself by the suppression of clerical education, the harassment of individual priests and the embarrassment and persecution of bishops. Paradoxically enough, this calculated oppression has not eliminated in the hearts of the Baltic peoples their devotion to religion, nor has it erased from their hearts the love of freedom. The light of their love of liberty and of their fidelity to religion burns more brightly than ever in their breasts. The systematic attempts of their oppressor serve only to make the return to freedom a goal more devoutly to be desired than ever before. In these difficult and dangerous circumstances, our hearts must be filled with admiration and affection for these brave people who will not submit to the yoke of the conqueror.

Although the Soviet Premier has detailed and has purported to criticize the cruelties of his predecessor, there are still thousands who are forced to remain in Siberia and who are deprived of the right to return to their native countries. Even today under the guise of voluntary enlistment, the recruitment under subtle pressures of young people for labor in desolate and frigid areas of northern Russia goes on.

The difference between the Stalinist era and the present regime is therefore merely one of form and degree only and not one of substance.

The campaign against religion and the suppression of the church goes on to such a degree that it is predicted that another time of the catacombs may be coming for the Catholics of Lithuania who may be forced, as were the early Christians, to resort to secret and hidden retreats to practice their religion and to escape the wrath and cruelty of their persecutors.

Let us then, on this anniversary of the dread deportations of 1941, pledge to our brothers across the seas that their sufferings shall not be in vain and their persecution forgotten.

I am happy to tell you that in the Congress of the United States, the captive nations are not forgotten. I am proud to have the honor of acting at the present time as chairman of a Foreign Affairs Subcommittee which is holding hearings on the captive nations, their present circumstances and our relations with them. We shall listen to those who know intimately the problems and difficulties of their friends and relations behind the Iron Curtain. We hope and expect to make a record which will remind the world of their sad condition and provide evidence before the world of our national concern for their welfare and our constant hope for their freedom.

At the same time, our Government, through the U.S. Information Agency and the Voice of America, is constantly reaching out to the captive nations of Europe, including these Baltic countries, in order to sustain the spirit of the people of these countries, so that they may not surrender their hope for an ultimate return to freedom.

We know, from Soviet reaction, that these broadcasts, with their factual reporting of events in the world and their deflation of Soviet claims, constitute a thorn in the side of the Communists and a deterrent which prevents more complete tyranny.

I should like to emphasize that the awareness of the problems of the nations which this assembly represents is not one which has come to me only in recent days. I have lived all my life in a city which numbers large numbers of citizens of Lithuanian extraction and I have played and worked with these people as close and intimate friends and I know the extent of their sympathy for their unfortunate brothers and of their concern for their present and future welfare.

In this experience I have seen the genius and capacity of this great racial stock grow and flower under the freedom which our Nation affords. I have witnessed the massive contribution which they have made to the development of the United States in industry, in the professions and in the arts. I have, therefore, realized all the more sharply how greatly the world is being deprived of the gifts of these gifted and industrious people and those of other captive nations by the weight of Communist tyranny.

I should like to point out, too, that I have not been silent about this difficult problem on the floor of the House of Representatives. I am proud to say that I have joined with our former great majority leader and now Speaker of the House, Representative McCormack, in urging the passage of the captive nations resolution and I have seized many opportunities to take the floor and bring before my colleagues the continuing difficulties of our friends behind the Iron Curtain.

For it is important for us to remember that these people are our friends. We supported their modern emergence from tyranny after World War I and we have backed their legitimate national aspirations. Many of their sons and daughters have come to our shores to become outstanding citizens. The natural result has been a band of sympathy uniting our various nations and a strong pro-U.S. feeling in these imprisoned people which propaganda and suppression cannot eliminate.

Therefore, based upon human sympathy for our fellow men; upon implementing our fondly held national principles of freedom and individual rights; and upon opposition to irreligion, to tyranny and to rule by terror, we, as a nation, can have only one logical position.

We must keep the case of the captive nations before the bar of international public opinion. We must resist efforts to shoulder it aside. And we must seize every practical opportunity to bring freedom back to their suffering people.

Yet there is constant danger that these realities will be disregarded. In the pressure by some people to seek accommodation, we are urged to take steps that will appease without consideration of their effects upon the subjects and nations concerned.

And in this connection there is nothing upon which I have stronger conclusions than the confidence that appeasement or conciliation will never impress or convince a Communist.

With firmness, therefore, and with devotion to their cause, with confidence in the ultimate triumph of right and justice, let us on this tragic anniversary pledge that our efforts shall not flag until Lithuania, Latvia, and Estonia shall once again be numbered among the free nations of the world.

## Cohelan Speaks Out on Civil Rights

EXTENSION OF REMARKS

OF

### HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mr. COHELAN. Mr. Speaker, earlier this month I participated in a question and answer program regarding my record in the field of civil rights.

My beliefs, my activities, and my support of efforts to advance the rights of man are widely known to our colleagues, and I add this broadcast to that public record:

Congressman Jeffery Cohelan Answers Questions on Civil Rights—Question and Answer Program Presented Over Radio Station KDIA, Oakland, Calif., June 1, 1962

Interviewer. Congressman Cohelan, in its 1960 platform, the Democratic Party pledged to make equal opportunity a living reality for all Americans. Now, as a Democratic Member of the House of Representatives, what have you done to carry out this pledge?

Congressman Cohelan. First, let me say that I am pleased to have an opportunity to speak to this point, for I believe there is no more important task confronting this Nation than to fulfill that fundamental

American pledge that all men are created equal. President Kennedy made this point very clear in his May speech to the United Auto Workers. The President said, and I fully concur, "that there is no reason why if your skin is colored you should have twice as much chance to be unemployed, half as much chance to own your own house, or from a half to a third as much chance for your son or daughter going to college. This country is a free society in which everyone can succeed or fail based on what they have inside them, not what they have outside."

Now, as a Member of the 87th Congress, I have joined a great champion of civil rights—House Judiciary Committee Chairman EMANUEL CELLER—in introducing six major bills designed to carry out the Democratic campaign pledge of equal opportunity for all Americans. These bills would eliminate poll taxes and discriminatory literacy tests in Federal elections; they would provide for the complete desegregation of public schools, including first-step compliance by 1963; they would amend title III of the 1957 Civil Rights Act so that the Attorney General could file suits on behalf of those persons who for any reason were unable to seek effective legal protection; they would make the Civil Rights Commission a permanent body; and they would establish a Federal Fair Employment Practices Commission modeled after the California FEP which was authored by my good friend, Assemblyman William Byron Rumford of Berkeley.

Interviewer. Congressman COHELAN, this is certainly an impressive program of legislation, but what have you done to get it enacted into law?

Congressman COHELAN. Well, as you may remember, in 1960, during my first term in Congress, I was one of the floor and committee spokesmen on behalf of the legislation enacted at that time—the Civil Rights Act of 1960.

Last year, during the 1st session of the 87th Congress, I spoke on the House floor in support of legislation to extend the life of the Civil Rights Commission for another 2 years. I made it very clear at this time, however, in the course of my remarks, that I was keenly disappointed that the stronger measure which I had introduced—a measure which would have made the Commission a permanent arm of the Executive and which would have strengthened its factfinding powers—was not being enacted, and that I would continue to work for its passage.

This year I have testified before the House Judiciary Committee in support of my bills to eliminate poll taxes and discriminatory literacy tests, and I have testified before the House Education and Labor Committee in support of my bills to eliminate school segregation and to establish a Federal Fair Employment Practices Commission. The poll tax bill has now been approved by the House Judiciary Committee, as well as by the Senate, and the FEP bill has been approved by the House Education and Labor Committee.

INTERVIEWER. Congressman COHELAN, what has the Kennedy administration been doing to promote equal opportunities? To further civil rights?

Congressman COHELAN. Well, first let me point out that I am a Member of the Congress. What I say, therefore, about legislation I can say as a participant. What I say about administrative action I must say as an observer. The Kennedy administration's efforts in the field of civil rights by any standards, however, certainly have been the most forceful and productive of recent years.

In the field of employment, President Kennedy has moved to end job discrimination within the Federal Government, and among companies and unions working on Government contracts, by establishing the President's Committee on Equal Employment Opportunity, and by giving this committee enforcement measures to back up its findings and recommendations. As you will recall, one of the first major cases on the Committee's agenda involved a Lockheed Aircraft plant in Marietta, Ga., which had been awarded a new $1 billion contract. On the basis of a complaint filed by the NAACP through Mrs. Ruby Hurley, the Committee investigated and was subsequently successful in achieving a broad antidiscrimination agreement.

Further in the employment field, more Negroes than ever before are now filling top administrative positions with the Government—men such as Robert Weaver, Andrew Hatcher, and Boisfeuillet Jones—and extensive efforts are now being made to attract larger numbers of qualified Negro college graduates to Federal employment.

In the field of voting, the Department of Justice to date has brought more than 27 cases involving 23 counties and States, and Attorney General Robert Kennedy has made it clear that his Department intends to vigorously enforce the provisions of the 1957 and 1960 Civil Rights Acts.

Similar action has been taken in respect to school desegregation with the Justice Department moving in New Orleans, for example, to compel State officials to release Federal school funds to the local school board, and elsewhere in Louisiana to prevent the State legislature from interfering with local school boards in their efforts to carry out desegregation programs. Suits have been filed in other States, such as Virginia, to require across-the-board compliance with the 1954 Supreme Court ruling, and persuasion has been used in still other States, such as Tennessee, to accomplish the same purpose.

In the field of transportation, the administration petitioned the Interstate Commerce Commission to issue regulations further banning discrimination against interstate bus passengers. As you know, the ICC has now issued these regulations which prohibit discrimination in the seating of passengers on interstate vehicles and which prohibit discrimination in terminals and waiting rooms used by interstate passengers.

In commenting on these and other Executive actions, the highly respected Southern Regional Council stated in March of this year that the Kennedy administration has "built momentum for civil rights into the structure and policies of the Government * * * it has placed its power in support of civil rights."

INTERVIEWER. Congressman COHELAN, this certainly sounds like strong Executive action, but what has happened to President Kennedy's pledge—a pledge he made during the 1960 campaign—to issue an Executive order banning discrimination in Federal housing programs?

Congressman COHELAN. As you may remember, the President stated during a press conference on January 15 of this year that he would issue the order, "when I consider it to be in the public interest. I am fully aware of the wording of my campaign statement and I plan to meet my responsibilities in regard to this matter."

It is quite clear, I believe, that the President has not signed this Executive order to date in order to avoid alienating southern Members of Congress—Members whose support he needs in order to enact such other vital elements of his legislative programs as unemployment relief, trade expansion, and medical care for the aged. I have every confidence, however, that the President will sign this order before the end of the year, and I am continuing to urge him to do so. The very fact that the President has had to delay his issuance of this very important order, however, points out in vivid terms the importance of increasing his margin of support in Congress at this upcoming election.

INTERVIEWER. Congressman COHELAN, while many of the civil rights problems which we have discussed so far are national in nature, discrimination also has its local implications for the Seventh Congressional District. If I am correct, Congressman, a number of discrimination cases at local Federal installations have been brought to your attention, and I wonder what, if anything, you have done about them?

Congressman COHELAN. You are absolutely correct. During my 3½ years in Congress, a number of local discrimination cases have come to my attention. In each instance I have either talked to the individuals involved or corresponded with them. I have then followed through with the appropriate agencies and done everything possible to have the existing barriers removed. In several cases, I am pleased to say, we have been successful, and we are still working on others.

For some time now it has been my belief that a definite pattern of racial discrimination was being practiced at certain Federal installations in the Seventh District. An exhaustive review of my files has revealed this to be true and I am now in the process of initiating a full and complete investigation through the Civil Service Commission and the President's Committee on Equal Employment Opportunity. I am very hopeful, and as a matter of fact, encouraged, that the results of this investigation will lead to a further elimination of racial barriers in employment at Federal installations in the Oakland-Berkeley area.

Interviewer. Congressman COHELAN, in your opinion have we been making any real progress in the area of breaking down racial barriers and promoting equal opportunities?

Congressman COHELAN. Yes, I believe we have, but this is not to say we don't have a great deal more to do. The Civil Rights Commission reported last year "that more persons than ever before are exercising more fully their rights as citizens of the United States. The American people are increasingly aware, the Commission went on to say, that professions of belief in the dignity of man have meaning only if they are realized by all people in all aspects of life. The gap between the promise of liberty and its fulfillment is narrower today than it has ever been before."

This does not mean, of course, that our task is completed. A gap between our goals and our realization in the field of civil rights continues to exist, and I believe we must accelerate our efforts—both in the administrative and in the legislative fields. Religious prejudice, and most important, discrimination on the basis of race, must be recognized as morally wrong, economically wasteful, and damaging to our position in the world community, and I pledge my continued best efforts to eliminate them from our society and from our way of life.

Interviewer. Thank you, Congressman COHELAN.

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## Questionnaire Results Announced

EXTENSION OF REMARKS

OF

### HON. JEFFERY COHELAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mr. COHELAN. Mr. Speaker, in April I sent out more than 100,000 questionnaires to residents of the Seventh California District requesting their views on a number of the major legislative issues before the House. More than 17,000 of my constituents returned this questionnaire poll and I believe that our colleagues will find the results of interest:

*Results of the 1962 questionnaire poll conducted by Congressman* J*effery* C*ohelan*, *7th district of California*

| | Percent | | |
|---|---|---|---|
| | Yes | No | Uncertain |
| 1. Do you believe that Congress should enact President Kennedy's proposal of insured health care under social security for our senior citizens? | 62.7 | 31.4 | 5.9 |
| 2. Do you believe that the Federal Government should provide financial assistance for public school construction and teachers' salaries? | 48.2 | 44.1 | 7.7 |
| 3. Should Congress approve a grant-loan program for the construction of college academic facilities? | 59.4 | 29.3 | 11.3 |
| 4. Should this program include funds for college scholarships for able but needy students? | 57.9 | 31.2 | 10.9 |
| 5. Do you believe Congress should establish a national wilderness preservation system composed of federally owned lands? | 70.6 | 15.3 | 14.1 |
| 6. Should the Federal Government create a national seashore for public use at Point Reyes in Marin County? | 64.8 | 21.1 | 14.1 |
| 7. Do you believe Congress should approve the President's request to purchase United Nations bonds? | 54.9 | 30.4 | 14.7 |
| 8. Should the United States continue its program of economic and military assistance to underdeveloped and independent countries? | 57.0 | 26.4 | 16.6 |
| 9. Should Congress authorize financial assistance to States for the construction of public fallout shelters? | 19.2 | 68.6 | 12.2 |
| 10. Do you favor the establishment of a Federal Fair Employment Practices Commission? | 45.8 | 36.7 | 17.5 |
| 11. Do you favor legislation to outlaw poll taxes and arbitrarily applied literacy tests in Federal elections? | 69.9 | 19.7 | 10.4 |
| 12. Should Congress approve President Kennedy's proposal for trade expansion by a mutual reduction of tariffs? | 69.9 | 15.7 | 14.4 |
| 13. Should Congress establish a Youth Conservation Corps to improve the employment prospects of young people? | 55.6 | 28.3 | 16.1 |
| 14. Would you support a permanent strengthening of our unemployment insurance system to maintain purchasing power without periodic resort to temporary supplements? | 38.2 | 39.2 | 22.6 |
| 15. Should the President be granted emergency powers during recessions to temporarily reduce income taxes and initiate public works programs? | 54.5 | 33.0 | 12.5 |

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## New Frontiers of Science, Space, and Foreign Policy

EXTENSION OF REMARKS

OF

## HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mr. GEORGE P. MILLER. Mr. Speaker, on May 25, 1962, the Honorable Dean Rusk, the very capable Secretary of State of the United States, delivered an address on the occasion of International Law Day at the Seattle World's Fair. The locale, with its international environment, and the occasion were most appropriate in setting forth the objectives of this Nation in implementing the principles of the United Nations' Charter insofar as the peaceful uses of outer space are concerned.

With the growing experimentation and exploration of the regions beyond the earth's atmosphere, it is imperative to consider the many international ramifications which are involved. Certainly, the legal problem connected with the peaceful uses of outer space must be of primary consideration. If the nations of the world can work together harmoniously to resolve these legal matters which will be involved in outer space then I feel we are making a long first stride toward peaceful cooperation in many areas of international relations. Ultimately, the path to a just and lasting peace may appear more promising because of cooperative efforts in establishing an international law for the peaceful uses of outer space.

Under leave to extend my remarks, I am very honored to present the address of Secretary Rusk at Seattle:

### NEW FRONTIERS OF SCIENCE, SPACE, AND FOREIGN POLICY

(Address by the Honorable Dean Rusk, Secretary of State, on the occasion of International Law Day, Seattle World's Fair, May 25, 1962)

I am very happy to be here this evening in this beautiful western sea-frontier city and to experience the thrilling sweep of this first great fair of the space age.

I congratulate the citizens of Seattle and of the State of Washington on a magnificent concept, nobly executed. These new frontiers of architecture cannot help but open new horizons of awe and wonder to every visitor.

What would your own legendary frontiersman of the 19th century have thought? How would Paul Bunyan have measured your space needle, the highest edifice west of the Mississippi? I think he would say that his beloved Pacific Northwest had performed a great service for the Nation and the world at large. I think he would approve and urge us to get on with building larger space capsules—large enough for him.

My guess is that we are not looking here at century 21, but at the decades immediately ahead—for the pace of change is so dazzling that our imaginations cannot grasp what four more decades will bring. And all who come here must pause for some still moment of contemplation on what this is all about, what man's progressive mastery of his physical environment really means, and what kind of a world their children will inhabit and form.

The new frontiers of science forecast at this fair are not excursions of the imagination into fairyland, unreality, or science fiction. They will come to pass—most of them in this century. We cannot foresee a time when science and technology will cease placing new insights, new data, new tools, and new capabilities at the disposal of society. Man's problem is how to use them—in his physical environment and in his social environment of family, nation, and international community.

If we look toward century 21, what are some of the frontiers which science will breach? Among the prospects held out to us by the scientists are these:

New sources of food, water, power, and natural resources.

Desalinization of ocean waters, enabling deserts to bloom. Cultivation of crops in the seas. Control of the growth of living organisms in the oceans. Control of the weather to extend growing seasons in some regions. Alas, perhaps balanced meals in capsule form, that can be gulped down in a couple of seconds.

The mining of mineral nodules on the ocean floor. Abundant supplies of magnesium extracted from sea water. Harnessing of the tides and ocean currents for power.

Immense quantities of power from other sources as well—electric, nuclear, and solar. Powerplants of type and size to meet almost any contingency on almost every location on earth. Greatly enlarged and improved power storage facilities.

A vast proliferation of labor-saving devices.

Continuing revolutions in construction through plastics.

The wizards of electronics offer us, through communications satellites, the physical ability to talk to any place on earth, and to almost any person, at low cost. They also hold before us the prospect of beaming television anywhere. But the possibility of instantaneous visual and oral communication with anyone, anywhere, and in privacy, has a certain appeal to a Secretary of State. My opposite numbers in other governments and I now have to spend a good deal of time traveling in order to talk directly and intimately to each other. We speak of a shrinking world. But a recent trip, covering 26,900 miles, reminded me that, even at jet speeds, the earth is still a pretty big place.

In the field of medicine, we may expect progress—perhaps deep breakthroughs—in control of such diseases as cancer, the great varieties of viruses, and the biochemical imbalances which affect many vital tissues, including the brain. Biochemistry, genetics, and electronics will give us new tools for the diagnosis and handling of human disease.

Science, we are told, may make it possible for us to get on with less sleep at night. I know some government officials who, of necessity, have already made considerable progress on that front.

The behavioral scientists will find out more about how the two most complex mechanisms on earth—the human brain and body—think, feel, and react. They may be expected to establish new ways of keeping thought processes and the emotions in balance. With greater freedom from mental disease, we will surely make a net gain in constructive and congenial personal relations. We shall almost certainly trespass nearer to those frontiers which guard the secret of life.

And, to mention still another frontier of special importance to foreign affairs, the social and behavioral sciences may improve our ability to communicate with and understand nations and peoples whose cultures are radically different from our own.

Life on earth will be affected by each of these advancing frontiers I have mentioned. But it will be improved only to the extent that men put them to good uses.

For example, the potential of worldwide vocal and visual communication can be either good or bad. As Edward R. Murrow, in whom the State of Washington can proudly claim a special interest, since he received part of his education in this State, recently pointed out: A communication system is totally neutral; it has no conscience, no principle, no morality; it can broadcast falsehood as loudly as the truth.

We of the atomic age are starkly aware of the ability of the physical sciences to outstrip man's practical mastery of political and social affairs. Sixteen years ago the United States had the vision to present to the world through the United Nations a plan to place all atomic enterprises under international control. If that plan had been adopted, there would have been no nuclear arms race, there would be no nuclear weapons today, and the power of the atom would be devoted solely to bettering the life of man. What a tragedy it was that the Soviet Union called that plan atomic blackmail and refused to take it up seriously. And what a tragedy it is that, owing to the persistent refusal of the Soviets to permit the most minimum international supervision and verification, we have thus far been unable to make a start on the reduction of armaments and to obtain a treaty banning atomic tests.

Despite 16 years of Soviet disagreement, we have not given up hope. We have presented a comprehensive plan for reductions in armaments, leading to general and complete disarmament. This is not a piece of propaganda but a plan which we most earnestly hope will be adopted. Likewise, we continue to seek a test ban treaty, and are prepared to sign it the instant that the Soviets agree to it with the essential minimum of international verification to assume compliance.

Now we are in the earlier stages of another scientific, technical, and human adventure, as staggering to the imagination as the unleashing of the atom—and as challenging to man's ability to organize his affairs with at least a modicum of good sense. I refer of course to the exploration of space. I have no doubt that we shall reach the moon and explore it. I am told that, after the moon, Mars is the most likely target of exploration, unless we are unexpectedly lucky with Venus. Dr. Willard Libby says there is a 95-percent probability of finding some form of life on Mars. I have little doubt that we shall eventually reach Mars and somehow set foot on it, with results in expanding knowledge that none of us can now predict.

Meanwhile, within the nearer regions of outer space, we will perfect communications, television, and navigational satellites. We will probe the mysteries of weather and learn something of how to control it. We will resolve some of the ambiguities of the earth's magnetic field. We will recover new, and perhaps rare, metals from the heavenly asteroids. We will progressively press closer to some of those secrets of the universe which man has always yearned to know.

But let us take a more somber look at what could happen. The frontiers of space might be pierced by huge nuclear-propelled dreadnaughts, armed with thermonuclear weapons. The moon might be turned into a military base. Ways might be found to cascade radioactive waves upon an enemy. Weather control might become a military weapon. Man, in short, can put outer space to uses which might in the most real sense imperil civilization and even life on this earth of ours. All this seems possible.

We fervently hope that the exploration of space will not augment the dreadful perils which hang over the heads of mankind. We earnestly seek international arrangements to assure that this great venture outward from our planet benefits the human race and redounds to its credit.

Our goals are simple and straightforward:

First. We think that outer space should be free for use by all nations as long as the use is consistent with the principles of the United Nations Charter;

Second. We think that the regime of law obtaining among the nations on the earth must be extended and improved as it pertains to outer space;

Third. We think that there must be devised a clear and recognized means for the identification of rights and the adjudication of disputes as between nations conducting activities in outer space. We require, for example, mechanisms to assist in the rescue of astronauts who land unexpectedly in foreign territory and for the determination of liability for injuries or damage caused by objects returning from outer space;

Fourth. We think that useful applications of space technology, such as communication and meteorological satellites, should be available to all nations, particularly the less developed nations, commensurate with a realistic assessment of their needs and their ability to commit resources to the use of these applications;

Fifth. We stand for the proposition that opportunities to participate in outer space activities should be open to all nations commensurate with their ability and willingness to cooperate constructively; and

Sixth. We have proposed, as part of our disarmament proposals now being discussed at Geneva that, under adequate inspection and control, the placing in orbit of weapons of mass destruction be prohibited.

Our activities in outer space are consistent with these goals. Many of these principles are embodied in a resolution of the United Nations which the United States supported. They are our frame of reference in discussions now underway for cooperative outer space programs with the Soviet Union and for implementation of programs already in effect with many of our European allies, with countries in South America and Africa, and the Far East.

We hope that these principles will continue to be embodied in reliable and enduring agreements which in the future will concern all nations. The right time to subject activities in space to international law and supervision is now, before possibly untoward developments occur.

Now let us descend from orbit and look at some of the new frontiers on earth. I want to state very briefly the purposes and goals of our foreign policy and our positive strategy for securing them.

Our paramount objectives are well known. We seek to preserve the physical safety of our homeland, the well-being of our people, the principles and ideals on which our country was founded, our way of life. This requires, among other things, that we maintain an adequate rate of growth in our economy, while keeping the lid on inflation. It requires that we do our part in practicing and promoting liberal trade policies.

Our way of life thrives best in a spacious environment of peace and freedom. We seek to build, in President Kennedy's words, "a peaceful world community of free and independent states, free to choose their own future and their own system so long as it does not threaten the freedom of others." This is the kind of world envisioned by the charter of the United Nations.

The leaders of the Communist movement, as they have told us in plain words, have a contrary goal. They seek to subject the whole world to their system. They not only regard this as historically inevitable, they are determined to hasten this alleged inevitability by every practicable means.

There appear to be some differences of view among the Communists as to the pace and tactics of communizing the rest of the world, as well as over ideology and internal policies. But both of the major branches of the Communist movement are determined to bury us, and each seems intent on demonstrating that its method of interring us is the more efficacious.

Mr. Khrushchev appears to be aware that the penalty for starting a great war would be the destruction of the Soviet Union. But let us not misunderstand what the Communists mean by "peaceful coexistence." By their own definition it means extending the Communist domain by every means short of a great war. They specifically approve what they call "wars of national liberation," which are in fact efforts to impose communism by force while escaping the penalties for massive aggression.

Aggression must not be allowed to succeed. We will defend the frontiers of freedom. In this task we have more than 40 allies. And, although some of them do not publicly admit it, many of the uncommitted nations are becoming increasingly aware that their survival in independence depends on the ability of the free world to hold in check the Communist imperialists.

We will defend the freedom of West Berlin. We are determined to repel aggression in southeast Asia, as we have demonstrated by increasing our help to South Vietnam and by landing troops in Thailand.

While, with our allies, we protect the free world against aggression, we seek to build its strength. In this great task, there are at least four main elements.

The first element is an ever-closer and more productive partnership with the industrialized nations of the free world. This calls for an increasingly effective North Atlantic Community. It calls also for strengthening of our relations with the free nations of the Pacific.

The partnership with Europe is well underway through the NATO defense structure, through systematic political consultation, and through a variety of common programs and shared responsibilities toward the less-developed world. But two great events are unfolding in Europe to which we must adjust: Western Europe is in the process of forming an enlarged Common Market, and it is moving toward some form of closer political integration. A great new power is in the making.

President Kennedy's trade legislation is designed to associate this country with the Common Market in ways which will benefit the United States and Europe and mark a decisive step toward a viable partnership within the greatest area of economic productivity, trade, and skilled manpower on earth. We face similar adjustments in coordinating the Atlantic nations' monetary and fiscal policies in order that each can sustain a high rate of economic growth and maintain an equilibrium in international payments. The Organization for Economic Cooperation and Development, or OECD, which began operating last September, has been established for this purpose and is now at work on these problems.

As we envisage it, the North Atlantic Community will always include Canada and perpetuate our enduring bonds with that country. We must remain vigilant, as we move toward closer partnership with Europe, to find ways of associating Japan with the constructive tasks of the Atlantic partnership. This powerful and dynamic nation, which is driving forward at an astonishing rate of economic growth and progressively consolidating a democratic political base, has an essential, useful, and world role to play within the community of free nations. It can make important contributions to the modernization process throughout the whole of the less-developed world and is, indeed, now doing so. It is for this reason that Japan is the only non-European country with membership in the OECD's Development Assistance Committee.

A second element in our constructive task centers on our relations with the countries of Latin America, Africa, and Asia which are struggling with modernization and the march toward industrialization and improved standards of living and social welfare. Our foreign aid and military assistance programs, together with the Alliance for Progress within this hemisphere, are designed to assist these countries with this range of problems.

Our fundamental purposes toward these countries are three: To assist them in maintaining their independence, to assist them to modernize their economies and otherwise to develop open societies in ways of their own choice which respond to the aspirations of their peoples, and to make it more possible for them to assume responsible roles within the interdependent free community of nations.

The third element in our task of building the free world is the creation of fruitful and durable relations between the industrialized and the industrializing regions. The old colonial order has all but vanished. The peoples of Asia and Africa have achieved the separate and equal status to which the laws of nature and of nature's God entitle them. The new order—and a far better one it is—between them and the old metropoles is one of a partnership of equals.

With their mounting production, the nations of Western Europe are able to shoulder more of the load of assisting the underdeveloped areas. Canada and Japan and other countries are playing increasingly important roles in this effort.

One of the manifestations of this new partnership between the advanced and the less developed countries is the formation of consortiums to finance development plans. We must continue to work on the knotty problems of stabilizing commodity prices in order to maintain the ability of the developing countries to earn foreign exchange.

Private capital has an important, although sometimes difficult, role to play in the huge and complex task of modernizing the underdeveloped nations.

Among the peoples we must assist in making economic, social, and political progress are those of the islands of the Pacific. They vary in their levels of development, but their aspirations are expanding. Helping them to move forward is a common task for our Australian and New Zealand allies and comrades and for our European friends with island territories, as well as for the United States.

The international community which we are trying to help build will be one of diverse values. Herein will lie its strength. For we know that peoples want to remain independent and free to develop in their own ways. We and the other advanced nations can live in a pluralistic world, whereas we know the Communists cannot.

By diversity we do not mean anarchy. In the world of today no nation can survive alone. We seek a community of nations which recognize their interdependence, a community marked by increasing cooperation, by order and by law. This is the fourth element in our constructive policy. We work toward this end through a host of international institutions and arrangements. The thread that runs through all our efforts on the world scene is our concern to build a world of order and justice under law. It is particularly appropriate to emphasize this objective today, which has been designated as International Law Day.

A world of peace and order under law cannot be achieved by decree. It must be built, piece by piece. All of our history teaches us that law is the product of cumulative growth, won with effort by coping effectively with problem after problem.

When we are impressed with defects and difficulties in international life today, we would do well to reflect on the hardship and injustices of life within any single nation of Western Europe during the Middle Ages and indeed during much of the modern era. Our own Anglo-American common law was not given or suddenly created; it was fashioned and wrought out of the living experience of many generations.

The community of nations is in a highly formative period. We need only glance backward to the concepts and institutions of 100 years ago to appreciate the tremendous progress that has been made in the interval. Today there is almost general acceptance of the idea of world organization for the common good. Increasingly it is understood that agreed rules, and decisions based on a fair application of them, are to be preferred to resort to force.

We must keep everlastingly at this task of building a world community of order and law. We must continue to search for means of drawing the Communist nations into such a community. We think that the Soviets have a common interest with the West in attacking the dangerous anarchy of the armaments and nuclear weapons race, in maintaining order in outer space, and in other measures to prevent our conflicting purposes from erupting into a mutually destructive war. We therefore keep on, patiently and persistently, trying to make progress, through reliable and enforceable agreements, on these frontiers of danger.

I have described briefly the main elements in our positive strategy. It is a strategy in which the initiative lies with us, rather than with the Communists. It is a "win" strategy because it harmonizes with the largest interests and deepest aspirations of mankind.

We have no doubt that the peoples of the Communist world will increasingly bring pressure on their leaders to grant them the benefits of the free community and the individual rights and liberties which become the dignity of man. The way of free choice, of national and personal freedom, is, I submit, the real wave of the future.

We know we want to go and we are underway. Let us not be discouraged by the vicissitudes of the journey. Let us keep in mind that old maxim from Hebraic tradition: "It is upon us to begin the work; it is not upon us to complete the work."

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# Closing All of the Loopholes in the Food, Drug, and Cosmetic Act of 1938

## EXTENSION OF REMARKS

OF

## HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, June 20, 1962*

Mrs. SULLIVAN. Mr. Speaker, when I submitted the material prepared for me by the Library of Congress for printing in the Congressional Record Monday on the various bills now pending to amend the Food, Drug, and Cosmetics Act to protect the Nation's consumers, it was with the expectation that the tabular material would fit in four columns per page. Instead, as it appeared, the tables on the four separate bills were spread across two pages, making for occasional blank or near-blank pages in the Record. I am sure many of the Members were surprised, as I was, to see what appeared to be almost blank pages in the Record, but I am glad that so many Members recognized the importance of this material and commented on its value.

Mr. Speaker, I now submit for the Congressional Record the testimony I presented this morning before the Committee on Interstate and Foreign Commerce evaluating the various bills:

An Omnibus Bill To Rewrite the Food, Drug, and Cosmetic Act: Testimony by Congresswoman Leonor K. Sullivan, of Missouri, Before House Committee on Interstate and Foreign Commerce, Wednesday, June 20, 1962

It is certainly no criticism of this committee when I say that this is a moment I have been waiting for, impatiently, for a year and a half, or at least since the opening day of the 87th Congress on January 3, 1961, when I introduced H.R. 1235, an omnibus bill to rewrite the Food, Drug, and Cosmetic Act to bring it up to date in terms of today's needs and problems in protecting the American consumer. It is still the only measure pending in either House which would combine in one bill provisions for closing all of the major loopholes in consumer protections under the Food, Drug, and Cosmetic Act.

Chairman Harris and I discussed the importance of having the formal departmental reports from the Department of Health, Education, and Welfare and other Government agencies affected by or interested in the many complex and technical provisions of the bill before hearings could be scheduled.

Unfortunately, except for a "no comment" report from the Federal Trade Commission (subsequently clarified in an exchange of correspondence between me and FTC Chairman Dixon), none of the executive departments or agencies directly or indirectly affected by H.R. 1235 ever did file the requested reports to this committee on the specific provisions of the bill.

### PRESIDENT ENDORSES MANY PROVISIONS INCLUDED IN H.R. 1235

On March 15, however, the President sent his comprehensive consumer message to the Congress which contained a formal endorsement on behalf of the administration of many of the changes in the law which are contained in H.R. 1235; and last month, as you know, Chairman Harris on behalf of the administration introduced two separate bills directed to those recommendations—H.R. 11581 dealing with drugs, and H.R. 11582, dealing with cosmetics and therapeutic devices. Together, these bills contain many of the features of H.R. 1235, but not all of them, and also contain some provisions not in H.R. 1235.

I suppose I wouldn't have minded the long delay nearly as much if, after all this time, the administration had reported that the approach in H.R. 1235 was completely wrong and impractical. However, now that most of the provisions of the administration bills are shown to be identical to, or at least very similar to, H.R. 1235, I am indeed sorry we couldn't have gotten to this matter a year or more ago, and thus with a better chance of final action in this Congress.

On Monday, I placed in the Congressional Record a detailed breakdown prepared for me by Mr. Raymond J. Celada, of the American Law Division of the Legislative Reference Service in the Library of Congress, showing in comparative tabular form all of the similarities and all of the differences when comparing H.R. 1235 with the two Harris bills, and also as compared with the widely discussed Kefauver-Celler bill. I felt it would be helpful to the committee and to all of your witnesses to have this material available prior to the start of the hearings for a better understanding of the technical points in the various bills. All of the bills share the one common objective of protecting the American consumer; all differ, however, in some significant respects.

The Kefauver-Celler bill is not before this committee, of course, since, as introduced, it is directed primarily at changes in the antitrust laws and the patent laws applying to drugs, and thus comes within the jurisdiction of the Judiciary Committee, even though it also contains many provisions amending the drug provisions of the Food, Drug, and Cosmetic Act. But I thought it would be useful to have the comparative breakdown of the various bills include this one, too, even though it is not officially before you.

### GREAT CHANGES IN FOOD, DRUG, COSMETIC TECHNOLOGY

You are faced here in this committee with an assignment of great magnitude, in an area of supreme importance to the lives and health and safety and well-being of the American people, in connection with the purchase and use of the most personal and intimate of products—all of the foods we eat, all of the drugs and devices we use for health purposes, all of the cosmetics used not only by women but in increasing numbers by men, as well. In many respects, you are facing the same problem which confronted your predecessors on this committee a quarter century ago when it became obvious that the Wiley Act of 1906—a great legislative achievement in its time—was woefully out of date and replete with loopholes permitting practices which visited fraud, deceit, poisoning, blinding, and death upon untold numbers of trusting American consumers.

From 1906 to 1938—a period of 32 years—Congress amended the Wiley law in a number of very important respects to protect consumers but never quite succeeded in making the law as effective as we know it should have been. Congress in 1912, 1913, 1919, 1923, 1930, and 1934 closed loopholes as they became glaringly evident—just as this committee since 1938 has initiated many tremendously important improvements in the 1938 act—the factory inspection bill, the pesticides bill, the food additives bill, etc. But the time has come now, just as it did in 1938, for a complete rewriting of outmoded provisions—a modernization and updating of the whole statute based on far-reaching changes in food, drug, and cosmetic technology and the dangers created for consumers by omissions in the law, or by court decisions, or by studied evasions and easy violations which are often almost impossible to prevent because of shortcomings in the law.

### CATASTROPHE SHOULD NOT BE ONLY SPUR TO ACTION

So it is my hope, as I know it is the hope of every American consumer concerned about the health and safey of our people, that you will now do what was done in 1938—rewrite the statute from beginning to end, keeping what is good but replacing what is obsolete or ineffective. It required a series of horrible episodes to stir the 75th Congress finally to pass the basic statute now on the books, after the 73d and 74th Congresses had extensively discussed and debated similar legislation but let it die in squabbles over special interest amendments and exemptions. By the time the 75th Congress finally acted, it had before it a sickening parade of horror cases—of young women blinded by eyelash blackeners; of many Americans paralyzed by a poisonous substance in Jamaica ginger—the infamous "Ginger Jake" scandal; of at least 73 Americans dying from the use of a new prescription drug, elixir sulfanilamide, at first considered a great medical breakthrough until horrified doctors watched many of their patients die in prolonged agony from its use.

No such mass poisoning or blinding or paralyzing or killing episodes have occurred, thank God, in recent years. I hope it never again requires such incidents to persuade Congress to act on a broad level to improve the Food, Drug, and Cosmetic Act. However, as we all here know, most of the changes and improvements in the act since 1938 have been on a piecemeal, limited-approach basis. I complained of this in 1960 when the color additives bill was being considered. I felt if we were going to bail out the lipstick makers on the use of other than harmless colors, we should insist on something for something; that is, on a requirement for pretesting for safety of all ingredients used in cosmetics, not just the coloring matter. In fact, I felt so strongly about that aspect of it that even after you agreed to amend the hastily passed Senate bill to include an anticancer clause, I voted against the bill in the House.

### COSMETICS NOT PRETESTED FOR SAFETY

Since 1938, when it first came under Government regulation, the cosmetic industry has had comparatively gentle treatment. Unlike drug manufacturers marketing a new product, or food manufacturers using a new ingredient, the cosmetic industry does not have to prove safety of a new product prior to marketing. If the product is believed unsafe, furthermore, the Government must furnish legal proof of danger to the consumer in order to force the item off the market. This is the situation which previously existed in connection with the use of food additives, and which we changed in 1958—relieving the Government of the obligation of proving a product dangerous in order to take it off the market. We now require, instead, that the manufacturer prove his additive is safe before putting it on the market.

As a result of our lax cosmetics controls there have been occasional cases of extremely painful injury to cosmetics users, and frequent cases of allergic reaction, because the cosmetic manufacturer is not required to pretest the product for safety or even to identify the ingredients in the product.

Of course, I do not maintain or believe that major cosmetic manufacturers are anxious to poison, or disfigure, or denail, or scalp, or burn, or otherwise injure the American consumer. Certainly, there is no profit in that, and these are firms anxious to make a profit by pleasing, not harming, the customer. But the competitive situation in the cosmetic industry is such, and the ease of entry of new firms into the field of processing cosmetics is such, that new products hit the market accompanied by a wave of high-pressure advertising and promotion, and each firm tries to beat the other to the drug store or department store counter or supermarket shelf with the latest magic potion for making us attractive.

Cosmetics are as old as history, and the basic ingredients used are well known in the trade. So sales spurts must often depend upon mysterious gimmick additives—turtle oil to promote skin rejuvenation or tighten chin muscles (but did you ever see a turtle's skin?); shark oil, queen bee royal jelly; chick embryo extract; horse blood serum, pigskin extract—yes, these are all ingredients which have been introduced in face and skin creams to form the basis of extravagant claims of beauty in a jar.

### INGREDIENTS NOT DISCLOSED EVEN TO FDA

They are seldom dangerous—but if they are, we never know about it until a lot of gullible consumers—or consumers who have assumed the product must be safe or it couldn't be sold—have been hurt. That has been the situation in cosmetic regulation for 24 years.

Since the 1938 act does not even require cosmetic manufacturers to identify ingredients in their products, the Food and Drug Administration must analyze new products to determine their content, in case it suspects the presence of a dangerous ingredient. It cannot even go to the firm and legally demand to know what is in the product. Consequently, the consumer never knows—has no way of knowing except by painful trial and error—whether an attractive cosmetic product contains an ingredient to which she knows she is allergic. And, even worse, if a child swallows a cosmetic, the parents and doctor have no way of knowing for sure what ingredients it contained and what antidote may be necessary.

These loopholes in the law applying to cosmetics should have been closed when we rescued the cosmetic industry from the color crisis in 1960. But we didn't do it then. We just dealt with color additives and nothing else.

It was after that experience—of seeing another blowout patch being placed on the old Food, Drug, and Cosmetic Act to meet only a limited problem situation, just as we previously passed the factory inspection bill, and the pesticides bill and the food additives bill and the citrus red bill and so on, that I decided late in 1960 to draft a single bill to rewrite all of the obsolete provisions of the basic law. That resolve resulted in the introduction of H.R. 1235 the following January.

### WHILE DIFFERING, HARRIS AND SULLIVAN BILLS COVER SIMILAR GROUND

As the Legislative Reference Service report points out, the two administration bills, H.R. 11581 and H.R. 11582, and my bill, H.R. 1235, cover substantially similar ground, while differing to some extent in language, approach, or in a few instances, in content.

For instance, H.R. 1235 and H.R. 11581 both require more adequate controls over drug manufacturing to assure the quality of the product output, thus, for one thing, making it more likely that physicians would feel safe in prescribing by common names instead of the often more expensive trademark names; both require new drugs to be proved efficacious as well as safe for the purposes intended; both permit recall of previously approved drugs in case of substantial doubt of their safety; both require batch-by-batch testing and certification of all of the 30 or more groups of antibiotic drugs rather than just the 5 so-called wonder drugs in existence a dozen years ago; both call for extensive controls over the manufacture, distribution, sale and possession of habit-forming barbiturates and stimulant drugs to curb the flagrant bootlegging of these powerful and dangerous and death-dealing drugs; both clarify the existing factory inspection laws as they apply not only to drugs but also to foods and cosmetics.

Similarly, H.R. 1235 and the other Harris bill, H.R. 11582, both require pretesting of cosmetics for safety before marketing, including a Delaney anticancer clause; both require that therapeutic devices be proved safe—closing a serious and dangerous loophole and also that therapeutic devices be proved effective for the purposes for which they are offered for sale; both bills repeal the provision in the present law which permits the sale of coal tar hair dyes containing poisonous or deleterious ingredients which may be injurious to the user (the present law merely requires a label warning of possible danger).

H.R. 11581 and H.R. 11582 have some other provisions in them which are not contained in H.R. 1235 and which are worthwhile. For instance, there is a tighter provision in H.R. 11582 than in H.R. 1235 on the recordkeeping requirements for cosmetic manufacturers after a new product has already been approved for sale, and in case consumer complaints or experience should indicate the existence of danger in the use of the product. H.R. 1235 contains such reporting and recordkeeping requirements on drugs and should have included cosmetics.

H.R. 11581 has a provision amending the Public Health Service Act requiring tests for efficacy of biological drugs—the provision the President referred to when he said hogs, sheep, and cattle receive somewhat greater protection in this respect than humans.

The same bill also proposes the assignment of standardized names by the Secretary of Health, Education, and Welfare in cases where such names do not already exist or there is a dispute over a particular name. Of course, as I said earlier, many doctors will not use generic names in prescriptions unless and until factory inspection authority is so strong that there is no chance of fly-by-night operators turning out inferior drugs for sale in the prescription departments of pharmacies.

However, I have strong doubts, I must admit, over the retreat on the Delaney anticancer clause on feed additives, as contained in H.R. 11582, particularly in view of the Government's experience several years ago with the hormone-treated chickens. It cost us $10 million to remove from the market the fowl treated with a drug considered safe for the purpose—after it was learned that there were residues of the cancer-inducing substance in the skin of the chickens. Too often for complacency, new testing methods disclose the existence of harmful residues which had not shown up in earlier tests, but by then the damage is done.

### ADDITIONAL FEATURES OF H.R. 1235

Now, I would like to discuss some of the provisions of H.R. 1235 which are not in either of the administration bills, and which I strongly believe should be made part of the Food, Drug, and Cosmetic Act.

First of all, there are the sections dealing with fake cancer remedies and useless dietary ingredients. If the law were strengthened in all other respects, as has been recommended, perhaps the FDA would then be able to reach the cancer quacks and put them out of business quickly. But I think the provisions of H.R. 1235 would be of invaluable assistance in this respect. As to the special dietary food section of H.R. 1235, it does not aim at legitimate dealers but at the charlatan who evades the law by making oral claims of special benefits to be derived from the inclusion of some exotic or unusual ingredient with no known nutritional value whatsoever.

H.R. 1235 also gets at an exemption in the law for common carriers responsible for causing an article in commerce to become misbranded or adulterated. Carriers should be held accountable, I believe, for violations of the law for which they are responsible. Under present law, they are apparently exempt from responsibility for adulterated products in transit, even if the carrier's own neglect caused the violation.

A very important provision of H.R. 1235 which is not included in either administration bill would facilitate overseas inspection by U.S. officials of factories shipping substantial quantities of goods, drugs, or cosmetics into the United States. Importation could be refused any product from a manufacturer who would not permit reasonable inspection of his facilities on request. According to the testimony of Commissioner Larrick on the FDA appropriation bill, we import about $6 billion worth of foods, drugs, and cosmetics a year, of which only a fraction can be inspected on arrival. It is significant that nearly 1 out of every 3 sample analyses and wharf examinations uncovered violations of the Food, Drug, and Cosmetic Act. Mr. Larrick acknowledged that this high rate of violations results from the selective nature of the inspection work—in other words, the inspectors pick out those shipments they suspect of violations, rather than depending upon a random sample. While there are at present no elaborate plans for sending inspectors overseas, yet it seems to me the authority should be there to require those foreign firms which ship substantial amounts of food, drug or cosmetic items to the United States to give our inspectors the same right of entry on request as an American firm is required to do.

### SPECIAL INTEREST LOOPHOLES ADOPTED IN 1938

Another loophole H.R. 1235 alone among the pending bills would close involves the label exemption under the present law for butter, cheese, and ice cream in revealing the presence of artificial color. This was a deliberate special interest provision written into the law in 1938 to quiet protests from the dairy interests, even though some Members of Congress said at the time there was no good reason for it. By law, coloring matter cannot be used unless it is safe, so why not let the consumer have this information if it means anything to him? Some people just don't like to buy artificially colored butter or cheese or ice cream—but at the present time, they have no way of indulging their wishes in this regard. All other food items must acknowledge on the label the existence of artificial coloring. So why not ice cream, butter, and cheese, too?

Another special interest exemption written into the 1938 act, and which H.R. 1235 would repeal, is the provision which declares that soap is not a cosmetic.

It is not a food, of course. Except in the relatively few instances in which certain therapeutic values are manufactured into—or claimed for—a soap product, it is not a drug, either. The law defines cosmetics as, among other things, "articles, including components of any such articles, intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance."

Soap is certainly intended for cleansing, and it is used by most of us also, if not consciously for beautifying, at least for promoting attractiveness in the removal of dirt from face and hands. Some soaps presumably will do far more for our appearance than that. Nevertheless, by law, soap is not a cosmetic. Under the Food, Drug, and Cosmetic Act of 1938, then, it is a nothing—it is not subject to the law in any way unless therapeutic values are claimed for it as a drug.

I am not so much concerned over the money spent trustingly and hopefully by women who are led to expect beauty miracles from the soap they buy, although the economic waste may perhaps be significant. What I am concerned about is that a complexion soap can be adulterated with unsafe chemicals or unsafe color additives, and the Food, Drug, and Cosmetic Act cannot touch it. And regardless of how fraudulently it might be packaged, there is not even a requirement that the size or net weight or anything else of an informational nature be printed on the label for the consumer's guidance. Why should soap be above the law?

### READ THE LABEL—IF YOU CAN FIND IT

Unlike soap, products subject to the Food, Drug, and Cosmetic Act must carry certain label information, but the language of the law, and the rulings of the courts, are such that this information is often almost impossible to find. Just the other day, the FDA seized 16,000 plastic tubes of a well-known firm's deodorant product because, while the required information was printed somewhere on the product, the printed matter was the same color as the plastic container and was almost impossible to find and read.

H.R. 1235 provides for an effective attack on the labeling problem in foods, drugs, and cosmetics by providing the Government with authority to spell out, in regulations, the degree of prominence required for certain label statements, including statements of the quantity of contents of foods, drugs and cosmetics, the common or usual names of drugs, and the ingredients in foods and cosmetics.

The present law prohibits labeling which is "not prominently displayed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use."

But, as the Senate Antitrust Subcommittee hearings brought out last year, you often need a magnifying glass to find the required label information on quantity and contents—before you get out the slide rule to figure the cost per ounce. As a nonlawyer, the present law seems very strong, to me, but apparently the courts have held it to be vague. That is why we now need the same authority in the Food, Drug, and Cosmetic Act to specify size and location of labeling information as you provided in the Hazardous Substances Labeling Act.

### PREFERENCE FOR A SINGLE OMNIBUS BILL

If we are going to change the law on food, drugs and cosmetics, then let us write a model law—and close all of these loopholes.

I believe H.R. 1235, or a similar omnibus bill, would best serve as the vehicle for accomplishing this purpose. I see no valid reason for having two separate bills—one on drugs and the other on cosmetics and devices. They are part of the same overall problem—and under the jurisdiction of one agency. If there are omissions in H.R. 1235 based on the administration's 18-month study of the issue since I introduced that bill, it should be an easy matter to incorporate them into a single omnibus measure along the lines of H.R. 1235.

For instance, while H.R. 11581 provides for requiring proof of the efficacy as well as the safety of all new drugs, a similar provision dealing with therapeutic devices is contained in the different Harris bill, H.R. 11582. Since the pretesting requirements for both drugs and devices would be similar, and are often intended for the same people, why not cover them in one piece of legislation? If you go through the detailed breakdown of H.R. 11581 and H.R. 11582, you find that substantially similar provisions in those two bills deal separately with drugs and devices. I am not a lawyer, but I suspect lawyers would have a field day over the years finding hidden meanings and significance in the fact that Congress used duplicate wording but in separate bills applying to different products in providing for pretesting for efficacy as well as safety of drugs and therapeutic devices. Obviously, some lawyer, someday, will argue, and perhaps successfully, that Congress didn't really mean to have these products treated alike in their safety requirements, or it would have placed them in the same bill rather than passing separate bills. Do I just imagine this?

Furthermore, while H.R. 11581 applies primarily to drugs—every specific provision applies only to drugs—yet it also would have the effect of amending the factory inspection laws applying to any articles subject to the Food, Drug, and Cosmetic Act, including, of course, food and cosmetic products. I think this is to the good—our factory inspection laws need strengthening, for food products and cosmetics as well as drugs. But why put a food inspection provision in what is exclusively a drug law? Why put a cosmetic inspection provision in a drug law, and leave it out of the proposed new cosmetic law? Obviously, there must be some rhyme or reason for dividing up the proposed improvements in the law in separate bills in this fashion, but I do not understand the value of it.

The use of H.R. 11582, primarily a bill dealing with pretesting of cosmetics and therapeutic devices, as a vehicle for amending the Hazardous Products Labeling Act dealing with household products, and also to amend the animal feed additives and food additives laws is, I believe, further evidence that we should have a single omnibus bill and not two separate bills, each covering one major area and a variety of unrelated ones.

Mr. Chairman and members of the committee—I appreciate your courtesy in hearing me. The subject matter of these hearings is of paramount importance to me from a legislative standpoint—and has been ever since I came to Congress in 1953 and introduced a safe cosmetic bill to carry out the recommendations of the Delaney investigation. I have introduced safe cosmetic bills in every Congress since then. I have supported this committee in every proposal it has made to strengthen the Food, Drug, and Cosmetic Act, and have opposed it in the few instances I thought the legislation would weaken consumer protections.

It would be a relatively simple matter for the committee at this late date in the final months of the life of the 87th Congress to pick out one of the many major areas of inadequacy in the law and recommend another "blowout patch" to tide us over temporarily. I hope you will not do that—that you will recommend legislation to close all of the major loopholes in the act.

In 1938, after attempts in two previous Congresses to replace the 1906 act had failed, the House Committee on Interstate and Foreign Commerce, in a report filed in the House on April 14, 1938, said of the Wiley law of 1906: "While the old law has been of incalculable benefit to American consumers, it contains serious loopholes and is not sufficiently broad in its scope to meet the requirements of consumer protection under modern conditions."

After 2 dozen years, the same words are exactly applicable today to the law passed in 1938. I hope this same committee will shortly file a report with the House containing those words, or similar words, in connection with a legislative accomplishment in 1962 as far reaching as that of 1938 in the field of consumer protection.

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# SENATE

## Thursday, June 21, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, who art the hope of all the ends of the earth: By tasks too difficult for us, we are driven unto Thee for strength to endure and wisdom to interpret rightly the signs of these testing times.

Grant unto us the greatness of spirit which will match the vast patterns of this creative day. Establish Thou our hearts in the constancy that nothing can shake, as in growing unity with other freedom-loving nations, we battle, not in enmity against men, but against the evil which degrades and enslaves them.

Beyond the strategy of our material weapons, may we see clearly the depth and scope of this historic drama of the centuries, and may that understanding and that vision turn its colossal costs into final glory for all mankind.

We ask it in the name whose is the power and the kingdom. Amen.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

## REGULATION OF FARES FOR TRANSPORTATION OF SCHOOLCHILDREN IN THE DISTRICT OF COLUMBIA—RETURN OF BILL—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying bill, was ordered to lie on the table:

*To the Senate of the United States:*

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith S. 1745 entitled "An act to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia."

JOHN F. KENNEDY.

THE WHITE HOUSE, *June 21, 1962.*

## SETTLEMENT OF DISPUTE BETWEEN TWA AND FLIGHT ENGINEERS

Mr. MORSE. Mr. President, I rise to announce that the Secretary of Labor and the parties to the TWA airline dispute have successfully concluded their negotiations, and the result is an agreement for settlement of the dispute.

In making this announcement, I first ask unanimous consent to have printed at this point in the body of the Record a copy of the statement by the Secretary of Labor, together with a copy of the agreement reached by the parties.

There being no objection, the statement and agreement were ordered to be printed in the Record, as follows:

### Statement of Secretary of Labor Arthur J. Goldberg on the Settlement of the Dispute Between TWA and the Flight Engineers

I am happy to announce the settlement of the dispute between the Flight Engineers International Association, TWA chapter, and Trans World Airlines.

This settlement is clearly in the national interest and avoids the disruption that would have occurred had a strike taken place. It is especially noteworthy in that it implements the recommendations of the Feinsinger Commission by assuring the reduction of the four-man crew in the cockpit on turbojet aircraft to three men, without impairing safety or efficiency, and with adequate protection of the job equities and representational rights of all concerned.

This settlement involves the particular circumstances of TWA and its flight engineers. Hopefully, however, it should be helpful in resolving the pending disputes involving Eastern and Pan American Airlines in implementation of the Feinsinger Commission report and other governmental reports.

On behalf of the President, with whom I have been in continuous communication, I would like to thank my colleagues, Messrs. Wirtz, O'Neill, and Feinsinger for all their efforts in this matter and also the parties themselves for the cooperation they have shown in bringing about the voluntary resolution of this dispute.

The settlement agreement reached between the Flight Engineers and TWA is attached.

### Memorandum of Agreement, June 21, 1962

Trans World Airlines and Flight Engineers International Association TWA chapter agree that the "crew complement" issues are resolved as follows:

1. All flight engineers on the flight engineer seniority list of January 1, 1962, and all furloughed flight engineers on the flight engineer furlough list of April 19, 1961, who possess recall rights and who exericse their recall rights (see listing in memorandums A and A1) will be recognized as having full priority rights to the flight engineer position on all aircraft operated by the company including three-man jet crews, on the following basis:

(a) These flight engineer positions shall be bid for by such flight engineers on a seniority basis.

(b) The flight engineers whose names appear on memorandum A shall be given training for the flight engineer position on three-man jet crews at company expense and on company time.

(c) They shall be placed in the three-man jet crew flight engineer position when they have satisfied the qualifications provided for in the Feinsinger Commission report plus 2 hours of flight training on jet aircraft, to include instructions in three landings of the aircraft.

(d) Flight engineers who already have some pilot qualifications may be advanced to the three-man crew training and to flight engineer positions on these crews as provided in attached memorandum B.

(e) No other persons shall be placed in flight engineer positions until all presently employed flight engineers and those on furlough who exercise their recall rights (memorandums A and A1) have been given full opportunity to take the training referred to herein (in paragraph 1(c)) and to bid on the flight engineer positions as they are qualified.

(f) The flight engineers listed in memoranda A and A1 shall be recognized as entitled at all future times and until retirement or discharge for cause to priority rights to all flight engineer positions required by the company's operations, as detailed and implemented in attached memorandum C.

2. Any flight engineer listed in memorandum A who chooses not to take the instruction provided for in paragraph 1(c) and any flight engineer listed in memorandums A and A1 who undertakes but is unable to obtain a commercial certificate and instrument rating shall be entitled to severance pay (to be negotiated or resolved as an economic issue as hereinafter provided), at such time as his seniority does not entitle him to retain any flight engineer position. Any flight engineer listed on memorandum A may elect at any time to resign and thereupon become eligible for such severance pay. Any flight engineer listed on memorandums A and A1 who has a medical waiver shall not be disqualified from serving as a flight engineer on a three-man jet crew by reason of any physical condition covered by such waiver.

3. Inasmuch as there are presently only approximately 67 flight engineers on furlough and no pilots presently on furlough, and inasmuch as the parties agree that those on this list who will accept recall will probably approximate the numbers necessary to be recalled to meet contemplated changes in the working conditions in the agreement now being negotiated, it is agreed that all such furloughed flight engineers shall be offered recall prior to the placing of any other person in any flight engineer position and will be recalled except for those engineers who fail to accept recall in accordance with the basic agreement. A flight

engineer listed on memorandum A1 who accepts recall will have all rights of active flight engineer status except that he shall not be eligible for severance pay should he elect not to take the training necessary to qualify him for service in the flight engineer position on a three-man jet crew or should he become subject to subsequent furlough before becoming eligible for seniority for such training. He shall be offered the opportunity to obtain a commercial certificate on his own time but at company expense. Instrument rating training and training for other additional qualifications provided for herein shall be offered at company expense and on company time.

4. Flight engineers shall be given training for the three-man jet crew flight engineer positions on such basis and at such times and through such procedures as the company may reasonably prescribe, consistent with memorandum B. The training of all flight engineers on memorandums A and A1 for the commercial certificates and instrument rating shall take place at an FAA-approved school in the vicinity of the flight engineer's domicile.

5. The company is aware of the provisions as set forth in memorandum D having to do with the protection of flight engineer representational rights.

6. All future flight engineer vacancies shall be filled as follows:

(a) First, by the exercise by flight engineers (listed in memorandums A and A1) in accordance with their rights under applicable agreements and memorandums.

(b) Second, and only if (a) has been satisfied, by persons selected by the company in accordance with applicable regulations, with no A. & P. requirement, and in accordance with paragraph 7 below, and with memorandum B.

7. The company agrees not to furnish training for flight engineer certificates to employees other than flight engineers. However, the company may furnish training to employees other than flight engineers to cover flight engineer vacancies which, at the time such training commences are specifically foreseeable and made known in writing to the association, if the training of such employees is necessary to fill such vacancies, consistent with the provisions of memorandum B and with the assurance that such training will not jeopardize the flight engineers' position and bidding rights of the flight engineers listed in memorandums A and A1.

8. Duration: This memorandum of agreement and accompanying attachments shall remain in effect during the term of the basic working agreement and succeeding agreements and shall continue in effect without change unless, at such times as the basic working agreement and succeeding agreements are open for revision by reason of notice having been served in accordance with section 6 of the Railway Labor Act, a majority of the flight engineers listed in memorandums A and A1 shall voluntarily decide to reopen this agreement and attachments, independently of the reopening of the basic working agreement, for modification or repeal.

Economic issues: The parties will negotiate for a period of 1 week in an effort to settle the remaining issues, with the assistance of Dr. Nathan P. Feinsinger, specially designated by the Government for this purpose. Any issue not resolved in such negotiation shall be finally settled by such procedure as Dr. Feinsinger shall prescribe.

The association agrees to suspend further its strike notice pending ratification and upon ratification to rescind it and cancel all strike action.

This agreement is entered into this 21st day of June by Trans World Airlines and by Flight Engineers International Association, TWA chapter, subject to ratification by its membership in accordance with its constitution and bylaws.

Initialed for the company:

JESSE FREIDIN,
*Counsel.*

Initialed for the association, TWA chapter:

ASHER W. SCHWARTZ,
*Counsel.*

Initialed for the Government:

——— ———.

I, H. S. Dietrich, president of the TWA chapter, FEIA, agree to submit this memorandum with my recommendation for its approval to the TWA chapter membership and the TWA chapter executive counsel for their ratification, in accordance with the TWA chapter constitution and bylaws.

H. S. DIETRICH,
*President, FEIA, TWA Chapter, AFL–CIO.*

### ATTACHMENTS TO MEMORANDUM TO AGREEMENT

### MEMORANDUM A

(To be a listing, by name, of all flight engineers in the employ of TWA on June 19, 1962, including all furloughees who had reemployment rights as of the expiration date of the last contract, with provision being made for the final completion of this list so that it will include furloughees who accept recall but not those who reject recall.)

### MEMORANDUM B

1. Those jet F/E's with C. & I. may be given additional training and move to the three-man crew.

2. Those jet F/E's with commercial license may be removed from schedule to take the necessary training for the instrument rating. Then they will be given the additional training and can operate on three-man crews.

3. Those jet F/E's with private licenses should be canvassed to determine how much time they need to get the C. & I. Those needing the least amount of additional time may be offered the training first.

4. Those jet F/E's with no pilot license may be deterred training until the above jet F/E's have been fully trained for three-man crews, and shall continue to operate as F/E's on four-man crews.

5. Piston F/E's with commercial and instrument may be given jet F/E training out of seniority, providing when they are assigned to jets, one man in category 2, 3, or 4 above, will be placed on full-time training for additional qualifications for each such piston F/E that is moved up out of seniority.

6. Piston F/E's who have commercial license only may be given training for the instrument rating prior to moving up to No. 5 category.

7. Piston F/E's who have private license should be canvassed to determine the additional number of hours they need to qualify for C. & I. and those needing the least amount of time may be given the additional training first.

8. Piston F/E's with no pilot licenses may be given the additional training as needed.

9. The company can make arrangement with the contract pilot training schools to allow those F/E's with private license to build up their flying time between flights on the F/E's own time if the F/E so desires.

10. When an F/E is taking the instrument portion of this training he shall be off schedule and so assigned for this training on a full-time basis.

11. Any flight engineer who is unable to move up from pistons to jets due to not having the required additional qualifications shall be paid at the rate of pay he could earn if he did have the additional qualifications. This pay shall continue until he is able to meet these qualifications and move up to the jets or until there are no F/E's junior to him on the jets.

12. At such time as there is a need for additional F/E's over and above the number of active F/E's and recalled furloughed F/E's, such need shall be filled by pilots in the company's employ or new hires who need not possess an A. & P. certificate.

13. The representation arrangements suggested in the Feinsinger Commission Report (printed version, p. 14, dated Oct. 17, 1961) are accepted by the parties, with these additional clarifications:

(a) A pilot who is in the company's employ when he is moved over to a flight engineer position including the third seat on three-man turbojet crews and who is a member of ALPA will not be considered covered by the FEIA–TWA agency shop agreement. He will be entitled to be represented by an ALPA representative in a system board proceeding involving any grievance filed by him; but an FEIA representative may also be present at any such proceeding. He will also retain his right to process a grievance involving discipline or discharge through the grievance procedures and system board proceedings of the pilots' agreement; provided that an FEIA representative may also be present at any such proceeding.

(b) Any occupant of a flight engineer position other than one coming within the description in subparagraph (a) above will be considered covered by the FEIA–TWA agency shop agreement.

### MEMORANDUM C

So long as the company, its successors or assigns, includes or is required by law or Federal regulation to include as a member of its cockpit flight crews in excess of two airmen and one airman is assigned to perform the flight engineering functions, the company, its successors and assigns, agrees that it will offer to all flight engineers named on memorandum A and A–1 the prior right as against flight crew members other than flight engineers to bid and occupy all flight engineer positions required by the company's operations and those of its successors and assigns until their retirement, voluntary resignation or discharge for cause. There shall be included among the said engineers so entitled to priority those engineers furloughed after the execution of this agreement because of no available flight engineer vacancy to which their seniority entitles them to bid and who are subsequently recalled.

This agreement of the company is to be made with each individual directly and is to be legally enforceable by him against the company, and its successors and assigns, and it shall be in such form as shall survive the duration of the basic working agreement and succeeding agreements and is intended to continue in effect unless at any time a majority of such flight engineers shall voluntarily decide to reopen this agreement for modification or repeal.

### MEMORANDUM D

This memorandum records the representations made by Secretary of Labor Goldberg and National Mediation Board Member O'Neill to the parties, in implementation of the provisions in the Feinsinger Commission report:

1. It is the position of the Government without qualification that the Flight Engineers International Association, TWA chapter, will not suffer an increased risk of loss of its representational rights through the adoption of the memorandum of agreement and accompanying memorandums.

2. The Secretary of Labor and the Chairman of the National Mediation Board will undertake immediately to have established a joint committee, to include representatives of FEIA, TWA chapter, and ALPA, TWA counsel, and a member to be appointed by the Secretary of Labor, after consultation with representatives of said chapter and counsel, this joint committee to review the possibilities of merger of the representational functions of the two organizations and any new representational arrangements covering crew

members, and to submit recommendations (which shall not be final or binding) to the organizations. This committee will proceed with the discharge of this function for and within such period as shall be determined by the Secretary of Labor and the Chairman of the National Mediation Board to be appropriate.

3. It is the position of the Government that in view of the joint committee's consideration of the representational matter, and also in view of the circumstance of transition from four-man to three-man jet crews, no craft or class proceedings will be considered appropriate regarding TWA flight crew personnel during the period of the joint committee's functioning. (This statement is recognized as containing no implication as to whether a craft or class proceeding would or would not be considered appropriate regarding TWA flight crew personnel after the period of the joint committee's functioning.)

Mr. MORSE. Mr. President, next, I wish to pay high commendation to a great, dedicated public servant, the Secretary of Labor, Mr. Arthur Goldberg. I have been aware, from their beginning, of the procedures in these negotiations; and I do not know of a more statesmanlike job which ever has been done in the field of industrial disputes in this country than the one done by Arthur Goldberg, the Secretary of Labor, in connection with reaching a successful culmination of this dispute. The dispute had the potentialities for doing great, irreparable damage to the economy of our country if it had not been successfully concluded.

Mr. President, recently the Secretary of Labor worked the clock around, several nights; in fact, he had very little sleep night after night. His keenness, his perception, and his understanding of the intricacies of industrial relationships accrued to the great advantage of the American people; and he is deserving of the highest commendation for the magnificent industrial leadership he has displayed for the benefit of the American people.

Mr. President, I also wish to pay my respects and compliments to the leaders of the industry and to the leaders of the unions involved. Let us not forget that not only are the leaders of the flight engineers entitled to commendation, but also the leaders of the pilots union, for, after all, in many respects this dispute had certain jurisdictional characteristics which could have caused it to have gone awry at any stage in the proceedings if the leaders of either union had not been cooperative.

However, the fact that we have survived this crisis and the fact that there has been a successful culmination of this great dispute in the public interest do not remove or reduce in the slightest respect the responsibility of Congress to pass improved emergency dispute legislation. The other night, here on the floor of the Senate, I spoke about this matter when I introduced a revised Morse bill on industrial dispute procedures—a bill which I have introduced in various forms for a good many years.

Mr. President, I hope the crisis we have just gone through in connection with the airline difficulty will cause the Congress to recognize its responsibility to pass, before it adjourns, some legislation which will improve our present procedures for the handling of emergency disputes. We certainly have the duty to proceed to pass such legislation.

I say most respectfully to the leadership that the enactment of such legislation is much more important than enactment of the satellite bill; and I can think of no better service which we could render the American people than to set aside for the rest of this session the pending satellite bill, and proceed to protect the American people by the passage of the long overdue legislation which will give the President the procedures he needs in order to handle, in the public interest, national emergency labor disputes.

Mr. HUMPHREY and Mr. KEFAUVER addressed the Chair.

The VICE PRESIDENT. Does the Senator from Oregon yield; and if so, to whom?

Mr. MORSE. I yield first to the acting majority leader.

## THE JOURNAL

Mr. HUMPHREY. Mr. President, first, in order to regularize the procedure, I ask unanimous consent that the reading of the Journal of yesterday, June 20, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

## LIMITATION OF DEBATE DURING MORNING HOUR

Mr. HUMPHREY. Mr. President, I now ask unanimous consent that statements during the morning hours be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I now return the floor to the Senator from Oregon.

## SETTLEMENT OF DISPUTE BETWEEN TWA AND FLIGHT ENGINEERS

Mr. KEFAUVER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KEFAUVER. I applaud the distinguished Senator from Oregon for his very timely and proper commendation of Arthur Goldberg, the Secretary of Labor.

All of us know that when things do not go right or when a mistake is made, much discussion ensues, and sometimes there is criticism because of the failure of public officials to accomplish what the public thinks they should have accomplished. So when I find that a great job has been done, very much in the public interest—as this one has been done by the Secretary of Labor—I think it well that we take a little time to pay tribute and to express our thanks.

I also wish to say that the members of the union are certainly entitled to be complimented upon their sense of reasonableness, and so is the industry, in coming to a determination which would prevent a strike which might paralyze much of the traffic of the Nation. All of us know that during these days we cannot afford breakdowns in our production or our transportation, and that we must keep our economy going fast, in order to keep ahead of the Soviet Union and to keep the leadership of the free world.

So I compliment the Senator from Oregon for his very timely tribute.

Mr. MORSE. Mr. President, I ask unanimous consent that certain news dispatches about the settlement of the airline dispute be printed at this point in the RECORD.

There being no objection, the dispatches were ordered to be printed in the RECORD, as follows:

WASHINGTON.—Settlement of the Engineers strike threat against Trans World Airlines was announced today by Secretary Goldberg after an all-night bargaining session in his office.

The settlement, a victory for President Kennedy who had termed the threatened shutdown a menace to the national economy, provides for orderly reduction of jet plane crews from four men to three.

That had been the crux of the dispute, with the engineers insisting on terms which would maintain their cockpit-job rights.

The TWA agreement is expected to lift the threat of grounding the planes of two other major airlines, Pan American World Airways and Eastern Air Lines, which face the same problem of reducing crew numbers.

Goldberg told reporters the pact protects the jobs of the 600 TWA members of the Flight Engineers International Association and assures the continued identity of their union.

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WASHINGTON.—Settlement of the Trans World Airlines strike threat appeared imminent today as a Government spokesman announced there would be a Labor Department statement at 9:15 a.m.

All-night negotiations in the office of Secretary Goldberg apparently had arrived at a compromise in the dispute with flight engineers.

Shortly after dawn there were signs that some kind of statement was being cleared with the weary negotiators.

Goldberg emerged long enough to remark to reporters that he believed this was "the most prolonged continuous negotiation I have ever seen in my 25 years in the labor field, including my years in the steel negotiations."

The Secretary, former general counsel of the United Steel Workers Union, added with a grin: "I'm doing the same work at reduced pay."

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While economic conditions are a part of the dispute, the key issue involves reduction of jet cockpit crews from four men to three. Both the Engineers' Union and the Air Line Pilots Association have claimed jurisdiction over the third-man jobs in the reconstituted crews.

It was reported the Government's proposal for settling the TWA-Engineers dispute—and ultimately the Pan Am and Eastern disputes—called for these major terms:

1. The Flight Engineers Union would be guaranteed continued bargaining rights when jetplane crews are reduced from four to three.

2. Engineers would agree to take pilot training but all present engineer would have a priority over pilots for the third man's job in the cockpit. Thus for the immediate future the crew reduction would be at the expense of the pilots union whose members would lose one of their present three jetplane positions.

3. Engineers would permit TWA to abandon a requirement that newly hired engineers must have mechanics' licenses.

The looming problem appeared to be that the Government might obtain a TWA settlement only to have it turned down as a settlement basis on Pan Am and Eastern. Their union negotiators were reported to be opposed to abandoning the mechanics license requirement in fear it would lead to the death of flight engineers as a union craft.

Conscious of recent industry complaints that the administration was exerting undue pressure on wage and price decisions, Goldberg stressed that while the administration proposed some settlement ideas, the terms were hammered out by the parties themselves.

"They resolved this dispute by genuine collective bargaining," Goldberg said.

Nevertheless the Government has been mixed up in the controversy for 16 of the 20 months it has been in negotiation. Matters reached a crisis with a strike deadline on Monday and another yesterday, both averted by fast action from Goldberg, Wirtz and Feinsinger.

Since the Monday crisis, Goldberg had kept the parties talking almost night and day, with only brief respites in the small hours of the mornings.

The framework for the final agreement was a proposal which Goldberg advanced Monday at 2 p.m., right on the first of this week's strike deadlines. It was on that basis that the union called off immediate walkout plans, putting the threat on a moment-to-moment basis while talks continued.

Although an ultimate merger of the pilots' and engineers' unions was implicit in the recommendations of the special Presidential Commission headed by Feinsinger which studied the crew-reduction problem, today's agreement assures the engineers' union it "will not suffer an increased risk of loss of its representational rights" by adopting the agreement.

The pact provides that Goldberg and the National Mediation Board will establish immediately a joint committee with representatives of all parties and a member named by Goldberg to "review the possibilities of merger of the representational functions of the two organizations."

This committee will submit recommendations to the two unions "which shall not be final or binding" and will function for as long a period as Goldberg and the Mediation Board deem appropriate.

Meantime TWA is obliged to give pilot training to all flight engineers who seek it, including those temporarily laid off.

TWA must give the engineers full preference over pilots for the third seat on TWA planes with the three-man crew complement. The engineers will bid for these posts on a seniority basis.

No other persons shall obtain the flight engineer positions until all the engineers now employed and those on furlough who exercise their recall right have received full opportunity to take pilot training and bid on the three-man jobs when they are qualified.

In case an engineer is unsuccessful in obtaining the required pilot certificate and instrument rating, he will be entitled to severance pay as negotiated in the week-long talks provided in the agreement.

Last night it became clear that a settlement was imminent, but a hitch developed—reportedly a disagreement within the engineers' union itself over the applicability of the terms to the other two airlines facing shutdown threats, Pan Am and Eastern.

This was ironed out overnight.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. HUMPHREY. I, too, wish to associate myself with the remarks of the Senator from Oregon in regard to the excellent work done by the Secretary of Labor Goldberg, not only in connection with settlement of the dispute relative to the airlines, but also for the good work he has been doing as Secretary of Labor ever since his appointment to that position. It is my view that President Kennedy made a splendid choice when he selected Mr. Goldberg to be the Secretary of Labor. Secretary Goldberg has demonstrated qualities of integrity, good character, and good judgment, which commend him to labor, to management, and to the general public.

I have not found even one indication that Secretary Goldberg is in any way pro either one side or another when he works for the settlement of such disputes. He is like a judge and a mediator and a conciliator, and he has only the public interest in mind.

Mr. MORSE. That is true.

Mr. HUMPHREY. I compliment him also as having very good commonsense. His suggestions in the settlement of many disputes—this is just one—have indicated the commonsense that has come from his long experience in the labor movement. His background of having been associated with some of the great trade and industrial unions of the Nation stands him well in these difficult times.

I, too, desire to compliment both the management and the union for their willingness to negotiate. It seems to me a sense of public duty and responsibility was manifested when the President requested that the unions delay the strike and come to the conference table. The union officials responded sensibly, affirmatively, and constructively, as did the management.

We are witnessing the exercise of free trade unionism and free enterprise, which is working out in terms of the public interest.

I may say to the Senator from Oregon that I am not unmindful of the suggestion the Senator has made about the responsibilities of Congress in examining the legal structure in existence in terms of some of these great communication and transportation problems. We might very well want to do that. I, for one, would welcome the advice and counsel of the Senator from Oregon, whom I consider the foremost expert in this body, if not in any body, on the subject of labor-management problems.

Mr. MORSE. I appreciate the remarks of the Senator from Minnesota, and I associate myself with his high commendation of the Secretary of Labor.

Mr. SMATHERS. Mr. President, will the Senator from Oregon yield so that I might add one word?

The VICE PRESIDENT. Without objection, in excess of the 3-minute limitation, the Senator from Oregon yields to the Senator from Florida.

Mr. SMATHERS. Mr. President, I wish to compliment the Senator, first, for the commendation he has voiced of the Secretary of Labor for the able work he is doing in the settlement of strikes. It has been clearly demonstrated that the confidence which the President placed in the Secretary of Labor is being fully justified. Arthur Goldberg long had the confidence of the labor community, and by this masterful, energetic, and objective work he is now doing in bringing both sides together, he is winning the confidence of labor and management, as well as the public. I add my word of commendation for the work he is doing.

Mr. MORSE. I associate myself with the remarks of the Senator.

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## COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. Smathers, and by unanimous consent, the following committee and subcommittee were authorized to meet during the session of the Senate today:

The Committee on Finance.

The Permanent Subcommittee on Investigations of the Committee on Government Operations.

On request of Mr. Smathers, and by unanimous consent, the Special Subcommittee on H.R. 8410, the conflict-of-interest bill, of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

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## EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### Report on Overobligations of Appropriations

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., reporting, pursuant to law, on the overobligations of certain appropriations; to the Committee on Appropriations.

### Dissolution of Emergency Court of Appeals

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., relating to the proposed dissolution of the emergency court of appeals; to the Committee on Banking and Currency.

### Foreign Service Act Amendments of 1962

A letter from the Assistant Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Service Act of 1946, as amended, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

### Audit Report on General Supply Fund, General Services Administration

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the general supply fund, General Services Administration, fiscal year 1961 (with an accompanying report); to the Committee on Government Operations.

### Concession Contract in Mesa Verde National Park, Colo.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed Amendment No. 2, to extend through October 31, 1963, the concession contract for the Mesa Verde Co., Inc., to provide facilities and services for the public in Mesa Verde National Park, Colo. (with accompanying papers); to the Committee on Interior and Insular Affairs.

### Report on Award of Young American Medals for Bravery and Service

A letter from the Attorney General, reporting, pursuant to law, on the award of Young

American Medals for Bravery and Service, for the year 1960; to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted at a mass meeting of the American citizens of Baltic descent, at Racine, Wis., protesting against the forceful occupation of Estonia, Latvia, and Lithuania by Soviet Russia on June 15, 1940; to the Committee on Foreign Relations.

## OIL IMPORT CURBS URGED BY TYLER, TEX., CHAMBER OF COMMERCE

Mr. YARBOROUGH. Mr. President, the board of directors of the Chamber of Commerce of Tyler, Tex., has recently expressed its concern over the high level of oil imports and the resulting damage to the domestic oil industry.

The Tyler Chamber of Commerce board called for immediate action by the U.S. Congress to establish a limitation on U.S. oil imports, thereby relieving the domestic oil industry of an unfair and extremely damaging burden to an important segment of our national economy.

In support of this view, I ask unanimous consent to have printed in the Record the following exceptionally well-stated resolution, captioned "Resolution Supporting Stronger U.S. Oil Import Program," and signed by J. Harold Stringer, president of the board of directors of the Tyler Chamber of Commerce.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

### Resolution Supporting Stronger U.S. Oil Import Program

Whereas U.S. imports of foreign-produced crude oil and petroleum products continue to rise to new record high levels every year despite a Government restriction program and which record was 697 million barrels in 1961, an increase of 32 percent over 1956; and

Whereas imports of crude oil and petroleum products have become the largest single contributor to the development of an unfavorable U.S. trade balance such imports reaching a value of $1,667 million in 1961 and which imports constituted 11 percent of all U.S. imports and being far more than coffee, the second ranking U.S. import in 1961; and

Whereas this rapid increase in petroleum imports is a major cause of the seriously depressed condition in which the U.S. domestic petroleum industry finds itself today; and

Whereas this depressed condition of the domestic oil industry in the United States is particularly of evidence in the State of Texas and especially in east Texas, as indicated by the following facts:

1. In direct contrast with the large growth of foreign oil imports, and despite an 11.6-percent increase in U.S. petroleum demand, U.S. domestic production of crude oil during 1961 was limited to almost the identical level as in 1956, although there exists a shut-in producing capacity of more than 2½ million barrels per day in the United States.

2. U.S. income from crude oil production is less now than in 1957, due to a decline of 17 cents per barrel, or 5 percent, in average U.S. crude oil prices at a time when domestic producing rates have remained static.

3. Total new wells drilled for oil and gas in the United States has decreased 19 percent since 1956, including a 30-percent decline in wildcat drilling upon which the discovery of new producing sources is dependent.

4. The number of rotary drilling rigs able to find work in the United States has declined by 40 percent since 1956.

5. A decline since 1957 of 25 percent has occurred in number of contracting firms operating rotary drilling rigs in the United States.

6. Total U.S. petroleum industry employees has dropped 11 percent since 1956: Now, therefore, be it

*Resolved*, That the board of directors of the Tyler Chamber of Commerce meeting at Tyler, Tex., on June 6, 1962, does hereby vigorously urge and request the executive department of the U.S. Government to immediately take steps which will impose an overall limitation on all oil imports from all sources into all areas of the United States to a level that will not exceed the 14-percent relationship of imports to domestic crude oil production that existed in 1956; and be it further

*Resolved*, That the board of directors of the Tyler Chamber of Commerce advocates and supports immediate action by the U.S. Congress to establish such a limitation on U.S. oil imports.

J. Harold Stringer,
*President*.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 6682. An act to provide for the exemption of fowling nets from duty (Rept. No. 1607).

By Mr. HICKEY, from the Committee on Interior and Insular Affairs, without amendment:

S. 536. A bill to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes (Rept. No. 1611).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 3018. A bill to provide for the conveyance of 39 acres of Minnesota Chippewa tribal land on the Fond du Lac Indian Reservation to the SS. Mary and Joseph Church, Sawyer, Minn. (Rept. No. 1609).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

S. 3224. A bill to declare that the United States holds certain lands on the Eastern Cherokee Reservation in trust for the Eastern Band of Cherokee Indians of North Carolina (Rept. No. 1610).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 2971. A bill to declare that certain lands of the United States are held by the United States in trust for the Jicarilla Apache Tribe of the Jicarilla Reservation (Rept. No. 1608).

By Mr. JORDAN, from the Committee on Agriculture and Forestry, without amendment:

S. 2121. A bill to establish Federal agricultural services to Guam, and for other purposes (Rept. No. 1613);

S. 2859. A bill to amend the Federal Crop Insurance Act, as amended, in order to increase the number of new counties in which crop insurance may be offered each year (Rept. No. 1614); and

S. 3120. A bill to amend section 6 of the act of May 29, 1884 (Rept. No. 1615).

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S.J. Res. 201. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed (Rept. No. 1612).

## INCREASE OF LIMIT OF EXPENDITURES FOR COMMITTEE ON FINANCE—REPORT OF A COMMITTEE

Mr. BYRD of Virginia, from the Committee on Finance, reported an original resolution (S. Res. 350); which was referred to the Committee on Rules and Administration, as follows:

*Resolved*, That the Committee on Finance hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, $12,000, in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

## BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE.

S. 3454. A bill for the relief of Nick Masonich; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 3455. A bill for the relief of Melynda Kim Zehr (Chun Yoon Nyu) and Michelle Su Zehr (Lim Myung Im); to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3456. A bill to authorize assistance under the Area Redevelopment Act in the case of any area which has been adversely affected by the imposition by the United States of an embargo on the importation of products from Communist or Communist-dominated countries; to the Committee on Banking and Currency.

By Mr. McCARTHY:

S. 3457. A bill to amend title 3 of the Sugar Act of 1948 to provide for the establishment of fair and reasonable minimum wage rates for workers employed on sugar farms, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. McCarthy when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 3458. A bill to provide relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FULBRIGHT (by request):

S. 3459. A bill to authorize the appointment of one additional Assistant Secretary of State; to the Committee on Foreign Relations.

(See the remarks of Mr. Fulbright when he introduced the above bill, which appear under a separate heading.)

By Mr GRUENING:

S. 3460. A bill to authorize the payment of certain claims for structural or other major defects in homes covered by FHA-insured mortgages, and to require indemnification bonds in the case of certain new construction under FHA-insured mortgages; to the Committee on Banking and Currency.

(See the remarks of Mr. Gruening when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S.J. Res. 202. Joint resolution to provide for the commemoration of the 175th anniversary of the Constitution of the United States, on September 17, 1962; to the Committee on the Judiciary.

(See the remarks of Mr. Dirksen when he introduced the above joint resolution, which appear under a separate heading.)

## RESOLUTION

## INCREASE OF LIMIT OF EXPENDITURES FOR COMMITTEE ON FINANCE

Mr. BYRD of Virginia, from the Committee on Finance, reported an original resolution (S. Res. 350) increasing the limit of expenditures for the Committee on Finance, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. Byrd of Virginia, which appears under the heading "Reports of Committees.")

## AMENDMENT OF TITLE 3 OF THE SUGAR ACT OF 1948

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to amend title 3 of the Sugar Act.

This bill deals with the section under which the Secretary of Agriculture is required to determine fair and reasonable wages. It establishes the national minimum wage as a norm, but it also provides that the Secretary, after due notice and public hearing, may make exceptions in case of hardship. It also offers an incentive for producers to meet the standard.

I ask unanimous consent that the bill remain at the desk until the Senate adjourns tomorrow in order that Senators who desire to sponsor the bill may have an opportunity to do so.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 3457) to amend title 3 of the Sugar Act of 1948 to provide for the establishment of fair and reasonable minimum wage rates for workers employed on sugar farms, and for other purposes, introduced by Mr. McCarthy, was received, read twice by its title, and referred to the Committee on Finance.

## ADDITIONAL ASSISTANT SECRETARY OF STATE

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize the appointment of one additional Assistant Secretary of State.

The proposed legislation has been requested by the Assistant Secretary of State, Mr. Frederick G. Dutton, and I am introducing it in order that there may be a specific bill to which members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the Record at this point, together with the letter from the Assistant Secretary of State, dated June 4, 1962, in regard to it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the Record.

The bill (S. 3459) to authorize the appointment of one additional Assistant Secretary of State, introduced by Mr. Fulbright, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the Record, as follows:

*Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 1 of the Act of May 26, 1949, as amended (5 U.S.C. 151a), is amended by striking out "eleven" and inserting in lieu thereof "twelve".

Sec. 2. Section 106(a)(17) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(11)" and inserting in lieu thereof "(12)".

The letter presented by Mr. Fulbright is as follows:

Department of State,
*Washington, D.C., June 4, 1962.*

The Vice President,
*U.S. Senate.*

Dear Mr. Vice President: Enclosed is a proposed bill, to authorize the appointment of one additional Assistant Secretary of State, which the Department believes will strengthen executive direction within the Department. This position would be used for the Director of the Bureau of Intelligence and Research. The importance and scope of the job and the need to maintain the Department's position in the intelligence community fully justifies this action.

The Bureau of Intelligence and Research has the dual function of meeting the requirements of the coordinated intelligence community under intelligence directives issued by the National Security Council, and also meeting the Department's own research and intelligence needs. In a rapidly changing world it is essential for sound policymaking that adequate information be available regarding the current situation and the probable future consequence of potential alternative decisions. It is important to attempt to look ahead, to try to anticipate problems or opportunities for American foreign policy and it is also necessary to apply specialized skills to the task of improving the basic assumption on which policy rests.

For these reasons the functions of the Bureau of Intelligence and Research are equivalent in importance to those of the geographic and functional bureaus currently headed by an Assistant Secretary. The enactment of the proposed bill would enable the Department to give more adequate attention to the quality of research activities and would insure consideration of research information at a high level.

The Department has been informed by the Bureau of the Budget that there would be no objection, from the standpoint of the administration's program, to the presentation of the draft legislation to the Congress for its consideration.

Sincerely yours,
Frederick G. Dutton,
*Assistant Secretary*
(For the Secretary of State).

## COMMEMORATION OF 175TH ANNIVERSARY OF THE CONSTITUTION OF THE UNITED STATES

Mr. DIRKSEN. Mr. President, I call attention to the fact that on the 17th of September 1962 we shall observe the signing of the final draft of the Constitution of the United States at the convention in Philadelphia. I propose to introduce a joint resolution that the 17th day of September 1962 is hereby designated as "the 175th anniversary of the signing of the Constitution of the United States", and the President of the United States is authorized and requested to issue a proclamation inviting the people of the United States to observe and celebrate such date with appropriate ceremonies and activities.

I introduce the joint resolution for appropriate reference.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 202) to provide for the commemoration of the 175th anniversary of the Constitution of the United States, on September 17, 1962, introduced by Mr. Dirksen, was received, read twice by its title, and referred to the Committee on the Judiciary.

## CONFLICT-OF-INTEREST LEGISLATION—AMENDMENTS

Mr. KEATING. Mr. President, the Senate Committee on the Judiciary this morning, held hearings on some extremely important legislation already approved by the House of Representatives. The bill before the committee was H.R. 8140. This bill is the most comprehensive attempt to overhaul our conflict-of-interest statutes in many years.

There are some weaknesses in the bill as it now stands, and I intend to offer for myself and my colleague [Mr. Javits] four amendments to improve the bill, which I ask unanimous consent be printed at the conclusion of my remarks and referred to the appropriate committee.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KEATING. Mr. President, the first amendment would incorporate a system of administrative enforcement for the conflict-of-interest laws. The administrative remedies and civil penalties included in the amendment would in no way prevent criminal prosecution but would supplement the criminal provisions of the conflict-of-interest laws. The President's message to Congress of April 27, 1962, on conflict-of-interest legislation recognized the desirability of this dual approach to the enforcement of conflict-of-interest laws.

My second amendment would provide for the disclosure of certain ex parte communications received by Government agencies from Members of Congress or congressional staff.

The third amendment I intend to offer deal with the multitude of conflict-of-interest problems faced by Members of Congress. The amendment provides the machinery for a thorough study of conflict-of-interest problems in the Congress and establishes interim guidelines for Members of Congress to observe until the study is complete. The amendment also permits Senators to submit conflict-of-interest questions to a joint committee for advisory opinions on a nonpartisan basis.

My fourth amendment relates to a much neglected area of conflict of interest—gifts for Federal employees. The effect of this amendment would be to prohibit gifts to Federal employees when the donor has any business contact with the employee or the employee's agency.

Mr. President, I send to the desk the four amendments I intended to offer to H.R. 8140, the conflict-of-interest bill, presently pending in the Senate Committee on the Judiciary. I hope these amendments will be incorporated in the measure which the committee reports. It is my sincere hope and expectation that it will be possible in this session of Congress to enact legislation in this much needed field, which has been the subject of study over a period of many years.

I ask that the amendments be received, printed, and referred to the appropriate committee.

The VICE PRESIDENT. The amendments will be received, and printed, and referred to the appropriate committee; and, without objection, the amendments will be printed in the Record.

The amendments were referred to the Committee on the Judiciary and ordered to be printed in the Record, as follows:

On page 21, line 19, insert the following:

### "POLICY AND PURPOSE

"Sec. 501. (a) One of the most vital concerns of a free and representative government is the maintenance of moral and ethical standards for their representatives which are above cause for reproach and warrant the confidence of the people. The people are entitled to expect from their elected representatives in the Federal Government and the employees of the legislative branch a standard above that of the marketplace, for these public servants are entrusted with the welfare of the Nation. Yet these standards must be practical and should be fairly representative of the people who elect their representatives. Some conflicts of interest are clearly wrong and should be proscribed by sanctions in the criminal law; however, many are composed of such diverse circumstances, events, and intangible and indirect concerns that only the individual conscience can serve as a practical guide. But there are many possibilities of conflict in that shadowland of conduct for which guidance would be useful and healthy, but for which the criminal law is neither suited nor suitable. Therefore, the Congress finds that a Code of Ethics is desirable for the guidance and protection of its Members and the officers and employees of the legislative branch of Government, establishing the standards of conduct reasonably to be expected of them.

"(b) It is also the purpose of this resolution to provide for a thorough study and investigation to determine necessary and desirable changes in existing conflicts-of-interest statutes applying to Members of Congress and to officers and employees of the legislative branch, and to develop a comprehensive Code of Ethics for the guidance of such Members, officers, and employees, by which the purposes of this resolution may be more fully assured in the conduct of the public business in the legislative branch.

### "ESTABLISHMENT OF JOINT COMMITTEE ON ETHICS

"Sec. 502. (a) There is hereby established a joint congressional committee to be known as the Joint Committee on Ethics (hereinafter referred to as the joint committee).

"(b) The joint committee shall be composed of seven Members of the Senate, appointed by the President of the Senate, and seven Members of the House of Representatives, appointed by the Speaker of the House of Representatives.

### "POWERS AND DUTIES

"Sec. 503. (a) It shall be the duty of the joint committee to undertake a thorough study and investigation of the ways and means by which the policy objectives set forth in section 1 of this resolution can further be assured. In the conduct of such study and investigation the joint committee shall, among other things, determine to what extent existing conflict-of-interest laws or regulations applicable to the legislative branch should be strengthened and it shall recommend a comprehensive Code of Ethics in the formulation of which it shall have considered the following subjects:

"(1) Outside employment or professional or business activity by Members of Congress or officers or employees of the legislative branch;

"(2) Disclosure by Members of Congress or officers or employees of the legislative branch of confidential information acquired in the course of official duties or the use thereof for personal advantage;

"(3) Use of their official position by Members of Congress or officers or employees of the legislative branch to secure unwarranted privileges or exemptions for themselves or others;

"(4) Dealing by Members of Congress or officers or employees of the legislative branch in their official capacities with matters in which they have a substantial pecuniary interest;

"(5) Conduct by Members of Congress or officers or employees of the legislative branch which gives reasonable cause for public suspicion of violation of public trust; and

"(6) Other matters concerning official propriety and the integrity of the public service as it relates to Members of Congress, officers or employees of the legislative branch.

"(b) The joint committee shall report to the Senate and the House of Representatives the result of its investigations together with such recommendations for the establishment of a Code of Ethics covering the legislative branch as it may deem advisable. Such report shall be submitted no later than June 30, 1963, and the committee shall cease to exist thirty days after the submission of its final report.

"(c) Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

### "HEARINGS, SUBPENAS, DISBURSEMENTS, EMPLOYEES

"Sec. 504 (a) The joint committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act at such places and times, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. Subpenas shall be issued under the signature of the chairman of said joint committee, and shall be served by any person designated by him. Amounts appropriated for the expenses of the joint committee shall be disbursed one-half by the Secretary of the Senate and one-half by the Clerk of the House.

"(b) The joint committee shall have the power to employ and fix the compensation of such experts, consultants, and clerical and stenographic assistants, to procure such printing and binding, and to make such expenditures, as it deems necessary and advisable, subject to the limitations of its appropriations. The joint committee is authorized to utilize the services, information, and facilities of such departments and other agencies of the Government as it may deem appropriate.

### "LIMITATION OF JOINT COMMITTEE'S POWERS

"Sec. 505. The joint committee shall have no power of enforcement with respect to any Members of Congress or officers or employees of the legislative branch, and such power is reserved with respect to its Members, officers, or employees to each House or to any committee thereof which has been designated to carry out such functions.

### "INTERIM CODE OF ETHICS

"Sec. 506. For the purposes of guidance for Members of Congress and officers and employees of the legislative branch during the period during which the joint committee is considering the provisions of an appropriate Code of Ethics for Members of Congress and officers or employees of the legislative branch, the Congress hereby adopts the following standards as a guide to such Members, officers, or employees:

"(a) No Member of Congress, or officer or employee of the legislative branch should have any interest, financial or otherwise, direct or indirect or engage in any business, transaction, or professional activity or incur any obligation of any nature whether financial or moral, which is in substantial conflict with the proper discharge of his duties in the public interest; nor should any Member of Congress, officer or employee of the legislative branch give substantial and reasonable cause to the public to believe that he is acting in breach of his public trust.

"(b) In addition to the general rule set forth in paragraph (a), the following standards are applied to certain specified transactions:

"(1) No Member of Congress, or officer or employee of the legislative branch of the Government should accept other employment which will tend to impair his independence of judgment in the exercise of his official duties.

"(2) No Member of Congress, or officer or employee of the legislative branch of the Government should accept employment or engage in any business or professional activity which will tend to involve his disclosure or use of confidential information which he has gained by reason of his official position or authority.

"(3) No Member of Congress, or officer or employee of the legislative branch of the Government, should disclose confidential information acquired by him in the course of his official duties or use such information for other than official purposes.

"(4) No Member of Congress, or officer or employee of the legislative branch of the Government, should use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.

"(5) A Member of Congress, or officer or employee of the legislative branch of the Government should not by his conduct give reasonable cause for belief that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position, or influence of any person or political party.

"(6) A Member of Congress, or officer or employee of the legislative branch of the Government should endeavor to pursue a course of conduct which will not give reasonable cause for belief that he is likely to violate his trust.

"(7) Any Member of Congress, or officer or employee of the legislative branch of the Government, having a finanical interest, direct or indirect, having a value of $10,000 or more, in any activity which is subject to the jurisdiction of a regulatory agency, should file with the Comptroller General a statement setting forth the nature of such interest in such reasonable detail, and in accordance with such regulations as shall be prescribed by the Comptroller General. As used herein, the term 'regulatory agency' shall include such agencies as shall be designated by the Comptroller General, which list shall be published in the Federal Register as soon as practicable.

"Sec. 507. Paragraph (o) of subsection 1 of rule XXV of the Standing Rules of the Senate is hereby amended by adding at the end thereof a new subparagraph to be subparagraph (3) to read as follows:

" '(3) Such committee shall also have the duty to consider all matters arising in connection with the application of any code of ethics applicable to Members, officers, or employees of the Senate. The committee shall receive complaints of any violation of such code and may, upon request of any Senator, officer, or employee, give an advisory opinion to the Senator, officer, or employee involved on the conformity of any proposed conduct with any such code.' "

On page 21, line 19, insert the following:

"Sec. 301. Gifts.

"(a) General rule for all employees.—No Government employee shall receive, accept, take, seek, or solicit, directly or indirectly, any thing of economic value as a gift, gratuity, or favor from any person if such Government employee has reason to believe the donor would not give the gift, gratuity, or favor but for such employee's office or position within the Government.

"(b) Additional general rule for regular employee.—No regular Government employee shall receive, accept, take, seek, or solicit, directly or indirectly, any thing of economic value as a gift, gratuity, or favor from any person, or from any officer or director of such person, if such regular Government employee has reason to believe such person—

"(1) has or is seeking to obtain contractual or other business or financial relationships with such employee's agency; or

"(2) conducts operations or activities which are regulated by such employee's agency; or

"(3) has interests which may be substantially affected by such employee's performance or nonperformance of official duty."

On page 21, line 19, insert the following:

"Sec. 401. Preventive measures.

"The head of an agency may, and shall do so if so provided in regulations issued by the President, require—

"(a) individuals entering Government employment with such agency and, periodically, the employees of particular categories of employees of such agency, to sign a statement that they have read an appropriate summary of the rules established by this Act and the regulations issued hereunder;

"(b) employees of such agency, or particular categories thereof, to report periodically as to their non-Government employment or self-employment, if any;

"Sec. 402. Remedies; civil penalties; procedure

"(a) Administrative enforcement as to current Government employees.—

"(1) Remedies and Civil Penalties: The head of an agency may dismiss, suspend, or take such other action as may be appropriate in the circumstances in respect of any Government employee of his agency upon finding that such employee has violated this Act or regulations promulgated hereunder. Such action may include the imposition of conditions of the nature described in subsection (b)(1).

"(2) Procedure: The procedures for any such action shall correspond to those applicable for disciplinary action for employee misconduct generally, and any such action shall be subject to judicial review to the extent provided by law for disciplinary action for misconduct of employees of the same category and grade.

"(b) Administrative enforcement as to former Government employees and others.—

"(1) Remedies and Civil Penalties: The head of an agency, upon finding that any former employee of such agency or any other person has violated any provision of this Act, may, in addition to any other powers the head of such agency may have, bar or impose reasonable conditions upon—

"(A) the appearance before such agency of such former employee or other person, and

"(B) the conduct of, or negotiation or competition for, business with such agency by such former employee or other person,

for such period of time as may reasonably be necessary or appropriate to effectuate the purposes of this Act.

"(2) Procedure:

"(A) Hearings.—Findings of violations referred to in subsection (b)(1) shall be made on the record after notice and hearing, conducted in accordance with the provisions governing adjudication in title 5, United States Code, secs. 1005, 1006, 1007, 1008, and 1011 (Administrative Procedure Act). For the purposes of such hearing any agency head, or any officer designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the agency head finds relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States at any designated place of hearing. Witnesses summoned by the agency head to appear shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(B) Judicial review.—(i) Any party to a proceeding under this subsection (b) aggrieved by an order issued by the agency head pursuant thereto, may obtain a review of such order in the court of appeals of the United States for any circuit wherein said party is located or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court within sixty days after the order of the agency upon a written petition praying that such order be modified or set aside in whole or in part.

"(ii) A copy of such petition shall forthwith be transmitted by the clerk of the court to the agency head involved, and thereupon such agency head shall file with the court the record upon which the order complained of was entered. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record with it shall be exclusive, to affirm, modify, or set aside such order in whole or in part.

"(iii) No objection to the order of the agency head shall be considered by the court unless such objection shall have been urged before the agency or there is reasonable ground for failure to do so.

"(iv) The findings of the agency head as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material in that there were reasonable grounds for failure to adduce such evidence in the proceedings before the agency, the court may order such additional evidence to be taken before the agency and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper.

"(v) The agency head may modify his findings as to the facts by reason of the additional evidence so taken and shall file with the court such modified or new findings which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, or setting aside in whole or in part, any such order of the agency head, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of title 28. The commencement of proceedings for review under this subsection shall not, unless specifically ordered by the court, operate as a stay of the agency head's order.

"(c) Civil remedy for damages against employees and former employees.—The Attorney General of the United States may bring a civil action in any district court of the United States against any Government employee or former Government employee who shall, to his economic advantage, have acted in violation of this Act, and in such action may recover on behalf of the United States, in partial reimbursement of the United States for its expenses of administering this Act, damages in an amount equal to three times the amount of such economic advantage.

"(d) Publication of certain findings and decisions.—Whenever the head of any agency, or the President, exercises the authority conferred by subsections (a) or (b), of this section, copies of the findings and decision therein shall be filed with the President and shall be published at least once each year as part of a volume collecting such findings and opinions. Such volumes shall be made available for public inspection and shall also be made available for distribution or sale to interested persons.

"(e) Interests of national security.—When any provision of this Act requires publication of information and the President finds that publication of part or all of such information is inconsistent with national security, he may suspend the requirement of such publication to the extent and for such period of time as he shall deem essential for reasons of national security.

"(f) Statute of limitations.—No administrative or other action under subsections (b), or (c) of this section to enforce any provision of this Act shall be commenced after the expiration of six years following the occurrence of the alleged violation.

"Sec. 403. Civil and Criminal Remedies.—Nothing in sections 401 or 402 of this Act shall be construed to authorize or make lawful anything prohibited or made illegal by Sections 201, 203, 205, 207, 209 or 301 of this Act nor to exempt any person from the penal provisions thereof."

On page 21, line 19, insert the following:

"Sec. 301. Communications to Agency.—Whenever any matter is pending before any agency for adjudication, and any communication with respect to the status, disposition, or merits thereof is received by such agency from any Member of Congress, the agency shall make such communication, or a true and correct copy thereof, together with a true and correct copy of any response made thereto by the agency, a part of the public record of such adjudicatory proceeding. The true and correct substance of any oral communication received by any agency from any Member of Congress, and the true and correct substance of any oral response made by any agency to any communication received from any Member of Congress, with respect to the status, disposition, or merits of any such adjudicatory matter, shall be reduced to writing by any member, officer, or employee thereof who receives such communication or responds thereto, and such writing shall be treated as a written communication received by any agency, or a written response made by the agency thereto, as the case may be; and, in addition thereto, a copy thereof shall be sent to the Member of Congress concerned. As used in this subsection—

"(1) The term 'agency' includes any member, officer, or employee of any agency; and

"(2) The term 'Member of Congress' includes (A) any Delegate to Congress or Resident Commissioner in Congress, (B) any employee of any Member of Congress, Delegate to Congress, or Resident Commissioner in Congress, and (C) any employee of any joint committee of the Congress or any committee of either House of the Congress."

Mr. JAVITS. Mr. President, I, too, testified on H.R. 8140, the conflict of interest bill, today. I am very pleased to see and join in the amendments which my colleague [Mr. KEATING] will present to the committee. I myself authored a bill, S. 603, which carries the recommendations of the Bar Association of the city of New York on this subject, which would carry out a number of the provisions to which reference has been made.

The representative of the bar association testified this morning. I testified myself, urging that the committee give close attention to his testimony.

I have sponsored, with my colleague [Mr. KEATING], as cosponsor, a bill, S. 637, which would deal with the particular problem to which he refers, on communications by Members of Congress to the executive departments.

I wish to state that if the committee does not adopt this amendment—and I hope very much it will—I certainly intend that the matter be raised by amendment in the Senate.

I think the matter of gifts, to which the Senator referred, is much better covered by the bar association recommendations than by the provisions of the House bill.

The one very critical matter to which I wish to invite the attention of the Senate and the attention of my colleague from New York is the fact that the House bill would include Members of Congress in certain of its prohibitions and therefore would give to the Department of Justice the initiating authority to bring about certain prosecutions of Members of Congress.

Senate Concurrent Resolution 10, which I submitted last year also with Senator KEATING as cosponsor, would give the regulation of a code of ethics for Members of Congress to the Congress itself, very much along the same lines referred to by my colleague [Mr. KEATING]. I think it important that all Members should realize that we must insist on this approach, because I know of few things which could as easily give to the executive department a club over the Congress as the power with respect to conflict of interest, if given to the Department of Justice under a criminal statute.

Mr. President, this is something about which we must be extremely vigilant. It is something which goes much deeper than a statute; desirable, critical, and important as the statute may be. I mention it because it comes within the same context to which the Judiciary Committee is directing its attention.

I hope very much the committee will carefully evaluate the power over individual members which would be vested in the executive department if a criminal sanction to be administered by the Department of Justice were operative in respect to a conflict of interest statute, rather than the power of each House to expel a Member, if it were felt the action should be that extreme, or the power of the voters, once the matter was made public, to deal with the question as the voters can and should.

Many of these conflict of interest areas are so gray that I think this deserves the most profound consideration, to be sure we would not thereby be jeopardizing the independence and the integrity of the legislative branch as the third branch of the Government. I hope very much the committee will give that its most serious attention as it evaluates the House bill, because I respectfully feel enough concern is not reflected in the provisions of the House bill. What I have provided in Senate Concurrent Resolution 10 and what my colleague [Mr. KEATING] has referred to in terms of regulation intra-Congress is very much sounder and very much better for the constitutional system.

## ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Remarks in introducing former President Harry S. Truman; remarks by Gov. W. W. Barron; invocation by Rev. John F. Streng, D.D., of Wheeling; and benediction by Rev. Frank Rowley, of Bluefield, all pertaining to ceremonies commemorating the 99th anniversary of West Virginia statehood.

## DR. JOHN DANIEL ROBINSON: A GREAT PHYSICIAN

Mr. ERVIN. Mr. President, on June 1, 1962, North Carolina lost by death one of her very finest citizens, Dr. John Daniel Robinson, who had engaged in the general practice of medicine at Wallace for 46 years. He was survived by his widow, Mrs. Lewellyn W. Robinson, whose father, the late Dr. R. Murphy Williams, was one of the ablest ministers of the Southern Presbyterian Church of all time.

While he always devoted his major efforts to the practice of his profession, Dr. Robinson could say with Ulysses, "I am a part of all that I have met." He was active in every cause designed to promote the well-being of his community and his State. He was particularly active in governmental and political affairs, serving for several terms as a member of the Board of Commissioners of Duplin County. He was a candidate of the Democratic Party for presidential elector on six different occasions, a record probably unequalled in the annals of our country. He loved people and numbered his friends by the thousands.

When all is said, the influence of Dr. Robinson and Mrs. Robinson has resulted in much good in civic affairs throughout North Carolina. For a time, Mrs. Robinson served as president of the North Carolina Federation of Women's Clubs.

They maintained a beautiful home in Wallace, whose doors were always open to their friends. As persons who have been privileged to partake of their gracious hospitality, Mrs. Ervin and I can testify that no guests ever had a more genial host and a more charming hostess.

Dr. Robinson was a family physician in the grandest sense of the term. In the words of Voltaire, he knew "the properties of the human body, the diseases which assail it, the remedies which will benefit it," and exercised the art of healing with complete dedication to his patients and paid "equal attention to the rich and the poor."

Good repute and happiness were his because he was faithful to this oath, which tradition says, was originated by a great physician, Hippocrates, 400 years before the birth of Christ:

> I do solemnly swear by that which I hold most sacred: That I will be loyal to the profession of medicine and just and generous to its members; that I will lead my life and practice my art in uprightness and honor; that into whatsoever house I shall enter, it shall be for the good of the sick to the utmost of my power, I holding myself aloof from wrong, from corruption, and from the tempting of others to vice; that I will exercise my art solely for the cure of my patients, and will give no drug, perform no operation for a criminal purpose, even if solicited, far less suggest it; that whatsoever I shall see or hear of the lives of men which is not fitting to be spoken, I will keep inviolably secret. These things I do promise, and in proportion as I am faithful to this my oath may happiness and good repute be ever mine—the opposite if I shall be forsworn.

Mr. President, I ask unanimous consent that portions of an article concerning Dr. Robinson which appeared in the Wallace Enterprise for June 4, 1962, be printed at this point in the body of the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

> Residents of the Wallace area feel deeply the loss of Dr. John Daniel Robinson, 75, a country doctor and general practitioner in Wallace for the past 46 years.
>
> Dr. Robinson became ill at his home in Wallace Thursday evening, May 30, and was rushed to James Walker Memorial Hospital in Wilmington, where he succumbed on Friday, June 1. He was 75 years of age.
>
> The widely known Wallace physician was very active up until the time he was stricken, having worked diligently for the endorsement of the Wallace sewer bond issue throughout the week prior to his death.
>
> Dr. Robinson was a native of Ivanhoe, moving to Wallace temporarily to practice medicine. During the more than 40 years that ensued, the doctor delivered more than 3,000 babies. By his many contributions to the political and civic life of the Wallace area, in addition to his outstanding service as a physician Dr. Robinson came to fill a most important place in the community.

John Daniel Robinson attended Faison Military Academy, Davidson College, the University of Maryland, University of Edinborough in Scotland, and served with the U.S. Army Air Force during World War I, as a lieutenant colonel. He was past president of the Duplin County Medical Society, and past president of the Third District Medical Society.

Dr. Robinson was named "Tar Heel of the Week" in the News and Observer several years ago. At that time he was believed to have set a record for having been presidential elector more than any other person in the country. He was elector six times.

He served as a member of the Duplin County Board of Commissioners for several terms and was at one time chairman of the board.

He had also been a member of the Duplin County Democratic Executive Committee for many years.

Dr. Robinson was a member and trustee of the Wallace Presbyterian Church, a member of the Wallace Lions Club, and a past commander of the Wallace American Legion. In addition, he was medical officer for the National Guard of Wallace.

## EXECUTIVE SESSION

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senate consider the Executive Calendar as in executive session.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider executive business.

## EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Charles Edward Rhetts, of Indiana, to be Ambassador Extraordinary and Plenipotentiary to Liberia, which was referred to the Committee on Foreign Relations.

## EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

Col. Arthur R. DeBolt, for appointment in the Air Force Reserve, in the grade of brigadier general.

## EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, from the Committee on Armed Services, I report favorably 437 nominations in the Navy and Marine Corps, in the grade of captain and below. All of these names have already appeared in the CONGRESSIONAL RECORD, so in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk, for the information of any Senator.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations will lie on the desk, as requested by the Senator from Massachusetts.

The nominations are as follows:

Van P. Liacopoulos and John N. Luebbermann, midshipmen (Naval Academy), to be permanent ensigns in the line of the Navy;

Ernest G. Koehler (Naval Reserve Officers' Training Corps candidate), to be a permanent ensign in the line of the Navy;

Jesse W. Armstrong, and sundry other graduates from Navy enlisted scientific education program, to be permanent ensigns in the Navy;

Frederick G. Doell, and sundry other graduates from Navy enlisted scientific education program, to be permanent lieutenants (junior grade) in the Navy;

Richard F. Ambur, and sundry other Naval Reserve officers, to be permanent lieutenants (junior grade) and temporary lieutenants in the Navy;

John C. Folusiak and Donald M. Phillips (Naval Reserve officers), to be permanent lieutenants in the Medical Corps of the Navy;

Judson H. Jenkins, and sundry other officers of the Navy, for permanent promotion in the Navy;

Bobby D. Chambless, and sundry other officers of the Marine Corps, for permanent promotion in the Marine Corps; and

Thomas V. Barrett, and sundry other officers of the Marine Corps, for temporary promotion in the Marine Corps.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nomination on the Executive Calendar.

## U.S. ASSAY OFFICE

The legislative clerk read the nomination of John P. Botti, of New York, to be superintendent of the U.S. assay office at New York, N.Y.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. SMATHERS. I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. SMATHERS. Mr. President, I move that the Senate return to the consideration of legislative session.

The motion was agreed to, and the Senate resumed legislative session.

## ACADEMIES AGREE TO HONOR GRANTS-IN-AID

Mr. LONG of Louisiana. Mr. President, yesterday I informed the Senate of an agreement released by the Superintendents of the Military, Naval, and Air Force Academies. This agreement states, in effect, that it is their intention in the future to honor letters of intent and grant-in-aid contracts which young athletes have signed with other institutions.

I am pleased that such an agreement has been issued. As I have stated, it has been my feeling that the practice of encouraging a young man to violate a contract is hardly in accord with the stated purposes and ideals of the Academies. Incidents such as the one which recently attained some publicity with regard to two young men from South Carolina do the Academies and the services no credit whatever.

Both the junior Senator from South Carolina [Mr. THURMOND] and I have tried to point out the inconsistency of this sort of thing with a motto like the one the Military Academy professes.

It seems to me that the entire operation revolving around appointments to the Academies is in need of a close look, if not an actual overhaul. However, it is gratifying to see that the Superintendents at the Academies are also concerned with some of the problems which have been raised.

Mr. President, I ask unanimous consent that a release describing the agreement reached by the Superintendents be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

STATEMENT ISSUED JOINTLY BY THE SUPERINTENDENTS OF THE MILITARY, NAVAL, AND AIR FORCE ACADEMIES

To protect the young student athlete who desires to attend a service academy an explanation of our policies appears in order.

Appointment to a service academy is under the law.

The athletic program of the service academies is controlled under the regulations of the NCAA.

In the absence of a national letter of intent and because of the misunderstanding concerning local letters of intent or grants-in-aid the three service academies clarify their policy which is designed to insure the eligibility of a young man desiring to attend a service academy or any institution of his choice, and yet not place him in a position that his word is unwittingly compromised.

a. In accordance with the present policy, a young man applying for one of the service academies will be advised to sign a letter of intent or grant-in-aid with another institution if he desires, but contingent upon his acceptance as a cadet or midshipman.

b. No contact with known signers of letters of intent or grants-in-aid will be initiated by a service academy.

To enforce this, each applicant concerned will be required to sign the following statement:

I have not signed a letter of intent or grant-in-aid with any institution. In the event I do, I will notify the authorities of the institution concerned that my commitment with them is contingent upon my acceptance or rejection of appointment as a cadet or midshipman.

## THE TRUTH ABOUT NUCLEAR TESTING

Mr. DODD. Mr. President, I wish to draw the attention of my colleagues to an article entitled "Let's Face the Truth About Nuclear Testing" in the June 10 issue of This Week magazine. The article is written by Prof. Hermann J. Muller of Indiana University, one of the world's greatest authorities on genetics, who received the Nobel Prize for his investigations into the effects of radiation on heredity.

We are today involved in a great international debate on whether or not the United States should have resumed nuclear testing. President Kennedy's decision has been defended by our allies and by most free nations on the ground that the Kremlin's massive 50-test violation of the moratorium last September left the United States with no alternative but to resume testing. But the decision has been assailed by the Communist bloc, and by the neutralist nations, and by many sincere pacifists in our own country who have no affinity for the philosophy of communism. Their protests have had a serious impact on our policy; indeed, I believe it is generally recognized that it was largely out of deference to these protests, that we have felt constrained to cut back on the present test series, both in size and in number, below the levels recommended by our experts.

The source of most of the agitation and confusion on the test ban issue has been the question of global fallout. The opponents of testing take the stand that, no matter what defense requirements of the free world may be, testing cannot be tolerated on moral grounds because global fallout resulting from these tests will condemn many thousands of people to die from leukemia and other radiation-induced conditions, and it will, in addition, produce genetic changes that will imperil future generations. It is largely because of this fear—and, let me be frank about it, because of the clever use the Communist propaganda apparatus has made of this fear—that so many people have been engaging in peace marches and picket lines and other demonstrations.

Most competent scientists are agreed that atmospheric tests do constitute a hazard to the world's populace. In terms of numbers of people affected, the tests thus far conducted and those that may be conducted in the foreseeable future, may not constitute a significant danger to the peoples of the world. But it is a danger that should not be ignored or minimized; and no one should be blamed for feeling concerned over it.

But unfortunately we live in a world of great hazards, and these hazards will be with us for many decades to come. The two major hazards which confront us are the threat of Communist enslavement and the threat of thermonuclear war.

The great service rendered by Dr. Muller in the article to which I have referred is that he frankly faces up to all these dangers, and, having weighed them, comes up with this finding:

> Despite these dangers from testing to us and the Russians, I believe that today the only sensible course for democratic America is to admit the damage potential in resumed tests, but at the same time to weigh the case for testing against the possible consequences of not testing—our subjugation by a totalitarian system.
>
> Weakness and unpreparedness, unfortunately, invite Soviet war and aggression. Korea, Berlin, and southeast Asia proved that. Merely marching for peace doesn't insure it. Back in 1940, Americans picketed the White House with peace slogans. But that didn't stop Tojo or Hitler.

To me, Dr. Muller's article in This Week magazine is a landmark because his judgment carries the full weight of his great scientific competence on the entire question of fallout. His conclusion is all the more significant, because his analysis is tempered by the deeply humanistic feelings that have always characterized his writings. Finally, because he has lived in Russia and speaks from first-hand experience about the Communist system, Dr. Muller can evaluate with full authority what Soviet enslavement would mean to the free world.

After reading Dr. Muller's article in This Week magazine of June 10, I find it difficult to believe that those who have opposed nuclear testing on the grounds of fallout dangers can continue to hold such views and yet maintain that these views best reflect the interests of the free world.

I ask unanimous consent to insert in the RECORD at this point the text of the article by Dr. Hermann J. Muller which appeared in This Week magazine for June 10, 1962.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### LET'S FACE THE TRUTH ABOUT NUCLEAR TESTING

(By Dr. Hermann J. Muller with Jack Harrison Pollack)

BLOOMINGTON, IND.—As a geneticist, I have been strongly opposed to the United States resuming nuclear atmospheric tests.

But as an American citizen, I have regretfully come to accept the need for testing.

Despite my grave concern over adding more radioactive fallout to the atmosphere—and offending considerable world opinion—I believe that our nuclear testing today may be in the national—and international—interest. Certainly, testing is accompanied by terrible risk. But I think the tests may have benefits greater than the damage. Indeed, the tests today may provide our only chance for life in a peaceful, nonslave world.

I am an incurable optimist and even as I write these words I still fervently hope that the Soviet Government will agree to reasonable inspection and controls. If instead of "nyet" the Russians suddenly say "da," as they occasionally do, then both our and their tests can stop forever.

#### MINIMUM FALLOUT

But meantime, I do not feel that President Kennedy has been playing the megaton madness game. His reluctant decision to carry out new tests was not an act of panic. After many months of weighing the evidence, he concluded that at the present time testing was the least evil of the unpleasant possibilities confronting the free world. He assured Americans on March 2 that the fallout would be held "to an absolute minimum—far less than the contamination created by last fall's Soviet series—by paying careful attention to location, wind and weather conditions, and by holding these tests over the open sea."

From my 35 years of laboratory experience with radiation, I know the damage that results from it, no matter whether it comes in the form of bombs, cosmic rays, or careless use of X-rays. The damage is either somatic (which hurts our own bodies) or genetic (which will hurt succeeding generations). Contrary to what you may have heard or read, there is no such thing as a "safe" or "harmless" dose of radiation. Any amount is genetically undesirable because it causes mutations—that is, sudden unpredictable biological changes. And over 99 percent of such mutations are harmful.

#### THE DELAYED REACTION

Nuclear testing—by us or the Russians—results also in leukemia, bone cancer, and other abhorrent ailments in the present population, as well as many thousands of hereditary defects in populations of the future. For each amount of radiation received, there is a probability of dying sooner. Because both the somatic and genetic defects are concealed or delayed, they cannot, individually, be recognized as stemming from today's radiation. But the damage done to later generations will probably be very much greater, all told, than to the directly exposed individuals.

Tests are no better for the Russians than for us. After the Soviet Union dropped its 65-megaton H-bomb on October 30, 1961, Premier Khrushchev "answered" the worldwide protests by dismissing them as "hysterical." I do not agree with him. They are very real—for his people, too.

The poison pumped into the sky by Russia doesn't skip over the Soviet Union. Russia will probably suffer most from the fallout resulting from its own atmospheric tests. So much fallout has been concentrated where the Soviet tests were made, its citizens will continue to be exposed to it far more than we.

Despite these dangers from testing to us and the Russians, I believe that today the only sensible course for democratic America is to admit the damage potential in resumed tests, but at the same time to weigh the case for testing against the possible consequences of not testing—our subjugation by a totalitarian system.

I know what this means because I worked in Russia between 1933 and 1936 at the Institute of Genetics, first in Leningrad and later in Moscow. I was invited there by the great Russian scientist, Nikolai Vavilov, who died in disgrace in a concentration camp in 1942. I went to Russia hopefully but became disillusioned when I saw how genetics was being perverted by dictator Stalin to fit the Communist Party line.

In Russia then I heard marching factory workers singing rousing songs about how much freer they were than workers anywhere else. This was the pathetic freedom of those born blind. Today Russian geneticists are reportedly allowed to work only on approved subjects such as trying to show why U.S. nuclear tests should be stopped. With their dialectical materialism, the Soviets can prove or disprove anything.

All these things considered, the world today is confronted with three big possibilities for tomorrow:

1. A universal slave state dominated by Russia.
2. Annihilation through nuclear war.
3. A humanistic alliance of all people.

I believe that today's tests are an important measure—for this moment—enabling us to avoid the first two terrible fates and work toward the sane third choice.

Totalitarian slavery would be as great a tragedy for mankind as nuclear war. And if all our dread is directed toward nuclear war, the way for the coming of totalitarianism will be made easier.

Nuclear war also is a far greater danger then tests. If we ever had a nuclear war, we would be showered with thousands of times more radiation. Ironically, many Americans seem to be more worried about the tests than possible war.

The responsible free world leaders are aware of these two terrible alternatives. When Premier Khrushchev shunned President Kennedy's and British Prime Minister Macmillan's last-minute appeal for inspection in April, they would have taken a step toward surrender had they canceled the scheduled tests and renounced testing unilaterally. Past Russian actions have shown that any agreement unaccompanied by inspection is a sham in which the honest party turns out to be the dupe.

Admittedly, the tests may accelerate the arms race. Testing may give the Russians or us further capabilities of nuclear offense and defense. But it is unlikely that either side will develop an overwhelming advantage over the other—unless one side stops testing and the other side forges ahead. As things stand, both sides know the consequences of nuclear war—defeat for both sides, destruction for both civilizations.

My own belief, however, is that U.S. tests will ultimately convince the Russians that we mean what we say about defending the free world's security and make them more receptive to a genuine test ban treaty.

If testing seems a high price to pay, remember that an infinitely higher price—both to present and future generations—would have to be paid if war ever broke out. Remember, too, the other terrible price—if we were enslaved. The problem must be assessed from all sides.

### EINSTEIN'S INVITATION

Despite my repeated warnings about the danger of radiation for 35 years, I have always believed that tests were preferable to war or slavery, and under some circumstances might prevent them. In 1955, I declared our tests were then justified and I still think they were. Earlier, in 1948, when Dr. Albert Einstein asked me to join his antimilitarist Emergency Committee of Atomic Scientists, I told him that I couldn't conscientiously say that the genetic damage from nuclear testing was great enough to be conclusively against it. I said that the damage was less than that being done by some medical, dental and shoestore men who weren't controlling their X-rays. Despite Einstein's well-known pacifism he didn't seem at all surprised at my views and asked me to serve on his committee, anyway.

But today I refuse to ally myself with any group which unconditionally favors or opposes testing. I realize there is honest difference of opinion among scientists and others. However, I think too many advocates and critics of testing are engaging in wishful thinking, or concentrating on one of the alternatives of the problem, while neglecting the other. Some are misguided, some consciously influenced by ulterior motives. The public, caught in between, generally lines up with one side or the other, calling its position white, the other black.

One of the most vocal advocates of testing has been Dr. Edward Teller, the nuclear physicist. But I think he is greatly underrating (1) the risk of both somatic and genetic damage from the tests and (2) the aggravation of feelings that leads toward war by continuing the arms race.

In his recent book, "The Legacy of Hiroshima," Dr. Teller claims, "Radiation from test fallout might be slightly harmful to humans. It might be slightly beneficial, or have no effect at all." Elsewhere in the book he adds, "Fallout from nuclear testing is not worth worrying about. Its effect on human beings, if there is an effect, is insignificant."

I emphatically disagree. I think that every laboratory test by myself and others indicates that radiation is very much worth worrying about.

At the other exteme, eminent scientists like Dr. Linus Pauling, of the California Institute of Technology, and many student and peace organizations demand that all U.S. nuclear testing be stopped immediately. Though I sympathize with the aims of these well-meaning people, I think they underestimate the damage which would be done to our intellectual, moral and political freedoms if the Russians took over. And they do not seem to realize that there is a very real danger that the Soviets would succeed in taking over if we alone disarmed. These antitesting Americans also ignore the question of whether further testing would increase our anti-missile capabilities.

### WEAKNESS INVITES WAR

Weakness and unpreparedness, unfortunately, invite Soviet war and aggression. Korea, Berlin, and southeast Asia proved that. Merely marching for peace doesn't insure it. Back in 1940 Americans picketed the White House with peace slogans. But that didn't stop Hitler, Mussolini, or Tojo.

Fortunately for America, President Kennedy doesn't lean toward either the Teller or Pauling sides. His top scientific advisers, like Dr. Jerome B. Wiesner of Massachusetts Institute of Technology, are wise, capable men of sound judgment who are carefully weighing the fallout, world opinion and delicate scientific, military and political aspects of testing in a complicated balance of forces. I think we are lucky that their voices can be heard, even though they cannot always carry the argument.

Today only top administration members and top brass have the inside knowledge of the true nuclear picture. Though the average American needs to know more to evaluate it, this information cannot be made public now, regrettably, because it might be advantageous to our potential enemies. I hope that soon this will not be so.

Meanwhile, the situation is not hopeless. Here are three positive things I urge that we do:

1. Establish a national system for keeping a record of every American's exposure to radiation from whatever source throughout his life. This would help scientists to determine definite radiation danger levels and warn people when those levels are approached or exceeded.

2. Limiting the amount of manmade radiation reaching people. Let us insist, for example, on protective shields over the reproductive organs during X-raying, and that doctors get training in radiation protection. Such elementary precautions would greatly reduce genetic damage.

3. Continue our testing, if necessary, but simultaneously work for genuine disarmament. If we steadfastly do so, then the Russians will not be able to refuse a reasonable type of inspection indefinitely. Time is on our side. They will have to come around in the end. If we hold firm, I think we can get a workable agreement. But until we have controlled bilateral disarmament, the survival of freedom demands from us the ultimate reasonableness—and the ultimate firmness.

In the long run, the only really important test for us and the Russians is whether we can agree on a worldwide plan to end all nuclear tests—and the arms race.

## SOVIET STRATEGY ON BERLIN PROPOSALS

**Mr. DODD.** Mr. President, the book "Protracted Conflict" and the several other studies of Soviet strategy published by the Foreign Policy Research Institute of the University of Pennsylvania have attracted international attention. Dr. Robert Strausz-Hupe, the director of the institute, and the chief architect of the several studies, has for several decades now been recognized as one of our most profound scholars in the field of world affairs and the cold war.

I should like to draw the attention of my colleagues to a remarkably cogent article by Dr. Strausz-Hupe, dealing with our recent Berlin proposals. A particularly impressive portion of this article is Dr. Strausz-Hupe's point-by-point comparison of the recent United States package proposal on Berlin with the official Soviet position on Berlin, as presented to the Geneva Conference in June 1959, by Mr. Gromyko.

Mr. President, I ask unanimous consent to insert into the RECORD at this point the article entitled, "Big Question: Is United States Changing Policy in Europe?" which appeared in the Philadelphia Evening Bulletin for Monday, May 14, 1962.

I hope all the Senators will find time to read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### BIG QUESTION: IS UNITED STATES CHANGING POLICY IN EUROPE?

(Sharp differences of opinion among the Western allies, on policies to be followed in talks with Soviet Russia on Berlin and Germany, have been revealed on the eve of the resumption of discussions between Secretary Rusk and Soviet Ambassador Dobrynin. The differences came into the open following the "leaking" in Germany of proposals which the United States was said to be offering to the Russians. In the following article Dr. Robert Strausz-Hupe, director of the Foreign Policy Research Institute at the University of Pennsylvania, analyzes the changes in Western policy implicit in the "package" of reported American proposals.)

(By Dr. Robert Strausz-Hupe)

It stands to reason that, once our Government found it necessary to negotiate with the Soviets, a German settlement would have to incorporate certain compromises between the United States and Soviet points of view.

It is for this reason that General de Gaulle, who feels that the West stands in Berlin by right and should not give up its right, refused to participate in the negotiations with the Soviets.

How great are the concessions that the United States is now prepared to make to the Soviets in order to preserve the freedom of West Berlin? It appears that the United States is prepared to concede everything the Soviets have been asking for except Mr. Khrushchev's demand that West Berlin be declared a free city. To the best of my knowledge the State Department has not denied the authenticity of the proposal as reported by the Associated Press on April 13, although it has deplored its leakage.

For purposes of comparison, I have placed the reported American proposal and the official Russian proposals at the end.

What does the U.S. proposal, as reported, signify? To what extent does it depart from positions heretofore maintained by U.S. policy? Let us examine separately the numbered paragraphs of the Associated Press report:

1. The United States and its Western allies, confronted by Khrushchev's ultimatum on Berlin, insisted on the maintenance of the status of Berlin—all of Berlin—under joint Four Power administration, and the exclusion of all armed forces other than those of the Four Powers from the city of Berlin.

Their insistence was based on the Four-Power agreement concluded after the defeat of Germany. This agreement was breached first by the stationing of East German military forces in East Berlin, and second by the walling-in, in August 1961, of East Berlin.

The reported U.S. proposal accepts tacitly, hence implicity, the breach of the Four-Power agreement by the Soviet Union. It deals with the status of West Berlin and envisages the "creation of an international authority to operate all supply lines from West Germany to West Berlin."

Although the proposal, as reported, does not concede Premier Khrushchev's demand for the establishment of a "Free City of Berlin" (reminiscent of the Free City of Danzig), it does envisage the transfer of the access routes to West Berlin to an international authority which thus would exercise at least some indirect control over West Berlin.

The proposal as reported expressly envisages the de facto recognition of East Germany. Thus far, the Western allies have refused to recognize East Germany. One of the reasons for this refusal was the Western allies' insistence upon the direct responsibility of the Soviet Union for the status of Berlin and the Western access routes to Berlin. The Western Powers refused to concur in the proposal of the Soviet Union for transferring its responsibilities to the East German puppet government.

It is quite true that East German police have manned the checkpoints of the surface access routes. Yet the Western allies insisted that the East German officials were acting as mere agents of the Soviet Union and that the Soviet Union was responsible for their conduct. The U.S. proposal now envisages participation of the East Germans in the international authority and thus abandons the position previously held; namely, that the East German officials represented the Soviet Union rather than their own government.

### PARITY, AT 3 TO 1?

2. Ever since the establishment of the German Federal Republic it has been the declared policy of the United States to seek the unification of Germany under a freely elected government. Specifically, the Western allies demanded that free elections be held in all of Germany, and that the representatives thus chosen would deliberate on a constitution for all of Germany.

The Western allies always signified their opposition to negotiating reunification with the East German Government, or to West Germany entering into direct negotiations with East Germany on the establishment of an all-German state. By contrast, the Soviets always insisted that the future status of a united Germany should be left to direct negotiations between West and East Germany on a basis of parity.

Since West Germany is three times as populous as East Germany, a constituent assembly issuing from free and direct elections would be controlled, in all likelihood, by the democratic parties of West Germany and, most certainly, not by the Communist Party of East Germany.

To sidestep this contingency and to obtain, at the same time, the recognition by West Germany of their East German satellite, the Soviets have always insisted upon parity—one to one.

### ELECTIONS—HOW FREE?

Number 2 of the reported U.S. proposal contains no reference to how the committees of East and West German representatives are to be constituted. Moreover, it concedes the Soviet demand for direct negotiations between the German Federal Republic and the East German puppet government on German reunification. It does refer to "German unification through free elections," but it leaves the stipulation of the conditions under which these free elections will be held to the bipartite German committees.

The question must be asked here as to whether it is realistic to expect the East German representatives to agree to genuinely free elections which can result only in the extinction of the Communist Party in East Germany.

3. The "issuance of nonaggression agreements by NATO and Russia's Warsaw Pact group" is that one condition which the Soviets have advanced most consistently as a quid pro quo for their adherence to a German settlement and a "European security system."

Thus far, this ploy which equates an alliance of free states freely concluded with the Soviet-contrived and dominated Warsaw Pact of Communist-controlled satellite states has been rejected by the Western Powers.

### DISMANTLING NATO

The Atlantic Pact was concluded by free peoples agreed upon common defense against the Communist threat. Is it realistic to assume that the Parliaments of the NATO countries would keep on bearing the burden of mutual defense, once the United States has agreed to a nonaggression pact with Russia's Warsaw Pact group, presumably signifying the termination of that very emergency which brought NATO into being?

4. In the Soviet scheme for a European security system, the nonaggression pact between NATO and Russia's Warsaw Pact group has always been closely tied to "disengagement"; namely, the thinning out of Western and Soviet troops, respectively, stationed in Germany, and the creation of an atom-free zone in central Europe.

The purpose of this Soviet package deal is, in general, to undo the strategic arrangements of NATO and, in particular, to pry West Germany loose from NATO.

The wording of the proposed U.S. agreement seems inocuous. Yet, in fact, it undermines the position of the two major NATO powers upon the European Continent; namely, France and the German Federal Republic.

The Soviets are fully aware of the fact that French progress in nuclear technology should soon qualify France for the exchange of information on nuclear devices under the McMahon Act and admit France to the United States-British partnership in nuclear technology. The Soviets are also aware of the fact that neither the German Government nor the German public have asked the United States to arm the Bundeswehr with nuclear weapons. The West Germans know that NATO plans to employ nuclear weapons in the defense of West Germany if necessary, and believe that the West German military contribution to NATO justifies some share in NATO's strategy decisions. It is no wonder that West German public opinion expressed its chagrin at the U.S. offer to freeze the present distribution of nuclear power.

This proposal discriminates explicitly against France and implicitly against West Germany, and thus against the Franco-German entente which is the keystone of the European Common Market and the emergent unity of Europe.

Soviet policy has been unswerving in its purpose—the emasculation of NATO and specifically the neutralization of West Germany. Berlin constituted an opening into and escape hatch from the Iron Curtain. Khrushchev described it as a bone in his throat. In order to breathe freely, Khrushchev had to "remove the bone."

Yet Soviet pressure on Berlin did not only serve the immediate purpose, namely to seal off East Germany, but also aimed at a much bigger strategic stake; the residual "freedom" of Berlin, i.e., West Berlin was to serve as a lever with which to upset the entire NATO alliance.

In brief, the Soviets seek to use the Berlin crisis to alienate West Germany from NATO. Their psychological strategy has been to focus Western attention upon "free access" to West Berlin and to divert Western attention from the much more important issue of the cohesiveness of the NATO alliances. To be sure, the overwhelming majority of Americans stand behind their Government when it proposes to fight for the freedom of West Berlin. But only very few Americans are aware of the interrelationship between the Berlin issue and the strategic requirements of NATO. They would never permit knowingly that the freedom of West Berlin be bought at the price of the disintegration of the Western alliance.

### REVERSAL OF POLICY

Let us sum up: The Soviets have insisted first, upon the recognition of their German puppet government; second, upon direct negotiations between West Germany and East Germany on Germany's reunification; third, upon a nonaggression pact between NATO and their Warsaw Pact group, and fourth, the diminishment of the German Federal Republic role in NATO. The reported U.S. proposals appear to contain, but for some minor wrinkles, the substance of the Soviet conditions for a deal on Berlin.

Tacitly, the U.S. proposal would accept the partition of Berlin in violation of the Four-Power Agreement, and the status quo in Eastern Europe, i.e. the permanent domination of Poland, Czechoslovakia, Hungary, Rumania and Bulgaria by the Soviet Union, and thus closes the book on the liberation of the East European peoples.

As far as the United States is concerned, the proposal marks a radical reversal of policies. Should we conclude that Soviet nuclear blackmail and crisis-management have paid off?

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[From an Associated Press dispatch from Washington, Apr. 13]

### TWO PROPOSALS

#### REPORTED U.S. "PACKAGE"

1. Creation of an international authority to operate all supply lines from West Germany to West Berlin. The authority would include provision for participation by East Germans even though the West does not recognize the East German regime. Participation presumably could lead to a situation in which the Communists at least would consider that the West was extending practical recognition to East Germany.

2. Establishment of committees of East and West German representatives to deal with problems arising between the two parts of Germany and to promote closer contacts, looking toward eventual German unification through free elections.

3. Exchange of nonaggression declarations by NATO and Russia's Warsaw Pact group, coupled with pledges against border violations in Central Europe. This would have the effect of guaranteeing boundary lines within Germany and the boundaries between Germany and Poland, without changing the legal status of those lines. (The West has taken the position for years that final German-Polish boundaries can be fixed only in a German peace treaty).

4. An agreement among the nuclear powers, principally the United States and Russia, to prevent adoption of nuclear weapons by countries which do not now possess them.

#### OFFICIAL SOVIET POSITION

(Note.—From M. Gromyko's statement to Geneva Conference June 10, 1959, and Soviet memorandum to Western Ambassadors in Moscow, May 8, 1958.)

1. The Soviet Government could agree to the provisional maintenance of certain occupation rights of the Western Powers in West Berlin * * * for 1 year.

During that time the two German States would make arrangements for the establishment of an all-German committee composed of representatives of the German Democratic Republic and the Federal Republic of Germany, on a basis of parity (one to one).

The committee must * * * discuss and prepare concrete measures for the unification of Germany.

2. Striving to further the lessening of international tension, the Soviet Government considers that it would answer the interests of cessation of the "cold war" and the arms race to conclude in one or another form a pact (or agreement) on nonaggression between Member States of the North Atlantic Treaty and States taking part in the Warsaw Treaty.

3. Agreements among the Governments of the U.S.S.R., the United States of America, Great Britain, and France on the expediency of the creation of an atom-free zone in this region in Europe * * *. The powers whose armies are equipped with nuclear and rocket weapons, for their part would assume an obligation to respect the status of this zone.

## SIXTEENTH ANNIVERSARY OF DICTOGRAPH PRODUCTS, INC.

Mr. DODD. Mr. President, the Dictograph Products, Inc, of Danbury, Conn., is celebrating its 60th anniversary this year.

This company, which pioneered the development of electrical hearing aids, was founded by Dr. M. R. Hutchinson, the inventor of the first electrical hearing aid, the Acousticon, in 1902, and began commercial manufacturing the same year.

Recognition of the company's long service to the hard-of-hearing through the development and advancement of the electrical hearing aid comes at a time when some 15 million of our fellow citizens, or almost one in every ten, are affected by some degree of hearing loss. The significance of this is best understood when we realize that modern methods of communication depend more than ever before on good hearing.

Tremendous strides have been made in the past decade in the medical and surgical treatment of those with a hearing loss. Operations that were once considered too delicate and were almost abandoned have been repopularized due to increased knowledge and technical advances.

Equally important is the contribution the hearing aid industry has made to rehabilitation of our hard-of-hearing citizens through electrical sound transmitting devices. When rehabilitated through the use of a hearing aid the actual physical loss still remains, just as it does with impaired vision corrected by eyeglasses, but the simple mechanical correction largely eliminates any physical or emotional handicap. A statistical summary published in a 1957 report by the Department of Health, Education, and Welfare shows the economic worth of auditory rehabilitation. The report states that 2,500 hard-of-hearing workers earned $1,610,000 before rehabilitation. During the first year thereafter, their income jumped to $5,634,000, an increase of 253 percent.

Dr. Hutchinson, who later became an associate and the personal representative of Thomas Edison, received worldwide recognition and many honors. Among his awards was one bestowed upon him by Queen Alexandra of England, the Reward of Merit for Scientific Investigation and Invention. Other awards the company has received since then include the Universal Exposition Medal, the Grand Prix Gold Medal Hors Concours, the Gold Medal Louisiana Purchase Exposition, the Grand Prix de Paris, and the Diplome Bruxelles Exposition Universelle et Internationale.

The awards reflect the technical advances that Dictograph Products, Inc., has helped to pioneer throughout the years. The earliest electrical hearing aid was a large and heavy device, almost the size of some of today's portable television sets. Shortly before 1930 hearing devices were made smaller through the use of vacuum tubes. The transistor replaced the heavier and less efficient vacuum tube and the modern, miniaturized hearing aid that could be worn in the ear, behind the ear, and in the frames of eyeglasses came into being.

Dr. Hutchinson invented other devices which have had great significance. His development of internal communications system has aided the growth and development of millions of small and large businesses throughout the United States and the world. Today Dictograph systems are used by many of America's leading companies, by military installations, and by Government agencies such as the Pentagon, Federal Bureau of Investigation, Atomic Energy Commission, and the Central Intelligence Agency to speed the interchange of information.

Dictograph also manufactures fire-alarm systems for the home and industry.

Under the leadership of Mr. Peter M. Moffitt, president, the company continues in its role of pioneer through an unceasing program of research and development aimed at the further perfection of its products.

It is most appropriate that we give recognition to this company on its 60th anniversary.

## FEDERAL DEFICIT SPENDING

Mr. BYRD of Virginia. Mr. President, the Wall Street Journal of Monday, June 18, 1962, on its front page, published a timely article by George Shea on what to expect from Federal deficit financing.

Mr. Shea's presentation is clear and well written, and it is extremely appropriate at this time when unsound ideas with respect to financing the Federal Government are being so highly publicized.

It would be well if this article could be read by all responsible citizens, in Congress and out. For this reason I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

The Kennedy administration seems to have started to try to teach the public that Federal budget deficits are virtuous rather than evil. It is true that such deficits can have different effects under different circumstances, but their tendency is always ultimately to reduce the value of the currency.

The ideas the administration is currently trying to teach are a long way from those held while this country was built. Twice in the 19th century our Federal Government succeeded in paying off completely debts which it had incurred during periods of crisis. And while the more than $25 billion borrowed during World War I was never fully paid off, it was reduced by about $10 billion in the following decade. Even after World War II the debt was reduced for a while, from $278 billion in 1946 to $249 billion in 1949, though it has now grown to a new high of about $295 billion.

The active campaign in favor of deficits began about one generation ago, and at first it was confined to the so-called compensatory theory, according to which deficits in times of poor business were to be offset by surpluses in times of good business. This marked the first departure from the old idea of trying to pay off the debt, in that it assumed the deficits would merely be offset in the good years, with no net reduction in the debt.

The next step is now being taken. The other day Budget Director Bell made a speech in which he questioned the belief that the budget should be balanced over the full business cycle. He said this standard is "clearly inadequate" when the recoveries don't bring full employment or full use of industrial capacity. He went on to suggest that the unemployment rate should be the guide to whether the budget should be balanced or not. Presumably, if the jobless number more than 4 percent of the labor force—4 percent being the administration's goal—the budget should be in the red.

The reason there is so much argument over whether budget deficits are really inflationary is that over short periods of time deficits may have little or no effect on prices. The general condition of the economic system, and the manner in which the deficit is financed, both affect the results strongly.

The financing of a deficit can be done in only two ways. Either it is financed out of savings, or it is financed out of bank credit. It is financed out of savings if the Government covers it by issuing bonds which are sold to individuals or to businesses other than commercial banks. Such buyers normally get the money to buy the bonds out of their own earnings or savings. No change in the money supply results. The same amount of money that goes to Uncle Sam from the bond buyers is then spent by him and goes back into circulation.

But when the bonds are sold to commercial banks, the banks enter on their books a deposit which didn't exist before, in the name of Uncle Sam. As he spends this deposit, the Nation's money supply tends to rise.

However, whether it actually rises depends on circumstances. In the 1930's the Nation's total private and governmental debt declined $8 billion though the Federal debt increased by $26 billion or 150 percent. Private borrowers not only used the Federal red-ink payments they received to cut down their own debts, but they saved enough through their own efforts to cut their debts $8 billion more. Debt repayments tend to hold down the money supply.

That experience illustrates two kinds of circumstances under which Federal deficits produce no visible inflation. One is the situation where the public uses the Federal red-ink money, as just stated, to pay off its own debts. The other is the situation where economic activity is so far below capacity that supplies of workers and goods continue to exceed demand in spite of the Federal spending. How far below capacity the Nation worked in the 1930's is made clear by the fact that in no year of that decade did unemployment fall below 14 percent of the labor force, contrasted with 5.4 percent today.

Another circumstance in which the effects of red ink are concealed is, curiously enough, the one where all resources are fully engaged in production, as during World War II. Because every employable person is employed, no added employment can be stimulated no matter how fast the Federal red ink is poured out. The activities for which the deficits pay merely replace other activities. But in order to keep the effects of the deficits from showing up plainly, the Government must forcibly suppress the civilian production which is replaced by war production; and it must suppress demand by rationing.

In such a situation, the cash savings of the people grow hugely because their money incomes continue but they have less and less on which to spend the money. During World War II, financial savings by individuals totaled $30 billion to $40 billion a year, three to four times the postwar average of $10 billion a year. And such an enormous accumulation has its inevitable effect sooner or later; it helped finance the postwar boom in production and consumption, and also in prices.

It is after experiences such as these, in which the effects are concealed, delayed or actually enjoyed, that the critical stage begins to approach. Conditions resembling, in small degree at first, those of the 1930's return. Capacity exceeds current effective demand, and deficits have less and less visible effect.

That is when the idea of operating with even more deficits even more often begins to be recommended by growing numbers of people. Our governmental teachers begin to say it would be "sophisticated" to gauge the desired size of each year's deficit by the rate of unemployment.

The problem is that even if the people of a nation can be sold such sophisticated euphemisms, foreigners can't. And once foreigners lose confidence in a currency, they can pretty well refuse to deal with the nation. Then, about the only possible outcome is a devaluation, because usually the austerity measures needed to restore the Government's credit are politically impossible except after the shock of devaluation. Today the world freely discusses the possibility of devaluation of the U.S. dollar, although the majority opinion still seems to be it won't come.

George Shea.

## A PEACE PRODUCTION BOARD

Mr. JAVITS. Mr. President, over the past months the New York Times has devoted considerable space in its editorial, news and magazine sections to an enlightened discussion of the problems of labor-management-government cooperation in the national interest. Perhaps the best statement of the context within which these problems must be solved was given by A. A. Berle, Jr., in the April 29 issue of the New York Times magazine:

> There is an economic community of the United States in which all of the United States has a stake; within that community the economic power both of big labor and of corporate management exists under an unwritten social contract, holding both to certain responsibilities as well as granting both the privileges that make this power possible; [and] under this social contract the Government can—and perhaps must—intervene when economic power in private hands threatens the economic community of the United States.

It is becoming increasingly clear that some mechanism must be devised so that the social contract, within which labor and management must meet the national interest as represented by Government, can be more clearly defined and successfully implemented. The tolerances in the U.S. economy for excessive wage and price increases and for industrial strife have narrowed greatly over the past 4 years because of accelerated international competition, our imbalance of international payments and the mounting strains of the cold war. We cannot afford to move from industrial crisis to industrial crisis, with the Government cajoling here and threatening there, according to the exigencies of the moment, and thereby alienating the business community and undermining its confidence, and that of labor considering the great tasks facing our Nation.

For all his brilliance and experience, our Secretary of Labor is not a permanent mechanism designed to assure industrial peace and economic progress. Neither does the President's Advisory Committee on Labor-Management Policy have the statutory base, the staff and the clearly defined policy base needed to serve as such a mechanism.

The New York Times editorial of June 20 states that the current threat of an airline strike "has demonstrated again the need for more orderly machinery to resolve such conflicts without these eternal experiments in brinkmanship. This is a task in which leaders of Government, industry, and labor should pool their ideas in time for the consideration of legislation at this session of Congress."

Mr. President, I could not agree more with these words and ask unanimous consent to have the editorial inserted in the Record at the conclusion of my remarks.

I would like to call the attention of my colleagues once again to a bill, S. 2204, the Peace Production Act of 1961, which I introduced and which could well serve as a focus for active consideration of the kind of mechanism for labor-management-government cooperation which this Nation so urgently needs. It is ready to serve as a catalyst for the active consideration of such a solution and, in combination with its predecessor bills which I introduced over the past two years, it has been receiving some attention from leaders in the industrial and academic communities. I very much hope that this bill can be made the subject of hearings during this session of the Congress so that the ideas and experiences of the leaders of and thinkers in our economy can be brought together to concentrate on problems of labor-management-government cooperation.

I ask unanimous consent that the editorial be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

### Airline Strike Truce

The "Perils of Pauline" never had a more cliff-hanging climax than has attended Secretary of Labor Goldberg's effort to stave off the threatened strike of flight engineers against Trans World Airlines. The nature of the dispute, with its intertwining of issues of technological progress, union jurisdiction and emotion, always made it illogical to expect a rational solution through the grounding of planes. A walkout would have inflicted senseless hardship on air travelers and shippers of air freight, not to mention an airline industry that is none to healthy. Furthermore, the entire labor movement would have suffered if the end result of the interunion battle for control of the third seat in the cockpit of jet planes had been a tieup of such dimensions that the President felt obligated to seek new legislative remedies against the abuse of union power.

The energy and ingenuity exhibited by Secretary Goldberg and his associates—Under Secretary Wirtz, Francis A. O'Neill, Jr., of the National Mediation Board and Prof. Nathan P. Feinsinger of the Wisconsin Law School—have thus far spared the Nation a crippling new seige of purposeless strife. The whole episode has demonstrated again the need for more orderly machinery to resolve such conflicts without these eternal experiments in brinkmanship. This is a task in which leaders of Government, industry and labor should pool their ideas in time for the consideration of legislation at this session of Congress. The President's Advisory Committee on Labor-Management Policy already has made a start in this direction, but its ideas are far from definitive. A more comprehensive formulation with broader support by employers, unions and public representatives is badly needed.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. SMATHERS. Mr. President, if there is no further morning business, I ask that the Chair lay before the Senate the unfinished business.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed, and the Chair lays before the Senate the unfinished business.

Without objection, the Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

## CALL OF THE ROLL

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 96 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Bennett
Boggs
Burdick
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case, N.J.
Case, S. Dak.
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Dworshak
Ellender
Engle
Ervin
Fulbright
Gore
Gruening
Hart
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
Metcalf
Miller
Monroney
Morse
Morton
Mundt
Murphy
Muskie
Neuberger
Pell
Prouty
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. Bible], the Senator from Mississippi [Mr. Eastland], the Senator from Indiana [Mr. Hartke], the Senator from Hawaii [Mr. Long], the Senator from Wyoming [Mr. McGee], the Senator from Michigan [Mr. McNamara], the Senator from Utah [Mr. Moss] and the Senator from Rhode Island [Mr. Pastore], are absent on official business.

I further announce that the Senator from Colorado [Mr. Carroll], the Senator from New Mexico [Mr. Chavez], and the Senator from Missouri [Mr. LONG] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Kansas [Mr. PEARSON] are necessarily absent.

The Senator from Hawaii [Mr. FONG] is absent on official business.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). A quorum is present.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Mr. President, the matter of how the international communications satellite system is to operate and how it will be owned is a question of paramount importance to the American people and to the world. This is our opportunity to take the lead in developing a satellite system which will give us and the other nations of the world a chance to know one another better, to understand one another's problems, and to communicate in various ways more rapidly and more efficiently and thoroughly. It is important in the interest of peace and understanding among the peoples of the world.

If we fail in this effort, we will fail to utilize a great technical breakthrough which is of importance to the future of our Nation and the future of other nations.

This does not relate merely to a cable to the sky, as some of the international communications carriers witnesses have described it. The testimony is that the many uses of a space communication satellite system are not even known or appreciated at the present time. It will, of course, carry voice signals from one country to another, and between points in individual countries, as well as television information and factual data information. It will be important in learning about weather conditions around the world. Shipping and airplane navigation information will be made available, and it will be important in many other ways in which the people of this country and of other countries and governments are interested.

The Government of the United States will, of course, be the principal user of the international communications satellite system. It is contemplated that it will be used in the newly developing nations of the world. In that way they will get to know us better, and we will get to understand their problems better.

Mr. President, this is one of the remarkable breakthroughs of all time. This great breakthrough has been made possible by the remarkable research and development which has been paid for by the taxpayers of the United States. The taxpayers of the United States have, to date, for space communications satellites alone, directly appropriated $500 million, which accounts for more than 90 percent of all the research and development that has been done. In addition to that, the United States has been spending billions of dollars on rockets, carriers, and missiles, all of which are necessary in order to put a communications satellite into orbit.

The American taxpayers have a big stake in how the system is going to be operated and developed, who is to control it, and what returns the taxpayers of the United States will get.

Under the pending bill the taxpayers of the United States will get no direct financial return for the tremendous investment they have made or will make in the days to come. So far as they are concerned—and I do not wish to question anyone's motives or good will in the matter—this is practically a complete giveaway of one of the most important and valuable assets that has ever been developed by the scientists and technicians of the United States, without any commensurate return to them whatever, or practically no return.

The only way any taxpayers will have to get back anything will be by buying shares of stock at $100 of the one-half of the shares of stock of the corporation which will be set aside for the public. Individuals and corporations are authorized to buy up to 10 percent of the shares of the corporation, or 20 percent of that set aside for the public.

The taxpayers of the United States are certainly not coexistent with the people who buy stock. We know that not any substantial proportion of the taxpayers who have made possible this great discovery and development will ever buy a share of stock. We know that many people do not buy stock. Many taxpayers will not be able to afford a $100 share of stock. There is no method set out in the bill for the distribution of the stock, to make certain that any of it gets to individuals. I assume it will be distributed through the brokerage houses, as is usually the case with a new issue.

That means that their clients, who are trust companies, banks, insurance companies, and large corporations, will be given preference in the procurement of the stock. Furthermore there is no requirement as to how much stock is to be authorized and issued and made available to the public under the bill. The original issue might be a very small amount, perhaps $1 million; and the right of the public to buy any of the stock applies only to the original issue not to any subsequent issues, and not to bonds, preferred stock, debentures, or any of the other different kinds of certificates of indebtedness or stocks or bonds that might be issued by the corporation.

Therefore, so far as I am concerned, the pending proposal is for a pure giveaway of the taxpayers' development, for which they are not going to receive back anything of substance. This gift will be very very valuable. There is no doubt about it. The Hughes witnesses have testified that one satellite containing 1,200 channels will be a profitable operation when it reaches the use of 40 channels. It is expected that the whole 1,200 will be used. The eagerness with which the carriers have fought for the possession of this facility shows the value of it. It has even been estimated by one witness before the ad hoc committee that it might, in a short time, produce revenue of $100 billion a year. In any event, it will have a large revenue. Why should not the taxpayers directly, or the Government, get some benefit back from this highly profitable investment?

Soon the Senate will be called upon to raise the limit of the national debt. I am surprised that so many who are concerned about the increasing national debt would not be looking for an opportunity to let the Government participate in an investment from which it can get some money back to reduce the national debt.

There are many gimmicks, all of which favor the carriers. It is said that the carriers will have set aside for them one-half of the stock, and that they will have the right to elect 6 of the 15 directors. That is a provision in the bill. But apparently the carriers were very careful, to insist that there be no requirement that they buy the half of the stock to be set aside for them. So far as the bill is concerned, they could buy $100 worth of the stock to be set aside for them and still have the right to elect six directors. That is not fair; it is slanted; it is loaded toward favoring the international carriers. That is what the bill does. The bill is a one-way street. The President will help. He will do various things for the corporation. But there is no reciprocation as to what the corporation will do for the President.

It is provided that NASA shall do research for the corporation; NASA shall help the corporation; NASA shall put the missiles into orbit. But no reciprocation is provided as to what the corporation will do for NASA.

The State Department, when called upon, will negotiate agreements with other nations. But no reciprocation is provided as to what the corporation will do for the State Department.

The bill is loaded from the beginning to end to provide giveaway to and control by the communications carriers without any reciprocation to the Government or Government agencies.

How has all this happened? It has happened because the project got off to a bad start. In December 1960, when there was some discussion about what to do with this remarkable new development, a very simple thing happened. The Federal Communications Commission decided it would try to determine who should own and control this remarkable facility. So whom did they appoint to make the recommendation or decision? They appointed the international communications carriers themselves. It was not necessary to ask those carriers what they would recommend to be done with the facility. Anyone would know that if the people who wanted to be the beneficiaries were asked what to do with such a facility, they would say, "Give it to us." That is exactly what happened.

I hope Senators will read the illuminating speech of the learned Senator from Louisiana [Mr. LONG], which he made, beginning last Friday. It is the finest analysis of the bill and of its weaknesses that I have seen. The Senator from Louisiana has given the subject much study. His speech ought to be considered. He illustrated the passing on this proposal by the FCC in a way which everyone could understand, and I hope the American people will benefit from it. He said the method was the same as that involved in selecting a fox to decide the kind of care that should be taken of chickens. That is exactly what happened in this instance: the foxes were put in charge of the henhouse.

It did not take the communications carriers long to say, "Give it to us." The carriers sold the Federal Communications Commission the idea that the facility should be given to them.

I wish to make it clear that in many important respects the bill does not meet the guidelines established by the President as to requirements. The bill should not be called the administration's bill or the President's bill, because it departs in many important respects from the President's recommendations to Congress. The guidelines set forth by the President are the minimum for the protection of the public interest. They have been drastically shortened and whittled away, and not followed. For example, even the power of the President himself has been reduced. The power of the State Department was originally to negotiate and supervise. Now the only provision with respect to the State Department is that the Department must be kept informed and be ready to assist if called upon by the corporation.

This will be the first time in the history of our Nation that the sovereign right of the U.S. Government to negotiate in the important field of international affairs with other nations, which own their own communications systems, will have been delegated to a private corporation. That will be a catastrophe; it will not work.

If anyone thinks that a private corporation will be able to make treaties and executive agreements of a dignity requiring ratification by the U.S. Senate, he does not know the history of this Nation. Only the U.S. Government is in a position to negotiate with other nations for the establishment of an international satellite system, at least until our system can be started; until we get ahead; until we can arrange agreements with other nations; until we can see what it is worth; until we can have some estimate of the value of this great asset which it is proposed to give away, and which may be worth $100 billion. Perhaps the national debt could be reduced substantially by revenue from this new facility. At least, until that time comes, the Government ought to keep control of this important development. All the testimony is to the effect that everything that can be done toward research and development concerning this important satellite and the building of rockets is proceeding at full steam. No harm would come from a delay. For instance, one witness for Western Union said that all that the proposed corporation could do would be to sit on its hands for a year; he said that it could not do anything that is not already being done.

Furthermore, Mr. President, we have pointed out—and I shall do so again—that this proposal runs directly contrary to the long-established policy of the Government regarding competition between competitive carriers. For more than 100 years the debates and policy decisions by Congress and the policy decisions by the administrations have been to the effect that one form of competing carrier should not have control of the others. The soundness of that policy is obvious, for if a commission of railroads had been appointed—in much the same way as the ad hoc committee of international carriers has been appointed by the FCC—at the beginning of this century to determine what should be done with the airlines, naturally the decision would have been to let the railroads run the airlines; but in that event, no doubt, the airlines would not have been developed as rapidly as they have been. In short, certainly the airlines should not be run by the railroads, nor should the airlines be allowed to run the railroads. In other words, one form of transportation should not be allowed to determine what development should be made of another form of transportation. That is also true of water transportation and all the others. All of us realize that limitations to preserve competition have been imposed even in connection with the Panama Canal.

But in this case the companies which already have established cables and radio communications across the seas, and have made large investments in that connection, would be allowed, by means of the bill, to form a great consortium—which would be directly in violation of the antitrust laws, were it not for this bill—to establish and run a satellite communication system which of course will be in competition with the facilities those companies now have, and will constitute a better facility. Therefore, Mr. President, what incentive would there really be for A.T. & T. to develop a great international satellite communication system if it would make obsolete the vast investment A.T. & T. now has in cables? The same question may be asked in regard to RCA and the other international communication carriers.

No, Mr. President, there would be no incentive for the existing carriers to develop the new system. After all, we must consider the facts of human nature. The railroads do not have the proper incentive to develop the airlines; and the result of the enactment of this bill would be that once again we would be caught in a second-class or third-class position—as we were on another unfortunate occasion.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield for a question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. KEFAUVER. I am glad to yield.

Mr. LONG of Louisiana. What does the Senator from Tennessee thank would happen if an inventor called on the Standard Oil Co. of New Jersey or any other great oil company and presented to it a patent which he had obtained for a new carburetor which would cause an automobile to travel 10 times as far as it presently goes on a single gallon of gasoline? Does the Senator think such a corporation should be expected to cheer for it and undertake to put it into operation at the earliest possible moment?

Mr. KEFAUVER. Of course not. It is obvious that the company would bury it as far underground as it possibly could.

Mr. LONG of Louisiana. In that event, would it not seem likely that the company would even go so far as to close the door to the office, tear up the blueprints of the invention, and throw the inventor out of the office?

Mr. KEFAUVER. Well, that has happened before, as the Senator from Louisiana knows. Even though a company has had great technological improvements in its hands, yet because the company did not want its existing equipment to be made obsolete, it did not bring out the new improvements. The A.T. & T. has done that. In the hearings held before the subcommittee headed by the Senator from Louisiana, some 25 pages of testimony are devoted to a description of new technological developments in connection with telephones and other equipment which were held off the market for a long, long time.

Mr. LONG of Louisiana. Did not the very company which would have the dominant position in connection with the satellite communication system retard the development of the dial telephone system?

Mr. KEFAUVER. Yes, and also the French telephone.

Mr. LONG of Louisiana. Yes, that company also held that back for a long time. Can the Senator from Tennessee tell me why it might have been to the advantage of that company to do that?

Mr. KEFAUVER. It was to its advantage to do that for the same reason that it would be to its advantage to retard the development of a really effective international communication satellite system—because it had the other system in use and wished to get the maximum use and benefit from it before it developed something better. That is only human nature, after all.

Already we see the A.T. & T. and some of the other companies calling the new system "only another cable, a cable to the sky." They dare not talk about the great benefits which it would give mankind. The ones not connected with the companies whose equipment would be made obsolete are the ones who see the very great benefits which can come to the world from this new system.

After all, the development of the new system involves a situation similar to that in connection with the development of atomic energy, which has very great future possibilities in terms of fuel, energy, and heat. I do not know what would have happened to the development of atomic energy if that work had been turned over to the very fine people in the oil business and the electrical business. I do not think they would have wanted to develop it as rapidly as possible in order to make a cheap source of fuel readily available.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield again to me?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. KEFAUVER. I yield.

Mr. LONG of Louisiana. Does not the provision of the bill authorizing the existing communications carriers to own stock in the new corporation provide them with a method by which they could get together in the same room and, in addition to discussing the business of the new corporation, perhaps also could discuss how they might be able to conspire to keep high the rates for international telephone service and other services?

Mr. KEFAUVER. Yes; the bill provides them with a built-in method by which they would have an opportunity to enter into predatory agreements and practices to stifle competition in many, many ways. I do not wish to point a finger at any particular one and say he would do it; but all of us know that in connection with the administration of the antitrust laws, the Department of Justice is most particular in endeavoring to prevent the officials of these various companies from getting together for any business purpose. It does that on the theory that in that event, other matters would be discussed by them.

So the Senator from Louisiana is quite correct in suggesting that the bill provides a built-in opportunity for conspiracy and other price-fixing practices.

Mr. LONG of Louisiana. I thank the Senator from Tennessee.

Mr. KEFAUVER. I thank the Senator from Louisiana for his questions.

Mr. President, it seems to me very unusual that printed copies of the hearings held by the Space Committee, the Commerce Committee, and the other committees which have held lengthy hearings in connection with this matter, do not seem to be available and on the desks of Senators. This subject is a very complicated one; and it is very difficult to follow the testimony which the witnesses have given, when we do not have the hearings available. I do not know the reason for that; it is a very unusual situation.

But, Mr. President, the Senator from Louisiana pointed out that various companies, including the A.T. & T., have purposely held off the market improved technological developments. Judge Lee Loevinger, head of the Antitrust Section of the Department of Justice, testified at great length about this matter. His testimony begins on page 34 of the hearings, and continues for approximately 25 pages. He discussed case after case in which that happened. That testimony was given by him before the subcommittee headed by the Senator from Louisiana [Mr. LONG]; it is the Monopoly Subcommittee of the Senate Small Business Committee. In his testimony, Judge Loevinger cited fact and example; and I have followed the testimony given at the hearings, and I have not heard any denial that such practices have been followed by the A.T. & T. and the other companies mentioned by Judge Loevinger.

At one point in his testimony at the hearings, Judge Loevinger said:

> Actually, our experience in the RCA-General Electric-A.T. & T. division-of-fields agreement is that this was a substantial impediment to inventiveness, to the development of new devices and to the fullest exploitation of American research and ingenuity.
>
> Personally, I have a suspicion that at least part of the tardiness of this country in developing the control systems and the techniques for space technology in relation to Russia is due to the fact that such agreements have hobbled American industry and that we have not gotten the best benefits out of our competitive system by permitting free competition between our best scientists and our best laboratories.

He goes on to cite case and example.

Mr. Katzenbach, Deputy Attorney General, testified before the Aeronautical and Space Sciences Committee in connection with the same matter. Let us see what Mr. Katzenbach said, as appears on page 412 of the hearings before the committee:

> Mr. KATZENBACH. Before that, sir, where you said I had said this was their purpose. I didn't want to be in the position of putting any kind of motivation of that kind upon any witness that testified before this committee.
>
> The CHAIRMAN (reading back Mr. Katzenbach's testimony): "A corporation owned and controlled entirely by existing communications companies, with their vast investment in present equipment, unavoidably has a possible motivation to lag in the development and actual use of means for making their present equipment obsolete."

Then he went on to describe this in more detail:

> Mr. KATZENBACH. Yes, sir; and I will stand by that statement. I think it unavoidably does have a possible motivation. I don't see how this can be avoided. That is what I meant by unavoidable.

There is another important matter about the question of obsolescence. The A.T. & T., by its Telstar and its establishing ground stations costing millions of dollars, one of which was erected in Maine by A.T. & T. and one in New Jersey by I.T. & T., I believe, by the testimony of its witnesses before the Federal Communication Commission, by its plans such as have been announced by alumni of the A.T. & T. who are working in agencies of the Government, is making an effort, in pursuance of conditions set out in the bill, to be committed to the low orbit Telstar type of satellite, which will have an orbit of about 6,000 miles.

It means that between here and Europe 40 satellites would be sent up, which would be going around the earth in fast orbit. In order to have a world system, they would have to have 240 or more satellites.

It means also, Mr. President, those who sent up the satellites would have to build the most expensive type of ground stations, costing at the present time at least $15 million, in order to "catch" a satellite when it comes within reach, follow it for 10 or 15 minutes, have some method for letting the other nations of the world know we "had" the satellite at that particular time, then tracing back and "catching" another one, with all the problems of letting people in Ghana, for example, or people in a nation in South America or in Asia, know which satellite we were on at a particular time.

In many respects, even to a layman, it would appear that this is not going to be the ultimate system.

The most thoughtful witnesses who have testified before the various committees say that is not going to be the ultimate system. As a matter of fact, General Sarnoff, of RCA, said that by the time they got that system built, it would be obsolete. They know it. It is never going to be the international satellite system, because it is too expensive, not feasible, and will not do the job.

All the thoughtful witnesses have testified that the system that will do the job will be the syncom system, which will be the one with a satellite in orbit at 22,300 miles, rotating around the earth at the same relative speed, so that the relative position of each will be fixed, and so that one satellite will cover 90 percent of the communications systems of the world, and three satellites will cover the entire world.

This system, it is reported, is what the Soviet Union is working on. The Japanese have said they expect to broadcast the Olympics in 1964 by a communications satellite system.

A great many witnesses, particularly those from Hughes, where they have been working on a high orbit system, syncom, have testified that they have made Mark I, and now have a contract with NASA for Mark II. They have said that in a little more than a year they can perfect the system. We have the rockets to put them in orbit. The satellites will have 1,200 channels. The ground stations will not cost anything like what it will cost for the other system.

Mr. President, suppose this bill passed and a corporation under the dominance of A.T. & T. and other companies became committed to the low altitude system, the agencies of Government having pushed in that direction, the high altitude system having been disparaged, as it has been by some alumni of those companies now in Government agencies. It will take a tremendous investment to have 240 satellites in low orbit. Not only would there be a tremendous investment, but a waste of the rocket power of the United States.

Then assume it developed, as it will develop, that the Soviets had a syncom system. Where would that leave us? It would leave us at the bottom again. We would have failed to take advantage of the breakthrough and the technical advancement and the fact that we are ahead today.

Mr. President, logically, does anyone think that the companies would abandon all the investments they have spent so much money on for a low altitude system, without getting their money out of it? There is nothing in the bill to provide that the Government has the right to force them to go to another system. There is fuzzy language about the Federal Communications Commission having jurisdiction over technical aspects of the system. "Technical aspects" does not mean the system itself. So the Federal Government at least should retain the right to determine what kind of system it will be. That is why this question is so important. It is important that not once again we be second or third, which is what we will be if we allow the corporations that have no public interest, but which are interested in saving and securing their own investments, to be in control of this great new development.

Mr. President, the regulator in the public interest of many aspects of the program, under the terms of the bill, would be the Federal Communications Commission. The Commissioners are fine men. I do not wish to disparge them or their employees, many of whom are quite devoted. The Federal Communications Commission, however, in the 28 years of its existence, has never regulated the A.T. & T. It has never carried through a rate case domestically.

Unless there is something which it has done recently, in asking for some papers, it has never undertaken to regulate A.T. & T. or any other carrier on international or across-the-ocean rates.

It has never shown the spirit to regulate.

These deficiencies are admitted by the Commission.

The Commission has allowed A.T. & T. and the other corporations to buy from wholly owned subsidiaries the hardware or the fixtures which go into their operations without ever making a cost study as to whether the parent company was paying the subsidiary a reasonable or an excessive price.

Why should we expect to have regulation in the public interest, after a record of this kind? It is true that we will not get it. If the Commission cannot determine what a domestic rate ought to be, how can it determine what a satellite communication rate ought to be?

Mr. President, this is not the kind of regulation we should have if this program is to be a success.

There is another important aspect of the bill. I am concerned about the little suppliers of hardware, the little manufacturing plants which manufacture electrical equipment. The only protection they will get is what the FCC might give them.

There is some general language in the bill that there is supposed to be a promoting of competition in the supplying of materials, and that there might be competitive bidding, if it is thought desirable. Competitive bidding is possible now, but the FCC has never forced any communications carrier to use competitive bidding. The FCC admits it is not an antitrust agency. It has no expertise in regard to protecting small manufacturers. It has no enforcement agency for the enforcement of the antitrust laws.

We should know, now, that unless the little manufacturer becomes a subsidiary of one of the large international carriers he will not get any of this business. There will not be any business for the little manufacturers. That is not right.

Mr. President, I think it is important that we realize another thing that is sought to be done. These companies could not form such a consortium without exemption from the antitrust laws. The bill would carve out a great chunk from the antitrust laws, so far as the communications systems are concerned, to permit them to do what otherwise they could not do under the antitrust laws. That is not a healthy thing. We have a hard enough time enforcing the antitrust laws. We have a hard enough time getting competition, without having the Government itself making it possible for a big monopoly involving this very important communications field. That matter needs to be restudied and thought over. It involves foreign affairs. It involves the United Nations. It involves international agreements. It ought to be thought about from top to bottom. It ought to be studied by the Committee on Foreign Relations.

I think the public generally is entitled to have more information about what is proposed. There has been precious little published in the news media. I am not blaming anybody for that. I know the good gentlemen and ladies of the press, radio, and television media have presented their stories, but somehow or other not very much gets into print or into the news media about the objections to this monstrous bill. I think the public needs to know more about it. The public needs to know it is proposed to give away the biggest asset I have ever known to be given away in the history of the United States, and the Government is not going to get anything back from the giveaway.

The public needs to know that this is the way to be sure not to get ahead in the space communications satellite field. The public needs to know that, if we wish to have an international communications satellite carrier, this is the best way not to get it. The public also needs to know that this would violate the historical principles of Government, by allowing companies to join together when they ought to be competing with one another in the same field.

The communications systems of most nations of the world are governmentally owned and, with the exception of the United States, experimentation in the field of communications for our earth satellites is being undertaken by governmental agencies exclusively. It is only reasonable to assume that some consideration should be given to the role which the United Nations might eventually play in connection with the satellite communications system. It is entirely fitting that the President should consider what role the United Nations might eventually play, and it is altogether fitting that language to that effect be included in the bill creating the agency which would own and operate the U.S. portion of a satellite system.

Mr. President, I object to the deletion of the language relating to a consideration of the role of the United Nations in worldwide communications. If there is any danger that the wording of the original bill would prove offensive to the United Nations, or to any of the member nations, then the language could be changed in order to avoid any misunderstanding. It is by no means the intention of the President of the United States, I feel sure, to try to tell the United Nations what its role should be. But there is every reason to suppose that this Nation can only gain through any cooperation among nations of the world which we can stimulate or encourage. The fact that the United States is currently negotiating with the Soviet Union in an effort to achieve better working international relations with regard to communications satellite problems, as well as problems relating to weather satellites and the use of both satellites for mapping and oceanographic services, is a further indication of the necessity for such considerations.

There is a further provision in the section relating to the powers of the President which deserves comment at this time. Subsection (a)(6) of section 201 provides that the President shall take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet the unique governmental needs. Some of the implications of the language in this section are pointed out in the minority views in the report accompanying this bill, as it was reported by the Commerce Committee prepared by the Senator from Texas [Mr. YARBOROUGH] and the Senator from Alaska [Mr. BARTLETT]. The comments on this section in the minority views expressed by the Senator from Texas and the Senator from Alaska can be found on page 55 of the report. I commend them to all Members of the Senate.

Mr. President, the Government will be the principal user of this service. In my opinion, language was put in the bill to insure that the Government use would be at high commercial rates under the satellite system of the corporation.

Not only is the Government asked to give away the satellite communications system, to give away that which the taxpayers will pay for, but also the Government is to get no preference, no reduced rates, no consideration whatsoever in regard to the hundreds of millions of dollars worth of messages the Government must send internationally across the oceans everywhere.

Mr. Ed Murrow appeared before one of the committees. He said that the rates which are to be charged would be prohibitive for the use by the USIA, and that there ought to be some preference given to the Government, so that their Agency could communicate with people as well as with representatives of USIA in the other nations of the world, particularly in the underdeveloped nations.

No, Mr. President, the whole thing is to be given away, and nothing is to be given back, not even a preferential rate.

The bill also would try to discourage the Government from using for its own purposes, for ordinary messages, any military satellite which in the future might be placed in orbit and have used capacity.

It is desirable that the President take all necessary steps to insure that the facilities of a commercial satellite system be available to the Government to meet its needs. The Government is one of the largest users of our existing communications facilities, both domestic and international. The Government will, of course, be one of the principal users, if not the largest single user, of the communications facilities provided by an operational satellite system. In the case of a satellite communications system, it is even more appropriate that the facilities be available to the Government since the Government has financed virtually all of the research and development which has made such a system possible, and it ought in any event to be given a reduced rate.

As I have said, that portion of the language which relates to making the satellite system available to the Government is fine, but now let us look at the rest of the language in this section. The President shall take all necessary steps to insure the appropriate utilization of the commercial system for such governmental purposes as do not require a separate communications system to meet unique governmental needs. Obviously, this covers most of the governmental communications needs.

The only exception to this category would probably be classified military information. In some instances unique governmental needs might include coded material where a satellite system normally used for commercial purposes would be inadequate, or for certain governmental needs antijamming equipment might be necessary in a satellite system. Except for these limitations, however, it is difficult to conceive of many communications needs which would fall outside the class described by this section. What this apparently means is that the Federal Government will be expected to use the commercial satellite system for all of its needs irrespective of whatever communications facilities the Government may have in terms of its own satellite communications systems. There is little doubt that military needs will require the establishment of at least one communications satellite system by the Government, irrespective of what action is taken by any commercial organization. If such a governmental system is in existence, it would require comparatively small additional expenditures to expand the facilities so that they could handle a considerable amount, if not all, of the domestic governmental communications needs for international, as well as domestic long distance communications. The communications carriers have objected very strenuously to the idea of a separate governmental system. In the past the carriers have found governmental business highly profitable and they have exerted every effort to insure that they will continue to enjoy the revenues which the Government provides. It is not surprising to see the carriers exhibit such an attitude. Anyone who is in business to make money can be expected to exert his best efforts to retain one of his best and most important customers.

The fact that the communications carriers are interested in retaining the Government's communications business should not be taken as sufficient justification for a statutory provision virtually requiring the Government to use a commercial system, irrespective of its own capacity to meet governmental needs. It is quite easy to visualize the language of section 201(a)(6) being used to justify governmental use of the commercial satellite system at a time when a governmentally owned system has communications capacity which is going unused. The private carriers are already receiving a tremendous subsidy under this bill by virtue of the fact that all the governmental expenditures for satellite communications and space technology will be the only thing that makes it possible for the carriers to get into the satellite communications business at all. Certainly, having put them in business, the Government should not be obligated to insure their continued financial success by means of a subsidy in the form of governmental business.

Mr. President, if this language is retained in the bill, it will represent a tremendous victory for the communications carriers. There can be no justification for such language except that it is an effort intended to free the private satellite corporation from the possibility of any competition for Government business. Notice, however, that the possible exception is in the form of the Government being able to provide services for itself. The private corporation itself will have an exclusive monopoly over commercial satellite operations so that there will be no competition from any other private source. This language would eliminate the possibility of competition from any source whatsoever and could have the effect of severely limiting the Government's choice of alternative means of communications and could also increase prices to the Government for necessary communications services. I cannot believe that anyone would contend that this language is necessary as a protection for the Government or to insure that the President directs the Government to secure the cheapest and most efficient means of communications. I think there is no doubt that the President of the United States can be depended upon to make decisions of that sort in the public interest without having statutory direction in language like we have before us in this section of the bill.

In fact, the language of this section is intended to do no more than direct the President or suggest to him that he use the commercial satellite system when it would be more advantageous to the Government to use that system than to use its own facilities, I would suggest that this particular language is singularly inappropriate and represents unusually poor draftsmanship, and it ought to be stricken.

I should like to turn now to a brief consideration of some of the problems in the section dealing with the role of the National Aeronautics and Space Administration in the satellite corporation. For several years now NASA has had an extensive program of research and development in satellite communications. NASA's budget for satellite communications has grown year by year with little sign of any decreases in the near future. For the fiscal year 1960 NASA had a total budget of $523.6 million. Of that amount $3.1 million was appropriated for space communications. The following year, fiscal 1961, NASA's total budget was $964 million. Of that, a total of $29.5 million was allocated to space communications.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I commend the Senator from Tennessee for the fine and detailed statement he is making in opposition to the pending bill. It has been suggested that we should refuse to allow committees to meet while the Senate is in session in order that Senators may come to the Chamber to hear the arguments on the pending measure. When I entered the Chamber a minute or two ago, the only Senators in the Chamber to hear my friend's excellent argument in opposition to the bill were the Senator from Tennessee [Mr. KEFAUVER], who is making the current speech, and the Presiding Officer, the able Senator from North Dakota [Mr. BURDICK]. As I make these remarks, the other Senator from Tennessee [Mr. GORE], who is equally interested in the defeat of the bill, came to the floor of the Senate, and there are now four Senators present in the Chamber, all of whom are opposed to the measure. Yet it is suggested that the rule which permits any Senator to object to the meeting of the committees, which has been invoked with the thought that Senators would come to the floor of the Senate to hear the argument, is a sensible rule. I note for the record that the important argument being made by my friend is being made in the presence of three Senators who agree with him, and there is not a single Senator present who disagrees and who might be convinced.

This shows the utter folly of thinking that if we refuse to permit committees to meet, Senators will come to the floor. I note the presence of one more Senator, the distinguished junior Senator from Ohio [Mr. YOUNG]. I do not know how he stands on the bill; perhaps the Senator from Tennessee knows. Perhaps the Senator from Ohio has come to the Chamber to be convinced by the Senator from Tennessee.

I thank the Senator from Tennessee for yielding to me. I thought it important for me to make this observation.

Mr. KEFAUVER. I am glad the Senator has made the point. I do not know if any committees are meeting today. I believe all meetings were supposed to have been objected to except some meetings of the Committee on Finance.

Mr. CLARK. That is exactly my point: Whether committees meet or not, it is impossible to get Senators to the floor.

Mr. KEFAUVER. We might even have a better chance of getting them to the floor if committees were not meeting and we had some live quorum calls. That might bring some other Senators to the floor. The Senator remarked about the fact that the five of us on the floor now are opposed to the bill. This might be a good time to make a motion to table the bill.

**Mr. CLARK.** I suspect that that would result in some drastic scurrying about.

**Mr. KEFAUVER.** The Senator believes that that might be a way of getting more Senators to the floor?

**Mr. CLARK.** It might be a way of getting more Senators to the floor. I suppose it would be the duty of the Presiding Officer to suggest the absence of a quorum, although perhaps if he would shut his eyes for a moment we might be able to make a motion to table.

**Mr. KEFAUVER.** We might have to resort to some such course of action as a motion to table the bill. Perhaps in that way we will be able to get more Senators to the floor to listen.

**Mr. CLARK.** I also note for the record that while we were talking another Senator came and left. A second Senator has come in and is about to leave. This is about what happens in the greatest deliberative body in the world when important speeches are being made on important legislation.

**Mr. KEFAUVER.** I appreciate the remarks of the Senator. I am sure that the American people will know the importance of this bill one of these days. If the bill is passed, they will realize what a job has been done on them, what a giveaway of their taxpayers development has been accomplished, and how we may not have a successful communication satellite system. Then perhaps more Senators will be interested in taking cognizance of what is in the bill.

**Mr. GORE.** Mr. President, will the Senator yield?

**Mr. KEFAUVER.** I am happy to yield to my colleague from Tennessee.

**Mr. GORE.** For the benefit of the thousands of people who read the Congressional Record but who are not physically present, I should like to join in deploring the poor attendance at the debates in the Senate. I should like, however, to suggest that there are some reasons for it. First, for the moment, for this particular instance, no time is set aside for Senators and their guests, with whom we are frequently honored, to have lunch. As a matter of fact, I entered the Chamber after having finished lunch, as did the senior Senator from Pennsylvania.

Second. The demands on the time of Senators are utterly enormous, not only with respect to study, committee work, conferences with departments of the Government, but also with respect to visiting with literally thousands of constituents who visit the Capitol monthly. In some way the Senate should devise methods of improving the attendance on debate on the floor. I believe that one of the very practical ways to approach it is to have a period of time when Senators can engage in the necessary human act of obtaining a little food and nourishment. But this would be only one of the ways.

I agree that my distinguished senior colleague is making a very able address, one from which the entire Senate would profit if it gave it their attention.

Fortunately the speech will be printed in the Record, and most Senators peruse the Record.

Since this colloquy began, a colleague of ours on the Committee on Foreign Relations, the distinguished senior Senator from Missouri [Mr. Symington], has entered the Chamber to listen to the debate. Only 10 minutes ago he was sitting near me in the Senate dining room with some guests. Since he has entered, I should like to suggest that one of the important objections to the bill as presently drawn—and I think it is the most serious objection so far as I am concerned—is that the bill proposes to make a private corporation the agent of the United States in conducting negotiations and entering into agreements, which must have the approval of the Senate before the satellite communications system can come into effect.

The bill as it came from the President would have provided for the State Department to conduct these negotiations with other nations. For some reason, which I do not understand, this provision was stricken from the bill. If the system comes into being, it can come into being only through the successful negotiation of agreements with many nations, in that it is supposed to be a global communications network. Unless agreements are entered into, we can communicate only with ourselves so far as this satellite is concerned.

I thank the Senator for yielding to me. Inasmuch as my distinguished friend from Pennsylvania had interrupted the very able address which my senior colleague was making, I thought I should make these remarks.

**Mr. KEFAUVER.** Mr. President, I appreciate very much the observation of my distinguished colleague from Tennessee. He has put his finger on one of the most important omissions in the pending bill, and on a proposal which has no parallel in American history, which cannot be successful. We will never be able to establish an international satellite communications system unless the sovereign Government of the United States negotiates treaties with other nations. We cannot delegate that authority to a private corporation, or to anyone else. We cannot do it. I do not believe the American people would sanction it. I do not believe governments of other nations would be anxious to negotiate with it.

As to what the Senator said about Senators not being here, I agree with him. We do have many other duties. Senators are hard pressed for time.

However, I have talked with a great many Senators who are not on any of the committees which have considered the bill and who did not have the privilege of hearing the testimony before the Space Committee, before the Commerce Committee, or before the Antitrust and Monopoly Subcommittee. There is a lack of full understanding of the provisions of the bill and what it does to us, not only from the standpoint of foreign policy, but also with respect to the development of a real system. These things are not fully understood by a great many Members of the Senate. So for that reason I hope that they will find time to come to the Chamber, engage in colloquy, and listen to the debate as much as possible. I thought the speech made by the distinguished Senator from Louisiana [Mr. Long], was a remarkable analysis of the bill and one of the finest presentations I have heard since I became a Member of the Senate. Yet he suffered about the same plight I have experienced today by having few Senators present to listen to his excellent address.

**Mr. CLARK.** Mr. President, I concur wholeheartedly in the comments made by the able Senators from Tennessee, both with respect to the objections to the bill and with respect to the fact that it is difficult to persuade Senators to come to the Chamber and participate in debate. I appreciate how difficult that is, in view of the many other duties of Senators.

It is my own belief that under present, modern conditions it will be impossible to have a substantial number of Senators come to the Chamber to listen to debate, except immediately preceding a critical vote. At that time they are willing to come.

It is possible for Senators of like mind to organize a colloquy, such as the one which is now taking place on the bill, although this particular colloquy happens not to have been organized. However, I do not believe it is possible to induce Senators having different points of view to come to the Chamber and engage in debate unless it is almost by accident. If the Senator from Rhode Island [Mr. Pastore], who is in charge of the bill, should walk into the Chamber at this moment, I suspect, knowing him as I do, that he would engage in a colloquy with the Senator from Tennessee, as he did the other day with the Senator from Louisiana. But such debates occur rarely, and usually by accident.

My final point is that it does no good to have a series of live quorum calls, because by the time the Presiding Officer announces that a quorum is present, a quorum is no longer present. There was a quorum call earlier, which I believe the Senator from Tennessee desired to have made "live," and it was. I was one of the last Senators to respond to the call. Within 60 seconds of the time I entered the Chamber, the Presiding Officer announced that a quorum was present. He must do that under our tradition; but a quorum was not present. Not more than 15 or 20 Senators were in the Chamber at that time. Within the next 5 minutes, 10 or 15 of them had left the Chamber.

I raise this point because, as the Senator from Tennessee and the Presiding Officer well know, I have the strong view that unless and until drastic changes can be made in the Senate rules, it will never be possible to accomplish our business expeditiously. We can never get through our workload which is required in the public interest, and we shall be unable to get Senators to return to the fine tradition of the Senate which prevailed in the days when, in fact, this was the greatest deliberative body in the world. The Senate has stopped deliberating, except for perhaps a half hour before a critical vote.

I thank the Senator from Tennessee for his courtesy.

Mr. KEFAUVER. Regretfully, I must agree with the statement the Senator has made. He is substantially correct. It is a great disappointment that conditions are as they are. The Senate is an able body. Some people have the idea that we are in the Chamber deliberating all the time. I express the hope that the Senator from Pennsylvania may devise some rules or methods which would make it possible for more Senators to be in attendance.

Mr. CLARK. I think I have devised such rules, but unfortunately the Committee on Rules and Administration does not agree.

Mr. KEFAUVER. I am sure the Senator from Pennsylvania will continue to try, as he usually does.

Mr. DWORSHAK. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I am glad to see the Senator from Idaho in the Chamber. I am happy to yield to him.

Mr. DWORSHAK. I am sure that many of the Senator's colleagues are in the dining room, entertaining guests. Others are in their offices, attending to heavy correspondence. I think it would be unwise to create the impression that there is a deliberate attempt to display discourtesy to the Senator from Tennessee as he makes his very forceful speech on the bill before the Senate.

Mr. KEFAUVER. I had not suggested that. The junior Senator from Louisiana [Mr. LONG] experienced the same situation. It seems that any Senator who wishes to discuss a bill at length in these days finds few Senators present.

Mr. DWORSHAK. That is the point I wished to make. I feel certain that every Senator is interested in this highly controversial bill, particularly those who have not been able to serve on the committee which has held the hearings and deliberated on the bill. However, I am sure that the remarks of the Senator from Tennessee will be read with extreme interest tomorrow morning in the CONGRESSIONAL RECORD; and also, when many of the proposed amendments to the bill are offered, I am sure the Senator from Tennessee will agree with me that there will be a much larger attendance of Senators and a vigorous debate between the proponents and opponents of the various amendments. Is not that true?

Mr. KEFAUVER. I hope so. What the Senator has said is true. When the amendments are offered, more Senators probably will be in the Chamber. Certainly if the amendments are to be vigorously debated, a larger attendance of Senators will be required than is in the Chamber at present.

Mr. DWORSHAK. I am sure there will be a larger attendance of Senators when yea-and-nay votes are to be taken on the various amendments.

Mr. KEFAUVER. I hope the Senator from Idaho will read in the RECORD tomorrow morning the remarks I have made today; but he will have to do a great deal of reading, as things are going.

Mr. President, I observe the Senator from Missouri [Mr. SYMINGTON] in the Chamber. As I understand, he desires to call up a bill of an emergency nature having to do with stockpiling.

Also, I observed the Senator from Virginia [Mr. ROBERTSON] in the Chamber a moment ago. I understand he desires to call up a bill relating to the renewal of the Defense Production Act. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

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## DISPOSAL OF CERTAIN MATERIALS FROM THE NATIONAL STOCKPILE

Mr. SYMINGTON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1554, House Concurrent Resolution 473.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. KEFAUVER. Will not a motion have to be made to set aside the pending business and return it to the calendar?

The PRESIDING OFFICER. First, the Chair asks that the concurrent resolution be read by title.

The LEGISLATIVE CLERK. A concurrent resolution (H. Con. Res. 473) providing the express approval of the Congress pursuant to section 3(e) of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile.

The PRESIDING OFFICER. Will the Senator from Tennessee restate his parliamentary inquiry?

Mr. KEFAUVER. The pending business is the space communications satellite bill, H.R. 11040. As I understand, in order to take up other business, a motion would have to be made to set aside the pending business and return it to the calendar before the new business could be taken up. Is my understanding correct?

The PRESIDING OFFICER. The Senator from Missouri has moved to take up other proposed legislation. The effect of his motion would be to displace the pending business.

Mr. KEFAUVER. What will happen to the pending bill? Will it be returned to the calendar?

The PRESIDING OFFICER. It will be returned to the calendar.

Mr. KEFAUVER. Amendments to the pending bill, which had been offered by the Senator from Louisiana [Mr. LONG], was the pending question. If and when—and I hope it will not happen at any time soon—a motion is made again to take up the space communications bill and have it become the unfinished business, will the amendments of the Senator from Louisiana still be the pending question before the Senate, or will action have to be taken de novo?

The PRESIDING OFFICER. If and when the Senate returns to the consideration of the pending bill, the amendments of the Senator from Louisiana will be the pending question.

Mr. KEFAUVER. They will not die with the return of the bill to the calendar?

The PRESIDING OFFICER. No.

Mr. KEFAUVER. Mr. President, I wish to say, frankly, that this is not a very logical way to handle an important measure—to have the debate on it broken up here and there for the consideration of other measures. However, I realize the emergency nature of some of them; and the group of us who are opposed to the satellite communications bill does not wish to hold up the other functions of the Government. So—although with reluctance—we are not opposed to the motion to have the Senate take up the other measure. However, we do not want this action regarded as a precedent for the consideration of other measures from time to time during the future consideration of the satellite communications bill, if, unfortunately, it should be brought up again. It is our view that consideration of the bill—if it is considered again—should not be interrupted from time to time by the consideration of other measures which some Senators might wish to have considered, instead.

Mr. SMATHERS. Mr. President, let me say that some of these measures involve a definite deadline; and if we do not meet the deadline, of course the Government agency involved will come to a standstill.

As I stated the other evening, if there were some prospect of disposing with reasonable promptness of the satellite communications bill, so that thereafter we could dispose of the measures which involve a June 30 deadline, we would not wish to have the procedure now proposed followed. But the other measures referred to are of an emergency nature, and there is no great contest about them. So I appreciate the attitude of the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I hope the Senator from Florida does not blame me for the bringing up of the satellite communications bill.

Mr. SMATHERS. No, indeed.

Mr. KEFAUVER. I am sure the able majority leader and the entire leadership knew that when they had the satellite communications bill brought up, the debate on it would not be concluded within a week. So it would have been very easy for the leadership to have put over the consideration of the satellite communications bill until these emergency measures were acted on.

At any rate, Mr. President, we wish to accommodate ourselves to the situation. However, I do not wish anyone to gain the impression that this action should be regarded as a precedent for the consideration of other measures from time to time in the future, as replacements for consideration of the communications satellite bill, in the event that bill receives future consideration by this body.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to; and the Senate proceeded to the consideration of the concurrent resolution (H. Con.

Res. 473) providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile.

Mr. SYMINGTON. Mr. President, I wish to thank the Senator from Tennessee for permitting the consideration of this measure at this time.

Mr. President, this concurrent resolution would grant congressional approval for the disposal by the General Services Administration of the following materials:

(a) Approximately 440,246 pounds of silk noils;

(b) Approximately 96 short tons of 91-percent nickel in ingot form, approximately 4 short tons of sintered nickel powder in the form of "cups," and approximately 9 short tons of cobalt in rondelle form averaging 97.9-percent cobalt;

(c) Cordage fiber consisting of approximately 7,500,000 pounds of abaca fiber and approximately 10 million pounds of sisal fiber;

(d) Approximately 3,500 long tons of vegetable tannins—quebracho, chestnut, and wattle extracts;

(e) Approximately 28,816 short tons of celestite;

(f) Approximately 4,471 troy ounces of platinum scrap and a quantity of nonferrous scrap consisting of approximately 520 short tons of brass, 74 short tons of silicon bronze and copper, 11 short tons of beryllium copper, and 106 short tons of zinc foil;

(g) Approximately 50,000 long tons of pig tin;

(h) Approximately 155,676,000 pounds of castor oil;

(i) Approximately 265,000 pounds of cobalt oxides, and approximately 5,500 pounds of cobalt carbonates;

(j) Approximately 1,890 long tons of chromite ore;

(k) Approximately 65,447 pounds—gross weight—of ferrovanadium;

(l) Approximately 63 short tons of ferromanganese, and approximately 4½ short tons of electrolytic manganese metal;

(m) Approximately 10 million pounds of contained nickel and cobalt in the form of nickel oxide powder; and

(n) Approximately 5 million pounds of molybdenum.

Under the basic law applicable to the national stockpile, materials that are in the stockpile may not be disposed of without the express approval of the Congress unless the materials are obsolescent. The materials that are the subject of this resolution are not obsolescent within the meaning of the Strategic and Critical Materials Stockpiling Act and thus congressional approval is required before they may be disposed of.

Seven of the materials that are covered by this resolution are in excess of current stockpile objectives. These materials are Silk noils, cordage fiber, vegetable tannins, tin, castor oil, nickel oxide powder, and molybdenum.

The other seven materials do not meet stockpile specification. These are the nickel items, celestite, nonferrous and platinum scrap, cobalt oxides and carbonates, chromite ore, ferrovanadium, and ferromanganese and electrolytic manganese metal.

The Subcommittee on the National Stockpile and Naval Petroleum Reserves of the Committee on Armed Services conducted a hearing on this resolution on Monday, June 11. Copies of this hearing are available in the Senate. This hearing, and the committee report accompanying House Concurrent Resolution 473, provide some details on each of the items proposed for disposal, including such information as the stockpile objective for each item, the amount now in inventory, the amount proposed for disposal, the acquisition cost of the materials, the origin, and some indication of current market prices. I shall not discuss this information exhaustively at this time unless a Member of the Senate desires details on any of the items that would be authorized for disposal by the resolution. I should point out, however, that the current market prices as shown in the summaries for each item were the prices on March 31 of this year and that in some instances, such as tin, the current market price has declined since this information was compiled.

The acquisition cost of all the materials proposed for disposal was approximately $177.6 million. On the basis of current market prices it is expected that the Government will receive, over the varying periods of disposal action, more than $160 million from the sale of these materials.

When all of these materials are sold the Government will save approximately $185,000 annually and storage and maintenance expenses that are now being incurred.

Mr. President, the stockpile law requires that proposed disposal plans be fixed "with due regard to the protection of the United States against avoidable loss on the sale or transfer of the material to be released and the protection of producers, processors, and consumers against avoidable disruption of their usual markets."

The committee report sets forth the disposal plan that was proposed for each material at the time notice of the intended disposal was published in the Federal Register.

In that connection, Mr. President, disposal of some of the nickel was proposed in January 1961, before the present administration took office; and although everyone agreed to getting rid of this nickel, it has taken this long to bring the concurrent resolution before the Senate.

The concurrent resolution was amended on the floor of the other body to avoid a construction that the Congress was passing on the adequacy of the specific proposal plans. The form of the resolution is to grant congressional approval to the disposal of the designated quantities of the listed items without specific reference to a disposal plan.

The committee received no request to testify against this resolution. Thus I believe it is fair to state that the resolution is not controversial and that the proposed disposal plans will not be unreasonably disruptive.

On March 31, 1962, the acquisition cost of the strategic and critical materials in our several inventories was about $9 billion. Materials that are now excess to stockpile requirements had an acquisition cost of about $4.6 billion. Thus, the amount this bill would authorize for disposal is only 3.8 percent of the total excess.

Mr. President, speaking only for myself at the moment, I believe it is clear that the Congress should consider streamlining the procedure for authorizing disposals from the stockpile. Under a procedure that requires congressional approval and a 6-month waiting period, the so-called "current market prices" are likely to deteriorate during the pendency of a proposed disposal and this deterioration in price reduces the return to the Government from the sale of these materials.

Although the pending concurrent resolution proposes no change in the existing permanent law governing disposals, I hope that the Stockpile Subcommittee, the Committee on Armed Services, and the Congress will be giving further consideration to this aspect of the stockpile problem in the near future.

I shall be glad to attempt to answer questions about this measure. If there are no questions I urge that the concurrent resolution be approved.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Delaware, who knows as much about the stockpile problem as anybody.

Mr. WILLIAMS of Delaware. I thank the Senator. I hope many know more about it than I do. Frankly, the more I study the problem the less I seem to know.

I support the concurrent resolution of the Senator from Missouri. It is a step in the right direction, but, as he has pointed out, it touches only about 3 percent of the excess inventory. I wonder when we will have a proposal to really start doing the job which should be done, which is to get rid of the excess stockpile, which totals about $3½ or $4 billion worth of various commodities.

I am wondering if we should not amend this resolution in order to start the job right now. I certainly would support it.

Mr. SYMINGTON. I appreciate the comments of the able Senator from Delaware. We have drafted a bill and, at the suggestion of the chairman of the full Armed Services Committee, sent it to the Department of Defense and OEP. We are hoping to receive any day now a bill which can be approved by the subcommittee, and I hope by the full Armed Services Committee. I assure the Senator from Delaware, who has been most constructive in this subject, that I am doing just as much to try to get this proposal through this administration as I did when I worked with him for the same purpose during the previous administration.

Mr. WILLIAMS of Delaware. I am sure the Senator is. As I understand the present law, on that part of the inventory which is under the Defense Production Act, the executive branch does have some authority now. Without additional congressional approval they can dispose of nearly $2½ billion worth of commodities, although it has been bogged down by what appears to me to be unnecessary redtape. I think if some of the redtape at the executive level were cut they could do a better job of disposing of some of this inventory than is now being done. It could have been done under both the present and past administrations, even without definite congressional approval.

Mr. SYMINGTON. The able Senator is correct about the DPA inventory, but the law has an obstacle to normal business procedure in that it provides that this inventory must be sold at the domestic market price. The administration would like that provision changed.

I know the Senator from Delaware will be interested in this. We have just found out, and appropriate counsel in the Government has stated, that there can be no sale from the supplemental stockpile—the third largest stockpile—inasmuch as there was no determination of whether or not the material was needed when it was placed in the supplemental stockpile, and they therefore have no right to redetermine whether it could now be sold.

That sounds like a pretty technical analysis or interpretation of the law, in my opinion; it is something that must be clarified. When it is clarified, the supplemental stockpile should be available for orderly movement, that will not hurt the economy, as will be true upon clarification of terms in the Defense Production Act.

The concurrent resolution relates to the largest inventory of all, the national stockpile.

Mr. WILLIAMS of Delaware. I agree with the Senator that in the face of the recent rulings connected with the supplemental stockpile we must now have legislation giving authority, although I am of the opinion that this is a farfetched ruling and a ruling which appears to be more in justification of their failure to act than a bona fide interpretation of the law. I think they had plenty of authority before or after, but there is no use in debating that question. If they say they do not have the authority let us give it to them.

The fact is that the Defense Production officials say they are confused over the requirement that the material must be sold at the market price. The Senator has been in business, as I have, and he knows that the market price is the prevailing price at the time something is sold. That definition prevails whether one is in Washington or in any one of the 50 States. Certainly those in charge of the program if they have had any experience in business at all, which they should have had or they should not have had any part in the program, should know what market price means. In my opinion, they are trying to hide their failure to do anything. However, that question has been raised so let us give them authority in language they can understand. If after spending $8 billion they cannot understand what market price means, let us spell it out in more schoolboy fashion for them. In fact, I suggest that the President substitute somebody who understands what we mean when we say sell at the market price and most certainly one who knows enough to stop buying and adding to the stockpile when the material is not needed.

Much of this loud clamor for new legislation for authority which they already have is just a frantic effort to justify mistakes that were made—mistakes they committed—rather than a basis for getting rid of the inventory. The time is long past due when we should begin an orderly disposition of metals and materials in the stockpile, many of which should not have been put in the stockpile in the first place.

As I have said on the floor time and time again in the last 7 or 8 years, the stockpile program years ago lost its definition. It has really been operated as a support program for the benefit of certain segments of the mining industry. It has openly been administered as such. The billions of dollars that have been spent have no relation at all to our national defense requirements.

The manner in which minerals not needed for stockpiling purposes were bought was a disgrace and a waste of taxpayers' money. I do not think we should now be continuing a support price or subsidy program for any segment of the mining industry. It should be stopped.

I welcome the opportunity to support this resolution, although I do it with the knowledge, as the Senator from Missouri has pointed out, that this is only a drop in the bucket and does not amount to anything. This resolution will dispose only of the 2 or 3 percent of the overall surplus. We are really not getting to the heart of the problem yet. I am looking for the day when the Senator from Missouri will bring to the Senate a bill which really attacks the major problem of disposing of our billions in excess inventories.

Mr. SYMINGTON. Mr. President, I thank the Senator from Delaware for his instructive and wise observations with respect to this problem. I pledge to him, as I have to the senior Senator from Virginia, that I shall do my best to see that a bill which removes the shackles and allows good business procedures will be brought before the Senate as soon as possible. I know he will help to have the bill passed, when one is hammered out that takes into consideration the many problems and characteristics of the entire program.

Mr. WILLIAMS of Delaware. I thank the Senator. Will the Senator yield further?

Mr. SYMINGTON. I am glad to yield to the Senator.

Mr. WILLIAMS of Delaware. I do not question for one moment the sincerity of the Senator from Missouri. I hope I am in error in questioning some of the suggestions which come to us from the executive branch. I am a little concerned, though, about their inability to interpret what Congress meant when it said, "Sell this material at the market price."

To me the "market price" means the best price at the time of sale. When we pass a new bill we should define "market price" and do so in a manner to make it clear to those in the executive branch that we do not mean they can negotiate a price below the market just to get rid of the material, but let us insist that in all instances when the materials are disposed of, they be disposed of for every dollar and every penny possible. We should get the most we can for the material. To sell at "market price" means what the Senator from Missouri and I and every other businessman understands it to mean; namely, go out and get the highest price possible for that which is being sold. Why should the Government be giving away bargains?

Mr. SYMINGTON. Mr. President, the Senator is correct. Fundamentally, the market price is the value of the product. The value of any product is always what a person is willing to pay for it at the time of sale.

Mr. WILLIAMS of Delaware. That is correct.

The PRESIDING OFFICER (Mr. Hickey in the chair). The concurrent resolution is open to amendment.

Mr. BUSH. Mr. President——

Mr. SYMINGTON. Mr. President, I am glad to yield to my friend from Connecticut.

Mr. BUSH. I thank the Senator from Missouri. First I remind the Senator that during the hearings I raised a question about having more frequent reports as to the disposition of materials. I should like to refresh the Senator's memory as to what was said at that time:

> I suggest that General Services Administration, this being the agency who will handle the disposals, report back to Congress on a quarterly basis as to what arrangements for sales were made and what actual sales were made for the previous quarter; the sale price obtained during the quarter for each of these items sold and a statement of the market price during such quarter for such material as compared to the market price for such material prior to the commencement to their disposal program and a list of the purchasers and the quantities each purchased. In this way Congress would have information available to determine whether the disposals are being handled in an orderly fashion without disrupting normal markets and be informed thereon so as to make an intelligent independent decision on the administration of the disposal programs.

That seemed to me to meet with some degree of agreement in the committee, as I recall.

I have been advised that the Senator from South Dakota [Mr. Case], a member of the committee, is on his way to the Senate Chamber with an amendment to the concurrent resolution which would implement this suggestion. I did not know the resolution was to be considered today. Perhaps I should have known it. At any rate, I would have offered the amendment myself.

If it is agreeable to the Senator, a vote might be delayed for a moment until the Senator from South Dakota [Mr. Case] can reach the Chamber. I understand the Senator from Illinois [Mr.

DIRKSEN] has some remarks to make on this subject.

Mr. SYMINGTON. The Senator from Connecticut is most helpful in the hearings. We have been working on the stockpile problem. I should be delighted to accede to his wish in this respect. May I ask if he has a copy of the amendment available?

Mr. BUSH. No. I meant to make it clear that the Senator from South Dakota has prepared the amendment. I am advised that the Senator from South Dakota is on his way to the Senate Chamber with the amendment and wishes to offer it for the consideration of the Senator and of the Senate.

Mr. SYMINGTON. In order that I may think about it, while the able minority leader is making us think about the problem in general, I ask what the amendment embraces.

Mr. BUSH. Very briefly the amendment would require quarterly reports from the disposing agency to the Congress, giving the information which I have read. I think if we can delay for a few minutes, while we hear the remarks of the Senator from Illinois, we shall have the exact language before the vote is necessary.

Mr. SYMINGTON. That is entirely satisfactory.

Mr. DIRKSEN. Mr. President, obviously anyone would be interested in the liquid item in the stockpile. There is only one.

We all have one thing in common. Every one of us has been a child. Every child of whom I know anything has always had somewhat of an interest in castor oil. I note that there is on hand, in inventory, 223 million pounds of castor oil. Mr. President, that is a great deal of castor oil.

I am glad that in the report there is a saving clause. On page 24 it is said:

> This plan and the period of disposition have been fixed with due regard to the protection of producers, processors, and consumers against avoidable disruption—

I am glad that statement is in the report. That ought to bring some assurance to juvenile Americans, because it is proposed to sell some 78,000 tons of castor oil. I am sure that none of this could have had anything to do with the successive "nosedives" in the stock market.

What I am particularly interested in, Mr. President, is the fact that we have one liquid asset that does not appear in the stockpile. I refer to the 18 million gallons of wine now owned by the Commodity Credit Corporation. Mr. Jack Steele, of the Scripps-Howard newspapers, has done a notable piece of work in this field, and I have followed it up a little. I have been intrigued by the fact that there are now some 18 million gallons of wine in stock. My mind reverted to "The Rubáiyát of Omar Khayyám." Senators will remember that in that sweet verse he spoke of—

> A jug of wine, a loaf of bread—and thou.

A jug of wine is only a circumstance compared to 18 million gallons of wine. Thereby hangs a rather interesting tale.

I doubt whether the taxpayers know it yet, but they own this 18 million gallons of wine of some sort, whatever it is. I looked into this subject a little. The Agriculture Department insists that it is actually an "intermediate." I do not know of any Omar Khayyám who will come along to write some glamorous verse to an intermediate. If it goes one way it will be wine. If it goes another way, probably it will be vinegar. If it is put through some other process, probably it will be brandy. In any event, it is a part of our liquid stockpile, and I wish it were covered by the concurrent resolution, because I am certain that Mr. Freeman and others are having a good many headaches about the 18 million gallons of "intermediate."

The California vintners were smart, especially when Mr. James Ralph was around the Department of Agriculture. Somehow he managed to contrive a marketing order at a time when there were 100 million gallons in the tubs, vats, and tanks of the great sunshine State of California.

When Mr. Ralph got through with his marketing order, the price had jumped 50 or 75 cents a gallon. So according to the report, the vintners skimmed off about $20 or $30 million in profit. Of course, the growers received a little, but the taxpayers got 18 million gallons of wine. If that is not one of the duckiest things I have encountered from the great wine hills of California, then I have never seen anything in all my days in the legislative branch of our country. Everyone wins. The vintner wins, the producer of grapes wins, and the taxpayer wins. After all, 18 million gallons of wine is not hay, although we do not mention hay in gallons.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. I wondered whether the 18 million gallons of wine and the $25 or $30 million windfall profit which accrued to the vintners in California was accomplished under the Kennedy farm program, which was propagandized as something to help the little American family farmer?

Mr. DIRKSEN. I would assume so, but all I know is that we own 18 million gallons of intermediate. I presume people will be wondering what intermediate is, but certainly no Rubaiyat will ever be written about it. On that point I am pretty sure.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield further?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. When I first came to Congress I was amazed to find that the U.S. Government was then operating a rum factory in one of the islands. We finally got the Government out of the rum business. I am a little surprised—and I am sure many taxpayers will be surprised—to find that we have now branched over to the wine business. I appreciate the fact that the Senator from Illinois has brought out the fact. I hope that the Senator from Missouri [Mr. SYMINGTON] will help him to get rid of that liquid stockpile before it gets any harder.

Mr. DIRKSEN. I would say that no one would contend that this is not a critical subject—certainly not Mr. Freeman. No one will contend that it is not a problem in strategy as to how to get rid of the product.

In the Great Book it is written,

> Wine is a mocker, strong drink is raging.

I have an idea that some in the Department of Agriculture have found out about that by this time. Their great headache is what to do with the stuff.

I have seen in the newspaper that someone has irreverently suggested that it be dumped down the drain. Perhaps it would be good for the plumbing; I do not know. But Billie Sol Estes should have had some knowledge of the power of the little grape. Think of what he could have done with his ammonia tanks if he had known about this product in time.

But it is now time for some heady thinking. The question is what to do about 600 tank cars of intermediate. I must be sure that my terminology is correct. I hesitate to say "wine," although that term has been so freely used in the newspapers. But what should we do with it? Earlier today the thought occurred to me that perhaps we could pay off some of the interest on the public debt with that 18 million gallons. I am sure there would be a few takers somewhere in the country. But look at the difficulty we might have. The Finance Committee may report a bill containing a provision for the withholding of taxes on dividends and interest. Secretary of the Treasury Dillon would be in a fix, because if he received 20 percent of 18 million gallons, he would have 3½ million gallons left in the cellars of the Treasury Department. What a fix he would be in.

That suggestion has its drawbacks, as we know. Of course, we could turn it over to our very distinguished friend, the Senator from Missouri [Mr. SYMINGTON]. Since we have such a liquid explosive like castor oil in the bill, I know of no reason why we should not include wine, because it is presently a critical and strategic problem, to say the least.

We could amend the bill. It contains many things.

I did not even know what a silk noil was until I looked into Webster's Dictionary yesterday. We have everything from silk noils to pig tin in the bill. I would be content indeed to include 18 million gallons of wine in the bill as a critical and strategic item. Think of the relief it would provide for Mr. Freeman. It would provide more relief for him than 155 million pounds of castor oil, I am sure.

We could do something under Public Law 480, because it might be used for disaster relief.

If the stuff is bad enough, we could send it to Castro instead of tractors. But if it is good, I suggest that we give it back to the vintners in California. In that way we would not have any transportation charge, and we would not pay any money out of our pocket.

Mr. President, I can only say, "Let Omar sing on—

> A jug of wine, a loaf of bread—

But instead of "a jug of wine," let us sing: "A loaf of bread, 18 million gallons of intermediate, and thou," in the wilderness—oh, paradise.

But I suggest that others finish it. I have not got the heart.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. With the well-known ability of the Senator to make Biblical allusions, when he was talking about silk noils and pig tin, I was wondering why he did not make some little reference to making a silk purse from a sow's ear.

Mr. DIRKSEN. Given sufficient time, I presume that could be done.

Mr. President, I do not wish to impede the working of the muse. I do not want to stand in the way of Omar Khayyam. I am going to let him finish the story.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BENNETT. I could not quite hear the last statement of the Senator. Did the Senator say "given sufficient time" or "given sufficient wine"?

Mr. DIRKSEN. May the reporter accurately note that I said "time."

Mr. President, I have no objection to the bill, but I still confess my deep discomfort of spirit and my distress of heart that we cannot bring a little relief to the distinguished Secretary of Agriculture by relieving him of the mountainous headache that he will find in 18 million gallons of intermediate. If it does go down the drain, may it have a prodigious effect on the plumbing that will do some good.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. CASE of South Dakota. Mr. President, the current stockpile study being made by the subcommittee of the Senate Committee on Armed Services has found many aspects to this entire problem. I think all members of the committee are agreed that there are two items which should be reduced in the inventory.

In the first category are those items which for housekeeping reasons are expensive to store and are scattered in such amounts and in such areas that the cost of housekeeping and handling them adds to the cost without increasing the value.

In the second category are those items of which we clearly have a substantial surplus over and above any possible strategic or critical requirement. We run into a little complication when we consider the items which have been acquired for the supplemental stockpile under the barter arrangements. Despite the problems that may occur with respect to certain commodities, I should like to go on record unequivocally as saying that I think that whenever the United States can convert a growable, replenishable item that is in agriculture surplus into a storable mineral commodity that will not deteriorate and will add to the mineral resources of the United States, we should make that trade.

Most agricultural commodities are perishable over a period of time. Minerals, particularly the hard metal minerals, are relatively impervious to the passage of time.

In the distribution of minerals on the world's surface or underground, nature was not entirely even in its distribution. We are practically entirely dependent upon foreign sources for nickel in any great quantity. We have some large supplies of manganese of very low grade ore, but we do not have any great quantity of manganese of a metallic grade. The same thing can be said about chrome. The same thing can be said about tungsten. It can be said to an even greater degree with respect to tin. About the only tin that I know of in our country is located at a point in the Black Hills of South Dakota known as Tintown. Near the place that I call home there was a 10-acre tract of tin which I believe was called Tin Reef. However, these supplies of tin are insignificant to meet either the demands of industry, or a strategic or critical demand in tin.

Therefore, whenever we can exchange a surplus stock of corn or wheat or cotton or tobacco, which is growable and replenishable, for something relatively imperishable, such as tin or chrome or manganese or nickel, it certainly seems to me that it is in the interest of the country to do so.

When it comes to exchanging for a perishable commodity, it is something else. Castor oil has been referred to, as well as other commodities. They deteriorate and they cannot even be successfully renovated by rotation over any great period of time.

So it is in the interest of orderly management that we do make disposal of such items.

I remember that the great chemist, Dr. William Hale, of Dow Chemical Co., who was the father of the method for recovering magnesium from ocean water, in his book on chemurgy, emphasized the point that as a matter of national economics and of long-term national interest we should preserve the nonrenewable minerals in a stockpile, or we should add to them whenever we could convert a growable, restorable, reproducible hydrocarbon.

So the responsibilities of the committee and of any policy that may be developed with respect to the disposal of these materials should keep in mind, it seems to me, these principles. It is for that reason that the supplemental stockpile was placed, I believe, on a nondisposable basis, unless there is an act of Congress which would change the present law. Before the committee concludes its deliberations I feel we ought to give some consideration to the classification of commodities, so that these commodities which are perishable can be properly gotten out of inventory, but that we should place in some secure set-aside situation those minerals that are relatively imperishable and that will add to our natural wealth.

The concurrent resolution before us deals with items about which, so far as I know, there is no controversy. It is a concurrent resolution which probably should have come to Congress before this time. Some of the recommendations for disposal here made were made, I understand, back in the time when Frank Floete was head of the General Services Administration. That would antedate January 20, 1961. Therefore some of these items have been on the recommended list for disposal for some period of time. Congress for one reason or another has not had the matter before it during the past 18 months. It now comes to the Senate in the pending concurrent resolution, which was brought to the Senate on the 5th of June, 1962, this month. The Senate Committee on Armed Services, with a recommendation of the Subcommittee on Stockpiling, has sent it to the Senate, so far as I know, without any objection.

There is only one thought that I wish to express in connection with its consideration, and that is that with respect to the disposals the quarterly reports which are to be made under current regulations and practice should be in such detail and in such specification that Congress will be constantly on notice as to the nature and method of disposal, and that these reports should be available to the public, so that industry may be fully informed as to the policies and practices and procedures by which disposals are made.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I am glad to yield to the chairman of the committee.

Mr. SYMINGTON. I agree with the able Senator from South Dakota. In my opinion, the problems in stockpiling have resulted more from having the largest stockpile classified and the information withheld than for any other single cause. I would like to join with the Senator from South Dakota and the Senator from Connecticut—who brought it up prior to my friend from South Dakota coming to the floor—requesting a report that would give the facts to Congress and to the people.

A quarterly report is made by the General Services Administration. I have been looking at it. It seems to be fairly extensive. Of course, it can be improved. I would suggest that our staff and the subcommittee during executive session study it to see if we want to change it in any way in order to get more information, or have it put in better form. I will be glad to join with the Senator from South Dakota and the Senator from Connecticut and any other member of the subcommittee in a concurrent resolution which will handle the matter in accordance with the Senator's suggestion, which I think is an excellent one.

Mr. CASE of South Dakota. Mr. President, I appreciate the remarks of the Senator from Missouri. I might say that the Senator from Connecticut and I discussed this matter on a previous occasion. I thereafter discussed it with the other minority member of the subcommittee, the Senator from Maryland [Mr. BEALL]. I believe we are in complete agreement with the objectives just suggested by the Senator from Missouri.

I had in mind to suggest—and perhaps we can do it by way of legislative history on the pending concurrent resolution—that these quarterly reports, if in any particular they do not now reflect the following information, show all disposals of such items and list relative to each item: First, whom disposals were made to and the quantity of each of such disposals; second, the price paid by each purchaser; third, the average sale price of each of the materials; fourth, the sale of such items for each previous quarter disposals were made; and fifth, the market price thereon commencing with the market price of such material by quarters for 1 year prior to the time of making the first disposals and including the market price for the current quarter reported.

The latter part of that, I believe, would at least provide some information that is not reflected in the present reports.

Mr. SYMINGTON. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. SYMINGTON. I have one of the quarterly reports. Much of the information which the Senator would like to have, and which I believe would be useful, is not contained in the report.

Mr. CASE of South Dakota. It seems to me that if the public had protection, and if the Government had protection, knowing the relativity between the market and the disposal, as indicated in the items I have listed, those who handle the material would be protected. Congress would be protected, and the interests of the Government would be protected against any situation in which some unusual influence or some untoward purpose was being served by disposals, either by reason of the manner in which they were made or by reason of the terms under which the disposals were made.

My own reaction to the hearings that have been conducted thus far is that two things have been largely responsible for the more dismal aspects of the stockpile situation: First, the lack of publicity, which has been stressed by the Senator from Missouri, the lack of access to information on the part of the press, the trade, or the industry; second, the rather complicated procedures for handling the stockpile. Three or four committees of Congress have some responsibility in connection with the stockpile situation. Here, again, as in the case of so many other things, what is everybody's business is nobody's business. I do not say that to absolve the Committee on Armed Services or its subcommittee from any responsibility. I say that with a proliferation of points at which responsibility may be fixed, the result is that busy committees and busy Senators say, "So and So is looking after that; it is not our immediate responsibility."

There must be some clarification and definition of the lines of congressional responsibility, together with adequate provisions for publicity, not necessarily to take the public and industry into the Goverment's confidence, but to put on the public record the deals, the purchases, and the disposals.

Once we have attained a position of sufficiency to meet a strategic requirement, the requirement for secrecy diminishes. I sometimes think that when we have a position of strength, it ought to be known widely, because a knowledge of our position of strength is the best insurance against an accidental attack.

Mr. SYMINGTON. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield to the Senator from Missouri.

Mr. SYMINGTON. I commend the Senator from South Dakota for his remarks on the right of the public to know, or the right of public knowledge. I also agree with the Senator that when it is known what vast resources we have in this country, the better it will be for the country.

Incidentally, during the beginning of the stockpile, the idea was spread that from the amount of aluminum on hand one could extrapolate the number of types of airplanes we were going to build. To me that is an almost fantastic idea. Yet that is an example of some of the thinking which was responsible for maintaining secrecy in the program.

I remember once calculating that there were more pounds of steel than of aluminum in a B-36. To my way of thinking, it is unreasonable to keep secret stockpile inventories.

There may be items in the nuclear field, for example, which should be classified; but that is beyond the purview of our subcommittee.

I join the Senator from South Dakota in saying that I believe the more publicity we give to the entire program, provided we do nothing to affect the security of the country, the better off the Nation will be in the future, from the standpoint of the taxpayers.

Mr. CASE of South Dakota. Mr. President, I wish to supplement what we have been discussing concerning publicity. I believe that when we have a good position of strength in military equipment, materiel, or resources, a widespread knowledge of that fact is likely to act as a deterrent. I recognize that there are some areas in which we have a responsibility to keep information secret—for example, if something is under development, or if, particularly in time of war, something could be a matter of high strategy or tactical importance. But by and large, the world is less likely to become involved in a nuclear war through accident if those who might initiate it, through ignorance, are not kept in ignorance. If they know we have strength, if they know we have a real deterrent capability, if they know we have the food to carry us through a conflict, if they know we have the necessary mineral resources and industrial processes, and if they know we have a capable defense in being, I think there is less likely to be a war by accident. That is, perhaps, a general principle. Some persons may not believe it has application in this instance; but I think it does, in the light of the discussion this afternoon.

Mr. SMATHERS. Mr. President, I ask that the Senate vote on the pending measure.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 473) was agreed to, as follows:

*Resolved by the House of Representatives (the Senate concurring)*, That the Congress expressly approve, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), the disposal of the following materials from the national stockpile:

(a) Approximately four hundred and forty thousand two hundred and forty-six pounds of silk noils;

(b) Approximately ninety-six short tons of 91 percentum nickel in ingot form, approximately four short tons of sintered nickel powder in the form of "cups", and approximately nine short tons of cobalt in rondelle form averaging 97.9 per centum cobalt;

(c) Cordage fiber consisting of approximately seven million five hundred thousand pounds of abaca fiber and approximately ten million pounds of sisal fiber;

(d) Approximately three thousand five hundred long tons of vegetable tannins (quebracho, chestnut, and wattle extracts);

(e) Approximately twenty-eight thousand eight hundred and sixteen short tons of celestite;

(f) Approximately four thousand four hundred and seventy-one troy ounces of platinum scrap and a quantity of nonferrous scrap consisting of approximately five hundred and twenty short tons of brass, seventy-four short tons of silicon bronze and copper, eleven short tons of beryllium copper, and one hundred and six short tons of zinc foil;

(g) Approximately fifty thousand long tons of pig tin;

(h) Approximately one hundred and fifty-five million six hundred and seventy-six thousand pounds of castor oil;

(i) Approximately two hundred sixty-five thousand pounds of cobalt oxides, and approximately five thousand five hundred pounds of cobalt carbonates;

(j) Approximately one thousand eight hundred and ninety long tons of chromite ore;

(k) Approximately sixty-five thousand four hundred and forty-seven pounds (gross weight) of ferrovanadium;

(l) Approximately sixty-three short tons of ferromanganese, and approximately four and one-half short tons of electrolytic manganese metal;

(m) Approximately ten million pounds of contained nickel and cobalt in the form of nickel oxide powder;

(n) Approximately five million pounds of molybdenum.

SEC. 2. All funds derived from the sales authorized by this concurrent resolution shall be deposited into the Treasury as miscellaneous receipts.

Mr. CASE of South Dakota. Mr. President, I move that the Senate reconsider the vote by which House Concurrent Resolution 473 was agreed to.

Mr. SYMINGTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

## EXTENSION OF DEFENSE PRODUCTION ACT OF 1950

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1565, S. 3203.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 3203) to extend the Defense Production Act of 1950, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert "That the first sentence of section 717(a) is amended by striking out 'June 30, 1962' and inserting in lieu thereof 'June 30, 1963'."

Mr. ROBERTSON. Mr. President, the bill was reported unanimously by the Committee on Banking and Currency. It is an administration measure. The administration asked that the act be continued, with certain amendments, for 2 years. Certain members of our committee did not approve of some of the proposed amendments; other members of our committee wanted other amendments. So the committee streamlined the bill, in the hope that it would pass both the Senate and the House quickly before the June 30 deadline. The bill now before the Senate continues the present act, without amendment, for 1 year.

The powers which would be extended by the act include the following:

Power to establish priorities for defense contracts;

Power to allocate materials for defense purposes;

Authority to guarantee loans made in connection with defense contracts;

Authority to make loans and purchases to build up our defense capacity and assure supplies of defense materials and to carry out existing contracts;

Authority to enable businessmen to cooperate voluntarily in meeting defense needs, with an exemption from the antitrust laws;

Authority to employ w.o.c. and w.a.e. employees, including advisers and consultants, with exemption from the conflict of interest statutes; and

Provision for the establishment of a reserve of trained executives to fill Government positions in time of mobilization.

The act also establishes the Joint Committee on Defense Production.

The bill, as introduced at the request of the administration, contained five amendments to title III of the act. Three of these amendments would have changed the provisions relating to the sale of material from the Defense Production Act inventory, and two of them would have amended the provisions relating to the $2.1 billion borrowing authority provided under the act.

Section 1 was intended to permit foreign sales of metals and minerals from the Defense Production Act inventory at foreign market prices, even though these are lower than the U.S. domestic price.

Section 2 would have permitted sales from the Defense Production Act inventory and contracts for processing or refining materials in the Defense Production Act inventory to extend beyond June 30, 1965.

Section 3 would have permitted the use of materials in the Defense Production Act inventory as payment for upgrading materials in the national stockpile.

Section 4 would have eliminated, effective June 30, 1961, the requirement that interest be charged on notes issued under the borrowing authority to carry out contracts under section 303.

Section 5 would have canceled the notes issued under the borrowing authority representing the net unrecovered losses incurred through June 30, 1961. The borrowing authority would be reduced correspondingly.

The original bill would have extended the act for 2 years.

The Senator from New York [Mr. JAVITS] offered an amendment to S. 3203 which would have deleted the proviso inserted in section 708(b) of the act in 1955. This proviso limits future voluntary agreements and programs exempted from the antitrust laws to certain committees supporting defense procurement.

The committee did not accept any of these amendments. Instead it recommends a simple 1-year extension of the act.

It is the committee's intention to hold additional hearings this summer on amendments to the act contained in S. 3203 and the amendment proposed by the Senator from New York [Mr. JAVITS]. For this purpose I have introduced a new bill, S. 3436, which contains the substantive amendments formerly contained in S. 3203, with certain editorial changes corresponding to those made in the companion House bill, and also including the amendment offered by the Senator from New York [Mr. JAVITS].

In view of the imminent termination of the powers contained in the act, and in view of their importance to our national security, I urge the prompt passage of S. 3203.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3203) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JAVITS subsequently said: Mr. President, the Senator from Virginia has brought before the Senate, and has had the Senate pass, this measure amending and extending the Defense Production Act. I happened to be out of the Chamber at that time; I was called to the telephone. However, I have no objection to the bill.

Mr. ROBERTSON. While the Senator from New York was out of the Chamber, I said that we expected to hold hearings on the substantive amendments to the Defense Production Act, because there were some objections to the provisions the administration wanted, and some Members had amendments of their own to offer. Realizing, however, that we faced a June 30 deadline, we decided to strip down the bill as much as possible—even to the extent of calling for a 1-year extension, although the administration asked for 2 years, and with no amendments. Later we shall take up the other proposals.

Mr. JAVITS. I wonder whether the Senator from Virginia can give us some idea as to when the committee will hold hearings on the matters referred to, including an amendment which I shall offer in connection with amendment of the antitrust laws in such a way as, in my judgment, to affect the capability of the United States to meet the oil offensive now being waged by the Soviet Union on the continent of Europe. Can the Senator from Virginia give us some fairly clear idea as to when it is expected the hearings will be held—because the summer is upon us, and we may be running into the problem of adjournment, and so forth.

Mr. ROBERTSON. Well, Mr. President, I do not think we shall run immediately into the adjournment problem. I read in the RECORD a statement by one Senator to the effect that he would be willing to discuss until October the question of private versus public ownership of the satellite communications program. So we cannot make any definite plans, in view of that filibuster—although perhaps some do not wish to call it what it is—which is going on.

We have sent the Senator's amendment to the Departments, so the Departments could have their comments ready for hearings early in July. But it is no use to schedule hearings while the other measure is being dealt with by the Senate, because during the consideration of the satellite communications bill, the committees cannot obtain consent to meet while the Senate is in session; and no doubt around the 4th of July we shall not be able to obtain a quorum for several days. But following the 10th of July we shall hold the hearings, if the filibusterers are willing to have that done.

Mr. JAVITS. I hope there will not be delay beyond that time.

Mr. ROBERTSON. I hope so, too.

Mr. JAVITS. I thank the Senator from Virginia. His assurance that the hearings will be held about the middle of July is quite satisfactory.

Mr. ROBERTSON. The Senator's amendment is quite an important measure and we want to hold hearings on it; but we did not wish to take a chance that we could not have the basic authority continued by the 30th of June.

Mr. JAVITS. I agree with the Senator from Virginia; and I join in endorsing the proposal for a 1-year extension, which he has so properly suggested.

Mr. ROBERTSON. I thank the Senator from New York.

## AMENDMENT OF THE FEDERAL RESERVE ACT

Mr. ROBERTSON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1566, Senate bill 3291.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 3291) to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. ROBERTSON. Mr. President, the bill provides for the continuation of a law which has been in existence for 20 years. The act will expire on June 30, 1962. The bill was unanimously reported by the Committee on Banking and Currency. It merely continues a law which authorizes the Federal Reserve banks to buy directly from the Treasury up to $5 billion of Government obligations.

The Federal Reserve Board approves the bill. The Federal Reserve would have the authority to buy the bonds when the Treasury needed funds, but it would not be required to do so. Thus the Federal Reserve would have the choice of buying or not buying, and the right to demand terms satisfactory to it. The Treasury wants the bill passed, too, because it will then be able, within a matter of hours, to obtain the additional funds needed. Otherwise, it would have to keep on deposit in the banks much more money than it would need at any one time, and, of course, such funds would not yield interest.

Mr. President, I have made a rather detailed explanation of the bill, because, in addition to his testimony in regard to this one phase of our financial transactions, the distinguished Under Secretary of the Treasury, Mr. Roosa, gave some very interesting testimony about the potentialities of inflation. He said that under all circumstances we must guard against inflation; and he indicated that reckless spending could be inflationary. Fortunately, the country has a good record, for the last several years, as regards inflation. Mr. Roosa also referred to the drain on our gold supply. Fortunately, the drain has decreased; but we have only about $4½ billion free gold left, and some $21 billion of potential demands against it in the form of various securities and funds. Of course, it is very important to us to retain the confidence of the world in the soundness and integrity of the dollar. We still have, in my opinion, the best currency in the world, and we have the richest and the strongest nation in the world; but that does not mean that we can get reckless and can pile up debts and bring about inflation.

Another pertinent part of the testimony dealt with the size of the debt. Under Secretary Roosa testified that the big increase in the outstanding debt would come about the middle of December, when it would be a little under $305 billion. I asked him why we should raise the debt limit to $308 billion, if the need would be for only $305 billion. He replied that the Treasury wishes to have a leeway of approximately $3 billion. But in my opinion, Mr. President, we want the debt limit to mean something, and not merely be an invitation to spend up to that amount. We do not want another situation like the one this year to develop. In other words, we now have a permanent debt limit of $285 billion, but we have nearly spent up to the temporary ceiling of $300 billion. It was said that in June the debt ceiling would go back to $285 billion, unless raised temporarily again. However, it cannot go back to that, because we have already spent more than that.

Therefore, I think it a very serious matter to invite spending above the proposed budget expenditures—and that is what it means, because we can already take care of everything in the administrative budget under a $305 billion debt ceiling, if a balance is achieved between expenditures and receipts. In short, if we do have a debt limit of $306 billion, it will give a $1 billion leeway for emergencies.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD my extended discussion of this relatively simple bill, together with excerpts from the testimony given by Under Secretary Roosa, who is in charge of monetary affairs.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### STATEMENT BY SENATOR ROBERTSON

### S. 3291, 2-YEAR EXTENSION OF FEDERAL RESERVE BANK AUTHORITY TO BUY U.S. OBLIGATIONS DIRECT FROM THE TREASURY

S. 3291 would extend to June 30, 1964, the present authority of the Federal Reserve banks to purchase securities directly from the Treasury in amounts not to exceed $5 billion outstanding at any one time.

The Government has had this authority since 1942. It has been used rarely and only for brief periods, and it has not been used at all since 1958.

Under Secretary Roosa urges extension for the following reasons:

1. Direct access to Federal Reserve credit provides the margin of safety necessary if the Treasury is to follow its customary practice of allowing its cash balances to fall to exceptionally low levels prior to the large inflow of cash over a tax date.

2. There may be occasions when Treasury financing operations ought to be postponed for a short period because of market disturbances. The possibility of direct access to Federal Reserve credit increases the Treasury's elbowroom in such a situation.

3. In the event of a national emergency, which would disrupt financial markets, direct access to Federal Reserve credit would be necessary to continue the functions of Government.

The committee was unanimous in recommending extension of the act.

The present law expires June 30, 1962. Prompt action is needed to prevent the authority from lapsing.

In testifying before the committee, Under Secretary Roosa said that he was more than a little disturbed about the balance-of-payments situation and also worried about the possibility of inflation. He pointed out that for this fiscal year the present estimate of the deficit in the administrative budget is approximately $7 billion. He also indicated that there was a possibility of a deficit in the next fiscal year. He substantiated that if a tax cut was to be put into effect, this possible deficit would be that much bigger.

For these and other reasons, the power extended by this bill must continue to be used with great care. Its use must not be allowed to be inflationary and must be confined within the bounds of the Government's general monetary policy. I am glad to say that Under Secretary Roosa gave us a clear and unqualified commitment that this would continue to be the case.

Up to the present time, this power has been clearly kept within proper bounds. In no year has it been exercised at any one time for longer than 28 days. But to minimize the danger of possible abuse in the future, it is appropriate that the power should be temporary. The committee, therefore, agrees that no more than a 2-year extension should be granted.

Whenever the power has been used, a public record has been included in the weekly statement of condition of the 12 Federal Reserve banks. The same information has also been published in newspapers on Thursday of each week and in the daily Treasury statement. These practices should be continued whenever the power is used. In addition, the existing law requires the Board of Governors of the Federal Reserve System to include detailed information with respect to the use of this authority in its annual report to the Congress.

Possibilities of inflation lie elsewhere in the form of excessive deficit spending which would, of course, have an unfortunate effect upon our balance of payments. As Mr. Roosa testified, we have lost over $4 billion of gold since the beginning of the calendar year 1959. Our balance-of-payments deficit, which accounted for our gold loss, has exceeded $3.5 billion in 1959 and 1960, and $2.5 billion last year. Currently, the seasonally adjusted balance-of-payments deficit is running at an annual rate of about $1.5 billion.

While our balance-of-payments deficits have persisted, potential claims upon our gold supply have continued to increase. Mr. Roosa testified that about $21 billion now exist in short-term claims upon our gold supply. Our present gold stock, however, is no greater than $16.4 billion, and against this sum, approximately $11.8 billion must be set aside as 25-percent backing for Federal Reserve bank note and deposit liabilities outstanding. This means that our free gold supply barely exceeds $4½ billion against a potential demand of $21 billion. As Mr. Rooca agreed, it is "indeed" important for us to prevent inflation. Otherwise these claims will continue to expand much further in excess of our declining gold supply.

Mr. Roosa, in his testimony, clearly pointed out the relation between domestic budget deficits and international balance-of-payments deficits. He noted that for the 8 years before 1961, the Government ran a total deficit of $32 billion in 5 of those years, and surpluses of only about $4 billion in the remaining 3 years. He went on to remark as follows:

"This is the period when we were also developing our balance-of-payments deficit, and you can't go on this way indefinitely and still maintain confidence in the dollar."

In this connection, Mr. Roosa, at another point in his testimony, commented on a question concerning the prospect of an increase in the debt limit and a reduction in taxes, even in the face of Federal spending at present or higher levels. In answering this question, Mr. Roosa said that—

"It makes a great difference as to whether you say maintain or increase on the expenditure side."

At a later point, in discussing means of preserving international confidence in the dollar, he said:

"I would suggest that it makes more sense to the foreign observer that we should have an expenditure limit than it does that we have a debt limit."

I believe it is obvious, therefore, that we must restrain spending in order to remedy our balance-of-payments problem and to maintain international confidence in the dollar. In this connection, Mr. Roosa also commented on the public debt limit and the proposed temporary increase beyond the present $300 billion ceiling. The debt ceiling bill, as it recently passed the House, provides for a $308 billion ceiling through next March, then for $305 billion through June 24 of next year, and finally for $300 billion for the remainder of the fiscal year 1963.

Although the Treasury is asking for a $308 billion debt limit, Mr. Roosa testified that the actual amount of debt outstanding would reach an estimated maximum of no greater than $304.9 billion. He said, however, that a $3 billion leeway above this estimated maximum should be permitted.

This additional leeway, as I pointed out in questioning Mr. Roosa, could well serve not as a limit upon expenditures but as an invitation to increase expenditures as far as the limit would allow. A debt limit of $306 billion would be fully adequate to finance all proper expenditures during the next fiscal year and should not be exceeded.

Mr. President, the Senate before long will soon come to a decision upon this issue. In order to shed new light upon the matter, I am including at this point the following excerpt from the hearings conducted before the Committee on Banking and Currency yesterday:

"Excerpt From Testimony of Hon. Robert V. Roosa, Under Secretary of the Treasury for Monetary Affairs, Before the Senate Committee on Banking and Currency on S. 3291, June 20, 1962

"The Chairman. What do you think will be the size of the actual debt by the end of this calendar year?

"Mr. Roosa. At the end of this calendar year, 1962, the debt will be very close to $305 billion; the peaks are hard to predict from day to day. Usually the peak occurs at the middle of the month and our present estimate is that that would be $304.9 billion, but this is an estimate that was prepared on the basis of the expenditure and revenue estimates in the original budget document. Other changes have occurred and in the meantime it may be—certainly there is a risk already that changes have occurred in expenditures that could involve as much as a half a billion more than that; whether that amount would have all been spent before the end of December is doubtful, but we can't be precise within—in these terms—certainly less than a billion dollars on any given date.

"The Chairman. Well, in March of this year we raised the debt limit to $300 billion.

"Mr. Roosa. Yes, sir.

"The Chairman. Doesn't the House bill (H.R. 11990) provide for $308 billion through next March, then for $305 billion through June 24 of next year, and finally for $300 billion for the remainder of fiscal 1963?

"Mr. Roosa. The present legislation, sir, as I understand it, will expire at the end of June 1962, so that the only remaining debt limit will be that which stands permanently—the $285 billion, so that there must be given the size of the present debt and the prospective seasonal requirements through the autumn of this year, some legislation in order to validate that and the question is really why should it be $308 billion, I believe.

"The Chairman. That is what bothers me.

"Mr. Roosa. Yes, sir.

"The Chairman. I am willing to vote for whatever is necessary to pay the debts that the Congress has incurred, but I don't want to put a debt limit up two or three billion dollars above that and invite somebody to see if they can't get up to it. Well, if $306 billion will take care of the debts that the Congress has authorized in the budget that we have been asked to approve, why put an extra $2 billion in there?

"Mr. Roosa. The reason for that arises from experience we have had in Treasury administration under the debt limit for the last 10 years. I think you may recall that when you had an opportunity to discuss this with Mr. Baird or Mr. Burgess, my predecessors, they would have explained the same way I am going to, that try as we may, the precise timing of these debt requirements cannot, this far in advance, be pinpointed as to individual dates. For simple operating efficiencies the Treasury has asked for, and the Congress has provided, a $3 billion leeway above the expected, best estimate.

"The Chairman. I don't challenge that, but the trouble is we have been making much of a farce of debt limitation. It was supposed at one time to mean something; now, if we put two or three billion more above what you are actually going to spend, it looks as if we are challenging Congress—can you get up to that, and if so, we will raise it still higher.

"Now, you are our best money experts. Are you just a little disturbed about the balance-of-payments situation?

"Mr. Roosa. Yes, indeed, more than a little.

"The Chairman. We will take that up later. Are you a little worried about the possibility of inflation—possibility, not as it now is, but the possibility?

"Mr. Roosa. The possibility; yes, sir.

"The Chairman. All right. Isn't the gross national product running close now to the annual rate of nearly $550 billion?

"Mr. Roosa. Yes, sir.

"The Chairman. It didn't go up to the $570 billion that some people thought, but it is at a grand and glorious high.

"Mr. Roosa. Yes, sir.

"The Chairman. Don't we face a possibility of a $7 or $8 billion deficit in this fiscal year?

"Mr. Roosa. Yes, sir; this fiscal year the present estimate is approximately $7 billion.

"The Chairman. Don't we face the possibility of deficit in the next fiscal year?

"Mr. Roosa. That possibility; yes, sir. But that——

"The Chairman. Of course, if we have a tax cut, whatever the deficit is will be that much bigger?

"Mr. Roosa. Indeed; yes, sir.

"The Chairman. That is right.

"So, while we do not have inflation now and while the speculators on the stock market are making out as though they fear a deflation—we are not in any depression, of course, but they make it sound that one is coming—there is always the possibility that if we would get reckless we could have inflation.

"Mr. Roosa. Yes, sir.

"The Chairman. Do you, as our top money expert, figure that there is going to be such a great drop in production between now and December that you will have to spend $2 billion more than you anticipate right now, and borrow the money?

"Mr. Roosa. No, sir; it isn't for that reason that we ask for this leeway and find from time to time that we need it. I should make very clear that our present presentation of the request for the $308 billion, in the form in which it has passed the House, would only get by if the budget is balanced in fiscal 1963. The way in which the limit is scaled down in March and again in June could not be satisfied if the budget were out of balance; so I think this formulation has put in a signaling system which makes it imperative, if there is a move away from balance, that a new request would have to be introduced for additional authority on the debt limit in the beginning of the calendar year 1963."

Mr. ROBERTSON. Mr. President, I ask that the Senate proceed to vote on Senate bill 3291.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass?

The bill (S. 3291) was passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "July 1, 1962" and inserting in lieu thereof "July 1, 1964" and by striking out "June 30, 1962" and inserting in lieu thereof "June 30, 1964".

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. SMATHERS. Mr. President, I move that the Senate resume the consideration of House bill 11040, Calendar No. 1544.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The Legislative Clerk. A bill (H.R. 11040), Calendar No. 1544, to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida. Without objection, the motion is unanimously agreed to.

Mr. YARBOROUGH. Mr. President, a parliamentary inquiry: Is this a motion to have the Senate resume consideration of the satellite communications bill?

Mr. SMATHERS. Yes.

Mr. YARBOROUGH. Has the motion been made?

Mr. SMATHERS. Yes.

The PRESIDING OFFICER. Yes; the motion has been made; and it has been unanimously agreed to.

Mr. YARBOROUGH. Mr. President, first, I ask that the Senator from Florida withhold the motion. We were endeavoring to ascertain the number of the bill, because we want to have a quorum call before the question of agreeing to the motion is put.

Mr. SMATHERS. Mr. President, I do not wish to prejudice what the Senator from Texas may believe to be his rights. However, we had rather an understanding that after disposing of the two measures on which the Senate has acted in the last few minutes, this motion would be made—so that you gentlemen would be protected.

Mr. ROBERTSON. Mr. President, following the resumption of the bill, all Senators are entitled to two more speeches—on whatever they are talking about. [Laughter.]

Mr. SMATHERS. Exactly.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry: Is the motion one to take House bill 11040, the space communications satellite bill, from the calendar and resume its consideration?

The PRESIDING OFFICER. The motion was that the Senate resume the consideration of the bill; and the motion was unanimously agreed to.

Mr. YARBOROUGH. Mr. President, in view of the fact that the Chair has stated that the motion has been unanimously agreed to——

Mr. KEFAUVER. I do not understand that the motion has been agreed to.

Mr. SMATHERS. Mr. President, recognizing the realities of the situation, why does not the Senate resume the consideration of the bill, and then have the quorum call?

Mr. KEFAUVER. Because I wish to address myself to the question of agreeing to the motion that the Senate resume the consideration of the bill.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the determination of the Chair that the motion, previously made by me, was agreed to, be negated.

Mr. ROBERTSON. Mr. President, reserving the right to object, we have some serious business to take care of. If a great constitutional issue were involved here, I would not object if Senators debated it until October, as the distinguished Senator from Tennessee indicated last evening he was prepared to do if necessary.

Mr. KEFAUVER. The Senator is mistaken about that.

Mr. ROBERTSON. What did the Senator say?

Mr. KEFAUVER. I was inquiring as to when some other matters would be brought up, and whether it might occur then.

Mr. ROBERTSON. This bill is the administration bill and it passed the House by an almost unanimous vote. It came out of the committee with a big majority. It seems to me that in the course of a few days those Senators who favor public ownership could state their case and let the Senate vote. But they do not want to let the Senate vote, because they know they are not going to win.

Under those circumstances, the Senator agreed that, after we agreed to set aside the bill so that we could act on three measures of importance, the provisions of two or which would expire by the end of June if action was not taken, the pending business goes back to the calendar. A motion has to be made to take it up. Everyone knew it was planned to take it up. A motion to take it up was made and agreed to. That gives every Senator who wants to speak against the bill two more chances to speak. It would lay aside all previous speeches as being counted. Then they have 100 amendments, and they can make two speeches on each amendment. But on top of that they want the privilege to make a speech against the motion to transact any business. That is what it amounts to.

Mr. KEFAUVER. Mr. President, is this a parliamentary inquiry?

Mr. ROBERTSON. No; this is reserving the right to object to the unanimous-consent request of the Senator to do away with the unanimous consent.

Mr. KEFAUVER. With all good humor, after hearing the good Senator from Virginia make very lengthy speeches against motions to take up business in the Senate——

Mr. ROBERTSON. The Senator from Virginia has covered 5 minutes. That is not a very lengthy speech.

Mr. KEFAUVER. I do not know what has happened to cause this unusual attention, because I have heard the Senator from Virginia talk for many hours——

Mr. ROBERTSON. On constitutional issues.

Mr. KEFAUVER. This is a constitutional issue. Not many Senators have been here to listen to it, I am sorry to say.

Mr. ROBERTSON. I am going to withdraw my objection, because it is the responsibility of the leadership to see to the transaction of business, and if the leadership wants to go into 3 or 4 days of debate on whether we are willing even to take up the bill at all, that is the responsibility of the leadership.

I withdraw my objection.

The PRESIDING OFFICER. Without objection, the motion is vacated.

Mr. SMATHERS. Mr. President——

Mr. KEFAUVER. Mr. President, a parliamentary inquiry. What is the issue before the Senate?

The PRESIDING OFFICER. As the Chair understands, the Senator from Florida made a request that the ruling on his request be negated. That has now been agreed to, without objection. Therefore, there is no pending business before the Senate.

Mr. SMATHERS. Mr. President, I move that the Senate return to the consideration of House bill 11040, the space satellite bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Florida.

Mr. KEFAUVER. Mr. President, reserving the right to object—I object.

The PRESIDING OFFICER. The question is on the motion.

Mr. KEFAUVER. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. KEFAUVER. Mr. President, earlier today we were discussing the current business, the space communications satellite bill, and I am sorry the Senator from Virginia does not think it is of importance. It is of drastic importance. It is a matter that affects our foreign policy and our communications policy. It is a question of whether something of tremendous value is going to be given away, with nothing returned to the taxpayers who have paid for it. If the Senator does not think——

Mr. ROBERTSON. The Senator from Virginia does not complain. The Senator from Tennessee said he did not have a chance to speak, that he was sitting around for 2 or 3 hours. Then, when we were going to bring up a bill this morning to extend a law that was going to expire, the Senator from Tennessee said he wanted to speak. I said, "All right. I will hold my speech back. I will not try to hold you back."

The Senator from Tennessee made his speech, and it was a good speech. Now I understand the Senator from Tennessee wants to prevent us from bringing up a bill that the Senator from Tennessee wants to discuss. I do not understand that. I did not think I would stay here to listen. The essence of the Senator's proposal is, "I want to speak on the bill, but I will not let you bring it up."

Mr. KEFAUVER. If the Senator will stay here, I will set him straight.

Mr. ROBERTSON. The Senator from Virginia has been in some filibusters himself, and he knows one when he sees it.

Mr. KEFAUVER. That is why I am surprised the Senator from Virginia is trying to push us.

Mr. ROBERTSON. I am not trying to push the Senator. I want the Senator to take all the time he wants to take.

Mr. KEFAUVER. If the Senator will stay here, I will tell him what it is all about.

Mr. ROBERTSON. I have an important engagement, but if the Senator will tell me something worthwhile, I will stay here awhile.

Mr. KEFAUVER. I do not know whether I can interest the Senator from Virginia in something that is worth many billions of dollars, but I shall be very happy to try to do so.

It was presented to the Senator from Tennessee that the administration had two or three measures to extend laws which were about to expire by the end of this fiscal year, two of which I believe were being handled by the Senator from Virginia. Not wanting to hold up those measures, and even though it is a hodgepodge way of doing business, the Senator from Tennessee said he would not resist a motion to set aside the pending business—that is, the satellite bill—in order to accommodate the leadership and the Senator from Virginia and the Senator from Missouri [Mr. SYMINGTON], so they could bring up these emergency matters.

Let it be said, in the first place, that the fact that the satellite bill is here is not my doing. The leadership did not have to bring it up for consideration now. It could well have waited until later. The point is that there are other emergency matters that will be coming up for consideration, as I understand. If we debate the motion to bring up, then if the leadership wants to bring up some emergency matter, all he has to do is withdraw his motion to bring up, and nobody will be in a position to obstruct action. I do not want to be in the position of obstructing or delaying action on emergency matters, but I do not think it is quite fair to those of us who are trying to have a continuity of debate on the space bill to have the debate go on for 3 or 4 hours, then have the debate interrupted by some other matter, then return to the satellite bill, and then have some other issue brought up and have the satellite bill set aside.

If the leadership has other emergency matters which ought to be brought up, which I understand is the case, this resistance to bringing up this bill will protect the leadership and the Senator from Virginia, because all the leadership will have to do is withdraw the motion to bring up the satellite bill.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. KEFAUVER. That is the reason why I am going to talk at some length on the motion to bring the bill up, because I do not believe in this method of doing business. I think all the emergency legislation there is ought to be brought up now, so as not to interrupt the continuity of our debate on the satellite bill.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. ROBERTSON. I have experienced the same frustration, because we have no rules of germaneness in the Senate, and I have been on the floor time after time with a bill of importance, and one Senator will rise to speak on another subject, and whatever was pending had to be set aside until the Senator finished that speech for home consumption. This interruption would not take as much time out of the Senator's time as I have had taken out of my time, breaking up whatever continuity there was in the thoughts of this Senator and other Senators. I can understand the Senator's sense of frustration, but this is in keeping with what the Senate has always done during the 16 years I have been a Member.

Mr. KEFAUVER. Does not the Senator at times resist at great length a motion to consider certain bills? It seems I heard the Senator speak, resisting a motion to consider various bills, not so long ago.

Mr. ROBERTSON. The Senator from Virginia has always taken the position that he should leave no stone unturned to protect the constitutional rights of his constituency and the integrity of the 10th amendment, which the Senate has been frequently ignoring and overriding. Whenever the Senator from Tennessee engages in a filibuster to protect constitutional rights, I shall never vote to put on cloture.

Mr. KEFAUVER. If the Senator will remain in the Chamber, I will show him how this is a talk—not a filibuster—in regard to constitutional issues.

Mr. ROBERTSON. I have read the Record for several days. I will read the Record of the Senator's remarks, but I have an important engagement I must keep.

Mr. KEFAUVER. If the Senator is not interested enough to remain and listen, there is nothing I can do about it——

Mr. ROBERTSON. I am interested.

Mr. KEFAUVER. Other than to ask the able Senator, if he thinks the delegation of the sovereignty of the United States to a private corporation—the right to negotiate foreign affairs and international relations, requiring treaties to be approved by the U.S. Senate—is not a constitutional question, then what does the Senator think is a constitutional question?

Mr. ROBERTSON. If the Senator is so sure of his position, why not let the Senate vote, instead of staging a filibuster?

Mr. KEFAUVER. I am doing what the Senator from Virginia has done many times. I am trying to educate the Senator.

Mr. ROBERTSON. Trying to educate the public?

Mr. KEFAUVER. Also trying to educate the public.

Mr. ROBERTSON. The Senator from Virginia has an engagement he must keep. He will be back about 9 o'clock this evening. The Senator from Virginia understands the Senator from Tennessee has from now until 10 o'clock this evening to expound his views. I will be back again about 9 o'clock.

Mr. KEFAUVER. It will certainly be good to have the Senator come back again. [Laughter.]

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[No. 97 Leg.]

Aiken
Allott
Anderson
Bartlett
Beall
Bennett
Boggs
Burdick
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Cannon
Carlson
Case, N.J.
Case, S. Dak.
Church
Clark
Cooper
Cotton
Curtis
Dirksen
Dodd
Douglas
Dworshak
Ellender
Engle
Ervin
Fulbright
Gore
Gruening
Hart
Hayden
Hickenlooper
Hickey
Hill
Holland
Hruska
Humphrey
Jackson
Javits
Johnston
Jordan
Keating
Kefauver
Kerr
Kuchel
Lausche
Long, La.
Magnuson
Mansfield
McCarthy
McClellan
Metcalf
Miller
Monroney
Morse
Morton
Mundt
Murphy
Muskie
Neuberger
Pell
Prouty
Proxmire
Randolph
Robertson
Russell
Saltonstall
Scott
Smathers
Smith, Mass.
Smith, Maine
Sparkman
Stennis
Symington
Talmadge
Thurmond
Tower
Wiley
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the motion of the Senator from Florida.

Mr. KEFAUVER. Mr. President, so that there will be no misunderstanding, the motion before the Senate is to proceed to the consideration of the space communications satellite bill. We who are opposing the bill are not blocking consideration of anything else. If there is emergency legislation which must be taken up, as I understand the parliamentary situation, all that would have to be done would be to withdraw the motion to take up the satellite bill now. However, the procedure of bringing up the satellite bill which, we have good reason to believe, cannot be concluded before the expiration of some emergency legislation, and having the consideration of the bill interrupted, does not allow for very good continuity of debate on the satellite bill.

Therefore I would urge the majority leader and others who are interested in some kind of emergency legislation to call it all up and try to get it behind us before we bring up the satellite bill again, so that we may have a better situation in connection with the debate. Or we could bring up the satellite bill again in January, if there is not time for a full consideration at the present time.

I made some notations on the calendar, and I see a great many items on the calendar which seem to be emergency matters or important matters. There is Calendar No. 627, S. 2345, to extend and improve the National Defense Education Act of 1958. There is Calendar No. 676, S. 349, a veterans bill. I do not believe the sugar bill is on the calendar, but is still in committee. I believe there is also a bill somewhere to extend corporate taxes.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. Yes, indeed; I am glad to yield.

Mr. SMATHERS. I should like to ask the Senator whether he is desirous of getting a disposition made of the space satellite bill at any time within the reasonable future?

Mr. KEFAUVER. I am frank to say to the Senator that I am desirous of getting a disposition of the bill if it is the right kind of disposition.

Mr. SMATHERS. Does the Senator mean to say that if we will vote his way he will agree to take it up, but if we do not agree to do that, he does not want us to take it up?

Mr. KEFAUVER. No. This is an important bill. It ought to be discussed, and it ought to be discussed without being taken up and then being set aside, taken up, set aside, and so forth.

Mr. SMATHERS. If it is an important bill and the Senator wishes it discussed, why does he refuse to let us make it the pending business again?

Mr. KEFAUVER. If the Senator will keep it the pending business without setting it aside again, I will withdraw my objection, so we can dispose of it.

Mr. SMATHERS. If the Senator will make his case, he will be so persuasive in a few hours or days that we can finally dispose of it and get on to these other matters.

Mr. KEFAUVER. I would not put any persuasive power like that in my hands. The Senator is entirely too generous. I will say to the Senator that if he will agree that we can maintain continuity in the debate and not have the bill set aside again, I will withdraw my objection to take it up at this time.

Mr. SMATHERS. I am satisfied that the majority leader, who sits here, would be perfectly agreeable to letting these bills affecting laws which will expire and which have to be acted upon prior to June 30, wait, if he felt he would have at least 2 or 3 days prior to the time of the expiration to consider them, meaning by that that the satellite bill would then have been disposed of. Therefore, if the Senator would give us some kind of assurance that the space satellite bill could be voted on within 5 days or 4 days or a week——

Mr. KEFAUVER. I am only one Senator. I have a speech to make. I know that there are several other Senators who feel very deeply about the matter and want to speak.

Mr. SMATHERS. Will the Senator——

Mr. KEFAUVER. I am trying to answer the Senator from Florida.

Mr. SMATHERS. I might say to the Senator——

Mr. KEFAUVER. Will the Senator let me finish? I wish he would indulge me. If he would indulge me, I would appreciate it very much. He is always generous and polite. I have had difficulty trying to get a quorum in the Chamber for the purpose of making my speech. I do not know how long it will take me to finish my speech. I do not believe that I will be much longer. However, I cannot speak for other Senators who have not yet spoken on the subject. There are a number of Senators who wish to speak. I cannot say how long they will take. I will say to the Senator and to the majority leader that if they will let us get started now, with the understanding that the bill will remain the pending business until it is disposed of, I will withdraw my resistance to the motion to take it up. Or they might wish to take it up next year. I remember when we had a fight about the rules, there was an understanding that the resolution would be taken up next year, or at some later date.

Mr. SMATHERS. Will the Senator yield?

Mr. KEFAUVER. If there is emergency legislation which ought to be brought up, I will not resist it. All that the Senator would have to do would be to withdraw his motion to make it the pending business. We can go ahead with all the emergency bills; but I do not believe it is quite fair to us to require us to debate for a little while and then to have the bill set aside; and then require us to try to pick up the ends of the debate and start all over again. We might come in tomorrow and have the bill set aside again, and it would be necessary for us to try to pick up the debate again. I think we are entitled to at least some continuity in debate.

Mr. SMATHERS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I am happy to yield.

Mr. SMATHERS. I agree completely with the Senator's statement that this is a very important bill. He says it is of such great concern that he wants every Senator to remain in the Chamber and listen to him. I wish Senators would stay and listen to the Senator from Tennessee. There is an important time element with respect to the bill, because if it is delayed to such an extent that the Soviet Union puts the first communications satellite into space, the United States will have lost forever the position and prestige. So there is an emergency.

I do not understand the logic of the situation, if it is so important, that the Senator from Tennessee and the Senator from Louisiana desire to postpone consideration of the bill until next year.

Mr. KEFAUVER. If the Senator from Florida felt as many of us who oppose the bill feel about it, he would understand that if the satellite is to be placed in the hands of a group who have a built-in conflict of interest, and because of their own equipment and facilities would not have the incentive to develop the satellite, the United States would be second or third. But if we want to be certain that the United States will be the first to place a successful communications satellite in orbit, we had better not pass the bill. If we want to be certain that the satellite will be in the hands of a group who have many reasons not to develop it, a group which is substantially committed, and is trying to have agencies of Government committed to a satellite which many persons believe cannot be successful and will be obsolete before it ever is built, let us pass the bill.

Our fight today is to try to make certain that the United States will have the first good communications satellite in orbit, and that we will beat the Russians to it. In my opinion, the sure way of not doing that is by the passage of the bill.

Mr. SMATHERS. Does the Senator wish to have the bill taken up, so that he may point out the weaknesses in it?

Mr. KEFAUVER. I have tried to do that; and if the Senator from Florida will agree to have the bill made the pending order of business until we have completed our debate, I will withdraw my resistance to his motion.

Mr. SMATHERS. I am certain the Senator from Tennessee well knows that the Senate must act upon certain legislative proposals which will expire on June 30.

Mr. KEFAUVER. Why does not the Senator bring them up? They are on the calendar.

Mr. SMATHERS. Some of them are, but some are not. But the communications satellite bill is an extremely important and vital one, as the Senator says. If he wishes to talk about it, we say, let us get on with it.

Mr. KEFAUVER. If the Senator from Florida has other vitally important measures to bring up, I will yield to him, so that he may withdraw his motion and make the emergency bills the pending order of business. If he believes that those bills are of vital importance, or that other bills are important, I shall be glad to join with him in making the communications satellite bill the pending order of business on January 10, 1963.

Mr. KERR. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Oklahoma.

Mr. KERR. Did the Senator have so little confidence in a motion he might make by himself that he thought he might have some other Senator join with him in making it, in order that it might have dignity?

Mr. KEFAUVER. I do not know whether the Senator from Oklahoma is trying to disparage me or not.

Mr. KERR. I thought the Senator from Tennessee was trying to disparage the Senator from Florida. I merely wished to see both Senators placed on the same level.

Mr. KEFAUVER. No; I knew that the motion made by the Senator from Florida would be more persuasive than one made by me, so I was inviting the Senator from Florida to join with me.

Mr. SMATHERS. I have moved that the Senate resume the consideration of a vital bill, a bill which the Senator from Tennessee admits is vitally important to the United States and the free world. Yet the Senator does not wish to let the Senate vote on the motion, so that the bill may be taken up and reach the point where it can be debated and the Senate can decide what it will do about it.

I am sure the Senator understands that he does not have enough votes to sustain his position; so in point of fact we all know, as a realistic matter, that the Senate is involved in what we sometimes euphemistically refer to as a filibuster.

Mr. KEFAUVER. The Senator from Florida has had good experience in that kind of activity.

Mr. SMATHERS. That is why I know one when I see it.

Mr. KEFAUVER. I know the Senator from Florida speaks with great knowledge of that subject. I am certain he is speaking for himself and no one else; but he misinterprets what I am saying.

We are perfectly willing to proceed and to finish the debate with continuity from now on. We will remain here as long as any Senator wishes to remain. But it is not fair to us to have our debate interrupted and set aside, and then to require us to pick up the ends and start over again, only to have the bill set aside again.

My feeling is that if there are emergency measures which ought to be passed, the leadership should bring them up now, so that we may have some continuity in our debate on the communications satellite bill. I have talked with members of the press and others, who say, "You debate a while today, and you set aside the bill. We do not think that is a logical way to present the case."

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MANSFIELD. The Senator talks about continuity and about getting on with the bill. At the proper time, I should like to propose a unanimous-consent request that there be a limitation of 1 hour for each amendment and 6 hours on the bill, and then a vote on the passage of the bill on, say, July 5 of this year. In that way we can continue the debate and be in accord with what the Senator desires.

Mr. KEFAUVER. I should have to object to that proposal. I am certain the Senator from Montana realizes that this is a bill of transcendant importance and represents the giving away of an extremely valuable asset which the taxpayers have developed. The people of the country ought to know about it.

I have been impressed with the statement that the bill for the first time delegates the sovereignty of the United States in treatymaking to a private corporation, because treaties and executive agreements will be required. Certainly, that feature of the bill is entitled to more consideration.

I am not in a position at this time to say how long other Senators would like to discuss the bill.

The burden is on Senators who wish to bring up emergency measures, to bring them up. We are holding up nothing at the present time. If we begin to discuss the bill this afternoon, we shall consider further what our situation may be if further efforts are made to interrupt us after we get started with our discussion and debate on the bill. Many emergency measures are on the calendar. I hope that as many of them as possible may now be disposed of, without causing other interruptions in the debate on the communications satellite bill.

Mr. President, it is only reasonable to assume that some consideration should be given to the role which the United Nations might eventually play in connection with the communications satellite system. It is entirely fitting that the President should consider what role the United Nations might eventually play. It is altogether fitting that language to that effect be included in the bill to create an agency which would own and operate the U.S. portion of the satellite system.

Mr. YOUNG of Ohio. Mr. President, will the Senator from Tennessee yield, without losing his right to the floor?

Mr. KEFAUVER. Mr. President, I yield to the Senator from Ohio, provided I do not lose my right to the floor.

Mr. YOUNG of Ohio. I express my gratitude to the distinguished Senator from Tennessee for yielding to me for the privilege of making a statement which I consider to be of importance; and, of course, without the Senator losing his right to the floor.

Mr. KEFAUVER. Mr. President, I yield to the Senator from Ohio for that purpose, provided his statement will appear elsewhere in the Record.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that my statement may appear in the Record following the statement of the distinguished Senator from Tennessee.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At this point Mr. Kefauver yielded to Mr. Young of Ohio, whose remarks appear elsewhere in the Record.)

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. KEFAUVER. Mr. President, the Senator from Alaska [Mr. Gruening] asked me to yield. I ask unanimous consent that I may yield to him without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. GRUENING. Mr. President, I have read and heard much of the debate on the floor so far concerning the need for the immediate enactment of H.R. 11040. Nothing I have heard or read so far has caused me to change my original belief that we should not be hasty in the passage of this measure in the form in which it comes before us.

We must realize that the placing of the satellite in private hands is an irreversible step. So long as there is even the remotest possibility that the mechanism created by the Congress to control the satellite might operate as a monopoly against public interest, we should retain such control in the hands of the Government.

Inaction at this time can have no dire consequences. The Federal Government will not be hampered by our inaction in continuing the development of the satellite, in its launching, and in its operation during its early, experimental years.

I concede, of course, that there is much to be said about the value to the prestige of the United States in being the first to launch a communications satellite. But I cannot concede that our not passing H.R. 11040 would in the slightest impede our efforts to be the first nation to orbit a communications satellite. After all, all the development work so far on this great scientific advance has taken place under the aegis of the Federal Government and without the passage of a measure such as H.R. 11040.

This was admitted by Mr. Samuel M. Barr, vice president of Western Union Telegraph Co., before the Senate Antitrust and Monopoly Subcommittee when he was asked what he would do if he had $200 million to spend on a communications satellite right now. He replied:

> Well, for an appreciable period of time it would sit on its hands. Deferral of this legislation until next year will not delay the development of a space satellite communications system in any degree.

In the face of such testimony, it is difficult for me to understand the need for haste in the establishment of this corporation.

I say that especially in view of the determined opposition to the passage of this bill in this form at this time by the able and distinguished chairman of the Senate Antitrust and Monopoly Subcommittee [Mr. Kefauver].

In that connection I was very much impressed by the minority views expressed by two of our able and distinguished colleagues, the Senator from Texas [Mr. Yarborough] and my colleague from Alaska [Mr. Bartlett]. The reasons they advance for opposing the passage of H.R. 11040 in its present form are most cogent and nothing I have heard or read has controverted them.

One point made in those minority views has not, in my opinion, been sufficiently aired. I refer to the effect upon our conduct of foreign affairs of the powers vested in this proposed private corporation. All too often in the past we have seen the devastating effect upon our relations with foreign governments when two governmental agencies work at cross purposes. From time to time we bring to light sad examples of the CIA pulling one way and the State Department hauling another way. In the field of foreign aid we find examples of such pulling and hauling coming to light at every turn.

But, Mr. President, these are examples of two agencies of the Federal Government negotiating with the same foreign government along different lines. How much more devastating will it be when one of the agencies operating in that country is a private corporation, whose purposes and aims would not necessarily be the same as those of our State Department?

The proposed bill is much too loose in the role it gives to the State Department.

All the present bill provides in this respect is as follows:

> Sec. 402. Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations and that Department shall render such assistance as may be appropriate.

That is truly an unusual provision, Mr. President.

In the first place, the conduct of our foreign affairs rests with the Chief Executive. We have in the past always respected that authority of the President.

Yet here we seek to delegate the President's power to negotiate with foreign governments to a private corporation without any safeguards except that the corporation must tell the Department of State of its actions.

Mr. President, we should note carefully that the State Department is not given a veto over the manner or content of those negotiations. As I read the provisions of this bill, the Department of State is notified of what has been agreed to after the agreement is signed, sealed, and delivered. The private corporation is told by the State Department, under this bill, "of relevant foreign policy considerations" but nowhere in the bill is the private corporation required to negotiate in keeping with and not contrary to those "foreign policy considerations." And, even if the bill were amended to include such requirement, who would judge whether the negotiations of this private corporation were consonant with or contrary to policy considerations vital to the interests of the United States? Would we set up this private corporation as a "super" Department of State to judge whether its negotiations helped or hindered our foreign policy? If not, and if it is intended that the State Department should be the judge of such matters, how can the State Department carry out such function when the bill does not require the State Department to be a party to the negotiations?

Note, Mr. President, the curious language of this section. The private corporation may—or may not—request the Department of State to participate in the negotiations. On the other hand, if requested, the Department of State must participate. This is a very curious provision. Here we have the State Department required to participate in negotiations with a foreign nation upon the request of a private corporation.

Suppose that the request is untimely and for reasons which would advance the best interests of the United States the Department of State was of the opinion that it should not participate in such negotiations? It is not, under the provisions of this bill, given the option of refusing to participate but must rush in at the behest of a private corporation which might well put its own narrow interests ahead of the broader interests of the Nation.

I note that only one member of the Senate Commerce Committee is also a member of the Senate Foreign Relations Committee. Surely, in a matter as far reaching as this, the other members of the Senate Foreign Relations Committee should have ample opportunity to give the Senate the benefit of their formal advice. I say that especially in view of the fact that three distinguished members of the Senate Foreign Relations Committee are actively opposing the passage of this bill in this form.

It is my opinion, Mr. President, that we already have too many diverse Federal agencies operating in foreign countries. We cannot and we should not delegate the conduct of our foreign policy to a private agency which would not even be under the control of the Department of State.

I strongly urge that this bill be referred to the Senate Foreign Relations Committee so that we may have the benefit of the views of all the members of that committee and any recommendations as to how a private corporation could be placed in charge of the operation of the communication satellite and agreements negotiated with foreign powers without jeopardizing the conduct of our foreign relations.

In my remarks today, Mr. President, I have touched only on the foreign relations aspects of this bill and my serious reservations to it on that score.

There are many other aspects of the bill as to which I also have reservations.

One of those aspects relates to my doubt as to the efficacy of the Federal Communications Commission in regulating the corporation sought to be created by this bill.

Through the years, my faith in our regulatory agencies has been badly shaken.

We in Alaska enjoy the dubious distinction of having the highest cost of living of any State in the Union. This in great measure is due to our extremely high transportation costs and the fact that almost everything consumed in Alaska must be imported. Through the years, Alaskans have appealed in vain to the succession of maritime regulatory boards and commissions to effect a reduction in water transportation costs. Our appeals have fallen on deaf ears, regardless of the composition of these boards and commissions, regardless of which administration was in power, and regardless of how cogent a presentation was made.

Recently, a gleam of hope appeared when the Federal Maritime Commission's examiner disallowed a freight rate increase put into effect by the Alaska Steamship Co. However, by some curious quirk of reasoning, the increase was disallowed only as to the future, not as to the past. Apparently, the increase somehow ripened into unreasonableness with the passage of time.

I am hopeful the Commission will reverse the examiner and declare that the rate increase was unreasonable in the past and will be unreasonable in the future.

I cite this example, Mr. President, only as a means of pointing out that Alaskans are particularly wary of our Federal regulatory bodies and would want to be very certain that the private monopoly which this bill seeks to establish will not be in a position to gouge the public with the approval of the Federal Communications Commission.

We have had other experiences of that kind. Lacking forms of transportation that are available to the other States, and having very few roads, Alaska entered the Union in the unique situation of having not merely a few, but a majority of its communities unconnected by either highways or railway facilities, a situation unthinkable in all other States of the United States. It has a defective maritime freight service, the passenger service having been suspended in 1954. Alaska is therefore almost wholly reliant for her transportation on air transportation. Partly because of the few roads and party because they are pioneers in spirit, Alaskans have taken to the air and have gradually developed a fine system of intra-Alaskan aviation and a fine system of connecting airlines with the other 49 States.

So far as aviation is concerned, Alaska is excellently situated. We have reached that point only recently.

But what happened recently? CAB wishes to scrap all that progress. It wishes to abolish completely the service by Pan American Airways, the pioneer in America and the leader in promoting connections by air between the lower 49 States and Alaska, which has recently inaugurated a fine jet service to Alaska. It was the original line connecting Alaska with the 48 States. In addition, it is a nonsubsidized carrier.

Therefore, the argument which is heard in favor on this occasion is hard to understand, inasmuch as Pan American Airways derives no subsidy.

That is the first step which CAB proposes.

The second step is to limit the operations of Northwest Airlines, likewise an unsubsidized carrier, and make its service to Alaska merely incidental to stopoffs on the way to the Orient.

Northwest Airlines now has an excellent daily service between New York and Anchorage, and daily service from Seattle to Anchorage. CAB would abolish all that service.

It would then compel the two remaining carriers, Alaska Airlines and Pacific Northern Airlines, to enter into a sort of shotgun marriage. The net result, in effect, would be to scrap the one good form of transportation which is now available in Alaska, painfully built up through private enterprise, and create a complete monopoly. That is one type of experience which Alaskans have had with Federal regulatory bodies. In this particular case, we are fearful of the great powers vested in one of the regulatory agencies.

Mr. GORE. Mr. President, will the Senator yield?

Mr. GRUENING. I am happy to yield to the distinguished Senator from Tennessee.

Mr. GORE. Is it not the dream of many eminent scientists and engineers in this field that the day is not far distant when there may be worldwide television communication?

Mr. GRUENING. It certainly is. That would do much to promote understanding between peoples. It would do much to promote the cause of peace, because as we see and come to know one another, many differences are likely to disappear or diminish.

Mr. GORE. Why is it that a new facility, so vast in its potential for the peace of the world and for the security of the United States and for the benefit of mankind, is subjected by the bill to the handicaps of a private corporation to achieve working international agreements with many nations of the world, which would be necessary for the establishment of a global satellite communications system?

Mr. GRUENING. I believe that the answer to the question of my able friend from Tennessee is that for this very reason some of us are very hesitant to rush, in this vast field which opens up the greatest era in the history of mankind, and turn it over to private enterprise. At the very least this should be the chief or major responsibility of government. It will have to deal with other governments; and in time this program will become a matter of understanding between governments.

I find it difficult to understand how we can expect a private company to carry on these highly complex negotiations, which at best would tax the resourcefulness and ingenuity of the State Department and the remainder of the executive branch of our Government.

Mr. GORE. Laudable as is the profit motive, by which I am stimulated in my private life—and I daresay the junior Senator from Alaska is also, as are also all business interests and many other people—it does not follow that because of the laudability of the profit motive inherent in our free enterprise system, all of our national purposes, international in scope, may be served by the more narrowly confined profit motive of one private corporation.

Mr. GRUENING. The Senator is quite correct. I share his view. Under the private enterprise system, we must be stimulated by the profit motive. However, this situation is far beyond the capacity of one company to handle. It involves many widespread factors all over the globe, as well as questions of peace and war. It involves the whole question of control of the vast outer space. It seems inconceivable that we should turn this program over to any one private agency. Our Government would be taxed to its full ingenuity and capacity to handle this problem. If, after the years pass, and after the Government has launched it, it then seems desirable to interpose the profit motive, that problem can be reopened. Certainly, that should not be done at the very beginning of the program when we do not fully know and understand what all the complications and implications are. This is no time to adopt a policy which, as I have pointed out, would probably be irreversible.

Mr. GORE. Perhaps all of us recognize some of the commercial potentialities and the importance and value of commercial potentialities. I do not speak disdainfully of either the profit motive or the commercial potentialities. However, what I am trying to say to my distinguished colleague from Alaska is that there may be many national purposes, foreign policy objectives, not only in the context of the cold war but also in worldwide responsibilities and opportunities which cannot be measured by the necessarily more narrow concepts of the profit and loss statement of a private corporation.

Mr. GRUENING. I fully agree with the Senator's view on this subject. I share his view on the desirability of promoting private enterprise, which is a system which we enjoy and which we have carried to the greatest height of development. We wish to continue to develop it. Certainly it should never be discouraged. However, it seems to me that in this case we would be very unwise if we turned this almost totally unexplored field over to one private enterprise.

Mr. GORE. I am not prepared to deny that there is a place or will be a place for commercial application. I hope there will be commercial opportunities, many opportunities. But it seems to me to be utterly unwise to handicap development of a truly global system of satellite communications with the limitations of a private corporation. It appears to me unwise for Congress to convey to such private corporation the responsibility and prerogative which, under the Constitution, is the responsibility of the President of the United States, to conduct the Nation's foreign affairs and to enter into international agreements and treaties.

Mr. GRUENING. It seems to me to be unthinkable that we should turn over to a private company the power vested in the President and by him delegated to the Department of State. I doubt whether a private company would be successful in effecting the kind of negotiations and international agreements with other powers which would be absolutely essential. Space is not the property of any one nation.

Mr. GORE. When I raised this question a few days ago, one distinguished Senator asked, in effect, "Why do you not take this up with the man at 1600 Pennsylvania Avenue? This is the President's bill."

I find that the bill which President Kennedy sent to Congress and requested Congress to pass provided that the Department of State, which is under the direction of the Executive, should conduct the negotiations with other nations necessary to reach agreements for the development of a global satellite communications system.

Mr. GRUENING. I assume the Senator's point is that in its present form the bill is not really the administration's bill.

Mr. GORE. It bears but little resemblance to the bill which President Kennedy sent to the Senate. Why is the responsibility for the conduct of the Nation's foreign affairs, which is undeniably vested by the Constitution in the President of the United States, delegated by the bill to a private monopoly?

Mr. GRUENING. That is the point of the question to which we are addressing ourselves in urging that there be no precipitate action on the bill. We desire that the bill be thoroughly debated, and that amendments which may be offered also be thoroughly discussed, so that there may be a real understanding of how the bill came to us in the misshapen form in which it now is.

Furthermore, it seems to me that apart from the prerogative of the President, the Senate has a constitutional responsibility to advise and consent in foreign affairs; and if there is anything more foreign than the space surrounding the earth, and extending for an indefinite distance in all directions, it certainly is this field.

Mr. GORE. If there is to be a system of world communication involving ground facilities telephonic, radio, and television frequencies and many other facilities which I am sure I cannot foresee, but which even the experts say they cannot foresee——

Mr. GRUENING. Will not the Senator agree that to date the Government has done or sponsored all the work in this field? Why should that work suddenly be turned over to a private enterprise? What harm is there in allowing the Government to continue until it has worked out an adequate understanding of what is involved, and then have Congress legislate accordingly? I hope very much that the work will be allowed to continue under Government auspices and control until such time as science, and the combinations of science involved—many of them new, many of them scarcely tried, many of them highly complex—are further understood and developed, and at that time decide what seems to be best for the future.

Mr. GORE. I would be willing, as I venture to surmise the junior Senator from Alaska would be willing, to have the fullest possible cooperation between the Government and the various communications carriers in the attainment of such a goal.

Mr. GRUENING. Absolutely; there should be the closest cooperation; and that is what I and some of those who are hesitant to rush the bill to enactment hope will take place. We hope there will be the closest cooperation between the Government, the communications companies, and others engaged in the field. But for the present the ultimate decision and ultimate control of this great system should be vested in the President of the United States.

Mr. GORE. By what reason is it assumed that the attainment of a global satellite communications system will come more readily by vesting in a single private monopoly ownership and authority for U.S. participation in such a communications system, the development of an international communications system, and the attainment or failure of attainment of international multilateral agreements and treaties which will be necessary if there is to be successful operation?

Mr. GRUENING. I agree wholeheartedly with the import of the statement of the Senator from Tennessee.

Mr. GORE. I believe such an act would hinder the efficient and adequate attainment of a global system of satellite communications.

Mr. GRUENING. I agree with the Senator from Tennessee. Does he not agree that initially the mistakes in a field so important might be extremely costly? We are moving in an almost uncharted sea—the sea of space. If we should make the wrong moves now, if we get off to a poor start, other nations might rush in and preempt the field and thus make it extremely difficult later for us to rectify the situation or return to a policy which was proved wise in the beginning.

Mr. GORE. I agree. Perhaps the Senator from Alaska will be interested to know that only today the Committee on Foreign Relations met in executive session to consider a bill which would permit certain foreign embassies in Washington to establish shortwave, high frequency radio installations, provided those countries afforded the United States reciprocal rights. This measure was considered of sufficient importance in international relations to be referred to the Committee on Foreign Relations. In turn, after the Committee on Foreign Relations had considered the bill, it was referred to the Committee on Commerce for its consideration. Yet the pending bill is one which envisions a global system of satellite communications, television, telephonic, radio, and perhaps other potentials, which my unscientific mind cannot foresee, yet it has not been considered by the Committee on Foreign Relations.

Mr. GRUENING. It seems to me to be a grave omission that the bill has not been referred to the Committee on Foreign Relations.

The bill came to the Senate from the Committee on Commerce. It was perfectly proper for that committee to consider the bill; but it seems to me that no committee has a greater right to be heard on the proposed legislation and to study it thoroughly than has the Committee on Foreign Relations. The bill has come to the Senate from the Committee on Commerce.

Mr. GORE. I consider it to be not only a right but also, it seems to me, a responsibility. Moreover, I suggest to the Senator from Alaska that I am not sure that the enactment of the bill, conveying to a private corporation the right to be the agent of the U.S. Government in the negotiation of multilateral agreements or treaties with many nations, and delegating such responsibility, does not constitute an abrogation of the constitutional responsibility of the Senate, condoning and providing for such an abrogation of responsibility by the executive branch of the Government.

Mr. GRUENING. I agree with the Senator. While I am a recent arrival in the Senate and have a deep sense of humility, I must say that I have been distressed, in the 3½ years I have been here, to observe the number of instances in which, it has seemed to me, at least, the Senate has abdicated its traditional prerogatives and turned them over to the Executive. We have great confidence in the Executive. We want to give him the powers which are legitimately his. But the Senate has a duty, particularly in the field of foreign relations, to advise and consent.

I do not know whether the Senator from Tennessee would agree with me, but I feel that that is true also in a related field, the important field of foreign aid, which is a new development, a field which did not exist in previous years. In previous years, before the coming of the Marshall plan, the executive function of the Senate was to advise and consent to treaties and to the nominations of ambassadors and high officials of the various departments, and that was about all. But the programs for spending vast sums of money in aiding foreign countries introduced an entirely different element into our foreign relations; and I regret to state—although I state it without any criticism—that the program has become so vast that the Foreign Relations Committees of the two bodies have not been able to exercise the kind of vigilance and control which corresponding committees of the Congress exercise over domestic programs and appropriations.

As the Senator from Tennessee well knows, if we wish to make a domestic appropriation of some kind—for instance, for the construction of a lodge in a national forest—that item has to go through the regular routine of authorization by the two bodies, and then approval by the appropriation subcommittee of one body, and then approval by the full Appropriations Committee, then passage by that body, followed by a similar procedure in the other body. However, in the case of foreign aid, we are writing blank checks. It is true that the foreign-aid program is presented in general outline to the appropriate committees; but that does not by any means give the kind of control and vigilance to which we are accustomed, especially as the appropriations for foreign aid are becoming more and more astronomical in size; I think that situation may be behind some of the failures of the foreign aid program.

So I should like to have the Congress exercise more vigilance and exercise to a greater extent its prerogatives before such expenditures are committed. In the past we have found that hundreds of millions of dollars which have been spent have been wasted; and attention has been called to that situation, but only after it was too late. The Department of State has said it realizes the existence of that situation, and has said it would do better. However, there has been very little change.

In this case, as my able colleague has pointed out, it is imperative that the Foreign Relations Committee examine thoroughly this proposed legislation.

Thorough consideration by the other two committees which have passed on it is also vital; but in my judgment it is most vital that thorough consideration be given the bill by the Foreign Relations Committee.

Mr. GORE. Mr. President, will the Senator from Alaska yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Alaska yield to the Senator from Tennessee?

Mr. GRUENING. I yield with pleasure.

Mr. GORE. I repeat that the communications satellite bill, which encompasses the dreams of all mankind for closer communication around the world—in short, a global communication satellite system, which would require delicate and continued negotiations and the operation of agreements among the nations—has not even been referred to or considered by the Senate Foreign Relations Committee.

Moreover, the bill which was sent to Congress by the President maintains the constitutional line of responsibility, by requesting the Congress to provide that the executive branch shall conduct the negotiations with other nations. But that provision has been stricken from the bill, and thus the bill would strip from the President the authority which under the Constitution is his and the responsibility which under the Constitution is his, and would vest it in a private corporation.

Mr. GRUENING. Mr. President, I should like to ask the Senator from Tennessee another question: Does he understand how it would be possible to separate communications in space from explorations in space? We are now engaged in efforts to extend our explorations in space—for example, to reach the moon, and ultimately to reach the planets. How can we separate those prodigious efforts from communications in space? Both will have to be carried on by the Federal Government. Yet it is proposed to turn over the other function to a private firm.

Mr. GORE. I do not have the answer; but the question of the Senator from Alaska illustrates one example to which I referred when earlier I indicated to him that I thought the purposes of the United States, national and international in scope, and, indeed, spatial in scope, may not be subject to measurement by the profit motive of a private corporation, organized for the traditional and the entirely praiseworthy purpose of making a profit. This simply does not meet the requirements of a global satellite communication system. I think there will be opportunities for commercial exploitation, and I am in favor of that. But I am not in favor of relying solely upon the profit motive in dealing with an area so vast and so unknown, and as to which the objectives may be far beyond, and not commensurate with, a profit in dollars and cents.

Mr. GRUENING. Moreover, it deals with an area which may be most important to the survival of our Nation. If we were to lose control of the communications system of the air, certainly our national security would be in jeopardy; and certainly it is the function of our Government to prevent that.

Mr. GORE. I agree. Furthermore, those who repeatedly have implied that those of us who are raising these questions are antiadministration and are opposing the administration's bill should be reminded—and let me do so at this time—that the bill which President Kennedy recommended to Congress reserved to the executive branch of the Government its constitutional responsibility to negotiate treaties and agreements with other nations.

Mr. GRUENING. That is correct; and as the Senator from Tennessee has pointed out, this bill is not the administration's bill. The bill now before us has been altered in a very important aspect, even though in only a few sentences.

I should like to ask the Senator from Tennessee whether—granted that this is a controversial issue and that there are legitimate differences of opinion in connection with it—can he see any reason why there should be such great haste in rushing this legislation through to enactment? What shall we lose if we study the bill carefully and obtain the benefit of the opinions of the members of the Foreign Relations Committee in regard to it? What danger will there be if that prudent course of action is followed?

Mr. GORE. It seems to me that enactment of the pending bill would be a hindrance, rather than a help, to the efficient and adequate development of a global satellite communication system.

Mr. GRUENING. It is my hope that as the debate proceeds, regardless of whatever may be done, at some appropriate time the bill will be referred to the Foreign Relations Committee, of which my distinguished colleague, the Senator from Tennessee [Mr. GORE] is a member, and in the committee will be given careful study by all its members, so that the Senate will have the benefit of their views in regard to the bill.

The distinguished chairman of the committee is not in the Chamber today. I have not heard his expression of opinion, and I cannot speak for him, but I am confident he will be greatly interested and concerned in this legislation.

Not too long ago the chairman of the Foreign Relations Committee opposed a Presidential appointment because he felt his committee had not been consulted in a field that was very close to foreign relations. I thought that was a very understandable position on his part. While I cannot speak for him, I do know the feelings of some of the other members of the Foreign Relations Committee is that this measure should be referred to them for further inspection.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. GRUENING. I yield.

Mr. GORE. Yesterday and the day before I was working on a speech devoted almost entirely to this angle of the pending question. When I have completed my speech, it is my purpose to send a copy to the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], chairman of the Foreign Relations Committee, and my other colleagues on that committee, requesting their careful consideration.

It is my view that the bill should be considered by the Foreign Relations Committee. It was considered by the Commerce Committee. It was considered by the Aeronautical and Space Sciences Committee.

In essence, this is a bill dealing with international relations. True, it involves space communications technology, but in the application of that technology, the development of the system can be obtained only through the conclusion of multilateral agreements and treaties with many nations.

Mr. GRUENING. That is correct. I thank the Senator.

We in Alaska have much to hope for in the communications satellite. We hope it will be a means of joining our State to the other States even closer than it is joined now—communications-wise—and that there will come a day in the not too distant future when simultaneous television programs can be seen everywhere in the 49th as well as in the other States.

When that day comes, Mr. President, we do not want to be in a position where we have to stand, hat in hand, before a private monopolistic corporation and plead with its managers to lower rates so that Alaska can in fact afford to be joined through the communications satellite with the other citizens of the Nations.

We do not want to wake up and find that, while the facilities are there, the cost of using them is prohibitive.

We have enough of appealing to Federal regulatory agencies to lower rates—enough of rubber-stamp approvals of rate increases—enough of gouging by those who seek only to monopolize communications to Alaska—whether by land or sea—for their own materialistic gain.

Mr. President, for these, and many other reasons, I urge that this bill not be enacted in its present form and that every conceivable action be taken to safeguard the public welfare.

## GIVE THE WORDS "FHA INSURED" VALIDITY

Mr. GRUENING. Madam President, I wish to speak on another subject.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Alaska.

Mr. GRUENING. I introduce a bill to amend the National Housing Act to protect purchasers of homes covered by FHA-insured mortgages against major defects. I ask unanimous consent that this bill be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks and that the bill lie on the desk until the conclusion of business on June 29, 1962, to afford others an opportunity to cosponsor this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRUENING. This situation was graphically brought to the attention of the Members of the Alaska congressional delegation recently upon the receipt of numerous complaints from the purchasers of approximately 50 prefabricated homes near Anchorage, Alaska. We immediately asked that the matter be investigated by the Federal Housing Administration. That agency is now going into this matter thoroughly, and it is our hope that through its persuasive powers the manufacturer and vendor of these homes will bring these homes up to specification and make them habitable.

In the course of our discussions with the officials of the Federal Housing Administration they pointed out that even though these homes were represented to the prospective purchasers as "FHA insured," the FHA claimed there was no legal liability upon the Federal Housing Administration to insure that the houses delivered met the standards of specifications established by the Federal Housing Administration.

This situation should not be permitted to continue.

I do not know how many other homebuyers throughout the country have been similarly lulled into a false sense of security when purchasing FHA-insured homes. I would imagine that the numbers are large.

In the cases about which complaints were lodged with us and by us with the Federal Housing Administration, there was a gross undercompliance with FHA specifications, both in the construction of the homes in Indiana and the installation of the homes in Alaska. This despite the fact that FHA had supposedly established an inspection system at both locations and proper certifications of inspections and compliance had been issued.

It is my hope that, through the good offices of the Federal Housing Administration, both the vendor and the manufacturer will speedily bring these homes up to specifications and, in addition, make them habitable. But a buyer who has relied upon the inducement that the home he is purchasing is FHA insured should not be forced to rely upon the good offices of the Federal Housing Administration to obtain the type of home he thought he was buying.

Such a buyer should have a legal right and not an equitable prayer. He should not be forced to beg for something to which he should be entitled as a matter of right.

The doctrine of caveat emptor should not apply where the Federal Government permits the manufacturer and vendor to use the words "FHA insured" to delude the buyer into believing that somehow the Federal Housing Administration insures the quality of the homes. Either this designation should not be permitted and the buyer should be clearly told that he is on his own or, if the words "FHA insured" are permitted to be used, the Federal Government should stand back of the quality of the home sold.

The bill I am introducing would do just that.

The bill would permit FHA to pay to the mortgagor under an FHA-insured mortgage the reasonable costs of correcting structural or other major defects which require correction in order to bring the dwelling into substantial conformity with plans and specifications approved by the Federal Housing Commissioner or in order to render the dwelling safe and habitable.

I shall read certain correspondence relative to this matter between the homeowners and the Members of the Alaska congressional delegation, as well as with the Federal Housing Administration.

Madam President, I wish to read some of these communications because they have an important bearing on the proposed legislation, which I hope will be enacted. First I wish to read a letter from Eagle River, Alaska, a community a few miles north of Anchorage, written by Mr. Robert L. Johnson and Mrs. E. Birdean Johnson, his wife:

EAGLE RIVER, ALASKA,
*March 29, 1962.*

Hon. ERNEST GRUENING,
*Senate Office Building,*
*U.S. Senate, Washington, D.C.*

DEAR SENATOR GRUENING: During October 1961, we purchased and moved into a new FHA-approved home constructed by Modern Homes, Inc., Anchorage, Alaska. The FHA case number is 60–008464, Eagle River Heights subdivision, Anchorage, Alaska.

Our FHA-approved dwelling has numerous major and minor defects and these are of primary concern to us, since the purchase of our home represents a major capital investment.

In accordance with current FHA Home Owners Guide Handbook we officially notified the contractor, Modern Homes, Inc., of the deficiencies existing in our home and requested corrective action. After a 30-day lapse of time it became apparent that the contractor in no way intended to correct the defects. Again following the FHA Home Owners Guide, we corresponded with the office of the director, Federal Housing Administration, Anchorage, Alaska, and requested his office take necessary immediate action on our behalf.

The director of the Anchorage, FHA office, Mr. William M. Collins, has advised us that he cannot compel Modern Homes, Inc., to correct the existing defects and that his office has exhausted all enforcement authority in relationship to the defects. Thus it becomes imperative that we seek your aid in remedial action to insure proper expenditure of Federal tax dollars.

A major defect in our home is the FHA-approved heating system. During the cold weather last winter the heating system was very inadequate. Our home was uncomfortably cold, with the temperatures near the floor about 38° most of the time. Frost accumulated on the interior walls; excessive heat loss through the roof, caused by the heating ducts in the attic, allowed ice to build up on the roof overhang, and water backed up under the roofing and leaked into the house.

We therefore find it difficult to believe that the heating system meets FHA specifications or that a proper engineering analysis was made of heating requirement for a dwelling in Alaska when the specifications for our home were approved by the FHA. Since the FHA approved the specifications for our home, the FHA is a party to a quasi-contract to insure adequate and acceptable performance of installed components in our home.

In view of this major defect existing in our FHA-approved home and the inability of the local FHA office to be of any further assistance on our behalf, request you investigate this matter and advise of action the FHA intends to take to eliminate this condition before next winter.

We have enclosed copies of correspondence that has transpired to date with the contractor and the Anchorage office of the Federal Housing Administration.

Sincerely,

ROBERT L. JOHNSON.
E. BIRDEAN JOHNSON.

Mr. and Mrs. Johnson append a copy of the letter which was sent to Modern Homes, Inc., on January 24, 1962, giving a list of the defects which they found in their home. I wish to read this letter also:

EAGLE RIVER, ALASKA,
*January 24, 1962.*

MODERN HOMES INC.,
*Anchorage, Alaska.*
(Attention: Mr. Paul Stoffel.)

DEAR MR. STOFFEL: In accordance with the current FHA Home Owner's Guide you are hereby officially notified of many serious defects existing in our home situated on Lot 17, Block 5, Eagle River Heights Subdivision, Alaska.

These numerous defects are:

1. Ice builds up on the roof overhang and water leaks into the house.
2. Excessive heat loss through the roof.
3. Inadequate heat and cold floors even after the installation of additional cold air returns to the furnace.
4. Water runs on to the floor when shower is used in master bath.
5. Frost accumulation on interior walls during cold weather.
6. Nail heads showing lumps in floor tile and tile cracking at the subfloor joints.
7. Furnace throws out soot and dirt.
8. Base kitchen cabinets pulling away from wall and cabinet doors are splitting.
9. Bathroom exhaust fan not vented to the outside.
10. Window tension strips are sloppy fitted and permit drafts.
11. Ceiling tile separating along center line of house.
12. The ceiling is uneven and has wavy lines in the finish.
13. Wall paneling loose and buckling.
14. Refrigerator is not the full size as advertised in your sale literature.
15. Storm doors and storm windows improperly and poorly installed.

In addition to the above serious defects you are also advised of misrepresentation on the part of your sales representative; to wit: We are charged $9.00 per month for water, street lights and street maintenance. When purchase of our home was discussed with Mr. Hawthorne, your sales representative, he advised that besides our normal payments and utilities we would have a charge of $5.00 per month for water. No mention was made of other charges when he was asked. Request you give an official clarification of the charge per month for street lighting and maintenance.

Your reply and corrective action will be expected promptly.

Sincerely,

ROBERT L. JOHNSON.
E. BIRDEAN JOHNSON.

(Copy to: Federal Housing Administration on January 25, 1962.)

As Senators can observe, the home is certainly not livable. If Senators will go over the list of 15 flagrant defects in the house, they will realize that though this home is FHA insured under the present situation there is no obligation on the part of the FHA to make good the losses, despite the words "FHA insured," and Senators will then realize the importance of and the necessity for the legislation I am introducing.

There is another letter I wish to read, written by Kenneth L. Reynolds of Anchorage, Alaska:

APRIL 2, 1962.

Senator ERNEST GRUENING,
*Senate Building,*
*Washington, D.C.*

SIR: There are a group of FHA approved homes in two areas of Anchorage, and one area of Eagle River that was sold by Modern Homes, Inc. These homes were built to plans and specifications in the lower 48 and shipped up here in two pieces and assembled on the lots. The plans and specifications were approved by the Washington, D.C., office of FHA, and the local office had nothing to say about approval or disapproval. Consequently these homes have proved quite inadequate for our Alaskan conditions.

As a result, some 45 of us have retained an attorney—Burr, Boney & Pease, of Anchorage. As a part of the results of his investigations, he has learned from Mr. McCeaver, escrow officer, Matanuska Valley Bank, that there was no funds in trust account to pay for repairs covered in the 1-year warranty issued by Modern Homes, Inc.

Some of the items that need attention and correction are as follows:

1. Outside water service line freezes up.
2. Glaciering on roof and water drips into house.
3. Icing through walls in living room and bedrooms.
4. Furnace doesn't heat living room properly.
5. Condition of roof due to glacier removal.
6. Sink top cracked (formica) in kitchen.
7. Bathroom stool cracked from freeze before moving in.
8. Electric hot water heater runs excessive and high power bills.
9. Oven backfires and burns in burner.
10. Wall panel cut up by plumber and not replaced.
11. Who stands good 1-year warranty?

It is unbelievable that so many had delusions of FHA standards and qualities, that such a thing could happen. In the light of the problems, what could you advise the others and I? Is there any solution?

KENNETH L. REYNOLDS,
*Modern Home Owners.*
ANCHORAGE, ALASKA.

The solution, I shall write to Mr. Reynolds, is to be found in the enactment of the proposed legislation I am introducing, to make the words "FHA insured" have a true validity.

I have another letter from the Eagle River group, from a sergeant in the Army, which I wish to read:

EAGLE RIVER, ALASKA,
*March 25, 1962.*

Hon. ERNEST GRUENING,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR GRUENING: I purchased a home in Eagle River Heights, Eagle River, Alaska, 5½ months ago and obtained financing with a loan insured by the Federal Housing Administration. This house was purchased from Modern Homes, Inc., who has constructed and sold more than 100 homes in the Anchorage area.

Although I consider myself reasonably able and competent in my own profession, I am certainly no expert in building specifications or construction techniques and standards. For this reason, I felt I could depend on the honesty and integrity of FHA and therefore purchased my home with complete confidence.

Madam President, there is nothing more distressing than to see the confidence of the American people in their Government not validated. When a Government agency gives advice and counsel to a citizen, within its own field, the citizen has a right to believe any advice given is correct and sound and that he or she can be guided by it.

Unfortunately, that is not the case in many agencies, I regret to say, and we in Alaska have had considerable rather distressing experiences of that kind. The case I have stated seems to be one in point. Those people believed that a Federal agency—the Federal Housing Administration—was guaranteeing their homes. They went ahead in good faith. They paid their money and moved in, only to find a disastrous situation. In the cold of Alaskan winters, those houses were not livable.

I continue to read the letter of Sergeant Hankins:

After occupying our home a short time, we found there were many structural inadequacies and flaws of poor workmanship which will obviously result in substantial expense for me to repair in a short time. This adversely affects the total value and resale value of our house. For these same reasons the life of our house is much less than the period of the FHA guaranteed loan.

I have 19 years in the armed services and intend to make my home here in Alaska indefinitely and as I am going to be a permanent resident here I certainly hate to see such homes allowed here.

We sought assistance from the Anchorage FHA employees, especially Mr. Collins, in an attempt to prevail upon the builder to improve the quality of our home. Mr. Collins apparently did arrange for some "patchup" work by some of the most incompetent workmen I've ever seen, but the structural inadequacies of importance have not been corrected.

We have repeatedly sought support from the FHA in our negotiations with the Modern Homes firm, but the representatives of FHA have conducted themselves more as employees of Modern Homes than as representatives of the FHA.

In other words, the employees, according to the letter, were more interested in protecting a private interest which needed exposure rather than the public interest, involving those citizens who in good faith had purchased homes in the belief that the words "FHA insured" was a guarantee of good workmanship and stability.

I continue to read from Sergeant Hankins' letter:

We feel that our representatives in Congress appropriate funds for the FHA to make possible the purchase of homes by people with moderate incomes and to provide and enforce the standards for reasonable quality construction of residential buildings; however, it seems very obvious the Anchorage FHA office is more interested in promoting the financial welfare of the Modern Homes, Inc., than in safeguarding the people whose taxes support their agency.

Sir, your record in Congress and your reputation in the State of Alaska indicates you are not in sympathy with such activities by any Federal agency. We feel you therefore will appreciate this letter, outlining the problem which confronts us, and future home buyers in Alaska.

Of course, we are not alone in this situation. If you desire we will attempt to arrange a meeting of the people (about 150) who have purchased Modern Homes. We are sure most of these people have similar problems, and are certain at least half of these people would participate in such a meeting and furnish you with a petition or other evidence to assist you in correcting or pursuing our problems.

For the good of the State of Alaska and the future residents here, I hope you will take action, if not to help our present situation, to at least see it does not happen again in the future.

Sir, we request the following action be taken:

1. A high-ranking and qualified official of the FHA from the Washington office be assigned to reinspect these houses (Modern Homes) to determine compliance with established FHA specifications, relative to both material and workmanship.

2. The relationship of the local and State FHA officials to the Modern Homes organization be thoroughly investigated.

Your assistance, sir, in this grave matter which concerns so many of us, would be greatly appreciated.

I am sending a copy of this letter to Senator BARTLETT and Representative RIVERS, also, to acquaint them with this situation which exists in our State of Alaska.

Sincerely yours,

M. Sgt. HAROLD W. HANKINS.

SEATTLE, WASH.

The fact is, of course, that we immediately notified the FHA and Mr. Robert Weaver, the excellent Administrator of the FFHA, to dispatch a delegation of members of his staff to investigate the problem. I am hopeful that there will be favorable action. In any event, we shall need legislation to make sure that the situation will not occur elsewhere, that it will be rectified in Alaska, and that people who are relying upon the Government guarantee implied in the words "FHA insured" will not be left out in the cold as they were.

I read now a letter from Francis M. Stevens, of Spenard, Alaska:

SPENARD, ALASKA.

Senator ERNEST GRUENING,
*Senate Building,*
*Washington, D.C.*

DEAR SIR: There is a group of FHA approved homes in two areas of Anchorage and one area of Eagle River that was sold by Modern Homes, Inc. These homes were built to plans and specifications in the lower 48 States and shipped up here in 2 pieces and assembled on the lots. The plans and specifications were approved by the Washington, D.C., office of FHA and the local office had nothing to say about approval or disapproval. Consequently these homes have proven to be quite inadequate for our Alaskan conditions.

As a result, some 45 of us have retained an attorney, Burr, Boney & Pease, of Anchorage. As a part of the results of his investigation, he has learned from Mr. McCeaver, escrow officer of Matanuska Valley Bank, that there are no funds in trust account to pay for repairs covered in the 1-year warrantees issued by Modern Homes, Inc.

The major item that need attention and correction is as follows: The heating system is improperly installed to take care of the severe cold. We have had frost on the inside walls over one-half inch thick both in the basement and in the bedrooms.

It is unbelievable that so many of us had delusions of FHA standards and qualities that such a thing could happen. In the light of the problems, what could you advise the others and us? Is there any solution?

Sincerely,

FRANCIS M. STEVENS.

I think the solution will be found in corrective action not only on an administrative level, but also in the passage of the proposed legislation which I am sponsoring.

I read another letter written in longhand painstakingly by Theodore Karper:

ANCHORAGE, ALASKA,
*April 7, 1962.*

Hon. Senator ERNEST GRUENING,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR: There are a group of FHA-approved homes in two areas of Anchorage and one area of Eagle River that was sold by Modern Homes Inc. These homes were built to plans and specifications in the lower 48 States and shipped up here in two pieces and assembled on the lots. The plans and specifications were approved by the Washington, D.C., office of FHA, and the local office had nothing to say about approval or disapproval. Consequently these homes have proven to be quite inadequate for our Alaskan conditions.

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Some of the items that need attention and correction are as follows:

1. I moved into this new home on October 25, 1961, and on December 1 my roof started to leak from ice building up on the roof due to a heat loss into the attic. The floor was completely covered with water in the living room and dining room combination, two clothes closets, one bedroom, and bathroom for 3 days. Water was coming through the acoustical tile in the living room and dining room ceilings, through a light fixture in the dining room, and through the walls and out of the baseboard. It ruined a new pair of living room drapes.

I have called the local FHA office on numerous occasions and have written to them and to the FHA in Washington. This is the answer I got from Washington, and I quote: "An inspection of your dwelling indicated that the hot-air ducts in the ceiling were inadequately covered or insulated. I am informed that on December 5, 1961, the builder insulated the space between the ducts and the roof line which should prevent further moisture in your home." On February 6, 1962, I had this water leaking from my ceilings again and believe me it was not moisture. The only thing that has been done to remedy this condition is: The ceiling tile has been replaced twice and every time there was a snowfall and weather change the builder sent a crew out to clean the snow and ice from the roofs. They have gone on the roofs with shovels, hatchets, and sledge hammers. They have hammered so hard on the ice they have broken shingles and also storm windows. It seems to me as though this work was done just to skate through until the weather got warmer and the warranty expired on the home.

2. Modern Homes has advertised in their brochure that their modern homes are expressly built for Alaskan weather and uniform warm floors and dry attics. During the winter the temperature at the thermostat was set at 75° and the temperature at the floor line was 36°. I had ice building up around my baseboard walls and the local FHA men said it was because I had a 2-year-old girl and I had to wash a lot of clothes. My clothes dryer is vented to the outside of the house.

3 I have a basement home. The floor has cracked and the water leaks in through the walls. I can understand water coming in around the windows but not the walls. We bought a basement home for the children to have a place for recreation. During the Christmas holidays the children played ping-pong with their gloves and parkas on. We were told that the basement was warm but the heat was shut off by the salesman. This winter the temperature was 26° to 32°. There was frost all over the I beams in the basement under the floor. There is no insulation between my floors or basement. The local FHA men have inspected and seen all these conditions. I also wrote the Washington FHA of this condition and this is the answer I received from them: "The FHA office in Anchorage informs me that at your request a basement was installed and no arrangements were made to relocate the furnace or change the duct system to divert heat into the basement." I have written proof that this is not true. As a matter of fact I bought the model home on lot 8, block 5; it was being used as an office and open house up until the time I took possession of the house.

4. I think the plywood has been improperly installed on the floors because you can see where every sheet lays through the vinyl floor tile making an uneven floor. A floor tile has loosened from the floor and cracked from all the water we had during the roof leaks. This I've been told should be taken care of by the owner.

5. After living in the house 3 months, the chrome stripping around the chrome stove came apart.

6. The wall paneling in the bathrooms is warping and we also have a warped door. I informed the builder of an improperly fitting storm door and it took almost 2 months to get it repaired and that's what caused the door to warp.

Well, sir, there are more problems but this will give you an idea. My last letter from the local FHA office stated that Modern Homes notified them that these complaints have been completed and that the enforcement authority of this office has been exhausted in relationship to these complaints and therefore are closing their files on this matter.

As a taxpayer and voter of Alaska for 8 years it is unbelievable that so many of us had delusions of FHA standards and qualities that such a thing could happen. After having to spend $27,300 plus interest for the next 30 years, I expected much more for my investment. In view of our dilemma and having no one else to turn to can you advise us if there is any solution to our problems?

Sincerely,

THEODORE KARPER.
JEAN L. KARPER.

ANCHORAGE, ALASKA.

We can understand why these people are perturbed and why this is a shocking situation which requires remedying.

Here is another letter:

ANCHORAGE, ALASKA,
*April 10, 1962.*

Senator ERNEST GRUENING,
*U.S. Senate,*
*Washington, D.C.*

DEAR SIR: This letter is written in a spirit of hope that a man with your authority of office and interest in the public welfare will be able to help solve a problem which is confronting us in a very large way.

In October of 1961 my wife and I purchased a home from Modern Homes, Inc., of Anchorage. Since this was our first home purchase and we were relatively unfamiliar with construction standards, we placed a considerable amount of confidence in FHA acceptance of the home for mortgage financing implying their inspection of the home and a guarantee of satisfactory construction.

Upon gaining occupancy of our home several obvious deficiencies led us to doubt whether the construction had been FHA inspected at all. For example, our home is of a prebuilt type transported to the site in two sections. It was necessary for me to show the FHA inspector that the workmen failed to fasten the roof members of the two halves together, a deficiency contrary to the contract drawings and common to all the homes of this type. This deficiency was subsequently corrected, but not in time to prevent movement of the ceiling members and marring of the interior in some of the homes.

While this deficiency was corrected, some others were not. For example, it will be necessary for me to complete exterior trim, paint, replace and repair roofing because of deficiencies existing at the time of construction completion. As a second example, upon recently reviewing the approved plans, I noticed that concrete center supporting piers are indicated. In lieu of this, the contractor has installed wood piers which have already cracked.

It has been our experience that Modern Homes, Inc., has made a reasonable offer to comply with our requests for corrections, only to the extent that the requests are endorsed by the local FHA office. The principle difficulty is that the local FHA office is either uninterested or incompetent in helping us to achieve satisfactory housing.

Since there are some 50 to 100 home owners in the Anchorage area with similar deficiencies this particular type of home has acquired a bad name and with it we may have acquired a major financial liability. Since we have exhausted the possibilities of gaining help through local contacts, we respectfully request your assistance to help have our home properly and thoroughly inspected and brought up to the proper standards for materials and workmanship and feel that some investigation of the local FHA office might be warranted to determine whether it is serving the best interest of the public.

Sincerely yours,

FREDRICK E. STELLING.

(A similar letter has been sent to Senator BARTLETT.)

Another letter, from Eagle River, Alaska, reads as follows:

EAGLE RIVER, ALASKA,
*March 31, 1962.*

Hon. ERNEST GRUENING,
*U.S. Senate,*
*Washington, D.C.*

MY DEAR SENATOR GRUENING: We are requesting your aid in the following situation: We and about 100 other families have purchased a home from Modern Homes, Inc., an Alaska corporation, and which the Federal Housing Administration has insured the mortgage.

When we took possession we were assured that all deficiencies would be corrected. We were unable to get Modern Homes, Inc., to correct any of the deficiencies. We then wrote to Mr. Collins, Director of Federal Housing Administration, Anchorage, Alaska, but failed to receive any consideration whatsoever.

We are enclosing copies of letters received from Federal Housing Administration.

We as taxpayers feel that all deficiencies should be corrected by Modern Homes, Inc.

Sincerely yours,

CLIFFORD E. SIIRILA,
NINA G. SIIRILA.

A further letter on this subject reads:

SEATTLE, WASH., *June 18, 1962.*

Hon. ERNEST GRUENING,
*U.S. Senate, Washington, D.C.*
(Attention of Mr. Herbert Wilton Beaser.)

DEAR SIR: I am Capt. Gerald E. Williams, USAF, Eagle River, Alaska. Your legislative assistant, Mr. Herbert Wilton Beaser, visited my home the first week of June 1962. Mr. Beaser was interested in the condition of our home so he personally viewed a recent partially repaired and still open master bathroom, which had an inner wall hidden leak. This leakage caused the bathroom tile to come up and the flooring to warp before detection. The repairs entailed the removal of a shower, cutting into an inner wall, removal of the commode, and replacement of the bathroom flooring.

One of the causes of this water leakage was the shower fitting at the hot and cold water mixing chambers. The factory soldering and plumbing performed on my home is evident by the attached pictures and negatives, for your convenience.

I have dealt in real estate prior to my home purchase and was quite aware of the minimum standard home construction FHA requirements. I had in my possession the FHA Minimum Standards Manual.

As one of many thousands of FHA-approved home buyers, I am most interested in the exact position of FHA in the contractor to buyer relationship and FHA to buyer responsibilities.

I maintain that even though the FHA, for the Government, insures the loan, the loan is mainly insured by the buyer. It is only after the buyer is found incapable of financing the premiums that the Government becomes financially involved. We, the buyer, pay for this guaranteed loan.

FHA practices and published policies that assume certain responsibilities and other responsibilities indirectly, if not directly, come under their office.

FHA approves the buyer as being capable of paying the required premiums and is financially responsible. FHA also inspects the home for minimum acceptable standards, appraises the home as being substantial real property for selling price and is to last through the period covered by the loan.

My home was FHA approved, inspected, and the buyer approved. I am declaring that the home is not at minimum standard acceptance, that it will not meet without major repairs within a very short run of its 30-year loan. I am asking that FHA take my financial liability away from this home without any responsibility of guaranteeing that the payments be met.

GERALD E. WILLIAMS,
*Captain, U.S. Air Force.*

The pictures, which unfortunately cannot be reproduced in the RECORD, were most convincing.

This is a shocking story. These people had faith in one of the agencies of the U.S. Government, and on the basis of that faith, when they read the words "FHA insured," they went ahead and contracted to buy a home and moved in. Then they found the shocking condition so graphically revealed by these individual letters; and these are only a few of the letters I received.

It is because there is at present no guarantee that the words "FHA insured" mean anything that I have introduced a bill—and I hope it will be enacted—which will provide that FHA will make good the defects and collect for them from the contractors. In any event, the public must be protected.

**Mr. BURDICK.** Madam President, will the Senator from Alaska yield?

**Mr. GRUENING.** I am happy to yield.

**Mr. BURDICK.** I entered the Chamber as the Senator was reading letters. I am curious to know whether the fault lies with the contractor or with the inspection service.

**Mr. GRUENING.** It lies with both. It lies with the companies that supplied the home; it lies with the local offices of FHA, which did not make proper inspections and which took no satisfactory steps to correct these ghastly errors.

Conditions are such in these homes in Alaska that water leaks through the roof before a house is barely lived in; ice forms in the basement and on the roof; the temperature drops to freezing inside the house because of defective heating and insulation. Such a house is not a satisfactory house according to modern standards, but the words "FHA insured" lead the people to put their confidence in the construction.

**Mr. BURDICK.** What kind of FHA inspection is done in Alaska?

**Mr. GRUENING.** Obviously, very unsatisfactory inspection or no inspection worthy of the name. I think it will be found, as the import of the statement I make, that similar situations will be found in other States. I would not be surprised if such conditions were found in the Senator's State of North Dakota.

**Mr. BURDICK.** What would the Senator's bill really accomplish?

**Mr. GRUENING.** The bill provides that the FHA shall either compel the contractor to make good or shall make good itself out of FHA funds.

**Mr. BURDICK.** By repairing the house itself or by requiring the contractor to repair it?

**Mr. GRUENING.** By paying for whatever repairs are necessary to make the house accord with the specifications and the contract?

**Mr. BURDICK.** By placing the house in the condition required under the original contract?

**Mr. GRUENING.** That is correct; I think that is a perfectly legitimate requirement, considering that the houses are said to be "FHA insured." Apparently, the only insurance is the insurance on which the poor fellow who moves in is expected to make payments, but the product is not up to the specifications which the FHA has established.

**Mr. BURDICK.** The Senator from Alaska has brought a very important condition to the attention of the Senate. I shall certainly give his bill careful consideration when it comes up.

**Mr. GRUENING.** I appreciate the Senator's statement. In concluding this particular presentation, I think I should read a letter from the office of the Director of the Federal Housing Administration at Anchorage to the person who wrote the next to the last letter I read. It is in answer to the complaint, "Won't you do something about this?" The letter reads as follows:

FEDERAL HOUSING ADMINISTRATION,
*Anchorage, Alaska, February 28, 1962.*

Re FHA Case No. 60-009153, lot 13, block 6, Eagle River Heights.

Mr. CLIFFORD E. SIIRILA,
*Eagle River, Alaska.*

DEAR MR. SIIRILA: We have received a letter from Modern Homes, Inc., notifying us that the complaints as listed by you have been either completed or are not the responsibility of Modern Homes, Inc.

The enforcement authority of this office has been exhausted in relationship to these complaints and it is now a matter for you and the builder to settle by negotiation.

In other words, the FHA washed its hands of responsibility.

The FHA is not a party to the construction contract between the builder and the purchaser, nor does the FHA insurance of the mortgage loan under its contract with the private lender constitute a guarantee of construction. The purchase or construction contract is a private undertaking between the seller and buyer, and the rights and obligations of the parties would, in the final analysis, depend upon the provisions of such contract as interpreted by the courts of the particular State.

In other words, these poor fellows must hire a lawyer, go to court, and sue a vast corporation in order to get their rights, despite the fact that the words "FHA insured" are attached to every contract and are used in advertising the house.

The fact that the construction may have been found acceptable by the FHA would not be determinative of the obligations of the builder under his contract with the purchaser. The FHA has no authority to interpret such contracts or determine the rights or obligations of the parties thereunder.

We are therefore closing our file on this matter.

Yours very truly,
WILLIAM M. COLLINS,
*Director.*

In other words, they are brushing this man off. Most of us do not approve of the doctrine of caveat emptor. In Alaska, we have the doctrine of caveat homeowner. The home buyer goes to the Government and gets a loan which he thinks is a guarantee of the product he is going to get.

This is only one example; I have others which deal with the Bureau of Land Management.

People go to the Office of the Bureau of Land Management and ask for information. They are told what to do, and they follow the instruction. Then a year or a year and a half later, they find they have no rights, although they were told they had such rights.

This morning I spoke before the Committee on Interior and Insular Affairs on behalf of a bill which relates to the case of a man who was told he could move onto a piece of land and build his home. A year and a half later, after he had built his home and spent a large sum of money in developing the homestead, he was told he was on a withdrawn area and was ordered to move off. He had no redress. He appealed to the Bureau of Land Management, but the Bureau upheld the decision. I introduced a bill to rectify that situation, and the bill was referred to the Committee on Interior and Insular Affairs, where I believe the condition will be rectified. But I know of scores of similar cases, nearly all of which go through the cumbersome process of legislative relief, or else they get no relief at all.

One of the shocking things I have experienced in recent years is to observe the lack of responsibility of Federal agencies in giving information to people, on the basis of which the people act. Then later the agencies disclaim responsibility for the misinformation they first gave.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3460) to authorize the payment of certain claim for structural or other major defects in homes covered by FHA-insured mortgages, and to require indemnification bonds in the case of certain new construction under FHA-insured mortgages, introduced by Mr. GRUENING, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That title V of the National Housing Act is amended by adding at the end thereof the following new sections:

"PAYMENT OF CLAIMS FOR STRUCTURAL OR OTHER MAJOR DEFECTS IN MORTGAGED PROPERTIES

"SEC. 517. The mortgagor under any mortgage covering a one-to-four family dwelling heretofore or hereafter insured under this Act may file with the Commissioner a claim, within three years after the insurance of such mortgage, for the reasonable costs of correcting structural or other major defects which exist in such dwelling and which require correction in order to bring the dwelling into substantial conformity with plans and specifications approved by the Commissioner or in order to render the dwelling safe and habitable. The Commissioner shall have final and conclusive authority to pass upon the validity and amount of any claim filed in accordance with the provisions of this section, and such claims shall be paid by him on the basis of such terms and conditions as he may prescribe.

"INDEMNIFICATION BONDS

"SEC. 518. (a) The Commissioner is authorized and directed to require, in connection with any property upon which there is located a dwelling designed principally for not more than a four-family residence and which is approved for mortgage insurance prior to the beginning of construction, that the builder, seller, or such other person as the Commissioner may require, post a bond in such amount as the Commissioner shall require providing indemnification to the Commissioner in the event the Commissioner is required, under section 517 of this title, to pay to the mortgagor of such property the reasonable costs of correcting structural or other defects in the dwelling in order to bring it into substantial conformity with plans and specifications approved by the Commissioner and upon which the Commissioner based his valuation of the property.

"(b) The provisions of this section shall apply to any such property covered by a mortgage insured by the Commissioner after the effective date of this section, unless such mortgage is insured pursuant to a commitment therefor made prior to such date."

## NEW MIDDLE EAST POLICY NEEDED

During the delivery of Mr. KEFAUVER's speech,

Mr. YOUNG of Ohio. Mr. President, when President Kennedy took office a year and a half ago, most Americans expected a new, fresh, and vigorous approach to the foreign-policy problems facing the Nation. In most respects this expectation has been outstandingly fulfilled. However, in one troubled area of the world, this hope has given way to deep disappointment. I am referring to the Middle East.

For the past decade our policy in the Middle East can only be characterized as weak, vacillating, and inconsistent. In the early 1950's, efforts were made to establish a collective-security arrangement for this area, with the local countries and the Western Powers participating on an equal basis. These efforts during the Eisenhower administration failed, because the Arab States did not share the West's estimation of the Soviet Communist threat. Instead, they viewed Britain, France, and the United States as colonial powers trying to use anti-Communist strategy as a means of establishing their control over the region.

Another proposal to contain Soviet Russia, made by Secretary of State Dulles in 1955, resulted in the formation by Turkey, Pakistan, Iraq, and Iran—the "northern tier of nations"—of the Baghdad Pact. The United States, although one of the architects of the pact, did not join as a full member. Instead, our Government officials appointed under President Eisenhower merely sat on a number of committees, as "advisers." This indecision and straddling deprived the organization of military and strategic effectiveness, and also exposed the United States to criticism from the adherents of the pact, as well as from its enemies.

However, the Baghdad Pact had a much more serious result: it led to the precise reaction it had been established to avert—namely, the entry of the Soviet Union into Middle East politics. Egypt, faced with an alliance which armed Iraq, its chief rival for Arab leadership, turned to the Communist bloc for arms. In September 1955, Nasser signed an arms deal with the Soviet Union. This agreement not only opened the door to Russian penetration of the Middle East, but also upset the balance of military power between Egypt and Israel. It ultimately led to Nasser's nationalization of the Suez Canal and to the Sinai campaign.

In the ensuing diplomatic maneuvering and in the debate in the United Nations, the world was treated to the sight of the United States and the Soviet Union in agreement against our allies—France, Great Britain, and Israel. Our friends in the Middle East and elsewhere were shaken by the spectacle of this curious partnership between Washington and Moscow.

To allay their fears, President Eisenhower, in January 1957, proclaimed the "Eisenhower doctrine," warning Russia against any military action in the Middle East. Many Arabs regarded this only as further evidence of what they call "Western imperialism." The Eisenhower doctrine was in fact useless against the real Communist threat of subversion from within the Arab countries.

In 1958—1 year after promulgation of the Eisenhower doctrine—the one Arab government which was friendly to the West was overthrown. A coup, led by Col. Abdul Karim Kassem, resulted in the establishment of a military dictatorship in Iraq. Since then, he has established diplomatic relations with the Soviet Union and its satellites, has received huge shipments of Soviet arms, and has proclaimed his intention of annexing to Iraq the tiny, but oil-rich sheikdom of Kuwait. Within the last few weeks Iraq has recalled its ambassador from the United States, because of our establishment of diplomatic relations with Kuwait.

In 1957, and again in 1960, President Kennedy, who then was a Senator from

Massachusetts, outlined proposals which he felt would do much toward achieving a permanent settlement of the problems of the Middle East. They were valid then, and they are valid now. He called for broad, vigorous, and dynamic initiatives. He suggested that the United States do all in its power to arrange a conference of Arab and Israeli leaders, and he advocated establishment of a Middle-East Development Fund, under the auspices of the United Nations and the World Bank, with generous American assistance, to help develop the resources of the area. The Fund would also aid in the resettlement and compensation of the Arab refugees. Perhaps the only means by which we can attain some sort of reasonable stability in this area is by the economic betterment of its teeming, poverty-stricken masses.

In this regard, President Truman also had the vision and the foresight to see this blighted land as the flowering area it once was in ancient times. He foresaw, but did not have the time or support to implement his vision, that only with a higher living standard, education, communications, and development of its latent waterpower could this area become a productive, stable element in the community of nations.

As Senator, President Kennedy also insisted that there should be a firm guarantee by the United States to act speedily, and with whatever force necessary, to prevent aggression in the Middle East. Such a guarantee would help end the arms race in this region. Finally, he insisted on "free and open transit through the Suez Canal without discrimination."

I was impressed by these proposals in 1960. I was in full accord with them; and I feel that they represent an excellent basis for our Middle East policy.

However, I question whether some officials in the State Department are in accord with them. It seems to me that these officials have continued the timid policies of the past, and have done little or nothing to give effect to President Kennedy's recommendations. On the contrary, they have seemed all too eager to reassure the Arab leaders that we have no intention of "imposing" peace upon them.

In December 1961, 16 nations—9 African, 6 Latin-American, and the Netherlands—introduced at the United Nations a resolution calling on Israel and the Arab States to settle their differences peacefully by direct negotiations. This is exactly what President Kennedy had proposed 1 year earlier. The language of the resolution was similar to that in the 1960 Democratic platform. It is the language of peace.

Amazingly, however, the U.S. delegation voted against the proposal. In direct contradiction to our often-stated positions on Laos, New Guinea, Kashmir, Goa and elsewhere, we opposed negotiations between the two sides. Once again, it seems that political expediency eroded and undermined principle.

In March of this year the Arab-Israel question again came before the United Nations. Syria tried to prove that its separation from the United Arab Republic did not mean that it had gone "soft" on Israel. Its soldiers fired on Israeli fishermen and settlers in the region of the Sea of Galilee. Israel complained to the chief of the United Nations Truce Supervisory Organization, but to no avail. Finally, Israeli leaders felt compelled to safeguard the lives of citizens of Israel by unilateral action and Israeli forces attacked the Syrian outpost where the artillery fire originated.

The United States, in a move unpleasantly reminiscent of 1956, voted with the Soviet Union for a Security Council resolution which condemned Israel's action, but whitewashed the earlier Syrian provocation. I do not necessarily condone the Israeli action. However, in assessing blame, the acts of aggression by Syria should have also been condemned.

These votes by our U.N. delegation have evoked widespread criticism from many leading newspapers and from many of our citizens. However, this is only one phase of a program which seems to be motivated by the desire to placate Arab leaders despite their predilection for conflict—against Israel and against each other.

Our Government has inaugurated a massive program to rescue the United Arab Republic from economic reverses brought about, in part, by a reckless policy of arms acquisition from the Soviet bloc.

On June 5, I stated on the floor of the Senate that:

> Expenditures for assistance to governments which deny their citizens basic human rights, civil liberties and democratic processes cannot be justified. It is unwise to support a dictator no matter how convenient it may seem to be.

It is the people who are important in the long run and in the end it is people who will take over from any dictatorship.

I was referring to the Dictators Franco in Spain and Duvalier in Haiti, but my remarks are equally applicable to Nasser of Egypt. Nasser, like the others, threatens that he will turn to Russia if we do not give him what he wants. As the leader of the free world, we must not submit to such blackmail. Still, our dollars pour into Cairo while Cairo exports propaganda, calling for the liquidation of Israel and of all Arab leaders who oppose Nasser. In violation of international law, Egypt continues to bar the Suez Canal to Israeli ships.

The Washington Post, on June 6, carried a declaration signed by 232 Members of the House of Representatives on the occasion of Israel's 14th anniversary. I am sorry that this declaration was not circulated in the Senate. I, for one, fully endorse its sentiments, and I am sure that many of my colleagues feel as I do.

The declaration calls for an Arab-Israel peace. It calls upon the administration to actively pursue this goal. I would like to add my voice to those of my colleagues in the House of Representatives who signed this declaration.

At this point, Mr. President, I ask unanimous consent to include the text of the resolution in the RECORD as part of my remarks.

There being no objection, the declaration was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 6, 1962]

### A CALL FOR ARAB-ISRAEL PEACE

The following declaration, endorsed by 232 Members of Congress, a majority of the House of Representatives, was presented on the floor of the House on May 9, on the occasion of Israel's 14th anniversary.

### TEXT OF DECLARATION

Israel's 14th anniversary will be hailed by the American people who favored the reestablishment of an independent Jewish commonwealth and who have rejoiced at the progress the people of Israel have made to utilize their independence for human advancement; to rehabilitate their land; to provide sanctuary for more than a million refugees and immigrants; to develop their economy; to cultivate their arts and sciences; to revive their civilization and culture; to cooperate constructively in the international community.

The interest and support which America has extended in these inspiring developments will continue, even as America extends its help to the independence and freedom of all countries in the Middle East and elsewhere.

On this occasion, however, we are mindful that the people of Israel are still denied the blessings of peace and that they must continue to adjust themselves to a state of belligerence on the part of their neighbors. This Arab war against Israel is unique. The United Nations Charter outlaws war. Yet here, in the Middle East, in unprecedented defiance of the charter, belligerence is carried on without challenge, intervention, or rebuke by the international community.

The continuation of this hostile policy, resulting in heavy armaments, boycott, blockade, threat of destruction and border incidents, is a costly burden for all the peoples of the Middle East and an obstruction to their economic progress and development and to regional cooperation.

And it spells danger, not only to the Arabs and Israelis, but to world peace, because in our world today any local conflict may spread into general and widespread hostility.

We believe that the issues which divide Israel and the Arab States must be resolved in the spirit and the service of peace. This can be done only if the leaders of Israel and the Arab nations agree to meet honorably in recognition of their mutual right to free existence in peace. There is no effective alternative.

Progress on border disputes, on economic development, on refugee resettlement, on disarmament, can best be promoted within the broad context of mutual acceptance of peace as an overriding duty and purpose.

An Arab-Israel peace has too long been delayed and denied. As the leader of the free world, the United States should be in the vanguard of world opinion in pressing for an Arab-Israel peace. We have a duty to protest against the maintenance of belligerence, hostility, and threat as national policies and attitudes.

We trust that the administration will pursue a policy, both within and without the United Nations, which firmly rejects all forms of aggression and which will make it clear to all governments in the Middle East that we do not condone war and that we persist in the search for peace as the major goal of American policy in the region.

Mr. GRUENING. Mr. President, will the Senator yield at that point?

Mr. YOUNG of Ohio. I am glad to yield to the Senator from Alaska.

Mr. GRUENING. I commend the Senator from Ohio for this very splendid statement. I am in accord with the sentiments he has expressed. I think it is shocking to allow this state of virtual war to continue between the vast Arab States and the little State of Israel, which has no offensive designs, which is a highly developed and democratic community, and the most civilized state in the Middle East.

I am perturbed over the fact that it seems to be a national policy, both in this administration and in the preceding one, to make generous loans and grants to these Arab States without exacting any quid pro quo, without any willingness on our part to insist or even to urge their stopping the warfare against this little state.

If it be our national policy, as has so often been declared by successive administrations to promote peace in the world, it seems to me this would be one area in which we would try to bring about our desire. If we used the means at our disposal we could do it. I see no reason why we should make these large loans and grants to Nasser without requiring or at the very least requesting a promise from him to cease his belligerent tactics and his determination to destroy the little State of Israel, which is wholly inoffensive and nonaggressive. It desires only to live and let live.

Instead of planning to exterminate Israel the Arab States should emulate Israel, which has been engaged in programs of sanitation, irrigation, and education to lift the standards of living of its people. If the Arab States would show the same concern for improving their economy and the welfare of their people, they would be much better off than they now are.

Mr. YOUNG of Ohio. I express my gratitude to the distinguished and learned Senator from Alaska for being in accord with my views. The fact that he has made such a statement reinforces me in my belief in the soundness of the statements I am now making and have made as to what should be our proper policy in the Middle East.

Mr. GRUENING. Two years ago the World Bank made a loan of $50 million to Nasser for the purpose of improving, widening, and generally bettering the Suez Canal. That would have been a very logical time and occasion to have said to him: "We are going to give you this loan, but we naturally expect you in return to allow free passage to all nations through the Suez Canal and to adhere to your treaty agreements." But we did not. We did not even suggest it. I was very shocked over that fact, and I criticized the action at that time. I repeat my criticism now.

I regret to say that that policy has not been changed under this administration, which is a great disappointment to me. It would seem to me this administration should adopt a more enlightened policy and apply the principles which it espouses to this situation.

Mr. YOUNG of Ohio. The distinguished Senator from Alaska and I are in complete agreement. At the time I also spoke in this Chamber, criticizing the granting of that loan without guarantees by Nasser, that he would adhere to international law.

In the past our Middle East policy was largely a series of futile gestures designed to stop the march of communism in the Middle East. Our policy at the present time has not been altered greatly. We avoid strong initiatives. We leave the initiatives to the Soviet Union. We react. We are on the defensive. Our policy there has deteriorated into neutralism—a neutralism which does not distinguish between belligerence and peace—between democracy and dictatorship.

Mr. President, we will defend freedom best if we are vigilant in the preservation of democracy and if we are tireless in the pursuit of peace in the Middle East and in all the troubled areas of the world.

## TEXAS HOUSE COMMITTEE TO PROBE OIL DRILLING

Mr. YARBOROUGH. Madam President, the investigation of illegal slanted drilling in the east Texas oilfields has now been expanded to include the house general investigating committee of the Texas Legislature. I ask unanimous consent to have printed in the RECORD, the following article from the Houston Post of Monday, June 18, 1962, entitled "House Unit To Join in Oil Inquiry," and an explanatory article on the east Texas oilfield situation from the May 27, 1962, edition of the Dallas News, captioned "East Texas Field Brews New Troubles in Slant Hole, Marginal Well Issues."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Houston Post, June 18, 1962]

### HOUSE UNIT TO JOIN IN OIL INQUIRY—WELL-ANGLING CASE CONCERNS PEOPLE, CHAIRMAN ASSERTS

DALLAS.—The house general investigating committee of the Texas Legislature is joining the probe into deviated oil wells in east Texas.

The chairman of the committee, Representative Charles Ballman, of Borger, made this announcement in a statement released in Dallas Sunday.

Ballman said information submitted to his committee in executive session indicated matters "that concern the people and economy of this State are involved in the deviated well case."

He said the Texas Department of Public Safety and the Texas attorney general are doing a thorough job in the investigating and enforcement phases, but "because of the serious and long-range aspects affecting mineral resources and conservation practices, we have instructed committee counsel, David Witts, and the committee staff to commence gathering information from all sources to determine if remedial legislation is required."

"As customary with this committee, preliminary information assembled will be checked and analyzed in executive session, and the committee then will decide what course is proper and appropriate in order to fulfill its responsibilities to the Texas Legislature," Ballman's statement said.

Ballman's committee conferred Saturday with officials of the department of public safety. He said the DPS briefed the committee on the oil investigation.

Investigators have been probing reports for several weeks that many wells have been drilled in the east Texas field so as to take oil from neighboring leases.

Attorney General Will Wilson said crews have finished directional surveys on more than 20 wells, and apparently all were deviated illegally—more than the permitted 3°.

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[From the Dallas Morning News, May 27, 1962]

### EAST TEXAS FIELD BREWS NEW TROUBLES IN SLANT HOLE, MARGINAL WELL ISSUES

(By Jay Hall)

The east Texas field has again assumed historic position as chief trouble spot for the railroad commission, reminiscent of "hot oil" and martial law of the early 1930's.

Under the gun now is directional drilling, the existence of which has long been known in the industry but the rampancy of which is only now coming to public attention.

The rail commission, backed by the attorney general's office, has moved in to check extent of the devious operation. It is no secret that it did so with the strong urging of one or more large producing companies whose subsurface lease rights were being tapped and drained by the slanted holes.

And in the wings ready to move in is the Federal Government. Not unexpectedly, Assistant Secretary of the Interior John M. Kelly revealed in Washington Friday that the Kilgore staff of the Federal Petroleum Board would be enlarged for a hard look at Connally Hot Oil Act violations. Oil produced from any proved directionally drilled hole is automatically a violation of this Federal law.

There are many oilmen uneasy about the Federal move into east Texas—anticipated as it was. They are so not because the law is being violated but because any resulting Federal action will tend to focus attention on weaknesses in the State's oil conservation regulations and give proponents for stronger Federal controls new ammunition.

Kelly himself has had some critical words to say about State oil and gas regulations, although he is far from being a so-called Federal control advocate. But on the east Texas matter, Kelly made it clear that the directional well problem is principally a State problem, and his Department's position is one of cooperation.

Some oilmen are quick to point out there are many facets to the directional well problem despite its recognized illegality. The probabilities here also create uneasiness. For example, it is quite possible that many present well owners in east Texas are innocently unaware of where their well holes are bottomed.

This could come about through an ownership change after the hole was drilled with well-status data accepted on face. And in such an ownership change a bank may hold payments against production, which brings them into the picture. If the produced oil is proved "hot," where does the liability begin and end?

Now embarked, the rail commission has given assurance it will pursue the investigation to the end. But it also has indicated the main objective, presently, is toward the most questionable wells. And it has halted, for the time being, severance of any more pipeline connections. This latter step is understood to have quieted the fears of some bankers.

Oilmen agree that the investigation is certain to turn up some violation. And when these are established the door will be open not only for court action against the violators but civil litigation for damage recovery by those who suffered oil drainage. This poses an issue of long duration.

Noting all this, one veteran east Texas independent pointedly observed:

"This thing is bound to get nastier as time goes by. Directional drilling is only one problem in east Texas. An even bigger problem is marginal well allowables in the field. By moving against directional wells, the commission has cracked the door for a look at marginal wells—a look it won't be able to escape. One has got to follow the other. There will be just too much heat."

The marginal well issue in east Texas has smoldered for a long time. Both large and small producers are reportedly involved, but independents repeatedly point to major companies as the chief offenders, largely because they have the most wells.

The situation simplifies down to this: Any east Texas well which can produce 20 barrels or more a day is prorated on the present 8-day statewide basis. But any well which can produce 19.9 barrels per day or less, proved on test, is, by law, exempt from proration and can produce every day every month.

The production advantage in this situation is obvious, and there are standing accusations that many producers have fudged a bit in "going marginal." But even the accusers quickly point out that no law is being violated, unless, of course, a payoff may have taken place. However, they do claim that the spirit of the law is being violated, and this is what the commission may ultimately have to develop.

There are many ways that a producer could assure marginal production for a well. For example, he could neglect it, let it sand up, fail to plug off water, deepen into water, use small pumps, adjust pump speed and/or stroke, use chokes, adjust valves and so on. All such procedures are difficult to prove as overt acts. Only proof required is a 30-day test of ability to produce.

And east Texans point out there is another beauty about going marginal since water produced from such a well is subject to a bonus oil grant on reinjection into the reservoir. This gives many marignals a 2-way advantage over prorated wells.

At the end of 1961 approximately 20 percent of the east Texas field's better than 19,000 wells were in the marginal class, representing 32.2 percent of the field's total allowable production. Many engineers point out this is a disproportionate share of the field's output and they hold it will increase as the field gets older.

So, while the rail commission right now is going after directional drillers, just around the corner is the so-called sensitive issue of marginal wells. Old east Texas is still with us.

**Mr. BURDICK.** Madam President, I suggest the absence of a quorum.

**The PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**Mr. BURDICK.** Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

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## AUTHORIZATION FOR CONSTRUCTION AT MILITARY INSTALLATIONS

**Mr. SMATHERS.** Madam President, I move that the Senate proceed to the consideration of Calendar No. 1553, H.R. 11131, the military construction bill.

**The PRESIDING OFFICER.** The motion of the Senator from Florida is not in order while a motion is pending to take up another bill.

**Mr. SMATHERS.** Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1553, H.R. 11131, the military construction bill.

**The PRESIDING OFFICER.** The bill will be stated by title.

The **LEGISLATIVE CLERK.** A bill (H.R. 11131) to authorize certain construction at military installations, and for other purposes.

**The PRESIDING OFFICER.** Is there objection to the request of the Senator from Florida?

**Mr. KEFAUVER.** Madam President, did the Chair rule that the motion of the Senator from Florida was not in order?

**Mr. SMATHERS.** The Chair ruled that the motion was not in order. That is the only reason why the agreement to move to take up all proposed legislation which is not space satellite legislation was violated.

**Mr. KEFAUVER.** Madam President, with the understanding that any future requests of this kind will be handled by motion, I do not object.

**Mr. SMATHERS.** I appreciate the graciousness of the Senator from Tennessee.

**The PRESIDING OFFICER.** Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services, with an amendment, to strike out all after the enacting clause and insert:

### TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent, or temporary public works, including site preparation, appurtenances, utilities, and equipment, for the following projects:

### *Inside the United States*

### Continental Army Command

### (First Army)

Fort Devens, Massachusetts: Supply facilities and troop housing, $1,575,000.

Fort Dix, New Jersey: Operational and training facilities, troop housing and community facilities, and utilities, $11,095,000.

### (Second Army)

Carlisle Barracks, Pennsylvania: Community facilities, $490,000.

Fort Knox, Kentucky: Operational and training facilities, maintenance facilities, medical facilities, and community facilities, $5,240,000.

Fort Meade, Maryland: Maintenance facilities and troop housing, $1,473,000.

Fort Ritchie, Maryland: Medical facilities, troop housing and community facilities, $2,032,000.

### (Third Army)

Fort Benning, Georgia: Operational and training facilities, maintenance facilities, supply facilities, medical facilities, administrative facilities, troop housing and community facilities, utilities and ground improvements, $3,764,000.

Fort Bragg, North Carolina: Operational and training facilities, maintenance facilities, administrative facilities and utilities, $4,343,000.

Fort Campbell, Kentucky: Supply facilities and utilities, $1,989,000.

Fort McClellan, Alabama: Training facilities and troop housing, $1,352,000.

Fort Rucker, Alabama: Operational and training facilities, and troop housing, $3,772,000.

Fort Stewart, Georgia: Ground improvements, $231,000.

### (Fourth Army)

Fort Bliss, Texas: Operational facilities, maintenance facilities, research, development and test facilities, supply facilities, administrative facilities and troop housing, $2,503,000.

Fort Hood, Texas: Maintenance facilities, hospital and medical facilities, and ground improvements, $7,657,000.

Fort Sam Houston, Texas: Utilities, $426,000.

Fort Sill, Oklahoma: Operational facilities, maintenance facilities, supply facilities, administratve facilities and troop housing, $6,675,000.

### (Fifth Army)

Fort Benjamin Harrison, Indiana: Troop housing, $1,260,000.

Fort Leavenworth, Kansas: Utilities, $103,000.

Fort Riley, Kansas: Operational facilities, $444,000.

Fort Leonard Wood, Missouri: Maintenance facilities, supply facilities, medical facilities, administrative facilities, troop housing and community facilities, and utilities, $8,567,000.

### (Sixth Army)

Hunter-Liggett Military Reservation, California: Troop housing, $159,000.

Fort Irwin, California: Community facilities and utilities, $653,000.

Fort Lewis, Washington: Operational facilities, maintenance facilities, supply facilities, and community facilities, $4,627,000.

Fort Ord, California: Operational facilities, maintenance facilities, medical facilities, utilities and ground improvements, $3,108,000.

### Technical Services Facilities

### (Chemical Corps)

Army Chemical Center, Maryland: Research, development and test facilities, and utilities, $920,000.

Dugway Proving Ground, Utah: Hospital and medical facilities, and utilities, $1,109,000.

### (Corps of Engineers)

Fort Belvoir, Virginia: Training facilities, maintenance facilities, research, development and test facilities, and utilities, $2,000,000.

### (Ordnance Corps)

Aberdeen Proving Ground, Maryland: Research, development and test facilities, $318,000.

Letterkenny Ordnance Depot, Pennsylvania: Administrative facilities, $411,000.

Redstone Arsenal, Alabama: Administrative facilities, $272,000.

Rock Island Arsenal, Illinois: Administrative facilities, $380,000.

White Sands Missile Range, New Mexico: Research, development and test facilities, and hospital and medical facilities, $7,934,000.

### (Quartermaster Corps)

Fort Lee, Virginia: Community facilities and utilities, $199,000.

Utah General Depot, Utah: Maintenance facilities, $145,000.

### (Signal Corps)

Army Radio Receiving Station, La Plata, Maryland: Utilities, $175,000.

Fort Huachuca, Arizona: Research, development and test facilities, $452,000.

Fort Monmouth, New Jersey: Troop housing facilities, $920,000.

West Coast Relay Transmitter Station, California: Troop housing, $203,000.

### (Medical Service)

William Beaumont General Hospital, Texas: Troop housing, $202,000.

Brooke Army Medical Center, Texas: Hospital and medical facilities, $834,000.

Fitzsimons General Hospital, Colorado: Hospital and medical facilities and troop housing, $1,177,000.

### (Transportation Corps)

Fort Eustis, Virginia: Medical facilities, $351,000.

### United States Military Academy

United States Military Academy, West Point, New York: Maintenance facilities and community facilities, $1,973,000.

### Army Component Commands

### (United States Army Air Defense Command)

Various locations: Operational facilities, supply facilities, administrative facilities, troop housing and utilities, $7,729,000.

### (Alaska Command Area)

Wildwood Station, Alaska: Utilities, $55,000.

Eielson Air Force Base, Alaska: Operational facilities, $289,000.

### (Pacific Command Area)

Various locations, Hawaii: Operational facilities and utilities, $57,000.

### *Outside the United States*

### (Army Security Agency)

Various locations: Operational facilities, supply facilities, troop housing and utilities, $4,684,000.

### Army Component Commands

### (Pacific Command Area)

Korea: Operational facilities, maintenance facilities, supply facilities, administrative facilities, troop housing, utilities and ground improvements, $11,932,000.

Fort Buckner, Okinawa: Maintenance facilities, supply facilities and utilities, $2,775,000.

Various locations: Utilities, $190,000.

### (European Command Area)

France: Operational facilities, supply facilities and utilities, $4,655,000.

Germany: Operational facilities, maintenance facilities, supply facilities, utilities and ground improvements, $1,176,000.

Classified locations: Operational facilities, administrative facilities, troop housing and utilities, $3,705,000.

### (Caribbean Command Area)

Fort Allen, Puerto Rico: Medical facilities and troop housing, $171,000.

Fort Clayton, Canal Zone: Operational facilities, $411,000.

Sec. 102. The Secretary of the Army may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $2,000,000.

Sec. 103. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $12,500,000: *Provided*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1963, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

Sec. 104. (a) Public Law 85-685, as amended, is amended under heading "Inside the United States" in section 101, as follows:

(1) Under the subheading "Technical Services Facilities (Corps of Engineers)" with respect to Army Map Service, Maryland, strike out "$1,913,000" and insert in place thereof "$2,162,000".

(b) Public Law 85-685, as amended, is amended by striking out in clause (1) of section 502, "$110,797,000" and "$310,707,000" and inserting in place thereof "$111,046,000" and "$310,956,000", respectively.

Sec. 105. (a) Public Law 86-500, as amended, is amended under heading "Inside the United States" in section 101, as follows:

(1) Under the subheading "Technical Services Facilities (Chemical Corps)", with respect to Dugway Proving Ground, Utah, strike out "$87,000" and insert in place thereof "$123,000".

(2) Under the subheading "Technical Services Facilities (Quartermaster Corps)", with respect to Sharpe General Depot, California, strike out "$218,000" and insert in place thereof "$248,000".

(3) Under the subheading "Continental Army Command (Fifth Army)", with respect to Fort Riley, Kansas, strike out "$1,332,000" and insert in place thereof "$1,490,000".

(b) Public Law 86-500, as amended, is amended by striking out in clause (1) of section 502, "$79,275,000" and "$146,205,000" and inserting in place thereof "$79,499,000" and "$146,429,000", respectively.

## TITLE II

Sec. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment for the following projects:

### *Inside the United States*

### Shipyard Facilities

Naval Shipyard, Boston, Massachusetts: Troop housing, $80,000.

Naval Shipyard, Bremerton, Washington: Maintenance facilities, $651,000.

Naval Shipyard, Charleston, South Carolina: Operational facilities, and utilities, $499,000.

Naval Shipyard, Mare Island, California: Maintenance facilities, $702,000.

Naval Facility, Nantucket, Massachusetts: Operational facilities, troop housing, and utilities, $1,139,000.

Naval Submarine Base, New London, Connecticut: Supply facilities, and troop housing, $2,618,000.

Naval Shipyard, Norfolk, Virginia: Maintenance facilities, and utilities, $2,304,000.

Naval Submarine Base, Pearl Harbor, Oahu, Hawaii: Operational facilities, $462,000.

Naval Shipyard, Portsmouth, New Hampshire: Maintenance facilities, and troop housing, $899,000.

Naval Repair Facility, San Diego, California: Maintenance facilities, $477,000.

Naval Radiological Defense Laboratory, San Francisco, California: Research, development and test facilities, $2,534,000.

### Fleet Base Facilities

Naval Station, Charleston, South Carolina: Operational facilities, administrative facilities, community facilities, and utilities, $4,320,000.

Naval Station, Key West, Florida: Troop housing, $563,000.

Naval Station, Mayport, Florida: Troop housing, $765,000.

Naval Station, Norfolk, Virginia: Operational facilities, and real estate, $3,333,000.

### Naval Weapons Facilities

### (Naval Air Training Stations)

Naval Auxiliary Air Station, Kingsville, Texas: Maintenance facilities, $70,000.

Naval Air Station, Memphis, Tennessee: Training facilities, $1,975,000.

Naval Auxiliary Air Station, Meridian, Mississippi: Community facilities, $274,000.

### (Field Support Stations)

Naval Station, Adak, Alaska: Troop housing, $360,000.

Naval Air Station, Alameda, California: Operational facilities, $667,000.

Naval Air Station, Cecil Field, Florida: Utilities, $490,000.

Naval Air Station, Key West, Florida: Troop housing, $2,516,000.

Naval Station, Kodiak, Alaska: Operational facilities, $91,000.

Naval Air Station, Lemoore, California: Community facilities, $1,021,000.

Naval Air Station, Norfolk, Virginia: Maintenance facilities, $138,000.

Naval Air Station, North Island, California: Operational and training facilities, $1,112,000.

Naval Air Station, Oceana, Virginia: Maintenance facilities, $262,000.

Naval Air Station, Whidbey Island, Washington: Troop housing and community facilities, $1,898,000.

### (Marine Corps Air Stations)

Marine Corps Air Station, Beaufort, South Carolina: Maintenance facilities, supply facilities, and administrative facilities, $1,180,000.

Marine Corps Air Station, Cherry Point, North Carolina: Training facilities and maintenance facilities, $432,000.

Marine Corps Air Station, El Toro, California: Training facilities, $243,000.

Marine Corps Auxiliary Air Station, Yuma, Arizona: Operational facilities, and utilities, $2,013,000.

### (Fleet Readiness Stations)

Naval Ammunition Depot, Concord, California: Community facilities, $189,000.

Naval Propellant Plant, Indian Head, Maryland: Supply facilities, and troop housing, $537,000.

### (Research, Development, Test and Evaluation Stations)

Naval Weapons Laboratory, Dahlgren, Virginia; Research, development and test facilities, $2,042,000.

Naval Air Development Center, Johnsville, Pennsylvania: Troop housing, $585,000.

Naval Air Material Center, Philadelphia, Pennsylvania: Administrative facilities, $482,000.

Pacific Missile Range, Point Mugu, California: Operational facilities, supply facilities, and research development and test facilities, $3,647,000.

Naval Ordnance Laboratory, White Oak, Maryland: Research, development and test facilities, $3,280,000.

### Supply Facilities

Naval Supply Center, Norfolk, Virginia: Operational facilities, $218,000.

Naval Regional Accounts Office, Philadelphia, Pennsylvania: Administrative facilities, $250,000.

### Marine Corps Facilities

Marine Corps Base, Camp Pendleton, California: Operational and training facilities, maintenance facilities, troop housing and community facilities, and utilities and ground improvements, $4,884,000.

Marine Corps Schools, Quantico, Virginia: Training facilities, $990,000.

### Service School Facilities

Naval Academy, Annapolis, Maryland: Troop housing, $5,027,000.

Naval Weapons Plant, District of Columbia: Administrative facilities, $128,000.

Naval Training Center, Great Lakes, Illinois: Training facilities, $1,592,000.

Naval Amphibious Base, Little Creek, Virginia: Training facilities, and troop housing, $1,773,000.

Officer Candidate School, Newport, Rhode Island: Troop housing, $2,772,000.

Fleet Antisubmarine Warfare School, San Diego, California: Training facilities, troop housing, and utilities, $2,537,000.

### Medical Facilities

Naval Hospital, Long Beach, California: Hospital and medical facilities, and utilities and ground improvements, $7,223,000.

Naval Aviation Medical Center, Pensacola, Florida: Training facilities, and research, development and test facilities, $3,825,000.

Naval Hospital, Philadelphia, Pennsylvania: Utilities, $190,000.

### Communication Facilities

Naval Radio Station, Kodiak, Alaska: Utilities, $117,000.

### Office of Naval Research Facilities

Naval Research Laboratory, District of Columbia: Research, development and test facilities, $5,582,000.

Naval Training Device Center, Port Washington, Long Island, New York: Research, development and test facilities, $265,000.

### Yards and Docks Facilities

Public Works Center, Norfolk, Virginia: Operational facilities, and utilities, $572,000.

### *Outside the United States*

### *Naval Weapons Facilities*

Naval Air Station, Agana, Guam: Real estate, $133,000.

Naval Station, Argentia, Newfoundland, Canada: Operational facilities, $71,000.

Marine Corps Air Facility, Futema, Okinawa: Maintenance facilities, and troop housing and community facilities, $1,976,000.

Marine Corps Air Facility, Iwakuni, Japan: Troop housing, $679,000.

Naval Air Facility, Naha, Okinawa: Operational facilities, $495,000.

Naval Station, Roosevelt Roads, Puerto Rico: Maintenance facilities, $57,000.

Fleet Activities, Okinawa: Utilities, $144,000.

Naval Air Facility, Sigonella, Sicily, Italy: Operational facilities, and community facilities, $935,000.

### *Marine Corps Facilities*

Camp Smedley D. Butler, Okinawa: Operational and training facilities, maintenance facilities, supply facilities, administrative facilities, troop housing and community facilities, and utilities and ground improvements, $7,679,000.

### *Medical Facilities*

Naval Hospital, Yokosuka, Japan: Hospital facilities, $118,000.

### Communication Facilities

Naval Communication Station, Asmara, Eritrea: Operational facilities, and troop housing, $4,346,000.

Naval Communication Station, Finegayan, Guam: Utilities, $166,000.

### Yards and Docks Facilities

Public Works Center, Guam: Utilities, $5,688,000.

SEC. 202. The Secretary of the Navy may establish or develop classified naval installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, resettlement, site preparation, appurtenances, utilities, and equipment, in the total amount of $89,330,000.

SEC. 203. The Secretary of the Navy may establish or develop naval installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $12,500,000: *Provided*, That the Secretary of the Navy or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1963, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 204. (a) Public Law 161, Eighty-fourth Congress, as amended, is amended in section 201 under the heading "Continental United States" and subheading "Aviation Facilities (Special Purpose Air Stations)", with respect to the Naval Air Station, Lakehurst, New Jersey, by striking out "$17,911,000" and inserting in place thereof "$18,263,000".

(b) Public Law 161, Eighty-fourth Congress, as amended, is amended by striking out in clause (2) of section 502, the amounts "$309,134,600" and "$579,301,300" and inserting respectively in place thereof "$309,486,600" and "$579,653,300".

SEC. 205. (a) Public Law 86–500, as amended, is amended in section 201 under the heading "Inside the United States" and subheading "Service School Facilities", with respect to the Naval Academy, Annapolis, Maryland, by striking out "$6,000,000", and inserting in place thereof "$8,605,000".

(b) Public Law 86–500, as amended, is amended by strking out in clause (2) of section 502, the amounts "$87,075,000" and "$130,666,000" and inserting respectively in place thereof "$89,680,000" and "$133,271,000".

SEC. 206. (a) Public Law 87–57 is amended in section 201 under the heading "Inside the United States" and subheading "Service School Facilities", with respect to the Naval Academy, Annapolis, Maryland, by striking out "$9,687,000", and inserting in place thereof "$12,006,000".

(b) Public Law 87–57 is amended by striking out in clause (2) of section 602, the amounts "$79,239,000" and "$138,344,000", and inserting respectively in place thereof "$81,558,000" and "$140,663,000".

SEC. 207. Notwithstanding any other provision of law, the Secretary of the Navy, or his designee, is authorized to enter into a contract for a period not to exceed twenty years for the purpose of providing water for military installations located at or near Beaufort, South Carolina.

## TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for the following projects:

### *Inside the United States*

### Air Defense Command

Duluth Municipal Airport, Duluth, Minnesota: Operational and training facilities, maintenance facilities, supply facilities, medical facilities, and real estate, $2,812,000.

Grand Forks Air Force Base, Grand Forks, North Dakota: Operational and training facilities, supply facilities, administrative facilities, and utilities, $1,310,000.

Hamilton Air Force Base, San Rafael, California: Operational facilities, maintenance facilities, and supply facilities, $352,000.

K. I. Sawyer Municipal Airport, Marquette, Michigan: Operational and training facilities, maintenance facilities, troop housing, and community facilities, $1,477,000.

Kincheloe Air Force Base, Sault Sainte Marie, Michigan: Training facilities, and troop housing, $648,000.

Kingsley Field, Klamath Falls, Oregon: Operational facilities, and maintenance facilities, $464,000.

Minot Air Force Base, Minot, North Dakota: Operational facilities, maintenance facilities, supply facilities, troop housing, and utilities, $1,868,000.

Paine Field, Everett, Washington: Operational facilities, maintenance facilities, and real estate, $2,698,000.

Richards-Gebaur Air Force Base, Kansas City, Missouri: Medical facilities, $158,000.

Selfridge Air Force Base, Mount Clemens, Michigan: Operational facilities and real estate, $179,000.

Spokane International Airport, Spokane, Washington: Operational facilities, $80,000.

Suffolk County Air Force Base, Westhampton Beach, New York: Operational facilities, medical facilities, and real estate, $867,000.

Tyndall Air Force Base, Panama City, Florida: Maintenance facilities and utilities, $241,000.

### Air Force Logistics Command

Griffiss Air Force Base, Rome, New York: Maintenance facilities, $206,000.

Heath Maintenance Annex, Newark, Ohio: Maintenance facilities, $1,676,000.

Hill Air Force Base, Ogden, Utah: Maintenance facilities, supply facilities, hospital facilities, administrative facilities, and community facilities, $5,116,000.

Hill Air Force Range, Lakeside, Utah: Maintenance facilities, supply facilities, community facilities, and utilities, $7,581,000.

McClellan Air Force Base, Sacramento, California: Operational facilities, $2,976,000.

Robins Air Force Base, Macon, Georgia: Maintenance facilities, and administrative facilities, $389,000.

Tinker Air Force Base, Oklahoma City, Oklahoma: Operational facilities, $6,700,000.

Wright-Patterson Air Force Base, Dayton, Ohio: Training facilities, research, development, and test facilities, medical facilities, and utilities, $14,840,000.

### Air Force Systems Command

Arnold Engineering Development Center, Tullahoma, Tennessee: Research, development, and test facilities, $2,462,000.

Edwards Air Force Base, Muroc, California: Research, development, and test facilities, $2,934,000.

Eglin Air Force Base, Valparaiso, Florida: Research, development, and test facilities, $282,000.

Holloman Air Force Base, Alamogordo, New Mexico: Research, development, and test facilities, $619,000.

Laurence G. Hanscom Field, Bedford, Massachusetts: Utilities, and real estate, $401,000.

Patrick Air Force Base, Cocoa, Florida: Hospital facilities, administrative facilities, troop housing, and utilities, $6,335,000.

Sacramento Peak Upper Air Research Site, Alamogordo, New Mexico: Research, development, and test facilities, $45,000.

Various locations, Atlantic Missile Range: Research, development, and test facilities, and administrative facilities, $7,934,000.

### Air Training Command

Amarillo Air Force Base, Amarillo, Texas: Maintenance facilities and troop housing, $351,000.

Chanute Air Force Base, Rantoul, Illinois: Training facilities, maintenance facilities, community facilities, and utilities, $1,731,000.

Craig Air Force Base, Selma, Alabama: Training facilities, and maintenance facilities, $297,000.

James Connally Air Force Base, Waco, Texas: Troop housing and utilities, $191,000.

Keesler Air Force Base, Biloxi, Mississippi: Maintenance facilities, troop housing, and community facilities, $1,288,000.

Lackland Air Force Base, San Antonio, Texas: Training facilities, medical facilities, administrative facilities, troop housing, community facilities and utilities, $5,088,000.

Perrin Air Force Base, Sherman, Texas: Operational facilities, $123,000.

Sheppard Air Force Base, Wichita Falls, Texas: Training facilities, maintenance facilities, and troop housing, $1,441,000.

Vance Air Force Base, Enid, Oklahoma: Maintenance facilities, $37,000.

### Air University

Gunter Air Force Base, Montgomery, Alabama: Administrative facilities, $70,000.

Maxwell Air Force Base, Montgomery, Alabama: Utilities, $245,000.

### Alaskan Air Command

Eielson Air Force Base, Fairbanks, Alaska: Operational facilities, $809,000.

Elmendorf Air Force Base, Anchorage, Alaska: Operational facilities, administrative facilities, and utilities, $2,939,000.

Galena Airport, Galena, Alaska: Maintenance facilities, $135,000.

King Salmon Airport, Naknek, Alaska: Operational facilities, $494,000.

Various locations: Operational facilities, maintenance facilities, troop housing, and community facilities, $1,607,000.

### Headquarters Command

Andrews Air Force Base, Camp Springs, Maryland: Operational facilities, maintenance facilities, and administrative facilities, $1,270,000.

### Military Air Transport Service

McGuire Air Force Base, Wrightstown, New Jersey: Operational facilities, $269,000.

Travis Air Force Base, Fairfield, California: Operational facilities, $71,000.

### Strategic Air Command

Altus Air Force Base, Altus, Oklahoma: Maintenance facilities, $120,000.

Bergstrom Air Force Base, Austin, Texas: Community facilities, $350,000.

Blytheville Air Force Base, Blytheville, Arkansas: Operational facilities, $50,000.

Bunker Hill Air Force Base, Peru, Indiana: Operational facilities, $210,000.

Carswell Air Force Base, Fort Worth, Texas: Community facilities, $154,000.

Castle Air Force Base, Merced, California: Maintenance facilities, $229,000.

Clinton-Sherman Air Force Base, Clinton, Oklahoma: Operational facilities, and maintenance facilities, $170,000.

Columbus Air Force Base, Columbus, Mississippi: Operational facilities, $71,000.

Dow Air Force Base, Bangor, Maine: Operational facilities, maintenance facilities, and supply facilities, $473,000.

Dyess Air Force Base, Abilene, Texas: Operational facilities, $6,027,000.

Ellsworth Air Force Base, Rapid City, South Dakota: Operational facilities, and maintenance facilities, $416,000.

Fairchild Air Force Base, Spokane, Washington: Maintenance facilities, $120,000.

Glasgow Air Force Base, Glasgow, Montana: Training facilities, $276,000.

Larson Air Force Base, Moses Lake, Washington: Maintenance facilities, $160,000.

Little Rock Air Force Base, Little Rock, Arkansas: Operational facilities, and maintenance facilities, $415,000.

Lockbourne Air Force Base, Columbus, Ohio: Operational facilities, and maintenance facilities, $614,000.

Loring Air Force Base, Limestone, Maine: Operational facilities, and maintenance facilities, $255,000.

March Air Force Base, Riverside, California: Operational facilities, $96,000.

McCoy Air Force Base, Orlando, Florida: Maintenance facilities, $380,000.

Offutt Air Force Base, Omaha, Nebraska: Hospital facilities, administrative facilities, troop housing and utilities, $8,550,000.

Pease Air Force Base, Portsmouth, New Hampshire: Operational facilities, and maintenance facilities, $449,000.

Plattsburgh Air Force Base, Plattsburgh, New York: Maintenance facilities, $60,000.

Turner Air Force Base, Albany, Georgia: Maintenance facilities, $394,000.

Walker Air Force Base, Roswell, New Mexico: Operational facilities, and maintenance facilities, $276,000.

Westover Air Force Base, Chicopee Falls, Massachusetts: Operation facilities, maintenance facilities, and medical facilities, $601,000.

Wurtsmith Air Force Base, Oscoda, Michigan: Operational facilities, and community facilities, $502,000.

### Tactical Air Command

Cannon Air Force Base, Clovis, New Mexico: Operational facilities, $300,000.

England Air Force Base, Alexandria, Louisiana: Operational facilities, $140,000.

George Air Force Base, Victorville, California: Operational facilities, and maintenance facilities, $392,000.

Langley Air Force Base, Hampton, Virginia: Operational facilities, $79,000.

Luke Air Force Base, Phoenix, Arizona: Operational facilities, and maintenance facilities, $401,000.

Nellis Air Force Base, Las Vegas, Nevada: Maintenance facilities, supply facilities, hospital facilities, and utilities, $3,136,000.

Pope Air Force Base, Fort Bragg, North Carolina: Operational facilities, maintenance facilities, administrative facilities, and troop housing, $4,753,000.

Stewart Air Force Base, Smyrna, Tennessee: Operational facilities, $418,000.

Seymour-Johnson Air Force Base, Goldsboro, North Carolina: Maintenance facilities, supply facilities, and utilities, $452,000.

### Aircraft Control and Warning System

Various locations: Maintenance facilities, supply facilities, troop housing, community facilities, and utilities, $733,000.

### Special Facilities

Various locations: Operational facilities, $3,176,000.

## *Outside the United States*

### Caribbean Air Command

Howard Air Force Base, Canal Zone: Operational facilities, $1,747,000.

### Military Air Transport Service

Various locations: Operational facilities, $112,000.

### Pacific Air Force

Various locations: Operational and training facilities, maintenance facilities, supply facilities, troop housing, community facilities, and utilities, $11,116,000.

### Strategic Air Command

Ramey Air Force Base, Puerto Rico: Operational facilities, $50,000.

Various locations: Operational facilities, $221,000.

### United States Air Forces in Europe

Various locations: Operational facilities, maintenance facilities, supply facilities, troop housing, community facilities, and utilities, $5,435,000.

### United States Air Force Security Service

Various locations: Operational facilities, supply facilities, medical facilities, administrative facilities, troop housing, community facilities, and utilities, $8,826,000.

### Aircraft Control and Warning System

Various locations: Operational facilities, troop housing, community facilities, and utilities, $2,642,000.

### Special Facilities

Various locations: Operational facilities, $2,314,000.

SEC. 302. The Secretary of the Air Force may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $564,265,000.

SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with the interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $12,500,000: *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1963, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 304. (a) Public Law 86-500, as amended, is amended in section 301 under the heading "INSIDE THE UNITED STATES" and subheading "HEADQUARTERS COMMAND", with respect to Andrews Air Force Base, Camp Springs, Maryland, by striking out "$3,109,000" and inserting in place thereof "$3,294,000".

(b) Public Law 86-500, as amended, is amended by striking out in clause (3) of section 502 the amounts of "$206,035,000" and "$728,605,000" and inserting in place thereof "$206,220,000" and "$728,790,000" respectively.

## TITLE IV

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including site preparation, appurtenances, utilities, and equipment, for defense agencies and activities (other than the military departments and the Office of Civil Defense), for the following projects:

### *Defense Atomic Support Agency*

Armed Forces Radiobiology Research Institute, National Naval Medical Center, Bethesda, Maryland: Research, development, and test facilities, $968,000.

Various locations: Utilities, $193,000.

### *Defense Communications Agency*

NORAD Headquarters, Colorado Springs, Colorado: Operational facilities, $1,446,000.

### *Defense Intelligence Agency*

Metropolitan Washington, District of Columbia, area: Administrative facilities and utilities, $2,800,000.

### *Defense Supply Agency*

Cameron Station, Alexandria, Virginia: Operational facilities, administrative facilities, and utilities, $3,590,000.

Columbus General Depot, Columbus, Ohio: Administrative facilities and utilities, $3,191,000.

Gentile Air Force Station, Dayton, Ohio: Administrative facilities, $1,296,000.

Military Industrial Supply Agency, Philadelphia, Pennsylvania: Administrative facilities, $1,020,000.

### *National Security Agency*

Fort Meade, Maryland: Operational facilities, administrative facilities, and utilities, $12,870,000.

Various locations: Operational facilities, supply facilities, troop housing, community facilities, and utilities, $6,276,000.

SEC. 402. In addition to the amounts authorized in sections 103, 203, and 303, the Secretary of Defense may proceed with construction made necessary by changes in military missions and responsibilities which have been occasioned by: (a) unforeseen security considerations, (b) new weapons developments, (c) new and unforeseen research and development requirements, or (d) improved production schedules, if he determines that deferral of such construction for inclusion in the next military construction authorization Act would be inconsistent with interests of national security, but the total of the amounts so added shall not exceed $12,500,000: *Provided*, That the Secretary of Defense, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1963, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

## TITLE V—MILITARY FAMILY HOUSING

SEC. 501. (a) For the purpose of providing improved management and administration of funds appropriated or otherwise made available to the Department of Defense for family housing programs there is hereby established on the books of the Treasury Department the Department of Defense family housing management account (hereinafter referred to as the "management account").

(b) The management account shall be administered by the Secretary of Defense as a single account. Into such account there shall be transferred (1) the unexpended balance of the funds established pursuant to subsections (g) and (h) of section 404 of the Housing Amendments of 1955, and (2) appropriations hereafter made to the Department of Defense, for the purpose of, or which are available for, the payment of costs arising in connection with the construction, acquisition, replacement, addition, expansion, extension, alteration, leasing, operation, or maintenance of family housing, including the cost of principal and interest charges, and insurance premiums, arising in connection with the acquisition of such housing, and mortgage insurance premiums payable under section 222(c) of the National Housing Act.

(c) Obligations against the management account may be made by the Secretary of Defense, in such amounts as may be specified from time to time in appropriation Acts, for the purpose of defraying, in the manner and to the extent authorized by law, the costs referred to in subsection (b).

(d) The last sentence of subsection (f) and subsections (g) and (h) of section 404 of the Housing Amendments of 1955 (42 U.S.C. 1594a. (g) and (h)) are hereby repealed.

SEC. 502. The Secretary of Defense, or his designee, is authorized to construct, at the locations hereinafter named, family housing units, in the numbers hereinafter listed, but no construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Administrator, Housing and Home Finance Agency, as to the availability of adequate private housing at such locations. The authority to construct housing under this title shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(1) For Department of the Army: Inside the United States and Caribbean, 2,725 units, $50,686,500.

Redstone Arsenal, Alabama, 150 units.

Petroleum Distribution Pipeline, Alaska, 19 units.

Fort Richardson, Alaska, 100 units.

Pine Bluff Arsenal, Arkansas, 33 units.

Sharpe General Depot, California, 40 units.

Fitzsimons General Hospital, Colorado, 50 units.

Fort Carson, Colorado, 280 units.

Pueblo Ordnance Depot, Colorado, 18 units.

Rocky Mountain Arsenal, Colorado, 44 units.

Fort Stewart, Georgia, 132 units.

U.S. Army, Hawaii, 250 units.

Fort Leavenworth, Kansas, 100 units.

Fort Riley, Kansas, 300 units.

Fort Ritchie, Maryland, 179 units.

Picatinny Arsenal, New Jersey, 40 units.

Carlisle Barracks, Pennsylvania, 36 units.

Charleston Transportation Depot, South Carolina, 10 units.

Fort Sam Houston, Texas, 204 units.

Dugway Proving Ground, Utah, 67 units.

Fort Lee, Virginia, 100 units.

Pacific Side, Canal Zone, 500 units.

Quarry Heights, Canal Zone, 20 units.

Fort Allen, Puerto Rico, 53 units.

Outside the United States and Caribbean, 364 units, $6,485,000.

Army Security Agency, location 04, 60 units, $900,000.

Army Security Agency, location 12, 157 units, $2,723,000.

Fort Buckner, Okinawa, 147 units, $2,862,000.

(2) Department of the Navy: Inside the United States and Caribbean, 3,708 units, $71,015,000.

Naval Station, Adak, Alaska, 250 units.

Naval Air Station, Alameda, California, 500 units.

Naval Radio Station, Dixon, California, 7 units.

Marine Corps Air Station, El Toro, California, 400 units.

Naval Station, Long Beach, California, 250 units.

Naval Shipyard, Mare Island, California, 400 units.

Marine Corps Base, Camp Pendleton, California, 400 units.

Naval Station, San Diego, California, 500 units.

Naval Air Station, Cecil Field, Florida, 200 units.

Naval Mine Defense Laboratory, Panama City, Florida, 40 units.

Naval Air Station, Sanford, Florida, 10 units.

Marine Corps Air Station, Kaneohe Bay, Hawaii, 200 units.

Naval Research Laboratory, Chesapeake Bay Annex, Maryland, 6 units.

Naval Base, Portsmouth, New Hampshire, 150 units.

Naval Ammunition Depot, Earle, New Jersey, 48 units.

Naval Air Station, New York, New York, 8 units.

Naval Supply Depot, Mechanicsburg, Pennsylvania, 45 units.

Naval Supply Center, Cheatham Annex, Virginia, 50 units.

Fleet Anti-Air Warfare Training Center, Dam Neck, Virginia, 15 units.

Naval Air Station, Oceana, Virginia, 25 units.

Naval Weapons Station, Yorktown, Virginia, 100 units.

Naval Radio Station, Sabana Seca, Puerto Rico, 104 units.

Outside the United States and Caribbean, 200 units, $7,000,000.

Naval Station, Argentia, Canada, 200 units, $7,000,000.

(3) For Department of the Air Force: Inside the United States, 5,640 units, $106,189,500.

Eielson Air Force Base, Alaska, 160 units.

Elmendorf Air Force Base, Alaska, 290 units.

Norton Air Force Base, California, 14 units.

Vandenberg Air Force Base, California, 200 units.

Robins Air Force Base, Georgia, 300 units.

Chanute Air Force Base, Illinois, 100 units.

Dow Air Force Base, Maine, 200 units.

K. I. Sawyer Air Force Base, Michigan, 400 units.

Kincheloe Air Force Base, Michigan, 400 units.

Wurtsmith Air Force Base, Michigan, 300 units.

Glasgow Air Force Base, Montana, 200 units.

Hancock Field, New York, 100 units.

Suffolk County Air Force Base, New York, 100 units.

Pope Air Force Base, North Carolina, 300 units.

Grand Forks Air Force Base, North Dakota, 300 units.

Minot Air Force Base, North Dakota, 430 units.

Clinton-Sherman Air Force Base, Oklahoma, 100 units.

Kingsley Field, Oregon, 200 units.

Hill Air Force Base, Utah, 200 units.

Langley Air Force Base, Virginia, 300 units.

Paine Field, Washington, 100 units.

Various locations: 946 relocatable units.

Outside the United States, 930 units, $18,850,000.

Clark Air Base, Philippine Islands, 150 units, $2,970,000.

Kadena Air Base, Okinawa, 500 units, $9,900,000.

Site 1–D, 200 units, $4,540,000.

Site 10–C, 80 units, $1,440,000.

SEC. 503. (a) The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions not otherwise authorized by law of family housing units at various locations under the jurisdiction of the Department of Defense which, on the effective date of this Act, have not been designated as public quarters. Units so improved shall be designated public quarters.

(b) No family housing unit may be improved at a total cost of more than 50 per centum of the maximum cost of construction prescribed by this Act for an equivalent unit of new family housing.

SEC. 504. (a) Sections 4774(f) and 9774 (f) of title 10, United States Code, are amended to read as follows:

(f) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at any installation where the construction of family housing is authorized, that the construction of four-bedroom units for enlisted men is required, such units may be constructed with a net floor area of one thousand two hundred and fifty square feet or less."

(b) Section 7574(d) of title 10, United States Code, is amended to read as follows:

"(d) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at any installation where the construction of family housing is authorized, that the construction of four-bedroom units for enlisted men is required, such units may be constructed with a net floor area of one thousand two hundred and fifty square feet or less."

(c) Sections 4774(g) and 9774(g) of title 10, United States Code, are amended to read as follows:

"(g) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at an installation where the construction of family housing is authorized, that the construction of four-bedroom units for officers holding grades below major is required, such units may be constructed with a net floor area of one thousand four hundred square feet or less."

(d) Section 7574(e) of title 10, United States Code, is amended to read as follows:

"(e) If the Secretary of Defense, or his designee, determines, on the basis of a survey of the family housing needs at an installation where the construction of family housing is authorized, that the construction of four-bedroom units for officers holding grades below lieutenant commander or equivalent is required, such units may be constructed with a net floor area of one thousand four hundred square feet or less."

Sec. 505. Section 515 of the Act of July 15, 1955 (69 Stat. 324, 352), as amended (75 Stat. 96, 111), is further amended by deleting the word "tactical" in the third line of the section.

Sec. 506. Authorizations for the construction of family housing provided in this Act shall be subject to the following limitations:

(a) the cost per family unit shall not exceed—

$22,000 for generals or equivalent;

$19,800 for colonels or equivalent;

$17,600 for major and/or lieutenant colonel or equivalent;

$15,400 for all other commissioned or warrant officer personnel or equivalent;

$13,200 for enlisted personnel;

except that when such units are constructed outside the continental United States or in Alaska, the average cost per unit of all such units shall not exceed $32,000, and in no event shall the individual cost exceed $40,000.

The cost limitations provided in this subsection shall be applied to the five-foot line.

(b) No project in excess of 50 units at a specific location, other than those constructed outside the continental United States or in Alaska, shall be constructed at an average unit cost exceeding $17,500, including the costs of land acquisition, site preparation, and installation of utilities.

(c) No family housing unit, other than those constructed outside the continental United States or in Alaska, shall be constructed at a total cost exceeding $26,000, including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities. For the purposes of this section the cost of the family unit shall include ranges, refrigerators, shades, screens, and fixtures.

Sec. 507. No funds may be appropriated after December 31, 1962, for the construction, acquisition, leasing, addition, extension, expansion, alteration, or operation and maintenance of family housing under the jurisdiction of the Department of Defense unless the appropriation of such funds has been authorized by legislation enacted after such date.

### TITLE VI

### *General provisions*

Sec. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to sections 3648 and 3734 of the Revised Statutes, as amended (31 U.S.C. 529, 40 U.S.C. 259, 267), and sections 477(d) and 9774(d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

Sec. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for military construction projects authorized by titles I, II, III, and IV shall not exceed—

(1) for title I: Inside the United States, $101,743,000; outside the United States, $29,699,000; section 102, $2,000,000; section 103, $12,500,000; or a total of $145,942,000.

(2) for title II: Inside the United States, $84,795,000; outside the United States, $22,487,000; section 202, $89,330,000; section 203, $12,500,000; or a total of $209,112,000;

(3) for title III: Inside the United States, $127,504,000; outside the United States, $32,463,000; section 302, $564,265,000; section 303, $12,500,000; or a total of $736,732,000;

(4) for title IV: Section 401, $33,650,000; section 402, $12,500,000; or a total of $46,150,000;

(5) for title V: For housing units to be constructed under section 501 for Department of the Army, $57,171,500; Department of the Navy, $78,015,000; Department of the Air Force, $125,039,500; or a total of $260,226,000.

Sec. 603. Any of the amounts named in title I, II, III, and IV of this Act, may, in the discretion of the Secretary concerned, be increased by 5 per centum for projects inside the United States (other than Alaska) and by 10 per centum for projects outside the United States or in Alaska, if he determines in the case of any particular project that such increase (1) is required for the sole purpose of meeting unusual variations in cost arising in connection with that project, and (2) could not have been reasonably anticipated at the time such project was submitted to the Congress. However, the total costs of all projects in each such title may not be more than the total amount authorized to be appropriated for projects in that title.

Sec. 604. Whenever—

(1) the President determines that compliance with section 2313(b) of title 10, United States Code, for contracts made under this Act for the establishment or development of military installations and facilities in foreign countries would interfere with the carrying out of this Act; and

(2) The Secretary of Defense and the Comptroller General have agreed upon alternative methods of adequately auditing those contracts;

the President may exempt those contracts from the requirements of that section.

Sec. 605. Contracts for construction made by the United States for performance within the United States, and its possessions, under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Bureau of Yards and Docks, Department of the Navy, unless the Secretary of Defense determines that because such jurisdiction and supervision is wholly impracticable such contracts should be executed under the jurisdiction and supervision of another department or Government agency, and shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report semiannually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

Sec. 606. As of July 1, 1963, all authorizations for military public works to be accomplished by the Secretary of a military department in connection with the establishment or development of military installations and facilities, and all authorizations for appropriations therefor, that are contained in Acts approved before June 9, 1960, and not superseded or otherwise modified by a later authorization are repealed, except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) the authorization for public works projects as to which appropriated funds have been obligated for construction contracts or land acquisitions in whole or in part before July 1, 1963, and authorizations for appropriations therefor;

(3) notwithstanding the provisions of section 606 of the Act of June 27, 1961 (75 Stat. 96, 110), the authorization for—

(a) utilities in the amount of $2,300,000 at Fort Campbell, Kentucky, that is contained in title I, section 101, under the heading "Inside the United States" and subheading "Field Forces Facilities (Third Army Area)" of the Act of August 10, 1959 (73 Stat. 302, 303);

(b) maintenance facilities in the amount of $330,000 at the Pacific Missile Range, Point Mugu, California, that is contained in title II, section 201, under the heading "Inside the United States" and subheading "Aviation Facilities (Special Purpose Air Stations)" in the Act of August 10, 1959 (73 Stat. 302, 307); and

(c) maintenance facilities, medical facilities, supply facilities, troop housing, community facilities, and utilities and ground improvements in the amount of $3,957,000 for Naval Radio Research Station, Sugar Grove, West Virginia, that is contained in title II, section 201, under the heading "Inside the United States" and subheading "Communication Facilities" of the Act of August 10, 1959 (73 Stat. 308).

Sec. 607. Subsections (a) and (b) of section 2677 of title 10, United States Code, are amended to read as follows:

(a) The Secretary of a military department may acquire an option on a parcel of real property before or after its acquisition is authorized by law, if he considers it suitable and likely to be needed for a military project of his department.

(b) As consideration for an option acquired under subsection (a), the Secretary may pay, from funds available to his department for real property activities, an amount that is not more than 5 per centum of the appraised fair market value of the property. However, such amount must be credited to the purchase price of the property if the acquisition is completed.

Sec. 608. None of the authority contained in titles I, II, and III of this Act shall be deemed to authorize any building construction project inside the United States (other than Alaska) at a unit cost in excess of—

(1) $32 per square foot for cold-storage warehousing;

(2) $8 per square foot for regular warehousing;

(3) $1,850 per man for permanent barracks;

(4) $8,500 per man for bachelor officer quarters;

unless the Secretary of Defense determines that, because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable.

SEC. 609. Section 109(a) of the Act of August 20, 1958 (72 Stat. 641), as amended by section 413 of the Act of August 10, 1959 (73 Stat. 322), is further amended by striking the preceding comma and the following: "and four hundred acres for a temporary spoil disposal area for a period of ten years," and by inserting at the end of the said section 109(a), "The Administrator of General Services shall, incident to this sale, reserve (for the benefit of the Chief of Engineers) a spoil disposal easement expiring August 20, 1968, on four hundred acres to be selected by the Administrator."

### TITLE VII

### *Reserve Forces facilities*

SEC. 701. Section 2233a of title 10, United States Code, is amended to read as follows:

"§ 2233a. Limitation

"(1) No expenditure or contribution that is more than $50,000 may be made under section 2233 of this title for any facility until after the expiration of thirty days from the date upon which the Secretary of Defense or his designee notifies the Senate and the House of Representatives of the location, nature, and estimated cost of such facility. This requirement does not apply to the following:

"(a) Facilities acquired by lease.

"(b) Facilities acquired, constructed, expanded, rehabilitated, converted, or equipped to restore or replace facilities damaged or destroyed, where the Senate and the House of Representatives have been notified of that action.

"(2) Under such regulations as the Secretary of Defense may prescribe, any project authorized pursuant to section 2233(a) which does not cost more than $25,000 may be accomplished from appropriations available for maintenance and operations."

SEC. 702. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) for Department of the Army:

(a) Army National Guard of the United States, $11,000,000; and

(b) Army Reserve, $9,900,000;

(2) for Department of the Navy: Naval and Marine Corps Reserves, $8,200,000;

(3) for Department of the Air Force:

(a) Air National Guard of the United States, $12,700,000; and

(b) Air Force Reserve, $4,700,000.

SEC. 703. The Secretary of Defense may establish or develop installations and facilities under this title without regard to sections 3648 and 3734 of the Revised Statutes, as amended, and sections 4774(d) and 9774(d) of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended, and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 704. As of July 1, 1963, all authorizations for specific facilities for reserve forces to be accomplished by the Secretary of Defense, and all authorizations for appropriations therefor, that are contained in the Reserve Forces Facilities Act of 1960, and not superseded or otherwise modified by a later authorization, are repealed, except the authorizations for facilities for the reserve forces as to which appropriated funds have been obligated in whole or in part before July 1, 1963, and authorizations for appropriations therefor.

SEC. 705. (a) Public Law 87–57 is amended under the heading "Army National Guard of the United States (Armory)" in clause (1) of section 701 with respect to Stockton, California, strike out "$254,000" and insert in place thereof "$350,000".

(b) Public Law 87–57 is amended by striking out in clause (1) of section 704, "$22,682,750" and inserting in place thereof "$22,778,750".

Mr. JACKSON. Madam President, the bill before the Senate provides construction and other related authority for the military departments within and outside the United States, including authority for the construction of facilities for the Reserve components. The total sum of new authorization contained in the bill is $1,444,662,000. In addition thereto approval is granted for an increase of $6,030,000 in prior years' authority for a total authorization of $1,450,692,000.

The Army would be authorized $146.4 million; the Navy $214.4 million; the Air Force $736.9 million; the Department of Defense $46.2 million; for military family housing $260.2 million; and a total of $46.5 million for the various Reserve components.

I wish to call attention to the fact that the bill as originally submitted to the Congress called for a total authorization of $1,596,410,000. Subsequently, however, the Department of Defense submitted several additional requests for both new authority and increases in that of prior years, totaling $45.5 million, practically all of which were received after the House had acted on the bill. The authority finally granted by the committee is $191.2 million below the amount we were called upon to consider and $73.5 million below the amount granted by the House of Representatives.

The construction provided by this bill will support an increasing array of land-based strategic missiles, a rapidly growing fleet of Polaris missile-bearing submarines, and an operational force of about 1,200 medium and heavy bombers, about half of which are being constantly maintained in a 15-minute ground alert to assure survivability.

Other important missions and forces supported by this bill are the continental air and missile defense forces such as Nike-Hercules, fighter interceptor squadrons, submarine detection, DEW line and aircraft early warning stations.

The strategic retaliatory and the continental air and missile defense forces remain in the basic elements of our deterrent policy, but they cannot be relied upon exclusively. We must be able to react other than by all-out nuclear war when confronted with limited or gradual challenges to our vital interests for which an all-out response would not be necessary or appropriate. This means that we must have as well, tactical ground, sea, and air forces with the flexibility and balance to meet our global commitments. The necessary authority for construction of facilities to support such general purpose forces is provided for.

This year, for the first time, all items contained in the bill are included in the funding program and for the most part are of an operational nature designed to either modernize or implement existing facilities. In its review, the committee took particular care to determine that all requests are required in support of the long-range military plans and that construction is not scheduled for installations where tenure may be in doubt. Generally the committee eliminated those items for which a compelling military necessity did not appear to exist; where facilities scheduled for replacement were believed to be sufficient for the present; or where cost estimates were excessive; and where existing conditions seemed to warrant the deferral of a project. Particular attention was given to those requests for additional administrative and laboratory space. Instances were found where the justification for such requests was based upon statistical factors of projecting personnel strengths to some future date and where previously authorized construction of a similar nature was not yet in inventory. It was based upon these criteria that the committee agreed with most of the deletions made by the House, restoring only those where a showing was made of real necessity.

Several worthwhile projects were considered that were not included in the budget, but only two survived the committee review. One of these had been inserted by the House and provides quarters for the Air Force School of Engineering at the Wright-Patterson Air Force Base, and the other will permit a modest renovation of the Thayer Hotel at the West Point Military Academy.

Now, Madam President, I should like to deal specifically with certain parts of the bill. Under the direction of the Secretary of Defense several Defense-wide agencies have been established to insure greater effectiveness and economy. Emphasis has been placed on those operations which involve several organizations doing similar or parallel work and where it can be demonstrated centralized direction will pay off in streamlined procedures, uniform policies, and reduced costs. It is gratifying to note that the Secretary of Defense is making use of the authority that Congress has vested him with to streamline the Defense Establishment in an effort to eliminate many of the examples of wasteful duplication and competition between the services which have all too frequently come to our attention.

The requirements of these agencies appear under title 4 of the bill before you. In their consideration of the bill the House approved the construction authority requested for these agencies but eliminated the title and placed the individual items under the three military departments on the basis that the Department of Defense should confine its activities to policymaking and not attempt to duplicate the operating functions of the military departments. It was the committee's opinion, however, that this title does reflect policymaking and attempts to eliminate some of the evils Congress has long complained of—duplication between the services, rather than duplicating the operational functions of the services.

To include the requirements in one place in the authorizing bill and in the budget reflects only good management and good budget practices as opposed to scattering these items throughout the military titles requiring the juggling of funds and needless paperwork.

It was for these reasons that this title was approved which grants this construction authority to the Secretary of Defense.

Also proposed by the Defense Establishment this year was a defense facilities replacement fund, the capital of which would be derived from the proceeds of the sale of military property. The purpose was to provide for relocating facilities which are of marginal utility to the departments in their present locations. Under this proposal the projects in question would not be chargeable to new obligational authority but would be charged to the fund as authorized by the Congress. Some $44.6 million in projects were proposed to be funded in this manner. The House quite properly denied the establishment of such a fund which would abort the appropriation process and certainly could be construed as backdoor financing. They did, however, authorize the majority of the projects placing them under the three military titles of the bill. Most of these projects are marginal at best and do not warrant including in the construction program at the expense of truly operational requirements. The committee, therefore, approved only $9.3 million for three classified Navy projects which appeared to be of an urgent operational nature. This authorization is included under the classified section of title 2, the Navy portion of the bill.

Title 5 of the bill relates to family housing, a matter of continuing concern to the committee. You will recall, Mr. President, that last year the Congress reverted to the appropriated fund method of providing family housing, which in the long run is the cheapest and most satisfactory method of providing for this need.

This year the Department of Defense proposed the creation of a family housing fund as a management tool to provide for family housing. The principal source of income would be from the forfeiture of quarters allowances of those occupying public quarters. Of course, at the present time no appropriations are made for such allowances for those personnel occupying public quarters. Second, the Defense Department proposed the transfer to the fund of certain balances which have expired for obligation and rental receipts from rental quarters. This proposal would have weakened congressional control and granted the Department of Defense broad authority in this respect. The House properly denied this fund.

The committee feels, however, that a housing fund under the proper control of the Congress is a desirable tool of management and will bring all of the many facets of the housing program together into one fund that may be properly managed and subject to ready audit. Accordingly, new language was devised by the committee to accomplish this purpose. Of course, only those funds specifically authorized and appropriated by the Congress will go into the fund, and disbursements will be made in accordance with the dictates of the Congress.

The Defense Department asked authority to construct over 16,500 units of housing, at a cost of over $300 million. After a close analysis of all requests the committee allowed 13,567 units, for a reduction of $54.2 million. Those units denied were either marginal requirements or proposed for several metropolitan areas where projects might be desirable but not essential. Another feature of this title relates to the renovation of certain substandard quarters not now clearly covered under existing law. Still another permits the leasing of housing near any military installation as opposed to present law, which permits such leasing only near "tactical" sites. This is to the advantage of the Government, as it is more economical to lease housing in some areas than to build it, particularly in those locations where future tenure is uncertain. The authority is further granted the Secretary of Defense to determine, on a project basis, the need for the number of four-bedroom quarters to accommodate the increasing number of large families.

While the funds requested for these housing units were based on an overall average of $17,500 per unit within the United States, with those in Alaska and overseas being priced out by project, the House very properly included in the bill a limitation of $17,500 as the average cost per unit in any project of over 50, including the cost of land acquisition, site preparation, and utilities. Any single unit in a project, however, and particularly in those of 50 units or less, could be built under existing law which provides for a unit cost, by grades, to the 5-foot line which ranges from $13,200 for enlisted men to $22,000 for general officers. This simply means that the gross cost of these units could well be excessive since the unit cost in this instance does not include supporting cost for outside utilities, landscaping, and so forth. The committee, therefore, saw fit to add a maximum limitation of $26,000 to prevent overelaborate building, and a requirement that the overall cost of any unit must include certain basic fixtures such as ranges, refrigerators, and blinds.

Another provision added by the House in which the committee concurred provides that after December 31, 1962, no funds may be appropriated for anything relating to family housing unless it is specifically authorized by legislation. This will require the Defense Department to come in with one package for family housing showing all costs for construction, renovation, leasing, maintenance and operation costs, and so forth. This will afford the committee an opportunity to see just what the entire housing program each year will cost. The management fund recommended in section 501 of this title will then permit all funds appropriated for these purposes to be consolidated and readily available for audit and review.

Finally, I call attention to title 7 of the bill which provides for the requirements of the Reserve Forces. For this purpose $46.5 million has been granted, which is the amount the Department requested. This year provisions have been incorporated to reinstate the procedure followed prior to fiscal year 1959, under which lump-sum authorization, as opposed to line item authorization, is granted for such facilities, with the proviso that the Congress be notified of the specific projects over $50,000 at least 30 days prior to final approval of same by the Secretary of Defense.

Mr. STENNIS rose.

Mr. JACKSON. Madam President, I first yield to the distinguished Senator from Mississippi.

Mr. STENNIS. Madam President, I commend highly the Senator from Washington [Mr. JACKSON] and the other members of the Senator's subcommittee for the excellent work they have done on the very complicated, highly important military construction bill. The subcommittee conducted tedious hearings and devoted hard work to the consideration of innumerable items, and has handled the bill in an outstanding manner.

The Senator from Washington presented the bill to the full committee in a commendable way, showing an expert knowledge of the subject matter and of the work which had been done.

I am very much pleased with the provisions for family housing that have been included in the bill. It is a subject which has been before the Senate in various forms for a long time. I believe the committee has presented a sound program. Everyone will agree that the families of our men in uniform deserve decent housing.

At the same time, it is necessary to make sure that housing is not constructed in excess of the needs. In these days of considerable unemployment and redeployment, we must be conservative in dealing with these problems.

I should like to ask the Senator from Washington some questions about the proposals for changes in the permanent law, as those proposals are set forth in the bill.

My first question is in regard to the housing provisions of the bill. These are new provisions; and they would constitute new law on the subject, would they not?

Mr. JACKSON. That is correct.

Madam President, at this time I wish to thank the distinguished Senator from Mississippi [Mr. STENNIS] for his kind remarks. Those of us who had the privilege of serving with him during the many years while he was chairman of this subcommittee are most grateful to him for the way in which he handled this legislation in past years; and whatever progress we have been able to make this year is due in no small part to the very able way in which the distinguished Senator from Mississippi served as chairman of the subcommittee and handled the legislation in the Senate.

Madam President, we are also particularly grateful to the members of the subcommittee who served this year—on the majority side, and the Senator from California [Mr. ENGLE] and the Senator from Nevada [Mr. CANNON] and, on the minority side, the Senator from Maryland [Mr. BEALL] and the Senator from

Arizona [Mr. GOLDWATER]—all of whom have been most helpful in getting this measure through the committee.

It goes without saying that in doing the job which a subcommittee such as this one has done, we have to rely heavily on the able staff. Gordon Nease, the staff director for the subcommittee, has been of invaluable assistance to me as the chairman, and also to every one of the other members of the subcommittee. Without his valuable technical assistance and his good judgment, we could not render the kind of service the Senate expects of us; and I am sure I speak for all members of the subcommittee when I express to Mr. Nease our appreciation for the fine work he has done this year, as he has done in the past.

Madam President, at this time I wish to complete my statement in response to the remarks of the distinguished Senator from Mississippi.

We have allowed a total of 13,567 units of housing. These are 3,086 units below the number requested. We made these deletions after careful consideration of the ability of the communities involved to meet the housing needs of the military personnel, and we are convinced that these needs will be met.

**Mr. STENNIS.** Madam President, I am delighted to have this assurance from the Senator from Washington, and also to know that this year the housing program is to be built with appropriated funds. Whereas various other programs have in the past made valuable contributions to our housing inventory, I have long contended that appropriated funds construction is the simplest and, really, the least costly method.

Since the Senator from Washington is recommending the new program, let me ask what safeguards are provided against construction of too-costly quarters.

**Mr. JACKSON.** First of all, the bill as passed by the House placed certain limitations on the cost of family housing, particularly that no project in excess of 50 units at a specific location, other than those constructed outside the United States or in Alaska, shall be constructed at an average unit cost exceeding $17,500, including the cost of land acquisition, site preparation, and installation of utilities.

The committee agreed with the House action, so far as it goes, but took cognizance of the fact that this still allows a great deal of flexibility on the cost of a single unit in any one project, and particularly in projects of 50 or less units. Accordingly, it was deemed advisable to place a maximum cost limitation of $26,000 on any one unit, to prevent overelaborate building, and a requirement that the overall cost must include site development and certain basic appliances such as ranges, refrigerators, and so forth.

**Mr. STENNIS.** From this explanation, I am satisfied about the wording the Senator from Washington and his committee have carefully drafted.

I wish to mention one other subject which is new in this bill; I refer now to section 501, which sets up a new Housing Management Account. Under this concept, would it be possible for one department to spend all the money, to the detriment of the other departments? For example, would it be possible for the Navy to spend the entire $260 million authorized in this year's program?

**Mr. JACKSON.** I can assure the Senator from Mississippi that it would not. Funds can be spent only for items specifically authorized by law, and in such amounts as may be specified from time to time in appropriation acts. The Management Account will provide the Defense Department with a valuable management tool, and at the same time will preserve normal congressional review and control.

I may add that a new central housing office has been established in the Office of the Secretary of Defense to administer this program. This is something that has long been needed, and we expect to see substantial improvement in the administration of the program. We have been informed that fiscal control will be exercised by the program managers, and we expect that this fund will give them the tools they need in order to do a comprehensive job. It will provide for the first time, a means whereby the Congress can call for and can expect to receive a consolidated balance sheet on the military family housing program.

I think in all fairness this is a step forward in dealing with an area in connection with which there has been great controversy, misunderstanding, and lack of cooperation.

**Mr. STENNIS.** Madam President, I think this is an excellent step forward; and I believe it will result in an excellent program which can be recommended to the Congress; it will save money, and will carry out the purposes intended.

Again I commend the Senator from Washington for his excellent work; and I look forward to supporting the bill.

**Mr. JACKSON.** I thank the Senator from Mississippi.

**Mr. DIRKSEN.** Madam President, will the Senator from Washington yield to me?

**Mr. JACKSON.** I yield.

**Mr. DIRKSEN.** I have checked with all the minority members of the committee; and all of them are agreed that there is no controversy about the bill, and they give it their support.

After some conferences with the distinguished chairman of the subcommittee and with other members of it, I am grateful also for the work they have done so well and so impartially in connection with the housing field.

Also, I extend my warm felicitations to their very distinguished clerk, Mr. Nease, because I have had many occasions to call him long distance. He has always been very helpful and gracious, and always has done whatever he could to satisfy my requests.

I compliment the distinguished chairman of the subcommittee and also the distinguished clerk.

I am sure there will be no controversy about this measure.

**Mr. JACKSON.** I thank the distinguished minority leader. He has been most cooperative, and the members of the minority who serve on the committee have been in complete agreement. We have worked, without regard to party lines, in trying to do an economical piece of work. We have made cuts wherever we thought it would be in the best interests of the country to have cuts made. We have cut over 10 percent. We believe we have cut out the fat, and have left in a great deal of good military muscle, which is what we need, for we can get along without the fat.

**Mr. DIRKSEN.** Yes.

**Mr. GRUENING.** Madam President, I should like to call up the three amendments which I have submitted on behalf of myself and my colleague.

**Mr. HOLLAND.** Madam President, if the Senator from Alaska will yield, I wish to ask some questions of the chairman of the subcommittee. I have no amendments to submit. Will the Senator from Alaska yield, so that I may ask the questions at this time?

**Mr. GRUENING.** I yield.

**Mr. HOLLAND.** Madam President, I, too, wish to compliment most sincerely the distinguished chairman of the subcommittee [Mr. JACKSON] and the other members of the subcommittee for their report. They have reported three reductions from the amounts provided by the House version of the bill, insofar as installations in my State are concerned. I think two of those reductions were completely justified, and I make no statement concerning them, except to say that I agree with the committee. The reductions have to do with the proposed installation of a very complicated set of IBM controls in Florida and also at bases in other parts of the Nation.

The one matter on which I would disagree with the committee, and in which I am joined by my distinguished colleague [Mr. SMATHERS], has to do with the U.S. Naval Aviation Medical Center at Pensacola. It happens that I have some familiarity with the operation of that school, which was established in 1939 and which operated throughout the time of the war and throughout the time I was serving as Governor of my State. I was there and know something about its operations. Then, as a member of the Aeronautical and Space Sciences Committee of the Senate, I have known of the very great contribution made by that school to the space program, and particularly to the Mercury program, and the now projected Apollo program.

Noting that the committee had reduced the amount granted by the House from $5.2 million to $3.825 million, which had been suggested by the budget for the construction of a new, modern building for this aviation medical center at Pensacola, I inquired of the Navy as to what would be the reduction in effectiveness resulting from the proposed reduction from the $5.2 million as granted by the House to the budgeted amount of $3.825 million.

I have prepared a statement which I believe to be completely accurate, and which I wish to place in the RECORD with the hope that the distinguished chairman of the committee and the members of his committee who will serve in conference may review the item with a view, if possible, to agreeing with the House, because I think some very real values would be taken away from the proposed program if the item is reduced from $5.2 million to $3.825 million.

This reduction of almost $1.4 million would be a reduction from 115,000 square feet, as proposed by the Navy to the Department of Defense, to 90,000 square feet, and would, instead, provide for the construction of a new building which would have 90,000 square feet.

The effects would be as follows:

There would be a continued separation of research and training functions with resultant loss of valuable professional and scientific time and coordination of efforts. The School of Aviation Medicine is increasing in its importance as the science rapidly advances. This operation is currently being carried out in 15 widely separated buildings—some of them 2 miles apart. The building proposed at $5.2 million of 115,000 gross square feet would centralize 12 of these areas and increase the efficiency and productivity of this important training and research facility. A scope of 90,000 gross square feet at $3.825 million would consolidate only nine of the functional areas and result in seven buildings, including the new construction, still requiring repeated travel between existing classroom and training spaces, and to a considerable extent defeat the purpose of the proposed new construction. Decreased travel and increased efficiency are among the major purposes in the proposed construction of a new building.

In addition, this diminution of the program would retard medical progress in keeping pace with scientific achievements in the solution of aerospace problems. The closely integrated training and research functions can be accomplished most efficiently and economically in a single building designed for the aerospace age. The presently utilized gross space of 86,000 square feet is misleading. Existing buildings are far too crowded to function at their maximum efficiency. For example, as high as 50 percent of corridor space in many areas is used for handling files, lockers, and apparatus that must be readily available in each area, but that should properly be within the rooms rather than in the corridor space.

So far I have talked about the results on the Navy aviation program. The Senator well knows that Pensacola is the seat of the command of the whole Navy air training program. I shall deal with the effect which I think would be a very bad one that would be produced upon the NASA program.

I asked the question: What is the extent of the contribution of the Naval Aviation Medical Center to Project Mercury and other aspects of the space program?

This is the answer I received:

The seven astronauts received their training in disorientation, survival techniques, and communications at the School of Aviation Medicine, Pensacola. In addition to comprehensive disorientation lectures, the astronauts were given indoctrination runs in the slow rotating room to familiarize them with the disorientation they would likely encounter in space. The training also included actual egress from the floating Mercury capsule under varying sea conditions—Pensacola is located on the Gulf of Mexico—experience with flotation properties of the full pressure suits—that is, with the suits themselves and then when the astronauts wore them—the use of liferafts, desalting equipment, and the use of the solar still to make fresh water.

The planning for the medical aspects of the recovery phase of the Project Mercury was the responsibility of Captain Graybiel, Medical Corps, U.S. Navy, who was specifically selected for this job. In addition, six Navy flight surgeons were selected and trained in the medical aspects of orbital flight to assist in the medical monitoring and surveillance of the astronauts; along with other Department of Defense personnel they man the worldwide net of monitoring and tracking stations when Mercury flights take place.

In addition to these 6 Navy flight surgeons who received training at Pensacola, the Navy provided a group of 23 medical specialists to the recovery teams which stand by in full readiness on each Mercury flight in case the astronaut should need medical attention of any nature.

The training described above in disorientation was conducted in the human disorientation device at the Naval School of Aviation Medicine, Pensacola, the only device of its kind in existence. This is a complex machine capable of being programed for angular acceleration in two planes simultaneously—rotation and acceleration—for the study of disorientation. Because of his experience, capability, and knowledge, Captain Graybiel, director of research at the School of Aviation Medicine, has been designated as the national monitor for the bioastronautics portion of the Apollo program which is involved with weightlessness and acceleration effects. The research department for the school is considered the center for disorientation research by the National Aeronautics and Space Administration.

In support of this disorientation study program, NASA has funded $1,947,201 at Pensacola since 1960, the major portion of this work involving the investigation of physiological and psychological responses to the forces generated by rotation motions occurring in the operation of air travel and space vehicles. The Research Department of the School of Aviation Medicine is considered the center for disorientation research by the National Aeronautics and Space Administration. This selection was made because NASA considers the personnel and the facilities there to be the best available in the entire country in this specialized field of research.

I apologize to the Senator for having read this statement, some of which is technical and very complicated, but I have done so for a purpose. After reading the RECORD, I have not found that the agencies affected made what I think was a sufficiently full disclosure of the very important activities in regard to the space program. In particular, the Mercury and Apollo programs are both vitally affected. Very important contributions have been made, are now being made, and will be made in the future by this school to the space program, which is of such vital importance now.

I am hopeful that the distinguished Senator, with his uniform fairness, will keep an open mind on this question and give study to it between now and the time of conference, because I believe this item should have additional attention, beyond what was shown at the time of hearing, which justified the action by the House. I am very hopeful that there will be a recognition of the soundness of the action of the House in this regard; and I plead earnestly for such recognition.

I thank the Senator for yielding.

**Mr. SMATHERS.** Madam President, will the Senator yield to me before he responds?

**Mr. JACKSON.** I am happy to yield to the distinguished junior Senator from Florida.

**Mr. SMATHERS.** Madam President, I join wholeheartedly in the remarks which have been made by my very distinguished and able senior colleague with respect to the School of Aviation Medicine at Pensacola, Fla.

I previously discussed this matter with the chairman of the subcommittee covering the urgent need to restore the $5,200,000 appropriation for this particular school. When the bill was to be brought to the Senate, I tried to persuade the Senator to include the full amount contained in the House passed bill.

I regret that it was not possible to accomplish this objective but am pleased to note that the conferees will have open minds on the subject and that the possibility exists that they will recede on this point with the Members of the House. It is an important matter to our security and defense as well as also being vital to our economic structure.

We believe this school is extremely important, not only to the present space program, as my colleague [Mr. HOLLAND] has pointed out, but also to future developments. As we enter into greater space activities we shall have need to use this particular facility to a greater extent than it has been used in the past.

I believe my colleague has made it eminently clear that the school is of great value and importance to the Navy. The Navy will, to a greater extent and at an accelerated pace, move into the space program. The Navy needs this facility.

Judging from the letter which has been put into the RECORD by my colleague and all the representations made to us, it certainly seems to me that we are making a most meritorious request. I join with my senior colleague in expressing the hope that the distinguished chairman of this subcommittee will keep an open mind on the question and, if at all possible, lend a helping hand in getting the full amount requested restored.

**Mr. JACKSON.** Madam President, I wish to express my appreciation to the distinguished Senators from Florida for their helpful statements. I assure them that the subcommittee has considered the question very seriously and thoroughly. The additional information which has been brought out in the Senate this afternoon will be very helpful.

My mind is open on this subject. There was a real problem in the committee, which related to the question of whether there is a duplication between this particular operation of the Navy, important as it is, and a similar Air Force School of Aviation Medicine at Brooks Field, Tex. As Senators know, we have spent considerable money there over a period of time.

I assure both Senators from Florida of our deep concern about the project. I came to the conclusion that the project was needed, because there are some definite differences between the Navy and the Air Force programs.

Madam President, although the Navy had included this additional space in their original request of the Office of the Secretary of Defense, it was denied because "a review of the preliminary plans indicates that the proposed structure is of unique design which will result in a higher than normal cost. It is believed that utilization of about 25,000 square feet of existing classroom and training space can be continued, thereby reducing the total requirement to about 90,000 square feet versus the 115,000 square feet proposed. Further, by adjusting the design to more economic but adequate types of structure, it is believed that this 90,000 square feet can be obtained for about $3.8 million including decompression chambers and supporting utilities; thus providing for the consolidation of the present laboratory and research functions into a modern facility at a cost of $1.4 million less than the Navy proposal."

As I say, the problem in the subcommittee was the question whether there is a duplication between the important Navy undertaking in the field of aviation medicine and what the Air Force is doing at Brooks Field.

I assure both Senators that we shall consider this question very carefully in conference. The information placed in the RECORD in the discussion this afternoon will be most helpful.

I am grateful to the Senators from Florida [Mr. HOLLAND and Mr. SMATHERS] for their contribution.

Mr. HOLLAND. Madam President, I am certainly grateful to the distinguished Senator from Washington. I point out to the Senator that while we support the Brooks Field project as uniquely serving the Air Force, we know the same is true with reference to the Pensacola institution as to its service to the Navy. The fact that NASA has picked it out would indicate that both the location and the service rendered are most applicable to the problems of the space program.

One of the things which makes Pensacola so outstanding, I think, is its presence on the Gulf of Mexico, where all these experiments have been made, in the case of the seven astronauts, so naturally and conveniently.

I thank the Senator for his willingness to study this proposal, and we hope he will come back from conference with an affirmative answer.

Mr. JACKSON. I thank my colleagues for their very helpful contribution.

### FORT JACKSON, S.C.

Mr. THURMOND. Madam President, will the Senator yield?

Mr. JACKSON. I yield to the distinguished Senator from South Carolina.

Mr. THURMOND. I take this opportunity to commend the able chairman of the subcommittee for the excellent work he has done. The members of the subcommittee have submitted a fine report.

The people of South Carolina are vitally interested in Fort Jackson, one of the oldest Army camps in the Nation. Thousands of troops were trained there for World War I. Many thousands were trained for World War II. Thousands were trained there for the Korean war. Each year now thousands of troops go to Fort Jackson to receive their 6 months' training. This installation is vital to our national security. Thirty minutes after a rain takes place troops can be training there. It has excellent soil, terrain, and topography for that purpose.

This year the Chief of Staff of the Army recommended more than $8 million in permanent improvements at Fort Jackson. We were hopeful that those improvements would be included in the report. However, the Department of Defense would not go along with the recommendation, so it was not included in the report.

I wish to state the appreciation of myself and my colleague, as well as that of the entire South Carolina delegation, for the language which was put in the report about Fort Jackson.

It is our sincere hope that before the next military construction bill comes before the Senate, the distinguished chairman and members of the subcommittee will be able to visit Fort Jackson and see firsthand the valuable service that facility is rendering to our Nation. I believe that if they do so, they will not hesitate to insert in the next report of the subcommittee an amount to cover the permanent improvements of which I have spoken. We are extremely desirous to have those improvements. We feel they are important to the national security. We also feel that they are important for the training of the troops which need the proposed permanent improvements.

Mr. JACKSON. Madam President, I take this opportunity to express my appreciation to my distinguished colleague on the committee for his continued, diligent and helpful interest in Fort Jackson. I likewise express appreciation to the senior Senator from South Carolina [Mr. JOHNSTON], who has worked ably with him in connection with the request for permanent facilities at Fort Jackson. In our report we have included a statement of the committee expressing the hope that the Department of Defense will come to some resolution of the problem by the time we consider the next military construction bill. The Department has indicated that there should be some decision by that time. We are hopeful that that will be the case.

I also take the present opportunity to thank the distinguished Senator from South Carolina [Mr. THURMOND] for his very helpful assistance, not only in connection with the project about which he has spoken, but other projects in the bill as well.

Mr. CLARK. Madam President, will the Senator yield?

Mr. JACKSON. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I, too, wish to commend the Senator in charge of the bill and the chairman of the committee for their fine handling of the bill. In the form in which the bill came from the House to the Senate there was an item of $1,275,000 contained therein for overhaul of vessels at the Philadelphia Navy Yard. For many years it has been my hope that the Philadelphia Navy Yard would be utilized for the overhaul and perhaps for the building of nuclear submarines as well as for the overhaul of conventional submarines. My first question to the distinguished Senator from Washington is, Why was that item stricken from the bill in the Senate?

Mr. JACKSON. Before I comment directly on the question of the distinguished Senator from Pennsylvania, I remind Senators that I do not know of any Senator who has been more concerned about our nuclear propulsion program, insofar as it pertains to the Navy, than my distinguished colleague from Pennsylvania. I know that especially during the time I have been interested in the Polaris submarine program, the distinguished Senator from Pennsylvania has been most active in urging a vastly stepped-up program. I make that statement because I am referring not only to the present alone, but I am going back several years, when the Senator had the farsightedness to see the need and the obvious importance of the Polaris nuclear submarine program and the various other nuclear submarine programs in our overall defense undertaking.

Mr. CLARK. I thank my friend for his very kind words, not all of which I feel are justified, but I have tried to be interested in that field.

Mr. JACKSON. I know of my own personal knowledge—as discussions on the floor of the Senate will reveal—of the very strong support for the Polaris submarine program which the Senator from Pennsylvania has given. He has often talked with me privately in past years relative to the speeding up of the entire effort.

Mr. CLARK. Will the Senator yield briefly?

Mr. JACKSON. I yield.

Mr. CLARK. I believe the record will disclose, and perhaps my friend will recall, that as early as 1958 I endeavored to get some of the Polaris submarine work for the Philadelphia Navy Yard. I called on the then Secretary of the Navy Thomas Gates, a friend of long standing. My Republican colleague from Pennsylvania, who was then Senator Martin, accompanied me on the visit. We made every effort to persuade the

Navy Department to let the Philadelphia Navy Yard participate in the nuclear submarine work. We were not successful.

I now return to my original question.

Mr. JACKSON. I, too, desired to see some Polaris submarine construction work in my own State, where the Puget Sound Navy Yard is located. The only yard producing Polaris submarines on the west coast is the navy yard at Mare Island. We were not given the opportunity. So I hope the Senator from Pennsylvinia will realize that the Philadelphia Navy Yard was not the only yard that was not accorded that opportunity.

The Navy has stated categorically that there are ample existing facilities to meet the overhaul and maintenance requirements for the nuclear propulsion program. In addition, in the construction field, it is pointed out that the Navy has more than enough shipways to meet the construction requirements of the Navy, including both private yards and public yards. It is for that reason, and based on a letter received from the Navy again this year, as has been the case in the past, that we had to delete the item from the bill.

I point out to my distinguished colleague that the previous administration took the same position. It is clear that had there been an authorization and had funds been appropriated, they would not have been spent. It is true this time, as it was in the previous administration.

Mr. CLARK. Madam President, will the Senator yield further?

Mr. JACKSON. I yield.

Mr. CLARK. In previous administrations my colleague in the other body, Representative Byrne, of Philadelphia, close to whose congressional district the Philadelphia Navy Yard lies, has been assiduous in getting appropriations in the bill, since he is a member of the committee, to increase the amount of work at the Philadelphia Navy Yard.

Last year my colleague from Pennsylvania [Mr. Scott] and I had a colloquy with the distinguished Senator from Georgia [Mr. Russell], who was then in charge of the bill, urging him not to accede in conference to the deletion of the item for the Philadelphia Navy Yard which Representative Byrne had succeeded in having inserted in the bill. At that point the Senator from Georgia [Mr. Russell] made the same reply to me which the distinguished Senator from Washington has made today. He said that the Navy did not want the money, that the Navy would not spend the money, and that it was therefore no use to appropriate the money for that purpose.

This year my very able and lovable colleague from Pennsylvania [Mr. Scott], who could not be present today, placed in the Record—and I am glad he did—a statement pointing out that Representative Van Zandt, of Altoona, has been very assiduous in obtaining an appropriation in the bill for the benefit of the Philadelphia Navy Yard. I congratulate Represenative Van Zandt, of Altoona, for his keen and newly found interest in the Philadelphia Navy Yard. I hope it will continue for a long time on the other side of the Capitol.

I ask the Senator from Washington whether it is not true that the situation is indeed as he has described it, that under both Republican and Democratic administrations the Navy, to my deep regret—and also to the regret of my colleague [Mr. Scott]—has been unwilling to give Philadelphia the work in its Navy yard which we from Pennsylvania would like to see it get, but there is really nothing that we in Congress can do about it.

Mr. JACKSON. The Senator is absolutely correct. The Department of the Navy under the previous administration and the Department of the Navy under the present administration has made the same point; namely, that facilities are adequate for that purpose.

Therefore, to authorize this additional amount of money would be a wasteful gesture, in the light of the information that was given to the committee. I know my distinguished colleague from Pennsylvania would not want to be engaged in that kind of undertaking. It is for this reason that I am making the statement that I am making, so that there will be no misunderstanding.

Mr. CLARK. I regret this conclusion. I suppose, since I should play out the string, I should say to my friend that I hope, if the House insists on retaining the authorization, his heart and mind will not be entirely closed to the item.

Mr. JACKSON. As the Senator knows, any request or recommendation that he makes will be thoughtfully and carefully considered in conference.

Mr. CLARK. I thank my friend.

Mr. GRUENING. Madam President, will the Senator yield?

Mr. JACKSON. I yield to my distinguished friend from Alaska.

Mr. GRUENING. As the chairman knows, my colleague from Alaska [Mr. Bartlett] and I sponsored three amendments to the bill, the purpose of which was to prevent the extensive use of Seabees in Alaska. Alaska has the largest unemployment rate of any State of the Union. There are a number of excellent contractors who are skilled in this work. There are a large number of skilled construction workers. Apparently, Alaska is the one State in the Union where this kind of work takes place. In response to these amendments, which the chairman so obligingly took up with the Navy, the Department of Defense has written the following letter:

Office of the
Assistant Secretary
of Defense,
*Washington, D.C., June 20, 1962.*

Hon. Henry M. Jackson,
*U.S. Senate.*

Dear Senator Jackson: This is in reply to your inquiry concerning the amendments proposed by Senator Gruening to the Senate version of H.R. 11131, the fiscal year 1963 military construction bill, relating to facilities programed for naval installations in the Alaskan area. These amendments would preclude the construction of any substantial part of these facilities by the Navy's Seabees.

I wish to assure you that the Navy will not utilize naval construction forces for the accomplishment of the work in question at these Alaskan installations.

In view of the above, we feel that the proposed amendments are unnecessary and would set a most undesirable precedent. Accordingly, we urge that these restrictions be removed.

Sincerely yours,

John Heard
(For Edward J. Sheridan, Deputy Assistant Secretary of Defense (Properties and Installations)).

I should like to ask the distinguished chairman whether this means in effect that the purpose of the amendments will be carried out and that this work will not be done by Seabees in Alaska.

Mr. JACKSON. First of all, the letter from Mr. Sheridan, of the Department of Defense, achieves the objectives, for all practical purposes, of the amendments proposed by the Senators from Alaska [Mr. Bartlett and Mr. Gruening].

So far as the present bill is concerned, in my judgment it is quite clear that the letter will achieve that which the Senators sought to achieve in the amendments they had submitted. I would rely on the assurance given by the Department of Defense; namely, that Seabees will not be utilized in connection with the Navy construction program in Alaska contained in the present authorization bill.

Mr. GRUENING. The reason I am pleased to hear the chairman indicate that this is in effect the equivalent of the adoption of the proposed amendments, that Seabees will not be used for construction in Alaska, but that this work will go to private contractors and to civilian workers, is that we are startled to note, after a long effort, extending over months of correspondence, as appears from the Congressional Record of Monday, June 18, 1962, at pages 10737 to 10741, we now have a sudden yielding by the Department of Defense. It is very gratifying, but I wonder whether this conceals any possible joker, and whether there is other work, perhaps not recorded, which will be done.

Our purpose is to prevent such construction work being done in Alaska. We are virtually the only State in the Union where it is done. We not only have extensive unemployment, but we also have very capable contractors and many skilled construction workers.

We hope we can interpret the letter as compliance with the spirit of the amendments, and that Seabees will not be used for construction work in Alaska. I hope we can have such assurance from the chairman.

Mr. JACKSON. I assure the Senator that the representation made by the Department of Defense certainly covers the specific amendments proposed by him and his able and distinguished colleague [Mr. Bartlett].

I take this opportunity to express my appreciation to the Senators from Alaska for their cooperation with me in handling this problem. I believe that as a result of their diligence we have been able to achieve a result which will be effective, by reason of the fact that, through their amendments, they called the attention of the Senate, to a problem that could have very bad consequences in the State of Alaska.

Mr. BARTLETT. Madam President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. BARTLETT. I thank the chairman of the subcommittee for his very heartening words. I emphasize what he has already learned from private conversations; namely, that my colleague and I have been extraordinarily diligent over a period of 3 years or more in trying to reduce the amount of construction work performed by Seabees in Alaska. However, our diligence has been rewarded uniformly by more and more such work being done. We met first with representatives of the Navy Department in the winter of 1959, I believe. The reason we met with them was that Seabees were ordered to do certain work in Alaska during territorial days which they were not ordered to do in the other States. Why? I believe they were not doing this work in the other States because the people in Government would not permit this competition with private industry.

We were repeatedly assured that this construction work would be diminished so far as the Seabees were concerned. This year more such work is being performed there than ever before, on the order of a dollar value of a million and a half dollars. In that connection I should like to make a comparison, which I believe points up the urgency of the situation. In all the other 49 States, combined, Seabees are doing work with a dollar value of only slightly in excess of $100,000, as compared with the work they perform in Alaska.

The Navy has stated that of the million and a half dollars worth of construction work in Alaska more than $800,000 of work is being done on a classified project. As we all know, the Air Force has built many classified projects in Alaska and elsewhere through the use of the private contracting system.

Mr. JACKSON. I believe we all know that classified projects can be built under contract, as well as in any other way.

Mr. BARTLETT. I am grateful to the chairman for his statement and for having gone to the Navy and to the Department of Defense. I, for one, am willing to take the statement of the Department of Defense at face value. The letter states that no substantial construction will be performed on the specific items on which my colleague from Alaska spoke and which were covered in his amendments.

Mr. JACKSON. I wish to make it clear, speaking as chairman of the subcommittee, that the letter from the Department of Defense establishes the legislative history with respect to these particular items, and that I expect the assurances in the letter on the Department of Defense to be carried out.

Mr. BARTLETT. I know they will be. I am glad to have the Senator say it.

I have one further question. Would the chairman of the subcommittee agree with me that if there are other construction projects, not covered by the bill or by a future bill, the Seabees are not to be used to perform in Alaska substantial construction jobs which in other places would be carried out by private contractors as could be done in Alaska, because private contractors and labor are readily available?

Mr. JACKSON. That is what we would expect. There might be unusual circumstances.

Mr. BARTLETT. Small jobs; yes.

Mr. JACKSON. There might be occasional justification for the use of Seabees. However, as a matter of policy, it is clear that the Department of Defense has given its assurance that it will not use Seabees. We rely on that representation. I am sure the Department of Defense will adhere to the letter which has been placed in the Record of these proceedings.

Mr. BARTLETT. I thank the Senator from Washington.

Mr. GRUENING. I express appreciation to the chairman of the subcommittee for his assurance. I spoke to him about the amendment at the time he submitted it. His action is in accordance with the letter which we have now received from the Navy. I hope, as he indicates, that our objective will be achieved, and that there are no larger projects, which happen not to be mentioned in the bill, on which Seabees will be used.

Mr. JACKSON. I thank the Senators from Alaska. Their contribution to this subject has been most helpful to those of us who are deeply concerned.

I now yield to the distinguished Senator from New York [Mr. Keating].

Mr. KEATING. Madam President, first, in the true tradition of the Senate and in the utmost sincerity, I compliment the Senator from Washington for bringing this subject to the floor. But I wish to ask him about a subject which makes me unhappy.

My unhappiness stems from the action of the committee in deleting from the bill the authorization found at page 38 for 135 units of military family housing at Griffiss Air Force Base, Rome, N.Y. This project was originally authorized as a Capehart project under Public Law 86-500. It was deferred for several years pending a firm decision by the Air Force and the Department of Defense as to the future of the Air Force base. This uncertainty has at last been resolved, and the vital contribution which Griffiss Air Force Base makes to the security of the Nation has been recognized. For that reason the Air Force repeated its request of 135 units for family housing. This request was granted by the House.

I judge, from reading the testimony, that perhaps the Senate committee, in deleting this housing based its action on an incorrect understanding of the housing situation in the Rome area, where the Griffiss Air Force Base is located. There was some question about Rome being a depressed area or an area of underemployment, and the implication might have been left that, therefore, a large amount of other housing would be available. There is a basic shortage of rental housing units in this area. Many of the homes are owner occupied; and, despite the underemployment of the area, which is greater than in most other areas—at least, in New York—the result has not been the vacating of suitable properties. As a result, despite the lack of jobs, there is a lack of rental units. There is not an adequate supply of them.

What has been eliminated is housing for airmen, not for officers. The airmen are on a 15-minute alert, which, as the Senator from Washington knows, is extremely vital to our entire defense mission. Those airmen live on the base. I am informed that if the 135 units were granted, they would meet only 56 percent of the need for on-base housing. Therefore, I have prepared an amendment to reinsert the units which were struck out in committee; but I am not at all sure that that is the appropriate way to handle the situation.

I should like to be able to convince the Senator from Washington and the members of his subcommittee that there is merit in this request, and to urge them, if they can see their way clear to do so, to hear the explanation by the House when they go to conference and, if possible, to join in the House position.

Mr. JAVITS. Madam President, will the Senator from Washington yield?

Mr. JACKSON. I am glad to yield.

Mr. JAVITS. I am glad to join with my colleague from New York in this request. I am completely familiar with the area, as is Senator Keating. It is my distinct feeling that the housing granted by the House was deserved. I, too, should like to join in the inquiry and ascertain the committee's reasoning and ideas. Perhaps the Senator from Washington will yield again and allow us to make our comments.

Mr. JACKSON. Madam President, I am happy that the distinguished Senators from New York have raised the question of the deletion of 135 units at Griffiss Air Force Base near Rome, N.Y. I assure them that the committee, first of all, tried to be objective. We did not neglect housing requirements in New York. If Senators will turn to page 10 of the report, they will observe that the committee added $1,316,000 to improve hotel facilities at the Army Military Academy, West Point, N.Y. I am referring, of course, to Hotel Thayer. I might add that there was nothing in the budget for this item. We were concerned about the situation that existed there and were most desirous of trying to renovate or improve the present inadequate facilities at West Point. Senators know that this is the only local facility available to the parents and friends of the cadets at the Point.

Mr. KEATING. It is a long way for the airmen in Rome to go to live in the hotel at West Point.

Mr. JACKSON. I merely prefaced my remarks with that comment, so that I might prepare the Senators from New York for what is about to come.

Mr. KEATING. I was afraid of that. We are grateful to have the fine hotel at West Point improved; but that would not take care of the airmen at Rome.

Mr. JACKSON. The Senator does not believe we could make a trade on the floor of the Senate, does he?

Mr. KEATING. I do not think it would be appropriate.

Mr. JACKSON. It was the feeling of the committee that the community could take care of the housing requirements at Griffiss Air Force Base. I realize that the Senators from New York take a different point of view. I assure them that the committee will look into the question further between now and the time the conferees meet. I further assure them that we will consider the subject carefully and conscientiously, bearing in mind the representations that have been made on the floor of the Senate with reference to the present housing at Griffiss Air Force Base.

Mr. KEATING. I express my gratitude to the Senator from Washington for his statement. I know it is sincere. I am sure he will give further consideration to our request, in the light of our representations. So far as I can see in the hearings, the only reference to it is at page 439. That is what led me to believe that the decision was based upon a misconception as to the actual housing situation at Rome, N.Y.

Mr. JACKSON. The committee felt that there was adequate community support. We could be wrong; we all make mistakes. I shall be happy to check into the situation personally prior to a meeting of the conferees.

Mr. KEATING. I appreciate that statement very much.

Mr. JAVITS. I am sure the Senator from Washington will have a pinpointed survey made. My colleague from New York [Mr. KEATING] has adduced some excellent figures. We know the area at firsthand. It happens that Griffiss, if I may explain to the Senator, has been in some jeopardy. My colleague is well aware of that situation. Both Senator KEATING and I went into the area. Based upon my personal knowledge of the area—and I think that is true of Senator KEATING, too—as well as upon the figures which my colleague has adduced, we felt that the idea that the community could "fill in" was not warranted. If it were the New York City area or any other big-city area, that might be true. But the Rome area is one in which there is an unusual preponderance of homeownership; and because there are other opportunities in the general vicinity, people who have otherwise been displaced by adverse employment conditions have not sold their homes.

If the Senator from Washington will be so good as to cause a pinpoint survey to be made in connection with the conference to be held, as he says he will, I think that would serve the same purpose as an amendment, which probably could not succeed here anyway. I join with my colleague from New York in the feeling that the conferees will want to be fair.

As a member of the Board of Visitors at West Point, I should say that the Thayer proposal is well deserved; but the Senator understands, as we do, that, grateful as we are for whatever is done in New York, the one item does not cover the specific implementing of the other.

Mr. JACKSON. I am sure the Senator from New York does not object to a few facetious remarks once in a while on the floor of the Senate.

Mr. JAVITS. I love it. I join with Senator KEATING in expressing confidence that the Senator from Washington will give the situation objective consideration.

But knowing the facts which relate to the area, we are hopeful that they will cause the Senate conferees to agree with the House conferees.

Second, I wish to express our appreciation for the consideration with which the Senator from Washington has treated us.

Mr. JACKSON. I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. DWORSHAK. Madam President, will the Senator from Washington yield?

Mr. JACKSON. I am happy to yield.

Mr. DWORSHAK. I notice that on page 16 of the report authorization is provided for 1494 foreign military housing units. Can the Senator state whether there is any diminution or cutback in this program, or whether we are expanding our construction of military housing units on foreign soil?

Mr. JACKSON. It is my understanding that the oversea housing provided for in the pending bill does not call for any new bases overseas. I assure the Senator from Idaho that we scrutinized carefully every request made for housing facilities overseas. We made detailed inquiries, in order to make certain that the housing projects in question were absolutely essential to the prosecution of our defense efforts overseas.

I think the Department of Defense was very careful in scrutinizing all the requests.

We have been concerned—and I am sure the Senator from Idaho also is—that some of these bases overseas may not be so secure; and we felt it would be unwise to make rather heavy investments of a permanent nature overseas, involving bases which we might be giving up shortly. For that reason, we were careful to include in the criteria we employed in making these decisions one that the facilities were absolutely needed.

Mr. DWORSHAK. The Air Force has been authorized to have 930 new housing units abroad. If the information is not classified, can the Senator from Washington state where the heavy concentration will occur?

Mr. JACKSON. I can mention the two principal ones. One is Clark Air Force Base, in the Philippine Islands. The housing situation there is very bad. Due to the rather serious situation in the Far East, we felt that the importance of this base is quite apparent. The other is Kadena Air Force Base, in Okinawa, for 500 units. It, likewise, falls in the same category.

Then there are two classified sites, involving, in one case, 200 units, and in the other case, 80 units. I can assure the Senator that those housing units are necessary.

Mr. DWORSHAK. Is it not true, however, that recently the President of the Philippine Republic indicated that there is a good prospect that the United States would be requested to vacate Clark Air Force Base? Under these circumstances, does it appear logical to expand our housing facilities there?

Mr. JACKSON. I realize that no Senator, nor the President, nor the Secretary of State can give assurances as regards our continuing in any of these bases. However, the statement by the President of the Philippines came possibly as a result of some provocation, due to certain legislative action in another body, not in this body. Perhaps it was for that reason that that statement was made.

Personally, I feel that our situation in the Philippines will be resolved.

I wish to supplement my remarks by stating that we cut back, by several million dollars, requests for facilities at other bases overseas, by reason of the uncertain political developments which have occurred in the past and in more recent months. We felt that the services should try to get along with what they now have, pending the development in those areas of a more stable situation.

I thought the Senator from Idaho would be interested in that, too, because I wish to assure him that we did not grant all the requests.

Mr. DWORSHAK. Madam President, I am sure the chairman of the Subcommittee on Military Construction Authorizations is aware that we should deal in a firm manner with our allies. I recognize that the Philippine Republic and its officials should be numbered among our best friends and our best allies. Yet it seems to me that it is closely approaching blackmail when our Government is notified that there is a possibility that the American military forces may be invited to vacate Clark Air Force Base.

Under such circumstances, I am sure the astute Senator who is chairman of the subcommittee will recognize that we ought to know what the future has in store for our military forces before we go all out in making additional investments. Does the Senator from Washington agree with me about that?

Mr. JACKSON. I agree that there are calculated risks in recommending the approval or authorization of appropriations for military construction for any of our oversea bases. I think we must face two problems concurrently. One is the uncertain diplomatic situation which always exists around the world. Concurrent with that are the scientific developments which are constantly changing the very nature of our overall military operations. We have been cognizant of the fact that weapons systems change very rapidly. If we insist upon putting military facilities wherever they are requested, we could find ourselves with heavy military obsolescence which we could ill afford.

The committee has been cognizant of all elements in connection with these two key factors. We have tried to avoid making heavy investments of funds on a permanent basis where there is danger that we would have to abandon the facilities overseas, either because of diplomatic reasons or because of the changes constantly occurring in connection with military equipment, as such.

Mr. DWORSHAK. I thank the Senator from Washington for his reply.

**Mr. JACKSON.** In the committee action we cut the amount requested by over 10 percent.

**Mr. DWORSHAK.** For all bases, or only for those in the Philippines?

**Mr. JACKSON.** Ten percent throughout.

**Mr. DWORSHAK.** At home and abroad?

**Mr. JACKSON.** That is correct; at home and abroad.

I am not trying to convey the impression that all of it was uniform; but we cut by 10 percent the overall request, as submitted to the Senate committee. I thought this was the kind of effort the Senate would expect of us. We endeavored to do it without impairing our overall military capability. We cut fat wherever we could find it, without impairing the military muscle which we wish to preserve and maintain.

**Mr. DWORSHAK.** Let me ask whether the chairman of the subcommittee has any assurances that while we are negotiating with the President of the Philippine Republic concerning the future friendly relationships between that Republic and the United States, we can temporarily defer the building of these housing units at Clark Field. Does not the Senator from Washington think it is in the mutual interest of both the Philippine Republic and the United States to have a very definite specific understanding as to what we may expect in the future, rather than to proceed in almost complete disregard of the future relationships between these two countries?

**Mr. JACKSON.** I reply by stating that the chairman of the subcommittee feels that it is incumbent upon our appropriate officials to act prudently in connection with these matters. In connection with two or three classified items we made it very clear, in a classified letter to the Secretary of Defense, that we did not expect the Department to go ahead on these projects unless they had assurance of stable base rights. We have tried to be diligent about this matter. The committee is continually aware of the threat to our operating bases overseas by reason of changing political developments all over the world.

We cannot assure the Senator or the Senate that we will not have trouble overseas; but, as I pointed out earlier, we have problems overseas and at home. We think the recommendations we have made in this bill are prudent ones and that they make it possible for us to maintain the bases that we feel are essential for the security of our country and those associated with us.

**Mr. DWORSHAK.** Mr. President, will the Senator yield further?

**The PRESIDING OFFICER** (Mr. Metcalf in the chair). Does the Senator yield?

**Mr. JACKSON.** I yield.

**Mr. DWORSHAK.** What is the outlook in western Europe so far as additional housing units are concerned? Do we have assurance from our allies that we shall have continued cooperation rather than actual hostility?

We recall that in some countries we were invited to vacate our Air Force facilities, planes, and personnel. I am sure the chairman of the committee is cognizant of the need of impressing upon our allies in Western Europe, particularly under NATO, that nothing less than full cooperation will be expected on their part to maintain the necessary defenses against Communist aggression.

**Mr. JACKSON.** First, in response to the Senator's question, no housing units are provided for in the pending measure for Western Europe or our allies in NATO. Secondly, I personally feel that our allies can make a greater effort than they are making at the present time. I refer particularly to their ability to build up more rapidly the conventional ground forces needed to give more flexibility to the NATO high command in defending that area.

**Mr. DWORSHAK.** I thank the Senator.

**Mr. DIRKSEN.** Madam President, on behalf of the Senator from Pennsylvania [Mr. Scott] who is unavoidably absent, I ask unanimous consent to have printed in the Record at this point a statement prepared by him relating to the item authorizing construction of facilities in the amount of $4 million for the Philadelphia Navy Shipyard to provide a capability for the yard to overhaul and repair nuclear powered submarines.

There being no objection, the statement was ordered to be printed in the Record, as follows:

### Statement by Senator Scott

Last year I testified before the Senate Armed Services Committee concerning an item in the military construction bill, which would have authorized construction of facilities in the amount of $4 million for the Philadelphia Navy Shipyard to provide a capability for the yard to overhaul and repair nuclear powered submarines.

This item had been vigorously sponsored by Congressman Van Zandt. I pointed out in my testimony that it was estimated that by 1963 the United States would have approximately 27 nuclear submarines, but that the conventional type submarines would only be 84 in number, for an overall total of 111. Because of the retirement of conventional type submarines due to age, hull deterioration, cost of repair, etc., by 1966 the total will be reduced to 55.

Unfortunately, the Senate and, in turn, the conferees deleted this item from last year's authorization bill. Again this year, Congressman Van Zandt was able to have an item in the amount of $1,275,000 included in the bill for overhaul facilities at the Philadelphia Navy Yard. The House report pointed out that the number of nuclear submarines was increasing and, in turn, the conventional type was gradually being phased out.

On May 15 of this year, I addressed a letter to the distinguished senior Senator from Georgia, the Chairman of the Senate Armed Services Committee, in which I said "I am sure that your committee will carefully consider the feasibility of retaining this item in the Senate version of H.R. 11131. I heartily endorse the retention of this amount and would appreciate your favorable consideration when reporting this legislation."

Unfortunately, this $1.2 million item, which I feel is not only necessary for the continuing efficiency of naval submarine operations on the east coast, but is necessary for the continuation of the operation of the Philadelphia Navy Yard, has been deleted from the bill, as reported by the Senate committee.

I hope, therefore, that the Senate conferees would carefully weigh the eventual effect the deletion of this item would have on our naval line of defense in the Atlantic and the severe adverse effect such deletion would have on the critical surplus labor area in Philadelphia. I have always—and will continue—to support programs and legislation that are in the best interests of all the people, and certainly for the security of our country.

I feel that overhaul capabilities for the Philadelphia Navy Yard should be made possible not only from a national security standpoint, but from an economic standpoint as well.

**Mr. JACKSON.** Mr. President, I should like to offer perfecting amendments to the committee amendment, made necessary because of the transposition of a figure relating to the housing units authorized for the Clark Air Base in the Philippines. The amount is given in the bill as $2,970,000, whereas it should have been $2,790,000, a difference of $180,000. I, therefore, send to the desk the proper amendments to correct this error and to adjust the totals relating thereto, and ask for their immediate consideration.

**The PRESIDING OFFICER.** The amendments offered by the Senator from Washington will be stated.

The Legislative Clerk. On page 90, line 25, delete $18,850,000 and insert in lieu thereof $18,670,000.

On page 91, lines 1 and 2, delete $2,970,000, and insert in lieu thereof $2,790,000.

On page 96, line 9, delete $125,039,500, and insert in lieu thereof $124,859,500.

On page 96, line 10, delete $260,226,000, and insert in lieu thereof $260,046,000.

**The PRESIDING OFFICER.** The question is on agreeing to the amendments to the committee amendment offered by the Senator from Washington.

The amendments to the amendment were agreed to.

**The PRESIDING OFFICER.** The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

**The PRESIDING OFFICER.** No further amendments being in order, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

**The PRESIDING OFFICER.** The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11131) was passed.

**Mr. JACKSON.** Mr. President, I ask unanimous consent that the bill as passed by the Senate be printed to show the amendment in the nature of a substitute, as amended, adopted by the Senate.

**The PRESIDING OFFICER.** Without objection, it is so ordered.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

**Mr. SMATHERS.** Mr. President, first, I ask unanimous consent that the motion

I previously made to take up the consideration of the space satellite bill, H.R. 11040, be withdrawn.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the motion is withdrawn.

## AMENDMENT OF THE FEDERAL CIVIL DEFENSE ACT OF 1950

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1552, H.R. 11743, to amend the provisions of the Civil Defense Act of 1950.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11743) to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SMATHERS. Mr. President, the bill now before the Senate is merely an extension of the civil defense emergency authority to the President of the United States. The bill has been cleared by the leadership on both sides of the aisle. It was unanimously reported by the Armed Services Committee. I urge its passage.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the third reading of the bill.

The bill (H.R. 11743) was ordered to a third reading, was read the third time, and passed.

## EXTENSION OF CORPORATE NORMAL TAX RATE—REREFERRAL OF BILL TO COMMITTEE ON FINANCE

Mr. SMATHERS. Mr. President, I ask unanimous consent that House bill 11879, Calendar No. 1564, to provide a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates, and for other purposes, be rereferred to the Committee on Finance for further consideration.

The PRESIDING OFFICER. Without objection, the bill will be rereferred to the Committee on Finance.

## COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. SMATHERS. Mr. President, I move that the Senate again proceed to the consideration of House bill 11040, which is the space satellite bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

## TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

## ADDITIONAL BILL INTRODUCED

Mr. MONRONEY, by unanimous consent, introduced a bill (S. 3461) to provide that the corporation known as the American Hospital of Paris shall have perpetual succession, which was read twice by its title, and referred to the Committee on the Judiciary.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

## PERPETUAL SUCCESSION FOR AMERICAN HOSPITAL OF PARIS

Mr. MONRONEY. Mr. President, I introduce, for appropriate reference, a bill to provide that the corporation known as the American Hospital of Paris shall have perpetual succession.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3461) to provide that the corporation known as the American Hospital of Paris shall have perpetual succession, introduced by Mr. MONRONEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. MONRONEY. Mr. President, the American Hospital of Paris came into existance in 1910. It was granted a Federal charter by act of Congress in 1913 and given recognition by the French Government as a public benefit—d'utilité publique—in 1918. The original institution was a modest affair of 10 rooms and 10 ward beds, but rapidly expanded as its importance to the resident American community in France and Americans traveling in Europe was realized.

In 1926 the present entirely modern hospital providing 160 beds and a dozen bassinets was constructed. Taken over in entirety by the American Army at the liberation of France in 1944, considerable space has been leased to it for military patients ever since. At present one-third of the beds are occupied by American soldiers.

The American Hospital of Paris is a nonprofit private institution without any governmental or other subsidy whatsoever. Its earnings are of course inadequate to finance its current operations and the improvements in its physical plant and service to its patients. These are, fortunately, supplemented by the income from a modest endowment and substantial donations from its friends.

The board of governors is composed of 20 members, all of whom must be American citizens. The American Ambassador to France is the honorary president of the board.

Among a few things accomplished recently, the hospital's three operating rooms have undergone further modernization and complete air conditioning, and a cobalt unit for treatment of cancer has been installed at a cost of over $100,000. A radioactive isotope laboratory is now in operation. The clinical laboratory has recently been enlarged. A fine new nursing home has been built on the grounds. The percentage of nurses to patients is the highest in Europe. Three outstanding American physicians are employed and the most qualified French specialists are on the staff.

These are only a few of the things which may be mentioned with regard to the American Hospital of Paris, which stands as a distinctly American hospital on foreign soil. The list of its patients reads like an international "Who's Who." It prides itself upon being an unofficial Ambassador of the United States abroad.

## REPRINTING OF MacARTHUR SPEECH FOR DISTRIBUTION TO ARMED FORCES

Mr. BENNETT. Mr. President, on May 12, 1962, at West Point, one of the memorable speeches of our time was delivered. It was the address of Gen. Douglas MacArthur before the corps of cadets upon his acceptance of the Sylvanus Thayer Award.

This was something much more than just another speech. It was the enunciation of the credo of a truly great American—one who, in addition to being a dedicated man, has the ability to put into resounding words the philosophy which underlies that dedication. Despite his protestations to the contrary, General MacArthur does possess, happily, that eloquence of diction, that poetry of imagination, that brilliance of metaphor to tell us what is meant by the words, "duty, honor, and country."

This speech has received wide acclaim. It was printed first in the National Observer for May 20. Since then it has been reprinted in a number of other newspapers. But this speech deserves something more than newspaper publication. I believe it should be disseminated as widely as possible, particularly among the members of the Armed Forces of the United States, for it is really addressed to all of them, not just to men at the Military Academy.

I therefore submit, for appropriate reference, a resolution asking that the Secretary of Defense have copies of this speech printed in a suitable format, and distributed in an appropriate manner to the Americans in uniform throughout the world. I do this in the belief that many decades from now, American soldiers will look back on this eloquent and moving address as the finest summation ever written on the place of the soldier in American society.

I ask unanimous consent that my resolution and the speech itself be printed at this point in the Record, together with the National Observer's introductory paragraph.

The PRESIDING OFFICER. The resolution will be received and appropriately referred, and, under the rule, will be printed in the Record; and, without objection, the speech and introduction will be printed in the Record.

The resolution (S. Res. 351), submitted by Mr. Bennett (for himself, Mr. Byrd of Virginia, Mr. Mundt, Mr. Saltonstall, Mr. Case of South Dakota, Mr. Beall, and Mr. Goldwater), was referred to the Committee on Armed Services, as follows:

Whereas General of the Army Douglas MacArthur is one of the most distinguished graduates of the United States Military Academy and one of the most honored and revered military leaders in our Nation's history; and

Whereas General MacArthur on May 12, 1962, delivered a historic address before the cadets of the United States Military Academy at West Point, upon his acceptance of the Sylvanus Thayer Award; and

Whereas this address is an eloquent expression of the concept of "duty, honor, and country" which motivates American servicemen everywhere: Now, therefore, be it

*Resolved,* That it is the sense of the Senate that the Secretary of Defense should cause this speech to be reprinted in an appropriate format and that it should be distributed to units of the Armed Forces of the United States throughout the world.

The introduction and speech presented by Mr. Bennett are as follows:

[From the National Observer]

### Duty, Honor, and Country

(A patriot's quietly spoken convictions can thunder louder than a giant firecracker. Such a detonation occurred on May 12, 1962, when General of the Army Douglas MacArthur addressed the cadets of the Military Academy at West Point, upon his acceptance of the Sylvanus Thayer Award for service to his Nation. A few words of this stirring address were enough to inspire the editors of the National Observer with the realization that here was more than a speech, here was more than a passing headline. General MacArthur literally had spoken from the heart. He had no prepared text, not even notes. Fortunately, a tape recording had been made and was available. From this tape, the National Observer was able to present to its nationwide audience General MacArthur's moving farewell address. The address appeared exclusively in the National Observer of May 20. It evoked a huge and enthusiastic response from grateful readers everywhere. Thousands of requests for reprints already have been received. If you have not yet read this stirring message, do it now.)

(Address by General of the Army MacArthur)

As I was leaving the hotel this morning, a doorman asked me, "Where are you bound for, General?" and when I replied, "West Point," he remarked, "Beautiful place, have you ever been there before?"

No human being could fail to be deeply moved by such a tribute as this. (Thayer award.) Coming from a profession I have served so long and a people I have loved so well, it fills me with an emotion I cannot express. But this award is not intended primarily for a personality, but to symbolize a great moral code—the code of conduct and chivalry of those who guard this beloved land of culture and ancient descent.

Duty, honor, country: Those three hallowed words reverently dictate what you ought to be, what you can be, what you will be. They are your rallying point to build courage when courage seems to fail, to regain faith when there seems to be little cause for faith, to create hope when hope becomes forlorn.

Unhappily, I possess neither that eloquence of diction, that poetry of imagination, nor that brilliance of metaphor to tell you all that they mean.

The unbelievers will say they are but words, but a slogan, but a flamboyant phrase. Every pedant, every demagog, every cynic, every hypocrite, every troublemaker, and, I am sorry to say, some others of an entirely different character, will try to downgrade them even to the extent of mockery and ridicule.

But these are some of the things they build. They build your basic character. They mold you for your future roles as the custodians of the Nation's defense. They make you strong enough to know when you are weak, and brave enough to face yourself when you are afraid.

#### WHAT THE WORDS TEACH

They teach you to be proud and unbending in honest failure, but humble and gentle in success; not to substitute words for actions, nor to seek the path of comfort, but to face the stress and spur of difficulty and challenge; to learn to stand up in the storm, but to have compassion on those who fail; to master yourself before you seek to master others; to have a heart that is clean, a goal that is high; to learn to laugh, yet never forget how to weep; to reach into the future, yet never neglect the past; to be serious, yet never to take yourself too seriously; to be modest so that you will remember the simplicity of true greatness, the open mind of true wisdom, the meekness of true strength.

They give you a temperate will, a quality of imagination, a vigor of the emotions, a freshness of the deep springs of life, a temperamental predominance of courage over timidity, an appetite for adventure over love of ease.

They create in your heart the sense of wonder, the unfailing hope of what next, and the joy and inspiration of life. They teach you in this way to be an officer and a gentleman.

And what sort of soldiers are those you are to lead? Are they reliable? Are they brave? Are they capable of victory?

Their story is known to all of you. It is the story of the American man at arms. My estimate of him was formed on the battlefield many, many years ago, and has never changed. I regarded him then, as I regard him now, as one of the world's noblest figures; not only as one of the finest military characters, but also as one of the most stainless.

His name and fame are the birthright of every American citizen. In his youth and strength, his love and loyalty, he gave all that mortality can give. He needs no eulogy from me, or from any other man. He has written his own history and written it in red on his enemy's breast.

#### WITNESS TO THE FORTITUDE

In 20 campaigns, on a hundred battlefields, around a thousand campfires, I have witnessed that enduring fortitude, that patriotic self-abnegation, and that invincible determination which have carved his stature in the hearts of his people.

From one end of the world to the other, he has drained deep the chalice of courage. As I listened to those songs of the glee club, in memory's eye I could see those staggering columns of the First World War, bending under soggy packs on many a weary march, from dripping dusk to drizzling dawn, slogging ankle deep, through mire of shell-pocked roads; to form grimly for the attack, blue lipped, covered with sludge and mud, chilled by the wind and rain, driving home to their objective, and for many, to the judgment seat of God.

I do not know the dignity of their birth, but I do know the glory of their death. They died unquestioning, uncomplaining, with faith in their hearts, and on their lips the hope that we would go on to victory.

Always for them: Duty, honor, country. Always their blood, and sweat, and tears, as we sought the way and the light. And 20 years after, on the other side of the globe, again the filth of murky foxholes, the stench of ghostly trenches, the slime of dripping dugouts, those boiling suns of the relentless heat, those torrential rains of devastating storms, the loneliness and utter desolation of jungle trails, the bitterness of long separation from those they loved and cherished, the deadly pestilence of tropical disease, the horror of stricken areas of war.

#### SWIFT AND SURE ATTACK

Their resolute and determined defense, their swift and sure attack, their indomitable purpose, their complete, and decisive victory—always victory, always through the bloody haze of their last reverberating shot, the vision of gaunt, ghastly men, reverently following your password of duty, honor, country.

You now face a new world, a world of change. The thrust into outer space of the satellite, spheres, and missiles marks a beginning of another epoch in the long story of mankind. In the five or more billions of years the scientists tell us it has taken to form the earth, in the three or more billion years of development of the human race, there has never been a greater, a more abrupt or staggering evolution.

We deal now, not with things of this world alone, but with the illimitable distances and as yet unfathomed mysteries of the universe. We are reaching out for a new and boundless frontier. We speak in strange terms of harnessing the cosmic energy, of making winds and tides work for us * * * of the primary target in war, no longer limited to the armed forces of an enemy, but instead to include his civil populations; of ultimate conflict between a united human race and the sinister forces of some other planetary galaxy; of such dreams and fantasies as to make life the most exciting of all times.

And through all this welter of change and development your mission remains fixed, determined, inviolable. It is to win our wars. Everything else in your professional career is but corollary to this vital dedication. All other public purposes, all other public projects, all other public needs, great or small, will find others for their accomplishment; but you are the ones who are trained to fight.

#### THE PROFESSION OF ARMS

Yours is the profession of arms, the will to win, the sure knowledge that in war there is no substitute for victory, that if you lose, the Nation will be destroyed, that the very obsession of your public service must be duty, honor, country.

Others will debate the controversial issues, national and international, which divide men's minds. But serene, calm, aloof, you stand as the Nation's war guardians, as its lifeguards from the raging tides of international conflict, as its gladiators in the arena of battle. For a century and a half you have defended, guarded, and protected its hallowed traditions of liberty and freedom, of right and justice.

Let civilian voices argue the merits or demerits of our processes of government: Whether our strength is being sapped by deficit financing indulged in too long, by Federal paternalism grown too mighty, by power groups grown too arrogant, by politics grown too corrupt, by crime grown too rampant, by morals grown too low, by taxes grown too high, by extremists grown too violent; whether our personal liberties are as thorough and complete as they should be.

These great national problems are not for your professional participation or military solution. Your guidepost stands out like a tenfold beacon in the night: Duty, honor, country.

You are the leaven which binds together the entire fabric of our national system of defense. From your ranks come the great captains who hold the Nation's destiny in their hands the moment the war tocsin sounds.

The long, gray line has never failed us. Were you to do so, a million ghosts in olive drab, in brown khaki, in blue and gray, would rise from their white crosses, thundering those magic words: "Duty, honor, country."

### PRAYS FOR PEACE

This does not mean that you are warmongers. On the contrary, the soldier above all other people prays for peace, for he must suffer and bear the deepest wounds and scars of war. But always in our ears ring the ominous words of Plato, that wisest of all philosophers: "Only the dead have seen the end of war."

The shadows are lengthening for me. The twilight is here. My days of old have vanished—tone and tint. They have gone glimmering through the dreams of things that were. Their memory is one of wondrous beauty, watered by tears and coaxed and caressed by the smiles of yesterday. I listen vainly, but with thirsty ear, for the witching melody of faint bugles blowing reveille, of far drums beating the long roll.

In my dreams I hear again the crash of guns, the rattle of musketry, the strange, mournful mutter of the battlefield. But in the evening of my memory always I come back to West Point. Always there echoes and reechoes: Duty, honor, country.

Today marks my final rollcall with you. But I want you to know that when I cross the river, my last conscious thoughts will be of the corps, and the corps, and the corps.

I bid you farewell.

## ADJOURNMENT

**Mr. SMATHERS.** Mr. President, I move that the Senate adjourn to meet at 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 19 minutes p.m.) the Senate adjourned until tomorrow, Friday, June 22, 1962, at 12 o'clock meridian.

## NOMINATION

Executive nomination received by the Senate, June 21, 1962:

### DIPLOMATIC AND FOREIGN SERVICE

Charles Edward Rhetts, of Indiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Liberia.

## CONFIRMATION

Executive nomination confirmed by the Senate, June 21, 1962:

### U.S. ASSAY OFFICE

John P. Botti, of New York, to be superintendent of the U.S. assay office at New York, N.Y.

# HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 21, 1962

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hosea 14: 9: *The ways of the Lord are right, and the just shall walk in them.*

Eternal God, in this moment of prayer, may our languid and listless spirits be refreshed and renewed by Thy divine spirit to carry out faithfully the high and holy mission with which we have been entrusted.

We penitently confess that we need to be rescued from those rebellious and resentful moods of mind and heart which tempt us to repudiate and resist Thy wisdom and will, and follow the paths of our own choice.

Grant that it may not only be our highest aspiration and noblest obligation but our most sacred privilege and supreme delight to walk in the ways which Thou hast marked out for us and to work with Thee in establishing Thy kingdom of peace upon this earth.

May Thy name be glorified. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## COMMITTEE ON THE DISTRICT OF COLUMBIA

**Mr. ALBERT.** Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia have until midnight Saturday to file sundry reports.

**The SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## COMMITTEE ON THE JUDICIARY

**Mr. FRIEDEL.** Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (H. Res. 663) to provide additional funds for the Committee on the Judiciary.

The Clerk read the resolution, as follows:

*Resolved,* That, effective January 10, 1962, the expenses of conducting the studies authorized by Public Law 272 of the Eighty-sixth Congress, as amended, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $100,000 including expenditures for the employment of experts, special counsel, clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee signed by the chairman of such committee and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## TRANSFER OF CERTAIN FUNDS WITHIN CONTINGENT FUND

**Mr. FRIEDEL.** Mr. Speaker, by direction of the Committee on House Administration, I call up the resolution (H. Res. 694) authorizing the transfer of certain funds within the contingent fund of the House of Representatives, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That such funds as may be necessary to liquidate the 1962 obligations may be transferred, within the contingent fund of the House of Representatives, from "Miscellaneous Items, 1960", to "Special and Select Committees, 1962".

The resolution was agreed to.

A motion to reconsider was laid on the table.

## CALL OF THE HOUSE

**Mr. MACK.** Mr. Speaker, I make the point of order that a quorum is not present.

**The SPEAKER.** Evidently a quorum is not present.

**Mr. ALBERT.** Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll. No. 122]

Addonizio
Alford
Ashley
Blatnik
Blitch
Breeding
Byrnes, Wis.
Celler
Curtis, Mass.
Davis, Tenn.
Dawson
Flood
Frelinghuysen
Garland
Glenn
Gray
Hoffman, Mich.
Holifield
Horan
Lindsay
Loser
Madden
Michel
Powell
Rains
Riehlman
Riley
St. Germain
Saund
Sheppard
Smith, Miss.
Spence
Stubblefield

**The SPEAKER.** On this rollcall, 401 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## FOOD AND AGRICULTURE ACT OF 1962

**Mr. COOLEY.** Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11222, with Mr. WALTER in the chair.

The Clerk read the title of the bill.

**The CHAIRMAN.** When the Committee rose on yesterday, title IV of the bill was considered as having been read.

The Clerk will report the first committee amendment to title IV.

The Clerk read as follows:

Committee amendment: On page 25, line 17, strike out the quotation marks following the word "farm."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 25, line 18, insert:

"(e) Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the production of feed grains. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State reserve acreage under subsection (b) of this section. Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having feed grains planted thereon during the base period.

"Acreage released under this subsection shall be credited to the State in determining future allotments. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to the provisions of this subsection, or on a farm whose allotment for feed grains is increased due to reapportionment to such farm of allotments released by other farms under this subsection, shall not be eligible for payments under subsection (b) of section 360j. The producers on a farm on which any part of the farm allotment for feed grains is released pursuant to this subsection shall be required to divert from the production of crops, an acreage of cropland equal to the acreage allotment released, and shall be subject to a penalty on any crop produced on such acreage unless the crop is designated by the Secretary as one which is not in surplus supply if permitted to be grown on the diverted acreage. Such penalty shall be in the amount provided in section 360j and shall be subject to the provisions of such section.

Mr. HAGEN of California. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I wish to express my profound disgust at the actions of cynical advocates of high price supports and rigid crop controls, who blandly urge these principles for all farmers and then proceed to exempt from controls their particular friends and constitutents by little understood amendments of the law.

This bill is honeycombed with such exemptions—either adopted or proposed. They are the following: First, authority in the Secretary to exempt farmers in so-called feed deficit areas; second, exemption of farms with a feed base of no more than 40 acres; third, exemption of oats and silage as feed grain crops; fourth, exemption of cotton, wheat, rice, peanut, and tobacco farmers who for some reason cannot plant or harvest their allotted acres of these other privileged crops; and fifth, finally the release and reapportionment provision contained in the committee bill which is designed to secure increased production in a limited geographic area of the country. I now speak in opposition to the release and reapportionment language of the bill to the end that the bill will better represent a program of control and reduction of Government costs.

I address myself principally to urban area Democrats and to Democrats from the historically great Corn Belt States: Iowa, Illinois, Indiana, Ohio, Minnesota, Wisconsin, Missouri, and Nebraska and to those Congressmen representing rural areas of New York and Pennsylvania, who will be most hurt by this legislation if my amendment is not adopted.

These exemptions are not designed for your farmers and if they are not eliminated your farmers will be locked in a collar of controls and farmers elsewhere will be producing to their maximum capacity. It is my feeling that these great Corn Belt States should receive equity in this bill from the standpoint of the national interest because they house the most efficient producers of feed grains.

The proposed release and reapportionment provision of the bill is designed to help big farmers in areas which contain many part-time farmers and marginal farms. It permits the larger farmers in those areas to acquire all the acreage they want in complete contravention of the control aspects of the bill and in derogation of its announced cost reducing justification. The language is lifted almost verbatim from the cotton law and if this aspect of the cotton law were investigated there would be uncovered hundreds of Billie Sol Estes scandals, governing cotton allotments, because in the case of cotton over a million acres are involved compared to a mere 3,200 acres utilized in the Estes case. I have asked the Secretary of Agriculture to conduct an investigation of this aspect of the cotton law and I am hopeful he will pursue it.

I am hopeful that the House will refuse to adopt this proposed release and reapportionment amendment of the proposed feed grain law in order that we do not repeat the error of the cotton law which invites fraud and corruption.

Mr. LATTA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment and concur in everything the gentleman from California [Mr. HAGEN] has said. I want to congratulate him as a member of the majority party for speaking out as a great American in opposition to this proposed amendment.

We have heard a lot during the last several weeks about the Billie Sol Estes case, which was brought about, as the gentleman from California has adequately pointed out, by a provision similar to this in the cotton acreage law. I think every Member of the House who wants to prevent similar scandals throughout the United States should take a look at this proposed amendment, which appears on page 25, and read it carefully. Let me read just the first part of this amendment so that you will understand exactly what is proposed. Beginning on line 18 it states:

> Any part of any farm feed grain acreage allotment on which feed grains will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of feed grains, land, labor, equipment available for the production of feed grains, crop rotation practices, and soil and other physical facilities affecting the production of feed grains.

If any more authority is granted or needed, I would like to know what that might be. Under this language, the county committee could do anything it so desired with these allotments. How easy it would be for another Billie Sol Estes in the feed grain area to go out to a farmer and convince him to voluntarily surrender his allotment to the county committee. The county committee could then turn it over to that interested individual. I am not saying that would happen, but I am saying that it could happen. When you passed the language which permitted Billie Sol Estes to operate as he did in cotton acreage allotments, you did not say it was going to happen, but somebody on this floor should have said it could happen. And it did happen; and I am pointing it out, if this amendment prevails it could happen in certain feed grain areas in the United States. I say, if you want to prevent this from happening, then defeat this amendment.

Mr. McSWEEN. Mr. Chairman, I move to strike out the last word and rise to speak in support of the amendment.

Mr. Chairman and Members of the Committee, the gentleman from Ohio just made another reference to Billie Sol Estes. I do not know how many times the Members of the minority plan to use the name of Billie Sol Estes, but I would say to them I do not know what in the world they would do if it had not been for Billie Sol Estes, and perhaps they want to consider making him an honorary Member.

My friends, this amendment has nothing at all to do with the provisions of the existing law by which these alleged irregularities in cotton allotments occurred. This committee amendment adopted by the Committee on Agriculture simply makes in order a provision for the operation of the feed grain legislation proposed, the identical provision that we have in the law with regard to cotton, an amendment that all cotton growers throughout the United States have endorsed without objection. This would simply provide, if you have a quota of feed grains applicable to a county and if a particular producer does not care to grow his share of that quota, that he can return it to the county committee for reallocation.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield to the gentleman from California.

Mr. HAGEN of California. Do you not think that this violates the principle of reducing production? If a man has a cotton quota and he does not want to grow it, no one else should grow it.

Mr. McSWEEN. When the Secretary determines the production that is necessary, I do not think it is necessary to go below that determination and I think it is all right for the county in the interest of their own economy to grow the amount that the Secretary has determined they shall grow.

Mr. HAGEN of California. We have quotas in cotton, for example, and we have overproduction and we have the problem of disposing of this stuff abroad at a cost to the Government of 8½ cents a pound. One more question, Do you not think there is much room for finagling in a situation where these county committees acquire the allotments of farmers who do not want to farm and assign them to other farmers in the area who want to acquire those allotments, and who may be friends?

Mr. McSWEEN. The gentleman knows that there is room for finagling all over the place in any kind of legislation any time, but there is no more room for finagling here than anywhere else.

Mr. HAGEN of California. Under this amendment one farmer could not surrender his acreage to the committee and move clear out into another State.

Mr. McSWEEN. Of course not.

Mr. HAGEN of California. So I say there will be some finagling as a lack of confidence in the integrity of the local committee.

Mr. McSWEEN. You are correct.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield.

Mr. POAGE. The Billie Sol Estes case has been mentioned. The Billie Sol Estes case resulted from moving allotments allowed under the law from one State to another. This prohibits the moving of allotments from one State to another and does not increase the acreage allotment in any county.

Mr. McSWEEN. The gentleman is absolutely correct. It would first be released to the State committee before release to another county and then only within the State.

Mr. POAGE. The Billie Sol Estes case could not have occurred but for the fact that the special law that related to Government seizure of property under condemnation also applied to transfers to other counties and other States and added it to the total allotment of the area to which it was moved.

Mr. McSWEEN. The gentleman is correct.

Mr. POAGE. This law does not allow any transfer to another State.

Mr. McSWEEN. Of course, that is correct, except for the procedure that I have mentioned.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield.

Mr. EDMONDSON. As a matter of fact did not the Billie Sol Estes case come about under the identical legislation that the gentleman from California is trying to force upon us, that the allotment has to stay in the individual's name?

Mr. McSWEEN. The gentleman is absolutely correct, and I thank him for bringing out that fact.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. McSWEEN. I yield.

Mr. DENT. Would it not be beneficial in the case of the individual surrendering his allotment or his acreage if that surrendered acreage were kept out of production rather than to let it be exchanged?

Mr. McSWEEN. But the county is entitled to a certain allotment.

Mr. DENT. What would be the case if the quota set by the Secretary results in surplus and the farmer relinquishes the acreage without reducing the amount of acreage which is in quota? I support the gentleman's amendment, but I think we ought to have safeguards.

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in 1958 this Congress passed legislation which would permit the pooling of allotments, all types of allotments. That was done because so many of these big projects are being constructed over the country, the new highway system is being built, and in addition many dams and other Federal projects as well. Whole farms have been taken out of cultivation. In those instances where a farmer lost his entire farm or a considerable acreage thereof, because of a big dam or other project he could put the acreage he had for cotton or other basic crops into cultivation in some other location. He could buy another farm, and operate that new farm, or he could lease the acreage. That is the situation that occurred with respect to the Billie Sol Estes case where whole farms were taken out by virtue of a Government project. The allotments were moved from Oklahoma all the way down to the southern part of Texas to a farm down there that he never operated himself personally at all, but transferred his right under that allotment over to Billie Sol Estes. That situation is entirely different from what we are considering here.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from California.

Mr. HAGEN of California. I will stipulate that there is a distinction without a difference between the law that Billie Sol Estes violated and this law. But the principle and the opportunity for fraud are identical.

Mr. GATHINGS. If the gentleman will just let me proceed.

Mr. HAGEN of California. If we want to avoid a scandal in feed grains we will not adopt this amendment.

Mr. GATHINGS. The gentleman has had his 5 minutes, now let me answer his question. I want to say that the gentleman from California [Mr. HAGEN] is an outstanding member of the Committee on Agriculture. He is highly regarded by the members of the committee. He is one who has opposed our reapportionment legislation all the way down the line. In the case of cotton the allotments would remain at home and not move across State lines.

That is the whole situation.

Mr. HAGEN of California. In a sense the gentleman is correct. We are among the most efficient cottongrowers in the United States and want a larger opportunity to produce.

Mr. GATHINGS. The gentleman is against release and reapportionment on cotton, and has fought it consistently. He is opposed to it in connection with this feed grain proposal.

You folks that come from the Midwest can keep your feed grains at home. You can turn unused allotments over to the county committee, who could place the acreage in the hands of someone who has the equipment and the ability and wants to plant feed grains. If they do not desire to plant it within the county it could be moved to the State committee for redistribution in some other part of the State. It would keep the allotments at home, and it will insure you of the income that may arise from planting them. It is a great law. It kept our cotton land at home. Our cotton acreage has been moving away too fast. The same situation will prevail with respect to feed grains.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman does not contend you could not move from northwest Texas, 700 miles to southeastern Texas under this law?

Mr. GATHINGS. It could be done by the State ASC committee after receiving such allotments from counties who did not wish to plant them. First you give the opportunity to the feed grain growers if they want to plant that allotment, but the man who transferred it retains the allotment himself on his farm. It belongs to him and to that particular farm.

Mr. BELCHER. But the county committee may surrender the excess acreage to the State committee?

Mr. GATHINGS. In a situation of that kind they may do that when there are no feed-grain growers within that county who wish to grow that acreage. In that event they can transfer it to the State committee for redistribution within the State.

Mr. BELCHER. Seven hundred miles within one State?

Mr. GATHINGS. Within that State.

Mr. BELCHER. Would 700 miles away be home?

Mr. GATHINGS. I do not know how far it would be across some of these States, but it can be done in the State of Texas. They could move the acreage over to Austin for redistribution in that State.

Mr. Chairman, I hope the committee amendment will be agreed to.

Mr. COOLEY. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, I am surprised that there is any opposition to this committee amendment, because what we are trying to do is to provide for the grain producers what we have done for cotton. It will not break my heart if the amendment is not agreed to. However, let me say that the cotton surrender and reapportionment provision has operated successfully and well, absolutely and completely free from any sort of scandal.

Billie Sol Estes has nothing to do with this program. It has been administered by county committees throughout the whole cotton-growing area of this vast Nation of ours. I have not heard of one complaint or one suggestion of any corruption in any of the county offices. If it has operated well for cotton, everything indicates it will operate well for feed grain.

The Billie Sol Estes matter came about because property had been seized under the right of eminent domain. There was some legal chicanery carried on, which was involved, and is now being tested in the courts. To bring that up in this debate is absolutely extraneous. It has no place here.

I appeal to the Committee of the Whole to stand by the Committee on Agriculture and approve the amendment that has been written into the bill.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. I want to point out that under the terms of this amendment, transfers are made not of allotments, as such, but only the right to plant for 1 year. The Billie Sol Estes case, of course, grows out of the transfer of allotments which gives him the right to plant year after year.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New Jersey.

Mr. THOMPSON of New Jersey. I like this stay-at-home theory. I am going to support the amendment.

I would like to see it applied sometime to industry. Let Arkansas keep its cotton and let us keep our industry.

Mr. COOLEY. Mr. Chairman, I ask for a vote.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from California.

Mr. TEAGUE of California. It does not seem to me that the chairman should be surprised at the opposition. There were at least 15 votes against this proposal in the committee.

Mr. COOLEY. Eleven, I am told.

Mr. TEAGUE of California. I stand corrected. Eleven. Well, that was formidable opposition.

Mr. COOLEY. Which means it was adopted by a 2-to-1 vote in the committee.

Mr. TEAGUE of California. There are some minority members who feel that 11 is at least some opposition, and the gentleman stated surprise that there was opposition at this time.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Would not this amendment assure that there will be maximum production at a time when we have a tremendous surplus?

Mr. COOLEY. No, no. It is only surrender to the county committee and reallocation to some other farmer in the county. That is all.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Was there any consideration given in the committee to the proposal to put a penalty upon any attempt to sell an allotment or interest in an allotment separate from the land; in other words, to give any compensation for or to accept any compensation for an allotment divorced from the land to which it was assigned?

Mr. COOLEY. That cannot possibly happen under the program.

Mr. EDMONDSON. Would there be any harm done in making it a penal offense to carry on that kind of a transaction?

Mr. COOLEY. I cannot transfer my allotment to you. I cannot sell it to you. I cannot sell it and earmark it to you.

Mr. EDMONDSON. But, under this provision some attempts might be made, which were outlined as likely to happen, to pass some kind of consideration to a county committeeman to get an assignment direct to another producer. Is there any reason why you should not have a provision against that?

Mr. COOLEY. If that should happen, that would result in the commission of a felony punishable by imprisonment in the Federal penitentiary.

Mr. EDMONDSON. That would be as to a payment to a member of the committee. Can that be so as to a payment to a previous owner of the allotment for his influence with the committee to get that transfer?

Mr. COOLEY. The previous owner has no influence over the committee over this allotment, and I have never known of a corrupt act taking place.

Mr. DOLE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been amused by the repeated attempts by the majority party in their efforts to pin the label of "obstructionist" on the Republicans. The apparent basis for this is the letter written by Mr. Sorkin last September.

On yesterday the distinguished majority leader stated in effect that Republicans met secretly to work out strategy to oppose the Democratic farm bill. First of all, I feel we should set the record straight on just what farm bill the Republicans were to oppose, for on September 11, 1961, the date of the Sorkin letter, there was no farm bill before Congress, the 1961 Agriculture Act had been passed and signed by the President on August 8, 1961, and the 1962 farm bill was still just a gleam in Dr. Walter Cochrane's eye as it was not introduced until January 31, 1962.

With reference to secret meetings of high-level Republicans, I had assumed it was proper for party officials of either party to meet without advance notice, or an invitation to the other and I would imagine that many meetings have been held with reference to this bill by the majority party leaders; in fact, I think there were a few yesterday right here on the floor of the House. I am certain members of the Republican Party were not invited, nor did they expect an invitation. The feeble attempts to evade the responsibility for the Estes scandal are amusing, but interesting.

Mr. Chairman, I think it is well to recite some of the highlights which have been disclosed thus far by the press, the attorney general of Texas, Will Wilson, and Mr. N. Battle Hales, an employee of the U.S. Department of Agriculture. Both Mr. Will Wilson and Mr. Hales are Democrats.

Mr. Chairman, I followed the Estes case closely, and I do know to which party Mr. Estes belongs. Regardless of party affiliation, those guilty of wrongdoing should be exposed and dealt with accordingly, but the record should show that Estes was a leading Democrat in the State of Texas and was one time considered as a candidate for Governor.

Mr. Chairman, I have here the latest issue of the Saturday Evening Post, which shows a picture on Estes' wall having been autographed by the President and by the Vice President. Mr. Estes was also given a gold engraved certificate for his great monetary contribution to the Democratic Party. Now, I do not think good Democratic friends should turn their backs on Mr. Estes now and use him in an effort to put through this farm bill.

Mr. Chairman, Billie bragged to his friends, "I'll call Orville and if he can't help, I'll call Lyndon, and if he can't help I'll call Jack." This is also stated in this week's Saturday Evening Post. Certainly the members of the majority party should not now turn their backs on Billie.

There have been many inferences about influence, but let's take a look at the facts now available concerning the Estes case. Billie would not settle for any former members of the USDA because he knew that if he wanted favors he must deal directly with the administration in power and those who occupied key positions. The list will certainly grow, but do not forget Billie's close friends.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Iowa.

Mr. HOEVEN. In the Washington Post of June 18, 1962, is an article written by Mr. Fred Ferris, of UPI, reporting on a television interview with Attorney General Kennedy of the United States on issues and answers, when the Attorney General stated:

> The administration has got to take the responsibility for the Billie Sol Estes matter.

Mr. DOLE. Mr. Chairman, I think we might also refer to the five persons in this administration who have departed as a direct result of the Billie Sol Estes scandal. Included is Dr. James T. Ralph, an Assistant Secretary of Agriculture until recently; Mr. Emory E. Jacobs, Deputy Administrator in Charge of Cotton Allotments; William Morris, Jacob's assistant; Jerry Holleman, an Assistant Secretary of Labor; and William Mattox, Texas ASCS official. These are some of Billie's friends who are no longer with the USDA.

Let me remind you, too, about Mr. Estes being appointed to the Cotton Advisory Council Committee after he had paid a fine of $48,000 as a penalty for overplanting his cotton allotment. It also takes something to persuade Department officials to permit continued expansion of grain storage facilities with a completely inadequate warehouse bond. It takes something to obtain 3,123 acres of cotton allotments from farmers in Georgia, Oklahoma, and Texas, which would net Estes between $500,000 and $600,000 a year. It takes something to have a device declared illegal—as were the cotton allotments transfers—and then subsequently have this action rescinded.

We are talking about cotton allotments, and this amendment merely makes it easier for the Estes-type operation to continue, because under the cotton law you have to go to the farmers. In Oklahoma Estes had two ASCS contacts who went out and contacted farmers for Mr. Estes. They were paid so-called "finders' fees" of over $7,000, but strangely they were not punished for this, but only suspended for a period of 2 weeks without pay. Yet, under this proposed amendment one would not have to go to the farmer any more, but would go to the ASCS office, and it would be taken care of there.

Mr. Chairman, these are just a few of the highlights which should be brought out. It should also be pointed out that Mr. Freeman has had only one press conference on the Estes case in a period of 80 days. If anyone wants to discuss the Estes case, let us arrange the time and place, but let us not attempt to shift the responsibility.

Mr. ABERNETHY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with all deference to the entertainers from both sides of the aisle—and I am not trying to reflect on anyone—about the Billie Sol Estes issue, I think we should get that straight. This amendment has no relation to the Estes manipulations.

Mr. Chairman, I can assure the Members of the House that there is absolutely none. The Estes acreage was not obtained through this type of an amendment in the cotton law. The Government in some instances had moved into various other producing areas and through eminent domain procedures acquired farms which had cotton allotments. In acquiring those farms, the law provided that the farmer whose farm was taken by the Federal Government for highways, flood control works, et cetera, could move his allotment to any other county or State in the Cotton Belt. As a result of the acquisition of some farms through this condemnation proceedings, acreage was moved and subsequently acquired by Mr. Estes.

The amendment before the House has nothing whatsoever to do with that sort of situation. The amendment before the House confines the acreage strictly to the county in which the acreage is now, will be next year, and the next and the next. Not one single acre of it can be moved out of the county. No individual farmer can acquire the acreage from a farmer who wishes to surrender. He cannot do it. The acreage must be surrendered to the county ASC committee. The county ASC committee redistributes that acreage in the same manner in which they distribute the original allotments to the county. That is all there is to it. It has worked very well under the cotton law.

I cannot understand why those who have feed grains in their areas are not interested in having such an amendment for the benefit of their farmers. It seems to me to be a very fair amendment.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from California.

Mr. HAGEN of California. I read from the amendment and then will ask the gentleman if he would not care to correct his statement.

> If all of the allotted acreage voluntarily surrendered is not needed in the county, the county may surrender the excess acreage to the state committee to be used for the same purposes.

Mr. ABERNETHY. I accept that correction. That is true under the cotton law. But it goes to the State committee and they cannot move one acre of it beyond the State. It is redistributed in the State which made the history.

Mr. HAGEN of California. Distributed, but under administrative discretion; is that not correct?

Mr. ABERNETHY. Of course, it is.

Mr. HAGEN of California. And this permits the opportunity for collusion and fraud.

Mr. ABERNETHY. No. It has to go back from the State committee down to the county committees and the county committees distribute it.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. In the absence of this amendment will there be any way by which a county can save an allotment of land that is flooded by a new reservoir or by a new watershed lake or taken out of cultivation by reason of some large highway development?

Mr. ABERNETHY. I do not think this amendment has a thing in the world to do with the acquisition of land for highway purposes, or acreage that has been flooded out due to flood disaster. There is no relationship.

Mr. EDMONDSON. What would be the situation then under which the land could not be planted and under which it became necessary to surrender the allotment that the gentleman is talking about?

Mr. ABERNETHY. It is purely an optional matter with the man who has earned the history on the farm. It is purely optional.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from North Carolina.

Mr. COOLEY. If land is taken for public purposes under the right of eminent domain, the farmer can take the acreage to another farm. And that is exactly the case with the Billie Sol Estes incident, which is not involved here.

Mr. ABERNETHY. Certainly.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Ohio.

Mr. VANIK. If the land is taken under the right of eminent domain, or is flooded by a reservoir or for some reason like that, the owner of the land is properly paid for his land; why should he be paid something extra by way of an acreage allotment?

Mr. ABERNETHY. Because he is not paid for the value of the acreage allotment.

Mr. VANIK. It seems to me that he is compensated under the right of eminent domain and that compensation should cover the reasonable value of the land, which includes its productive value and his value as it is used for agricultural production.

Mr. ABERNETHY. Let us assume the gentleman's assumption to be correct. The fact remains that the amendment now before the House has no relationship to that situation whatsoever. In order to reach the problem which the gentleman suggests we would have to have an entirely new proposal on this floor.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. ABERNETHY] has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I rise merely to make a suggestion to the chairman of the committee in an effort to restore harmony on his side of the aisle. Would it not be much simpler just to accept an amendment striking out this whole feed grain section? Then he would not need to concern himself over these amendments to that section.

Mr. COOLEY. I appreciate the suggestion of the gentleman.

Mr. AVERY. I am sure the gentleman from Louisiana [Mr. McSWEEN] would be happy with an arrangement like that, and I can assure him there would be a lot of support for that type of amendment on our side of the aisle. Do not say any more that Republicans do not want to be helpful, because we do. Let us strike the entire section, then the gentleman will not have to take issue with his Democratic colleagues.

I want to express my appreciation to the chairman for placing in the RECORD last night these various and sundry amendments that would be offered to the bill today. I think they might be paraphrased as the script. On page 11225 you will find the script for today, because these are the amendments that are to be offered and to be accepted by the chairman.

My question is this, and I should like to direct this to the chairman of the full committee: Why and when did these amendments become necessary? I recall very vividly the chairman of the committee and the chairman of the subcommittee, Mr. POAGE, appearing before the Committee on Rules and supporting this bill and telling us it was a very fine bill, it was in the best interests of agriculture, and it had been developed by the committee, and that the committee would stand behind it. Why did these amendments become necessary? Can the gentleman respond to that? Why did these amendments become necessary when just 2 weeks ago before the Committee on Rules the chairman told us that this bill had been carefully developed, it was a good bill, and should be passed? Now you are retreating from every principal provision in the bill.

**Mr. COOLEY.** No. I said this was a good bill. I said we had received no help from the minority. I am frank to say we are trying to improve the bill. We think these amendments that will be offered, from pages 25 to 47, all of them, would improve the bill.

**The CHAIRMAN.** The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

**Mr. BROWN.** Mr. Chairman, will the gentleman yield for a quick observation?

**Mr. QUIE.** I yield to the gentleman from Ohio.

**Mr. BROWN.** I would just like to have the House remember that when I spoke on the rule on this bill I warned at that time that amendments would be offered from the committee, or with the support of the committee, in order to get this bill passed, that the bill would then go to conference, following which would be reinserted in the bill all of the dangerous provisions, the objectionable provisions, of the original bill as it came out of the Agriculture Committee. That is exactly what is going to happen, you can be sure.

**Mr. QUIE.** Mr. Chairman, the issue here really boils down to this, that if a farmer has a feed grain allotment and does not wish to plant it, should that acreage be idled in that year, or should it be transferred over to someone else? You know we have a terrific surplus on hand that we would like to draw down. The Secretary of Agriculture will make an estimate of how much should be produced during the year. Should this full production be continued no matter what, or should a person who voluntarily does not produce all that his farm would be allotted that year just idle his acreage, so that we would draw down that much more on the surplus?

This is really what it boils down to. Do we want to draw down more of the surplus within a year than the Secretary has estimated as a national allotment? If we want to do that, we know it will mean a great savings to the taxpayers by reducing the cost of storage in this country. Anything we can possibly do to cut down on the amount of surpluses will save the taxpayers money on storage costs. This is the choice we have before us and that is why I am going to vote against the committee amendment, because I feel if we continually give loopholes and loopholes and loopholes in a bill, it will be just like a tax law, the more loopholes there are the more has to be added to the burden of those who do not get that loophole.

**Mr. ROOSEVELT.** Mr. Chairman, will the gentleman yield?

**Mr. QUIE.** I yield to the gentleman from California.

**Mr. ROOSEVELT.** May I ask the gentleman this question, Is the allotment or the amount set by the Secretary of Agriculture the necessary national amount of production; and if it is not used would it not endanger the amount that we ought to produce as a nation.

**Mr. QUIE.** No, at this time in view of the amount of surplus we have on hand of feed grains, there will be no danger to the amount that might be cut off our own producers.

**The CHAIRMAN.** The Chair recognizes the gentleman from Iowa [Mr. KYL].

**Mr. KYL.** Mr. Chairman, I would like to direct a question to some of the gentlemen who are knowledgeable on the subject of cotton allotments. A short time ago, I was in a Mexican border town. I noticed a number of very expensive new homes, homes that we would place in the very expensive category. So I talked to one of these individuals who had built such a home. I said, "How did you build this?" He said, "This is through the generosity of you Americans. You have limited your cotton production and we have taken your production and planted it in Mexico. We now are producing so much cotton here that this port has become the largest cotton exporting port in the world."

Under this program, I ask the chairman of the committee, have we, in effect, gone beyond the business of transferring cotton allotments between one county and another in a certain State or between one State and another? Have we in reality transferred our cotton quotas to foreign countries?

**Mr. COOLEY.** That argument has been made for more than a quarter of a century on the floor of the House.

**Mr. KYL.** I am not arguing the point. I am asking the question.

**Mr. COOLEY.** When we reduce our production here of some commodity, they increase production of the same commodity abroad. We have no control over that. But we do protect our own domestic growers and just last week we passed a bill protecting the people of this country along the line the gentleman is referring to.

**Mr. KYL.** Are your cotton farmers satisfied and prosperous with the present cotton situation?

**Mr. COOLEY.** They are satisfied with the program and at the moment they enjoy a stability in prices that they would not enjoy if we did not have the program.

**Mr. KYL.** Why have we had this rapid decline in the number of cotton gins and the resulting unemployment in such areas?

**Mr. COOLEY.** Because we have been reducing the acreage.

**Mr. KYL.** And while you reduce the acreage in North Carolina, I notice the Department of Agriculture figures also increased your surplus production—not production—but surplus production of feed grains last year by 682,000 tons; is that correct?

**Mr. COOLEY.** You mean, increased that much?

**Mr. KYL.** That is what the Department of Agriculture statistics show.

**Mr. COOLEY.** That is increased, last year?

**Mr. KYL.** Between 1959 and 1960 crop year and the 1960 and 1961 crop year.

**Mr. COOLEY.** I do not know about that, but last year we were actually declared a deficit area. We did not have enough there to feed our own livestock.

**Mr. KYL.** According to the statistics now, you are producing 208,000 tons of feed grain in surplus beyond your consumption needs in the State.

**Mr. COOLEY.** I do not know where the gentleman got those figures from.

**Mr. KYL.** These figures are from the Department of Agriculture.

**Mr. COOLEY.** And they are related to what year?

**Mr. KYL.** The date is from the farm economics division, March 14, 1962, sir.

**The CHAIRMAN.** The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

**Mr. COOLEY.** Mr. Chairman, I do not desire to argue the question further than to ask that the House sustain the committee and adopt the amendment which has been presented.

**The CHAIRMAN.** The question is on the committee amendment.

The question was taken, and on a division (demanded by Mr. COOLEY) there were—ayes 114, noes 96.

**Mr. HOEVEN.** Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. HOEVEN and Mr. GATHINGS.

The Committee again divided, and the tellers reported that there were—ayes 147, noes 125.

So the committee amendment was agreed to.

**The CHAIRMAN.** The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 27, line 10, before the language insert "SEC. 360e."

The committee amendment was agreed to.

**The CHAIRMAN.** The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 39, line 29, strike "treatment." " and insert "treatment."

The committee amendment was agreed to.

**The CHAIRMAN.** The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 39, line 22, insert:

"SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop."

Mr. QUIE. Mr. Chairman, I rise in opposition to the committee amendment. This is the so-called deficit areas amendment. The map that the gentleman from Iowa [Mr. HOEVEN], showed you the other day will give you an idea of the States that are deficit. What this means is that the total amount of reduction in production will be put on the 13 Midwest States of the Union. You can look at the map and see how this applies.

On the first day of debate, the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], inserted a table showing the effect of the 25-acre exemption, and then the gentleman from Iowa [Mr. HOEVEN], pointed to the map here illustrating his point of view on the deficit area amendment.

Now, what this means is that of the 25 million acres that the Department has indicated to you it is estimated that we must idle to reduce production of feed grains, it will be limited to those States which are in black and red. The rest, because of the likelihood that they will not be producing any surplus in that area, as the indication was in the previous years, would be exempted. That means that the Midwest will take the complete reducion in acres.

Under the estimate of the Department under the original bill, each farmer was supposed to take a reduction of between 20 and 25 percent of his acres. That means that those remaining farmers after the deficit areas amendment is adopted will have to take a reduction of something like, I imagine, 35 percent of their acres. And, those of us in Iowa, Minnesota, Illinois, Indiana, and the other States that are so-called surplus States can imagine what that will do to our farmers to have to take something like a 35-percent reduction in feed grain acres. Mind you, if you were a farmer who was feeding all of his feed grains to his livestock, supposing you were feeding about 60 acres of feed grains to your livestock in one of the surplus States like Minnesota, you would be cut back 35 percent of the amount of acres you produce and have to go out and buy a like amount of feed grain for the balance. But, take a deficit State like Tennessee. The farmer who also had 60 acres of feed grains, feeding it to his livestock, he would not have to reduce one acre.

Well, some may say, "That is good. My farmers are exempted." I say to you it really is not an exemption. Your farmers will be limited to the average production in 1959 and 1960. Let me cite an example, if a boy was in the service and the father kept more of his land in grass production during those 2 years and when the boy came out of the service wanting to go into feed grain production for their hog and cattle operation, they would be prevented from doing it. They would be limited to the 1959 to 1960 average. If they produced over that, they would be subject to a penalty, as is pointed out in the bill, and they would not have the right to vote in a referendum. So, can you imagine anything so unfair? It is unfair to the people of the Midwest who have the complete draw on surpluses taken from their acres and it would be unfair to the people in the deficit areas because they would be limited to the production they had in 1959 to 1960 and still get the marketing penalties and denied the right to vote.

Mr. Chairman, whatever side one is on, one cannot come out on this one which, again, provides another loophole being put into a law, which under mandatory controls one is trying to make a program work where the Government tells each farmer how to run his farm.

Mr. Chairman, these are the things that hurt any feed program. It is going to damage this one and make it impossible for it to work.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Pennsylvania.

Mr. DENT. I think there would be a misunderstanding if we let that one statement of the gentleman from Minnesota [Mr. QUIE] stand. The gentleman says that in a deficit State the farmers would not be cut in acreage under this bill, and a farmer in a surplus State would be cut. Is it not true that through using the 1959 to 1960 base year that in the State of Pennsylvania where we had 1,877,000 tons of deficit in 1959 to 1960 reduced to 469,000 tons in 1960 to 1961, that the difference between those two figures is approximately 1,412,000 tons, which would be reduced to the farmers because it goes back to the previous year base?

Mr. QUIE. There would be an automatic cut in some individuals' base. If they did not produce as much is 1959 to 1960 as they produced in 1961 to 1962, the cut would be automatic and they would have a penalty placed against them if they produced more than that. Further, they would not have the right to vote in the referendum.

Mr. COOLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am certain that the gentleman from Minnesota [Mr. QUIE], does not want to leave the wrong impression with the Members of the House when the gentleman says that these States indicated on this map are all feed deficit areas within the contemplation of this proposed amendment. That is not accurate at all, because there is no such thing as a feed deficit area having already been established by the Secretary or by any other agency of the Government.

Mr. Chairman, I want to read this amendment. I think it is self-explanatory:

SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

Mr. Chairman, what is wrong with it? I do not see to save my life how anyone could oppose this, because it fixes a formula to guide the Secretary in making his determination. It takes into consideration the hardship of the producer. It does not provide that he has any vote, that he has any price support, or gets any payment for diverted acres. Certainly, this map does not reflect the true situation, because this amendment contemplates situations which may hereafter arise or exist. Nothing that happened in 1959 or 1960 or 1961 or 1962 has anything at all to do with the application of this amendment.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SISK. Mr. Chairman, I would like to say to the chairman of the committee that I commend the committee for offering this amendment. I think it is an excellent amendment; I think it is a fair amendment and I am in vigorous support of it. I appreciate the defense of the amendment by the chairman of the committee.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. QUIE. I agree that the map is not completely accurate. You take the Upper Peninsula of Michigan, that is deficit also, but does not show on the map. The northeastern part of Minnesota would be in white since it is a deficit also. There would be many more areas that would be in white on that map, if you look at it in areas. If you looked at it in States, you can see how it would affect States by the map. Can the gentleman deny that these were the deficit areas in those years 1959 and 1960?

Mr. COOLEY. I do not deny that at all, because I do not know, actually.

Mr. QUIE. Is there any concrete determination other than the wide-open formula that we have received as to how the Secretary would determine what is a deficit area?

Mr. COOLEY. We just provide the guideposts to direct him in making his determination.

Mr. QUIE. And would not the Secretary then be subject to influence by any Member of Congress, for instance?

Mr. COOLEY. Oh, I wish we could debate something on the floor here without impugning somebody's motives or somebody's integrity. Certainly he is not going to be liable to any pressure. He will have statistics, he will have the advice of all the people in the area and the professional employees of the Department and then he can declare it a deficit area. The purpose here is to relieve hardships on producers.

Mr. Chairman, I urge the Committee to vote for the amendment.

Mr. LATTA. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA to the committee amendment: Page 40, line 17, after the word "farm" strike out "shall not be eligible to vote" and insert "shall be eligible to vote".

Mr. LATTA. Mr. Chairman, we heard a lot yesterday and the day before about voting rights and giving everybody the opportunity to vote; that two-thirds of the people voting were going to decide these various issues and as a consequence, we should support the bill. I am for permitting all farmers to vote in referendums. But I am not, as I stated yesterday, for restricting the right to vote. This amendment which I offer to the committee amendment would merely give the farmers in these 37 deficit States an opportunity to vote on a proposed program which would directly affect them.

I was amazed to hear the gentleman from California [Mr. SISK] say that he is in support of the amendment. I distinctly remember, when I was before the Committee on Rules and pointed out that these deficit-area farmers would not be permitted to vote, that he was in agreement with my position to permit these farmers to vote. If he has changed his position since then, I am surprised.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. SISK. I appreciate the gentleman's yielding. Of course, I am very strongly in support of the entire amendment. I will say this, that the main part of my support of the amendment has nothing particularly to do with whether they shall vote or shall not vote, but is to take care of a situation in a State like California where we are a very substantial deficit area. With reference to the eligibility of those people who will be affected by the vote, I am inclined to say that I think probably they should be entitled to vote. To that extent I do agree with the gentleman in what he says as to my original statement. But I am still very much in favor of the basic amendment. I do not think the matter of voting or not voting is the heart of this amendment.

Mr. LATTA. Mr. Chairman, I thank the gentleman for his contribution and for clarifying his position. I would like to say that my amendment would give these farmers in 37 States the right to vote on these programs.

I do not think it is a good idea as a matter of law for them to be made ineligible to vote.

Mr. COOLEY. Would the gentleman permit the farmers who will not be affected by the program to control those who will be affected by the program?

Mr. LATTA. I should like to ask the gentleman if he would change the word "affected" to say "be a part of the program" or "come into the program," because I disagree completely with him when he says these farmers will not be affected. Is that what the gentleman means?

Mr. COOLEY. No. I mean by that you could have the program so that certain farmers would be under control and certain farmers would be out from under it.

Mr. LATTA. Is the chairman trying to say that in these deficit areas, yet to be determined, some of the farmers will be permitted to vote? He is not telling the House that, is he?

Mr. COOLEY. No.

Mr. LATTA. Certainly not.

Mr. COOLEY. Only those who will be affected will have the right to vote.

Mr. LATTA. Will the gentleman agree with me that if these States, regardless of whether they be 36, 37, 38, or 40, are designated by the Secretary as deficit areas they will not be eligible to vote?

Mr. COOLEY. They should not vote. Those not under the program should not have the right to vote.

Mr. LATTA. I thank the gentleman for his contribution.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Kansas.

Mr. DOLE. If one farmer had quite an area and did not have quite enough feed grain, would that be called a deficit area?

Mr. LATTA. Not unless he is so designated by the Secretary of Agriculture.

Mr. DOLE. There is nothing in the bill to prevent this, is there?

Mr. LATTA. That is correct.

I hope that the House will concur in my amendment and give these farmers in deficit areas who will be affected by the program an opportunity to vote.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Minnesota.

Mr. NELSEN. Do I understand correctly that the further provision in the bill that if you have less than 40 acres and choose not to be in the program, you can vote only if you elect to become a part of the program?

Mr. LATTA. That is true.

Mr. NELSEN. Would it not be pretty much the same as saying to the people in my district, "You can vote, providing you vote for me?"

Mr. LATTA. It can be put that way.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, on yesterday I used this map and pointed out, or at least tried to advise the Committee, that this entire exemption was a complete phony, and it is. It is only in the bill to get votes for a bad bill. Thousands of small feed grain producers, all of whom feed every bushel they produce on the farm, will be limited, and strictly limited, under this bill in their production of corn, even corn for silage as well as corn for storage. No feed-grain farmers will be exempt. It is true under the so-called small farm exemption that those who produce less than 25 acres of feed grain may elect not to vote in the referendum, in which case they will be excluded from any cutback, but they will still be limited to their 1959–60 base in what they produce, no matter how small they are. Therefore, do not think you actually are getting an exemption. You are stuck with the base. How in the world can this be construed as an exemption? More than a million small farmers will not be exempt, they will be strictly limited.

Another thing, when you get the feed deficit exemption, the Secretary has to make four findings. The legislation is not clear as to what they have in mind. The Secretary will have to make four findings before he can exclude the so-called deficit areas. So do not think they are automatically going to get this exemption. The Secretary first must find a hardship. Now, what is a hardship? Does it apply to a State, does it apply to a county, does it apply to an individual farm? Is it hardship on one farm? Is there hardship on the adjoining farm? How can you possibly administer this kind of law?

Secondly, the Secretary must find an undue increase in prices. What is the criterion? What is he going to base his finding on?

Then he must find a disruption of normal farming. Now what in the world is that? And finally he must find his action will not impair the objective of the act. What a nebulous statement. What does this mean? Nothing is spelled out. So do not get the idea that you are going to get an exemption. First of all, you are stuck with the base. Do not forget that. Secondly, the Secretary has to make four findings of a very positive nature without any criterion how he is going to arrive at his conclusions before you even get the exemption.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Iowa.

Mr. KYL. In the case of North Carolina, in the year 1959–60, they produced a deficit of 470,000 tons of feed grains. Last year, they increased production enough to create a surplus of 208,000 tons. Would this mean under the provisions of this amendment or this section that the farmers of North Carolina would have to cut their production back 682,000 tons?

Mr. HOEVEN. At best they could not go over and above their base.

Mr. KYL. Which at that time would probably be illustrated by the 470,000-ton deficit.

Mr. HOEVEN. That is correct.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, referring to the statement made by the gentleman about North Carolina, I just want to point out you have used a figure of 280,000 tons for last year. That is not a correct figure. That is for 1960 and 1961—not 1962.

Mr. KYL. The gentleman did not hear the question I asked. Would your farmers in North Carolina have to cut back their production which was increased from this base year 1959–60 by 682,000 tons?

Mr. COOLEY. No. In North Carolina last year we had a deficit in feed grains, so evidently this figure is related to a different year.

Mr. KYL. Is not the base period the 1959–60 crop year?

Mr. COOLEY. It is the crop years 1959 and 1960.

Mr. KYL. If that is the case, then your production would have to be cut back to that figure.

Mr. COOLEY. Your figures relate to production and not acreage. Allotments under this bill are made on the basis of acreage.

Mr. KYL. But did it change the picture entirely?

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word. I shall only consume a minute or two.

It seems to me unreasonable to permit farmers throughout the whole Nation who happen to have a small base in feed grains to vote controls on the commercial grain producing areas and that is what this amendment will do. It would be no more absurd, it seems to me, to permit all the people in a particular State or all the people within the United States to vote controls on these farmers.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ANDERSEN of Minnesota. I think the chairman of the committee is very correct in what he says. I think it would be very unfair for the farmers in other States who are not faced with the problems that we are faced with to have the right to vote controls on other farmers. They really should not have a vote on this because it does not concern their farm operations.

Mr. COOLEY. That is the way I feel about it.

Mr. KORNEGAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I am glad to yield to the gentleman.

Mr. KORNEGAY. Mr. Chairman, I would like to ask the chairman of the committee if this amendment would permit a farmer who raised feed grains during the base period the right to vote in a referendum.

Mr. COOLEY. That is right.

Mr. KORNEGAY. Regardless of his acreage?

Mr. COOLEY. That is right, just so he had a base crop of any sort.

Mr. KORNEGAY. I am for the right to vote.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. I would be very much concerned if the mere fact that a State was a feed deficit area would entitle it to this special treatment because many of our normal farm economic practices have grown up in these relationships between feed surplus and feed deficit areas. I would like the chairman to assure me that the Secretary would have to find these conditions were present before he could apply this to a feed deficit State; that is, the exceptional hardship, the undue price increase in feed grains and the other conditions set forth.

Mr. COOLEY. The Secretary must make these findings before he can determine any particular area to be a feed deficit area.

Mr. O'HARA of Michigan. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment to the committee amendment.

The amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment.

The question was taken, and on a division (demanded by Mr. HOEVEN) there were—ayes 92, noes 62.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 60, line 2, beginning with the word "multiplied" strike out the remainder of the sentence through the period in line 7, and insert in lieu thereof: "multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support".

Mr. DOLE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE to the committee amendment: On page 60, line 2, strike everything after the comma through the word "crop" in line 7 and amend the committee amendment by striking the balance of line 7 and everything through the word "rates" on line 13 and insert the following: "multiplied, in the case of the 1963, 1964, and 1965 crops by 50 per centum of the higher of the estimated basic county support rate for wheat or the national average support rate for wheat."

The CHAIRMAN. Does the gentleman propose his amendment as a substitute for the committee amendment?

Mr. DOLE. Yes.

The CHAIRMAN. The gentleman from Kansas is recognized in support of his amendment.

Mr. DOLE. Mr. Chairman, I will state very briefly that this does incorporate the Harding amendment.

We have had a lot of talk about how this bill will maintain the farmers' income, but we can find very few figures that bear this out. What this substitute will do will be to eliminate the declining scale diversion payments as provided in the bill at this time. Under the bill the first year payment is 50 percent, then 40 percent, then 30 percent, then zero. My amendment makes it 50 percent of the higher of the basic county support rate for wheat or national average support rate for wheat which incorporates the language of the Harding amendment.

As I mentioned yesterday, I asked Mr. Freeman on three different occasions how the farmers' income would be affected under this bill. He said at one time that he was not certain. Another time he said that the farmers would receive more than $300 million in income, and a third time he stated that they were refining these figures.

They have been refined to the point where the farmer is not certain whether he will have any increased income or not. This amendment will maintain the farmer's income. He should not be diverting acres under a compulsory bill and without receiving satisfactory payments for them.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Minnesota.

Mr. QUIE. As I understand the gentleman's amendment, the farmer would receive 50-percent payments for each year rather than the process under the committee amendment?

Mr. DOLE. Yes. Under the committee amendment it is a declining scale, 50, 40, 30, and zero. This makes it 50 percent for these 3 years.

Mr. QUIE. I will support the gentleman's amendment because it has been pointed out that this legislation is supposed to increase the farmer's income, or at least hold it up. It has been stated that it will help bring the wheat farmers income under the law up to at least the present income we are operating under this year. He gets $2 a bushel for all he raises now. This wheat bill proposes paying him $2 on 85 percent of his production and $1.40 on the remainder. Then he would get paid 50 percent for his diversion of acreage the first year, 40 percent for the second year, and 30 percent the third year. It would completely wean him from any diversion payments after that. There is no way you can read in this bill anything but lower incomes to the wheat farmer and lower incomes for the feed grain farmer. This will be partially corrected by the amendment of the gentleman from Kansas.

Mr. DOLE. It may also wean him from operating a farm.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. Does the gentleman's amendment meet with the approval of the Kansas wheat growers?

Mr. DOLE. Yes.

Mr. BREEDING of Kansas. I want to join with the gentleman and support his amendment. I planned to offer the same amendment myself. I hope the Committee will accept. The Kansas Wheatgrowers Association is in favor of the amendment.

Mr. CLEM MILLER. Mr. Chairman, I rise in opposition to the substitute to the committee amendment.

Mr. Chairman, we are now witnessing our periodic slump in the poultry industry. I had planned to introduce an amendment to the bill, but the chairman of the Committee on Agriculture has stated that it would be inappropriate at this time because there have been no hearings of the committee on the subject and it has not been under discussion on it this year. I hope a bill which I introduced yesterday will receive the attention of the committee and hearings be held in the near future. Is that correct?

Mr. COOLEY. Just as soon as circumstances will permit, we will arrange to have hearings on the gentleman's bill.

Mr. CLEM MILLER. I thank the gentleman.

Mr. Chairman, I have offered a bill, H.R. 12224, which would provide authority under which a program to stabilize the price of table eggs might be developed. It provides for adding table eggs and laying chickens to the commodities for which marketing orders are authorized and further provides for additional authority under the Agricultural Marketing Agreement Act as would be necessary to develop an effective price stabilization program for eggs. This was developed by a representative group of egg producers serving on the National Advisory Committee on Egg Marketing appointed by the Department of Agriculture. This committee has made a recommendation to the Secretary of Agriculture for such legislation.

The need for legislation of this type stems from the gradually deteriorating egg price situation of recent years. Egg prices in the past few weeks have fallen to disastrously low levels, and these periods of egg price depression seem to be recurring with increasing frequency.

Some significant changes are occurring in egg production. The small family farm flock that used to provide the bulk of our egg supply is going out of the picture. Where 10 years ago small flocks provided over 60 percent of our total egg production, they now provide less than 40 percent. As these small flocks with 300 or 400 laying hens go out of production, they are being replaced by specialized egg factories with 100,000 or more hens in one operation. As egg production becomes more specialized in large units the supply of eggs is becoming less and less responsive to what is taking place in the market. The small flock which operated in conjunction with diversified farming operations could easily adjust to low egg prices. These farmers could reduce their egg output and switch to some other crop with little problem. But the specialized egg farm does not have this flexibility. It tends to respond to low egg prices by producing more instead of less in an effort to reduce costs and maintain income. Unless a program is developed under which egg supply may be geared to demand, the small producer, no matter how efficient, may be forced out of egg production.

Egg producers have indicated to me they favor the particular approach which this bill would provide in developing a price stabilization program for eggs. The production and marketing of eggs is a large and extremely diversified operation. It is very important that the provisions of any stabilization program developed deal equitably with each of the diverse interests involved. For this reason the marketing order approach, which has been used with such great success in California, has particular merit. It provides an opportunity for each and every interest involved to propose means of handling its particular problems and to testify at public hearings as to how any part or the whole of any proposed program might affect the varied segments of the commodity group. Last, but not least, when a program is developed it provides opportunity for all producers to vote in a referendum to decide whether a program should be put into effect or not.

Finally, I want to emphasize that this bill would not put a price stabilization program for eggs into effect. It would simply provide the authority for producers to develop such a program and to submit it to referendum. The particular authority contained in this bill would permit restrictions on the number of replacement chickens going into laying flocks and the operation of a stabilization fund to remove surplus eggs from the market or divert laying hens from production. These particular devices were recommended as the most feasible types of stabilization activity by the Department of Agriculture's advisory committee. I hope this bill will be given serious consideration and that egg producers will be enabled to avoid the types of problems which have occurred in other segments of the poultry industry in recent years.

I would like to say, as one vitally concerned with the continued health of the poultry industry that it is time that it gave continuing attention to its problems in relation to Congress. The present system of coming to Congress when a state of crisis exists, then disappearing as soon as the market goes up a few cents, is not satisfactory. Congress cannot work with the speed expected of it. Hearings, committee action, floor action, all take time. Effort and interest should be continued—fair weather as well as foul. After all, there is only permissive legislation, and need not be put into practice at once in any case.

Of course, there is a substantial part of the industry which wants no legislation, not even marketing order legislation. Why they do not, may be explainable, but it does little credit to them, it seems to me. It appears that they are unwilling to put the matter to the vote of the farmers. It means to me that they are afraid their views do not truly reflect the views of practicing farmers. We hear continually about democracy, the right to be heard, about self-determination and so on. It is difficult to accept the hostility of so-called farm representatives who are unwilling to put their views to the test of a farmer vote. As I say, this is permissive legislation. Poultrymen do not have to avail themselves of it at all if they do not wish to, and even if it is resorted to, they can reject it if they do not like the terms.

The argument is advanced that poultrymen should be left alone. I might say that is just what we propose—to permit them to proceed as they wish.

But there is another facet to this argument. Opponents of this type of legislation tell us that the crisis will pass, that the inefficient will be eliminated and the efficient will remain.

Whatever validity this may have had, there is a poultry crisis when it is no longer true and when the industry no longer exists as we know it.

Each crisis is going to eliminate the inefficient. These inefficient have been eliminated long ago. Each turn of the screw means a narrowing of the competition into larger and larger units with more and more irrelevancy to farmer efficiency and more irrelevancy to all agriculture.

This means that conditions of control and monopoly will most certainly prevail. I know that this observation causes an amused and tolerant denial, that everyone who is watching developments in the industry can see it happening. Other spokesmen merely shrug their shoulders and say that this is in the nature of things—that it is the wave of the future.

Since we are continually being told of dictatorial governmental practices in agriculture it escapes me why such dictation is any more superior when it is done by a few private parties. I think a good case can be made that it would be worse, because such dictational monopoly practices are more difficult to reach with corrective action.

In any case, this need not be the case. The farmers by their willingness and consent and a degree of constancy can assist Congress in granting the legislation that they need. I hope that they will do so on their own behalf. I would hope that even those who are skeptical of the effectiveness of marketing order would support such permissive legislation in the order that farmers may register their will in a vote.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the substitute for the committee amendment.

Mr. Chairman, it seems to me this amendment is rather inappropriate because it will add greatly to the cost of the program. I can easily understand how the author of the amendment is supporting the amendment and why our good friend from Kansas [Mr. Breeding] is supporting the amendment. But to change these figures to straight across the board for the 3 years would result in a substantial increase in the cost.

I hope that the committee here will stand by the Committee on Agriculture and reject the substitute now pending for the committee amendment, and adopt the committee amendment.

The CHAIRMAN. The question is on the substitute for the committee amendment.

The question was taken; and on a division (demanded by Mr. Dole) there were—ayes 40, noes 81.

So the substitute was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bass of Tennessee: On page 47, line 6, after the period insert the following new sentence:

"Whoever, being a warehouseman or other person, pays or receives any fee, commission, rebate, compensation, gift, or gratuity, or grants or receives any discount in connection with any sale, as an inducement for or acknowledgment of the storage of any agricultural product or commodity in any warehouse, shall be fined not more than $10,000 or imprisoned not more than ten years, or both."

Mr. BASS of Tennessee. Mr. Chairman, several amendments that have been discussed in the past 2 days have been referred to as the Estes amendments by various Members. Now, if you want to, you can literally refer to this one as the Billie Sol Estes amendment, because this amendment was inspired by information that was gathered by the subcommittee investigating the scandal in the grain storage operations of Billie Sol Estes. I am a member of that subcommittee.

Mr. Chairman, during the hearings on the Estes grain storage operations, it was pointed out by Mr. Mosely, who is director of the Dallas commodity office and has been for several years, that the people in the grain storage business operations in Texas would give the farmers the cost of storing the grain while it belonged to the farmers if they would put it in their warehouse so that it would become Government property and then they could collect from the Government.

Another scandalous and obnoxious operation was pointed out at the same time that will be stopped by this amendment. They not only gave kickbacks and other means of remuneration for putting the grain in storage, but they also did this: If, for example, grain was selling at $2.20 on the market but the support price was only $2.12, the grain elevator operator would pay the farmer the difference in the sale market price of the grain and the support price and maybe give him a premium of 2 or 3 cents a bushel in order for him to put it in the warehouse instead of selling it on the market. In that way the warehouseman then would collect a storage fee from the Government. These operations are outright subterfuge. It is a practice that should be stopped. It is against the law in many States. But, it is not against Federal law and it is not against State law in many States. I think it is high time, if we are going to have to continue storing some surplus commodities, that we should invoke penalties against people that are in this illicit business.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Is the gentleman's amendment limited to the person who offers the bribe or does it cover the person who accepts it as well?

Mr. BASS of Tennessee. It includes anyone who gives, receives, or accepts.

Mr. EDMONDSON. I think the gentleman has a good amendment.

Mr. BASS of Tennessee. The farmer or the warehouseman; one is just as guilty as the other.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. BASS of Tennessee. I yield to the gentleman from Kansas.

Mr. DOLE. Well, would this include Federal employees who receive gifts such as suits or shirts or alligator shoes?

Mr. BASS of Tennessee. I understand that there are laws already on the statute books that would include those. If you refer to gifts to Mr. McConnell, who was formerly connected with the Department, or Mr. Walter Burger, Assistant to Secretary of Agriculture Benson, and if they received any suits or any alligator shoes from Mr. Billie Sol Estes, they would be covered under the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. Bass].

The amendment was agreed to.

Mr. HOEVEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hoeven: Page 15, line 16, strike out lines 16 through 23, all of page 17 through 87 and lines 1 through 3 on page 88 and insert in lieu thereof the following:

"SUBTITLE A—FEED GRAINS

"Sec. 401. Paragraphs (3) and (4) of section 105(c) of the Agricultural Act of 1949 are amended by inserting after the words '1962' wherever they appear the words 'or 1963'.

"Sec. 402. Section 105(c) of the Agricultural Act of 1949 as amended by adding new subsections (5) (a) and (5) (b) as follows:

" '(5) (a) The Secretary is authorized and directed to make payment-in-kind to producers eligible for price support on the 1963 crop of corn, grain sorghums, and barley who elect to take such payments in lieu of price support. For each bushel of corn, grain sorghums, and barley that otherwise would be eligible for price support, payment-in-kind shall be the equivalent of the following:

| | *Cents per bushel* |
|---|---|
| For corn | 15 |
| For grain sorghums | 15 |
| For barley | 13' |

"Sec. 403. Section 16(d) of the Soil Conservation and Domestic Allotment Act, as amended, is amended as follows:

" '(a) In paragraph 1, insert after the words "1961" wherever they appear, "or 1962 in the case of the 1963 program", and insert after the words "1962" wherever they appear the words "or 1963".

" '(b) In paragraph 2, after the words 'June 30, 1962' insert the words "or June 30, 1963".'

"Sec. 404. Section 133 of the Agricultural Act of 1961 is amended as follows:

" '(a) Insert after the words "1962" the words "or 1963".

" '(b) Effective with the 1963 program in the first sentence immediately preceding the words "at such time" insert the words "at face value".

" '(c) Insert a new sentence at the end thereof which reads as follows:

" ' "The Commodity Credit Corporation in assisting the producers in the marketing of such certificates shall not dispose of feed grain at a price which is less than, or under terms and conditions other than, provided and required under section 407 of the Agricultural Act of 1949, as amended'."

"Sec. 405. Section 134 of the Agricultural Act of 1961 is amended by inserting after the words '1962' the words 'or 1963'.

"SUBTITLE B—WHEAT

"Sec. 411. Section 102 of the Agricultural Act of 1961, as amended, is amended by adding at the end thereof the following new subsection (d):

" '(d) In accordance with the provisions of this section, the Secretary of Agriculture shall appoint a Wheat Study Commission which shall, prior to January 1, 1963, study and make its recommendations to the Secretary and to Congress on the feasibility, the advantages and disadvantages of a permanent wheat program which treats the various classes of wheat (hard red winter, hard red spring, soft red winter, white and durum) under separate legislative and administrative provisions of law. The Wheat Study Commission membership shall include wheat producers, processors, and consumers, along with representatives of the major farm organizations and land grant colleges.'

"Sec. 412. The Agricultural Act of 1961, as amended, is further amended by adding at the end of Subtitle B of Title I of such Act the following new section 126:

" 'Sec. 126. Each and every provision of law applicable to the 1962 crop of wheat as set forth by Sections 121 through 125 of this Subtitle shall also be applicable to the 1963 crop of wheat.'

"SUBTITLE C—WHEAT AND FEED GRAIN DISPOSAL PROGRAM

"Sec. 421. This subtitle may be cited as the 'Wheat and Feed Grain Disposal Act of 1962.'

"Sec. 422. Notwithstanding any other provision of law, the Secretary shall formulate and carry out a surplus wheat and feed grain disposal program for each crop year beginning with the 1963 crop year for each of the following commodities: Wheat, corn, rye, barley, oats, and grain sorghums. Each such program shall afford producers, who agree not to plant that particular commodity, an opportunity to purchase from the Commodity Credit Corporation, at an attractive price, notwithstanding the provisions of section 407 of the Agricultural Act of 1949, as amended, the quantity of such commodity determined under section 404.

"*Contracts for purchase of commodity surpluses*

"Sec. 423. (a) Each contract entered into under this Act shall require the producer, as a condition for the opportunity to purchase the commodity to which it applies, to—

"(1) refrain from seeding any acreage on his farm to the production of the commodity to which the contract applies;

"(2) withdraw from all agricultural production (including grazing) a specifically designated portion of the tillable acreage on his farm equal to the average acreage on his farm seeded to the production of the commodity to which the contract applies during the three crop years preceding the 1963 crop year: *Provided*, That in the case of wheat (other than for farms on which wheat was produced under the farm marketing quota exemption established pursuant to item (7) of Public Law 74, 77th Congress, as amended, or the wheat for feed exemption established pursuant to section 335(f) of the Agricultural Adjustment Act of 1938, as amended) such average acreage shall not exceed the farm acreage allotment established pursuant to the Agricultural Adjustment Act of 1938, as amended;

"(3) devote to conserving crops, or allow to remain idle, an acreage of land on his farm which, after substracting therefrom the acreage designated under paragraph (2) under all contracts entered into under this title, is not less than the acreage which he normally devoted only to conserving uses or allowed to remain idle;

"(4) comply with such terms and conditions as the Secretary determines are necessary to effectuate the purposes of this title and to facilitate the practical administration of the wheat and feed grain disposal program;

"(5) comply with such terms and conditions as the Secretary determines are necessary to control rodents, insects, and weeds on the acreage diverted from wheat and feed grains;

"(6) forfeit all rights to benefits under the contract, and to refund to the United States all benefits (including sums derived from the sale of negotiable certificates) received under the contract if the Secretary determines that there has been a violation of the contract at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, except that section 107(d) of the Soil Bank Act, as amended, shall apply to the termination of any contract under this title; and

"(7) forfeit such benefits and make such refunds to the United States of such benefits (including sums derived from the sale of negotiable certificates) received by him under the contract, as the Secretary may deem appropriate.

"(b) In carrying out the wheat and feed grain disposal program with respect to a particular commodity, the Secretary shall not enter into contracts in any crop year which will require the Commodity Credit Corporation to sell a quantity of such commodity greater than 30 per centum, nor less than 20 per centum, of the average production of that commodity in the United States during the last three crop years: *Provided*, That the Secretary may place maximum limitations on the percentage of total cropland which may be retired under this program if he finds that such a program is having an unduly disruptive effect on the economies of counties and local communities.

"(c) A producer may enter into more than one contract in a crop year under this title. Each commodity shall be covered by a separate contract. All Commodity Credit Corporation stocks of the commodities referred to in section 422 shall be available for purchase under this title, except that the Commodity Credit Corporation shall reserve from such sales a quantity of each commodity equal to 10 per centum of the quantity thereof in stock at the beginning of the marketing year. In the event the stocks of a commodity are insufficient to permit all producers of such commodity who wish to do so to enter into a contract under this title with respect thereto, the Secretary shall provide by regulation for determining the producers to be given such contracts on a first come, first served basis.

*"Commodity purchasers*

"SEC. 424. (a) The Secretary shall afford each producer who has entered into a contract under this Act an opportunity to purchase, at a price sufficiently below the cost of production to obtain full participation, after consideration of grade, condition, and local marketing factors, a quantity of the commodity to which the contract applies equal to the quantity thereof the Secretary determines is the average annual production of such commodity on the producer's farm for the three crop years preceding the 1962 crop year.

"(b) Sales under this section shall be accomplished through the sale of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary in terms of the commodity to which the contract applies, upon presentation by the producer or by any assignee of the producer other than the Secretary, except that such certificates shall not be redeemed prior to the beginning of the normal harvesting season nor later than the end of the marketing year for the commodity. Agricultural commodities delivered in redemption of such certificates shall not be eligible for tender to the Commodity Credit Corporation under the price support program.

*"Certificate of claimant*

"SEC. 425. Sales shall be made to any producer for participating in the program established under this Act when the Secretary has ascertained that such producer has complied with the acreage reduction requirements of such program for such year. Sales authorized by this title may be made upon the certificate of the claimant, in such form, as the Secretary may prescribe, that he has complied with all requirements for such sale and that the statements and information contained in the application to purchase are correct and true, to the best of his knowledge and belief.

*"Utilization of local and State committees*

"SEC. 426. In administering this title in the continental United States and Hawaii, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

*"Utilization of land-use capability data*

"SEC. 427. In administering this title the Secretary shall utilize to the fullest practicable extent land-use capability data, including capability surveys as developed by the Soil Conservation Service.

*"Financing*

"SEC. 428. (a) The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this title: *Provided*, That the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this title unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this title. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, including such amounts as may be required to pay expenses of administration and to pay the Corporation for its actual cost incurred or to be incurred under this section.

*"Finality of determination*

"SEC. 429. The facts constituting the basis for any sale authorized to be made under this title, when officially determined in conformity with applicable regulations prescribed by the Secretary, shall not be final and conclusive and shall be reviewable by other officers or agencies of the Government. In case any producer who is entitled to any such sale dies, becomes incompetent, or disappears or is succeeded by another who renders or completes the required performance, the conditions of the sale shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

*"Protection of landlords, tenants, and sharecroppers*

"SEC. 430. In the administration of this title, the Secretary shall provide adequate safeguards to protect the interests of landlords, tenants, and sharecroppers, including provision for sharing, on a fair and equitable basis, in sales under this title, and including such provision as may be necessary to prevent tenants or sharecroppers from being forced off the farm. Applications to participate in any such program shall specify the basis on which the landlord, tenants, and sharecroppers are to share in such sales, and no contract under any such program shall be entered into unless such basis is approved by the county committee and incorporated into the contract. The standards prescribed by the Secretary for the guidance of county committees in determining whether any such basis shall be approved shall include the requirement that consideration be given to the respective contributions which would have been made by the landlord, tenants, and sharecroppers in the production of the crops which would have been produced on the acreage diverted from production under the contract and the basis on which they would have shared in such crops or the proceeds thereof.

"SEC. 431. (a) The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.

"(b) The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of this title and to facilitate the practicable administration of the program.

*"Regulations*

"SEC. 432. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

*"Definitions*

"SEC. 433. For the purposes of this title—

"(1) The term 'producer' means a person who produces a commodty referred to in section 422 for sale, for feed, or for seed.

"(2) The term 'corn' means field corn.

"(3) The term 'feed grain' means corn, rye, barley, oats, and grain sorghum.

"(4) The term 'tillable acres' means the acreage on the farm which has been devoted to the production of agricultural commodities during at least two of the preceding five years, but does not include any acreage withdrawn from production under programs authorized by the Soil Bank Act, as amended, the Soil Conservation and Domestic Allotment Act, as amended, the Act of March 22, 1961, as amended, the Agricultural Act of 1961, as amended, or Subtitles A and B of Title IV of the Agricultural Act of 1962.

"(5) The term 'Secretary' means the Secretary of Agriculture.

"SUBTITLE D—EXTENSION OF EXPIRING CONSERVATION RESERVE CONTRACTS

"SEC. 441. The Soil Bank Act, as amended, is as follows:

"(1) By adding to the end of section 107(b)(2) the following: 'Before extending contracts with producers as provided in section 109(a) of this Act, the Secretary shall review the rate of annual payment provided by such contracts. The rate of payment to be offered under any extended contract shall be determined in accordance with the considerations established in this section.'

"(2) Subsection (a) of section 109 is amended by adding to the end thereof the following: 'The Secretary is authorized further during the five-year period 1962–66 to extend contracts, other than contracts for the establishment of tree cover, entered into under the authority of this subsection for periods ending not less than three nor not more than ten years after the original termination dates of such contracts.'

"(3) Subsection (b) of section 109 is amended by inserting after the first comma the following: 'except as extended as provided in subsection (a) and'.

"(4) Paragraph (7) of subsection (a) of section 107 is amended by striking the last two words and inserting in lieu thereof: 'weeds, insects (including, but not limited to grasshoppers), and rodents'."

**Mr. HOEVEN** (interrupting reading of the amendment). Mr. Chairman, this is a rather lengthy and technical amendment. I ask unanimous consent that the amendment be considered as read.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. **POAGE.** Mr. Chairman, a parliamentary inquiry.

The **CHAIRMAN.** The gentleman will state it.

Mr. **POAGE.** Mr. Chairman, this amendment, as I understand it, is in the nature of a substitute for the entire section. Is it not correct that since it is a substitute the amendment will go over until we have perfected the titles, and that the gentleman's proposed substitute will then be subject to perfection itself and be voted upon, after completing the work on the titles of the bill?

The **CHAIRMAN.** The Chair will state that the gentleman is correct. If there are any perfecting amendments to this section, they will be disposed of before the amendment in the nature of the substitute is disposed of.

Mr. **HOEVEN.** Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, this substitute would strike title IV from the bill and substitute a voluntary feed grain program for 1 year, and the extension of the present wheat program for another year, with certain additions.

Here are the main provisions of the substitute: No. 1, it extends the present voluntary feed grain program for 1 more year, but makes these important changes: It prohibits the "dumping" of surplus feed grains back onto the domestic market, at less than 5 percent above the current support price, plus reasonable carrying charges.

We have heard a great deal of complaint about the operation of the present feed grain program with reference to the so-called dumping provision. The Secretary has been charged with indiscriminately dumping grain on the open market so as to depress prices. This substitute would tie the Secretary down and would prohibit CCC grain from being "dumped" at less than 5 percent above the current support price, plus reasonable carrying charges.

Another provision of the substitute would make payments-in-kind to participating feed grain farmers in lieu of price supports, thus preventing wholesale shuffling of the Commodity Credit Corporation inventory.

There is much sentiment for wider participation in a payment-in-kind program, but up to now it has not been used very much. It seems to me that it makes a lot of sense to get rid of some CCC grain through a payment-in-kind program rather than selling the same for cash. Furthermore, this extends the present wheat program for 1 more year. The substitute also provides for the appointment of a Wheat Study Commission to explore the feasibility, advantages and disadvantages of a new, permanent wheat program which would treat different classes of wheat under different legislative and administrative provisions.

Mr. Chairman, Members representing the wheat areas of the country have been in disagreement for a long time about a workable wheat program. A lot of this indecision has been due to the different varieties of wheat involved.

Under my substitute, the Secretary would make contracts with farmers on a voluntary, first-come, first-served basis for the retirement of all the annual production of wheat and feed grains on the farm in return for the opportunity to buy at attractive prices these surplus grains held by the Government.

Another important part of the substitute authorizes the Secretary to extend expiring conservation reserve contracts for periods of from 3 to 10 years beyond the scheduled termination dates, thus preventing millions of acres which are now retired from coming back into production.

I introduced a bill to extend these conservation reserve acres early in this session. If legislation of this kind is not enacted some 28.5 million acres will go back into production, further aggravating our surplus problem. The entire substitute, in the last analysis, will afford members of the committee an opportunity to vote for a voluntary program instead of the rigid control program provided for in title IV of H.R. 11222. I realize that many Members of the House who voted against the present feed grain program and the present wheat program, last year, may feel that it would appear inconsistent for them to now vote for this substitute. But may I point out to those who voted against the feed grain bill last year that at that time we were not confronted with the compulsory retirement of acres, the reimposition of marketing quotas, and the reimposition of acreage allotments.

In voting on my substitute you will have to determine whether you want to continue with the voluntary program, which has done some good in spite of its many shortcomings in preference to title IV of H.R. 11222, which will place the farmer under the strictest regimentation and control ever sought to be imposed on the feed grain farmers of this country. The determination is yours.

Mr. **FINDLEY.** Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. **FINDLEY.** Mr. Chairman, section C, if utilized constructively, would enable the Secretary of Agriculture to sell off our entire Government-owned grain stock in 2 years, except for a few varieties of wheat.

This would not only reduce the surplus stocks and the cost of storage; it would also reduce the field operations for people like Billie Sol Estes, because it would reduce the power of Government officials and the amount of property and money they control.

Turning to another phase of the bill, this legislation will, among other things, eliminate the farm mess created by existing programs and prevent future scandals such as those which have been exposed in the Billie Sol Estes investigation.

In fact, the measure would have just the opposite effect. The two-price wheat program embodied in this bill would create a nightmare for the grain trade generally and for exporters, millers, and other wheat processors in particular. Its provisions are virtually impossible of enforcement and, because of this, the two-price plan constitutes an open invitation to fraud and doubledealing that would dwarf the Estes manipulations. The honest operator will find himself unable to compete with the unscrupulous dealer who diverts the lower priced feed wheat into food channels. And the Government will find itself powerless, even with a vastly augmented Department of Agriculture police force, to detect and convict more than perhaps 1 violator in 10.

It is possible to obtain a preview of what is certain to happen under the two-price program by looking back at the events which followed the importation into the United States of some 40 million bushels of frost-damaged wheat from Canada in the late 1940's. This grain was brought in at a low price and under a low duty as "feed wheat." Some of it almost certainly moved undetected into domestic flour production. Most of it, however, was blended with domestically grown wheat and exported, under a heavy subsidy, as U.S. wheat. While it is true that some of the violators were subsequently caught, this incident emphasizes the temptation inherent in a plan which places wheat in circulation at two widely different prices and the difficulty of policing a program of this kind.

The shrunken, frost-damaged wheat which came into the United States as feed could easily be detected for what it was as it moved through the channels of trade. The wheat which would arbitrarily be classed as feed under the proposed legislation would have the same appearance and characteristics as the higher priced certificate wheat. In view of this, who can doubt that millions of bushels of feed wheat will wind up as food wheat? This program simply makes it too easy for the "fast buck" operators to cheat.

Moreover, the two-price plan is unfair in that it favors producers of some classes of wheat and discriminates against growers of other classes. Indiana and its neighboring States produce most of the Soft Red Winter wheat which is produced within the United States. This class of wheat is always in strong demand from domestic millers and importing countries. It is not in surplus. The annual carryover generally ranges from 10 to 30 million bushels. In fact, the Government itself deems this class of wheat to be in such short supply that it is excluded from sale under Public Law 480. The Soft Red wheat which goes into export is sold for dollars.

Now it is proposed, under the pending bill, to subject Soft Red Winter wheat growers—who have not built the wheat surplus—to the same 20 percent acreage cut which would be applied to the producers who have dumped a 1.3-billion-bushel wheat surplus into Uncle Sam's lap. Now it is further proposed that the Soft Red Winter wheat grower also be forced to market a fixed portion of his crop as low-priced feed wheat even though there is existing demand at home and abroad for this class of wheat as human food.

This injustice is so obvious that I frankly am amazed it should be put forward as a part of a package which its sponsors say is designed to solve the wheat problem. The two-price plan could conceivably make life easier, pleasanter and more prosperous for some of the big ranchers who operate wheat spreads of thousands of acres. At the same time, however, it represents a sharp blow to the pocketbooks and the freedom of tens of thousands of small- and middle-income farmers of the Midwest.

It is this group—the family-size farmers for whom the administration expresses such concern—which will get a second blow in the form of the feed grains section of the pending bill. Now, for the first time, producers of corn and other feed grains would be told how many acres of such crops they may plant. Throughout the Midwest there are countless thousands of independent producers who feed on their own farms all of the grain they can produce. In fact, there are many who are unable to produce enough for their own feeding needs even without acreage controls. They buy their additional requirements from other farmers or from commercial sources.

The effects of the proposed feed grain bill would be devastating upon the corn, hog, poultry, and dairy operations of this large group of farmers. By limiting feed production and supplies, the Government would, for all purposes, be telling these farmers how many eggs they could gather, how many broilers they could sell, how many cows they could milk and how many cattle and hogs they could feed.

The proposed bill, clearly, would reduce both the income and the future opportunities of virtually every farmer in the Corn Belt, the very heartland of American agriculture. Farmers themselves have not asked for this ill-conceived program which offers them only a choice between strangulation by Government controls or financial ruin by Government dumping of accumulated surpluses.

This measure, which is avowedly designed at least in part to prevent scandal, is a scandal in itself.

The **CHAIRMAN**. The time of the gentleman from Iowa [Mr. HOEVEN] has expired.

Mr. **MAHON**. Mr. Chairman, I offer an amendment.

Mr. **HOEVEN**. Mr. Chairman, a parliamentary inquiry.

The **CHAIRMAN**. The gentleman will state it.

Mr. **HOEVEN**. Is the amendment of the gentleman from Texas an amendment to my substitute?

Mr. **MAHON**. Mr. Chairman, no, it is not.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 22, line 15, after "less a reserve acreage of not to exceed" strike out "3" and insert "4".

Mr. **MAHON**. Mr. Chairman, I have been very much pleased to note the willingness of the Committee on Agriculture to consider perfecting amendments to this bill. If we go into a new farm program for feed grains, a number of adjustments will have to be made if we are to avoid undue hardship. We need a great deal of flexibility in the early years of any new program in order that the Secretary, the State committees, and the county committees and the farmers may work out arrangements which will make it possible for the program to be operated successfully.

My amendment simply provides that instead of a reserve of 3 percent we would establish a reserve of 4 percent, which would yield a larger reserve to the States and to the counties in order that the local committees could work out justice in connection with this matter.

Mr. **POAGE**. Mr. Chairman, will the gentleman yield?

Mr. **MAHON**. I yield to the gentleman from Texas.

Mr. **POAGE**. May I say to the gentleman I think he has made a good argument. I do not speak for the committee but, speaking for myself, I would be glad to accept the amendment.

Mr. **MAHON**. I thank the gentleman. I believe this amendment would give the program, if adopted, a better chance to operate successfully.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. **MAHON**. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 24, line 11, after "allotments", strike out the period and insert a colon and add the following: "*Provided*, That in establishing farm acreage allotments under this subdivision (C), the Secretary shall give special consideration to farms on which there were acreages of feed grains during 1961 and/or 1962."

Mr. **POAGE**. Mr. Chairman, if the gentleman will yield, I again, not speaking officially for the committee but speaking for myself, feel that the committee would gladly accept the gentleman's amendment, and I would accept it.

Mr. **MAHON**. I thank the gentleman from Texas. This amendment would provide that, in giving acreage allotments to new growers, plantings of feed grain in 1961 and 1962 would be given special consideration. I thank the gentleman for his acceptance of the amendment.

Mr. **NELSEN**. Mr. Chairman, will the gentleman yield?

Mr. **MAHON**. I yield to the gentleman from Minnesota.

Mr. **NELSEN**. I have an amendment at the desk which would have made the 5-year period prior to 1960 the base period on which to establish a base, because of the fact that in so many cases because of land rotation a very unfair base is established. The gentleman's amendment and mine would be a little bit conflicting, would they not, in the consideration of my amendment?

Mr. **MAHON**. This has nothing to do with the base period. This amendment would simply say that people who planted feed grains in 1961 and/or 1962 on old land or new land would be given special consideration in determining their allotment as new feed grain producers.

Mr. **NELSEN**. I thank the gentleman. I merely wanted to be sure that my amendment did not conflict with his. I will offer mine later.

Mr. **HAGEN** of California. If the gentleman will yield, is this the class B amendment?

Mr. **MAHON**. No.

Mr. **EDMONDSON**. Mr. Chairman, will the gentleman yield?

Mr. **MAHON**. I yield to the gentleman from Oklahoma.

Mr. **EDMONDSON**. I think this is a very desirable amendment, particularly in the light of recent trends in the Southwest. I certainly join the gentleman in his amendment.

Mr. **KYL**. Mr. Chairman, will the gentleman yield?

Mr. **MAHON**. I yield to the gentleman from Iowa.

Mr. **KYL**. Would this involve additional acreage to new producers? Since we have a national quota, does it remove it from existing producers?

Mr. **MAHON**. It certainly would not increase the national allotment. It would come out of the new grower reserve.

Mr. **KYL**. Where do we get the extra acres?

Mr. **MAHON**. This would be for new growers as provided in the language of the bill. Certain factors set forth in the bill must be taken into consideration in arriving at allotments for people who do not have a feed grain base—a history of production during the 1959 and 1960 base period.

Mr. **POAGE**. Mr. Chairman, will the gentleman yield?

Mr. **MAHON**. I yield to the gentleman from Texas.

Mr. **POAGE**. There are two reserves in this bill. One is the 1-percent reserve at the national level and one is the 4-percent reserve at the State level. It would be passed down to the county and this would come from the reserve.

Mr. **KYL**. And it would in no way come from the existing production?

Mr. **MAHON**. It would come from the reserve.

The **CHAIRMAN**. The time of the gentleman has expired.

Mr. **REIFEL**. Mr. Chairman, I move to strike out the last word and rise in support of the amendment offered by the ranking minority member of our Committee on Agriculture, the gentleman from Iowa [Mr. HOEVEN].

Mr. Chairman, let me preface my remarks by expressing a word of appreciation to the chairman, the vice chairman, the ranking minority member and the members of the Committee on Agriculture for their diligent work on the bill before us.

In our many weeks of work on this measure, I found each of them genuinely concerned not only with the special farming interests of their districts but also with the fate of agriculture as a whole. However, in a field so broad and complex, unfortunately there is room for broad disagreement.

With the exception of the section on feed grains, I supported in committee all the other features of H.R. 11222 as submitted to the House.

It was made clear in our Subcommittee on Wheat that while I supported the wheat section as it came out of that subcommittee, I could not in good conscience and on the advice of South Dakota wheat producers support that section if it should become later a part of the overall proposal carrying compulsory controls on feed grain production.

In South Dakota we are as dependent upon agriculture, or more so, than any State in the Union. Unlike Southern States, we are quite limited in the crops we can produce.

Our farmers have been forced more and more to turn to livestock. Over 70 percent of South Dakota's farm income is derived from that sector. Eighty-three percent of all farms in South Dakota, according to the 1959 Census of Agriculture, sold cattle and/or calves.

Thus far this vital segment of our economy has been free of Federal controls. But under the provisions of H.R. 11222, if enacted as it now stands, this freedom of the livestock producer would be in jeopardy. On page 19, beginning at line 20, the bill reads:

> The amount of the national marketing quota for feed grains for any marketing year shall be an amount of feed grains which, during such marketing year, the Secretary estimates (1) will be utilized in the United States in the production of the volume of livestock (including poultry) and livestock products determined to be needed to meet domestic consumption and export requirements.

By this language, if it prevails, the livestock industry would indirectly but actually be placed under management supplied by the Department of Agriculture from Washington.

Most of the corn raised in South Dakota is fed on the farm where it is raised. Yet under the provisions of this bill the South Dakota farmer could raise no more than 40 acres of corn or grain sorghums without controls and this is clearly inadequate to support the type of livestock operations on which we depend.

Further, many of the family farmers in my district will be unable to survive the mandatory cutbacks in acreage that would be required. Their feed grains acreages would be reduced because of the Secretary's authority to set the national marketing quota based in part on the amount of feed grains produced for livestock. And their feed costs would be increased.

Meanwhile, farmers in other areas of the Nation would be encouraged to step up feed grain production and livestock feeding because of their desire to escape controls by means of the 40-acre exclusion.

No longer would it be possible for livestock producers to remain free of controls. No longer would it be possible for the smaller family farmers of my State to adjust their operations as they see fit in their own best interests, as has been possible these past 2 years under the voluntary feed grain program.

Plainly, the bill before us is being tailored to woo the votes of reluctant Southern members. But in doing so, this administration is selling down the river the vital interests of the real breadbasket of this Nation—the great Midwest and especially the northern Great Plains.

In essence, this bill offers northern farmers present prices for fewer acres with serious danger to a fairly prosperous livestock sector. The power of decision would be shifted from the farmer to Washington bureaucrats.

For weeks now my mail has been running heavily against this proposal. In a 3-day visit to my district last week I talked to as many farmers as possible to get their views on this proposal. Only one expressed enthusiasm for this feed grains program.

Much has been made of the fact that the farmer himself, voting in referendum, can decide whether to accept these controls. I am inclined to the view which has been expressed here that the choice could be compared to letting him decide whether to shoot himself or cut his own throat.

The Secretary has pointed with pride to the reductions in wheat and feed grains production under the present voluntary programs. Satisfactory signups this year and continuing refinements in those programs indicate farmers accept them as probably the best that can be hoped for.

I think we ought to continue these programs in preference to the punitive, negative approach embodied in the bill before us. I support the Hoeven substitute and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. HARDING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Harding: Page 35, line 14, strike the words "multiplied by 50 per centum of the" strike lines 15 through 19 and insert in lieu thereof the following: "multiplied, (1) in the case of the 1963 crop, by 50 per centum of the higher of the estimated basic county support rate for feed grains or the national average support rate for feed grains, (2) in the case of the 1964 crop, by 40 per centum of the higher of such support rates, and (3) in the case of the 1965 crop, by 30 per centum of the higher of such support rates."

Mr. HARDING. Mr. Chairman, just a moment ago we adopted a committee amendment which applies the same provision to wheat that this amendment will apply to feed grains. It was merely an oversight that this amendment was not in the bill when it came from the committee.

Due to the great differences in price supports throughout the United States, in many cases we have areas where the county price support is substantially below the national price support. In many of these instances the market price is substantially above the county support rates. When we force the farmers in these areas to take land out of production, and base their diversion payment on the county support rate, we are doing them a hardship and an injustice. This amendment, which provides that their diversion payments would be based on the higher of the county support or the national support rate, will partially alleviate this discrimination. Therefore, I urge the committee to accept this amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. ABERNETHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Abernethy: On page 27, line 12, strike out "Small Farm Exemption" and insert in lieu thereof "Exemptions."
>
> On page 27, line 13, insert:
>
> "(1)" immediately after "Sec. 360f."
>
> On page 28, between lines 3 and 4, insert the following:
>
> "(2) Notwithstanding any other provision of this part, the Secretary shall, upon application made pursuant to regulations prescribed by him, exempt producers from the requirement of paying any penalty under section 360h with respect to any farm for any crop of feed grains on the following conditions:
>
> "(A) that none of such crop of feed grains is removed from such farm;
>
> "(B) that such entire crop of feed grains is used for seed on such farm or fed on such farm to livestock (including poultry) owned by any such producer, or by a subsequent owner or operator of such farm; and
>
> "(C) that such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing condition.
>
> "Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this part shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to feed grains in excess of the farm acreage allotment for the crop covered by an exemption hereunder shall be considered in determining any subsequent feed grain acreage allotment or marketing quota for such farm. No price support shall be made available on any feed grains produced on any such farm in any crop year for which an exemption is requested under the authority of this paragraph."
>
> On page 33, line 20, strike out the period after the word "section," insert in lieu thereof a comma and the following: "or (iii) the producers on such farm are exempted pursuant to paragraph (2) of section 360f."

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I would like to ask the gentleman from Mississippi if his amendment is identical with that offered in the Senate by Senator Eastland?

Mr. ABERNETHY. The gentleman is correct.

Mr. Chairman, it has been said that our committee and the administration have no desire to control the livestock industry. My amendment will assure that.

I know there is some sentiment here to defeat the whole bill. But we are just kidding ourselves. We might as well face up to the fact that sooner or later, sometime during this session, the House is going to pass a farm bill. The bill will undoubtedly go to conference. When the bill gets to conference the issue which is so controversial here today, control of feed grains, is going to be the issue in conference. So if we can improve this bill, and I feel we can, we ought to take our views to conference. This can be done by way of appropriate amendments to the bill.

The object of my amendment is to assure a free and untrammeled livestock industry in America. The livestock industry has provided the people of this country with the finest and most abundant quantity of meat of any country in the world. The same is true of pork, the same is true of milk, and the same is true of poultry.

This amendment simply says that any livestock farmer, including poultry and hogs, shall have the right and privilege of growing on his farm such quantity of feed grain as his herds and his flocks require. That is all it says. This is a fundamental right of every livestock farmer and poultryman in America.

Feed grain is simply an element of the meat industry. As I said yesterday, feed grain is just a segment of the chain that goes into the production of meat, poultry, and milk. The fence around the man's field or his pasture, is an element. You might as well suggest a control of the fencing if we are going to control livestock. You might even control the seed he plants or the tractors or the plows he uses in his field, insofar as a livestock farmer is concerned.

A dairy farmer down in my district called me the other day and said:

> I raise every pound of feed that is fed to my dairy herd. If the farm bill is going to pass, then I would like to know, because my feed will be cut back to the point that I cannot carry on my present operation. So I want to sell off one unit.

I do not know what he meant by a unit, but I understood fully that he would not be able to raise enough feed for his herds and therefore a portion would be disposed of.

This amendment simply permits that dairy farmer, the livestock farmer, and the poultryman to raise on his farm the quantity of grain necessary to produce the end result; namely, meat, beef, pork, milk, and poultry. That is all it does. It does not permit him to sell one single bushel of grain into the market. First, no grain shall be removed from the farm and, second, the entire crop of feed grains must be used either for seed or feed, on the farm. He cannot use it to feed somebody else's cattle, poultry, or hogs but only his own. And third, he must conduct this entire operation under regulations prescribed by the Secretary. This sets forth the three effective steps of my amendment.

**The CHAIRMAN.** The time of the gentleman from Mississippi has expired.

**Mr. SMITH of Virginia.** Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

**The CHAIRMAN.** Is there objection to the request of the gentleman from Virginia?

There was no objection.

**Mr. ABERNETHY.** I appreciate the indulgence of the Committee.

**Mr. JONES of Missouri.** Mr. Chairman, will the gentleman yield to clear up one point before you go on?

**Mr. ABERNETHY.** I will be happy to yield.

**Mr. JONES of Missouri.** In other words, there would not only be no controls, but the farmer could increase his production both of feed grains and also the number of livestock, dairy stock, poultry, and so forth, under your amendment?

**Mr. ABERNETHY.** Indeed, he can, and unless it is one of the objectives of this bill to control the livestock industry of this country, then he ought to be permitted to increase his herd; he ought to be permitted to increase the quantity of beef that he sells on the market, and he ought to be permitted to increase the quantity of poultry he sells and the quantity of eggs.

**Mr. AVERY.** Mr. Chairman, will the gentleman yield?

**Mr. ABERNETHY.** I yield to the gentleman from Kansas.

**Mr. AVERY.** Let me say, first, I am going to support the gentleman's amendment, but I would like to submit an academic question: Just how would this matter be policed? Would the compliance farmers be certificated so that they could sell their grain, or what would prohibit a farmer from raising more corn than he was going to feed and then hauling it off to market? Would you issue a marketing card?

**Mr. ABERNETHY.** No, sir, he would not get a marketing card. Under the control program we have today for cotton, wheat, tobacco, rice, and peanuts, each farmer is given a marketing card, and he cannot market one bushel or pound of those commodities unless he presents that card. It would be handled, policed, and administered, in almost the identical manner of present programs.

**Mr. WINSTEAD.** Mr. Chairman, will the gentleman yield?

**Mr. ABERNETHY.** I yield to the gentleman from Mississippi.

**Mr. WINSTEAD.** I wish to compliment the gentleman and wish to ask him this question: In my section, over the long run, many farmers have gone out of the cotton business and into the poultry business, the dairy business, so now if you are going to bar them, where are they going to go except to the welfare office?

**Mr. ABERNETHY.** I think the gentleman is right. You might as well reduce the number of barns, and the number of tractors, as I said a moment ago, the fencing and so on.

**Mr. HARRIS.** Mr. Chairman, will the gentleman yield?

**Mr. ABERNETHY.** I yield to the gentleman from Arkansas.

**Mr. HARRIS.** If I understand the gentleman correctly, it is this: Should a farmer produce for his own use and should he have a very good year and were to produce a surplus that he could not use on his farm, he could not market any part of it.

**Mr. ABERNETHY.** He cannot. He cannot move one single bushel into the market in competition with the man who is producing grain for cash.

**Mr. EDMONDSON.** Mr. Chairman, will the gentleman yield?

**Mr. ABERNETHY.** I yield to the gentleman from Oklahoma.

**Mr. EDMONDSON.** I would like to compliment the gentleman for his amendment, which I think goes to the heart of the future of the livestock and the dairy industry in the country. I am interested in the gentleman's analysis of what the effect of this particular amendment would be in regard to the feeder, to the man who does not run a cattle herd himself but who does buy a quantity of livestock and feeds for the market and moves them rapidly through his lots.

**Mr. ABERNETHY.** I do not say that this amendment will be of any benefit to him or will affect him one way or the other. He will continue to carry on his cattle operations as he has in the past. He buys cattle for the purpose of feeding and he buys the feed with which to feed them. He would or could continue to operate in the same fashion.

**Mr. EDMONDSON.** I thank the gentleman for his judgment on this matter.

**Mr. WHITENER.** Mr. Chairman, will the gentleman yield?

**Mr. ABERNETHY.** I yield to the gentleman from North Carolina.

**Mr. WHITENER.** I too wish to compliment the gentleman from Mississippi [Mr. ABERNETHY] upon this amendment, which I think goes to the heart of one of the most serious problems that would confront my section of the country if this bill is enacted, without the amendment of the gentleman.

Mr. Chairman, I have in my hand a letter written in behalf of 250 dairy producers in western North Carolina who say, in a resolution which they passed, that they strongly oppose that portion of the farm bill which prohibits dairymen and/or cattlemen from growing the necessary crops to feed the cattle on their farm.

**Mr. ABERNETHY.** This amendment meets the very objections set forth by these people.

**Mr. WHITENER.** If the gentleman will yield further. As I understand it, the gentleman's amendment would not authorize the production by these people for sale off the farm, but merely would provide that they could raise these commodities with which to feed their stock on their own premises?

**Mr. ABERNETHY.** That is correct.

**Mr. ANDERSEN of Minnesota.** Mr. Chairman, will the gentleman yield?

**The CHAIRMAN.** The time of the gentleman from Mississippi has again expired.

**Mr. ANDERSEN of Minnesota.** Mr. Chairman, I ask unanimous consent that the gentleman have 1 additional minute.

**The CHAIRMAN.** Is there objection to the request of the gentleman from Minnesota?

There was no objection.

**Mr. ANDERSEN of Minnesota.** Mr. Chairman, will the gentleman yield?

**Mr. ABERNETHY.** I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. The amendment which is offered by the gentleman from Mississippi would provide no support whatsoever to these people who take advantage of this provision?

Mr. ABERNETHY. They would not get one nickel from the Federal Government, nor could they place a bushel of that grain on the market, nor offer it for marketing purposes.

Mr. ANDERSEN of Minnesota. If the gentleman will yield further, the gentleman's amendment would increase the consumption of feed grain on the farm, would it not?

Mr. ABERNETHY. I would hope so; I do not know.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Maine.

Mr. McINTIRE. Would the gentleman from Mississippi tell me whether or not the gentleman's amendment takes the place of or would limit the authority of the Secretary in relation to these deficit feed areas? How does the gentleman's amendment coordinate with the deficit feed areas?

Mr. ABERNETHY. I do not know that there is any relationship between my amendment and the deficit areas amendment. Of course, any amendment to the bill is, naturally, going to affect to a certain degree other sections of the bill. But the object of the amendment is not particularly to benefit a deficit area or surplus area. The object of the amendment is to assure the livestock farmers, who raise their own grain, the privilege of carrying on a sound farming operation. That is all it proposes to do.

Mr. McINTIRE. If the gentleman will yield further, the gentleman considers poultry in the "livestock" category?

Mr. ABERNETHY. Yes, sir; it is included in my amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. TAYLOR. Mr. Chairman, I ask unanimous consent that the gentleman may have 1 additional minute.

Mr. POAGE. Mr. Chairman, I am not gong to object to the gentleman having 1 more minute, but the gentleman has had 13 minutes up to the present time. Yesterday the statement was made that we were not going to allow anyone to have more than 5 minutes. Certainly, I am not going to object to the gentleman having this additional minute, but I think we must serve notice, if we are going to finish this bill, that we have got to stop this matter of continual unlimited debate. The gentleman has had more time by far than any other Member has had on the amendments.

Mr. ABERNETHY. I say to the gentleman from Texas that the gentleman from Mississippi did not ask for the time.

Mr. POAGE. I know the gentleman did not, and I am not criticizing the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SHORT. Mr. Chairman, I object.

Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is time to commend the gentleman from Mississippi for offering this amendment. As he well knows, almost every livestock producer in America is in favor of this amendment. As one who is a livestock producer and who represents a livestock producing State, I would certainly have to be for the gentleman's amendment. However, I would like to ask the gentleman a question. This is the thing which concerns me. It is very apparent that there is a lot of support for the gentleman's amendment on the other side of the aisle. If the gentleman's amendment prevails, it looks as though there is not any question about this bill passing on the floor of the House. Could the gentleman give me any indication of his thoughts as to the possibility of his amendment prevailing in the event the bill goes to conference?

Mr. ABERNETHY. Well, I wish I could; but, of course, I cannot. I doubt that I would be one of the conferees. I cannot give the gentleman any assurance at all. I can only answer the gentleman in this way: Let us not kid ourselves. A bill, eventually, will go to conference. What are we going to do? Are we just going to take a stubborn position and say that we are going to kill this bill? Next week there will be another one back here; and there should be. Eventually a bill is going to conference. Since this is inevitable, then I would hope that the House bill contains our views, otherwise our day in court will be denied.

Mr. SHORT. Mr. Chairman, the gentleman knows that this same amendment was offered on the Senate side, on the Senate floor, and it was not adopted. That is the thing that concerns me if this bill goes to conference.

Mr. ABERNETHY. I will say this to the gentleman, that it had considerable strength over there. It failed by only a very narrow margin, 45 to 40.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Of course, this is the most important amendment that we have considered up to now; there is no question about that.

Mr. SHORT. I agree with that.

Mr. ALBERT. Mr. Chairman, let me ask the gentleman from North Dakota or the gentleman from Mississippi, is it not possible and probable, if this amendment passes with no limitation whatsoever, we will encourage an integrated type of agriculture and have chainstores in the livestock business against the interests of livestock producers of this country? It that not possible?

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield to me to answer that?

Mr. SHORT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I have heard it said by some that that would be the effect. But it must be borne in mind that the chainstore right now can go into the cattle business if it wants to. There is nothing to prevent them from doing so. And up to now some of them have done it. This does not deal with that issue at all. This is an entirely different matter. If someone wants to take care of that, he could offer an amendment to do so.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield, it would encourage a continuation of that, would it not?

Mr. ABERNETHY. I cannot agree with that view. If the gentleman has serious concern about that he can correct it by offering an appropriate amendment to my amendment. I just want to assure my farmers, most of whom are small operators, the right to grow enough feed grain to feed their own livestock and poultry.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Chairman, I would like to ask the gentleman if he has any idea what the attitude is of the chairman of his committee on his amendment and what he intends to do if he goes to conference with it. That is a very simple question and a very straightforward question.

Mr. ABERNETHY. Mr. Chairman, if the gentleman will yield to me, I should like to say this. I have served under my chairman for 18 years. I do not know of an instance where he has gone to conference with a bill that he has not attempted to persuade that conference to support the views of the House. I have not asked my chairman what he will do on these amendments, and I do not think I shall ask him. But I believe he will discharge his responsibility and attempt to support the views of this House.

Mr. ARENDS. Mr. Chairman, I should like to ask the gentleman from North Carolina his position on this amendment.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. SHORT] has expired.

Mr. JENNINGS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. JENNINGS. Mr. Chairman, as has been said, we are now down to the meat of this bill. We started out on the premise that we were going to go in one of two directions. We were either going to go the control route, in which case we would give the farmers of this country a support price, or we were going to go the freedom route, in which case we were going to get the Government out of the business. We were going to give the farmer the right in a referendum to determine which of these alternatives he wanted. Now we are right back where we started. We marched up the hill and now we are back down at the bottom.

Under this amendment, here is what is going to happen. I represent a livestock-producing area. I am a livestock producer myself. If this amendment passes, I am going to get a real good price for my feeder cattle for a year or two. Why? Because out in the feed belt of this country, the feed-grain farmer is going to come down into my section and he is going to buy those cattle at a high price. That is going to last for about 1 or 2 years. Two years from now we will be back on this floor, if this amendment passes, in the very same position, with the livestock industry, hogs, cattle, poultry, and what have you, as we are in today on feed grains and wheat. Why? Because instead of the feed-grain farmer having a market, as he has down in my section and elsewhere, for his feed to be fed to livestock, he is going to buy the livestock and try to feed them and market them; and we are going to have the largest glut of livestock on the market that we have ever seen.

It is going to be absolutely disastrous.

Let me tell you what the Department of Agriculture had to say about it. I think I can best read the letter.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. No, I cannot yield now but I will be glad to yield later, because I know the gentleman has a significant contribution to make.

This is what the Department says:

> There is one proposal which may be made in connection with H.R. 11222 to which the livestock industry should be alerted. This is an amendment providing that any feed grain producer would be exempt from acreage allotments if he feeds all the grain he produces.
>
> The livestock producers in the United States ought to be aware of the dangerous potential of such an amendment. This amendment says, in effect, to the thousands of farmers who sell all or most of their feed grain production—"You can avoid reducing your feed grain production by getting into the livestock business, or by increasing your livestock production so that you use all the grain produced on your farm." This amendment is an open invitation to sharply expanded livestock production and to chaos and low prices for the livestock industry.
>
> This proposal was described during the Senate debate as an effort to give the small farmers a chance to produce enough feed for their livestock. This is extremely deceptive. The fact is that such an amendment would benefit the larger farmers, and the integrated feed lot operations to the detriment of the small and family-sized livestock and grain farmers.
>
> The small farmer is far better protected by the provisions of this bill which permit planting up to his base acreage where it does not exceed 25 acres.

I am going to offer an amendment to increase that to 40 acres.

> It is on the larger farms where grain now sold for cash could easily be channeled to heavier livestock feeding. Those larger farms are primarily in the important grain producing areas.
>
> About half the corn produced each year is on farms which sell some corn.

Under this amendment you would not be able to sell any.

> On all those farms, there would be an almost irresistible temptation to begin "to feed it all at home." Therefore, existing livestock operations would be severely damaged, particularly those which depend on a supply of purchased feed.

This is an appealing amendment. If you knock this provision out, heed this, and heed what the Department says. The livestock producers agree with it, and I say that because I am one. This would be disastrous. I ask that this amendment be defeated.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Illinois.

Mr. ARENDS. I just want to say to the gentleman from Virginia I could not agree with him more. He has exactly stated what would happen. I would love to have the chairman get up here and say what his attitude is on this amendment.

Mr. JENNINGS. I do not have too much time, but I want to tell you about the situation. This was brought up in the other body. It was knocked out in the other body. We had it before our committee. It has been discussed.

It is not something new. But it is something that will be disastrous to the livestock producers.

Exactly what is going to happen down in my section, where we have grass-fed cattle? That is going to be shifted. You people from the South, the Southwest, and the Northwest, I will tell you what is going to happen to your livestock industry. It is going to be frozen right where it is, except it will decline after about 2 years because it will all shift out to the feed grain areas of this country. I will tell you now you are going to have a hard time explaining it. I want to say now in advance that I want no part of this particular amendment.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Arkansas.

Mr. GATHINGS. The gentleman is making a very fine argument. I agree with him wholeheartedly. As a matter of fact, cheap feed means cheap livestock.

Mr. JENNINGS. Absolutely, but as I pointed out in the colloquy with the gentleman from Texas the other day, the fact that cheap feed makes cheap livestock does not necessarily mean that the housewife is going to get cheaper meat. It has just been in reverse.

In the case of wheat, in the case of other surpluses on the market, the processor, the middleman, the hauler, and everyone else gets the benefit, but the farmer does not get it at one end and the housewife does not get the benefits at the other end.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman from Illinois asked about the attitude of the committee. Well, I cannot speak for the committee, I can only speak for myself, but I want the gentleman to know we are opposed to this amendment. This amendment would let anybody go out and lease up to 10,000 acres of land and plant it in corn, and if you could get the credit, bring cattle in and feed all the corn you could grow. I am for controls—this amendment has all of the burdens of controls without the benefits.

Mr. JENNINGS. The gentleman is exactly right. If we want to put everyone but the farmer in the livestock business, and many of them are there now, then pass this amendment. If that is the way we are going to go, then the farmers as we have known them in the past, will not be a group of rugged individualists, but they will be a group of ragged individuals.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Illinois.

Mr. ARENDS. I want to reiterate my support of the gentleman's position and I want to thank the gentleman from Texas for stating his position, but I am still waiting to hear the chairman of the committee state his position on the floor of the House.

Mr. JENNINGS. I will state to my colleagues, I have confidence just as the gentleman who offered his amendment has confidence in the chairman of our committee. When he goes to conference on this bill, he will try to uphold the hands and sustain the actions of the House of Representatives. His actions down through the years speak well for him and show that is just what he has done in the past. I just hope that the gentleman who has agreed with me will come out with some votes on his side of the aisle.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course, I am opposed to this amendment. I think everyone knows that about 75 percent of the feed grain goes to the market on the hoof, in the form of hogs, cattle, and poultry. If you adopt this amendment, you destroy all of our efforts to bring about an adjustment in the feed grain situation. This amendment was not pressed in the committee by the author who has served on the committee for many years, and it was not considered by the committee except collaterally.

I submit the adoption of this amendment will defeat the objectives of the legislation. When it comes to going to conference, of course, if this amendment is adopted, I can assure the House that I will do the best I can to protect the position of the House. I think most of you know that in our efforts on former occasions, we have always been very zealous in our efforts on the House Committee on Agriculture to protect the position of the House, even if on occasion I have differed with the position taken by my colleagues, as I differ with many of you now. But I urge you to vote against this amendment and vindicate the position of the House Committee on Agriculture. I am impressed with the soundness of the argument presented here in opposition to the amendment. A lot of people believe that cheap feed means profit for the livestock man. But those who know anything about the problem know just as the gentleman from Virginia [Mr. JENNINGS] said, that you might increase the profit of the livestock man during the current year, but you would have the house come tumbling down on him next year. So I urge that the amendment offered by my colleague, the gentleman from Mississippi, be defeated.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I personally regret very much to speak against an amendment offered by my very good friend, the gentleman from Mississippi.

Cheap feed means cheap livestock; I am firmly convinced that it cannot be otherwise. The more cheap feed you are going to make available the more grain farmers will be going into the livestock business. People not farmers and everybody else will be getting into the livestock business.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Virginia.

Mr. JENNINGS. I think the distinguished gentleman will agree with me that if we are going to make an exception for livestock we should make a like exception for dairying and the production of milk as well.

Mr. HOEVEN. There is no question about that.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. ABERNETHY. Does not the gentleman believe that the farmer ought to have the right to raise enough feed to feed his own hogs?

Mr. HOEVEN. I would say to the gentleman that personally I am heartily in accord with the gentleman's proposal. However, I like to be a realist. The adoption of this amendment, of course, would be beneficial to the feed grain farmers who feed grain produced on their own farms; and, to that extent, it is a worthwhile amendment.

Mr. ABERNETHY. If the gentleman will yield further, does not the gentleman feel that an exception should also be made in the bill to permit a man to raise some corn in his garden patch to feed to his family and children?

Mr. HOEVEN. I do not think much corn is fed to children. The gentleman who offered the amendment properly shows concern for the feed grain farmers. But what about the farmer who sells his corn for cash? I know in my enlarged congressional district 12 of the counties are in the feed grain area where they feed about 85 percent of corn on the farm, but some of my new counties are in the cash grain area, and I am just wondering why one area should be controlled and not the other. Why should there be this kind of discrimination?

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. BELCHER. The gentleman from Mississippi raised a very good point. If a man raised wheat on his own land he ought to have a right to feed his own livestock. By the same token what about his neighbor who had no livestock? And also why should a farmer be permitted to raise a thousand acres of corn and feed it all to livestock but not be allowed to raise one acre of wheat to feed to his chickens? I ask that because under this bill there is no exception whatever for wheat that is raised on the farm and fed on the farm. We have a 30-acre exception in the bill that passed 2 years ago. I see no reason why we should deny a man the right to raise an acre of wheat to feed to his chickens and yet allow him to raise a thousand acres of corn to feed to his hogs.

Mr. HOEVEN. A similar amendment was turned down in the other body. When this bill goes to conference, does any one really believe that this amendment is going to prevail in conference? I do not think so.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. JENNINGS. As I understand the amendment offered by the gentleman from Mississippi, a man who did not feed all of the grain that was raised on his farm could not get any price support and could not participate in any of the programs on the remainder; so, he would have to do one of two things: either cut back or feed it all.

Mr. HOEVEN. Exactly.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 20 minutes.

Mr. DENT. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I am trying to move along with the bill. I am not trying to close off debate. I ask unanimous consent that all debate on the pending amendment close in 30 minutes.

Mr. DENT. Mr. Chairman, reserving the right to object, I have a substitute for this amendment that has been offered, and I would like to have that come within the time limit.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SCHWENGEL. Mr. Chairman, I object.

Mr. DENT. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The Clerk read as follows:

Amendment offered by Mr. DENT as a substitute for the amendment offered by Mr. ABERNETHY: Amend page 27, section 360F, line 15. Strike out all after the word "with" and all of lines 16–25 inclusive on page 27, and all of lines 1, 2, 3 on page 28 and insert in lieu thereof after the word "with" on line 15, the following:

"A total farm acreage of four hundred acres or less of which not more than 50 per centum is devoted to the production of feed grains: 90 per centum of said production to be consumed on the farm premise as feed for livestock; 10 per centum shall be allowable for marketable feed grain. Any farm having over four hundred acres shall be allowed not more than a maximum of two hundred acres production of feed grain as an exemption from the market quota. If not less than 90 per centum shall be used as feed on the premises, the farm marketing quota shall be applied to all production of 50 per centum of the total acreage of the farm or two hundred acres whichever is appreciable under the above formula."

Mr. DENT. Mr. Chairman, all of us agree with the principle involved in the amendment offered by the gentleman from Mississippi. We can also see the basic logic in the argument offered by the gentleman from Virginia. I know the dangers involved in a wide open situation being allowed in connection with rental of farms, the leasing of farm property, or the acquisition of farm property, with no limitation whatsoever on the growing of feed grains and the fattening or feeding of cattle, poultry, and other livestock.

However, this amendment I have offered goes to the root of the small farm problem, and it is offered to that section of the bill dealing with small farm exemptions.

Anyone in this room who has had experience with city life itself and the farm community surrounding city life knows full well that the farmers feed the smaller urban communities in States like Pennsylvania, Ohio—in other words, the eastern seaboard.

All we are asking in this particular amendment is that we set aside for the family farm unit, particularly in the States such as mine. There are 57,000 family farms affected by the legislation. They will be over the 25-acre allotment. They will not be helped by the 40-acre allotment simply because we are using the base of 1959–60. If you will look at the chart, you will see Pennsylvania increased its production to meet its deficit of 1,877,000 tons of feed grain, and reduced that to 417,000 tons of feed grain in 1960–61.

This bill would put every farmer in Pennsylvania who uses his own feed for his own purposes in the position of buying 40 percent of his requirements just to meet his own production as it was in 1960–61.

The serious situation is that we are saying to the 57,000 farmers in the State of Pennsylvania and in all of the eastern seaboard States that their economy must be put at the stagnation point of 1958, 1959, and 1960; that they cannot go beyond that, because the formula absolutely rules out any addition to whatever acreage they may have been using in those years, even if it was only 15 acres, 12 acres, 9 acres, 25 acres, or anywhere up to the newly proposed 40 acres. We are not asking for defeat of the legislation. I believe some legislation is necessary. Of all of the elements of industry in our economy in the United States, farm legislation is a must and a necessity, whether we like it or not. It does not hit to the bottom of socialism or anything of that kind. It is intended to protect the farmer in his ability to compete in the economic market of an industrial society. So, therefore, the legislation is essential; it is needed; it is required. Let us make it work by giving the farmer who consumes 90 percent of his production, when not more than 50 percent of his acreage up to a 400-acre family farm is used to grow feed grains, this opportunity. He has, yes, a 10 percent allowance of his production for the cash market, but anybody that knows anything about farming knows that if he is raising cattle, he must have some salt. So, at least allow him 10 percent for the cash product to buy the salt for his cattle. That is the only thing I am asking in this substitute to the amendment offered by the gentleman from Mississippi.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I do not see any analogy at all between the amendment which the gentleman has offered and the amendment which I offered. They are unrelated.

Mr. DENT. Your amendment strikes out the small farm exemption in this act.

Mr. ABERNETHY. No; it does not.

Mr. DENT. You strike it all out and insert in lieu thereof your amendment.

Mr. ABERNETHY. No. The gentleman misinterprets the amendment. My amendment leaves in the small farmer amendment and sets up a second exemption. It does not strike anything.

Mr. DENT. It exempts all farmers so long as they feed all of the feed grains they grow to their own stock.

Mr. ABERNETHY. It does not strike out the small farm exemption at all.

Mr. DENT. It adds to. Let us put it that way.

All I am doing is protecting the very thing that the gentleman from Virginia covered.

Mr. QUIE. Mr. Chairman, I rise in support of the Abernethy amendment, because as long as we are putting loopholes in this law, I think there is one basic thing in this country, that if a person does raise livestock on his farm, he should not be prohibited from raising the grain on his farm for that livestock if he has enough acres for it.

As Senator Eastland mentioned in the other body:

> I submit that before Mr. Khrushchev takes over, we should get back to some of the fundamentals upon which this country was founded. A man owns his soil to derive the fruits thereof. Suppose he owns a farm and has invested thousands of dollars on tractors and other farm equipment with which to raise grain to feed his livestock. There cannot be any reason why he may not grow on his own property the necessary grain to feed his own livestock.

I too think it basic Americanism to permit a farmer to produce for the needs of his livestock if he wishes. Whether it will ruin the program now being proposed, which I am opposed to, I have little regard for it for the feed grain section of this bill is wrong. I think this is something, if we are going to have it, we ought to have the gentleman from Mississippi's amendment adopted.

Mr. ABERNETHY. First I would like to express my thanks for the support of the amendment of the gentleman from Minnesota [Mr. Quie] who comes from a great corn-producing State.

Mr. Chairman, it has been asserted time and time again on this floor during the debate that 85 percent of the grain is either used on the farm where grown or in the area where grown. It has also been said that 75 percent of the grain is fed on the farm to the farmers' own livestock, which means that these farmers who are feeding their cattle with their own grain are not selling any corn.

Mr. Chairman, all I am trying to do is to preserve the status of the independent American cattleman, poultryman and the hog raisers of this country.

The CHAIRMAN. The gentleman from Missouri [Mr. Jones] is recognized.

Mr. JONES of Missouri. Mr. Chairman, I think this amendment of the gentleman from Mississippi [Mr. Abernethy] would be fine if he would just put one other limitation on it. I am in favor of the farmer growing everything he wants to grow on his farm, if he feeds it to his stock, so long as he keeps the stock on the farm. If he will do that, we can agree with the amendment. That would take away many of our original misapprehensions. If you want to save yourself on the farm, let us do that.

Mr. ABERNETHY. Mr. Chairman, if the gentleman will yield, I do not understand the gentleman.

Mr. JONES of Missouri. We are going to let you grow all the feed you want to as long as you feed it to your own stock and then consume that meat and dairy and poultry production on the farm.

Mr. ABERNETHY. I doubt that I could eat that much.

Mr. JONES of Missouri. I do not think the gentleman could either.

Mr. ABERNETHY. But that would be better than what we have got here, I will tell the gentleman that.

Mr. JONES of Missouri. In other words, there should be a reason for having a farm program.

Mr. Chairman, I am going to read just one little paragraph from a fine editorial which appeared in my hometown newspaper, the daily Dunklin Democrat, of Kennett, Mo.

It says:

> American agriculture has produced more than the market will take, and it will continue to do so as far ahead as anyone can see. Domestic consumption expands only with population growth. Our production potential is growing faster than our population.

Mr. Chairman, that is the only reason we have any justification for having a farm program. If you are going to transfer the production of livestock and the feeders and the dairy products onto these individual farms, you are going to destroy the very economy that we have built up.

Now, what we are trying to do here is to try to adjust our production to our consumption. I think that the committee has gone about it in a very good way. We are beginning to reach that end. But every fellow has the idea if he can adjust this thing to his own individual situation, it will be a perfect bill.

Mr. Chairman, I recall last year, when we were talking about the poultry marketing agreements, a friend of mine who had always been a free-enterprise man, who had opposed every kind of control—he was a broiler producer, and he was producing 800,000 broilers a year—told me quite frankly this: He said: "Just let me alone and I am going to freeze out these little guys." It was less than a week after we had passed the farm bill, in which the conference committee had killed the poultry marketing agreement section, when he called me up at 11 o'clock one night. He said: "Paul, I want to change my idea about my being a big producer." He said: "I thought with my 800,000 broilers I was big, and I could freeze out the small guy. But," he said, "I am a small potato in this industry today." He said: "You are going to have to do something for us small men."

Mr. Chairman, 800,000 chickens is a pretty good operation in my section of the country. He was one of the largest producers there. However, he was just a small pebble in a big pond when he got away from home. That is the same thing you are going to do with this situation as it pertains to feed grains if you adopt this Abernethy amendment, or the amendment which has been offered by the gentleman from Pennsylvania [Mr. Dent]. I think the objection to the amendment of the gentleman from Pennsylvania is this: When you limit the number of acres, no 2 acres anywhere in the United States is going to produce the same amount. That is not the criteria which should be used. We have farmland producing some grain which can be bought for $50 an acre. However, some such land will run as high as $1,400 an acre.

Mr. Chairman, I think if we are going to have any kind of farm program, we will have to defeat the amendment which has been offered by the gentleman from Mississippi [Mr. Abernethy]. I want to mention this for the benefit of these farmers who come from areas such as I do where we produce cotton and other supported crops. If we want to maintain a farm program, we are going to have to get our house in order. If we are going to accept Government payments, we are going to have to make a contribution. The only contribution any farmer can make toward this objective in order to justify his support payment is to make an effort to get a production adjustment. That is what we are striving for in the bill now before us.

Mr. Chairman, the Abernethy amendment would destroy that very philosophy and we might as well throw all your farm legislation out and say "Let us all go it whole hog or none."

I guarantee that if you do not continue to have a farm program you are going to see the greatest depression this country has ever known, including the one in 1930. I do not want that to happen. That is why I am supporting the committee bill as it is, and I should hope with as few amendments as possible.

In connection with the above statement, I am including herewith copy of the entire editorial from the daily Dunklin Democrat, referred to above:

### SEVEN POINTS FOR AGRICULTURE

> The American public, 92 percent of whom do not live on farms, has been treated to a highly emotional debate on farm policy in recent weeks in connection with the administration's Food and Agricultural Act of 1962. In this debate fact and reason are being answered by wild and reckless statements which have little bearing on the problems the American people must solve in the near future.
>
> When facts are lost in wild flights of fantasy, neither the farmers nor the general public can appraise the real situation of

agriculture. When this happens, Congress and the people may react by washing their hands of the whole business.

For instance, an article published in a magazine of national circulation by a prejudiced author causes readers of the article to become confused. However biased and untrue such an article may be, many uninformed yet interested persons accept the contents of these articles as true facts.

The tragedy of this could be that our democracy is impotent and unable to exercise its concern for human values—the human element of public policy can be driven out by reckless, irresponsible actions and words. Yet this concern for human values is one of the unique characteristics of democracy which sets it apart and above any other political system.

The debate on the farm bill and farm policy must recognize the basic facts of the current situation in American agriculture:

1. Farm income has been at extremely low levels in relation to income of nonfarm people, and in relation to the cost of products the farmers must purchase. Many farm families on small farms have been badly hurt. But many full-time farmers have also had extremely low incomes.

2. The economies of many small towns and cities such as are located in southeast Missouri and northeast Arkansas are dependent on a prosperous agriculture, an agriculture composed of several million efficient family units. Yet to keep these farm families on the farm, rural education and opportunities need to be as good as they are in the larger towns.

3. A return to a "no program" agriculture, which some seem to prefer, would put farmers through a most serious agricultural depression. An abandonment of farm programs would result in farm prices and incomes at disastrous levels where they would remain for a long time. Many more farm families would leave the farms and seek employment on the labor market. Most economists are convinced that the depression of the 1930's was brought about because of the extremely low agricultural prices throughout the world, and some predict a future depression if low farm income continues in this country.

4. The technological revolution in American agriculture is real, and it looks like it will continue. There is no stopping it. Output of farm commodities is expanding at an unprecedented rate. Farm problems can get worse.

5. American agriculture has produced more than the market will take and it will continue to do so, as far ahead as anyone can see. Domestic consumption expands only with population growth and our production potential is growing faster than our population.

6. Our complex American agriculture, made up of some 3.7 million production units scattered over the entire Nation, has not been able to make the desired adjustments which would keep supplies anywhere near demand. However, it has been proven that low farm prices do not assure lower total farm output. In fact, it works in just the opposite direction because of the producer need for dollars to meet fixed overhead and operating costs. Farming is a way of life and many are tied to the land by a long heritage, not simply by dollars and cents. Farmers increase their output, despite lower prices, in an effort to stay on the land. Many farmers are still on the land because of increased land values, which give them a greater borrowing capacity.

7. Most farmers recognize the public cannot continue to make large Government expenditures to acquire large stocks of surplus commodities that will go unused, and indeed are expensive to store. It is, therefore, in the public interest to reduce the Government cost of supporting farm prices. This can be done only by reducing the cost of acquiring, storing and handling surplus production of commodities. Supply management would eventually solve this problem.

It would seem that farmers must seek a balance between what they can produce and what the rest of the Nation can use. This balance would avoid the waste of soil fertility and waste of the farmers' expensive efforts, and this balance would also make it possible for efficient family farmers to earn incomes comparable to those earned in nonfarm occupations.

Most Americans approve of conservation and the wise use of our land and water resources and the adjustment of their use to the conditions of today and the potential needs of the future. This is also in the public interest, as it insures abundance for our children as well as ourselves.

We all have a responsibility in correcting the present ills of American agriculture, just as a democracy has a responsibility to help its citizen farmers by enacting legislation that will allow them to manage their industry.

The human element of the farm problem cannot be lost in the flood of irresponsible words and action, or as a democracy we will be throwing away the very thing which has made our Nation stand strong and fast.

The administration's Food and Agriculture Act of 1962 will help the farmer stay on the land and in his community, not out of charity and sympathy, but out of recognition that national legislation is needed to solve his problem. In so doing we will strengthen our whole economy and our whole Nation.

The administration's bill, despite all that has been written against it, will attempt to curb production while at the same time protect and improve the income of the farmer. It may not be a perfect bill, but it comes closer to an improvement in American agriculture than any measure yet devised.

It should be passed by the House of Representatives.

It should have the support of the Nation.

It deserves both.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SCHWENGEL. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. SCHWENGEL. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. Roosevelt].

Mr. ROOSEVELT. Mr. Chairman, I think the Committee on Agriculture, and particularly the gentleman from Texas [Mr. Poage] will agree that there is evidence before his committee today that the great chainstores of the country are already getting into the business of integrating the livestock business of this country. They are in the dairy business too.

If we adopt this amendment, I submit that every chainstore will go out and buy up every feed lot available and will get into the business of raising feed grains across the country. You will have an integrated system of food supply owned by the chainstores from the cattle until the housewife buys it. Therefore, speaking simply as an urban Representative, nonagricultural expert, I hope this amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. Sikes].

Mr. SIKES. Mr. Chairman, I support the Abernethy amendment. I try to be a realist. The number of farmers in my district declined steadily for years because they couldn't make a living. For years we in the South were dependent primarily on cotton, peanuts, and tobacco for cash crops. Under the system of strict acreage controls which has been in effect for years, our allotments have dwindled to the point that many farmers have been driven from the land. Some farmers were able to convert to other crops to supplement their income. They turned to grain and livestock production. In many cases these have become the farmer's principal sources of income. We still are a grain deficit area, but as the result of this change from cotton, peanuts, or tobacco, the farm situation has been improving.

I think it is clear that the feed provisions which now are a part of this legislation will arbitrarily close the door for a livelihood which has been opened to many farmers. They would find themselves faced with a new set of controls, new limitations, and the additional hazard of cross compliance to jeopardize their dependence upon other crops.

Mr. Chairman, I would be extremely reluctant to say to the American farmer: "You cannot even grow grain on your own farm to feed your own livestock." I know some controls are necessary. But I do not see this invasion of fundamental rights, as carried in this bill, as necessary. I know it is not desirable. In this we are going a long way from the freedoms of which we have so long been proud.

The amendment of the distinguished gentleman from Mississippi is one of the most important improvements which has been suggested to this bill. I hope that it carries. The livestock farmer has contributed but little to the grain surplus problem. Farmers nationwide should not now be penalized out of the opportunity for a livelihood which grain and livestock production affords them. This is what the bill may do unless the Abernethy amendment is adopted.

The importance of the amendment is not limited to any one area. It is a preservation of right which should be guaranteed to every American.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. Jonas].

Mr. JONAS. Mr. Chairman, members of the House Committee on Agriculture are badly split on this legislation. Indeed, I understand the bill was voted out of committee by a margin of only one vote. Since I do not have the privilege of serving on the Committee on Agriculture, and therefore did not have an opportunity to sit through the hearings and listen to the testimony on the bill, I confess that I am about as mixed up in my feelings concerning this legislation as was the committee itself. And this confusion increases as the debate progresses.

Members of the House Committee on Agriculture, for whose judgment I have profound respect, have stood on this floor and stated during the debate that failure to enact this legislation will be a calamity to agriculture. Of course anything that is calamitous for agriculture will be contrary to the country's best long-range interest. But other members of the committee, for whose opinions I have equally profound respect, have stood on this floor and stated during the debate that this bill will ruin the farmer and that it gives him only a choice between complete regimentation and ruin, and therefore its enactment would be a calamity to agriculture. I have already acknowledged that I believe anything that is calamitous for agriculture will not be to the best interest of the country as a whole.

I received one of those famous June 19 letters that Secretary Freeman wrote to a selected number of Congressmen. In his letter the Secretary became almost poetic in extolling the merits of this bill. He stated categorically, as if there were no room for debate and only one side to the question, that the bill will solve the farmer's problems, save the taxpayers money, make rural America prosperous, and at the same time keep costs low for the consumer. Of course I heard those same arguments by the proponents of farm legislation almost every year since I have been here. But no one has been so eloquent and so categoric in his claims as the Secretary was in his letter to me. The clear implication from his letter was that disaster would result unless the House approved the bill as it came from the Committee on Agriculture.

But now lo and behold, the chairman of that committee, my distinguished colleague and friend from North Carolina [Mr. Cooley], on yesterday, stated that the committee was prepared to accept a number of amendments, and the Committee of the Whole House on the State of the Union has already today accepted many amendments which have made material changes in the bill as reported by the committeee. This certainly gives me the right to question whether the bill was as perfect when it was reported by the committee as it was represented to be by Secretary Freeman and other administration spokesmen.

So with all of the contradictory statements and allegations about this bill by people who are experts in the field of farm legislation, the issue becomes more confusing as the debate continues. I have about concluded that the bill should be recommitted to the committee for further study, following which a clean bill can be reported in order that those of us who do not serve on the Committee on Agriculture may have an opportunity to know all that is in the revised bill and a chance to study the provisions that have been adopted since the debate began.

One thing this debate has clearly shown, and that is that there is no universal opinion on what is in the best interest of all of the people in our country. What seems desirable for one section of the country seems unfair to another. This leads me to raise the question whether farm legislation can be enacted that will deal fairly with all people engaged in farming activities and at the same time deal fairly with other American citizens who process and sell farm products and to the other millions who consume them.

Out of all of this confusion, two things are clear. The Government of the United States has been trying for years, through control legislation, to reduce the accumulation of agricultural surpluses. The Government of the Soviet Union has been trying for years, through legislation and decree, to increase the production of agricultural products. Both governments have failed in these efforts. These two facts lead to me question whether it would not be advisable for governments to stay out of the business of trying to control agriculture.

The Abernethy amendment would extend freedom and moves in the direction of eliminating controls. For these reasons it will receive my support.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Marshall].

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota [Mr. Marshall] may have the time allotted to me.

Mr. MASON. Mr. Chairman, I object to any of this giving of time.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the pending amendments. I do not wish to create chaos in the livestock industry.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. Taylor].

Mr. TAYLOR. Mr. Chairman, I would like to commend the gentleman from Mississippi for presenting this amendment. I agree with the statement that this is the most important amendment that has been presented on this bill. It is very vital and important to America's livestock industry and it is important to the livestock industry in my home district. I might state that silage is our main product, and it is all used at home to feed livestock on the farm.

I have at the desk an amendment which would exempt silage from the provisions of this bill without restricting it to the 1959-60 base. If this amendment offered by the gentleman from Mississippi is adopted, then my amendment will not have to be presented.

I should like to ask the gentleman from Mississippi one question. Under your amendment, is it not correct that a farmer can raise as much silage on his own farm as he needs to feed his own stock?

Mr. ABERNETHY. That is correct. I am supporting this amendment because I cannot go home and tell my livestock producers that they cannot produce enough feed on their own farms to provide for the needs of their own livestock.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. Beermann].

Mr. BEERMANN. Mr. Chairman, in 1943 while I was serving in the Armed Forces in Africa—later in Europe—my father passed away. At that time our farm was operated under a court order. My father left our farm to mother's life estate. When my mother passed away we again operated this farm under a court order. My father had always said, "Never break up this farm." You cannot farm the type of ground that we farm without some heavy equipment and it is very difficult to farm 150 or 200 acres in our part of Dakota County, Nebr., individually. So we kept our farm together. In years that we do not raise enough feed on our farm, we buy from our neighbors. In other years when we raise too much, we sell to our neighbors. I want to say to you, if you pass this farm bill as it is, or even with the amendments which will come back from the Senate and House conferees, every farm in the United States will be operating under a court order; and I am completely against it.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Harsha].

Mr. HARSHA. Mr. Chairman, the livestock industry plays an important role in the economy of my district. Certainly, I do not wish to take any action here which would jeopardize that industry or the farmers so engaged in that industry. But while I have the greatest respect for my friend, the gentleman from Mississippi, and I can see considerable merit in his amendment, I also can see considerable merit in the arguments of my friend, the gentleman from Virginia. I would like to take this time to ask the gentleman from Mississippi if he would accept a limitation to his amendment so that everybody—the doctors, the lawyers, the dentists, and so forth could not get into the livestock business, if his amendment is adopted. Would the gentleman entertain a limitation in his amendment limiting this to farmers, livestock farmers who have a history, or who have been engaged in the livestock business for several years?

Mr. ABERNETHY. This amendment of mine does not encourage any professional men to get into the business any more than they could come into it now. All I am trying to do is just to keep the livestock people free of controls. That is all I want to do.

Mr. HARSHA. I think it is reasonable to assume that if the livestock people are freed from these controls, and certainly I do not approve of controls and I want that understood, but if the livestock part of the agricultural economy is free from controls, is it not reasonable to assume that everybody is going to try to get into that business?

Mr. ABERNETHY. If they are free from control, as they are now, of course anyone can get in, and why not?

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. Abernethy].

Mr. ABERNETHY. Mr. Chairman, with all deference to my friend, the gentleman from Pennsylvania [Mr. Dent], his amendment has absolutely no relationship to the amendment I have offered. He misinterprets the forepart of the amendment which strikes the title of small farm exemptions. It is true the title is stricken, but the small farm exemptions are clearly left in the bill. My amendment simply adds feed for feeding on the farm to the exemption provision. It leaves the small farm provision intact.

Now as to the chain stores, with all deference to the remarks made by my good friend, the gentleman from California, chain stores can get into the cattle business at this very hour, if they want to get into it. There is nothing in my amendment which encourages them to get in or out of the cattle business.

It has been stated over and over again by my friends to my left, that the object of this bill is to control the livestock industry. While I do not necessarily agree with that, my amendment does assure that the people in the livestock business will not be controlled.

It is just fundamentally wrong to deny a man the privilege of raising on his farm the quantity of feed needed to feed his own cattle, his own dairy herd, his chickens, his hogs and his billy goats, if he has any. That is all I am trying to do.

As for the statement made by the gentleman from North Carolina [Mr. JONAS], the purpose of my amendment is to keep the government out of the livestock industry, which is in keeping with the gentleman's philosophy. So, I hope he votes for the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FINDLEY] is recognized.

Mr. FINDLEY. Mr. Chairman, I glory in the eloquent defense the gentleman from Mississippi has made for the small grain farmer who wishes to feed his grain to his own livestock, and I commend him on that statement.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. ABERNETHY. I did not pick out the small-sized farmer, I just said "farmer." However, the gentleman is correct in that the small farmer would be the greatest beneficiary of this amendment.

Mr. FINDLEY. Put it either way. In good conscience can we support a bill which grants freedom to one group of grain farmers and denies freedom to other grain farmers? I think the anomalous situation we have before us illustrates the utter futility of supply management.

The CHAIRMAN. The gentleman from Iowa [Mr. SCHWENGEL] is recognized for 1 minute.

Mr. SCHWENGEL. Mr. Chairman, I have been trying for 2 days to get just a little time and now I have a very little time. I will try to get an opportunity later on to talk in more detail about some of these things that are bothering me in this bill.

I would just ask the gentleman from Mississippi whether this amendment would not also discourage further Billie Sols?

Mr. ABERNETHY. I would hope so. I am not after Billie Sol, I am just trying to take care of the poultry farmer and the cattle farmer.

Mr. SCHWENGEL. Also, if the gentleman's amendment prevailed it would have the effect of extending rather than curtailing.

Mr. ABERNETHY. Of course it would. It completely eliminates from this bill the very farmer they say they did not intend to include, that is, the livestock farmer.

Mr. SCHWENGEL. But generally speaking when we have extended freedom and production we have extended an opportunity for prosperity.

Mr. ABERNETHY. I cannot imagine its being any way but that.

Mr. SCHWENGEL. I cannot either. I want to commend the gentleman for his amendment and tell him that I shall support it.

The CHAIRMAN. The gentleman from California [Mr. BALDWIN] is recognized.

Mr. BALDWIN. Mr. Chairman, I come from a rather diversified district, but it does grow about $50 million worth of agricultural products. The largest single agricultural product, from a monetary standpoint, is livestock.

The livestock men of my district have opposed Government controls throughout the entire period of time during which there have been price supports on certain other agricultural products. They do not want any controls or price supports on livestock.

In my opinion the bill in its present form would indirectly put controls on livestock by making it impossible for stockmen to grow sufficient feed for their own cattle.

For this reason I support the Abernethy amendment in order to be sure that no controls are applied to livestock no matter what happens to this bill.

I am opposed to H.R. 11222 in its present form.

The CHAIRMAN. The gentleman from Texas [Mr. POAGE] is recognized.

Mr. POAGE. Mr. Chairman, I think the House must recognize by this time that we have come to the point of making a decision. So far as I know there is not a Member who supports the bill who has spoken in behalf of the Abernethy amendment. This amendment is clearly an effort to defeat the bill, by making it ineffective.

This amendment will, of course, destroy the effectiveness of the bill. I know that many of you have come to me and said: "All right, let's strike it down, go to conference, and undo it." I do not like to do business that way; I do not think it is right to do business that way.

I know many of you are saying: "Let's send anything to conference and bring back what we want." That is not the way to do business. That is not the way I want to do business. I want to do business in an honorable way. I want this House to say manfully that it favors some real effective legislation to stop the buildup of surplus amounts of feed grains, stop the drain on the American taxpayer. This bill as written will do exactly that. With this amendment it will not touch three-fourths of the grain production of the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I am opposed to the Abernethy amendment. I speak as a dairy farmer in Minnesota. I am of the opinion that if an amendment of this kind is adopted, you will find unlimited numbers of people moving into the dairy business and the cattle-feeding business. When we consider farm legislation, we cannot do it on the basis of one group exempt and another not, because we are going to have to consider this on the basis of the entire agricultural economy.

After listening to this debate, it seems to me the farmers are about in the same circumstance as the two robins flying south. Daddy Robin came in 3 days late. His feathers were all ruffled, he looked bad. And Mama Robin looked at him, and he said to her: "I know what you are thinking, but it is not so. I was flying low and I got caught in a badminton game."

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, in this limited time I do not think I can, in a minute and a half, add any contribution that would be worthwhile to this discussion, except to say I think it illustrates very clearly that a matter of this great importance to the farming industry of our country should not be written on the floor of the House, and Members should not be confined to discussions of a minute and a half.

My district is a farming district. We raise livestock, I raise livestock. I have lived there all my life. If I voted to say that a farmer could not raise the feed on his farm to feed his livestock I would have to move, and I do not want to move.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ANDERSEN].

Mr. ANDERSEN of Minnesota. Mr. Chairman, if this overall bill is approved by the Congress, it still will be subject to a referendum of the farmers. It must be approved by two-thirds of those voting before it can become effective.

Mr. Chairman, I am opposed to many of the provisions and features of this bill, and I firmly believe that a better bill and one that contains less objectional features could be worked out in the committee. Therefore I shall vote to recommit this bill in order that it can be improved by providing for an extension of the present voluntary feed grain program.

I believe that we must do something to curtail the tremendous surpluses of feed grains and wheat or our entire livestock feeding, poultry, and dairy industries will suffer.

Mr. Chairman, while I am opposed to the bill in its present form, I fear that the defeat of this agricultural bill in the Congress might well spell the end of farm legislation and the opportunity to improve or to write better farm programs for the future.

If this bill is approved by the Congress, it will still be subject to a referendum of the farmers themselves and must be approved by two-thirds of those voting before it will become effective. If the farmers, in the referendum, vote further restrictions upon themselves, then we shall abide by their decision. If the farmers do not support the program by the necessary two-thirds majority in the referendum, I cannot believe that the Congress would ever allow the agricultural economy of this Nation to revert to the programs of Ezra Benson. Instead, the Congress would no doubt enact quickly in the early days of the next session an extension of the present voluntary feed grain program.

Therefore, Mr. Chairman, if the motion to recommit for improvement fails, I shall vote for this farm bill, unless so many amendments proposing exemptions are adopted that the real purpose of the bill is defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Oregon [Mr. Ullman].

Mr. ULLMAN. Mr. Chairman, I hope we will consider very carefully what we are doing when we face up to this amendment. We are actually turning the clock back 50 years. We are ignoring all of the revolution in specialization that has taken place in American agriculture.

What we are saying applies to the legitimate livestock operation, the legitimate poultry-raising operation, the turkey raiser, and the dairyman who cannot raise their own feed but must buy it on the market.

Those are the kinds of operators I have in my district. I think, generally speaking, they are the operators that are the backbone of the industry. We are saying to them, "You are going to be out of business within 2 years, because this industry is going to shift away from you." It is going to shift the farms—and the gigantic new farm combinations that will come into being—farms that raise their own feed. It will shift there, because they can raise unlimited feed under the terms of this amendment to feed the livestock, the chickens, the turkeys, and the dairy cows.

I implore you to consider what you are doing. Do not destroy the livestock industry, do not destroy the poultry industry, the dairy industry, or the turkey industry, because that is certainly what you will be doing if you vote for this amendment.

The CHAIRMAN. The chair recognizes the gentleman from Massachusetts [Mr. Conte].

Mr. CONTE. Mr. Chairman, it is almost unbelievable that in this great democracy, in this great country of ours we are contemplating an amendment that would prevent a farmer from raising his own feed grains for his cattle and poultry. I say if the Abernethy amendment is not adopted, the cattle farmer, the dairyman, the poultry farmer will feel like the man who "feasted on the delights of sweet anticipation, but is now gnawing on the cold corncob of stern reality." This is ridiculous. I am opposed to this bill and its controls. What do the controls do? Right near my home in New York State a man by the name of Jesse R. Stalker of Ravena, N.Y., was fined $20,899.90 because he purchased some extra cream for his customers in a single 20-quart can. Had he made the purchase in ten 2-quart cans he would have been exempt from the regulation. If this fine is upheld, Jesse R. Stalker and four of his sons who have been brought up and worked on their farm all their lives will be put out of business.

Mr. Chairman, I am only interested in one thing. What is this proposed bill going to do for the little housewife who goes to the corner butcher shop to buy her pork chops, her hamburgers, or a small steak for her family? It is going to increase the price of her food for her family, it is going to increase the price of the bread she buys. It certainly is. What you are doing is passing a sales tax on food that the little wife buys for her family. I think it is high time that we repeal all farm legislation and return to a free competitive system.

Today, I find myself in a position which is not novel, not different, and not changed from the quandary in which I have found myself when considering farm measures each year since I came to the House.

After 4 years, I am still eagerly awaiting the opportunity to vote for a farm bill which will create an atmosphere favorable to the farmers in my district—the very specimen of farmer which this Congress, the past administration, and the present administration want so much to assist. He is called, in the political verbiage of the day, the family farmer. He and his family live on their own farm, and his sole occupation generally is the production of the commodity for which his land is best suited, whether it be grain, tobacco, potatoes, or dairy products. He does not have a gigantic farm, nor is he involved in a large number of subsidiary enterprises. His income is certainly not large by middle western standards, but he loves his occupation, devotes all of his long waking hours to it and is a resourceful businessman so long as it is possible for him to use his initiative instead of being set within legal bounds in which it is impossible to wield a free rein. He is not yet the so-called median farmer who perhaps should not be in the business at all for obvious economic reasons. This, I think, is the definition of the family farmer in the First Congressional District of Massachusetts.

He is definitely in the majority in New England, and he is the farmer who I should like to assist and preserve. But I do not feel that the legislation before this House today is of benefit to the family farmer. On the contrary, this legislation puts him into an even tighter straitjacket. It regulates and regiments him as no farm legislation has ever done before. It takes money from his pocket in the form of Federal income taxes to pay for this program through which the big agricultural businessman may benefit. It takes money from his pocket in the form of higher feed costs for his livestock. In other words, he is hit both coming and going. Now if this farm bill was brought before the House as a measure to help only a certain group of farmers, the specialists and the great landowners, then it might be a different matter. But this farm program is advertised as a step in remedying the situation in which all farmers find themselves. It is also billed as a step toward decreasing the role of the Federal Government in farm economics. Very simply, I just do not buy H.R. 11222 on the face value of these claims. The proposals to increase control only get the Federal Government in deeper, and the result will surely be a continuance of the situation we experienced last year and which has basically been with us ever since World War II. Agricultural production will become more centralized and the farm community will dwindle in numbers as a direct result. And so, Mr. Speaker, I cannot vote for this legislation. I have not voted for similar programs in the past, even when a member of my own party was in the White House.

When the efforts of the enormous number of agricultural economists, the legislation drafters employed by the Federal Government, begin to be directed by the philosophy of a free agricultural community, then I can stand in the well of the House and support legislation which is developed toward that end. Certainly, in one fell swoop we are not going to change the errors of a generation, but when the first step is taken, I shall run to pull the bandwagon, not just to jump on it.

In expressing my opposition to this bill, I am not solely motivated by the deep concern I have for the farmers in my district. The entire Nation has a great stake in every action that we take to regulate agriculture. Unfortunately the consumers of this country do not have a lobby through which we can determine their feelings. Nevertheless, if it were possible for them to express their opinion dramatically, I think they would come on to the floor of this House and tear up this bill and send us all back to formulate a program which would allow prices to be determined by the workings of a free economy. I think every housewife would tell us that her husband's income is not subsidized by the Federal Government, nor is he limited by regulations on what and how much he can produce, and how much time he shall waste in producing nothing. If the needs of the American consumer are to be in any way correlated with this program, the only way that I can see to do it is to give the consumer a bigger hole in his doughnut.

In conclusion, it is my sincere conviction that those who are affected most by this legislation want it least. If the buck can be passed to the farmers for first inspiring the Federal Government to get into the economics of agriculture, then I think it is a fair evaluation of the situation to say that the farmer has had enough. Unfortunately, it is not up to him to change the course; it is up to us. Let us begin by rejecting H.R. 11222 and its philosophy of more control, more regulation, more regimentation.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. Jennings].

Mr. JENNINGS. Mr. Chairman, I think there is one thing in particular that needs clearing up, and that is this: We are not saying in the defeat of this amendment that the grain which is grown on the farm cannot be fed to the livestock on that farm. We are merely saying that you cannot raise an unlimited amount of grain and feed it to unlimited livestock on any farm. Now, that is exactly what it amounts to. The passage of this amendment absolutely freezes and puts out of business those small farmers who are now in business, who may wish to stay in business, and it puts into business all of the integrated operations that we can possibly think of. Every large single-crop farmer will fence off about 10 acres over in the corner of his section and he will feed and feed and feed, and it will have a disastrous effect on the livestock industry in about 2 years. And, the only people in the dairy industry that can possibly survive are those who are under the Federal marketing orders.

Mr. Chairman, I ask for the defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I rise to claim my part, even though it is only a minute and a half, in this discussion. I am concerned over the family-size farm. I am particularly concerned with the dairy industry in the State of West Virginia and in my district. I think this would hold them to their acreage allotment for the 1959 to 1960 period and would tend to do something that those members on the committee who drafted this legislation had no conception of. It would cause the greatest rush to put acres which they cannot utilize for this kind of crop into farmland. Nobody ever gave any thought to what it will cost the Government for additional acreage that is going into the soil bank which will be reactivated. This is going to prevent any progress at all in the livestock and the dairy industry if those rigid controls are confined to the 1959 to 1960 period.

I understand the gentleman from Virginia [Mr. JENNINGS] will have an amendment to offer. I am going to withhold any further comment on my decision until I see what kind of an amendment the gentleman from Virginia offers to this section.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I shall be very brief. I think the House understands the situation and the importance of the proposition now under consideration. I do want to emphasize, however, just as the gentleman from Texas [Mr. POAGE] did, that those who have spoken in behalf of the Abernethy amendment have been opposed to the bill all along. I hope that this House will stand by the Committee on Agriculture and defeat this amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Pennsylvania [Mr. DENT] to the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The substitute amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. ABERNETHY].

The amendment was rejected.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Wisconsin: Page 82, line 2, immediately before the period insert the following: ", and during the six-month period thereafter".

Page 82, line 6, after "1963", insert the following: "and during the six-month period thereafter,".

Page 82, line 10, after "1963", insert the following: "and for the six-month period thereafter,".

Page 82, line 17, after "1963", insert the following: "and of the six-month period thereafter,".

Mr. JOHNSON of Wisconsin. Mr. Chairman, when the Dairy Subcommittee considered this particular section of the voluntary dairy program, it was the idea of the subcommittee that it would run for a full year. That was in March of this year. It is now June, and it will be October 1 before the Department can put it into action.

Mr. Chairman, all this amendment proposes to do is to have the dairy program run from October 1 of this year to October of 1963.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield——

Mr. JOHNSON of Wisconsin. I yield to the chairman of the Committee on Agriculture.

Mr. COOLEY. Mr. Chairman, I personally have no objection to the amendment, which I have discussed with several members of the committee, but I am not authorized by the committee to accept the amendment.

Mr. HEMPHILL. Mr. Chairman, I offer a substitute amendment to the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON].

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL as a substitute for the amendment offered by Mr. JOHNSON of Wisconsin: On page 81, strike out line 22 through line 25; and strike out all of pages 82, 83, 84, 85, 86, 87, and lines 1, 2, and 3, on page 88.

This strikes out all of subtitle C.

Mr. HEMPHILL. Mr. Chairman, the purpose of my amendment is to knock out a provision that is not in the Senate bill and has no business in this legislation. It puts the U.S. Government into the dairy business in the most ridiculous way you can possibly imagine. We all know that at the present time they are getting a 75-percent support price on milk. I believe a year ago the milk support price was raised, in January, to such an extent that we have been flooded with milk and cheese and butter, which are in the warehouses of this country today. The American taxpayer is paying for it, because the support price was raised and because there was a surplus at that time and there has been a surplus since.

Now we have the proposition that in addition to the raised support price we are going to go down and say to the farmer, "For a certain part of your production we are going to pay you $2.50 a hundredweight and then what we are going to do is to continue the support price on the other. You can go out of production to that extent and sell your cows down the street to the other fellow, who goes into production and will get this support price."

We will have more butter, we will have more cheese, we will have more cream. We will pay more for storage and the little farmer whom they claim they are trying to help is the one who will gradually be put out of the dairy business. This has no business in this legislation, this dairy provision. It was not in the Senate bill. This was not the proposal of the administration. It is being put in here, I submit, merely to try to give a sop to the dairy farmer when, as a matter of fact, it is a ridiculous proposition.

Mr. Chairman, what do you say here? What you say is that we are going to pay you to go out of production. Who is going to keep the books and how much is it going to cost? Not only who is going to keep the books and how much is it going to cost, but how much is this going to encourage actual cheating? Talk about scandal; you will really have it here.

Who is going to keep track of a man? He is going to produce more milk if he wants to. He can give it to the church, to get credit, or he can give it to somebody else down the road to sell at a cheap price, or he can black-market it. It is impossible of administration. The theory is ridiculous. You do not know how much it is going to cost.

I believe my amendment is a good amendment.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman.

Mr. ABBITT. Mr. Chairman, I thank the gentleman for offering his amendment. We have had so much discussion here yesterday and today about controls and how foolish it is to have a voluntary program. This program simply says to farmer X, "You can cut your production 10 to 20 percent and we will pay you." It says to farmer B, "You can increase your production 10 to 20 times and you will still get a support price." What will happen? The dairy program is going to cost approximately half a billion dollars plus about $250 million for the lunch program. This will add about another half a billion dollars.

I believe this should be deleted from the bill.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman.

Mr. WHITENER. I believe this section is not in the bill as it passed the other body; is that correct?

Mr. HEMPHILL. That is correct. It has no place in this bill. I am not a member of the committee, but I understand it was put in at the last minute. I do not want to go behind the executive curtain of the committee. But it was just put in and it is ridiculous. Can anybody in this House tell me of any testimony in support of this proposition? There is no such testimony in the record. Is there anybody in the House who can tell me what it is going to cost? Can anybody tell me whether there has been one estimate as to how much it is going to cost the taxpayers? If somebody can tell me that, I would like to have it. This is just a "Blind Tom" proposition. We are going to reach into the taxpayers' pocket for something. The taxpayers do not want it and the milk people do not want it.

I know we need a farm bill. I want to control the large surpluses in feed grain that are costing so much in support and storage. We have a deficit feed grain area where I live. The 40-acre provision and other provisions adopted today will help us. The silage amendment, for which I intend to vote, will help. We must take a choice on feed grains; either support and controls, or no support and no controls. That is a choice the farmer is entitled to, the American taxpaying public must insist upon.

Here we deal with dairy production. I wish we could get the Federal Government out of the dairy aspect of agriculture altogether. I suspect that the reduction of support prices would be the best way to cure the surplus problem, and relieve the taxpayers from the high cost of supports, storage, and the incidental waste now present in this program. I know of no dairy farmer in my section of the country who benefits materially from the present program, or who will benefit from the ridiculous program proposed in this bill.

Now, I believe in support for cotton, tobacco, and the like, where we have controls. But if we are going to have supports we must have controls, as little as I like controls. I want to keep the little dairy farmer in the deficit area bill. My amendment will do that. I urge its adoption.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I rise in opposition to the substitute.

I am afraid that my good friend from South Carolina [Mr. HEMPHILL] is not as much interested in the dairy farmer as he is in some of the big processors. I realize that the big processors are against this program because under the program they are not going to have as much milk to process and to sell to the Federal Government. Under this program the Government is going to save $1.74 on every 100 pounds of milk that is taken out of production. If you want to save some money vote against the substitute and vote for my amendment.

Mr. Chairman, I have here a list of a few of the Commodity Credit Corp. purchases of dairy products to support prices of milk and butter fat, in the calendar year 1961.

Mr. Chairman, I ask unanimous consent to include that list at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The table follows:

[In pounds]

| Company | Butter | | Cheese | | Milk—Extra grade | |
|---|---|---|---|---|---|---|
| | U.S. grade A or higher | U.S. grade B | U.S. grade A or higher | Process | Spray | Roller |
| Armour & Co., Chicago, Ill | 13,393,812 | 37,933 | 1,201,353 | 672,000 | 7,259,107 | |
| Beatrice Foods Co., Chicago, Ill | 21,184,070 | 129,152 | | | 8,414,515 | |
| Berkshire Foods, Inc., Chicago, Ill | 55,075,063 | 1,735,831 | | | | |
| Borden Co., New York, N.Y | | | 4,247,136 | 14,616,000 | | |
| Kraft Foods, Inc., Chicago, Ill | | | 28,266,909 | 17,438,400 | | |
| L. D. Schreiber & Co., Inc., Chicago, Ill | 10,592,636 | 1,511,669 | 1,598,246 | 4,359,600 | | |
| Sugar Creek Creamery, Omaha, Nebr | 6,241,720 | 2,461,033 | 34,286 | | | |
| Swift & Co., Chicago, Ill | 5,543,928 | 335,232 | 8,545,120 | | 107,400 | |
| Weinberg Bros. & Co., Inc., Chicago, Ill | 14,761,430 | 420,268 | | | | |
| Total | 126,792,655 | 6,631,118 | 43,893,050 | 37,086,000 | 15,781,022 | |

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Virginia.

Mr. ABBITT. I take it that the voluntary program for the dairy industry has worked?

Mr. JOHNSON of Wisconsin. As the gentleman from Virginia well knows, feed grains had 2 years of a voluntary program before we put them under a compulsory program. We are giving the dairy industry a chance to try to see if they can get their production down under the voluntary program. They are only 9 percent over. The ASC people in Wisconsin have told me if they had this program they could go out and sell the farmers on it. The men who are opposed to it are the men who are processing butter and cheese and selling it to the Government. If you want more butter and cheese in Government warehouses, vote against my amendment. If you want to cut down on the amount in Government warehouses, vote against the substitute and for my amendment.

Mr. ABBITT. If we adopt this voluntary program, we will still have the same section of the law under which profits are made by the processors? As a matter of fact, does not this really go to the processors?

Mr. JOHNSON of Wisconsin. If the gentleman from Virginia had listened to my speech made on the first day the bill was up, he would have heard that the dairy farmers in western Wisconsin were making about 40 cents an hour at 75 percent of parity. I do not think my own farmers are going to want to increase their herds much more to work for 40 cents an hour.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. I rise in support of the gentleman's amendment.

Mr. Chairman, I rise in support of H.R. 11222 and particularly in support of the dairy section of the bill, and the Johnson amendment before us. Other speakers have addressed the House today with great knowledge and precision on the overall bill and I would like to take only a short time to express my interest and concern that the dairy provision of this bill be passed.

Anyone who has studied the record of dairy this year is well aware of the serious crisis facing America's dairy farmers. With a production increase 2 billion pounds and a fallout of consumption the individual farmer is in serious trouble. Moreover an interpretation of the law by Secretary of Agriculture Freeman has compounded to some extent the problem the farmer faces. To illustrate how difficult the situation is, I think the House may be interest in the findings of a poll I took in February. I asked: If faced with this alternative, would you rather have milk supported at 75 percent of parity or would you rather participate in a supply management program involving production quotas? Of those polls, 50.7 favored lower support while 49.3 favored production quotas. I believe this almost perfect split of views reflects the confusion of farmers in the difficult situation they are facing.

This is not only a problem for the individual dairy farmer, however, it is a national problem. The dairy industry is the backbone industry of Wisconsin. In many senses as the dairy farmer goes so goes the economy of Wisconsin and a number of States throughout the Nation are similarly dependent upon this section. Moreover, dairy production has been and continues to be one of our greatest assets—it is used in food for peace, domestic and foreign school lunch programs, and for welfare purposes both at home and abroad—it is unsurpassed in importance.

I would like to review briefly the history of this year's proposals on dairy. It is clear to anyone who studies this history that the dairy farmer has been treated poorly from beginning to end and that the proposal we are considering today is only the last of a series of retreats made in the face of strong opposition by men either too concerned with so-called economy or unaware of the damage they are doing to this vital industry.

To begin with the administration announced that it believed that the law required that price supports be reduced to 75 percent of parity this year. This interpretation was made in all fairness and with great integrity. I do not doubt the sincerity of the interpretation. Saying this, however, does not mean that this decision was not controversial. For I believe that the law did not require such action, that in fact price supports could, within a fair interpretation of existing statute have been continued until April 1, 1963, at least.

I recognize that the law states that the Secretary of Agriculture is to maintain price supports above 75 percent of parity only if such a level is necessary to assure an adequate supply. I do not believe the evidence now available is sufficiently clear to indicate that the dairy industry is in a situation of longrun oversupply which would necessitate a reduction in supports. Furthermore, the Agriculture Act of 1954 assures stabilization of dairy economy at a level which would provide a fair return to dairy farmers for their labor and investments when compared with the cost of things that they buy.

Since it is apparent that there can be more than one interpretation of the law I wrote to Secretary of Agriculture Orville Freeman on March 17, 1962, suggesting that the administration resolve the matter on the safe side and in favor of the dairy farmer. The final determination of the requirements of the law could then have been left to the courts.

Unfortunately, my suggestion was not accepted. Moreover, the administration proposal to support prices at the present levels until the end of the year failed of support by both committees of the House and Senate. In the House every Republican on the House Agriculture Committee, plus six others voted against the dairy farmer. My own proposal to extend supports for a full year until April 1963, also was not accepted. Dairy prices fell by over 9 percent when on April 1, 1962, price supports fell to 75 percent of parity.

Within this discouraging setting of falling of prices the dairy farmer has had to accept one defeat after another on administration proposals. Initially, the program presented by the Secretary of Agriculture for supply and management, though involving controls, would have done much to maintain dairy income. As you know this proposal failed of support in both Senate and House Agriculture Committees.

After this, proposals which were a retreat from the initial position were presented to the committees. Moving down one notch the substitute proposal involving less control and to extend for only 1 year would have limited quotas to 1961 production. This proposal was also rejected by the committees. In the Senate a bill was reported on April 27, 1962, with absolutely no provisions for the dairy farmer. Moreover the Proxmire-Humphrey proposal—another temporary proposal for 2 years—was also rejected. Finally, in the Senate, Senator McCARTHY as a last ditch effort, proposed a dairy amendment which embodied the language of the section we are considering today. This, too, was defeated in the Senate.

Now the House is considering a minimal temporary proposal. The proposal is by no means ideal but it is a first step to attempting to help the farmer and this vital industry. As you know the bill involves no referendum and no compulsion. According to estimates of the Department of Agriculture it would cost no more than the present dairy program under which the Government is required to support dairy products at $3.11 per hundredweight with unlimited production.

Moreover, depending upon the number who volunteered to participate in this program it is possible that between $150 and $200 million of taxpayers' funds which under the existing system go into storage go to the farmer directly, without any additional cost to the Government.

I will not go further into this legislation which has already been admirably covered by my colleague from Wisconsin, the chairman of the Dairy Subcommittee, LESTER JOHNSON. His hard work in behalf of this bill deserves the praise of all Members of the House and also, especially of those who have a special interest in dairy.

Let me make only this general statement. If we are to be faithful to the basic principle that men working in the United States should be given an adequate payment for their work, we must do something to improve the situation in dairy. I need not quote statistics which demonstrate conclusively that in many parts of Wisconsin farmhands and farmers are earning less than 50 cents an hour. Leaving aside fair return on their capital investment, these people, mothers, fathers, children, and relatives have been working to maintain the family farm—and they have not been getting a fair deal, nor have they been adequately paid. I would urge on the basis of fairness, American tradition and the contribution this industry makes to the American economy that this minimal first step proposal be adopted.

In speaking today I have continually used the phrase "first step." I say this only because I believe that in many senses we have taken a very shortsighted view of agricultural problems in general and dairy in particular. Anyone who is familiar with the incompetence of the Communists in the agricultural field, upon reflection is amazed at the way we treat our own agricultural problems. In Russia, China, and many of the rest of the Soviet bloc the unending problem is the failure of agriculture to respond to totalitarian methods. There are no surpluses in the Communist world. Rather the problem is hunger, starvation, and refugees who are looking for food.

Contrast the great success of American agriculture. Our problem is surpluses. It seems to me that humanitarianism would have us use our great surpluses in a constructive way to meet the demand of hungry people around the world. Already food for peace is doing much in this regard but it is not enough. It seems to me that wise approaches to the cold war would suggest that we should use our abundance to demonstrate the great success of the American economy. Most underdeveloped countries are more concerned with increasing agricultural production than with any other side of the economy. I would suggest that we hold high the banner of American agriculture by contrasting our surpluses with the Soviet's.

It seems to me that the wise way—and the economical way—to wage the battle of peace would be to make use of our existing capacity. One aspect of this capacity is the fertile land available for production in America. Another is the know-how in agriculture which we have accumulated over the years. A third is the ability, creativity, and hard work of American farmers.

I, for one, would urge a massive expansion of the food-for-peace program utilizing the benefits and powers of American agriculture. Rather than spend money on more guns in the foreign-aid program I would suggest that it would be cheap, efficient, and effective to expand the production of agriculture in many areas. The most obvious of these areas would be the dairy industry. And as many know, I have suggested a seven-point expansion for the food-for-peace program in order to make a more creative use of our abundance.

I will not dwell today on the need for a wiser use of dairy and other products in the foreign policy field. Let me conclude only with the thought with which I began. Today's bill and the dairy provisions especially are only a first step. If we are to take further steps and we are to be reasonable and fair in our treatment of the dairy farmer, we cannot pass legislation which ignores the dairy industry.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Chairman, I have not heard from the processors opposing this section in Wisconsin. Apparently the gentleman from Wisconsin [Mr. JOHNSON] has heard from the processors. I have not. As a matter of fact, I have not heard from anyone in Wisconsin either for or against this particular dairy section. As to the voluntary dairy program that is proposed here, there is serious question in my mind as to whether this will or can get the compliance necessary to reduce milk production, but I do not believe it will hurt the present program. I had hoped the committee would set a minimum price support for milk for this marketing year of at least $3.25 for 3.82 milk.

Mr. JOHNSON of Wisconsin. May I tell the gentleman that in the committee we were unable to get a majority of the subcommittee to favor the dairy program submitted by the Department of Agriculture. The committee, realizing the great surplus, thought we had better have some kind of program. That is the reason we came out with this program.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from South Carolina [Mr. HEMPHILL].

The question was taken; and on a division (demanded by Mr. ABBITT), there were—ayes 86, noes 108.

So the substitute amendment was rejected.

Mr. HEMPHILL. Mr. Chairman, I ask for tellers.

Tellers were refused.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON].

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. ANFUSO] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

**Mr. ANFUSO.** Mr. Chairman, as a representative from a big-city district where the bread-and-butter problem is a daily struggle, I am very much perturbed over the regional and sectional approach to the farm bill. I served as a member of the House Agriculture Committee for 4 years, from 1955 to 1958 inclusive, and was chairman of a subcommittee on consumer problems. It was my attitude then, and it is my attitude today, that we must approach the farm situation from the viewpoint of the entire Nation and for the good of the whole country. In other words, we must discuss it and vote upon it as Americans, and not from a narrow sectional viewpoint or the limited interests of a particular group.

In determining food and agriculture policies for our Nation, the Congress has an obligation to two vital segments of our society: To those who produce food, and to those who buy it in retail markets, namely, the consumers. The two segments are not of equal size. There are more food buyers than growers—far more. Our farms are manned by only 8 percent of our population.

Under our form of government, 92 percent of the people may impose their will upon 8 percent, if they so desire. Yet, if that will is one which diminishes the 8 percent economically, socially, and politically, the 92 percent suffer unfavorable repercussions. On the other hand, a disregard for the general welfare by the minority also affects the whole of the society.

I believe it to be the task of the Congress to help producers and consumers reconcile their interests and their needs, to help them find the common ground on which each group may make its maximum contribution, for the welfare of all. We are debating the idea of equally distributing among producers of food commodities now in oversupply the responsibility for supply management.

From the consumer's point of view logical questions concerning this supply management procedure can be raised, such as:

First. Will such a program result in scarcity?

Second. Will such a program result in higher prices for meat, dairy products, bread, and other foods, thereby drastically limiting the diets of millions of our people or force them to spend disproportionate shares of their income for food?

The questions about possible scarcity and prices must be asked and answered, if we are to attain a satisfactory solution. President Kennedy, in requesting farm and food policy action by this Congress, emphasized two goals:

First, making maximum use of our productive abundance to advance the cause of peace and freedom throughout the world; to assure Americans of a high standard of living; and to provide an important weapon against poverty and disease.

Second, finding a balance between production and demand that will avoid waste of private effort and public resources.

The scarcity idea was vigorously opposed by the President. Neither does scarcity figure in the administration's proposals for realization of objectives cited by the President. Nor does it crop up anywhere in relationship to commodities which have long been under supply-management programs similar to those recommended for feed grains and wheat.

It may be asked: Is there a shortage of cotton? Are retail prices for cotton products exorbitant? Is there a shortage of tobacco? When the taxes of various levels of Government are deducted from tobacco products, are their retail prices unreasonable? Are there shortages of rice? Of peanuts? Is there consumer resentment to these commodities that is based on the retail prices?

The consistent answer is "No." We have no scarcity of cotton, or tobacco, or rice, or peanuts. We have no inflated price schedule for them in our stores. The truth of the matter is that we have effectively learned how to operate supply management programs in which every producer shares responsibility for adoption and maintenance. Our difficulties have come with those in which there is not equitable distribution of responsibility. In and out, up and down participation in voluntary supply management efforts tend to spread, rather than limit, the supply price gamble for both consumers and producers. Neither can afford instability.

Consumers have a stake in four facets of agriculture:

First. They have an interest, for health and household budget reasons, in a productive farm economy that adequately meets current food needs and makes provision for reserves that will carry us through natural and manmade emergencies.

Second. They have an interest, for humanitarian and personal income reasons, in an agricultural economy that provides a fair return on labor and investment for farm families, because such families and others associated with the food industry are good customers for the goods and services provided by city people—if they have the money with which to buy them.

Third. They have an interest, for cultural, spiritual and political reasons, in maintenance of the free and independent family farm system, because it not only provides the most and best foods, but grade A citizens as well.

Fourth. Consumers have an interest in avoiding waste of public resources by a sound Federal fiscal policy in relationship to agriculture.

I am convinced that these consumer interests are protected in the bill under consideration, H.R. 11222.

The procedures for establishing annual production goals for feed grains and wheat not only provide for abundant annual crops, but make it possible for both farmers and Government to maintain reserves.

Fair farm income is vital in relationship to total economic growth, and to the stability of employment in factories and retail outlets. By the very nature of their business, farmers have to be big spenders. The investment in agriculture in 1961 was over $200 billion—a figure representing about three-fourths of the value of the current assets of all the corporations in the country and three-fifths of the market value of all corporation stocks on the New York exchange.

The farmer last year spent $27 billion just running his business. He spends around $2.5 billion a year for trucks, tractors, and other farm equipment. He puts another $3.4 billion a year into fuel, lubricants, and equipment maintenance. No single industry consumes as much petroleum as farming. Last year the farmer used 28 billion kilowatts of electricity, and spent another $12.7 billion for household repairs, furniture, TV and radio sets, refrigerators, stoves, clothing, personal needs, and food. The farmer provides jobs for others. Ten million people are engaged in storing, transporting, processing, and merchandising agricultural products. Six million people work at providing the supplies farmers use.

It is important to the rest of us that the 8 percent of our farm population not only be kept in business, but that it be on fair terms in relationship to the rest of the Nation. Leaving out all other aspects. This is a just and fair request.

The family farm, when it is operated in an atmosphere of fair income opportunity, enriches all aspects of American life. It not only produces food, it also turns out citizens with an appreciation for both the responsibilities and privileges of citizenship.

The farms of our Nation produce young men and women who achieve recognition as leaders in business, industry and Government and as scientists, writers, teachers, artists and highly skilled mechanics.

Those who would compare efforts toward farmer-Government cooperation in our own country with the efforts of countries under Communist domination overlook one significant factor. We are concerned with distributing the benefits of abundance. They are concerned with distributing both the burdens and the blame of scarcity.

American consumers eat more of a greater variety of quality foods at less cost in hours of work than any other food buyers in the world. They have, in substantial degree, been subsidized by our farmers in terms of family meals, school lunches and in meeting their obligations to provide food for fellow citizens on public welfare rolls.

On the other hand, farmers can be grateful for the contributions made to their welfare by their fellow citizens. The technological advancements in agriculture have not all originated on the farm. And while the American farmer is not sharing in economic rewards to the extent that he would like, his lot is better than that of farmers anywhere else in the world—and he did not achieve it entirely alone.

As we seek to reconcile, in the best possible terms, the interests of our food growers and food buyers, we must appreciate the fact that both groups pay taxes and have a stake in sound fiscal policy. Production policies that pay no heed to avoiding waste of private efforts and public resources do not constitute sound national policy. Millions of dollars spent to store commodities that are neither needed nor wanted represented waste—waste of money, waste of labor, waste of seed and machines, waste of food and fiber. Proper supply management procedures will eliminate waste without creating scarcity.

Mr. Chairman, this bill offers a realistic approach to the supply problems with which we are faced in feed grains and wheat. It is based upon experience with such other agricultural commodities as cotton, rice, and tobacco. It ties reasonable supply and price levels together, thus providing a sound basis for living with abundance. It serves both producer and consumer, and effectively attacks waste of farm and treasury resources. I urge you to consider it in positive terms, and to approve it.

Mr. JENNINGS. Mr. Chairman, I have three amendments at the Clerk's desk which I ask unanimous consent to be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. TAYLOR. Mr. Chairman, I have a substitute amendment which I wish to offer to one of the gentleman's amendments, and therefore I must object.

The CHAIRMAN. Objection is heard.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. JENNINGS: On page 27, line 16, and on page 28, line 14, strike out "twenty-five" and substitute "forty."

Mr. JENNINGS. Mr. Chairman and members of the committee, this is a family farm amendment. In the present bill anyone who has up to a 25-acre feed grain base may, at his own option, determine whether or not he will go into the feed grain program. If he desires not to go into the feed grain program, he may raise all of his base acreage and he will not be permitted to vote in the referendum and he will not be given support prices. This amendment merely changes that 25-acre provision to 40 acres. What will happen under this amendment is that about two-thirds of the farmers in about 20 of the States will have the option of determining whether or not they will go into the feed grain program.

If they participate in the program, they will get the benefits of price supports, they will have the opportunity to vote in the referendum. If they decide to stay out, they will not be affected in any way.

Even though two-thirds of the farmers will have that decision, let me say that those two-thirds of the farmers raise about 10 percent of all the feed grains produced. So I think this is a good amendment; it gives freedom of choice. There is no way it can hurt the bill. It can help as far as individual districts are concerned, and I respectfully request that this amendment be adopted.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. BELCHER. I will ask the distinguished gentleman if this 40-acre exemption is similar in effect to the 15-acre wheat exemption that we have had in the law.

Mr. JENNINGS. No, I will say to the gentleman that it is not, because under the 15-acre wheat exemption anyone, regardless of whether he has ever raised wheat or not, may raise up to 15 acres without any penalty provision or without participation. This amendment pertains only to those people who have a feed grain base up to 40 acres. They may raise up to 40 acres without participation in the program. It does not say that anyone may raise 40 acres of grain regardless of whether they have a feed grain base or not.

Mr. BELCHER. It applies to the man who raised 40 acres of feed grain in 1959–60?

Mr. JENNINGS. Not only the man who raised 40 acres, but whatever his acreage was in the base period up to 40. If his average was 10, then he can grow 10 acres. If it was 20 or 30, then it would be 20 or 30.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. BREEDING. In regard to this 40-acre operator, if he elects to not take advantage of the program and not to be in the control program but does grow this grain, is he allowed to sell in the open market? And does he get support prices?

Mr. JENNINGS. He is not allowed support prices on his production, nor is he allowed to vote in the referendum which would determine whether the other farmers are going to come in under the program. He is allowed to sell in the open market and receive the market price.

Mr. BREEDING. But he cannot sell in the open market and get price supports?

Mr. JENNINGS. No; he cannot get price supports.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. CHELF. I am strongly for the gentleman's amendment and shall support it, because if it is adopted it will take care of 90 percent of my farmers. I want to thank the gentleman for offering it. This is a wise move.

Mr. JENNINGS. I thank the gentleman for his support.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. HARVEY of Indiana. Would not this disfranchise two-thirds of the farmers in the referendum?

Mr. JENNINGS. No, as I explained, it does not disfranchise anyone; it merely says that if he does not want to participate he does not have to, but if they desire to participate then they may vote and may receive support prices. It does not disfranchise anyone; it merely gives them an opportunity. It is a good amendment, and I ask for its adoption.

Mr. HALLECK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, yesterday we learned that a number of amendments would be approved by the Committee, and I think it was pretty well indicated that many of them would come under the heading of "vote bait."

Yesterday I also made some reference to a letter addressed to certain of my Republican colleagues by the Secretary of Agriculture in which he undertook to castigate the Republican leadership for opposition just for opposition's sake. Then he referred to the fact that many Members to whom he addressed the letter on our side would be under great pressure.

I said yesterday that we were not guilty of opposition for opposition's sake. I also said that we were not twisting anybody's arm.

Today there has been released to the press, and it is being published in the public press, hence is a matter of public record, a news release from a Democratic Member of this body, not a Republican Member.

I want you to know what is in that release. I may say I spoke to the majority leader about this earlier in the day and indicated to him that in my opinion it ought to be called to the attention of the membership.

This release is as follows:

> During the past year and a half I have frequently stated that one of the most enjoyable aspects of this job has been the lack of political pressure from the administration seeking votes in one direction or another. Things have changed. Perhaps they have become somewhat touchy on the question of why Congress hasn't passed more of the President's program—perhaps it is only because the bill to increase the debt limit ceiling and the farm bill both came up at the same time, but this week my arm aches from the twisting it has taken lately.
>
> The line between legitimate persuasion and illegitimate pressure is a very fine line indeed. No one can deny the right of anyone, whether he be the President of the United States or the lowliest inhabitant of our Nation, to ask a Representative to vote for or against a certain matter. That's what he's there for—to represent the wishes of his people. He knows, too, that on each controversial measure he will have to make a decision which will please some and offend others, and the threat is always implicit that those whom he offends will never help him get reelected. This is wholly legitimate and proper.
>
> On the other hand, there is something at least shadowy when defense contractors are advised to call their Congressmen and remind them that if they don't vote for an increase in the debt ceiling defense contracts may be cut back with resulting unemployment in their districts. In tribute to our own defense contractors, I hasten to say I received no such phone calls, but many other Congressmen did.
>
> I did receive both phone calls and a visit from a friendly representative of the Post Office Department. He didn't want to talk about the eight new applications for post offices which are pending in the district; he wanted to talk about the farm bill. Now isn't it odd that the man who came to talk about the farm bill came from the Post Office Department and not the Department of Agriculture? Do you suppose it has anything to do with those pending post offices? The arm aches this week, but the voice is still loud and clear.

That is under today's dateline.

So I ask now, Who is putting on the pressure? Why all this big drive to get the bill passed?

I said earlier I propose to vote against it, and if anything I have more reason for voting against it now, after listening to the debate than when it started, because I think it is a thoroughly bad bill. It offers the farmer a choice between regimentation and ruin.

As I said yesterday, if I wanted to look only at politics, I would not be actively trying to defeat this bill, because if you on the Democratic side pass it and it goes into effect you will rue the day you ever did so.

Mr. PIKE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have never been known as much of a gut fighter; I have always been kind of a peaceful man. This does not mean that I do not have any guts. I did not intend to take the well to speak on this bill whatsoever, but I will acknowledge the authorship of that column which was just read. And, I will say further that there came a time in the lobbying for this bill when I did declare a personal declaration of independence. I thought it was wrong that the Post Office Department should be lobbying as far as the farm bill is concerned and I still think it is wrong, but I also state that I do not think the gentlemen on the other side of the aisle are any strangers to the gentle art of persuasion. I think that when the chips are counted here there may well be more votes against this bill on this side of the aisle than there are for it on that side of the aisle. And, I do not know whether this indicates that there is more independent thinking over here or more pressure over there. But, I do say this, I do not like this bill. It has been no secret that I do not like this bill and I intend to vote against it. But, it is a subject on which I believe reasonable men may differ. I think that time may prove me to be wrong. I hope so. I think time may well prove that the rest of us who approve this bill are wrong. But, I expect that this bill will pass and I do believe this: I believe that if the Members on that side of the aisle felt as free to vote for it as I feel to vote against it, this bill would pass by a mile.

Mr. ROUSH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I happen to share the distinction with my colleague of being one of those Democrats who is going to vote against this bill. I also come from the State of Indiana, the home State of the minority leader.

I am going to vote against this bill because of deep convictions which I have. Now, I would like to be very frank with the membership of this House and say that I have consulted with and have been counseled and advised by the members of the administration concerning this bill, but I will say this, they have been very, very considerate of my position and that no one has twisted my arm. No one has exerted what I would call undue pressure.

Now, I want to say this, too, that those of you who think that the Kennedy administration has a no-win policy, are wrong, because they are out to win and they determined to win many of these battles we are fighting; I, for one, admire them for this determination. But despite this determination there has been no undue pressure exerted against me, and I know of no undue pressure exerted against Members on this side of the aisle who will vote "no" on this or any other bill. I have the utmost admiration for an administration which will fight for the things in which it believes. I hope that they continue to fight, and I hope that we do something about this do-nothing attitude, this pessimistic attitude, this negative attitude which prevails on the minority side, not just on a bill now and then but on every single constructive bill that comes before this House of Representatives.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield to the distinguished minority leader.

Mr. HALLECK. I understand that yesterday the gentleman from Indiana had a poll taken of his district, and it was reported to me that the poll indicated a vote of 8 to 1 against this bill; is that correct or not?

Mr. ROUSH. That is correct, Mr. Minority Leader. And, I say this to the minority leader:

Mr. Chairman, I have a very unique district in these United States, and that the views of my farmer constituents certainly are not the views of many of the constituents of my other colleagues on this side of the aisle.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. ROUSH. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I certainly want to commend the gentleman from Indiana for listening to the voice of his constituents instead of his administration when those viewpoints conflict.

Mr. ROUSH. I might say to the gentleman from Oklahoma that I must confess that I listened to the voice of my constituents, but that voice merely confirmed convictions I happen to have on this particular piece of legislation.

Mr. ICHORD of Missouri. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a unanimous-consent request?

Mr. ICHORD of Missouri. I yield to to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I wonder if we cannot limit debate on this amendment? I think it is all well understood. It increases the acreage from 25 to 40 acres.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. QUIE. Mr. Chairman, reserving the right to object, I do not believe anyone on this side of the aisle has taken the floor in opposition to the amendment, and I would like to have 5 minutes reserved to myself.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. ICHORD of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ICHORD of Missouri. Mr. Chairman, am I recognized for a full 5 minutes?

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman, I did not mean to cut off the gentleman from Missouri [Mr. ICHORD].

Mr. ICHORD of Missouri. Mr. Chairman and Members of the House, I rise in support of the amendment offered by the distinguished gentleman from Virginia, and I take note of the fact that the gentleman from Virginia is a Democrat who has offered a constructive amendment to this bill. I want to advise the distinguished minority floor leader, for whom I have a great deal of respect, that I am going to vote for this bill, regardless of whether or not this amendment is adopted, barring the adoption, of course, of further undesirable amendments. It is not my purpose as a new Member of Congress to tell any of you Members with more seniority how you should act when someone tries to twist your arm. But I think I can tell the gentleman from Indiana that if he cannot stand a little arm twisting in this game, he had better get out of it, because this is the rough game of politics.

Mr. Chairman, I rise in support of this bill, not because of anyone twisting my arm. I would also advise the gentleman from Indiana that I voted against the bill to increase the debt ceiling. I did it because I thought that was one way to stop some of this exorbitant spending. I did it after a member of the Department of Defense came into my office and talked to me. I happen to have located in my congressional district, Fort Leonard Wood. He did not try to twist my arm. But I assure the gentleman from Indiana if he had tried to twist my arm, if he had threatened to reduce expenditures going into my district, I would have said "Cut them." That is what any Member of Congress should do when they attempt to twist his arm.

Mr. Chairman, for 3 days the House has been arguing H.R. 11222, dealing with one of the most complicated and unresolved problems in the history of the American Republic. It is, indeed, a difficult problem. But I think that we can rejoice in the fact that it is a problem of surplus and not one of deficits. That is what it is—a problem of abundance. I take my hat off to the American farmer. He is the most efficient producer in the American economy.

Mr. Chairman, I have listened to the debate on this bill, which has been long, often emotional, and frequently of political color, and I am highly disappointed that the minority party has taken a position of obstruction rather than pursuing an affirmative course of constructive action.

Mr. Chairman, this is a piece of legislation on which it has been very difficult for me to make up my mind. But I have finally decided to vote for H.R. 11222, not because I think that this is a final solution to the farm problem—I believe that the farm problem will be with us after this bill is passed—but I am voting for this bill because of the other alternative—the dark and dismal alternative of reverting back to the policies of Ezra Taft Benson—which would not be fair to the American farmer, which would not be fair to the American consumer, and which would not be fair to the taxpayers of the United States.

I personally do not believe this bill is the best approach. But at least it is an approach which is more than the minority has proposed for the last 3 days. I realize that if you are going to have farm price supports you must have controls. The two go together and I have long thought that our farm program should be set up on a pound-and-unit basis; that is, guaranteeing each farmer a parity price on a limited amount of production and letting the excess production seek its own level in the marketplace on a free market basis. This, I believe to be the only way to save the family sized farm and I think it will eventually be our farm program.

But such a bill is not before me today and I have to be realistic. The statement has been made during debate that some Members are going to vote for or against the bill because of political reasons. Political reasons have certainly been no consideration of mine in making my decision to support this bill. The farm problem is too serious to play politics on. I am casting my vote for H.R. 11222 and I earnestly beseech the distinguished chairman of the Agriculture Committee and the members of the committee to keep at this problem and I know they will, for we definitely owe to the American farmer our diligent attention to a problem caused only by efficiency and industry, and industry and efficiency should always be rewarded, and in this case rewarded with a solution to the tremendous farm problems.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. Quie].

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. Jennings] which will provide that the so-called 25-acre exemption be raised to 40 acres. The gentleman from Virginia attempted to point out in his remarks that this was not an exemption; if a farmer had been raising only 10 acres in 1959 and 1960, it would not make any difference whether he raised 40 acres in 1961 and 1962, he would only get his 10 acres as his base, which was his base in the 2 previous years.

As the gentleman from North Carolina [Mr. Cooley] pointed out the day before yesterday in a table that he offered for the Record, under the 25-acre so-called exemption, 12 million acres would be exempt from reduction in production. As a matter of fact, I should like to ask the chairman how many acres would be exempt from reduction in production if that 40-acre amendment would become law.

Mr. COOLEY. Mr. Chairman, unfortunately, I do not have the figures. I know only about the 25-acre exemption.

Mr. QUIE. In the State of North Carolina, 82 percent of the feed grain farmers would be exempt under the 25-acre exemption. What percentage of the North Carolina farmers would be exempt under the 40-acre exemption?

Mr. COOLEY. I stated to my friend that unfortunately I do not have the figures. But substantially more would be eliminated. But they are not really eliminated. They are just in the position of having to make a choice whether to come under the program or not.

Mr. QUIE. Then I would like to ask the gentleman from Virginia [Mr. Jennings] who offered the amendment, under the table offered by the chairman of the committee, 89 percent of the feed grain farmers would be exempt under the 25-acre exemption. What percentage of the farmers would be exempt under the 40-acre exemption?

Mr. JENNINGS. As I pointed out, none of them would be exempt, because this is not an exemption. This is a freedom of choice. But I will say to the gentleman that a little better than 90 percent—90.3 percent, I believe, of the Virginia farmers would have freedom of choice whether to come into the program or stay out, but none of them would be exempt. Let me say, also, that of all the farmers in the United States they represent less than 20 percent of all the feed grains that are produced.

Mr. QUIE. This is why I am opposed to the bill. It is because of such loopholes as this where in one State better than 90 percent of the farmers who produce feed grains are exempt. They do not have to take any reduction in production. It means that those of us in the Midwest are going to have to take the reduction in production that should have been taken in some of the other States.

As was pointed out, these States will be penalized if they raise an amount above that which they produced in 1959 and 1960. They do not have the right to vote in that area, but they do not have to take a reduction in production. This, again, I want to point out, is how completely unfair this bill is. Everybody ought to be covered and take the reduction in production or else the program ought to be voluntary.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. COOLEY. Under the 40-acre-exemption provision we are advised it will affect only 10 percent of the national production.

Mr. QUIE. That means that 10 percent additional acres will be affected by the so-called deficit areas amendment, but what percentage of the farmers would be exempt?

Mr. COOLEY. I do not know what percentage of the farmers. I am talking about overall production. It would be involved only to the extent of 10 percent.

Mr. QUIE. Right now under the 25-acre so-called exemption 54 percent of the farmers in the country are exempt, but under the 40-acre exemption even more will be exempt and the program will all be poured onto the Midwest and the reduction in production will have to happen there. We saw before how these special exemptions could ruin a program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. GROSS. I thought this amendment was designed to take care of the family size farm, yet we find only 10 percent covered under this amendment.

Mr. QUIE. Ten percent additional acres, but this means that the family size farm will not have the right to vote.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not desire to pursue the matter further. I think it is perfectly plain this is a liberalizing amendment. When you adopt the amendment you are dealing with only 10 percent of the national production. If they want to come into this program they can come in and vote and participate and receive price supports. So I urge the adoption of the amendment.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. It seems to me the same objection voiced against the 25-acre amendment can be voiced against the 40-acre amendment. It is compounding a felony.

Mr. COOLEY. I would call it a mere misdemeanor.

Mr. HOEVEN. I urge that this amendment be rejected.

Mr. Chairman, this feed grain bill in some respects is similar to our income tax law. In our tax law we start out with a rate that is supposed to apply to everyone. But the first thing we know certain groups and individuals get special treatment. They get exemptions and deductions which others do not. The result, of course, is that some people end up carrying a much heavier tax burden than do others.

So it is with this proposed feed grain program. First we started out with the idea of a national feed grain program applying to everyone. Then it was the feed deficit amendment to give special treatment to farmers outside the corn-sorghum belts. Next it was a corn for silage amendment. Then it was a so-called small farm exemption for farms with base acreage of less than 25 acres. And, now it is proposed that this limitation be raised to 40 acres.

The net effect of all these special gimmicks is to saddle the Midwest farmer with heavier and heavier burden of cutting his production. It is completely unfair to further penalize the great Midwest area of the country. I strongly urge that the amendment be rejected.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Is the chairman for or against the amendment?

Mr. COOLEY. I am for the amendment.

Mr. GROSS. You are for the amendment?

Mr. COOLEY. That is right, to increase the acreage allotment from 25 to 40.

Mr. GROSS. You want to liberalize it some more?

Mr. COOLEY. That is right.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. Gross moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, I should like to know from the chairman of the committee, the gentleman from North Carolina [Mr. Cooley], how he could oppose the Abernethy amendment and support this one.

Mr. COOLEY. The Abernethy amendment would affect 85 or 90 percent of the production.

Mr. GROSS. This is less worse?

Mr. COOLEY. That is right. That is why I said it was just a misdemeanor.

Mr. GROSS. Is this the climate in which we are passing upon a bill of such importance? Is this the attitude that you want to take toward a bill that affects all the farmers of America?

Mr. COOLEY. It is exactly the attitude we want to take. That is the reason the 25-acre provision was inserted. Now we are increasing the 25 acres to 40 acres, which, as I say, affects only about 10 percent of the production.

Mr. GROSS. The Lord help the American farmer if this is the attitude. The farmer under the circumstances and the amendments being adopted is destined to be the victim of a cruel hoax. It cannot be any other way. The American farmer is being penalized today, and the chairman well knows it.

Mr. COOLEY. We want you to vote for the American farmer. Here is an opportunity to do it.

Mr. GROSS. I would like to be able to vote for a bill that would help the American farmer. Will you not some day bring out a bill to help him find his place in the economic life of this country?

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. AVERY. Mr. Chairman, I have been trying to get the chairman of the Committee on Agriculture, the gentleman from North Carolina, to tell me why the 25-acre exemption was good 2 weeks ago and now it has to be 40 acres? The facts have not changed. The facts are the same as they were.

Mr. COOLEY. The membership probably might be softened up by this amendment.

Mr. AVERY. What was that? Will the gentleman restate that?

Mr. COOLEY. Do you want me to tell the truth?

Mr. CHELF. It is because he needs fellows like me to vote for the bill. That is why. I cannot vote for it unless you adopt this amendment.

Mr. AVERY. That clears that up.

Mr. GROSS. Mr. Chairman, if I may have just a little bit of order, we now have the answer from the gentleman from Kentucky and this has been the situation throughout the day. Either we pass an amendment or a Member says he will not vote for the bill. It is just about that simple. The bill has to be fashioned to fit the individual wishes of a lot of Members of the House of Representatives or it will not pass the House. That is the story.

Mr. Chairman, in the time remaining I want to comment on some of the statements which have been made in connection with this bill. For instance, someone said, and I believe it was the gentleman from California [Mr. Sisk] or perhaps it was the gentleman from Texas [Mr. Poage], that we must get back to the law of supply and demand as a means of establishing prices for farmers. Well, Mr. Poage, we had the law of supply and demand in 1930 and 1932, you remember. We had supplies of farm products on every hand and enormous demand for food and fiber on the part of consumers, but the so-called law of supply and demand failed to work either for farmers or consumers.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield briefly.

Mr. POAGE. There was not anybody trying to make it work for the farmers then. We are trying to make it work for the farmers and we are trying to get your help to try to make it work for the farmers.

Mr. GROSS. Oh, sure. You know that the law of supply and demand will not work today. It did not work then as a means of fixing fair prices for farmers in this country.

Then there has been much talk about surpluses and we can all agree these should be reduced, but if you ever do get around to a supply and demand situation in agriculture by abolishing surpluses you will be in deep trouble because embedded in foreign policy, among other things, is a growing reliance upon surpluses. Do you know that this Government recently used $3 million that accrued from the so-called sale of farm products to Bolivia to provide for the retirement of 6,000 surplus mine workers in that South American country?

If ever this country runs out of farm surpluses it will be in trouble with the school lunch program, with foreign policy, and a host of welfare programs at home and abroad. But this is a bad bill because it will not provide American farmers with their fair share of the national income and it will make a czar of the Secretary of Agriculture.

These are only a few of the reasons why I oppose this bill.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. MICHEL. A little later under the 5-minute rule, I am going to make some remarks with respect to the cost of this program. What is the difference in the cost according to the projected figures if we amend the bill to read 40 acres instead of 25?

Mr. COOLEY. I do not think there would be any substantial difference.

Mr. MICHEL. Mr. Chairman, I rise in opposition to the preferential motion.

I would like to have an answer from the chairman, if he has any, on any adjustment in the cost figures if we change this from 25 acres to 40 acres?

Mr. COOLEY. I just gave you my opinion. I do not think it would make any difference in cost. Any statement along that line would necessarily be in the realm of speculation and conjecture. No one knows how many of these producers will come in to the program and who will stay out.

Mr. MICHEL. If it does not make any difference in the cost whatsoever, we might just as well open the door wide and I might point out that this factor of cost is pretty much of a prime consideration to many of us. If it does not make any difference, we might as well open the door wide open, if there is no difference in the cost.

Mr. COOLEY. The door will be wide open. Anybody can come in, if they want to, if they have a base.

Mr. MICHEL. And it does not cost the taxpayer any more in the end?

Mr. COOLEY. I would say that, perhaps, the larger the participation, the greater the cost might be.

Mr. MICHEL. That is just the kind of nebulous answer when I asked the question the other day.

Mr. COOLEY. I would suggest to the gentleman that the answer must at this time be nebulous. I cannot give the gentleman any better answer than that.

A little later we will have something specific.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. HOEVEN. While the gentleman is on the subject, it might be well to conjecture the cost of the many amendments, which have been proposed by the majority. It is a completely nebulous figure. Nobody knows how many millions of dollars are involved.

Mr. MICHEL. I think that is right.

Because there seems to be considerable confusion I want to point out again that this bill does not change the compensatory formula of payments made to the farmers. It is no different from what we are doing today, but with only 24.7 percent of the base acreage in the program it cost $782 million in 1961. With a 3-percent increase this year, to 27.6 percent of the base acreage involved, by the committee's own report it is costing $900 million. The Secretary's letter that he sent to all of us said this is going to result in a reduction of cost to $500 million. There is no basis in fact for this figure at all.

I just appeal to your good logic and reason, that is all. If the proportion of the base acreage involved is only 27 percent under this program today how, in heaven's name, can the cost be reduced if the percentage of the base acreage increases with the enactment of this bill? It has got to go up. In 2 or 3 weeks we are going to have the agriculture appropriation bill before us on the floor of this House. If you think the cost is going to be less this year than last year you are mistaken. And if you think it is going to be high this year, wait until next year when you come back again and you have to foot the cost of this bill.

I ask the Members who represent urban areas to think of these things.

When we divert acreage under the existing program or under the terms of this bill it costs the taxpayer $50 an acre, as for example in my district, and then on top of this the farmer can get a Federal payment for a cover crop under ACP. The cost of these payments alone will amount to a quarter of a billion dollars this year. It is crazy, foolishly crazy for us to continue this, and it is the people in the urban areas, the consuming public who have got to pay the bill.

Mr. COOLEY. The gentleman is talking about the present feed grain program?

Mr. MICHEL. Yes.

Mr. COOLEY. We are abandoning that program, we are giving it up.

Mr. MICHEL. I am speaking about the programs that are in this bill.

Mr. COOLEY. If we do not pass this bill we are going back to the program the gentleman is talking about.

Mr. MICHEL. No, we are not doing that at all.

Mr. COOLEY. We will be going back to the 1958 program.

The CHAIRMAN. The question is on the preferential motion.

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 103, noes 149.

So the preferential motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. Jennings].

The question was taken; and on a division (demanded by Mr. Avery) there were—ayes 160, noes 98.

So the amendment was agreed to.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Jennings: On page 41, line 19, change the period to a comma and add the following: "but excluding the acreage of feed grains harvested for silage not in excess of the acreage of feed grains harvested for silage during the base period as defined in section 360(d) if the operator of the farm elects in writing to have such feed grains harvested for silage excluded. The review provisions applicable to marketing quotas in sections 361-367 shall apply to the determination of the acreage of silage exempt under this subsection."

Mr. JENNINGS. Mr. Chairman, what this amendment does, it merely says that a farmer, at his own election, in writing, may go to his ASC committee and say "I do not desire to have my corn or other grain which I raise for ensilage included in my feed grain base." He may then continue to grow the ensilage that he grew in 1959 and 1960, his average of the base year period, and not have that included in his base.

Now, let me give you an example. A farmer back in 1959-60 grew 10 acres of corn, grain sorghums, or what have you for grain. He also grew 25 acres of corn for ensilage. This merely says that the farmer, if he so elects, may exclude that 25 acres that he grew for ensilage in his feed grain base.

Mr. Chairman, I hope the committee will accept the amendment.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I am perfectly willing to accept the amendment as far as I am concerned.

Mr. JENNINGS. I hope the amendment is adopted.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from North Carolina.

Mr. TAYLOR. I would like to ask a question or two of the gentleman from Virginia. Under your amendment the farmer could produce as ensilage what he produced in the base period, 1959-60, but no more?

Mr. JENNINGS. That is correct.

Mr. TAYLOR. Now, what provision is made for a farmer who is now in business but was not in business in 1960?

Mr. JENNINGS. The same provision as made in the feed grain provision: 1 percent reserved to the States and 4 percent now under the Mahon amendment that will be reserved to the county for the new growers, hardship cases, or any other acceptable reasons that exist. They go down to the farmer-elected committee and present their case, and if they are not satisfied with their decision, they can appeal to the appeals committee and then they can appeal it to the State committee and then through the courts available in the U.S. Government.

Mr. TAYLOR. Is there any provision which would protect the farmer who during the last 2 years has built a new silo and purchased new harvesting equipment to increase his production?

Mr. JENNINGS. That is one of the questions that the county committee would take into consideration, and I have every confidence that the county committee would do what is right and just.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Kansas.

Mr. AVERY. As I recall, the farmer was compelled to figure his ensilage acres as part of his feed grain base for 1961-62; is that not correct?

Mr. JENNINGS. You are talking about the emergency feed grain provision?

Mr. AVERY. Yes.

Mr. JENNINGS. That is correct.

Mr. AVERY. What becomes his feed grain base for 1963? Is it the total of his feed grain and his ensilage; is that his new base?

Mr. JENNINGS. That is correct. It is the same as it was in 1961. It is still based on 1959-60.

Mr. AVERY. Then he could plant silage in addition to that without being in violation?

Mr. JENNINGS. No.

Mr. AVERY. This is very important, and I think it should be explained.

Mr. JENNINGS. It is very important. If the gentleman will suspend for a minute, I will try to explain again. The farmer, using the same example, who during 1959 and 1960 had a feed grain base of 75 acres, and 50 acres of that was planted for grain and 25 acres was planted for ensilage, under this provision he may, at his own option, in writing, exclude from his feed grain base and plant what he planted during 1959-60 to ensilage without affecting his grain base. In other words 25A.

Mr. AVERY. In the same example, what is his feed grain base for 1963?

Mr. JENNINGS. His feed grain base would be 75 acres.

Mr. AVERY. Well, then, am I not correct that he can plant ensilage in addition to that without being in violation?

Mr. JENNINGS. He cannot. He could only plant 25 acres because that was included in his base. But, he could plant that 25 acres which was included in his base as ensilage. He could plant that and not be affected by the participation of this program on his feed for grain.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Ohio.

Mr. HAYS. I have a question now about this 40-acre limitation. Suppose a farmer grows, we will say, 35 acres of grain, can he participate actively and grow as much ensilage as he wants to in addition?

Mr. JENNINGS. Going back to the 40-acre provision, this has no relationship to the 40-acre provision.

Mr. HAYS. Why does it not have? In my district there is hardly anybody who will grow more than 40 acres of grain, but a lot of people would grow up to the 40-acre limitation.

Mr. JENNINGS. He may grow what he did in 1959 and 1960.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HAYS. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. MASON. I object, Mr. Chairman.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to ask the gentleman from Virginia [Mr. Jennings] now, and I would like to get this clear: As I understand it, under the 40-acre limitation the man does not participate in the program if he grows less than 40 acres; is that right?

Mr. JENNINGS. No, that is not right.

Mr. Chairman, I might say to the gentleman from Ohio, if he will yield——

Mr. HAYS. I yield to the gentleman from Virginia.

Mr. JENNINGS. That is wrong, for this reason: In the 40-acre provision those who have a feed grain base up to 40 acres may participate, or they may elect not to participate. That would have no effect on this, other than that portion of that 40 acres which was in ensilage—which was grown for ensilage—may now be grown for ensilage and not included in that base acreage.

Mr. HAYS. In other words, then, if a man was growing 30 acres of grain and 20 acres of ensilage, and if this amendment is passed, he is not included, and he could continue to do that?

Mr. JENNINGS. If the gentleman will yield, he may still continue to grow 20 acres of ensilage.

Mr. HAYS. I am talking about the fact that he could continue to grow that amount, and not be affected?

Mr. JENNINGS. He may; you are correct.

Mr. HAYS. That is the reason I asked that question, because if this amendment passes, plus the 40 acres, that makes my district like Ivory soap, $99\frac{44}{100}$ percent pure.

Mr. JENNINGS. If the gentleman will yield further, I hope the gentleman can then vote for the change.

Mr. HAYS. I think I can, because it will not affect anyone in my district.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to question the gentleman from Virginia [Mr. JENNINGS] a little bit further in order to fully understand what the proposed amendment would do.

Did I understand correctly that if a person had 20 acres of ensilage and 30 acres of corn that he raises for grain, that then he would still be under the 40-acre exemption, even though 50 acres of corn were raised on this farm?

Mr. JENNINGS. If the gentleman will yield, he would not be under the 40-acre exemption, because that would add up to a base of 50 acres. But this amendment proposes that at the election or option of the producer, his ensilage—the corn which he grew for ensilage—may not necessarily be counted into his base acreage, which means he could continue to grow his 20 acres for ensilage and then have 30 acres for grain. In other words, he may either come under the program or he may elect to stay out.

Mr. QUIE. Then the assumption would be, as I understood the gentleman from Ohio, that a person could take his 40 acres for grain and add onto that the acres that went into ensilage; is that correct?

Mr. JENNINGS. If the gentleman will yield further, no; that is not correct. He cannot raise the 20 acres he had grown for ensilage. He may continue to grow that and then under the 40-acre exemption he would only have 30 acres left. He may either come under the program or stay out of the program. What we are saying is that ensilage will not count for purposes of a feed grain base, unless he so elects.

Mr. QUIE. I thank the gentleman.

Mr. Chairman, I would like to direct this question to the gentleman from Texas [Mr. POAGE]. As I understood from the answer which was given to my question by the chairman of the committee [Mr. COOLEY], the difference between the 25-acre exemption and the 40-acre exemption would mean that 10 percent more acres would be exempt. I also understood from his later comments that under the 40-acre exemption only 10 percent of the acres in this country of feed grains were exempt. Which is true?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Texas.

Mr. POAGE. Approximately 13.8 percent of the total feed grain acres of the United States would be exempt if everyone took advantage of the exemption under the 40-acre amendment. Actually, I think it is reasonable to assume that there would be about 10 percent.

Mr. QUIE. Based upon the information contained in the table which the gentleman from North Carolina [Mr. COOLEY] inserted in the RECORD on the first day of the debate, under the 25-acre exemption, 12 percent of the acres would be exempt. If that is true, how could the percentage of acreage exempt now be 10 percent?

Mr. POAGE. If the gentleman will yield, may I suggest to the gentleman that the gentleman's source of information is probably just as good as mine. The information I have is that the 40-acre exemption will probably take out about 10 percent of the acres of feed grains in the United States. The gentleman from Minnesota may have data that would indicate something else. I am a little flattered that the gentleman feels that I have much better information than the gentleman has. But the gentleman asks for my information, and I am giving it to him. The gentleman may have other information, and the gentleman may prefer to believe that rather than believe me. The gentleman can take his choice.

Mr. QUIE. I understand this information came from the Department of Agriculture.

I wonder if the gentleman from Virginia [Mr. JENNINGS] has anything to add to it? If so, I would be glad to hear from the gentleman from Virginia.

Mr. JENNINGS. Let me say to the gentleman from Minnesota that I have nothing to add. I think what the gentleman is referring to is the fact that probably in some of the States it would be as high as 20 percent. It would be as high as 20 or 25 percent. The information that I have is that under the 25-acre exemption it would be about 8 percent and under the 40-acre exemption it would amount to about 2 or 3 percent more which would bring it up to a total of about 10 percent.

Mr. QUIE. Mr. Chairman, I would like to read for the record the estimated number of farms that were exempt under the 25-acre exemption. That figure is 1,204,532, being 54 percent. The number of acres was 11,976,500, making 12 percent, according to this chart. All the added exemptions from all the amendments make it even more than the 12 percent. And if it gets up to about 20 percent you can imagine the amount of feed grain acres that the farmers of the Midwest are going to have to reduce in order to get the 25 million acres idled in order to bring a balance between supply and demand of feed grain.

Mr. McINTIRE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to direct my question to the gentleman from Virginia [Mr. JENNINGS]. Under the legislation before us, if I understand it, corn grown not for harvest as grain but for ensilage is classified as a feed grain.

Mr. JENNINGS. That is correct.

Mr. McINTIRE. Under the amendment which the gentleman is proposing, and notwithstanding his amendment, a farmer planting corn for use as ensilage and not for grain would still be under an acreage restriction at least tied to his base of 1959–60 acreage.

Mr. JENNINGS. That is correct.

Mr. McINTIRE. The election that he has is simply to participate in the program or not. If he chooses to participate then he would have to conform with such acreage adjustments as were consistent under the program at that time.

Mr. JENNINGS. That is true for the grain but not for the ensilage, because the purpose of this amendment is to exclude grain grown for ensilage up to his base which was established in 1959–60.

Mr. McINTIRE. My example was that he was growing only corn for ensilage, not grain of any other kind.

Mr. JENNINGS. Then he would come under the provisions of the act and would be subject to the option of the 40-acre provision; or, if he were above that, he would come under the act and would have to participate and cut back if the farmers voted for that program.

Mr. McINTIRE. The bill before us, amended as the gentleman proposes, would still require a farmer who was growing corn for ensilage, this being his only grain, to hold to that base of 1959–60 and if his acreage exceeded that base he would be subject to penalty whatever use he may wish to make of the ensilage.

Mr. JENNINGS. If he were in excess of that amount and decided not to come under the 40-acre exemption, the gentleman is correct.

Mr. McINTIRE. I thank the gentleman.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Chairman, the gentleman from Maine has emphasized the very point I had in mind. It seems to me this is a very ineffective amendment. It will not exempt corn for silage from the program. The farmer is still limited as to his base. It creates some more complications and loopholes in the feed grain program. It simply means that the corn farmer will have to cut back on his production that much more in order to make up for this new loophole in the law.

Mr. McINTIRE. Mr. Chairman, the point that I wish to make for the record is that those of us who are interested in areas that are not producing grains for feed but might well be producing corn as ensilage corn, not for harvest—those acres are just as much under the provisions of this bill even as amended by the gentleman from Virginia as any other grain which might be grown on the farm.

Mr. TAYLOR. Mr. Chairman, I offer a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mr. TAYLOR as a substitute for the amendment offered by Mr. JENNINGS: On page 41, line 19, change the period to a comma and add the following: "but excluding the acreage of feed grains harvested for silage if the operator of the farm elects in writing to have such feed grains harvested for silage excluded."

Mr. TAYLOR. Mr. Chairman, we have been hearing during the last 2 days that amendments will be presented by committee members exempting silage and oats. I understand that the gentleman from Florida [Mr. Matthews] will present an amendment which completely exempts oats. The silage amendment presented by the gentleman from Virginia provides only a limited exemption. It restricts each farmer to the amount of silage that he produced during the base years of 1959–60. My amendment would exempt silage entirely just as oats is being exempt.

Silage accounts for only 8 percent of the total amount of feed grain produced nationally. In North Carolina it represents only 4 percent of the feed grain produced, but in my district and in many other sections where grain is produced mostly for livestock consumption at home, silage represents the majority of all feed grain produced and it is all fed to dairy cattle and to beef cattle on the farm.

Silage is a roughage. As a feed it competes with hay and fodder and not with dried grain.

There are sound reasons justifying treating it separately from other corn or feed grain. Silage by its own nature is a commodity which cannot be shipped in commerce. It spoils as soon as air strikes it. It invariably is taken from the silo and fed immediately to livestock on the farm where it is produced, or close by.

Silage has nothing to do with the national grain surplus which we are concerned about. There is no surplus in silage. The Federal Government is not spending one penny on storage for silage.

Exempting silage will not cause other grain producers to quickly shift to its production.

Special silos and special farm machinery must be purchased before a farmer goes into the business of producing silage. He must purchase livestock before he can use it.

In my section of the country and in many other sections the alfalfa beetle during the last 2 years has destroyed much of the alfalfa crop and livestock farmers have shifted and are shifting to corn and corn silage and have increased their silage production extensively during the last 2 or 3 years. When we cut them back to their 1959–60 silage base they will have to make a change in their operations. Some will shift to oat or barley silage but this requires special harvesting machinery which may cost $5,000 or more. The only alternative for many will be to sell part of their herd and reduce their operations.

These dairymen and beef producers purchase dry feed on the national market. Practically every dairyman in my section of the country purchases more than $100 of feed per cow per year on the national market and most of it comes from the Western States. They represent an important segment of the feed grain market and they are helping to reduce the surpluses.

Putting these livestock producers part way out of business and forcing them to curtail their operations is a hardship on them and will not aid in solving the national grain surplus problem, but on the other hand we will be defeating the very purpose of this legislation. We will be limiting their future operations and limiting their ability to serve as purchasers of grain.

I hope that you will adopt this amendment which really does exempt silage and treats silage just as oats is being treated.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman.

Mr. EDMONDSON. I think the gentleman's amendment has definite advantages over the amendment of our good friend, the gentleman from Virginia, and I certainly intend to support the gentleman's amendment.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman.

Mr. WHITENER. I commend my colleague. This amendment is very important to our section of North Carolina.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment to the amendment.

Mr. Chairman, I think it is quite clear that the two amendments by the gentleman from Virginia give as broad an opportunity for anyone to engage in any kind of family farm operation that it is possible to propose and still any effective control. Criticism was leveled against the Jennings amendments on the ground that they opened the door to some additional exemptions. And so they did. But they are quite carefully circumscribed so that they will not open a great breach in the wall.

But the amendment to the amendment does tear down the wall. It just takes the fence down and says you can plant all the land you want in feed grains so long as you put it in silage. Now you can put mature corn into silage. Every farmer knows that. We do not grow much corn and we do not do much in the way of silage down my way, but I have grown corn and let it get hard and then run it through the silo cutter and put it into a silo. Anybody can do that. All you have to do to avoid this bill, if you adopt the amendment to the amendment, is simply store the corn in silos instead of storing it in a bin. That is all there is to it.

This amendment to the amendment opens the door far too wide. The amendments by the gentleman from Virginia certainly give all the relief that is needed and all of the protection that is needed for any of the small operators of the United States.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. AVERY. Do I understand the amendment by the gentleman from North Carolina to mean this: If the farmer had a 75-acre feed grain base in 1961 and 1962 and had used part of that for silage under the Taylor amendment he could plant all of that to feed grain and then plant silage in addition to that?

Mr. POAGE. That is exactly the understanding I have of it. It means to greatly increase what you have been growing. If you are going to have any controls, then you have to have controls. If you do not believe in controls, why, of course, then there is not really any use in passing the Jennings bill. I hope that the committee adopts the one amendment and votes down the amendment to the amendment.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. Nelsen] is recognized.

Mr. NELSEN. Mr. Chairman, I wish to speak in support of the Taylor amendment. The amendment that he offers today I offered in 1961. It was adopted without opposition from either the majority or the minority. It was later taken out in conference.

It has been stated that you can fill your silo with corn. That is true, but I have never seen a farmer go down the street with a wagonload of silage to be taken to the Commodity Credit bins and be sold in competition with the feed grain market. This amendment would help the small family livestock farm.

The amendment of the gentleman from Virginia [Mr. Jennings] is limited in what it can do. As I understand it, if in your 100-acreage allotment of corn you had 25 acres of ensilage, the only advantage is that the then base is reduced 20 percent of 75 acres instead of 20 percent of 100.

I believe that the Taylor amendment is fair. I believe it is a good amendment.

Let me add also that the gentleman from Wisconsin [Mr. Thomson] offered a similar amendment in the second bill that was considered, and I think it has merit.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. Hays] is recognized.

Mr. HAYS. Mr. Chairman, I rise in support of the Taylor amendment. This is why I do: The facts of the matter are that the small farmer who has to try to grow all the feed in the deficient areas he can for his herd of cattle may have a bad season—and we are having right now in Ohio a dry season. He may be a farmer who normally puts hay in his silage, for instance. His crop is cut down and he may decide—this can happen, I have done it myself—he may decide in July to plant grain sorghum to fill up silos. Under the Taylor amendment he can do that without being penalized, and he can have something for his dairy cattle. Not to be able to do so would work an extreme hardship. They should not be dragged into this.

Corn may be used for ensilage, but if it is chopped up it is not grain, it has become forage. You can talk all you want to about putting corn into the silo; you do not put it in as corn but as a chopped up proposition which eventually becomes forage, something like hay.

To adopt the Taylor amendment would make this bill workable in the areas where it would be necessary to do a thing of this kind. I hope the amendment passes.

The CHAIRMAN. The gentleman from Wisconsin [Mr. THOMSON] is recognized.

Mr. THOMSON of Wisconsin. Mr. Chairman, when I heard the chairman of the Committee on Agriculture say he would offer an amendment which would exempt ensilage I was quite elated, because last year I offered an amendment to exempt ensilage and it was defeated at the request of the gentleman from North Carolina with the gentleman from Texas. But when the amendment was presented by the gentleman from Virginia [Mr. JENNINGS], I concluded that this would be a sham, and a delusion, and a fraud on the farmer.

This is no exemption because you still have to include the ensilage acreage in your base acreage. One of the reasons this program was not accepted in the State of Wisconsin was because there are many small family-type farms in the State of Wisconsin who need all of that acreage for silage corn or ensilage.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wisconsin. I yield.

Mr. COOLEY. I do not agree that silage is part of your base acreage. The farmer who wants to take silage out can take it out and still operate on his corn basis.

Mr. THOMSON of Wisconsin. Yes; he operates on his corn basis reduced by the amount of ensilage. That is taken out, and that is the only advantage he gets. That is the explanation, and that is the way the law is written. I am standing here supporting the Taylor amendment, because if you want to do anything for the dairy farmer, the small farmer who produces ensilage and uses it not as a commercial product but as feed on his farm, you should accept the Taylor amendment. Let me say this, Mr. Chairman, the reason that this program was not successful in Wisconsin—only 30 percent of the farmers signed up—the principal reason was that you so restricted the use of ensilage that they grow there in such quantities that they could not participate in the program. If you are genuinely interested in reducing the surplus, you will accept this amendment and permit these farmers to sign up and join the program to reduce acreage that they do not need for ensilage.

Mr. COOLEY. Under the gentleman's amendment they could grow up to their base. Under the Taylor amendment the sky is the limit.

Mr. THOMSON of Wisconsin. There are many limitations, and the sky is not one of them, because you cannot pile ensilage up to the sky.

Mr. COOLEY. Mr. Chairman, I do not desire to prolong the debate. I only ask for the defeat of the Taylor amendment and adoption of the Jennings amendment.

The CHAIRMAN. The question is on the substitute offered by the gentleman from North Carolina [Mr. TAYLOR].

The question was taken; and on a division (demanded by Mr. COOLEY), there were—ayes 123, noes 84.

So the substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. JENNINGS], as amended by the substitute.

The amendment as amended was agreed to.

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENNINGS: On page 53, beginning with line 1, strike out down through line 8 and substitute the following:

"(2) By amending subsection (e) thereof by striking out in the first sentence thereof 'any of the 1962, 1963, and 1964 crops' and inserting in lieu thereof 'the 1962 crop'."

On page 53, between lines 21 and 22, add the following:

"(6) By adding at the end thereof the following new subsection:

" '(1) If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing any kind of wheat are inadequate to provide for the production of a sufficient quantity of such kind of wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county designated by the Secretary as a county which (1) is capable of producing such kind of wheat, and (2) has produced such kind of wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than such kind of wheat is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. The land-use provisions of section 339 shall not be applicable to any farm receiving an increased allotment under this subsection and the producers on such farms shall not be required to comply with such provisions as a condition of eligibility for price support'."

Mr. JENNINGS. Mr. Chairman, I know that a great many of you have received letters and telegrams from various bakeries throughout the country saying that there is a short supply of certain types and varieties of wheat. We have heard a great deal of comment from several Members who are interested in the type of wheat that is raised mostly east of the Mississippi River, and point out that there is no surplus of this particular type.

Now, this amendment will insure an adequate supply of all types and varieties of wheat. It gives the Secretary of Agriculture the authority to increase allotments of any type or variety of wheat that is either in short supply or is about to become in short supply, with the exception of that wheat which is shipped in the so-called giveaway programs overseas. It does say that you cannot give away wheat overseas under Public Law 480 or the food-for-peace program and use that as an excuse for saying we have a shortage. You may export wheat for dollars and receive the dollar subsidy and have a shortage. In other words, we do not want to cut off the people who are selling for dollars.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that I know of no one objecting to the amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. I discussed this amendment with the gentleman and delivered to the gentleman a letter I received from the Ward Baking Co., located in the city of Pittsburgh. Does this amendment, in your opinion, answer the objections raised by that letter?

Mr. JENNINGS. In my opinion, this answers the objections that any miller or any processor or any manufacturer or user of wheat would have who says that there might be a shortage of a particular variety of wheat. That was the objection in your letter. It is said that Soft White wheat and Soft Red Winter wheat can be used by confectioners and bakeries and so forth, and that there is no surplus of that particular type of wheat. I might also say that there is no shortage of that particular type of wheat. Last year when we had the wheat bill before the committee the same argument was used, but when we asked these people if they wanted to continue to include their wheat in the Public Law 480 program, in the giveaway program, they said that they would. Now, the Department indicates it would have no immediate use for this particular language in the bill. But, if need should arise, then they would have the legislation to insure our domestic manufacturers and our export market for dollars that there would be no shortage.

Mr. BREEDING. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Kansas.

Mr. BREEDING. I would like to ask a question. Is it true that the Secretary must find that there is a need for increased production of these varieties before he can give an order to grow more?

Mr. JENNINGS. Absolutely. He must determine that there is a shortage of any particular variety or type of wheat before he can issue that order, and he must also find that this is not being used in the giveaway program.

Mr. Chairman, this is a good amendment and I urge its adoption.

Mr. ULLMAN. Mr. Chairman, I rise in support of the amendment offered by my friend, the distinguished gentleman from Virginia.

This amendment authorizes the Secretary of Agriculture to increase allotments for any kind of wheat which he determines to be in short supply. "Wheat in short supply" would be defined as any kind of wheat for which the acreage allotments are inadequate to provide for the production of a sufficient quantity of such wheat to satisfy the demand therefor. The provision would not affect any wheat grown on a farm other than the kind in short supply.

The legislation voted by the other body contains this provision and I strongly urge the House to include it in the bill now before us. I feel very strongly that this amendment is in the public interest and would be of great benefit to our Nation's wheat growers. Again, I urge adoption of the amendment.

Mr. BELCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to ask the gentleman from Virginia [Mr. JENNINGS] two or three questions.

As I understand it, any wheat that has been used in the Public Law 480 program is not eligible for an exemption under this program?

Mr. JENNINGS. That is correct, if it has been used in that program.

Mr. BELCHER. The gentleman knows that a great many types of wheat are continuously claimed to be in shortage and are in short supply because millions and millions of bushels of this wheat have been given away under the Public Law 480 program.

Mr. JENNINGS. That is correct.

Mr. BELCHER. The gentleman further knows that some of this wheat that is in shortage in some of the States has been sold for feed in those various States. What about that type of wheat?

Mr. JENNINGS. Well, let me say to the gentleman that at the present time we have about 1,100 million bushels of Hard Winter wheat. We also have a carryover of about 180 million bushels of Hard Spring wheat, the equivalent of one crop of both of those classes of wheat. We have a fairly large crop of Spring wheat. The carryover on the other types of wheat are comparatively small. We also know that under the provisions of the bill, wheat for feed may be substituted as a feed grain, if they so desire.

Mr. BELCHER. In some of these States some of this wheat that is claimed to be in short supply, part of it was used for Public Law 480 purposes, and part of it was sold for feed in that particular area because they could not afford to ship it to some other area.

Then, the gentleman also recognizes the fact that a lot of these various types of wheat can be substituted for each other, does he not?

Mr. JENNINGS. Yes; I understand that many types of wheat can be substituted for each other. I also understand that there are certain products which take a particular type of wheat, such as Durum. But, I agree with the gentleman from Oklahoma that there is some flexibility and latitude of substitution of one type of wheat for another type of wheat in general usage, but not in specific usage.

Mr. BELCHER. As the gentleman knows, it has been the policy of the committee whenever it has been shown to the satisfaction of the committee that any of these types of wheat are in short supply, we have made a special ruling for that particular type of wheat.

Mr. JENNINGS. The gentleman is correct; yes, he is certainly correct.

Mr. BELCHER. Does not the gentleman think it would still be a good plan for the Committee on Agriculture to have a hearing in order to determine whether or not there was actually a shortage or whether there was just a claimed shortage because of this wheat which has been shipped out under the Public Law 480 program?

Mr. JENNINGS. I would say to the gentleman that I do not think this proposed amendment would give any unusual powers to the Secretary of Agriculture. I do not think the Committee on Agriculture should be called together to determine every time that there is an alleged shortage of a particular type of wheat. This amendment is placed in the bill for the specific purpose of insuring an adequate supply of these special types of wheat. I do not think the Secretary of Agriculture, regardless of what administration he might be serving under, is going to say that there is a shortage of any particular type of wheat when one does not actually exist, and when a good case cannot be made for it. I do not think it is necessary that we call a meeting of the committee for this purpose.

Mr. BELCHER. The gentleman knows that we do not have to be called together because we are in session about 8 months out of every year. No wheat crop is raised between September or October and January 1 of the following year.

Mr. JENNINGS. If the gentleman will yield further, I do not share the gentleman's concern.

Mr. BELCHER. Coming from a traditional wheat area, I will have to oppose the amendment which has been offered by the gentleman.

Mr. AVERY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think perhaps this amendment was offered in good faith. I think it was offered in an effort to, perhaps, balance the supply of certain varieties of wheat. But what it actually does is this: It just constitutes another trespass upon the historical wheat producing areas in the Middle West. It is just as simple as that. Those of us who represent the historical wheat producing areas have been subjected to this raid under the 15-acre exemption whereby the Nation gained 5,000 new wheat farmers every year. Five thousand new wheat farmers every year have entered into the wheat production industry because of the 15-acre exemption. That has now been ended under the terms of the 1961 act.

In this bill it is provided that the national wheat allotment shall be assigned on the basis of a 5-year history. The present formula assigns State quotas. This new formula automatically takes 120,000 acres of wheat out of Kansas and redistributes it around to all the other States that historically have not been wheat producing States.

You can see what this does. If you are going to permit special treatment for special areas, you will build up a State history in the recipient State and trespass further upon Kansas. Oklahoma, and Texas and transfer the acreage to such States as Virginia and North Carolina.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman.

Mr. BELCHER. Just as a bit of correction, the gentleman said that it has introduced so many new wheat farmers each year. It has produced 1,200,000 wheat farmers within the past 10 years. There are 1,200,000 now raising wheat under the 15-acre exemption and 600,000 that raise above 15 acres.

Mr. AVERY. And those new farmers have produced about all the surplus that is considered burdensome now in the Commodity Credit Corporation.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Virginia.

Mr. JENNINGS. Mr. Chairman, let me say to the gentleman from Kansas that under my amendment the Secretary, if he finds a shortage, may permit only these varieties to be grown in counties in which they have been grown, on farms on which they have been grown. In addition to that, this will not be counted as a base for any future allotments so what the gentleman is talking about, building up additional bases, will not count.

Mr. AVERY. I am glad that the gentleman has made the point. I do not think he made that point when he presented his amendment in the first instance.

Mr. JENNINGS. It is in the amendment itself.

Mr. AVERY. It is not as bad as I thought it would be. But it is a further discrimination against the wheat farmer, Mr. Chairman, and I oppose the amendment.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Kansas.

Mr. DOLE. If we continue in this way, by the time we finish debate this afternoon, the only State to which this bill will apply will be the State of Kansas.

Mr. AVERY. That is right. We are setting them out one at a time.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The statement was made that this would not count for future wheat history. That is what we were told with reference to the 15-acre exemption for about 10 years. After we gave enough of those exemptions, this bill gives an allotment to all of those who were formerly under the 15-acre exemption. What assurance do we have in the future that they will not present the same kind of a bill giving an allotment to these people to come in under this exemption?

Mr. AVERY. There is no assurance at all. This is obviously just another substitute, for the purpose of trying to get another vote or two for this bill.

Mr. Chairman, it is adverse to the interest of the wheat producing area and

I urge the Members to defeat the amendment.

**Mr. CURTIS of Missouri.** Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not going to speak on the merits of this particular amendment. But I checked to find out whether this amendment ever had been considered by the committee and the answer is "No." Anyone who listened could tell that this amendment covers about a page and a half. This is the manner in which we have been legislating on a very important proposal that affects the economy of our country. I checked and found that the bulk of the previous amendments that were offered, and concerning which the chairman of the Committee on Agriculture rose and said, "Well, we do not have any particular objection," had never been before the committee. If these amendments were so desirable, those of us who are not on the committee would have expected them to be presented to the committee and considered quietly, carefully, and objectively as they can be by the committee.

One other point. Missing in all of this has been the question, What has been the recommendation of the administration on these various amendments? It is almost routine in the House when an amendment is offered on the floor of the House for someone to give the position of the administration. I do not happen to be of the same party as the administration, but I am certainly concerned about what the Executive might say on some of these things. This manner of proceeding is just outrageous. We cannot possibly write good legislation on the floor of the House in this fashion, by considering matters that are complicated, particularly to those not on the Committee on Agriculture. It becomes very clear, as someone has pointed out, that apparently anybody who is willing to give a vote to the chairman and has an amendment can just go up and ask the chairman and he will say, "Yes, we will accept it." I will tell you the reason why. It is because this bill, under whatever procedure is followed, is going to be written in conference.

**Mr. JENNINGS.** Mr. Chairman, will the gentleman yield?

**Mr. CURTIS of Missouri.** I yield to the gentleman from Virginia.

**Mr. JENNINGS.** I appreciate the concern that the gentleman from Missouri has for the opinion of the administration. I should like to inform him that these amendments have been accepted.

**Mr. CURTIS of Missouri.** Is the gentleman going to say that about every amendment that has been offered here?

**Mr. JENNINGS.** Only the amendments offered by the gentleman from Virginia.

**Mr. CURTIS of Missouri.** Then I would have thought they would have been submitted to the Committee on Agriculture in due course, and I would have expected the Committee on Agriculture to consider them in their own session and not in this fashion on the floor of the House. This is just outrageous.

**Mr. HALLECK.** Mr. Chairman, will the gentleman yield?

**Mr. CURTIS of Missouri.** I yield to the gentleman from Indiana.

**Mr. HALLECK.** I want to commend the gentleman from Missouri for the statement he has just made. It has been a long time since I have seen a performance here that even approximated this. It is not for me to make the motion to recommit. There is very strong feeling over here that that motion to recommit should be to send this bill back to the committee. I cannot think of anything that would be more salutary than to get this bill back to the committee and let them bring back a bill that they could support when they get it on the floor, instead of writing amendments, whatever may be involved, in a fashion that cannot possibly be justified.

**Mr. CURTIS of Missouri.** I thank the gentleman. If this was desirable, if the administration was for these amendments, certainly they should have been considered by the Committee on Agriculture in proper session instead of on the floor of this House, instead of this procedure which is just picking up a vote here and there, and ending with a bill that is very obviously going to be a bad bill.

**Mr. COLLIER.** Mr. Chairman, will the gentleman yield?

**Mr. CURTIS of Missouri.** I yield to the gentleman from Illinois.

**Mr. COLLIER.** If that just happens to expedite the handling of this bill on this basis, if we started off at the beginning of the year by having every Member of Congress write on a piece of paper what he would like in the agricultural bill for his own district, this would not make it necessary to have these prolonged hearings. We have had about 19 amendments on the floor so far. We could just put those in the bill and send it to conference, and then take whatever bill came out of conference.

**Mr. COOLEY.** That is just about what would happen. We would have 800 bills. I am willing to cut off this debate and vote this up or down, and forget it.

**Mr. CURTIS of Missouri.** You can cut off debate by not having all these amendments to which your Committee on Agriculture has not given any consideration. I am somewhat familiar with legislative language. The gentleman from Virginia and others may have good intentions in all of the amendments, but when you get into the details of the legislative wording, there is considerable dispute about what words mean and those expert in legislative drafting should review them carefully.

**Mr. COOLEY.** Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

**The CHAIRMAN.** Is there objection to the request of the gentleman from North Carolina?

There was no objection.

**Mr. COOLEY.** I do not want the 5 minutes.

**The CHAIRMAN.** The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. AVERY), there were—ayes 150, noes 76.

So the amendment was agreed to.

**Mr. POAGE.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 40, between lines 18 and 19, insert the following:

"SEC. 3601. Notwithstanding any other provisions of law, subject to such additional terms and conditions as the Secretary may prescribe, an acreage equal to that part of a farm acreage allotment for any commodity which is not utilized for the production of such commodity because of adverse weather conditions may be devoted to the production of feed grains under the following conditions: (1) Any acreage so devoted to feed grains shall not be considered as feed grain acreage for purposes of determining the farm marketing excess; (2) price support shall be restricted to that percentage of the total production of feed grains on the farm equal to the percentage that the farm acreage allotment for feed grains bears to the total acreage of feed grains on the farm; (3) the land-use provisions of section 360j shall be inapplicable to a farm on which any acreage is so devoted to feed grains; and (4) any acreage so devoted to feed grains shall not be considered as feed grain acreage in determining whether the producer exceeded the farm acreage in determining whether the producer exceeded the farm acreage allotment for feed grains for purposes of sections 339, 360j, 379c of this Act and sections 105 and 107 of the Agricultural Act of 1949, as amended."

**Mr. CURTIS of Missouri.** Mr. Chairman, will the gentleman yield?

**Mr. POAGE.** I would like to explain the amendment.

**Mr. CURTIS of Missouri.** Was this offered to the committee?

**Mr. POAGE.** I do not know whether it was or not.

**Mr. CURTIS of Missouri.** I submit that is a typical example of what is being done here.

**Mr. POAGE.** May I tell you what this amendment does. The gentleman from Missouri does not know what the amendment does.

**Mr. CURTIS of Missouri.** Nor does the gentleman in the well know what it does.

**Mr. POAGE.** Yes, the gentleman in the well knows what the amendment does. The amendment provides, where a farmer has an allotment for cotton or wheat or peanuts or rice or tobacco—where he has an allotment that he cannot plant because of unusual weather conditions either because it is too dry or it has been flooded or because it is hailed out so that he cannot make his crop on the allotted acres of that allotted crop, then he may plant feed grain on those acres to the amount of the acreage that was allotted for the other crop.

Now the rationale of that is, and I think it is a very sound proposition, that fundamental justice requires that we should allow these people who see their entire year's earnings taken away from them to plant some crop, and normally feed grain is the only crop they can plant. If you pass a law and say they cannot stay in business at all even though the land is there and the weather is still seasonable to plant feed grain, then you will be doing the kind of thing which too many of our newspapers like to publicize about the farm program and you will be doing the kind of thing that they say we are doing.

We do not want to be doing that sort of thing. We do want to say to those people who cannot plant their allotted crops that they can plant something, and that means feed grain, because as a practical fact you all know that feed grain is the only crop that can be planted late in the season or after planting time for the other allotted crops.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GATHINGS. This should be written into permanent law, because many times due to drought conditions, flood conditions, or hailed-out crops we are asked to pass emergency legislation to aid stricken farmers.

Mr. POAGE. The gentleman is exactly right. Time and again we pass legislation for farmers who are flooded out or hailed out. We have even let them plant crops for which they had never held allotments. This is limited to allotted acreage. They cannot get support price on this grain, it cannot count as history for any future years. I think there are adequate limitations on it to protect the farmer and to protect the Government program.

Mr. EDMONDSON. I think this amendment is vital and essential to prevent disastrous results from flood or from hail. I certainly support the amendment.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. MAHON. I am grateful to the gentleman from Texas [Mr. Poage] for offering this amendment which I had requested the committee to offer. This is an amendment which the gentleman and I have discussed many times during the last 2 or 3 weeks. The amendment is almost identical to the one I had prepared and which is in the Record of day before yesterday, a copy of which is now at the Clerk's desk.

This amendment is vital to this bill. I strongly urge its adoption. I have been encouraged to believe it will be adopted. The farmers I represent are deeply concerned over this matter. They feel that the amendment is absolutely necessary.

The provision would give the farmer something to fall back on in event of a disaster to his allotted crop, such as cotton. The amendment would provide a lifesaver without seriously affecting national production.

Is it not true that the adoption of this amendment would not mean a great additional production of feed grains but would be somewhat of an insurance against complete disaster, to those who raise peanuts, tobacco, or cotton, because of unfavorable weather?

Mr. POAGE. It is simply an opportunity to see that we do not do the unreasonable things we might do without this amendment.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. THOMPSON of New Jersey. The gentleman from New Jersey is a city dweller. I do not understand what this will do for the peanut, cotton, or tobacco farmers. Would they as an alternative plant some sort of feed grain? Will the gentleman give us a hypothetical case?

Mr. POAGE. Yes, I will be glad to. Down in some parts of Texas it has not rained, still has not rained, and the time for planting cotton will certainly be up soon—it is up now as a practical matter, but nobody would attempt to plant cotton past the first of July if it has not rained by that time. That farmer then is going to have to go without any income whatsoever. By this amendment he would be given an opportunity to plant something else, and feed grain is the only thing he can plant.

Mr. THOMPSON of New Jersey. In other words, the gentleman's amendment would give him an alternative by which he could save himself during that year.

Mr. POAGE. That is right.

Mr. THOMPSON of New Jersey. Under these disaster conditions.

Mr. POAGE. That is right, something to fall back on if he was hailed out or flooded out.

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. HOEVEN. I yield.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HOEVEN. Mr. Chairman, this is the last straw. We have gotten into a ridiculous situation. I am amazed to think that the Committee on Agriculture should find itself in the ridiculous position whereby any member of the majority party who wants an amendment can have it by simply going to the chairman of the committee and having it OK'd. Many amendments have been offered on which no hearings were held. The Secretary of Agriculture and a select group of members on the majority side got together a day or two ago and agreed on some 13 amendments. Members of the minority on the committee were not consulted, so we know nothing about them.

Under all of the circumstances, the only reasonable, sensible thing to do is to send this bill back to the committee.

I wonder whether the gentleman from Texas [Mr. Poage] would like to amend the title of this bill? The reference in the title to the bill relating to the reduction of CCC stocks would no longer seem necessary in view of the amendments adopted which would bring about more production instead of less.

This amendment, if passed, would get us into more production like nobody's business. If planting of feed grains on cotton acreage is permitted, we would only create a worse surplus situation in feed grains. Instead of cutting down on production it looks as if the proponents are doing everything humanly possible to increase the surplus situation which in turn means more cost to the taxpayers.

The amendment is a one-way-street operation. Why not let feed grain farmers, wherever they can, raise wheat, tobacco, peanuts, rice, or cotton acres, if they suffer a loss on their feed grain crops? Oh, no. It just works to the advantage of the proponents of this sort of legislation. We in the Midwest, in the feed grain area, simply have to tighten our belts and live under these tight controls while others enjoy this kind of preferential treatment.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. If my alfalfa winterkills, can I plant corn under this amendment?

Mr. HOEVEN. No, you cannot.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. In other words, we want our cake and we want to eat it too. What we cannot do in our district somebody else can do in their district. It is apparent here that somebody is asking too much.

Mr. HOEVEN. It is a one-way street. One of these days you are going to find cotton in trouble. Tobacco has been in trouble, but we came to the rescue of the tobacco farmers 2 years ago last year. Why not give the feed grain farmers a little consideration?

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Kansas.

Mr. AVERY. Is there anything in the Poage amendment to prevent a farmer collecting crop insurance and going ahead and raising these other crops?

Mr. HOEVEN. I do not think so.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from California.

Mr. TEAGUE of California. Everyone seems to be getting sympathy here. My poor little old artichoke growers are having a tough time out in California. Do you think we ought to do something for those artichoke people?

Mr. HOEVEN. I hope very much that the press takes cognizance of what has been going on here this afternoon. It is enough to embarrass many of us

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. Gross].

Mr. GROSS. Mr. Chairman, I yield back my time in the interest of harmony.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. Tollefson].

Mr. TOLLEFSON. Mr. Chairman, the farm bill, which the House is considering, is a bill to regiment farmers such as they have never been regimented before. The overwhelming majority of the people in my district want no part of it and have so informed me in no uncertain terms.

The Secretary of Agriculture claims that the bill will save the taxpayers $1 billion per year. All the evidence seems to be to the contrary. In my humble opinion, the bill will increase costs to the taxpayer. Because of the controls and redtape the measure would create, additional personnel would be required to administer the law. Since January of 1961 the Department of Agriculture has added 6,000 employees. This new proposal would add thousands of others.

My farmers are small ones compared to those in the Midwest. They are for a large part dairy farmers, poultry and egg producers, truck and berry farmers. This bill would not help them. On the contrary, it would hurt them. Those in the dairy and poultry area would be compelled to pay higher prices for their feed grains. There would be no question about it. An announced objective of the bill is to raise the income of the farmers. That objective could not be attained without increasing the price of the feedgrains they produce. Consequently, my farm people would be hurt.

My consumers would also be hurt by the bill. My distinguished Democrat colleague, the gentleman from Rhode Island [Mr. FOGARTY], a senior member of the Appropriations Committee, told the House on Tuesday that if the administration's proposal was enacted into law the cost of bread to the American housewives would be increased by $164 million per year. He called it a bread tax, and I agree.

West coast Congressmen should vote against the bill. One of the strong Democrat proponents of the measure today voluntarily admitted that it would be bad for the West. We from the West know he is right and should vote against it. We should know also that the bill is bad for the whole country. This was clearly pointed out in an editorial appearing in the Washington Daily News of yesterday which stated, and I read as follows:

A BILL TO CONTROL FARMERS

This week the House is debating the so-called farm bill—similar to a measure already passed by the Senate.

It is a bill to regiment agriculture as it never has been regimented before. It would double and triple present controls.

Agriculture Secretary Freeman, busy coaxing votes from doubtful House Members, makes the sweeping claim that this is a bill "for all the people—it would benefit farmers, taxpayers, and consumers." He expects us to take his word for it.

But the evidence is to the contrary.

It is an all-or-nothing bill. If it becomes law, wheat and feed grains farmers will be given a choice: Either they can vote for full Government controls or they can give up price supports entirely. That is a rigged choice, obviously.

The administration claims the bill would cut costs (to the taxpayer) but the American Farm Bureau Federation estimates it would have the opposite effect.

One aspect of the Billie Sol Estes scandal was his manipulation of acreage allotments. By greatly increasing the number of acreage allotments, the bill would make possible more manipulation.

Controls make redtape and redtape requires more payrollers. The Agriculture Department payroll, already zooming, would be upped more and more. (Up to May 1, the Kennedy administration had added 6,000 employees in this Department.)

As an example of the way the bill plays both ends against the middle, Mr. Freeman proposed to pay dairy farmers for not producing milk. But the dairyman could be paid for selling or leasing his cows to others, who could keep them in production. Or for diverting the milk to feeding pigs or calves.

"Milk diverted to the feeding of calves," the Farm Bureau Federation remarks, "could lead to an increase in the number of cows available for future milk production."

But it would cost the taxpayers a fat sum, just the same.

President Kennedy has charged Republicans with playing politics over this bill. Perhaps so. But the whole farm program is shot with politics—what the country needs is not more controls over farming, but more restraints on politicians telling farmers what they have to do.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, under the rules of the House when a bill is being considered members of the committee originating the legislation have preference over noncommittee members in securing recognition of the Chair for the offering of amendments and the discussion of pending legislation. This is a good rule which should not be altered, but at times it is difficult for Members of the House who are not on the committee to present adequately their views.

It was largely because of this situation that I urged members of the Committee on Agriculture to take the initiative in offering the amendments for which I have been campaigning for the past 3 weeks and which I presented to the House on June 19 and are contained in the RECORD of that date, beginning on page 10987.

I want to say that members of the Committee on Agriculture have been most cooperative and helpful. This I appreciate very much.

I am pleased over the acceptance of the two amendments which I offered earlier today. I urge the adoption of additional amendments which I shall present later today and which I may not have an opportunity to explain to the House as a result of the parliamentary situation.

I strongly favor the amendment which gives the producer a better alternative in the event feed grain controls are voted down in the referendum. The bill as originally presented to the House is wholly unacceptable in that respect.

I wish to specifically urge the approval of my amendment which reads as follows:

On page 25, line 7, change the semicolon to a comma and add the following: "and the Secretary shall make an appropriate adjustment for the amount by which the acreage of feed grains on the farm was reduced during the base period in order to permit the full utilization of any acreage allotment in effect for any commodity on the farm.

The law specified that the farmer who chose the choice B cotton program in 1959 or 1960 would get no credit on his cotton history as a result of the choice B program and that he would take a lesser support price. He should not therefore be penalized on his feed grain history as a result of his choice.

I am not one who believes the Government can offer attractive support prices for crops with unlimited production. On the other hand, any legislation approved by Congress must be in the overall best interest of the farmer, and the general public as well. I am very much disturbed over the situation confronting us in this legislation today.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield back my time and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 88, noes 136.

So the amendment was rejected.

Mr. MATTHEWS. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. MATTHEWS: On page 16, beginning with line 21, strike out down through the period in line 22.

On page 41, line 13, strike out "oats."

Mr. MATTHEWS. Mr. Chairman, I rise in support of the pending agricultural legislation as presented in H.R. 11222 and would like to say at the outset that the reason for my support is that we are facing a crisis in American agriculture, not because of the problem that the Soviet Union has—the inability to produce more than is needed, but because of the tremendous efficiency of the American farmer that has resulted in his ability to feed 26 other people and still have a surplus of agricultural commodities. In fact, we were told by the Secretary of Agriculture, the Honorable Orville Freeman, in his testimony before our committee, that our potential for agricultural production will outrun prospective demand for farm products over the next 10 or 20 years, even with the augmented food aid programs at home and abroad. By 1980 it is estimated that we will need 51 million acres less cropland than the 458 million acres we had in cropland in 1959. The surplus of agricultural production is in the warehouses and grain elevators of this country. Particularly do we have a problem in feed grains and at the present time we have 2.1 billion bushels of feed grains in surplus. The cost of storing our surplus agricultural commodities is approximately a billion dollars a year. Much of the profit of agriculture has gone on to the owners of the warehouses and all of you are familiar with the tremendous profits that can be made in simply storing our surplus agricultural commodities. The illegal transactions of Billie Sol Estes remind us of the impact of this program in the hands of unscrupulous operators.

I feel that this problem of agricultural surplus hangs over the heads of the farmer in America and will eventually bring about the ruin of a prosperous American agriculture unless something is done about this problem. The taxpayers of America have a right to demand a program that helps the farmer and consumer and does not simply pile up unneeded agricultural surpluses to rot in the warehouses of America. The carryover of wheat next July 1 on the basis of estimated supply and disappearance is expected to be about 1,380 million bushels, which is down from the alltime records. Stocks will remain far in excess of our need for reserves to meet possible emergencies. The supply of feed grains in the current marketing year is estimated at 225.5 million tons, more than 5 million tons less than was available during the previous marketing year, but let us keep in mind that domestic disappearance in 1961 to 1962 is estimated at 135 million tons and exports at 13.3 million tons. April 1 stock reports indicate that corn stocks alone are about 280 million bushels less than last year, but keep in mind that it is estimated that even with the reductions under the emergency feed grain programs at the end of 1962 we shall have 77.4 million tons of feed grains at the end of the year. As of March 31, this year, the Commodity Credit Corporation had $3.1 billion invested in feed grains. We simply must do something about the problem.

The programs or approaches to solve the problem are: First, to terminate all price support and production adjustment programs; or, second, turn away from acreage adjustment programs and reduce price supports moderately; or third, enact permanent legislation that would make it possible to adjust farm output to actual requirements at fair prices and to reduce existing stocks to manageable levels.

Very few people recommend the first alternative, which would not only ruin the American farmer, but would bring about a severe depression in this country. The fact that we would have a depression has been documented in independent studies. Now, if we use the second alternative—ending production adjustment programs and placing price supports at relative low levels, as was tried by Secretary Benson in the previous administration, we know from experience that we will have steadily growing stocks and rising costs for handling and storage. So, the present agricultural legislation approaches the third alternative, and by using this alternative, it is hoped that surpluses can be cut down in such a way as to help producers get a return more commensurate with their investments, to keep stable prices for the consumer, and to permit the continuing healthy condition of the livestock industry in America. It is easy to criticize, Mr. Chairman. Disraeli once said, "It is much easier to be critical than correct." But we must present cold, hard alternatives. Let me repeat again that the American taxpayers feel that we should do something about the billion-dollar annual cost of handling the tremendous agricultural surplus in America, caused largely by the wheat and feed grain commodities.

Now, Mr. Chairman, it is difficult to tailor bills to suit each farmer in America. We realize that when we propose national legislation, there will be some aspects of it that are not favored by everybody. In my own congressional district, we have the problems of the farmers who produce the corn and other feed grains. Then we have the problems of the livestock and poultry industry that are consumers of feed grains. Insofar as those who produce feed grains in Florida are concerned, I sincerely believe that on the basis of the emergency feed grain programs, the producers have profited greatly from that program, and will profit from the proposed program. I believe they realize that fact. It is interesting to note in Florida that in 1961, we had a base acreage of 632,300 acres of corn, and 115,900 acres were diverted into the emergency feed grain program. Four thousand five hundred and twenty-nine farmers participated, or 28 percent of the total farms. Now, in 1962, we have had 163,900 acres of corn that were signed up for the emergency feed grain program, as compared to 115,900 acres diverted last year. This would indicate, Mr. Chairman, that our corn producers are taking advantage of this present emergency feed grain legislation. It would also indicate that despite Florida being in a feed deficit area, our producers of corn have not found it profitable to produce the maximum amount of their corn acreage. Other farmers in Florida who have, I know, a serious concern about the problems of a feed grain deficit will, I hope, keep this in mind. I think we should also point out that there is not the strict control in this legislation that some people think there should be. For example, the control is not on a bushel basis, and in our own State of Florida, it is estimated that the average yield of corn is 30 bushels per acre, whereas anyone familiar with Florida agriculture knows that on many acres, much more than that amount of corn can be produced with more fertilizer applied, and with good rainfall or irrigation. So, the fact remains that on the reduced acreage in Florida, it would seem that we have a good opportunity to produce all of the feed grains for which there is a local demand.

Now, insofar as the livestock and poultry producers in Florida are concerned, I know here again we have difficulty in tailoring this proposed legislation to meet on a 100-percent basis all the desires of our people. No one likes Government regulation. I do not want it unless it is absolutely necessary. I am hopeful that the agricultural problem in America before too long will be such that we can eliminate many controls. But I sincerely believe down deep in my heart that if we have a guaranteed price support, we simply must have Government controls. This program does not attempt to establish Government controls over our livestock producers. In this connection, I want to quote from a letter sent to the Honorable W. R. POAGE, the gentleman from Texas, the chairman of our Subcommittee on Livestock and Feed Grains, by Mr. Charles S. Murphy, of the Department of Agriculture, dated June 14, 1962. This letter was in response to questions raised concerning the effect of the feed grain provisions of H.R. 11222, on the livestock industry. Mr. Murphy stated that the "Department of Agriculture does not want, nor do they see any need for, direct Government programs for cattle and hogs. The feed grain program of H.R. 11222 is specifically designed to avoid any need for such programs." Mr. Murphy goes on to state that the present voluntary program, as well as the long range program, is considered by the Department of Agriculture as the best means of avoiding price supports or Government restrictions on cattle and hogs.

Now, why do they take that position? It is because, in my opinion, that if we do not have any feed grain program, the tremendous surplus of feed grains will lead to such cheap supplies of feed grains, which in turn will lead to the excessive expansion of cattle and hog production, and consequently low prices for these key meat products. Let us keep in mind that for the past 10 years the feed grain programs putting 3 to 5 percent of each year's production into Government warehouses instead of into more cattle, hogs, milk, and poultry, has helped to support livestock prices. We have a reduction of many million bushels of feed grains this year because of the emergency programs, but we shall produce this year one-fourth billion bushels more than we feed. CCC storage and handling costs for corn rose from $20 million in the fiscal year 1953 to over $148 million in the fiscal year 1960. Fifty-two million dollars has been spent in a year to move corn around to find storage for it. Interest costs amounted to over $100 million in 1961. Let me repeat, I believe livestock prices can be better maintained and improved now by reasonable price supports and by limiting feed grain production.

In this proposed legislation, the Secretary of Agriculture may permit grazing from April 1 to October 1, with the loss of all of the conservation payments to the producer. From October 1 to March 31, grazing will be permitted without loss of payments. We have been assured that the maximum use of this authority would, in the judgment of the Secretary, have no adverse effect on the livestock industry. Not many farmers would be willing to sacrifice their conservation payment for the grazing privilege.

There will be further amendments offered during this debate, Mr. Chairman, and for which I shall vote, that in my opinion will further benefit the livestock industry and poultry producers. As you know, already in the bill there is authority to grow the maximum of 40 acres without being required to come under the program. That means that any farmer in Florida who has been producing 40 acres of feed grains can continue that production, and does not have to come under the program. This would mean 60 percent of our feed grain producers would not come under the program if they so desired. Another amendment which I, myself, plan to offer is to exclude oats from the feed grain provision of this bill. I feel that this would be of tremendous help to our livestock producers, and since oats is not in excessive surplus, it would not harm the program. If this amendment is passed, it would mean that all of the oats desired could be planted for livestock food and other uses.

An amendment to liberalize the use of silage has been passed. There are still unlimited opportunities for the development of our pasture lands for livestock food. Under the provisions of this bill, the Secretary of Agriculture may permit no decrease of production in the food deficit area.

I emphasize these facts to point out once again why I do not fear that this program will harm the livestock producer. I feel that he will have the adequate supply of food for his stock and that these prices will not be too high. Let me emphasize that with the tremendous surplus of 2.1 billion bushels of feed grain that we have at the present time, it is absolutely inconceivable to me that prices of feed grains to the livestock operators will get out of hand. There will probably be other amendments offered, Mr. Chairman, and for which I shall vote, which will assure our livestock producers and other farmers of the maximum amount of freedom that is possible in this program. Remember, we are trying to save the taxpayers of America a billion dollars a year by eliminating useless production of unneeded feed grains and in reducing excessive storage costs resulting from the same.

I want to emphasize again the fact that many of our Republican friends on the other side of the aisle voted for the sugar program this week. I pointed out in the debate on that program that here we were giving the Secretary of Agriculture the authority to set the price of sugar in America, we were giving him the authority to control the production of sugar. There was only a very feeble protest to this tremendous authority invested in the Secretary of Agriculture insofar as that particular program is concerned. Now you hear this most vocal criticism of giving the Secretary of Agriculture the authority proposed in H.R. 11222. Let me say that I do not want any more Government regulation than is necessary. I come from that part of the country which still believes in the Jeffersonian theory of States rights.

I would like to emphasize the authority of the Secretary of Agriculture is granted only if the farmers, themselves, approve of it. This program will be submitted to the feed grain producers of this country, and as you know, two-thirds of them must vote for this program and say to the Secretary that we shall invest in you this authority, and if they do not vote for it, this program is defeated. I realize that if this program is defeated the farmer will have some tremendous problems. I do not believe this program will be defeated if it is submitted to the farmers of America. It is the same kind of program that has worked so successfully for tobacco. I realize that there are differences in the production of feed grains. For example, there is a much larger acreage devoted to feed grains than to tobacco, but the same type of program—let me repeat again—that we are hoping we can work out for feed grains is the same kind of program that has been working for flue-cured tobacco, for corn, for cotton, for peanuts, for rice. The farmers of America have never turned down these programs in referendum, and these programs have insured a fair treatment for farmer and for consumer alike.

Now, there are those who are critical of this program, and it is so easy to criticize. I admit criticism is the privilege of every American citizen, but what is the alternative of the critics? If this bill is defeated, let me emphasize that we return to the unlimited production of feed grains that was in effect during Mr. Benson's administration with a guaranteed price support, and that means the accumulation of more hundreds of millions of bushels of feed grains that we do not need, and that, in my opinion, will in a short time cause the complete destruction of all of the farm programs. I did not institute these programs, Mr. Chairman. We had these farm programs before I came to Congress. But every year that I have been here, I have earnestly sought to work for programs that insisted in return for a firm price support on agricultural commodities, a production control. I do not think it is fair to the taxpayers of America, I do not think it is fair to the farmers of America, to give a firm price support without a control of production.

The farmers of America, Mr. Chairman, understand this problem. They had rather produce less and get a fair price than produce an unlimited amount and get little or nothing for it. The choice is theirs in this bill that we present to you. I feel confident that their choice will, as always, reflect their good judgment.

In conclusion, Mr. Chairman, let me point out a more optimistic note. It is amazing that today we are discussing American agriculture in the terms of problems of producing more than we can use. There are a billion people in the world who go hungry every day, and yet we have this tremendous production in America, which surely is a blessing far greater than we realize. Many times you hear people say, "You give food to people abroad who are hungry, and there are Americans who are hungry." If that be true, then there is no excuse for it. The Committee on Agriculture has sponsored legislation that will permit food to go to needy people in America. Hundreds of millions of dollars last year of our surplus agricultural production has gone to needy persons, schools and institutions, to the school lunch program, to the special milk program. Millions and millions of people living in family units in America have received this surplus agricultural production. What a tremendous blessing it is to realize that we do not have the problem faced by our enemy, Soviet Russia, insofar as agricultural production is concerned.

Let me point out, also, that agriculture today employs 7 million people, more employment than in any other segment of the private enterprise system in America, and that in addition to these 7 million people employed in agriculture, there are 14 million others, or about twice as many more, who receive jobs because of businesses supplying agriculture. They receive jobs because of the businesses distributing the agricultural products, and so, although we have only 2 million farm families in America, and 3.7 million operating farms, there are approximately 21 million working people in America dependent upon agriculture. I think we ought to emphasize the positive aspects of this program. We often talk about, in a critical tone, the departure of the family-sized farm operation, and sometimes the agricultural programs are blamed for the loss of the family-sized farmer. I maintain that we have hundreds of thousands of family-sized farmers on the land today because of programs passed by Congress. By helping American agriculture we have helped the whole Nation. In these trying periods of unemployment due to automation, we certainly need to keep as many people on the farm as we can. When they leave the farm, where are we going to put them? Labor leaders have told us in testimony before our committee from time to time that we have no need for much of the farm labor that has been siphoned off of the farm and has had to go to the cities. I say these agricultural programs have helped keep people on the farm.

We must, insofar as is humanly possible, continue to produce on our American farms so that our people will have more work opportunities, so that we can export, so that we can be competitive in the future as we are today in the world markets, where we need to send our agricultural surpluses. We must keep this program in balance, or this program, again, I predict, will stagnate, it will deteriorate, it will eventually fall under, unless we can do something about this tremendous useless production of feed grains.

There are, of course, Mr. Chairman, five titles to this bill. I would not slough over these other titles. They are not, however, as controversial as the feed grain program. Title I concerns land use adjustment. I have had friends interested in a watershed program in our district in the Mills Creek area ask for me to vote for title I because of the great benefits it would give to them in the development of that watershed project.

Title II concerns the Agricultural Trade Development Act and does not seem to be controversial.

Title III has already been eliminated.

Title IV is the controversial feed grain section.

Title V concerns the Farmers Home Administration and is not controversial, in my opinion.

Now, there are some who will say, "Let us vote against all of H.R. 11222." Let me remind you that the Committee on Agriculture has labored for months on the very distressing problems that faced us. To refuse to come up with a solution is to evade responsibility. I do not like some of the provisions in H.R. 11222. I do not like the further regimentation of the American farmer. I hope and pray with all my heart that we can get away from regimentation.

I simply believe, however, that the basic solutions offered by the Committee on Agriculture in controlling feed grains in the next several years make the best solution of this problem. I reserve for myself, of course, the right in future years to assess the agricultural program on a yearly basis, as I have done in the past. Nothing is permanent, Mr. Chairman, but change. Surely through the years we are going to have to continue changing American agricultural programs. I do not want any more regimentation than is necessary. I want to move to the maximum of freedom.

However, I want to protect to the best of my ability the American farmer and the American consumer. So it is, then, that I have come to the conclusion to support this pending legislation, with many of the amendments that are going to be considered, as the best solution that is possible for the present.

My proposed amendment would delete oats from the crops included as feed grains subject to acreage allotments and marketing quotas under H.R. 11222. The question of whether or not oats ought to be included in the bill is a close one. Oats is not in surplus supply. It is produced for hay and pasture as well as for grain, and is used as a cover crop also. In these respects it differs from the other three important feed grains.

On the other hand, oats can be substituted for the other grains to some extent. Also, it is possible that many farmers who produce oats would prefer to have the added flexibility of having their base acreages of all feed grains, including oats, combined.

On balance, however, it seems desirable not to include oats in the program. This will eliminate any uncertainty about whether or not farmers who use oats as pasture, as hay, or as a cover crop can continue their usual operations. With oats excluded there should be no question of an adequate supply or of continuation of the customary uses made of oats.

Rye would continue to be included under the feed-grain section of the bill at the discretion of the Secretary. In certain sections of the country this would be desirable, and that the opportunity for the Secretary to include rye ought to remain in the bill, with the understanding that it could be applied in certain sections of the country without necessarily being applied nationally.

Mr. Chairman, many members of the committee have asked me about another amendment that I shall introduce as soon as I can be recognized after the consideration of this amendment. The second amendment concerns the use of diverted acres so that we can maintain on them conservation uses that will keep the land free from erosion, weeds, insects, and rodents, as approved by the Secretary. Many of you have asked me about that particular amendment, and I would like to say that I shall offer it after the discussion of this particular amendment, which, as stated by the reading, will eliminate oats from the provision of the feed grain bill.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from California.

Mr. HAGEN of California. Would the gentleman describe this as the wild oats amendment?

Mr. MATTHEWS. I would not know exactly how to answer the gentleman except to say that I do not believe so. I think all of us realize that many of our farmers have planted oats for grazing. Oats are not in surplus supply. There is less than one-fourth year's supply on hand. In the committee we talked about many farmers who produced oats and raised them, but they never harvested the oats, and we did not want any question at all about this idea that the farmer or the rancher could plant all the oats he wants to for grazing and that these oats will not come under the provisions of this bill if it is passed.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Nebraska.

Mr. BEERMANN. The gentleman said we only had a one-fourth-year supply on hand. Since we only have a half year's supply of corn on hand, what would the gentleman's definition of "surplus" be?

Mr. MATTHEWS. In this instance I would say that oats represent an entirely different type of crop than corn, because oats are used as pasture. Oats can be used as hay and can be used as a cover crop. This situation, I think, in the future will not present any problem at all like the situation with the other feed grains.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman from Florida [Mr. MATTHEWS] had discussed this amendment with me, and I am certain with other members of the committee—not in an effort to gain any votes. I see no objection to accepting the amendment, and I hope there will not be any objection to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Iowa.

Mr. GROSS. Was this amendment considered in committee?

Mr. MATTHEWS. We talked about it at considerable length, but not the exact language of this amendment before the full committee, as I recall.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the distinguished gentleman from Indiana.

Mr. HARVEY of Indiana. Would this apply to all oats grown for all purposes, or just for pasture?

Mr. MATTHEWS. It would be my understanding that it would apply to oats grown for all purposes.

Mr. HARVEY of Indiana. Well, I certainly would be opposed to it.

Mr. MATTHEWS. In other words, it would exclude oats from the provisions of the bill. We have recognized here this afternoon many times the need for giving our farmers flexibility of operation, giving them as much freedom within bounds of regulation as we can. It would seem to me, Mr. Chairman, that this is a wonderful opportunity to give the farmer more flexibility in his feed grain operations.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Would the oats raised in 1959–60 count toward the base?

Mr. MATTHEWS. No; this would have nothing to do with the base acreage, if this amendment is passed. Oats would not come under the provisions of this bill.

Mr. SMITH of Iowa. In other words, this would reduce the feed grain base acreage on the farm by the average amount that was planted to oats in 1959 and 1960.

Mr. MATTHEWS. I think the answer to that question is "Yes".

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from California.

Mr. ROOSEVELT. May I ask my friend, the gentleman from Florida [Mr. MATTHEWS], if we exclude oats on the ground that there is no surplus in oats, would we not just turn around and invite those who are not now growing oats to plant oats and thereby create a surplus of oats?

Mr. MATTHEWS. I would like to say to the gentleman from California that the real reason for excluding oats is the fact that they have always been used largely as pasturage.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on title IV and all amendments thereto close at 5:45.

Mr. SMITH of Iowa. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on title IV and all amendments thereto close at 6 o'clock.

Mr. SMITH of Iowa. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate close at 6 o'clock on title IV and all amendments thereto.

The motion was agreed to.

Mr. AVERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AVERY. Could the Chair advise the Members as to how many more amendments are pending at the desk on this title, since we voted to close debate?

The CHAIRMAN. The Chair has no idea how many amendments will be offered.

Mr. AVERY. My inquiry, Mr. Chairman, was directed at the number of amendments now at the desk.

The CHAIRMAN. The Chair has no way of knowing that.

Mr. McINTIRE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McINTIRE. Mr. Chairman, may I move to strike the requisite number of words in relation to the amendment which has been offered by the gentleman from Florida?

The CHAIRMAN. The gentleman may do that.

Mr. McINTIRE. Mr. Chairman, I would like to inquire of the gentleman from Florida relative to his amendment. If his amendment is approved what is the status of the commodity oats in relation to price support?

Mr. MATTHEWS. If the gentleman will yield, it is my understanding that the price support would be at the discretion of the Secretary, as it is at the present time.

Mr. McINTIRE. Mr. Chairman, may I inquire of the chairman of the committee as to a clarification of the status of the commodity of oats?

Mr. MATTHEWS. Mr. Chairman, if the gentleman will yield further, let me repeat, if the gentleman will permit, that it is my understanding the status of oats would be as it is at the present time, at the discretion of the Secretary.

I would like for the gentleman to yield to the chairman of the committee if there is any other information which the gentleman might supply in addition to what I have stated.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. McINTIRE. I yield to the gentleman from Texas.

Mr. POAGE. I think the gentleman from Florida [Mr. Matthews] is very correct in stating that this amendment takes oats out from under the terms of this bill.

Therefore, oats would remain exactly as they are today. Oats today are presently supported at the discretion of the Secretary. They would remain exactly in that situation.

Mr. McINTIRE. That would be under title III of the Agriculture Act of 1949.

Mr. POAGE. That is right.

Mr. McINTIRE. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. The motion to close debate on title IV and all amendments thereto at 6 o'clock, Would that foreclose any amendments that may be offered at the end of the bill?

The CHAIRMAN. It would not foreclose the offering of amendments. However, debate on title IV would not continue beyond 6 o'clock.

Mr. JENSEN. Mr. Chairman, a further inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. Title IV is not the final section of this bill, is it?

The CHAIRMAN. That is right; there is another title, as the gentleman knows.

Mr. JENSEN. Yes, to be debated after 6 o'clock?

The CHAIRMAN. It may be after 6 o'clock. We are talking now about title IV.

Mr. JENSEN. My question was, Mr. Chairman, Would amendments be considered in order which might be offered following title IV?

The CHAIRMAN. They could be. Six o'clock has been fixed as the time for the conclusion of debate on title IV only, not on the entire bill.

Mr. JENSEN. I thank the Chair.

Mr. QUIE. Mr. Chairman, I rise in support of the Hoeven substitute.

Mr. Chairman, I would like to remind the Committee that we are still considering the Hoeven substitute to title IV. I would like to talk about the Hoeven substitute because with all the trouble we are in with title IV, here is a good solution. The Hoeven substitute would come in place of all these provisions here, about which we have gotten into so much difficulty. There are four things it would do:

First. It would extend the present emergency wheat program for 1 year.

Second. It would extend the emergency feed grains program for 1 year, with some changes, which I shall explain.

Third. It would permit a farmer who did not raise anything on his feed grain acres next year to go to the Commodity Credit Corporation and buy a like amount of feed grains at a bargain price, thereby drawing down the amount in surplus.

Fourth. It would permit the present conservation reserve contracts to continue so that the 27 million acres that are presently out of production in the conservation reserve would continue to stay out of production rather than to come in and provide another glut on the market which would practically eliminate any reduction that the feed grains program we are considering today would do.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. Quie] has expired.

Mr. QUIE. Mr. Chairman, I ask unanimous consent to continue for a full 5 minutes. I have not had the opportunity to discuss the Hoeven substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. MASON. Mr. Chairman, I will have to object.

Mr. KYL. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Minnesota.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. MASON. Mr. Chairman, I have to object to that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. Matthews].

The question was taken; and on a division (demanded by Mr. Matthews) there were—ayes 90, noes 104.

Mr. MATTHEWS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. Matthews and Mr. Hoeven.

The Committee again divided and the tellers reported that there were—ayes 148, noes 106.

So the amendment was agreed to.

Mr. McSWEEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McSween: On page 45, line 3, strike out "price support for each crop of corn" and substitute "if marketing quotas for any crop of feed grains are not disapproved by producers, price support for corn of such crop".

On page 45, between lines 15 and 16, insert the following new paragraph:

"(2) if marketing quotas for any crop of feed grains are disapproved by producers, price support for corn of such crop shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines is appropriate after consideration of the factors specified in section 401(b) and will not result in a material increase in Commodity Credit Corporation stocks of feed grains.

On page 45, line 16, renumber paragraph (2) as paragraph (3).

On page 45, beginning with line 23, strike out down through line 25, and substitute the following:

"(4) price support for feed grains shall be made available only to cooperators."

On page 46, beginning with line 1, strike out down through line 3.

On page 46, line 4, insert at the beginning of paragraph (5) the following:

"if marketing quotas are in effect for the crop of feed grains."

On page 46, line 13, after the period insert the following: "If marketing quotas are not in effect for the crop of feed grains, a 'cooperator' with respect to any crop of feed grains produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for feed grains."

On page 46, between lines 13 and 14, insert the following:

"(6) the term 'feed grains', as used in this section, means feed grains as defined in section 301 of the Agricultural Adjustment Act of 1938, as amended."

On page 80, line 6, immediately preceding "price support" insert "if marketing quotas are in effect for wheat".

On page 80, lines 12–13, strike out "if marketing quotas are in effect for the crop of wheat".

On page 80, beginning with line 15, strike out down through line 17 and substitute the following:

"(4) price support for any crop of wheat for which marketing quotas have been disapproved by producers shall be at such level not to exceed 50 per centum of the parity price therefor as the Secretary determines is appropriate after consideration of the factors specified in section 401(b) and will not result in a material increase in Commodity Credit Corporation stocks of wheat."

On page 80, line 21, at the beginning of paragraph (6) insert the following: "if marketing quotas are in effect for the crop of wheat,".

On page 81, line 6, after the period insert the following: "If marketing quotas are not in effect for the crop of wheat, a 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat."

On page 47, line 1, beginning after the comma, strike out down through line 6 and substitute the following: "if a marketing quota for feed grains for any marketing year is disapproved by producers, the Commodity Credit Corporation may sell for unrestricted use from its stocks during such marketing year not to exceed ten million tons, or the equivalent in bushels, of feed grains at not less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges."

On page 81, line 16, beginning after the comma, strike out down through line 21 and substitute the following: "the Commodity Credit Corporation may sell for unrestricted use from its stocks during the marketing year not to exceed two hundred million bushels of wheat at not less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges."

Mr. McSWEEN. Mr. Chairman, I shall be brief and will yield for any questions any Member may have on this amendment.

Mr. Chairman, the charge has been leveled against this bill basically that it provides either for regimentation or ruin. While I do not agree completely with that charge I would say that under the terms of this amendment farmers would have a choice under the bill of either participation or protest rather than regimentation or ruin.

Mr. Chairman, this takes care of the situation in the event the referendums are not carried. In such event this amendment would provide price support for wheat and feed grains at not to exceed 50 percent of parity. Surplus stocks would also be insulated to the extent that there would be a minimum sales price of 105 percent of support price plus carrying charges. This would give the farmers a reasonable choice between either voting for the program or voting against the program. This would mean there would not be a harsh choice, and there would not be the dumping threat. I urge the adoption of the amendment.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. QUIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. Mr. Chairman, I have an amendment which is a substitute for the McSween amendment. Would it be proper for me to offer that now before the McSween amendment is voted on?

The CHAIRMAN. It would be.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ANDERSEN of Minnesota moves that the Committee do now rise and report the bill back to the House with instructions that the enacting clause be stricken.

Mr. ANDERSEN of Minnesota. Mr. Chairman, earlier in the afternoon I had announced that if a motion to recommit failed it was my intention to vote for this bill on final passage. Now that the bill has been gutted with exceptions and exemptions, first in the 40-acre provision, in the ensilage provision, and in the oats provision, this is now becoming a mockery, and I will have nothing to do with the passage of this bill.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. ANDERSEN].

The preferential motion was rejected.

Mr. QUIE. Mr. Chairman, I offer a substitute for the McSween amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE as a substitute for the amendment offered by Mr. MCSWEEN: Page 46, line 1, strike lines 1 through 3 and insert the following:

"(4) Notwithstanding any other provision of law, if marketing quotas for feed grains are disapproved by producers, price support shall be made available at 50 per centum of the parity price to all producers and the Commodity Credit Corporation shall not sell any feed grains for unrestricted use at less than 80 per centum of the parity price of such feed grains; and".

Page 46, line 24, strike lines 24 and 25.

Page 47, line 1, strike lines 1 through 6.

Page 80, line 15, strike lines 15 through 17 and insert the following:

"(4) Notwithstanding any other provision of law, if marketing quotas on wheat are disapproved by producers, price support shall be made available at 50 per centum of the parity price to all producers and the Commodity Credit Corporation shall not sell any wheat for unrestricted use at less than 80 per centum of the parity price of wheat;".

Page 81, line 14, strike lines 14 through 21.

Mr. QUIE. Mr. Chairman, the Members can understand from a reading of the amendment just what it means. If a referendum is turned down, the farmers get 50 percent of parity, and CCC cannot dispose of surpluses until the market price reaches 80 percent of parity, thereby preventing CCC from depressing the price to the detriment of the farmers.

In the Hoeven substitute there is a provision for the extension of the 1961–62 feed grain program. This gives an opportunity for all farmers to receive a payment in kind in place of price supports, amounting to 15 cents per bushel. A farmer who feeds his grain to his livestock, if he complies, has to seal his grain under the present feed grain law, and then buy from the Commodity Credit storage at market price. This means a transfer of grain since a farmer receives $1.20 for putting his grain in CCC storage and has been able to buy corn for less than $1. This would eliminate that and would enable all farmers, whether they are cash grain farmers or feeding their own livestock to be able to get the benefit of the program if they comply. There will be no price supports, no diversion payments for anybody who does not comply with the program. It would give a benefit to those who do comply, and there will be no benefits to those who do not comply.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Minnesota [Mr. QUIE].

The substitute was rejected.

Mr. DOMINICK. Mr. Chairman, I offer an amendment to the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. DOMINICK as an amendment to the amendment offered by Mr. MCSWEEN: Page 47, line 3, after the word "Corporation", strike out "may sell" and all that follows down through the end of line 6 and insert: "may not sell from its stocks during such marketing year any feed grains except as specifically authorized under the National School Lunch Act, or under the Agricultural Trade Development and Assistance Act of 1954, or as authorized by current mutual security programs, by the fifth sentence of this section, or by section 416 hereof, or for disaster relief."

Page 81, line 18, after the word "Corporation", strike out "may sell" and all that follows down through the end of line 21 and insert: "may not sell from its stocks during such marketing year any wheat except as specifically authorized under the National School Lunch Act, or under the Agricultural Trade Development and Assistance Act of 1954, or as authorized by current mutual security programs, by the fifth sentence of this section, or by section 416 hereof, or for disaster relief."

Mr. DOMINICK. Mr. Chairman, we have been listening here for 3 days to the Democrats saying that this is not a compulsory program. They have said that two-thirds of the people who vote on this have a choice of voting it up or down. But, the fact remains that it is not a free choice. If the farmers vote the program down, they are then faced with no supports, but with a Secretary who can come in and dump surplus supplies on the market, thus ruining the only available market. What I have tried to do here, Mr. Chairman, is very simple. The amendment would simply prohibit the Secretary of Agriculture, if the program is defeated by vote of the farmers, from dumping surplus commodities on the free market in competition with the farmers. He could still dispose of the surplus through Public Law 480, through disaster relief, the school lunch program, and all of the other mechanisms. If the producers vote down the program proposed under this bill, if his amendment is adopted, they would then be free of controls and free of the existing competition from the Government itself. It seems to me that this amendment will accomplish the results we have heard noise about but seen no action on. If you are going to have a free market, you have to restrict your Secretary from artificially affecting that market by the action he takes in connection with surplus commodities. If we are going to give the farmer a real voting choice of strict production and acreage controls with supports on the one hand, or freedom from Government controls with no supports on the other, the Secretary must be restrained from artificially depressing the market by threatening to dump surplus on the market. Let us give our farmers a real choice instead of a choice between shotguns and slow strangulation.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Colorado [Mr. DOMINICK].

The substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. MCSWEEN].

The question was taken; and on a division (demanded by Mr. MCSWEEN) there were—ayes 132, noes 99.

So the amendment was agreed to.

The CHAIRMAN. The gentleman from Texas [Mr. POAGE] is recognized.

Mr. POAGE. Mr. Chairman, I rise in opposition to the Hoeven substitute.

Mr. Chairman, I would use this moment to present two witnesses, one of whom is Carl Byoir Associates of New York City. I hold here a letter dated June 6, 1962, addressed "For Cargill, Inc.," in which it says that on behalf of Cargill, Inc., one of the many organizations whom it represents, they submit this proposition which they say will be offered:

It is understood that Congressman QUIE, of Minnesota, and probably others of the House Agriculture Committee, will introduce legislation along these lines.

Mr. Chairman, the "lines" seem to be exactly that of the Hoeven substitute. I assume, therefore, that the Hoeven substitute must be the proposition that is proposed by these advertising associates of New York in behalf of Cargill, Inc.

Mr. Chairman, I would call one further witness, one who has been a hostile witness from time to time, and with whom I have often differed. I am happy to find the Farm Bureau is, at this time, in full accord with my views and in opposition to the Hoeven substitute.

The CHAIRMAN. The gentleman from Kansas [Mr. BREEDING] is recognized.

Mr. BREEDING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BREEDING: On page 36, line 22, after "farm" insert a colon and the following: "*Provided*, That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".
>
> On page 61, line 14, after "farm" insert a colon and the following: "*Provided*, That this requirement to devote such acreage to soil-conserving uses shall not operate to prevent the use which would otherwise be permitted under this title of any acreage allotment in effect for any commodity on the farm".

Mr. BREEDING. Mr. Chairman, there is a provision in the present act today that does cause considerable agitation at the ASC committee offices at home. I would like to give the Members this example and show them why this amendment is offered.

The proposed wheat and feed grains program would provide acreage allotments for the two crops, and would require that farmers divert a certain acreage to other specified and limited uses. The bill would also require farmers to maintain in addition to the diverted acreage, the acreage in conserving crops or practices—grass, legumes, summer fallow—which they had in the base period.

A similar requirement is included in the temporary programs for feed grains and wheat which are now in effect and has led to some difficulty of administration. Consider a wheat farmer with 300 acres of cropland—including a 200-acre allotment in 1959 and 1960 and 100 acres of summer fallow. This farmer decided, for reasons of his own, to underplant his acreage allotment in those years and to summer fallow a larger acreage than had been his practice. He planted 150 acres of wheat—50 acres below his allotment—and had 150 acres of summer fallow. This larger summer fallow acreage became a part of the farmers' conserving acreage requirement under the 1962 wheat program.

Under the 1962 program, he had an acreage allotment of 180 acres—a reduction of 10 percent—and was required to divert 20 acres to conserving uses. Since he had 150 acres in conserving uses in 1959 and 1960, as described above, he appears to be required to maintain that acreage also.

But when you add together his 180 acres of wheat allotment for 1962, his 20-acre diversion requirement and the 150-acre conserving requirement, it totals 350 acres. This is 50 acres more than the farmer has.

The logical way to solve this problem is to adjust the farmers' conserving requirement back to normal, so that he is not required to plow up part of his wheat allotment, in order to have enough acreage to meet the "conserving" requirement.

Now, Mr. Chairman, I would like to direct my attention to wheat, bread, and flour prices.

A question was raised in the debate on H.R. 11222 on Tuesday of this week concerning the price of wheat in 1963 under the marketing certificate program and the relationship of the price of wheat to the price of flour and bread. The argument was made that the bill puts a bread tax on consumers and that it would cost American consumers an additional $164 million each year compared with the present system.

These statements are not true. They are based upon a misunderstanding of the wheat bill. This has been recognized by the millers and bakers of this country. Through their responsible organizations they have stated that there is no cause for concern that the price of flour or bread would be increased as a result of the wheat marketing certificate program.

I quote from the Southwestern Miller of April 17:

> The concern of the baking industry over the imposition of a bread tax through the certificate plan for wheat has been dispelled by action in both the House Committee on Agriculture and through assurances from the office of Secretary of Agriculture Freeman, it is indicated in a bulletin issued by the American Bakers Association.

The Secretary of Agriculture has also sent a letter to the chairman of the Wheat Subcommittee of the House Committee on Agriculture restating his assurance that the price support level for wheat, including the marketing certificates in 1963, would be at about the same level as for 1962—$2 per bushel.

Members of Congress ought to be aware also of the very distant relationship of the price of bread to the price of wheat. From 1947 to 1959 the retail price of a 1-pound loaf of bread rose from 12.5 cents to about 20 cents. In that time the farm value of wheat in that loaf of bread declined from 3 cents to 2.3 cents.

The claim has been made that the proposed wheat program would add 1 cent to the price of a 1-pound loaf of bread. The facts are that the farm price of wheat would have to be increased by approximately one-third before a cent increase in the price of bread could be justified on the basis of higher wheat prices.

Since no increase in wheat prices is indicated next year, claims that bread prices will be raised by this farm bill are in error.

Mr. Chairman, a letter written to me by the Secretary of Agriculture follows:

> DEPARTMENT OF AGRICULTURE,
> OFFICE OF THE SECRETARY,
> *Washington, D.C., June 20, 1962.*
> Hon. J. FLOYD BREEDING,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. BREEDING: An improved wheat program is a key feature of the pending farm bill. You and your subcommittee have amended and approved the original bill to make it more acceptable to farmers and the grain industry and more attractive to consumers and taxpayers.
>
> Objections to the wheat program have been minor. One misunderstanding remains, however, and ought to be cleared up.
>
> This wheat program would not increase flour and bread prices. The range of price supports for wheat would not be changed by the bill, but would remain between 75 and 90 percent of parity. I have assured the Congress in public hearings that the price support level for certificate wheat in 1963 would be near $2 per bushel—the 1962 support price. There is nothing in the bill, therefore, which can be construed as leading to an increase in the price of bread or flour.
>
> Sincerely yours,
> ORVILLE L. FREEMAN,
> *Secretary.*

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. BREEDING].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. JENNINGS: On page 38, line 19, strike out subsection (f) and insert:
>
> "(f) During the crop years 1963, 1964, and 1965, the diverted acreage may be grazed at the producer's option, but no payment shall be made for acreage which is grazed."
>
> On page 35, line 5, strike out paragraph (3) and insert:
>
> "(3) Beginning with the crop year 1966, the Secretary may, pursuant to regulations prescribed by him, permit the diverted acreage to be grazed in order to alleviate hardship arising from drought, floods, or other emergency condition."

Mr. JENNINGS. Mr. Chairman, as the amendment says, it would permit at the option of the producer, grazing the acreage that he takes out of production in lieu of payments. It is merely an option for the years in which he is going to receive payments. Under the revision now he will receive payments based upon 50 percent for the years 1963, 1964, and 1965. This gives him the option of grazing those acres in lieu of payments.

Mr. Chairman, it is a good amendment. It provides more freedom. I recommend the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. JENNINGS].

The question was taken; and on a division (demanded by Mr. KYL) there were—ayes 126, noes 109.

So the amendment was agreed to.

The CHAIRMAN. The time for debate on title IV has expired.

Mr. NELSEN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. NELSEN moves that the Committee do now rise and report H.R. 11222 back to the House with the recommendation that the enacting clause be stricken.

Mr. NELSEN. Mr. Chairman, I have been waiting patiently for 2 days, for an opportunity to offer an amendment or two to a farm bill. Farming happens to be my business. Yet I am being denied a reasonable opportunity because of action closing debate on title IV. This denies me an opportunity to speak in support of amendments that I think would help a bill and a law with which I have to live. It is easy to legislate for farmers in Brooklyn. My neighbors with me live with these bills that we pass in this Congress. It is our bread and butter, living on the farm. Now we are being gagged, giving us little time to properly consider these amendments. We have listened to amendments for 2 days from a committee that has been sitting for months. These amendments are being offered and we are denied the opportunity to properly consider them with all the facts before us. I protest this type of legislating.

I have been in legislative work since 1935 and never in my life have I seen a performance or better stated, a circus, such as we have witnessed on this floor on important legislation for the farmers of America. The Midwest will suffer because of what has been done.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the preferential motion.

I have two amendments at the desk. One of the amendments I think goes to the heart of the amendment mentioned by the gentleman from Minnesota. I think he indicated that he wants to use a 5-year history instead of a 2-year history to determine the acreage allotments. That will not work, because during 1 or 2 of those years they did not have sufficient records.

I have an amendment on that subject which I think is meritorious. It would use, in addition to the 2-year history, other factors that were used in 1957 and 1958 in the acreage reserve program. It would be inconsistent with the other programs such as soil conservation programs, to use a 2-year history as practically the only criteria for determining these allotments. It would permanently write into the law something that is basically unfair.

The other amendment is to provide that during the first year, it would be a voluntary program. I say it is utterly impossible in the next 60 days to find out what is in this bill, to interpret it, explain it to the farmers, set allotments, determine who is exempt and who is eligible to vote, and then have a proper election. Feed grain farmers are entitled to a year to find out how this bill would work and especially what has been done under the silage amendment, which will open the floodgates and surely result in unfair reduction of allotments by other farmers.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from North Carolina.

Mr. COOLEY. I want to ask the gentleman from Minnesota [Mr. NELSEN] if he was ever denied the right to offer amendments in the committee room or to come there and offer amendments for consideration by the committee.

Mr. NELSEN. I have been sitting here 2 days to urge consideration of my amendment. The doors were closed for proper discussion of these amendments.

Mr. COOLEY. When the gentleman got his 5 minutes, instead of talking about his amendment, as did the gentleman from Iowa, he started a tirade against the committee.

Mr. NELSEN. I have been courteous to you, Mr. Chairman, properly yielding to committee members, but many Members not on Agriculture, have not had an adequate opportunity to offer amendments for consideration.

Mr. SMITH of Iowa. I urge that you listen to these two amendments I will offer. I am sure they would help the bill and are meritorious.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota.

The motion was rejected.

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON——

Mr. THOMSON of Wisconsin. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. THOMSON of Wisconsin. The amendment the gentleman is offering is to title IV, and under the gag rule imposed on this House time has expired and the amendment is out of order.

The CHAIRMAN. In view of the fact that the amendment has not been reported, the Chair has no knowledge of what it contains.

Mr. ROOSEVELT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROOSEVELT. Are all amendments at the desk to be read and acted upon that deal with title IV?

The CHAIRMAN. Only if the Members who sent the amendments to the desk rise in their places and request that the amendments be considered.

Mr. MAHON. How can gentlemen get recognition in order to do that? The gentleman from Texas has four or five amendments at the desk.

The CHAIRMAN. The gentleman was recognized three or four times, and I am sure he will rise when the appropriate time comes. Then he will be recognized.

The Clerk will report the amendment offered by the gentleman from New York.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 88, line 3, after "this section" insert a new section to be numbered "SEC 438," to read as follows:

SEC. 438. Section 8c(5) of The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is amended as follows: (1) By redesignating paragraphs (D), (E), (F), and (G) of section 8c(5) as (E), (F), (G), and (H), respectively, and by inserting after paragraph (C) of such section the following new paragraph:

" '(D) Providing for the payment by handlers (not otherwise subject to the pricing provisions of the order) in an amount not greater than the difference between the minimum prices based on use classification established pursuant to paragraph (A) of this subsection and the price of milk in the lowest use classification, for any milk or milk products sold by such handlers in the area subject to the order. Such payments shall be made to the fund established pursuant to paragraph (C) of this subsection: *Provided, however*, That such payments shall not be required if a handler chooses, if so eligible, to comply with all other provisions of the order. No payments shall be required hereunder if any provision of the order is based on the provisions of paragraph (B) (1) of this subsection.'

"(2) Section 8c(5) of such Act is further amended by inserting before the period at the end of the last paragraph thereof the following: ': *Provided, however*, That the provisions of this paragraph shall not prevent the making of payments under paragraph (D) of this subsection'.

"(3) Section 8(c) of such Act is amended by adding at the end thereof the following:

" '(20) All provisions of orders in effect on the date of enactment of this subsection, relating to payments such as are provided in paragraph (D) of subsection (5), are hereby validated, and shall have full force and effect.' "

Mr. STRATTON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. CURTIS of Missouri. I object.

The Clerk concluded the reading of the amendment.

Mr. STRATTON. Mr. Chairman, this is the dairy amendment which I said yesterday I would offer to restore the integrity of the New York-New Jersey milk marketing order No. 2, protect the income of our dairy farmers, and assure the statutory basis of the so-called compensatory payments feature of the order thrown out the other day by the Supreme Court.

Let us make no mistake about this. If you want to help the dairy farmers of New York and not just talk about it, here is your chance to do it. We can only correct the Supreme Court's action by legislative action, and we all know that unless such legislation is adopted now as a part of the pending farm bill, there will be virtually no chance of the adoption of any separate legislation on this urgent matter during the balance of this session, and before the problem facing our New York State dairy farmers becomes urgent. If we hope to rely merely on administrative action to deal with this problem, then we will find that this administrative relief will come too slowly, and will not be enough to meet the needs of our New York State dairy farmers.

This fact is demonstrated, Mr. Chairman, by the following letter received by the chairman of the committee from the Secretary of Agriculture, which I include at this point:

DEPARTMENT OF AGRICULTURE,
*Washington, D.C., June 21, 1962.*

Hon. HAROLD D. COOLEY,
*House of Representatives.*

DEAR MR. COOLEY: This is in reply to your request for the views of the Department of Agriculture concerning an amendment to the pending farm bill proposed by Congressman SAMUEL STRATTON to amend the Agricultural Marketing Agreement Act of 1937 with respect to compensatory payment provisions in milk marketing orders.

The compensatory payment provisions in the New York-New Jersey milk order were invalidated by the U.S. Supreme Court in its decision on the Lehigh Valley case June 4, 1962. This decision, although related to the provisions in the New York-New Jersey milk order, is of such a nature as to have an impact on the compensatory payment regulations in other markets.

The Department of Agriculture fully supports the objective of maintaining orderly marketing conditions in the New York-New Jersey market and in other markets and is deeply concerned with the effect which the Supreme Court decision may have upon these markets. The problems raised by the Supreme Court decision have not yet been fully evaluated. The case will be remanded to the district court for final disposition. The full evaluation by officials of the Department of Justice and the Department of Agriculture by reason of the complex nature of the decision and the complexities of milk marketing has not been completed and may necessarily be affected by such final action as the district court takes.

The Secretary of Agriculture has announced the appointment of a committee of industry leaders in the New York-New Jersey area to advise with the Department as to the steps which may be taken to avoid disruption of orderly marketing of milk in that area. It is necessary in this connection to consider the nature and scope of administrative action which may be taken within the framework of the statutory authority in the light of the Supreme Court decision, as well as the nature of legislative action which may be necessary.

We understand that proposals for administrative action have been prepared for submission to the Department by substantial producer groups in the New York-New Jersey market. An analysis of the possibility for administrative action contained in such proposals will have to be made in the light of the Supreme Court decision. In the meantime the Department will take such administrative action to avoid disruption of marketing as is determined to be feasible.

Moreover, there is serious division within the dairy industry over this issue. We expect that the conflict between the contesting dairy interests involved in the Lehigh Valley case would extend throughout the dairy industry generally in reaction to the proposed legislation.

For these reasons the Department feels that legislative action would be premature at this time.

The Department, in addition to being deeply concerned about this matter, is also deeply concerned about other aspects of the dairy problem. We believe there is an urgent need for action by Congress to restore milk prices and dairy farm income to a more adequate level and to deal with the increasingly serious problem of surplus milk supplies which is rapidly approaching emergency proportions. Therefore, in view of the need for more adequate appraisal of the effect of the Supreme Court decision in the Lehigh Valley case and in view of the urgent need of legislative action on the overall dairy problem, I strongly urge that Mr. STRATTON's proposed amendment to the pending bill is withdrawn at this time and that it be considered along with other proposals for improving the dairy program at hearings of your committee at the very earliest opportunity. The Department urges and will strongly support prompt action during the current session of Congress on these pressing problems in the dairy industry.

ORVILLE L. FREEMAN,
*Secretary.*

I am glad to see, Mr. Chairman, that as a result of my amendment and my efforts to get legislative relief for our New York dairy farmers, the Secretary is now prepared to pledge that "in the meantime the Department will take such administrative action to avoid disruption of marketing as is determined to be feasible."

What this means is that we may get some help to stave off some of the more serious results of the Supreme Court action, and I am glad to have helped to bring that about. But you can see from a careful reading of the Secretary's letter that it will be a long, long time after a hearing, and after further action in the district court—that any adequate action will be taken. I am also concerned by the Secretary's reference to "serious division within the dairy industry over this issue." The only "serious division" that can exist within the dairy industry on this issue cannot lie within New York State, because all of the four major dairy cooperatives in the State have appealed to Washington for prompt and speedy relief from the economic threat posed by the Supreme Court decision. The only opposition to the kind of relief which my amendment offers comes from those outside New York State who now view this Court decision as a fresh opportunity on their part to move into the New York milk market, just as they have been trying to do in connection with their efforts to enact the national milk sanitation bill into law—unsuccessfully, I am happy to report, as the result of my action in helping to kill this undesirable bill in committee last year.

These midwestern milk producers, of course, do oppose my efforts to restore the compensatory payment procedure. They hope the whole New York order will break down in the wake of the court decision, and then they can begin to flood our markets with their tired midwestern milk.

Mr. Chairman, if the Secretary of Agriculture intends not to take any corrective administrative action on this matter that will not be opposed by these midwestern interests, then it is even more clear that any real relief for our New York State dairy farmers must come by legislation, and it must come as a part of the bill before us today, not 2 weeks or 2 months from now.

May I add, too, Mr. Chairman, that in spite of Secretary Freeman's suggestion, I have not the slightest intention of withdrawing my amendment. It is our job as Members of Congress to determine what legislation to offer and support. I intend to continue to exercise those duties in my own case in line with my own conscience and with the interests of the people of upstate New York, whom I have the honor to represent.

Now, Mr. Chairman, yesterday when I first advised the Members of the Committee of my intention to introduce this amendment, I commented on the fact that I was surprised not to have heard favorably on my amendment from the Governor of New York. I advised the Committee that I had wired him to challenge him to reply to me here by noon today whether he was prepared to support my amendment to help our New York dairy farmers and would also enlist for my amendment the support of the Republican Members of Congress from New York.

I can now advise the Members of the Committee that I have received a telegram from Albany in response to my wire. It did not come from Mr. Rockefeller, but rather from Mr. Don J. Wickham, the New York State commissioner of agriculture. I include Commissioner Wickham's wire at this point:

ALBANY, N.Y., *June 21, 1962.*

Hon. SAMUEL S. STRATTON,
*Member of Congress,*
*House of Representatives Office Building,*
*Washington, D.C.:*

Your attempt to make capital out of the serious situation faced by New York and New Jersey dairy farmers because of the recent Supreme Court decision relating to compensatory payments is a disservice to the farmers of this region. I am sure that the dairy farmers and the dairy industry of New York State know of Governor Rockefeller's efforts to have President Kennedy and Secretary Freeman take prompt action to prevent disruption of the orderly marketing of milk in the New York-New Jersey market.

Governor Rockefeller's telegram to the President of June 12 strongly urged him to take administrative or legislative steps to counteract the damage that can result from the Supreme Court decision. Subsequently, the Secretary of Agriculture named a committee to study the situation, which I am informed, will make specific recommendations to him next Tuesday. Your telegram clearly reveals that you are either unaware of, or you have chosen to ignore, the facts that the immediacy of the problem requires prompt administrative action by the Department of Agriculture. I am confident that this approach, which has the support of Governor Hughes of New Jersey and Governor Rockefeller is sounder than a hastily conceived amendment tacked on a farm bill opposed by an overwhelming number of New York farmers. Most dairymen are unfamiliar with your proposed amendment to the farm bill and would have no opportunity to be heard on it. The Secretary's committee deserves the right to have its recommendations received and acted upon.

DON J. WICKHAM.

Mr. Chairman, this message from the Rockefeller administration is so much political doubletalk.

If the Governor really wants some legislative relief for our New York State farmers, as the commissioner's telegram says, then there is no other way to get legislative relief except through Congress. I would remind him that neither Secretary Freeman nor President Kennedy can provide legislative relief. Congress alone has the power to legislate. And, as I have already indicated, the practical fact of the matter is that either we in Congress take this corrective legislative action today as a part of this farm bill, or else we get no legislative action.

If, on the other hand, the Governor wants only administrative action, then, as I have already pointed out in discussing the Secretary's letter, administrative action will come too late, and in any event will not be adequate to meet the wishes and desires of our New York State farmers.

Commissioner Wickham says the dairy farmers of New York do not know how they feel about the Stratton amendment. Mr. Chairman, this is of course ridiculous, since my amendment would simply restore the status of the New York-New Jersey milk marketing order No. 2 to what it was prior to the action of the Supreme Court on June 4—which is obviously what all New York farmers want, since the Court's action has deeply upset all of them.

The only opposition to the Stratton amendment comes, as I have indicated, from those producers outside the New York area, especially those in the Midwest, who have been trying for years to disrupt our stable milk market order area and flood it with their tired midwestern milk.

I am a little bit surprised to find from the commissioner's telegram that Mr. Rockefeller and the Republican State agriculture department are now siding with these midwestern dairy interests against the Stratton amendment and the protection it affords to our New York State farmers. This is an incredible situation, that the Governor of a State should oppose the interests of his own farmers and should side instead with those who would undermine their economic welfare.

I can only conclude that Mr. Rockefeller is willing to sell New York State dairy farmers down the river because he is unwilling to risk the loss of a few midwestern votes in his current campaign for the Presidency.

Mr. Chairman, if my amendment does not prevail then someone else will have to take the blame for any chaos that ensues as a result of the Supreme Court order. As a Member of Congress I have tried to do my best to help. I urge the support of all my colleagues in restoring the welfare of our dairy farmers in the Empire State of New York.

Mr. QUIE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, this amendment puts the House into a completely new and unexplored area. The amendment is a very long and complex one which requires the most careful study and scrutiny before being adopted.

The Supreme Court of the United States in the case of Lehigh Valley Co-op against the United States interpreted a provision in the Agricultural Marketing Agreement Act of 1937 which was added by our late colleague, August Andersen, of Minnesota, many years ago. That opinion was rendered only a few days ago. Its impact is still unknown.

The Court did, however, leave the door open to further administrative changes which might hold some promise for the advocate of this amendment.

Whatever its merits may be, I feel that our Dairy and Poultry Subcommittee of our committee should certainly have the opportunity to hold complete and thorough hearings on the gentleman from New York's bill, and I will certainly encourage such hearings. It should not, however, be included in the bill at this time. In order that the Members might know what the case involves, I submit the Supreme Court decision for your consideration:

[Supreme Court of the United States—No. 79, October term, 1961]

LEHIGH VALLEY COOPERATIVE FARMERS, INC., ET AL., PETITIONERS, *v.* UNITED STATES ET AL.

(On writ of certiorari to the U.S. Court of Appeals for the Third Circuit)

(June 4, 1962)

Mr. Justice Harlan delivered the opinion of the Court.

Petitioners, operating milk processing plants in Pennsylvania, challenge the validity of certain "compensatory payment" provisions included in milk marketing orders affecting the New York-New Jersey area, which were promulgated by the Secretary of Agriculture under the authority granted him by section 8c of the Agricultural Marketing Agreement Act of 1937, 7 U.S.C., section 608c. That section permits the Secretary to issue regional regulations governing, in various enumerated respects, the marketing of certain agricultural commodities, among which is milk. This provision in question requires those who buy milk elsewhere and bring it into the region for sale as fluid milk to pay to the farmers who supply the region a fixed amount as a "compensatory payment." This amount is measured by the difference between the minimum price set by the Market Administrator for fluid milk and the minimum price for surplus milk. The judgment of the Court of Appeals for the Third Circuit, 287 F. 2d 726, upholding the validity of the "compensatory payment" provision here under attack,[1] conflicted with an earlier decision rendered by the Court of Appeals for the Second Circuit, *Kass* v. *Brannan,* 196 F. 2d 791. To resolve this conflict we granted certiorari. 366 U.S. 957.

### I. THE GENERAL SCHEME OF MILK REGULATION

The order around which the present controversy centers, now titled Milk Marketing Order No. 2 7 CFR sections 1002.1 et seq.,[2] though somewhat more complex than others, is in its general outline representative of the pattern of regulation established by the Secretary for the promotion of orderly marketing conditions in the milk industry and the preservation of minimum prices for farmers. Pursuant to the authority granted by section 8c(5) (A),[3] the order classifies milk that is sold within the New York-New Jersey marketing area "in accordance with the form in which or the purpose for which it is used." Milk that contains 3 to 5 percent butterfat—the usual proportion in ordinary liquid milk—and is sold for fluid consumption is assigned to class I. Milk that is used for cream (sweet and sour), half and half, or milk drinks containing less than 3 percent or more than 5 percent butterfat is classified in class II. The remainder—milk that is to be stored for a substantial period and used for dairy products such as butter and cheese—is grouped in class III (7 CFR sec. 1002.37).

This classification reflects the relative prices usually commanded by the different forms of milk. Thus, highest prices are paid for milk used for fluid consumption, and the lowest for milk which is to be processed into butter and cheese. Since the supply of milk is always greater than the demands of the fluid-milk market, the excess must be channeled to the less desirable, lower priced outlets. It is in order to avoid destructive competition among milk producers for the premium outlets that the statute authorizes the Secretary to devise a method whereby uniform prices are paid by milk handlers to producers for all milk received, regardless of the form in which it leaves the plant and its ultimate use. Adjustments are then made among the handlers so that each eventually pays out-of-pocket an amount equal to the actual utilization value of the milk he has bought.

Under the marketing order here in question it is primarily the handlers whose plants are located within the marketing area and who regularly supply that area with fluid milk who are regulated. All handlers who receive or distribute milk within the area are required to submit monthly reports to the Market Administrator, listing the quantity of milk they have handled and the use for which it was sold. But only the handlers operating "pool plants"—i.e., plants which meet certain standards set out in 7 CFR sections 1002.25–1002.29[4]—must pay the producers from whom they buy the uniform price set by the Administrator. This price is calculated each month on the basis of the reports that are submitted. After determining the minimum prices for each use classification pursuant to formulas set out in 7 CFR sections 1002.40, the Administrator computes an average price for the "pool" milk handled during that month. This figure is reached by first multiplying the "pool" milk disposed of in each class by the established minimum price for that class, and then adding the products to the "compensatory payments" made for nonpool milk. After certain minor adjustments are made, this sum is divided by the total quantity of "pool" milk sold in the market during the month. The quotient is a "blend price." With some adjustments to reflect transportation expenses, this uniform price must be paid to producers by all handlers maintaining "pool" plants (7 CFR sec. 1002.66).

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[1] The petitioners instituted this action challenging the validity of the compensatory payment provision by filing administrative petitions with the Secretary of Agriculture pursuant to sec. 8c(15) (A) of the Agricultural Marketing Agreement Act of 1937, 7 U.S.C., sec. 608c(15) (A). The hearing examiner sustained the petitioners' contentions on the authority of *Kass* v. *Brannan,* 196 F. 2d 791, but the judicial officer, acting on behalf of the Secretary of Agriculture, dismissed the petitions.

Petitioners then sought review of the Secretary's ruling in the district court under sec. 8c(15) (B) of the act. The review proceedings were consolidated with enforcement actions brought by the Government pursuant to sec. 8a(6) of the act. The district court, relying on *Kass* v. *Brannan, supra,* held that the payment provision was invalid. 183 F. Supp. 80. It was this decision that was reversed by the court of appeals. 287 F. 2d 726.

[2] A general reorganization of ch. IX of title 7 of the Code of Federal Regulations during the past year has resulted in redesignation of most of the milk marketing orders. The New York-New Jersey order had previously been designated as "Milk Marketing Order No. 27" and had been found at 7 CFR, sec. 927. The section references and the contents of the regulations as quoted throughout this opinion are as they were in effect on Jan. 1, 1962.

[3] Sec. 8c(5) (A) provides:

"(5) Milk and its products; terms and conditions of orders.

"In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsec. (7) of this section) no others:

"(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made, for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers."

[4] These provisions establish certain performance requirements aimed at insuring that the plant continues to provide fluid milk to the marketing area even in periods of short supply. Thus, it is primarily the handlers whose main concern is the marketing area who qualify for the "pool."

Adjustments among handlers are made by way of a "Producer Settlement Fund," into which each handler contributes the excess of his "use value"[5] over the uniform price paid by him to his producer. Handlers whose "use value" of the milk they purchase is less than the "blend price" they are required to pay may withdraw the difference from the fund. The net effect is that each handler pays for his milk at the price he would have paid had it been earmarked at the outset for the use to which it was ultimately put. But the farmer who produces the milk is protected from the effects of competition for premium outlets since he is automatically allotted a proportional share of each of the different "use" markets.

### II. THE COMPENSATORY PAYMENT PROVISION

It will thus be seen that this system of regulation contemplates economic controls only over pool-handler plants since only such handlers are required to pay the "blend price" to their producers and to account to the Producer Settlement Fund. If limited to the provisions recounted above, the regulatory scheme would not affect milk brought into the New York-New Jersey marketing area by handlers who are primarily engaged in supplying some other market and whose producers are not located within the New York-New Jersey area. Some of the regional orders now in effect do not undertake any economic regulation of "outside" or "other source" milk.[6] But it is quite obvious that under certain circumstances some regulation of such milk may be necessary. Accordingly, section 8c(7)(D) of the act, 7 U.S.C. section 608c(7)(D), authorizes the Secretary to include in his regulating orders conditions that are incidental to terms expressly authorized by the statute, and that are "necessary to effectuate the other provisions of such order."

A handler who brings outside milk into a marketing area may disrupt the regulatory scheme in at least two respects:

(1) Pool handlers in the marketing area who are required to pay the minimum class prices for their milk may find their selling prices undercut by those of nonpool handlers dealing in outside milk purchased at an unregulated price.

(2) Producers in the marketing area, whose blend price depends on how much of the relatively constant fluid-milk demand they supply in a given month, may find the outside milk occupying a portion of the premium market, thus displacing the pool milk and forcing it into the less rewarding surplus uses, with the ultimate effect of diminishing the blend price payable to producers.

In an effort to cope with these disruptive economic forces, the Secretary devised his "compensatory payment" plan. In essence the plan imposes special monetary exactions on handlers introducing outside milk for fluid consumption into a marketing area in months when there is a substantial surplus of milk on the market.[7]

Of the 68 regional milk orders which establish marketwide pools,[8] 64 contain "compensatory payment" provisions of one kind or another. The order now before us is typical of 23 of these orders.[9] The order provides that a handler who brings "outside" milk into the New York-New Jersey area and sells it for fluid use must pay to the pool's producers, through the producer settlement fund, an amount equal to the difference between the minimum prices for the highest and for the lowest use classifications prevailing in that area. In other words, for each hundredweight of nonpool milk sold for class I use in the New York-New Jersey area, a payment equal to the difference between class I and class III prices must be made by the seller to the producer settlement fund.

### III. THE PURPOSE AND EFFECT OF THE COMPENSATORY PAYMENT

After the Court of Appeals for the Second Circuit had held the compensatory payment requirement in the New York-New Jersey Milk Marketing Order (then order No. 27) to be a "penalty," *Kass* v. *Brannan*, 196 F. 2d 791, 795, the Secretary of Agriculture conducted extensive hearings to determine whether it should be retained. His findings, which appear at 18 Fed. Reg. 8444–8454, explain this requirement as the most satisfactory means of imposing "a suitable charge on such unpriced milk in an amount sufficient to neutralize, compensate for and eliminate the artificial economic advantage for nonpool milk which necessarily is created by the classified pricing and pooling of pool milk under the order." (Id. at 8448.) There seems little doubt that an assessment equal to the class I to class III differential would, in all but rare instances, nullify any competitive advantage that nonpool milk could have: only if the sum of the purchase price of the outside milk and the cost of its transportation to market were less than the class III price would a handler find it profitable to bring such milk into the marketing area. But it must be obvious that this payment is wholly or partially "compensatory"—i.e., puts pool and nonpool milk "on substantially similar competitive positions at source" (ibid.)—only if the milk has been purchased at not more than the class III price. If the purchase price of the nonpool milk exceeds the class III price within the area, the effect of the fixed compensatory payment is to make it economically unfeasible for a handler to bring such milk into the marketing area.

The Secretary of Agriculture's determination that the class I-class III differential was the most suitable compensatory figure rested upon what was, in effect, an irrebuttable presumption that the nonpool milk was purchased at a rate commensurate with the value of "surplus" (class III) milk. See 18 Federal Register, at 8448.[10] That presumption was based in turn on the supposition

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[5] "Use value" is the price the handler would have had to pay, at prevailing minimum rates, had he purchased his milk at a price reflecting its ultimate disposition.

[6] See 7 CFR secs. 1034 (Dayton-Springfield), 1037 (north-central Ohio), 1038 (Rockford-Freeport), 1074 (southwest Kansas).

[7] The payment provision of 7 CFR sec. 1002.83 applies only in those months when the volume of milk sold for class III use exceeds 15 percent of the total pool milk reported in the marketing area.

[8] The act authorizes the establishment of either marketwide pools or individual handler pools. Since the latter require only that each handler pay uniform prices to all the producers from which he buys, but does not impose a uniformity requirement among the various handlers, there is no need for adjustments among handlers. Consequently, no compensatory payment provision is included in orders establishing individual handler pools. See 7 CFR secs. 1004 (Philadelphia), 1005 (Tri-State), 1010 (Wilmington), 1039 (Milwaukee), 1041 (Toledo), 1044 (Michigan Upper Peninsula), 1078 (north central Iowa), 1096 (northern Louisiana), 1097 (Memphis), 1102 (Fort Smith), 1129 (Austin-Waco), 1130 (Corpus Christi), 1134 (western Colorado).

[9] Compare 7 CFR secs. 1001.65 (Greater Boston), 1003.62 (Washington, D.C.), 1006.65 (Springfield, Mass.), 1007.65 (Worcester), 1008.54 (Wheeling), 1009.54 (Clarksburg, W. Va.), 1011.62 (Appalachian), 1014.46 (southeastern New England), 1015.46 (Connecticut), 1016.62 (Upper Chesapeake Bay), 1030.61 (Chicago), 1031.70(b) (South Bend-La Porte-Elkhart), 1036.84(b) (northeastern Ohio), 1048.54 (Greater Youngstown-Warren), 1061.54 (St. Joseph), 1068.70(b) (Minneapolis-St. Paul), 1071.62(b) (Neosho Valley), 1072.55 (Sioux Falls-Mitchell), 1106.55 (Oklahoma), 1125.70 (Puget Sound), 1126.70 (d) (north Texas), 1133.70(b) (Inland Empire).

[10] "As stated earlier herein, all milk which is established to be primarily associated with the New York milk marketing area under the standards prescribed by the order is included in the New York pool. Conversely, the nonpool milk which enters the marketing area for fluid use originates from plants which are not sufficiently associated with the New York market to have their milk in the pool. Such plants have their primary interests in other fluid markets or specialized manufacturing uses and frequently have more milk than is required for these primary purposes. It is this surplus milk at nonpool plants which can be 'dumped' into the New York market for fluid use, provided only that the plant and the milk has marketing area health approval. The operator of such a nonpool plant has a choice of using the excess milk for surplus uses (ordinarily in the manufacture of various milk products) or of sending it to the New York marketing area for fluid uses. In making this decision he will compare the respective net returns to him for this surplus milk and will naturally select the fluid alternative, for it will yield the greater return. In the absence of classified pricing, his cost, at source, for the excess milk remains exactly the same whether he uses it for surplus disposition or for fluid use. The pool plant operator on the other hand has no such advantage for he pays a higher classified price, at source, if he sells the milk in the market area for fluid use (class I–A or II) than if he disposes of it for surplus manufacturing uses (class III).

"If this artificial advantage in favor of surplus nonpool milk at the plant of origin is to be effectively removed, as it must be, the milk must be treated and evaluated for what it actually is, namely surplus milk in the milkshed. If New York marketing area disposition were not available for this surplus, the nonpool handler could derive from it only its surplus value. This surplus value is true value or 'opportunity cost' and such surplus value should be used as the subtrahend in the formula for compensation payments on nonpool milk from plants not subject to a Federal order.

"The class III price under the New York order is the class price which is payable, at source, for pool milk under the New York order when used for most surplus uses. It is expressly designed to fix a proper classified value, at source, for surplus milk. The class III price closely approximates the amount paid in the Northeast to farmers not under the New York order for so much of their milk as is used for general manufacture.

"It is therefore a dependable indicator of the value of surplus milk at source. If a nonpool handler, for his own reasons, chooses to pay more than its true market value, at source, for surplus milk which he sends to the New York area, the pool should that the nonpool milk could not have been worth more than the class III price where purchased since it could not be shipped elsewhere for class I use. But it must be apparent that it is only if the milk is denied access to other marketing areas or if a prohibitive payment is assessed on its use elsewhere that it will depreciate in value to class III levels. For if the milk can be freely shipped elsewhere for fluid use or if it is purchased in an area where prices paid to producers are regulated, it will command a higher price.

Indeed, the facts of the case now before us demonstrate the shortcomings of the Secretary's reasoning. One of the petitioners, Suncrest Farms, Inc., purchases its milk in Pennsylvania under regulations established by the Pennsylvania Milk Control Commission. In September 1957, which was one of the months during which it sought to sell its milk in the New York-New Jersey marketing area, Suncrest was required to pay $6.40 per hundredweight for the milk it purchased from dairy farmers in Pennsylvania. The class I-class III differential in the New York-New Jersey marketing area during that month was $2.78 per hundredweight. Thus, if the "compensatory payment" were assessed, Suncrest would actually be forced to pay $9.18 per hundredweight for fluid milk sold in the area, while the handlers maintaining pool plants in the area would pay only the class I price, which was $6.23 in August 1957.[11]

If competitive parity among handlers of pool and nonpool milk were the only objective of the Secretary's "compensatory" regulation, other marketing orders of the Secretary show that this result has been achieved without imposing unnecessary hardships, virtually "trade barriers" as in the instance just given,[12] on the nonpool milk.[13]

It is in considering the effect of the present compensatory payment provisions on the pool producers, however, that the principal concern of the Secretary becomes quite apparent. As has been noted, the sale for fluid use of nonpool milk in the marketing area displaces pool milk that might otherwise be used for this premium outlet. Since the market area's "blend price" is computed only with reference to the pool milk, the effect of the entry of nonpool milk is to drive down the price that is paid to producers in the area. A close examination of the workings of the present compensatory payment provision reveals that its effect is to preserve for the benefit of the area's producers the blend price that they would receive if all outside milk were physically excluded and they alone would supply the fluid-milk needs of the area. For every cwt. of pool milk that is forced into "surplus" use by the entry of nonpool milk, the handler introducing the outside milk is required to pay for the benefit of the area's producers the difference between the value the pool milk would have had if the nonpool milk had never entered and the value it has once the nonpool milk is sold for fluid use.[11] In

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not underwrite this unnecessary cost, particularly since the premium can be used to outbid pool handlers for milk, as previously shown."

[11] The fact that petitioners were paying more for their milk than the class I price in the New York-New Jersey marketing area leaves no room for any suggestion that they will be receiving a "windfall" if it is ultimately adjudged that they are entitled to have returned the full amount of their compensatory payments.

[12] The total amount of the compensatory payments involved in this litigation, embracing a period of approximately 4 years, was some $617,000 as to Lehigh Valley and $108,000 as to Suncrest.

[13] Several of the marketing orders make the compensatory payment equal the difference between the class I price in the marketing area and the actual cost of the nonpool milk. See 7 CFR secs. 1042.60 (Muskegon), 1128.62(b) (central west Texas). In some marketing areas the handler who deals in nonpool milk is permitted to elect each month between paying the fluid milk-surplus use differential and paying the difference between his actual cost and the minimum regional price for class I milk. See 7 CFR secs. 1013.62 (southeastern Florida), 1033.61 (Greater Cincinnati), 1035.63 (Columbus, Ohio), 1040.66 (southern Michigan), 1043.84 (upstate Michigan), 1045.83 (northeastern Wisconsin), 1047.62 (Fort Wayne), 1064.61 (Greater Kansas City), 1065.62 (Nebraska-western Iowa), 1067.61 (Ozarks), 1069.62 (Duluth-Superior), 1073.62 (Wichita), 1094.62 (New Orleans), 1098.92 (Nashville), 1103.62 (central Mississippi), 1105.62 (Mississippi Delta), 1107.61 (Mississippi gulf coast), 1131.62 (central Arizona), 1135.62 (Colorado Springs-Pueblo), 1136.62 (Great Basin), 1137.62 (eastern Colorado).

Other marketing orders, applicable in some areas, assess a compensatory payment equal to the difference between the "blend price" paid in the area for pool milk and the Class I price, thus treating the handler of nonpool milk as if he were a member of the pool with respect to such milk as he introduced into the marketing area.

Where this differential is accepted as the measure of the compensatory payment it is done only in those months when the surplus is lowest. In the spring and summer months the fluid milk-surplus use differential is exacted. See 7 CFR secs. 1032.55(b) (suburban St. Louis, August–February), 1046.55(b) (Ohio Valley, August–March), 1049.55(b) (Indianapolis, August–March), 1062.55(b) (St. Louis, August–February), 1063.63(b) (Quad Cities-Dubuque, July–November), 1066.57(a) (Sioux City, August–February), 1070.63(b) (Cedar Rapids-Iowa City, July–November), 1075.63(b) (Black Hills, July-March), 1076.63(b) (eastern South Dakota, July–February), 1079.63(b) (Des Moines, July–March), 1090.54(b) (Chattanooga, August–February), 1095.70(e)(2) (Louisville-Lexington, October–December), 1099.62(a) (Paducah, August-March), 1101.93(b) (Knoxville, August–February), 1104.53(b) (Red River Valley, August–January), 1108.54(b) (central Arkansas, August–February), 1127.65(b) (San Antonio, January and August), 1132.63(b) (Texas Panhandle, July–February).

The latter method treats the handler of nonpool milk who buys at a price in excess of the blend price as if he were a member of the pool since a handler in the pool may, if he chooses, pay his producer more than the blend price set by the Market Administrator, see *Stark* v. *Wickard*, 321 U.S. 288, 291, but must still account to the Producer Settlement Fund as if he had paid only the blend price. By treating nonpool milk in the same manner, the Secretary might be able to justify a compensatory payment equal to the difference between the nonpool milk's use value and the blend price, though we do not decide the question. See generally, Hutt, Restrictions on the Free Movement of Fluid Milk Under Federal Milk Marketing Orders, 37 U. Det. L. J. 525, 564–577 (1960).

The suggestion that a nonpool handler would be given a competitive advantage under either of these methods because, in the words of the judicial officer, he does not have to equalize his utilization as do pool handlers is demonstrably unsound. Insofar as the handlers' sale of milk is concerned, neither pool nor nonpool handlers are required to share or equalize their proceeds with others. To the extent that this contention relates to the handlers' purchase of milk and is meant to suggest that nonpool handlers will find it easier to buy milk because they will be able to pay higher prices to their producers, the exaction of a class I-blend price payment would effectively discourage purchases in excess of the blend price (which is what the pool's producers are paid). And the assertion that the pool carries the surplus burden for outside handlers is based on the same mistaken reasoning as underlies the Secretary's determination to retain the class I-class III payment after *Kass* v. *Brannan*, *supra*. See pp. 9–10, supra.

[11] A highly simplified illustration serves to clarify this effect: If the class I price on a given date is $6 per hundredweight and the class III price is $3 per hundredweight and if 2,000 hundredweight are consumed as fluid milk and another 2,000 hundredweight are produced by the dairy farmers in the area and utilized for surplus uses, the computation of the blend price would be as follows:

*Table A*

| | | |
|---|---|---|
| Class I | 2,000×6.00 equals | 12,000 |
| Class III | 2,000×3.00 equals | 6,000 |
| Totals 4,000 at blend price, $4.50 | | 18,000 |

If 500 hundredweight are then brought in from the outside as nonpool milk and sold for class I use, 500 hundredweight of the pool milk will drop into class III (since the fluid milk demand remains relatively constant):

*Table B*

| | | |
|---|---|---|
| Class I | 1,500×6.00 equals | 9,000 |
| Class III | 2,500×3.00 equals | 7,500 |
| Totals 4,000 at blend price, $4.125 | | 16,500 |

The producers in the pool would thereby be receiving $0.375 less per hundredweight than had the nonpool milk stayed out altogether. By distributing to them (through the exaction made of nonpool handlers) the difference between class I and class III prices multiplied by the amount of nonpool milk sold in the area as class I, that deficit is restored. Thus,

*Table C*

(Nonpool milk sold as class I) × (class I minus class III) equals (loss to pool by displacement of class I outlet) or 500 × 3.00 equals 1,500; 1,500 divided by 4,000 hundredweight equals .375 per hundredweight.

The Secretary's formula, therefore, precisely accomplishes the restoring to the pool's producers whatever they have lost by reason of the occupation of their class I outlet by the nonpool milk.

It should be noted that the actual computation of the blend price, as set out in 7 CFR section 1002.66, achieves this same result in an indirect fashion. Instead of computing the blend price without reference to any nonpool milk, the Secretary's formula includes the compensatory payments within the list of minimum-price obligations that are added in determining the total proceeds for milk sold within the area. 7 CFR section 1002.66(c). But the blend price is then computed by dividing this sum by the amount of "milk delivered by producers," i.e., pool milk. Consequently, the actual computation of the uniform price under the above illustration would be as follows:

*Table D*

| | | |
|---|---|---|
| Class I | 1,500 × 6.00 equals | 9,000 |
| Class III | 2,500 × 3.00 equals | 7,500 |
| Compensator payments (nonpool milk) | 500 × 3.00 equals | 1,500 |
| Total (pool milk), 4,000 at blend price, $4.50 | | 18,000 |

The funds paid into the Producer Settlement Fund by the handlers dealing in nonpool milk are then available to the pool handlers, whose credits from the fund will be larger to the extent that they have been forced to pay a higher blend price.

effect, therefore, the nonpool milk is forced to subsidize the pool milk and insulate the pool milk from the competitive impact caused by the entry of outside milk. This was recognized by the court of appeals which held that such a compensatory payment was "designed to compensate the pool for the loss of the class I fluid milk utilization and * * * protect the uniform blend price in the marketing area." (287 F. 2d, at 730.) It is only if the Secretary has been authorized by the statute to impose such economic trade barriers on the entry of milk into an area so as to protect the prices received by the pool producers that the present compensatory payment plan can be sustained as "necessary to effectuate" the expressly authorized provisions of this order.

### IV. SECTION 8c(5)(G)

Section 8c(5)(G) of the act, however, taken in light of its legislative history, indicates that the regulation here imposed by the Secretary was of the sort that Congress intended to forbid. Section 8c(5)(G) provides:

"No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof in any production area in the United States."

This provision was first enacted into law as part of the Agricultural Adjustment Act of 1935, 49 Stat. 750, amending the Agricultural Adjustment Act of 1933, 48 Stat. 31. It was reenacted as part of the Agricultural Marketing Agreement Act of 1937, 50 Stat. 246, which reaffirmed the marketing order provisions of the 1935 act after the processing tax had been struck down as unconstitutional in *United States* v. *Butler*, 297 U.S. 1.

Along with enumerating the powers granted to the Secretary of Agriculture so as to avoid the "delegation" problems brought to light by the then recent decision in *Schechter* v. *United States*, 295 U.S. 495, the Congress sought in 1935 to limit the Secretary's powers so as to prevent him from establishing "trade barriers." Midwestern legislators were particularly concerned over this possibility. When the reported bill, which contained no provision like the present section 8c(5)(G) came to the floor of the House of Representatives, Representative Andresen, of Minnesota, suggested that the Secretary might use his powers to "stop the free flow in commerce * * * of dairy products." He received an assurance from Representative Jones, the chairman of the House Committee on Agriculture, that the Secretary was not authorized to require anything more of milk coming into a marketing area than that it "comply with the same conditions which the farmers and distributors comply with in that region." 79 Congressional Record 9462.[15]

An amendment to the bill clarifying this position was then offered by Representative Sauthoff of Wisconsin, 79 Congressional Record 9493,[16] but no action was taken on that proposal.

On the next day, Representative Andresen proposed from the floor of the House the forerunner to the present section 8c(5)(G) (79 Congressional Record 9572). His amendment took the following form:

"(g) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit the marketing in that area of any milk or product thereof produced in any production area in the United States."

There was no objection to the addition of this language, Representative Jones remarking that "it is simply clarifying." Ibid. But when Representative Sauthoff sought to change the amendment by substituting the words "limit or tend to limit" for "prohibit," Representative Jones objected on the ground that necessary milk classification and minimum pricing for the protection of outside milk producers regularly supplying their own marketing area would "tend to limit" the introduction of their milk into other areas.[17] Ibid.

The House bill, with the language added by Representative Andresen's amendment, went to the Senate. Accompanying the bill to the floor was Senate Report No. 1011, 74th Congress, 1st session, which stated at page 11:

"To prevent assaults upon the price structure by the sporadic importation of milk from new producing areas, while permitting the orderly and natural expansion of the area supplying any market by the introduction of new producers or new producing areas, orders may provide that for the first 3 months of regular delivery, payments shall be made to producers not theretofore selling milk in the area covered by the order at the price fixed for the lowest use classification. This is the only limitation upon the entry of new producers—wherever located—into a market, and it can remain effective only for the specified 3-month period."[18]

In the Senate section 8c(5)(G) was amended, without objection, 79 Congressional Record 11655, to read:

"(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, except as provided for milk only in subsection (D), the marketing in that area of any milk or product thereof produced in any production area of the United States."[19]

Section 8c(5)(G) emerged from conference in its present form. The conference report explained how the differences between the House and Senate versions were resolved (H. Rept. 1757, 74th Cong., 1st sess., 21): "* * * The conference agreement retains the House provision with respect to prohibitions on marketing of both milk and products of milk. The conference agreement also denies the authority to limit in any manner the marketing in any area of milk products (butter, cheese, cream, etc.) produced anywhere in the United States. The language adopted by the conference agreement does not refer to milk, and so does not negate the applicability to milk, for use in fluid form or for manufacturing purposes, of the provisions of the bill relating to milk, such as the provisions on price fixing, price adjustment, payments for milk, etc."

When the conference agreement came to the floor of the House, Representative Jones again explained what section 8c(5)(G), when taken together with section 8c(5)(D), meant (79 Congressional Record 13022):

"Mr. Snell. * * * I do not understand exactly what this means, 'No marketing agreement or order applicable to milk and its products,' and so forth.

"Mr. Jones. That simply applies to fluid milk. You cannot make any limitation at all on the amount of butter or cheese or milk products that are shipped from any one area to another, and the limitation that may be applied on milk is only such limitation as puts each area on an equality with the other areas after a certain period of about 2½ months.

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[15] "Mr. Andresen. Is there anything in the milk section of the bill which give the Secretary authority to set up trade barriers and stop the free flow in commerce throughout the United States of dairy products?

"Mr. Jones. No. There is nothing in the bill that would authorize that. The Secretary may require that in crossing from one region to another that they comply with the same conditions which the farmers and distributors comply with in that region.

"Mr. Andresen. That is, sanitary regulations?

"Mr. Jones. Sanitary and other uniform regulations; but he cannot set up any trade barriers which would keep them out.

"Mr. Andresen. A great many Members have inquired about that feature, and I just wanted the gentleman to bring that out.

"Mr. Jones. The amendments require a uniform price and uniform set of conditions and fair distribution. In the first place, I do not believe we could give authority to set up these barriers. In the second place, the bill does not do that. It simply enables them to have a program in one of these regions, and in developing these orders which the Secretary issues, he uses the word 'region' wherever possible. Those on the outside must come into that."

[16] The proposed amendment read:

"Sec. —(b): No marketing agreement, order or regulation shall contain any term or provision which will tend to result in preventing or hindering any agricultural commodity or product thereof produced in any region or area of the United States from being brought into or sold in any other such region or area or shall have the effect of subsidizing the production or sale of any agricultural commodity or product thereof in any such region or area, in such a manner that such commodity or product thereof will tend to be sold in such other region or areas at prices which will tend to depress prices thereon of such commodity or product thereof."

[17] "Mr. Jones. Mr. Chairman, the adoption of the amendment of the gentleman from Wisconsin would absolutely wreck the whole milk program. In order to get away from the terrific conditions that have prevailed in the milk industry there is provided in the bill authority to fix a minimum price to producers. That, at least in a measure, would limit or tend to limit shipment, and yet the gentleman, I am sure, does not want to interfere with the price to producers. Then it is a universal custom in the marketing of milk to classify milk. This, in a way, is a limitation. * * *

"Mr. Boileau. * * * Mr. Chairman, I should like to ask the distinguished chairman of the committee if in his opinion there is anything in this bill that gives to the Secretary of Agriculture or to anyone else any power to restrict the free flow of milk or any other commodity between the various States?

"Mr. Jones. No; there is nothing in it that will do that. The only tendency is to make all sections comply with the same rules.

* * * * *

"Mr. Hull. * * * Mr. Chairman, if there is nothing in this bill which would authorize the Secretary of Agriculture or any subordinate so to limit transportation or shipment of dairy products from one State into another, then the amendment of the gentleman from Minnesota as amended by the amendment of the gentleman from Wisconsin [Mr. Sauthoff] can do no harm.

"The three States of Minnesota, Iowa, and Wisconsin, produce about 45 percent of the butter made in this country and we are interested in this matter of the shipment of dairy products to other States.

"Mr. Jones. Mr. Chairman, will the gentleman yield?

"Mr. Hull. I yield.

"Mr. Jones. Would the gentleman object to the requirement that Chicago dealers pay the Wisconsin producer a minimum price?

"Mr. Hull. Not at all.

"Mr. Jones. That certainly would tend to limit."

[18] The "3-month period" provision here referred to is the present sec. 8c(5)(D) which authorizes the Secretary to set the surplus-use price as the price to be paid to any new producer who enters the pool. In the final version of the act the introductory period was reduced to 2 months.

[19] "Subsec. (D)" is sec. 8c(5)(D). See note 18, supra.

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"Mr. SNELL. How does that change the situation from the present law?

"Mr. JONES. The provisions of this particular bill would enable that area to be protected from being swamped with fluid milk from the outside, bought at any old price. For instance, if you do not have the protection of this bill they would run into the same trouble they ran into in the New York milk cases, where they went into New Hampshire and bought milk at a lower price and came in and broke down your milk agreements. Under the provisions of this bill if a price were fixed in this particular area in New York, then if anyone bought milk from an outside area and brought it in he would be compelled to pay the producer the same price that was being paid the producers within the area and comply with all regulations and requirements of that area. For the first 2 months he would be required to take the manufacturer's price."

This history discloses that rather than being confined, as Judge Learned Hand suggested in *Kass* v. *Brannan*, 196 F. 2d, at 800, to practices aimed at the exclusion of cheese and other milk products from eastern markets, section 8c(5)(G) was compendiously intended to prevent the Secretary from setting up, under the guise of price-fixing regulation, any kind of economic trade barriers, whether relating to milk or its products. Whenever there was an attempt to broaden the language of subsection (G) to encompass "limitations" as well as "prohibitions," those opposing it pointed only to the fact that "limit" might be read as including the type of price-fixing covered by subsection (D)—i.e., allowing new pool producers only manufacturing-use prices for a limited period—or other attempts to put outside milk on an equal footing with pool milk. Although the words of section 8c(5)(G), "in any manner limit," must be taken, in the context of their legislative history, as referring only to milk products, that history likewise makes it clear that as regards milk the word "prohibit" refers not merely to absolute or quota physical restrictions, but also encompasses economic trade barriers of the kind effected by the subsidies called for by this "compensatory payment" provision.

### V. THE INVALIDITY OF THE PRESENT COMPENSATORY PAYMENT PROVISION

In light of the legislative history of section 8c(5)(G) we conclude that the compensatory payment provision of the New York-New Jersey Milk Marketing Order must fall as inconsistent with the policy expressed by Congress in that section.[20] Because it conflicts with section 8c(5)(G), the payment provision cannot be justified under the general terms of section 8c(7)(D), which prevents the inclusion of conditions that are inconsistent with express statutory provisions. Nor is the compensatory-payment clause saved by the circumstance that in some instances it may also fortuitously operate to put the handlers of pool and nonpool milk on a competitive par. As has been pointed out (note 13, supra), there are other means available to the Secretary for achieving this result, while affording protection to pool producers, without imposing almost insuperable trade restrictions on the entry of nonpool milk into a marketing area.

The Government contends that the effect of section 8c(5)(G) may not be considered by this Court since that provision was not cited by the petitioners in the administrative proceeding in the Department of Agriculture. But even on the Government's premise that an unauthorized regulation should be upheld by this Court merely because the provision prohibiting it was not cited in the administrative proceeding in which it was attacked, this case presents no such instance. The administrative petition filed with the Department of Agriculture alleged that the effect of the compensatory-payment clause amounted "to establishing tariffs or barriers interfering with the free flow of milk across State lines," an obvious reference to the prohibition of section 8c(5)(G).

In addition, the Government contends that the petitioners had the choice of joining the marketwide pool, in which case they would not have been subject to the compensatory payment provisions. Their election to stay out of the pool, it is argued, bars any attack on the consequences of their choice. However, such an "election" is surely illusory. The consequences of joining the pool would have been that petitioners would have been forced to pay the "blend price" to all their producers wherever located and account to the producer settlement fund for all milk wherever sold. In these circumstances the election was not voluntary as in *Booth Fisheries* v. *Industrial Comm'n*, 271 U.S. 208, 211. It was coercive, and, indeed, no election at all.

Whether full regulation of the petitioners would be permissible under the act is a question which we need not reach in this case. If the Secretary chooses to impose such regulation as a consequence of a handler's introducing any milk into a marketing area, the validity of such a provision would involve considerations different from those now before us. With respect to these petitioners, however, and with regard to the regulation here in issue, we conclude that the action of the Secretary of Agriculture exceeded the powers entrusted to him by Congress.

The Secretary, of course, remains free to protect, in any manner consistent with the provisions of the statute, the "blend price" in this or any other marketing area against economic consequences resulting from the introduction of outside milk. We do not now decide whether or not any new regulation directed to that end could be made to apply retrospectively, or whether, if it could be validly so applied, the presently impounded funds could be resorted to pro tanto in its effectuation (cf. *Morgan* v. *United States*, 307 U.S. 193). "What further proceedings the Secretary may see fit to take in light of our decision, or what determinations may be made by the district court in relation to any such proceedings, are not matters which we should attempt to forecast or hypothetically to decide" (*Morgan* v. *United States*, 304 U.S. 23, 26).

The judgment of the court of appeals is reversed and the case is remanded to the district court for further proceedings consistent with this opinion.

It is so ordered.

Mr. Justice Frankfurter took no part in the decision of this case.

Mr. Justice White took no part in the consideration or decision of this case.

[Supreme Court of the United States—No. 79, October Term, 1961]

LEHIGH VALLEY COOPERATIVE FARMERS, INC., ET AL., PETITIONERS, *v.* UNITED STATES ET AL.

(On writ of certiorari to the U.S. Court of Appeals for the Third Circuit)

(June 4, 1962)

Mr. Justice Black, dissenting.

I find it impossible to agree with the Court's holding or opinion. In 1936, in *United States* v. *Butler*,[1] this Court temporarily paralyzed the national farm recovery program by holding important parts of the Agricultural Adjustment Act of 1933 unconstitutional and by casting grave doubts upon the remainder of that act which had been passed at the bottom of the great depression for the express purpose of alleviating the desperate economic plight of the American farmer. Following that decision Congress, in 1937, with unusual promptness adopted another national farm program reaffirming the broad and comprehensive powers it had previously given the Secretary of Agriculture to develop agricultural marketing plans for the purpose of raising the income of farmers.[2] The philosophy of this later act was not competition as in the Sherman Act but governmental price fixing as in the original 1933 Agricultural Adjustment Act, the National Recovery Act, and a host of other contemporaneous acts, all of which were designed to raise the income and purchasing power of workers and farmers. Today some 26 years after the Butler decision this Court again projects itself across the path of the national farm program by reading Congress' 1937 reenactment as designed to encourage competition rather than to help farmers by governmental price-fixing, and on this basis strikes down a vital element of many of the milk marketing orders set up under the 1937 act while raising clouds of confusion and uncertainty as to the validity of many others.

Although the blow to the present farm program is not so devastating as the one inflicted on the original act by the Butler decision, I think that in ultimate effect the harmful consequences of the two decisions will differ only in degree. It is my belief that the order of the Secretary which the Court strikes down was set up in faithful adherence to the act's purpose to raise the prices that farmers receive for their products and that the Court's action will tend to have precisely the opposite effect of depressing those prices. I have no doubt but that the Court's decision will enable some handlers to reap greater profits but I regret to say that this is bound to be at the expense of the farmers themselves—for whose benefit the national program was primarily passed. Certainly this is true of the more than $700,000 which the Court's decision today will allow the two handlers here to be paid which of necessity must come out of the pockets of the dairy farmers where this milk was sold.

The basic features of the act under which the Secretary promulgated the regulation which the Court today strikes down were first enacted in 1935[3] when the dairy industry was near the bottom of its depression and dairy farmers in many parts of the country were not even receiving the actual cost of producing the milk they sold. These 1935 provisions were themselves amendments to the original 1933 Agricultural Adjustment Act, and were designed to spell out more clearly and to some extent add to the broad powers which the original 1933 act had given the Secretary to correct the "severe and increasing disparity between the prices of agricultural and other commodities" by raising "the purchasing power of farmers" and stabilizing the value of the "agricultural assets supporting the national credit structure."[4]

The causes of the low prices to dairy farmers which led Congress to grant these broad powers were, like the details of the operation of the milk business itself, incredibly complex. In the main, however, these low prices were widely attributed to a vicious and destructive competition among dairy farmers for fluid milk sales which brought farmers higher prices than did sales as surplus milk for manufacturing butter, cheese, and other milk products.[5] In order to bring an end to this competition which was pushing farmers to the wall, the 1935 act gave the Secretary specific power to set up regional marketing areas within which he could, for the Government, fix minimum prices handlers would have to pay to farmers for the various uses of milk, require that those minimum prices be paid to a pool for the area and distribute the proceeds of the pool so that each farmer selling milk through the pool would ultimately be paid at the same uniform rate or "blend price" regardless of the use to which his particular milk was put.[6] In the original 1935 act the Secretary was directed to fix prices at parity—a level designed by Congress to insure that farmers generally would receive a higher price for their products than they could get in an open, competitive market.[7] The 1937 reenactment went beyond this, however, and gave the Secretary power to fix prices above this parity level in order to insure that dairy farmers in particular would receive a high enough price for their products.[8] In order to make sure that the Secretary had enough power to raise prices above the competitive level, the Secretary was also authorized to issue orders "Incidental * * * and necessary to effectuate" the specific price-fixing and other powers given to him.[9] Thus it can be seen that the general scheme of the act was to raise prices to farmers by governmental fixing of minimum prices for dairy products within specific regional areas, thereby abandoning to that extent the system of price fixing by competition.

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[20] While we need not reach the point, we would have difficulty in concluding, as did the Court of Appeals for the Second Circuit in Kass against Brannan, supra, that the provisions of section 8c(5)(A) precluded, in themselves, the promulgation of the present compensatory payment provision.

[1] 297 U.S. 1.

[2] 50 Stat. 246, 7 U.S.C. § 601 *et seq.*

[3] 49 Stat. 750.

[4] 48 Stat. 31.

In accordance with this general plan and under the authority of the act, the Secretary has proceeded after full hearings within the various regions to set up a number of regional milk marketing pools, one of which is the New York-Northern New Jersey pool whose operation is jeopardized by the Court's decision today.[10] The Secretary has also chosen to leave a number of areas unregulated. Obviously in a system including both large unregulated areas and regulated regional pools in which prices may be fixed at different levels, there will be significant and complicated problems involved in milk sales and purchases that do not take place wholly within a single pool. Among the most serious of these problems is that handlers from outside a pool can, if left unregulated, get the advantages of selling milk in that pool area without bearing any of the burdens that members of that pool have to bear. And as shown by the record in this case such sales can reduce the net price received by the farmers within the pool area. In an obvious effort to prevent any such harmful effects on the prices received by farmers in the New York-Northern New Jersey pool, the Secretary, properly I think, acting under his authority to issue orders "Incidental * * * and necessary to effectuate" his specific price-fixing powers, provided that nonpool handlers who sold fluid in that pool area at times when there was surplus fluid milk in the pool should make a payment to compensate pool farmers for the displacement of fluid sales they otherwise would have made, compensate for the reduction of the regional pool fund which this would cause and to compensate for the consequent diminution of the blend price that would be paid to pool farmers. It is this key regulatory feature which the Court strikes down as a trade barrier prohibited by section 8c(5)(G) of the act because it limits the ability of outside handlers to sell milk within the pool area at a profit.

It is no doubt true that the Secretary's requirement that nonpool handlers make compensatory payments in order to sell fluid milk within the New York-northern New Jersey pool area does limit to some extent the ability of handlers whose major business is outside the pool to dump their surplus milk into the pool at highly profitable fluid milk prices, and if this is a trade barrier the Secretary's regulation can properly be called a trade barrier. But section 8c(5)(G) says nothing at all about prohibiting "trade barriers" or guaranteeing high profits to handlers, and if it had it would have been at cross purposes with the basic aim of the act to have Government rather than competition fix the minimum prices that farmers in designated regional areas must be paid for their milk. It says only:

"No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof in any production area in the United States."[11]

This language contains no words or arrangement of words of any kind that would prohibit the Secretary from limiting the marketing of milk in any regional area where necessary to protect the prices fixed for that regional area. The Court, however, goes to great lengths to try to show on the basis of legislative history that Congress really meant the no limitation clause to apply to milk as well as to milk products. In other words the Court wants to read the statute as if Congress had said "No order shall prohibit or limit the marketing in that area of any milk or product thereof." But Congress simply did not say that. And the whole legislative history persuades me that Congress knew exactly what it was saying and that, while it intended to forbid the Secretary from making blanket prohibitions against outside milk, it also meant to leave the Secretary free to establish whatever regulations were necessary to guarantee that farmers in a price-fixing region received the regional prices he was authorized to fix even though those regulations might limit sales by outside handlers by making them unprofitable.[12]

Outside the language of section 8c(5)(G) itself the clearest indication that this is the proper interpretation of the legislative history of the act is that an amendment which would have made the no limitation clause applicable to milk as well as milk products was defeated on the floor of the House and that an amendment to the same effect which passed the Senate was deleted in conference.[13] The arguments of the chairman of the House Committee on Agriculture, one of the principal architects of the program against the amendment in the House show almost conclusively, a general understanding that regional price-fixing necessarily required sales from out of the region to be limited if the price fixing were to be successful:

"Mr. Jones. Mr. Chairman, the adoption of the amendment of the gentleman from Wisconsin would absolutely wreck the whole milk program. In order to get away from the terrific conditions that have prevailed in the milk industry there is provided in the bill authority to fix a minimum price to producers. That, at least in a measure, would limit or tend to limit shipment, and yet the gentleman, I am sure, does not want to interfere with the price to producers. Then it is a universal custom in the marketing of milk to classify milk. This, in a way, is a limitation.

"I am perfectly willing to adopt the first amendment suggested [the present section 8c(5)(G)] because that simply treats all areas alike, for you could not prohibit someone from an outside area coming in so long as he complied with the conditions prescribed for that area; but if you say that no restrictions or limitations could be required, it would wreck the program, it would destroy every vestige of a program we have for milk."[14]

After the Senate amendment had been rejected by the Conference and while the Conference Report was being considered in the House of Representatives, a discussion took place on the floor between Representative Hope, a member of the House Committee on Agriculture and one of the conferees, and the chairman of the committee who was also a conferee. This discussion shows the same understanding that the Secretary was to be left free to impose whatever limitations were necessary to protect the regional prices he was authorized to fix:

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[5] See *Nebbia* v. *New York*, 291 U.S. 502, 515–518, 530; *United States* v. *Rock Royal Co-operative, Inc.*, 307 U.S. 533, 548–550.

[6] 50 Stat. 246, as amended, 7 U.S.C. 608c.

[7] 49 Stat. 750.

[8] 50 Stat. 247, 7 U.S.C. 608c(18).

[9] 49 Stat. 757, 7 U.S.C. 608c(7)(D).

[10] Congress specifically provided in sec. 8c(11)(C) of the act that the Secretary's price-fixing powers were to be exercised on a regional basis rather than a national basis whenever practicable:

"All orders issued under this section which are applicable to the same commodity or product thereof shall, so far as practicable, prescribe such different terms, applicable to different production areas and marketing areas, as the Secretary finds necessary to give due recognition to the differences in production and marketing of such commodity or product in such areas" (49 Stat. 759, 7 U.S.C. 608c(11)(C)). (See also sec. 8c (11)(A). 49 Stat. 759, 7 U.S.C. 608c (11)(A).)

[11] 49 Stat. 755; 7 U.S.C. 608c(5)(G).

[12] See *Bailey Farm Dairy Co.* v. *Anderson*, 157 F. 2d 87, 96; *Kass* v. *Brannan*, 196 F. 2d 791, 800 (L. Hand, J., dissenting).

[13] The amendment adopted by the Senate but rejected by the conference is indicated by single quotation marks: "No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit 'or in any manner limit, except as provided for milk only in subsection (d),' the marketing in that area of any milk or product thereof produced in any production area in the United States." 79 Congressional Record 11655. The wording of this amendment shows that the Court's attempted explanation of why "in any manner limit" was omitted from the final language of sec. 8c(5)(G) does not bear analysis. The Court's explanation is that someone might construe "limit" as prohibiting "the type of price-fixing [limitation] covered by subsec. (D)." But it seems very clear that the wording of the Senate amendment was expressly designed to prevent such a construction while at the same time making "in any manner limit" applicable to milk. Consequently it seems apparent that in rejecting the Senate amendment the conference was not refusing to apply "in any manner limit" to milk because to do so would interfere with the operation of subsec. (d), but was in fact omitting that language because, to be effective, price fixing itself necessarily required limitations on the selling of outside milk within the area. This is clearly shown by the conference report, H. Rept. 1757, 74th Cong., 1st sess., 21:

"The Senate amendment extended this provision [sec. 8c(5)(G)] so that no marketing agreement or order so applicable could limit in any manner the marketing in the marketing area of milk or its products produced anywhere except that certain limitations on the marketing of milk were specifically permitted. * * * The conference agreement also denies the authority to limit in any manner the marketing in any area of milk products * * * [but] does not refer to milk, and 'so does not negative the applicability to milk,' for use in fluid form or for manufacturing purposes, of the provisions of the bill relating to milk such as 'the provisions on price fixing,' price adjustment, payments for milk, etc."

[14] 79 Congressional Record 9572.

"Mr. JONES. But the original amendments did not permit any orders governing the price to the producers?

"Mr. HOPE. No; but otherwise the Secretary could make orders which would regulate the bringing in of milk from the outside into any particular milkshed, but under the amendments we are now considering the Secretary's power is limited. He cannot prohibit milk from coming in?

"Mr. JONES. That is correct.

"Mr. HOPE. But he can prescribe some limitations?

"Mr. JONES. Yes; and he cannot prohibit the products of milk being brought into any area.

"Mr. HOPE. No; but he can prescribe limitations on the importation of fluid milk.

"Mr. SNELL. Then, as far as fluid milk is concerned, it is protected in certain markets, but, as far as the other products are concerned, they are not protected.

"Mr. JONES. That is correct."[15]

These were the last comments made on the floor of the House concerning milk before the Conference Report was finally adopted.

In the light of this legislative history and the act's language itself, I cannot possibly read section 8c(5)(G) or any other part of the act to insure profitable operations to outside handlers who desire to dump surplus milk into a regional price-fixing area or to say that the Secretary lacks the power to protect by appropriate regulations the integrity of the regional prices which Congress authorized him to fix. I simply cannot believe that Congress intended to take away with one hand the high fixed price for milk which it gave with the other.

The net result of the Court's action is to leave the farmers in the New York-Northern New Jersey pool, and those in 22 other pools containing the provisions which the Court strikes down today,[16] completely defenseless against an onslaught of outside milk that is highly discriminatory because the outside milk bears none of the burdens of pool milk. I say completely defenseless despite the fact that the Court intimates that the Secretary might possibly devise some alternative compensatory payment plan that would satisfy the exacting standards which is lays down today. My first reason for saying this is that I do not see how any formula that the Secretary could devise under the Court's expanded interpretation of the word "prohibit" in section 8c(5)(G) would protect pool members from unfair competition by outside handlers who are by the Court's decision given the advantages but not required to bear the burdens of the pool.[17]

Secondly, even if such a formula were possible, I doubt that a single member of this Court has the technical knowledge about the complicated workings of the milk industry to formulate a sound substitute for the compensatory payment plan which the Court strikes down—a regulatory plan which represents more than a quarter century of daily practical experience in administering the congressional farm plan. Thirdly, in any event the Court's vague intimations that some compensatory payment plan might be valid are hardly sufficient to furnish the Secretary with any guidance at all as to what formula if any the Court would permit him to use to protect the farmers in this pool from the effects of being compelled to compete with outside "free riders."

I think that if the Court really does believe that the Secretary has any power at all to prevent pool farmers from being subjected to discriminatory competition from outside "free riders" it should state in clear and precise terms what those powers are and inform the Secretary how he can meet this Court's requirements. The Court should then remand this case to allow the Secretary to take the action which it will approve, permit him to determine the amount that he could properly under its standards have required these handlers to pay and direct that the District court pay over that amount to the Secretary out of the funds now in its possession. This plan would at least offer the farmers in this pool some protection against having to pay out all of the more than $700,000 in compensatory payments which has already been collected from these handlers. Such a plan was followed in *United States* v. *Morgan*,[18] and there is every reason in equity and good conscience why it should be followed here. In that case the District court enjoined an order of the Secretary but required the party challenging the order to pay into court sufficient funds to effect compliance with the order if it should ultimately be found valid. This Court found the order defective but nevertheless ordered the District court not to return the fund, which then contained over a half million dollars. On the contrary, over strong dissents urging that the Secretary only had power to issue a new order for the future, this Court commanded that the fund be retained until the Secretary could make new findings and enter a new order so that the fund could be disposed of under a proper determination of the Secretary, stating that:

"Due regard for the discharge of the Court's own responsibility to the litigants and to the public and the appropriate exercise of its discretion in such manner as to effectuate the policy of the act and facilitate administration of the system which it has set up, require retention of the fund by the district court until such time as the Secretary, proceeding with due expedition, shall have entered a final order in the proceedings pending before him."[19]

Following this decision the Secretary held new hearings, made new findings and entered a new order, according to which this Court in a later *United States* v. *Morgan*[20] ordered the more than one-half-million-dollar fund distributed.

Despite the fact that the Court purports not to pass either on the validity of requiring all handlers to bear the full burdens of pool membership or upon the ability of the Secretary to apply against these handlers any future scheme of regulation which meets the Court's standards for the period here in question,[21] it seems clear that in failing to follow the Morgan procedure the Court in effect rules against the Secretary on both these questions. This is because the Court's refusal to pass specifically on these questions leaves standing the district court's holding that the Secretary cannot require these handlers to bear the full burdens of pool membership for the period during which the compensatory payments struck down here were made. The regulation under which the Secretary claims that these handlers are subject to the full burdens of pool membership is a part of the same section[22] as the one under which the handlers made the compensatory payments of which they complain. That section provides that all handlers like petitioners are pool handlers and required to bear all the burdens of pool membership unless they elect to be nonpool handlers and make compensatory payments. The Secretary's contention is that once the part of the regulation which provides for the compensatory payment is struck down, as the Court does here, the remainder of the regulation which requires all handlers to be pool handlers applies. By remanding this case to the district court which has already ruled adversely on this claim the Court without so much as saying a single word on this point effectively prevents the Secretary from trying to protect pool farmers from free-riding outside milk by treating these handlers as pool members for the period here in dispute.

The full effect of the Court's failure to follow the Morgan procedure and decide whether the Secretary's provisions for full regulation of these handlers are valid, or just what the Secretary could do to protect the prices he has fixed, is in my opinion likely to be a wholly unjust and inequitable windfall of over $700,000 to the handlers, since it will ultimately have to come out of the pockets of the farmers who bear the burdens of this pool. How many more such windfalls to other handlers involving how many countless thousands of dollars in this and the other 22 similarly situated pools the Court's action will bring one can only guess.[23] One familiar with the act and its history need not guess, however, about the fact that such a result would have been abhorrent to the Congress which passed this act for the benefit of farmers. I would affirm the decision of the court below which upheld the Secretary.

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[15] 79 CONGRESSIONAL RECORD 13022.

[16] See note 9 of the Court's opinion. At least 18 other pools apply a compensatory payment provision like the one in this case for at least part of the year. See note 13 of the Court's opinion.

[17] Certainly neither of the formulas which the Court in its note 13 intimates might be proper would protect the farmers in the pool, for neither of these formulas even go so far as to wipe out the discriminatory advantage that unregulated outside milk has over pool milk. In sustaining the Secretary's regulation in this case the judicial officer relied in part on the following reasons: "The marketwide pool existing under order No. 27, as amended, carries longtime and seasonal reserves of milk for numerous secondary markets in Pennsylvania and the Northeastern States. The New York-New Jersey market carries the surplus burden for outside handlers who distribute some milk in the marketing area. These handlers usually have a relatively high percentage of their milk in fluid milk utilization and this utilization is considerably higher than the average for the market regulated by order No. 27. This higher utilization, of course, results in a competitive advantage in milk procurement to the outside handler as against the regulated handler and outside and regulated handlers draw on the same production area for supplies. Furthermore, the regulated handler has to equalize his utilization with other handlers and his producers are paid on the basis of a uniform price reflecting the utilization in the market as a whole rather than his individual utilization."

Thus, a compensatory payment, such as the Court suggests, based on the difference between the fluid price and the blend price obviously would do nothing at all to wipe out the advantage that the outside handler has because of his higher fluid-surplus ratio which is due, as shown above, to (1) the fact that the pool carries part of his area's surplus and (2) the fact that he does not have to equalize his own utilization as do pool handlers. Only a compensatory payment which gives the outside handler less for his surplus milk than the pool farmer gets will narrow the competitive advantage which outside milk has. A compensatory payment based on the difference between the fluid price and actual cost, the other alternative suggested by the Court, would obviously be even more subject to the same defect than the fluid-blend price compensatory payment. See also "Hutt, Restrictions on the Free Movement of Fluid Milk Under Federal Milk Marketing Orders," 37 University of Detroit L.J. 525, 573–576, particularly at note 220.

[18] 307 U.S. 183. Cf. *Inland Steel Co.* v. *United States*, 306 U.S. 153.

[19] 307 U.S., at 198.

[20] 313 U.S. 409.

[21] The Court's citation of *Morgan* v. *United States*, 304 U.S. 23, as purported justification for its avoidance of this issue is particularly appropriate, and I fear prophetic. For in large part due to this Court's avoidance of a similar issue in the Morgan case, that case wandered through the courts for almost 8 years, including four trips to this Court.

[22] 7 CFR sec. 1002.29(d).

Mr. CURTIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CURTIN. Mr. Chairman, I am in very definite opposition to the amendment of the gentleman from New York [Mr. STRATTON] which would seek to add compensatory payments to the milk marketing orders.

This amendment seeks to upset a decision of the U.S. Supreme Court handed down earlier this month. The litigation which precipitated this decision originated in the district which I have the honor to represent. Because of my familiarity with this matter, I feel that it might be helpful to the members of this committee if they knew these facts which resulted in this decision and which is now sought to be upset by this amendment.

For a period of approximately 25 years the handlers of milk, much of which was produced in Pennsylvania, disposed of the same in an area in New Jersey adjacent to Phillipsburg. Then the New York marketing order area was enlarged to include this section of New Jersey. Thereupon, the handlers of this Pennsylvania milk, or "nonpool" milk, were informed that they must pay an amount into a fund for the benefit of the producers in the area of the marketing order, or the producers of the "pool" milk, if they were to continue to serve such area. This amount was designated as a "blend price" and computed by a rather complicated ratio using the price of the different classes of "pool" milk. This "blend price" was, in this case, fixed at $2.78 per hundredweight. Now we find that the handlers of the "nonpool" milk were paying $6.40 per hundredweight, while the handlers of the "pool" milk were only paying $6.23 per hundredweight at the time in controversy; namely, August 1957. Thus it can be seen that to handle "nonpool" milk, the handler had to pay $6.40 per hundredweight, plus the penalty of $2.78 per hundredweight, or a total of $9.18 per hundredweight, while the handler of the "pool" milk only paid $6.23 per hundredweight.

The Supreme Court held that the intent of Congress was to prevent an influx of cheap milk into an area, not to prevent competition. Therefore, this amendment is now offered to make such type of compensatory payments permissible as a part of a marketing order. Obviously, I feel that this amendment should be defeated, for, if adopted, it will certainly be an invitation for trade barriers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. STRATTON].

The amendment was rejected.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Chairman, I note that the friends of the gentleman from New York [Mr. STRATTON] on the Democratic side of the aisle voted down overwhelmingly the amendment offered by the gentleman.

I think that the gentleman helped defeat his own amendment, because he chose yesterday on the floor of the House to make this a political issue rather than a discussion on the merits. In the gentleman's remarks yesterday he indulged in an all-out attack on Governor Rockefeller of New York. He said that, although he, Mr. STRATTON, had introduced this amendment on June 15, to help the dairy farmers, he had "heard nothing from the Governor of New York." The gentleman went on to say the Governor "has done absolutely nothing to help the dairy farmers of New York State." Then he announced he had wired the Governor and challenged him to line up Republican members of the New York congressional delegation.

Well now, Mr. Chairman, this is pretty big talk.

It is not only a flagrant display of pure politics, it is untrue. It so happens that the Governor of New York was way ahead of the gentleman from New York [Mr. STRATTON] and has been well on the way toward accomplishing the same results, quicker, by more effective means, and with the cooperation of the Secretary of Agriculture, which the gentleman from New York can't claim for his amendment because the Secretary opposes it in this bill.

Long before the gentleman from New York was given the amendment by someone and was told there was political advantage in offering it, Governor Rockefeller of New York and Governor Hughes of New Jersey, on a bipartisan basis, had gotten in touch with the Secretary of Agriculture and requested that action be taken to overcome the Supreme Court decision on compensatory payments. At the request of the Governors, the Secretary appointed a bipartisan committee of five, all experts, from the two States, to make recommendations on the subject. They are in fact meeting with the Secretary on Tuesday next and will recommend administrative action.

It seems assured that administrative action will be taken. If it should turn out that legislation is needed, which is doubtful, it will be done by a separate bill. Both Governors and the Secretary of Agriculture are agreed it should not be done in this bill.

Mr. Chairman, the amendment offered by the gentleman from New York should have been debated on the merits. The Republican members from the milk areas in fact favored it. But the gentleman from New York [Mr. STRATTON] chose rather to make a false political issue out of it, which contributed as much as anything that his own side of the aisle did to defeat the amendment.

Mr. GOODELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODELL. Mr. Chairman, I deplore the fact that an amendment as important as that just offered by the gentleman from New York could not, because of the parliamentary situation, be explained. Mr. STRATTON was not permitted to say a single word to the House and although he can place his written remarks in the RECORD, that is a poor substitute for the spoken word. Those of us who might disagree with some things Mr. STRATTON says, cannot know what he has said until we read it in the RECORD tomorrow. The amendment was overwhelmingly defeated by Mr. STRATTON's own Democratic colleagues who control this House by a 3 to 2 margin. No New York Republicans had a chance to be heard, any more than Mr. STRATTON did. This is indefensible legislative procedure. Although I supported Mr. STRATTON's amendment, along with my New York Republican colleagues, I think the amendment was not well thought out as to form or timing. I hope and trust that the Secretary of Agriculture will proceed now to correct the situation with reference to the Supreme Court's decision by administrative action, as he has the power to do. Now, Mr. Chairman, as to the legislation before us. Mr. Chairman, the best word I can think of to describe this farm bill is the word obnoxious. Its repercussions in the farm economy are hard to exaggerate. It attempts to reduce surpluses by reducing farmers to lackeys of the Government. It virtually abandons the last vestige of reliance on the law of supply and demand.

Mr. Chairman, for the first time on any major piece of legislation since I came to Congress, I have not received a single letter or communication from my own district in favor of the legislation. The farmers and nonfarmers alike in my area understand pretty well what this bill spells out. It is the beginning of the end for freedom and self-reliance on the farm. My people oppose this bill angrily and indignantly. And let me issue a warning to you Democrats who apparently, under great pressure from the President and Secretary of Agriculture, are going to vote for this bill. If you pass this bill, you are going to have a long time to live with it and regret it. You are making a terrible mistake, and I think most of you know it, even though your votes will not reflect it. I am sorry for you but I am a lot sorrier for our farmers who are going to be the real sufferers.

Mr. SMITH of Iowa. Mr. Chairman, I have an amendment at the Clerk's desk which I offer at this time.

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[23] A suit involving the provision of the Cleveland order similar to the one struck down here has already found its way into court. See *Lawson Milk Co.* v. *Benson*, 187 F. Supp. 66, appeal pending.

The CHAIRMAN. The Clerk will report the amendment.

Mr. DOLE. Mr. Chairman, I have a preferential motion.

The CHAIRMAN. The motion is not in order because no action has been taken since the last identical motion.

The Clerk will report the amendment offered by the gentleman from Iowa.

Mr. DOLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DOLE. We just voted on the amendment of the gentleman from New York [Mr. STRATTON] and it was defeated.

The CHAIRMAN. The amendment was defeated and did not prevail.

The Clerk will report the amendment offered by the gentleman from Iowa [Mr. SMITH].

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: On page 23 delete lines 4 through 10 and insert the following:

"(c)(1) The county acreage allotment for any crop of feed grains shall be apportioned by the Secretary, through the county committee, among the farms in the county on the basis of the base acreage of feed grains for each farm during the base period, tillable acreage, crop-rotation practices, types of soil, and topography and adjusted pursuant to subsection (d) of this section."

On page 40, between lines 18 and 19, insert:

"SEC. 3601. Notwithstanding any other provision of this part, (1) no referendum shall be held with respect to the national marketing quota proclaimed by the Secretary for the marketing year beginning in the 1963 calendar year, (2) the penalty provisions of section 360h shall not apply to feed grains of the 1963 crop, and (3) the penalty provisions of section 360j(a) shall not apply with respect to acreage required to be diverted from the production of feed grains of the 1963 crop."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Iowa) there were—ayes 47, noes 120.

So the amendment was rejected.

Mr. MATTHEWS. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. MATTHEWS: Page 36, beginning on line 4, and page 60, beginning on line 21, strike out item (1) and insert:

"(1) that the diverted acres shall be devoted to conservation uses that will maintain the land free from erosion, weeds, insects and rodents as approved by the Secretary: *Provided*, That summer fallow and idle land will not be considered a conservation use of farms that did not follow such conservation uses during 1959 and 1960;".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. MATTHEWS) there were—ayes 103, noes 89.

So the amendment was agreed to.

Mr. DOLE. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DOLE moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. DOLE. I might say first of all, I hate to strike out the enacting clause as it is the only thing in this bill which has not been changed, but I do have several amendments at the desk which I hope will be adopted for they are very important to the people in Kansas and throughout rural America.

I recognize everybody wants to go home, but these are important amendments. For example, we have one which would give the farmer the absolute choice on the interchange provisions of this bill with reference to feed grains and wheat acreage. The farmer would decide instead of the Secretary of Agriculture.

We have another changing the base period from 5 to 10 years. Under this bill the base period has been changed from 10 to 5 years. This costs the State of Kansas over 120,000 wheat acres. You are asking us, the historic producing area, to take a cut of not 10 percent or 20 percent but 21.3 percent.

I think every State has by now been exempted from most provisions of this bill, with the possible exception of Kansas, Nebraska, Illinois, Iowa, Colorado. Aside from these, everyone else has been taken out of the bill in one way or the other.

I also have an amendment which would state this law shall not be operative until the Billie Sol Estes investigation has been completed. This may be important and I assume it will be agreed to without much question.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentlewoman from Washington.

Mrs. MAY. Mr. Chairman, I, too, have an amendment at the desk.

Mr. Chairman, the purpose of the amendment I have offered is to require that before a feed-grain control referendum would be binding and marketing quotas and acreage allotments imposed on farmers that at least 50 percent of the feed grain producers eligible to vote actually do vote and participate in the referendum. Then it would follow that half of those eligible to vote would participate in the referendum and, of these, two-thirds would have to vote in favor of the referendum to get approval. If this amendment prevails, I also intend to offer a similar amendment to the wheat section of this bill.

Many times during the hours we have been in debate on this farm bill, various speakers have stated that, after all, the farmers will have a chance to decide whether or not they want these control programs because two-thirds of them will have to vote in favor of the referendum before it can go into effect. None of the speakers have pointed out that this means only two-thirds of those voting are required to vote affirmatively to put these control programs into effect on all the feed grain and wheat farmers of this Nation.

All too often in the past, Mr. Chairman, the "tail has wagged the dog" in wheat referendums because only farmers subject to marketing quotas were eligible to vote, with numerous farmers ineligible. Of those eligible only a small percentage actually have turned out at the polls to vote in the referendum, with the result being that from 5 to 10 percent of the total wheat farmers in the Nation decide upon the establishment of the wheat program.

For example, in the 1962 referendum, of the 1,042,473 farmers eligible to vote, only 278,515 actually voted. Of this total number, 79.4 percent voted "yes" and the rest voted "no." Thus 218,515 wheat farmers out of the Nation's 3 million, or only about 7 percent, decided the outcome of last year's wheat program.

If the bill that is before us today becomes law, I feel that it is very important that the voting requirements spelled out in my amendment should become part of the legislation. We are offering the feed-grain producers and the wheat farmers of America brandnew and strict control-type programs in this bill. As has been stated many times during the debate this week, the alternatives offered in these referendums could hardly be described as real alternatives. But the choices must be made, and, once the die is cast, then the million or more farmers who will have to live under the program will have to do so for an indefinite time to come.

I feel that in this bill we are asking the American farmers to make the most crucial vote on farm programs that they have ever been asked to make in the history of our country. Certainly it follows, therefore, that at least one-half of those who will be affected for the years to come should participate in the vote. Furthermore, the majority party, which has worked out these programs for the farmers, claims that they will achieve certain objectives. It would seem to me that these objectives could not possibly be reached unless the farmers are willing to cooperate and try to help the program work. It is apparent to me that it is just asking too much of human nature to expect our farmers to cooperate with a program unless they feel they have actually made a real majority choice to accept it. I do not see how any program can work well if the greatest majority of those who are living under it feel it was forced upon them by the minority. I hope this body will support my amendment because I believe it is the only way we can bring some democracy into the so-called democratic choice offered by the administration.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Ohio.

Mr. LATTA. I also have an amendment pending at the desk, and I wish the membership would pay particular attention to it, because it will save a lot of money by putting a $25,000 ceiling on the amount of wheat certificates which can be paid to any one producer in any 1 year.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Nebraska.

Mr. BEERMANN. The gentleman stated that Kansas lost 120,000 acres of wheat. May I say that Nebraska would lose 69,000 acres under this bill.

Mr. ABBITT. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Kansas.

Mr. Chairman, I hope the motion will be defeated.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Kansas [Mr. Dole].

The preferential motion was rejected.

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Latta: Page 72, line 11, after the period insert "*Provided*, That the Secretary shall not in any one year issue to any producer or producers on any farm wheat marketing certificates having a value in excess of $25,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Latta].

The question was taken; and on a division (demanded by Mr. Latta) there were—ayes 145, noes 101.

So the amendment was agreed to.

Mrs. MAY. Mr. Chairman, I offer two amendments and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mrs. May: Page 28, line 20, after the word "quotas" insert the words "or that less than one-half of the feed grain farmers eligible to vote in the referendum failed to vote in such referendum,".

Page 56, line 20, after the word "quotas", insert the phrase "or that less than one-half of the wheat farmers eligible to vote in the referendum failed to vote in such referendum,".

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Washington [Mrs. May].

The question was taken; and on a division (demanded by Mrs. May) there were—ayes 123, noes 149.

So the amendments were rejected.

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Mahon: Page 25, line 7, after "acreages" strike out the semicolon and insert a comma and add the following: "and the Secretary shall make an appropriate adjustment for the amount by which the acreage of feed grains on the farm was reduced during the base period in order to permit the full utilization of any acreage allotment in effect for any commodity on the farm."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Mahon].

The amendment was rejected.

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Mahon: Page 38, line 8, after "Malting barley", insert "other annual field crops for which price support is not made available.", and on line 18 change the period to a comma and add the following: "and no price support shall be made available for the production of any such crop on such diverted acreage."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Mahon].

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Jensen moves that the Committee do now rise, and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. JENSEN. Mr. Chairman, I have on several occasions today attempted to get the floor, but it seemed that through some fancy maneuvering I have been counted out.

Now, of course, I must say that I have never seen such a spectacle as I have witnessed on the floor for the past 3 days in all of the 24 sessions I have been in Congress. But, of course, this is a free country, and everyone has the privilege to act sort of as they please. But I have an amendment at the desk, Mr. Chairman, which has in the past years been known—a similar amendment—as the Jensen rider to appropriation bills.

This amendment is very simple and I am sure that most of the Members here have voted for it on other occasions. It simply provides that not more than one vacancy out of four may be filled in the Department of Agriculture personnel until such time as the budget figures submitted by the Department of Agriculture have been reduced by 5 percent. I took this means of getting a little time before my amendment is offered to explain the importance of it. It will save at least $27 million. It will reduce the number of 90,000 now employed or represented in the budget requests for personnel in the Department of Agriculture by approximately 4,500. The average wage of those people is $6,000, making approximately $27 million.

Not a single person now employed in the Department of Agriculture will be taken off the payroll—not one. They have a turnover in that Department of around 14 percent per annum. The reduction in force will be effected simply by not filling vacancies caused by death, retirement, resignation, and so on. It is done by the attrition method. It will be good for the employees of the Department.

I have never explained it to one of them who did not agree with this method of reducing employment to a figure that is completely justified. If my amendment provided for a 10-percent reduction it would still be completely justified.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. HOSMER. Mr. Chairman, I, also, have an amendment at the desk that would provide that the provisions of this monstrosity if enacted would expire at the end of 3 years and that the other agricultural support laws would be repealed at that time; also, that the Commodity Credit Corporation would be given authority to make an orderly and complete disposition of all surpluses on hand. That amendment will come up under title 5.

I am afraid the procedure will be similar to what has so far occurred. So I hope those who wish to stand up and be counted against farm price support, against what this House is doing today and the spectacle it is making of itself will, when this amendment comes up, stand up and be counted to get rid of a mess.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. Jensen] has expired.

Mr. BASS of Tennessee. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I do this merely to say that the amendment that the gentleman from Iowa [Mr. Jensen] has discussed might be appropriate on an appropriation bill but certainly not on an agricultural bill.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Iowa [Mr. Jensen].

The preferential motion was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dole: Page 33, line 2, insert a period after the word "feed grains" and strike the balance of line 2 and all of lines 3, 4, and 5.

Page 57, line 14, change the comma to a period after the word "feed grains" and strike the balance of line 14 and all of line 15.

Mr. DOLE. Mr. Chairman, the amendment on page 33, line 2, and the amendment of page 57, line 14, are offered together in order that the Committee will fully understand the purpose of both said amendments. The amendment on page 33 merely strikes certain language from the bill and, if adopted, would give the farmer the absolute right to have acreage devoted to the production of wheat considered as devoted to the production of feed grain. In other words, as the bill now reads, it will become discretionary with the Secretary and, in my opinion, the determination should be made by the farmer. This amendment was widely discussed in our committee and there was a difference of opinion and I sincerely believe striking the language as suggested by my amendment would give the entire bill more flexibility and would give the farmer additional freedom in determining which crop he should produce. I would also point out that in its present form the bill will require the farmer to obtain permission from the Secretary and I assume this will be done by making application after application to the local A.S.C. office, having it passed on there, then perhaps by the State office and perhaps even by some higher authority. It is completely unnecessary that the farmer be subjected to this.

On page 57, by striking the language suggested in my amendment, the entire matter would be crystal clear, for then this section 337 would properly cover both substitution of feed grains for wheat and substitution of wheat for feed grains and would leave the determination up to the farmer instead of the

Secretary of Agriculture. This provision is a highly desirable one and to me represents one of the strongest features in this bill and, if properly used, it would be a benefit not only to the farmer, but it would tend to encourage return of wheat production to the historic wheat producing areas and the return of feed grain production to historic feed-grain producing areas.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 61, line 19, after the word "share" strike the period and insert the following:

"*Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty."

Page 67, line 6, strike lines 6 through 12 and insert the following: "(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of wheat, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty."

Page 72, line 25, strike line 25 and page 73, line 1 strike lines 1 through 9 and insert the following:

"(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 399 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty."

Mr. DOLE. Mr. Chairman, this amendment may appear complicated, but frankly, it is not. It simply permits a farmer who has exceeded his farm acreage allotment to store the farm marketing excess of any crop of wheat at his own expense and under bond. This excess wheat, when so stored in accordance with all regulations, may be subsequently released in a short-crop year and is of tremendous benefit to farmers in western Kansas and in other areas of the Midwest which are so-called high-risk areas because of hail, drought, and other factors.

This is not a new provision, as it has been the law and in fact was in the bill originally offered by the administration, but was deleted from the bill upon an amendment offered by the gentleman from California [Mr. HAGEN].

This is another most important amendment and, if adopted, would certainly improve the wheat section of this omnibus bill. A very important point is that such provision will help the farmer maintain his income, which is one of the principal objectives of the bill according to the preamble and the testimony of administration witnesses, including Secretary of Agriculture Orville Freeman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. DOLE) there were—ayes 109, noes 169.

So the amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 64, line 9, insert the following:

"(k) Notwithstanding any other provision of law, the farm acreage allotment for wheat shall not be reduced on any farm below such acreage that would result in the producers on such farm idling more than one-half of the cropland on such farm."

Mr. DOLE. Mr. Chairman, I certainly feel that this amendment is self-explanatory and the effect of it would be that, notwithstanding any provision in this law, a farmer would not be required to idle more than one-half his cropland. Particularly in western Kansas, such an amendment is highly desirable and necessary and I am certain its application would be widespread in other summer-fallow areas.

In many areas in Kansas and, I assume, in other wheat-producing areas, in fallow areas, many farmers are permitted to farm only about 29 percent or less of their cropland. As I have stated before in the debate of this bill, it is most difficult for a farmer to idle 71 percent of his cropland and still be expected to sustain himself and his family.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 35, line 16, strike everything after "1963" through and including line 19 and insert in lieu thereof the words ", 1964, and 1965 crops."

Mr. DOLE. Mr. Chairman, the amendment just read, which starts on line 16, page 35, is in most respects identical to an amendment by me earlier today to the wheat section of the bill. Without belaboring the point, let me point out that there has been much discussion and much testimony concerning the objectives, the goals, and the possibilities of this measure. Certainly, one of these has been maintaining the farmers' income, but, as I stated earlier, this seems rather a difficult task when we request legislative authority to lower the diversion payments from not to exceed 50 percent of the estimated basic county support rate multiplied by the estimated normal production of feed grains for the first year, a 40-percent payment the next year, a 30-percent payment the third year, and thereafter no payment at all. Let me simply point out again that the farmer should not be required to divert acres under compulsory legislation without receiving adequate compensation therefor.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amedment offered by Mr. DOLE: Page 52, line 23, strike lines 23 through 25 and renumber the subsequent subsections accordingly.

Mr. DOLE. Mr. Chairman, this amendment is very simple, would merely restore the provisions in the 1938 Agricultural Adjustment Act. My amendment strictly applies to section 1 of section 413, on page 52, and I feel there are many very sound reasons for striking the language as suggested by my amendment. As set out in table 3 of the minority report on page 147 of the committee report, we can readily see what will happen to historic wheat-producing areas if the base period is changed from a 10-year period to a 5-year period. My home State of Kansas, for example, would lose approximately 138,000 additional acres in allotments by this change, and this would be in addition to the 20 percent proposed under terms of this bill. This would simply be a double cut and when we have seen our wheat acreage allotments dissipated over the years and have witnessed the continual erosion of wheat acreage in Kansas while other States were gaining acreage, it seems completely unfair to me that this bill should contain a provision changing the base period.

My amendment strictly returns it to a 10-year proposition and in all fairness I feel the amendment should be adopted.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 72, line 11, strike out the period and insert the following:

": *Provided*, That each producer shall have the option to retain and carry forward to a subsequent year any wheat marketing certificates issued under this Act and in such event the Secretary shall adjust the farm acreage allotment accordingly in such subsequent year".

Mr. DOLE. Mr. Chairman, this amendment, too, is vital to the wheat section of the bill, and it merely provides that a producer who has a poor crop of wheat and has excess wheat-marketing certificates may carry these certificates forward. In other words, if a farmer has certificates for 3,000 bushels of wheat, but only raised 1,000 bushels, he could carry the certificates forward the following year and be entitled to increase his farm acreage allotment accordingly so that in such year he could increase his production conceivably by 2,000 bushels.

This, again, to me, is an income-maintenance feature which I feel is most important. We have stated many times before, the goal of this legislation is to maintain the farmer's income at least, and certainly this amendment would be a step in that direction.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DOLE. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: Page 15, line 17, immediately preceding the word "subtitle B" insert the following:

"Notwithstanding any other provision of law, all the provisions of this title IV shall remain inoperative until the completion of the investigation of the Billie Sol Estes case by the Subcommittee on Intergovernmental Relations of the House Committee on Government Operations and the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations and both such committees have filed the reports and recommendations on such investigation with the House of Representatives and the Senate respectively."

**Mr. BASS** of Tennessee. Mr. Chairman, I make a point of order against the amendment. It is not germane to the bill and deals with the activities of other departments and does not come within the purview of this bill.

The CHAIRMAN. The point of order is overruled.

**Mr. DOLE.** Mr. Chairman, let me say at the outset that it is regrettable amendments being offered at this late hour cannot be fully debated, for the provisions of this legislation are as important to the wheat producers in this country as to any other group. It seems strange to me adequate time can be allowed in debating those amendments which were approved by the majority, but those offered by the minority must be considered in this fashion so as to preclude all debate and thereby deprive the Committee of vital information and of many opportunities to improve upon the bill.

This amendment, I believe, is self-explanatory and merely adds language commencing on line 17 on page 15. We have heard many, many speeches and have read many, many press releases about how future Billie Sol Estes cases will be prevented by the passage of this legislation. Frankly, I am of the opinion that this legislation will only multiply the Estes-type scandal.

Perhaps hearings before the Intergovernmental Relations Subcommittee of the House Committee on Government Operations and the Permanent Subcommittee on Investigations of the Senate Committee on Government Operations will reveal many matters we have not discussed or even considered. When I introduced a resolution, H. Res. 600, on April 16 of this year, I then felt the Departmental Oversight and Consumer Relations Subcommittee of the House Committee on Agriculture should make a full and complete investigation of the Estes controversy and I still feel an investigation is primarily within the province of the House Committee on Agriculture since we are the committee charged with the responsibility of writing legislation in this field. At any rate, there appears to be every good reason why further action on this measure should be deferred until the Estes investigations are completed.

The question is on the amendment.

The question was taken, and on a division (demanded by Mr. DOLE) there were—ayes 126, noes 182.

So the amendment was rejected.

**Mr. BATTIN.** Mr. Chairman, I offer an amendment which is at the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Montana.

The Clerk read as follows:

Amendment offered by Mr. BATTIN: Page 81, line 52, insert the following:

"SEC. 425. Notwithstanding any other provision of law, the Secretary shall not proclaim acreage allotments and marketing quotas on wheat or feed grains for any farm within any area which he finds has suffered substantial damage due to severe drought, flood, or other natural disasters within the previous year. In the event that the Secretary makes such a finding, price support on wheat and feed grains shall be provided to all producers in such area at the same level that price support is provided to cooperators on feed grains or certificate wheat outside such area."

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

**Mr. NELSEN.** Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: On page 24, line 15, after the word "years" strike out "1959 and 1960" and insert "1956 through 1960" and on page 24, line 19, after the word "the", strike out the word "two" and insert the word "five."

**Mr. NELSEN.** Mr. Chairman, it has long been my contention that the establishment of a feed grain base on the year 1959 and 1960 only produces many serious situations for many producers. Many farmers have practiced crop rotation as well as summer fallow. In many cases some parcels of land are as a result of the criteria used, without any base whatever. The use of a 5-year period would improve the situation at least to some degree.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. NELSEN) there were—ayes 88, noes 167.

So the amendment was rejected.

**Mr. NELSEN.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: On page 60, line 13, after "rates" strike out the period, insert a comma, followed by: "but in no case less than an amount equal to interest on investment plus assessed real estate taxes."

**Mr. NELSEN.** Mr. Chairman, under provisions included in this bill there would be a phaseout of payments for land retired from production. The farmer must pay taxes as well as interest on his investment. It is quite evident that because of the many loopholes already adopted, for example, deficit areas, 40-acre exemptions, the Midwestern States will be bearing the great brunt of forced land retirement. It would only seem plain that the farmer should receive no less than interest and taxes on his investment.

I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NELSEN].

The amendment was rejected.

The CHAIRMAN. Are there any further perfecting amendments? If not, the question is on the substitute offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and on a division (demanded by Mr. HOEVEN) there were—ayes 122, noes 224.

So the substitute was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

### TITLE V—GENERAL PROVISIONS

SEC. 501. The Consolidated Farmers Home Administration Act of 1961 (75 Stat. 307) is amended as follows:

(1) by striking out the period at the end of section 304 and inserting a comma and the following: "including, subject to all the provisions of section 302, recreational uses and facilities.";

(2) By inserting in section 306(a) after the words "soil conservation practices" the words "shifts in land use including the development of recreational facilities", and by inserting after the word "drainage" the words "or sewer";

(3) By striking out in section 309(f)(1) the figure "$10,000,000" and inserting in lieu thereof the figure "$25,000,000"; and

(4) By inserting in section 312 after the words "and conservation" the words "including recreational uses and facilities".

SEC. 502. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of this Act and the applicability thereof to other persons and circumstances shall not be affected thereby.

**Mr. HOEVEN.** Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOEVEN: Page 88, line 13, change the comma to a semicolon and strike all of line 14 and the words "or sewer" on line 15.

**Mr. HOEVEN.** Mr. Chairman, this amendment would simply prohibit the Federal Government from going into the sewer business. Under the Department of Census definition, a rural area is defined as (1) a community of under 2,500 people. The Farmers Home Administration follows the Census definition, but in this title FHA loans may be made for sewers for cities and towns without limitation as to size. It seems to me we are going a long way, in view of the many demands that are being made on the Farmers Home Administration, to now engage in the sewer business. We have already found in title I that we are permitting the Federal Government to participate in financing putting greens, swimming pools, ski lifts, tennis courts, merry-go-rounds, and now it is proposed to put the Federal Government into the sewer business. I think it is ridiculous, and I hope my amendment will prevail.

**Mr. COOLEY.** Mr. Chairman, the amendment presented by the gentleman from Iowa [Mr. HOEVEN] would continue the land retirement provisions of the 1962 feed grain program and the price-support eligibility rules, but it would provide that cooperators could get 15 cents per bushel for every bushel of corn, barley, or grain sorghums they produce. This payment, in lieu of price support, would have to be made in kind.

As I understood the amendment, it would force more feed grain on the market than either the 1962 program or the mandatory program proposed under H.R. 11222. In turn, this would depress prices for feed grains and would tend to encourage farmers to retire the minimum acreage for eligibility for price support. When this provision is coupled with the wheat and feed grain disposal program farmers would divert minimum acreage and seek price supports on all feed grains produced.

Instead of a 40-percent diversion of acreage as under the 1961 program, producers probably would divert less than one-half that amount. This would add to feed grain supplies, stocks, and downward pressure on market prices.

Moreover, Government costs under such a provision would be increased materially. This 15-cent payment would add at least $150 million in cost over and above the acreage diversion payments. This would increase the total cost, without consideration of the added loss under the disposal section, to a greater amount than the diversion payments anticipated under H.R. 11222 as reported by our committee.

In addition, the income to the individual farmer would be much more dependent on direct Government payments than under either the present voluntary program or the program included in H.R. 11222.

It would be practically impossible to expect CCC to market certificates on behalf of producers at the level required, that is at 105 percent of the support price plus reasonable carrying charges, especially in view of provisions under subtitle C. Even without subtitle C, the increased production by noncooperators would keep the market price well below the support price. This simply means that the 15-cent payment-in-kind in effect becomes a cash payment which would be met from appropriations in advance of any expenditures by the CCC.

It would be impossible for producers, feeders, exporters, or anyone else to anticipate market prices with sufficient assurance to conduct normal operations.

Mr. Chairman, for the very practical reasons I have stated, I urge the House to reject the Hoeven amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. HOEVEN].

The question was taken; and on a division (demanded by Mr. HOEVEN) there were—ayes 128, noes 202.

So the amendment was rejected.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. I wonder if the chairman of the Committee on Agriculture would explain now just what is in this bill?

The CHAIRMAN. That is not a parliamentary inquiry, I will remind the gentleman from Minnesota.

Mr. SCHWENGEL. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his motion.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a moment for a unanimous-consent request?

Mr. SCHWENGEL. Just for one moment, please.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 5 minutes.

Mr. HOSMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on section 5 and all amendments thereto close in 10 minutes.

Mr. SCHWENGEL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SCHWENGEL. Mr. Chairman, I refuse to yield any further.

The CHAIRMAN. The gentleman declines to yield.

Mr. SCHWENGEL. Mr. Chairman and Members of the House, for 3 days I have been listening avidly to the debate and to the political talks here in this House. I will tell you that I am more confused now than I have ever been. I have never seen such a demonstration in a legislative hall in my life. I am not exactly new in this business. I have been here in the House of Representatives for some 8 years, and I was in the Iowa Legislature for a period of 10 years, but I have never seen such a demonstration as I have seen here today.

Mr. Chairman, some questions come in my mind now, and I would like to ask just a few questions—one of whomever can answer, and that is this: How many amendments have we added to this bill since it has been brought to the House floor?

Perhaps the chairman of the Committee on Agriculture could answer that question.

Mr. COOLEY. The gentleman is asking me to answer the question?

Mr. SCHWENGEL. Yes; how many different amendments have there been?

Mr. COOLEY. The gentleman may ask the Clerk of the House for that information. I have not been keeping a record of them.

Mr. SCHWENGEL. I would like to have any record that can be had on this question at this time.

Mr. Chairman, on June 19 of this year I received a letter from the Secretary of Agriculture calling attention to some important legislation.

He pointed out that the legislation we had was too costly for the taxpayers. As I recall, last year when we had the feed grains bill before the House they testified that it would save money. It has not done so, by their own admission. It has cost a lot more than even we said it would cost. Now the same administration is recommending something else that I contend is no real answer to the farm problem.

I represent one of the finest agricultural areas in the whole United States. The people I represent are very much opposed to this legislation. I have I do not know how many files of correspondence that I have received since this bill has been introduced. I can show you the letters and you will see how out of some 100 there are only 3 in favor of this legislation.

I think I know why; because we have an intelligent constituency and they have been worried. Let me give you a sample of some of the letters. Listen to this one. This comes from a man who I know is a genuine, sincere American citizen and who has given a lot of thought to the farm problem and to this bill.

> DEAR SIR: I am writing to let you know what I think of the new farm program. Mr. K. of Russia should be very pleased to see this—Big Government choking people. I am a small farmer and the 1961 feed grain program cost me over $1,000 on 1960 corn. I never could see how a leader could get control of people—like Hitler and Mr. K. of Russia have. I can now see how it is done.

From another friend in my district, another man I know, in Mechanicsville, Iowa:

> DEAR SIR: I would just like to know whether Congress thinks a Yankee farmer would work any better under Government supervision than a Russian or Chinese farmer does?

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SCHWENGEL] has expired.

Mr. SCHWENGEL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. SCHWENGEL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BASS of Tennessee. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BASS of Tennessee. No action has been taken on the bill since the last preferential motion was voted on.

The CHAIRMAN. This is title V, a new title, taken up since the last action was taken.

The gentleman from Iowa is recognized.

Mr. ALGER. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. SCHWENGEL. I yield.

Mr. ALGER. Mr. Chairman, my parliamentary inquiry is a simple one. Since the gentleman from North Carolina, the chairman of the House Agriculture Committee, does not himself know, from his own admission to the gentleman from Iowa, the number of amendments that have been proposed, my question is how can we Members know how this bill has been amended, without asking for an engrossed copy?

The CHAIRMAN. That is not a parliamentary inquiry; but if the gentleman had been present, he would have known how many amendments were voted.

**Mr. HALLECK.** Mr. Chairman, will the gentleman yield?

**Mr. SCHWENGEL.** I yield to the distinguished gentleman from Indiana [Mr. HALLECK].

**Mr. HALLECK.** Mr. Chairman, I might say for the information of the Members of the House, because I think it is significant the way this bill has come before us and what has transpired, that I made inquiry at the desk and learned that 9 committee amendments and 22 other amendments have been adopted since this measure has been under consideration on the floor of the House in Committee of the Whole.

I must say that it indicates what some of us pointed out earlier; either the committee did an awfully poor job or for reasons that I think are beginning to be quite apparent, a whole deluge of amendments were adopted, the consequences of many of which no one can really know.

Again, may I say, that is a very good reason why this bill should be recommitted when the motion is made.

**Mr. COOLEY.** Mr. Chairman, will the gentleman yield?

**Mr. SCHWENGEL.** No.

**Mr. COOLEY.** The gentleman asked a question. Since amendments have been offered, I think 24 have been adopted.

**Mr. SCHWENGEL.** Mr. Chairman, I want to show you this book. This will show you why the farmers in my area are against this bill. This is an interview with Dr. Willard W. Cochrane by Charles R. Koch, published in the Farm Quarterly, the autumn 1960 issue, under the title, "Will You Need a Franchise To Farm?" That is what you are leading up to. That is what you are putting the farmers into with this kind of legislation.

I want to confess to you people over here that my arm has been twisted and I have had pressure, but I will tell you the kind of pressure. It was not from any person on this side, but it has been the pressure of conscience, and it has been bearing heavily on me because we are tampering with freedom in this kind of legislation, and we ought not to be identified with any program that would take freedom away from people. Rather, we ought to be identified with programs that could give freedoms to people.

We have had some plans before the Committee on Agriculture. I introduced a bill very early in the session. I asked for some hearings on the bill. They went through the motions and finally gave me 5 minutes on a bill I worked 5 weeks in preparing. It was nobody's bill but my own, and it had some answers that are sound answers and real answers, and had some answers that were agreed to by the great farm population that I represent. But we could not get a hearing. So I say we are in bad shape when we have to present to the American farmer legislation of this type.

We have heard a lot around here about some scandals, and we have them in the Agriculture Department, though we have done nothing about them. We have not made any honest attempt to get at the problem that the Billie Sol Estes case points up. Right after that happened I introduced a resolution to call for the creation of a joint bipartisan committee to investigate this case and the entire Department of Agriculture. I think there is plenty of evidence to prove that this is necessary.

I recognize that to legislate with success is difficult. But as a Representative of a farm area, I could not help being interested in the farm problem—therefore I have introduced some legislation which I believe has merits. So let it not be said that we have no ideas about solutions to the farm problem on this side.

When this administration came into power, they gave us our farm program which now turns out to have been a temporary program and it has proved to be very ineffective in meeting the problems that plague the farm economy.

In addition, it has proved to be so costly that even they cannot stand it. So, in order to get more controls and thereby be consistent with what has become the so-called New Frontier philosophy, they are now sponsoring a system of tight controls on the production of wheat and feed grains.

In this bill, I see controls which have never been matched, even in periods of emergency.

It can be proven, beyond question, Mr. Chairman, that H.R. 11222 is more drastic and far reaching than any yet attempted in the whole history of the Federal farm program.

And, if passed, it will, in my opinion, prove to be disastrous both to freedom and to the prosperity of the farm economy.

It may be well to suggest that the farm bill now before the Congress reflects the administration philosophy that all of our economic problems may be solved by concentrating additional power and control in Washington.

And, further, I suggest that the only thing new about the New Frontier is that it is a new version of the New Deal and the Fair Deal which has proved to be a poor deal for the American system and for the American people.

We ought to know now, if we will but pause and think, that bureaucracy and regimentation are very poor answers and certainly they are no cure-all.

Mr. Chairman, it is unfortunate that this bill comes before us on the eve of an exposé which may prove to surpass the worst scandal this country has ever seen.

May I suggest that while the Billie Sol Estes case is far removed from Washington in miles it is mighty close in other ways and in my humble opinion it is a lot bigger than Billie Sol for this is merely a symbol of something much bigger and far more important.

We ought to realize now, as never before, not only from Billie Sol but from the trend in Washington, that we have been steadily giving a few people the power to decide "who gets it"—and I mean money.

As it has been pointed out in the July issue of the Farm Journal this year:

> The grain storage facilities in this country are now greatly overbuilt. Everybody wants the storage business, and there isn't enough to go around. Somebody in Government now decides who gets it; in other words who will be allowed to make money and who goes broke.
>
> Nearly everybody wants more acreage allotments, which again are nothing but the right to make money or not make it. Agents of Government would now decide who gets it. Historic bases are used as guidelines, but somebody still decides what to do about the numerous appeals. This is no reflection on county ASC committemen, most of whom are doing their best with a tough job, and some of whom are pretty unhappy with what the State ASC office has handed their county. We're talking about the whole permit system.
>
> Secretary Freeman wanted to put dairymen in the fix of taking "rights" from the Government, too. This turned out to be too hot to handle, but the administration tried, and tried hard, and will doubtless try again.

If this bill passes, you can bet your life that Mr. Freeman and his satellites will try and try and try again to control, control, and control from Washington.

Now, Mr. Chairman, let me point out that the advocates of the present bill urge support for its provisions on the ground that acreage quotas have worked very well for cotton, tobacco, and peanuts, and the logical course is to apply this same procedure to the growing of wheat and feed grains.

There are two fallacies in that approach. First, contrary to popular impression, strict controls have not worked well for cotton, tobacco, and peanuts.

The second fallacy is the mistaken belief that tight controls on wheat and feed grains will cut down production without increasing costs to the Government or to consumers.

The cotton control plan has merely placed an annual economic burden on the taxpayers without solving anything. Because our domestic acreage is rigidly controlled, production abroad has increased enormously.

The National Cotton Council has pointed out that in the 12-year span from 1948 to 1960, production outside the United States nearly doubled while our own output remained relatively stable.

This means that the Federal Government is indirectly subsidizing foreign cotton growers.

To make the situation even worse, our Government pays an export bounty of 8½ cents a pound on each bale exported, which means that American textile manufacturers are paying $42.50 more for each bale of cotton than is being paid by their foreign competitors.

Cotton textile imports and synthetic textiles, rayon, nylon, and other fabrics, are taking an increasingly larger share of the domestic market.

The cotton control plan, then, has put the domestic industry in a vise from which it may never escape.

Its growth has been stunted by legislative action. The present setup has proved a boon for cotton's competitors at home and abroad while the taxpayers are footing the bill.

The same situation in a general way prevails in the case of tobacco. The restrictions on acreage have proved a windfall for foreign growers.

Meanwhile, even with reduced acreage, the Federal Government has outstanding loans on about 500 million pounds of tobacco. The surplus has risen despite the existence of controls.

The program for peanuts involves annual losses which are absorbed directly by the Federal Government.

The growers dispose of all they can in the open market at the current support price and then Uncle Sam takes over the balance. This surplus is either processed into oil or meal, which return about 50 percent of cost, or sold abroad for half price.

These programs are makeshift devices, based on expediency. They have not worked well.

The extension of this licensing system to wheat and feed grains, as the administration wants, would be an error of major proportions.

The experience of years has shown that acreage controls do not solve the problem of overproduction. At the same time they create other economic evils which are harmful not only for agricultural, but for national welfare.

The case against rigid controls on wheat and feed grains was never put better than it was in a letter written by Mr. Charles B. Shuman, president of the American Farm Bureau Federation, to the New York Times. Mr. Shuman summed up his objections this way:

> The farm program advocated by the administration would lead to inefficiency in production, higher cost of food to consumers, and lower per person farm income. These programs not only are unsound from the standpoint of agriculture but also would require restrictions on imports and heavy expenditures for export dumping, both of which are inconsistent with the pending trade expansion legislation.
>
> We can't expect to be very effective in persuading the Common Market to follow policies that will allow room for imports of American farm products when this country is raising its own support prices.

The administration's farm bill, as Mr. Shuman said, will raise the price of food to the Nation's consumers and do it on those staples of everyday diet, bread, meat and dairy products. By its complicated wheat certificate plan, this legislation will raise the price of wheat to millers, force some of them to buy grades of wheat which they don't want, and amount in effect to a tax on the manufacture of bread. The cost of wheat exports will go higher, which means that the added cost will fall, as it always does, on the taxpayers.

The attempt in this legislation to control the production of feed grains will certainly increase the cost to the consumers of beef, poultry and dairy products, and it may bring on the worst bureaucratic chaos in the history of farm legislation. For 16 years, beginning in 1938, the law authorized the application of marketing quotas to corn, a power which five successive Secretaries of Agriculture refused to invoke. The reason was obvious. Finally, in 1954, Congress removed corn from the list of those commodities eligible for quotas.

Now Secretary Freeman seeks the power to do the very thing which his predecessors thought it unwise to attempt, that is apply farm to farm controls on corn production. The whole feed grain business, as every student of agriculture knows, is unsuited for such a scheme. Only a small percentage of corn, grain sorghums, and other feed grains ever reach the marketplace. They are grown by farmers to feed their own animals. In some parts of the country there is a chronic shortage of such fodder while in other areas these grains are usually in overabundance. Obviously a commodity grown for home use is totally unsuited for production controls, especially when conditions vary so widely from region to region.

But the planners of the Kennedy administration are seldom daunted by facts. They have resolutely set out to do the impossible. They have come up with a complex system of controls for feed grains which must have come right out of "Alice in Wonderland." They have devised one plan for dealing with the feed grain problem in deficit areas and a totally different plan for nondeficit areas. Because this dual-control system is so impossible on its face, the bill is loaded with escape exits. The number of farm acreage allotments under the administration's measure would be doubled, making it the biggest bureaucratic field day in our history. And just to give the final touch of irony, the bill even provides penalties for those farmers found guilty of overplanning to feed their own animals.

The enforcement machinery provided in the bill is so extensive that the whole system is bound to be infected by favoritism, politics and graft. Because of recent disclosures, millions of citizens apparently believe that corruption in the farm program began with the Billie Sol Estes scandal. Actually, corruption is built in because of the nature of the system.

The Freeman farm bill is evidence that the Kennedy administration has given up all idea of drafting a farm program within the framework of the free marketing system. Because controls have failed, they advocate more controls. When regimentation bogs down, they prescribe more regimentation.

There will never be a solution to the problem of farm surpluses until the Government allows the operations of the free market to establish the price of farm products. This can be done by a sound and sensible program that will protect the growers and the consumers while getting the Federal Government out of the agricultural business. Mr. Shuman explained it this way:

> The Farm Bureau favors a reduction in price support levels and a sound land-retirement program to help farmers make the transition to freer markets.

This is meeting the problem in the traditional American way. Since controls and regimentation have bungled the job so badly, why not give the Farm Bureau program a try?

Mr. Chairman, in the hope that the public has a short memory, the majority party is now using the Billie Sol Estes case to smear innocent businessmen, to blacken the names of decent Republicans, and to employ the whole Estes mess to help ram through the administration's farm bill.

The tangled affairs of Billie Sol Estes, and the Government employees whom he apparently subverted, are now being investigated by a subcommittee of the House Committee on Government Operations. The Members of this body had a right to expect that this probe would be conducted in an impartial manner and that its only purpose would be to protect the public's interest. Instead this probe has been converted into a partisan witch hunt, during the course of which certain members of the committee, at least, seem more interested in hunting headlines than they are in hunting evildoers.

This inquiry has been going on now for several weeks. Only a part has been devoted to the Government employees who took gifts from Estes and thus dishonored the public service. One such witness was treated gently and almost with deference. By contrast, almost the entire time has been devoted to a vain attempt to smear a legitimate business concern, the Commercial Solvents Corp., on the sole ground that it sold chemical fertilizers in large amounts to the Estes firms. In this pursuit, the public has been treated for several days to a classic example of indictment by newspaper headline. Each day brings a new sensational charge against Commercial Solvents, and each succeeding edition of the press reveals that the charge was false.

Why has Commercial Solvents been selected as the official scapegoat in this case instead of the evildoers who corrupted the Department of Agriculture and defiled the Federal service? The answer is easy. It has been a time-honored custom of our friends across the aisle to seek to arouse popular mistrust and hatred of legitimate business whenever they find themselves in political hot water. This line of attack, so the reasoning goes, has worked before and it might work again. In line with this theory the country has now been treated to a spectacle in which the innocent have been pilloried day after day, while the guilty got off scot free.

I think it is time that this assault upon the character and reputation of innocent men was stopped. I think it is time that the subcommittee of the House Committee on Government Operations got about its sworn business of exposing the laxness and the maladministration in the Department of Agriculture, under Secretary Freeman, which permitted this Estes case to develop.

After 3 weeks of lurid headlines, what have we got? Sworn evidence that the officials of Commercial Solvents Corp. were not even remotely connected with the scandals which brought Billie Sol Estes into the toils of the law. Sworn evidence that Commercial Solvents had only normal commercial relations with Mr. Estes, and nothing else.

I say to the gentlemen on the other side of the aisle, the Billie Sol Estes case is a Democratic scandal, and you keep it. We do not want any part of it. The Government officials who apparently were bribed and corrupted into wrongdoing were part of the Kennedy administration. The reputation which Mr. Estes built up in Texas as a successful business tycoon was helped immeasurably by politicians, most of them Democrats, who accepted his political contributions in substantial amounts. Wherever he went, Mr. Estes boasted and bragged about his close connections with high officials in the Democratic Party. No one said, "Nay, not so," until, of course, it developed that Mr. Estes might have to spend some time in confinement for his unusual business activities.

The biggest laugh about this business is the attempt of the Democratic leadership to use the Estes mess as an excuse for shoving through the current farm bill. The claim is made, not seriously, I hope, that if the bill becomes law surplus food stocks will be reduced, and there will be no more fat storage fees to tempt the weak and the unscrupulous. This is a lot of nonsense.

The biggest fraud Estes pulled was in the manipulation of cotton allotments and this new piece of regimentation for agriculture, which the administration has cooked up, certainly will not end such allotments. On the contrary, it will extend this scheme to two more of the Nation's biggest crops, the growing of wheat and feed grains. The allotment plan at its best is full of discrimination and favoritism, and at its worse it is full of bribery and corruption. An army of Solomons couldn't enforce, with fairness, a law which confers a permanent allotment of great value to one farmer while denying the same to his neighbor across the street. This allotment plan has put the cotton industry into a straitjacket while at the same time cotton growers abroad have enjoyed the greatest boom in history. Now the administration proposes to do the same for wheat. The Freeman farm plan will not end the opportunity for scandal—it will merely enlarge it.

The Democratic tom-toms are beating louder than ever because the Commercial Solvents Corp. employed as a consultant a man named Martin Sorkin, who is an authority on agricultural matters. Here again the record shows that, as far as Commercial Solvents went, this relationship was wholly aboveboard, that he was not asked to lobby by the company or do anything else except report what he considered to be developing trends in agriculture.

If it is wrong to engage Washington consultation of this kind, then every business firm and every labor union in the country should be indicted at once. In these days of high speed and complex economic relationships, the professional consultants outnumber the lawyers.

Yet the House subcommittee trumpeted from the housetops the fact that Mr. Sorkin boasted in a couple of letters to the president of Commercial Solvents that he had been consulted by Republican leaders about farm policy. These private letters were spread on the record in full although there was not the slightest evidence to connect these private communications with Billie Sol Estes. It was evident also that Mr. Sorkin was not engaged as a lobbyist by Commercial Solvents and that Commercial Solvents took no part in Mr. Sorkin's activities in connection with farm legislation.

The worst crime a committee of this House can commit is to pin the odium of guilt on innocent citizens. Yet this is precisely what has happened at the House subcommittee hearings. This is shoddy, partisan politics.

The Estes scandal revealed that favortism and something far worse are rampant in the Department of Agriculture. It is the duty of Congress to root out the evildoers and to cleanse the public service. I hope the House Subcommittee on Government Operations will stop its politicking and get about its proper task. In any event, the Estes scandal is a strong argument against the farm legislation now before us.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the preferential motion.

The CHAIRMAN. The question is on the preferential motion.

The motion was rejected.

Mr. HOSMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOSMER: On page 89, after line 4, add the following:

"SEC. 505. (a) All provisions of this Act except subsections (b) and (c) of this section shall expire three years following date of enactment and at that time the following Acts are hereby repealed:

"(1) The Agricultural Act of 1949, as amended (7 U.S.C. 1421 and the following), except sections 410, 411, and 414 thereof, effective with the 1962 crops;

"(2) Title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301 and the following);

"(3) Title VII of the Agricultural Act of 1954, as amended (7 U.S.C. 1781 and the following);

"(4) Sections 202(b), 203, and 210 of the Agricultural Act of 1956 (7 U.S.C. 1852(b), 1853, 1859);

"(5) Section 505 of the Agricultural Act of 1958 (7 U.S.C. 1431a);

"(6) Sections 123, 124, 133, and 134 of the Agricultural Act of 1961; and

"(7) Section 16(d) of the Soil Conservation and Domestic Allotment Act.

"(b) Any right, claim or action which accrued under the provisions of said Acts prior to their expiration or repeal shall not be affected by this Act.

"(c) Notwithstanding other provisions of law the Commodity Credit Corporation is directed, on such terms and under such regulations as the Secretary of Agriculture may deem in the public interest, to sell all agricultural commodities and products thereof, now owned or hereafter acquired by it pursuant to any price support program, at such reasonable prices as will result in the orderly and complete disposition of such agricultural commodities and products."

Mr. ANDERSEN of Minnesota. Mr. Chairman, I make a point of order against the amendment. This amendment goes far beyond the purview of this bill and I make a point of order against it.

Mr. HOSMER. Mr. Chairman, will the gentleman reserve his point of order?

Mr. ANDERSEN of Minnesota. No, I will not, Mr. Chairman.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule. The bill is very broad in its scope.

Mr. ANDERSEN of Minnesota. Mr. Chairman, on second thought, yes, I will reserve the point of order.

The CHAIRMAN. The Chair is prepared to rule.

Mr. ANDERSEN of Minnesota. I thank the Chairman.

The CHAIRMAN. The Chair feels that the amendment is entirely proper and, therefore, overrules the point of order.

Mr. HOSMER. Mr. Chairman, I have been waiting 10 years for an opportunity to vote to abolish the farm support program. This particular amendment would give this bill, if it is enacted, 3 years to go and at that time its provisions would expire and so the other price support programs would be repealed. The Commodity Credit Corporation would be directed to dispose of, on reasonable terms and conditions, the supplies of surplus commodities on hand. I very much appreciate the chance to be able to vote on this particular issue. I think many people on both sides of the aisle would like to stand up and be counted. I do not expect the amendment to be adopted, but after 10 years I am delighted to be able to stand up and be counted on this issue.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. HOSMER) there were—ayes 87, noes 172.

So the amendment was rejected.

Mr. O'HARA of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will take only a minute. I have a question I would like to propound to the chairman of the committee with regard to the requirement of section 423 of the bill that—

All persons engaged in the processing of wheat into food products composed wholly or partly of wheat shall, prior to marketing any such product for human food in the United States, acquire marketing certificates equivalent to the number of bushels of wheat contained in such products.

Most wheat is processed into flour which is either used as human food in this country or is exported. However, not all flour is so used. A substantial amount of flour is used in industrial processes in this country. The end product of the industrial process may or may not consist of food products. In one particular process a portion of the resultant product is used for food purposes and the remainder is not. In addition, a certain amount of the flour is lost in processing.

I would like to know if marketing certificates will be required for all of the wheat milled into flour used in such industrial processes in spite of the fact that all or part of such wheat is finally used for nonfood purposes.

Mr. COOLEY. The Department of Agriculture has assured the chairman of the Committee on Agriculture that in such cases a price adjustment will be arranged either with the millers or the industrial processors of flour in recognition of the fact that not all of the end product is to be used for human food purposes.

Anticipating the gentleman's observations and questions I communicated with the Department of Agriculture.

Mr. TOLLEFSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Chairman, recent revelations in the press convince me that my vote against the sugar bill was correct. According to Jack Steele of the Washington Daily News over a half million dollars in fees will be paid to lobbyists who worked to get the sugar bill approved by the House of Representatives. It was, as he indicated, the sweetest bonanza they have tasted in many years. The fees will be paid by foreign sugar producers who will be the beneficiaries of a huge windfall under the terms of the bill. The fees range from $5,000 to $114,000 according to reports filed with the Justice Department as required by the Foreign Agents Registration Act. Twenty-six foreign nations receive new or increased quotas under the bill. They will be enabled to sell 2½ million tons more sugar to the United States than previously and at the premium price of $56 a ton above the world market price. For example, India would receive its first quota of 130,000 tons. Mexico's quota would be increased from 95,000 tons to 350,000 tons annually. The Fiji Islands would get a quota of 10,000 tons. Haiti's quota would go up from 8,000 to 25,000 tons. On the other hand several sugarbeet growing areas in the United States were given thumbs down on their requests for increased quotas. No wonder more and more Americans are asking who is looking after their interests and welfare. I am glad that I was one of those who voted against this un-American measure. The pending farm bill is not much better.

Mr. MICHEL. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a consent request?

Mr. MICHEL. I yield.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MICHEL. Mr. Chairman, we are getting to that point where we are closing debate in consideration of this bill, and I want to take a moment to make a point or two. I feel an obligation as a member of the Appropriations Subcommittee handling agriculture appropriations, not only to my own side but also to my friends on the other side of the aisle, to make this point.

The chairman of the Committee on Agriculture said a few moments ago that we have adopted 33 amendments to this bill. I would be remiss in my duty if I did not point out to you the effect of just one amendment, the Johnson dairy amendment.

There is produced throughout this country in 1 year 125 billion pounds of milk. If we should assume that only 10 percent of the milk producers participate in the provisions of this bill as we find it now with the Johnson amendment, on the basis of $2.50 a hundredweight for not producing milk it will cost the taxpayers $300 million a year alone—1 amendment out of 33 that we have adopted here today.

I think we have got to think seriously about this, particularly those from urban centers. I do not know how you can possibly go back to your people and say "I have voted to pay the farmers not to produce milk for your children to drink." I cannot possibly see how you can justify a vote to sustain that kind of amendment, yet that is what we have done here.

That is only one instance. What effect the other amendments will have I cannot predict accurately, but the Chairman has not yet answered my previous questions satisfactorily. This feed grain provision of the bill will cost, in my judgment, better than double what the Secretary told us and I will not be surprised if it is closer to triple his estimate when the bill comes up for consideration the following year.

Mr. COOLEY. Does the gentleman know what estimate the Secretary of Agriculture made on the current program? He said it was almost $600 million.

Mr. MICHEL. In addition to the price-support program.

Mr. COOLEY. In addition? The losses sustained on the program have amounted to almost $600 million. In the program we are proposing we propose that the Government save about $2.50 a hundred. I do not see how the program can be worse than the one we have now.

Mr. MICHEL. You are still going to buy commodities, and there is nothing in here to prevent that.

Mr. COOLEY. The gentleman himself admits that the proposed program is workable.

Mr. MICHEL. I am saying that under the terms of the amendment, exclusive of price supports, this particular section will cost $300 million.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maine.

Mr. McINTIRE. May I say it would be appropriate in the Record at this point to say, if my memory serves me correctly, in the fiscal year 1960 the deficiency in the dairy program was about $156 million. It has gone up to the point where the chairman has indicated; namely, in the last year it is close to $600 million. Certainly this is indicative of some very, very serious errors in judgment in the administration at the price support level.

Mr. MICHEL. This has to be attributed to the new Secretary of Agriculture, Mr. Freeman, because under the old Secretary, regardless of what was said against him, supply and demand were pretty much achieved so far as dairy products were concerned. We were asked before our committee earlier this year to extend those high price supports of Mr. Freeman for the duration of this year. That would have cost $300 million. But we did not go along and rectify the mistake that Freeman made in the first instance by raising price supports and costing the additional money.

Mr. McINTIRE. On January 1, 1961, the inventory of butter, if my memory serves me correctly, in the hands of CCC was zero. At this time it is somewhere in the neighborhood of 400 million pounds.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Jensen: After the last word in the bill, add a new section: "*Provided*, That not more than one vacancy out of four shall be filled, until the personnel, provided for in the budget has been reduced by at least 5 per centum."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Jensen].

The question was taken; and on a division (demanded by Mr. Jensen) there were—ayes 154, noes 202.

So the amendment was rejected.

Mr. GRIFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Griffin: On page 89, after the last word on line 4, add a new section as follows:

"Notwithstanding any other provision of law, the total number of employees in the Department of Agriculture shall at no time exceed the number of farmers in America."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Griffin].

The question was taken; and on a division (demanded by Mr. Albert) there were—ayes 171, noes 230.

So the amendment was rejected.

Mr. WHARTON. Mr. Chairman, let it be said in behalf of Billie Sol Estes, that he has done more to point up the deficiencies of the farm program than anyone in recent times. Here we have something originally designed to help the farmer and assist the consumer, and today we find ourselves principally concerned with a huge storage problem and the disposition of an overwhelming stockpile of grain and other commodities. In 1962, we are told, Estes alone collected almost $3.5 million for storing grain in his elevator at Plainview, Tex. But he was only one of about 10,000 other individuals and companies that collected last year. Handling and storing fees are reported to total $450 million this year and a grand total of $4 billion since 1951.

Now the Attorney General says he has 75 assistants working on the Estes case, but what gets the investigators down is one huge morass of administrative regulations by which the Agriculture Department is governed internally. These rules laid down by Department heads over a long space are so numerous, so complex, and so varied, that they afford sanction for almost any course of action. When bureaucracy becomes so overgrown as to blur the lines so that right and wrongdoings get tangled up in complicated regulations, free government is in danger and practically every farmer who has expressed himself in my area is of that opinion.

So, let us face it and admit that most farm programs leading up to the present impasse have been a flop. The Department of Agriculture needs a real reorganization from top to bottom. We have ample evidence that politics and agriculture do not combine to bring about the desired results. I suggest that the Secretary of Agriculture conduct a house cleaning in his Department and divest himself of this complicated mess. Then, bring in a simple program, devoid of the political implications pointed up in the Estes case, and something that we can support in good conscience.

Agricultural programs over the years have certainly done their share to add to the inflationary spiral, and I find myself obliged to continue in opposition to impractical and unworkable programs such as we have before us today.

Mr. ALGER. Mr. Chairman, before the House votes upon this bill I think we should know to what lengths the administration is going to put pressure upon the Members of Congress. All over this country paid employees of the Department of Agriculture are engaging in illegal lobbying for the administration bill. Mr. Speaker, if we submit to such tactics, if we fail to demand an end to the illegal actions of the President and his officials, we are putting into jeopardy the whole constitutional concept of separation of powers. Let the President send his proposals down here and let them be debated and decided upon their merits. If he dare not do that, this bill should not be passed. Certainly, some action should be taken by this body to put a stop to the practice, which is becoming widespread under the Kennedy administration, of using public money to pay for influencing legislation.

I am in receipt of a telegram pointing out that higher officials of the Agricultural and Conservation Committees are telephoning the ASC office managers urging them to contact local farmers to put pressure on Congress in behalf of the President's farm bill. This is a bald and unashamed violation of the law and I, as one Member of this House, resent it. Only recently at a meeting in Washington at taxpayers expense, the President told a group of these committeemen that they should use their influence in behalf of his bill. The President said:

> While you are prohibited by custom and law quite rightly from involving yourselves in any particular program or recommending it, or lobbying it, nevertheless, we do value very highly the communication which goes from here to you, because you are our most direct link with the farmers themselves.

The President further, at the same meeting, said:

> We hope you will also see the Members of Congress and acquaint them and the Senators. We don't want them to be as the Secretary said, "lonesome."

This can only mean that the President told the committeemen it was unlawful for them to lobby the Congress, and then told them to go ahead and do it anyhow. Such suggestions by the President are an insult to Congress. Has he so little respect for this body that he attempt to pressure his programs through using any means, any subterfuge, any violation of law or the Constitution? If we allow him to use the vast power of the Presidency and the vast resources and finances available to the Government to direct the actions of Congress, we are failing the oath we took to uphold the Constitution and the people of the United States, including the farmers, will pay for our failure to stand on principle.

The telegram mentioned earlier is here reprinted showing the pressures being applied:

THREE RIVERS, TEX., *June 19, 1962.*

Senator J. G. TOWER,
*Austin, Tex.:*

Chancey King, regional director, San Antonio, telephoned Tilden ASC office asking office manager to urge local farmers wire Congressman to support administration farm bill. Undersigned is vice chairman, local ASC committee.

DICK HORTON.

Mr. ANDERSON of Illinois. Mr. Chairman, ordinarily I would be somewhat hesitant to offer my remarks on a bill of major importance coming out of the committee on which I do not serve. However, as we have a Secretary of Agriculture who is formerly a big city lawyer, and, since the President himself is exclusively a city product, I perhaps need not feel reluctant to discuss the administration omnibus bill, even though I, too, am a city dweller. This bill will affect city dwellers and farm folks; it will have an impact on the total economy of our Nation; therefore, it should be a matter of concern to all of us.

I was interested to note, in looking over the wire-service dispatch this afternoon that reference is made therein to the "get-tough administration farm bill." The administration has previously seen fit to get tough with the steel industry; now it is getting tough with the American farmer, and who is there among us who can foretell what sector of our economy will next feel the heavy hand of Government? It is clear that the mailed fist is showing through the velvet glove; indeed, this is inevitably the development in a welfare state. It is precisely this welfare state that the President and the theoreticians who surround him and who constantly have his ear are unquestionably trying to build. Of course, they tell us that the problems are so complex that only the sophisticates from the left bank of the Charles can adequately comprehend the problems and suggest solutions. This noblesse oblige attitude can be more epigrammatically stated in these words: "The people do not know what's good for them."

To many it is absolutely astounding that such a philosophy should so thoroughly permeate our executive branch and apparently this philosophy has been found persuasive by a great many Members of Congress. In the Soviet Union or any of the satellite countries where agriculture has been thoroughly regimented and controlled, if not completely collectivized, we have long known that these actions were carried out only over the violent protests of the farmers. Under a totalitarian form of government it was not to be expected that the authoritarian ruling clique would heed their anguished cries. However, in a representative democracy we might well choose and ask ourselves this question: Who besides the Kennedy-Freeman-Cochrane triumvirate is demanding this legislation?

I have received in my office in recent months hundreds, if not thousands, of letters from the farmers of the 16th Congressional District of Illinois pleading with me, yes, imploring me, to take every conceivable action necessary to bring about the defeat of the administration's farm bill. These people are not writing at the request of any vested interest; they are not writing because they are under any compulsion to do so. They are exercising their constitutional right to petition their congressional Representative for a redress of their grievances in simple, yet dramatic fashion. Their words which echo and reecho with sincerity are spoken out of the deep-seated conviction that the permanent program of regimentation and control, which this administration seeks to impose upon them, spells the virtual end of their independence.

The chairman of the House Agriculture Committee made some pious protestations in his opening remarks that he and the members on his side of the aisle would rise above "the bonds of partisanship." In the hours of debate that followed it became quite clear that this promise was in the same category as many of the Kennedy campaign promises. However, I cannot condemn too greatly those members who have openly made this a partisan issue. For this bill illustrates, perhaps better than any other, the fundamental difference in the philosophy of the Democratic and Republican Parties. The Republican Party embraces the principle of voluntarism wherever possible. The Democratic Party, on the contrary, has become increasingly wedded to the concept of coercion and control by big government. The facade of so-called freedom of choice which they have erected in front of this bill in the form of referendums is merely a hollow facade. When you look at the feed grain section of the bill and realize that producers in so-called deficit areas in 37 States and countless thousands of other producers of less than 40 acres will not vote in these referendums, then it is clear that to call this a free election is a tortured misconstruction of all that this word means to the average American.

One of the worst features of this bill is, of course, the absolutely discriminatory fashion in which it treats the feed grain producers of the great Middle West. Is it any wonder that many people are leaning to the conclusion that this "get-tough bill" is the administration's political payoff to the farmers of the Middle West who so overwhelmingly repudiated Mr. Kennedy and his supply management concept in the 1960 election. But even though the middle western farmers voted against Mr. Kennedy in 1960 they are surely deserving of better than this. They are deserving of the thanks of a grateful nation because it has been their industry and efficiency which has made the Middle West the breadbasket of our Nation, and supplied such a large share of our abundance of food and fiber.

Mr. Chairman, in concluding these remarks I speak for the hundreds, yes thousands, of farmers in my district who are pleading even now with this Congress not for special privileges, but for fair treatment. Let us, therefore, reject this bill and all of the evil consequences that will surely follow. Let us remain true in our actions here on the floor of this House to our convictions and remain responsible to the wishes of those whom we represent here.

Mr. ULLMAN. Mr. Chairman, I want to congratulate the distinguished chairman and the dedicated members of the Committee on Agriculture for their patience and perseverance which resulted in reporting out so significant a bill as H.R. 11222, the Food and Agriculture Act of 1962.

H.R. 11222 authorizes a positive and equitable program for dealing with the current ills of agriculture.

It authorizes programs for the diversion of agricultural lands to recreation and other nonagricultural uses.

It authorizes a bushel management program for wheat which will protect wheat producers' incomes, lower Government costs, and draw down current wheat surpluses.

It authorizes a mandatory feed grains program which continues the excellent features of the current voluntary program while reducing Government costs by about one-half.

It authorizes the acquisition of surplus agricultural commodities from private stocks for disaster relief and for economic development programs under title II of Public Law 480.

It authorizes an emergency surplus dairy reduction payments program.

Mr. Chairman, if H.R. 11222 is enacted into law a savings of $4 billion can be accomplished in the cost of farm programs as compared with the cost of continuing the 1962 emergency programs. Present excessive stocks of feed grains and wheat will be reduced at far less Government cost than under current voluntary programs, because all producers would be required under the mandatory features of the programs to participate in bringing production in line with needs.

Farm income will be increased modestly by the programs authorized under H.R. 11222 and food prices will not be increased.

This is without doubt the most carefully considered general farm bill reported to us by the Agriculture Committee in the last decade. It is no small accomplishment to draft a bill which will increase farm income without increasing food prices and at the same time provide for a reduction in Government farm program costs.

I want especially to congratulate the gentleman from North Carolina [Mr. COOLEY] and his committee for the wheat program provisions in the bill. Wheatgrowers, after many years of advocating the replacement of the old acreage allotment program by a more flexible two-price or bushel management program, will at least be permitted to have such a program.

Wheat producers will receive acreage allotments which will assure a reduction in existing wheat stocks. They also will be given marketing certificates equal to their pro rata share of the total amount of wheat used for food and for export, with certificated wheat supported at about $2 a bushel for the 1963 crop, and a mandatory support level range of 75 to 90 percent of parity.

Wheat produced in excess of that covered by marketing certificates will be supported at a level in line with world prices for wheat and domestic prices for feed grains.

Oregon wheatgrowers are especially interested in the provisions which state that the Secretary shall permit growers to produce wheat on feed grain allotments and feed grains on wheat allotments to the extent that such action does not impair the effective operation of the program. I am happy to note that the Agriculture Committee has been assured by the Secretary that he will use these provisions to the maximum extent possible.

These provisions will give Oregon wheat producers a much greater flexibility in their operations than has been possible under the wheat programs of the 1950's.

H.R. 11222 provides for diversion payments for the first 3 years for acreages shifted from wheat and feed grain production to conserving uses. A number of cattle raisers in my State have written me expressing concern that the livestock industry would be adversely affected if pasturing were permitted on the diverted acreages.

They should be reassured by the provision in the bill which requires forfeiture of the diversion payment if the Secretary permits the diverted acreages to be grazed between April 1 and October 1 of any year. The version of the bill enacted by the Senate also wisely stipulates that the Secretary may permit grazing of the diverted acreage only during periods of severe drought, flood, or other natural disaster.

I am supporting an amendment which will control grazing on diverted acres and a second amendment which will allow the Secretary to increase allotments for any kind of wheat in short supply.

Mr. Chairman, the choice before us is either the proposed legislation or a continuation of the extravagance of the present program. H.R. 11222 envisages a new direction for wheat and feed grains, but along a path previously tried and proved successful in cotton, peanuts, rice, and tobacco.

City voters should greet this bill with satisfaction because it foresees the end of surplus storage costs and excessive commodity loan commitments. Farm producers should see here an orderly and forthright advance toward economic equity in the marketplace.

I urge my colleagues to support the amendments I have outlined and to vote for the bill on final passage.

**Mr. ROUSSELOT.** Mr. Chairman, I rise in opposition to H.R. 11222. Supporters of the bill claim it would help the farmer while in fact it would regiment him in much the same way that farmers in Fascist and Communist countries are regimented. The reasons for my opposition to the Government-managed approach to agriculture which the bill proposes can best be summed up in an article written by a former FBI agent, Dan Smoot, in his report of June 11, 1962, entitled "Communizing and Corrupting Agriculture." I include the article in the RECORD at this point:

### COMMUNIZING AND CORRUPTING AGRICULTURE

Dr. Willard W. Cochrane, a Minnesota economist, was Kennedy's chief farm adviser during the 1960 campaign. Dr. Cochrane devised a new agricultural program which President Kennedy—in a special farm message, March 16, 1961—urged Congress to authorize.

The Kennedy-Cochrane farm program prescribed a supply management system in which committees of farmers, under the control of the Secretary of Agriculture (with Congress having only a negative veto vote if it disapproved) would regulate the production and income of American farmers. This scheme would create in the United States a system virtually identical with the corporate states which Mussolini and Hitler set up in Italy and Germany. The economic arrangements in the Fascist states of Italy and Germany before World War II were different from the economic arrangements in Communist countries only in the mechanical techniques of management.

When we have our entire economy departmentalized into communes, or soviets, or governmental corporations—each departmentalized industry run by a local committee or soviet under the overall control of the central political power in Washington—we will have the total Fascist-Communist state.

The Kennedy-Cochrane farm program of 1961 would have created this kind of Fascist-Communist system for agriculture, our largest industry. And, of course, if we permit government to communize agriculture, there is little reason to believe that we can then prevent the communizing of all other basic industries, one by one.

In 1961, Congress passed an emergency feed grains bill proposed by Kennedy; and it enacted the Agriculture Act of 1961 to extend all existing farm programs; but it did not act on the new farm program proposed by the President.

On January 30, 1962, President Kennedy tried again. He sent another special farm message to Congress, presenting the Cochrane scheme somewhat modified.

On January 31, 1962, U.S. Representative HAROLD D. COOLEY, Democrat, of North Carolina, chairman of the House Agriculture Committee, introduced H.R. 10010, to implement the President's program.

The Kennedy farm program of 1962 does not include the Communist-Fascist farmers' committees proposal of 1961; it does not include the proposal that Congress abandon its legislative function and grant the Secretary of Agriculture authority to do anything he likes, subject only to congressional veto; and it is not quite as broad in scope (does not include as many farm commodities) as the 1961 proposals.

The Kennedy farm program of 1962 retains the supply management plan of 1961, which will mean a Communist-Fascist type of farm regimentation for all farmers producing major commodities now in great surplus: wheat, corn, grain sorghum, and barley. The Secretary of Agriculture will be empowered to determine how many acres should be devoted to these crops. He will allot all farmers a base acreage, telling them how many acres they can plant in these crops, and how many acres they must leave idle or put to other use. The Secretary will guarantee the farmers a high price for the authorized crops produced. He will pay them for not planting the idle acres; or, he will give land use aid to them for authorized other uses of the land which is not planted in the controlled crops. Some of the other uses specified will involve soil and water conservation, development of recreational facilities, and promotion of wildlife preservation.

The 1962 farm program preserves the Soviet-style referendum system which has been imposed on wheat and corn farmers for years. The Department of Agriculture supervises a referendum election, in which affected farmers can vote for or against a high price support program for controlled commodities. If two-thirds of the farmers voting should reject high price supports, the Department can punish them by dumping on the market some of the vast stores of accumulated surpluses, thus depressing prices and making it impossible for farmers to sell what they produce.

The Department itself determines qualifications and conditions for voting, and rigs the elections so that farmers are never given a chance to vote for freedom. Hence, generally speaking, only the minority of farmers who are a part of, or are profiting from, the corrupt and tyrannical system, ever bother to vote. Most farmers—who would like the Federal Government to get out of the farming business and leave farmers free to farm their own land in their own way—always ignore the farcical elections. It follows that the farmers' referendum elections—rigged and controlled by the Department of Agriculture—always prove what the Department wants them to prove: namely, that American farmers are overwhelmingly in favor of the Department's programs.

Dr. Willard W. Cochrane, creator of President Kennedy's supply management agricultural program, and Orville Freeman, Secretary of Agriculture, candidly admit that the scheme means the granting—by sale or gift—of a Federal franchise to farmers to farm. And the franchise to grow crops will have more value than the land on which the crops are grown. The value of a man's farm will depend not on the quality of his land or on the labor and investment he has put into improvements, but on the kind of Federal franchise he holds. If he cannot get a franchise, his land is virtually useless. If he can get the right kind of franchise, his farm will produce great profits from the Federal Treasury.

Mr. Chairman, many times Republicans or conservatives are accused of not having positive alternatives to proposed socialistic solutions to problems confronting our Nation. I believe very definitely that there is a positive alternative to the agriculture problem. My good colleague, the gentleman from Indiana, the Honorable Ross ADAIR, has offered such an alternative in H.R. 4051, which was introduced February 9, 1961. This bill calls for the repeal of the Agricultural Adjustment Act of 1938. I believe the sooner this bill is considered and enacted the better off our farmers will be. I include the remarks of Dan Smoot in his report of June 11, 1962, concerning this bill in the RECORD at this point:

### ADAIR BILL: THE "WHAT TO DO"

We do have a farm problem in America, and the Government has caused it. The way to solve the problem is to get the Government out of the farming business and leave American farmers free.

There is now before Congress a proposed bill which would repeal the Agricultural Adjustment Act of 1938, and thus leave American farmers free to solve the farm problem. It is H.R. 4051, introduced February 9, 1961, by U.S. Congressman E. Ross ADAIR, Republican, of Indiana. The proposed Adair bill deserves energetic and relentless support from every American, farmer and urban dweller alike, who wants to restore American constitutional government.

Here is the full text of the Adair bill:

"H.R. 4051

"A bill to free farmers from Government control

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled* That, notwithstanding any other provision of law, the Agricultural Adjustment Act of 1938, as amended, shall be hereby repealed.

"SEC. 2. All stocks of commodities owned by the Commodity Credit Corporation shall be frozen for a period of 2 years, pending provision for orderly liquidation of the Corporation. This shall be intended to terminate all buying, as well as selling activities of the Corporation.

"SEC. 3. (a) All penalties collected under the marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, shall be refunded to those persons penalized under the marketing quota provisions. The Secretary of the Treasury shall reimburse such persons, or their heirs, within a period of two years after the date of enactment of this bill.

"(b) The Secretary of Agriculture shall furnish a list of all penalties collected and persons from whom collected to the Secretary of the Treasury, for the purpose of such reimbursement.

"(c) After the two-year period for reimbursement of said penalties has elapsed, all persons having an unsatisfied claim to reimbursement of penalties incurred under marketing quota provisions of the Act, shall be authorized to institute a civil suit for collection of said claims against the United States Government in any district court of the United States of America.

"(d) All liens established as a result of penalty judgment under the marketing quota provisions of the Act, are hereby declared to be null and void."

The Adair bill—which has lain in the House Agriculture Committee virtually unnoticed since it was introduced on February 9, 1961—is the only proposal before Congress that really would solve our farm problem. It would restore the constitutional rights of American farmers; it would eliminate the possibility of any more Billie Sol Estes cases; and it would save American taxpayers at least $5 billion a year.

All Americans who care should urge their U.S. Representatives to vote against the administration farm bill (H.R. 11222) already reported by the Agriculture Committee but still pending in the House; and S. 3225, passed by the Senate on May 25, 1962, but still awaiting action in the House.

At the same time, all Members of the House should be urged to use whatever means available to get the Adair bill (to repeal the Agricultural Adjustment Act of 1938, as amended (H.R. 4051), introduced February 9, 1961) out of the Agriculture Committee and bring it on to the floor of the House for a vote.

Mr. HECHLER. Mr. Chairman, the American taxpayer has too long been burdened with the expense of storing huge and growing surpluses. At a time when production is increasing rapidly through the use of new techniques, machinery, fertilizer, and imaginative methods, we must take firmer steps to develop a sensible farm program. I am not impressed by those who scream "dictatorship" whenever it is proposed to employ firmer controls to cut down surpluses, for only through such controls can an effective program be administered.

It is unfortunate that whenever a program is written on the floor, loopholes are opened up and the efforts of those genuinely interested in a more sensible program are watered down. I believe that President Kennedy and Secretary of Agriculture Freeman have devised the best framework yet presented to Congress for moving toward a solution to the sticky farm problem.

I have been impressed for a long time by the fact that the tobacco program is highly successful. In West Virginia, my congressional district grows more tobacco than all the other districts of the State put together. By and large, the tobacco program has a maximum of farmer support in West Virginia and a minimum of critical demand for change.

There must be qualities in this type of program worth copying in others—and the bill before us as it applies to feed grains and wheat is a prime example of such an effort.

First of all, the feed grains and wheat programs call for substantial farmer support before they can be put into operation—and that has been a continuing feature of the tobacco program.

Also, as in the tobacco program, the proposed feed grains and wheat programs create a direct tie between supply management and price support.

And the third comparison is that the new programs, too, seek to constantly reduce the money contributions of the Federal Government.

Now I realize that feed grains and wheat are utilized in cereal and flour form for food, and that tobacco is not—and that we need far greater production of grains than of tobacco.

Yet one fact is true of all farm commodities:

Production opportunity is meaningless unless accompanied by earning opportunity.

The best legal education in the world is useless to the man who cannot find an opportunity to practice law.

The best land, the best machinery, the best skills are useless to the farmer who does not have the opportunity to sell his products at prices that will reflect a standard of living fairly related to his investments of work, know-how, and money.

This bill recognizes the very real relationship between opportunity to produce and opportunity to sell at a fair price.

It seeks to reconcile the two opportunities through essentially democratic processes.

It seeks to achieve for all of our society the benefits of an abundance that stops short of waste—waste of the commodities themselves, waste of the farmer's investments and labor, waste of the Federal funds devoted to the agricultural sector.

This is sensible legislation, offering sound avenues for stability in farm income, in the supply and price structure, and in fiscal management.

Yet if the farmer does not want programs of this type, he can say so in the referendums provided, and his decision will be the final determination of the course we take.

Any farmer, any Member of Congress, can find a dozen reasons to be against this type of farmer-Government cooperation. But we never solve problems on the basis of what we are against—we achieve solutions only through positive thought and action.

The programs of the past have not brought the solutions to feed grains and wheat problems all of us—farmers and consumers and Congressmen and taxpayers want.

It is imperative that we take a new approach—and in it we are enriched by experience with such commodities as tobacco.

The new approach is filled with challenges—for farm families, for program administrators, and for the Congress which should and will keep a continuing watch over its operation.

I am optimistic about the results, because I am familiar with the never-ending supply of incentive and enterprise associated with individual ownership of the great majority of our farms.

These are some of the reasons why I shall support the administration in its efforts to enact a sensible farm program. Although I do not like the fact that there are those who have tried and in some cases succeeded in opening up loopholes in this bill, the general thrust of the bill is in the right direction, and I shall, therefore, support the bill.

Mr. MORSE. Mr. Chairman, in following this week's debate over the Freeman farm bill, I have occasionally blushed with vicarious embarrassment for my good colleagues on the other side of the aisle who represent rural districts. They are called upon, to use the most polite term, to defend an astounding piece of legislative effrontery which I cannot believe they really believe in, nor, if polls and letters and press reports are to be credited, that their rural constituents want.

The Freeman farm bill has been correctly branded as a bill written by city slickers, sidewalk farmers. Coming, as I do, from a highly urban district, I do not pose as any sort of agricultural expert. I cannot even aspire to the dubious title of "sidewalk farmer."

But I do know the meaning of individual liberty. And I see how this legislation would erode the freedom of our industrious fellow citizens whose endeavors keep us the best-fed, best-clothed people in the world. In the last administration, USDA policies were known as the Benson farm program. It is ironic that the measure before us today, if enacted, with all its ironclad controls over the individual enterprise of the farmer, will be known as the Freeman farm program. There is little in the Freeman bill for freemen. It says to the American farmer: "Become one of Orville's organization men or he will unleash the mighty wrath of the Department of Agriculture, flood the market and wipe you out." The referendum in this bill is a travesty.

As an urbanite, representing urbanites, I am resentful of the fact that the Secretary of Agriculture wants to dip his hand into the market baskets of my constituents who are already struggling to meet today's record grocery bills. His proposals would skyrocket the costs of meat, grain, and dairy products.

Over and over again we Republicans have warned that the Freeman grain plan is a bread tax. Together with the Freeman dairy proposal, we would have a meat, milk, butter, egg, and bread tax. Housewives shopping markets right across the Nation would be pulled up short by Freeman prices on nearly every staple they must buy to nourish their families.

As an urbanite, I can recognize, too, the tremendous new drain that Freeman subsidies would place on the Treasury. I shudder at the cost of the numberless new bureaucrats the Freeman farm plan would compel to be hired to police its complex regulations.

So, Secretary Freeman, hands off.

Hands off the industry and enterprise of our farmers.

Hands off the housewives' market baskets.

Hands off the taxpayers.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11222) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, pursuant to House Resolution No. 678, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. FINDLEY. Mr. Speaker, I demand a separate vote on committee amendment No. 10, which would establish the authority of the Secretary of Agriculture to designate certain areas as deficit feed areas, and thus exempt them from the mandatory acreage cutbacks.

Mr. Speaker, this amendment appears on page 39, beginning on line 22.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask for a separate vote on the amendment which was offered by the gentleman from Louisiana [Mr. McSWEEN], which struck out sections 104 through 107, and which appears beginning on page 6.

The SPEAKER. Is a separate vote demanded on any other amendment?

If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

SEC. 360k. Notwithstanding any other provision of this part, in any feed deficit area in which the Secretary determines (1) that the application of the provisions of this Act would result in hardship to producers in such area, would unduly increase the price of feed grains in such area relative to other areas, and would disrupt normal farming practices in such area, and (2) that the exception provided by this section would not impair the effective operation of this Act, he may provide in accordance with such regulations as he may prescribe that no farm marketing quota (that is, production on the acreage allotment) for any crop of feed grains shall be applicable to any farm in such area, if the acreage of such crop of feed grains does not exceed the farm base acreage determined for the farm. If the Secretary so provides, (i) for the purposes of section 360h, the farm acreage allotment for such crop of feed grains shall be deemed to be the farm base acreage, (ii) the land-use provisions of section 360j shall be inapplicable to the farm, (iii) such crop of feed grains shall not be eligible for price support, and (iv) the producers on such farm shall not be eligible to vote in any referendum on marketing quotas for such crop.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. FINDLEY), there were—ayes 175, noes 113.

Mr. FINDLEY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 267, nays 151, not voting 19, as follows:

[Roll No. 123]

YEAS—267

Abbitt
Abernethy
Addabbo
Albert
Alexander
Andrews
Anfuso
Ashmore
Aspinall
Bailey
Baldwin
Baring
Barrett
Bass, N.H.
Bass, Tenn.
Bates
Beckworth
Bennett, Fla.
Bennett, Mich.
Blatnik
Boggs
Boland
Bolling
Bonner
Boykin
Brademas
Brewster
Brooks, Tex.
Buckley
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Carey
Casey
Celler
Chelf
Clark
Coad
Cohelan
Colmer
Conte
Cook
Cooley
Corbett
Corman
Cramer
Curtis, Mass.
Daddario
Daniels
Davis, James C.
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Diggs
Dingell
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Edmondson
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Finnegan
Fisher
Flynt
Fogarty
Forrester
Fountain
Frazier
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Giaimo
Gilbert
Gonzalez
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagan, Ga.
Hagen, Calif.
Hansen
Harding
Hardy
Harris
Harrison, Va.
Hays
Healey
Hébert
Hechler
Hemphill
Henderson
Herlong
Holifield
Holland
Huddleston
Ichord, Mo.
Inouye
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Landrum
Lane
Lankford
Lennon
Lesinski
Libonati
McDowell
McFall

McIntire
McMillan
McSween
Macdonald
Mack
Magnuson
Mailliard
Mathias
Matthews
May
Merrow
Miller, Clem
Miller, George P.
Mills
Moeller
Monagan
Moore
Moorhead, Pa.
Morgan
Morrison
Morse
Moss
Moulder
Multer
Murphy
Murray
Natcher
Nedzi
Nix
Norblad
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
O'Neill
Passman
Patman
Perkins
Peterson
Pfost
Philbin
Pike
Pilcher
Poage
Poff
Powell
Price
Pucinski
Purcell
Rains
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Rutherford
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Saylor
Scott
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Shipley
Sikes
Sisk
Slack
Smith, Miss.
Smith, Va.
Stafford
Staggers
Stephens
Stratton
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Tupper
Udall, Morris K.
Ullman
Van Zandt
Vinson
Waggonner
Walter
Watts
Westland
Whitener
Whitten
Wickersham
Williams
Willis
Winstead
Yates
Zablocki
Zelenko

NAYS—151

Adair
Alger
Andersen, Minn.
Anderson, Ill.
Arends
Ashbrook
Ashley
Auchincloss
Avery
Ayres
Baker
Barry
Battin
Becker
Beermann
Belcher
Bell
Berry
Betts
Bolton
Bow
Bray
Breeding
Bromwell
Broomfield
Brown
Broyhill
Bruce
Byrnes, Wis.
Cahill
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clancy
Collier
Cunningham
Curtin
Curtis, Mo.
Dague
Derounian
Derwinski
Devine
Dole
Dominick
Dooley
Durno
Dwyer
Ellsworth
Feighan
Fenton
Findley
Fino
Ford
Gavin
Goodell
Goodling
Griffin
Gross
Gubser
Haley
Hall
Halleck
Halpern
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hiestand
Hoeven
Hoffman, Ill.
Hosmer
Hull
Jensen
Johansen
Judd
Kilburn
Kyl
Laird
Langen
Latta
Lindsay
Lipscomb
McCulloch
McDonough
McVey
MacGregor
Mahon
Marshall
Martin, Nebr.
Mason
Meader
Michel
Miller, N.Y.
Milliken
Minshall
Montoya
Moorehead, Ohio
Morris
Mosher
Nelsen
Nygaard
Olsen
Osmers
Ostertag
Pelly
Pillion
Pirnie
Quie
Randall
Ray
Reece
Reifel
Riehlman
Rogers, Tex.
Roudebush
Roush
Rousselot
St. George
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Short
Shriver
Sibal
Smith, Calif.
Smith, Iowa
Springer
Steed
Taber
Teague, Calif.
Thomson, Wis.
Tollefson
Utt
Vanik
Van Pelt
Wallhauser
Weaver
Weis
Whalley
Wharton
Widnall
Wilson, Calif.
Wilson, Ind.
Wright
Young
Younger

NOT VOTING—19

Addonizio
Alford
Blitch
Cannon
Flood
Frelinghuysen
Garland
Glenn
Hoffman, Mich.
Horan
Loser
Madden
Martin, Mass.
Riley
Saund
Siler
Spence
Stubblefield

So the amendment was agreed to.

The clerk announced the following pairs:

On this vote:

Mr. Madden for, with Mr. Martin of Massachusetts against.

Mr. Flood for, with Mr. Siler against.

Mr. Horan for, with Mr. Hoffman of Michigan against.

Mrs. Blitch for, with Mr. Frelinghuysen against.

Mrs. Riley for, with Mr. Glenn against.

Until further notice:

Mr. Loser with Mr. Garland.

Mr. OLSEN and Mr. LINDSAY changed their vote from "yea" to "nay."

Messrs. KNOX, BASS of New Hampshire, MOORE, and CURTIS of Massachusetts changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Beginning on page 6, line 23, strike out all of sections 104, 105, 106, and 107.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. Jensen) there were—ayes 158, noes 101.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. FINDLEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FINDLEY. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Findley moves to recommit the bill H.R. 11222 to the Committee on Agriculture.

The SPEAKER. The question is on the motion to recommit.

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 215, nays 205, not voting 17, as follows:

[Roll No. 124]

YEAS—215

Abbitt
Abernethy
Adair
Addabbo
Alger
Andersen, Minn.
Anderson, Ill.
Arends
Ashbrook
Auchincloss
Avery
Ayres
Baker
Baldwin
Baring
Barry
Bass, N.H.
Bates
Battin
Becker
Beckworth
Beermann
Belcher
Bell
Bennett, Mich.
Berry
Betts
Bolton
Bow
Bray
Brewster
Bromwell
Broomfield
Brown
Broyhill
Bruce
Burleson
Byrnes, Wis.
Cahill
Casey
Cederberg
Chamberlain
Chenoweth
Chiperfield
Church
Clancy
Clark
Collier
Colmer
Conte
Corbett
Cramer
Cunningham
Curtin
Curtis, Mass.
Curtis, Mo.
Dague
Davis, Tenn.
Dent
Derounian
Derwinski
Devine
Dole
Dominick
Dooley
Dorn
Dowdy
Downing
Durno
Dwyer
Ellsworth
Everett
Feighan
Fenton
Findley
Fino
Fisher
Fogarty
Ford
Fulton
Garland
Gavin
Goodell
Goodling
Griffin
Gross
Gubser
Hagen, Calif.
Haley
Hall
Halleck
Halpern
Harrison, Va.
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hébert
Herlong
Hiestand
Hoeven
Hoffman, Ill.
Hosmer
Jarman
Jensen
Johansen
Johnson, Md.
Jonas
Judd
Kearns
Keith
Kilburn
Kilgore
King, N.Y.
Knox
Kunkel
Kyl
Laird
Langen
Latta
Lindsay
Lipscomb
McCulloch
McDonough
McIntire
McVey
MacGregor
Mahon
Mailliard
Martin, Nebr.
Mason
Mathias
May
Meader
Merrow
Michel
Miller, N.Y.
Milliken
Minshall
Montoya
Moore
Moorehead, Ohio
Morris
Morse
Mosher
Murray
Nelsen
Norblad
Nygaard
O'Brien, N.Y.
O'Konski
Osmers
Ostertag
Passman
Pelly
Philbin
Pike
Pillion
Pirnie
Poff
Quie
Ray
Reece
Reifel
Rhodes, Ariz.
Riehlman
Robison
Rogers, Fla.
Roudebush
Roush
Rousselot
Rutherford
St. George
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scranton
Seely-Brown
Short
Shriver
Sibal
Smith, Calif.
Smith, Iowa
Smith, Va.
Springer
Stafford
Staggers
Steed
Taber
Teague, Calif.
Thomson, Wis.
Tollefson
Tuck
Tupper
Utt
Van Pelt
Van Zandt
Waggonner
Wallhauser
Weis
Westland
Whalley
Wharton
Whitten
Widnall
Williams
Wilson, Calif.
Wilson, Ind.
Winstead
Young
Younger

NAYS—205

Albert
Alexander
Andrews
Anfuso
Ashley
Ashmore
Aspinall
Bailey
Barrett
Bass, Tenn.
Bennett, Fla.
Blatnik
Boggs
Boland
Bolling
Bonner
Boykin
Brademas
Breeding
Brooks, Tex.
Buckley
Burke, Ky.
Burke, Mass.
Byrne, Pa.
Cannon
Carey
Celler
Chelf
Coad
Cohelan
Cook
Cooley
Corman
Daddario
Daniels
Davis, James C.
Davis, John W.
Dawson
Delaney
Denton
Diggs
Dingell
Donohue
Doyle
Dulski
Edmondson
Elliott
Evins
Fallon
Farbstein
Fascell
Finnegan
Flynt
Forrester
Fountain
Frazier
Friedel
Gallagher
Garmatz
Gary
Gathings
Giaimo
Gilbert
Gonzalez
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagan, Ga.
Hansen
Harding
Hardy
Harris
Hays
Healey
Hechler
Hemphill
Henderson
Holifield
Holland
Huddleston
Hull
Ichord, Mo.
Inouye
Jennings
Joelson
Johnson, Calif.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kastenmeier
Kee
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Kornegay
Kowalski
Landrum
Lane
Lankford
Lennon
Lesinski
Libonati
McDowell
McFall
McMillan
McSween
Macdonald
Mack
Magnuson
Marshall
Matthews
Miller, Clem
Miller, George P.
Mills
Moeller
Monagan
Moorhead, Pa.
Morgan
Morrison
Moss
Moulder
Multer
Murphy
Natcher
Nedzi
Nix
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
Olsen
O'Neill
Patman
Perkins
Peterson
Pfost

Pilcher
Poage
Powell
Price
Pucinski
Purcell
Rains
Randall
Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Tex.
Rooney
Roosevelt
Rosenthal
Rostenkowski
Ryan, Mich.
Ryan, N.Y.
St. Germain
Santangelo
Scott
Selden
Shelley
Sheppard
Shipley
Sikes
Sisk
Slack
Smith, Miss.
Stephens
Stratton
Sullivan
Taylor
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Udall, Morris K.
Ullman
Vanik
Vinson
Walter
Watts
Weaver
Whitener
Wickersham
Willis
Wright
Yates
Zablocki
Zelenko

NOT VOTING—17

Addonizio
Alford
Blitch
Flood
Frelinghuysen
Glenn
Hoffman, Mich.
Horan
Loser
Madden
Martin, Mass.
Riley
Saund
Siler
Spence
Stubblefield

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Massachusetts for, with Mr. Madden against.

Mr. Frelinghuysen for, with Mr. Flood against.

Mr. Horan for, with Mr. Saund against.

Mr. Glenn for, with Mrs. Riley against.

Mr. Siler for, with Mr. Stubblefield against.

Mr. Hoffman of Michigan for, with Mrs. Blitch against.

Mr. Loser for, with Mr. Spence against.

Mr. WRIGHT and Mr. GIAIMO changed their vote from "yea" to "nay."

Mr. JOHNSON of Maryland changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. COOLEY. Mr. Speaker, I ask for a recapitulation of the vote.

The SPEAKER. Does the gentleman insist on his request for a recapitulation?

Mr. COOLEY. Yes, Mr. Speaker, I insist upon it.

The SPEAKER. The Chair feels that the vote is not sufficiently close to order a recapitulation.

Mr. COOLEY. All right, Mr. Speaker, I withdraw the request.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

## DISTRICT OF COLUMBIA APPROPRIATION BILL, 1963

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday night to file a report on the District of Columbia appropriation bill for 1963.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MICHEL reserved all points of order on the bill.

## COMMITTEE ON RULES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight as well as midnight tomorrow night to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

## ANTITRUST CIVIL PROCESS ACT

Mr. CELLER submitted a conference report and statement on the bill (S. 167) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes.

## NEGATIVISM OF THE REPUBLICAN PARTY

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, frequent references have been made today and yesterday to a letter written by Martin Sorkin, adviser to Ezra T. Benson, Secretary of Agriculture during the Eisenhower administration.

May I again quote a portion of the letter to underline a point about the negativism of the Republican Party—a point which is emphasized by an editorial appearing last Friday in the Republican-minded newspaper, the Oregonian, in my home city of Portland:

It was agreed—

Wrote Mr. Sorkin—

that it was not the responsibility of the Republicans to propose solutions, but to criticize the Kennedy administration wherever feasible. This included varying the basis for the attack depending upon the area political situation.

The Republican Oregonian wisely points out that negative criticism is not sufficient when the people of this country are earnestly seeking constructive programs.

At a time when the Republicans are seeking to scuttle one bill after another, the Republican Oregonian's editorial, entitled "Negative GOP," is well worth reading:

### NEGATIVE GOP

The Republican Party is unlikely to begin winning national elections and the control of Congress again until its spokesmen get together on constructive programs, rather than negative criticism of the New Frontier.

In Seattle, the Republican National Committee adopted resolutions blasting the Kennedy administration for doing nothing to correct discriminations harmful to the lumber industry. This was legitimate criticism. But the committee made itself ridiculous by attributing lumber's decline to the present administration, when the causes go far back beyond Mr. Kennedy's regime, and by charging an administration conspiracy to bring distress to lumber in order to subject the industry "to manipulation and control of the power-hungry planners of the New Frontier."

And in Washington, D.C., while Senator WAYNE MORSE (frequently an assailant of Bureau of Land Management range policies), was carrying an amendment in the Senate to restore $2 million for range rehabilitation cut out by the Appropriations Committee, Republican Senators, except three, went down the line in voting opposition. This item included $1 million to start the Vale project in Oregon to restore the animal-carrying capacity of a district larger than the State of Rhode Island, and $1 million for range rehabilitation work in other areas. Many Democrats voted for the amendment to "bail out" WAYNE. But evidently many Republicans voted against it to give MORSE a black eye—without concern for the continued wasting of a national resource.

These kinds of performances give voters no confidence in constructive possibilities of a Republican President and a Republican Congress. No attention is given by these so-called national Republican leaders to the pleas of Republican Governors, like Gov. Mark Hatfield, who want to improve the cooperative working arrangement—if any—between the people of the States and the national party.

From the Republican voters' standpoint in the Northwest, Republican Members of Congress have signally failed to understand and to support a number of proposals, some by western Republicans, which would benefit our region. These include the Hanford dual-purpose reactor to provide 800,000 kilowatts of firm power from wasted nuclear heat, at a low cost. This bill was defeated in the House three times last session and the Kennedy administration has dropped it, being willing to turn the project over to Washington public utility districts.

The same Republican opposition, backed as in the Hanford case by some southern Democrats, is now being brought to bear against the bill to establish a regional power preference, to be followed by the sale of surplus power in California to protect Bonneville's rate structure. Why do Republicans get themselves into such negative box-traps?

Our fixed conviction is that a majority of the Republican National Committee and a majority of Republicans in Congress do not properly speak the progressive views of a majority of Republican voters. Until candidates and party spokesmen with broader understanding of the people's needs and desires come forward, the Republican Party nationally will continue to be a minority party.

## PROGRAM FOR TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he would kindly inform us as to the program for tomorrow and what he may have for next week.

**Mr. ALBERT.** Mr. Speaker, if the gentleman will yield, the program for next week will not be announced until tomorrow, but the program for tomorrow will be, first, H.R. 12037, vessels, loans to friendly nations; second, H.R. 11643, water carrier routes and joint rates; third, H.R. 11670, extend completion date, special study, Securities and Exchange Commission; and, fourth, H.R. 11244, authority for Texas & Pacific Railway Co.

**Mr. ARENDS.** Will you complete all of those bills tomorrow?

**Mr. ALBERT.** It is expected that we will.

**Mr. ARENDS.** And the program for next week will be announced tomorrow?

**Mr. ALBERT.** We will wait until tomorrow on that.

**Mr. ARENDS.** I thank the gentleman.

## TAX RELIEF NOW

**Mr. BURKE of Massachusetts.** Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The **SPEAKER.** Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

**Mr. BURKE of Massachusetts.** Mr. Speaker, as a member of the important and powerful House Ways and Means Committee, which, among other responsibilities, is charged with the problems of taxation, it is my considered opinion that tax relief now is absolutely necessary for American business and the American people.

Recent and current developments in our economy require that tax relief, in my judgment, can be delayed no longer. It is assuring to know that the administration is pledged to general tax revision and fast depreciation writeoffs for business. If such measures could be adopted now, not next year, by the Congress, they could give the economy a great lift.

We should not, I think, wait until more pronounced recessionary features develop, but we should initiate action as soon as we can in this session to stimulate greater activity in our free enterprise system and at the same time reduce general taxes on the people to increase overall purchasing power.

This would promote expansion, create additional employment in many places where it is urgently needed, and in reasonable time, within relatively short time, it would greatly augment and increase the revenues of the U.S. Treasury.

In the Ways and Means Committee, and in the House, I supported the investment credit provision of the recent tax bill, because I thought it would be helpful. There is strong authority, however, for the view that fast depreciation writeoffs will do the job more quickly, and, in my opinion, speed of tax relief must be considered imperative, if we are to restore shaken confidence that has appeared in our markets and is likely to spread with serious effects, if Congress fails to give definite assurance by concrete action, not mere words, that a favorable climate will continue to exist for free business enterprise under our profit system, and that business, big and small, so long as it is legitimate and acts in good faith and honesty, shall be encouraged to thrive and to expand.

In that way, independent enterprise will be served, small business will be supported and helped, as it so vitally needs to be, and general prosperity and full employment for every class and segment of our great, free economy and our loyal people will be sparked and promoted.

Reduced and revamped taxes at this time could be one of the most potent factors in insuring a proper growth rate, in striking down present inequities, discriminations, and injustices, and preserving and strengthening our high American standards of living and wages, and social and economic opportunities, of which we are so proud.

It is felt by our congressional leaders that this session of Congress, facing as it is so many critical problems, will extend at least throughout the summer. Thus, it would be possible, as indeed it is urgent, for our committees to hammer out and the Congress to enact suitable tax legislation to cope realistically with the trends, movements, and conditions that confront us.

There are few, if any, things this Congress could do before it adjourns that would be more timely, more encouraging, or more helpful to the Nation than to pass a truly constructive tax relief bill now. I hope and urge it may be done.

## BUREAU OF RECLAMATION PROJECT AT WAURIKA, OKLA.

The **SPEAKER.** Under previous order of the House, the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 10 minutes.

**Mr. WICKERSHAM.** Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The **SPEAKER.** Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

**Mr. WICKERSHAM.** Mr. Speaker, for the fifth consecutive day I rise to bring the attention of this body to the Bureau of Reclamation project at Waurika, Okla.

**Mr. EDMONDSON.** Mr. Chairman, will the gentleman yield?

**Mr. WICKERSHAM.** I yield to the gentleman from Oklahoma.

**Mr. EDMONDSON.** Mr. Speaker, I want to advise the gentleman that we are making every effort in the Committee on Interior and Insular Affairs to get hearings scheduled on that project. I know how hard the area has been hit by floods recently. I am certainly sympathetic to the gentleman's fight to try to get consideration at this session of Congress for this very deserving project. I assure the gentleman that in the committee it will receive attention at the earliest possible date.

**Mr. WICKERSHAM.** Mr. Speaker, I wish to thank the gentleman from Oklahoma.

Today, I wish also to thank U.S. Senator ROBERT S. KERR, the senior Senator from Oklahoma, who has been the guiding light of this project. He has worked with enthusiasm and wholehearted support. He has been willing to confer with his colleagues in the Senate and to cooperate with us in the House at all times.

Senator KERR is the author of "Land, Wood, and Water," a very fine book emphasizing Oklahoma's progress in the use of these basic resources. No man deserves more credit in the development of water resources, especially the large dams in Oklahoma.

I wish to express my appreciation to Senator MIKE MONRONEY. Senator MIKE, the junior Senator from Oklahoma, has been highly instrumental in pushing the Waurika project. He has, as always, been willing to put the extra effort forth to help secure for the people of Waurika this essential dam.

Senator MONRONEY is one of the recognized authorities on the upstream flood control detention dam systems. He has worked as diligently as any man for the retention of the rain where it falls. To his efforts, Oklahomans and Americans everywhere can rightfully pay tribute. His work has meant much to soil preservation and reclamation, and to flood control.

Along with Senator KERR, I wish to thank his expert adviser on water and resource matters, Mr. Don McBride. Don McBride has been with Senator KERR for many years. Few men, perhaps none, have the water development picture more clearly in focus. The people of Oklahoma and the Nation are indebted to Don for his intelligent, experienced service.

I wish at this time to express my thanks to the Members in this House from Oklahoma. To Congressman ED EDMONDSON, member of the Committee on Interior and Insular Affairs, we are especially grateful. To the Honorable CARL ALBERT, majority leader of the House and dedicated public servant, for his encouragement and support on the floor and otherwise, we express our gratitude. To Congressman TOM STEED, chairman of the Oklahoma delegation and member of the Committee on Appropriations, we extend our gratitude. To Congressman JOHN JARMAN, Member from the adjoining Fifth District, and to Oklahoma's lone GOP Representative, PAGE BELCHER, we express thanks.

Particularly are we grateful to two members of the Interior and Insular Affairs Committee—Chairman WAYNE ASPINALL and Congressman WALTER ROGERS. Mr. ASPINALL, a distinguished water conservationist, has been most patient with all of our requests for action. He has gladly studied our material on floods and the engineers' reports. To Mr. WALTER ROGERS, Irrigation and Reclamation Subcommittee chairman and outstanding Congressman from the Texas Panhandle, we owe a particular vote of gratitude. He has been the object of much of our persistent requests. He has been most willing to listen to our pleas and has patiently studied our materials and has been prepared to cooperate in any reasonable manner.

We could continue to thank many, many people for their efforts thus far. We wish to remember the Honorable JOHN W. MCCORMACK, Speaker of the House, and my close personal friend. We should like to thank Mr. Lawrence O'Brien, of the President's staff. We also wish to remember Judge Toby Morris, my predecessor, who introduced the original Waurika bill in the House. We wish to thank the members of the Washington press corps who report the news to Oklahoma; Mr. Charles Hazlett, of the Associated Press; Mr. Roy McGee, of the United Press International; Mr. Jack Cleland, of the Lawton Constitution; Mr. Frosty Troy, of the Tulsa Tribune; and Mr. Allen Cromley, of the Oklahoma Publishing Co. Their cooperation and concern for this project will not be forgotten.

As it is evident, no man can claim this as his project, for this will be the result of the work of many. But the real heroes are not here in Washington. The ones who deserve the credit are those back home who have had to live with this wretched, miserable situation for these many years. They are not knights in shining armor. They are not scions of Wall Street. They are the good people who have seen their homes and possessions swept away. They are the people who have lived by the soil and have nurtured and tried to protect it. They are the people who have had their small business standing in several feet of water. They are the people who have not had enough water to accomplish what is considered the normal routines during the late summer droughts. They are the people in the towns which have not grown because of insufficient water supplies.

Mr. Speaker, these before mentioned are the heroes. They are the ones whom we must remember. For they are the Americans. This time it so happens that they live in my district in Oklahoma. Next time they may be in your beloved Massachusetts or in California or any of our 50 States. These Americans are the victims of an American tragedy. But today the tragedy is not that of nature, but the fact that something has not been done to control it.

## ALCATRAZ PRISON

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from California [Mr. SHELLEY] is recognized for 15 minutes.

Mr. SHELLEY. Mr. Speaker, the U.S. Congress will in the near future determine whether the U.S. penitentiary at Alcatraz Island will be retained as a maximum security prison or whether its inmates will be transferred to a comparable prison elsewhere in the United States.

Mr. Speaker, in my judgment the Congress should abandon Alcatraz as a prison and relocate the current inmates at the maximum security penitentiary now under construction near Marion, Ill., or in some similar modern prison. It is my feeling that the $4½ to $5 million expenditure required to restore Alcatraz is not justified in terms of economics and standards of modern penological thought.

I have been advised by Mr. James V. Bennett, Director, U.S. Bureau of Prisons, that the cost per day to keep a prisoner at Alcatraz is $13.79. The cost per prisoner per day at Leavenworth Federal Prison amounts to $3.66 per day. A comparable maximum security prison to Alcatraz on the mainland costs $6 per day per prisoner.

Mr. Speaker, because Alcatraz Penitentiary is located on an island, additional personnel are required to man boat operations. Additional costs are incurred in maintaining the supply of water and food which must be barged to the island. Unlike many other Federal institutions, Alcatraz does not have a farm to supply basic foodstuffs for the inmates and prison personnel. The majority of the personnel of the penitentiary are required to live on the island. They and their families are subject to the hardships of the limitations of the island, to a boat schedule to the mainland, and to living quarters which are not satisfactory. These hardships and inconveniences imposed upon the employees and their families have resulted in a high personnel turnover.

These expenses alone cause one to question the wisdom of continuing operation of this type of penitentiary at its present location.

The issue facing the Congress is this: Should the Government spend $5 million to patch up Alcatraz Prison? If the Congress appropriates such a sum, it is clear that this institution will be maintained for years to come. It is my judgment that the outlay of $5 million for repair is not justified nor is the high cost of maintenance of prisoners at Alcatraz justified.

During the 1920's and 1930's the country was shocked and frightened by a series of kidnaping and bank robberies and other crimes of violence. As a reaction the Congress enacted legislation which gave the Federal Bureau of Investigation jurisdiction over a whole series of criminal offenses previously under the jurisdiction of the States. Acting upon the recommendation of the then Attorney General, Homer Cummings, there was a vigorous drive to apprehend and severely punish the racketeers and gangsters who were escaping State prosecution. A component part of the campaign was the creation of a special institution of maximum security and minimum privileges for the confinement of incorrigibles.

This grim island prison, known to the Nation's underworld as the Rock, was established as a symbol of the severity of the law. It stood as the end of the line for hardened repeaters with a special regimen for incorrigibles. Alcatraz was the Federal Government's response to the glamorous criminals of the day.

Needless to say, Mr. Speaker, there is yet a need for adequate Federal facilities to house those prisoners who do not accustom themselves to the discipline of the ordinary Federal penitentiary or avail themselves of the chances offered for training and self-improvement. There is a need today—as there was in the 1930's—for a Federal institution for the chronic disturbers who cannot be handled in the ordinary Federal prison without restricting the rehabilitative program offered the less stubborn inmates. The question is: Are the expenses entailed in the maintenance and operation of Alcatraz justified? Whatever justification existed in the 1930's for the grim Alcatraz does not exist today. Alcatraz is a penological anachronism. It should be abandoned and the facilities located near the new Federal penitentiary at Marion, Ill., utilized.

Because of the age of the penitentiary and the constant eroding of the structures and ironwork by salt spray, the prison has serious maintenance problems—so serious in fact that $5 million will be needed to put it in first-class order. Even if that amount is expended to house the present prison population of some 250 men, high maintenance costs will reoccur each year. Compared to costs at other security facilities, these costs are blatantly steep.

The recent escape of three prisoners who dug through 8-inch walls with tablespoons is ample evidence that the penitentiary is not impregnable. Alcatraz Prison, so long famed for being the end of the line for hoodlums, is now at the end of the line itself. When a prison's walls are no match for tablespoons, when concrete crumbles before mere kitchen utensils—then, I say, tear down the walls and begin anew or move the inmates elsewhere. If Alcatraz is to be a maximum security prison then it must be restored, or, much better, relocated and replaced.

Any restoration of those decaying walls will not come cheap. It will cost $5 million if it will cost a dime. It is not worth it.

I hope I have made my reasons clear why I believe the prison should be abandoned. Now I would like to address myself to the question of what should be done with the island.

There are many San Franciscans, I am sure, who will oppose abandoning Alcatraz as the site of a penitentiary. Their reasons for opposing the action, I suspect, will be based on honest sentiment and loyalty to San Francisco's history.

Alcatraz is an intrinsic part of San Francisco, these people will say. San Francisco Bay, without Alcatraz Prison, just will not be San Francisco Bay any more. Alcatraz is the home of the incorrigible, the four-time loser, an island outpost of despair and foreboding—and because of these things it embodies a certain fascination. It is, in fact, a monument to the misdeeds of men.

The Rock, with its rotating light from the Coast Guard lighthouse nightly spinning a lonely tale of get-rich-quick schemes gone awry, is indeed a sight few who have been to San Francisco can forget.

This may well be an argument against my proposal and it may be that there is a little merit to it. Personally, I do not believe so.

But would not a monument to another proposition—one of good rather than evil—be more fitting for a city noted for its tolerance and friendliness? Why not a monument to San Francisco's heritage. Or perhaps to its position as the gateway of the Pacific?

I would suggest a statue of Francis of Assisi, the saintly monk after whom my native city is named.

Or a monument patterned after Robert Stackpole's statue, Pacifica, which is symbolic of the peaceful cooperation between the United States and our Pacific neighbors.

There is no limit to the possibilities for monuments which could be erected on Alcatraz Island.

Alcatraz, situated in the middle of the bay, is in fact an intrinsic part of San Francisco—the island, that is, not the prison.

The structure that has for so long housed incorrigibles is now itself incorrigible. Certainly, recent events prove that it can no longer be regarded as a maximum security institution.

Why do we continue to kid ourselves—it is time we faced up to the facts and developed a new program for a new use of the island and a relocation of the prison.

## DIRECTOR J. EDGAR HOOVER RECOGNIZED

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. Kornegay] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KORNEGAY. Mr. Speaker, I wish to bring to the attention of my colleagues in the House a resolution received in my office yesterday from Maj. Howard L. Wooters, president of the North Carolina Chapter of the FBI National Academy Associates, which was passed by the chapter in its retraining session in Asheville, N.C., on June 15, 1962.

This resolution was issued in recognition of the outstanding work performed by Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, in the field of law enforcement. Major Wooters, who is a member of the Greensboro Police Department in Greensboro, N.C., my hometown, is a well-known and very effective law enforcement officer who enjoys a fine reputation for his work in this important field. The resolution transmitted to me by Major Wooters was occasioned by the fact that July 26, 1962, will be the 45th anniversary of Mr. Hoover's uninterrupted service in the U.S. Department of Justice, 38 of which have been spent as Director of the Federal Bureau of Investigation. The resolution speaks for itself and for the appreciation of the FBI National Academy Associates of North Carolina, and I believe its sentiments will find ready response in the hearts and minds of the Members of the House in estimating the value of Mr. Hoover as an inspirited public servant of the highest order of excellence:

Whereas J. Edgar Hoover has devoted his entire life to law enforcement and has provided our profession the dynamic leadership necessary to unite Federal, State, and local agencies into a cooperative front against crime;

Whereas J. Edgar Hoover has worked tirelessly to create a public image of law enforcement as a profession of career public servants selflessly dedicated to promoting the cause of justice;

Whereas J. Edgar Hoover's remarkable wisdom and foresight have been responsible for many pioneering developments of extreme importance to our entire profession including, among others, the founding of the FBI Laboratory and the Identification Division to perform examinations of evidence and to render fingerprint services to all authorized law enforcement agencies free of charge, as well as the inauguration of the FBI National Academy as a specialized training school for career officers;

Whereas July 26, 1962, will mark the 45th anniversary of J. Edgar Hoover's uninterrupted service in the U.S. Department of Justice: Now, therefore, be it

*Resolved*, That the North Carolina Chapter of the FBI National Academy Associates, assembled in retraining at Asheville on June 15, 1962, does hereby extend to J. Edgar Hoover its heartfelt appreciation for his 45 years of dedicated service in the Department of Justice—which have included more than 38 years as Director of the Federal Bureau of Investigation—and does hereby express the sincere hope that he will continue to serve our profession in his present capacity for many years to come; and be it further

*Resolved*, That copies of this resolution be sent to the Attorney General of the United States, the Governor of North Carolina, and the legislators now representing this State in the Senate and House of Representatives.

## REPRESENTATIVE CHARLES A. BUCKLEY HONORED

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. Gilbert] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GILBERT. Mr. Speaker, it is my privilege to include, under my remarks, an editorial in the Washington Evening Star of Thursday, June 21, 1962. This editorial pays a well-deserved tribute to my friend and colleague, the chairman of the House Public Works Committee, the Honorable Charles A. Buckley. It deals with the question of relocation payments to those who have been displaced as a result of the construction of a Federal-aid highway.

Chairman Buckley has been in the forefront of the fight for these payments since the first discussion of legislation which led to the enactment of the Federal-Aid Highway Act of 1956. The present administration recommended these payments, and I am happy to say that the Federal-Aid Highway Act of 1962 which will shortly be reported by Chairman Buckley's Public Works Committee includes provisions for these payments. Chairman Buckley is to be commended for the position he has taken in this matter. He has never once forgotten the fact that we not only deal with concrete and steel in the highway program but with human beings as well.

I am certain that this legislation under the leadership and guidance of Chairman Buckley will be enacted into law and that this pressing problem that affects so many of our citizens will be resolved satisfactorily as a result of his efforts.

The editorial follows:

### Part of the Cost

It is highly gratifying that the House Public Works Committee has approved a bill to make Federal funds available to help pay the costs of relocating families displaced by Federal-aid highways. As far as the District of Columbia is concerned, the action is especially timely.

For while the Commissioners have decided, and properly so, that provisions for adequate relocation assistance must be developed if the city highway program is to proceed, the District would be sorely pressed to finance such assistance independently of highway revenues. Under the new House bill, the Bureau of Public Roads would consider relocation expenses, within specified limits, to be a legitimate part of the total costs of Federal-aid highway projects. Thus in the case of interstate highways such as the District's innerloop freeway system, for example, up to 90 percent of the costs of relocation would be covered by the customary Federal-aid grants.

The House bill leaves the decision on paying relocation grants to the individual States. It is unlikely, however, that many would not want to make the payments. As President Kennedy has pointed out in urging the legislation, the social upheaval created by urban freeways can be no less disruptive than that resulting from urban redevelopment, and it makes no sense that public assistance should be given one group of displacees and denied the other. Accordingly, the Public Works Committee bill follows the urban renewal formula in permitting relocation payments of up to $200 to displaced families and up to $3,000 to displaced businesses. Moreover, before future Federal-aid highways are approved, the bill would require that the Secretary of Commerce be satisfied that adequate relocation programs exist. We hope that Chairman Buckley, of New York, who deserves the lion's share of the credit for the endorsement of these provisions by his committee, will press for early House approval, and that similar action will be taken in the Senate.

## RURAL ELECTRIFICATION PROGRAM

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. Johnson] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I want to commend my distinguished colleague, Agriculture Chairman Harold Cooley, for clarifying the position of the House Agriculture Committee on the very worthwhile rural electrification program during the debate on the omnibus farm bill yesterday. In the 27 years since President Franklin D. Roosevelt signed the Executive order which launched the REA program, the rural electrification movement has changed the face of rural America. No other federally sponsored program has done so much to help this Nation's farmers help themselves to achieve a better way of life.

I have always supported the rural electric and rural telephone co-op programs, and I am particularly proud of the fact that the congressional district which I represent has more rural electric and telephone cooperatives than any other congressional district in Wisconsin. The 11 counties of Wisconsin's Ninth District have 10 electric and 5 telephone co-ops. All 10 of those electric cooperatives get their wholesale power from their own generation and transmission cooperative, Dairyland Power Co-op, which is the largest generation and transmission cooperative in the world.

Because of my long-time, working knowledge of the REA program and what it has meant to the people of Wisconsin and to rural America as a whole, I strongly feel that the total REA program should be continued as in the past. As Chairman Cooley pointed out in his letter to Walter Fuller, executive manager of the Tar Heel Electric Membership Association, REA should not be required to hold public hearings which would require REA to make available to private power companies information that REA has acquired at its own expense concerning engineering studies and related research reports.

Mr. Speaker, on the subject of REA generation and transmission loans, they are vital to protect the security of rural electric cooperatives by assuring them a dependable source of reasonably priced wholesale power. Wisconsin Power Cooperative and Tri-State Power Co-op, which merged to form Dairyland Power Cooperative, were organized by the rural electric co-ops of Wisconsin and neighboring States simply because they could not get reasonable wholesale power contracts from private utilities. Without the REA loans for generation and transmission facilities, the lines of those co-ops would indeed have been strictly for the birds to sit on.

Cutting off the generation and transmission program would leave the rural electrics at the mercy of companies who have given little evidence of interest in the independent survival of the rural electric co-ops. I do not think that either regulation or law should be used to give one entity a monopoly over someone he views as a competitor. The fruits of such policy should be obvious.

REA section 5 loans, which are used by electric cooperatives to build electrical load on their systems, are also necessary in order to strengthen the financial position of the rural electrics. This principle has long been an accepted and effective part of the REA program. I see no inconsistency between the wording of section 5 and the procedure by which loans are made via regular borrowers under section 4. It is fully in accord with the intent and purpose of the 1936 REA Act, which was to bring electric service to unserved persons, even if it was necessary to make section 5 loans so that they might make use of the newly available central station service.

Mr. Speaker, in the 15 months since Norman Clapp was appointed as REA Administrator, he has amply demonstrated that he is an able, conscientious and dynamic administrator. I submit that it is the intent of Congress to let the REA Administrator administer the complete REA program.

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## SIX STATEMENTS ON THE U.N. BOND ISSUE

The **SPEAKER** pro tempore. Under previous order of the House, the gentleman from California [Mr. Bell] is recognized for 20 minutes.

Mr. **BELL**. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and include extraneous matter.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. **BELL**. Mr. Speaker, to many of us who have participated and will participate in the debate on the U.N. bond issue there is at the heart of this matter a theme which we believe will be repeated often in the years ahead in terms of dealings of the United States not only with the U.N. Organization but with other alliances and treaty groups. In studying this problem, six statements on the U.N. bond issue have been particularly interesting to me because together they summarize what I suspect would be the entire spectrum of opinion on this subject.

With the thought that this material might be similarly impressive to other colleagues and with the unanimous consent of the Congress, I hereby place these statements in the Record:

### Using or Being Used?

The administration is rightly making the United Nations bond issue a question of congressional confidence in the U.N. itself. We hope the debate, set off in hearings slated to begin today, will cover both the narrow financial question and the broad political one. Indeed, it is hard to separate the two.

In view of the U.N.'s financial straits, Acting Secretary General Thant proposes a $200 million bond issue. President Kennedy is asking Congress for authority to buy up to half that amount. Some of his arguments are simple and obvious; some are more complicated.

It is obvious, for example, that the money involved, while huge by private standards, is fairly piddling for the U.S. Government. With Federal budgets rapidly heading toward $100 billion a year, $100 million more or less is not of itself a great issue—though there are indications it may be only a beginning.

Less obvious, but nonetheless interesting, is another administration argument. Mr. Thant has linked the bond issue into a wider program, which involves getting an opinion from the World Court whether nations delinquent on special assessments—like that for the Congo operation—must pay up or lose their voting rights. The United States hopes that the court will advise that they must.

The administration, as we understand it, is here saying something like this: If we help rescue the U.N. by buying these bonds, and if the World Court advises as we would like, then we will be in a rather happy position vis-a-vis the Soviet Union. The U.N. would have to tell the Russians to put up or shut up. Either way, we are one-up on the Kremlin, for once.

Beyond this maneuver is a more general consideration along the same lines. The Soviets don't like the Congo business; indeed they don't like too much of what is going on in the U.N., having been defeated so far on their troika deal and other disruptive efforts. This is an extremely poor time, the administration seems to argue, for Congress to vote no confidence in the U.N. by rejecting the bond proposal; we ought to be supporting it when it is rubbing the Russians the wrong way.

Now all this sounds pretty sensible and hardheaded. This newspaper is all for taking the most practical and realistic possible approach to the U.N., as an instrument of American diplomacy in the cold war. Unfortunately the administration arguments, persuasive as far as they go, do not resolve all the relevant questions.

Congress will have to ask, we think, what sort of club this is whose members—not just the Soviet Union—won't pay their dues, which must resort to deficit financing? Far more important, do our involved ideas for putting the Soviets on a spot of sorts really count for much? Is not the real struggle with the Kremlin taking place in arenas—battlefields in some cases—outside the U.N. and beyond the U.N.'s power to reach?

And, most important of all, can we in fact use the U.N. as an instrument of policy, no matter how practical our approach, or will we end up being used ourselves? Once we could command an automatic majority in the General Assembly, but no more; now that the membership has swelled to 104, the possible majorities are often of nations not exactly wild about us. What may this mean in practice?

President Kennedy himself gave a hint, and not an auspicious one: "It is impossible to say where or when the United Nations may be called upon again for emergency action to preserve or restore the peace."

That sentence is literally true—and full of danger signals. We cannot say into what dubious enterprises, into what wrong wars for others' purposes, we may be led by an organization in which we can always be outvoted.

None of this is meant as a rebuttal of the administration argument for buying U.N. bonds. The administration, like most Americans, is concerned with one thing mainly: How best to preserve and enhance the security of the United States. That is what Congress must keep uppermost in mind if it hopes to find the right answers to all the questions it must now ask about the United States and the U.N.

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### Cure for the Sickness of the U.N.

(By Walter Lippmann)

Recently, the United Nations has come under sharp criticism from some of its old supporters, notably Senator Aiken and Senator Jackson. Their criticism comes at a time when the United Nations itself may be said to be successful but insolvent, to be achieving a great purpose but bankrupting itself in the process.

The United Nations is on the way to being successful in its most difficult experiment, which has been to pacify the Congo and prevent a confrontation of the great powers. It is insolvent because a group of nations, and particularly the Soviet Union and France, are refusing to pay their share of the cost of the experiment.

In this condition of affairs the Senate is about to debate and vote on the proposal to fund the deficit and provide working capital to keep the United Nations afloat during the next year or so.

With Senator Aiken, who is the chief critic of the bond plan, there can be no dispute when he says that "the sickness of the United Nations is not financial alone. It can be cured only by drastic action at an early date—action which will continue the United Nations as a truly multilateral organization and not permit it to become constantly dependent upon the beneficence of the United States."

This is the precise reason why the bond plan was put forth by our officials and it is the crucial reason why so many of us favor the plan. For there is no other plan before us which deals directly with the problem of making all the members of the United Nations pay their share of operations like the Congo and Palestine, and ending the grossly corrupting fact that we now pay nearly 50 percent of the cost of these operations.

For although we would loan one-half of the money, we will bear only one-third of the cost of bond retirement.

"The sickness of the United Nations" is that some members are refusing to pay their assessments, other members cannot pay them, and others are a mixed bag of countries who want to pay, cannot pay, and are waiting to see.

The problem of curing the sickness of the United Nations is to find ways of compelling, inducing, and enabling all members to pay their share. The more I have studied this problem with its massive documentation, the more I am convinced that if there is any solution, the bond plan will meet the problem.

The plan is based on the assumption that during the summer the World Court will declare in an advisory opinion (which has been requested by a two-thirds vote of the General Assembly) that assessments to pay for operations like Palestine and the Congo are—within article 17 of the charter—"expenses of the organization" which "shall be borne by the members as apportioned by the General Assembly."

Senator Aiken, I might say at once, is one of those who confidently believe that this will be the ruling of the World Court. If it is not the ruling, then all bets are off and there is no way now in sight by which the special operations of the United Nations can be financed.

If, however, it is the ruling, then article 19 of the charter begins to bite: a member "shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years." Unless the United Nations figures are wrong, this will mean, we believe, that if the Soviet Union continues to refuse to pay, it will in 1964 be disqualified to vote in the General Assembly.

There have been some misunderstandings in the Senate on this crucial point. For example, Senator Keating, of New York, asked, "If the Soviet Union * * * should decide that it will not pay its assessed portion of these operations, would (it) not lose its right to vote until the period of many, many years had passed," perhaps, said Keating, "10 or 20 or 30 years?"

Aiken's answer that this was indeed the case was not correct—unless he assumed an unfavorable court decision. In 1963 the sum of the Soviet Union's past 2 years' assessments will be nearly $50 million and if it rejects the expected ruling of the court, it will be $46 million in arrears. Its margin of safety will be down to $3.6 million.

In the following year, 1964, the Soviet Union's assessments for the past 2 years will be down to $37 million. But its delinquency will be $46 million and it will be $9 million to the bad, even if it pays its full regular budget assessment. Under the charter the Soviet Union will lose its vote in the General Assembly.

This is the compulsion behind the U.N. bond plan. There is also a moral compulsion. Some of the deliberate delinquents, for example France, argue that the General Assembly has no legal power to raise money for operations like the Congo. Presumably, if the World Court decides against the French contention, France as a law-abiding country will pay up.

What the Soviet Union will do is anybody's guess.

Last but not least, the bond plan makes it easy for every member to participate. It does this by keeping the interest low and making the bonds payable over a long time.

This is the way, if there is a way, to make the United Nations that "truly multilateral organization" which Senator Aiken wants it to be.

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### Unpaid Bills of 82 Member Nations Responsible for U.N.'s Financial Ills

(Ninth article in a series of 10)

(By Richard M. Nixon)

The administration proposal to buy $100 million worth of United Nations bonds is a carelessly designed financial scheme. But the key question is whether the U.N. is worth saving at all. I believe the great majority of Americans, regardless of party, share the hope that the U.N. can eventually become an effective instrument of peace.

However, before Congress approves the purchase of any U.N. bonds, there should be these added safeguards to protect the American people:

First, it should be made absolutely clear that the bond issue will not set a precedent for future U.N. financing.

Second, the true financial need of the U.N. should be carefully determined so that no U.S. money goes for imaginary bills.

Third, above a reasonable level the United States should buy bonds only as other nations also support the bond issue.

Fourth, and most important, the President should take steps to eliminate the real cause of the U.N.'s fiscal chaos—the unpaid bills of 82 out of 104 U.N. members.

The U.N. is financially sick today because many countries refuse to pay their share for operations that they oppose, such as in the Congo and the Middle East. This is like a child saying that if you won't play my game I'll take my marbles and go home. The American people, who have paid nearly half the total cost of the U.N. since its inception, deserve an end to this kind of kid stuff. The President should demand that the U.N. make all assessments mandatory and force the delinquent nations to pay up or get out.

Far from being an anti-U.N. position, this would actually strengthen the United Nations by forcing it to operate on a sound financial basis. Obviously no company could stay in business for long if its buyers refused to honor its bills. The situation is no different with the U.N. The U.N. is a club and morally it should act like a club. In any club a member who is in arrears is posted and loses his right to vote. A club member always has the right to withdraw from the club, but not to refuse payment for duty approved assessments.

But even after the United Nations licks its money problems the organization has obvious defects that must be examined and resolved. The record of last fall's U.N. session was dismal and the administration's attempt to whitewash that record was a great disservice to all who want to see a strong United Nations. Hopes for a lasting peace were set back by the U.N.'s action in favor of nuclear controls without inspection—the Soviet position; by failing to show some backbone when India invaded Goa; by complete silence when the Communists built the wall in East Berlin that enslaved millions; by admitting the Communist puppet state of Outer Mongolia; and by encouraging needless bloodshed in the Congo.

If the U.N. is to reverse this record and become an effective instrument for peace, the administration must recognize that the U.N. is a battleground in the fight between freedom and Communist slavery. Its members are not all men of good will, and lofty words spoken in a lofty forum will not make them men of good will.

In 1945, when the world organization was founded, we had just been through 4 long years of war and the U.N. looked like a glittering way to count heads instead of breaking them. If the Communists had lived up to the high ideals of the U.N. Charter, our hopes for world peace might have been realized. But the Soviet Union set out to make the U.N. a tool for Communist world domination or to destroy the U.N. if it stood in the way.

Yet today there are still Americans, unfortunately some in high Government positions, who do not admit that this has happened and who treat the U.N. exactly as if there was no Communist threat. Clearly the first duty of an American policy on the U.N. must be to correct this fatal misconception. Until our Government brings a new realism to our actions in the U.N., we will continue to be played for a sucker by the Communists.

The primary instrument for Soviet obstruction in the U.N. is the veto. When an action doesn't fit into their design for a Communist world, they use the veto—or else they simply ignore the U.N. as they did when the General Assembly asked them not to explode a 50-megaton bomb. Instead of standing up to the Soviets, we have allowed ourselves to be consistently tricked into allowing them to control the U.N. We got mousetrapped on the Congo vote because we refused to veto a Soviet-backed resolution. It is cold comfort to keep our veto power in the deep-freeze when peace is being threatened by our failure to use it. We have a duty to promote peace by every legal means available to us—including the veto.

By failing to block the Communists by veto, we have forced added responsibility onto the U.N. General Assembly, where all nations, regardless of geography, population, or economic development, have the same voice. When the General Assembly votes against our interests, can we then blame it for actions that we could have prevented?

The General Assembly has grown to 104 member-nations, many of whom are no bigger than our smallest State. These newly independent nations have very special problems, which often appear to them to be more important than the battle between freedom and communism. Without belittling their problems, we must convince them that the fight to preserve freedom is also their concern.

The United States, as the leader of the free world, has the duty to make this position absolutely clear to the neutrals. As I wrote in an earlier article, "Let us understand once and for all, there is a difference between freedom and slavery, a difference as old as civilization. We proudly stand for freedom. The Communists brazenly stand for slavery. This is the great moral issue of this century. Men and nations cannot stay on the sidelines where this issue is concerned. They must choose. There can be no moral neutralism."

These new nations must be brought to understand the full meaning of their freedom. They cannot live by a double standard that judges Portuguese aggression in Angola to be reprehensible, but condones Indian aggression in Goa. When the U.N. failed to censure India for invading Goa, the U.N. sanctioned force as a solution to disputes. No matter how just was the Indian claim over Goa, its action was still a clear violation of the U.N. Charter. And Adlai Stevenson's strong words were no substitute for U.N. action.

However, despite the shortsighted actions of some neutrals, despite mounting debts and Soviet vetoes, the U.N. has very real potential as a mechanism for achieving a peace with justice.

I believe that every American supports the principle of the U.N. Charter—the settlement of international disputes by peaceful and just means.

The United Nations is not a utopia, but it is worth saving. It can be a valuable channel of diplomatic communications, an excellent forum for world opinion, a potential vehicle for resolving conflict, and a performer of many good works in such areas as world health, agriculture, economic development and technical assistance.

We should remember that the U.N. has had some notable successes in the past. It has helped end the Communist guerrilla war in Greece. It helped prevent a major war over Suez. It contributed to peace in the Middle East by helping to stabilize Lebanon.

If we compare the U.N. to an old car that needs an overhaul, we can see that it is far wiser and cheaper to put the motor back in running condition than to scrap it. We must remember that we have the old model—we don't have a new car. And the U.N. can provide transportation toward peace. How well it runs will depend on how willing we are to make the necessary repairs.

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### The U.N. Bonds

The United Nations is far from perfect, and will not become perfect this year, or at any time later. But we need only ask ourselves whether the earth would be a safer or a more dangerous place without the United Nations to know that the United States must continue to give its full support to the world organization. It is in the interests of peace, and in our own national interests, that we do so.

One way right now is for the Congress to approve President Kennedy's request for authorization to purchase half of the $200 million United Nations emergency bond issue.

The financial arguments for the purchase are good. The administration reckons that the bond issue, if fully subscribed, would reduce from 47½ to 32 percent this country's share of the costs of the United Nations forces in the Middle East and the Congo, since repayment of the bond issue will be assessed against all members as a part of the regular United Nations budget.

The Soviet Union will not like that, any more than it approves of or will participate in the bond issue; but if the Soviet Union refused to pay its regular dues it would lose its voting rights in the General Assembly. Much as Moscow would like to destroy the United Nations effectiveness, it is not expected to go that far.

It may be that to talk of full repayment of the bonds is, as Senator **Aiken** says, "somewhat of a dream." Nor is this likely to be the last financial difficulty the United Nations ever gets into. But we are dealing here not with a little dream but with helping to keep alive a big one. The question goes far beyond the expenditure of a small part of 1 percent of our budget. The President is asking the Congress for a statement of national faith in the United Nations itself.

When the bond issue was first proposed, a vehement congressional debate of the whole subject of the United Nations seemed probable. With the justification—so far—of the United Nations action in the Congo and of our support of that action, much of the heat has gone out of the controversy. We hope it stays out. Even should the United Nations run into sudden further trouble, though, our support must be expressed unmistakably.

### Compromise Seems Sound

(By Roscoe Drummond)

There are many reasons why, in the end, Congress will approve the bipartisan compromise authorizing the President to buy bonds or extend loans to the U.N. up to $100 million in order to rescue it from bankruptcy.

The big reason is that the American people show no evidence of wanting to belittle or belabor the United Nations. They show sustained and wide support for the U.N. In the midst of all current criticism over its finances and over its operations in the Congo, the Gallup poll finds U.S. opinion near an alltime high (78 percent) in evaluating the record of the U.N. as either good or fair. In today's world, that's praise.

Sure, the U.N. is imperfect, often deadlocked by the veto, sometimes in turmoil in the 104-nation General Assembly where the principle of one nation-one vote regardless of population or power puts world policy on the trading block. But however imperfect, the U.N. remains invaluable. You don't have to believe that the U.N. has done everything right in the Congo to recognize that it is averting a more dangerous alternative—the confrontation of American and Soviet forces in this fragile country of conflict and chaos.

The U.N. is in financial difficulty today because of the heavy costs of the Arab-Israel and Congo operations and because at least two-thirds of the member governments have failed to pay their share of the special assessments levied to meet these deficits.

The purpose behind the U.N. bond issues is to put the obligation of repaying the bonds on all member states, making the bond repayment a part of the regular U.N. budget. This, while the U.N. awaits a ruling from the World Court that special assessments are as mandatory as regular budget assessments.

In the compromise U.N. bond-loan plan, now passed by the Senate, the administration is losing the argument but winning the battle.

The administration and the State Department have unvaryingly argued that the purchase of the bonds, as distinct from the granting of the U.S. loans to the U.N., was necessary in order to avoid a special session of the United Nations, and that the bond issue would cost the United States less and offer the best chance of repayment.

Under the compromise, which the Republican leadership has accepted, a special $100 million appropriation would be voted from which the President would be authorized to make loans or buy U.N. bonds or do both.

Senator **John Sherman Cooper**, Republican, of Kentucky, who has supported the bond issue from the beginning, points out that unless this is a compromise in name only—by which the President has the authority to make loans but intends only to buy bonds—then the arguments made during recent months for the bond issue were not factual, but misleading.

Senator **Cooper**'s contention is that if the administration believed in its argument that the loan plan would require a special session of the U.N. and that this would be harmful, it can't believe in its compromise by which the Republicans assume he is committed to use a large part of the $100 million appropriation for loans rather than bonds.

I suspect that the original arguments were fuzzy and overstated. The compromise seems a sound and workable plan.

There is another argument about the U.N. which needs to be more critically examined. There are some Democrats who seem to me to mute their criticism of administration foreign policy, particularly as it affects the Congo, by blaming the United Nations for what they dislike.

The administration has not been caught up in a U.N. Congo policy it disapproves. The U.N. Congo operation was taken at the initiative of the United States and has had its continuous endorsement and support.

On balance, I think, the U.N. has been painfully carrying forward a needed job in the Congo, but those who dissent from it should be equally critical of the administration, not one-sidedly critical of the U.N.

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### What About the U.N. Bonds?

In re United Nations, National Review has never been able to render a black or white verdict. Our judgment has, on the evidence, inclined instead toward a rather dark gray. Put most simply, and not quite exactly, we believe that many of the technical functions served by the complex of agencies composing what one calls for short, the U.N., are desirable or necessary; but that most of the U.N.'s political functions are not merely useless, but fraudulent, mischievous, and often gravely injurious to the major goals—international peace and order—that the U.N. Charter proclaims. As a technical organization we are, if not unqualifiedly for the U.N., at any rate prepared to accept it. As a political organization, we are against it, and strongly so. We, therefore, conclude that the U.N. ought to be, to the maximum extent possible, depoliticalized. If this proves to be impossible, then—since the political aspect has in the past year dropped to an intolerable badness—the U.N., as a whole, ought to be liquidated.

Rapid communication and transport on a world scale along with other developments of modern technology, the population explosion, mass literacy and mobility, pose technical problems that can be handled only on an international scale: problems of disease control, allocation of radio-TV channels, air, and soon space, navigation rules, weather information, the assembling of many sorts of statistics, combating international food pests (such as locusts or plant rusts) are examples. International agencies, for all their inevitable faults, are often the best and sometimes the only way to deal with many of these matters. Moreover, partly because of the sheer practical difficulties of staging international conferences and sustaining continuing international bodies, it is probably most efficient to have the various agencies linked through an overall international organization.

Among the technical functions we would also include the provision of physical facilities—buildings, properly equipped and staffed—where representatives of any nation may—if they so choose—enter into quick communication with representatives of any other or all other nations. The tempo of the modern world, rapid interaction of international events, and the huge number of nations make this, too, both a difficult and a desirable potential.

But there is no necessary reason why these international communications must include political decisions. Far from promoting peace, order and harmony among nations, the political motions, resolutions and acts of the U.N. have exacerbated bitterness, made compromise and negotiation more difficult, exaggerated minor differences into major crimes, helped create artificial blocks and splits, and actually brought chaos and war to regions that were doing all right while the U.N. kept out of their affairs.

These evils have been thrice compounded since the U.N. axis shifted from the Security Council to the General Assembly. It is inconceivable that a pow-wow of 104 diverse nations, each with full voice and vote, more than half of them weak, disorderly and immature, should conduct itself responsibly. Even the U.N.'s greatest admirers throw up their hands in despair, nowadays, when they talk about the behavior of the Assembly.

The Security Council, intended in the Charter to be the dominant body, is at least protected against itself by the sensible provision for the great-power veto.

Detailed evidence of the political faults, absurdities and crimes, risen to a new and awesome height this year past, may be found in the columns of National Review.

The fundamental reason for the monstrosity of the U.N. as a political organization lies in the fact that a fraud—or, more gently, an illusion—is embodied in its essence: the illusion that there exists a consensus of some significant sort among all nations of the world, leading them to seek peace, justice, freedom, well-being and whatnot, and serving as trustworthy foundation for an international law. The truth is otherwise.

The U.N., thanks to the real conflicts among the real members (which led most of them to delinquency in payments) and to its own follies, is broke. At the State Department's suggestion, the U.N. is offering a $200 million bond issue to bail itself out from those follies of the past and permit it to proceed to the new follies of the future. Of course, it is not really a bond issue, as the 2 percent nominal interest indicates. It is a sort of "income debenture" from an enterprise with no assured source of income: a type of security ordinarily not rated terribly high by Moody's.

President Kennedy has proposed to Congress that this country take up one-half, or $100 million worth of this fictional paper. To do so would mean: (a) to make that large amount of money unconditionally available to the irresponsible present Secretariat; and (b) to endorse, in public political effect, the conduct of the U.N. that has resulted in the deficit; that is, the aggression against Katanga—the main source of the money trouble—plus the actions and inactions on Goa, Angola, nuclear bombs, and the rest of it.

We therefore conclude, and urge upon Congress the conclusion: The President's recommendation should be rejected, and the U.N. bond issue turned down.

This conclusion is independent of the wider question of whether it is time to finish once for all with the U.N. The life of the U.N. does not rest solely on the success of this blue-sky bond flotation. It is quite possible for both admirers and critics of the U.N. to unite in opposing the bond issue, and it seems likely that this is to happen in Congress. Senator GEORGE AIKEN, a liberal and longtime friend of the U.N., has joined with several of his colleagues in advising against approval. He rightly points out that, if it comes to an emergency question of saving the U.N. from dissolution, and if Congress continues to want to save it, specific grants for specific amounts and specific purposes may always be appropriated.

On the U.N. bond issue, then, we stand with Senator AIKEN: Vote "no," and may the "noes" have it.

## STATEMENTS ON THE STEEL CONTROVERSY

Mr. BELL. Mr. Speaker, still being discussed in my district are the wide range of issues connected with the steel-price controversy which broke into the headlines on April 11, 1962, and must be considered as a dramatic illustration of one of the great central issues in American public life today.

From the many thoughtful commentators who have written on this subject, I have selected the following articles which I believe best represent the various viewpoints underlining the steel controversy. With unanimous consent of the Congress, therefore, I place in the RECORD these presentations which I believe make worthwhile reading for any student of national affairs however much he may disagree with the opinions of the authors:

### A Diversified Victory—Steel-Price Breakdown Involves Many Aspects of U.S. Economy

(By Chalmers M. Roberts)

At first glance the sudden backdown on it price rise by United States Steel is indeed a massive victory for President Kennedy. But the ramifications will go far beyond that.

To most Americans the scenario in this drama doubtless seems simple: At Mr. Kennedy's behest and urging, the steel companies and the union signed a noninflationary wage agreement, meaning no rise in prices and no rise in wages which would justify a price rise. Then in a rather sneaky fashion, big steel hiked its prices and the other manufacturers followed suit. The President thereupon raised cain in public. Finally, the steel companies got the jitters and backed down.

This is not exactly the way it happened but it probably is the basis on which most opinion has been formed about the on-again, off-again steel price rise. On that basis, then, what is the effect of yesterday's backdown?

Here are some points:

The President won his public fight against the steelmakers. He probably has frightened other manufacturers who may have been thinking of raising prices. Hence, prices ought to continue to remain rather stable. That, the public surely will agree, is fine and a plus mark for Mr. Kennedy's popularity around the Nation.

Because steel prices are pace setters, all prices now should continue to remain stable. In turn, that should mean that Europeans and others will forget the jitters they first had at the idea of a new American price-wage spiral. Now that they are calm again, the foreigners won't create a further run on America's gold stocks. The balance-of-payments problem, therefore, will not get any worse, though it will take other steps to make it get better. Another plus for the President.

Because prices now should remain stable here, American firms will continue to be able to sell more abroad than we buy abroad. This will continue our trade surplus which means we will be able to afford to keep our troops overseas and to spend money for foreign aid of various kinds. Another plus for the President.

Of course, some button or other may come loose somewhere else in the economy or a foreign crisis might upset all these pleasant expectations. Or, maybe, the expectations will turn out to be true.

But what of the effect here at home in terms of the American economic machine? This is a more subtle problem and the answers are unclear. But the answers here may be far more important over the long run.

Some think that what has happened means that the Government is now in the price setting business. Technically speaking this is not true; the President has no legal power to do so. But he has used the massive influence of his office, and that was the chief reason the steel companies backed down. So the effect is to make him the price arbiter.

Suppose later on he thinks prices should decline? Or at some point that they should rise? Is this, after all, the proper role for a President in the American economic system?

In working for the steel wage settlement Mr. Kennedy, as some see it, was following the Eisenhower practice of "economies by admonition." The price rise killed that. But now the steel companies have backed down. Does that mean a return to the Eisenhower-Kennedy policy? Will the President use the same tactics in other coming union-management negotiations?

If so, he becomes the Nation's chief price arbiter. He gets the credit if it works. But he also gets the blame when things go wrong. And since this is a cyclical economy, the day of blame, of at least some blame, is inevitable. So the argument runs.

The other way to look at it, or at least one other way, is to say the antitrust laws ought to be pushed vigorously against the steel companies, that big steel ought to be broken up, that the industry ought to be forced to be more competitive. The Justice Department says it will continue its study of U.S. Steel's dominant position and its influence on prices.

But big steel has given in to the President. Would Mr. Kennedy be an ogre if he now goes after big steel in the courts? Would there be a political boomerang?

Obviously, these thoughts only begin to touch on the position of steel in the U.S. economy and the Government's proper role in price stabilization, however desirable the end results of price stability may be for both individuals and the Nation.

It often takes major upheavals to make Americans think about our economic system and how to make it work better. If the steel price crisis has that effect, it will be worth it.

### Will Victory in Steel Boomerang?—President's Action Called a Blunder, Wage-Price Law Held Inevitable

(By David Lawrence)

There's only one way the American people now can be spared the economic distress which may eventually follow President Kennedy's tragic blunder of last week. For a recession that could conceivably become a deep depression is as certain as day follows night if Mr. Kennedy continues to allow wage increases and then terrorizes and coerces business when it seeks to cover its added costs with a rise in prices. Stability can be achieved now only by the enactment by Congress of a law to fix the standards of wage and price control and to entrust them to a commission to administer during the so-called emergency. This is an action that nobody likes, but which Mr. Kennedy has made inevitable.

For the American people will not long consent to leave in the hands of one man—even the President—the opportunity to raise or lower prices or wages without sanction of law. The talk of victory for the President now being heard in Capitol corridors from the leaders in a rubberstamp Congress will be short lived if the big problem of meeting labor costs remains much longer in the confused situation it is in today. For some companies it means a cut in profits and in tax payments to the Government, as well as the passing up of dividends this year. Probably about 100,000 steelworkers will be idle in the next few months.

How many businessmen, moreover, who sell across the country will dare to raise prices if they live in fear of Government reprisals? The President has been brainwashed by his advisers and now has led the public into believing that price increases are sinful or unpatriotic but that wage increases usually are justified.

Mr. Kennedy is a man who follows the advice given him that seems plausible even if it is one sided. In the conference last Tuesday night which he held at the White House with Roger Blough, chairman of the United States Steel Corp., the newspapers now report that Secretary of Labor Goldberg did much of the talking. Mr. Goldberg was formerly general counsel of the United Steelworkers Union, and he read the riot act to

Mr. Blough. The President, of course, would never have ventured to appoint the general counsel of the United States Steel Corp. or of any other steel company to be Secretary of Commerce to advise him on the other side of labor questions. What becomes of the conflict-of-interest concept when the same man who helped negotiate for the steelworkers the very contract which prompted the decision last week to increase prices sits at the side of the President and advises him to take reprisals against the steel industry?

The demoralization of businessmen today is extensive. How can they do any long-range planning now?

Politically the President's tactics last week may boomerang. Wage increases in other industries will have hard sledding, and the unions will be unhappy. Also, if the profit squeeze continues and more persons are thrown out of work, the current recession will not soon be ended and could get worse. The Democrats could, therefore, lose many seats in Congress next November.

The talk of prosecuting the steel companies is largely poppycock. If the steel companies violated the antitrust laws by following each other successively with announcements on price increases, didn't they, by the same theory, violate the antitrust laws by withdrawing their price-rise announcements one by one? Isn't price holding then a form of price fixing, too? There was no collusion in either case, but the Government says concerted action amounts to the same thing. Yet labor unions fix wage costs in a whole industry by concerted action. Labor, however, contributed millions of dollars to help elect Mr. Kennedy and the Democratic Party. So the antitrust laws will not soon be amended to include national unions.

The fateful events of the last few days are best summed up by the Associated Press in a dispatch from Washington on Saturday which said:

"The arsenal of weapons the President wheeled into his all-out economic foray against big business leaders was an awesome display of coldly determined political and economic power seldom if ever before employed by the Government. Every major governmental department got into the act."

Is this democracy, or is it the forerunner of a quasi-Fascist system? Is it a government under a written constitution, or is it a government by usurpation of legislative authority? Economic facts—unlike political maneuvers—do not depend on artificial public relations. Business depends on confidence in the fairness of a government that operates under laws and rules which can be understood and are applied equally to all sides. Without such confidence there cannot be profits or prosperity or increased jobs. Without prosperity, Treasury receipts from corporate taxes decline, and the Government's deficits pile up, thus pushing downward still further the purchasing power of the dollar. Loss of public confidence then leads to a psychology of inflation which breeds economic disaster.

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### Government by Presidential Anger

(By Barry Goldwater, U.S. Senator From Arizona)

President Kennedy has proved the power of Government to fix prices.

He has also proved that the administration's so-called "guidelines" for wage and price actions are in the nature of mandatory directives.

If they aren't followed—at least by business—those who digress can expect the full power of Government intimidation to be directed against him.

In the recent steel price controversy, Americans have witnessed government by Presidential anger. They have seen Government decide arbitrarily what price levels should be and go all out to make sure that those levels are strictly adhered to.

They have seen a vital prerogative of private enterprise usurped through threats of Government legal action in a half-dozen areas.

Is it any wonder that the Nation's steelmakers reconsidered their decision to increase the price of steel by $6 a ton to provide funds to modernize their plants so they could better compete with foreign producers?

What business wouldn't reconsider any action in the face of threatened grand jury investigations, antimonopoly suits, moves to break up their companies? Government harassment is a powerful weapon which easily can beat an industrial enterprise to its knees.

But that doesn't make the use of Government harassment a good thing for the Nation.

In fact, history shows us that an antibusiness attitude on the part of Government always has a deadening effection on the national economy. It has a tendency to dry up risk capital, to make investors reluctant, to make business managers uncertain.

And the end result is an economic slowdown, accompanied by a contraction of production and a heavy loss of jobs.

In effect, the Government's performance in the steel price incident was to replace the supply-and-demand operation of the marketplace with an arbitrary, bureaucratic decision.

It completely overlooked the steel industry's right to appraise its own price requirements in the light of many diverse factors, not the least of which is the actuality and the threat of foreign competition. It is the steel industry's right to make a decision affecting its own stockholders, its own interests, and its own workers.

The possibility that the decision might have been wrong is no excuse for Government pressure and coercion to reverse that decision.

One of the prerogatives of a free-enterprise system is the right to make decisions, even wrong decisions.

I suggest that this display of naked Government power to force a price decision in the steel industry should be taken as a warning to both the business community and to organized labor.

For, if the Government can take unusual action to intimidate the steel industry into reversing a price decision, it can do the same in other industries and businesses.

And, if the Government can bring its full power to bear to prevent price increases, it can do the same thing to prevent wage increases that it feels might prove inflationary.

Of course, it is true that the New Frontier can be expected to bring more zeal to an operation aimed at the business community than one which might be directed against the unions.

This would be a natural outgrowth of heavy political support the union bosses gave to the Democratic ticket in the 1960 elections.

But, even so, when government becomes intimately involved in the operations of the marketplace, it develops a strong tendency to want to force decisions it believes will fit its own pattern.

This could, at some time in the future, spell as much trouble for the unions as it does right now for business.

The President has set a bad precedent in forcing the steel companies to knuckle under. At the very least, it will make the business community gun shy at a time when an aura of confidence is needed to spur investment and expansion.

And this will aggravate seriously the already difficult unemployment problem in the United States.

### The President's Fury

The White House, in what is known as an inspired leak, let it be known the other evening that President Kennedy is infuriated by the fact that a major steel company has raised prices and that he is having the Justice Department investigate the matter.

At yesterday's press conference Mr. Kennedy was hardly less restrained. Both language and tone of voice were those of a President boiling with righteous anger at the wickedness of a steel company irresponsibly defiant of the public interest.

The plain implication was that at the very least the company had been derelict in its public duty and that possibly there was some sort of criminal action to be investigated. It was clear also that he treated the company's action as a personal affront to himself and his advisers because it runs counter to the administration's view of what is justifiable.

Now, for our own part, we have no way of knowing whether this steel price increase was a good decision or a bad one for the company. It is certainly quite possible that the company misgaged the market and will find that they cannot sell their steel at this higher price. Steel prices are already under heavy competitive pressure from domestic production and foreign imports, not to mention the competition from other construction materials. That decision will be made by the only instrument capable of measuring it, the competitive forces in the marketplace.

But this remarkable White House performance has nothing to do with whether a steel company's managers made a mistake. It is a political effort to make the decision appear a piece of unjustified, high-handed gouging. And thereby promote the idea that the Government, not the marketplace, should determine the level of steel prices.

As for the justification of this particular attempt to get a better price, regardless of whether it sticks, we will only note here that since 1958 there have been four industrywide increases in wage costs, amounting to about 40 cents an hour. During this same period every other cost of doing business has also increased about 6 percent. There have been no price increases in that period.

The Government itself has played the major role in pushing these costs upward. It is not merely that the Government has put pressure on the industry to raise its wage costs (even the last noninflationary settlement added 10 cents an hour to costs). Equally important are the inflationary pressures generated by Government policies, fiscal and otherwise, that have raised the costs of everything. Meanwhile, profits have gone not up, but down.

Caught in such a squeeze, the shareholders would be thoroughly justified in feeling frustrated, even infuriated, at a Government policy that raises the price of everything except the price of steel. If fairness were a guide to prices, this would be manifestly unfair.

Even if you set this aside, there are ample reasons why the public interest would justify at least an attempt to get higher prices for steel.

If American industry, steel included, is going to get out of this squeeze that has caught it between rising costs at home and tougher competition abroad, it is imperative that it put every possible dollar into the modernization of its facilities. The dollars for this, whether they come by way of profits or by borrowing, can only come finally from the prices the customers pay in the marketplace.

We don't doubt that the President had reason to be annoyed at the fact that a steel company decided to test this market. The administration got itself deeply involved in the latest steel-labor negotiations and it would like to enjoy the political advantages of advertising its intervention as having helped hold the line on prices. Moreover, it must be annoying to any Government to follow policies that build up inflationary pressures and then find these pressures exploding around it.

But what ought to infuriate the country is this attempt to pillory one private company for the consequences of past public policies. And this arrogant idea that the price of steel, or any other commodity, ought to be what the President of the United States says it is.

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### Throwing the Steel Gauntlet

(By George H. Favre)

The sudden confrontation of big steel against big government can scarcely be described as anything less dramatic than a throwing down of the gauntlet. And this fist of iron is entirely bare of velvet.

The context of the confrontation is ideological rather than economic. In its timing, its sweeping application to all steel products regardless of the market situation, and in its nearly simultaneous repetition by five other major steel producers, the action of United States Steel Corp. was bound to be viewed as a deliberate affront to the Kennedy administration.

The scene is thus set for what could well be a major turning point in the development of American-style capitalism. The conflict is clearly laid out: untrammeled freedom of action in the marketplace by private business versus Government controls.

#### CONDITION OF OLIGOPOLY

This confrontation has not come about overnight. It climaxes decades of gathering power, and with it potential conflict, between business and government.

Central to the dispute is the fact that the classical theories of economics—freedom of the marketplace, and the law of supply and demand—no longer operate as they once did.

Specifically, in basic industries such as steel, automobile manufacture, and chemicals, by far the largest share of the market is controlled by a very few giant corporations. Under this condition of oligopoly, and in order to maintain a stable market, these top few can and do administer prices in such a way as to assure a predetermined profit rate over the long run.

Moreover, in a condition of oligopoly the largest firm often acts as a price leader. When it moves prices up or down, the rest of the industry is usually quick to follow suit. This week's action by United States Steel, traditionally the price leader for the industry, illustrates exactly this process.

#### CONCERN EMPHASIZED

(Occasionally, it should be stated, the price leader may not be followed by the rest of the industry because of market conditions. In this case, the price leader will be forced back into line. But historically this seldom happens, especially in the steel industry.)

This situation has been the cause of increasing concern to many economists. Their concern stems from the awareness that such basic industries can set price and wage patterns for the entire economy. Under such conditions, it is asked, are these basic industries in the same category as monopolies? And if so, need they not be subject to controls comparable to other admitted monopolies?

Up until the present situation, such Federal control (apart from the antitrust laws and similar measures which affect all industries) has been largely confined to applying pressure through the many channels available to the government—appeals by the President, congressional hearings, and lately more direct intervention, such as Secretary of Labor Arthur J. Goldberg's successful efforts to avert a steel strike.

#### COMPETITION BEMOANED

Now big steel has chosen to deliberately antagonize the President. It has issued a challenge which the industry's leaders must have fully expected he could not and would not ignore, unless they are guilty of gross underestimation of the Kennedy temperament.

Not only was the timing of the move, coming so soon after the early peaceful wage negotiation, bound to affront the President. It also flies in the face of the economics of the situation. The steel industry has been bemoaning the fact that its competition is getting increasingly tough, not only in steel imports from abroad but from competing materials at home—glass, plastic, concrete, aluminum, all of which are being used as steel substitutes.

And yet the $6-a-ton price rise affects steel products which have been experiencing steady weakening in the marketplace.

#### IMPACT ON COST OF LIVING

The impact of the move also must be measured upon the Nation's balance of payments, and this too hits hard at one of President Kennedy's most important programs—to increase exports, decrease imports, and generally to stabilize the U.S. economy.

Higher steel prices at home inevitably will draw more imports of foreign-made, cheaper steel to these shores. It clearly will cut down not only the competitive position of American-made steel abroad, but also of U.S.-manufactured exports that use steel.

Lastly, but even more immediately, the price hike will have an inevitable impact on the cost-of-living index. Economists debate how great this will be, but no one denies that it will necessarily force prices up in some sectors to some degree. And it is probably no mere coincidence that the United States has enjoyed relative price stability since 1958, which was the time when steel last raised its prices.

Against this background, the decision of the American steel companies to throw down the gauntlet of challenge to the Government assumes major proportions. Even should the present situation be smoothed over through some miracle of restraint on both sides, its memory will linger and burn.

Sooner or later a new relationship between government and big business must be hammered out, and the result is bound to be of long-range significance.

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### The Price of Ignorance

President Kennedy's victory over the steel companies last week was certainly a convincing display of Government power. But it was also an equally convincing demonstration of the administration's lack of economic knowledge.

For one thing, any business, be it United States Steel or the corner drugstore, must continually weigh its income against its outgo if it is to survive. No company can go on indefinitely paying increasing amounts to its employees and suppliers without increasing its income. At the end of that road, as any schoolboy should know, lies bankruptcy.

Wage costs of the steel industry have risen four times since the last price increase, in 1958. United States Steel's profits have been heading downward. In the circumstances, what could have been more normal than to test the market with a price increase?

United States Steel, of course, knew that the price increase might not stick. Competition in its industry was—and is—strenuous. Some smaller, newer companies in the industry, such as Inland Steel, have on the average more modern, more efficient plants than United States Steel, and thus are feeling the profit pinch less severely. Other companies, such as Armco Steel, rely on higher priced specialty steels for much of their volume, and it is these items that have been most affected by import competition.

So it's possible that economic factors alone could have forced United States Steel to back away from its price increase. But the Government seemed not to understand the power of such factors, for it refused to let them even be tested. Indeed, it seemed to argue that these competitive forces did not exist, and that the big steel companies were displaying monopoly power.

Mr. Kennedy's excuse for forbidding any test of the steel market was that he was fighting inflation. This is a word that the Government seems to misread completely. Whatever Mr. Kennedy may think, it is the Government, and the Government alone, that has been inflating the supply of money and credit. So it is the irresponsible fiscal and spending policies of the Government, and not the irresponsible steel executives, that are to blame for inflation.

In the wake of the industry's cancellation of the price boost, there was fresh evidence of this lack of understanding of inflation A Kennedy aid was quoted by this newspaper as saying, "The administration's attitude is, 'Let's forget it happened and get on with the main job of keeping the economy growing without inflation.' "

The trouble is that the administration seems to think one sure way to promote growth is to increase Federal spending. Even before the steel debacle, Government officials were worrying about the speed of recovery and talking of the possible need for a new stimulus from Federal spending. And last week in Omaha a Budget Bureau aid told an audience of economists that the public's feeling about the budget—that it's a good thing to have it balanced—may constitute a significant barrier to the achievement of sustained full employment and vigorous economic growth.

Vigorous economic growth requires not a fast-spending Government but a vigorous private economy. Businessmen must be developing new products, pushing into new markets, creating new jobs. Government can only retard such growth by levying excessive taxes to support its excessive spending and by creating a climate of fear in the business community.

And there is no question businessmen now are fearful. As a Kennedy lieutenant says, "Everyone is going to be very reluctant to try to pull off what steel tried." The shock absorbed by business confidence could be felt for a long time. No businessman builds a new plant or launches a new product unless he believes it will return a profit—a profit based on prices in reasonable relation to costs. But the Government seems unaware of the importance of business confidence.

The smashing impact of the administration's economic power now is evident to all. We can only hope the Nation will not have to pay too high a price for economic ignorance.

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## SMALL BUSINESS LEASE GUARANTEES

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MULTER. Mr. Speaker, I have introduced a bill today, H.R. 12244, to establish a program of lease guarantees for small business concerns.

The bill would authorize the Small Business Administration to guarantee, directly or in cooperation with others, the payment of rentals for commercial and industrial property by qualified small business concerns where credit requirements are so stringent that they tend to exclude such concerns.

At the present time small businesses are finding it increasingly difficult to obtain leases in downtown shopping areas and in suburban shopping centers. Part of the problem seems to be that the institutions—chiefly life insurance companies—that purchase mortgages on shopping centers and other commercial property require fixed-minimum guaranteed rentals from tenants having an AAA-1 credit rating—net worth of over $1 million—in amounts sufficient to cover amortization of loan principal and interest, real estate taxes, insurance, and, frequently, operating expenses.

According to a report published last month by the Senate Select Committee on Small Business this has resulted in approximately 70 percent of the total space in the typical shopping center being rented only to Triple A 1 tenants.

The Senate committee further stated that it had found during its investigations that—

> The practice [by private enterprise] of bonding leases is not widespread. Figures obtained from a trade association composed of casualty and surety companies indicate that during a 5-year period less than $3 million in premiums were obtained on such bonds, contrasted with a total surety volume of about $619 million. * * * Surety bonds are seldom written for more than 1 year, the committee was advised. In unusual circumstances, coverage may be extended beyond a year.

The effect of this situation has been that the large chainstore corporations have been the only ones able to meet the requirements of the mortgage holders.

There is need for a program of lease guarantees and I believe that this bill is the right way to approach the problem of meeting that need.

## JURISDICTION OVER AIRCRAFT NOISE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, there is a matter of legislation, affecting the health and welfare of countless thousands of constituents of mine and those of my distinguished colleagues in Queens and our neighboring communities, that I would like to call to the attention of this House. I refer to my legislation, H.R. 8725 and H.R. 12254, to place all jurisdiction over aircraft noise with the Federal Government and to apply stringent civil and criminal penalties for the violation of the regulations.

In substance, the bills would place the authority over all plane noise both on the ground as well as in the air with the Federal Aviation Agency where it belongs. The jurisdiction covered in the legislation would leave no question of control over noise generating from warmups, takeoffs, and from landings.

Mr. Speaker, it is ridiculous that the FAA has authority over noise while a plane is in flight, but that this jurisdiction does not apply to warmups, takeoffs, and landings. That is the source of most of the noise in the areas of the airports. Yet, it goes unabated.

For much too long the question of jurisdiction between the FAA and the New York Port Authority over the merciless plane noise at Queens' two internationally known airports, La Guardia and Idlewild, has been bouncing back and forth like a ping-pong ball to the dismay of the suffering victims of the deafening uproar. Until this jurisdiction is resolved once and for all it will remain as an excuse for not getting effective results.

Mr. Speaker, on June 1 the FAA held a noise abatement conference at its offices at Idlewild Airport and I was privileged to have been invited to participate. I raised the issue of jurisdiction at the meeting and the answers I received convinced me all the more that this legislation is essential if ever there is to be an effective alleviation of the noise problem. It is significant to point out that at the meeting the Federal authorities admitted that the FAA lacks clear-cut jurisdiction over noise caused by warmups, takeoffs, and landings.

Mr. Speaker, what is the use of the Agency trying to convince the public that it is taking every conceivable step to eliminate the noise nuisance when the most obvious source continues uncontrolled? The explanation given by the Agency is that its Washington headquarters requires more research in order to devise proper control standards.

That is plain hogwash, Mr. Speaker. Let us give the authority where it belongs—and that is with the FAA. Then, rules and regulations can be promulgated, strict enforcement can follow, and tough penalties can be applied.

I have appealed to the House Committee on Interstate and Foreign Commerce for early and favorable action on the legislation so that the full House can voice its feelings on this vital matter. I have pointed out to the committee chairman, my distinguished colleague, the gentleman from Arkansas, OREN HARRIS, that the question of jurisdiction applies particularly to clarifying the authority over noise generated by planes taking off and landing. Neither the FAA nor the port authority can clearly define its own responsibility in this regard, and under present rules, the FAA has no control whatsoever over noise emanating from warmups.

It is time they came down to earth, Mr. Speaker. Only action by Congress on this legislation to give the FAA unlimited authority over the control of all aircraft noise can bring about the kind of enforcement needed to bring relief from this problem.

We have listened long enough to the excuse that there is no jurisdiction. Meanwhile the volume of noise at La Guardia and Idlewild continues to mount. The same is true, I am sure, at other major airports throughout the Nation.

The time has come, Mr. Speaker, to clear the air once and for all by approving laws that will leave no question of responsibility for bringing relief to the countless residents affected by the raucous din.

Relief only can be obtained by giving full authority to the FAA over noise abatement at all levels and by stringent rules, tough penalties, and strict enforcement.

I want to point out that my legislation would not preclude local rules and regulations from being promulgated and enforced by the New York Port Authority. The port authority has a direct responsibility, too. It should leave no stones unturned in the development of its own noise abatement programs, requirements, penalties, and enforcement procedures.

My legislation, Mr. Speaker, would also provide a penalty of $1,500 for violation of FAA noise control regulations and would authorize suspension of flying permits after repetition of the violation. Criminal penalties are also included for violations of various safety rules which would also include noise.

In conclusion, Mr. Speaker, this legislation would not only give the FAA the punch it now says it lacks but would promote adherence to FAA antinoise rules by establishing stiff penalties for violators.

The time for talk is past. We will settle for nothing less than peace and quiet at Idlewild and La Guardia Airports.

## RABBI MORRIS M. HERSHMAN

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, as a clergyman and Member of Congress I am most pleased to concur with views of Rabbi Morris M. Hershman of the Joliet, Ill., Jewish congregation, as stated in an address June 15 before the Wisconsin Chamber of Commerce executives in Janesville, Wis. As reported in the Janesville Daily Gazette, Rabbi Hershman said:

> Better communities will come only when citizens will arise to their responsibilities. If any community has lost the individual initiative, then that community is in trouble.

He added that one of the most meaningful slogans he has ever read was one on a city hall building in a southern city which says:

> Cities Are What Men Make Them.

He continued:

> What the result is depends upon the fiber, strength, and vibrancy of the community.

Deploring the tendency of some people to run to Washington every time they want something, Rabbi Hershman said that if America is disgraced it will not be because of Russia—

> but because we have been led astray by this idea of getting something for nothing.

The Gazette account then went on to say that at the conclusion of his talk, the audience gave Rabbi Hershman a standing ovation. Had I been there I would have been among the first to arise and applaud such a message and the distinguished rabbi who delivered it.

## AMENDMENTS TO THE EXPORT CONTROL ACT

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, legislation will shortly come before the House to extend the Export Control Act of 1949, which will expire on June 30, 1962 if not renewed. A bill for this purpose, H.R. 11309, was recently reported by the Banking and Currency Committee. As reported, the bill would merely extend the Export Control Act for 3 years, until June 30, 1965, but would make no substantive changes to the act.

As a member of the Select Committee on Export Control, which has conducted a study of the administration, operation, and enforcement of the Export Control Act, it is my firm belief that it is imperative that the act be strengthened to require greater consideration of the economic aspects of proposed exports to the Communist bloc and the significance of economic factors to the struggle between communism and the free world.

Economic warfare by the Communist bloc constitutes a serious threat to our security and welfare and I believe it is essential that we recognize the need to use our economic strength in every way reasonably possible in protecting our freedom.

I therefore intend to offer amendments to the bill extending the Export Control Act when this bill comes before the House and take this means to advise the House of these amendments and what is proposed.

The first section would amend section 1 of the act which contains congressional findings. Section 1(b) provides:

> The unrestricted export of materials without regard to their potential military significance may affect the national security.

That section would be amended to provide that the economic, as well as the military, significance of exports would be specifically required to be taken into consideration.

The second amendment, a clarifying amendment, would provide that the words "of the United States" would be added to section 2(c) of the act, with reference to the policy of the United States to control exports, which reads "to exercise the necessary vigilance over exports from the standpoint of their significance to the national security."

Section 3 of the Export Control Act grants authority to the President to prohibit exports of goods, materials, technical data, and so forth from the United States under rules and regulations as may be prescribed.

The amendment to this section would provide that the rules and regulations adopted shall provide that applications for export to any nation threatening the security of the United States, including the U.S.S.R. and all countries under its domination, be denied unless the President shall determine that such exports do not significantly contribute to the military or economic potential of such nation or nations which could prove detrimental to the security and welfare of the United States.

The next amendment would change the penalty for violations of the act from a misdemeanor to a felony by providing for a 2-year instead of a 1-year term of imprisonment.

I firmly believe it is absolutely necessary to strengthen the Export Control Act to take greater cognizance of economic factors involved in connection with proposals to ship goods and materials to the Communist bloc and I am therefore bringing these amendments to the attention of the House at this time for the information of the membership.

The amendments are as follows:

> On page 1, after line 7, insert the following:
>
> "SEC. 2. Subsection (b) of the first section of the Export Control Act of 1949 is amended to read as follows:
>
> "'(b) The unrestricted export of materials without regard to their potential military and economic significance may adversely affect the national security of the United States.'
>
> "SEC. 3. Section 2 of such Act is amended by inserting 'of the United States' immediately before the period at the end thereof.
>
> "SEC. 4. Subsection (a) of section 3 of such Act is amended by adding at the end thereof the following: 'Such rules and regulations shall provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data, from the United States, its territories and possessions, to any nation or combination of nations threatening the national security of the United States, including but not limited to the Union of Soviet Socialist Republics and all countries under its domination, unless the President shall determine that such export does not significantly contribute to the military or economic potential of such nation or nations, which could prove detrimental to the national security and welfare of the United States.'
>
> "SEC. 5. Section 5 of such Act is amended by striking out 'one year' and inserting in lieu thereof 'two years.'

## HIGHLY PLACED ADMINISTRATION SOURCES SAY NATIONAL CULTURAL CENTER SITE MAY BE CHANGED TO MAKE IT MORE ACCESSIBLE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WIDNALL. Mr. Speaker, the Washington (D.C.) Post reported on June 17, 1962, that highly placed administration sources say the odds-on chances are that the expressway-girdled riverside site proposed for the National Cultural Center will be dropped in favor of a more accessible location in the center of the Nation's Capital.

Advocates of the downtown location for the National Cultural Center point out that:

The Cultural Center would serve as a major stimulus for the action plan of downtown progress to revitalize Washington's blighted commercial district, and make it easier for people to attend its cultural events.

It would be within walking distance of restaurants, shops, and major public transportation facilities rather than in an isolated enclave separated by lanes of freeway from the rest of town. Bounding the present site are the Potomac River, west leg of the Inner Loop Freeway, and the approach lanes to Theodore Roosevelt Bridge.

Washingtonians might be encouraged to dig deeper into their own pockets if the National Cultural Center were centrally located. This in itself would justify relocating the Cultural Center.

The Washington, D.C., Building Congress opposes the riverside location for the National Cultural Center on the grounds that it would leave this great cultural facility in splendid isolation—as it obviously would.

I have introduced two bills which would aid in placing the National Cultural Center in a more accessible and central location. It is my hope that hearings will be held on them before long by the Committee on Public Works, the committee to which they were referred.

I include the article from the Washington (D.C.) Post, the text of my H.R. 11163, and H.R. 11180, and my press statement.

[From the Washington (D.C.) Post, June 17, 1962]

### CULTURAL CENTER SHIFT TO DOWNTOWN FROM POTOMAC SUGGESTED

(By Laurence Stern)

Pressure is quietly building up for a shift in the National Cultural Center site from the banks of the Potomac to downtown Washington.

Proponents of the shift aren't making any public noise because they don't want to imperil the $30 million national fund drive for the Center.

Downbeat for the money-raising campaign will be November 15 with a massive closed-circuit television appeal coupled with $100-a-plate, tax-deductable dinners in some 125 American cities.

New York developer Roger L. Stevens who leads the Center fund drive, yesterday branded talk of a shift in location as completely unfounded.

"President and Mrs. Kennedy are very enthusiastic about the site," he added. Congress donated it.

#### MORE ACCESSIBLE SPOT

Nevertheless highly placed administration sources say the odds-on chances are that the expressway-girdled riverside site just north of Theodore Roosevelt Bridge will be dropped in favor of a more accessible spot in the center of town.

Advocates of the downtown site make these points:

The Cultural Center would introduce more lights, excitement, and cultural glitter into the night life of the central city.

It would serve as a major stimulus for the action plan of Downtown Progress to revitalize Washington's blighted commercial district.

It would be within walking distance of restaurants, shops, and major public transportation facilities rather than in an isolated enclave separated by lanes of freeway from the rest of town. Bounding the present site are the Potomac River, west leg of the Inner Loop Freeway and approach lanes to Theodore Roosevelt Bridge.

Washingtonians might be encouraged to dig deeper into their pockets for a more central Center. As it is, local donors are expected to chip in at least a quarter of the $30 million price tag.

### IMPRESSIVE GATEWAY

Planners of the present site conceived of it as an impressive gateway setting for the Cultural Center.

The original design by Architect Edward Durrell Stone envisioned one vast structure housing a concert hall, two theaters, a recital hall, a grand salon for inaugural balls, a restaurant, and rehearsal halls.

Under Stevens' chairmanship the scale was reduced from the original $75 million spending goal to the present $30 million target. The design has been altered severely, with separate buildings now planned for an opera house, symphony hall, and drama theater.

Cultural Center sponsors are still negotiating for land to fill out the riverside site. But the major portion of the $12 million tract was donated by Congress.

Even if the Center were shifted downtown, one Washington official observed, the now-committed riverside acreage would be "worth its weight in gold" to the Federal Government.

### DOWNTOWN PROCEDURE

A new site downtown could be provided outright by Congress or through urban renewal. In the latter course District taxpayers would pay a third of the site cost, although this would presumably be offset by increased property values in a redeveloped downtown.

Legislation to pave the way for urban renewal in Washington's downtown commercial district is pending in Congress.

So far the only public endorsement of a downtown site has come from the Washington Building Congress which charged that the present location would leave the Center in "splendid isolation" and tend to "decentralize the night life of the city."

Instead the building congress suggested as a possible location Franklin Park, bounded by 13th, 14th, I, and K Streets NW. Downtown Progress regards Franklin Park as a site with great possibilities in redevelopment of the central city.

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### H.R. 11163

A bill to amend the National Cultural Center Act in order to extend for five additional years the period during which funds for the construction of the National Cultural Center may be obtained, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 7(a) of the National Cultural Center Act (72 Stat. 1700) is amended by striking out "five years" and inserting in lieu thereof "ten years".

SEC. 2. The following members, ex officio, of the Board of Trustees of the National Cultural Center: the Secretary of Health, Education, and Welfare; the Commissioner of Education; the Director of the National Park Service; the President of the Board of Commissioners of the District of Columbia; and the Chairman of the District of Columbia Recreation Board shall forthwith undertake studies to determine the best possible ways to implement and strengthen section 4(3) of the National Cultural Center Act and shall report to the President and the Congress on the results of such studies on or before January 30, 1963.

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### H.R. 11180

A bill to provide that the National Capital Planning Commission shall undertake a study to determine the best possible location for the National Cultural Center

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the National Capital Planning Commission shall forthwith undertake a study to determine the best possible location in the District of Columbia for the National Cultural Center which is to be established pursuant to the provisions of Public Law 85–874. Such study shall include consideration of such places, among others, as the Carter Barron Amphitheater (a gift of the people of this Nation for the purpose of advancing the cultural growth and development of the Nation's Capital), as well as such facilities as the Capital, Keith's, Warner's, and Belasco Theaters. In the course of such study the Commission shall consult with the Washington Board of Trade, the Committee of One Hundred on the Federal City, the Washington Building Congress, the American Society of Landscape Architects, the Commission of Fine Arts, the National Symphony Orchestra, and other organizations in the District of Columbia concerned with the location of the National Cultural Center. The Commission shall report to the President and the Congress on the results of its study on or before January 30, 1963.

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### PRESS STATEMENT FROM THE OFFICE OF REPRESENTATIVE WILLIAM B. WIDNALL, REPUBLICAN, OF NEW JERSEY, APRIL 12, 1962

The National Cultural Center would commence operations immediately in a number of theaters in the Nation's Capital, as well as in the famous Carter Barron Amphitheater, under the terms of two bills, H.R. 11163 and H.R. 11180, introduced this week by Congressman WILLIAM B. WIDNALL, Republican, of New Jersey. The National Capital Planning Commission would be authorized to make an immediate study of possible sites including the Capital, Keith's, Warner's, and Belasco Theaters and the Carter Barron Amphitheater.

The 1958 act authorizing the National Cultural Center states that the Center's board of trustees shall: (1) present classical and contemporary music, opera, drama, dance, and poetry from this and other countries, (2) present lectures and other programs, (3) develop programs for children and youth and the elderly (and for other age groups as well) in such performing arts designed specifically for their participation, education, and recreation, and (4) provide facilities for other civic activities.

Congressman WIDNALL pointed out that these cultural activities had been held up pending the raising of funds of as much as $75 million to construct buildings. He said, however, that the Board of Trustees has a responsibility to undertake an immediate and far-reaching cultural program in such facilities as the Nation's Capital already has, and this was especially important in view of the fact that many publications in the United States had called Washington a hick town and a cultural backwater.

Congressman WIDNALL said: "President Eisenhower's cultural presentations program was begun in 1954 with a small appropriation of $2,500,000 and has 8 years of invaluable experience in presenting our Nation's most distinguished artists and music, drama, and dance, and theater groups to foreign nations to counter the Soviet cultural thrust. The vital programs authorized by the National Cultural Center Act have been held up unnecessarily by the emphasis on buildings and 4 valuable years have been lost already. Meanwhile there are perfectly good theaters in Washington which are being torn down or converted to office space while this vital program languishes. In fact, President Kennedy is even now moving to destroy the Belasco Theater. Yet during his last year in the Senate he joined seven Democratic Senators in asking President Eisenhower to save this fine theater for the city of Washington and the people of this Nation."

Congressman WIDNALL said he hoped that his two bills would "stimulate some action immediately on the cultural front in Washington. One bill, H.R. 11163, gives the National Cultural Center 5 more years in which to become fully established. A study of how best to implement the Center's programs is also authorized by this measure.

Congressman WIDNALL said his bills would, if adopted, give positive aid to local cultural groups. He said this was needed because "We have to do a great deal more in the Nation's Capital than to provide standing-room-only audiences for Soviet artists and dance groups. We must move decisively to meet the cultural competition of the Soviet Union now, not 10 years from now. The best way to do this is to demonstrate in a public way our interest in the fine arts which, as President Eisenhower told the Congress in 1955, 'make our civilization endure and flourish.' "

Congressman WIDNALL said today that:

"The Board of Trustees of the National Cultural Center must begin at once to exercise its pitching arm and get some spring and summer training in producing and presenting cultural programs. If this doesn't take place soon their pitching arm may wither away from lack of use. There is a notable lack of muscle on the arm now.

"The whole cultural program in the Nation's Capital could be beefed up by using on a temporary or permanent basis the Carter Barron Amphitheater as well as the Capital, Keith's, Warner's, and Belasco Theaters.

"Secretary Udall is already producing cultural programs for a small and very select 'black tie' group at the State Department's new auditorium. All that is needed, to effectuate at least part of the program of the National Cultural Center, is to make these programs open to everyone at the Carter Barron Amphitheater. One of Secretary Udall's principal subordinates, the Director of the National Park Service, was placed on the Board of Trustees of the National Cultural Center by the Congress for this very purpose.

"I hope President Kennedy will strongly support my two bills, and that they will become law before this Congress adjourns."

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## THE B-52H GLOBAL BOMBER—A PROVEN DETERRENT

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. SHRIVER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SHRIVER. Mr. Speaker, tomorrow morning in Wichita, Kans., the last Air Force B-52H global ballistic missile launcher on order for the Strategic Air Command will be rolled from final assembly at the Boeing Co.'s Military Aircraft Systems Division.

While there will be no ceremony attending this important event at the Boeing plant in Wichita, I believe it is an appropriate time to remind the Congress of the valuable role which the B-52H bomber has played and will continue to fill in our Nation's defense.

While we are expending increasing amounts of our defense budget for missiles, the B-52 global jet bomber remains today the principal arm of a strong U.S. counterstriking force. It is the only operational, very long-range, jet bomber in the arsenal of the Strategic Air Command.

Although the B-52 has not been used in combat, I believe that we can truthfully state that it has served well as a proven deterrent to war.

Mr. Speaker, we must also pay tribute today to capable Boeing management and the magnificent working force which have been responsible for the production of this vital weapons system of SAC. It is essential, too, that our Nation continue to avail itself of the skills which are possessed by the Boeing team in Wichita.

I can personally attest to the abilities of the Boeing production team in Wichita to get a job done for our country. Wichita aircraft workers have produced the B-17, the B-29, the B-47. They are now putting the finishing touches on the last B-52H jet bomber.

Although the administration has decided to end the production effort, the B-52 fleet will continue to serve as a frontline defense system for many years to come. Air Force officials have indicated that the B-52 fleet will be constantly improved to meet continuing changes in future defense requirements.

The recent launching of a Skybolt ballistic missile from a B-52H demonstrated its added capabilities in this age of missiles.

Mr. Speaker, last fall as the Congress took its positive action to provide additional funds for continued production of the B-52, the Secretary of Defense indicated that such funds would not be used by the Department of the Air Force. However, we were told that a decision would be made at a later date whether or not to reopen the production line in 1964, to increase our inventory of B-52 bombers during the years 1965 through 1970.

It would be appropriate for such an evaluation by the Defense Department to be made now as the final B-52H is readied for September delivery to the Strategic Air Command.

## AMERICA'S NO. 1 NATIONAL CEMETERY

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. McVey] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McVEY. Mr. Speaker, if I were to ask the Members of this body to name America's No. 1 national cemetery, I suspect that with the exception of the Kansas delegation, everyone would answer, "Why, Arlington Cemetery." But this is not true, and I want to set the record straight. Arlington Cemetery is U.S. Cemetery No. 2, having been established in 1864, 2 years after Fort Scott National Cemetery, which was established in 1862, and designated as U.S. National Cemetery No. 1.

Fort Scott, Kans., where National Cemetery No. 1 is located, played a significant part in the development of our beloved country. It was founded on April 9, 1842, as the result of a commission appointed by Gen. Zachary Taylor, to take the place of Fort Wayne, which was no longer needed because peace had been made with the Cherokee Indians in that vicinity. Hostile Indians, however, were then living in the area of Fort Scott, and the troops stationed there kept a close checkrein on the surrounding Indian tribes, particularly the Osage, thus allowing our frontier to advance westward. The troops also patrolled the border in an attempt to control the illegal liquor traffic between the Indians and the settlements; made expeditions to Indian encampments when uprisings threatened the lives of the settlers, or when intertribal disputes needed peaceable negotiations.

In 1843, Fort Scott dragoons escorted and afforded protection to a trade caravan during their dangerous journey westward to Santa Fe. During the Civil War, from 1863 to 1865, Fort Scott was used as a military supply depot for Union forces.

I am justly proud of the unique contribution which Fort Scott, Kans., has made to the building of our Nation; and I sincerely feel that it is fitting that a Fort Scott commemorative stamp be issued in honor of the centennial observance of America's No. 1 national cemetery, where lie the remains of American servicemen who have died for their country.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Stubblefield (at the request of Mr. Burke of Kentucky) until July 1 on account of illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Bell (at the request of Mr. Derwinski), for 20 minutes, today.

Mr. Halpern (at the request of Mr. Derwinski), for 10 minutes, today.

Mr. Shelley (at the request of Mr. Albert), for 15 minutes, today, to revise and extend his remarks and to include extraneous matter.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Diggs.

Mr. Jones of Missouri to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. Stratton to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. Brademas.

(The following Members (at the request of Mr. Derwinski) and to include extraneous matter:)

Mr. Broomfield.

Mr. Fino.

Mr. Rousselot to extend his remarks made in Committee of the Whole and include extraneous matter.

(The following Members (at the request of Mr. Hagan of Georgia) and to include extraneous matter:)

Mr. Bailey.

Mr. Anfuso.

Mr. Patman.

Mr. Macdonald.

Mr. Blatnik.

## SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1745. An act to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia.

## BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 20, 1962, present to the President, for his approval, a bill of the House of the following title:

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes.

## ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Friday, June 22, 1962, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2211. A letter from the Director, Administrative Office, U.S. Courts, relative to deficiencies that will in all probability be incurred in the near future in the appropriations for the judiciary for the fiscal year 1962; to the Committee on Appropriations.

2212. A letter from the Director, Administrative Office, U.S. Courts, relative to reporting that the emergency court of appeals created by the Emergency Price Control Act of 1942 has heard and decided its last case and the decision of the court has become final upon the denial of certiorari by the Supreme Court on March 19, 1962, pursuant to 50 App. U.S.C. 924; to the Committee on Banking and Currency.

2213. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2214. A letter from the Assistant Secretary of the Interior, relative to concession contract No. 14–10–0100–637 under which the Mesa Verde Co., Inc., is authorized to provide facilities and services for the public in Mesa Verde National Park, Colo., pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

2215. A letter from the Chairman, U.S. Civil Service Commission, transmitting the 41st Annual Report of the Board of Actuaries of the Civil Service Retirement System for the fiscal year ended June 30, 1961, pursuant to section 16 of the Civil Service Retirement Act (H. Doc. No. 445); to the Committee on Post Office and Civil Service and ordered to be printed.

2216. A letter from the Comptroller General of the United States, transmitting a report on the review of selected aspects of awards of Federal supply schedule contracts for the rental of electronic automatic data processing (ADP) equipment by the Federal Supply Service of the General Services Administration (GSA) and the administration of the contracts by selected Federal agencies using the rented equipment; to the Committee on Government Operations.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 663. Resolution to provide additional funds for the Committee on the Judiciary; without amendment (Rept. No. 1861). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 694. Resolution authorizing the transfer of certain funds within the contingent fund of the House of Representatives; without amendment (Rept. No. 1862). Ordered to be printed.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. S. 2164. An act to authorize the Secretary of the Interior to cooperate with the First World Conference on National Parks, and for other purposes; with amendment (Rept. No. 1863). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 11654. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; without amendment (Rept. No. 1864). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOULDER: Committee on Interstate and Foreign Commerce. H.R. 4749. A bill to amend the Communications Act of 1934, with respect to the hours of operation of certain broadcasting stations; with amendment (Rept. No. 1870). Referred to the House Calendar.

Mr. HOLIFIELD: Joint Committee on Atomic Energy. H.R. 11974. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; with amendment (Rept. No. 1871). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6219. A bill to permit the vessel *Bar-Ho IV* to be used in the coastwise trade; without amendment (Rept. No. 1875), Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6456. A bill to permit the tugs *John Roen, Jr.*, and *Steve W.* to be documented for use in the coastwise trade; with amendment (Rept. No. 1876). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 7741. A bill to permit the vessel *Lucky Linda* to be documented for limited use in the coastwise trade; without amendment (Rept. No. 1877). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 8168. A bill to admit the oil screw tugs *Barbara, Ivalee, Lydia,* and *Alice* and the barges *Florida, DB–8, No. 220,* and *No. 235* to American registry and to permit their use in the coastwise trade while they are owned by Standard Dredging Corp., a New Jersey corporation; with amendment (Rept. No. 1878). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 10022. A bill to amend section 510(a)(1), Merchant Marine Act, 1936; without amendment (Rept. No. 1879). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2107. An act to amend title 14, United States Code, entitled "Coast Guard", to extend the application of certain laws relating to the military services to the Coast Guard for purposes of uniformity; without amendment (Rept. No. 1880). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee of conference. S. 167. An act to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes (Rept. No. 1884). Ordered to be printed.

Mr. COLMER: Committee on Rules. House Resolution 698. Resolution for consideration of S. 1658, an act to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; without amendment (Rept. No. 1885). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 699. Resolution for consideration of H.R. 10541, a bill to assist States and communities to carry out intensive vaccination programs designed to protect their populations, especially all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus, and against other diseases which may in the future become susceptible of practical elimination as a public health problem through such programs; without amendment (Rept. No. 1886). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 700. Resolution for consideration of H.R. 11244, a bill to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co., in order to give certain additional authority to such company; without amendment (Rept. No. 1887). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 701. Resolution for consideration of H.R. 11643, a bill to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates; without amendment (Rept. No. 1888). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 702. Resolution for consideration of H.R. 11670, a bill to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes; without amendment (Rept. No. 1889). Referred to the House Calendar.

Mr. ELLIOTT: Committee on Rules. House Resolution 703. Resolution for consideration of H.R. 12037, a bill to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessels loans now in existence; without amendment (Rept. No. 1890). Referred to the House Calendar.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 1074. An act for the relief of Chao Yao Koh; with amendment (Rept. No. 1865). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1526. An act for the relief of Joey Kim Purdy; without amendment (Rept. No. 1866). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2309. An act for the relief of Tio Sien Tjiong; without amendment (Rept. No. 1867). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2586. An act for the relief of Alexandra Callas; without amendment (Rept. No. 1868). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2736. An act for the relief of Arie Abramovich; with amendment (Rept. No. 1869). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 7638. A bill for the relief of Kim Hyung In Comstock; without amendment (Rept. No. 1872). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 8730. A bill for the relief of Sister Mary Alphonsa (Elena Bruno) and Sister Mary Attilia (Filipa Todaro); without amendment (Rept. No. 1873). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 9915. A bill for the relief of Umberto Brezza; without amendment (Rept. No. 1874). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 1388. A bill for the relief of Tai Ja Lim and Tai Chung Lim; with amendment (Rept. No. 1881). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 2139. A bill for the relief of Suraj Din; without amendment (Rept. No. 1882). Refered to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 5238. A bill for the relief of Horace Ambroise Didot; with amendment (Rept. No. 1883). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRIEDEL:

H.R. 12240. A bill to amend the act of January 12, 1895, so as to include the Postmaster of the House of Representatives for the purpose of determining the number of certain documents which shall be apportioned to the House of Representatives; to the Committee on House Administration.

By Mr. HARDY:

H.R. 12241. A bill to amend section 2306 of title 10, United States Code, to provide that late proposals shall not be considered in negotiating contracts after the prime contractor has obtained subcontractors to perform work or furnish supplies needed for the performance of the contract; to the Committee on Armed Services.

By Mr. HERLONG:

H.R. 12242. A bill to provide for the tariff classification of certain particle board; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 12243. A bill to prohibit the sending as franked mail of solicitations for the transfer from one State to another State of business enterprises and operations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H.R. 12244. A bill to strengthen the competitive enterprise system by assisting qualified small business concerns to obtain leases of commercial and industrial property, where stringent credit requirements tend to exclude such concerns, by authorizing the Small Business Administration to guarantee, directly or in cooperation with others, the payment of rentals under such leases; to the Committee on Banking and Currency.

By Mr. TEAGUE of California:

H.R. 12245. A bill to amend section 503 of title 38, United States Code, to provide that payments under the Uniformed Services Contingency Option Act shall not be considered as income for the purposes of payment of pension under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. WALTER:

H.R. 12246. A bill to authorize establishment of the Tock's Island National Recreation Area in the States of Pennsylvania and New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.R. 12247. A bill to establish a President's Advisory Council on Education; to the Committee on Education and Labor.

H.R. 12248. A bill to provide for holding a White House Conference on Mental Health to be called by the President of the United States, to be planned and conducted by the Secretary of Health, Education, and Welfare with the assistance and cooperation of other departments and agencies represented on the Federal Council on Mental Health; to assist the several States in conducting similar conferences on mental health prior to the White House Conference on Mental Health, and for related purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.R. 12249. A bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MACDONALD:

H.R. 12250. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

By Mr. KEARNS:

H.R. 12251. A bill to make the Committee on Education, established by the act of July 26, 1954, advisory to the President and available to the States for consultation on means of improving the quality of education; to the Committee on Education and Labor.

By Mr. McVEY:

H.R. 12252. A bill to provide for the issuance of a special postage stamp to commemorate the centennial observance of the establishment of U.S. National Cemetery No. 1 in Fort Scott, Kans., as authorized by the Congress; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 12253. A bill to amend the Small Business Act to make it clear that disaster loans in cases of flood or other catastrophe may be made with respect to property of any type (including summer homes as well as other residential property); to the Committee on Banking and Currency.

H.R. 12254. A bill to require the Administrator of the Federal Aviation Agency to issue rules and regulations to minimize or eliminate aircraft noise nuisance and hazards to persons or property on the ground; to the Committee on Interstate and Foreign Commerce.

By Mr. SANTANGELO:

H.R. 12255. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers' excise tax certain automobiles furnished without charge to schools for use in driver training programs; to the Committee on Ways and Means.

By Mr. WHITENER (by request):

H.R. 12256. A bill to amend the Code of Laws of the District of Columbia so as to provide for the creation of horizontal property regimes, regulations therefor, and for other purposes; to the Committee on the District of Columbia.

By Mr. CEDERBERG:

H.R. 12257. A bill to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OSTERTAG:

H. Res. 697. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BASS of New Hampshire:

H.R. 12258. A bill for the relief of Richard A. Gagne; to the Committee on the Judiciary.

By Mr. BREWSTER:

H.R. 12259. A bill for the relief of Wong Shing Chong; to the Committee on the Judiciary.

By Mr. JAMES C. DAVIS:

H.R. 12260. A bill for the relief of Dr. and Mrs. Charles Edward Cunningham; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 12261. A bill for the relief of Dr. Angelos A. Kambouris; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H.R. 12262. A bill for the relief of Paolo Lia; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 12263. A bill for the relief of Nick Masonich; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 12264. A bill for the relief of Estefania Racheva de Mussevits (nee Stefana Domusstchieva); to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

366. The SPEAKER presented a petition of Jovencio Azul, secretary of Municipal Board, Legazpi, Philippines, relative to protesting the vote by the U.S. House of Representatives that put down the Philippines war damages bill, and to state that their act is helping to bring discontent and hostility against the U.S. Government and thereby plant the seed of communism in the Philippines, which was referred to the Committee on Foreign Affairs.

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# EXTENSIONS OF REMARKS

## Russian Fishing Industry

EXTENSION OF REMARKS
OF
HON. TORBERT H. MACDONALD
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
*Thursday, June 21, 1962*

Mr. MACDONALD. Mr. Speaker, I would like to bring to the attention of my colleagues a statement recently made by the Soviet Council of Ministers instituting a series of measures to increase total Russian fish catch and processing. The Council of Ministers and the Communist Party Central Committee have ordered fish catch increased from 3.6 to 5 million tons by 1965. While the Russian fishing industry has grown tremendously and is still growing, the U.S. fishing industry has declined steadily. Within the last few years the United States has dropped from second place in the world fish production to fifth place, with Japan, Russia, Red China, and Peru producing more than our country.

It took a sputnik to alarm Americans into taking action on our scientific and technological programs. What is more alarming than the sight of Russian fishing vessels who are operating as close as 15 miles from Cape Cod, on Georges Bank? These vessels have come earlier and in larger numbers this year. Latest reports state that there are presently from 150 to 180 Russian fishing vessels off Georges Bank. The Russians want to penetrate our fishing waters for two reasons: First, they want to defeat us through economic competition. This is, of course, a part of their cold war strategy; and, second, they want to use their fishing vessels for soundings for their large submarine fleet. I realize that there are no legal means to prevent the Russians from prowling in fishing waters outside our own 3-mile coastal jurisdiction. But we must remember that under no conditions can we afford to allow the Soviet Union to outdistance us in the number and quality of our fishing vessels.

Fishing, the oldest industry in the United States, is now threatened with extinction. This great industry must be revived before it is completely inundated by Russian economic penetration. By reviving this industry they, in turn, will make an important and material contribution to our food supply and our national defense and well-being of our citizens.

## Public Works Employment

EXTENSION OF REMARKS
OF
### HON. JOHN A. BLATNIK
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
*Thursday, June 21, 1962*

Mr. BLATNIK. Mr. Speaker, the Committee on Public Works has reported out H.R. 10113, a bill designed to give a prompt boost to the economy by accelerating public works employment. This bill contains no back-door financing or standby provisions. It authorizes the appropriation of up to $900 million to meet our present urgent problem of unemployment, particularly in those areas where the need is greatest.

No one can be complacent about the fact that we still have some 4 million men and women out of work. The record of the past 5 years, during which unemployment has constantly exceeded 5 percent of the labor force, is a clear warning that we need to take vigorous action now to restore full employment. At the same time, the assistance provided by this bill will add to our national wealth through the creation of a wide range of necessary community facilities.

Unemployment is costly to our country in terms of human suffering, lost production which we can ill afford in the present circumstances of international crises, and in the cold dollars-and-cents costs of increased Government outlays and reduced revenues. This year the Federal Government will pay out more than $4 billion in unemployment compensation to provide a bare subsistence living for the jobless. We would all be far better off if these men and women could be provided with the productive, useful jobs which they so earnestly want.

Mr. Speaker, we are all familiar with the uneven rate of economic recovery in recent months. While the Nation is far better off than it was at this time a year ago, we are still nowhere near full employment or full capacity output. The recent sharp setback in the stock market, the failure of private plant and equipment spending to reach hoped-for levels, and the continued high level of unemployment emphasizes the need for the direct action which this bill provides. The one thing our country cannot afford is another recession. The greatest peacetime deficit in our history—$12 billion—came about as a result of the 1958 recession.

H.R. 10113 authorizes the appropriation of $900 million to accelerate employment on Federal, State, and local public works. To be eligible, Federal works must have been specifically authorized by the Congress. State and local projects, which would be aided by 50 percent grants under the bill, are limited to those necessary community facilities for which Federal aid is already authorized under other law. For example, sewer and water works, streets, public buildings, and the like could be aided. Schools, however, are not eligible. Assistance is limited to public works which will meet an essential public need, which can be started promptly and on which the bulk of the work can be done in 12 months, and which will produce a net addition to employment. I urge all my colleagues to read the committee report—House Report No. 1756—which explains the bill more fully and sets forth the urgent need for prompt action.

To direct the aid to areas of greatest need, projects must be located in the 148 industrial redevelopment areas eligible for assistance under section 5(a) of the Area Redevelopment Act, the 734 rural areas—and 50 Indian reservations—eligible under section 5(b) of that act, or the 132 labor market areas which have suffered from substantial unemployment for most of the past year.

The following list shows the places currently eligible under the bill:

AREAS ELIGIBLE FOR IMMEDIATE PUBLIC WORKS ASSISTANCE UNDER THE PROVISIONS OF H.R. 10113, AS REPORTED—PUBLIC WORKS ACCELERATION ACT

TABLE I.—SEC. 5(A) REDEVELOPMENT AREAS

*States and areas*

Alabama: Gadsden, Jasper.

Alaska: Anchorage.

Arkansas: Camden.

California: Modesto, Ukiah.

Connecticut: Ansonia, Bristol, Danielson.

Georgia: Carrollton, Cedartown-Rockmart.

Illinois: Cairo-Metropolis, Centralia, Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Vernon.

Indiana: Evansville, New Castle.

Kansas: Pittsburg.

Kentucky: Corbin, Danville, Elizabethtown, Hazard, Hopkinsville, Madisonville, Middlesboro-Harlan, Morehead-Grayson Paducah, Paintsville-Prestonsburg, Pikeville-Williamson, Richmond.

Louisiana: Hammond, Opelousas.

Maine: Biddeford-Sanford.

Maryland: Cambridge, Cumberland, Hagerstown.

Massachusetts: Fall River, Lowell, New Bedford, Newburyport, North Adams.

Michigan: Adrian, Bay City, Detroit, Escanaba, Marquette, Monroe, Port Huron, Traverse City.

Minnesota: Brainerd-Grand Rapids, Duluth-Superior, Hibbing-Virginia.

Missouri: Flat River, Washington.

Montana: Butte, Kalispell.

New Jersey: Atlantic City, Bridgeton, Lakewood-Toms River, Long Branch, Ocean City-Wildwood-Cape May, Paterson-Passaic.

New York: Amsterdam, Auburn, Gloversville, Jamestown-Dunkirk, Ogdensburg-Massena-Malone, Oneonta, Plattsburgh, Schenectady, Watertown.

North Carolina: Fayetteville, Henderson-Oxford, Kinston, Lumberton, Rockingham-Hamlet, Wilson.

Ohio: Athens-Logan-Nelsonville, Batavia-Georgetown-West Union, Cambridge, Kent-Ravenna, Portsmouth-Chillicothe.

Oklahoma: McAlester, Muskogee, Okmulgee-Henryetta.

Pennsylvania: Altoona, Berwick-Bloomsburg, Butler, Clearfield-Du Bois, Erie, Indiana, Johnstown, Kittanning-Ford City, Lewistown, Meadville, New Castle, Pittsburgh, Pottsville-Lehighton, St. Marys, Sayre-Athens-Towanda, Scranton, Sharon-Farrell, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Wilkes-Barre-Hazleton.

Puerto Rico (Commonwealth of): Aguadilla, Arecibo, Caguas, Carolina, Guayama, Manati, Mayaguez, Ponce, San Juan, Yauco.

Rhode Island: Providence-Pawtucket.

South Carolina: Conway.

Tennessee: Greenville, La Follette-Jellico-Tazewell, Harriman-Rockwood.

Texas: Laredo.

Virginia: Big Stone Gap-Appalachia.

Washington: Aberdeen, Anacortes, Centralia, Wenatchee, Yakima.

West Virginia: Beckley, Bluefield, Charleston, Clarksburg, Fairmont, Huntington-Ashland, Logan, Morgantown, New Martinsville, Oak Hill-Montgomery, Parkersburg, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch, Wheeling.

Wisconsin: La Crosse.

Source: U.S. Department of Commerce, Area Redevelopment Administration.

TABLE II.—SEC. 5(B) REDEVELOPMENT AREAS (EXCLUDING INDIAN RESERVATION AREAS)

*States and county names*

Alabama: Autauga, Barbour, Bibb, Blount, Bullock, Butler, Cherokee, Chilton, Choctaw, Clarke, Conecuh, Coosa, Crenshaw, Cullman, Dallas, De Kalb, Elmore, Fayette, Greene, Hale, Jackson, Lamar, Limestone, Lowndes, Macon, Marengo, Marshall, Marion, Perry, Pickens, Russell, St. Clair, Shelby, Sumter, Washington, Wilcox, Winston.

Alaska: Aleutian Islands: Election district No. 14, Barrow: Election district No. 21, Bethel: Election district No. 16, Bristol Bay: Election district No. 15, Cordova-McCarthy: Election district No. 7, Fairbanks: Election district No. 19, Kenai-Cook Inlet: Election district No. 12, Ketchikan: Election district No. 2, Kobuk: Election district No. 22, Kodiak: Election district No. 13, Kuskokwim: Election district No. 17, Lynn Canal-Icy Straits: Election district No. 6, Nome: Election district No. 23, Palmer-Wasilla-Talkeetna: Election District No. 9, Prince of Wales: Election district No. 1, Seward: Election district No. 11, Upper Yukon: Election district No. 20, Valdez-Chitina-Whittier: Election district No. 8, Wade Hampton: Election district No. 24, Wrangell-Petersburg: Election district No. 3, Yukon-Koyukuk: Election district No. 18.

Arizona: Apache, Mohave, Navajo.

American Samoa (Territory of): American Samoa.

Arkansas: Ashley, Baxter, Chicot, Cleburne, Conway, Crittenden, Desha, Drew, Franklin, Fulton, Independence, Izard, Johnson, Lee, Lincoln, Little River, Madison, Marion, Montgomery, Newton, Perry, Phillips, Scott, Searcy, Sharp, Stone, Van Buren, Woodruff.

California: Del Norte, Lassen, Plumas, San Benito, Sierra, Siskiyou, Trinity.

Colorado: Alamosa, Clear Creek, Conejos, Costilla, Gilpin, Huerfano, Las Animas.

Florida: Calhoun, Franklin, Holmes, Jackson, Jefferson, Lafayette, Liberty, Pasco, Suwannee, Walton, Washington.

Georgia: Baker, Baldwin, Banks, Barrow, Brantley, Bryan, Bulloch, Burke, Calhoun, Chattahoochee (except Fort Benning), Clay, Crisp, Dawson, Dooly, Dougherty, Early, Elbert, Forsyth, Franklin, Glascock, Gordon, Habersham, Hancock, Hart, Heard, Henry, Jefferson, Jenkins, Johnson, Laurens, Lee, Lincoln, Lumpkin, Macon, Marion, McIntosh, Meriwether, Montgomery, Oglethorpe, Pulaski, Rabun, Randolph, Schley, Screven, Stewart, Sumter, Talbot, Taliaferro, Taylor Terrell, Toombs, Towns, Twiggs, Union, Walton, Warren, Washington, Wayne, Webster, Wheeler, White, Wilkes, Worth.

Guam (territory of): Guam.

Hawaii: Hawaii.

Idaho: Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Shoshone: Avery-Clarkia census county divisions.

**Illinois**: Carroll, Edwards, Jersey, Richland, Marshall, Mercer, Monroe, Moultrie, Randolph.

**Indiana**: Clark, Clay, Crawford, Dearborn, Greene, Harrison, Jasper, Jennings, Lawrence, Martin, Monroe, Morgan, Ohio, Orange, Perry, Pike, Pulaski, Ripley, Scott, Spencer, Stark, Sullivan, Switzerland, Vermillion, Washington.

**Iowa**: Appanoose, Monroe.

**Kansas**: Rice.

**Kentucky**: Adair, Allen, Barren, Bath, Breckinridge, Butler, Calloway, Carlisle, Clinton, Crittenden, Cumberland, Edmonson, Fulton, Green, Hart, Hickman, Lawrence, Lee, Lewis, Livingston, Logan, Lyon, Menifee, Metcalfe, McCreary, Monroe, Morgan, Nelson, Oldham, Owsley, Pendleton, Powell, Pulaski, Russell, Scott, Shelby, Simpson, Warren, Wayne, Wolfe.

**Louisiana**: Acadia, Allen, Ascension, Avoyelles, East Carroll, East Feliciana, Evangeline, Franklin, Lafayette, Livingston, Madison, Natchitoches, Red River, Sabine, Tensas, Vermilion, Vernon, Washington, Webster, West Carroll.

**Maine**: Towns in Aroostook County—Crystal, Dyer Brook, Hersey Town, Island Falls, Merrill, Moro Plantation, Oakfield, Sherman, Smyrna, Hancock County, Knox County, Lincoln County; towns in Penobscot County—Mount Chase Plantation, Patten, Stacyville, Township 2, Route 6, WELS (Hersey Town), Piscataquis, Washington.

**Maryland**: Cecil, Garrett, Somerset.

**Massachusetts**: Dukes; towns in Plymouth County—Kingston, Plymouth, Plympton.

**Michigan**: Alger, Antrim, Arenac, Baraga, Benzie, Charlevoix, Cheboygan, Chippewa, Dickinson, Emmet, Gogebic, Gratiot, Hillsdale, Houghton, Huron, Iron, Keweenaw, Lake, Lapeer, Livingston, Luce, Mackinac, Manistee, Mecosta, Menominee (except townships of Harris, Myer, Spalding), Missaukee, Oceana, Ontonagon, Osceola, Otsego, Roscommon, Sanilac, Tuscola, Van Buren, Wexford.

**Minnesota**: Beltrami, Carlton, Clearwater, Cook, Douglas, Hubbard, Kanabec, Koochiching, Lake, Lake of the Woods, Pine, Roseau.

**Mississippi**: Attala, Amite, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Claiborne, Clarke, Clay, Copiah, Covington, De Soto, Franklin, Hancock, Holmes, Humphreys, Issaquena, Jasper, Jefferson, Jefferson Davis, Kemper, Lafayette, Lawrence, Leake, Leflore, Lincoln, Madison, Marion, Marshall, Neshoba, Newton, Noxubee, Oktibbeha, Panola, Pike, Pontotoc, Quitman, Sharkey, Simpson, Smith, Sunflower, Tallahatchie, Tate, Tippah, Tunica, Walthall, Warren, Washington, Webster, Wilkinson, Winston, Yalobusha, Yazoo.

**Missouri**: Bollinger, Carter, Dallas, Douglas, Dent, Grundy, Hickory, Howell, Lafayette, Mercer, Ozark, Oregon, Pemiscot, Reynolds, Ripley, Shannon, Stone, Texas, Taney, Wayne, Wright.

**Montana**: Carbon, Deer Lodge, Lake, Ravalli, Sanders.

**Nebraska**: Boone, Buffalo, Custer, Dawson, Garfield, Greeley, Howard, Loup, Nance, Sherman, Valley, Wheeler.

**Nevada**: Lincoln, Mineral.

**New Mexico**: Catron, Colfax, Grant, Guadalupe, McKinley, Mora, Rio Arriba, Sandoval, San Juan, San Miguel, Santa Fe, Socorro, Taos, Torrance, Valencia.

**New York**: Essex, Schoharie.

**North Carolina**: Alleghany, Anson, Ashe, Avery, Bertie, Bladen, Carteret, Cherokee, Chowan, Clay, Columbus, Gates, Graham, Hoke, Hyde, Lincoln, Macon, Madison, Mitchell, Northampton, Person, Sampson, Swain, Warren, Washington, Watauga, Yancey.

**Ohio**: Highland, Morgan, Washington.

**Oklahoma**: Adair, Atoka, Cherokee, Choctaw, Coal, Delaware, Grady, Haskell, Hughes, Johnston, Latimer, Le Flore, Marshall, Mayes, McCurtain, McIntosh, Murray, Nowata, Ottawa, Okfuskee, Pontotoc, Pushmataha, Sequoyah, Wagoner.

**Oregon**: Clatsop, Columbia, Hood River, Josephine, Lincoln, Sherman, Wasco, Yamhill.

**Pennsylvania**: Bedford, Clarion, Clinton, Forest, Fulton, Greene, Huntingdon, Jefferson, Lycoming, McKean, Monroe, Perry, Pike, Potter, Sullivan, Susquehanna, Tioga, Venango, Warren, Wayne, Wyoming.

**Puerto Rico (Commonwealth of)**: Barranquitas, Ceiba, Comerio, Corozal, Fajardo, Humacao, Las Piedras, Luquillo, Maunabo, Naguabo, Naranjito, Orocovis, Quebradillas, Salinas, Trujillo Alto, Vega Alto, Vega Baja, Yabucoa.

**South Carolina**: Aiken, Allendale, Bamburg, Barnwell, Beaufort, Berkeley, Calhoun, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dorchester, Hampton, Jasper, Kershaw, Lancaster, Lee, Marlboro, McCormick, Orangeburg, Williamsburg.

**South Dakota**: Shannon.

**Tennessee**: Benton, Bledsoe, Clay, Cocke, Cumberland, Decatur. De Kalb, Dickson, Fayette, Fentress, Grainger, Grundy, Hancock, Hardeman, Hardin, Hickman, Houston, Humphreys, Jackson, Johnson, Macon, Marion, McNairy, Overton, Perry, Pickett, Putnam, Rhea, Robertson, Scott, Sequatchie, Sevier, Smith, Unicoi, Union, Van Buren, Wayne, White.

**Texas**: Anderson, Angelina, Bowie, Camp, Cass, Cherokee, Delta, Dimmit, Franklin, Freestone, Gregg, Harrison, Henderson, Hopkins, Houston, Jasper, Kenedy, Lamar, Leon, Limestone, Madison Marion, McCulloch, Montgomery, Morris, Nacogdoches, Newton, Panola, Polk, Rains, Red River, Robertson, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Smith, Terrell, Titus, Trinity, Tyler, Upshur, Val Verde, Van Zandt, Waller, Wood, Zapata.

**Utah**: Beaver, Carbon, Emery, Garfield, Juab, Sanpete, Summit, Wasatch.

**Virginia**: Buchanan, Carroll, Cumberland, Dickenson, Fluvanna, Grayson, Russell, Scott.

**Virgin Islands (Territory of the)**: Virgin Islands.

**Washington**: Clallam, Ferry, Jefferson, Kittitas, Okanogan, Pend Oreille, Pacific, San Juan, Stevens.

**West Virginia**: Braxton, Calhoun, Clay, Gilmer, Grant, Hampshire, Hardy, Lewis, Lincoln, except Harts Creek District, Morgan, Nicholas, Pendleton, Pocahontas, Preston, Randolph, Roane, Summers, Tucker, Upshur, Webster, Wyoming.

**Wisconsin**: Ashland, Bayfield, Burnett, Door, Florence, Forest, Iron, Juneau, Langlade, Lincoln, Marinette, Menominee, Oneida, Portage, Price, Rusk, Sawyer, Taylor, Vilas, Washburn.

**Wyoming**: Big Horn, Lincoln.

Source: U.S. Department of Commerce, Area Redevelopment Administration.

### TABLE III.—SEC. 5(B) REDEVELOPMENT AREAS; INDIAN RESERVATION AREAS

*States and Reservations*

**Alaska**: Bristol Bay area, Norton Sound area, Cook Inlet area, Southeast area.

**Arizona**: Colorado River, Fort Apache, Gila River, Hopi, Navajo, Papago, San Carlos, Salt River.

**Idaho**: Fort Hall, Nez Perce.

**Minnesota**: Northern Minnesota reservation area (Leech Lake, Nett Lake, Red Lake, and White Earth).

**Mississippi**: Choctaw.

**Montana**: Blackfeet, Crow, Flathead, Fort Belknap.

**Montana**: Fort Peck, Northern Cheyenne, Rocky Boys.

**Nebraska**: Omaha-Winnebago.

**Nevada**: Pyramid Lake.

**New Mexico**: Acomo, Isleta Pueblo, Laguna Pueblo, Jemez, Jicarilla, Mescalero, Ramah, Santo Domingo, Zuni.

**North Carolina**: Eastern Cherokee.

**North Dakota**: Fort Berthold, Fort Totten or Devils Lake, Standing Rock Sioux, Turtle Mountain.

**Oregon**: Warm Springs.

**South Dakota**: Cheyenne River, Crow Creek-Lower Brule.

**South Dakota**: Pine Ridge, Rosebud, Sisseton, Yankton.

**Utah**: Uintah and Ouray.

**Washington**: Colville, Yakima.

**Wisconsin**: Northwestern Wisconsin reservation area (Bad River, Lac Courte Greilles, Lac du Flambeau, Red Cliff, and St. Croix).

**Wyoming**: Wind River.

Source: U.S. Department of Commerce, Area Redevelopment Administration.

### TABLE IV.—AREAS OF RELATIVELY CONTINUOUS SUBSTANTIAL UNEMPLOYMENT,[1] APRIL 1962

*Forty-one major areas*

**Alabama**: Birmingham, Mobile.

**California**: Fresno, Los Angeles-Long Beach, San Bernardino-Riverside-Ontario, San Diego, Stockton.

**Connecticut**: Bridgeport, New Britain, Waterbury.

**Florida**: Miami.

**Indiana**: South Bend, Terre Haute.

**Kentucky**: Louisville.

**Louisiana**: Baton Rouge, New Orleans.

**Massachusetts**: Brockton, Lawrence-Haverhill, Springfield-Chicopee-Holyoke.

**Michigan**: Battle Creek, Muskegon-Muskegon Heights.

**Missouri**: Kansas City.

**New Jersey**: Jersey City, Newark, New Brunswick-Perth Amboy.

**New York**: Buffalo, Utica-Rome.

**North Carolina**: Asheville, Durham.

**Ohio**: Canton, Hamilton-Middletown, Lorain-Elyria, Toledo, Youngstown-Warren.

**Oregon**: Portland.

**Pennsylvania**: Philadelphia.

**Tennessee**: Chattanooga, Knoxville.

**Texas**: Beaumont-Port Arthur.

**Washington**: Spokane, Tacoma.

*Ninety-one smaller areas*

**Alabama**: Anniston, Talladega.

**Arkansas**: Camden.

**California**: Eureka, Oxnard.

**Colorado**: Pueblo.

**Connecticut**: Meriden, Middletown, Norwich, Torrington, Willimantic.

**Delaware**: Dover.

**Florida**: Fort Lauderdale-Hollywood, Sarasota-Bradenton.

**Georgia**: Griffin, Toccoa.

**Illinois**: Canton, Danville, Decatur, Galesburg, Kankakee, La Salle, Mattoon.

**Indiana**: Connersville, Michigan City-La Porte, Muncie, Vincennes.

**Kansas**: Coffeyville-Independence-Parsons.

**Kentucky**: Owensboro.

**Louisiana**: Alexandria, Lake Charles.

**Maine**: Lewiston-Auburn.

**Massachusetts**: Milford, Newburyport.

**Michigan**: Holland-Grand Haven, Ionia-Belding-Greenville, Iron Mountain, Jackson, Mount Pleasant, Sturgis.

**Mississippi**: Biloxi-Gulfport, Greenville, Laurel, Tupelo.

**Missouri**: Cape Girardeau.

**Nevada**: Las Vegas.

**New Jersey**: Newton.

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[1] Areas which are not designated as redevelopment areas, but which have been classified as areas of substantial unemployment for at least 9 months during the year ending April 1962. Unemployment in areas classified as areas of substantial unemployment usually represents 6 percent or more of the local labor force, discounting seasonal or temporary factors and where the outlook gives no indication of improvement in the near future.

Source: U.S. Department of Labor, Bureau of Employment Security, U.S. Employment Service, Washington, D.C.

New York: Batavia, Corning-Hornell, Elmira, Glens Falls-Hudson Falls, Newburgh-Middletown-Beacon, Olean-Salamanca, Wellsville.

North Carolina: Fayetteville, Forest City-Rutherfordton, Greenville, Hendersonville, Lumberton, Mount Airy, North Wilkesboro, Rocky Mount, Waynesville, Wilson.

Ohio: Ashtabula-Conneaut, Athens, East Liverpool-Salem, Fremont, Kent-Ravenna, Mount Vernon, New Philadelphia-Dover, Sandusky, Zanesville.

Oklahoma: Ardmore, Shawnee.

Oregon: Klamath Falls, North Bend-Coos Bay, Roseburg.

Pennsylvania: Bradford, Lock Haven, Oil City-Franklin-Titusville, Warren, Williamsport.

Tennessee: Bristol-Johnson City-Kingsport, Cleveland.

Texas: Texarkana.

Utah: Provo-Orem.

Virginia: Covington-Clifton Forge.

Washington, Bellingham.

West Virginia: Martinsburg.

Wisconsin: Marinette-Menominee.

## Ninety-ninth Anniversary of West Virginia's Statehood Commemorated With Former President Truman and Governor Barron in Leading Roles at Ceremonies

EXTENSION OF REMARKS

OF

## HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

*Thursday, June 21, 1962*

Mr. RANDOLPH. Mr. President, the State of West Virginia observed its 99th anniversary yesterday with appropriate ceremonies.

A significant address by former President Harry S. Truman was the feature of the event, which was held on the lawn of the State Capitol at Charleston. The program was presented simultaneously to the assembled audience and throughout the State on radio and television networks.

I was privileged to have had the pleasant assignment of introducing former President Truman.

Mine was the responsibility, I recall, to have been a Member of the Congress when the former President came to Washington as a Senator from Missouri. I was serving my earlier years in the House of Representatives, and it was a pleasure to have been associated with Harry S. Truman while he was vigorous and effective in the Senate, and later as he performed duties as a forthright Presiding Officer in his tenure as Vice President.

In addition to incumbent Gov. W. W. Barron, former Govs. Homer A. Holt, Okey L. Patteson, and Cecil H. Underwood, and former U.S. Senator W. Chapman Revercomb participated.

H. Ward Christopher of Morgantown, general chairman of West Virginia centennial funds, was master of ceremonies. Chairman Charles Hodel of Beckley and members of the West Virginia Centennial Commission, as well as representatives from centennial committees of the State's counties also participated. The gracious wife of our Governor was introduced.

The Reverend John F. Streng, D.D., of the St. James Lutheran Church at Wheeling, spoke the invocation as follows:

> God of our fathers. Thou hast bequeathed to us this holy sovereign soil flowing with milk and honey in the rock, carved and carpeted with rocks and rills and woods and templed hills. Our hearts with rapture thrill as we intone this day the 99th psalm of life for this State. We are met to praise Thy guiding hand and the foresight of prophet and pioneer. On the eve of a century of bountiful blessings we humbly recall the faith of our fathers in Thy providence and in the unrivaled resources of Thy good earth.
>
> Thou hast ordained that in the leadership of the State the welfare of many rests upon the shoulders of a few. Past statesmen and kindred heroes combined diverse talents to bring forth upon this portion of our continent a new commonwealth dedicated to the proposition that mountaineers shall always be free. With a holy zeal in their bosom they transfigured soil and soul.
>
> As the early afternoon shadows of the 20th century lengthen into our 1963 centennial, teach us that the salvation of the State lies in the watchfulness of the citizens. Thou hast welded this land into one Nation, indivisible, under God. Thou hast made it a land of the free with a home for the brave. Alert every citizen to be a radiant ambassador of good will.
>
> Into Thy providence we commend the President of the United States, the Congress, our Governor, and the legislature. Bless today's honored guest that his words of wisdom may saturate each mind to promote domestic tranquillity and peace through brotherhood. This we ask in the holy name of Jesus Christ, our Lord, the Prince of Peace. Amen.

Present as a guest of Governor Barron and introduced to the large audience was Harmon S. Hamrick of Valley Head, Randolph County, who, like the State of West Virginia, is 99 years old.

Also recognized was Mayor John Shanklin of Charleston.

Musical selections for the occasion were presented by the Charleston High School 110-piece band under the direction of Robert Williams.

A flypast and salute for the event was flown by the 130th Troop Carrier Group of the West Virginia Air Guard commanded by Lt. Col. Ralph E. Cowgill.

Four sergeants from the 16th Special Forces Group, Airborne, comprised the Governor's honor guard and presented the colors with a 35-star flag emblematic of the fact that West Virginia was the 35th State admitted to the Union of States 99 years ago.

A 99-voice choir—the augmented Calvary Baptist Church Choir of Charleston—sang the National Anthem and the Battle Hymn of the Republic.

Governor Barron made forceful remarks.

Former President Truman, speaking extemporaneously, remarked on the value that citizens generally and younger people especially can receive from the events of history. He discussed from his own intimate viewpoint important events in history contemporary with his years as President of the United States. And he drew on his broad personal experiences as a national and world leader in perilous times to impart a significant message to West Virginians grateful for his leadership, his service, and the recognition he accorded our State on numerous occasions—and especially by being with us on our 99th anniversary. His message was appreciated by leaders and citizens observing not only the 99th anniversary of their State but also the beginning of a year of conscientious preparation for the West Virginia centennial next year.

The benediction was pronounced by the Reverend Frank Rowley of Christ Episcopal Church of Bluefield, as follows:

> Almighty God, who hast given us this good land for our heritage; we humbly beseech thee that we may always prove ourselves a people mindful of thy favor and glad to do thy will. Bless our land with honorable industry, sound learning, and pure manners. Save us from violence, discord, and confusion; from pride and arrogancy, and from every evil way. Defend our liberties, and fashion into one united people the multitudes brought hither out of many kindreds and tongues. Endue with the spirit and wisdom those to whom in thy Name we entrust the authority of government, that there may be justice and peace at home, and that, through obedience to thy law, we may show forth thy praise among the nations of the earth. In the time of prosperity, fill our hearts with thankfulness, and in the day of trouble, suffer not our trust in thee to fail; all which we ask through Jesus Christ Our Lord. Amen.

Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the remarks of Governor Barron and my remarks in introducing former President Truman.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

### REMARKS BY GOV. W. W. BARRON ON WEST VIRGINIA ANNIVERSARY AND CENTENNIAL PREPARATIONS

This is a historic occasion for West Virginia. I am very proud to be a part of it. It is a privilege and an honor to join with President Truman, our former Governors, and so many other distinguished citizens in taking note of the State's 99th birthday.

We are especially grateful to President Truman for graciously consenting to be with us. We need his wisdom and his counsel as we dedicate ourselves today to the job of financing our centennial so that we may celebrate West Virginia's 100 years of statehood, in dignity and in pride, when that great day comes on June 20, 1963. As Governor, and speaking for all the citizens of West Virginia, I welcome President Truman to Charleston and thank him for coming. We are truly honored by his presence.

We have reached a critical time in planning for our centennial. We need up to a million dollars to get our planned programs off the drawing board and into being. The need is urgent, for we cannot make definite commitments until we know how much money we have.

The legislature appropriated $400,000 so that we could start planning for the centennial that means so much to West Virginia's progress in the years ahead. It was the understanding when the appropriation was made that the general public would be asked at the proper time to augment it with contributions necessary to defray the total cost. That time has arrived.

We set aside the State's 99th birthday as a day of dedication to start the centennial fundraising campaign on a statewide basis. Similar meetings will be held during the next several weeks in other cities throughout the State so that everyone may contribute to and work for the success of the centennial.

West Virginia was born during the agony and turmoil of the Civil War. We have made great progress in our first century of statehood. The future appears to be bright. We have much to celebrate.

Before we celebrate, though, we must dedicate ourselves to financing the centennial program. That we will do. You may count on it.

### REMARKS BY SENATOR JENNINGS RANDOLPH IN INTRODUCING FORMER PRESIDENT TRUMAN AT WEST VIRGINIA 99TH ANNIVERSARY CEREMONY

From farm boy to leader in battle in World War I, from merchant to judge and to U.S. Senator, Harry S. Truman progressed to the highest office in our land.

Elected to the U.S. Senate in 1934, he was reelected in 1940. He resigned in 1945 to accept the Vice-Presidency to which he had been elected with President Franklin D. Roosevelt in 1944. With the President's death, he became Chief Executive of the United States on April 12, 1945. He was elected in 1948 for the term which ended in 1953. Since then he has been a dedicated citizen and elder statesman in the same tradition of the years of his dedicated service.

History will record that he served as President almost 8 dangerous years. They were years which called for decisions in depth. And Harry S. Truman made them with courage and conviction.

Indeed, he has been associated with the writing of substantial chapters of American and world history. Perhaps this is why he possesses such an acute sense of history and why he evaluates historical events with accuracy and acumen. We believe these are underlying reasons why Mr. Truman is with us at this significant observance of our State's 99th anniversary initiating a year of preparation for the West Virginia centennial.

Ladies and gentlemen—the former President of the United States—the Honorable Harry S. Truman.

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## Baltic Mass Deportations

EXTENSION OF REMARKS

OF

### HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 21, 1962*

Mr. ANFUSO. Mr. Speaker, the mass deportations of the peoples of the three Baltic States—Lithuania, Latvia, and Estonia—took place just 21 years ago this month. These three little countries were the first victims, or the first captive nations, to be subjugated by Moscow. As such, this is a sad anniversary not only for the peoples of those three countries, but for the whole free world.

Their suffering and their exile cannot and should not be forgotten by the free world. Their lands have been taken, their culture, religion, and language are being destroyed, their people enslaved. This is the way communism deals with small nations in its efforts to annihilate them and assimilate them.

Let their suffering and their anguish, both physical and mental, serve as a warning to other small nations in Asia, Africa, and elsewhere, who are flirting with communism and heaping abuse on the free nations of the Western World. Their fate will not be any different, unless they wake up in time and realize the threat to their national survival on the part of Communist imperialism.

In the meantime, we must do all in our power to encourage the Baltic peoples in their ordeal and to provide every possible support to them. We must help them maintain their cultural and religious life in order to be able to rehabilitate their national life when they are liberated from Communist domination. We pray that this day will come soon.

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## Acid Mine Drainage

EXTENSION OF REMARKS

OF

### HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 21, 1962*

Mr. BAILEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a radio script which I make weekly to my constituents in West Virginia, and this week my talk had to do with acid mine drainage. It is a subject of vital importance to my State as well as those other States having the same problem, and I most earnestly commend its reading to my colleagues in the House.

### ACID MINE DRAINAGE

Ladies and gentlemen of the radio audience, Secretary of Health, Education, and Welfare Abraham Ribicoff has made a report to a congressional committee that has great significance to the State of West Virginia, particularly northern West Virginia.

The Secretary submitted a report on the problem of mine acid pollution of water. After recommending a program of sealing abandoned mines, the Secretary's official report had this to say regarding the benefits, and I quote:

"Reduction of acid pollution would restore vast quantities of water resources for municipal and industrial use, propagation of fish and fish food organisms, aquatic life and wildlife, recreational purposes, and all other legitimate uses. Most of the streams affected by acid mine wastes are located in economically depressed areas. Many of these are located in or adjacent to densely populated areas. Reclamation for recreation and fisheries purposes may provide great benefits and offer an entirely new recreation-oriented industry for the area."

When we see the effort made throughout the State to develop and encourage tourism as an important part of our economy, the significance of this recommendation becomes readily apparent.

It has particular significance for the northern part of West Virginia because the problem is less acute in southern West Virginia. The southern West Virginia coal seams produce alkaline drainage, which neutralizes the acid. In fact, at least 77 public water supplies in southern West Virginia are obtained chiefly from coal mine drainage, several of which are from abandoned coal mines.

I am sure I shall be pardoned for claiming some ownership in the report from the Department of Health, Education, and Welfare. For some time I have been urging a Federal program of coal mine sealing. It would serve the dual purpose of providing pure water, as well as useful employment.

Early in 1961 I had a series of conferences with the Blatnik subcommittee. I was urging the inclusion of a program of sealing abandoned coal mines in the Water Pollution Control Act of 1961. Some testimony had been presented to the committee indicating that perhaps such runoff did not pollute water. As a compromise the House Committee on Public Works ordered an investigation and report. The investigation has been completed by the Public Health Service, and the report transmitted to the Public Works Committee by Secretary Ribicoff.

The report sets forth clearly the reasons why I have addressed myself so aciduously to this problem. It points out that acid mine drainage is a major pollution problem for municipal and industrial water supplies in the upper Ohio River Basin. Of the three principal rivers in the Pittsburgh area, Monongahela River has the greatest acid concentration. Much of the water is hard and corrosive, and occasionally has objectionable color, odor, and taste. Water from the West Fork and Monongahela Rivers is used extensively for municipal and industrial water supply. Municipal water is generally neutralized and softened, while many of the industrial water supplies are neutralized only.

Underground water resources are vitally important to this area because of the quality of the surface resources. The use of ground water in the area has doubled in the past two decades. Ground water near the Ohio River often has chemical characteristics similar to those of water from the Ohio River because the well water is supplied largely by river infiltration.

Damages occur to all water users of streams polluted by acid drainage. While some of the damages may be measured by dollars and cents, it is virtually impossible to estimate all damages. It is estimated that the annual damages to water supplies, structures, and navigation equipment in the upper Ohio River drainage basin run between $3 and $4 million. One estimate stated that the additional costs for water-treating chemicals due directly or indirectly to acid mine waters for Wheeling, Fairmont, and Morgantown amounted to $50,000 annually. The residual chemicals remaining after treating the acid caused annual damage of $20,000 in Fairmont and Morgantown, and probably about $60,000 at Wheeling. This estimate was based upon a 1938 study. We can imagine the increase as of 1962.

This problem was attacked during the thirties. Almost $7 million was spent under the various public works programs from 1933 to 1938 for mine sealing in the eastern coal States. These mine sealing programs coped largely with drift mines. The procedures followed were to wall up all openings to the mines and seal all surface cracks, leaving one or more outlets provided with masonry traps. These traps were so constructed that a water seal was maintained, allowing water to flow out, but preventing air from entering. It is air that oxydizes the minerals to form sulfuric acid.

At the termination of the mine sealing programs, neither the Federal Government nor the State legislatures provided funds for the maintenance of the seals. This has allowed the seals to deteriorate over the past 20 years. Bootleg coal mine operators during World War II and immediately following destroyed many seals. As a result most of the value of the sealing program of the thirties has been lost.

Corrective actions on abandoned mines present a serious financial and administrative problem because many of the mined-out areas are no longer under the control of responsible coal operators. The State water pollution control agencies in the problem areas are aware of the damages caused and the need for control. However, their powers are often limited by inadequate budgets to support mine drainage control problems.

In summary the report makes these conclusions:

Acid mine water is associated with the mining of various ores throughout the world. The major acid mine water problems in the United States result from the mining of both anthracite and bituminous coal. Acid mine drainage has been called the greatest single water pollution problem in the Ohio River drainage basin. The acid drainage problem in the anthracite fields of northeastern Pennsylvania is of major concern but of less volume than the problem in the bituminous fields. Acid mine drainage is not as broad a problem in the mining of coal and other ores in the western section of the United States.

Discharge of acid mine water into streams occasions damage to all water uses of the streams. The major effect of acid mine water on streams is to alter the chemical quality of the water. Some of the damages are tangible and can be estimated in monetary terms. Others are intangible and difficult if not impossible to evaluate. Acid pollution may destroy fish and fish food organisms in a stream, damage recreational and esthetic values, cause corrosive damage to transportation equipment, structures, and all equipment located in the streams, and require extra and expensive treatment when the polluted resources are utilized for municipal and industrial water.

The production of acid water is not due entirely to man's operation but man's role has been, and still is, one of increasing the amount of exposed material containing iron and sulfur and, consequently, the amount of acid produced. The accepted theory of acid formation in coal mines with the subsequent appearance of the acid in coal mine drainage, is oxidation of iron pyrite and subsequent hydrolysis of the iron sulfate formed. The variation in chemical contents of the acid mine water is related, in some degree, to the various geological deposits contiguous to the coal seam.

The sources of acid mine drainage are numerous. Acid water is found not only in active mining operations, but also in inactive and abandoned workings which produce acid and may be expected to continue to do so until some control measure is applied. Abandoned mines are responsible for at least 50 percent of the acid load. There are more than 20,000 abandoned mine openings and other openings where mine sealing might be applied. The amount of acid produced by refuse piles is particularly high and of major concern. The acid load discharged into the streams of the United States amounts to approximately 3.5 million tons annually, and more than 4,000 miles of major streams are affected. A comprehensive up-to-date summary of the magnitude of the acid drainage problem is not available. Reliable estimates of the total number of active, marginal and abandoned mines are also lacking. Extensive field investigations would be required to prepare accurate summaries.

Various methods to reduce acid formation have been developed in the past. High cost and technical failure in achieving successful field applications have resulted in abandonment of most methods. Mine sealing offers the most promising hope in abating acid formation. Water seals are preferable to air seals on abandoned mines when conditions permit complete inundation of the mine. Sealing of abandoned mines and other mine openings, where practical, would reduce the annual acid load by 60 to 70 percent. Sealing worked-out sections of active mines would be beneficial if sealing could be done without creating safety hazards. Uniform pumping of mine water or the use of equalizing reservoirs for controlled discharge of mine water would reduce the acid load on many streams.

This official document opens several courses of action. Areas eligible for assistance under area redevelopment programs, if they do not have such projects already, might amend their overall economic development plans to do so. It could be presented as a means of improving water supply to bring in new industry or to encourage tourism. It could be possible that such projects might be undertaken under the proposed new public works program. Legislation authorizing a public works program has passed the Senate and is pending before the House.

If I may be permitted a change of pace, I should like to pass on a definition. At lunch the other day, one of my colleagues defined a "modern American" as a man who comes home from the office and changes into a tweed suit. He drinks a scotch on the rocks from a Swedish crystal glass, while nibbling Russian caviar. His meal is served on Japanese dinnerware. After dinner he drives his Jaguar to a French movie. When he returns, he lights a Cuban cigar, pours a pony of Portuguese brandy, sits down to a Swiss portable typewriter, and writes a letter to the President complaining about the outflow of gold.

I thank you.

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## The Associated Correspondents News Service

EXTENSION OF REMARKS

OF

### HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 21, 1962*

Mr. DIGGS. Mr. Speaker, I rise to call the attention of this body to a new development in the ranks of American Negro citizens. It is the founding of the first wire news service, geared to the gathering and transmission of reports on the activities and progress of Negroes.

This new and far-reaching venture has been undertaken here in the Capital of our great Nation under the name of Associated Correspondents News Service, at 1502 Massachusetts Avenue SE.

It comes on the eve of the centennial observance of the Emancipation Proclamation, which on January 1, 1963, will mark the 100th year of the Negro's freedom from bondage. It is striking testimony of the Negro American's endeavor over those 100 years to make the valuable contributions to his country and, indeed, the world, of which he is capable and willing.

This Associated Correspondents News Service is one of the dramatic examples of what can happen in a free society, where the individual or groups of individuals, given the slightest opportunity, can and will perform with credit and ability that ultimately redounds to the good of the whole society.

I am proud to pay tribute to the launching of this historic venture and to the youthful pioneers of this new frontier for American Negroes and America herself. Mr. Charles Sharpe, as editor and chief executive; Mr. Ben Gordon, as managing editor, and Mr. Otis Thompson, as chief correspondent, are heading a staff of professionally competent journalists who offer a service which can provide creditable grounds for a fast and lasting link of friendship between our country and the emerging African nations, many of whom look to the United States and its Constitution for emulation and guidance.

Coupled with the events of our times which show American Negroes making steady progress, this new step serves to remind us that there is ever an avant-garde whose concern for America and her welfare inspires them, above all odds, to exert their efforts on her behalf, for, as surely as any segment of this population is deterred or helped to advance, it will have its effect on the whole.

This is the significance of the Associated Correspondents News Service, and it is this that I commend to you.

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## New Frontiers in Technical Education—An Address at the Annual Meeting of the Technical Institute Division of the American Society for Engineering Education, U.S. Air Force Academy, Colorado Springs, Colo., June 18, 1962

EXTENSION OF REMARKS

OF

### HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 21, 1962*

Mr. BRADEMAS. Mr. Speaker, on June 18, 1962, I had the honor of addressing the annual meeting of the Technical Institute Division of the American Society for Engineering Education at the U.S. Air Force Academy in Colorado Springs, Colo.

In this speech I discussed my bill, H.R. 10396, the Technical Education Act of 1962.

Under unanimous consent, I include the text of this address in the RECORD.

The text follows:

NEW FRONTIERS IN TECHNICAL EDUCATION

Elected politicians are by definition people who live dangerously, but as a politician who never got beyond high school physics and college algebra, I am taking a greater than customary risk in talking about technicians at a meeting of engineers.

I am honored by the invitation to address the annual meeting of the technical institute division of the American Society for Engineering Education and I am here on serious business. I have come to talk about the Technical Education Act of 1962 and to ask for your help.

What I propose to do this morning is tell you how this new legislative proposal was born, describe its main features, give you some of the reasons a number of us in Congress feel the legislation is necessary, analyze some of the points at issue, say who is for the bill and who is against it, and finally suggest what you, as the group most centrally concerned with engineering education in the United States, can do to help bring about the passage of the Technical Education Act of 1962.

Let me begin with the natural history of the bill, a history that begins less than a year ago.

Last September, in the closing days of the 1st session of the 87th Congress, the chairman of the House Committee on Education and Labor, Congressman ADAM CLAYTON POWELL, of New York, commissioned five members of his committee, three Democrats, Representatives ROBERT N. GIAIMO, of Connecticut; JAMES G. O'HARA, of Michigan, and me, and Republicans ALBERT H. QUIE, of Minnesota, and CHARLES E. GOODELL, of New York, to study the unmet needs in higher education in those fields which contribute most directly to national security and economic growth and to present to him recommendations for specific legislative action. I had the honor of serving as chairman of that group.

I think you will be interested to know that all of us shared a concern over the effects of Federal programs in emphasizing sciences and mathematics at the expense of the humanities and social sciences. It may therefore surprise you that the major new recommendation of our group called for the training of greatly increased numbers of semiprofessional technicians at the college level.

### ADVISORY GROUP STUDY

The Advisory Group on Higher Education did its work in a somewhat unconventional way. Instead of holding formal hearings, we conducted a series of informal, off-the-record discussions with recognized leaders in the scientific and university community and authorities on scientific and professional manpower.

Dr. James Killian of MIT and President Russell Beatty of Wentworth Institute did most to focus our attention on the shortage of semiprofessional technicians. Other members of the panels supported their views.

Every member of our group was impressed by the experts' sense of urgency about the need in this field. On the evidence, we unanimously concluded that legislation to do something about it was essential. Our bill to encourage the education of many more semiprofessional technicians; the creation of new facilities was a genuinely bipartisan proposal. All five members of our group, Democrats and Republicans, and the chairman of the full committee, Mr. Powell, introduced the bill in late February.

I should here note that we were originally most concerned about the shortage of engineering technicians because of the ambitious projects of the space program. Later study, however, made clear that we need to train more semiprofessionals in medical and dental technology, mathematics and the physical and biological sciences as well.

### PROVISIONS OF TECHNICAL EDUCATION ACT

Let me here outline the major provisions of the Technical Education Act of 1962 and also note that the June 1962 issue of Technical Education News contains an excellent summary as well.

First, the bill calls for Federal grants on a matching basis to the States to undertake three necessary preliminaries: (1) To make inventories of existing college level programs which prepare students for employment at the semiprofessional level; (2) to survey the technical manpower requirements for semiprofessional technicians in engineering, scientific and other technological fields which are essential to national security and economic growth; (3) to develop State plans for expansion, establishment or improvement of programs of technical education which will assist in meeting the national needs for semiprofessional technicians.

Second, the bill would provide for assistance through matching grants to the States for implementing these State plans for technical education. The bill authorizes $40 million a year for this year and each of the next 4 years for encouragement of technical education programs.

Eligible to receive grants—as the bill now stands—would be public and private nonprofit institutions which provide full-time instruction in an organized occupational curriculum in engineering, mathematics or the physical or biological sciences which prepare students for immediate employment at the semiprofessional level.

The members of the advisory group hoped for early hearings on the technical education bill, but the congressional mill grinds slowly at the start of a session and it was not until the middle of April that hearings were tentatively set. These were postponed and another postponement wiped out hearing dates in the middle of May.

I am glad to be able to tell you that hearings on the bill were held on the 31st of May and the 1st and 4th of June. I think that these initial hearings served an extremely useful purpose by focusing attention on the semiprofessional technician and his education and bringing into the open some confusions and conflicts in technical education.

### BILL WINS WIDE SUPPORT

The list of nongovernmental organizations which testified in support of the Technical Education Act is, I think, a most impressive one. It includes the National Society of Professional Engineers, American Council on Education, Association of Land Grant Colleges and State Universities, American Association of Junior Colleges, and the American Personnel and Guidance Association. The only organization to testify in opposition to the proposal was the American Vocational Association and I shall later explore what seem to me to be the reasons for this opposition.

The purpose of congressional hearings normally is to establish the need for legislation and to discuss possible courses of action. In considering the shortage of semiprofessional technicians, we found ourselves faced with two immediate problems. First, few members of the general public have a clear idea of what a semiprofessional technician is and does compared with technicians at other levels.

Second, statistics on specialized manpower in the United States, particularly in engineering and science, have been up to now, one may say with only slight exaggeration, a form of science fiction.

### TECHNICIANS DEFINED

Let me comment on the first difficulty. During our conversations with our expert panelists, members of the advisory group came to some understanding of what the experts meant when they talked about technicians. For, as you all are aware, there are technicians and technicians. The man who works with the most sophisticated computer or the man who fixes your washing machine may both be called technicians. Both perform extremely useful functions. The point is that their preparation differs greatly.

In order to define what we meant by the term "semiprofessional technician," we turned from titles and descriptions of duties to the education which prepares a semiprofessional technician for employment. I should add that we found very helpful the accreditation standards established by the Engineers Council for Professional Development.

The kind of education which the panelists recommend requires college level programs of at least 2 years of full-time attendance, including rigorous courses in mathematics and the physical sciences. For the most part, existing programs for engineering technicians of this level are now to be found in technical institutes or in the technician courses operated within university schools of engineering.

These are the models—with curriculum, course content and faculty qualifications generally agreed upon—which we have in mind when talking about semiprofessional technicians in the engineering fields.

Let me now comment briefly on the second difficulty we encountered in our hearings, the shortage of statistics on specialized manpower in the United States.

Last fall I was a member of a congressional group which visited the Soviet Union to look at Soviet higher education with particular attention to the training of scientists, engineers and technicians.

### SOVIETS STRESS TECHNICIAN TRAINING

Although we were all prepared to find the Russians giving high priority to the education of engineers and scientists, I think most of us were surprised at the great emphasis the Russians placed on the training of technicians in a broad range of specialties.

On returning, I learned that the Engineers Joint Council delegation report on "The Training, Placement and Utilization of Engineers and Technicians in the Soviet Union" supported our impression of the Soviet effort in technician training. Earlier this year, moreover, Nicholas de Witt, of Harvard, one of our panelists, published his monumental work, "Education and Professional Employment in the U.S.S.R," which provided detailed evidence of this stress on the production of technicians.

It may therefore be no exaggeration to say that we know more, in statistical terms, about the education and utilization of manpower in the Soviet Union than we do in the United States.

### UNDER SECRETARY W. WILLARD WIRTZ TESTIFIES

I was particularly pleased therefore that, in presenting testimony on the technical education bill last month, the able and distinguished Labor Under Secretary, W. Willard Wirtz, cited statistics that represent a rough reading on the current conditions of supply and demand for semiprofessional technicians in the United States. Moreover, the Under Secretary assured members of our committee that the Department of Labor is developing a much stronger system of reporting on specialized manpower.

There are several reasons I want to cite to you at some length passages from the Under Secretary's testimony on the Technical Education Act. Mr. Wirtz was scheduled to testify on the first day of our hearings but because of strenuous questioning of the Commissioner of Education, time ran out and Mr. Wirtz was requested to return the next day. He did. And he opened his remarks by telling the members of our subcommittee that, after listening to the testimony and questioning on the first day of the hearings, he had substantially revised his statement to respond to the sense of urgency which he found the members of our committee felt in this matter. Because of the statistics which he cites and because of the excellence of his analysis of the role of the semiprofessional technician in our changing economy, and, moreover, because no printed hearings on this bill are likely to be available for some time, I am going to use this meeting as a forum to let you know about Mr. Wirtz' testimony.

"We must," said Mr. Wirtz, "do some drastic rethinking about manpower in this country * * * time is running out, we can no longer afford the luxury of waiting for the supply of trained personnel to catch up with the demand. Our particular need is for semiprofessional personnel who can assist engineers, scientists, and other professional workers."

### SPACE PROGRAMS STIMULATE NEED FOR TECHNICIANS

"The manufacture of missiles and spacecraft has not only created an increasing demand for scientists and engineers, but it has also stimulated a tremendous need for supporting personnel * * * Congress will make a major contribution to this Nation's manpower posture in the space field when adequate legislation is enacted to enable this country to produce these highly trained supporting personnel."

"The workers who would be training under the bills being considered today," Mr. Wirtz continued, "constitute a group of relatively new semiprofessional occupations which have come about because of industry's concentration on research and development, the increasing complexity of industrial production methods and products, the accelerating application of scientific inventions and discoveries to manufacturing processes, and our emphasis upon missile and spacecraft work. These workers are trained to assist engineers, scientists, and doctors through the application of basic knowledge in engineering, mathematics, or the physical and biological sciences.

"Our studies show that these subprofessional engineering and scientific occupations have been among the fastest growing occupational fields in recent decades and that at the present we do not have enough persons with the requisite education. There is every indication that these occupations will continue to grow rapidly in the years ahead and that if future requirements in this field are to be met, a considerable increase in the number of persons who receive the necessary education will be necessary."

I think Mr. Wirtz' analysis of the impact of our space program on the supply of semiprofessional personnel is particularly significant.

Here is what he told us:

"The requirements of this Nation's accelerated space program alone will substantially increase the demand for scientists, engineers and semiprofessional supporting personnel. Some of the published estimates of the costs involved in carrying out the proposed manned lunar landing and other space programs show expenditures reaching a level of 5 to 6 billion dollars a year by 1970. Translated roughly into requirements for technical personnel, an increase of $4.7 billion could mean an increase of nearly 100,000 engineers and scientists and possibly 70,000 semiprofessional supporting personnel between now and 1970 for this program alone. Most projections show expenditures for the space program building up sharply through the late 1960's and then leveling off. If this occurs it would mean that a large part of the increase in technical manpower must occur within the next 3 to 5 years."

### MANPOWER NEEDED IN NEXT 3 TO 5 YEARS

I want to emphasize here Mr. Wirtz' conclusion that we need to produce a "large part of the increase in technical manpower" within "the next 3 to 5 years." I do so because there are those in positions of influence in the administration who tell us that we can afford to delay passage of this legislation for another year.

"Studies by the Bureau of Labor Statistics," Mr. Wirtz reported "show a projected increase between 1960 and 1970 of over 75 percent for those occupations which support engineers and scientists, and about 20 percent for those supporting physicians and other doctors. Altogether, this means that we will need over 1,450,000 of these workers by 1970, an increase of over 600,000 more than were employed in 1960, or an average annual increase of about 60,000 over the decade. Add to this an estimated need for about 17,500 persons a year to replace those who die, retire, or transfer out of the field, and the average annual need could be about 78,000.'"

### SPOKESMAN FOR PROFESSIONAL ENGINEERS TESTIFIES

Another extremely valuable statement on this legislation was made by Paul H. Robbins, executive director of the National Society of Professional Engineers. Making reference to a number of surveys concerning the utilization of technicians, Mr. Robbins told us that these surveys generally conclude that for the maximum utilization of our professional engineering and scientific manpower, we should have 400 to 500 technicians for every 100 professional personnel. "Today," he said, "the overall industry ratio is 73 technicians for every 100 engineers and scientists."

"There is," concluded Mr. Robbins, "virtual unanimity of agreement among manpower specialists both in and out of Government that the shortage is extensive. Unless there is an immediate and significant expansion of technical institute programs, we may well be underutilizing our professional engineering manpower by anywhere from 50 to 75 percent."

"In the interests of national defense and security," warned Mr. Robbins, "we do not believe the Government can afford to adopt a passive and complacent attitude in face of these facts. Nor do we believe a token effort or gesture toward correcting this situation constitutes an adequate discharge of the Federal Government's responsibility for the national security and defense."

The attitude of the Federal agency most directly concerned can of course be decisive in moving a bill through the legislative mill.

You will be interested to know that the able U.S. Commissioner of Education, Dr. Sterling McMurrin, speaking for the Department of Health, Education, and Welfare, first addressed himself during the hearings to the finding of our Advisory Group that we need to train greatly increased numbers of engineering and other semiprofessional technicians.

### EDUCATION COMMISSIONER M'MURRIN HEARD

Commissioner McMurrin told our subcommittee: "Let me make clear at the outset that the Office of Education is in complete agreement with this finding of the Advisory Group. We are also in complete agreement that additional Federal action is required to increase the number of semiprofessional technicians being prepared and in particular that it would be necessary to expand programs in technical institutes and junior colleges."

But this confession of the need for action was not followed by endorsement of any. For a little later the Commissioner declined to recommend "definitive Federal Legislation at this time."

A factor in the Commissioner's reluctance is a central issue in the development of technical education legislation, namely: should the education of semiprofessional technicians be administered and operated as part of higher education or can such technicians be adequately trained in adequate numbers through programs of vocational-technical education?

### COLLEGE LEVEL EDUCATION ESSENTIAL

Members of our Advisory Group emphatically and unanimously agreed that the education of the kind of high level semiprofessional technicians the Nation needs must be provided by college-level programs.

Why do we need to establish new programs of technical education?

In the first place, as Under Secretary Wirtz said, "We cannot depend upon existing limited training programs to contribute enough semiprofessional workers to meet our requirements."

To quote Mr. Wirtz once more, "In the past, we have been able to get by with workers who picked up their skills informally. Today only a small portion of them receive formal training for jobs in educational institutions which have programs designed for these types of positions * * * however, as the tasks these persons are called upon to perform become more complex and require more mathematics and technical theory, formal training will increasingly be necessary."

### DU PONT ENGINEER WRITES

Let me tell you what I heard from the assistant chief engineer of the Du Pont Co. in Wilmington, Del. He wrote:

"Professional engineers simply cannot contribute their maximum in talent and skill to our increasingly complex technology unless their efforts are supported by the necessary engineering technicians who are graduates of at least 2 years college-level training in curriculums accredited by the Engineers' Council for Professional Development or an equivalent agency."

This Du Pont engineering executive added, "The majority of our employees who qualify as engineering technicians are high school graduates with up to 40 years' 'education' by experience. We are losing this valuable segment of our technical manpower through age and retirement and have not, for many years, been able to replace it adequately with men limited to a secondary school education. The speed with which engineering and scientific developments are occurring does not make it feasible for us, in industry or Government, to allow our men to learn through experience alone. In my opinion, the proper technical development of our Nation and its prosperity may well depend on an adequate supply of graduate engineering technicians who can begin to acquire, from a higher base of formal education in science and mathematics, the experience necessary to competently support our engineers and scientists."

### ROLE OF TITLE VIII OF NDEA

The contention that the preparation of semiprofessional technicians is properly a matter for higher education has animated the principal opposition to the technical education bill. This comes from vocational educators and is centered on that section of the National Defense Education Act which deals with vocational and technical education, title VIII.

Although the National Defense Education Act specified that technician training programs under title VIII shall be conducted at "less than college grade," a ruling by the Office of Education has made it possible for title VIII money to be used in technician training programs, some of which are now being operated in junior and community colleges.

A spokesman for the American Vocational Association at the hearings and letters from vocational educators to Members of Congress assert that because a start has been made in technician training under title VIII, any further action in this field should come through an increase in title VIII funds.

I should here point out that, although patterns vary from State to State, the most typical method of administering title VIII funds is through the State board of vocational education or its equivalent.

The technical education bill, on the other hand, provides for the administration of the programs by the State higher education authority. Why did we reach this conclusion? We were convinced that semiprofessional education requires a specific curriculum, course content, faculty, and the maintenance of definite standards—all of which can be achieved only if the administration and operation of the programs are the responsibility of persons who thoroughly understand the nature of this kind of technical education and the conditions required for its success.

Certainly none of the members of the advisory group who introduced the technical education bill, as we have made repeatedly clear in testimony, have any desire to deprecate the fine vocational educational programs which have been carried out and are being carried out at the high school or post-high school level under title VIII and other Federal programs.

### VOCATIONAL EDUCATION ESSENTIAL

I know of the fine programs and achievements of vocational education in my own district and State and count myself among its strong supporters. Vocational training in agriculture, trades, crafts, and the very promising cooperative programs have had admirable results. All of us are aware of the profound changes now occurring in work force requirements and the effects of these changes on employment. It is most encouraging that vigorous efforts are being made at every level in vocational education—including the effort that the Willis panel represents—to meet these changing facts of economic life.

Added burdens are being placed on vocational education as the widely publicized school dropout problem makes so dramatically clear. If vocational education has in many cases not salvaged the culturally deprived, the dull and the poorly motivated, vocational educators have at least made the effort.

The task facing vocational educators is therefore an imposing one. I am sure I speak for other members of our subcommittee in saying that we know their task is difficult and we are sympathetic to efforts to strengthen vocational education.

An example of the way in which vocational educators are making important new contributions is the significant role assigned them under the new Manpower Retraining Act. I expect, by the way, that my home city of South Bend, Ind., will be designated to carry out the first project in the Nation under the new act.

Certainly, greatly increased numbers of technically trained persons will be needed in coming years and vocational education can and must train many of them. But backers of the technical education bill in Congress feel strongly that the semiprofessional technician is a distinct type of specialist who must be trained in a specific way under specific conditions. We are convinced that the technical education bill embodies the correct approach for providing the kind of education appropriate for producing this type of semiprofessional specialist.

### ENGINEERS CALL FOR COLLEGE-LEVEL PROGRAMS

Here is what Mr. Robbins of the National Society of Professional Engineers has to say about this important issue of who will control the technical education programs:

"There is * * * widespread agreement among engineers and engineering educators concerning the level of training and education required to produce the type of technicians so acutely needed. This subject has been discussed with hundreds of these people, and their conclusions have been the same: engineering technicians, as supporting personnel for engineers, can only effectively and efficiently be trained in an atmosphere oriented toward engineering. This cannot be accomplished at the vocational or skilled craft level; nor can adequate numbers of the type and quality of students amenable to the rigorous academic discipline of a technical institute curricula be attracted to a vocationally oriented school.

"I might also add that this same situation prevails in attracting the quality of faculty necessary for instructional purposes. It is far less difficult to secure competent college educators for an institution of higher education than it is to try to attract them to a 'less-than-college-grade' vocationally oriented institution. Thus, the question of whether technician training should be accomplished on a less-than-college-grade level or on the college level is more than just philosophy of education—as important as that is. But it would do little good to construct and equip buildings for less-than-college-grade curricula and be unable to attract a top faculty and students to utilize those facilities."

### POLITICS OF THE BILL

Now let me pause a moment to take stock with you. I have told you how the technical education bill came to life and what it would provide. I have given you evidence for the necessity of the legislation, have told you who is for it and who is against it and have indicated why its supporters feel that technical education for the semiprofessional, as distinguished from the industrial technician or craftsman, should be conducted as a part of higher education.

Let me here reiterate that we need technicians at every level and that in directing our attention to the semiprofessional technicians, we are seeking to meet a grave shortage of a particular kind of specialized manpower which has so far been relatively neglected.

Now I want to put you engineers on warning, for I plan to talk politics, not Democratic or Republican politics, but the politics of this bill.

Where do we stand on the technical education bill now?

Despite the demonstrable need for the bill and the urgency of moving ahead on it, and despite the bipartisan support for it, I must frankly report to you that its fate is highly uncertain.

The Kennedy administration, of which I am generally a strong supporter, is frankly not quite sure what to do about this bill. It is apparently a unique piece of legislation in that it was not devised by somebody in the executive branch or by a special interest group. A group of Congressmen were unconventional enough to get together, engage in a study and come up with a legislative proposal.

### VOCATIONAL EDUCATION PANEL

Although Commissioner Mr. McMurrin went on record as agreeing that we must train more semiprofessional technicians and that Federal action is required, he concluded that we should wait till next year before we do anything. Mr. McMurrin said that last year a panel of consultants was appointed to advise the Secretary of Health, Education, and Welfare on how to improve vocational training in the United States.

This 26-member group is supposed to look into all phases of the vocational education programs and is expected to submit its report this November. The Office of Education takes the position that no decision on the technical education bill should be made until the report of the vocational education panel is in and argues that technician training should be examined in the complete context of vocational and technical training.

I must, to be fair to the administration, point out that the technical education bill was introduced too late to be considered for inclusion in the President's legislative program for this year and, perhaps more to the point, could not be included in budget estimates.

It ought also to be said that there are conflicting viewpoints within the Office of Education on the relationship between technical and vocational education. Mr. McMurrin's task is not an easy one.

The panel charged with the responsibility of examining vocational education is headed by a distinguished educator, Dr. Benjamin C. Willis, superintendent of schools in Chicago. By the way, Dr. Willis was one of the expert panelists who participated in our advisory group discussions and contributed invaluable advice.

I must tell you, however, that the members of the advisory group have profound misgivings over the final recommendations of the vocational education panel because only 1 or 2 of the 26 members appear to have an extensive knowledge of the field of semiprofessional technician education.

It is not that we doubt the ability of the members of the panel but only that we feel the panel is not representative of all aspects of technical education.

I would be less than candid if I did not tell you that there are persons in the administration who are deeply concerned about our national supply of scientific and technical manpower and who are friendly to the purpose of our bill and to the higher education approach that it represents. In the legislative process, however, friendly feelings are not enough. I hope, therefore, that the administration may still decide to support the bill.

### HIGHER EDUCATION BILL HAS FIRST PRIORITY

Tomorrow morning I expect to be back in Washington taking part in a House-Senate conference to resolve differences on the education bill which, in my view, must have No. 1 priority among all the education bills before this Congress—the higher education bill sponsored by my distinguished colleague, Congresswoman **EDITH GREEN**, of Oregon.

We must pass Mrs. **GREEN**'s bill if our colleges and universities are going to be able to provide adequate academic facilities for the rapidly expanding college enrollments of the next decade.

The technical education bill, however, is directed not toward meeting expanding enrollments but rather toward the limited objective of increasing the supply of a highly specialized type of manpower essential to our national defense and economic growth.

So we need both bills and we should pass them both during this session of Congress.

If we fail to pass the technical education bill this year, I fear we may run aground on many reefs in another session of Congress—reefs such as the kind of controversy which wrecked the general aid to education bill, the problems of revising the National Defense Education Act or even a possible loss of bipartisan support for the technical education bill.

You in the American Society for Engineering Education have a great responsibility for determining the way technical education will develop in our country—whether it will be within the framework of higher education or not.

We stand at a crucial point with respect to the future of technical education in the United States. I think it likely that within the next year or two Federal policy on both the nature and administration of technical education programs will be determined.

What can you, as engineering educators, do to help decide this question?

You can help by letting your Representatives and Senators know not only of your support of the Technical Education Act of 1962 but, equally important, why you think it essential. Technical education occupies a twilight zone in American education and you can help educate your Congressman about it.

Tell him, first, that the accelerated pace of our national space effort will demand a rapidly increasing supply of engineers, scientists, and supporting technicians.

Draw once more to his attention the fact that the Soviet Union places heavy emphasis on producing scientists, engineers, and technicians at all levels. Make clear the implications of this emphasis for our national security.

Let your Congressman know how automation and technological change have caused labor requirements to shift away from low-skilled production workers to persons with more scientific and technical training.

And, most important, explain to him how the semiprofessional technician trained at the college level performs a key role on the engineering-scientific team.

America needs enough men and women with the kind of education required for our national security and economic growth. If you, the leaders of the engineering community in the United States, will do your part to achieve this goal, those of us in Congress who share your concern will do ours.

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## Homeowners' Loan Corporation Lauded

EXTENSION OF REMARKS
OF
### HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
*Thursday, June 21, 1962*

Mr. PATMAN. Mr. Speaker, I am proud to have been of those who, during the 73d Congress, voted for and supported Public Law 43, which established the Homeowners' Loan Corporation.

The HOLC is one of the great all-time successes of the Federal Government. Commencing its operation at the trough of the depression in 1933, it directly saved the homes of over 1 million Americans; indirectly, it saved another 2½ million homes. It returned a profit of over $14 million to the Federal Treasury.

HOLC not only helped the homeowning public, it also helped save our financial system from disaster. It prevented the collapse of our building and loan associations, it prevented gigantic losses on the part of private money lenders, including commercial banks, and it strengthened and enlarged the entire American structure of real estate mortgages. There can be no question but that it was one of the outstanding achievements of the administration of Franklin D. Roosevelt.

President Roosevelt, in one of his fireside chats, went before the people and told them that any family which was in distress because of a mortgage on their home should write or wire him, personally, and that he would see that they were given every possible consideration. To my knowledge, this is the only time in history in which the head of a nation has gone to the populace as a whole and stated that any citizen with a problem should come to him and that he would personally see that his problem received attention.

The Washington Evening Star, on the occasion of the recent reunion in Washington of former officers and employees of the HOLC, referred to it as "a refutation of the notion that all Government intervention is bad":

> WORTHY REUNION
>
> An unusual reunion in Washington over the past weekend recalled a real success story in the up-and-down history of Federal help to American institutions and individuals. It was a reunion of former officers and employees of the Homeowner's Loan Corporation, a New Deal "alphabet agency" that opened for business in mid-1933 and closed its books in early 1952. Perhaps to the dismay of its early critics, but not surprising to those who had directed the agency so efficiently and to many of those who exchanged reminiscences here, the books when closed showed a profit of more than $14 million—duly turned in to the U.S. Treasury.
>
> There were, however, even greater profits. The HOLC was set up in the depths of a great depression. Homeowners, unable to meet mortgage obligations, were losing their homes by the thousands each month. But in the damaging spiral of mass foreclosure actions, real estate values were being forced down to the point where the leading institutions themselves were being driven close to insolvency as they tried to protect their commitments by taking over the properties. The HOLC reversed this drift toward disaster by refinancing more than a million distress loans in a 3-year period, assuring the lenders of a full return of their capital and giving the borrowers terms on which most could—and did—save their homes.
>
> It was a good chapter on Government in business—a refutation of the notion that all such intervention necessarily is bad. If there was a pleased-with-themselves atmosphere about the weekend reunion, there was justification for it; the HOLC was a good deal.

Mr. Speaker, during the 20 years of Democratic administrations, under Presidents Roosevelt and Truman, incessant clamor was heard from the minority side of the aisle concerning the imperative necessity of repealing all New Deal legislation. It is interesting to note that during the 8 years of Republican administration, under President Eisenhower, that this was the only piece of New Deal legislation repealed. Of course, the purposes for which the HOLC had been created were past at the time of its repeal, and enough time had ensued so that the vast majority of mortgages had been paid in full—or substantially so. It is ironic that the one New Deal measure that the Republicans actually vetoed, after the innumerable volleys of thunderous oratory concerning the hundreds of millions of dollars they would save by eliminating Mr. Roosevelt's agencies, that the sole and solitary victim should have been a measure which had returnd a profit of over $14 million to the Federal Government.

The conference report repealing the Homeowners' Loan Corporation Act was agreed to on June 30, 1953. At that time I said:

> This bill in addition to extending some of the fine provisions of the Federal Housing Administration Act repeals the Homeowners' Loan Corporation Act. That act is referred to as a New Deal law, and it was one of the first New Deal laws, and it is true that it is being repealed; but there is a good reason for its repeal, it has served its purpose well. More than 3,500,000 homes were saved by the Homeowners' Loan Corporation. The banks, the insurance companies, the investment loans all over the country had their portfolios filled with not only slow paper but also paper that was considered bad. The owners of the homes were delinquent not only for months but for years; they could not meet their annual or monthly installments. Notwithstanding that this paper was considered to be the worst type of paper at the time the Homeowners' Loan Corporation Act was passed, Government money was made available to bail the vendors' lien notes against these homes; and as evidence of the fact that it was a good thing that this Congress did through the Homeowners' Loan Corporation Act, it did not cost the taxpayers of America one penny, not one penny. Not only did the Homeowners' Loan Corporation pay back every penny that was advanced by the U.S. Government for that purpose, but the Homeowners' Loan Corporation also paid all their expenses, including the salaries and other types of expenses. The Government was not out one penny. Not only that but the Homeowners' Loan Corporation put back at one time over $1 million of net profits into the U.S. Treasury; that was an example of how the Government can come to the aid and rescue of deserving people in the United States, and that was done.
>
> NO NEW DEAL LAWS BEING REPEALED
>
> A lot has been said about repealing New Deal laws. There are 23 New Deal laws to the best of my recollection. I counted up the list, at one time, of laws which were considered New Deal laws, and have not heard one single Member of this body or the other body advocating the repeal of one single New Deal law except the Homeowners' Loan Corporation Act which should be repealed because it has served its purpose.

Mr. Speaker, because of the unique nature of the Homeowners' Loan Corporation and its impact on the subsequent development of our entire economy, under unanimous consent I insert in the RECORD at this point, "A Brief Legislative History of the Homeowners' Loan Act," prepared, at my request, by Erin M. Woodall, analyst in housing and community facilities for the Economics Division of the Legislative Reference Service, of the Library of Congress:

> A BRIEF LEGISLATIVE HISTORY OF THE HOMEOWNERS LOAN ACT
>
> Widespread and serious unemployment and substantial reductions in income along with other adverse economic conditions caused by the severe economic depression of the thirties in the United States reduced the ability of individual borrowers to meet mortgage payments. These conditions soon led to tax delinquency, mortgage interest defaults, and ultimately to a wave of foreclosures. By March 1933, millions of people faced the loss of their homes, lenders faced heavy investment losses, depressed communities were unable to collect property taxes, and the collapse of the mortgage market forced the construction industry to a virtual standstill. Demands for direct Government action to remedy this situation were made by individuals, bankers, businessmen, and other interests.
>
> On April 13, 1933, President Roosevelt sent a message to Congress urging the passage of legislation that would protect the small homeowner from foreclosure and relieve him of part of his debt burden. This legislation was to declare that it was a national policy to protect homeownership. Following this message, administration bills to accomplish these aims were introduced in both Houses of Congress. Senate hearings in the Banking and Currency Committee were opened on April 20 to consider the Senate version of the administration proposals, S. 1317, but these hearings were terminated after 2 days to speed action on the floor of Congress. The House began debate on the administration bill introduced by Representative Henry B. Stegall, H.R. 5240, a week later. After 2 days of debate on the floor of the House the bill was passed on April 28, 1933, with a rollcall vote of 383 to 4. Senate consideration of H.R. 5240 was delayed until June 5. The bill already amended by the Banking and Currency Committee was passed with amendments from the floor that same day without a rollcall vote. The differences between the House and Senate version were then ironed out in conference and the bill passed both

Houses without debate. The measure was signed into law on June 13, 1933 (Public Law 43, 73d Cong., 1st sess.).

In general, the congressional act followed the outlines of the original administration proposals. Amendments advanced during debate in the House included: guaranteeing the principle of HOLC bonds, extension of the coverage of the act to four-family houses and to buildings used for commercial purposes, a lower interest rate, direct cash loans, and removal of the tax exemption from HOLC bonds. The main change in the Senate version was the addition of a provision for cash loans at 6 percent interest on up to 50 percent of the present value of the property in situations where the lender would not accept HOLC bonds. The Senate Committee on Banking and Currency also added a provision requiring the central office to make uniform rules for the appraisal of property by the HOLC.

The purpose of the act was stated as: "To provide emergency relief with respect to home mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States and for other purposes."

Major provisions of this act include:

(1) Creation of the Homeowners' Loan Corporation by the Federal Home Loan Bank Board with a maximum capital of $200 million. These assets would be provided by the Treasury which in turn would secure the funds from the Reconstruction Finance Corporation. The Federal Home Loan Bank Board members constituted the Directors of the HOLC.

(2) The HOLC was authorized to issue not more than $2 billion of its own tax-exempt bonds for cash sale or in exchange for home mortgages. This amount was later increased to $4.75 billion. The bonds would carry maturities of no more than 18 years and provide 4 percent interest.

(3) The HOLC was empowered to exchange its bonds for mortgages and other obligations and liens on homes or homesteads between June 1933 and June 1936 with the provisions that: (1) No loans could be made for more than 80 percent of the HOLC property appraisal or for more than $14,000; (2) the property was a one-to-four family dwelling; and (3) that the total value of the property did not exceed $20,000. Cash could be advanced to pay for taxes, necessary maintenance, and repairs, and for incidental expenses of the loans up to $50 over the face value of bonds transferred.

(4) The mortgages acquired by HOLC were to be first liens on the property and were to be amortized over periods not in excess of 15 years at 5 percent interest. Loans with no amortization during the first 3 years also were permitted.

(5) Cash loans for payment of taxes could be made on the same general terms on otherwise unencumbered property up to 50 percent of the appraisal. The HOLC was also authorized to make cash loans up to 40 percent of the appraisal at 6 percent interest in cases where creditors would not accept HOLC bonds.

During the 3-year period, June 13, 1933–June 12, 1936, the HOLC refinanced distressed real estate obligations and other liens of 1,017,821 homeowners with HOLC bonds and cash and acquired mortgage loan accounts amounting to $3,093,451,321. After 1936, the major objective of the HOLC was the protection of its mortgage investments and liquidation of its bonded indebtedness and capital stock liabilities. Pursuant to the Independent Offices Appropriation Act of 1952, $75,000 of the surplus funds of HOLC were made available to the Home Loan Bank Board to carry out final liquidation of the corporation. The HOLC was dissolved by order of the Secretary of the Home Loan Bank Board on February 3, 1954, pursuant to legislation approved June 30, 1953 (67 Stat. 121; 12 U.S.C. 1463 note).

## The National Lottery of Honduras

EXTENSION OF REMARKS

OF

**HON. PAUL A. FINO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 21, 1962*

Mr. FINO. Mr. Speaker, I would like to tell the Members of Congress about the national lottery of Honduras. This small and poor nation, like all of our other South American neighbors, realizes considerable benefits from its national lottery.

In 1961, the gross receipts of a national lottery came to over $15 million. The net income in that year amounted to about $2 million. The profits are distributed by the Council for Infant Charity which are spent for public health and hospital facilities.

Mr. Speaker, the national lottery of Honduras is very productive. If the United States had a national lottery, it would easily and painlessly produce over $10 billion a year in additional income which could bring relief to our hard-pressed taxpayers.

## Cablegram From Office of the President of the Philippines

EXTENSION OF REMARKS

OF

**HON. WILLIAM S. BROOMFIELD**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 21, 1962*

Mr. BROOMFIELD. Mr. Speaker, today I received a cablegram from the Office of the President of the Republic of the Philippines, which I think is of interest to my colleagues.

The cablegram said:

> President Macapagal deeply appreciates your letter May 11 and wishes to thank you for efforts which you and other friends there are exerting to win approval Philippine war claims bill before adjournment Congress this year. He also wishes inform you that while our people may have been disappointed by the disapproval of said bill, our hearts have been warmed and encouraged by countless messages of support to our cause received from American public officials and private citizens.
>
> Thanks and best wishes.
>
> Secretary MUTUC.

It is my hope that the House of Representatives will soon have the opportunity to consider the amended Philippine war claims bill so that we can demonstrate that our friendship is based upon something more solid than mere words.

There are times when I wonder why we have any friends left in the world as it seems to be much more profitable to have been a former enemy.

This debt to the people of the Philippines should be repaid as quickly as possible. I think we owe it to ourselves, as much as we do the Philippines, to live by our own rules and honor of our own obligations.

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# HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 22, 1962

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. ALBERT].

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

> JUNE 22, 1962.
>
> I hereby designate the Honorable CARL ALBERT to act as Speaker pro tempore today.
>
> JOHN W. MCCORMACK,
> *Speaker of the House of Representatives.*

### PRAYER

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

An Old Testament beatitude—Psalm 41: 1: *Blessed is he that considereth the poor; the Lord will deliver him in time of trouble.*

Most merciful and gracious God, the manifold manifestations of Thy greatness and goodness compel our minds to wonder and constrain our hearts to worship.

We humbly confess that we often feel greatly concerned about living a life that has length of years but seems to take far less interest in a good and useful life, one that daily seeks to grow in favor with God and man.

Inspire us with a greater passion to minister to the needs of all mankind and may we be glad and grateful that there are so many blessings which we are able and privileged to share with others to help them carry on with courage and hope.

Hear us in the name of the Captain of our salvation. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 11743. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended; and

H. Con. Res. 473. Concurrent resolution providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3203. An act to extend the Defense Production Act of 1950, as amended, and for other purposes; and

S. 3291. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury.

## CONTINUING APPROPRIATIONS FOR VARIOUS DEPARTMENTS AND AGENCIES FOR FISCAL YEAR BEGINNING JULY 1

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it may be in order any time next week to call up a joint resolution to provide continuing appropriations for the various Government departments and agencies for the fiscal year beginning July 1.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Reserving the right to object, Mr. Speaker, this will be a joint resolution which will provide the Government with funds to proceed from July 1 on, but it will not be for an extremely long period; probably 30 days, will it not?

Mr. CANNON. We have, of course, not considered that feature of it. It will be the stereotyped resolution which we have regularly introduced for years to continue the operation of the departments of the Government.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. HALLECK. There have been some reports current that a continuing resolution even running over into the next calendar year might be presented. Certainly I would not favor any such arrangement as that and could not support it. As far as I am concerned, I am not going to object to this unanimous-consent request. But I think what the gentleman from New York has suggested ought to be considered here, that we follow the precedents that heretofore have been carried on limiting these extensions to 30 days at a time, in the hope that appropriation bills can be brought before the Congress and acted upon as they should be.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TABER reserved all points of order on the joint resolution.

## SUBCOMMITTEE ON TERRITORIAL AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Territorial and Insular Affairs of the House Committee on Interior and Insular Affairs be permitted to sit during general debate this afternoon.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

## FACTS ON FARM LOAN PROGRAMS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, I have been very interested in the workings of the farm programs for many years as pages of the CONGRESSIONAL RECORD will show. One of the questions that the Congress has not come to grips with, pertaining to the farm program in my opinion is this simple question. How many farmers receive annually not only a cotton loan, for example, from the Commodity Credit Corporation, but are in the same year receiving loans on several crops? I have been undertaking to obtain some information along this line and it is very difficult to get. It seems this is the type of information that is not easy to obtain.

From Big Springs, Tex., Howard County, I have a letter I received this morning that says—and there are not so many farmers in that county:

Farmers participating in 2 of these programs, 30.

Farmers participating in 3 of these programs, 10.

Farmers participating in four of these programs, six.

Mr. Speaker, I say again the Members of this Congress who want to have a sound farm program should find out how many farmers are getting as many as four or five Commodity Credit loans on as many as four different crops annually.

I include the Howard County letter and other letters:

BIG SPRING, HOWARD COUNTY, TEX.,
*June 19, 1962.*

HON. LINDLEY BECKWORTH,
*Congress of the United States,*
*House of Representatives,*
*Washington, D.C.*

DEAR SIR: We believe the following tabulation will answer your letter of June 4, 1962:

| | 1958 | 1959 | 1960 | 1961 |
|---|---|---|---|---|
| Barley producers | 21 | 0 | 0 | 0 |
| Total loaned | $18,503.41 | 0 | 0 | 0 |
| Grain sorghum | 12 | 69 | 92 | 64 |
| Total loaned | $10,676.84 | $73,566.93 | $89,564.41 | $66,417.79 |
| Oat producers | 9 | 0 | 0 | 0 |
| Total loaned | $6,640.78 | 0 | 0 | 0 |
| Wheat producers | 2 | 0 | 0 | 0 |
| Total loaned | $12,533.46 | 0 | 0 | 0 |

Cotton: Howard County has 800 cotton farms. Approximately all farmers used cotton loan programs during the 4 years but information on total loaned is not filed in this office.

There was no participation in other programs.

Farmers participating in programs of two of these crops: Approximately 30.

Farmers participating in programs of three of these crops: Approximately 10.

Farmers participating in programs of four of these crops: Approximately six.

Yours truly,
JOHN G. HAMMACK, Jr.,
*Office Manager.*

WASHINGTON COUNTY, BLAIR, NEBR.,
*June 20, 1962.*

MR. LINDLEY BECKWORTH,
*House Office Building,*
*Washington, D.C.*

DEAR SIR: Listed below is the information requested in your letter of June 4, 1962:

| Crop | 1958 | 1959 | 1960 | 1961 |
|---|---|---|---|---|
| Barley | None | None | None | None |
| Corn | 609 | 773 | 957 | 763 |
| Total loaned | $1,386,265.02 | $1,678,044.69 | $2,082,332.52 | $1,826,075.48 |
| Grain sorghum | 342 | 27 | 64 | 43 |
| Total loaned | $388,816.09 | $27,511.48 | $73,399.48 | $55,440.41 |
| Oats | 10 | None | 2 | 5 |
| Total loaned | $4,489.31 | -------- | $909.12 | $1,689.70 |
| Rye | 1 | 1 | None | None |
| Total loaned | $661.25 | $416.10 | -------- | -------- |
| Soybeans | 178 | 29 | 20 | 251 |
| Total loaned | $221,974.07 | $55,419.24 | $24,017.94 | $300,603.83 |
| Wheat | 218 | 115 | 176 | 111 |
| Total loaned | $387,368.49 | $122,960.38 | $286,350.15 | $181,334.49 |
| Peanuts | None | None | None | None |
| Rice | None | None | None | None |
| Cotton | None | None | None | None |
| 2 | 360 | 140 | 250 | 300 |
| 3 | 75 | 30 | 10 | 50 |
| 4 | 3 | 3 | 2 | 2 |

Yours truly,
ROLAND P. SMITH,
*Office Manager.*

CHASE COUNTY,
COTTONWOOD FALLS, KANS.
*June 20, 1962.*

LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR CONGRESSMAN BECKWORTH: In reply to your inquiry of June 4, about the grain crop loans for the past 4 years, it is our understanding that the Kansas State ASCS office has furnished the information which you requested to the Department of Agriculture in Washington, D.C.

This information may be obtained by you through the Department in Washington, D.C.

Very truly yours,
CECIL R. WILSON,
*Office Manager.*

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LAKIN, KEARNY COUNTY, KANS.,
*June 20, 1962.*

Hon. LINDLEY BECKWORTH,
*House of Representatives,*
*Washington, D.C.*

DEAR SIR: It is our understanding that the information requested in your letter dated June 4, regarding grain crop loans in the last 4 years, has been furnished by the Kansas ASCS State office to the Department in Washington, D.C.

Yours truly,
E. R. VINCENT,
*Office Manager.*

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JUNE 4, 1962.

DEAR DIRECTOR: For the years 1958, 1959, 1960, and 1961 I desire the following information for your county:

How many barley producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many corn producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many grain sorghum producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many oat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many rye producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many soybean producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many wheat producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many peanut producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? None.

How many rice producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year? Not applicable.

How many cotton producers participated in the Commodity Credit Corporation loan program? What was the total loaned in your county in each year?

How many farmers participated in the programs of two of these crops? How many farmers participated in the programs of three of these crops? How many farmers participated in the programs of four of these crops?

For this information I shall be grateful.

Regards,
LINDLEY BECKWORTH.

DEAR SIR: There has been no participation in the feed grain program as the local market for the years 1958 through 1961 was above the loan value of each commodity.

We have approximately 1,500 upland cotton producers and 850 extra-long-staple producers that are eligible to participate in the Commodity Credit Corporation loan program. However, this program is handled through the lending agencies, cotton brokers and cotton buyers. These agencies have customers west of the Pecos in Texas, all of New Mexico and some in Arizona and California. It is impossible to determine the number of farmers who participated or the amount loaned in El Paso County for each year. The agencies state that approximately 90 to 95 percent of these loans are repaid by the producers including storage, interest, insurance, compression and freight, in this area for each of the years 1958 through 1961.

It might be possible for you to get this information by counties through the cotton division of the ASCS commodity office, USDA, Wirth Building, 120 Marais Street, New Orleans, La.

A. W. JEWELL,
*Office Manager, El Paso County ASCS,*
*El Paso, Tex.*

## PRESIDENTIAL SOUR GRAPES

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, today we are witnessing an embarrassing and distressing performance from the man we elected President in 1960 by less than 50 percent of the votes cast. After due process, considerable debate, and ample opportunity for amendment, the House has rejected as improvident and unworkable, the Kennedy-Freeman farm bill. In spite of the strong-arm tactics used by the President and his cohorts to try and ram this bill through the House, 48 Members of the President's own party—16 from the North and 32 from the South—voted against it.

Despite what seems to be obvious to everyone else, the President apparently did not get the message: This bill was a bad bill. The majority of the House Members believed it was not worthy to become the law of the land. And we resented the President's tactics in trying to force it upon us.

Mr. Speaker, I believe the President should stop trying to blame the Republicans for his defeat, a disproved coalition, or anything else—stop acting like a spoiled child, in other words—and take his licking like a man.

If the President will now try to come up with a farm bill that would preserve instead of destroy the freedom to farm, it might well better serve the Nation than the unseemly display of petulance and childish anger we have seen.

## HYPOCRISY THE GREATEST OF ALL SINS

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I have before me the Legislative Newsletter of May 28 of the Americans for Democratic Action. That organization has rated me consistently at zero on my voting record, and of that I am very proud. I have always been taught that hypocrisy is the greatest of all sins. The Americans for Democratic Action have reached the greatest height of hypocrisy in their communication. I will now read the article in the ADA newsletter, but I must revise to conform to the rules:

> The communications satellite issue is fast ripening in the other body and mid-June is the best guess for probable floor action. A Member of the other body has now firmly committed himself to filibuster; he will be joined by others. This issue can be won; but it can be won only if the Member gets enough cofilibusterers to stop the A.T. & T. bill by sheer power of talk, and this needs one thing and one thing only; bodies. It is not enough for anyone to say (as many of them have) that they will vote against the bill on the final vote, for if it comes to a vote it is absolutely lost. Every liberal must talk and talk his heart out if this battle is to be won.

I have had to revise some words to conform to the rules, but the message is identical. This is the same ADA that supposedly has fought filibusters for years, that only last year supported the stacking of the House Rules Committee to liberalize it.

## VOTES ON THE FARM BILL

Mr. DENT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, I just want to say that I heard this talk about why the farm bill was defeated and why people voted either for or against it.

I did not vote against the President nor against the bill. I voted in good conscience because I tried to write into the legislation some protection for the 57,000 independently owned family-sized farms of Pennsylvania that would be cut off under the provisions of this bill simply because they used the base year 1959–60. If we had moved that base year up to 1960–61 and given the Pennsylvania farmers an even break in their economy I never would have voted to send the bill back to committee. I am not opposed to the program advanced by the President. I did not get my arm twisted nor my leg broken, even though I do use a cane.

## COMMITTEE ON GOVERNMENT OPERATIONS—PERMISSION TO FILE A REPORT

Mr. MOSS. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight Friday to file a report entitled

"Availability of Information From Federal Departments and Agencies—Telephone Monitoring, Second Review."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## BOARD OF REGENTS, SMITHSONIAN INSTITUTION

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 722 providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, be filled by the appointment of William A. M. Burden, a citizen of New York, for the statutory term of six years, to succeed Arthur H. Compton, deceased.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of Senate Joint Resolution 192, providing for the filling of a vacancy in the class other than Members of Congress, an identical resolution to the one just passed, and for the immediate consideration of the Senate resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the resolution, as follows:

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, be filled by the appointment of William A. M. Burden, a citizen of New York, for the statutory term of six years, to succeed Arthur H. Compton, deceased.

The resolution was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House resolution (H.J. Res. 722) were laid on the table.

## LIBRARY OF CONGRESS TRUST FUND

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3266) to amend section 2 of the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section.

Mr. GROSS. Mr. Speaker, reserving the right to object, does this bill call for a new board or commission?

Mr. JONES of Missouri. It is not. It is merely an amendment to that act. This, I might say, is a Senate bill approved by the Committee on House Administration unanimously. All it does is to remove the limitation in the present law fixing the maximum deposit with the Treasurer of the United States on bequests at $5 million. This would increase that limitation to $10 million to permit them to accept gifts and bequests, which would be deposited in the Treasury of the United States.

Mr. GROSS. This adds no new personnel in Government nor does it provide for pay increases; is that correct?

Mr. JONES of Missouri. No new personnel, no new cost.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 2 of the Act entitled "An Act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925, as amended (2 U.S.C. 158), is further amended by striking out "$5,000,000" at the end of the section and inserting in lieu thereof "$10,000,000".

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

## AUTHORIZING LOAN OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 703, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessels loans now in existence. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ELLIOTT. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Ohio [Mr. BROWN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 703 provides for the consideration of H.R. 12037, a bill to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessels loans now in existence. The resolution provides for an open rule with 1 hour of general debate.

H.R. 12037 would authorize the extension of the existing loans made under the authority granted by the act of July 11, 1952, as amended August 29, 1957, of two submarines to the Government of the Netherlands. The bill would also authorize the loan of a total of eight vessels of the destroyer and submarine category of the Reserve Fleet to certain friendly foreign countries. The loans to the Government of the Netherlands were for a period of 5 years and will expire early in 1963.

Mr. Speaker, I urge the adoption of House Resolution 703.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Alabama [Mr. ELLIOTT] has just explained, this resolution makes in order consideration of the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries, and for the extension of certain naval vessel loans now in existence.

This bill was reported unanimously, as I understand it, by the Committee on Armed Services of the House.

This legislation is approximately the same as a number of similar bills that have been enacted by the Congress throughout the years. Most of the vessels that will be loaned are of the type that will soon be obsolete, and are being replaced in our own Navy.

As far as I know, there is no opposition to this rule, and I have no requests for time.

Mr. ELLIOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

## ADDITIONAL AUTHORITY FOR THE TEXAS & PACIFIC RAILWAY CO.

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 700 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved,* That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11244) to supplement certain provisions of Federal law incorporating the Texas and Pacific Railway Company in order to give certain additional authority to such company. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself as much time as I may consume, pending which I yield 30 minutes to the gentleman from Ohio [Mr. Brown].

Mr. Speaker, this rule makes in order the consideration of H.R. 11244. It is an open rule. It provides for 1 hour of general debate.

The Texas & Pacific Railway Co. was one of five railroads which originally obtained a Federal charter. It is an old charter, and the reading of it makes in doubt whether or not that railroad can make any connection with any other railroad unless it runs in an easterly and westerly direction. This simply amends that charter to give the railroad the same authority enjoyed by other railroads, subject, of course, to Interstate Commerce Commission control. The second section of the bill would allow the Texas & Pacific Railway to increase its capital stock from $75 million to $100 million.

Mr. Speaker, as far as I know, there is no opposition to the rule.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Texas.

Mr. PATMAN. Is the purpose of this bill to permit a merger between the Texas & Pacific and any other railroad?

Mr. THORNBERRY. If it is I do not know it.

Mr. PATMAN. Did the hearings disclose anything about that?

Mr. BROOKS of Texas. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Texas.

Mr. BROOKS of Texas. As the author of the bill, I would be pleased to state that the purpose of this legislation was not to facilitate a merger, as the hearings clearly show in the testimony before the committee, and I cite from them. In reply to that direct question, the president of the Texas & Pacific Railway Co. said that the Texas & Pacific has no present plans to acquire other railroads or merge with other railroads. The primary purpose of this legislation is to put them in the same position as other railroads in the United States, this being the only railroad operating under a charter in the United States.

Mr. PATMAN. But, will this make it easier for merger if they desire to merge? In other words, will this expedite a merger in any way?

Mr. BROOKS of Texas. I doubt that that would be particularly helpful, in that 81 percent of the present ownership of the Texas & Pacific is held by the Missouri Pacific, and they already control it. I would think that this legislation would, in effect, give the Texas & Pacific a better opportunity to preserve its identity as an independent or semi-independent railroad, despite the present major ownership by another organization.

Mr. PATMAN. And there is nothing in this bill that would give aid and comfort to any merger by the Texas & Pacific with the Missouri Pacific or any other railroad?

Mr. BROOKS of Texas. Not specifically. It would give them the same opportunity that other railroads enjoy in their efforts to maintain their identity and their effort to maintain a separate corporate entity.

Mr. PATMAN. It is not the intention of this legislation to make it easier or to permit a merger of any kind?

Mr. BROOKS of Texas. I do not know what the detailed answer to that would be. I would say that the president of the company stated clearly that they had no merger plans and that the sole plan was to enable them to have the same opportunity that other railroads in the United States have to survive. They have no plans to merge, but they hope they can maintain their separate identity.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. THORNBERRY. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. With respect to the question asked by the gentleman from Texas [Mr. Patman], I understand this bill would simply place the Texas & Pacific Railway on the same footing as other railroads, and in the event of an application for merger it would still be necessary for them to follow the same procedure that any other railroad would have to follow and obtain concurrence and approval of the ICC.

Mr. THORNBERRY. That is correct.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas [Mr. Thornberry], a member of the Committee on Rules, has explained this rule very ably. This bill, as I understand it, was reported unanimously by the legislative committee having jurisdiction.

Mr. Speaker, the Texas & Pacific Railroad is one of the few railroads in the country that was chartered by the Government, I believe, first in 1871. Since that time, in almost every action that railroad has taken as far as growth is concerned especially, it has been necessary to amend its charter.

Mr. Speaker, I have read the report rather thoroughly and I want to assure my good friend, the gentleman from Texas [Mr. Patman], that neither the Federal Reserve Board nor Billie Sol Estes has had any connection with this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## POSTPONING SEC REPORT TO CONGRESS

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 702, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11670) to postpone by three months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may consume and, following that, I yield 30 minutes to the gentleman from Ohio [Mr. Brown].

Mr. Speaker, House Resolution 702 provides for the consideration of H.R. 11670, a bill to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes. The resolution provides for an open rule with 1 hour of general debate.

H.R. 11670 would extend the completion date of the special study of the securities markets which the Congress had directed be made by the Securities and Exchange Commission from January 3, 1963, until April 3, 1963, and authorizes an additional $200,000 for the 65 positions of the special study to operate as a unit until the latter date. Approval of this proposal would increase the total amount authorized for the study from $750,000 to $950,000.

Mr. Speaker, I urge the adoption of House Resolution 702.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas [Mr. Thornberry] has explained this rule very thoroughly and very clearly. The Committee on Interstate and Foreign Commerce brought this measure before the Committee on Rules, and did so by unanimous vote. It explained to the satisfaction of the members of the Rules Committee that the extension of time for the completion of this study by the Security and Exchange Commission was necessary.

Mr. Speaker, I know of no objection of any kind to the rule, and yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

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## AUTHORIZING LOAN OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. BENNETT of Florida. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12037, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BENNETT of Florida. Mr. Chairman, I yield myself such time as I require.

Mr. Chairman, this bill would authorize the extension of the loan of two submarines to the Government of the Netherlands and would authorize the loan of eight other ships, submarines and destroyers to other friendly foreign nations.

The whole program of loans of ships to friendly foreign nations is a continuing one and one with a definite design.

The establishment of military bases in foreign countries is first and above all a matter of self-interest to the United States. We know we do not have a base on the island of Okinawa just to protect Okinawans. The base is there primarily to protect the United States and the people of the United States.

So it is with the loaning of ships to foreign nations. Each of these ships is lent with a specific purpose in mind. And for the most part, this purpose is that of providing a capability in antisubmarine warfare.

During the hearings before the full committee, a witness was asked whether if these ships were not lent to the friendly foreign nations, would the United States have to post its own ships and its own crews in those areas.

The witness answered in this fashion: He said:

> There would have to be ships in these areas, but—

He said—

> the U.S. Navy would simply not be capable of doing the job itself.

So, to repeat, we are serving our own military self-interest when we lend these ships. Any benefit of a defensive nature which accrues to the particular foreign nations is a valuable one, but it is a collateral one.

With respect to the expense involved, and this bill will involve something in the order of $30 million, I will say that it would cost many times that amount for us to do the job ourselves.

As has been true with respect to all of the previous ship loan bills, provision is made that the loans be for a period of not more than 5 years and are on the very definite condition that the loan may be terminated at an earlier date if the defense requirements of the United States require this at the present time.

I think it is important to note also that section 7 of the bill requires that any loan or extension of a loan be made only after the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that the loan or extension is in the best interests of the United States. Even then the Secretary must keep the Congress advised of any loans or extensions which are made.

The extension of the submarine loan to the Netherlands is set out specifically in the bill itself. The other countries involved are Greece and Spain in the European area and Chile, Columbia, Peru, and Venezuela in the Latin American area.

All of these countries have a proven capability to man and operate these ships and their very geographic locations indicate how important it is to have on-station ships of the submarine and destroyer types.

Let me repeat that the great benefit to be derived from these loans is one which is received by our own country. There must be ships in these areas and since most of the countries have little or no capability for building such ships, they must come from somewhere else. As the leader of the free world and as the nation with the greatest number of ships available, we are the logical source for them.

Mr. HALL. Mr. Chairman, I yield myself such time as I may require, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HALL. Mr. Chairman, the specifics of the bill have been well covered already and I will not, therefore, repeat any of this information.

I will, however, draw the attention of the House to the hearings on the bill which bring out a number of collateral matters which I think might be of considerable importance to the membership of the House. For example, on page 5331 is a list of the 65 ships which are currently on loan.

You will note that some of the countries which are the recipients of ships under this bill already are in possession of other ships previously lent to them.

For example, Chile, which I had the privilege of visting last December, which would get two more destroyers under this bill, already has two of our submarines and two of our destroyers. I might interpolate at this point that they have a cruiser which they have obtained from another sovereign nation.

Colombia would get one destroyer under this bill and it already has one destroyer from us; Greece would get two destroyers under this bill and it already has two submarines and four destroyers; Peru would get one destroyer and already has two destroyers; and Spain would get one submarine and it already has one submarine and five destroyers.

Another matter which would be of interest, I think, is where did the South American countries who would be the recipients of ships under this bill stand at the meeting at Punta del Este?

I am happy to say that Peru, Venezuela, and Colombia have been with us all the way with respect to Cuba and were with us at the meeting at Punta del Este.

In the case of Chile, Chile did vote against us but only on the technical ground that it felt that the expulsion of Cuba was outside of the charter of the OAS. After the vote, however, Chile supported us all the way and has proved itself to be our great friend.

In fact, I visited with the Minister of War in Chile and the commander in chief of the armed forces. I think I can assure the membership they will continue in this manner.

Another thing which I think would be of interest to Members of the House is how the determination is made that these ships are required and can be used by the foreign countries.

This is generally the procedure. The need for the ships is developed by the country team involved. They then get the approval of the unified commanders and the representatives of the Defense Department and the State Department in the military assistance plans and programs groups. The plans are also reviewed by the Joint Chiefs of Staff and all of the Navy's views are incorporated in the material furnished the Joint Chiefs.

You will note in the report and letter from the Secretary of the Navy to the Speaker that the review goes into the question as to whether the country can use these ships in proper fashion; that is to say, whether they have the manpower available, the training facilities, and will their defense budgets permit them to operate the ships, and all of that sort of background.

As we all know, and as has been said, this bill is one of a long series of ship loan bills. They represent a sound expression of our own national self-interest and are effective instruments for maintaining the peace.

I urge, as did the full Armed Services Committee the support of the House for this bill.

Mr. BENNETT of Florida. Mr. Chairman, we have no further requests for time.

Mr. HALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I should like to ask the gentleman in charge of the bill a question or two concerning it. I believe the gentleman said that we are the suppliers of ships to countries that do not have the capability for building warships; at least some of them do not have that capability. But after all, this is costing us a great deal of money. This bill provides money or it will cost, out of some fund, approximately $30 million, if I understand the situation correctly.

Mr. BENNETT of Florida. The gentleman is correct. It will cost approximately $30 million of which $3 million will be paid by Venezuela.

Mr. GROSS. We will get $3 million from Venezuela for reconditioning the ships it obtains on loan?

Mr. BENNETT of Florida. Venezuela is in very good financial condition and can pay for refurbishing these things and getting them in combat condition. The other nations would look to the U.S. Treasury through the foreign aid program to get these ships and have them put in proper condition.

Mr. GROSS. The question is: Will these ships be reconditioned in American yards?

Mr. BENNETT of Florida. Yes; that will be done in American yards.

Mr. GROSS. It is not contained in the report or in the bill; is it?

Mr. BENNETT of Florida. It is backed up in the testimony on the bill and it will be a part of the record that this work will be done only in American yards.

Mr. GROSS. What has been the experience with reference to other loans of warships? Have we recovered any ships that we have loaned?

Mr. BENNETT of Florida. We have recovered one ship from France, the *Belleau Wood*. This ship was not in very good condition when it was returned to us. It is the only ship that has been returned.

Mr. GROSS. That is the question I wanted to ask. In what condition are these warships when they come back to us?

Mr. BENNETT of Florida. The wear and tear on these ships, of course, is considerable and if a ship is kept for a considerable length of time, it naturally can be expected that it will not be in very good condition when it is returned. So, only one of the 65 ships so far has been returned. I might point out to the gentleman that if we had any difficulty anywhere in the world, it would certainly be much more to our advantage to have these American ships ready for immediate use by ourselves or by an ally than it would to have the ships in mothball condition where it would take a long time to put the ships in combat condition. This way they are immediately ready when they are needed.

Mr. GROSS. Of course, if the *Belleau Wood* came back to us in poor condition, it would not be ready for service in an immediate emergency; would it?

Mr. BENNETT of Florida. That is correct. However, it was being usefully employed during the time that France had it and had we been using it ourselves during that time it probably would have been about worn out within the same period.

Mr. GROSS. France has the shipbuilding capability to build and recondition warships.

Mr. BENNETT of Florida. That is one reason why there is no ship for France in this bill. At the time they got that particular vessel, they did not have the time to build one quickly enough. But that is past history now and this bill does not involve giving any ship to France.

Mr. GROSS. Should they not return these ships to us in serviceable condition?

Mr. BENNETT of Florida. Well, the recipient countries are under obligation to return them in the same condition as when loaned, except for fair wear and tear. The wear and tear on a ship the age of the *Belleau Wood*, almost obsolescent, at that time, was such that it was not a very useful ship when it was returned.

Mr. GROSS. Let me ask one final question. When these ships are loaned; is it necessary that we then go out and build new ships to replace them?

Mr. BENNETT of Florida. The answer is "No." It is not necessary because of this program to launch a program or increase the present program to build new ships. I am glad the gentleman brought this particular question up. The Navy has to see to it that we have modern ships, capable of fighting in the environment of a modern war. Therefore we have to have a continuing shipbuilding program which, I must very regretfully tell you, today is not what it should be. We ought today to be building ships in much greater numbers than we are.

We do have a program for building some ships, but it is a relatively small program. It should be enlarged. When we get rid of the farm program and other programs and get down to essentialities in this country, possibly we can go ahead with part of this needed ship program.

Mr. GROSS. I hope this loan program is not being used as an excuse to embark upon the building of new warships.

Mr. BENNETT of Florida. On the basis of the hearings this year, I can assure the gentleman that there is no thought that the removal of these ships from our inventory is any basis for the construction of new Navy ships. As I said, we are not doing enough now in the way of building new ships. I think the program should be stepped up, but the removal of these ships has no bearing on that matter.

Mr. GROSS. I appreciate having the gentleman's information on the record and the assurance that he has given the House.

Mr. BENNETT of Florida. I thank the gentleman for his question.

Mr. Chairman, I ask that the bill be read, to be open for amendment at any point.

Mr. HALL. Mr. Chairman, I have no further requests for time.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend the loans of two submarines to the Government of the Netherlands on such terms and under such conditions as he deems are appropriate.

Sec. 2. The extensions of the existing loans authorized under this Act are extensions of the loans made under the authority granted by the Act of July 11, 1952 (66 Stat. 587), as amended by the Act of August 29, 1957 (71 Stat. 495).

Sec. 3. Extensions of existing loans shall be for a period of not to exceed five years and shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

Sec. 4. Notwithstanding section 7307 of title 10, United States Code, or any other law, the President may under conditions which he prescribes lend or otherwise make available to friendly foreign nations from the Reserve Fleet, on such terms and under such conditions as he deems appropriate, destroyers, and submarines as follows: (1) North Atlantic Treaty Organization and European area not to exceed three ships; and (2) Latin America not to exceed five ships.

Sec. 5. New loans executed under this Act shall be for periods not exceeding five years. All loans shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

Sec. 6. All expenses involved in the activation, rehabilitation, and outfitting, including repairs, alterations, and logistic support of vessels transferred under this Act, shall be charged to funds programed for the recipient government under the Foreign Assistance Act of 1961, as amended, or successor legislation, or to funds provided by the recipient government.

Sec. 7. No loan may be made or extended under this Act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such loan or extension is in the best interest of the United States. The Secretary of Defense shall keep the Congress currently advised of all loans or extensions made under authority of this Act.

Sec. 8. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

Sec. 9. The authority of the President to transfer naval vessels under this Act terminates on December 31, 1964.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose, and the Speaker pro tempore having resumed the chair, Mr. Evins, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12037) to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence, pursuant to House Resolution 703, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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## WATER CARRIER THROUGH ROUTES AND JOINT RATES

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 701 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11643) to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes of my time to the gentlewoman from New York [Mrs. ST. GEORGE], and pending that I yield myself such time as I may require.

Mr. Speaker, House Resolution 701 provides for the consideration of H.R. 11643, a bill to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates. The resolution provides for an open rule with 1 hour of general debate.

The statehood acts relating to both Alaska and Hawaii retained jurisdiction over water transportation between Alaska, Hawaii, and the other States in the Federal Maritime Commission. The Interstate Commerce Commission has taken the position that, in the absence of statutory authority, carriers subject to the Commission's jurisdiction cannot enter into through routes and joint rates with those subject to the Maritime Commission jurisdiction.

The purpose of H.R. 11643 is merely to clarify the Interstate Commerce Act so that the users of motor-water services between Alaska or Hawaii and the other 48 States may have the same benefits of through routes and joint rates which are enjoyed by users of motor-water services among the other 48 States, and by users of rail-water services or of any combination of service with air services among all of the 50 States.

Mr. Speaker, I urge the adoption of House Resolution 701.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the consideration of the bill H.R. 11643, which has been well explained by my colleague from Texas [Mr. THORNBERRY].

The purpose of the legislation is amply stated in a paragraph which is in the report that I shall now read:

> The purpose of this bill is exceedingly simple; it is merely to clarify the Interstate Commerce Act so that the users of motor-water services between Alaska or Hawaii and the other 48 States may have the same benefits of through routes and joint rates which are enjoyed by users of motor-water services among the other 48 States, and by users of rail-water services or of any combination of service with air services among all of the 50 States.

In other words, Mr. Speaker, this legislation is made necessary by the fact that Alaska is now one of the 50 States in our Union.

I can see no objection to this rule, and I have no further requests for time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

## ADDITIONAL AUTHORITY FOR THE TEXAS & PACIFIC RAILWAY CO.

Mr. WILLIAMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11244) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11244, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WILLIAMS. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, this bill comes to the House by unanimous vote of the Committee on Interstate and Foreign Commerce.

This bill deals exclusively with the rights of one railroad, the Texas & Pacific Railway Co., which is the only congressionally chartered railroad operating in the United States under its original charter, so I am informed.

Under the original charter of the Texas & Pacific Railway Co., it was given authority to merge only with railroads going in the same general direction. This bill would authorize them, with the approval of the Interstate Commerce Commission, to merge with or acquire other railroads should they have the desire to do so and meet the necessary requirements. Also it would increase the capital stock from $75 million to $100 million.

Mr. Chairman, I know of no opposition to the bill.

I yield such time as he may desire to the author of the bill, the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS of Texas. Mr. Chairman, I would add to the fine discussion by the gentleman from Mississippi, that the bill provides for an increase in authorized capital stock from $75 million to $100 million, the last change having been authorized by congressional action in 1923. The company has, of course, increased in size since then. This would give them the flexibility they need for their corporate structure. On the question of merger, the president of the company testified before the Committee on Interstate and Foreign Commerce and so stated to me that the company has no merger plans in mind at all at this time. They merely want to be on the same footing with other railroad companies throughout the United States in order that they might have a better opportunity to preserve their entity as a corporate operating railroad.

Mr. SPRINGER. Mr. Chairman, in the hearings before the committee there was no opposition to this bill. There may be a question in the minds of those on the floor as to why the Texas & Pacific Railway Co. should come to this Congress for an amendment to its charter. It is the only major railway in the country which is still operating under a Federal charter, and that is the reason for this legislation.

May I say, in addition, to my good friend from Iowa, no money is involved in this and no cost is involved as far as the Federal Government is concerned.

Mr. GROSS. I want to thank my economy-minded friend from Illinois for that assurance.

Mr. SPRINGER. We did hear this rather carefully, and I think all of the points with reference to the legislation were carefully brought out before the committee. In view of the fact that there was no opposition to it and that the merits are with the legislation, I believe that it should be passed.

Mr. Chairman, we have no further requests for time.

Mr. WILLIAMS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That in addition to the powers conferred by the Act entitled "An Act to incorporate the Texas Pacific Railroad Company and to aid in the construction of its road, and for other purposes", approved March 3, 1871 (16 Stat. 573), as supplemented by the Act of May 2, 1872 (17 Stat. 59), the Act of March 3, 1873 (17 Stat. 598), the Act of June 22, 1874 (18 Stat. 197), and the Act of February 9, 1923 (42 Stat. 1223), Texas and Pacific Railway Company shall have the right and authority, subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto, to acquire securities or stock of, or property from, any other carrier.
>
> SEC. 2. The capital stock of the Texas and Pacific Railway Company, heretofore fixed by its board of directors pursuant to the provisions of the Act of February 9, 1923, at $75,000,000 may be increased at any time in such amounts as do not result in more than $100,000,000 of such company's capital stock outstanding and as are agreed to by resolution of its board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require. The provisions of the Act of February 9, 1923, with respect to the additional capital stock authorized by such Act (except with respect to the aggregate amount thereof), shall be applicable to the additional capital stock authorized by this Act and, in addition thereto, the par value of the capital stock of said company and the number of shares thereof shall, subject to the limitations of this Act, be in such amount as may be determined from time to time by resolution of such company's board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of

said stockholders called for the purpose upon such notice as such bylaws require.

SEC. 3. All power and authority granted to the Texas and Pacific Railway Company by this Act, the Act incorporating such company, and Acts supplemental thereto, shall be subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto.

With the following committee amendments:

On page 1, line 10; on page 2, line 5; and on page 3, line 5, strike out "the" and insert "The".

On page 2, line 17, strike out "additionad" and insert "additional".

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having assumed the Chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11244) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company, pursuant to House Resolution 700, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from further consideration of the bill (S. 3025) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company, a similar bill to that which has just passed the House, and I ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in addition to the powers conferred by the Act entitled "An Act to incorporate the Texas Pacific Railroad Company and to aid in the construction of its road, and for other purposes", approved March 3, 1871 (16 Stat. 573), as supplemented by the Act of May 2, 1872 (17 Stat. 59), the Act of March 3, 1873 (17 Stat. 598), the Act of June 22, 1874 (18 Stat. 197), and the Act of February 9, 1923 (42 Stat. 1223), the Texas and Pacific Railway Company shall have the right and authority, subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto, to acquire securities or stock of, or property from, any other carrier.

SEC. 2. The capital stock of the Texas and Pacific Railway Company, heretofore fixed by its board of directors pursuant to the provisions of the Act of February 9, 1923, at $75,000,000, may be increased at any time in such amounts as do not result in more than $100,000,000 of such company's capital stock outstanding and as are agreed to by resolution of its board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require. The provisions of the Act of February 9, 1923, with respect to the additional capital stock authorized by such Act (except with respect to the aggregate amount thereof), shall be applicable to the additional capital stock authorized by this Act and, in addition thereto, the par value of the capital stock of said company and the number of shares thereof shall, subject to the limitations of this Act, be in such amount as may be determined from time to time by resolution of such company's board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require.

SEC. 3. All power and authority granted to the Texas and Pacific Railway Company by this Act, the Act incorporating such company, and Acts supplemental thereto, shall be subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto.

Mr. WILLIAMS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: Strike out all after the enacting clause of S. 3025 and insert the provisions of H.R. 11244, as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 11244) was laid on the table.

## POSTPONING SEC REPORT TO CONGRESS

Mr. MACK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11670) to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11670, with Mr. EVINS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MACK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, approximately a year ago, on June 1, to be exact, I introduced a resolution to authorize an appropriation of $750,000 for the Securities and Exchange Commission to conduct a study and investigation of our securities markets.

My resolution was approved by the Congress on August 25 and was signed by the President on September 5, 1961. Funds to carry out the purpose of this resolution were not appropriated until September 30 and consequently the Commission required until late October to early November to staff and organize this special unit. Furthermore, additional time was consumed in preliminary analyses before the study was actually underway. At the time I introduced this resolution the Commission could not definitely report to us on the exact time required. Early this spring the Commission informed me that an extension would be necessary for them to complete the factfinding phase of the inquiry. The time and manpower needed to complete an analysis and report on all the suggestions which the Commission considers basic and vital—and which must be studied to satisfy the congressional intent—became apparent only after numerous preliminary inquiries. These inquiries pointedly demonstrated the breadth and complexity of the undertaking and further led the Commission to the conclusion that, without an additional authorization, it would have to exclude consideration of certain fundamental areas from the scope of the study.

The Commission found that many of the problems in this industry are interrelated and that they could not be considered as special and distinct topics. In many cases they are so intertwined with other topics that any attempt at separation would be artificial and might well lead to arbitrary conclusions. The Commission believes with me that the importance of the study to the investing public requires its complete execution which can only be effected pursuant to an extension of the study. There has occurred a dramatic increase in the securities market particularly among persons having a slight interest with the intricacies of corporate finance and stock market operations.

The study, only 6 months old, has demonstrated its importance in value. It has stimulated a number of significant values in the form of rulechanging and disciplinary actions. Since the hearings were held on my resolutions and the study investigation was initiated there have been a number of significant developments which have helped to create a more salutary effect in the securities business. The industry has indicated that it is aware of the importance of putting its own house in order. The American Stock Exchange is undergoing a thorough reorganization.

Some regional exchanges have tightened their listing requirements and others are revamping their supervision and control. The New York Stock Exchange has recently adopted a rule which requires a specialist on that exchange to report all transactions made by their customers in stock in which the specialist is registered. In the over-the-counter market the National Association of Securities Dealers has stepped up its disciplinary action involving violations of its rules by members. The "hot issue" phenomenon has very noticeably cooled off since this investigation was undertaken.

Mr. Chairman, I am fully cognizant of the recent developments in the stock market. I could not appear here today without taking note of the fact that we have had unusual activities in the stock markets with the market hitting a new low yesterday. I think it is particularly unfortunate for the investors who suffered financial losses or at least paper losses in the recent decline. Like everyone I did not welcome the decline in the stock prices. I also agree that these prices were unreasonably high only a few months ago. I said on May 28, which is commonly referred to as "black Monday," that American business is still an excellent investment and that securities, especially common stocks, would be a good long-term investment.

I felt then as I feel now that it will take the markets sometime to establish their proper level. I express these views because our securities laws were not written or intended as an escalator clause in our securities markets but rather to protect the interest of an investor so that he is not victimized by fraud or deceptive acts.

Mr. Chairman, as a result of the enactment of my resolution last year the Securities and Exchange Commission has initiated one of the broadest and most penetrating investigations of the securities business since the early thirties. While we did not design it this way our investigators have been on the scene at the exchanges during the unusual activity of the last several weeks. They have gathered information which will be of immeasurable value to the Securities and Exchange Commission and to my committee. I feel that they are doing an excellent job and should be given adequate time and money to complete this investigation. For these reasons, Mr. Chairman, I strongly support this resolution and hope that the Congress will give it unanimous approval.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MACK. I am glad to yield to my good friend from Iowa.

Mr. GROSS. The gentleman says that there have been a good many developments in the securities industry, and that is certainly an accurate statement. We have had a considerable number of developments, some not so good, in the securities markets, the stock and bond market, for instance. But I want to ask the gentleman this question. Why the $200,000 increase?

Mr. MACK. I want to say first that if there is anyone who is aware of the situation on Wall Street and recent developments there, the gentleman from Illinois is certainly that person. I would say further that I am personally thoroughly convinced that this investigation ought to be continued, and that it should be continued at an accelerated pace in light of recent developments in the securities industry.

Mr. GROSS. The point is that the gentleman obtained an appropriation last year of $750,000. Now he is in asking for $200,000 more.

Mr. MACK. Yes. The gentleman was good enough to express his interest in this matter last year when we had the original resolution under consideration. I told him at that time that I wanted a thorough investigation and I wanted whatever amount of money was necessary to make this thorough study and investigation. I said at that time—I am sure the gentleman will find it in the RECORD—that I felt that $750,000 was the absolute minimum and that I thought it would take $1 million. It has required a greater expenditure than the Congress anticipated at that time. The figure is still under $1 million but it is very close to the amount that I estimated it would cost at that time.

Mr. GROSS. Yes, it is $50,000 under the $1 million figure.

Mr. MACK. I am sure that the gentleman remembers our colloquy on the subject at that time and that I did indicate it would take approximately $1 million.

Mr. GROSS. I am sorry I do not remember it, but let me ask the gentleman this question. Is the investigation going to be completed with the $950,000 or will it require more money?

Mr. MACK. No. I have the assurance that it will be completed. I want to be frank with the gentleman from Iowa today as I was a year ago and I want to say at this time that it is my best judgment that this investigation can be completed with the extension of 3 months and with the increase of the $200,000. We will have approximately 18 months for the investigation and we will have approximately the amount of money I suggested originally. I have the assurance furthermore of the director of the investigation and the chairman of the Securities and Exchange Commission that they can secure the information that we desire with this amount of money and in this time.

Mr. GROSS. I hope that is true, and I thank the gentleman for yielding to me.

Mr. SPRINGER. Mr. Chairman, I think one thing that should be brought to the attention of the House at this time is the delay in getting the investigation underway, which was not the fault of anyone, as far as I can see at this time. I am not a member of this subcommittee, but I do know some of the facts.

Taking the chronological order in which this occurred, the resolution was introduced in the first part of June 1961. It was not until the latter part of August that the Congress passed it, and the President signed it early in September. However, it took them almost 6 weeks to get the staff hired and on the job with sufficient space to start to work. That meant that really hardly anything was done until the 1st of December 1961. If they had been able to start this in the middle of the summer of 1961 they probably would have been finished with it by now. This delay was not the fault of anybody, but there has been a delay, and I think a continuance of this investigation for 3 months would be in the public interest.

Second, I believe some constructive things have come from the investigation. Thus far, some of it has received the approval of the president of the stock exchange. Some corrective measures have been taken in the cases of people who dealt illegally in stocks, and the Department of Justice has investigated them.

In view of all this, I think the continuance of this investigation for another 90 days is in order. For that reason, I believe the legislation should be passed.

Mr. MACK. Mr. Chairman, I have no further requests for time.

Mr. SPRINGER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the second sentence of subsection (d) of section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s(d)) is amended by striking out "January 3, 1963" and inserting "April 3, 1963" in lieu thereof. The last sentence of such subsection is amended by striking out "$750,000" and inserting "$950,000" in lieu thereof.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11670) to postpone by 3 months the date on or before which the Securities and Exchange Commission shall report to the Congress the results of its study and investigation pursuant to section 19(d) of the Securities Exchange Act of 1934, and for other purposes, pursuant to House Resolution 702, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

## WATER CARRIER THROUGH ROUTES AND JOINT RATES

Mr. WILLIAMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11643) to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates.

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## CALL OF THE HOUSE

Mrs. **CHURCH.** Mr. Speaker, I make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

Mr. **MACK.** Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 125]

Abbitt
Addabbo
Addonizio
Alexander
Alford
Alger
Andersen, Minn.
Anfuso
Arends
Ayres
Bailey
Baring
Barrett
Bass, Tenn.
Bates
Battin
Beermann
Belcher
Berry
Blitch
Boggs
Bonner
Bow
Boykin
Brewster
Buckley
Carey
Celler
Chamberlain
Chiperfield
Curtis, Mass.
Daniels
Davis, James C.
Davis, Tenn.
Dent
Denton
Diggs
Dingell
Dole
Dominick
Donohue
Dooley
Downing
Dulski
Fallon
Farbstein
Feighan
Fino
Flood
Flynt
Fogarty
Fountain
Frelinghuysen
Friedel
Garland
Garmatz
Gavin
Gilbert
Glenn
Gonzalez
Grant
Green, Oreg.
Griffiths
Gubser
Hansen
Harding
Hardy
Harris
Harrison, Va.
Hays
Healey
Hemphill
Hoffman, Mich.
Horan
Hosmer
Hull
Inouye
Jarman
Joelson
Johnson, Wis.
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilburn
King, Calif.
King, Utah
Kirwan
Kluczynski
Kowalski
Kyl
Landrum
Lankford
Lipscomb
Loser
McCulloch
Macdonald
Madden
Martin, Mass.
Mathias
May
Meader
Michel
Miller, N.Y.
Moeller
Monagan
Moore
Morrison
Mosher
Moulder
Multer
Nedzi
Nix
Norrell
O'Hara, Mich.
Philbin
Pike
Pilcher
Poff
Powell
Reuss
Riley
Rivers, S.C.
Rodino
Roosevelt
Rosenthal
Roush
Ryan, Mich.
St. Germain
Santangelo
Saund
Saylor
Scherer
Scranton
Seely-Brown
Shelley
Sheppard
Siler
Slack
Smith, Calif.
Smith, Miss.
Spence
Stratton
Stubblefield
Thompson, N.J.
Tuck
Udall, Morris K.
Van Zandt
Westland
Whitener
Wilson, Ind.
Winstead
Yates
Younger
Zablocki
Zelenko

The **SPEAKER** pro tempore. On this rollcall, 277 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

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## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

S. Res. 352

*Resolved,* That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. Francis Case, late a Senator from the State of South Dakota.

*Resolved,* That a committee of Senators be appointed by the President of the Senate to attend the funeral of the deceased.

*Resolved,* That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved,* That as a further mark of respect to the memory of the deceased the Senate do now adjourn until 10 o'clock antemeridian tomorrow.

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## WATER CARRIER THROUGH ROUTES AND JOINT RATES

The **SPEAKER** pro tempore. The question is on the motion of the gentleman from Mississippi [Mr. Williams].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11643, with Mr. Evins in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. **WILLIAMS.** Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, this bill comes to the House by a unanimous vote of the Committee on Interstate and Foreign Commerce. So far as I know there is no opposition to the bill. It was wholly noncontroversial in the committee, and I presume will be noncontroversial here.

The purpose of the bill is to correct a problem which arose from the admission of Alaska and Hawaii to statehood with respect to authority for filing through routes and joint rates to the new States of Alaska and Hawaii. There is presently clearly statutory authority for the filing of through routes and joint rates between air and surface carriers, between rail and water carriers, between rail and motor carriers. However, the Interstate Commerce Commission has ruled that they do not have authority to establish through routes and joint rates where there is a combination of motor and water carriage, or between motor and water carriers.

The purpose of this bill is to give the Interstate Commerce Commission authority to establish these joint rates and through routes.

### BACKGROUND AND NEED FOR LEGISLATION

The Statehood Acts relating to both Alaska and Hawaii retained jurisdiction over water transportation between Alaska, Hawaii, and the other States in the Federal Maritime Commission. The Interstate Commerce Commission has taken the position that in the absence of statutory authority, carriers subject to the Commission's jurisdiction cannot enter into through routes and joint rates with those subject to the Maritime Commission jurisdiction.

At present, statutory authority clearly exists for through routes and joint rates as to the following combinations of rail, motor, and water carriers subject to the jurisdiction of the Interstate Commerce Commission, air carriers subject to the Civil Aeronautics Board, and water carriers subject to the Federal Maritime Commission:

Air and all other carriers: Federal Aviation Act, section 1003.

Rail and ICC water: Interstate Commerce Act, section 1(4), 305(b).

Rail and FMC water: Interstate Commerce Act, section 1(1)(a).

Rail and motor: Interstate Commerce Act, section 216(c).

Motor and ICC water: Interstate Commerce Act, section 216(c).

This leaves two combinations not covered; namely, ICC motor and FMC water, and ICC water and FMC water.

Section 216(c) of the Interstate Commerce Act authorizes through routes and joint rates by motor carriers and water carriers. The Interstate Commerce Commission has been consistent in construing the section to mean only water carriers subject to its jurisdiction under part III. This, of course, is an impossible construction because part III was not enacted until 1940, whereas section 216(c) of part II covering motor common carriers was enacted in 1935.

H.R. 11643 would make it crystal clear that section 216(c) authorizes motor carriers to establish through routes and joint rates with water carriers to Alaska and to Hawaii, whether such water carriers are subject to the Interstate Commerce Act or to the Shipping Acts. It also collaterally would similarly authorize water carriers under the Interstate Commerce Act to establish such routes and rates with water carriers under the Shipping Acts.

There is an undeniable need for legislation if shippers in the Alaskan or Hawaiian trade are to enjoy the benefits of single factor through rates on traffic moving by motor and water or by a combination of water services.

Upon the advent of Alaska statehood in 1959, motor carrier transportation in interstate commerce in Alaska became subject to regulation by the Interstate Commerce Commission but water carriage between ports in the contiguous 48 States and ports in Alaska continued to be regulated by the Federal Maritime Board. Consolidated Freightways, as a motor carrier, in order to clarify the issues raised by statehood, attempted to file a joint tariff between itself and a regulated water carrier, only to have both the Interstate Commerce Commission and the Federal Maritime Board reject same on the ground that neither regulatory agency has jurisdiction over the entire movement and thus, as a matter of law, neither could accept the tariff. The result of this rejection has been that any transportation of freight to the new States of Alaska and Hawaii which required in part movement by a regulated water carrier could not be afforded the economy of a joint rate.

The availability of such through routes and joint rates would enable a shipper to make one contract with the originating carrier on behalf of all carriers participating in the arrangement. In addition, the shipper could ascertain the rate for such through movement by consulting a single tariff instead of many, as may be necessary at present. Both shipper and consignee would have the advantages given by section 20(11) and similar provisions in other parts of the Interstate Commerce Act of recovering from either the originating or delivering carrier for loss or damage caused by any carrier participating in the through movement. Finally, experience has shown that, because of the economy of established channels of commerce through which substantial traffic may flow, and reduced freight rate calculation costs, joint rates are generally lower than a combination of local rates of connecting carriers not participating in through service arrangements.

During the 86th Congress the committee had occasion to take up a number of legislative proposals having to do with the meshing into existing statutes relating to transportation certain areas in the field of transportation regulation occasioned by the Alaska and Hawaii Statehood Acts. At that time among other things the committee had occasion to take up the through route and joint rate proposal which is accompanying it and encompassed in the instant legislation, both in hearings here as well as jointly with the Senate committee in Alaska.

At that time it was proposed to treat of this problem not by curing it through putting the Alaskan and Hawaiian motor and water shippers and receivers on the same footing as Alaskan and Hawaiian rail and air shippers and receivers and all shippers and receivers in the other 48 States, but by creating a brandnew joint board which would handle all such matters among all 50 States. The Department of Commerce and the Federal Maritime Commission again now urges this same treatment, which, of course, would enable the Maritime Commission as a participant in the joint board to have a voice in the very exceedingly broad field in which it is not now a participant. It has seemed to the committee that the creation of a new structure resulting in new treatment of some 99 percent of our interstate transportation in order to reach less than 1 percent—though very significant as far as the two States involved—concerned in this problem is a confounding solution to an already confused picture.

H.R. 11643 treats of the problem in a direct, feasible, and simple manner by giving the Interstate Commerce Commission the same jurisdiction over through-route and joint-rate arrangements between motor and water carriers which it has had for many years between rail and water carriers in the Alaskan and Hawaiian trade and has today over arrangements between rail, motor, and water carriers in the 48 States.

The committee urges the adoption by the House of this practical solution to the demonstrated need of Alaskans and Hawaiians to an answer to their problem.

I yield at this time, Mr. Chairman, to the author of the bill, the gentleman from Alaska [Mr. Rivers], as much time as he may require.

Mr. RIVERS of Alaska. Mr. Chairman, may I first record my deep appreciation of the fine cooperation extended to me by the gentleman from Arkansas [Mr. Harris], chairman of the Committee on Interstate and Foreign Commerce, and the gentleman from Mississippi [Mr. Williams], chairman of the subcommittee which held hearings on this legislation. My thanks also go to the other members of the Committee on Interstate and Foreign Commerce for their favorable consideration of this legislation.

Mr. Chairman, this is a simple bill designed to solve an exceptional problem pertaining to transportation to, from, and within Alaska or Hawaii. One feature which makes it easy to consider is the fact that it will cost the Government practically nothing. Throughout the years, the Alaska waterborne trade has been under the jurisdiction of the Federal Maritime Board until recently put under the Federal Maritime Commission, whereas other coastwise shipping is under the ratemaking and regulatory authority of the ICC, and railroads and truck lines are also under the ICC. By virtue of the general rule carried out under existing law, common carriers subject to the jurisdiction of different Federal regulatory agencies, respectively, may not, in the absence of specific statutory authority, establish through routes and joint rates with each other. Without spelling out all the details, the bill before us would provide the required statutory authority for all the types of carriers I have mentioned to voluntarily establish through routes and joint rates with each other, subject to the approval of the ICC. This bill does not detract from the authority presently exercised by the Federal Maritime Commission over the Alaska waterborne carriers. It merely enables all surface carriers involved in the transportation of cargo to Alaska from points of origin in the 48 States to enter into the through route and joint rate agreements I have mentioned, and only to the extent that through routes and joint rates are involved would the ICC attain any jurisdiction over the vessels plying in the Alaskan trade.

A clear and succinct summary of what this legislation would accomplish is ably set forth by Senator Warren Magnuson in volume 107, part 6, pages 7763–7764 of the Congressional Record, from which I quote as follows:

> The establishment of such through routes and joint rates would permit a shipper to make one contract with the originating carrier on behalf of all carriers participating in the arrangement and would enable him to ascertain the rate for such through movement by consulting a single tariff instead of many as may be necessary at present. The shipper and consignee would also have the advantages given by section 20 (11) and similar provisions in other parts of the Interstate Commerce Act by recovering from either the originating or delivering carrier for loss or damage caused by any carrier participating in the through movement. In addition, experience has shown that because of the economy of established channels of commerce through which substantial traffic may flow, and because of reduced accounting and freight rate calculation costs, joint rates are generally lower than a combination of local rates of connecting carriers not participating in through service arrangements.

Incidentally, Senator Magnuson uttered the above remarks in connection with his introduction of a Senate bill basically like the House bill which is now before us.

Mr. Chairman, Alaskans, who bring in over 90 percent of everything they consume, have long complained of the high freight rates incident to the long haul from points all over the United States through the port of Seattle, Wash., to Alaska, and high rates within Alaska, and other difficulties incident to their transportation problems including high handling costs, and would welcome passage of a measure such as the bills before us. The business community advocates this legislation as a means of expediting the movement of goods in transit bound for Alaska with incidential reduction of the cost price landed, and the consumers of Alaska would welcome such reduction in consumer prices as might result. I have every confidence that this bill will meet with the approval of the Committee of the Whole House and of the House itself.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of Alaska. I yield to the gentleman from Washington.

Mr. PELLY. I would like to join with the gentleman in support of this legislation. Representing, as I do, the port of Seattle, I would say that the people in my district are in full support of this legislation. We believe it will be of benefit not only to the State of Alaska and the consumers in Alaska but also the Federal Government itself, which is a substantial shipper and will benefit by this legislation.

Mr. RIVERS of Alaska. I thank the gentleman and I subscribe to everything he has said.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of Alaska. I yield to the gentleman from Texas.

Mr. POAGE. It seems to me this is a highly desirable bill, but frankly I know very little of the background. Is it true that the railroads are all Government owned that this will deal with?

Mr. RIVERS of Alaska. I would say to the gentleman that the one railroad in Alaska, which is the Alaska Railroad, is Government owned and is operated under the jurisdiction of the Department of the Interior. The Department has full authority to operate the Railroad. This particular legislation does not put the Railroad under the jurisdiction or within the purview of the ICC ratemaking authority. Presently the Alaska Railroad files its tariffs with the Interstate Commerce Commission both as a matter of courtesy and as a matter of public information. Nothing in existing law would prevent the Alaska Railroad from becoming a party to a through route and joint rate agreement such as is authorized by this bill, nor prevent the ICC from approving such an agreement just because the Alaska Railroad appears as one of the contracting parties.

Mr. POAGE. In other words, the railroads can become a party to the through routes and joint rates without legislation, but the steamship companies cannot; is that right?

Mr. RIVERS of Alaska. That is partially correct. All surface carriers may, under existing law, enter into such agreements with each other, except ICC-regulated motor carriers with FMC-regulated water carriers, and ICC-regulated water carriers, with FMC-regulated water carriers. The bill before us would make up for the deficiency in existing law by covering these two combinations.

Mr. POAGE. I understand but the steamship companies cannot do this unless we pass this legislation.

Mr. RIVERS of Alaska. The water carriers to Alaska which are under the Maritime Commission may not enter into such agreements with the truckers or with coastwise shipping which is under the ICC without this legislation.

Mr. POAGE. I thank the gentleman.

Mr. SPRINGER. Mr. Chairman, I yield myself such time as I may require.

The legislation is supported by the Interstate Commerce Commission; by the Representative and senior Senator from, and the Governor of, Alaska; the Fairbanks and Alaska Chambers of Commerce; Alaska Carriers Association, Inc.; American Merchant Marine Institute, Inc.; Common Carrier Conference of Domestic Water Carriers; American Trucking Associations, Inc.; Consolidated Freightways, Inc.; and the Transportation Association of America.

Everyone involved in this matter supported the legislation.

No one has expressed any opposition to the legislation, although the Department of Commerce, the Federal Maritime Commission, and the Bureau of the Budget, have indicated a preference for a different approach to the problem met by this legislation.

The committee came to the conclusion that this was the best approach.

The statehood acts relating to both Alaska and Hawaii retained jurisdiction over water transportation between Alaska, Hawaii, and the other States in the Federal Maritime Commission. The Interstate Commerce Commission has taken the position, that in the absence of statutory authority, carriers subject to the Commission's jurisdiction cannot enter into through routes and joint rates with those subject to the Maritime Commission jurisdiction.

It is for this reason the committee brought this legislation forward, and I believe it ought to be passed.

Mr. WILLIAMS. Mr. Chairman, I yield such time as he may require to the gentleman from Arkansas [Mr. Harris].

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to speak out of the regular order.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

### DEDICATION OF CAMP YORKTOWN BAY

Mr. HARRIS. Mr. Chairman, near Hot Springs, Ark., on June 16, 1962, there was dedicated at a most significant and special ceremony one of the finest boys' camps in this country, known as Camp Yorktown.

The motto for this beautiful, most attractive and fabulous camp for boys is "Developing Today's Youth for Tomorrow's National Security."

The camp is sponsored by the Hot Springs Council, Navy League of the United States. The original idea for the camp began when the council needed a base for its sea cadets along the wooded shores of Lake Ouachita. The moving force behind this development, and largely responsible for it is Peter D. Joers, lieutenant commander, retired, of the Navy, president of the council. It was largely his vision, followed with action that this site was located and construction realized amid the primitive beauty of Lake Ouachita where pine-clad foothills are lapped by the waters of sheltered Yorktown Bay lagoon. He had the able assistance and cooperation of George Ernshaw, retired Navy officer and former baseball pitcher in the major leagues, who was secretary of the council at the time the idea for this beautiful camp was conceived. Both of these outstanding citizens, interested in the development of the youth of America, were officers on the carrier *Yorktown* during World War II.

This camp is located on a 113-acre site, 16 miles northwest of Hot Springs. Sixty acres of land was donated by Dierks Forests, Inc., and the remaining 53 acres leased from the U.S. Corps of Engineers. When it is completed it will accommodate 420 youngsters during the summer camping season.

Attending this dedication were many outstanding officials, retired officers, public officials, and other citizens of this Nation and our State of Arkansas. I include with this statement a list of the guests in order to emphasize its importance by the attendance of such outstanding and important guests.

The feature of this dedication was the address of our senior Senator of Arkansas, Senator John L. McClellan. Senator McClellan has shown by his well known, able, and outstanding service to his Nation his interest in the preservation of our institutions, the rights, liberties, and privileges of our people, as well as for the protection of our youth. He is dedicated to the task of providing opportunities for the youth of America. This is a most appropriate address for the occasion, which I commend to my colleagues of the Congress and the people throughout the Nation. Under unanimous consent, I include the address in the Record, together with the list of guests in attendance on this outstanding and most important occasion.

I know I am joined by our citizens in Arkansas and throughout the Nation in our high compliments of Mr. Joers, Mr. Ernshaw, and others of the Hot Springs Council of the Navy League for sponsoring this program and providing for the development of our youth and the opportunities in a free enterprise.

### Dedication of Camp Yorktown Bay, Hot Springs, Ark., June 16, 1962

(Excerpts from address of Senator John L. McClellan)

Mr. Toastmaster, my colleagues in Congress, distinguished officers, and members of the armed services, State and county officials, officers and members of the Navy League, ladies and gentlemen, it is a proud privilege indeed to be present here today, to participate in these ceremonies and to have a part on this dedication program.

A father dreams of many things for his children. His expectations and aspirations most frequently center around their happiness, their welfare, and their achievements. In them, he finds his hope for immortality. Some of his dreams may be realized—some of them come true. Others—well, they may be shattered and never fulfilled.

Today, in this lovely wooded spot on beautiful Lake Ouachita, the dedication of this camp with buildings named in honor of friends, loved ones, and distinguished people who have gone before us, and one particularly named in memory of my deceased sons, brings a measure of consolation and fulfillment to my family and me. For this, we are deeply grateful.

You have very appropriately named this camp, Yorktown Bay, in recognition of two great events in our Nation's history and of the men who were responsible for that greatness—in remembrance of the aircraft carrier *Yorktown* which was bombed by the Japanese off Okinawa in World War II, and of the town of Yorktown, Va., where General Washington received the surrender of General Cornwallis in 1781, marking the final victory of the Revolution in the struggle of the American Colonies for their independence. The mention of those events in history bring to mind the great sacrifices and selflessness of the men whose patriotism and statesmanship established our sovereign country and that have continued to preserve the United States of America.

The activation of Camp Yorktown Bay brings to fruition the inspiration, vision, planning, and unceasing endeavor on the part of those who saw in the rugged beauty of these surroundings the opportunity to provide wholesome recreation and a rich and rewarding summer experience for many boys and girls in this section of our country. The parents of the youth who will visit and enjoy this camp owe much to the civic spirit and altruism of Mr. Peter Joers and his associates, Dierks Forest, Inc., to the Navy League of Hot Springs, and indeed to all of those who have contributed their time and money to bring this camp into being. Every citizen of this community, all of us in Arkansas and the national organization of the Navy League may take special pride in the fine facilities that their efforts have made possible.

America's most valuable resource is her youth. The future well-being of our country depends upon their proper development, stability, and ability to meet and overcome the multitudinous challenges that they will face in their time; challenges, possibly, as grave and as important as those faced by the men of Yorktown in 1781 and again in 1944 by the men who served on the aircraft carrier *Yorktown* of the U.S. Navy.

Only if our young people are taught the full meaning of integrity, only if there is instilled into them an abiding sense of personal obligation and dedication to their community, to their State, and to the Nation, can our liberties and freedoms be perpetuated and made secure.

One of the major threats to our internal security in this Nation today is the growing rate of serious crime being committed throughout the land. Since 1957 the rate of serious crime in our country has increased five times faster than the population of the United States, mounting by 11 to 13 percent each year, until now four serious crimes are committed somewhere in the United States every minute of every hour of every day. In my judgment, this threat equals, and possibly transcends, the danger of internal subversion by the Communist international conspiracy. This is most regrettable, and particularly so, when we take into account that juvenile delinquency is also increasing at a rapid rate. The FBI reports show that juvenile crime in the United States, in the past 10 years, has more than doubled, although the juvenile population age group has increased by less than half. The latest preliminary figures of the FBI reveal that this distressing trend is continuing unabated.

Of course, Camp Yorktown Bay was not conceived nor was it constructed to act as a corrective after the fact of delinquency, but rather to provide wholesome recreation, favorable environment, and profitable instruction for those youths whom it may accommodate. Certainly, such services and benefits provide an effective deterrent to future delinquencies that might well occur. Here will be given to the youth who are privileged to attend this camp, opportunities for counsel, teaching and examples calculated to inculcate in them higher ideals and concepts of character and responsibility. This training and experience here at this camp will surely make them better men and women, and will equip and prepare them to better meet the myriad vicissitudes and obligations of good citizenship.

One of the major objectives of the summer programs here will be "to encourage American boys and girls to develop physical fitness, courage, self-reliance, and kindred virtues." Thus, I perceive Yorktown Bay is a practical and modern implementation of the Greek ideal of a sound mind in a sound body. Through the media of the customary activities such as swimming, archery, nature study and the like, combined with nautical training and well-planned social and literary programs, the young people who participate in the 12-day schedules here will surely return to their home communities with a keener personal appreciation and consciousness of their importance and responsibilities to the social, political, and civic affairs of our country.

To the Navy League and those who have sponsored this camp, I would say, you have set high goals and standards for this camp. Your objectives are both noble and commendable, and I salute you for having conceived and developed this project. Your unwavering devotion to a high purpose and worthy cause has made this camp a reality and this occasion possible.

Today is a prelude to the future. The expansion of these present facilities which is sure to come, makes this pleasant and invaluable summer experience available to a still larger number of boys and girls who will come to this camp each year. I congratulate you and express the gratitude of all fathers and mothers whose children will be privileged to have the wonderful benefits and advantages that you have here provided for them. I am sure Divine Providence will ever bestow its bountiful blessing on this camp and on all of you who have had a noble part in its promotion and construction.

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Distinguished guests in attendance at Camp Yorktown Bay dedication, June 15 and 16, 1962:

The Honorable JOHN McCLELLAN and Mrs. McClellan.

The Honorable J. WILLIAM FULBRIGHT.

The Honorable CATHERINE D. NORRELL.

The Honorable OREN HARRIS.

The Honorable DALE ALFORD.

The Honorable Nathan Gordon, Lieutenant Governor of Arkansas, Little Rock, Ark.

The Honorable Frank Holt, attorney general, State of Arkansas, Little Rock, Ark.

Admiral of the Fleet Arthur W. Radford, U.S. Navy, retired, Mayflower Hotel, Washington, D.C.

Adm. J. J. Clark, U.S. Navy, retired, president, Alaska Airlines, New York, N.Y.

Vice Adm. R. B. Pirie, U.S. Navy, Deputy Chief of Naval Operations (Air), Washington, D.C.

Rear Adm. Julian Becton, U.S. Navy, Commander, U.S. Naval Reserve Training Command, Omaha, Nebr.

Rear Adm. John J. Bergen, U.S. Naval Reserve, retired, chairman of the board, Hotel Corp. of America, New York, N.Y.

Rear Adm. Joseph J. Clifton, U.S. Navy, and Mrs. Clifton, Chief of Naval Air Technical Training, Naval Air Station, Memphis, Tenn.

Rear Adm. M. T. Evans, U.S. Navy, retired, and Mrs. Evans, Melton Banking Co., Wellston, Ohio.

Rear Adm. R. A. MacPherson, U.S. Navy, Assistant Chief of Naval Personnel, Washington, D.C.

Rear Adm. F. B. Warder, U.S. Navy, Commandant, Eighth Naval District, New Orleans, La.

Maj. Gen. W. C. Bullock, U.S. Army, Commanding Officer, XIX Corps, U.S. Army, Fort Chaffee, Ark.

Brig. Gen. Robert H. Strauss, U.S. Air Force, Commander, 17th Strategic Aerospace Division, Whiteman Air Force Base, Mo.

Gen. Charles D. Henley, U.S. Army Reserve, Office of the Assistant Division Commander, 95th Division (training), Little Rock, Ark.

Col. C. J. Van Sickle, U.S. Army, sector commander, Arkansas sector, Little Rock, Ark.

Capt. Cooper Bright, U.S. Navy, Office of the Assistant Secretary of the Navy, Washington, D.C.

Capt. B. E. Close, U.S. Navy, and Mrs. Close, Naval Air Technical Training Center, Memphis, Tenn.

Capt. J. H. Kuhl, U.S. Navy, and Mrs. Kuhl, Chief of Staff, Naval Air Technical Training, Naval Air Station, Memphis, Tenn.

Col. Bascom Bogle, U.S. Air Force, Medical Group Commander, Headquarters 825 Medical Group (SAC), Little Rock Air Force Base, Jacksonville, Ark.

Col. George E. Glober, U.S. Air Force, Headquarters 70 Bombardment Wing, Little Rock Air Force Base, Jacksonville, Ark.

Col. Herman H. Hankins, U.S. Army, Headquarters, 379th Regiment, U.S. Army Reserve Center, Little Rock, Ark.

Col. Carl C. Hinkle, Jr., U.S. Air Force, Base Commander, Little Rock Air Force Base, Jacksonville, Ark.

Col. Robert W. Strong, Jr., U.S. Air Force, Headquarters 825th Air Division, Office of the Commander, Little Rock Air Force Base, Jacksonville, Ark.

Maj. James M. Mueller, U.S. Army, Deputy District Engineer, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Maj. C. B. Searls, U.S. Army, Headquarters, XIX Corps, U.S. Army, Fort Chaffee, Ark.

Comdr. M. R. Fleming, Commanding Officer, U.S. Naval and Marine Corps Reserve Training, War Memorial Stadium, Little Rock, Ark.

Maj. Eugene J. Kelley, U.S. Air Force, Headquarters 825th Air Division (SAC), Little Rock Air Force Base, Jacksonville, Ark.

Capt. Thomas Marshall, U.S. Army, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Lieutenant Hunter, U.S. Navy, aide to Admiral Pirie.

Lt. J. L. Maturo, U.S. Air Force, aide to General Strauss.

Lt. Paul Mulloy, U.S. Navy, aide to Admiral Warder.

James T. Bryan, Jr., president, U.S.S. *Yorktown* Association, New York, N.Y.

E. P. Blankenship, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Mr. Otto F. Buzhardt, Chief, Reservoir Development Section, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Thomas J. Carter, Jr., Chief, Projects Operation Branch, Corps of Engineers, Vicksburg, Miss.

George C. Gilman, executive assistant to the president, Navy League of the United States, the Mills Building, Washington, D.C.

Morgan L. Fitch, Jr., and Mrs. Fitch, national vice president, Navy League of the United States, Chicago, Ill.

T. J. Patterson, admiral of the Texas Navy, and Mrs. Patterson, Waco, Tex.

David J. Parsons, Jr., Hot Springs, Ark.

J. L. Roselle, Chief, Real Estate Division, Corps of Engineers, U.S. Army, Vicksburg, Miss.

Mr. WALLHAUSER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from New Jersey.

Mr. WALLHAUSER. I am glad to hear the distinguished gentleman speak so glowingly of George Ernshaw. It happens that he comes from the congressional district in New Jersey that I have the honor to represent. I wish the gentleman would convey to him the good wishes of all his former friends and neighbors.

Mr. HARRIS. I thank the gentleman, and I shall be glad to do that. Not only was he one of the greatest pitchers in major league baseball, but he has turned out to be one of the cleverest speakers in his performance when he introduced these outstanding naval personages and called attention to some of their experiences together in World War II, and particularly when their aircraft carrier was under attack by the Japanese. I think your heart would be as keen upon every part of his performance. He is doing a grand job in Hot Springs and that vicinity.

Mr. WILLIAMS. Mr. Chairman, we have no further requests for time.

Mr. SPRINGER. Neither do we, Mr. Chairman.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 216 of the Interstate Commerce Act, as amended (49 U.S.C. 316 (c)), is amended by adding at the end thereof the following new sentence: "As used in this subsection, the term 'common carriers by water' includes water common carriers subject to the Shipping Act, 1916, as amended, or the Intercoastal Shipping Act of 1933, as amended (including persons who hold themselves out to transport goods by water but who do not own or operate vessels) engaged in the transportation of property in interstate or foreign commerce between Alaska or Hawaii on the one hand, and, on the other, the other States of the Union, and through routes and joint rates so established and all classifications, regulations, and practices in connection therewith shall be subject to the provisions of this part."

SEC. 2. Subsection (b) of section 305 of the Interstate Commerce Act, as amended (49 U.S.C. 905(b)), is amended by inserting between the second and third sentences thereof the following new sentence: "Common carriers by water subject to this part may also establish reasonable through routes and joint rates, charges, and classifications with common carriers by water subject to the Shipping Act, 1916, as amended, or the Intercoastal Shipping Act, 1933, as amended (including persons who hold themselves out to transport goods but who do not own or operate vessels) engaged in the transportation of property in interstate or foreign commerce between Alaska or Hawaii on the one hand, and, on the other, the other States of the Union, and such through routes and joint rates, and all classifications, regulations, and practices established in connection therewith shall be subject to the provisions of this part."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. EVINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11643) to amend sections 216(c) and 305(b) of the Interstate Commerce Act, relating to the establishment of through routes and joint rates, pursuant to House Resolution 701, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

### LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I take this time to inquire of the acting majority leader as to the legislative schedule for next week.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, the program for next week is as follows:

Monday is District Day. There are five bills scheduled as follows:

S. 1834, authorization funds, hospital facilities.

S. 3063, incorporate Metropolitan Police Relief Association.

H.R. 9954, life insurance companies, loaning of money, securities.

H.R. 9441, amend National Capital Park and Planning Commission.

H.R. 8738, amend Life Insurance Act.

Then, Mr. Speaker, we have for consideration on Monday the following bills:

H.R. 11654, amend Federal Reserve Act.

H.R. 11309, extend Export Control Act of 1949.

H.R. 11500, Defense Production Act.

These three bills are extensions of acts which are expiring.

On Tuesday there is scheduled for consideration the District of Columbia appropriations bill for 1963. Also scheduled is H.R. 10541, the Vaccination Assistance Act of 1962.

For Wednesday and the balance of the week there is scheduled the following bills:

H.R. 11970, Trade and Expansion Act of 1962.

S. 1658, to prohibit gambling services.

H.R. 8845, obstructions of investigations.

Conference reports, of course, may be brought up at any time, and any further program will be announced later.

Mr. DERWINSKI. May I inquire of the gentleman from California with further reference to the Trade Expansion Act? It is evident that the leadership expects that a rule will be granted providing for consideration of the Trade and Expansion Act?

Mr. SISK. If the gentleman will yield further, it is anticipated that a rule will be granted, I understand, possibly on Monday or Tuesday.

Mr. DERWINSKI. I thank the gentleman.

### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. SISK. Mr. Speaker, I ask unanimous consent to dispense with Calendar Wednesday business of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

### ADJOURNMENT OVER

Mr. SISK. Mr. Speaker, I ask unanimous consent that when the House adjourns today that it adjourn over until noon, Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

### FARM LEGISLATION

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, I am today introducing a new farm bill. I am calling a meeting of the Committee on Agriculture for 10 o'clock Monday morning.

The number of the new bill is H.R. 12266. It supersedes H.R. 11222, the legislation defeated in the House yesterday.

Mr. Speaker, we have made further concessions in this new draft of the proposed Food and Agriculture Act of 1962. It is our hope, notwithstanding the events of yesterday, that we might yet improve the plight of the American farmer, bring down farm surpluses, and provide some relief for the American taxpayer.

We shall expedite consideration of the bill as much as possible.

It proposes to continue for 1 year the voluntary production reduction programs for wheat, corn, and other feed grains which are in operation this year, with a modification of the voluntary program with respect to feed grains. These are the programs which the gentleman from Iowa [Mr. HOEVEN] thinks so much of, and which seem to be so popular. These programs were proposed by the administration last year and enacted by the Congress to be operative while the Congress worked on a more effective and less expensive program for these crops.

The present temporary and voluntary program for feed grains provides that farmers receive grain land retirement payments at 50 percent of the approximate value of grains that would have been produced on the first 20 percent of the acres they retire, and gives farmers the privilege of retiring an additional 20 percent of their grain acres for which they receive payments at 60 percent of the value of grains that would have been produced on the land. The new bill would provide 50 percent payments for the first 20 percent of acres retired, and 50 percent payment also for an additional 30 percent of land taken out of grain production.

The temporary wheat program operating in 1962 would be continued in 1963.

We are retaining in H.R. 12266 provisions of H.R. 11222 which are not controversial. We hope we can expedite the new bill through the committee and have it considered by the House some time next week, if possible.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. GROSS. Did this bill evolve by way of a trip through the briar patch or the rose garden?

Mr. COOLEY. It was the briar patch, as it looked last night. We got scratched up quite a bit.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AVERY. Mr. Speaker, I want to express my appreciation of the expeditious action which the chairman has taken and of his brief, and I realize very informal, explanation of the bill, in which he made reference to a voluntary wheat program. Under the present program for 1962, it is not voluntary, it is an involuntary program. I assumed that program would be extended.

Mr. COOLEY. It is an extension of the present program.

Mr. AVERY. In other words, then, would the gentleman say that the bill is virtually the same bill as that which had been approved by the Committee on Agriculture of the other body?

Mr. COOLEY. I cannot say. However, I think it is perfectly plain that we are taking out the controversial aspects of the legislation.

Mr. AVERY. I thank the gentleman.

### THE NEW FARM BILL

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, it is interesting to note that the gentleman from North Carolina [Mr. COOLEY] in his new farm bill embraces some of the proposals contained in my substitute to title 4 of H.R. 11222 which was recommitted yesterday. May I ask the gentleman whether his new bill makes any provision for the extension of conservation reserve agreements that are expiring from year to year?

Mr. COOLEY. I do not think so.

Mr. HOEVEN. It was in my substitute.

Mr. COOLEY. Oh, no; it is not in here.

Mr. HOEVEN. Is there any provision relating to dairying?

Mr. COOLEY. Yes.

Mr. HOEVEN. What is it?

Mr. COOLEY. Just as it was in the other bill.

Mr. HOEVEN. In the bill that was defeated?

Mr. COOLEY. Yes.

Mr. HOEVEN. May I ask the gentleman whether there is any provision in his bill for tightening up on the dumping provision in the present feed grains act?

Mr. COOLEY. I do not know what the gentleman means by tightening up.

Mr. HOEVEN. Giving authority to the Secretary to dump wheat on the open market at his discretion.

Mr. COOLEY. I do not agree that the programs now operating authorize dumping.

Mr. HOEVEN. My substitute would prevent the dumping of CCC stocks of grain onto the open market at less than 5 percent above the current support price, plus reasonable carrying charges.

Mr. COOLEY. I am prompted by my vice chairman who says that the provision of the new bill in this respect is the same as under existing law.

## THE NEW FARM BILL

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, it may be interesting to note—and I would like to ask the gentleman from North Carolina, the chairman of the committee, that it appears quite obvious there are many provisions of the bill with which he is not thoroughly familiar. Can he advise the House who is the author of the bill which he has introduced? I think many Members would like to know.

Mr. COOLEY. Here it is, right here, with my name right on it.

Mr. CRAMER. I appreciate that, but whose work are you presenting?

Mr. COOLEY. We had to work very diligently to get it up and bring it in.

Mr. CRAMER. I realize that. Is this Mr. Freeman's bill? Did Mr. Freeman bring it in over night?

Mr. COOLEY. No; Mr. Freeman did not write it.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Illinois.

Mr. PRICE. I wonder if the gentleman from Florida and the gentleman from North Carolina could tell the House whether or not these compromises in this new bill have been cleared by Mr. Sorkin.

Mr. CRAMER. I think the question was whether Mr. Freeman was the author of it. I was not being funny about it. I am serious.

## FARM LEGISLATION

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I think it would be in order in view of the conversation of the last few minutes to inquire if the Committee on Agriculture will have at least limited hearings on this bill. What is the intention of the chairman?

Mr. COOLEY. I am calling a meeting Monday morning, and we will try to report it out Monday afternoon.

## WAURIKA DAM PROJECT, OKLAHOMA

The SPEAKER pro tempore. Under previous order of the House the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 10 minutes.

Mr. WICKERSHAM. Mr. Speaker, today, I have before me a letter from the acting Civil Defense Director from the State of Oklahoma. The letter reads:

> DEAR CONGRESSMAN WICKERSHAM: We are taking this opportunity to advise you of an inspection of the Waurika area which has been completed by Mr. Fred Verity, an engineer employed by this office.
>
> The most serious situation, in the Waurika area, according to Mr. Verity's report was the health and sanitation situation whereby there was excessive water standing in ditches, etc. The State health department has been advised of this situation and have assured us they will do all possible to eliminate any health hazard.
>
> As always we appreciate your continuing interest in regards to your constituents.
>
> Sincerely,
>
> JERRY RAGSDALE,
> *Acting Director.*

Mr. Speaker, I say to my colleagues that I have talked to them from the floor and have spoken with many of them personally during the past few weeks. Today I am beginning my second week of daily speeches in behalf of the Bureau of Reclamation project near Waurika, Okla.

From the letter just stated, one can readily see that the miserable conditions at Waurika have again been compounded. Now a health and sanitation problem has arisen in the backlog of the flood.

Mr. Speaker, these are my people, my constituents. They are being made to endure a situation which is a disgrace in the 20th century in our Nation. As I have said before, these Americans are the victims of an American tragedy. Today the tragedy is not one of nature; it is a tragedy caused by inaction.

With our modern scientific engineering, we can build dams to prevent such flooding and alleviate such drought conditions. Look what has happened in the Tennessee Valley since TVA. Though Beaver and Cow Creeks cannot be compared to the mammouth Tennessee River system, the same basic kind of scientific principles can be applied.

Mr. Speaker, today we are building Bureau of Reclamation and Corps of Engineers projects in many States including Oklahoma. In many cases these projects are not so urgently needed. Most of these projects cost more than the $25 million needed for the Waurika Dam. May I again state that the Waurika project is not a giveaway. It is a project which will pay for itself. My people, the users of this water supply, will gladly bear this burden. They will gladly pay the price for the Waurika project.

The surrounding cities such as Lawton, Duncan, Comanche, Waurika, Walters, and Temple can and will use the water from the Waurika Reservoir. Water is needed for industry, particularly at Duncan and Lawton.

What city can grow without water? What town can even hold its own without an adequate water supply which means room for growth? The answers are obvious. Without the possibilities of increased water supplies, many of the aforementioned towns have no chance to grow.

We have been debating the farm bill during the last week. Most of us are aware of the plight of the American farmer—that is the little farmer, the small man. All of us are familiar with the exodus that has occurred from the 1930's to the present from the farming areas. All of us from farm States know what has happened to the population counts in the agrarian counties. It has steadily receded. My friends with decreased farm populations, some of these towns have their backs up against the economic wall. As Members of Congress, we can either lend a helping hand or we can sit here and await the execution. Much like the Ancient Mariner, it is a case of "water, water everywhere and nary a drop to drink."

Mr. Speaker, today I have outlined another point in the need for the Waurika project. I have just begun to fight. My people need help; and so help me God, we will make any sacrifice, share any burden, and talk and write until we are blue in the face. We will not give up.

## PEREZ, LOVELL TACTICS DETRIMENTAL TO LOUISIANA AGRICULTURE

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. McSWEEN] may extend his remarks at this point in the body of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. McSWEEN. Mr. Speaker, even with the amazing industrial growth in Louisiana in recent years agriculture is still my State's most important industry. Hundreds of thousands of Louisianians other than farmers gain their livelihood either directly or indirectly from annual farm-marketing receipts in excess of $400 million. In my own congressional district there is hardly a person who is not materially benefited from stable and profitable farm operations in cotton, rice, sugar, corn, and other row crops, dairying, poultry, hogs, and beef cattle. I deeply regret that seeds of disunity have been sown in recent months among Louisiana farmers and ranchers. This dissension has an alien source, and the tactics that have been employed in creating it have not been straightforward.

### FAKES COMMUNIST ISSUE

On May 25 I witnessed a remarkable political spectacle in Baton Rouge. At a meeting of the Democratic State Central Committee held in the State Capitol a controversial political figure, Leander H. Perez, expressed an interest in the farm bill. Mr. Perez had joined the Farm Bureau May 19, 1962, as a charter member of the Plaquemines Parish chapter. Mr. Perez, who in 1960 almost succeeded in his attempt to have the Democratic State Central Committee prevent the Democratic Party nominees for President and Vice President of the United States from appearing on Louisiana ballots under the party emblem, offered a resolution that would have required candidates for Congress and the Senate in order to qualify to take an oath that they would not support the farm bill. His argument was that title I of the bill was communistic and similar to land reform in Communist China and Communist Cuba. During the course of the deliberations he counseled with Mr. Dave Means, also a member of the committee, who is the third vice president of the Louisiana Farm Bureau Federation. Mr. Perez was unsuccessful in his attempt to pass his resolution, but his tactics had the effect in Louisiana of casting doubt about the purpose of the farm bill by injecting without any justification whatsoever the Communist issue. These tactics were for the specific purpose of dividing farmers and creating disunity. They were calculated to appeal to emotion rather than reason. They are detrimental to Louisiana agriculture. This move was also a sinister threat to the right of duly elected Representatives and Senators to exercise free judgment within the bounds of representative government in a republic.

### MISLEADS FARMERS

Another person who has employed misleading tactics and who has conducted a campaign against the farm bill unworthy of the respect of Louisiana farmers is L. L. Lovell, the $13,995 per year salaried executive of the Louisiana Farm Bureau Federation. Mr. Lovell started preaching against this bill even before it had been introduced, and he set in motion the Farm Bureau campaign apparatus against the bill even before it had received committee consideration. Dues-paying Farm Bureau members in Louisiana, whether farmers or nonfarmers, were given no opportunity to study the provisions of the bill that came before the House and Senate before their dues were being ironically used to indoctrinate them with misleading propaganda against the farm bill.

In addition to giving Louisiana farmers no opportunity to learn for themselves the actual issues involved in the farm bill, Mr. Lovell misrepresented the bill to farmers. In connection with the so-called decision day membership drive conducted by the Farm Bureau in Louisiana on May 10, prospective new members were asked to register their approval or disapproval of the farm bill by either joining or not joining the Louisiana Farm Bureau Federation, the only such farm organization available for farmers in Louisiana to join. Prospects were not given either a copy or a digest of the bill upon which to base their decision. They were asked instead to base their decision either on the fact that the bill was connected with the Kennedy administration or on a Farm Bureau pamphlet containing misleading and exaggerated information. Three of the four cardinal Farm Bureau criticisms of the bill printed in this pamphlet concerned provisions of the bill that had been already deleted by the Agriculture Committees prior to this so-called decision day exercise. This misleading literature has also been used by paid Farm Bureau officials at countless campaign meetings throughout Louisiana to try to drum up blind opposition to the farm bill from loyal Farm Bureau members.

In the Louisiana Farm Bureau News for May 1962 the editorial is entitled "USDA and Integration?" This constituted mainly an excerpt from the Congressional Record of May 21 reporting a colloquy between Senator Aiken and Senator Eastland on the subject of whether recreation projects authorized under the farm bill would be integrated. The obvious purpose of this editorial was to raise the racial issue among Louisiana farmers with regard to the farm bill. Fake communism and racial integration issues have thus been employed by the Farm Bureau as a means of clouding and confusing the important issues raised in the farm bill.

### URGES CONTROL; ALSO LESS CONTROL

Mr. Lovell is still making venomous speeches in Louisiana attacking the bill in exaggerated terms such as that it would give the Secretary of Agriculture dictatorial power over feed grain producers, that the bill would abolish the market price system in agriculture, and that it would freeze Louisiana in its current agricultural status. All of these claims are unfounded. He has also said repeatedly that Louisiana farmers want less Government regimentation and not more. This last claim is an interesting one. He urges less so-called Government regimentation at the same time that he urgently pleads for the passage by Congress of an extension of the Sugar Act, a control program that provides direct Federal Government payments. Under the sugar program approximately 5,000 Louisiana farmers earn in excess of $50 million annually. He also pleads for no change in the rice and cotton programs, which are based on acreage allotments and price supports. Under these programs Louisiana cotton growers earn annually in excess of $90 million and rice growers in excess of $60 million.

### ACCEPTS GOVERNMENT HELP

As a matter of fact, Mr. Lovell earns part of his own livelihood by participating in the sugar and cotton programs and by receiving assistance from the Federal Government. Along with Mr. Robert J. Munson, his brother-in-law, he owns and operates the 985-acre Witchwood Plantation located near Cheneyville, Rapides Parish, La. For example, Mr. Lovell and Mr. Munson, in 1955, with the assistance of the Government, received cotton loans totaling $22,479.77. In 1956, this figure was $30,263.74. In the years 1957 through 1961, Mr. Lovell and Mr. Munson received directly from the Federal Government sugar payments totaling $21,154.25. In 1959, Mr. Lovell and Mr. Munson received directly from the Federal Government wool payments totaling $304.82 for 1,789 pounds of wool. And for 1958, 1960, and 1961, Mr. Lovell and Mr. Munson received from the Federal Government agricultural conservation program payments for soil conserving practices in the amount of $975.40.

I do not cite this information to criticize their participation in these Government assistance programs. Sugar farmers tell me that they could not stay in business except for the Sugar Act. Rice farmers tell me that the rice program is essential to their solvency, and cotton farmers tell me that without the cotton program it would not be possible for them to risk the heavy investment needed to make a cotton crop. Mr. Lovell has on many occasions endorsed this point of view. These particular programs have been operated by the Government with success and without exorbitant cost to the taxpayers. As a matter of fact, at the end of 1952, all Government farm programs had shown a net profit in excess of $13 million. Whether by coincidence or otherwise it has been only since 1952 that the Government has suffered tremendous losses in agriculture, particularly in wheat and feed grains. It has been only since 1952 that the farmers have suffered a parity ratio drop from 100 percent to 80 percent. And it has been only since 1952 that the annual costs of farm programs have climbed from the level of $1 billion to $5 billion, $6 billion, and $7 billion.

No, I do not find fault with Mr. Lovell in either personally participating in these programs or in publicly endorsing them in the interest of Louisiana farmers. What I do criticize, however, is his inconsistency now, during the fight to overcome the serious crisis in wheat and feed grains by trying to pass for these crops the same type of legislation that he endorses for other Louisiana crops, in wailing and complaining about regimentation and Government control. He has alined himself in this matter completely with the Chicago-based American Farm Bureau Federation, of which he is a director, which has recently cast aspersions on all allotment programs, particularly the cotton allotment program. He has joined hands with the grain and storage interests of the Midwest and those members of the Republican Party who, if they could, would abolish all Government assistance farm programs.

### INCONSISTENCY UNDESIRABLE

As the member of the Agriculture Committee from Louisiana I feel it my duty to call to the attention of Louisiana farmers this serious question that has been raised in the eyes of Congress as to the position of Louisiana agriculture on these matters. Louisiana farmers would do well to ponder now which course they wish to follow as a matter of policy and hew a consistent line regarding farm programs. Mr. Lovell may be able to talk one way about sugar, cotton, and rice and yet another way about feed grains. As a matter of intellectual honesty these are tactics that I cannot follow as a member of the Committee on Agriculture and as a Member of the House of Representatives. I have confidence also that individual farmers in Louisiana do not want me to become a party to inconsistency and duplicity and that they do not want me to contribute to disunity in Louisiana agriculture.

Mr. Speaker, the Department of Agriculture is now celebrating its centennial. During the 100 years since the bill creating the Department of Agriculture was signed into law by Abraham Lincoln, American agriculture has undergone miraculous progress. This did not happen by chance. Thousands of persons through the years have made great contributions. The land-grant colleges and universities, the Extension Service, Research, the Soil Conservation Service, Farmers Home Administration, the Forest Service, Commodity Stabilization Service, and many other agencies of the Department of Agriculture working with individual farmers under the private enterprise system have achieved a fabulous agricultural technology and capability. It would be tragic if we were either unwilling or incapable of managing our farm abundance. This is no time for dissension and disunity among farmers, or between farmers and consumers, or between farmers and taxpayers. The welfare of each is in the interest of the other.

Even though the farm bill was recommitted last night by the House to the Committee on Agriculture for further consideration the surplus and overproduction crisis in wheat and feed grains still menaces the basic foundations of agriculture. Constructive legislation this session to deal with this serious problem is essential. Otherwise all of agriculture is in jeopardy of demagogic attack and ruin from its detractors.

## FEDERAL PARTICIPATION IN SHORE PROTECTION

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. McDowell] may extend his remarks at this point in the body of the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. McDOWELL. Mr. Speaker, the American Shore and Beach Preservation Association has endorsed the bill, H.R. 11759, cosponsored by my friend and colleague, the gentleman from New Jersey [Mr. Thompson] and myself, to amend the laws with respect to Federal participation in shore protection.

This bill was drafted at my request by the Army Corps of Engineers.

I include as part of my remarks a letter I have received from Maj. Gen. J. S. Seybold, U.S. Army, retired, president of the American Shore and Beach Preservation Association; a summary of the provisions of the McDowell-Thompson shore protection bill; the relevant text of a newsletter issued May 31, 1962, by the American Shore and Beach Preservation Association; and the text of the bill, H.R. 11759.

I invite all of my colleagues who have shore and beach protection problems to join in cosponsoring this legislation.

American Shore and Beach Preservation Association,
*Washington, D.C., May 21, 1962.*

Hon. Harris B. McDowell, Jr.
*Congress of the United States, House Office Building, Washington, D.C.*

Dear Congressman McDowell: We are pleased to receive a copy of your bill, H.R. 11759, to amend the present statute relating to Federal participation in shore protection. Your proposal is, in general, that of the program of this association and with which it is in full accord.

The American Shore and Beach Preservation Association is a nonprofit organization formed in New Jersey in 1926 for the purpose of developing a public awareness of the loss of our shores and beaches, to stimulate the technical, scientific knowledge of coastal engineering, and to improve governmental administrative procedures to preserve these limited resources. Even at that early date, due to the restriction of transport and movement, the loss of our shores and beaches in the more readily accessible areas was of concern. Conservation of these resources, as you are fully cognizant, becomes increasingly important with the growth of population, leisure, and increased individual income. Likewise, the competition for space for various coastal use—residential, industrial, and recreational—challenges our wisdom in the development of a proper conservation program. It is important, we believe, that the community and State in cooperation with the Federal Government plan and establish a cooperative program for the preservation and realistic use of our disappearing beaches and shores. Suitable legislative procedures and mechanism for management must be early provided.

The problem is broader than the specific preservation of beaches; it includes the erection, management and control of the natural or manmade works of protection against the storms and tides; it includes a suitable program of land management and should develop uses of the shores and its waters to the best interests of the community, State, and of the Nation.

Our organization is supported, primarily, by devoted advocates of conservation but it is tempered by a large group of county and municipal government units who, with our members of the engineering profession, include a wide range of interests and accommodate our program to the needs of the seafronting communities.

Your proposed legislation is needed, and is justified by existing conditions and the necessities of the future. Do let us know if we can be of any assistance in the presentation of this commendable legislation.

I enclose a copy of our official publication, Shore and Beach magazine, published semiannually, and the monthly newsletter, for your information. You will note Senator Anderson's comments in the newsletter and we would likewise appreciate your comments on the proposed bill for publication.

Very truly yours,
J. S. Seybold,
*Major General,*
*U.S. Army, Retired.*

### Description of Bill Pertaining to Shore Protection

This bill would:

1. Amend the act of August 13, 1946, as amended:

(a) By increasing from one-third to one-half the Federal participation in the cost of shore restoration and protection projects.

(b) By providing for 100 percent Federal cost participation in protection of Federal property and in projects at State, county, and other publicly owned shore parks and conservation areas which meet certain criteria set forth in the bill.

(c) By authorizing reimbursement of local interests for work done by them on authorized projects up to $1 million.

(d) By providing small shore and beach restoration and protection project authority with a single project limit of $400,000.

2. Modify the act of July 3, 1930, as amended, by providing for surveys entirely at Federal cost. Through application of existing laws pertaining to river and harbor surveys, specific contribution to the costs and cooperation in the survey by a State or local agency would not be required, but the consulting and coordinating requirements of the 1945 River and Harbor Act would apply.

3. Make the new participation provisions applicable to authorized projects where the Federal contribution has not been made as of the date the bill is enacted.

### Congress

(News letter by American Shore and Beach Preservation Association)

Another milestone, and a most important one in the progress of the association program, was made in Washington this month: H.R. 11759, proposed by Congressman McDowell, of Delaware, and cosponsored by Congressman Thompson, of New Jersey, was referred to the Committee on Public Works of the House.

The bill provides liberalized fiscal support and broadens Federal policy in participation in shore and beach preservation projects.

H.R. 11759 proposes to increase the limit of the Federal contribution for the construction of works for the restoration and protection of our beaches and shores from one-third to one-half of the cost. It also adds that the costs allocated to the restoration and protection of Federal property shall be borne fully by the Federal Government, and that Federal participation in the cost of a project for restoration and protection of State, county, and other publicly owned shore, parks, and conservation areas may be the total cost exclusive of land costs when such areas: include a zone which excludes permanent human habitation; include but are not limited to recreational beaches; satisfy adequate criteria for conservation and development of the natural resources of the environment; extend landward a sufficient distance to include, where appropriate, protective dunes, bluffs, or other natural features which serve to protect the uplands from damage; and provide essentially full park facilities for appropriate public use, all of which shall meet with the approval of the Chief of Engineers.

The present statute is further amended to read:

"When in the opinion of the Chief of Engineers the most suitable and economical remedial measures would be provided by periodic beach nourishment, the term 'construction' may be construed for the purposes of this Act to include the deposit of sand fill at suitable intervals of time to furnish sand supply to project shores for a lenth of time specified by the Chief of Engineers.

"Shores other than public will be eligible for Federal assistance if there is benefit such as that arising from public use or from the protection of nearby public property or if the benefits to those shores are incidental to the project, and the Federal contribution to the project shall be adjusted in accordance with the degree of such benefits.

"No Federal contribution shall be made with respect to a project under this Act unless the plan therefor shall have been specifically adopted and authorized by Congress after investigation and study by the Beach Erosion Board under the provisions of section 2 of the River and Harbor Act approved July 3, 1930, as amended and supplemented, **[**or, in the case of a small project under section 3 of this Act unless the plan therefore has been approved by the Chief of Engineers."**]** (words added by H.R. 11759 in black brackets.)

Sections 2 and 3 of the previous Act are amended to read as follows:

"SEC. 2. The Secretary of the Army is hereby authorized to reimburse local interests for work done by them on authorized projects which individually do not exceed $1,000,000 in total cost after initiation of the survey studies which form the basis for the project; *Provided*, That the work which may have been done on the projects is approved by the Chief of Engineers as being in accordance with the authorized projects: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"SEC. 3. The Chief of Engineers is hereby authorized to undertake construction of small shore and beach restoration and protection projects not specifically authorized by Congress, which otherwise comply with section 1 of this Act, when he finds that such work is advisable, and he is further authorized to allot from any appropriations heretofore or hereinafter made for civil works, not to exceed $3,000,000 for any one fiscal year for the Federal share of the costs of construction of such projects: *Provided*, That not more than $400,000 shall be allotted for this purpose for any single project and the total amount allotted shall be sufficient to complete the Federal participation in the project under this section including periodic nourishment as provided for under section 1(c) of this Act: *Provided further*, That the provisions of local cooperation specified in section 1 of this Act shall apply: *And provided further*, That the work shall be complete in itself and shall not commit the United States to any additional improvement to insure its successful operation, except for participation in periodic beach nourishment in accordance with section 1(c) of this Act, and as may result from the normal procedure applying to projects authorized after submission of survey reports."

All provisions of existing law relating to surveys of rivers and harbors shall apply to surveys relating to shore protection and any expenses incident and necessary to investigation and study shall be paid from funds for "general investigations, civil functions," Department of the Army, and section 2 of the River and Harbor Act approved July 3, 1930, as amended (33 U.S.C. 426), is modified to the extent inconsistent herewith.

The cost-sharing provisions of this act shall apply in determining the amounts of Federal participation in or payments toward the costs of authorized projects for which the Federal contribution has not been made prior to the date of approval of this act, and the Chief of Engineers, through the Beach Erosion Board, is authorized and directed to recompute the amounts of Federal contribution toward the costs of such projects accordingly."

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### H.R. 11759

A bill to amend the laws with respect to Federal participation in shore protection

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act approved August 13, 1946, as amended by the Act approved July 28, 1956 (33 U.S.C. 426e–h), pertaining to shore protection, is hereby further amended as follows:

(a) The word "one-third" in section 1(b) is deleted and the word "one-half" is substituted therefor.

(b) The following is added after the word "located" in section 1(b): ", except that the costs allocated to the restoration and protection of Federal property shall be borne fully by the Federal Government, and, further, that Federal participation in the cost of a project for restoration and protection of State, county, and other publicly owned shore parks and conservation areas may be the total cost exclusive of land costs, when such areas: Include a zone which excludes permanent human habitation; include but are not limited to recreational beaches; satisfy adequate criteria for conservation and development of the natural resources of the environment; extend landward a sufficient distance to include, where appropriate, protective dunes, bluffs, or other natural features which serve to protect the uplands from damage; and provide essentially full park facilities for appropriate public use, all of which shall meet with the approval of the Chief of Engineers."

(c) The following is added after the word "supplemented" in section 1(e): ", or, in the case of a small project under section 3 of this Act, unless the plan therefor has been approved by the Chief of Engineers."

(d) Sections 2 and 3 are amended to read as follows:

"SEC. 2. The Secretary of the Army is hereby authorized to reimburse local interests for work done by them on authorized projects which individually do not exceed $1,000,000 in total cost after initiation of the survey studies which form the basis for the project: *Provided,* That the work which may have been done on the projects is approved by the Chief of Engineers as being in accordance with the authorized projects: *Provided further,* That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

"SEC. 3. The Chief of Engineers is hereby authorized to undertake construction of small shore and beach restoration and protection projects not specifically authorized by Congress, which otherwise comply with section 1 of this Act, when he finds that such work is advisable, and he is further authorized to allot from any appropriations heretofore or hereinafter made for civil works, not to exceed $3,000,000 for any one fiscal year for the Federal share of the costs of construction of such projects: *Provided,* That not more than $400,000 shall be allotted for this purpose for any single project and the total amount allotted shall be sufficient to complete the Federal participation in the project under this section including periodic nourishment as provided for under section 1(d) of this Act: *Provided further,* That the provisions of local cooperation specified in section 1 of this Act shall apply: *And provided further,* That the work shall be complete in itself and shall not commit the United States to any additional improvement to insure its successful operation, except for participation in periodic beach nourishment in accordance with section 1(d) of this Act, and as may result from the normal procedure applying to projects authorized after submission of survey reports."

SEC. 2. All provisions of existing law relating to surveys of rivers and harbors shall apply to surveys relating to shore protection and any expenses incident and necessary to investigation and study shall be paid from funds for "General investigations, civil functions", Department of the Army, and section 2 of the River and Harbor Act approved July 3, 1930, as amended (33 U.S.C. 426), is modified to the extent inconsistent herewith.

SEC. 3. The cost-sharing provisions of this Act shall apply in determining the amounts of Federal participation in or payments toward the costs of authorized projects for which the Federal contribution has not been made prior to the date of approval of this Act, and the Chief of Engineers, through the Beach Erosion Board, is authorized and directed to recompute the amounts of Federal contribution toward the costs of such projects accordingly.

## THE AMERICAN LUMBER INDUSTRY'S APPRAISAL OF THE ESCAPE CLAUSE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRAY] may extend his remarks in the body of the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRAY. Mr. Speaker, on occasion it has been suggested that lumbermen seek relief from their serious import problems under proceedings established by the escape clause of the Trade Agreements Act—section 7. Under these provisions a domestic industry which is being injured by imports may petition the U.S. Tariff Commission for relief.

In the light of performance under section 7, the chances for favorable results are not good. The American lumber industry is far from encouraged at the prospects of instituting lengthy proceedings with questionable prospects, particularly when an immediate solution to our problem is absolutely essential.

A brief review of what has taken place under the escape clause can explain the reluctance of this industry to hope for relief through it.

First, let us review the cast iron soil pipe fittings proceedings before the Commission. U.S. imports of that industry's products for consumption rose from 51 tons in 1954 to 2,087 tons in 1957. In 1958 they declined to 1,076 tons, and in 1959 increased to 2,241 tons. Imports during the first 3 months of 1960 amounted to 1,112 tons compared with 946 tons in the first 3 months of 1959.

In spite of this overwhelming increase in imports, the Commission in a decision rendered in August 1960 denied that industry relief.

In the rolled glass industry we find that aggregate net sales of rolled glass of the American concerns reporting to the Commission ranged between $13 million and $15 million per year in 1955–60. The aggregate net operating profit of these concerns declined from 17.6 percent of aggregate net sales to 7.9 percent in 1960. The ratio of the year-end inventory to total shipments increased from about 35 percent in 1955–56 to 60 percent for 1960. U.S. producers' shipments for this same period declined from 61 million square feet to 46.8 million square feet. In spite of these facts, the Commission in a split decision rendered in May, 1961, failed to make a recommendation to the President for relief.

Within the lumber industry, we have an example of the false hopes and promises of the escape clause.

Let a representative of that industry explain their experiences along this route. In testimony last November before the House Labor Subcommittee on the Impact of Imports and Exports on American Employment, Mr. Byron E. Bryan, president of Calypso Plywood Co., Calypso, N.C., detailed the experiences of a major segment of the American lumber industry in seeking relief under the escape clause. He described it as a snare and delusion, which has worked against rather than in favor of the American industry.

In his testimony, Mr. Bryan outlined for the subcommittee the following thought-provoking experiences of the domestic hardwood plywood industry:

> In 1955 the industry filed an escape clause application, relying on the statements of the administration that no injury would be permitted to American industry and that an injured industry would have relief under the escape clause. An investigation was made, hearings were held, and the Tariff Commission in June 1955, issued its report. The Commission's investigation, as reported, established the following facts on the hardwood plywood industry:
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> 1. Of the companies reporting, 40 percent operated at a loss in 1954.
> 2. Net income in 1954 was one-third the rate in 1951.
> 3. Employment was down 12 percent from 1948.
> 4. Imports of hardwood plywood in 1954 had increased over 600 percent from 1951.
> 5. Imports had increased their proportion of the domestic market from 7.6 percent in 1951 to 37.2 percent in 1954.
>
> The Commission, denying relief, found that imported hardwood plywood was like and directly competitive with the domestic hardwood plywood but that the injury had not existed for a sufficient length of time to determine a trend.
>
> The decision of the Tariff Commission in 1955 was a blanket invitation to the foreign producers to increase their production for shipment to the United States. Imports soared from 425 million square feet in 1954 to over 800 million square feet in 1958 and thus absorbed in 1958, 50 percent of the domestic sales. Prices of the domestic hardwood plywood in this interval between 1954 and 1958 had been steadily forced down by the low priced imports and many of the companies were operating in the red.
>
> In 1959 the hardwood plywood producers, believing that their continued injury had clearly established a trend sufficient to satisfy the Tariff Commission, filed a second application for relief under the escape clause. An investigation and hearings were held and the Commission made its report, finding as follows:
>
> 1. Imports of hardwood plywood had increased from 66.7 million square feet in 1951 to 809 million square feet in 1958 (investigation 77, table 9).
> 2. Domestic hardwood plywood shipments had declined from 934 million square feet in 1955 to 793 million square feet in 1958.
> 3. Prices of domestic stock panels and cut-to-size panels had declined from an average of $162 per thousand square feet in 1955 to $131 and $111 per thousand square feet respectively in 1958.
> 4. The dutiable value of hardwood plywood imports increased from $8.5 million in 1951 to $63 million in 1958.
> 5. The average price of imported hardwood plywood had declined from $129 per thousand square feet in 1951 to $69 per thousand square feet in 1958.
> 6. Sales of 59 domestic producers of hardwood plywood declined from $101 million in 1955 to $83 million in 1958 and profits on sales for the same companies dropped from 7.8 to 2.4 percent.
> 7. Of the 59 producers reporting in 1958, 23 producers or 39 percent of the 59, operated at a loss in 1958.
>
> On the basis of this report the Tariff Commission, in a 4-to-1 decision, denied relief to the hardwood plywood industry on what would appear to be a finding that imported hardwood plywood was not like or directly competitive with domestic hardwood plywood. This was in direct conflict with the unanimous finding of the Commission on this issue in 1955. In fact, under law, if the imports were not like or directly competitive the Commission should not have entertained the application in the first instance or should have dismissed it on that ground, rather than denying injury. We, as businessmen coping with a serious problem in our industry, find this decision to be inexplicable.
>
> The 1959 decision of the Tariff Commission was the second blessing conferred on the Japanese and the other foreign hardwood plywood producers by the Tariff Commission and hardwood plywood was literally dumped into our markets in what appeared to be a never-ending flow. Imports of hardwood plywood soared to over 130 million square feet per month. In 1959, imports increased over 500 million square feet over 1958, and although 1959 was an especially good year for the plywood market, imports absorbed 57.4 percent of the apparent consumption and represented 134.9 percent to domestic shipments (Department of Commerce, Hardwood Plywood 1959–60).

From 1948 through May 31, 1962, there has been formal Tariff Commission action in 133 escape clause cases. The Commission has recommended against relief in 93 cases. In 41 cases sent to the President relief was denied by the President in 26, and granted in only 15. In nearly all these cases in which the President accepted the Commission's findings on injury, he modified the recommendations in each instance diluting the Tariff Commission's recommendations.

The potential of Canadian lumber exports is tremendous, and the aggressiveness of the Canadians in exporting such products has been ably demonstrated. Because of this it is necessary that immediate action be taken to resolve the lumber import problem. Proceedings for relief under the escape clause average about 18 months which can be costly and time consuming when immediate relief is necessary.

A review of the history of the escape clause only proves that if an industry seeks relief under section 7 of the Trade Agreements Act that it encounters these almost insurmountable difficulties:

First. It must establish that it has sustained, or is threatened with, serious injury (a burden which many an American industry has learned is nearly impossible to prove as the law is currently administered).

Second. The standards for determining serious injury are indefinite and work to the disadvantage of domestic industry.

Third. The relief recommended where serious injury is found is usually inadequate to the injury.

Fourth. The President can disregard the recommendations of the Tariff Commission, and grant no relief at all.

The American lumber industry would be only too happy to pursue its course before the Tariff Commission. However, the blunt facts brought out by even a quick review of the escape clause history are there as a constant reminder that almost 80 percent of the American industries who have sought protection under its provisions only met with futility.

## NEW YORK PORT AUTHORITY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 30 minutes.

Mr. LINDSAY. Mr. Speaker, I do not intend to use the full 30 minutes allotted to me. I want to talk, however, for a few minutes about a subject of some importance that the Congress, I think, should act upon.

In February of 1961 we had quite a bitter fight on the floor of the House, as some of my colleagues may remember, over the question of whether or not the House should vote to cite for criminal contempt of the Congress certain officials of the New York Port Authority. There were three officials specifically, one was a commissioner from New York, one a commissioner from New Jersey, and one the executive secretary of the New York Port Authority who were named by the House. The House overwhelmingly cited them for criminal contempt of the Congress.

The House may recall this matter first arose sometime previous to that action on the part of the House when the House Committee on the Judiciary under the leadership of its chairman decided that the House Committee on the Judiciary should inquire into affairs of the New York Port Authority. The statement was made at the time that the New York Port Authority had exceeded the bounds of the interstate compact under which the port authority had come into being. Under the Constitution, the Congress is required to approve any interstate compact before the compact can become effective. The New York Port Authority compact had been in effect for a number of years doing most remarkable and exciting work involving transportation, storage facilities and warehouses, land and sea carriage of goods, airport construction and operation, harbor facilities, docks, and so on.

It is difficult to assess exactly what the reasons were which led the subcommittee on the Committee on the Judiciary that had responsibility in the matter to decide to investigate the affairs of the port authority.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. ROGERS of Colorado. Speaking for the subcommittee and for the benefit of the gentleman from New York, a complaint was made by Members about what appeared on its face to be an extension of activity by the port authority beyond the powers granted to them. I think if the gentleman will look at the record he will find that the gentleman from New Jersey [Mr. Frelinghuysen], along with a number of others from the State of New Jersey, complained to the chairman of the committee about what they were trying to do in the establishment of an airport beyond the bounds of the area over which they were given jurisdiction. That is what first started the subcommittee investigation.

Mr. LINDSAY. I thank the gentleman for his comment and his contribution to this special order, which I appreciate.

It is true, however, that the investigation which the chairman of the subcommittee thereupon undertook was a detailed and sweeping investigation into every corner and detail of the New York Port Authority. It went into the administrative affairs of the port authority in the most unprecedented fashion; in fact, this investigation of the port authority, a State organization, was considered unprecedented in the U.S. Congress. The nature of it was such that it could hardly have been triggered off by the complaints of a single Congressman, involving a single airport or proposed airport.

A subpena was issued by the Judiciary Committee. It was a fishing expedition, pure and simple. It asked for every file that had ever been kept. Hearings were held by the House Judiciary Committee. The representatives of the New York Port Authority which included representatives from the State of New Jersey as well as the State of New York refused to produce all of their filing cabinets on the ground that they had complied with the subpena insofar as it was necessary for the Congress to inquire into the operations of the New York Port Authority. Where they drew the line was in truck-loading down to Washington all their files regarding administration and housekeeping details that had nothing to do with any legislative inquiry by the Congress.

The committee then cited for criminal contempt three gentlemen, distinguished gentlemen all of them, with long careers of public service and contribution to the community. The matter came to the floor of the House from the Judiciary Committee. There were only two members of the House Judiciary Committee who dissented from the procedure and wrote a minority report; they were my colleague the gentleman from New York [Mr. Ray] and myself. We defended the port authority on the floor of the House, and we attempted to kill the criminal contempt citation. My colleague the gentleman from New York [Mr. Ray] placed his argument on constitutional grounds. I placed my argument in part on constitutional grounds and in part on the fact that the Committee on the Judiciary had exceeded the authority that had been granted to them by the House when the House granted leave to the Committee on the Judiciary to move in this investigation. We did not prevail.

The House voted to cite for criminal contempt of Congress these three honorable gentlemen.

The matter then proceeded through the courts. The States of New Jersey and New York brought their case in support of the port authority before the U.S. District Court for the District of Columbia, which sustained the citations.

An appeal was taken to the U.S. Court of Appeals for the District of Columbia. The only court after that is the Supreme Court of the United States. Three judges met and listened to the arguments, Chief Judge Wilbur K. Miller, Judge Bastian, and Judge Danaher. That court, by unanimous decision, dated June 7, 1962, reversed the decision of the district court and held that the Congress had acted beyond its powers in citing for criminal contempt these three officers of the port authority.

I understand that the chairman of the Committee on the Judiciary has asked that the Department of Justice take the necessary steps to petition for certiorari to the Supreme Court of the United States.

The court of appeals refused to decide the matter on the constitutional question, although from the language in the decision it is plain that the court of appeals has grave doubts about the constitutionality of the action that was taken by the House of Representatives. The court decided the matter in the last analysis on the question of whether or not, first, the Congress had exceeded the scope of its authority granted by the House in holding these three gentlemen for criminal contempt; and, second, whether in fact the port authority had complied with the subpena insofar as it was necessary to give the Congress the information it needed and was entitled to have.

The most important aspect of this matter from my point of view at the present time is, Where do we go from here? The court of appeals stated it was important to remember that an extremely intricate, and difficult constitutional question had come before it on the basis of a citation for criminal contempt; a criminal case.

The court said it was difficult to try to assess the powers of Congress versus the powers of the compact or States under those circumstances. The court said:

> Appellant is no criminal and no one seriously considers him one. He stands before us convicted of crime merely because no method has been provided for testing the merits of his contentions save that of a prosecution for contempt of Congress. It is truly unfortunate that his choice was so restricted as to the presentation of his case, for it places us in the posture of being asked to answer broad questions of civil law within the framework of reviewing a criminal conviction.

The court was troubled by the fact that it was compelled "to decide essentially civil and jurisdictional issues at the same time that we establish criminal precedent."

The court went on to say:

> The conflicting duality inherent in a request of this nature is not particularly conducive to the giving of any satisfactory answer, no matter what the answer should prove to be. Should this controversy be resumed, it is hoped that Congress will first give sympathetic consideration to Judge Youngdahl's eloquent plea:
>
> "During the House debate on the contempt citation, the committee inserted in the Congressional Record a memorandum purporting to show that declaratory judgment procedures were not an available means for procuring judicial resolution of the basic issues in dispute in this case. Although this question is not before the court, it does feel that if contempt is, indeed, the only existing method, Congress should consider creating a method of allowing these issues to be settled by declaratory judgment. Even though it may be constitutional to put a man to guessing how a court will rule on difficult questions like those raised in good faith in this suit, what is constitutional is not necessarily most desirable. Especially where the contest is between different governmental units, the representative of one unit in conflict with another should not have to risk jail to vindicate his constituency's rights. Moreover, to raise these issues in the context of a contempt case is to force the courts to decide many questions that are not really relevant to the underlying problem of accommodating the interest of two sovereigns."

I should like to say to the House that this lays it right in our lap. It brings back to us the very question that we debated at the time. I think everybody agrees that criminal contempt procedure was the wrong way to test this whole question, and the proper way to test it was by some civil procedure.

Therefore I want to advise my colleagues that I am going to undertake the task immediately of drafting legislation that will make possible the testing of questions of this kind by declaratory judgment procedure, rather than by criminal process and the besmirching of the good names of public servants who are acting in good faith on behalf of their Governors and their States. I would be glad if any of the Members, who are as interested in this subject as I am, would assist me in this endeavor.

Mr. Speaker, I will spread in the Record at this point the opinion of the court of appeals:

[U.S. Court of Appeals for the District of Columbia Circuit]

No. 16,604—Austin J. Tobin, Appellant, v. United States of America, Appellee

(Appeal from the U.S. District Court for the District of Columbia; decided June 7, 1962)

Mr. Thomas E. Dewey, with whom Messrs. Everett I. Willis, Lino A. Graglia, and Sidney Goldstein were on the brief, for appellant.

Mr. William Hitz, assistant U.S. attorney, with whom Messrs. David C. Acheson, U.S. attorney, and Nathan J. Paulson, assistant U.S. attorney, were on the brief, for appellee. Mr. Charles T. Duncan, principal assistant U.S. attorney, also entered an appearance for appellee.

Mr. Daniel M. Cohen, of the bar of the Court of Appeals of New York, pro hac vice, by special leave of court, with whom Mr. Jerome M. Alper was on the brief, for the State of New York, as amicus curiae, urging reversal.

Mr. Theodore I. Botter, of the bar of the Supreme Court of New Jersey, pro hac vice, by special leave of court, for the State of New Jersey as amicus curiae. Mr. William F. Tompkins was on the brief for the State of New Jersey, as amicus curiae, urging reversal.

Mr. J. Raymond Clark filed a brief on behalf of the New York Chamber of Commerce, as amicus curiae, urging reversal.

Mr. Jerome A. Alper filed a brief on behalf of the State of Delaware, as amicus curiae, urging reversal.

Mr. Jerome M. Alper filed a brief on behalf of the State of Alabama, et al., as amici curiae, urging reversal.

Before Wilbur K. Miller, chief judge, and Danaher and Bastian, circuit judges.

Bastian, circuit judge: Austin J. Tobin, the executive director of the Port of New York Authority, was charged by information and convicted in the district court of criminal contempt of Congress, under title 2, United States Code, section 192, for refusing to produce certain documents called for by a subpena issued by Subcommittee No. 5 of the Committee on the Judiciary of the U.S. House of Representatives.

The Port of New York Authority is a bistate agency established in 1921 and 1922 by compacts between the States of New York and New Jersey to provide for the efficient administration of the New York Harbor, which is divided geographically between the two States. Pursuant to the compact clause of the Constitution,[1] Congress consented to the compacts but expressly retained, among other matters, "the right to alter, amend or repeal" its resolutions of approval. Over the years, the port authority has been remarkably successful in achieving its goals. As of 1959 it had investments of nearly $1 billion and gross annual operating revenue in excess of $100 million.

In February of 1960 the Judiciary Committee initiated an investigation of the authority on an informal basis. The authority cooperated with the committee investigators except as to disclosing certain documents alleged to relate exclusively to the internal administration of the authority. After this refusal events moved swiftly to a climax.

On June 1, 1960, the chairman of the committee obtained from the House subpena power in connection with matters "involving the activities and operations of interstate compacts." What little floor discussion there was preceding this grant of subpena power was not very enlightening; it certainly provided no lucid analysis of what was soon to follow. On June 8, 1960, Subcommittee No. 5 of the Judiciary Committee instituted a formal inquiry into the authority.

Appellant conferred with the board of commissioners of the authority, as well as with the Governors of both New York and New Jersey, and the consensus of their opinion was that the investigation being attempted was too broad to be valid. The subcommittee was informed of their objections and the reasons therefor. Discounting these objections, the subcommittee issued the subpena in question. Appellant requested postponement of the return date of the subpena in order to give the Governors an opportunity to meet with the subcommittee and discuss their objections but the subcommittee refused the postponement.

After being denied the opportunity to appear before the subcommittee, the Governors wrote identical letters to their respective representatives on the board of commissioners of the authority, instructing them to direct appellant not to comply with the subpena. The board of commissioners so directed appellant on June 27, 1960. Two days later, on June 29, 1960, the subcommittee met to receive the return of the subpena. It was against this background that appellant refused to comply with the demands of the subpena[2] and was ruled in default by the chairman of the subcommittee. Thereafter, the subcommittee recommended to the full committee that appellant be cited by the House for contempt. This recommendation was adopted by the Judiciary Committee, two members dissenting, and subsequently by the House itself. Charged by information, appellant waived his right to jury trial and was convicted of contempt of Congress by District Judge Youngdahl.[3]

Appellant advances several arguments in support of the position that his conviction cannot stand. For present purposes, to illustrate the constitutional issues we would have to decide in order to affirm the conviction, we list but two of his arguments:

1. That Congress does not have the power, under the compact clause of the Constitution, to "alter, amend or repeal" its consent to an interstate compact, which was the stated purpose of the subcommittee's investigation.

2. That "the subpena issued by the subcommittee, demanding documents relating to the internal administration of the port authority which the Governors of New York and New Jersey ordered appellant not to produce [was] an unconstitutional invasion of powers reserved to the States under the 10th amendment to the Constitution."

Because of the view we take of this case, appellant's first contention demands some elaboration. In granting its consent Congress can attach certain binding conditions, not only to its consent to the admission of a new State into the Union,[4] but also to its consent to the formation of an interstate compact.[5] However, the vital condition precedent to the validity of any such attached condition is that it be constitutional. If Congress does not have the power under the Constitution, then it cannot confer such power upon itself by way of a legislative fiat imposed as a condition to the granting of its consent.[6]

In the present case, therefore, Congress' express reservation of the right "to alter, amend or repeal" its initial consent to the creation of the authority is meaningless unless Congress has the power under the Constitution "to alter, amend or repeal" its consent to an interstate compact. The compact clause of the Constitution does not specifically confer such power upon Congress. No case has been cited to us, nor have we been able to find any case through our own research, holding that Congress has such constitutional power. Nor do we find any to the contrary. Since no such power appears expressly in the compact clause, any holding that it exists and that Congress possesses it must be predicated on the conclusion that it exists as an implied power.

We have addressed ourselves at some length to this issue in order to show the gravity of passing upon even only one of the constitutional questions posed by this case. Moreover, in view of appellant's argument that the plenary powers specified in and by the Constitution are more than sufficient to enable Congress to protect, supervise, and preserve all Federal interests affected by the existence of interstate compacts, we are even less inclined to reach the constitutional issues involved here. We have no way of knowing what ramifications would result from a holding that Congress has the implied constitutional power to alter, amend, or repeal its consent to an interstate compact. Certainly, in view of the number and variety of interstate compacts in effect today, such a holding would stir up an air of uncertainty in those areas of our national life presently affected by the existence of these compacts. No doubt the suspicion of even potential impermanency would be damaging to the very concept of interstate compacts.

Appellant argues that congressional consent becomes irrevocable once it is given under the compact clause since Congress thereby removes the constitutional ban against the formation of interstate compacts and thus, to that extent, restores the States to the inherent sovereignty they enjoyed prior to the adoption of the Constitution. This does not mean that once congressional consent is obtained the particular compact becomes a law unto itself, immune by reason of its autonomy from future congressional supervision. It simply means that the States are restored to that much of their original sovereignty as would permit them to enter into compacts with each other. To this extent, and to this extent alone, does congressional consent restore them to sovereignty, sovereign in the narrow sense of being free to conclude an interstate compact, not sovereign in the broad sense of being free of the Constitution.

Accordingly, if a particular compact happens to be operational in nature (as exemplified by the compact creating the authority) as opposed to one static in nature (as exemplified by an agreement to settle a disputed boundary line, an act which necessarily dies at the moment of its birth), Congress is not without power to control the conduct of the former. Under our system of government the Constitution is paramount, and the Constitution gives to Congress certain plenary powers, as for example, those in the field of interstate commerce and that of national defense. With the choice of acting pursuant to any or all of these plenary powers continuously available to it, Congress has at its disposal abundant authority to supervise and regulate the activities of operational compacts in such a way as to insure that no violence is done by these compacts to more compelling Federal concerns.

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[1] Art. I, sec. 10–3, of the Constitution reads in pertinent part: "No State shall, without the Consent of Congress * * * enter into any Agreement or Compact with another State."

[2] Appellant's refusal to comply with the subpena was only partial. The subpena as issued is reported here in its entirety, the bracketed portions representing those documents actually produced, and unbracketed portions representing those that were refused:

"(1) [All by-laws, organization manuals, rules and regulations;]

"(2) [Annual financial reports;] internal financial reports, including budgetary analyses, post-closing trial balances, and internal audits; and management and financial reports prepared by outside consultants;

"(3) All agenda [and minutes] of meetings of the Board of Commissioners and of its committees; all reports to the Commissioners by members of the executive staff;

"(4) All communications in the files of the Port of New York Authority and in the files of any of its officers or employees including correspondence, interoffice and other memoranda and reports relating to:

"(a) the negotiation, execution and performance of construction contracts; negotiation, execution and performance of insurance contracts, policies and arrangements; and negotiation, execution and performance of public relations contracts, policies and arrangements;

"(b) the acquisition, transfer and leasing of real estate;

"(c) the negotiation and issuance of revenue bonds;

"(d) the policies of the Authority with respect to the development of rail transportation."

The demands of the subpena encompassed the period from Jan. 1, 1946, to June 15, 1960.

[3] For a scholarly analysis of the factual setting of this case, we refer to the detailed delineation found in the opinion of District Judge Youngdahl, 195 F. Supp. 588 (1961).

[4] *United States* v. *Sandoval,* 231 U.S. 28 (1913).

[5] *Petty* v. *Tennessee-Missouri Bridge Commission,* 359 U.S. 275 (1959).

[6] Cf. *Coyle* v. *Smith,* 221 U.S. 559 (1911).

Appellant argues, in short, that Congress can adequately protect every interest that needs such protection because of the existence of an operational compact without, in doing so, being forced to the extremity of rescinding its consent under the compact clause, an action which appellant contends Congress has no constitutional power to perform.

Appellant's assertion in this respect is not unpersuasive, since a holding that Congress has the constitutional power to "alter, amend, or repeal" its consent under the compact clause can hardly be stated as a proposition of universal applicability. A line marking the boundary between two States, initially drawn by such States acting pursuant to an interstate compact, could hardly be erased at some later date by Congress enactment of hindsight legislation purporting to repeal its consent to the compact by which such boundary was initially determined. See the discussion in *Hinderlider* v. *LaPlata River Co.*, 304 U.S. 92 (1938), and cases cited therein.

In other words, appellant seeks to distinguish the ways in which congressional control over an operational compact may be properly exercised; he argues that control undertaken pursuant to the plenary powers is licit, whereas control attempted in the sense of withdrawing consent under the compact clause is illicit.

Lest this distinction be looked upon as nothing more than a quibble, a mere academic distinction of a nicety too refined to be noticed outside an ivory tower, it must be remembered that this case comes to us by way of a criminal conviction.[7] It must be borne in mind, therefore, that appellant is entitled to all of the safeguards which our system of criminal jurisprudence assures him, not the least of which is that he not be convicted in a general rush to vindicate matters actually collateral to the crime for which he stands accused. Indeed, the present case is a classic example of how this very danger arises.

Appellant is no criminal and no one seriously considers him one. He stands before us convicted of crime merely because no method has been provided for testing the merits of his contentions save that of a prosecution for contempt of Congress. It is truly unfortunate that his choice was so restricted as to the presentation of his case, for it places us in the posture of being asked to answer broad questions of civil law within the framework of reviewing a criminal conviction. Undoubtedly the questions presented to us properly demand resolution, but we should not and cannot permit this appeal for answers to blind us to our duty of administering criminal justice according to traditional concepts. It must be remembered that what we decide in this case will be precedent for another, and far too often has the rashness of today begotten the regrets of tomorrow to induce us to tread unsanctioned byways of criminal adjudication merely because the setting of a particular appeal suggests the expediency of such a course. In short, we decide this case as we would any other criminal appeal. It is with these considerations in mind, therefore, that we approach the disposition of the present controversy.

A contempt of Congress prosecution is not the most practical method of inducing courts to answer broad questions broadly. Especially is this so when the answers sought necessarily demand far-reaching constitutional adjudications. To avoid such constitutional holdings is our duty, particularly in the area of the right of Congress to inform itself. *United States* v. *Rumley*, 345 U.S. 41 (1953). Consequently, when Congress authorizes a committee to conduct an investigation, the courts have adopted the policy of construing such resolutions of authority narrowly, in order to obviate the necessity of passing on serious constitutional questions. *Watkins* v. *United States*, 354 U.S. 178 (1957); *Brewster* v. *United States*, 103 U.S. App. D.C. 147, 255 F. 2d 899, cert. denied, 358 U.S. 842 (1958).

Accordingly, the first issue we must decide is whether Congress gave the Judiciary Committee of the House (and therefore its Subcommittee No. 5) authority sufficient to permit the subcommittee to conduct the sweeping investigation undertaken in the instant case. The authority pointed to as validating the present investigation was conferred by the House upon the Judiciary Committee in piecemeal fashion:

The Legislative Reorganization Act of 1946 granted to the Judiciary Committee authority over 19 subjects, including "interstate compacts generally" (60 Stat. 812, 826–827; rule XI (1)). In 1959 the committee was given subpena power to conduct "full and complete investigations and studies relating to [certain stated matters] coming within the jurisdiction of the committee" (H. Res. 27, 86th Cong., 1st sess. (1959)). As this last grant of authority did not encompass interstate compacts, it was amended on June 1, 1960, to include "the activities and operations of interstate compacts" (H. Res. 530, 86th Cong., 2d sess. (1960)). Putting these resolutions of authority together, we find that the committee was given jurisdiction over "interstate compacts generally," and the power "to conduct full and complete investigations and studies relating to * * * the activities and operations of interstate compacts."

The authority thus granted to the committee is couched in general terms. In the present case the committee stretched these general terms in order to justify about as specific an investigation of the Port of New York Authority as can be envisaged. We are inclined to believe the House did not intend these general terms to be stretched quite so far. While it is true that the Judiciary Committee for many years did have specific jurisdiction over "interstate compacts generally," its traditional activity with respect to this jurisdiction was entirely foreign to an investigation of the kind and scope attempted here. So in this respect the present case is the antithesis of the Supreme Court's decision in *Barenblatt*,[8] where the particular committee's authorization was found in the long history of congressional acquiescence in that committee's work.

In the present case, the very fact that Congress had never before attempted such an expansive investigation of an interstate compact agency—an investigation, by its very nature, sure to provoke the serious and difficult constitutional questions involved here—leads to the conclusion that if Congress had intended the Judiciary Committee to conduct such a novel investigation it would have spelled out this intention in words more explicit than the general terms found in the authorizing resolutions under consideration.[9] In any event, general terms are usually susceptible of differing interpretations. And so, in view of the fact that we consider it our duty to avoid, if possible, constitutional adjudication, we read these authorizing resolutions to mean that the Judiciary Committee was empowered to conduct an investigation calling for documents relating to actual "activities and operations" of the Authority rather than for all of the administrative communications, internal memorandums, and other intra-Authority documents demanded by the supena in question. *Brewster* v. *United States, supra*. Cf. *United States* v. *Rumley, supra*. And see *United States* v. *Kamin*, 136 F. Supp. 791 (Mass. 1956). Therefore, we think the subcommittee's investigative authority, as thus construed, was exhausted by the information actually tendered by appellant in compliance with the subpena, for such information adequately disclosed all that the authority had done in the areas under inquiry. The information refused to the subcommittee related only to the why of authority activity and, consequently, was outside the scope of the subcommittee's authority to investigate.[10]

We feel inclined to add a few words in conclusion. If Congress should adopt a resolution which in express terms authorizes and empowers the committee and its duly authorized subcommittee to initiate an investigation of the Port of New York Authority as deep and as penetrating as the one attempted here, a challenge of the congressional power so to provide would of course present constitutional issues which we should have to meet and decide. Therefore, we emphasize that all we are saying here is that a due regard for the responsibility of administering justice prompts us to avoid serious constitutional adjudications until such time as Congress clearly manifests its intention of putting such a decisional burden upon us.

Especially do we say this in view of the unusual nature of the present case, where we are asked to decide essentially civil and jurisdictional issues at the same time that we establish criminal precedent. The conflicting duality inherent in a request of this nature is not particularly conducive to the giving of any satisfactory answer, no matter what the answer should prove to be. Should this controversy be resumed, it is hoped that Congress will first give sympathetic consideration to Judge Youngdahl's eloquent plea:

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[7] Regardless of what Congress might have done or how Congress might have approached the instant problem, we are bound by what Congress in fact did so. Since the jurisdiction of the subcommittee that issued the subpena in question is derived from the compact clause, and since the stated purpose of the subcommittee's investigation was to determine whether Congress should "alter, amend, or repeal" its consent to the compacts that established the authority, the distinction under discussion not only is not a play on words—it is an essential dividing line between appellant's guilt or innocence of criminal conduct.

[8] *Barenblatt* v. *United States*, 360 U.S. 109 (1959).

[9] In arriving at our conclusion in this respect, we have been particularly impressed by the absence of any truly enlightening or informative floor discussion in Congress at the time the instant authority was sought by and granted to the Judiciary Committee concerning the use in depth that was expected to be made of it. This want of explanation is especially striking in light of the fact that no such massive investigation of a compact agency had ever been initiated by Congress before. We think the respect to which Congress is legitimately entitled supports the conclusion that it would not signal its approval of a decision of such magnitude in the delicate area of Federal-State relationship without a clearer expression of its understanding of what it was doing than is reflected by the instant case.

[10] That the power of a subcommittee having general jurisdiction over a subject must nonetheless be specifically spelled out in particular instances has been made abundantly clear in many expressions by the Supreme Court. The contempt of Congress cases, in whatever posture the problem be posed, underscore this thought. [See, for example, *Russell* v. *United States*, and related cases, decided by the Supreme Court May 21, 1962.] Basically the proposition may be simply stated. There can be no "constructive" offenses. *United States* v. *Resnick*, 299 U.S. 207, 210 (1936).

"During the House debate on the contempt citation, the Committee inserted in the CONGRESSIONAL RECORD a memorandum purporting to show that declaratory judgment procedures were not an available means for procuring judicial resolution of the basic issues in dispute in this case. Although this question is not before the court, it does feel that if contempt is, indeed, the only existing method, Congress should consider creating a method of allowing these issues to be settled by declaratory judgment. Even though it may be constitutional to put a man to guessing how a court will rule on difficult questions like those raised in good faith in this suit, what is constitutional is not necessarily most desirable. Especially where the contest is between different governmental units, the representative of one unit in conflict with another should not have to risk jail to vindicate his constituency's rights. Moreover, to raise these issues in the context of a contempt case is to force the courts to decide many questions that are not really relevant to the underlying problem of accommodating the interest of two sovereigns" (195 F. Supp. at 616–617).

Reversed.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Would you consider the other alternative, since you contend that Congress has no jurisdiction, to introduce a bill to repeal the New York Port Authority? Then we will not have to worry about it at all.

Mr. LINDSAY. Of course, the gentleman was one of the most aggressive Members in his attack upon the port authority.

Mr. ROGERS of Colorado. Yes, I was.

Mr. LINDSAY. The gentleman, coming from Colorado, took it upon himself to be one of the leaders in the fight to cite for criminal contempt these three distinguished public servants from the States of New Jersey and New York. And, if the gentleman will read the opinion of the court of appeals—I do not know whether he has or not, but if he will read it, he will find that it is a very doubtful proposition that the Congress does have the right to amend the terms upon which it consented to the compact, or to withdraw consent for that matter.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield.

Mr. ROGERS of Colorado. First of all may I state that I did take an active part, as a member of the subcommittee, because I felt that the action taken by certain members of the port authority, particularly the executive secretary, the executive officers, was contemptuous of the Congress of the United States, because they did not and would not cooperate so that anybody could find out what they were doing and how they were doing it, with the result that if we are going to have any respect for congressional action, I think at least the people who are subpenaed should have some respect rather than disrespect in bringing in certain books and saying, "You can have this, and that is all you are going to get." That is exactly what Mr. Tobin did.

Mr. LINDSAY. It is a very good thing, indeed, that we have a court structure in this country and that we have a third branch of Government, namely, the judicial.

It is the judicial branch, as demonstrated in this case, that upon occasion must protect the individual from unwarranted, illegal, and aggressive actions of the legislative branch that occasionally occur. The same may be said of aggressions on the part of the executive branch. The court in this case held that the legislative branch, which includes the gentleman from Colorado [Mr. ROGERS], had exceeded the bounds of legality and reversed it.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield to the gentleman.

Mr. ROGERS of Colorado. Well, what would the gentleman think of the proposition that we repeal these statutes that deal with contempt of Congress, and not send them to the court for action, but proceed to hold them in contempt of Congress in the Chamber itself?

Mr. LINDSAY. I will not go along with that. I will go along with the proposition that has been suggested that you establish a special committee in the House, to assess this problem of contempt in an objective way. In other words, take the power of citing for criminal contempt away from the committee that has jurisdiction of the subject matter that is in controversy. Otherwise, there is danger of having a purely kangaroo court. The Judiciary Committee should not have been the committee to decide whether or not Mr. Tobin was in criminal contempt of Congress. The Judiciary Committee had a fight with Mr. Tobin. It was not a disinterested committee.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield further to the gentleman.

Mr. ROGERS of Colorado. The Judiciary Committee did not make the decision with reference to the contempt of Mr. Tobin. He himself made it.

Mr. LINDSAY. Oh, no, no, I will say to my good friend, the gentleman from Colorado.

Mr. ROGERS of Colorado. Why, sure he did.

Mr. LINDSAY. No. The gentleman knows perfectly well that Mr. Tobin did his best to cooperate. You went after him improperly.

Mr. ROGERS of Colorado. I was on the Judiciary Committee when Mr. Tobin came down in 1952 and 1953 complaining that one of the Members from New Jersey had introduced a resolution to repeal the port authority, and our distinguished chairman then listened to him and gave him all the courteous consideration that was possible. We expected to have the same kind of consideration and at least courteous treatment from the port authority when we wanted to take a look at certain books.

Mr. LINDSAY. The gentleman got all the courteous treatment in the world from the New York Port Authority. They brought in truckloads of material pursuant to the request of the Congress.

Mr. ROGERS of Colorado. If the gentleman will yield further, the gentleman will admit that Mr. Tobin did not bring what was requested, will he not?

Mr. LINDSAY. Naturally; and he was right—that is why the court sustained the action.

Mr. ROGERS of Colorado. However, we have the right to issue a subpena to produce, and if he does not comply with it, what does that action constitute?

Mr. LINDSAY. That is why I took the floor this afternoon, to suggest that, according to the suggestion made by Judge Youngdahl, endorsed by three judges of the court of appeals, that a procedure be established here which will avoid the necessity of having to test a question of this kind through the criminal process.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I am sure that the gentleman would agree that this is a constructive suggestion which the gentleman from New York is making, and one that should be seriously considered by the Congress.

Mr. ROGERS of Colorado. Will the gentleman yield further?

Mr. LINDSAY. I yield to the gentleman.

Mr. ROGERS of Colorado. Would the gentleman have any objection to the matter being taken to the Supreme Court so we could have a final determination thereon?

Mr. LINDSAY. No; of course not.

Mr. ROGERS of Colorado. Does the gentleman think the Congress should proceed before the Supreme Court of the United States?

Mr. LINDSAY. Oh, yes; insofar as this procedure is concerned; insofar as the question as to whether or not the Congress should consider the drafting of a statute which will permit a matter of this kind to be tested in the future by "declaratory judgment" procedures. There is no reason why we should wait. Whether the Supreme Court sustains the court of appeals or not, or declines to review, has nothing to do with the wisdom of the procedure. In fact, if the Supreme Court sustains the court of appeals one substantial reason could be because the Court finds the procedure unwholesome.

Mr. ROGERS of Colorado. Does not the gentleman think that if the Supreme Court should sustain Judge Youngdahl in his decision that the precedent has then been established, and we do have authority to proceed in the manner in which we did?

Mr. LINDSAY. Of course, but that does not necessarily mean that the manner is the best, or that we should not have an alternative, to use in our discretion.

Mr. ROGERS of Colorado. The gentleman just got through talking about the authority of the Government, did he not?

Mr. LINDSAY. Supposing the Governor of the gentleman's State is asked to comply with certain subpenas and other requests to appear before a congressional committee, and the Governor of the gentleman's State should say, "Well, I am delighted to do whatever is necessary to bring the State of Colorado within the orbit of a proper investigation"? But we think that these aspects of the Congress request are beyond the line, and we do not comply.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. LINDSAY. I yield.

Mr. ROGERS of Colorado. Did this committee subpena the Governor of New York or the Governor of New Jersey?

Mr. LINDSAY. No; they did not.

Mr. ROGERS of Colorado. Really, then, the gentleman is begging the question.

Mr. LINDSAY. No; I am not begging the question at all.

Mr. ROGERS of Colorado. The man we subpenaed was the executive secretary, and we also subpenaed the two members of the port authority, not the Governor of New York or the Governor of New Jersey. When the gentleman talks about the Governor being subpenaed, he is begging the question.

Mr. LINDSAY. The gentleman from Colorado is begging the entire question that I am raising here, I will say to him.

Mr. ROGERS of Colorado. No, no. I do not see how the gentleman can say that, because he is talking about contempt of the Congress, is he not?

Mr. LINDSAY. I will say to my friend here that he knows perfectly well that the three men who were cited by Congress were acting under specific instructions of the Governors of their States, the Governor of New York and the Governor of New Jersey, as their agents and their appointees.

Mr. ROGERS of Colorado. Let us go a little further. Does the gentleman know what Mr. Tobin said to the Governor of New York and the Governor of New Jersey to get them to sign the letter that they sent down here? Does the gentleman know that Mr. Tobin approached them and asked them to sign the letter?

Mr. LINDSAY. Does the gentleman deny that the Governor of New York and the Governor of New Jersey sent letters to the three gentlemen the Congress held in criminal contempt, instructing them not to comply with certain parts of this subpena on the grounds that these demands were beyond the constitutional powers of the Congress? All I am suggesting is that there is a better way to handle this matter. And will the gentleman be so kind as to tell me whether or not he will assist me in working out a better procedure?

Mr. ROGERS of Colorado. As far as I am concerned, the proper procedure was recognition of this independent branch of Government, the legislative branch. The gentleman has talked about the three parts of the Government. This was a denial of the right of the legislative branch to ascertain information they were entitled to receive.

Mr. LINDSAY. Just because the gentleman is a Member of Congress, and a very good Member of Congress, he should not lose sight of the fact that there are other parts of our Government than the legislative branch; and thank heavens there are, because if the Congress at times is not checked from the wonderful righteousness of its Members, then God help us all. We need the courts. And this is one of the best examples I have seen why we need the courts.

Mr. ROGERS of Colorado. Does the gentleman think the Congress should not have the right to issue a subpena and investigate matters that have been assigned to them under the Constitution?

Mr. LINDSAY. The point of this is that this criminal procedure was the only procedure that could be followed to test the question; and even the distinguished chairman of the Judiciary Committee whom the gentleman from Colorado was following in his attack upon the port authority, I think would agree with me that it is unfortunate that this is the only procedure we have got.

Mr. ROGERS of Colorado. May I point out that the chairman of the Judiciary Committee was not making any attack upon the Port Authority; that what was given to the chairman of the Judiciary Committee is what may be given to the gentleman as his duty and responsibility as a Member of Congress that he is expected to carry out when he takes his oath. That is what happened to the chairman of the Judiciary Committee. And when he perceived his duties and proceeded to perform them, now the gentleman wants to cut him off and say, "You shall stop at this point because I do not want anything done to Mr. Tobin and the New York Port Authority." That is what it amounts to.

Mr. LINDSAY. I cannot take the gentleman seriously when he talks this way. How can the gentleman be serious when he is talking this way? Nobody is suggesting that the Congress is going to be cut off from anything.

Mr. ROGERS of Colorado. That is exactly what happened here when Mr. Tobin and the other two men—incidentally, only Mr. Tobin was indicted. I do not know what happened, but the Congress of the United States directed the Attorney General to proceed with the prosecution of three men, and he wound up with prosecuting only one.

Mr. LINDSAY. And the gentleman was thoroughly disappointed that they did not go after the distinguished Commissioners?

Mr. ROGERS of Colorado. They are just as much entitled to be prosecuted as Mr. Tobin, because they stood in defiance of Congress. The gentleman as a Member of Congress was under the duty and obligation to perform his own duty. When the chairman of my committee and the gentleman's committee performed that duty, then why should the gentleman now move in and cut off his right arm and say that he should not do his duty and investigate those things that have been assigned to him?

Mr. LINDSAY. This is unbelievable.

Mr. ROGERS of Colorado. What is unbelievable?

Mr. LINDSAY. The gentleman is suggesting that the U.S. Congress, right or wrong, should be sustained at all costs. The gentleman overlooks and refuses to acknowledge the fact that the Congress exceeded its bounds in this case, and was reversed by a unanimous court. That is exactly, in my judgment, the way it should have been.

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. Riley (at the request of Mr. Albert), for Friday, June 22, through Wednesday, June 27, on account of official business.

Mr. Dulski (at the request of Mr. O'Brien of New York), for Friday, Monday, and Tuesday, June 22, 25, and 26, on account of official business.

Mr. Carey (at the request of Mr. O'Brien of New York), for Friday, June 22, 1962, on account of official business.

## SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Lindsay (at the request of Mr. Derwinski), for 30 minutes on June 22.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Congressional Record, or to revise and extend remarks, was granted to:

Mr. Edmondson and to include extraneous matter.

Mr. Baker and to include an analysis of the Herlong-Baker tax bills.

Mr. Harris and to include extraneous matter in his remarks in the Committee of the Whole on H.R. 11643.

(The following Members (at the request of Mr. Hagan of Georgia) were granted permission to revise and extend their remarks in the Congressional Record and to include extraneous matter:)

Mr. Giaimo.

Mr. Harrison of Virginia.

Mr. Toll.

(The following Members (at the request of Mr. Derwinski) were granted permission to revise and extend their remarks in the Congressional Record and to include extraneous matter:)

Mr. Derounian.

Mr. Goodling.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3225. An act to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes; to the Committee on Agriculture.

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## THE LATE HONORABLE FRANCIS CASE

The SPEAKER pro tempore. The Chair recognizes the gentleman from South Dakota [Mr. Reifel].

Mr. REIFEL. Mr. Speaker, we in South Dakota have lost a brilliant statesman and beloved son in the sudden death this morning of Senator Francis Case. The Nation is denied the continued services and further labors of a dedicated servant of all the people.

As a distinguished Member of the House of Representatives for seven consecutive terms beginning in 1936 and for 11½ years in the other body, Senator Case served his State and Nation longer in public office than any other man in the history of our State.

With a sense of obligation that bordered on consecration, he devoted himself to his work, for his beloved South Dakota, and our America. All who knew and admired him, as did Mrs. Reifel and I since our first associations with him in 1933, recognized his immense talents, capacity for service and tremendous record of accomplishment.

The proud record of Missouri River development with its dams and lakes is but one of many lasting memorials to his name and effectiveness. Above all, he was a man of integrity and honor and a dedicated student of government in keeping with the highest standards of public service.

His well-deserved reputation for honesty was pointed up dramatically in 1956 when he courageously rejected a money gift which might have been interpreted as influencing a key vote.

In the field of legislation he had few peers when it came to public works, particularly flood control projects and highways. In addition to being chief legislative architect of Missouri River development, he was one of the fathers of the nationwide Interstate Defense Highway System.

Senator Case was recognized nationally as a pioneer in the now widely acclaimed desalination program to convert sea or brackish water into fresh water as an answer to our Nation's rapidly diminishing water supplies.

Equally active in the field of reclamation, he was responsible for numerous irrigation projects across South Dakota and the Nation. He believed fervently that water and soil are among our greatest blessings and should be placed in the highest possible productive use for the benefit of present and future generations. He pioneered legislation in the field of weather research and cloud modification.

Some of his best known legislative acts include the Case-Wheeler Water Conservation Act of 1937 and 1940; Renegotiation of Excess War Profits, 1942, which has saved the taxpayers of this Nation many billions of dollars; Government Corporations Control Act, 1945; United Nations Invitation to the United States, 1945; Case labor relations bill, 1946, and Synthetic Liquid Fuels Act, 1948.

In addition, he was active in behalf of appropriations to implement the 70-group Air Force and as a member of the Senate Armed Services Committee was a fervent believer in the principle of a strong deterrent as a means of keeping the peace.

Senator Case introduced the first legislation to dispose of surplus farm commodities in exchange for foreign currencies, the prelude to the food-for-peace program which he cosponsored.

Recently he received an overwhelming vote of confidence from the people of South Dakota in gaining approximately 85 percent of the vote cast in the primary to renominate him for a third Senate term.

On behalf of my colleague, the Honorable E. Y. Berry, today, and on behalf of all the people of South Dakota, I extend to his family and dedicated staff our deepest sympathy and condolences. And I know the House joins in this expression of sincere sorrow at this great loss.

Mr. Speaker, I ask unanimous consent that I may include the remarks of the gentleman from South Dakota [Mr. Berry] at this point in the Record.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BERRY. Mr. Speaker, the Nation suffered a serious shock in the death this morning of one of its most beloved and outstanding statesmen, Senator Francis Case.

The shock suffered by the Nation, however, can in no way be compared to the severe loss suffered by the people and the State of South Dakota. A great public servant has been stricken—his State and Nation mourn.

During his 14 years in the House of Representatives and 12 years in the U.S. Senate, Francis Case has established a record of accomplishment that shall live on as a lasting memorial to his tireless efforts.

A soldier, a citizen, and a statesman, Francis Case gave his life in the preservation of constitutional government, in the preservation of the principles of this great Republic, and in defending the right and privilege of the individual.

Francis Case feared and fought concentration of power in the hands of a few. He believed the Republic could survive only so long as the individual was free from government regulation and control and unfettered by the chains of burdensome taxation.

His tireless efforts were always directed to a full understanding of all legislation and the effect it would have upon these basic American principles.

He was a close student of parliamentary procedures. Few Members of Congress have ever maintained a better understanding of all legislation and successfully provided more amending suggestions for improvement of legislation than Francis Case.

His constant interest was always his home State of South Dakota and the improvement of conditions in that State.

A great student, a careful legislator, a devoted family man, this great American statesman will be sorely missed by his State, his Nation, and his colleagues.

His colleagues in both the House and the Senate join me in extending deep and sincere sympathy to his widow, his daughter, and granddaughter, his surviving sisters and brother in this hour of bereavement.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. REIFEL. I yield.

Mr. CHENOWETH. I was greatly saddened when I heard this morning of the untimely passing of Senator Case. I first learned of his illness last night. I attended a dinner at which Senator Case was scheduled to be the principal speaker, but was unable to appear. I was informed he had been taken to the hospital yesterday evening, but his illness was not of a serious nature.

I want to extend my sincere sympathy to my colleagues from South Dakota in their great loss. The passing of Senator Case is an irreparable loss not alone to the State of South Dakota but to the entire Nation.

I knew Francis Case before I came to the House. When I arrived in 1941 Francis Case was one of the outstanding Members of the House. He was a most diligent worker. I do not think I have ever seen a more painstaking Member of this House than Francis Case. He studied every bill that came to the floor and many times offered important amendments to these measures under consideration. He was conscientious in all of his work and was a keen student of all branches of our National Government. I considered him a most efficient legislator.

Francis Case was not only a very able and capable Member of Congress, but was also a great American. He believed in his country. He supported our Constitution and believed in the American way of life. He was always willing to fight for the principles he so ably advocated.

The fact that his constituents, the people of the State of South Dakota, time after time reelected him and honored him with high office is proof of the fact that his own people, who knew him best, recognized and appreciated his virtues and sterling qualities.

Mrs. Chenoweth joins me in extending our deep personal sympathy to Mrs. Case and to other members of the family.

Mr. REIFEL. I thank the gentleman from Colorado. I know the gentleman was a very good friend of the Senator we have lost.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman.

Mr. DERWINSKI. Mr. Speaker, it was my privilege as a Member of the House to serve on two Interparliamentary Union groups with the Senator from South Dakota, Mr. CASE. As a result of that experience, I was able to observe his tremendous interest in the problems that face the Nation and his tremendous dedication to the principles of good government. I can truly say he set an example for all of us. He set an example of dedication to public service that was at the same time so typically American and which is too often taken for granted. We who worked with him in even a limited fashion in Washington, appreciated his tremendous dedication to the principles of our free enterprise economy and his well-deserved and respected reputation for personal integrity. He will be missed, and his passing is a loss not only to the citizens he so ably represented for a quarter of a century but to the entire Nation. Mrs. Derwinski and I wish to join the Members of the House in paying our respects to our late distinguished colleague, and extending our personal condolences to his family.

Mr. REIFEL. I thank my colleague.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. May I take this opportunity to join with many others who express their sympathy over the passing of Senator CASE.

Senator CASE was a Member of this body when I first came to the Congress. He was a diligent, hard-working Member of this body. He was always courteous and it was always a pleasure for me to work with him on a number of occasions. I always found him to be sympathetic and a person who believed in doing everything possible for the welfare of his people.

The people of South Dakota have lost a great Senator. The United States has lost a great American.

I wish to extend sympathy to Mrs. Case and the family in the loss of this great and splendid man.

Mr. REIFEL. I thank the gentleman from Minnesota for his remarks of appreciation and sympathy.

Mr. Speaker, I would advise the membership that the funeral service will be held at 2 p.m. on Sunday, June 24, at the Metropolitan Memorial Methodist Church, New Mexico and Nebraska Avenues NW. The service in Rapid City, S. Dak., will be at 2 p.m. on Tuesday, June 26. The body will lie in State at Gawler's Funeral Home, 1756 Pennsylvania Avenue NW., until tomorrow, June 23.

Mr. HALLECK. Mr. Speaker, as one who had known FRANK CASE since he first came to this Chamber as a Representative from South Dakota in 1936, I was deeply shocked to learn of his death this morning.

I knew him as an extremely hard working, conscientious Member and I came to admire him for his determination, his courage, and his unquestioned integrity.

Beyond that, may I say in all my time in the Congress of the United States I have never known a colleague who was more fair or considerate in his dealing with his associates.

FRANK CASE made substantial contributions to the legislative history of the Congress in many fields during his service in both bodies. His work here was characterized by a thoroughness of preparation that was nothing short of remarkable. It reflected his willingness to spend long and tiring hours of research into the many assignments that came his way.

I think the record of FRANK's majorities in succeeding elections during the terms of his office in the House are the best evidence of the confidence the people of South Dakota had in this fine public servant.

Starting his career with the barest of majorities, FRANK CASE at one stage was given nearly three-fourths of all the votes cast by the people he represented.

In the death of Senator CASE today the Nation has lost a dedicated American, our party has lost a vigorous champion, and I have lost a valued friend.

I extend my deepest sympathies to his bereaved family.

Mr. AUCHINCLOSS. Mr. Speaker, the Congress has lost a very capable and able American in the death of FRANCIS CASE, Senator from South Dakota. He had a most penetrating, inquisitive mind and with indefatigable zeal he would pursue a problem to its completion. He was always fair and did not reach a conclusion without painstaking examination of all the facts available.

He was one of the first Members I met when I came to Congress in 1942 and on many occasions I had discussions with him concerning matters of public interest. A warm friendship developed which lasted until his death and I am very conscious of the void in my life which his passing has created.

His high moral standards and his fearlessness in promoting that which is right was legend and his devotion to those principles which he believed in was an inspiration to all his friends. My heartfelt sympathy goes to his family in this hour of their bereavement.

Mr. DAGUE. Mr. Speaker, the sad word of the untimely passing of the distinguished Senator from South Dakota has brought sorrow to the hearts of all of his former colleagues of the House and we are joined with his host of friends in mourning the passing of this warmhearted and dedicated public servant.

FRANCIS CASE was a Member of the House when I came here and his stature as a legislator of ability was well established. It must be recognized, however, that Members of Congress are impressed as much by human traits as they are by a display of legislative acumen and the popularity of Mr. CASE rested largely on his warmhearted nature together with his complete accessibility to both his colleagues and his constituents.

Throughout the membership of both Houses of the Congress, as well as among the several committee staffs, are a number of former and Reserve members of the U.S. Marine Corps. An honored member of this group was our late lamented friend and colleague from South Dakota and it was this service comradeship that brought us even closer in the common identity of having served the Nation in both peace and war.

We shall miss this genial friend who has gone on to answer that celestial summons and we are pledged to keep his memory forever green. We are mindful, too, of those loved ones who must carry on alone and we shall petition the Master to sustain and comfort them in their hour of sorrow and desolation.

Mr. WEAVER. Mr. Speaker, it was with genuine shock and regret that I learned of the passing of our good friend and great statesman, the Honorable FRANCIS CASE, Senator from South Dakota. His death will create a void hard to fill in the lives and memories of those who knew him.

Senator CASE was a man of courage and vision, an able and astute leader in his State and in the great Midwestern Plains area. He served his constituents long and well and was universally respected and liked by those who knew him, worked with him, and even among those who from time to time opposed him in the political wars.

Mr. Speaker, the State of South Dakota and the American people have lost a fine and devoted friend and servant. His colleagues in the Congress have lost and do now mourn the passing of a good friend.

Mrs. Weaver joins me in expressing sympathy to Senator CASE's family.

Mr. SHORT. Mr. Speaker, it has not been my privilege to enjoy a close acquaintance with Senator FRANCIS CASE. I have, however, heard for many years favorable comments regarding the work of FRANCIS CASE, who served our neighboring State of South Dakota, first as U.S. Representative and later as a U.S. Senator.

It is interesting to note that comments relative to the activity of this distinguished Member of our National Congress invariably emphasize that he was a fearless defender and proponent of what he considered to be right. As anyone in politics knows, this is not always a popular position. Senator CASE, however, never was one to deviate, because of the immediate political considerations, from a course which he considered to be in the best interest of the welfare of our country.

It was with deep regret that we learned of the sudden death of the Senator. His advice and counsel will be sorely missed in the Halls of Congress, and the people of South Dakota will miss his objective and effective representation.

I want to take this occasion to extend my sympathy to the members of the Senator's family.

Mr. BEERMANN. Mr. Speaker, on behalf of all Nebraskans I want to extend condolences to our sister State of South Dakota for her recent loss of an eminent statesman, Senator FRANCIS CASE. Senator CASE, a newspaper publisher and rancher, began his career in Congress in 1936 when he was elected to represent the Second South Dakota District. So well was his constituency represented it saw fit to yield him its majority confidence so he was returned to that office for six additional terms.

Later, of course, the Senator sought election to the other body and on the basis of his past ability to accurately reflect the opinions of his people as a Representative, he was successful in obtaining that office. He was reelected in 1956, and even as this latest illness claimed his life, he was preparing once again to take his record to the people of his State for reapproval and confirmation.

These are some of the pertinent facts in the life of Senator CASE, but I would point out for my colleagues that often a recital of facts does not tell the whole story. All of us are born, most are joined in wedlock, have issue, then die. Each occurrence is marked by date.

But as I have said, dates do not tell the story of the man. Rather, it is what occurred in the time between that provides the measure for greatness, and as I search the life of FRANCIS CASE, of South Dakota, I find many, many such instances that indicate here walked a man of wit, wisdom, and judgment.

Mr. Speaker, in the midwestern ranch country that marks my State, and the State of the deceased Senator, we have a phrase that is used to describe great men when we discover one among us; the term is sort of homespun, but deep in meaning. It goes like this: "There walks a mighty tall man."

I want to say that Senator FRANCIS CASE, of South Dakota, walked mighty tall in our midwestern country, earning that admiring description by his warmth of heart, generosity, and a willingness to listen to all.

Saying that, I can add but little more in tribute to this great career. South Dakota is a land of clear skies, open prairie, and rugged hills. It tends to develop its men in that fashion, open and free of all guile, big in spirit and rugged in defense of the principles that made these United States the great Nation that it is.

All these qualities were attributes of Senator FRANCIS CASE. We list them to serve as a guide star to others from his State who, seeing to height of greatness he achieved, will be encouraged to assume the responsibilities of public life and perhaps carry them forward to new limits of individual freedom.

Mr. CUNNINGHAM. Mr. Speaker, it was with shock and deep regret that we learned of the death of Senator FRANCIS CASE, of our neighboring South Dakota.

All of us in the Missouri River States have benefited from the work and interest of Senator CASE in flood control, agriculture, conservation, and the other areas which are so close and so important to our people. We have been grateful for having such a statesman from our part of the country.

We in Nebraska liked to feel that we had an extra Senator to join our two distinguished Members of the Senate, because we knew that FRANCIS CASE was interested not only in his State but what was good for all the farmers and businessmen and others in the Great Plains, throughout the Midwest and throughout the Nation and world.

Senator CASE was close to the people. They liked him. He served them well. His family and his State—his people—should be proud of him, and I hope they find solace in the respect which his memory will always bear.

"He who is greatest among you shall be your servant." Matthew 23: 11.

Mr. NELSEN. Mr. Speaker, Senator FRANCIS CASE, of South Dakota, is mourned by all the Nation, for his passing is truly an American loss.

Long before I came to Congress, the name of Senator CASE was known and honored in my own State of Minnesota, just as his honest and dedicated service was known and is known throughout the Midwest and throughout the Nation.

This great and diverse man—newspaper reporter, editor, soldier, rancher, and Senator of the United States—served in the House and Senate for more than a quarter of a century.

He worked unceasingly for betterment of the District of Columbia's residents; he worked for sound, economical public works legislation where it was needed—for highways, rural development, water conservation; for farmers and city dwellers alike.

Senator CASE was a man of honor, and a man who honored the truth above all.

We extend our deepest sympathy to Mrs. Case and her daughter in this sad time of bereavement.

## GENERAL LEAVE TO EXTEND

Mr. REIFEL. Mr. Speaker, I ask unanimous consent that all Members who so desire may have 5 legislative days in which to extend their remarks in the RECORD on the life, character, and public service of Senator FRANCIS CASE of South Dakota.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. REIFEL. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

*Resolved*, That the House has heard with profound sorrow of the death of the Honorable FRANCIS CASE, a Senator of the United States from the State of South Dakota.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

*Resolved*, That a committee of two Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER pro tempore. The Chair appoints as members of the funeral committee the following Members of the House: Mr. BERRY and Mr. REIFEL.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

*Resolved*, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

## ADJOURNMENT

Accordingly (at 3 o'clock and 8 minutes p.m.) under its previous order, the House adjourned until Monday, June 25, 1962, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2217. A letter from the Assistant Secretary of the Interior, transmitting a report covering all tort claims paid by the Department of the Interior during the fiscal year 1961, pursuant to 28 U.S.C. 2673; to the Committee on the Judiciary.

2218. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to repeal section 557 and to amend section 559 of the act entitled 'An act to establish a code of law for the District of Columbia,' approved March 3, 1901"; to the Committee on the District of Columbia.

2219. A letter from the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend sections 281 and 344 of the Immigration and Nationality Act"; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Missouri: Committee on House Administration. House Joint Resolution 722. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress; without amendment (Rept. No. 1891). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. S. 3266. An act to amend section 2 of the act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes," approved March 3, 1925, as amended (2 U.S.C. 158), relating to deposits with the Treasurer of the United States of gifts and bequests to the Library of Congress and to raise the statutory limitation provided for in that section; without amendment (Rept. No. 1892). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8738. A bill to amend sections 1 and 5b of chapter V of the Life Insurance Act for the District of Columbia; with amendment (Rept. No. 1894). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 9441. A bill to exempt life insurance companies from the act of February 4, 1913, regulating loaning of money on securities in the District of Columbia; with amendment (Rept. No. 1895). Referred to the House Calendar.

**Mr. McMILLAN:** Committee on the District of Columbia. S. 1834. An act to further amend the act of August 7, 1946 (60 Stat. 896), as amended, by providing for an increase in the authorization funds to be granted for the construction of hospital facilities in the District of Columbia; by extending the time in which grants may be made; and for other purposes; without amendment (Rept. No. 1896). Referred to the Committee of the Whole House on the State of the Union.

**Mr. McMILLAN:** Committee on the District of Columbia. H.R. 9954. A bill to amend the act of June 6, 1924, chapter 270 (43 Stat. 463), relating to the National Capital Park and Planning Commission, as amended by the National Capital Planning Act of 1952 (66 Stat. 781; 40 U.S.C. 71); with amendment (Rept. No. 1897). Referred to the Committe of the Whole House on the State of the Union.

**Mr. DAWSON:** Committee on Government Operations. Seventeenth report on availability of information from Federal agencies; without amendment (Rept. No. 1898). Referred to the Committee of the Whole House on the State of the Union.

**Mr. SISK:** Committee on Rules. House Resolution 707. Resolution for consideration of H.R. 11309, a bill to provide for continuation of authority for regulation of exports, and for other purposes; without amendment (Rept. No. 1903). Referred to the House Calendar.

**Mr. BOLLING:** Committee on Rules. House Resolution 708. Resolution for consideration of H.R. 11500, a bill to extend the Defense Production Act of 1950, as amended, and for other purposes; without amendment (Rept. No. 1904). Referred to the House Calendar.

**Mr. TRIMBLE:** Committee on Rules. House Resolution 709. Resolution for consideration of H.R. 11654, a bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; without amendment (Rept. No. 1905). Referred to the House Calendar.

**Mr. NATCHER:** Committee on Appropriations. H.R. 12276. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes; without amendment (Rept. No. 1906). Referred to the Committee of the Whole House on the State of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

**Mr. McMILLAN:** Committee on the District of Columbia. S. 3063. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia; without amendment (Rept. No. 1893). Referred to the Committee of the Whole House.

**Mr. CHELF:** Committee on the Judiciary. H.R. 2176. A bill for the relief of Mr. and Mrs. Salvatore Mortelliti and son, Antonio Mortelliti; with amendment (Rept. No. 1899). Referred to the Committee of the Whole House.

**Mr. POFF:** Committee on the Judiciary. H.R. 3127. A bill for the relief of Amrik S. Warich; without amendment (Rept. No. 1900). Referred to the Committee of the Whole House.

**Mr. FEIGHAN:** Committee on the Judiciary. H.R. 4954. A bill for the relief of Mirhan Gazarian; with amendment (Rept. No. 1901). Referred to the Committee of the Whole House.

**Mr. MOORE:** Committee on the Judiciary. H.R. 11127. A bill for the relief of Ernst Haeusserman; with amendment (Rept. No. 1902). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 12265. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. COOLEY:

H.R. 12266. A bill to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes; to the Committee on Agriculture.

By Mr. HALPERN:

H.R. 12267. A bill to provide civil remedies to persons damaged by unfair commercial activities in or affecting commerce; to the Committee on Interstate and Foreign Commerce.

H.R. 12268. A bill to increase the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness) from $600 to $900; to the Committee on Ways and Means.

By Mr. TUPPER:

H.R. 12269. A bill to provide health insurance benefits for aged individuals under the old-age, survivors, and disability insurance program, either in the form of payment for hospital services, skilled nursing home services, and home health services or in the form of payment for private health insurance benefits at the option of such individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. NATCHER:

H.R. 12276. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1963, and for other purposes.

By Mr. KITCHIN:

H. Res. 704. Resolution to provide further funds for the expenses of the investigation and study authorized by House Resolution 403; to the Committee on House Administration.

By Mr. MURRAY:

H. Res. 705. Resolution to provide additional funds for the expenses of the investigations and studies authorized by House Resolution 75 of the 87th Congress; to the Committee on House Administration.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 12270. A bill for the relief of Dr. Soonduk Park; to the Committee on the Judiciary.

H.R. 12271. A bill for the relief of Jose M. Angueira Francis; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 12272. A bill for the relief of Dr. May Wing-Kim Lee; to the Committee on the Judiciary.

By Mr. MAGNUSON:

H.R. 12273. A bill for the relief of Arthur Mills; to the Committee on the Judiciary.

By Mr. RYAN of New York:

H.R. 12274. A bill for the relief of Esperanza Usana Bernabe; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H.R. 12275. A bill for the relief of Yee Nging-Foo (also known as Lee Mun-Wah and Wally Yee); to the Committee on the Judiciary.

By Mr. BAILEY:

H. Res. 710. Resolution providing for sending the bill (H.R. 12127) for the relief of the survivors of Justin E. Burton, together with accompanying papers, to the Court of Claims; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

367. By Mr. JENSEN: Petition of James L. Smalley, Post Commander and Carroll Hayes, Post Adjutant, the Atlantic AMVETS Post No. 1, Atlantic, Iowa; to the Committee on Un-American Activities.

368. By the SPEAKER: Petition of Arthur A. Rodondi, city clerk, South San Francisco, Calif., relative to Federal income taxation of the interest derived from public bonds; to the Committee on the Judiciary.

# SENATE

### FRIDAY, JUNE 22, 1962

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

Rt. Rev. Msgr. Daniel E. Sheehan, chancellor, archdiocese of Omaha, Omaha, Nebr., offered the following prayer:

O God, whose mercies are without number, and the treasure of whose goodness is infinite, we beg Your divine guidance in all our deliberations. May we proceed with charity and justice in our hearts, so that all our undertakings will begin in Your name, for it is only when a work is begun in Your name that it can be happily concluded.

Keep us in mind this day; and while we may become so busy that we forget You, please do not forget us. Evermore beseeching Your clemency, we ask that as You grant the petitions of those who ask of You, never forsake us, but grant us the courage in these ominous times to seek diligently and to obtain, with Your help, a strength and a propriety that ward off evil, and a peace which You alone can give. Amen.

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 21, 1962, was dispensed with.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

## EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Sudan, which was referred to the Committee on Foreign Relations.

## MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1745) to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia, and it was signed by the Vice President.

## LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, let me state that it is contemplated that the Senate will be in session today for a very short period.

At this time I should like to state that, with the concurrence of my colleagues, we expect that at the conclusion of the session today the Senate will adjourn to meet at 10 o'clock a.m. tomorrow.

## AUTHORIZATION FOR FINANCE COMMITTEE TO FILE REPORT ON TAX EXTENSION BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Finance Committee be permitted to file its report on H.R. 11879, the tax-extension bill, notwithstanding the adjournment of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

## ADDITIONAL COSPONSORS FOR SENATE BILL 3457

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Minnesota [Mr. McCarthy], I ask unanimous consent that Senate bill 3457 be allowed to lie on the desk until the close of business on Monday, June 25, so that additional Senators may have an opportunity to join in sponsoring the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

## DEATH OF SENATOR FRANCIS CASE, OF SOUTH DAKOTA

Mr. MUNDT. Mr. President, it is my very sad and most unhappy duty to inform the Senate of the death of my colleague, the Honorable Francis Case, the junior Senator from South Dakota.

Senator Francis Case passed away this morning at the Bethesda Naval Hospital, at Bethesda, Md. All of us were aware of his recent illness, but we had high hopes that he would regain his health and would continue to be with us. He appeared to be making a most welcome recovery. His death is a great loss to the State of South Dakota and to the Nation.

During his lifetime, Senator Case held many positions of honor and trust on behalf of the people of our State. The people of South Dakota honored and respected him for his ability, his courage, and his integrity. No one ever needed be in doubt as to where Senator Francis Case stood on any issue.

During his service in the U.S. Senate, Senator Case won the admiration and the respect of Members on both sides of the aisle. He will be sadly missed in this body.

Mrs. Mundt and I extend our sincerest and deepest sympathy to Mrs. Case, their daughter Jane, their granddaughter Catherine, and other members of the family.

Mr. President, at this time I should like to read into the Record a short biography of Senator Case:

Francis Case, Republican, of Custer, S. Dak.; born December 9, 1896; former newspaper editor and publisher; operator of a ranch in the Black Hills; B.A., Dakota Wesleyan University, 1918; M.A., Northwestern University, 1920; L.H.D., South Dakota School of Mines and Technology; married Myrle Graves in 1926; children, Jane Marie, 1935; Francis H., Jr. (deceased), 1945; granddaughter, Catherine; served in U.S. Marine Corps, World War I; State regent of education, 1931–33; elected to House of Representatives from Second District of South Dakota in 1936, and served seven consecutive terms; elected to U.S. Senate in 1950, and reelected in 1956; House record includes: Case-Wheeler Water Conservation Act, 1937, and 1940; Renegotiation of Excess War Profits, 1942; Government Corporations Control Act—joint sponsor—1945; United Nations Invitation to United States, 1945; Case bill, labor relations, vetoed, 1946; Synthetic Liquid Fuels Act, 1948; and active in behalf of appropriations to implement 70-group Air Force; member House Committee on Appropriations, 1939–51; House Select Committee on Foreign Aid, 1947–48, and Joint Congressional Aviation Policy, 80th Congress; Armed Services; member, Senate Committee on Public Works and ex officio member of Appropriations Committee from Armed Services for Defense appropriation bill and from Public Works for rivers and harbors appropriations bill; Senate record includes: legislation for weather research, cloud modification, desalination of water, and various amendments to highway acts; also introduced first legislation to dispose of surplus farm commodities for foreign currencies.

Mr. President, it has been arranged with the leadership of the Senate to set aside a time at a later date when Senators may deliver their eulogies in memory of our late colleague, Senator Francis Case, of South Dakota.

At this time, I send to the desk a resolution relating to the death of Senator Case. The majority leader and the minority leader have some comments to make; and I ask that action on the resolution be deferred until they have spoken.

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, the United States and the State of South Dakota have lost a faithful and a dedicated servant in the person of our friend and colleague, Francis Case.

Like so many Members of this body, including the minority leader, the Senator from Illinois [Mr. Dirksen], and the colleague of Senator Case, the Senator from South Dakota [Mr. Mundt], I have served in both the House of Representatives and the Senate with this friend.

The death of this rancher, this newspaperman, but, above all, this statesman, has left a void which it will be hard to fill by his State, his country, and his party.

To say that I am shocked and distressed is greatly to understate my personal feeling, because I had great confidence in Senator Case, and his integrity was never questioned.

Let me add that the many contributions Senator Case made to the betterment of his State, our country, and the free world, will be remembered by all of us who have served with him and by all those who elected him to his exalted position.

On behalf of Mrs. Mansfield and myself, I extend our deepest sympathy to Mrs. Case, to their daughter Jane, and to the other members of their family.

Senator Case will be greatly missed, because he made so many important contributions.

May his soul rest in peace.

Mr. MUNDT. Mr. President, I deeply appreciate the comments of the distinguished majority leader, for whom our late colleague, Senator Case, has many, many times expressed to me profound admiration, respect, and affection.

Mr. DIRKSEN. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, sometimes the term "faithful servant" is rather widely used. If ever the tribute could be correctly used in referring to anyone with whom I have served in public life, certainly it could well be said of FRANCIS CASE: "Well done, thou good and faithful servant; enter into the joy of thy Lord."

Mr. President, it was my privilege to serve with FRANCIS CASE for six of the seven terms he served in the House of Representatives; and during that time there was laid the foundation of a deep and enduring friendship. Furthermore, in 1950 both of us became Members of the U.S. Senate; and that friendship continued to ripen into one of a Gibraltar-like quality.

I had a great affection for him; and I felt singularly honored when, last September, I was invited to go to Mitchell, S. Dak., to help initiate his campaign for 1962. It was one of the great, outstanding meetings ever held in the great, far-flung State of South Dakota. Present were all the living Governors of the State—and there are many of them; and all rose to pay testimony to the services of FRANCIS CASE.

FRANCIS CASE could well be described, I think, as a living profile in courage, in conviction, and in devotion to freedom; and he will be sorely missed.

FRANCIS CASE had a brilliant mind which was remarkably capacious, particularly for detail, and, for analytical ability, was one of the greatest I have ever encountered.

So today I say farewell to a friend. We shall sorely miss him. My sympathy and that of the family go to Mrs. Case and to their child and grandchild.

Mr. MUNDT. Mr. President, I am very grateful for the very eloquent and meaningful remarks of the distinguished minority leader. Senator FRANCIS CASE and I served together for 24 years in the House and Senate as colleagues, as teammates, and as friends. While on occasion we had differences of opinion, I never once had a serious disagreement or argument with my beloved colleague. This is indeed a sad day for us all.

I call up the resolution which I have sent to the desk.

The VICE PRESIDENT. The resolution will be read by the clerk.

The Chief Clerk read the resolution (S. Res. 352), as follows:

*Resolved,* That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. FRANCIS CASE, late a Senator from the State of South Dakota.

*Resolved,* That a committee of Senators be appointed by the President of the Senate to attend the funeral of the deceased.

*Resolved,* That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The resolution was unanimously agreed to.

### ADJOURNMENT

Mr. MUNDT. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate adjourn until 10 o'clock a.m. tomorrow.

The motion was unanimously agreed to; and (at 12 o'clock and 13 minutes p.m.) the Senate adjourned until tomorrow, Saturday, June 23, 1962, at 10 o'clock a.m.

### NOMINATION

Executive nomination received by the Senate June 22, 1962:

DIPLOMATIC AND FOREIGN SERVICE

William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of the Sudan.

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# EXTENSIONS OF REMARKS

## Soviet Anti-Semitism

EXTENSION OF REMARKS

OF

## HON. STEVEN B. DEROUNIAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 22, 1962*

Mr. DEROUNIAN. Mr. Speaker, following today's news of the most recent violations against the Jews by the Soviet Union, I wired President Kennedy as follows:

THE PRESIDENT,
*The White House, Washington, D.C.:*

According to this morning's papers new, violent Soviet anti-Semitism is taking place in Russia with merciless destruction of synagogues, the use of bombs, and actual killing of human beings. This is so reprehensible that it needs no further explanation. Are we to witness another pogrom reminiscent of Hitler? This shocking persecution of a religious people and desecration of places of worship must be stopped immediately. I respectfully request you take the necessary steps, immediately, to apprise the Soviet Union of our abhorrence of its atrocious demonstrations.

STEVEN B. DEROUNIAN,
*Member of Congress.*

The following is the newspaper account of the violence, as it appeared in today's New York Herald Tribune:

NEW, VIOLENT SOVIET ANTI-SEMITISM: TORCH TO SYNAGOGUE, BOMB, DEATH

(By Martin G. Berck)

A new pall of terror hangs over Russia's Jewish community of 3 million.

From large metropolitan centers to remote villages in the Caucasus and central Asia, there is a grave, fresh element of concern for Soviet Jewry. It is fear of vandalism, violence and pogroms.

The wave of fear is reinforced by a series of incidents, the details of which have not previously come out through the Iron Curtain. While not necessarily prescribed or encouraged by Soviet authorities, violence is seen as the consequence of the prominent role assigned to Jews in a far-reaching Kremlin campaign against so-called economic crimes.

In its impact on the Soviet masses—pressed by new belt-tightening measures—this campaign transcends by far Russia's unremitting attack on Jewish religious and cultural institutions. It even outweighs a recent allegation in the Soviet press that synagogues are centers of espionage and subversion.

It is in this context that authoritative sources disclosed to the New York Herald Tribune that:

Between 10 days and 2 weeks ago, a bomb exploded in front of the synagogue in Kutaisi, a town in the Soviet Republic of Georgia. The front of the building was damaged. Local authorities removed two other bombs planted in the synagogue.

Earlier last month, in another Georgian town, Tskhakaya, a synagogue was heavily damaged by fire, believed the result of arson. Traces of gasoline were found. The roof was totally destroyed. Religious objects—including 13 parchment Torahs (scrolls of the Mosaic law), prayer shawls and prayer books—were burned. A tourist who happened to be on the scene photographed these and smuggled the pictures out of the country.

The Torah scrolls are revered so much by Jews that when they in time wear out and can no longer be used for prayer and study, they are not destroyed. Instead, the scrolls of the law are buried in a cemetery.

In Moscow, an elderly Jewish couple was slain in an ax murder by a street assailant. They were identified as F. M. Tunis and his wife, N. A. Tunis. An item to this effect was printed in the May 11 edition of Izvestia, the official government organ. Subsequently, the newspaper reported that the assailant was arrested, tried and sentenced to death. No hint was given of any anti-Semitic aspects of the case. But stories of several similar attacks have gained currency among Moscow's Jewish community.

Specialists on Soviet anti-Semitism see a direct connection between the synagogue desecration in Georgia and the economic crackdown spotlighting Jews as alleged blackmarketeers, speculators, currency manipulators and pilferers.

EXECUTED FOR EMBEZZLING

In Kutaisi, a Jewish defendant, A. F. Kleimanov, was arrested on charges of embezzling state property. After a show trial attended by workers and students brought by the truckload, he was sentenced to death by the supreme court of the Georgian S.S.R. The provincial newspaper, Zaria Vestoka, carried notice of his execution on March 17.

In Tiflis, capital of Georgia, an even bigger show trial was accorded another Jew, Mordekh Abramovich Kakiashvili, on charges of currency speculation. Notice of his execution was carried in the paper the same day.

This, in part, is how Zaria Vestoka under a heading, "The end of the pack of wolves," described the Kakiashvili case during his trial last winter:

"And thus, an end has been brought to them. Relegated to the past are the voyages throughout the country's towns, the meetings in private flats. The tinkle of gold and the rustle of banknotes have died down, the luster of diamonds grown dim. Their way has been logically ended, bringing them to the harsh bench in the courtroom. But they had known other days.

"* * * from Moscow, Leningrad, Riga, and Erevan, gold coins of czarist coinage, dollars, pounds sterling, and Turkish liras followed to Mordekh Kakiashvili. And from his tenacious hands, Kakiashvili released them only with substantial profit, robbing his partners and accomplices. * * * Even the religious books of the Torah have been used by several of them as depositories of foreign paper money."

In the pattern of such articles, no specific reference is made of the Jewish identity of the defendant. But the point is established by indirection and the idea of a Jewish conspiracy with international connections is suggested.

Kleimanov and Kakiashvili are among at least five Jews who have been executed on economic charges. At least 22 Jews are known among 40 Soviet citizens who have received death sentences. Prison terms have been given to between 100 and 150 Soviet nationals, of whom a majority are known to be Jews.

### SPECIAL TREATMENT

It is inconceivable to Soviet specialists here that Jews, who constitute slightly more than 1 percent of Russia's population, could cast such a large shadow on Soviet economic life unless the regime decided to single them out for special treatment.

There is no doubt that such a decision was made, and in the view of experts, it serves these purposes:

Popular disgruntlement with new guns-instead-of-butter austerity measures can be blunted if the Jews can be blamed for siphoning off Soviet resources. This recalls the political uses of pogroms during czarist days.

Heightened distrust by Gentiles and fear among Jews serves to further an earlier Soviet objective: To destroy Jewish communal links in hopes of atomizing the Jewish community, politically suspect because of its tie with the West and with Israel.

### ASHEN FRAGMENT OF TORAH

A translation of a fragment of the Torah (the lower part burned in the fire):

"And this will be a sign upon thy hand, and they shall be for frontlets between thine eyes, that ye remember that God brought thee out of Egypt with a strong hand, and that thou shalt keep this commandment forever.

"God will bring thee to the land of Canaan, the land promised to thee and thy fathers, and thou shalt pass into the length and breadth of the land."

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## Dr. Dorothy Cannon Lafferty

EXTENSION OF REMARKS

OF

### HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 22, 1962*

Mr. GIAIMO. Mr. Speaker, I should like to take this opportunity to bring to the attention of my colleagues and the American public, a signal honor which was conferred recently upon an exceptionally talented and lovely lady—my constituent, Dr. Dorothy Cannon Lafferty.

Dr. Lafferty is employed as a publications writer for the U.S. Information Agency. Her unique talents were recognized by USIA on June 19, 1962, when Dr. Lafferty was chosen to receive the Meritorious Service Award. The citation accompanying this award reads:

> For meritorious service and especially for outstanding accomplishment of assigned responsibilities with an exceptional record of achievement showing great versatility and skill as a writer in subjects ranging from education, space, science, and literature to international politics.

I join Dr. Lafferty's many friends and coworkers in congratulating her and wishing her continued success.

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## New Farm Legislation Still Needed

EXTENSION OF REMARKS

OF

### HON. BURR P. HARRISON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 22, 1962*

Mr. HARRISON of Virginia. Mr. Speaker, as one who concluded, in the closing hours of debate yesterday, to vote to recommit to committee the farm bill, I wish to express the opinion that the action of the House does not mean that sound legislation cannot and should not be passed at this session of the Congress.

I have always opposed, and still do oppose, Government price support for agricultural commodities. Nevertheless, I recognize the validity of the basic principle of this measure that, if prices are to be supported, production must be controlled.

But I do not think it is either just or necessary that the production of livestock should be subjected to ironclad Government control and regimentation in the guise of the control of production of grain.

An analysis of the group of Democrats voting to recommit this bill clearly reveals that this feature of it was a decisive influence in the measure's defeat.

Yet, when the House was considering the Abernethy amendment which dealt with this subject and was so vital to so many of us, debate was cut off, and many Members representing livestock districts were limited to 1½ minutes within which to express their views.

It may well be true that the verbiage of the Abernethy amendment could be improved so as to protect against abuse, but I believe a measure that carries out its fundamental purpose would pass the House.

It would also seem to me advisable that, on another attempt, the committee present the House with a measure that need not be rewritten on the floor. No person could evaluate intelligently the overall results of a bill containing over 30 amendments adopted on the floor. Equally bad was the fact that, in the rush to force a vote last night, debate was closed, and 15 or 20 Members were denied the opportunity to explain the purpose of serious amendments to a bill which already had been practically rewritten.

Finally, I want to earnestly disagree with the criticism and abuse of Secretary of Agriculture Freeman. Mr. Freeman was kind enough to go over with me the provisions of the bill as reported by the committee. I was much impressed with his capacity and sincerity of purpose and the very earnest efforts he is making to protect the public treasury from a scandalous situation in agriculture for which he is not responsible.

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## Address by Congressman D. R. (Billy) Matthews, Eighth District, Florida, Dedication of Izaak Walton League Building, Waltonian Acres, York, Pa., Sunday, June 17, 1962

EXTENSION OF REMARKS

OF

### HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 22, 1962*

Mr. GOODLING. Mr. Speaker, on Sunday, June 17, 1962, the dreams and aspirations of the membership of the York Chapter, Izaak Walton League of America, became a reality.

Founded in 1926, this chapter has grown and is now the largest in Pennsylvania. For many years meetings were held at varying places. A farm was purchased and a makeshift meeting room was fashioned from an existing building.

Immediately upon the purchase of the farm an outdoor improvement project was planned. Traps were installed and a suitable service house was constructed. Rifle and archery ranges were built. Bulldozers fashioned a lake which has since furnished fishing pleasure for countless numbers in season, and skating in winter. Swings and various playground equipment were installed for the younger members. A beautiful, well-kept meadow has ample room for games of every description. Fireplaces and tables furnish excellent facilities for family picnics.

The big project in the minds of all was a clubhouse. Fortunately, the founding fathers did some sound thinking which might well be emulated by many in Government today. No debt was to be incurred. Everything had to be on a pay-as-you-go basis. Sunday the building committee turned over to the membership, debt free, a building which would have cost $35,000 to $40,000 to construct. Fortunately, practically all labor was donated by members and the cost was greatly reduced.

The highlight of the occasion was the dedicatory speech of Congressman MATTHEWS, of Florida. His remarks, which follow, apply not only to the York Chapter, Izaak Walton League of America, but to every group and every individual interested in conserving our natural resources:

ADDRESS BY CONGRESSMAN D. R. (BILLY) MATTHEWS, EIGHTH DISTRICT, FLORIDA, DEDICATION OF IZAAK WALTON LEAGUE BUILDING, WALTONIAN ACRES, YORK, PA., SUNDAY, JUNE 17, 1962

Congressman GOODLING, honored guests, ladies and gentlemen, we are gathered here today to dedicate this building as testimony to the enduring worth of purpose and accomplishment, past, present, and future, of the Izaak Walton League of America.

I am delighted to participate in this great occasion which is truly a bipartisan participation. Good Democrats and good Republicans are gathered together here because we have a united interest in conservation. The splendid soloist and band a few minutes ago rendered "God Bless America," and if the time ever comes when both of our political parties fail to unite in a common purpose to achieve such a great objective as the conservation of our natural resources in America, we might well be singing God help America.

Izaak Walton lived from 1593 until 1683, and we turn to the simple and quiet pastoral prose of this happy old man for comfort in a modern age. Izaak Walton was apprenticed to an ironmonger in London and became a freeman of that company in 1618. In spite of his vocation his inclinations seem always to have been literary. He knew both Donne and Jonson, and was acquainted with other poets. He was a Royalist by sympathy, but since he was half a century old when the Great Rebellion broke out, he does not seem to have taken sides very actively with either party. It is characteristic of this quiet man that after the execution of the king, during the years in which Cromwell and his Parliaments were struggling to establish a stable government, Izaak Walton was peacefully writing about fish. To the feverish contestants he gave only one admonition, apparently: love virtue, trust in providence, be quiet, and go a-angling. It was his own peaceful creed.

Upon retirement, I know of no finer admonition that we can follow.

Walton was a rather prolific writer and he expressed his literary ability first in a biography of Donne; then he added biographies of Sir Henry Wotton, Richard Hooker, George Herbert, and Robert Sanderson. But his best work was his fisherman's classic, "The Compleat Angler." This charming mixture of learning and wisdom is built on the framework of 5 days of fishing and quiet conference between the fisherman, the hunter, and the falconer. These three country sports are represented, but the fisherman leads the others and in the end converts them to his quiet form of recreation. The style of "The Compleat Angler" is quiet, natural, simple, naive, childlike. It harmonizes with the subject matter, fishing, and the country background of peaceful meadows, quiet streams, singing milkmaids, and brook fish breaking the water to snap at the fisherman's flies. Walton has been called the prose poet of the English countryside, and the epithet exactly suits him. Small wonder that he lived to the age of 90.

As a beautiful example of restful prose, may I quote from "The Compleat Angler," by Izaak Walton: "Look, under that broad beech tree I sat down, when I was last this way a-fishing; and the birds in the adjoining grove seemed to have a friendly contention with an echo, whose dead voice seemed to live in a hollow tree near to the brow of that primrose hill. There I sat viewing the silver streams glide silently towards their center, the tempestuous sea; yet sometimes opposed by rugged roots and pebble stones, which broke their waves, and turned them into foam; and sometimes I beguiled time by viewing the harmless lambs; some leaping securely in the cool shade, whilst others sported themselves in the cheerful sun; and saw others craving comfort from the swollen udders of their bleating dams. As I thus sat, these and other sights had so fully possest my soul with content, that I thought, as the poet has happily exprest it:

"'I was for that time lifted above earth;
And possest joys not promised in my birth.'"

Over 40 years ago, on January 14, 1922, to be exact, a group of 54 sport fishermen met in Chicago, Ill., to establish a purposeful organization—this is considered the founding day of your league which by its name memorializes that revered philosopher and lover of nature—Izaak Walton. Like its namesake and his noted work, "The Compleat Angler" published in 1653, the league endures in purpose and accomplishment, and a current membership of 60,000 members bears witness to this fact. The 54 farsighted founders of your organization were drawn together in the belief that the sport fishing resource was endangered to such extent that the continuance of its very environment was at stake. From this mutual conservation rallying point the league has moved to develop sound policies dedicated to the defense of our Nation's soil, woods, waters, and wildlife resources.

As league membership has grown far beyond that of the days of its founding, so, also, have the interests of this membership, and, in consequence, the influence of the league itself. Mutual enthusiasm for preserving sport fishing and the environment of such fisheries which served to bring the league's charter members together in common interest has since developed and spread into broadly based interests covering the full scope of natural resource conservation, administration and management.

I do not know of any more important objective than that of the conservation of our natural resources. One of the great reasons our Republic has reached greatness is that a divine providence granted us navigable streams, clear, sweet waters, and thousands of miles of watery fairyland throughout our country. And yet through the years, no country in recent time has so ruthlessly exploited its resources and polluted its streams as has our own. The league has worked doggedly and effectively to influence and motivate progress for the preserving, rebuilding and proper utilization of our natural resources over the decades of its existence.

In this modern day of ours, there is no more demanding necessity than areas where the minds of men can find peace in fishing, hunting, hiking, and in just the simple enjoyment of the quiet contemplation of nature in all of its glory.

Historians tell us that civilizations have fallen in the past because of many reasons. Certainly, three of the most important reasons are: First, they have forgotten things of the spirit and have turned entirely to things of the material life. Then, in the second place, all civilizations that have fallen in the past have done so because they tried to solve the same old problems with the same old solutions. They did not have the spirit of research and inquiry that would lead to proper adaptation to the environment.

The third reason that civilizations have fallen is because of the exploitation and misuse of their natural resources, and in particular, the land. When Romans, for example, left the land where they made bread and went to the city where they baked bread—Rome was not far from its fall. So I say to you—you have a very historic mission and that is to help save the natural resources of America.

It is not necessary for me to remind you of the league's resolutions of 1962. You have resolved yourself in favor of preserving the natural elements of our national parks and national monuments; you want to see the establishment of shoreline and other national recreation areas; you want to acquire wetland areas to preserve our migratory bird heritage; you want our wilderness preserved insofar as possible; you want further lands acquired within the boundaries of the Superior National Forest; you want proper public access to public waters; you want Federal lands more available for recreational potentials and retained for recreational development purposes; you've endorsed the principle of multiple-use activities on lands falling within the small-woodlands category serviced by programs carried out by the Federal and State forest services; you do not want off-highway travel by wheeled vehicles on public and private lands; you have rededicated yourself again to achieve the goal of unpolluted, clean waters to provide the American people with clean water whether in streams, rivers, ponds, lakes or coastal waters.

Many times in Washington, I have stood on the banks of the Potomac and viewed with shame this mighty river, whose waters were once so sweet, and now so foul that not only is drinking of the water inconceivable, but bathing in it would be a health hazard.

Thanks, however, to your consecrated efforts and the efforts of thousands of others like you in America, our waters are again becoming clean. We are making great progress in the conservation of our natural resources. I know of no finer tribute to pay to you than that which was paid by Herbert Hoover, who has been an honorary president of the league since 1926, when he said: "The Izaak Walton League has become the greatest force in the country for the protection and development of opportunities for outdoor life. As our people increase in numbers and in leisure we must have stimulation to health, and above all the moral value that comes from association with nature. Every member of the league is a further soldier in our ranks, fighting an organized battle for this vital thing in the Nation."

In conclusion, I would propose that this fine building at Waltonian Acres be dedicated to the end that the league undertake to bring about a unity of purpose among all conservationists—the unity of purpose required in our time to hand down the beauty and natural wealth of our land in as undiminished a state as may be possible to those who succeed us. By mobilizing a unified private effort through your leadership, much more can be done than would otherwise be the case to perpetuate a truly American environment—one containing open spaces of fine, green country, where clean, fresh water, wildlife, and natural beauty may abound to the enduring benefit of our increasingly urbanized population.

## Questionnaire Results

EXTENSION OF REMARKS
OF
### HON. HERMAN TOLL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
*Friday, June 22, 1962*

Mr. TOLL. Mr. Speaker, this week I announced the results of a poll included in my April newsletter, which contained 20 questions on current bills pending in this Congress. The mailing went to approximately 50,000 constituents by the postal patron method and over 3,000 replies have been tabulated so far.

The administration trade bill received a favorable vote of more than 66 percent. Votes for the United Nations loan bill reached over 62 percent. The bill on medical care for the aged under social security received 75 percent in favor. President Kennedy's decision in the nuclear testing field was supported by slightly over 84 percent. However, more than 65 percent did not favor Federal fallout shelters for nonprofit groups for 50 or more persons.

Because I thought the questions and results would be of interest to the Members, I have included them below:

| | Percent | | |
|---|---|---|---|
| | Yes | No | No opinion |
| Do you favor— | | | |
| 1. H R. 9900, which authorizes the President to reduce tariffs by 50 percent, generally, to abolish tariffs on certain goods and to provide Government assistance to U.S. industries and workers affected by increased imports? | 66. 1 | 24. 9 | 9. 0 |
| 2. H.R. 9982, which authorizes the President to lend up to $100,000,000 to the United Nations? | 62. 3 | 32. 7 | 5. 0 |
| 3. S. 2996, which authorizes appropriation of $4,878,500,000 for military and economic foreign aid? | 55. 3 | 33. 9 | 10. 8 |
| 4. S.J. Res. 29, constitutional amendment abolishing the poll tax as a requirement for voting in national elections? | 85. 0 | 10. 7 | 4. 3 |
| 5. H.R. 10034, which prevents discriminatory use of literacy tests as a requirement for voting by declaring all persons with a 6th-grade education literate for voting purposes? | 74. 5 | 19. 9 | 5. 6 |
| 6. H.R. 4222, which provides for payment of hospital, nursing home, and other medical costs of persons over 65 who are covered by social security? | 75. 0 | 22. 4 | 2. 6 |
| 7. H.R. 10682, which provides for a Youth Conservation Corps and other training programs and benefits to prepare unemployed youths for skilled jobs? | 87. 4 | 10. 0 | 2. 6 |
| 8. H.R. 10262, which authorizes Federal payments to nonprofit groups for the construction of approved public fallout shelters for 50 or more persons? | 24. 7 | 65. 2 | 10. 1 |
| 9. H.R. 10115, Communications Satellite Act of 1962, creating a privately owned corporation to launch and operate worldwide system of communication by relay satellites? | 47. 3 | 38. 1 | 14. 6 |
| 10. S. 174, which establishes a national wilderness preservation system by setting aside 6,800,000 acres in 44 States for recreational purposes? | 87. 9 | 6. 5 | 5. 6 |
| 11. H.R. 10185, which authorizes wiretaps of telephone lines in cases involving the national security and serious crimes? | 66. 5 | 25. 7 | 7. 8 |
| 12. H.R. 10113 which provides standby authority for the President to accelerate Federal public works programs in times of recession? | 78. 5 | 18. 2 | 3. 3 |
| 13. S. 162, which creates a Commission on Noxious and Obscene Matters and Materials to explore means of combating distribution of pornographic literature? | 77. 1 | 18. 3 | 4. 6 |
| 14. H.R. 10144, the Federal Equal Employment Opportunities Act, which prohibits discrimination in Federal employment because of race, religion, color, national origin, ancestry, or age? | 85. 1 | 10. 6 | 4. 3 |
| 15. President Kennedy's decision, for the security of our country, to resume nuclear testing in the atmosphere if the Soviet Union refuses to sign a test ban agreement with fool-proof guarantees for mutual inspection? | 84. 4 | 12. 6 | 3. 0 |
| 16. Tighter Federal controls over TV programing? | 47. 9 | 43. 2 | 8. 9 |
| 17. Federal aid for public elementary and high school construction? | 67. 1 | 29. 5 | 3. 4 |
| 18. Use of Federal funds to help improve teachers' salaries? | 52. 0 | 42. 7 | 5. 3 |
| 19. Use of Federal funds for long-term, interest-bearing loans to private schools for construction and renovation? | 49. 5 | 45. 6 | 4. 9 |
| 20. An income tax deduction for tuition payments, by a taxpayer for himself or his dependents, similar to religious or charitable contributions, in view of the importance of an educated citizenry to the security of our country? | 77. 8 | 19. 0 | 3. 2 |

## University of Oklahoma Honors Carl Albert

EXTENSION OF REMARKS

OF

## HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 22, 1962*

Mr. EDMONDSON. Mr. Speaker, annually at commencement the University of Oklahoma awards the distinguished service citation to a handful of men and women "who have made positive contributions to human progress through their devotion to enduring values, and their unselfish and sustained service to others." This spring the citation was presented to the Honorable CARL ALBERT, present majority leader of this body. Today, in recognition of the award and the man, the University of Oklahoma alumni are honoring Mr. ALBERT with a luncheon.

CARL ALBERT has served with distinction in many capacities and has performed with excellence in many activities. One activity in which he excels is public speaking. He first achieved recognition for oratory when he was in his teens. In 1927, as a high school senior, CARL ALBERT won first place in the fourth national oratorical contest. To win this contest, which was sponsored by metropolitan newspapers, CARL wrote and delivered an original 10-minute oration on the Constitution of the United States. While this address is recognizably that of an enthusiastic and idealistic young man, its spirit and its cogency are no less pertinent today than they were 35 years ago.

Mr. Speaker, following is the prize-winning oration which young CARL ALBERT delivered before President Calvin Coolidge and the U.S. Supreme Court on May 27, 1927:

THE CONSTITUTION

(By CARL ALBERT)

Our Constitution, in the course of its existence, has weathered many storms arising within and without our country. Today, a new attack against this memorable document comes from sunny Italy where there has arisen a strong dictator, Benito Mussolini, who boasts that the Fascisti system of government is not only the best in Europe but that it is even superior to that of the United States. Whether or not his boast is true as far as Europe is concerned we do not know.

But for this, our country, we can answer that notwithstanding the political and economic convulsions of 140 years, under the provisions of our Constitution and by virtue of our Constitution the American people are enjoying the blessings of the fullest degree of liberty and freedom and have attained a measure of material prosperity unequaled by any other nation.

The essential force which has wrought our country's great achievements under the Constitution arises out of the wisdom and forethought of our fathers in founding upon certain tried and well conceived principles this republican form of government, of, by, and for the people. By its form of government the Constitution places in the Central Government a degree of authority strong enough to cope with any national emergency and to preserve stability throughout the land though it has reserved to the States their rightful sovereignties.

Through its scheme of lawmaking, its methods of amendments, and its judicial interpretation, the Constitution has always been found sufficiently broad and elastic as to comprehend and justify every bit of progressive legislation necessary to meet the demands of a growing republic without a destruction of its framework.

To curb the dangers of irresponsible Government, the Constitutional Convention invented and incorporated within the fundamental chart a system of checks and balances. Under that system officials are rendered amendable to the people by periodic elections. By its power of impeachment Congress can check the arbitrary actions of the President. By his power of veto the President can halt unworthy congressional legislation; while the Supreme Court has power to forbid the enforcement of laws violating our beneficient guarantees. In its Bill of Rights the Constitution holds the rights of the individual and the minority to life, liberty, and property, to privacy of home, freedom of worship, and trial by jury inviolate. Under these principles during a century and a half no dictator has ever held sway over the United States. To the contrary, the blessings of liberty have been secured and the people have dictated the passage of every law by virtue of the sovereign power which never leaves their hands.

But great as the principles of our Constitution are, many of these principles have failed in other constitutions to accomplish their intended results though dedicated to similar purposes—though conceived in aspirations equally high.

It would seem, therefore, that the explanation for our success is found not only in the soundness of these principles but in the adaptability of these sound principles to the conduct and environment of the people of this fortunate land of ours—truly termed "the land of the free and the home of the brave." The spirit of independence coupled with the self-restraint that had grown out of the life of the American pioneer, the thorough endorsement by public opinion of the Bill of Rights and Magna Carta, principles bought by the blood of the followers of Washington became the soul and embodiment of the Constitution of the United States.

This Constitution, unlike most written constitutions, was not an instrument full of utopian promises built to encompass the people with an artificial framework. It was rather the result of the long and earnest deliberation of a duly selected and authorized group of practical statesmen—a machine with its ultimate source of energy and power in the people, constructed to operate effectively with the spirit and life of the Nation, adjusted to the thought and the behavior of the people, dedicated to the sublime purpose—the attainment of the needs and desires of the people.

In view of these facts it is no wonder that the people of the United States in their daily lives—the American boy and his teacher at school, the American mother with her little babe in the home, and that great body of American workers and producers as it lends its efforts to a nation's progress—all rest assured that the ultimate application of the law of the land will furnish an adequate defense and protection.

My fellow countrymen, if our achievements under the Constitution result from the exemplification of its great truths and principles in the lives and conduct of our people then if we intend to realize the boundless hopes before us we must keep ever aflame in the American heart the spirit and ideals of the patriot of '87. Through we rejoice in the knowledge that our Constitution has enabled us to make unprecedented material achievements yet we must never lose sight of the undeniable truth that the greatest heritage passed to us through this Constitution is the sacred guarantee of individual liberty and the right of the people to republican form of government.

Then lest we would sink to a pagan materialism let us revere, and protect this priceless heritage. Let us think the thoughts of those who built the nation. Then lest the wolves of faction force us to anarchy and civil decay let us be ever watchful of those who seek to change the Constitution at every turn of public passion. Sound progress must and will be made within the terms of this bulwark of our liberties. In this, our onward march, let there be no spirit of sluggish reaction but holding high the torch of patriotism in peace as in war we shall combat the insidious enemies of our unity and prosperity. With the bodyguard of commonsense and the weapon of reason let us flout and expose the false propaganda of those who seek to overthrow the priceless charter of our liberties. Then will our posterity be able to achieve the admitted possibilities of constitutional government. Then will "the mystic chords of memory stretching from every battlefield and patriot grave to every heart and hearthstone in this broad land still swell the chorus of union."

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## An Analysis of the Herlong-Baker Bills

EXTENSION OF REMARKS

OF

### HON. HOWARD H. BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 22, 1962*

Mr. BAKER. Mr. Speaker, under leave to extend my remarks in the Congressional Record I include therein an analysis of the Herlong-Baker bills (H.R. 2030 and H.R. 2031), prepared by the staff of the Committee on Ways and Means pursuant to requests for comments by various Members of Congress and other interested parties:

### The Herlong-Baker Bills, 87th Congress

Over the past several years, a great deal of interest has centered upon a series of approximately identical bills which provide substantial, scheduled tax reduction in all areas except excises. This legislation, which is currently commonly referred to as the Herlong-Baker bill, goes back to legislation introduced in the 86th Congress by Congressman Herlong (H.R. 3000) and Congressman Baker (H.R. 3001). The bills are broadly similar to bills introduced still earlier by Congressman Herlong and Congressman Sadlak.

In the present session, the bills of this type are: H.R. 2030, Congressman Herlong; H.R. 2031, Congressman Baker; H.R. 2200, Congressman Alger; H.R. 3535, Congressman Hall; H.R. 3726, Congressman Adair; H.R. 4007, Congressman Robison; H.R. 5529, Congressman Fisher; H.R. 6087, Congressman Frazier; H.R. 6482, Congressman Findley; H.R. 7136, Congressman Derounian; and H.R. 12088, Congressman MacGregor.

#### I. BRIEF DESCRIPTION

The bills provide for substantial reduction on a gradual basis in the rates of individual and corporate income tax, a gradual speedup in allowance of depreciation deductions, and immediately, a reduction in estate and gift taxes and a deferral of tax on capital gains which are reinvested in other capital assets.

#### II. DETAILED DESCRIPTION

##### *A. Individual income taxes*

The bills provide a schedule of reductions in individual income taxes. In the first surtax bracket, this reduction will be 25 percent (i.e., 5 percentage points, from 20 percent to 15 percent). In most of the higher brackets, the reduction in the rate is 50 percent. The rate changes are such that the percentage of reduction increases as income increases so that at an income of about $60,000, joint return, the total reduction is 50 percent and it remains close to 50 percent in higher brackets. The top surtax rate would be reduced 44 percentage points—from 91 percent to 47 percent.

Another way to describe the rate changes in the higher surtax brackets is to say that the progressive element in each rate, the part above the first bracket rate, is reduced on the average by 70 percent. The rate, for example, which is now 72 percent is 52 percentage points higher than the first bracket rate. Under the bills, it is reduced to 30 percent which is only 15 points above the new first bracket rate of 15 percent.

The bills provide that the individual rate reduction will take place in five nearly equal installments. Each installment after the first can be postponed by the President for a period up to 1 year. If one installment is postponed in this way, all of the subsequent installments are automatically postponed without reducing their own potential postponement of 1 year. The maximum postponement would stretch from 5 to 9 years, the period over which the full reduction would come into effect. The mechanics of the postponement are discussed below.

##### *B. Corporate income taxes*

The bills provide a 5-point reduction in the combined corporate tax, 52 to 47 percent. Three points would be taken off the corporate normal tax, now 30 percent, and two points would be taken off the corporate surtax, now 22 percent of income over $25,000. The corporate rate reduction is also scheduled over 5 years and by postponements could be stretched to 9 years. The normal tax reduction comes first.

##### *C. Depreciation revision*

The bills provide maximum useful lives of property for depreciation purposes for buildings of 30 years (now about 50 years), and for equipment broken into five broad categories ranging from 3 to 12 years (now lives go up to 33 years). The shorter lives would apply only to new property (not property now on hand and not used property). The reduction in useful lives shall apply only to the extent of one-fifth for property acquired in the first year, two-fifths for property acquired in the second year, etc., so as to be fully effective for property acquired in the fifth year after enactment and all succeeding years.

When property subject to the new faster depreciation is sold, any gain will be taxed as ordinary income except to the extent it exceeds original cost.

##### *D. Capital gains*

The capital gains change provided in the bill is the so-called rollover proposal. Capital gains will not be recognized (i.e., will not be taxable), to the extent that the proceeds from the assets sold are reinvested during the year in other capital assets. To the extent that gains are not recognized because of this rule, the basis of the assets acquired is reduced. To illustrate, assume A sold during the year, for $10,000, stock costing $5,000 and bought new stock for $9,000. A gain of $1,000 would be recognized and the new stock would be treated for tax purposes as having cost $5,000.

##### *E. Estate and gift taxes*

The bills provide a reduction in the estate and gift tax rates of approximately 40 percent. Gift tax rates now range from 2¼ to 57¾ percent, estate tax from 3 to 77 percent. The bills do not change the credit for State death taxes so that on medium and larger estates the net Federal estate tax would be reduced by about 50 percent.

##### *F. Procedure for postponement of individual and corporate rate reductions*

By November 15, if the President finds that the rate reductions scheduled for the following year would involve a budget deficit he could, by Executive order, postpone the reductions to July 1. In his budget message, he could recommend a further postponement to next January 1. Congress, by joint resolution before May 15, could require the reductions in the individual and/or corporate rates to come into effect July 1. In the absence of congressional action, the President can postpone the reduction to next January 1, if necessary to preserve budgetary balance. When a rate reduction has been postponed for a year, that rate cannot be further postponed, but all subsequent automatic reductions are set back 1 year.

#### III. BASIC ARGUMENTS FOR THE BILL

The supporters of the bill emphasize two basic arguments:

a. Forward Scheduling of Tax Reduction: The argument is made that under present circumstances with more or less fixed tax rates there is a tendency for the Government to anticipate revenues and devise expenditure programs to use up the money. It is claimed that if the Congress schedules rate reduction on a forward basis, the knowledge that not so much revenue will be available will force the holding down of expenditures to what is coming in.

b. Incentives: The argument is made that the pattern of rate reduction provided in the bill, by reducing the degree of progressivity in individual rates and by reducing business taxes, taxes on capital gains and on estates, will provide such a stimulus to economic growth that the revenue loss will be offset by the resultant growth of the tax base.

If the bills were enacted applicable to the calendar year 1962, the revenue impact would be approximately $3½ billion, just about the same as the increase in revenue due to the growth of the gross national product, the one offsetting the other if not appropriated by the Congress and spent by the executive departments.

Nearly 60 percent of the reduction would fall in taxable income brackets below $6,000 per year; only 6 percent in the brackets above $50,000 per year.

Since so many high Government officials and so many segments of our economy are discussing imminent tax reductions "across the board" and from "top to bottom," this would seem to be a propitious time for serious consideration and adoption of this method of substantial scheduled tax reduction.